

Agenda

CEO's review Veli-Matti Mattila, CEO

Financial review
Jari Kinnunen, CFO



CEO's review

- Q3 2015 financial and operational highlights
- Segment review
- Strategy execution
- Outlook and guidance for 2015



Q3 2015 highlights

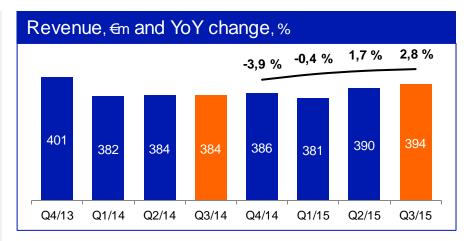
- Revenue grew 3%, clear EBITDA improvement
- Mobile service revenue up by 8%
- Mobile subscription base increased, decrease in fixed broadband
- Good profit growth in Consumer Customers segment
- Strong mobile data growth continued, smartphone penetration 66%
 - Smartphones 92% of new sales, 80% 4G-capable
- Success in Elisa Viihde IPTV continued

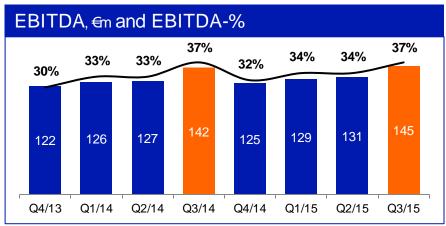


Q3 2015 financial highlights

Growth in revenue, clear EBITDA improvement

- Revenue €394m (384)
- EBITDA €145m (142)
- Earnings per share €0.43 (0.43)
- Net debt / EBITDA 1.9 (2.0)
- CAPEX €46m (43)







Q3 2015 operational highlights

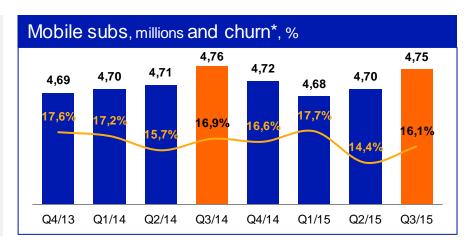
Strong data growth continues

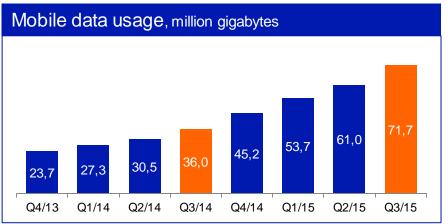
Increase in mobile subscription base

- Growth in both segments
- Finland +43,000, Estonia +3,900
- Fixed broadband down by 8,900, of which 3,000 divested in Anvia region
- Growth in Elisa Viihde service
- Churn was 16.1%

Mobile data doubled YoY

- Mobile data YoY growth 99%
- Outgoing minutes 1.59bn, slight decrease, -3%
- 672m SMS, YoY growth +13%

