

ELISA COMMUNICATIONS CORPORATION STOCK EXCHANGE RELEASE  
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ELISA COMMUNICATIONS CORPORATION'S FINANCIAL STATEMENTS FOR THE YEAR 2001

Revenue of Elisa Communications Group for the year 2001 amounted to EUR 1,439 million (1,244). The Group's operating profit (EBIT) was EUR 108 million (149) and the operating income was EUR 1 million (22). Group earnings per share (EPS) was EUR 0.01 (0.18).

In line with the estimates, the Group's result after taxes and minority interests broke even for the year 2001.

The Group's financial position remained strong during 2001. The equity ratio by the end of the year stood at 40 per cent.

Radiolinja increased its revenue significantly (12 per cent) despite the unstable market situation.

The domestic consolidation reinforced the Group's position in the fixed network business.

The core business of Germany-based operations proceeded as planned. The impact on the Group's EBIT was EUR -53 million. City carrier business was consolidated sooner than estimated when Elisa Kommunikation GmbH's city carrier holdings were in principal parts centralized to Tropolys GmbH at the beginning of 2002.

Comptel maintained its global market leadership despite the slowdown of the mediator market.

The Board of Directors will propose the Annual General Meeting that no dividend be distributed.

KEY INDICATORS OF ELISA COMMUNICATIONS GROUP

EUR million	2001	2000	Change, %
Revenue	1,439	1,244	15.6
EBITDA	424	360	17.8
EBITDA, %	29.5	29.0	
Depreciation on fixed assets	272	167	
Depreciation on consolidated goodwill	45	44	
EBIT	108	149	-27.5
EBIT, %	7.5	12.0	
Share of profits of assoc. companies	-14	-33	
Other financial income & expenses	-48	-22	
Profit before extraordinary items	46	94	-51.1
Net profit	1	22	

Return on investment (ROI), %	6.6	9.8
Return on equity (ROE), %	0.5	4.7
Earnings/share (EPS), EUR	0.01	0.18
Equity ratio, %	40	40
Investments in fixed assets (gross)	373	252
Purchases of shares	242	726
Personnel, average	7,783	6,161

The Group EBIT included a gain of EUR 86 million on the sales of the directory media business. Moreover, the financial statements include EUR -59 million non-recurring depreciation on fixed assets, as well as EUR 11 million gains on the disposal of shares and a sanction fee of EUR 4 million.

The information presented in the financial statements is not audited. Elisa Communications Corporation's Annual Report will be published during week 13.

The Annual General Meeting of Elisa Communications Corporation will be held at Helsinki Fair Center, Messuaukio 1, Helsinki on Thursday April 4, 2002 at 1.00pm.

#### ELISA COMMUNICATIONS CORPORATION

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Appendix: The report by the Board of Directors for the year 2001

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## THE REPORT BY THE BOARD OF DIRECTORS FOR THE YEAR 2001

The year 2001 was exceptional, also in the telecommunications sector. Despite this, revenue of Elisa Communications Corporation Group grew by 16 per cent.

In line with the strategy, several corporate and structural arrangements were made within the Group during 2001. These measures enhanced the Group's competitiveness and provided improved means for corporate control and cost-effectiveness.

### Revenue

The Group revenue in 2001 was EUR 1,439 million. Revenue grew by EUR 195 million (15.6 per cent). A summary of the revenue performance conforming to the Group's business structure is presented in the notes to the financial statements.

New subsidiaries, Soon Communications Plc, KSP Group Plc, Riihimäen Puhelin Oy and Finnet International Ltd have been consolidated with effect from July 1, 2001. The influence of the aforementioned subsidiaries on the Group's 2001 revenue accounts for approximately EUR 90 million.

During the period under review, the parent company Elisa Communications Corporation's revenue totaled EUR 472 million (521). Owing to the incorporation of business operations and other corporate arrangements, the figures are not comparable.

Radiolinja's revenue amounted to EUR 686 million (614).

The Group's foreign business operations accrued EUR 159 million revenue. Revenue from Germany-based operations amounted to EUR 54 million (17). Foreign business operations per mobile business accrued EUR 47 million revenue, of which Radiolinja Eesti AS accounted for EUR 40 million.

