



WE FOCUS ON SECURITY

**F-SECURE CORPORATION
INTERIM REPORT Q1 / 2015**

April 23, 2015
CEO Christian Fredrikson



A skateboarder wearing a green hoodie with a yellow graphic and dark pants is captured mid-air, performing a trick on a sidewalk. The skateboard is tilted, and the wheels are visible. The background shows a modern building with large stone columns and a glass door.

CONTENTS

- Q1 highlights
- Our strategy
- Key products
- Q1'15 financials

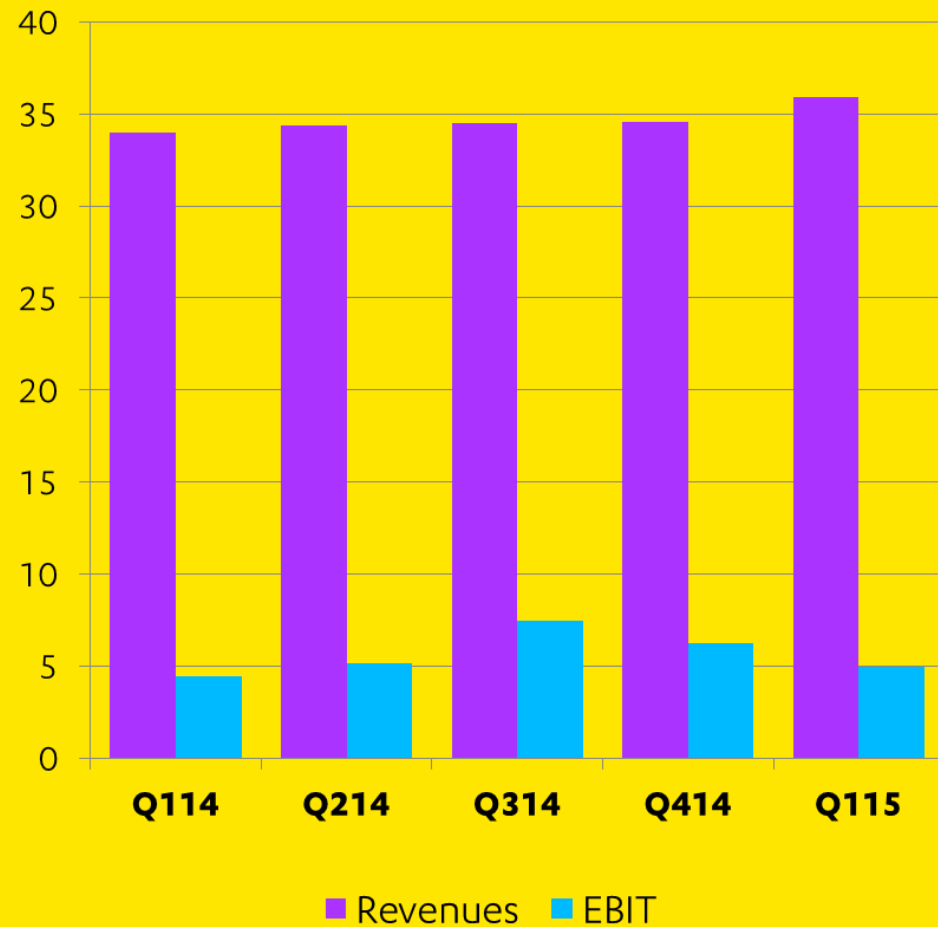
BUSINESS HIGHLIGHTS

- **Focus on security:** Personal cloud storage business sold to Synchronoss Technologies
- **Overall security revenue** grew by 6 % y-o-y totaling 35.9 million
- **Operator security** sales grew by 3 % y-o-y totaling 19.6 million, with sales of the multi-device offering SAFE offsetting declining traditional PC security sales
- Revenues through **resellers** and **direct to consumer** business increased by 9% totaling 16.4 million

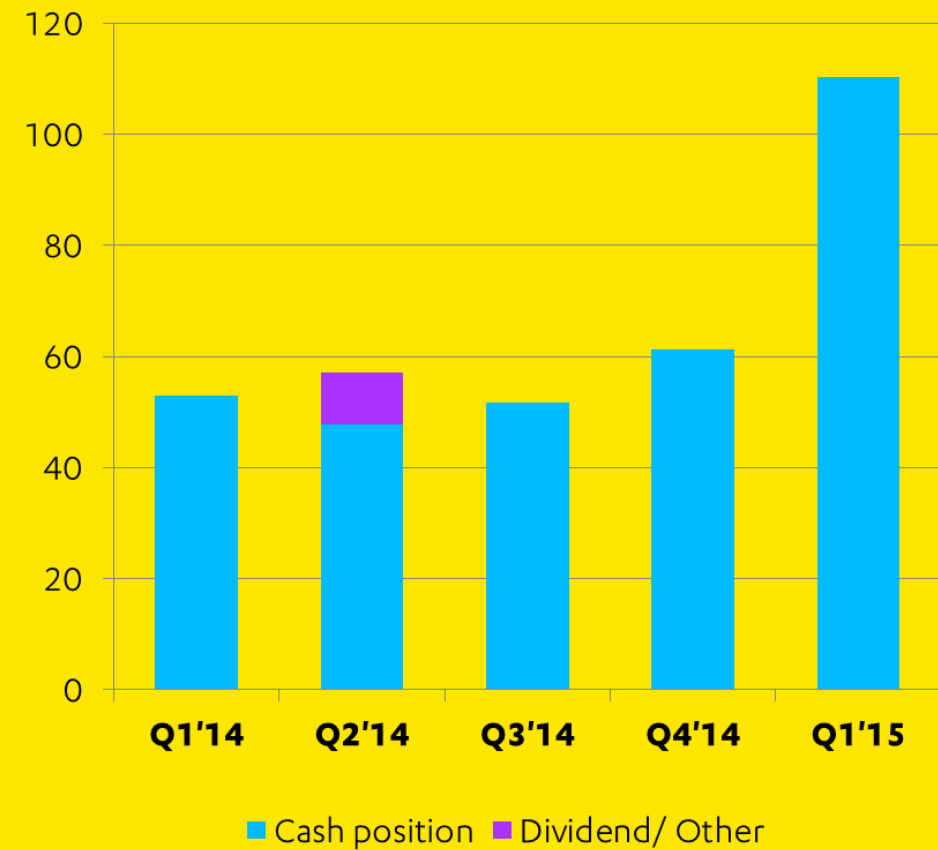
As of the first quarter of 2015, the personal cloud storage business is reported as discontinued operations. Consequently, comparison figures related to the statement of income have been restated to represent continuing security operations only. Unless otherwise stated the comparisons refer to the corresponding period of the previous year.

