elisa

Citigroup

European Telecommunications Conference

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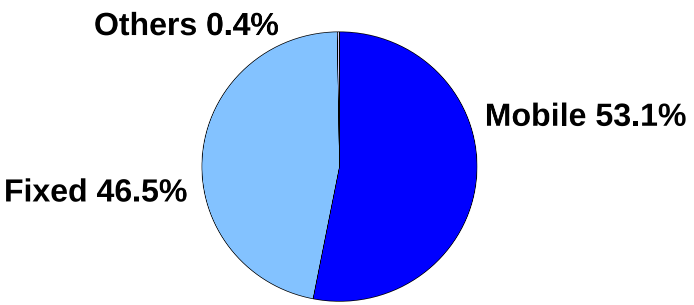
Contents

- Elisa today
- New 3G service bundles in the Finnish telecom market
- Elisa 2005 highlights
- Execution of the strategy
- Outlook for 2006

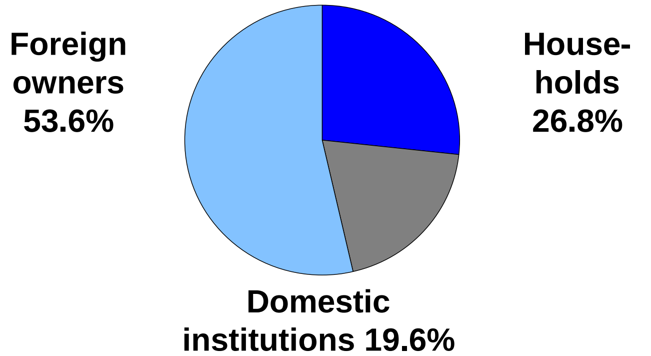
Elisa at a glance

- Full range of telecom services
  - No 1 fixed network operator
  - No 1 broadband operator
  - No. 2 mobile operator in Finland and in Estonia
- Offering Pan-European and global scope through partnerships
  - Vodafone and Telenor
- Market cap € 2,9bn

