



## **October-December 2010, Interim Report**

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**3.3.2011 Helsinki**

# Stonesoft Corporation

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# Results for October - December 2010

- Net sales EUR 7.5 millions, +15% compared to the corresponding period in 2009 (6.5).
- StoneGate sales were EUR 4.4 millions, +19% compared to the corresponding period in 2009 (3.7).
- Operating profit (EBIT) was EUR -0.7 millions (+0.1).
- The operational cash flow was –2.5 million, compared to +0.7 in the corresponding period in 2009. This weak cash flow is primarily due to Q4 sales being concentrated towards the end of the quarter.



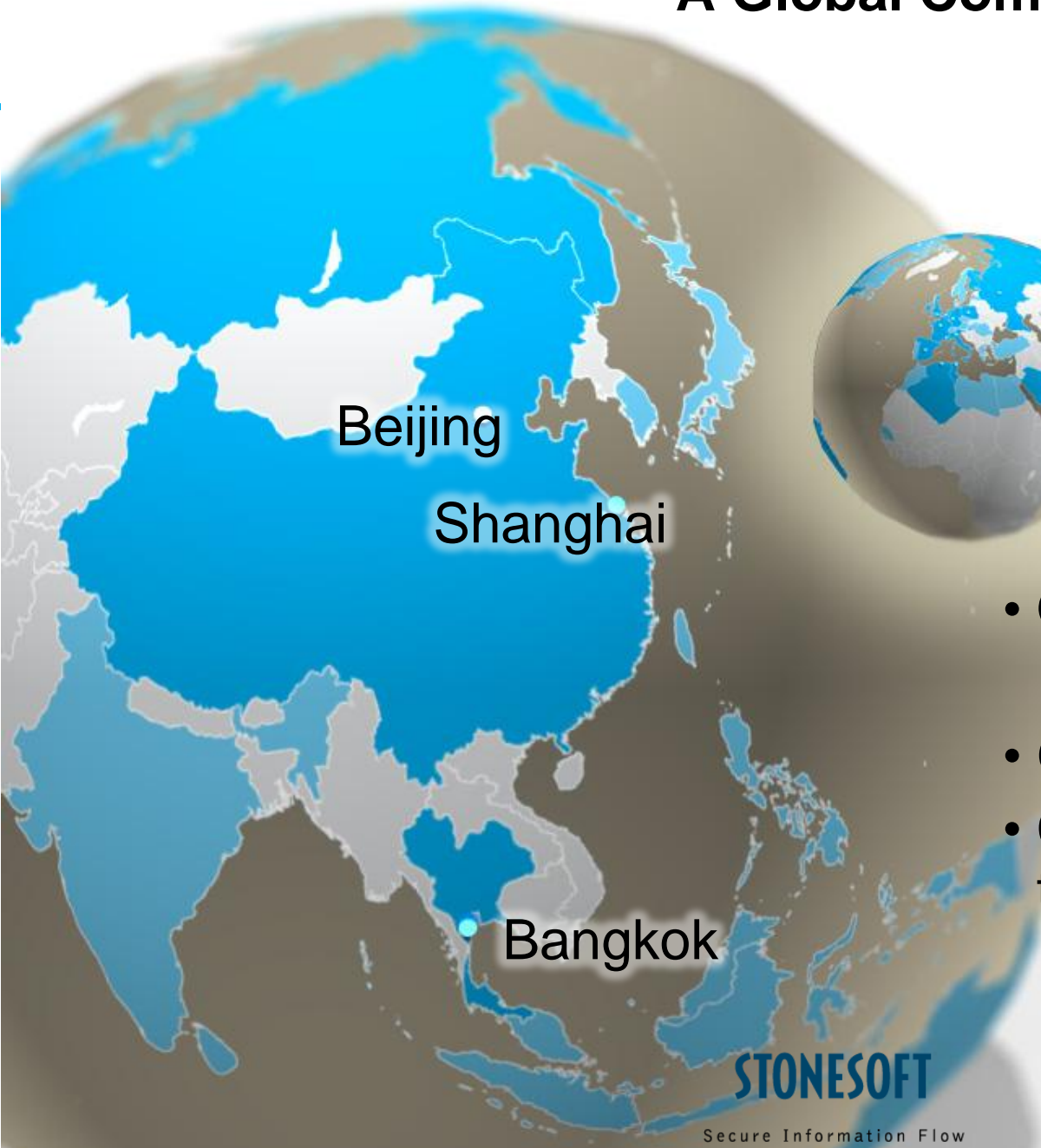
# Results for January - December 2010

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- Net sales EUR 24.3 millions, +3% compared to the corresponding period in 2009 (23.6).
- StoneGate sales were EUR 12.7 millions, +0.4% compared to the corresponding period in 2009 (12.6).
- Operating profit (EBIT) of EUR -2.7 millions compared to 2009 (-1.0).
- The operational cash flow was -2.8 million, compared to -0.8 in the corresponding period in 2009.



# A Global Company



- Operations in USA, EMEA and Asia
- Global 24/7 support
- Customers in more than 90 countries

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Secure Information Flow

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- Military
- Security
- Governmental

