Financial Statements 2010

11 February 2011

ELISA STOCK EXCHANGE RELEASE 11 FEBRUARY 2011 AT 8:00am

ELISA'S FINANCIAL STATEMENTS 2010

Year 2010

- Revenue increased to EUR 1,463 million (1,430)
- EBITDA was EUR 485 million (484), EBIT was EUR 268 million (267)
- Profit before tax excluding non-recurring items amounted to EUR 237 million (235)
- Earnings per share was EUR 0.96 (1.13)
- Cash flow after investments was EUR 172 million (252)
- The Board of Directors proposes a dividend of EUR 0.90 per share and request an authorisation from the AGM for an additional dividend of EUR 0.40

Fourth quarter 2010

- Revenue grew to EUR 383 million (365)
- EBITDA was EUR 123 million (121), EBIT EUR 69 million (64)
- Cash flow after investments was EUR 28 million (74)
- Mobile ARPU was EUR 20.7 (21.2 in the third quarter)
- Churn decreased to 15.0 per cent (18.1 in the third quarter)
- The number of Elisa's mobile subscriptions increased by 144,400 during the quarter, due in particular to the new 3G and 2G customers, as well as mobile broadband customers
- The number of fixed broadband subscriptions increased by 3,400 on the previous quarter

Key indicators:

EUR million	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Revenue	383	365	1,463	1,430
EBITDA	123	121	485	484
EBIT	69	64	268	267
Profit before tax	66	56	197	235
Profit before tax excl.non-recurring item[1)]	61	56	237	235
Earnings per share, EUR	0.33	0.26	0.96	1.13
EPS excl. non-recurring items, EUR[1)]	0.31	0.26	1.15	1.13
Capital expenditures	56	61	184	171

[1)] Non-recurring item: CDO guarantee settlement (see page 6)

Financial position and cash flow:

EUR million	31.12.2010	31.12.2009
Net debt	776	719
Net debt / EBITDA [1)]	1.6	1.5
Gearing ratio, %	93.2	79.8
Equity ratio, %	42.5	46.1

EUR million	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Cash flow after investments [2)]	28	74	172	252

[1)] (interest-bearing debt – financial assets) / (4 previous quarters' EBITDA exclusive of non-recurring items)
[2)] Excluding the non-recurring CDO guarantee settlement of EUR 68m in 10-12/2010 and EUR 212m in 1-12/2010

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.90 per share. The Board of Directors also proposes an authorisation of additional dividend of EUR 0.40 per share to be distributed at a later date. Furthermore, The Board of Directors decided to propose to the General Meeting an authorisation to acquire maximum 5 million treasury shares, which corresponds to 3 per cent of the entire share capital.

Additional information regarding the Key Performance Indicators is available on www.elisa.com/investors Elisa Quarterly Data.xls.

CEO Veli-Matti Mattila:

"Growth from new services; smartphones increasingly popular

In 2010, Elisa's revenue and EBITDA were at the previous year's level, in line with our guidance. Revenues from the mobile business and new services increased. Improved productivity ensured good profitability. The general uncertainty in the economy was still reflected in the corporate customer business, although it began to pick up towards the end of the year.

The competitive situation remained challenging in 2010, particularly in the mobile broadband market. However, Elisa managed to strengthen both its market position and competitiveness. The mobile subscription base grew by almost half a million subscriptions during the year. During the last quarter, it grew by more than 140,000 subscriptions, while the number of fixed network broadband subscriptions increased by over 3,000.

The Consumer Customer business revenue developed well with the growth of mobile revenues and new services. The popularity of smartphones, tablets and the use of applications increased mobile revenue. Elisa launched several new smartphone models at different price categories. Elisa Viihde IPTV service was the first in the world to introduce exclusive and extensive NHL coverage. The use of Elisa Viihde was also extended by an Android smartphone application, making the recording and marking of program favorites even easier.

The Corporate Customer business developed well with the growth of ICT services. Elisa continued to strengthen its ICT services portfolio for improving the customer productivity and flexibility by acquiring video conference operator Videra and Appelsiini, a company providing IT outsourcing services. Another world first for Elisa was the introduction of corporate-standard video conferences to smartphones and tablets. This application allows multi-point conferences anywhere, anytime.

In 2010, we carried out major extensions to the capacity and speed of our 3G network. An independent survey showed yet again that Elisa's 3G network has the best coverage of all Finnish operators' networks. The investments to the network are a response to the rapidly increasing data requirements of smartphones. Elisa was the first operator in Finland to open a 4G network for corporate users.

Elisa donated EUR 650,000 to Finnish universities in support of science, research and education. The largest donation, EUR 500,000, was received by Aalto University. The other recipients were the universities of Jyväskylä, Turku and Helsinki.

