

January-March 2007, Interim Report



April 26th, 2007

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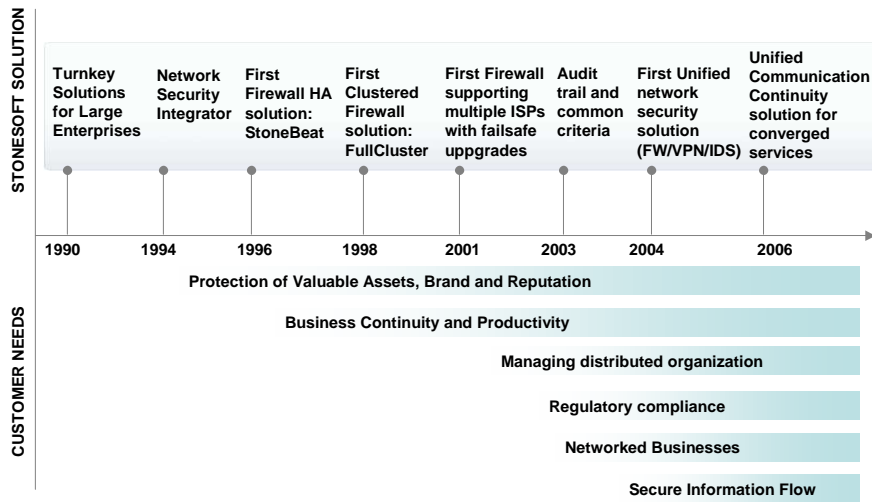
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- **Net sales** EUR 4.3 million, an increase of 7% compared to the corresponding period in 2006 (continuing operations).
- **StoneGate sales** were EUR 2.3 million, an increase of 12% compared to 2006.
- **Result (EBITA)** of EUR –2.1 million, compared to the result of –1.5 million in the corresponding period in 2006 (continuing operations).
- **Result** for the accounting period was EUR 0.2 million positive including a non-recurring estimated sales profit of EUR 2,2 million from the sales of Embe Systems.
- **Operative cash flow** was EUR - 1.4 million. The group's liquid assets fell by EUR 1.9 million, the difference between the operative cash flow and the change in liquid assets being the assets in the discontinued operations (=Embe). The liquid assets totalled EUR 13.0 million at the end of the reporting period.

Secure Information Flow

From Network Security Provider to
Provider of Unified Communication
Continuity for Converged Services

Stonesoft Solutions and Customer Needs

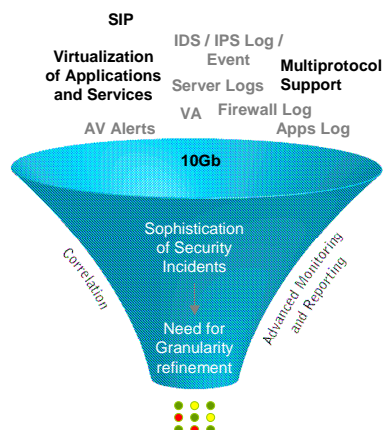


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Business Needs for the Security

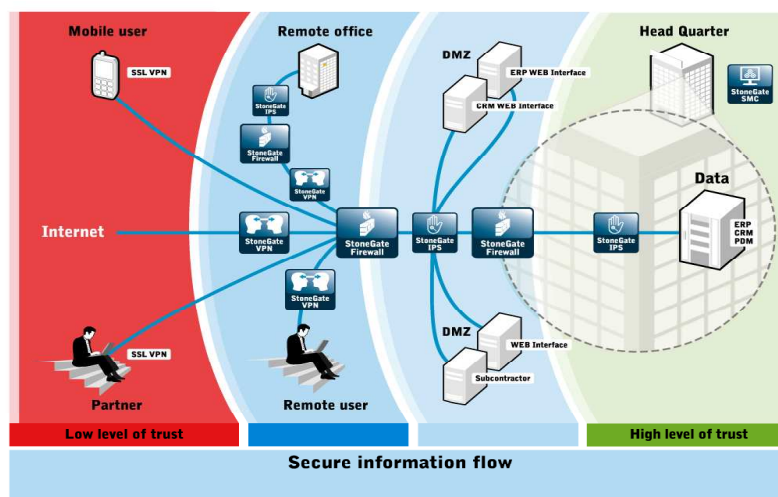
- **Situation awareness is a must**
 - real time info
 - clarity of status
 - data for fast corrective actions
- **Layered security**
- **Resilient connectivity**
 - data and services must be available
- **Centralized management**
 - ease of use and cost efficiency



