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F-SECURE CORPORATION - INTERIM REPORT JANUARY 1 – DECEMBER 31, 2011

STRONG YEAR-END, REVENUE GROWTH ACCELERATED DRIVEN BY THE OPERATOR CHANNEL

Highlights in Q4

- Total revenues grew by 16% reaching record level of 40.0 million (Q42011: 34.4m)
- Operator channel continued excellent performance; growth accelerated to 32% reaching revenues of 24.3 million (18.4m); revenue growth was driven by healthy security and content cloud sales
- EBIT was 6.5 million representing 16% of revenues (3.6m, 10% of revenues/ 5.6m, 15% excl. re-structuring costs)
- Earnings per share was EUR 0.03 (EUR 0.02)
- Cash flow from operations was 7.1 million positive (7.2m)

- Christian Fredrikson started as CEO as of January 16, 2012 (as announced on November 15, 2011)

Highlights in 2011

- Total revenues grew by 12% to 146.0 million (2010: 130.1m)
- Operator channel performed very well; growth accelerated to 26%, reaching revenues of 84.8 million (67.1m)
- EBIT was 23.6 million representing 16% of revenues (19.8m, 15% of revenues/ 21.8m, 17% excl. re-structuring costs)
- Earnings per share was EUR 0.11 (EUR 0.10)
- Cash flow from operations was 20.8 million positive (23.2m)
- Company's good performance in content cloud business supported the strong revenue growth in operator channel together with well performing security sales
- Financial performance was in line with management's estimation for the year.

Outlook for 2012 – management estimation for the year

- Annual revenue growth is expected to be around 10% and EBIT expected to be around 15% of revenues
- The Company continues to prioritize growth over short term profitability and plans to invest the majority of the improved earnings back to growth opportunities in its core business. Approximately 7 million of cost increase is coming from the end of development activations of new platforms and increased depreciations.

(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	2011	2010	2011	2010
(Eur Million)	10-12	10-12	12m	12m
Revenues	40.0	34.4	146.0	130.1
Operating profit	6.5	3.6	23.6	19.8
% of revenues	16%	10%	16 %	15 %
Profit before taxes	6.6	3.7	23.5	19.9
Earnings per share (Eur)	0.03	0.02	0.11	0.10
At the end of period: Deferred revenues	38.3	37.2	38.3	37.2
Equity ratio, %	68%	69%	68%	69%
Debt-to-equity ratio, %	-47%	-63%	-47%	-63%
Personnel	942	812	942	812

President and CEO Christian Fredrikson:

“We are pleased with our overall 2011 financial performance and especially with accelerating revenue growth that was at the upper end of our estimations. The strong revenue growth was driven by our well performing operator business. Operator revenue growth accelerated in Q4 to 32% YoY and annually 26% YoY demonstrating robust demand for both security and content cloud services.

Our success is based on our strong operator channel and stable license business. Our entry into the content cloud business looks promising and offers great growth opportunity. By helping operators to establish local, secure and trustworthy Internet services F-Secure enhances its position as operators’ long-term partner. We help operators compete with Internet players and device manufacturers for consumers’ share of mind. We are aiming for continuous revenue growth in the operator channel in the future.

I am excited to join F-Secure and to work with highly committed people. Despite the challenges in the world economy I can see opportunities to drive high growth over the longer term. The Company is financially solid and we continue to invest in our future competitiveness. I will use time to meet customers and ensure strong execution of the Company’s growth strategy. We will continue to focus on delivering higher revenue growth and improving profitability. Finally, I want to thank Pirkka (acting CEO) and all personnel for the good work in 2011.”

F-Secure business during January – December 2011

Total revenues for 2011 were 146.0 million (130.1m), representing growth of 12%. Revenue growth through the operator channel remained strong with 26% growth from the previous year totaling 84.8 million (67.1m). Revenues through other channels were, as anticipated, down by 3% totaling 61.2

million (63m). EBIT was 23.6 million (19.8m/21.8m excl. re-structuring costs in Q410), representing 16% of revenues (15%/17%). Earnings per share were EUR 0.11 (EUR 0.10). Cash flow from operations was 20.8 million positive (23.2m positive). Deferred revenues were 38.3 million at the end of December (37.2m) due to good sales in the license business.

Total fixed costs were 115.9 million (103.2m), 12% higher than in the previous year. F-Secure capitalized some of its R&D expenses according to accounting rules, totaling 7.8 million (2.3m) and booked write-offs of 1 million related to prior R&D investments. The cost increases were allocated to well progressing geographic expansion in Latin America, content cloud project deliveries and R&D to increase the competitiveness of PC and mobile device (e.g. iOS, Android, Windows) solutions and content cloud development.