- Finance & Legal
- Industry & Logistics
- Healthcare

- Telecommunications
- Retail and Services
- Education



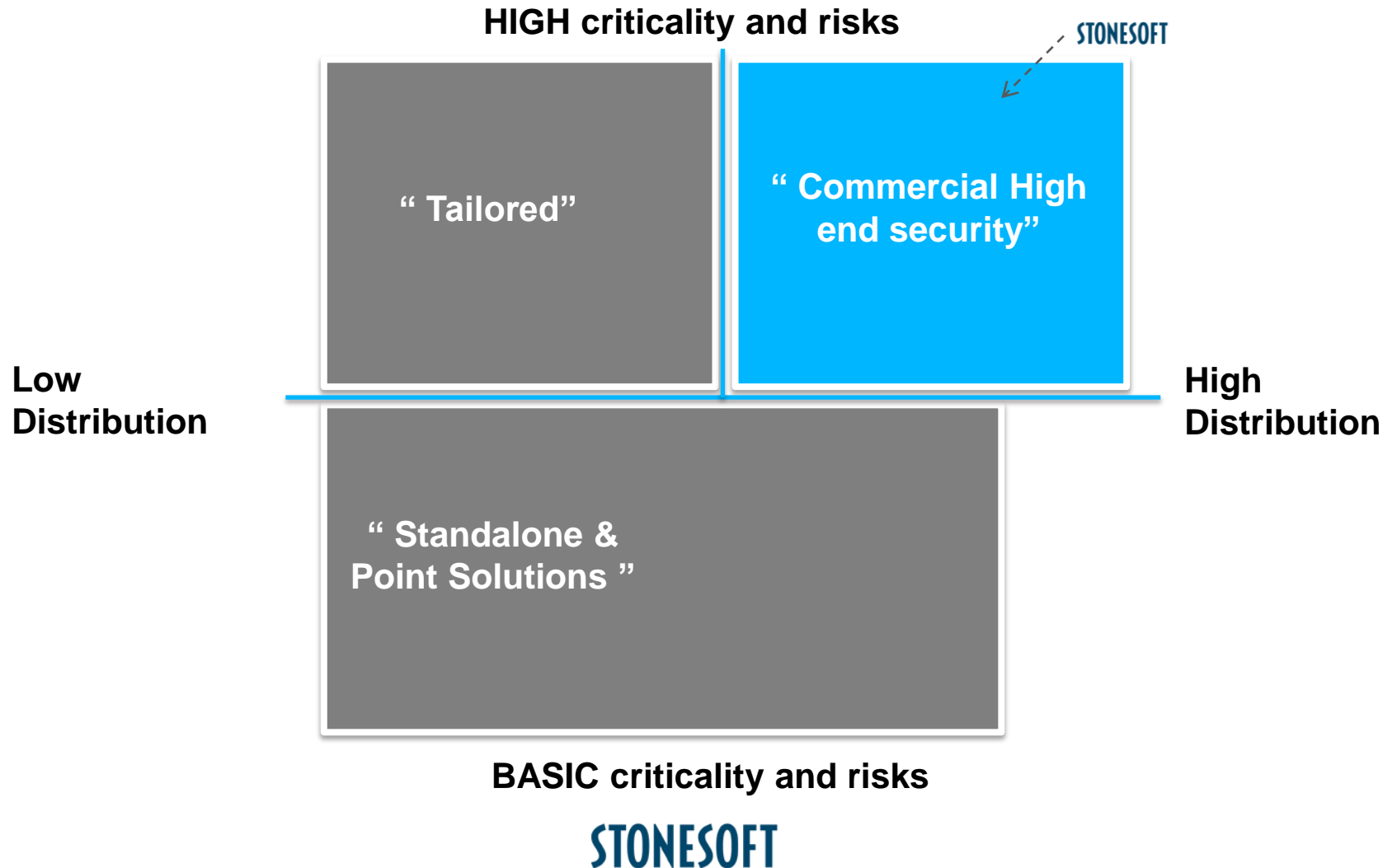
**Where Network Security is not an option**

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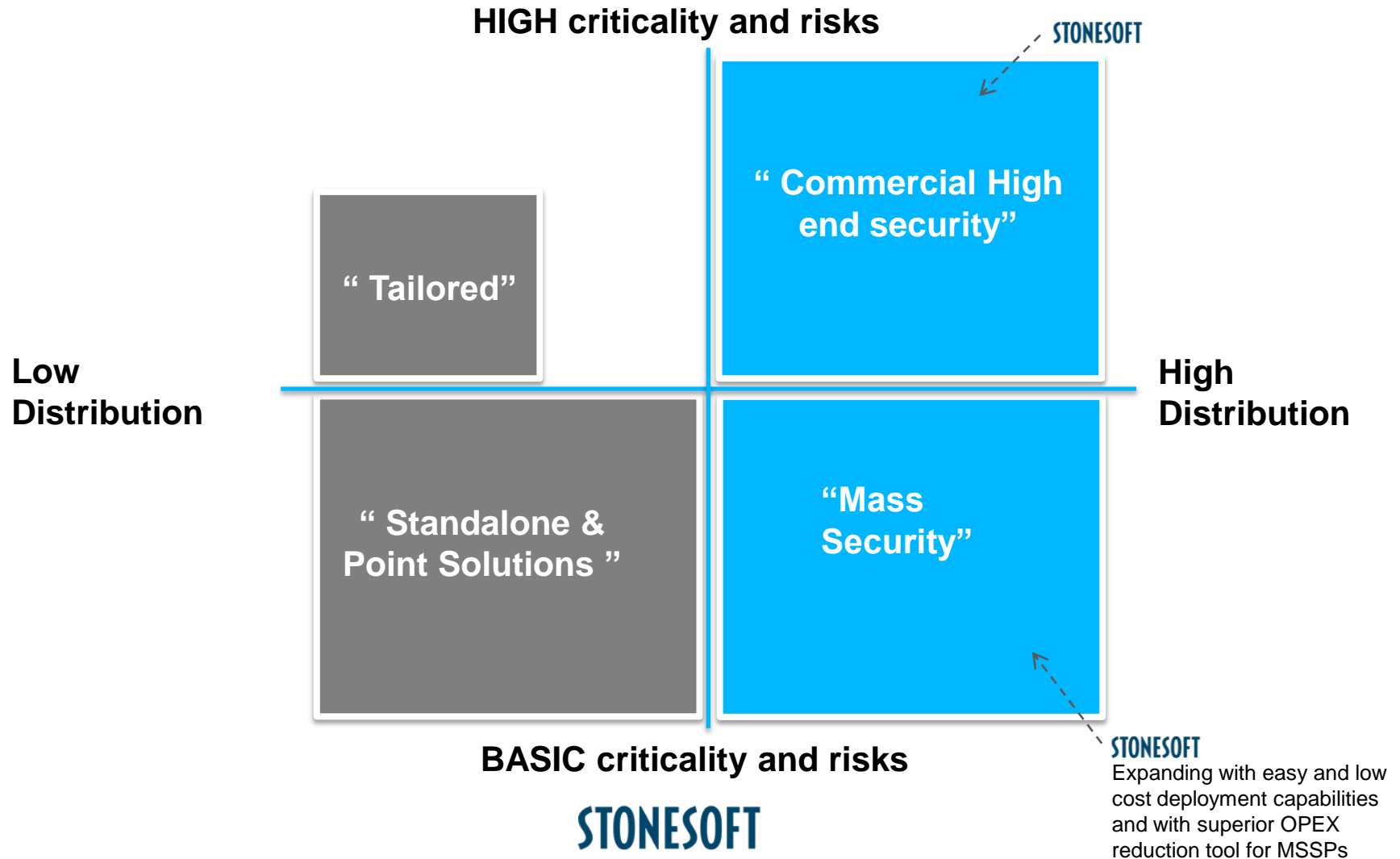
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# Market Segments



# Market Segments





# Highlights of the 4th quarter 2010

- In October, Stonesoft announced its research and development unit has discovered a new and significant security threat category, Advanced Evasion Techniques, which enables intruding into organizations' data systems without leaving a trace. AETs can also transport already known malware or phishing programs, worms and viruses, which otherwise would be detectable and stoppable by network security systems.
- In November, Stonesoft announced Hansel Ltd, the central procurement unit of the Finnish Government, has selected Atea as one of the suppliers of firewalls as well as equipment and services related to them in a new four- year framework agreement.
- In December, the entire StoneGate Intrusion Prevention System (IPS) suite of appliances successfully attained the ICSA Labs Network Intrusion Prevention System (IPS) certification.
- In December, Stonesoft announced Tekes, the Finnish Funding Agency for Technology and Innovation had decided to fund its research and development project "Dynamic network security" with more than one million Euros
- In December, Gartner, Inc. Positioned Stonesoft in the Niche Players quadrant in the Network Intrusion Prevention System (IPS) Magic Quadrant based on evaluation of its StoneGate IPS.
- All time high StoneGate sales



