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ELISA'S INTERIM REPORT JANUARY - JUNE 2010

Second quarter 2010

- Revenue was EUR 364 million (355)
- EBITDA was EUR 119 million (116), EBIT EUR 65 million (64)
- Profit before tax amounted to EUR 53 million (56)
- Earnings per share was EUR 0.26 (0.27)
- Cash flow after investments was EUR 70 million (89)
- The full year outlook is reiterated

- Revenue per subscription (ARPU) in the mobile business increased slightly to EUR 22.4 (22.0 in the first quarter)
- Churn was 15.9 per cent (15.4 in the first quarter)
- The number of Elisa's mobile subscriptions increased by 118,000 during the quarter, due, in particular, to the new 3G and 2G customers, as well as mobile broadband
- The number of fixed broadband subscriptions decreased by 200 during the previous quarter
- Net debt / EBITDA was 1.5 (1.5 at the end of 2009) and gearing 93 per cent (80 at the end of 2009)

January - June 2010

- Revenue was EUR 717 million (706)
- EBITDA was EUR 234 million (231), EBIT EUR 126 million (126)
- Cash flow after investments was EUR 115 million (135)

Key indicators:

EUR million	4-6/2010	4-6/2009	1-6/2010	1-6/2009
Revenue	364	355	717	706
EBITDA	119	116	234	231
EBIT	65	64	126	126
Profit before tax	53	56	63	109
Profit before tax excl. non-recurring items*			107	
Earnings per share, EUR	0.26	0.27	0.31	0.53
EPS excl. non-recurring items, EUR*			0.52	
Capital expenditures	47	36	86	70

* Provision for possible guarantee expense

Financial position and cash flow:

EUR million	30.6.2010	30.6.2009	31.12.2009
Net debt	752	773	719
Net debt / EBITDA[1)]	1.5	1.6	1.5
Gearing ratio, %	93.2	89.2	79.8
Equity ratio, %	42.0	44.6	46.1

EUR million	4-6/2010	4-6/2009	1-6/2010	1-6/2009
Cash flow after investments	70	89	115	135

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

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

CEO Veli-Matti Mattila:

“New services continued to enjoy solid success, corporate customer business improved

Elisa's revenue developed favourably during the second quarter. In the Consumer Customer business, growth was mainly due to demand for new services and increased mobile business. Decline in Corporate Customer business revenue ended, which is a clear change compared to the previous quarters. EBITDA and cash flow were strong.

The competitive situation continued to be challenging but remained stable. We increased our total number of mobile subscriptions by 118,000 during the second quarter. The mobile broadband market continued to show strong growth, while the decrease in the number of fixed network broadband subscriptions remained steady.

The Consumer Customer business continued to grow with new services. Elisa Viihde was expanded to 12 new locations. Its popularity was boosted by high-definition TV broadcasts of the FIFA World Cup. We also rolled out the Elisa Kirja service, which allows users to easily download audio books to a computer or phone, for example.

Elisa continued implementing its strategy and purchased a majority stake in Videra Oy, a leading video conferencing company in the Nordic countries. As a result of the transaction, the market position of the Corporate Customer business unit was strengthened as a supplier of ICT services. Collaboration solutions provided by Elisa have proven to be successful in situations where customers are searching for alternatives to improve productivity of operations and flexibility at work.

During the second quarter, we continued to invest in the construction of the 3G network, which enables mobile broadband, in nearly 100 new areas. We also invested in user experience, and according to the most recent measurements, Elisa's 3G network has the best field strengths, highest data speeds and least disturbances. We were also the first to adopt new technology, the 4G network, for pre-commercial use in Helsinki.

We continued serving our customers through predictive communications about the functioning of the mobile phone network. In addition to the first real-time service map in Finland, our customers can now choose to be notified by SMS of the status of the network in their area.

Competition in the Finnish telecommunications market remains challenging. We are determined to continue developing our operations to improve customer satisfaction and productivity. In addition to operational improvement, a broadening service offering and the capability to invest provide a good basis for the future.”