Revenue per segment in Q4 2005

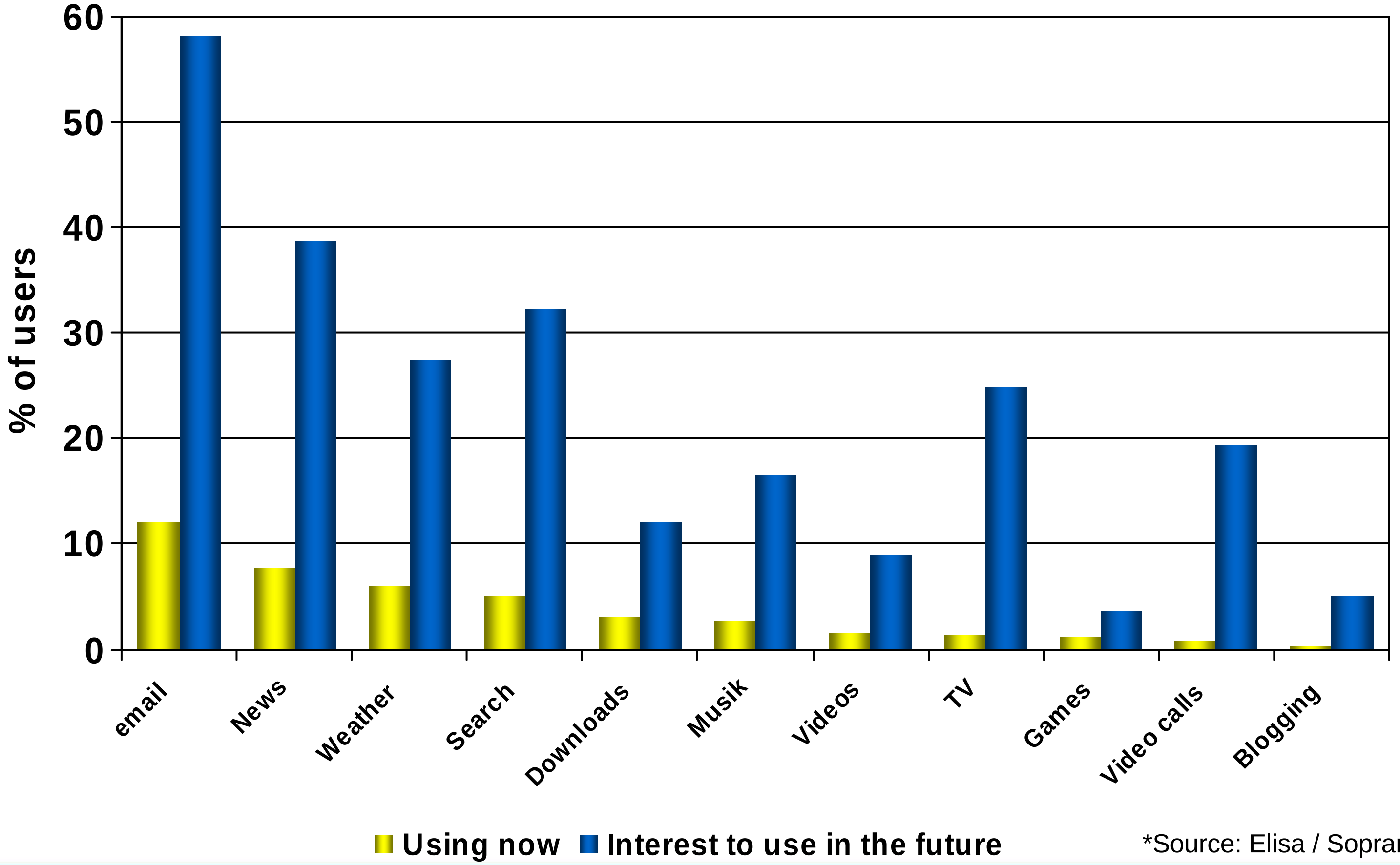


Shareholder structure, February 2006



Expected usage growth according to survey*

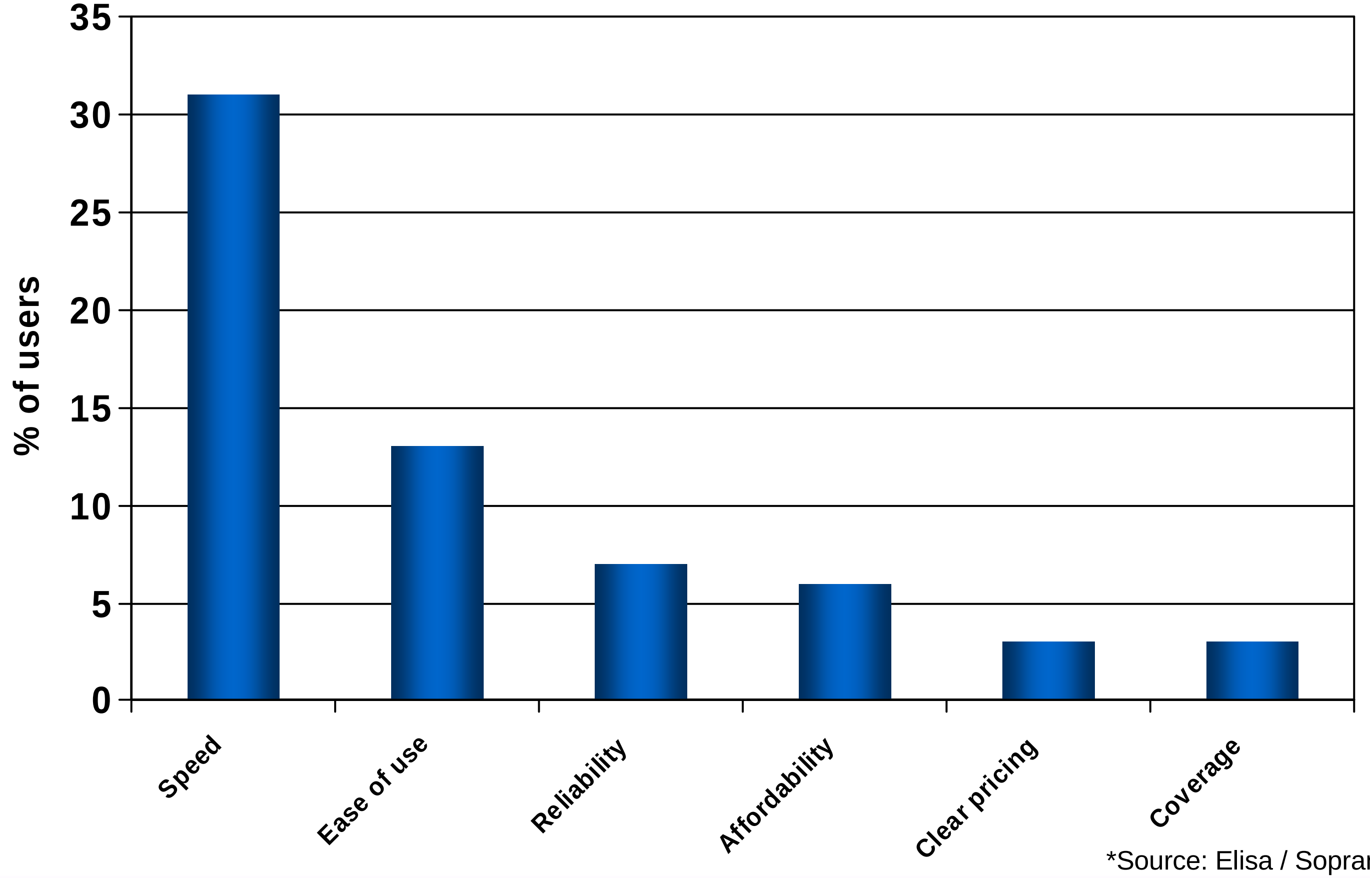
Use of mobile services: familiar Internet services create demand



*Source: Elisa / Soprano Oyj eSearch 3/2006

Expectations for 3G services*

37 per cent of customers have still unclear expectations

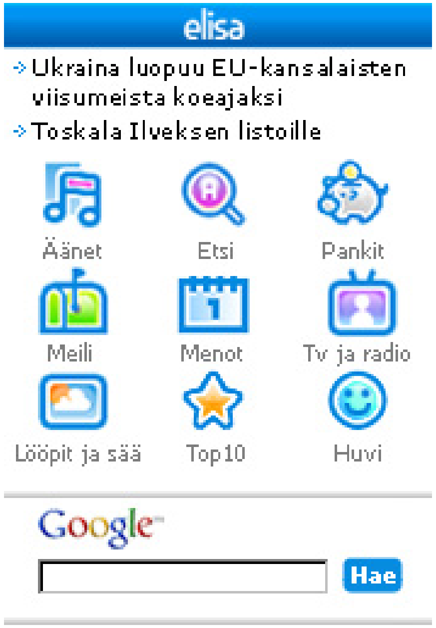


*Source: Elisa / Soprano Oyj eSearch 3/2006

New 3G service bundle

Elisa's comprehensive offering

- Video calls
- Mobile email
- Search services
- Elisa TV services
- Portal services



