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F-SECURE CORPORATION - INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2013

FINANCIALS AS ANTICIPATED, NEW INNOVATIVE PRODUCTS LAUNCHED

Highlights in Q3

- Total revenues were 38.3 million (39.1m)
- EBIT was 8.4 million representing 22% of revenues (8.6m, 22% of revenues)
- Earnings per share was EUR 0.03 (EUR 0.04)
- Cash flow from operations was 6 million positive (3.5m); change in cash 5.2 million positive (1.7m positive)
- New innovative products; pre-launch of younited, new Internet Security

Outlook for 2013 - management's estimation for the year is unchanged since Q2:

- Revenue is estimated to be at the level of 2012
- Profitability is estimated to be over 15% of revenues

The guidance given at the beginning of the year was the following: revenue growth of over 5% compared to 2012 and profitability of over 15% of revenues.

(This report is unaudited. Unless otherwise stated the comparisons refer to the corresponding period a year ago. The currency is euro. The Content Cloud business is included in the Operator channel figures.)

Key figures	2013	2012	2013	2012	2012
(Eur Million)	7-9	7-9	1-9	1-9	12m
Revenues	38.3	39.1	115.1	117.0	157.2
Operating profit	8.4	8.6	18.3	19.8	20.3
% of revenues	22	22	16	17	13
Profit before taxes	7,8	8.5	17,7	19.4	19.9
Earnings per share (Eur)	0.03	0.04	0.08	0.09	0.09
At the end of period: Deferred revenues	36.2	36.3	36.2	36.3	37.7
Equity ratio, %	77	76	77	76	73
Debt-to-equity ratio, %	-58	-41	-58	-41	-51
Personnel	973	972	973	972	931

President and CEO Christian Fredrikson:

“Financially, our Q3 performance was as anticipated. Obviously, we are not satisfied with the lack of revenue growth. However, we continued our geographical expansion in Latin America. We also won several new operator contracts in Europe with our content cloud product and converged offering Safe Avenue. Subscriber growth continued at a good rate throughout the quarter.

Q3 has been an exciting time, with product releases, new partnerships and laying the groundwork for much more to come. For example, Safe Avenue is gaining momentum with operators. We are providing this multi-device protection also directly to consumers via our web stores. In September, our new Internet Security product hit the stores. It includes several important security and user experience enhancements that have been well received by consumers and testers. At the end of September the pre-launch of younited, our content cloud product for consumers and small businesses, gained interest internationally. We have invested in usability, security and privacy to build one of the most advanced and safest personal cloud services in the world. Younited will be made available for the first users in November.

In Q4 we will see more product launches. We will release a broad selection of simple-to-use and engaging apps and cloud services for consumers and small businesses. We are moving rapidly into the cloud to secure businesses and people in the post-PC era. I believe that we are on the right track for sustained growth.”

F-Secure business January – September 2013

Total revenues for the first nine months of 2013 decreased by 2% at 115.1 million (117.0m). Revenues through the operator channel were practically flat compared to the previous year at 70.5 million (70.7m). Revenues through the other channels decreased by 4% totaling 44.6 million (46.3m). The growth rate was negatively impacted by the communicated contractual changes and slower sales of traditional PC security in some countries.

EBIT was 18.3 million (19.8m), representing 16% (17%) of revenues. Earnings per share were EUR 0.08 (EUR 0.09). Cash flow from operations was 19.1 million positive (17.8m positive). The change of net cash was 6.2 million positive (1.2 m negative) including paid dividend of 9.3 million (9.3m). Deferred revenues were 36.2 million at the end of June (36.3m).

Total fixed costs were 93.6 million (93m), slightly higher than in the previous year. Depreciations (R&D activations, software, hardware) increased to 6.7 million (5.8m). The capitalized development expenses decreased to 0.3 million (4.2m). The Company continued its sales and marketing investments, especially in the geographical expansion in Latin America. Total R&D costs decreased as a result of the closing of French R&D unit at the end of 2012.

At the end of September, the geographical breakdown of revenues was as follows: Finland and Scandinavia 30 % (31%), Rest of Europe 45% (45%), North America 12% (10%) and Rest of the World 13% (14%).

Operator channel in Q3

In Q3, the Company’s content cloud business continued its good progress. Overall interest in this business remained high and the Company continued to win new operators. The Company signed two new contracts and expects several operator partners to launch the service during Q4. The subscriber growth of AT&T and BT continued strongly during the quarter.

