

STONESOFT CORPORATION STOCK EXCHANGE RELEASE FEBRUARY 16, 2007 AT 9:15 AM

STONESOFT CORPORATION'S FINANCIAL STATEMENTS RELEASE FOR JANUARY-DECEMBER 2006

IMPROVING DEVELOPMENT DURING THE SECOND HALF-YEAR

Stonesoft Corporation's position in the marketplace changed through the introduction of new products from a network security provider to a provider of network security and information availability. The change was very well received in the market and towards the end of the year it was shown as an increase in the sales pipeline, but not fully in the sales figures. The company expects this development to generate an increase in net sales in 2007.

January-December 2006

- Net sales for the financial year totaled EUR 21.9 million (EUR 22.2 million), which was 2% less than in the previous year. The development of net sales happened in two stages during the financial year: in the first six months, sales declined significantly, but in the last six months, the company was able to turn the development to increase in sales volume, which raised the turnover of the reporting period almost to the level of the previous year.
- The net sales grew +8.1% during the last six months compared to the corresponding period in the previous year.
- The sales of the main product portfolio, StoneGate, including Firewall, VPN and IPS, were EUR 8.3 million (EUR 8.4 million).
- The growth of the sales of StoneGate was +15.1% during the last six months (H2) compared to the corresponding period in the previous year.
- Operating loss was EUR 6.5 million (EUR -6.3 million). The operating loss included a non-recurring cost of EUR 0.2 million due to the sale of Embe Systems Oy.
- Earnings per share were EUR -0.11 (EUR -0.10).
- Shareholders' equity per share was EUR 0.17 (EUR 0.28).
- Liquid assets totaled EUR 14.9 million (EUR 18.9 million) at the end of the financial year.
- Cash flow was negative EUR 4.0 million (EUR -3.3 million)
- The fixed sales price of Embe Systems Oy was EUR 3.63 million (the total sales price will be EUR 4.65 million at the maximum). The sales profit was EUR 2,2 million, which will be booked in January.

CEO Ilkka Hiidenheimo

Stonesoft managed to build a foundation for growth in 2007 by implementing the new strategy and growth plan during the summer of 2006. We changed our position in the market by providing new products in our product portfolio from a network security provider to a provider of network security and secure information availability. The change clearly strengthened our market position and increased our sales pipeline strongly during the last six months, even though the development was not fully seen as an increase in the sales figures.

Based on our growth plan, we strengthened our effort to increase sales and expand our customer base during the last six months, and initiated several sales campaigns to support the development of sales. Stonesoft renewed its product strategy and reorganized its organization and the executive management to be more customer-oriented. Furthermore, the recruitment and training of the sales teams in different countries were accomplished and the partner network was structured according to the target level of the main markets.

These activities created a major increase in the sales pipeline during the last six months, which indicates positive development in sales in particular from the second quarter of 2007 onwards.

To be able to fully focus on our strategy of integrated network security and business continuity, we signed in December a sales

contract to sell Embe Systems Oy based on which the transfer of ownership took place in January 2007. We received a fixed purchase price of EUR 3.63 million, while the total purchase price can be up to EUR 4.65 million at the maximum. The transaction brought a non-recurring cost of EUR 0.2 million.

According to our growth plan, during 2007 we will launch a new StoneGate product line with increased performance and extend our product offering with a SSL VPN solution for mobile use. We will further strengthen our co-operation with partners and accelerate sales and marketing targeting to a strong growth of net sales and improved profitability.

October - December 2006

- Net sales for the fourth quarter were EUR 5.8 million (EUR 5.8 million). Growth was 1% compared with the previous year's corresponding quarter.
- The net sales of the group's main product line, StoneGate, were EUR 2.3 million (EUR 2.4 million, a 4% decrease compared with the corresponding quarter of the previous year).
- Operating loss was EUR 2.0 million (EUR -2.0 million).
- Earnings per share were EUR -0.03 (EUR -0.03)
- The group's cash flow was EUR + 2.4 million (EUR -1.2 million)

The geographical distribution of net sales was as follows: Europe, Middle East and Africa 80% (72%), North and South America 14% (19%) and Asia-Pacific 6% (9%).

NET SALES AND PROFIT

January - December 2006

The group's net sales in January-December were EUR 21.9 million (22.2 million), compared to EUR -0.4 million in corresponding period in the previous year, or -2%. The loss for the year was EUR 6.5 million (EUR -6.3 million).

