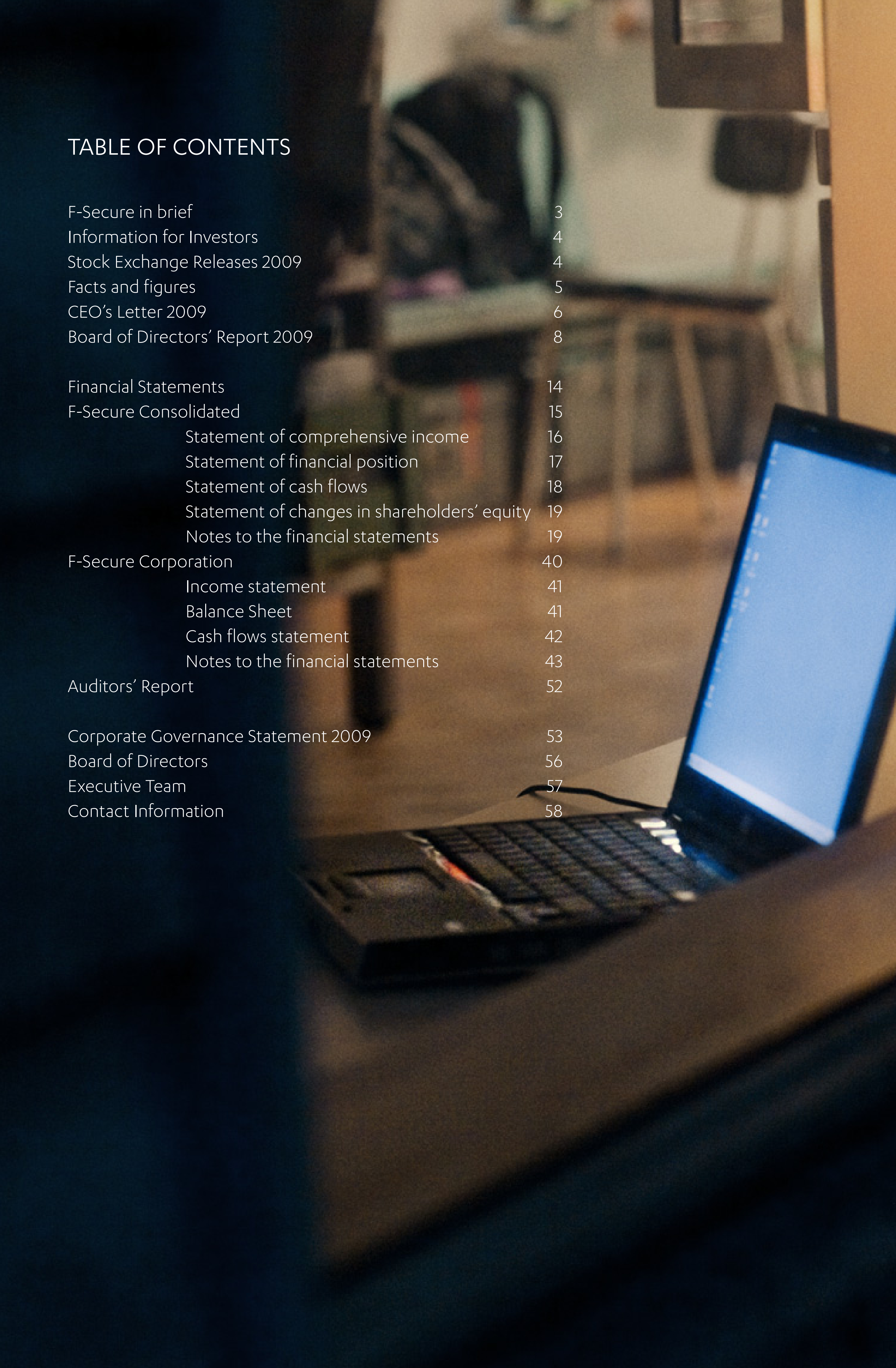
F-Secure – Protecting the irreplaceable

Annual Report 2009

f-secure.com

F-Secure



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F-SECURE IN BRIEF

F-Secure's promise, 'Protecting the irreplaceable' captures the essence of what we do. We want to protect our customers' valuable digital content across devices and access – now and in the future – as our customers' needs and technologies evolve. So while you concentrate on what is important to you, we make sure you are protected and safe online whether you are using a computer or a smartphone. We also backup and enable you to share your important files.

By protecting and preventing the loss of valuable content, F-Secure's trusted services provide peace of mind for millions of consumers and businesses in all their online activities. Our online software services are easy to use and delivered with dependable support.

Working with operators is a key element of our business strategy. F-Secure has partnerships with more than 200 operators around the world. We have been a pioneer of the 'software as a service' business model in the industry.

Founded in 1988, F-Secure is listed on NASDAQ OMX Helsinki Ltd.

OUR PROMISE 'PROTECTING THE IRREPLACEABLE' CAPTURES THE ESSENCE OF WHAT WE DO. WE WANT TO PROTECT OUR CUSTOMERS' VALUABLE DIGITAL CONTENT ACROSS DEVICES AND ACCESS – NOW AND IN THE FUTURE – AS OUR CUSTOMERS' NEEDS AND TECHNOLOGIES EVOLVE.

INFORMATION FOR INVESTORS

The main goal of F-Secure's investor communications is to make available correct, up-to-date information of F-Secure's operations impartially and simultaneously to all interest groups.

All investor information is published in English and in Finnish. All investor information is also available on the Group's web pages. Annual reports, interim reports, as well as stock exchange and press releases are available on the Group's website www.f-secure.com. Alternatively printed annual reports and other financial reports can be ordered from the e-mail address investor-relations@f-secure.com. Subscriptions for the emailing list for stock exchange releases can be made via the same e-mail address.

F-Secure arranges press conferences for media and analysts at the time of publishing the quarterly reports, and hosts a Capital market day approximately once a year. F-Secure observes a three-week silent period before the publishing of each quarterly report. During this time, F-Secure does neither arrange meetings nor phone conferences with investors or analysts.

Annual General Meeting

The Annual General Meeting of F-Secure Corporation will be held on Wednesday, March 24, 2010 at 4.00 p.m. (Finnish time) at High Tech Center (Ruoholahti), Tammasaarenkatu 3, 00180 Helsinki.

More information on how to attend the meeting is available on the Group's webpages www.f-secure.com under Investor Relations, General Meetings.

Financial calendar for 2010

Financial Statements Bulletin	February 3
Annual Report	Beginning of March
Q1 Interim Report	April 28
Q2 Interim Report	July 29
Q3 Interim Report	October 27

F-Secure share facts

Listing since 1999	NASDAQ OMX Helsinki Ltd.
Trading symbol	FSC1V
Number of shares	157 469 243

IR Contacts

investor-relations@f-secure.com

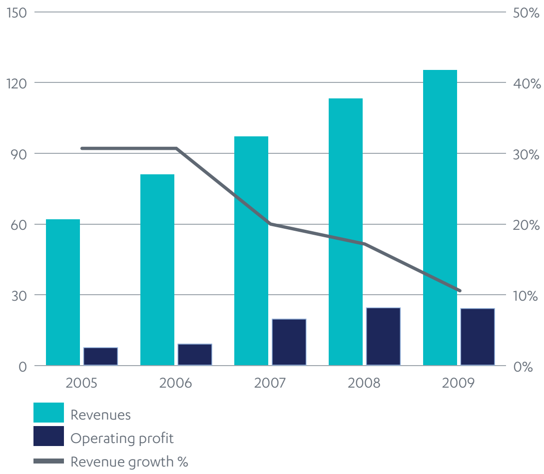
SUMMARY OF STOCK EXCHANGE RELEASES IN 2009

Dec. 03, 2009	Subscription of F-Secure shares with F-Secure 2005 warrants
Oct. 22, 2009	F-Secure Group January 1 – September 30, 2009 Financial Results
Sep. 02, 2009	Subscription of F-Secure shares with F-Secure 2005 warrants
Aug. 27, 2009	F-Secure to start repurchase of own shares
Jul. 28, 2009	F-Secure Group January 1 – June 30, 2009 Financial Results
Jul. 10, 2009	F-Secure acquires Steek SA
Jun. 05, 2009	F-Secure Corporation: Conveyance of company's own shares as part of the board compensation
Apr. 23, 2009	F-Secure Group January 1 – March 31, 2009, Financial Results
Mar. 26, 2009	Resolutions of the Annual General Meeting of F-Secure Corporation
Mar. 12, 2009	F-Secure's Annual Report 2008 published
Mar. 03, 2009	Notice to the Annual General Meeting of F-Secure Corporation
Feb. 12, 2009	F-Secure Corporation's financial statements 2008 and the Board of Directors' proposals to the Annual General Meeting
Jan. 29, 2009	F-Secure Group January 1 – December 31, 2008, Financial Results
Jan. 07, 2009	Subscription of F-Secure shares with F-Secure 2002 warrants

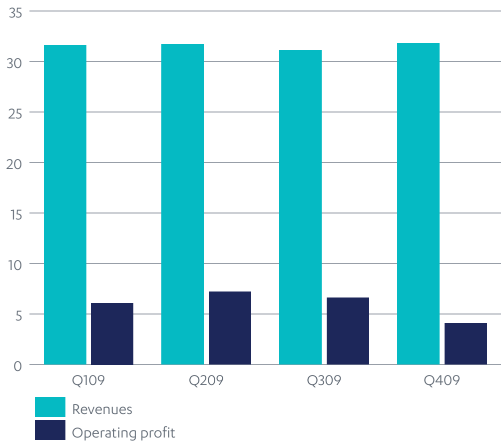
The stock exchange releases are fully available on the company website www.f-secure.com under About us > Investors.
Some of the information in the releases may be outdated.

FACTS AND FIGURES

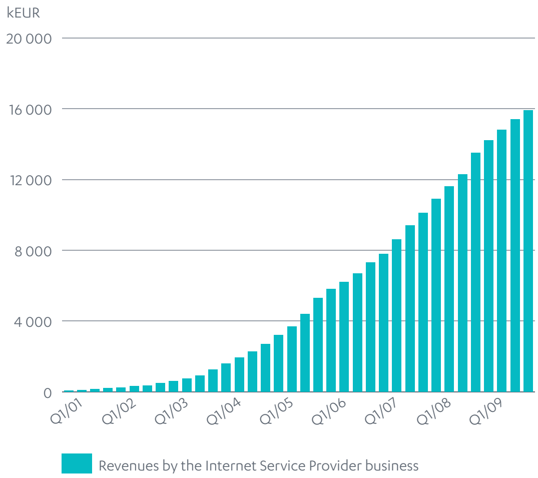
Revenues and operating profit 2005–2009 (m€)



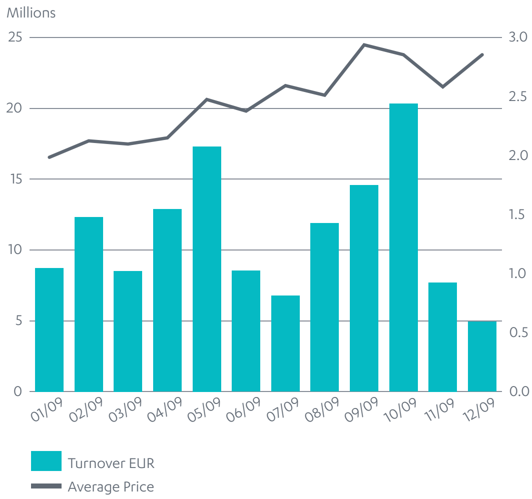
Revenues by quarter 2009



Revenues by the Internet Service Provider business

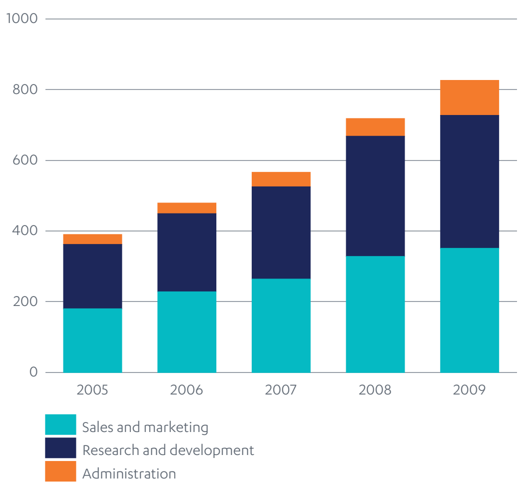


Share trading volume and average price per month



Regional revenue split 2009

Personnel



CEO'S LETTER 2009

The launch of Protecting the irreplaceable

The year 2009 for F-Secure was characterized by continuous transformation and innovation in the rapidly developing world of Internet services. Globally, we saw a high degree of economic uncertainty, however despite this macro-level instability F-Secure continued to perform strongly and to dependably deliver Software as a Service to our customers around the world. During the year we also made our biggest acquisition to date as in July 2009 Steek SA of France joined the F-Secure Fellows community.

As always, we provided our consumer, small business and enterprise customers across regions with first class security. Even as we expand our market reach and service portfolio, Internet security remains at the heart of F-Secure – it is what the reputation of the company has been built on over the past 21 years.

We have seen the number of people accessing the Internet either from their PCs or mobile devices grow phenomenally on global scale. In 2009 we witnessed the first stages in the expansion of devices and services which will be increasingly relevant for future mass markets. Specifically, the new form-factor netbooks, coupled with mobile broadband connectivity, are attracting millions of new consumers to the online world. This innovation, in conjunction with new smartphones such as the iPhone, will add to the convergence of the PC and mobile devices.

At the same time, there has been an explosive growth in user-generated digital content such as photographs, which is driven by increased use of smartphones with built in cameras. Also, personal music collections are no longer stored on CDs but on computers and smartphones.

This combination of social and technological change presents opportunities for new innovations and long term growth with our global operator partner community. Through the expansion of our business portfolio in 2009 from security to storage and sharing, we are now able to safeguard our customers' irreplaceable digital content for generations to come.

WE ARE FORTUNATE TO BE SERVICING AN ADDRESSABLE BROADBAND MARKET OF NEARLY 70 MILLION CUSTOMERS BEHIND OUR OPERATOR PARTNERS.

2009 business overview

Although the financial environment in 2009 was unpredictable, F-Secure delivered a solid year in terms of financial performance and the development of our core businesses. While the global security industry grew by approximately 4%, our total revenues grew by 11%. Our cornerstone business with 200 Operators continued to gain significant market share as a result of the 24% annual revenue growth.

Even after our largest acquisition to date and increasing investments in our most important business areas, we maintained the 24 million record level of overall profitability we accomplished in 2008. Through business expansion and the Steek acquisition, the number of F-Secure Fellows at end of 2009 reached an all time high of 800 across 18 countries. Currently the number of nationalities that creates our unique culture of Fellowship totals 20.

The extension of operator partnerships continued solidly in 2009. After 10 years of delivering Security as a Service with operators, we are fortunate to be servicing an addressable broadband market of nearly 70 million customers behind our operator partners. This massive potential customer base presents an opportunity for us and the operators to jointly increase the adoption of access and selective additional services, such as security and backup.

Introducing new online storage services

In July 2009 we announced a significant step in our service expansion strategy with the acquisition of Steek SA, a leading European software provider with services that enable consumers to store, share, backup and manage personal digital content with their PCs and mobile phones. The online storage services market is expected to grow ten-fold in the next five years, driven by the growth of social media – a domain where sharing user generated content is fundamental. By bringing the Steek technology and operator partnerships into F-Secure, we are further strengthening our competitive position in the SaaS markets. The acquisition addresses market opportunities and operator interests by offering a combination of services consisting of security and online storage – as a service – for PC's and smartphones alike.

The security landscape

We continue to fight hard so our customers can safely enjoy the opportunities of their online lives. People spend more and more time online as everyday services and necessities are made available through the Internet. As the amount of time spent online grows, people need to feel confident that they are safe when using the web. Now and in the future, the role of security will be paramount in making the Internet experience a safe one.

The past year has been particularly challenging for security companies in keeping up with the explosive growth of malware. The recent past has been characterized by two phenomena with an impact on online security. The first is the massive growth of social networking. The hundreds of millions of users of services such as Facebook, Twitter and LinkedIn have made them major targets for cybercriminals who take advantage of the trust people have in their communities of friends. The primary security threats in social media are phishing attacks and links to malicious websites spread by criminals pretending to be trusted friends.

The second major force in the industry in 2009 was cloud computing; the latest buzz in the tech industry. At F-Secure we were ahead of the game already in late 2008 when we moved our critical infrastructure services into global datacenters, making the latest security information available to all clients in milliseconds after a security threat had been discovered. We can expect the technology world to see further fundamental changes in IT services as the "cloud" becomes widely applied.

