



F-Secure Corporation - Interim report Q3 2010

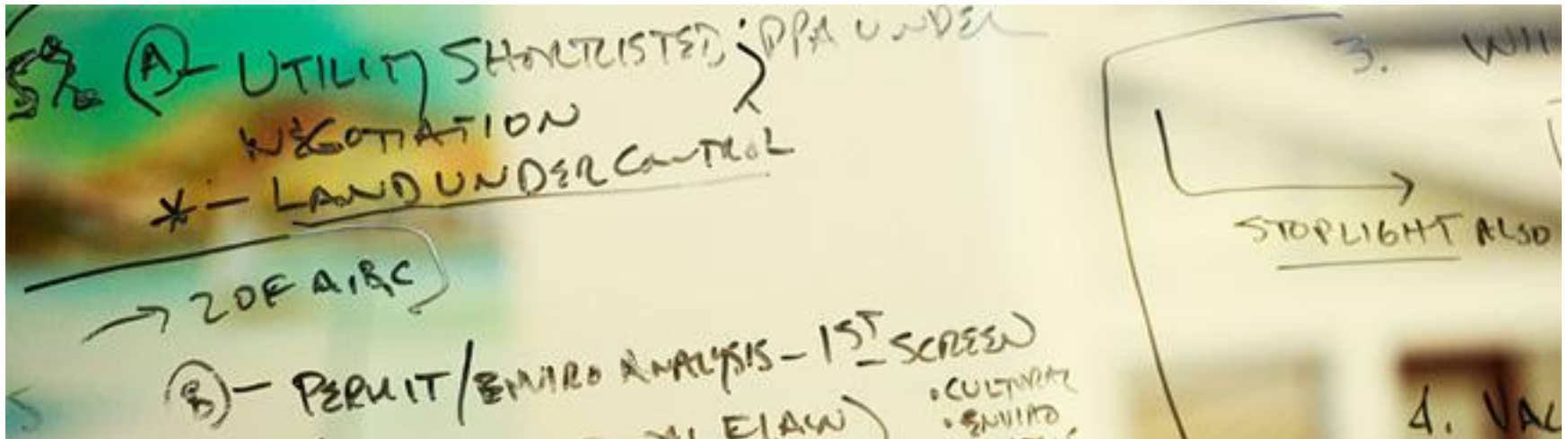
(Unaudited)

October 27, 2010

Kimmo Alkio, President & CEO

Highlights of Q3 2010

- Solid overall and financial performance
 - Outcome within guidance
- Reorganizing of operations initiated in October to drive faster growth
- Operator channel strong
 - Security Sales accelerated from Q2
 - Storage related service delivery delays slowed down total Operator revenue growth
- Storage related commercial negotiations and project deliveries with positive progress



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 button-down 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. A couple is sitting on the grass under a tree in the distance.

Financial performance in Q3

Q3 Revenue growth

- Revenue growth y-o-y continued

- Total quarterly revenues 32.0m; growth of 3% (Q309: 31.1m)
- Operator revenues (incl. Storage and Digital Content business) 16.7m, growth of 9% (15.4m)
- Other channels 15.3m, decline of 3% (15.7m)

