



ANNUAL RESULTS
2011
3 FEBRUARY 2012



siinä on ideaa.

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

- 2011 overview
- Q4 2011 financial and operational highlights
- Segment review
- Strategy execution
- Progress of new services and smartphone market
- Outlook for 2012

2011 highlights

- Revenue growth exceeded the industry average
- Good growth in Estonia
- Profitability maintained, EBITDA grew by 4% and EBIT 10%
- 2011 dividend payment € 1.30 per share, yield above 8%
- Elisa Viihde IPTV success continued
- ICT service offering extended, growth continued
- Mobile and fixed broadband subscriptions developed favourably
- Growth of smartphone market as well as mobile data continued
- Dividend proposal: € 1.30 per share
 - Authorisation for 5 million share buy-back

Solid result

	2011	Change in 2011
Revenue	€ 1 530m	+4.6%
EBITDA	€ 506m	+4.4%
Earnings per share *	€ 1.29	+12.2%
CAPEX *	€ 190m	+3.2%
Cash flow *	€ 207m	-2.0%
Net debt	€ 788m	+1.5%

* Excluding one-off items



Use of services increased

	2011	Change in 2011	Change in Q4/2011
Mobile subscriptions	4,157,800	+360,900	+64,100
Fixed broadband subs.	486,400	+19,200	+4,000
Mobile ARPU ¹⁾	€ 19.1	€-2.5	€-0.3 ⁴⁾
Mobile churn ²⁾	13.1%	-3,0%-unit	+0.3%-unit ⁴⁾
Mobile usage, min ³⁾	7,051m	+223m	+36m
SMS, units	2,022m	+165m	+22m

¹⁾ Revenue per subscription ³⁾ Outgoing minutes

²⁾ Annualised

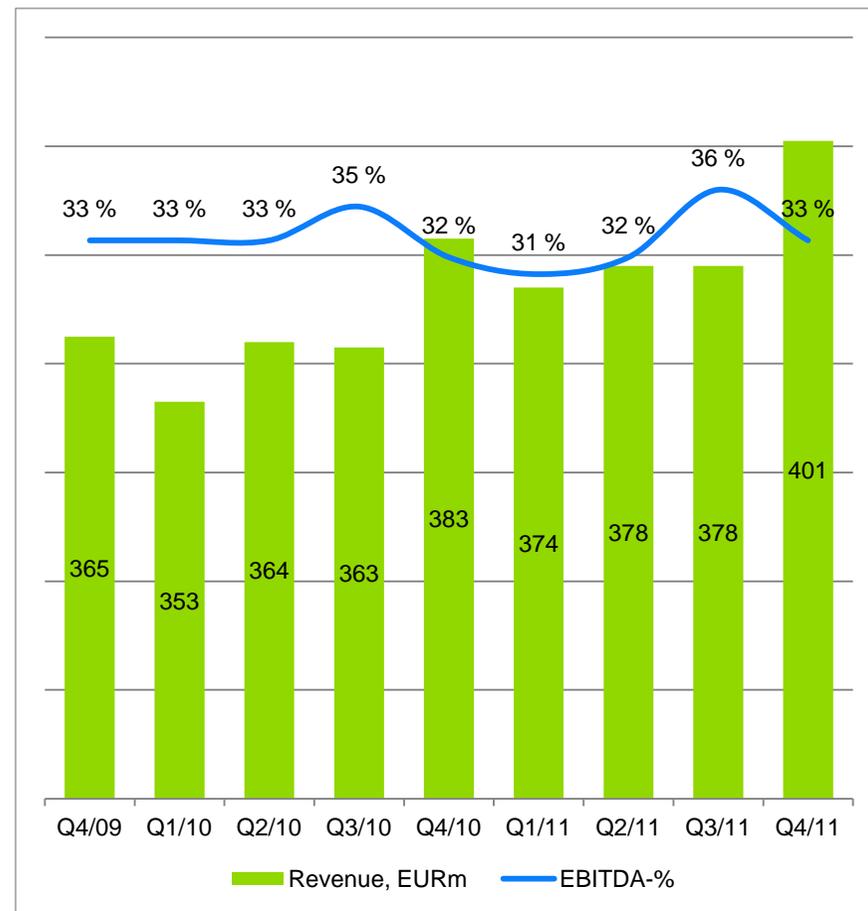
⁴⁾ Q4/11 ARPU € 18.7 and Churn 13.4%

Q4 2011 highlights

- Strong revenue growth
 - Christmas season boosted smartphone market
 - New service businesses developed favourably
- Good profitability level, cost efficiency measures and revenue increase affected EBITDA positively
- Number of mobile and fixed broadband subscriptions continued to grow
- 4G speeds now available via to Elisa's 3G network, Finland's fastest network with the widest coverage

