

STONESOFT CORPORATION'S INTERIM REPORT FOR JANUARY-SEPTEMBER 2008

StoneGate sales grew by 64%, net sales by 45% in the third quarter

The sales of Stonesoft's main product portfolio, the StoneGate product line, increased by 64% and the company's net sales by 45% during the third quarter compared to the corresponding period in the previous year. The positive development of sales and net sales as well as the cash flow has continued for four consecutive quarters.

Summary

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

JULY-SEPTEMBER 2008

- Stonesoft's core business, the sales of the StoneGate product family, EUR 3.3 (2.0) million, growth 64%
- Net sales EUR 5.9 (4.0) million, growth 45%
- Operating result EUR -0.5 (-1.6) million
- Operating result as percentage of net sales -9% (-41%)
- Earnings per share EUR -0.01 (-0.03)
- Equity per share EUR 0.06 (0.12)
- Cash flow EUR -0.6 (-1.8) million
- Liquid assets at the end of the period EUR 7.3 (9.1) million

January-September 2008

- Stonesoft's core business, the sales of the StoneGate product family, EUR 10.5 (7.0) million, growth 50%
- Net sales EUR 17.5 (13.2) million, growth 32%
- The operating result EUR -2.1 (-5.3) million
- The operating result as percentage of net sales -12% (-40%)
- Earnings per share EUR -0.4 (-0.9)
- Equity per share EUR 0.06 (0.12)
- Cash flow EUR -1.7 (-5.2) million. The total cash flow, including the last payment of the selling price of Embe Systems Oy, EUR 0.8 million, was EUR -1.0 million euros.

CEO Ilkka Hiidenheimo

During the third quarter of 2008, the sales of the StoneGate product family grew by 64% and net sales by 45% compared to the corresponding period in the previous year. The sales of StoneGate products were EUR 3.3 million. The positive development has continued for four consecutive quarters. Also the cash flow and operating result of the company developed positively.

In July we signed a significant strategic co-operation agreement with Algeria Telecom, the leading Algerian telecom operator. The first order related to the co-operation at the value of more than EUR 0.7 million was delivered to the Algerian Ministry of Healthcare already during the second quarter of the year. In September we received an order at the value of EUR 1.9 million from a major Russian telecom operator. These events significantly strengthen our position on the emerging markets and demonstrate that we have chosen the right strategy and made profitable investments in these areas. However, in the United States we did not meet our targets, due to, among other things, the low number of purchases by the government and the postponement of individual deals because of the economical uncertainty. In our view, the cost-efficiency of our products and the benefits they bring to our customers become even more important during economically difficult times, although the insecurity of the finance markets may also have a negative effect on the purchase decisions of our customers.

During the third quarter of the year we introduced the virtual intrusion prevention system (IPS) for protecting internal networks. The solution complements our product offering for the VMware virtual environment and meets the demand created by the strong growth of virtualization of IT systems. The first deliveries of the StoneGate Virtual Firewall and Virtual IPS solution have already been made to customers.

NET SALES AND RESULT

July-September 2008 (hereinafter 'reporting period')

The group's net sales in the reporting period were EUR 5.9 (4.0) million. The growth compared to the corresponding period in the previous year was EUR 1.8 million, or 45%. The operating result (EBIT) was EUR -0.5 (-1.6) million and the result after taxes was EUR -0.5 (-1.8) million.

The group's core business, the sales of the main product portfolio StoneGate, comprising of a firewall, VPN, SSL VPN and IPS (Intrusion detection and Prevention System), were EUR 3.3 (2.0) million, an increase of 64% compared to the corresponding period in the previous year.

The geographical distribution of net sales was as follows: Europe 62% (63%), Emerging Markets (Russia, North Africa and Middle East) 17% (8%) Americas (North and South America) 15% (23%) and APAC (Asia-Pacific) 6% (6%).

January - September 2008 (hereinafter 'fiscal period')

The group's net sales in the fiscal period were EUR 17.5 (13.2) million. The growth compared with the previous year's corresponding period was EUR 4.3 million, or 32%. The operating result (EBIT) was EUR -2.1 (-5.3) million and the loss after taxes was EUR -1.9 (-3.1) million.

