

FIRST QUARTER RESULTS

2012

27 APRIL 2012



siinä on ideaa.

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

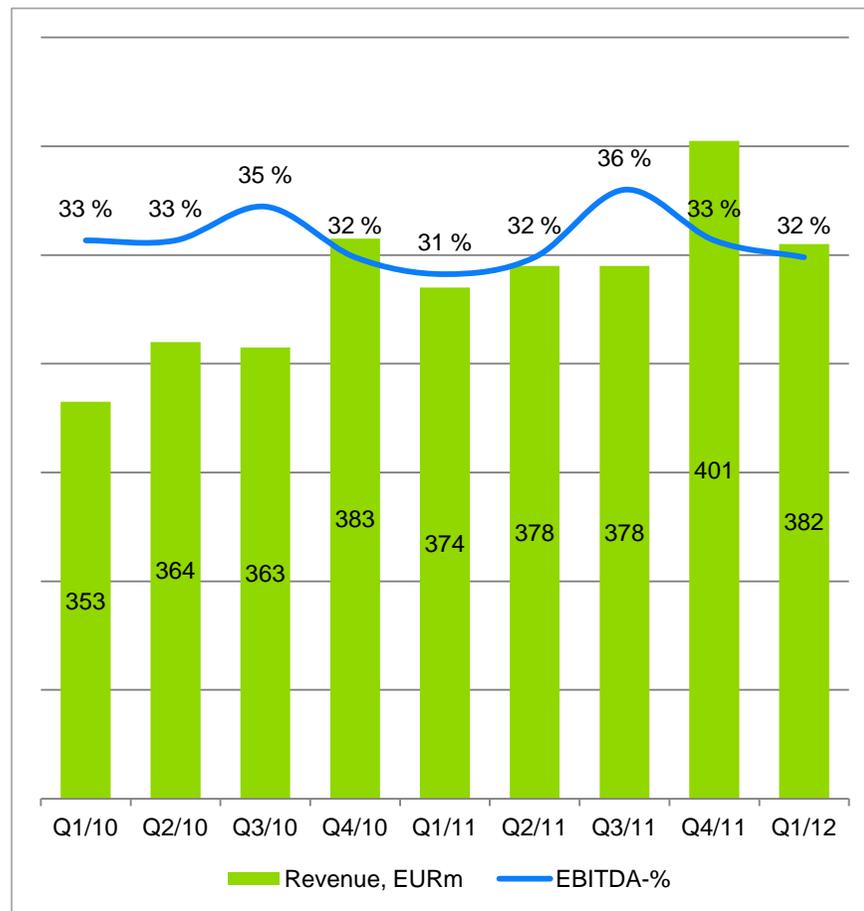
- Q1 2012 financial and operational highlights
- Segment review
- Strategy execution
- Mobile data and smartphone market development
- Progress of new services
- Outlook for 2012

Q1 2012 highlights

- Q1 performance was good and according to our expectations
- Profitability was at the good level
- Mobile subscription base and usage continued to increase
- Elisa Viihde IPTV contributed to fixed broadband growth
- Smartphone market continued its success
- AGM decided on EUR 1.30 dividend and granted authorisation for a share buy-back

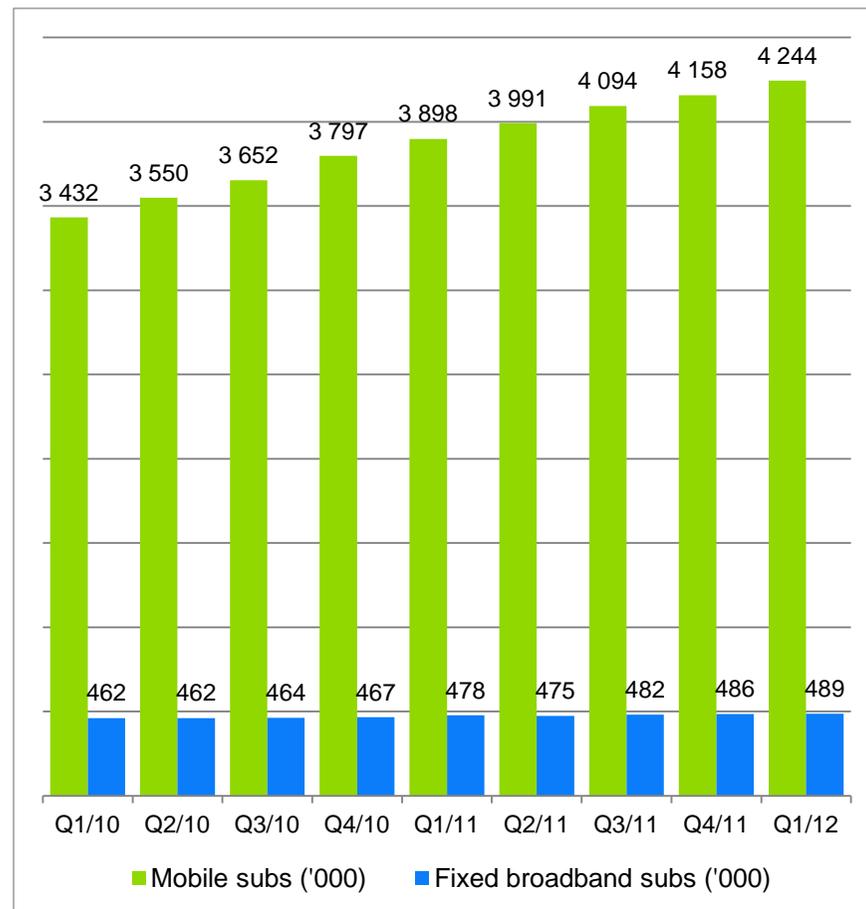
Growth in revenue and EBITDA

- Revenue €382m (374)
- EBITDA €121m (118)
 - 32% of revenue (32)
- EBIT €68m (65)
- CAPEX €42m (41)
 - 11% of revenue
- Net debt €754m (752)
 - Cash flow €37m (27)
 - Net debt / EBITDA 1.5 (1.5)