Protecting the irreplaceable – our brand

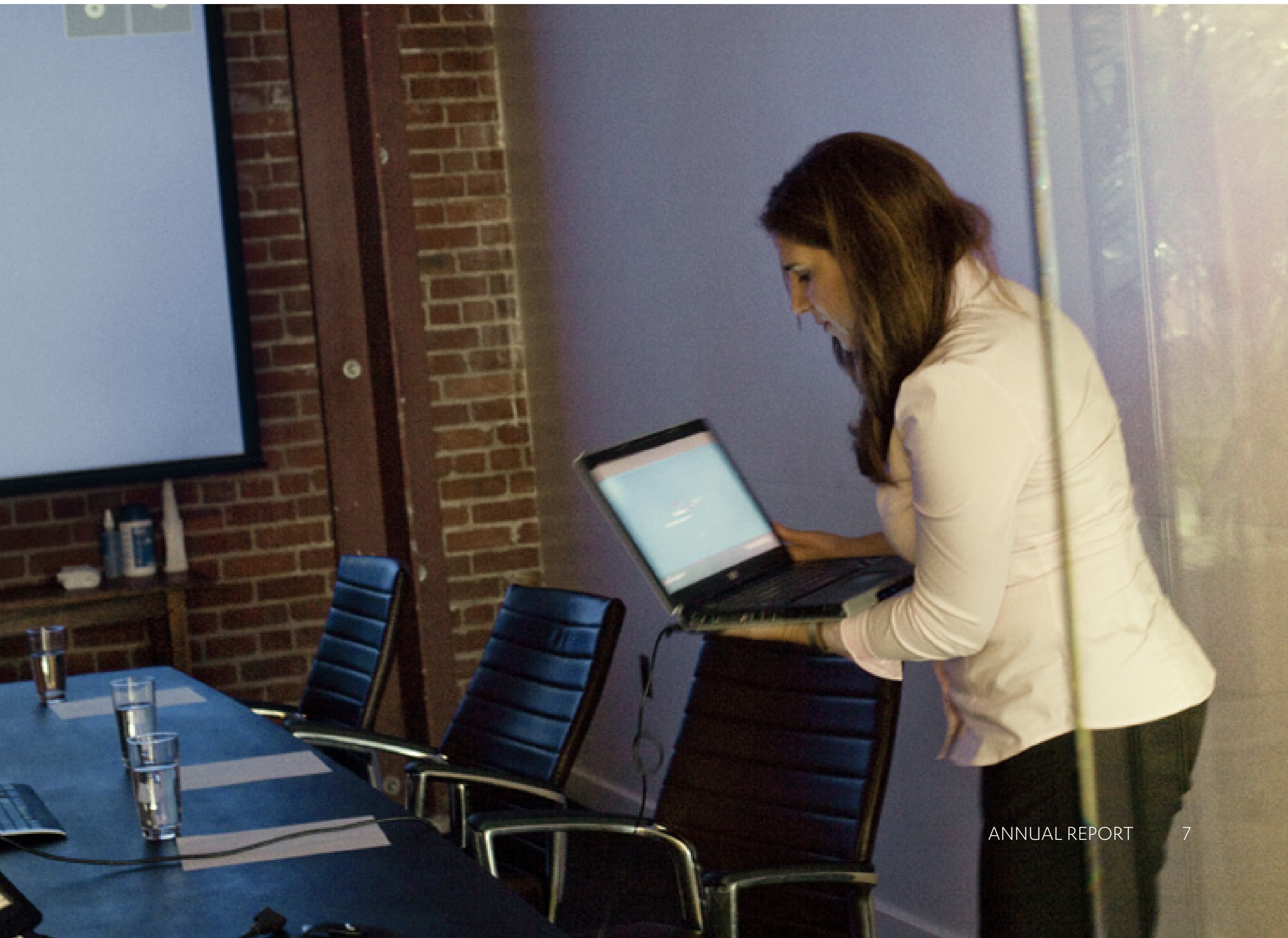
Our brand – the promise we make to our customers every second of every day – witnessed a significant rejuvenation this year. Based on market feedback and projected industry development, we are seizing the opportunity to provide an even higher level of service to our customers. By protecting the irreplaceable digital content of our customers, we combine the value of user-generated digital content with the Security as a Service we are known for. This service innovation we offer with our operator partners further enhances the Internet citizens' safety in the online world and provides for the safekeeping of their precious digital memories for generations to come. It also continues to greatly inspire the F-Secure community to expand our service and business reach.

Our passion to protect gives us a great purpose and continues to motivate us to excel in both service quality and innovation. Today the F-Secure Fellows together with our valued partners are here to serve you. We continue to work diligently to support the expansion of the Internet – with your safety in mind.

Thank you for your support in Protecting the irreplaceable,

Kimmo Alkio
President and CEO

WE ARE SEIZING THE OPPORTUNITY TO PROVIDE AN EVEN HIGHER LEVEL OF SERVICE TO OUR CUSTOMERS.



BOARD OF DIRECTORS' REPORT 2009

Financial performance and key figures

The market for Internet security stayed strong during the year despite the downturn in global economic conditions. The expansion of the Internet continued in all major market areas. At the same time, the demand for online security and online backup services continued to grow during the year.

For January-December 2009, the Group's total revenue was EUR 125.1 million (2008: 113.0m), representing a growth of 11%. Solid revenue growth continued in the operator channel, up by 24% and 60.2m in total, and in business through the traditional channels, up by 1% and 64.9m in total. Earnings before interest and taxes (EBIT) was 24 million (24.3m including the gain from the sale of network control technology of 0.8m), representing 19% of revenue; 1% down from 2008 and 2 % up when excluding gain from the sale of technology in 2008.

Profitability remained at a good level, including the impact of the acquisition of Steek SA in July. Earnings per share (EPS) were EUR 0.12 (EUR 0.13). In 2009, the EBIT was at 19% (22%).

Cash flow was 27.4 million negative (23.1m negative) including a paid dividend, share buybacks and the acquisition cost. The cash flow from operations was 16.4 million positive (26.3m positive). The Group deferred revenue rose to 35.6m at the end of year (33.7m at the end of September 2009) due to healthy renewal sales.

The Group total costs were 92.3 million (81m), representing 14% growth. The cost increase in the second half of the year was especially affected by the operating costs of the acquired Steek in July and extra marketing and promotion activities in the latter part of the year. The impact of acquiring the Storage and Digital Content business (Steek SA) in 2009 was EPS dilutive.

The Company gave quarterly guidance for company revenue and cost levels for each quarter of 2010. The financial performance for each quarter in 2009 met the target set in the previous quarter.

In the end of 2009, the geographical breakdown of revenue was split as follows: Finland and Scandinavia 35% (39%), Rest of Europe 46% (43%), North America 8% (9%) and Rest of the World 11% (9%). Internet Antivirus and intrusion preventing products represented close to 99% of the total revenues. Further information on the key financial data is presented in note 29 to the financial statements.

Business through operators

The Group's operator (ISPs, mobile operators and cable operators) business continued to perform well during 2009. The annual revenue was 60.2m (48.4m), representing 48% of the total revenue (43%) and a growth of 24% compared to 2008.

The Group's position in the operator business has remained strong in the traditional online security business, while the acquisition of Steek SA in July 2009, now the Storage and Digital Content business unit, has further strengthened F-Secure's attractiveness as a long term strategic partner for major operators worldwide. The Group currently has more than 200 partners in over 40 countries with an addressable market of over 70 million broadband consumer customers. The Group has not lost any of its existing partnerships; however, the number of partners may vary due to mergers in the operator market.

The Security as a Service business model continued to drive strong growth for the company. In July, a strategic step towards further strengthening the offering of value-added services was made by acquiring Steek SA, a French company providing online storage and data management solutions to operators. Integration of the Storage and Digital Content business is proceeding well and on schedule. Steek's revenue is included in the revenue from the operator channel.

The total number of the company's operator partners is significantly larger than that of any other security service vendor. At the end of 2009, the company's operator partners held approximately 39% (37%) of the market share of total broadband consumer connections in Europe, approximately 10% (10%) in North America, and in the APAC region F-Secure has quickly become one of the leading vendors with more than 11m potential addressable subscribers (Source: estimates by Dataxis and F-Secure).

Business through other channels

The Group's traditional sales channels, including Value Added Resellers, IT Service Providers, Managed Security Service Providers, e-Store and Retail channels continued to perform well, although in the latter part of the year affected by the challenging economical environment. The new license sales continued at a healthy level, however, slowing down during the latter part of the year. The renewal sales were showing improvement, which is also seen in the growth of deferred revenues at the end of the year.

In 2009, the revenue from these channels was 64.9m (64.6m), representing 52% of the total revenue (57%) and a growth of 1% compared to 2008.

Mobile security

Cooperation with major handset manufacturers, including Nokia, and operators such as Vodafone Group, TeliaSonera Group, T-Mobile International, Swisscom and Elisa continued well during the year. Currently, F-Secure has mobile operator partnerships with more than 20 operators worldwide.

The company continues to invest in the development of mobile security products. During the year, the company launched several mobile product versions to the markets.

In 2009, revenue generated by the mobile security services was at approximately 3% of the company's total revenue. During the year, mobile operator subscribers grew by approximately 80%.

Products and services

F-Secure has been a pioneer in both Software as a Service and cloud computing. Nearly ten years ago, F-Secure innovated and launched a new business model by offering security as a subscription service via operators (SaaS). Cloud computing has been at the center of the company's technology strategy and choices for the past few years. An example of cloud computing at F-Secure is the real-time protection network, which provides the reputations of files, sites and URLs for F-Secure's solutions. It is implemented as an in-the-cloud reputation service, capable of supporting several types of solutions now and in the future.

The real-time protection network moves PC processing and memory-intensive functions to the cloud, making the client software one of the fastest in the industry. Furthermore, by harnessing the collective intelligence of client systems, the real-time protection network is able to detect and react to new emerging threats much faster. This is important in today's dramatically changed threat situation where the Internet is facing a deluge of new malware and variants that make traditional heuristics or signature-based solutions inefficient and slow. This technology has been utilized for example in the anti-virus, browsing protection and parental control features of F-Secure Internet Security 2010 and F-Secure Client Security 9.

F-Secure launched several new products and services during 2009. The key announcements were for both consumer and business customer segments.

In January 2010, F-Secure launched its new smartphone solution, F-Secure Anti-Theft for Mobile. The solution provides three useful security features to protect your phone: remote lock, remote wipe and theft control, and it is available for Symbian and Windows Phone platforms.

In November, F-Secure launched F-Secure Client Security 9, which provides enhanced malware detection by utilizing the latest in-the-cloud reputation services, fast behavior monitoring and rootkit scanning technologies. The updatable core security technology has been redesigned to provide instant protection for the end-user and the administrator. This means high detection rates against malware, spyware, and phishing, as well as enhanced performance and protection against future threats. Businesses can protect their confidential data, prevent the spread of malware in their networks, and block hostile intrusion attempts more effectively. F-Secure Client Security 9 also supports the Windows 7 operating system.

In September, F-Secure launched a new version of its online security product, F-Secure Internet Security 2010, which is a complete security solution to protect users from threats and to enable the safe use of the Internet. According to performance tests by the independent testing organization AV-Test.org, F-Secure Internet Security 2010 has 80% less overall system impact and 60% faster virus scans compared to the previous version. The new product also includes a new user interface design. In connection with the launch of Internet Security, F-Secure also renewed its brand commitment to "Protecting the irreplaceable", reflecting the importance of the security of digital content in people's lives today.

In September, F-Secure and Nokia announced the extension of their collaboration to include Internet Security on computers. Nokia Booklet 3G mini-laptops have been preinstalled with F-Secure Internet Security 2010, the newest version of F-Secure's flagship solution.

In June, F-Secure Mobile Security with its new, advanced anti-theft feature was made available for Windows Mobile phone users. The anti-theft feature includes remote lock, remote wipe and theft control functionalities.

In May, F-Secure launched Online Backup to consumer customers through the F-Secure eStore and retailers in Europe and North America. Online backup has been available through selected Internet Service Provider partners since autumn 2008. In May, F-Secure Safe, a new value-added offering that combines both Internet Security and Online Backup as a new service, was launched in Germany.

In April, F-Secure launched a new version of its Protection Service for Business (PSB), which is a comprehensive Security as a Service solution specially designed for the needs of small and medium-sized companies. PSB 4.0 includes in-the-cloud technology to protect desktops and laptops. It also provides comprehensive protection for servers, including rootkit detection. This release also introduces high quality e-mail protection and spam control.

In February, F-Secure launched F-Secure Mobile Security 5, which enables smartphone users to experience the full potential of their devices without the fear of mobile threats. F-Secure Mobile Security combines real-time anti-virus functionality with a firewall, anti-theft and anti-spyware for S60 5th and 3rd Edition smartphones.

Research and development

In 2009, the Group's research and development expenses totaled 28.0 million (25.5m). The Group also capitalized some of its R&D expenses according to accounting rules, totaling 1.7 million (0.5m) for 2009.

Acquisition of Steek SA

In July 2009, the Group announced the acquisition of Steek SA, a leading European software provider for online storage and data management solutions to operators. Steek SA is recognized for its services that enable consumers to store, share and manage personal digital content with PCs and mobile phones.

The acquisition was according to F-Secure's strategy to broaden Value Added Service (VAS) offerings to consumers. This further strengthens F-Secure's position as the leading Software as a Service (SaaS) partner for operators worldwide. Both the acquired solutions and operator partnerships are highly complementary to F-Secure's existing business. The combined operations are expected to extend F-Secure's growth opportunities within the rapidly developing fixed and mobile broadband services market.

Under the terms of the agreement, the cash and debt-free price was EUR 27.5m with an additional purchase price of a maximum of EUR 2.5m based on the performance of the acquired business. The financial results of Steek were consolidated to F-Secure's accounts from July onwards. The purchase price allocation was based on the valuation of intangible and tangible assets consisting of e.g. software technology, workforce and customer relationships. More detailed information on the acquisition and goodwill can be found in note 11 to the financial statements.

In the acquisition announcement in July, management estimated that Steek would improve the Group's operator revenue by 2–3 million and be slightly EPS-dilutive during the second half of 2009. For the longer term, management estimated that the acquisition would improve the company's operator revenue significantly and be EPS-accretive already during 2010. In connection with the company's quarterly report for the third quarter in October, management revised this estimate of Steek's impact on the company's revenue growth to stay around 1.5 million and EPS-dilutive in the second half of 2009.

The integration of Steek is proceeding well and on schedule. In the long run, the acquisition will strongly support F-Secure's strategy to broaden Value Added Service (VAS) offerings to consumers via operators. Steek's operator partner network includes SFR (France), Virgin Media (UK), TDC (Denmark), Singtel (Singapore), Terra (Spain) and Orange (France).

Market situation

Research data shows that the security software and services market in 2009 has grown around 5% (source: Gartner), thus the figure is lower than prior industry forecasts for the year. This industry segment has likely been affected by the global economic downturn.

There were no significant changes in the competitive landscape or in pricing levels during the year. However, there have been signs of increasing price competition in some countries. The Group's competitive position in the operator channel has remained strong, although slower growth in sales of fixed broadband connections by operators may have slowed down growth of the Security as a Service business. The broadband market is at the same time experiencing a shift from fixed to mobile broadband access. The combined broadband business is anticipated to continue driving healthy growth for Security as a Service.

Financing

The Group's financial position continued strong. The Group's equity ratio at the end of year was 70% (71%). Gearing ratio was 68% negative (148% negative).

Cash flow for 2009 was 27.4 million negative (23.1m negative) including a paid dividend, share buybacks and the acquisition cost. The cash flow from operations was 16.4 million positive (26.3m positive). The financial income for 2009 was 1.2 million (2m). The company's cash position has developed according to the efficient capital management objectives for the long term.
The market value of the company's liquid assets on December 31, 2009 was 33.6 million (61m). The cost of the acquisition of Steek SA was paid from the company's liquid funds in July.

Changes in the exchange rates of USD and JPY had some positive impact and changes in GBP and SEK had some negative impact on revenue and results for 2009.

Capital expenditure

The company's investments in tangible and intangible assets in 2009 were 37.2 million (3.1m), consisting mainly of the acquisition cost and of IT hardware and software as well as the capitalization of some research and development expenses.

Shares, shareholders' equity, and option programs

In December, a total of 644,211 F-Secure shares were subscribed for with the A warrants attached to the F-Secure 2005 Warrant Plan. The issue of the 2005 Warrant Plan was approved by the Annual General Meeting on March 23, 2005. In aggregate, the number of shares was increased by 644 211. The corresponding increase in share capital was registered in the Finnish Trade Register on December 3, 2009. As the subscription price, F-Secure received a total amount of EUR 876 126.96, which was recorded in the fund for the company's distributable equity. As a result of registering this increase, the total number of shares is 157 469 243. Trading with the new shares commenced on December 4, 2009. The subscription period for the 2005A warrants began on March 3, 2008. The 2005A warrants expired on November 30, 2009.

In September, a total of 54,625 F-Secure shares were subscribed for with the A warrants attached to the F-Secure 2005 Warrant Plan. The issue of the 2005 Warrant Plan was approved by the Annual General Meeting on March 23, 2005. In aggregate, the number of shares was increased by 54,625. The corresponding increase in share capital was registered in the Finnish Trade Register on September 2, 2009. As the subscription price, F-Secure received a total amount of EUR 74,290.00, which was recorded in the fund for the company's distributable equity. As a result of registering this increase, the total number of shares is 156,825,032. Trading with the new shares commenced on September 3, 2009. The subscription period for the 2005A warrants began on March 3, 2008.

In January, a total of 3 333 F-Secure shares were subscribed for with the A3 warrants, a total of 171 340 F-Secure shares were subscribed for with the A1/A2 warrants, a total of 162 650 F-Secure shares were subscribed for with the B1/B2/B3 warrants and a total of 355,923 F-Secure shares were subscribed for with the C1/C2/C3 warrants attached to the F-Secure 2002 Warrant Plan. In aggregate, the number of shares was increased by 693 246. As the subscription price, the company received a total amount of EUR 661 219.02, which was recorded in the fund for the company's distributable equity.

The total number of shares is currently 157 469 243. The corresponding number of shares diluted would be 161 269 612 including all stock option programs. The company currently has a total of 1 549 446 own shares. The company's registered shareholders' equity is EUR 1 551 311.18. F-Secure has one class of shares, and each share entitles one vote.

Further information on the Group's option programs and shares can be found in notes 18 and 19 to the financial statements.

Capital management and dividend policy

The objective of the Group's capital management is achieving an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value. The review of the Group's capital structure belongs to the standard follow-up indicators of the Group's financial performance.

The dividend policy of F-Secure is to pay approximately half of its annual profits as dividend. Subject to circumstances, the company may deviate from this policy.

Repurchase of own shares

The buyback of own shares is based on the authorization of the Annual General Meeting 2009 and is valid until the next Annual General Meeting. Based on the authorization of AGM 2009, the maximum amount to be repurchased is 1 500 000 shares, representing 1% of all the shares issued by the Company. In its meeting on August 26, 2009, F-Secure's Board of Directors decided to start the repurchasing of its own shares based on the authorization of the Annual General Meeting of 2009.

The shares are purchased through public trading on the NASDAQ OMX Helsinki Ltd. in accordance with its rules and at the market price. The shares will be purchased for making acquisitions or implementing other arrangements related to the Company's business, to improve the Company's financial structure, to be used as part of the incentive compensation plan or for the purpose of otherwise assigning or canceling the shares.

Based on these authorizations, during January-December 2009, F-Secure bought a total of 841 514 shares corresponding to 0.5% of the company's shares and voting rights. Including all shares bought, the total number of own shares held at the end of December 2009 was 1 549 446 shares, corresponding to 1% of the company's shares and voting rights.

