

# Financial overview

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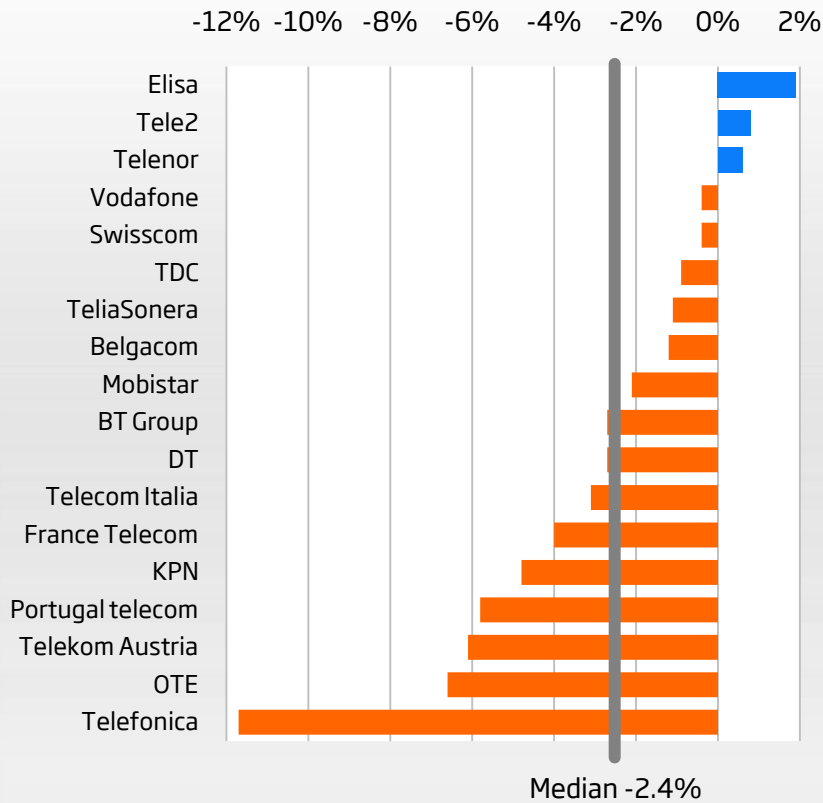
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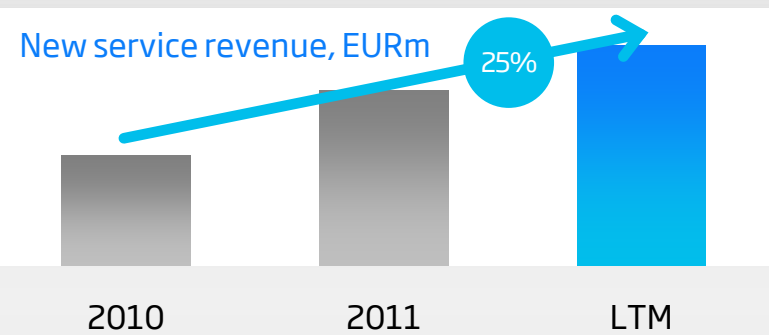
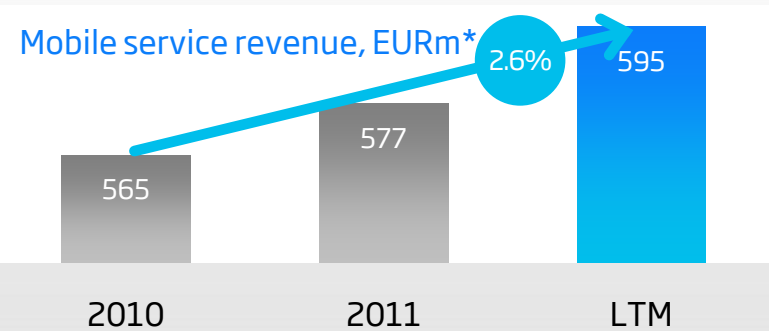
CFO priorities

