Second Quarter Results 2012

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ELISA'S INTERIM REPORT JANUARY - JUNE 2012

Second quarter 2012

- Revenue amounted to EUR 389 million (378)
- EBITDA was EUR 122 million (121) and EBIT was EUR 72 million (69)
- Profit before tax increased to EUR 66 million (61)
- Earnings per share increased to EUR 0.32 (0.29)
- Cash flow after investments was EUR 47 million (59)
- The full year's outlook is reiterated

- Mobile ARPU was EUR 18.0 (18.1 in previous quarter)
- Mobile churn was 14.1 per cent (15.3 in previous quarter)
- The number of Elisa's mobile subscriptions increased by 93,000 during the quarter
- The number of fixed broadband subscriptions increased by 3,000 on the previous quarter
- Net debt / EBITDA was 1.8 (1.6 end 2011) and gearing 123 per cent (94 end 2011)

January – June 2012

- Revenue was EUR 771 million (752)
- EBITDA was EUR 243 million (239), EBIT EUR 140 million (134)
- Cash flow after investments was EUR 85 million (86)

Key indicators:

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Revenue	389	378	771	752
EBITDA	122	121	243	239
EBIT	72	69	140	134
Profit before tax	66	61	127	119
Earnings per share, EUR	0.32	0.29	0.63	0.56
Capital expenditures	51	54	92	95

Financial position and cash flow:

EUR million	30.6.2012	30.6.2011	End 2011
Net debt	909	845	788
Net debt / EBITDA[1)]	1.8	1.7	1.6
Gearing ratio, %	123.3	108.0	93.8
Equity ratio, %	38.0	40.3	42.3

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Cash flow after investments	47	59	85	86

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

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

CEO Veli-Matti Mattila:

"Elisa's earnings and revenue have continued to develop favourably

Despite keen competition, Elisa's competitiveness and the demand for our services strengthened during the second quarter of 2012. Elisa's earnings and revenue grew in accordance with expectations. The increase in revenue was boosted by sales of terminals, mobile voice and data services as well as new services.

The total number of mobile subscriptions grew by 93,000 during the second quarter. Fixed broadband subscriptions increased by 3,000 supported by new services and service bundles. Moreover, the demand for mobile data services continued to grow strongly, with dongles and smartphones having established their popularity among consumers and business users.

Elisa's consumer services developed favourably during the period. The Elisa Viihde entertainment service continued to grow in popularity. For example, Elisa Viihde tablet and smartphone applications have been downloaded more than 120,000 times. Applications can be used for purposes such as recording favourite programs. The Elisa Kirja e-book service, a forerunner for new reading services, was included in city library selections. The libraries of Helsinki and Oulu lend out the service on tablets for reading new Finnish detective novels. The service was also expanded to cover more than 100 out-of-print detective novels.

Elisa introduced several new services for corporate customers during the second quarter. Secure identification enables health center clients to use online services. For example, they can send nurses questions that will be recorded in an electronic health record system. Identification is easy by means of mobile certificates. To support corporate IT solutions, Elisa introduced the Elisa eSali cloud service, which enables companies to acquire additional server capacity based on their specific needs. A new technology developed by Elisa makes it possible for companies to combine their own data centers with virtual ones.

Elisa continued to invest in networks, and 4G speeds were expanded to cover 160 locations during the second quarter. 4G services have been well received by customers. Elisa constantly invests in deepening its customer understanding and customer service. Elisa expanded its consumer customer service by enhancing the use of social media channels. For corporate customers Elisa introduced a new type of online IT support service provided via videoconferencing and chat.

We will continue our determined work to develop the productivity of our operations and customer satisfaction. Elisa creates services that improve productivity and user experiences. Combined with our strong investment ability, this creates a solid foundation for competitive operations in the future."

ELISA CORPORATION

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INTERIM REPORT JANUARY - JUNE 2012

The Interim report has been prepared in accordance with the IFRS recognition and measurement principles, although all requirements of the IAS 34 standard have not been followed. The information presented in this interim report is unaudited.