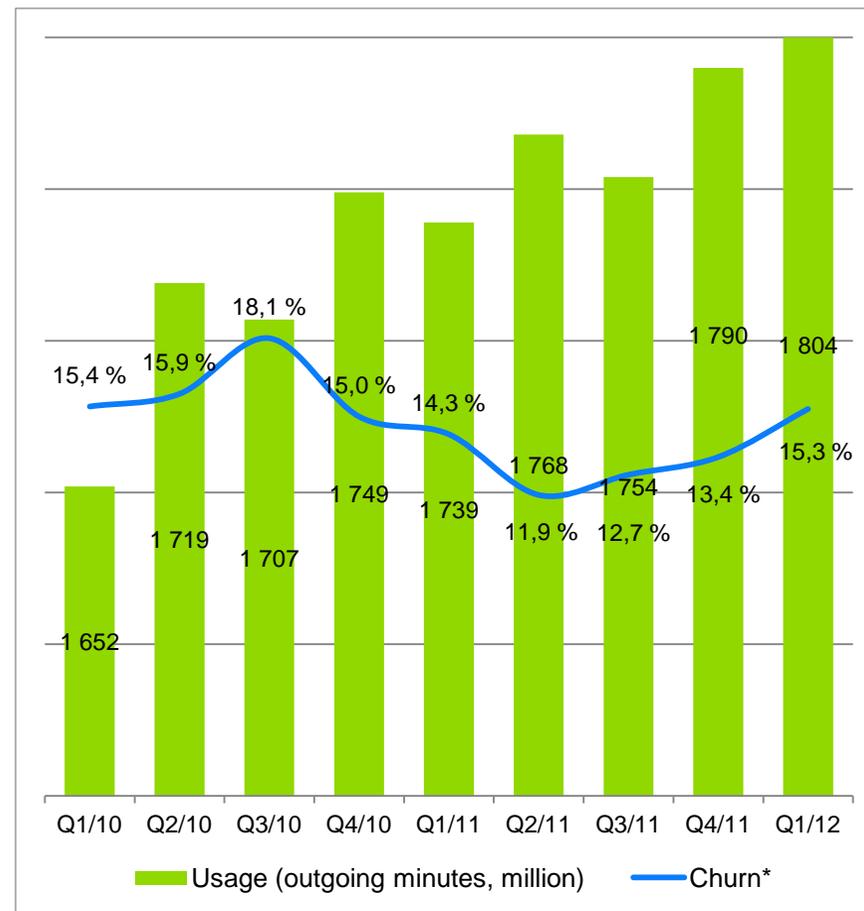
Market position further strengthened

- **86,600 new mobile subs**
 - Growth in both customer segments
 - Strongest growth again in mobile broadband
 - Estonia +21,200 subscriptions
- **Fixed broadband growth continued**
 - Net adds 2,100
- **Elisa Viihde IPTV customer base continued to grow**



Growth in usage, churn at the normal level

- Growth in mobile usage
 - Outgoing minutes 1.8bn, YoY growth 4%
 - 527m SMS, YoY growth 10%
- Mobile churn 15.3% (14.3)
 - At the normal level
 - Competition has remained keen



