

## ELISA CORPORATION STOCK EXCHANGE RELEASE 25 JULY AT 8.30 am

**ELISA'S INTERIM REPORT FOR APRIL-JUNE 2006**

- Excluding non-recurring items, the pre-tax profit improved from EUR 26 million to EUR 40 million and the EBITDA from EUR 84 million to EUR 100 million
- The pre-tax profit amounted to EUR 35 million (113)
- Revenue increased by 14 per cent to stand at EUR 382 million (336)
- Revenue per subscription (ARPU) in the mobile business improved from EUR 28 in the first quarter to EUR 31
- Churn in mobile business decreased further to stand at 13 per cent, compared with 19 per cent in the first quarter
- The introduction of new 3G service bundles contributed to an increase in the number of mobile subscriptions
- The number of broadband subscriptions increased by approximately 12,700 on the previous quarter
- The financial position remained stable: at the end of June, equity ratio was 64 per cent (62 per cent at the end of 2005) and net debt was EUR 381 million (293 at the end of 2005)

In April-June, Elisa's key indicators were as follows:

<b>Income statement</b> EUR million	<b>4-6/2006</b>	<b>4-6/2005</b>	<b>1-12/2005</b>
Revenue	382	336	1,337
EBITDA	95 <sup>1)</sup>	170 <sup>2)</sup>	446 <sup>3)</sup>
EBIT	39 <sup>1)</sup>	118 <sup>2)</sup>	233 <sup>3)</sup>
Profit before taxes	35 <sup>1)</sup>	113 <sup>2)</sup>	212 <sup>3)</sup>
Earnings per share, EUR	0.16 <sup>1)</sup>	0.66 <sup>2)</sup>	1.22 <sup>3)</sup>
Capital expenditures	54	46	204

<sup>1)</sup> Income statement figures excluding non-recurring items (restructuring provision EUR -5 million) EBITDA EUR 100 million, EBIT EUR 44 million, profit before taxes EUR 40 million and earnings per share EUR 0.19

<sup>2)</sup> Excluding non-recurring items: EBITDA EUR 84 million, EBIT EUR 32 million, profit before taxes EUR 26 million and earnings per share EUR 0.15

<sup>3)</sup> Excluding non-recurring items: EBITDA EUR 346 million, EBIT EUR 133 million, profit before taxes EUR 112 million and earnings per share EUR 0.61

Figures describing the financial position and cash flow:

<b>Financial position</b>	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>31.12.2005</b>
Net debt	381	364	293
Equity ratio, %	64.1	55.0	61.7
<b>Cash flow statement</b>	<b>4-6/2006</b>	<b>4-6/2005</b>	<b>1-12/2005</b>
Cash flow after investments	29	136*	308

\* Includes a total of EUR 104 million of compensations for damage in interconnection traffic and sale income on shares and real estate

**CEO Veli-Matti Mattila:**

"3G service bundles popular – use of services increasing

The 3G service bundles have been very popular and already account for a significant number of new subscriptions. The reform has already proven its necessity and value.

We estimate the number of 3G customers in Finland to exceed 150,000 at the moment. We believe the number will be 250,000 - 300,000 by the end of the year. This was also clearly the intention of legislative authorities: to encourage people to upgrade to handsets that meet the requirements of the information society.

Customers subscribing to service bundles use new services more than the average user. New handsets allow more versatile use of services and, on the whole, the adoption of many new services.

Elisa achieved a successful performance in the second quarter. The churn in mobile communications decreased significantly from 19 per cent to 13 per cent, and the declining trend in the revenue per subscription (ARPU) levelled off. Growth in the broadband market is somewhat slower, and there Elisa retained its leading position. We increased the speeds of broadband connections, thus offering our customers more efficient data communications and increasingly versatile services.

Interconnection traffic prices are of crucial importance to operators. The current system with a range of different prices distorts the conditions of competition. The system should be developed to better take fair operating conditions into account."

**ELISA CORPORATION**

Vesa Sahivirta  
Director, IR and Financial Communications

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## Interim report for January-June 2006

This interim report has been prepared in accordance with the IFRS recognition and measurement principles. The information presented in this interim report is unaudited.