The sales of the group's main product portfolio StoneGate were EUR 10.5 (7.0) million, an increase of 50% compared to the corresponding period in the previous year.

The geographical distribution of net sales was as follows: Europe 61% (61%), Emerging Markets (Russia, North Africa and Middle East) 16% (11%), Americas (North and South America) 19% (22%) and APAC (Asia-Pacific) 4% (6%).

Finance and investments

At the end of the fiscal period, the group's total assets were EUR 15.2 (16.5) million. The equity ratio was 46% (62%) and gearing (the ratio of net debt to shareholder's equity) -1.95 (-1.34).

The group has no interest-bearing debt and the consolidated liquid assets of the group at the end of the fiscal period totaled EUR 7.3 (9.1) million. Investments in tangible and intangible assets were EUR 0.41 (0.34) million.

DEVELOPMENT OF BUSINESS OPERATIONS

Main business events in the reporting period

In July, Stonesoft entered a strategic partnership with the leading national telecommunications company in Algeria, Algeria Telecom. The first order related to the partnership at the value of more than EUR 0.7 million was delivered to the Algerian Ministry of Healthcare already at the end of the second quarter in June 2008.

In August, Stonesoft certified the VMware ESX server as a supported environment and became a member of the VMware VMsafe™ technology program. In September, Stonesoft's StoneGate Virtual Security Solutions received the VMware certification.

In September, Stonesoft introduced the StoneGate Virtual IPS 4.3.1 (Intrusion Prevention System) to protect internal networks from malicious traffic.

In September, Stonesoft received an order from a major Russian telecom operator at the value of USD 1.9 million. The order is strategically significant to the company and a very large one-time order in this category. The delivery of the products will take place during this year and the order will have an impact mainly on the operating result of the last quarter of the year.

MAJOR EVENTS AFTER THE FISCAL PERIOD

In October, Stonesoft and Magirus, one of the leading IT solution providers in Europe extended their distribution agreement to cover the whole Europe. The agreement covered

originally Germany, Austria, Switzerland and Italy, and now it has been extended to include Great Britain, Denmark, Sweden, the Netherlands, France, Spain, Portugal and the Middle East.

In October, Stonesoft introduced the StoneGate FW-310 firewall, which provides enhanced network security for the remote offices of geographically distributed organizations.

REVIEW OF RESEARCH AND DEVELOPMENT ACTIVITIES

Stonesoft continued its strong investments in R&D. The R&D investments during the fiscal period totaled EUR 3.8 (3.7) million, which represented 22% (21%) of operating expenses.

R&D employed 67 (64) persons at the end of the reporting period.

SHARE CAPITAL AND STOCK OPTION PROGRAMS

At the end of the fiscal period, 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

The company has two valid stock option programs, the Stock Option Program 2004-2010, the subscription price of which is EUR 0.56, and the Stock Option Program 2008-2014, the subscription price of which is EUR 0.30. During the fiscal period no subscriptions were made on the basis of the stock option programs for the key personnel of the company.

DEVELOPMENT OF SHARE PRICES AND TURNOVER

In the beginning of the fiscal period, the price of Stonesoft's share was EUR 0.29 (0.47). At the end of the fiscal period the price was EUR 0.38(0.41). The highest price was EUR 0.50 (0.56) and the lowest EUR 0.24 (0.37). The share price divided by earnings per share (P/E) at the end of the fiscal period was -10.7 (-4.5). During the fiscal period the total turnover of Stonesoft shares amounted to EUR 4.0 (6.2) million. Based on the share price at the end of the fiscal period, Stonesoft's market value was EUR 21.8 (23.5) million.

NOTICES IN CHANGE OF OWNERSHIP

During the fiscal period, the company gave no notices of changes in ownership.

ACQUISITIONS AND CHANGES IN GROUP STRUCTURE

No acquisitions were made and no other changes in the group structure were implemented during the reporting period.

PERSONNEL

At the end of the fiscal period, the group's personnel totaled 188 (183).

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting of Shareholders (AGM) held on April 23, 2008, decided to grant the Board of Directors a new authorization and to cancel the authorization granted by the AGM in 2007.

