Second Quarter Results 2009

17 July 2009

Agenda

CEO's review
Veli-Matti Mattila,
CEO

Financial review
Jari Kinnunen,
CFO

CEO's review

- Financial and operational highlights
- Review of the Consumer Customer and Corporate Customer businesses
- Execution of the strategy
- Progress of 3G services
- Outlook for 2009

Q2 2009 financial highlights

Solid performance in the current environment

- Revenue € 355m (372)
  - Lower interconnection fees and roaming revenues, approx. € -2m
  - Lower equipment sales volumes, approx. € -5m
  - Decrease in traditional fixed business revenue, approx. € -6m
- EBITDA € 116m (109*), EBITDA margin 33% (29*)
  - Improved efficiency, total OPEX decreased by approx. € 28m
- EPS € 0.27 (0.20)
- Net debt € 773m (898)
  - Dividend payment € 94m in H1/2009, share buybacks EUR 43m in September 2008
  - Free Cash Flow EUR 89m (EUR 135m in H1/2009)
- Net debt / EBITDA 1.6x (1.9), gearing 89% (109)
  - According to target setting

* 2008 excluding one-off items

Q2 2009 operational highlights

Good growth in mobile subscriptions continued

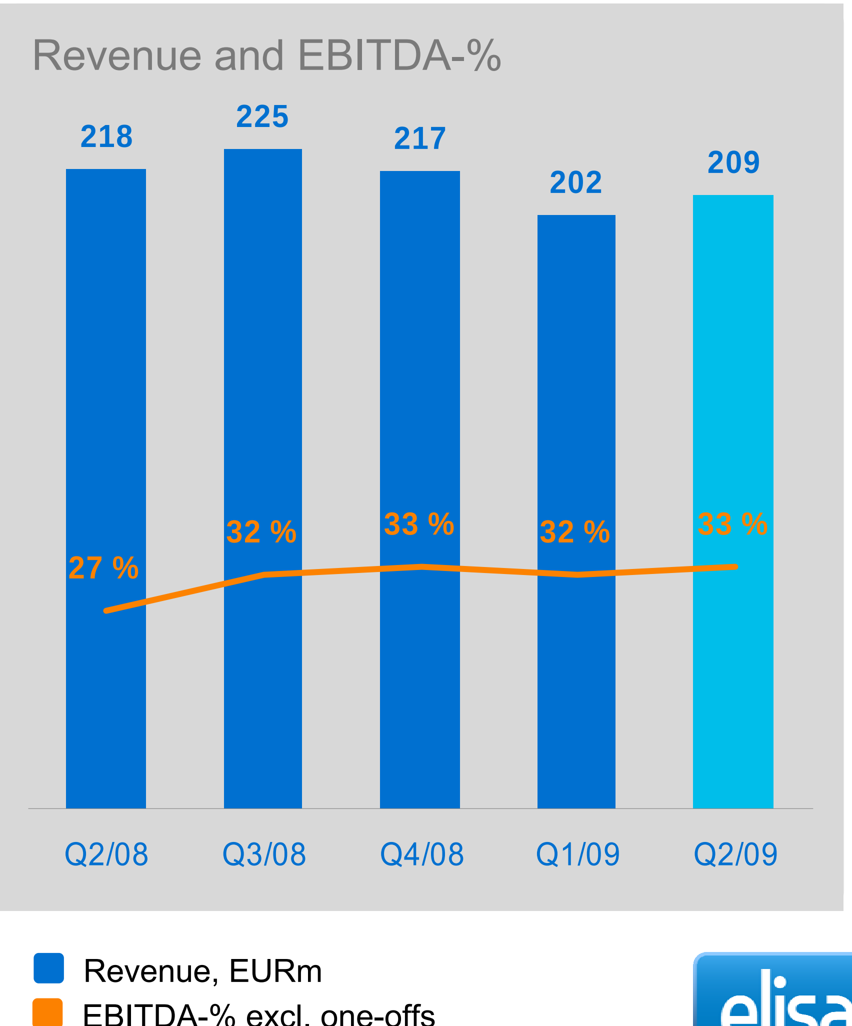
	Q2 2009	Change in Q2 2009
Mobile subscriptions	3,152,600	+127,000
Fixed broadband	481,700	-13,600
Mobile ARPU *	€ 24.0	€ -0.1
Mobile Churn **	14.7%	+0.7 %-units
Mobile usage, min ***	1,589m	+64m
Active 3G data users	569,000	+46,000

