

January- September 2012

Interim Report

CEO Ilkka Hiidenheimo
October 19th, 2012

Stonesoft Corporation

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July - September 2012

- Net sales EUR 9.3 million, +16% compared to the corresponding period in 2011 (8.0)
- Product sales were EUR 5.6 million, +20% compared to the corresponding period in 2011 (4.7)
- Operating profit (EBIT) was EUR 0.1 million (0.2)
- The operative cash flow was EUR -1.8 million, compared to EUR -2.2 million in the corresponding period in 2011

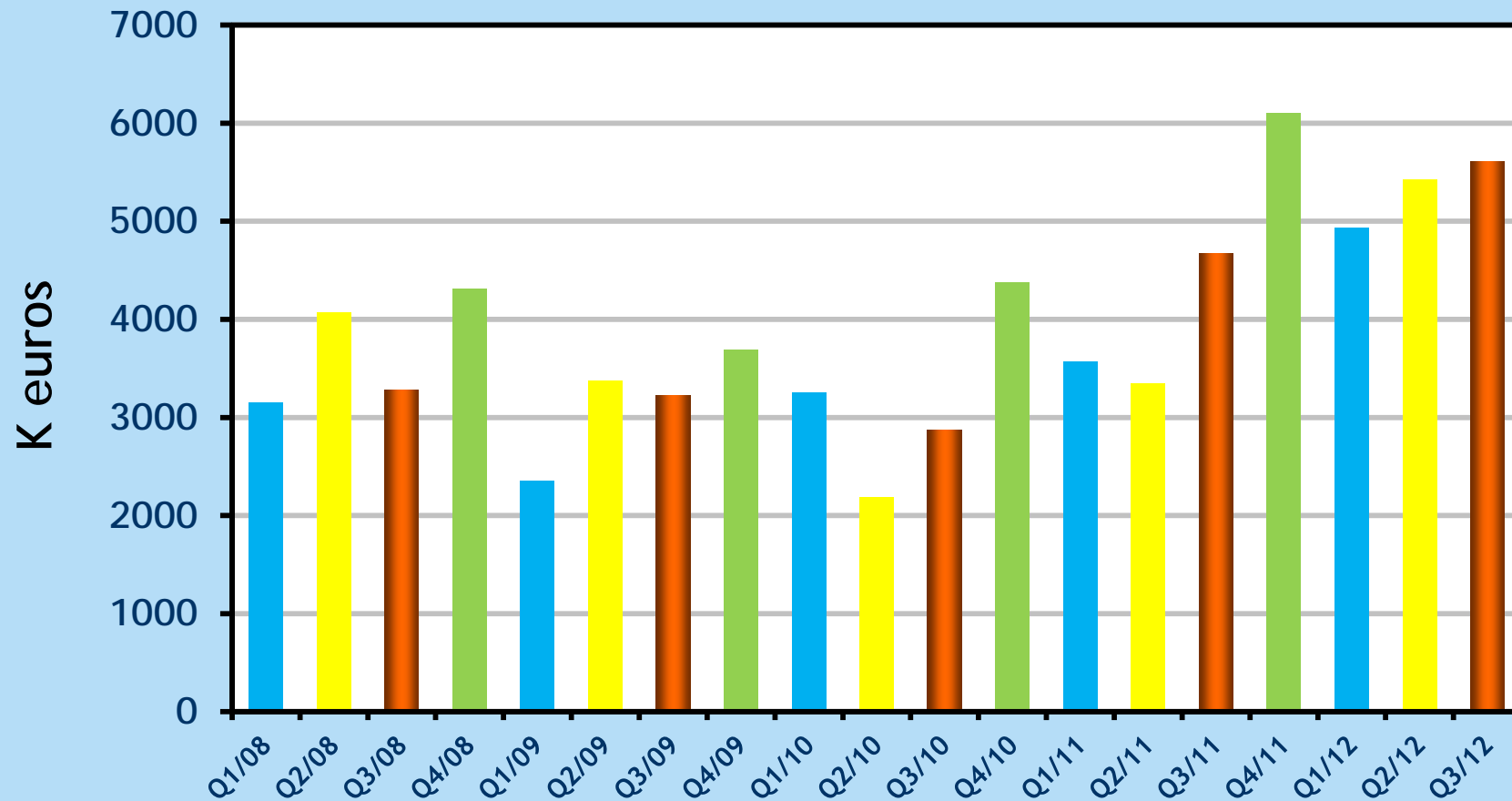
January - September 2012

- Net sales EUR 26.7 million, +27% compared to the corresponding period in 2011 (21.1)
- Product sales were EUR 16.0 million, +38% compared to the corresponding period in 2011 (11.6)
- Operating profit (EBIT) was EUR -1.0 million (-1.4)
- The operative cash flow was EUR -0.5 million, compared to EUR -0.9 million in the corresponding period in 2011