According to the new authorization, the Board of Directors is authorized to issue new shares and to grant stock option rights and other special rights, in one or several tranches, to the extent that the total number of shares or rights to the shares issued may be 11.450.000 at the maximum.

The new shares to be issued in a new issue and/or the stock option or special rights may be offered for subscription either according to the shareholders' pre-emptive subscription rights or in deviation from the shareholders' pre-emptive subscription right, in case the deviation is justified by a weighty financial reason for the

company, such as financing of an acquisition, enabling of a joint venture transaction, providing of additional financial alternatives, and/or an arrangement for incentive program directed to the company's personnel.

The issue may be directed partly or in full to the company's main shareholders, Ilkka Hiidenheimo and Hannu Turunen, who have reconfirmed to be ready to invest at least three (3) million Euros in the company in form of convertible bond in order to strengthen the company's capital structure with an additional cash reserve and to ensure the continuance of the positive development in the future in line with the company's strategy and growth plan. The commitment given by the main shareholders is in force until the end of the AGM in 2009.

The Board of Directors was authorized to decide other terms and conditions related to the share issues and to the issuance of stock option or other special rights. The authorization is in force until the end of the AGM in 2009.

Based on the authorization given, the Board of Directors of Stonesoft Corporation decided in its meeting on 6 May 2008 to approve the Stock Option Plan 2008, according to which new stock option rights can be granted to the members of the Board of Directors, other management and key persons in the personnel of the companies of Stonesoft Group. The total amount of stock option rights that can be granted is 3.000.000 and they entitle to subscribe, in total, 3.000.000 shares in the Stonesoft Corporation. The stock option rights of the Stock Option Plan 2008 are divided into four series, each having an own subscription period as follows:

Series A on March 1, 2010 - December 31, 2014,
Series B on March 1, 2011 - December 31, 2014,
Series C on March 1, 2012 - December 31, 2014, and
Series D on March 1, 2013 - December 31, 2014.

The subscription prices of the shares correspond to the volume-weighted average share price of the Company during the last 90 trading days on the NASDAQ OMX Helsinki Ltd before the Board Meeting deciding on this plan. The subscription price of a share with stock options is EUR 0.30.

In its meeting held on 17 June 2008, the Board of Directors of Stonesoft Corporation decided to supplement the terms in paragraph II 6 and II 7 of the Stock Option Plan 2008 approved earlier in order to grant to a stock option holder the same or equal rights as a shareholder has in case of issuance of new shares, stock options or other specific rights prior to share subscriptions as well as in certain other special cases.

The terms and conditions of the Stock Option Plan 2008 are available in full on the company website at <http://www.stonesoft.com>.

The company does not own its shares and the Board of Directors does not have an authorization to acquire its own shares.

CORPORATE GOVERNANCE

Stonesoft Corporation complies with the Corporate Governance Recommendation for listed companies issued by the NASDAQ OMX Helsinki Ltd, as described on the web pages of the company.

RISKS AND BUSINESS UNCERTAINTIES IN THE NEAR FUTURE

In the current fiscal period, Stonesoft's main risks and business uncertainties relate to the realization timetable of the sales projects and possible productions disruption of our subcontractors and suppliers as well as to the fact that the general economic uncertainty has increased. Of these risks, the general economic uncertainty has clearly increased lately, and it may have even a strong impact on Stonesoft's business and operating result.

FUTURE OUTLOOK

According to the Research Institute Infonetics, the Firewall/VPN and

IPS Intrusion detection and prevention market will grow globally roughly by 8% in 2008. The market will continue to be dynamic.

Companies will continue to network with their partners and subcontractors, and this development will create even higher requirements for network security and availability. At the same time, the demand for outsourcing solutions and services will grow. Managed service providers (MSPs) have a growing need to provide their customers with the possibility to track the status of their network security while maintaining an overview of their own data network. According to the company's view combining security and high availability, which is the cornerstone of StoneGate™ product design, will prove its strength even better 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 2008 growth plan, since these features are the cornerstones in StoneGate™ Management Center's functionality.

The strong growth of virtualization has created a demand for ensuring network security and business continuity also in virtual environments. StoneGate products are better suited for virtual environments than the competitors' hardware-based products because they are based on software solutions.