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Secure Information Flow



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Highlights for Q1 2007

- Stonessoft launched the new members of the renewed StoneGate product line StoneGate IPS-6000 and FW-5100 products for large and demanding network environments.
 - SG FW-5100 is designed for networks requiring a performance of 10 Gbps
 - SG IPS-6000 meets capacity requirements of 2 Gbps.
- Swisscom Mobile chose StoneGate firewalls to protect their network architecture.
- Stonessoft extended its product offering to mobile users.
 - The company signed a cooperation agreement with Portwise AB, a Swedish company specializing in a browser-based SSL VPN solution for mobile and remote use.
- French LPG (gas) distributor Antargaz selected StoneGate firewalls to protect their network architecture.

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Conclusions

- We shall
 - continue the implementation of the growth strategy
 - customer orientation is a key to enforce this development
 - boost the sales on several markets
 - further strengthen the co-operations with partners
 - continue marketing and pr activities
- We have strong positive development in the prospect pipeline
- Our future outlook for 2007 is
 - Annual net sales roughly EUR 25 million (+/- 10%)
 - comparable figure during the previous year EUR 16,5 million.
 - Annual costs roughly 24,5 million euros (+/- 10 %)
 - comparable cost during the previous year EUR 22,6 million
- Our present pipeline for Q2 confirms we are on the right track

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Customer References



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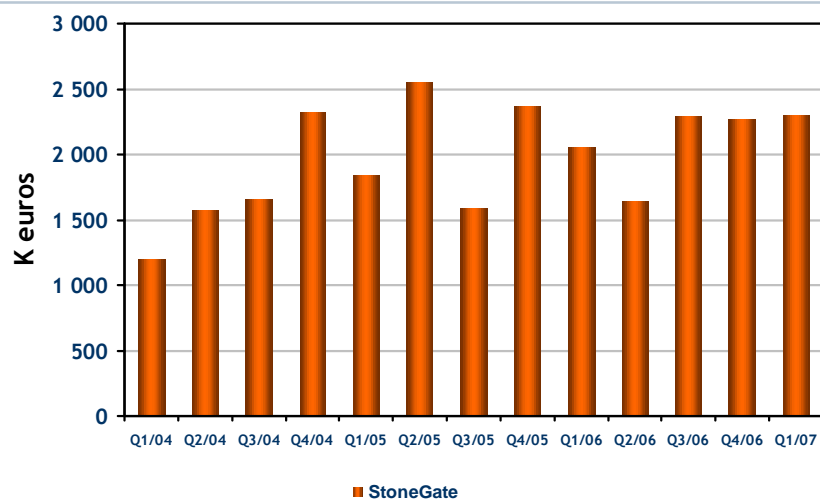
Q1/2007 Financials

- All comparative numbers exclude discontinued operations in historic data with the exception of
 - Liquid funds

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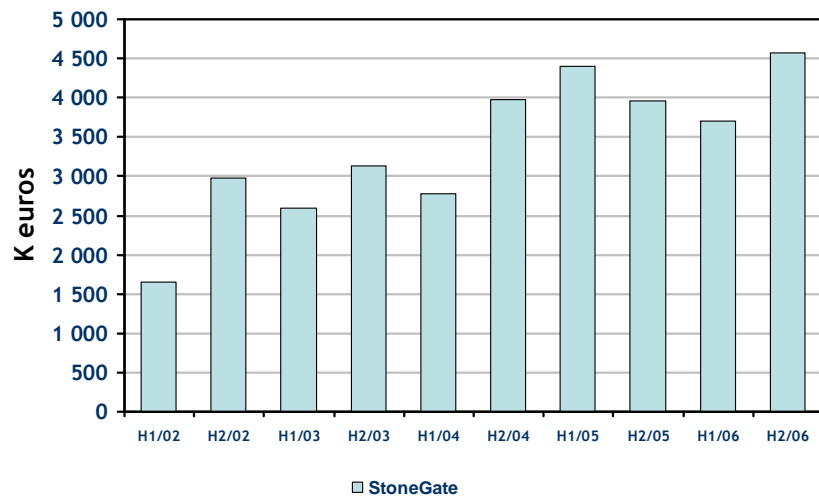
StoneGate Sales by Quarter