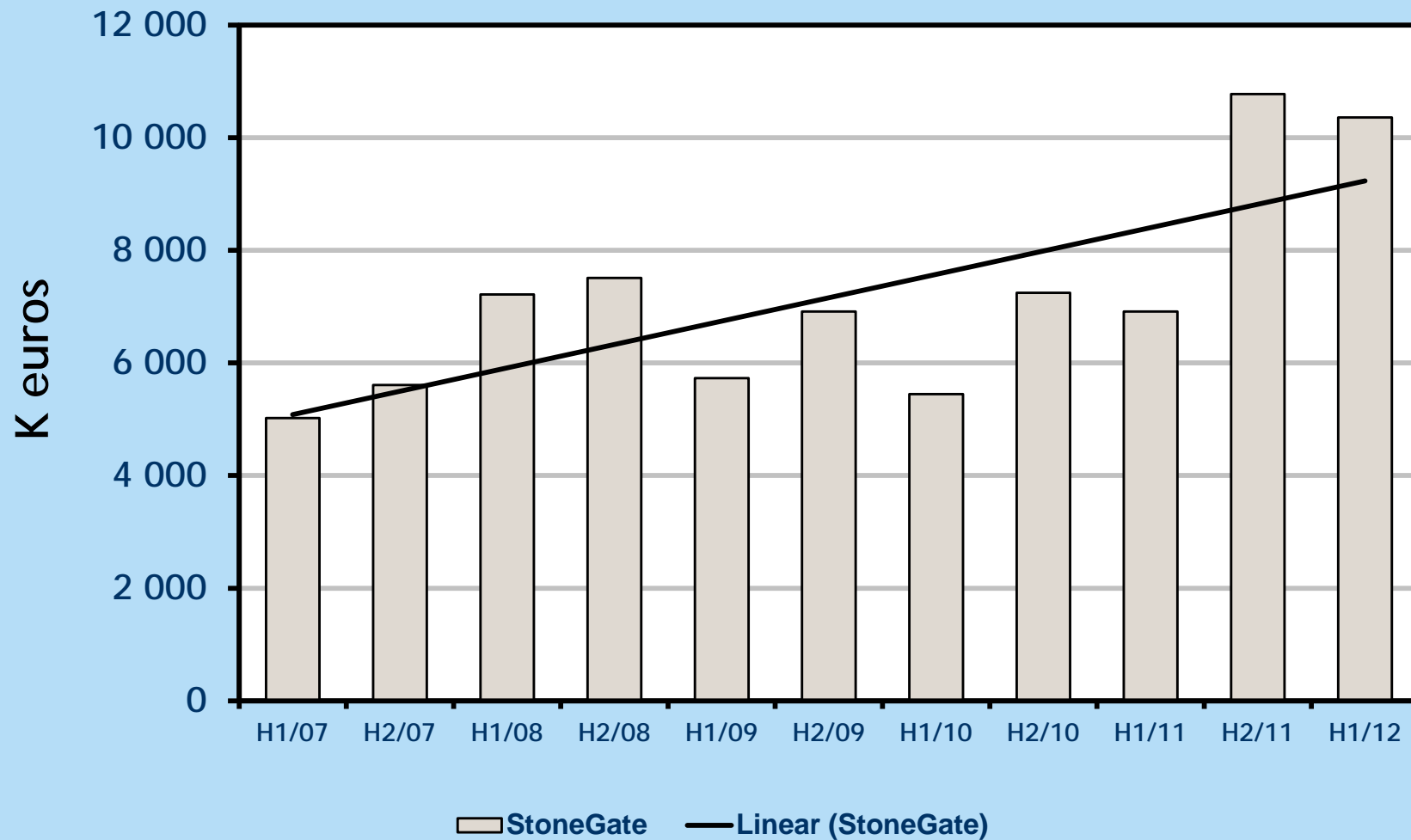
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Q3/2012 Financials

