

STONESOFT

January-March 2008, Interim Report



22 April 2008

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Results for January-March 2008

- **Net sales** EUR 5.3 (4.3) million, growth 22%
- **StoneGate sales** EUR 3.1 (2.3) million, growth 37%
- **Operating result (EBIT)** EUR –1.2 (–2.1) million
 - This was a clear improvement in profitability, but further improvement is still needed
- **Cash flow** EUR –1.1 (–1.4) million
- **Total cash flow** EUR –0.3 million (includes the last payment of the selling price of Embe Systems, EUR 0.8 million)
- **Liquid assets** EUR 7.9 million at the end of the reporting period

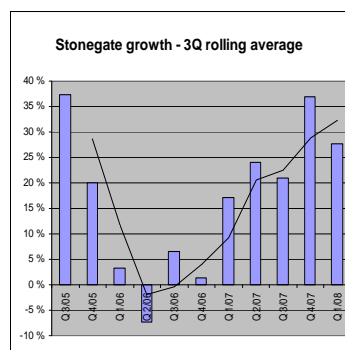
Note: The comparable figures from the corresponding period in the previous year are in brackets and refer to the figures of continuing operations.

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Stonesoft's Current Situation

- The company has improved its comparable profitability by roughly € 17 M from 2002 until 2007
- The operating result in 2007 was still negative with € 6 M, but with clear growth in sales and clear improvement in profitability towards the end of the year
- Clear turnaround in sales started in Q2/06 as shown in the measurement of 3 quarters' average sales of StoneGate
- The growth is expected to continue throughout 2008 leading to clear improvement in profitability
- The company's new positioning and offering has lead into wide acceptance and larger deal sizes



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Highlights

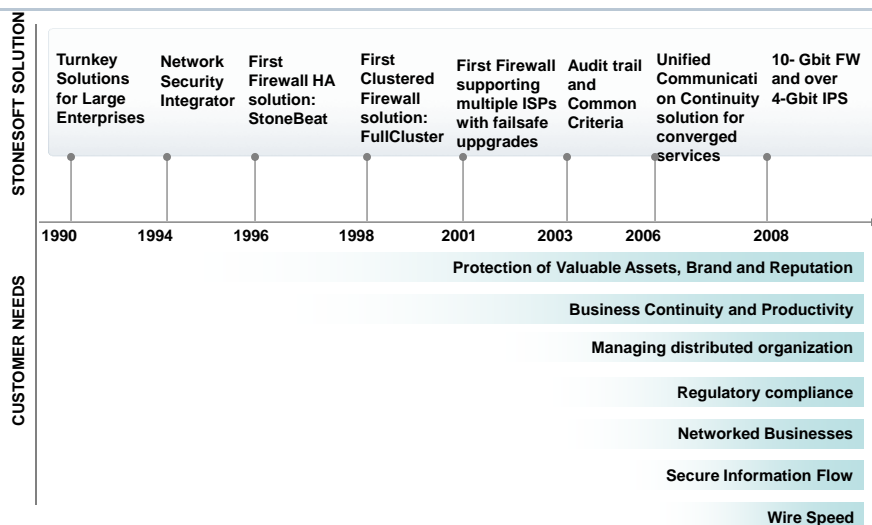
- StoneGate sales were 37% higher than a year ago
- StoneGate™ IPS intrusion detection and prevention system received the Network IPS certification from the US-based ICSA Labs. Stonesoft is one of the few vendors whose product has passed the ICSA Labs tests
- Stonesoft launched StoneGate™ IPS-6100 and FW-5100 appliances with 10Gb interfaces, 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.

