



Annual Results 2008

13 February 2009

Agenda

CEO's review
Veli-Matti Mattila,
CEO

Financial review
Jari Kinnunen,
CFO

CEO's review

- Financial and operational highlights
- Review of the mobile and fixed network businesses
- Execution of the strategy
- Progress of 3G services
- Outlook for 2009

Year 2008

Clear profitability improvement in H2 2008

- Solid H2 2008 due to efficiency programs, good basis for the future
- Growth in mobile usage and subscriptions
- Change in fixed broadband strategy affected subscription base, focus on profitability
- Strengthening of the corporate customer business through acquisitions
- Strong cash flow, financial position stable
 - No major refinancing needs before the year 2011
- Capital structure in line with targets
- Ordinary dividend proposal € 0.60 per share

2008 financial highlights

Interconnection prices decreased revenue, EBITDA at previous year's level

Revenue	€1,485m	-5%	▼
EBITDA *	€478m	-2.7%	▼
Earnings per share	€1.12	-19%	▼
CAPEX	€184m	-11%	▼
Cash flow	€260m	+128%	▲

* excluding one-off items

2008 operational highlights

Growth in mobile usage and subs, change in fixed broadband offering

Mobile subscriptions	2,879,600	+222,300	▲
Fixed broadband subscriptions	501,500	-20,300	▼
Mobile ARPU *	€26.4	€-3.6	▼
Mobile Churn	13.3%	+1.1%unit	▲
Mobile usage, min. **	6,03bn	+370m	▲

* Revenue per subscription

** Outgoing minutes

Q4 2008 financial highlights

Solid quarter, EBITDA margin improved to 35%

	Q4 2008	Q4 2007	
Revenue	€372m	€402m	▼
EBITDA *	€129m	€128m	▲
Earnings per share	€0.34	€0.32	▲
Cash flow	€84m	€53m	▲
Net debt / EBITDA	1.7x	1.5x	▲
CAPEX	€64m	€69m	▼

* 2007 excluding one-off items

Q4 2008 financial highlights

Excellent quarter due to efficiency programs

- Revenue € 372m (402)
 - Lower interconnection and roaming prices, approx. € -14m
 - Lower terminal sales volumes, approx. € -8m
 - Revenue correction of 2007, approx. € -6m
 - Decrease in traditional subscriptions and usage, approx. € -5m
=> Growth in mobile customer billing and broadband
- EBITDA € 129m (128), EBITDA margin 35% (32)
- Net debt € 812m (738)
 - Capital repayment € 285m in March 2008, share buybacks EUR 43m September 2008
- Net debt / EBITDA 1.7x (1.5), gearing 93% (71)
 - According to target setting

Q4 2008 operational highlights

Growth in mobile usage and subscriptions, strengthened competitiveness

	Q4 2008	Change in Q4 2008	
Mobile subscriptions	2,879,600	49,600	▲
Fixed broadband	501,500	-18,300	▼
Mobile ARPU *	€26.3	€-0.1	▼
Mobile Churn **	12.0%	-2.1 %-units	▼
Mobile usage, min ***	1,527m	+29m	▲
Active 3G data users	496,000	+71,000	▲

* Revenue per subscription

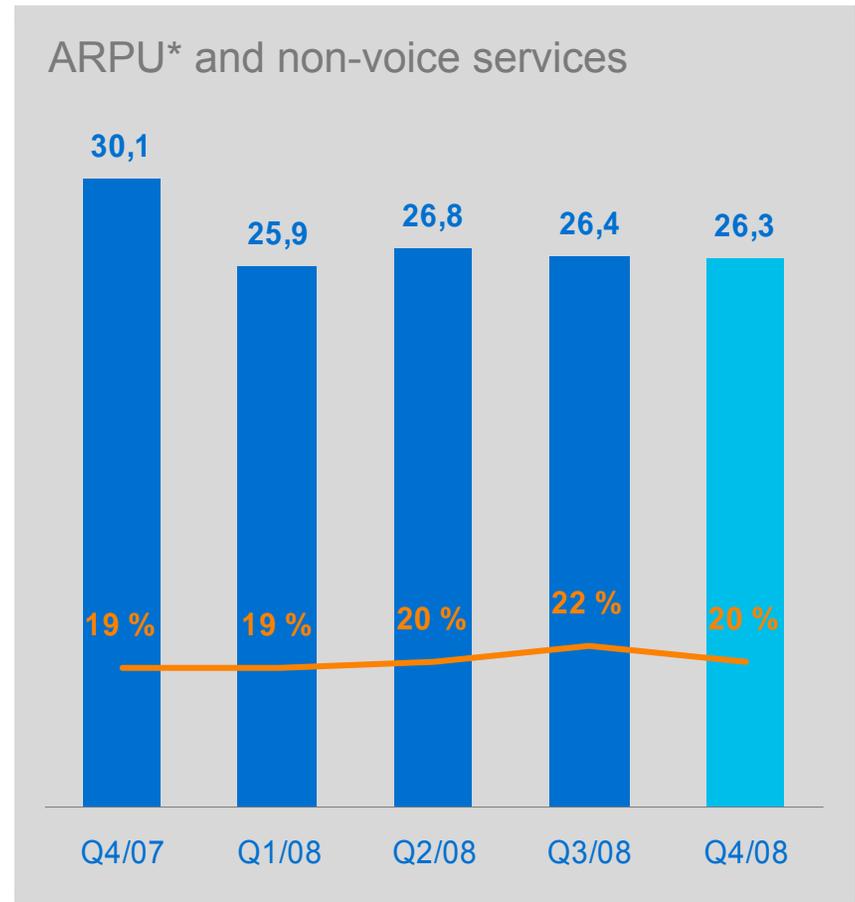
** Annualised

*** Outgoing minutes

Q4 2008 Mobile business

Good growth in customer base, churn at normal level

- Growth in customer base
 - Growth in 2G, 3G and mobile broadband subscriptions
 - Subscription growth 54,200 in Finland
 - In Estonia subscription base decreased by 4,600
- ARPU € 26.3 (30.1)
 - Lower interconnection and roaming prices
- Churn 12.0% (12.6)
- Growth in network usage
 - Total MoU growth +6% and SMS +7%

