



Second Quarter Results 2008

1 August 2008

Agenda

CEO's review
Veli-Matti Mattila,
CEO

Financial review
Jari Kinnunen,
CFO

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

Q2 2008 HIGHLIGHTS

	Q2 2008	Q2 2007	
Revenue	€372m	€393m	▼
EBITDA*	€109m	€116m	▼
Earnings per share	€0.20	€0.31	▼
Cash flow	€59m	€37m	▲
Net debt / EBITDA	2.1x	1.4x	▲
CAPEX	€41m	€49m	▼

* Excluding one-off items

Profitability impacted by decreasing temporary items

Q2 2008 FINANCIAL HIGHLIGHTS

- Revenue €372m (393)
 - Revenue adjustment, effect € -4m
 - Effect of lower interconnection and roaming fees approx. € -14m compared to Q2 2007
- EBITDA excluding one-offs € 109m (116)
 - Effect of revenue adjustment of € -4m and increased sales costs of € -4m due to strong growth in mobile subscriptions
 - Expected extra implementation costs of new billing and CRM system € 4m
- EBITDA margin 29% (30)
- Net debt increased to € 898m (651)
 - Extra dividend € 158 million in October 2007
 - Capital repayment € 284 million in March 2008
- Net debt / EBITDA 2.1 (1.4)
- Gearing 109% (60)
- CAPEX €41m (49)

Operational highlights

Q2 2008 HIGHLIGHTS

	Q2 2008	Change in Q2 2008	
Mobile subscriptions	2,772,800	77,700	▲
Fixed broadband subscriptions	523,000	-3,000	▼
Mobile ARPU	€26.8	+3%	▲
Mobile Churn	13.3%	-2.3%-unit	▼
Mobile network usage, min*	1,540m	+75m	▲
Active 3G data users	373,800	+47,500	▲

* Outgoing minutes

Share buy-back will start

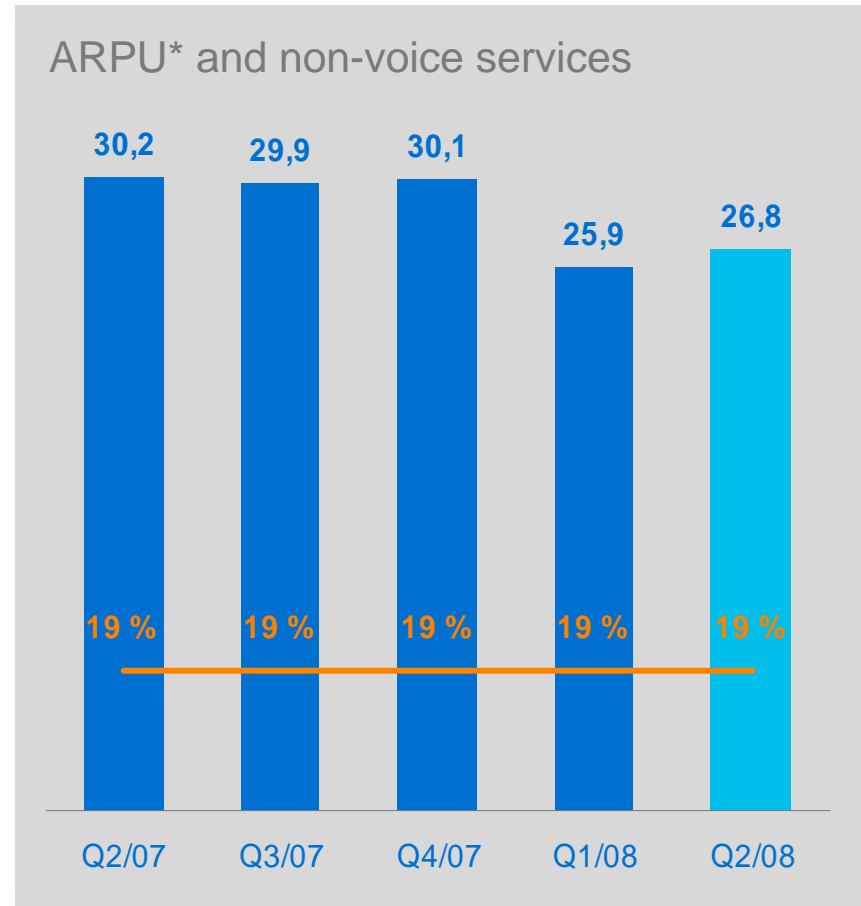
Q2 2008 FINANCIAL HIGHLIGHTS

- Board of directors decided to initiate max. 3 million share buy-back
 - Approximately EUR 40 million at the 30.7.2008 closing price
 - Approximately 1.9% of outstanding shares
- Capital structure targets unchanged
 - Net debt / EBITDA 1.5 – 2x
 - Gearing 50 – 100%
 - Net debt / EBITDA and gearing lower in H2
- Authorisation from the shareholders
 - Special dividend or capital repayment up to EUR 250m
 - Share buy-backs up to 15m shares

Strong growth in subscription base

Q2 2008 SEGMENT REVIEW, MOBILE BUSINESS

- Growth in customer base
 - Good progress in 3G, mobile broadband and prepaid subscriptions continued
 - Elisa's market share in 3G about 50%
 - Subscription base increased by 70,400 in Finland and 7,300 in Estonia
- ARPU* EUR 26.8 (30.2)
 - Lower interconnection and roaming fees
 - Revenue adjustment
- Churn 13.3% (11.4)
- Growth in network usage
 - Total MoU growth +8% and SMS +6%



*) Average revenue per subscription

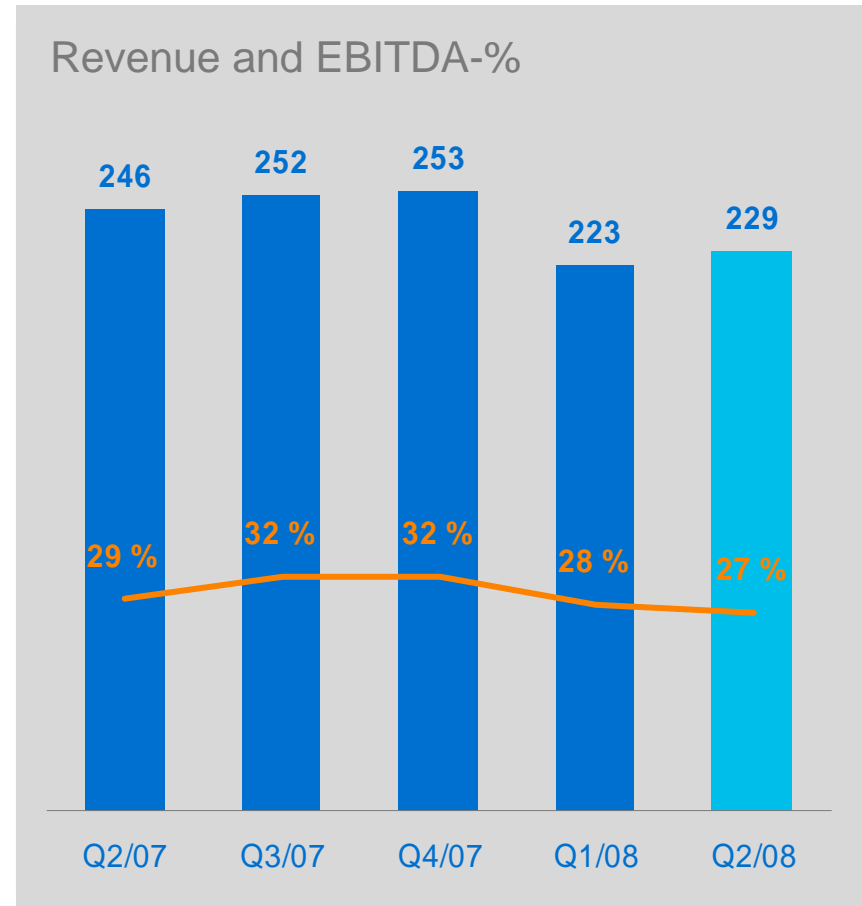
■ ARPU, EUR
■ Share of non-voice services, %