Market situation

The competitive environment has been intense but stable in Finland. The mobile subscription base and the use of data services continued to evolve favourably. The mobile smartphone market is growing rapidly. With a broader assortment now available, over 80 per cent of the mobile handsets sold are smartphones. This further increases the use of mobile data services. Another factor contributing to the mobile market growth has been the increased coverage of new 4G speeds. The number and usage of traditional fixed network subscriptions decreased at the same pace as in the previous quarters.

The market for new visual communications (video conference) services continues to develop favourably. The demand for new consumer on-line services is also growing.

Revenue, earnings and financial position

Revenue and earnings:

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Revenue	389	378	771	752
EBITDA	122	121	243	239
EBITDA-%	*31.3*	*32.1*	*31.5*	*31.8*
EBIT	72	69	140	134
EBIT-%	*18.5*	*18.2*	*18.2*	*17.8*

Revenue and earnings

Second quarter 2012
Revenue increased by 3 per cent on the previous year. Revenue growth was driven by increased equipment sales, mobile services, growth in Corporate Customers' ICT services and Elisa's Estonian business. Consumer Customers' online services, e.g. Elisa Viihde IPTV service also contributed positively to revenue growth. The decrease in usage and subscriptions of traditional fixed telecom services in both segments affected revenue negatively, as did the decrease in mobile termination rates.

EBITDA was at the previous year's level. The EBITDA margin was negatively affected by the increase in low margin equipment sales and in ICT and online services, which also typically carry lower margins. EBIT increased by 5 per cent given lower depreciations.

Financial income and expenses totalled EUR -7 million (-8). Income taxes in the income statement amounted to EUR -15 million (-16). The corporate tax rate decreased in Finland from 26 per cent to 24.5 per cent at the beginning of the year. Elisa's earnings after taxes were EUR 50 million (45). The Group's earnings per share increased by 10 per cent to EUR 0.32 (0.29) mainly in response to the improved EBITDA, reduced depreciations and financial expenses.

January - June 2012
Revenue increased by 3 per cent on last year attributable mainly to same reasons as in the second quarter.

EBITDA improved by 2 per cent on the previous year.

Financial income and expenses totalled EUR -13 million (-15). Income taxes in the income statement amounted to EUR -28 million (-31). Elisa's earnings after taxes were EUR 98 million (88). The Group's earnings per share (EPS) amounted to EUR 0.63 (0.56).

Financial position

EUR million	30.6.2012	30.6.2011	End 2011
Net debt	909	845	788
Net debt / EBITDA [1)]	1.8	1.7	1.6
Gearing ratio, %	123.3	108.0	93.8
Equity ratio, %	38.0	40.3	42.3

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Cash flow after investments	47	59	85	86

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

Second quarter

April - June cash flow after investments decreased to EUR 47 million (59). Cash flow was negatively affected by higher supplementary tax payments relating to previous fiscal year taxes and lower asset sales. Cash flow was positively affected by the change in net working capital.

January – June

Cash flow after investments was EUR 85 million (86). Cash flow was negatively affected by higher supplementary tax payments relating to previous fiscal year taxes, lower asset sales and higher paid interest costs. Cash flow was positively affected by the change in net working capital, lower investments in shares and higher EBITDA.

The financial and liquidity positions are good. During the first half 2012, net debt increased to EUR 909 million mainly as a result of the dividend payment of EUR 203 million in April 2012. Cash and undrawn committed credit lines totalled EUR 222 million at the end of the first half. There are no material short-term refinancing needs.

Changes in corporate structure

Elisa Corporation and its wholly-owned subsidiary Elisa Links Oy signed a draft terms of merger on 11 June 2012, according to which Elisa Links Oy shall merge with the parent company Elisa Corporation. No merger consideration will be paid.

Consumer Customers business

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Revenue	239	227	471	451
EBITDA	74	72	148	139
EBITDA-%	*31.0*	*31.8*	*31.4*	*30.9*
EBIT	46	43	89	80
CAPEX	30	32	54	55

Second quarter 2012

The Consumer Customers business' revenue increased by 5 per cent. Revenue growth was driven by online services, growth in the Estonian business, increased equipment sales and mobile services as a result of an increased number of subscriptions. The decrease in fixed network usage and subscriptions, and lower mobile termination rates affected revenue negatively. EBITDA increased by 3 per cent mainly due to revenue growth and cost efficiency measures. The EBITDA margin was negatively impacted by growth in both low margin equipment sales and online services.

