

**ELISA'S INTERIM REPORT FOR APRIL-JUNE 2007**

- Revenue increased by 3 per cent to EUR 393 million (382)
- EBITDA improved 34 per cent to EUR 127 million (95) and profit before taxes grew 91 per cent to EUR 67 million (35)
- Excluding non-recurring items, EBITDA increased by 16 per cent to EUR 116 million (100) and profit before taxes grew 40 per cent to EUR 56 million (40)
- Earnings per share improved 94 per cent to EUR 0.31 (0.16)
- Average revenue per user (ARPU) in the mobile business improved from the previous quarter's EUR 29.7 to EUR 30.2. Churn decreased and was 11.4 per cent (14.2 in the previous quarter).
- The number of mobile subscriptions continued to increase during the second quarter, due in particular to the new 3G service bundles
- The number of broadband subscriptions remained at the previous quarter's level

Key indicators:

Income statement EUR million	4-6/2007	4-6/2006	1-12/2006
Revenue	393	382	1,518
EBITDA	127 <sup>1)</sup>	95 <sup>2)</sup>	434 <sup>3)</sup>
EBIT	77	39	225
Profit before taxes	67	35	212
Earnings per share, EUR	0.31	0.16	0.97
Capital expenditures	49	54	207

EBITDA excluding non-recurring items: <sup>1)</sup> EUR 116 million (profit on the sale of properties of EUR 11 million), <sup>2)</sup> EUR 100 million, <sup>3)</sup> EUR 445 million

Figures describing the financial position and cash flow:

Financial position EUR million	30 Jun 2007	30 Jun 2006	31 Dec 2006
Net debt	651	381	377
Net debt / EBITDA *	1.4	1.0	0.9
Gearing ratio, %	59.7	29.5	28.7
Equity ratio, %	51.9	64.1	63.1
Cash flow statement	4-6/2007	4-6/2006	1-12/2006
Cash flow after investments	37	29	118

\* Adapted to annual figures on the basis of the second quarter: (interest-bearing debt – liquid assets) / (adjusted EBITDA for the period x 4)

## **CEO Veli-Matti Mattila:**

”Strong growth in the 3G market

Strong growth in the number of 3G customers and the use of services continued. The 3G market grew by more than 100,000 customers during the second quarter. 3G customers continue to use their mobile phones for new services, such as Web browsing and e-mail, considerably more than other customers.

Elisa’s share of the 3G market is about one half. We are continuing service development, for example by introducing a very affordable mobile broadband to our customers today. Our 3G network is the most comprehensive in Finland and we are determinedly expanding it further to respond to the increasing demand. The number of cities and towns covered by Elisa’s 3G network will be about 120 by the end of the year. At that time our 3G network will cover about 70 per cent of the Finnish population.

Succeeding in the service competition within the telecom industry will continue to require even better customer focus. At Elisa, we are committed to improving our customer service through the development of our operations and IT systems, among other things.

Elisa introduced a new billing and CRM system, which unfortunately weakened our customer service quality and slowed second quarter sales of broadband and mobile communications. I am unsatisfied with this launch. Great improvement has already been achieved and we are working determinedly to improve our service level further.

During the second quarter, the development was positive in other respects. Mobile ARPU increased and the churn rate decreased. In terms of broadband subscriptions, we focused on maintaining our clear market leadership.

The second quarter was also positive in financial terms. Our revenues grew, and comparable EBITDA and profit before taxes improved clearly compared with the corresponding period last year. We expect the positive development to continue during the second half of the year as well.”

## **ELISA CORPORATION**

Mr. Vesa Sahivirta  
Director, IR and Financial Communications

Further information:

Mr Veli-Matti Mattila, President and 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

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## INTERIM REPORT APRIL-JUNE 2007

The interim report has been prepared in accordance with the IAS 34 standard, "Interim reports". The information presented in this interim report is unaudited.

### Market situation

The base of mobile communications subscriptions has evolved favourably in Finland with 3G subscriptions comprising a significant proportion of new subscriptions. The use of new services made available through 3G subscriptions has also increased.

The fixed network business continued its earlier trend: the number of broadband subscriptions continued to grow compared with last year, even though more slowly, and the number and use of traditional subscriptions decreased.

### Revenue

EUR million	4-6/2007	4-6/2006	Change, %
Mobile communications	246	239	3
Fixed network	160	166	-4
Inter-segment sales	-13	-23	-43
Total	393	382	3

Elisa's revenue for April-June was up 3 per cent on last year, due to the increase in the use of mobile communication services, among other things.