KEY FIGURES

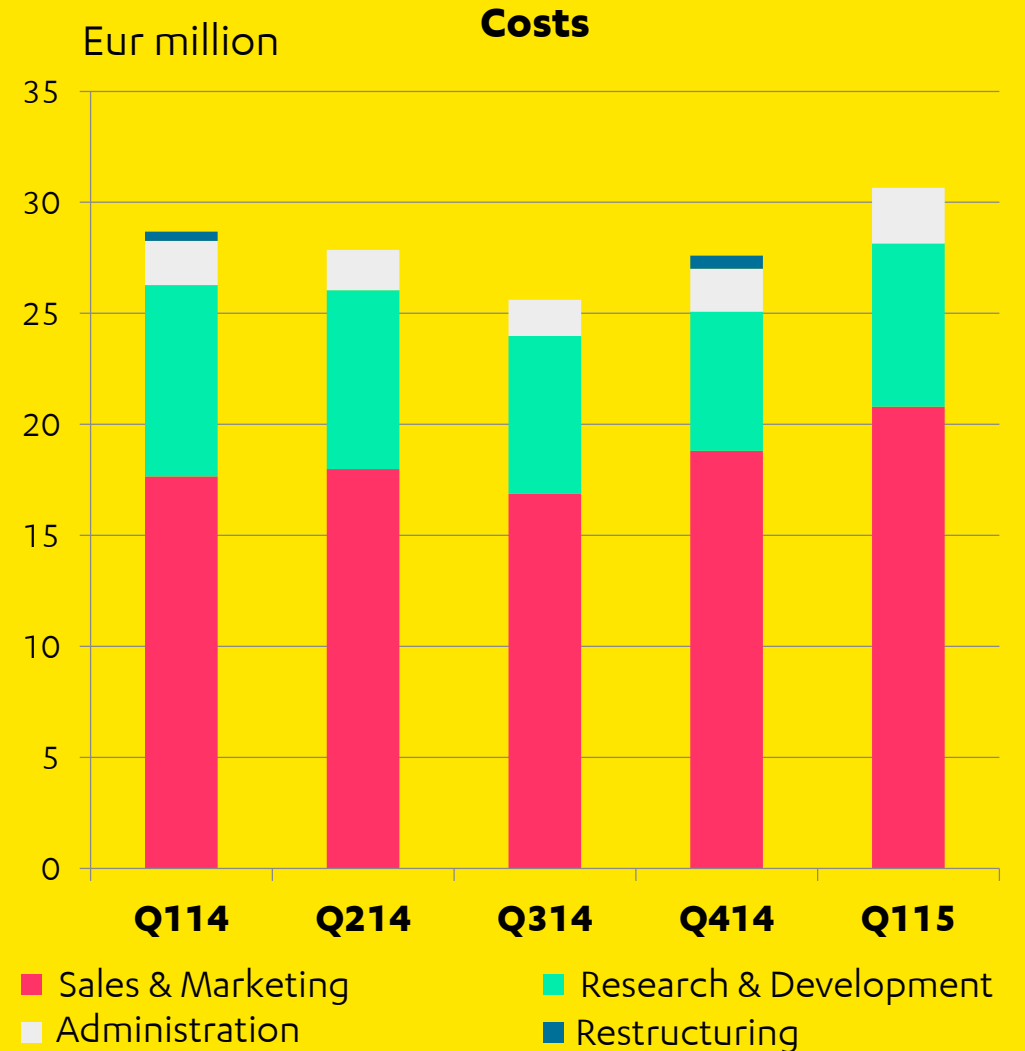
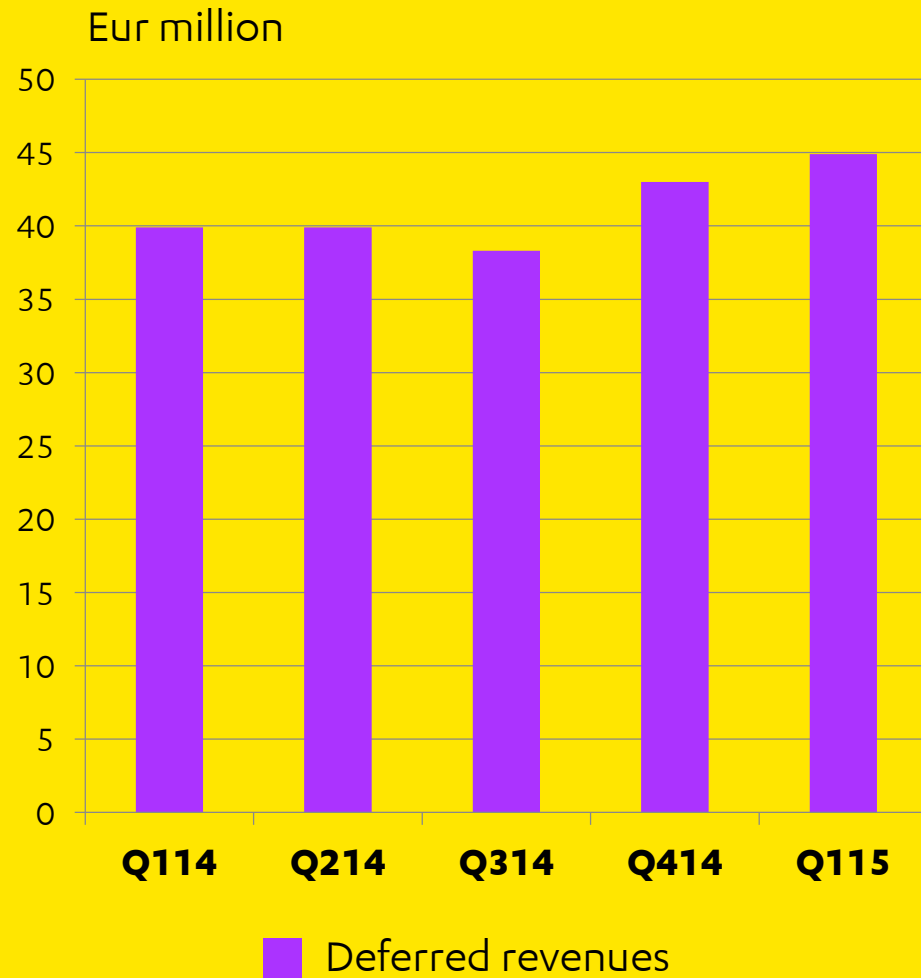
Eur million

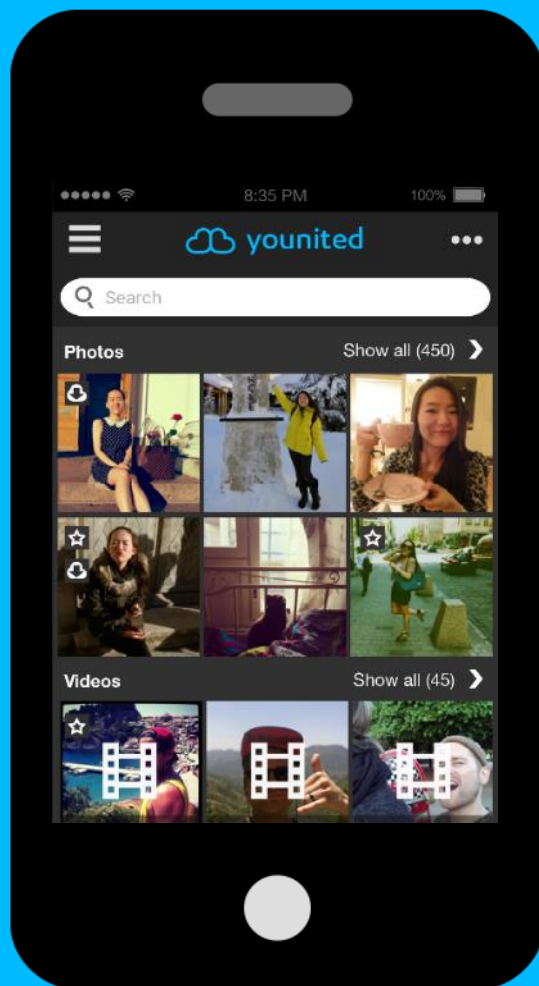


Eur million



KEY FIGURES





Personal cloud storage business sold to Synchronoss Technologies

- Price: USD 60 million
- Net profit from disposal in 2015 is EUR 18.6 million*
- The companies have established a partnership to sell services to operators

* Calculated as the difference between sales price and sold assets, including write-offs, transaction costs and impact of patent agreement

NEW DEALS AND LAUNCHES

- First operator deal with **Freedome**, our security and privacy app
- Several operator deals with **SAFE**:
Viettel (Vietnam), Kabel Deutschland / Vodafone (Germany), NextGenTel (Norway), AMIS (Slovenia), GVT (Brazil) and CTBC (Brazil)
 - Launch of **Booster**, a tune-up tool for PC and Android devices
 - Launch of **Router (DNS) checker**