As security threats in the public sector are increasing, more and more governments have started improving their protection against network attacks and cyber espionage. StoneGate products offer comprehensive, centrally managed protection and suit well to the needs of the public sector.

Stonesoft will continue its decisive and persistent efforts to increase its net sales and to improve the profitability of the company. The company's main target in 2008 is to have a strong growth of net sales generating improved profitability. By extension of the product portfolio and improved competitiveness, we aim to win even larger individual deals.

In spite of the positive development of the operating result brought along by the strong growth of the sales during this year and the present strong sales pipeline, the company does at this stage not consider it justified to adjust its previous estimate regarding the development of the annual operating result (EBIT), due to the general economic uncertainty that has increased in the market. Instead, the company considers it appropriate to adjust its previous estimate on the operative result.

Based on the above, the company renews its previous estimate whereby the 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, and adjusts its previous estimate on the development of its result as follows: the annual operating result (EBIT) is expected to improve by EUR 3.5 - 4.5 million compared to the previous year. In its previous estimate the company estimated its annual operating result (EBIT) to improve by EUR 2.5 - 4.5 million. Also the cash flow is expected to develop favorably.

With regard to the development of the turnover and the operating 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 sales cycles, a relatively big impact of individual deals, and the variation between the quarters in the previous year.

Stonesoft Group

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Income Statement	9/2008	9/2007	9/2008	9/2007	7
(1000 Euro)					

Continuing operations

Net sales	5 861	4 040	17 491	13 205	19 020
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Other operating income	299	374	871	738	1 144
Materials and services	-792	-643	-2 686	-1 927	-3 064
Personnel expenses	-3 511	-3 083	-10 797	-10 120	218
Depreciation	-135	-113	-364	-341	-449
Other operating expenses	-2 234	-2 216	-6 622	-6 828	-8 946
Operating result	-511	-1 641	-2 108	-5 274	-6 514
Financial income and expenses	97	-89	216	131	202
Result before taxes	-415	-1 730	-1 892	-5 143	-6 312
Taxes	-51	-42	-150	-136	-213
Result from continuing operations	-466	-1 772	-2 042	-5 279	-6 525
Result from discontinued operations	0	0	186	2 217	2 312
Result for the accounting period	-466	-1 772	-1 856	-3 062	-4 212
Basic earnings per share (EUR), continuing operations	-0,01	-0,03	-0,04	-0,09	-0,11
Diluted earnings per share (EUR), continuing operations	-0,01	-0,03	-0,04	-0,09	-0,11
Basic earnings per share (EUR), discontinued operations	0,00	0,00	0,00	0,04	0,04
Diluted earnings per share (EUR), discontinued operations	0,00	0,00	0,00	0,04	0,04

Stonesoft Group
Balance Sheet (1000 Euro) 30.9.2008 30.9.2007 31.12.2007

ASSETS

Non-Current Assets

Tangible assets	724	651	709
Intangible assets	114	87	82
Other investments	10	0	0
Deferred tax assets	0	2	1
Total	848	739	793

Current assets

Inventories	852	980	1 069
Trade and other receivables	6 115	5 437	7 498
Prepayments	110	179	97
Marketable securities	6 543	7 907	7 571
Cash and cash equivalents	711	1 237	640
Total	14 331	15 740	16 874

Total assets 15 179 16 479 17 666

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company			
Share capital	1 146	1 146	1 146
Share premium account	77 004	76 971	76 981
Conversion differences	-950	-903	-927
Retained earnings	-73 478	-70 472	-71 622
Total	3 722	6 742	5 579
Long-term liabilities			
Provisions	36	164	56
Interest bearing liabilities	0	11	0
Other long-term liabilities	2 160	1 466	1 722
Total	2 196	1 641	1 779
Short-term liabilities			
Trade and other payables	9 090	7 757	10 018
Tax liability	39	87	85
Provisions	127	166	131
Short-term interest bearing liabilities	5	86	75
Total	9 261	8 096	10 309
Total liabilities	11 457	9 737	12 088
Total equity and liabilities	15 179	16 479	17 666

Stonesoft Group
Statement of changes in equity
(1000 Euro)

