1st QUARTER RESULTS 2013

Q1

elisa

Agenda

CEO’s review
Veli-Matti Mattila, CEO

Financial review
Jari Kinnunen, CFO

CEO’s review

- Q1 2013 financial and operational highlights
- Segment review
- Strategy execution
- Outlook for 2013

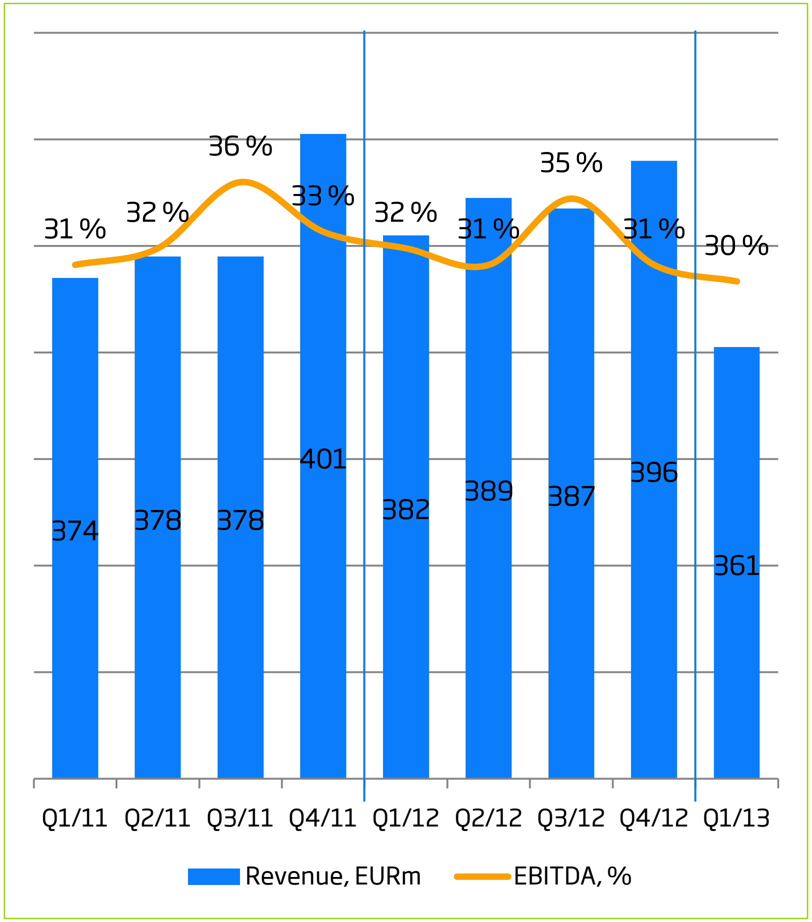
Q1 2013 highlights

- Keen mobile competition continued
- Mobile subscription base continued to increase
- Macro environment still challenging
- Slight decrease in mobile usage
- Smartphone market continued to increase
- Elisa Viihde IPTV success continued
- Growth in fixed broadband subscription base
- Accelerated cost efficiency measures to secure good result in a more challenging environment

Q1 2013 financial highlights

Increased campaigning continued

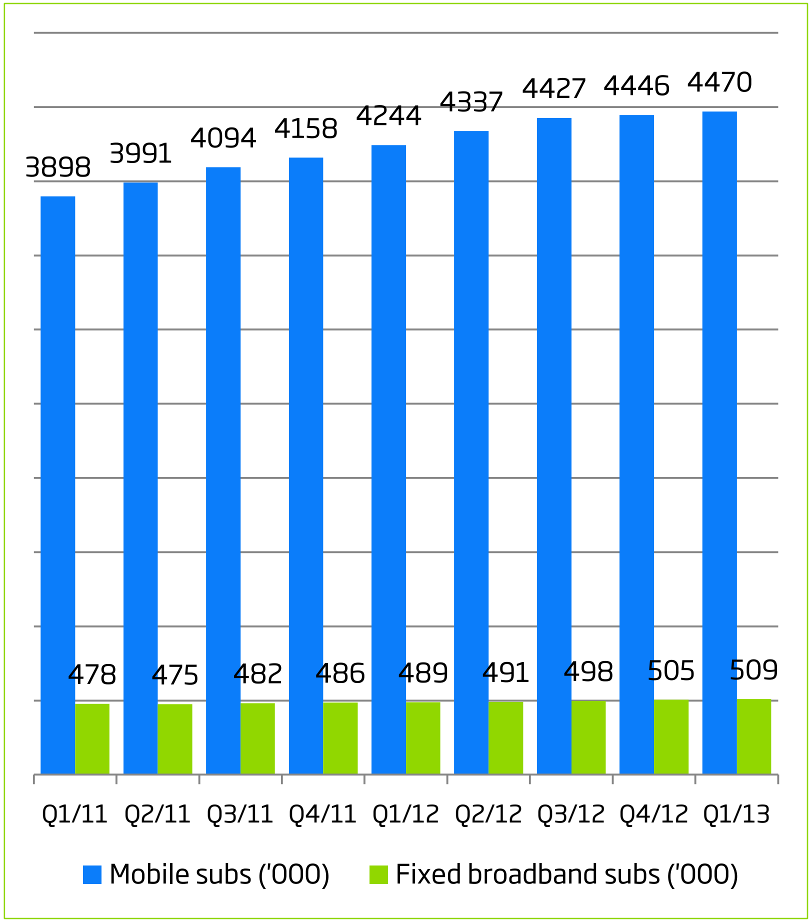
- Revenue €361m (382)
  - Excluding MTR change €375m, 2% down
- EBITDA €109m (121), 30% of revenue (32)
- EBITDA excluding one-offs €111m, 31% of revenue
- EBIT €59m (68)
- EPS €0.26 (0.31)
- CAPEX €47m (42), 13% of revenue
- Net debt €807m (754)
  - Cash flow € 37m (37)
  - Net debt / EBITDA 1.7 (1.5)