CEO Veli-Matti Mattila

ELISA

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INTERIM REPORT JANUARY - JUNE 2010

The interim report has been prepared in accordance with the IAS 34 standard, “Interim reports”. The information presented in this interim report is unaudited.

Market situation

Positive trends in the general economy have continued favourably, and the bottom of the recession seems behind. However, general business activity has not yet recovered to the level before the recession.

The competitive environment has been keen but stable in Finland. The mobile subscription base and the use of data services have evolved favourably. The use of services made available through 3G subscriptions has increased. Another factor contributing to the growth has been the use of multiple terminal devices for different purposes, mobile broadband services and prepaid subscriptions. Churn in mobile subscriptions has increased slightly, and competition has been mainly in services and campaigning.

The number and usage of traditional fixed network subscriptions decreased at the same pace as in the previous quarters. 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	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Revenue	364	355	717	706
EBITDA*	119	116	234	231
EBITDA-%	*32.6*	*32.8*	*32.7*	*32.8*
EBIT*	65	64	126	126
EBIT-%	*17.8*	*18.0*	*17.6*	*17.8*

* There were no non-recurring items in EBITDA or EBIT

Second quarter 2010

Revenue increased by 3 per cent on the previous year. Revenue grew in the Consumer Customers mobile services and equipment sales, as well as in Corporate Customers mobile and ICT services. Consumer Customers online services also contributed positively to revenue growth. Development of traditional fixed telecom services in both segments affected revenue negatively.

EBITDA increased slightly on the previous year. The increase in personnel costs was compensated by efficiency measures in other operating expenses.

Financial income and expenses totalled EUR -12 million (-8). Financial expenses increased due to a foreign exchange rate change related to USD denominated provision of possible guarantee expense made in the first quarter 2010. Income taxes in the income statement amounted to EUR -13 million (-14). Elisa’s earnings after taxes were EUR 40 million (42). The Group’s earnings per share (EPS) amounted to EUR 0.26 (0.27).

January - June 2010

Revenue increased by 2 per cent on last year mainly due to the same reasons as in the second quarter.

EBITDA improved by 1 per cent on the previous year. The improvement was mainly due to improved efficiency measures. During the first half of 2010, sales costs increased due the strong growth in mobile subscriptions, but acquisition cost per subscriber (SAC) remained at the same level.

Financial income and expenses totalled EUR -63 million (-16). Financial expenses increased due to a EUR 45 million (USD 60 million) provision of possible guarantee expense made in the first quarter 2010 and foreign exchange rate change relating to it. Income taxes in the income statement amounted to EUR -15 million (-26). The tax decrease was mainly due to a tax asset of EUR 13 million related to the above mentioned provision. Elisa's earnings after taxes were EUR 48 million (84). The Group's earnings per share (EPS) amounted to EUR 0.31 (0.53).

Financial position:

EUR million	30.6.2010	30.6.2009	31.12.2009
Net debt	752	773	719
Net debt / EBITDA[1)]	1.5	1.6	1.5
Gearing ratio, %	93.2	89.2	79.8
Equity ratio, %	42.0	44.6	46.1

EUR million	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Cash flow after investments	70	89	115	135

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

Second quarter 2010
April–June cash flow after investments was EUR 70 million (89). The change was mainly due to the smaller decrease in net working capital than in the previous year and growth in capital expenditure. During the quarter, net debt decreased from EUR 817 million to EUR 752 million.

January - June 2010
Cash flow after investments was EUR 115 million (135). The change was mainly due to the smaller decrease in net working capital than in the previous year and growth in capital expenditure.

Elisa's financial position and liquidity remained good. During the first half 2010, net debt increased to EUR 752 million mainly due to capital repayment of EUR 143 million in March 2010. Cash and undrawn committed credit lines totalled EUR 332 million at the end of the first half, and there are no major refinancing needs expected before September 2011.