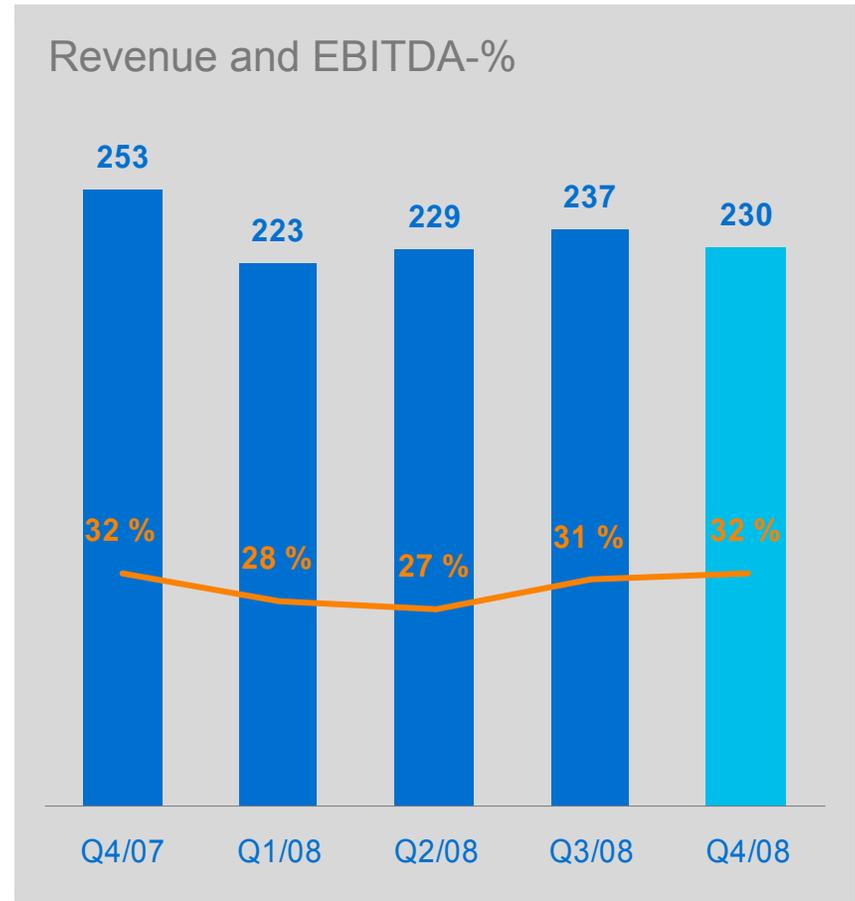


- ARPU, €
- Share of non-voice services, %

Q4 2008 Mobile business

Good profitability development in 2008

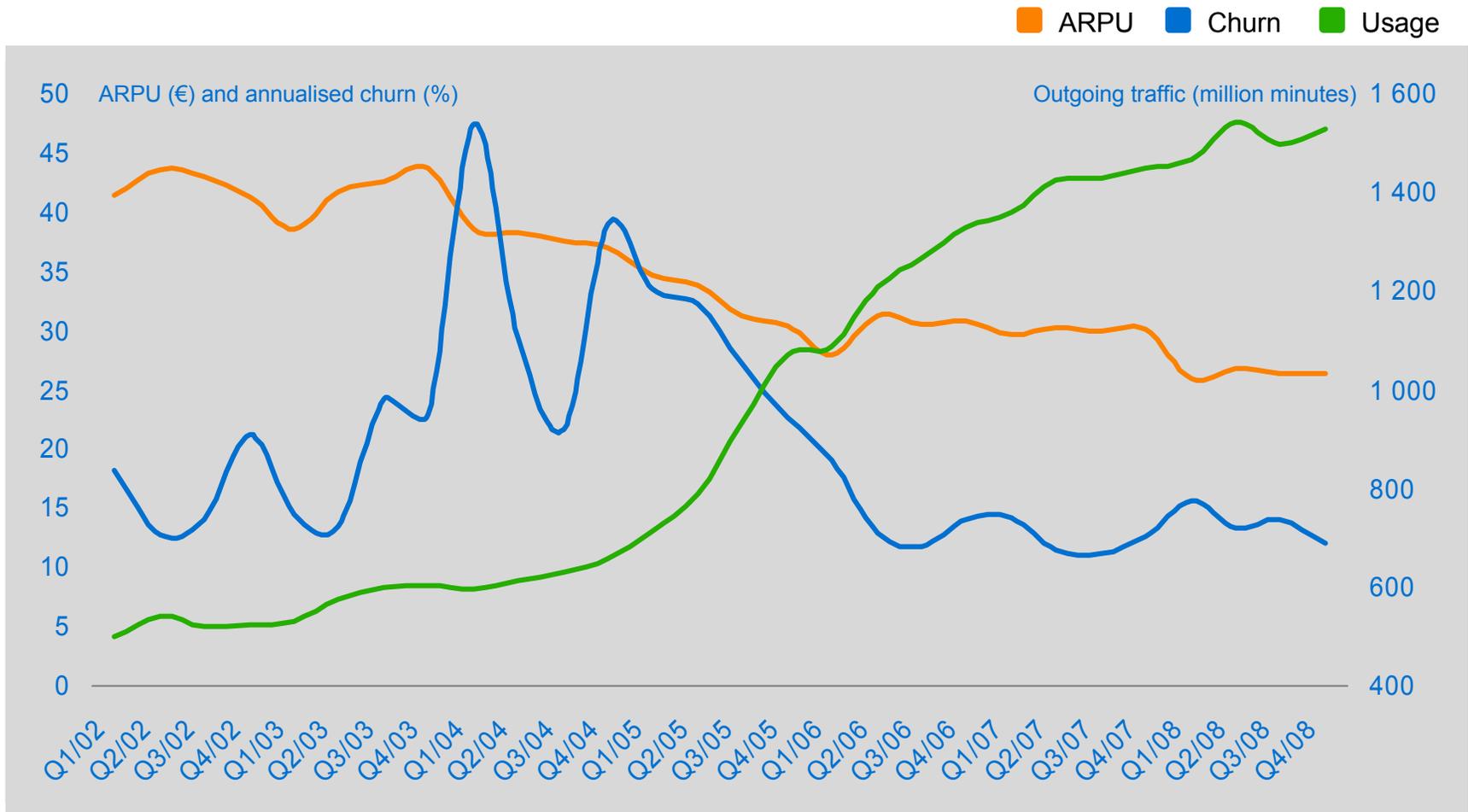
- Revenue € 230m (253)
 - Lower Interconnection and roaming prices
 - Lower terminal sales volumes
 - Revenue correction (2007)
 - Growth in customer billing
- EBITDA € 73m (81), 32% of revenue (32)
 - Revenue correction (2007)
- EBIT € 45m (53), 20% of revenue (21)