In 2011 the geographical breakdown of revenues was as follows: Finland and Scandinavia 32% (33%), Rest of Europe 45% (46%), North America 11% (9%) and Rest of the World 12% (12%).

Operator channel and its performance in Q4

The Operator channel, which includes Internet service providers, mobile operators and cable operators, is the main channel through which F-Secure services are delivered. F-Secure has more than 200 partners in over 40 countries with an addressable market of over 250 million fixed and mobile broadband customers. The total number of F-Secure's operator partners is significantly larger than that of any other security service vendor.

F-Secure provides, through Operators, security and content cloud services that are easy and intuitive to use for mainstream consumers. This channel utilizes Operators' presence and brand to reach millions of consumers in a cost efficient and scalable way. F-Secure provides its Operator partners with services that enable them to compete with other Internet players. By selling and offering security and content cloud services, the Operator can improve its ARPU (average revenue per user) and margins and reduce churn.

F-Secure currently generates a majority of its revenues from the Security as a Service business where Operators sell security service subscriptions to protect their customers against Internet threats. The revenues are shared by F-Secure and the Operator. Revenue growth in this area has been driven by increasing security subscriber numbers within the existing and new operator partner customer base. This has been supported by the growth of fixed and mobile broadband connections, natural demand for security services as well as relatively low take-up rates. Internet security services for smartphones and tablet devices currently generate a small portion of F-Secure and market wide volumes. The mobile security landscape has started to change recently due to smartphone and tablet sales growth.

Content cloud services, for example cloud-based storage, sharing and synchronization, are expected to become a major business opportunity for the software industry. The use of social media is increasing and people seek services for sharing, storing and organizing their personal data. In the

future, nearly every device that creates or stores data, including desktop and laptop computers, tablets, smartphones and digital cameras, will be backed up over the Internet. The overall interest in content cloud services among Operators is prominent as they have realized the business opportunity. To compete with other Internet players, Operators are looking for services that match the demand. Operators' advantage is their ability to manage the continuously diverging multi-device, multi-OS environment. Also, they are able to bring services to the masses and provide support for these services.

F-Secure's entry into content cloud services has strengthened the Company's position as a strategic partner to the Operators. Overall interest in the content cloud business among Operators is high. Currently, F-Secure has tens of Operators that are offering content cloud services, mostly standard on-line backup. In addition, with regard to more advanced cloud services like file synchronization and sharing, F-Secure has several prospects in the pre-sales phase. This business model is evolving. Usually the Operator offers limited capacity for free to the end user and charges for premium services. F-Secure charges the Operator a per-user fee for subscribers to the services. In addition to subscriber based revenues, additional revenue streams originate from optional features and functionalities, capacity usage, project deliveries and related customizations. F-Secure's revenues from content cloud subscriber services is at a relatively low level, but the management expects revenues to gradually increase as a growing number of operators will offer content cloud services to their customers together with increasing take-up rates.

F-Secure has increased its investments, mostly in the content cloud business but also in security services. In addition to new mainstream operating systems, such as Android, iOS and Windows, the Company is investing in platform development. These investments ensure the scalability and competitiveness of these services and allow Operators to offer F-Secure services, both PC and mobile, to a wide subscriber base.

The co-operation with AT&T in the area of content cloud services has proceeded very well. During Q4 the Company successfully delivered a new version of the content cloud platform. The public launch date for the service has not yet been communicated by AT&T. Q4 financials include revenues from AT&T project deliveries and initial commitment of subscriber revenues. User based subscriber revenues are expected to grow after the public launch of services.

As informed in the previous interim release, F-Secure has entered into partnerships with Telefonica and several other operators in Latin America, one of the fastest growing Internet user markets. These long term regional partnerships enable F-Secure to reach major wireless and mobile broadband markets with its Internet protection and storage related services. These partnerships are already contributing to revenue growth and are expected to increase gradually. The first launch with an Operator took place in Q2 2011.

During the quarter, the Company extended its collaboration with Telefonica in Latin America. Additional operator partner launches in several Latin America countries are expected to take place in the upcoming quarters.

In the fourth quarter of 2011, sales through Operator business partners continued remained buoyant and totaled 24.3 million (18.4m), representing 61% of F-Secure's total revenues (53%). Revenue growth was 32% compared to the corresponding quarter in 2011 and 13% to the previous quarter. The growth was driven by good security sales and increases in subscriber numbers, supported by content cloud revenues, including the AT&T project delivery and initial license commitment.

Annual revenues showed growth of 26% and totaled 84.8 million (67.1m), and 61% (52%) of the Company's total revenues.

Other channels in Q4

Other channels consist mainly of traditional license sales to consumers through eStore and retail, i.e. new licenses and renewals of Internet security and online backup for PCs and mobile devices. The other channels business also includes a wide range of Internet security services to corporate customers through the global reseller network.

