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F-SECURE CORPORATION - INTERIM REPORT JANUARY 1 – MARCH 31, 2013

IMPROVING CASHFLOW AND PROFITABILITY, PROGRESS IN CONTENT CLOUD

Highlights in Q1

- Total revenues were flat at 38.4 million (Q12012: 38.4m)
- EBIT was 5.9 million representing 15% of revenues (5.4m, 14% of revenues); an increase of 9% YoY
- Earnings per share was EUR 0.03 (EUR 0.02)
- Cash flow from operations was 7.4 million positive (7.7m); change in cash 5.6 million positive (3.1m positive)
- Content Cloud business progressed with a launch of Content Anywhere with BT, one of Europe's major operators

Outlook for 2013 - management's estimation for the year remains unchanged:

- Revenue growth is estimated to be over 5% compared to 2012.
- Profitability is estimated to be 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	2012
(Eur Million)	1-3	1-3	12m
Revenues	38.4	38.4	157.2
Operating profit	5.9	5.4	20,3
% of revenues	15	14	17
Profit before taxes	6.0	5.2	19.9
Earnings per share (Eur)	0.03	0.02	0.09
At the end of period: Deferred revenues	38.9	38.5	37.7
Equity ratio, %	74.8	72.7	72.7
Debt-to-equity ratio, %	-55.8	-49	-50.9
Personnel	938	975	931

President and CEO Christian Fredrikson:

"We have a clear goal at F-Secure: revenue growth while gradually improving our profitability and cost structure. Our operative progress has continued well though the top line development does not yet reflect it. The financial performance in Q1 was as anticipated and we ended the quarter with a flat revenue growth. Obviously this is not satisfactory. However, we improved our profitability and our cash flow. Our annual guidance remains unchanged and we expect a stronger second half of the year.

Our progress in the Content Cloud business is promising. In Q1 we launched our personal cloud services with BT, one of Europe's major operators, and we won three new operator deals in Europe. Our pipeline is developing strongly with a clear demand from service providers globally. I'm very pleased to see that due to our new standardized Content Cloud product we will be able to roll out new deliveries with a much shorter time to market.

Our security portfolio continues to evolve. I'm excited to work with a passionate team that actively develops innovative security solutions for new mobile and PC devices. We are continuously increasing the competitiveness of our offering and are regularly coming up with smart products such as Safe Avenue. This solution makes offering converged security quick and easy for operators and responds to a strong need for flexible security which covers all consumer's devices. Launched at Mobile World Congress in February, this solution is generating strong interest. Swisscom is the latest operator to launch it.

The shift in dominance from PCs to mobile devices is driving changes in the traditional security industry and is affecting us like every other player. We have identified short-term challenges. But at the same time we see mega trends, such as mobility, consumerization and the shift of services to the cloud, from which we can greatly benefit in the near future. We are ready to address these trends with a highly competitive product portfolio. We can already be proud of our OS- and device- independent content cloud and security products that have won many awards. We continue to evolve our products even further and our aim is to position us as a leader for security in the cloud."

F-Secure business January – March 2013

Total revenues for the first quarter of 2013 were flat at 38.4 million (38.4m). Revenue through the operator channel grew by 2% from the previous year reaching revenues of 23.1 million (22.6m). Revenues through the other channels developed as anticipated, a decrease of 3% totaling 15.2 million (15.8m). EBIT was 5.9 million (5.4m), representing 15% of revenues (14%). Earnings per share were EUR 0.03 (EUR 0.02). Cash flow from operations was 7.4 million positive (7.7m positive). The change of net cash was 5.6 million positive (3.1m positive). Deferred revenues increased to 38.9 million at the end of March (38.5m) due to improving sales in the license business.