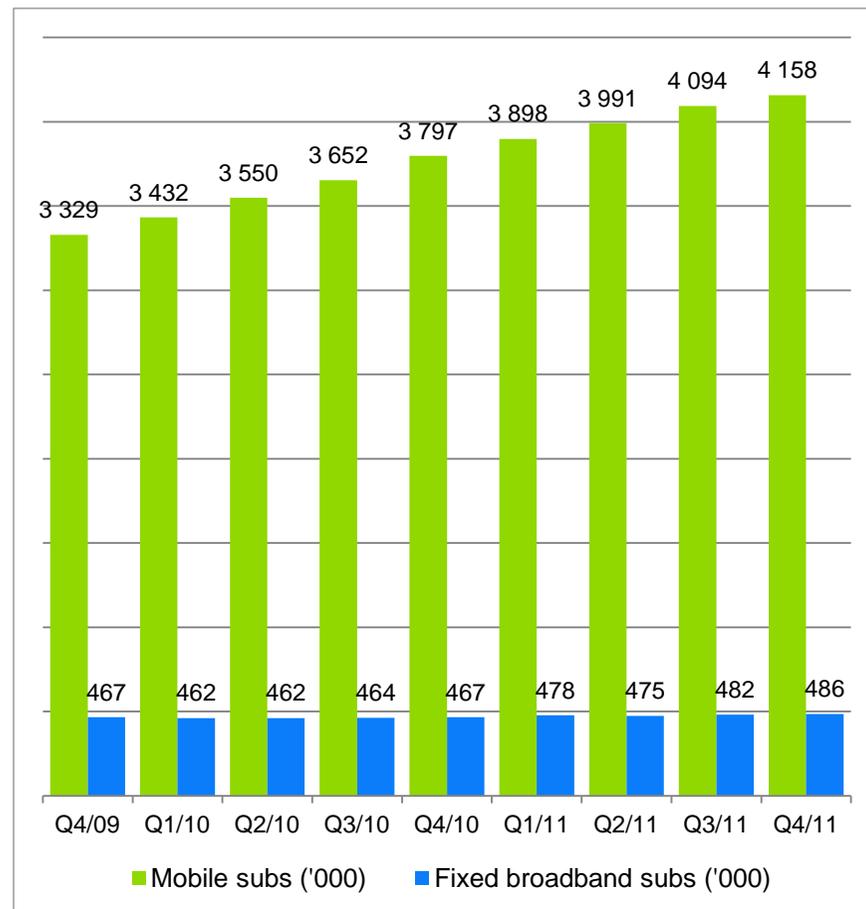
Solid revenue and EBITDA growth

- Revenue €401m (383)
- EBITDA €133m (123)
 - 33% of revenue (32)
- EBIT €79m (69)
- CAPEX €58m (56)
 - 14% of revenue
 - Full year CAPEX according to target, 12% of revenue
- Net debt €788m (776)
 - Cash flow €65m (28)
 - Net debt / EBITDA 1.6 (1.6)



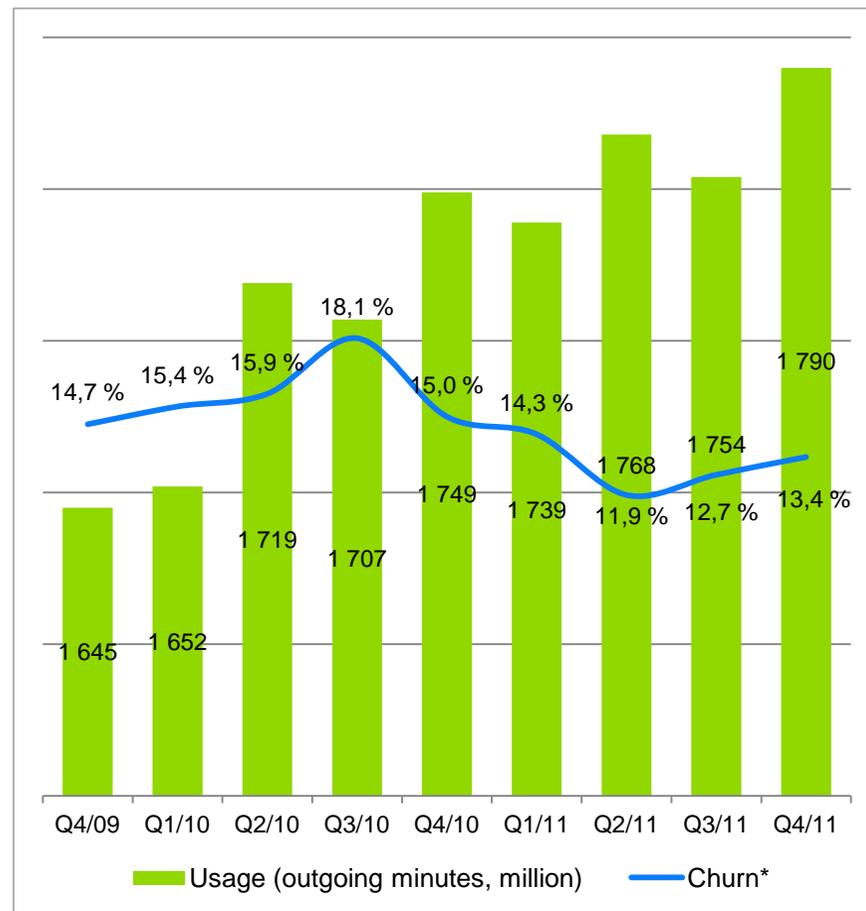
Subscription growth continued

- More than 64,000 new mobile subs
 - Growth in both customer segments
 - Strongest growth again in mobile broadband
 - Estonia +22,600 subscriptions
- Fixed broadband growth continued
 - Net adds 4,000
- Elisa Viihde IPTV customer base continued to grow



Growth in usage, churn at the normal level

- **Good growth in mobile usage**
 - Outgoing minutes +1.79bn, 2% YoY growth
 - 534m SMS, YoY growth 8%
- **Mobile churn 13.4% (15.0)**
 - At the normal level
 - Competition has remained keen



