

F-Secure Corporation Interim report Q4 2008

(Unaudited)

January 29, 2009

Kimmo Alkio, President and CEO

*The Board proposals to the AGM will
be announced on Feb. 12*

F-SECURE®

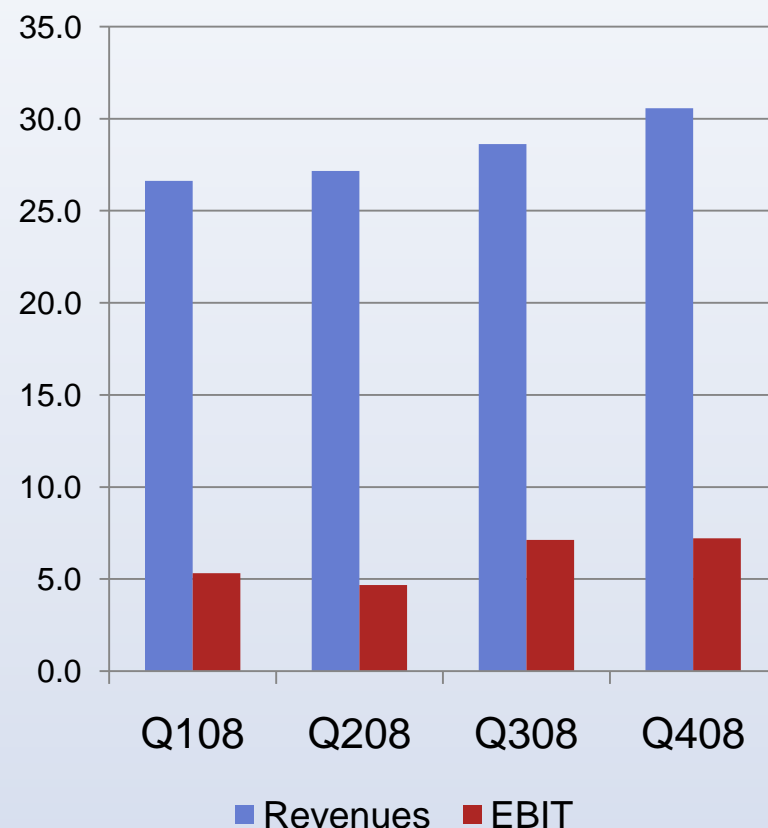


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Q4 Highlights

Q4: Strong year-end performance

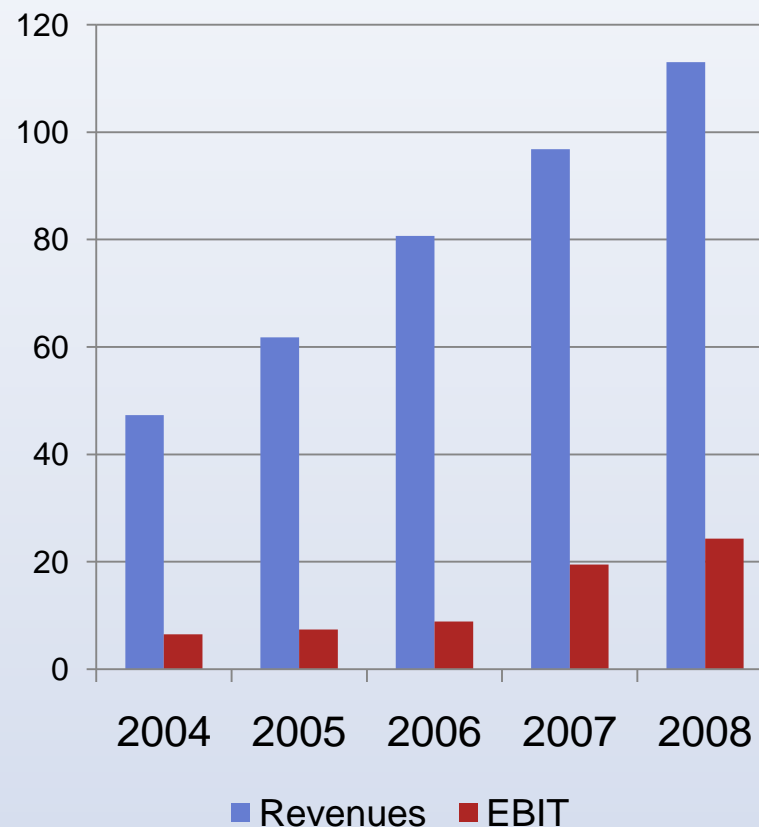
- Good revenue growth of 18% to an all-time high quarterly revenues of 30.6m (Q407: 26.0m)
- Service Provider growth accelerated to 13.5m; +10% QoQ
- Strong profitability; all-time high quarterly EBIT of 7.2m, 24% of revenues (Q4 2007: 5.5m) incl. gain from the sale of network control technology of 0.8m
- EPS EUR 0.05 (EUR 0.04)
- Strong cash flow of 8.3m positive (Q4 2007: 5.4m) excl. capital repayment of 35.7m