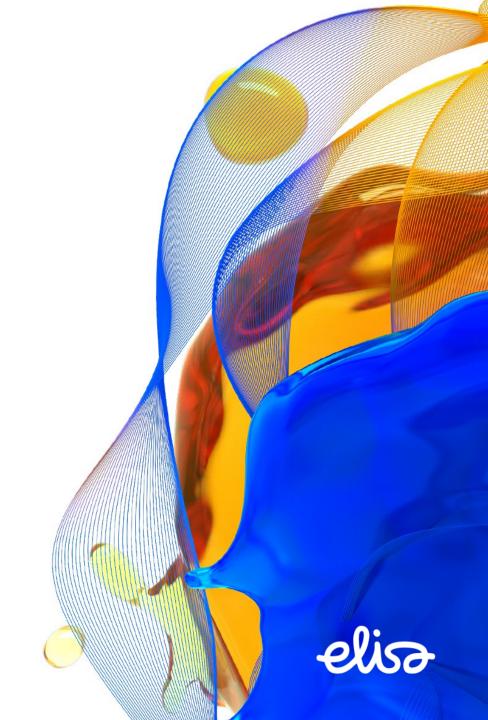




^{*} Annualised



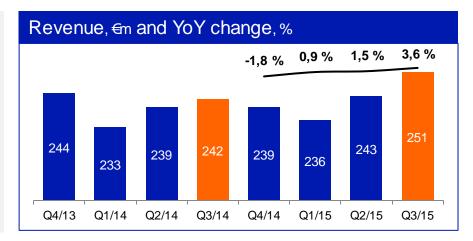
Business segments



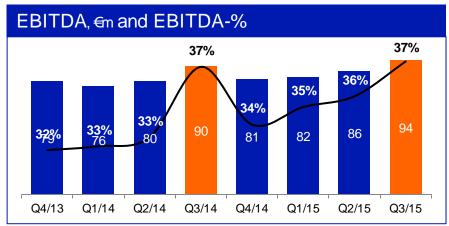
Q3 2015 Consumer Customers

Revenue and EBITDA increased

- Revenue €251m (242)
 - Solid growth in mobile service revenue
 - Decrease in interconnection and roaming revenue
 - New services growing



- EBITDA €94m (90)
 - Good profitability development
 - Mobile service revenue growth
 - Productivity improvements
- CAPEX €26m (24)

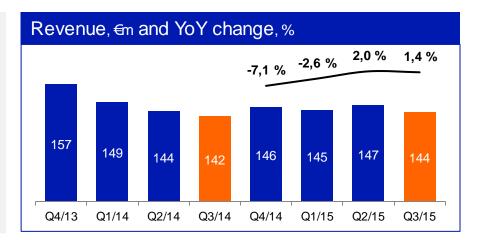




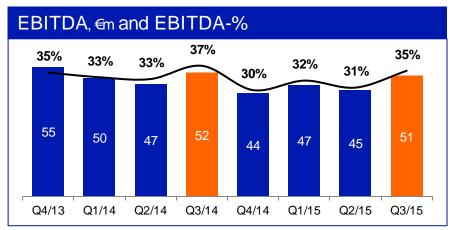
Q3 2015 Corporate Customers

Slight growth in revenue

- Revenue €144m (142)
 - Growth in mobile service revenue, ICT business and equipment sales
 - Traditional fixed network revenues down
 - Decrease in interconnection and roaming revenue



- EBITDA €51m (52)
 - Increased sales expenses
 - Increase in personnel
- CAPEX €20m (19)





Strategy execution

Build value on data

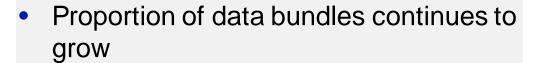
Accelerate new service businesses

Improve performance with customer intimacy and operational excellence

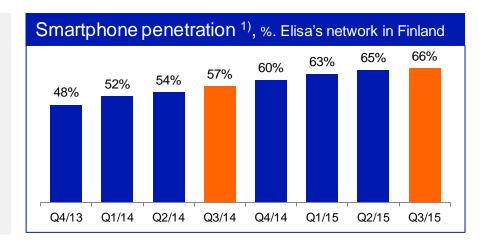


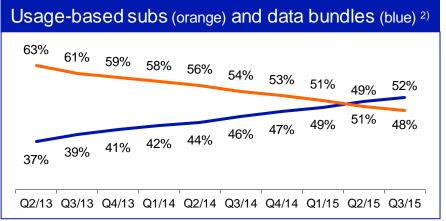
Smartphone base and strong data growth continues

- 66% of customers use a smartphone
 - 58% of smartphones are 4G-capable (52% in Q2)
- Of all models sold in Q3
 - 92% were smartphones, 80% were 4G-capable (87% and 81%, respectively in Q2)



- 52% of voice subs²⁾ are new types of fixed-monthlyfee data bundles
- Majority in 3G speeds, good 4G up-selling potential





¹⁾ iOS (iPhone), Android, and Windows phones of the total phone base (no tablets)

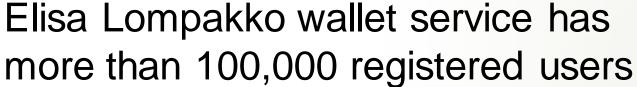
²⁾ Post-paid subscriptions in Finland (unlimited usage)

New content in Elisa Viihde service

- Domestic movie and TV productions
- Almost one million Finns now use mobile services weekly to watch TV shows
 - Mobile device users are more satisfied with their offerings
 - In particular, sports content is interesting and customers are willing to pay for it







 Elisa Lompakko is used most in net shopping and in student canteens

 Families with children are using Elisa Lompakko more and more

 On the net Elisa Lompakko is used most for monthly billed services



Outlook and guidance for 2015

Guidance for 2015 has been updated

Macroeconomic environment still weak in 2015, competition remains challenging

- Revenue at the same level or slightly higher than in 2014
- EBITDA excluding one-offs at the same level or slightly higher than in 2014
- CAPEX maximum 12% of revenue



