

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

STONESOFT CORPORATION INTERIM REPORT FOR JANUARY-JUNE 2013

A NEW ERA HAS BEGUN - STONESOFT HAS BECOME A PART OF INTEL MCAFEE

Stonesoft Corporation's product sales declined by -12 % and net sales declined by -5 % compared to the corresponding period in the previous year. Operating result was MEUR -7.8.

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

April-June 2013

- Net sales MEUR 8.6 (9.1), down by -5%
- Product sales MEUR 4.8 (5.4), down by -12%
- Operating result MEUR -7.8 (-0.4)
- Operating result as percentage of net sales -91 (-5)%
- Earnings per share EUR -0.13 (-0.01)
- Operative cash flow MEUR -2.6 (-0.1)
- Liquid cash funds at the end of the fiscal period MEUR 5.7 (9.1). The corporate had no interest-bearing debts.

January-June 2013

- Net sales MEUR 17.9 (17.3), growth 3%
- Product sales MEUR 10.1 (10.4), down by -2%
- Operating result MEUR -10.0 (-1.0)
- Operating result as percentage of net sales -56 (-6)%
- Earnings per share EUR -0.16 (-0.02)
- Operative cash flow MEUR -1.5 (1.4)

CEO ILKKA HIIDENHEIMO

In the second quarter of the year 2013, McAfee Suomi Funding LLC ("McAfee") made a voluntary public tender offer to purchase all of the issued and outstanding shares and option rights in Stonesoft. McAfee is the world's largest dedicated security technology company and a wholly-owned subsidiary of Intel. Intel is a world leader in computing innovation, with its common stock listed on the NASDAQ Global Select Market under the symbol INTC.

On 15 July McAfee announced it owns approximately 97.93 per cent of all the shares and votes in Stonesoft. McAfee has initiated compulsory redemption proceedings for the remaining Stonesoft shares under the Finnish Companies Act. Stonesoft Corporation is expected to be delisted from the NASDAQ OMX Stock Exchange probably during the year 2013.

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. With respect to recent incidents the need for high quality security has grown even more and we believe this will continue to have a strong impact on the sales of security solutions.

NET SALES AND RESULT

April-June 2013 (hereinafter 'reporting period')

The Group's net sales in the fiscal period were MEUR 8.6 (9.1). Decline compared to the corresponding period in the previous year was MEUR -0.5, or -5%. The operating result (EBIT) was MEUR -7.8 (-0.4) and the result after taxes was MEUR -7,9 (-0.4).

The expenses in the reporting period included approximately MEUR 4.7 direct costs related to the McAfee acquisition process. Indirect cost effects are estimated to have been approximately MEUR 0.6. The process has had a clear negative impact on sales.

Product sales were MEUR 4.8 (5.4), change -12% compared to the corresponding quarter in the previous year.

The geographical distribution of net sales was as follows: Europe 75 (76)%, Emerging Markets (North Africa, Middle East and Latin America) 10 (10)%, North America 13 (10)% and APAC (Asia-Pacific) 2 (4)%.

January-June 2013 (hereinafter 'fiscal period')

The Group's net sales in the fiscal period were MEUR 17.9 (17.3). Increase compared to the corresponding period in the previous year was MEUR 0.5, or 3%. The operating result (EBIT) was MEUR -10.0 (-1.0) and the result after taxes was MEUR -10.1 (-1.0).

The expenses in the fiscal period included approximately MEUR 4.9 direct costs related to the McAfee acquisition process. Indirect costs effects are estimated to have been approximately MEUR 0.7. The process has had a clear negative impact on sales.

Product sales were MEUR 10.1 (10.4), down by -2% compared to the corresponding period in the previous year.

The geographical distribution of net sales was as follows: Europe 72 (72)%, Emerging Markets (North Africa, Middle East and Latin America) 14 (14)%, North America 12 (11)% and APAC (Asia-Pacific) 2 (3)%.

FINANCE AND INVESTMENTS

At the end of the fiscal period, Stonesoft's total assets were MEUR 22.0 (21.7). The equity ratio was -72 (36)% and gearing (the ratio of net debt to shareholders' equity) was 1.30 (-3.02).