Total fixed costs were 31.6 million (31.4m), 0.4% higher than in the previous year. During the quarter, F-Secure capitalized very little of its R&D expenses according to accounting rules, totaling 0.3 million

(1.8m). The cost level was impacted by increased depreciations from the past capitalized expenses (R&D activations, software, hardware) 2.1 million (1.9m) in total. The operational costs decreased from the comparison quarter. F-Secure continues to invest in geographic expansion in Latin America and in R&D to increase the competitiveness of both security and content cloud solutions.

At the end of March, the geographical breakdown of revenues was as follows: Finland and Scandinavia 29% (31%), Rest of Europe 46% (45%), North America 11% (10%) and Rest of the World 13% (14%).

Operator channel in Q1

In Q1 BT, one of Europe's major operators, launched its Content Cloud service powered by F-Secure's latest Content Cloud technology. BT's consumer customers will now get more out of their digital content while safely accessing and sharing it from virtually anywhere. F-Secure's cooperation with AT&T is continuing well with steadily growing numbers of users. Service providers are clearly very interested in the Content Cloud area and the Company expects to sign several new contracts during the year.

During the quarter, the mobile security business performed especially well. Telefonica Movistar, F-Secure's flagship partner in Latin America, continued expanding its security offering footprint by launching security services in Colombia and Nicaragua. Vodafone India selected F-Secure to provide security services to its SMB customers. Swisscom launched F-Secure's Safe Avenue solution, a multi-device converged security service allowing customers flexibly to combine their PCs and their mobile devices within a simple license package.

In the first quarter of 2013, sales through Operator business partners totaled 23.1 million (22.6m), representing 60% of F-Secure's total revenues (59%). Revenue growth was 2% compared to the corresponding quarter in 2012 and negative 6% to the previous quarter due to communicated contractual changes and lower project revenues as project sizes are smaller.

Corporate and Direct to Consumer channels in Q1

Sales in traditional channels continued as anticipated. Customer satisfaction in security services remained high, which was visible in healthy license and renewal sales; deferred revenues increased to 38.9 million (Q412: 37.7m; Q112: 38.5m).

During the first quarter, revenues decreased by 3% reaching 15.2 million (15.8 m). These other channels represented 40% of F-Secure's total revenues (41%).

Product announcements in Q1

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 and parental control as well as Content Cloud products like online backup, synchronization and sharing.

During Q1 2013 the key product announcements were as follows:

In February, the new version of Client Security (version 10) was launched with a number of new and improved features like Windows 8 support and DeepGuard 4 technology, which protects workstations and servers from zero-day attacks.

In February, F-Secure launched F-Secure Antibot, a new product that fights botnets by cleaning infected PCs and devices on operators' networks. It guides the users through a self-cleaning process, cutting out the need to call the operator helpdesk and resulting in considerable savings for operators. F-Secure Antibot works across platforms, supporting Windows, Android and later this year Mac OSX.

In February, F-Secure launched Safe Avenue, which combines award-winning best protection technologies, allowing consumers to easily manage the security of all their devices. With Safe Avenue, consumers purchase a certain number of security licenses from their operator, and then can apply those licenses to any of their devices, switching to any combination of computers, tablets, and smartphones. Safe Avenue supports PC, Mac and Android, with support for iOS coming soon.

Awards

The Forrester Wave™: Endpoint Security, Q1 2013 by Forrester Research Inc. featured F-Secure as a strong performer. The top strategy rating was based on evaluation of F-Secure's product roadmap, cost and licensing models, and go-to-market strategies.

F-Secure Internet Security 2013 won the award "BEST PROTECTION 2012 - Home User" by AV-Test Org which was announced in January.

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.

The Content Cloud 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.

Events after period-end

No material changes regarding the Company's business or financial position have materialized after the end of March 2013.

Personnel and organization

F-Secure's personnel totaled 938 at the end of Q1 (975). The number of personnel decreased in Q4 due to R&D re-organization.

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 quarter was 7.4 million positive (7.7m positive). Net financial income was slightly positive at 0.1 million (negative 0.2m).

