



Third Quarter Results 2009

23 October 2009

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

- Q3 2009 highlights
- Segment review
 - Consumer Customers
 - Corporate Customers
- Progress of 3G services
- Execution of the strategy
- Outlook for 2009

Q3 2009 highlights

- 2009 EBITDA guidance upgraded
- Additional profit distribution decided
- Strong growth in mobile net adds continues
- IPTV Elisa Viihde expanded to 2 new cities
- Demand for virtual meeting services increased
- 3G success continued

Q3 2009 financial highlights

- Revenue € 360m (374)
 - Lower equipment sales volumes, approx. € -6m
 - Decrease in traditional fixed business revenue, approx. € -6m
 - Lower interconnection fees and roaming revenues, approx. € -2m
- EBITDA € 131m (129), EBITDA margin 36% (35)
 - Improved efficiency
- EPS € 0.34 (0.33)
- Net debt € 729m (891)
 - Dividend payment € 94m in H1/2009
 - Free Cash Flow in Q3 EUR 43m (EUR 178m in 1-9/2009)
- Net debt / EBITDA 1.5x (1.9), gearing 79% (107)

Q3 2009 operational highlights

	Q3 2009	Change in Q3 2009
Mobile subscriptions	3,271,700	+65,100
Fixed broadband	475,700	-6,000
Mobile ARPU *	€23.2	€-0.8
Mobile Churn **	14.5%	-0.2 %-units
Mobile usage, min ***	1,586m	-3m
Active 3G data users	636,000	+67,000

