

elisa

Roadshow

September 2005

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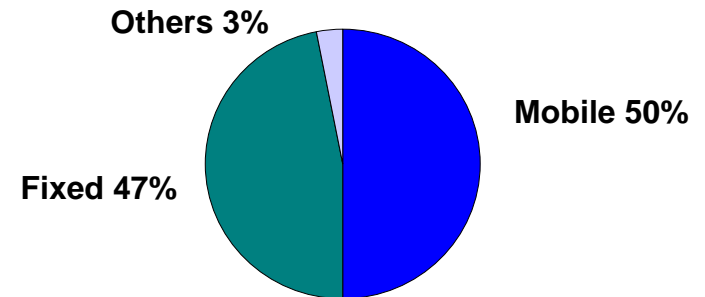
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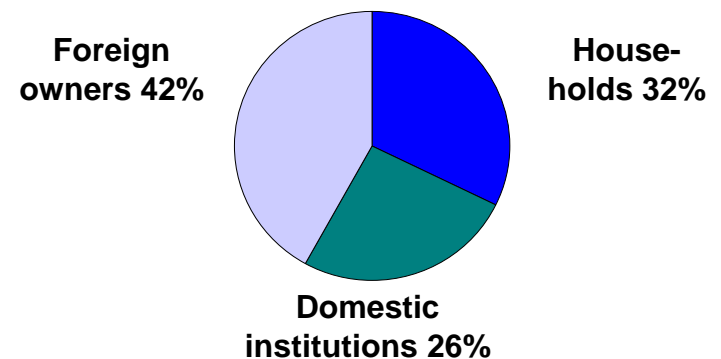
Elisa Today

- Full range of telecom services
 - No 1 fixed network operator
 - No. 2 mobile operator in Finland and in Estonia
- Offering Pan-European and global scope through partnerships
 - Vodafone and Telenor
- Key figures in H1 2005
 - Revenue € 669m, EBITDA € 267m, Net profit € 128m, FCF € 162m, employees 4,990, CAPEX € 88m
- Market cap € 2,1bn

Revenue per segment in Q2 2005



Shareholder structure, Aug 2005



Elisa Q2 2005 highlights

- Elisa continued its success in fierce competition, market position strengthened
- Elisa will improve its market position further with the Saunalahti transaction
- Fierce competition and price erosion continued
- Simplification of company structure proceeded well
- Financial position strengthened