2008 Highlights

2008: Profitable growth continued

- Good revenue growth of 17% to 113m (96.8m)
- Service Provider –good growth of 35% to 48.4m
- Good profitability; EBIT of 24.3m, 22% of revenues (19.5m)
- EPS EUR 0.13 (EUR 0.10)
- Strong cash flow of 23.5m positive (20.7m) excl. capital repayment of 35.7m and paid dividend of 10.9m
- New innovative Internet Security solutions and value-added services launched



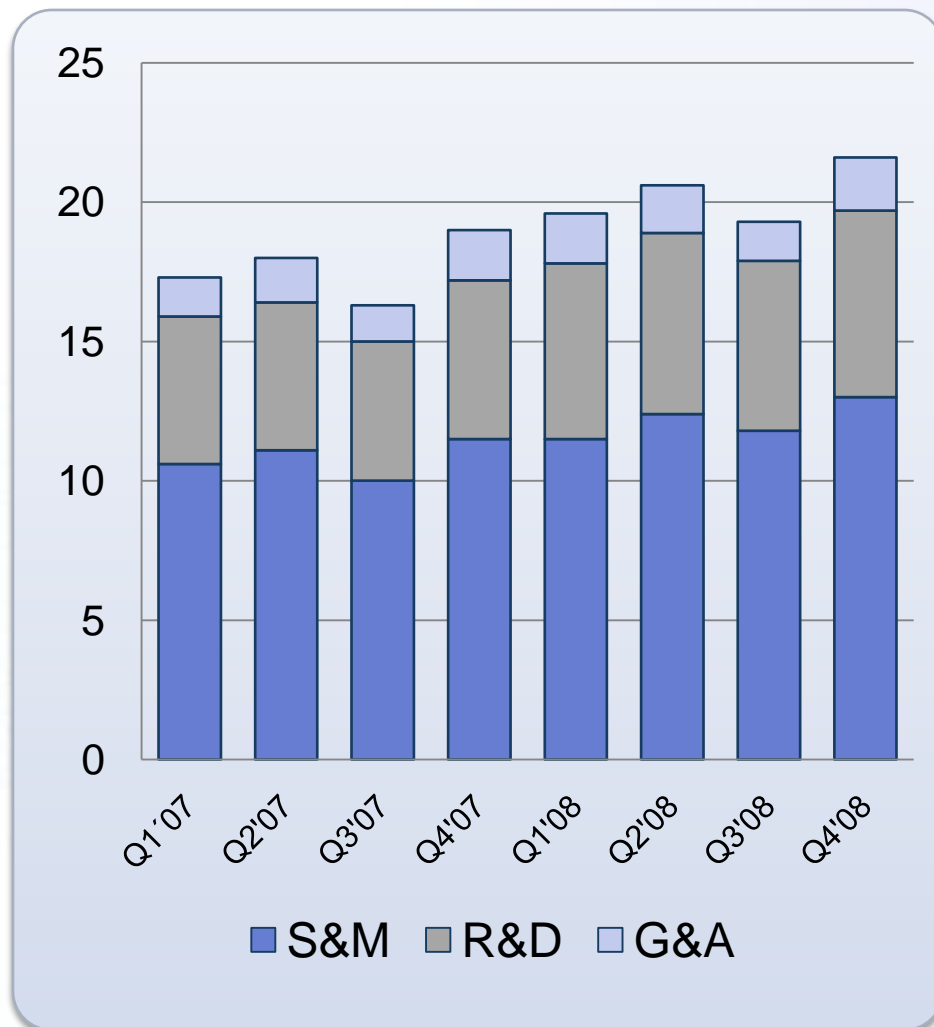
Q4 Revenues

- Solid revenue growth continued
 - All-time high quarterly revenues of 30.6m, growth of 18%
 - Annual revenues of 113m, growth of 17%
- Strong ISP revenue growth
 - Q4: 13.5m; +10% QoQ, +33% YoY
 - 2008: 48.4m +35% YoY
- Solid traditional channels
 - Q4: 17.1m; +8% YoY
 - 2008: 64.6m; +6% YoY



Q4 Costs

- Costs - Investment into future growth continued
 - Q4: ~21.5m; +13%
 - 2008: ~81m; +15%
 - Focus on ISP professional services and new service innovation
 - Capitalization of Development costs; impact on Q4 ~-0.2m; 2008 ~-0.5m
- Gross margin 90% (92%)