* Revenue per subscription

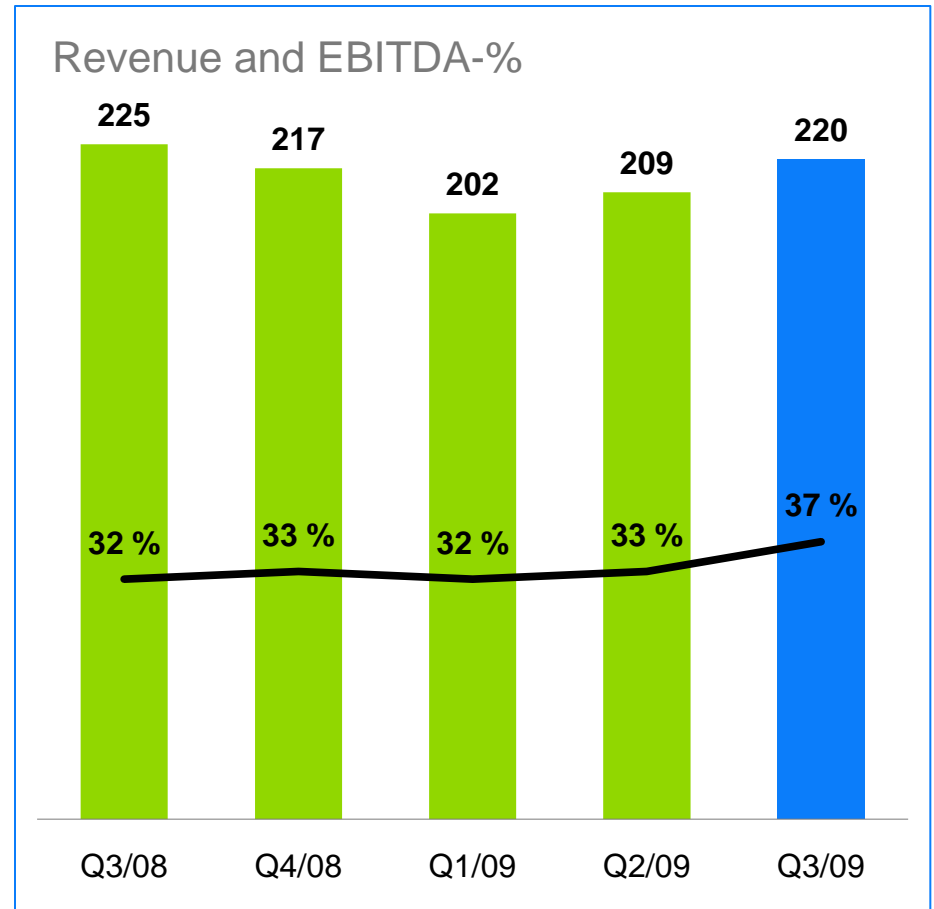
** Annualised

*** Outgoing minutes



Q3 2009 Consumer Customers

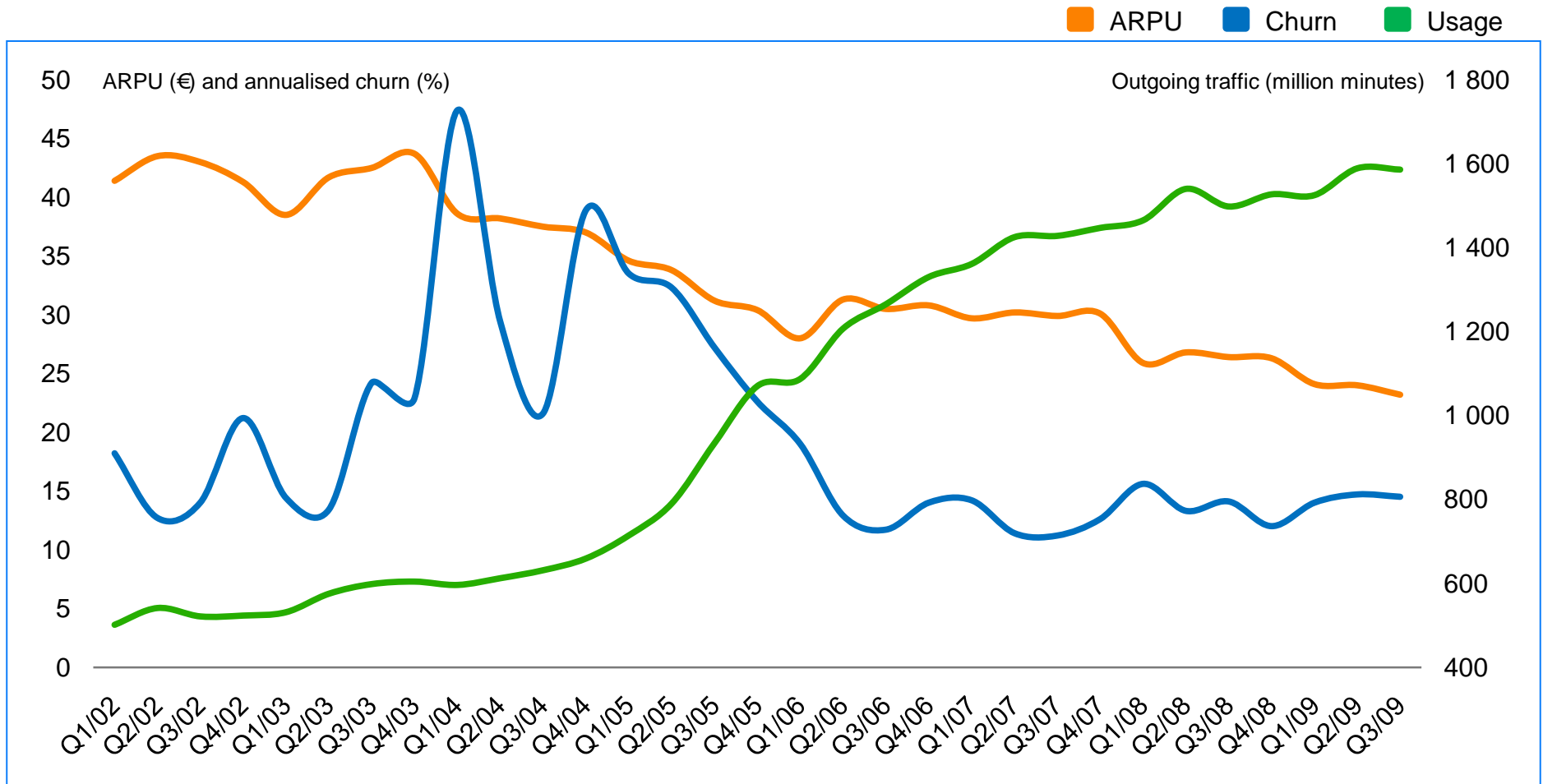
- Revenue € 220m (225)
 - Lower equipment sales
 - Lower interconnection fees
 - Growth in customer billing
 - QoQ revenue growth
- EBITDA € 81m (72), 37% of revenue (32)
 - Cost efficiency, lower OPEX
 - Lower SAC per sub
- EBIT € 50m (42), 23% of revenue (19)