F-Secure has conveyed a total of 9 068 shares to Board members in June as part of the Board compensation as decided by the AGM. Further information on the Group's share repurchases can be found in note 18 to the financial statements.

Personnel and management

The Group's personnel totaled 826 at the end of December (Dec. 31, 2008: 718, Sep. 30, 2008: 818). During the year, the company's number of personnel increased because of the recent acquisition and also in sales, marketing and R&D. Further information on personnel can be found in note 29 to the financial statements.

The Executive Team currently consists of the following persons: Kimmo Alkio (President and CEO), Ari Alakiuttu (Vice President, Human Resources), Christophe Camborde (Vice President, Storage and Digital Content business unit), Samu Konttinen (Vice President, Sales and Geographical Operations), Pirkka Palomäki, (Chief Technology Officer), Kari Penttilä (Vice President, R&D; joined the company in January 2010), Patrik Sallner (Vice President, Mobile business unit; joined the company in January 2010), Antti Reijonen (Vice President, Consumer Business and Marketing) and Taneli Virtanen (Chief Financial Officer).

Risks and uncertainties

Despite the current economic conditions, the Group has not seen material changes to the risks and uncertainties during the reporting period. However, the current situation in the global economy has continued to impact on the traditional license sales. This is seen especially as a slowdown in new license sales. The slower growth in sales of fixed broadband connections by operators may also have an impact on security service sales. As the uncertainty in the economic environment has continued, the Group continues to monitor the development in the economic and financial markets closely.

The Group's risks and uncertainties are related to, among other things, the competitiveness of the Group's product portfolio, competitive dynamics in the industry, pricing models (e.g. free services), the impact of changes in technology, timely and successful commercialization of complex technologies as new products and solutions, the ability to protect intellectual property (IPR) in the Group's solutions as well as the use of third-party technologies on reasonable commercial terms, subcontracting relationships, regional development in new growth markets, sustainability of partner relationships, service quality requirements and the overall development of value-added security solutions in the Internet Service Provider and mobile operator market.

Disputes and litigations

In 2008, F-Secure Inc., the U.S. subsidiary of F-Secure Corporation, was named as a defendant in a patent infringement lawsuit filed in a state court in the U.S. F-Secure is investigating the claims and will defend itself accordingly. The Group does not expect any material impact on its financials from this lawsuit.

Corporate Governance

The Group complies with the Corporate Governance recommendations for public listed companies published in October 2008 by the Securities Market Association, a body established by the Confederation of Finnish Industries EK, the Central Chamber of Commerce, and NASDAQ OMX Helsinki Ltd., as explained on the company's web site.

The Group's corporate governance statement for 2009 is published on the company's web site and in the annual report.

Shares and shareholders

According to the shareholders register held by Euroclear Finland Ltd., F-Secure's largest shareholders at the end of 2009 were Finnish private households (58.5%), Finnish public sector institutions (9.9%), Finnish financial and insurance institutions (27.0%), foreign investors (0.2%), Finnish corporations (3.0%) and Finnish non-profit organizations (1.3%). Shareholders that have more than 5% of the shares and votes in F-Secure are Risto Siilasmaa (40.0% of shares and 40.4% of voting rights) and the Ilmarinen mutual pension insurance company (5.35% of shares and 5.4% of voting rights).

At the end of the year, F-Secure's share price was EUR 2.74 (1.88), the lowest price during the year being EUR 1.86 and the highest being EUR 3.14. At the end of December, the market capitalization of F-Secure Corporation shares totaled EUR 431 million (293). During the year, the trading volume in 2009 was around 55 million shares (64) or EUR 134 million (154) on the NASDAQ OMX Helsinki Ltd. The company's P/E ratio was 22.8 (14.9).

Further information on shares, the largest shareholders and the share ownership of the Board of Directors and the Executive team can be found on note 28 to the financial statements. Up-to-date information on major shareholders is available on the company web site.

Events after the period-end

No material changes regarding the Group's business or financial position have materialized after the end of December, 2009.

Annual General Meeting 2009

The Annual General Meeting of F-Secure Corporation was held on March 26, 2009. The Meeting confirmed the financial statements for the financial year 2008. The members of the Board and the President and CEO were granted a discharge from liability. It was decided to distribute a dividend of EUR 0.07 per share to be paid to those shareholders that on the record date of March 31, 2009 were registered with the Register of Shareholders held by Euroclear Finland Ltd. The dividends were paid out on April 7, 2009.

It was decided that the annual compensation for the chairman is EUR 55 000, for the chairmen of Executive and Audit Committee EUR 40 000 and for members EUR 30 000. Approximately 40% of the annual remuneration will be paid as company shares.

It was also decided that the number of Board members will be six. The following members were re-elected: Marko Ahtisaari, Sari Baldauf, Pertti Ervi, Juho Malmberg, Risto Siilasmaa and Alexis Sozonoff. The Board elected in the first meeting Mr. Siilasmaa as the Chairman of the Board. The members of the Audit Committee are Pertti Ervi (Chairman), Juho Malmberg and Marko Ahtisaari. The members of the Executive Committee are Sari Baldauf (Chairman), Risto Siilasmaa and Alexis Sozonoff.

The auditor's fee will be paid against approved invoice. Ernst & Young Oy was elected as the company's auditors. APA, Mr. Erkka Talvinko is acting as the responsible partner.

It was decided that the Board of Directors may pass a resolution to purchase a maximum of 14 500 000 shares of the Company. The proposed amount represents approximately 9.25% of all the shares issued by the Company. The authorization would be valid for one year. The authorization covers the purchase of shares through public trading on NASDAQ OMX Helsinki Ltd. in accordance with its rules, or through a public tender offer made to the shareholders of the Company. The consideration payable for the shares shall be based on the market price. In purchasing of the Company's own shares derivative, share lending and other contracts customary to the capital markets may be concluded pursuant to law and applicable legal provisions.

The authorization also entitles the Board of Directors to pass a resolution to purchase the shares by deviating from the shareholders' pre-emptive rights (directed purchase) subject to the provisions of the applicable law. Own shares will be purchased to be used for making acquisitions or implementing other arrangements related to the Company's business, to improve the Company's financial structure, to be used as part of the incentive compensation plan or for the purpose of otherwise assigning or cancelling the shares. The Board of Directors shall have the right to decide on other matters related to the purchase of the Company's own shares.

It was also decided that the Board of Directors may pass a resolution that the Board of Directors can decide on a transfer of a maximum of 15 500 000 of own shares of the Company either against consideration or without payment. The authorization would be valid for one year. The Board of Directors is authorized to transfer the shares in deviation from the shareholders' pre-emptive rights (directed transfer) subject to the provisions of the applicable law.

The shares may be transferred as a consideration to finance acquisitions or in other arrangements and used as part of the equity-based incentive plans of the Company as decided by the Board of Directors. The Board of Directors shall also have the right to sell the shares through public trading on NASDAQ OMX Helsinki Ltd. The Board of Directors shall have the right to decide on other matters related to a transfer of own shares.

The Board was authorized to decide on a directed share issues and its terms. The authorization is valid for a period of 18 months. The maximum cumulative number of issued new shares is 40,000,000.

Long-term objectives

The market opportunities for Internet security and other related services are driven by the expansion of the Internet. Global Internet penetration is around 26%; in Asia it is below 20%, in Europe over 50%, and in North America over 70% (Source: Internet World Stats, U.S. Census Bureau). The growing number of smartphones that have an Internet browser increases the number of mobile Internet users (number of smartphones 2009: 200m and 2012 more than 500m; Source: Gartner).

This will lead to an increasing number of Internet users globally requiring security services. The Security software market as a total is globally attractive. The market is an over $13 billion industry (Source: Gartner, 2009). The longer-term growth of the security market is expected to be around 9%, with the growth of antivirus at around 4% annually between 2008 and 2013 (Source: Gartner). The volume of user-generated digital content is expected to increase rapidly during the coming years, driven by digital photos and music. The market for emerging online storage is expected to show strong growth and to reach $715m by 2011, showing a compound annual growth rate (CAGR) of 33% from 2006 to 2011 (Source: IDC/Networkworld).

The Security as a Service (SaaS) business has been a strong growth driver for the Group since the year 2000. Based on the company's pioneering role in offering Software as a Service, the company continues to expand its offering to augment traditional security services. The Software as a Service business model continues to gain further market share in the software industry at large (Source: IDC Nov. 2008). Based on its experience of the Software as a Service business model, the Group anticipates that both the customer benefits (e.g. lower total cost of ownership) and attractive partner business benefits (e.g. lifetime revenue share) will accelerate the adoption of the Software as a Service business model compared to traditional software acquisition as a product. The Group's first priority is to drive strong growth. The core driver of growth has been Security as a Service (SaaS) sales through the operators. In addition, the Group offers Online Backup as a Service and other storage-related services that are expected to drive growth. The acquisition of Steek enables the Group to develop more comprehensive and innovative Value Added Services to consumers, to be sold through its large operator network of over 200 operator partners in over 40 countries with an addressable market of over 70 million broadband customers.

The Group is focusing on increasing the penetration within the current operator base with security and storage-related services, and continues to selectively seek partner expansion globally. In addition, the Group is developing its operations in other channels, such as electronic sales, to offer value-added services to consumers and other segments.

The Group's close cooperation with major mobile phone vendors and mobile phone operators provides good opportunities to benefit from the growth of the mobile Internet. Over time, the Group anticipates synergy across the value-added Services being developed and offered both for PCs and mobile phones.

The Group's target is to be the leader in providing security and other related value-added services to consumers through operators. The Group pursues investments in new value-added services for both PC and mobile users to augment the existing security services. The Group also continues to drive innovation in traditional IT security, enabling the secure use of the Internet. The Group aims to continue to exceed the average market growth rates in revenue, and seeks to improve its profitability sustainably towards an EBIT level of 25% over time. The Group's longer-term profitability level continues to be driven extensively by revenue growth and through systematic cost controls. The Group targets its investments in strategic growth businesses, specifically the operator channel with security and storage as a service.

Short-term outlook

Markets for Security as a Service are expected to continue to grow. During the year 2010 the Group seeks to continue to exceed average market growth. For 2010 the antivirus security market growth is anticipated to be around 5% (source: Gartner 2009).

For the first quarter of 2010 the management estimates total revenues to grow at a low single digit rate. This lower growth is primarily driven by the slowdown in the traditional license business. The Software as a Service business is expected to continue to be the growth driver; however, in Q1 the growth rate is expected to be temporarily lower due to contractual changes with some partners.

The Group continues to invest in sales and marketing activities to further extend its strong position in the global operator market. However, the management expects the cost level to grow at lower rates than previously – in Q1 marketing costs have been lowered compared to the second half of 2009. This is estimated to improve the profitability from Q4.

F-Secure revenues for the first quarter of 2010 are estimated to be between 30 million and 32 million. Costs are estimated to be around 24 million.

The revenue estimate is based on the sales pipeline at the time of publishing, existing subscriptions and support contracts as well as current exchange rates.

Proposal for dividend distribution

The Board of Directors is proposing to the Annual General Meeting, to be held on Wednesday March 24, 2010, that a dividend of EUR 0.06 per share is to be paid from the distributable shareholders' equity. The suggested dividend record date is March 29, 2010 and the payment date April 7, 2010. The dividend payout ratio is 49.3%.

On December 31, 2009, the parent company distributable equity totaled 47.3 million.

No material changes have taken place in the company's financial position after the balance sheet date and the proposed dividend does not compromise the company's financial standing.

Helsinki, 18th February 2010

F-Secure Corporation
Board of Directors

Risto Siilasmaa
Marko Ahtisaari
Sari Baldauf
Pertti Ervi
Juho Malmberg
Alexis Sozonoff

President and CEO
Kimmo Alkio

FINANCIAL INFORMATION

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CALCULATION OF KEY RATIOS

Equity ratio, %

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance total - received advance payments}}$$

ROI, %

$$\frac{\text{Result before taxes + financial expenses}}{\text{Balance total - non-interest bearing liabilities (average)}}$$

ROE, %

$$\frac{\text{Result before taxes - taxes}}{\text{Shareholders' equity + minority items (average)}}$$

Gearing, %

$$\frac{\text{Interest bearing liabilities - cash and bank accounts, liquid financial assets}}{\text{Shareholders' equity + minority items}}$$

Earnings per share, euro

$$\frac{\text{Result before taxes - taxes +/- minority interest}}{\text{Adjusted number of shares (average)}}$$

Shareholders' equity per share, euro

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares, Dec 31}}$$

P/E ratio

$$\frac{\text{Share price closing, Dec 31}}{\text{Earnings per share}}$$

Dividend per earnings, %

$$\frac{\text{Dividend per share}}{\text{Earnings per share}}$$

Effective dividends, %

$$\frac{\text{Dividend per share}}{\text{Share price closing, Dec 31}}$$

F-SECURE CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

(EUR 1000)

STATEMENT OF COMPREHENSIVE INCOME JAN 1-DEC 31, 2009

		CONSOLIDATED IFRS 2009	CONSOLIDATED IFRS 2008
NET SALES	(1)	125 144	112 974
Material and service		-9 948	-10 269
GROSS MARGIN		115 197	102 705
Other operating income	(2)	1 088	2 631
Sales and marketing	(3,4)	-56 878	-48 646
Research and development	(3,4)	-27 953	-25 522
Administration	(3,4)	-7 471	-6 828
OPERATING RESULT		23 982	24 340
Financial income and expenses	(6)	1 197	1 979
Share of profit of associate	(10)	26	85
PROFIT BEFORE TAXES		25 205	26 403
Income taxes	(7)	-6 458	-6 851
RESULT FOR THE FINANCIAL YEAR		18 747	19 553
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of foreign operations		76	-350
Available-for-sale financial assets		90	-151
Taxes related to components of other comprehensive income		-23	39
COMPREHENSIVE INCOME FOR THE YEAR		18 890	19 091
Result of the financial year is attributable to			
Equity holders of the parent		18 747	19 553
Comprehensive income for the year is attributable to			
Equity holders of the parent		18 890	19 091
Earnings per share			
- basic	(8)	0.12	0.13
- diluted		0.12	0.12

(EUR 1000)

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2009

ASSETS		Consolidated IFRS 2009	Consolidated IFRS 2008
NON-CURRENT ASSETS			
Tangible assets	(9)	4 648	3 483
Intangible assets	(9,11)	13 528	3 505
Goodwill	(11)	19 425	
Investments in associated companies	(10)	99	113
Deferred tax assets	(13)	2 563	791
Other financial assets	(15)	185	194
Total non-current assets		40 447	8 086
CURRENT ASSETS			
Inventories	(14)	425	127
Trade and other receivables	(15)	30 908	25 413
Income tax receivables	(15)	385	43
Available-for-sale financial assets	(16)	17 643	47 087
Cash and bank accounts	(17)	16 102	14 098
Total current assets		65 464	86 768
TOTAL ASSETS		105 911	94 854

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	(18)		
Share capital		1 551	1 551
Unregistered share issues			661
Share premium		165	165
Treasury shares		-3 488	-1 453
Fair value reserve		-5	-71
Translation differences		-277	-350
Reserve for invested unrestricted equity		3 079	1 465
Retained earnings		47 775	39 142
Equity attributable to equity holders of the parent		48 801	41 110
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(13)	2 271	14
Provisions	(20)	3	
Other non-current liabilities	(21)	6 925	7 509
Total non-current liabilities		9 199	7 524
CURRENT LIABILITIES	(21)		
Trade and other payables		18 627	15 525
Income tax liabilities		351	1 007
Other current liabilities		28 934	29 688
Total current liabilities		47 912	46 220
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		105 911	94 854

STATEMENT OF CASH FLOWS

(EUR 1000)

STATEMENT OF CASH FLOWS DECEMBER 31, 2009

		Consolidated IFRS 2009	Consolidated IFRS 2008
CASH FLOW FROM OPERATIONS			
Result for the financial year		18 501	19 553
Adjustments	(24)	8 571	12 469
Cash flow from operations before change in working capital		27 072	32 022
Change in net working capital			
Current receivables, increase (-), decrease (+)		-3 980	-3 012
Inventories, increase (-), decrease (+)		-296	153
Non-interest bearing debt, increase (+), decrease (-)		341	2 698
Provisions, increase (+), decrease (-)			-6
Cash flow from operations before financial items and taxes		23 137	31 855
Interest expenses paid		-13	-469
Interest income received		145	1 440
Other financial income and expenses		1 220	726
Income taxes paid		-8 089	-7 269
Cash flow from operations		16 400	26 284
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets		-5 000	-3 920
Investments in subsidiary shares, net of cash acquired	(11)	-26 840	
Other investments		-11	
Proceeds from sale of intangible and tangible assets		14	701
Cash flow from investments		-31 837	-3 219
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in share capital		950	1 846
Treasury shares		-2 055	-1 453
Dividends paid		-10 904	-10 859
Capital repayment			-35 719
Cash flow from financing activities		-12 008	-46 185
Change in cash		-27 445	-23 120
Translation difference		-95	188
Cash and bank at the beginning of the period		61 041	84 124
Cash and bank at period end		33 501	61 192
Change in net fair value of current available-for-sale assets		90	-151
Cash and bank at period end		33 591	61 041

(EUR 1000)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY DECEMBER 31, 2009

Consolidated IFRS	Share capital	Share issue	Share premium fund	Treasury shares	Fair value reserve	Transl. diff.	Unrestricted equity reserve	Retained earnings	Total equity
Equity Dec 31, 2007	1 550	47	123		40	-3	33 582	32 200	67 539
Available-for-sale financial assets, net					-112				-112
Translation difference						-350			-350
Result of the financial year								19 553	19 553
Total comprehensive income for the year					-112	-350		19 553	19 091
Dividends								-10 859	10 859
Capital repayment							-35 719		-35 719
Other changes ref capital repayment							2 418	-2 418	
Acquisition of treasury shares				-1 453					-1 453
Registration of share issue	1	-47	46						
Exercise of options		661					1 184		1 845
Cost of share based payments								666	666
Equity Dec 31, 2008	1 551	661	169	-1 453	-71	-353	1 465	39 142	41 111
Available-for-sale financial assets, net					67				67
Translation difference						76			76
Result of the financial year								18 747	18 747
Total comprehensive income for the year					67	76		18 747	18 890
Dividends								-10 904	-10 904
Acquisition of treasury shares				-2 035					-2 035
Registration of share issue		-661							-661
Exercise of options							1 611		1 611
Cost of share based payments								788	788
Other changes							3		3
Equity Dec 31, 2009	1 551		169	-3 488	-5	-277	3 078	47 773	48 801

NOTES TO THE FINANCIAL STATEMENTS

Corporate information

F-Secure produces software protection and services for individuals and businesses against computer viruses and other threats coming through the Internet or mobile networks.