Changes in corporate structure

January - June 2010

In May, Elisa strengthened its position as an ICT player by acquiring a majority holding in Videra Oy, a leading video conferencing company in the Nordic countries. Videra became part of the Elisa Group through an arrangement where by Elisa's holding will be 68.8 per cent. Videra continues its operations as Elisa's subsidiary. Videra's annual revenue is approximately EUR 14 million, and the acquisition price is a maximum EUR 13 million.

Consumer Customer business

EUR million	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Revenue	217	209	431	410
EBITDA	68	68	141	132
EBITDA-%	*31.3*	*32.5*	*32.7*	*32.1*
EBIT	37	38	79	71
CAPEX	27	19	51	37

Second quarter 2010
Consumer Customer business revenue increased by 4 per cent, and EBITDA was at the previous year's level. Revenue growth was strong in mobile services as a result of good growth in subscriptions and equipment sales. There was also growth in online services. Revenue development was negative in the fixed network services. EBITDA was positively affected by revenue growth and efficiency measures and negatively by increased sales costs and new service

launches. Also, due to the general economic situation, the Estonian business affected negatively EBITDA.

January - June 2010
Revenue increased by 5 per cent and EBITDA by 7 per cent. The growth in revenue was mainly attributable to the same reasons as in the second quarter. EBITDA was positively affected by revenue growth and efficiency measures and negatively by increased sales costs and new service launches. Also, the decrease in the Estonian business due to the general economic situation had a negative effect on EBITDA.

Corporate Customer business

EUR million	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Revenue	147	146	286	296
EBITDA	51	48	93	100
EBITDA-%	*34.4*	*33,2*	*32.6*	*33,7*
EBIT	28	26	47	54
CAPEX	20	17	35	33

Second quarter 2010
Revenue increased by 1 per cent and EBITDA by 4 per cent. Usage of mobile services and increased number of subscription increased revenue. ICT services experienced also growth. Traditional fixed telecom services revenue was lower than a year ago. The increase in EBITDA was attributable to the revenue growth and efficiency measures.

January - June 2010
Revenue decreased by 3 per cent and EBITDA by 7 per cent. Usage of mobile services and increased number of subscription increased revenue. ICT services grew also. Traditional fixed telecom services revenue was lower than a year ago. Decrease in EBITDA was attributable mainly to the decline in revenue.

Personnel

In January - June the average number of personnel at Elisa was 3,394 (3,143).
Personnel by segment at the end of the period:

	30.6.2010	30.6.2009	31.12.2009
Consumer Customers	2,157	1,596	1,975
Corporate Customers	1,381	1,725	1,356
Total	3,538	3,321	3,331

Compared to the corresponding period last year, personnel growth mainly occurred in call centres as a result of an increase in the customer service business, as well as the Videra acquisition. The call centre headcount varies flexibly according to customer demand and business activity.

Investments

EUR million	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Capital expenditures, of which	47	36	86	70
- Consumer Customers	27	19	51	37
- Corporate Customers	20	17	35	33
Shares	11	1	11	6
Total	58	37	96	76

The main capital expenditures arose from the capacity and coverage increase of the 3G network, as well as from customer equipment.

Financing arrangements and ratings

Valid financing arrangements:

EUR million	Maximum amount	In use on 30.6.2010
Committed credit limits	300	0
Commercial paper programme[1)]	250	110
EMTN programme[2)]	1,000	625

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	Stable

The Group’s cash and undrawn committed credit lines totalled EUR 332 million at 30 June 2010 (EUR 331 million at the end of 2009). There are no major refinancing needs expected before the year 2011.