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Growth in revenue and EBITDA

- Revenue growth 3%
- EBITDA improved
 - Mobile service revenue growth
 - Productivity improvements
- Depreciation increased
 - Non-recurring EUR 2m due to changed depreciation time
- YTD EBITDA growth 3%
- YTD EPS growth 7%
 - Lower interest expenses
 - Share of associate's profit
 - Lower effective tax rate

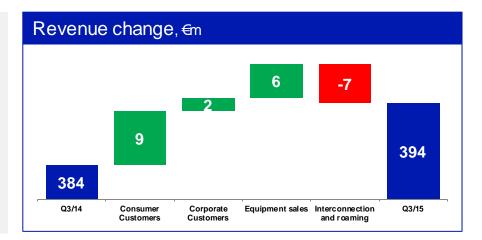
€million	Q315	Q314	Δ 1)	Δ%	1-9/15	1-9/14	Δ 1) Δ	۵%	2014
Revenue	394	384	11	3	1,165	1,150	16	1	1,535
Other operating income	1	1			2	6			8
Operating expenses	-251	-243			-762	-760			-1,024
ЕВІТОА	145	142	3	2	405	395	10	3	520
EBITDA-%	37	37			35	34			34
Depreciation	-55	-52			-161	-161			-215
ЕВІТ	90	89	0	0	244	234	10	4	305
EBIT-%	23	23			21	20			20
Financials 2)	-6	-6			-16	-20			-27
Profit before tax	83	83			229	214	14	7	278
Income taxes	-15	-16			-41	-41			-55
Net profit	68	68	1	1	188	173	15	8	223
EPS,€	0.43	0.43			1.17	1.10	0.08	7	1.41

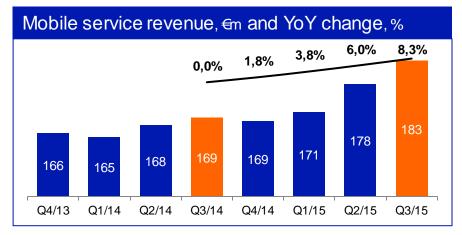
- 1) Difference is calculated using exact figures prior to rounding
- 2) Includes share of associated companies' profit



Strong growth in mobile service revenue continues

- Consumer Customers
 - Growth in mobile and online services.
 - Decrease in fixed voice
- Corporate Customers
 - Growth in mobile and ICT services
 - Decrease in fixed voice
- Growth in equipment sales, decrease in MTR and roaming revenue
- Mobile service revenue grew by 8.3%
 - Up-selling to higher speeds
 - More smartphones and data bundle subscriptions
 - Price increases
- Increase in mobile subscriptions
 - In both customer segments and countries

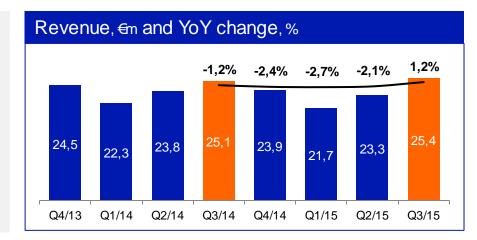




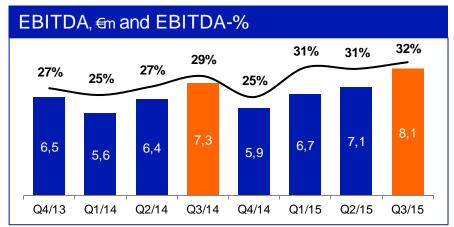


Growth in revenue and EBITDA in Estonia

- Revenue €25.4m (25.1)
 - Growth in mobile service revenue and equipment sales
 - MTR cut to € 0.01 (-10%) 1 July 2015
 - Increase in post- and pre-paid subscriptions



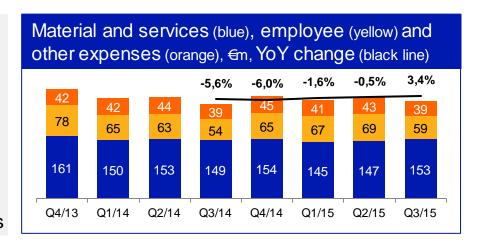
- EBITDA €8.1m (7.3)
 - Mobile service revenue
 - Productivity improvements
- CAPEX €1.3m (1.8)
 - Capex/sales 5%





