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F-SECURE CORPORATION - INTERIM REPORT JANUARY 1 – DECEMBER 31, 2010

TOTAL REVENUE GROWTH ACCELERATED IN Q4, EXCELLENT PROGRESS IN OPERATOR CHANNEL, PROMISING OUTLOOK FOR 2011

(This report is unaudited. Unless otherwise stated the comparisons refer to the corresponding period a year ago. The currency is euro. Storage and Digital Content business unit is included in the operator channel figures.)

Highlights in Q4

- Total revenues grew by 8% to 34.4 million (Q42009: 31.8 m)
- Revenues from the operator channel (ISP's, mobile operators and cable operators) grew by 15%, reaching revenues of 18.4 million (15.9m)
- Revenue growth in the operator channel accelerated from Q3 driven by good security sales and storage related project delivery revenue recognition
- F-Secure signed an agreement with AT&T, one of the biggest Operators in the world, and with several other major Operators
- EBIT was 3.6 million; representing 10% of revenues (4.1m, 13%)
- EBIT excluding restructuring costs was 5.6 million; 16% of revenues
- Earnings per share was EUR 0.02 (EUR 0.02)
- Cash flow from operations was 7.2 million positive (4.6m)
- Reorganization to drive growth completed in November, new organizational structure in force as of January 1; Organizational restructuring costs were approximately 2 million during the quarter

Highlights in 2010

- Total revenues grew by 4% reaching record revenues of 130.1 million (2009: 125.1m)
- Good revenue growth of 12% from the operator business (ISPs, mobile operators and cable operators), reaching revenues of 67.1m million (60.2m)
- EBIT including restructuring costs was 19.8 million; representing 15% of revenues (24m)
- EBIT excluding restructuring costs was 21.8 million; 17% of revenues
- Earnings per share was EUR 0.10 (EUR 0.12)
- Cash flow from operations was 23.2 million positive (16.4m positive)
- Strong position in the operator business globally; operator partner network strengthened, Security as a Service strong momentum and strong progress in the storage related business at year end
- New version of F-Secure's flagship internet security product, F-Secure Internet Security 2011, was successfully launched to the markets in September; F-Secure Internet Security 2011 won AV-Comparative's Whole Product Dynamic Test in January 2011.

Outlook 2011 - management estimates:

- Annual revenue growth to accelerate to around 10% and annual profitability to improve from 2010 level at a comparable pace to revenue growth (compared to 2010 EBIT excl. re-structuring)
- revenue growth is expected to accelerate and profitability to improve after the first quarter

Note that signing of the closing and Board's proposals (including dividend proposal) to the AGM and will be published on February 16, 2011.

Key figures	2010	2009	2010	2009
Eur million	10-12	10-12	12m	12m
Revenues	34.4	31.8	130.1	125.1
Operating profit	3.6	4.1	19.8	24.0
% of revenues	10 %	13 %	15%	19%
Profit before taxes	3.7	4.4	19.9	25.2
Earnings per share (EUR)	0.02	0.02	0.10	0.12
At the end of period:				
Deferred revenue	37.2	35.6	37.2	35.6
Equity ratio, %	69%	70%	69%	70%
Debt-to-equity ratio, %	-63%	-68%	63%	-68%
Personnel	812	826	812	826

President and CEO Kimmo Alkio:

"Our Q4 financial result was satisfactory, while performance in the Operator business was really strong. We are pleased to see strengthening of our North America operations as a result of our recent wins with AT&T for storage related services and with Frontier for security and storage services.

