

Stonesoft Corporation Stock Exchange Release 25 October 2013 at 9:15 a.m.

STONESOFT CORPORATION INTERIM REPORT FOR JANUARY-SEPTEMBER 2013

INTEGRATION WITH MCAFEE IS ONGOING

Stonesoft's product sales grew by 14% and net sales grew by 13% compared to the corresponding period in the previous year. Operating result was MEUR -0.4. The holding of Stonesoft's largest shareholder, McAfee Suomi Funding LLC ("McAfee"), in Stonesoft exceeded 90 % in June, and as a result of exceeding nine-tenths (9/10) of the shares and voting rights in Stonesoft, McAfee initiated redemption proceedings for the remaining Stonesoft shares held by minority shareholders pursuant to the Finnish Companies Act with the intention of delisting Stonesoft shares by the end of 2013. On 9 October 2013, Stonesoft submitted a delisting application to the NASDAQ OMX Helsinki Ltd.

The comparable figures from the corresponding period in the previous year are in brackets.

July-September 2013

- Net sales MEUR 10.5 (9.3), growth 13%
- Product sales MEUR 6.4 (5.6), growth 14%
- Operating result MEUR -0.4 (0.1)
- Operating result as percentage of net sales -4 (1)%
- Earnings per share EUR -0.01 (0.00)
- Operative cash flow MEUR -1.2 (-1.8)
- Liquid cash funds at the end of the fiscal period MEUR 4.5 (7.2).

January-September 2013

- Net sales MEUR 28.4 (26.7), growth 7%
- Product sales MEUR 16.5 (16.0), growth 3%
- Operating result MEUR -10.4 (-1.0)
- Operating result as percentage of net sales -37 (-4)%
- Earnings per share EUR -0.17 (-0.02)
- Operative cash flow MEUR -2.7 (-0.5)

CEO ILKKA HIIDENHEIMO

The combination of Stonesoft and McAfee provides our customers the benefits of McAfee's global presence and sales organization of over 2,200 employees, best-in-class threat research and technology synergies. Combined, we believe we can offer our customers a world class product portfolio with world-class support. With Stonesoft's innovative technology that can be deployed as an appliance, as software or virtually, customers will be positioned to meet the high-performance needs of demanding, secure, distributed networks today and in the future. Recent incidents have shown that the need for high quality security is growing and we believe this will continue to have a strong impact on the sales of security solutions.

NET SALES AND RESULT

July-September 2013 (hereinafter 'reporting period')

The Group's net sales during the reporting period were MEUR 10.5 (9.3). Increase compared to the corresponding period in the previous year was MEUR 1.2, or 13%. The operating result (EBIT) was MEUR -0.4 (0.1) and the result after taxes was MEUR -0.5 (-0.0).

Product sales were MEUR 6.4 (5.6), increased by 14% compared to the corresponding quarter in the previous year.

The geographical distribution of net sales was as follows: Europe 61 (76)%, Emerging Markets (North Africa, Middle East and Latin America) 18 (11)%, North America 19 (10)% and APAC (Asia-Pacific) 2 (3)%.

January-September 2013 (hereinafter 'fiscal period')

The Group's net sales during the fiscal period were MEUR 28.4 (26.7). Increase compared to the corresponding period in the previous year was MEUR 1.8, or 7%. The operating result (EBIT) was MEUR -10.4 (-1.0) and the result after taxes was MEUR -10.6 (-1.0).

The expenses during the fiscal period included approximately MEUR 5.1 direct costs related to the McAfee acquisition process. Indirect costs effects are estimated to have been approximately MEUR 1.3. The process has had a negative impact on sales.

Product sales were MEUR 16.5 (16.0), increase by 3% compared to the corresponding period in the previous year.

The geographical distribution of net sales was as follows: Europe 68 (73)%, Emerging Markets (North Africa, Middle East and Latin America) 15 (13)%, North America 15 (11)% and APAC (Asia-Pacific) 2 (3)%.