During the fourth quarter, revenues were 15.7 million (16.0m), showing a decline of 2% from the corresponding quarter in 2011. These other channels represented 39% of F-Secure's total revenues (47%). The earthquake in Japan in March impacted negatively on sales for the whole year. Japan is a major market for F-Secure in the other channels business.

In other countries, sales in traditional channels continued well as expected. Customer satisfaction in security services continued at a high level, which was visible in healthy license renewal sales.

Annual revenues in the other channels business were as anticipated, showing a decline of 3% and totaled 61.2million (63.0m), which is 39% (48%) of the Company's total revenues. Deferred revenues at the end of December were 38.3 million (37.2m).

Products, services and technologies

F-Secure develops and sells Internet security and content cloud services that support personal computers, servers and an increasing set of major smartphone and tablet operating systems. Services include broad security suites like anti-virus, browsing protection and parental control as well as content cloud services like on-line back-up, synching and sharing.

F-Secure is investing further in the content cloud business and in security services. In addition to mainstream operating systems, such as Android, iOS and Windows, the Company is investing in

platform development. These investments ensure the scalability and competitiveness of services and allow Operators to offer F-Secure services, both PC and mobile, to a wide subscriber base.

Cloud computing has for the past few years been at the center of the company's technology strategy and choices. F-Secure uses cloud for two purposes: for Real-time Protection Network and for content cloud. Real-time Protection Network moves certain processing and memory intensive functions from the end-user device to the cloud, making the client software one of the fastest in the industry. Furthermore, by harnessing the collective intelligence of client systems, the real-time protection network is able to detect and react to new emerging threats a magnitude faster, and to provide protection to different device categories, such as smartphones. This technology provides reputations of files, sites and URLs and is utilized broadly in F-Secure solutions.

F-Secure has made significant investments in content cloud technology. F-Secure's carrier-grade cloud storage platform gives F-Secure the scalability and flexibility to tackle even the most complex requirements of the largest operators in the world, while at the same time making small deployments feasible to enable new solutions to be trialed in a fast and incremental manner.

The combination of security and content cloud-based technologies will in the future allow F-Secure to create new and innovative solutions for personal computers, smartphones and other devices.

F-Secure puts emphasis on user experience design when developing services. User experience designers, marketers and developers utilize consumer research, focus groups and usability tests to explore consumer needs and validate new product and service prototypes with consumers, thereby ensuring that they are appealing and usable when introduced to the public. User experience along with technical performance are crucial for the commercial success of solutions and services.

During 2011 the key product announcements were as follows:

In December, F-Secure introduced a new version of F-Secure Online Backup, which automatically makes backup copies of pictures, music and other important content saved on the computer and stores these backups on secure servers on the Internet. Backup occurs automatically whenever the computer is connected to the Internet and users can easily restore files, either automatically or by selecting the files they need.

In December, F-Secure introduced F-Secure Mobile Backup, which offers a worry-free way to back up a user's mobile specific content such as contacts, sms's, photos and videos. The solution can also be used to ease swapping from one phone to another and it only takes a couple of clicks to share content stored on the device with friends and family. The solution supports Android, Symbian, iOS and Blackberry operating systems. It can be provided by operators as a stand-alone or bundled service. F-Secure Mobile Backup will be first available through selected F-Secure's operator partners and in 2012 through other consumer channels.



In November, F-Secure unveiled a new version of Mobile Security, F-Secure Mobile Security 7.5, which features improved cloud based security and a number of new features for Parental Control, such as Safe Applications, Safe Contacts and an End User Web Portal for managing the Anti-Theft functionalities. Safe Applications employs a simple tick-in-a-box system that makes it easy for parents to select the types of applications that cannot be used on a mobile device. Safe Contacts enables the user or parents to define a list of Safe Contacts and to control the calls, text messages and multi-media messages received. The End User Web Portal provides access the product's Anti-Theft features, in addition to using the existing SMS commands. The portal is accessible via web and mobile browsers, allowing users to launch key anti-theft operations like Remote Lock, Wipe, Locate, Alarm and Unlock from an intuitive web interface.

As an addition to the list of supported operating systems, Android, Symbian and Windows Mobile, F-Secure Mobile Security introduced its BlackBerry Anti-Theft client for F-Secure's operator partners, making available an even more comprehensive line of security solutions.

In November, F-Secure broadened its Security as a Service offering to cover also resellers. F-Secure is the first security vendor to offer its complete business portfolio as a service. The portfolio covers security for desktops, laptops, mobile devices, servers, email and web filtering solutions. It provides security management for all devices and includes automated security and software updates.