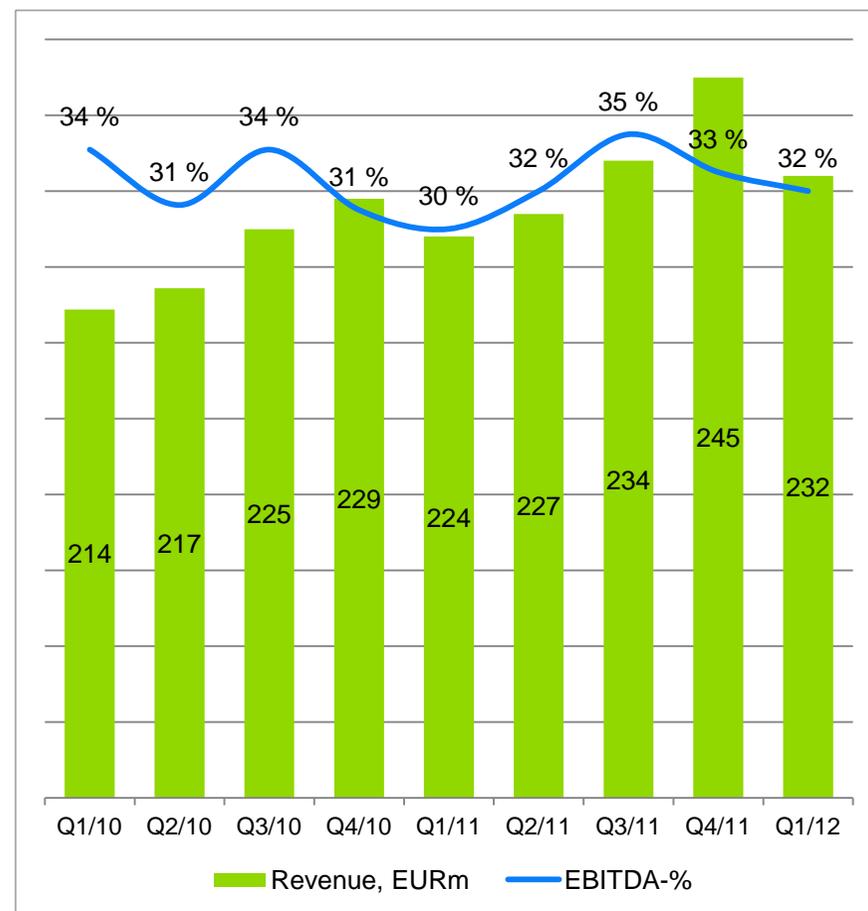
* Annualised



Business Segments

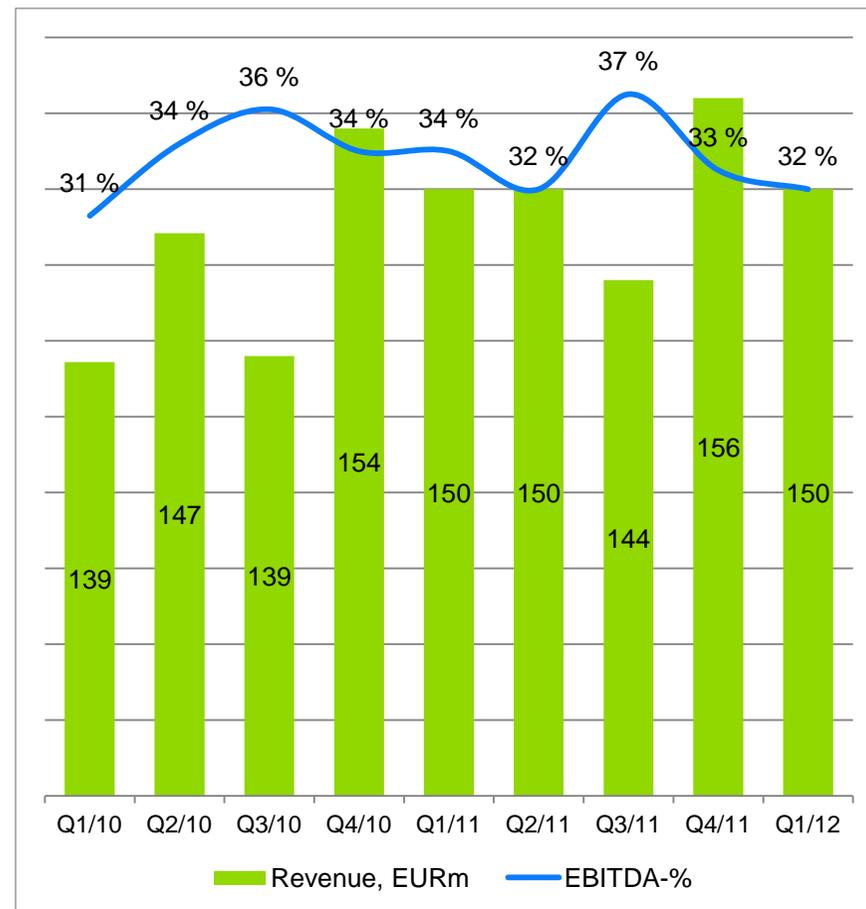
Growth in new services and mobile business

- **Revenue €232m (224)**
 - Growth in mobile usage, smartphone sales and online services
 - Growth in Estonia
 - Decrease in fixed telephony business and mobile interconnection revenue
- **EBITDA €74m (67)**
 - 32% of revenue (30)
 - Revenue growth
 - Cost efficiency
- **CAPEX €24m (23)**



ICT service business up, traditional fixed down

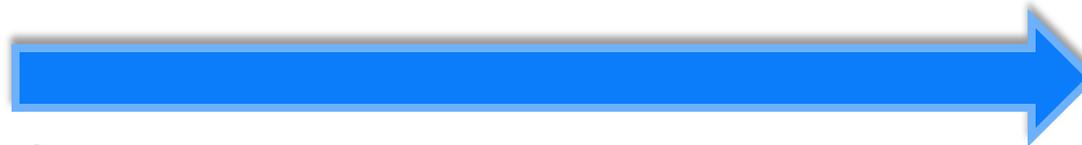
- Revenue € 150m (150)
 - Growth in ICT services and equipment sales
 - Decrease in fixed network business and mobile interconnection revenue
- EBITDA € 47m (51)
 - 32% of revenue (34)
 - Increase in equipment sales
 - Decrease in usage in fixed network business
- CAPEX € 18m (18)