■ Revenue, EURm
■ EBITDA-% excl. one-offs

Q4 2008 Mobile business

Growth in usage continues, ARPU and Churn stable

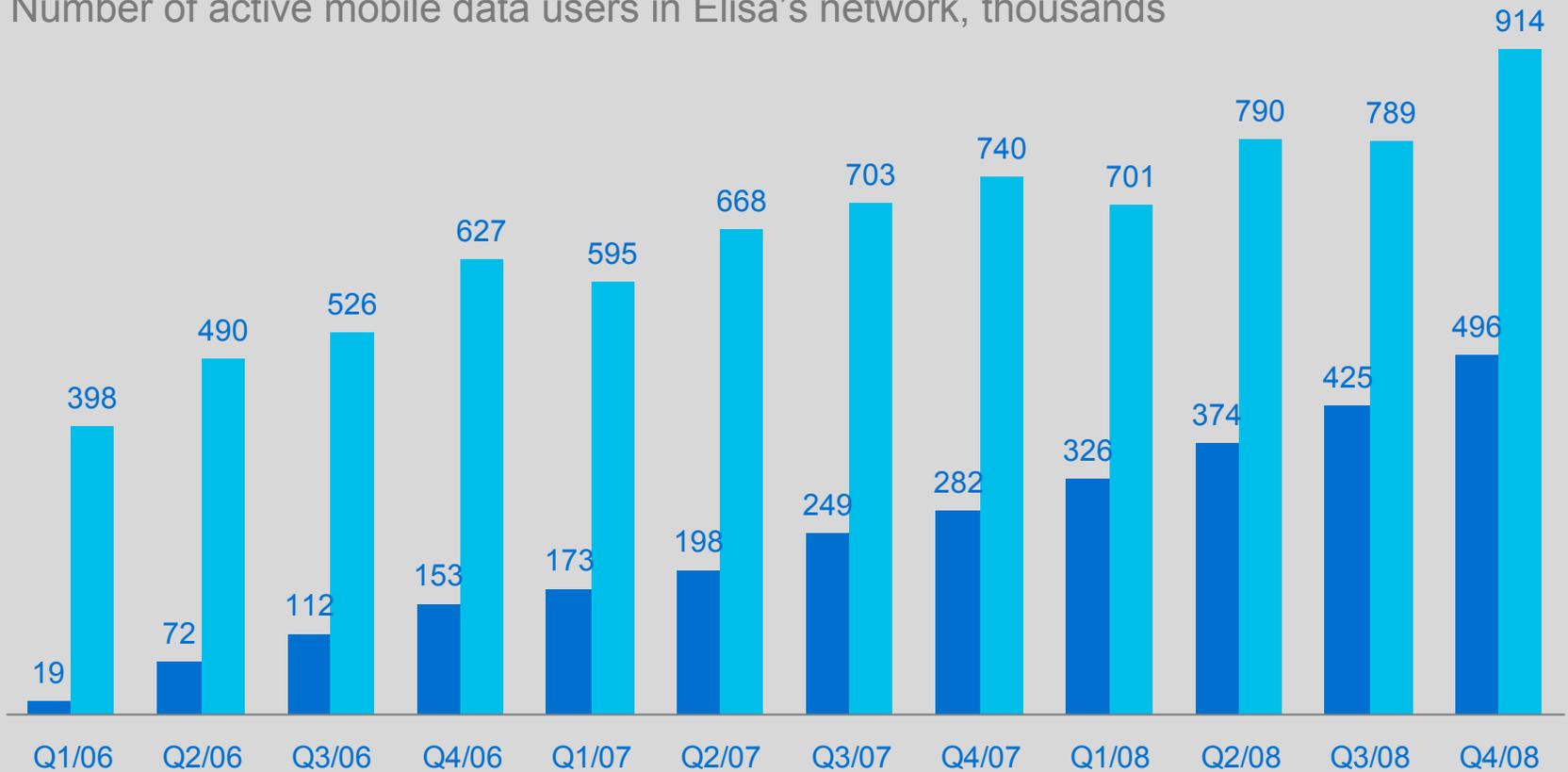


Q4 2008 Mobile business

Elisa has already half a million active 3G users

■ Active 3G users ■ Active GPRS users

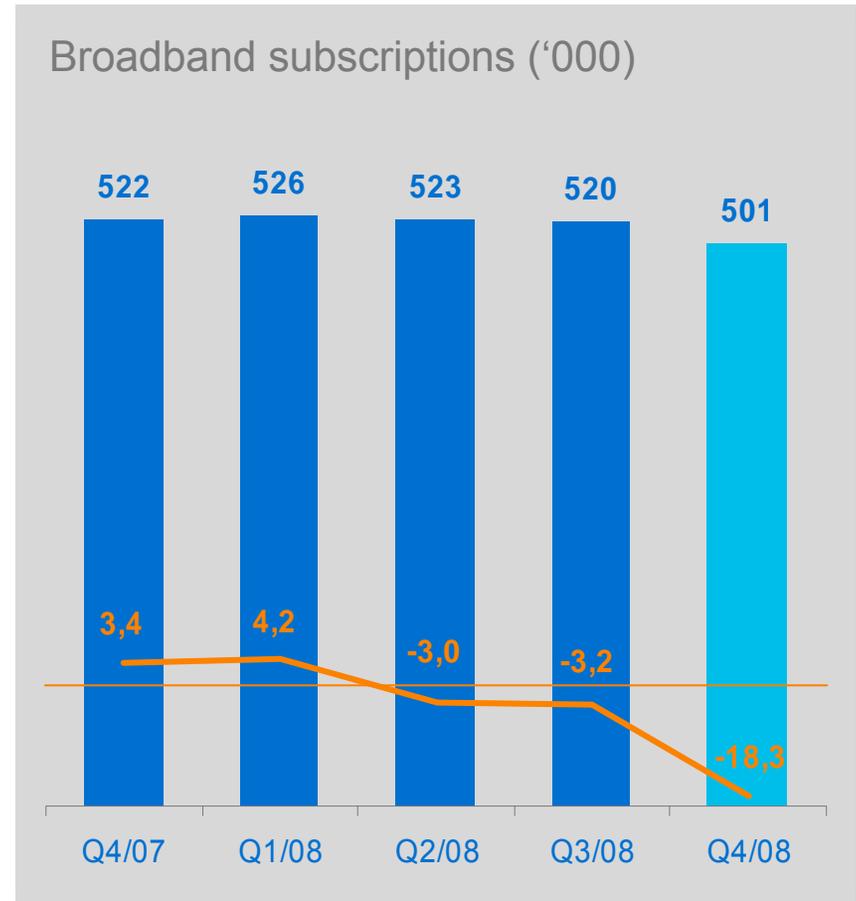
Number of active mobile data users in Elisa's network, thousands



Q4 2008 Fixed network business

Broadband business focus on profitability

- Decrease in fixed broadband subscriptions
 - Decrease of 18,300 in Q4 2008
 - Change in offering, withdrawing from less profitable areas
 - 6,500 subscriptions were divested
- Decrease in analogue lines slowed down
 - Analogue voice lines decreased by 5% and lines including ISDN channels by 7%
- Slight growth in cable TV subscriptions
 - Subscriptions grew by 3% to 244,200