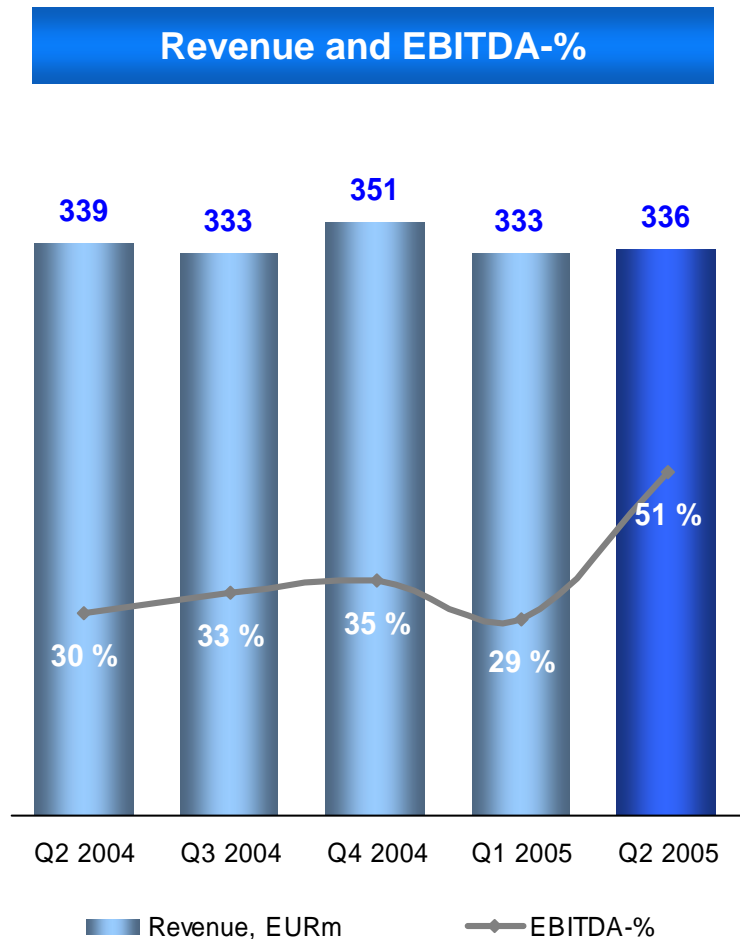


Operative result as expected





- Revenue EUR 336m (339)
- EBITDA EUR 170m (102)
 - One-off items EUR 86m, operative EBITDA EUR 84m
- EBIT EUR 118m (48)
- Pre-tax profit EUR 113m (41)
- EPS EUR 0.66 (0.20)

Strong financial position

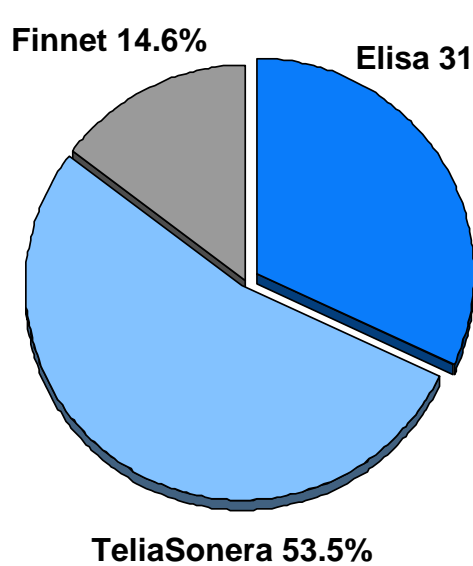
- Cash flow EUR 136m (88)
 - One-off income improved cash flow
- Net debt EUR 364m (581)
- CAPEX 14% of revenue (10)
- Equity ratio 55% (43)



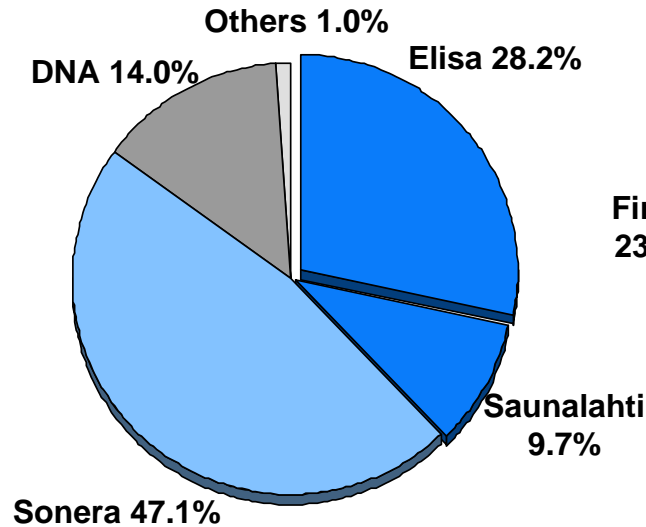
Actors in the Finnish mobile market Q2 2005

Network operator	Elisa 	TeliaSonera Finland 	Finnet Networks 
Own service providers	Elisa Kolumbus (side-brand)	Sonera Tele Finland Zero Forty	DNA
MVNO's	Saunalahti ← Tele2 	Saunalahti	
Independent service operators	TDC Song Cubio MTV3 Fujitsu Services	AGN SK Mobile Globetel Netfonet	Maingate Fujitsu Services Go Mobile PG Free
Resellers	Stockman Dial Markantalo	Hesburger Kiss FM	

