



2nd QUARTER RESULTS 2013

Q2



Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

CEO's review

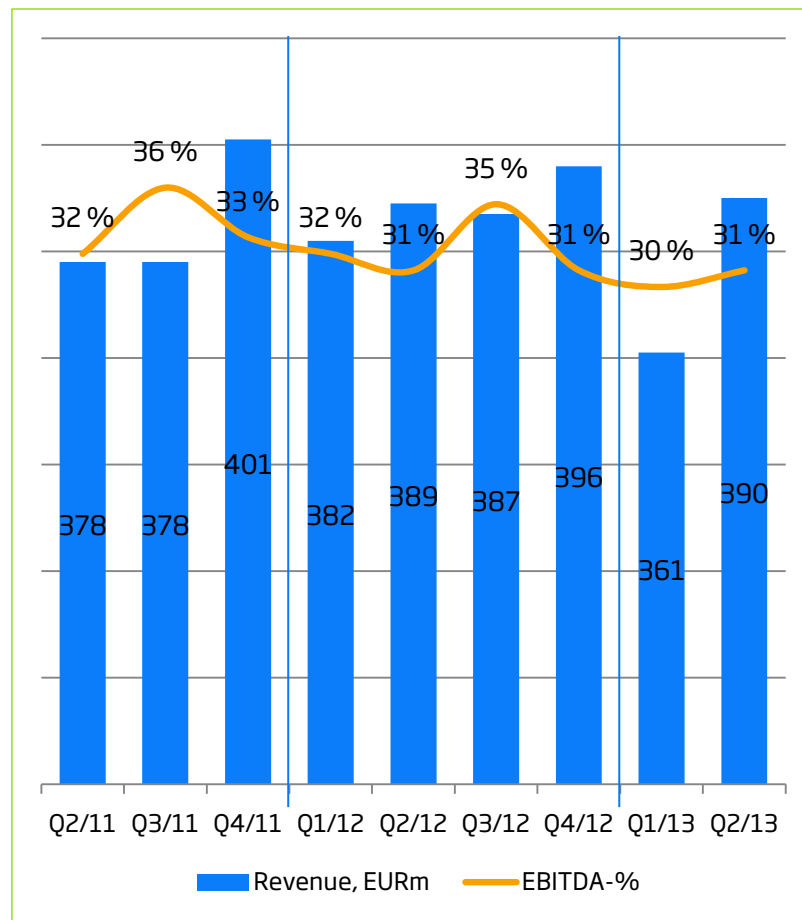
- Q2 2013 financial and operational highlights
- Segment review
- Strategy execution
- Outlook for 2013

Q2 2013 highlights

- PPO companies consolidated as of 1 May
- Intense competition in mobile continued
- Macro environment still challenging
- Mobile subscription base continued to grow
- Smartphone market continued to grow
- Elisa Viihde IPTV success continued
- Fixed broadband base increased markedly due to PPO acquisition
- Accelerated cost efficiency measures continue

