

**20**  
YEARS OF  
RELIABILITY

# F-Secure Corporation Annual General Meeting 2009

CEO Kimmo Alkio, 26.03.2009

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# F-Secure 2008 - Summary

1988 Founded

1999 IPO Helsinki Stock Exchange

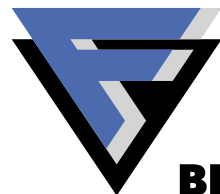
Today



- Enabling the safe use of computers and smartphones
  - Strong solution portfolio covering both consumers and businesses
  - World-class malware research and operations
- Pioneer in Security as a Service and mobile security
- Global research
  - Over 180 Internet Service Provider partners in 43 countries
  - Strong market presence in Europe, North America and Asia
- Key figures for 2008:
  - Revenues: €113 million
  - Operating profit: €24 million
  - Personnel: 718

# Market review

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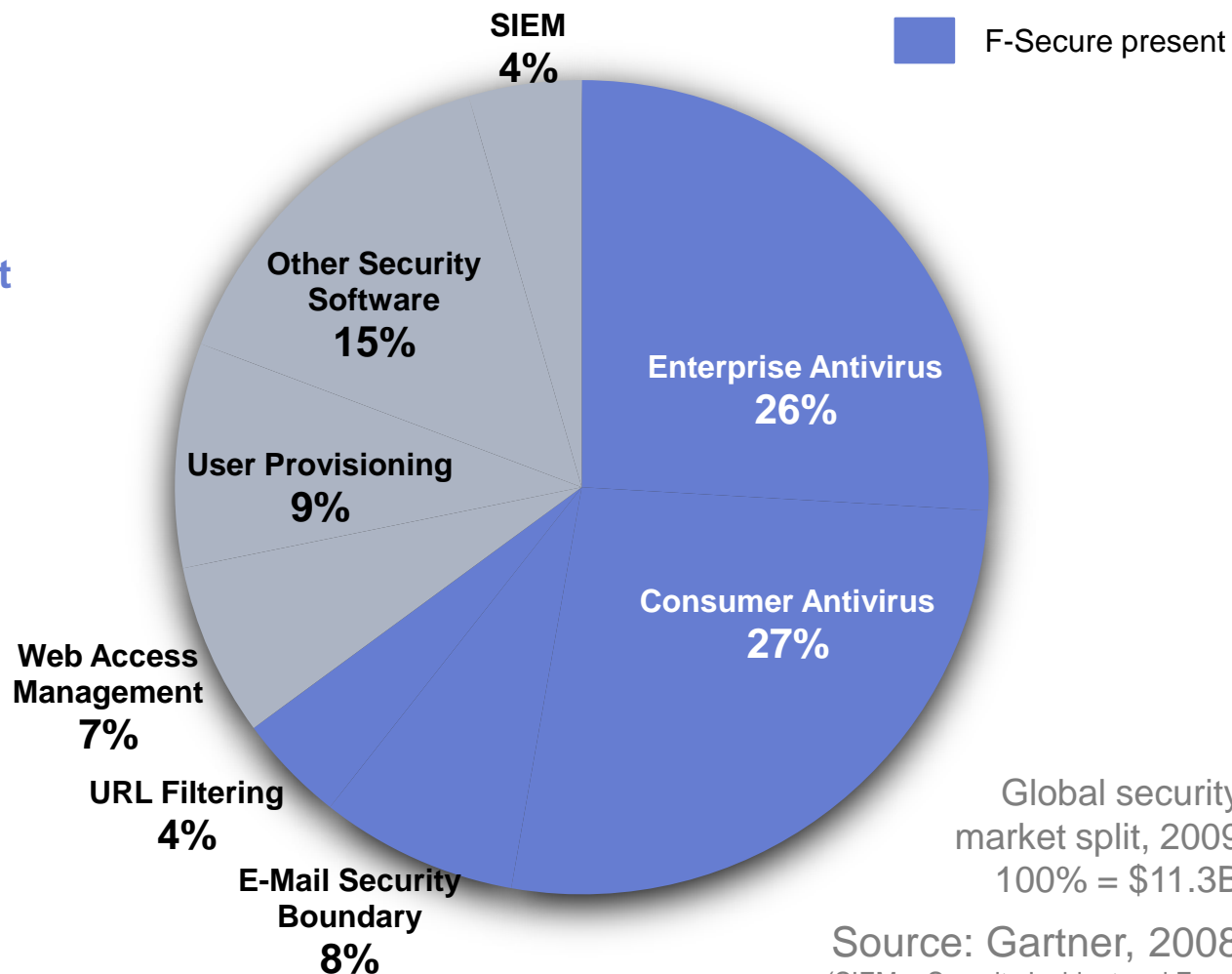