Strategy execution



New services and
new markets



Strengthening market
position in core markets

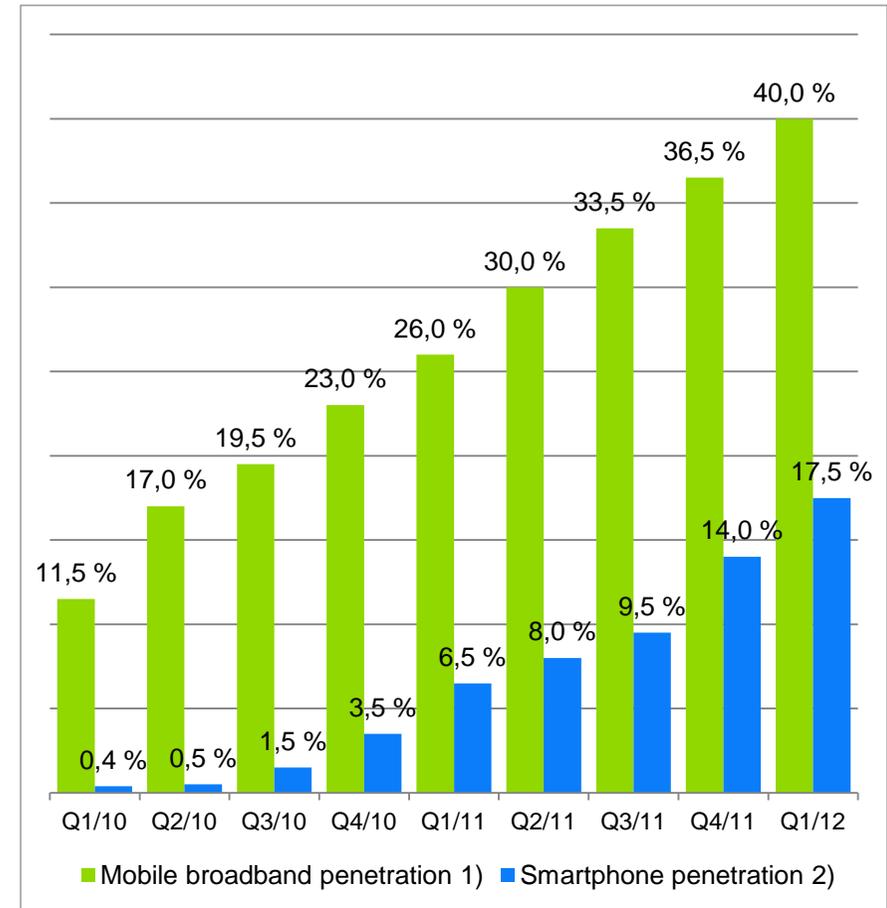


Integration of One Elisa

Mobile data and smartphone market grow strongly

- Finland is one of the most advanced mobile broadband services countries in Europe
- Smartphones top the list of most sold phones in March
 1. Nokia Lumia 800
 2. Apple iPhone 4S
 3. Nokia Lumia 710
 4. Nokia C2-01 (feature phone)
 5. Samsung Galaxy Gio
- 77% of all models sold were smartphones in Q1/12
 - In Q4/11 74%, year ago 50%

Penetrations in Elisa's network in Finland



1) Dongles and mobile BB add-on services of the total subscription base

2) iOS (iPhone), Android, Symbian 3^ and Windows phones of the total phone base



Video conferencing services delivered to over 80 countries

- Elisa (Videra) is a leading Nordic video conferencing provider
- More than 10,000 sites in over 80 countries
- 45% of the installations are outside Finland



Engaging content in Elisa Kirja e-book and Elisa Viihde IPTV

- Elisa Kirja e-book
 - Radio plays by YLE, Finland's National broadcasting company
- Elisa Viihde IPTV
 - Sports viewing like never before!
 - New ways to enjoy F1 races
 - World Ice Hockey World Championships will be an all-encompassing viewer experience



3G network with widest coverage

- Elisa #1 in 3G network coverage and signal strength
 - Based on independent research house European Communications Engineering Oy (ECE)
- 4G speeds now in 150 localities
- Good demand in consumer and corporate segments
 - Popular for example for video viewing and teleworking

4G
3G

Notable CO₂ emission savings

- Emissions savings of more than 15,000 carbon dioxide tonnes in 2011
- The most significant factors in reducing emissions
 - Mobile work solutions
 - Video conferencing solutions



Outlook for 2012

- Uncertainties in the general economy have also affected Finland. The macro economic outlook for Finland is weaker than the outcome in 2011.
- Competition remains challenging
- Revenue at the same level as last year
- EBITDA excluding one-offs at the same level and EBIT will improve from the previous year due to lower depreciation level
- CAPEX maximum 12 per cent of revenue