Q1 2013 operational highlights

Subscription growth continued

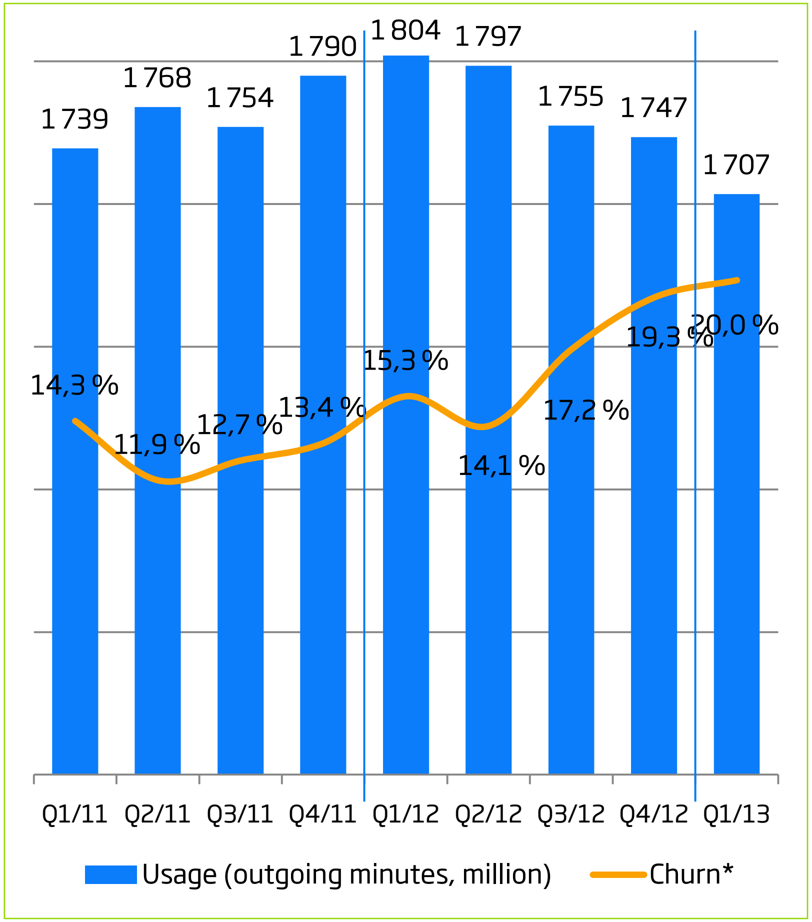
- 23,900 new mobile subscriptions
  - Growth in corporate segment, consumer segment at the same level
  - Growth in voice and mobile broadband subs
  - Estonia +400 subscriptions
- Fixed broadband growth continued
  - Net adds 3,600
- Elisa Viihde IPTV customer base continued to grow



Q1 2013 operational highlights

Campaigns increased churn

- Strong growth in mobile data
  - Outgoing minutes 1.7bn, slight decrease
  - Data YoY growth 56%
  - 496m SMS, slight YoY decrease −6%
- Churn* 20.0% (15.3)