### Performance

The Group EBIT was EUR 108 million (149). Owing to substantial one-off items, intra-group sales and corporate arrangements made in 2001 and 2000, the group companies' figures for the year 2001 are not comparable with those of the previous year.

The Group's 2001 EBIT includes a gain of EUR 86 million on the sales of Direktia's directory business and Radiolinja's 118 business. EUR 24 million of this sum was realized in mobile business and EUR 62 million in fixed network business. Moreover, the financial statements include EUR -59 million non-recurring depreciation on fixed assets, as well as EUR 11 million gains on the disposal of shares and a sanction fee of EUR 4 million.

The performance of Germany-based city carrier business was at the planned level. Mäkitorppa GmbH's operating income did not meet the expectations and was EUR 19 million negative. Elisa Kommunikation GmbH Group reported a loss of EUR 56 million in 2001, and the share of associated companies' result generated an additional loss of EUR 13 million.

The Group's planned depreciation on fixed assets in 2001 was EUR 213 million (150). Furthermore, non-recurring additional depreciation of EUR 59 million (17) was also booked, which was mainly caused by GSM networks.

At the end of 2001, the consolidated goodwill generated by the acquisition of subsidiaries amounted to EUR 588 million (EUR 533 million at the beginning of the year). Acquisition of the shares of Soon Communications and Riihimäen Puhelin was mainly carried out through share exchanges so that the acquisition did not generate substantial goodwill. Depreciation on the subsidiaries' goodwill was EUR 45 million (44).

The Group's share of associated companies' result indicated a loss of EUR -14 million (- 33). The year 2000 figure (EUR -33 million) contains the effect of the Germany-based associated companies' one-off expenses, EUR 27 million. The Group's other financial income and expenses in 2001 totaled EUR -48 million (-22).

The Group's taxes were EUR 42 million (60). Depreciation on consolidated goodwill and the losses of the subsidiaries and associated companies, of which no substantial fiscal claims have been booked, increased the effective tax rate.

The result after taxes and minority interests totaled EUR 1 million (22).

The earnings per share amounted to EUR 0.01 (0.18) and shareholders' equity per share at the end of the review period was EUR 5.67 (5.29).

#### Mobile business

Radiolinja's business developed favorably during 2001. The 2001 revenue increased by 12 per cent, amounting to EUR 686 million (614). Oy Radiolinja Ab's revenue accounted for EUR 642 million (589) of Radiolinja's revenue. Mäkitorppa Yhtiöt, which was assigned to Oy Radiolinja Ab in December, increased Radiolinja's revenue by EUR 4 million. Mäkitorppa Yhtiöt's 2001 revenue totaled EUR 61 million (93).

Revenue of Radiolinja Eesti AS, Radiolinja's subsidiary operating in Estonia, amounted to approximately EUR 40 million in 2001, a

growth of 57 per cent. Radiolinja Eesti had 146,600 subscriptions (130,000) by the end of 2001. For the first time in its history Radiolinja Eesti reported a positive annual performance.

Radiolinja's EBITDA rose to EUR 226 million (170), increasing by 33 per cent. Corresponding leasing adjusted EBITDA was EUR 277 million (224). EBITDA without one-off items was EUR 193 million (152). EBITDA includes a gain of EUR 24 million on the disposal of the 118 service.

Radiolinja's EBIT was EUR 72 million (4), which is approximately 11 per cent of revenue. EBIT increased by EUR 68 million on the previous year. EBIT was affected by a total of EUR 64 million additional depreciation, of which EUR 18 million is eliminated in Elisa Communications Group's consolidated financial statements. In addition, EBIT was affected by goodwill depreciation of EUR 8 million relating to Mäkitorppa Yhtiöt.

During 2001, Radiolinja purchased from telcos some of the cellular network it earlier leased for a sum of EUR 49 million. For these investments, EUR 34 million, have been entered as additional depreciation, i.e. the part of the purchase price that exceeds the balance sheet value of the network after planned depreciation. Furthermore, the additional depreciation also includes the impact of revision with regard to the write-off period for GSM network exchanges, EUR 30 million. Upon constructing the UMTS network, exchanges will be replaced with new ones. Planned depreciation remained at the last year's level.

