

STONESOFT

January-December 2007, Interim Report



February 15th, 2008

Slide 1

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Stonesoft Corporation

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Slide 2

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Results for October-December 2007

- Net sales EUR 5.8 million, +35% compared to the corresponding period in 2006.
- StoneGate sales were EUR 3.6 million, an increase of 59% compared to 2006 and all-time high figure.
- Operating loss (EBITA) of EUR –1.2 million, compared to the loss of –1.9 million in the corresponding period in 2006. A clear improvement in profitability, but further improvement is still needed.
- The operative cash flow was 0.9 million negative. The liquid assets totaled 8.2 million at the end of the reporting period.

Slide 3

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Results for January-December 2007

- Net sales EUR 19.0 million, +15% compared to 2006.
- StoneGate sales were EUR 10.6 million, an increase of 28% compared to 2006.
- Operating loss (EBITA) of EUR –6.5 million, compared to the loss of –6.6 million in 2006.
- The result after taxes was EUR –4.2 million, compared to the loss of –6.4 million in 2006

Slide 4

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Highlights 2007 ...

- Stonesoft extended its product offering to mobile users. The company signed a cooperation agreement with Portwise AB specialized in a browser-based SSL VPN solution for mobile and remote use. StoneGate™ SSL VPN solution for mobile users started shipping to customers in June.
- Stonesoft launched the new members of the renewed StoneGate™ product line, StoneGate™ IPS-6000 and FW-5100 products for large and demanding network environments.
- Stonesoft complemented its StoneGate™ secure connectivity solution by new features. StoneGate™ Management Center 4.0 offers advanced navigation, sophisticated log filters and search tools as well as innovative disaster recovery.
- Stonesoft extended its StoneGate™ secure connectivity solution with the new StoneGate™ Transparent Access Control (TAC) module, which unifies IPS and firewall functionalities.
- Q2 and Q4 highest ever StoneGate sales quarters

Slide 5

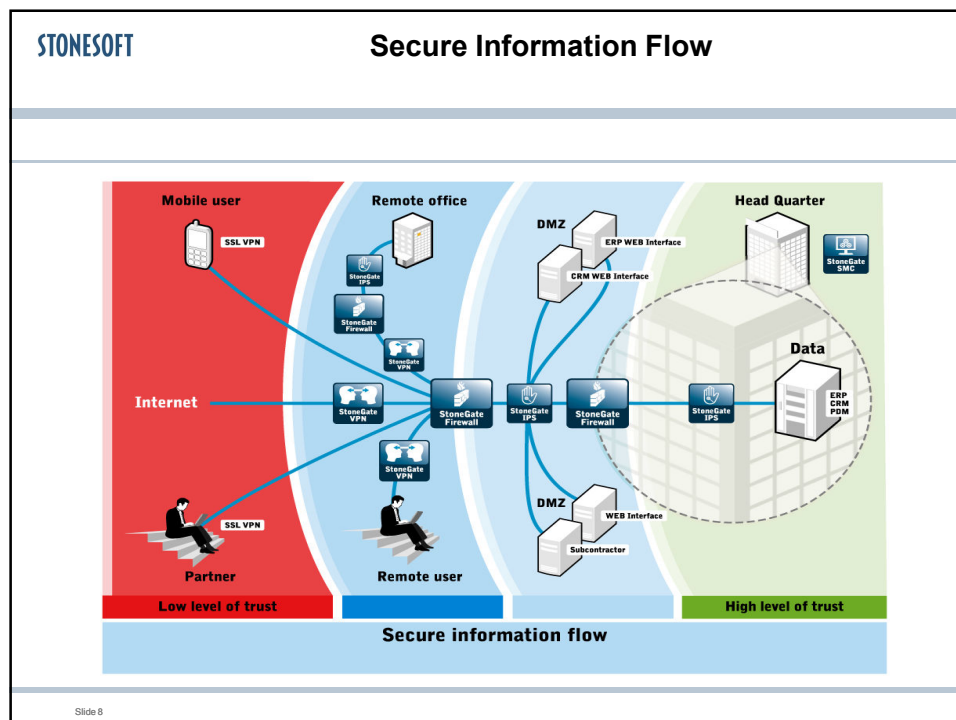
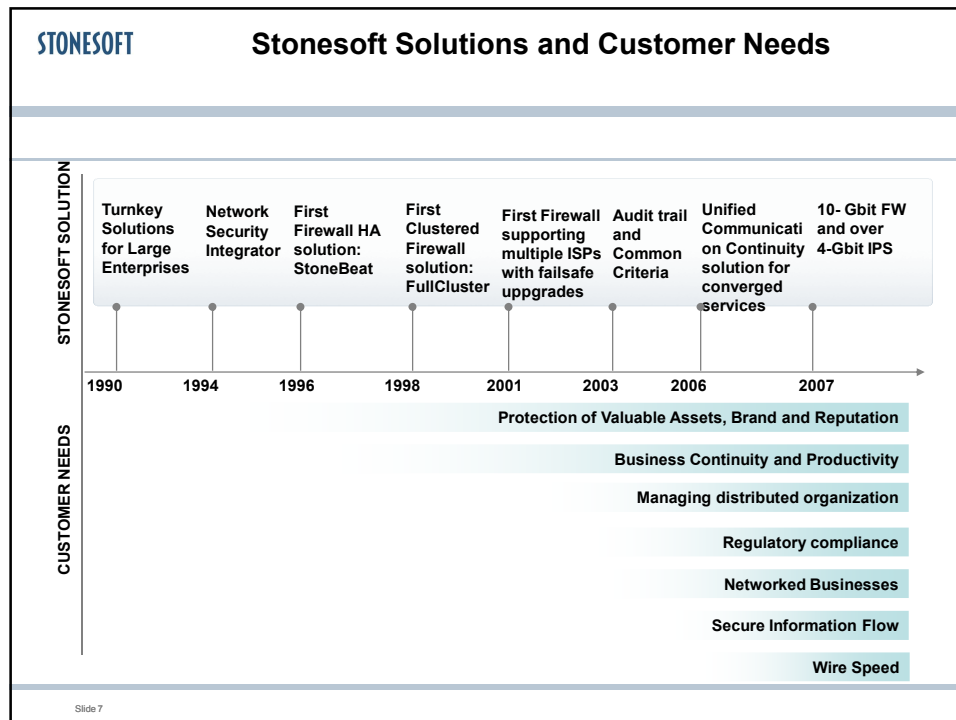
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Highlights After Reporting Period