# Revenue growth driven by mobile and New services...

## Domestic revenue growth 1H11 vs. 1H12



Source: Company filings

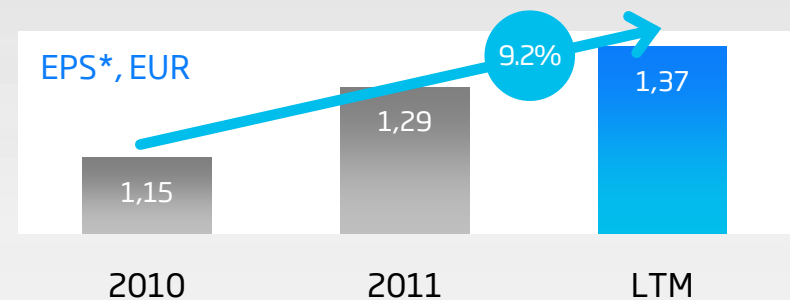
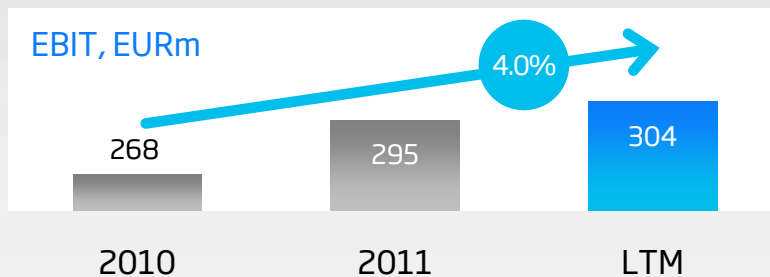
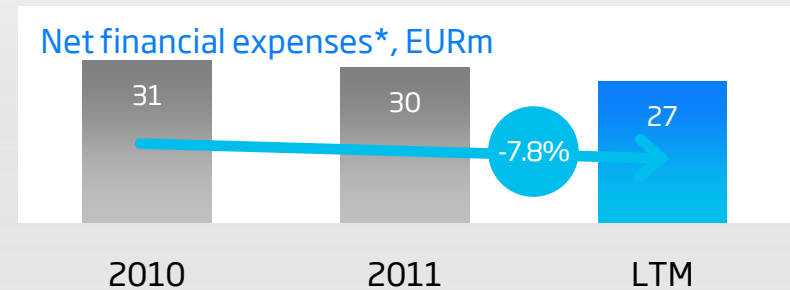
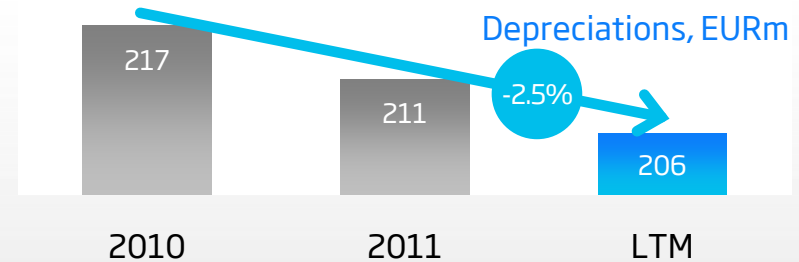


\* Finland

LTM = Last 12 months (4Q11 - 3Q12)

# ...and earnings improving via lower depreciations and financial costs

- More efficient capital employed
  - E.g. CRM and billing system fully depreciated
- Lower interest rate level
- Efficient debt management
- Improving efficiency enables investments in New services

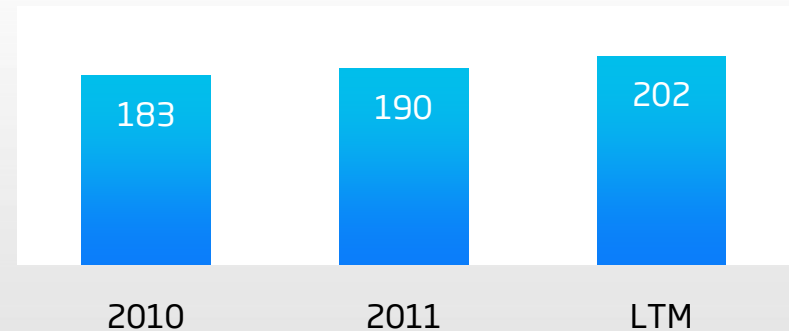


\* Excluding EO items

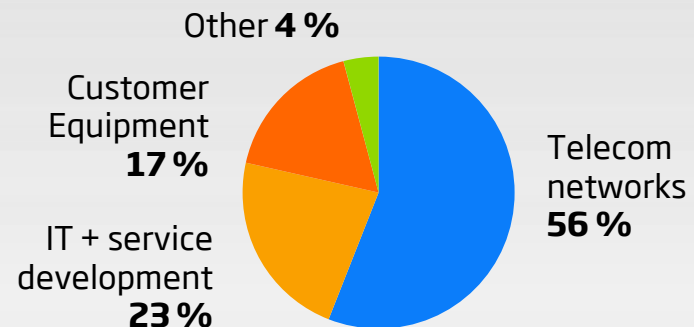
# CAPEX guidance unchanged...