### Market situation

Allowed since 1 March, the new 3G service bundles have clearly strengthened the service competition. The bundles, which offer new services, have been highly popular. The number of mobile network subscriptions showed a positive development, and usage of subscriptions increased.

The fixed network business continued its earlier trend: the number of broadband subscriptions continued to grow, while the number and usage of traditional subscriptions decreased.

### Revenue

EUR million	4-6/2006	4-6/2005	Change, %
Mobile communications	239	180	33
Fixed network	166	170	-2
Other businesses	0	10	-100
Inter-segment sales	-23	-25	-8
Total	382	336	14

Elisa's revenue for April-June was up 14 per cent on last year. The growth was positively affected by Elisa's acquisition of Saunalahti's business and an increase in the sale of mobile handsets.

### Performance

EUR million	4-6/2006	4-6/2005	Change, %
Mobile communications			
EBITDA	57 <sup>1)</sup>	74 <sup>2)</sup>	-23
EBITDA, %	24	41	
EBIT	29 <sup>1)</sup>	52 <sup>2)</sup>	-44
Fixed network			
EBITDA	39 <sup>1)</sup>	43	-9
EBITDA, %	24	25	
EBIT	11 <sup>1)</sup>	17	-35
Other business and corporate functions			
EBITDA	-1	53 <sup>2)</sup>	
EBIT	-2	49 <sup>2)</sup>	
Group, total			
EBITDA	95 <sup>1)</sup>	170 <sup>2)</sup>	-44
EBITDA, %	25	51	
EBIT	39 <sup>1)</sup>	118 <sup>2)</sup>	-67

<sup>1)</sup> Figures excluding non-recurring items: mobile network: EBITDA EUR 59 million, EBIT EUR 31 million; fixed network: EBITDA EUR 42 million and EBIT EUR 14 million; the group's EBITDA EUR 100 million and EBIT EUR 44 million

<sup>2)</sup> The figures excluding non-recurring items: mobile network: EBITDA EUR 46 million, EBIT EUR 24 million; other business: EBITDA EUR -5 million and EBIT EUR -9 million; the group's EBITDA EUR 84 million and EBIT EUR 32 million

Elisa's EBITDA excluding non-recurring items showed growth of 19 per cent on the corresponding period in 2005. This increase was attributable to improved profitability and the synergy benefits created by the acquisition of Saunalahti.

The group's other financial income and expenses totalled EUR -4 million (-6). Reduced financial expenses were mainly due to a decrease in average net debt in the period under review.

Income taxes in the period under review amounted to EUR -7 million (-18).

The group's April-June result after taxes amounted to EUR 28 million (95). The group's earnings per share (EPS) amounted to EUR 0.16 (0.66). At the end of June, the group shareholders' equity per share was EUR 7.71 (8.06 at the end of 2005).

### Changes in corporate structure

In accordance with the terms of Elisa's Saunalahti deal set by the Finnish Competition Authority, Saunalahti sold the Saunaverkko network required for the implementation of broadband services and its customer contracts in the Tampere, Jyväskylä and Riihimäki regions. Saunalahti also sold the Saunaverkko network without customer contracts in the Helsinki region.

On 29 May 2006, Elisa and Relacom Finland Oy signed an agreement on the partial transfer of Elisa's field operations in the area of customer installations and maintenance to Relacom. The business transfer will take effect as of 1 September 2006. The agreement is subject to the approval of the Finnish Competition Authority. The companies also signed a letter of intent concerning the transfer of Elisa's PBX installation teams in Uusimaa and Häme to Relacom.

In June, Elisa offered to buy all the shares in Lounet Oy, paying EUR 1,310 per share certificate for 1,000 shares in Lounet Oy. In addition, the General Meeting of Lounet Oy held on 19 June 2006 decided to pay a dividend of EUR 90.00 per each share certificate for 2005. The total value of the tender following the payment of dividends was approximately EUR 14 million. The tender offer began on 21 June 2006 and ends on 18 August 2006.

Tikka Communications Oy and Jyväsviestintä Oy merged with Elisa as of 1 July 2006.