# Highlights After the Reporting Period

- In January, Stonesoft announced its StoneGate™ IPS-1205 and IPS-3205 intrusion prevention system (IPS) appliances were rated excellent in value purchase according to the latest Network Intrusion Prevention System Comparative Test Report from NSS Labs, Inc. Both appliances ranked in the top three in their respective performance categories for best price per Mbps protected and total cost of ownership (TCO) per real world throughput.
- In February, Stonesoft announced it had discovered 124 new advanced evasion techniques (AETs). Samples of these AETs have been delivered to the Computer Emergency Response Team (CERT-FI), who will continue to coordinate a global vulnerability coordination effort.
- Participating at the RSA event



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# Conclusion

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- After the reporting period we have delivered CERT-FI 124 new recordings of advanced evasion techniques. We will continue to research the threat posed by them and aim to increase knowledge about traditional as well as advanced evasion techniques among the security players. Stonesoft has a unique advantage in the market in this respect, and we believe it will open new business opportunities and have a positive effect on the company's net sales and profitability during the year 2011.
- In 2011, Stonesoft aims for faster-than-market growth of net sales and improved profitability.



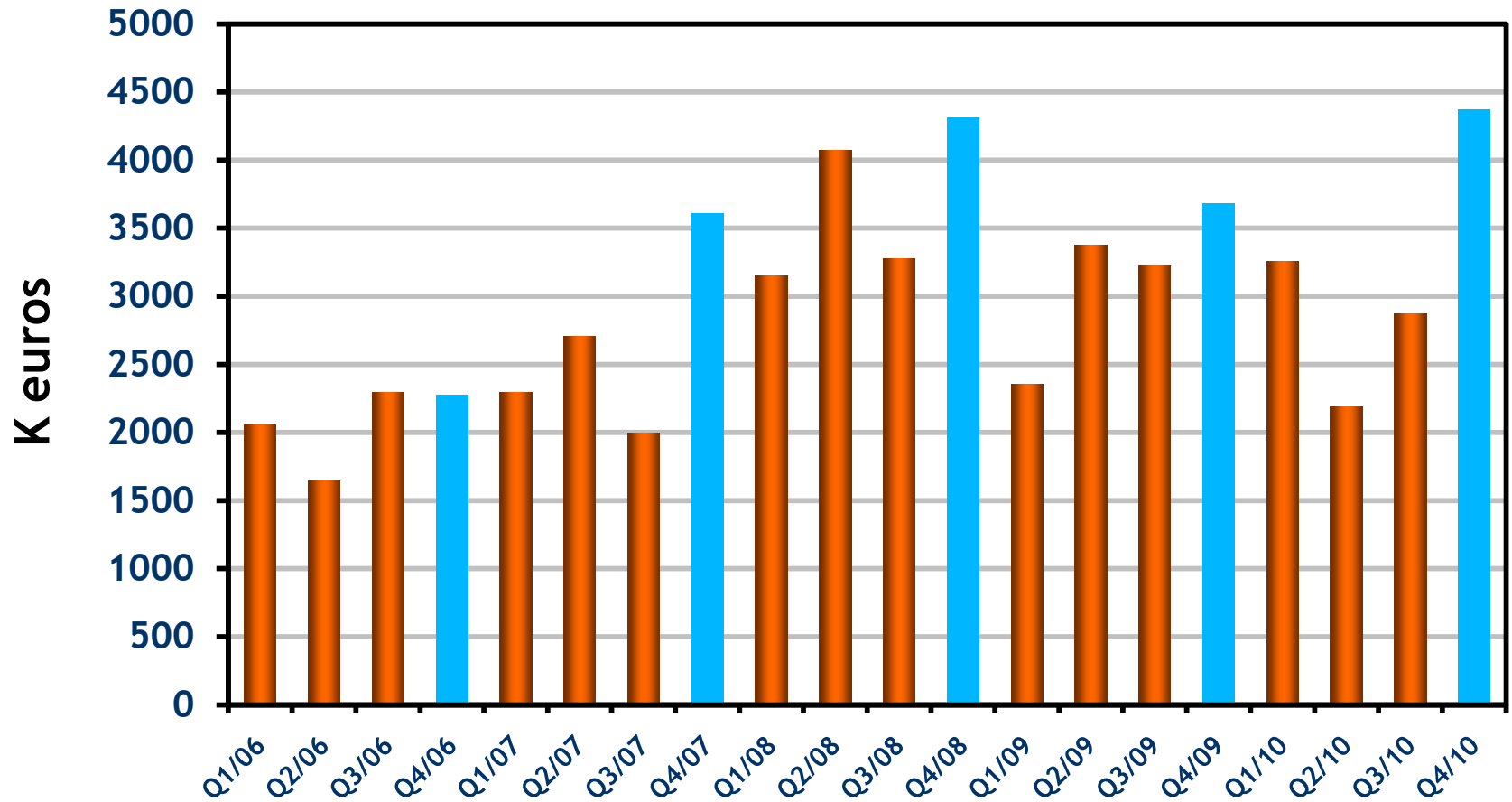
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## Q4/2010 Financials