The geographical distribution of net sales was as follows: Europe, Middle East and Africa 78% (72%), North and South America 16% (20%) and Asia-Pacific 6% (8%).

The operating loss for the year was EUR 0.3 million worse comparing to the corresponding time previous year. The loss for the year after taxes was EUR 6.4 million (-6.0 million).

Finance and investments

At the end of the year under review, total assets were EUR 24.5 million (EUR 26.8 million). The equity ratio was 66% (74%) and gearing (the ratio of net debt to shareholders' equity) was -1.50 (EUR -1.14). Consolidated liquid assets at the end of the year totaled 14.9 million (18.9 million). Investments in tangible and intangible assets totaled EUR 0.4 million (EUR 0.4 million).

DEVELOPMENT OF BUSINESS OPERATIONS

Main business events in 2006

- In January, the renowned technical university, RWTH Aachen, chose Stonesoft's network security products to protect its IT network.
- In February, the Finnish Defense Forces selected Stonesoft's firewalls to protect its transition network.
- In February Information Security Magazine, the leading international network security magazine, named StoneGate SG-4000 "Hot Pick of the month".
- In February, the District Prosecutor pressed charges against Stonesoft in a suspected securities market information offence related to the ongoing disclosure requirements for public companies and regarding the alleged delay of Stonesoft's profit warning issued in February 2001. The District Court dismissed all the charges in

November. The District Prosecutor has appealed the judgment in January 2007.

- In March, Stonesoft introduced the first internal Firewall/VPN Solution for IBM Mainframes with fully clustered load-balancing capabilities.
- StoneGate firewall was selected as the best in Europe in two categories in a competition of the respected Secure Computing Magazine in April.
- Stonesoft entered into a partner agreement in May with Fujitsu Services Oy, according to which Fujitsu includes product, maintenance and service sales of Stonesoft network security products in its offering in the Nordic and Baltic countries.
- In May, CERN announced an agreement for cooperation in research and development with Stonesoft. CERN is using Stonesoft's technology to protect its grid network.
- In June, Stonesoft launched the new generation StoneGate Platform providing secured, optimized and resilient connectivity for converged services, while preventing damage from attacks.
- In June, Stonesoft signed a global agreement with the United Nations for the provision of StoneGate products and services.
- Cern announced in May an agreement for co-operation in research, according to which it will use Stonesoft's technology to protect its grid network.
- American independent research company Gartner included Stonesoft in its Magic Quadrant report and described it as an innovative network security company.
- TietoEnator Oyj and Stonesoft signed a partner agreement. According to the agreement, TietoEnator includes Stonesoft products in their service offering.
- Stonesoft and ITPS Ltd signed an agreement for co-operation in England. Based on the agreement ITPS will sell StoneGate products and services securing business continuity and network.
- Siemens and Stonesoft signed a partner agreement in Spain. The agreement broadens the geographical scope of the agreement signed earlier with Siemens that covers Scandinavia and Central Europe.
- Stonesoft was granted four patents during the year: two in the USA and two in Europe.

REVIEW OF MAJOR RESEARCH AND DEVELOPMENT ACTIVITIES

Investments in research and development during the fiscal year totaled EUR 1.3 million (EUR 1.2 million).

Research and development employed 67 (67) persons at the end of the financial year.

SHARE CAPITAL AND STOCK OPTION PROGRAM

At the end of the financial year on 31 December 2006, Stonesoft's share capital recorded in the Trade Register totaled EUR 1,146,054.64. The number of shares was 57,302,732. The share capital remained unchanged.

Stock Option Programs

During 2006, no subscriptions were made on the basis of the option programs for key personnel of the company.

The valid stock option program and the subscription price are: Stock Option program 2004-2010 and subscription price is EUR 0,56.

DEVELOPMENT OF SHARE PRICES AND TURNOVER

On January 2, 2006, Stonesoft's shares were valued at EUR 0.49. At the end of the year, the share price was EUR 0.47. The highest share price was EUR 0.61 and the lowest EUR 0.41. During the year, the total turnover of Stonesoft shares amounted to EUR 10.9 million. Stonesoft's share price decreased by 4,1% during the fiscal year. Over the same period, the Helsinki Stock Exchange HEX index increased by 17,2 %, while the Information Technology sector index decreased by 2,1%. Based on the share price on December 29, 2006, Stonesoft's market capitalization was EUR 26.9 million.