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# Security is a good place to be

Global security market is a **\$10b+** industry

F-Secure is present in the segments making the majority of the vendor revenue



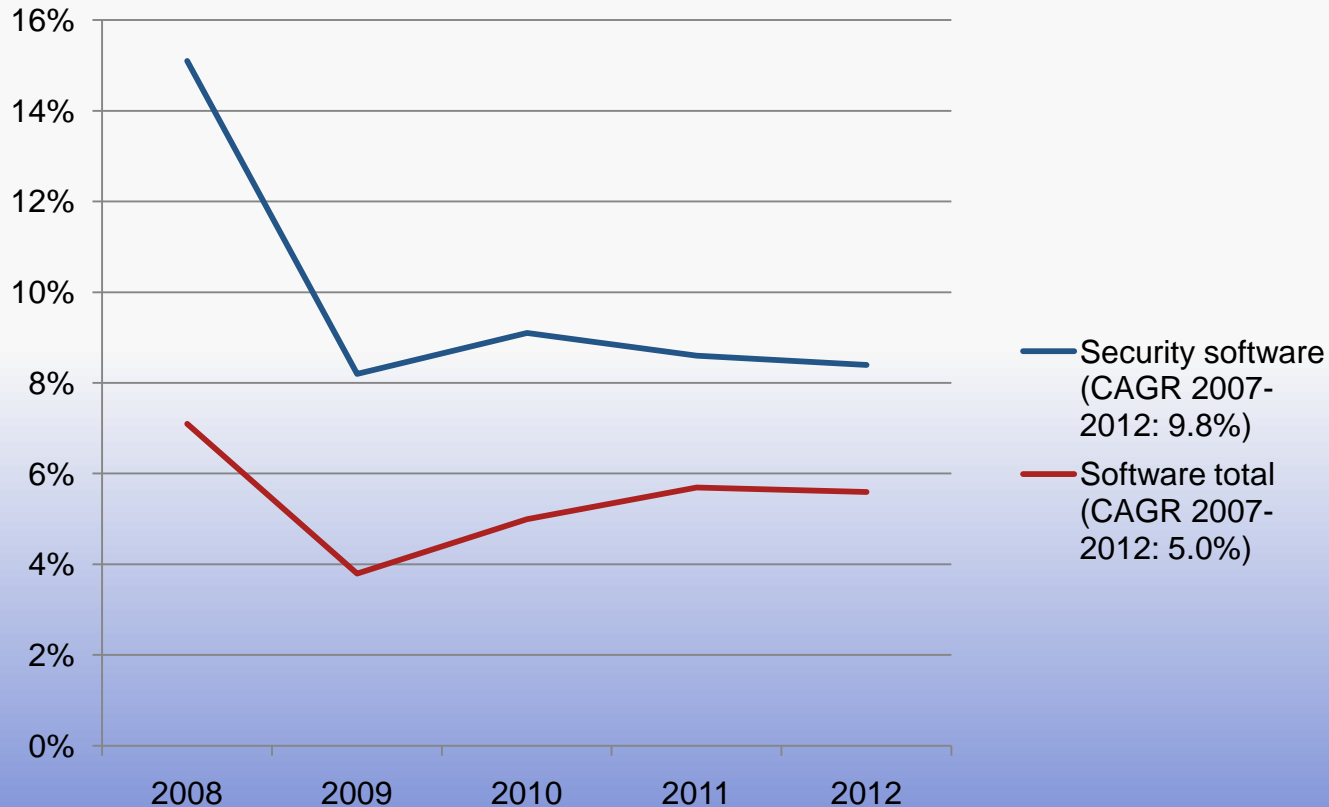
Global security market split, 2009  
100% = \$11.3B

Source: Gartner, 2008  
(SIEM = Security Incident and Event Management)

# Security grows twice as fast as software in general



Western European security software forecast, growth rates 2008-2012



Source: IDC, 2008

CAGR = Compound Annual Growth Rate

# Recent trends

## Internet

- The growth of Internet continues globally (+200m users in 2008)
- The number of malware significantly increasing (2007: 500k, 2008: 1.5m)
- E-commerce and service-based business model become more and more popular