■ Revenue, EURm ■ EBITDA-% excl. one-offs

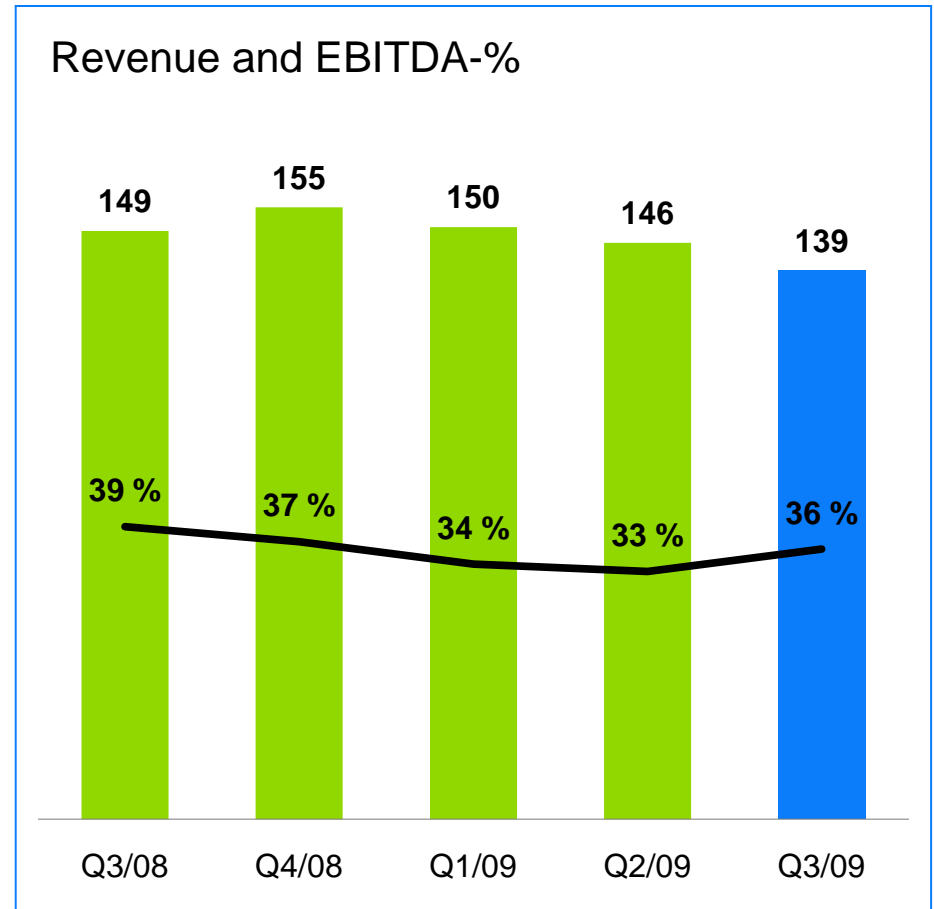


Mobile subscription KPIs



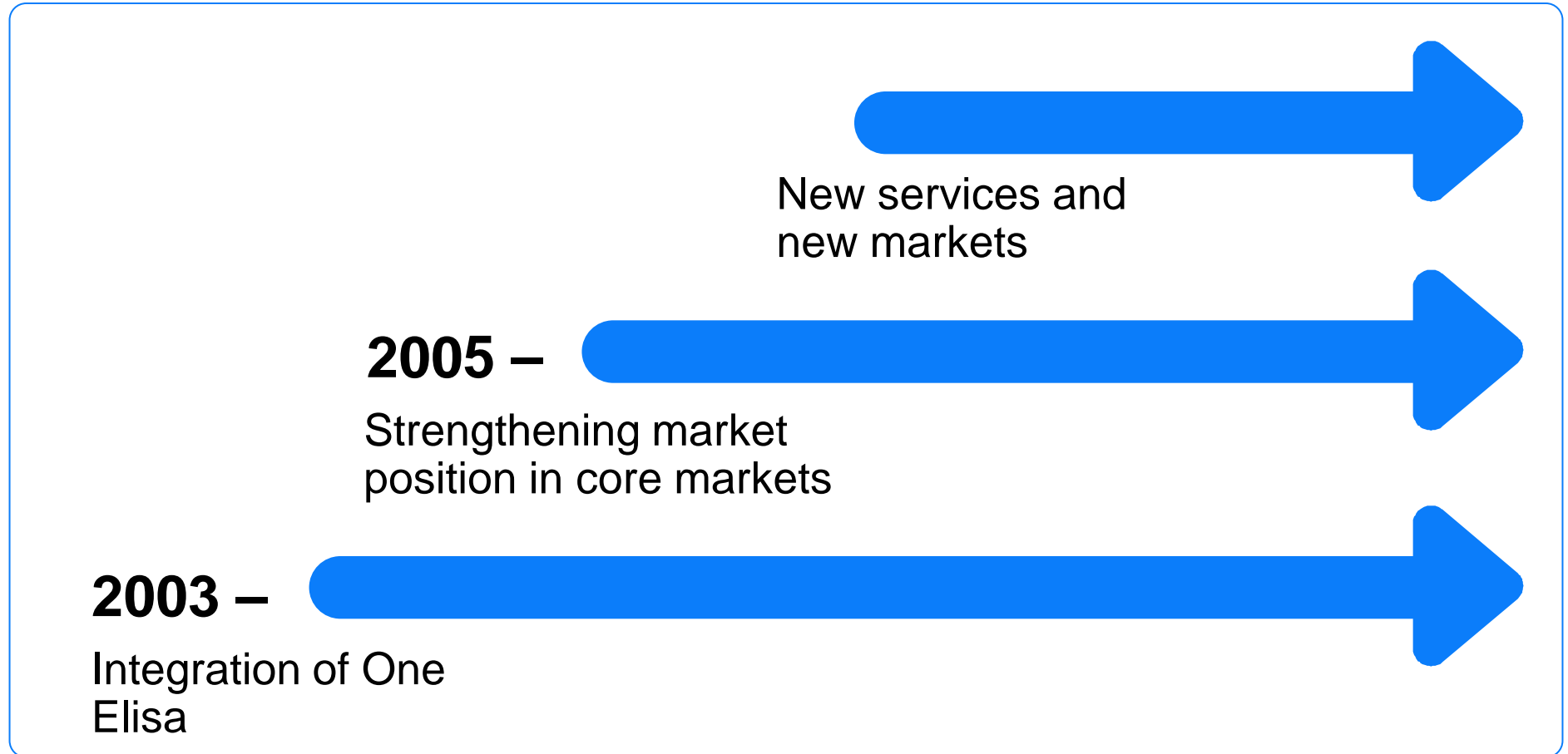
Q3 2009 Corporate Customers

- Revenue € 139m (149)
 - Lower usage both in PSTN and mobile
 - Decrease in equipment sales
 - Lower roaming revenues
 - Growth in ICT services
- EBITDA € 50m (57), 36% of revenue (39)
 - Decrease in revenue
- EBIT € 27m (35), 19% of revenue (23)



■ Revenue, EURm ■ EBITDA-% excl. one-offs

Strategy execution



Strategy execution

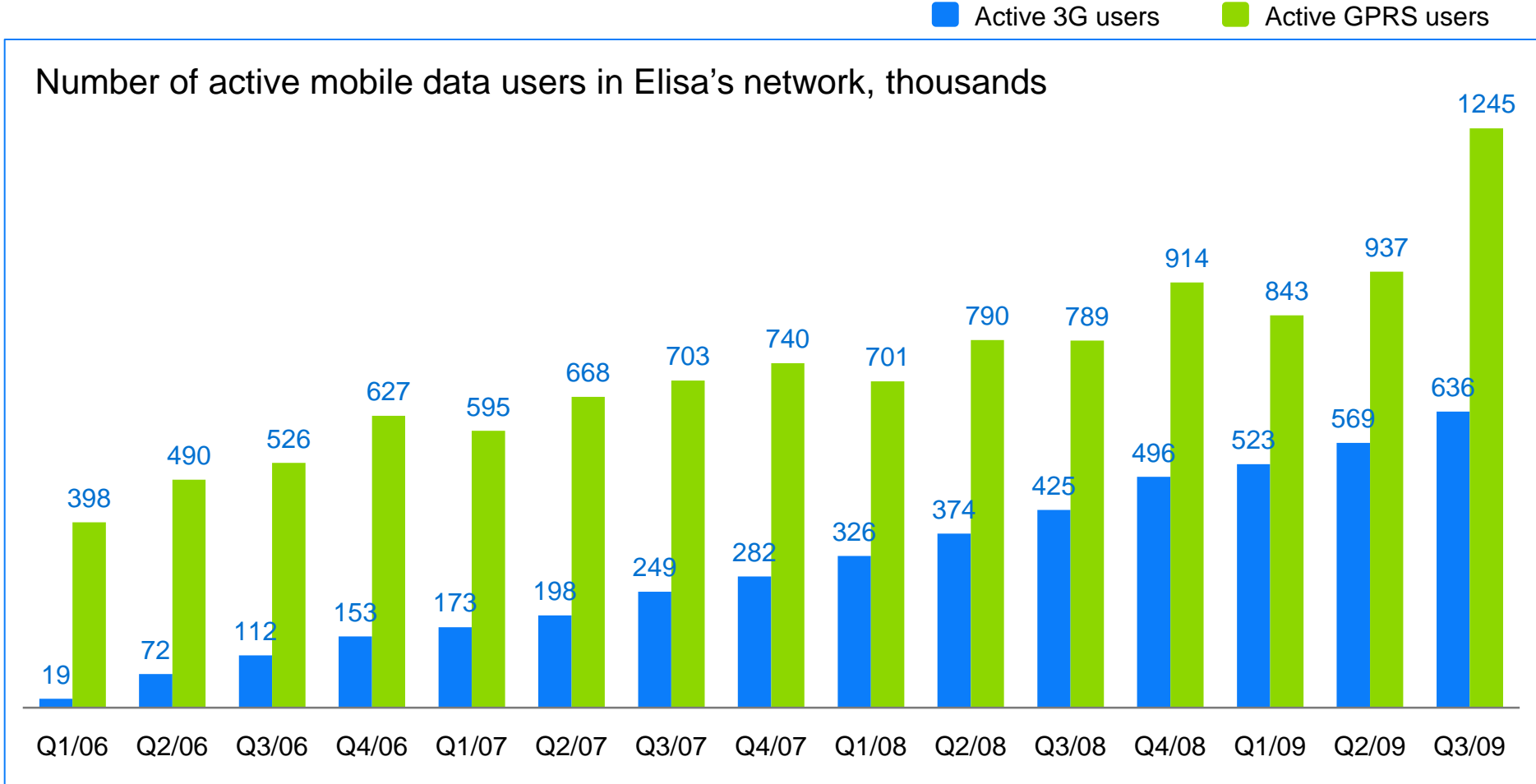
Productivity improvements in Q3 2009:

- Regional IT system consolidation is finalised
 - One national network IT system
 - Centralised fixed network billing and CRM systems
- Multi-supplier model has decreased IT expenses
- Corporate customer unit was granted a quality certificate
 - Elisa contact centre, conference call and switchboard services, Elisa Telesales and Elisa 4help services

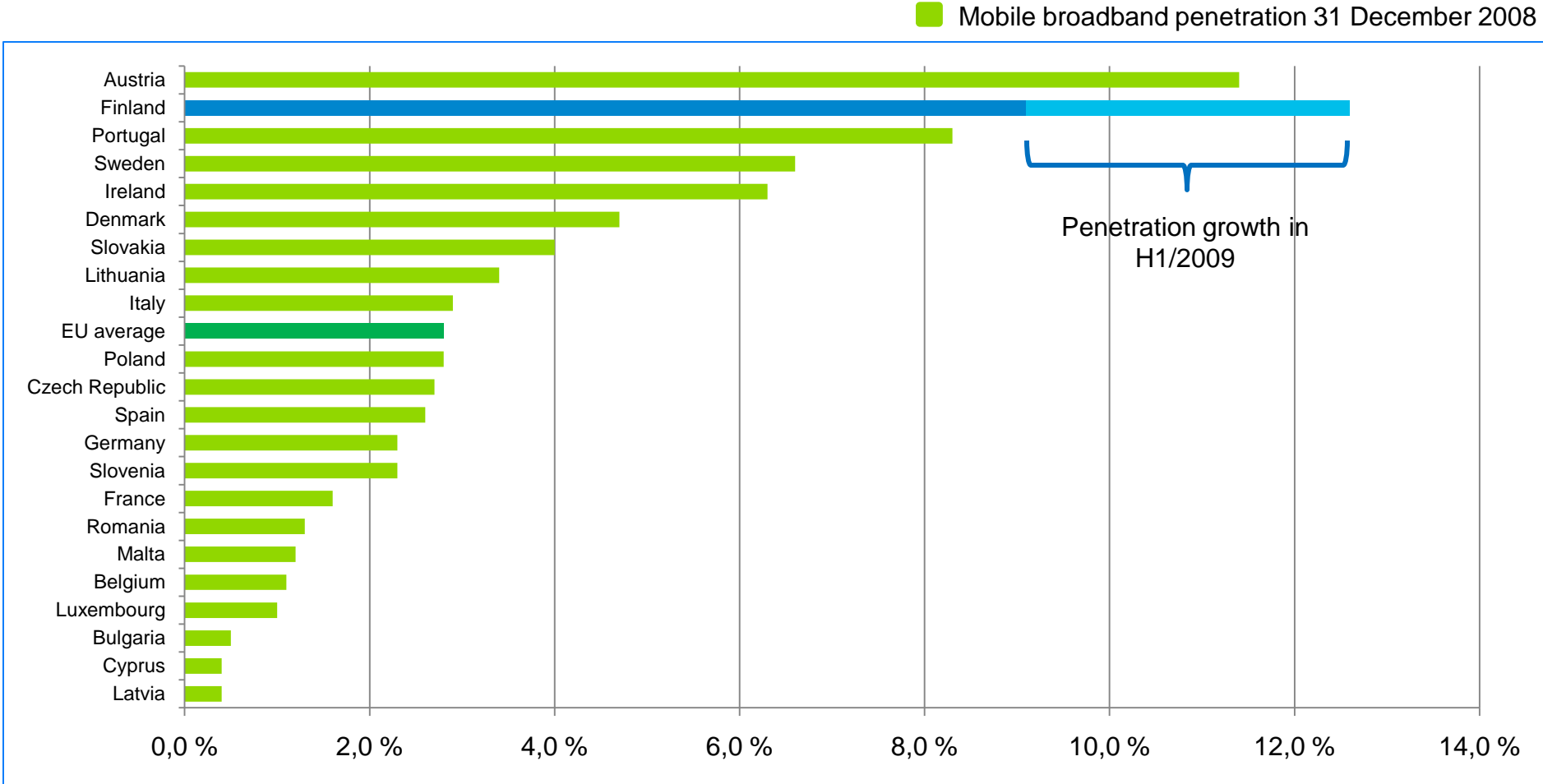
=> Increased customer satisfaction

=> Decreased cost

Growth in 3G data users continued



Mobile broadband penetration



Sources: EU 14th Report on the Implementation of the Telecommunications Regulatory Package - 2008 and Ficora market report 2/2009



IPTV services: Elisa Viihde expands to new cities with new features

- New cities: Tampere and Riihimäki
- New content
 - HD sports programs
 - More channels, e.g. Music TV
 - Finnish Ice-hockey games
 - Exclusive Big Brother channel
- Customisable channel packages



New services in corporate customers

- Demand for virtual conference to new customers increased
 - e.g. Restel in Telepresence services
 - e.g. Glaston in Webex services
- Field force automation service launch to the market
 - Improved control of deliveries, resources and field processes through real time mobility solution => cost savings for the customers
 - Tasks are transferred to fieldworkers' mobile terminals



Outlook for 2009

- Current economic environment creates uncertainty
 - The main risks relate to the development of the Estonian economy and the corporate customer business
- Competition remains challenging
- Revenue at the same or slightly lower level than in 2008
- EBITDA excluding one-offs at the same level than in 2008
 - Q4/2009 EBITDA below Q4/2008 (€ 129m)
 - Higher than normal expenses
 - market and service launch activities
- CAPEX maximum 12 per cent of revenue

