Annual Results 2009

12 February 2010

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

- Financial and operational highlights
- Segment review
  - Consumer Customers
  - Corporate Customers
- Progress of 3G services
- Strategy execution
- Outlook for 2010

2009 highlights

- Q-on-Q revenue growth
- Clear profitability improvement
- Strong growth in mobile net adds
- 2009 EBITDA better than guidance a year ago
- High profit distribution, 88% pay-out ratio
- Successful launch of IPTV Elisa Viihde
- Demand for virtual meeting services increased
- 3G success continued
- Profit distribution proposal: capital repayment € 0.92 per share
  - Ordinary profit distribution € 0.68 per share
  - Extraordinary profit distribution € 0.24 per share

2009 financial highlights

	2009	Change in 2009
Revenue	€ 1,430m	-4%
EBITDA *	€ 484m	+1%
Earnings per share	€ 1.13	+1%
CAPEX	€ 171m	-7%
Cash flow	€ 252m	-3%
Net debt	€ 719m	-11%

* Excluding one-off items

2009 operational highlights

	2009	Change in 2009	Change in Q4 2009
Mobile subscriptions	3,329,000	+449,300	+111,300
Fixed broadband	467,200	-34,300	-8,500
Mobile ARPU [1)]	€ 23.6	€ -2.8	€ -0.4 [4)]
Mobile Churn [2)]	14.5%	+1.2%-units	+0.2%-units[4)]
Mobile usage, min [3)]	6,345m	+314m	+59m
Active 3G data users	672,000	+176,000	+36,000

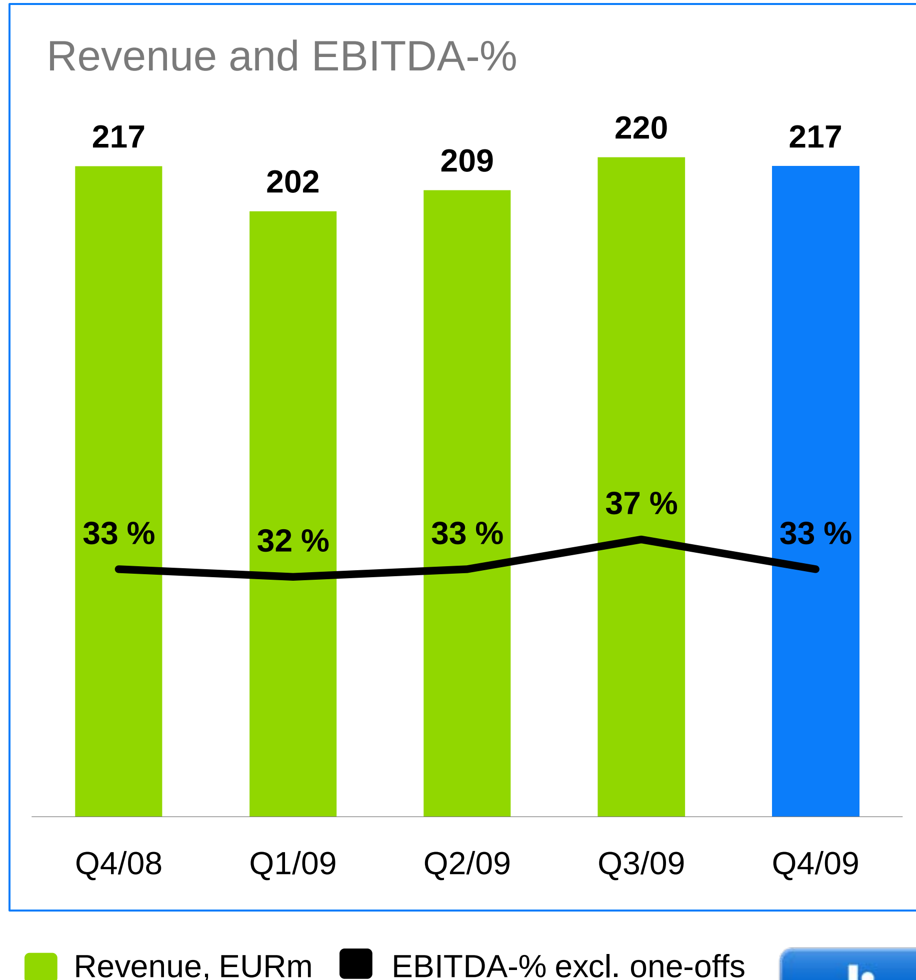
[1)] Revenue per subscription
[2)] Annualised
[3)] Outgoing minutes
[4)] Q4/09 ARPU € 22.9 and Churn 14.7%

