F-Secure Corporation
Interim report Q4 2011
(Unaudited)

February 1, 2012
Christian Fredrikson, President & CEO
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1. Highlights in Q4 and 2011
Q4 highlights

• Good financial performance – strong year-end
  • Total revenues growth accelerated to 16% reaching a record level of 40.0 million (Q42010: 34.4m)
  • EBIT 6.5million, 16% of revenues (3.6m; 10% of revenues / 5.6m; 15% of revenues)

• Operator channel continued strong performance and growth accelerated to 32% reaching 24.3million; driven by healthy security and content cloud related sales
  • Security subscription growth continues at a good level
  • Good progress in content cloud related business continued

• Investments in driving future growth and competitiveness of services continued
  • Expansion in operating systems, platform development and new content cloud services
  • Market expansion in Latin America progressing well

• New CEO, Christian Fredrikson, started on January 16, 2012
2011 highlights

- Good financial performance – accelerating revenue growth throughout the year
  - Total revenues growth accelerated to 12% to a record level of 146.0 million (2010: 130.1m); EBIT grew by 19% to 23.6 million, 16% of revenues (19.8m; 15% of revenues / 21.8m excl. re-structuring)

- Operator channel continued strong performance and growth accelerated to 26% to 84.8 million; 61% of total revenues
  - Market expansion – e.g. LatAm with Telefonica
  - Good progress in content cloud - e.g. AT&T in US, several cases ongoing

- Investments in driving future growth and competitiveness of services continued
  - Expansion in operating systems and content cloud services
  - New version of F-Secure’s flagship product, F-Secure Internet Security 2012
  - F-Secure Internet Security 2011 won AV-Comparative’s Whole Product Dynamic Test

- Financial performance in line with the management’s estimation for the year
2. Financial performance in Q4
Q4 Revenue and EBIT – Profitable growth continued

• Revenue growth accelerated driven by the operator channel
  • Total quarterly revenues 40.0m; growth of 16% (Q410: 34.4m)
  • Operator revenues (incl. content cloud business) 24.3m, growth of 32% compared to Q410 and 13% from Q311 (Q410: 18.4m, Q311: 21.5m)
  • Other channels 15.7m; decline of 2% (16.0m)

• Profitability at a solid level, investments pressuring margins
  • EBIT 6.5m, 16% of revenues; (Q410: 3.6m, 10%; 5.6m 15%*)
  • EPS EUR 0.03 (EUR 0.02)
  • Cash flow from operations 7.1m positive (7.2m)

* EBIT Q4 2010 excluding restructuring costs
Q4 Costs – Investments in operator channel and content cloud continued

- Total costs increased to 31.7m +9%; (Q410: 29.1m / 27.1m)
  - Investments in accelerating the growth continued; main focus areas being operator channel, content cloud, operating systems
  - Include one-time write-off of 0.5m of prior R&D development

- Cost increases targeted in
  - Geographical expansion; Latin America
  - R&D resources; portfolio expansion to increase the competitiveness for PC and other devices
  - Content cloud development

- Capitalization of R&D costs
  - Q411 impact 3.1m (0.5m)
Q4 Cash position – solid

• Cash flow from operations was 7.1m positive (Q410: 7.2m)
  • Increased CAPEX 6m (2.4m)
  • Share buy backs: 152,955 shares in Q4
• Market value of liquid assets on
  • Dec.31, 2011 28.1m
  • Sep.30, 2011 25.9m
  • Dec 31, 2010 32.8m
• Cash position has developed according to the longer term efficient capital management objectives
Q4 Deferred Revenues

- Deferred revenues were at 38.3m (37.2m)
  - Healthy renewal license sales in the channel business
- Deferred revenues accrued in the balance sheet
  - Dec.30,2011 38.3m
  - Sep.30,2011 35.0 m
  - Dec 30, 2010 37.2 m
Q4 Number of personnel