- Mid-term CAPEX-to-sales target max 12% maintained
- LTE investments gradually over several years
- Fiber where commercially viable
- No investment peak for growing smartphone data expected
- Leveraging procurement
  - Global sourcing

## CAPEX development, EURm



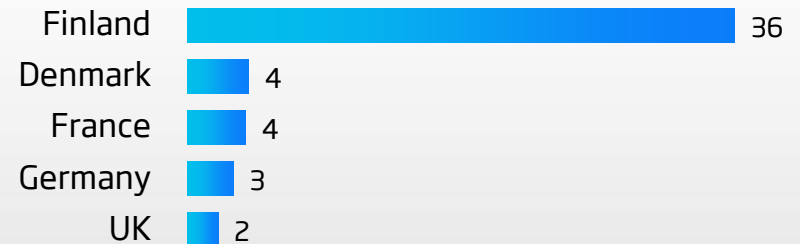
## CAPEX breakdown 1-3Q12



## ...with good frequency capacity

- Capacity for data growth available
- Auction for 800 MHz
  - License for 20 years, payment in 5 annual installments
- 700 MHz expected to be available in 2017

### MHz to population density (km<sup>2</sup>) ratio



### Mobile frequencies in Finland

Band MHz	Bandwidth MHz	2G/ GSM	3G/ UMTS	4G/ LTE
800*	2x30			✓
900	2x35	✓	✓	
1800	2x75	✓		✓
2100	2x60 +15		✓	
2600	2x70 +50			✓

\* To be auctioned

# M&A policy continues to be strict...

## Focus in core markets

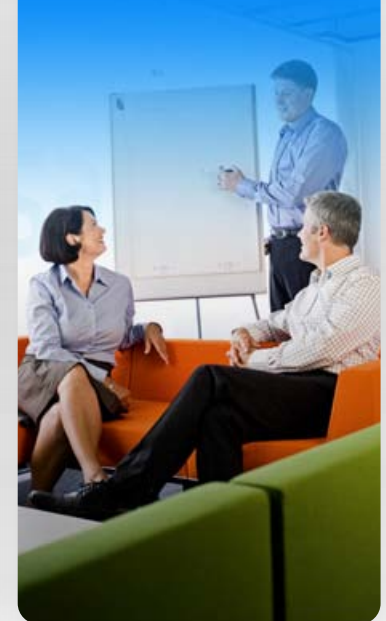


## Value creating acquisition criteria

- Supports strategy
- Financially accretive
- Distribution intact or improved
- Enhancing service offering
- Complements own business development



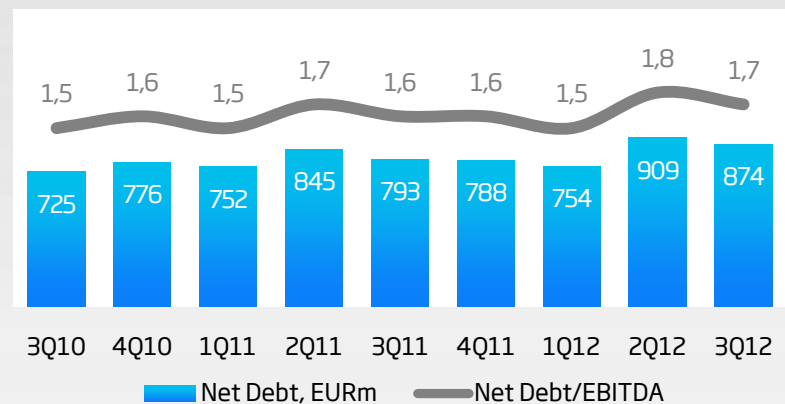
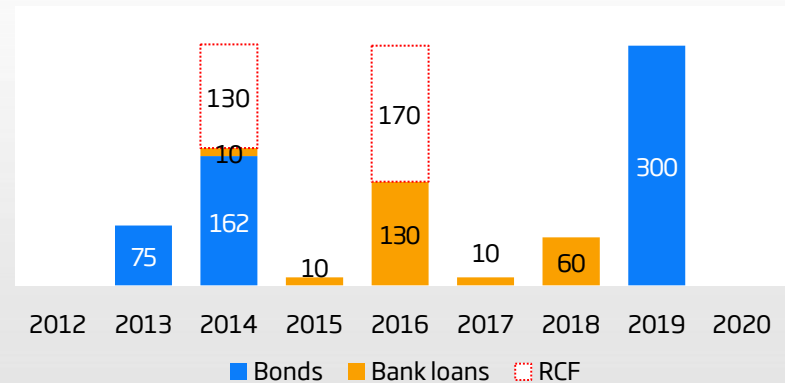
## Disciplined track record