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CEO's review

Veli-Matti Mattila, CEO

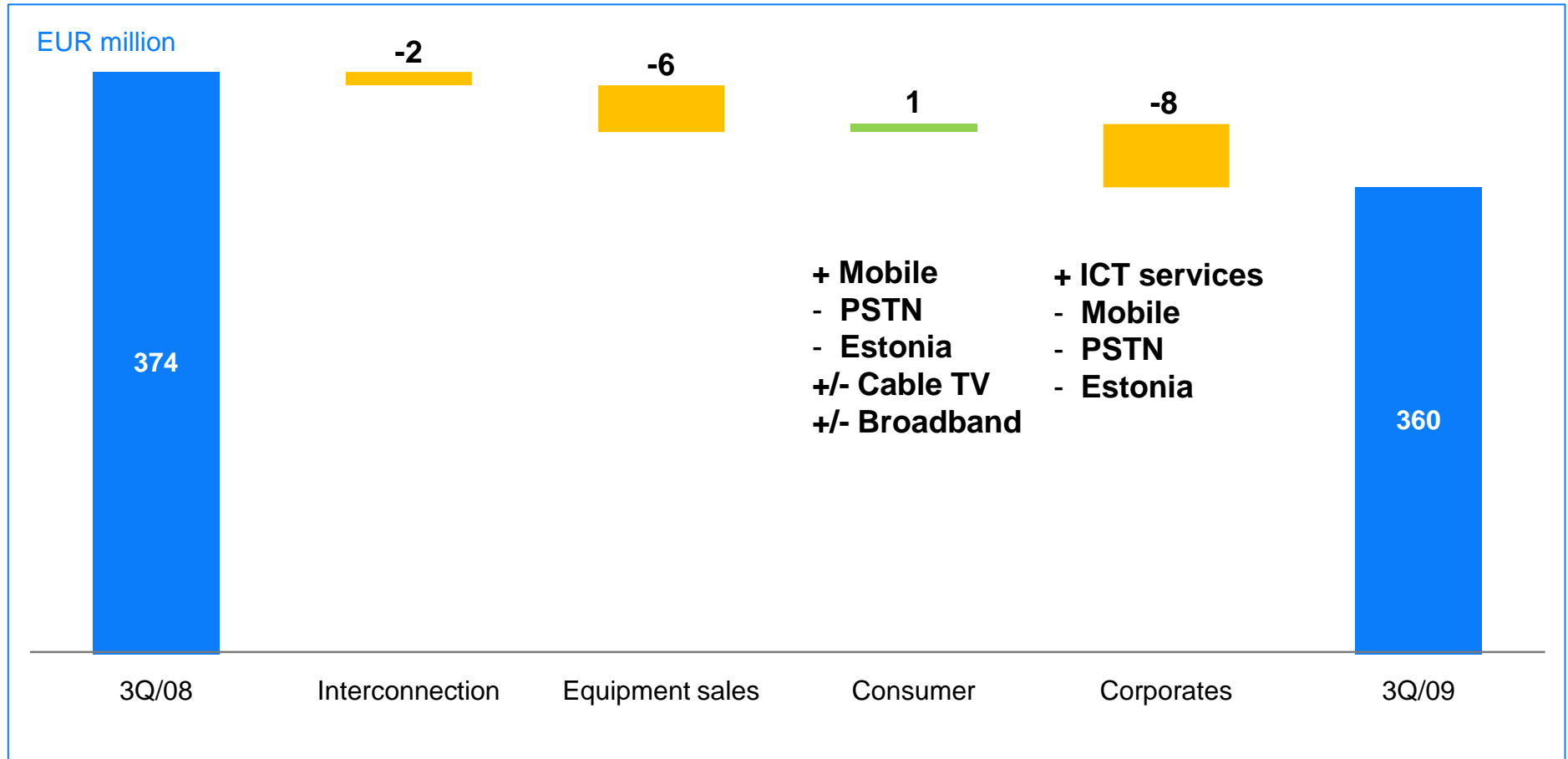
Financial review

Jari Kinnunen, CFO

Profitability improved in Q3 2009

EUR million	Q3/09	Q3/08	Δ	1-9/09	1-9/08	Δ	2008
Revenue	360	374	-15	1 066	1 113	-47	1,485
Other operating income	0	2		2	4		7
Operating expenses	-229	-247	18	-705	-774	69	-1 020
EBITDA	131	129	2	363	342	21	472
EBITDA excluding one-offs	131	129	2	363	349	14	478
<i>EBITDA-%</i>	<i>36.5</i>	<i>34.6</i>		<i>34.0</i>	<i>30.8</i>		<i>31.8</i>
<i>EBITDA-% excluding one-offs</i>	<i>36.5</i>	<i>34.6</i>		<i>34.0</i>	<i>31.4</i>		<i>32.2</i>
Depreciation and amortisation	-54	-53	-1	-160	-155	-5	-207
EBIT	77	77		203	187	16	265
EBIT excluding one-offs	77	77		203	194	9	271
<i>EBIT-%</i>	<i>21.5</i>	<i>20.5</i>		<i>19.1</i>	<i>16.8</i>		<i>17.8</i>
<i>EBIT-% excluding one-offs</i>	<i>21.5</i>	<i>20.5</i>		<i>19.1</i>	<i>17.4</i>		<i>18.3</i>
Profit before tax	70	67	3	179	157	22	228
Income taxes	-17	-16	-1	-43	-34	-9	-51
Profit for the period	53	51	2	136	123	13	177
EPS, EUR/share	0.34	0.33	0.01	0.87	0.78	0.09	1.12