The market value of the liquid assets of F-Secure on March 31, 2012 increased to 38.7 million (Q412: 33.1m, Q112: 31.2m). Changes in exchange rates impacted slightly negatively on sales and positively on costs; especially changes in Japanese yen.

The Company's capital expenditure for the quarter was 1.5 million (3m), consisting mainly of capitalization of development expenses. The capitalized development expenses were 0.3 m (1.8m in Q1) and have substantially decreased from Q4 (4.9m) as anticipated.

F-Secure's financial position remained solid. F-Secure's equity ratio at the end of the quarter was 75% (73%) and gearing ratio was 56% negative (49% 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.

In January 2013, the Company assigned a total of 316,555 shares to 19 participants of the F-Secure share-based incentive program as a reward payment based on the 2009 earning period (share-based incentive program 2011-13). After the transfer, F-Secure Corporation holds a total of 3,415,835 of its own shares.

Currently, the Company 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.

Annual General Meeting

The Annual General Meeting of F-Secure Corporation was held on April 3, 2013. The Meeting confirmed the financial statements for the financial year 2012. The members of the Board and the President and CEO were granted a discharge from liability.

The Annual General Meeting decided to distribute a dividend of EUR 0.06 per share. It was decided that the number of Board members would be seven (7). The current six members were re-elected: Mr. Jussi Arovaara, Ms. Sari Baldauf, Mr. Pertti Ervi, Mr. Juho Malmberg, Ms. Anu Nissinen, Mr. Risto Siilasmaa and Mr. Matti Heikkonen as a new member. The Board elected in the first meeting Mr. Siilasmaa as the Chairman of the Board. The Board nominated Mr. Siilasmaa as the Chairman of the Executive Committee and Ms. Baldauf and Ms. Nissinen as members of the Executive Committee. Mr. Ervi was nominated as the chairman of the Audit Committee and Mr. Arovaara, Mr. Heikkonen and Mr. Malmberg were nominated as members of the Audit Committee. It was decided that auditor's fee will be paid against approved invoice. Ernst & Young Oy was elected the Group's auditors. APA, Mr. Erkki Talvinko is acting as responsible partner.

The Company has released a stock exchange release about the decisions of the AGM on April 3, 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 in the next four years. 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 %.

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 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. 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 Content Cloud space.

The Company sells its products globally through three channels; the Direct to Consumer channel (eStore, App Stores, retail), the Corporate channel (reseller network) and the Operator channel (SaaS).

Operators, including Internet service providers, mobile operators and cable operators, are the largest channel for F-Secure services. F-Secure provides, through operators, awarded security and Content Cloud services and utilizes the local presence and brand of operators to reach millions of consumers in a cost-efficient and scalable way.

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 aiming for double-digit revenue growth, driven by the Operator channel and supported by the Corporate and Direct to Consumer channels. The growth is expected to come from the western hemisphere and some emerging markets like Latin America and the APAC.

The Company will continue its investments in new services around the 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

The Operator channel is expected to continue to drive the revenue growth powered by security sales and supported by a productized, highly-scalable Content Cloud service. The Company also estimates steady progress from the Corporate and Direct to Consumer channels. However, the revenue growth in the coming quarter remains at a low level, similar to Q1, due to contractual changes and decreased Content Cloud project revenues as the project sizes are smaller.

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 remains unchanged; the annual revenue growth is estimated to be over 5% compared to 2012. The annual profitability is estimated to be 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, on April 26, 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 Q1 financial results. A conference call for international investors and analysts is arranged at 13.00 Finnish time (EEST) (12.00 CEST, 11.00 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 Q1 financial results presentation material, including a video where Christian Fredrikson will present Q1 results, 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 2013

F-Secure will publish the interim report for the second quarter of 2013 on July 26, 2013. The quarterly interim report for the third quarter of 2013 will be published on October 25. On the publication date a stock exchange release will be published at 9 am Finnish time on 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.