Traditional PC security sales continued to be slower in some countries in Q3. However, the mobile security business and converged mobile and PC security, Safe Avenue, continued to grow very well. The Company

signed several operator contracts, e.g. Ono (Spain), Virgin Media (UK), Toya (Poland) and Tiscali (Italy). The Company also signed SMB offerings with Swisscom and InterNL (subsidiary of Tele2 in the Netherlands). The Latin America expansion continued with the Telefonica Movistar Costa Rica launch.

In the third quarter of 2013, sales through operator business partners totaled 23.6 million (23.7m), representing 62% of F-Secure's total revenues (60%). Revenue remained practically at the same level as in corresponding quarter in 2012 and decreased by 1% from the previous quarter. The growth of subscribers continued at a good level.

Corporate and Direct to Consumer channels in Q3

Sales in traditional channels continued as anticipated. Traditional license sales were weak but our Security as a Service for Business offering continued its good growth. Customer satisfaction in security services remained high. This is visible in solid deferred revenues; at the end of the quarter 36.2 million (36.3m).

During the quarter, revenues in corporate and direct to consumer channels decreased by 4% reaching 14.7 million (15.4 m). These channels represented 38% of F-Secure's total revenues (40%).

Product announcements in Q3

F-Secure develops and sells security and content cloud products that support personal computers, servers and an increasing set of major smartphone, tablet and other mobile device operating systems. Services include a wide range of security products like anti-virus, anti-theft, browsing protection, parental control and privacy protection for Facebook as well as content cloud products like online backup, synchronization and sharing.

During the quarter the key product announcements were as follows:

In late September, the Company pre-launched younited for consumers and gained high interest among both users and the media with the new solution. With younited, users always have access to their music, pictures, videos and other stuff on their mobile phone, computer, or tablet. It syncs and backs up their files in one safe place. Users can view, share and organize all their content, from any device, and enjoy an easy-to-use interface. Younited will be launched later this year for SMB customers (more information <http://www.younited.com/>).

In September, F-Secure launched seven new or improved products to the market – the new Internet Security, Anti-Virus, Mobile Security, Tablet Security, Anti-Virus for Mac and a pilot of F-Secure Safe in the UK and US markets. The flagship PC product, F-Secure Internet Security, gives consumers comprehensive protection for their computers and online identity while browsing the web. With a renewed focus on making daily online activities safer and protecting users' privacy from the prying eyes of online spies, F-Secure's new consumer products are designed with up-to-the-minute features to protect the content on users' computer and to safeguard them while surfing the web, banking and shopping.

In August, when the school year began in Finland, the Company launched F-Secure Lokki, a personal and private location sharing and messaging application for families and close friends. Lokki is a free application available for consumers via mobile application stores. So far several thousand users have taken Lokki into use (more information: <http://www.lok.ki>).

Risks and uncertainties

Uncertainty in the economic environment may impact the growth of broadband connections, operators' willingness to invest in new services and may create pricing pressure. These may have a negative impact on F-Secure's security and Content Cloud sales.

F-Secure's risks and uncertainties are related to, among other things, the competitiveness of F-Secure's product portfolio, competitive dynamics in the industry, pricing models (e.g. free services, cost of Content Cloud services), impact of changes in technology, timely and successful commercialization of complex technologies and new products and solutions, the ability to protect intellectual property (IPR) in F-Secure'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, compromising stored personal data, service quality related penalties, and risk exposure from increasing contractual liability requirements and forming of the new business areas.

Events after period-end

No material changes regarding the Company's business or financial position have materialized after the end of the quarter.

Personnel and organization

F-Secure's personnel totaled 973 at the end of quarter (972).

Currently, the Leadership Team consists of the following persons: **Christian Fredrikson** (President and CEO), **Ari Alakiuttu** (Human Resources & Facilities), **Samu Konttinen** (Customer and Market Operations), **Timo Laaksonen** (Content Cloud Business), **Maria Nordgren** (Consumer Security Business), **Pirkka Palomäki** (Chief Strategy Officer), **Jari Still** (R&D Operations), **Pekka Usva** (Corporate Security Business) and **Taneli Virtanen** (Chief Financial Officer).

