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ELISA'S FINANCIAL STATEMENTS 2009

Year 2009

- Revenue was EUR 1,430 million (1,485)
- EBITDA improved to EUR 484 million (472), EBIT was EUR 267 million (264)
- Profit before tax amounted to EUR 235 million (228)
- Earnings per share was EUR 1.13 (1.12)
- Cash flow after investments was EUR 252 million (260)
- Net debt / EBITDA was 1.5 (1.7) and gearing 80 per cent (93)
- The Board of Directors proposes a profit distribution of EUR 0.92 per share

Fourth quarter 2009

- Revenue was EUR 365 million (372)
- EBITDA was EUR 121 million (129), EBIT EUR 64 million (77)
- Cash flow after investments was EUR 74 million (84)
- Revenue per subscription (ARPU) in the mobile business was EUR 22.9 (23.2 in the third quarter)
- Churn was 14.7 per cent (14.5 in the third quarter)
- The number of Elisa's mobile subscriptions increased by 111,300 during the quarter, due in particular to the new 3G and 2G customers, as well as mobile broadband customers
- The number of fixed broadband subscriptions decreased by 8,500 on the previous quarter

Key indicators:

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Revenue	365	372	1,430	1,485
EBITDA	121	129	484	472
EBITDA excluding non-recurring items	121	129	484	478
EBIT	64	77	267	264
Profit before tax	56	70	235	228
Earnings per share, EUR	0.26	0.34	1.13	1.12
Capital expenditures	61	64	171	184

Financial position and cash flow:

EUR million	31.12.2009	31.12.2008
Net debt	719	812
Net debt / EBITDA [1)]	1.5	1.7
Gearing ratio, %	79.8	92.8
Equity ratio, %	46.1	43.3

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Cash flow after investments	74	84	252	260

[1)] (interest-bearing debt – financial assets) / (4 previous quarters' EBITDA exclusive of non-recurring items)

The Board of Directors proposes to the General Meeting as profit distribution a capital repayment of EUR 0.92 per share, of which EUR 0.68 is an ordinary profit distribution and EUR 0.24 anextraordinary distribution. The Board of Directors also proposes an authorisation to distribute funds out of the retained earnings account or the reserve for invested non-restricted equity to a maximum of EUR 100 million. Furthermore, The Board of Directors decided to propose to the General Meeting an authorisation to acquire maximum 10 million treasury shares, which corresponds to 6 per cent of the entire share capital.

Additional information regarding the Key Performance Indicators is available on www.elisa.com/investors, in the section: Financial info, Financial Statements & Interim Reports: Elisa Quarterly Data.

CEO Veli-Matti Mattila:

"New service launches taking off well

Elisa's profitability and result developed favorably in 2009. The steep decline in the Finnish economy had some impact on the use of communications services. The recession was mostly reflected in corporate customer operations, equipment sales and roaming revenue. In Estonia, the recession had a stronger impact on business operations than in Finland.

Financial results developed favorably, which together with a strong cash flow and balance sheet, guarantee an excellent capacity for profit distribution. The competitive environment was keen but stable in 2009. Despite the challenging situation, we managed to strengthen our competitiveness and market position.

In 2009, Elisa exceeded the threshold of three million mobile subscriptions. A significant number of the new subscriptions consisted of 3G subscriptions. During the fourth quarter, new subscriptions increased by more than 110,000. The number of traditional fixed network subscriptions decreased in line with previous years. The fixed broadband market has matured, while the strong growth in mobile broadband subscriptions has continued.

We were able to offer more to our customers than traditional network services. The brand new IPTV service, Elisa Viihde, offered to our consumer customers, and the Internet-based security service, Elisa Vahti, succeeded well. Corporate and public sector customers welcomed our productivity-improving ICT services, including outsourcing of customer services, field work control and virtual meeting services.

We continued to invest in the 3G network in order to enhance its coverage and speed. Elisa's 3G network now covers almost 300 locations and more than 90 per cent of Finland's population, delivering a maximum mobile broadband speed up to 10 Mbps in all locations. As confirmed by Finland's Market Court, Elisa provides the widest 3G coverage in the country.

Although there have been some signs of recovery, uncertainties still exist in the development of the general economy. Competition in the Finnish telecommunications market also continues to be challenging. In 2010, we will determinedly continue to develop our operations to improve customer satisfaction and productivity even further. An expanding service offering and our capability to invest create a good base for the future."

ELISA CORPORATION

Vesa Sahivirta
Director, IR and Financial Communications

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FINANCIAL STATEMENTS 2009

The Financial Statements have been prepared in accordance with the IFRS recognition and measurement principles but not all of the IAS 34 requirements have been observed.

Market situation

The general economic downturn has had only a marginal impact on the telecom operator business. The impact has been felt mainly in equipment sales, roaming revenues and corporate customer business. Elisa's Estonian business has also suffered more than the Finnish business. Although there have been some positive signs in the general economic environment, future development still includes uncertainty. For example, the unemployment rate is expected to increase and the corporate business environment may deteriorate further, both of which could have a negative impact on the telecom sector.