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CEO's review

Veli-Matti Mattila, CEO

Financial review

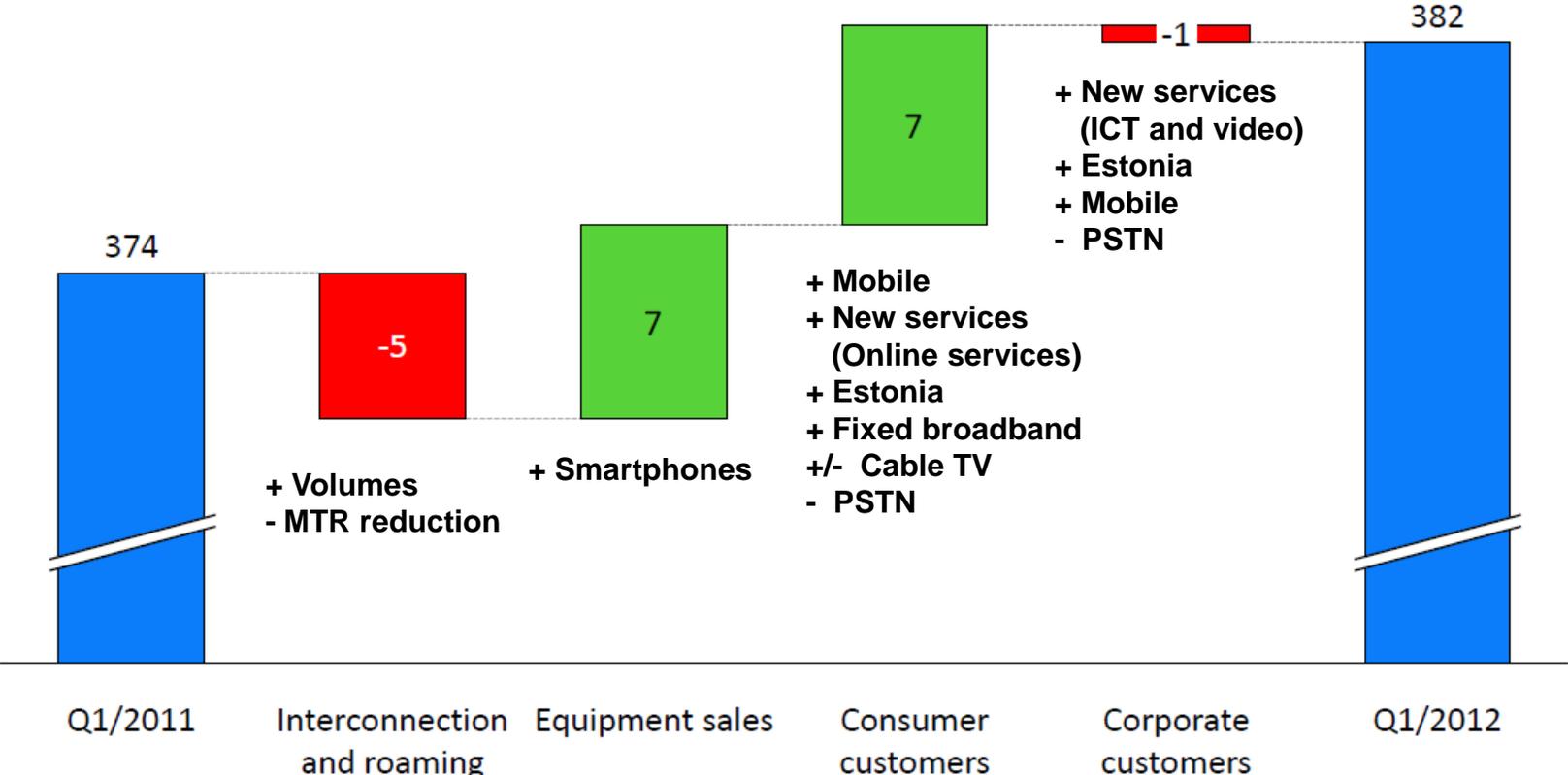
Jari Kinnunen, CFO

Revenue and EBITDA growth continued in Q1

| EUR million | Q1/12 | Q1/11 | Δ | Δ% | 2011 |
|-------------------------------|-------|-------|------|-------|--------|
| Revenue | 382 | 374 | 8 | 2.1% | 1 530 |
| Other operating income | 1 | 1 | | | 6 |
| Operating expenses | -261 | -257 | -4 | -1.6% | -1 030 |
| EBITDA 1) | 121 | 118 | 3 | 3.0% | 506 |
| <i>EBITDA-%</i> | 32% | 31% | | | 33% |
| Depreciation and amortisation | -53 | -52 | -1 | 1.7% | -211 |
| EBIT | 68 | 65 | 3 | 4.0% | 295 |
| <i>EBIT-%</i> | 18% | 17% | | | 19% |
| Profit before tax | 61 | 58 | 3 | 5.7% | 265 |
| Income taxes | -13 | -15 | 2 | 11.9% | -64 |
| Profit for the period | 48 | 43 | 5 | 11.9% | 201 |
| EPS, EUR/share | 0.31 | 0.27 | 0.04 | 14.8% | 1.29 |

1) EBITDA without non-recurring items Q1 2011 EUR 119m and FY 2011 507m

Growth in consumer segment and equipment sales



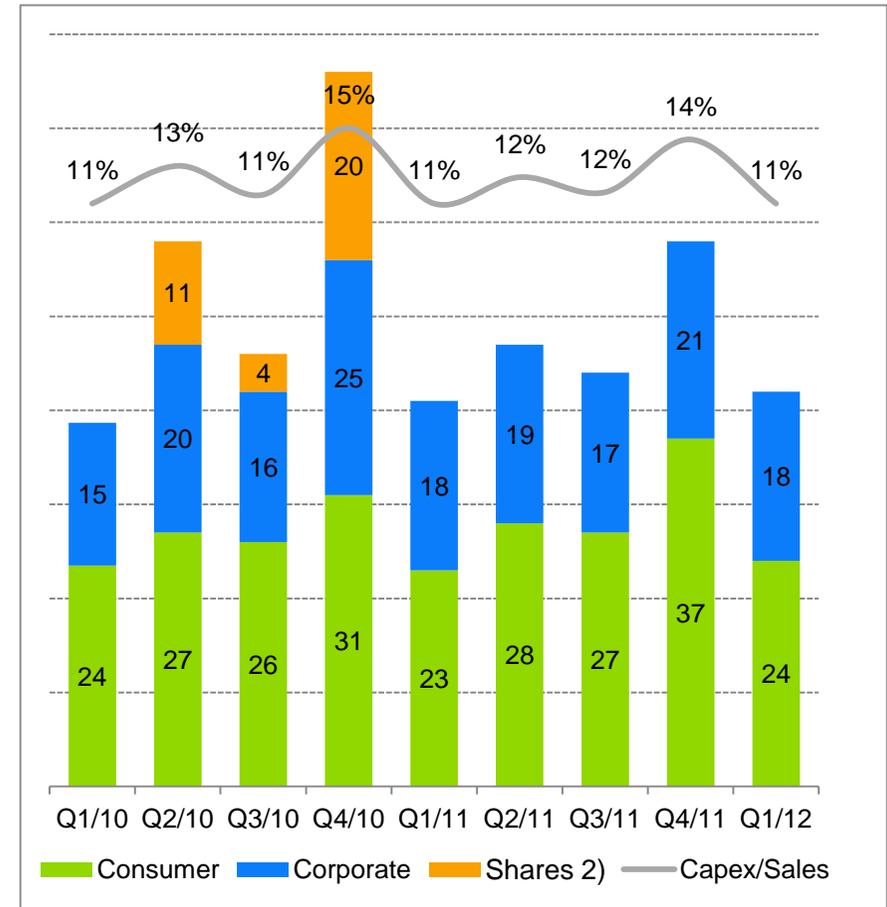
Equipment sales increased OPEX

- OPEX decreases in Q1
 - Interconnection and roaming
 - Productivity improvements, e.g.
 - IT, Sales costs
- OPEX increases in Q1
 - Equipment sales
 - Personnel expenses
 - Increased personnel in customer contact centers and new services
 - Collective labor agreement salary increases
 - Storm damage expenses
- FY2012 depreciation lower than FY2011
 - Billing & CRM fully depreciated in Q1

| EURm | Q1 11 | Q2 11 | Q3 11 | Q4 11 | Q1 12 |
|---------------------------|------------|------------|------------|------------|------------|
| Materials and services | 158 | 159 | 156 | 170 | 158 |
| Employee benefit expenses | 58 | 57 | 49 | 59 | 61 |
| Other operating expenses | 41 | 43 | 38 | 41 | 42 |
| Total expenses | 257 | 259 | 243 | 270 | 261 |
| Depreciation | 52 | 53 | 53 | 54 | 53 |