Financing and capital structure

Cash flow from operations for the first nine months was 19.1 million positive (17.8m positive). The change of net cash was 6.2 million positive (1.2m negative) including paid dividend of 9.3 million (9.3m) in April. Net financial income was negative at 0.7 million (negative 0.4m).

The market value of the liquid assets of F-Secure at the end of the quarter was 39.3 million (27m). Changes in exchange rates, especially JPY and BRL, impacted negatively on sales and positively on costs.

The Company's capital expenditure for the first nine months was 2.8million (7.8m). The capitalized development expenses were 0.3 m (4.2m) and have substantially decreased from the 2012 level as anticipated.

F-Secure's financial position remained solid. F-Secure's equity ratio at the end of the quarter was 77% (76%) and gearing ratio was 58% negative (41% negative).

Shares, shareholders' equity, own shares and option programs

The total number of Company shares is currently 158,798,739. The Company's registered shareholders' equity is EUR 1,551,311.18. Currently, the Company holds 3.415.835 own shares and does not have any warrant program.

Corporate Governance

F-Secure complies with the Corporate Governance recommendations for publicly listed companies published 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 F-Secure's web pages. F-Secure published its corporate governance statement for 2012 in the Annual Report and on the Company website in March 2013.

Market view

The long term market opportunities are attractive for F-Secure. Malware threats and targeted attacks to private users and businesses in both PC and mobile operating environments are still evolving.

Security is a growing market. According to Gartner (Jan 2013) the consumer security software market is growing to be about a \$6 billion market by 2016 (\$4.3 billion in 2012) and the mobile security software market is growing almost at 40% per year over the next four years.

However, the market landscape for security technology will change. By 2015, 10 percent of overall IT security enterprise product capabilities will be delivered in the cloud, according to Gartner (April 2013). The analyst firm expects the cloud-based security services market to reach \$4.2 billion by 2016.

Based on several industry analyst estimates, the Software as a Service (SaaS) business model is expected to continue to grow strongly and to gain more market share over traditional license sales. For Operators the Software as a Service model is a natural expansion of their other service offerings. The SaaS business offers operators the opportunity to replace revenues lost from the provision of commoditized services and to increase loyalty in the face of competitive threats from over-the-top providers and third parties.

Worldwide PC shipments have decreased six consecutive quarters (Q3 2013). Consumers' shift from PCs to tablets for daily content consumption continued to decrease the installed base of PCs both in mature as well as in emerging markets. Tablet computers and smartphones are becoming the most dominant form of devices on the market, according to IDC (March 2013). Tablets grew 78.4 % in units shipped from 2011-2012, while smartphone units grew 46.1 %.

F-Secure's survey of 6,000 broadband subscribers in 15 countries from April 2013 shows that consumers want personal cloud services, but they want to know their content is private, safe, and under their control. When storing content on social networking sites and with cloud storage services, 63% of consumers are concerned about the vulnerability of storage providers' technology, and six out of ten are concerned about these providers selling their content.

In today's world consumers and companies will be looking for products that keep their data away from the prying eyes of intelligence agencies and governments. F-Secure's content cloud has been conceived, built and managed according to strict security and privacy policies with multiple layers of security safeguarding encrypted consumer data. The company's unwavering commitment to data privacy also derives from its roots in Finland, where privacy is a fiercely guarded value. Additionally, F-Secure's emphasis on safe cloud services even extends to protection from malware in the cloud as uploaded and backed up content is scanned for malware.

Long-term objectives and strategy summary for 2012 -14

F-Secure's first priority is to drive growth and market expansion. Based on the Company's strong technology assets in security products, cloud computing and content cloud services, F-Secure continues to create new

innovative offerings to augment traditional security services, especially in the cloud security and content cloud areas.

F-Secure's competitive advantage derives from existing operator network and relationships built over the years. Key assets include security research, scalable products optimized for the mass market, experience in service provisioning in the operator network environment and the ever growing user base of operators. F-Secure stands out in its ability to combine security with safe content cloud services for both computers and mobile devices and its understanding of the operator channel as a whole.

During the strategy period, the Company is targeting towards double-digit revenue growth supported by all channels. The growth is expected to come from the western hemisphere and emerging markets like Latin America and the APAC.

The Company will continue its investments in new services around content cloud and security products with emphasis on end-customer focus. Profitability is targeted to develop towards the 25% level at the end of the strategy period. F-Secure's longer-term profitability level continues to be driven by revenue growth and scalable operations.

