

The word "elisa" is written in a white, lowercase, cursive font. It is centered within a vibrant, abstract graphic of blue and orange liquid splashes and droplets. The blue liquid is the primary color, with orange and red tones appearing in the background and as smaller droplets. The overall effect is dynamic and energetic.

elisa

# Group overview

Veli-Matti Mattila  
CEO

# Content

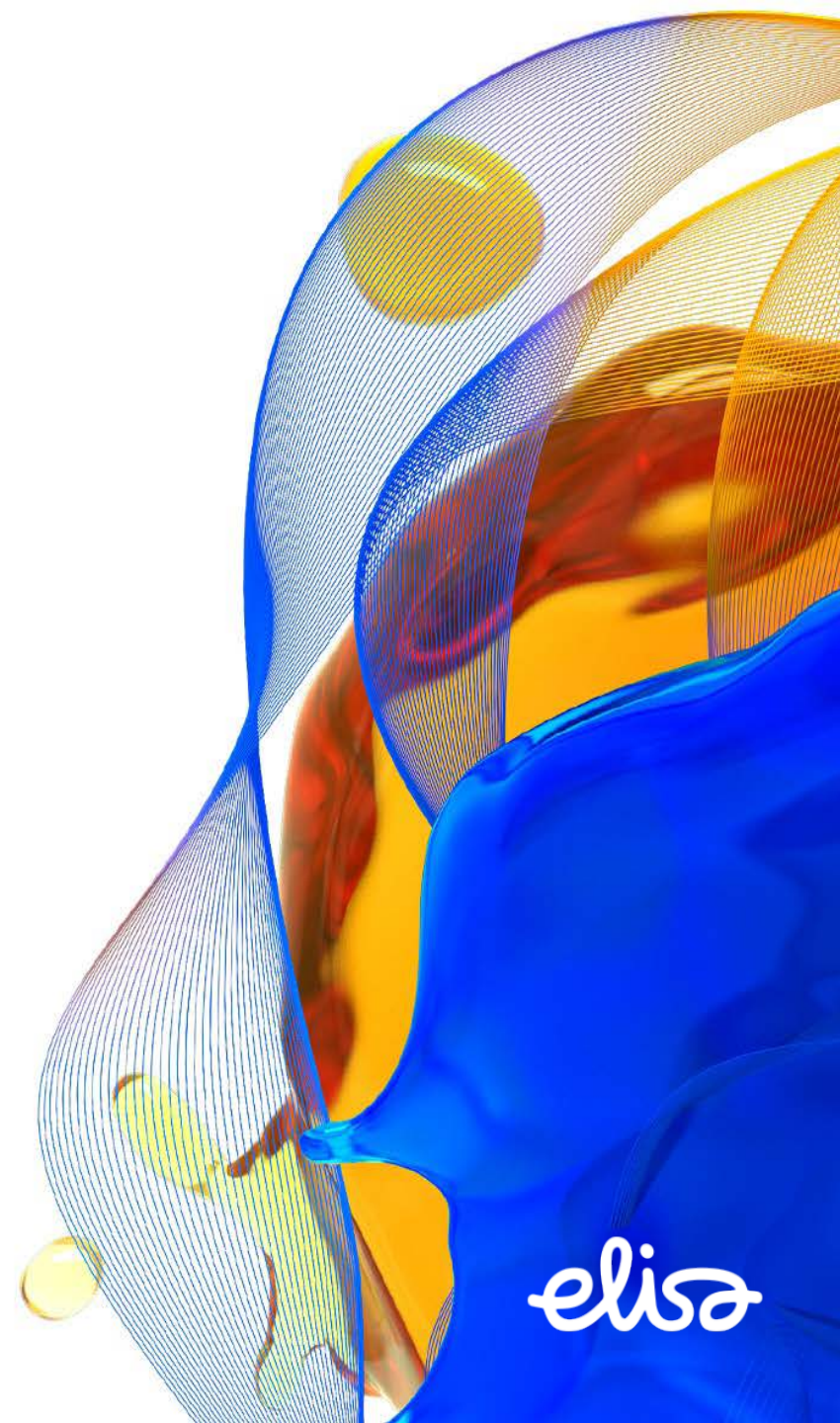
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3 Strategy execution