After the GSM network purchase deals taken place in 2001, Radiolinja's remaining leasing liability is estimated to be around EUR 108 million greater than the balance sheet value of the corresponding network less depreciation according to plan.

Radiolinja invested EUR 242 million (276) in fixed assets in total. The sum includes EUR 55 million of Elisa Communications Group's internal investments.

Mäkitorppa Yhtiöt's revenue was EUR 61.4 million (93.4). Net income was EUR 3.3 million (-5.4). Mäkitorppa Yhtiöt's chains operated a total of 167 (212) retail outlets by the end of 2001.

At the end of 2001, Radiolinja's network hosted 1,356,204 subscriptions (1,245,763) in Finland. The number of subscriptions also includes the national mobile subscriptions of service operators in Radiolinja's network. Owing to the increased competition, Radiolinja's annualized churn rate during the period under review increased to 14.3 per cent (12.2).

Monthly revenue per subscription (ARPU) rose to EUR 43.5 (42.2) during the review period. Value added services accounted for 12

per cent (11) of revenue.

Traffic originating from Radiolinja's network amounted to 1,974 million minutes (1,772). The average monthly use per line was 131 minutes (127). In 2001, 394 million (343) SMS messages were sent in Radiolinja's network, an average of 26 SMS messages (24) a month per Radiolinja subscription. During the period under review, 66 per cent (65) of Radiolinja's subscriber customers used SMS messages and 25 per cent (19) used content services.

During 2001 Radiolinja concluded 18 new roaming agreements. Radiolinja's customers can now use their mobile phones in 105 countries and in 218 mobile operators' networks.

#### Fixed network business

The fixed network business in 2001 included, in addition to Elisa Communications Corporation, also Soon Communications Plc, KSP Group Plc, Lounet Oy, Riihimäen Puhelin Oy, Kolumbus Ltd, Oy Finnet International Ltd, Direktia Ltd and Oy Datatie Ab. The new group companies had a substantial impact on the growth figures of the fixed network.

In addition to corporate acquisitions, the revenue growth was attributable to the increase in the number of broadband ADSL subscriptions and the sales of network services to new service operators.

There were a total of 1.14 million fixed subscriptions (0.74) in the Group. Of these subscriptions, a total of 133,000 (11,000) were cable TV subscriptions.

The sales of ADSL subscriptions continued to soar. At the end of the period under review, the number of ADSL subscriptions in the Group was around 27,500.

Elisa Networks Ltd's and its subsidiary Elisa Instalia Ltd's operations as separate companies began on October 1, 2001.

Finnet International's revenue amounted to EUR 81 million (63), an increase of 29 per cent. Separating the pricing of mobile and fixed connections increased revenue by approximately EUR 14 million, which, however, had no effect on the performance.

Soon Communications' revenue was EUR 114.7 million (109.5). EBIT totaled EUR 23.7 million (20.2).

KSP Group Plc's revenue rose by around 14 per cent, amounting to EUR 57.4 million (50.3). EBIT was EUR 9.2 million (4.7) and profits before extraordinary items and taxes were EUR 10.5 million (5.5). The revenue growth was affected by corporate acquisitions

and increased sales of IT project business. The Board of Directors of KSP Group Plc made a proposal on December 18, 2001 for the Annual General Meeting of KSP Group convening on March 26, 2002 to change the company name to Yomi Plc.

KSP Group Plc disclosed its financial statements for the year 2001 on February 22, 2002.

As the first telecom operator in Finland, Riihimäen Puhelin Oy won the Finnish Quality Award 2001 in small business category.

#### Germany-based operations

In order to create a strong city carrier cluster, the 2001 objective in Germany was to increase ownerships acquired during the past few years and the consolidation of the companies.