## Social networking

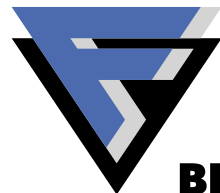
- Broadens the subscription base
- New threats and needs
- Enables new innovations

## Mobile (broadband)

- The use of smart phones as PC's increases
- Mobile broadband - a growth driver
- Broadband services not depending from the device become more common

# Review for 2008: Year of profitable growth

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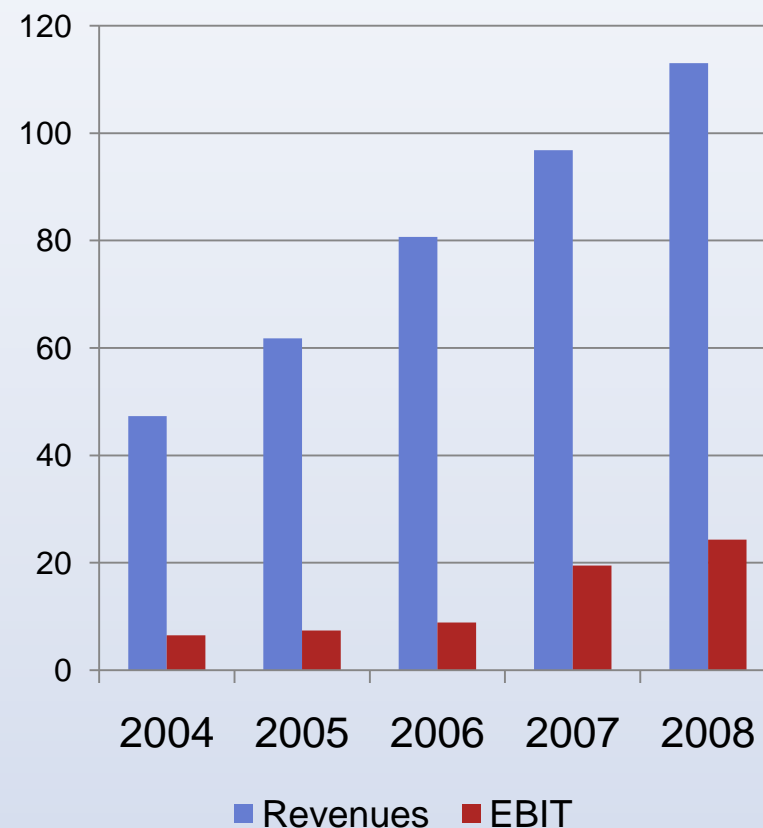


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# 2008 – Year of profitable growth

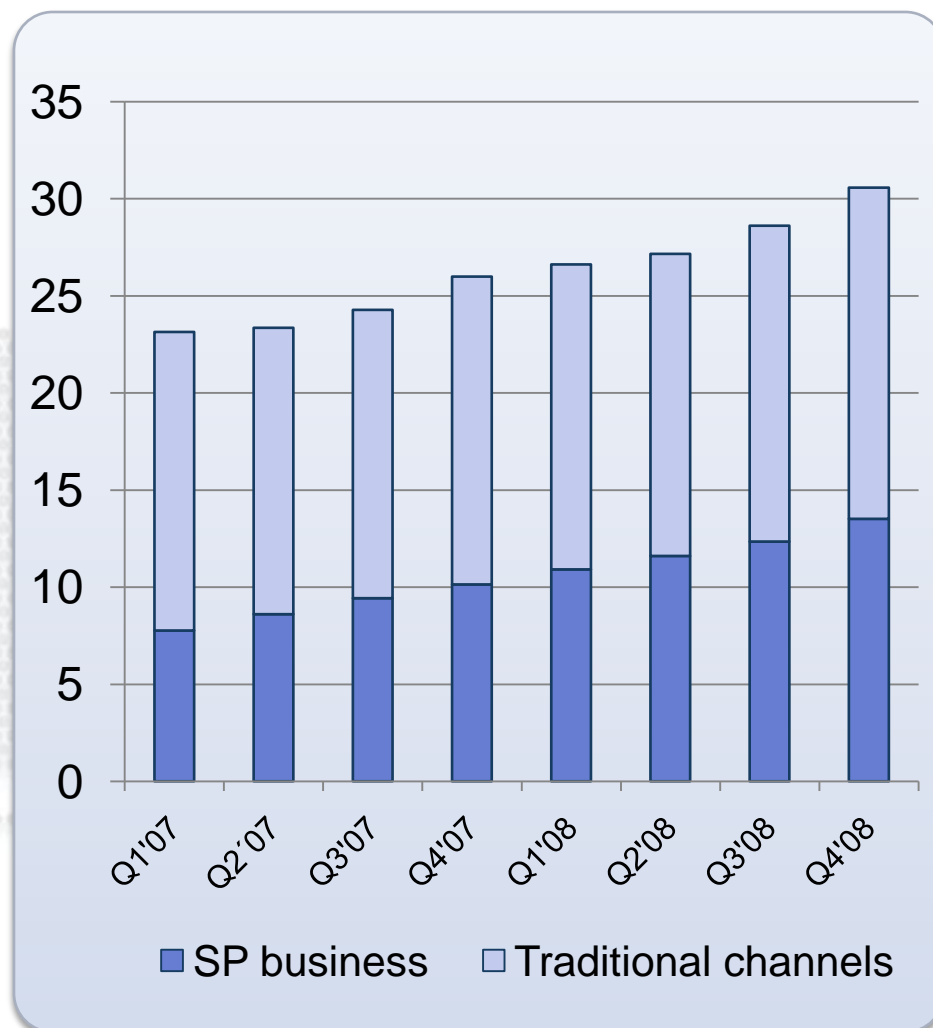
- Good growth and profitability
  - Revenues increased 17% to €113million
  - Operating profit improved 25% to €24.3million
  - Earnings per share improved 26% to €0.13
- Strong cash flow at €23.5 million <sup>1)</sup>