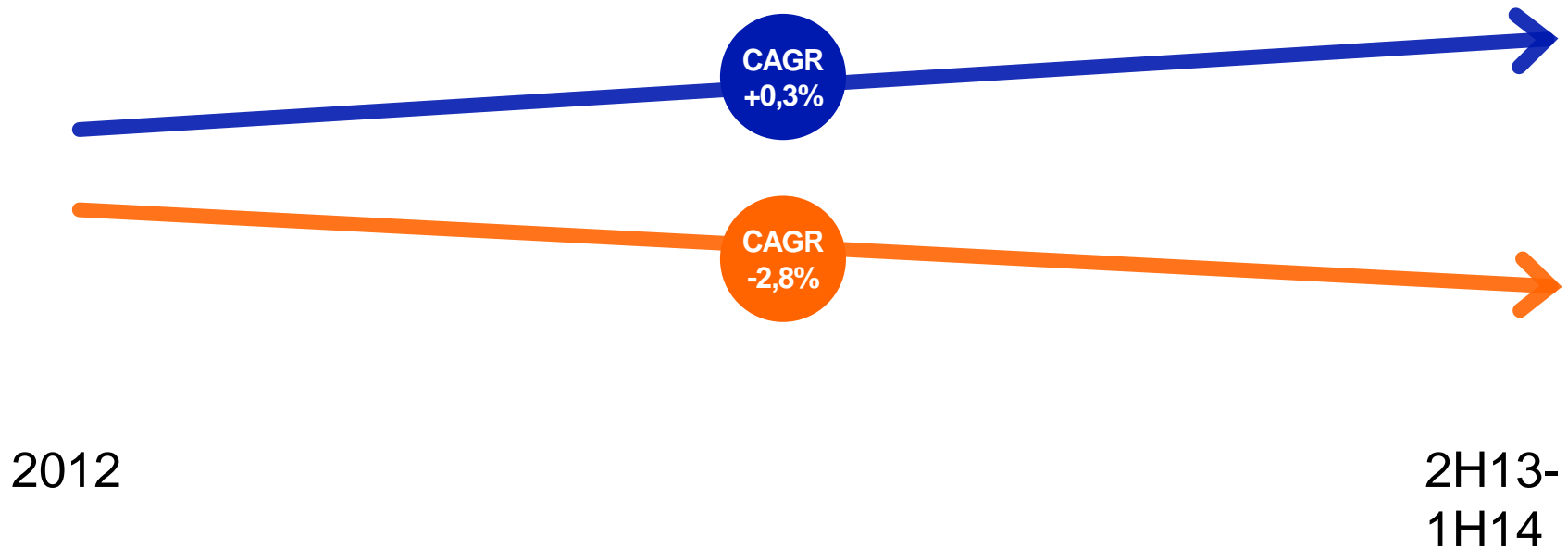
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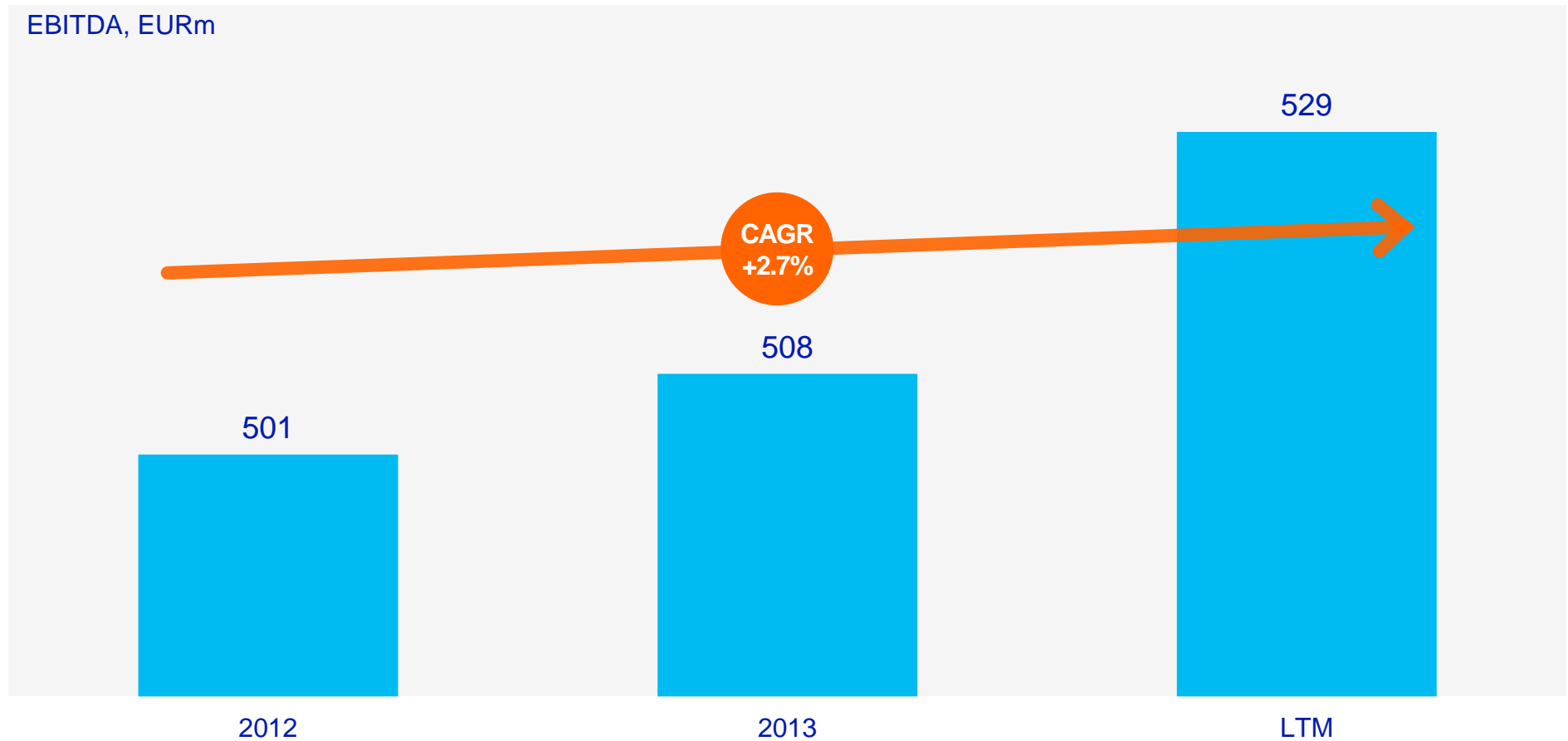