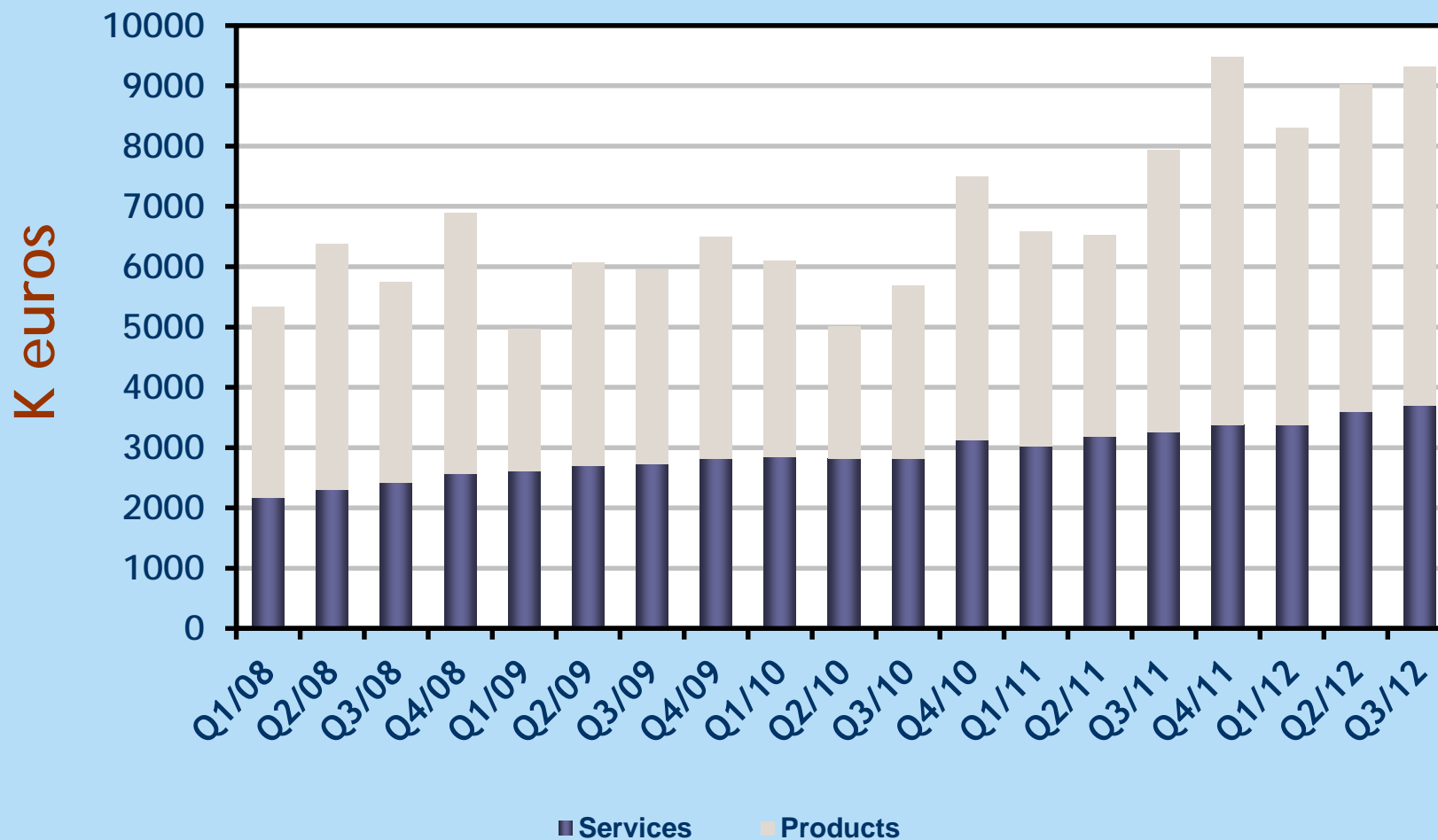
Product Sales by Quarter



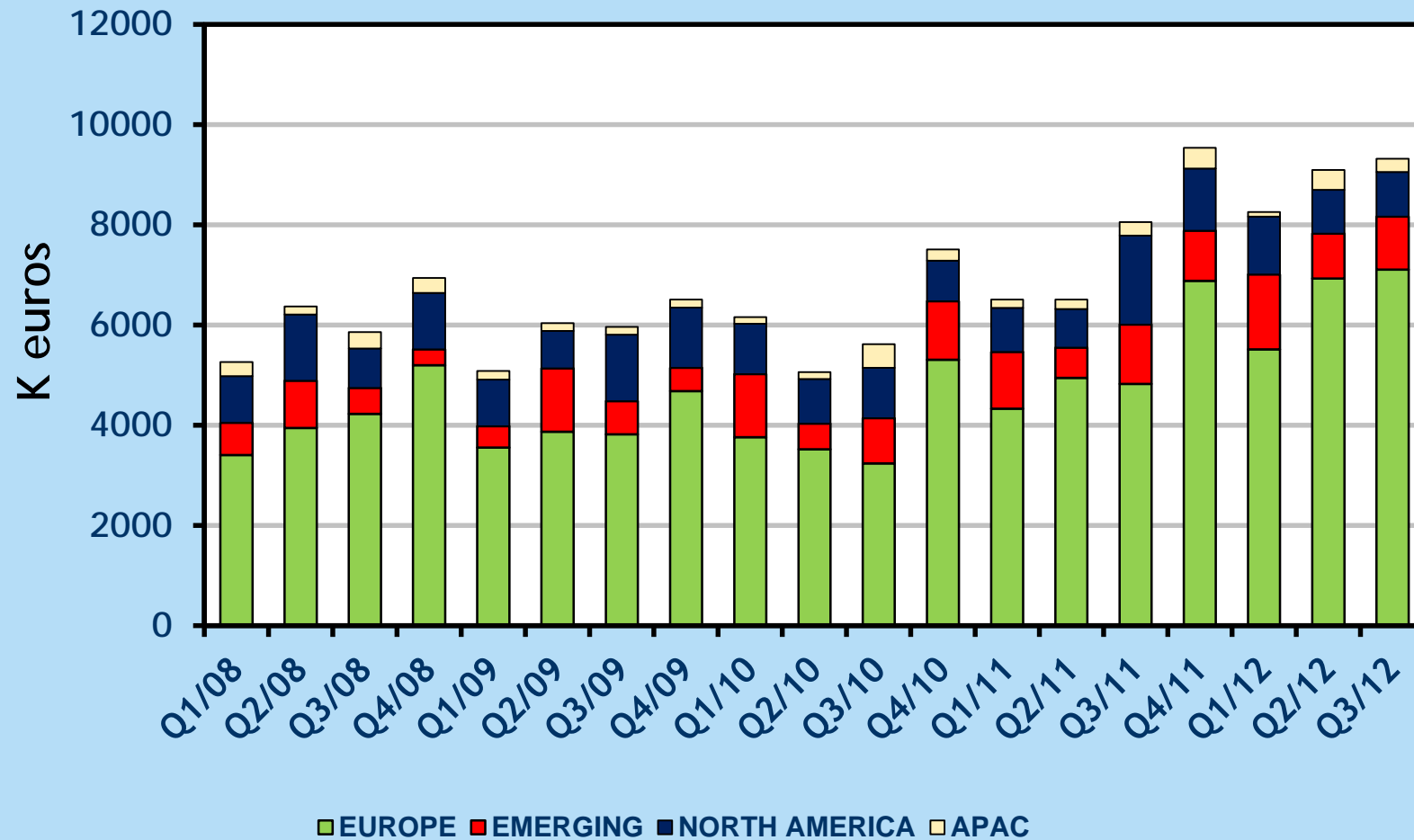
Product Sales by Half Year



Sales Split



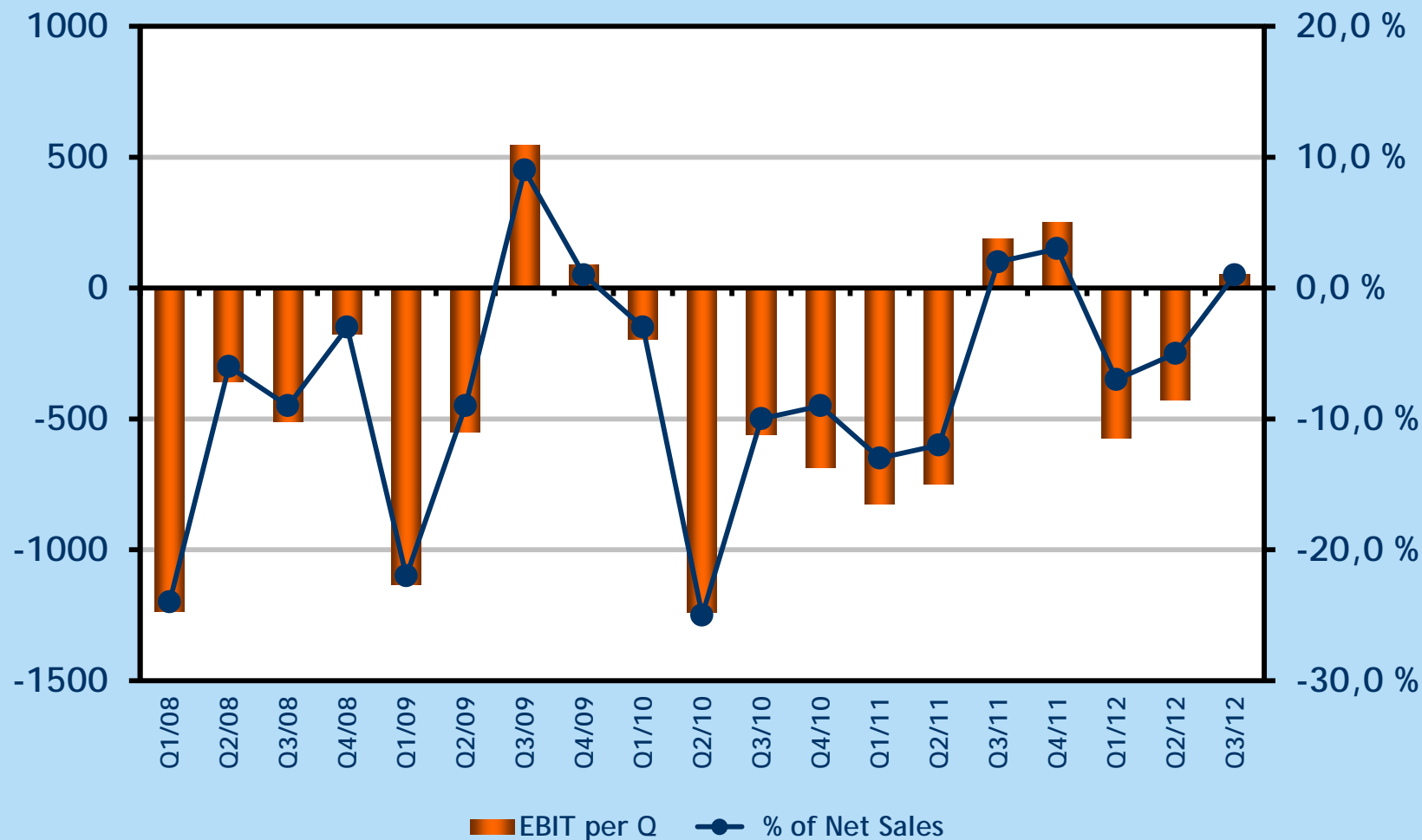
Net Sales by Area



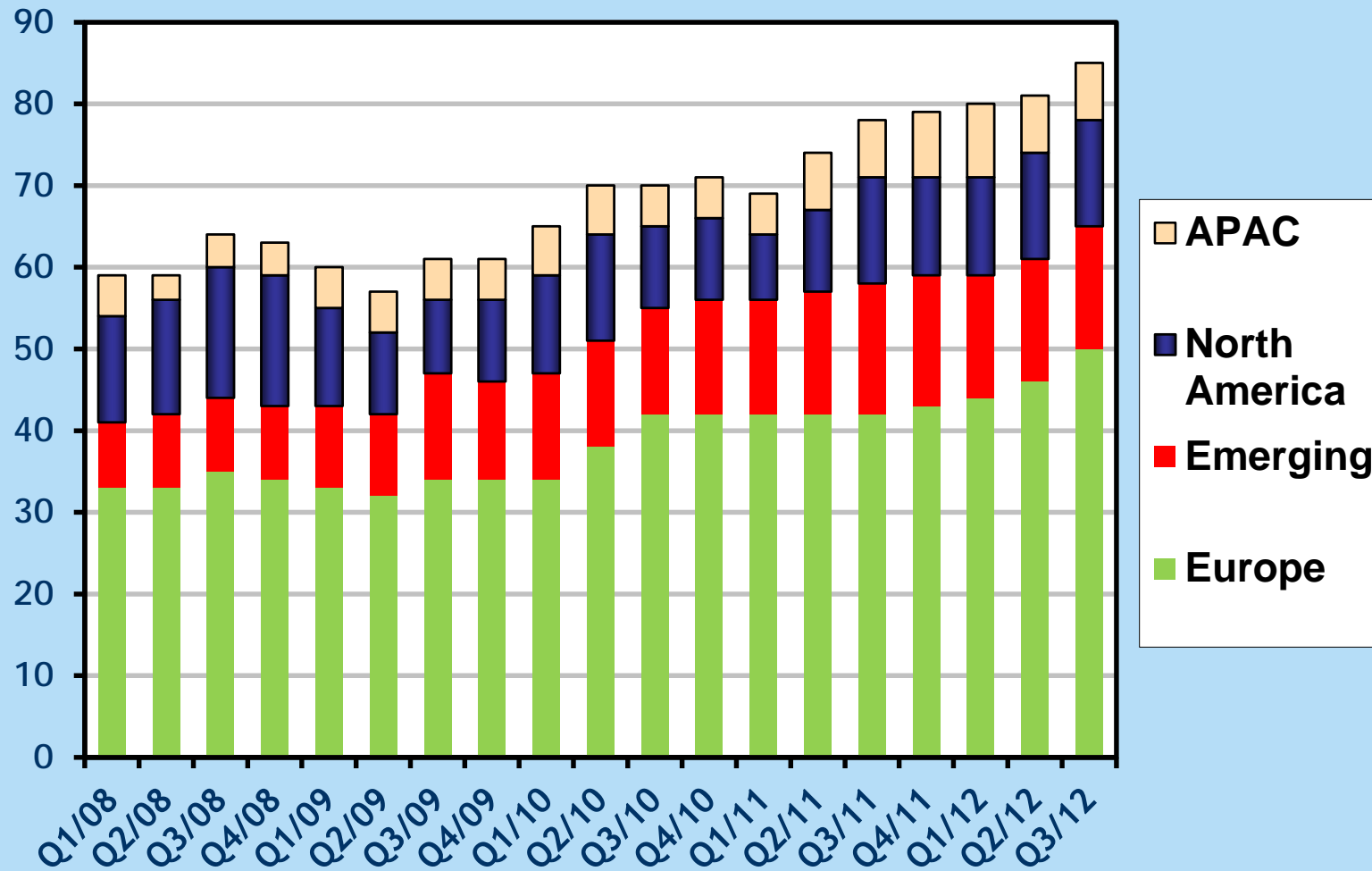
Operating Costs by Quarter



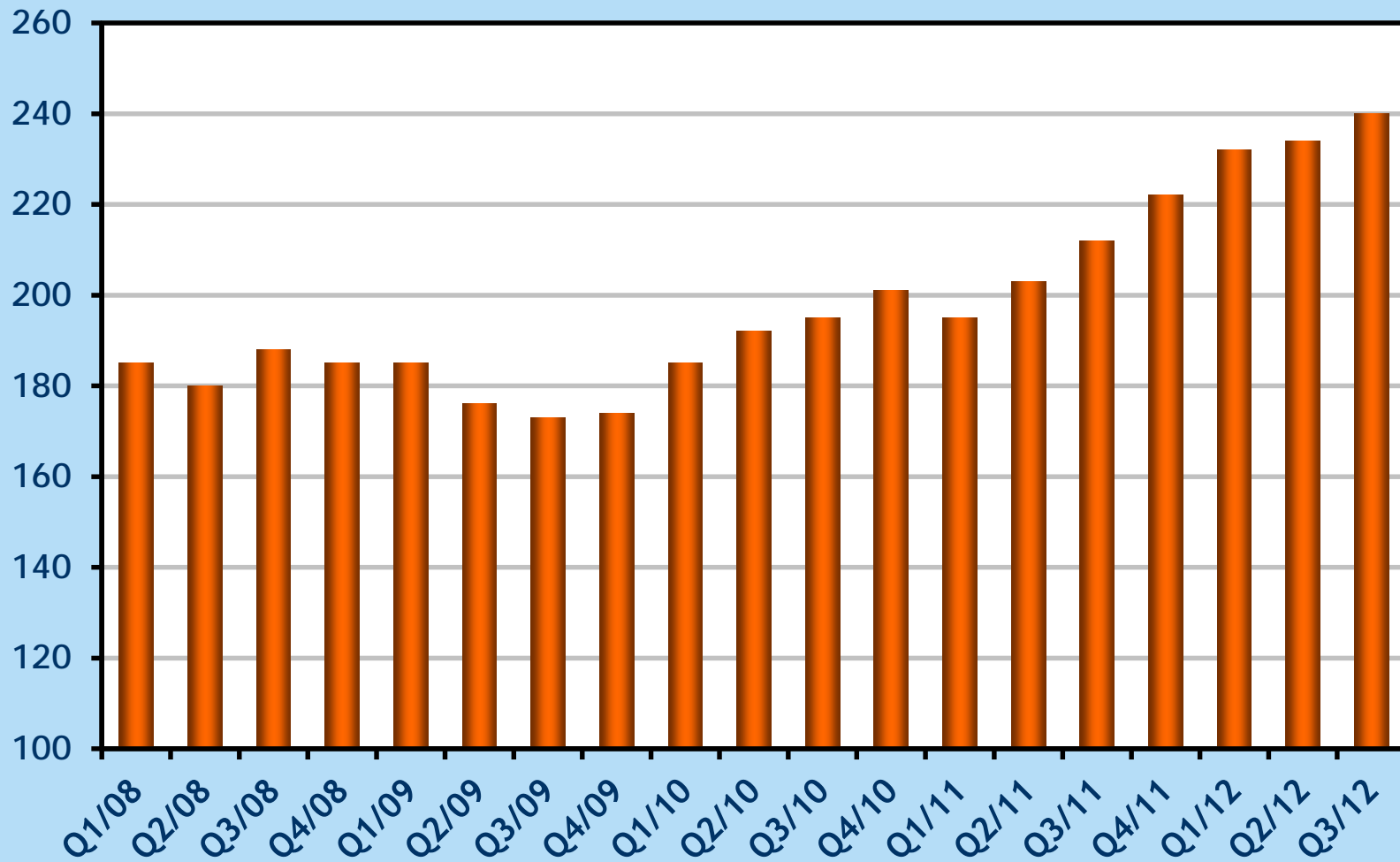
EBIT by Quarter



