

Elisa Communications Roadshow

March 2001





Elisa Communications Today

Comprehensive Telecom services in

- Fixed line
- Data
- Mobile

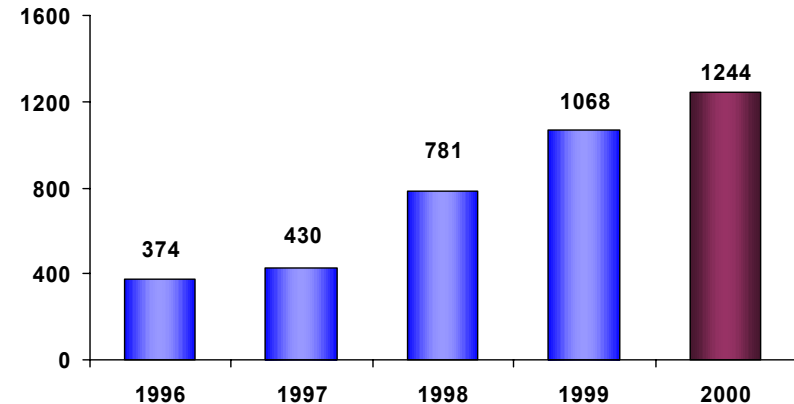
Listed on the Helsinki Stock Exchange

- Market cap. EUR 2.2bn
- 100% free float

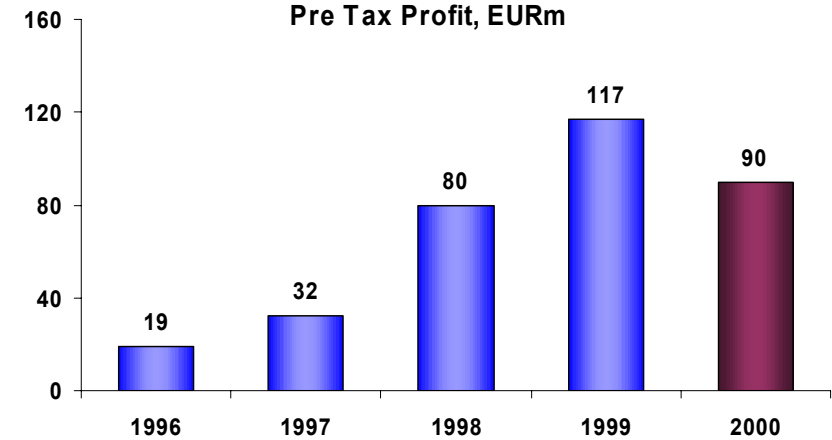
Operations in

- Finland
- Baltic Countries
- Germany
- Globally (Comptel Plc)

Revenue, EURm



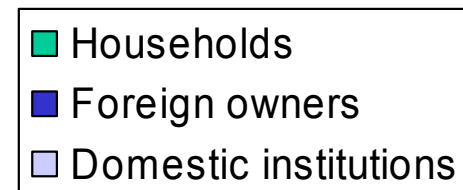
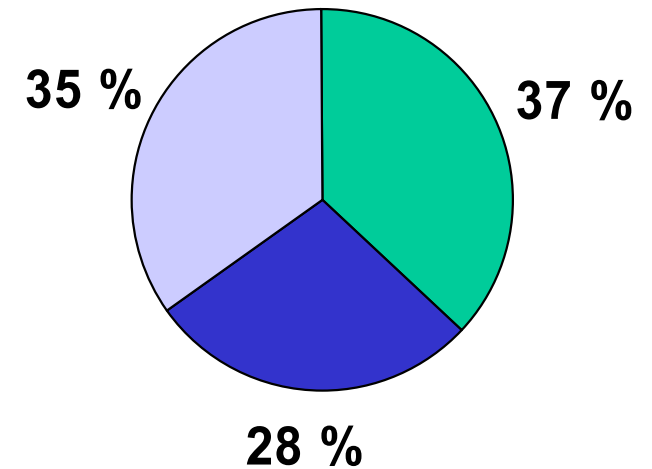
Pre Tax Profit, EURm



Ownership structure in Elisa

as February 13, 2001

1. Varma-Sampo	1,97%
2. Tampereen Puhelin Oyj	1,75%
3. Ilmarinen Mutual Pension Insurance Company	1,63%
4. Industrial Insurance Company Ltd	1,59%
5. Sampo Life Insurance Company Ltd	1,24%
6. Local Government Pensions Institution	0,96%
7. City of Helsinki	0,90%
8. State Treasury	0,78%
9. Sampo-Leonia Insurance Company Plc	0,69%
10. Kesko Pension Fund	0,65%





Growth Continued in 2000

Key figures of Elisa Communications Group in 2000

- Revenue EUR 1,244 million (EUR 1,068 million)
- EBITDA EUR 360 million (EUR 405 million)
- EBIT EUR 149 million (EUR 217 million)
- Pre tax profit EUR 94 million (EUR 210 million)

Key figures excluding one-time items

- EBITDA EUR 305 million (EUR 256 million)
- EBIT EUR 119 million (EUR 124 million)
- Pre tax profit EUR 90 million (EUR 117 million)



A Year of Changes Consistent with the Strategy

- Helsinki Telephone Corporation (HTC) merged with HPY Holding Corporation. The name of the new company is Elisa Communications Corporation
- The group acquired the entire share capital of Datatie Ltd.
- The Group's total interest in Radiolinja increased to over 90%. The group started a redemption procedure of the remaining Radiolinja shares consistent with the Companies Act
- The group acquired the entire share capital of its subsidiary FINNETCom
- Elisa's share in KSP Group Plc and Joensuun Puhelin increased to over 20%
- Elisa outsourced some its group services, e.g. logistics and real estate services
- Elisa announced its resignation from the Finnet Association as of the beginning of the year 2001
- Elisa decided to incorporate its Directory Media and Kolumbus businesses
- Elisa's Extraordinary General Meeting decided to offer a bond loan with warrants to the personnel of Elisa Communications Group
- Elisa was granted ratings from S&P (A-) and Moody's (A3)