# Revenue has grown above industry average...

■ Elisa    ■ European telecom operators' average



# ...and EBITDA has improved

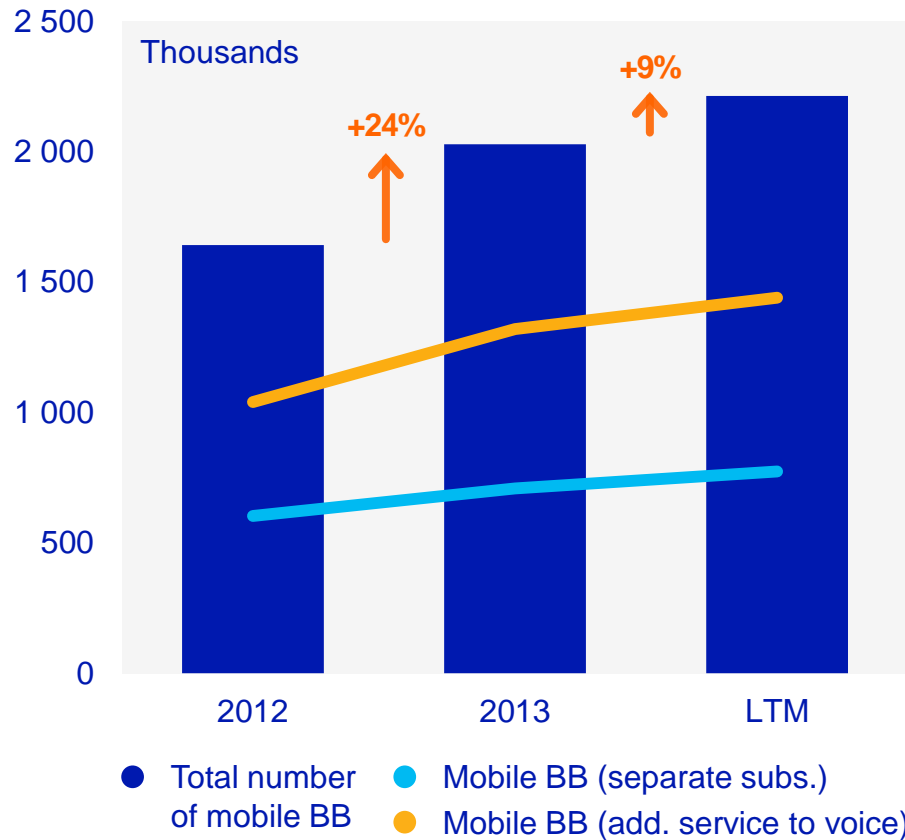


EBITDA excluding one-offs  
LTM = Latest twelve months, 10/2013-9/2014



# Sound performance in telecom services...

## Mobile broadband subscriptions

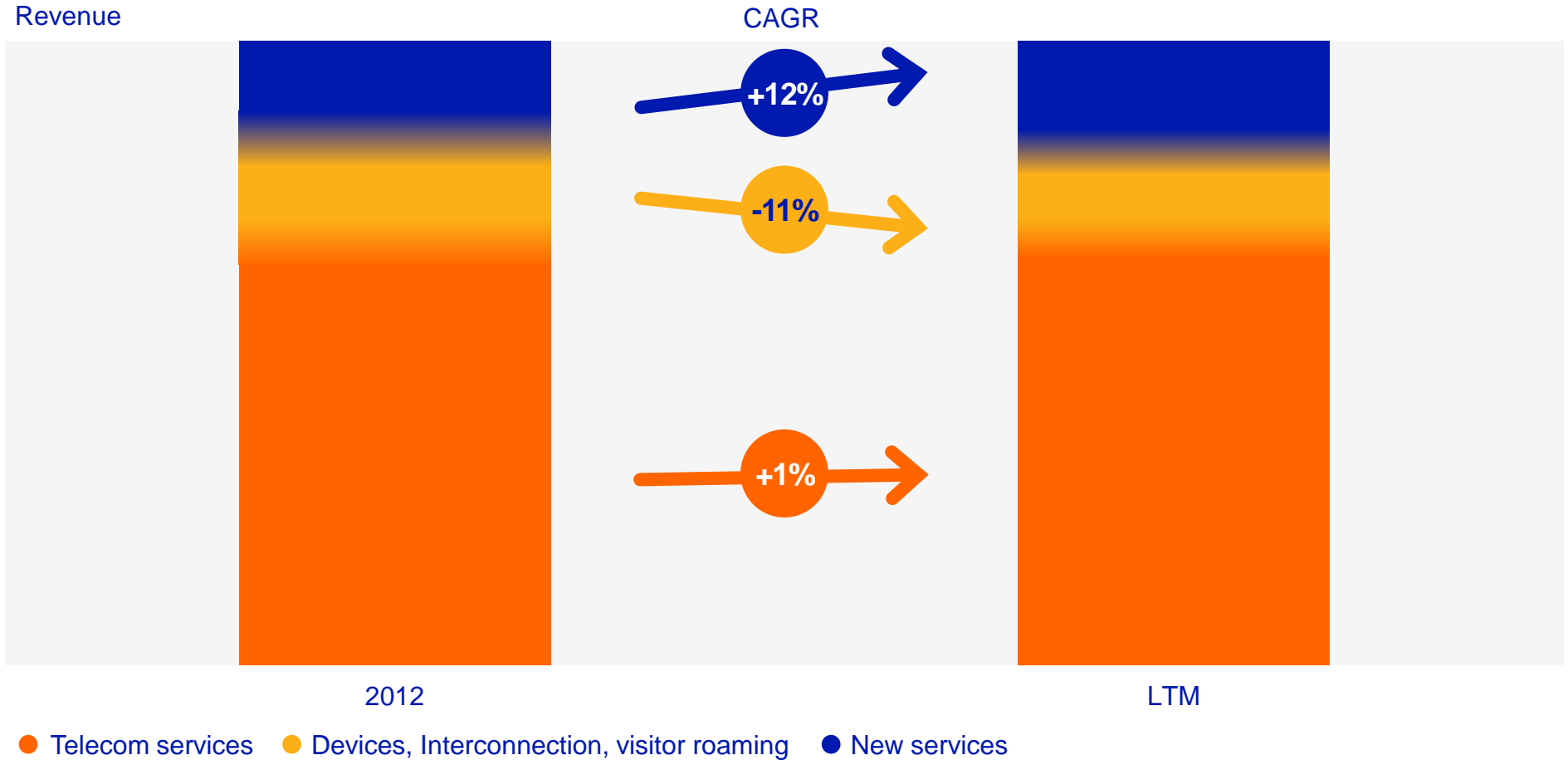


## OPEX / subscriptions



OPEX excluding one-offs

# ...progress with new services well underway...



# ...and all mid-term targets on track

## Parameter

Revenue growth

EBITDA margin

CAPEX-to-sales

Capital structure  
Net debt / EBITDA  
Equity ratio

## Target by end of 2015

Above industry<sup>1)</sup> average

Above 35%

≤12%

1.5-2x  
>35%