### Mobile communication business

Number of subscriptions	30.6.2006	30.6.2005	31.12.2005
Total number of subscriptions (Finland and Estonia)	2,343,885	1,709,516	2,228,101
Total number of subscriptions in Finland *	2,060,385	1,465,066	1,962,101
Subscriptions in Estonia	283,500	244,450	266,000

\* Elisa's network operator in Finland

Operating figures in Finland	4-6/2006	4-6/2005	2005
Revenue/subscription**(ARPU),€	31.3	33.8	32.5
Churn**, %	12.9	32.3	28.4
Usage, million minutes*	1,207	790	3,509
Usage, min/subscription/month**	204	175	172
SMS, million msg*	288	171	827
SMS, msg/subscription/month**	49	37	38
Value-added services/revenue, %	17	15	16

\* Elisa's network operator in Finland (2005 figures include some Saunalahti subscriptions)

\*\* Elisa's service operator in Finland (2005 figures exclude Saunalahti)

Elisa's network operator increased the number of its subscriptions by some 595,300 subscriptions during the year. The increase was markedly due to Saunalahti shifting its subscriptions to Elisa's network. The second-quarter increase was approximately 76,500 subscriptions.

The call minutes per subscription of Elisa's own service operator rose by approximately 17 per cent and the number of SMS messages increased by approximately 32 per cent on the corresponding period in 2005. The call minutes of the network operator rose by 53 per cent and SMS messages by 68 per cent. The increase was affected by the additional traffic generated by Saunalahti.

Revenue per subscription (ARPU) decreased by approximately 7 per cent on the comparison period. This was due to a fall in consumer prices and interconnection fees in June 2005. The increased usage per subscription failed to completely compensate for the decrease due to price erosion. Compared with the previous quarter, revenue per subscription was up 12 per cent, increasing from EUR 28 to EUR 31.

As of 1 June 2006, Saunalahti changed its mobile interconnection fee to 8.4 cents per minute (previously 11 cents per minute), which corresponds to Elisa's mobile interconnection fee. The change is due to Saunalahti's operations being part of Elisa's business operations.

In May, Elisa agreed on new mobile interconnection fees with TeliaSonera Finland. As of 1 January 2007, Elisa will apply the rate of 7.25 cents per minute and TeliaSonera Finland the rate of 6.6 cents per minute (6.8 cents per minute in 2006). Elisa's current rate of 8.4 cents per minute will be valid until 31 December 2006.

In April, Elisa was the first operator in the Nordic region to open its HSDPA network, tripling the connection speeds in the mobile phone network. Elisa's customers can also use HSDPA abroad when roaming within HSDPA network. Elisa's Vodafone partners currently offer HSDPA networks in 11 countries.

In Finland, Elisa's 3G network covers 40 cities and towns and 10 holiday resorts, the total coverage being approximately 40 per cent of the population.

Elisa's Estonian subsidiary continued to grow. Revenue was EUR 25.8 million (22.1), EBITDA EUR 8.3 million (7.2) and EBIT EUR 5.9 million (4.9). The number of subscriptions increased by 16 per cent to 283,500 subscriptions at the end of June (244,450).

## Fixed network business

Number of subscriptions	30.6.2006	30.6.2005	31.12.2005
Broadband subscriptions	472,532	308,183	420,465
ISDN channels	113,285	141,743	128,665
Cable TV subscriptions	220,253	204,528	214,054
Analogue and other subscriptions	541,004	608,846	578,002
Subscriptions, total	1,347,074	1,263,300	1,341,186

The number of broadband subscriptions rose by 12,700 in the April-June period, showing an increase of 53 per cent on the previous year.

The number of traditional subscriptions continued to decrease steadily as voice calls shifted to the mobile communication network and data transfers to broadband subscriptions.

Elisa continued its investments targeted at increasing the speeds of the fixed broadband network and enabling the company to offer new services.

As of 1 July 2006, Elisa introduced a new pricing system concerning the Elisa ADSL subscriptions. In Elisa's own ADSL production, the fees for 256 kbit/s and 512 kbit/s speed categories increased by three euros. Outside the Elisa Network the monthly fee increased by five euros in all speed categories.

In May, Cisco Systems awarded Elisa the IP Communications Specialization certificate for its role as an expert partner in IP-based communications solutions. Elisa is the first Finnish operator to receive this award. The certificate is granted to selected partners for their excellent performance in the sale, design, installation or maintenance of Cisco's IP-based communications solution, or for their prominent role in innovative projects.

