Q3

22 October

2010 Third Quarter Results

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

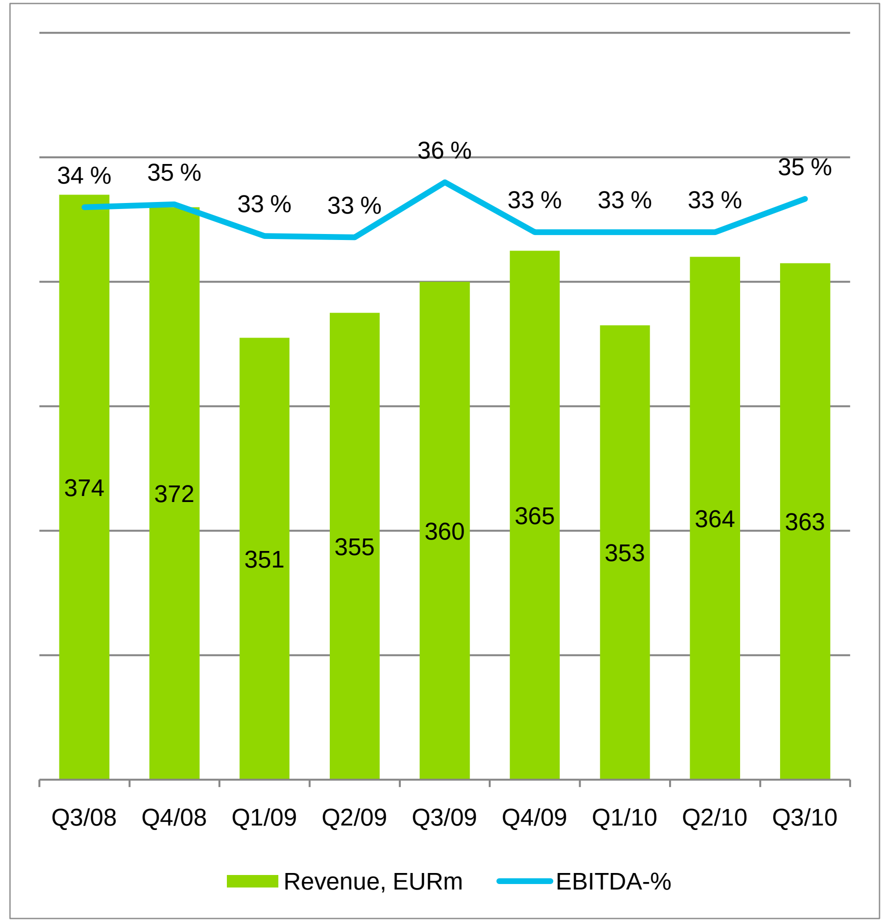
- Q3 2010 highlights
- Segment review
  - Consumer Customers
  - Corporate Customers
- Execution of the strategy
- Progress of new services
- Outlook for 2010

Q3 2010 highlights

- YoY revenue growth continued
- Good profitability and cash flow
- Mobile subscription and usage growth continues
- Voddler to strengthen IPTV Elisa Viihde offering
- Focus on the smartphone market
- Decision on extraordinary dividend of € 0.50 per share, total amount € 77.9m
  - One of the best dividend yields in the sector

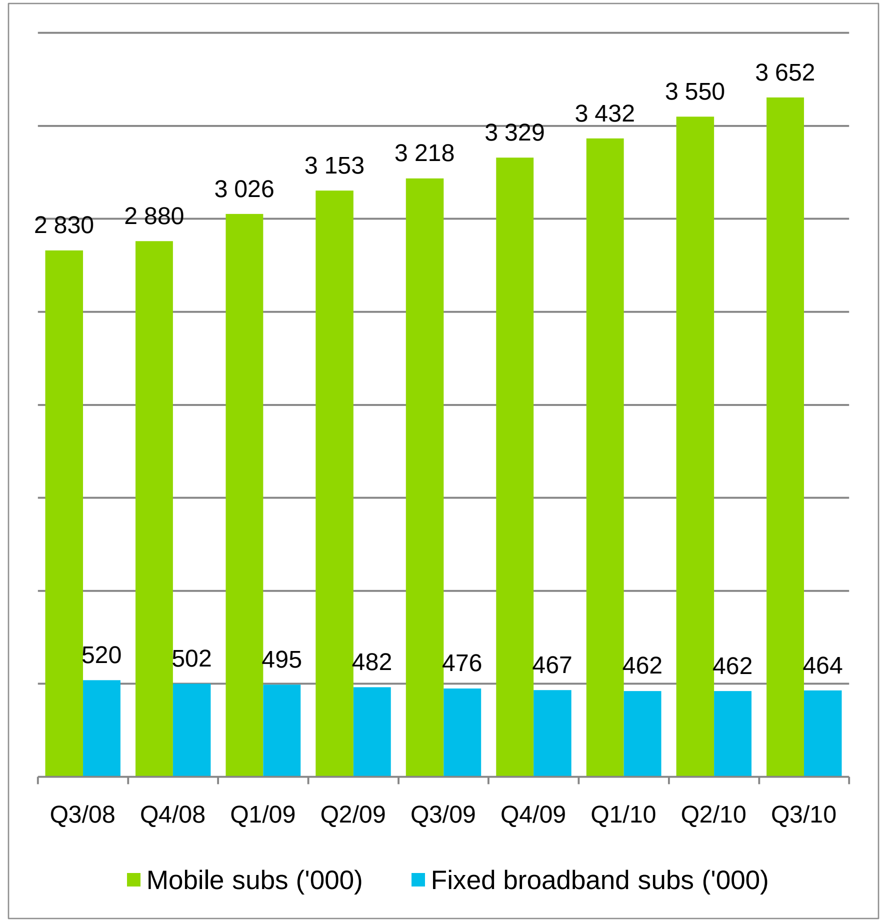
Solid revenue development

- Revenue € 363m (360)
  - Growth in mobile services
  - Decrease in fixed business
  - Growth in online and ICT service business
- EBITDA € 127m (131), margin 35%
- CAPEX € 42m (40), 11% of revenue
  - According to target (≤ 12 %)
- Net debt € 725m (719 in 2009)
  - Cash flow € 29m
  - Net debt / EBITDA 1.5 (1.5)