● = Below track    ● = On track    ● = Achieved

<sup>1)</sup> European telecom operators

# Favourable market environment...

## Megatrends create demand

- Digitalisation incl. mobility, video and cloud
- Internet of everything
- Climate change and resource scarcity
- Ageing population
- Urbanisation

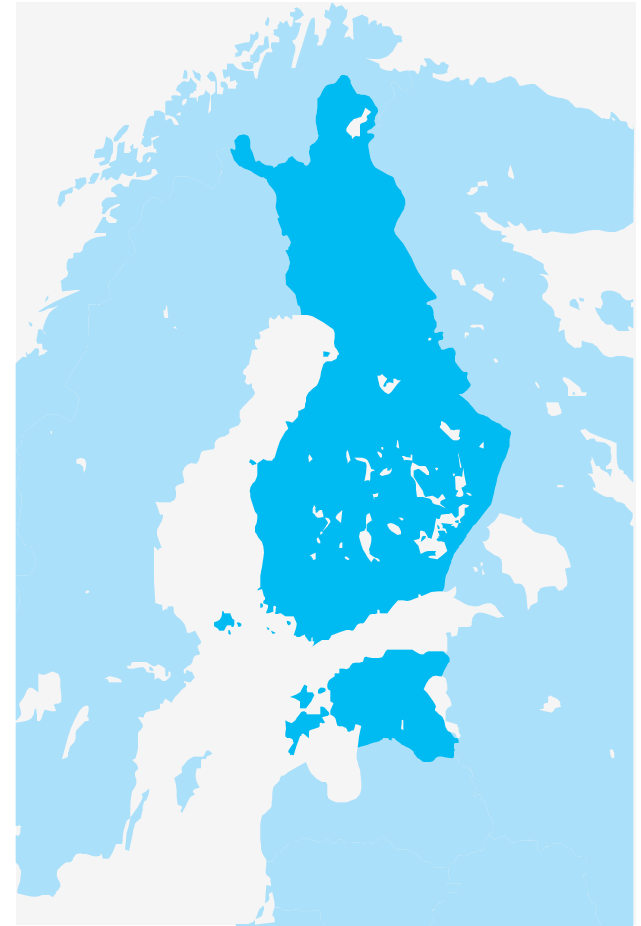
## Developed EU economies

### Finland

- Number 4 in global competitiveness index<sup>1)</sup>
- Credit ratings AAA, Aaa, AA+<sup>2)</sup>

### Estonia

- Lowest national debt in EU (10% of GDP)<sup>3)</sup>
- Credit ratings A+, A1, AA-<sup>2)</sup>

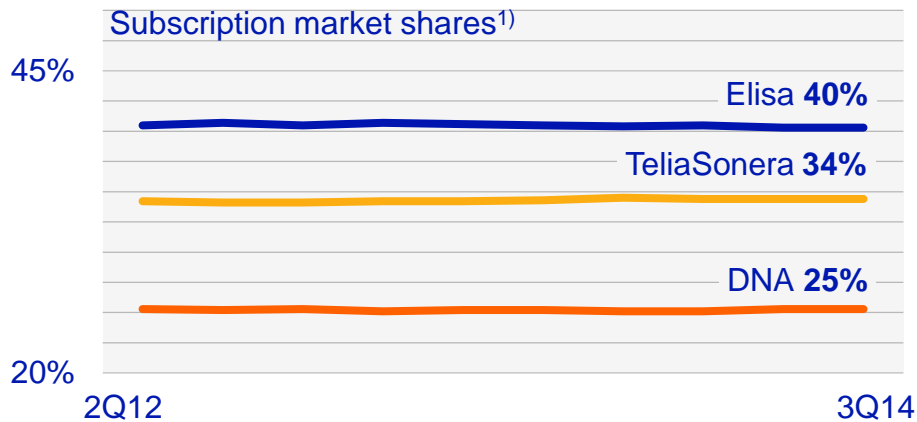


1) WEF Global competitiveness report 2014-2015  
2) Fitch Ratings, Moody's and Standard & Poor's, respectively  
3) Eurostat