January – June 2012
Revenue increased by 4 per cent. The growth in revenue was mainly attributable to the same reasons as in the second quarter. EBITDA grew by 6 per cent mainly due to revenue growth and cost efficiency measures.

Corporate Customers business

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Revenue	150	150	300	300
EBITDA	48	49	95	99
EBITDA-%	*31.8*	*32.4*	*31.7*	*33.1*
EBIT	26	26	51	54
CAPEX	21	22	38	40

Second quarter 2012
The Corporate Customers business' revenue was at the previous year's level. Revenue was positively affected by the growth in ICT services as well as equipment sales. The decline in usage and subscriptions in traditional fixed telecom services and lower mobile termination rates decreased revenue. EBITDA was also at the previous year's level. The EBITDA margin was negatively impacted by growth in both low margin equipment sales and ICT services.

January – June 2012
Revenue was same as in 2011 and EBITDA decreased by 4 per cent. The EBITDA margin was negatively impacted by growth in both low margin equipment sales and ICT services.

Personnel

In January - June, the average number of personnel at Elisa was 3,974 (3,754). Personnel by segment at the end of period were as follows:

	30.6.2012	30.6.2011	End 2011
Consumer Customers	2,355	2,230	2,153
Corporate Customers	1,671	1,579	1,619
Total	4,026	3,809	3,772

The increase in number of personnel was attributable mainly to growth in customer contact centers and new service businesses.

Investments

	2nd Quarter		Year-to-date	
EUR million	2012	2011	2012	2011
Capital expenditures, of which	51	54	92	95
- Consumer Customers	30	32	54	55
- Corporate Customers	21	22	38	40
Shares	0	0	0	0
Total	51	54	92	95

The main capital expenditures relate to the capacity and coverage increase of the 3G and 4G networks, as well as to other network and IT investments.

Financing arrangements and ratings

Valid financing arrangements

EUR million	Maximum amount	In use on 30.6.2012
Committed credit limits	300	115
Commercial paper programme [1]	250	198
EMTN programme [2]	1,000	375

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

Long-term credit ratings

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

Share

Share trading volumes and closing prices are based on the trades made in NASDAQ OMX Helsinki.

	2nd Quarter		Year-to-date	
Trading of shares	2012	2011	2012	2011
Shares traded, millions	37.8	26.1	68.7	60.5
Volume, EUR million	824.8	403.9	1,134.1	963.5
% of shares	23	16	41	36

Shares and market values	30.6.2012	30.6.2011	31.12.2011
Total number of shares	166,932,020	166,338,400	166,662,763
Treasury shares	10,283,624	10,435,023	10,435,275
Outstanding shares	156,648,396	155,903,377	156,227,488
Closing price, EUR	15.88	14.85	16.13
Market capitalisation, EUR million	2,488	2,314	2,520
Treasury shares, %	6.16	6.33	6.26

Elisa is also traded in alternative market places. According to the Fidessa Fragmentation report the trading volumes of these markets are approximately same size as in NASDAQ OMX Helsinki.

Number of shares	Total number of shares	Treasury shares	Outstanding shares
Shares as 31.3.2012	166,662,763	10,282,772	156,379,991
Returned, share incentive plan 25.4.2012		852	-852
Subscription 4.4.2012[1]	99,014		99,014
Subscription 27.6.2012[2]	170,243		170,243
Shares as 30.6.2012	166,932,020	10,283,624	156,648,396

[1] Stock exchange bulletin 3.2.2012
[2] Stock exchange bulletin 26.6.2012

Options	2007A	2007B	2007C	Total
Total number of options	850,000	850,000	850,000	2,550,000
Held by Elisa or not distributed	0	0	245,000	245,000
Used in share subscription	12,375	581,999	31,060	625,434
Terminated	837,625	268,001	0	1,105,626
Outstanding	0	0	573,940	573,940
Subscription price, € as 31.6.2012	-	-	9,97	
Subscription period	1.12.2009-31.5.2011	1.12.2010-31.5.2012	1.12.2011-31.5.2013	

Annual General Meeting 2012

On 4 April 2012, Elisa's Annual General Meeting decided to pay a dividend of EUR 1.30 per share based on the 2011 financial statements. The dividend was paid to shareholders on 18 April 2012.