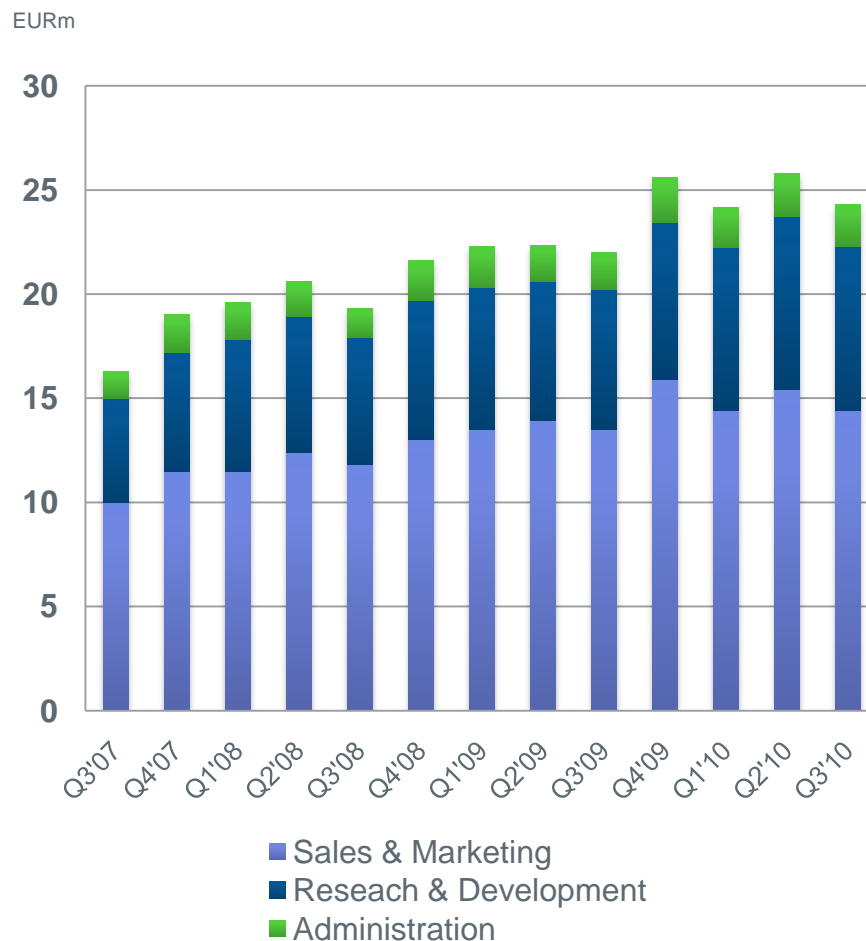
- Profitability solid

- EBIT 5.9m, 18% of revenues (Q309: 6.6m, 21%)
- EPS EUR 0.03 (EUR 0.03)
- Cash flow from operations 3.5m positive (0.6m)



Q3 Costs

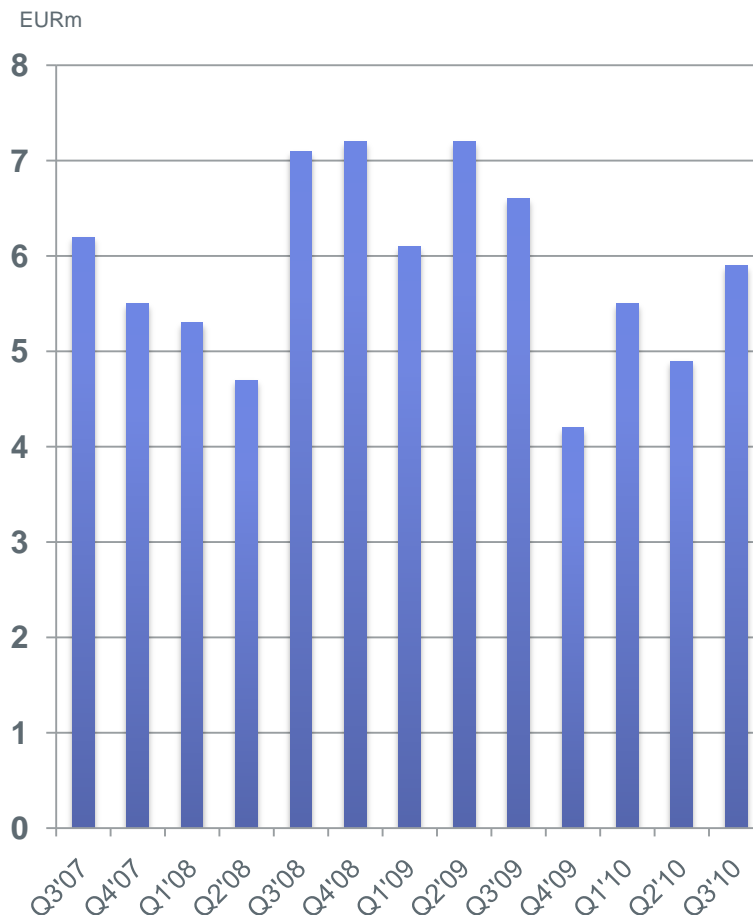
- Costs 24.3m; +10% YoY
 - Normal seasonality impact lowered Q3 cost level
 - Cost increased mainly in the Storage and Digital Content business unit
 - Investments in the SDC business continue
 - Capitalization of research & development costs; impact on Q3 ~-0.3m
- Investments in the new value added services portfolio to continue
 - Focus on operator professional services and new value added services as well as storage service business