FINANCE AND INVESTMENTS

At the end of the fiscal period, Stonesoft's total assets were MEUR 22.4 (21.0). The equity ratio was -70 (36)% and gearing (the ratio of net debt to shareholders' equity) was -0,10 (-2.39).

The comparable cash flow during the fiscal period was MEUR -2.7 (-0.5). The Group has interest-bearing debt from McAfee Suomi Funding LLC MEUR 5.0 (0.0). The consolidated liquid assets at the end of the fiscal period totalled MEUR 4.5 (7.2).

Investments in tangible and intangible assets totalled MEUR 0.4 (0.8).

DEVELOPMENT OF BUSINESS OPERATIONS

Main business events during the fiscal period

In August, Stonesoft held an extraordinary general meeting, whereby the number of the members of the Board of Directors was confirmed to be three (3). The following members were elected to the Board: Mr. Daniel F. Vaughn, Mr. Louis Riley and Mr. John Kearns.

In September, Mr. Anders Gottnerström was appointed as Stonesoft's Chief Financial Officer and member of the Management Team as of 2 September 2013.

Main business events after the fiscal period

In October, Stonesoft submitted an application to terminate the trading in the Stonesoft shares and to delist all the Stonesoft shares from the official list of NASDAQ OMX Helsinki Ltd. as soon as possible upon McAfee gaining title to all the shares in Stonesoft.

RESEARCH AND DEVELOPMENT

Investments in R&D during the fiscal period totalled MEUR 7.2 (5.5). This represented 20 (23)% of operating expenses.

R&D employed 123 (97) persons at the end of the fiscal period.

SHARE CAPITAL AND STOCK OPTION PROGRAMS

Stonesoft has one class of shares and all shares have equal rights. At the end of the fiscal period, the share capital recorded in the Trade Register was 1 150 574.64 Euros. The number of shares was 64 090 482. Stonesoft or its daughter companies do not own its shares. There were no changes in the share capital.

Stock Option Programs

The company had two valid stock option programs, Stock Option Program 2008 and Stock Option Program 2012. Additional information about both option programs is provided by the company's stock exchange releases and web pages.

During the fiscal period 288 750 company shares were registered based on the stock option programs.

Related to the tender offer process, McAfee has purchased all granted option rights.

DEVELOPMENT OF SHARE PRICES AND TURNOVER

At the start of the fiscal period on 1 January 2013, the price of Stonesoft share was EUR 1.39 (0.86). At the end of the fiscal period on 30 September 2013 the price was EUR 4.47 (1.56). The highest price was EUR 4.50 (1.78) and the lowest EUR 1.41 (0.87). During the fiscal period the total turnover of Stonesoft shares amounted to MEUR 365.9 (23.8) and 86.6 (17.6) million shares, which is 135.1 (27.7)% of the total amount of the shares. Based on the share price at the end of the fiscal period on 30 September 2013 Stonesoft's market value was MEUR 286.5 (99.3).

The company gave 11 notices of change of ownership during the fiscal period.

MCAFEE'S VOLUNTARY PUBLIC TENDER OFFER AND RELATED REDEMPTION PROCEEDINGS

The final result of the voluntary public tender offer by McAfee Inc.'s subsidiary McAfee Suomi Funding LLC was published on 25 June 2013, and according to it the shares tendered represented approximately 95.26 per cent of the shares and votes in Stonesoft. McAfee further extended the offer period by a subsequent tender offer period. As a result of the tender offer and the subsequent tender offer period the shares validly tendered represented approximately 97.93 per cent of all the shares and votes in Stonesoft. In addition by using the tendered option rights for the subscription of Stonesoft shares McAfee has the possibility of increasing its holding to approximately 98.00 per cent of all the shares and voting rights in Stonesoft.

The trades of the voluntary public tender offer were executed on 27 June, 2013, and the ownership to the shares was transferred to McAfee on 2 July, 2013 upon the settlement of the trades. The trades of the subsequent tender offer period were settled on 22 July 2013.

