



F-Secure Corporation - Interim report Q1 2010

(Unaudited)

April 28, 2010

Kimmo Alkio, President and CEO

Highlights of Q1 2010

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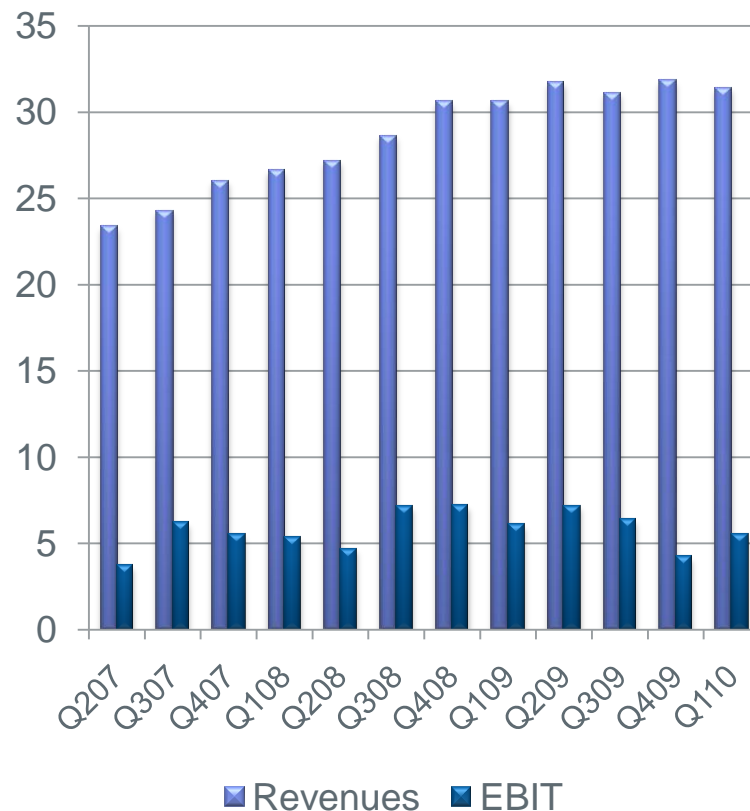
- Revenues EUR 31.4m
- Revenue growth +3%, YoY
 - Operator revenue +10%, YoY
 - Traditional license revenue -4% YoY
- EBIT 5.5m; 18% of revenues
- EPS EUR 0.03 (0.03)
- Healthy growth in the number of subscribers - good base for future operator business
- Solid growth and profitability; revenue growth low single digit as guided in January
- New partnership announced with NEC BIGLOBE in Japan, Vodafone global extended to PC security, 3Italy (Hutchison)



**Solid profitability in Q1 2010,
financial performance as anticipated**

Q1 Revenue growth

- Revenue growth continued
 - Total quarterly revenues 31.4m; growth of 3% (Q109: 30.6m)
 - Operator revenues (incl. Storage and Digital Content business) 15.6m, growth of +10% (14.2m)
 - Other channels 15.8m, decline of 4% (16.5m)
- Profitability
 - EBIT 5.5m, 18% of revenues (Q408: 6.1m)
 - EPS EUR 0.03 (EUR 0.03)
 - Cash flow from operations 6.9m positive (4.9m)