The growth opportunity for value added services with over 200 operator partners with an addressable market now of over 100 million broadband customers is significant. Year 2011 looks exciting and we are expecting to see healthy revenue growth. "

F-Secure business during January-December 2010

For January-December 2010, the total revenues were 130.1 million (Jan.-Dec. 2009: 125.1m), representing growth of 4%. Revenue growth through the operator channel accelerated towards year end and was totally 12% from the 2009 and totaled 67.1 million (60.2m). Revenues through the traditional channels were, as anticipated, down by 3%, totaling 63 million (64.9m). EBIT was 19.8 million (24m), representing 15% of revenues (19%). EBIT excluding one-time restructuring costs were 21.8 million; 17% of revenues. Earnings per share were EUR 0.10 (EUR 0.12). Cash flow from

operations was 23.2 million positive (16.4m). F-Secure's deferred revenues increased to 37.2 million at the end of December (35.6m) due to healthy renewal sales.

F-Secure's total fixed costs for January-December 2010 were 103,2 million (92.3m), 12% higher than in 2009. The costs increased mainly in the storage and digital content business unit, in R&D and in sales and marketing. In addition, there were one-time costs of approximately 2 million due to reorganization of the operations that was completed in November 2010. F-Secure capitalized some of its R&D expenses according to accounting rules, totaling 2.3 million (1.7m) during 2010.

The financial performance for the fourth quarter of 2010 was within the given guidance (revenues 32-35 million, cost level around 27 million and restructuring related costs up to 3 million); revenues for the fourth quarter were 34.4 million. The costs were 27.1 million and restructuring costs of 2 million. EBIT was 3.6 million; 10% of revenues and excluding restructuring costs 5.6 million, 16% of revenues. In addition to one-time restructuring costs, the targeted cost increases in the storage business continued and were mainly non-permanent in nature (e.g. subcontracting) and related to the unit's transformation program and successful customer deliveries.

For 2010 the geographical breakdown of the revenues split as follows: Finland and Scandinavia 33% (35%), Rest of Europe 46% (46%), North America 9% (8%) and Rest of the World 12% (11%).

Operator channel in Q4

F-Secure's portfolio in the Software as a Service business includes PC and mobile security and a broad range of storage based services. F-Secure's business through the operator channel (including ISP's, mobile operators and cable operators) continued to perform well. In the fourth quarter of 2010, revenues through the operator business partners totaled 18.4 million (Q409: 15.9m), representing 53% of F-Secure's total revenues (48%). Revenue growth was 15% compared to the corresponding quarter in 2009 and 10% to the previous quarter. The revenue growth of operator business further accelerated from the third quarter due to good security sales and strong progress in storage related services, which included project delivery related revenue recognition. The annual revenues were 67.1m (60.2m), representing 52% of the total revenues (48%) and a growth of 12% from 2009. The impact of contractual changes with some operators at the beginning of 2010 (as informed previously) had approximately 6% negative impact on the YoY growth.

F-Secure's position in the operator channel is strong in the traditional Internet security business. The competitiveness of Security as a Services business continues to gain market share to the benefit of both operators and end customers. During the quarter the number of internet security subscribers in the operator business has continued to grow. This growth was mainly driven by the increase in subscriber take-up rates within the existing operator base both in western and emerging markets. F-Secure has also been successful in its activities with mobile broadband operators to support the operator business growth in the future.

The Storage and Digital Content (SDC) market entry has strengthened F-Secure's attractiveness as a long term strategic partner, as already experienced with several major operators globally. The SDC business extends F-Secure's value added service portfolio and strengthens the Security as a Service business. Integration of the SDC operations to the high F-Secure quality standards has continued throughout 2010. During Q4 predictability of both project deliveries and service quality made progress. Currently the storage business requires investments both for the transformation and increasing number of customer projects. However, the transformation related costs are temporary in nature and return on the investments is seen gradually during 2011.

During the fourth quarter F-Secure completed several commercial negotiations, as referred to in the previous interim report. In Q4 F-Secure strengthened its market position in North America as a result of recent agreements with AT&T (one of the biggest Operators in the world), for storage services and with Frontier (US) for security and storage services. Other major new partnerships signed during Q4 include Fastweb (one of the main telecommunications providers in Italy), Celcom (Malaysia) and Starhub (Singapore).