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Stonesoft Solutions and Customer Needs

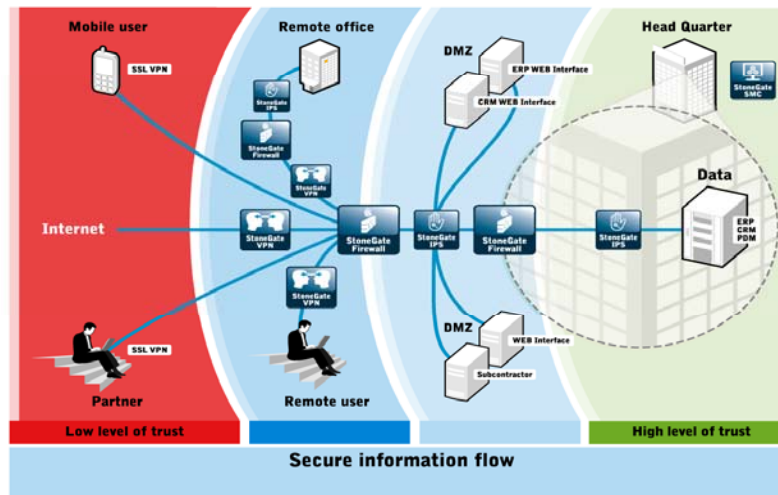


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Secure Information Flow

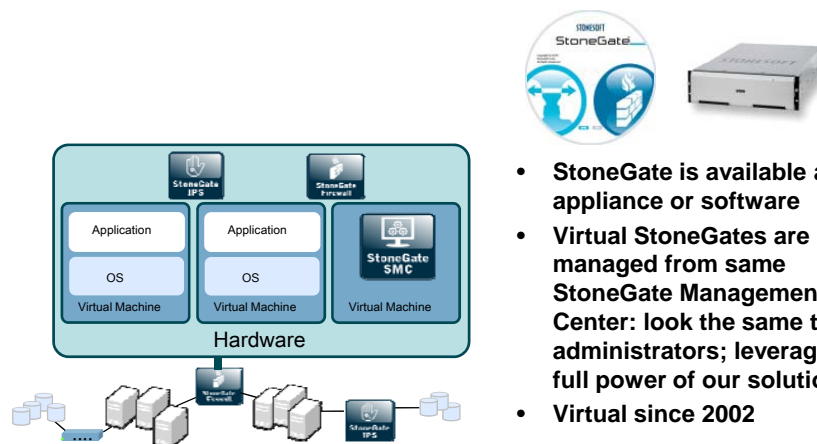


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StoneGate and Virtualization



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Future Outlook

- Company expects to have an annual total 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.