Q4 Operating profit

- Record profitability

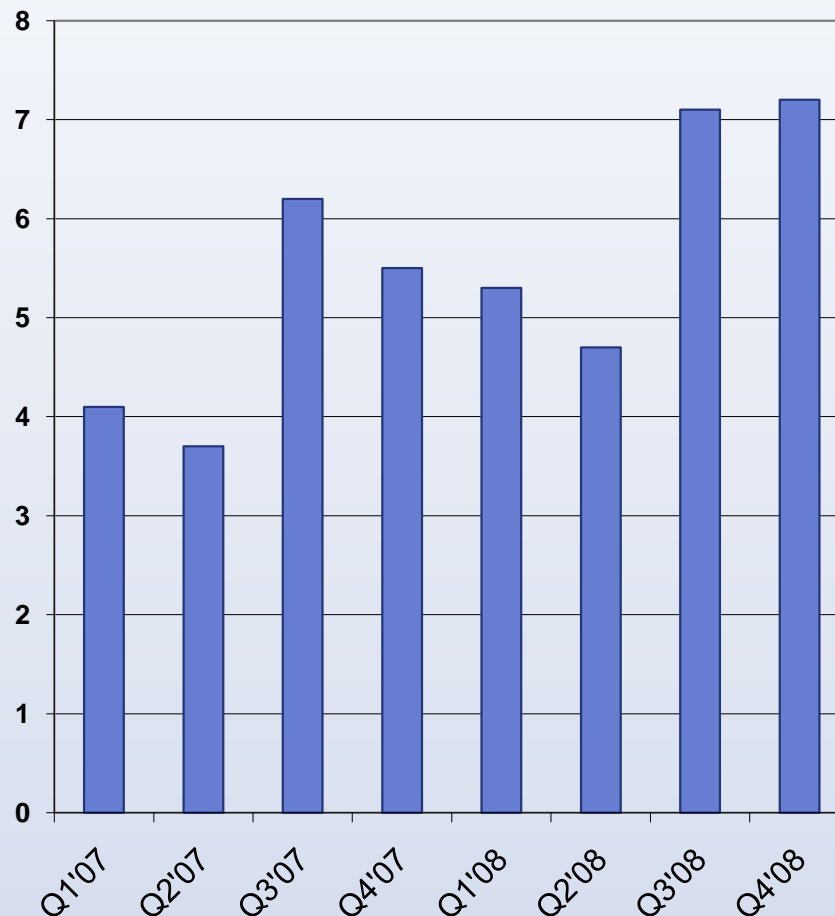
- Q4 EBIT 7.2m* (5.5m); 24% of revenues; growth of 32% from Q4'07
- 2008 EBIT 24.3m* (19.5m); 22% of revenue; growth of 25% from 2007

* Incl. the gain from the sale of network control technology ~0.8m

- Equity ratio

- Dec 31, 2008 70%¹⁾
- Sep 30, 2008 83%
- Dec 31, 2007 82%

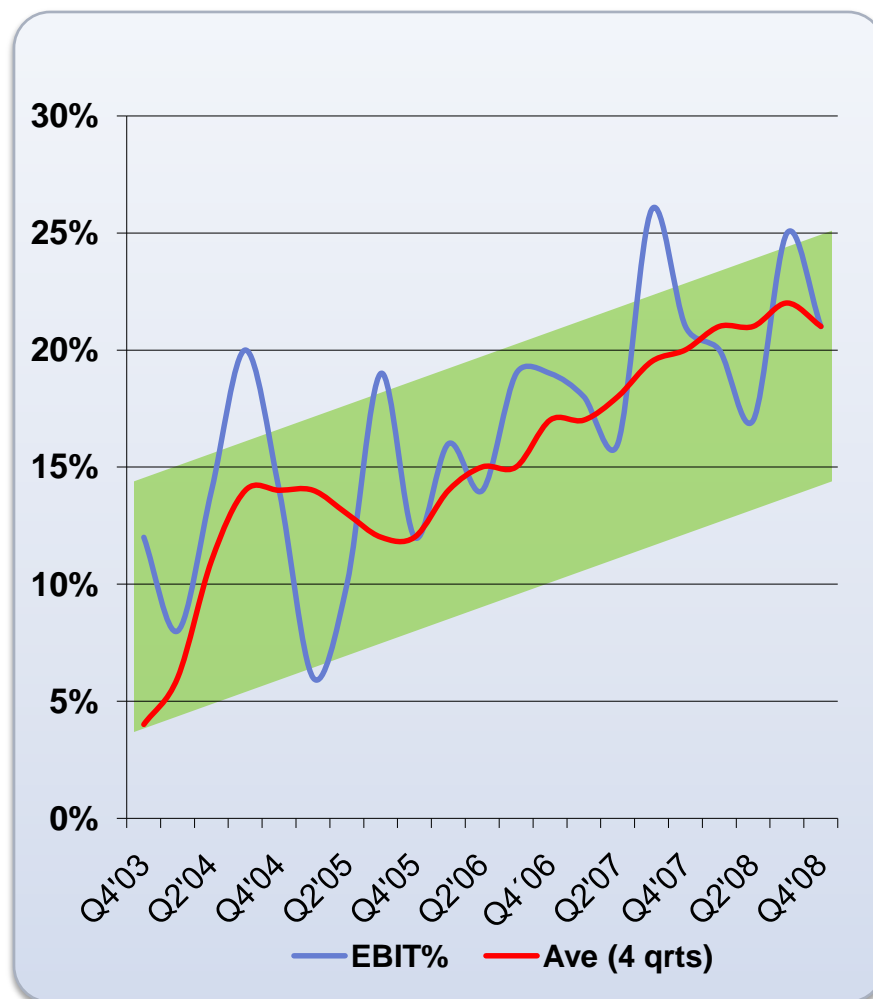
¹⁾ Incl. the effect of capital repayment 35.7m