Group's Income Statement

EURm	Elisa Communications Group			
	1-12/00	1-12 / 00 adj.*	1-12 / 99**	Change **
Revenue	1 244	1 244	1 068	16 %
EBITDA	360	305	256	19 %
<i>EBITDA margin</i>	29 %	25 %	24 %	
Depreciation	167	150	119	
Goodwill depreciation	44	36	13	
EBIT	149	119	124	-4 %
<i>EBIT margin</i>	12 %	10 %	12 %	
Pre Tax Profit	94	90	117	-23 %
Net Profit **	22	27	59	-54 %
EPS, EUR	0,18	0,22	0,49	-55 %
CEPS, EUR	1,87	1,70	1,59	7 %
Diluted average no. of shares, million	125,9	125,9	120,6	

*Excl. one-time items

** Comparable





Business breakdown

MOBILE

- * Radiolinja
- * Radiolinja Estonia

FIXED NETWORK

- * Elisa Communications Corp., parent company
- * Datatie
- * FinnetCom
- * Direktia
- * Kolumbus

GERMAN BUSINESS

- * Elisa Kommunikation GmbH
- * CLECs
- * Mobile retail (Mäkitorppa)
- * Domestic and international carrier

OTHER OPERATIONS

- * Comptel
- * Mäkitorppa Group
- * Heltel
- * R&D





Advanced Communication Solutions





Outlook for 2001

- The Group's revenue is expected to grow faster than the market in general
- EBITDA is estimated to improve
- The Group's profit without one-time items is forecast to remain at the previous year's level
- The consolidated revenue from the German operations is forecast to increase strongly in 2001. The growth will accelerate towards year-end.
- The loss generated by the German operations will reach its height during the first half of 2001. Losses during the second half are estimated to be lower.
- The EBITDA from the German operations is expected to turn positive during 2002
- The growth of the mobile market will continue to slow down in 2001
- Radiolinja's market position is expected to remain unchanged
- The consolidation in the Finnish telecom sector is estimated to continue in 2001



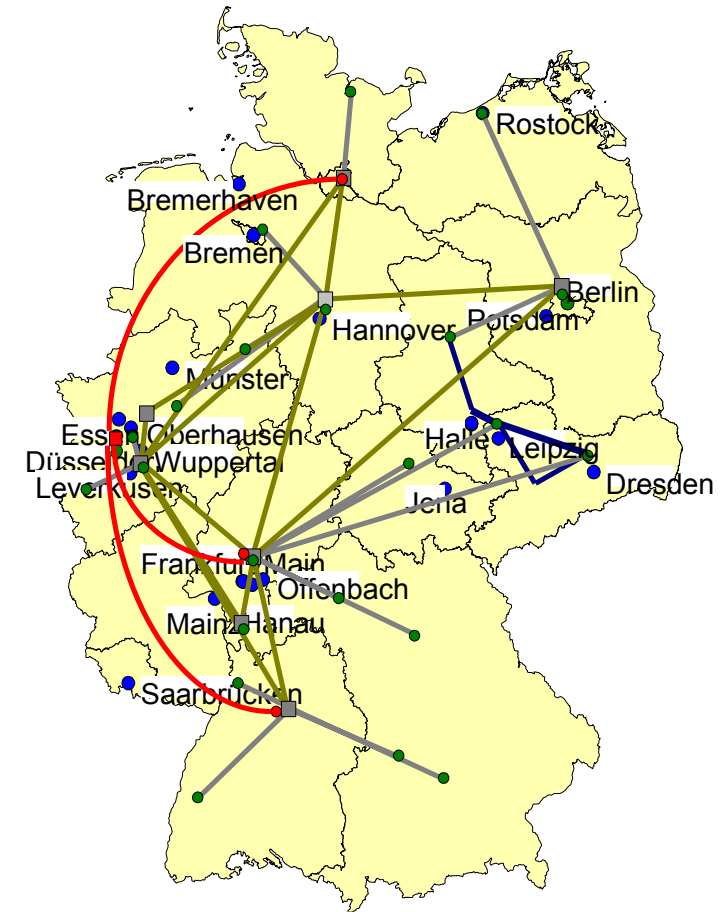
German business

Elisa Kommunikation GmbH

German business - Elisa Kommunikation GmbH



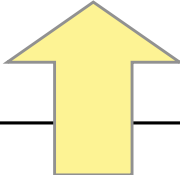
- German operations were focused in Elisa Kommunikation GmbH Group
- Development of business was based on several company acquisitions. In 2000, the company focused on developing the operational environment and increasing ownership in the existing city carriers.
- Elisa Communications Corporation's investments in the German operations amounted to EUR 160 million in 2000
- Mäkitorppa had 42 stores in Germany at year-end. In 2001, the number of stores will be significantly increased
- The aggregate revenue of the subsidiaries and associated companies amounted to EUR 106 million in 2000
- The subsidiaries' revenue was EUR 33 million, of which EUR 17 million was consolidated in Elisa Communications Group's financial statements for the period following the subsidiary acquisition



Elisa's Vision in Germany



Elisa's ambition is to build a leading facilities-based telecommunication carrier in Germany – but with focus on chosen several regions and certain customer segments