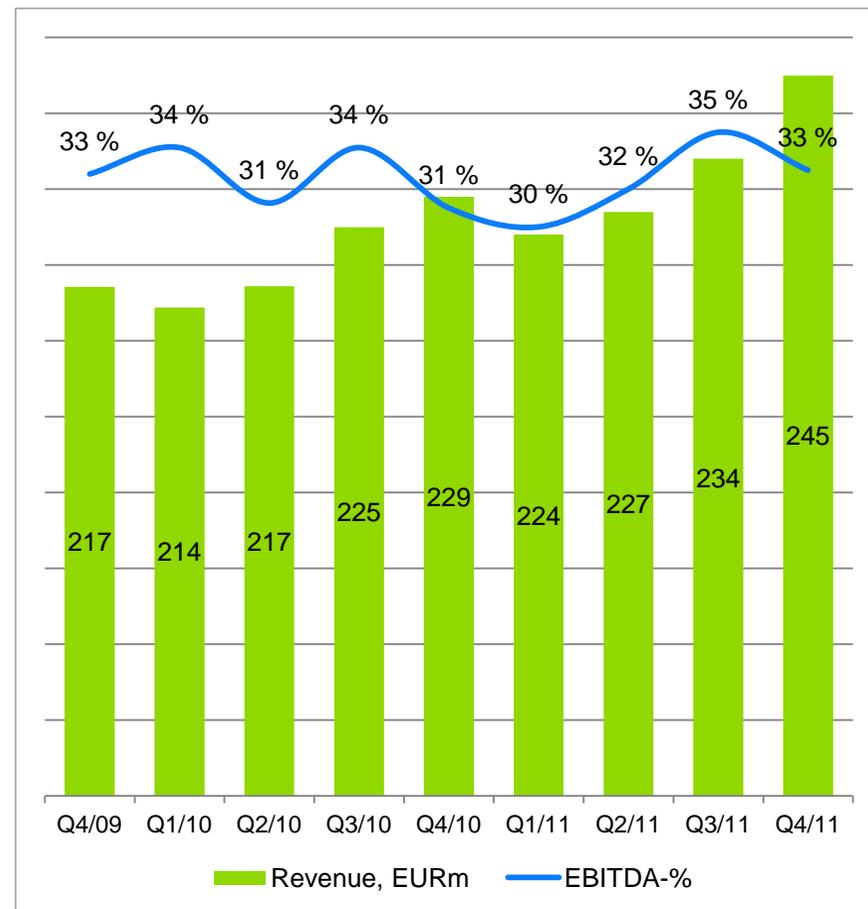
* Annualised



Business Segments

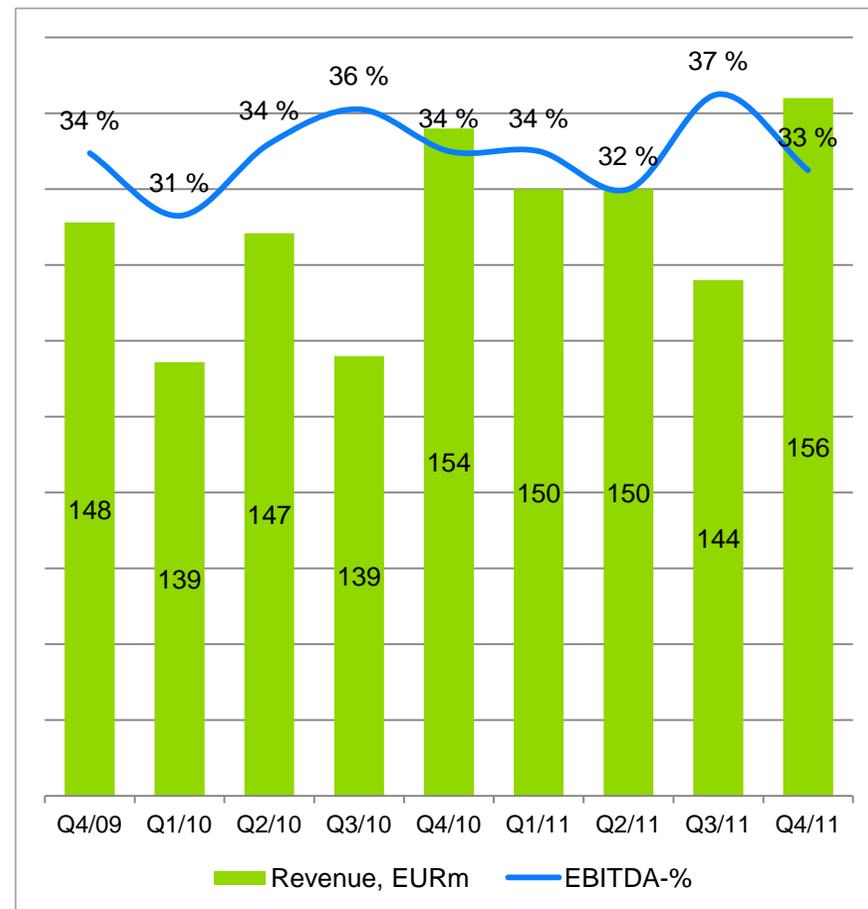
Growth in new services and mobile revenue

- Revenue €245m (229)
 - Growth in mobile usage, smartphone sales and online services
 - Growth in Estonia
 - Decrease in fixed telephony business and mobile interconnection revenue
- EBITDA €81m (71),
 - 33% of revenue (31)
 - Revenue growth
 - Cost efficiency
- CAPEX €37m (31)



ICT service business continued to increase

- Revenue € 156m (154)
 - Growth in ICT services and equipment sales
 - Decrease in fixed network business and mobile interconnection revenue
- EBITDA € 52m (52),
 - 33% of revenue (34)
 - Revenue growth
 - Cost efficiency
- CAPEX € 21m (25)