- 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



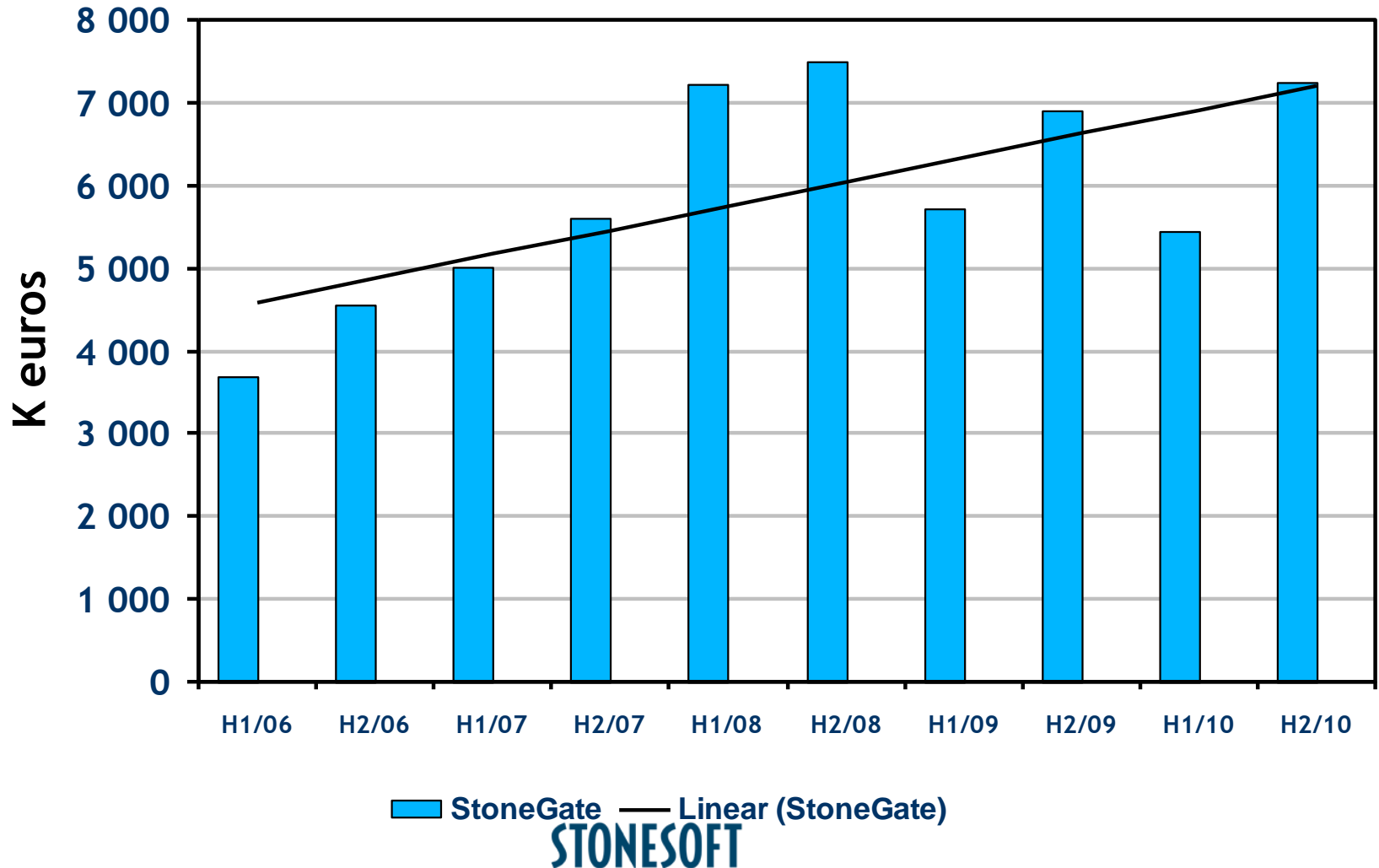
# StoneGate Sales by Quarter



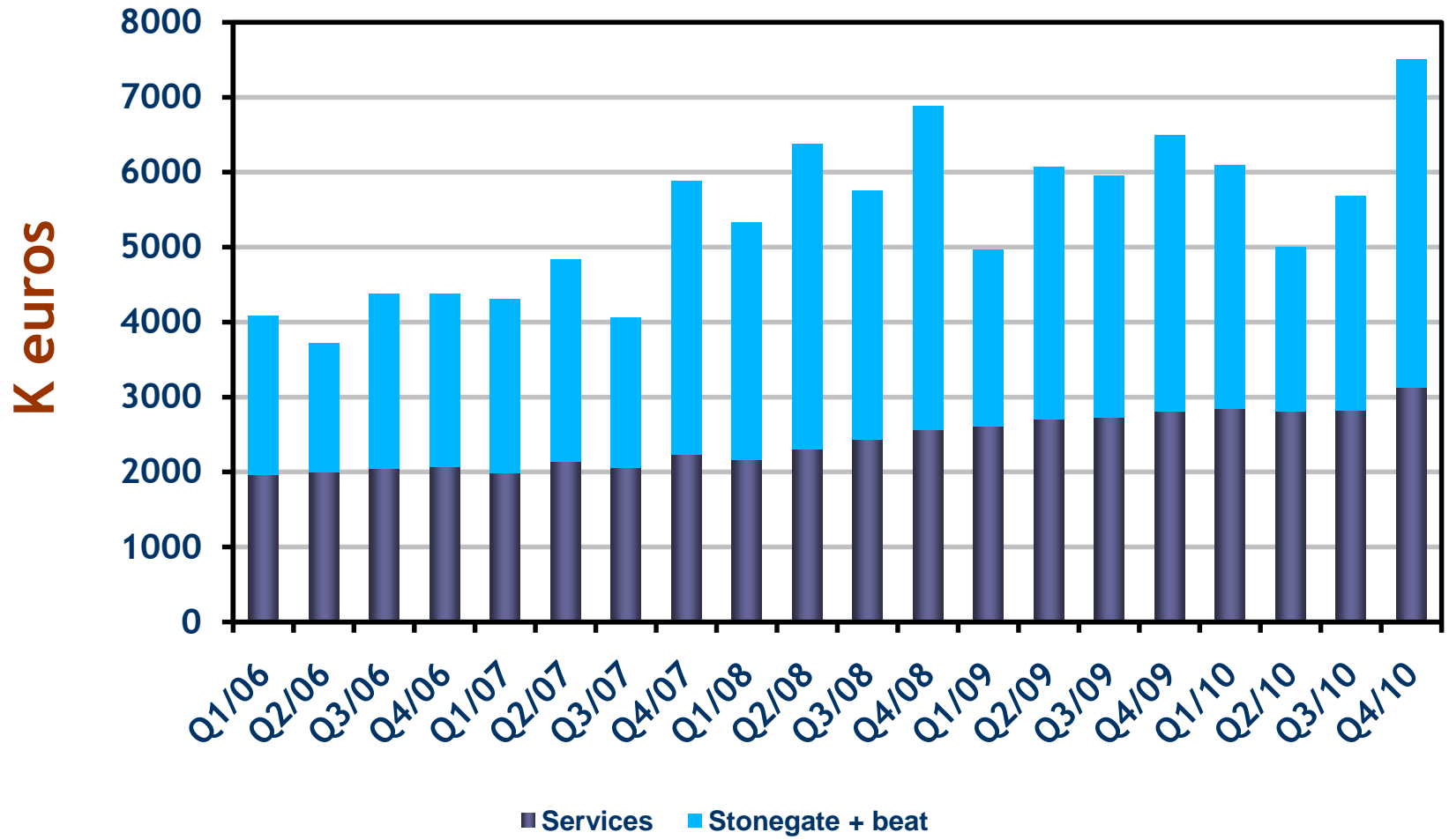
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# StoneGate Sales by Half Year