MARKET REVIEW



Threat landscape is getting more complex



Internet of things and new connected devices create new threats



Revelations on governmental surveillance continue



Targeted attacks threaten companies and private individuals



**New opportunities
2015-2017**

WE FOCUS ON SECURITY



Corporate and
consumer
security

NEW INITIATIVE



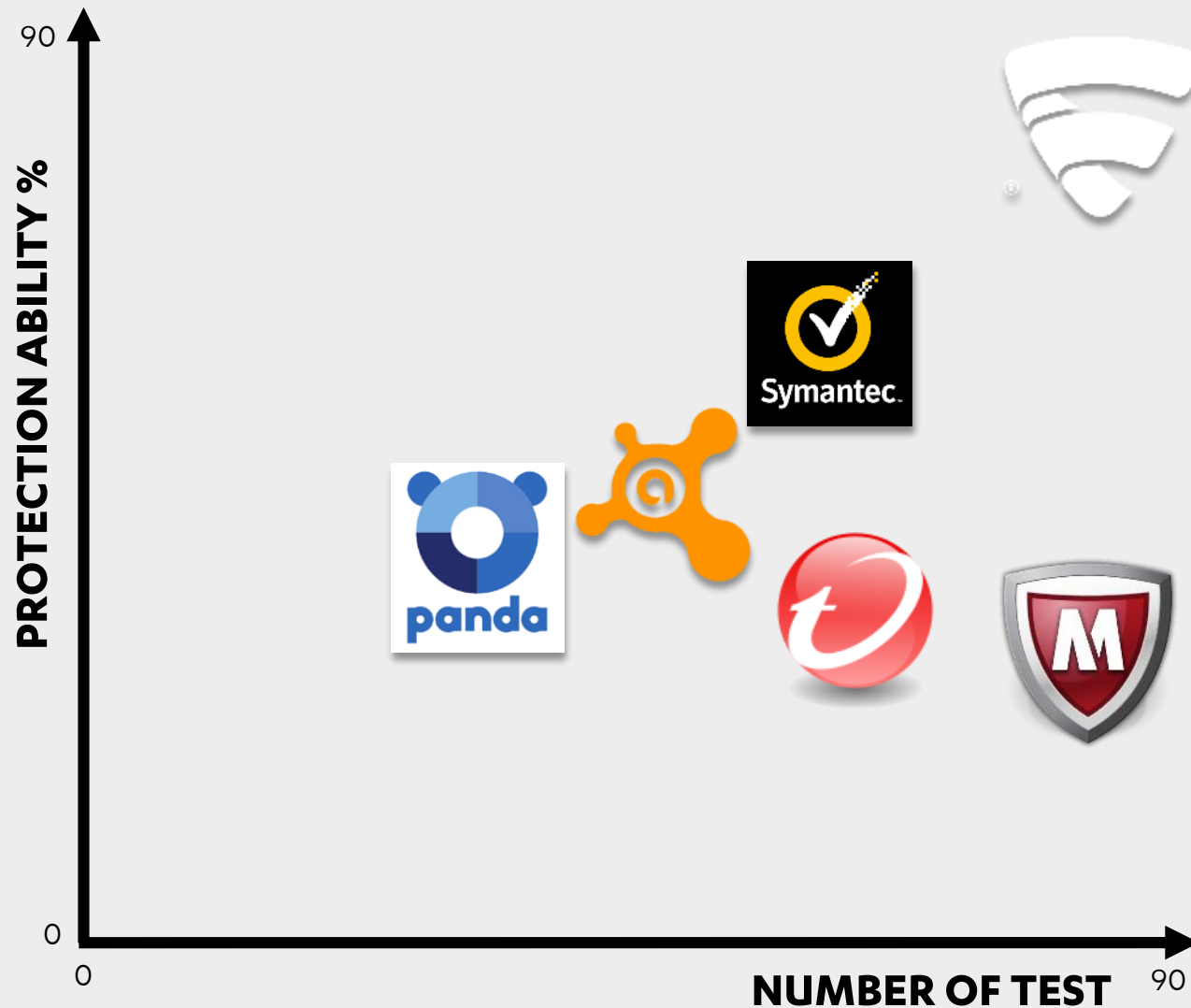
Corporate cyber threats



Internet of Things

NEW INITIATIVE

BEST PROTECTION



OUR CORE BUSINESS

CONSUMERS

**PROTECT
ALL DEVICES**

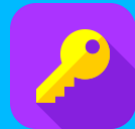


**F-SECURE
SAFE**

**ENSURE
PRIVACY**



**F-SECURE
FREEDOME**



**F-SECURE
KEY**

BUSINESS



**PROTECTION
SERVICE FOR
BUSINESS**

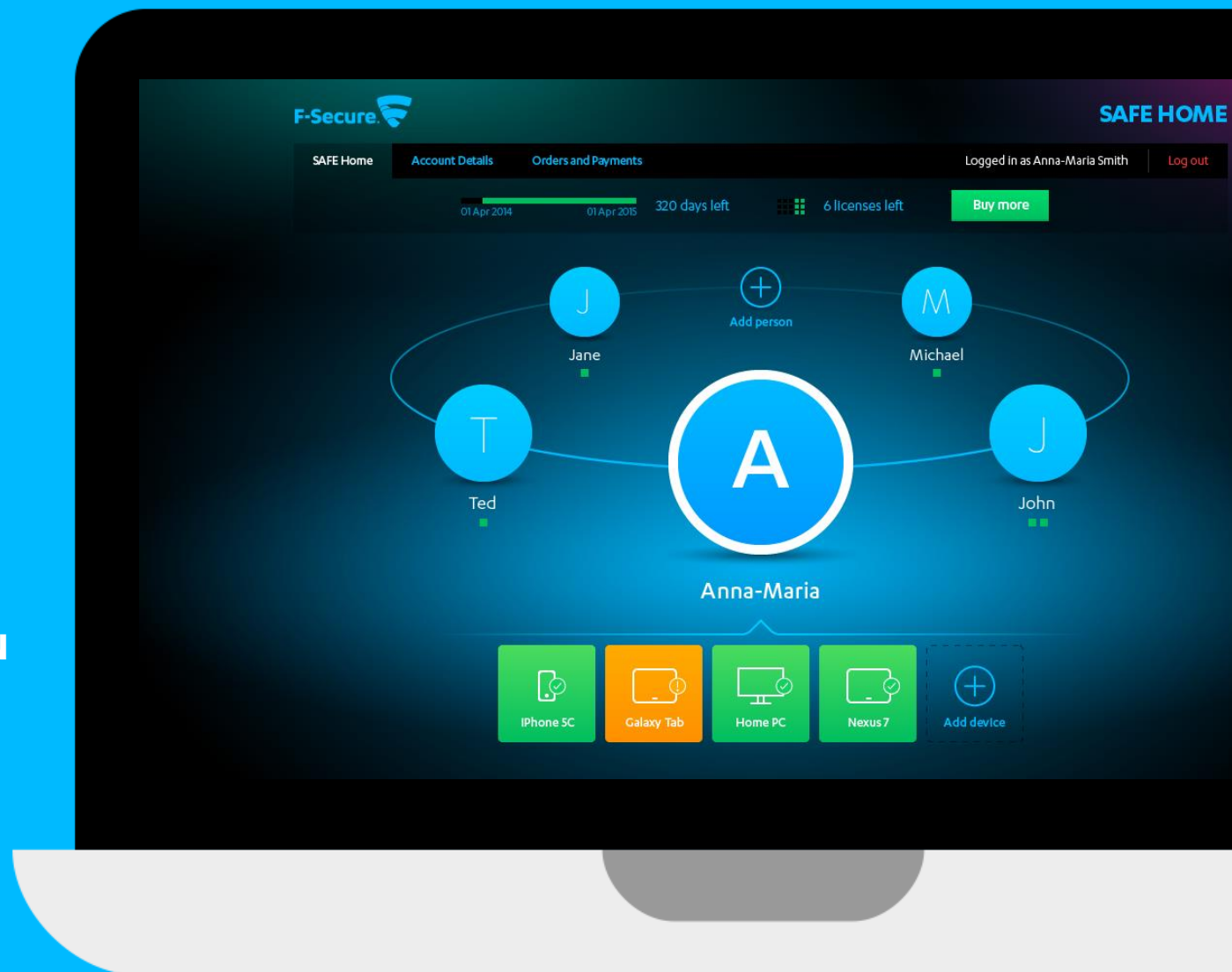
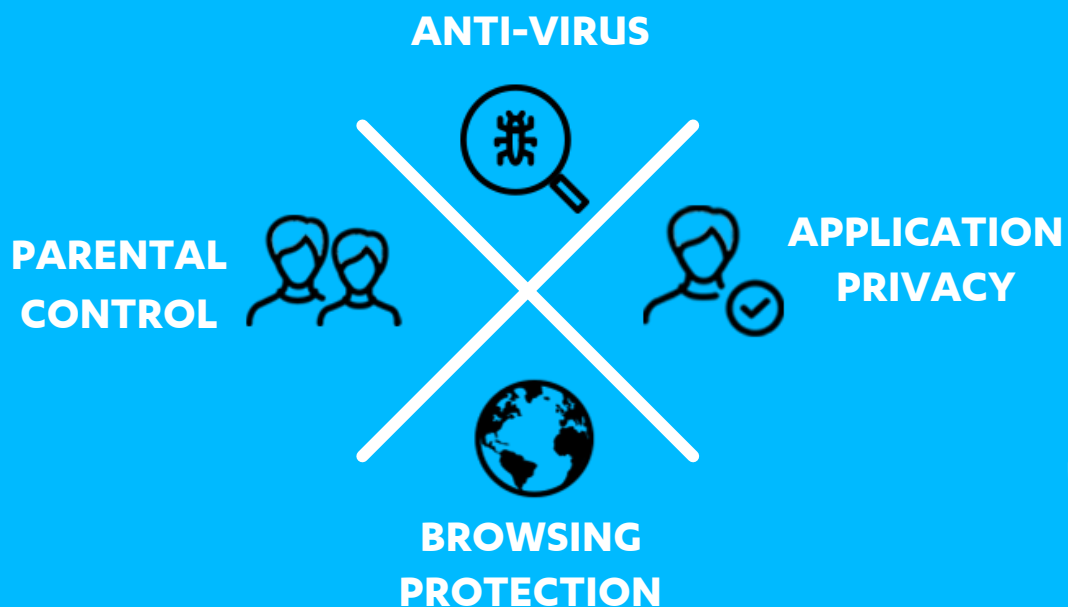