The Annual General Meeting adopted the financial statements for 2011. The members of the Board of Directors and the CEO were discharged from liability for 2011.

The number of the members of the Board of Directors was confirmed at six. Ari Lehtoranta, Raimo Lind, Leena Niemistö and Eira Palin-Lehtinen, were re-elected as members of the Board of Directors and Mika Salmi and Mika Vehviläinen as new members of the Board of Directors. The Board of Directors elected Raimo Lind as the Chairman of the Board and Ari Lehtoranta as the Deputy Chairman. Raimo Lind (Chairman), Ari Lehtoranta and Mika Salmi were appointed to the Nomination and Compensation Committee. Eira Palin-Lehtinen (Chairman), Leena Niemistö and Mika Vehviläinen were appointed to the Audit Committee.

The Annual General Meeting decided to establish a Shareholders' Nomination Board to prepare proposals for the election and remuneration of the members of the Board of Directors to Annual General Meetings.

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

The Board of Directors' authorisations

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 authorization is 5 million shares at maximum. The authorization is effective until 30 June 2013

Significant legal and regulatory issues

There were no material legal or regulatory issues in second quarter 2012.

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. Regulation may also require investments, which have long pay-back times.

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 during the last 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 and disasters. 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's operations and cash flow are denominated in Euros, the exchange rate risk is minor.

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 2011.

Events after the financial period

There were no major events after the financial period.

Outlook for 2012

The budget deficits and solvency issues in several European countries and banks have impacted the Finnish economy to some extent. The macroeconomic outlook for Finland is weaker than the outcome in 2011. Competition in the Finnish telecommunications market also remains challenging.

Full year revenue is estimated to be at the same level as in the previous year. The use of mobile communications, especially mobile broadband services and equipment sales, is continuing to rise. In addition, Elisa continues to invest in ICT and new online services, which are expected to boost revenue. Full year EBITDA, excluding non-recurring items, is anticipated to be at the same level, and EBIT is expected to improve on last year given the lower level of depreciation. 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 customers with exciting and relevant new services. Among the factors contributing to long-term growth and profitability improvement is mobile data 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.

BOARD OF DIRECTORS

Unaudited

Consolidated Income Statement

EUR million	Note	**4-6 2012**	4-6 2011	**1-6 2012**	1-6 2011	1-12 2011
Revenue	1	**389,4**	377,8	**770,9**	751,6	1 530,0
Other operating income		**1,2**	2,0	**2,0**	2,9	5,8
Materials and services		**-163,7**	-159,1	**-321,9**	-316,9	-643,5
Employee expenses		**-61,2**	-56,9	**-122,4**	-115,1	-223,0
Other operating expenses		**-43,9**	-42,6	**-85,7**	-83,8	-163,1
EBITDA	1	**121,8**	121,2	**243,0**	238,7	506,2
Depreciation and amortisation	3	**-49,7**	-52,5	**-102,9**	-104,8	-211,4
EBIT	1	**72,2**	68,7	**140,1**	133,9	294,8
Financial income		**2,7**	3,7	**5,0**	6,4	11,6
Financial expense		**-9,2**	-11,3	**-18,4**	-21,5	-41,2
Share of associated companies' profit		**0,0**	0,0	**0,0**	0,1	0,1
Profit before tax		**65,7**	61,1	**126,7**	118,9	265,3
Income taxes		**-15,2**	-15,7	**-28,5**	-30,7	-63,9
Profit for the period		**50,5**	45,4	**98,3**	88,2	201,4
Attributable to:						
Owners of the parent		**50,7**	45,3	**98,7**	88,0	201,5
Non-controlling interests		**-0,2**	0,1	**-0,4**	0,2	-0,1
		50,5	45,4	**98,3**	88,2	201,4
Earnings per share (EUR)						
Basic		**0,32**	0,29	**0,63**	0,56	1,29
Diluted		**0,32**	0,29	**0,63**	0,56	1,29
Average number of outstanding shares (1000 shares)						
Basic		**156 481**	155 890	**156 379**	155 849	155 878
Diluted		**156 694**	156 259	**156 593**	156 218	156 179