Development of EBIT margin

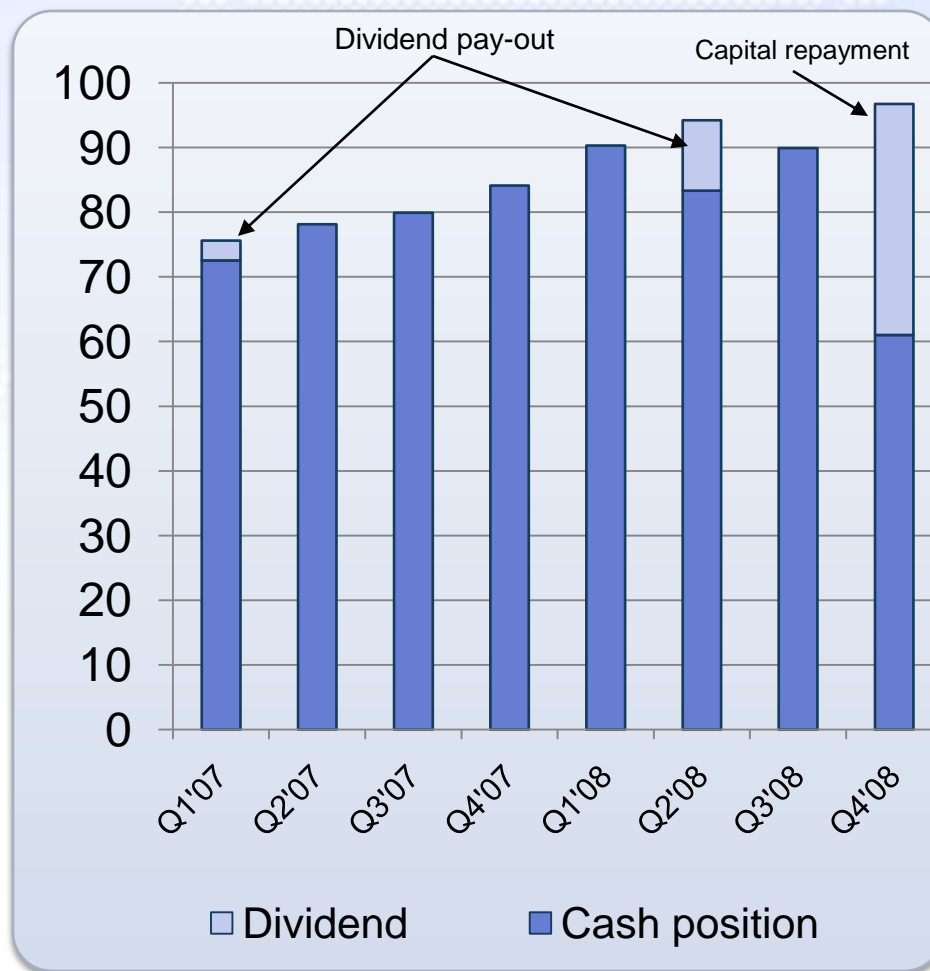
- Continue to prioritise growth over short term profitability
- Average EBIT has gradually improved
- During the next three years, the Group seeks the EBIT level to be around 25%.