- At the end of Q4: 942 (Q311: 907; Q410: 812)
- During Q4 new recruitments: supporting growth businesses; especially in the sales and marketing, project delivery and R&D in respect to content cloud business.
- Re-skilling on-going; operator sales roles, content cloud related development, project management and services roles
2011 Regional Revenue Split

1-12/2011

- Nordic countries: 33%
- Rest of Europe: 46%
- North America: 9%
- Rest of World: 12%

1-12/2010

- Nordic countries: 33%
- Rest of Europe: 46%
- North America: 9%
- Rest of World: 12%
3. Operator business:
Strong global partner network
More than 200 operator partners globally and over 250 m broadband subscribers
Q4 - Excellent Operator business performance

- Q4 revenues of 24.3m (18.4m); growth of +32% YoY; +13% QoQ
  - Healthy security subscriber growth continued; increase in subscriber rates
  - Content cloud business in all progressing well

- Increasing interest in Content Cloud Services among operators globally
  - Several cases ongoing

- Telefonica expansion in Latin America continues
  - Launches in several Latin America countries expected in upcoming quarters

Operator business includes internet service providers, mobile operators and cable operators
4. Products and Services
Call for trusted and local services

PUBLIC CLOUD
FREE + GLOBAL

OPERATOR CLOUD
TRUSTED + LOCAL + PREMIUM
Future Cloud Services

F-Secure SYNC

Web access through any device:

• Windows PC & Mac
• iPad/Android tablet
• Android smartphone
• iPhone
F-Secure Internet Security 2012 launched

- F-Secure Internet Security™ 2012 provides complete protection for computers and online life, delivered with a smooth user experience. F-Secure Internet Security 2012 combines industry-leading technologies for a sophisticated and multilayered defense against the whole range of modern malware threats.

F-Secure Internet Security 2012 launched

19 February 1, 2012
5. Market review

Internet expansion, new devices and increasing use of social media strengthen the demand for value added services
Market trends

**Internet**
- Internet growth continues globally
- Mobile internet driving growth
- Role of internet security significant for business over the Internet

**New devices**
- Smartphones and tablets growing in number
- New devices connected to the Internet are coming to the markets
- Need for new services; storage of information

**Content cloud**
- Content cloud services; storing, sharing and synching; expected to grow rapidly
- Operators seeking to be part of this development
6. F-Secure Strategy 2012-14
Strategy 2012-2014 - Profitable growth with internet security and content cloud via operators (1/2)

- F-Secure operates in growth markets
  - Security software market keeps growing
  - Content cloud opportunity emerging
  - Software as a Service business model is expected to continue high growth

- Profitable growth with
  - Operators, including Internet service providers, mobile operators and cable operators, are the main channel for F-Secure services
  - Security and content cloud services that are easy and intuitive to use for the mainstream consumers
Strategy 2012-2014 - Profitable growth with internet security and content cloud via operators (2/2)

- F-Secure’s competitive advantage
  - Based on the existing operator and service provider network and the relationship built over the years.
  - By helping operators to establish local, secure and trustworthy Internet services, F-Secure enhances its position as operators’ long-term partner.
Strategy 2012-2014 - Financial targets

- During the strategy period the Company is aiming for double digit revenue growth (CAGR), driven by the Operator channel.
- The Company will continue its investments in content cloud business but also in security services.
- Profitability is expected to develop towards the 25% level at the end of strategy period due to improving scalability in content cloud business.
7. Outlook
Outlook for 2012

• Operator channel business is expected to continue with healthy growth rates driven by good security and content cloud sales.

• Overall uncertainty in the global economy may have impact on Operators’ interest to invest in new services, especially in new content cloud projects.

• The management estimates for 2012:
  • Annual revenue growth to be around 10%
  • Profitability around 15% of revenues
    • Follows the seasonality with better second half
    • Appr. 7 million of cost increase from the end of development activations and increased depreciations

¹The estimates are based on the sales pipeline at the time of publishing, existing subscriptions, support contracts and exchange rates previous experience
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.
Protecting
the
irreplaceable