



# Investor Meetings

May 2009

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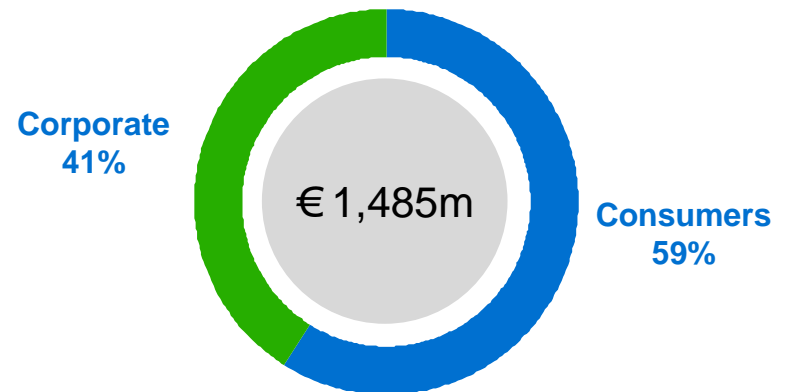


# Elisa at a glance

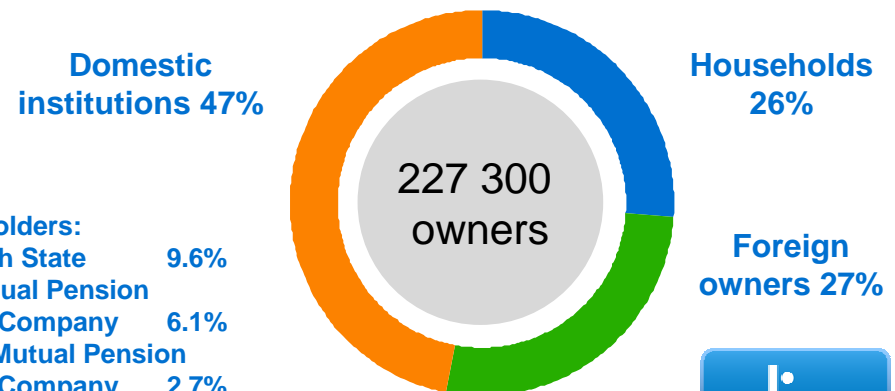
## Elisa today

- Integrated telecom operator with full range of telecom services
  - Two business segments: Corporate customers and Consumer customers
  - Mobile business in Estonia
- Pan-European and global scope through partnerships
  - Vodafone and Telenor
- Market cap approx. € 1.7bn

Revenue per segment 2008



Shareholder structure May 2009



Major shareholders:

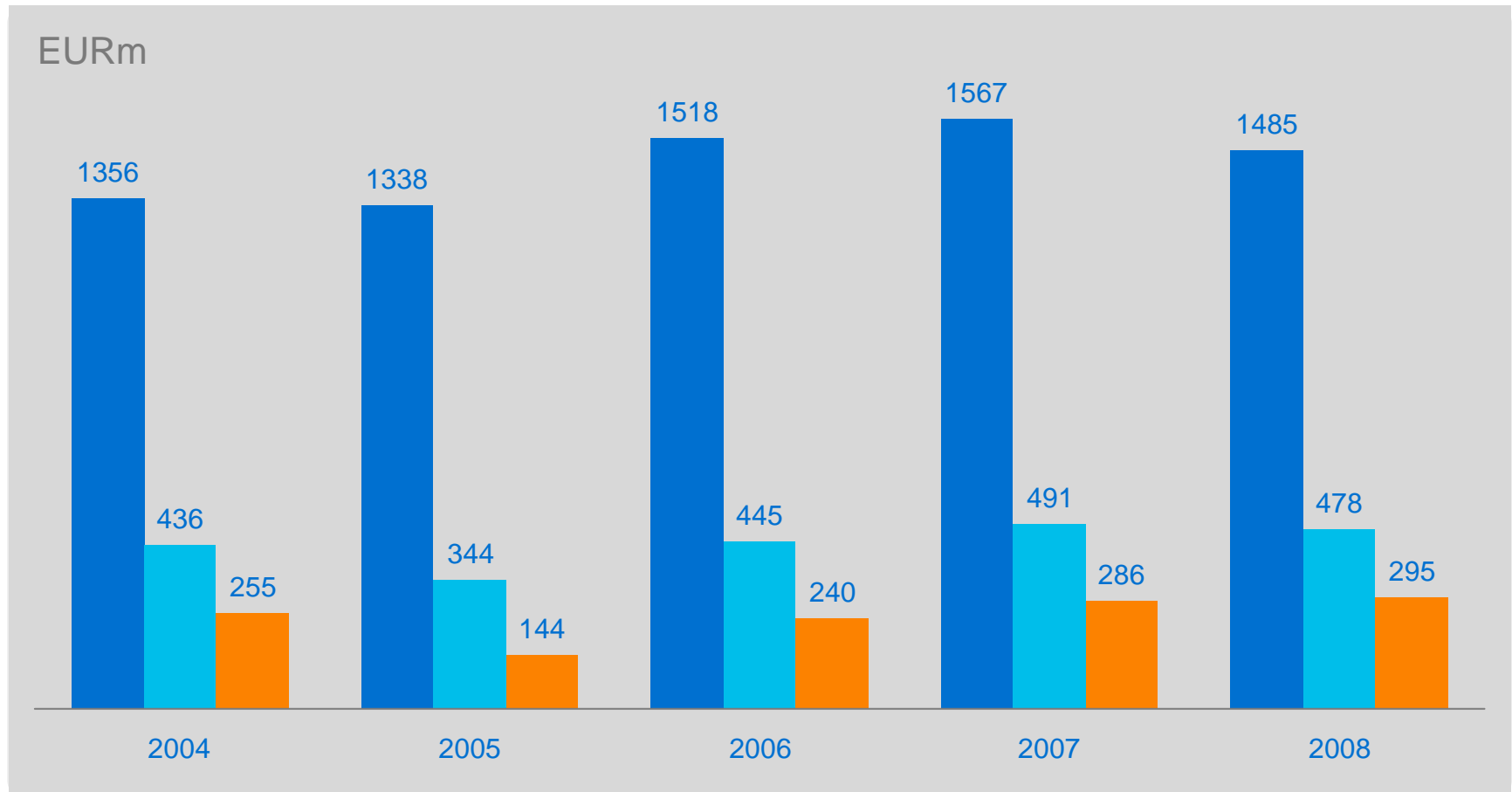
- |   |      |
|---|------|
| 1. The Finnish State                          | 9.6% |
| 2. Varma Mutual Pension Insurance Company     | 6.1% |
| 3. Ilmarinen Mutual Pension Insurance Company | 2.7% |
| 4. DNA  | 1.8% |