McAfee's intention is to acquire all the shares in Stonesoft. Therefore it has commenced the compulsory redemption proceedings for the remaining shares in Stonesoft pursuant to chapter 18 of the Finnish Companies Act. On 4 July 2013 McAfee filed an application to the redemption board of the Finland Chamber of Commerce to initiate the arbitral proceedings in the redemption matter and to request the nomination of the arbitrator to the proceedings. 11 September 2013 the redemption board nominated professor (emeritus) Risto Nuolimaa as the sole arbitrator in the arbitral proceedings.

In addition, pursuant to the redemption board's application the district court of Helsinki appointed 9 August 2013 Mr. Joakim Rehn, APA as a trustee to supervise the interests of the minority shareholders of Stonesoft in the redemption proceedings.

The arbitrator shall decide upon the existence of the redemption right as well as the redemption price for the shares that are subject to the arbitral proceedings.

In conjunction with the progress of the arbitral proceedings, it is the intention of McAfee to have Stonesoft delisted from the Nasdaq OMX Helsinki stock exchange as soon as practically possible. Therefore, Stonesoft's Board of Directors submitted on 9 October 2013 an application to Nasdaq OMX Helsinki Ltd. to terminate the trading in the Stonesoft shares and to delist all the Stonesoft shares from the official list of Nasdaq OMX Helsinki Ltd as soon as McAfee has gained title to all the shares of Stonesoft.

ACQUISITIONS AND CHANGES IN GROUP STRUCTURE

Due to the public tender offer made by McAfee, Stonesoft Corporation has become a group company of McAfee Group.

PERSONNEL

At the end of the fiscal period, the Group's personnel totalled 289 (240).

SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

During the fiscal year 2013, Stonesoft's main risks and business uncertainties relate to the realization timetable of the sales projects and possible production disruption of our subcontractors and suppliers. Insecurities related to public economies may have a negative effect on the public sector projects. Stonesoft has no risks related to the order book, because it normally can process incoming orders within a couple of work days.

Risks and uncertainties as well as the principles of Stonesoft's risk management are discussed more extensively at the company website and in the Annual Report 2012.

FUTURE OUTLOOK

Through the public tender offer made by McAfee Suomi Funding LLC, McAfee's ownership in Stonesoft Corporation's shares has risen over 95 %. Due to the significant changes caused by this, the company does not give any future outlook at this stage.

SUMMARY OF FINANCIAL STATEMENTS AND NOTES JANUARY 1 - SEPTEMBER 30, 2013

Stonesoft Group Income Statement (1000 Euros)	7-9/2013	7-9/2012	1-9/2013	1-9/2012	1-12/2012
Net sales	10 544	9 319	28 426	26 668	40 127
Other operating income	307	219	1 223	719	950
Materials and services	-1 638	-1 669	-4 691	-4 824	-7 658
Personnel expenses	-5 688	-4 708	-18 238	-14 265	-19 885
Depreciation	-169	-160	-521	-453	-624
Other operating expenses	-3 767	-2 949	-16 626	-8 796	-12 459
Operating result	-410	51	-10 427	-951	451
Financial income and expenses	-27	-7	-41	141	257
Result before taxes	-438	43	-10 468	-810	709
Taxes	-46	-82	-123	-201	-23
Result for the accounting period	-483	-39	-10 590	-1 011	685
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	0	2	-24	9	5
Total other comprehensive income	0	2	-24	9	5
Total comprehensive income	-484	-36	-10 614	-1 003	691
Basic earnings per share (EUR),					

continuing operations	-0,01	0,00	-0,17	-0,02	0,01
Diluted earnings per share (EUR), continuing operations	-0,01	0,00	-0,17	-0,02	0,01

Stonesoft Group
Balance Sheet (1000 Euros)

ASSETS

	30.9.2013	30.9.2012	31.12.2012
Non-Current Assets			
Tangible assets	908	1 033	1 008
Intangible assets	256	138	233
Other investments	10	10	10
Total	1 174	1 181	1 251
Current assets			
Inventories	3 051	1 918	2 282
Trade and other receivables	13 500	10 467	16 187
Prepayments	168	160	102
Marketable securities	852	5 697	4 343
Cash and cash equivalents	3 647	1 543	2 848
Total	21 217	19 784	25 761
Total assets	22 392	20 965	27 012