Q4 2009 financial highlights

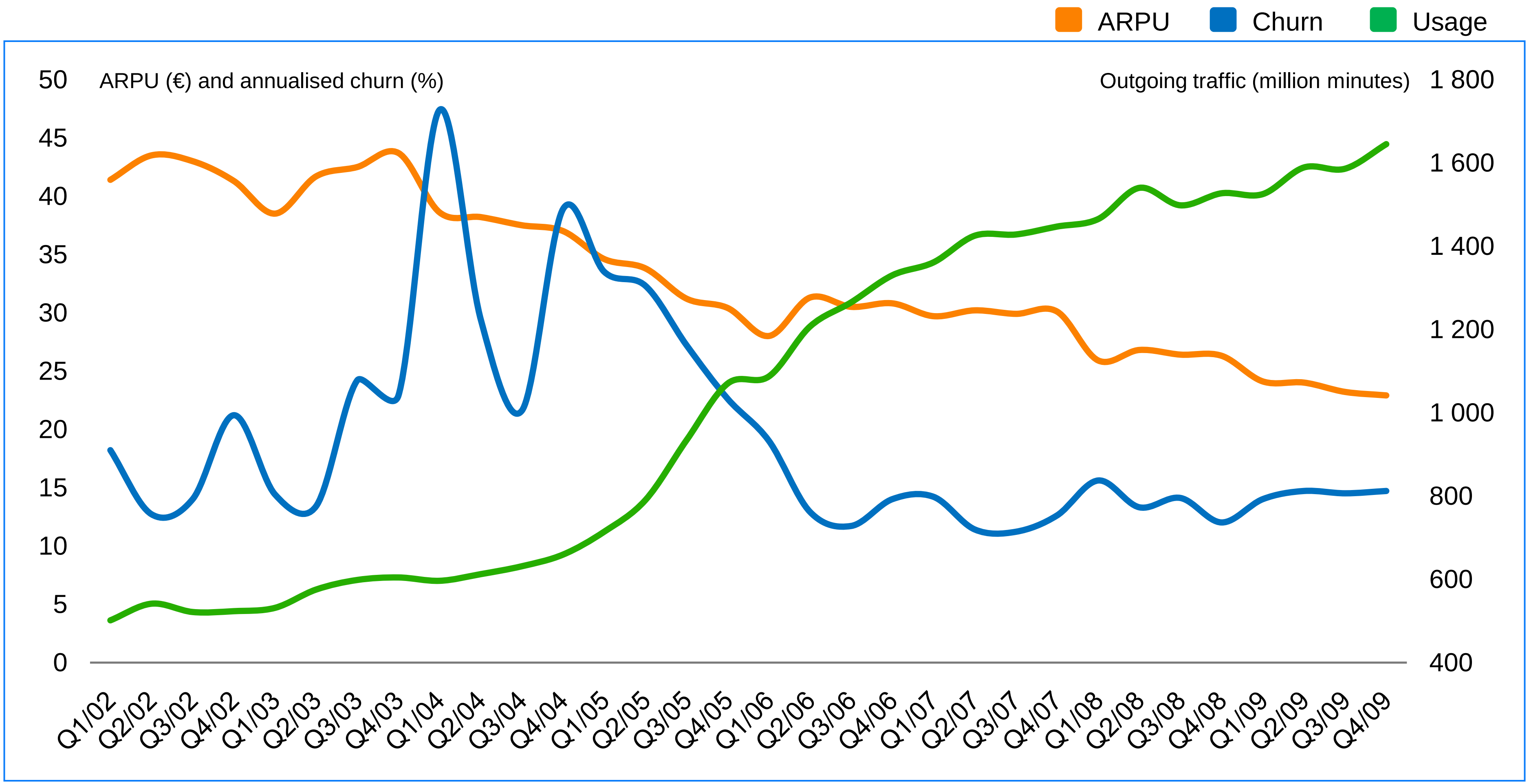
- Revenue € 365m (372)
  - Decrease in traditional fixed business revenue, approx. € -3m
  - Lower interconnection fees and roaming revenues, approx. € -3m
  - Lower equipment sales volumes, approx. € -1m
- EBITDA € 121m (129), EBITDA margin 33% (35)
  - Market activities and service launches
- EPS € 0.26 (0.34)
- Net debt € 719m (812)
  - Distribution € 156m
  - Free Cash Flow EUR 252m
- Net debt / EBITDA 1.5x (1.7), gearing 80% (93)

Q4 2009 Consumer Customers

- Revenue € 217m (217)
  - Growth in mobile customer billing
  - Lower fixed business revenue
  - Decrease in Estonia
- EBITDA € 71m (72), 33% of revenue (33)
  - Higher market activity costs
  - Lower SAC per sub
- EBIT € 39m (43), 18% of revenue (20)