# 5 years financial development

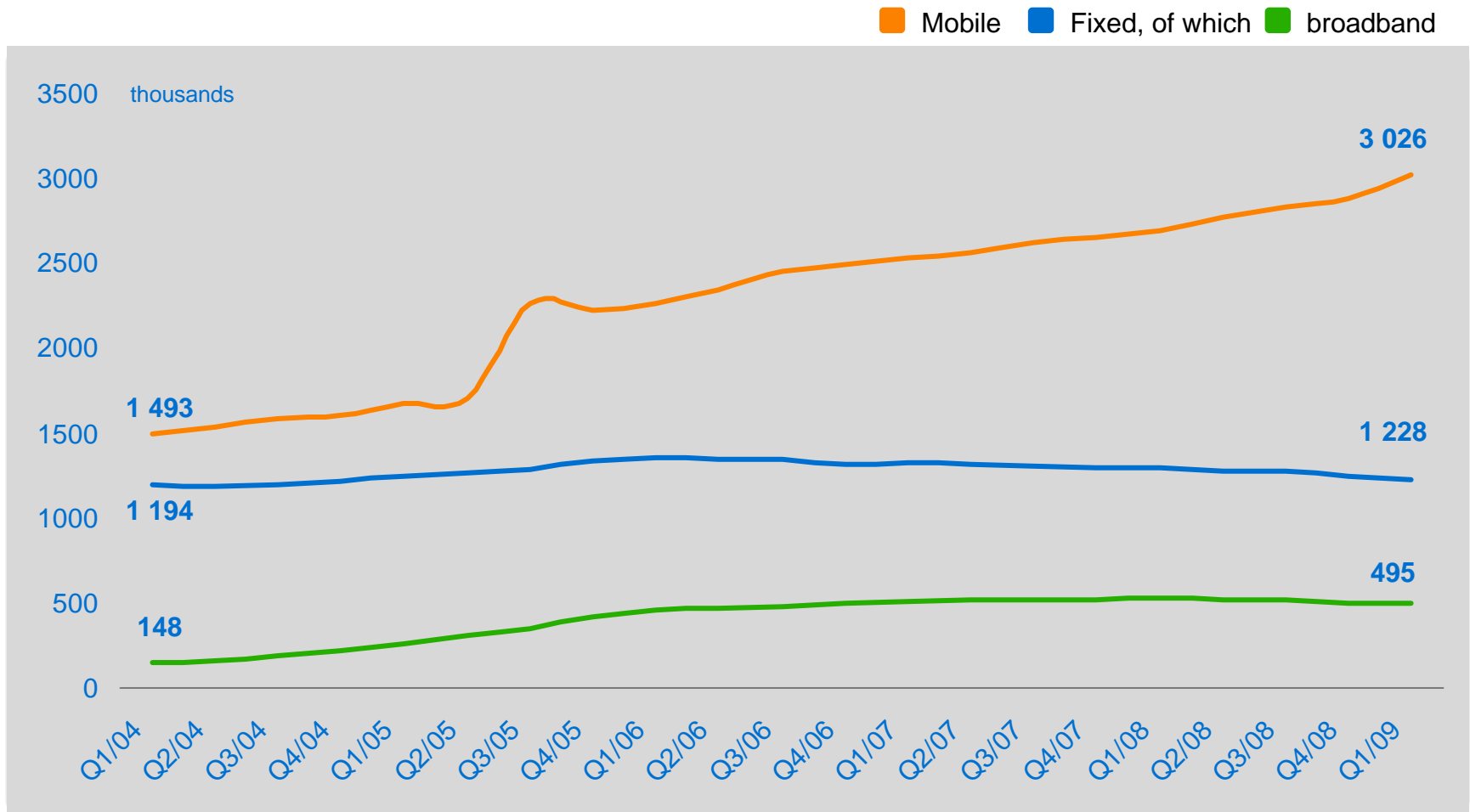
Elisa today

■ Revenue ■ EBITDA excl. one-offs ■ Operative Cash Flow\*



# 5 years subscription development

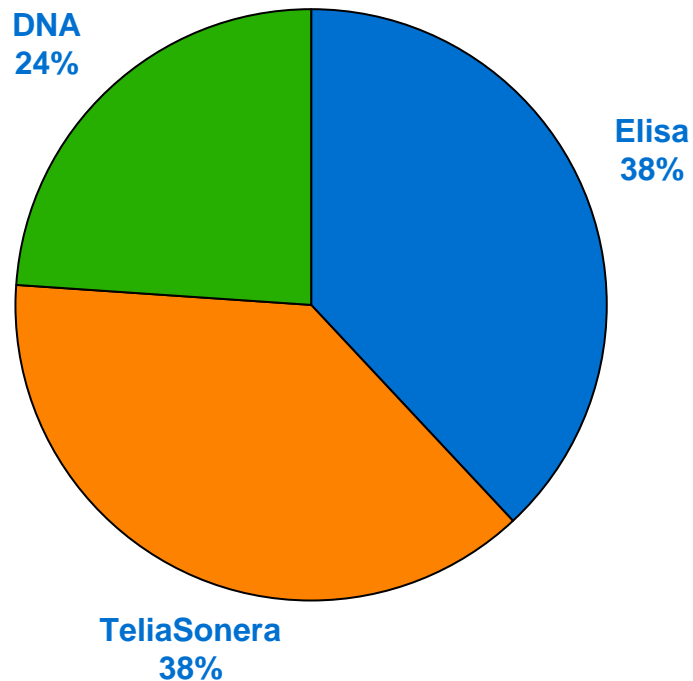
Elisa today



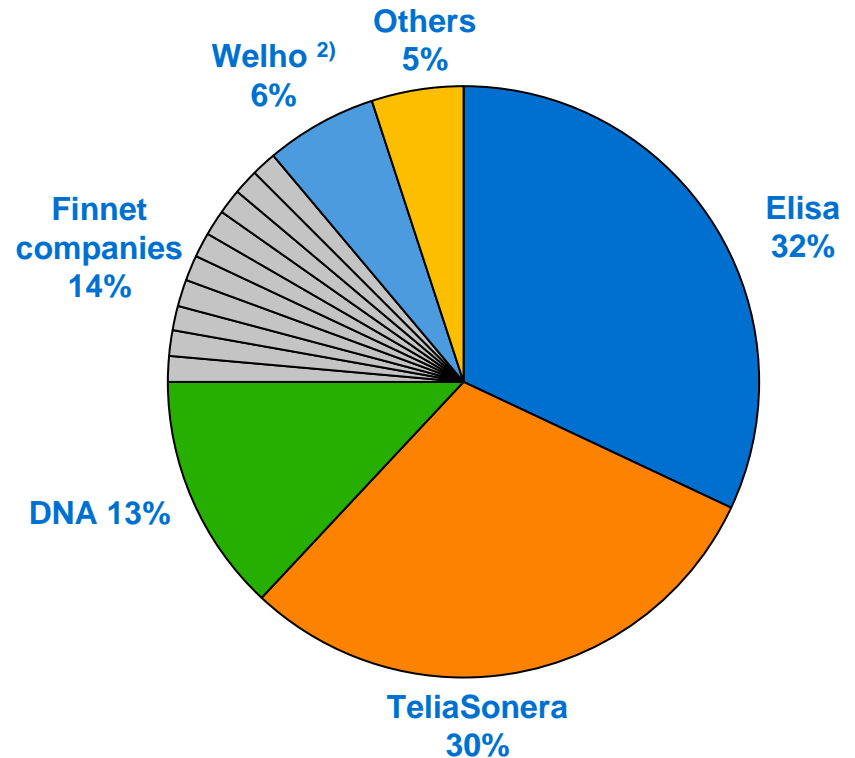
# Subscription market shares in Q1 2009

## Finnish telecom market

Mobile operators <sup>1)</sup>



Fixed broadband operators <sup>1)</sup>



<sup>1)</sup> Company data and Elisa estimates

<sup>2)</sup> Cable-TV company

# Revenue and EBITDA as expected

## Q1 2009 financial highlights

- Revenue € 351m (367)
  - Lower interconnection fees and roaming revenues, approx. € -3
  - Lower equipment sales volumes, approx. € -11
- EBITDA € 115m (111\*), EBITDA margin 33% (30\*)
  - Increase in sales costs due to strong growth in mobile subscriptions
- EPS € 0.26 (0.25)
- Net debt € 854m (955)
  - Dividend payment € 86m in March 2009, share buybacks EUR 43m in September 2008
  - Strong cash flow during Q2/08 – Q1/09
- Net debt / EBITDA 1.8x (1.9), gearing 104% (121)
  - According to target setting

\* 2008 excluding one-off items



# Record growth in mobile subscriptions

Q1 2009 financial highlights

	Q1 2009	Change in Q1 2009
Mobile subscriptions	3,025,600	146,000
Fixed broadband	495,300	-6,200
Mobile ARPU *	€24.1	€-2.3
Mobile Churn **	14.0%	+2 %-units
Mobile usage, min ***	1,525m	-2m
Active 3G data users	523,000	27,000