New 3G service bundle

Inflection point in pricing

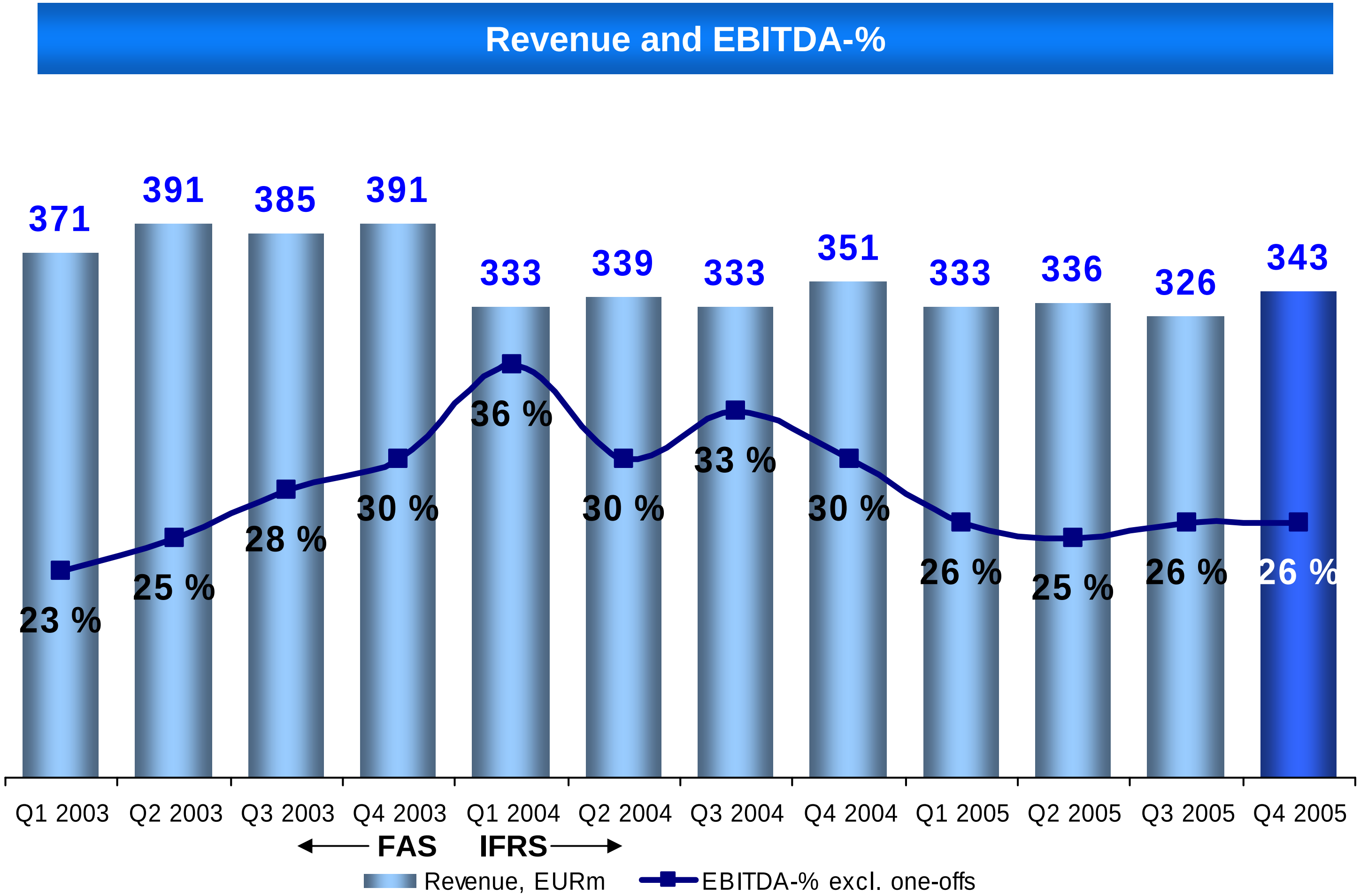
- Current market behaviour
  - buying mobile phone and minutes separately
  - low end mobile phones
  - per minute pricing
  - per SMS pricing
  - no contract, 30 day cancellation notice

- New bundled services
  - bundles of mobile phone, minutes, SMS and services
  - high end mobile phones with 3G functionality
  - package price, easy to adopt
  - 24 month contract, SIM lock