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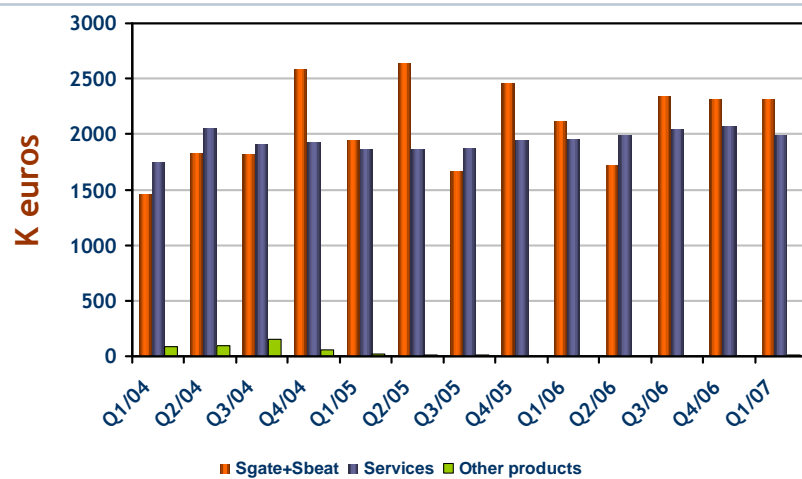
StoneGate Sales by Half Year



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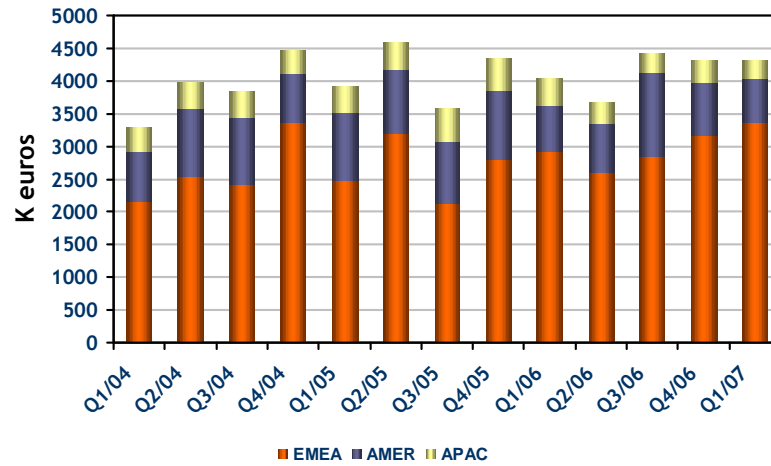
Sales by Product



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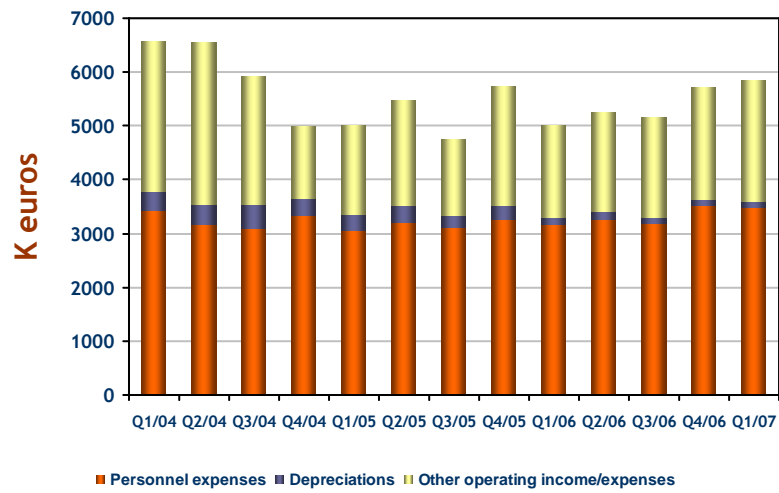
Net Sales by Area