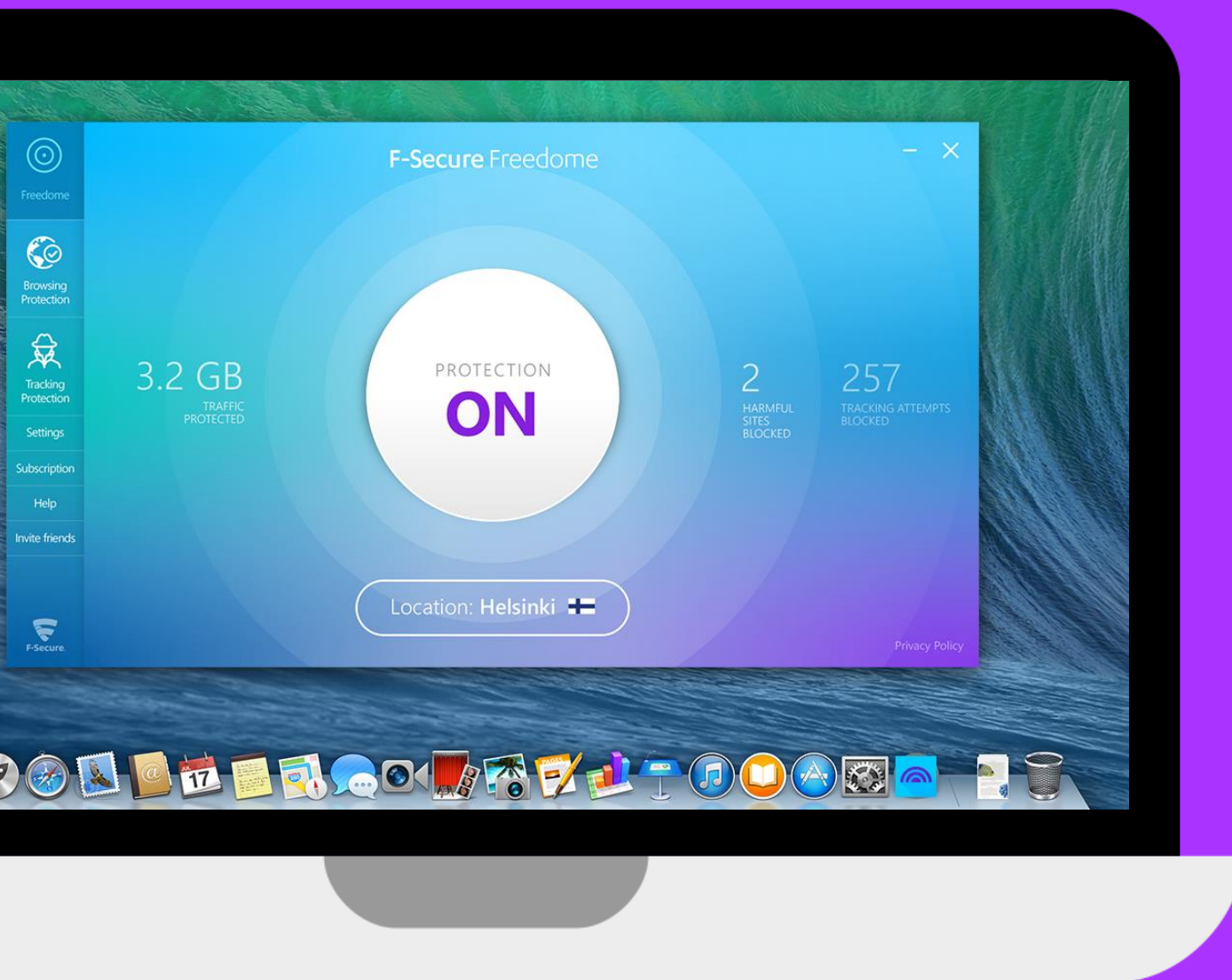
**F-SECURE
FREEDOME**



F-SECURE SAFE

PROTECT YOUR LIFE ON EVERY DEVICE





Windows | Android | OS X | iOS

FREEDOME

PRIVACY ENSURED ON EVERY DEVICE





FREEDOME MARKETING & COMMS ACTIVITIES

- Freedom for Mac launch in May: beta program ongoing, Republica event with keynote and stunt, online activation
- Privacy Hub and Privacy Checker for engaging content marketing
- PR & Social media, Youtuber collaboration
- Co-op marketing to maximise exposure
- Exclusive online campaign with Nano
- Online blogger campaigns
- Performance marketing towards paying customers