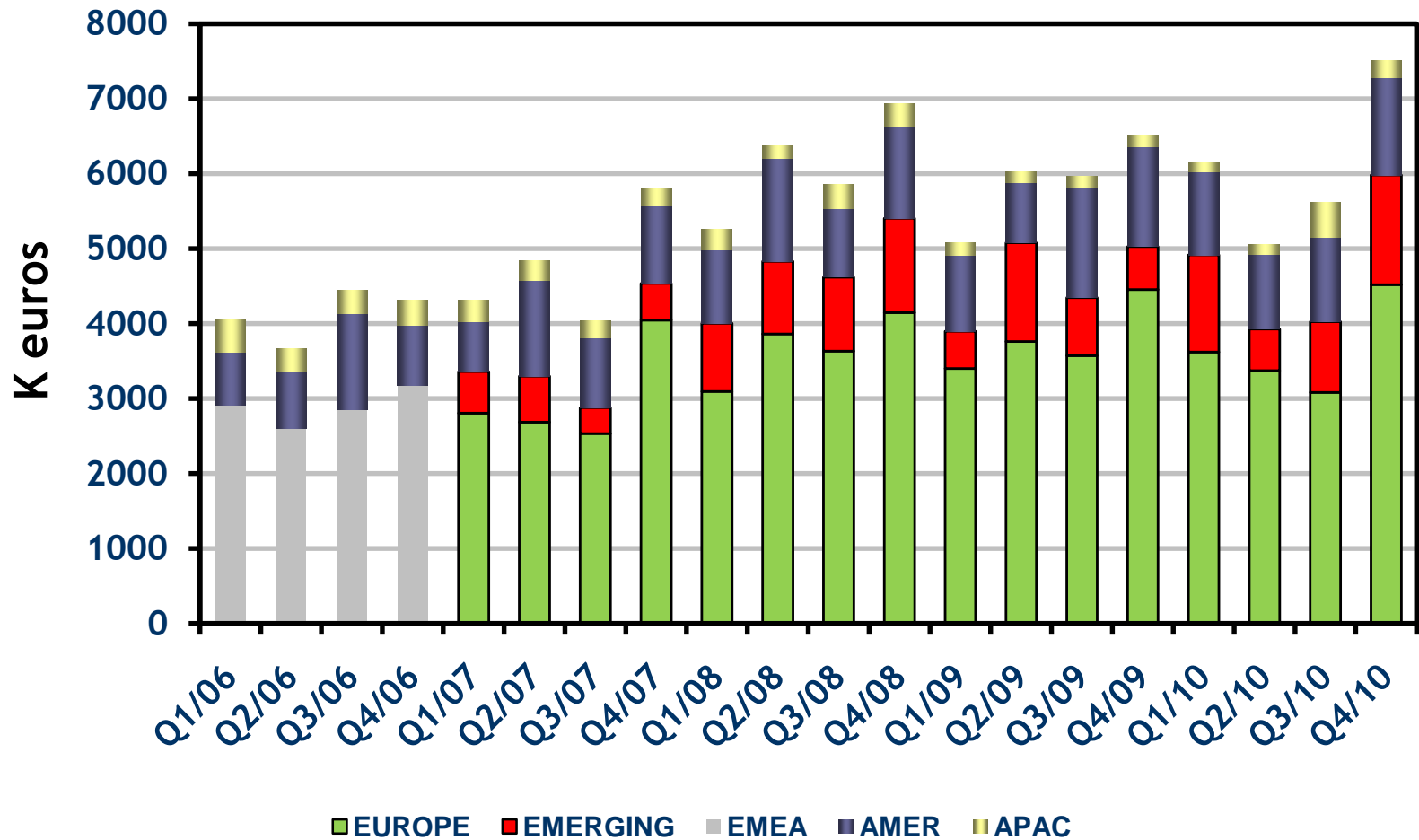


# Sales by Product



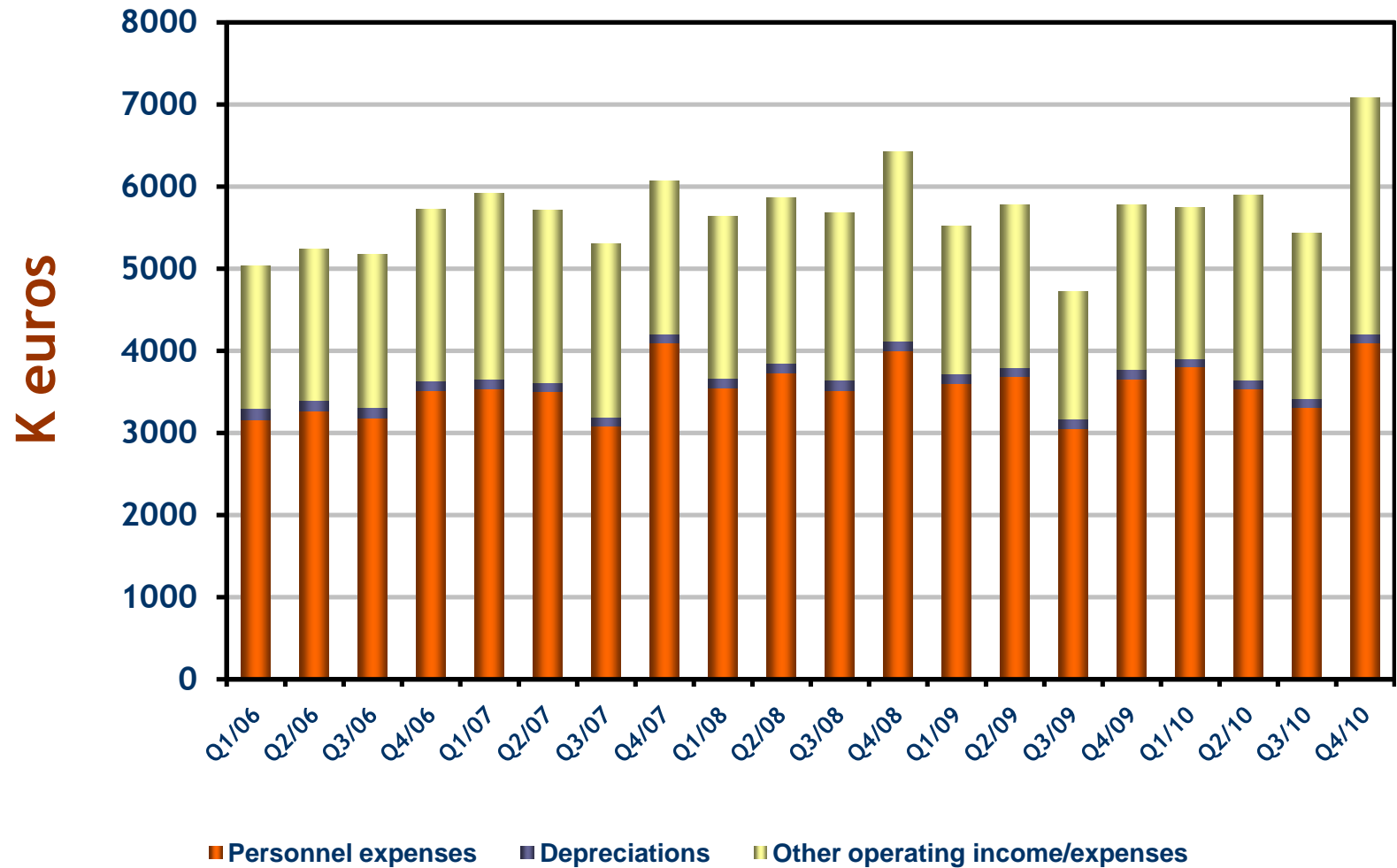
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# Net Sales by Area