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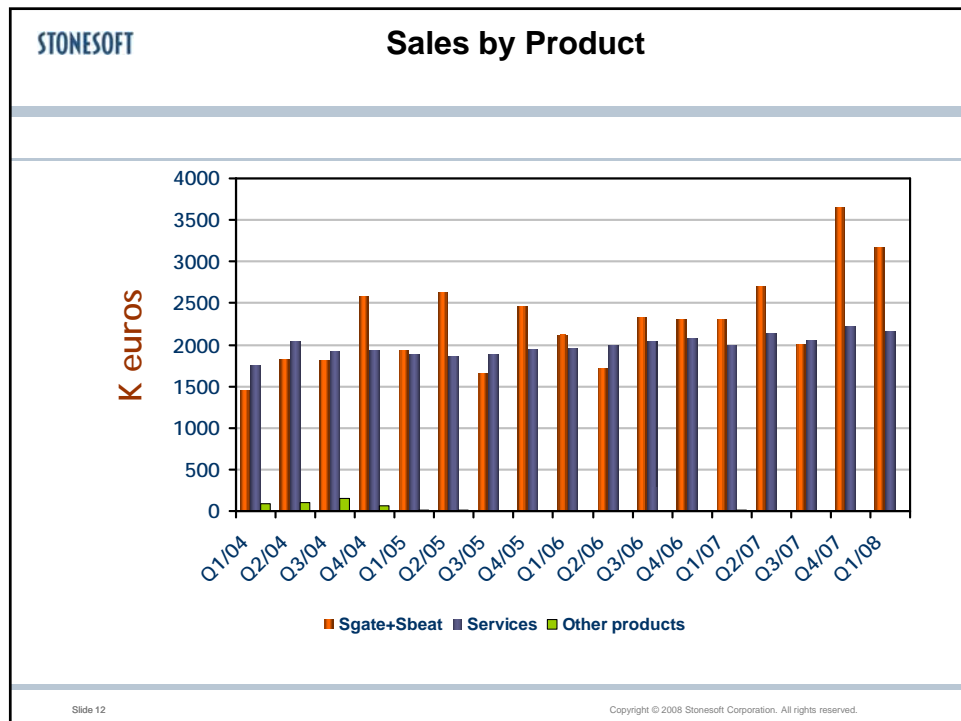
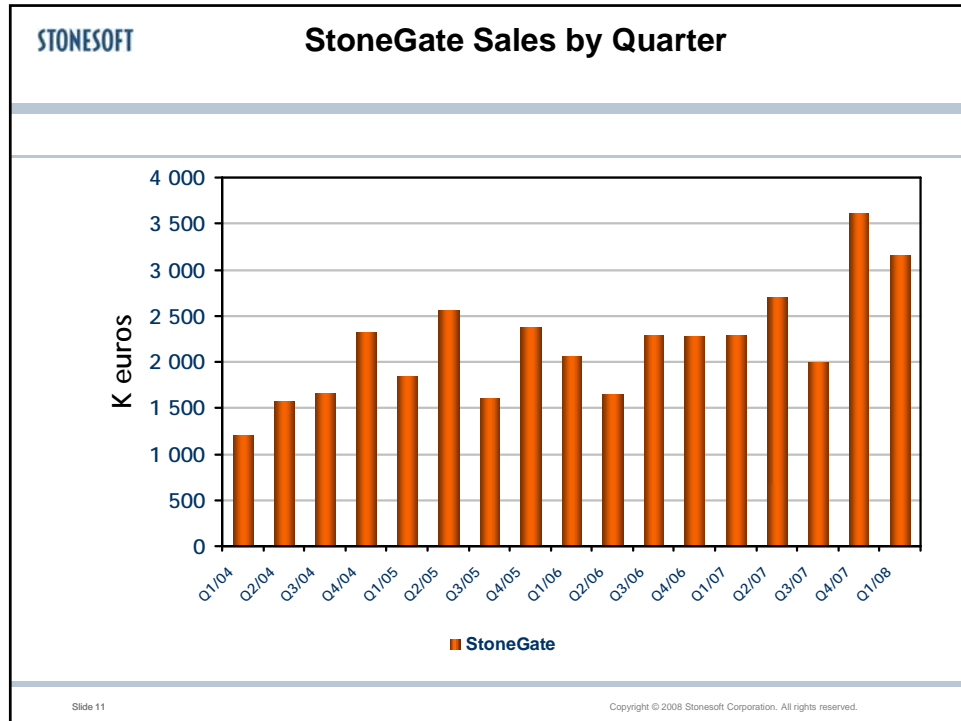