The general economic situation has continued its positive trend. Competition in the Finnish telecommunications market remains challenging. We are determined to continue improving customer satisfaction and productivity. The broadening service offering enabling positive user experiences and productivity improvements, as well as our strong investment capabilities provide a good basis for the future."

ELISA CORPORATION

Additional information:
Mr. Veli-Matti Mattila, CEO, tel. +358 10 262 2635
Mr. Jari Kinnunen, CFO, tel. +358 10 262 9510
Mr. Vesa Sahivirta, Director, IR and Financial Communications, tel. +358 10 262 3036

Distribution:
NASDAQ OMX Helsinki
Principal media
www.elisa.com

FINANCIAL STATEMENTS 2010

The Financial Statements have been prepared in accordance with the IFRS recognition and measurement principles but not all IAS 34 requirements have been followed.

Market situation

Positive trends in the general economy have continued. However, general business activity has not yet fully recovered to its pre-recession level.

The competitive environment remained keen in Finland. The mobile subscription base and the use of data services continued to evolve favourably. The mobile smartphone market is developing briskly. With broader assortment now available, a significant portion of the mobile handsets sold is smartphones. The use of services made available through 3G subscriptions has increased. Other factors contributing to the growth have been the use of multiple terminal devices for different purposes, mobile broadband services and prepaid subscriptions. Churn in mobile subscriptions has increased due to more aggressive campaigning.

The number and usage of traditional fixed network subscriptions decreased at the same pace as in the previous quarters. The number of fixed broadband subscriptions increased slightly, while the strong subscription growth in mobile broadband continued.

Revenue, earnings and financial position

Revenue and earnings:

EUR million	2010	2009	2008
Revenue	1,463	1,430	1,485
EBITDA	485	484	472
EBITDA-%	*33.1*	*33.8*	*31.8*
EBITDA excluding non-recurring items	485	484	478
EBITDA-% excluding non-recurring items	*33.1*	*33.8*	*32.2*
EBIT	268	267	264
EBIT-%	*18.3*	*18.7*	*17.8*
Return on equity, %	17.4	19.9	18.5
Equity ratio, %	42.5	46.1	43.3

Year 2010

Revenue increased by 2 per cent on the previous year. Revenue grew in the Consumer Customers mobile services and equipment sales, as well as in Corporate Customers mobile and ICT services. Consumer Customers online services also contributed positively to revenue growth. Development of traditional fixed telecom services in both segments affected revenue negatively.

EBITDA was at the previous year's level. Revenue growth in the mobile services and productivity improvement measures improved EBITDA, but on the other hand strong growth in the number of mobile subscriptions together with higher churn increased the sales costs. Personnel costs were also higher than a year ago as a result of higher call centre activities and acquisitions.

Financial income and expenses totalled EUR -71 million (-33). Financial expenses increased mainly due to the EUR 40 million settlement of the CDO guarantee liability (see page 7). Interest expenses decreased EUR 2 million from the previous year. Income taxes in the income statement amounted to EUR -47 million (-58). Elisa’s earnings after taxes were EUR 151 million (177). The Group’s earnings per share (EPS) amounted to EUR 0.96 (1.13).

Fourth quarter 2010

Revenue increased by 5 per cent from EUR 365 million to EUR 383 million mainly for the same reasons as during January – December.

EBITDA grew 2 per cent from EUR 121 million to EUR 123 million. Sales costs were higher given increased market activities and service launches. The increased costs were compensated by improved efficiency measures.

Financial income and expenses totalled EUR -2 million (-8). The reduction was mainly due to the EUR 5 million decrease in CDO guarantee expenses than the provision allowed for in the first quarter of 2010. Income taxes in the income statement amounted to EUR -15 million (-15). Elisa's earnings after taxes were EUR 52 million (41). The Group's earnings per share (EPS) amounted to EUR 0.33 (0.26).

Financial position:

EUR million	31.12.2010	31.12.2009	31.12.2008
Net debt	776	719	812
Net debt / EBITDA [1)]	1.6	1.5	1.7
Gearing ratio, %	93.2	79.8	92.8
Equity ratio, %	42.5	46.1	43.3

EUR million	2010	2009	2008
Cash flow after investments	172	252	260

[1)] (interest-bearing debt – financial assets) / (4 previous quarters' EBITDA exclusive of non-recurring items)

Year 2010
Elisa's cash flow after investments was EUR 172 million (252). Cash flow was lower than a year ago mainly as a result of the EUR 40 million CDO guarantee settlement payment, higher capital expenditure and acquisitions. Change in net working capital was EUR 7 million (37).