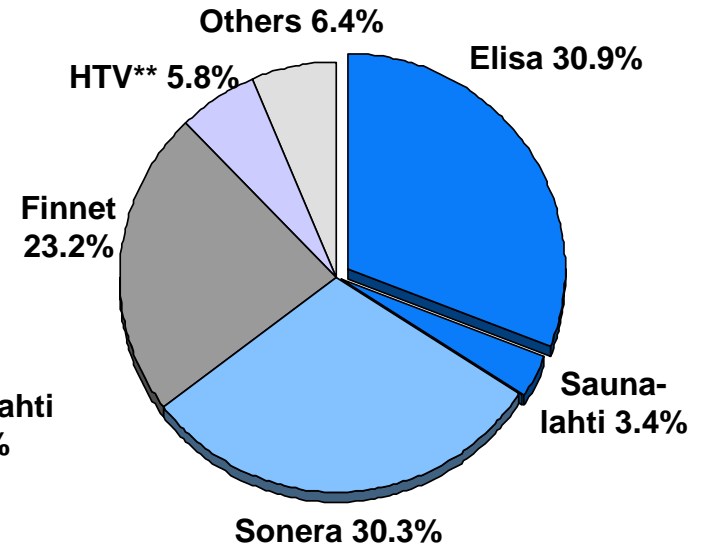
Market shares* in Q2 2005



Mobile network operators



Mobile service operators



Fixed broadband operators

* Elisa estimates

** Helsinki Television, cable-TV company

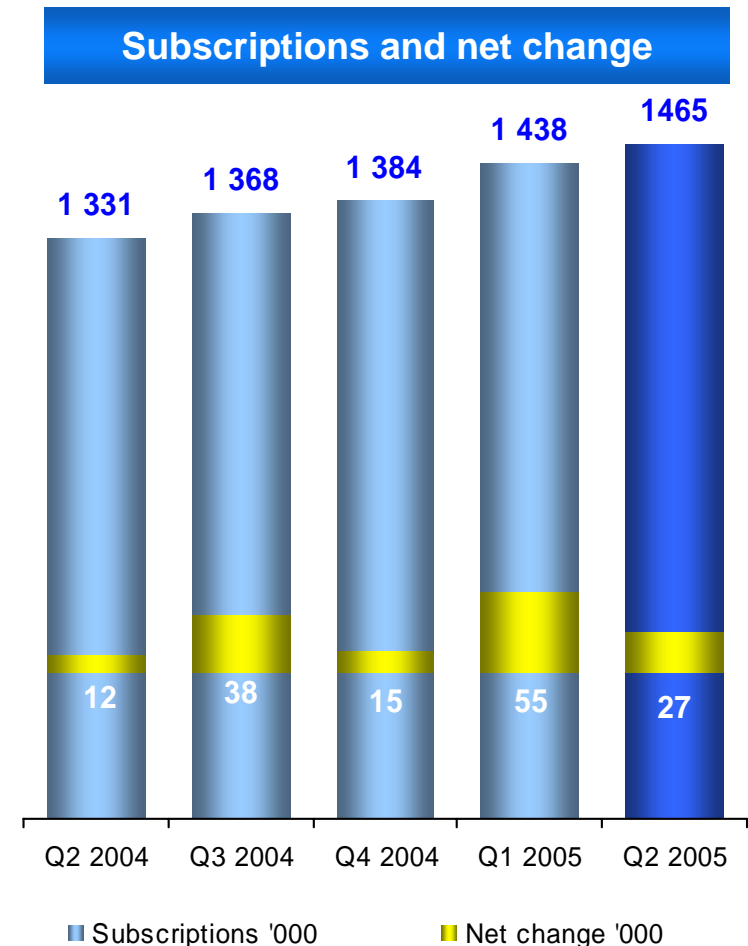
Mobile handset subsidies in 3G

- The Ministry of Transport and Communications proposes that the prohibition on bundling 3G mobile phones and subscriptions will be removed
- The proposal would enable a 24-month SIM-lock
- The law would take effect in before year end
- Elisa's strong retail chains and 3G network will give customers clear benefits
- As the leading promoter of this initiative Elisa continues discussions to remove the prohibition on bundling GSM phones and subscriptions as well