	Share capital	Share premium	Conversion differences	Retained earnings	Total
Shareholders' equity at 1.1.2007	1 146	76 897	-867	-67 410	9 767
Conversion differences			-36		-36
Result for the period				-3 062	-3 062
Total recognized income and expense for the period			-36	-3 062	-3 098
Stock options exercised		73			73
Shareholders' equity at 30.9.2007	1 146	76 971	-903	-70 472	6 742
Shareholders' equity at 1.1.2008	1 146	76 981	-927	-71 622	5 579
Conversion differences			-23		-23
Result for the period				-1 856	-1 856
Total recognized income and expense for the period			-23	-1 856	-1 879
Stock options exercised		23			23
Shareholders' equity at 30.9.2008	1 146	77 004	-950	-73 478	3 722

Stonesoft Group			
Cash flow statement (1000 Euro)	1.1. -30.9.2008	1.1. -30.9.2007	1.1. -31.12.2007

Cash flow from operating activities			
Operating Result	-2 108	-5 274	-6 514
Adjustments	350	438	417
Change in net working capital	639	113	687

Taxes paid	-149	-136	-212
Net cash flow from operating activities continuing operations	-1 268	-4 859	-5 622
Net cash flow from operating activities discontinued operations	0	0	0
Total cash flow from operating activities	-1 268	-4 859	-5 622
Cash flow from investing activities			
Investments in tangible assets	-345	-306	-463
Investments in intangible assets	-66	-28	-32
Investments in affiliated company	0	0	-1
Investments in other shares	-10	0	0
Net cash flow investing activities continuing operations	-421	-334	-496
Net cash flow investing activities discontinued operations	761	-448	-448
Total cash flow investing activities	340	-782	-944
Cash flow from financing activities			
Payments of financial leasing liabilities	-69	-73	-95
Total cash flow from financing activities	-69	-73	-95
Change in cash and cash equivalents			
Cash and cash equivalents at beginning of period	8 210	14 370	14 370
Conversion differences	-23	-36	-60
Changes in the market value of investments	64	32	69
Discontinued operations	0	492	492
Total cash and cash equivalents at end of period *)	7 254	9 144	8 210
*) Total cash and cash equivalents at end of the period contains pledged securities	282	290	281

Stonesoft Group

Geographical segments 1.1.-30.9.2008 1.1.-30.9.2007 1.1.-31.12.2007
(1000 Euro)

Net sales			
Europe	10 593	8 027	12 075
Emerging Market	2 864	1 513	2 004
Americas	3 262	2 870	3 906
APAC	772	794	1 036
Total net sales	17 491	13 205	19 020
Operating profit			
Europe	-1 025	-3 398	-4 119
Emerging Market	78	-175	-231
Americas	-1 097	-1 570	-2 038
APAC	-63	-131	-126
Total operating profit	-2 108	-5 274	-6 514

Stonesoft Group

Contingent liabilities 1.1.-30.9.2008 1.1.-30.9.2007 1.1.-31.12.2007
(1000 Euro)

Contingent off-balance sheet			
Non-cancelable other leases	3 711	4 730	4 624
Contingent liabilities for the Company	27	20	20
Contingent liabilities for inventories	0	240	0

Stonesoft Group
 Related party information 1.1.-30.9.2008 1.1.-30.9.2007 1.1.-31.12.2007
 (1000 Euro)