		Facility-based	(Switch-based) Reseller
Incumbent		<ul style="list-style-type: none"> • Deutsche Telekom 	
Full-Service Challengers (full product line, national coverage, all customer segments)		<ul style="list-style-type: none"> • Arcor (<i>Vodafone</i>) • Viag Interkom (<i>BT</i>) 	<ul style="list-style-type: none"> • Mobilcom (<i>France Telecom</i>) • Debitel (<i>Swisscom</i>) • Talkline (<i>TDK</i>)
Focussed Challengers	Product or Customer Focus	<div style="border: 1px solid black; background-color: yellow; padding: 2px; display: inline-block;">Elisa 2003</div>  <ul style="list-style-type: none"> • Colt (CLEC) • MCI Worldcom (CLEC) • E-Plus (Mobile) • QSC (xDSL) • Star Twentyone (WLL) 	<ul style="list-style-type: none"> • Drillisch (Mobile)
	Regional Focus	<div style="border: 1px solid black; background-color: yellow; padding: 2px; display: inline-block;">Elisa 2000</div> <ul style="list-style-type: none"> • Versatel (NRW) • NetCologne (NRW) • Berlikomm (B) • Completel (Tier2 cities) 	<ul style="list-style-type: none"> • Regiocom (SA, MCI Worldcom) • R-Com (BAY, Viag) • Ruhrnet (NRW, Versatel)

Consolidation Opportunity of City Carriers (CLECs)

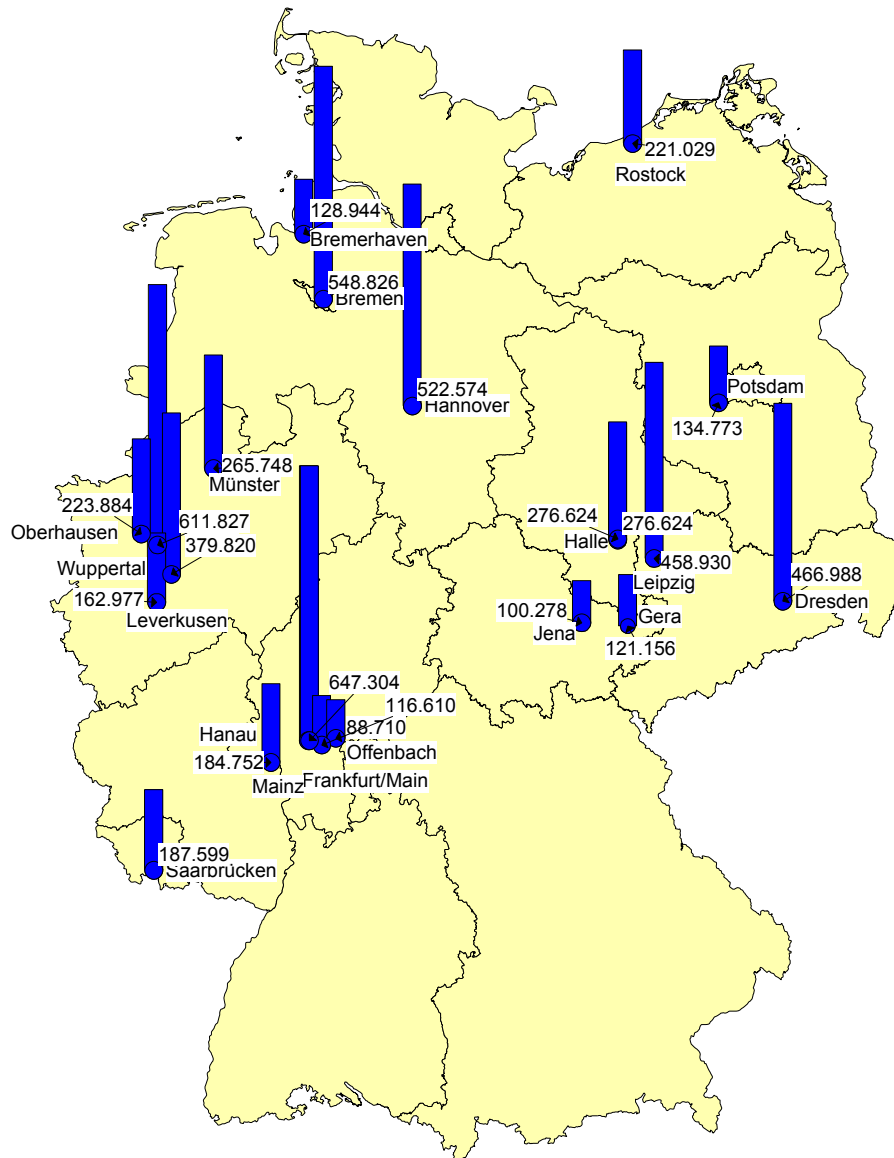
The consolidation opportunity is to integrate city carriers to overcome their scale deficiencies while maintaining their inherent strengths

City Carriers' Advantages/Deficiencies
+ Local market knowledge
+ Strong position in SME and SOHO segments
+ Own MANs and local access infrastructure
- Not enough manpower to enhance customer base and product portfolio
- Limited geographical coverage
- Lack of economies of scale
- Lack of financial resources



Consolidated Company's Advantages
+ Local market knowledge
+ Strong position in SME and SOHO segments
+ Own MANs and local access infrastructure
+ Broader product portfolio
+ Larger customer base
+ Nationwide geographical coverage
+ Economies of scale
+ Financial resources

Elisa City Carrier Access Network Coverage



City Carrier	City	City Inhabitants
nordCom	Bremerhaven	128.944
nordCom	Bremen	548.826
htp	Hannover	522.574
JelloCom	Jena	100.278
enco.tel	Gera	121.156
pulsaar	Saarbrücken	187.599
HLkomm	Halle	276.624
HLkomm	Leipzig	458.930
DDkom	Dresden	466.988
HU-KOM	Hanau	88.710
MAINZ-KOM	Mainz	184.752
3T	Offenbach	116.610
MAINOVA	Frankfurt/Main	647.304
RMN	Frankfurt/Main	s.o.
Hansacom	Rostock	221.029
tnp	Potsdam	134.773
Citykom Münster	Münster	265.748
CNE	Essen	611.827
TeleBel	Wuppertal	379.820
TeleLev	Leverkusen	162.977
Meocom	Oberhausen	223.884
		5.625.469