The parent company of the Group is F-Secure Corporation incorporated in Finland and domiciled in Helsinki. Company's registrant address is Tammasaarenkatu 7, 00180 Helsinki. A copy of consolidated financial statement can be received on the Internet address www.f-secure.com or from the parent company's registrant address.

In their meeting on 18 February 2010 the Board of Directors of F-Secure Corporation have agreed to permit the publication of the consolidated financial statements of F-Secure Corporation for the year 2009. According to the Finnish Companies Act, the Annual General Meeting can confirm or reject the consolidated financial statement after publication. The General Annual Meeting can also decide to change the financial statement.

ACCOUNTING PRINCIPLES

Basis for presentation

The consolidated financial statements of F-Secure Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The disclosures also conform to Finnish Accounting legislation.

The Group has adopted the following new or amended Standards and Interpretations during the year.

IFRIC 13: Customer Loyalty Programmes. As the Group had no such programmes mention in the interpretation, the interpretation had no impact on the Group's financial statements.

IFRS 8 Operating Segments. According to the standard the segment information represented is based on the management reporting and the accounting principles used in it. The adopting of the new standard did not change the segment reporting in the Group.

IAS 23 Amendment: Borrowing costs. The revised standard requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. The adopting of the revised standard had no impact on the Group's financial statements.

IAS 1 Amendment: Presentation of Financial Statements. The revised standard separates owner and non-owner changes in equity. In addition, the standard introduced the statement of comprehensive income. The adoption of the revised standard had an impact on Group's financial statements.

IFRS 2 Amendment: Vesting Conditions and Cancellations. The amendment clarifies the definition of vesting conditions and treatment for an award that is cancelled. The adoption of the revised standard had no significant impact on the Group's financial statements.

IAS 1 and IAS 32 Amendment: Puttable Financial Instruments and Obligations Arising on Liquidation. The amendments allowed a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of the revised Standards had no impact on the Group's financial statements.

Improvements to IFRSs (May 2008). There are separate transitional provisions for several standards, but the adoption of the improvements had no significant impact on the Group's financial statements.

IFRS 7 Financial Instruments: Disclosures. The amended standard requires additional disclosures about fair value measurement and liquidity risk. The adoption of the amended standard had impact on the disclosures of Group's financial statements. Amended standard became effective for financial years beginning on 1 January 2009 and is adopted by the EU.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement. The adoption of the amendments had no impact on the Group's financial statements. Amended interpretation and amended standard became effective for financial years beginning on 1 January 2009 and is adopted by the EU.

Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities, are impairment of assets; development expenditures carried forward; recognition of fair value of the identifiable assets and liabilities at the date of acquisition, and used arguments when recognizing share-based payment transactions.

Principles of consolidation

Subsidiaries in which F-Secure Corporation's holding exceeds 50 percent are consolidated in the financial statements. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Company's holding in the associated companies is also consolidated. The Group's investment in its associate is accounted for under the equity method of accounting. The income statement reflects the share of the results of operations of the associate. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred or guaranteed obligations in respect of the associated company.

All intra-group transactions and balances, including unrealized profits arising from intra-group transactions, have been eliminated on consolidation. Where necessary, the accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The presentation currency of F-Secure Group is the euro, which is the measurement currency of the parent. For purposes of inclusion in the consolidated financial statements, the balance sheet of each foreign entity is translated into euros at the exchange rates prevailing at the balance sheet date. The income statement of each foreign entity is translated at the average exchange rates for the financial year. The resulting net translation difference is recorded in the shareholders' equity.

The Consolidated statement of cash flows has been prepared by translating each subsidiary's individual cash flow statements at the average exchange rates for the financial year.

Foreign currencies are translated into the local currency using fixed monthly exchange rates. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Exchange rate gains and losses of financial transactions are recognized in the income statement under financial items.

Intangible assets

Goodwill

Mutual ownership of shares has been eliminated using the purchase method of accounting. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Goodwill represents the excess of purchase cost over the fair value of separately identifiable assets less liabilities of acquired companies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Technology and customers

Intangible assets recognized separately from goodwill in acquisitions consist of technology-based intangible assets and customer-based intangible assets. The fair value was measured by using Multi-Period Excess Earnings model. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful life of these assets is 8 years.

Tangible and other intangible assets

Other tangible assets include renovation costs of rented office space. Intangible assets include software licenses. Tangible and other intangible assets are recorded at historical cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible and intangible assets are as follows:

Machinery and equipment	3–8 years
Other tangible assets	5–10 years
Capitalized development costs	3 years
Other intangible assets	5–10 years

Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the assets' carrying amount when it is probable that the Group will derive future economic benefits in excess of the originally assessed standard or performance of the existing asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. These grants are recognized as other operating income in the income statement. Government grants related to an asset are deducted from the acquisition cost of the asset and recognized as income by reducing the depreciation charge of the asset they relate to.

Research and development costs

Research costs are expensed as incurred. Development expenditures incurred on individual projects of totally new products or product versions with significant new features are carried forward when they are technically feasible and their future recoverability can reasonably be regarded as assured.

Inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined by first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. The Group has only operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Leases of unused office space are recognized as other operating income in the income statement on straight-line basis over the lease term.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment losses relating to Goodwill cannot be reversed in future periods.

Pensions

All of F-Secure Group's pension arrangements are in accordance with local statutory arrangements and defined contribution plans. Contributions to defined contribution plans are recognized in the income statement in the period to which the contributions relate. The Group recognizes disability commitment of Finnish TYEL pension plan when disability appears.

Share-based payment transactions

In the Company's industry it is common practice internationally that incentives are provided to employees in the form of equity-settled share-based instruments. Company has three kinds of incentive programs; warrant-based program, synthetic warrant-based program and a share-based program.

The Company's warrant programs cover key personnel. The warrant program reward is settled as equity-settled payment and synthetic warrant-based program as cash-settled payment. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The cost of cash-settled transactions with employees is measured by reference to the fair value at the date of balance sheet. The fair value is determined by using the Binomial model. The cost of transactions is recognized, together with a corresponding entry in equity and liability, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). If the holder of the warrant leaves company before vesting the warrant is forfeited. The cumulative expense recognized for transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

The share-based incentive program has been established as part of the key employee incentive and retention system inside F Secure Group. Reward will be settled in two phases so that one part is settled as equity-settled payment and one part as cash-settled payment. Cost of equity-settled transactions is measured by reference to the fair value by using market price of F-Secure Corporation share at the date on which they are granted and cost of cash-settled by using market price of F-Secure Corporation on the date of balance sheet. The cost is recognized over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the reward (end of lock-up period). The cost of equity-settle corresponding entry is recognized in equity and cost of cash-settle in liabilities. If relevant employee leaves company before fully entitled to the reward, the reward is forfeited. The cumulative expense recognized for share-based incentive program transactions at each reporting date is based on the best available estimate of the number of equity instruments that will ultimately fulfill.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

As the market price of the Company's share rises, the value of the warrant program rises accordingly. This will generate taxable income to the personnel when the warrants are realized. In certain countries the employer must pay social charges based on the taxable income triggered by the realization of the warrants. The provision has been matched against the realized social costs. The provision is measured based on the fair value of the options, and the amount of provision is adjusted to reflect the change in the share price. The market price of the Company's share as of December 31, 2009 was 2.74 euro.

Income taxes

Direct current taxes are calculated on the results of all Group companies in accordance with the local tax and accounting rules in each country. Deferred taxes, resulting from temporary differences between the financial statement and the income tax basis of assets and liabilities, use the enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available.

Revenue recognition

Revenue is primarily derived from monthly software as a service sale, software license agreement sales and operator's system integration and maintenance sales. License agreements consist of initial license agreements and periodic maintenance agreements covering product updates and customer support. The revenue recognition policy of F-Secure Group recognizes the service revenue at the time of delivery, the license agreement's license fee revenues as the product is delivered, the license agreement's maintenance revenues are recognized ratably over the period covered by the maintenance contract, and system integration and maintenance projects are recognized with the percentage of completion method. Indirect taxes, discounts granted and exchange rate differences are excluded from net sales.

Other operating income

Other operating income includes profits from the sales of fixed assets, rental revenue, and government grants received for research and development projects.

Presentation of expenses

Classification of the functionally presented expenses has been made as follows: various types of expenses in different geographical locations have been allocated to the various functions by allocating to directly allocable expenses to the respective function, and other operating expenses have been allocated to functions on the basis of average headcount in each location.

Treasury shares
Parent company has acquired treasury shares. The cost of acquisition is recognized as a deduction in the shareholders' equity.

Financial assets
According to IAS 39 standard, financial assets have been classified into financial assets at fair value through profit or loss, held-to-maturity, loans and receivables originated by the enterprise and available-for-sale financial assets. The classification is dependent on the purpose for which the assets were acquired. Purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase the asset. The cost of purchase includes transaction costs. Financial assets are currently classified as loans and receivables and available-for-sale financial asset.

Loans and receivables originated by the enterprise are measured at amortized cost. Trade receivables are carried at the original invoice amount to customers less an estimate made for doubtful receivables. Outstanding receivables are reviewed periodically and bad debts are written off when identified.

Available-for-sale financial assets consist of interest-bearing debt securities and shares in mutual funds invested in similar instruments. For assets that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Assets, the fair value of which cannot be measured reliably, are recognized at cost less impairment. The fair value changes of available-for-sale financial assets are recognized in shareholders' equity under fair value reserve. When financial assets recognized as available-for-sale is sold, the accumulated fair value changes are released from equity and recognized in the income statement.

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and other highly liquid short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Derivative financial instruments and hedging
The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently recognized at fair value. Any gains and losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Adoption of new and revised standards
The Group has not applied the following new or revised Standards and Interpretations that have been issued, but are not yet effective.

IFRIC 16 Hedges and Net Investment in a Foreign Operation. The interpretation provides guidance on the accounting for a hedge of a net investment. The Group expects that adoption of the revised Standard will have no impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

IFRS 3 Business Combinations - revised. The Group expects that adoption of the revised Standard will have impact on Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

IAS 27 Amendment: Consolidated and Separate Financial Statements. The Group expects that adoption of the revised Standard will have impact on Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

IAS 39 Amendment: Eligible Hedged Items. The Group expects that adoption of the revised Standard will have no impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

IFRIC 17 Distribution of Non-cash Assets to Owners. The Group expects that interpretation will have impact on the disclosures of Group's financial statements in the period of initial application. Interpretation becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

IFRIC 18 Transfer or Assets from Customers. The Group expects that interpretation will have no impact on the Group's financial statements in the period of initial application. Interpretation becomes effective for financial years beginning on or after 1 July 2009 and is adopted by the EU.

Improvements to IFRSs (April 2009). There are separate transitional provisions for several standards, but the Group expects that adoption of the improvements will have no significant impact on the Group's financial statements in the period of initial application. Improvements become effective mainly for financial years beginning on or after 1 January 2010 and are not adopted by the EU.

IFRS 2 Amendment: Group Cash-settled Share-based Payment Transactions. The Group expects that adoption of the revised Standard will have no significant impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 January 2010 and is not adopted by the EU.

IAS 32 Amendment: Classification of Rights Issues. The Group expects that adoption of the revised Standard will have no impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 January 2010 and is not adopted by the EU.

IAS 24 Revised: Related party Disclosures. The Group expects that adoption of the revised Standard will have no impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 January 2011 and is not adopted by the EU.

IFRS 9 Financial Instruments. The Group expects that adoption of the revised Standard will have impact on the disclosures of Group´s financial statements in the period of initial application. Amended standard becomes effective for financial years beginning on or after 1 January 2013 and is not adopted by the EU.

IFRIC 14 Amendment: Prepayments of a Minimum Funding Requirement. The Group expects that interpretation will have no impact on the Group's financial statements in the period of initial application. Interpretation becomes effective for financial years beginning on or after 1 January 2011 and is not adopted by the EU.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The Group expects that interpretation will have no impact on the Group's financial statements in the period of initial application. Interpretation becomes effective for financial years beginning on or after 1 July 2010 and is not adopted by the EU.

Standards inapplicable to the Group's business operations
IFRIC 12: Service Concession Arrangements. As the Group had no such arrangement mentioned in the interpretation, the interpretation will have no impact on the Group's financial statements. Interpretation becomes effective for financial years after 29 March 2009 and is adopted by the EU.

IFRIC 15 Agreements for the Construction of Real Estate. Group does not conduct Real Estate Business so the interpretation will have no impact on the Group's financial statements in the period of initial application. Amended standard becomes effective for financial years beginning 1 January 2010 and is adopted by the EU.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT INFORMATION

The Group has one business segment; data security. The revenus of different geographical areas are presented by the location of the customers and the assets by the location of the assets.

Geographical information

Consolidated Dec 31, 2009	Finland and Scandinavia	Rest of Europe	North America	Rest of the world	Group
Sales to external customers	44 187	57 301	10 561	13 095	125 144
Segment assets	56 310	38 176	3 460	5 616	103 562

Consolidated Dec 31, 2008	Finland and Scandinavia	Rest of Europe	North America	Rest of the world	Group
Sales to external customers	43 719	48 955	9 808	10 492	112 974
Segment assets	86 058	836	2 977	4 983	94 854

2. OTHER OPERATING INCOME

	Consolidated 2009	Consolidated 2008
Rental revenue	195	297
Goverment grants	858	1 276
Sale of technology		825
Other	35	234
Total	1 088	2 631

3. DEPRECIATION AND REDUCTION IN VALUE

Depreciations from non-current assets		
Other capitalized expenditure	-1 316	-695
Capitalized development	-439	-561
Intangible assets	-1 755	-1 256
Machinery and equipment	-1 557	-1 454
Other tangible assets	-460	-304
Tangible assets	-2 017	-1 757
Total depreciation	-3 772	-3 013

Depreciations by function		
Sales and marketing	-2 326	-1 195
Research and development	-1 353	-1 681
Administration	-93	-137
Total depreciation	-3 772	-3 013

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

4. PERSONNEL EXPENSES

Personnel expenses	Consolidated 2009	Consolidated 2008
Wages and salaries	-39 748	-35 828
Pension expenses - defined contribution plan	-5 599	-4 909
Share-based payments	-1 352	-744
Other social expenses	-2 849	-2 775
Total	-49 548	-44 256

Employee benefits of Management are stated in disclosure 27. Related party transactions.
Share-based payments are stated in disclosure 19. Share-based payment transactions.

Average number of personnel	770	652

Personnel by function Dec 31		
Sales and marketing	351	328
Research and development	376	340
Administration	99	50
Total	826	718

5. AUDIT FEES

Group auditor		
Audit fees	-96	-87
Tax consulting	-15	-26
Other consulting	-125	-67
	-236	-180
Others		
Audit fees	-13	-12
Tax consulting	-17	-10
	-31	-22

6. FINANCIAL INCOME AND EXPENSES

IInterest income	136	1 269
Interest expense	-17	-25
Other financial income	1 440	1 187
Exchange gains and losses	-203	-288
Other financial expenses	-159	-165
Total financial income and expenses	1 197	1 979

Financial income and expenses from loans and receivables		
Interest income	131	342
Interest expense	-17	-5
Exchange gains and losses	-172	-35
Total	-58	302

Financial income and expenses from Available-for-sale financial assets		
Interest income	4	927
Other financial income	1 313	1 184
Total	1 317	2 112

Components of other comprehensive income		
Available-for-sale financial assets		
Gains/(losses) arising during the year	378	263
Reclassification adjustements included in the income statement	-288	-414
Total	90	-151

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAXES

	Consolidated 2009	Consolidated 2008
Income taxes of the business activity	-7 144	-6 943
Income taxes from previous years	-58	37
Deferred tax	744	56
Total	-6 458	-6 851
Components of other comprehensive income		
Available-for-sale financial assests	-23	39

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Groups' effective income tax rate for the years ended 31 December 2009 and 2008 is as follows:

Result before taxes	25 205	26 403
Income taxes at statutory rate of 26%	-6 553	-6 865
Taxes on foreign subsidiaries' net income in excess of income taxes at statutory rates	108	-88
Non-deductible expenses	-99	51
Unrecognised tax losses	316	
Income taxes from previous years	-58	37
Other	-172	15
Total taxes	-6 458	-6 851

8. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable on ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive options.

Net profit attributable to equity holders from continuing operations	18 747	19 553
Weighted average number of ordinary shares (1 000)	155 770	155 302
Effect of dilution: share options	5 526	5 969
Adjusted weighted average number of ordinary shares for diluted earning per share	161 297	161 270
Basic earnings per share (EUR/share)	0.12	0.13
Diluted earnings per share (EUR/share)	0.12	0.12

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

9. NON-CURRENT ASSETS

	INTANGIBLE ASSETS				TANGIBLE ASSETS		
	Other cap. expenditure	Capitalized development	Goodwill	Total	Machinery & equip.	Other Tangible	Total
Acquisition cost Jan 1, 2008	10 617	2 159		12 775	10 537	2 130	12 668
Translation difference	62			62	63	20	83
Additions	625	533		1 158	1 794	126	1 920
Disposals	-4 392			-4 392	-91		-91
Acquisition cost Dec 31, 2008	6 911	2 692		9 603	12 303	2 277	14 580
Translation difference	-22			-22	-55	-16	-72
Additions	9 243	1 682	19 425	30 350	1 967	740	2 708
Additions acquisitions	335	1 064		1 399	653		653
Disposals	-121	-74		-195	-121	-228	-349
Acquisition cost Dec 31, 2009	16 346	5 364	19 425	41 135	14 748	2 772	17 520
Acc. depreciations Jan 1, 2008	-7 770	-1 240		-9 010	-8 246	-1 119	-9 365
Translation difference	-44			-44	-37	-8	-45
Depreciation of the financial year	-704	-561		-1 265	-1 467	-306	-1 773
Depreciation of decreases	4 220			4 220	87		87
Acc. depreciations Dec 31, 2008	-4 298	-1 801		-6 099	-9 663	-1 433	-11 097
Translation difference	16			16	43	8	51
Depreciation of the financial year	-1 315	-439		-1 754	-1 539	-458	-1 997
Depreciation of decreases	68	33		101	102	228	329
Acc. depr. acquisitions	-123	-324		-447	-160		-160
Acc. depreciations Dec 31, 2009	-5 652	-2 531		-8 183	-11 218	-1 655	-12 873
Book value as at Dec 31, 2008	2 612	891		3 503	2 640	843	3 483
Book value as at Dec 31, 2009	10 694	2 833	19 425	32 952	3 530	1 117	4 647

10. INVESTMENT IN ASSOCIATE

	Consolidated 2009	Consolidated 2008
Book value as at Jan 1	113	41
Share of associated companies' results	-14	72
Book value as at Dec 31	99	113

Associate's balance sheet, revenue and profit

Assets	719	898
Liablities	434	554
Revenue	1 648	1 857
Profit	60	240

Associated companies

Group (%)Vineyard International Ltd, Helsinki Finland		34.83

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

11. BUSINESS COMBINATIONS

On 10 July 2009, the Group acquired 100% of the voting shares of Steek SA, an unlisted company based in France specializing in providing online storage and data management solutions. Under the terms of the agreement, the cash and debt free purchase price was EUR 27.5m. An additional contingent purchase price of a maximum of EUR 2.5m is based on the performance of the acquired business in a period ending March 31, 2010. According to the information currently available, the management estimates that the likelihood of the additional contingent purchase price is remote.