<sup>1)</sup> Excluding the capital repayment of 35.7m in paid November and dividends of 10.9m paid in April.

# Revenues

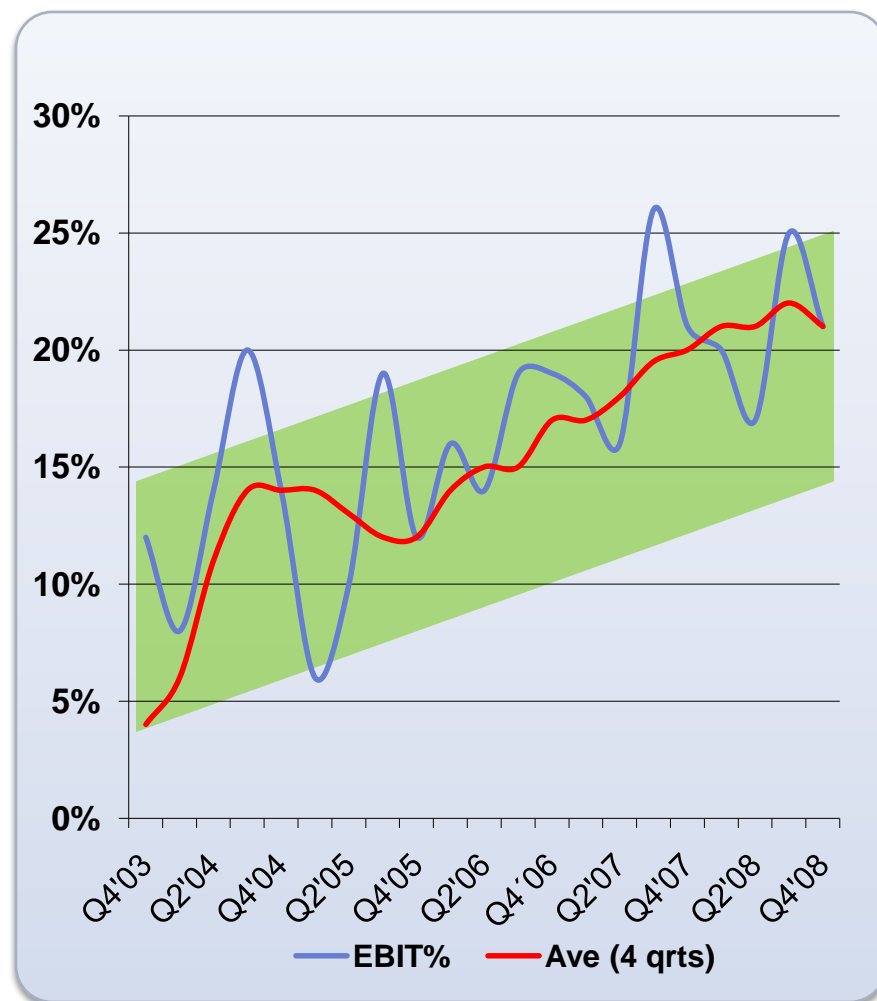
- Good overall growth
  - Revenue increase of +17% to €113m
- Strong ISP revenue growth
  - Growth +35% to €48.4m
  - Representing 43% of the total revenues
- Solid traditional channels
  - Growth +6% to €64.6m
  - Representing 57% of the total revenues
- Mobile security
  - Close co-operation with Nokia and several major operators continued