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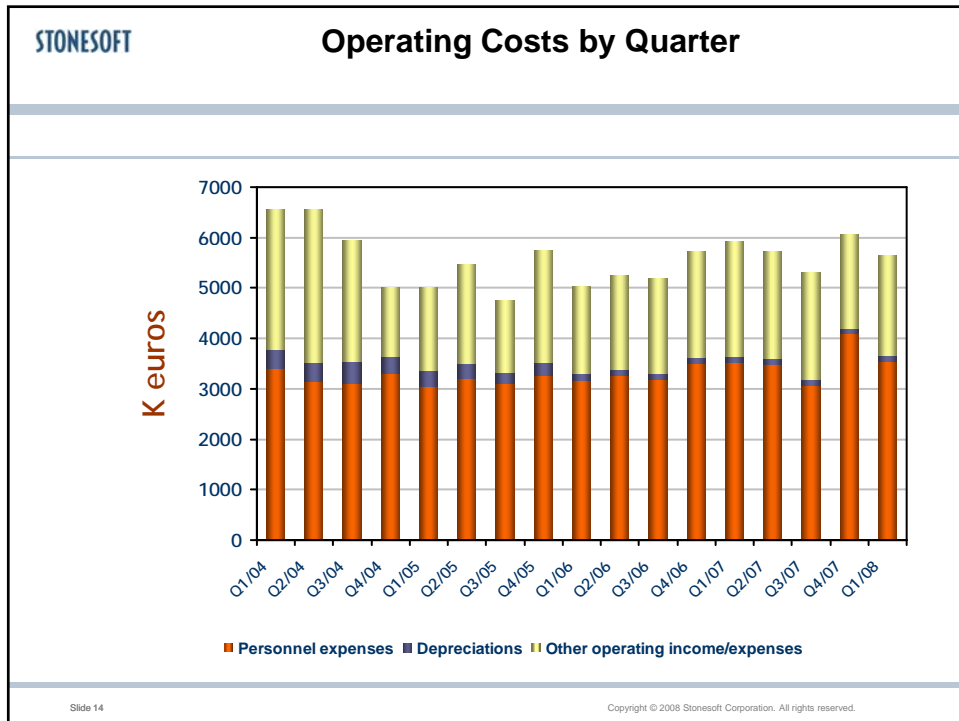
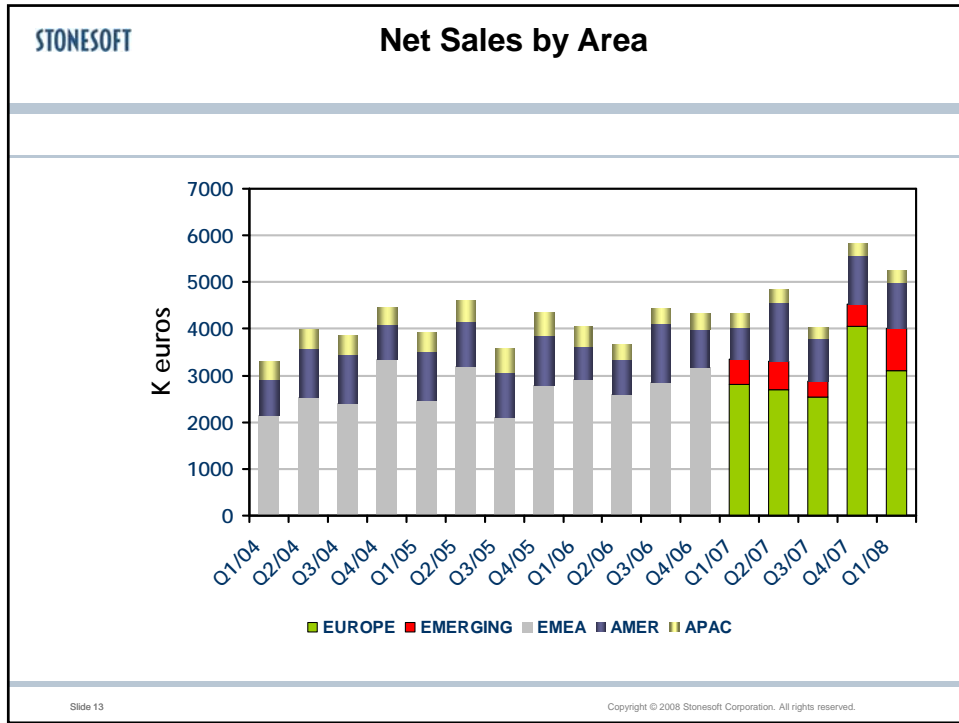
Q1/2008 Financials

