

A photograph of a young man and woman sitting in the back of a car. They are both wearing sunglasses and smiling. The woman is on the left, wearing a green beanie and a gold necklace. The man is on the right, wearing a blue t-shirt. They are looking at a tablet computer held in front of them. The text "SWITCH ON FREEDOM" is overlaid in large, bold, cyan letters across the center of the image.

SWITCH ON FREEDOM

F-Secure Corporation Interim Report Q1

April 24 , 2014

CEO Christian Fredrikson



HIGHLIGHTS IN Q1

- **Solid profitability and cash flow**

- Revenues grew by 2% to 39.1 million (Q113: 38.4 m)
- EBIT 5.1 million, 13 % of revenues excluding one-offs of 2.9 million related to re-organization (Bordeaux, France) (Q113: 5.9 m, 15 %)
- Cash flow from operations 6 million positive (Q113: 7.6 m positive) ; change of cash 4.9 million positive (Q113: 5.6 m positive)

- **Entering the Cloud continued strong**

- Cloud strategy continues as planned
- Focus businesses based on cloud strategy show strong growth, while traditional PC-centric security sales are in decline along with the whole PC market
- Freedom, next-generation security product fully powered by the cloud, is off to a good start with consumers

- **New launches**

- Personal Cloud: Elisa's Saunalahti Pilvilinna (Finland), Virgin Media Cloud (UK) and Primacom (Germany)
- Security: SAFE with Play (Poland), Netia (Poland), Stofa (Denmark) and TIM, Italian's largest operator

A photograph of the Space Shuttle Atlantis being launched from the launch pad. The shuttle is ascending vertically, leaving a massive plume of white smoke and fire behind it. The launch pad structure is visible on the left side of the frame. The sky is a clear blue.

MARKET OVERVIEW

PC-sales in decline
Smartphones & tablets growing
Consumer and user-centricity
IT security industry in transformation



SMB's through consumers, and
consumers through operators
Scalable cloud technology for all devices
Profiting from consumerization