F-Secure and AT&T started collaboration for storage related services in 2010 with service launch planned for 2011. Details of the service offering are planned to be available at the time of public launch of the services. Value of the multi-year agreement is not disclosed, while significant to F-Secure. Q4 includes revenue recognition from the AT&T project delivery. While license based revenues are expected to begin after launch of the services in the second half of 2011. Project delivery revenues are expected to vary by quarter.

In Europe, for storage services the company has successfully completed delivery milestones, which are expected to contribute to revenue growth during 2011.

The total number of F-Secure's operator partners is significantly larger than that of any other security service vendor. The company currently has more than 200 partners in over 40 countries with an addressable market of over 100 million broadband consumer customers. Geographic distribution of the addressable market is as follows; approximately 67m in Europe, approximately 13m in North America (excl. AT&T), close to 5m in Latin America and in the APAC region with more than 14m potential addressable subscribers (Source: estimates by F-Secure).

Other channels in Q4

During the fourth quarter, revenues through traditional channels were 16 million (15.9m), showing a growth of 1% from the corresponding quarter in 2009. These traditional channels represented 47% of F-Secure's total revenues (51%). The annual revenues for 2010 were 63m (64.9m), representing 48% of the total revenues (52%) and a decline of 3% compared to 2009.

The sales in traditional channels continued well as expected. Customer satisfaction to security services are at high level that is visible as healthy license renewal rates during the fourth quarter.

Mobile security in Q4

Co-operation with major handset manufacturers, including Nokia and SonyEricsson, and operators such as Vodafone Group, TeliaSonera Group, T-Mobile International, Swisscom and Elisa continued well. Currently, there are mobile operator partnerships with more than 20 operators worldwide.

The revenues from the Mobile Security business have remained at same level as before and are included in the above mentioned channels.

Products, Services and Technologies in 2010

F-Secure has been a pioneer in both Software as a Service and cloud computing. Nearly ten years ago, F-Secure innovated and launched to the market a new business model by offering security as a subscription service via operators (SaaS). Cloud computing has been in the center of the company's technology strategy and choices for the past few years. An example of cloud computing at F-Secure is the real-time protection network which provides reputations of files, sites and URLs to F-Secure's solutions. It is implemented as an in-the-cloud reputation service, capable of supporting several types of solutions now and in the future.

The real-time protection network moves the PC processing and memory intensive functions 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. This is important in today's dramatically changed threat situation where the Internet is facing a deluge of new malware and variants that make traditional heuristics or signature-based solutions inefficient and slow. This technology has been utilized for example in anti-virus, browsing protection and parental control features in F-Secure Internet Security and F-Secure Client Security solutions.

Another dimension of cloud computing is the online storage area where F-Secure has made a significant investment into carrier-grade storage infrastructure. This flexible and scalable cloud storage platform enables F-Secure 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. In practice this means that new, experimental solutions such as various types of synchronization and sharing services will seamlessly utilize the same storage back-end systems as the mass-market Online Backup services.

Furthermore, the extraction of the cloud security concepts from the PC context and combination of these two cloud-based technologies will in the future allow F-Secure to create new and innovative solutions in the social media sphere. The first of such services such as Safe Links for protecting site owners against inadvertent distribution of malicious links are currently being trialed in public beta.

F-Secure has continued to invest in user experience design when developing solutions and service offerings. UX designers, marketers, and developers have engaged in consumer research, focus groups, and usability tests, to explore consumer needs, and validate new product and service prototypes with consumers to ensure that they are appealing and usable when introduced to the public. User experience and design topics, in addition to technical performance, are crucial for commercial success of solutions and services.

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 a well-designed product with a clear and easy-to-use interface, and nominated it the best security product in the world for its excellence in protection.

During 2010 the key product announcements were the following:

In November, a new version of F-Secure Protection Service for Business was introduced. This is a turnkey solution for small and medium-sized companies.