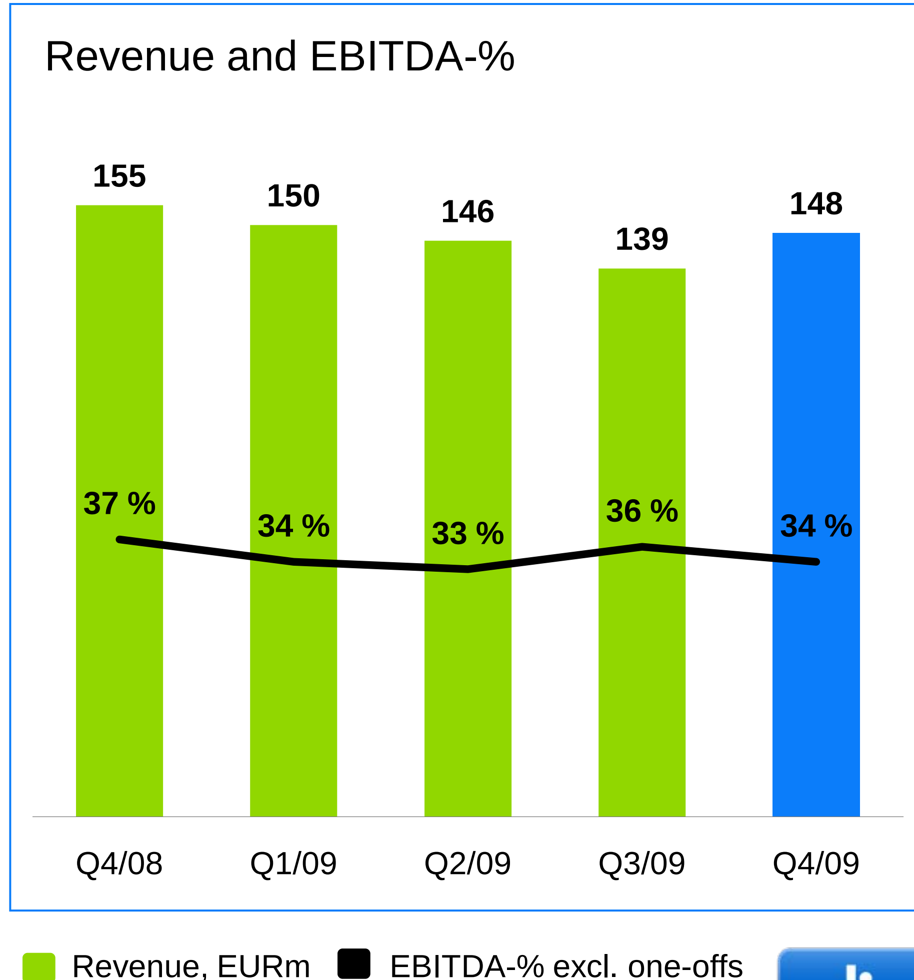


Mobile KPIs' trends continued



Q4 2009 Corporate Customers

- Revenue € 148m (155)
  - Lower usage both in PSTN and mobile
  - Lower interconnection, roaming and equipment sales revenues
  - Growth in ICT services
- EBITDA € 50m (57), 34% of revenue (37)
  - Decrease in revenue
- EBIT € 25m (34), 17% of revenue (22)



Strategy execution

New services and new markets

Strengthening market position in core markets

Integration of One Elisa

Strategy execution – operational efficiency

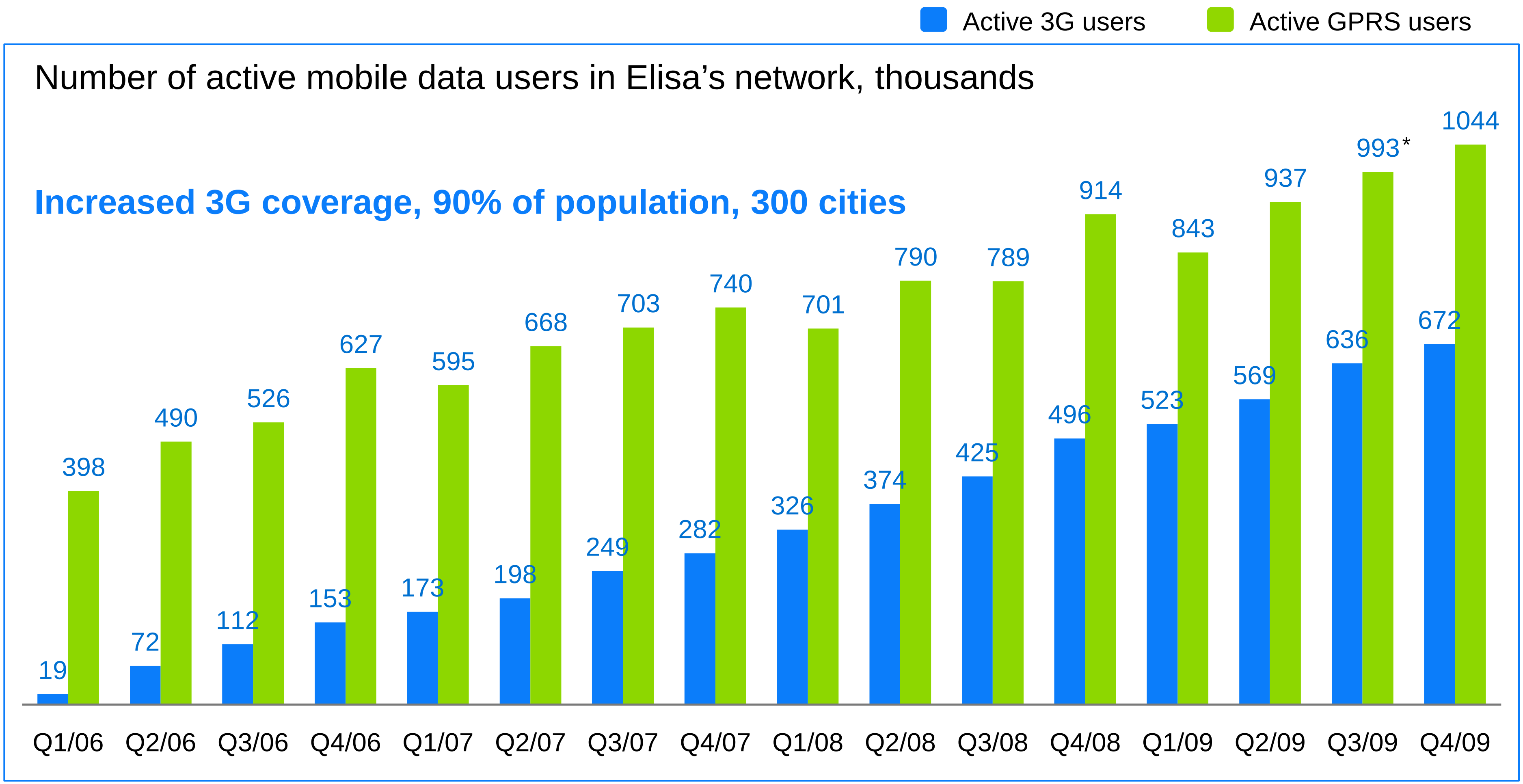
Productivity improvements in Q4 2009:

- Improved base station construction process
  - Delivery time more that halved
  - Decrease in failure rate
- New systematic change management process to improve network performance
  - Rate of successful network updates and changes improved from 91% to 98% in 2009