Strategy execution



New services and
new markets



Strengthening market
position in core markets

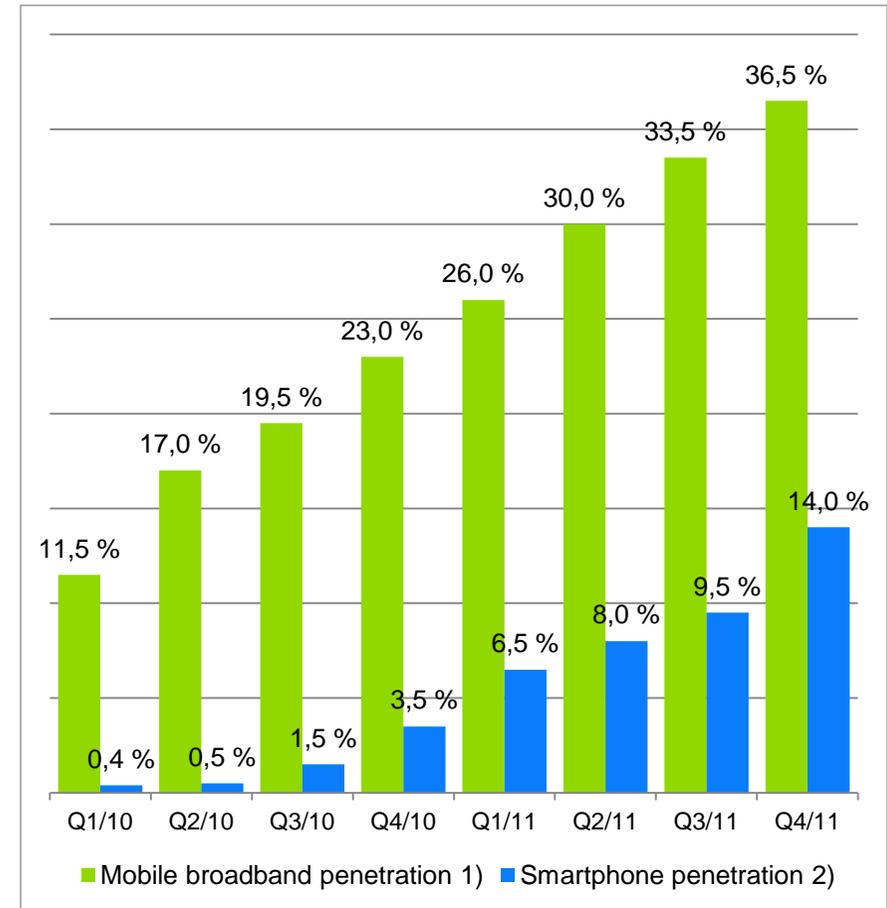


Integration of One Elisa

Christmas season boosted smartphone sales

- Strong growth in mobile broadband continues
- Smartphones top the list of most sold phones in 2011
 1. iPhone 4 / 4S
 2. Nokia C2-01 (feature phone)
 3. ZTE Blade
 4. Samsung Galaxy Gio
 5. Nokia E7-00
- 74 % of all models sold were smartphones in Q4/11
 - In Q3/11 66%, year ago 47%

Penetrations in Elisa's network in Finland



1) Dongles and mobile BB add-on services of the total subscription base

2) iOS (iPhone), Android, Symbian 3^ and Windows phones of the total phone base

Mobile BB now includes all type of mobile BB subs, such as data capped and prepaid subs.



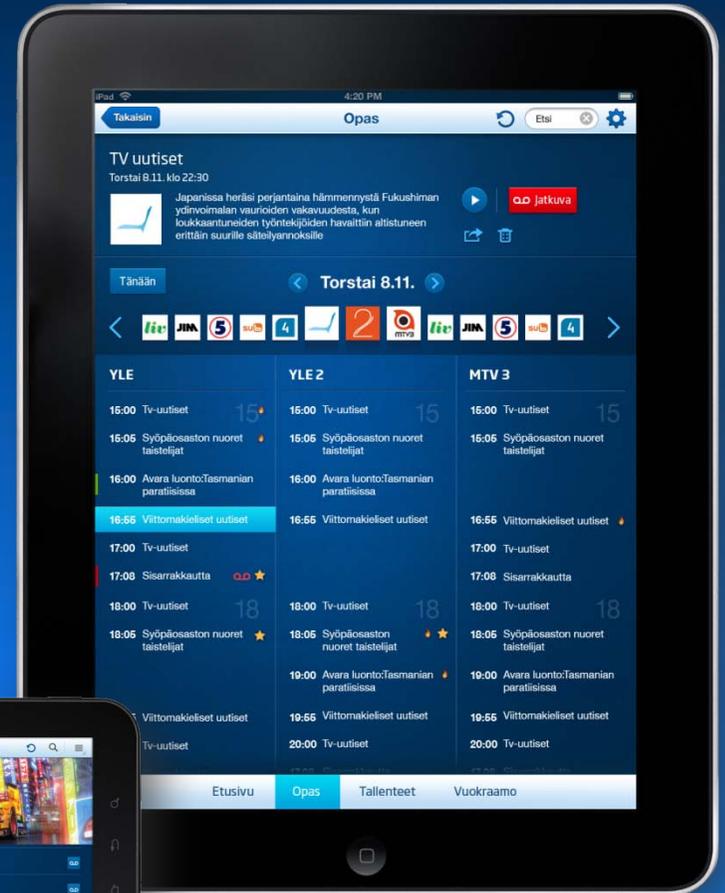
Increasing number of uses for mobile connections

- All portable PlayStation® Vita game consoles are powered by Elisa's mobile broadband network in Finland
- PS Vita 3G/Wi-Fi is the first location independent game console in the world (earlier only Wi-Fi)



New ways to enjoy Elisa Viihde IPTV service

- Applications to Android and iPad tablets first in Finland
- Combination of new age TV service and recordings
 - View recordings with tablet
 - TV program browsing
 - Video store browsing



Personal service for corporate customers

- New eService using web
 - For customers of businesses and public sector organisations
- Customer service with video connection creates competitive advantage
 - Customer examples: travel agencies, bank and insurance companies and public sector organisations



4G speed available via 3G network

- 3G: Finland's fastest network with the widest coverage now provides 4G speed
- Over 100 locations by the end of 2011
- 4G takes wireless to a new level
 - facilitates e.g. surfing and gaming
 - mobile video conferencing

A large, 3D, blue graphic of the text '4G'. The characters are thick and blocky, with a slight gradient from light blue on top to a darker blue on the bottom. The '4' and 'G' are connected at the base. The graphic is set against a white background and casts a soft, light blue shadow on the surface below it.

Outlook for 2012

- Uncertainties in the general economy have also affected Finland. The risk of an even less favourable general economic development creates uncertainty.
- Competition remains challenging
- Revenue at the same level as last year
- EBITDA excluding one-offs at the same level and EBIT will improve from the previous year due to lower depreciation level
- CAPEX maximum 12 per cent of revenue