## Personnel

During April-June, the average number of personnel at Elisa was 4,264 (an average of 4,989 in 2005).

	30.6.2006	30.6.2005	31.12.2005
Mobile communications	1,434	1,507	1,629
Fixed network	2,741	3,243	3,001
Other business operations	-	166	-
Corporate functions	41	72	51
Total	4,216	4,988	4,681

In February, Elisa initiated statutory labour negotiations concerning the reorganisation of the Business Customers unit. The negotiations were concluded in April. The number of employees was reduced by approximately 70 prior to the negotiations, followed by a further reduction of 112 employees during and after the negotiations.

The outsourcing of Elisa's field operations in the area of customer installations and maintenance to Relacom as of 1 September 2006 affected a total of 281 employees in Uusimaa and Häme. They transferred from Elisa to Relacom as established employees.

According to the letter of intent signed by Elisa and Relacom Oy on 29 May 2006, 42 members of Elisa's PBX installation teams in Uusimaa and 17 in Häme will transfer to Relacom.

On 13 June 2006, Elisa and the Pretax Group (Pretax BSP Oy) signed a letter of intent concerning the outsourcing of external accounting processes related to Elisa's financial administration to Pretax. According to the agreement, approximately 35 Elisa employees will transfer to Pretax as established employees as of 1 September 2006.

## Investments

EUR million	4-6/2006	4-6/2005	1-12/2005
Capital expenditures, of which	54	46	204
- mobile communication business	22	22	86
- GSM leasing liability buy-backs	0	0	4
- fixed network business	32	23	112
- others	0	1	2
Shares	1	31	415
- of which achieved through an exchange of shares			361
Total	55	77	619

## Financial position

Elisa's financial position and liquidity remained stable during the second quarter. The group's April-June cash flow after investments amounted to EUR 29 million (136).

### Financial key indicators

EUR million	30.6.2006	30.6.2005	31.12.2005
Net debt	381	364	293
Gearing, %	29.5	36.2	21.7
Equity ratio, %	64.1	55.0	61.7
	4-6/2006	4-6/2005	1-12/2005
Cash flow after investments	29	136	308

### Valid financing arrangements

EUR million	Maximum amount	In use on 30.6.2006
Committed credit line	170	0
Commercial paper programme1)	150	35
EMTN programme2)	1 000	336

1) The programme is not committed

2) European Medium Term Note programme, not committed.

### Long-term credit ratings

Credit rating agency	Rating	Outlook
Moody's Investor Services	Baa2	Stable
Standard & Poor's	BBB	Negative

## Share

At the end of June the company's total number of shares was 166,066,016 and its market capitalisation stood at EUR 2,471 million.

In April-June, a total of 64.9 million shares were traded on the Helsinki Stock Exchange for an aggregate of EUR 1,033.8 million. The exchange was 39.1 per cent of the number of shares on the market.

## Treasury shares

The Annual General Meeting held on 27 March 2006 authorised the Board of Directors to acquire and assign treasury shares. The authorisation has not been used. At the end of June, the total companies consolidated in the Elisa Group's financial statements held 125,000 Elisa Corporation shares (180,000 at the end of 2005). The nominal value of the shares totalled EUR 62,500, and their proportion of the share capital and voting rights was 0.1 per cent.

## Significant legal issues

Since the publication of Elisa's Annual Report 2005 and the interim report for January-March, the following legal developments concerning Elisa have taken place:

The Helsinki Court of Appeal issued a ruling in favour of Elisa and dismissed the action for annulment of the decision to increase the share capital made at the former Oy Radiolinja Ab's Annual General Meeting in spring 2000. If the Court gives its permission, the decision may be appealed to the Supreme Court.

On 8 May 2006, a court of arbitration appointed by the Central Chamber of Commerce decided to set the redemption price of Tikka Communications Oy, a subsidiary of Elisa Corporation, at EUR 1,940 per share. There were some 360 shares to be redeemed and thus the redemption price for the remaining shares amounted to approximately EUR 700,000. The redemption price and the 5.5 per cent interest will be paid within three months.