Growth in mobile subscriptions continued

- Net adds 26,600 in Q2
 - Strengthened market position
- Continued fierce competition
 - Churn 32.3% (29.4)
 - Price erosion continues, ARPU EUR 33.8 (38.2)
- Growth in network usage
 - MOU grew by 29% and SMS 34%
 - Growth in own service provider's numbers 12% and 9%, respectively
- Service operator market share 28%*

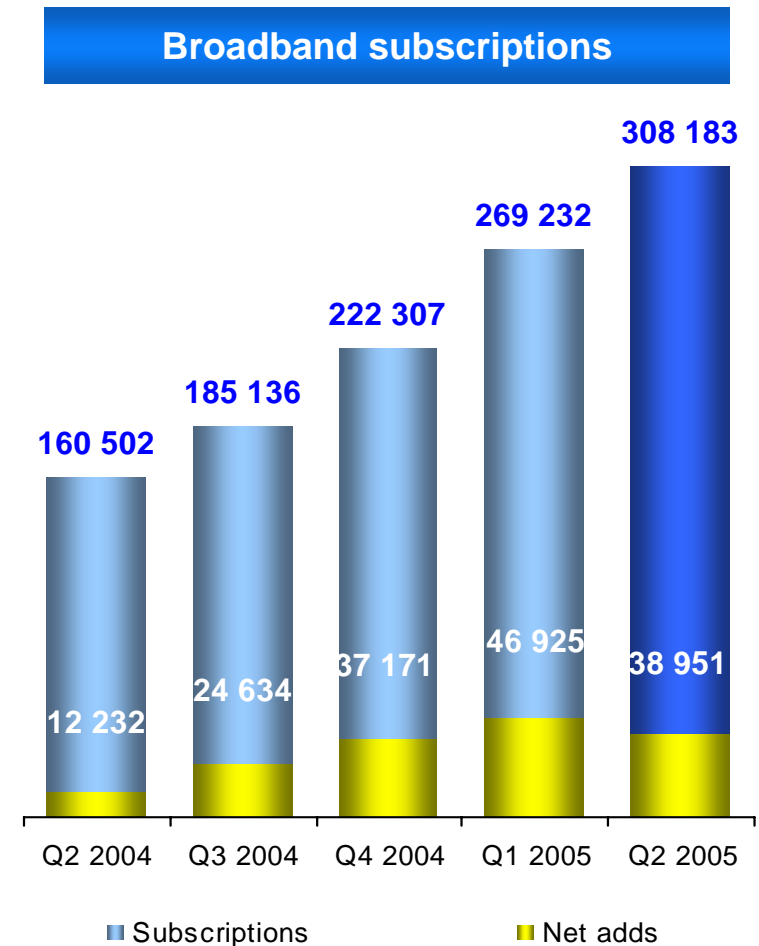


* Elisa estimate



Strong broadband sales continued

- ADSL subscription growth 92% yoy
- Net adds 39,000 in Q2
- Stronger market position, especially outside the capital region
- Decrease in analogue lines continued as expected
- Market share 31%*