In October, F-Secure announced a new version of its flagship internet security service, F-Secure Internet Security™ 2012. F-Secure Internet Security 2012 is based on new technology architecture and offers extraordinary ease-of-use, with multi-layered protection and fast performance for computers.

In June, F-Secure introduced a new version of its mobile security product, F-Secure Mobile Security 7. F-Secure Mobile Security 7 is a complete security solution for smartphones and tablet computers. It provides safe web browsing with parental control, protects confidential content, and makes it possible to locate your device if it is lost or stolen. Mobile Security identifies which websites are safe to enter and which you should avoid.

In May, F-Secure launched F-Secure Anti-Virus for Mac for home users and businesses. The product has been designed with performance in mind, making it easy and fast to use. It gives real-time protection against all Mac-based threats, automatically detecting and removing any malware. F-Secure's automatic updates ensure protection for Macs in today's rapidly changing threat landscape.

In May, F-Secure launched F-Secure Protection Service for Email, which is an effective and hassle-free email security service for small and medium enterprises. F-Secure Protection Service for Email is a cloud-based offering powerful real-time protection for email against unwanted content, viruses and spyware, as well as spam control. F-Secure Protection Service for Email has 99% spam detection accuracy.

In March, F-Secure introduced a new Partner Portal for its resellers. The portal provides advanced online tools for resellers that help them to react quickly and efficiently to end-customers' needs, boosting sales and customer service. The new Partner Portal makes life easier for resellers by bringing all their end customer information to a single location where they can conveniently manage accounts, calculate offers and find the full range of sales support materials from F-Secure.

In March, F-Secure Policy Manager 10 was introduced to the corporate segment. F-Secure Policy Manager 10 delivers a new level of effectiveness by automating daily security operations. IT security management now requires less manual work. F-Secure Policy Manager 10 automates daily operations like protecting new computers and the removal of disconnected hosts. With the Policy Manager centralized security management solution, security administrators can remotely install, configure and monitor workstations, servers or even remote offices from one location. The new version of Policy Manager also introduces several features to boost productivity and performance.

In February, a new version of F-Secure's Protection Service for Mobile (PSM 7) was introduced at the Mobile World Congress in Barcelona, Spain. The Protection Service for Mobile enables operators to offer comprehensive protection and parental control for their customers' mobile devices. PSM enables operators to offer an end user service that makes Internet browsing, social networking and mobile financial transactions safer by automatically identifying harmful web sites, as well as keeping children safe from inappropriate and dangerous web content. PSM also helps operators' customers to lock, locate and erase missing devices and gives protection against harmful applications and viruses. PSM supports multiple mobile platforms, and includes several customizable alternatives for operators to offer mobile security as a service to their customers.

In January 2011, F-Secure received the "Product of the Year" award issued by AV-Comparatives, one of the major independent testing organizations in the industry. The testing organization described Internet Security 2011 as a well-designed product with a clear and easy-to-use interface.

Market situation

During the quarter the security space experienced no significant changes in the competitive landscape or in pricing levels. Usual signs of price competition are evident in some countries in the security market, especially in traditional license business. Commercial interest in the content cloud business is picking up with the introduction of new cloud services to the market. Many of F-Secure's traditional competitors are also entering the content cloud business.

F-Secure's competitive position in the Operator channel has remained strong. The growth of fixed and mobile broadband access supports the position of Operators in providing security and content cloud services.

Personnel and organization

F-Secure's personnel totaled 942 at the end of Q4 (812). The number of personnel has continued to increase especially in sales and marketing, project delivery and R&D in respect to content cloud business.

Currently, the Executive Team consists of the following persons: **Christian Fredrikson** (President and CEO), **Ari Alakiuttu** (Vice President, Human Resources), **Tuomas Hyryläinen** (Vice President, Strategy and M&A), **Samu Konttinen** (Vice President, Sales and Marketing), **Maria Nordgren** (Vice President, Channels), **Pirkka Palomäki** (Chief Technology Officer), **Kari Penttilä** (Vice President, R&D), **Patrik Sallner** (Vice President, Professional Services) and **Taneli Virtanen** (Chief Financial Officer). Pirkka Palomäki was acting CEO during November 1, 2011 – January 15, 2012.

President & CEO Christian Fredrikson started in his position in F-Secure on January 16, 2012. Pirkka Palomäki continued in his previous position as CTO based in the U.S., from January 16, 2012.

Financing and capital structure

F-Secure's financial position remained solid. F-Secure's equity ratio at the end of year was 68% (69%) and gearing ratio was 47% negative (63% negative).

Cash flow from operations for the year was 20.8 million positive (23.2m positive); lower than in the previous year mainly due to increased capex and activations. Net financial income was slightly negative at 0.1m, impacted by low interest income and exchange rates losses (0.0m).