Cost	
Purchase price	27 500
Net working capital	3 908
Cost associated with the acquisition	412
Acquisition cost	31 820

The preliminary cost of the combination was 31 820 thousand eur and it comprised a cash payment and costs of 412 thousand eur directly attributable to the combination. The final net working capital will be defined later.

The goodwill recognized below is attributed to the expected sales channel synergies in the existing F-Secure customer base and workforce.

The fair value of the identifiable assets and liabilities of Steek as at the date of acquisition were:

	Fair value recognised on acquisition	Carrying value
Intangible assets, technology	4 263	952
Intangible assets, customers	4 950	0
Tangible assets	493	493
Deferred tax receivables	1 190	
Receivables	1 590	1 590
Inventories	2	2
Cash and cash equivalents	3 898	3 898
	16 386	6 935
Deferred tax liability	-2 395	
Long-term liabilities (Loans)	-200	-200
Trade payables	-1 323	-1 323
Other payables	-73	-73
	-3 991	-1 596
Fair value of net assets	12 396	5 340
Goodwill arising on acquisition	19 424	
	31 820	

Cash outflow on acquisition	
Net cash acquired with the subsidiary	3 898
Cash paid	-30 740
Net cash outflow	-26 842
Unpaid net working capital to be realized (estimate)	-1 080
Net cash outflow	-27 922

From the date of acquisition, Steek has contributed -1 136 thousand eur to the net profit of the Group. If the combination had taken place at the beginning of the year, the revenue from continuing operations for the period would have been 126 559 thousand eur and profit from continuing operations would have been 17 786 thousand eur.

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

12. IMPAIRMENT TESTING OF GOODWILL

In impairment testing the Group's assets are tested against the Group's total generated cash flow.

The cash flow estimates have been reviewed byt the management and cover the next five years. The estimates are based on 2010 planning and after that revenue growth of 5% during 2011–2014, and after that terminal growth of 1%. The CAGR of 5% growth is based on Gartner's estimation of revenues for the consumer and enterprise antivirus business globally during 2008–2013 (source: Gartner, 2009). The profitability is based on past years' profitability level, 2010 planning and longer term communicated profitability target level. The used discount rate is 14.1% before taxes. The impairment test, based on these assumptions, show no need to impair assets and/or goodwill.

Sensitivity to changes in assumptions
The main parameters in the calculations are profitability, growth rate and discount rate. If the revenue growth was as calculated and the profitability would decline below 6%, or if the profitability level reamined the same, and the revenue would decline by 10% compared to previous year (year after year) in 200–2014, the discounted amount would meet the book value. Test is not practically sensitive to discount rate.

13. DEFERRED TAX

Deferred tax assets

Other temporary differences	1 055	766
Losses carried forward on acquisition	1 190	
Losses carried forward	316	
Tax charged to shareholders' equity		
Change in fair value, available-for-sale	2	25
Total	2 563	791

Deferred tax liability

Fair value adjustments on acquisition	2 271	14
Total	2 271	14

At December 31, 2009 the Group had 4.4 million euro losses carried forward. Deferred tax assets have been recognized of these losses as they may be used to offset future taxable profits in the Group.

14. INVENTORIES

	Consolidated 2009	Consolidated 2008
Other inventories	425	127

No impairment was recognized from inventories in years 2009 and 2008.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

15. RECEIVABLES

Non-current	Consolidated 2009	Consolidated 2008
Loan receivables	185	194
Total	185	194

Current receivables		
Trade receivables	22 232	20 121
Loan receivables	8	11
Other receivables	3 461	914
Prepaid expenses and accrued income	5 207	4 367
Accrued income tax	385	43
Total	31 293	25 456

Trade receivables

As at 31 December 2009, trade receivables at nominal value of 484 thousand eur (2008: 581 thousand eur) were impaired and fully provided for.

Book value as at Jan 1	581	458
Charge for the year	54	349
Utilised	-151	-226
Book value as at Dec 31	484	581

Ageing analysis of trade receivables	Total	Not due	Past due < 90 days	Past due > 90 days
As at 31 Dec, 2009	22 232	15 910	6 038	284
As at 31 Dec, 2008	20 121	15 085	4 995	41

Material items included in prepaid expenses and accrued income		
Accrued sales	1 000	
Prepaid expenses	1 096	1 821
Prepaid expenses, royalty	3 110	2 536
Accrued interest		10
Total	5 207	4 367

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets consist of interest-bearing debt securities and shares in funds invested in similar instruments.
For assets that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Assets, which fair value cannot be measured reliably, are recognized at cost less impairment.
The fair value changes of available-for-sale financial assets are recognized in shareholders' equity under fair value reserve.

Fair value as at Jan 1	47 086	71 568
Additions/deductions, net	-29 437	-24 385
Change in fair value	-6	-96
Fair value as at Dec 31	17 643	47 086

Shares - unlisted	155	143
Maturity date less than 3 months	17 489	46 943
Fair value as at Dec 31	17 643	47 086
Acquisition value as at Dec 31	17 650	47 183

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

17. CASH AND SHORT-TERM DEPOSITS

	Consolidated 2009	Consolidated 2008
Cash at bank and in hand	16 102	14 098

Available-for-sale financial assets are recognized as liquid short-term investments and are held as part of the Group's ongoing cash management activities. See note 23. Financial risk management objectives and policies.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following at December 31:

Cash at bank and in hand	16 102	14 098
Available-for-sale	17 489	46 943
Total	33 591	61 041

18. SHAREHOLDERS' EQUITY

During the year, ordinary shares were subscibed with warrants attached to F-Secure option programs and converted as follows.

Issued and fully paid	Number of shares	Share capital	Share premium fund	Unrestricted equity reserve	Treasury shares	Total
31.12.2007	1155 056 338	1 550	120	33 582		35 253
Registration of share issue	74 780	1	46			47
Exercise of options	946 043			1 184		1 184
Acquisition of treasury shares	-717 000				1 453	1 453
Capital repayment				-35 719		-35 719
Other change ref capital repayment				2 418		2 418
31.12.2008	155 360 161	1 551	166	1 465	1 453	4 635
Registration of share issue	693 246					
Exercise of options	698 836			1 611		1 611
Acquisition of treasury shares	-841 514				2 055	2 055
Treasury shares used	9 068			3	-20	-17
31.12.2009	155 919 797	1 551	166	3 079	3 488	8 284

The share capital amounted to 1,551,311 euro and the number of shares was 157 469 243 (including own shares 1 549 446) at the end of the year 2009. A share has no nomibal value. Accountable par value is EUR 0,01.

Share premium fund
Proceeds from exercised warrants were recognized under the share capital and share premium fund until March 26, 2008.

Unrestricted equity reserve
On March 20, 2007, the shareholders' meeting decided to decrease the share premium fund. The decreased amount of 33 582 thousand euro was transferred to unrestricted equity reserve. On March 26, 2008, the shareholders' meeting decided that the total amount of the subscription prices paid for new shares issued after the date of the meeting, based on stock options under the F-Secure Stock Option Plans 2002 and 2005, be recorded in companys' unrestricted equity reserve. On October 28, 2008, the extraordinary shareholders' meeting decided that assets from the invested unrestricted equity will be distributed to shareholders EUR 0.23 per share. The amount of the distribution was in total 35,719 thousand euro for all outstanding shares, altogether 155 301 612 shares.

Translation differences
The translation difference is used to record exchange difference arising from the translation of the financial statements of foreign subsidiaries.

Dividends proposed and paid
Proposed for approval at AGM for year 2009 0.06 euro per share.
Final dividend for year 2008 0.07 euro per share, paid during the year 2009: 10 903 928 euro
Final dividend for year 2007 0.07 euro per share, paid during the year 2008: 10 859 178 euro

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

Treasury shares
The cost of acquistion is recognised as a deduction in the shareholders' equity. The shares were acquired through public trading on NASDAQ OMX Helsinki in accordance with its rules and at market price.

Based on authorization of the shareholders' meeting on March 26, 2009 parent company has acquired treasury shares during the period as follows.

Time	Number of shares	Acquisition cost	Average price € price €	Range of acquisition
January 2009	283 000	550	1.95	1.89 - 1.99
September 2009	172 750	486	2.81	2.57 - 2.95
October 2009	5 250	14	2.68	2.68 - 2.68
November 2009	215 406	555	2.61	2.46 - 2.68
December 2009	165 108	450	2.73	2.66 - 2.83
	841 514	2 055		

On March 2009 total of 9 068 shares were given as remuneration to board members.

The total number of acquired treasury shares was 1 549 446 at the end of the year 2009. This represent 0.98 percent of the Company's voting power on December 31, 2009.

Fair value reserve
The reserve is used to record increments and decrements in the fair value of available-for-sale financial assets.

	FAIR VALUE, AVAILABLE-FOR-SALE			TOTAL
	before tax	Tax	After tax	
Equity Dec 31, 2007	54	-15	40	40
Available-for-sale, net	-123	32	-91	-91
Fair value gains/losses to PL	-28	7	-21	-21
Equity Dec 31, 2008	-97	25	-72	-72
Available-for-sale, net	-6	2	-5	-5
Fair value gains/losses to PL	97	-25	72	72
Equity Dec 31, 2009	-6	1	-5	-5

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

19. SHARE-BASED PAYMENT TRANSACTIONS

During the period the Group have had two different incentive plans which cover the key personnel.

Warrant programs
The Company has had warrant programs since April 1998. During the period the Group had two warrant programs. The Company's warrant programs cover the key personnel. If the holder of the warrant leaves the company before vesting, the warrant is forfeited.

The Group has applied IFRS 2 to equity-settled awards granted after November 7, 2002 that had not vested on or before January 1, 2005.

Option scheme 2005
On March 23, 2005, the shareholders' meeting decided to issue a total of 4 500 000 warrants. Each warrant entitles the holder to subscribe for one share. The subscription in full would increase the capital stock by 45 000 euro, which represents 2.9 percent of the Company's share capital and voting power on December 31, 2009. The subscription price of a share in each series shall be the trade volume weighted average price of the Company's share quoted on the OMX The Nordic Exchange, Helsinki as follows:2005A on March 2005; 2005B on March 2006; 2005C on March 2007 and 2005D on March 2008, rounded off to the nearest cent. The subscription price of the stock options shall, as per the dividend recorded date, be reduced by the amount of dividend per share. However, only such dividends whose distribution has been agreed upon after of the period for determination of the share subscription price and which have been distributed prior to the share subscription are deducted from the subscription price. Pursuant to the Companies Act, the share subscription price shall, nevertheless, always be at least the accounting equivalent value per share. The subscription period of 2005A expired on November 30, 2009.

Plan	Issued	Category	Start	End	Exercise price
		2005A	1.3.2008	30.11.2009	1.43
		2005B	1.3.2009	30.11.2010	2.78
		2005C	1.3.2010	30.11.2011	1.60
		2005D	1.3.2011	30.11.2012	2.15
2005	4 500 000				

The shares subscribed for on the basis of the warrants shall entitle the holder to dividend for the financial period in which the subscription takes place. Other shareholder rights shall commence upon the entry into the Trade Register of increase of the share capital.

The maximum dilution effect of the issuance of the warrants is 3 800 369 shares on aggregate or 2.4 percent of the Company's share capital after dilution. 2.7 million warrants have been issued from current warrant program (22.0 million totally) as of December 31, 2009. 3.5 million warrants are held by the subsidiary company DF-Data Oy.

Options outstanding and weighted average exercise price

	Jan 01 - Dec 31, 2009		Jan 01 - Dec 31, 2008	
	Number of options	Weighted average exercise price €	Number of options	Weighted average exercise price €
Outstanding Jan 01	**2 903 391**	**1.82**	**4 905 812**	**1.85**
Granted	50 000	2.15	200 000	2.22
Forfeited	260 000	2.09	475 200	2.01
Exercised	698 836	1.43	1 714 069	1.00
Expired	795	1.43	13 152	1.19
Outstanding Dec 31	**1 993 760**	**1.85**	**2 903 391**	**1.82**
Exercisable Dec 31	278 760	2.78	699 631	1.43

For options exercised during the period the weighted average share price was 2.75 euro (2.14 euro in year 2008). Options were execised on a regular basis throughout the period. The Group received 1,611 thousand euro for exercised option, which was recorded to unrestricted equity reserve (1 844 thousand euro to unrestricted equity reserve in year 2008).

The options outstanding by range of exercise prices

December 31, 2009				December 31, 2008			
Exercise price €	options	Weighted average remaining contractual life in years	Weighted average exercise price €	Exercise price €	Options	Weighted average remaining contractual life in years	Weighted average exercise price €
1.43 - 1.60	1 405 000	1.92	1.60	1.43 - 1.67	2 134 631	2.26	1.59
1.60 - 2.78	588 760	1.97	2.45	1.67 - 2.85	768 760	3.19	2.45
	1 993 760				2 903 391		

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

Expense arising from share-based payment transactions during the period was 347 thousand euro (554 thousand euro in year 2008). The weighted fair value of options granted at the date of grant date was 0,67 euro (0,60 euro in year 2008).

Synthetic option-based incentive program

The synthetic option-based incentive program has been established on February 2009 as part of the key employee incentive and retention system within F-Secure Group. The program offers for the participants a possibility to receive synthetic options of F-Secure Corporation as a long-term incentive compensation . No reward can be given to any participating employee, whose employment has terminated before the end of the vesting period. The synthetic option-based incentive program will last five years. It comprises three granting periods and subsequent vesting period of two years after each granting year. The program ends on December 31, 2013. Within the framework of the program, the aggregate number of options to be given as reward cannot exceed 5 million. The actual compensation is the difference of subscription price and the vesting price, and will be paid to the participating employees as a cash-settled payment. The subscription price of the synthetic option is the weighted average share price in the period of October to December prior to the granting year. The vesting price is the weighted average share price in period of September to November prior to the payment month. The subscription price for the granting period of 2009 is 2.17 euro.

Options outstanding

Jan 01 - Dec 31, 2009	
Outstanding Jan 01	0
Granted	600 000
Outstanding Dec 31	600 000

Expense arising from share-based payment transactions during the period was 22 thousand euro. The carrying amount of liabilityat December 31, 2009 was 22 thousand euro.

The fair value of options granted during the period was determined by using the Binomial model.

Used arguments:		**Option scheme 2005**		**Synthetic option programme**
	2009	**2008**	**2009**	**2008**
Weighted average share price €	2.22	2.2	2.74	-
Weighted average exercise price €	2.75	2.14	-	-
Expected volatility	36.84%	31.04%	31.01%	-
Option life in years	3.8	4.1	2.0	-
Risk-free interest rate	2.52%	4.27%	0.96%	-
Expected dividends	-	-	-	-

Expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Based on previous years, the company has estimated that 2–3% of granted options will be forfeited.

Share-based incentive program

The share-based incentive program has been established as part of the key employee incentive and retention system within F-Secure Group. The program will offer for the participants a possibility to receive shares of F-Secure Corporation as an incentive reward if the Company's financial targets set for the earning period have been achieved. No reward can be given to any participating employee, whose employment has terminated before the end of the lock-up period. The share-based incentive program will last six years. It comprises three earning and lock-up periods. The participating employee may not sell or transfer the shares received before the end of the lock-up period on each earnings period. The program ends on December 31, 2013. The rewards will be settled in two phases so that one part is settled as equity-settled payment and one part as cash-settled payment. Within the framework of the program, the aggregate number of shares to be given as reward cannot exceed 5 million shares.

The participating employee shall be entitled to the shareholder rights of to the reward shares from the moment the shares have been entered into the participating employee's book-entry account.

Expense arising from the share-based payment transactions during the period was 982 thousand euro (189 thousand euro in year 2008). The costs of the equity-settled transactions are measured by reference to the fair value of the F-Secure Corporation share at the date on which they are granted. The costs of cash-settled transactions are measured by reference to the fair value of the F-Secure Corporation share on the date of balance sheet.

20. PROVISIONS

A provision is recognized for the employer's liability for social security contributions on share option gains, which will arise on exercise of the relevant share options, by employees. The provision is calculated based on the number of options outstanding at the balance sheet date outside Finland that are expected to be exercised, and using the market price of the share at the balance sheet date as the best estimate of market price at the date of exercise. It is expected that the costs will be incurred during the exercise period of 1 January 2010 to 30 November 2012.
By decision of Helsinki Court of Appeal a payment was made on 2008 concerning dispute between F-Secure Corporation and SRV Viitoset Oy.

