



First Quarter Results 2008

25 April 2008

CEO's review

- Financial and operational highlights
- Review of the mobile and fixed network businesses
- Execution of the strategy
- Progress of 3G services
- Outlook for 2008

Financial highlights

Q1 2008 HIGHLIGHTS

	Q1 2008	Q1 2007	
Revenue	€367m	€378m	▼
EBITDA*	€111m	€115m	▼
Earnings per share	€0.25	€0.30	▼
Cash flow	€66m	€18m	▲
Net debt / EBITDA	2.2x	1.3x	▲
CAPEX	€38m	€45m	▼

* Excluding one-off items

Operational highlights

Q1 2008 HIGHLIGHTS

	Q1 2008	Change in Q1 2008	
Mobile subscriptions	2,695,000	37,600	▲
Fixed broadband subscriptions	526,000	4,200	▲
Mobile ARPU	€25.9	-14%	▼
Mobile Churn	15.6%	+1.4%-unit	▲
Mobile network usage, min*	1,465m	+18m	▲
Active 3G data users	326,300	+44,000	▲

* Outgoing minutes

Revenue adjustment and IT costs

Q1 2008 FINANCIAL HIGHLIGHTS

- Revenue €367m (378)
 - Effect of revenue adjustment € -7m
 - Effect of lower interconnection fees € -14m compared to Q4 2007
- EBITDA excluding one-offs € 111m (115)
 - Effect of revenue adjustment and implementation costs € -12m
- EBITDA margin 30% (30)
- Net debt increased to € 955m (578)
- Net debt / EBITDA 2.2 (1.3)
- Gearing 121% (52)
- CAPEX €36m (45)

Distribution possibilities good

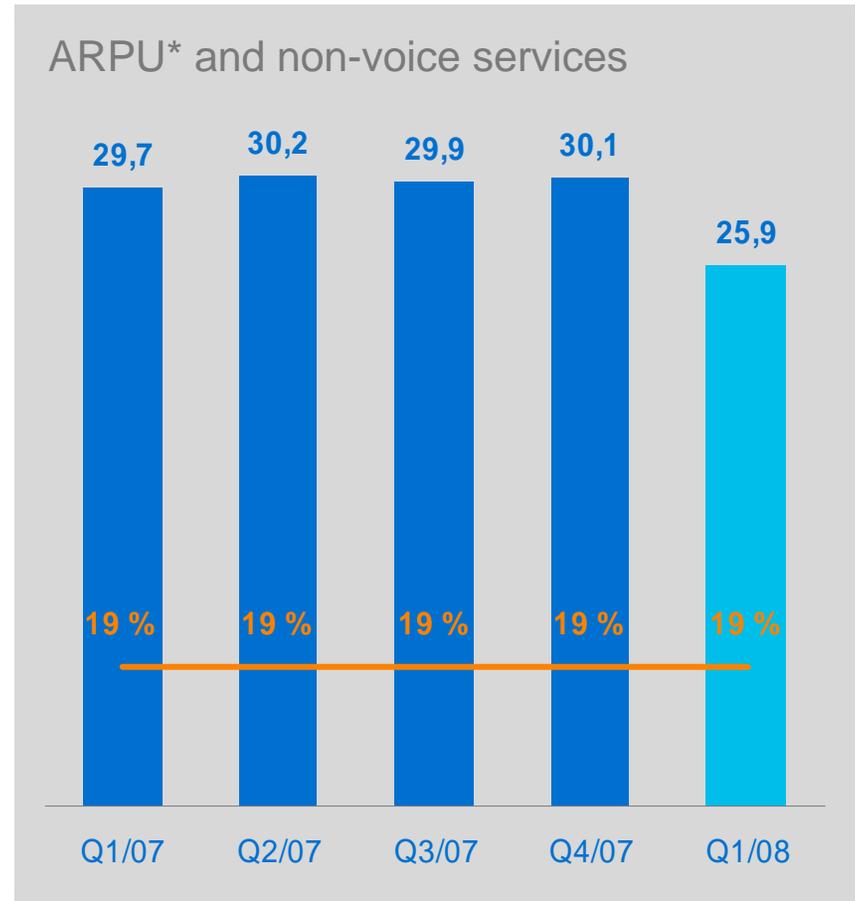
Q1 2008 FINANCIAL HIGHLIGHTS

- Capital structure targets unchanged
 - Net debt / EBITDA 1.5 – 2x
 - Gearing 50 – 100%
- Strong cash flow in H1
 - Net debt / EBITDA and gearing lower than in Q1
- Authorisation from the shareholders
 - Special dividend or capital repayment up to EUR 250m
 - Share buy-backs up to 15m shares

Good progress in subscription base

Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

- Growth in customer base
 - Good progress in 3G subscriptions continued
 - Elisa's market share about 50%
 - Customer base increased by 33,000 in Finland, 4,600 in Estonia
- ARPU* EUR 25.9 (29.7)
 - Effect of revenue adjustment €1.0
 - Effect of lower interconnection €2.2
 - Effect of lower roaming €0.7
- Churn 15.6% (14.2)
- Growth in network usage
 - Total MoU growth +8% and SMS +16%