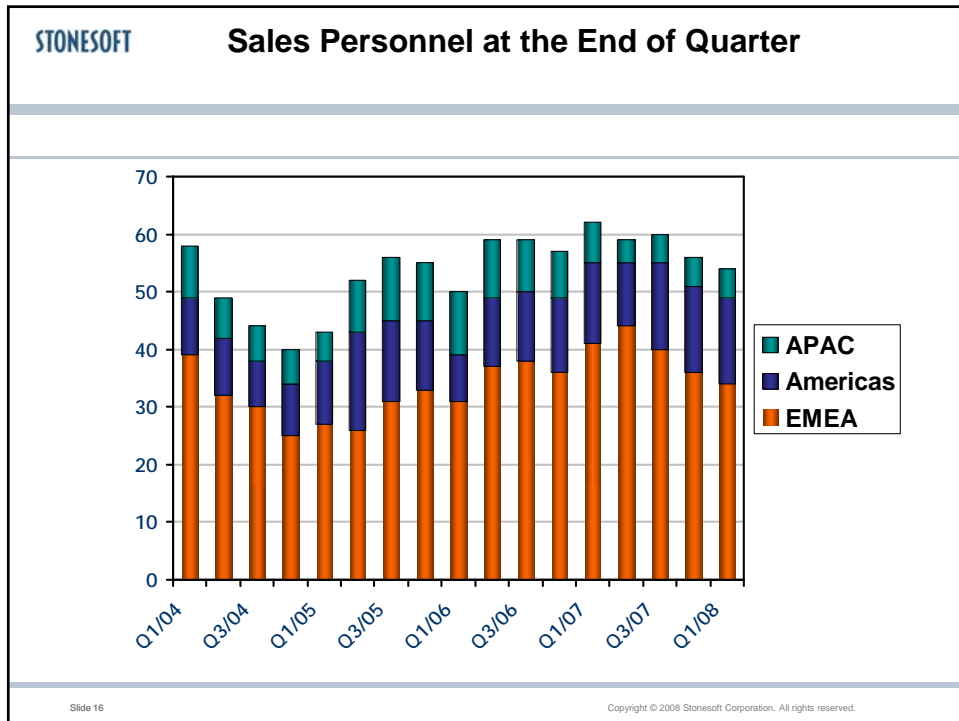
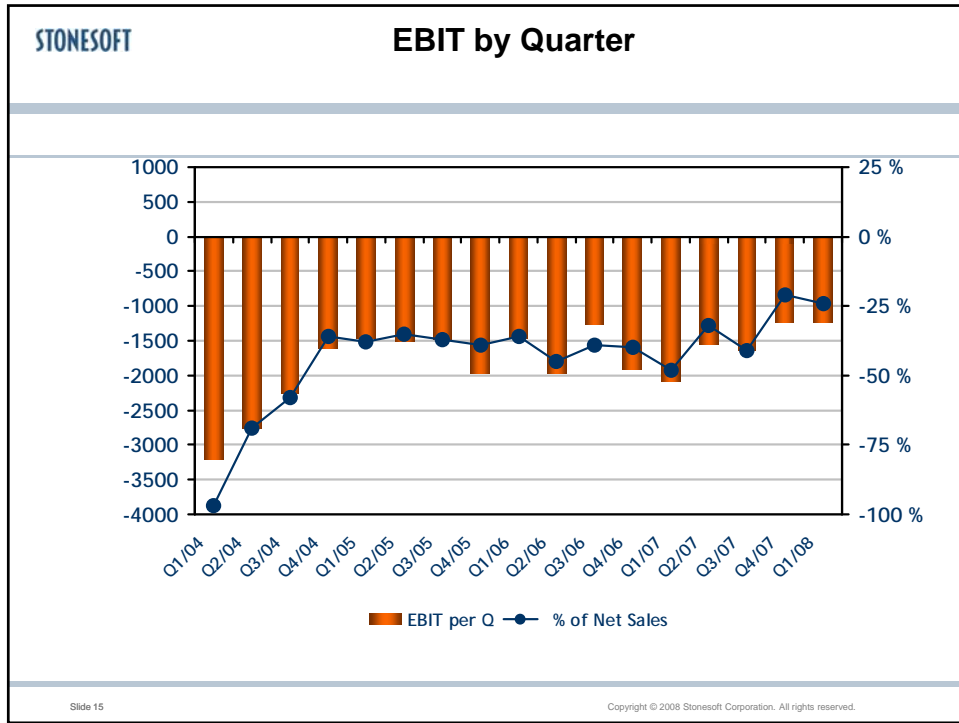
- All comparative numbers exclude discontinued operations in historic data with the exception of
 - Equity rate at the end of quarter
 - Liquid funds
 - Shareholders equity per share