In October, a new version of F-Secure Messaging Security Gateway was introduced. This application offers powerful email encryption in addition to industry-leading spam filtering and anti-virus capabilities for corporate environment.

In October, F-Secure announced that its Mobile Security and Anti-Theft for Mobile solutions are now available for mobile devices on the Symbian3 platform. F-Secure Anti-Theft for mobile has been selected by Nokia as a pre-installed 3rd party app for its new Symbian3 models, such as the Nokia N8. F-Secure Anti-Theft for Mobile is available as a free stand-alone product, and as part of F-Secure Mobile Security 6, which offers a complete security package.

In September, F-Secure announced a new version of its flagship internet security service, F-Secure Internet Security™ 2011. F-Secure Internet Security™ 2011 offers extraordinary ease-of-use, with multi-layered protection and fast performance for computers. The main features of the F-Secure Internet Security™ 2011 include protection against viruses and spyware, firewall to prevent hacker attacks, browsing protection that identifies unsafe web sites, protection against identity theft, blocking of spam and phishing e-mails as well as parental control to protect children online. The intensive research into computer users’ needs has produced security software that is easy to use and sophisticated in its technological capabilities to fight malware. The service is cloud-based and has minimal system impact.

In August, F-Secure published a new version of the F-Secure Online Backup which includes sharing and an enhanced web interface for ease of use.

In June, F-Secure offered enhanced mobile protection for Android platforms. F-Secure Mobile Security 6 is available for consumers and businesses for mobile phones on the Android, Symbian and Windows platforms.

In May, F-Secure introduced F-Secure Share available for operators globally. F-Secure Share is a fully hosted and secure service solution available to Internet operators. It provides an easy to use online storage and sharing solution for the operators' end customers, ideal for sharing for example personal photos, videos and office documents. F-Secure Share works as a virtual drive for all the end user's digital content, which can be easily accessed from the web interface of their home PC, office computer or mobile.

In February, F-Secure launched F-Secure Mobile Security 6, a new version of its leading smartphone security solution, introducing Premium Anti-theft with Locator features and Browsing Protection, the company's first in-the-cloud service for mobile devices, which make smartphone Internet use and financial transactions safer than ever. F-Secure Mobile Security 6 provides smartphone security, safeguarding personal and confidential data in the event the phone is lost, stolen, infected by mobile malware or even spied on.

In January 2010, F-Secure launched the availability of its new smartphone solution, F-Secure Anti-Theft for Mobile. The solution provides three useful security features to protect your phone: remote lock, remote wipe and theft control and is available for Symbian and Windows Phone platforms.

Market situation

There were no significant changes in the competitive landscape or in the pricing levels in the security space during the quarter. Consolidation in the storage and digital content market continued, with many of F-Secure's traditional competitors entering the space. Usual signs of price competition are evident in some countries in the security area, while the storage and digital content space at large is beginning to shift towards more sustainable business models through consolidation. F-Secure's competitive position in the operator channel has remained strong. At the same time the broadband market is experiencing a shift from fixed to mobile broadband access. The combined broadband business is anticipated to continue as a healthy growth driver for Security as a Service in the operator channel.

Reorganization of operations to drive growth completed in November

F-Secure's first priority is to drive growth and market expansion. The core growth driver has been Software as a Service (SaaS) sales through the operators. However, to drive faster growth F-Secure reorganized its operations to further emphasize and increase activities in the operator channel to take advantage of the market opportunity for value added services. F-Secure streamlined its organization to a functional structure and eliminated overlapping roles. The objective is to drive growth, speed and innovation. These structural changes and related efficiency gains are intended to also fund future growth investments for the Software as a Service business globally.

In October F-Secure initiated employee negotiations with the employee representatives in Finland to plan the organizational changes. The management estimated that the employee negotiations may lead to reduction of 80 employees out of which up to 50 in Finland. The scope of the employee negotiations covered all employee groups and functions in F-Secure. The negotiations were concluded in November and as a result of the negotiations, the company's personnel were reduced by a maximum of 59 employees, of which 34 in Finland. The restructuring program was completed in Q4 as planned. The new organization structure was effective in January 2011.

