



STONESOFT
Secure Information Flow

FW

**Interim Report
January-September 2009**

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23.10.2009 Helsinki

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Results for July - September 2009

- Net sales EUR 6.0 millions, +2% compared to the corresponding period in 2008 (5.9).
- StoneGate sales were EUR 3.2 millions, -3% compared to the corresponding period in 2008 (3.3).
- Operating profit (EBITA) of EUR 0.5 millions, a full million better than the result of the corresponding period in 2008 (-0.5).
- The operational cash flow -1.2 million, compared to -0.6 in the corresponding period in 2008. The cash flow was negatively impacted by longer than normal payment times in some large cases invoiced late June. The liquid assets totalled 5.5 millions at the end of the reporting period.

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Results for January - September 2009

- Net sales EUR 17.1 millions, -2% compared to the corresponding period in 2008 (17.5).
- StoneGate sales were EUR 9.0 millions, a decrease of 15% compared to the corresponding period in 2008 (10.5).
- Operating loss (EBITA) of EUR -1.1 millions, clearly better than the result of the corresponding period in 2008 (-2.1)
- The operational cash flow was -1.5 million, compared to -1.7 in the corresponding period in 2008.

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Highlights of the 3rd quarter 2009

- Positive EBIT in a very demanding environment
- Sales on last year's level, no longer declining like in H1
- Revival of US sales
- Introduction of high end appliances FW-5105 and IPS-6105

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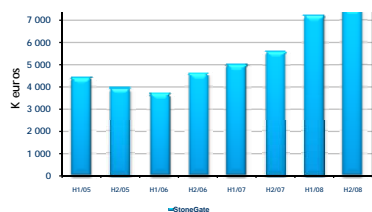
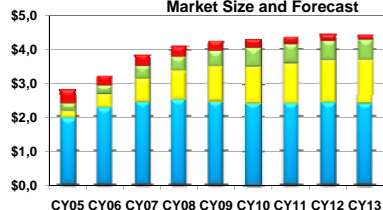
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Executive Summary