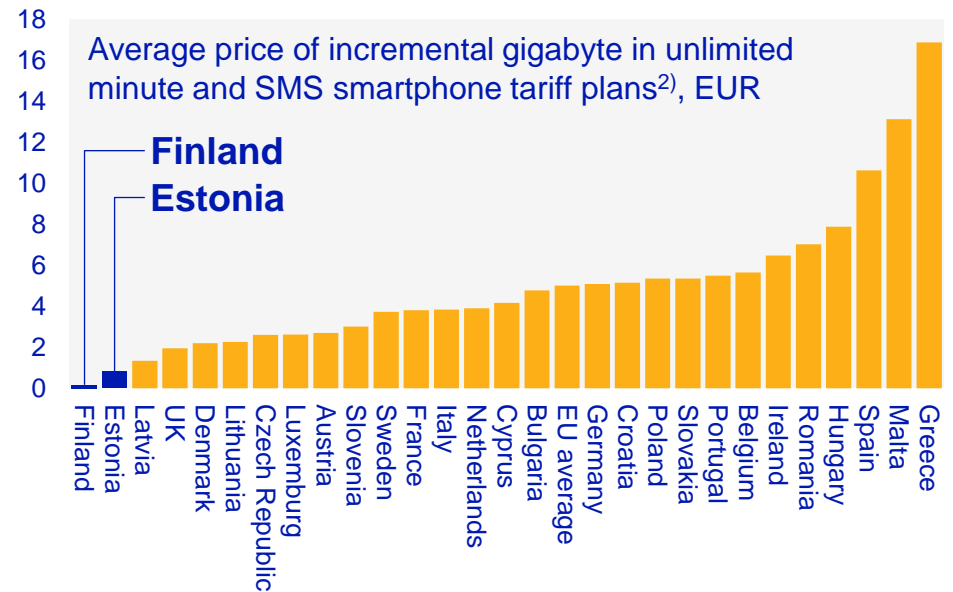
# ...is a basis for an attractive telecom market...

## Market shares stable despite campaigning



- Three player mobile markets in Finland and Estonia
- Domestic consolidation creates value

## Price decline risk lowest in EU



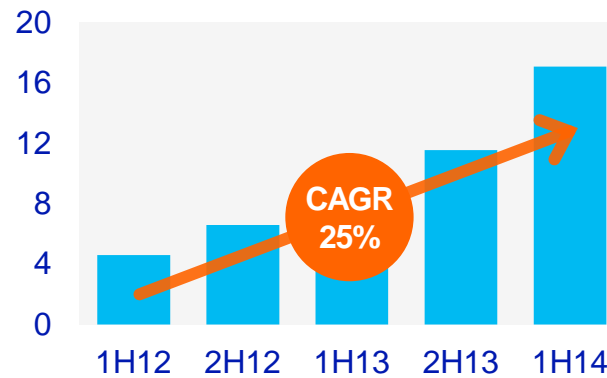
- OTT risk well mitigated

<sup>1)</sup> Company reports and Elisa estimates  
<sup>2)</sup> Rewheel Digital Fuel Monitor 1-2/2014  
Over the top (OTT)

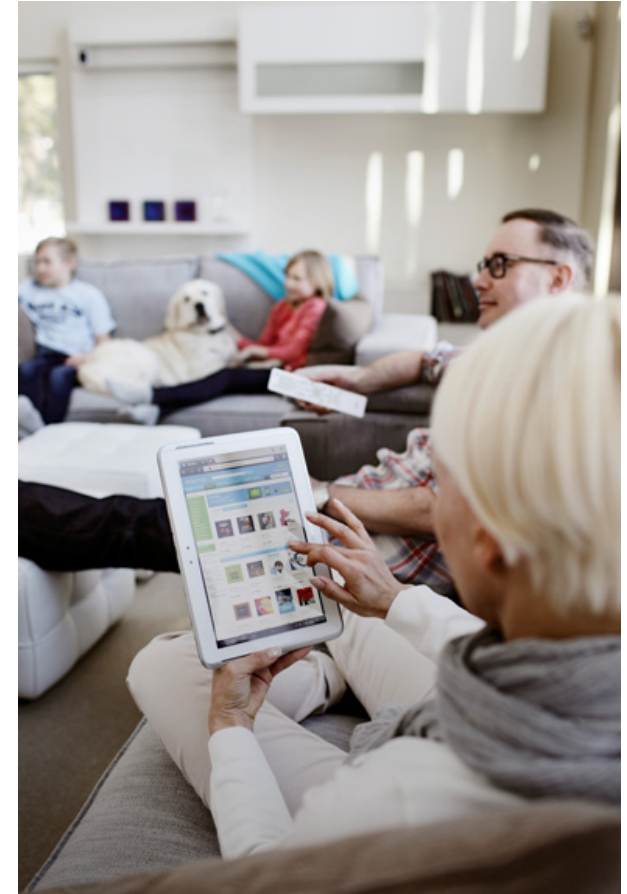
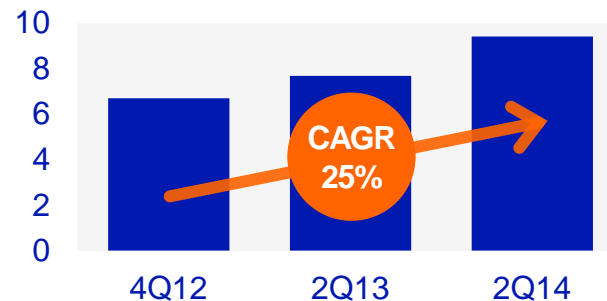
# ...and provide potential to further increase customer perceived value

- Need for speed growing
- Quality increasingly important
- New services provide additional opportunities, internationally