Profitability impacted by decreasing temporary items

Q2 2008 SEGMENT REVIEW, MOBILE BUSINESS

- Revenue EUR 229m (246)
 - Increase in usage and subscriptions
 - Decrease in interconnection fee, roaming fee and handset sales
 - Revenue adjustment
- EBITDA* EUR 61m (72), 27% of revenue (29)
 - Extra implementation costs of billing and CRM system
 - Revenue adjustment
 - Increased sales costs
- EBIT* EUR 32m (46), 14% of revenue (19)



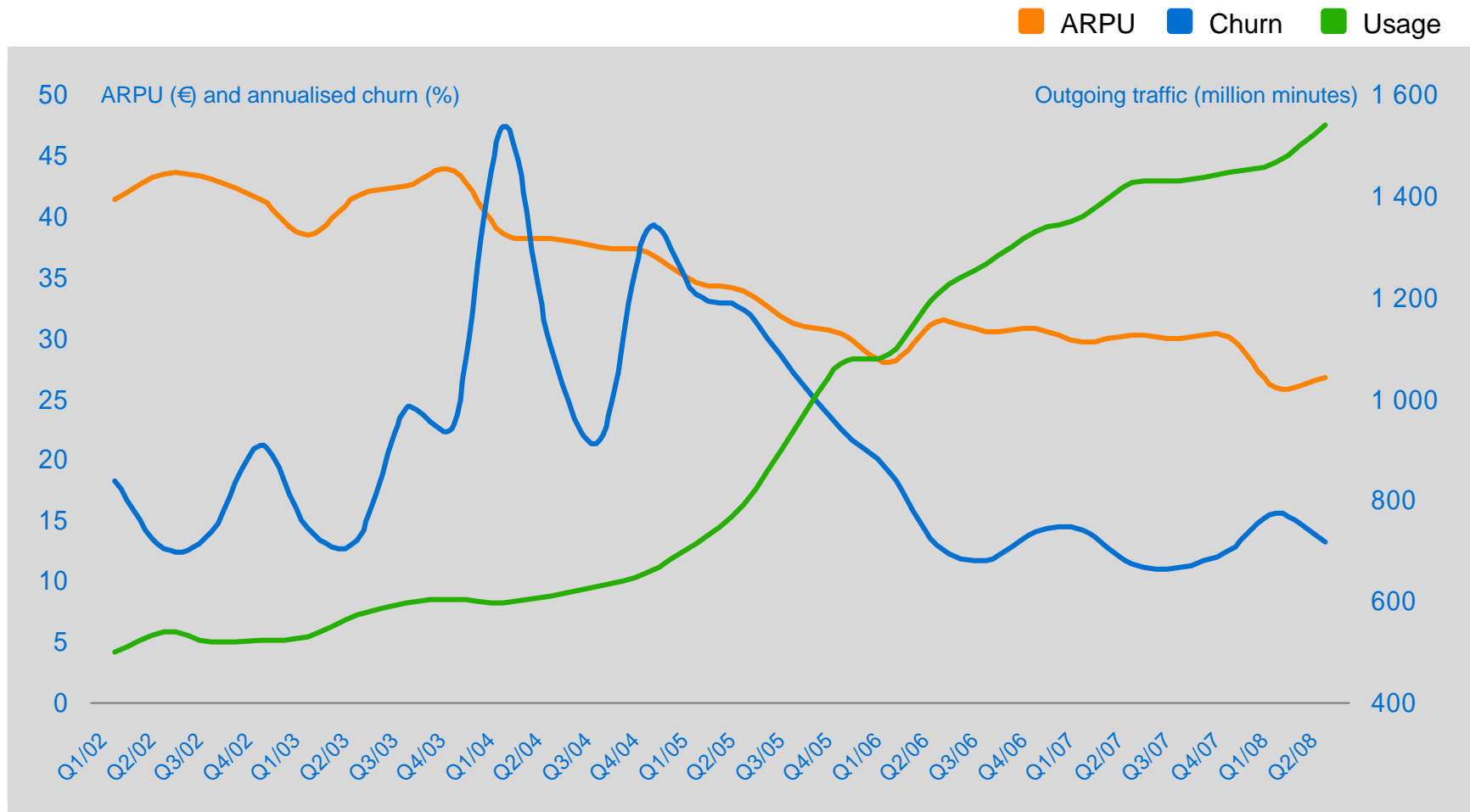
* EBITDA and EBIT excluding one-off items