Personnel and organization

F-Secure's personnel totaled 812 at the end of December (end of Sep. 2010: 855, end of Dec. 2009: 826). F-Secure's number of personnel has continued to increase slightly during the year especially in the storage business, support, and sales functions.

As of January the current Executive Team consists of the following persons: Kimmo Alkio (President and CEO), Ari Alakiuttu (Vice President, Human Resources), Tuomas Hyyryläinen (Vice President, Strategy and M&A), Samu Kontinen (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), Antti Reijonen (Vice President, Solution and Portfolio Management) and Taneli Virtanen (Chief Financial Officer).

Financing and capital structure

F-Secure's financial position continued strong. F-Secure's equity ratio at the end of December was 69% (70%) and gearing ratio was 63% negative (68% negative).

Cash flow from the operations for 2010 was 23.2 million positive (16.4m positive). Total cash flow including investments, share buy-backs and dividend payment was 1.5 million negative (27.4m negative including acquisition cost, dividends and share buy-back). The net financial income for 2010 was approximately nil impacted by low interest income and changes of exchange rates losses (1.2m).

The company's cash position has developed according to the longer term efficient capital management objectives. The market value of the liquid assets of F-Secure on December 31, 2010 was 32.8 million (33.6m).

Changes in exchange rates, EUR against USD, JPY, GBP, SEK and MYR, have slightly increased revenues and costs during 2010.

Capital expenditure

F-Secure's capital expenditure in 2010 was 10.4 million (37.2m), consisting mainly of IT hardware and software as well as capitalization of some research and development expenses.

Capital management and repurchase of own shares

The objective of F-Secure's capital management is to aim at an efficient capital structure that ensures the functioning of business operations and promotes the increase of shareholder value.

During 2010, F-Secure has continued its share buyback program based on the authorization by the Annual General Meeting 2010. During the fourth quarter, F-Secure has bought altogether 496,615 own shares. During 2010, F-Secure has bought in total 1,757,867 own shares. Including all shares bought, the total number of own shares held at the end of December 2010 was 3,307,313 shares, corresponding to approximately 2.0% of the company's shares and voting rights. The shares were purchased through public trading on the NASDAQ OMX Helsinki Ltd. in accordance with its rules and at market price.

The own shares are purchased to be used to improve the Company's financial structure, to be used as part of the incentive compensation plan, for making acquisitions or implementing other arrangements related to the Company's business or for the purpose of otherwise assigning or cancelling the shares.

Shares, shareholders' equity and option programs

In December, a total of 50,000 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 50,000. The corresponding increase in the share capital was registered in the Finnish Trade Register on Dec 8, 2010. F-Secure received as subscription price a total amount of EUR 77,000.00, which was recorded in the fund for company's distributable equity. As a result of the registering the total number of shares is 157,539,243. The trading with the new shares commenced on Dec 9, 2010. The subscription period for the 2005 C warrants began on March 1, 2010.

In May, a total of 20,000 F-Secure shares were subscribed for with the 2005C 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 20,000. The corresponding increase in the share capital was registered in the Finnish Trade Register on May 26, 2010. F-Secure received as subscription price a total amount of EUR 30,800.00, which were recorded in the fund for company's distributable equity. The subscription period for the 2005 C warrants began on March 1, 2010.

In March, the trading of 2005 B- and C-warrants of F-Secure Corporation commenced on the Nasdaq OMX Helsinki Ltd. Each 2005 B-warrant entitles holders to subscribe for one F-Secure share at a price of EUR 2.72. Each 2005 C-warrant entitles holders to subscribe for one F-Secure share at a price of EUR 1.54. 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 B-warrants began on March 2, 2009 and ended on November 30, 2010. The subscription time for 2005 C-warrants began on March 1, 2010 and will end on November 30, 2011. The terms of the option program were published in a stock exchange release on February 26, 2010.