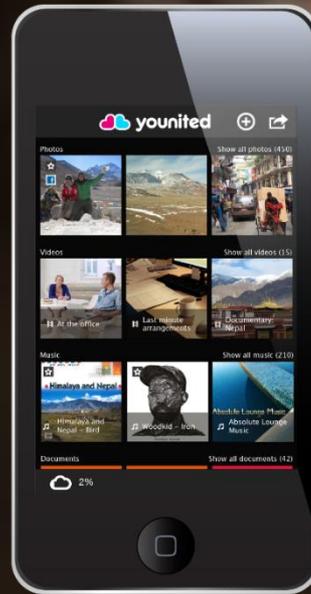
KEY LAUNCHES

F-Secure Freedom



Your secure,
private cloud

younited
by F-Secure

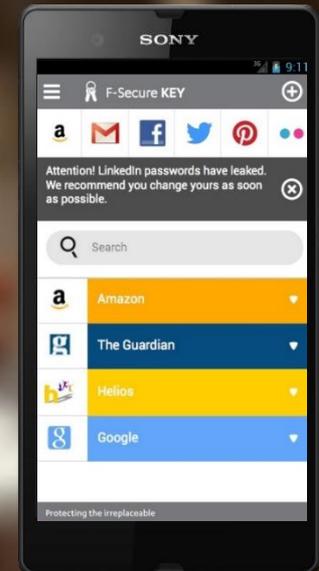


F-Secure
SAFE



Multi-device
protection for a
worry-free online life

F-Secure Key



Assistant for any
password needs

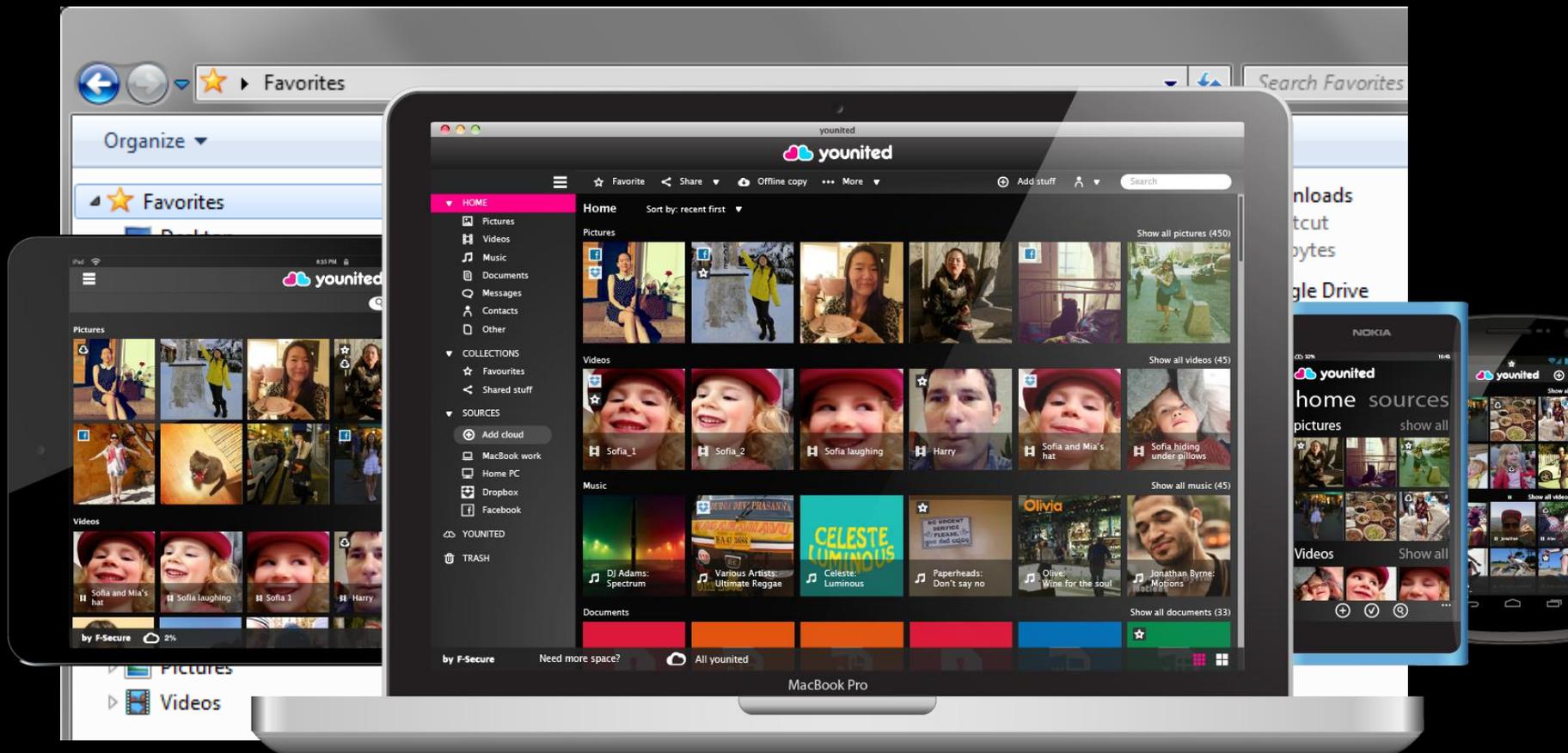
F-SECURE FREEDOME



**BECOME
UNTRACKABLE
& INVISIBLE**



Secure and engaging personal cloud Replaces old “glorified file managers”