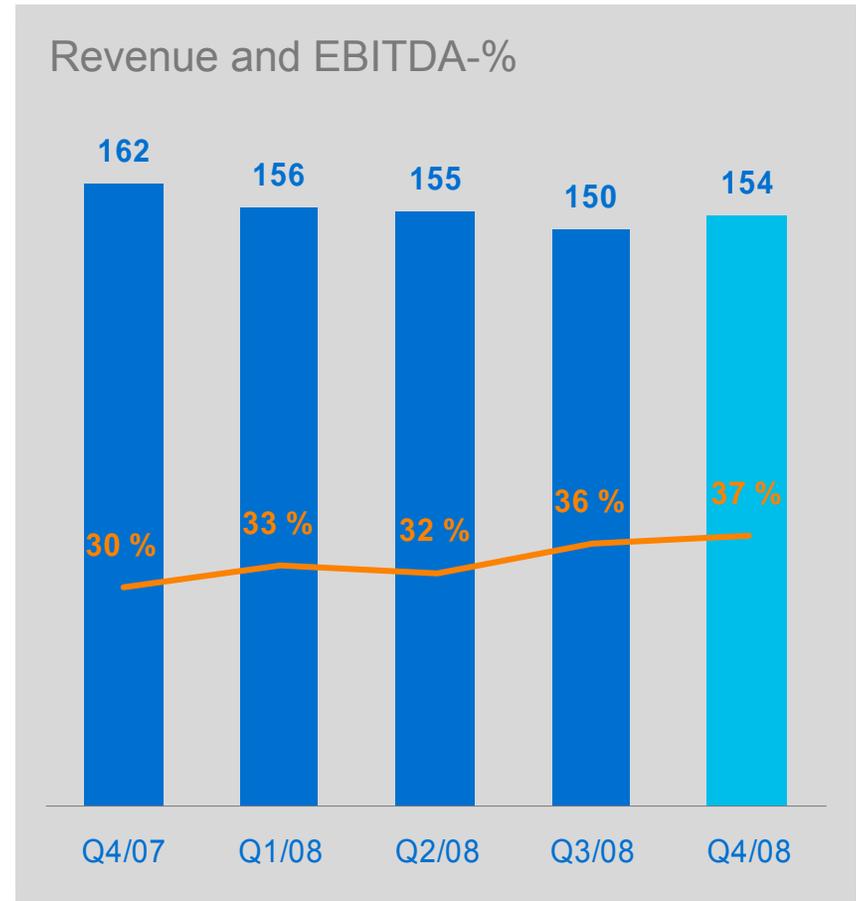
■ Broadband subscriptions
■ Net change



Q4 2008 Fixed network business

Efficiency programs improved profitability

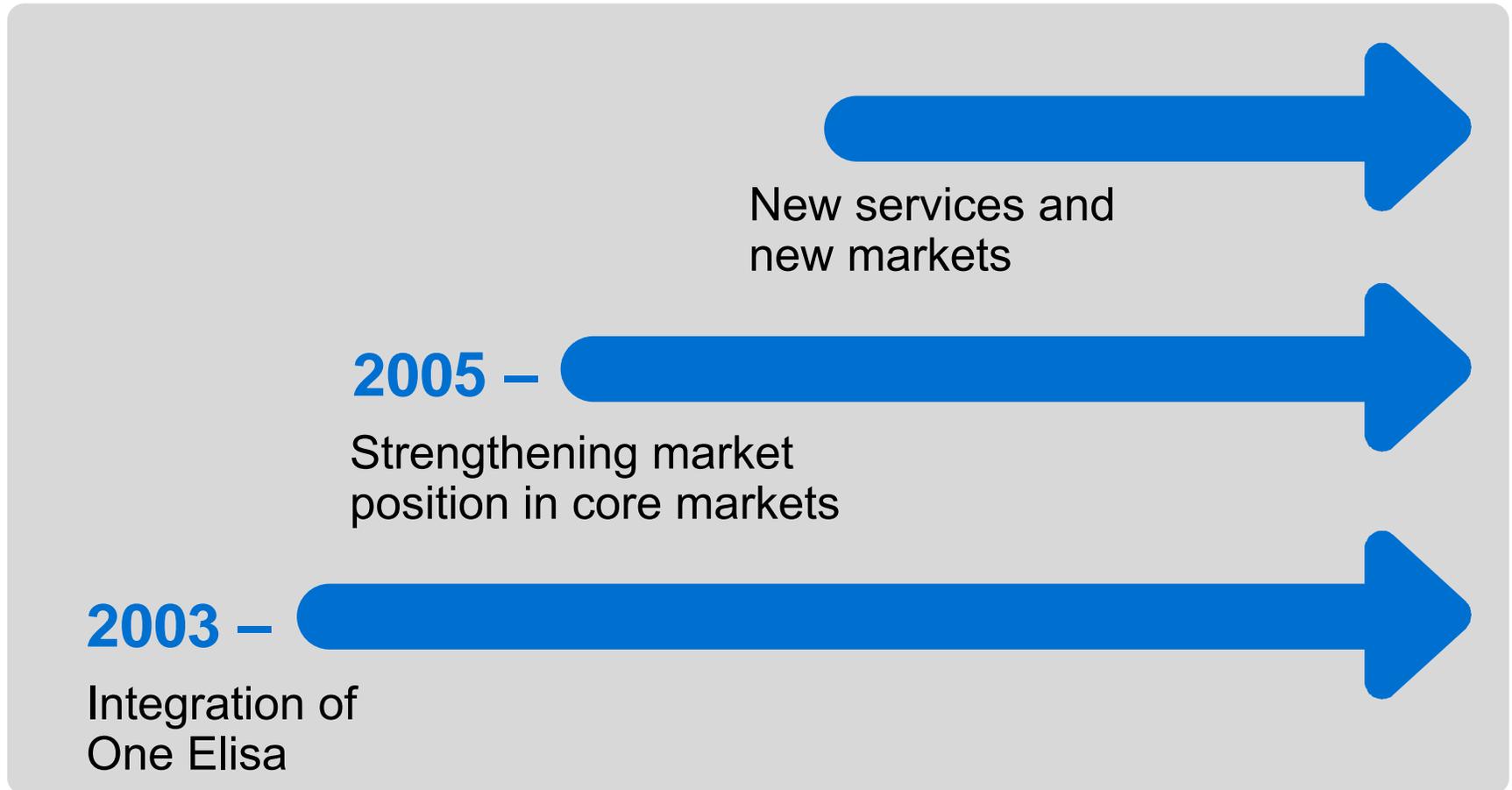
- Revenue € 154m (162)
 - Growth in broadband and cable TV services
 - Decrease in traditional analogue
- EBITDA € 57m (49), 37% of revenue (30)
 - Efficiency programs
- EBIT € 33m (25), 21% of revenue (15)

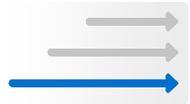


■ Revenue, EURm
■ EBITDA-% excl. one-offs

Strategy execution

Elisa's strategy





Strategy execution

Productivity improvement

- H2 efficiency programs
- Regional IT systems consolidation
- Change in broadband offering



Significant profitability improvement

- New affordable Saunalahti subscription with concrete benefits
- Shorter installation times for fixed broadband subs
- New secure WLAN to consumers

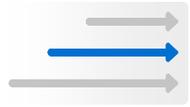


Customer orientation

- Consolidation of regional fixed network billing systems
- Kolumbus prepaid subscriptions to Saunalahti offering