The competitive environment has been keen but stable in Finland. The number of mobile subscriptions and the use of data services have evolved favourably in Finland with 3G subscriptions comprising a significant proportion of new subscriptions. The use of data services made available through 3G subscriptions has also increased. Another factor contributing to the growth has been the use of multiple terminals for different purposes and especially mobile broadband services. Churn in mobile subscriptions has been at a normal level, and competition has been mainly in services and campaigning.

The number and usage of traditional fixed network subscriptions decreased at the same rate as the previous year. The fixed broadband market has matured, while the strong subscription growth in mobile broadband continued.

Revenue, earnings and financial position

Revenue and earnings:

EUR million	2009	2008	2007
Revenue	1,430	1,485	1,568
EBITDA	484	472	499
EBITDA-%	*33.8*	*31.8*	*31.8*
EBITDA excluding non-recurring items	484	478	491
EBITDA-% excluding non-recurring items	*33.8*	*32.2*	*31.3*
EBIT	267	264	302
EBIT-%	*18.7*	*17.8*	*19.3*
Return on equity, %	19.9	18.5	18.8
Equity ratio, %	46.1	43.3	47.9

January-December 2009
Revenue decreased by 4 per cent on last year mainly due to lower equipment sales volumes, lower interconnection fees both in Finland and Estonia, and a decrease in traditional fixed business.

EBITDA improved by 3 per cent and EBITDA excluding non-recurring items by 1 per cent on the previous year. EBITDA margin improved from 31.8 per cent to 33.8 per cent. The improvement was mainly due to efficiency improvement measures. Additionally, in 2008 extra implementation costs of the billing and CRM system, as well as revenue correction affected EBITDA negatively.

Financial income and expenses totalled EUR -33 million (-37). The decrease in financial expenses was mainly attributed to a decrease in net debt and lower interest rates. Income taxes in the income statement amounted to EUR -58 million (-51). Elisa's earnings after taxes were EUR 177 million (177). The Group's earnings per share (EPS) amounted to EUR 1.13 (1.12).

Fourth quarter 2009
Revenue decreased by 2 per cent from EUR 372 million to EUR 365 million mainly for the same reasons as in January – December.

EBITDA decreased by 6 per cent from EUR 129 million to EUR 121 million. This was mainly due to lower revenue and increased market activities during the fourth quarter, such as sales and marketing costs, and new service launches.

Financial income and expenses totalled EUR -8 million (-7). Income taxes in the income statement amounted to EUR -15 million (-17). Elisa's earnings after taxes were EUR 41 million (54). The Group's earnings per share (EPS) amounted to EUR 0.26 (0.34).

Financial position:

EUR million	31.12.2009	31.12.2008	31.12.2007
Net debt	719	812	738
Net debt / EBITDA [1)]	1.5	1.7	1.5
Gearing ratio, %	79.8	92.8	71.3
Equity ratio, %	46.1	43.3	47.9

EUR million	2009	2008	2007
Cash flow after investments	252	260	114

[1)] (interest-bearing debt – financial assets) / (4 previous quarters' EBITDA exclusive of non-recurring items)

January-December 2009
Net debt contracted by 11 per cent due to positive cash flow. Cash flow after investments remained at about the same level as the previous year.

Fourth quarter 2009
Elisa's financial position and liquidity remained good. October – December cash flow after investments was EUR 74 million (84). The decline was mainly due to lower EBITDA and change in net working capital.

Changes in corporate structure

January-December 2009
In February, Elisa acquired the entire share capital of Xenetic Oy. Xenetic is a hosting service company, the business of which consists of data centres, monitoring, data communications and data security services and equipment, and application leasing among other things. In February, Elisa also acquired the business operations of Trackway Oy, which provides e.g., solutions for asset tracking.

There were no changes in the corporate structure in the fourth quarter 2009.

Consumer Customer business

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Revenue	217	217	848	882
EBITDA	71	72	284	267
EBITDA-%	*32.8*	*33.4*	*33.5*	*30.3*
EBIT	39	43	161	149
CAPEX	33	36	92	102

January-December 2009
Revenue decreased by 4 per cent. The decrease was mainly a result of lower equipment sales volumes, lower interconnection fees both in Finland and Estonia, and a decline in the traditional fixed voice business. EBITDA grew by 6 per cent. It was positively affected by productivity

improvement measures and decreased interconnection costs. The decrease in the Estonian business due to the general economic downturn had a negative effect on EBITDA.

Fourth quarter 2009
Both revenue and EBITDA remained at the previous year's level. Revenue was impacted by lower equipment sales volumes, lower interconnection fees both in Finland and Estonia and a decline in the traditional fixed voice business. On the other hand, the growth in subscriptions and usage affected revenue positively. EBITDA was negatively affected by increased market activities, but compensated for by productivity improvement measures. The decrease in the Estonian business due to the general economic downturn had also a negative effect on EBITDA.