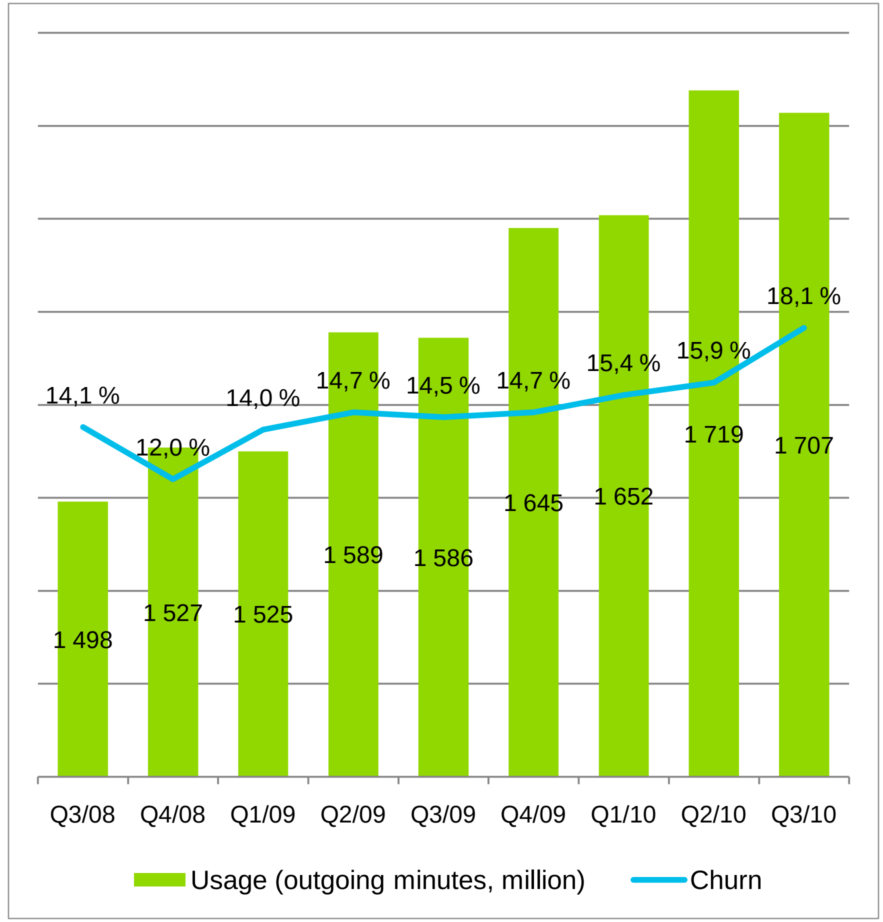
Mobile subscription growth continued

- Mobile net adds 102,500 in Q3/10
  - Growth in both customer segments
  - Growth in mobile broadband, postpaid and prepaid
  - Estonia +24,000 subscriptions
- QoQ growth in fixed broadband subscriptions resumed
  - Growth 2,200 in Q3/10



Increased competition in mobile broadband

- Growth in mobile usage
  - Outgoing minutes growth 8% YoY
  - SMS growth 14% YoY
- Mobile churn 18.1% (14.5)
  - Competition mainly in mobile broadband, but strong subscription growth regardless