# Development of EBIT margin

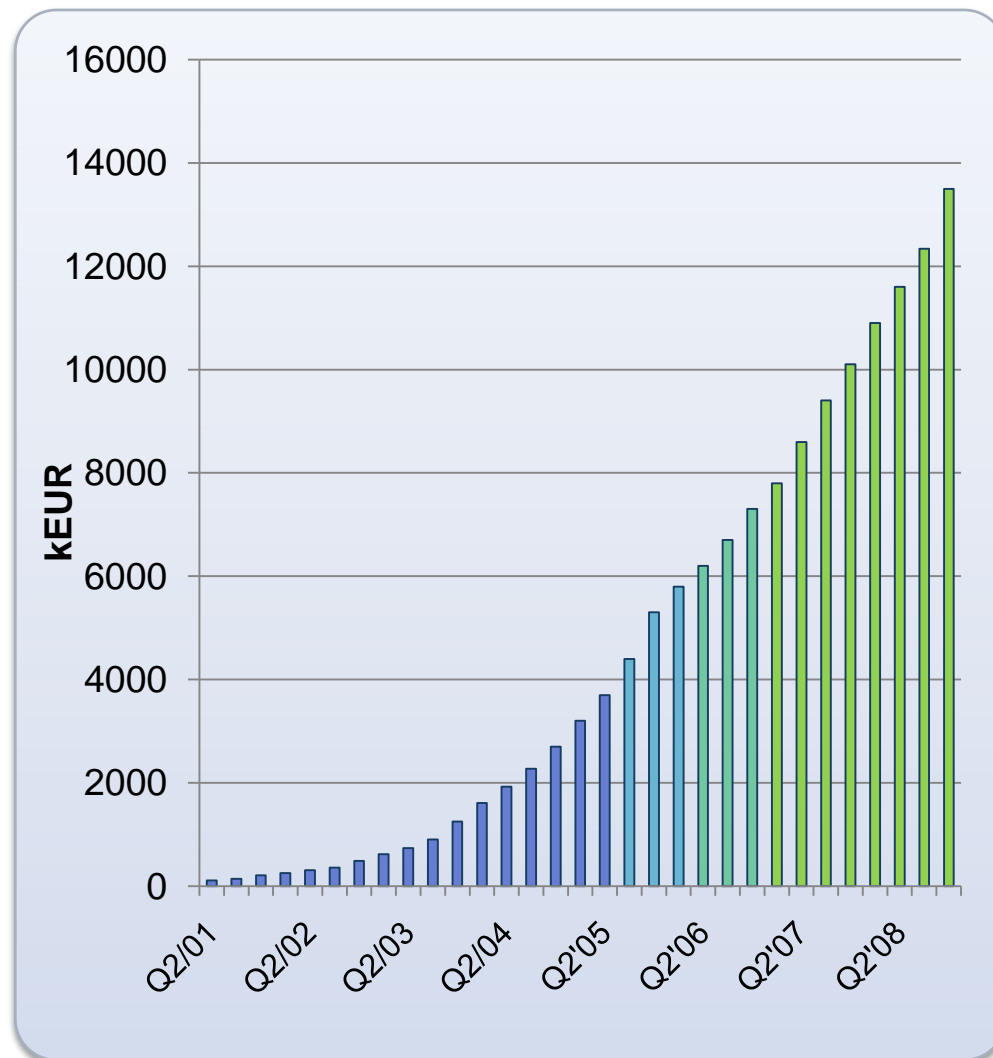
- Continue to prioritise growth over short term profitability
- Average EBIT has gradually improved
- During the next three years, the Group seeks the EBIT level to be around 25%.