The Company's cash position has developed according to the longer term efficient capital management objectives. The market value on December 31, 2011 of the liquid assets of F-Secure was 28.1 million (32.8m).

Changes in exchange rates did not have material impact on sales and costs.

Capital expenditure

F-Secure's capital expenditure for the year was 18.7 million (10.4m), consisting mainly of capitalization of development expenses for Operator platforms and applications for both security and content cloud services.

Capital management and repurchase of own shares

The objective of F-Secure's capital management is to achieve an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value. During 2011, the Company continued its share buy-back program, announced to start on May 31, 2011. In the repurchase of own shares between June 8 and November 11, 2012, F-Secure bought in a total of 700,000 shares.

The share buy-back program is based on the authorization of the Annual General Meeting of March 30, 2011. The maximum number of shares to be repurchased is 2,000,000 shares, representing a maximum of approximately 1.3% of all shares issued by the Company. The shares are purchased through public trading on the NASDAQ OMX Helsinki Ltd. in accordance with its rules and at market price. These own shares will be purchased in order to improve the Company's financial structure, to be used as part of the incentive compensation plan, or to be used for the purpose of making acquisitions or implementing other arrangements related to the Company's business, or otherwise assigning or cancelling the shares.

Including all shares bought, the total number of own shares held at the end of December 2011 was 4,007,313 shares, corresponding to approximately 2.5% of the Company's shares and voting rights.

In January 2012, the company assigned a total of 274,923 shares to the 21 participants of the F-Secure share-based incentive program as a reward payment. The handover date for the shares was January 13, 2012. After the transfer, F-Secure Corporation currently holds a total of 3,732,390 of its own shares.

Shares, shareholders' equity and option programs

In November, a total of 418,081 F-Secure shares were subscribed for with the C warrants attached to the F-Secure 2005 Warrant Plan. In aggregate the number of shares was increased by 418,081, which was registered in the Finnish Trade Register on Dec 7, 2011. F-Secure received as subscription price a total amount of EUR 618,759.88, which will be recorded in the fund for the Company's distributable equity. As a result of the registering the total number of shares is currently 158,798,739. Trading with the new shares commenced on Dec 8, 2011. The subscription period for the 2005 C warrants began on March 1, 2010 and ended on November 30, 2011.

In September, a total of 510,522 F-Secure shares were subscribed for with the C warrants attached to the F-Secure 2005 Warrant Plan. The issue of the 2005 Warrant Plan was approved by the Annual General Meeting on March 23, 2005. In aggregate the number of shares was increased by 510,522, which was registered in the Finnish Trade Register on Sep 6, 2011. F-Secure received as subscription price a total amount of EUR 755,572.56, which was recorded in the fund for the Company's

distributable equity. As a result of the registering the total number of shares is 158,380,658. Trading in the new shares commenced on Sep 7, 2011.

In May, a total of 45,000 F-Secure shares were subscribed for with the C warrants attached to the F-Secure 2005 Warrant Plan. The issue of the 2005 Warrant Plan was approved by the Annual General Meeting on March 23, 2005. In aggregate the number of shares was increased by 45,000, which was registered in the Finnish Trade Register on May 24, 2011. F-Secure received as subscription price a total amount of EUR 66,600.00, which was recorded in the fund for the Company's distributable equity. As a result of this registration the total number of shares is 157,870,136. Trading in the new shares commenced on May 25, 2011.

In April, a total of 285,893 F-Secure shares were subscribed for with the C warrants attached to the F-Secure 2005 Warrant Plan. The issue of the 2005 Warrant Plan was approved by the Annual General Meeting on March 23, 2005. In aggregate the number of shares was increased by 285,893, which was registered in the Finnish Trade Register on Apr 12, 2011. F-Secure received as subscription price a total amount of EUR 423,121.64, which was recorded in the fund for the Company's distributable equity. As a result of the registering the total number of shares is 157,825,136. The trading in the new shares commenced on Apr 13, 2011.

2005 D-warrants of F-Secure Corporation were listed on the NASDAQ OMX Helsinki Ltd. and trading commenced on March 1, 2011. In connection with the 2005 Option Plan, the maximum of 4.5 million warrants will be issued which are divided into categories A, B, C and D. Each 2005 D-warrant entitles holders to subscribe to one F-Secure share at a price of EUR 2.09. The subscription price of the stock options shall, as per the dividend record date, be reduced by the amount of dividend per share. The subscription time for 2005 D-warrants began on March 1, 2011 and will end on November 30, 2012. In aggregate the 2005 D-warrants entitle holders to subscribe to 410,000 shares. The terms and conditions of stock options were published as a stock exchange release on February 17, 2011.