Fourth quarter 2010
Elisa's financial position and liquidity remained good. October – December cash flow after investments was EUR 28 million (74). The decrease in cash flow was mainly due to the EUR 40 million CDO guarantee settlement payment.

Changes in corporate structure

Year 2010
In April, Elisa strengthened its position as an ICT player by acquiring a majority holding in Videra Oy, a leading video conferencing company in the Nordic countries. Videra became part of the Elisa Group and Elisa's holding is 68.8 per cent. Videra continues its operations as Elisa's subsidiary. The acquisition price was EUR 11 million.

In September, Elisa launched cooperation with Voddler, a Swedish internet video service. To engage in closer cooperation and support Voddler's internationalization , Elisa invested EUR 3 million and received 8 per cent of Voddler's shares.

In November, Elisa acquired the entire share capital of Appelsiini Finland Oy. The acquisition price was EUR 17 million including EUR 2 million cash in the company. Appelsiini continues its operations as a 100 per cent owned Elisa subsidiary.

Consumer Customer business

EUR million	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Revenue	229	217	885	848
EBITDA	71	71	290	284
EBITDA-%	*31.0*	*32.8*	*32.7*	*33.5*
EBIT	40	39	165	161
CAPEX	31	33	108	92

Year 2010
The Consumer Customer business revenue grew by 4 per cent. Revenue growth was driven by mobile broadband and other mobile services as a result of increased subscriptions and equipment sales. The growth trend in online services continued and strengthened. Fixed network services revenue continued to decrease. EBITDA grew by 2 per cent mainly due to increased revenue. The Estonian business' revenue and EBITDA decreased.

Fourth quarter 2010
The Consumer Customer business revenue grew by 5 per cent mainly due to the same reasons as in 2010. Smartphone sales were clearly higher than a year ago. EBITDA remained at the previous year's level.

Corporate Customer business

EUR million	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Revenue	154	148	578	583
EBITDA	52	50	195	200
EBITDA-%	*34.0*	*33.9*	*33.8*	*34.3*
EBIT	29	25	103	107
CAPEX	25	28	76	79

Year 2010
Corporate Customers business revenue decreased by 1 per cent. Usage of mobile services and the increased number of subscriptions increased mobile revenue. ICT services growth was enhanced by acquisitions. Traditional fixed telecom services revenue continued to decrease. The decrease in EBITDA was attributable mainly to the decline in revenue.

Fourth quarter 2010
Corporate Customers business revenue increased by 4 per cent. Growth in mobile and ICT services enhanced by acquisitions more than offset the decrease in traditional fixed telecom services.

Personnel

In January-December, the average number of personnel at Elisa was 3,477 (2009 average 3,216 people, 2008 average 2,946 people). Employee benefit expenses in 2010 totalled EUR 208 million (2009 EUR 189 million and 2008 EUR 162 million). Personnel at the end of 2010 amounted to 3,665 (3,331). Personnel by segment at the end of the period:

	31.12.2010	31.12.2009
Consumer Customers	2,084	1,975
Corporate Customers	1,581	1,356
Total	3,665	3,331

Compared to 2009, the number of personnel grew mainly through acquisitions and growth in call centres. The call centre headcount varies flexibly according to business activity. Acquisitions increased the number of personnel by 181.

In 2008, Elisa's Board of Directors decided on a new share-based incentive plan for the Elisa Group key personnel. The detailed terms and conditions of the plan can be found in Elisa’s 2009 Annual Report. The plan includes three earning periods, which are the calendar years 2009, 2010 and 2011.

In December, Elisa's Board of Directors decided that the potential reward from the earning period 2011 will be based on the Elisa Group’s earnings per share and revenue in 2011. The plan is directed to approximately 160 people. The maximum reward payable in the earning period 2011 on the basis of the plan is 909,000 Elisa shares.

Investments

EUR million	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Capital expenditures, of which	56	61	184	171
- Consumer Customers	31	33	108	92
- Corporate Customers	25	28	76	79
Shares	20	0	35	6
Total	76	61	218	178

In 2010, the main capital expenditures relate to the capacity and coverage increase of the 3G network, as well as to other network and IT investments.

Financing arrangements and ratings

Valid financing arrangements:

EUR million	Maximum amount	In use on 31.12.2010
Committed credit lines	300	32
Commercial paper program [1)]	250	102
EMTN program [2)]	1,000	625

[1)] The program is not committed
[2)] European Medium Term Note program, not committed

Long-term credit ratings:

Credit rating agency	Rating	Outlook
Moody’s Investor Services	Baa2	Stable
Standard & Poor’s	BBB	Stable

The Group’s cash and undrawn committed credit lines totalled EUR 300 million at 31 December 2010 (EUR 331 million at the end of 2009).