Revenue change y-o-y



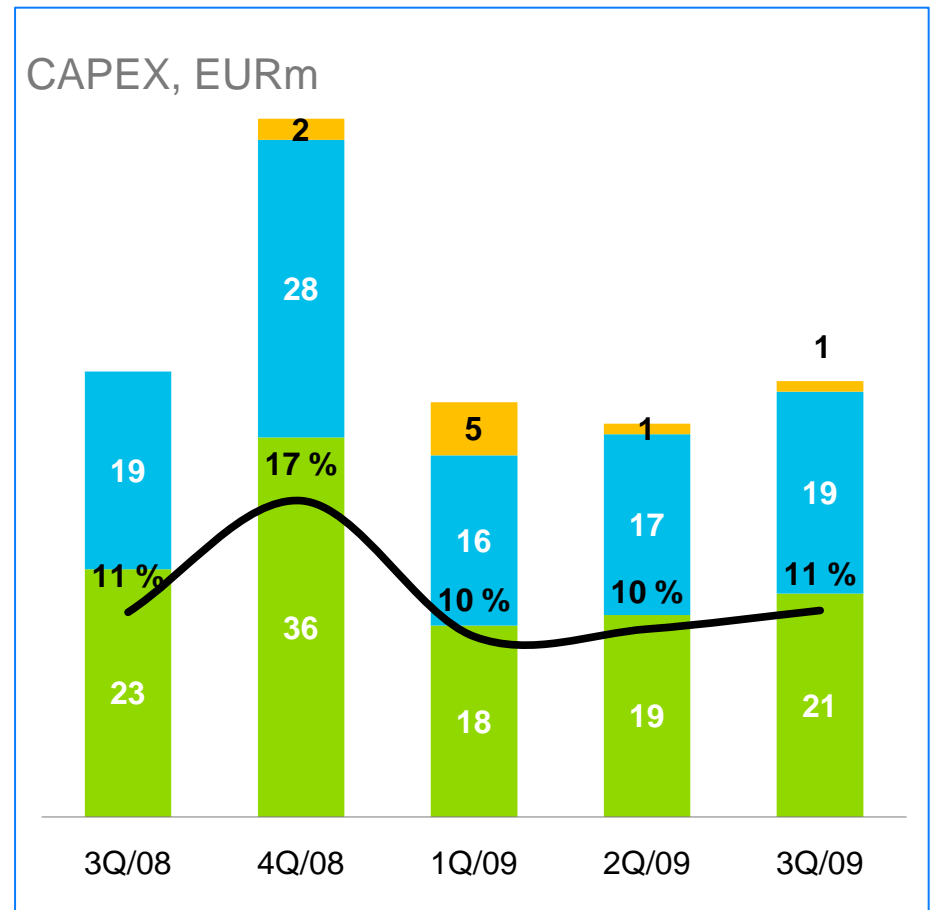
Total expenses continued to decrease y-o-y

- Total OPEX decrease EUR 18m
- OPEX decreases
 - Equipment purchase costs
 - Interconnection and roaming
 - Efficiency programs
- OPEX increases
 - Personnel increased in call-centers and acquired companies
 - Salary increases based on collective labour agreements
 - 1.10.2008 3.5%, 1.9.2009 2.6%

EURm	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Materials and services	166	159	146	144	143
Employee benefit expenses	32	43	47	48	43
Other operating expenses	49	44	44	48	43
Total expenses	247	246	237	240	229
Depreciation	53	52	53	53	54

CAPEX decreased by 5% y-o-y

- Total CAPEX EUR 40m (42)
 - CAPEX/Sales 11% (11%)
 - In line with guidance: max 12%
- Q3 2009 by segments
 - Consumer EUR 21m (23)
 - Corporate EUR 19m (19)
- Major CAPEX areas
 - 3G networks and services
 - Broadband and corporate networks
 - IT systems



■ Consumer ■ Shares
■ Corporate ■ CAPEX/Sales



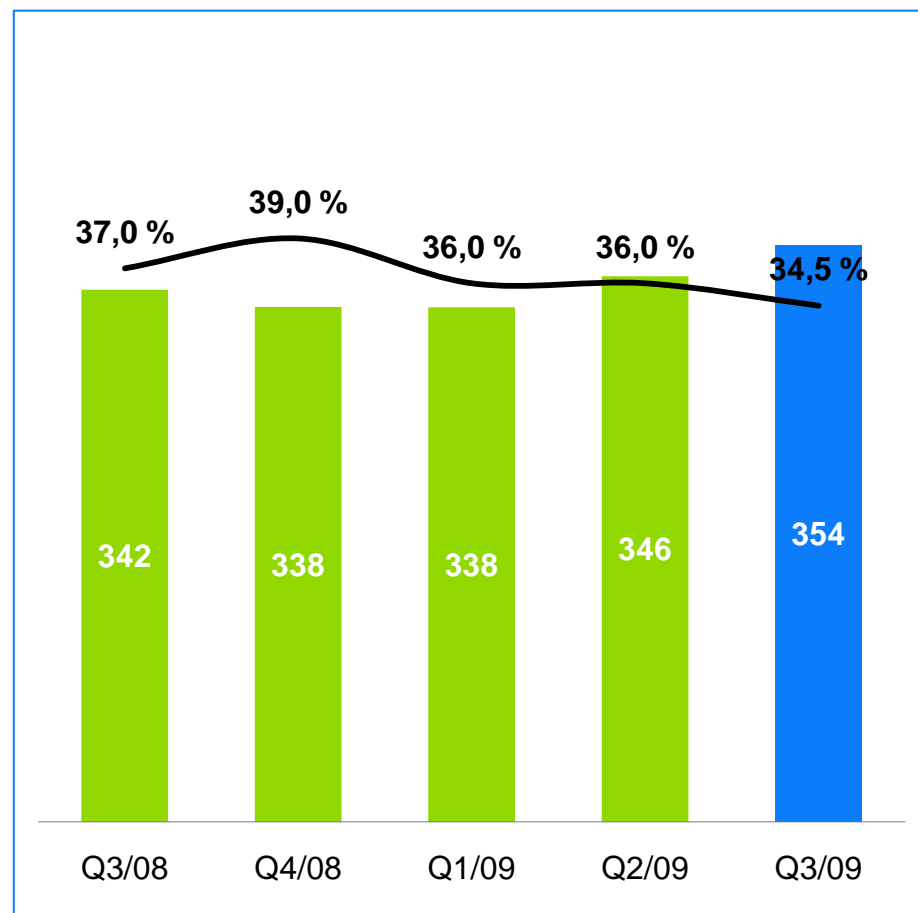
Strong Cash Flow continued

EUR million	Q3/09	Q3/08	Δ	1-9/09	1-9/08	Δ	2008
EBITDA	132	129	2	363	342	20	472
Change in receivables	-25	-5		26	105		132
Change in inventories	-2	0		-3	4		7
Change in payables	4	3		-12	-58		-56
Change in NWC	-23	-3	-20	11	50	-39	83
Financials (net)	-12	-15	3	-29	-35	6	-39
Taxes for the year	-12	-16	4	-44	-38	-6	-50
Taxes for the previous year	0	0		-2	-11	9	-10
Taxes	-12	-16	4	-46	-49	3	-60
CAPEX	-40	-42	2	-110	-119	9	-179
Investments in shares	-1	-1		-10	-11	-9	-12
Sale of assets and adjustments	-1	-3	2	-1	-3	2	-3
Cash flow after investments	43	51	-8	178	176	2	260

Recession affects Estonian business

- Revenue decreased
 - Customer billing
 - Termination fee and roaming revenue
 - Equipment sales
- Growth in mobile subscriptions
 - 12,000 y-o-y
 - 8,400 q-o-q