Average download speed<sup>1)</sup>  
Mbps, mobile data



Corporate customers' video usage  
Minutes, million



<sup>1)</sup> European Communications Engineering and Elisa

# Elisa has a strong position...

## **#1 in Finland, #2 in Estonia**

- Scale

## **Industry leading in new services businesses**

- Share of revenues almost 15%

## **Determined to improve productivity and quality**

- Track record, further potential

## **Strong financial position**

- Solid credit ratings, average interest rate 2%



Unique  
telecom operator with  
strong commitment to  
shareholder remuneration

# ...and focus on three strategy execution areas



Build value on data

Accelerate new services businesses

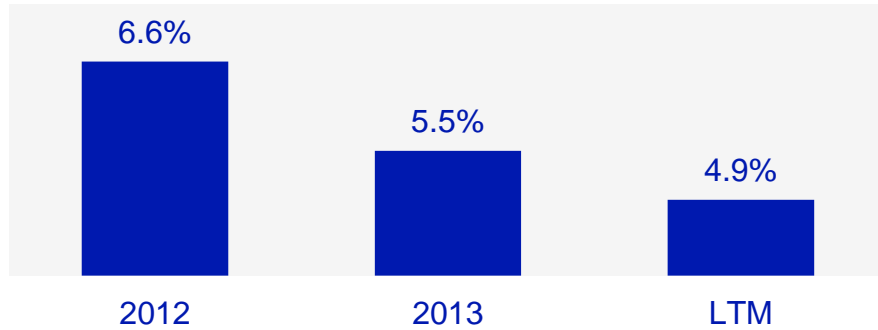
Improve performance with customer intimacy  
and operational excellence



# Significant potential in performance improvement with solid track record

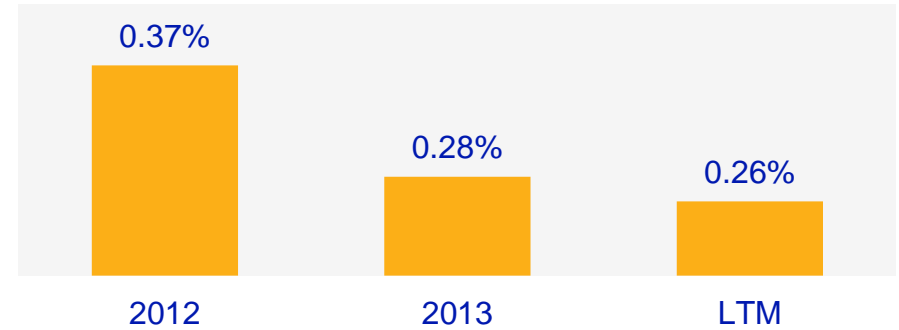
## Process development

E.g. Customer contacts / user base



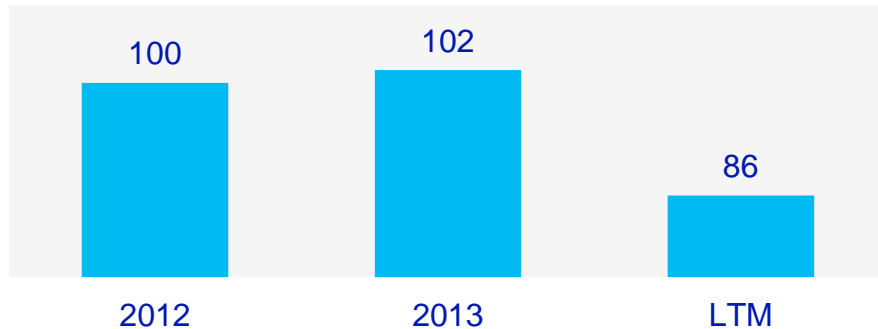
## User experience

E.g. Incidents / user base



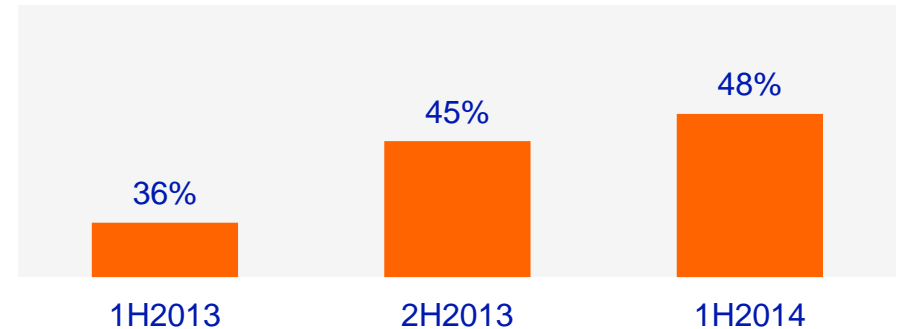
## IT performance improvement (incl. outsourcing)

E.g. IT OPEX, Index 2012 = 100

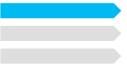


## Online development

E.g. eCommerce NPS (Elisa Saunalahti)