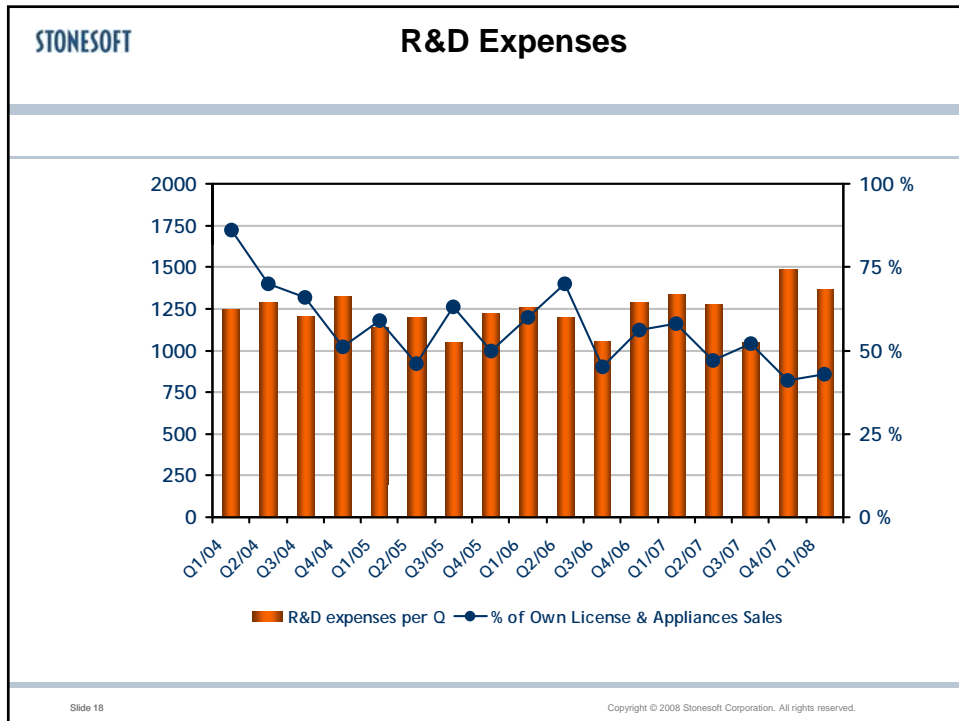
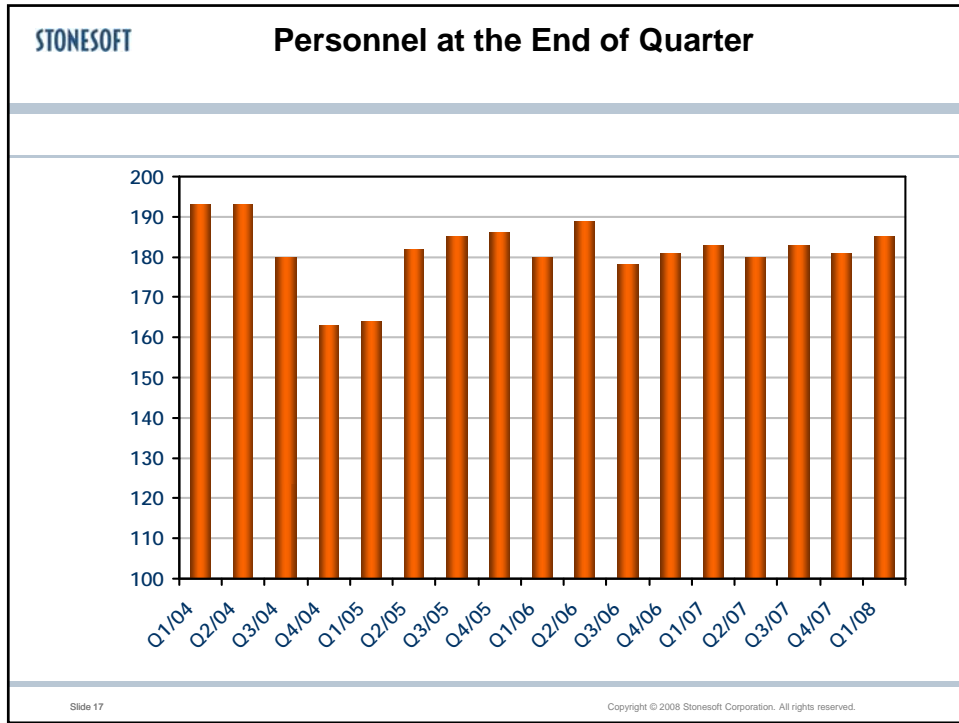
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