Elisa 2005 highlights

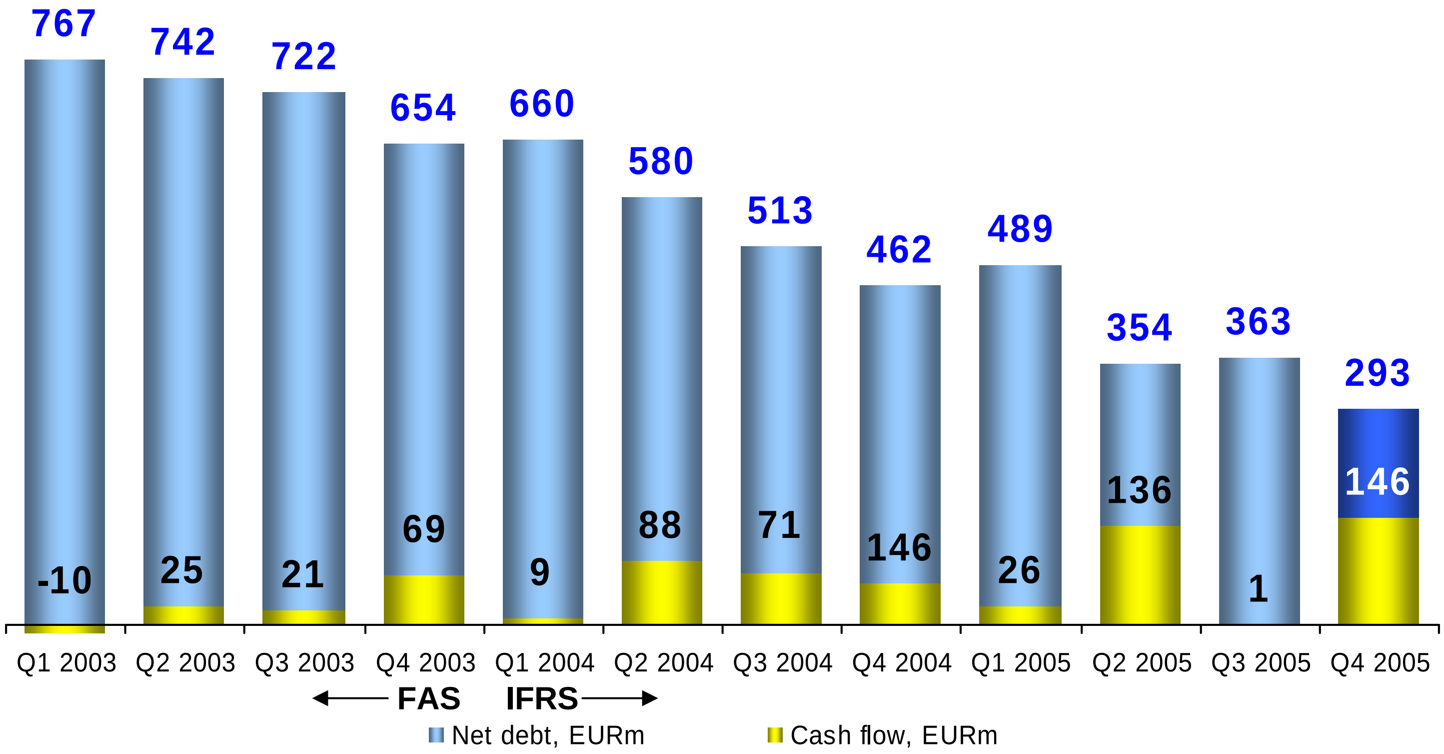
- Elisa further strengthened its market position, more stable competition at year-end
- In mobile business usage growth and price erosion continued, churn decreased
- Strong growth has continued in broadband subscriptions
- Financial position remained strong
- Dividend proposal € 0.70 per share or 66% of net result, also proposal for authorisation of share buy-backs