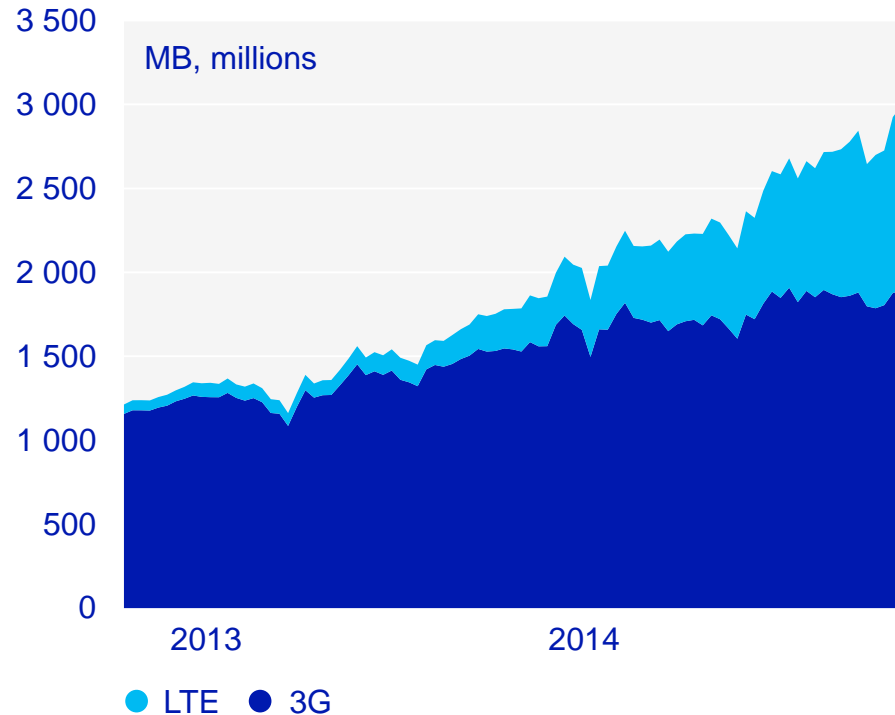


NPS = Net promoter score

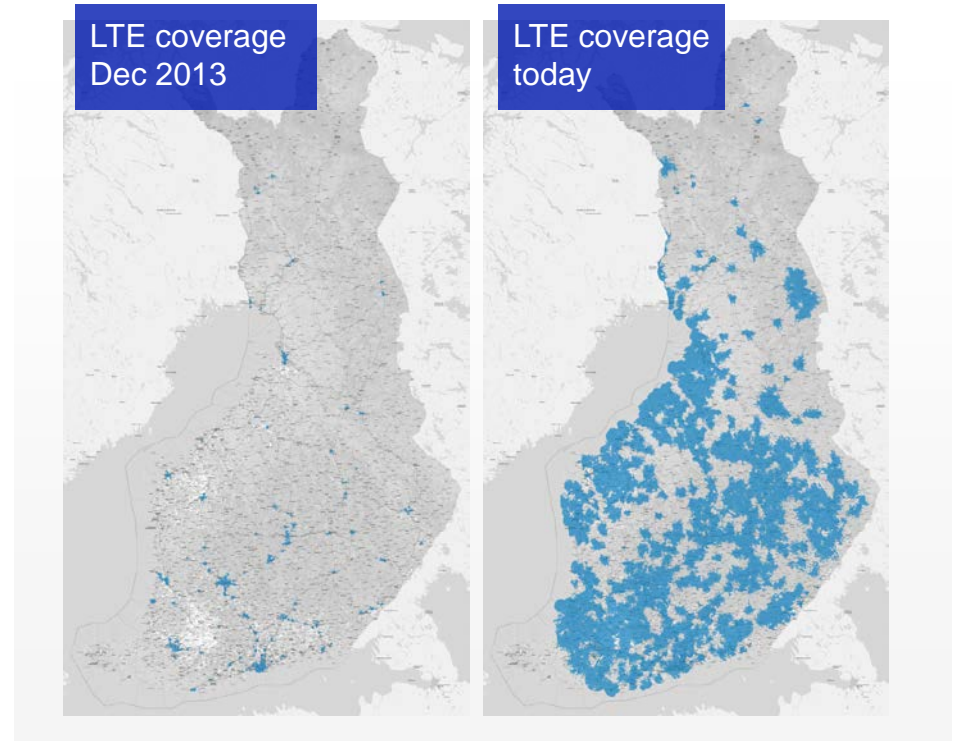


# Growing value of mobile data and LTE investments...

Expanding 4G penetration drives traffic growth in LTE with EUR 5-10 / month premium...



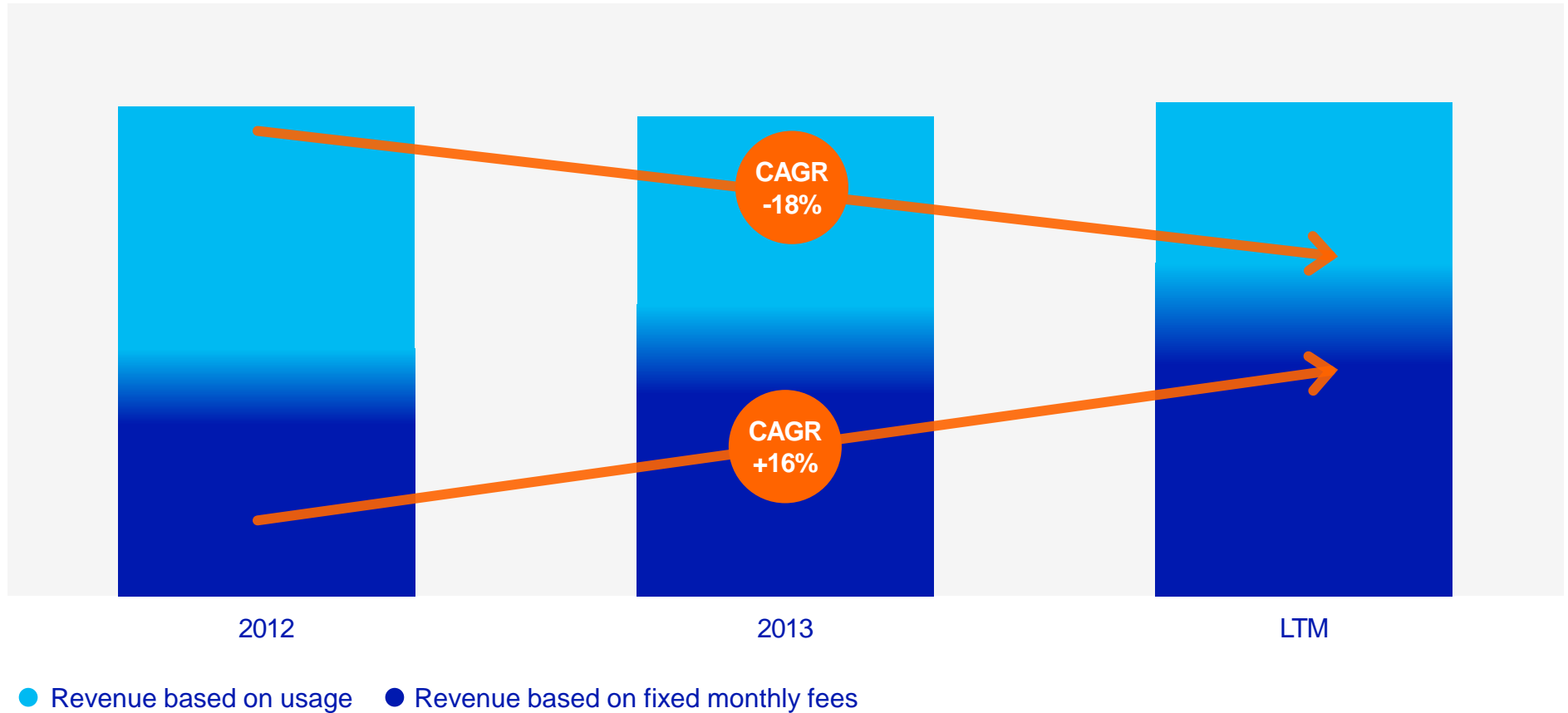
...and to build this momentum Elisa has focused its investments on LTE.