CAPEX/Sales in line with guidance

- **CAPEX in Q1 EUR 42m (41)**
 - CAPEX/Sales 11% (11%)
 - Consumer EUR 24m (23)
 - Corporate EUR 18m (18)
- **Major CAPEX areas**
 - 3G and 4G coverage and upgrade
 - Fixed access and backbone networks
 - IT systems
 - Customer equipment



1) Excluding EUR 7m data center infrastructure lease Q2/11

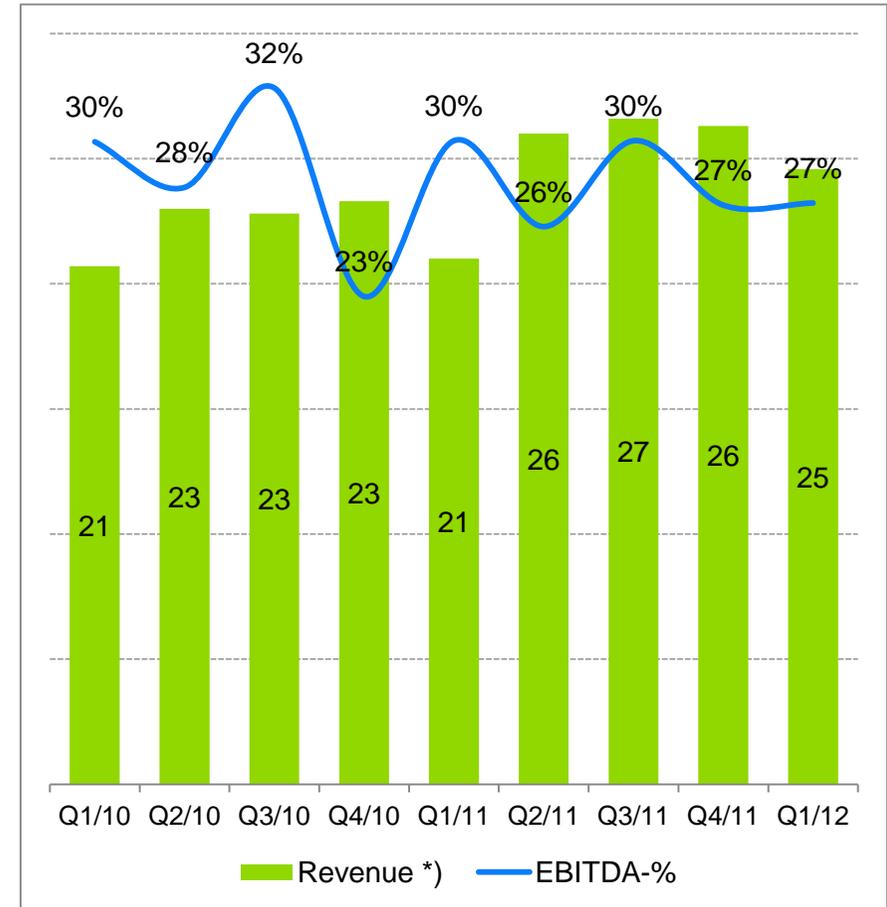
2) Including acquisitions of business assets

Solid cash flow continued

| EUR million | Q1/12 | Q1/11 | Δ | 2011 |
|--------------------------------|-------|-------|----|------|
| EBITDA | 121 | 118 | 3 | 506 |
| Change in receivables | 2 | 3 | -1 | -19 |
| Change in inventories | -7 | -4 | -3 | -2 |
| Change in payables | -9 | -12 | 3 | -11 |
| Change in NWC | -14 | -13 | -1 | -31 |
| Financials (net) | -19 | -17 | -2 | -31 |
| Taxes | -11 | -15 | 4 | -51 |
| CAPEX | -40 | -41 | 1 | -188 |
| Investments in shares | 0 | -5 | 5 | -5 |
| Sale of assets and adjustments | 0 | 1 | -1 | 8 |
| Cash flow after investments | 37 | 27 | 10 | 207 |

Strong growth in Estonia continued

- Revenue €25m (21)
 - Strong growth in mobile subs continued
 - +72,400 YoY, +21,200 QoQ
 - Mobile broadband growing
- EBITDA €7m (6)
 - Revenue growth
- CAPEX €2m (3)
 - 3G Coverage