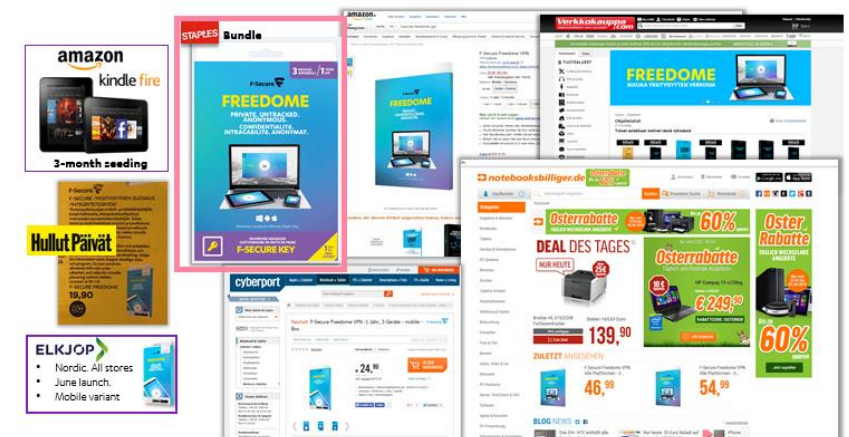


AVAILABLE

On all major platforms
(OSX in May 5)



AVAILABLE
in retail and
online retail
stores



PROTECTION SERVICE FOR BUSINESS

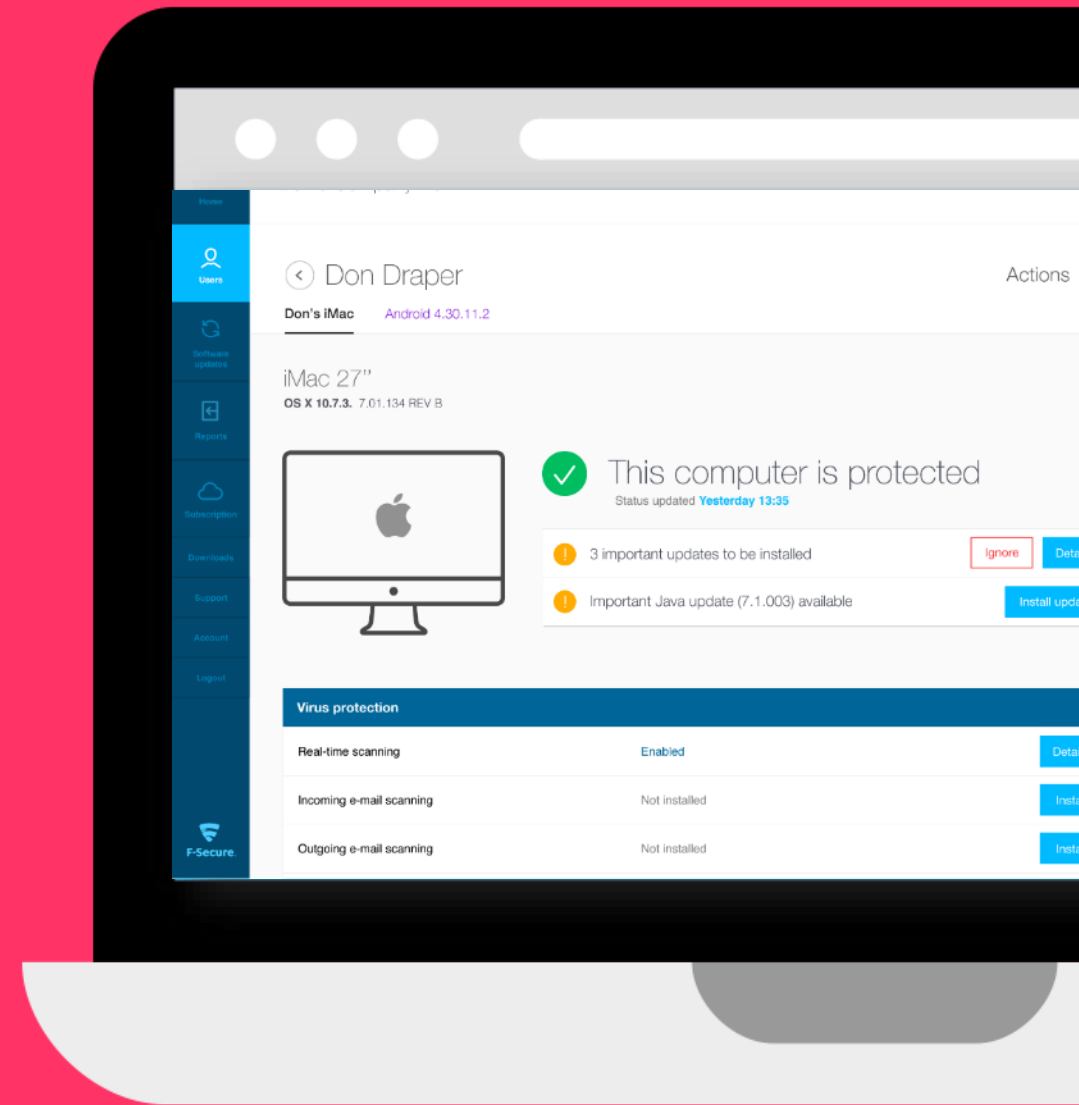
SECURE
WI-FI



AUTOMATIC
SOFTWARE
UPDATER

SECURE DATA
SHARING & EASY
COLLABORATION

CENTRALIZED
MANAGEMENT



Don Draper

Actions

Don's iMac Android 4.30.11.2

iMac 27"

OS X 10.7.3, 7.01.134 REV B



This computer is protected

Status updated Yesterday 13:35



3 important updates to be installed

Ignore

Details



Important Java update (7.1.003) available

Install update

Virus protection

Real-time scanning	Enabled	Details
Incoming e-mail scanning	Not installed	Install
Outgoing e-mail scanning	Not installed	Install

OUTLOOK FOR 2015

The management's estimation for the year is unchanged:

- **Overall security revenues** are anticipated to grow slightly in 2015 (2014: EUR 137.4 million)
- **Operating profit** is estimated to be around 15% of revenues (excluding the profit from the sale of the personal cloud storage business)
- Approximately EUR 6 million in revenue related to services provided to Synchronoss Technologies is anticipated to be recognized in **discontinued operations**

The estimates are based on the sales pipeline at the time of publishing, existing subscriptions, support contracts and exchange rates previous experience