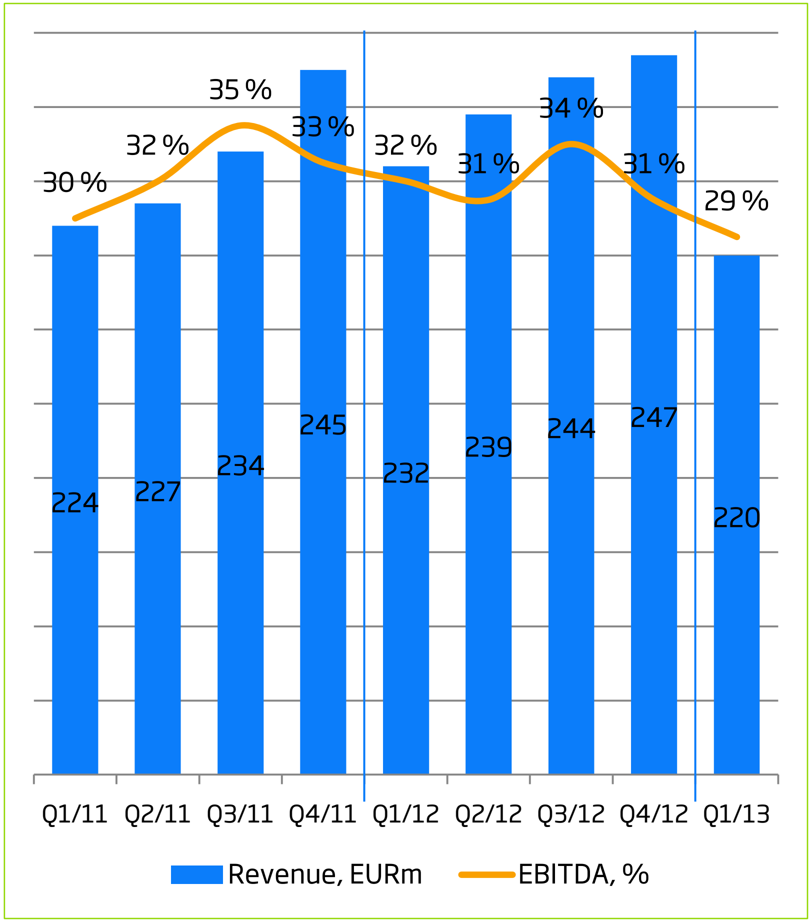
* Annualised

Business Segments

Q1 2013 Consumer Customers

MTR cuts and campaigns decreased revenue

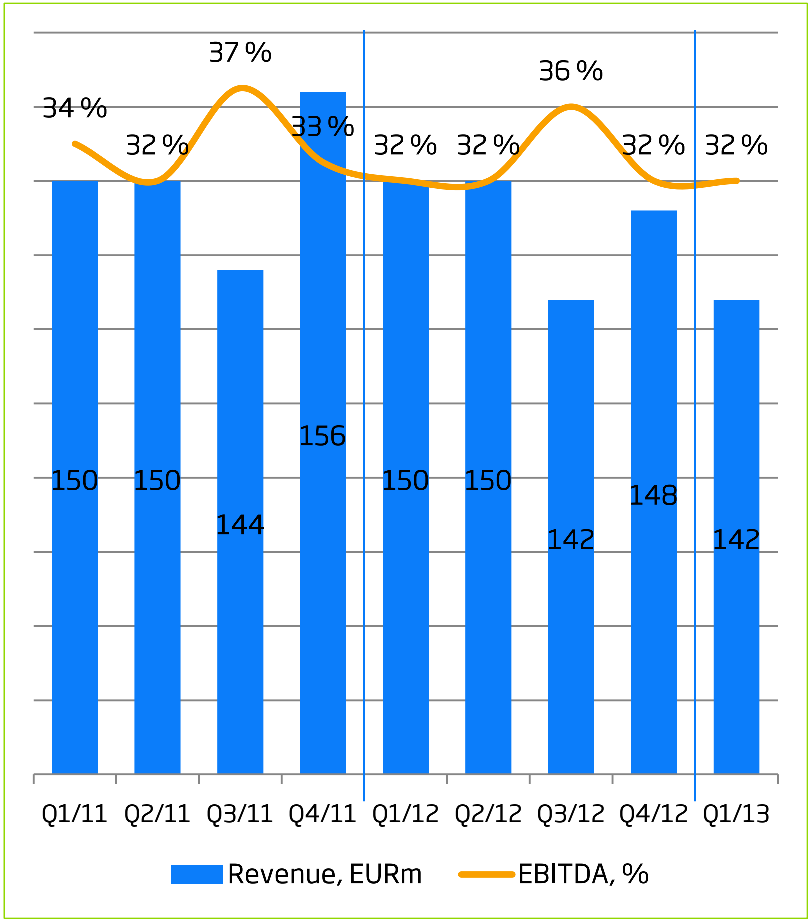
- Revenue €220m (232)
  - Smartphones and new services growth continued
  - Decrease in traditional fixed network business, mobile usage and interconnection revenue
- EBITDA €63m (74), 29% of revenue (32)
  - Decrease in revenue
- CAPEX €27m (24)



Q1 2013 Corporate Customers

ICT business is growing

- Revenue €142m (150)
  - Growth in ICT services
  - Decrease in mobile and fixed businesses, as well as in interconnection revenue
- EBITDA €46m (47), 32% of revenue (32)
  - Decrease in revenue
- CAPEX €20m (18)



Strategy execution

New services and
new markets

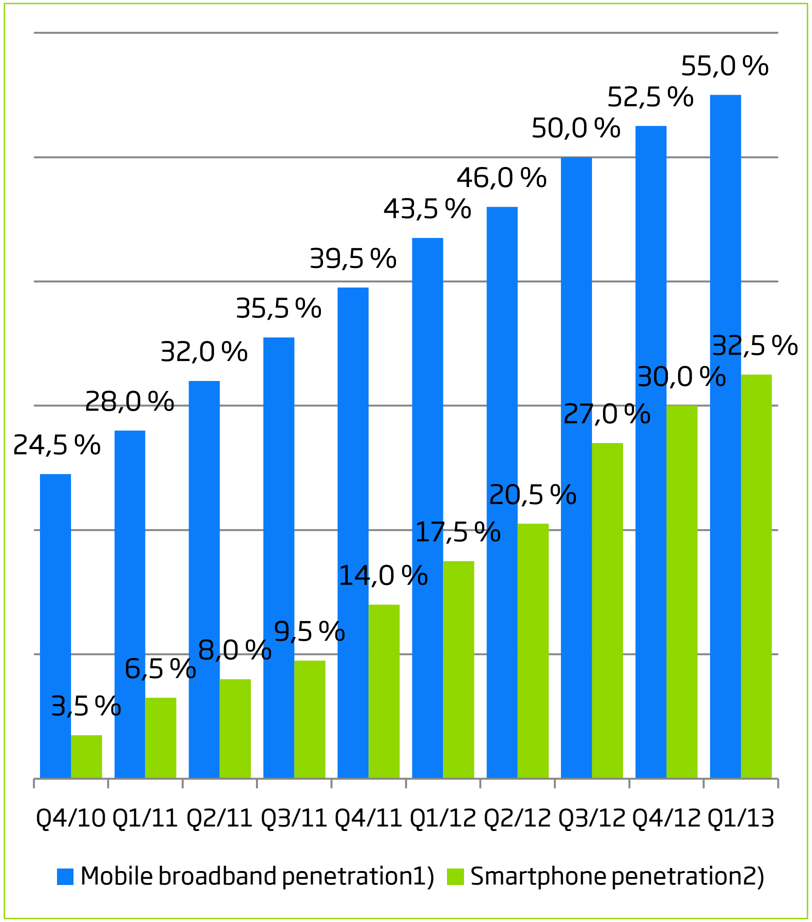
Strengthening market
position in core markets