The comparable cash flow during the fiscal period was MEUR -1.5 (1.4). The Group has no interest-bearing debt. The consolidated liquid assets at the end of the fiscal period totalled MEUR 5.7 (9.1).

Investments in tangible and intangible assets totalled MEUR 0.4 (0.6).

DEVELOPMENT OF BUSINESS OPERATIONS

Main business events in the fiscal period

In April the Stonesoft 3202 appliance received the "recommend" status in the latest Next Generation Firewall test by the world's leading independent network security research and analyst organization NSS Labs.

In May Stonesoft and McAfee, Inc. entered into a combination agreement under which they agreed to combine the operations of Stonesoft and McAfee. In order to effect the combination, McAfee Suomi Funding LLC, an affiliate of McAfee and a wholly-owned indirect subsidiary of Intel Corporation, made a voluntary public tender offer to purchase all of the issued and outstanding shares and option rights in Stonesoft that are not owned by Stonesoft or any of its subsidiaries.

In June the Stonesoft FW-315 appliance obtained the ICSA Labs Enterprise Firewall Certification.

In June Stonesoft introduced the new Stonesoft Security Engine platform and Stonesoft Management Center version 5.5.

In June McAfee announced the final result of the tender offer and extended the offer period by a subsequent order period.

Main business events after the fiscal period

In July McAfee announced the final result of the subsequent tender offer period. As McAfee's ownership in Stonesoft has exceeded nine-tenths (9/10) of the shares and

voting rights in Stonesoft through the tender offer, McAfee has initiated compulsory redemption proceedings for the remaining Stonesoft shares under the Finnish Companies Act.

In July Stonesoft published a notice to the extraordinary general meeting on 13 August 2013.

In August Stonesoft announced it had cancelled the press conferences scheduled for 9 August and 25 October 2013.

RESEARCH AND DEVELOPMENT

Investments in R&D during the fiscal period totalled MEUR 4.7 (3.8). This represented 18 (24)% of operating expenses.

R&D employed 104 (98) 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

In the beginning of the fiscal period on January 1, 2013, the price of Stonesoft share was EUR 1.39 (0.86). At the end of the fiscal period on 30 June 2013 the price was EUR 4.48 (1.09). 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 357.7 (17.6) and 84.8 (13.5) million shares, which is 132.3 (21.2)% of the total amount of the shares. Based on the share price at the end of the fiscal period on June 30, 2013 Stonesoft's market value was MEUR 287.1 (69.4).

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

ACQUISITIONS AND CHANGES IN GROUP STRUCTURE

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

PERSONNEL

At the end of the fiscal period, the Group's personnel totalled 271 (234).

ANNUAL GENERAL MEETING AND AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting (AGM) of Stonesoft Corporation held after the fiscal period on April 10, 2013 confirmed the financial statements of the fiscal year 1.1.2012-31.12.2012 and granted release from liability for the members of the Board of Directors and the Chief Executive Officer (CEO). AGM decided that no dividends are paid for the fiscal year 2012.

The AGM re-elected Ilkka Hiidenheimo, Harri Koponen, Jukka Manner, Timo Syrjälä, Hannu Turunen and Satu Yrjänen as Board members.

The Board of Directors did not use the authorization granted by the previous AGM that expired at the end of the AGM 2013. The AGM decided on 10.4.2013 to authorize the Board of Directors of the company to decide about one or more share issues as well as the issuance of option and other special rights so that the total number of new shares may be 12 600 000 at the maximum.

Based on the authorization the Board of Directors may decide on issuance of shares to the shareholders according to the shareholders' pre-emptive subscription rights as well as in a directed issuance of shares or stock options or other special rights in deviation from the shareholders' pre-emptive subscription rights in case the deviation is justified by a weighty financial reason for the company, such as financing of an acquisition, other arrangement concerning the business of the company or development of its capital structure, or incentive to the company's personnel.

The Board of Directors was authorized to decide on other terms and conditions related to the share issues and to the issuance of option or other special rights.