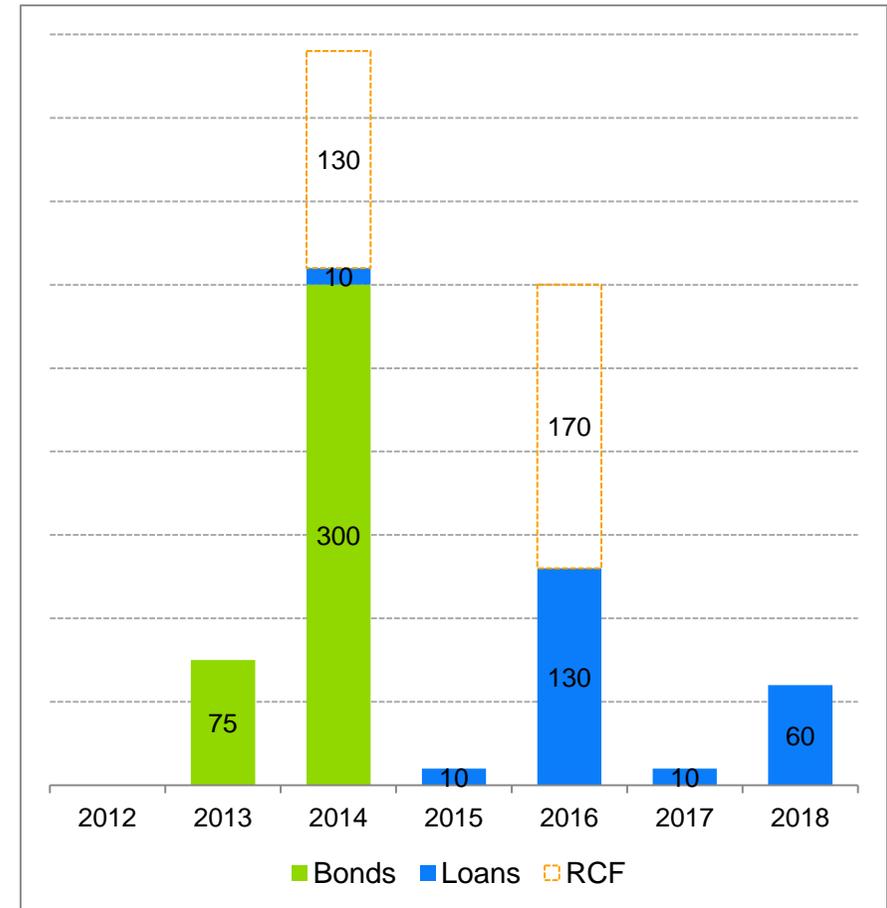


* Elisa Eesti AS including group items

Liquidity position is good

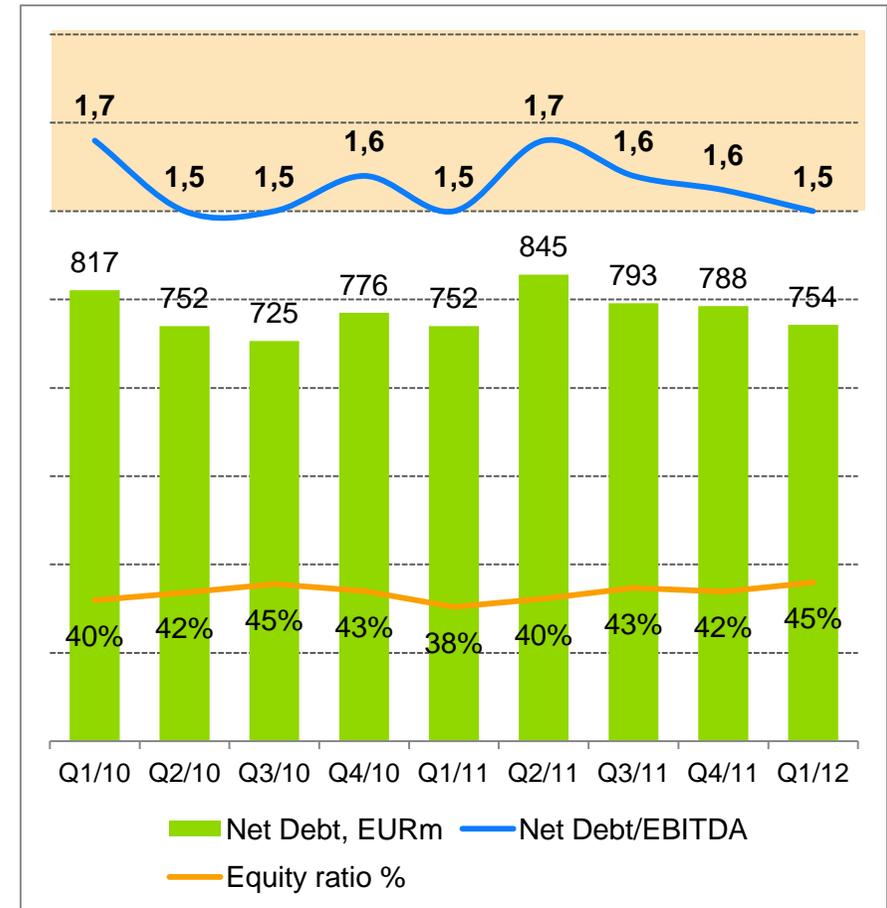
- Cash and undrawn committed facilities EUR 364m (345m)
- Revolving Credit Facilities (RCF)
 - EUR 170m maturing Jun 2016
 - EUR 130m maturing Nov 2014
 - Fully undrawn Q1/12
- Commercial Paper Program
 - EUR 184m in use in Q1/12
- Credit ratings constant since 2003
 - S&P BBB/Stable outlook
 - Moody's Baa2/Stable outlook

Bond and Bank loan maturities



Capital structure in line with targets

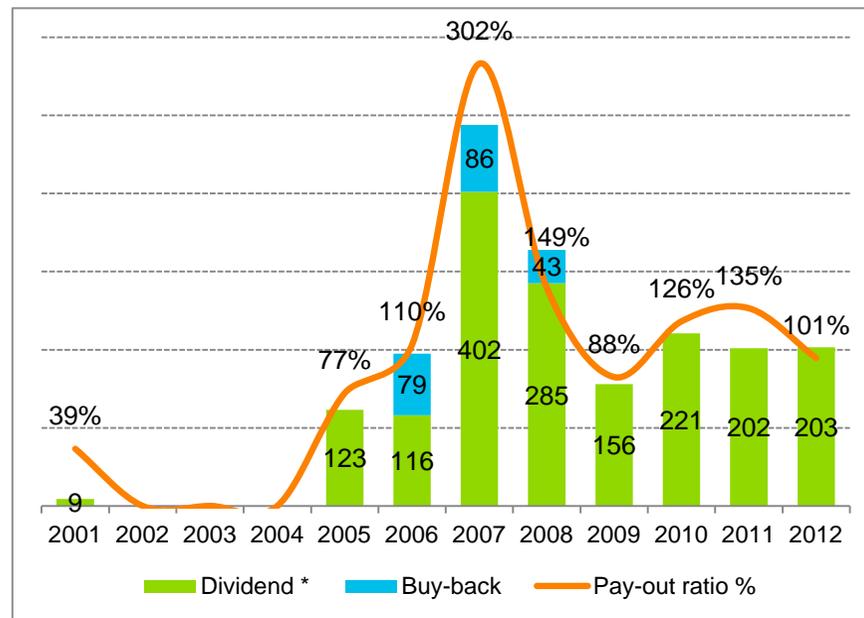
- **Capital structure**
 - Net debt / EBITDA 1.5
 - Gearing 85%
 - Equity ratio 45%
- **EUR 203m dividend in Q2/12**
 - Pro Forma Q1/12
Net Debt / EBITDA 1.9
- **Target setting**
 - Net debt / EBITDA 1.5 – 2x
 - Equity ratio >35%