Source: dds data service 1997

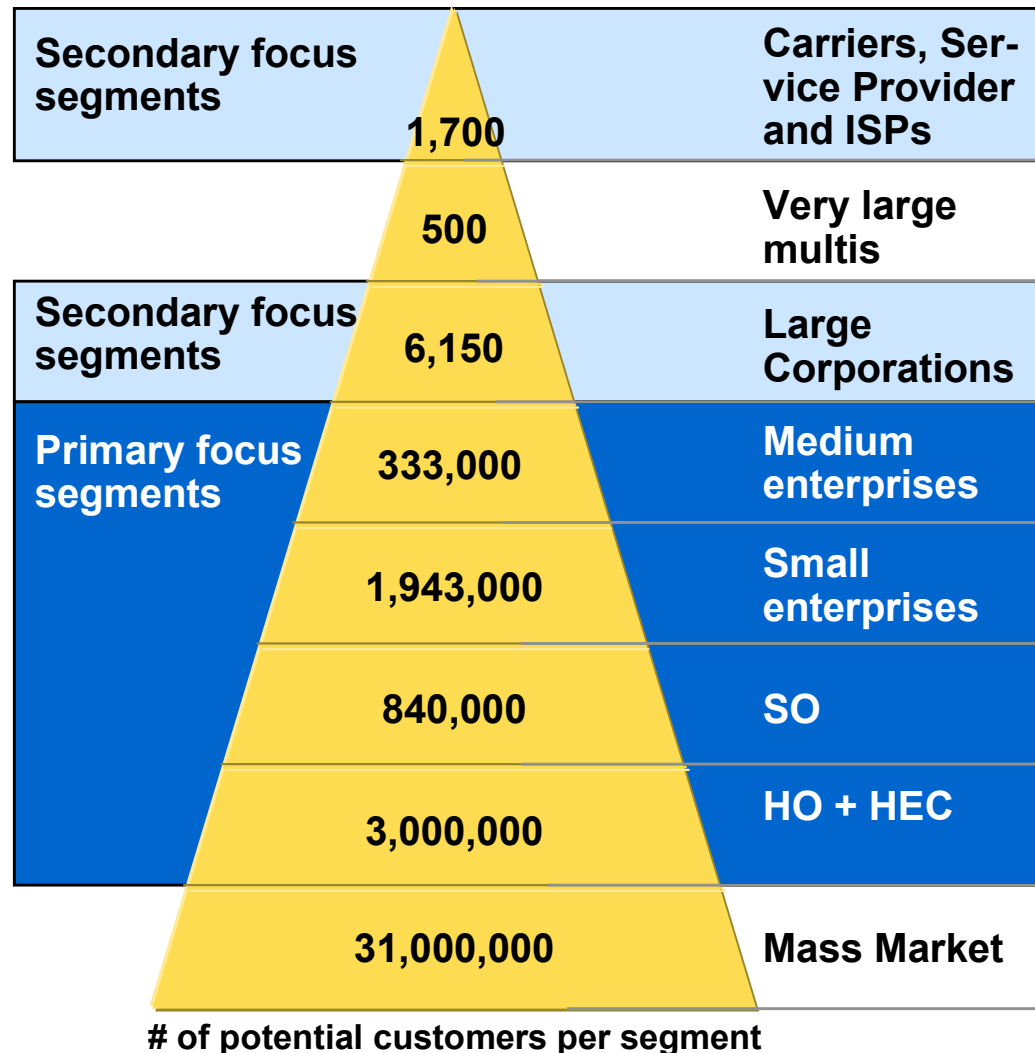
Elisa's local access fibre MANs connect all the MDF's of the incumbent in 25 cities and pass the businesses and residences of an urban population of 5.7 million (larger than all of Finland)

MAN = Metropolitan Area Network
MDF = Main Distribution Frame

Elisa's Target Customer Segments



The primary focus of the Elisa group is on the SME/SOHO, local corporates and municipalities as well as municipal companies



- Carrier-to-carrier services are core business of city carriers because they provide alternative local access
- Some multitis and large corporate customers already belong to the carrier's customer base
- Offering services to secondary focus segments leverages network and products
- High attractiveness because:
 - Less competition
 - Demand for value-adding services
- Elisa is well positioned because:
 - City carriers have strong position in these segments due to local presence
 - Elisa has attractive product portfolio from Finland
 - Elisa provides nationwide services without losing local touch
- Served case-specifically and for contribution only (e.g. Mäkitorppa for mobile products)

Target Market Potential



SME/SOHO customers account for more than half of the total telecom expenditure in Germany

Average Monthly Telecom Expenditure per Business in Germany (in Euro)

Service	Company Size (Number of Employees)		
	Small (1-9)	Medium Low (10-49)	Medium High (50-499)
Fixed voice	245	1,074	3,784
Fixed data	92	343	818
Mobile	102	332	869
Total telecom expenditure	440	1,749	5,471