* Elisa estimate



Saunalahti transaction

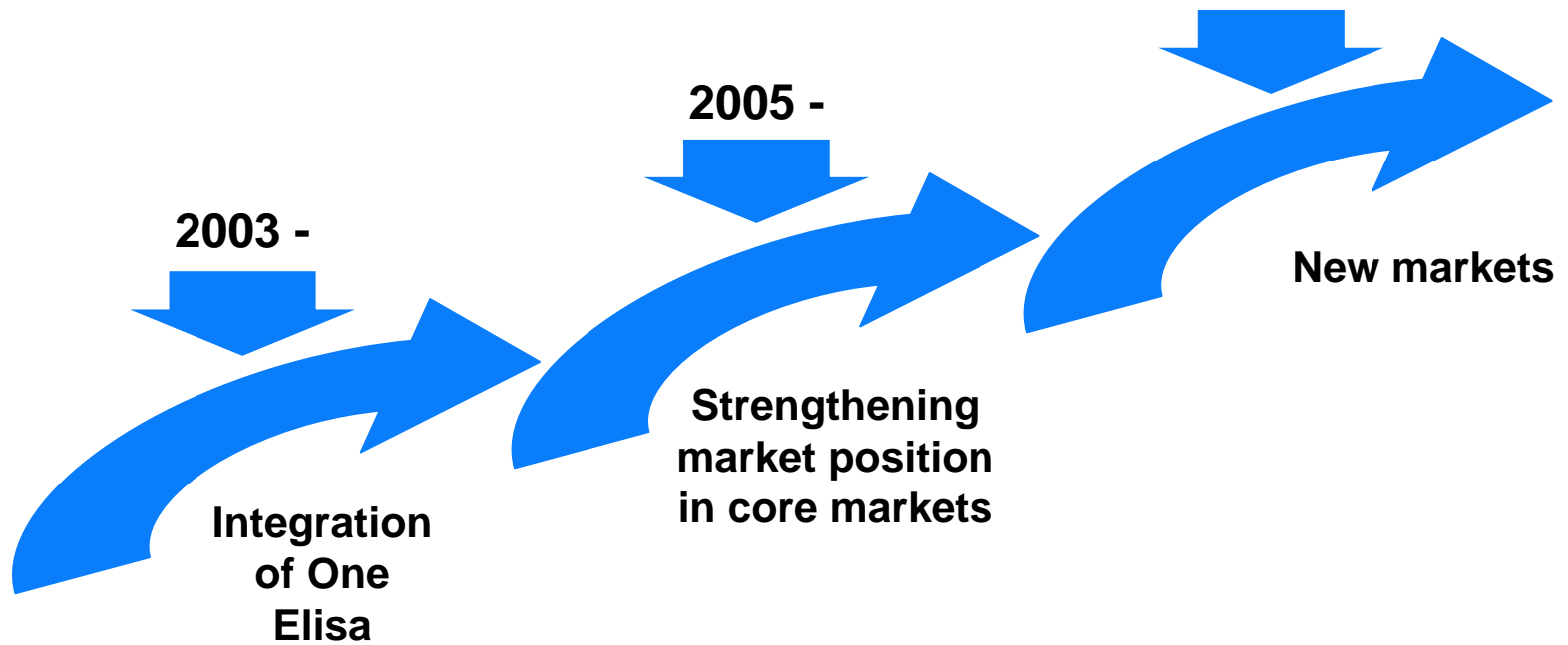
- Bigger and more competitive Finnish operator in all customer segments
- Saunalahti's competitive business model will continue with Saunalahti brand
- The combination will offer significant scope for increasing shareholder value
 - synergy benefits and further growth opportunities
- Synergy benefits estimate EUR 70m
 - networks, IT-systems, procurement ...
- Synergy benefits in full from the beginning of 2007
 - significant part already in 2006 (networks)
 - integration of businesses possible in 2006

Execution on progress

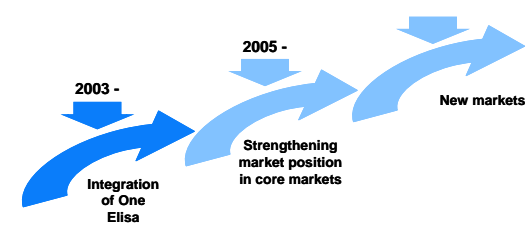
- Under discussion by the Finnish competition authority
- The processing time is from one to three months
- Share exchange offer has started and prospectus published