### Performance

EUR million	4-6/2007	4-6/2006	Change, %
Mobile communications			
EBITDA	72	57 <sup>2)</sup>	26
EBITDA, %	29	24	
EBIT	46	29 <sup>2)</sup>	59
Fixed network			
EBITDA	56 <sup>1)</sup>	39 <sup>2)</sup>	44
EBITDA, %	35	24	
EBIT	33 <sup>1)</sup>	11 <sup>2)</sup>	200
Corporate functions			
EBITDA	-2	-1	
EBIT	-2	-2	
Group, total			
EBITDA	127 <sup>1)</sup>	95 <sup>2)</sup>	34
EBITDA, %	32	25	
EBIT	77 <sup>1)</sup>	39 <sup>2)</sup>	97

<sup>1)</sup> Figures excluding non-recurring items: fixed network: EBITDA EUR 45 million and EBIT EUR 22 million (sales profits from sale of properties of EUR 11 million); the Group: EBITDA EUR 116 million and EBIT EUR 67 million.

<sup>2)</sup> Figures excluding non-recurring items: mobile communications: EBITDA EUR 59 million and EBIT EUR 31 million; fixed network: EBITDA EUR 42 million and EBIT EUR 14 million; the Group: EBITDA EUR 100 million and EBIT EUR 44 million

Elisa's EBITDA excluding non-recurring items showed growth of 16 per cent on the corresponding period in 2006. The EBITDA improvement was attributable to factors such as new services in the mobile communication business, as well as efficiency measures. The improved profitability of the fixed network was affected by changes in broadband subscription prices, the increased number of

subscriptions, and improved cost efficiency. Compared with the previous quarter, profitability of the fixed network business weakened mainly due to the non-recurring expenses associated with the introduction of the new IT systems.

The Group's other financial income and expenses rose to EUR -11 million (-4), because an unrealised financial expense of EUR 5 million on the change in the fair value of an interest-rate derivative was posted for the second quarter. Cash flow was not affected. Income taxes in the period under review amounted to EUR -18 million (-7).

The Group's April-June result after taxes amounted to EUR 49 million (28). The Group's earnings per share (EPS) amounted to EUR 0.31 (0.16). At the end of June, shareholders' equity per share stood at EUR 6.86 (EUR 8.07 at the end of 2006).

### Changes in corporate structure

On 24 May 2007, a merger plan was signed by the Boards of Directors of Elisa and Lounet Oy, according to which Lounet will be merged with Elisa. On 5 July 2007, Lounet's Extraordinary Meeting of Shareholders approved the merger. The merger will take effect once the execution of the merger is registered in the trade register, on estimate on 30 September 2007.

### Mobile communication business

	30.6.2007	30.6.2006	31.12.2006
Number of subscriptions			
Total number of subscriptions	2,564,800	2,343,900	2,488,900
- Network operator in Finland	2,257,300	2,060,400	2,194,400
- Subscriptions in Estonia	307,500	283,500	294,500

User-specific indicators <sup>1)</sup>	4-6/2007	4-6/2006	1-12/2006
Revenue/subscription (ARPU), EUR	30.2	31.3	30.2
Churn, %	11.4	12.9	13.8
Outgoing calls, min/subscription/month	222	204	203
SMS, msg/subscription/month	51	49	50
Value-added services/revenue, %	19	17	17

Indicators on network use <sup>2)</sup>	4-6/2007	4-6/2006	1-12/2006
Outgoing calls, million minutes	1,425	1,207	4,888
SMS, million msg	372	288	1,193

<sup>1)</sup> Elisa's service operators in Finland (excluding prepaid)

<sup>2)</sup> Elisa's network operator in Finland

Elisa's network operator in Finland had 2,257,300 subscriptions in June, representing an increase of 10 per cent on the corresponding period last year. The second-quarter increase was approximately 22,000 subscriptions, contributed to by the good success of the 3G service bundles and prepaids.

The call minutes per subscription of Elisa's own service operators rose by approximately 9 per cent and the number of SMS messages increased by approximately 4 per cent on the corresponding period last year. Due to the increase in the number of subscriptions of Elisa's service operators, the total call minutes in the network grew by 18 per cent and the number of SMS messages increased by 29 per cent.

Mobile communication's revenues grew three per cent despite reduced interconnections traffic fees and equipment sales. Revenue per subscription (ARPU) decreased by 4 per cent on the comparison period, in part as a result of the lower interconnection traffic prices that took effect at

the beginning of the year. Compared with the previous quarter, revenue per subscription was up 2 per cent, from EUR 29.7 to EUR 30.2.