- Stonesoft's StoneGate™ IPS intrusion detection and prevention system received the Network IPS certification from the US-based ICSA Labs. Stonesoft is one of the few vendors whose product has passed the ICSA Labs tests.
- Stonesoft launched StoneGate™ FW-5100 appliance with 10Gb interfaces and IPS-6100, which have been designed especially for the needs of high capacity networks.
- Stonesoft became a member of the Technology Alliance Partner (TAP) Program of VMware, the leading provider of virtualization solutions, and announced it will introduce a virtual StoneGate™ firewall/VPN appliance that protects corporate networks and ensures business continuity in virtual and physical network environments.

Slide 6

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IPS Industry Recognition



Network Intrusion Prevention

---Network IPS Certified Devices ▾

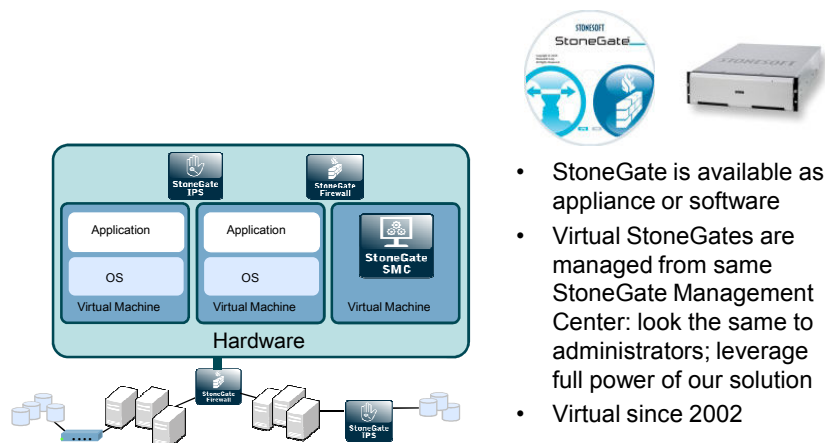
NETWORK IPS CERTIFIED DEVICES LIST

| Vendor | Certified Model(s) | Certified Since |
|-------------------------------|--|-----------------|
| Fortinet | FortiGate FG50B, FWF60B, FG300A, FG500A, FG800, FG1000A, FG3016B, FG3600, FG3600A, FG3800A, FG5001FA2, FG5005FA2 | Jun 2007 ▼ |
| IBM Internet Security Systems | Proventia G400 | Jun 2006 ▼ |
| NEW Sourcefire | Sourcefire 3D System 3D3800 | Dec 2007 ▼ |
| NEW Stonesoft | StoneGate IPS-2000 | Dec 2007 ▼ |

Slide 9

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StoneGate and Virtualization



Slide 10

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Future Outlook

- Company expects to have an annual overall net sales of roughly EUR 24 million (+/- 10%) while the comparable net sales figure during the previous financial year was EUR 19.0 million.
- Through increased sales and cost control, the annual operating result (EBIT) is expected to improve by EUR 2.5 - 4.5 million compared to the previous year. Also the cash flow is expected to develop favorably.