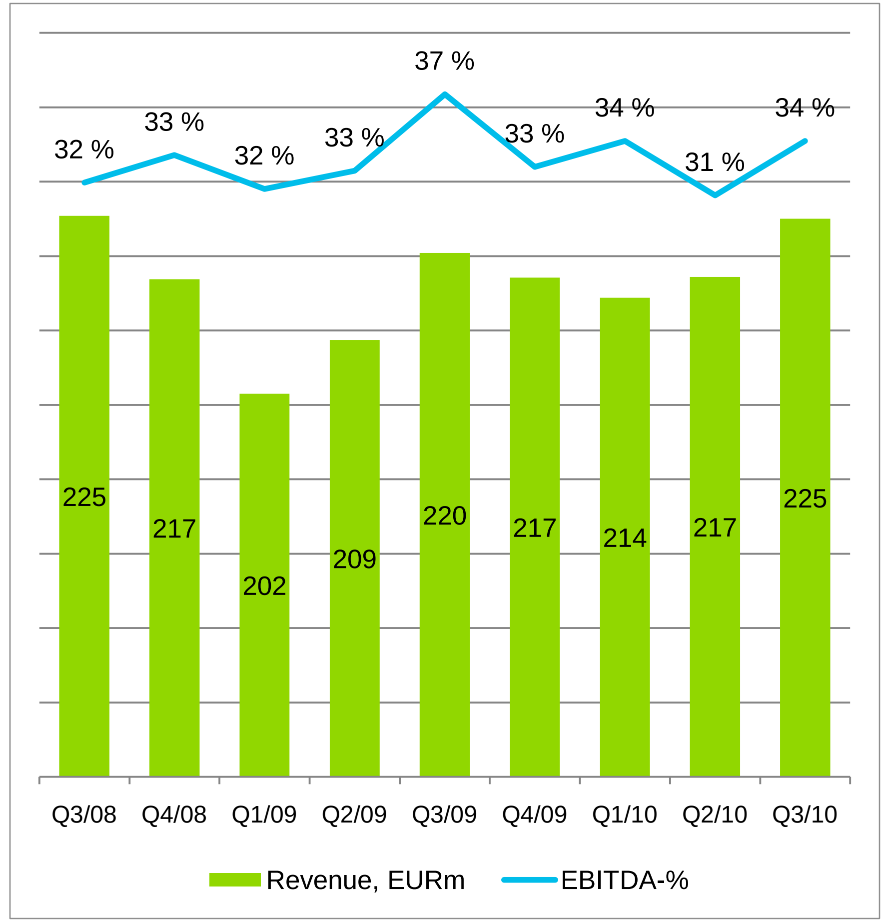


Business Segments

Q3 2010 Consumer Customers

Revenue growing

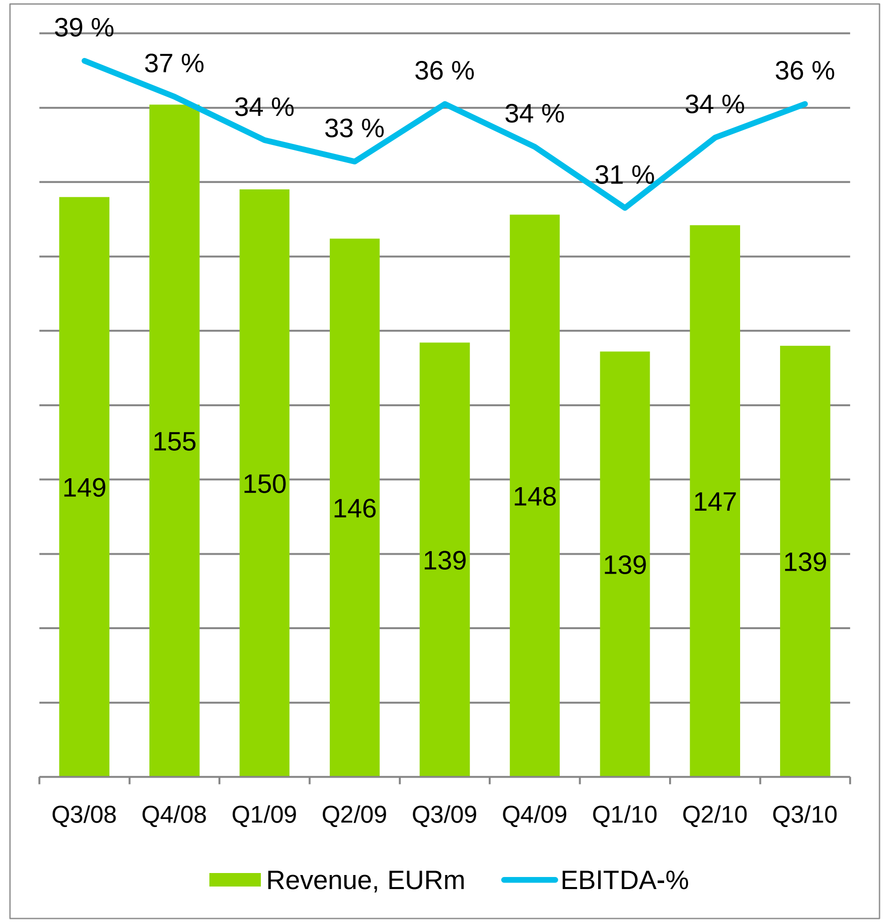
- Revenue € 225m (220)
  - Growth in mobile customer billing and online services
  - Decrease in fixed business
- EBITDA € 77m (81), margin 34%
  - Increase in sales costs
  - New service launches
  - Focus on customer service
  - Stable mobile SAC per subscription
- CAPEX € 26m (21)



Q3 2010 Corporate Customers

Corporate Customer business at solid level

- Revenue € 139m (139)
  - Increase in mobile revenue
  - Growth in ICT services
  - Decrease in fixed business
- EBITDA € 50m (50), margin 36%
- CAPEX € 16m (19)