Share

Trading of shares	4 - 6/2010	4 - 6/2009	1 - 6/2010	1 - 6/2009
Shares traded, millions	34.4	57.2	72.7	106.4
Volume, EUR million	488.3	602.3	1,091.9	1,156.6
% of shares	21	34	44	64

Shares and market values	30.6.2010	30.6.2009	31.12.2009
Total number of shares	166,307,586	166,307,586	166,307,586
Treasury shares	10,534,506	10,688,629	10,688,629
Outstanding shares	155,773,080	155,618,957	155,618,957
Closing price, EUR	14.22	11.73	15.96
Market capitalisation, EUR million	2,215	1,825	2,484
Treasury shares, %	6.33	6.43	6.43

In March, Elisa distributed a capital repayment of EUR 0.92 per share, totalling EUR 143 million, in accordance with the decision of the shareholders at the Annual General Meeting.

Elisa transferred on 1 March 2010 156,633 Elisa shares to persons involved in the 2009 - 2011 share-based incentive plan. On 1 June 2010, 2,510 shares given under the share-based incentive plan were returned to company.

On 21 May 2010, Elisa received a notice that BlackRock Inc.'s proportion of the total number of Elisa shares and voting rights has decreased below 5 per cent (1/20) and was 4.94 per cent (8.2 million shares).

The Board of Directors' authorisations

On 18 March 2010, the shareholders at the Annual General Meeting authorised the Board of Directors to donate a maximum of EUR 700,000 to support activities of Finnish universities and colleges during 2010.

The shareholders at the Annual General Meeting accepted the proposal of the Board of Directors to resolve to distribute funds from the unrestricted equity to the maximum amount of EUR 100 million. The authorisation is effective until the beginning of the following Annual General Meeting.

The shareholders at the Annual General Meeting decided on the authorisation to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The amount of shares under this authorisation is 10 million shares at maximum. The authorisation is effective until 30 June 2011.

The shareholders at 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 entitled to shares. The issue may be directed. The authorisation is effective until 30 June 2014. A maximum aggregate of 15 million of the company's shares can be issued under the authorisation.

Significant legal issues

In May, the Finnish Communications Regulatory Authority (FICORA) has issued a decision on pricing local loop access. Ficora decided that the monthly pricing for local loop and switching charges are not in accordance with the Communications Market Act. Elisa must reduce its pricing to a level based on Ficora's decision within three months. Elisa has appealed against the Ficora's decision and has looked for interruption of the enforcement from the Supreme Administrative Court.

Elisa made in the first quarter 2010 a one-off provision relating to guarantee given by Elisa to the arranger bank on a CDO portfolio in 2007. The extent and scope of Elisa's obligations and liability to the arranger bank under the guarantee and related transaction documents are presently in dispute and the subject of contested court proceedings.

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, good demand for communication services is expected to continue also during the 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 can be 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. Estonia will join the European monetary union as of 1 January 2011 with the current exchange rate, which removes this exchange risk.

The provision for possible guarantee expense, USD 60 million, is denominated in US Dollars, carrying exchange rate risk.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. 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.

A detailed description of the financial risk management can be found in note 34 of Elisa's 2009 Consolidated Financial Statements.

Events after the financial period

There have not been any significant events following the reporting period.

Outlook for 2010

Positive trends of the general economy have continued favourably, and the bottom of the recession seems behind. However, the general business activity has not yet recovered to the level before the recession. This positive development is expected to continue further. Risks are related to nervousness of the financial markets and its possible impacts on the general economic development. Competition in the Finnish telecommunications market remains challenging.

Outlook for revenue, EBITDA and capital expenditure is reiterated. 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.

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.