In March, Elisa issued a EUR 75 million bond under its EMTN programme. The bond has a three year maturity and pays 3 per cent interest.

The CDO guarantee dispute regarding the extent and scope of Elisa's obligations and liability to the arranger bank has been settled and the guarantee terminated in December. The final amount of the guarantee expense is EUR 40 million, which is EUR 5 million less than the provision booked in the first quarter of 2010. This EUR 5 million has a positive impact on financial expenses in the fourth quarter of 2010. The guarantee liability was referred to in Elisa's Annual Report 2009 in note 33.

Share

Trading of shares	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Shares traded, millions	38,5	35.6	144,7	180.6
Volume, EUR million	615.8	508.6	2,226.7	2,170.0
% of shares	23.2	21.4	87.0	116.1

Shares and market values	31.12.2010	31.12.2009
Total number of shares	166,307,586	166,307,586
Treasury shares	10,534,506	10,688,629
Outstanding shares	155,773,080	155,618,957
Closing price, EUR	16.27	15.96
Market capitalisation, EUR million	2,534	2,484
Treasury shares, %	6.33	6.43

At the end of the year, Elisa's total number of the shares was 166,307,586 (166,307,586), all within one share series.

In March, Elisa distributed a capital repayment of EUR 0.92 per share, totalling EUR 143 million, in accordance with the decision of the shareholders at the Annual General Meeting.

Elisa transferred 156,633 Elisa shares in March to persons involved in the 2009 - 2011 share-based incentive plans. In June, 2,510 shares given under the share-based incentive plan were returned to the company.

In the first quarter, Elisa and Vodafone renewed their partnership and long-term cooperation agreement. As a part of the new agreement, the clause allowing Vodafone to participate in potential Elisa share bids, as per the 2002 agreement, was removed.

In May, Elisa received a notice that BlackRock Inc.'s proportion of the total number of Elisa shares and voting rights had decreased below 5 per cent (1/20) and was at that date 4.94 per cent (8.2 million shares).

In October, Elisa distributed an extraordinary dividend of EUR 0.50 per share totalling EUR 78 million, which was distributed out of retained earnings. No dividend was paid on treasury shares held by Elisa.

The strike price of the Elisa 2007 stock options series 2007A is EUR 16.62, series 2007B is EUR 9.47 and series 2007C is EUR 12.57. Future dividends and capital repayments will be deducted from the subscription price upon payment. The share subscription period for 2007B stock options began on 1 December 2010 and it will end on 31 May 2012. For 2007A it began on 1 December 2009 and will end on 31 May 2011.

In November, Elisa made a decision to apply for listing of the Elisa 2007B stock options on the NASDAQ OMX Helsinki Ltd as of 1 December 2010. The total number of outstanding 2007B stock options is 850,000. Each 2007B stock option entitles its holder to subscribe for one (1) Elisa share. Elisa's subsidiary, Fonetic Oy, is in possession of 273,000 2007B stock options, but may not subscribe for new shares with stock options.

In December, Elisa received a notice that the total proportion of Elisa shares and voting rights held by mutual funds under investment management of Capital Research and Management Company has exceeded five per cent (8,395,128 shares). Capital Research and Management Company does not own the shares for its own account. The shares are owned by mutual funds under the discretionary investment management of Capital Research and Management Company.

In December, a total of 400 shares were subscribed for with 2007B option rights. . The subscriptions will be approved in 2011.

Research and development

The Group invested EUR 10 million in research and development, out of which EUR 2 million has been capitalised in 2010 (EUR 10 million in 2009 and EUR 11 million in 2008), corresponding to 0.7 per cent of revenue (0.7 per cent in 2009 and 0.7 per cent in 2008).

The Annual General Meeting

On 18 March 2010, the shareholders at the Annual General Meeting decided on a capital repayment of 0.92 Euros per share based on the adopted financial statements 2009.

The Annual General Meeting adopted the financial statements for the period in question. The members of the Board of Directors and the CEO were discharged from liability for 2009.

The number of the members of the Board of Directors was confirmed at seven (7). Pertti Korhonen, Ari Lehtoranta, Raimo Lind, Eira Palin-Lehtinen, Risto Siilasmaa and Ossi Virolainen were re-elected as members of the Board of Directors and Leena Niemistö (Managing Director at Medical Center Dextra) as a new member of the Board of Directors.

KPMG Oy Ab, authorised public accountants, was appointed the company's auditor. APA Pekka Pajamo is the responsible auditor.

The Annual General Meeting accepted the proposal to amend the provision on the notice of a general meeting in the Articles of Association. The main change is that the publication date of a notice corresponds to the amended Finnish Companies Act.