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



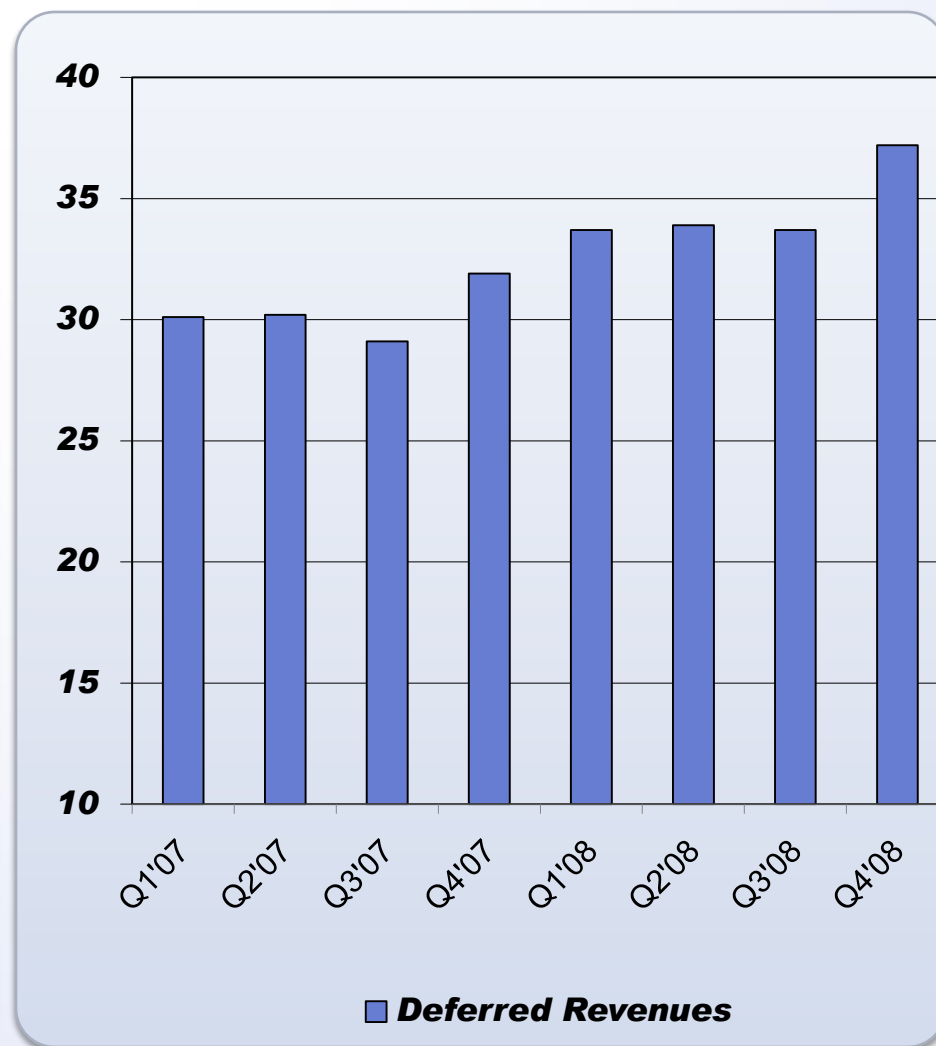
Q4 Cash position

- Cash flow for Q4 improved to 8.3m*(Q407: 5.2m)
- Cash flow for 2008: 23.5m* positive (20.7m)
 - *Excluding the capital repayment of 35.7m in paid November and dividends of 10.9m paid in April / and dividends of 3.1m paid in March 07.*
- Strong cash position
 - Market value of liquid assets on December 31, 2008: 61m (84.1m)



Q4 Deferred Revenues

- Strong sales increased deferred revenues in Q4 by 3.5m
- Deferred revenues accrued in balance sheet
 - Dec 31, 2008 37.2m
 - Sep 30, 2008 33.7m
 - Dec 31, 2007 31.9m



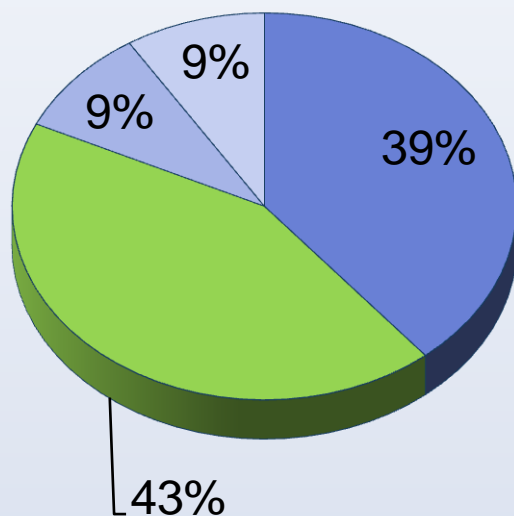
Efficient Capital Management

- Objective
 - The objective of the Group's capital management is to aim at an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value
- Actions during 2008
 - Dividend of 10.9m (EUR 0.07 per share) was paid in April
 - Capital repayment of 35.7m (EUR 0.23 per share) was paid in November
 - Share buy back started in November; max 2.5m shares
 - At the end of Q408 717,000 shares bought
- Some Key Figures

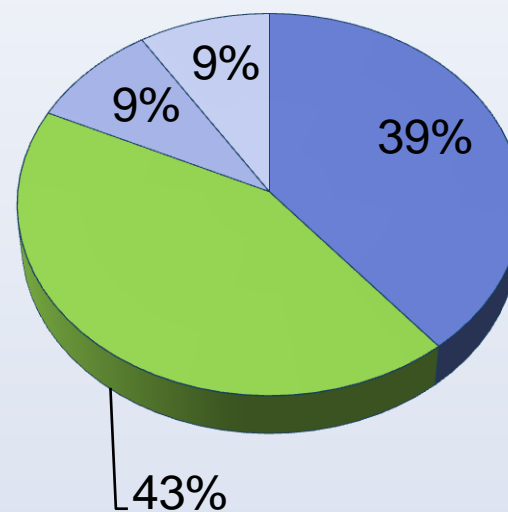
	<u>2008</u>	<u>2007</u>
Total assets	95.6m	114.7m
Cash	61.0m	84.1m
Equity ratio	72%	82%
ROI	51%	36%
ROE	37%	25%
Gearing	-145%	-125%