Q1 Costs

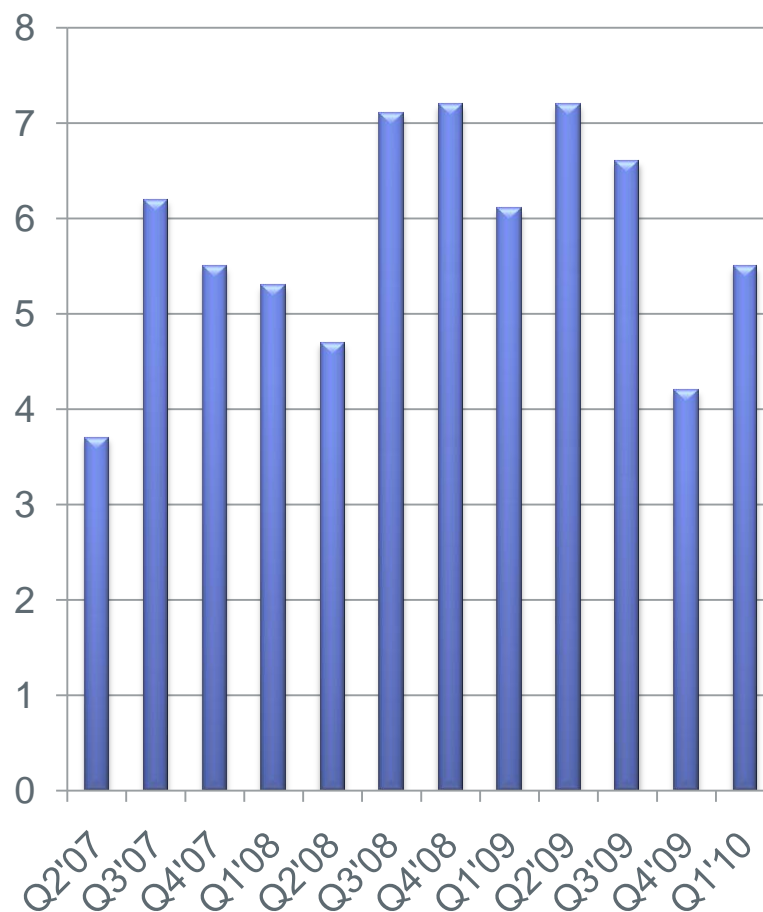
- Cost level 24.1m; +8% YoY
 - Operating costs of Storage and Digital Content business unit
 - Capitalization of research and development costs; impact on Q1 ~-0.7m
- Investments made into future growth
 - Focus on operator professional services and new value added services