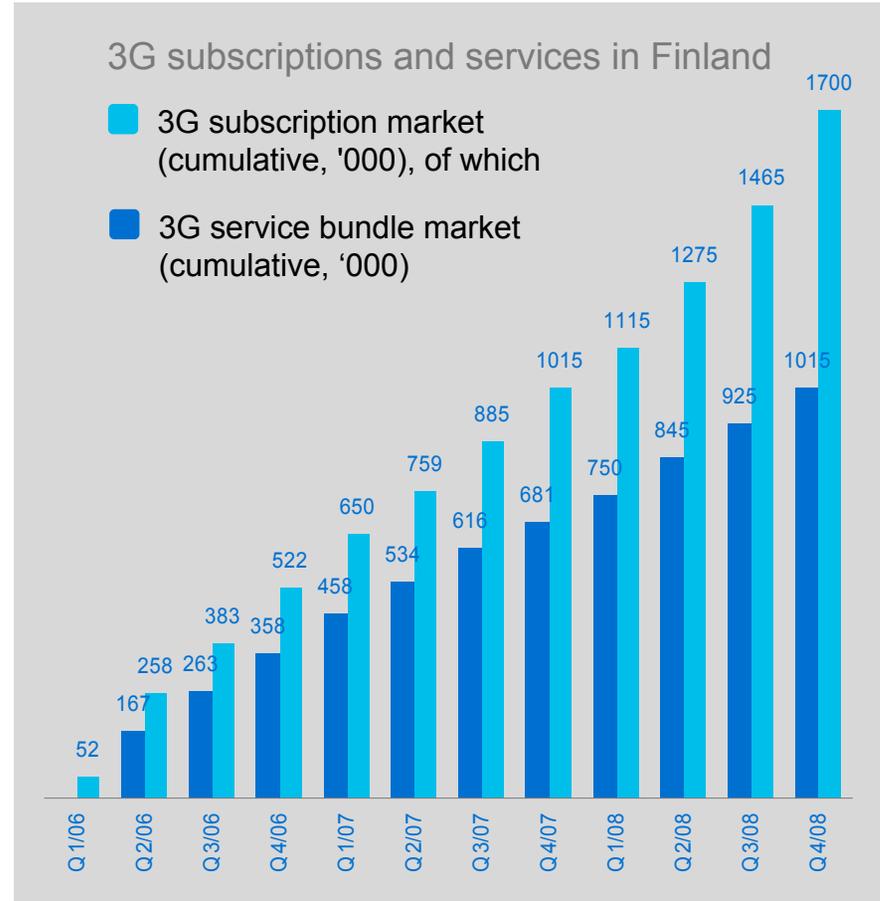
Simplification of structure



Strategy execution

1.7 million 3G subscriptions in Finland

- Good growth in 3G services continued
 - Significant amount of new subscriptions are 3G
 - Strong growth in mobile broadband
- Elisa continues to be a market leader in 3G subscriptions
 - In Q4, 235,000 new 3G subscriptions, of which 90,000 new service bundles
- The growth is estimated to continue in 2009



Source: Elisa estimates, Matkaviestintoyrittajat ry (MVT)



Strategy execution

Ad based subscription to consumers

- "Saunalahti Edukas" to ad based market
- Offers concrete benefits to customers
 - Free goods or lucrative savings
 - Cooperation with among others Fanta, Leaf and Universal Music
- Affordable usage based pricing



HUOMAUTUS LUKIJOILLE:

0,067 €
PUHELUT / MIN
TEKSTIVIESTIT / KPL
MULTIMEDIAVIESTIT / KPL
KUUKAUSIMAKSU 0,65 €

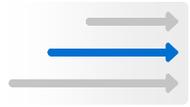
**SAUNALAHTI KORVAA
KALLIIMMAN LIITTYMÄN.**

Tutustu ja tilaa:
www.saunalahti.fi
tai soita 0303 9400

läh. 0-24 h:n 11.205
Lähtökohde
0,067 €/puhelu + 0,015 €/min,
0,015 €/viesti + 0,22 €/min.

Saunalahti tarjoaa enemmän kuin. Elson kanssa vertailemalla. Saunalahti huppuunsa vertailemalla palveluitaan. Onnittelunsa lähettämällä. Puhutaan. Saunalahti tarjoaa enemmän kuin. Elson kanssa vertailemalla. Saunalahti huppuunsa vertailemalla palveluitaan. Onnittelunsa lähettämällä. Puhutaan. Saunalahti tarjoaa enemmän kuin. Elson kanssa vertailemalla. Saunalahti huppuunsa vertailemalla palveluitaan. Onnittelunsa lähettämällä. Puhutaan.

SAUNALAHTI
Säästä joka minuutti.



Strategy execution

New ICT service platform to enterprises

- Elisa "Online Infrastructure With Applications"
 - ICT service platform for medium size enterprises
 - Efficient way to manage the company's basic services for communication and IT with flat monthly rate
 - Service based on SaaS (Software as a Service)
- Increases customers' productivity



Outlook for 2009

- Current economic environment creates uncertainty
 - Elisa is not immune to the negative development of the economy
 - Visibility of the development of the economic situation and its effects to business is limited
- Competition remains challenging
- Revenue at the same or slightly lower level than in 2008
 - Growth in mobile usage and mobile broadband products
 - Terminal sales volumes and other sales in some customer segments might decrease
- EBITDA excluding one-offs at the same or slightly lower level than in 2008
- CAPEX maximum 12 per cent of revenue
 - May be clearly less, if the general economy deteriorates further

Mid-term targets by end-2011

Parameter	Target
Revenue growth	Above industry average
EBITDA-margin	Above 35%
CAPEX-to-sales	10 - 12%
Capital structure Net debt / EBITDA Equity ratio	1.5 - 2x > 35%

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Profitability improved in Q4 2008

EUR million	Q4/08	Q4/07	Δ	2008	2007	Δ 07-08
Revenue	372	402	-30	1485	1 568	-83
Other operating income	3	1		7	21	
Operating expenses	-246	-277		-1 020	-1 090	
EBITDA	129	126		472	499	
EBITDA excluding one-offs	129	128	+1	478	491	-13
<i>EBITDA-%</i>	<i>35%</i>	<i>31%</i>		<i>32%</i>	<i>32%</i>	
<i>EBITDA-% excluding one-offs</i>	<i>35%</i>	<i>32%</i>		<i>32%</i>	<i>31%</i>	
Depreciation and amortisation	-52	-52		-207	-197	
EBIT	77	74		265	302	
EBIT excluding one-offs	77	76	+1	271	293	-22
<i>EBIT-%</i>	<i>21%</i>	<i>18 %</i>		<i>18%</i>	<i>19%</i>	
<i>EBIT-% excluding one-offs</i>	<i>21%</i>	<i>19 %</i>		<i>18%</i>	<i>19%</i>	
Profit before tax	70	65		228	285	
Income taxes	-17	-15		-51	-65	
Profit for the period	54	50		177	220	
EPS, EUR/share	0.34	0.32	+0.02	1.12	1.38	-0.26

2008 EBITDA at 2007 level

Target range given in Q2 2008:

- H2 2008 EBITDA improvement
 - Target EUR 45-60m
 - EUR 38m achieved

2008 outlook is reiterated due to strong H2

2008 outlook: EBITDA excl. one-offs expected to be at 2007 level

- EBITDA excluding one-offs EUR 491m in 2007
- Improvement needed approx. EUR 50m in H2 2008

Sources for EBITDA improvement EUR 45 – 60m

- | | | |
|--------------------------------|---|--------------|
| ■ Revenue adjusting items | } | EUR 15 – 20m |
| ■ Billing and CRM system costs | | |
| ■ Revenue growth | } | EUR 30 – 40m |
| ■ New cost savings | | |
| ■ Seasonality | | |