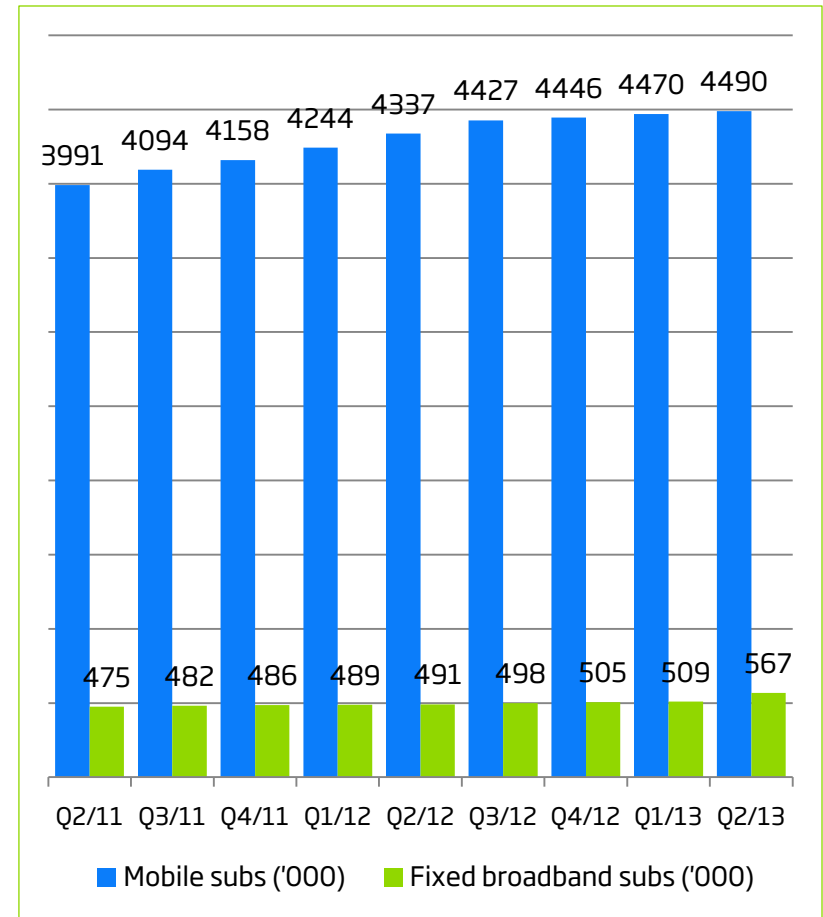
Revenue and EBITDA at last year's level

- Revenue €390m (389)
- EBITDA €122m (122), 31% of revenue (31)
- EBIT €69m (72)
- EPS €0.30 (0,32)
- CAPEX €47m (51), 12% of revenue
- Net debt €1,042m (909)
 - PPO acquisition and dividend payment
 - Cash flow €54m (47) excluding PPO acquisition
 - Net debt / EBITDA 2.1 (1.8)



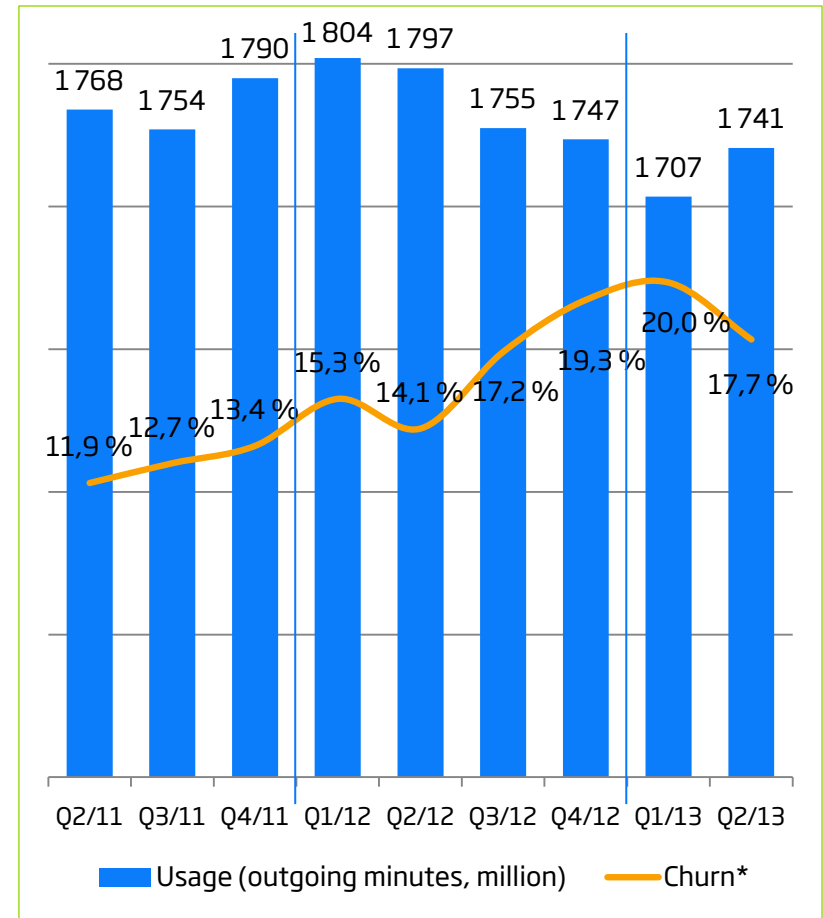
Growth in subscription bases

- 19,700 new mobile subscriptions
 - Growth in corporate segment, slight decrease in consumer segment
 - Estonia +5,400 subscriptions
- Strong growth in fixed broadband
 - Through PPO acquisition +58,300 subscriptions
- Elisa Viihde IPTV customer base continued to grow



Mobile usage up, churn down

- Mobile data YoY growth +60%
- Outgoing minutes 1.74bn, slight increase
- 570m SMS, YoY growth +2%
- Churn* 17.7% (14.1)