The total number of Company shares is currently 158,798,739. The corresponding number of shares diluted is 160,940,348 including all stock option programs. The Company's registered shareholders' equity is EUR 1,551,311.18. More information on the stock option programs is available on the Company's investors web pages.

Share-based incentive program

In January 2012, F-Secure announced that the Board of Directors has established for key employees a new share-based incentive program with earning period 2011-2013. The purpose of these programs is to support company's strategy by aligning the interests of shareholders and key employees in order to increase the value of the company and to commit key employees to the company. The Board determines the metrics of the share-based program and may change them according to the terms and conditions of the program. Metrics for the earning period are based on results in growth of new

businesses, stock performance against peer group and earnings per share against predefined objectives.

Participants in the share-based incentive program have the possibility to receive a reward of F-Secure shares and cash to cover taxes. There shall be a maximum total of 2,500,000 shares and a cash payment corresponding to the registration date value of the shares. The participants in the share-based incentive program are recommended not to sell more than 50% of the received shares and to cumulate the shares from the incentive programs until the value of the shares received from the share programs equals the annual gross base salary of the employee.

F-Secure Board of Directors established a share-based incentive program, with earning periods 2008-2010, for the company's key employees in 2008. Based on this program, reward payment from 2008 period was executed on January 13, 2012. The criteria set for the earnings period were Revenues and EBIT.

Corporate Governance

F-Secure complies with the Corporate Governance recommendations for public listed companies published on June 15, 2011 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 will publish a corporate governance statement for 2011 in the annual report and on the Company website in March 2012.

Risks and uncertainties

F-Secure has not seen material changes in risks and uncertainties during the reporting period. Uncertainty in the economic environment may impact on the growth of broadband connections and on Operators' willingness to invest in new services. These may have negative impact on F-Secure's security and content cloud sales. The Company continues to monitor closely the development in the economic and financial markets.

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 as new products and solutions, the ability to protect own 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, risk exposure from increasing contractual liability requirements and forming of the new business areas.

Due to the longevity and complexity of project deliveries in the content cloud business, project completion timelines and related revenues are more unpredictable by nature than in the traditional security services business. This may cause risks for delivery delay penalties and may cause more variability in revenue forecasts.

The arbitration process in Finland on a dispute regarding a distributor relationship in Brazil has been concluded. There was no material impact on the Company's financials.

Market view

The long term market opportunities are attractive for F-Secure. The growth of Internet users and Internet connected devices will drive demand for security and content cloud services.

The number of Internet users is growing and has now passed 2 billion. Global Internet penetration has kept growing and is now over 30%; in Asia 24%, in Europe close to 60%, and in North America close to 80% (source: Internet World Stats, U.S. Census Bureau, estimated in Mar. and Dec.2011). The growth of smartphones and other Internet connected devices is expected to accelerate to tens of billions during next 10 years (source: gigaom/ Ericson)

The global security software market keeps growing. The global security software revenue grew 12% in 2010 and the worldwide security software revenue totaled \$16.5 billion in 2010 (Gartner Jun.2011). Growth across the security segments varied greatly. The security market is undergoing rapid evolution in terms of both new delivery models with Security as a Service showing increasing popularity and new technologies being introduced (source: Gartner July 2011).

The volume of user generated digital content is expected to continue to increase rapidly during coming years, driven by digital photos and music. The use of social media is increasing and people look for services to share, store and control of their personal data. Parks Associates forecasts that operators providing security, storage and sharing value-added services have a revenue opportunity of \$1.03b 2012, increasing to \$4.82b during 2015.

Based on industry analyst estimates, the Software as a Service business model is expected to continue growing strongly and to gain more market share over traditional license sales. For Operators the Software as a Service model is a natural expansion to 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.

Long term objectives and strategy summary for 2012 - 14

F-Secure's first priority is to drive growth and market expansion. F-Secure is a pioneer in Security as a Service (SaaS) business with Operators. This channel has been driving the Company's revenue

growth over 10 years. Based on the company's strong technology assets in security, cloud computing and content cloud, F-Secure continues to create new innovative offerings to augment traditional security services, especially in the content cloud space.

F-Secure works together with Operators by providing security and content cloud services with which Operators can compete with Internet players. The Company's large operator network covers over 200 operator partners in over 40 countries with an addressable market of over 250 million fixed and mobile broadband customers. In addition, F-Secure's close co-operation with major mobile phone vendors and mobile phone operators provides good opportunities to benefit from the growth of the mobile Internet.

F-Secure focuses on increasing the penetration within the current operator base and continues to selectively seek partner expansion globally, especially in emerging markets. The penetration rates vary by operator; overall penetration levels are relatively low leaving substantial opportunity for growth.

The Company has revised its strategy for the next three years. The strategy forms solid ground for continuous growth and improving profitability.