25 1.8.2008 Second Quarter Results 2008

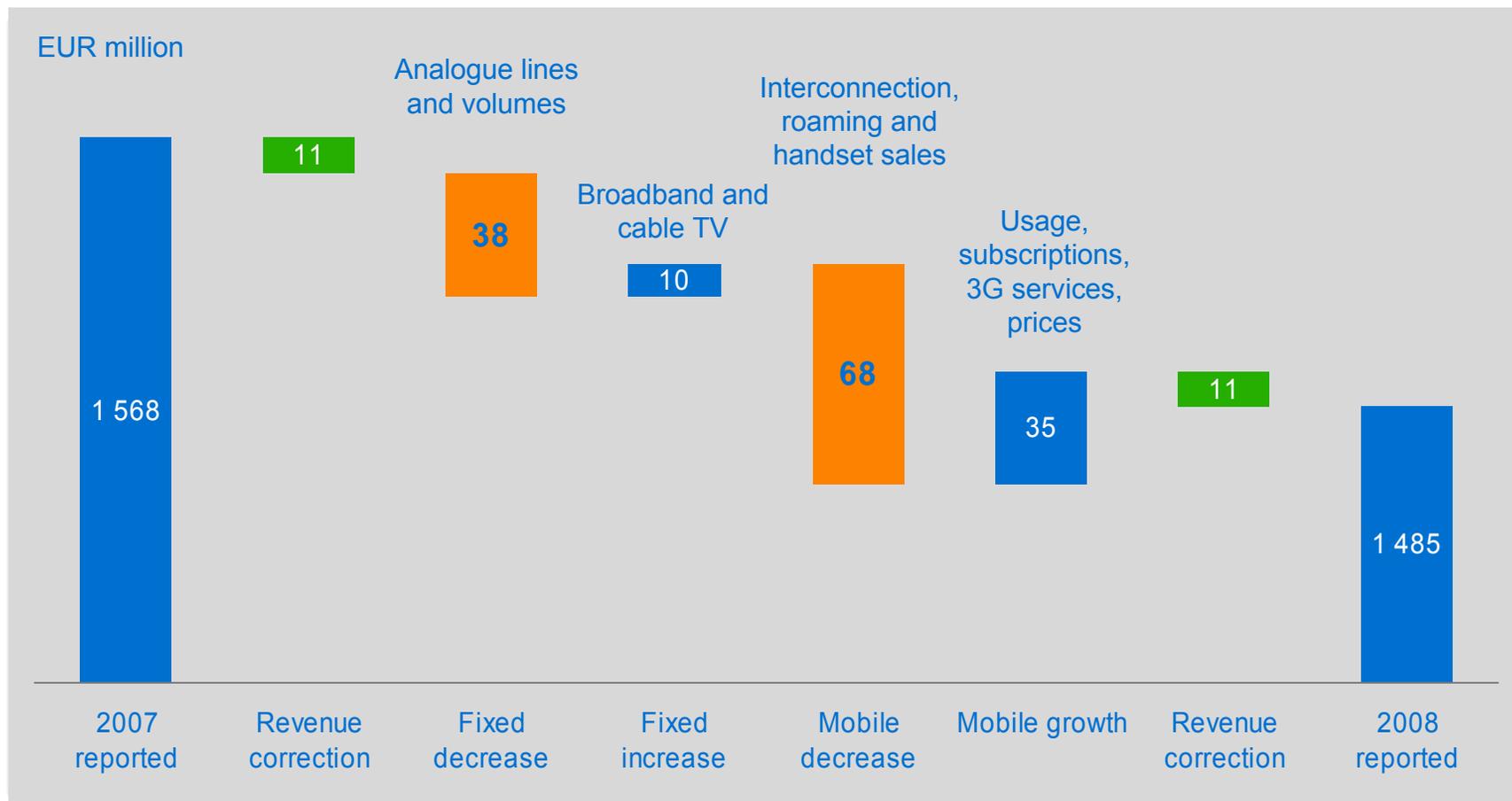


■ Sources for EBITDA improvement

- | | | |
|--------------------------------------|---|------------------------|
| ■ Revenue adjusting items | ➔ | No adjustments anymore |
| ■ Extra billing and CRM system costs | ➔ | Ended as guided |
| ■ Revenue growth | ➔ | Lower than expected |
| ■ New cost savings | ➔ | Almost achieved |
| ■ Seasonality | ➔ | As expected |



Revenue change in 2008



Mobile revenue grew “like-on-like” bases

EUR million	2008	2007	Δ	Δ%
Reported mobile revenue	919	980	-61	-6%
Intra-segment sales	-15	-20		
External sales	905	960		
Revenue correction	+11	-11		
Change in interconnection and roaming revenue, and handset sales		-68		
“Like-on-like” revenue	916	881	+35	+4%

- Reported mobile revenue decreased by 6%
 - Revenue correction EUR 11m
 - Change in regulated prices and terminal sales
- “Like-on-like” revenue grew by 4%
 - Increase in customer billing
 - Growth in subscription and usage
 - Price changes

Total expenses decreased

- Other operating expenses
- Employee benefit expenses
- Materials and services

EURm	Q1 08	Q2 08	Q3 08	Q4 08	FY 08	FY 07
Materials and services	159	169	166	159	652	707
Employee benefit expenses	45	42	32	43	163	181
Other operating expenses	56	57	49	44	205	202
Total expenses	260	268	247	246	1,020	1,090
Depreciation	51	52	53	52	207	197