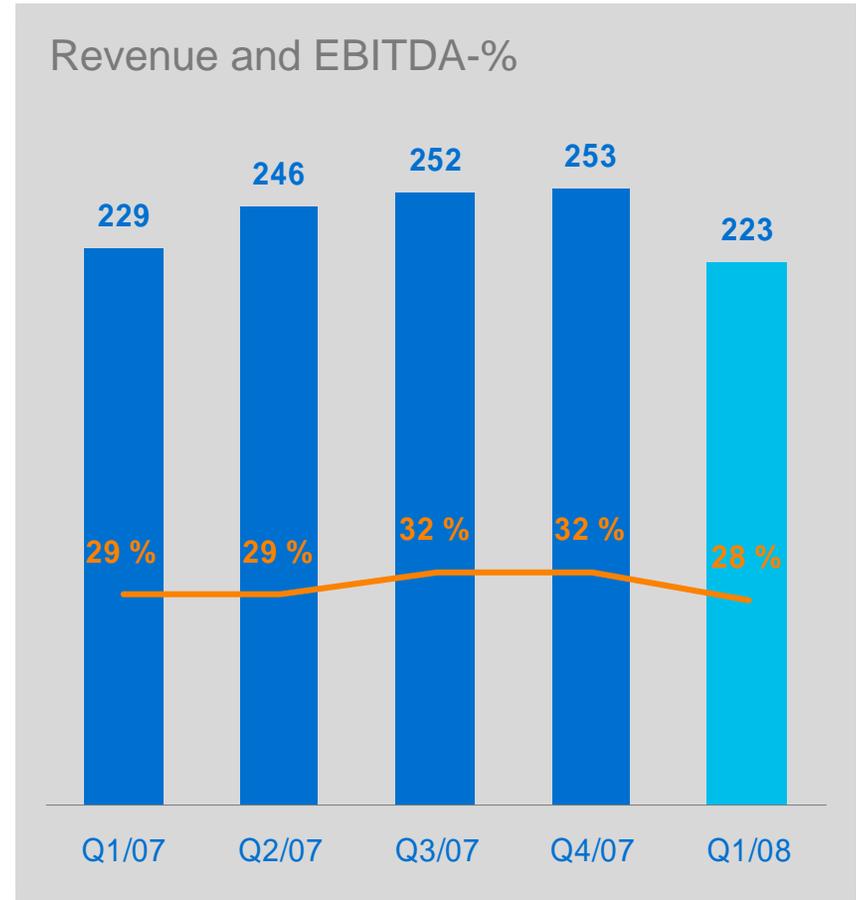


*) Average revenue per subscription

Performance was effected by temporary factors

Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

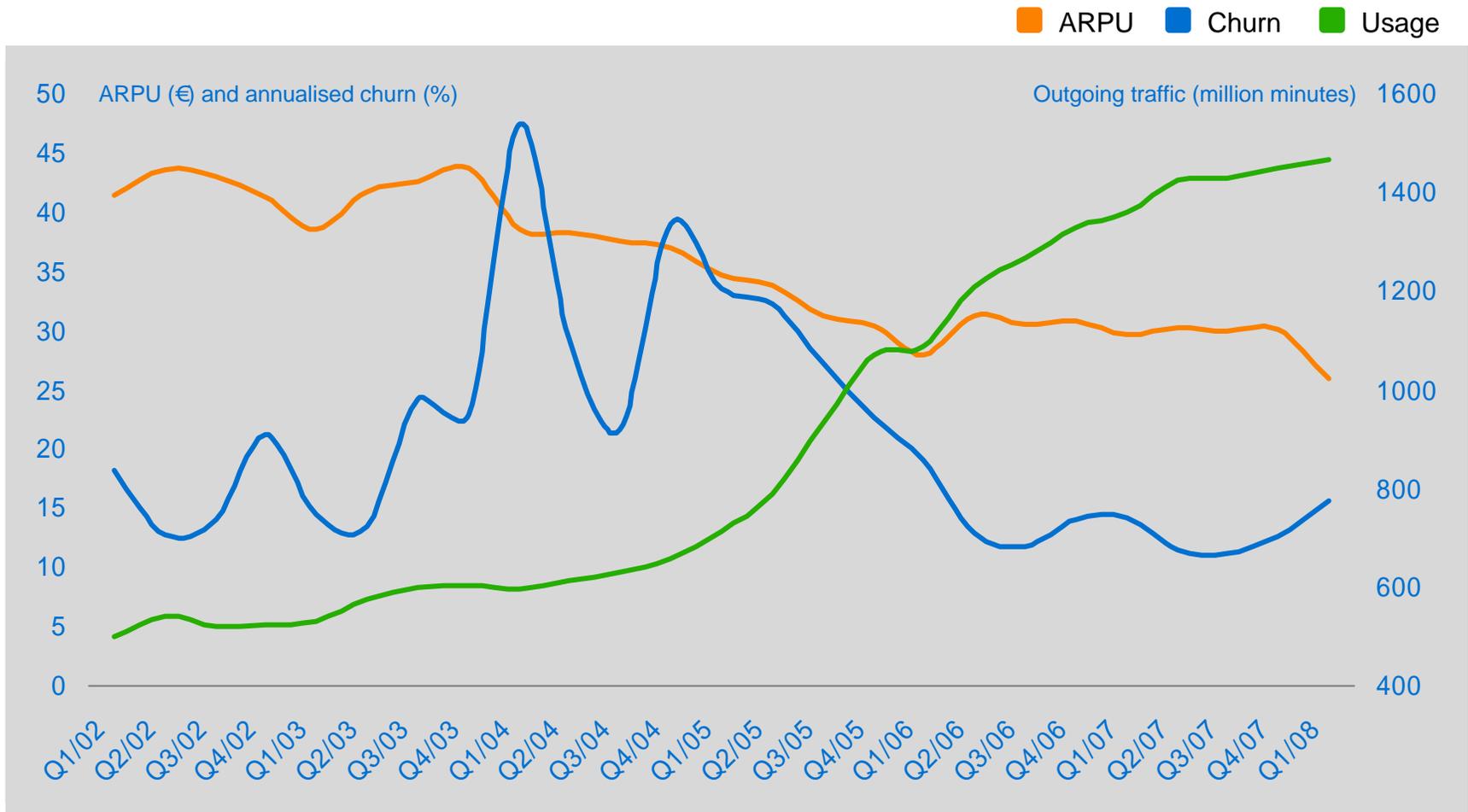
- Revenue EUR 223m (229)
 - Increase in usage and subscriptions
 - Decrease in interconnection fees, roaming fees and handset sales
 - Revenue adjustment
- EBITDA* EUR 62m (67), 28% of revenue (29)
 - Cost efficiency, volume growth, growth in 3G usage
 - Lower interconnection costs
- EBIT* EUR 33m (44), 15% of revenue (19)