Consolidated Statement of Comprehensive Income

Profit for the period	**50,5**	45,4	**98,3**	88,2	201,4
Other comprehensive income, net of tax:					
Translation difference	**0,0**	0,1	**0,0**	0,2	0,2
Available-for-sale investments	**-2,3**	-1,0	**-1,1**	-1,1	-1,2
Total comprehensive income	**48,2**	44,5	**97,1**	87,3	200,4
Total comprehensive income attributable to:					
Owners of the parent	**48,4**	44,4	**97,5**	87,1	200,5
Non-controlling interest	**-0,2**	0,1	**-0,4**	0,2	-0,1
	48,2	44,5	**97,1**	87,3	200,4

Consolidated Statement of Financial Position

EUR million	Note	30.6. 2012	31.12. 2011
Non-current assets			
Property, plant and equipment	3	**609,7**	617,7
Goodwill	3	**797,1**	797,1
Other intangible assets	3	**106,3**	109,2
Investments in associated companies		**0,1**	0,1
Available-for-sale investments	4	**29,7**	30,8
Receivables		**35,4**	30,3
Deferred tax assets		**12,8**	11,9
		1 591,2	1 597,2
Current assets			
Inventories	5	**47,4**	40,2
Trade and other receivables		**274,0**	302,7
Tax receivables		**0,4**	0,3
Cash and cash equivalents		**37,1**	59,0
		358,9	402,2
Total assets		**1 950,0**	1 999,4
Equity attributable to owners of the parent	6	**734,8**	836,8
Non-controlling interests		**2,6**	3,5
Total equity		**737,3**	840,3
Non-current liabilities			
Deferred tax liabilities		**18,0**	19,4
Pension obligations		**1,2**	1,2
Provisions	8	**3,2**	3,5
Financial liabilities	7	**552,4**	625,9
Other non-current liabilities		**12,2**	15,6
		587,1	665,7
Current liabilities			
Trade and other payables		**226,5**	260,4
Tax liabilities		**4,9**	11,0
Provisions	8	**0,4**	0,8
Financial liabilities	7	**393,8**	221,2
		625,6	493,4
Total equity and liabilities		**1 950,0**	1 999,4

Condensed Consolidated Statement of Cash Flows

EUR million	1-6 2012	1-6 2011	1-12 2011
Cash flow from operating activities			
Profit before tax	**126,7**	118,9	265,3
Adjustments			
Depreciation and amortisation	**102,9**	104,8	211,4
Other adjustments	**11,0**	15,1	27,2
	113,9	119,9	238,7
Change in working capital			
Change in trade and other receivables	**23,6**	12,0	-18,7
Change in inventories	**-7,2**	-3,5	-1,5
Change in trade and other payables	**-25,0**	-33,2	-10,5
	-8,6	-24,7	-30,7
Financial items, net	**-20,8**	-17,8	-31,2
Taxes paid	**-37,0**	-25,5	-50,7
Net cash flow from operating activities	**174,2**	170,8	391,3
Cash flow from investing activities			
Capital expenditure	**-90,7**	-85,5	-188,2
Investments in shares	**-0,7**	-5,2	-5,2
Proceeds from asset disposal	**1,8**	6,4	9,5
Net cash used in investing activities	**-89,6**	-84,3	-183,9
Cash flow before financing activities	**84,6**	86,5	207,4
Cash flow from financing activities			
Proceeds from long-term borrowings			170,0
Repayment of long-term borrowings	**-0,1**	-0,2	-226,2
Change in short-term borrowings	**97,5**	65,8	80,7
Repayment of finance lease liabilities	**-3,1**	-2,4	-4,9
Proceeds from increase in reserve for invested non-restricted equity	**2,1**		3,0
Dividends paid and capital repayment	**-202,8**	-140,0	-202,8
Net cash used in financing activities	**-106,5**	-76,8	-180,2
Change in cash and cash equivalents	**-21,9**	9,7	27,2
Cash and cash equivalents at beginning of period	**59,0**	31,8	31,8
Cash and cash equivalents at end of period	**37,1**	41,5	59,0