The number of cities and towns covered by Elisa's 3G network will reach about one and a half times the current figure by year end when the 3G network will be expanded to more than 30 new locations. At that time Elisa's 3G network will cover more than 70 per cent of the Finnish population, in a total of 120 cities and towns.

Saunalahti was the first company in Finland to start selling Mobile VoIP subscriptions. Saunalahti's service is based on standardised UMA technology. UMA (Unlicensed Mobile Access) combines the GSM network and WLAN networks into a seamless whole, enabling subscription users to make calls even without charge.

The mobile communication business of Elisa's Estonian subsidiary continued to grow in terms of revenue as well as the number of subscriptions. Revenue growth was 14 per cent, with revenue amounting to EUR 29.4 million (25.8) and the number of customers to 307,500 (283,500). Profitability improved as well: EBITDA increased by 10 per cent to EUR 9.1 million (8.3) and EBIT by 8 per cent to EUR 6.4 million (5.9).

### Fixed network business

	30 Jun 2007	30 Jun 2006	31 Dec 2006
Number of subscriptions			
Broadband subscriptions	513,900	472,500	496,300
ISDN channels	70,900	113,300	76,200
Cable TV subscriptions	231,200	220,300	226,000
Analogue and other subscriptions	499,400	541,000	521,100
Subscriptions, total	1,315,400	1,347,100	1,319,600

The number of broadband subscriptions remained at the previous quarter's level, showing an increase of 9 per cent on the previous year.

The number of traditional subscriptions continued to decrease steadily as voice calls shifted to the mobile communication network and data transfers to broadband subscriptions.

Saunalahti introduced a new type of digital TV set-top box. During normal television viewing, the SaunaVisio set-top box operates as any digital TV set in the antenna network, but when programmes are recorded, they are not recorded in the set-top box's own memory but rather on a virtual disc in the network. Users may record up to five terabytes (5,000 GB) worth of programmes.

### Elisa's Extraordinary Meeting of Shareholders

In accordance with the proposal of the Board of Directors, Elisa Corporation's Extraordinary Meeting resolved to decrease the share premium fund recorded in the balance sheet on 31 December 2006 by EUR 530,412,283.69 by moving all funds in the share premium fund recorded in the balance sheet on 31 December 2006 to the invested free equity fund.

In addition, the Extraordinary Meeting authorised the Board of Directors to pass a resolution concerning the payment of additional dividends to a maximum amount of EUR 165,000,000 in addition to the resolution to pay dividends made by the Annual General Meeting of Shareholders on 19 March 2007. The dividend may be paid in one or several instalments. The Board of Directors has the right to decide on other matters related to the payment of dividends. The authorisation is valid until the beginning of the following Annual General Meeting of Shareholders.

## Personnel

During April-June, the average number of personnel at Elisa was 3,357 (an average of 4,264 in 2006).

### Personnel by segment

	30 Jun 2007	30 Jun 2006	31 Dec 2006
Mobile communications	1,345	1,434	1,329
Fixed network	1,980	2,741	2,224
Corporate functions	39	41	38
Total	3,364	4,216	3,592

## Investments

EUR million	4-6/2007	4-6/2006	1-12/2006
Capital expenditures	49	54	207
- mobile communication business	22	22	78
- GSM leasing liability buy-backs	0	0	2
- fixed network business	27	32	127
- others	0	0	0
Shares	0	1	10
Total	49	55	218

The primary investment targets were the expansion of the 3G network, the renewal of the network management system, increases in the speed and capacity of the broadband network as well as the new invoicing and customer management system, the first phase of which was introduced during the period under review. This important IT project will improve cost efficiency and quality through development of the invoicing and customer management processes.

## Financial position

The capital structure has been developed according to the set goals. During the second quarter, Elisa acquired 4 million treasury shares at a price of EUR 86 million.

Elisa's financial position and liquidity remained good during the quarter. The group's April-June cash flow after investments amounted to EUR 37 million (29). The tax share on dividends of EUR 22 million and an advance tax of EUR 29 million according to the realised profit for 2006 were paid in April.

### Financial key indicators

EUR million	30 Jun 2007	30 Jun 2006	31 Dec 2006
Net debt	651	381	377
Net debt / EBITDA *	1.4	1.0	0.9
Gearing, %	59.7	29.5	28.7
Equity ratio, %	51.9	64.1	63.1
	4-6/2007	4-6/2006	1-12/2006
Cash flow after investments	37	29	118

\* (interest-bearing debt – liquid assets) / (adjusted EBITDA for the period x 4)

## Valid financing arrangements

EUR million	Maximum amount	In use on 30 Jun 2007
Committed credit line	170	0
Commercial paper programme <sup>1)</sup>	150	0
EMTN programme <sup>2)</sup>	1,000	666

<sup>1)</sup> The programme is not committed.