Regional Revenue Split unchanged

1-12/2008



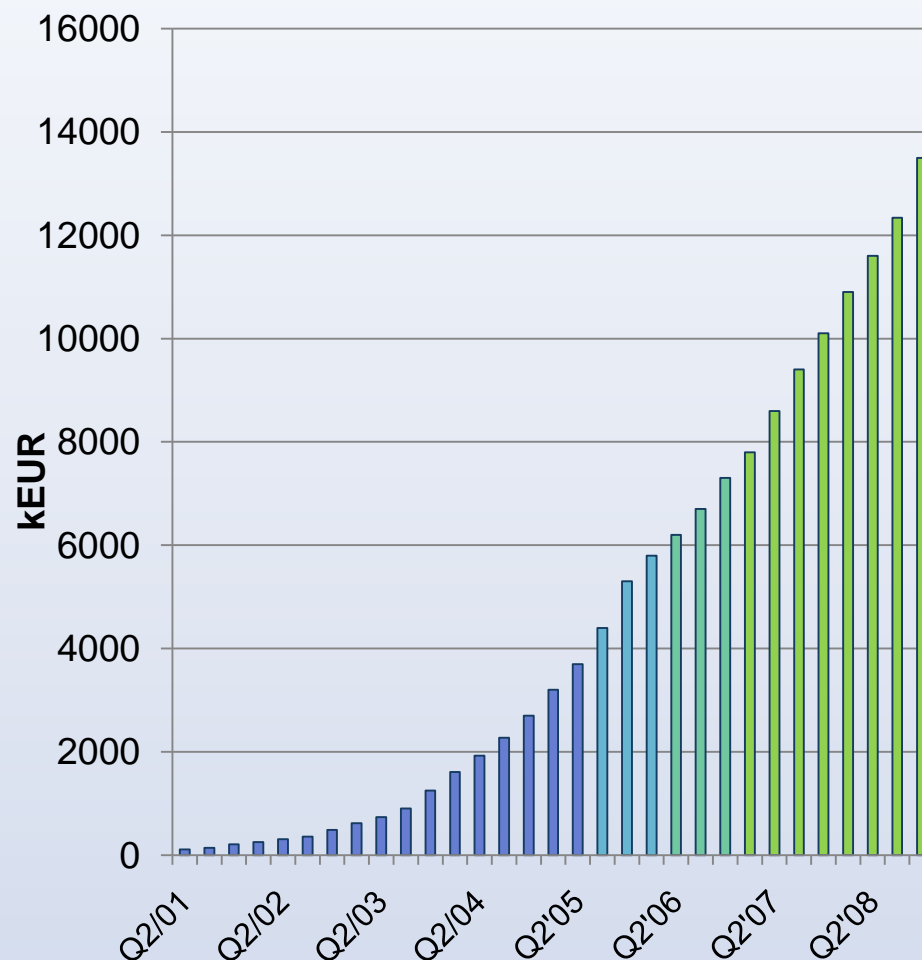
1-12/2007



■ Nordic Countries ■ RoE
■ North America ■ RoW

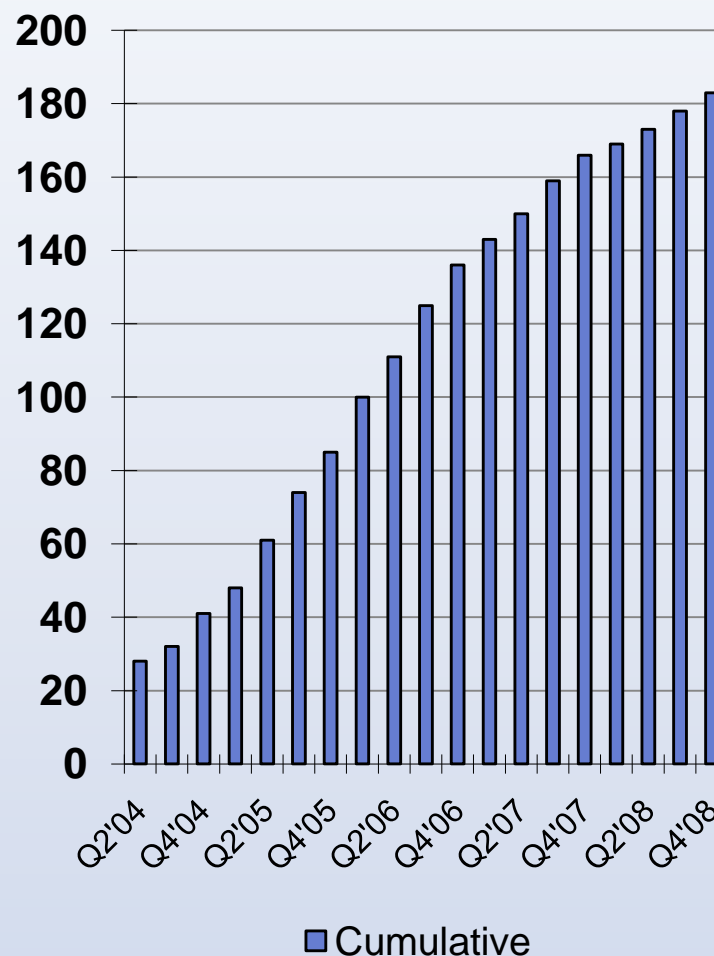
ISP Business – strong growth

- Q4 revenues: 13.5m (10.1m)
 - Growth accelerated ; +10% QoQ; +33% YoY
 - 44% of total Q4 revenues
- 2008 revenues 48.4m (35.9m)
 - Growth of 35% YoY
 - 43% of the total revenues