Integration of One
Elisa

Smartphone market growth continues

- One in three customers uses a new type of smartphone
- Smartphones top the list of the most sold phones in March
  1. Apple iPhone 5
  2. Nokia Lumia 620
  3. Nokia Lumia 820
  4. Samsung Galaxy S III
  5. Nokia Lumia 920
- 80% of all models sold were smartphones in Q1
  - In some models demand was higher than supply

Penetration in Elisa's network in Finland



1) Dongles and mobile BB add-on services of the total subscription base excluding M2M and service operator subs
2) iOS (iPhone), Android ,Symbian 3^ and Windows phones of the total phone base

Commercial launch for Elisa Lompakko

- First in the Nordic countries

- Multipurpose service
  - NFC payment
  - Virtual credit card for safe payment online
  - Money transfers between users

Growth in Elisa Viihde IPTV VoD service

- Nearly 60% of customers have used the Video on Demand service
- More than one quarter use VoD on a weekly bases
- Most popular categories
  - Action movies
  - Animations for families
  - Domestic movies

Source: Elisa customer survey 11/2012

Elisa Office 365 has been a success

- First operator to offer Office 365 cloud service
- One of the leading Office 365 service providers in Europe
- The number of customers is growing more than 10% monthly
  - In the beginning SMEs, now also big corporations

Loan negotiations on the net

- Banks use Elisa's video service for personal banking and insurance contacts

- Well received by customers
  - Natural banking contact with picture, voice and other material

Outlook for 2013

- Macroeconomic environment still weak in 2013
- Competition remains challenging
- Revenue at the same level as last year
- EBITDA excluding one-offs at the same level or slightly lower than last year
- CAPEX maximum 12% of revenue
- Estimates excluding pending PPO acquisition

Agenda

CEO’s review
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Challenging market environment in Q1

EUR million	Q1/13	Q1/12	Δ [2]	Δ%	2012
Revenue	361	382	-20	-5 %	1 553
Other operating income	0	1			5
Operating expenses	-253	-261			-1 057
EBITDA	109	121	-12	-10 %	501
EBITDA excl. one-offs	111	121			*501*
EBITDA-% excl. one-offs	*31 %*	*32 %*			*32 %*
Depreciation and amortisation	-50	-53			-202
EBIT [1]	59	68	-9	-13 %	299
EBIT-%	*16 %*	*18 %*			*19 %*
Profit before tax	53	61	-8	-13 %	269
Income taxes	-13	-13			-60
Profit for the period	40	48	-8	-16 %	209
EPS, EUR	0,26	0,31	-0,05	-17 %	1,33

1) Excluding non-recurring items: EBIT EUR 61m, profit before tax EUR 55m and EPS EUR 0.26
2) Difference is calculated using exact figures prior to rounding.