* EBITDA and EBIT excluding one-off items

Growth in network usage

Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

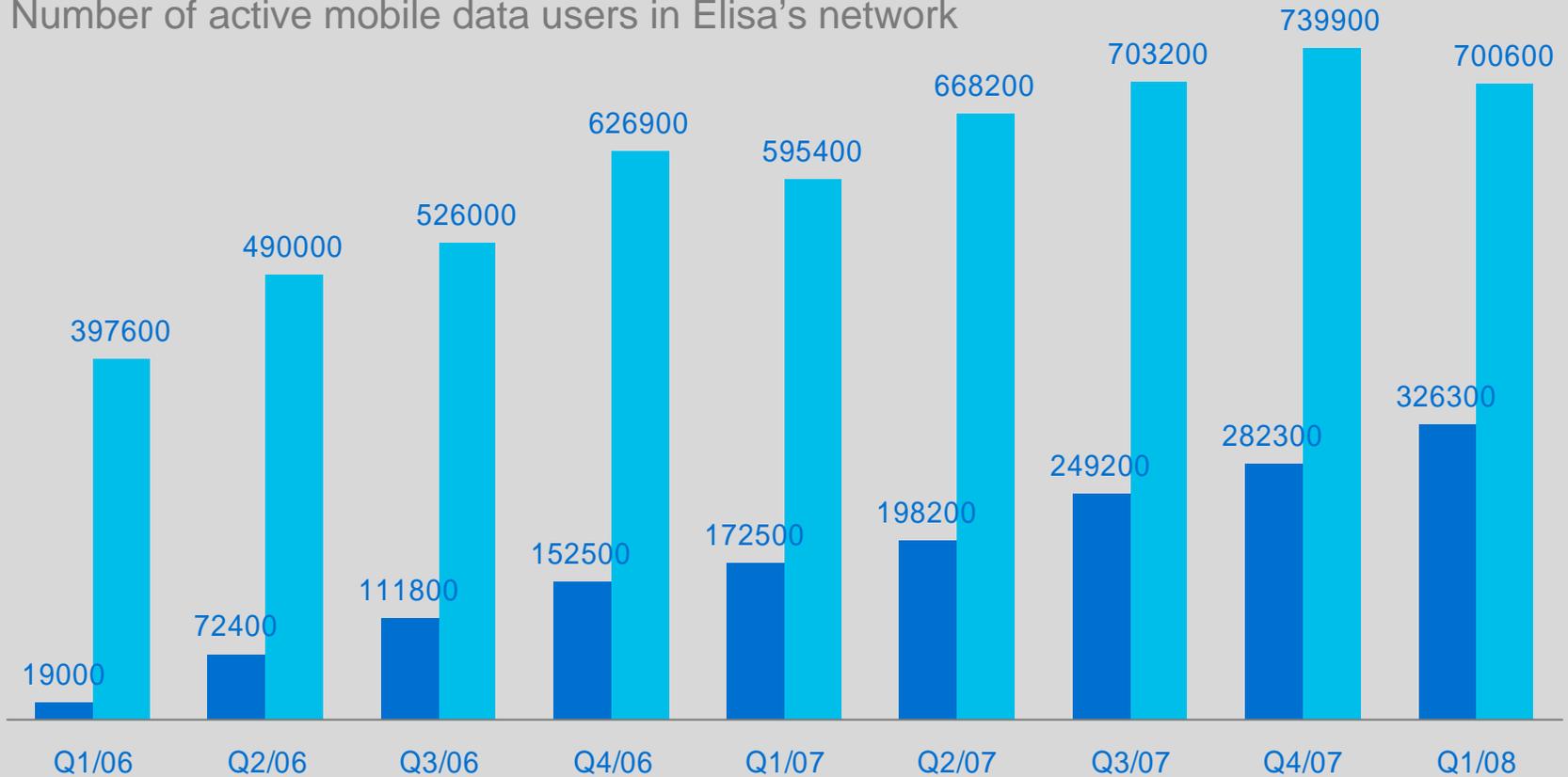


Growth in mobile data usage continues

Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

■ Active 3G users ■ Active GPRS users

Number of active mobile data users in Elisa's network

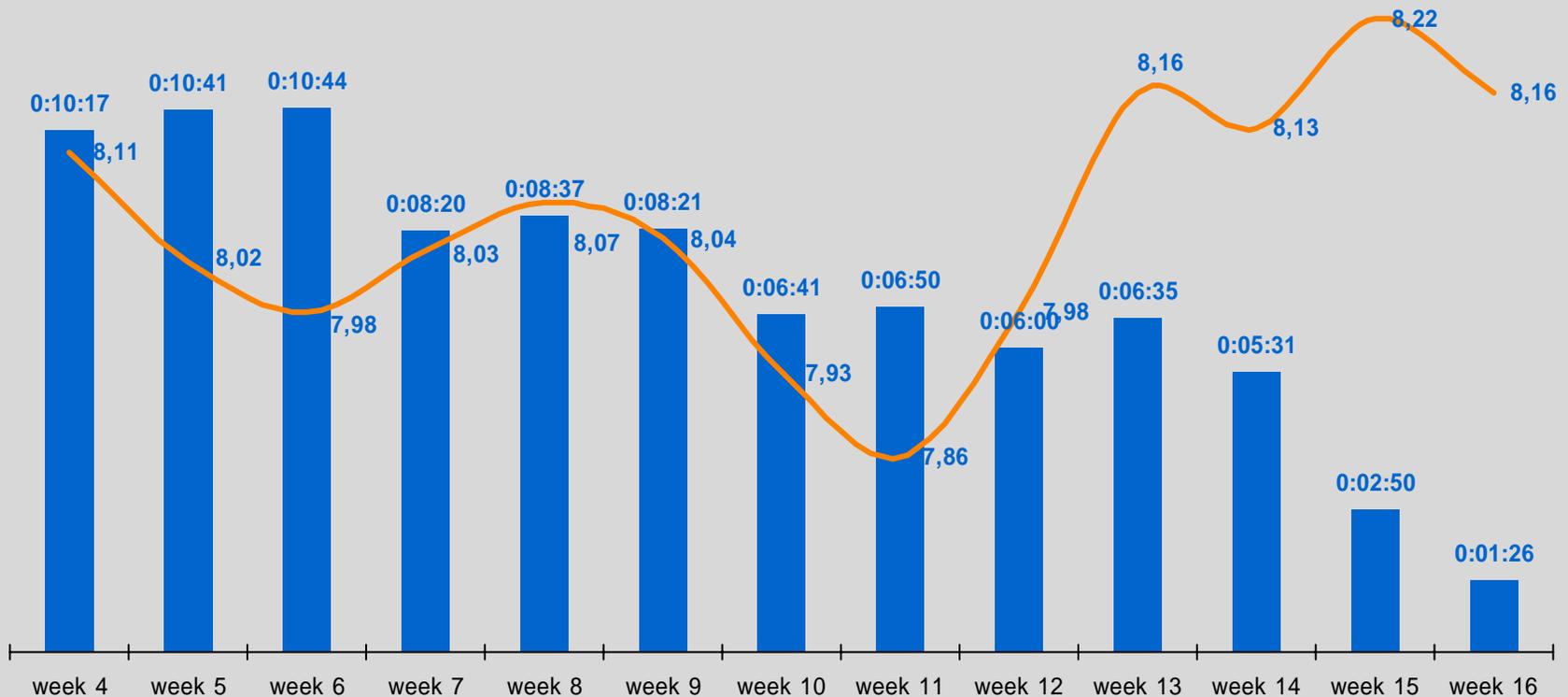


Improved customer satisfaction, billing to normal

Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

■ Queuing time ■ Customer satisfaction

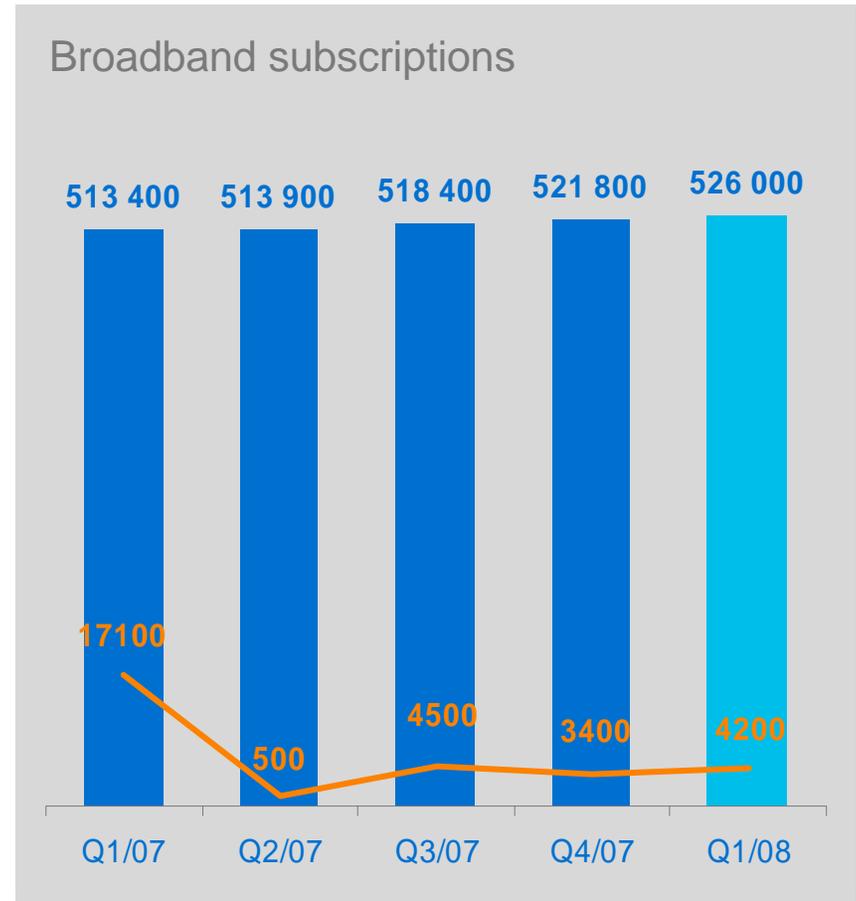
Call center queuing time (h:min:sec) and customer satisfaction (1-10)



Growth in broadband continued

Q1 2008 SEGMENT REVIEW, FIXED NETWORK BUSINESS

- Broadband market growth continued
 - Net additions 4,200 in Q1 2008
 - Elisa the market leader
- Decrease in analogue lines stable
 - Analogue voice lines decreased by 8% and lines including ISDN channels by 10%



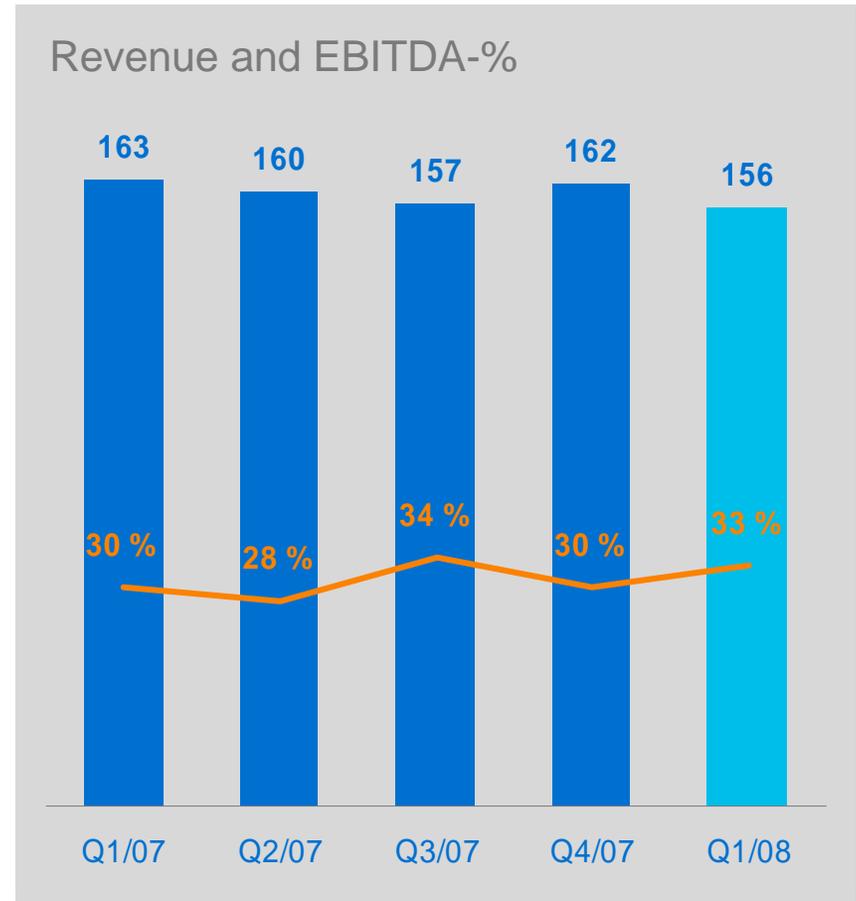
- Broadband subscriptions
- Net additions