Slide 11

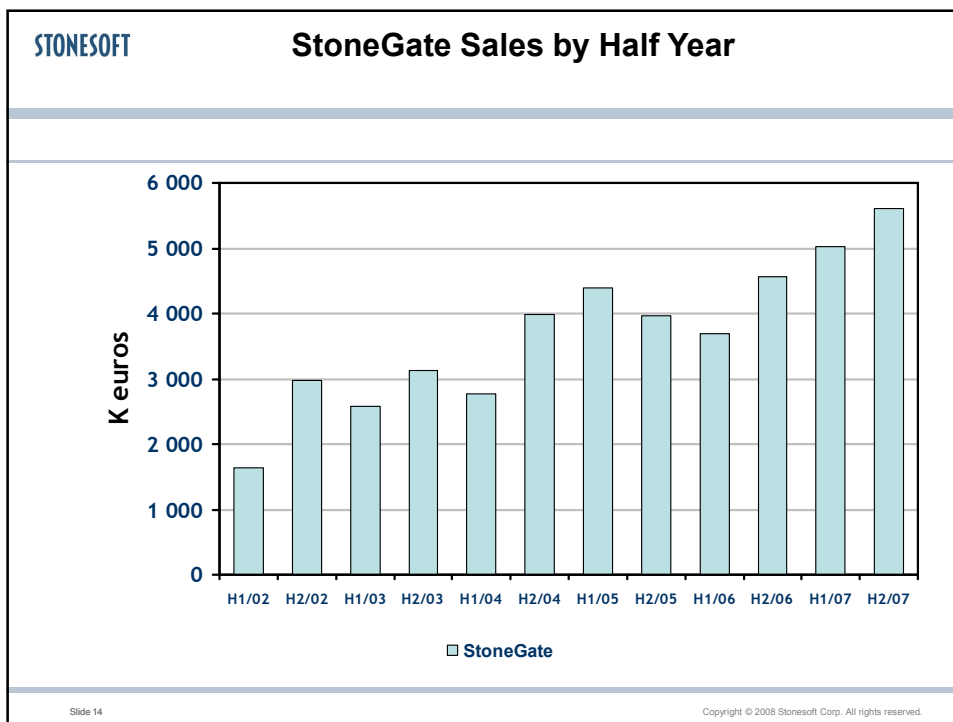
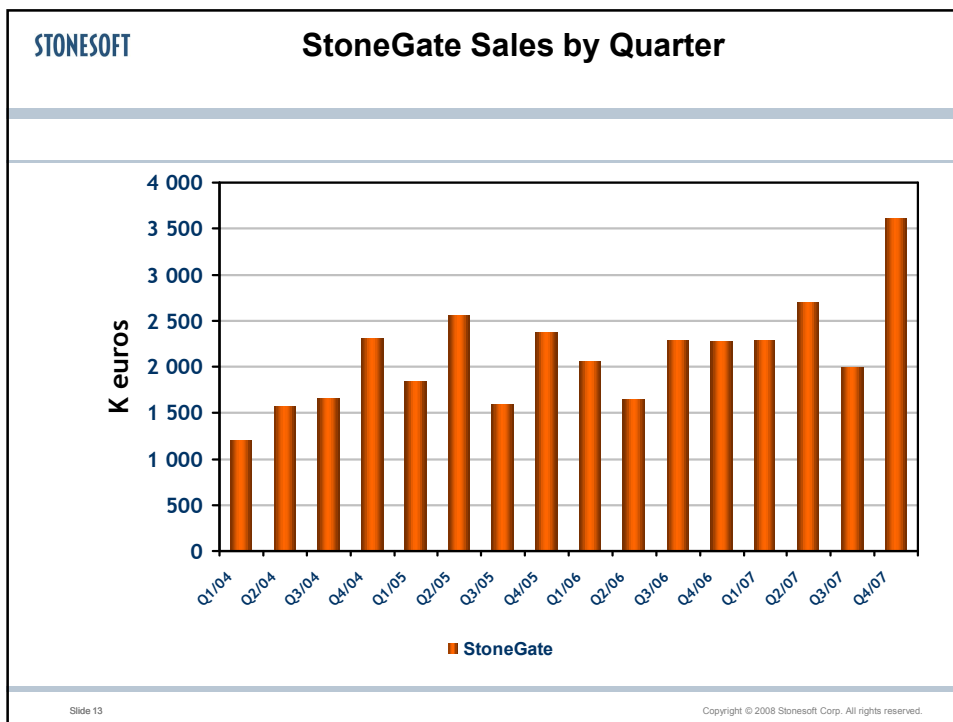
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