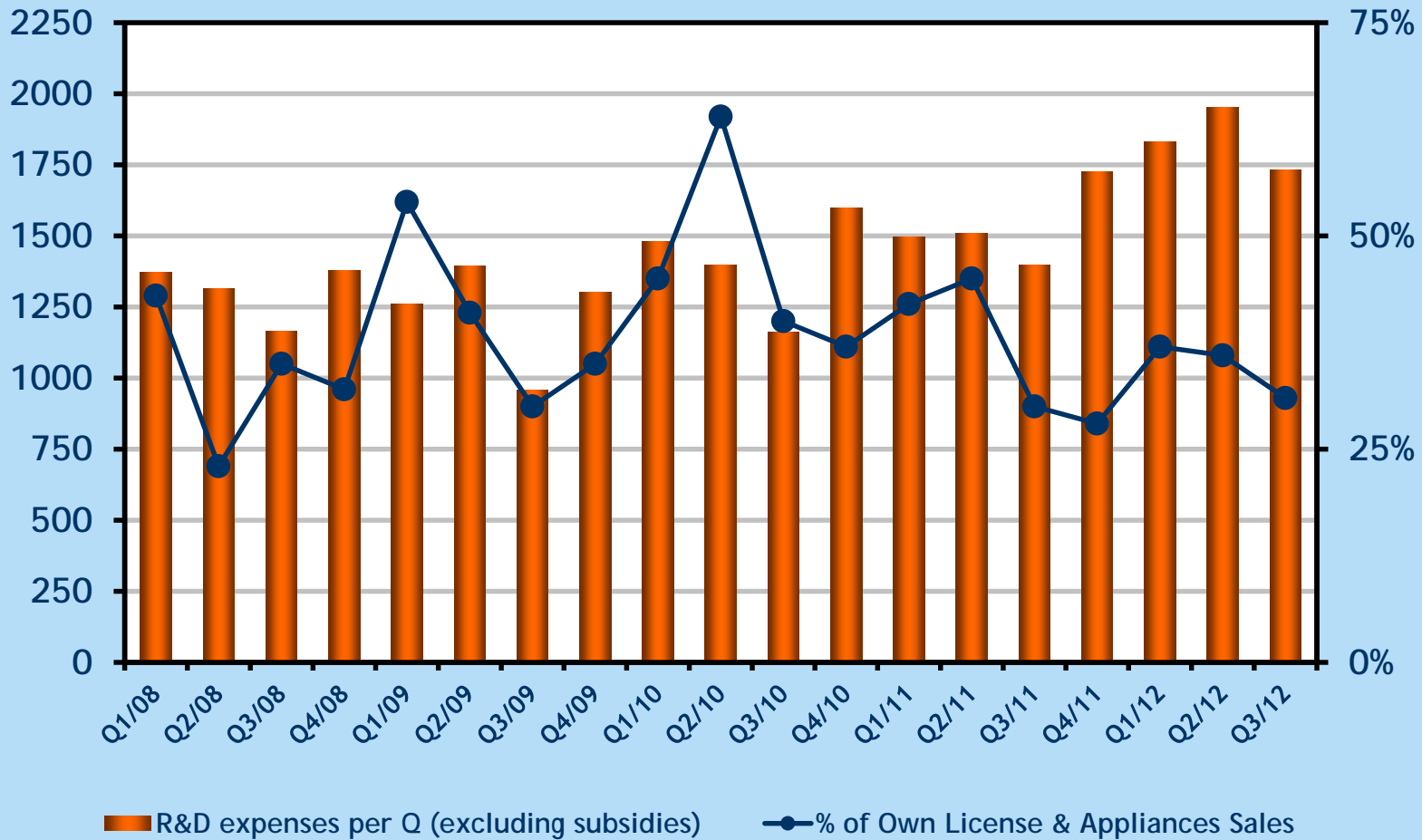
Sales Personnel at End of Qtr



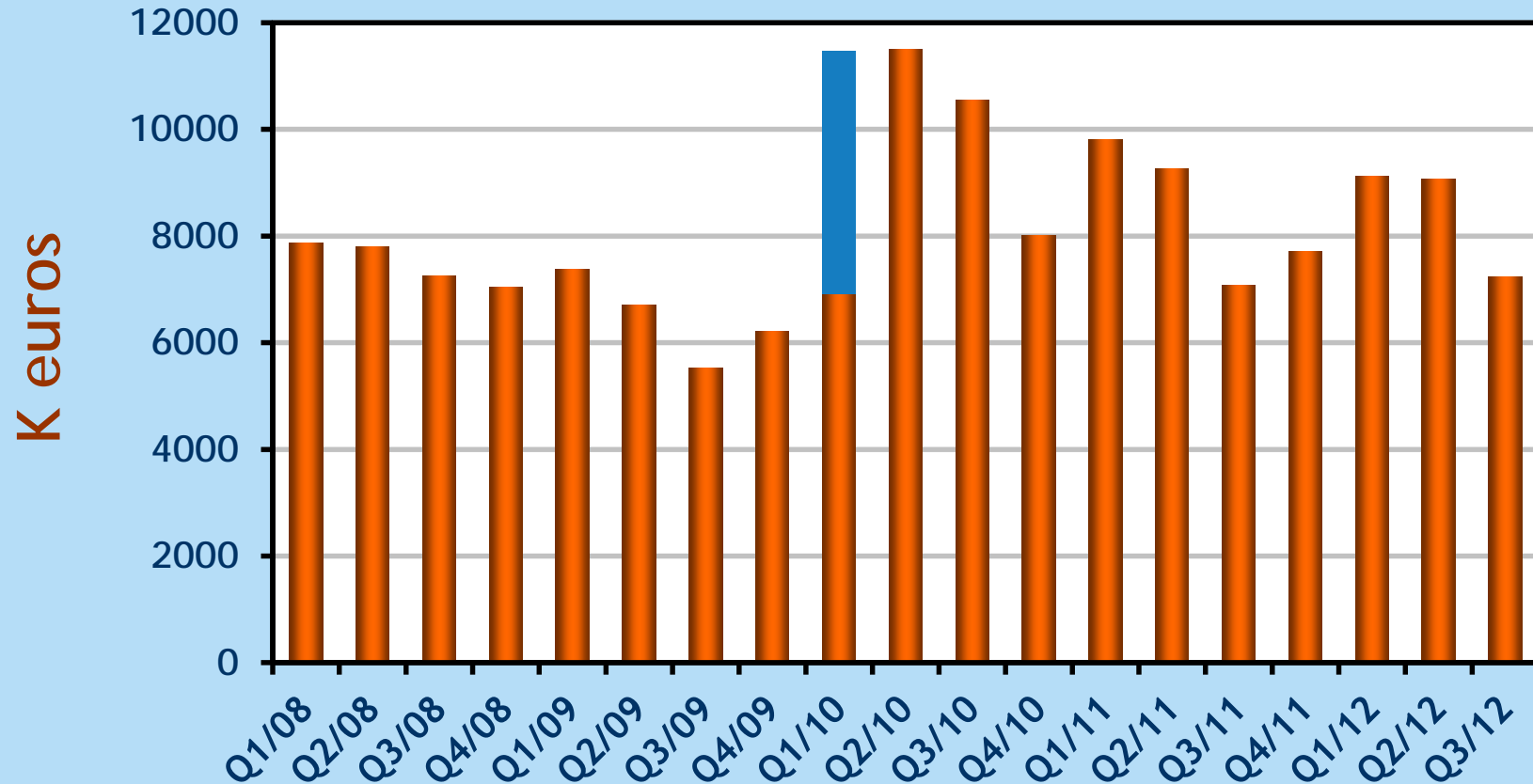
Personnel at End of Quarter



R&D Expenses



Liquid Funds



Highlights of Q3/2012



Stonesoft published the new Evasion Prevention System (EPS) security solution. EPS provides organizations with an easy and effective way to identify advanced evasion