Operators, including Internet service providers, mobile operators and cable operators, are the main channel for F-Secure services. F-Secure provides, through Operators, security and content cloud services that are easy and intuitive to use for mainstream consumers. This channel utilizes the presence and brand of Operators to reach millions of consumers in a cost efficient and scalable way.

Operators are competing with other Internet players and device manufacturers for consumers' share of mind. Operators' advantage is their ability to manage the continuously diverging multi-device, multi-OS environment. Also, they are able to bring services to masses and are able to support them.

The sources of F-Secure's competitive advantage include the existing operator and service provider network and relationships built over the years. Key assets include security research, experience in service provisioning in the Operator network environment and Operators' growing user base. Differentiation builds on top of the ability to combine security into storage and the Operator channel at large. By helping operators to establish local, secure and trustworthy Internet services the Company enhances its position as Operators' long-term partner.

During the strategy period the Company is aiming for double digit revenue growth (CAGR), driven by the Operator channel. The growth is expected to come from the western world and some emerging markets like Latin America.

The Company will continue its investments in the content cloud business and also in security services. In addition to mainstream operating systems, such as Android, iOS and Windows, the Company is investing in platform development. These investments ensure the scalability and competitiveness of the services and allow Operators to offer F-Secure services, both PC and mobile, to a wide subscriber

base. Profitability is expected to develop towards the 25% level at the end of strategy period due to improving scalability in content cloud business. F-Secure's longer term profitability level continues to be driven by revenue growth and scalable operations.

Outlook for 2012

F-Secure's Operator channel business (SaaS) is expected to continue with healthy growth rates driven by good security sales and content cloud projects with subscriber based revenues. The traditional license business is expected to continue to decline slightly as in 2011.

As overall uncertainty in the global economy and financial markets is expected to continue, this may have impact on Operators' interest to invest in new services, especially in new content cloud projects.

The management estimates annual revenue growth to be around 10%. The Company continues to prioritize growth over short term profitability and plans to invest a majority of the improved earnings back to growth opportunities in its core business.

Approximately 7 million of cost increase is arising from the end of development activations of new platforms and increased depreciations. The actual operational cost increases are fairly limited and are targeted to drive product portfolio competitiveness, build the scalability of the content cloud services and geographical expansion.

Annual profitability is expected to be around 15% of revenues and is expected to follow the usual seasonality with a better second half. 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.

News conference today at 11 am

A news conference for analysts and press is arranged today, on February 1, at 11 am Finnish time at F-Secure's Headquarters, address: Tammasaarenkatu 7, Ruoholahti, Helsinki. In the news conference, President & CEO Christian Fredrikson will present the Q4 financial results. Acting CEO until January 15, Pirkka Palomäki, will join the news conference for possible questions. A conference call for international investors and analysts is arranged at 14.00 Finnish time (13.00 CET, 12.00 UK time). To participate in the call, please dial in and register 5-10 minutes prior to the event through the following number: +44 20 7162 0077, password: F-Secure. The Q4 financial results presentation material will be available on our Investors web pages at www.f-secure.com under About F-Secure, Investors before the call begins.

Financial calendar for 2012

F-Secure will publish the interim report for the first quarter of 2012 on April 27, 2012. Quarterly interim reports in 2012 will be published on July 25 (Q2) and October 25 (Q3). On the publication date a stock

exchange release will be sent at 9 am Finnish time to the NASDAQ OMX Helsinki Ltd., a press and analyst conference will be arranged at 11 am Finnish time in Helsinki, and an international conference call will be arranged in the afternoon. The Annual General Meeting is scheduled to be held on April 3, 2012 and the annual report will be published in the beginning of March, latest on week 11.

F-Secure Corporation

Additional information

F-Secure Corporation
Christian Fredrikson, President and CEO
tel. +358 9 2520 0700

Taneli Virtanen, CFO
tel. +358 9 2520 5655

Mervi Pohjoisaho, IR
tel. +358 40 535 8989

This interim report is prepared in accordance with IAS 34 standard Interim Financial Reporting and with accounting principles stated in the Annual Report 2010.