On 9 May 2006, Elisa's subsidiary Saunalahti Group Oyj (formerly Jippii Group) was informed that the prosecutor will propose that a fine of EUR 800,000 be imposed on the company for suspected securities market offences, along with a further unspecified forfeiture.

On 16 May 2006, a court of arbitration appointed by the Central Chamber of Commerce decided to set the redemption price of Saunalahti Group Oyj, a subsidiary of Elisa Corporation, at EUR 2.56 per share. There are some 3.83 million shares in total to be redeemed and thus the redemption price for the remaining shares will amount to approximately EUR 9.8 million. The redemption price and the 5.75 per cent interest calculated from 28 March 2006 will be paid within three months.

The Finnish Communications Regulatory Authority has issued new significant market power (SMP) decisions concerning interconnection fees in mobile communications. Elisa's obligations remain unchanged. The new decision also applies to Saunalahti's pricing.



The Finnish Competition Authority is conducting an investigation into Elisa concerning the pricing of broadband subscriptions in 2003-2006.

### **Events after the reporting period**

Elisa launched its HSDPA network in Tallinn and Pärnu. The maximum speed of the network is 1 Mbit/s. Elisa has updated its entire current 3G network to HSDPA technology. Thus, the new speeds can be utilised throughout Elisa's 3G network also in Finland.

### **Outlook for 2006**

The outlook for 2006 remains unchanged.

Competition in the Finnish telecommunications market remains challenging, while the focus is increasingly shifting to services. The use of mobile communications and broadband products continues to increase. Elisa's aim is to further reinforce its position as the leading service supplier.

The group's revenue is expected to increase clearly on the previous year. The growth will be partially attributable to an increase in handset sales. Elisa expects to see an improvement in EBITDA and EBIT excluding non-recurring items in 2006. This will be due to e.g. the synergy benefits created by the Saunalahti deal and Elisa's rationalisation procedures.

Capital expenditures during the year are estimated to total 13 to 15 per cent of the revenue, and cash flow will remain clearly positive. Certain non-recurring items due to IT and production system reforms, which will support the "One Elisa" operational model, are scheduled for 2006.

**BOARD OF DIRECTORS**

Figures are not audited.

## CONSOLIDATED INCOME STATEMENT

EUR million	4-6 2006	4-6 2005	1-6 2006	1-6 2005	1-12 2005
<b>Revenue</b>	382,4	335,9	730,8	668,8	1 337,3
Other operating income	1,1	87,1	3,9	98,3	113,9
Operating expenses	-288,7	-253,2	-541,4	-500,2	-1 005,1
<b>EBITDA</b>	94,8	169,8	193,3	266,9	446,1
Depreciation and amortisation	-56,2	-52,1	-111,5	-104,5	-213,2
<b>EBIT</b>	38,6	117,7	81,8	162,4	232,9
Share of associated companies' profit	0,1	0,5	0,1	1,2	1,2
Financial income and expenses	-4,1	-5,6	-8,4	-12,1	-22,2
<b>Profit before tax</b>	34,6	112,6	73,5	151,5	211,9
Income taxes	-7,0	-17,9	-16,0	-23,8	-34,1
<b>Profit for the period</b>	27,6	94,7	57,5	127,7	177,8
<b>Attributable to:</b>					
Equity holders of the parent	27,3	95,3	56,9	127,4	176,2
Minority interest	0,3	-0,6	0,6	0,3	1,6
<b>Profit for the period</b>	27,6	94,7	57,5	127,7	177,8
<b>Earnings per share (EUR)</b>					
Basic	0,16	0,66	0,34	0,90	1,22
Diluted	0,16	0,66	0,34	0,90	1,22
<b>Average number of outstanding shares (1000 shares)</b>					
Basic	165 941	141 772	165 929	141 775	144 807
Diluted	165 941	141 772	165 929	141 775	144 807

**REVENUE BY BUSINESS SEGMENTS**

	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
Mobile	239,4	180,3	431,4	359,3	739,9
Fixed Network	166,3	170,4	346,2	331,9	670,9
Other Companies		10,4		31,3	38,2
Unallocated					
Intra-segment sales elimination	-23,3	-25,2	-46,8	-53,7	-111,7
<b>Corporation total</b>	<b>382,4</b>	<b>335,9</b>	<b>730,8</b>	<b>668,8</b>	<b>1 337,3</b>