Cost efficiency improves profitability

Q1 2008 SEGMENT REVIEW, FIXED NETWORK BUSINESS

- Revenue EUR 156m (163)
 - Growth through broadband and internet services
- EBITDA* EUR 51m (49), 33% of revenue (30)
 - Efficiency programs
- EBIT* EUR 29m (26), 19% of revenue (16)



* EBITDA and EBIT excluding one-off items

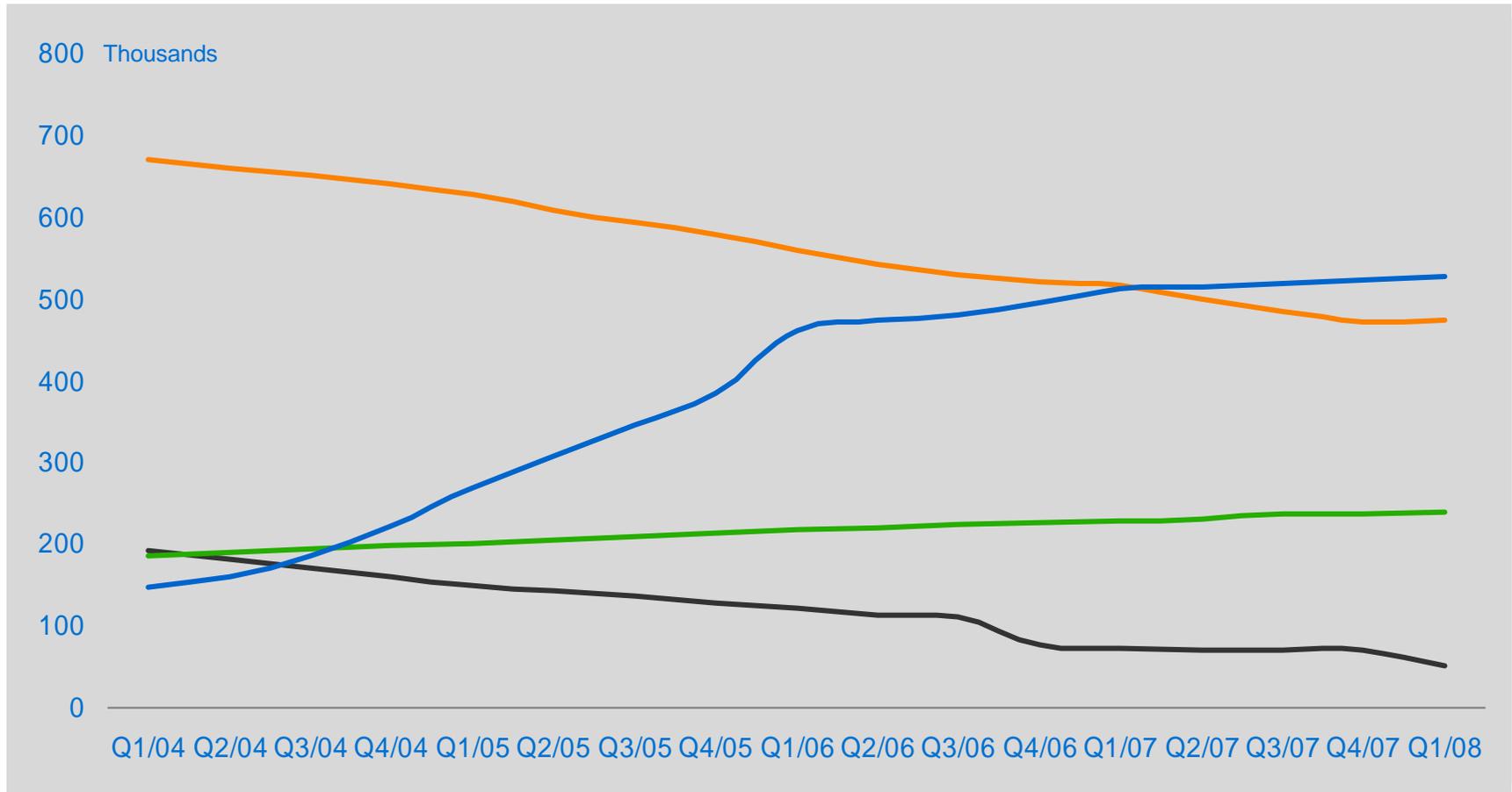
■ Revenue, EURm
■ EBITDA-% excl. one-offs