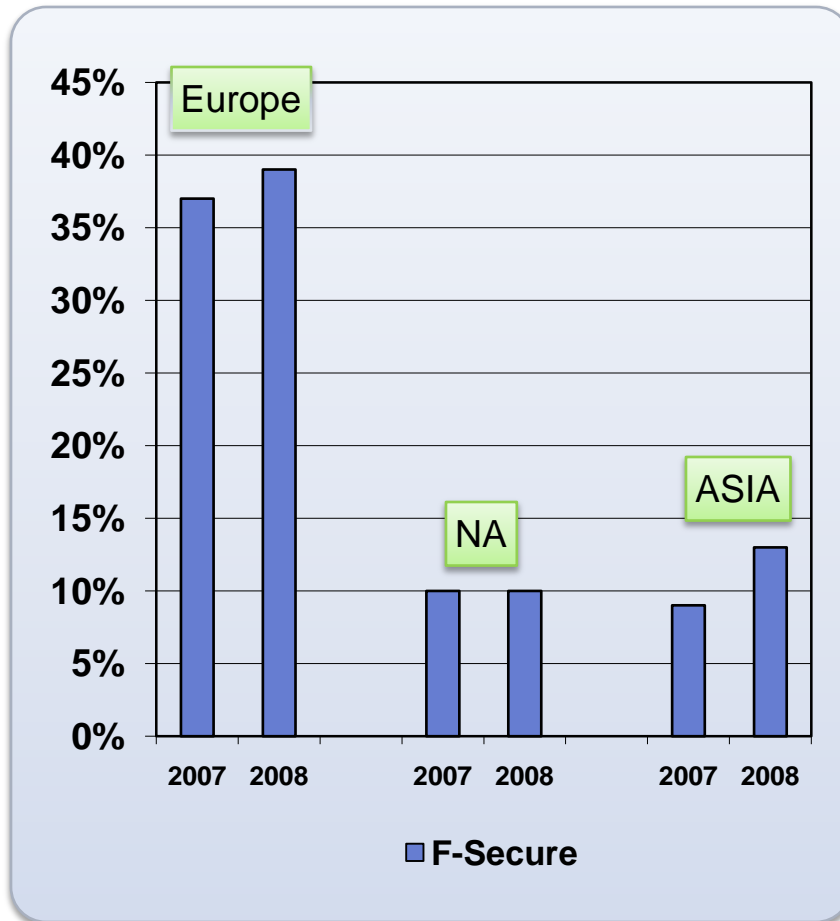


Growing number of ISP partners

- 183 partners in 43 countries
- Q4 partner announcements
 - Vodafone (New Zealand)
- 5 new online backup partners in NA, Europe and APAC
 - A total of 7 partners in 6 countries



F-Secure Partners' market share of residential broadband



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

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

(numbers are estimates by Dataxis and F-Secure)

F-Secure Service Provider partners in the Americas



20
YEARS OF
RELIABILITY



F-Secure Service Provider partners in EMEA part1



20
YEARS OF
RELIABILITY



F-Secure Service Provider partners in EMEA part 2



20
YEARS OF
RELIABILITY



F-Secure Service Provider partners in APAC



20
YEARS OF
RELIABILITY



Q4 Mobile Security Business

- **Device manufacturers**
 - Available for a majority of the currently shipping or upcoming Nokia S60 3rd edition devices
 - Partnership with Sony Ericsson and Toshiba Information Systems
- **Steady growth in trial users and in revenues**
 - Ca 3% of total revenues (2% in 2007)
- **Operator partnerships**
 - F-Secure announced several new mobile operator partnerships during 2008.
 - Operator announcements included Vodafone UK, KPN, TDC, Netia and CSL.
 - Co-operation with the operators T-Mobile International, TeliaSonera Group, Orange, Swisscom and Elisa continued as planned.
- **New smartphone security solution: F-Secure Mobile Security 5**
 - Anti-theft feature including easy remote locking and wiping of the confidential data if the phone is lost or stolen

Q4 Product announcements

- **F-Secure Client Security 8**

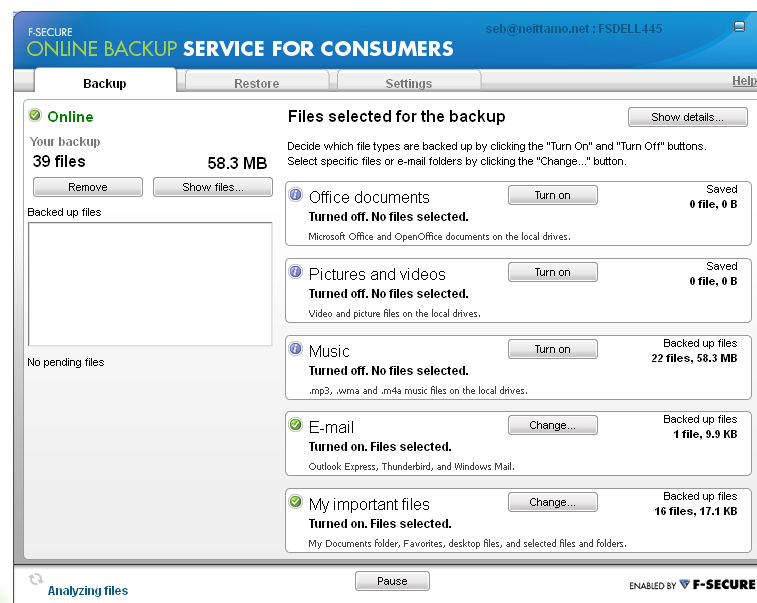
- Highly effective mass production for corporate workstations and laptops
- Uses F-Secure DeepGuard™ 2.0 technology, which recognizes both safe and malicious software instantaneously using a real-time protection network