<sup>2)</sup> European Medium Term Note programme, not committed.

## Long-term credit ratings

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

## Share

At the end of June, the Group's total number of shares was 166,066,016, with 8,049,976 held by Elisa or Group companies. The closing price on 29 June 2007 was EUR 20.22, representing a decrease of 2.6 per cent compared with EUR 20.75 at the end of the year. Compared with a year ago, the price has increased by 35.8 percent from EUR 14.89. As of 30 June 2007, the market capitalisation was EUR 3,195 million.

In April-June, a total of 78.3 million shares were traded on the Helsinki Stock Exchange for an aggregate of EUR 1,683.6 million. The trading volume was 49.6 per cent of the number of shares on the market.

## Treasury shares

The General Meeting on 19 March 2007 authorised the Board of Directors to acquire treasury shares to a maximum number of 16,000,000. Based on the authorisation, Elisa acquired a total of 4,000,000 treasury shares in April-May. At the end of June, Elisa and its Group companies held 8,049,976 shares (4,125,000 at the end of 2006), having a counter value of EUR 4.02 million and representing 4.85 per cent of the share capital and votes.

## Significant legal issues

The Regulation of the European Parliament and Council on roaming entered into force on 30 June 2006. The Regulation lays down price ceilings for mobile calls between EU countries. Elisa estimates that the Regulation will not have significant economic effects on Elisa.

The Finnish Communications Regulatory Authority is currently investigating the pricing of calls to "corporate numbers" on the market in general.

## Short-term risks and uncertainties

The telecommunications business is under intense competition in Elisa's main market areas, which may affect Elisa's business.

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. Thus the overall market of mobile subscriptions in Finland cannot grow significantly. Furthermore, the share of phone traffic in Elisa's fixed network has decreased in the past few years. These factors may limit the opportunities for growth.

The telecommunications industry is subject to heavy regulation. Elisa and its business are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa.

### **Events after the period under review**

There have been no significant events after the reporting period.

### **Outlook for 2007**

Competition in the Finnish telecommunications market remains challenging, while the focus is increasingly on services. The use of mobile communications and broadband products is continuing to rise. Elisa's aim is to further reinforce its position as the service leader.

The Group's revenue is expected to grow on last year and EBITDA and EBIT excluding non-recurring items are expected to improve. The contributory factors include the growth in the 3G market and the efficiency measures. During the second half of the year, EBITDA and EBIT excluding non-recurring items are expected to improve markedly on the first half on the year.

Capital expenditures during the year are estimated to total 11 to 13 per cent of the revenue, and cash flow will remain clearly positive.

BOARD OF DIRECTORS



## CONSOLIDATED INCOME STATEMENT

EUR million	Note	4-6 2007	4-6 2006	1-6 2007	1-6 2006	1-12 2007
<b>Revenue</b>	1	<b>393,4</b>	382,4	<b>771,8</b>	730,8	1 518,4
Other operating income		<b>13,7</b>	1,1	<b>14,9</b>	3,9	8,7
Materials and services		<b>-179,7</b>	-179,5	<b>-354,3</b>	-328,4	-689,3
Employee benefit expenses	7	<b>-48,2</b>	-60,3	<b>-92,2</b>	-116,9	-213,9
Other operating expenses		<b>-52,5</b>	-48,9	<b>-98,8</b>	-96,1	-189,4
<b>EBITDA</b>	1	<b>126,7</b>	94,8	<b>241,4</b>	193,3	434,5
Depreciation	3	<b>-49,4</b>	-56,2	<b>-95,6</b>	-111,5	-209,1
<b>EBIT</b>	1	<b>77,3</b>	38,6	<b>145,8</b>	81,8	225,4
Financial income and expense, net		<b>-10,7</b>	-4,1	<b>-15,3</b>	-8,4	-13,7
Share of associated companies' profit		<b>0,1</b>	0,1	<b>0,1</b>	0,1	0,1
<b>Profit before tax</b>		<b>66,7</b>	34,6	<b>130,6</b>	73,5	211,8
Income taxes		<b>-17,9</b>	-7,0	<b>-32,7</b>	-16,0	-50,4
<b>Profit for the period</b>		<b>48,8</b>	27,6	<b>97,9</b>	57,5	161,4
<b>Attributable to:</b>						
Equity holders of the parent		<b>48,5</b>	27,3	<b>97,3</b>	56,9	160,3
Minority interest		<b>0,3</b>	0,3	<b>0,6</b>	0,6	1,1
		<b>48,8</b>	27,6	<b>97,9</b>	57,5	161,4
<b>Earnings per share (EUR)</b>						
Basic		<b>0,31</b>	0,16	<b>0,61</b>	0,34	0,97
Diluted		<b>0,31</b>	0,16	<b>0,61</b>	0,34	0,97
<b>Average number of outstanding shares (1000 shares)</b>						
Basic		159 510	165 941	160 719	165 929	165 417
Diluted		159 510	165 941	160 719	165 929	165 417