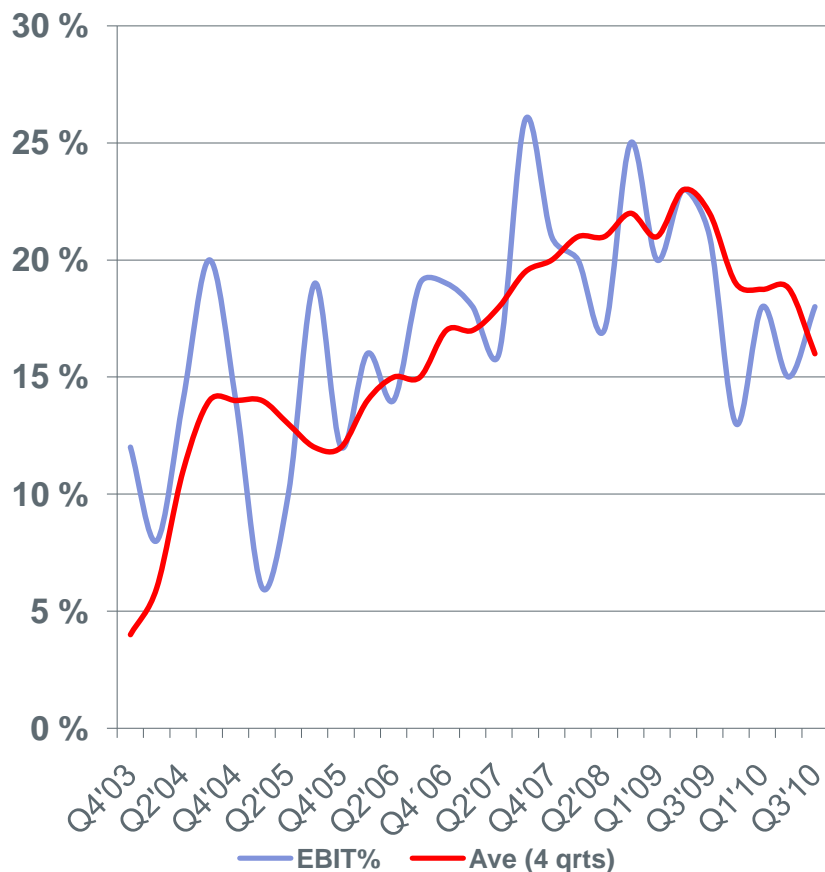
Q3 Operating profit

- Solid profitability
 - Q3 EBIT 5.9m (Q309: 6.6m, 21%); 18% of revenues
- Equity ratio:
 - Sep. 30, 2010 71%
 - Jun. 30, 2010 67%
 - Mar. 31, 2010 58% / (67%) ¹⁾
 - Dec. 31, 2009 70%
 - Sep. 30, 2009 70%

¹⁾ If dividend was paid in March



Development of EBIT margin

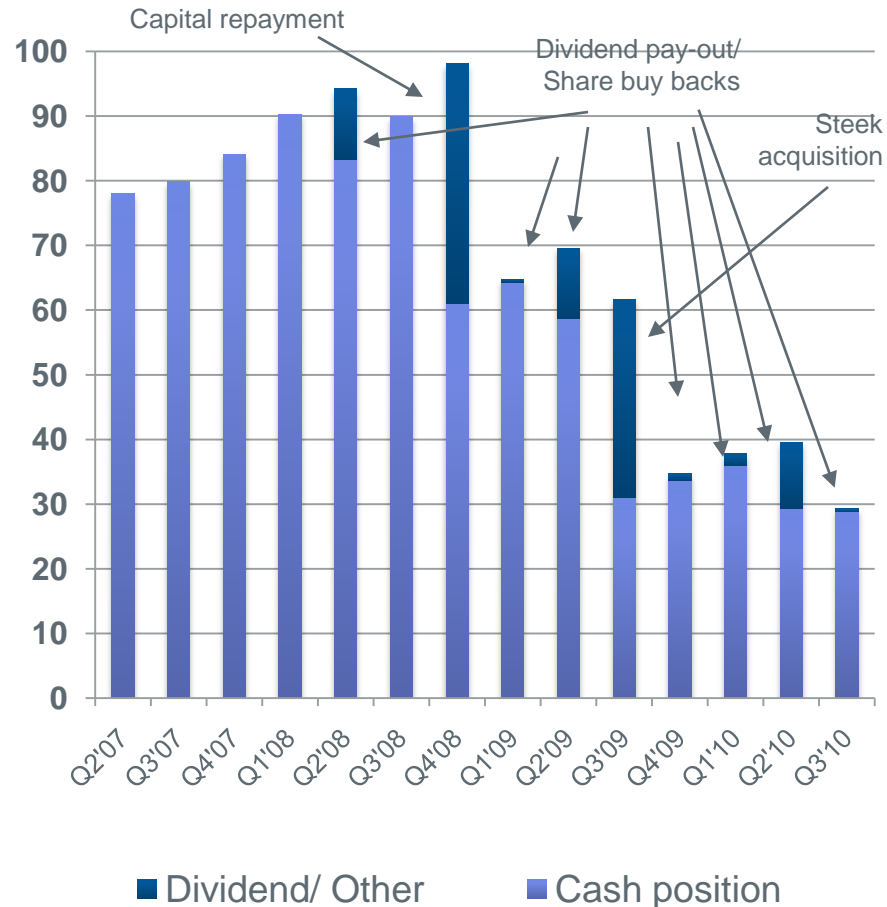


- Prioritising growth over short term profitability, currently investing in Storage business
- Seeking to improve profitability longer term towards 25% EBIT level