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



Growth in usage, churn at normal level

Q2 2008 SEGMENT REVIEW, MOBILE BUSINESS

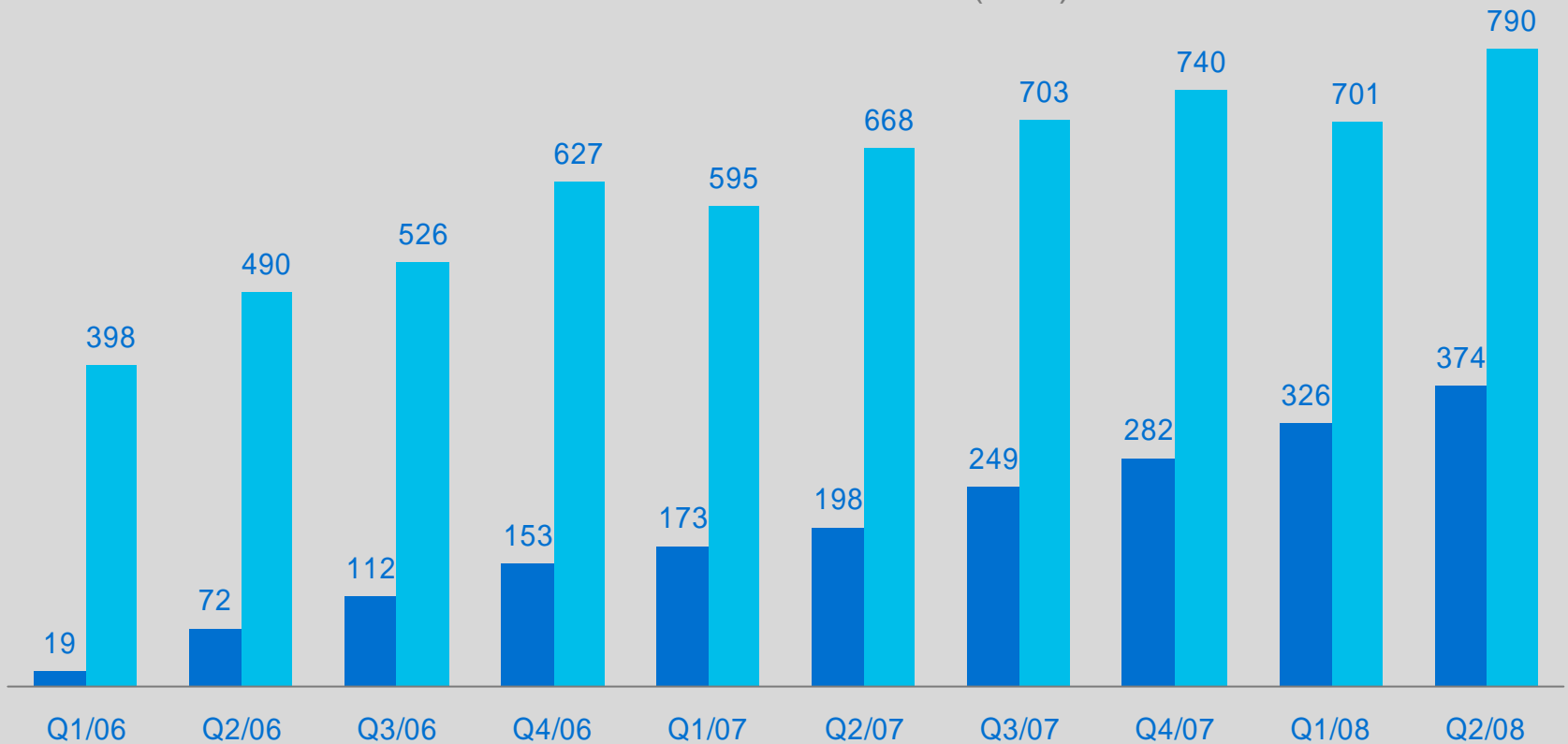


Half of active mobile data users use 3G

Q2 2008 SEGMENT REVIEW, MOBILE BUSINESS

■ Active 3G users ■ Active GPRS users

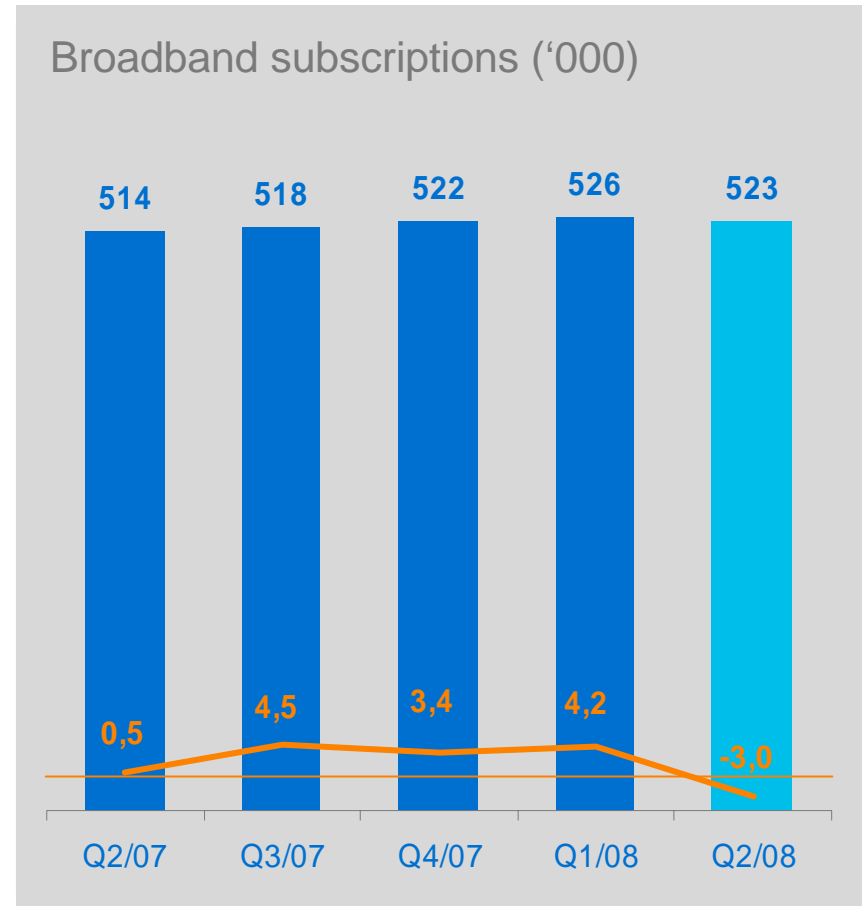
Number of active mobile data users in Elisa's network ('000)



Broadband growth taken by mobile

Q2 2008 SEGMENT REVIEW, FIXED NETWORK BUSINESS

- Slight decrease in fixed broadband subscriptions
 - Decrease 3,000 in Q2 2008
 - Seasonality
 - Growth taken by mobile business
 - Elisa the market leader
- Decrease in analogue lines continued stable
 - Analogue voice lines decreased by 7% and lines including ISDN channels by 10%
- Slight growth in cable TV subscriptions
 - Subscriptions grew by 4% to 241,000



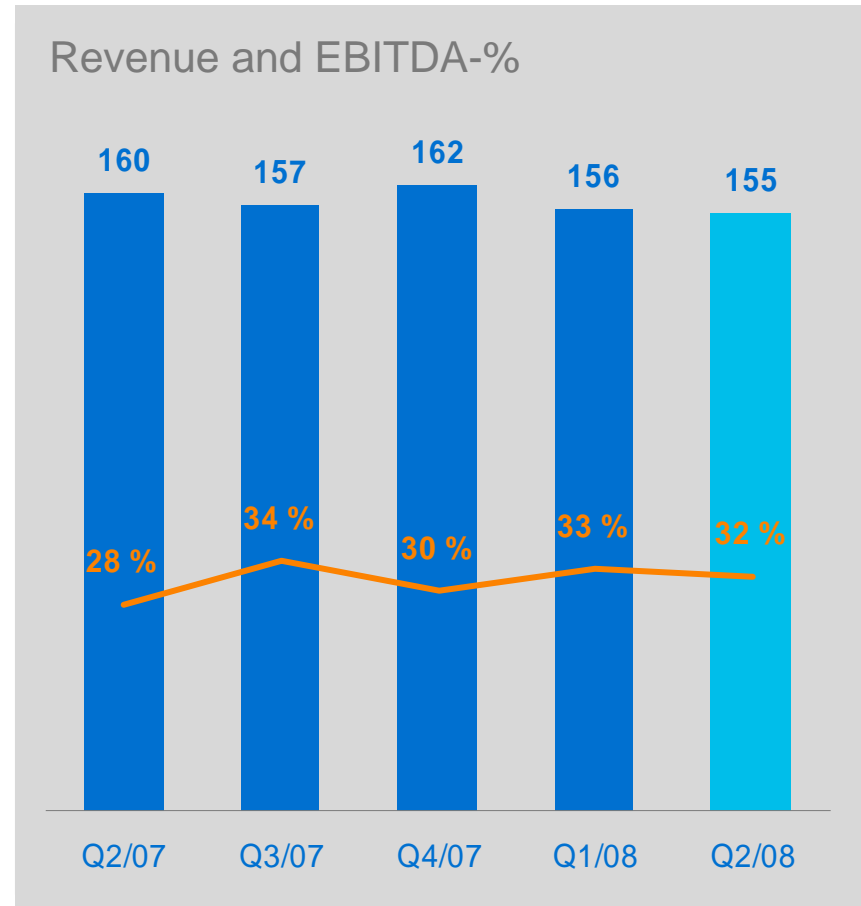
■ Broadband subscriptions
■ Net additions