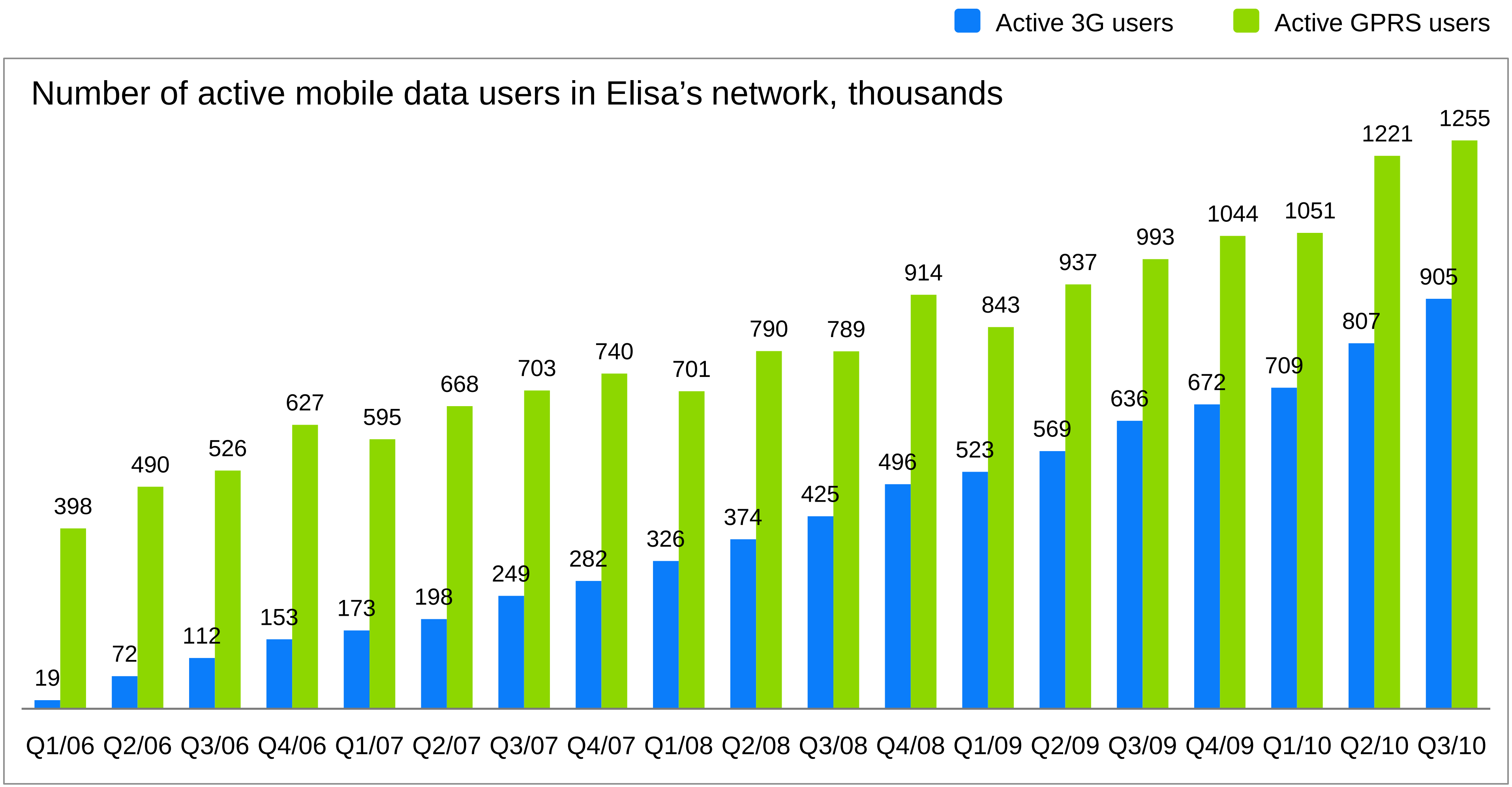
Strategy execution

New services and new markets

Strengthening market position in core markets

Integration of One Elisa

Growth in 3G data users continued



Voddler to strengthen IPTV Elisa Viihde offering

- Voddler’s services provided first to Elisa customers in Finland
- More than 2,500 movies, television series and documents
- Ad-based video service, 80% of the offering is free of charge
- Elisa provides Voddler’s media services in Finland

Focus on the smartphone market

- Smartphone market is picking up
  - Creates new demand for mobile data services
- Many benefits to customers
  - Wide variety of applications and easy to use for consumers
  - Productivity improvements and process rationalisation for corporate

“Omaguru”: Seamless technical support for customers

- Comprehensive support regarding the use of digital devices, systems and applications
- Targeted to households and SOHO customers
- Specialised help desk
  - Personalised customer service
  - Specialists available online

Outlook for 2010

- Positive trends of the general economy have continued
- Competition remains challenging
- Revenue at the same level as in 2009
- EBITDA excluding one-offs at the same level as in 2009
- CAPEX 10 – 12 per cent of revenue

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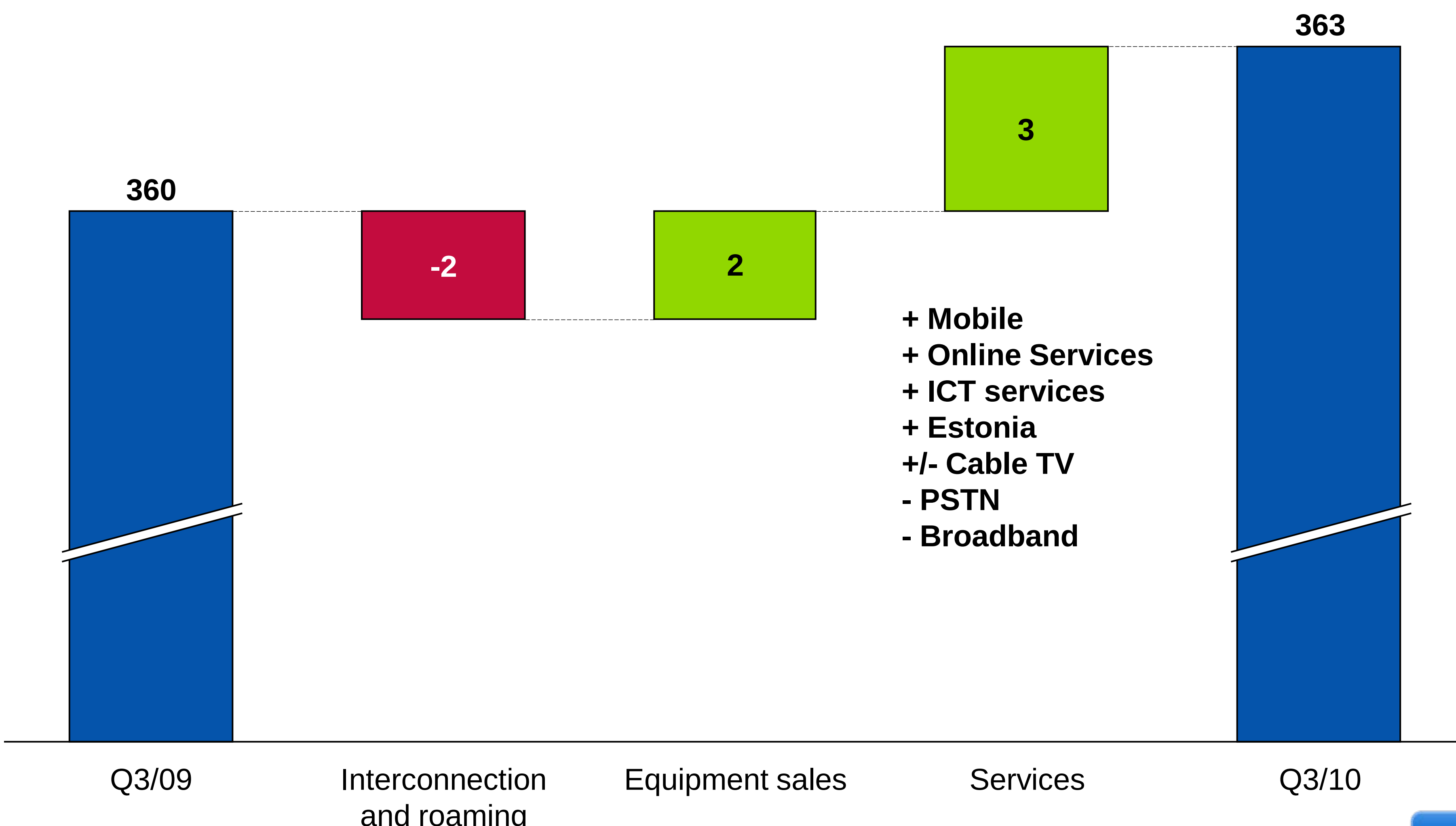
Growth in revenue continued