Corporate Customer business

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Revenue	148	155	583	603
EBITDA	50	57	200	204
EBITDA-%	*33.9*	*36.6*	*34.3*	*33.9*
EBIT	25	34	107	116
CAPEX	28	28	79	82

January-December 2009
Revenue fell by 3 per cent and EBITDA by 2 per cent. The fall in revenue was mainly due to lower interconnection fees, decreased equipment sales volumes and a decline in the traditional fixed business. Growth in ICT services increased revenue. The decrease in EBITDA was mainly attributable to lower revenue.

Fourth quarter 2009
Revenue fell by 5 per cent and EBITDA by 12 per cent. The fall in revenue was mainly due to lower interconnection and roaming revenues, a decrease in mobile usage and a decline in the traditional fixed business. Growth in ICT services increased revenue. EBITDA was negatively affected by decreased revenue in particular.

Personnel

In January-December, the average number of personnel at Elisa was 3,216 (2008 average 2,946 people, 2007 average 3,299 people). Employee benefit expenses in 2009 totalled EUR 189 million (2008 EUR 162 million and 2007 EUR 181 million). Personnel at the end of 2009 were 3,331 (3,017). Personnel by segment at the end of the period:

	31.12.2009	31.12.2008
Consumer Customers	1,975	1,522
Corporate Customers	1,356	1,495
Total	3,331	3,017

In 2009, the number of personnel grew from the corresponding period last year mainly as a result of increased staffing needs in call centres to meet the growing demands in the customer service business.

In 2008, Elisa's Board of Directors decided on a new share-based incentive plan for the Elisa Group key personnel. The detailed terms and conditions of the plan can be found in Elisa's 2009 Annual Report. The plan includes three earning periods, which are the calendar years 2009, 2010 and 2011.

On 16 December, Elisa's Board of Directors decided that the potential reward from the earning period 2010 will be based on the Elisa Group's earnings per share and revenue in 2010. The plan is directed to approximately 50 people. The maximum reward payable in the earning period 2010 on the basis of the plan is 766,000 Elisa shares.

Investments

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Capital expenditures, of which	61	64	171	184
- Consumer Customers	33	36	92	102
- Corporate Customers	28	28	79	82
Shares	0	2	6	15
Total	61	66	178	199

In 2009, the main capital expenditures relate to the mobile network, especially 3G, the fixed network including broadband and corporate networks, and IT investments.

Financing arrangements and ratings

Valid financing arrangements:

EUR million	Maximum amount	In use on 31.12.2009
Committed credit limits	300	0
Commercial paper program [1)]	250	74
EMTN program [2)]	1,000	600

1) The program is not committed
2) European Medium Term Note program, not committed

Long-term credit ratings:

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

The Group's cash and undrawn committed credit lines totalled EUR 331 million at 31 December 2009 (EUR 258 million at the end of 2008). There are no major refinancing needs expected before the year 2011.

In connection to the counterparty risk hedging, Elisa provided a maximum USD 60 million guarantee for a credit derivative portfolio (CDO) in 2007. The risk of the guarantee being called increased due to the credit crisis in 2008 and further during 2009. A detailed description is provided in the "Financial risks" section.

Share

Trading of shares	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Shares traded, millions	35.6	76.1	180.6	338.8
Volume, EUR million	508.6	881.4	2,170.0	5,041.1
% of shares	21.4	45.8	116.1	217.7

Shares and market values	31.12.2009	31.12.2008
Total number of shares	166,307,586	166,307,586
Treasury shares	10,688,629	10,688,629
Outstanding shares	155,618,957	155,618,957
Closing price, EUR	15.96	12.30
Market capitalisation, EUR million	2,484	1,914
Treasury shares, %	6.4	6.4

At the end of the year, Elisa's total number of the shares was 166,307,586 (166,307,586), all within one share series.

In March, Elisa distributed a ordinary dividend of 0.60 euro per share, totalling EUR 93.4 million, in accordance with the decision of the Annual General Meeting.

In June, the Government of Finland transferred its Elisa shares to its fully-owned company Solidium Oy. Following this transfer, the Government of Finland has no direct ownership in Elisa. The number of shares transferred to Solidium Oy was 16,006,000, representing 9.62 per cent of the share capital and votes.

In June, Solidium Oy announced that it has exceeded 10 per cent ownership in Elisa. Solidium Oy's ownership increased to 16,631,000 shares, or 10.00 per cent of the share capital and votes.

On 28 September 2009, Elisa was notified of a change in the company's ownership as follows: DNA Oy, Lännen Teletieto Oy and Oulun Puhelin Holding Oyj sold all their Elisa shares, and PHP Liiketoiminta Oyj´s, KPY Sijoitus Oy´s, Kuopion Puhelin Oy´s aggregate ownership in Elisa shares and votes decreases below 5 per cent.