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

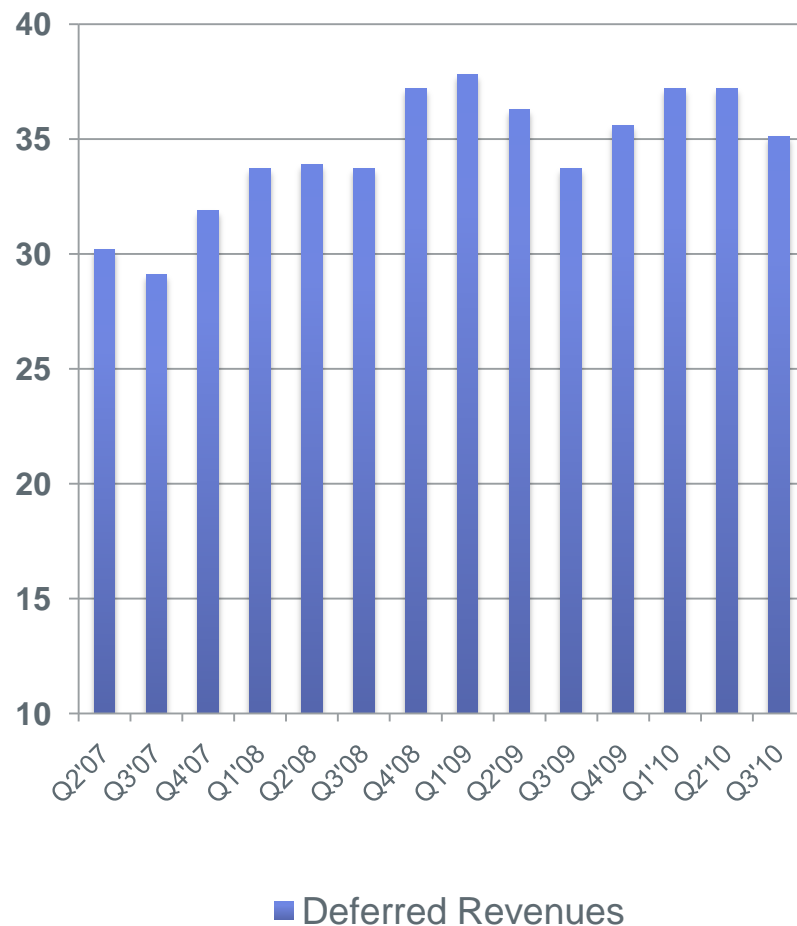
Q3 Cash position

- Cash flow from operations for Q3 was 3.5m positive (Q309: 0.6m)
- Total cash flow 0.5m negative including share buy backs (Q309: 27.6m negative incl acquisition)
- Cash position remained at a good level
 - Market value of liquid assets on
 - Sep.30, 2010: 28.8m
 - Jun. 30, 2010: 29.4m
 - Mar.31, 2010: 35.9m
 - Dec. 31, 2009: 33.7m
 - Sept 30, 2009. 31m
- Cash position has developed according to the longer term efficient capital management objectives