## CONSOLIDATED BALANCE SHEET

EUR million	Note	30.6. 2007	31.12. 2006
<b>Non-current assets</b>			
Property, plant and equipment	3	631,0	645,5
Goodwill	3	772,3	772,3
Other intangible assets	3	198,7	190,4
Investments in associated companies		0,4	0,4
Available-for-sale investments		53,3	48,4
Other receivables		6,4	4,8
Deferred tax receivable		33,2	33,7
		<b>1 695,3</b>	<b>1 695,5</b>
<b>Current assets</b>			
Inventories	4	28,7	38,4
Trade and other receivables		356,1	334,8
Cash and cash equivalents		27,7	22,2
		<b>412,5</b>	<b>395,4</b>
<b>Total assets</b>		<b>2 107,8</b>	<b>2 090,9</b>
<b>Equity attributable to equity holders of the parent</b>			
	5	1 083,9	1 307,6
<b>Minority interest</b>			
		5,1	4,7
<b>Total equity</b>		<b>1 089,0</b>	<b>1 312,3</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		35,3	36,3
Provisions		7,8	8,2
Interest-bearing debt	6	639,1	321,1
Other non-current liabilities		23,0	16,1
		<b>705,2</b>	<b>381,7</b>
<b>Current liabilities</b>			
Trade and other payables		247,1	287,5
Tax liabilities		26,1	28,7
Provisions		1,2	2,7
Interest-bearing debt	6	39,2	78,0
		<b>313,6</b>	<b>396,9</b>
<b>Total equity and liabilities</b>		<b>2 107,8</b>	<b>2 090,9</b>

**STATEMENT OF CHANGES IN EQUITY**

EUR million	Share capital	Share issue premium	Treasury shares	Other reserves	Retained earnings	Minority interest	Total equity
<b>Total equity at 1.1.2006</b>	83,0	530,4	-2,5	418,9	307,5	12,4	<b>1349,7</b>
Available for sale investments				1,3			<b>1,3</b>
Other changes				-0,3		-0,6	<b>-0,9</b>
Items recognised directly in equity				1,0		-0,6	<b>0,4</b>
Profit for the period					56,9	0,6	<b>57,5</b>
<b>Total recognised income and expense for the period</b>				1,0	56,9	0,0	<b>57,9</b>
Dividends					-116,2	-2,0	<b>-118,2</b>
Sales of treasury shares			0,8		-0,4	0,2	<b>0,6</b>
Share based compensation					0,5		<b>0,5</b>
<b>Total equity at 30.6.2006</b>	83,0	530,4	-1,7	419,9	248,3	10,6	<b>1290,5</b>
<b>Total equity at 1.1.2007</b>	83,0	530,4	-81,3	422,1	353,4	4,7	<b>1312,3</b>
Available for sale investments				4,7			<b>4,7</b>
Items recognised directly in equity				4,7			<b>4,7</b>
Profit for the period					97,3	0,6	<b>97,9</b>
<b>Total recognised income and expense for the period</b>				4,7	97,3	0,6	<b>102,6</b>
Dividends					-242,9	-0,4	<b>-243,3</b>
Purchase of treasury shares			-85,6				<b>-85,6</b>
Sales of treasury shares			1,2		0,2	0,2	<b>1,6</b>
Share based compensation					1,4		<b>1,4</b>
<b>Total equity at 30.6.2007</b>	83,0	530,4	-165,7	426,8	209,4	5,1	<b>1 089,0</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6 2007	1-6 2006	1-12 2006
<b>Cash flow from operating activities</b>			
Profit before tax	130,6	73,4	211,8
Depreciation	95,6	111,5	209,1
Other adjustments to profit before tax	1,3	10,3	8,3
Change in working capital	-59,8	-47,3	-76,8
Cash generated from operations	167,7	147,9	352,4
Financial items, net	-2,6	-8,2	-17,5
Taxes paid	-36,9	-1,0	-0,3
<b>Net cash flow from operating activities</b>	<b>128,2</b>	<b>138,7</b>	<b>334,6</b>
<b>Cash flow from investments</b>			
Capital expenditure	-90,5	-97,0	-205,7
Purchase of shares and other investments	-4,3	-7,0	-25,4
Proceeds from asset disposal	21,9	7,1	14,9
<b>Net cash used in investing activities</b>	<b>-72,9</b>	<b>-96,9</b>	<b>-216,2</b>
<b>Cash flow before financing activities</b>	<b>55,3</b>	<b>41,8</b>	<b>118,4</b>
<b>Cash flow from financing activities</b>			
Purchase of treasury shares	-85,6		-79,4
Proceeds from treasury shares	1,7	0,9	1,0
Proceeds from long-term borrowings	350,0		
Repayment of long-term borrowings	-44,2	-122,4	-122,4
Change in short-term borrowings	-25,0	35,0	25,0
Repayment of finance lease liabilities	-3,7	-5,6	-9,5
Dividends paid	-243,0	-121,8	-123,6
<b>Net cash from/used in financing activities</b>	<b>-49,8</b>	<b>-213,9</b>	<b>-308,9</b>
Change in cash and cash equivalents	5,5	-172,1	-190,5
Cash and cash equivalents at beginning of period	22,2	212,7	212,7
Cash and cash equivalents at end of period	27,7	40,6	22,2