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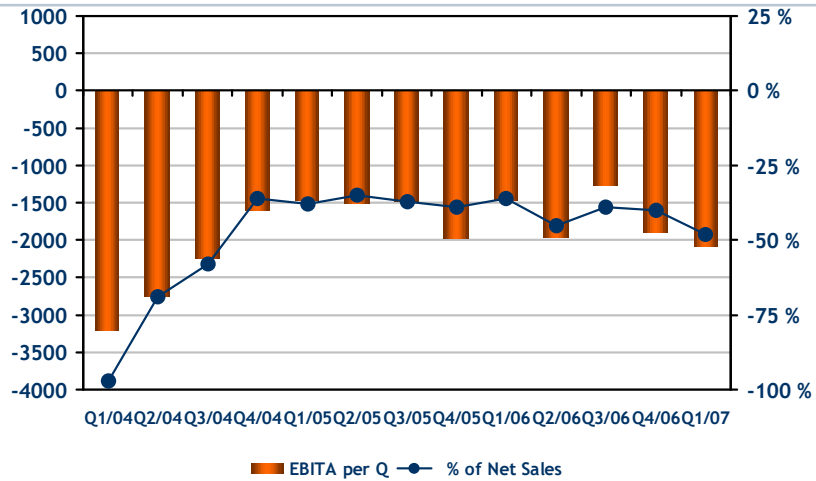
Operating Costs by Quarter



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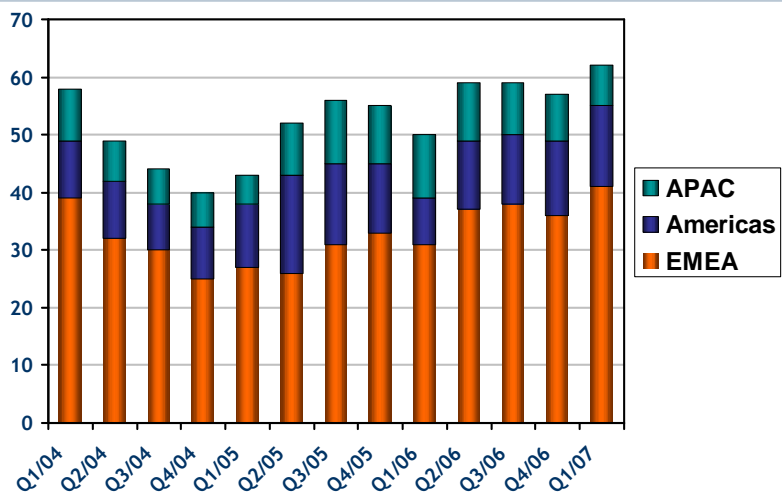
EBITA by Quarter



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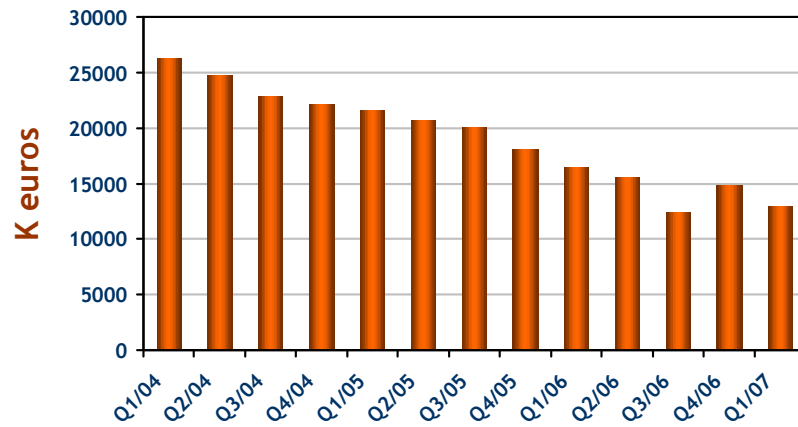
Sales Personnel at the End of Quarter



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Liquid Funds



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