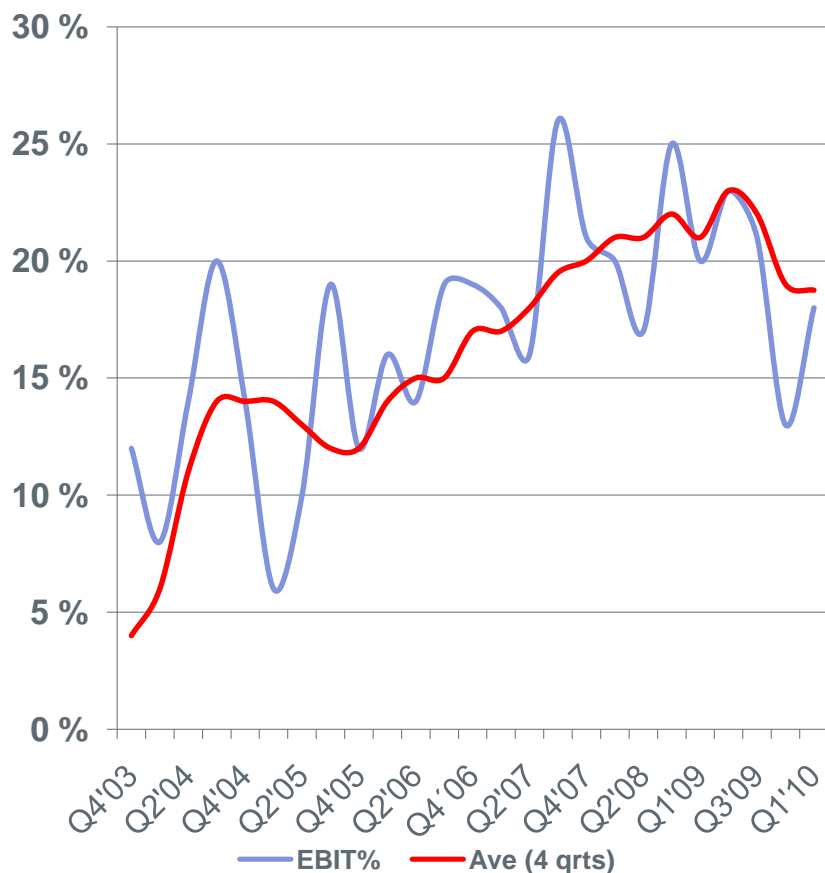
Q1 Operating profit

- Operating profit at a good level as anticipated
 - Q1 EBIT 5.5m (Q109: 6.1m); 18% of revenues
- Equity ratio continued strong
 - Mar. 31, 2010 58 % / (67%)¹⁾
 - Dec. 31, 2009 70%
 - Sep. 30, 2009 70%
 - June 30, 2009 71%
 - Mar. 31, 2009 58% / (71%)¹⁾

¹⁾ If dividend was paid in March



Development of EBIT margin

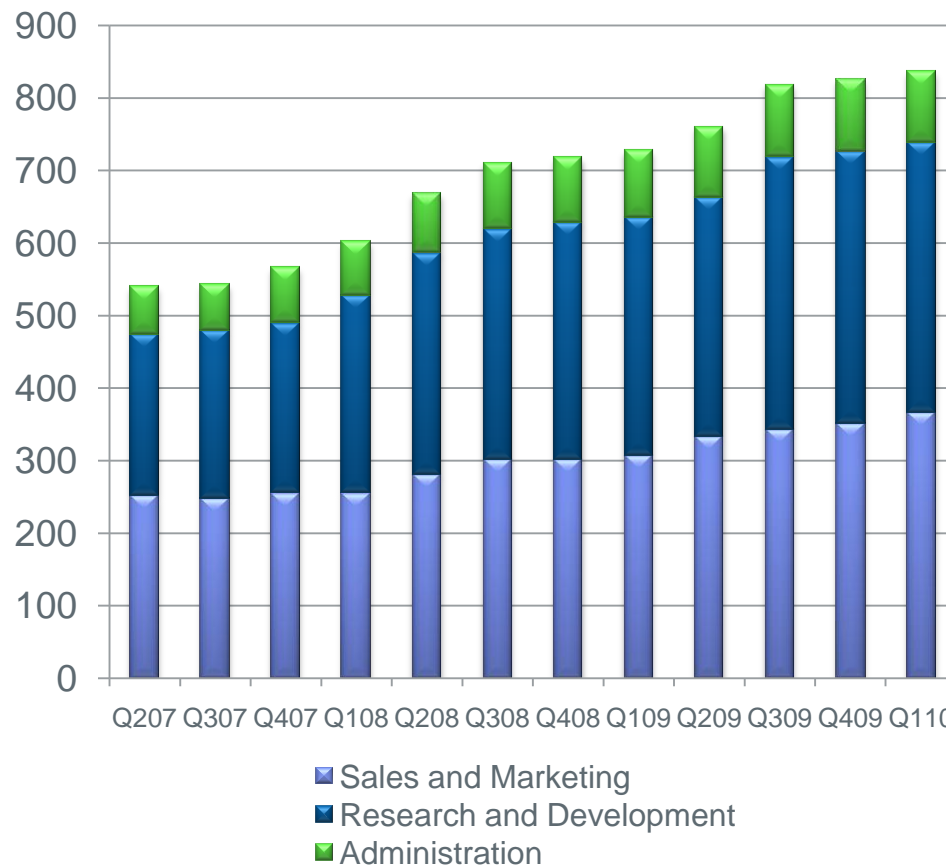


- Prioritising growth over short term profitability
- While seeking to improve the profitability sustainably towards EBIT of 25% over time
- Longer term profitability level continues to be driven extensively by revenue growth and through systematic cost controls