Total market size per year	14.7 billion Euros	5.6 billion Euros	5.1 billion Euros
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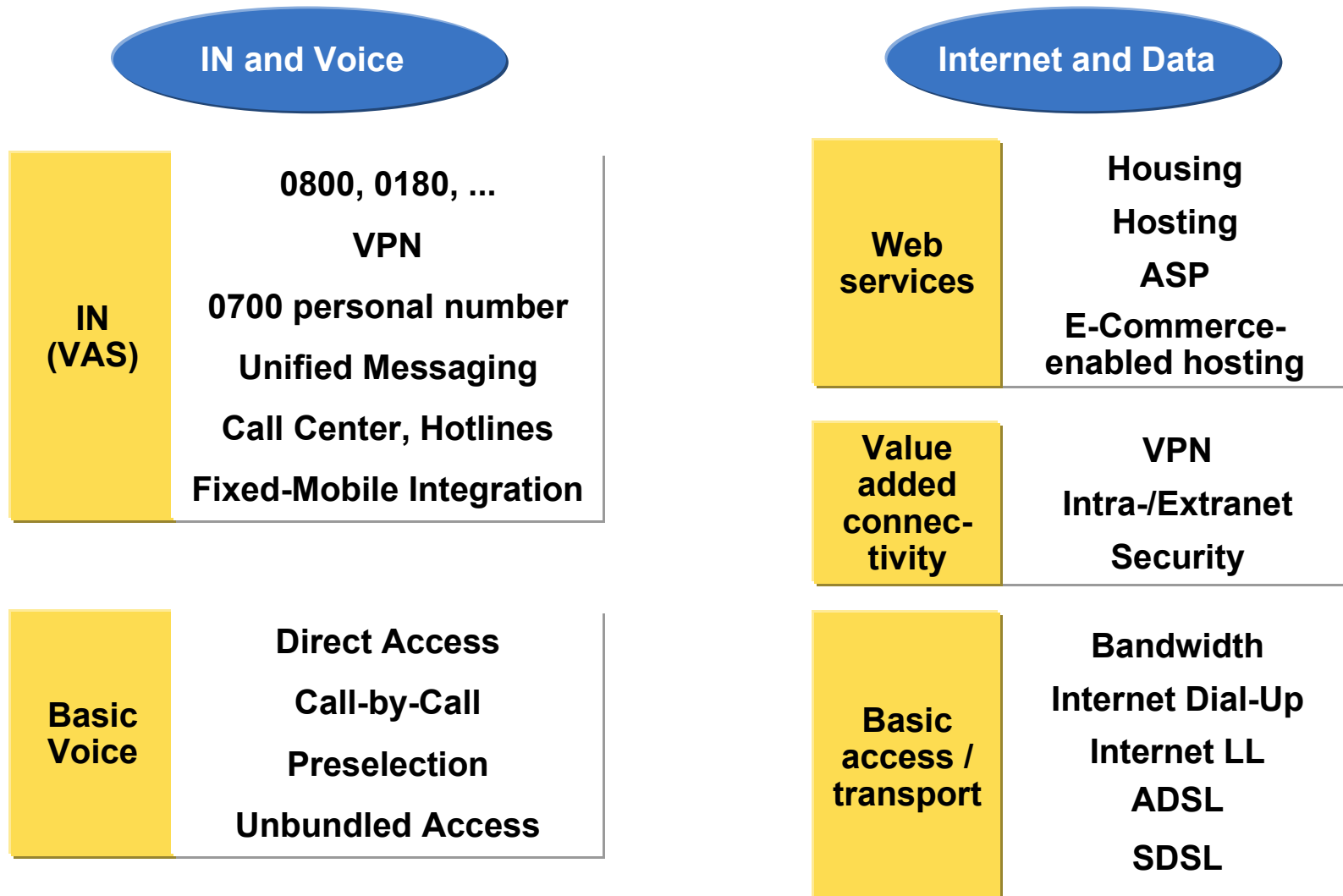


Total telecom market in Germany in 1999 was 47.3 billion Euros, thereof 25.4 bn EUR accountable for SME/SOHO

Products and Services (January 2001)



The nationwide business units provide services supported by the the Finnish parent company to the Elisa carriers, who bundle them to customer-specific solution packages



National Network

Elisa operates a low-cost national backbone network as well as local access MANs in areas covered by its city carriers



National backbone network

- 3,227 km of fibre optic cable
- Bandwidth of 16 * STM-64 nationwide
- Interconnected with 23 carriers
- SDH and DWDM deployed
- Peering agreements with DICIX and Telia

Local access MANs

- 2,664 km of fibre optic cables
- 4,235 km of copper cables
- SDH facilitating bandwidth capacity from 64 kbit/s up to STM-64
- Over 70 IP access routers
- MANs are located in 25 cities, where all the incumbent MDFs on the backbone