\* Revenue per subscription

\*\* Annualised

\*\*\* Outgoing minutes

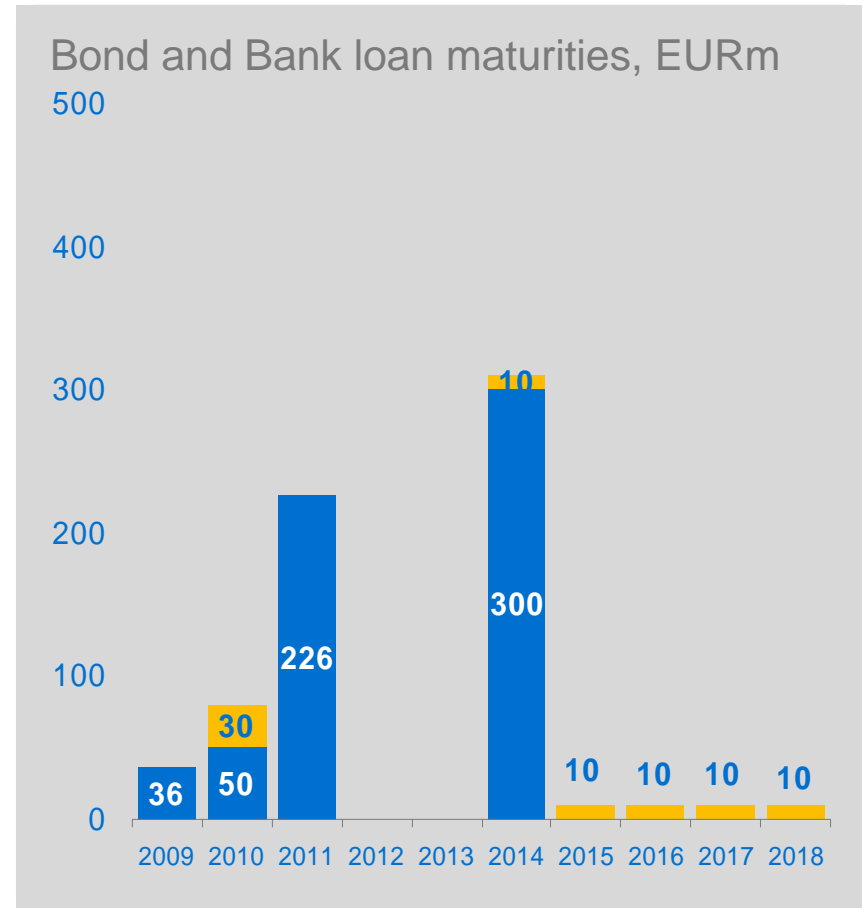




# Liquidity position good

## Q1 2009 financial highlights

- Cash and undrawn committed facilities EUR 261m (123m)
- Revolving Credit Facilities
  - EUR 170m maturing June 2012
  - EUR 130m maturing November 2014
  - EUR 70m in use Q1/09
- Commercial Paper Program
  - EUR 101m in use, back up with RCF
- No changes in credit ratings
  - S&P                   BBB/Stable outlook
  - Moody's            Baa2/Stable outlook



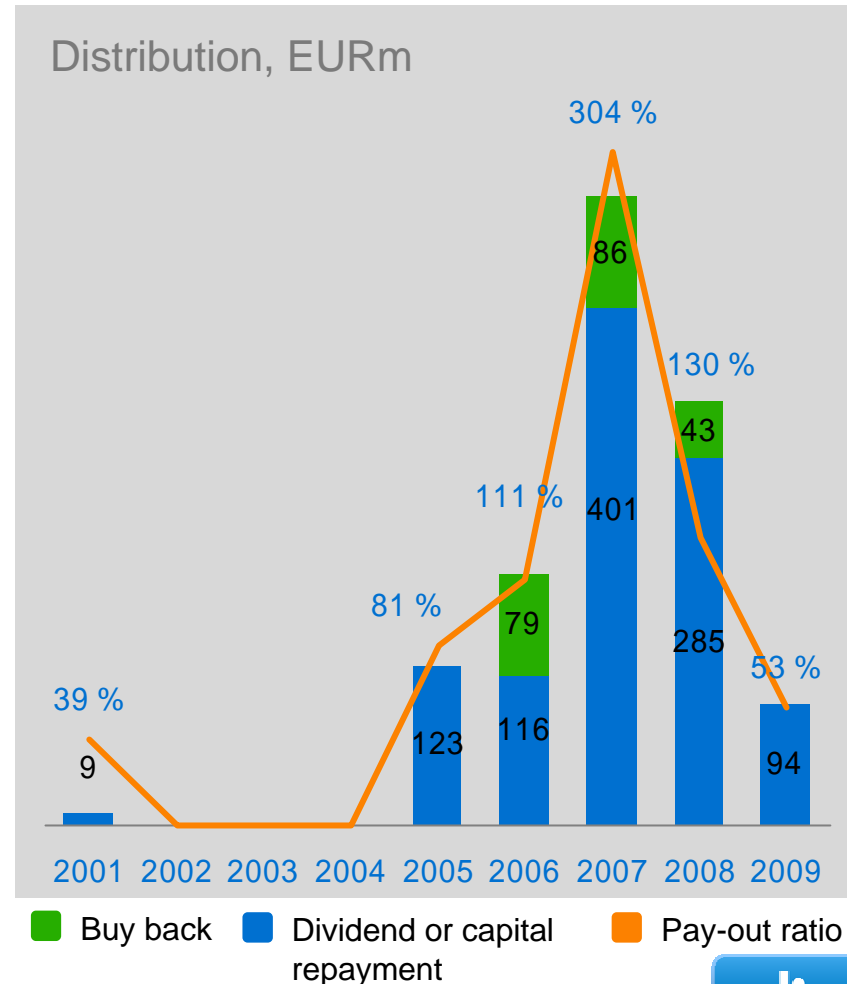
■ Bonds    ■ Bank Loans



# Distribution above long-term policy

## Q1 2009 financial highlights

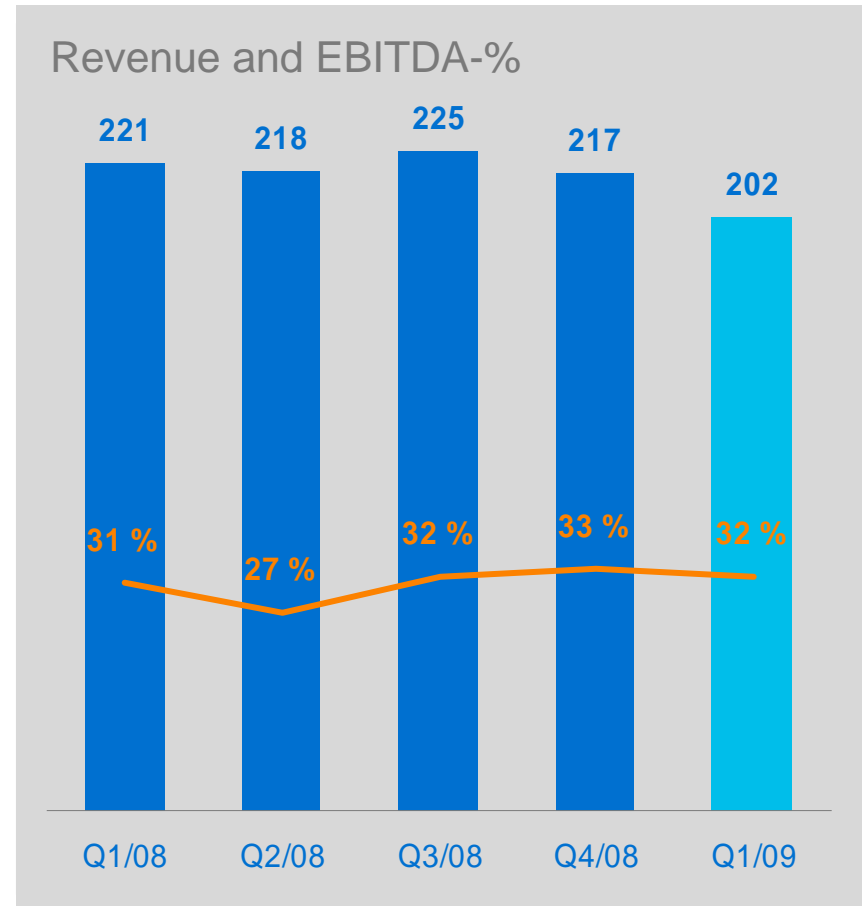
- Distribution policy
  - 40 – 60% of net results
- Net debt / EBITDA target 1.5 – 2
  - 1.8 in Q1 2009
- Authorisation for 15 million shares buy-back
- Authorisation for dividend and capital repayment EUR 150m
- Distributable equity at the end of Q1/2009 EUR 312m