On 23 October, Elisa's Board of Directors decided on the extraordinary distribution of a capital repayment per share of EUR 0.40. This decision was based on the favourable development of the company's result and financial position as well as maintaining the company's capital structure in line with the set financial targets.

Capital repayment also affected the Elisa 2007 stock options by reducing the strike price of the series 2007A stock options to EUR 18.04 and series 2007B stock options to EUR 10.89.

The listing of the Elisa 2007A stock options on the NASDAQ OMX Helsinki Ltd started on 1 December 2009. The total number of outstanding 2007A stock options is 850,000. Each 2007A stock option entitles its holder to subscribe for one Elisa share. A total of 372,150 2007A stock options are in the possession of Elisa's subsidiary, which is not permitted to subscribe for shares with the stock options.

The present share subscription price of the 2007A stock option is EUR 18.04 per share. Future dividends and capital repayments will be deducted from the subscription price upon payment. The share subscription period for 2007A stock options began on 1 December 2009 and end on 31 May 2011.

On 9 December 2009, Elisa was notified, in accordance with Chapter 2, Section 9 of the Finnish Securities Market Act that BlackRock Inc.'s proportion of the total number of Elisa shares and voting rights has exceeded 5 per cent (6.64 per cent).

Elisa's Board of Directors decided to distribute 2007C stock options to Elisa Group's key personnel. The maximum number of 2007C stock options is 850,000 and of that, 471,500 have been distributed to the Elisa's key personnel. The strike price for series 2007C stock options is EUR 13.99 per share and the subscription period is 1 December 2011 – 31 May 2013.

Research and development

The Group invested EUR 10 million, of which EUR 2.8 million has been capitalised in research and development in 2009 (EUR 11 million in 2008 and EUR 8 million in 2007), corresponding to 0.7 per cent of revenue (0.7 per cent in 2008 and 0.5 per cent in 2007).

The Annual General Meeting

On 18 March 2009, and in accordance with the proposal of the Board of Directors, Elisa's Annual General Meeting decided on a dividend to shareholders in the amount of EUR 0.60 per share on the basis of the 31 December 2008 balance sheet approved by the Annual General Meeting.

The Annual General Meeting adopted the financial statements for the period in question. The members of the Board of Directors and the CEO were discharged from liability for 2008.

The number of the members of the Board of Directors was confirmed at six (6). The following members were re-elected to the Board of Directors: Mr Risto Siilasmaa, Mr Ossi Virolainen, Mr Pertti Korhonen and Ms Eira Palin-Lehtinen. Mr Ari Lehtoranta (Executive Vice President, Kone Corporation) and Raimo Lind (Executive Vice President, CFO and Deputy to the President, Wärtsilä Corporation) were elected as new members.

KPMG Oy Ab, authorised public accountants was appointed the company's auditor. APA Pekka Pajamo is the responsible auditor.

The Annual General Meeting accepted the proposal to amend the Operations of the Company in the articles of association. The main change was the addition of ICT services to the Operations of the Company.

The Board of Directors' authorisations

The Annual General Meeting accepted the proposal to authorize the Board of Directors to decide on the distribution of funds from the unrestricted equity to a maximum of EUR 150,000,000. The authorization is effective until the beginning of the following Annual General Meeting.

The Annual General Meeting decided on the authorization to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The maximum amount of shares under this authorization is 15,000,000. The authorization is effective until June 30, 2010.

The Annual General Meeting approved the proposal of the Board of Directors on the issuance of shares as well as the issuance of special rights entitling to shares. The issue may be directed. The authorization is effective until June 30, 2013. A maximum aggregate of 50.0 million of the company's shares can be issued under the authorization.

Regulatory issues

On April 2009, Elisa was handed a decision made by the Finnish Communications Regulatory Authority, that Elisa was allocated more frequencies in both the 1,800 MHz and 2,100 MHz spectrums. In the 1,800 MHz spectrum, the radio license is valid until November 2017 and in the 2,100 MHz spectrum, the licence is valid to March 2019. The 1,800 MHz spectrum can be used for the LTE (Long Term Evolution technology, i.e. the fourth generation, 4G mobile network). LTE enables faster than current mobile broadband connections. LTE can be utilized either in the auctioned 2.6 GHz or in the lower 1800 MHz spectrum.

The auction for the LTE 2.6 GHz spectrum ended on 23 November 2009. Elisa won the competitive 50 MHz spectrum. The fee for the license is EUR 834,700 and it is valid until 2029.

The Finnish Communications Regulatory Authority has, in its decision on 23 December 2009, appointed Elisa to provide universal service obligation services for internet connection covering the area of 25 named municipalities in Finland. The universal service obligation constitutes a provision of internet connection with a 1 Mbps speed in the named area from 1 July 2010 onwards.