Revenue of Elisa Kommunikation GmbH Group was EUR 54.2 million, whereas in the whole year of 2000 it was EUR 16.5 million. EBITDA amounted to EUR -29.7 million (-14.7). EBIT amounted to EUR -55.7 million (EUR -18.4 million per the whole year 2000, excluding value adjustments). The loss contribution was further affected by the EUR -13.5 million share of associated companies' result (EUR -15.0 million per the whole year 2000, excluding value adjustments).

A principal part of Germany-based investments have been targeted to city carrier business, whose consolidation proceeded at a robust pace. The operative management of city carrier business was centralized, and the legal consolidation of business took place in early 2002, when Tropolys GmbH became a subsidiary of Elisa Kommunikation GmbH. Tropolys is the largest private city carrier cluster in Germany.

The mobile terminal and subscription market in Germany declined sharply in 2001. Mäkitorppa GmbH streamlined its operations significantly by closing down stores and reducing personnel.

#### Other business

##### Comptel Corporation

Comptel's revenue was EUR 60.8 million (60.4). EBIT was EUR 13.5 million (22.2), equivalent to 22.2 per cent (36.8) of revenue. In the challenging market situation Comptel maintained its position as a global leader in the mediator market. The Group's holding in Comptel was 58 per cent.

In February, Comptel Corporation received the Internationalization Award for the year 2000 given by the President of the Republic of Finland.

Comptel Corporation disclosed its financial statements for the year 2001 on February 15, 2002.

#### Research and development

The Group's research and development expenses amounted to EUR 36 million (23). R&D focus areas were data security, positioning technologies and location services, new IP-based network technologies and services, platform technologies, and customer-centered research of new services, which included user interface, usability and user studies.

#### Increases in the share capital and changes in the number of own shares

Elisa Communications Corporation made during April 24, 2001 - May 30, 2001 a share exchange offer to the shareholders of Riihimäen Puhelin Oy. With regard to this, the Board of Directors, pursuant to the authorization granted by the Annual General Meeting, increased the share capital on June 8, 2001 by issuing 2,128,012 new Elisa Communications Corporation A Shares. The offer was targeted at the shareholders of Riihimäen Puhelin Oy, entitling one Riihimäen Puhelin Oy share to subscribe for 127 Elisa Communications Corporation shares. The exchange ratio was based on the weighted middle price of Elisa Communications Corporation's A Share during the period of April 9, - April 18, 2001 (EUR 16.39) and the FIM 12.350 price ratio of Riihimäen Puhelin Oy. Upon defining the price of the Riihimäen Puhelin Oy share, an external value statement was taken into account. The subscription price for Elisa Communications Corporation's A Share was EUR 9.52 per share and it could only be paid with Riihimäen Puhelin Oy's share, whose value in paying the share capital was regarded EUR 1,209.04. After the increase in the share capital the new shares account for 1.67 per cent of the shares and votes. There existed an important financial reason to disapply shareholders' pre-emption rights, for the new issue facilitates the integration of Elisa Communications Corporation's and Riihimäen Puhelin's network and service operator functions, and the arrangement contributes to Elisa Communications Corporation's nationwide business development. The new issue also consolidated Elisa Communications Corporation's financial and capital structure.

Elisa Communications Corporation made during May 2, 2001 - September 10, 2001 a share exchange offer to the shareholders of Soon Communications Plc. With regard to this, the Board of Directors, pursuant to the authorization granted by the Annual General Meeting, increased the company's share capital by issuing a total of 10,818,678 new A Shares of Elisa Communications Corporation, so that the resolution to increase the share capital made on June 14, 2001 involved 9,090,166 shares and the increase

decided upon September 18, 2001 involved 1,728,512 shares. The issues were targeted at the shareholders of Soon Communications Plc, entitling one Soon Communications Plc share to subscribe for 0.452 Elisa Communications Corporation shares. The exchange ratio is based on the companies' market capitalization, future business prospects, benefits arising from corporate integration and conversion rate statements. After the increase the new shares account for 7.84 per cent of the shares and votes. From Elisa Communications Corporation's point of view, based on the development of Elisa Communications Corporation's business and realization of the corporate transaction, there existed an important financial reason to disapply shareholders' pre-emption rights.