**NOTES****BASIS OF PREPARATION**

The Interim consolidated financial statements are in compliance with IAS 34 "Interim Financial Reporting". The Interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective at the time of preparing and adopted for use by European Union. The accounting principles applied in the Interim report are the same as those applied in the Consolidated financial statements at 31 December 2006. This Interim consolidated financial statements should be read in conjunction with the 2006 Consolidated financial statements.

The Group adopted the following standards, amendments to standards and interpretations as from 1 January 2007 onward:

IFRS 7 Financial Instruments; Disclosure

IAS 1 Presentation of Financial statements; Capital disclosures

IFRIC 8 Scope of IFRS 2

IFRIC 9 Reassessment of Embedded derivatives

IFRIC 10 Interim Financial Reporting and Impairment

These newly adopted standards and interpretations have not had any effect on Interim consolidated financial statements.

**1. BUSINESS SEGMENT INFORMATION**

<b>4-6/2007</b>		<b>Fixed</b>	<b>Other</b>	<b>Unallocated</b>		<b>Group</b>
EUR million	<b>Mobile</b>	<b>Network</b>	<b>business</b>	<b>items</b>	<b>Eliminations</b>	<b>Total</b>
External sales	241,7	151,7				393,4
Inter-segment sales	4,4	8,5			-12,9	0,0
Revenue	246,1	160,2			-12,9	393,4
EBITDA	72,4	55,9		-1,6		126,7
EBIT	46,0	32,8		-1,5		77,3
Financial income and expense				-10,7		-10,7
Share of associated companies' profit				0,1		0,1
Profit before tax						66,7

<b>4-6/2006</b>		<b>Fixed</b>	<b>Other</b>	<b>Unallocated</b>		<b>Group</b>
EUR million	<b>Mobile</b>	<b>Network</b>	<b>business</b>	<b>items</b>	<b>Eliminations</b>	<b>Total</b>
External sales	232,9	149,5				382,4
Inter-segment sales	6,5	16,8			-23,3	0,0
Revenue	239,4	166,3			-23,3	382,4
EBITDA	57,0	39,3		-1,5		94,8
EBIT	29,0	11,2		-1,6		38,6
Financial income and expense				-4,1		-4,1
Share of associated companies' profit				0,1		0,1
Profit before tax						34,6

**Elisa Corporation****1.1. - 30.6.2007***Unaudited*

<b>1-6/2007</b>		<b>Fixed</b>	<b>Other</b>	<b>Unallocated</b>		<b>Group</b>
EUR million	<b>Mobile</b>	<b>Network</b>	<b>business</b>	<b>items</b>	<b>Eliminations</b>	<b>Total</b>
External sales	465,9	305,9				771,8
Inter-segment sales	9,2	16,9			-26,1	0,0
Revenue	475,1	322,8			-26,1	771,8
EBITDA	139,5	105,1		-3,2		241,4
EBIT	89,7	59,2		-3,1		145,8
Financial income and expense				-15,3		-15,3
Share of associated companies' profit				0,1		0,1
Profit before tax						130,6
Assets total	1 394,3	592,4		121,1		2 107,8
Investments	41,6	51,8				93,4