FINANCIALS Q1 2015

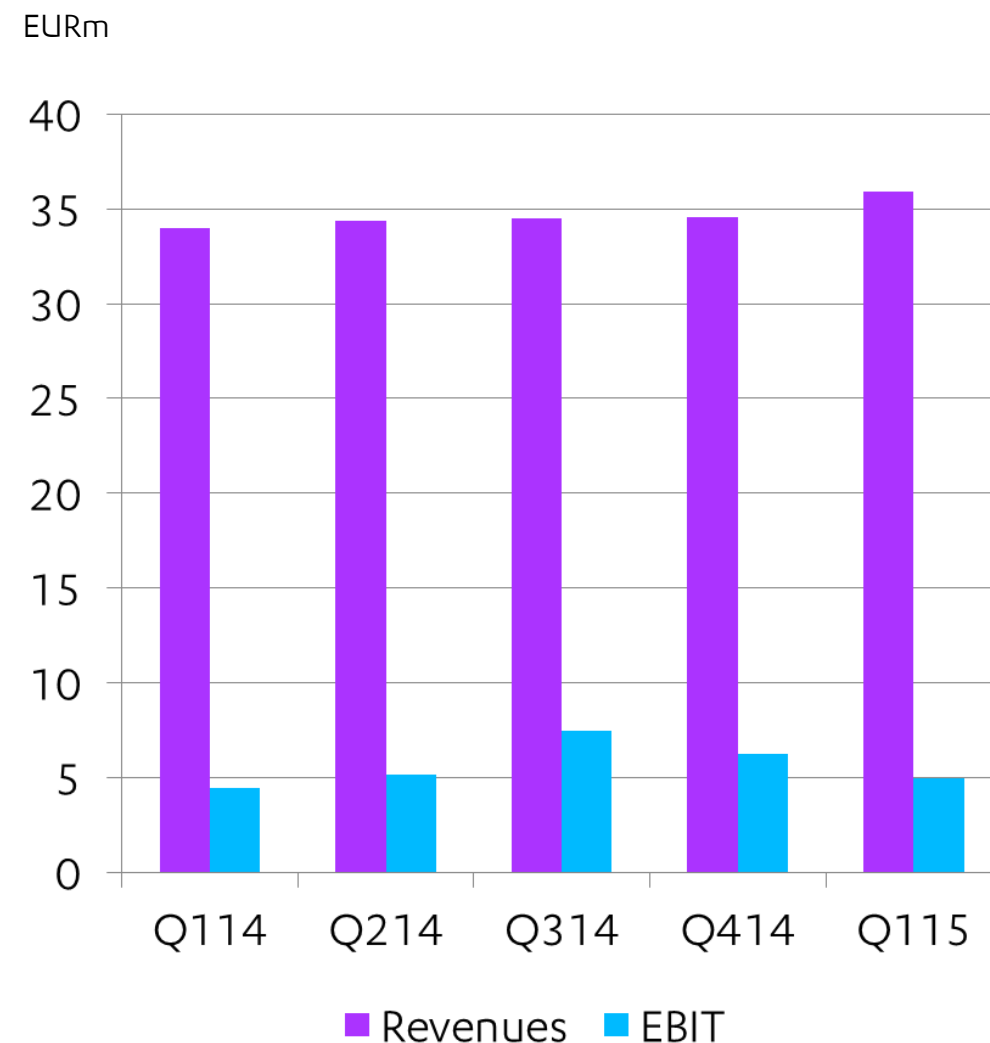


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REVENUES

Q1 Revenues increased by 6%

- Total quarterly revenues 35.9m (Q114: 34.0 m); positively impacted by FX rates
- Operator revenues increased by 3% to 19.6m; (Q114: 18.9 m)
- Other channels grew by 9% to 16.4m (Q114:15.1 m)

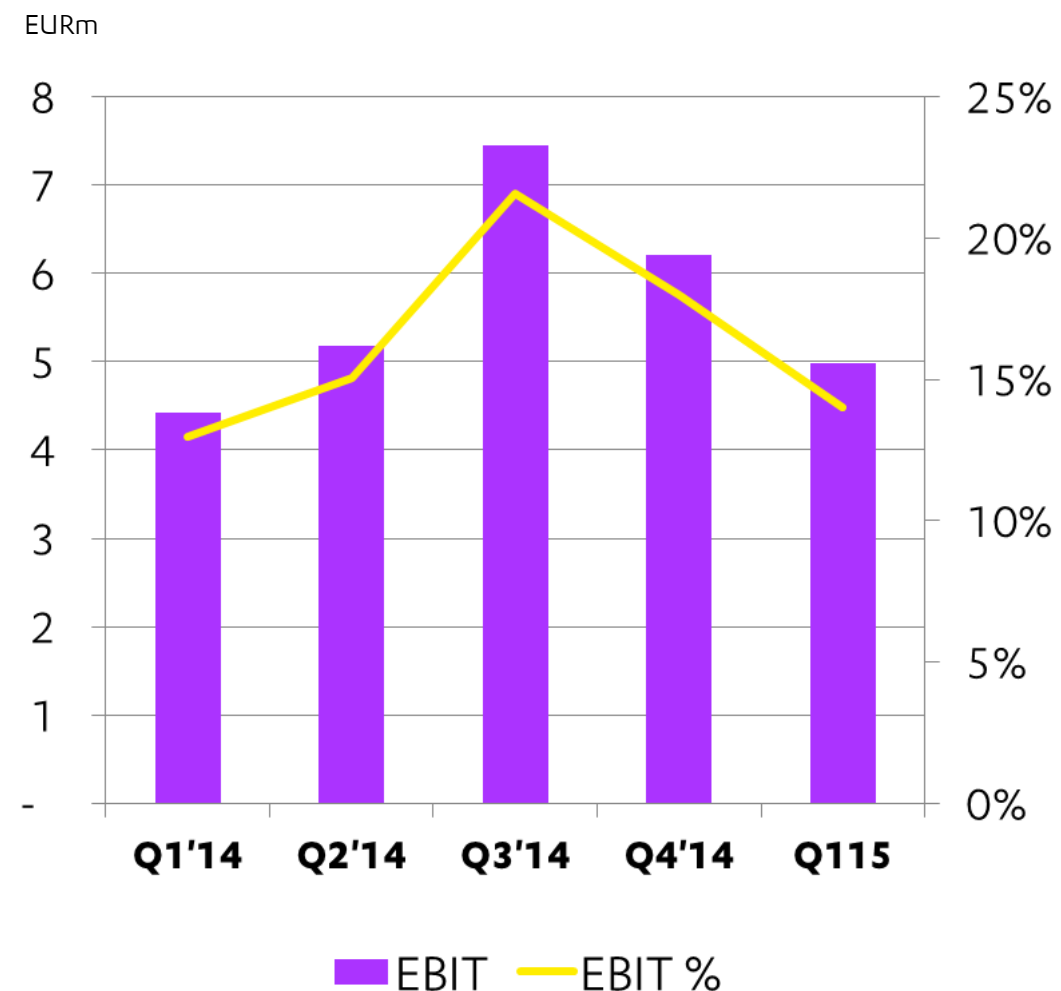


PROFITABILITY

Q1 Operating Profit

- EBIT 5.0, 14% (Q1'14*: 4.4m, 13%)
- Earnings per share for continuing operations EUR 0.04 (EUR 0.02)
- Earnings per share EUR 0.11 (EUR 0.01)