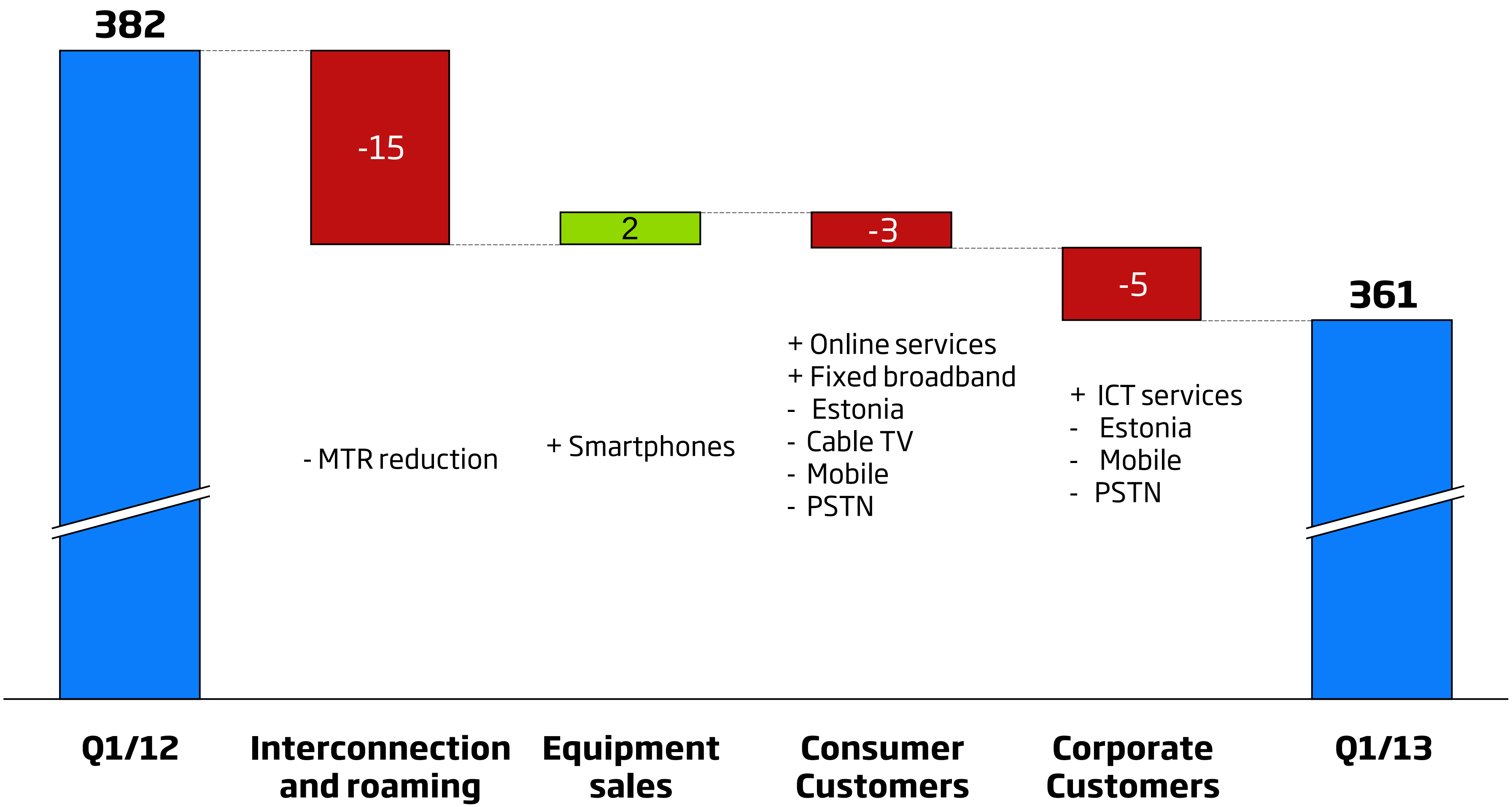
Accelerated profitability improvement

In order to secure a good result Elisa has started new cost efficiency measures for example in the areas of:

- Streamlining product portfolio
- Increasing efficiency in customer service
- Improving sales efficiency
- Simplification of IT
- Decreasing costs in general administration

Revenue change

Change Q1/13 vs Q1/12, EURm



Changes are rounded to millions

Total expenses decreased

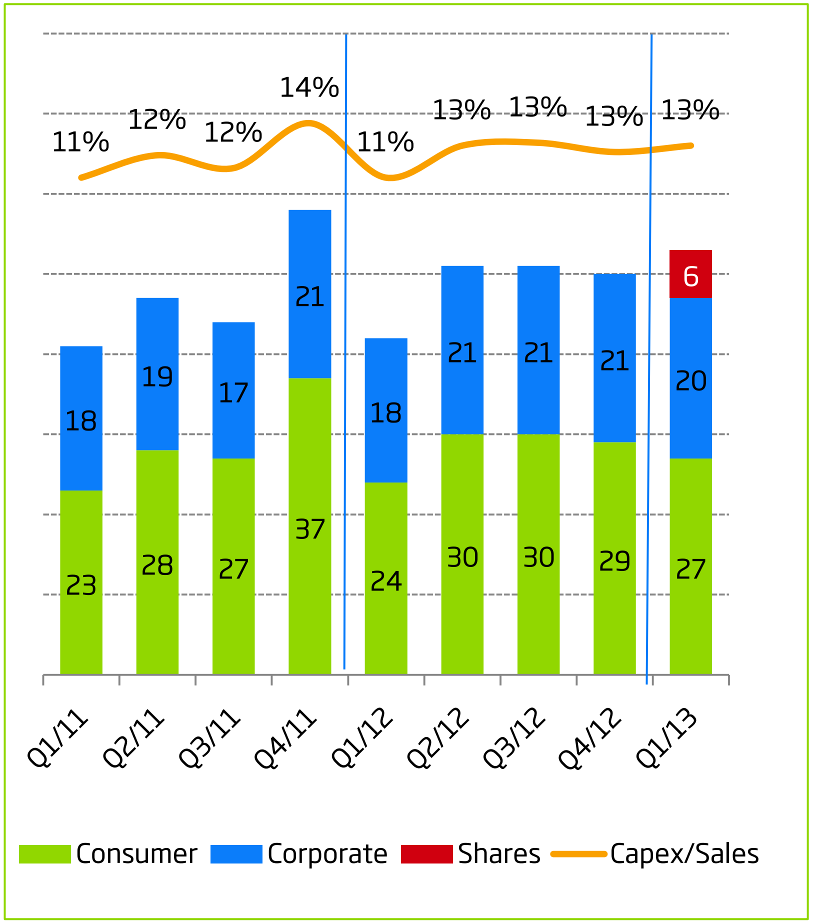
- OPEX decreases in Q1/13
  - Interconnection and roaming
  - Productivity improvements
    - network management and maintenance costs
    - general administration