Network Security Appliances and Software
Market Size and Forecast



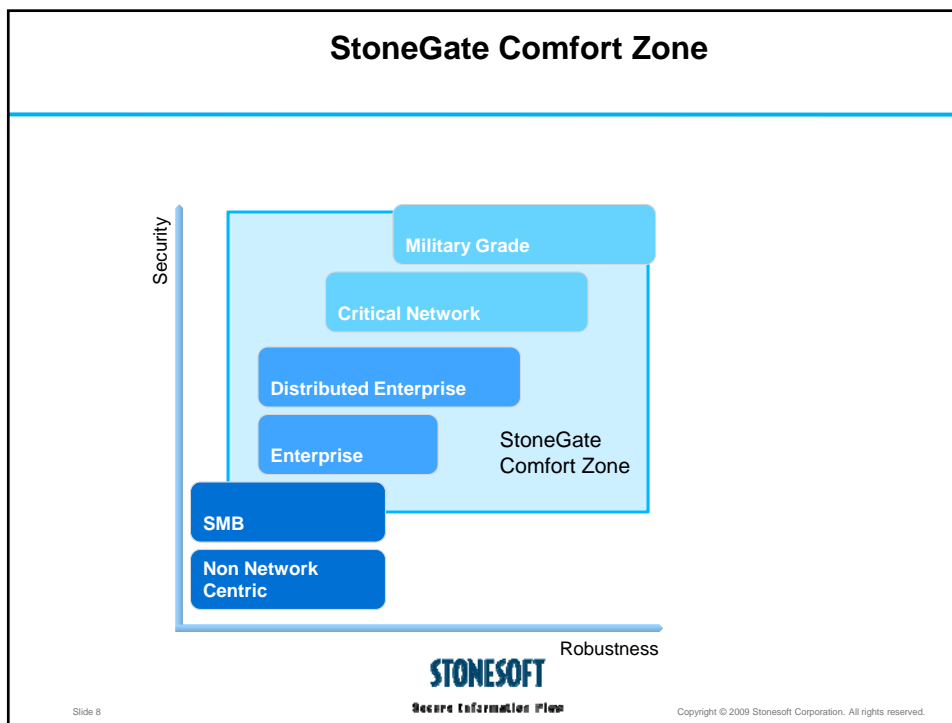
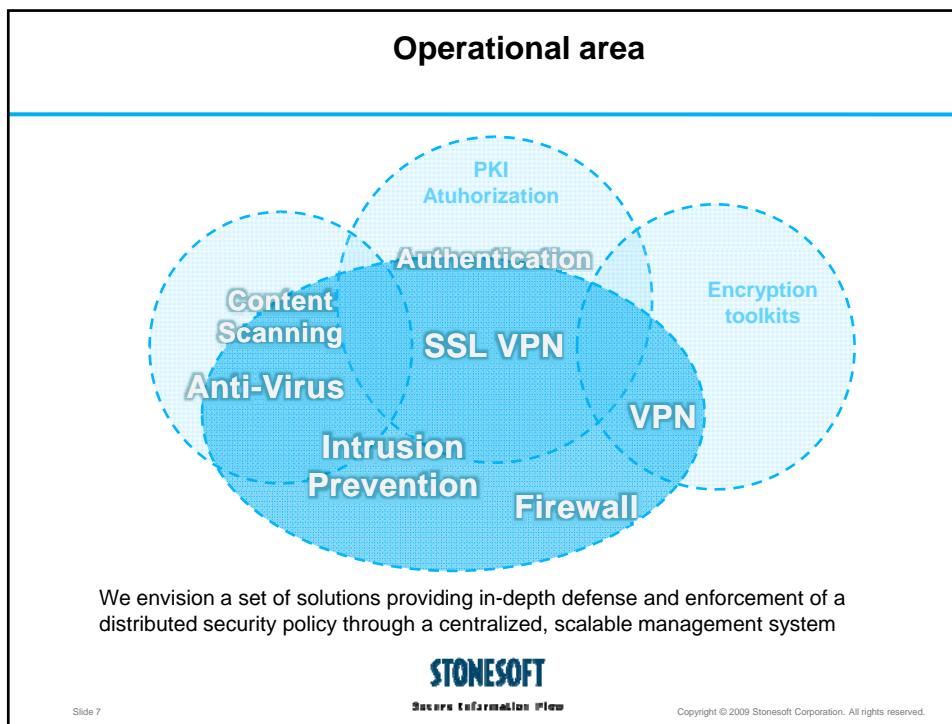
- Global Company
- Targeting Growth Acceleration
 - Speed-up Sales Growth
 - MSSP
 - Emerging Markets

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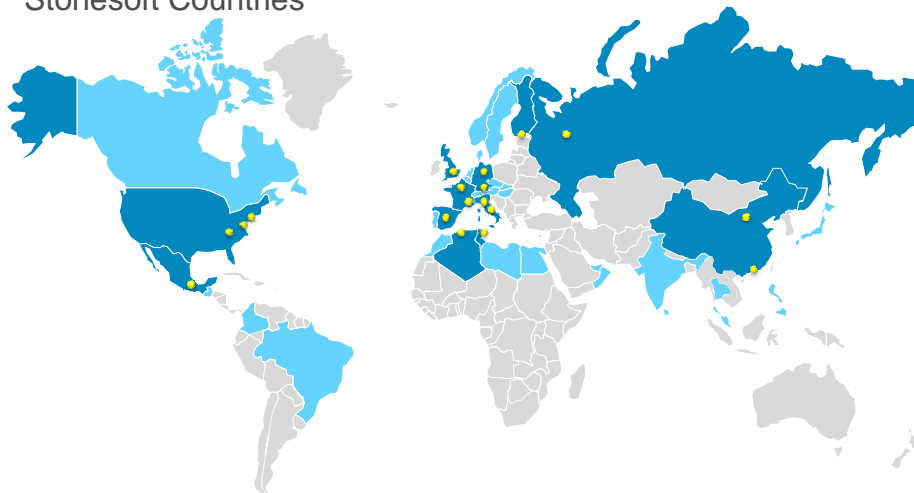
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Stonesoft Presence