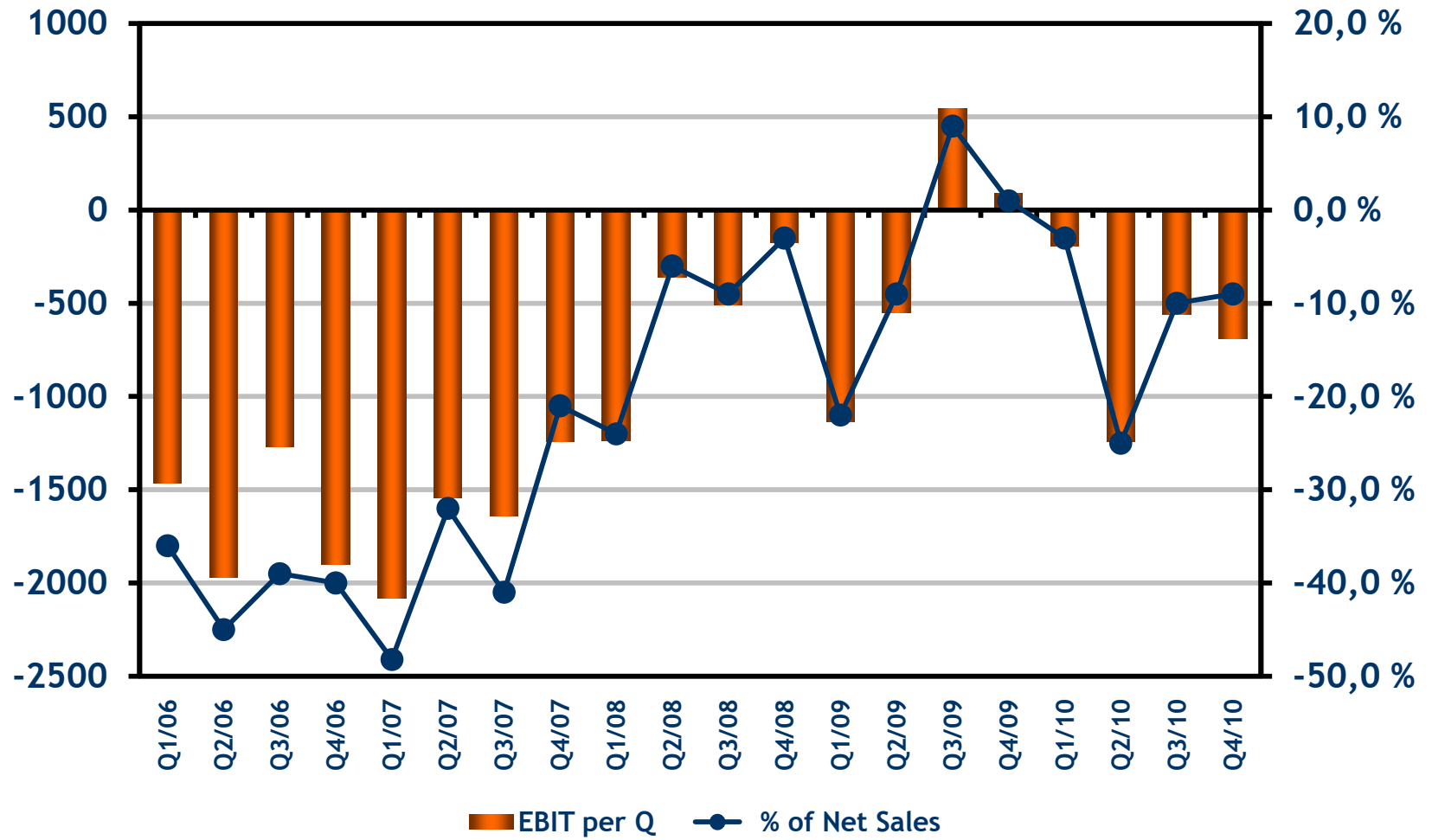
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# Operating Costs by Quarter



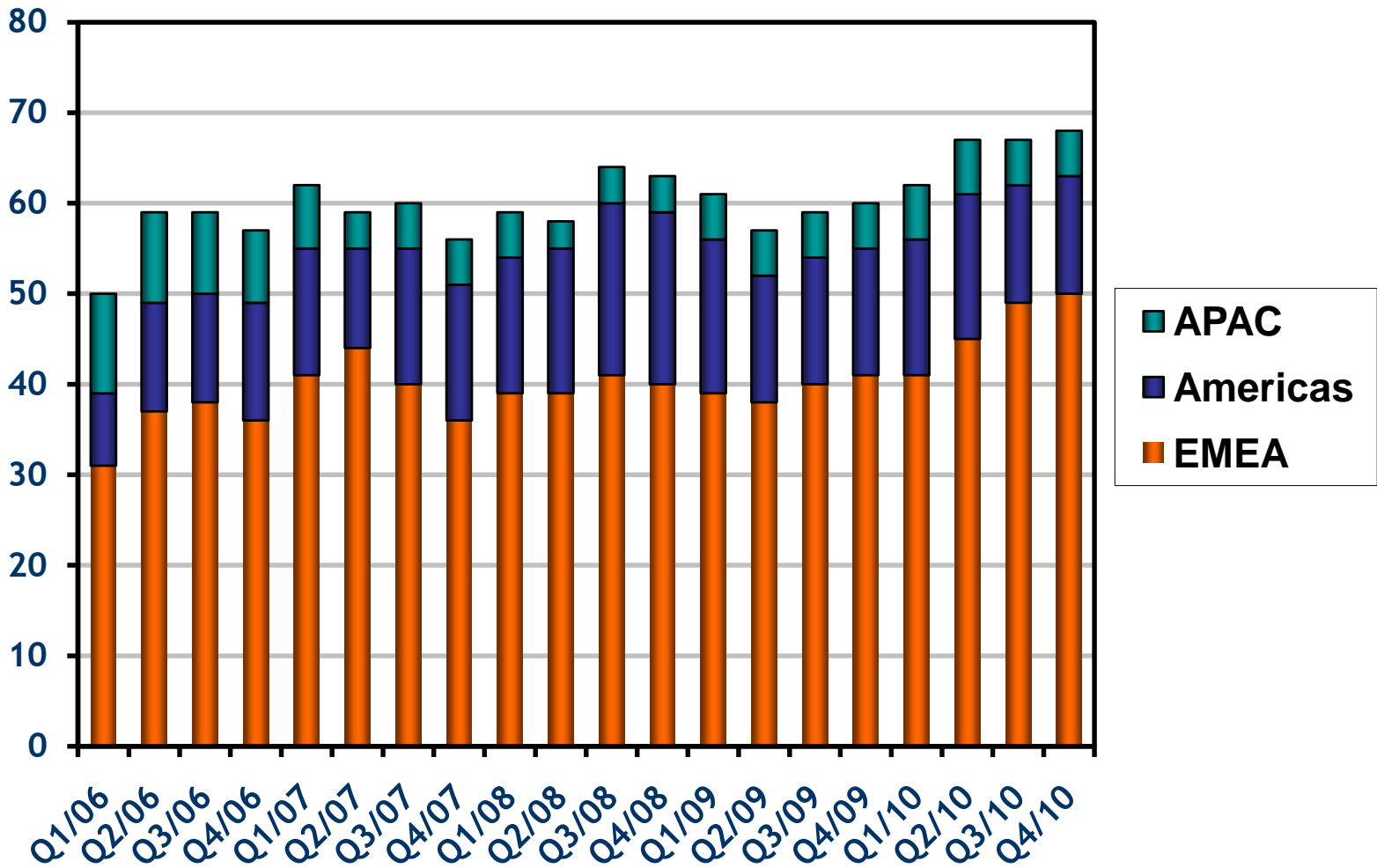
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# EBIT by Quarter