Significant legal issues

Elisa and TeliaSonera reached a settlement on the disagreement relating to the claim of unjust enrichment due to miscoding of traffic.

On 28 May 2009, The Helsinki Court of Appeal rendered its verdict in the proceedings concerning the stock exchange disclosures of the Jippii Group in 2001. Jippii is Saunalahti Group's predecessor, which Elisa acquired in 2005. The Court has ordered Elisa to pay a corporate fine of

EUR 200,000 and a forfeiture of EUR 85,000 concerning the events of 2001. The decision is under appeal.

The Finnish Competition Authority has made a decision to remove the matter concerning the pricing of Elisa's broadband from the agenda.

The arbitration processes between Elisa and IBM on disputes relating to the implementation and maintenance of Elisa´s billing and CRM system has ended in December 2009.

The Estonian Communications Authority has, in 2007, issued a decision on the level of interconnection fees. Elisa has appealed against the decision and the proceedings are still pending. Elion Ettevõtted AS has presented a claim for refunding the excess fees of approximately EUR 1.8 million. Elisa disputes the refunding obligation.

Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, accidental and financial risks.

Strategic and operational risks:
The telecommunications industry is under intense competition in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world, and growth in subscriptions is thus limited. Furthermore, the volume of phone traffic in Elisa's fixed network has decreased in the past few years. These factors may limit the opportunities for growth.

The deterioration of the economic environment may impact the demand for Elisa's services and products, and therefore growth prospects. However, a good demand for communication services is expected to continue also during a recession.

Accident risks:
The company's core operations are covered by insurance against damage and interruptions caused by accidents. Accident risks also include litigations and claims.

Financial risks:
In order to manage interest rate risk, the Group's loans and investments are diversified in fixed- and variable-rate instruments. Interest rate swaps are used to manage interest rate risk.

As most of Elisa Group's cash flow is denominated in Euros, the exchange rate risk is minor. Elisa's Estonian business, which is approximately 6 per cent of the consolidated revenue is denominated in Estonian crowns.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. The Group's cash and undrawn committed credit lines totalled EUR 331 million at 31 December 2009 (EUR 258 million at the end of 2008). Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits to investment targets with a good credit rating. Credit risk concentrations in accounts receivable are minor as the customer base is wide.

In connection to the counterparty risk hedging, Elisa provided a maximum USD 60 million guarantee for a credit derivative portfolio (CDO) in 2007. The risk of the guarantee being called increased due to the credit crisis in 2008 and further during 2009. Possible further credit default events in the portfolio may result in partial or full demands being made under the guarantee already in 2010. There is a dispute between Elisa and the arranger bank as to the extent and scope of Elisa's obligations under the guarantee and legal proceedings have been commenced to resolve the dispute. At the year end, no guarantee liability was realised nor expenses accounted. Possible guarantee liability expense realisation is evaluated constantly and booked if materialised. The guarantee is valid until 15 December 2012. The maximum liability of USD 60 million, if realised, would mean cash payments of USD 33 million in 2011 and USD 27 million in 2012.

A detailed description of the financial risk management can be found in note 34 of the Annual Report.

Environmental issues

Elisa carries out high-quality and environmentally responsible telecommunications services. The utilisation of these services reduces the need to transport people and goods, which leads to a reduction in traffic.

Elisa monitors the environmental impact of its operations and continuously strives to improve their environmental friendliness. Elisa evaluates suppliers and subcontractors according to their environmental criteria, and improves the awareness of environmental issues among the personnel by openly and regularly providing information on their effects.

Elisa's environment group collected data on the environmental load (energy, water and fuel consumption, waste), followed the development in environmental legislation as well as other areas, and increased environmental awareness among the personnel by directing the operations that contribute to the environmental load.

The design and implementation of a standardized environmental management system continued in 2009. Other measures included further development of the environmental load data reporting system and improving waste sorting in business premises. Consumption of office supplies and paper was reduced to an excellent level. The switchover to multi-space solutions in business premises helped cut back electricity consumption considerably.

2009 Annual Report and corporate governance statement

Elisa will publish the 2009 Annual Report, which contains the report by Board of Directors and the financial statements for 2009, and a separate Corporate Governance Statement on week 8 on its website at www.elisa.com.

Events after the financial period

There are no major events after the financial period.

Outlook for 2010

There have been some positive signs in the general economic environment. However, the unemployment rate is expected to increase and the corporate business environment may deteriorate further. These factors could continue to have a negative impact on the telecom sector. Competition in the Finnish telecommunications market remains challenging.

The general economic downturn has so far mainly impacted Elisa's Estonian business and the Corporate Customer segment. The main risks still relate to the development of the Estonian economy and the corporate customer business.

Full year revenue is estimated to be at the same level as last year. The use of mobile communications and mobile broadband products is continuing to rise. Full year EBITDA, excluding non-recurring items, is expected to be at the same level as last year. Full-year capital expenditure is expected to be 10 to 12 per cent of revenue.