* Revenue per subscription
** Annualised
*** Outgoing minutes

Q2 2009 Consumer Customers

Strong profitability improvement

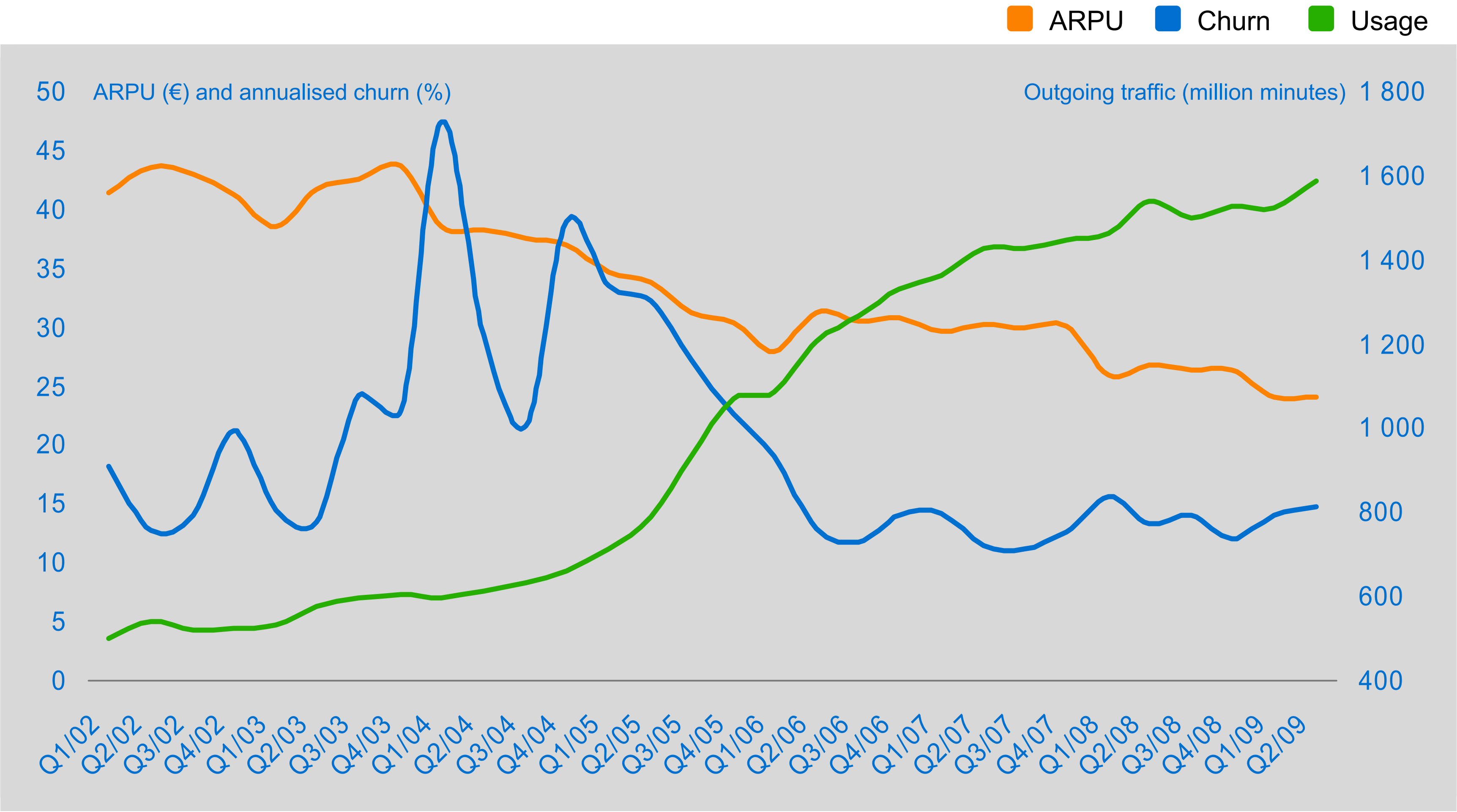
- Revenue € 209m (218)
  - Lower equipment sales
  - Decrease in traditional fixed lines
  - Lower interconnection fees in Finland and Estonia
  - QoQ revenue growth
    - Both in mobile and fixed broadband
- EBITDA € 68m (58*), 33% of revenue (27*)
  - Cost efficiency, lower OPEX
  - Lower SAC per sub
- EBIT € 38m (28*), 18% of revenue (13*)