**EBITDA BY BUSINESS SEGMENTS**

	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
Mobile	57,0	73,5	110,3	122,7	220,1
Fixed Network	39,3	43,0	85,7	82,6	159,6
Other Companies		39,4		49,8	55,8
Unallocated	-1,5	13,9	-2,7	11,8	10,5
<b>Corporation total</b>	<b>94,8</b>	<b>169,8</b>	<b>193,3</b>	<b>266,9</b>	<b>446,1</b>

**EBIT BY BUSINESS SEGMENTS**

	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
Mobile	29,0	52,1	59,2	78,8	129,9
Fixed Network	11,2	16,5	26,3	29,8	44,8
Other Companies		34,9		41,6	47,3
Unallocated	-1,6	14,2	-3,7	12,2	10,9
<b>Corporation total</b>	<b>38,6</b>	<b>117,7</b>	<b>81,8</b>	<b>162,4</b>	<b>232,9</b>

**CONSOLIDATED BALANCE SHEET**

	<b>30.6.</b>	<b>30.6.</b>	<b>31.12.</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
<b>Non-current assets</b>			
Property, plant and equipment	634,6	702,4	660,6
Goodwill	772,1	470,4	770,6
Other intangible assets	187,2	79,0	178,7
Investments in associated companies	0,4	0,5	0,4
Available-for-sale investments	36,0	41,8	44,2
Other receivables	18,8	51,5	10,6
Deferred tax receivable	37,8	37,4	42,5
	<u>1 686,9</u>	<u>1 383,0</u>	<u>1 707,6</u>
<b>Current assets</b>			
Inventories	26,8	17,1	20,3
Trade and other receivables	275,1	270,9	261,8
Cash and cash equivalents	40,6	169,2	212,7
	<u>342,5</u>	<u>457,2</u>	<u>494,8</u>
<b>Total assets</b>	<u><u>2 029,4</u></u>	<u><u>1 840,2</u></u>	<u><u>2 202,4</u></u>
<b>Equity attributable to equity holders of the parent</b>	1 279,9	989,6	1 337,3
<b>Minority interest</b>	10,6	16,1	12,4
<b>Total equity</b>	<u>1 290,5</u>	<u>1 005,7</u>	<u>1 349,7</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	38,9	34,0	40,6
Provisions	10,5	8,8	9,4
Interest-bearing debt	325,5	407,3	393,7
Other non-current liabilities	11,6	13,6	12,7
	<u>386,5</u>	<u>463,7</u>	<u>456,4</u>
<b>Current liabilities</b>			
Trade and other payables	249,6	239,6	280,5
Provisions	6,9	4,9	3,4
Interest-bearing debt	95,9	126,3	112,4
	<u>352,4</u>	<u>370,8</u>	<u>396,3</u>
<b>Total equity and liabilities</b>	<u><u>2 029,4</u></u>	<u><u>1 840,2</u></u>	<u><u>2 202,4</u></u>

## STATEMENT OF CHANGES IN EQUITY

EUR million	Share						Total equity
	Share capital	Share issue premium	Treasury shares	Other reserves	Retained earnings	Minority interest	
<b>Total equity at 31.12.2004</b>	71,0	530,4	-3,1	34,5	250,8	31,0	914,5
Available for sale investments				31,9			
Other changes				0,3	3,1	-11,6	-8,2
Items recognised directly in equity				32,2	3,1	-11,6	23,7
Profit for the period					127,4	0,3	127,7
<b>Total recognised income and expense for the period</b>				32,2	130,5	-11,3	151,4
Dividends					-56,8	-3,6	-60,4
Purchase of treasury shares			0,1				0,1
<b>Total equity at 30.6.2005</b>	71,0	530,4	-3,0	66,7	324,5	16,1	1 005,7
<b>Total equity at 31.12.2005</b>	83,0	530,4	-2,5	418,9	307,5	12,4	1 349,7
Available for sale investments				1,3			1,3
Other changes				-0,3	0,4	-1,3	-1,2
Items recognised directly in equity				1,0	0,4	-1,3	0,1
Profit for the period					56,9	0,6	57,5
<b>Total recognised income and expense for the period</b>				1,0	57,3	-0,7	57,6
Dividends					-117,1	-1,1	-118,2
Sales of treasury shares			0,8		0,1		0,9
Share based compensation			0,5				0,5
<b>Total equity at 30.6.2006</b>	83,0	530,4	-1,2	419,9	247,8	10,6	1 290,5