techniques (AETs) and to protect themselves against them.

In addition, Stonesoft released the world's first Advanced Evasion Technique testing tool, which allows organizations to test whether AETs can bypass their security systems.



July 2012

Stonesoft announced the market research firm Gartner, Inc. had placed it in the Visionaries Quadrant of its report “Magic Quadrant for Intrusion Prevention Systems (IPS)”.



August 2012

Stonesoft announced its IPS-1302 intrusion prevention system had received excellent results in NSS Labs' 2012 Intrusion Prevention Systems (IPS) product tests. NSS Labs confirmed that the Stonesoft IPS-1302 provides 100 % protection against all tested evasion techniques and low total cost of ownership (TCO) during real-world traffic and threat scenarios.



August 2012

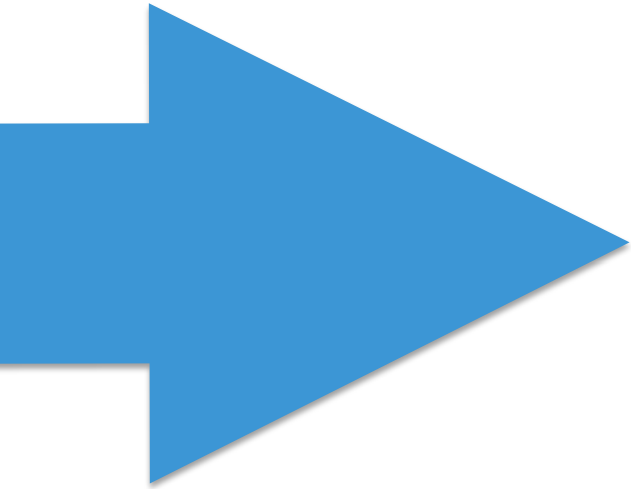
Mika Yletyinen has been appointed as Vice President, European Sales and the Global Channel, and a member of the Executive Management Team.



August 2012

Conclusion

- Era of strong organic growth continues
- Stonesoft is expecting strong organic growth also in the future
- Our technology position together with AET capabilities – a unique and strong message, which resonates



Future Outlook

- Stonessoft expects net sales to grow by 25 – 32 % in 2012 and the full year operating result (EBIT) to be close to zero.



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