Consultation fees paid
 to the Board of Directors 0 44 73

Stonesoft Group

Quarterly development (Euro Millions)	Q3 /	Q2 /	Q1 /	Q4 /	Q3 /	Q2 /	Q1 /	2007
	2008	2008	2008	2007	2008	2007	2007	
Security software and appliances	3,3	4,1	3,2	3,7	2,0	2,7	2,3	10,7
Services	2,4	2,3	2,2	2,2	2,1	2,1	2,0	8,4
			-					
Other products	0,1	0,0	0,1	-0,1	0,0	0,0	0,0	-0,1
Net sales continuing operations	5,9	6,4	5,3	5,8	4,0	4,8	4,3	19,0
Change-% from previous year	45	32	22	35	-9	32	7	15
Net sales discontinuing operations	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Change-% from previous year	-	-	-	-	-	-	-	-
Net sales total	5,9	6,4	5,3	5,8	4,0	4,8	4,3	19,0
Change-% from previous year	45	32	22	0	-27	-4	-22	-13
Sales margin	5,1	5,4	4,3	4,7	3,4	4,1	3,8	16,0
Sales margin %	86	85	82	80	84	85	87	84
Operative expenses	5,9	6,0	5,8	6,2	5,4	5,8	6,0	23,4
		-	-		-			
Operating profit (EBITA)	-0,5	0,4	1,2	-1,2	1,6	-1,5	-2,1	-6,5
% of net sales	-9	-6	-24	-21	-41	-32	-48	-34
		-	-		-			
Result before taxes	-0,4	0,3	1,2	-1,2	1,7	-1,4	-2,0	-6,3
% of net sales	-7	-4	-23	-20	-43	-30	-46	-33

Stonesoft Group

Key ratios (1000 Euro)	1.1.-30.9.2008	1.1.-30.9.2007	1.1.- 31.12.2007
Net sales total	17 491	13 205	19 020
Net sales change-%	32	-18	-13
Net sales, continuing operations	17 491	13 205	19 020
Net sales change-%	32	9	15
Net sales, discontinued operations	0	0	0
Net sales change-%	-	-	-
Operating result total	-2 108	-5 274	-6 514
% of net sales	-12	-40	-34
Operating result, continuing operations	-2 108	-5 274	-6 514
% of net sales	-12	-40	-34
Operating result, discontinued operations	0	0	0
% of net sales	-	-	-
Operating result before	-1 892	-5 143	-6 312

taxes			
% of net sales	-11	-39	-33
ROE - %, annualized, continuing operations	-59	-85	-85
ROI - %, annualized	-51	-78	-78
Equity ratio-%	46	62	52
Net gearing	-1,95	-1,34	-1,46
Total Assets	15 179	16 479	17 666
Capital expenditure	411	335	500
Capital disposals	0	-1	-5
R&D costs	3 849	3 656	5 285
% of net sales	22	28	28
Number of employees (weighted average)	182	181	181
Number of employees (end of the period)	188	183	181

Share Specific Ratios

Earnings per share, continuing operations	-0,04	-0,09	-0,11
Earnings per share, discontinued operations	0,00	0,04	0,04
Equity per share	0,06	0,12	0,10
Dividend	0,00	0,00	0,00
Dividend per share (EUR)	0,00	0,00	0,00
Dividend / Profit-%	0	0	0

Calculation of indicators

Return on equity (ROE) % =
$$\frac{(\text{Profit before taxes} - \text{income taxes}) \times 100}{\text{Shareholders' equity} + \text{minority interest (average)}}$$

Return on invested capital (ROI) % =
$$\frac{(\text{Profit before extraordinary items} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$$

Equity ratio % =
$$\frac{(\text{Equity} + \text{minority interest}) \times 100}{\text{Balance sheet total} - \text{advances received}}$$

Net gearing =
$$\frac{\text{Interest bearing net debt} - \text{cash in hand and on deposit} - \text{marketable securities}}{\text{Equity} + \text{minority interest}}$$

Earning per share (EPS) =
$$\frac{\text{Profit before taxes} - \text{minority interest} - \text{income taxes}}{\text{Average number of shares adjusted for dilutive effect of options}}$$

Equity per share =
$$\frac{\text{Equity}}{\text{Number of shares at end of period}}$$

ACCOUNTING PRINCIPLES

This Interim Report is prepared in accordance with IAS 34 standard.

Stonesoft Group has changed its bookkeeping practice regarding consulting fees for consults working full-time for Stonesoft sales and presales functions starting from January 1, 2008. According to the new practice these fees are included in the other

operating expenses. The figures of the previous year have been adjusted to be comparable with the new bookkeeping practice. In all other aspects the Group has adapted the same accounting principles and reporting standards as in the Financial Statement for 2007.

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) the company's ability to source quality components without interruption and at acceptable prices; (5) the company's 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 presented figures are unaudited.

PRESS CONFERENCE

A press conference for analysts and investors will be held on 23 October at 10.30 am at the Stonesoft headquarters, street address Itälahdenkatu 22 A, 00210 Helsinki.

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

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