The Board of Directors' authorisations

The Board of Directors was authorised to donate a maximum of EUR 700,000 to support activities of Finnish universities and colleges during 2010. Based on this authorization, the Board of Directors made donations to the Aalto University, the University of Jyväskylä, the University of Helsinki and the University of Turku totalling EUR 650,000.

The shareholders at the Annual General Meeting accepted the proposal of the Board of Directors to resolve to distribute funds from unrestricted equity to a maximum amount of EUR 100 million, of which EUR 78 million is used. The authorisation is effective until the beginning of the following Annual General Meeting.

The shareholders at the Annual General Meeting decided on the authorisation to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The amount of shares under this authorisation is maximum 10 million. The authorisation is effective until 30 June 2011.

The shareholders at the Annual General Meeting approved the proposal of the Board of Directors on the issuance of shares as well as the issuance of special rights entitled to shares. The issue may be directed. The authorisation is effective until 30 June 2014. A maximum aggregate of 15 million of the company's shares can be issued under the authorisation.

Significant legal issues

The verdict on 28 May 2009 regarding Jippii Group stock exchange disclosures in 2001 became final upon the Supreme Court decision on 10 March 2010 to dismiss the appeal. The Supreme Court, however, on 10 January 2011 cancelled the court of appeals decision.

There is an investigation by the Finnish Communications Regulatory Authority regarding the wholesale pricing of Elisa subscriber lines (local loop). The Finnish Competition Authority, however, ended the investigation on Elisa household cable pricing.

In May, the Finnish Communications Regulatory Authority (Ficora) issued a decision on pricing local loop access, according to which Elisa must reduce its pricing to a level based on Ficora's decision. Elisa appealed against the Ficora's decision and looked for interruption of the enforcement from the Supreme Administrative Court, which gave an interim judgement and dismissed the interruption of the enforcement in August 2010. The judgement did not concern the principal claim and the proceedings continue in the Supreme Administrative Court.

Elisa has settled the dispute relating to the CDO arrangement with the arranger bank and terminated the guarantee.

Regulatory issues

The Parliament has decided to make a change to the Communications Market Act, which will alter the current telephone number portability practices. The key content of the change is that number portability should be allowed despite the fact that the customer has a valid fixed-term contract. The change will come into force in spring 2011.

In December, Ficora published its view on the development of mobile termination rates. Their view is that the rates should decrease in the future.

Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, accidental and financial risks.

Strategic and operational risks:
The telecommunications industry is under intense competition in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world, and growth in subscriptions is thus limited. Furthermore, the volume of phone traffic in Elisa's fixed network has decreased in the past few years. These factors may limit the opportunities for growth.

Accident risks:
The company's core operations are covered by insurance against damage and interruptions caused by accidents. Accident risks also include litigations and claims.

Financial risks:
In order to manage interest rate risk, the Group's loans and investments are diversified in fixed- and variable-rate instruments. Interest rate swaps can be used to manage interest rate risk.

As most of Elisa Group's cash flow is denominated in Euros, the exchange rate risk is minor. Elisa's Estonian business, which is approximately 6 per cent of the consolidated revenue, is denominated in Estonian crowns. Estonia joined the European monetary union as of 1 January 2011 with the current exchange rate, which removed this exchange risk.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits to investment targets with a good credit rating. Credit risk concentrations in accounts receivable are minor as the customer base is wide.

A detailed description of the financial risk management can be found in note 34 of the Annual Report.

Environmental issues

Elisa carries out high-quality and environmentally responsible telecommunications services. The utilisation of these services reduces the need to transport people and goods, which leads to a reduction in traffic.

Elisa wants to be involved in the building of a low-carbon society and in the promotion of sustainable development. It can reach this objective by decreasing both Elisa's own and its customers' carbon footprint with the help of Elisa's services. These objectives are reached with continuous measurement and assessment.

Reducing customers' carbon footprint guides Elisa's environmental responsibility, with regards to its business units' operational activities and is therefore considered as part of Elisa's business potential. Elisa initiated construction of a new server centre in the spring of 2010. It is being implemented together with a leading energy company as an internationally unique and environmentally friendly solution. The computer room emission balance is negative because the heat generated by the servers will be fully utilised in Espoo district heating.

In July, Elisa set clear targets for the measurement of carbon dioxide emissions. The use of reliable calculation methods allows Elisa to demonstrate concrete numbers for the reduced carbon dioxide emissions. The calculations will be verified via an independent limited assurance engagement.

2010 Annual Report and corporate governance statement

Elisa will publish its 2010 Annual Report, which contains the report by the Board of Directors and the financial statements for 2010, as well as a separate Corporate Governance Statement during week 9 (beginning 28 February, 2011) on its website at www.elisa.com.

Events after the financial period

There are no major events after the financial period.