Soon Communications Plc sold in 2001 a total of 474,000 Elisa Communications Corporation A Shares with a EUR 0.5 par value. The proportion of shares in the share capital and all aggregate votes accounted for 0.3 per cent. The transactions took place on the Helsinki Exchanges on October 23, 2001 (300,000 shares, EUR 11.90 per share), and on November 13, 2001 (174,000 shares, EUR 14.01 per share). The disposal of shares was to finance the acquisition of Computec Oy's shares. The disposals have no integral effect on the distribution of Elisa Communications Corporation's shareholdings or votes.

#### Changes in Group structure

Elisa Communications Corporation incorporated its directory (Direktia Ltd) and internet business (Kolumbus Ltd) on January 1, 2001.

Elisa Communications Corporation incorporated its service and network operator business. Elisa Networks Ltd, which started on October 1, 2001, is responsible for network business. Elisa Networks, in turn, incorporated its network installation and maintenance activities to Elisa Instalia Ltd. The service operator ElisaCom Ltd started trading on January 1, 2002.

In November, Direktia's directory business and Radiolinja's 118 business were sold to Sweden-based Eniro AB. Eniro paid the purchase price with its own shares, which Elisa Communications Corporation divested in November.

Elisa Kommunikation GmbH sold on May 18, 2001 its 25.1 per cent stake in Bremen-based nordCom GmbH city carrier, and a 50 per cent stake in Hannovers Telefon Partner GmbH on June 18, 2001.

Finnet International Ltd sold its Lithuania-based subsidiary UAB Baltnetos Komunikacijos to a local buyer.

The Group's holding in Lounet Oy rose to 51 per cent at the beginning of the year.

On January 16, 2001, Elisa Communications Corporation and Jaakko Pöyry Group Oyj established a joint venture called Inforbis to provide application outsourcing. The Group has a 30 per cent and Jaakko Pöyry Group a 70 per cent holding in the company.

In spring, Elisa Communications Corporation acquired Finnet Nine Ltd's IN network business and sold its stake in Finnet Nine Ltd to other shareholders of the company.

Elisa Communications Corporation's and Comptel Corporation's joint holding in Arcus Software Oy rose to 53.11 per cent on May 7, 2001, whereby Arcus Software Oy became a group company.

Subsequent to the acquisition of the majority of Soon shares by the Group, Finnet International Ltd and KSP Group Plc also became group companies.

In September, Elisa Communications Corporation sold its holding in Finnet Logistics Ltd to other shareholders.

On October 15, 2001, Soon Communications Plc acquired 40.57 per cent of Computec Oy's all shares and votes. After the transaction Soon Communications Group's holding in the company's shares rose to 55.79 per cent.

#### Financial position

The Group's interest-bearing liabilities amounted to EUR 861 million (701), of which EUR 572 million (400) was long-term debt. By the end of 2001, the equity ratio stood at 40 per cent (40 at the beginning of the year 2001).

The Group's credit ratings, Standard & Poor's A- (Stable Outlook) and Moody's Investor Services A3 (Stable Outlook) remained unchanged during 2001.

The Group established in December 2000 an international one-billion Euro Medium Term Note program. Under the program a bond for EUR 300 million was issued in January.

The Group's liquid assets and investments stood at EUR 104 million at year-end. In addition, the Group had EUR 170 million in unused binding long-term credits at the time of the closing of the accounts.

## Investments

The Group's gross investments in fixed assets amounted to EUR 373 million (252) and acquisition of shares to EUR 243 million (726).

The fixed asset investments in the parent company amounted to EUR 69 million and in Radiolinja EUR 242 million. Radiolinja's investments included EUR 55 million intra-group transactions.

## Share

The A Share of Elisa Communications Corporation closed at EUR 13.61 on December 28, 2001. The highest quotation in 2001 was EUR 25.01, and the lowest EUR 8.70. The average rate was EUR 16.42.

As at December 28, 2001, the company's market capitalization was EUR 1,847 million.

During the period from January 2, 2001 to December 28, 2001, a total of 85.9 million A Shares of the company were exchanged on the Helsinki Exchanges for an aggregate value of EUR 1,411 million. The exchange was 66 per cent of the average number of A Shares.