# Revenue affected by MTR and equipment sales

## Segment review: Consumer Customers

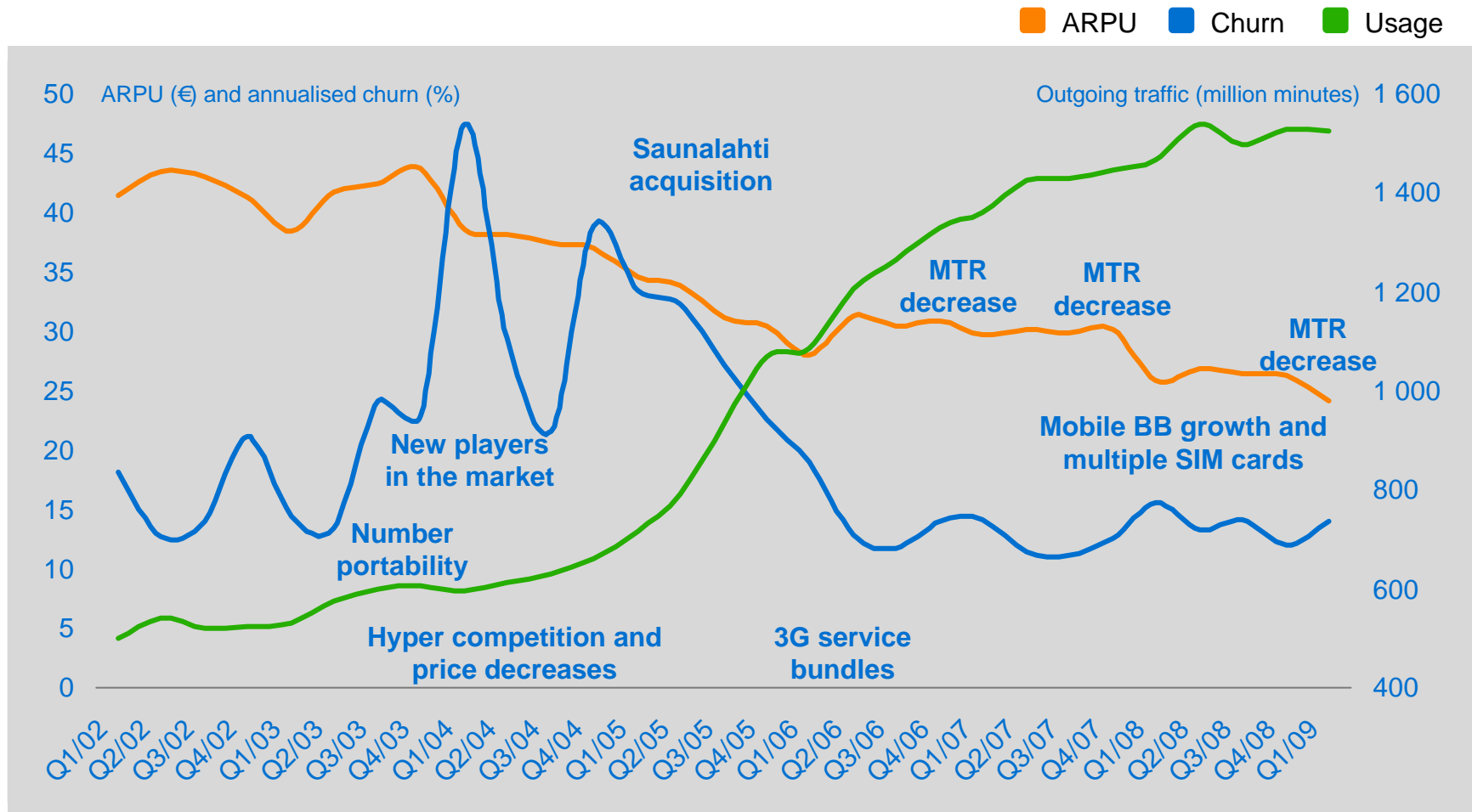
- Revenue € 202m (221)
  - Lower equipment sales
  - Decrease in traditional fixed lines
  - Lower interconnection fees in Finland and Estonia
- EBITDA € 64m (68\*), 32% of revenue (31\*)
  - Cost efficiency
  - Increase in sales costs
  - SAC has been stable
- EBIT € 33m (38\*), 17% of revenue (17\*)



\* 2008 excluding one-off items

# Growth in usage and stabilized churn

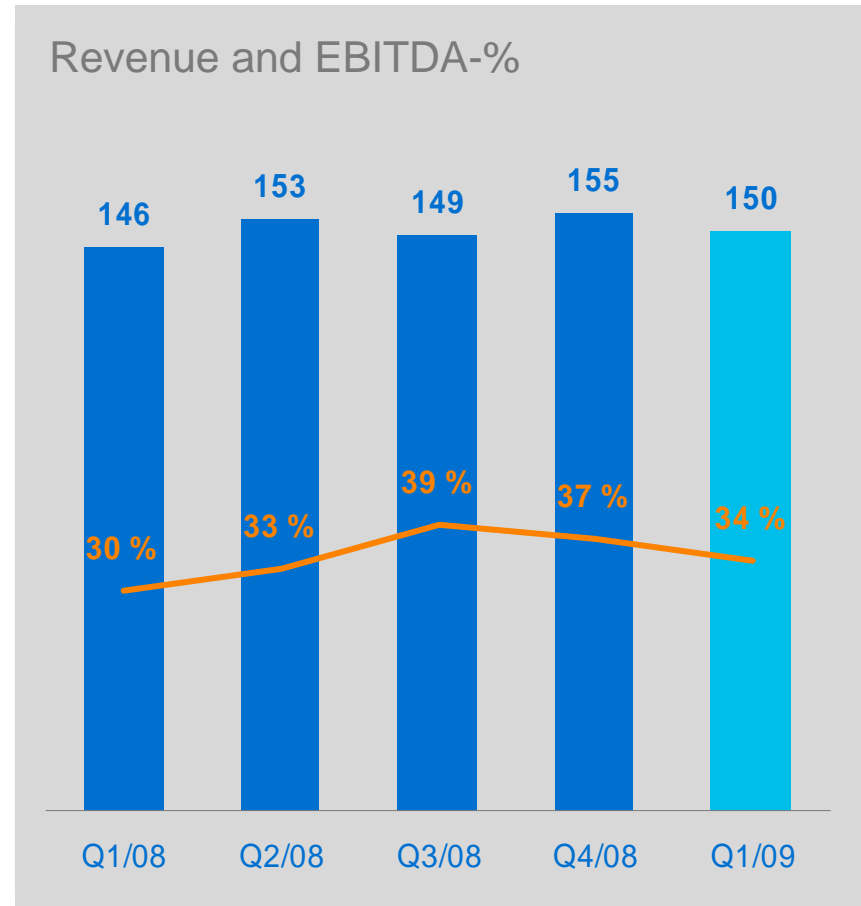
## Mobile subscription KPIs



# Solid performance in challenging environment

## Segment review: Corporate Customers

- Revenue € 150m (146)
  - Growth in mobile data services
  - Decrease in equipment sales
  - Lower interconnection fees and roaming revenues
- EBITDA € 51m (43\*), 34% of revenue (30\*)
  - Cost efficiency
  - Extra expenses in 2008
- EBIT € 28m (21\*), 19% of revenue (15\*)