Elisa strategy



Operational priorities



Significant profitability improvement

- Sale of real estate
- Personnel reductions
- Ongoing cost cutting programs

Customer orientation

- Change in operational model
- New services: Elisa Mobi and Vodafone Pushmail
- A citizen certificate stored on SIM card
- Improvement in call centre services: short response time

Simplification of structure

- Sale of Comptel shares
- Tikka Communications to Elisa group

New services: Push Mail and Elisa Mobi

Vodafone Push Mail

- Real-time, secured services for e-mail, calendar and address book to handset
- Operates in all countries, where Elisa has a GPRS or 3G roaming agreement
- Operator independent service
- Available in several high end terminals



Elisa Mobi

- Handset and services form a seamless product
- Services integrated in the handset's menu functions
 - Internet, e-mail, news, weather, TV, radio, camera and pictures, messages, ringing tones, ...
- Operator independent, access to Elisa mobile portal
- Consumers main customer segment



Outlook for 2005

- Keen competition will continue
- Elisa continues to strengthen its market position
- Comparable revenue at 2004 level – competitiveness will improve and profitability remains good
- No major changes in H2 comparable EBITDA and EBIT compared to H1 levels
 - Assumption: MVNO traffic, especially from Saunalahti, will increase significantly
 - Estimates do not include effects of Saunalahti transaction
- CAPEX maximum 13% of revenue and cash flow clearly positive



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Consolidated Cash flow statement

CONSOLIDATED CASH FLOW STATEMENT

EUR million	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004
Cash flow from operating activities					
Profit before tax	113	39	65	50	41
Adjustments to profit before tax	-11	47	34	57	46
Change in working capital	8	-26	18	-16	27
Cash flow from operating activities	109	60	117	92	114
Received dividends and interests and interest paid	-4	-7	-5	-11	-8
Taxes paid	-2	-1	-5	0	-6
Net cash flow from operating activities	103	53	107	81	101
Cash flow in investments					
Capital expenditure	-38	-41	-54	-41	-33
Investments in shares and other investments	-14	1	-2	0	-8
Proceeds from asset disposal	85	13	6	31	29
Net cash used in investment	33	-27	-50	-10	-13
Cash flow after investments	136	26	57	71	88
Cash flow in financing					
Sales of treasury shares			6		
Change in interest-bearing receivables	0	0	-1	0	25
Repayment of long-term debt	-70	-15	-110		-1
Change in short-term debt	-2	1	0	0	-14
Repayment of financing leases	-4	-4	-5	-6	-4
Dividends paid	-5	-55	-3	0	-9
Cash flow in financing	-82	-74	-112	-6	-3
Change in cash and cash equivalents	54	-48	-55	65	85

Financial situation

FINANCIAL SITUATION

(EUR million)

	30 Jun 2005	31 Mar 2005	31 Dec 2004	20 Sep 2004	30 Jun 2004
Interest-bearing debt					
Bonds and notes	458	463	467	570	571
Loans from the Pension fund	0	64	75	80	80
Loans from financial institutions	1	0	0	2	2
Financial leases	63	61	68	69	70
Committed credit line	0 1)	0	0	0	0
Others	13 2)	15	14	10	10
Interest-bearing debt, total	534	604	625	730	733
Security deposits	1	1	1	0	0
Securities 3)	139	67	96	129	114
Cash and bank	30	48	67	89	39
Interest-bearing receivables	170	116	164	218	153
Net debt 4)	364	489	462	513	580

- 1) The committed credit line is a joint EUR 170 million revolving credit facility with five banks, which Elisa Corporation may flexibly use on agreed pricing. The loan arrangement is valid until 17 June 2012.
- 2) Redemption liability for minority shareholders in Radiolinja (EUR 2,6m) and Yomi (EUR 3,1m) deposits in the Financial Services Office (EUR 7,2m).
- 3) Securities consists money-market instruments.
- 4) Net debt is interest-bearing debt less cash and interest-bearing receivables.