Profitability has been under pressure



Financial position is strong

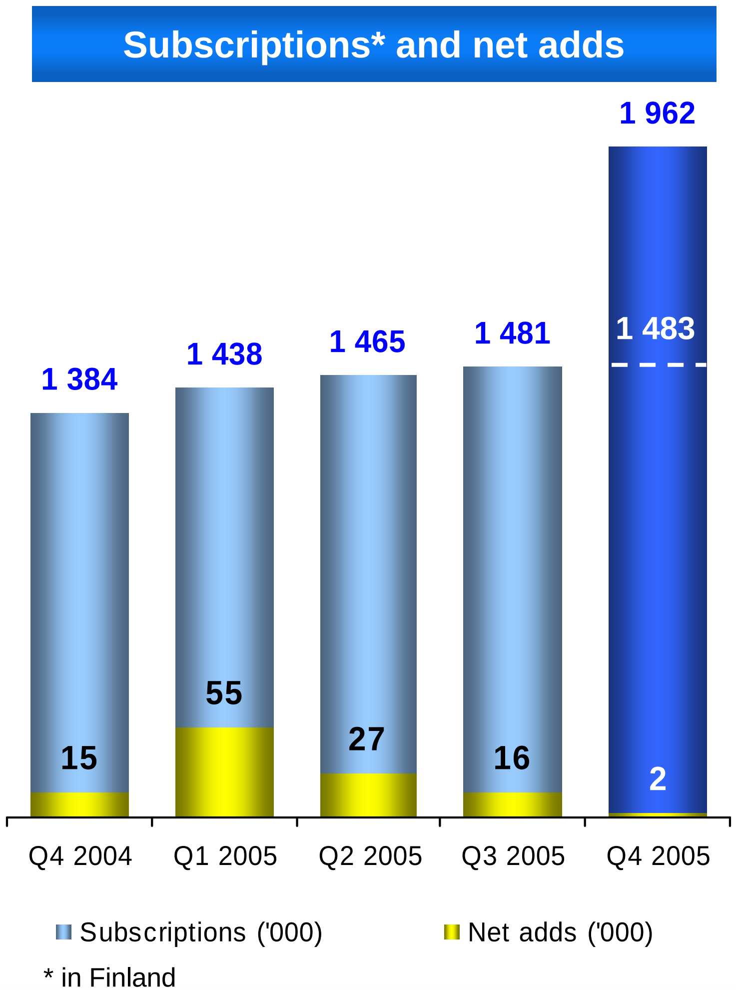
Net debt and Cash flow



Elisa 2005 highlights: mobile business

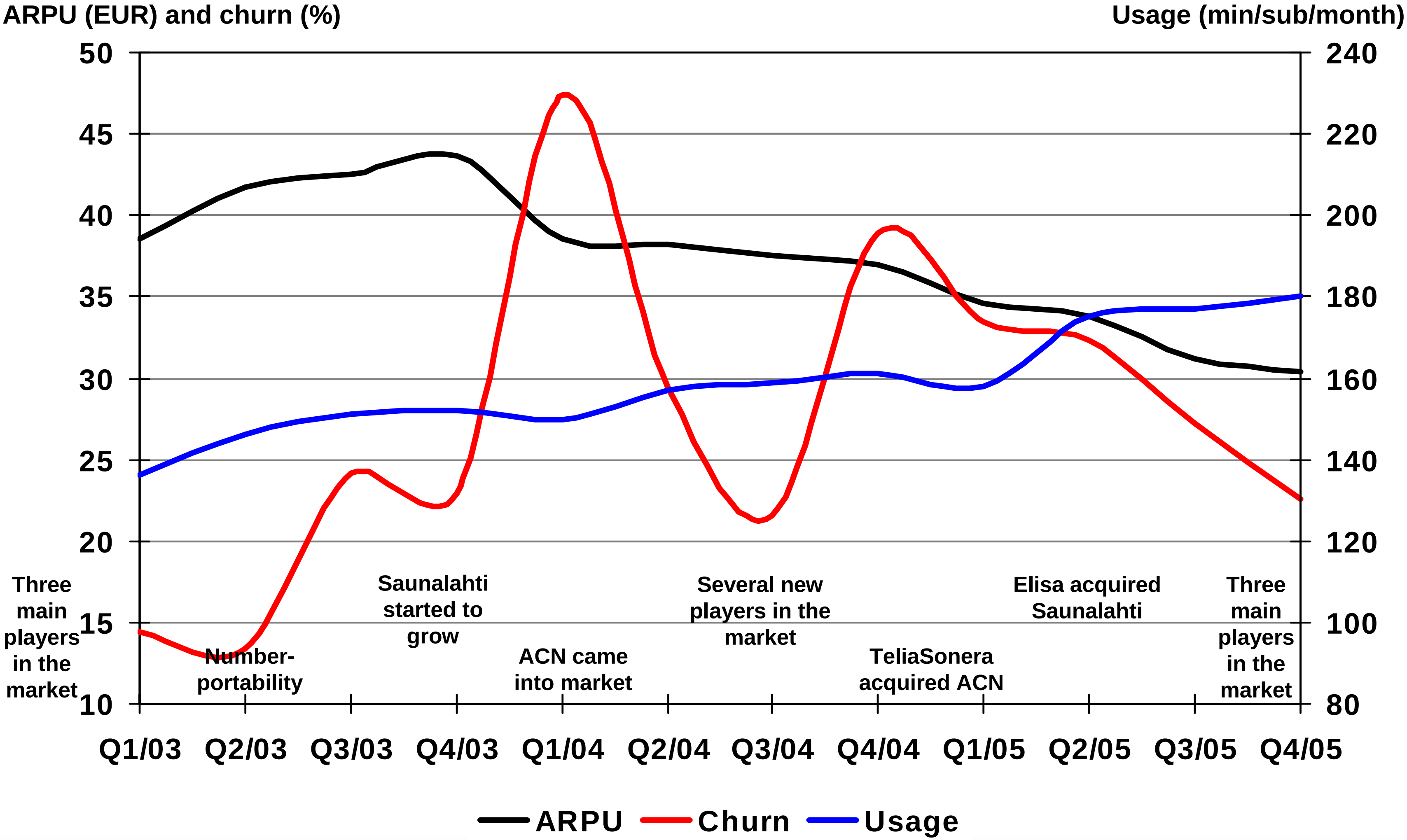
Less net adds in Q4, churn decreasing

- Organic growth 2 300 in Q4
- 2 million subscriptions in Elisa's network
- Competition slightly less intensive
  - churn 22.6% (38.9)
  - ARPU EUR 30.4 (37.0)
- Growth in network usage
  - MOU grew by 62% and SMS 79% due to increased Saunalahti traffic