PROPOSAL BY THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

The parent company's operating loss before amortization of goodwill (EBITA) was EUR 6.5 million. At the end of the period, neither the group nor the parent company had any distributable equity in its shareholders' equity. The Board of Directors proposes that the parent pay no dividend for 2006 and that the loss be debited to the Profit/Loss account.

PERSONNEL

At the end of the fiscal period, Stonesoft's personnel numbered 254 (252).

THE COMPANY'S BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

In the financial year, Ilkka Hiidenheimo was the CEO of the company. The Chairman of the Board of Directors was Pertti Ervi and other members were Ilkka Hiidenheimo, Topi Piela, Matti Viljo and Matti Virtanen.

In the beginning of the financial year, the members of the company's Management Team were Ilkka Hiidenheimo, Juha Kivikoski, Saara Laine, Mikael Nyberg, Erkki Panula and Mika Rautila, and, beginning from June after Erkki Panula's resignation Kim Fagernäs and Outi Torniainen.

AUTHORIZATIONS CURRENTLY IN FORCE

The Annual General Meeting granted authorization to the company's Board of Directors to decide on increasing the company's share capital in the following way: rights offering and/or granting options and/or issuing convertible bonds. The terms and conditions of the authorization were defined in detail in the decision. The share capital of the company may be increased in one or several lots in such a way that the shares issued in the rights offering and/or the shares issued on the basis of the issued options and/or the shares issued in exchange for convertible bonds can altogether increase the share capital of the company by a maximum of EUR 229,000.00.

The authorization will be in force until the following Annual General Meeting of Shareholders, but not, however, for more than one year from the date of the resolution of the Annual General Meeting of Shareholders.

The granted authorization was not used in 2006.

CORPORATE GOVERNANCE

Stonesoft complies with the Corporate Governance Recommendation for listed companies issued by the Helsinki Stock Exchange. More information can be found from Stonesoft's Website:
http://www.stonesoft.com/en/investor_relations/corporate_governance

MAJOR EVENTS AFTER THE FINANCIAL YEAR

- Swisscom Mobile chose Stonesoft firewalls to protect their network architecture.
- StoneGate was nominated as a candidate for the best network security product in the Secure Computing Magazine awards. Last year Stonesoft won the categories of firewall and best network product.
- Stonesoft extended its product offering to mobile users. The company signed a partner agreement with Portwise Ab, a Swedish company specializing in a browser-based SSL VPN solution for mobile and remote use
- Stonesoft launched the new members of the renewed StoneGate product line, StoneGate FW-5100 and IPS-6000 for large and demanding network environments. StoneGate FW-5100 is designed for networks requiring a performance of 10 Gbps and StoneGate IPS-6000 meets capacity requirements of 2 Gbps.

RISKS AND BUSINESS UNCERTAINTIES

Risk Management is organized to be part of the Stonesoft management system. The Board of Directors approves the risk management policy that includes risk management principles and processes. The CEO is responsible for organizing risk management for the group, and the CFO (Chief Financial Officer), as the coordinator of risk management, develops risk management tools and reporting systems and establishes global insurance policies. The directors of the business units are responsible for identifying and managing risks in their units. The target of risk management is to ensure conditions for achieving the strategic targets and the business continuity.

In the near future, the risks and business uncertainties relate to the realization timetable of the sales projects and possible production disruption of our subcontractors and suppliers.

Operational risks

Stonesoft constantly develops its sales processes and related control systems. Product sales and the sales of related services are made mainly through global a channel. The sales are supported by the legal department, which seeks to reduce the legal risks related to business operations through continuously developing, managing and giving guidance related to Stonesoft agreements, and by making legal risk assessments for business plans before their implementation. The company has worldwide insurances to cover operational risks. Stonesoft manages and safeguards its critical business information by stringent internal policies and processes. The company constantly reviews and updates its network infrastructure and guarantees the safety of its business-critical information. All critical components are duplicated and, in addition, the company has a continuously updated back up system placed in another physical location.

Financial risks

The most significant currency in addition to euro is US dollar. The company's costs occur mostly in Euros. The company operates actively to minimize the exchange rate risks.

The main principles of the treasury policy of the company are; (i) to ensure the short-term liquidity of the company, (ii) to guarantee efficient circulation and short-term investments of the operational cash flows and (iii) to follow prudent and transparent investment policy for the cash reserves, aiming at guaranteeing competitive return on the selected risk level. The company's reserves are all invested in interest-bearing low-risk instruments.