Cost efficiency improves profitability

Q2 2008 SEGMENT REVIEW, FIXED NETWORK BUSINESS

- Revenue EUR 155m (160)
 - Stable revenue development
 - Growth in corporate customers
 - Decrease in traditional analogue
- EBITDA* EUR 49m (45), 32% of revenue (28)
 - Efficiency programs
- EBIT* EUR 26m (22), 17% of revenue (14)



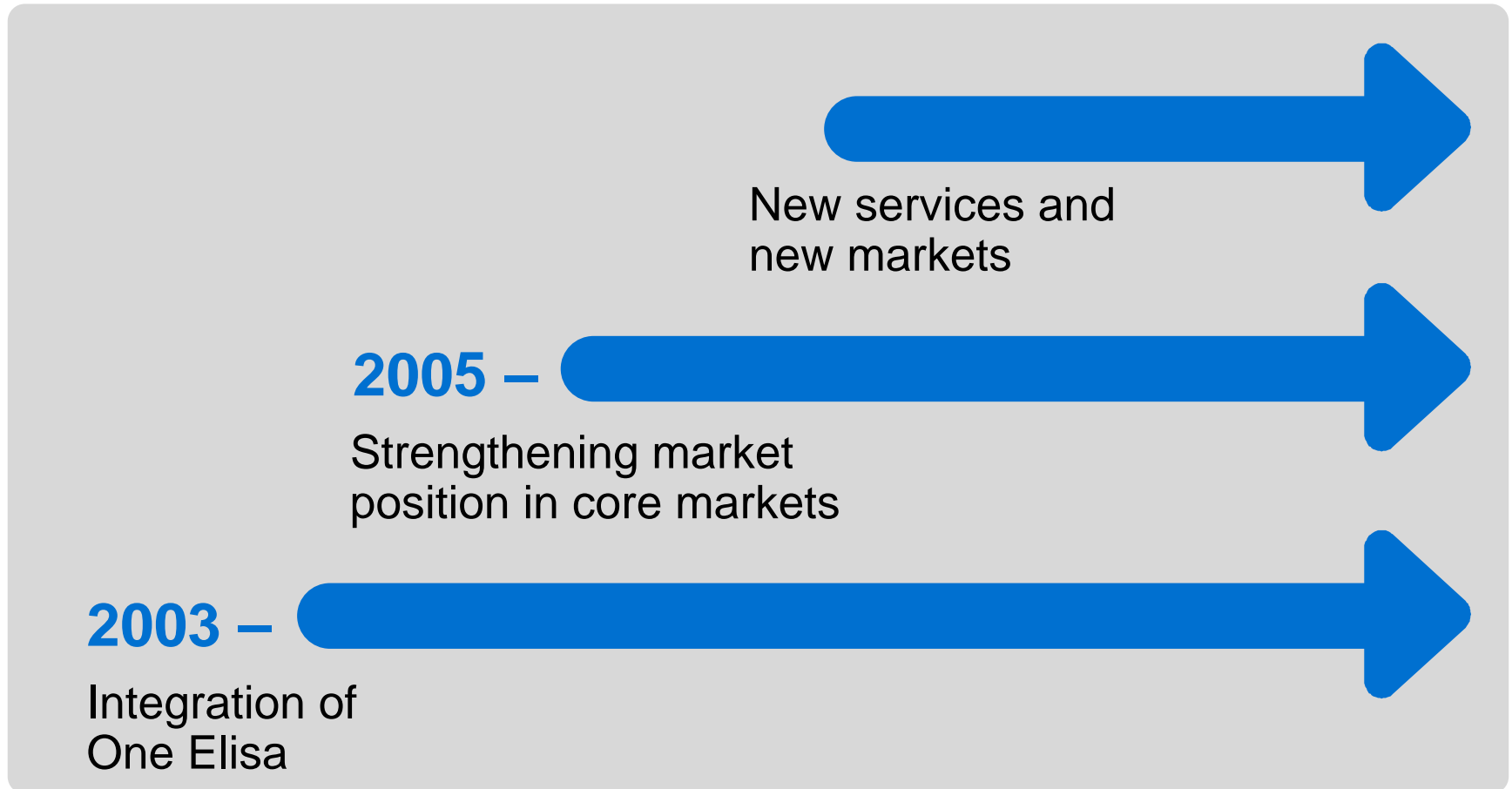
* EBITDA and EBIT excluding one-off items

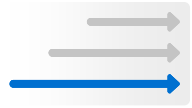
■ Revenue, EURm
■ EBITDA-% excl. one-offs



Elisa strategy

STRATEGY EXECUTION





Productivity improvement

STRATEGY EXECUTION – INTEGRATION OF ONE ELISA

- Increased degree of automation and overlap functions reduced
- Personnel reductions in the Production unit



Significant profitability improvement

- Mini-laptop bundle to the market
- Commercial launch of Saunavisio IPTV product incl. VOD and HDTV
- Launch of improved web-based self-service (My Elisa)

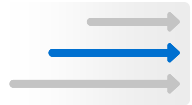


Customer orientation

- Outsourcing of planning and documentation in the Production unit
- Simplification of customer delivery processes continued



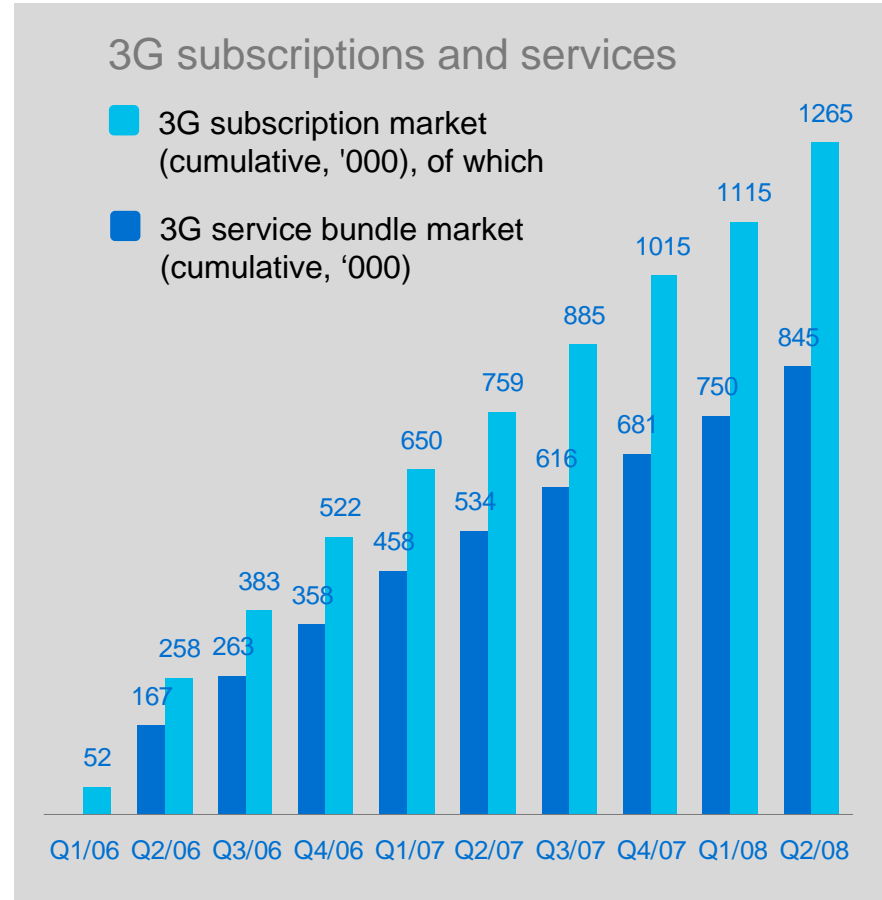
Simplification of structure



3G services continue to grow

STRATEGY EXECUTION – STRENGTHENING MARKET POSITION

- Sale of 3G services continued well, especially in broadband
 - Significant amount of new subscriptions are 3G
- Elisa's market share in 3G service bundles approx. 50%
 - In Q2, 95,000 new service bundles in Finland driven by mobile broadband
 - Cumulative amount of 3G terminals sold since 2006 is approx. 1.3 million
- ARPU increase 10-15% from 2G to 3G