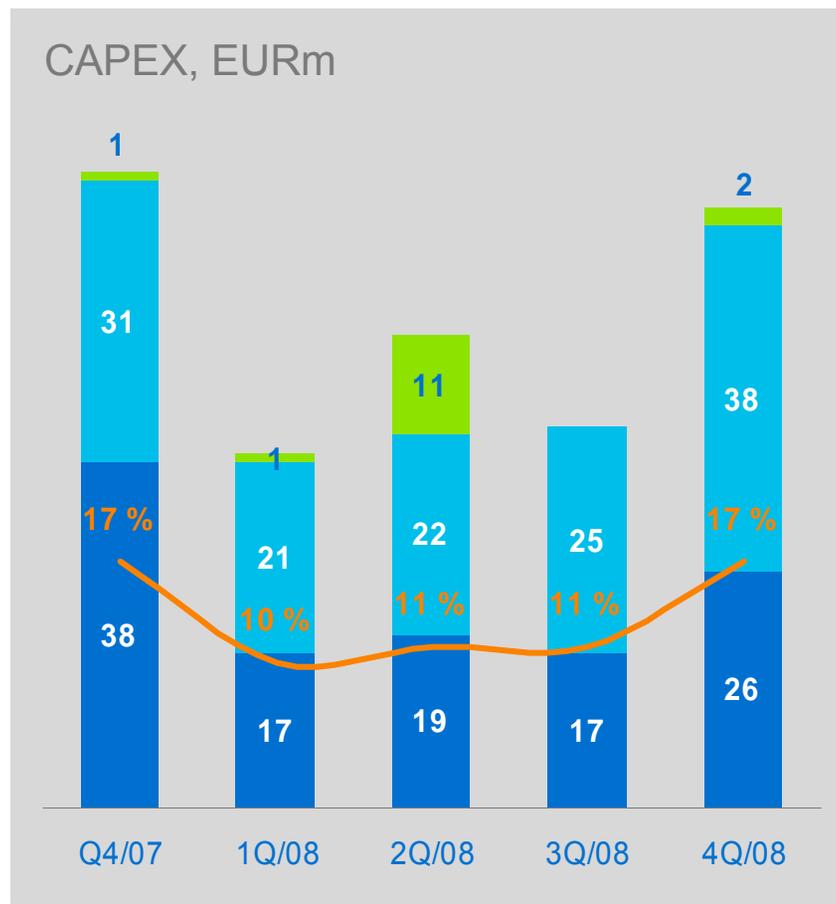


Cash Flow improved clearly

EUR million	Q4/2008	Q4/2007	Δ	2008	2007	Δ 08-07
EBITDA	129	126	3	472	499	-27
Change in receivables	28	-17		132	-116	
Change in inventories	3	-5		7	10	
Change in payables	2	41		-56	7	
Change in NWC	33	19	14	83	-100	183
Sale of Comptel shares	0	0		0	13	
Interest paid and received	-4	-3		-39	-32	
Financials (net)	-4	-3	-1	-39	-19	-20
Taxes for the year	-11	-23		-50	-53	
Taxes for the previous year				-10	-29	
Taxes	-11	-23	12	-60	-82	22
CAPEX	-60	-68	8	-179	-204	25
Investments in shares	-1	-1		-12	-6	
Sale of assets and adjustments	-2	3		-3	25	
Cash flow after investments	84	53	31	260	114	146

CAPEX decreased 11% in 2008

- Total CAPEX EUR 184m (206)
 - CAPEX/Sales 12% (13)
- Full year by segments
 - Mobile EUR 105m (93)
 - Fixed network EUR 79m (113)
- Q4 by segments
 - Mobile EUR 38m (31)
 - Fixed network EUR 26m (38)
- CAPEX includes
 - 3G networks and services
 - Backbone network



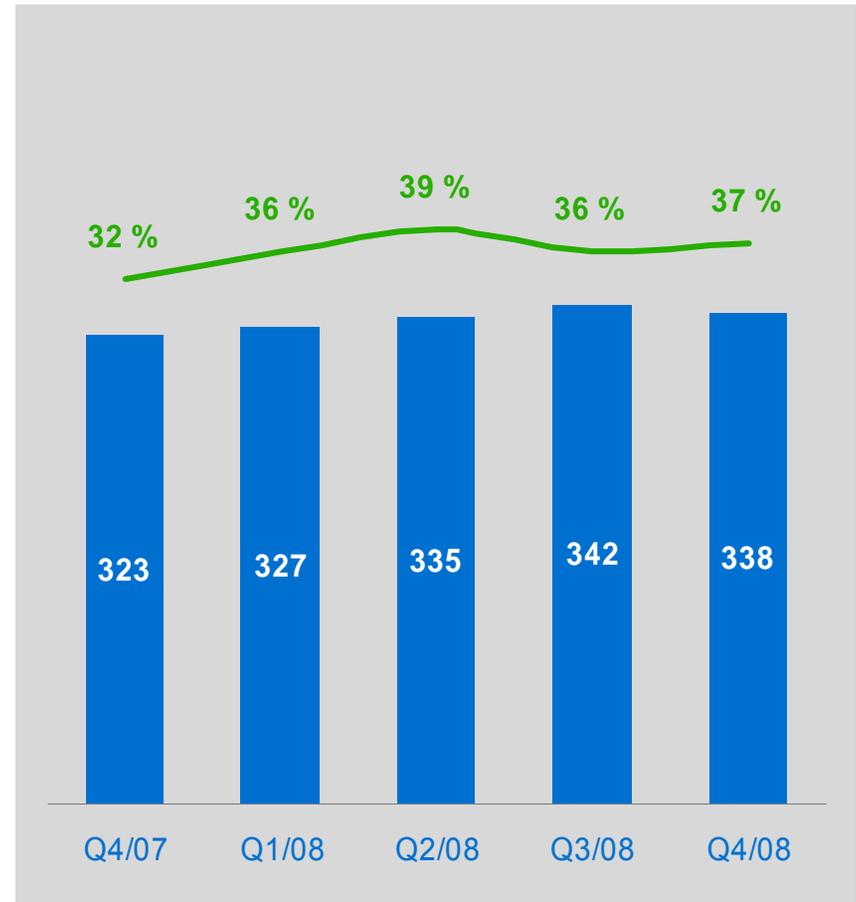
■ Fixed Line ■ Shares
■ Mobile ■ CAPEX/Sales



Improved margins in challenging environment in Estonia

- Change in termination fees decreased revenue
- Subscriptions grew by 14,900 y-o-y

EUR million	Q4/08	Q4/07	2008	2007
Revenue	23	27	99	113
EBITDA	8	9	37	36
<i>EBITDA-%</i>	<i>36 %</i>	<i>32 %</i>	<i>37 %</i>	<i>32 %</i>
EBIT	6	6	26	25
<i>EBIT-%</i>	<i>27 %</i>	<i>21 %</i>	<i>26 %</i>	<i>22 %</i>
Capex	6	6	15	11



■ Subs, thousands ■ EBITDA%



Capital structure within target range

■ Capital structure

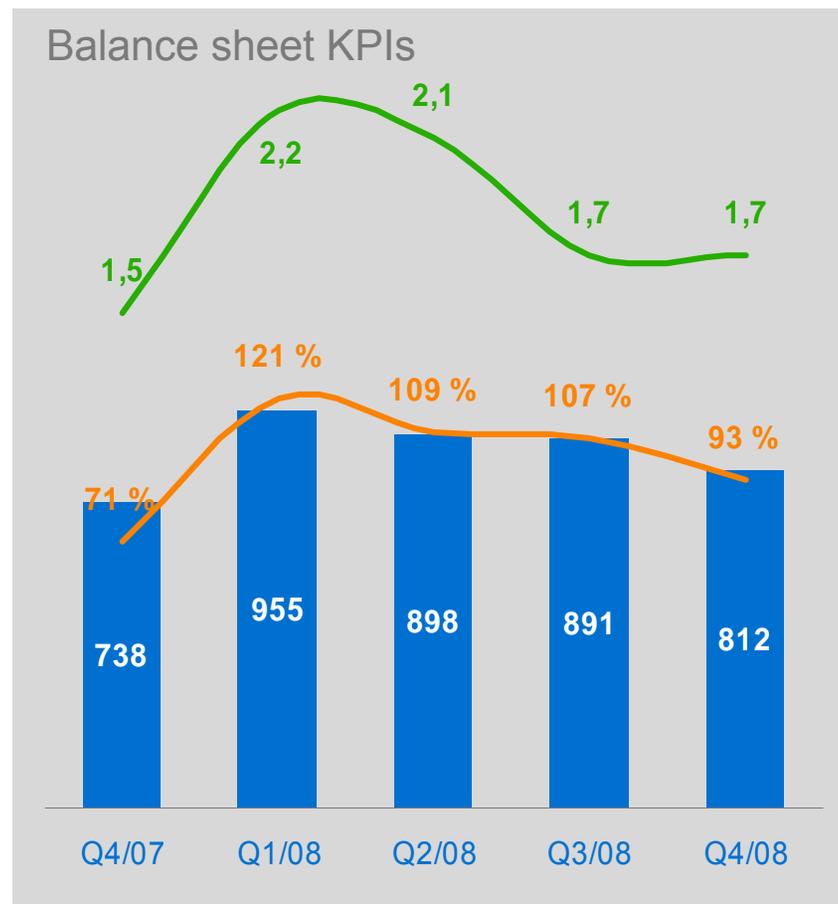
- Net debt / EBITDA 1,7
- Gearing 93%

■ Target setting

- Net debt / EBITDA 1.5 – 2x
- Gearing 50 – 100%

■ Proposals for AGM

- Ordinary dividend EUR 0.60
 - 53% payout ratio
 - Total dividend EUR 93.4m
- Buy back authorisation to the board 15 million shares
- Extra dividend authorisation to the board EUR 150m