Key figures (unaudited):					
Euro million					
INCOME STATEMENT	2011	2010	2011	2010	Chge
	10-12	10-12	1-12	1-12	%
Revenues	40.0	34.4	146.0	130.1	12
Cost of revenues	2.2	2.0	8.0	8.1	-2
Gross margin	37.8	32.4	138.1	122.0	13
Other operating income	0.4	0.3	1.4	1.0	42
Sales and marketing	18.0	15.9	64.7	59.6	9
Research and development	10.5	10.2	39.3	34.5	14
Administration	3.1	3.0	11.9	9.1	31
Operating result	6.5	3.6	23.6	19.8	19
Financial net	0.1	0.2	-0.1	0.0	0
Result before taxes	6.6	3.7	23.5	19.9	
Income taxes	-2.0	-0.5	-7.1	-4.6	
Result for the period	4.6	3.3	16.4	15.2	

Other comprehensive income:				
Exchange diff. on translating foreign operations	0.0	0.1	0.0	0.1
Available-for-sale fin. assets	0.1	-0.2	0.1	0.0
Income tax rel. to components of other comprehensive income	0.0	0.0	0.0	0.0
Total compr. income (owners)	4.7	3.2	16.5	15.4
Earnings per share, e	0.03	0.02	0.11	0.10
EPS diluted, e	0.03	0.02	0.10	0.10

BALANCE SHEET ASSETS	31/12/2011	31/12/2010
Intangible assets	25.3	16.0
Tangible assets	9.1	7.5
Goodwill	19.4	19.4
Other financial assets	5.5	6.0
Non-current assets total	59.2	48.8
Inventories	0.4	0.4
Other receivables	37.9	29.7
Available-for-sale financial assets	16.0	16.8
Cash and bank accounts	12.2	16.2
Current asset total	66.4	63.1
Total	125.7	111.9

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2011	31/12/2010
Equity	59.6	51.4
Other non-current	1.6	2.2
Deferred revenues	8.4	7.8
Non-current liabilities total	10.1	10.0
Other current	26.2	21.1
Deferred revenues	29.8	29.4
Current liabilities total	56.0	50.4
Total	125.7	111.9

CASH FLOW STATEMENT	31/12/2011	31/12/2010
Cash flow from operations	20.8	23.2
Cash flow from investments	-16.7	-11.5
Cash flow from financing activities 1)	-9.1	-13.2
Change in cash	-5.0	-1.5
Cash and bank at 1 Jan	32.9	34.3
Change in net fair value of Available-for-sale	0.1	0.0
Cash and bank at end of period	28.1	32.8

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: 31.12.2010	1.6	0.2	3.2	-7.5	54.1	0.0	-0.2	51.4
Total comprehensive income for the year					16.4	0.1		16.5
Dividend					-9.3			-9.3
Other change								
Exercise of options			1.9					1.9
Treasury shares				-1.5				-1.5
Cost of share based payments					0.6			0.6
Equity on 31.12.2011	1.6	0.2	5.1	-9.0	61.8	0.1	-0.2	59.6

NOTES

- 1) Cash flow from financing
Dividend for year 2010 0.06 euro per share totaling 9.253.915,80 euro was paid on 12th April 2011. In 2010 paid dividend totaled 9.310.086,12 euro. The company has bought own shares by 1.508.967 euros.

Key ratios	2011	2010
	12 m	12 m
Operating result. % of revenues	16.2	15.2
ROI, %	44.3	42.5
ROE, %	29.5	30.3
Equity ratio, %	68.2	69.1
Debt-to-equity ratio, %	-47.1	-63.2
Earnings per share (EUR)	0.11	0.10
Earnings per share diluted	0.10	0.10
Shareholders' equity per share, e	0.38	0.33
P/E ratio	18.9	23.1
Capitalized expenditures (Me)	18.7	10.4
Contingent liabilities	18.7	17.6
Personnel, average	878	835
Personnel, end of period	942	812

Segment information

The Group has only one segment; data security.

Quarterly development	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11
Revenues	31.4	32.3	32.0	34.4	34.1	35.3	36.6	40.0
Cost of revenues	2.0	1.9	2.2	2.0	1.8	1.9	2.0	2.2
Gross margin	29.4	30.4	29.9	32.4	32.3	33.4	34.6	37.8
Other operating income	0.3	0.2	0.2	0.3	0.4	0.4	0.2	0.4
Sales and marketing	14.4	15.4	13.9	15.9	14.8	16.2	15.8	18.0
Research and development	7.8	8.3	8.2	10.2	9.4	9.9	9.4	10.5
Administration	1.9	2.1	2.1	3.0	3.0	3.0	2.8	3.1
Operating result	5.5	4.9	5.9	3.6	5.5	4.6	6.9	6.5
Financial net	-0.1	0.2	-0.4	0.2	-0.2	0.0	0.0	0.1
Result before taxes	5.5	5.2	5.5	3.7	5.3	4.6	7.0	6.6

Geographical information

Revenue	10-12/2011	10-12/2010	10-12/2011	1-12/2010
Nordic countries	12.6	11.4	47.3	43.1
Rest of Europe	17.3	15.1	65.1	59.3
North America	5.2	3.7	16.4	12.1
Rest of the world	4.9	4.2	17.2	15.6
Total	40.0	34.4	146.0	130.1