*Graph shows EBIT excluding the non-recurring impairment loss of Network Control in 4Q06 and the gain from the sale of Network control technology in 4Q08*



# ISP Business – strong growth

- 2008 revenues growth 35% to €48.4m
  - 43% of the total revenues
- Competitive position remained strong
- At the end of 2008, 183 partners in 43 countries (2007: 166 partners in 36 countries)



# F-Secure Partners' market share of residential broadband



Partners' market share of residential broadband at the end of 2008

- 39% (37%) in Europe
- 10% (10%) in NA
- 13% (9%) in Asia excluding China

(numbers are estimates by Dataxis and F-Secure)

= growth potential



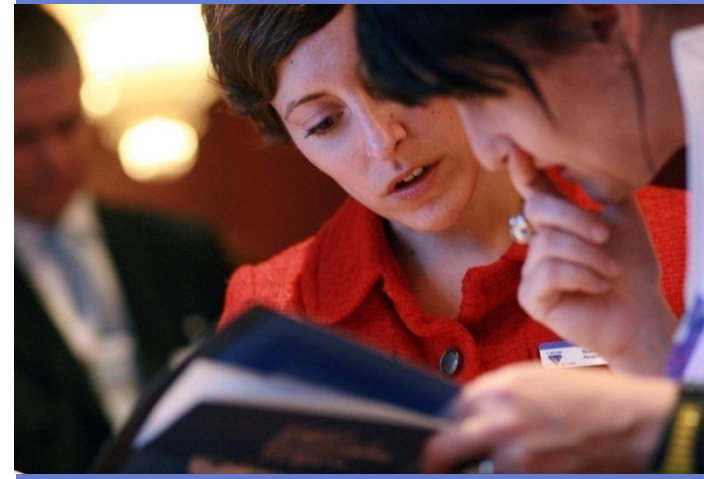
# F-Secure's service provider partners, examples



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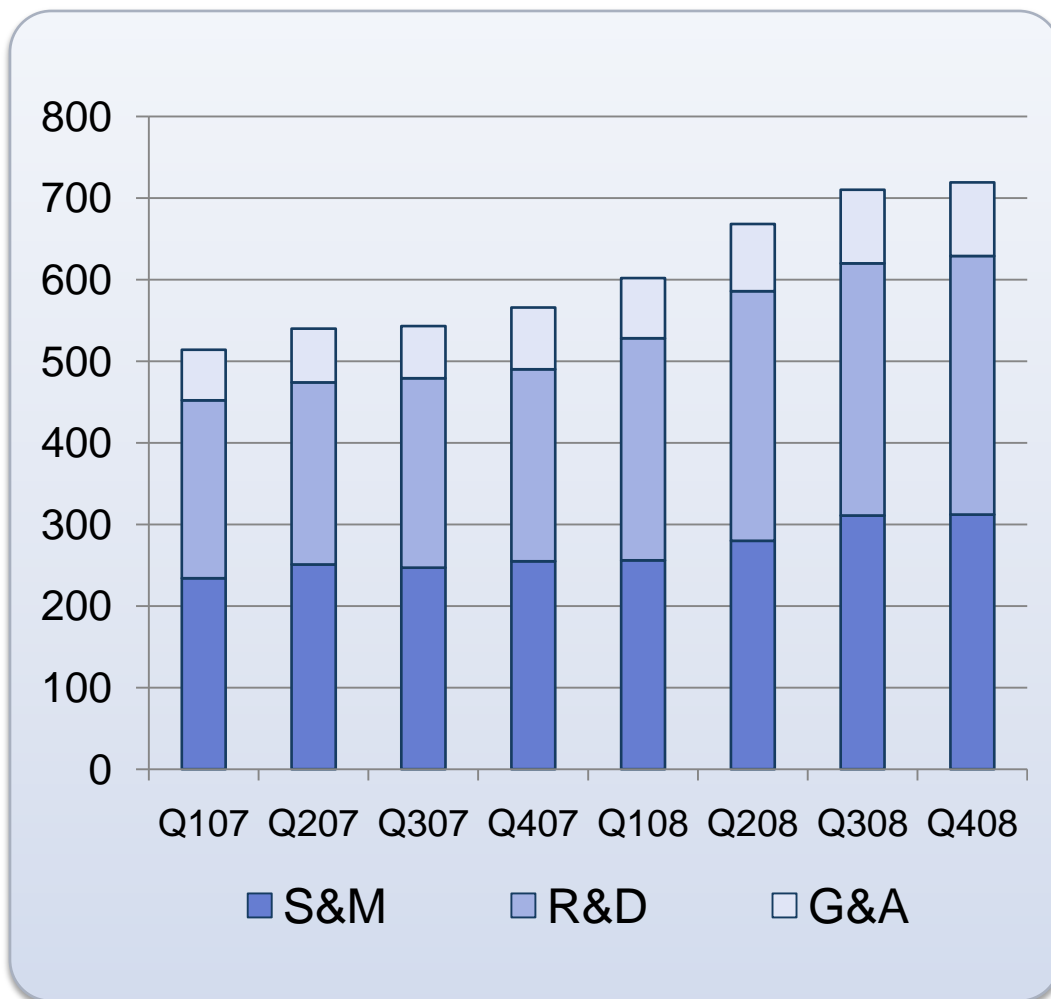
# Species Event