<b>1-6/2006</b>		<b>Fixed</b>	<b>Other</b>	<b>Unallocated</b>		<b>Group</b>
EUR million	<b>Mobile</b>	<b>Network</b>	<b>business</b>	<b>items</b>	<b>Eliminations</b>	<b>Total</b>
External sales	418,4	312,4				730,8
Inter-segment sales	13,0	33,8			-46,8	0,0
Revenue	431,4	346,2			-46,8	730,8
EBITDA	110,3	85,7		-2,7		193,3
EBIT	59,2	26,3		-3,7		81,8
Financial income and expense				-8,4		-8,4
Share of associated companies' profit				0,1		0,1
Profit before tax						73,5
Investments	39,4	57,6				97,0

<b>1-12/2007</b>		<b>Fixed</b>	<b>Other</b>	<b>Unallocated</b>		<b>Group</b>
EUR million	<b>Mobile</b>	<b>Network</b>	<b>business</b>	<b>items</b>	<b>Eliminations</b>	<b>Total</b>
External sales	905,5	612,8	0,1			1 518,4
Inter-segment sales	24,4	52,2			-76,6	0,0
Revenue	929,9	665,0	0,1		-76,6	1 518,4
EBITDA	259,0	181,1		-5,6		434,5
EBIT	161,7	70,6		-6,9		225,4
Financial income and expense				-13,7		-13,7
Share of associated companies' profit				0,1		0,1
Profit before tax						211,8
Assets total	1 384,2	597,0		109,7		2 090,9
Investments	80,0	127,4				207,4

**2. ACQUISITIONS**

Elisa acquired 100 % of the shares of First Orange Contact Oy and some additional shares of Lounet Oy during the period. These acquisitions have no material effect on Elisa's Interim consolidated financial statements.

**Elisa Corporation****1.1. - 30.6.2007***Unaudited***3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

EUR million	Property plant and equipment	Goodwill	Other intangible assets
Cost, 1 January 2007	2 062,7	772,3	311,3
Additions	72,2		25,3
Disposals	-30,5		-1,1
Reclassifications	-0,6		0,6
30 June 2007	2 103,8	772,3	336,1
Accumulated depreciation/amortisation, 1 Jan 2007	1 417,2		120,9
Depreciation for the period	78,0		17,6
Disposals and reclassifications	-22,4		-1,1
30 June 2007	1 472,8		137,4
Net carrying amounts:			
1 January 2007	645,5	772,3	190,4
30 June 2007	631,0	772,3	198,7

Commitments to purchase property, plant and equipment and intangible assets amounts to 32 million euros as at 30 June 2007.

**4. INVENTORIES**

Write-downs of inventories amounting to 1,7 million euros were recognised at 30 June, 2007 (4,6 million euros, 31 December, 2006)

**5. EQUITY****Treasury shares**

	Shares pcs	Nominal value EUR	Holding, % of shares and votes
Held by Lounet Oy, 31 Dec 2006	125 000	62 500	0,08 %
Held by Elisa Corporation, 31 Dec 2006	4 000 000	2 000 000	2,41 %
Held by the Group, 31 Dec 2006	4 125 000	2 062 500	2,48 %
Sold shares by Lounet Oy	-75 024	-37 512	-0,04 %
Acquired shares by Elisa Corporation	4 000 000	2 000 000	2,41 %
Treasury shares held by the Group, 30 June 2007	8 049 976	4 024 988	4,85 %

During the first half of 2007 Elisa acquired treasury shares (4.000 million pcs) amounting to 85,6 million euros.

**Dividends**

On 19 March, 2007 Elisa's Annual General Meeting decided to pay a dividend of 0,50 euros per share and an additional dividend of 1,0 euros per share. The total dividend amounts to 243,1 million euros and the payment started on 29 March, 2007.

**Elisa Corporation**

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**6. ISSUANCES AND REPAYMENTS OF DEBT**

The following bonds have been issued or repaid during the first half of 2007:

EUR million	Nominal value	Interest rate Nominal	Effective	Maturity date	Book value
<b>New Issues</b>					
EMTN programme 2001/EUR 1 000 million					
I/2007	50,0	3-month euribor + 0,22 %	4,119 %	3.3.2010	49,9
II/2007 *)	300,0	4,75 %	4,789 %	3.3.2014	299,2
<b>Total of new issues</b>	<b>350,0</b>				<b>349,1</b>

\*) In same connection Elisa signed a seven-year interest rate swap under which 150 million euros was converted from fixed rate to floating rate.