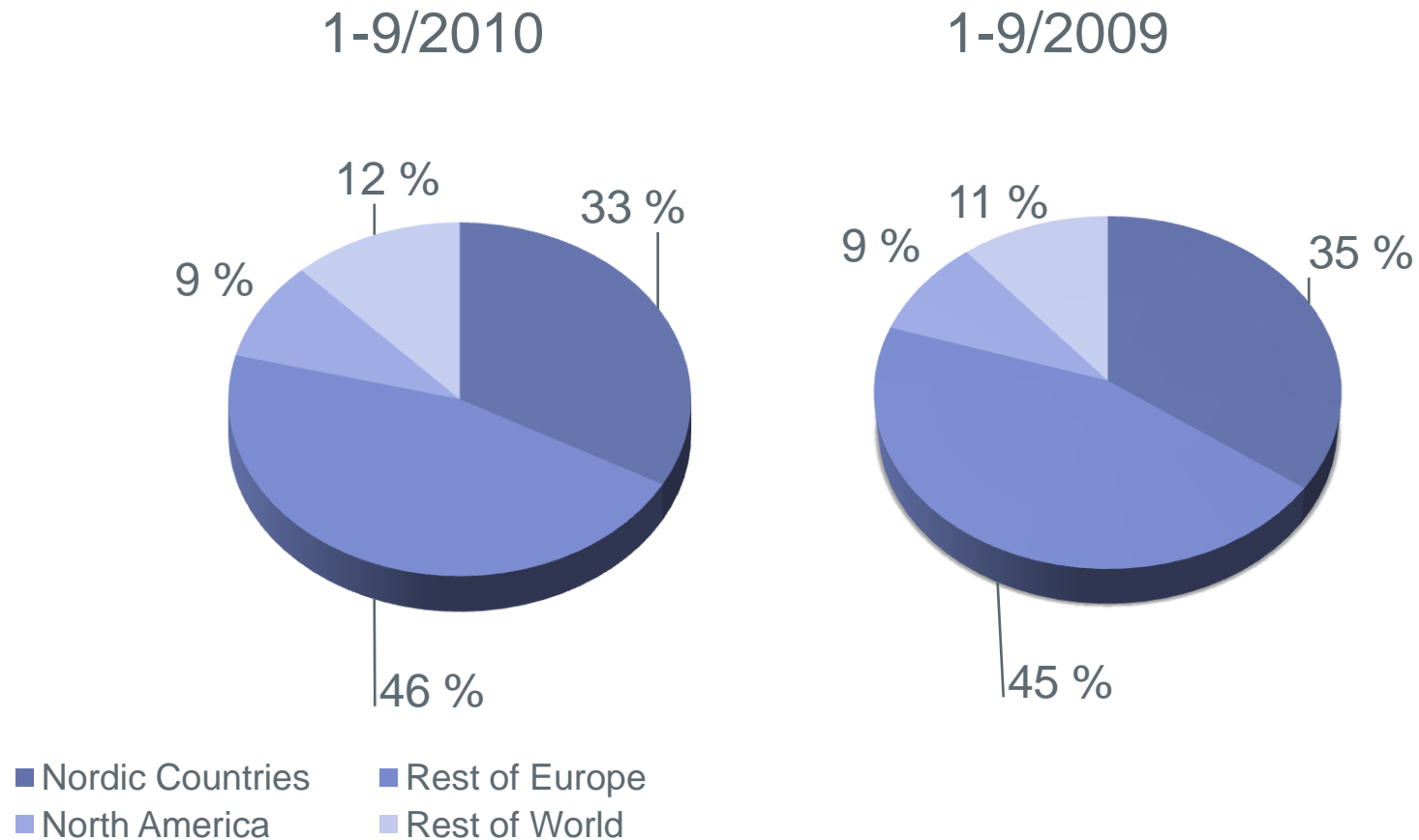


Q3 Deferred Revenues

- Deferred revenues were at 35.1m
 - Seasonal decrease from the previous quarter
- Deferred revenues accrued in the balance sheet
 - Sep.30, 2010 35.1m
 - Jun. 30, 2010 37.2m
 - Mar. 31, 2010 37.2m
 - Dec. 31, 2009 35.6m
 - Sep. 30, 2009 33.7m