* 2008 excluding one-off items

Mobile subscription KPIs

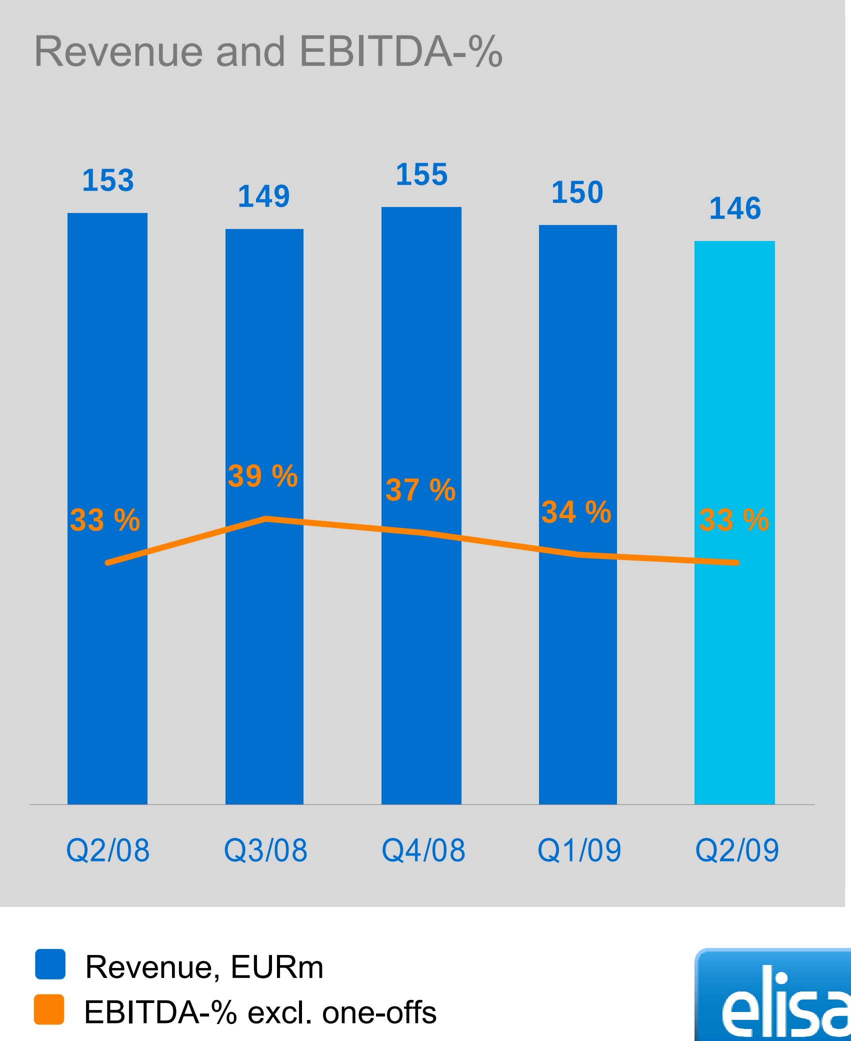
Growth in usage, stable ARPU and Churn



Q2 2009 Corporate Customers

Profitability maintained despite of downturn

- Revenue € 146m (153)
  - Lower usage both in PSTN and mobile
    - partly compensated by mobile subs growth
  - Decrease in equipment sales
  - Lower interconnection fees and roaming revenues
  - Growth in ICT services
- EBITDA € 48m (51*), 33% of revenue (33*)
  - Decrease in revenue
- EBIT € 26m (29*), 18% of revenue (19*)