* Excluding non-recurring items of 0.4m



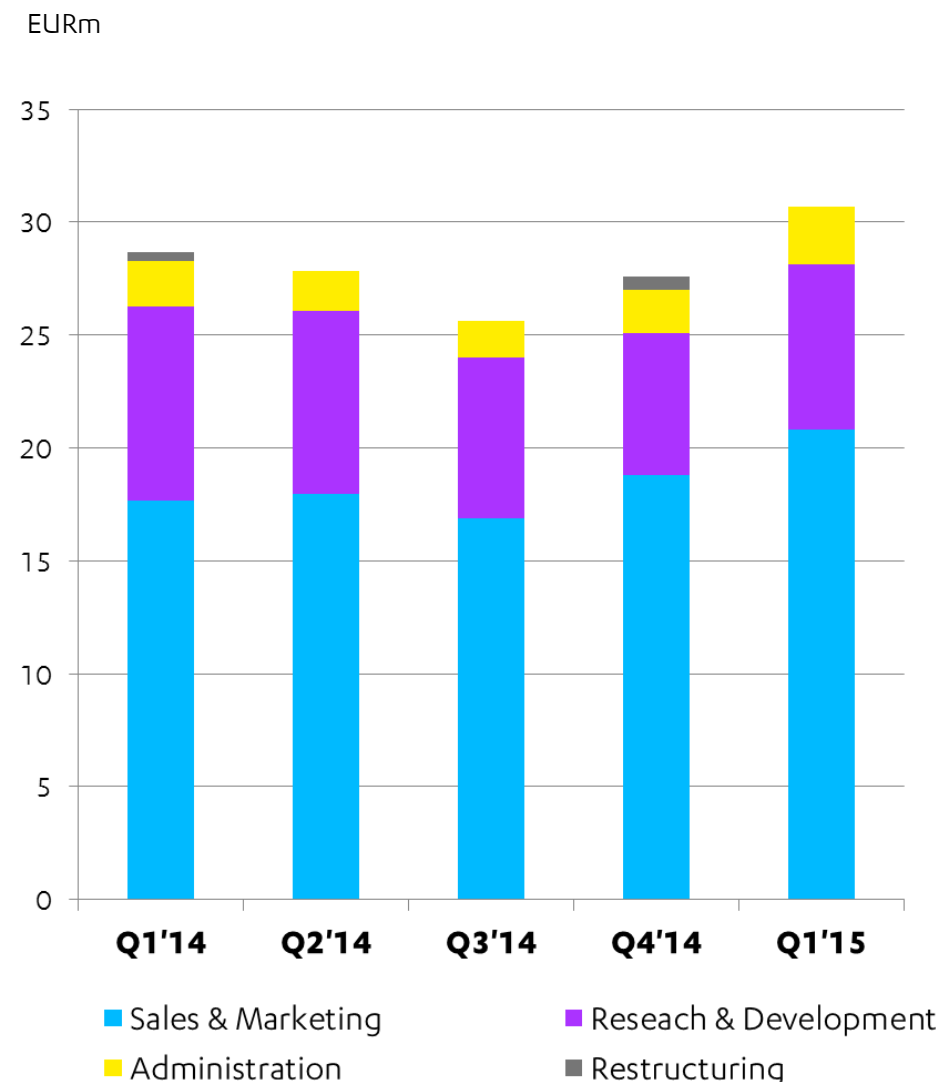
COSTS

Q1 costs increased by 8%

Costs 30.7m (Q114 * : 28.3m)

- Cost increase driven by Sales & Marketing activities; i.e. SAFE business, SMB focus in Germany, France and USA, and Freedom
- Depreciations from past capitalized expenses were 2.1m (Q114: 2.3m)
- Capitalized R&D expenses were 0.5m (Q114: 0.5m)

* excl. non-recurring items of 0.4m

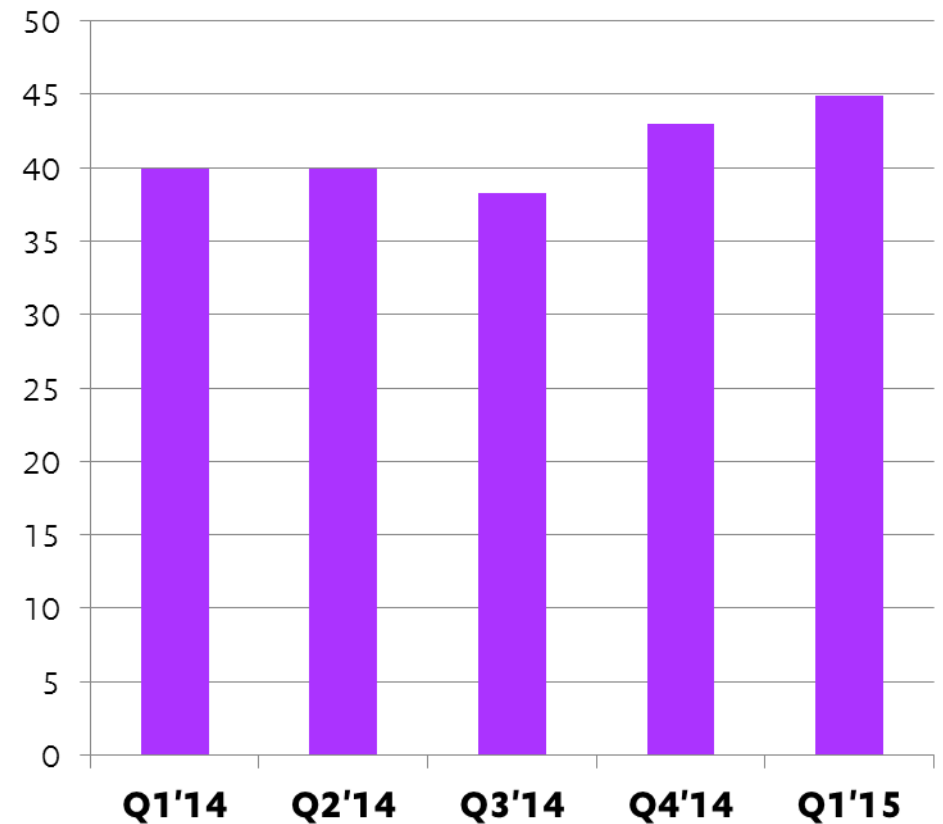


DEFERRED REVENUES

**Q1 Deferred revenues grew to 44.9m
(39.9m)**

- Strong sales performance in Corporate and Direct Business

EURm



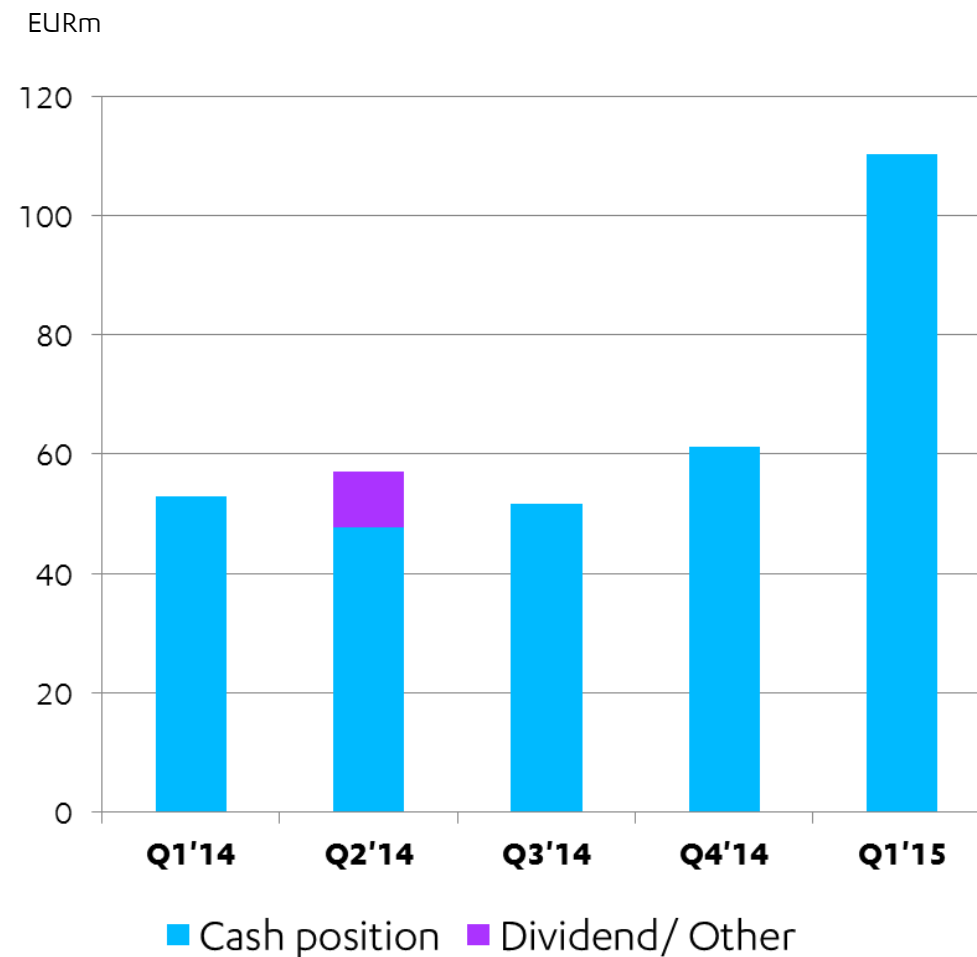
SOLID CASH POSITION

Solid Cash flow in Q1

- Cash flow from operations 4.6* m (Q114: 6.1m)
- Change in cash 47.3* m positive (Q114: 4.9m positive) primarily due to sale of personal cloud storage business

Market value of liquid assets 110.2* m
(Q114 : 53.0m)