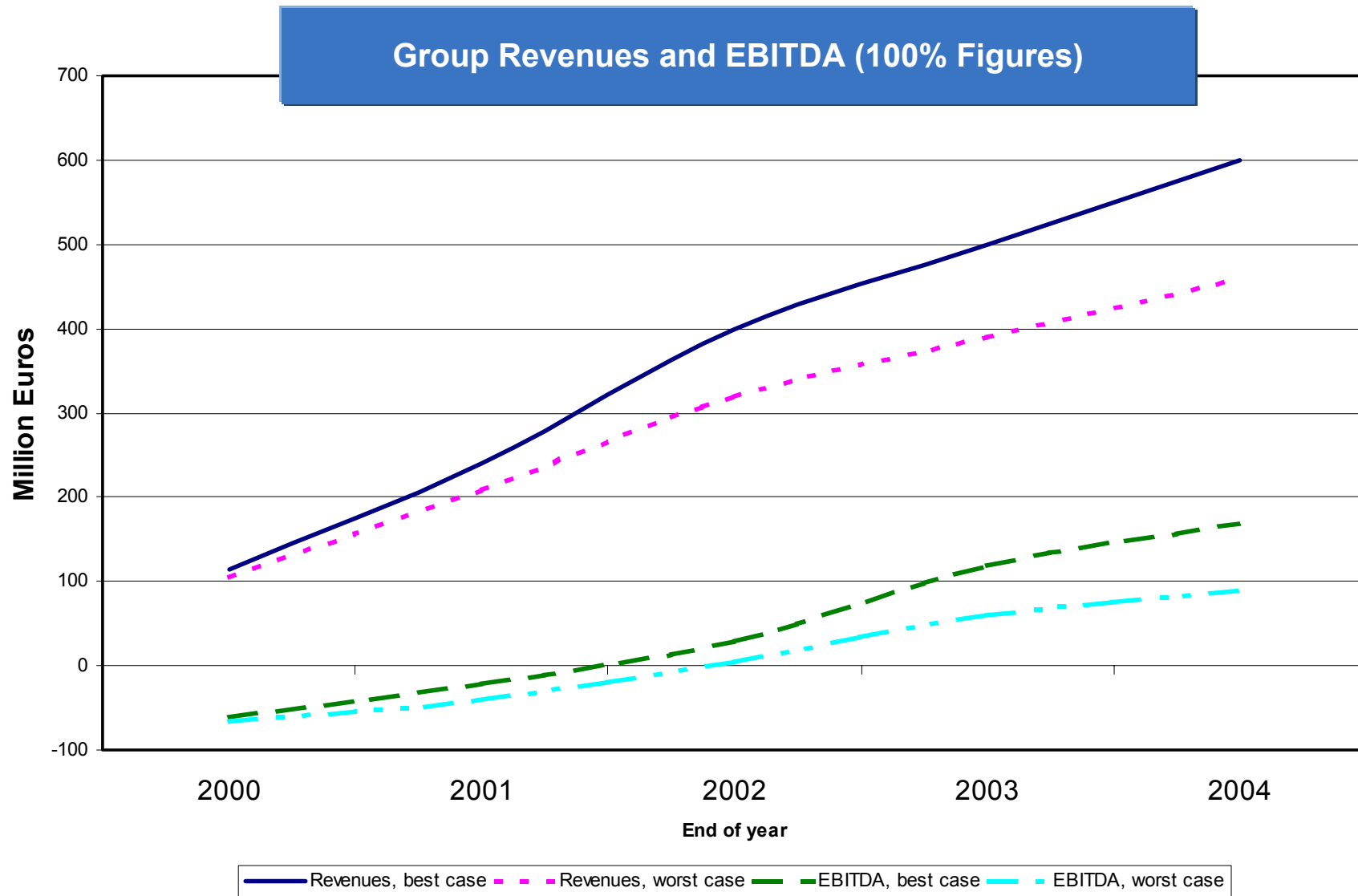


The national network is being interconnected with the local city carrier networks

Sales and EBITDA scenarios



Elisa is expected to turn EBITDA-positive during 2002





Mobile business

Radiolinja

radiolinja



Strong performance in 2000

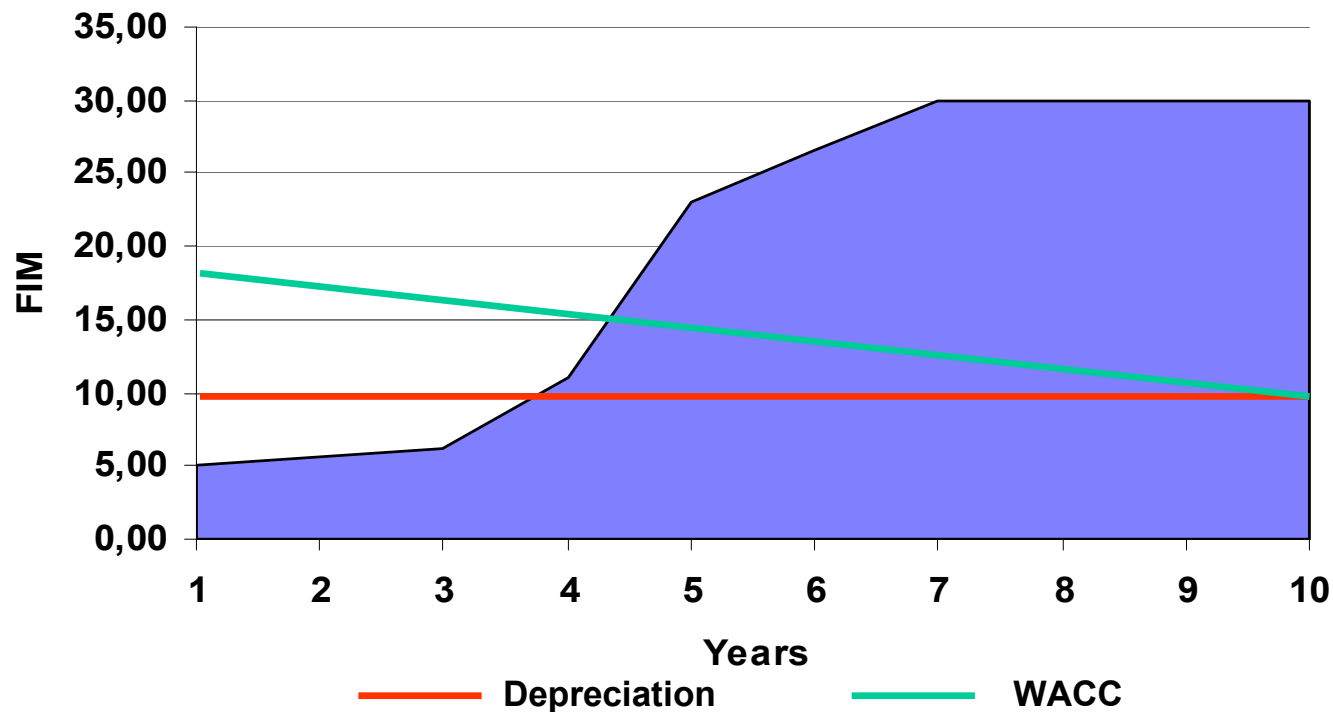
Key figures in 2000

- Group's revenues EUR 614m (EUR 511m), growth 20.2%
- EBITDA EUR 170m (EUR 115m), growth 48.7%
- Adjusted EBITDA EUR 224m (EUR 163m), growth 37.3%
- Group's subscriptions totalled 1,376,000 (1,156,000), including 1,246,000 in Finland and 130,000 in Estonia
- Radiolinja's share of all mobile subscriptions was app. 35% (33%)
- Radiolinja's share of net additions in Finland was about 44%, during the last quarter 2000 about 47%
- ARPU was EUR 42 /month (42)
- Annualised churn was 12.2% (14.8%)
- Value added services generated 11% of revenues (9 %)