Total expenses increased

- OPEX increased
 - Equipment purchases
 - Sales expenses and number of personnel
 - Inventory write-down
- OPEX decreased
 - Interconnection and roaming
 - Continuous productivity improvements and synergies
- Higher depreciation in Q3
 - Non-recurring €2m due to changed depreciation time
 - Long-term stable CAPEX level

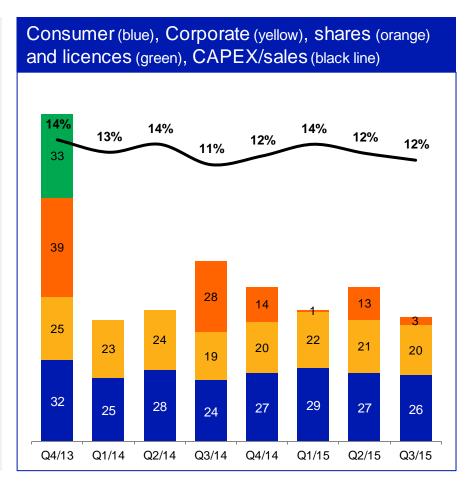






Stable CAPEX level

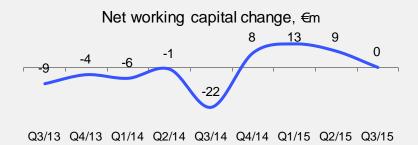
- Q3 CAPEX €46m (43)
 - Consumer €26m (24)
 - Corporate €20m (19)
 - CAPEX / sales 12%
 - Full-year CAPEX / sales guidance 12%
- Major CAPEX areas
 - 4G networks
 - Fixed-access and backbone networks
 - IT systems
 - Customer equipment
- Business combinations and share acquisitions €3m

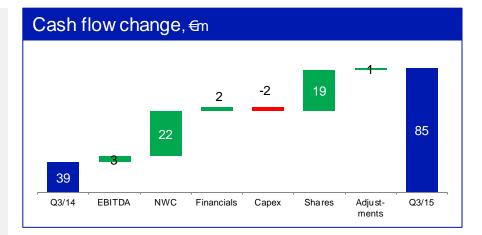


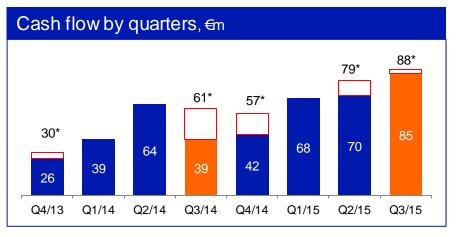


Strong growth in cash flow

- Cash flow growth €46m, 117%
 - Excluding share purchases €27m, 44%
- EBITDA improved through service revenue growth and productivity improvements
- Net interest payments lower
 - Associated company dividend €2m
- Net working capital change
 - Lower inventories
 - Comparable quarter exceptional negative







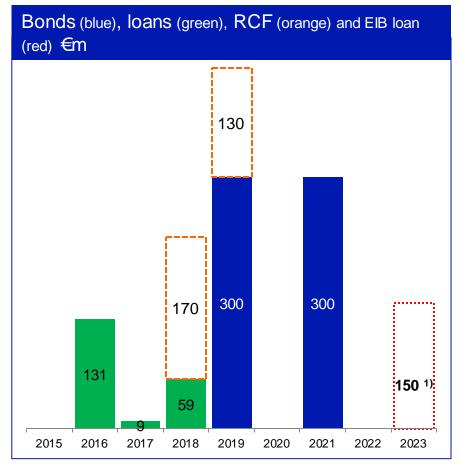
^{*} Excluding share purchases and licence payments



Solid liquidity position

- Cash and undrawn committed credit facilities €359m (290)
 - Revolving credit facilities fully undrawn
 - €150m loan commitment signed in October
- Commercial paper programme
 - €229m in use as of 30 September 2015
- Credit ratings
 - S&P BBB+ Stable outlook
 - Moody's Baa2 Stable outlook