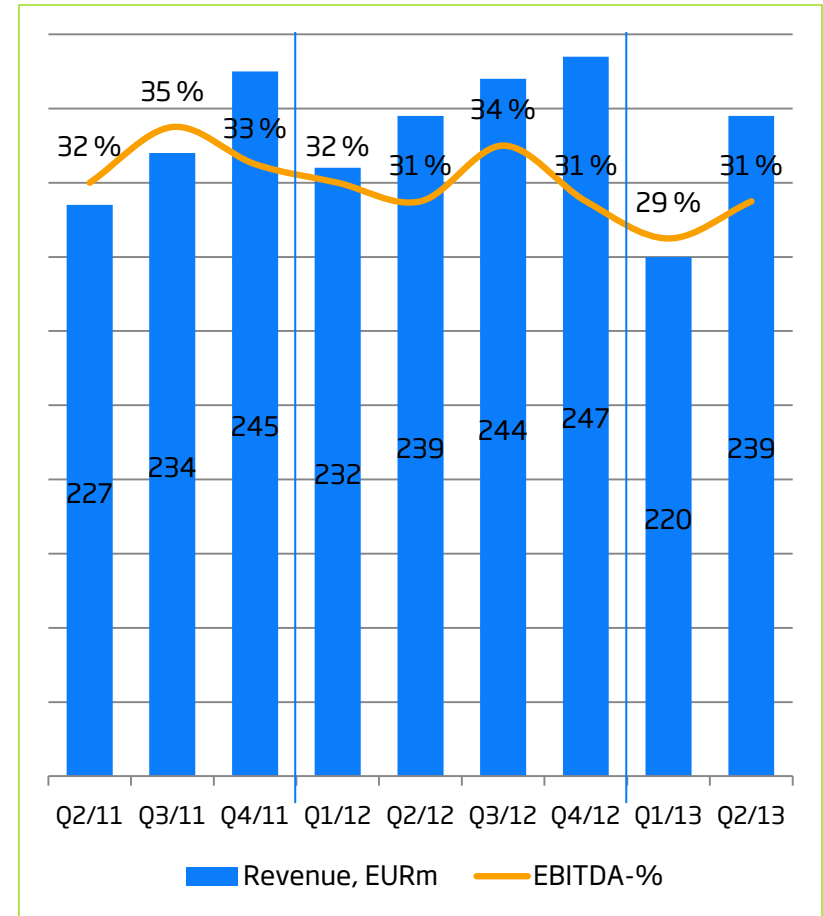


* Annualised

Business Segments

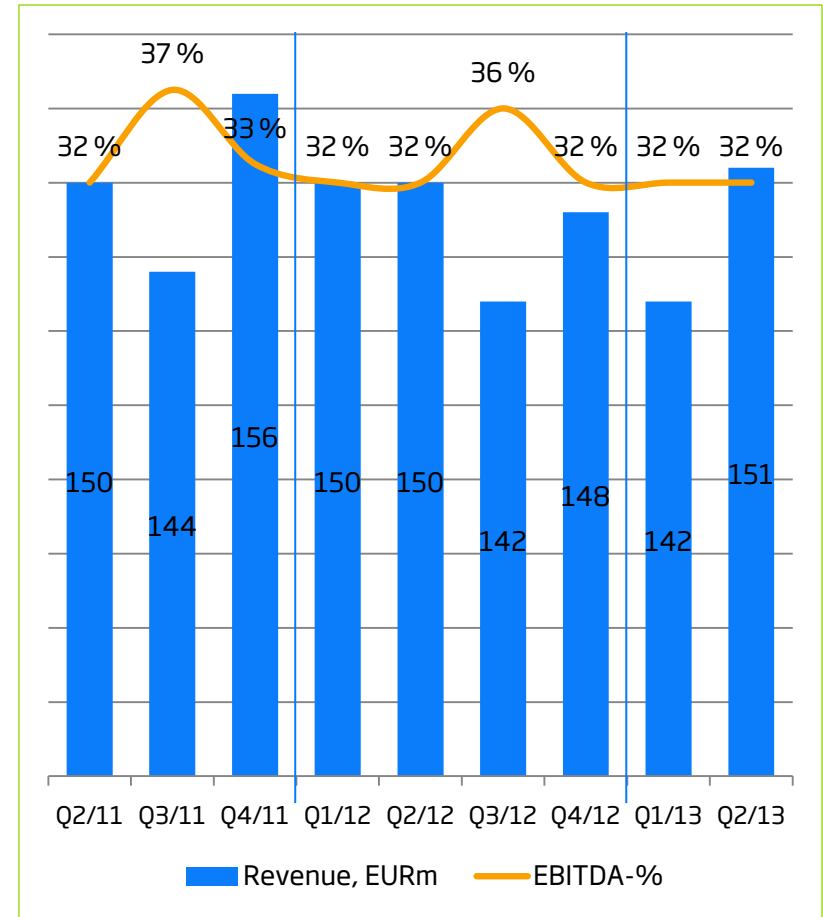
Revenue and EBITDA at last year's level

- Revenue €239m (239)
 - Growth in new services
 - PPO acquisition
 - Decrease in traditional fixed network business, mobile usage and interconnection revenue
- EBITDA €74m (74), 31% of revenue (31)
- CAPEX €25m (30)



Growth through ICT services and PPO

- Revenue €151m (150)
 - Growth through ICT services and PPO acquisition
 - Decrease in traditional fixed network business and interconnection revenue
- EBITDA €48 (48), 32% of revenue (32)
- CAPEX €22m (21)



Strategy execution

Build value on data

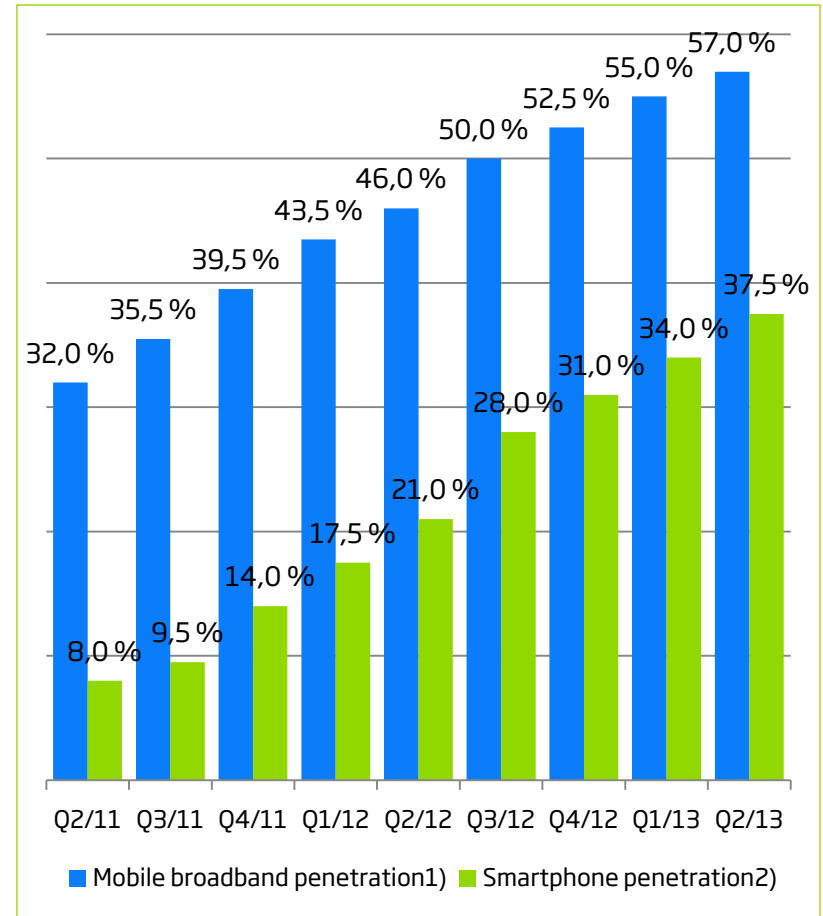
Accelerate new services businesses

Improve performance with
customer intimacy and operational excellence

Mobile data growth continues

- Over one in three customers uses a new type of smartphone
- Smartphones top the list of most sold phones in June
 1. Nokia 301 (feature phone)
 2. Samsung Galaxy S 4
 3. Samsung Galaxy S III
 4. Apple iPhone 5
 5. Nokia Lumia 720
- 82% of all models sold were smartphones in Q2

Penetration in Elisa's network in Finland



- 1) 3G/4G dongles and mobile BB add-on services (min. 384 kb/s) of the total subscription base excluding M2M and service operator subs
- 2) iOS (iPhone), Android, Symbian 3^ and Windows phones of the total phone base (no tablets)

Security service enhanced

- Security service to enable secure online banking connection
- Security coverage for mobile devices and computer in one package
- Cooperation with F-Secure



Ensimmäinen suoja,
joka torjuu myös
verkkopankkirosvot.