Source: Elisa estimates, Matkaviestintoimittajat ry (MVT)



Strong demand for Mini-laptop service bundles

- Mini-laptop service bundle to the market in Q2
 - Elisa mobile broadband
 - USB modem or USB stick
 - Asus Eee PC 700
- Fast and easy connection to the network
- Strong demand in several customer segments

MINILÄPPÄRI, KESÄN HALUTUIN POKKARI.



Niin pieni.



Elisa Miniläppäri on sinukas pikku luteri. Alle kukaan painoisena se mahtuu isoon taskuun tai pieneen laukkuun. Myös hirza on mini.

Elisa Miniläppäri
288€
12/7ks. Sovittava 24ks
Mobiililaajakaista 200 Mbit/s

Elisa Mobililaajakaista*
alk. 9,90€/kk
Kotona 200 Mbit/s

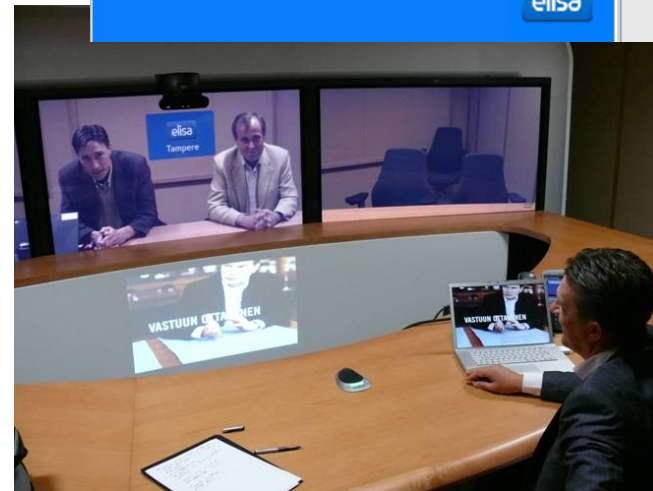
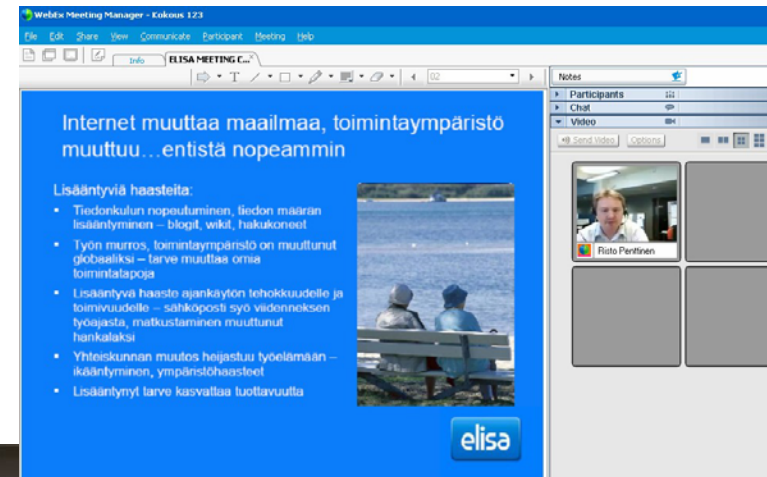
elisa shopit

*Kannettava USB-tiketti tai USB-modemi. Keskivertokapasiteetti 200 Mbit/s. Keskivertokapasiteetti on keskimääräinen nopeus, jota käytetään arvioimaan laajakaistan nopeutta. Keskivertokapasiteetti ei kuitenkaan tarkoita, että laajakaistan nopeus on jatkuvasti 200 Mbit/s. Keskivertokapasiteetti voi vaihdella suuresti riippuen verkkoyhteyden tilasta ja palveluntarjoajan verkkoyhteyden tilasta. Keskivertokapasiteetti on keskimääräinen nopeus, jota käytetään arvioimaan laajakaistan nopeutta. Keskivertokapasiteetti ei kuitenkaan tarkoita, että laajakaistan nopeus on jatkuvasti 200 Mbit/s. Keskivertokapasiteetti voi vaihdella suuresti riippuen verkkoyhteyden tilasta ja palveluntarjoajan verkkoyhteyden tilasta.

Corporate service portfolio enhanced

STRATEGY EXECUTION – STRENGTHENING MARKET POSITION

- Collaboration services
 - Elisa Meeting Center, virtual web conferencing services
 - Telepresence, experiential video conference services
- Collaboration services enable to decrease the customers' carbon footprint
- Elisa acquired Electur to enhance it's virtual desktop services and identity management



Unchanged 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
 - H2 profitability better than in H1
 - Extra implementation costs of the billing and CRM system will decrease
 - Additional cost efficiency measures
 - Strong growth in mobile subscriptions in H1 and seasonality improve H2
- Stable CAPEX
 - CAPEX 10-12 per cent of revenue
- Significant improvement in cash flow

Agenda

CEO's review
Veli-Matti Mattila,
CEO

Financial review
Jari Kinnunen,
CFO

Profitability impacted by decreasing temporary items

EUR million	Q2/08	Q2/07	2007	Change
Revenue	372	393	1 568	-22
Other operating income	1	1	21	
Operating expenses	-268	-280	-1 090	-13
EBITDA	105	127	499	-22
EBITDA excluding one-offs	109	116	491	-7
<i>EBITDA-%</i>	28 %	32 %	32 %	
<i>EBITDA-% excluding one-offs</i>	29 %	29%	31 %	
Depreciation and amortisation	-52	-49	-197	
EBIT	53	77	302	-24
EBIT excluding one-offs	57	66	293	-9
<i>EBIT-%</i>	14 %	20%	19 %	
<i>EBIT-% excluding one-offs</i>	15 %	17 %	19 %	
Profit before tax	38	67	285	-29
Income taxes	-6	-18	-65	
Profit for the period	32	49	220	-17
EPS, EUR/share	0,20	0,31	1,38	