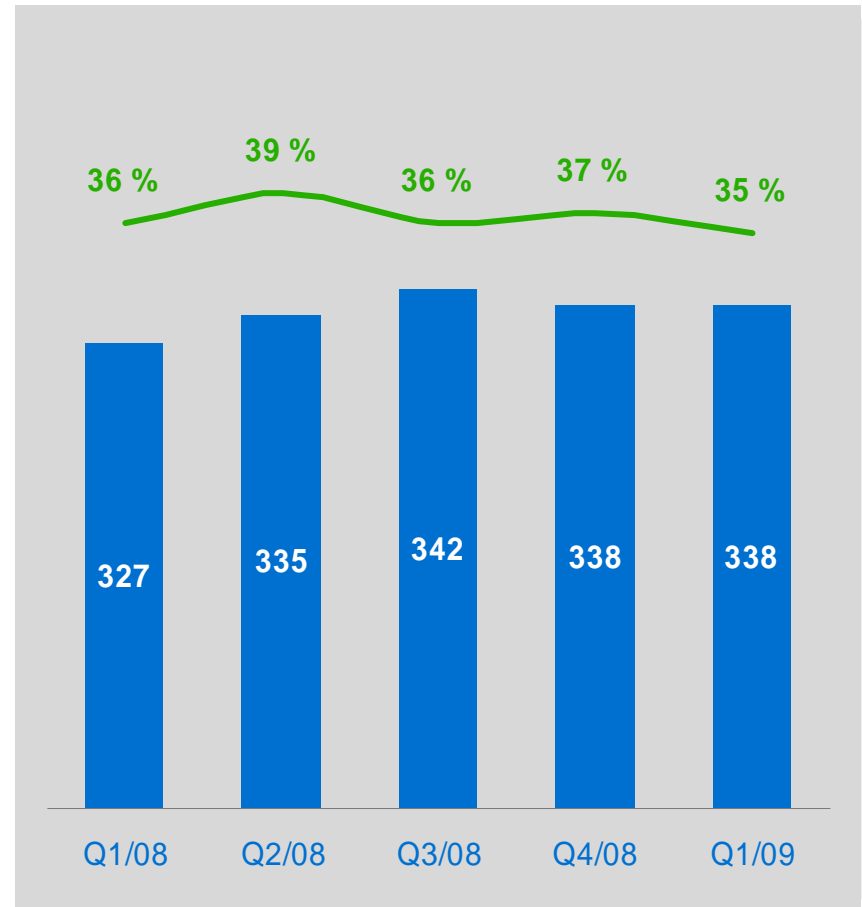
\* 2008 excluding one-off items

# Recession affected the Estonian business

## Segment review: Estonia

- Revenue decreased
  - Termination fee and roaming revenue
  - Equipment sales
- Subscriptions grew by 10,200 y-o-y

EUR million	Q1/09	Q1/08	2008
Revenue	20	24	99
EBITDA	7	9	37
<i>EBITDA-%</i>	<i>35 %</i>	<i>36 %</i>	<i>37 %</i>
EBIT	4	5	26
<i>EBIT-%</i>	<i>21 %</i>	<i>22 %</i>	<i>26 %</i>
CAPEX	1	2	15

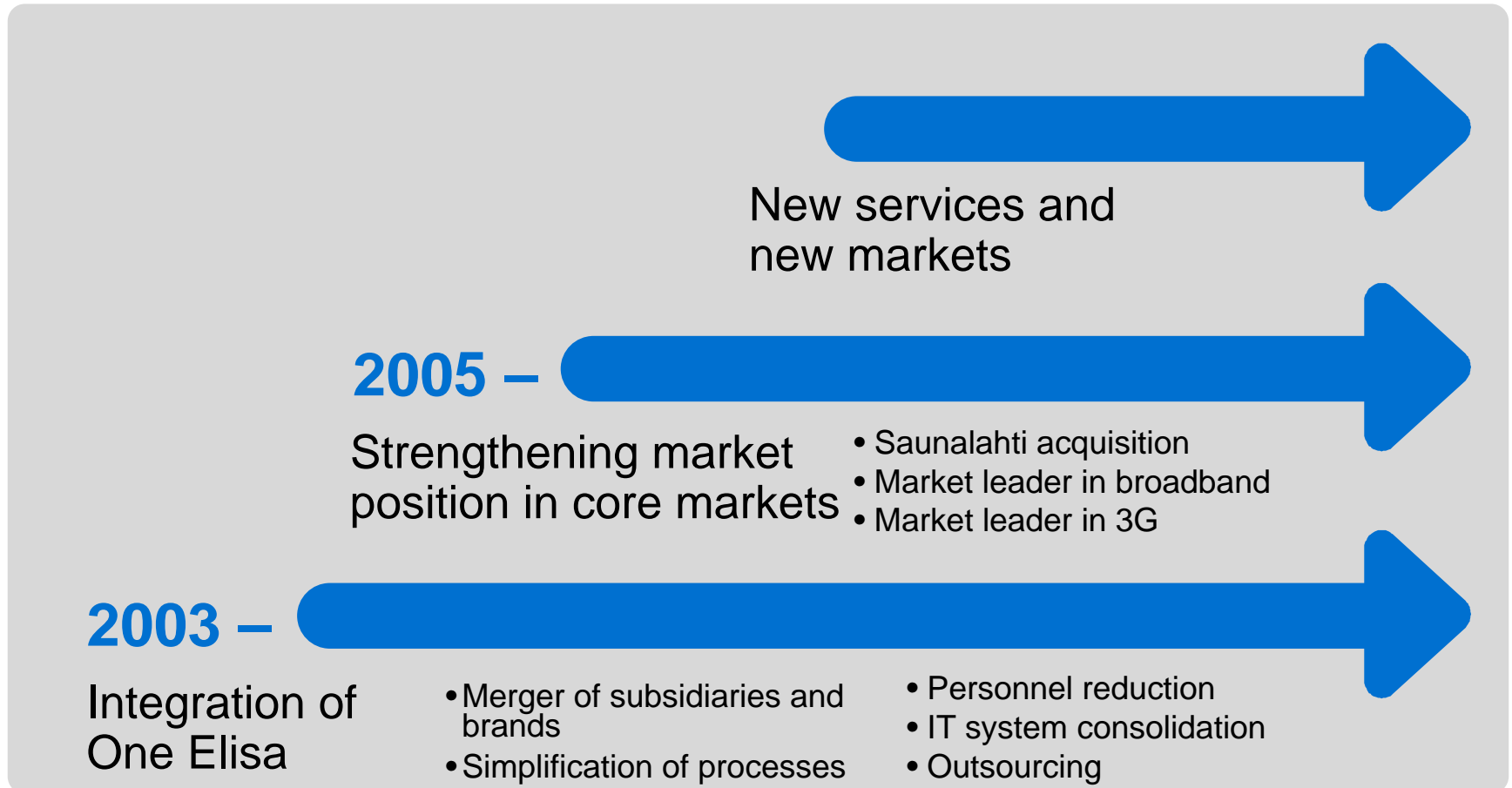


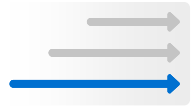
■ Subs, thousands ■ EBITDA%



# Strategy execution

## Elisa's strategy





# Strategy execution

Elisa's strategy, Operational excellence

Productivity improvements in Q1 2009:

- Clearly shortened delivery times
  - E.g. fixed broadband delivery time from 15-20 days to 48 hours
- Faster repair times
  - E.g. 50% reduction in fixed broadband repair time
- Increase in the degree of automation and self-service