* 2008 excluding one-off items

Strategy execution

Elisa's strategy

New services and
new markets

2005 –

Strengthening market
position in core markets

2003 –

Integration of
One Elisa

Strategy execution

Operational excellence

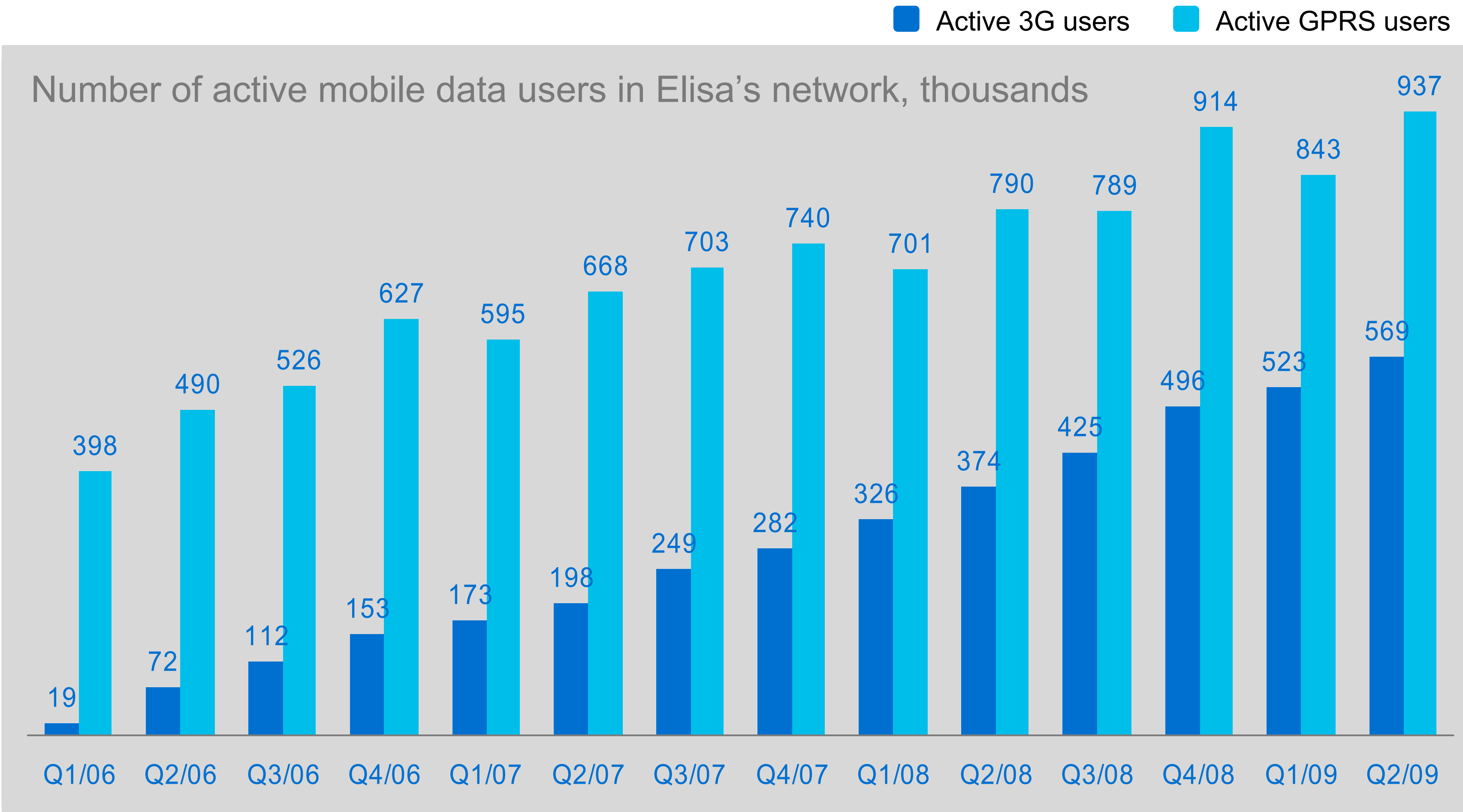
Productivity improvements in Q2 2009:

- Delivery lead times and accuracy for corporate LAN/WAN connections and new mobile network sites improved
  - several process enhancements and automation of manual tasks
- IT consolidation continued, amount of IT systems decreased by 10%
  - Simplified structure of IT systems and applications
  - Transition to multi-supplier model
- Customer self-service rate increased from 63% to 71%

=> Increased customer satisfaction

=> Decreased cost

Growth in active 3G data users continues



New services: Elisa Viihde

- Bundled entertainment services
  - Advanced digital IPTV service
- Integrates digital TV and internet
  - Remote control through net or mobile phone
  - 2500 h storage capacity for TV programs
  - Premium channels
- Video-On-Demand services
- 24 Mbps fixed broadband for internet access

Prepaid mobile broadband

- Saunalahti Prepaid Mobile Broadband
  - First Prepaid mobile broadband on the market
- Excellent for foreign visitors and domestic holiday-makers
- Unlimited speed in the 3G network with best coverage

Outlook for 2009

- Current economic environment creates uncertainty
  - The economic environment has impacted the Estonian business and the Corporate Customer segment
- Competition remains challenging
- Revenue at the same or slightly lower level than in 2008
- EBITDA excluding one-offs at the same or slightly lower level than in 2008
- CAPEX maximum 12 per cent of revenue
  - May be clearly less, if the general economy deteriorates further

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Profitability improved in Q2 2009