The total number of company's shares is currently 157,539,243. The corresponding number of shares diluted would be 160,990,852 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 website.

Corporate Governance

F-Secure complies with the Corporate Governance recommendations for public listed companies published in October 2008 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 a corporate governance statement for 2009 in the annual report and on the company website in March. The remuneration statement is published on the company website corporate governance pages as of October 1, 2010.

Risks and uncertainties

F-Secure has not seen material changes in the risks and uncertainties during the reporting period. The slower growth in sales of fixed broadband connections by operators may also have an impact on security service sales. As the uncertainty in the economic environment especially in Europe has continued, F-Secure 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), 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 and service quality related penalties.

Due to the longevity and complexity of project deliveries in the storage and digital content business, the 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.

F-Secure Corporation is a party to a dispute in Brazil regarding a distributor relationship and will defend itself accordingly, including through an arbitration process in Finland. The Group does not expect any material impact on its financials from this lawsuit.

Events after period-end

No material changes regarding the Group's business or financial position have materialized after the end of December 2010.

Long-term objectives

The long term market opportunities are attractive for F-Secure. The demand for Value Added Services, like Internet security, storage services, is driven by the expansion of Internet users and Internet connected devices.

The growth of Internet users grew by 200m close to 2b in one year (Sept 09- Sept 10). The global Internet penetration is still globally below 30%; in Asia it is slightly over 20%, in Europe close 60%, and in North America close to 80% (Source: Internet World Stats, U.S. Census Bureau, estimated in June 2010). The growing number of smart phones and other Internet connected devices is expected to accelerate tens of billions during next 10 years (source; gigaom/ Ericson)

The Security software market as a total is attractive globally. The global security software revenue worldwide estimate for 2010 is \$16.5bn, reflecting a 10% annual growth rate for 2010. Consumer security software growth is expected to show CAGR of 6.5% 2007-2014 (source: Source: Gartner Jul. 2010).

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. IDC forecasts this storage as a service market to pass \$3bn by 2012, with a compound annual growth rate of more than 29% from 2007 to 2012.

The Security as a Service (SaaS) business has been a strong growth driver for F-Secure since the year 2000. Based on the company's strong technology assets in security, cloud computing and in storage area and based on its pioneering role in offering Software as a Service, F-Secure continues to create new innovative offerings to augment traditional security services.

Based on experience of the Software as a Service business model, F-Secure anticipates that both the customer benefits (e.g. lower total cost of ownership) and attractive partner business benefits (e.g.

lifetime revenue share) will accelerate the adoption of the Software as a Service business model compared to traditional software acquisition as a product.

F-Secure's first priority is to drive growth and market expansion. The Company sells its Value Added Services to consumers through its large operator network of over 200 operator partners in over 40 countries with an addressable market of over 100 million broadband customers.

F-Secure focuses on increasing the penetration within the current operator base with security and storage related services and continues to selectively seek partner expansion globally; especially in emerging markets. The penetration rates vary by operator; overall penetration levels are relatively low and leave substantial opportunity for growth. The combination of security and storage services attract a larger customer base and has proven to drive penetration rates.

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. Over time, F-Secure anticipates synergies across the Value Added Services being developed and offered both for PC's and smart phones.

F-Secure's target is to be the best partner for operators in providing value added services to consumers. F-Secure pursues investments in new value added services for both PC and mobile users to augment the existing security and storage services.

F-Secure aims to exceed the average market growth rates in revenues and seeks to improve its profitability sustainably towards an EBIT level of 25% over time. F-Secure's longer term profitability level continues to be driven extensively by revenue growth and scalable operations. F-Secure targets its investments in strategic growth businesses, specifically the operator channel.