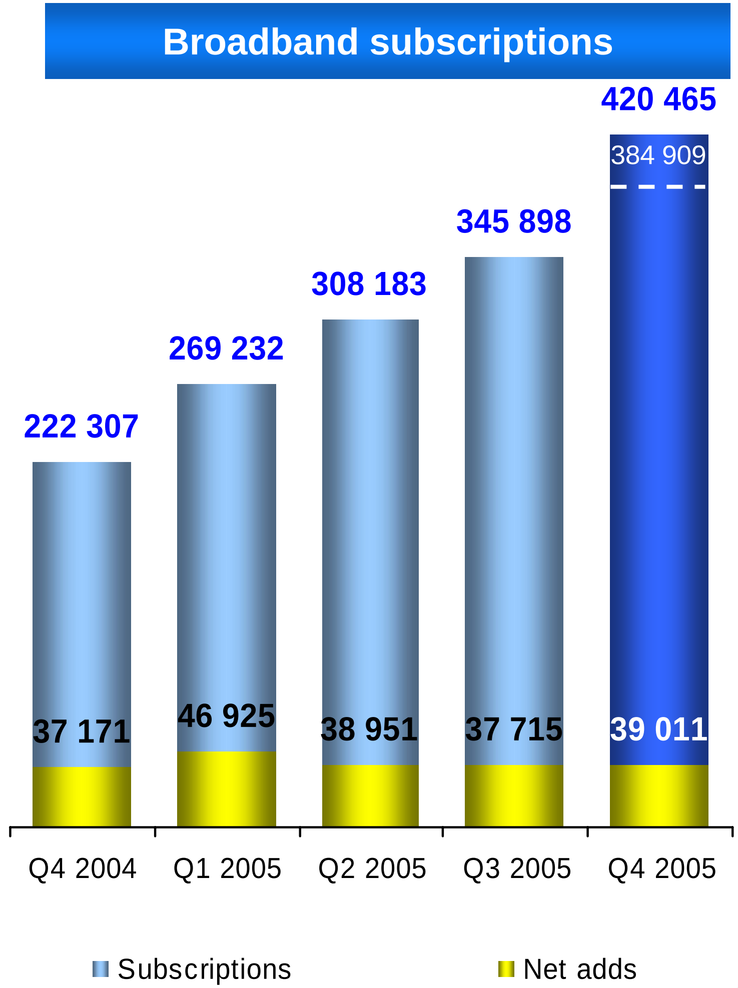
Elisa 2005 highlights: mobile business

MOU up, churn and ARPU decreasing

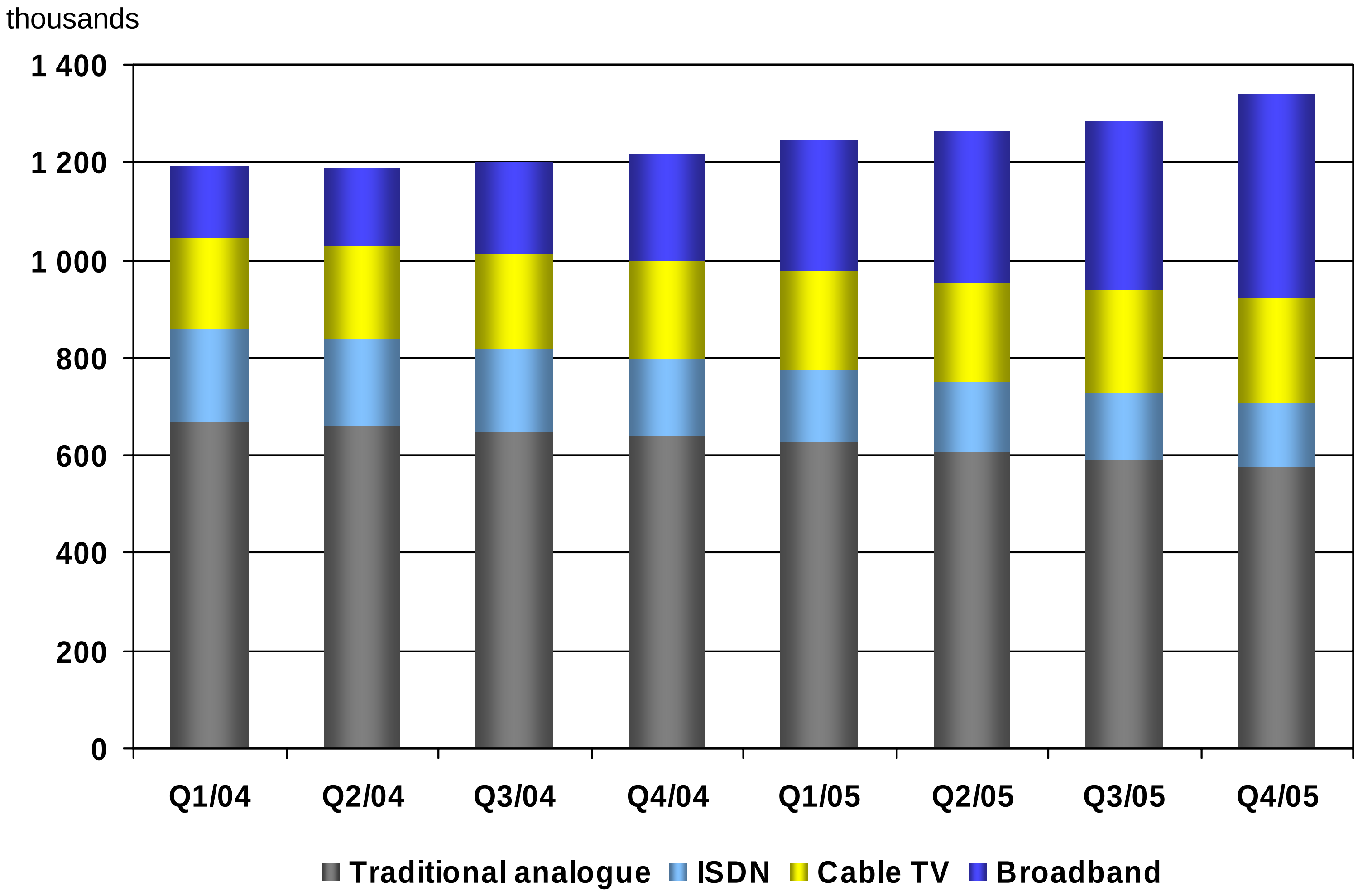


Market leadership in broadband strengthened

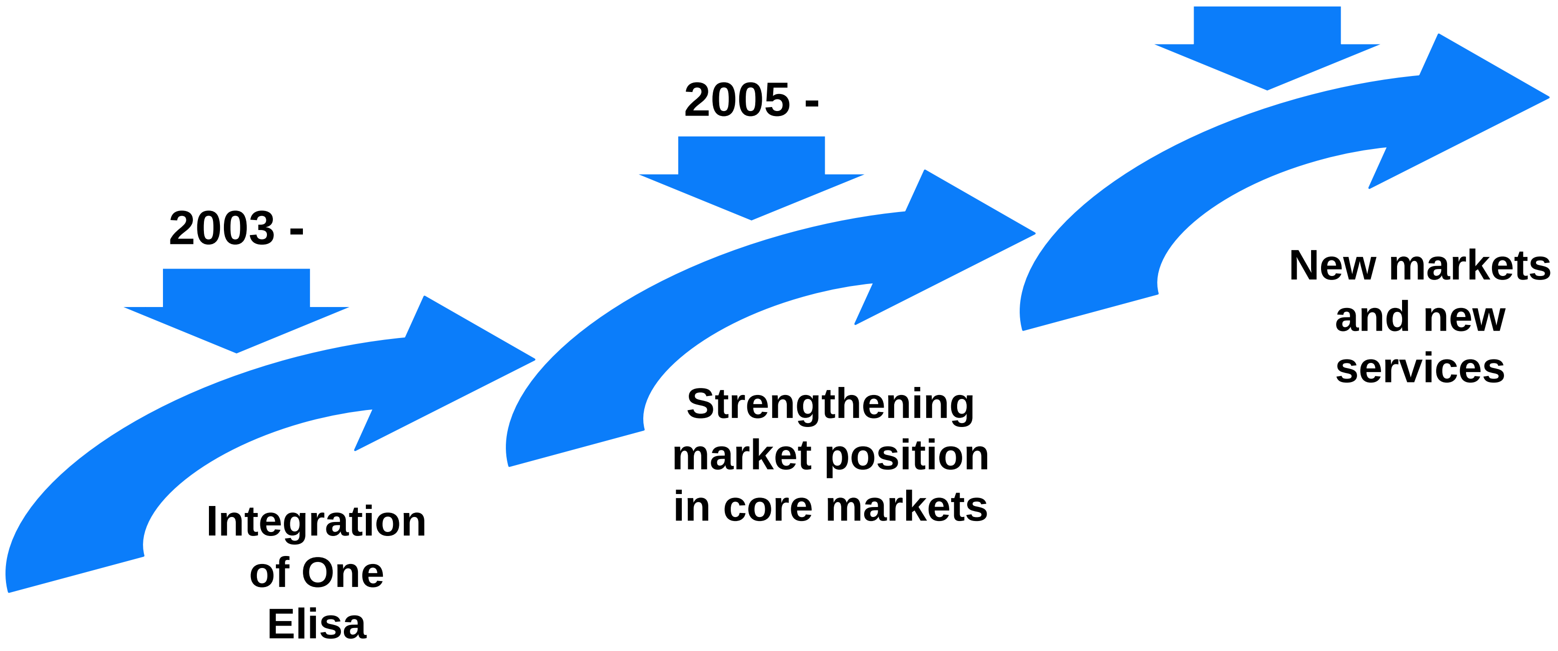
- ADSL subscriptions growth 70% yoy
- Organic growth 39,000 subscriptions in Q4
- Elisa strengthened its market position
- Decrease in analogue lines accelerated



ADSL compensates decrease in traditional lines



Strategy execution



Strategy execution 2005

Integration improved operative efficiency

Significant profitability improvement

- Savings in procurement
- Reduction in personnel costs