The company's operations and related costs are continuously controlled. The company does not have a separate internal audit organization or a separate audit committee.

FUTURE OUTLOOK

According to the Research Institute, Infonetics, the Firewall/VPN and Intrusion detection and protection market will grow globally by roughly ten percent in 2007. The market will continue to be dynamic.

In our view, the companies will continue networking with their partners and subcontractors, and this development will create even higher requirements for network security and availability. Furthermore, we believe that combining the security and high availability, which has been the basis for StoneGate product design from the beginning, will prove its strength even better than before in this development.

The convergence of voice, video and data on IP-based networks will create more demand for capacity and drive the adoption of 10 Gbps networks. The growing demand for added bandwidth together with new protocols in the IP networks is expected to increase the general demand for better reporting, monitoring and analysis tools. This development will support Stonesoft in achieving its year 2007 growth plan, since these are the cornerstones in StoneGate Management

Center's functionality. Furthermore, Stonesoft will further strengthen its competitiveness in the market with its new appliance family that addresses the performance issue with a new 10 Gbps appliance, while maintaining the price/performance ratio.

Stonesoft will continue its decisive and persistent efforts to increase its net sales and to improve the profitability of the company. The main target for 2007 is to have a strong growth of net sales generating also improved profitability. By extension of the product portfolio and improved competitiveness, we aim to win more of single sales deals of larger size.

Based on the extension of the product portfolio, intensification of sales efforts and strong growth of the sales pipeline, the company expects to have an annual overall net sales of roughly 25 million euros (+/- 10%) the comparable net sales figure during the previous financial year was 16,5 million euros. The annual costs are expected to be 24,5 million euros (+/- 10 %). The comparable cost during the previous financial year was 22,6 million euros. The operating profit and the total result for the whole year is expected to develop favorably.

The operative result during the first quarter is expected to remain negative, while the overall result will be positive due to the income from the sales of Embe Systems Oy to be booked in the first quarter.

With regard to the development of both the turnover and the result, we expect a significant variation between the quarters in comparison to the corresponding quarter during the previous year as well as to the previous quarter as a consequence of, among others, long selling cycles, a relatively big impact of individual deals, and the variation between the quarters in the previous year.

Stonesoft Group
Income Statement
(1000 Euro)

1.1-31.12.2006 1.1-31.12.2005

Continuing operations

Continuing operations means all group operations, excluding EMBE Systems Oy operations sold in January. In the future we report on continuing operations.

Net Sales	16 479	16 453
Other operating income	766	545
Materials and services	-1 915	-1 937
Personnel expenses	-13 135	-12 667
Depreciation	-512	-1 055
Other operating expenses	-8 292	-7 800
Operating Result	-6 608	-6 460
Financial income and expenses	382	526
Result before taxes	-6 226	-5 934
Taxes	-262	-282
Result from continuing operations	-6 488	-6 216
Profit from discontinuing operations	40	208
Result for the accounting period	-6 448	-6 008
Basic earnings per share (EUR), continuing operations	-0.11	-0.11
Diluted earnings per share (EUR), continuing operations	-0.11	-0.11
Basic earnings per share (EUR), discontinuing operations	0.00	0.00
Diluted earnings per share (EUR), discontinuing operations	0.00	0.00

Stonesoft Group
Balance Sheet (1000 Euro)

31.12.2006 31.12.2005

ASSETS

Non-Current Assets

Tangible assets	608	773
Goodwill	137	218
Deferred tax assets	2	2
Total	747	992

Current assets

Inventories	912	519
Trade and other receivables	5 522	4 045
Prepayments	98	96
Marketable securities	13 755	17 378
Cash and cash equivalents	616	718
Total	20 902	22 756
Asset held for sale	2 859	3 035
Total assets	24 507	26 782

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company		
Share capital	1 146	1 146
Share premium account	76 897	76 845
Conversion differences	-867	-849
Retained earnings	-67 410	-60 961
Total	9 767	16 181
Long-term liabilities		
Provisions	112	124
Interest bearing liabilities	62	152
Other long-term liabilities	1 296	789
Total	1 470	1 065
Short-term liabilities		
Trade and other payables	12 041	8 378
Tax liability	116	55
Provisions	84	38
Short-term interest bearing liabilities	107	184
Total	12 348	8 655
Liabilities held for sales	922	881
Total liabilities	14 740	10 601
Total equity and liabilities	24 507	26 782