Investment's multiple of reimbursement

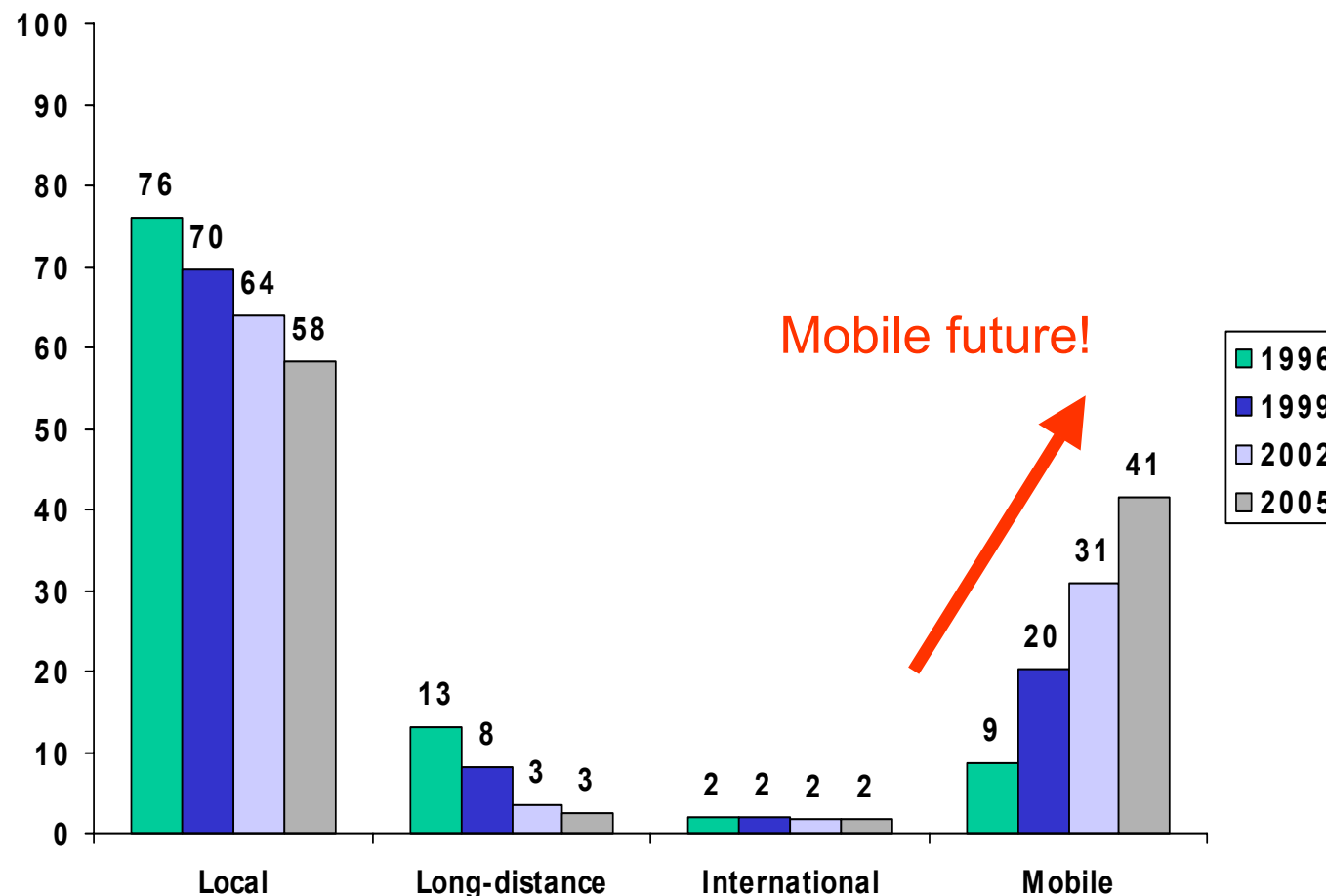
- D-slope represents the multiple of reimbursement i.e. how much Radiolinja pays for FIM 100 investment within 10 years (discount rate is 10.75 %)
- Write-down of acquired network result from the differences between reinvestment cost and lease payments as well as discount rate and market rate





Mobile traffic is increasing rapidly

Usage of networks - minutes (%)