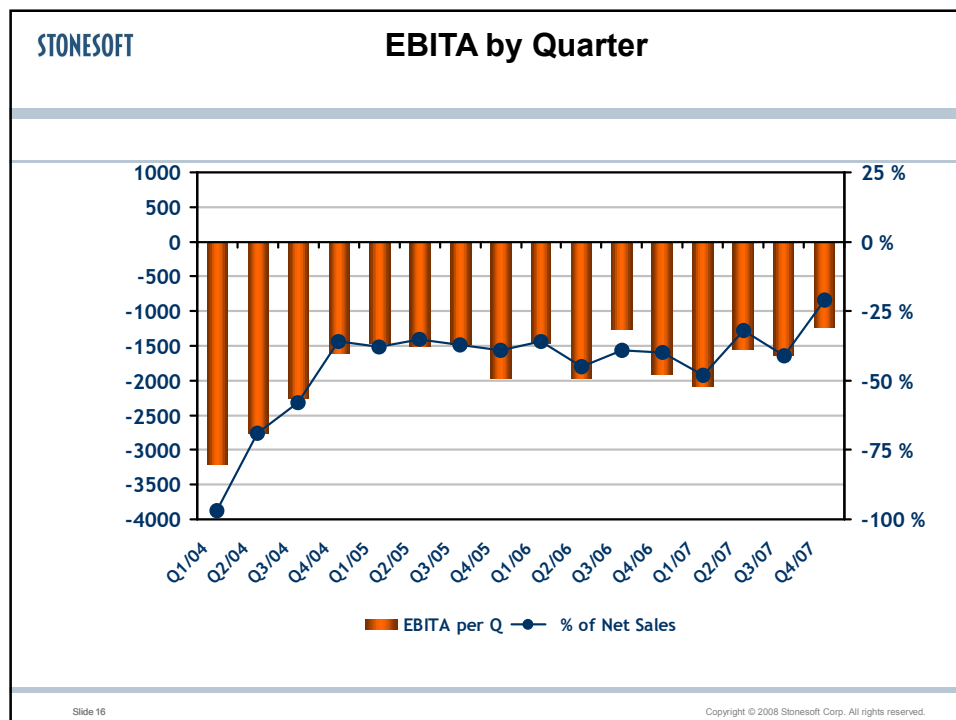
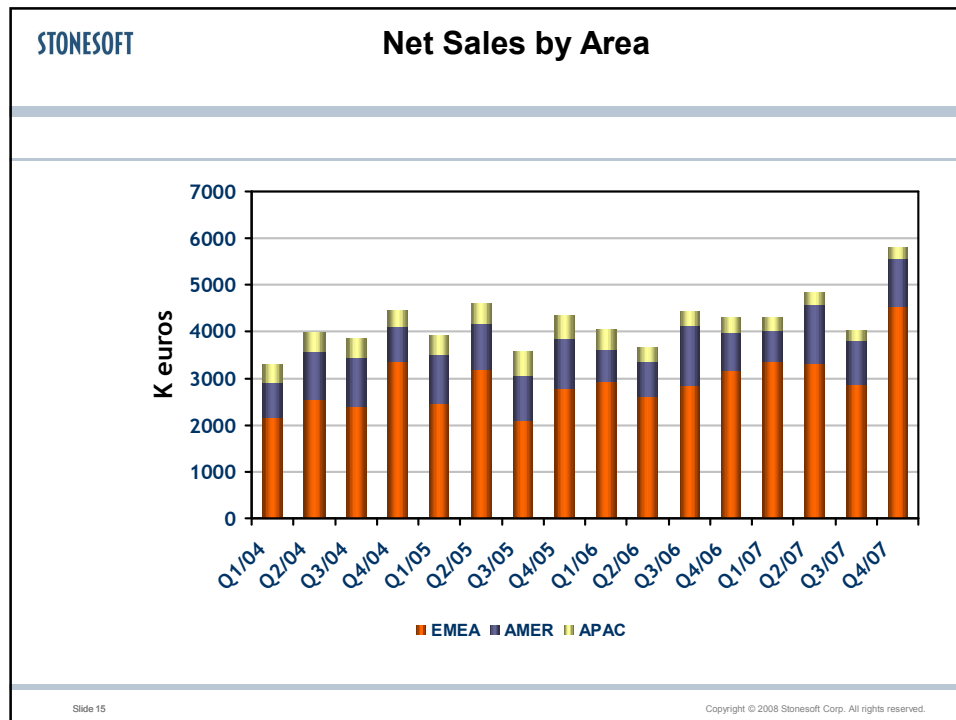
Q4/2007 Financials