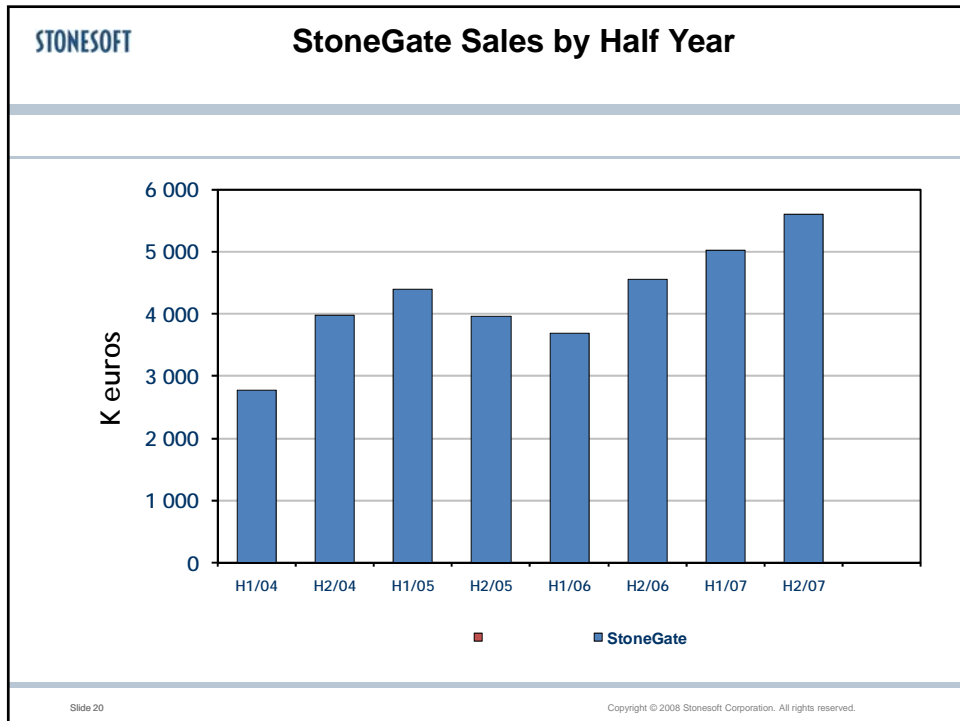
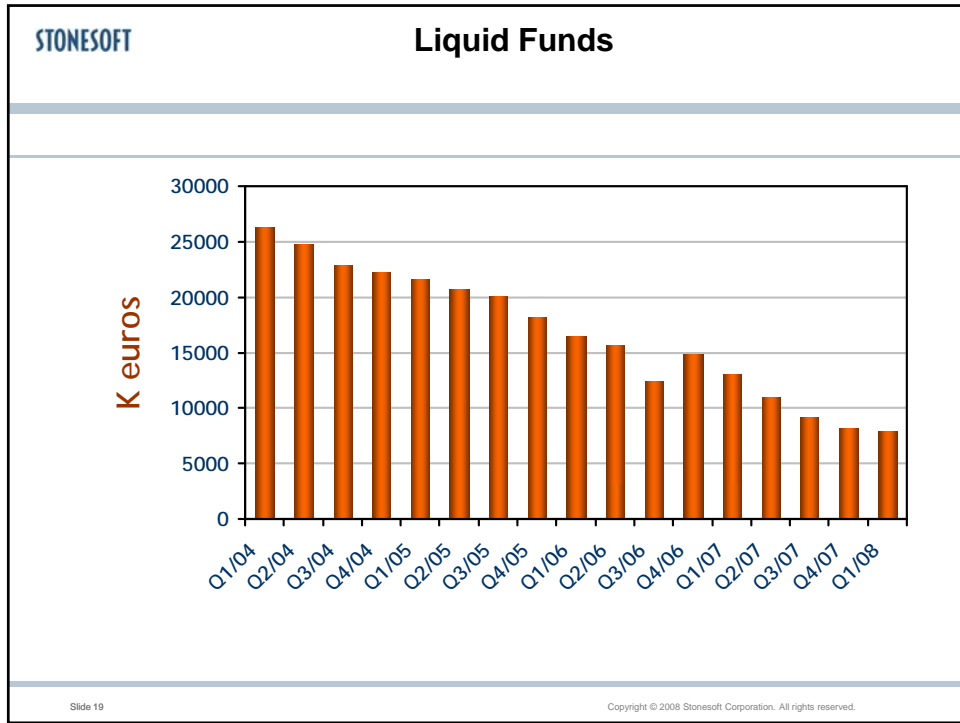
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