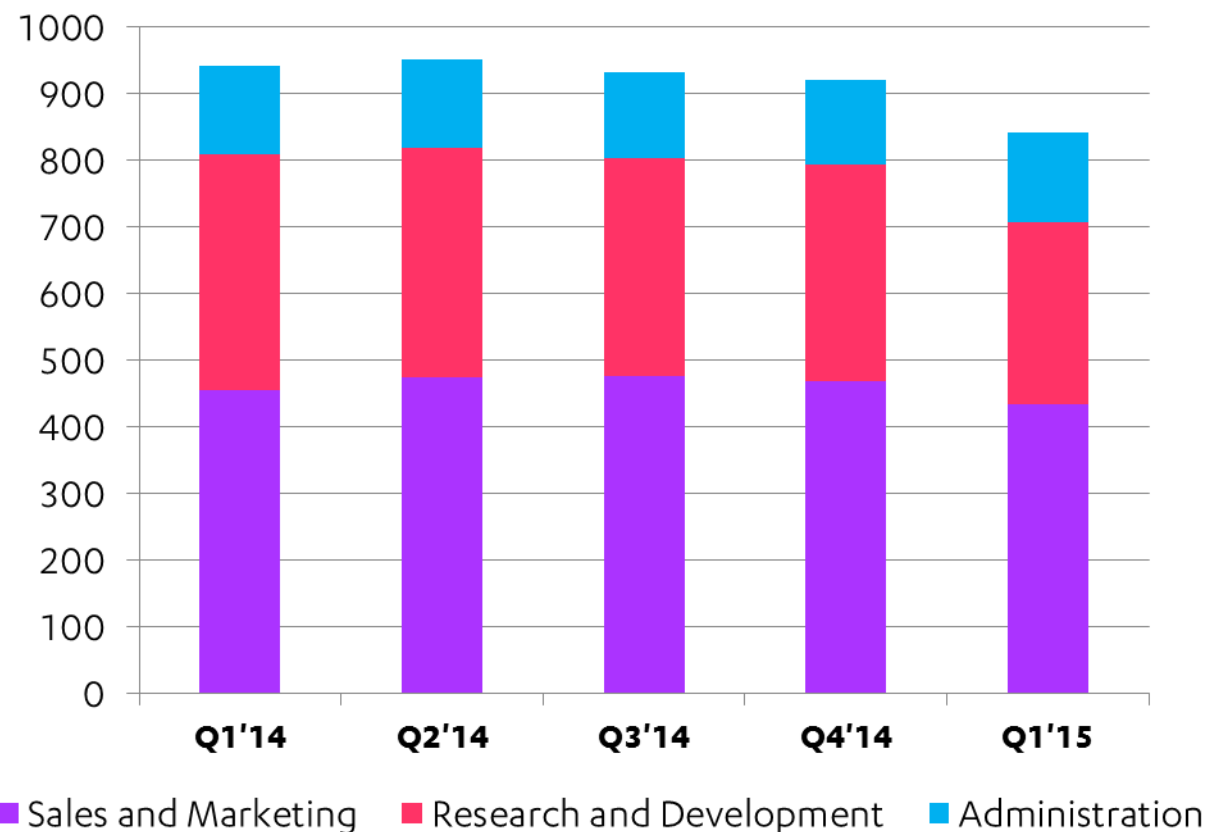
* Including discontinued business



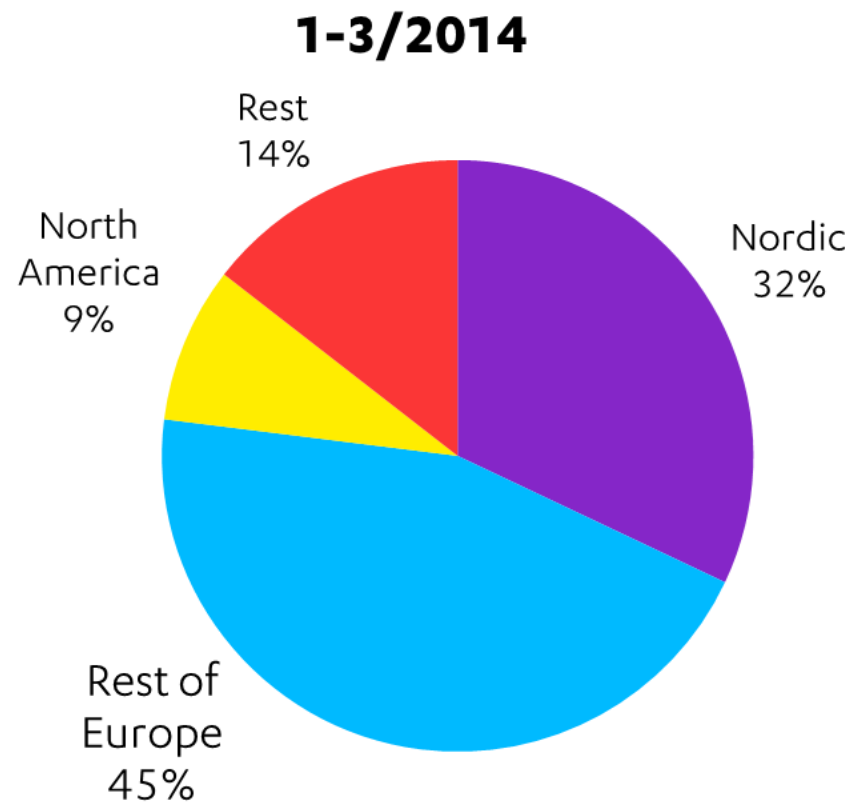
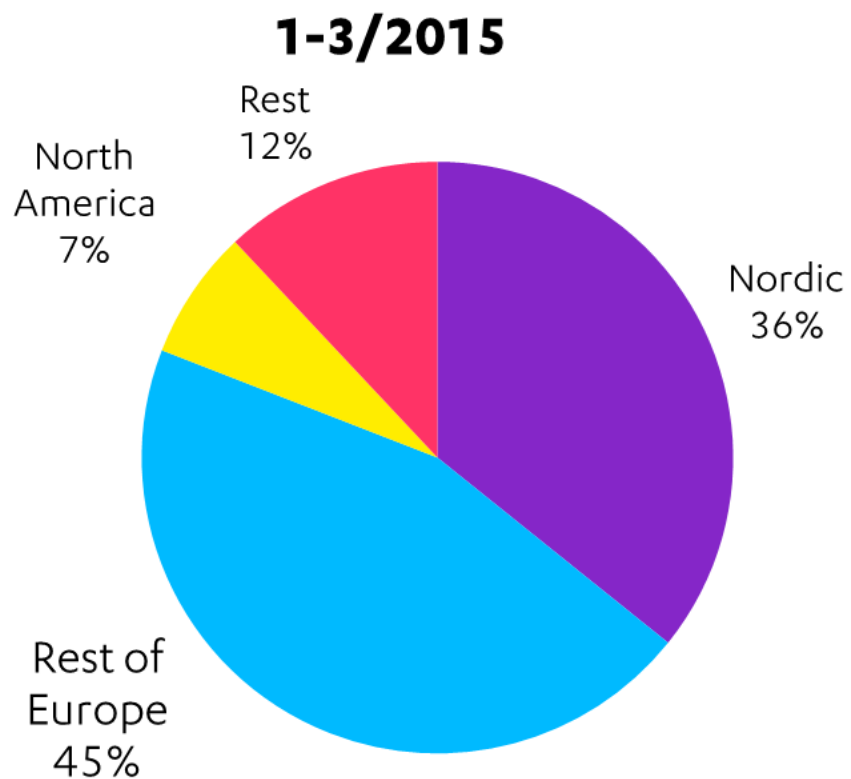
NUMBER OF PERSONNEL

- Number of personnel 841 (Q1/14: 941)* at the end of the quarter
- 50 F-Secure employees became employees of Synchronoss Technologies as of 25 February 2015

* Including discontinued business



REGIONAL REVENUE



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.



SWITCH ON FREEDOM

f-secure.com/digitalfreedom