EUR million	Q2/09	Q2/08	Δ	H1/09	H1/08	Δ	2008
Revenue	355	372	-17	706	739	-33	1,485
Other operating income	1	1		2	2		7
Operating expenses	-240	-268	28	-477	-528	51	-1 020
EBITDA	116	105	11	231	213	18	472
EBITDA excluding one-offs	116	109	7	231	220	11	478
EBITDA-%	*32.8*	*28.2*		*32.8*	*28.8*		*31.8*
EBITDA-% excluding one-offs	*32.8*	*29.3*		*32.8*	*29.7*		*32.2*
Depreciation and amortisation	-53	-52		-106	-103		-207
EBIT	64	53	11	126	110	16	265
EBIT excluding one-offs	64	57	7	126	117	9	271
EBIT-%	*18.0*	*14.3*		*17.8*	*15.0*		*17.8*
EBIT-% excluding one-offs	*18.0*	*15.4*		*17.8*	*15.9*		*18.3*
Profit before tax	56	38	18	110	90	20	228
Income taxes	-14	-6		-26	-18		-51
Profit for the period	42	32	10	83	72	11	177
EPS, EUR/share	0.27	0.20	0.07	0.53	0.45	0.08	1.12

Revenue change y-o-y

Total expenses continued to decrease y-o-y

- Total OPEX decrease EUR 28m
- OPEX decreases
  - Equipment purchase costs
  - Interconnection costs
  - Efficiency programs
  - In Q2/2008 extra billing and CRM system implementation costs
  - External services
- OPEX increases
  - Personnel increased in call-centers and acquired companies
  - Salary increases based on collective labour agreements
- Depreciation stable
  - Slight increase in H2/2009

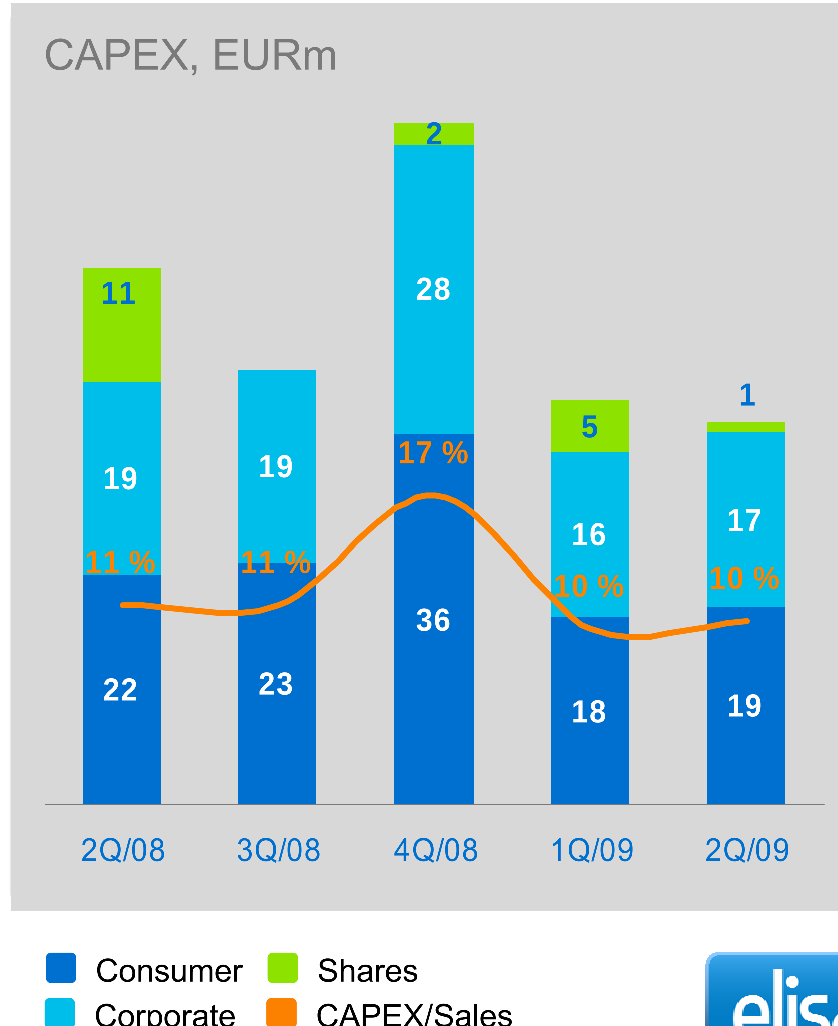
EURm	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09
Materials and services	169	166	159	146	144
Employee benefit expenses	42	32	43	47	48
Other operating expenses	57	49	44	44	48
Total expenses	268	247	246	237	240
Depreciation	52	53	52	53	53