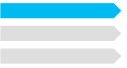






# ...drive mobile service revenue transformation...

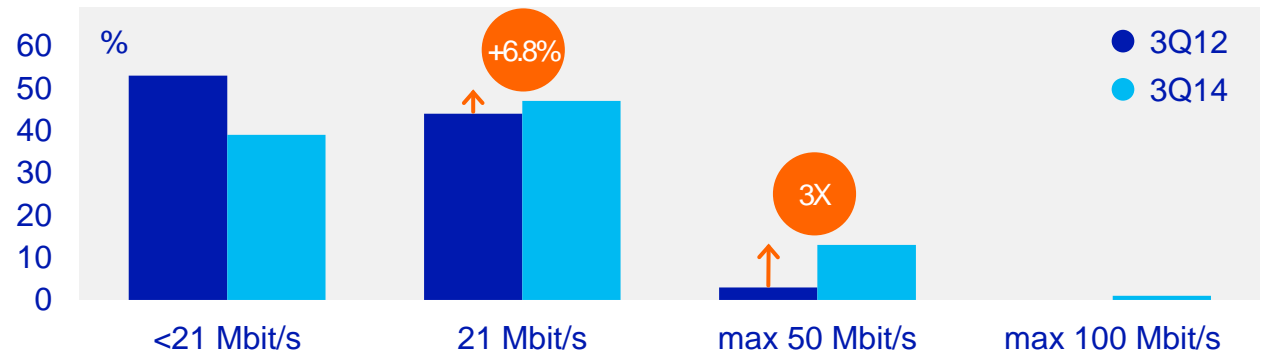




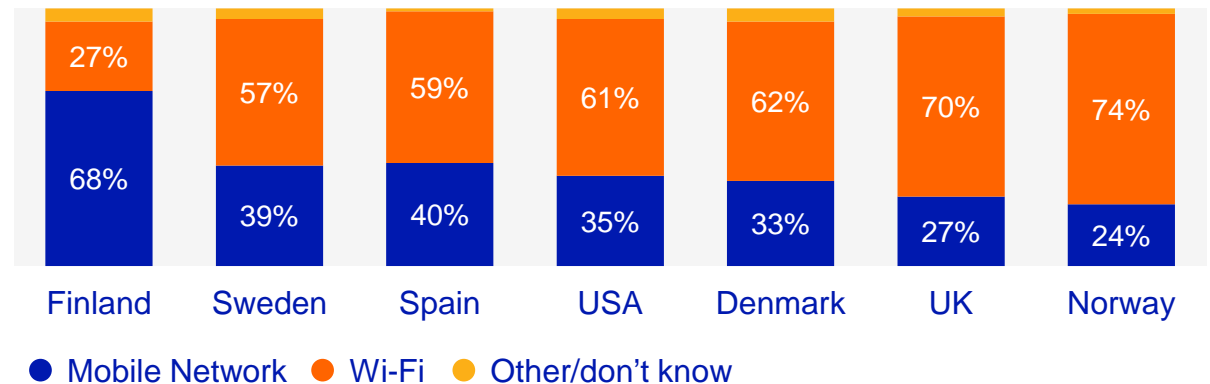
# ...with upside potential from speed upgrades

- Customers are willing to pay more for higher speeds
- Speed based pricing enhances stickiness of mobile networks
- Network cost control: e.g. category based traffic management

Mobile customers by data speed categories



Connectivity used most often on smartphones<sup>1)</sup>



<sup>1)</sup> Deloitte Global Mobile Consumer Survey 2014

# Portfolio of new services...



## Examples

New services,  
international



Visual communications



EpicTV

New services,  
domestic



Viihde



Cloud based IT

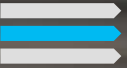
Additional  
telecom  
services



Information security



Personal storage



# ... continues to create value in several dimensions

## To customers

Experiences, e.g.

- thrilling experiences from videos
- entertainment on demand

Productivity, e.g.

- flexibility through cloud
- cost savings through reduced travel

## To Elisa

- Synergy by utilisation of competencies and assets of core business
- Valuable learnings to improve core business
- Brand value and stickiness
- New revenue streams
- Internationalisation opportunities

# Mid-term targets updated

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<sup>1)</sup> European telecom operators

# CEO priorities

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Accelerate new services businesses

Improve performance with customer intimacy  
and operational excellence



# 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.



Thank you