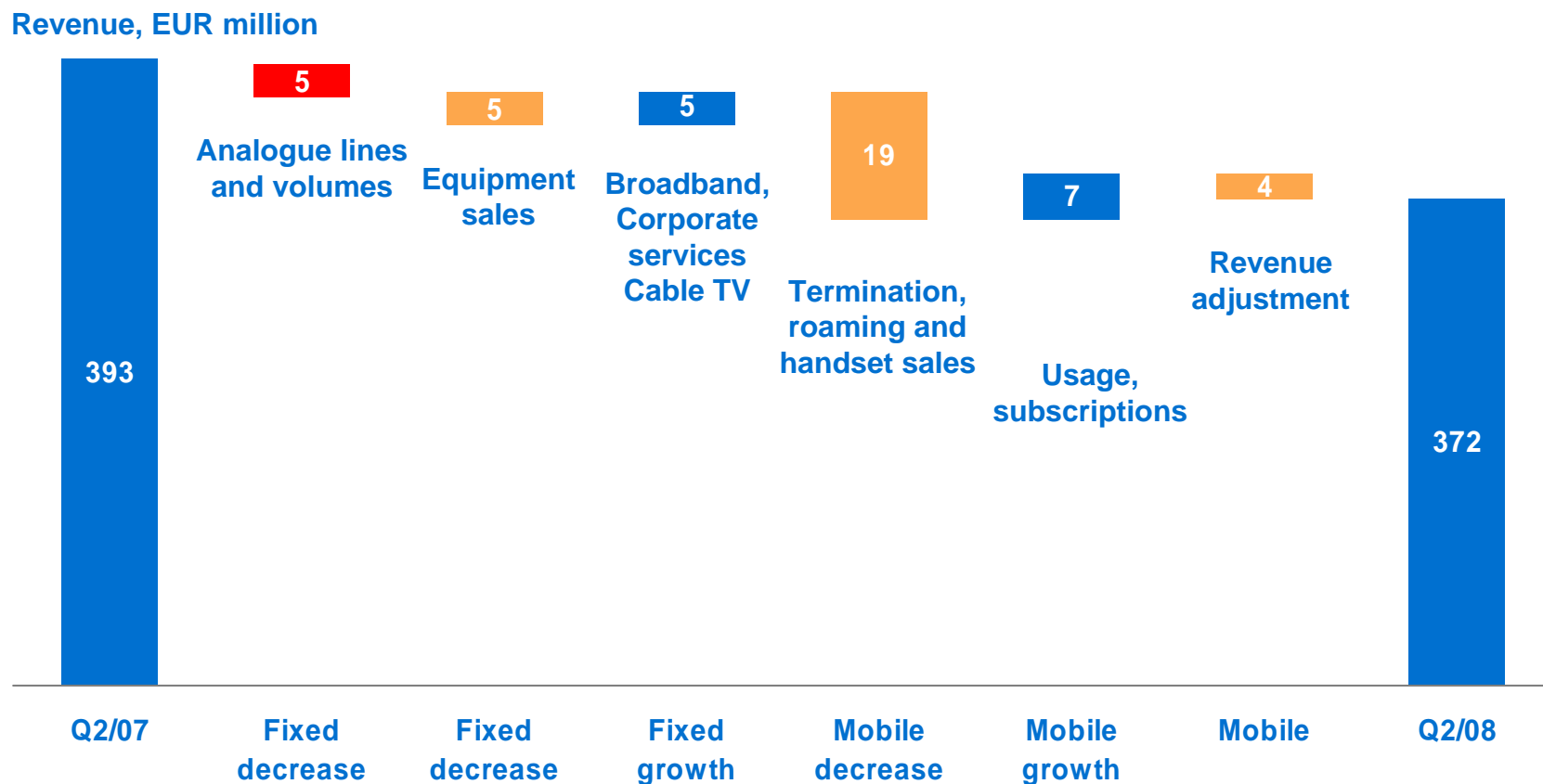
Billing and CRM system implementation

Extra EUR 4m expenses in Q2

- IT costs
- External services

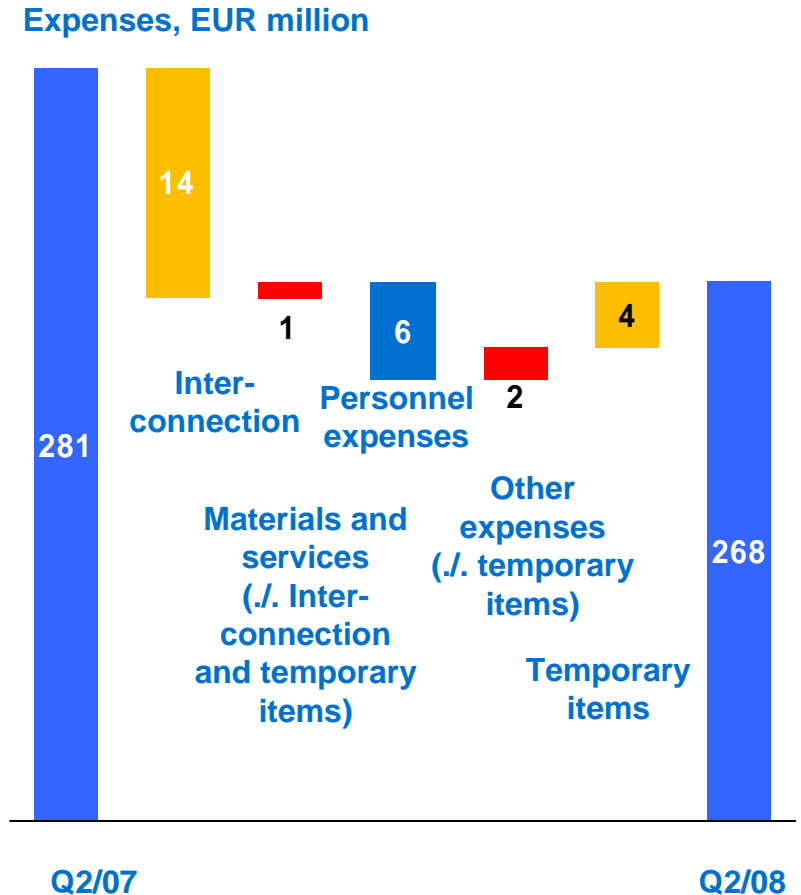
- Booked as ordinary expenses (not non-recurring)
- Discussions with suppliers ongoing
 - Arbitration proceedings started with IBM
- In H2 extra expenses will continue to decrease

Underlying revenue growth in customer billing



Excluding interconnection and temporary items expenses decreased

- Interconnection and termination cost EUR 14m lower y-o-y
- Employee expenses continued to decrease
- Temporary CRM implementation costs EUR 4m in Q2



2008 outlook is reiterated due to strong H2

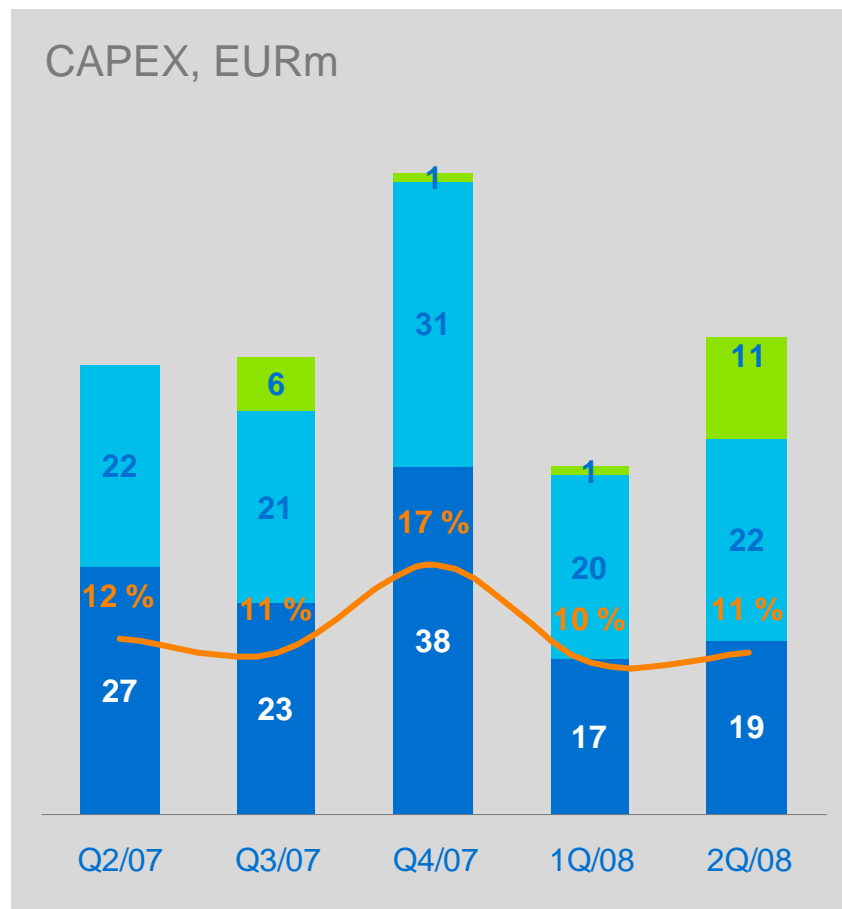
- EBITDA Improvement needed approx. EUR 50m in H2 2008
- Elisa's competitiveness has improved markedly: customer service quality improved – lower churn and strong growth in customer intake