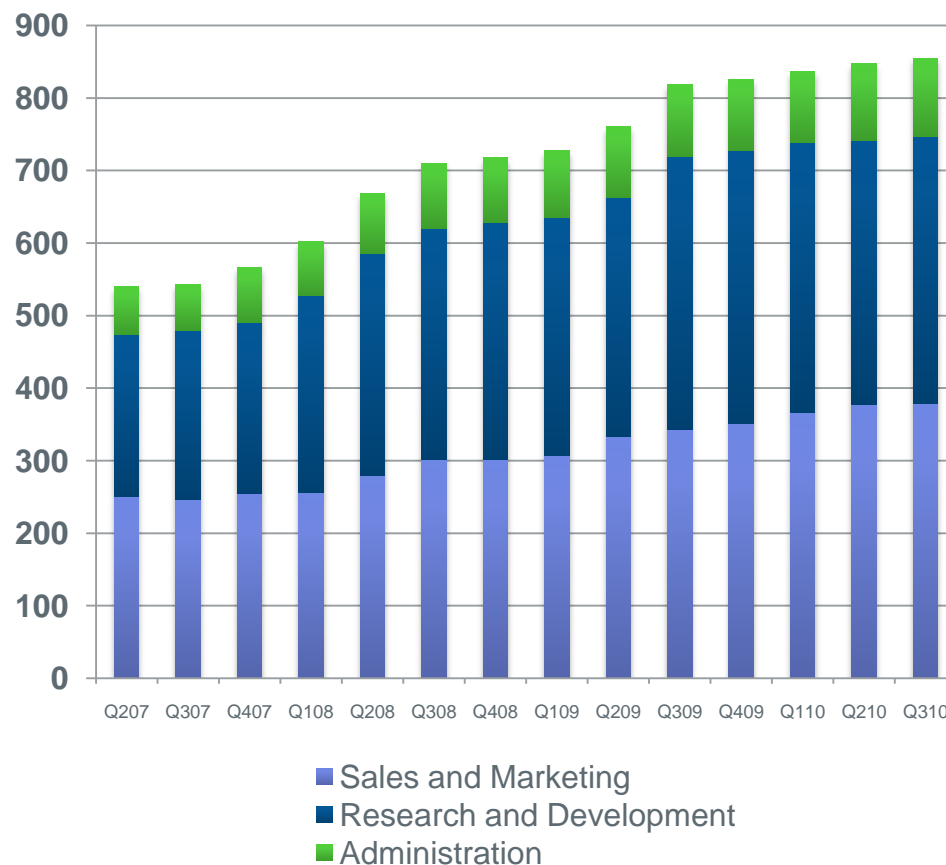


2010 Regional Revenue Split



Number of personnel

- At the end of Q3: 855
(Q309: 818; Q210: 847)
 - During Q3 slight personnel increase;
mainly in storage business, support and sales
- Reorganizing of operations
started on Oct.4, 2010
- The company seeks to streamline
its organizational structure to
drive efficiency and focus on the
core businesses



Reorganization initiated to drive growth

- F-Secure has started the reorganization of its operations
 - To drive faster growth, speed and innovation
 - To further emphasize and increase activities in the operator channel and to take advantage of the market opportunity for value added services
- F-Secure seeks to streamline its organization to a functional structure and to eliminate overlapping roles
- Employee negotiations initiated on October 4, 2010
 - May lead to reduction of 80 people of which up to 50 in Finland
 - Negotiations estimated to be concluded by mid-November
- The planned structural changes and related efficiency gains to fund future growth investments in core businesses; especially in Operator Channel

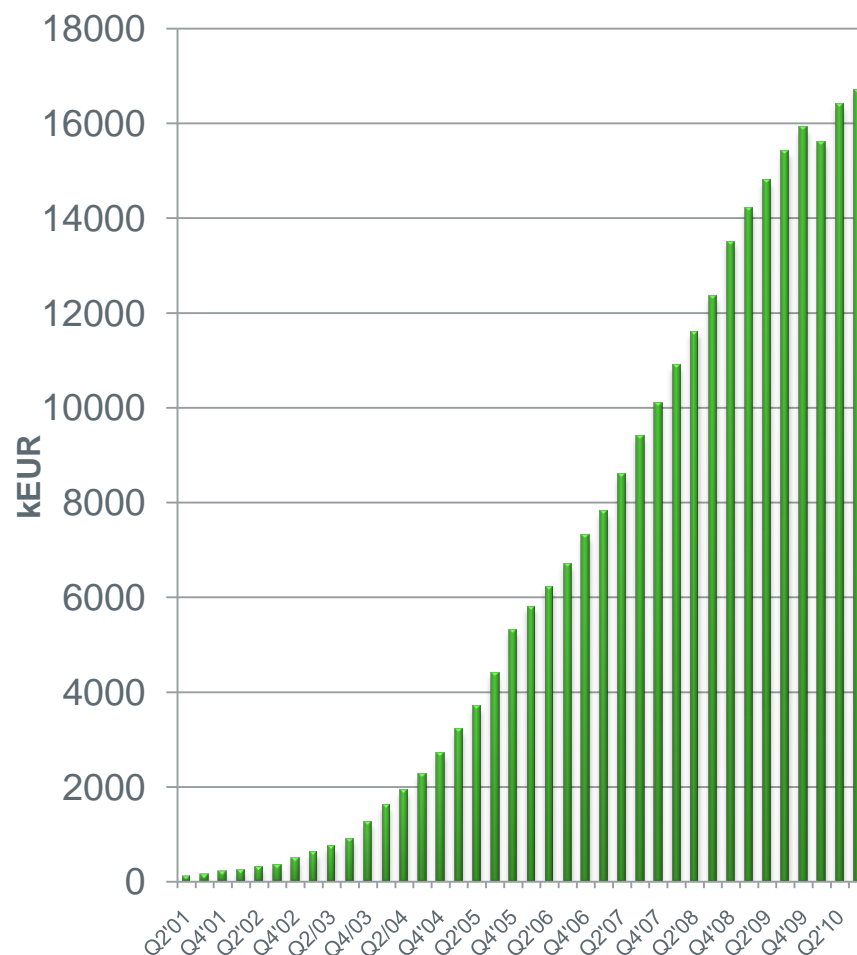
A man and a woman are sitting on a wooden deck in front of a house. They are wrapped in a colorful, striped blanket. The woman is holding a white mug, and the man is holding a bowl of food. They are looking at each other and smiling. The house has large glass doors and windows, and there are plants and a fire pit on the deck.