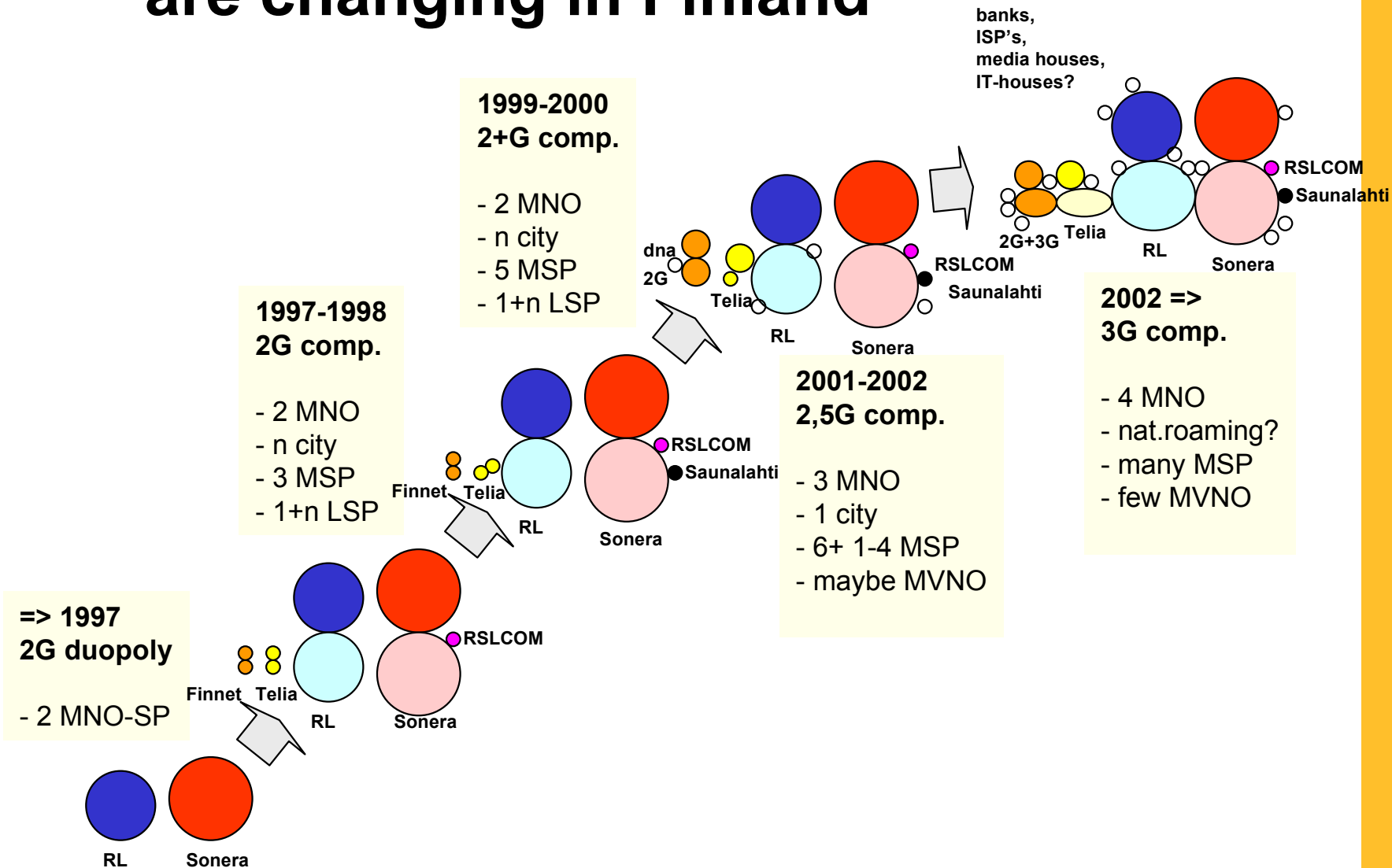


Source: Ministry of Transport and Telecommunications

Source: Ministry of Transport and Telecommunications



Competition and market structure are changing in Finland





Our business environment is changing

- Voice based market growth (subscriptions) is slowing down due to market saturation and price erosion
- Competition is increasing due to many new market players
- Mobile telecommunication is facing heavy changes in market structures - media, it and telecommunication are truly converging.
- New business concept and non traditional alliances are formed.



- Sales channels are under a big change - operators need to have a control to basic distribution channels
- E-commerce is challenging traditional distribution channels and new value added services, data and content, request new sales competence differentiated by products and also by customer segments.



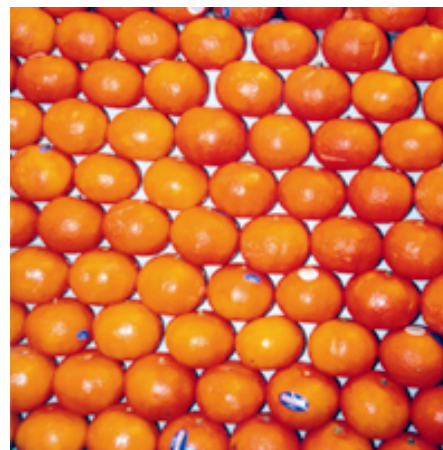
New emerging business areas

- Market has to be created
 - Mobile portal services
 - We provide Mobile portal platform -concept and mobile internet access (through WAP, GSM LAN, GPRS, 3G)
 - Content Services
 - We focus on 3 main areas
 - Lifestyle services (e.g. church, fitness)
 - Entertainment (e.g. mobile games)
 - Information (e.g. localised communities)
 - Telematics, location services
 - We focus on 3 main areas
 - Telemetry (machine-to-machine services)
 - Location based services (navigation, information push, enquiries, billing, advertising)
 - Locationing (fleet management, tracking)
 - M-commerce
 - We are developing authentication/security services (e.g. PKI, WIM) and mobile payment services (e.g. EMV)



Basic assumptions

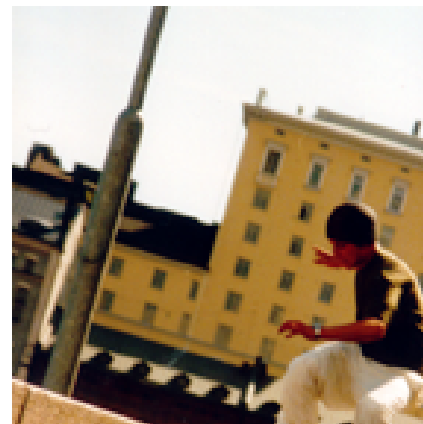
- New culture has to be created now, well before 3G
- Corporate segment will be the first adaptor (GPRS, 3G)
- GPRS will enable most of 3G services
- Existing Internet based services will be the first killer apps (banking, news, email, calendar...)
- Lifecycle of new services is shortening
- Terminal availability and user interfaces will be crucial factors for development





GPRS is part of evolution

- Critical success factors
 - pricing should be transparent and reasonable
 - wide range of "easy" services
 - right terminal pricing
- GPRS-terminal delay is major threat
 - for launching network services!
 - Radiolinja will launch services when there is a relevant market (terminals available)
- GPRS will be part of 3G
 - 3G as an urban coverage
 - GPRS as a rural coverage
- Assumption: in 4-5 years data will exceed voice





Summary

- Yes, there is change(s) going on
 - convergence, migration to 3G, competition, maturing of mobile communications market
- Radiolinja is ready for new technologies
 - GPRS will be launched parallel to major terminal launches
 - 3G will be rolled out 2002 according to plans
- Radiolinja is ready for business transformation
 - Business structure is trimmed for competition
 - Core business models are fitted for maturing market
 - Radiolinja is seeking new growth from new business areas where market has to be created and global opportunities are to be discovered
- Customership is more important than technology
 - Strong customer base, 50% market share in major customer sector
 - New technology is not allowed to make customers' life more difficult (user interface, pricing, services etc.)