BOARD OF DIRECTORS

Elisa Corporation
1.1. - 30.6.2010
Unaudited

CONSOLIDATED INCOME STATEMENT

EUR million	Note	**4-6 2010**	4-6 2009	**1-6 2010**	1-6 2009	1-12 2009
Revenue	1	**364,3**	354,9	**717,3**	705,9	1 430,4
Other operating income		**1,0**	1,1	**1,8**	2,0	4,2
Materials and services		**-148,3**	-143,6	**-288,5**	-289,3	-576,3
Employee expenses		**-52,3**	-47,6	**-107,1**	-94,5	-188,8
Other operating expenses		**-46,2**	-48,4	**-89,3**	-92,8	-185,6
EBITDA	1	**118,5**	116,4	**234,2**	231,3	483,9
Depreciation and amortisation	3	**-53,8**	-52,5	**-108,2**	-105,7	-216,4
EBIT	1	**64,7**	63,9	**126,0**	125,6	267,5
Financial income		**2,9**	2,7	**5,2**	6,1	10,5
Financial expense		**-14,7**	-10,8	**-68,6**	-22,5	-43,1
Share of associated companies' profit		**0,0**	0,0	**0,0**	0,0	0,0
Profit before tax		**52,9**	55,8	**62,6**	109,2	234,9
Income taxes		**-13,3**	-13,5	**-14,7**	-25,7	-57,9
Profit for the period		**39,6**	42,3	**47,9**	83,5	177,0
Attributable to:						
Owners of the parent		**39,5**	42,1	**47,6**	83,1	176,3
Non-controlling interests		**0,1**	0,2	**0,3**	0,4	0,7
		39,6	42,3	**47,9**	83,5	177,0
Earnings per share (EUR)						
Basic		**0,26**	0,27	**0,31**	0,53	1,13
Diluted		**0,26**	0,27	**0,31**	0,53	1,13
Average number of outstanding shares (1000 shares)						
Basic		**155 775**	155 619	**155 723**	155 619	155 619
Diluted		**156 005**	155 619	**155 953**	155 619	155 809

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the period	**39,6**	42,3	**47,9**	83,5	177,0
Other comprehensive income, net of tax:					
Available-for-sale investments	**-1,9**	1,0	**-0,6**	-0,1	1,2
Total comprehensive income	**37,7**	43,3	**47,3**	83,4	178,2
Total comprehensive income attributable to:					
Owners of the parent	**37,6**	43,1	**47,0**	83,0	177,5
Non-controlling interests	**0,1**	0,2	**0,3**	0,4	0,7
	37,7	43,3	**47,3**	83,4	178,2

Elisa Corporation
1.1. - 30.6.2010
Unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	**30.6. 2010**	31.12. 2009
Non-current assets			
Property, plant and equipment	3	**608,4**	617,9
Goodwill	3	**787,8**	782,0
Other intangible assets	3	**130,8**	148,2
Investments in associated companies		**0,1**	0,1
Available-for-sale investments		**30,1**	30,7
Receivables		**19,0**	19,4
Deferred tax assets		**34,0**	25,7
		1 610,2	1 624,0
Current assets			
Inventories	4	**31,0**	31,2
Trade and other receivables		**262,4**	278,4
Cash and cash equivalents		**31,6**	31,0
		325,0	340,6
Total assets		**1 935,2**	1 964,6
Equity attributable to owners of the parent	5	**804,2**	899,2
Non-controlling interests		**3,3**	0,8
Total equity		**807,5**	900,0
Non-current liabilities			
Deferred tax liabilities		**23,3**	26,6
Pension obligations		**0,7**	0,8
Provisions	7	**32,7**	3,7
Interest-bearing debt	6	**669,2**	592,3
Other non-current liabilities		**13,0**	13,4
		738,9	636,8
Current liabilities			
Trade and other payables		**250,8**	263,3
Tax liabilities		**2,1**	6,4
Provisions	7	**21,0**	0,9
Interest-bearing debt	6	**114,9**	157,2
		388,8	427,8
Total equity and liabilities		**1 935,2**	1 964,6