EUR million	Q3/10	Q3/09	Δ	1-9/10	1-9/09	Δ	2009
Revenue	363	360	3	1081	1066	15	1430
Other operating income	1	0		3	2		4
Operating expenses	-237	-229		-722	-705		-951
EBITDA	127	131	-4	362	363	-1	484
EBITDA-%	35%	37%		33%	34%		34%
Depreciation and amortisation	-54	-54		-162	-160		-216
EBIT	73	77	-4	199	203	-4	267
EBIT-%	20%	22%		18%	19%		19%
Profit before tax	68	70	-2	131	179	-48	235
Profit before tax excl. one-off item	68	70	-2	175	179	-4	
Income taxes	-17	-17	0	-32	-43	11	-58
Net profit	51	53	-2	99	136	-37	177
Net profit excl. one-off item	51	53	-2	132	136	-4	
EPS, EUR/share	0.32	0.34	-0.02	0.63	0.87	-0.24	1.13
EPS, EUR/share excl. one-off item	0.32	0.34	-0.02	0.84	0.87	-0.03	

YoY Revenue growth



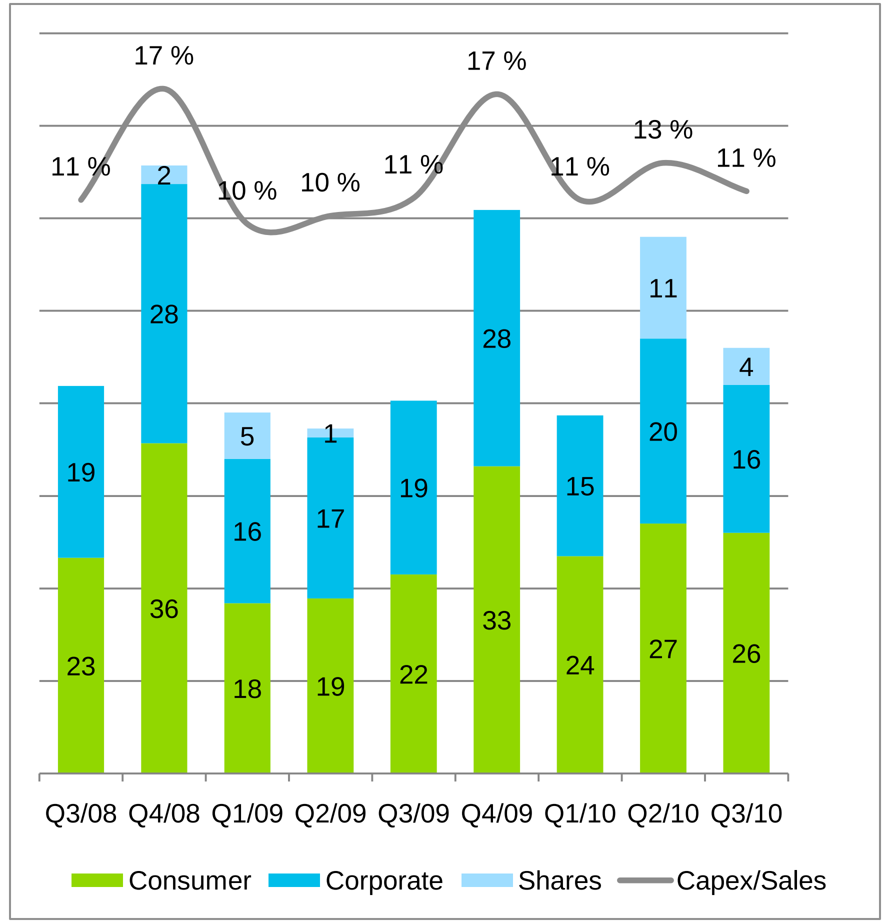
Sales costs affected OPEX

- OPEX decreases
  - Network operating expenses
  - Interconnections and roaming
  - Credit losses reduced
- OPEX increases
  - Sales costs
    - Stable SAC per subscription
  - New service development
  - Customer service
  - Employee expenses
    - Collective labor agreements, 2.6% increase in September 2009
    - Videra acquisition in Q2/2010