## CONSOLIDATED CASH FLOW STATEMENT

	1-6	1-6	1-12
EUR million	2006	2005	2005
<b>Cash flow from operating activities</b>			
Profit before tax	73,4	151,5	211,9
Depreciation and amortisation	111,5	104,5	213,2
Other adjustments to profit before tax	10,3	-67,8	-66,3
Change in working capital	-47,3	-18,6	-23,7
Cash flow from operating activities	147,9	169,6	335,1
Received dividends and interests and interest paid	-8,2	-10,7	-20,5
Taxes paid	-1,0	-3,0	-5,1
Net cash flow from operating activities	138,7	155,9	309,5
<b>Cash flow from investments</b>			
Capital expenditure	-97,0	-79,1	-194,9
Investments in shares and other investments	-7,0	-12,9	-4,1
Proceeds from asset disposal	7,1	98,1	197,5
Net cash used in investment	-96,9	6,1	-1,5
<b>Cash flow after investments</b>	41,8	162,0	308,0
<b>Cash flow from financing</b>			
Proceeds from treasury shares	0,9		0,8
Change in interest-bearing receivables			0,8
Repayment of long-term debt	-122,4	-85,5	-102,4
Change in short-term debt	35,0	-1,5	-18,6
Repayment of financing leases	-5,6	-8,6	-16,7
Dividends paid	-121,8	-60,0	-122,0
Net cash used in financing	-213,9	-155,6	-258,1
Change in cash and cash equivalents	-172,1	6,4	49,9
Cash and cash equivalents at beginning of period	212,7	162,8	162,8
Cash and cash equivalents at end of period	40,6	169,2	212,7

**LIABILITIES**

	<b>30.6.</b>	<b>30.6.</b>	<b>31.12.</b>
<b>EUR million</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
<b>Mortgages, pledges and guarantees</b>			
Mortgages			
For own and group companies	0,0	1,9	18,7
Pledges given			
Pledges given as surety	0,7	0,9	0,9
Guarantees given			
For others	3,9		3,1
Mortgages, pledges and guarantees total	4,6	2,8	22,6
<b>Leasing contracts and other commitments</b>			
Leasing commitments	12,8	19,1	14,3
Repurchase commitments	0,6	0,9	0,7
Real estate leases	59,9	59,4	63,3
Lease liabilities total	73,3	79,4	78,3
<b>Other commitments</b>			
Lease-leaseback agreement (QTE facility)			
Termination risk	19,4	22,9	23,5
Total value of the arrangement	159,7	167,9	171,5
Other commitments	0,1	0,8	0,6

**KEY FIGURES**

	4-6	4-6	1-6	1-6	1-12
EUR million	2006	2005	2006	2005	2005
Shareholders' equity/share, EUR			7,71	6,98	8,06
Net debt			380,8	364,4	293,5
Gearing			29,5 %	36,2 %	21,7 %
Equity ratio			64,1 %	55,0 %	61,7 %
Gross investments in fixed assets	54,4	45,9	97,9	87,9	204,4
of which finance lease investments	0,6	7,4	0,9	8,8	9,5
Gross investments as % of revenue	14,2 %	13,7 %	13,4 %	13,1 %	15,3 %
Investments in shares,	1,3	30,8	1,3	33,7	414,8
of which paid in equity issue					361,2
Average number of personnel			4 380	5 242	4 989

**Formulae for financial indicators**

Gearing % 
$$\frac{\text{Interest-bearing debt - cash and cash equivalents}}{\text{Total equity}} \times 100$$

Equity ratio % 
$$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$$

Net debt 
$$\text{Interest-bearing debt - cash and cash equivalents}$$

Shareholders' equity/share 
$$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares outstanding at end of period}}$$

Earnings/share 
$$\frac{\text{Profit for the period attributable to equity holders of parent}}{\text{Average number of outstanding shares}}$$