Strong Cash Flow

EUR million	Q2/09	Q2/08	Δ	H1/09	H1/08	Δ	2008
EBITDA	116	105	11	231	213	18	472
Change in receivables	39	43		51	110		132
Change in inventories	-3	0		-1	4		7
Change in payables	-6	-13		-16	-61		-56
Change in NWC	30	30	0	34	52	-18	83
Financials (net)	-2	-6	4	-17	-20	3	-39
Taxes for the year	-16	-11	-5	-32	-22	-10	-50
Taxes for the previous year	-2	-11	9	-2	-11	9	-10
Taxes	-18	-22	4	-34	-34	0	-60
CAPEX	-36	-40	4	-70	-77	7	-179
Investments in shares	-2	-9	7	-9	-10	1	-12
Sale of assets and adjustments	1	0	0	0	0	0	-3
Cash flow after investments	89	59	30	135	125	10	260

CAPEX decreased by 11% y-o-y

- Total CAPEX EUR 36m (41)
  - CAPEX/Sales 10% (10%)
- Q2 2009 by segments
  - Consumer EUR 19m (22)
  - Corporate EUR 17m (19)
- Major CAPEX areas
  - 3G networks and services
  - Backbone and access networks
  - IT systems

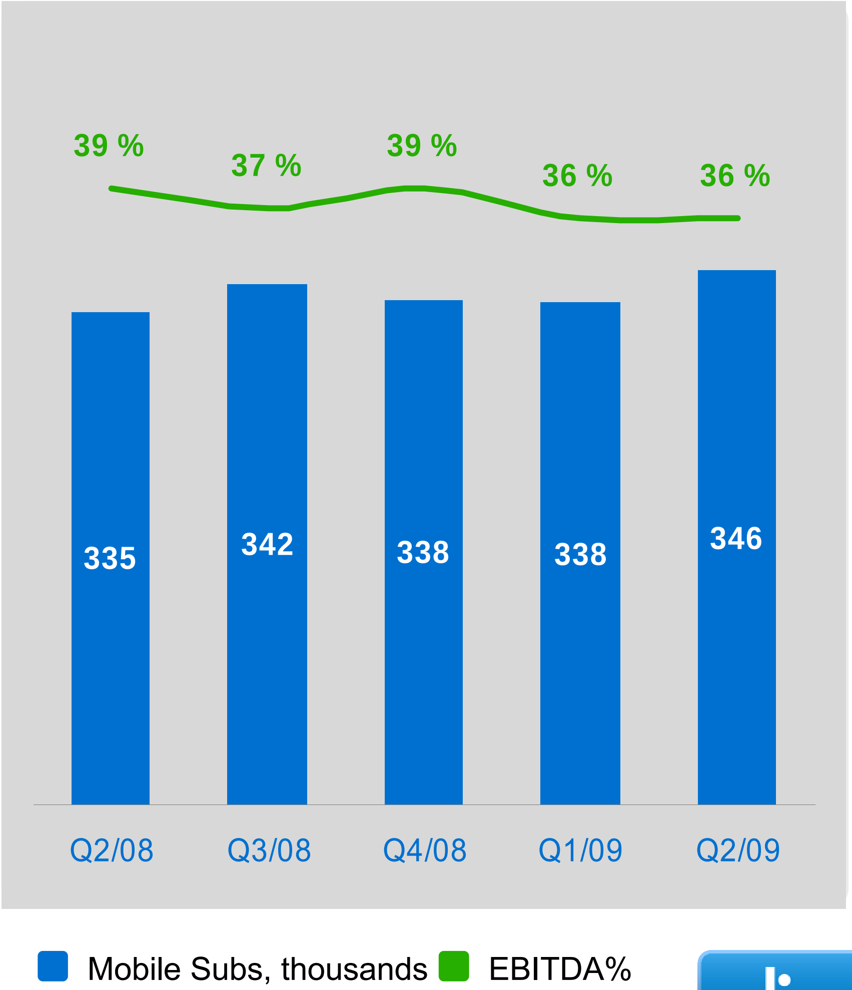


Recession affected the Estonian business

- Revenue decreased
  - Customer billing
  - Termination fee and roaming revenue
  - Equipment sales
- Growth in mobile subscriptions
  - 11,200 y-o-y
  - 8,300 q-o-q