Outlook for 2011

Combination of latest operator wins together with competitive service portfolio have further improved the Company's growth projections. Operator revenues are expected to deliver accelerating growth driven by security sales, storage related project deliveries and storage service sales. The traditional security license business related revenues are not estimated to contribute to revenue growth.

The management estimates annual revenue growth to accelerate to around 10%. The Company continues to prioritize growth over short term profitability and plans to invest majority of the improved earnings back to growth opportunities in its core business. Annual profitability is expected to improve from 2010 level at a comparable pace to revenue growth (compared to 2010 EBIT excl. re-structuring).

Revenue growth is expected to accelerate and profitability to improve after the first quarter. For the first quarter Storage project delivery related revenue contribution is limited, while total cost base remains consistent with the Q4 level.

The majority of operational cost increases are targeted to drive product portfolio competitiveness, build scalability of the storage services business and geographical expansion.

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 2, at 11 am Finnish time at the Group's Headquarters, address: Tammasaarencatu 7 (Ruoholahti), Helsinki. A conference call for international investors and analysts is arranged at 14.00 Finnish time (13.00 CET, 12.00 pm UK time). To participate in the call, please dial in and register 5-10 minutes prior to the event in the following number: +44 20 7162 0077, password: F-Secure. The Q3 presentation material will be available on our Investors web pages at before the call begins.

Financial calendar for 2011

F-Secure will publish the interim report for the first quarter of 2011 on April 27, 2011. During 2011, the quarterly interim reports will be published on July 27 (Q2) and October 26 (Q4). 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. Full details how to attend conference call will be provided on F-Secure's website prior to the publishing of each interim report. The Annual General Meeting is scheduled to be held on March 30, 2011 and the annual report will be published on week 10.

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 2009.

Key figures (unaudited):

Euro million

INCOME STATEMENT	2010	2009	2010	2009	Chge
	10-12	10-12	1-12	1-12	%
Revenues	34.4	31.8	130.1	125.1	4
Cost of revenues	2.0	2.1	8.1	9.9	-19
Gross margin	32.4	29.7	122.0	115.2	6
Other operating income	0.3	0.1	1.0	1.1	-9
Sales and marketing	15.9	15.9	59.6	56.9	5
Research and development	10.2	7.5	34.5	28.0	24
Administration	3.0	2.2	9.1	7.5	22
Operating result	3.6	4.1	19.8	24.0	-17
Financial net	0.2	0.3	0.0	1.2	
Result before taxes	3.7	4.4	19.9	25.2	
Income taxes	-0.5	-1.1	-4.6	-6.5	
Result for the period	3.3	3.4	15.2	18.7	

Other comprehensive income:

Exchange diff. on translating foreign operations	0.0	0.2	0.1	0.1	
Available-for-sale fin.assets	-0.2	-0.3	0.0	0.1	
Income tax rel. to components of other comprehensive income	0.1	0.1	0.1	0.0	
Total comprehensive Income (owners)	3.2	3.3	15.4	18.9	
Earnings per share, e	0.02	0.02	0.10	0.12	
EPS, diluted, e	0.02	0.02	0.10	0.12	

BALANCE SHEET

ASSETS	31/12/2010	31/12/2009
Intangible assets	16.0	13.5
Tangible assets	7.5	4.6
Goodwill	19.4	19.4
Other financial assets	6.0	2.8
Non-current assets total	48.8	40.4
Inventories	0.4	0.4
Other receivables	29.7	31.3
Available-for-sale financial assets	16.8	17.6
Cash and bank accounts	16.2	16.1
Current asset total	63.1	65.5
Total	111.9	105.9

SHAREHOLDERS' EQUITY

AND LIABILITIES	31/12/2010	31/12/2009
Equity	51.4	48.8
Other non-current	2.2	2.5
Deferred revenues	7.8	6.7
Non-current liabilities total	10.0	9.2
Other current	21.1	19.0
Deferred revenues	29.4	28.9
Current liabilities total	50.4	47.9
Total	111.9	105.9