The ICT and on-line service industry is in a dynamic development phase. In addition to its strong position as a network service provider, Elisa is transforming itself to be able to provide its customers with exciting and relevant new services. Among the factors contributing to long-term growth and profitability improvement is 3G market growth. Elisa continues determinedly to employ its efficiency measures. Elisa's financial position and liquidity are good. There are no major refinancing needs expected before the year 2011.

Profit distribution

The Board of Directors proposes to the General Meeting as profit distribution a capital repayment of EUR 0.92 per share, of which EUR 0.68 is an ordinary profit distribution and EUR 0.24 as extraordinary profit distribution. The payment corresponds to 81 per cent of the financial period's earnings.

Shareholders who are listed in the company's register of shareholders maintained by the Euroclear Finland Ltd on 23 March 2010 are entitled to funds distributed by the General Meeting. The Board of Directors proposes the period shall be added to accrued earnings.

The Board of Directors also decided to propose to the General Meeting that the Board of Directors be authorised to distribute funds out of the retained earnings account or the reserve for invested non-restricted equity to a maximum of EUR 100 million.

Furthermore, the Board of Directors decided to propose to the General Meeting that the Board of Directors be authorised to acquire a maximum of 10 million treasury shares, which corresponds to 6 per cent of the entire stock.

The parent company's distributable funds at year-end amounted to EUR 339 million.

BOARD OF DIRECTORS

Elisa Corporation

1.1. - 31.12.2009

The Annual financial statements figures presented in this release are based on the company's audited financial statements.
The auditor's report was issued on 11 February 2010.

CONSOLIDATED INCOME STATEMENT

EUR million	Note	**10-12 2009**	10-12 2008	**1-12 2009**	1-12 2008
Revenue	1	**364,9**	372,1	**1 430,4**	1 485,0
Other operating income		**2,0**	3,0	**4,2**	6,5
Materials and services		**-144,0**	-159,0	**-576,3**	-652,4
Employee benefit expenses		**-51,3**	-43,2	**-188,8**	-162,5
Other operating expenses		**-50,3**	-43,6	**-185,6**	-205,0
EBITDA	1	**121,3**	129,3	**483,9**	471,6
Depreciation and amortisation		**-56,8**	-52,1	**-216,4**	-207,1
EBIT	1	**64,5**	77,2	**267,5**	264,5
Financial income		**2,3**	7,2	**10,5**	17,1
Financial expense		**-10,6**	-14,1	**-43,1**	-54,0
Share of associated companies' profit		**-0,1**	0,0	**0,0**	0,0
Profit before tax		**56,1**	70,3	**234,9**	227,6
Income taxes		**-15,2**	-16,6	**-57,9**	-50,6
Profit for the period		**40,9**	53,7	**177,0**	177,0
Attributable to:					
Owners of the parent		**40,7**	53,3	176,3	176,3
Non-controlling interests		**0,2**	0,4	0,7	0,7
		40,9	53,7	177,0	177,0
Earnings per share (EUR)					
Basic		**0,26**	0,34	**1,13**	1,12
Diluted		**0,26**	0,34	**1,13**	1,12
Average number of outstanding shares (1000 shares)					
Basic		**155 619**	155 619	**155 619**	157 450
Diluted		**155 809**	155 619	**155 809**	157 450

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	10-12 2009	10-12 2008	**1-12 2009**	1-12 2008
Profit for the period	**40,9**	53,7	**177,0**	177,0
Other comprehensive income, net of tax:				
Available-for-sale investments	**-0,5**	-8,0	**1,2**	-10,4
Total comprehensive income	**40,4**	45,7	**178,2**	166,6
Total comprehensive income attributable to:				
Owners of the parent	**40,2**	45,3	**177,5**	165,9
Non-controlling interests	**0,2**	0,4	**0,7**	0,7
	40,4	45,7	**178,2**	166,6

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The Annual financial statements figures presented in this release are based on the company's audited financial statements.
The auditor's report was issued on 11 February 2010.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	**31.12. 2009**	31.12. 2008
Non-current assets		
Property, plant and equipment	**617,9**	630,5
Goodwill	**782,0**	778,6
Other intangible assets	**148,2**	177,5
Investments in associated companies	**0,1**	0,1
Available-for-sale investments	**30,7**	29,0
Receivables	**19,4**	12,4
Deferred tax assets	**25,7**	28,3
	1 624,0	1 656,4
Current assets		
Inventories	**31,2**	21,7
Trade and other receivables	**278,4**	319,4
Cash and cash equivalents	**31,0**	33,0
	340,6	374,1
Total assets	**1 964,6**	2 030,5
Equity attributable to owners of the parent	**899,2**	873,4
Non-controlling interests	**0,8**	1,6
Total equity	**900,0**	875,0
Non-current liabilities		
Deferred tax liabilities	**26,6**	30,9
Provisions	**4,5**	5,6
Interest-bearing debt	**592,3**	672,3
Other non-current liabilities	**13,4**	14,0
	636,8	722,8
Current liabilities		
Trade and other payables	**263,3**	255,5
Tax liabilities	**6,4**	3,4
Provisions	**0,9**	1,5
Interest-bearing debt	**157,2**	172,3
	427,8	432,7
Total equity and liabilities	**1 964,6**	2 030,5