=> Increased customer satisfaction

=> Decreased cost

Growth in 3G data users continued

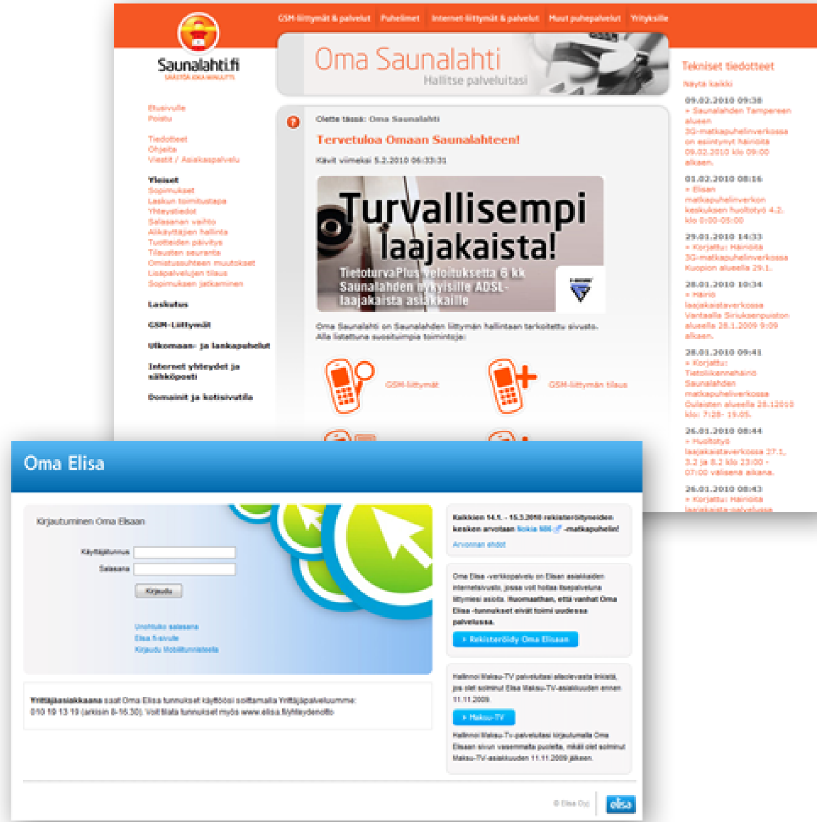


* Q3/09 GPRS figure corrected

Growth in user friendly self service channel

- Corporate customers
  - More than 37,500 corporate
  - 71% of orders through this channel
  - Full automation rate of the orders is 43%
- Consumer customers
  - 370,000 customers, growth in 2009 40,000
  - Y-o-y order growth 115%

Own Elisa and Own Saunalahti



New features in IPTV services

- New cities: Joensuu and Jyväskylä
- Now also available on Elisa's cable-TV
  - Includes 100 Mb/s broadband
- New content from Warner Bros
  - WarnerFilm movie channel first in Europe
  - WarnerTV channel first in Finland

Elisa Vahti – Home security service

- Easy and affordable home security service
- On-line home monitoring
  - Through Internet
  - Through mobile terminal
- Comprehensive service package
  - Wireless cameras and sensors
  - Automatic recording to network
  - Alarm services

New services for corporate customers

- Virtual desktop
  - Traditional desktop replaced by virtual desktop
  - Flexible, data protected and cost efficient tools easily and fast
- Solution to secure product safety of frozen food
  - Collects temperature information collectively with wireless sensors to a server from different checkpoints

Outlook for 2010

- Economic environment creates still uncertainty
  - Unemployment rate is expected to increase
  - The main risks relate to the development of the Estonian economy and the corporate customer business
- Competition remains challenging
- Revenue at the same level as in 2009
- EBITDA at the same level as in 2009
- CAPEX 10 – 12 per cent of revenue

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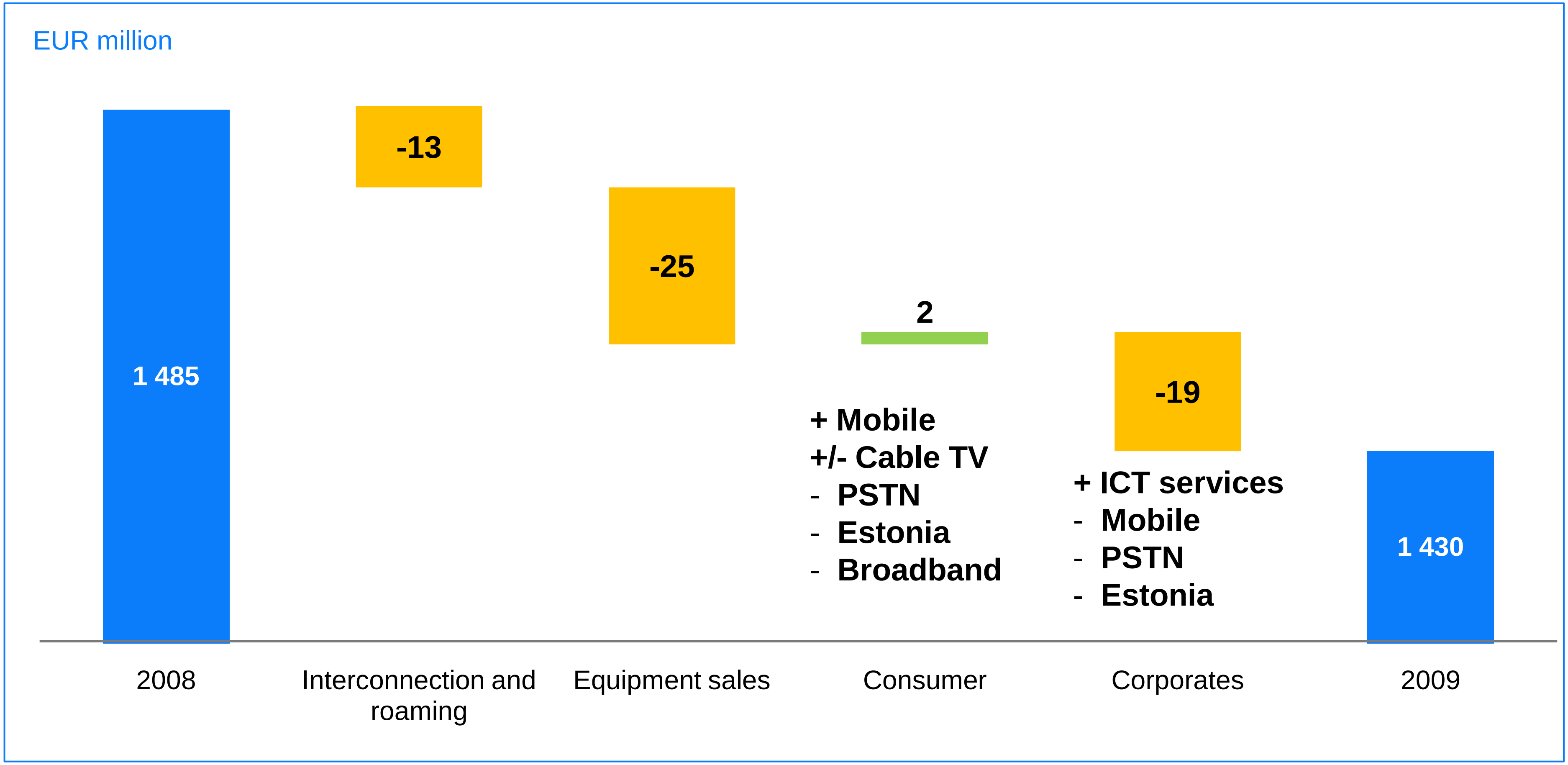
Profitability in Q4 2009