Outlook for 2011

Positive trends in the general economy have continued. Risks are related to nervousness caused by the budget deficits in several European countries and its possible impacts on the general economic development. Competition in the Finnish telecommunications market remains challenging.

Full year revenue is estimated to increase slightly from the previous year. The use of mobile communications, especially mobile broadband services, and equipment sales are continuing to rise. In addition, ICT and new online services' revenue will grow. Full year EBITDA, excluding non-recurring items, is expected to improve slightly from the last year. Full-year capital expenditure is expected to be maximum 12 per cent of revenue.

In addition to its strong position as a network service provider, Elisa is transforming itself to be able to provide its customers with exciting and relevant new services. Among the factors contributing to long-term growth and profitability improvement is 3G market growth, as well as new online and ICT services. Elisa continues determinedly to employ its efficiency measures. Elisa's financial position and liquidity are good.

Profit distribution

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.90 per share. The payment corresponds to 94 per cent of the financial period's net result.

Shareholders who are listed in the company's register of shareholders maintained by Euroclear Finland Ltd on 30 March 2011 are entitled to funds distributed by the General Meeting. The Board of Directors proposes that the payment date be 7 April 2011. The profit for the period shall be added to retained earnings.

The Board of Directors also decided to propose to the General Meeting that the Board of Directors be authorised to distribute an additional dividend of EUR 0.40 per share at a later date. The Board of Directors plans to use this authorisation if it is granted. When making the possible decision the Board of Directors will take into consideration the company´s financial position, future financial needs and financial targets.

Furthermore, the Board of Directors decided to propose to the General Meeting that the Board of Directors be authorised to acquire a maximum of 5 million treasury shares, which corresponds to 3 per cent of the entire share stock. Currently the Board of Directors does not plan to use this authorisation.

BOARD OF DIRECTORS

Elisa Corporation
1.1. - 31.12.2010
The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

CONSOLIDATED INCOME STATEMENT

EUR million	Note	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Revenue	1	**382,6**	364,9	**1 463,2**	1 430,4
Other operating income		**2,5**	2,0	**5,1**	4,2
Materials and services		**-163,3**	-144,0	**-600,2**	-576,3
Employee expenses		**-55,0**	-51,3	**-208,3**	-188,8
Other operating expenses		**-43,6**	-50,3	**-175,1**	-185,6
EBITDA	1	**123,2**	121,3	**484,7**	483,9
Depreciation and amortisation		**-54,6**	-56,8	**-216,7**	-216,4
EBIT	1	**68,6**	64,5	**268,0**	267,5
Financial income		**-1,1**	2,3	**9,5**	10,5
Financial expense		**-1,1**	-10,6	**-80,4**	-43,1
Share of associated companies' profit		**0,0**	-0,1	**0,0**	0,0
Profit before tax		**66,4**	56,1	**197,1**	234,9
Income taxes		**-14,6**	-15,2	**-46,6**	-57,9
Profit for the period		**51,8**	40,9	**150,5**	177,0
Attributable to:					
Owners of the parent		**51,4**	40,7	**149,7**	176,3
Non-controlling interests		**0,4**	0,2	**0,8**	0,7
		51,8	40,9	**150,5**	177,0
Earnings per share (EUR)					
Basic		**0,33**	0,26	**0,96**	1,13
Diluted		**0,33**	0,26	**0,96**	1,13
Average number of outstanding shares (1000 shares)					
Basic		**155 773**	155 619	**155 748**	155 619
Diluted		**156 154**	155 809	**156 129**	155 809

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Profit for the period	**51,8**	40,9	**150,5**	177,0
Other comprehensive income, net of tax:				
Available-for-sale investments	**-2,0**	-0,5	**-1,2**	1,2
Total comprehensive income	**49,8**	40,4	**149,3**	178,2
Total comprehensive income attributable to:				
Owners of the parent	**49,4**	40,2	**148,5**	177,5
Non-controlling interest	**0,4**	0,2	**0,8**	0,7
	49,8	40,4	**149,3**	178,2