- Global event for ISP partners
- Focus on improvements of co-operation
- In 2008
  - 100 participants
  - 53 partners
  - 20 countries



# Personnel

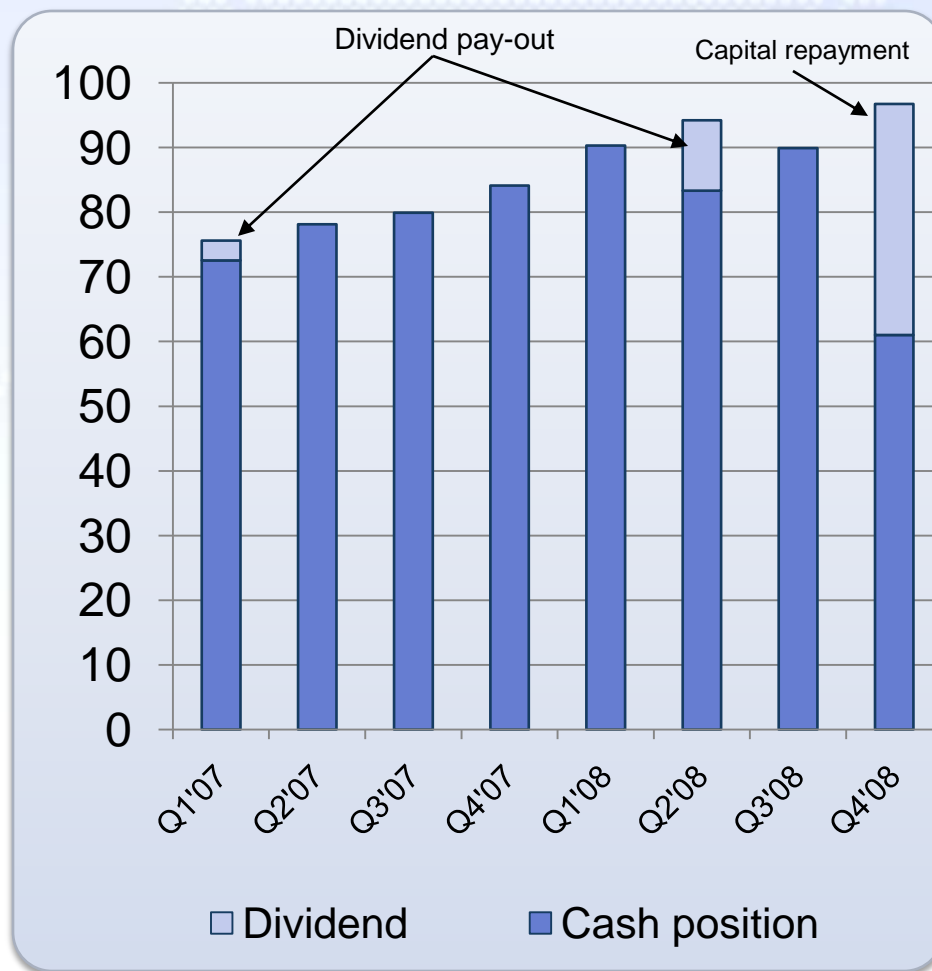
- At the end of 2008: 718 fellows
- Increase of personnel in global Sales and Marketing and Research and Development
- Personnel increase was strongest in the Malaysia office





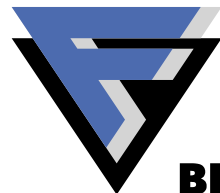
# Strong financial position

- Strong cash flow for 2008: 23.5m\* positive (20.7m)
  - *Excluding the capital repayment of 35.7m in paid November and dividends of 10.9m paid in April / and dividends of 3.1m paid in March 07.*
- Strong cash position
  - Market value of liquid assets on December 31, 2008: 61m (84.1m)