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 1 January 2011	83,0	-199,0	393,5	45,3	507,0	3,1	**832,9**
Profit for the period					88,0	0,2	**88,2**
Translation differences					0,2		**0,2**
Available-for-sale investments			-1,1				**-1,1**
Total comprehensive income			-1,1		88,2	0,2	**87,3**
Dividends and capital repayment					-140,3	-0,7	**-141,0**
Share-based compensation		2,0		0,3	0,3		**2,6**
Other changes						1,3	**1,3**
Balance at 30 June 2011	83,0	-197,0	392,4	45,6	455,2	3,9	**783,1**

EUR million							
Balance at 1 January 2012	83,0	-197,0	392,3	48,3	510,3	3,5	**840,3**
Profit for the period					98,7	-0,4	**98,3**
Translation differences					0,0		**0,0**
Available-for-sale investments			-1,1				**-1,1**
Total comprehensive income			-1,1		98,7	-0,4	**97,1**
Dividends					-203,4	-0,5	**-204,0**
Share-based compensation		3,0			1,8		**4,8**
Stock options exercised				2,1			**2,1**
Other changes					-3,0		**-3,0**
Balance at 30 June 2012	83,0	-194,0	391,1	50,3	404,4	2,6	**737,3**

Notes

ACCOUNTING PRINCIPLES

The Interim consolidated financial statements are in compliance with IAS 34 Interim Financial Reporting. 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 interim report are the same as in the financial stantements at December 31, 2011.

Changes in the accounting principles

The Group adopted the following standards, amendments to standards and interpretations as from 1 January 2012 onward:

- Annual Improvements of IFRS standards

1. Segment Information

4-6/2012 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	239,3	150,1		389,4
EBITDA	74,1	47,7		121,8
Depreciation and amortisation	-28,3	-21,4		-49,7
EBIT	45,9	26,3		72,2
Financial income			2,7	2,7
Financial expense			-9,2	-9,2
Share of associated companies' profit			0,0	0,0
Profit before tax				65,7
Investments	30,0	20,6		50,6

4-6/2011 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	227,4	150,4		377,8
EBITDA	72,4	48,8		121,2
Depreciation and amortisation	-29,7	-22,8		-52,5
EBIT	42,7	26,0		68,7
Financial income			3,7	3,7
Financial expense			-11,3	-11,3
Share of associated companies' profit			0,0	0,0
Profit before tax				61,1
Investments	31,6	22,1		53,7

1-6/2012 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	470,6	300,4		770,9
EBITDA	147,8	95,2		243,0
Depreciation and amortisation	-58,8	-44,1		-102,9
EBIT	89,0	51,1		140,1
Financial income			5,0	5,0
Financial expense			-18,4	-18,4
Share of associated companies' profit			0,0	0,0
Profit before tax				126,7
Investments	53,8	38,3		92,1

1-6/2011 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	451,3	300,3		751,6
EBITDA	139,4	99,3		238,7
Depreciation and amortisation	-59,2	-45,6		-104,8
EBIT	80,2	53,7		133,9
Financial income			6,4	6,4
Financial expense			-21,5	-21,5
Share of associated companies' profit			0,1	0,1
Profit before tax				118,9
Investments	55,0	40,1		95,1

1-12/2011 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	930,1	599,9		1 530,0
EBITDA	301,5	204,7		506,2
Depreciation and amortisation	-120,2	-91,2		-211,4
EBIT	181,3	113,5		294,8
Financial income			11,6	11,6
Financial expense			-41,2	-41,2
Share of associated companies' profit			0,1	0,1
Profit before tax				265,3
Investments	119,0	78,4		197,4
Total assets	1 084,1	773,8	141,5	1 999,4

2. Acquisitions and disposals

There were no acquisitions during 1 January - 30 June 2012.

Disposal of Paimion Puhelimenkulma Oy

Elisa divested its share of 77 per cent in Paimion Puhelimenkulma Oy on 29 May 2012. The sales price was EUR 0.6 million and the divestment resulted in a loss of EUR 0.2 million.