Growth in broadband and cable TV

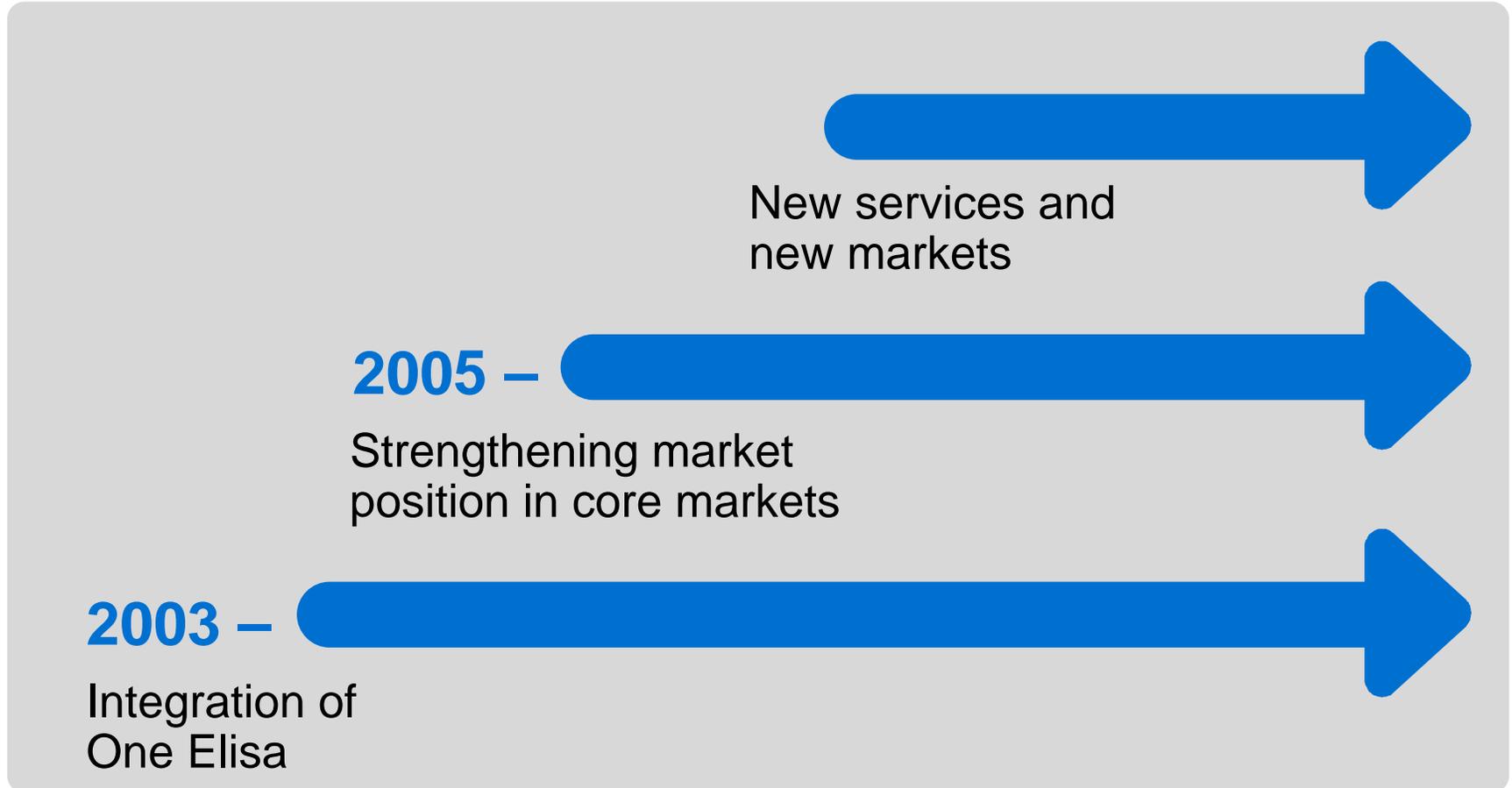
Q1 2008 SEGMENT REVIEW, MOBILE BUSINESS

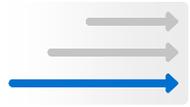
Traditional analogue ISDN Cable TV Broadband



Elisa strategy

STRATEGY EXECUTION





Productivity improvement

STRATEGY EXECUTION – INTEGRATION OF ONE ELISA

- Increase in degree of automation and reducing overlap functions
- Personnel reductions in the Production and Corporate Customers units



Significant profitability improvement

- Full triple-play service from Saunalahti with flat monthly rate
- Lower mobile call prices to corporate numbers

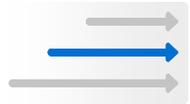


Customer orientation

- New organisation model in the Production and Corporate Customer units
- Simplification of customer delivery processes



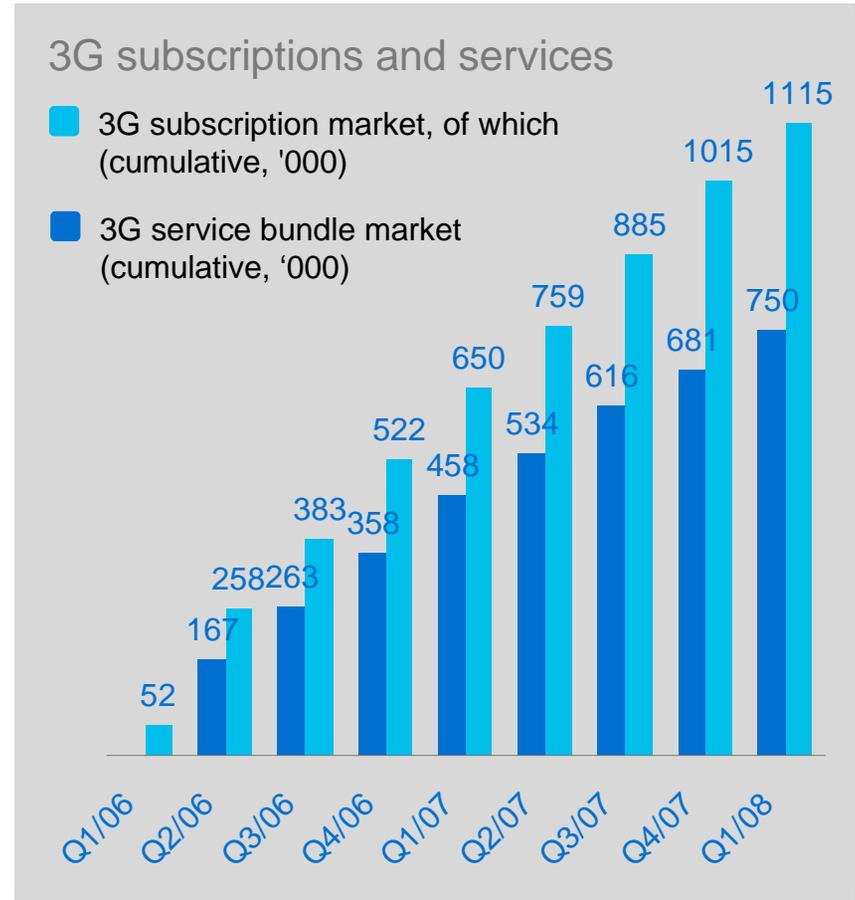
Simplification of structure



3G services continue to grow

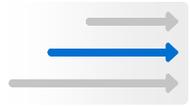
STRATEGY EXECUTION – STRENGTHENING MARKET POSITION

- Sale of 3G services continued well
 - Significant amount of new subscriptions are 3G service bundles
- Elisa's market share in 3G service bundles about 50%
 - In Q1, 69,000 new service bundles in Finland
 - Cumulative amount of 3G terminals sold since 2006, 1.1 million
- ARPU increase x% from 2G to 3G



Source: Elisa estimates, Matkaviestintoimittajat ry (MVT)





Corporate service portfolio enhanced

STRATEGY EXECUTION – STRENGTHENING MARKET POSITION

- Elisa Mobile Working service enhanced with renewed international pricing
 - International mobile data connection prices will be lowered by up to 50% from May 2008
- Elisa award-winning with Cisco co-operation
 - Cisco has granted Elisa with "Service Provider Partner of the Year" award at the Nordic level
- Virtual conference room added to ICT Collaboration Service offering
 - Microsoft Live Meeting service was added to the virtual conference room service
 - Elisa is the sole ICT service provider utilizing Live Meeting as a service in Finland



Outlook for 2008

- Competition remains challenging
 - Focus on service competition
- Revenue at the 2007 level
 - Lower interconnection revenue, more challenging market
 - Higher customer billing (3G and broadband services)
- EBITDA and EBIT excluding non-recurring items at the 2007 level
- Stable CAPEX
 - CAPEX 10-12 per cent of revenue
- Significant improvement in cash flow

Financial targets – by end-2009

Parameter	Target*
Revenue growth in 2009	Mid single digit
EBITDA-margin	Above 35%
Capex-to-sales (operative)	10 - 12%
Capital structure <ul style="list-style-type: none">• Net debt / EBITDA• Gearing	1.5 - 2x 50 - 100%
ROCE	Above 20%