Operator business:
strong revenue growth continued,
new operator partnerships gained

Q3 Operator business

- Q310 revenues of 16.7m (15.4m)
 - Growth of +9% YoY*; +2% QoQ
 - Operator security sales accelerated from Q2
 - Healthy growth in # of security subscribers continued; increase in take up rates
 - Storage service revenues in the previous quarter's level, slowing down the operator growth
 - Commercial negotiations have progressed well with new operators
 - Successful completion of major delivery milestones with existing operator partners
 - Expected to contribute as of 2011
- New operator partnerships
 - 3, Sweden (part of Hutchison Whampoa group), iiNet, Australia, Vodafone, Portugal, Vodafone, Spain

* Note the impact of contractual changes at the beginning of the year is about 6% on YoY growth



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

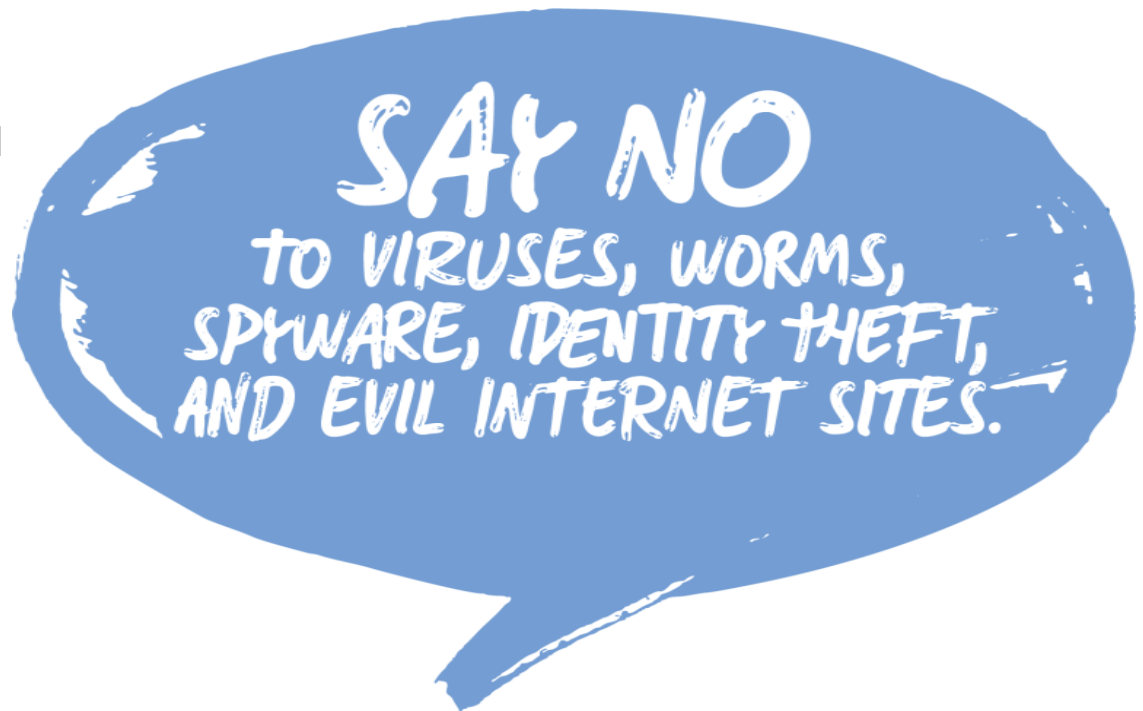
Over 200 operator partners globally – serving 70+m audience