- OPEX increases in Q1/13
  - Equipment sales
  - New service development
  - Personnel expenses
    - Increased personnel in customer contact centres and new services
    - Collective labour agreement salary increases 1.10.2012

EURm	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13
Materials and services	158	164	163	171	146
Employee benefit expenses	61	61	53	62	64
Other operating expenses	42	44	39	40	43
Total expenses	261	269	254	273	253
Depreciation	53	50	49	50	50

CAPEX in line with guidance

- Q1 CAPEX €47m (42)
  - CAPEX/Sales 13% (11)
  - Consumer €27m (24)
  - Corporate €20m (18)
- Major CAPEX areas
  - 3G and 4G coverage and upgrade
  - Fixed access and backbone networks
  - IT systems
  - Customer equipment
- Sulake acquisition
  - Ownership from 24% to 100%
  - Acquisition price €6m
  - Consolidated as of 1 March 2013, revenue impact for 2013 > €10m, EBITDA neutral
  - Potential tax losses to be used ca. €25m



Cash flow at the same level

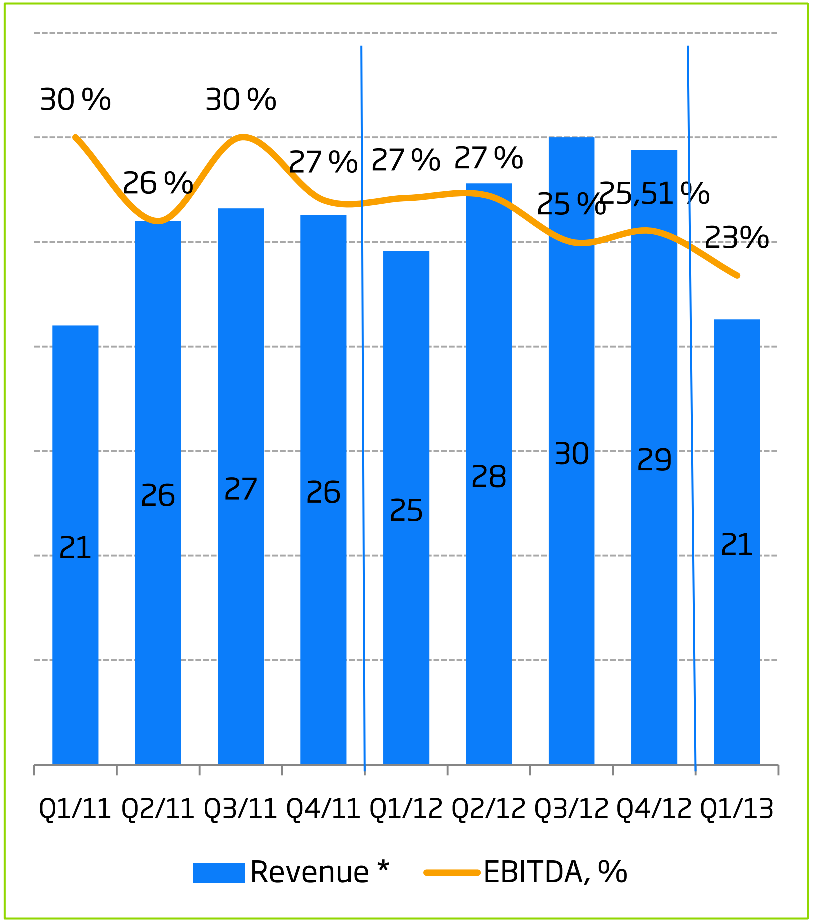
EURm	Q1/13	Q1/12	Δ[1)]	2012
EBITDA	109	121	-12	501
Change in receivables	8	2	6	-14
Change in inventories	1	-7	9	-19
Change in payables	0	-9	9	-16
Change in NWC	9	-14	24	-50
Financials (net)	-11	-19	7	-30
Taxes for the year	-15	-11	-4	-62
Taxes for the previous year				-10
Taxes	-15	-11	-4	-72
CAPEX	-49	-40	-9	-189
Investments in shares	-6	0	-6	-1
Sale of assets and adjustments	0	-1	0	-5
Cash flow after investments	37	37	0	155

[1)] Difference is calculated using exact figures prior to rounding

MTR cuts effected Estonian revenue

- Revenue €21m (25)
  - Revenue decrease 14%
  - MTR decrease 80%
  - Growth in mobile subs: +400 QoQ
  - Mobile broadband growing
- EBITDA €5m (7)
  - MTR decrease
- CAPEX €3m (2)
  - 3G Coverage

Estonian MTRs	1 Jan 2012	1 Jul 2012	1 Jan 2013	1 July 2013
All operators, euro cents	7.02	6.32	1.47	1.29
MTR change, YoY			−79%	−80%