**Repayments**

Bond programme 1999/EUR 335 million					
I/1999	19,6	4,75 %	4,956 %	18.6.2007	19,6
EMTN programme 2001/EUR 1,000 million					
II/2002	20,0	6-month euribor + 0,91%	4,514 %	8.4.2007	20,0
VII/2002	4,5	6-month euribor + 0,91%	4,514 %	8.4.2007	4,5
<b>Total of repayments</b>	<b>44,1</b>				<b>44,1</b>

The unused amount of 1000 MEUR EMTN program is 358,1 million euros as at 30 June 2007.

Loan from financial institutions 0,2 million euros (0,2 million euros 31 December 2006) was repaid according to plan.

Commercial papers were not issued as at 30 June 2007 (25 million euros, 31 December 2006).



**Elisa Corporation****1.1. - 30.6.2007***Unaudited***7. RELATED PARTY TRANSACTIONS**

Elisa Group has business relationship with subsidiaries and associates.

Furthermore, related parties include Board of Directors, CEO and Executive Board.

Changes in subsidiary relationships during the period are as follows:

First Orange Contact Oy	acquired	100 %
Lounet Oy	acquired	0,36 %

Related party transactions	<b>1-6/2007</b>
Sales	<b>0,0</b>
Purchases	<b>0,3</b>

Management remuneration will be announced in Annual financial statements.

On 2 March 2006 a new share-based payment plan was granted for key personnel. CEO's and Executive Board's portion of calculated cost recognised in Profit and loss account is 1,8 million euros ( 0,6 million euros 2.3. - 30.6.2006). No payments were made out of the plan during the Interim period. The terms and conditions of this share-based payment plan are described under note 24 in 2006 Annual financial statements.

**8. OPERATING LEASE COMMITMENTS**

	<b>30.6.</b>	31.12.
EUR million	<b>2007</b>	<b>2006</b>
Due within 1 year	<b>18,6</b>	21,5
Due after 1 year but within 5 years	<b>32,6</b>	37,8
Due after 5 years	<b>13,1</b>	21,4
Total	<b>64,3</b>	80,7

**Elisa Corporation**

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**9. CONTINGENT LIABILITIES**

	<b>30.6.</b>	31.12.
<b>EUR million</b>	<b>2007</b>	2006
Mortgages, pledges and guarantees		
Pledges given		
Pledges given as surety	<b>0,7</b>	0,7
Guarantees given		
For others (*)	<b>44,8</b>	0,5
Mortgages, pledges and guarantees total	<b>45,5</b>	1,2
Other commitments		
Repurchase commitments	<b>0,3</b>	0,4
Contingent liabilities in QTE-arrangement		
Lease-leaseback agreement (QTE facility)		
Total value of the arrangement	<b>150,0</b>	154,1
Termination risk	<b>15,8</b>	18,6

\*) 44,3 milj. euros is related to hedging of the guarantor bank in the QTE-arrangement

**10. DERIVATIVE INSTRUMENTS**

	<b>30.6.</b>	31.12.
<b>EUR million</b>	<b>2007</b>	2006
Interest rate swaps		
Nominal value	<b>150,0</b>	
Fair value recognised in the balance sheet	<b>-4,5</b>	
Credit default swaps (*)		
Nominal value	<b>50,7</b>	
Fair value recognised in the balance sheet	<b>0,3</b>	

\*) CDS is related to hedging of the guarantor bank in the QTE-arrangement

**11. EVENTS AFTER THE BALANCE SHEET DATE**

No material events have taken place after the balance sheet date.

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**KEY FIGURES**

EUR million	1-6 2007	1-6 2006	1-12 2006
Shareholders' equity/share, EUR	6,86	7,71	8,07
Net debt	650,6	380,8	376,9
Gearing	59,7 %	29,5 %	28,7 %
Equity ratio	51,9 %	64,1 %	63,1 %
Return on investment (ROI) *)	17,4 %	9,9 %	13,2 %
Gross investments in fixed assets	93,4	97,9	207,4
of which finance lease investments	2,2	0,9	1,7
Gross investments as % of revenue	12,1 %	13,4 %	13,7 %
Investments in shares,	5,1	1,3	10,3
Average number of personnel	3 396	4 380	4 086

\*) rolling 12 months profit preceding the reporting date

**Formulae for financial indicators**

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)	$\frac{\text{Profit before taxes + interest costs and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average)}} \times 100$
Net debt	Interest-bearing debt - cash and cash equivalents
Shareholders' equity/share	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares outstanding at end of period}}$
Earnings/share	$\frac{\text{Profit for the period attributable to equity holders of parent}}{\text{Average number of outstanding shares}}$