younited
by F-Secure



FINANCIALS

Q1 2014

Revenues

Q1 Revenues grew by 2%

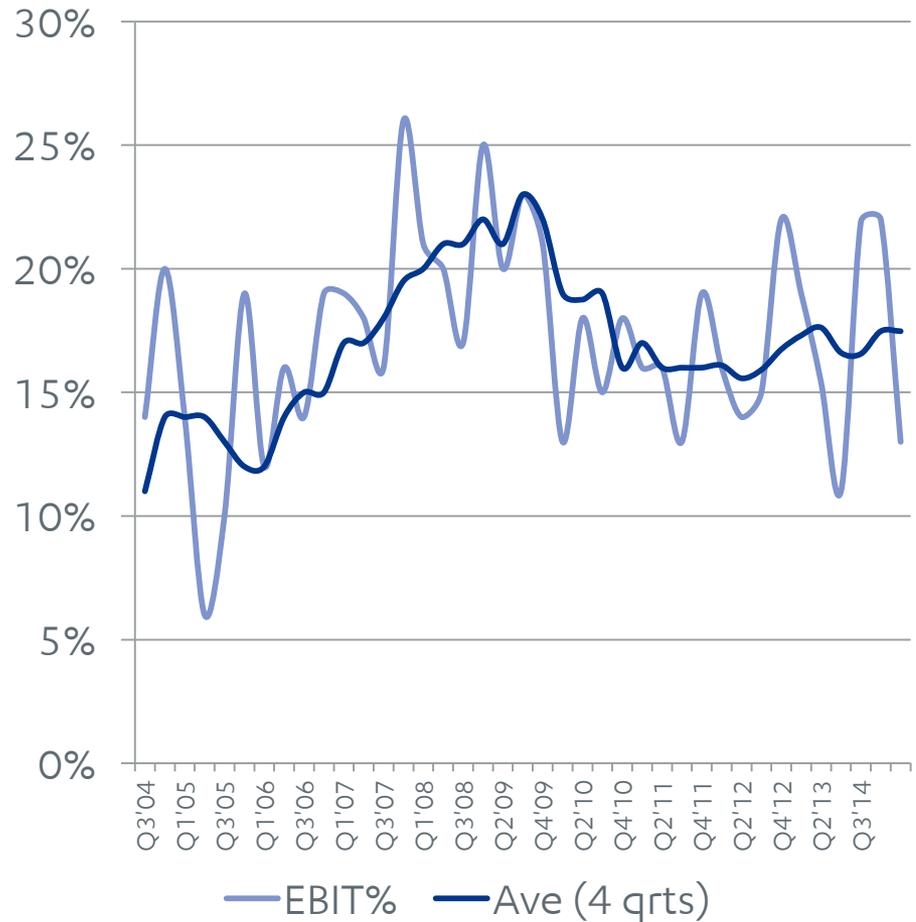
- Total quarterly revenues 39.1m (Q113: 38.4 m)
- Operator revenues grew by 4% to 24.1m; (Q113: 23.1 m)
- Other channels declined by 1% to 15.1m (Q113:15.2 m)



Profitability

Q1 profitability

- EBIT 5.1m , 13% of revenues excluding one-off cost of 2.9 m related to re-organizations (Bordeaux, France) and efficiency gains (Q113: 5.9 m, 15%)
- Earnings per share EUR 0.01 (EUR 0.03)