New product launches

New product launches: F-Secure Internet Security 2011™

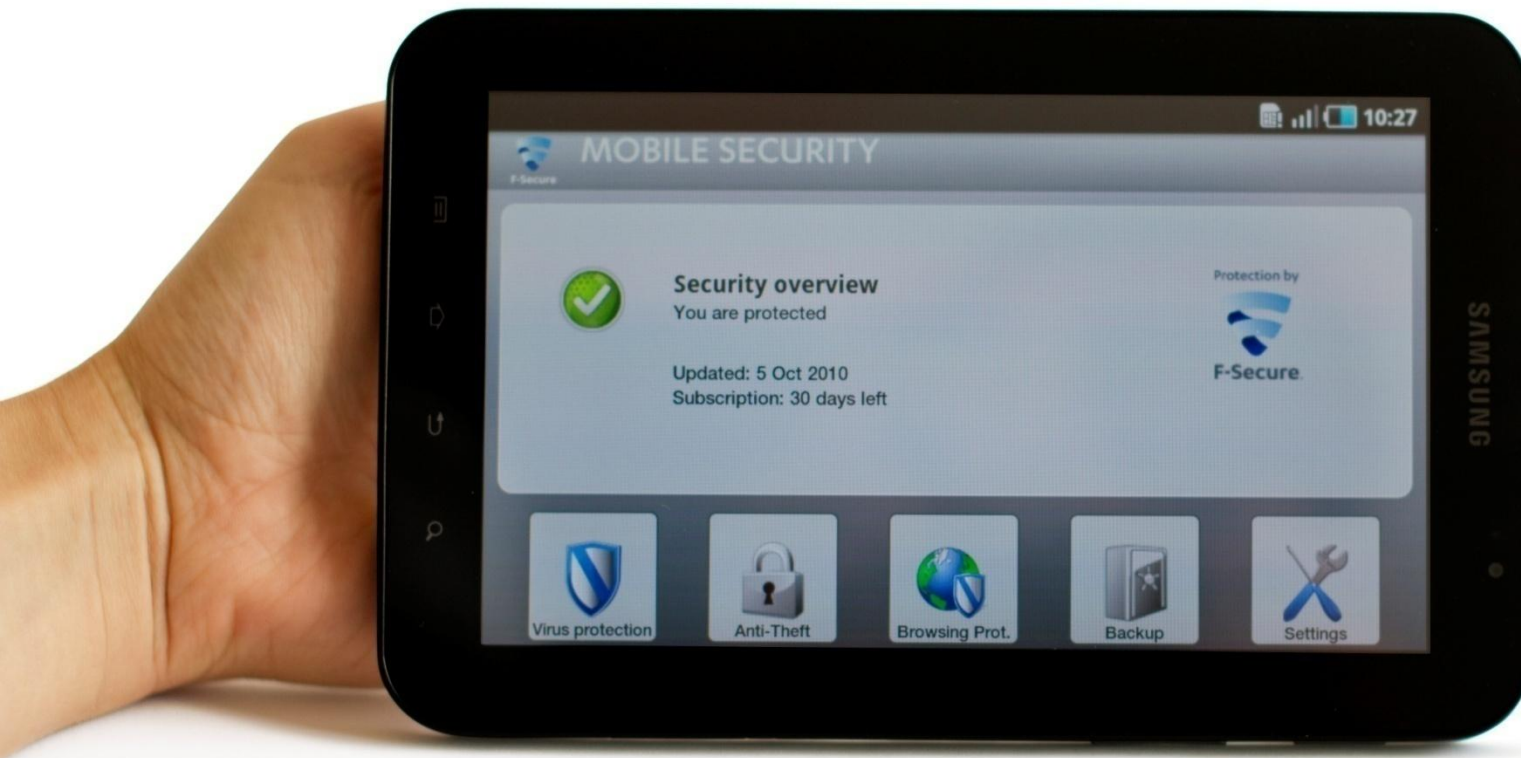
- F-Secure Internet Security 2011 was launched in September
 - Designed by experts, Inspired by people
 - Exciting new packaging and messaging
 - “This is what you get”



INTERNET SECURITY 2011

PROTECTION SERVICE FOR MOBILE

Already ready for next generation mobile devices, like **Samsung Galaxy Tab**



Mobile security services were made available for the tablet market on Android operating system in addition to Android smart phones



Mobile Security/PSM 6 already works on Samsung Galaxy Tab



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

Q4 outlook

- F-Secure has earlier stated to seek to exceed in 2H2010 the average antivirus market growth, which has been forecasted to grow around 5%.
- In the mid and long term F-Secure seeks to exceed the market growth and to improve profitability towards 25% EBIT level
- In Q4 total revenue growth anticipated to accelerate and to continue in 2011 - driven by the Operator business
 - Strong Operator security sales expected to continue
 - Storage services to contribute to growth as of 2011
- Q4 2010 outlook ¹⁾
 - Revenues 32– 35 m
 - Cost level around 27 million and in addition restructuring related costs up to 3 million

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

Protecting
the
irreplaceable