Stonesoft Countries



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Benefits

Always-on Connectivity

- Optimize availability & performance
- Eliminate hardware redundancy
- Reduce communication costs

Powered by Reliability

- No forklift upgrades – phased-in approach
 - Third-party event management
 - Rule-base translation tools
 - Turnkey solutions delivery
- Direct support vs. tiered support
- Commitment to customer success throughout organization
- Track record of technology innovation
 - 38 patents & 28 patents pending

Proactive Control

- Simplify network security management = increased security & performance
- Gain complete network visibility
- Automate repetitive manual tasks
- Significantly reduce MTTR

Lowest TCO on the market

- Proactive control = reduce administration costs
- Always-on connectivity technologies
- Built-in vs. bolt-on value

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Real-Time Monitoring & Alerts

- Customizable dashboards & alerting chains
- Geographic pinpointing of IP addresses
- Web portal for monitoring security from any device



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StoneGate meets the needs of MSSPs

Understanding the challenges of MSSPs

- Centralized management minimizes total cost of administration (TCA)
- Interactive tangibles for customers (new revenue possibilities)
- Security awareness, complete governance and regulatory compliance out-of the box
- 24/7 availability for all components
- Excellent tools for log correlation (3rd party event management)
- State-of-the-art engines with excellent usability features and enhancements
- **Making the lives of MSSPs easier**

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Q3/2009 Financials

- All comparative numbers exclude discontinued operations in historic data with the exception of
 - Equity rate at the end of quarter
 - Liquid funds
 - Shareholders equity per share

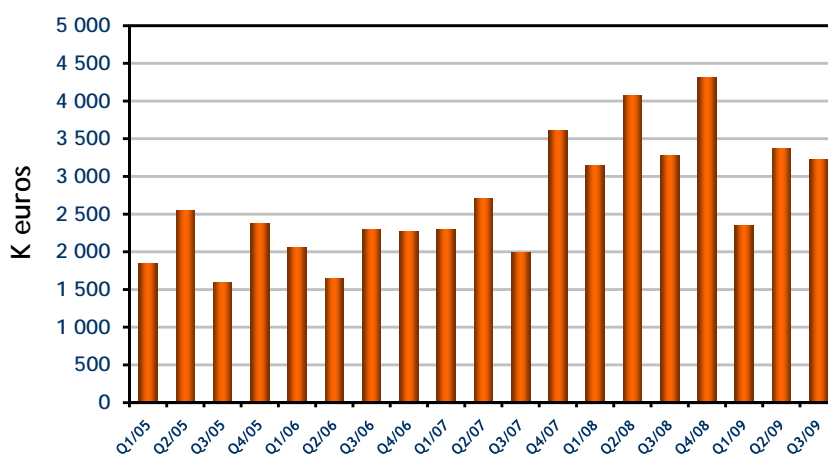
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StoneGate Sales by Quarter



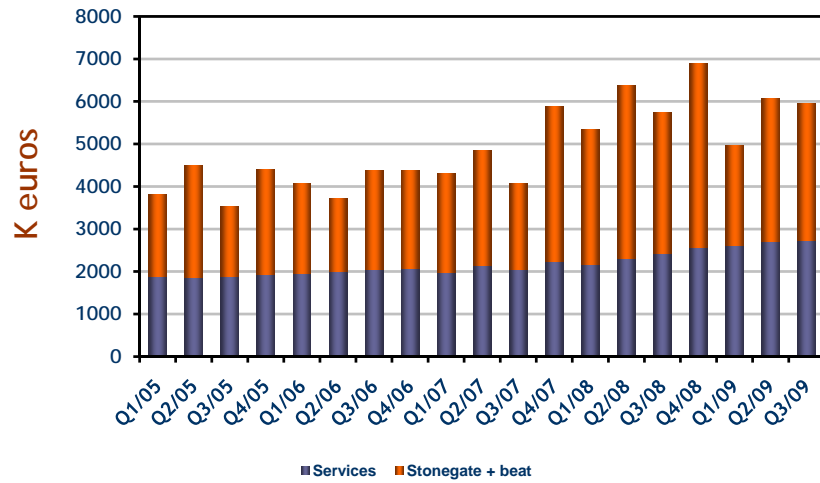
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Sales by Product