	Consolidated 2009	**Consolidated 2008**
Book value as at Jan 1		1 286
Arising during the year	3	
Utilised		-1 286
Book value as at Dec 31	3	
Social costs	3	

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

21. LIABILITIES

	Consolidated 2009	Consolidated 2008
Non-current liabilities		
Deferred revenues	6 725	7 509
Other liabilities	200	
Total non-current liabilities	6 925	7 509
Current liabilities		
Deferred revenues	28 917	29 688
Trade payables	3 951	3 172
Other liabilities	3 430	1 914
Accrued expenses	11 263	10 439
Income tax liabilities	351	1 007
Total current liabilities	47 911	46 220
Material amounts shown under accruals and deferred income		
Accrued personnel expenses	7 745	5 858
Deferred royalty	1 315	2 429
Accrued expenses	2 203	2 152
Total	11 263	10 439

22. FINANCIAL ASSETS AND LIABILITIES

Loans and other receivables	193	204
Trade receivables	22 232	20 121
Available-for-sale financial assets	17 643	47 086
Cash and bank accounts	16 102	14 098
Trade payables	-4 151	-3 172
Total	52 019	78 337

The carrying amounts of the Group's financial instruments are equivalent to fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial intruments by valuation technique

Level 1: quouted prices in active markets for indentical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techinques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

Assets measured at fair value	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets 31 Dec 2009	17 643	17 489	-	155
Available-for-sale financial assets 31 Dec 2008	47 086	46 943	-	143

During the reporting period ending 31 December 2009, there were no transfers between levels.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

General
The goal of risk management is to identify risks that may hinder the group from achieving its business objectives. The responsibility for the company's risk management lies with CEO, the management and finally with the Board of Directors. The risks related to the Group's financial instruments are mainly related to credit risks and foreign currency fluctuations. The Group's available-for-sale assets are also exposed to interest rate fluctuations.

Credit risk
The Group trades only with recognized, creditworthy third parties. Receivable balances are monitored and collected on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group. See note 15. Receivables.

Foreign currency risk
The Group invoices mainly in Euros. However, there are some transactional currency exposures that arise from sales or purchasing in other currencies. The other main measurement currencies are USD, JPY, SEK and GBP. In order to minimize the impact of the fluctuation of the exchange rates, the goal is to use forward currency contracts to eliminate the currency exposure of the estimated cash flow of these currencies for a period of six months.

	Consolidated 2009	Consolidated 2008
Derivatives **Currency instruments – Currency forward contract**	**EUR**	**EUR**
Nominal value	4 374	4 726
Fair value	-143	-202

F-Secure Corporation has hedged receivables denominated in USD, JPY, SEK and GBP with a forward rate contract. The forward rate contract expires on January 20 and April 20, 2010. The company does not have other derivatives.

F-Secure Corporation does not hedge investements made in its subsidiaries because the impact of changes of exchange rates would not be relevant in the Group's balance sheet.

Sales in different currencies	**%**	**%**
EUR	74	74
SEK, GBP	8	10
USD, JPY	14	14
Other currencies	4	2
	100	100

The risk involved in the sales in foreign currency is notabaly diminished by the operational expenses in subsidiaries that use the same currency.

Financial assets and liablilities in different currencies	**%**	**%**
EUR	77	85
SEK, GBP	5	5
USD, JPY	15	10
Other currencies	3	
	100	100

The table below demonstrates how sensitive the Group's profit before taxes is to reasonably possible changes in the USD, JPY, SEK and GBP exchange rate, assuming that all other variables are held constant. The analysis is based on trade receivables and includes forward currency contracts.

As at Dec 31, 2009		
USD, JPY	-10%	-27
GBP, SEK	+10%	-82

As at Dec 31, 2008		
USD, JPY	-10%	-130
GBP, SEK	+10%	217

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

Interest rate risk
The Group does not have any interest bearing liabilities. Based on the Group's conservative investment policy, it invests its cash mainly in short term and low risk funds. Investments are made in creditworthy funds. These available-for-sale investments are exposed to market risk for changes in interest risks.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and available-for-sale financial assets. See note 16.

Capital management
The objective of the Group's capital management is to maintain an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value. Reviewing the capital structure of the Group is part of the process for monitoring financial performance. The objective of the Group is to improve its current capital structure.

AGM 2007 made a decision to decrease the share premium to distributable equity. This enabled the Group to employ various actions to improve the efficiency of the equity; and/or to return the equity to shareholders. EGM 2008 made a decision that assets from the distributable equity will be distributed to shareholders EUR 0.23 per share totalling 35 719 thousand euro. According to the dividend policy of F-Secure Corporation, approximately half of its annual profit is paid as dividend. Subject to circumstances, the company may deviate from this policy.

24. NOTES TO CASH FLOW STATEMENT

	Consolidated 2009	Consolidated 2008
Adjustments		
Deferred income	-1 635	4 728
Depreciation and amortization	3 772	3 013
Profit / loss on sale of fixed assets	85	-820
Other adjustments	842	676
Financial income and expenses	-1 197	-1 978
Income taxes	6 704	6 851
Total	8 571	12 469

25. OPERATING LEASE COMMITMENTS

The Group has entered into commercial leases on office space and on motor vechicles. Motor vechicle leases have an average life of three years and office space between two and five years with renewal terms included in the contracts.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows

As lessee		
Within one year	4 437	3 710
After one year but not more than five years	14 881	3 780
Total	19 317	7 490

26. CONTINGENT LIABILITIES

Other liabilities		
Others	70	188

Legal claims
In December 2008, F-Secure Inc, subsidiary of F-Secure Corporation has been named as a defendant in a patent infringement lawsuit filed in a state court in the U.S. F-Secure is investigating the claims and will defend itself accordingly. The Group does not expect any material impact on its financials from this lawsuit. No provision for any liability has been made in these financial statements.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTY DISCLOSURES

Compensation of key management personnel of the Group		
Wages and other short-term employee benefits	- 1 605	-1 880
Share-based payments	-573	-343
Other compensations	-36	
Total	-2 214	-2 223

Wages and other short-term employee benefits		
Managing directors	-501	-732
Members of the boards of directors	-225	-258

Board of directors 2008 and managing director	Wages	Fees	Incentive reward	Other compensations
Kimmo Alkio, managing director	307	-	278	-
Risto Siilasmaa, chairman of the board	-	55	-	-
Marko Ahtisaari	-	30	-	-
Sari Baldauf	-	40	-	-
Pertti Ervi	-	40	-	36
Juho Malmberg	-	30	-	-
Alexis Sozonoff	-	30	-	-
Total	307	225	278	36

Incentive reward granted to managing director is measured to the fair value at the date which it was granted and the cost is recognized over the period in which the performance conditions are fullfilled 11.2.2009 - 31.12.2012. The CEO's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The period of notice for the CEO is twelve (12) months both ways and there are no separate compensations for dismissal.

The consolidated financial statements include the financial statements of corporations listed in the following table.

Name	Country of incorporation	Group (%)
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., San Jose	United States	100
Steek Inc., Delaware	United States	100
F-Secure (UK) Ltd, London	Great-Britain	100
F-Secure KK, Yokohama	Japan	100
F-Secure GmbH, München	Germany	100
DF-Mobile GmbH, München	Germany	100
F-Secure SARL, Maisons-Laffitte	France	100
Steek S.A., Bordeaux	France	100
F-Secure France SARL, Maisons-Laffitte	France	100
S-Secure BVBA, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o.,Warsaw	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure Pte Ltd, Singapore	Singapore	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, HongKong	HongKong	100
F-Secure Pty Limited, Sydney	Australia	100

28. SHARES AND SHAREHOLDERS

Shares and share ownership distribution, December 31, 2009

Shares	Number of shareholders	Percentage of shareholders	Total shares	Percentage of shares
1-100	3 049	13.70%	201 348	0.13%
101-1 000	14 817	66.59%	5 236 419	3.33%
1 001-10 000	4 074	18.31%	11 767 986	7.47%
10 001-50 000	238	1.07%	4 851 277	3.08%
50 001-100 000	26	0.12%	1 890 329	1.20%
100 001-	48	0.22%	133 521 884	84.79%
Total	22 252	100.00%	157 469 243	100.00%

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

Shareholder category, December 31, 2009	Total shares	Percentage of shares
Corporations	4 697 814	2.98%
Financial and insurance institutions	42 493 137	26.99%
General goverment	15 588 798	9.90%
Non-profit organizations	2 065 802	1.31%
Households	92 118 732	58.50%
Other countries and international organizations	504 960	0.32%
Total	157 469 243	100.00%

Largest shareholders and administrative register

Owner	Shares	% shares	% votes
Risto Siilasmaa	63 046 276	40.04%	40.44%
Keskinäinen henkivakuutusyhtiö Ilmarinen	8 417 167	5.35%	5.40%
Keskinäinen henkivakuutusyhtiö Suomi	7 700 000	4.89%	4.94%
Valtion eläkerahasto	5 000 000	3.18%	3.21%
Bergroth Ismo	4 502 752	2.86%	2.89%
Ari Hyppönen	3 843 332	2.44%	2.46%
Sijoiturahasto Nordea Nordic small cap	1 784 994	1.13%	1.14%
Alfred Berg Finland sijoitusrahasto	1 578 913	1.00%	1.01%
OP-Focus erikoissijoitusrahasto	1 315 293	0.84%	0.84%
OP-Suomi pienyhtiöt	1 128 759	0.72%	0.72%
Administrative register			
Skandinaviska Enskilda Banken	9 979 221	6.34%	6.40%
Nordea Pankki Suomi Oyj	9 911 177	6.29%	6.36%
Pohjola Pankki Oyj	1 342 950	0.85%	0.86%
Other registers	1 735 570	1.10%	1.11%
Other shareholders	34 633 393	21.99%	22.21%
Total	155 919 797		100.00%
Own shares F-Secure Corporation	1 549 446	0.98%	
Total	157 469 243	100.00%	

Ownership of management

Board of Directors	Shares	% shares	Warrants	% shares
Risto Siilasmaa	63 046 276	40.04%	2 260	
Marko Ahtisaari	8 353	0.01%		
Sari Baldauf	75 137	0.05%	10 000	0.01%
Pertti Ervi	26 137	0.02%	15 000	0.01%
Juho Malmberg	18 353	0.01%		
Alexis Sozonoff	28353	0.02%	10 000	0.01%
Total	63 202 609	40.14%	37 260	0.02%

Executive team	Shares	% shares	Warrants	% shares
Kimmo Alkio	24 051	0.02%		
Ari Alakiuttu			10 000	0.01%
Christophe Camborde				
Samu Konttinen				
Pirkka Palomäki	1 964		30 000	0.02%
Antti Reijonen				
Taneli Virtanen	25 000	0.02%	30 000	0.02%
Total	51 015	0.03%	70 000	0.04%

Ownership of management

The Board of Directors and CEO owned a total of 63 226 660 shares on December 31, 2009. This represents 40.1 percent of the Company's shares and 40.5 percent of votes. In addition, the warrants of the management accounted for 0.07 percent of the total amount of F-Secure shares. With these stock options 107 260 new shares can be issued.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

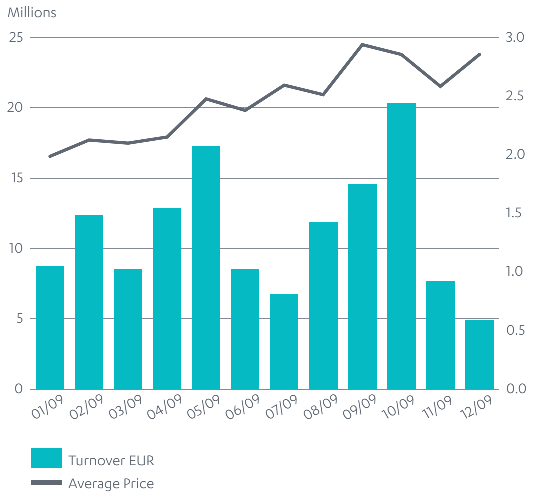
29. KEY RATIOS

Economic indicators	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005
Net sales (MEUR)	125.1	113.0	96.8	80.7	61.8
Net sales growth %	11%	17%	20%	31%	31%
Operating result (MEUR)	24.0	24.3	19.5	8.9	7.4
% of net sales	19.2%	21.5%	20.1%	11.0%	11.9%
Result before taxes	25.2	26.4	21.4	10.4	9.3
% of net sales	20.1%	23.4%	22.1%	12.8%	15.0%
ROE (%)	32.2%	36.0%	25.4%	13.1%	12.9%
ROI (%)	45.0%	51.5%	36.3%	19.3%	19.0%
Equity ratio (%)	69.8%	71.3%	81.6%	80.2%	80.6%
Investments (MEUR)	37.2	3.1	2.2	3.7	8.3
% of net sales	29.7%	2.7%	2.3%	4.6%	13.4%
R&D costs (MEUR) *)	28.0	25.5	21.2	17.7	14.7
% of net sales	22.4%	22.6%	21.9%	21.9%	23.8%
Capitalized development (MEUR)	1.7	0.5	0.1	0.9	0.8
Gearing %	-68.5%	-148.5%	-124.6%	-123.2%	-108.2%
Wages and salaries (MEUR)	39.7	35.8	29.9	25.6	20.3
Personnel on average	770	652	528	439	354
Personnel on Dec 31	826	718	566	479	390
Key ratios					
Earnings / share (EUR)	0.12	0.13	0.10	0.05	0.04
Earnings / share diluted	0.12	0.12	0.10	0.05	0.04
Shareholders' equity per share	0.31	0.26	0.44	0.35	0.37
Dividend per share **)	0.06	0.07	0.07	0.02	0.07
Dividend per earnings (%)	50.0%	53.8%	70.0%	40.0%	175.0%
Effective dividends (%)	2.2 %	3.7 %	2.9%	0.9%	3.4%
P/E ratio	22.8	14.9	24.6	47.6	46.9
Share price, lowest (EUR)	1.86	1.73	1.83	2.05	1.55
Share price, highest (EUR)	3.14	3.05	2.79	3.48	2.14
Mean share price (EUR)	2.43	2.39	2.32	2.54	1.82
Share price Dec 31	2.74	1.88	2.45	2.25	2.04
Market capitalization (MEUR)	431.5	293.4	379.9	348.6	317.2
Trading volume (millions)	55.5	64.5	80.3	93.8	69.3
Trading volume (%)	35.6%	41.5%	51.8%	60.6%	45.7%
Adjusted number of shares					
average during the period	155 770 113	155 301 688	155 040 771	154 859 859	151 759 785
average during the period, diluted	159 120 328	161 464 443	161 464 443	161 464 443	162 394 953
Dec 31	157 469 243	156 077 161	155 056 338	154 936 468	154 711 818
Dec 31, diluted	161 296 612	161 270 407	161 464 443	161 464 443	161 464 443

*) Excluding impairment loss of 4,8 MEUR in year 2006.
**) Board proposal

Capital repayment from unrestricted equity was made in year 2008 EUR 0.23 per share.

Share trading volume and average price per month



F-SECURE CORPORATION

INCOME STATEMENT

(EUR 1000)

INCOME STATEMENT JAN 1-DEC 31, 2009

		FAS 2009	FAS 2008
NET SALES	(1)	111 912	100 427
Material and service		-9 603	-10 076
GROSS MARGIN		102 308	90 351
Other operating income	(2)	1 899	3 041
Sales and marketing	(3,4)	-45 867	-41 283
Research and development	(3,4)	-26 936	-22 685
Administration	(3,4)	-6 841	-5 856
OPERATING RESULT		24 563	23 568
Financial income and expenses	(6)	1 361	2 008
PROFIT (LOSS) BEFORE TAXES		25 925	25 576
Income taxes	(7)	-6 957	-6 505
RESULT FOR THE FINANCIAL YEAR		18 967	19 071

BALANCE SHEET

BALANCE SHEET DECEMBER 31, 2009

ASSETS		FAS 2009	FAS 2008
NON-CURRENT ASSETS			
Intangible assets	(8)	4 994	3 830
Tangible assets	(8)	2 103	1 835
Investments in associated companies	(9)	42	41
Investments in group companies	(9)	34 241	242
Total non-current assets		41 380	5 948
CURRENT ASSETS			
Inventories	(11)	423	77
Long-term receivables	(12)	625	590
Short-term receivables	(12)	28 968	26 314
Deferred tax assets	(10)	2	25
Short-term investments	(13)	17 550	47 086
Cash and bank accounts		8 019	10 100
Total current assets		55 586	84 193
TOTAL ASSETS		96 966	90 141

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	(15,16)		
Share capital		1 551	1 551
Unregistered share issues			661
Share premium		165	165
Treasury shares		-3 488	-1 453
Fair value reserve		-5	-71
Reserve for invested unrestricted equity		3 079	1 465
Retained earnings		25 271	17 104
Profit for the financial year		18 967	19 071
Total shareholders' equity		45 540	38 493
LIABILITIES			
Long-term liabilities	(19)	5 697	6 120
Short-term liabilities	(19)	45 729	45 528
Total liabilities		51 426	51 648
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		96 966	90 141

CASH FLOW STATEMENT

(EUR 1000)

CASH FLOW STATEMENT DECEMBER 31, 2009

	FAS 2009	FAS 2008
CASH FLOW FROM OPERATIONS		
Result for the financial year	18 967	19 071
Adjustments	7 323	10 821
Cash flow from operations before change in working capital	26 291	29 892
Change in net working capital		
Current receivables, increase (-), decrease (+)	-1 898	-2 692
Inventories, increase (-), decrease (+)	-345	153
Non-interest bearing debt, increase (+), decrease (-)	-141	5 264
Cash flow from operations before financial items and taxes	23 906	32 617
Interest expenses paid	-3	-465
Interest income received	126	1 378
Other financial income and expenses	1 283	821
Income taxes paid	-7 643	-6 967
Cash flow from operations	17 669	27 382
CASH FLOW FROM INVESTMENTS		
Investments in intangible and tangible assets	-3 422	-3 359
Investments in subsidiary shares	-34 000	-1
Other investments	-11	
Proceeds from sale of intangible and tangible assets	14	700
Dividends received	41	13
Cash flow from investments	-37 379	-2 647
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	950	1 845
Treasury shares	-2 055	-1 453
Dividends paid	-10 904	-10 859
Capital repayment		-35 719
Cash flow from financing activities	-12 009	-46 186
Change in cash	-31 718	-21 451
Cash and bank at the beginning of the period	57 044	78 645
Cash and bank at period end	25 325	57 195
Change in net fair value of current available-for-sale assets	90	-151
Cash and bank at period end	25 415	57 044

NOTES TO THE FINANCIAL STATEMENTS

Corporate information

F-Secure produces services and software protection to individuals and businesses against computer viruses and other threats coming through the Internet or mobile networks.