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	**1-12 2009**	1-12 2008
Cash flow from operating activities		
Profit before tax	**234,9**	227,6
Adjustments		
Depreciation and amortisation	**216,4**	205,8
Other adjustments	**29,5**	32,1
	245,9	237,9
Change in working capital		
Change in trade and other receivables	**36,3**	132,5
Change in inventories	**-9,4**	6,7
Change in trade and other payables	**10,1**	-56,2
	37,0	83,0
Financial items, net	**-29,6**	-38,8
Taxes paid	**-57,2**	-59,5
Net cash flow from operating activities	**431,0**	450,2
Cash flow from investing activities		
Capital expenditure	**-170,3**	-179,2
Purchase of shares	**-9,7**	-11,6
Proceeds from asset disposal	**0,9**	0,8
Net cash used in investing activities	**-179,1**	-190,0
Cash flow before financing activities	**251,9**	260,2
Cash flow from financing activities		
Purchase of treasury shares		-43,3
Proceeds from long-term borrowings		80,0
Repayment of long-term borrowings	**-36,1**	-30,0
Change in short-term borrowings	**-56,6**	38,6
Repayment of finance lease liabilities	**-4,5**	-4,0
Dividends paid and capital repayment	**-156,7**	-285,4
Net cash used in financing activities	**-253,9**	-244,1
Change in cash and cash equivalents	**-2,0**	16,1
Cash and cash equivalents at beginning of period	**33,0**	16,9
Cash and cash equivalents at end of period	**31,0**	33,0

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STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Treasury shares	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Minority interest	**Total equity**
Balance at January 1, 2008	83,0	-165,8	403,9	535,7	176,6	2,0	**1 035,4**
Capital repayment				-284,9			**-284,9**
Dividends						-1,1	**-1,1**
Purchase of treasury shares		-43,3					**-43,3**
Share-based compensation		7,1			-4,8		**2,3**
Total comprehensive income			-10,4		176,3	0,7	**166,6**
Balance at December 31, 2008	83,0	-202,0	393,5	250,8	348,1	1,6	**875,0**

EUR million							
Balance at January 1, 2009	83,0	-202,0	393,5	250,8	348,1	1,6	**875,0**
Capital repayment				-62,2		-0,7	**-62,9**
Dividends and capital repayment					-92,7	-0,8	**-93,5**
Share-based compensation					3,2		**3,2**
Total comprehensive income			1,2		176,3	0,7	**178,2**
Balance at December 31, 2009	83,0	-202,0	394,7	188,6	434,9	0,8	**900,0**

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NOTES

ACCOUNTING PRINCIPLES

The financial statements bulletin has been prepared in accordance with the IFRS recognition and measurement principles, although all requirements of IAS 34 standard have not been followed.
The information has been prepared in accordance with International Financial Reporting Standards effective at the time of preparing and adopted for use by European Union. Apart from the changes in accounting principles stated below, the financial statements have been prepared following the accounting principles of the 31 December 2008 financial statements.

Changes in the accounting principles

As of 1 January 2009, the Group has applied the following new or revised standards and new interpretations:

- *IFRS 8 Operating Segments.* The standard requires that segment information be presented on the basis of internal reporting internal reporting submitted to the management. Elisa's organizational and management structure is based on a customer-oriented operating model. The segment structures and reports presented as a result of the introduction of the standard have been renewed in full. The new operating segments to be presented are Consumer Customers and Corporate Customers. The amendment has also affected the impairment testing of goodwill, as goodwill has been re-allocated to the reported operating segments. The operating segments comprise the lowest unit level producing cash flow at which the company management monitors goodwill. The accounting principles for the new segment reporting system and the 2008 reference information have been published in a stock exchange release on 17.4.2009.
- Amendment to *IAS 1 Presentation of Financial Statements*. The amendments have affected the presentation of the income statement and equity in the consolidated financial statements.
- Amendment to *IFRS 7 Financial Instruments: Disclosures*. The amendment has affected the presentation of the consolidated notes. Items recognized at current value are categorized in the notes using a three level hierarchy for current values.