Elisa Corporation

1.1. - 31.12.2010

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	**31.12. 2010**	31.12. 2009
Non-current assets		
Property, plant and equipment	**611,3**	617,9
Goodwill	**798,0**	782,0
Other intangible assets	**129,3**	148,2
Investments in associated companies	**0,1**	0,1
Available-for-sale investments	**33,2**	30,7
Receivables	**22,5**	19,4
Deferred tax assets	**19,6**	25,7
	1 614,0	1 624,0
Current assets		
Inventories	**38,7**	31,2
Trade and other receivables	**283,1**	278,0
Tax receivables	**4,1**	0,4
Cash and cash equivalents	**31,8**	31,0
	357,7	340,6
Total assets	**1 971,7**	1 964,6
Equity attributable to owners of the parent	**829,8**	899,2
Non-controlling interests	**3,1**	0,8
Total equity	**832,9**	900,0
Non-current liabilities		
Deferred tax liabilities	**26,9**	26,6
Pension obligations	**1,2**	0,8
Provisions	**3,6**	3,7
Interest-bearing debt	**445,8**	592,3
Other non-current liabilities	**15,7**	13,4
	493,2	636,8
Current liabilities		
Trade and other payables	**280,6**	263,3
Tax liabilities	**0,6**	6,4
Provisions	**2,1**	0,9
Interest-bearing debt	**362,3**	157,2
	645,6	427,8
Total equity and liabilities	**1 971,7**	1 964,6

Elisa Corporation
1.1. - 31.12.2010
The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-12 2010	1-12 2009
Cash flow from operating activities		
Profit before tax	**197,1**	234,9
Adjustments		
Depreciation and amortisation	**216,7**	216,4
Other adjustments	**71,7**	29,5
	288,4	245,9
Change in working capital		
Change in trade and other receivables	**2,1**	36,3
Change in inventories	**-6,4**	-9,4
Change in trade and other payables	**11,2**	10,1
	6,9	37,0
Financial items, net	**-67,9**	-29,6
Taxes paid	**-53,4**	-57,2
Net cash flow from operating activities	**371,1**	431,0
Cash flow from investing activities		
Capital expenditure	**-181,6**	-170,3
Investments in shares	**-19,3**	-9,7
Proceeds from asset disposal	**1,9**	0,9
Net cash used in investing activities	**-199,0**	-179,1
Cash flow before financing activities	**172,1**	251,9
Cash flow from financing activities		
Proceeds from long-term borrowings	**75,0**	
Repayment of long-term borrowings	**-80,2**	-36,1
Change in short-term borrowings	**59,3**	-56,6
Repayment of finance lease liabilities	**-4,1**	-4,5
Dividends paid and capital repayment	**-221,3**	-156,7
Net cash used in financing activities	**-171,3**	-253,9
Change in cash and cash equivalents	**0,8**	-2,0
Cash and cash equivalents at beginning of period	**31,0**	33,0
Cash and cash equivalents at end of period	**31,8**	31,0

Elisa Corporation
1.1. - 31.12.2010
The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Treasury shares	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Non-controlling interests	**Total equity**
Balance at January 1, 2009	83,0	-202,0	393,5	250,8	348,1	1,6	**875,0**
Dividends and capital repayment				-62,2	-92,7	-1,5	**-156,4**
Share-based compensation					3,2		**3,2**
Total comprehensive income			1,2		176,3	0,7	**178,2**
Balance at December 31, 2009	83,0	-202,0	394,7	188,6	434,9	0,8	**900,0**

EUR million							
Balance at January 1, 2010	83,0	-202,0	394,7	188,6	434,9	0,8	**900,0**
Dividends and capital repayment				-143,3	-77,9	-0,6	**-221,8**
Share-based compensation		3,0			0,6		**3,6**
Other changes					-0,3	2,1	**1,8**
Total comprehensive income			-1,2		149,7	0,8	**149,3**
Balance at December 31, 2010	83,0	-199,0	393,5	45,3	507,0	3,1	**832,9**

Elisa Corporation

1.1. - 31.12.2010

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

NOTES

ACCOUNTING PRINCIPLES

The financial statements bulletin has been prepared in accordance with the IFRS recognition and measurement principles, although all requirements of IAS 34 standard have not been followed. The information has been prepared in accordance with International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by European Union. Apart from the changes in accounting principles stated below, the accounting principles applied in the financial statements are the same as in the financial stantements at December 31, 2009.

Changes in the accounting principles

The Group adopted the following standards, amendments to standards and interpretations as from 1 January 2010 onward:

- Revised *IFRS 3 Business Combinations* . The revision enables valuation of non-controlling intrest and goodwill at fair value. The method to be used is selected on a case-by-case basis. In case of successive acquisitions, the previously acquired share of ownership is revaluated at the fair value on the acquisition date, and this influences the recognized goodwill. Changes in contingent purchase price and cost related to the acquisition are recognized through profit or loss.

- Revised *IAS 27 Consolidated and Separate Financial Statements.* The manner in which increases and decreases in the shares of ownership of the Group's subsidiaries are handled is changed. Losses of the subsidiaries are allocated as non-controlling interest, including the share exceeding the investment made by the subsidiary in question.