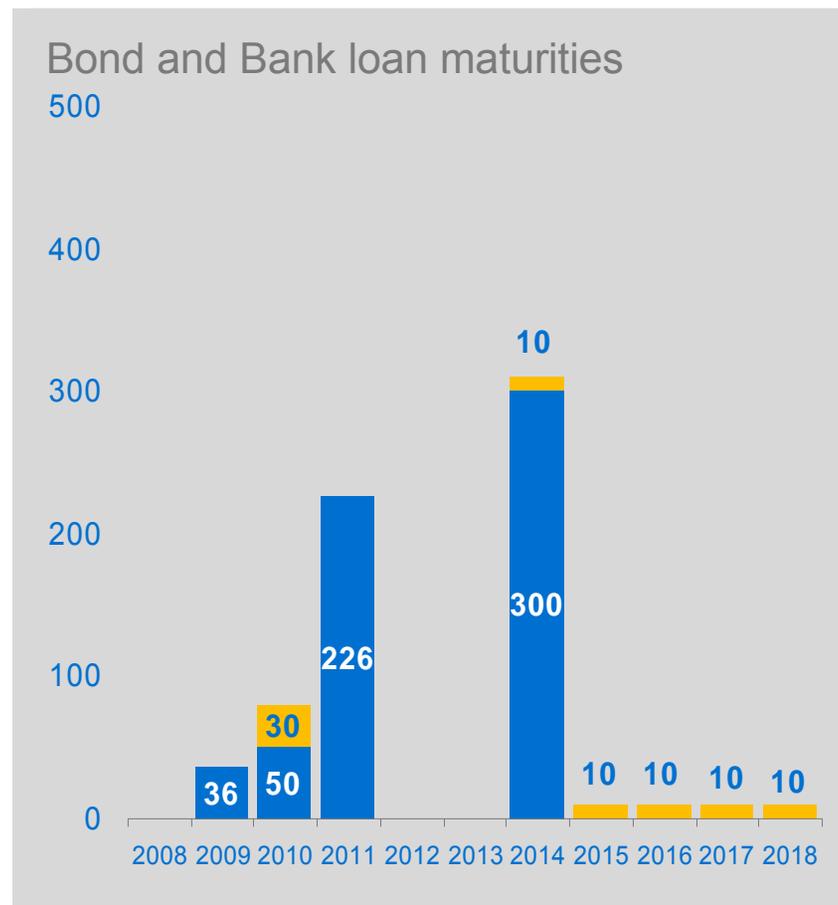


■ Net Debt, EURm ■ Net Debt/EBITDA
■ Gearing, %



No major refinancing needs in coming years

- Cash and undrawn committed facilities EUR 258m (317)
- Revolving Credit Facilities
 - EUR 170m maturing June 2012
 - EUR 130m maturing November 2014
 - EUR 75m in use Q4/08
- Commercial Paper Program
 - EUR 56m in use, back up with RCF
- Rating
 - S&P BBB/Stable outlook
 - Moody's Baa2/Stable outlook
- Pension obligations
 - Contribution based pension plan
 - Pension liability EUR 1.3m



■ Bonds ■ Bank Loans

Focus on Cash flow in the current downturn

- Productivity programs
 - Improved lead times
 - Process improvements
- Cost control
 - Suppliers and subcontractors
 - G&A cost
- Focus on cash generation
 - CAPEX control
 - Net Working Capital
- Customer credit control

New segment reporting for 2009

- Change in IFRS 8 disclosure rules
 - Reported segments = operating segments
- From Q1 2009 onwards Elisa will report new segments
 - Corporate customers
 - Consumer customers
- Pro-forma figures of the new segments will be published in the beginning of April
- Current segments data will be reported through 2009



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APPENDIX SLIDE

Consolidated Cash flow statement

EUR million	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2/2007	Q1/2007
Cash flow from operating activities								
Profit before tax	70	67	38	52	65	89	67	64
Adjustments to profit before tax	57	59	67	56	63	41	47	50
Change in working capital	33	-2	30	22	19	-59	-15	-45
Cash flow from operating activities	159	124	135	130	148	71	99	69
Received dividends and interests and interest paid	-4	-15	-6	-14	-3	-13	-2	0
Taxes paid	-11	-15	-22	-12	-23	-22	-33	-4
Net cash flow from operating activities	145	93	108	104	121	36	64	65
Cash flow in investments								
Capital expenditure	-60	-42	-40	-37	-69	-45	-46	-44
Investments in shares and other investments	-1	-1	-9	-1	-1	-1	-2	-3
Proceeds from asset disposal	0	0	0	0	1	16	21	1
Net cash used in investment	-61	-42	-49	-38	-69	-30	-27	-46
Cash flow after investments	84	51	59	66	53	6	37	19
Cash flow in financing								
Share Buy Backs and sales (net)	0	-43		0	0	0	-84	
Change in interest-bearing receivables				0		0	0	
Change in long-term debt	0		50	0	0	0	-44	350
Change in short-term debt	-70	-1	-136	246	92	0	0	-25
Repayment of financing leases	-1	-1	-1	-1	-1	-2	-2	-2
Dividends paid	-1	0	-1	-284	-158	-1	-23	-220
Cash flow in financing	-72	-45	-87	-40	-67	-2	-153	103
Change in cash and cash equivalents	12	6	-28	26	-15	4	-116	121

APPENDIX SLIDE

Financial situation

EUR Million	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007
Interest-bearing debt					
Bonds and notes	606	604	604	634	634
Commercial Paper	56	81	107	118	92
Loans from financial institutions	80	80	80	0	0
Financial leases	27	26	26	26	28
Committed credit line 1)	75	120	95	220	0
Others 2)	1	1	1	1	1
Interest-bearing debt, total	845	912	913	998	755
Security deposits					0
Securities					0
Cash and bank	33	21	15	43	17
Interest-bearing receivables	33	21	15	43	17
Net debt 3)	812	891	898	955	738

1) The committed credit line is a joint EUR 170 million and EUR 130 million revolving credit facilities with five banks, which Elisa Corporation may flexibly use on agreed pricing. The loan arrangements are valid until 17 June 2012 and 23 November 2014.

2) Redemption liability for minorities

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