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

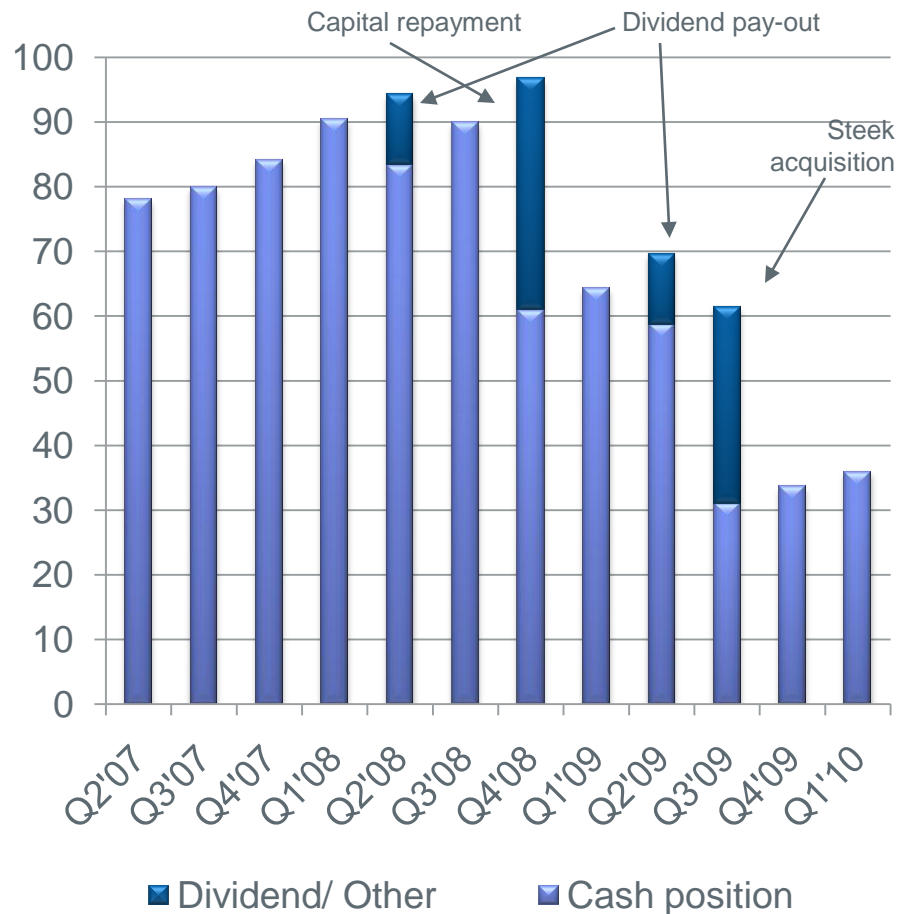
Number of personnel

- At the end of Q1: 836
(Q409: 826; Q109: 728)
 - During Q4 slight personnel increase in sales and marketing