EUR million	Q4/09	Q4/08	Δ	2009	2008	Δ
Revenue	365	372	-7	1430	1,485	-55
Other operating income	2	3		4	7	
Operating expenses	-246	-246	0	-951	-1 020	69
EBITDA	121	129	-8	484	472	12
EBITDA excluding one-offs	121	129	-8	484	478	6
EBITDA-%	33%	35%		34%	32%	
EBITDA-% excluding one-offs	33%	35%		34%	32%	
Depreciation and amortisation	-57	-52	-5	-216	-207	-9
EBIT	65	77	-13	267	264	3
EBIT excluding one-offs	65	77	-13	267	271	-4
EBIT-%	18%	21%		19%	18%	
EBIT-% excluding one-offs	18%	21%		19%	18%	
Profit before tax	56	70	-14	235	228	7
Income taxes	-15	-17		-58	-51	
Profit for the period	41	54	-13	177	177	0
EPS, EUR/share	0.26	0.34	-0.08	1.13	1.12	0.01

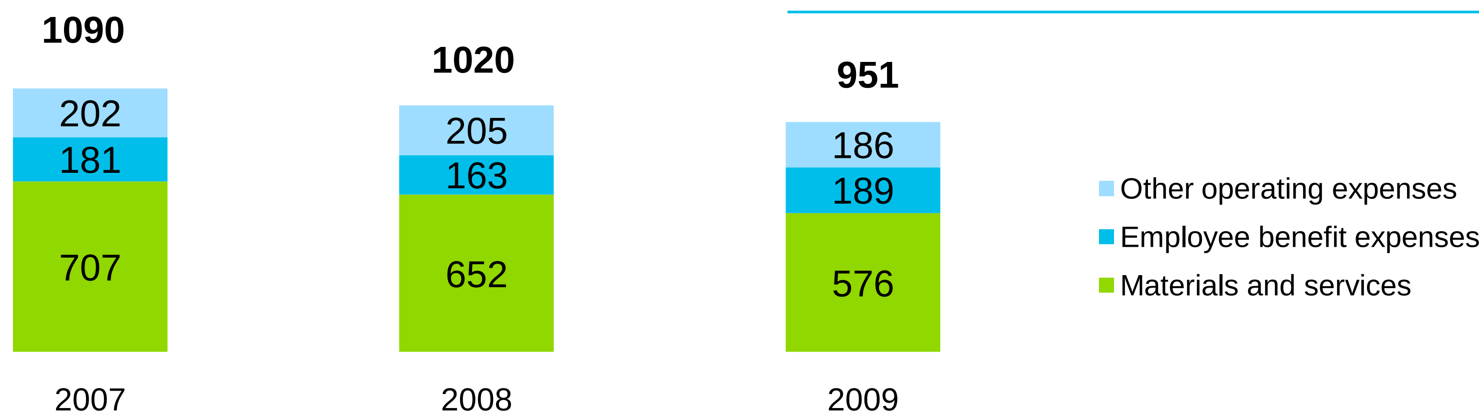
Revenue change y-o-y



Total expenses decreased in 2009

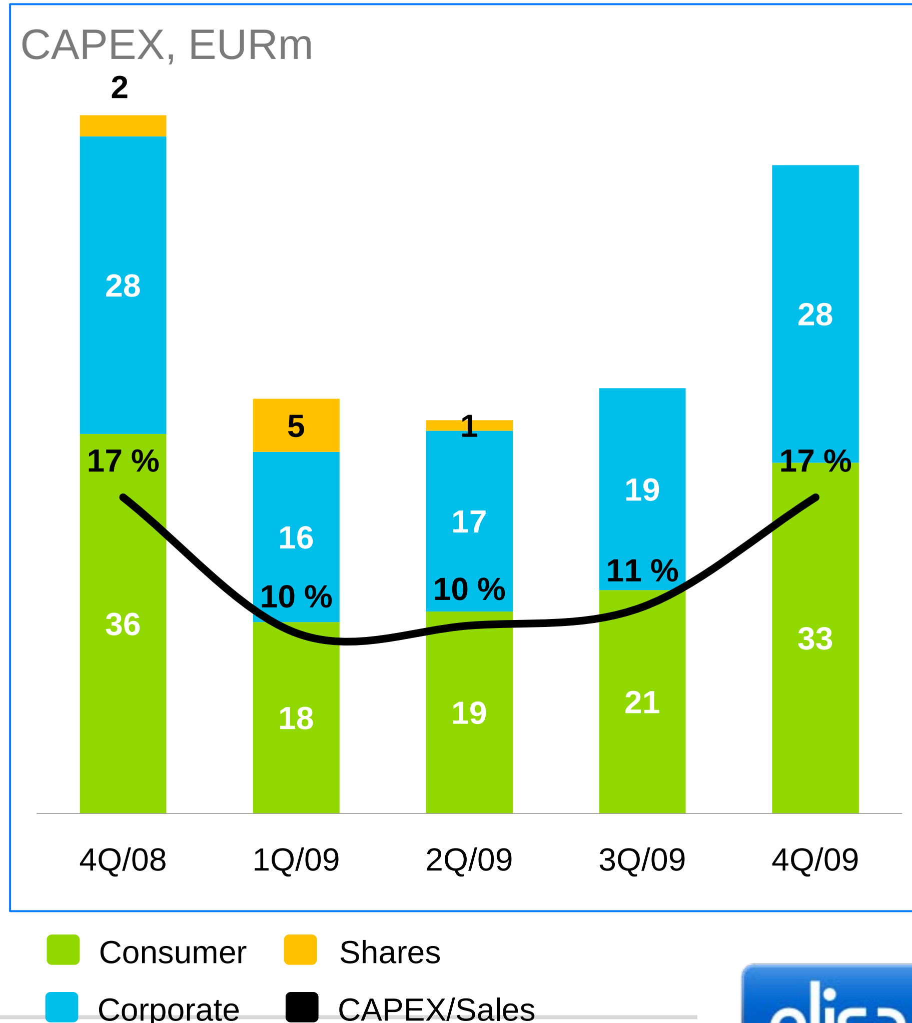
- OPEX decreases
  - Equipment purchase costs
  - Interconnection and roaming
  - Efficiency programs
- OPEX increases
  - Personnel increased in call-centers and acquired companies
  - Collective labour agreements increases
    - 2008 3.5%, 2009 2.6%