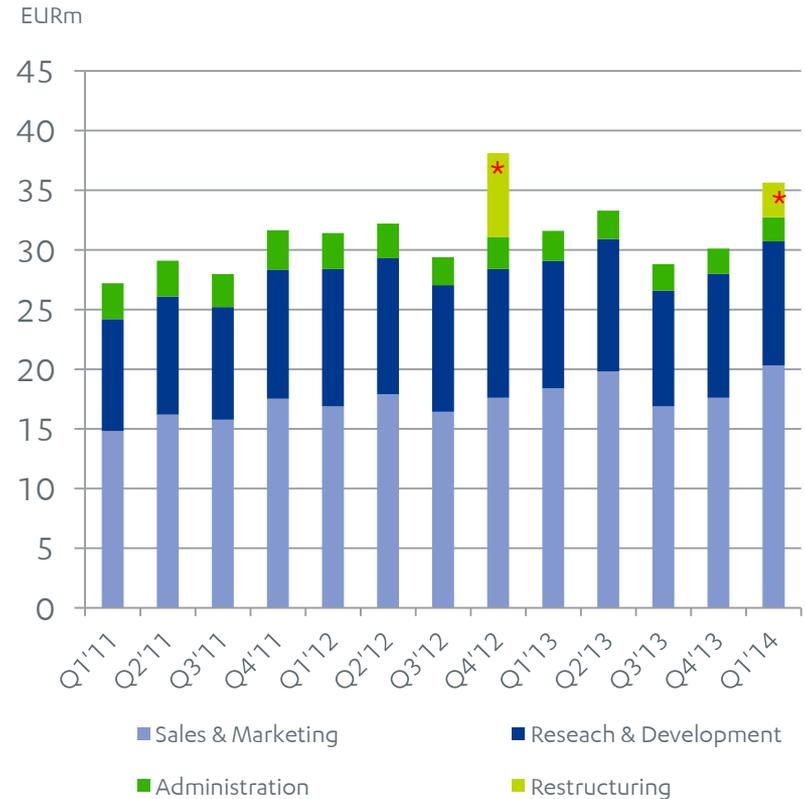


Costs

Q1 costs increased by 4% excluding oneoffs

Costs 35.7m (Q113: 32.8 m) excluding 2.9m of one -off costs

- Costs increased by investing in cloud business; R&D and Sales & Marketing activities; i.e. SAFE business, SMB focus in Germany, France and USA, younited and Feedome
- Cost level was impacted by increased depreciations from past capitalized expenses; Q113: 2.3 m (Q113: 2.1m)
- Capitalized R&D expenses were 0.5 m (Q113: 0.3m)
- Overall one-off costs of 2.9m related to re-organization (Bordeaux, France) and efficiency gains