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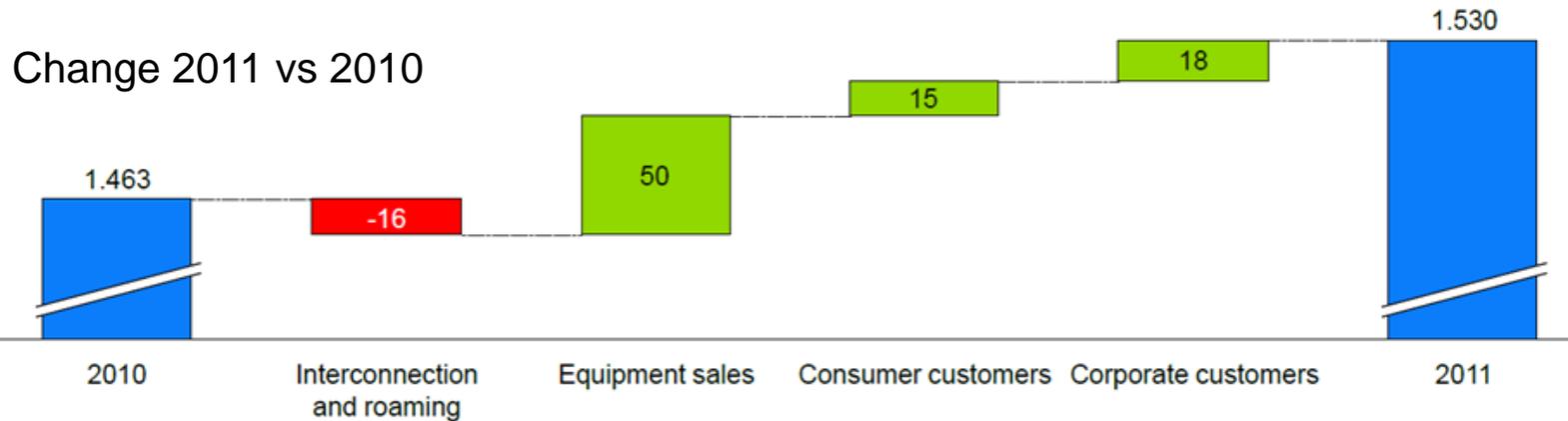
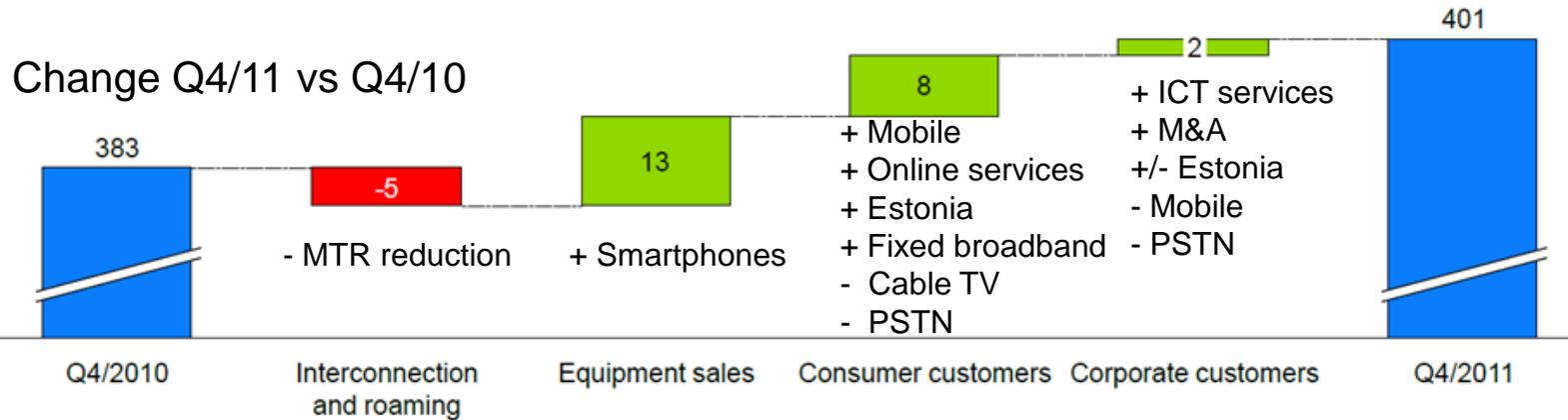
Revenue and EBITDA growth continued in Q4

EUR million	Q4/11	Q4/10	Δ	Δ%	2011	2010	Δ	Δ%
Revenue	401	383	18	4.7%	1 530	1 463	67	4.6%
Other operating income	2	2			6	5		
Operating expenses	-270	-262			-1 030	-984		
EBITDA 1)	133	123	9	7.6%	506	485	22	4.4%
<i>EBITDA-%</i>	33%	32%			33%	33%		
Depreciation and amortisation	-54	-55			-211	-217		
EBIT	79	69	10	14.9%	295	268	27	10.0%
<i>EBIT-%</i>	20%	18%			19%	18%		
Profit before tax	72	66	6	8.6%	265	197	68	34.6%
Excl. non-recurring item ²⁾	72	61			265	237		
Income taxes	-15	-15			-64	-47		
Profit for the period	57	52			201	151		
Excl. non-recurring item ²⁾	57	48	9	18.8%	201	180	21	11.9%
EPS, EUR/share	0.36	0.33			1.29	0.96		
Excl. non-recurring item ²⁾	0.36	0.31	0.05	16.1%	1.29	1.15	0.14	12.2%

1) FY 2011 EBITDA without non-recurring items EUR 507m

2) Non-recurring item: CDO guarantee settlement 2010

Revenue growth clearly above industry average



Q1-Q3/2011 YoY industry average revenue decline >3%

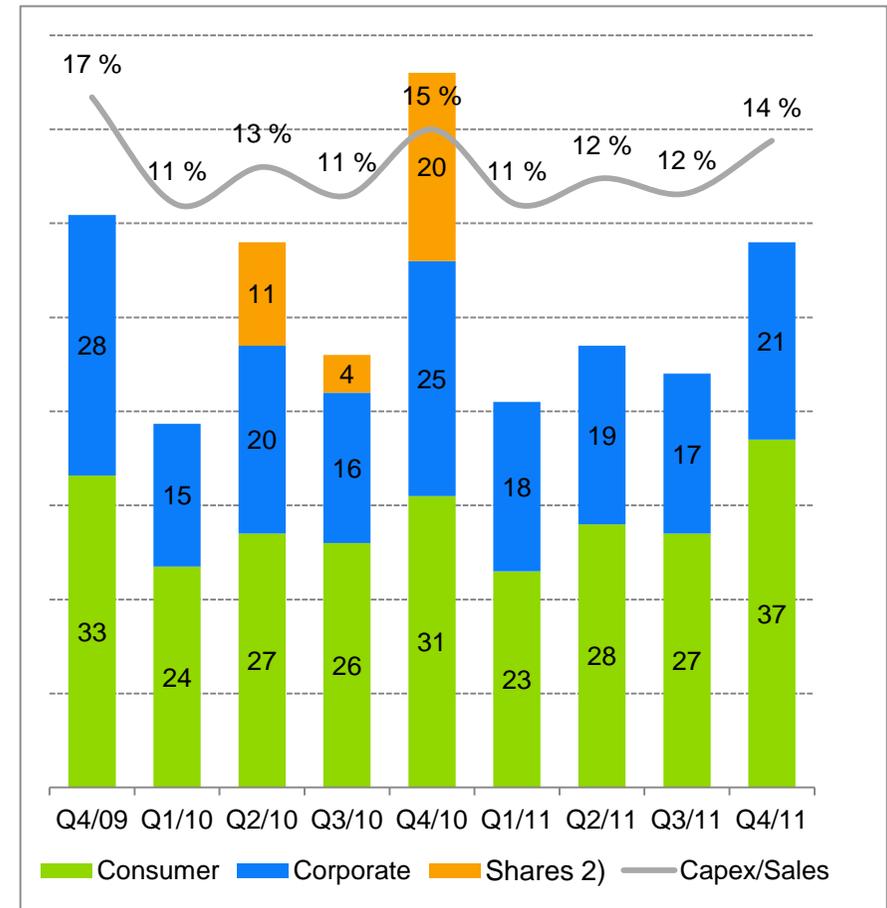
Improved profitability through OPEX control