EURm	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Materials and services	159	146	144	143	144
Employee benefit expenses	43	47	48	43	51
Other operating expenses	44	44	48	43	50
Total expenses	246	237	240	229	246
Depreciation	52	53	53	54	57



CAPEX decreased by 7% in 2009

- Total CAPEX EUR 171m (184)
  - CAPEX/Sales 12% (12%)
- Q4 by segments
  - Consumer EUR 33m (36)
  - Corporate EUR 28m (28)
- Major CAPEX areas
  - 3G network rollout
  - Corporate networks
  - IT systems
  - Customer equipment



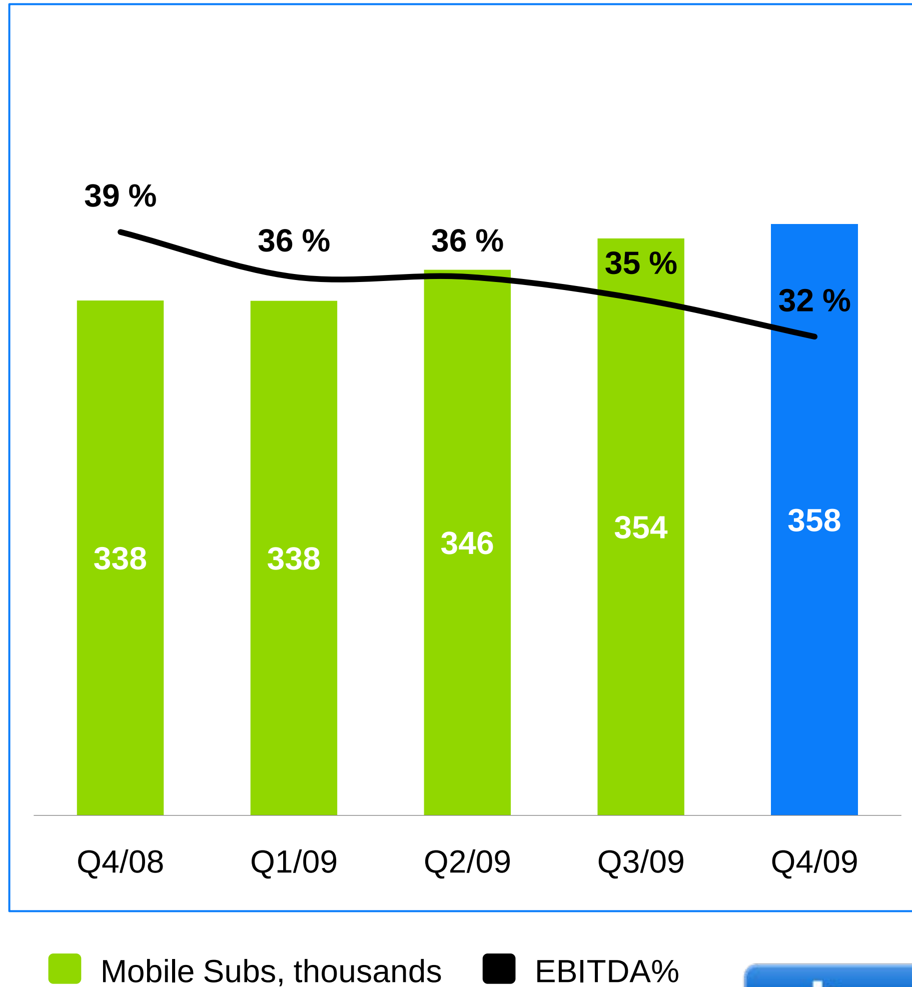
Strong Cash flow continued

EUR million	Q4/09	Q4/08	Δ	2009	2008	Δ
EBITDA	121	129	-8	484	472	12
Change in receivables	10	28		36	132	
Change in inventories	-7	3		-9	7	
Change in payables	23	2		10	-56	
Change in NWC	26	33	-7	37	83	-46
Financials (net)	-1	-4	3	-30	-39	9
Taxes for the year	-11	-11		-55	-50	
Taxes for the previous year				-2	-10	
Taxes	-11	-11		-57	-60	3
CAPEX	-61	-60	-1	-170	-179	9
Investments in shares	0	-1		-10	-12	2
Sale of assets and adjustments	-1	-2		-2	-3	1
Cash flow after investments	74	84	-10	252	260	-8