=> Increased customer satisfaction

=> Decreased cost

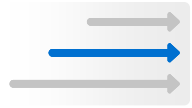


# Ease and productivity through self-service

## Elisa's strategy

- Consumers appreciate Oma Elisa (Own Elisa) service
  - More than 50% of the Consumer Customer contacts are handled through Oma Elisa
  - Number of Oma Elisa users growing steadily
- Corporate customers also benefiting from Oma Elisa
  - Clear increase in utilisation and automation rates
  - More than 55% of all orders through Oma Elisa

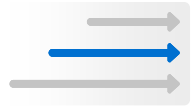




# The 3G success story continues

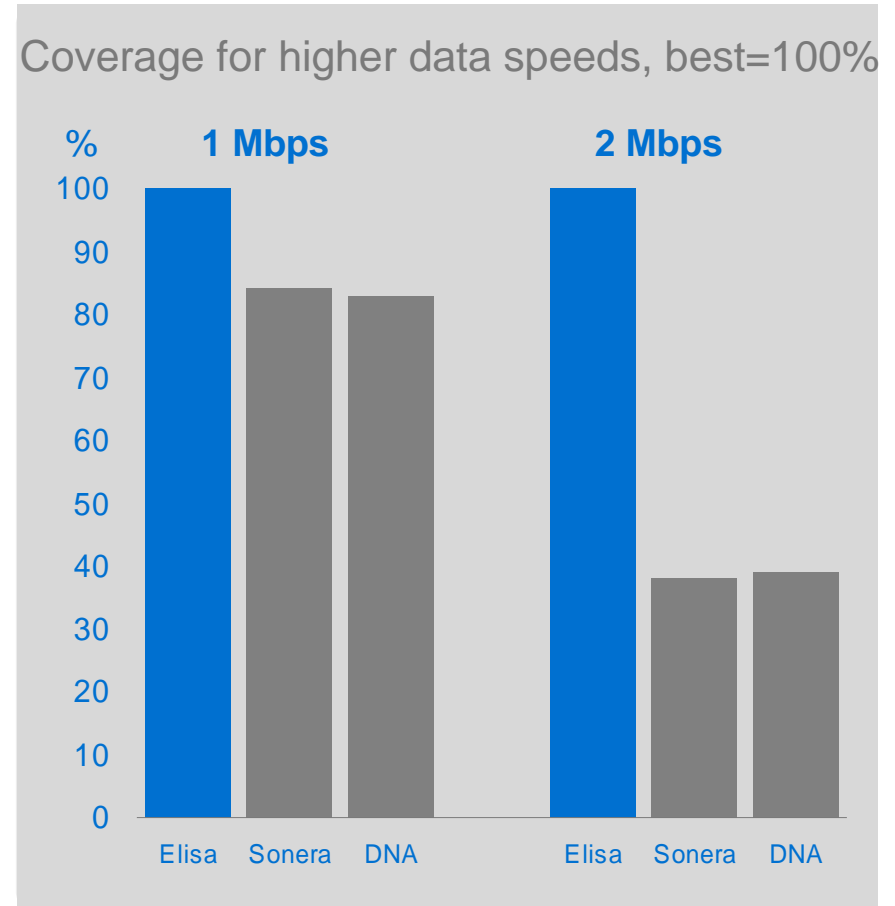
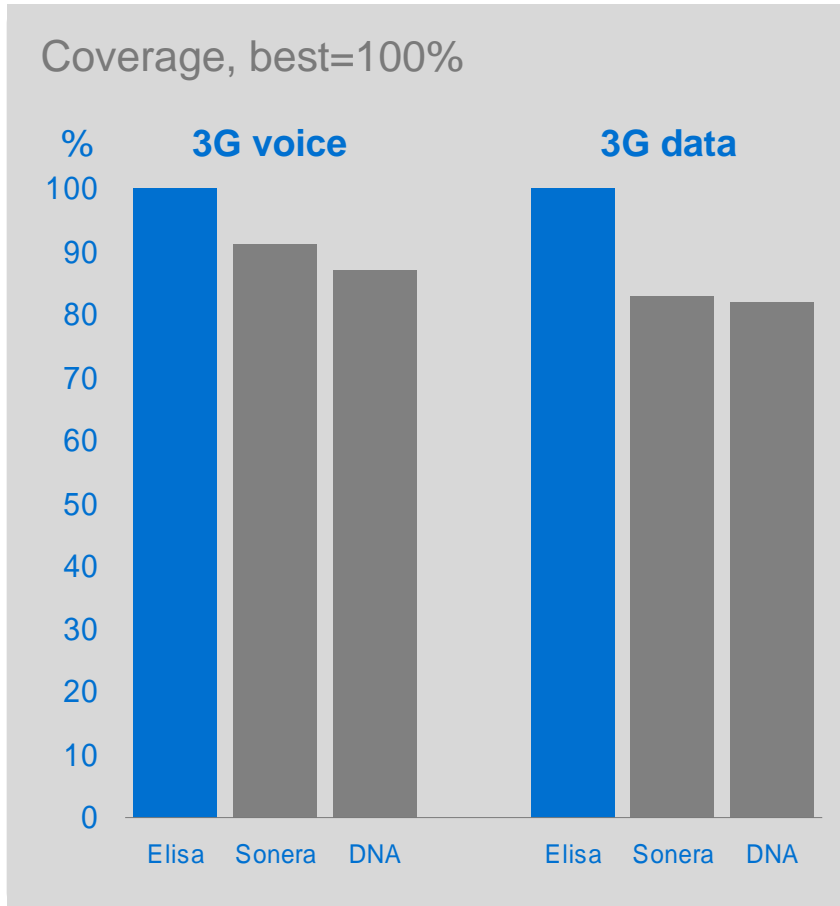
## Elisa's strategy





# Elisa has the best 3G coverage

## Elisa's strategy

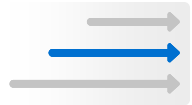


Source: *European Communications Engineering 4/2009*



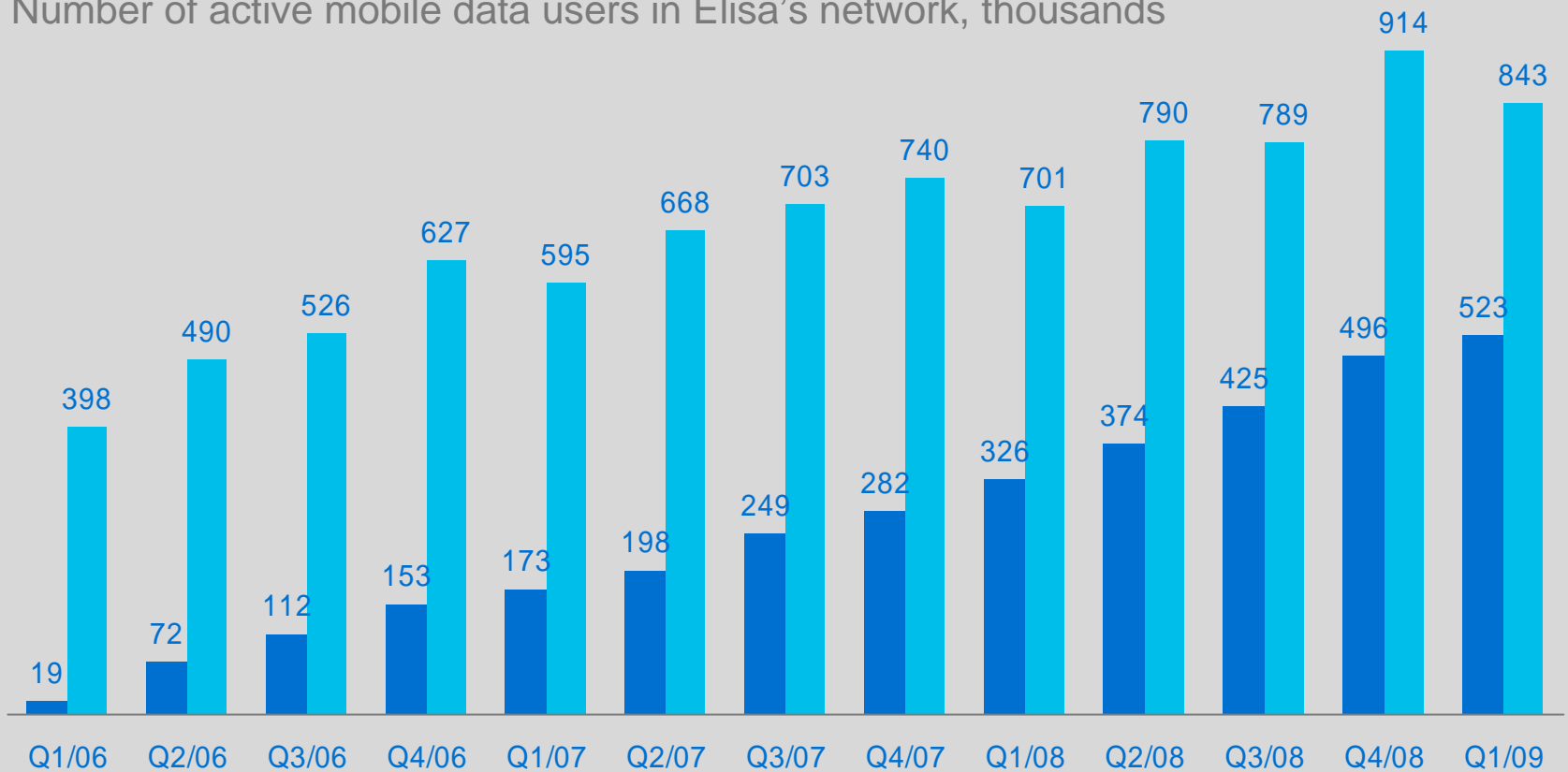
# Growth in active 3G data users continues