Elisa's quarterly key figures

Group							Segments						
EURm	Q2/05	Q1/05	Q4/04	Q3/04	Q2/04	Q1/04	Mobile	Q2/05	Q1/05	Q4/04	Q3/04	Q2/04	Q1/04
Revenue	336	333	351	333	339	333	Revenue	180	179	180	179	175	179
EBITDA	170	97	122	111	101	120	ARPU, EUR	33,8	34,6	37,0	37,5	38,2	38,6
<i>EBITDA-%</i>	<i>51 %</i>	<i>29 %</i>	<i>35 %</i>	<i>33 %</i>	<i>30 %</i>	<i>36 %</i>	Churn, %	32,3	33,5	38,9	21,6	29,4	47,4
Clean EBITDA	84	86	104	111	101	120	Subscriptions	1 465 066	1 438 452	1 383 515	1 368 515	1 330 901	1 319 007
<i>Clean EBITDA-%</i>	<i>25 %</i>	<i>26 %</i>	<i>30 %</i>	<i>33 %</i>	<i>30 %</i>	<i>36 %</i>	EBITDA	46	49	57	60	47	64
EBIT	118	45	69	57	48	67	<i>Clean EBITDA-%</i>	<i>26 %</i>	<i>27 %</i>	<i>32 %</i>	<i>34 %</i>	<i>27 %</i>	<i>36 %</i>
Clean EBIT	32	34	51	57	48	67	EBIT	24	27	35	36	25	42
<i>Clean EBIT-%</i>	<i>10 %</i>	<i>10 %</i>	<i>15 %</i>	<i>17 %</i>	<i>14 %</i>	<i>20 %</i>	<i>EBIT-%</i>	<i>13 %</i>	<i>15 %</i>	<i>19 %</i>	<i>20 %</i>	<i>14 %</i>	<i>23 %</i>
Pre-Tax Profit	113	39	48	50	41	56	CAPEX	22	13	22	18	17	26
Clean Pre-Tax Profit	27	28	30	50	41	56	Operative CAPEX	22	13	22	18	16	7
							Op.CAPEX/Sales	12 %	7 %	12 %	10 %	9 %	4 %
Financial position							Fixed network						
Net debt	354	489	462	513	580	660	Revenue	170	162	162	161	166	164
Equity ratio	55 %	49 %	49 %	43 %	43 %	41 %	Subscriptions, total	1 263 300	1 246 175	1 219 547	1 199 494	1 190 101	1 194 480
Net debt / EBITDA	0,8	1,2	0,9	1,1	1,4	1,4	Broadband subscriptions	308 183	269 232	222 307	185 136	160 502	148 270
Net interest coverage	30,3	14,9	20,3	16,0	14,4	12,0	ISDN channels	141 743	149 339	159 591	170 529	180 618	190 921
Gearing	36 %	55 %	51 %	61 %	72 %	87 %	Cable TV subscriptions	204 528	200 864	198 447	193 750	189 534	186 097
							Analogue and other subs	608 846	626 740	639 202	650 079	659 447	669 192
Investments							EBITDA	43	40	48	50	48	55
in fixed assets	46	42	59	45	33	44	<i>EBITDA-%</i>	<i>25 %</i>	<i>25 %</i>	<i>30 %</i>	<i>31 %</i>	<i>29 %</i>	<i>34 %</i>
Operative CAPEX/Sales	14 %	13 %	17 %	14 %	10 %	13 %	EBIT	17	13	20	24	20	27
in network buy-backs	0	0	0	0	1	19	<i>EBIT-%</i>	<i>10 %</i>	<i>8 %</i>	<i>12 %</i>	<i>15 %</i>	<i>12 %</i>	<i>16 %</i>
in shares	31	3	53	0	8	0	CAPEX	23	24	31	22	15	15
Total	77	45	112	45	42	63	Operative CAPEX	23	24	31	22	15	15
CAPEX/Sales	23 %	14 %	32 %	14 %	12 %	19 %	Op.CAPEX/Sales	14 %	15 %	19 %	14 %	9 %	9 %