- **Mobile Security 5**

- Includes anti-theft feature including easy remote locking and wiping of confidential data if the phone is lost or stolen

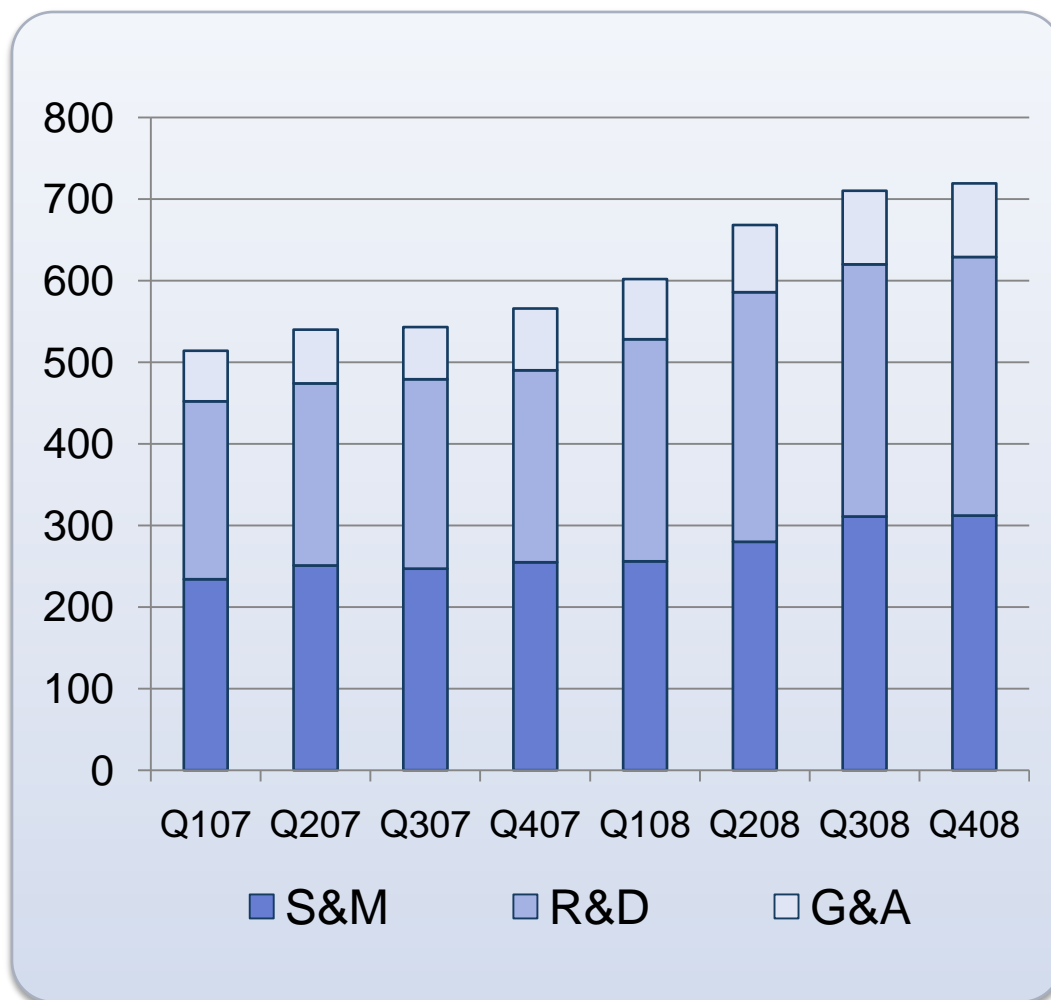
- **Other recent product announcements in 2008:**

- F-Secure Online Back-up
- Wellbeing 2009 product family including: F-Secure Internet Security / F-Secure Anti-Virus 2009, F-Secure Home Server Security 2009, F-Secure Health Check



Number of Personnel

- At the end of Q4: 718
 - During Q4 net increase of 8 fellows
 - Focus in 2008: global S&M and R&D personnel



Long-term objectives

- Market remains attractive
 - Healthy demand for Internet Security and other related services
 - Longer term market growth expected to be around 10% annually (CAGR 2007-2012), however in 2009 around 8% (source: IDC)
- The Group's first priority is to drive strong growth
 - Exceed the market growth
 - ISP channel is the core –to be the leader in service provider channel
 - Developing complementary channels like electronic sales
- New innovations
 - Investments in new value added services both for PC and mobile users to augment existing security services
- Profitable growth
 - During the next three years, the Group aims to continue to exceed the average market growth rates in revenues. The company seeks the EBIT level to be around 25%.

Short term outlook

- Uncertainty in global economy is expected to continue
- During the year 2009 the Group seeks to continue to exceed the average market growth
- Q1 2009 outlook ¹⁾
 - Revenues 29.5-31.5m
 - Costs around 22.5 m

¹⁾ Based on the sales pipeline at the time of publishing, existing subscriptions and support contracts, previous experience

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