The parent company of the Group is F-Secure Corporation incorporated in Finland and domiciled in Helsinki. Company's registrant address is Tammasaarenkatu 7, 00180 Helsinki. Copy of consolidated financial statement can be received from Internet address www.f-secure.com or the parent company's registrant address.

ACCOUNTING PRINCIPLES

The financial statement of F-Secure Corporation has been prepared in accordance with Finnish Accounting Standards (FAS).

Foreign currency translation

Foreign currencies are translated into the local currency using fixed monthly exchange rates. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Exchange rate gains and losses of financial transactions are recognized in the income statement under financial items. Forward rate contracts for hedging purposes are recorded using the exchange rate prevailing at the balance sheet date.

Tangible and intangible assets

Intangible assets include software licenses. Intangible assets recognized on merger consist of technology-based intangible assets. Tangible and intangible assets are recorded at historical cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible and intangible assets are as follows:

Machinery and equipment	3–8 years
Capitalized development costs	3 years
Intangible assets	5–10 years

Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the assets' carrying amount when it is probable that the Company will derive future economic benefits in excess of the originally assessed standard or performance of the existing asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures incurred on individual projects of totally new products or product versions with significant new features are carried forward when they are technically feasible and their future recoverability can reasonably be regarded as assured.

Inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined by method first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. The Company has only operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Leases of unused office space are recognized as other operating income in the income statement on a straight-line basis over the lease term.

Pensions

Pension arrangement is of local statutory arrangement and defined contribution plans. Contributions to defined contribution plans are recognized in income statement in the period to which the contributions relate. The Company recognizes the disability commitment of TYEL pension plan when disability appears.

Share-based payment transactions

In the Company's industry it is common practice internationally that incentives are provided to employees in the form of equity-settled share-based instruments. Company has three kinds of incentive programs; warrant-based program, synthetic warrant-based program and a share-based program.

The Company's warrant programs cover key personnel. The synthetic warrant-based program is settled as cash-settled payment. The cost of cash-settled transactions with employees is measured by reference to the fair value at the date of balance sheet. The fair value is determined by using the Binomial model. The cost of transactions is recognized, together with a corresponding entry in liability, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). If the holder of the warrant leaves company before vesting the warrant is forfeited. The cumulative expense recognized for transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

The share-based incentive program has been established as part of the key employee incentive and retention system inside F Secure. Reward will be settled in two phases so that one part is settled as equity-settled payment and one part as cash-settled payment. Cost of cash-settled transactions is measured by reference to the fair value by using market price of F Secure Corporation share on the date of balance sheet. The cost is recognized over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the reward (end of lock-up period). The cost of cash-settle corresponding entry is recognized in liabilities. If relevant employee leaves company before fully entitled to the reward, the reward is forfeited. The cumulative expense recognized for share-based incentive program transactions at each reporting date is based on the best available estimate of the number of equity instruments that will ultimately fulfill.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

In September 2005, by the decision of Helsinki District Court, F-Secure was sentenced to pay additional construction and refurbishment work done at the Group's headquarter premises and litigation costs plus interest to SRV Viitoset Oy. F-Secure decided to recognize the obligation. Construction costs were allocated over the rental period until the year 2010 starting September 2005. After the decision made by the Helsinki Court of Appeal in March 2008 the obligation was paid and the provision was reversed. The Group did not receive a leave to appeal from the Supreme Court.

Income taxes

Direct current taxes are calculated in accordance with the local tax and accounting rules. Deferred taxes, resulting from temporary differences between the financial statement and the income tax basis of assets and liabilities, use the enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available.

Revenue recognition

Revenue is primarily derived from software license agreement sales and monthly content security service sales. License agreements consist of initial license agreements and periodic maintenance agreements covering product updates and customer support. The revenue recognition policy of F-Secure recognizes the license fee revenues as the product is

NOTES TO THE FINANCIAL STATEMENTS

delivered, and the maintenance revenues are recognized ratably over the period covered by the maintenance contract, and the service revenue is recognized at the time of delivery. Indirect taxes, discounts granted and exchange rate differences are excluded from net sales.

Other operating income

Other operating income includes profits from the sales of fixed assets, rental revenue, and government grants received for research and development projects.

Presentation of expenses

Classification of the functionally presented expenses has been made as follows: various types of expenses in different geographical locations have been allocated to the various functions by allocating directly to allocable expenses to the respective function, and other operating expenses have been allocated to functions on the basis of average headcount in each location.

Treasury shares

Company has acquired treasury shares. The cost of acquisition is recognized as a deduction in the shareholders' equity.

Financial assets

Short-term investments are measured at fair value. Short-term investments consist of interest-bearing debt securities and shares in mutual funds invested in similar instruments. For assets that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Assets, the fair value of which cannot be measured reliably, are recognized at cost less impairment. The fair value changes of short-term investments are recognized in shareholders' equity under fair value reserve. When financial assets recognized as available-for-sale are sold, the accumulated fair value changes are released from equity and recognized in the income statement.

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and other highly liquid short-term investments.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

1. NET SALES

Geographical information	**FAS 2009**	**FAS 2008**
Finland and Scandinavia	41 962	40 726
Rest of Europe	55 858	48 790
North America	5 005	4 274
Rest of the world	9 087	6 637
Total	111 912	100 427

2. OTHER OPERATING INCOME

Rental revenue	195	297
Goverment grants	456	605
Sale of technology		825
Other	1 249	1 314
Total	1 899	3 041

3. DEPRECIATION AND REDUCTION IN VALUE

Depreciations from non-current assets		
Other cap.expenditure	-882	-833
Capitalized development	-300	-561
Intangible assets	-1 182	-1 394
Machinery & equipment	-1 042	-1 056
Tangible assets	-1 042	-1 056
Total depreciation	-2 224	-2 450

Depreciations by function		
Sales and marketing	-774	-940
Research and development	-1 356	-1 373
Administration	-94	-137
Total Depreciation	-2 224	-2 450

4. PERSONNEL EXPENSES

Personnel expenses		
Wages and salaries	-24 901	-23 338
Pension expenses	-4 392	-4 033
Other social expenses	-1 319	-1 421
Total	-30 613	-28 792

Compensation of key management personnel		
Wages and other short-term employee benefits	-1 307	-1 503

Wages and other short-term employee benefits		
Managing director	-307	-541
Members of the boards of directors	-225	-258

Wages and other short-term employee benefits of the board of directors and managing director see group disclosure 27. Related party disclosure

The CEO's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The period of notice for the CEO is twelve (12) months both ways and there are no separate compensations for dismissal.

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

	FAS 2009	FAS 2008
Average number of personnel	430	401
Personnel by function Dec 31		
Sales and marketing	156	139
Research and development	248	239
Administration	36	42
Total	440	420

5. AUDIT FEES

Audit fees	-79	-76
Tax consulting	-15	-26
Other consulting	-125	-67
	-219	-168

6. FINANCIAL INCOME AND EXPENSES

Interest income	210	1 172
Interest expense	-51	-56
Other financial income	1 314	1 185
Dividends	41	13
Exchange gains and losses	-105	-258
Other financial expenses	-48	-49
Total	1 361	2 008

7. INCOME TAXES

Income taxes of the business activity	-6 907	-6 531
Income taxes from previous years	-50	26
Total	-6 957	-6 505
Result before taxes	25 925	25 576
Income taxes at statutory rate of 26%	-6 740	-6 650
Non-deductible expenses	-190	133
Income taxes from previous years	-50	26
Other		-14
Total taxes	-6 981	-6 505

8. NON-CURRENT ASSETS

	INTANGIBLE ASSETS			TANGIBLE ASSETS		
	Other cap. expenditure	Capitalized development	Total	Machinery & equip.	Other Tangible	Total
Acquisition cost Jan 1, 2008	11 622	2 159	13 781	8 225	5	8 230
Additions	611	533	1 144	1 326		1 326
Decreases	-4 392		-4 392			
Acquisition cost Dec 31, 2008	7 841	2 692	10 533	9 551	5	9 556
Additions	1 006	1 436	2 442	1 310		1 310
Decreases	-118	-74	-192	-5		-5
Acquisition cost Dec 31, 2009	8 729	4 054	12 783	10 856	5	10 861
Acc. depreciations Jan 1, 2008	-8 288	-1 240	-9 528	-6 665		-6 665
Depreciation of the financial year	-833	-561	-1 394	-1 056		-1 056
Acc. depreciations of decreases	4 217		4 217			
Acc. depreciations Dec 31, 2008	-4 904	-1 801	-6 705	7 721		-7 721
Depreciation of the financial year	-882	-300	-1 182	-1 040		-1 040
Acc. depreciations of decreases	65	33	98	3		3
Acc. depreciations Dec 31, 2009	-5 721	-2 068	-7 789	-8 758		-8 758
Book value as at Dec 31, 2008	2 937	891	3 828	1 830	5	1 835
Book value as at Dec 31, 2009	3 008	1 986	4 994	2 098	5	2 103

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS

	Group comp. shares	Associated comp. shares	Total
Book value as at Jan 1	242	41	283
Additions	34 000	1	34 001
Disposals/merger	-1		-1
Book value as at Dec 31	34 241	42	34 283

Name	Country of incorporation	Share of ownership (%)
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., San Jose	United States	100
F-Secure (UK) Ltd, London	Great-Britain	100
F-Secure KK, Yokohama	Japan	100
F-Secure GmbH, München	Germany	100
DF-Mobile GmbH, München	Germany	100
F-Secure SARL, Maisons-Laffitte	France	98
F-Secure France SARL, Maisons-Laffitte	France	100
F-Secure BVBA, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o.,Warsaw	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure Pte Ltd, Singapore	Singapore	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, Hong Kong	Hong Kong	100
F-Secure Pty Limited, Sydney	Australia	100

Associated companies		Share of ownership (%)
Vineyard International Ltd, Helsinki	Finland	34.8

10. DEFERRED TAX

	FAS 2009	FAS 2008
Deferred tax assets		
Tax charged to shareholders' equity		
Change in fair value, available-for-sale	2	25
Total	2	25

11. INVENTORIES

Other inventories	423	77

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

12. RECEIVABLES

	FAS 2009	FAS 2008
Non-current		
Receivables from group companies		
Other receivables	625	590
Total	625	590
Current receivables		
Trade receivables	18 164	16 034
Loan receivables	8	11
Other receivables	32	327
Prepaid expenses and accrued income	3 766	3 766
Total	21 970	20 137
Receivables from group companies		
Trade receivables	6 997	5 332
Other receivables	1	845
Total	6 998	6 177
Total current receivables	28 968	26 314
Material items included in prepaid expenses and accrued income		
Prepaid expenses	656	1 220
Prepaid expenses, royalty	3 110	2 536
Accrued interest	0	10
Total	3 766	3 766

13. SHORT-TERM INVESTMENTS

Short-term investments consist of interest-bearing debt securities and shares in funds invested in similar instruments. For assets that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Assets, which fair value cannot be measured reliably, are recognized at cost less impairment. The fair value changes of short-term investments are recognized in shareholders' equity under fair value reserve.

Fair value as at Jan 1	47 086	71 568
Additions/deductions, net	-29 530	-24 385
Change in fair value	-6	-96
Fair value as at Dec 31	17 550	47 086
Shares – unlisted	154	143
Maturity date less than 3 months	17 397	46 943
Fair value as at Dec 31	17 550	47 086
Acquisition value as at Dec 31	17 557	47 183

14. CASH AND SHORT-TERM DEPOSITS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following at December 31:

Cash at bank and in hand	8 019	10 100
Available-for-sale	17 397	46 943
Total	25 415	57 044

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

15. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Parent Company FAS	Share capital	Share issue fund	Share premium	Treasury shares reserve	Fair value reserve	Unrestricted equity	Retained earnings	Total equity
Equity Dec 31, 2007	1 550	45	119		41	36 000	27 965	65 720
Available-for-sale financial assets, net					-112			-112
Result of the financial year							19 071	19 071
Dividend							-10 859	-10 859
Capital repayment						-35 719		-35 719
Aquisition of treasury shares				-1 453				-1 453
Registration of share issue	1	-47	46					
Exercise of options		661				1 184		1 845
Equity Dec 31, 2008	1 551	660	165	-1 453	-71	1 465	36 176	38 493
Available-for-sale financial assets, net					67			67
Result of the financial year							18 967	18 967
Dividend							-10 904	-10 904
Acquisition of treasury shares				-2 035				-2 035
Registration of share issue		-661						-661
Exercise of options						1 611		1 611
Other change						3		3
Equity Dec 31, 2009	1 551	0	165	-3 488	-4	3 079	44 239	45 540

16. SHAREHOLDERS' EQUITY

On December 31, 2009, the Company had 156 077 161 shares issued and outstanding. The registration process of 693 246 shares converted through the use of warrants was pending as of December 31, 2009.

During the year, 1 392 082 ordinary shares were subscibed with warrants attached to F-Secure option programs.

The Company's share capital amounted to 1 551 311 euro and the number of shares was 157 469 243 at the end of the year 2009.
See group disclosure 18. Shareholders' Equity

Treasury shares
See group disclosure 18. Shareholders' Equity.

Distributable shareholders' equity on December 31, 2009

Unrestricted equity reserve	3 079
Retained earnings	25 272
Result of the financial year	18 967
Distributable shareholders' equity on December 31, 2008	47 318

17. SHARE-BASED PAYMENT TRANSACTIONS

See group disclosure 19. Share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

(EUR 1000)

18. PROVISIONS

By decision of Helsinki Court of Appeal a payment was made on 2008 concerning dispute between F-Secure Corporation and SRV Viitoset Oy.

	FAS 2009	FAS 2008
Book value as at Jan 1		1 279
Utilised		-1 279
Book value as at Dec 31		

19. LIABILITIES

Non-current liabilities		
Deferred revenues	5 697	6 120
Total non-current liabilities	5 697	6 120
Current liabilities		
Deferred revenues	23 555	24 132
Trade payables	2 901	2 760
Other liabilities	1 181	1 298
Accrued expenses	8 975	9 515
Total	36 613	37 705
Liabilities to the group companies		
Advance payments	3 187	3 472
Trade payables	3 534	2 187
Other liabilities	2 395	2 164
Total	9 116	7 823
Total current liabilities	45 729	45 528
Material amounts shown under accruals and deferred income		
Accrued personnel expenses	6 121	4 890
Deferred royalty	1 315	2 429
Accrued expenses	1 512	1 485
Accrued tax	27	712
Total	8 975	9 515

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

See Group disclosure 23. Financial risk management objectives and policies.

(EUR 1000)

NOTES TO THE FINANCIAL STATEMENTS

21. NOTES TO CASH FLOW STATEMENT

Adjustments	FAS 2009	FAS 2008
Deferred income	-1 060	4 506
Depreciation and amortization	2 224	2 450
Profit / loss on sale of fixed asset	83	-825
Other adjustments	481	193
Financial income and expenses	-1 361	-2 008
Income taxes	6 957	6 505
Total	7 323	10 821

22. OPERATING LEASE COMMITMENTS

The Group has entered into commercial leases on office space and on motor vehicles. Motor vehicle leases have an average life of three years and office space between two and five years with renewal terms included in the contracts.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows.

As lessee		
Within one year	2 845	2 740
After one year but not more than five years	13 243	3 215
Total	16 087	5 955

23. CONTINGENT LIABILITIES

Guarantees for other group companies	11	10
Other liabilities		
Others	70	188

Derivatives see Group disclosure 23. Financial risk management objectives and policies

24. SHARES AND SHAREHOLDERS

See Group disclosure 28. Shares and shareholders

25. KEY RATIO

See Group disclosure 29. Key ratios

AUDITORS´ REPORT

To the Annual General Meeting of F-Secure Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of F-Secure Oyj for the year ended on 31 December, 2009. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 18.February 2010

ERNST & YOUNG OY
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

CORPORATE GOVERNANCE STATEMENT 2009

General principles

F-Secure Corporation applies principles of corporate governance and follows high ethical standards, complying with the Finnish Companies Act, Securities Market Act, the rules and regulation of NASDAQ OMX Helsinki Ltd, and other regulations on the administration of public companies issued by the authorities.

The company complies with the Corporate Governance Code for listed companies, as explained below and on the web pages of F-Secure Corporation. The code has been published in October 2008 by the Securities Market Association, a body established by the Confederation of Finnish Industries EK, the Central Chamber of Commerce, and NASDAQ OMX Helsinki Ltd. The code is publicly available at www.cgfinland.com.

The key elements of the Corporate Governance practices of F-Secure Corporation are described briefly below. More information on the governance practices of the company is available on the F-Secure Corporation website.

TASKS AND RESPONSIBILITIES OF GOVERNING BODIES

The main duties of the company's governing bodies are mostly defined by the Finnish Companies Act.

Annual General Meeting of Shareholders (AGM)

The highest governing body of the corporation is the General Meeting of Shareholders. The AGM's tasks are defined in detail by the Finnish Companies Act, Articles of Association of F-Secure Corporation and other regulations. The AGM shall decide on the number of members of the Board of Directors, confirm remunerations to the Board members and auditors, appoint Board members, approve financial statements, determines dividends and select auditor and other duties defined by the Articles of Association and the Finnish Companies Act. The AGM shall be held after the end of the financial year within a period determined by the Board of Directors and as defined by the Companies Act.

F-Secure Corporation has only one class of shares and thus all shares have equal voting power at the General Meetings of Shareholders. More detailed information on the process of the Annual General Meetings can be found in the F-Secure Articles of Association, which is available on the company's Investor web pages under Corporate Governance. All documents related to the company's AGM can also be found at www.f-secure.com. The decisions of the AGM 2009 are presented in the Board of Directors' report for 2009.

Board of Directors

The main tasks of the Board of Directors

The objective of the Board of Directors is to direct the company with the aim of achieving the best possible return on invested capital for shareholders in the long term. The Board of Directors represents all shareholders. The Board of Directors shall always work to the best advantage of the company and all of its shareholders.

The Board of Directors is responsible for making sure that supervision of the company's accounting and financial management is duly organized. The meetings of the Board shall regularly discuss reports presented by the CEO of the Company on the financial status and operations of the company.