# Capital management and share price performance

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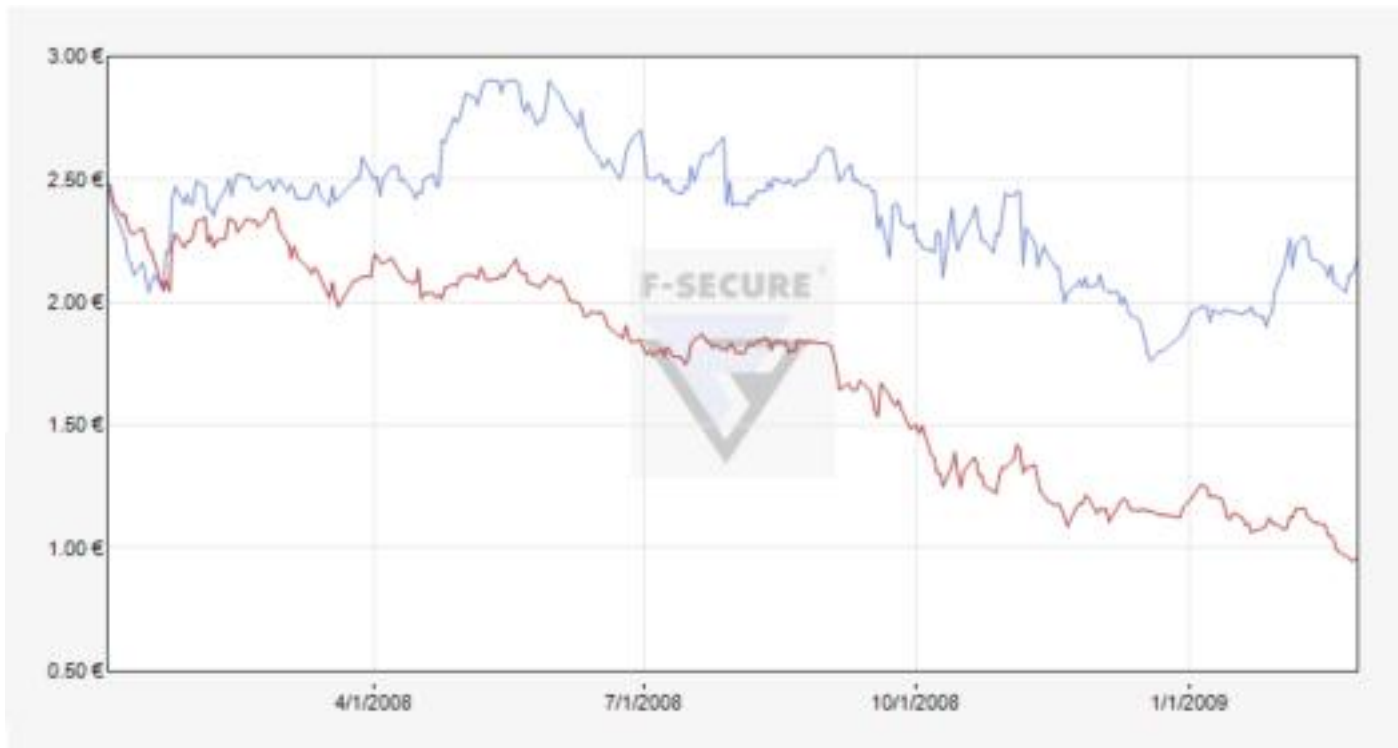


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# Efficient Capital Management

- Objective
  - The objective of the Group's capital management is to aim at an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value
- Dividend policy
  - The Company's dividend policy is to pay approximately half of its profits as dividends. Subject to circumstances, the company may deviate from this policy.
- Actions during 2008
  - Dividend of 10.9m (EUR 0.07 per share) was paid in April
  - Capital repayment of 35.7m (EUR 0.23 per share) was paid in November
  - Share buy back started in November; max 2.5m shares
    - At the end of 2008, 717,000 shares bought

# Share price performance Jan 1, 2008- Mar 1, 2009

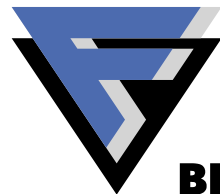


F-Secure's  
share

OMX Index

# Outlook

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# Long-term objectives



## Growth!

- The Group seeks to continue to exceed the average market growth
- Scalability through the strong ISP-network
- Mobile partnerships and pre-installations

## Investment and innovation

- Security as a Service –business model management and quality of service
- New value-added services
- Possible M&A's

## Financial position and efficiency

- Systematic management of profitability and cash flow
- Continuous control of efficiency and cost level
- Efficient capital management

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