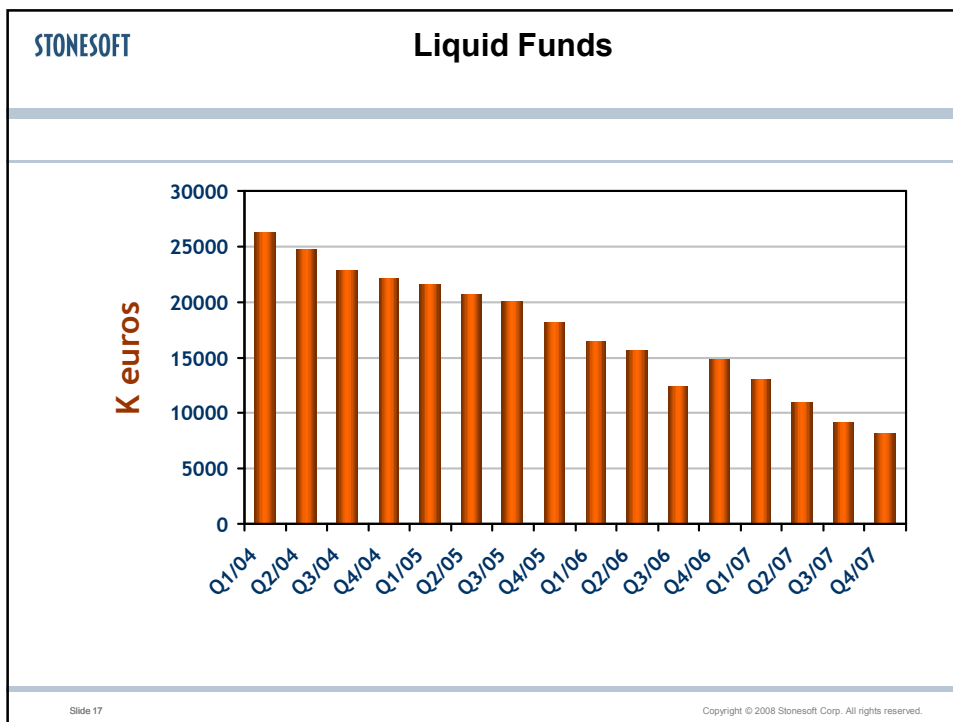
- All comparative numbers exclude discontinued operations in historic data with the exception of
 - Equity rate at the end of quarter
 - Liquid funds
 - Shareholders equity per share

Slide 12

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Slide 18

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