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company			
Share capital	1 151	1 151	1 151
Issue of shares	0	0	12
Share premium account	76 602	76 602	76 602
Conversion differences	-973	-945	-949
Reserve for invested unrestricted equity fund	4 809	4 718	4 751
Retained earnings	-86 439	-78 496	-76 696
Total	-4 850	3 029	4 871
Long-term liabilities			
Prepayments *)	5 510	4 203	5 025
Total	5 510	4 203	5 025
Short-term liabilities			
Other current financial liabilities	5 000	0	0
Trade and other payables	6 640	5 133	7 466
Prepayments *)	9 927	8 361	9 526
Tax liability	80	155	68
Provisions	84	84	56
Total	21 731	13 733	17 116
Total liabilities	27 241	17 935	22 141
Total equity and liabilities	22 392	20 965	27 012
*) Prepayments contain customers advance payment of support and maintenance contracts	15 438	12 563	14 551

Stonesoft Group
Statement of changes in equity
(1000 Euros)

	Share capital	Issue of shares	Share premium	Conversion differences	Reserve for invested unrestricted equity fund	Retained earnings	Total
Shareholders' equity at 1.1.2012	1 151	0	76 602	-954	4 732	-77 659	3 873
Comprehensive income	0	0	0	9	0	-1 011	-1 003
Reserve for invested unrestricted equity fund	0	0	0	0	-70	70	0

reduction							
Transaction costs from equity	0	0	0	0	-2	0	-2
Stock options exercised	0	0	0	0	57	0	57
Stock option expenses	0	0	0	0	0	104	104
Shareholders' equity at 30.9.2012	1 151	0	76 602	-945	4 718	-78 496	3 029

	Share capital	Issue of shares	Share premium	Conversion differences	Reserve for invested unrestricted equity fund	Retained earnings	Total
Shareholders' equity at 1.1.2013	1 151	12	76 602	-949	4 751	-76 696	4 871
Comprehensive income	0	0	0	-24		-10 590	-10 614
Reserve for invested unrestricted equity fund reduction	0	0	0	0	-26	26	0
Transaction costs from equity	0	0	0	0	-3	0	-3
Stock options exercised	0	-12	0	0	87	0	75
Stock option expenses	0	0	0	0	0	821	821
Shareholders' equity at 30.9.2013	1 151	0	76 602	-973	4 809	-86 439	-4 850

Stonesoft Group
Cash flow statement (1000 Euros)

	1.1.-30.9.2013	1.1.-30.9.2012	1.1.-31.12.2012
Cash flow from operating activities			
Operating Result	-10 427	-951	451
Adjustments			
Non-cash transactions	1 552	195	172
Financial expenses	-110	-65	-77
Financial incomes	111	209	245
Change in net working capital	1 591	897	-264
Taxes paid	-88	-47	-234
Total cash flow from operating activities	-7 371	239	294
Cash flow from investing activities			
Investments in tangible assets	-355	-739	-868
Investments in intangible assets	-89	-22	-135
Total cash flow investing activities	-444	-761	-1 003
Cash flow from financing activities			
Proceeds from borrowings	5 000	0	0
Stock options exercised	71	55	101
Total cash flow from financing activities	5 071	55	101
Change in cash and cash equivalents			
Cash and cash equivalents at beginning of period	7 191	7 710	7 710
Conversion differences	0	0	0
Changes in the market value of investments	52	-3	89
Total cash and cash equivalents at end of period *)	4 499	7 240	7 191

*) Total cash and cash equivalents at end of the period contains pledged securities

Stonesoft Group
Geographical segments
(1000 Euros)

	1.1.-30.9.2013	1.1.-30.9.2012	1.1.-31.12.2012
Net sales			
Europe	19 293	19 547	28 588
Emerging Markets	4 406	3 444	6 073
Americas	4 230	2 917	4 517
APAC	496	760	949
Total net sales	28 426	26 668	40 127
Operating profit			
Europe	-5 734	760	1 612