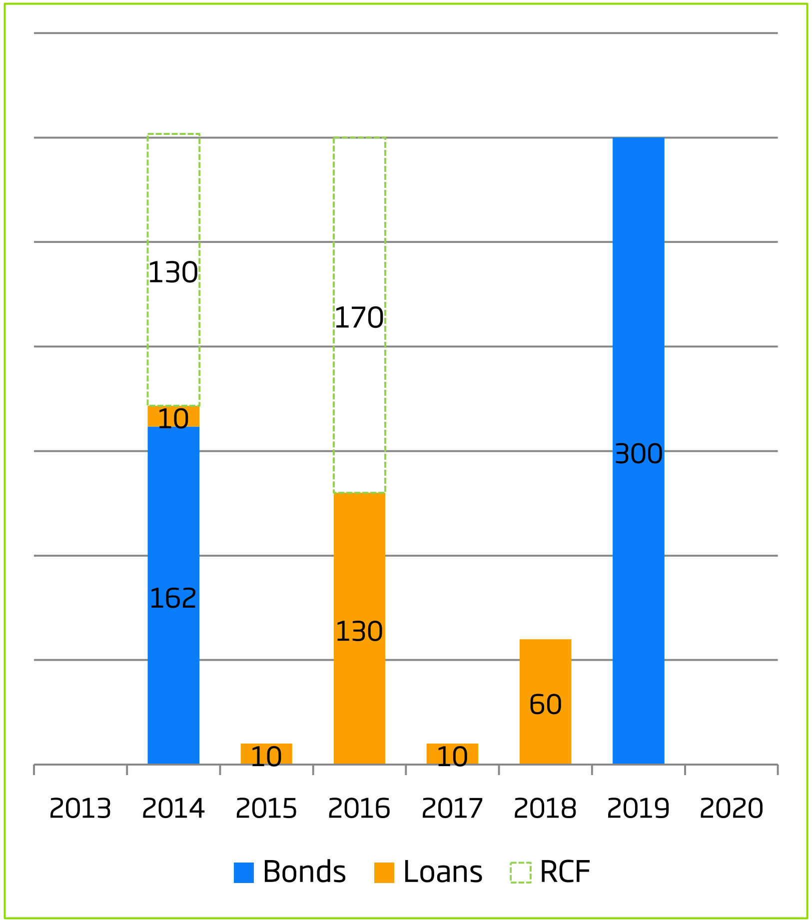


* Elisa Eesti AS including group items

Liquidity position remains good

- Cash and undrawn committed facilities €383m (364)
- Revolving Credit Facilities €300m
  - Fully undrawn 31 March
- Commercial Paper Program
  - €179.5m in use as 31 March
- Solid credit ratings since 2003
  - S&P BBB
  - Moody's Baa2