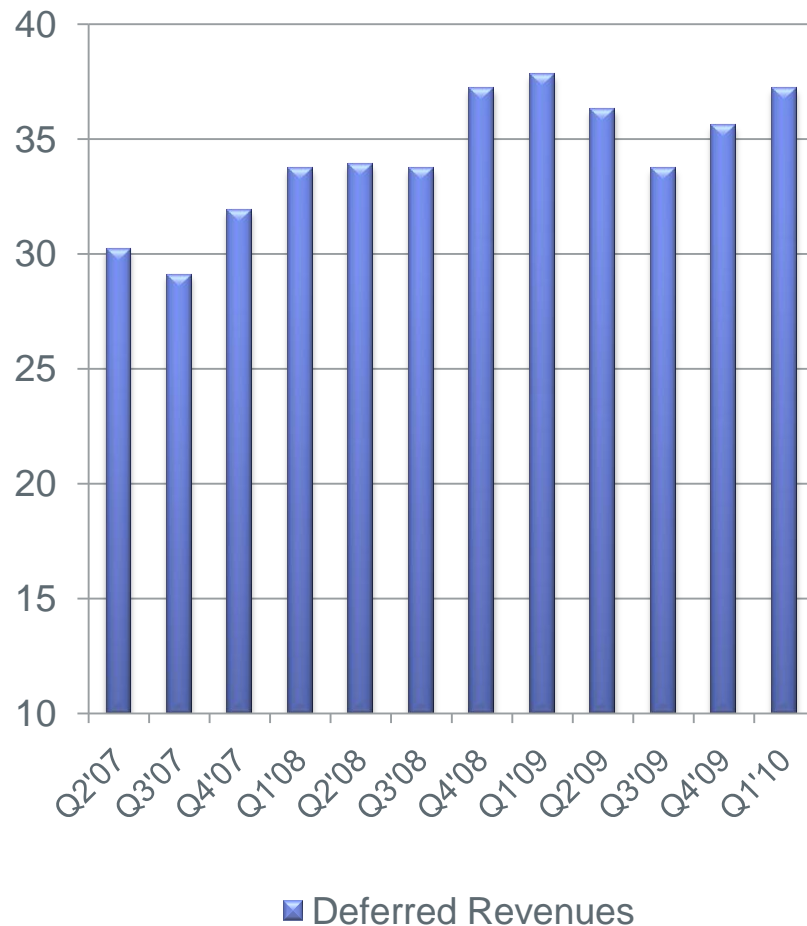
Q1 Cash position

- Cash flow from the operation for Q1 was 6.9 m positive (Q109: 4.9m)
- Total cash flow 2m positive (3.1m)
- Cash position remained at a good level
 - Market value of liquid assets on
 - Mar.31, 2010: 35.9m
 - Dec. 31, 2009: 33.7m
 - Sept 30, 2009. 31m
 - Dec. 31, 2008: 61m
- Cash position has developed according to the longer term efficient capital management objectives



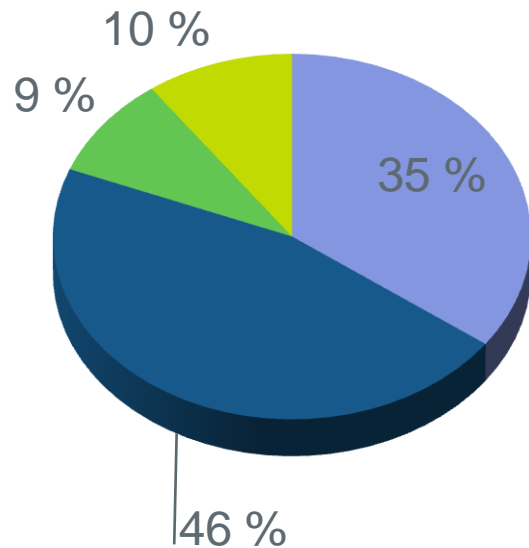
Q1 Deferred Revenues

- Deferred revenues increased to 37.2m
 - Healthy renewal sales in the quarter
- Deferred revenues accrued in the balance sheet
 - Mar.31, 2010 37.2m
 - Dec. 31, 2009 35.6m
 - Sep. 30, 2009 33.7m
 - Dec. 31, 2008 37.2m