## Elisa's strategy



■ Active 3G users ■ Active GPRS users

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



# Strategy execution in customer segments

## Elisa's strategy

Consumers: Elisa leads the way in mobile marketing

- “Elisa Advantage Program” – the channel to the ad-based market
- The first national mobile marketing channel



Corporate: ICT strategy, bolt-on acquisitions in Q1

- Xenetic Oy
  - A Finnish hosting service company
  - On-demand service development and SaaS (Software as a Service) offering
- Trackway
  - Solutions for logistics and asset tracking
  - In addition to RFID, also other location and asset tracking technologies, like sensors



# Outlook for 2009

- Current economic environment creates uncertainty
  - Elisa is not immune to the negative development of the economy
  - The main risks relate to the development of the Estonian economy and the Corporate Customer segment
- Competition remains challenging
- Revenue at the same or slightly lower level than in 2008
- 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%



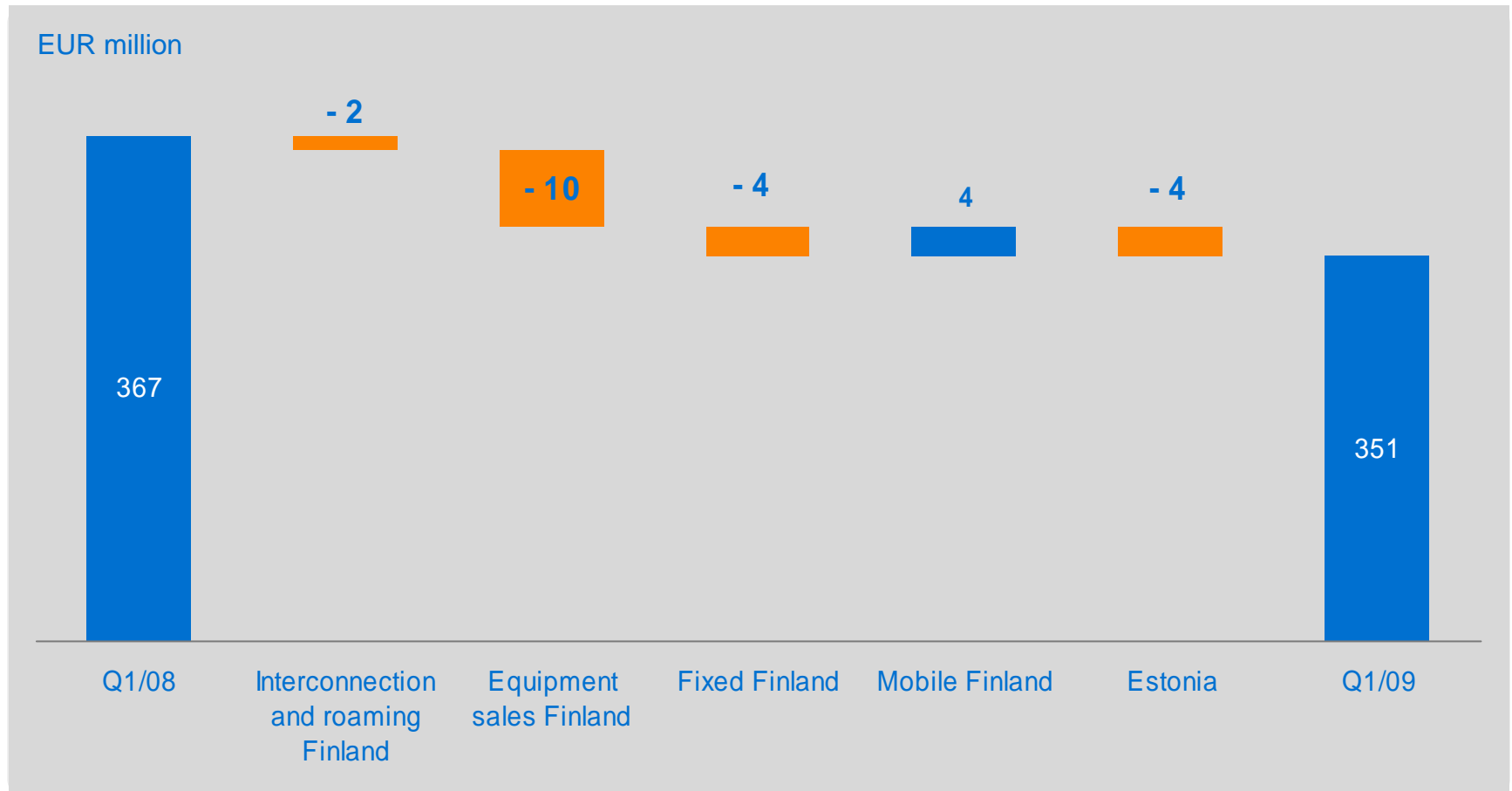
# Appendix Slides

May 2009



# Revenue change Q1/08 – Q1/09

## APPENDIX SLIDE



# Mobile interconnection fees in Finland

## APPENDIX SLIDE

Equal rates →

Operator	1 Jan 2006	1 Jan 2007	1 Jan 2008	1 Jan 2009	1 Dec 2009	1 Dec 2010
Elisa	8.4	7.0	5.1	4.9	4.9	4.4
TeliaSonera	6.8	6.6	5.1	4.9	4.9	4.4
DNA	10.0	8.2	6.0	5.4	4.9	4.4

Change from  
previous price

Elisa		-17%	-27%	-4%	0%	-10%
TeliaSonera		-3%	-23%	-4%	0%	-10%
DNA		-18%	-27%	-10%	-9%	-10%

Operators will agree in 2011 a new interconnection fee, which will take effect on 1 December 2011 and will be valid to the end of 2012.