* All figures on a comparable basis

Agenda

CEO's review
Veli-Matti Mattila,
CEO

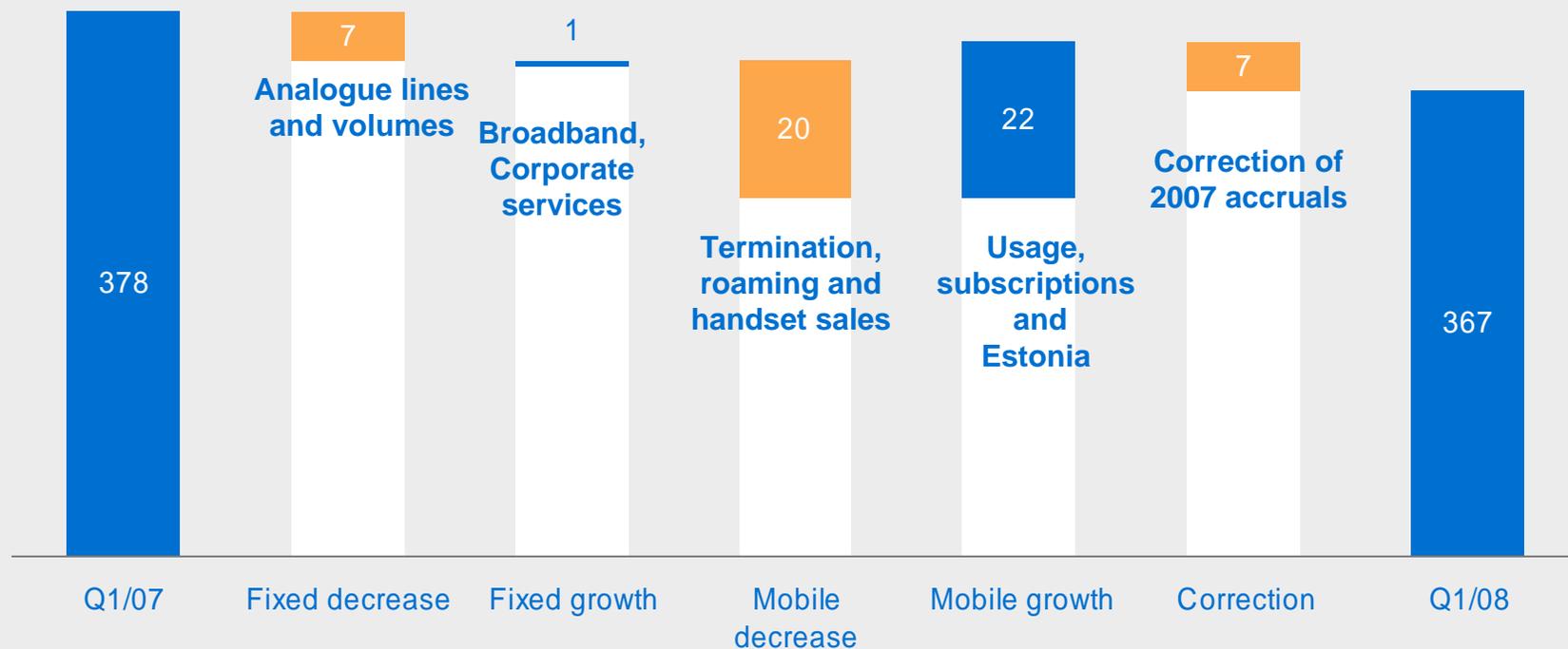
Financial review
Jari Kinnunen,
CFO

Results negatively effected by temporary items

EUR million	Q1/08	Q1/07	2007	Change
Revenue	367	378	1 568	-11
Other operating income	1	2	21	
Operating expenses	-260	-265	-1 090	
EBITDA	108	115	499	-7
EBITDA excluding one-offs	111	115	491	-4
<i>EBITDA-%</i>	<i>29 %</i>	<i>30 %</i>	<i>32 %</i>	
<i>EBITDA-% excluding one-offs</i>	<i>30 %</i>	<i>30 %</i>	<i>31 %</i>	
Depreciation and amortisation	-51	-46	-197	
EBIT	57	69	302	-11
EBIT excluding one-offs	60	69	293	-8
<i>EBIT-%</i>	<i>16 %</i>	<i>18 %</i>	<i>19 %</i>	
<i>EBIT-% excluding one-offs</i>	<i>16 %</i>	<i>18 %</i>	<i>19 %</i>	
Profit before tax	52	64	285	-12
Income taxes	-12	-15	-65	
Profit for the period	40	49	220	-9
EPS, EUR/share	0,25	0,30	1,38	

Underlying revenue growth in mobile

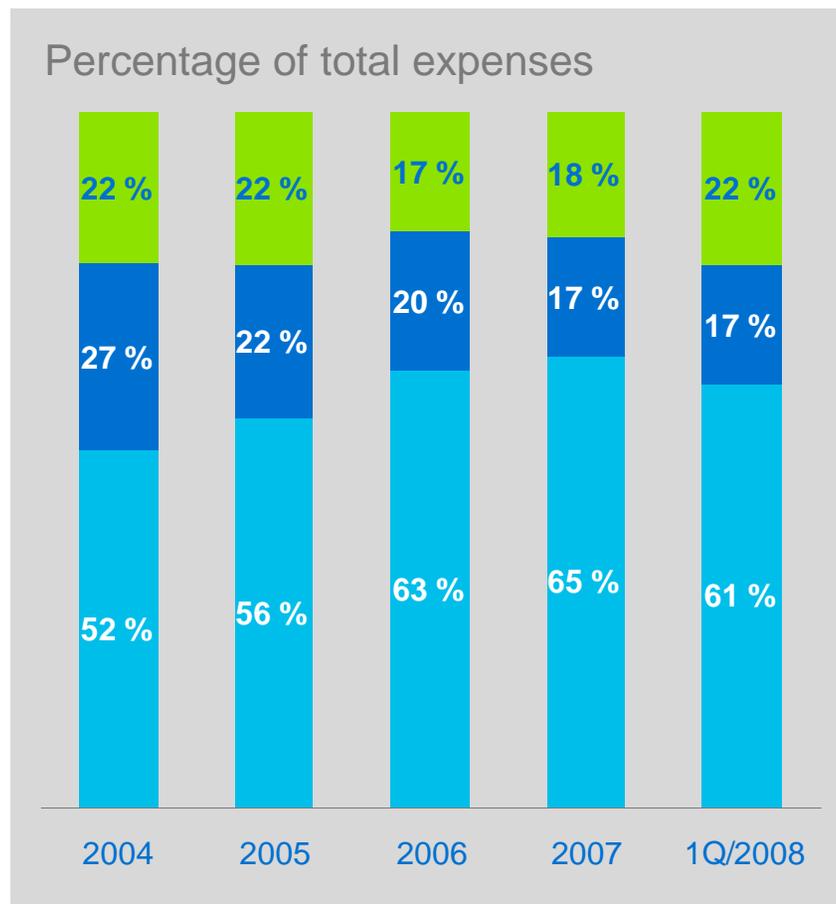
EUR million



Operating expenses decreased

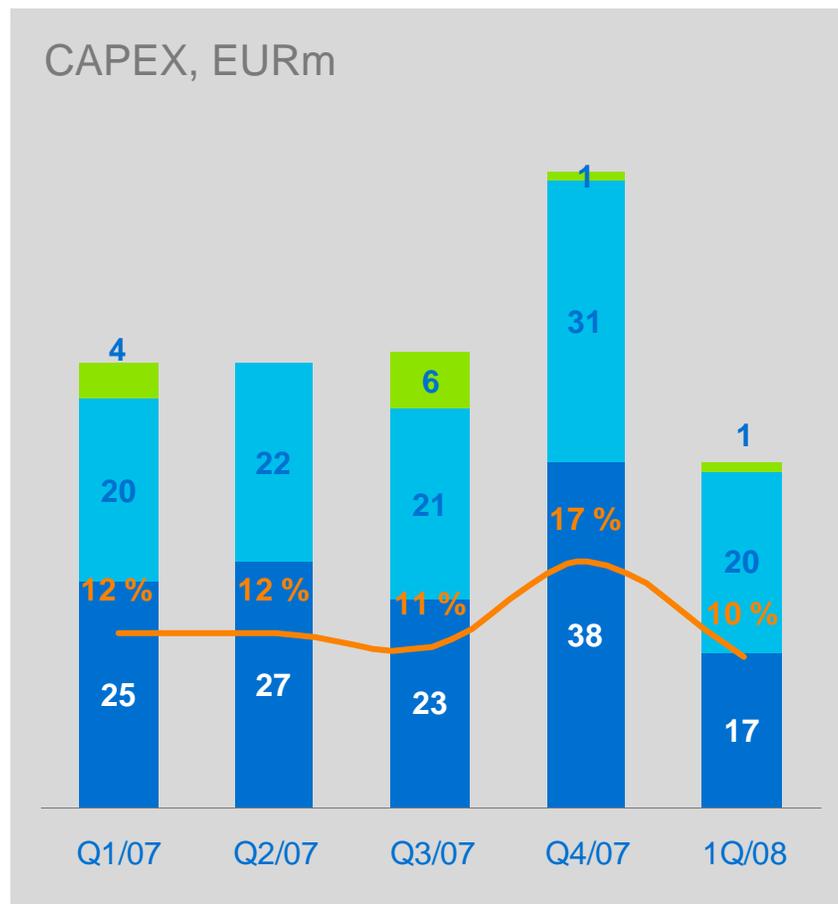
- Other operating expenses
- Employee benefit expenses
- Materials and services