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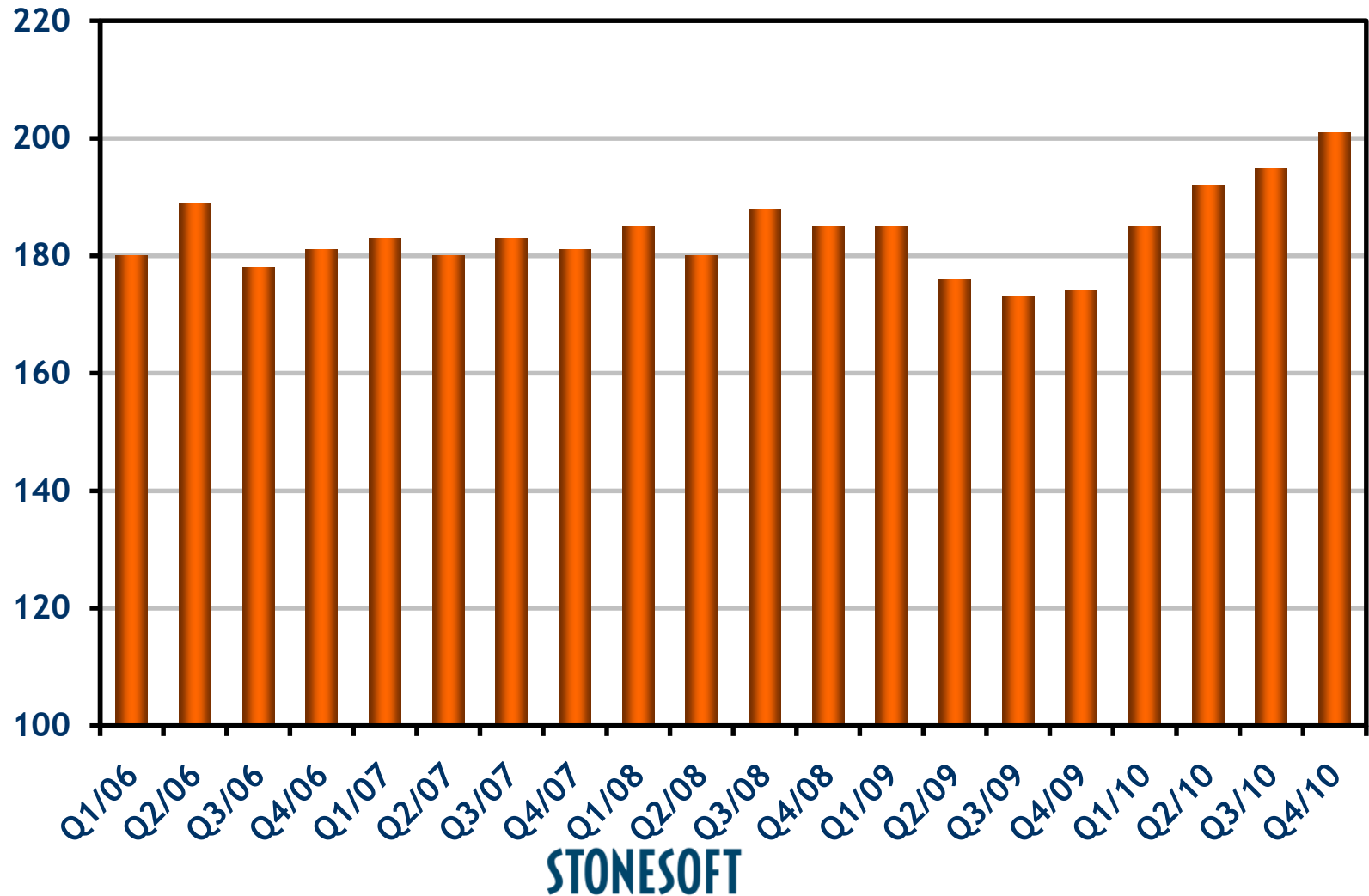
# Sales Personnel at the End of Quarter