Fidelity International Limited announced on September 14, 2001 that through a stock transaction the company's and its subsidiaries' holding in the Elisa Communications Corporation share capital and votes had exceeded five (5) per cent.

The total number of Elisa Communications Corporation's shares held by the subsidiaries was 2,285,276 shares. The nominal value of the shares totaled EUR 1,142,638, and the holding in the share capital and votes amounted to 1.66 per cent. The book value of these own shares has been deducted from the distributable funds.

## Amount of personnel

Owing to the new subsidiaries, the Group's amount of personnel increased by 1,665 people in 2001.

By the end of 2001, the group companies employed 8,180 people (6,698). At the end of the review period, 1,970 worked for Elisa Communications, 1,818 for Radiolinja, 624 for Comptel, 912 for Soon Communications, 560 for KSP Group, 951 for Elisa Netowrks, 355 for Elisa Kommunikation GmbH, 244 for Kolumbus, 300 for Datatie, 114 for Finnet International, and a total of 332 for other subsidiaries.

During 2001, an average of 7,783 people (6,161) worked at the Group.

The Group will publish a separate personnel review for the year 2001 in conjunction with the Annual Report.

Annual General Meeting on April 20, 2001

In accordance with the Board of Director's proposal, Elisa Communications Corporation's Annual General Meeting decided on April 20, 2001 to pay a dividend of EUR 0.07 per A Share. The record date for the dividend was April 25, 2001 and dividends were paid into shareholders' accounts as of May 3, 2001. The AGM adopted the parent company's income statement and balance sheet, and the consolidated income statement and consolidated balance sheet. The AGM discharged the members of the Board of Directors, CEO, and the Supervisory Board from liability for the year 2000.

Keijo Suila and Matti Aura were re-elected for the company's Board of Directors for the next three-year term, and Pekka Ketonen, President and CEO, Vaisala Oyj, was elected for the Board as a new member. The following persons, who were not to retire by rotation in this AGM, continued in the Board of Directors: Ossi Virolainen, Riitta Backas, Arto Ihto, Rauno Kousa, Linus Torvalds and Paavo Uronen. Keijo Suila, President and CEO of Finnair Oyj, will continue as Chairman of the Board, and Ossi Virolainen, CEO of AvestaPolarit Oyj Abp, as Deputy Chairman.

SVH Pricewaterhouse Coopers Oy, authorized public accountants, and Leo Laitinmäki (APA) were appointed the company's auditors. Jaana Salmi (APA) was appointed deputy auditor.

In accordance with the Board of Director's proposal, the AGM authorized the Board of Directors to decide on increasing the Company's share capital. The total number of new A Shares can at the highest be 25 million, and the Company's share capital can be increased by a maximum of EUR 12.5 million in total. The authorization entered into force on October 21, 2001 and is valid until April 20, 2002. The authorization entitles to disapply the pre-emption rights of existing shareholders.

#### Major legal issues

With reference to the Section 14 Paragraph 19 of the Finnish Companies Act regarding the redemption procedure on Oy Radiolinja Ab's minority shares, the title to the shares to be redeemed was transferred to Elisa Communications Corporation after it gave the required security on February 27, 2001. In its ruling on May 29, 2001 the court of arbitration confirmed the redemption right and decided the redemption price be FIM 47,000 per share (EUR 7,905). Elisa Communications Corporation's demand for the redemption price is FIM 29,000 per share (EUR 4,877), and the demand by the major plaintiff is FIM 68,000 per share (EUR 11,437). The matter is pending in the local court and concerns 4,707 shares.

Eleven shareholders of Radiolinja's former series L shares have filed an action for annulment against Radiolinja in respect of the decisions made at the Annual General Meeting of April 3, 2000. The ruling on September 6, 2001 by Helsinki District Court was in favor for Radiolinja. The plaintiffs have appealed against the decision to the court of appeal. The company does not regard the plaintiffs' claim legal, nor does it believe the action will have any impact on the company's business.