Elisa Corporation
1.1. - 30.6.2010
Unaudited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	**1-6 2010**	1-6 2009	1-12 2009
Cash flow from operating activities			
Profit before tax	**62,6**	109,2	234,9
Adjustments			
Depreciation and amortisation	**108,2**	105,7	216,4
Other adjustments	**64,5**	15,5	29,5
	172,7	121,2	245,9
Change in working capital			
Change in trade and other receivables	**20,9**	51,0	36,3
Change in inventories	**1,3**	-0,5	-9,4
Change in trade and other payables	**-6,3**	-16,3	10,1
	15,9	34,2	37,0
Financial items, net	**-15,3**	-17,0	-29,6
Taxes paid	**-31,3**	-34,5	-57,2
Net cash flow from operating activities	**204,6**	213,1	431,0
Cash flow from investing activities			
Capital expenditure	**-84,7**	-69,6	-170,3
Purchase of shares	**-5,2**	-9,3	-9,7
Proceeds from asset disposal	**0,5**	0,8	0,9
Net cash used in investing activities	**-89,4**	-78,1	-179,1
Cash flow before financing activities	**115,2**	135,0	251,9
Cash flow from financing activities			
Proceeds from long-term borrowings	**75,0**		
Repayment of long-term borrowings	**-80,2**	-36,0	-36,1
Change in short-term borrowings	**35,9**	-6,9	-56,6
Repayment of finance lease liabilities	**-1,8**	-2,4	-4,5
Dividends paid and capital repayment	**-143,5**	-93,9	-156,7
Net cash used in financing activities	**-114,6**	-139,2	-253,9
Change in cash and cash equivalents	**0,6**	-4,2	-2,0
Cash and cash equivalents at beginning of period	**31,0**	33,0	33,0
Cash and cash equivalents at end of period	**31,6**	28,8	31,0

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, 2009	83,0	-202,0	393,5	250,8	348,1	1,6	**875,0**
Dividends					-93,4	-0,8	**-94,2**
Share-based compensation					1,8		**1,8**
Total comprehensive income			-0,1		83,1	0,4	**83,4**
Balance at June 30, 2009	83,0	-202,0	393,4	250,8	339,6	1,2	**866,0**

EUR million							
Balance at January 1, 2010	83,0	-202,0	394,7	188,6	434,9	0,8	**900,0**
Dividends and capital repayment				-143,3		-0,5	**-143,8**
Share-based compensation		3,1			-0,7		**2,4**
Other changes					-1,1	2,7	**1,6**
Total comprehensive income			-0,6		47,6	0,3	**47,3**
Balance at June 30, 2010	83,0	-198,9	394,1	45,3	480,7	3,3	**807,5**

NOTES

ACCOUNTING PRINCIPLES

The Interim consolidated financial statements are in compliance with IAS 34 "Interim Financial Reporting ". The information has been prepared in accordance with International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by European Union. Apart from the changes in accounting principles stated below, the accounting principles applied in the interim report are the same as in the financial stantements at December 31, 2009.

Changes in the accounting principles

The Group adopted the following standards, amendments to standards and interpretations as from 1 January 2010 onward:

- Revised IFRS 3 Business Combinations. The revision enables valuation of minority intrest and goodwill at fair value. The method to be used is selected on a case-by-case basis. In case of successive acquisitions, the previously acquired share of ownership is revaluated at the fair value on the acquisition date, and this influences the recognized goodwill. Changes in contingent purchase price and cost related to the acquisition are recognized through profit or loss.
- Revised IAS 27 Consolidated and Separate Financial Statements. The manner in which increases and decreases in the shares of ownership of the Group's subsidiaries are handled is changed. Losses of the subsidiaries are allocated as minority interest, including the share exceeding the investment made by the subsidiary in question.

Following newly adopted standards and interpretations have not had any effect on interim financial statements:

- Revised IFRS 2 Share-based Payment
- Revised IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from customers

1. SEGMENT INFORMATION

4-6/2010 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	217,2	147,1		364,3
EBITDA	67,9	50,6		118,5
Depreciation and amortisation	-31,1	-22,7		-53,8
EBIT	36,8	27,9		64,7
Financial income			2,9	2,9
Financial expense			-14,7	-14,7
Share of associated companies' profit			0,0	0,0
Profit before tax				52,9
Investments	27,2	18,8		46,0