Outlook for 2013

As stated at the beginning of the year, the short-term revenue growth remains limited due to contractual changes impacting the whole year and decreased content cloud project revenues as the project sizes are smaller. In addition, traditional PC security sales have continued to be slower in some countries.

The actual operational cost increase is fairly limited, and is targeted at driving product portfolio competitiveness and supporting geographical expansion.

Management's estimation for the year is the same as communicated in Q2; the annual revenue is estimated to be at the level of 2012. The annual profitability is estimated to be over 15% of revenues.

The guidance given at the beginning of the year was the following: revenue growth of over 5% compared to 2012 and profitability of over 15% of revenues.

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. The Company continues to prioritize growth over short-term profitability and plans to invest the majority of the improved earnings in growth opportunities in its core business while aiming at improving profitability.

News conference today at 11 am

A news conference for analysts and press is arranged today, October 25, at 11 am Finnish time at F-Secure's Headquarters, address: Tammasaarenkatu 7, Ruoholahti, Helsinki.

At the news conference, President & CEO Christian Fredrikson will present the Q3 financial results. An online meeting for international investors and analysts will be held (in English) on the same day at 13.00 p.m. (EEST). To participate in the online meeting, click on the link below:

<https://meet.F-Secure.com/gia.forsman-harkonen/T3BW030M>

To participate in the online meeting through phone, please dial in to +358975110100. Conference ID is

9161249. If a country specific number is needed, please visit

The webinar will be organized through Lync to enable a better experience with video and presentation also for the international investors and analysts. If you have not used Lync before, need to download and install it, or need more advice on how to use it, please visit

<http://r.office.microsoft.com/r/rlidOC10?clid=1033&p1=4&p2=1041&pc=oc&ver=4&subver=0&bld=7185&bldver=0>

It is possible to participate through the Lync web application, but please note that this will not have sound and it is necessary to also call in to the meeting via phone.

The Q3 financial results presentation material, including a video where Christian Fredrikson will present Q3 results, will be available on our Investors web pages at www.f-secure.com under About F-Secure, Investors before the call begins.

F-Secure Corporation

Additional information

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This interim report is prepared in accordance with IAS 34 standard Interim Financial Reporting and with accounting principles stated in the annual report 2012.

Key figures (unaudited):						
Euro million						
INCOME STATEMENT	2013	2012	2013	2012	Change	2012
	7-9	7-9	1-9	1-9	%	1-12
Revenues	38.3	39.1	115.1	117.0	-2	157.2
Cost of revenues	1.5	1.7	5.0	5.6	-11	7.4
Gross margin	36.8	37.4	110.1	111.4	-1	149.7
Other operating income	0.3	0.6	1.8	1.4	25	1.8
Sales and marketing	17.8	16.4	56.0	51.3	9	70.9
Research and development	9.5	10.6	31.3	33.5	-6	49.3
Administration	1.5	2.3	6.3	8.3	-23	11.0
Operating result	8.4	8.6	18.3	19.8	-8	20.3
Financial net	-0.6	-0.1	-0.7	-0.4		-0.3
Result before taxes	7.8	8.5	17.7	19.4		19.9
Income taxes	-2.5	-1.9	-5.8	-5.1		-5.8
Result for the period	5.4	6.6	11.9	14.3		14.1

Other comprehensive income:						
Exchange diff. on translating foreign operations	-0.1	0.0	0.0	0.1		0.2
Available-for-sale fin. assets	0.1	0.1	-0.1	0.2		0.1
Income tax rel. to components of other comprehensive income	0.0	0.0	0.0	0.0		0.0
Total compr. income (owners)	5.4	6.6	11.8	14.6		14.3
Earnings per share. e	0.03	0.04	0.08	0.09		0.09
EPS diluted. e	0.03	0.04	0.08	0.09		0.09

BALANCE SHEET	30/9/2013	30/9/2012	31/12/2012
ASSETS			
Intangible assets	18.0	26.4	20.8
Tangible assets	8.7	9.2	9.8
Goodwill	19.4	19.4	19.4
Other financial assets	4.5	5.1	5.4
Non-current assets total	50.5	60.1	55.4