- **OPEX decreased in Q4**
 - Interconnection and roaming
 - Productivity improvements, e.g.
 - IT, General and admin. expense
 - Sales costs
- **OPEX increased in Q4**
 - Cost of equipment sales
 - Appelsiini acquisition Dec 2010
 - Personnel expenses
 - Collective labor agreement salary increases ca. 3%
- **Depreciation at lower level in 2012**
 - Billing & CRM system fully depreciated

EURm	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Materials and services	163	158	159	156	170
Employee benefit expenses	55	58	57	49	59
Other operating expenses	44	41	43	38	41
Total expenses	262	257	259	243	270
Depreciation	55	52	53	53	54

CAPEX/Sales in line with guidance

- CAPEX in Q4 EUR 58m (56)
 - CAPEX/Sales 14% (15%)
- CAPEX in 2011 EUR 190m (184) ¹⁾
 - CAPEX/Sales 12% (12%)
- Q4/11 by segments
 - Consumer EUR 37m (31)
 - Corporate EUR 21m (25)
- Major CAPEX areas
 - 3G coverage and upgrade
 - Fixed access and backbone networks
 - IT systems
 - Customer equipment



1) Excluding EUR 7m data center infrastructure lease Q2/11

2) Including acquisitions of business assets

Solid cash flow continued

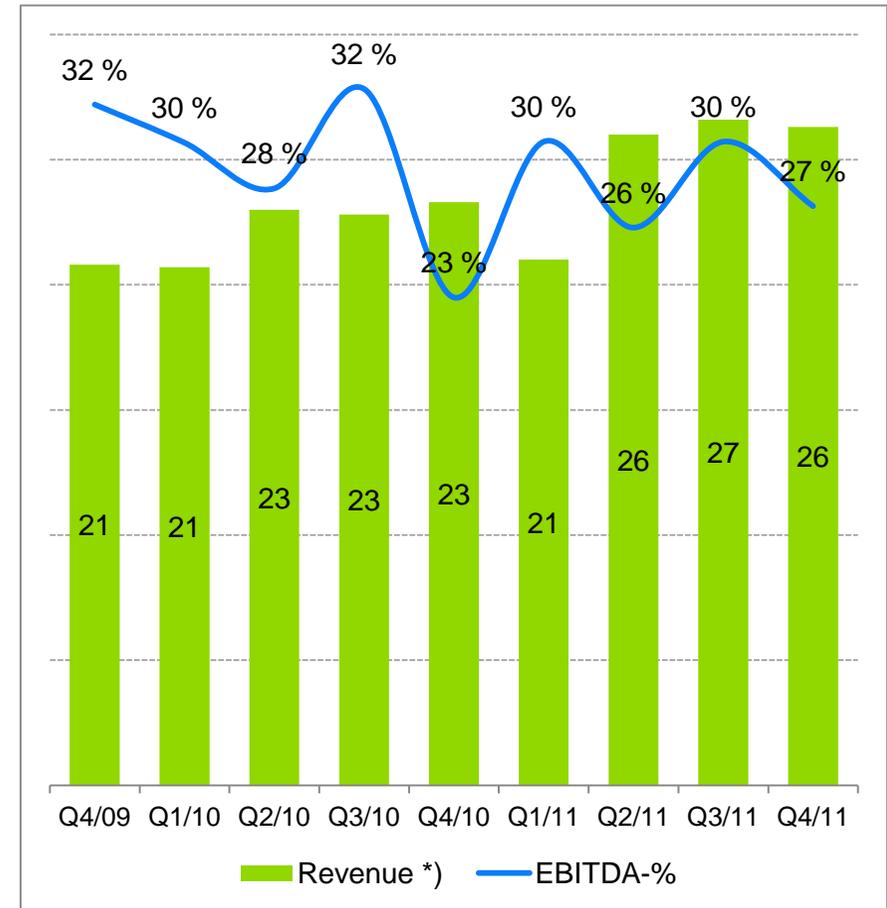
EUR million	Q4/11	Q4/10	Δ	2011	2010	Δ
EBITDA	133	123	9	506	485	22
Change in receivables	-10	-2	-8	-19	2	-21
Change in inventories	5	-3	8	-2	-6	5
Change in payables	10	23	-13	-11	11	-22
Change in NWC	4	18	-13	-31	7	-38
Finance income and expenses	-1	-1		-31	-28	-3
CDO Guarantee settlement ¹⁾		-40	40		-40	40
Financials (net)	-1	-41	40	-31	-68	37
Taxes for the year	-15	-6	-8	-53	-47	-6
Taxes for the previous year	2		2	2	-6	8
Taxes	-13	-6	-6	-51	-53	3
CAPEX	-58	-55	-3	-188	-182	-7
Investments in shares	0	-10	10	-5	-19	14
Sale of assets and adjustments	1	-1	2	8	2	6
Cash flow after investments	65	28	37	207	172	35
Cash Flow after investments excl. non-recurring items	65	68	-3	207	212	-5

¹⁾ Non-recurring item

Strong revenue growth in Estonia

- Revenue grew in Q4 by 13%
 - Strong growth in mobile subs continued
 - + 61,000 YoY, + 22,600 QoQ
 - Mobile broadband growing
- EBITDA increased in Q4 by 34%
- CAPEX EUR 5m in Q4
 - 3G Coverage