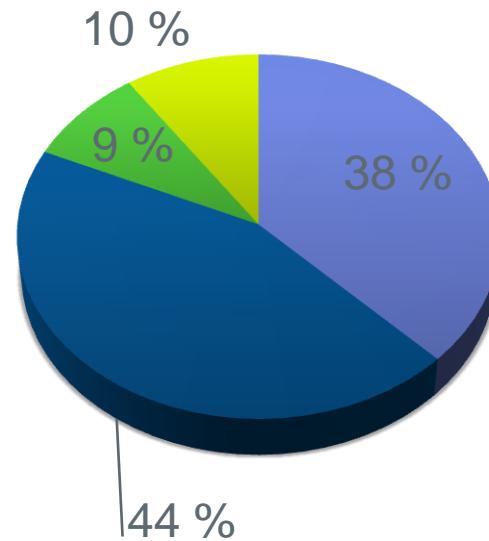


2009 Regional Revenue Split

1-3/2010



1-12/2009

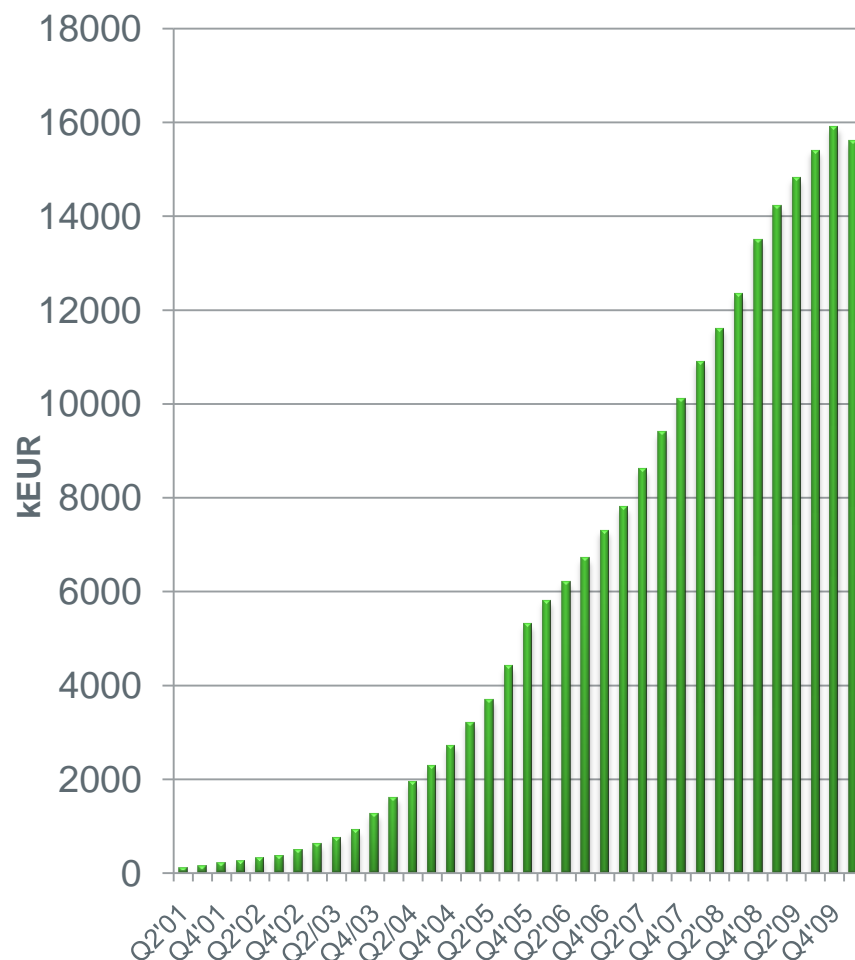


■ Nordic Countries ■ Rest of Europe
■ North America ■ Rest of World

Operator business: **new** partnerships

Operator business as a growth driver

- Q110 revenues: 15.6m (14.2m)
 - Growth of 10% YoY, excluding one time contractual changes appr. 16%
 - Healthy growth in # of subscribers, competitive business model
 - Storage services: delayed project deliveries, low revenues
 - Storage related opportunities strengthen F-Secure's attractiveness as a long term strategic partner for major operators globally; impact positively on project pipeline
- New operator partnerships
 - NEC BIGLOBE, one of Japan's leading Internet operator
 - Vodafone global extended to PC security
 - 3Italy (Hutchison), mobile dongles
 - Zon in Portugal



Operator business includes internet service providers, mobile operators and cable operators

Over 200 operator partners globally – serving 70+m audience



A photograph of two men walking on a paved path in a park. The man on the left is bald, wearing a light blue button-down shirt and dark trousers, and is smiling while holding a white coffee cup. The man on the right has grey hair, is wearing a white long-sleeved shirt and grey trousers, and is holding a black folder. They are walking towards the right. In the background, there are large, leafy trees and a grassy area where a couple is sitting on the grass. The overall scene is bright and sunny.