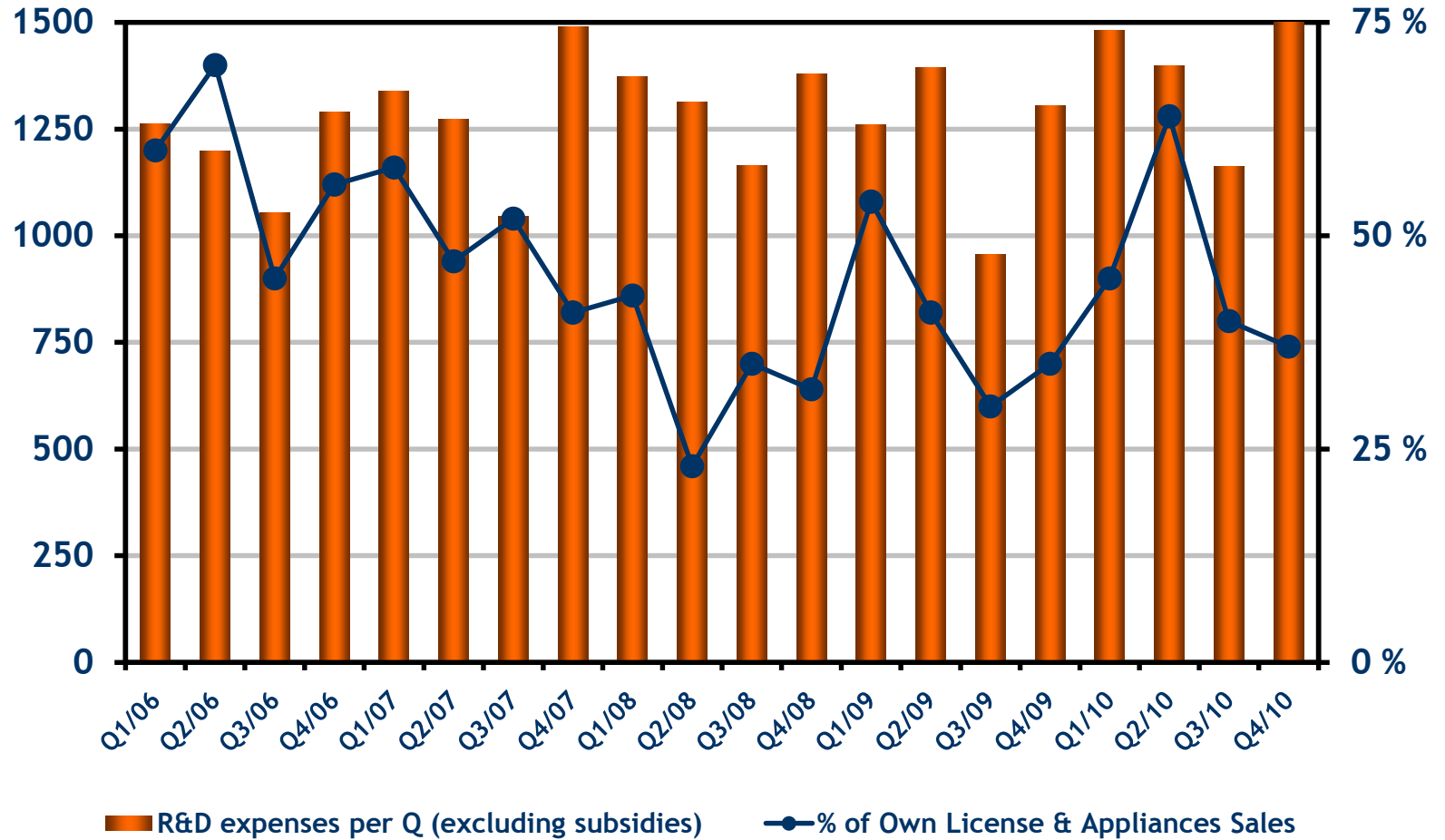
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# Personnel at the End of Quarter

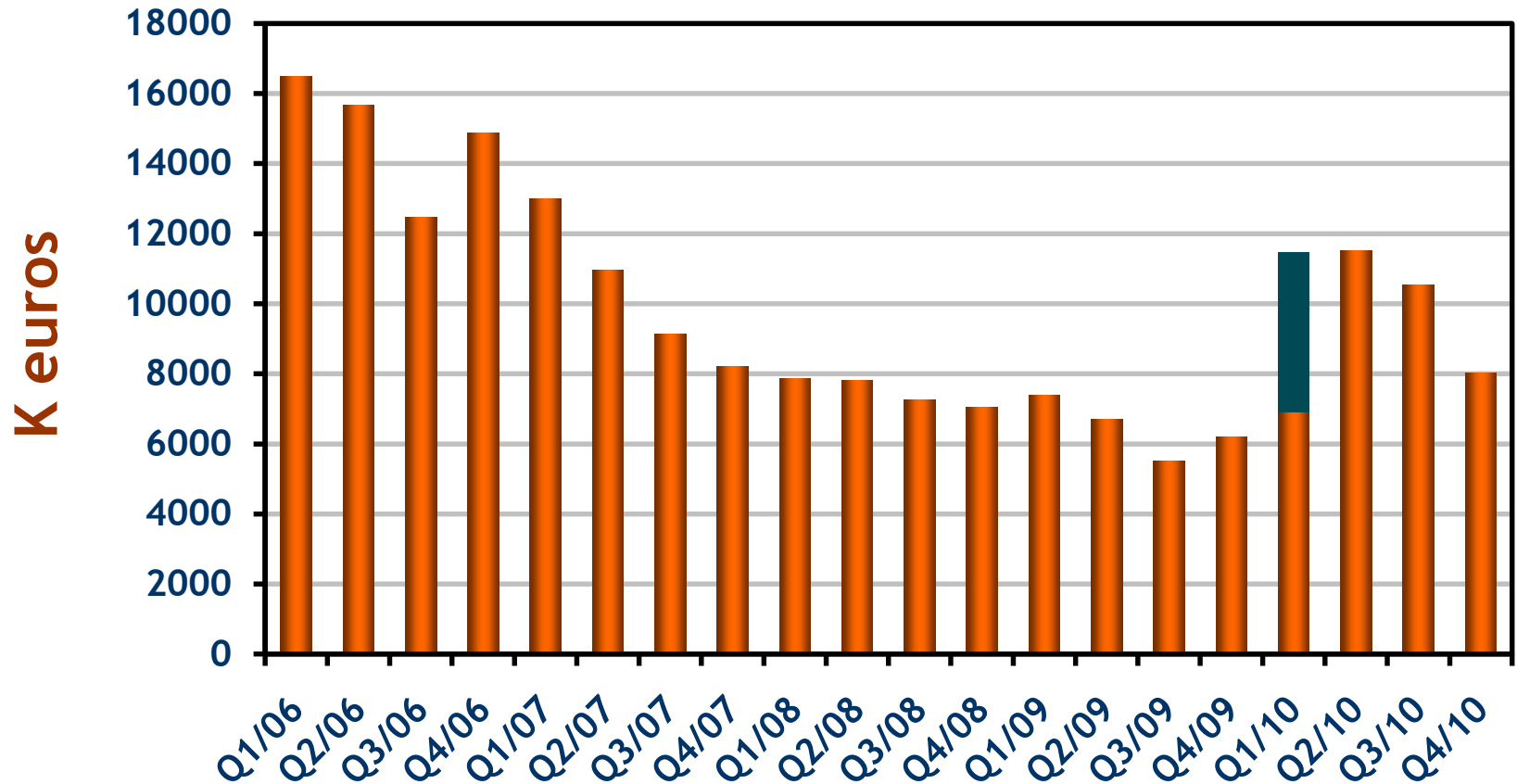


# R&D Expenses



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# Liquid Funds



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