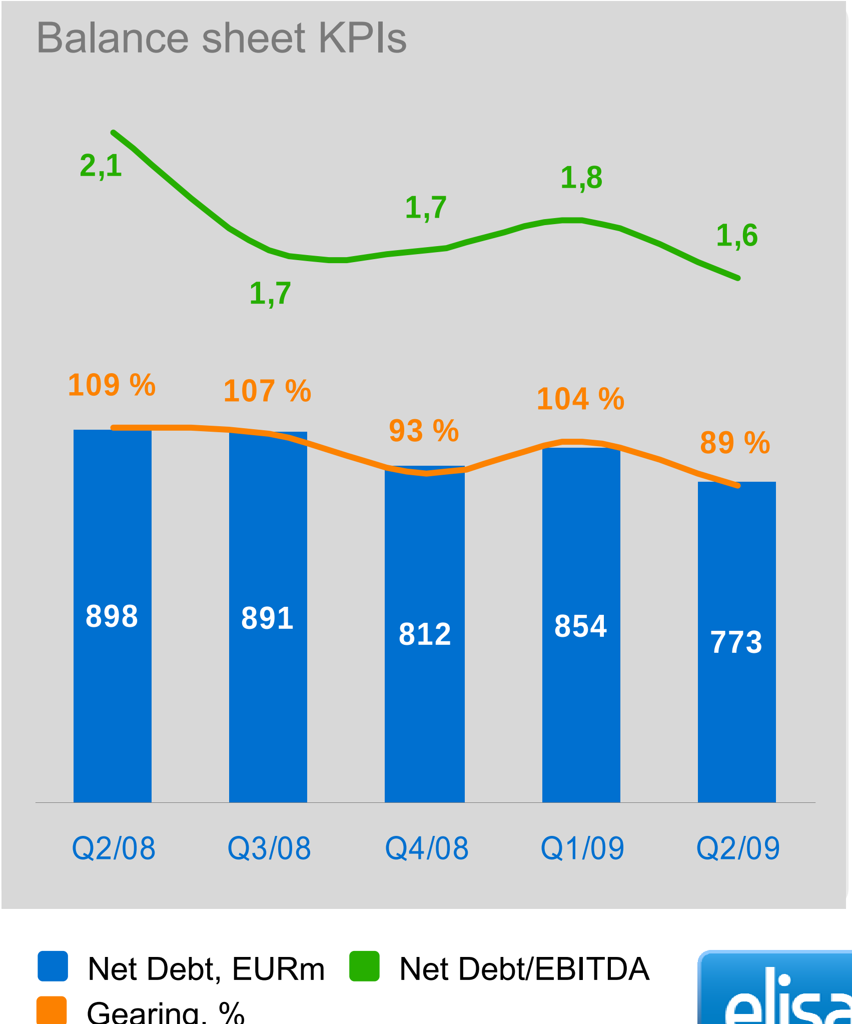
EUR million	Q2/09	Q2/08	2008
Revenue	21	26	98
EBITDA	8	10	37
EBITDA-%	*36%*	*39%*	*38%*
EBIT	5	7	25
EBIT-%	*23%*	*26%*	*25%*
CAPEX	1	3	15