Recession affects Estonian business

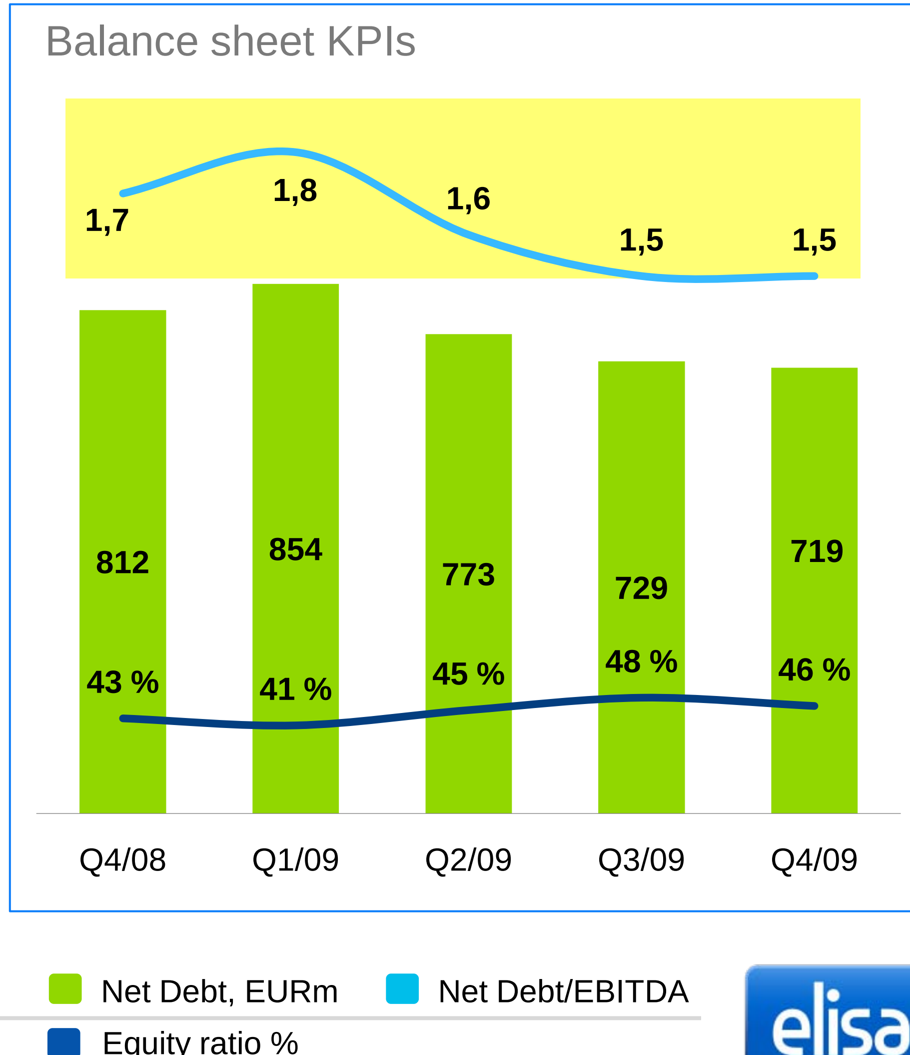
- Revenue decreased
  - Customer billing
  - Termination fee and roaming revenue
  - Equipment sales
- CAPEX halved in 2009
- Growth in mobile subscriptions
  - +20 400 y-o-y
  - +3 800 q-o-q

EUR million	Q409	Q4/08	2009	2008
Revenue	21	23	84	98
EBITDA	7	8	29	37
EBITDA-%	*32*	*36*	*34*	*38*
EBIT	4	6	18	25
EBIT-%	*18*	*27*	*21*	*25*
CAPEX	3	6	7	15



Capital structure within target range

- Capital structure
  - Net debt / EBITDA 1.5
  - Gearing 80%, Equity ratio 46%
- Target setting
  - Net debt / EBITDA 1.5 – 2x
  - Equity ratio >35%
- Focus on cash generation
  - CAPEX control
  - Net Working Capital
  - Efficiency programs
  - Customer credit control