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Materials and services	175	180	175	177	159
Employee benefit expenses	44	48	38	51	45
Other operating expenses	46	53	54	49	56
Total costs	265	281	267	277	260
Depreciation	46	49	50	52	51



CAPEX decreased

- CAPEX / Sales 10% in Q1/08
- CAPEX includes
 - 3G networks and services
 - IT systems
 - Backbone network
- Q1 CAPEX by segments
 - Mobile EUR 20m
 - Fixed network EUR 17m



■ Fixed Line ■ Shares
■ Mobile ■ CAPEX/Sales

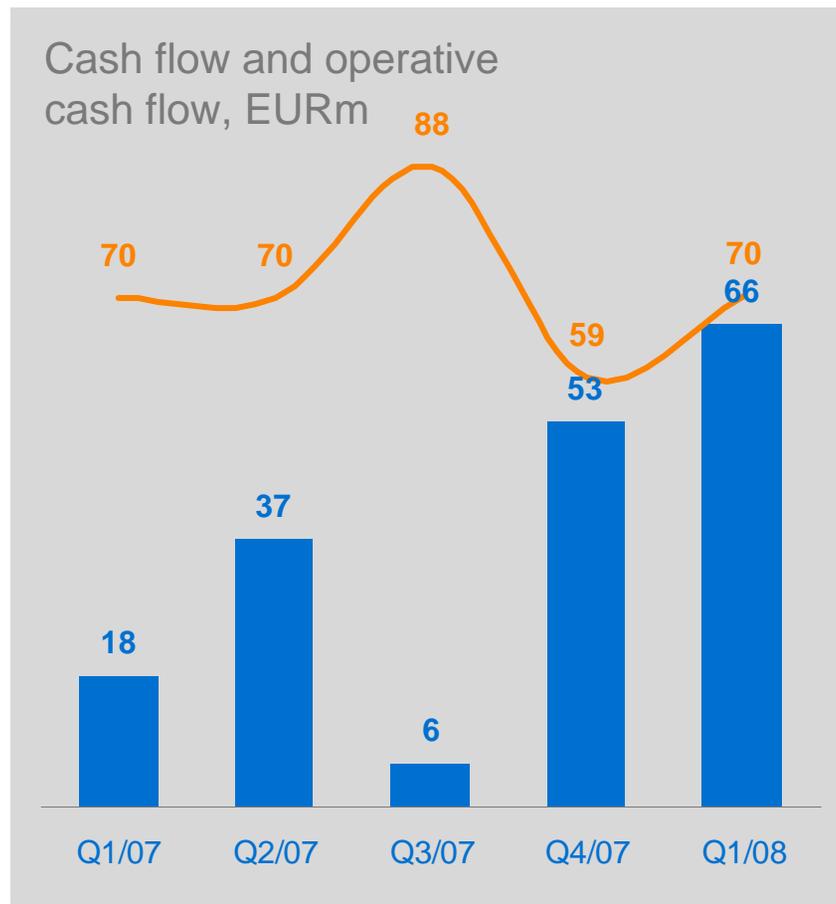


Cash Flow affected by taxes, NWC and interests

EUR million	Q1/2008	Q1/2007	2007	Change y-o-y
EBITDA	108	115	499	-7
Change in receivables	67	2	-116	65
Change in inventories	4	11	10	-8
Change in payables	-49	-58	7	9
Change in NWC	22	-44	-100	67
Sale of Comptel shares	0	0	13	0
Interest paid and received	-14	-0	-32	-14
Financials (net)	-14	-0	-19	-14
Taxes for the year	-12	-4	-53	-8
Taxes for the previous year	0	0	-29	0
Taxes	-12	-4	-82	-8
CAPEX	-37	-44	-204	7
Investments in shares	-1	-3	-6	2
Sale of assets and adjustments	0	-1	25	1
Cash flow after investments	66	19	114	48

Cash flow improved in Q1

- Cash flow EUR 66m in Q1
- Change in net working capital EUR 22m
 - Decrease in receivables EUR 67m
 - Invoicing of the delayed bills
 - Decrease in payables EUR 49m
 - Decrease in inventories EUR 4m

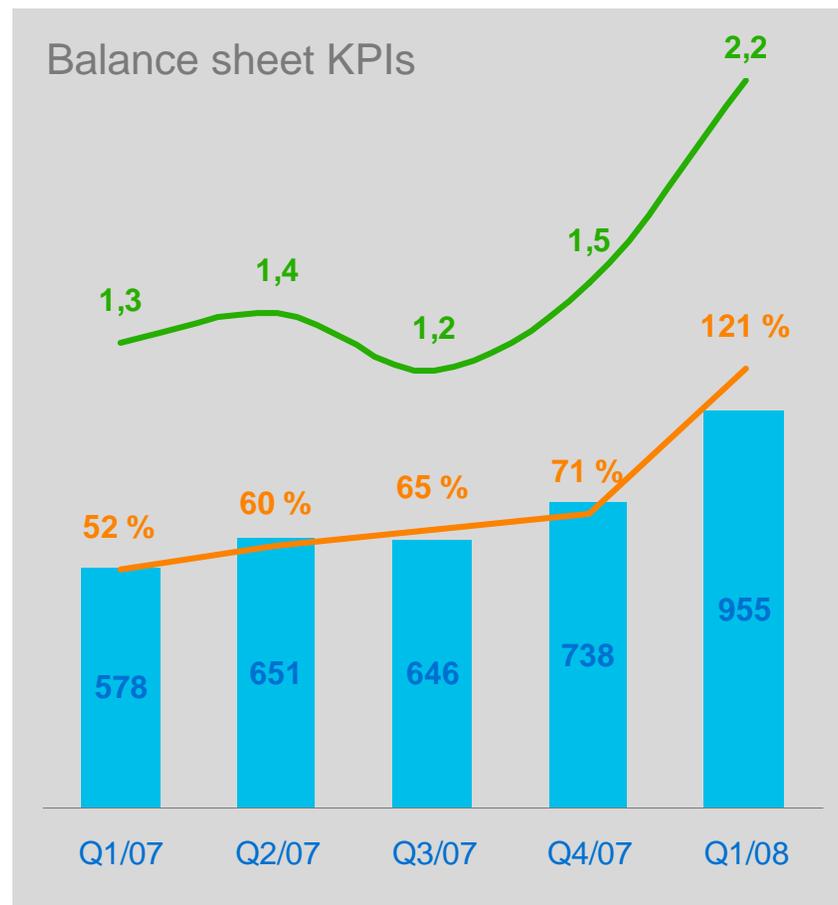


*) Operative cash flow = EBITDA excl. one-offs - CAPEX

Capital structure above target level

- Capital structure above target level after the capital repayment
 - Net debt / EBITDA 2.2 1)
 - Gearing 121%
- Target setting
 - Net debt / EBITDA 1.5 – 2x
 - Gearing 50 – 100%