Following newly adopted standards and interpretations have not had any effect on interim financial statements:

- Annual improvements of IFRS standards
- Revised *IFRS 2 Share-based Payment*
- Revised *IAS 39 Financial Instruments: Recognition and Measurement*
- *IFRIC 17 Distributions of Non-cash Assets to Owners*
- *IFRIC 18 Transfers of Assets from customers*

1. SEGMENT INFORMATION

10-12/2010	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	228,9	153,7		382,6
EBITDA	71,0	52,2		123,2
Depreciation and amortisation	-31,5	-23,1		-54,6
EBIT	39,5	29,1		68,6
Financial income			-1,1	-1,1
Financial expense			-1,1	-1,1
Share of associated companies' profit			0,0	0,0
Profit before tax				66,4
Investments	31,3	25,1		56,4

10-12/2009	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	217,1	147,8		364,9
EBITDA	71,2	50,1		121,3
Depreciation and amortisation	-32,0	-24,8		-56,8
EBIT	39,2	25,3		64,5
Financial income			2,3	2,3
Financial expense			-10,6	-10,6
Share of associated companies' profit			-0,1	-0,1
Profit before tax				56,1
Investments	33,2	27,7		60,9

Elisa Corporation

1.1. - 31.12.2010

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

1-12/2010 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	885,0	578,2		1 463,2
EBITDA	289,6	195,1		484,7
Depreciation and amortisation	-125,0	-91,7		-216,7
EBIT	164,6	103,4		268,0
Financial income			9,5	9,5
Financial expense			-80,4	-80,4
Share of associated companies' profit			0,0	0,0
Profit before tax				197,1
Investments	107,7	76,1		183,8
Total assets	1 062,0	801,0	108,7	1 971,7

1-12/2009 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	847,7	582,7		1 430,4
EBITDA	283,8	200,1		483,9
Depreciation and amortisation	-123,1	-93,3		-216,4
EBIT	160,7	106,8		267,5
Financial income			10,5	10,5
Financial expense			-43,1	-43,1
Share of associated companies' profit			0,0	0,0
Profit before tax				234,9
Investments	91,9	79,5		171,4
Total assets	1 059,5	766,3	138,8	1 964,6

Elisa Corporation
1.1. - 31.12.2010
The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

2. OPERATING LEASE COMMITMENTS

EUR million	**31.12. 2010**	31.12. 2009
Due within 1 year	**20,5**	19,2
Due after 1 year but within 5 years	**31,8**	34,8
Due after 5 years	**9,4**	13,5
Total	**61,7**	67,5

3. CONTINGENT LIABILITIES

EUR million	**31.12. 2010**	31.12. 2009
Mortgages		
For own	**2,0**	
Pledges given		
Pledges given as surety	**0,9**	0,7
Guarantees given		
For own	**0,8**	
For others (*	**0,5**	42,4
Total	**4,2**	43,1

**) 31.12.2009 EUR 41.6 million was related to the guarantee given on a CDO portfolio.*
The total amount of guarantee EUR 39.5 million was paid on 22 December, 2011.

4. DERIVATIVE INSTRUMENTS

EUR million	**31.12. 2010**	31.12. 2009
Interest rate swaps		
Nominal value	**150,0**	150,0
Fair value	**1,2**	1,5
Credit default swaps (*		
Nominal value		44,0

**) CDS was related to hedging of the guarantor bank in the QTE-arrangement. In 2008 Elisa wrote down the fair value of the CDS agreement. The credit default swap has been settled in December 2010.*

Elisa Corporation

1.1. - 31.12.2010

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 10 February 2011.

KEY FIGURES

EUR million	**1-12 2010**	1-12 2009
Shareholders' equity per share, EUR	**5,33**	5,78
Interest bearing net debt	**776,2**	718,5
Gearing	**93,2 %**	79,8 %
Equity ratio	**42,5 %**	46,1 %
Return on investment (ROI) *)	**14,0 %**	16,0 %
Gross investments in fixed assets	**183,8**	171,4
of which finance lease investments	**2,2**	1,1
Gross investments as % of revenue	**12,6 %**	11,9 %
Investments in shares	**34,5**	6,3
Average number of employees	**3 477**	3 216

*) rolling 12 months profit preceding the reporting date

Formulae for financial indicators

EBITDA: EBIT + depreciation, amortisation and impairment

Gearing %:
$$\frac{\text{Interest-bearing debt - cash and cash equivalents}}{\text{Total equity}} \times 100$$

Equity ratio %:
$$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$$

Return on investment % (ROI):
$$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total equity + interest bearing liabilities (average)}} \times 100$$

Net debt: Interest-bearing debt - cash and cash equivalents

Shareholders' equity per share:
$$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares outstanding at end of period}}$$

Earnings/share:
$$\frac{\text{Profit for the period attributable to equity holders of parent}}{\text{Average number of outstanding shares}}$$