Bonds and bank loan maturities 30 September 2015

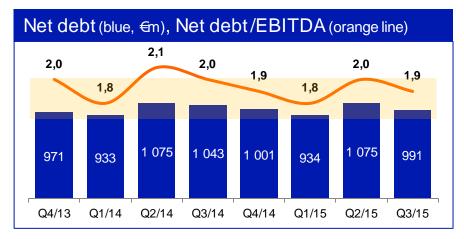


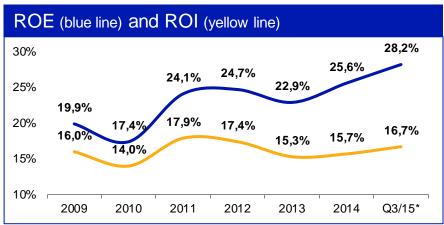
¹⁾ EIB loan commitment signed on 6 October 2015



Capital structure in target and return ratios improved

- Net debt at target level
 - Net debt/ EBITDA1.9x
 - Gearing 115%, equity ratio 38%
- Target setting
 - Net debt/ EBITDA1.5–2x
 - Equity ratio > 35%
- Return ratios improved further
 - Improved result
 - Efficient capital structure





^{*} Rolling 12-month profit preceding the reporting date





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APPENDIX

Cash flow YoY comparison

EUR million	Q3/15	Q3/14	Δ1)	Δ%	1-9/15	1-9/14	Δ ¹⁾	Δ%	2014
EBITDA	145	142	3	2	405	395	10	3	520
Change in receivables	-22	0			-12	-13			-5
Change in inventories	4	0			7	2			-2
Change in payables	18	-22			27	-18			-14
Change in NWC	0	-22	22		22	-29	51		-20
Financials (net)	1	-2	2		-10	-15	5		-24
Taxes for the year	-13	-13			-39	-38			-51
Taxes for the previous year	0	0			2	1			1
Taxes	-13	-13			-37	-37			-50
CAPEX	-45	-43	-2		-145	-145			-191
800 MHz licences ²⁾	0	0			0	0			-7
Investments in shares 3)	-3	-22	20		-12	-24	12		-39
Sale of assets and adjustments	2	-1			2	-2			-3
Cash flow after investments	85	39	46	117	223	143	81	57	185
Cash flow after investments excl. acquisitions 4)	88	61	27	44	236	166	70	42	224

¹⁾ Difference is calculated using exact figures prior to rounding ²⁾ 800 MHz LTE licence in Finland 2014 €7m



³⁾ Investment in Anvia in H2/14 and YTD/15

⁴⁾ Excluding Anvia shares

APPENDIX

Cash flow by quarters

€million	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13
EBITDA	145	131	129	125	142	127	126	122
Change in receivables	-22	15	-5	9	0	-14	0	-17
Change in inventories	4	-2	5	-4	0	1	2	1
Change in payables	18	-3	12	4	-22	12	-8	12
Change in NWC	0	9	13	8	-22	-1	-6	-4
Financials (net)	1	-1	-9	-9	-2	-2	-12	-9
Taxes for the year	-13	-13	-12	-13	-13	-12	-13	-17
Taxes for the previous year	0	2				1		
Taxes	-13	-11	-12	-13	-13	-11	-13	-17
CAPEX	-45	-50	-50	-46	-43	-51	-50	-54
800 MHz licence fees				-7	0	0		-7
Investments in shares	-3	-9	-1	-15	-22	-1	-1	-4
Sale of assets and adjustments	2	2	-2	-2	-1	4	-6	-2
Cash flow after investments	85	70	68	42	39	64	39	26
Cash flow after investments excl. acquisitions	88	79	69	57	61	64	39	30



APPENDIX

Debt structure

€million	30 Sep 15	30 Jun 15	31 Mar 15	31 Dec 14	30 Sep 14	30 Jun 14	31 Mar 14	31 Dec 13
Bonds and notes	592	592	591	591	590	590	589	750
Commercial papers	229	219	169	210	200	217	152	101
Loans from financial institutions	200	205	205	211	211	216	216	223
Financial leases	29	30	30	31	32	33	34	35
Committed credit lines 1)	0	90	0	0	50	70	0	0
Interest-bearing debt, total	1 050	1 135	995	1 043	1 083	1 126	992	1 109
Cash and cash equivalents	59	60	61	41	40	51	59	138
Net debt ²⁾	991	1 075	934	1 001	1 043	1 075	933	971

¹⁾ The committed credit lines are EUR 130 million and EUR 170 million revolving credit facilities with five banks, which Elisa Corporation may use flexibly on agreed pricing. The loan arrangements are valid until 11 June 2019 and 3 June 2018.



²⁾ Net debt is interest-bearing debt less cash and interest-bearing receivables.