Figures include consolidated Estonian business



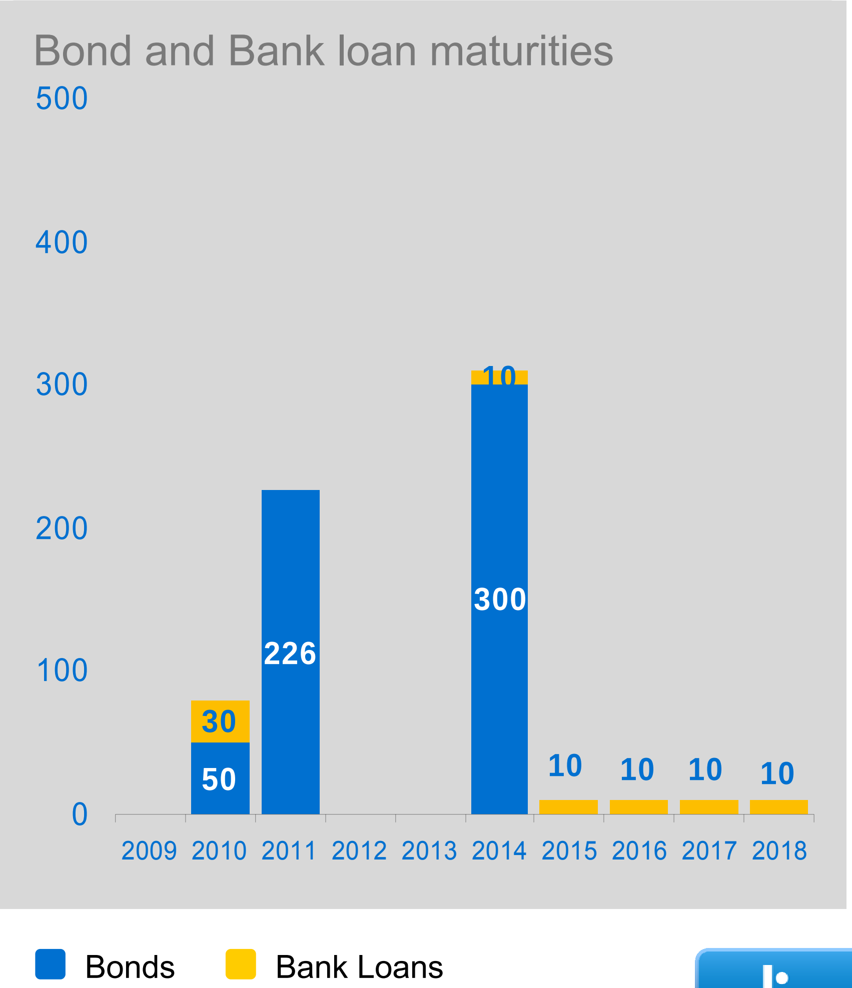
Capital structure within target range

- Capital structure
  - Net debt / EBITDA 1.6
  - Gearing 89%
- Target setting
  - Net debt / EBITDA 1.5 – 2x
  - Gearing 50 – 100%
- Focus on cash generation
  - CAPEX control
  - Net Working Capital
  - Cost control
  - Efficiency programs
  - Customer credit control



Liquidity position good

- Cash and undrawn committed facilities EUR 324m (220m)
- Revolving Credit Facilities
  - EUR 170m maturing June 2012
  - EUR 130m maturing November 2014
  - EUR 5m in use Q2/09
- Commercial Paper Program
  - EUR 119m in use, back up with RCF
- No changes in credit ratings
  - S&P BBB/Stable outlook
  - Moody's Baa2/Stable outlook



Distribution possibilities have remained

- Capital structure targets unchanged
  - Net debt / EBITDA 1.5 – 2x
- Cash flow generation in focus
  - Net debt / EBITDA and gearing are expected to decrease
- Authorisation from the shareholders
  - Special dividend or capital repayment up to EUR 150m
  - Share buy-backs up to 15m shares

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APPENDIX SLIDE

Consolidated Cash flow statement

EUR million	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2/2007
Cash flow from operating activities									
Profit before tax	56	53	70	67	38	52	65	89	67
Adjustments to profit before tax	60	61	57	59	67	56	63	41	47
Change in working capital	30	4	33	-2	30	22	19	-59	-15
Cash flow from operating activities	146	119	159	124	135	130	148	71	99
Received dividends and interests and interest paid	-2	-15	-4	-15	-6	-14	-3	-13	-2
Taxes paid	-18	-17	-11	-15	-22	-12	-23	-22	-33
Net cash flow from operating activities	127	87	145	93	108	104	121	36	64
Cash flow in investments									
Capital expenditure	-36	-34	-60	-42	-40	-37	-69	-45	-46
Investments in shares and other investments	-2	-7	-1	-1	-9	-1	-1	-1	-2
Proceeds from asset disposal	1	0	0	0	0	0	1	16	21
Net cash used in investment	-37	-41	-61	-42	-49	-38	-69	-30	-27
Cash flow after investments	89	46	84	51	59	66	53	6	37
Cash flow in financing									
Share Buy Backs and sales (net)	0		0	-43		0	0	0	-84
Change in interest-bearing receivables	0					0		0	0
Change in long-term debt	-36		0		50	0	0	0	-44
Change in short-term debt	-47	40	-70	-1	-136	246	92	0	0
Repayment of financing leases	-1	-1	-1	-1	-1	-1	-1	-2	-2
Dividends paid	-8	-86	-1	0	-1	-284	-158	-1	-23
Cash flow in financing	-92	-47	-72	-45	-87	-40	-67	-2	-153
Change in cash and cash equivalents	**-2**	**-2**	**12**	**6**	**-28**	**26**	**-15**	**4**	**-116**

APPENDIX SLIDE

Financial situation

EUR Million	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008
Interest-bearing debt					
Bonds and notes	570	606	606	604	604
Commercial Paper	119	101	56	81	107
Loans from financial institutions	80	80	80	80	80
Financial leases	27	27	27	26	26
Committed credit line 1)	5	70	75	120	95
Others 2)	1	1	1	1	1
Interest-bearing debt, total	802	885	845	912	913
Security deposits					
Securities					
Cash and bank	29	31	33	21	15
Interest-bearing receivables	29	31	33	21	15
Net debt 3)	773	854	812	891	898

1) The committed credit line is a joint EUR 170 million and EUR 130 million revolving credit facilities with five banks, which Elisa Corporation may flexibly use on agreed pricing. The loan arrangements are valid until 17 June 2012 and 23 November 2014.

2) Redemption liability for minorities

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