3. Property, plant and equipment and intangible assets

EUR million	Property plant and equipment	Goodwill	Other intangible assets
Cost at 1 January 2012	2 736,2	797,1	451,5
Additions	74,3		18,5
Disposal of subsidiaries	-1,2		
Disposals	-12,5		
Reclassifications	-0,1		
30 June 2012	2 796,7	797,1	470,0
Accumulated depreciation/amortisation at 1 January 2012	2 118,5		342,3
Depreciation for the period	81,4		21,4
Disposals and reclassifications	-12,9		
30 June 2012	2 187,0		363,7
Net carrying amounts:			
1 January 2012	617,7	797,1	109,2
30 June 2012	609,7	797,1	106,3

Commitments to purchase property, plant and equipment and intangible assets amounts to EUR 50.0 million as at 30 June 2012.

4. Available-for-sale investments

Analysis of the most substantial unlisted shares measured at book value.

EUR million	
Anvia Oyj	8,6
Sulake Corporation Oy	6,4
Voddler Group Ab	3,3
	18,4

The shares have not been measured at fair value, because the fair value cannot be measured reliably.

5. Inventories

There were no material write-downs of inventories during the period (EUR 0.0 million).

6. Equity

	Number of shares pcs	Treasury shares pcs	Holding, % of shares and votes
Shares as 31 December 2011	166 662 763	10 435 275	
Subscription rights used	269 257		
Disposal, Share incentive plan		-151 651	
Shares as 30 June 2012	166 932 020	10 283 624	6,16 %

Dividend

On 4 April 2012 Elisa's Annual General Meeting decided of a dividend of 1.30 euros per share. The total dividend amounts to EUR 203.4 million and payment started on 18 April 2012.

7. Issuances and repayment of debt

The group has neither issued nor repaid bonds during 1 January - 30 June 2012.

The unused amount of EUR 1,000 million EMTN program is EUR 625 million as at 30 June 2012. The base prospectus has been updated on 16 March 2012.

EUR million	**30.6. 2012**	31.12. 2011
Issued commercial papers	**197,5**	189,0
Withdrawn committed credit lines	**115,0**	25,0

8. Provisions

EUR million	**Termination benefits**	**Other**	**Total**
1 January 2012	1,3	3,0	4,3
Increases in provisions	0,2		0,2
Used provisions	-0,5	-0,3	-0,8
30 June 2012	1,0	2,7	3,6

9. Related party transactions

Elisa Group's related parties include the parent company, subsidiaries, associates, joint ventures and key management. Key management consists of Elisa's Board of Directors, the CEO and the Executive Board.

Changes in subsidiary relationships during the period are as follows:

Epic TV SAS	founded	100 %
Paimion Puhelimenkulma Oy	sold	77 %
UAB Radiolinja Liettua	dissolved	100 %

Related party transactions with associated companies	**1-6/2012**
Purchases	**0,3**

Management remuneration will be announced in Annual financial statements.

10. Operating Lease Commitments

EUR million	**30.6. 2012**	31.12. 2011
Due within 1 year	**44,4**	42,9
Due after 1 year but within 5 years	**35,3**	37,1
Due after 5 years	**9,1**	11,3
Total	**88,9**	91,3

11. Contingent Liabilities

EUR million	**30.6. 2012**	31.12. 2011
Mortgages		
For own	**2,0**	2,0
Pledges given		
Pledges given as surety	**0,8**	0,9
Guarantees given		
For others	**0,5**	0,5
Total	**3,4**	3,4

12. Derivative Instruments

EUR million	**30.6. 2012**	31.12. 2011
Interest rate swaps		
Nominal value	**150,0**	150,0
Fair value	**0,6**	0,8

Key Figures

EUR million	1-6 2012	1-6 2011	1-12 2011
Shareholders' equity per share, EUR	**4,69**	5,00	5,36
Interest bearing net debt	**909,1**	845,4	788,0
Gearing	**123,3 %**	108,0 %	93,8 %
Equity ratio	**38,0 %**	40,3 %	42,3 %
Return on investment (ROI) *)	**18,1 %**	17,6 %	17,9 %
Gross investments in fixed assets	**92,1**	95,1	197,4
of which finance lease investments	**3,0**	9,6	9,2
Gross investments as % of revenue	**11,9 %**	12,7 %	12,9 %
Investments in shares	**0,0**	0,0	0,1
Average number of employees	**3 974**	3 754	3 757

*) rolling 12 months profit preceding the reporting date

Financial Calendar

Q3 2012 Interim Report 19 October 2012

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