1) Net Debt/ Q1/08 EBITDA*4



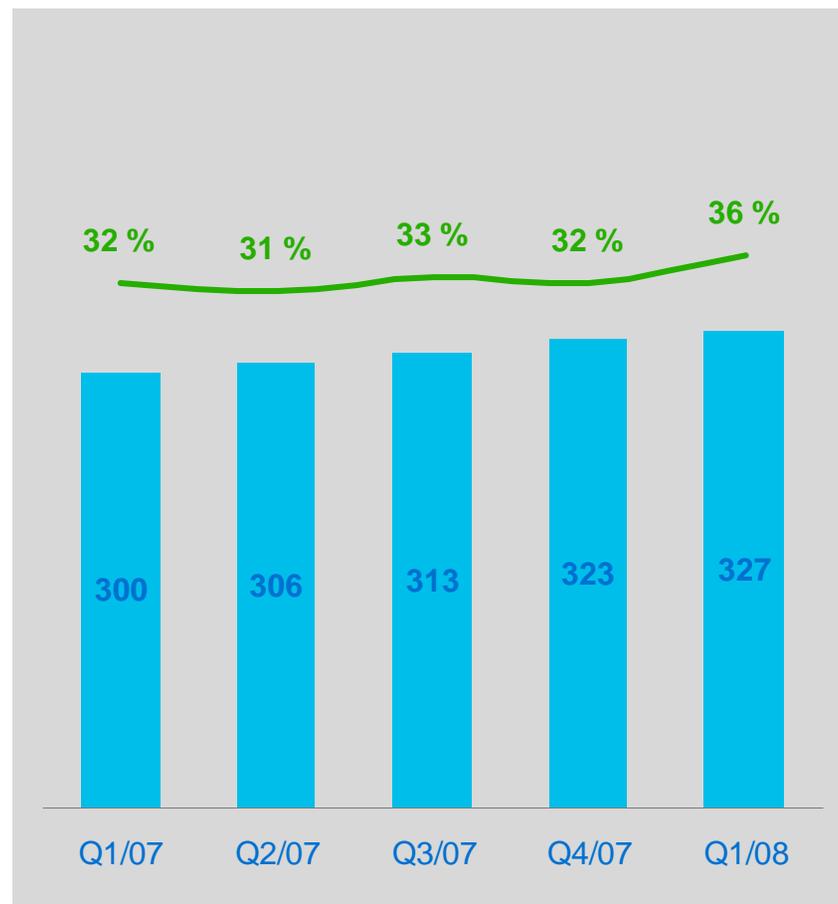
■ Net Debt, EURm ■ Net Debt/EBITDA
■ Gearing, %



Elisa Estonia

- Change in termination fees decreased revenue
- Subscriptions grew 27 900 y-o-y

EUR million	Q1/08	Q1/07	2007
Revenue	24	26	113
EBITDA	9	8	36
<i>EBITDA-%</i>	36%	32%	32%
EBIT	5,4	5,7	25
<i>EBIT-%</i>	22%	22%	22%
Capex	2	3	11



■ Subs thousands ■ EBITDA%

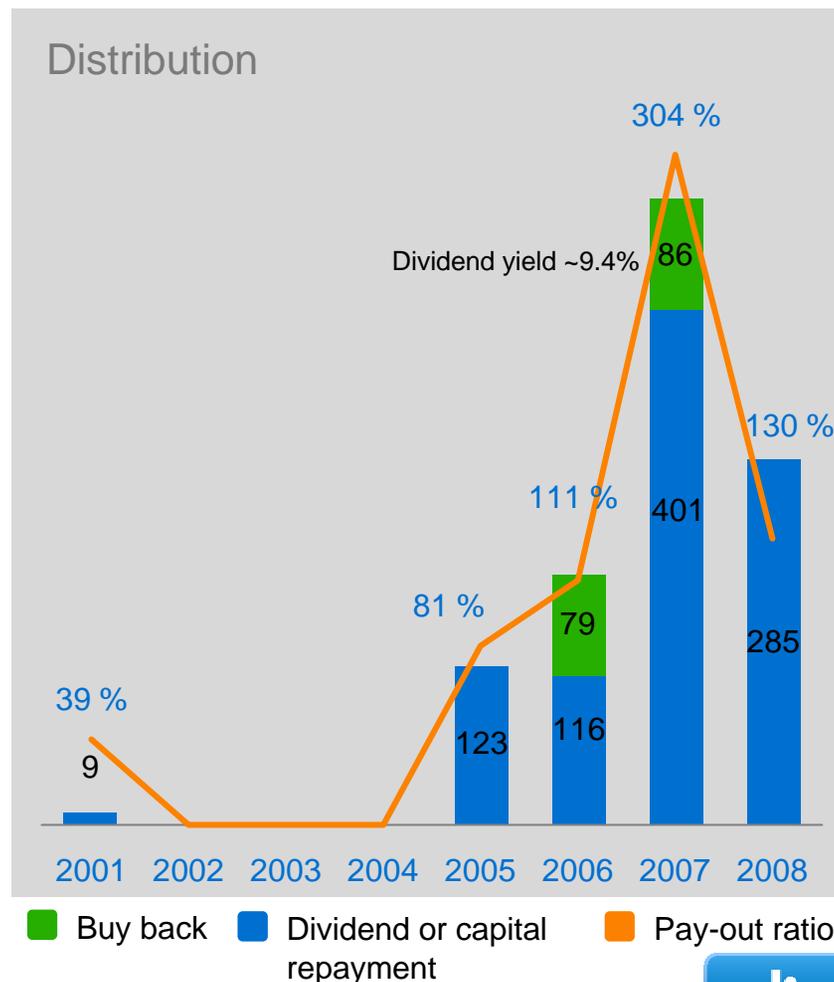


Temporary implementation costs in Q1

- Billing and CRM system implementation
- IT costs
- External services
- Credit losses
- Booked as normal expenses (not non-recurring)
- Discussions with suppliers ongoing

Distribution above long-term policy

- Forecasted Cash Flow strong in 2008
- Distribution policy
 - 40 – 60% of net results
- Authorisation for 15 million shares buy-back
- Authorisation for dividend and capital repayment EUR 250m





First Quarter Results 2008

25 April 2008

APPENDIX SLIDE

Consolidated Cash flow statement

EUR million	Q1 2008	Q4 2007	Q3 2007	Q2/2007	Q1/2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Cash flow from operating activities									
Profit before tax	52	65	89	67	64	69	69	34	39
Adjustments to profit before tax	56	63	41	47	50	46	50	63	59
Change in working capital	22	19	-59	-15	-45	-9	-22	-6	-40
Cash flow from operating activities	130	148	71	99	69	106	97	91	59
Received dividends and interests and interest paid	-14	-3	-13	-2	0	3	-10	-4	-6
Taxes paid	-12	-23	-22	-33	-4	1	0	0	-1
Net cash flow from operating activities	104	121	36	64	65	109	87	87	52
Cash flow in investments									
Capital expenditure	-37	-69	-45	-46	-44	-69	-40	-54	-43
Investments in shares and other investments	-1	-1	-1	-2	-3	-1	-18	-5	-3
Proceeds from asset disposal	0	1	16	21	1	1	7	0	7
Net cash used in investment	-38	-69	-30	-27	-46	-69	-51	-58	-39
Cash flow after investments	66	53	6	37	19	41	36	29	13
Cash flow in financing									
Share Buy Backs and sales (net)	0	0	0	-84		-79	0	0	1
Change in interest-bearing receivables	0		0	0		0	0	0	
Change in long-term debt	0	0	0	-44	350	0	0	0	-122
Change in short-term debt	246	92	0	0	-25	25	-35	35	
Repayment of financing leases	-1	-1	-2	-2	-2	-2	-2	-3	-3
Dividends paid	-284	-158	-1	-23	-220	-1	-1	-117	-5
Cash flow in financing	-40	-67	-2	-153	103	-57	-38	-85	-129
Change in cash and cash equivalents	26	-15	4	-116	121	-17	-2	-56	-116

APPENDIX SLIDE

Financial situation

EUR Million	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007	31 Mar 2007
Interest-bearing debt					
Bonds and notes	634	634	633	633	677
Commercial Paper	118	92	0	0	0
Loans from financial institutions	0	0	0	0	0
Financial leases	26	28	44	46	45
Committed credit line 1)	220	0	0	0	0
Others 2)	1	1	1	1	1
Interest-bearing debt, total	998	755	678	680	723
Security deposits		0	1	1	1
Securities		0	0	0	108
Cash and bank	43	17	31	28	35
Interest-bearing receivables	43	17	32	29	144
Net debt 3)	955	738	646	651	578

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.