4-6/2009 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	208,7	146,2		354,9
EBITDA	67,9	48,5		116,4
Depreciation and amortisation	-30,1	-22,4		-52,5
EBIT	37,8	26,1		63,9
Financial income			2,7	2,7
Financial expense			-10,8	-10,8
Share of associated companies' profit			0,0	0,0
Profit before tax				55,8
Investments	18,9	17,4		36,3

Elisa Corporation
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1-6/2010 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	431,5	285,8		717,3
EBITDA	141,2	93,0		234,2
Depreciation and amortisation	-62,0	-46,2		-108,2
EBIT	79,2	46,8		126,0
Financial income			5,2	5,2
Financial expense			-68,6	-68,6
Share of associated companies' profit			0,0	0,0
Profit before tax				62,6
Investments	50,7	34,0		84,7

1-6/2009 EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	410,2	295,7		705,9
EBITDA	131,7	99,6		231,3
Depreciation and amortisation	-60,5	-45,2		-105,7
EBIT	71,2	54,4		125,6
Financial income			6,1	6,1
Financial expense			-22,5	-22,5
Share of associated companies' profit			0,0	0,0
Profit before tax				109,2
Investments	37,2	33,0		70,2

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

2. ACQUISITIONS

Acquisition of Videra Oy and Arediv Oy 2010

Elisa acquired on 13 April 2010 a total of 68.8 per cent of Videra Oy's share capital through a directed share issue, purchase of shares from management and by acquiring 62 per cent of Arediv Oy's share capital. According Preliminary Purchase Price Allocation, given the purchase price of EUR 10.7 million, intangible assets allocated to customer relationships is EUR 3.8 million. This is amortised in four years. Goodwill is EUR 4.2 million. Elisa executed its strategy of strengthening its position in the ICT services by buying a majority share in a leading Nordic video conferencing operator Videra. Combining the two strong players creates opportunities to take advantage of interactive communication solutions, among others, to develop customer service in both the private and public sectors in new ways.

Videra has been consolidated starting 1 June 2010. Acquisition has no material impact on the company's financial year revenue and earnings, and therefore no separate pro forma figures are given.

Purchase price allocation

EUR million	
Total cost of acquisition	10,7
Fair value of net assets acquired	6,5
Goodwill	4,2

Analysis of net assets acquired	Recognised fair values	Book values before consolidation
Intangible assets	3,8	0,0
Tangible assets	0,2	0,2
Inventories	0,8	0,8
Receivables	5,2	5,2
Cash and cash equivalents	4,2	4,2
Liabilities	-7,6	-6,6
Net assets acquired	6,5	3,7

Effects of acquisitions on cash flow	
Cash paid	-10,7
Cash and cash equivalents of the acquired subsidiary	6,1
Cash flow	-4,6

Other acquisitions

Additional purchase price relating to previous year's acquisitions resulted EUR 1,5 million goodwill increase.

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR million	Property plant and equipment	Goodwill	Other intangible assets
Cost, 1 January 2010	2 464,4	782,0	404,3
Additions	71,8	1,5	12,3
Acquisitions of subsidiaries	0,3	4,2	3,8
Disposals	-4,6		-6,6
Reclassifications	0,3		-0,3
30 June 2010	2 532,2	787,8	413,5
Accumulated depreciation/amortisation, 1 January 2010	1 846,5		256,1
Depreciation for the period	81,6		26,6
Disposals and reclassifications	-4,4		
30 June 2010	1 923,7		282,7
Net carrying amounts:			
1 January 2010	617,9	782,0	148,2
30 June 2010	608,4	787,8	130,8

Commitments to purchase property, plant and equipment and intangible assets amounts to EUR 49,4 million as at 30 June 2010.