- Outsourcing of application management services
- Outsourcing of network installation
- Sale of real estate

Customer orientation

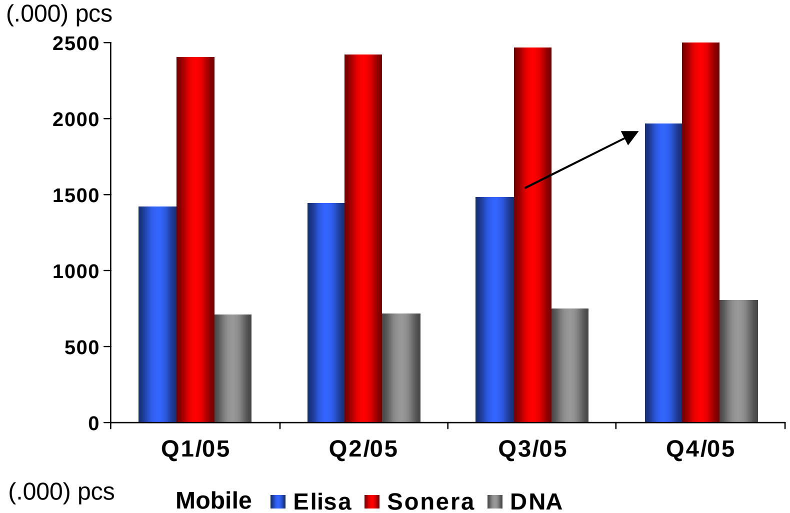
- New products and services
  - Mobile PABX, Mobile TV, Vodafone Push Email, Elisa Mobi
- A citizen certificate stored on SIM card
- Improvement in call centre services
- Mobile phones management services for corporate
- New operational model

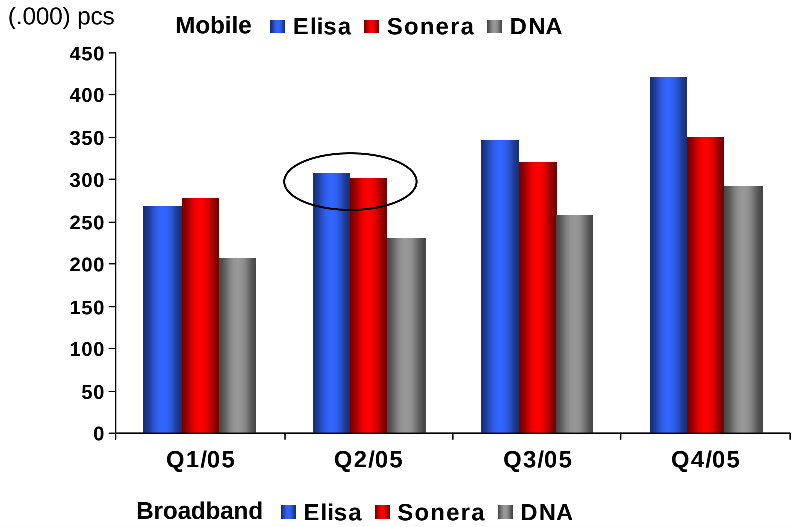
Simplification of structure

- Sale of Yomi Software
- Sale of Comptel shares
- Sale of Estera
- Integration of Tikka into Elisa
- Integration of Jyväsviestintä into Elisa