Competitive remuneration to shareholders continued

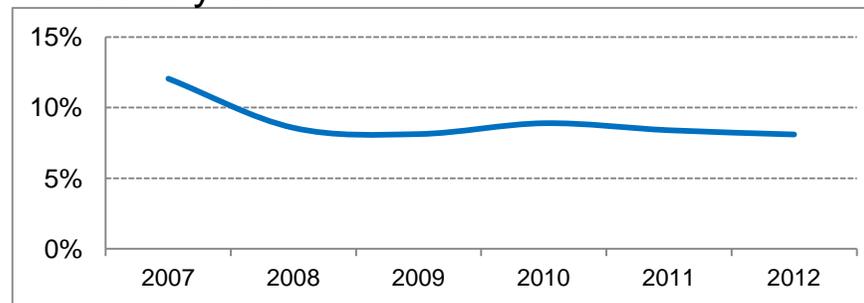
- EUR € 1.30 dividend per share
 - Total amount € 203m
 - Paid 18.4.2012
- Dividend yield 8.1% ¹⁾
 - Payout ratio 101%
- Strong commitment to competitive shareholder remuneration
 - Dividend yield 8-12% during last 6 years
- Max 5m shares buy-back authorisation
 - Currently no decision to use

¹⁾ as per share price of 30.12.2011 (€ 16.13)



* Includes capital repayment.

Dividend yield



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Consolidated Cash flow statement

| EUR million | Q1 2012 | Q4 2011 | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cash flow from operating activities | | | | | | | | | |
| Profit before tax | 61 | 72 | 74 | 61 | 58 | 66 | 68 | 53 | 10 |
| Adjustments to profit before tax | 59 | 58 | 61 | 61 | 59 | 56 | 60 | 67 | 106 |
| Change in working capital | -14 | 4 | -10 | -11 | -13 | 18 | -27 | 20 | -4 |
| Cash flow from operating activities | 106 | 134 | 125 | 111 | 103 | 140 | 101 | 140 | 112 |
| Received dividends and interests and interest paid 1) | -19 | -1 | -12 | -1 | -17 | -41 | -11 | 0 | -15 |
| Taxes paid | -11 | -13 | -13 | -11 | -15 | -6 | -16 | -19 | -13 |
| Net cash flow from operating activities | 77 | 120 | 100 | 99 | 71 | 92 | 74 | 121 | 84 |
| Cash flow in investments | | | | | | | | | |
| Capital expenditure | -40 | -58 | -45 | -45 | -41 | -55 | -42 | -46 | -38 |
| Investments in shares and other investments | 0 | 0 | 0 | 0 | -5 | -10 | -4 | -5 | -1 |
| Proceeds from asset disposal | 0 | 3 | 0 | 5 | 2 | 1 | 0 | 1 | |
| Net cash used in investment | -40 | -55 | -44 | -40 | -44 | -64 | -45 | -51 | -39 |
| Cash flow after investments | 37 | 65 | 56 | 59 | 27 | 28 | 29 | 70 | 45 |
| Cash flow in financing | | | | | | | | | |
| Change in long-term debt | 0 | 50 | -106 | 0 | 0 | 0 | | -30 | 25 |
| Change in short-term debt | -31 | -15 | 30 | 80 | -14 | 65 | -42 | -33 | 69 |
| Repayment of financing leases | -2 | -1 | -1 | -2 | -1 | -1 | -1 | -1 | -1 |
| Increase in reserve for invested non-restricted equity | 1 | 3 | | | | | | | |
| Dividends paid | 0 | -62 | -1 | -140 | 0 | -78 | | -1 | -143 |
| Cash flow in financing | -32 | -25 | -78 | -62 | -15 | -13 | -43 | -65 | -50 |
| Change in cash and cash equivalents | 5 | 39 | -22 | -2 | 12 | 15 | -15 | 5 | -5 |

1) Includes non recurring item: CDO guarantee settlement Q4/10

Financial situation

| EUR Million | 31 Mar 12 | 31 Dec 11 | 30 Sep 11 | 30 Jun 11 | 31 Mar 11 | 31 Dec 10 | 30 Sep 10 | 30 Jun 10 | 31 Mar 10 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Interest-bearing debt | | | | | | | | | |
| Bonds and notes | 375 | 375 | 375 | 600 | 600 | 599 | 598 | 598 | 597 |
| Commercial Papers | 184 | 189 | 160 | 160 | 120 | 102 | 68 | 110 | 118 |
| Loans from financial institutions | 221 | 222 | 171 | 51 | 52 | 52 | 52 | 52 | 80 |
| Financial leases | 38 | 36 | 36 | 35 | 24 | 23 | 23 | 24 | 23 |
| Committed credit lines 1) | 0 | 25 | 70 | 40 | 0 | 32 | 0 | 0 | 25 |
| Interest-bearing debt, total | 818 | 847 | 812 | 887 | 795 | 808 | 742 | 784 | 843 |
| Cash and cash equivalents | 64 | 59 | 19 | 42 | 44 | 32 | 17 | 32 | 26 |
| Interest-bearing receivables | 64 | 59 | 19 | 42 | 44 | 32 | 17 | 32 | 26 |
| Net debt 2) | 754 | 788 | 793 | 845 | 752 | 776 | 725 | 752 | 817 |

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 23 November 2014 and 3 June 2016.

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