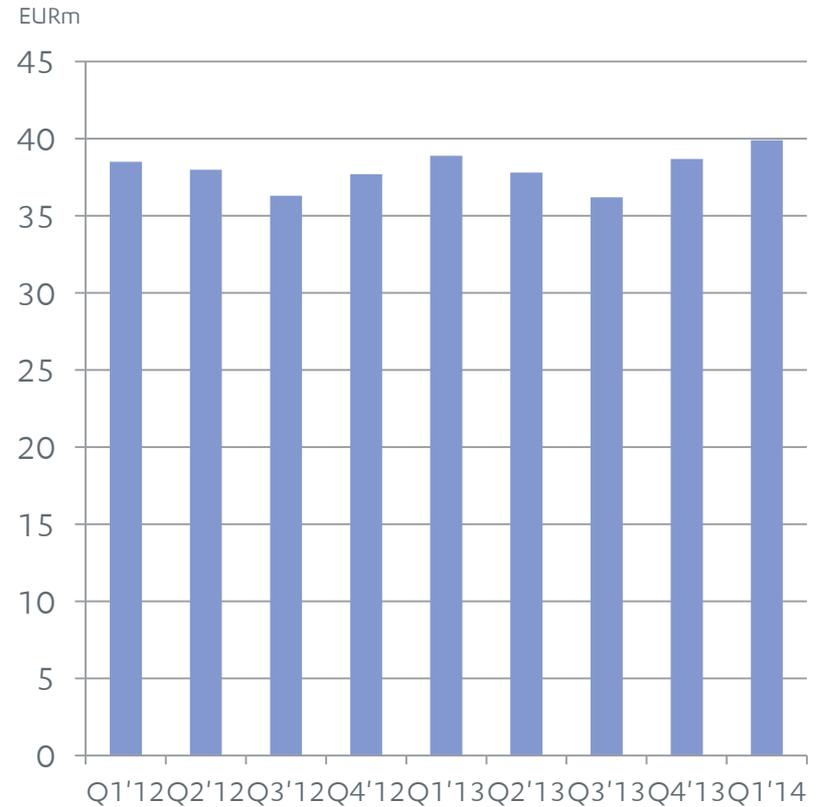
* one-off cost Q4'12 ~7m & Q1'14 ~2.9m

Deferred Revenues

**Q1 Deferred revenues 39.9m
(38.9m)**

**Deferred revenues accrued in the
balance sheet**

- Dec 31,2012 37.7 m



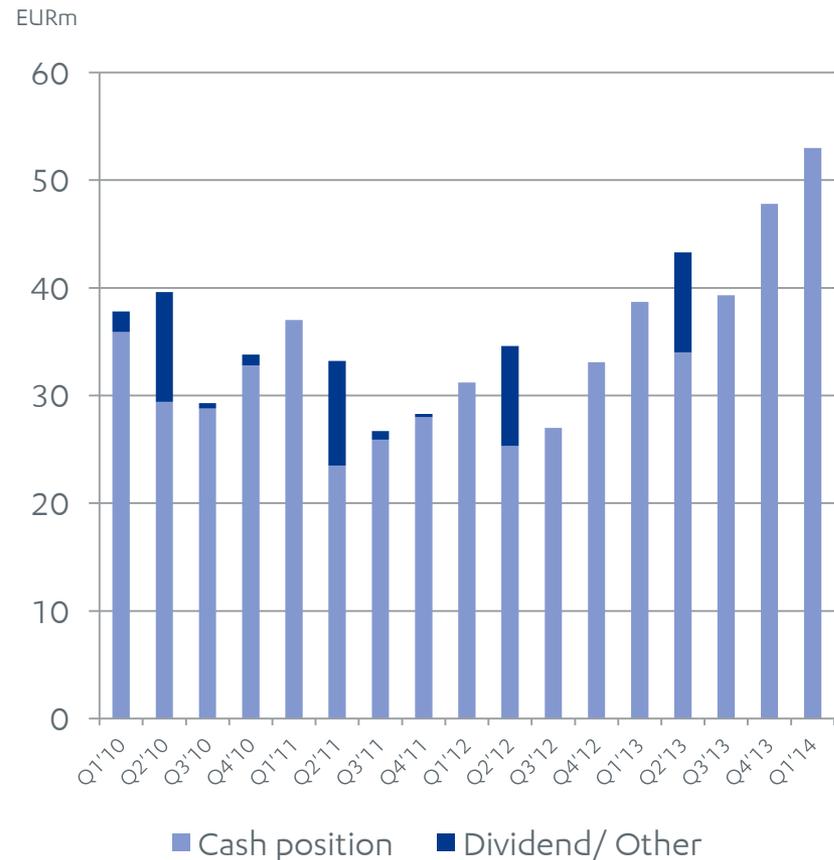
Cash position remains solid

Solid Cash flow in Q1

- from operations 6m (Q113: 7.6m);
- Change in cash 4.9 m positive (Q113: 5.6m positive)