Furthermore, it is the duty of the Board to prepare matters to be handled by the shareholders' meeting, to decide on the convening of the shareholders' meeting and to make sure that the decisions made at the shareholders' meeting are executed. Any matters that are significant or far-reaching from the company's point of view shall be dealt with by the Board. These include strategic outlines, approval of budgets and operating plans and supervision of how these are put into effect, acquisitions and corporate structure, any major investments with regard to the operation of the company, organization of the supervision of accounting and financial management, internal monitoring systems and risk management as well as personnel policies and reward systems.

The duties and responsibilities of the Board are more thoroughly defined in the Articles of Association of the company, the Finnish Companies Act and other applicable laws and regulations. The Articles of Association and the charter of the Board, including a more complete list of its main duties and tasks and its committees, are presented in more detail on the company's investor web pages.

The tasks of the Board of Directors are governed by the Finnish Companies Act, the Articles of Association of the Company, decisions of the General Meetings of shareholders, legislation regarding accounting rules and IFRS as well as the Securities Market, and the rules of the NASDAQ OMX Helsinki Ltd., and other regulations.

The Board shall have a minimum of three and maximum of seven ordinary members, whose term ends at the end of the next AGM following the election of Board members. The Annual General Meeting of Shareholders shall decide the number of Board members in accordance with the Articles of Association and elect the Board members. The Board shall elect the Chairman of the Board from among its members. The Board shall also elect a secretary, who may be a non-member of the Board. The term of each Board member is one year. The majority of the Board members shall be independent of the company. More detailed information about e.g. other terms of Board membership can be found in the Articles of Association.

The Board of Directors shall convene at least five times during its term. The Board shall conduct an annual self-assessment of its operations.

Board of Directors in 2009

According to the decision of the Annual General Meeting 2009, the Board has six (6) members. The members of the Board are Risto Siilasmaa (Chairman), Marko Ahtisaari, Sari Baldauf, Pertti Ervi, Juho Malmberg, and Alexis Sozonoff.

The majority of F-Secure Corporation's Board of Directors, five members out of six, is independent from the company or from major shareholders. Mr. Siilasmaa is a major shareholder of the company. Mr. Ervi has done some consulting work for the company during 2009.

The Board of Directors shall convene at least five times during its term. During 2009, the Board held 10 meetings, and the attendance was close to 100%.

The members of the Board of Directors are presented later on this report. The Annual General Meeting decides on the remuneration to be paid to the members of the Board. According to the decision, the annual compensation for the chairman is EUR 55 000, for the chairmen of Executive and Audit Committee EUR 40 000 and for members EUR 30 000. Approximately 40% of the annual remuneration will be paid as company shares. The detailed tables on remuneration and share ownership are presented in note 27 to the financial statements.

Board Committees

Audit Committee

The Board has two committees; Audit Committee and Executive Committee (nomination and remuneration issues). The Chairman of the Audit Committee is Pertti Ervi and the members are Marko Ahtisaari and Juho Malmberg.

The Audit Committee prepares, instructs and evaluates the Group's risk management, internal supervision systems, IT strategy and practices, financial reporting, external auditing of the accounts and internal control.

During 2009, the Audit Committee met four times. The average attendance was close to 100%.

Executive Committee

The Chairman of the Executive Committee is Sari Baldauf and the members are Risto Siilasmaa and Alexis Sozonoff.

The Executive Committee prepares material and provides instructions on issues related to the composition and compensation of the Board of Directors and remuneration of the other members of the executive management.

The Executive Committee held five meetings in 2009, and the average attendance was close to 100%.

The charters of both Committees can be found on the F-Secure Corporation web pages under Corporate Governance.

President and CEO

The Board of Directors shall appoint the CEO and decide upon his/her remuneration and other benefits. The President and CEO is in charge of the day-to-day management of the company.

The President and CEO of the Company is Kimmo Alkio. The CEO's duties include managing the business according to the instructions issued by the Board of Directors, presenting the matters to be dealt with in the Board of Directors' meeting, implementing the matters resolved by the Board of Directors and other issues determined in the Companies Act.

The CEO's retirement age and the determination of his/her pension conform to the standard rules, which are specified by Finland's Employee Pension Act. The period of notice for the CEO is twelve (12) months and there is no separate compensation for dismissal. During 2009, the President and CEO Mr. Alkio's compensation was in total EUR 307 490. The CEO also belongs to the Company's long-term incentive program. The President and CEO and the Executive team members are presented later in this report.

Executive Team

F-Secure Corporation's Executive Team is chaired by the President and CEO, and it assists the CEO in the management and development of the Company. The Executive Team currently consists of the following persons: Kimmo Alkio (President and CEO), Ari Alakiuttu (Vice President, Human Resources), Christophe Camborde (Vice President, Storage and Digital Content), Samu Konttinen (Vice President, Sales and Geographical Operations), Pirkka Palomäki (Chief Technology Officer), Kari Penttilä (Vice President, R&D; joined the company in January 2010), Patrik Sallner (Vice President, Mobile business unit; joined the company in January 2010), Antti Reijonen (Vice President, Consumer Business and Marketing), and Taneli Virtanen (Chief Financial Officer).

The CEO appoints the Executive Team members and decides upon the terms and conditions of their employment. The Board of Directors approves the compensation for the executive teams. The bonuses and granting of stock options are based on the performance of the group and the individual. The Executive Team assembles regularly once a month and separately as needed. Remuneration paid to the Executive team is described in note 27 to the financial statements.

Auditors

The auditor is elected by the Annual General Meeting for one year's term of service. The auditor is responsible for auditing the consolidated and parent company's financial statements and accounting. The auditor will report to the Board of Directors at least once a year.

For 2009, F-Secure Corporation's auditor is Ernst & Young Oy, an auditing firm of Authorized Public Accountant authorized by the Central Chamber of Commerce. APA Erkka Talvinko acts as responsible partner for the direction and coordination of the audit work. During 2009, the Group paid a total of EUR 96 320 for auditing services and EUR 139 710 for other services.

DESCRIPTION OF THE MAIN FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT PERTAINING TO THE FINANCIAL REPORTING PROCESS

Internal Control

The Executive Team of F-Secure, Financial Management and Risk Management are responsible for internal control and risk management. Regular audits will be performed in the business units as well as in the subsidiaries. The purpose is to ensure compliance with consistent administration, accounting practices and information security in the company.

Internal control covers all the guidelines, policies, processes and organizational structure that help to ensure that the business conduct is in compliance with all applicable regulations, and that all financial reporting is correct. The guidelines and instructions are made to ensure that accounting and financial information is a true and accurate reflection of the activities and financial situation of the company.

Actual performance against sales and cost targets and comparison period is constantly followed up by operative reporting systems on a daily, weekly or monthly basis.

The company constantly follows up its cost efficiency and profitability as well as incoming and outcoming payment transactions. If any inconsistencies appear, the issues are handled without delay. The company's controlling function works in close cooperation with the CFO and business units, providing relevant data for business planning purposes and sales estimates.

Internal audit

The principles of internal control are embedded in written guidelines and policies concerning accounting, risk management and controlling, and operations at all units in F-Secure are coordinated by the company's Finance department. The company guidelines cover accounting, reporting, documentation, authorization as well as other relevant issues.

F-Secure has no separate internal audit function, and thus this has been taken into account when defining the scope of external audit. The financial management team meets with auditors several times a year.

Risk Management

The goal of risk management is to identify risks that may hinder the company from achieving its business objectives. A risk can be defined as any uncertainty that affects F-Secure's business objectives and ability to reach its results.

The risks can be defined into strategic, operative and financial risks. Strategic risks comprise e.g. risks related to changes in industry, markets or competition, intellectual capital, or acquisitions. Operative risks include risks related to production, processes and quality. Financial risks include all risks concerning financial activities, such as currency risks.

The responsibility for the company's risk management lies with the CEO and the Executive Team. The Board of Directors is responsible for defining the company's overall level of risk tolerance. The Board of Directors and its committees approve and follow up the reporting procedures, and monitor the adequacy, appropriateness and effectiveness of the company's business and administrative processes.

Weekly and monthly financial reporting that covers the entire company is used to monitor how well financial targets are being met. The reports include actual figures, plans and up-to-date forecasts. The company has sought to manage the risks relating to its business operations by developing its operating processes and control systems. The company's risk management team leads the operational risk management processes. F-Secure's risk management team is regularly monitoring and coordinating activities to mitigate threats. The Board has set certain appropriate authorization limits to the management, and if these limits are exceeded, the decisions shall be handled by the Board of Directors.

F-Secure Corporation does not provide financing outside the industry standard payment terms, and invoicing is mainly done in Euros. Some currencies contain an exchange rate risk. In order to minimize the impact of the fluctuation of the exchange rates, the goal is to hedge the estimated cash flow of these currencies. The investment policy of the company for cash reserves is conservative. Cash is mainly invested in short-term funds and other low-risk investments. The company's critical IT systems are reviewed externally to ensure their security. The company monitors these systems internally as well.

Other issues

Management of insider issues

The company follows the insider regulations of the NASDAQ OMX Helsinki Ltd. Insiders are divided into three categories: (1) permanent public insiders including the members of the Board, the auditors, and the Group's executive team, (2) permanent company-specific non-public insiders including persons who by virtue of their position or tasks learn inside information on a regular basis, and (3) project-based insiders. The trading of F-Secure shares and options of permanent public insiders is public.

Permanent public insiders and permanent company-specific insiders are not entitled to trade shares, options or other securities 21 days prior to publication of interim financial statements or company accounts. Up-to-date information on the holdings of F-Secure's permanent insiders with a duty to declare can be found on the company's website.

Silent Period

The company observes a silent period of 21 days before each quarterly report announcement. During the silent period, the company will arrange neither meetings nor conference calls with the investor community.

Communications

The aim of the company's communications is to support the correct valuation of the company by providing the markets with sufficient information on F-Secure's financial position, strategy and objectives. The Board of Directors has approved the disclosure policy that defines the guidelines in communications to financial markets and investors and other parties. The F-Secure web site contains all information made public according to the disclosure requirements for listed companies.

BOARD OF DIRECTORS

RISTO SIILASMAA

Chairman of the Board of Directors since 2006
b. 1966, M.Sc (Eng.)

- Main employment history: Founder of the F-Secure Corporation. Worked as a President and CEO of the company until November 2006 and since then held the position of Chairman of the Board.
- Main Board Memberships and public duties currently undertaken: Chairman of the Board of Directors of Elisa Corporation and Fruugo Ltd. Vice Chairman of the Board of Directors of the Federation of Finnish Technology Industries and Finnish American Chamber of Commerce. Member of the Board of Directors of Nokia Corporation, Blyk Ltd, Ekahau Inc., Efecte Corporation, Valimo Wireless Oy, Connected Day Oy and Confederation of Finnish Industries EK. Member of the Investment Council of Finnish Industry Investment Ltd and member of Ministry of Transport and Communication's Advisory Board for Communications Administration. Member of Advisory Boards of the Helsinki School of Economics and Helsinki University of Technology.
- Holdings: Number of shares 63 039 761, holding% 40,04 %.

MARKO AHTISAARI

Board member since 2007
b. 1969, B.A. summa cum laude in Economics and Philosophy, M.A. Philosophy

- Main employment history: Senior Vice President, Design and User Experience of Nokia Corporation since autumn 2009. Previously worked as CEO and co-founder of Dopplr Ltd 2008–2009, a Head of Brand & Design at Blyk Ltd 2006–2008, Director of Design Strategy at Nokia Corporation 2005–2006 and other management positions related to strategy and Venturing in Nokia Corporation 2002–2005. Prior to Nokia, 1999–2001 built and led the mobile practices in Satama Interactive and 1994–1997 was a lecturer, Fellow of the Faculty of Philosophy at Columbia University in the city of New York.
- Main Board Memberships and public duties currently undertaken: Member of the Board of Directors of Artek Oy Ab and Advisor to FON, the largest WiFi community in the world.
- Holdings: Number of shares 8 353.

SARI BALDAUF

Board member since 2005,
Chairman of the Executive Committee
b. 1955, M.Sc. (Bus. Adm.), D.Sc. (Tech.) h.c. ,
D.Sc. (Econ. & Bus.Adm.) h.c.

- Main employment history: worked for more than twenty years at Nokia Corporation. During the years served as Executive Vice President and General Manager of Nokia Networks 1998–2005 and a member of the Group Executive Board 1994–2005. Prior to 1998 served as Executive Vice President of Nokia APAC and President of Nokia Telecommunications, Cellular Systems.
- Main Board Memberships and public duties currently undertaken: Deputy Chairman of the Board of Directors of Fortum Corporation, Member of the Board of Directors of CapMan Oy Hewlett-Packard Company., member of Supervisory Board of Daimler AG and a Chairman of the Board of Directors of Savonlinna Opera Festival Ltd. Serves also on Boards of Finnish Business and Policy Forum EVA , International Youth Foundation and John Nurminen Foundation.
- Holdings: Number of shares 75 137.

PERTTI ERVI

Board member since 2003,
Chairman of The Audit Committee
b. 1957, B.Sc. (Electronics)

- Main employment history: Currently works as an independent consultant and investor. Co-founder of the Computer 2000 Finland Oy in which served as an MD until 1995. After that worked as a Co-President for Computer 2000 AG international headquarters in Germany. Has worked with international management level with major IT vendors such as Cisco, IBM, Intel, HP and Microsoft.
- Main Board Memberships and public duties currently undertaken: Chairman of the Board of Directors of Digium Oy, Inventure Oy and Nevtor Oy. Vice Chairman of the Board of Directors and Chairman of the Audit Committee of Ixonos Plc and member of the Board of Directors of Forte Netservices Oy, Forte Groupservices Oy, Efecte Corporation and Teleste Corporation.
- Holdings: Number of shares 26 137.

JUHO MALMBERG

Board member since 2008
b. 1962, M.Sc. (CS)

- Main employment history: Executive Vice President, Development and a Member of Executive Board of Kone Corporation. Previously worked in Accenture as Managing Director of Accenture Finland 2002–2005, Director of Nordic Outsourcing Business in 2005, Deputy Managing Director 1999–2002 and Technology Director 1992–1999.
- Holdings: Number of shares 18 353.

ALEXIS SOZONOFF

Board member since 2004
b. 1938, B.Sc. (Econ.), graduated from Wharton AMP

- Main employment history: Joined Hewlett-Packard Corporation in 1967 and served in several management positions until 1981. Worked at Harris Information Systems as Vice President of International Operations 1981–1993. In 1994 re-joined HP and served in such positions as HP's European General Manager of the Computer Products Sales and Distribution Organization, Vice President and General Manager of HP's Worldwide Channel Business and General Manager of Computer Marketing and Operations. Retired from the position of Vice President of Customer Advocacy for Hewlett in 2002 after which he served as a senior advisor to the CEO of HP.
- Main Board Memberships and public duties currently undertaken: Chairman of the European Wholesale Group (EWG) and Global Beach Group (UK). Vice Chairman of the Sir Peter Ustinov Charity Foundation.
- Holdings: Number of shares 28 353.

EXECUTIVE TEAM

KIMMO ALKIO
President and CEO
b. 1963, BBA from Texas A&M University, eMBA

- Main employment history: Joined F-Secure from Nokia where he was the Vice President for the Consulting & Integration business (April 2005 – Oct 2006) and served as a member of the Global Services Business Unit management team within Networks. Prior to Nokia Served as Chief Operating Officer in F-Secure years 2001-2005. Worked for 14 years with Digital Equipment Corporation and Compaq Computer in numerous management positions with both European and global responsibilities out of the headquarter operations in Switzerland, Germany and the United States.
- Main Board Memberships and public duties currently undertaken: Member of the Board of Directors of Tieto Corporation since 2009.

ARI ALAKIUTTU
Vice President, Human Resources
b. 1967, M.Sc. (Engineering)

- Main employment history: Joined F-Secure in 2000 and Served as Vice President, Products & Services and held positions in Product Management, Product Marketing and Channel Development until 2008. Prior joining F-Secure worked for Tellabs and for Nokia in the field of product management and product development for telecommunications network management.

CHRISTOPHE CAMBORDE
Vice President, Storage and Digital Content
b. 1975

- Main employment history: Before joining F-Secure worked as the CEO and co-founder of Steek SA, which was acquired by F-Secure in July 2009. Prior to Steek, years 2001–2004, worked as a Managing Director and co-founder of Robert & Camborde SAS (an at-home grocery delivery company) and in 2000–2001 worked as a CTO of @Carrefour, the Internet subsidiary company of the Carrefour Group. Began his career in the Sud Ouest Group, co-founding the Internet Department in 1995.

SAMU KONTTINEN
Vice President, Sales and Geographical Operations
b. 1973

- Main employment history: joined the company in 2005 and has held several sales and channel management roles, including a position of Director of Regional Operations, covering F-Secure operations in +20 countries in EMEA. Prior to his current position worked as a Vice President of Mobile Business Unit. Before joining F-Secure he held a Vice President position at Valimo Wireless Ltd 2001–2005.

PIRKKA PALOMÄKI
Chief Technology Officer
b. 1970, M.Sc. (International Marketing and Business Strategy),

- Main employment history: Joined F-Secure in 1997 and has previously held positions in Product Management and Marketing. Prior to F-Secure worked for Telecom Finland (currently TeliaSonera) in the field of marketing, business development and development management for data communication services.

ANTTI REIJONEN
Vice President, Strategy
b. 1974, M.Sc. (Engineering), MBA from INSEAD

- Main employment history: Joined F-Secure in 2007. Previously worked for Nokia Networks Services as Director of Strategy and Portfolio in Consulting & Integration service business. Prior to Nokia served as Engagement Manager with McKinsey & Company.

TANELI VIRTANEN
Chief Financial Officer
b. 1965, M.Sc. (Economics and Business Administration)

- Main employment history: Prior to joining F Secure in 1999, Mr. Virtanen worked for Santasalo-JOT Group as Group Controller.

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F-Secure Corporation

While you concentrate on what is important to you, we make sure you are protected and safe online whether you are using a computer or a smartphone. We also backup and enable you to share your important files. Our services are available through more than 200 operators around the world and are trusted in millions of homes and businesses. Founded in 1988, F-Secure is listed on NASDAQ OMX Helsinki Ltd.

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Protecting the irreplaceable