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	Change	2012
	1-3	1-3	%	1-12
Revenues	38.4	38.4		157.2
Cost of revenues	1.7	1.9	-11	7.4
Gross margin	36.7	36.5	1	149.7
Other operating income	0.8	0.3	125	1.8
Sales and marketing	18.4	16.9	9	70.9
Research and development	10.7	11.5	-7	49.3
Administration	2.5	3.0	-19	11.0
Operating result	5.9	5.4	9	20.3
Financial net	0.1	-0.2		-0.3
Result before taxes	6.0	5.2		19.9
Income taxes	-1.9	-1.4		-5.8
Result for the period	4.1	3.8		14.1

Other comprehensive income:			
Exchange diff. on translating foreign operations	0.1	0.0	0.2
Available-for-sale fin. assets	0.0	0.2	0.1
Income tax rel. to components of other comprehensive income	0.0	-0.1	0.0
Total compr. income (owners)	4.2	3.9	14.3
Earnings per share. e	0.03	0.02	0.09
EPS diluted. e	0.03	0.02	0.09

BALANCE SHEET	31/3/2013	31/3/2012	31/12/2012
ASSETS			
Intangible assets	20.4	26.4	20.8
Tangible assets	9.7	9.0	9.8
Goodwill	19.4	19.4	19.4
Other financial assets	5.1	5.2	5.4
Non-current assets total	54.5	60.0	55.4
Inventories	0.2	0.3	0.2
Other receivables	38.2	34.5	38.4
Available-for-sale financial assets	23.0	16.2	16.8
Cash and bank accounts	15.9	15.1	16.5
Current asset total	77.3	66.1	71.9
Total	131.8	126.1	127.3

SHAREHOLDERS' EQUITY AND LIABILITIES	31/3/2013	31/3/2012	31/12/2012
Equity	69.5	63.6	65.1
Other non-current	0.4	1.6	0.4
Provisions	0.1	0.0	0.1
Deferred revenues	8.8	7.8	8.5
Non-current liabilities total	9.3	9.4	9.1
Other current	22.8	22.3	23.9
Deferred revenues	30.1	30.7	29.3
Current liabilities total	53.0	53.1	53.2
Total	131.8	126.1	127.3

CASH FLOW STATEMENT	31/3/2013	31/3/2012	31/12/2012
Cash flow from operations	7.4	7.7	25.6
Cash flow from investments	-1.8	-4.6	-11.1
Cash flow from financing activities 1)	0.0	0.0	-9.3
Change in cash	5.6	3.1	5.2
Cash and bank at 1 Jan	33.1	27.9	27.8
Change in net fair value of Available-for-sale	0.0	0.2	0.1
Cash and bank at end of period	38.7	31.2	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					4.1		0.1	4.2
Dividend								
Other change								
Exercise of options								
Cost of share based payments				0,6	-0.4			0.2
Equity on 31.3.2013	1.6	0.2	5.1	-7.9	70.2	0.2	0.1	69.5

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
	3m	3m	12m
Operating result. % of revenues	15.4	14.1	12.9
ROI. %	38.0	37.5	34.9
ROE. %	25.5	24.6	22.6
Equity ratio. %	74.8	72.7	72.7
Debt-to-equity ratio. %	-55.8	-49.0	-50.9
Earnings per share (EUR)	0.03	0.02	0.09
Earnings per share diluted	0.03	0.02	0.09
Shareholders' equity per share. e	0.44	0.40	0.41
P/E ratio	16.1	20.47	17.09
Capitalized expenditures (Me)	1.5	3.0	10.3
Contingent liabilities	15.9	18.6	15.6
Personnel. average	940	970	970
Personnel. end of period	938	975	931

Segment information

The Group has only one segment; data security.

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

Geographical information

Revenue	1-3/2013	1-3/2012
Nordic countries	11.3	12.0
Rest of Europe	17.8	17.4
North America	4.4	3.6
Rest of the world	4.9	5.3
Total	38.4	38.4