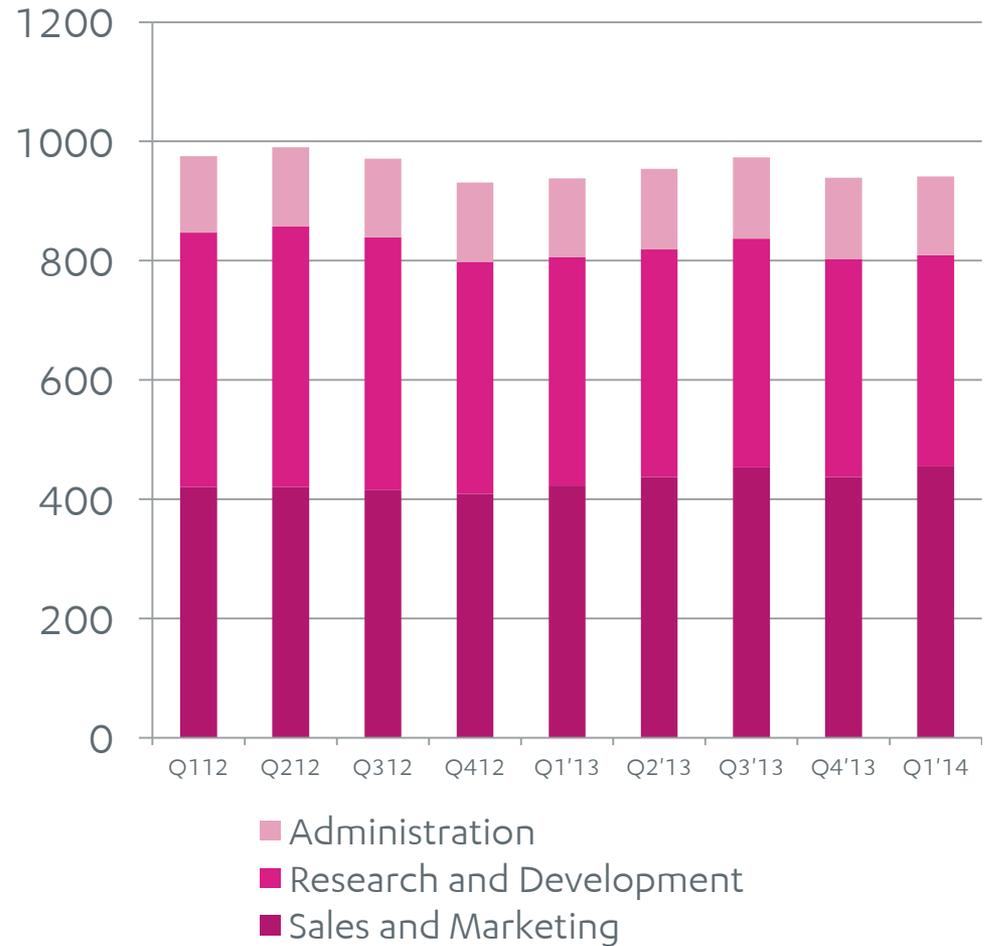
Market value of liquid assets 53m (Q113: 38.7m)