Sources for EBITDA improvement EUR 45 – 60m

- Revenue adjusting items
 - Billing and CRM system costs
 - Revenue growth
 - New cost savings
 - Seasonality
- } EUR 15 – 20m
- } EUR 30 – 40m

CAPEX decreased 16% to EUR 41m

- CAPEX / Sales 11% in Q2/08
- CAPEX includes
 - 3G networks' capacity and coverage
 - Access and backbone networks
 - IT systems
- Q2 CAPEX by segments
 - Mobile EUR 22m
 - Fixed network EUR 19m
- Shares
 - 3.5% of regional telecom company, VLP
 - 100% of IT company, Electur



■ Fixed Line ■ Shares
■ Mobile ■ CAPEX/Sales

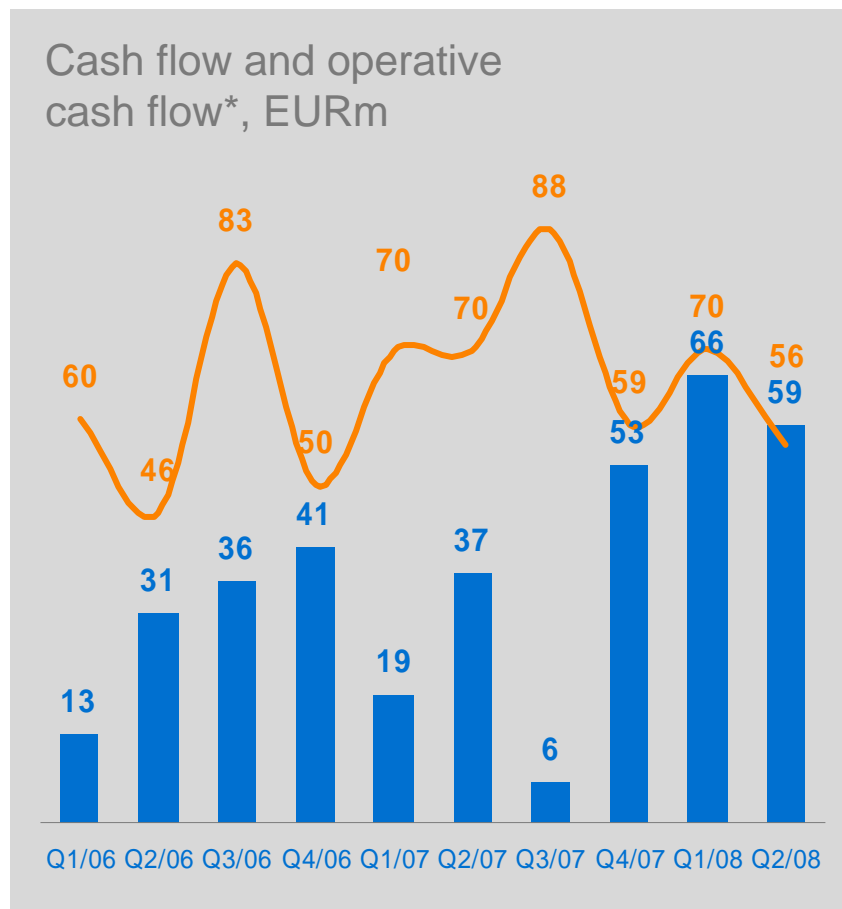


Cash Flow grew 59% to EUR 59m

EUR million	Q2/2008	Q2/2007	2007	Change y-o-y
EBITDA	105	127	499	-22
Change in receivables	43	-22	-116	65
Change in inventories	0	-2	10	2
Change in payables	-13	9	7	-22
Change in NWC	30	-15	-100	45
Sale of Comptel shares	0	0	13	0
Interest paid and received	-6	-2	-32	-4
Financials (net)	-6	-2	-19	-4
Taxes for the year	-11	-4	-53	-7
Taxes for the previous year	-11	-29	-29	18
Taxes	-22	-33	-82	11
CAPEX	-40	-46	-204	6
Investments in shares	-9	-2	-6	-7
Sale of assets and adjustments	0	8	25	-8
Cash flow after investments	59	37	114	22

Cash flow improved in Q2

- Cash flow EUR 59m in Q2
- Change in net working capital EUR 30m
 - Decrease in receivables EUR 43 m
 - Normal seasonality in fixed line billing
 - Invoicing of the delayed bills
 - Decrease in payables EUR 13m



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

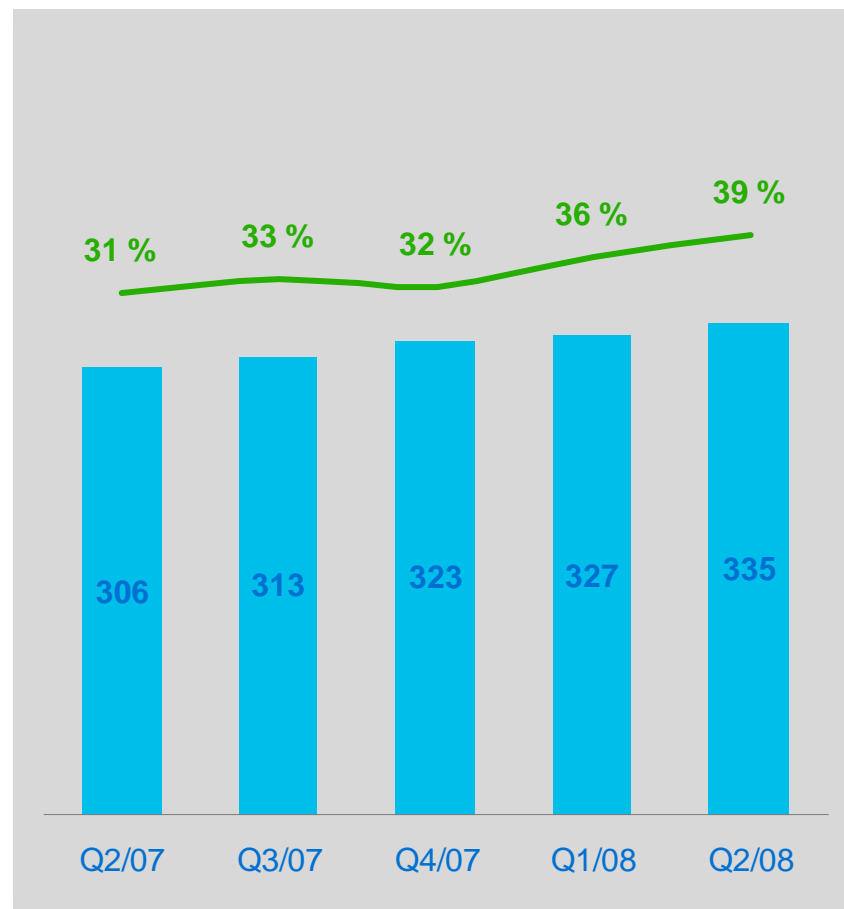
■ Cash Flow after investments
■ EBITDA - CAPEX