4. INVENTORIES

Write-downs of inventories amounting to EUR 0,8 million were recognised at 30 June, 2010 (EUR 0,8 million, 31 December, 2009)

5. EQUITY

Treasury shares	Shares pcs	Nominal value EUR	Holding, % of shares and votes
Held by the Group, 31 December 2009	10 688 629		
Payment of incentive plan 2009	-156 633		
Repayment of incentive plan 2009	2 510		
Treasury shares held by the Group, 30 June 2010	10 534 506	5 259 602	6,33 %

Capital repayment

On 18 March, 2010 Elisa's Annual General Meeting decided of a dividend of 0,92 euros per share. The total dividend amounts to EUR 143,3 million and payment started on 31 March, 2010.

6. ISSUANCES AND REPAYMENTS OF DEBT

Bonds Issued

EUR million	Nominal value	Book value	Nominal interest rate	Effective interest	Maturity date
EMTN -ohjelma 2001/EUR 1,000 million I/2010	75,0	75,0	fixed 3,000 %	3,006 %	22.3.2013

Repayments of Bonds

EUR million	Nominal value	Book value	Nominal interest rate	Effective interest	Maturity date
EMTN programme 2001/EUR 1,000 million I/2007	50,0	50,0	3-month euribor + 0,22%	0,940 %	3.3.2010
Total of repayments	50,0	50,0			

The unused amount of EUR 1,000 million EMTN program is EUR 375 million as at 30 June 2010.

7. PROVISIONS

EUR million	Restructuring provision	Other	Guarantee provision (CDO)	Total
1 January 2010	1,6	3,0		4,6
Increase in provisions	0,9	0,1	48,9	49,9
Used provisions	-0,4	-0,4		-0,8
30 June 2010	2,1	2,7	48,9	53,7

8. RELATED PARTY TRANSACTIONS

Elisa Group's related parties include subsidiaries, associates and key management. Key management consists of Elisa's Board of Directors, the CEO and the Executive Board.

Changes in subsidiary relationships during the period are as follows:

Arediv Oy	aquired	62 %
Videra Oy	aquired	69 %

Related party transactions with associated companies	**1-6/2010**
Sales	**0,0**
Purchases	**0,3**

Management remuneration will be announced in Annual financial statements.

9. OPERATING LEASE COMMITMENTS

EUR million	**30.6. 2010**	31.12. 2009
Due within 1 year	**19,9**	19,2
Due after 1 year but within 5 years	**34,2**	34,8
Due after 5 years	**11,0**	13,5
Total	**65,1**	67,5

10. CONTINGENT LIABILITIES

EUR million	**30.6. 2010**	31.12. 2009
Pledges given		
Pledges given as surety	**0,8**	0,7
Guarantees given		
For others (*	**0,5**	42,4
Mortgages, pledges and guarantees total	**1,3**	43,1

**) 31.12.2009 EUR 41.6 million was related to the guarantee given on a CDO portfolio. The guarantee was posted to Balance Sheet as a provision at 31.3.2010 and the provision amounted EUR 48.9 million at 30.6.2010.*

11. DERIVATIVE INSTRUMENTS

EUR million	**30.6. 2010**	31.12. 2009
Interest rate swaps		
Nominal value	**150,0**	150,0
Fair value recognised in the balance sheet	**1,3**	1,5
Credit default swaps (*		
Nominal value	**51,2**	44,0

**) 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.*

12. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have taken place after the balance sheet date.

KEY FIGURES

EUR million	**1-6 2010**	1-6 2009	1-12 2009
Shareholders' equity per share, EUR	**5,16**	5,56	5,78
Interest bearing net debt	**752,4**	772,6	718,5
Gearing	**93,2 %**	89,2 %	79,8 %
Equity ratio	**42,0 %**	44,6 %	46,1 %
Return on investment (ROI) *)	**12,6 %**	17,0 %	16,0 %
Gross investments in fixed assets	**85,6**	70,2	171,4
of which finance lease investments	**0,9**	0,6	1,1
Gross investments as % of revenue	**11,9 %**	10,0 %	11,9 %
Investments in shares	**10,8**	6,2	6,3
Average number of employees	**3 394**	3 143	3 216

*) 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