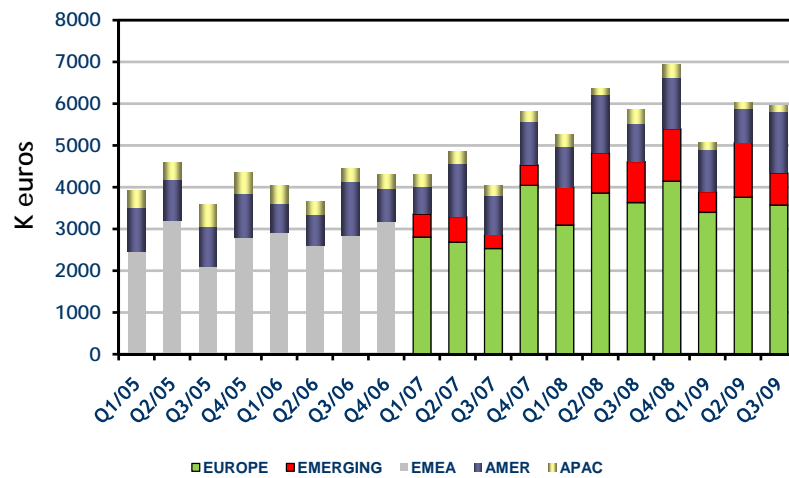
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Net Sales by Area



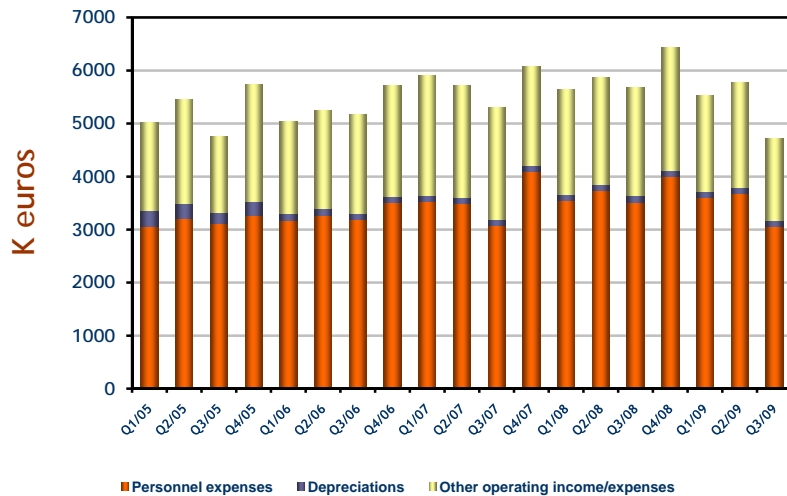
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Operating Costs by Quarter