Emerging Markets	-1 362	-144	573
Americas	-3 174	-1 412	-1 544
APAC	-157	-154	-190
Total operating profit	-10 427	-951	451

Stonesoft Group Contingent liabilities (1000 Euros)	1.1.-30.9.2013	1.1.-30.9.2012	1.1.-31.12.2012
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Contingent off-balance sheet			
Non-cancellable other leases	2 004	1 530	1 428
Contingent liabilities for the Company	368	223	339

Stonesoft Group Related party information (1000 Euros)	1.1.-30.9.2013	1.1.-30.9.2012	1.1.-31.12.2012
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McAfee Inc.			
Sales	261	0	0
Receivables	261	0	0
Liabilities	84	0	0

McAfee Suomi, LLC			
Liabilities	5 094	0	0

Stonesoft Group Quarterly development (Euro Millions)	Q3 / 2013	Q2 / 2013	Q1 / 2013	Q4 / 2012	Q3 / 2012	Q2 / 2012	Q1 / 2012	2012
Software	0,9	0,7	0,6	1,0	0,5	0,5	0,6	2,6
Security appliances	5,5	4,1	4,8	8,7	5,1	4,9	4,3	23,0
Services	4,0	4,1	3,8	3,9	3,7	3,6	3,4	14,5
Other products	0,1	-0,2	0,0	0,0	0,0	0,1	0,0	0,0
Net sales continuing operations	10,5	8,6	9,2	13,5	9,3	9,1	8,3	40,1
Change-% from previous year	13	-5	12	41	16	40	27	31
Sales margin	8,9	7,3	7,5	10,6	7,6	7,4	6,8	32,5
Sales margin %	84	85	81	79	82	81	82	81
Operative expenses	9,6	15,6	10,1	9,4	7,8	8,0	7,6	32,9
Operating profit (EBITA)	-0,4	-7,8	-2,2	1,4	0,1	-0,4	-0,6	0,5
% of net sales	-4	-91	-23	10	1	-5	-7	1
Result before taxes	-0,4	-7,9	-2,1	1,5	0,0	-0,4	-0,5	0,7
% of net sales	-4	-91	-23	11	0	-6	-6	2

Stonesoft Group Key ratios (1000 Euros)	1.1.-30.9.2013	1.1.-30.9.2012	1.1.-31.12.2012
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Net sales	28 426	26 668	40 127
Net sales change-%	7	27	31
Operating result	-10 427	-951	451
% of net sales	-37	-4	1
Operating result before taxes	-10 468	-810	709
% of net sales	-37	-3	2
ROE - %, annualized	-130 456	-39	16
ROI - %, annualized	-530	-28	18
Interest bearing liabilities	5 000	0	0
Equity ratio-%	-70	36	39
Net gearing	-0,10	-2,39	-1,48

Total Assets	22 392	20 965	27 012
Capital expenditure	444	761	1 003
Capital disposals	0	0	0
R&D costs	7 225	5 520	7 476
% of net sales	25	21	19
Number of employees (weighted average)	272	233	237
Number of employees (end of the period)	289	240	251
Share Specific Ratios			
Earnings per share	-0,17	-0,02	0,01
Equity per share	-0,08	0,05	0,07
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 =	$\frac{\text{Equity}}{\text{Number of shares at end of period}}$

Basis of preparation

The Interim Report has been prepared in accordance with the IAS 34 Interim Reports standard, and therefore it is not reflective of Stonesoft's results as reported as a part of McAfee Inc.'s parent company Intel Corporation's consolidated financial statements that are prepared in accordance with U.S. GAAP.

The company has adopted certain new or revised IFRS standards and IFRIC interpretations at the beginning of the financial period as described in the Financial Statements for 2012. However, the adoption of these new and amended standards has not yet had an effect on the reported figures in practice. In other respects, the same accounting policies have been followed as in the Financial Statements for 2012. Key indicator calculations remain unchanged.

The figures presented in this release are unaudited.

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.

PRESS CONFERENCE CANCELLED

Stonesoft will not hold a separate press conference about the interim report.

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

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