EUR million	Q4/11	Q4/10	2011	2010
Revenue	26	23	100	90
EBITDA w/o one-offs	7	5	28	25
<i>EBITDA-% w/o one-offs</i>	<i>27</i>	<i>23</i>	<i>28</i>	<i>28</i>
EBIT w/o one-offs	4	2	17	14
<i>EBIT-% w/o one-offs</i>	<i>16</i>	<i>10</i>	<i>17</i>	<i>16</i>
CAPEX	5	5	11	12



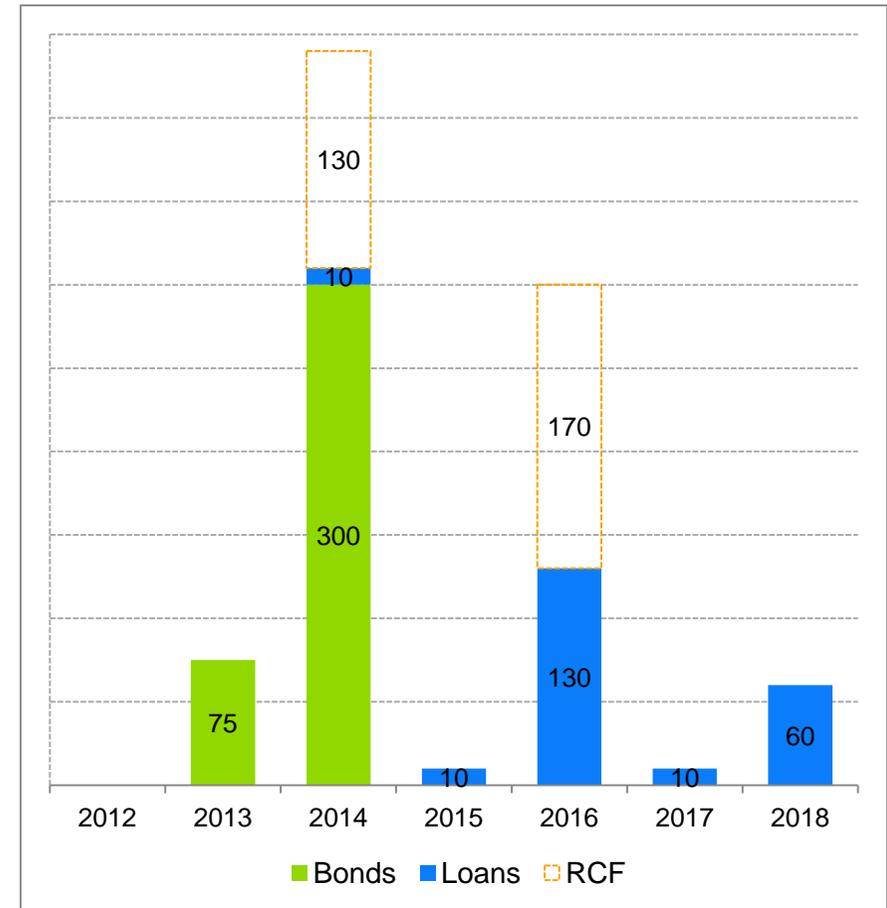
*2009 excluding internal group items, restated 2010 onwards: subsidiary Elisa Eesti AS including group items



Liquidity position is good

- Cash and undrawn committed facilities EUR 334m (300m)
- Revolving Credit Facilities (RCF)
 - EUR 170m maturing Jun 2016
 - EUR 130m maturing Nov 2014
 - EUR 25m drawn Q4/11
- Commercial Paper Program
 - EUR 189m in use in Q4/11
- New EUR 50m bank loan in Q4
 - 7 year bullet
- Average interest on outstanding debt has declined in 2011
- Credit ratings constant since 2003
 - S&P BBB/Stable outlook
 - Moody's Baa2/Stable outlook