EURm	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Materials and services	143	144	140	148	148
Employee benefit expenses	43	51	55	52	46
Other operating expenses	43	50	43	46	42
Total expenses	229	246	238	247	237
Depreciation	54	57	54	54	54

CAPEX/Sales in line with guidance

- Q3 CAPEX EUR 42m (40)
  - CAPEX/Sales 11% (11%)
- Q1-Q3 CAPEX EUR 142m (117)
  - CAPEX/Sales 12% (10%)
- Q3 CAPEX by segments
  - Consumer EUR 26m (21)
  - Corporate EUR 16m (19)
- Major CAPEX areas
  - 3G network
  - Fixed access and backbone networks
  - IT systems
  - Customer equipment



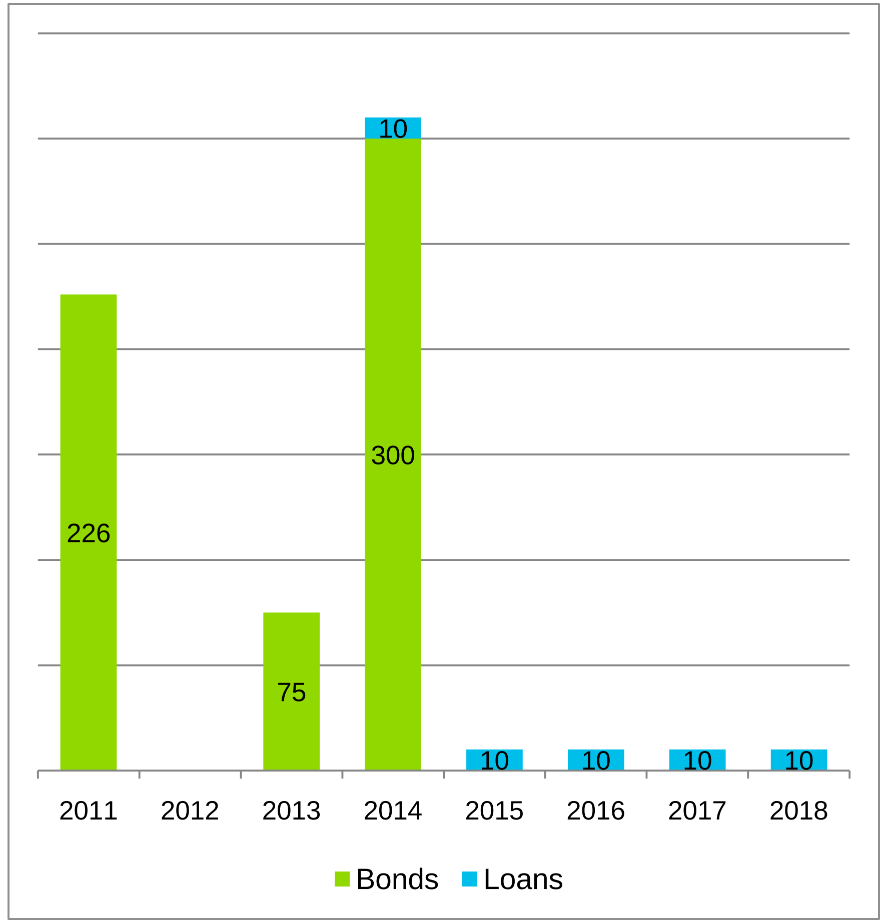
Cash flow

EUR million	Q3/10	Q3/09	Δ	1-9/10	1-9/09	Δ	2009
EBITDA	127	131	-4	362	363	-1	484
Change in receivables	-17	-25		4	26		36
Change in inventories	-4	-2		-3	-3		-9
Change in payables	-6	4		-12	-12		10
Change in NWC	-27	-23	-4	-11	11	-22	37
Financials (net)	-11	-12	1	-27	-29	2	-30
Taxes for the year	-16	-11		-41	-44		-55
Taxes for the previous year	0	0		-6	-2		-2
Taxes	-16	-11	-5	-47	-46	-1	-57
CAPEX	-42	-40	-2	-126	-110	-16	-170
Investments in shares	-4	0		-9	-10		-10
Sale of assets and adjustments	1	-1		2	-1		-2
Cash flow after investments	29	43	-14	144	178	-34	252

Liquidity position is good

- Cash and undrawn committed facilities EUR 317m (324m)
- Revolving Credit Facilities
  - EUR 170m maturing Jun 2012
  - EUR 130m maturing Nov 2014
  - Fully undrawn Q3/10
- Commercial Paper Program
  - EUR 68m in use, back up with RCF
- Credit ratings constant since 2003
  - S&P BBB/Stable outlook
  - Moody's Baa2/Stable outlook