Inventories	0.3	0.3	0.2
Other receivables	35.1	34.9	38.4
Available-for-sale financial assets	23.5	16.6	16.8
Cash and bank accounts	15.9	10.5	16.5
Current asset total	74.8	62.3	71.9
Total	125.3	122.3	127.3

SHAREHOLDERS' EQUITY AND LIABILITIES	30/9/2013	30/9/2012	31/12/2012
Equity	68.1	65.2	65.1
Other non-current	0.4	1.5	0.4
Provisions	0.0	0.0	0.1
Deferred revenues	8.5	8.0	8.5
Non-current liabilities total	9.0	9.5	9.1
Other current	20.5	19.3	23.9
Deferred revenues	27.7	28.3	29.3
Current liabilities total	48.2	47.6	53.2
Total	125.3	122.3	127.3

CASH FLOW STATEMENT	30/9/2013	30/9/2012	31/12/2012
Cash flow from operations	19.1	17.8	25.6
Cash flow from investments	-3.2	-9.8	-11.1
Cash flow from financing activities 1)	-9.3	-9.3	-9.3
Change in cash	6.6	-1.3	5.2
Cash and bank at 1 Jan	32.7	28.1	27.8
Change in net fair value of Available-for-sale	-0.1	0.2	0.1
Cash and bank at end of period	39.3	27.0	33.1

Statement of changes in shareholders' equity

	Share capital	Share premium fund	Un-restricted equity reserve	Treasury shares	Retained earnings	Assets avail. f.sale	Transl. diff.	Total
Equity on: 31.12.2012	1.6	0.2	5.1	-8.4	66.5	0.2		65.1
Total comprehensive income for the year					11.9			11.9
Dividend					-9.3			-9.3
Cost of share based payments				0.6	-0.2			0.4
Equity on 30.9.2013	1.6	0.2	5.1	-7.8	68.9	0.2		68.1

NOTES

- 1) Cash flow from financing
Dividend for year 2012 0.06 euro per share totaling 9.322.974,24 euro was paid on 16th April 2013. In 2012 paid dividend totaled 9.303.980,94 euro.

Key ratios	2013	2012	2012
	9 m	9 m	12 m
Operating result % of revenues	15.9	16.9	12.9
ROI %	38.5	44.4	34.9
ROE %	24.8	30.6	22.6
Equity ratio. %	76.5	75.8	72.7
Debt-to-equity ratio %	-57.7	-41.3	-50.9
Earnings per share (EUR)	0.08	0.09	0.09
Earnings per share diluted	0.08	0.09	0.09
Shareholders' equity per share. e	0.43	0.41	0.41
P/E ratio	17.7	13.9	17.09
Capitalized expenditures (Me)	2.8	7.8	10.3
Contingent liabilities	15.8	16.7	15.6
Personnel. average	950	974	970
Personnel. end of period	973	972	931

Segment information

The Group has only one segment; data security.

Quarterly development	1/12	2/12	3/12	4/12	1/13	2/13	3/13
Revenues	38.4	39.6	39.1	40.1	38.4	38.4	38,3
Cost of revenues	1.9	2.1	1.7	1.8	1.7	1.8	1,5
Gross margin	36.5	37.5	37.4	38.3	36.7	36.6	36,8
Other operating income	0.3	0.5	0.6	0.3	0.8	0.7	0,3
Sales and marketing	16.9	17.9	16.4	19.6	18.4	19.8	17,8
Research and development	11.5	11.4	10.6	15.8	10.7	11.1	9,5
Administration	3.0	2.9	2.3	2.7	2.5	2.4	1,5
Operating result	5.4	5.8	8.6	0.4	5.9	4.0	8,4
Financial net	-0.2	-0.1	-0.1	0.1	0.1	-0.2	-0,6
Result before taxes	5.2	5.7	8.5	0.5	6.0	3.8	7,8

Geographical information

Revenue	7-9/2013	7-9/2012	1-9/2013	1-9/2012
Nordic countries	12.2	12.3	34.5	35.9
Rest of Europe	16.5	17.1	52.3	52.8
North America	4.7	3.9	13.5	11.6
Rest of the world	4.9	5.8	14.8	16.7
Total	38.3	39.1	115.1	117.0

Fair values

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

Assets measured at fair value	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets 30.9.2013	23.3	0.0	0.0	0.1
Available-for-sale financial assets 30.9.2012	15.3	0.0	0.0	0.1