- Dec 31, 2013 47.8m



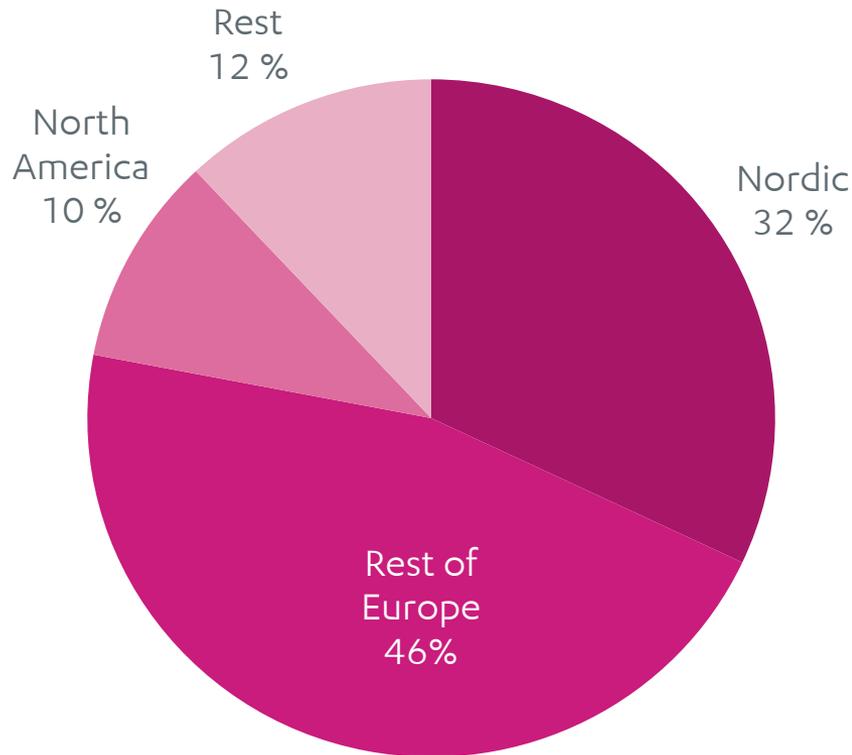
Number of personnel

At the end of December: 941
(Q1'13: 938)

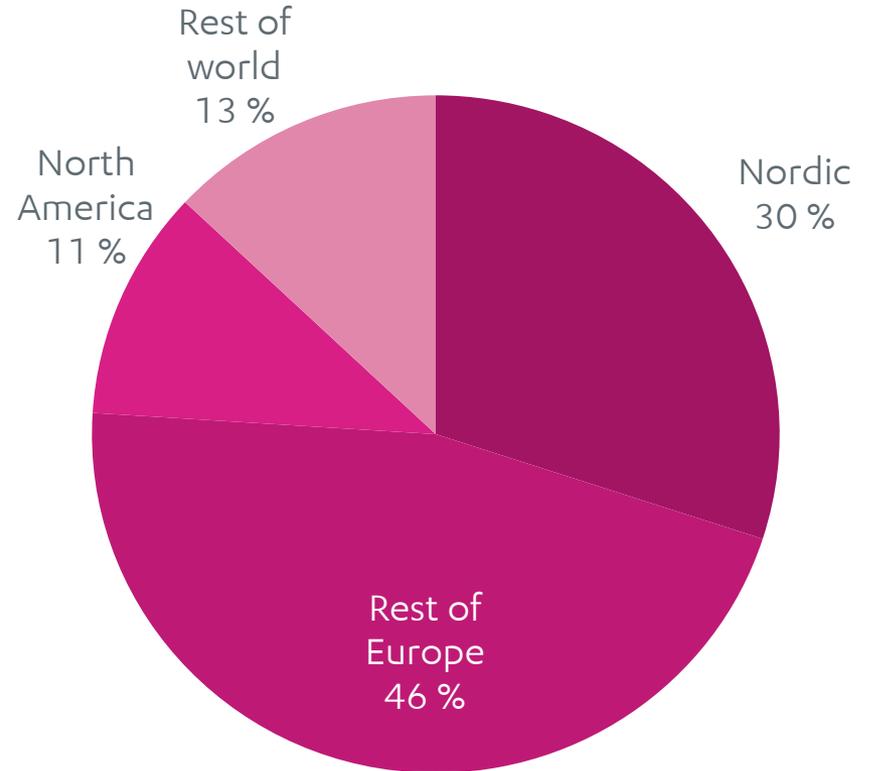


Regional Revenue

1-3/2014



1-3/2013



Outlook for 2014

- The management's estimation for the year is unchanged:
 - The annual revenue is estimated to grow from 2013 with stronger second half.
 - The annual profitability is estimated to be around 15 % of revenues excluding one-off costs.
- The company expects overall one-off costs to be less than 3 million related to efficiency improvements and reorganization in F-Secure SDC (France). The Company has accrued and booked one-off costs of 2.9 million in Q1 financials.

The estimates 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.



A close-up photograph of a man and a woman. The man, on the left, is wearing a grey cap and a white t-shirt with a blue graphic. He is smiling broadly, looking towards the woman. The woman, on the right, is wearing a brown leather jacket and a brown patterned top. She is holding a silver digital camera up to her eye, taking a picture of the man. The background is a bright, slightly blurred outdoor setting.

**JOIN THE
MOVEMENT**