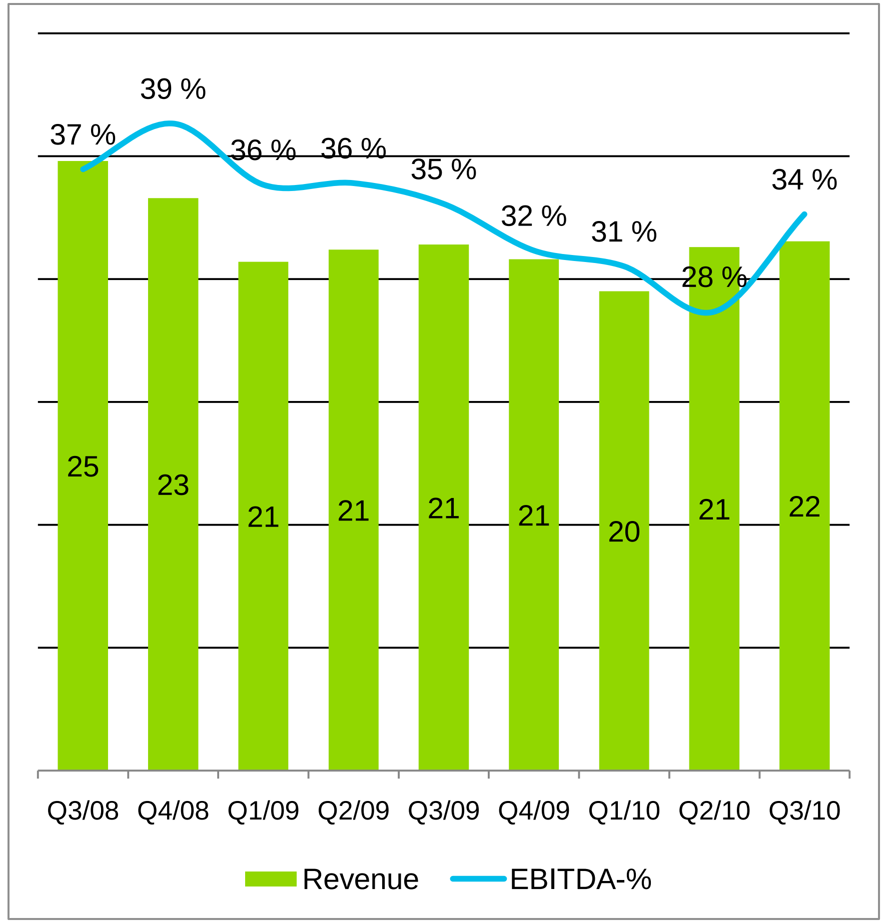
Bond and Bank loan maturities



Estonian growth continued

- Slight increase in revenue
  - Growth in corporate segment
  - Consumer segment flat
- 401,800 mobile subscriptions
  - + 47,500 YoY
  - + 24,000 QoQ

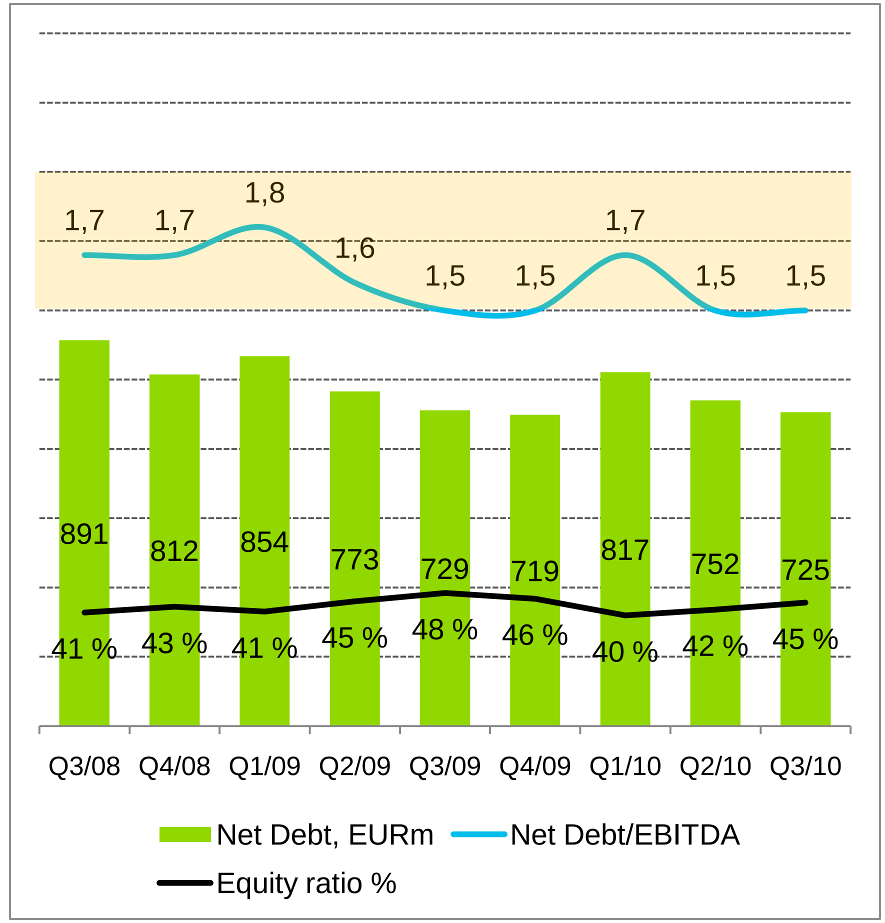
EUR million	Q3/10	Q3/09	2009
Revenue	22	21	84
EBITDA	7	7	29
EBITDA-%	*34*	*35*	*34*
EBIT	5	5	18
EBIT-%	*21*	*22*	*21*
CAPEX	2	1	7