The following revised or amended standards and new interpretations that have been introduced have not had an impact on the information contained in the consolidated financial statements:

- Annual improvements to IFRS standards
- Amendment to *IFRS 2 Share-based Payment*. The amendment applies to the vesting conditions and cancellations of rights.
- Amendment to *IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements*. The amendments applies to financial instruments with a mandatory redemption feature and obligations created when dissolving a community.
- Amendment to *IAS 23 Borrowing Costs*. According to the amended standard, borrowing costs that are directly related to the acquisition, creation or production of a property item that takes a significantly long time to set it to an operating or selling condition can no longer be recognized directly as expenses. As of the closing date, Elisa has not had any activated borrowing costs that meet these conditions.
- *IFRIC 12 Service Concession Arrangements*.The interpretation applies to service concession arrangements from a public to a private party in the maintaining party's accounting.
- *IFRIC 13 Customer Loyalty Programs*. The application of the interpretation has not changed the Group's recognition practices.
- *IFRIC 15 Agreements for the Construction of Real Estate.*
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*. The interpretation provides guidelines for the hedging calculation of a net investment in a foreign operating unit.

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1. SEGMENT INFORMATION

10-12/2009 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	217,1	147,8		364,9
EBITDA	71,2	50,1		121,3
Depreciation and amortisation	-32,0	-24,8		-56,8
EBIT	39,2	25,3		64,5
Financial income			2,3	2,3
Financial expense			-10,6	-10,6
Share of associated companies' profit			-0,1	-0,1
Profit before tax				56,1
Investments	33,2	27,7		60,9

10-12/2008 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	216,9	155,2		372,1
EBITDA	72,5	56,8		129,3
Depreciation and amortisation	-29,8	-22,3		-52,1
EBIT	42,7	34,5		77,2
Financial income			7,2	7,2
Financial expense			-14,1	-14,1
Share of associated companies' profit			0,0	0,0
Profit before tax				70,3
Investments	35,7	28,0		63,7

1-12/2009 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	847,8	582,7		1 430,5
EBITDA	283,8	200,1		483,9
Depreciation and amortisation	-123,1	-93,3		-216,4
EBIT	160,7	106,8		267,5
Financial income			10,5	10,5
Financial expense			-43,1	-43,1
Share of associated companies' profit			0,0	0,0
Profit before tax				234,9
Total assets	1 059,5	766,3	138,8	1 964,6
Investments	91,9	79,5		171,4

1-12/2008 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	881,5	603,5		1 485,0
EBITDA	267,3	204,3		471,6
Depreciation and amortisation	-118,7	-88,4		-207,1
EBIT	148,6	115,9		264,5
Financial income			17,1	17,1
Financial expense			-54,0	-54,0
Share of associated companies' profit			0,0	0,0
Profit before tax				227,6
Total assets	1 143,3	780,8	106,4	2 030,5
Investments	101,8	82,1		183,9

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2. OPERATING LEASE COMMITMENTS

EUR million	**31.12. 2009**	31.12. 2008
Due within 1 year	**19,2**	22,2
Due after 1 year but within 5 years	**34,8**	36,8
Due after 5 years	**13,5**	15,2
Total	**67,5**	74,2

3. CONTINGENT LIABILITIES

EUR million	**31.12. 2009**	31.12. 2008
Mortgages		
For own and group companies		0,4
Pledges given		
Pledges given as surety	**0,7**	0,8
Guarantees given		
For others (*	**42,4**	44,3
Mortgages, pledges and guarantees total	**43,1**	45,5
Other commitments		
Repurchase commitments	**0,0**	0,1

**) EUR 41.6 million is related to the guarantee given on a CDO portfolio.*

4. DERIVATIVE INSTRUMENTS

EUR million	**31.12. 2009**	31.12. 2008
Interest rate swaps		
Nominal value	**150,0**	150,0
Fair value recognised in the balance sheet	**1,5**	1,0
Credit default swaps (*		
Nominal value	**44,0**	47,4

**) CDS is related to hedging of the guarantor bank in the QTE-arrangement. In 2008 Elisa wrote down the fair value of the CDS agreement.*

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KEY FIGURES

EUR million	**1-12 2009**	1-12 2008
Shareholders' equity per share, EUR	**5,78**	5,61
Interest bearing net debt	**718,5**	811,6
Gearing	**79,8 %**	92,8 %
Equity ratio	**46,1 %**	43,3 %
Return on investment (ROI) *)	**16,0 %**	15,6 %
Gross investments in fixed assets	**171,4**	183,9
of which finance lease investments	**1,1**	4,7
Gross investments as % of revenue	**11,9 %**	12,4 %
Investments in shares	**6,3**	14,8
Average number of employees	**3 216**	2 946

*) rolling 12 months profit preceding the reporting date

Formulae for financial indicators

Gearing %	Interest-bearing debt - cash and cash equivalents --- x 100 Total equity
Equity ratio %	Total equity -- x 100 Balance sheet total - advances received
Return on investment % (ROI)	Profit before taxes + interest and other financial expenses -- x 100 Total equity + interest bearing liabilities (average)
Net debt	Interest-bearing debt - cash and cash equivalents
Shareholders' equity per share	Equity attributable to equity holders of the parent --- Number of shares outstanding at end of period
Earnings/share	Profit for the period attributable to equity holders of parent -- Average number of outstanding shares