EUR million	Q3/09	Q3/08	2008
Revenue	21	25	98
EBITDA	7	9	37
<i>EBITDA-%</i>	<i>35</i>	<i>37</i>	<i>38</i>
EBIT	5	6	25
<i>EBIT-%</i>	<i>22</i>	<i>26</i>	<i>25</i>
CAPEX	1	4	15

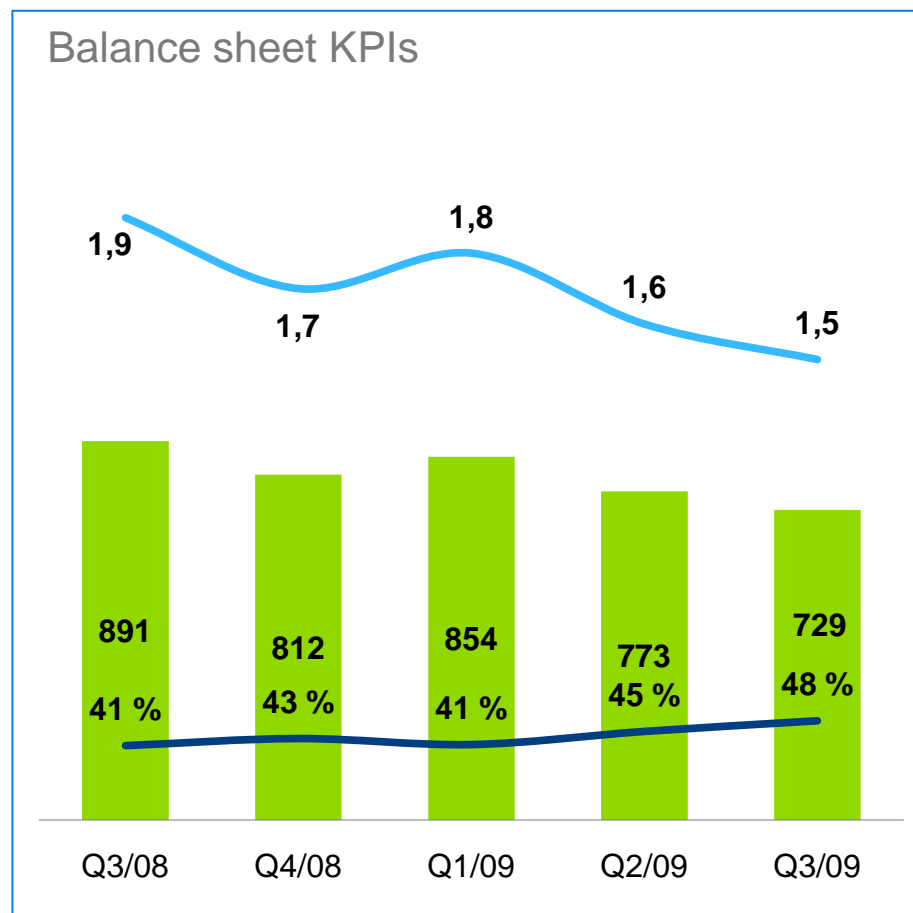


■ Mobile Subs, thousands ■ EBITDA%



Capital structure within target range

- **Capital structure**
 - Net debt / EBITDA 1.5
 - Gearing 79%, Equity ratio 48%
- **Target setting**
 - Net debt / EBITDA 1.5 – 2x
 - Equity ratio >35%
- **Focus on cash generation**
 - CAPEX control
 - Net Working Capital
 - Cost control
 - Efficiency programs
 - Customer credit control