Cash flow statement	31/12/2010	31/12/2009
Cash flow from operations	23.2	16.4
Cash flow from investments 1)	-11.5	-31.8
Cash flow from financing activities 2)	-13.2	-12.0
Change in cash	-1.5	-27.4
Cash and bank at 1 Jan	34.3	60.9
Change in net fair value of Available-for-sale	0.0	0.1
Cash and bank at end of period	32.8	33.6

Statement of changes in shareholders' equity								
Equity on:	share unstricted					assets	Trans. diff.	Total
	capital	premium fund	equity- reserve	treasury shares	ret. earnings	avail. f.sale		
31.12.2009	1.6	0.2	3.1	-3.5	47.8	0.0	-0.3	48.8
Total comprehensive income for the year					15.3	0.0	0.1	15.4
Dividend					-9.3			-9.3
Other change					-0.1			-0.1
Exercise of options			0.1					0.1
Treasury shares				-4.0				-4.0
Cost of share based payments					0.5			0.5
Equity on 31.12.2010	1.6	0.2	3.2	-7.5	54.1	0.0	-0.2	51.4

Note

1) Cash flow from investments

The final working capital regarding the acquisition of Steek S.A. was defined and the amount was 1.1 million euros.

2) Cash flow from financing

The company has bought own shares by 4,004,441 euro. Dividend for year 2009 0.06 euro per share totaling 9,310,086.12 euro was paid on 8th April 2010.

In 2009, paid dividend totaled 10,903,928.26 euro.

Key ratios	2010	2009
	12 m	12 m
Operating result, % of revenues	15.2	19.2
ROI, %	56.6	45.0
ROE, %	40.4	32.2
Equity ratio, %	69.1	69.8
Debt-to-equity ratio, %	-63.2	-68.1
Earnings per share (EUR)	0.10	0.12
Earnings per share diluted	0.10	0.12
Shareholders' equity per share, e	0.33	0.31
P/E ratio	17.3	22.8
Capitalized expenditures (Me)	10.4	37.2
Contingent liabilities	17.6	19.4
Personnel, average	835	770
Personnel, end of period	812	826

Segment information

The Group has only one segment; data security.

Quarterly development

	1/09	2/09	3/09	4/09	1/10	2/10	3/10	4/10
Revenues	30.6	31.7	31.1	31.8	31.4	32.3	32.0	34.4
Cost of revenues	2.6	2.5	2.7	2.1	2.0	1.9	2.2	2.0
Gross margin	28.0	29.2	28.4	29.7	29.4	30.4	29.9	32.4
Other operating income	0.3	0.4	0.3	0.1	0.3	0.2	0.2	0.3
Sales and marketing	13.5	13.9	13.6	15.9	14.4	15.4	13.9	15.9
Research and development	6.8	6.7	6.9	7.5	7.8	8.3	8.2	10.2
Administration	2.0	1.7	1.6	2.2	1.9	2.1	2.1	3.0
Operating result	6.1	7.2	6.6	4.1	5.5	4.9	5.9	3.6
Financial net	0.5	0.4	0.1	0.3	-0.1	0.2	-0.4	0.2
Result before taxes	6.5	7.6	6.7	4.4	5.5	5.2	5.5	3.7

Geographical information

	10-12/2010	10-12/2009	1-12/2010	1-12/2009
	Revenue	Revenue	Revenue	Revenue
Nordic countries	11.4	11.5	43.1	44.2
Rest of Europe	15.1	14.7	59.3	57.3
North America	3.7	2.3	12.1	10.5
Rest of the world	4.2	3.3	15.6	13.1
Total	34.4	31.8	130.1	125.1

	12/2010	12/2009
	Assets	Assets
Nordic countries	61.5	56.3
Rest of Europe	35.2	37.9
North America	4.1	3.5
Rest of the world	5.6	5.6
Total	106.4	103.3