Bond and Bank loan maturities



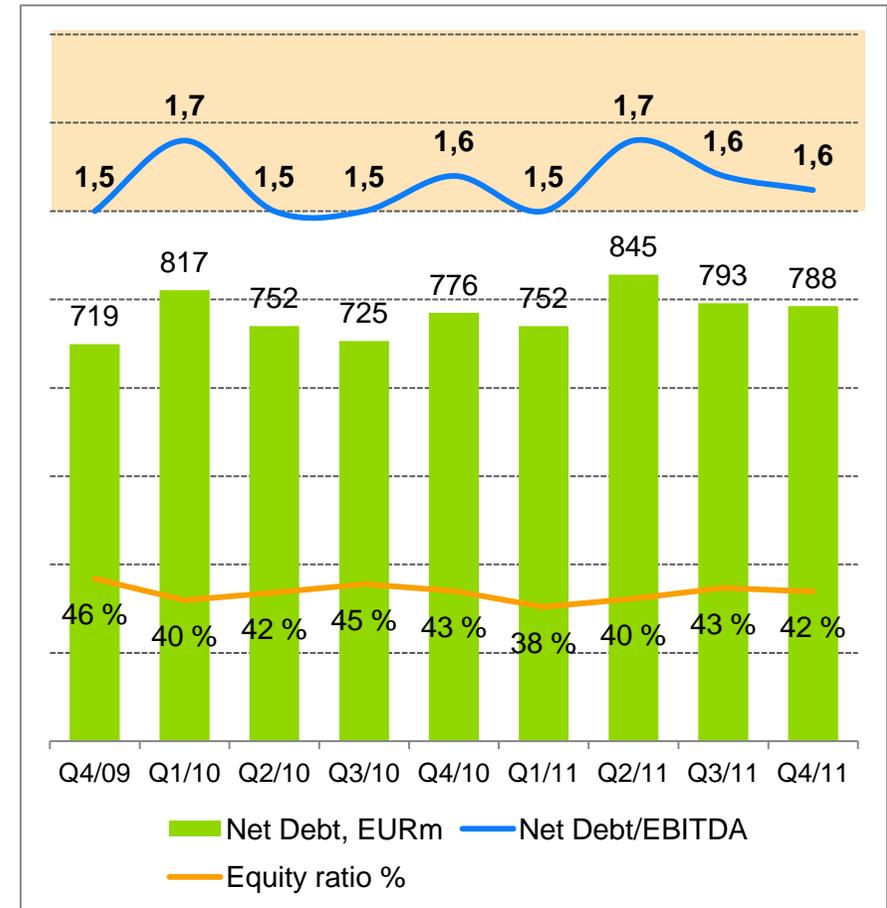
Capital structure in line with targets

- Capital structure

- Net debt / EBITDA 1.6
- Gearing 94%, Equity ratio 42%

- Target setting

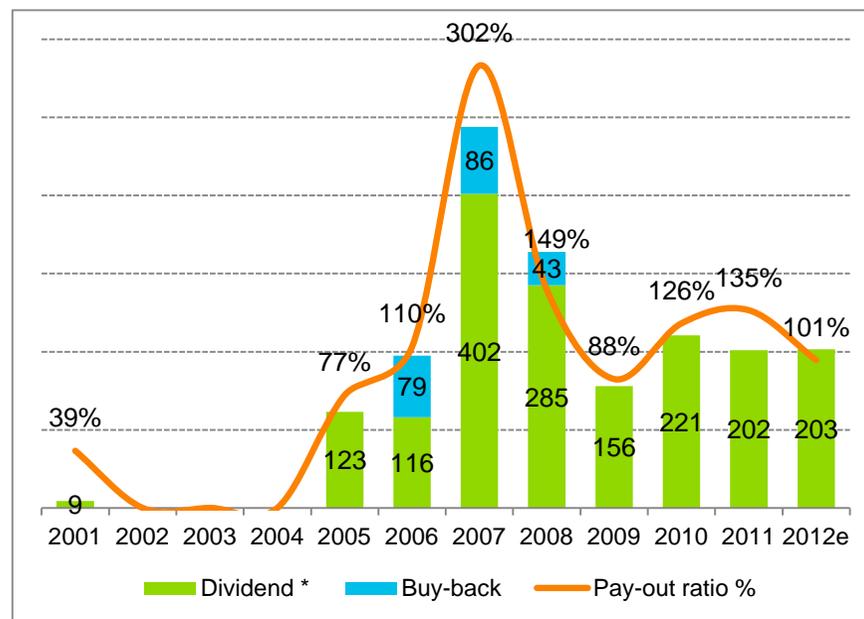
- Net debt / EBITDA 1.5 – 2x
- Equity ratio >35%



Competitive remuneration to shareholders continues

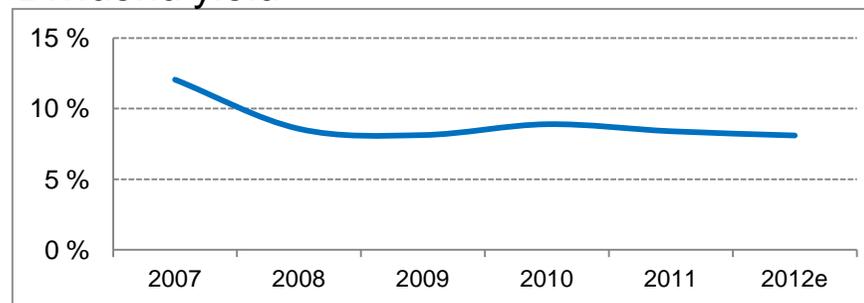
- **EUR € 1.30 per share**
 - Total amount €203m
 - Pro Forma Net Debt/EBITDA after payment 2.0
 - Payment date 18.4.2012
 - Record date 11.4.2012
- **Dividend yield 8.1% ¹⁾**
 - Payout ratio 101%
- **Strong commitment to competitive shareholder remuneration**
 - Dividend yield 8-12% during last 6 years

¹⁾ as per share price of 30.12.2011 (€16.13)



* Includes capital repayment.

Dividend yield





ANNUAL RESULTS

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Consolidated Cash flow statement

EUR million	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Cash flow from operating activities									
Profit before tax	72	74	61	58	66	68	53	10	56
Adjustments to profit before tax	58	61	61	59	56	60	67	106	64
Change in working capital	4	-10	-11	-13	18	-27	20	-4	26
Cash flow from operating activities	134	125	111	103	140	101	140	112	146
Received dividends and interests and interest paid 1)	-1	-12	-1	-17	-41	-11	0	-15	-1
Taxes paid	-13	-13	-11	-15	-6	-16	-19	-13	-11
Net cash flow from operating activities	120	100	99	71	92	74	121	84	134
Cash flow in investments									
Capital expenditure	-58	-45	-45	-41	-55	-42	-46	-38	-61
Investments in shares and other investments	0	0	0	-5	-10	-4	-5	-1	
Proceeds from asset disposal	3	0	5	2	1	0	1		0
Net cash used in investment	-55	-44	-40	-44	-64	-45	-51	-39	-61
Cash flow after investments	65	56	59	27	28	29	70	45	74
Cash flow in financing									
Share Buy Backs and sales (net)									
Change in interest-bearing receivables									
Change in long-term debt	50	-106	0	0	0		-30	25	
Change in short-term debt	-15	30	80	-14	65	-42	-33	69	13
Repayment of financing leases	-1	-1	-2	-1	-1	-1	-1	-1	-1
Increase in reserve for invested non-restricted equity	3								
Dividends paid	-62	-1	-140	0	-78		-1	-143	-63
Cash flow in financing	-25	-78	-62	-15	-13	-43	-65	-50	-51
Change in cash and cash equivalents	40	-22	-2	12	15	-15	5	-5	22

Financial situation

EUR Million	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10	30 Sep 10	30 Jun 10	31 Mar 10	31 Dec 09
Interest-bearing debt									
Bonds and notes	375	375	600	600	599	598	598	597	572
Commercial Papers	189	160	160	120	102	68	110	118	74
Loans from financial institutions	222	171	51	52	52	52	52	80	80
Financial leases	36	36	35	24	23	23	24	23	23
Committed credit lines 1)	25	70	40	0	32	0	0	25	0
Others 2)	0	0	0	0	0	0	0	0	0
Interest-bearing debt, total	847	812	887	795	808	742	784	843	750
Security deposits									
Securities									
Cash and cash equivalents	59	19	42	44	32	17	32	26	31
Interest-bearing receivables	59	19	42	44	32	17	32	26	31
Net debt 3)	788	793	845	752	776	725	752	817	719

1) The committed credit lines are EUR 130 million and EUR 170 million revolving credit facilities with five banks, which Elisa Corporation may use flexibly on agreed pricing. The loan arrangements are valid until 23 November 2014 and 3 June 2016.

2) Redemption liability for minorities

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