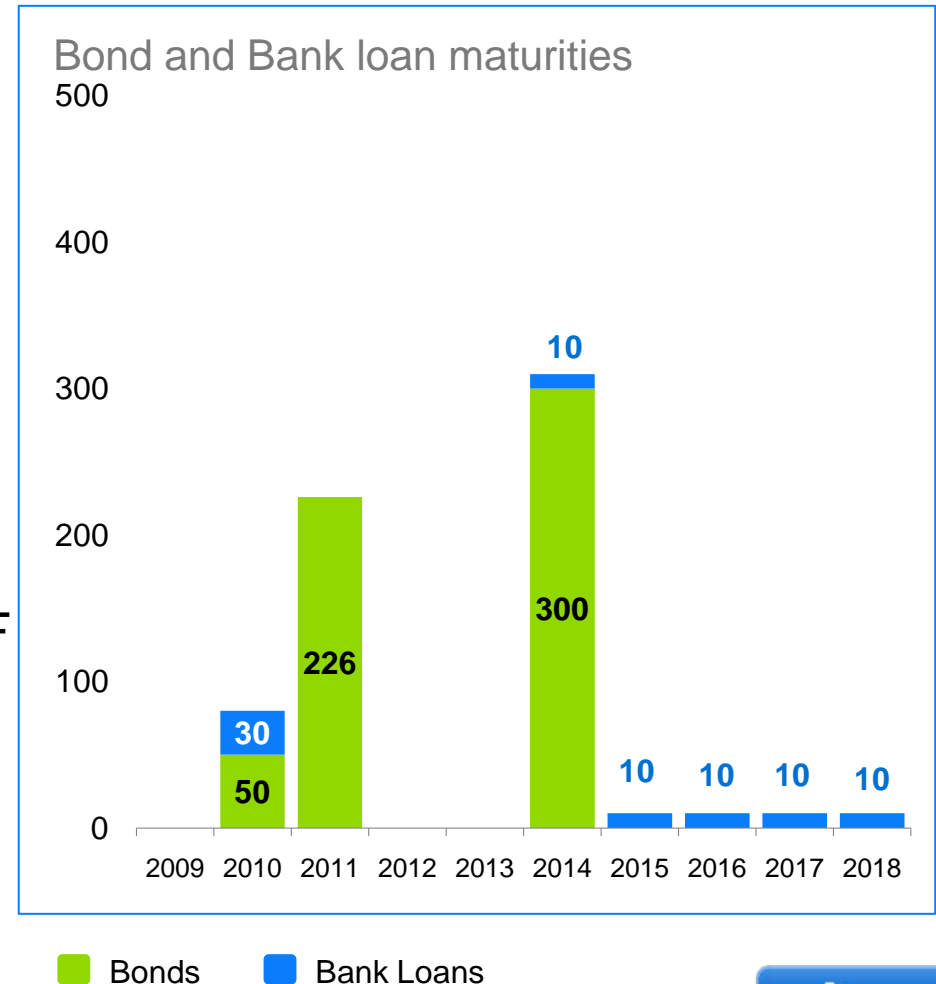


■ Net Debt, EURm ■ Net Debt/EBITDA
■ Equity ratio %



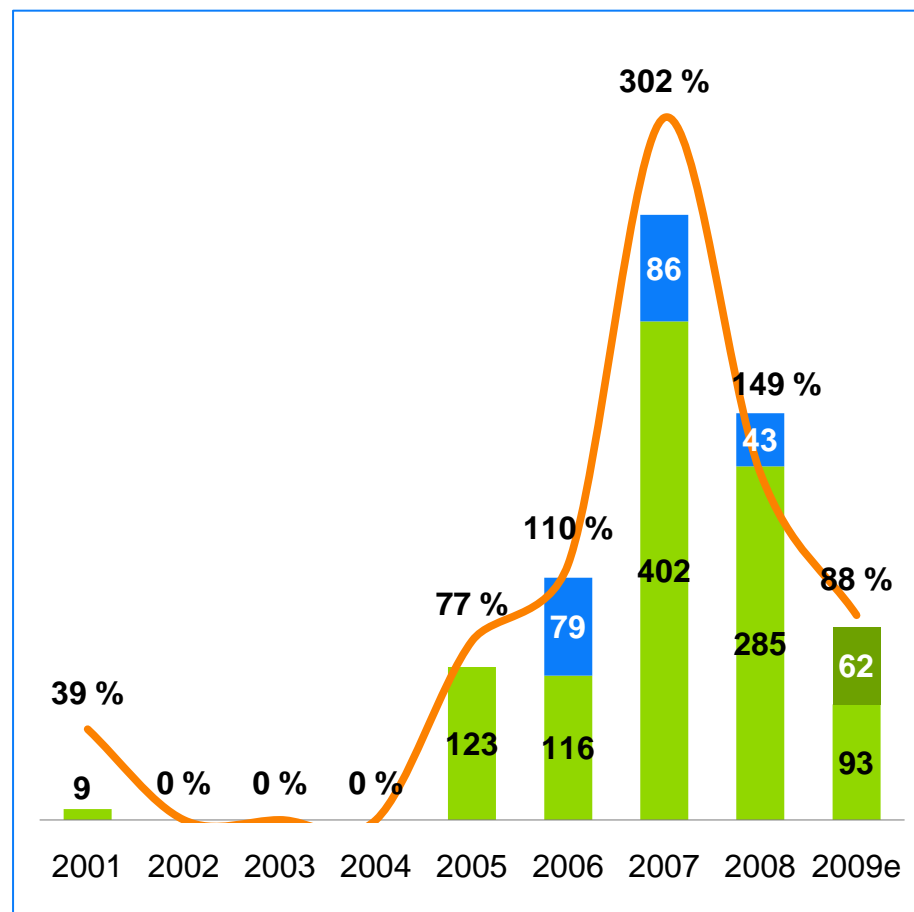
Liquidity position is good

- Cash and undrawn committed facilities EUR 309m (220m)
- Revolving Credit Facilities
 - EUR 170m maturing Jun 2012
 - EUR 130m maturing Nov 2014
 - Fully undrawn Q3/09
- Commercial Paper Program
 - EUR 62m in use, back up with RCF
- No changes in credit ratings
 - S&P BBB/Stable outlook
 - Moody's Baa2/Stable outlook



Decision on additional EUR 62m distribution

- EUR 0.40 per share
 - Total amount EUR 62.2 m
- Based on the AGM EUR 150m authorisation
 - Capital repayment
- Payment 6 November 2009
 - Ex-date 26 October, record date 28 October
- After the payment
 - Dividend yield 8.2% *
 - Pro Forma Q3/09 net debt /EBITDA 1.6



■ Dividend or capital repayment ■ Buy-back
— Pay-out ratio %



Updated distribution policy

- Ordinary profit distribution 40-60 per cent of the profit for the financial period
- Distribution of profit includes
 - Dividend payment
 - Capital repayment
 - Purchase of treasury shares
- In addition, possible excess capital can be distributed to shareholders
- When making a proposal or decision, the BoD considers:
 - Company's financial position
 - Future financial needs
 - Financial targets



Third Quarter Results 2009

23 October 2009

Consolidated Cash flow statement

EUR million	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Cash flow from operating activities									
Profit before tax	70	56	53	70	67	38	52	65	89
Adjustments to profit before tax	60	60	61	57	59	67	56	63	41
Change in working capital	-23	30	4	33	-2	30	22	19	-59
Cash flow from operating activities	107	146	119	159	124	135	130	148	71
Received dividends and interests and interest paid	-12	-2	-15	-4	-15	-6	-14	-3	-13
Taxes paid	-11	-18	-17	-11	-15	-22	-12	-23	-22
Net cash flow from operating activities	84	127	87	145	93	108	104	121	36
Cash flow in investments									
Capital expenditure	-40	-36	-34	-60	-42	-40	-37	-69	-45
Investments in shares and other investments	0	-2	-7	-1	-1	-9	-1	-1	-1
Proceeds from asset disposal	0	1	0	0	0	0	0	1	16
Net cash used in investment	-41	-37	-41	-61	-42	-49	-38	-69	-30
Cash flow after investments	43	89	46	84	51	59	66	53	6
Cash flow in financing									
Share Buy Backs and sales (net)		0		0	-43		0	0	0
Change in interest-bearing receivables		0					0		0
Change in long-term debt	0	-36		0		50	0	0	0
Change in short-term debt	-62	-47	40	-70	-1	-136	246	92	0
Repayment of financing leases	-1	-1	-1	-1	-1	-1	-1	-1	-2
Dividends paid	0	-8	-86	-1	0	-1	-284	-158	-1
Cash flow in financing	-64	-92	-47	-72	-45	-87	-40	-67	-2
Change in cash and cash equivalents	-20	-2	-2	12	6	-28	26	-15	4

Financial situation

EUR Million	30 Sep 2009	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008
Interest-bearing debt					
Bonds and notes	572	570	606	606	604
Commercial Paper	62	119	101	56	81
Loans from financial institutions	80	80	80	80	80
Financial leases	24	27	27	27	26
Committed credit line 1)	0	5	70	75	120
Others 2)	0	1	1	1	1
Interest-bearing debt, total	738	802	885	845	912
Security deposits					
Securities					
Cash and bank	9	29	31	33	21
Interest-bearing receivables	9	29	31	33	21
Net debt 3)	729	773	854	812	891

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.