Capital structure in line with targets

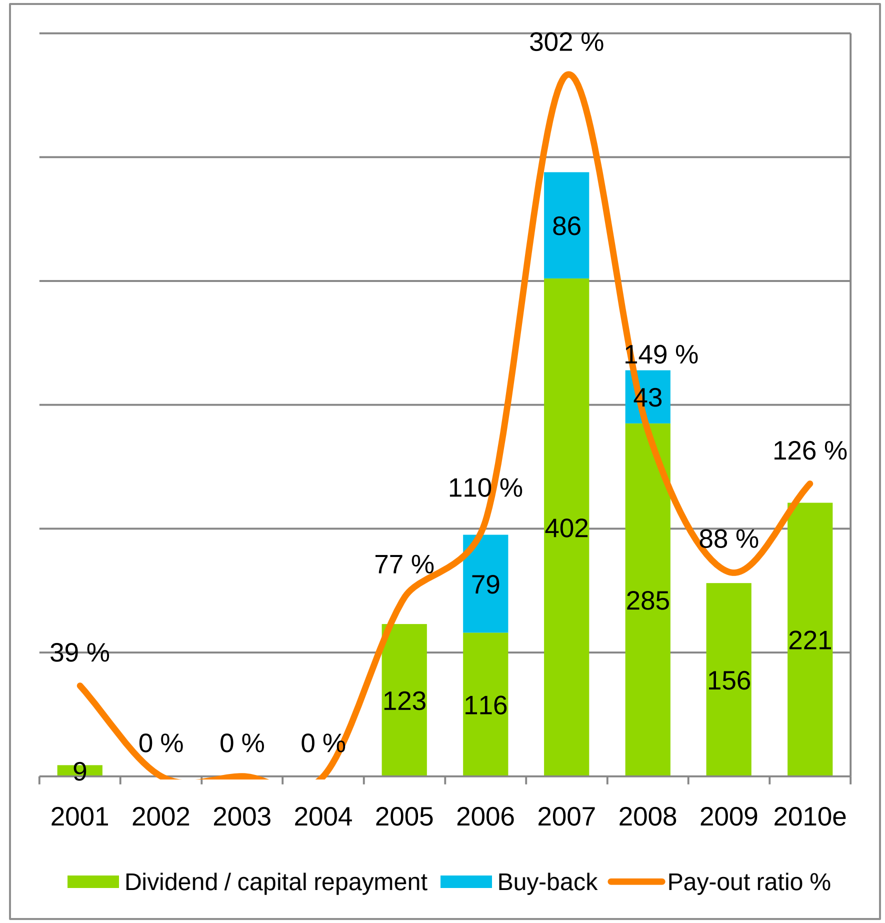
- Capital structure
  - Net debt / EBITDA 1.5
  - Gearing 84%, Equity ratio 45%

- Target setting
  - Net debt / EBITDA 1.5 – 2x
  - Equity ratio >35%



Extraordinary dividend of EUR 0.50

- EUR 0.50 per share
  - Total amount EUR 77.9m
  - Ex-date 25 October 2010
  - Payment 3 November 2010
- Based on the AGM EUR 100m authorisation
- After the payment
  - Dividend yield 9% *
  - Pro Forma Q3/10 net debt/EBITDA 1.7



* Total profit distribution /share price as 30.12.2009 (€ 15.96)

elisa

Q3

22 October

2010 Third Quarter Results

APPENDIX SLIDE

Consolidated cash flow statement

EUR million	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Cash flow from operating activities									
Profit before tax	68	53	10	56	70	56	53	70	67
Adjustments to profit before tax	60	67	106	64	60	60	61	57	59
Change in working capital	-27	20	-4	26	-23	30	4	33	-2
Cash flow from operating activities	101	140	112	146	107	146	119	159	124
Received dividends and interests and interest paid	-11	0	-15	-1	-12	-2	-15	-4	-15
Taxes paid	-16	-19	-13	-11	-11	-18	-17	-11	-15
Net cash flow from operating activities	74	121	84	134	84	127	87	145	93
Cash flow in investments									
Capital expenditure	-42	-46	-38	-61	-40	-36	-34	-60	-42
Investments in shares and other investments	-4	-5	-1		0	-2	-7	-1	-1
Proceeds from asset disposal	0	1		0	0	1	0	0	0
Net cash used in investment	-45	-51	-39	-61	-41	-37	-41	-61	-42
Cash flow after investments	29	70	45	74	43	89	46	84	51
Cash flow in financing									
Share Buy Backs and sales (net)								0	-43
Change in interest-bearing receivables									
Change in long-term debt		-30	25			-36		0	
Change in short-term debt	-42	-33	69	13	-62	-47	40	-70	-1
Repayment of financing leases	-1	-1	-1	-1	-1	-1	-1	-1	-1
Dividends paid		-1	-143	-63	0	-8	-86	-1	0
Cash flow in financing	-43	-65	-50	-51	-64	-92	-47	-72	-45
Change in cash and cash equivalents	**-15**	**5**	**-5**	**23**	**-20**	**-2**	**-2**	**12**	**6**

APPENDIX SLIDE

Financial situation

EUR Million	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Sep 2009	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008
Interest-bearing debt									
Bonds and notes	598	598	597	572	572	570	606	606	604
Commercial Papers	68	110	118	74	62	119	101	56	81
Loans from financial institutions	52	52	80	80	80	80	80	80	80
Financial leases	23	24	23	23	24	27	27	27	26
Committed credit lines 1)	0	0	25	0	0	5	70	75	120
Others 2)	0	0	0	0	0	1	1	1	1
Interest-bearing debt, total	742	784	843	750	738	802	885	845	912
Cash and cash equivalents	17	32	26	31	9	29	31	33	21
Interest-bearing receivables	17	32	26	31	9	29	31	33	21
Net debt 3)	725	752	817	719	729	773	854	812	891

1) The committed credit lines are EUR 170 million and EUR 130 million revolving credit facilities with five banks, which Elisa Corporation may use flexibly 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.