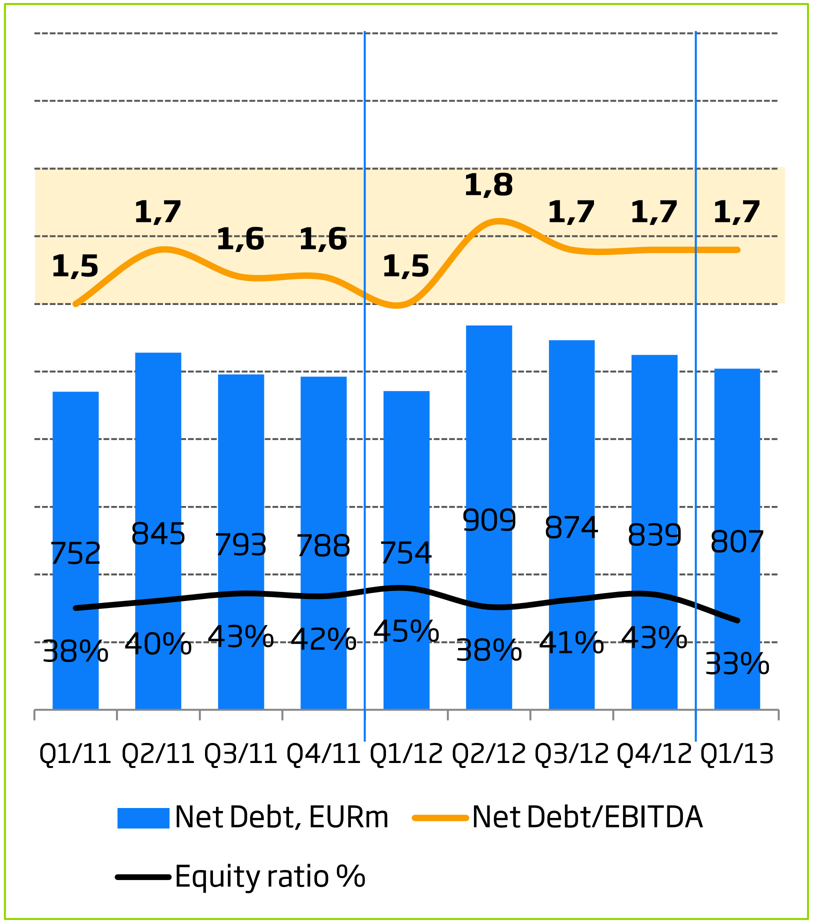
Bond and bank loan maturities



Capital structure in line with targets

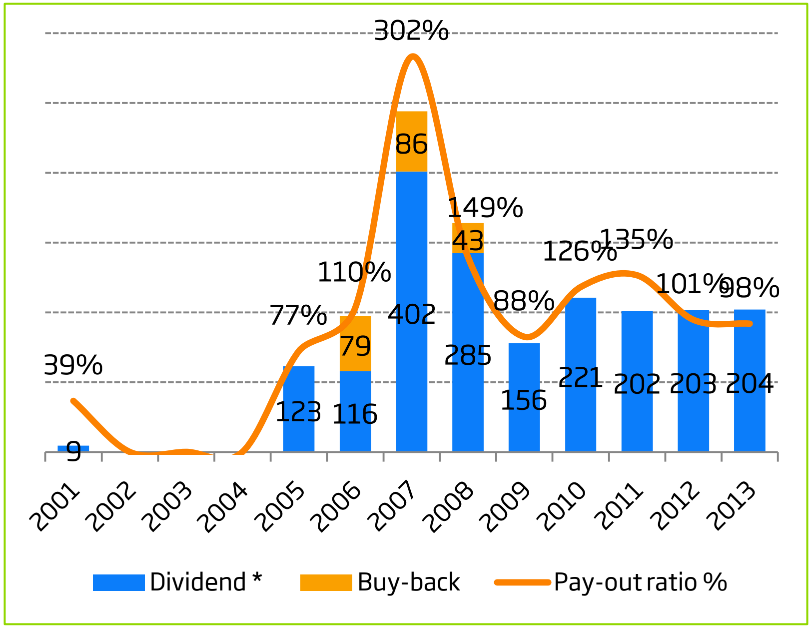
- Capital structure
  - Net debt / EBITDA 1.7
  - Gearing 118%
  - Equity ratio 33%

- Target setting
  - Net debt / EBITDA 1.5 - 2x
  - Equity ratio > 35%



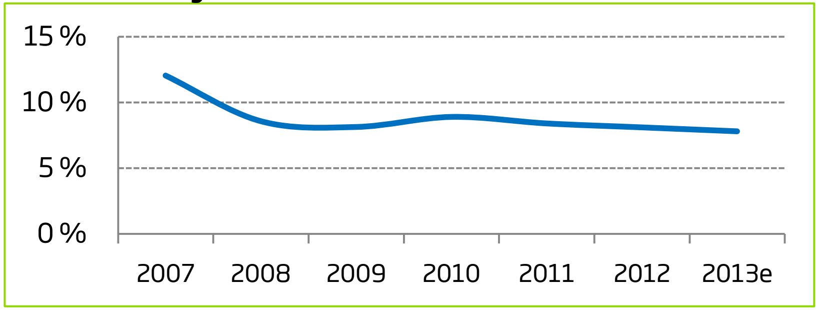
Competitive remuneration continues

- EUR €1.30 per share paid in April
  - Total amount €204m
- Pay-out ratio 98%
- Strong commitment to competitive shareholder remuneration
  - 80 – 100% of the net profit
  - Dividend yield 8-12% during last 7 years



* Includes capital repayment.

Dividend yield




1st QUARTER RESULTS
2013
Q1
elisa

APPENDIX SLIDE

Consolidated cash flow statement

EURm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Cash flow from operating activities									
Profit before tax	53	64	78	66	61	72	74	61	58
Adjustments to profit before tax	55	58	54	55	59	58	61	61	59
Change in working capital	9	-17	-24	6	-14	4	-10	-11	-13
Cash flow from operating activities	118	104	108	126	106	134	125	111	103
Received dividends and interests and interest paid 1)	-11	-7	-2	-2	-19	-1	-12	-1	-17
Taxes paid	-15	-15	-20	-26	-11	-13	-13	-11	-15
Net cash flow from operating activities	92	82	86	98	77	120	100	99	71
Cash flow in investments									
Capital expenditure	-49	-49	-49	-51	-40	-58	-45	-45	-41
Investments in shares and other investments	-6	0	0	-1	0	0	0	0	-5
Proceeds from asset disposal	0	0	0	2	0	3	0	5	2
Net cash used in investment	-55	-49	-49	-50	-40	-55	-44	-40	-44
Cash flow after investments	37	34	37	47	37	65	56	59	27
Cash flow in financing									
Change in long-term debt	-75	151	0	0	0	50	-106	0	0
Change in short-term debt	83	-163	-54	129	-31	-15	30	80	-14
Repayment of financing leases	-1	-2	-1	-2	-2	-1	-1	-2	-1
Increase in reserve for invested non-restricted equity	0	2		1	1	3			
Dividends paid	0	0	-1	-203	0	-62	-1	-140	0
Cash flow in financing	7	-11	-56	-74	-32	-25	-78	-62	-15
Change in cash and cash equivalents	**44**	**22**	**-19**	**-27**	**5**	**39**	**-22**	**-2**	**12**

APPENDIX SLIDE

Financial situation

EURm	31 Mar 13	31 Dec 12	30 Sep 12	30 Jun 12	31 Mar 12	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11
Interest-bearing debt									
Bonds and notes	450	525	375	375	375	375	375	600	600
Commercial Papers	179	96	170	198	184	189	160	160	120
Loans from financial institutions	225	221	221	221	221	222	171	51	52
Financial leases	37	37	38	38	38	36	36	35	24
Committed credit lines 1)	0	0	89	115	0	25	70	40	0
Interest-bearing debt, total	891	878	892	946	818	847	812	887	795
Cash and cash equivalents	83	40	18	37	64	59	19	42	44
Net debt 2)	807	839	874	909	754	788	793	845	752

1) The committed credit lines are EUR 130 million and EUR 170 million revolving credit facilities with five banks, which Elisa Corporation may use flexibly on agreed pricing. The loan arrangements are valid until 21 November 2014 and 3 June 2016.

2) Net debt is interest-bearing debt less cash and interest-bearing receivables.