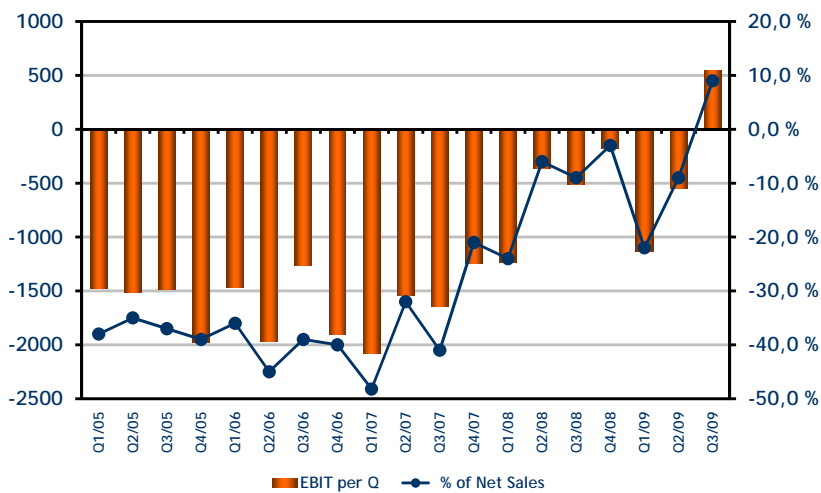


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EBIT by Quarter

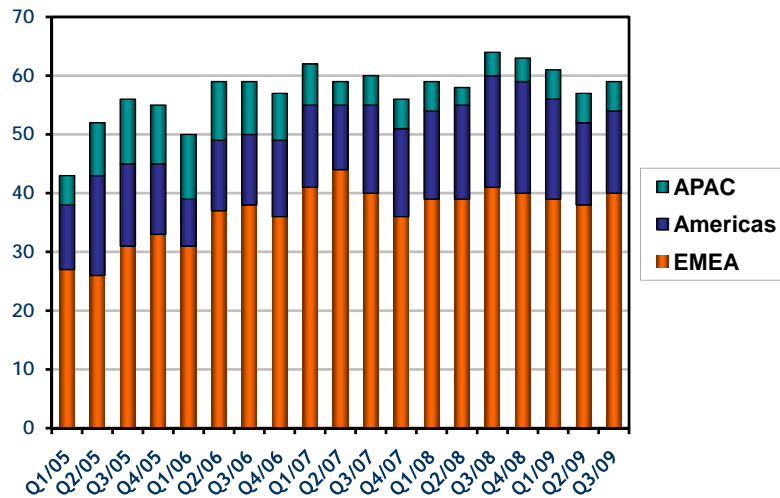


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Sales Personnel at the End of Quarter