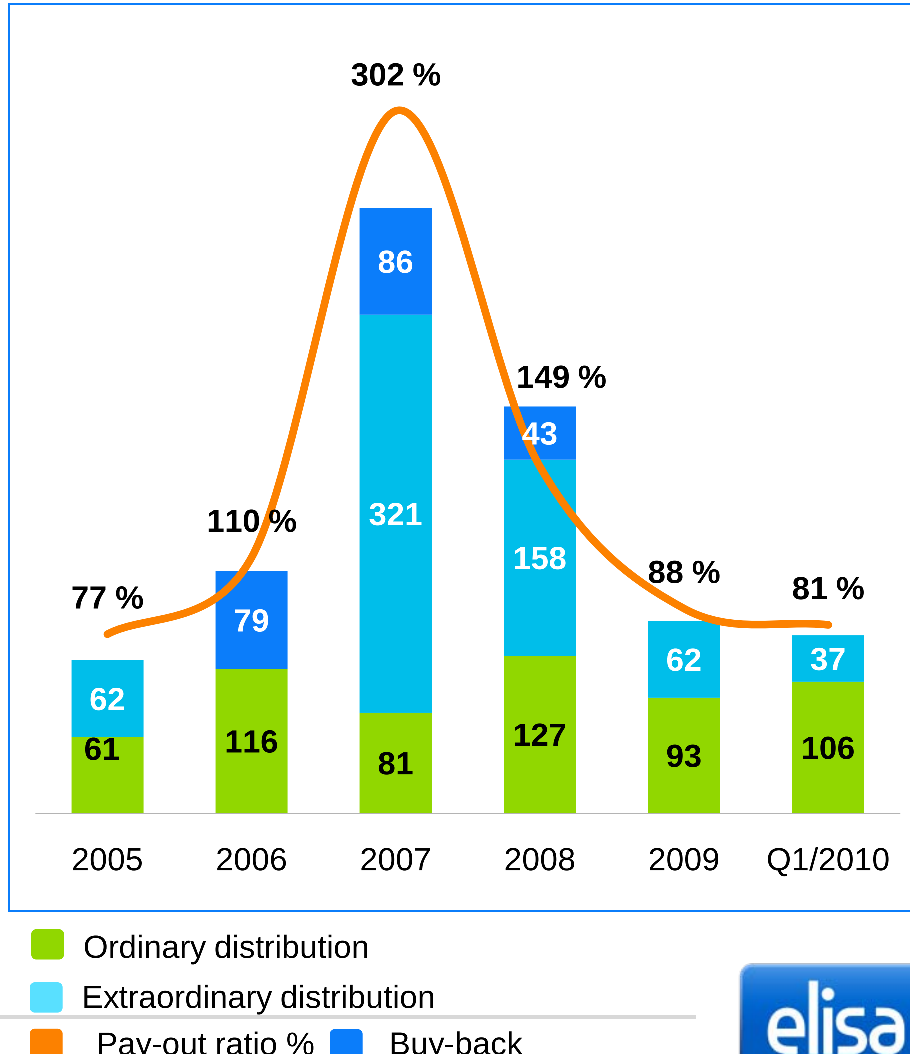


CDO portfolio guarantee

- Elisa provided maximum USD 60m guarantee in 2007 (detailed description in the Annual Report 2008)
- The risk of the guarantee being called increased further during 2009
  - Possible further credit default events in the portfolio may result in partial or full demands being made under the guarantee
  - Elisa and the arranger bank have a dispute of guarantee obligations
  - Legal proceedings have been commenced to resolve the dispute
- At the year end there is no guarantee liability realised and expenses accounted
- The guarantee is valid until 15 December 2012
- Cash payments, if fully realised
  - USD 33m in 2011
  - USD 27m in 2012

Profit distribution proposal

- EUR 0.92 per share
  - Total amount EUR 143.3m
  - Pro Forma 31.12. Net Debt/EBITDA after payment 1.8
  - Dividend yield 6% *
  - Payout ratio 81%
- Payment date 31.3.2010
- Record date 23.3.2010
- Authorisations proposals to AGM
  - Max 10 million share buy back
  - Max EUR 100m distribution



* total profit distribution /share price as 30.12.2009 (€ 15.96)

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12 February 2010

APPENDIX SLIDE

Consolidated Cash flow statement

EUR million	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Cash flow from operating activities									
Profit before tax	56	70	56	53	70	67	38	52	65
Adjustments to profit before tax	64	60	60	61	57	59	67	56	63
Change in working capital	26	-23	30	4	33	-2	30	22	19
Cash flow from operating activities	146	107	146	119	159	124	135	130	148
Received dividends and interests and interest paid	-1	-12	-2	-15	-4	-15	-6	-14	-3
Taxes paid	-11	-11	-18	-17	-11	-15	-22	-12	-23
Net cash flow from operating activities	134	84	127	87	145	93	108	104	121
Cash flow in investments									
Capital expenditure	-61	-40	-36	-34	-60	-42	-40	-37	-69
Investments in shares and other investments		0	-2	-7	-1	-1	-9	-1	-1
Proceeds from asset disposal	0	0	1	0	0	0	0	0	1
Net cash used in investment	-61	-41	-37	-41	-61	-42	-49	-38	-69
Cash flow after investments	74	43	89	46	84	51	59	66	53
Cash flow in financing									
Share Buy Backs and sales (net)	0		0		0	-43		0	0
Change in interest-bearing receivables	0		0					0	
Change in long-term debt	0	0	-36		0		50	0	0
Change in short-term debt	13	-62	-47	40	-70	-1	-136	246	92
Repayment of financing leases	-1	-1	-1	-1	-1	-1	-1	-1	-1
Dividends paid	-63	0	-8	-86	-1	0	-1	-284	-158
Cash flow in financing	-51	-64	-92	-47	-72	-45	-87	-40	-67
Change in cash and cash equivalents	**22**	**-20**	**-2**	**-2**	**12**	**6**	**-28**	**26**	**-15**

Financial situation

EUR Million	31 Dec 2009	30 Sep 2009	30 Jun 2009	31 Mar 2009	31 Dec 2008
Interest-bearing debt					
Bonds and notes	572	572	570	606	606
Commercial Paper	74	62	119	101	56
Loans from financial institutions	80	80	80	80	80
Financial leases	23	24	27	27	27
Committed credit line 1)	0	0	5	70	75
Others 2)	0	0	1	1	1
Interest-bearing debt, total	750	738	802	885	845
Security deposits					
Securities					
Cash and bank	31	9	29	31	33
Interest-bearing receivables	31	9	29	31	33
Net debt 3)	719	729	773	854	812

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.