Stonesoft Group Statement of changes in equity (1000 Euro)						
	Share capital	Share premium	Conversion difference	Retained earnings account	Total	
Shareholders' equity at 01.01.2005	1 146	76 821	-892	-55 012	22 063	
Changes to equity				59	59	
Conversion differences			44		44	
Result for the period			-6 008	-6 008		
Total recognized income and expense for the period			44	-5 949	-5 905	
Stock options exercised		24			24	
Shareholders' equity at 31.12.2005	1 146	76 845	-849	-60 961	16 181	
	Share capital	Share premium	Conversion difference	Retained earnings account	Total	
Shareholders' equity at 01.01.2006	1 146	76 845	-849	-60 961	16 181	
Conversion differences			-18		-18	
Result for the period			-6 448	-6 448		
Total recognized income and expense for the period			-18	-6 448	-6 467	
Stock options exercised		52			52	
Shareholders' equity at 31.12.2006	1 146	76 897	-867	-67 410	9 767	

Stonesoft Group Cash flow statement (1000 Euro)			31.12.2006	31.12.2005
Cash flow from operating activities				
Operating Result			-6 608	-6 460
Adjustments			984	1 739
Change in net working capital			-1 240	1 883
Taxes paid			-261	-283
Net cash flow from operating activities continuing operations			-7 125	-3 121

Net cash flow from operating activities		
discontinuing operations	114	468
Total cash flow from operating activities	-7 011	-2 653
Cash flow from investing activities		
Investments in tangible assets	-216	-300
Investments in intangible assets	-50	1 506
Investments in affiliated company	3 631	48
Investments in other shares	0	9
Net cash flow investing activities		
continuing operations	3 365	1 264
Net cash flow investing activities		
discontinuing operations	-131	-1 647
Total cash flow investing activities	3 233	-383
Cash flow from financing activities		
Payments of financial leasing liabilities	-166	-149
Total cash flow from financing activities		
Change in cash and cash equivalents		
Cash and cash equivalents at beginning		
of period	18 097	22 187
Conversion differences	-18	44
Changes in the market value of investments	-39	-183
Discontinuing operations	274	-766
Total cash and cash equivalents		
at end of period	14 370	18 097
Stonesoft Group		
Geographical segments	31.12.2006	31.12.2005
(1000 Euros)		
Net Sales		
EMEA	16 938	16 072
AMER	3 571	4 325
APAC	1 370	1 839
Total net sales	21 879	22 237
Operating profit		
EMEA	-4 131	-3 605
AMER	-2 040	-2 115
APAC	-366	-538
Total operating profit	-6 536	-6 258
Stonesoft Group		
Discontinued operations	31.12.2006	31.12.2005
(1000 Euro)		
Net Sales	5 400	5 783
Other operating income	41	40
Personnel expenses	-3 878	-3 954
Depreciation	-69	-58
Other operating expenses	-1 422	-1 610
Operating result	72	202
Financial income and expenses	-15	13
Result before taxes	57	215
Taxes	-17	-6
Result for the accounting period		
discontinued operations	40	208
	2006	2005
Tangible assets	98	68
Goodwill	1 507	1 507
Intangible assets	25	10
Other investments	4	4
Receivables	733	680
Cash and cash equivalents	492	766
Trade and other payables	-922	-881

Asset and liabilities total	1 936	2 154
	1.1-31.12.2006	1.1-31.12.2005
Cash flow from operating activities	114	468
Cash flow investing activities	-131	-1 647
Change in cash and cash equivalents	274	-766
Cash flow total	257	-1 945

Contingent liabilities (1000 Euros)	31.12.2006	31.12.2005
Contingent off-balance sheet		
Non-cancelable other leases	6 103	7 305
Contingent liabilities for the Company	323	131
Pledged shares	585	0

Stonesoft Group					
Quarterly development	Q4 /	Q3 /	Q2 /	Q1 /	
(Euro Millions)	2006	2006	2006	2006	2006
Security software					
and appliances	2.3	2.3	1.7	2.1	8.5
Services	2.1	2.0	2.0	2.0	8.1
Other products	-0.1	0.1	0.0	0.0	-0.1
Net sales continuing operations	4.3	4.4	3.7	4.1	16.5
Change-% from previous year	-2	24	-20	4	0
Net sales discontinuing					
operations	1.5	1.1	1.4	1.5	5.4
Change-% from previous year	4	-3	-13	-12	-7
Net sales total	5.8	5.5	5.0	5.5	21.9
Change-% from previous year	1	17	-18	-1	-2
Sales Margin	5.3	5.0	4.6	5.0	20.0
Sales Margin %	91	90	92	91	91
Operative expenses	7.5	6.4	6.8	6.5	27.2
Operating profit (EBITA)	-2.0	-1.3	-2.0	-1.3	-6.5
% of net sales	-34	-23	-39	-23	-30
Result before taxes	-1.9	-1.2	-1.9	-1.2	-6.2
% of net sales	-33	-22	-37	-22	-28