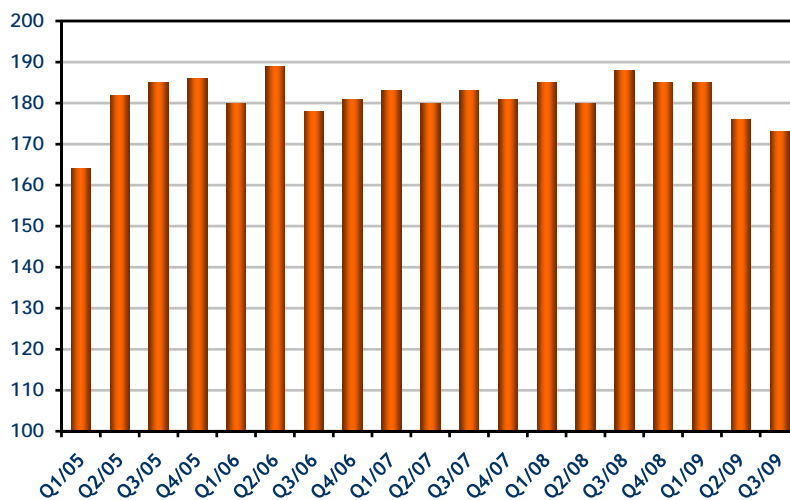


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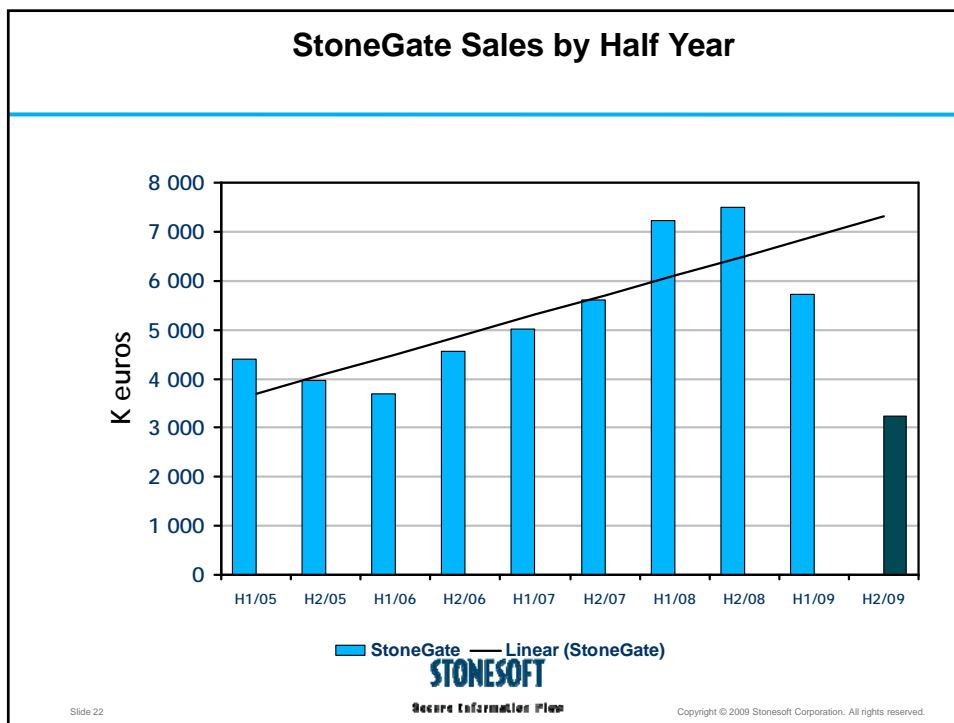
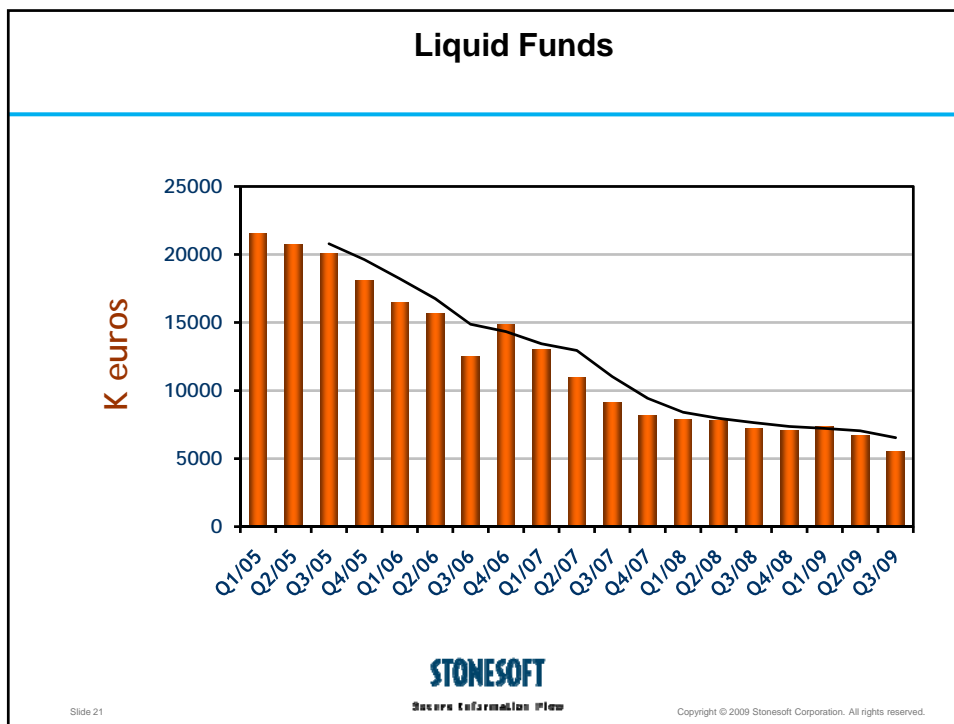
Personnel at the End of Quarter



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Future Outlook

- Based on the existing sales pipeline and the already realized operating result and net sales, the company expects the annual operating result (EBIT) to be better than in the previous year (EUR -2.3 million) and the annual net sales to remain at the previous year's level. The net sales are expected to be EUR 24.3 million, +/- EUR 1.5 million.

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