Continued solid performance in Elisa Estonia

- Change in termination fees decreased revenue
- Sale of overdue receivables improved profitability in Q2
- Subscriptions grew 27,200 y-o-y

EUR million	Q2/08	Q2/07	2007
Revenue	26.4	29.4	113
EBITDA	10.4	9.1	36
<i>EBITDA-%</i>	<i>39%</i>	<i>31%</i>	<i>32%</i>
EBIT	7.3	6.4	25
<i>EBIT-%</i>	<i>28%</i>	<i>22%</i>	<i>22%</i>
Capex	3	2	11

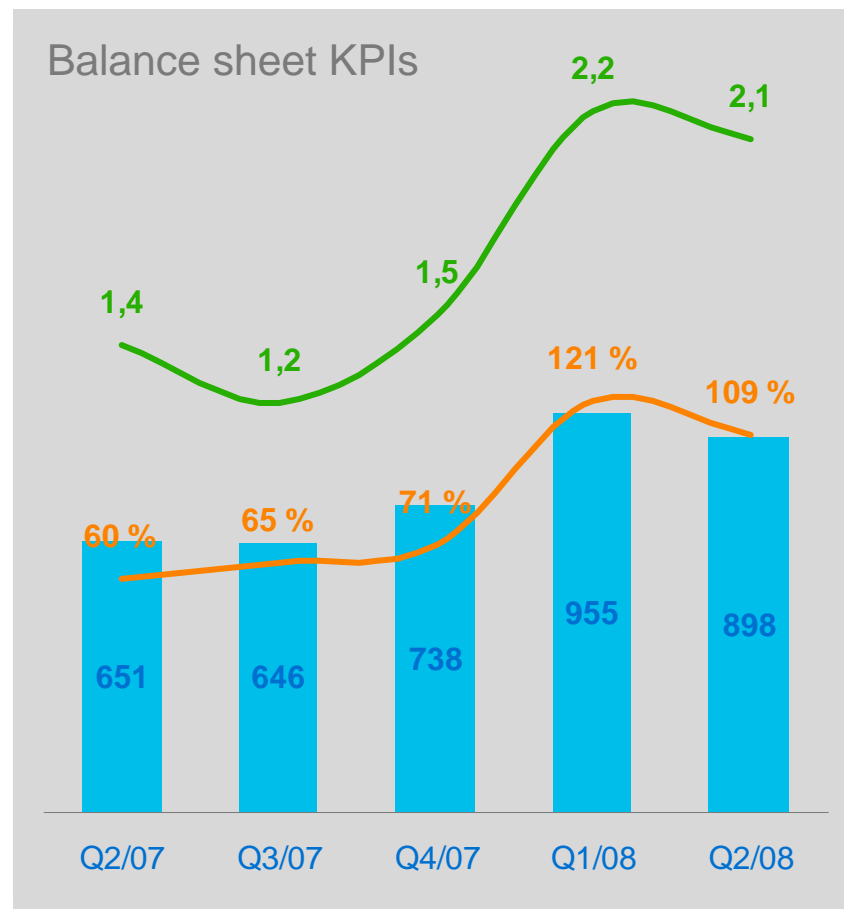


■ Subs thousands ■ EBITDA%



Capital structure ratios above target level

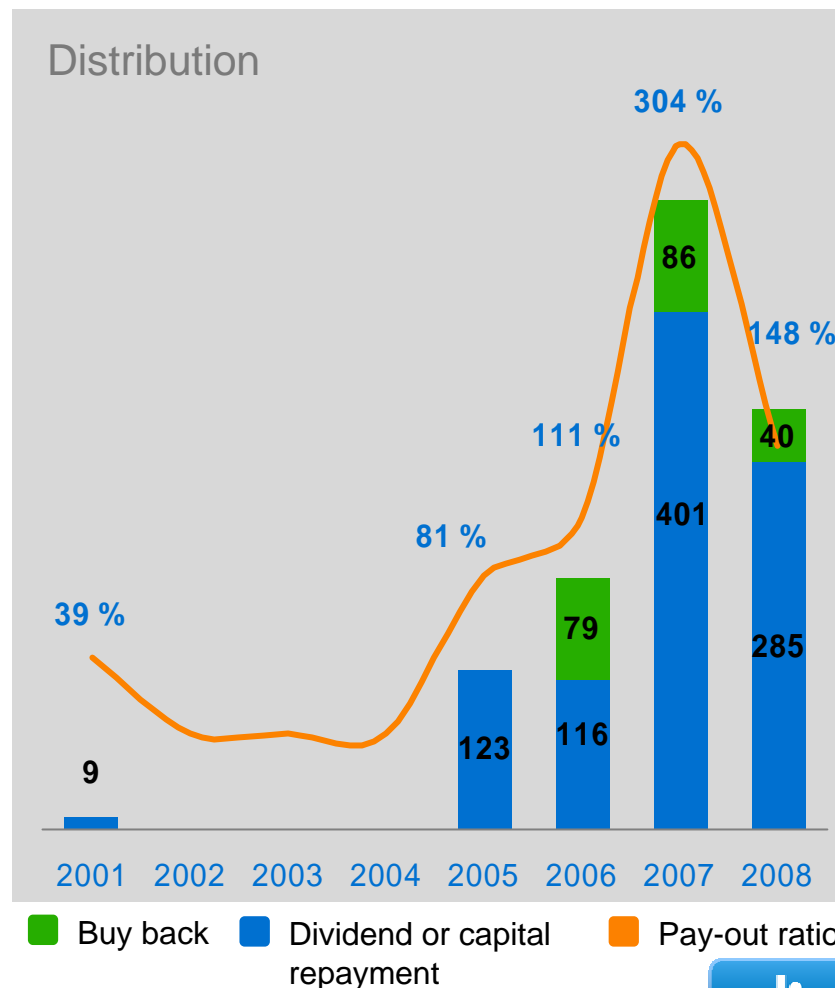
- Capital structure ratios above target level after the capital repayment
 - Net debt / EBITDA 2.1*
 - Gearing 109%
 - H2 cash flow decrease the ratios to target range
- Target setting
 - Net debt / EBITDA 1.5 – 2x
 - Gearing 50 – 100%



*) Net Debt / Q1 2008 EBITDA x 4

High distributions during last few years

- The Board has decided to start share buy back of max. 3.0 million shares
 - Approximately EUR 40 million at the 30.7.2008 closing price
 - Approximately 1.9% of the outstanding shares
- Distributable equity EUR 372m in the end of Q2
- Authorisation from the shareholders
 - Special dividend or capital repayment up to EUR 250m
 - Share buy-backs up to 15m shares





Second Quarter Results 2008

1 August 2008