Market position strengthened in 2005

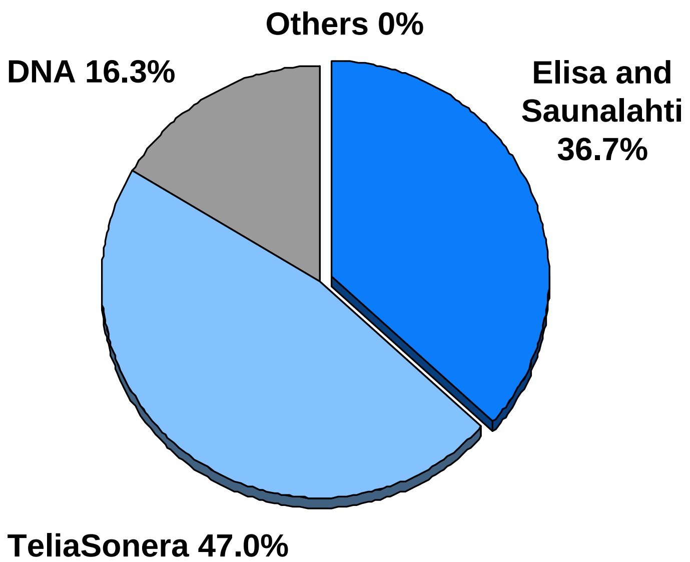
- Scale advantage in mobile business
  - organic growth
  - Saunalahti deal
- Market leadership in broadband business from Q2 onwards
  - competitive offering in own network areas
  - offering expansion to nationwide



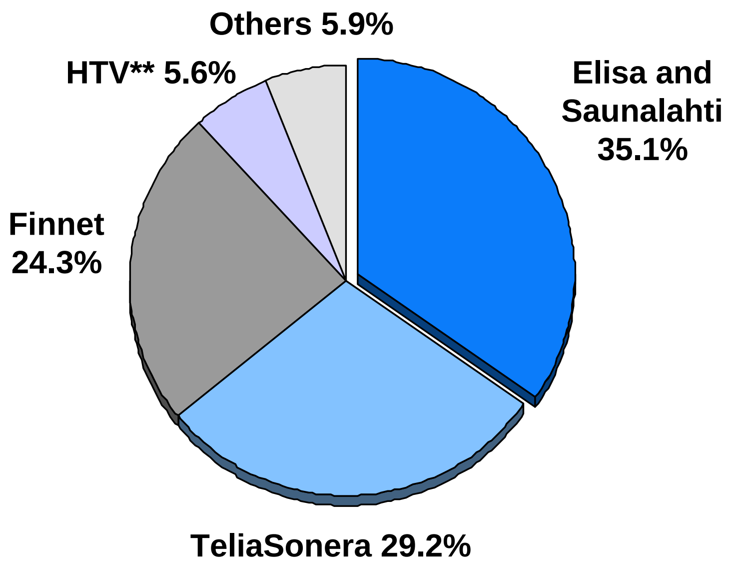


Strategy execution 2005

Market shares* in 2005



Mobile operators

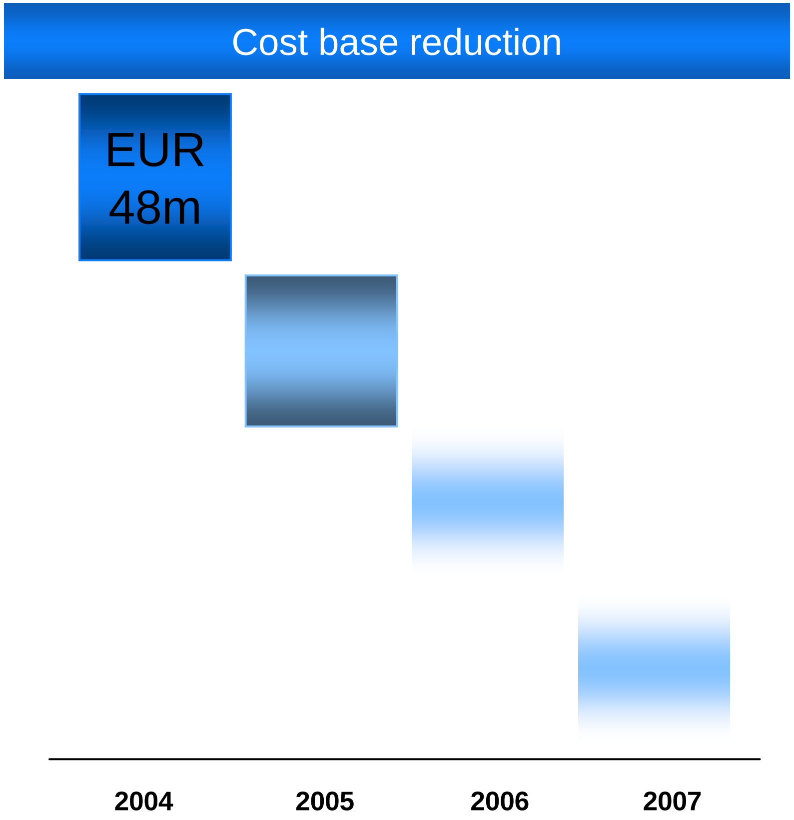


Fixed broadband operators

* Elisa estimates

** Helsinki Television, cable-TV company

Productivity improvement



- New operational model as of 1 January 2006
- Development of processes
- Renewal of information systems
- Procurement and outsourcing
- Personnel reductions

Strategy execution 2006

Customer intimacy

- Customer satisfaction
  - further quality improvements
- Customer loyalty
  - focus on existing customers
- Customer value e.g. through new 3G service bundles
  - services “ready to use”
  - flat rate pricing easy to control
  - flexible to purchase more advanced terminal and services

New businesses

- Mobile broadband product
  - more customer friendly pricing
- IP/internet based services, like VoIP and IPTV
- New turnkey solutions for enterprises

Outlook for 2006

- Market
  - Competition remains challenging
  - More focus on services

- Financial position
  - Revenue will grow clearly
  - EBITDA and EBIT excluding non-recurring items will improve

- CAPEX and cash flow
  - CAPEX 13-15 per cent of revenue
  - Cash flow clearly positive

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