Pursuant to the offer to redeem shares as referred to in Chapter 14 Paragraph 19 of the Finnish Companies Act, Elisa Communications Corporation announced on October 8, 2001 to redeem Soon Communications Plc shares, by offering EUR 7.86 per one Soon share. The title to the shares to be redeemed was transferred to Elisa Communications Corporation upon giving a security on December 28, 2001. The matter concerning the redemption price continues in the court of arbitration. There are some 1,113,000 Soon Communications Plc shares to be redeemed.

The Finnish Competition Authority (FCA) approved in 2001 Elisa Communications Corporation's competitive authority in Lounais-Suomen Puhelin Oy, Liedon Puhelin, Lounet Oy, Joensuun Puhelin (now Tikka Communications Oy) and Riihimäen Puhelin Oy.

The Finnish Competition Council stated on May 28, 2001 that Elisa Communications Corporation has abused its dominant market position in the pricing of subscriber connections. As a consequence, the Competition Council imposed a sanction of FIM 25 million (EUR 4.2) on Elisa Communications Corporation.

The Finnish Competition Council ruled on December 11, 2001 that on basis of the complaint by Telia Mobile Ab filed with the FCA in 1998, Radiolinja and Sonera have no joint dominant market position in the network market of mobile communications. Telia has appealed against the decision.

In addition to the above matters, communication and competitive authorities are conducting competitive and telecom legislative investigations and inquiries into activities where Elisa Communications Group companies are involved with other companies of the sector. These inquiries related to service and network product pricing, disclosure of directory information and provision of billing services, for instance.

Within the framework of their business operations, companies belonging to the Group are also parties to other disputes and legal proceedings, as well as procedures by authorities, the outcomes of which are not regarded to have substantial effect on the Group's financial position or performance.

#### Events after December 31, 2001

Radiolinja decided to incorporate its Network Services and Mobile Infra Services business. The network company adopted a corporate name Radiolinja Origo Oy, and the Mobile Infra Services was renamed Radiolinja Aava Oy. Both companies began operating on February 1, 2002.

Mid-December saw the notarization of agreements, which resulted in the emergence of expanded Tropolys GmbH on January 1, 2002. The Group has a 61.8 per cent holding in the company.

Soon Communications Plc's business operations were divided into two companies on January 1, 2002. The network operator company Soon Net Oy is responsible for network business and the service operator company Soon Com Oy for service business.

Radiolinja opened its third-generation mobile phone network on January 1, 2002. The network will be initially test run by Radiolinja in the Helsinki metropolitan area and Tampere.

KSP Group Plc entered into an agreement on January 7, 2002 to acquire the full ownership of Indata Oy through an exchange of shares, and of Votek Oy in part in cash and through a private offering. As a result of these measures, the Group's holding in KSP Group Plc will decrease from 53.13 per cent to 51.46 cent at the minimum.

Fidelity International Ltd announced on January 25, 2002 that its holding in Elisa Communications Corporation's share capital and votes has decreased under five (5) per cent.

Soon Com Oy and Kolumbus Ltd agreed on assigning Soon Com's internet business to Kolumbus with effect from February 1, 2002.

Vodafone, the largest mobile operator in the world, and Elisa Communications Corporation signed on February 14, 2002 a cooperation agreement, whose aim is to increase cooperation in the companies' product and service provision. In the same connection, a business and partner agreement was signed between Elisa Communications' subsidiary Radiolinja and Vodafone.

Finnet International Ltd and SPRINT signed on February 15, 2002 an IP services distribution agreement. It enables Finnet International to deliver secure and value-added IP services, such as IP VPNs and high-speed secure Internet access, to its international customers across SprintLink™, the global IP network from Sprint.

## Outlook

The Group's revenue is expected to grow faster than the sector in general in 2002. EBITDA without one-off items and result before taxes is estimated to grow compared to 2001. The restructuring measures being executed will affect the 1H 2002 performance but profitability is estimated to improve towards the end of 2002.

EBITDA of Elisa Kommunikation GmbH Group is expected to turn positive by the end of 2002, and EBIT by the end of 2003. The mobile retail business in Germany will be adapted to the prevailing market situation, so that it will not create losses from the second quarter onwards.

The Group's cash flow is expected to turn positive during 2002.