	Q4 /	Q3 /	Q2 /	Q1 /	
	2005	2005	2005	2005	2005
Security software					
and appliances	2.5	1.7	2.6	1.9	8.7
Services	1.9	1.9	1.9	1.9	7.6
Other products	-0.1	0.0	0.1	0.1	0.2
Net sales continuing operations	4.4	3.6	4.6	3.9	16.5
Change-% from previous year	-1	-7	15	18	6
Net sales discontinuing					
operations	1.4	1.1	1.6	1.7	5.8
Change-% from previous year	-25	-24	-12	-5	-16
Net sales total	5.8	4.7	6.2	5.6	22.2
Change-% from previous year	-9	-11	7	10	-1
Sales Margin	5.2	4.4	5.5	5.2	20.3
Sales Margin %	90	93	89	93	91
Operative expenses	7.3	6.0	7.1	6.5	27.0
Operating profit (EBITA)	-2.0	-1.5	-1.5	-1.3	-6.3
% of net sales	-34	-33	-24	-23	-28
Result before taxes	-1.8	-1.4	-1.3	-1.2	-5.7
% of net sales	-31	-30	-22	-21	-26

Stonesoft Group		
Key ratios	31.12.2006	31.12.2005
(1000 Euro)		
Net Sales total	21 879	22 237
Net Sales Change-%	-2	-1

Net Sales continuing operations	16 479	16 453
Net Sales Change-%	0	
Net Sales continuing operations	5 400	5 783
Net Sales Change-%	-7	
Operating result total	-6 536	-6 258
% of Net Sales	-30	-28
Operating result continuing operations	-6 608	-6 460
% of Net Sales	-40	-39
Operating result discontinuing operations	72	202
% of Net Sales	1	3
Operating result before taxes	-6 170	-5 719
% of Net Sales	-28	-26
ROE - %, annualized	-50	-31
ROI - %, annualized	-46	-29
Equity Ratio-%	66	74
Net Gearing	-1.50	-1.14
Total Assets	24 507	26 782
Capital Investments	381	437
% of Net Sales	2	2
R&D Costs	4 804	4 612
% of Net Sales	22	21
Number of Employees (Weighted Average)	251	247
Number of Employees(end of the period)	254	252

Share Specific Ratios

Earnings per Share (EUR)	-0.11	-0.10
Earnings per Share, continuing operations	-0.11	-0.11
Earnings per Share, discontinuing operations	0.00	0.00
Equity per Share (EUR)	0.17	0.28
Dividend	0.00	0.00
Dividend per Share (EUR)	0.00	0.00
Dividend / Profit-%	0	0

FORWARD-LOOKING STATEMENTS

This report contains statements concerning, among other things, Stonesoft's financial condition and the results of operations that are forward-looking in nature. Such statements are not historical facts, but rather represent Stonesoft's future expectations. The company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, these forward-looking statements involve inherent risks and uncertainties, which could cause actual results or outcomes to differ materially from those anticipated in the statements. These risks and uncertainties may include, among other things, (1) changes in our market position or in the Firewall/VPN and Intrusion detection and protection market in general; (2) the effects of competition; (3) the success, financial condition, and performance of our collaboration partners, suppliers and customers; (4) our ability to source quality components without interruption and at acceptable prices; (5) our ability to recruit, retain and develop appropriately skilled employees; (6) exchange rate fluctuations, including, in particular, fluctuations between the Euro, which is our reporting currency, and the US dollar; (7) other factors related to sale of products, economic situation, business, competition or legislation affecting the business of Stonesoft or the industry in general and (8) our ability to control the variety of factors affecting our ability to reach our targets and give accurate forecasts.

The figures in this financial statement release are unaudited.

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Distribution:
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This release and the presentation material related to this report are also available on Stonesoft's web site at <http://www.stonesoft.com>

A press conference will take place on February 16, 2006 at 10.30 a.m. at the Stonesoft headquarters, street address Itälahdenkatu 22A, 00210 Helsinki.