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Outlook

Long term objectives



Growth

- Continue to exceed average market growth
- Scalability through strong operator-network
- Geographic expansion



Software as a Service


- Continue to increase Security as a Service penetration
- Extend the customer base with Storage as a Service
- New consumer centric user experiences
- Expansion possibility also through M&A



Financial position and efficiency

- Targeted investments for future growth
- Profitability, cash flow and cost management
- Efficient capital structure

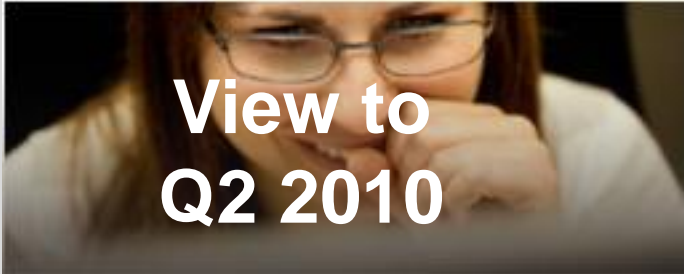
Top line view 2010



Actual Q1 2010

“Good subscriber growth”

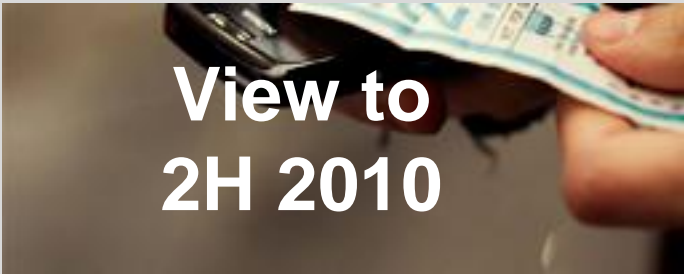
- 3% total revenue growth; 31.4m
- 10% Operator growth; 15.6m
- Operator contractual changes (intermediate impact)
- Strong Operator security subscriber growth
- Delayed storage project deliveries



View to Q2 2010

“Temporary slowdown”

- Low total revenue growth
 - a) Traditional license (as foreseen)
 - b) Operator – impact of Q1 contractual changes
 - c) Storage services – strong pipeline, delays in large project deliveries
- Operator security subscriber growth continues



View to 2H 2010

“Operator growth”

- Total revenue growing with accelerating pace
- Operator business delivering higher growth as of Q3 =>
 - Current subscriber growth
 - New Operator launches
- Storage services – contribute mid and long term

Q2 Outlook

- During the second half of 2010 the Group seeks to exceed average market growth
 - For 2010 the antivirus security market growth is anticipated to be around 5% (source: Gartner 2010).
- To seek to improve the profitability sustainably towards EBIT level of 25% over time
 - Longer term profitability level continues to be driven extensively by revenue growth and through systematic cost controls
- Q2 2010 outlook ¹⁾
 - Revenues 30 – 32 m
 - Cost level around 25 m

¹⁾ The numbers are estimates that are based on the sales pipeline at the time of publishing, existing subscriptions and support contracts, previous experience

Thank you!

- Forward-looking statements:
Certain statements in this presentation are forward-looking, and the actual outcome could be materially different. Such forward-looking statements are based on F-Secure's present plans, estimates, assumptions, projections and expectations and are subject to risks and uncertainties. In addition to the factors explicitly discussed, other could have a material effect on the actual outcome. Such factors include, but are not limited to, general economic and political conditions, fluctuations in exchange rates, interest rates, outcome of external research studies, technological issues, interruptions of business, products, actions of courts, regulators, government agencies, competitors, customers, suppliers, employees and all other parties.

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