The authorization is in force until the end of the 2014 AGM.

The Board of Directors is not authorized to purchase the company's own shares.

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 - JUNE 30, 2013

Basis of preparation

The Interim Report has been prepared in accordance with the IAS 34 Interim Reports standard.

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.

Stonesoft Group Income Statement (1000 Euros)	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Net sales	8 638	9 095	17 882	17 350	40 127
Other operating income	474	231	917	500	950
Materials and services	-1 321	-1 696	-3 053	-3 155	-7 658
Personnel expenses	-6 546	-4 769	-12 550	-9 556	-19 885
Depreciation	-181	-151	-353	-293	-624
Other operating expenses	-8 913	-3 137	-12 860	-5 847	-12 459
Operating result	-7 848	-427	-10 016	-1 001	451
Financial income and expenses	-36	51	-13	148	257
Result before taxes	-7 884	-376	-10 030	-853	709

Taxes	-7	-59	-77	-120	-23
Result for the accounting period	-7 892	-436	-10 107	-973	685
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	-21	1	-24	6	5
Total other comprehensive income	-21	1	-24	6	5
Total comprehensive income	-7 912	-434	-10 131	-966	691
Basic earnings per share (EUR), continuing operations					
	-0,13	-0,01	-0,16	-0,02	0,01
Diluted earnings per share (EUR), continuing operations					
	-0,12	-0,01	-0,16	-0,02	0,01

Stonesoft Group
Balance Sheet (1000 Euros)

30.6.2013 30.6.2012 31.12.2012

ASSETS

Non-Current Assets			
Tangible assets	974	995	1 008
Intangible assets	277	151	233
Other investments	10	10	10
Total	1 261	1 156	1 251
Current assets			
Inventories	2 672	1 345	2 282
Trade and other receivables	12 197	9 973	16 187
Prepayments	182	125	102
Marketable securities	0	0	4 343
Cash and cash equivalents	5 686	9 075	2 848
Total	20 738	20 518	25 761
Total assets	21 998	21 674	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	-972	-948	-949
Reserve for invested unrestricted equity fund	4 809	4 708	4 751
Retained earnings	-85 955	-78 509	-76 696
Total	-4 366	3 004	4 871
Long-term liabilities			
Prepayments *)	5 375	4 029	5 025
Total	5 375	4 029	5 025
Short-term liabilities			
Trade and other payables	10 316	5 197	7 466
Prepayments *)	10 533	9 229	9 526
Tax liability	65	138	68
Provisions	76	77	56
Total	20 990	14 640	17 116
Total liabilities	21 998	21 674	22 141
Total equity and liabilities	25 852	21 860	27 012

*) Prepayments contain customers advance payment of support and maintenance contracts

15 908 13 258 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	6	0	-973	-966

(1000 Euros)

Contingent off-balance sheet

Non-cancellable other leases	1 668	1 626	1 428
Contingent liabilities for the Company	368	223	339

Stonesoft Group

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

Stonesoft Group

Key ratios
(1000 Euros)

	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-31.12.2012
Net sales	17 882	17 350	40 127
Net sales change-%	3	33	31
Operating result	-10 016	-1 001	451
% of net sales	-56	-6	1
Operating result before taxes	-10 030	-853	709
% of net sales	-56	-5	2
ROE - %, annualized	-8 002	-57	16
ROI - %, annualized	-6 245	-47	18
Equity ratio-%	-72	36	39
Net gearing	1,30	-3,02	-1,48
Total Assets	21 998	21 674	27 012
Capital expenditure	362	576	1 003
Capital disposals	0	0	0
R&D costs	4 730	3 785	7 476
% of net sales	26	22	19
Number of employees (weighted average)	266	231	237
Number of employees (end of the period)	271	234	251
Share Specific Ratios			
Earnings per share	-0,16	-0,02	0,01
Equity per share	-0,07	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) = Profit before taxes - minority interest - income taxes /
Average number of shares adjusted for dilutive effect of options

Equity per share = Equity /
Number of shares at end of period

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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