# ...and efficiency of finance management improves

- Average interest rate ~2.7%
- Multiple financing sources used and available
- Recent activity to decrease interest and extent maturities
  - Debt issue EUR 300m 7y, 2.25% coupon
  - Buy-back EUR 138m of 2014 debt
  - Financial expense decrease >EUR 2m
- Unchanged targets
  - Net Debt/EBITDA 1.5-2x
  - Equity ratio >35%
- Solid credit ratings

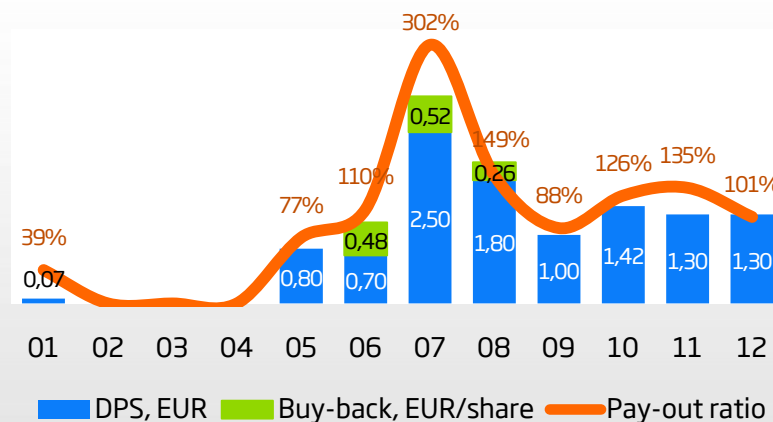
### Debt maturities



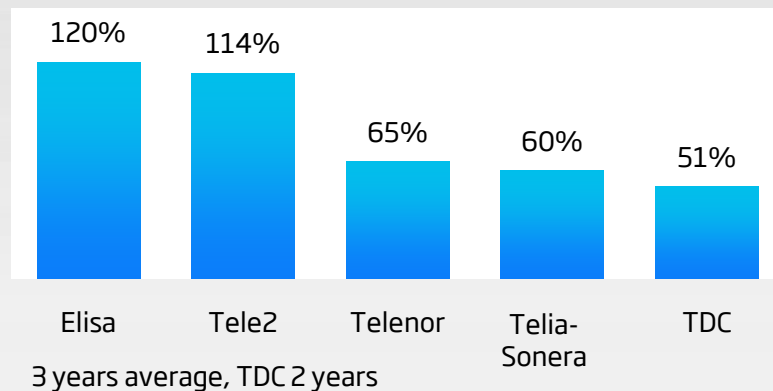


# Elisa's performance leads to best-in-class shareholder remuneration

- Track record over several years of strong profit distribution
- Upgraded dividend policy
  - pay-out ratio from 40-60% to 80-100%
- Commitment to competitive shareholder remuneration continues
- TSR since last CMD\* +44%



## Average dividend pay-out ratio



\* Total Shareholder Return since 15 February 2010

# CFO priorities



OPEX and CAPEX efficiency

Improving efficiency of capital employed

Efficient finance management

Thank you!  
Q&A



# Forward-looking statements

Statements made in this document relating to the future, including future performance and other trend projections, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements, due to many factors, many of which are outside of Elisa's control.