# Quarterly reported key figures

## APPENDIX SLIDE

<b>ELISA</b>													
<b>EURm</b>	<b>Q1/09</b>	<b>Q4/08</b>	<b>Q3/08</b>	<b>Q2/08</b>	<b>Q1/08</b>	<b>Q4/07</b>	<b>Q3/07</b>	<b>Q2/07</b>	<b>Q1/07</b>	<b>Q4/06</b>	<b>Q3/06</b>	<b>Q2/06</b>	<b>Q1/06</b>
Revenue	351	372	374	372	367	402	394	393	378	401	387	382	348
EBITDA	115	129	129	105	108	126	132	127	115	118	123	95	99
EBITDA-%	33 %	35 %	34 %	28 %	29 %	31 %	34 %	32 %	30 %	29 %	32 %	25 %	28 %
EBITDA excl. one-offs	115	129	129	109	111	128	132	116	115	119	123	100	103
EBITDA-% excl. one-offs	33 %	35 %	34 %	29 %	30 %	32 %	34 %	30 %	30 %	30 %	32 %	26 %	30 %
EBIT	62	77	77	53	57	74	82	77	68	70	73	40	43
EBIT excl. one-offs	62	77	77	57	60	76	82	67	68	71	73	45	47
EBIT-% excl. one-offs	18 %	21 %	21 %	15 %	16 %	19 %	21 %	17 %	18 %	18 %	19 %	12 %	14 %
Pre-Tax Profit	53	70	67	38	52	65	89	67	64	69	69	35	39
PTP excl. one-offs	53	70	67	42	55	67	76	56	64	70	69	40	43
EPS, EUR	0,26	0,34	0,33	0,20	0,25	0,32	0,46	0,31	0,30	0,31	0,32	0,16	0,18
Personnel	3 076	3 017	2 876	2 854	2 971	3 015	3 229	3 364	3 358	3 592	3 661	4 216	4 367
<b>Financial position</b>													
Net debt	854	812	891	898	955	738	646	651	578	377	336	381	293
FCF	46	84	51	59	66	53	6	37	18	40	36	29	13
Equity ratio	41 %	43 %	41 %	40 %	38 %	48 %	46 %	52 %	51 %	63 %	66 %	64 %	62 %
Net debt / EBITDA	1,8	1,7	1,7	2,1	2,2	1,5	1,2	1,4	1,3	0,9	0,8	1,0	0,9
Net interest coverage	9,8	9,1	11,8	13,0	10,3	10,2	16,5	11,7	25,0	31,7	31,9	22,8	23,1
Gearing	104 %	93 %	107 %	109 %	121 %	71 %	65 %	60 %	52 %	29 %	25 %	30 %	23 %
<b>Investments</b>													
in fixed assets	34	64	42	41	36	67	44	49	44,6	69	40	55	41
Operative CAPEX/Sales	10 %	17 %	11 %	11 %	10 %	17 %	11 %	12 %	12 %	17 %	10 %	14 %	12 %
in network buy-backs	0	0	0	0	2	2	0	0	0	0	0	0	2
in shares	7	2	0	11	1	1	6	0	4,6	2	7	1	0
Total	41	66	42	52	39	70	51	49	49,2	71	47	56	43
CAPEX/Sales	12 %	18 %	11 %	14 %	11 %	17 %	13 %	12 %	13 %	18 %	12 %	15 %	12 %

# Quarterly reported segment figures

## APPENDIX SLIDE

### SEGMENTS

<b>Mobile</b>	<b>Q1/09</b>	<b>Q4/08</b>	<b>Q3/08</b>	<b>Q2/08</b>	<b>Q1/08</b>	<b>Q4/07</b>	<b>Q3/07</b>	<b>Q2/07</b>	<b>Q1/07</b>	<b>Q4/06</b>	<b>Q3/06</b>	<b>Q2/06</b>	<b>Q1/06</b>
Revenue	212	231	237	229	223	253	252	246	229	253	246	239	192
EBITDA	63	74	74	59	60	80	80	72	67	76	72	57	53
EBITDA excl. one-offs	63	74	74	61	62	81	80	72	67	76	72	59	54
<i>EBITDA-% excl. one-offs</i>	30 %	32 %	31 %	27 %	28 %	32 %	32 %	29 %	29 %	30 %	29 %	25 %	28 %
EBIT	32	45	45	30	31	51	53	46	44	54	49	29	30
EBIT excl. one-offs	32	45	45	32	33	53	53	46	44	54	49	31	31
<i>EBIT-% excl. one-offs</i>	15 %	19 %	19 %	14 %	15 %	21 %	21 %	19 %	19 %	21 %	20 %	13 %	16 %
CAPEX	-	38	25	22	21	28	21	22	20	29	14	22	15
Operative CAPEX	-	38	25	22	19	28	21	22	20	29	14	22	15
Op.CAPEX/Sales	-	16 %	11 %	10 %	9 %	11 %	8 %	9 %	9 %	11 %	6 %	9 %	8 %
<b>KPIs, subscriptions</b>													
ARPU, EUR	24,1	26,3	26,4	26,8	25,9	30,1	29,9	30,2	29,7	30,8	30,5	31,3	28,0
Churn, %	14,0	12,0	14,1	13,3	15,6	12,6	11,2	11,4	14,2	14,0	11,7	12,9	18,7
Outgoing min/sub/month	-	213	216	225	215	217	217	222	216	213	207	204	187
SMS/sub/month	-	56	57	56	55	57	51	51	51	54	50	49	46
Outgoing min., million	1 525	1 527	1 498	1 540	1 465	1 447	1 428	1 425	1 361	1 330	1 265	1 207	1 087
SMS, million	403	434	403	393	375	407	382	372	323	336	303	288	265
Total subscriptions	3 025 648	2 879 637	2 830 026	2 772 640	2 694 946	2 657 375	2 622 320	2 564 783	2 534 639	2 488 938	2 452 487	2 343 885	2 261 421
Subscriptions in Finland	2 688 048	2 541 937	2 487 726	2 437 940	2 367 546	2 334 575	2 309 820	2 257 283	2 235 139	2 194 438	2 163 887	2 060 385	1 983 921
Subscriptions in Estonia	337 600	337 700	342 300	334 700	327 400	322 800	312 500	307 500	299 500	294 500	288 600	283 500	277 500
<b>Fixed network</b>													
Revenue	150	154	150	155	156	162	157	160	163	162	156	166	180
EBITDA	54	57	55	47	50	47	54	56	49	44	52	39	46
EBITDA excl. one-offs	54	57	55	49	51	49	54	45	49	44	52	42	49
<i>EBITDA-% excl. one-offs</i>	36 %	37 %	36 %	32 %	33 %	30 %	34 %	28 %	30 %	27 %	33 %	25 %	27 %
EBIT	32	34	32	24	28	23	31	33	26	19	26	11	15
EBIT excl. one-offs	32	34	32	26	29	25	31	22	26	19	26	14	18
<i>EBIT-% excl. one-offs</i>	21 %	22 %	21 %	17 %	19 %	15 %	20 %	14 %	16 %	12 %	17 %	9 %	10 %
CAPEX	-	26	17	19	17	38	23	27	25	42	27	32	26
Operative CAPEX	-	26	17	19	17	38	23	27	25	42	27	32	26
Op.CAPEX/Sales	-	17 %	11 %	12 %	11 %	23 %	15 %	17 %	15 %	26 %	17 %	19 %	14 %
<b>Subscriptions</b>													
Subscriptions, total	1 227 624	1 247 815	1 275 345	1 277 400	1 292 097	1 301 310	1 308 514	1 315 372	1 329 844	1 319 530	1 341 770	1 347 074	1 356 455
Broadband subscriptions	495 269	501 495	519 767	523 000	526 000	521 844	518 449	513 901	513 379	496 293	479 586	472 532	459 827
ISDN channels	52 430	54 427	56 441	50 500	52 124	70 815	70 930	70 870	72 369	76 155	110 226	113 285	121 169
Cable TV subscriptions	245 367	244 223	242 482	241 000	239 256	237 109	235 653	231 228	228 136	226 027	223 192	220 253	217 600
Analogue and other subs	434 558	447 670	456 655	462 900	474 717	471 542	483 482	499 373	515 960	521 055	528 766	541 004	557 859