Saunalahti Turvapaketti on uusi turvapaketti,
joka estää ulkopuolisten pääsyn koneellesi verkkopankin
käytön aikana. Näin se estää verkkopankkirosvot
pitänyt käyttäjä tilisi.

Uusi tapa suojata kaikki laitteesi
yhdellä pikku laskulla:

Saunalahti TURVAPAKETTI
alk. **2,90 €/kk**

- Suojaa verkkopankin käyttöä koskevaa
- Suojaa verkkopankin käyttöä koskevaa
- Suojaa verkkopankin käyttöä koskevaa

Kysy lisää myyjältä.

Saunalahti.fi

Exclusive rights to sell new smartphone

- Huawei Ascend P6 smartphone presales with exclusive right
 - Thinnest smartphone at the moment
- Will be launched in six countries in addition to Finland
 - Long-term cooperation with Huawei guaranteed exclusive right



HBO TV series to Elisa Viihde IPTV

- HBO TV series to be available 24 hours after premiering in the US
 - Finnish subtitles
 - All new series in program library
 - Other Hollywood studios' movies and series also provided
- 70% of Elisa Viihde users watch TV series



New features in Elisa Wallet service

- Elisa "money message" transfers payments to all mobile subscriptions
 - First payment service in Finland based on mobile number
 - Easy to use for small loans and repayments
 - Easy registration for service through Elisa Wallet message

elisa

Lompakon ominaisuudet puhelimesi

Katso demo

Elisa Lompakko Ominaisuudet Käyttöönotto

Maksa niin kaupassa kuin verkossakin

Elisa lompakko tekee maksamisesta helppoa - sinun tarvitsee vain koskettaa maksupäätettä puhelimeen kiinnitettyllä maksutarralla.

Uusi kätevämpi tapa maksaa

Lähimaksaminen on tarkoitettu enintään 25 euron maksuille ja on käteistä tai kortteja nopeampi tapa maksaa pieniä maksuja: kosketat vain maksupäätettä puhelimeesi kiinnitetyllä maksutarralla. Maksutapaan soveltuvat päätteet ovat jo laajasti käytössä maailmalla ja yleistyvät myös Suomessa kovaa vauhtia. Maksutapaan soveltuvat

Municipal service models have productivity potential

- Study results on how to improve municipal service models using technology show:
 - Significant need for reform in transaction services and municipal service solutions
 - Need for support-services in sparsely populated areas and reform tools for mobile personnel



Outlook for 2013

- Macroeconomic environment still weak in 2013
- Competition remains challenging
- Revenue at the same level or slightly higher than last year
- EBITDA excluding one-offs at the same level as last year
- CAPEX approximately 13% of revenue
 - PPO consolidation
 - Mid term target of maximum 12% still valid

Agenda

CEO's review

Veli-Matti Mattila, CEO

Financial review

Jari Kinnunen, CFO

Improvement from previous quarter

EUR million	Q2/13	Q2/12	Δ ²⁾	Δ %	H1/13	H1/12	Δ ²⁾	Δ %
Revenue	390	389	1	0 %	751	771	-20	-3 %
Other operating income	1	1			1	2		
Operating expenses	-269	-269			-522	-530		
EBITDA ¹⁾	122	122	-0	0 %	231	243	-12	-5 %
EBITDA-%	31 %	31 %			31 %	32 %		
Depreciation and amortisation	-53	-50	-3		-102	-103	0	
EBIT	69	72	-3	-4 %	128	140	-12	-8 %
EBIT-%	18 %	19 %			17 %	18 %		
Profit before tax	63	66	-3		117	127	-10	
Income taxes	-16	-15	-0		-29	-28	-0	
Profit for the period	48	50	-3		88	98	-11	
EPS, EUR/share	0.30	0.32	-0.02	-7 %	0.56	0.63	-0.07	-12 %

1) Excluding non-recurring items: H1/13 EBITDA EUR 233m, EBIT EUR 130m, profit before tax EUR 118m and EPS EUR 0.57

2) Difference is calculated using exact figures prior to rounding

Good progress in efficiency improvements

Elisa well on track with accelerated cost efficiency measures in:

- Streamlining product portfolio
- Increasing efficiency in customer service
- Improving sales efficiency
- Simplification of IT
- Decreasing costs in general administration

Results in H2/13 and continuing in 2014

- Restructuring charges expected in Q3 and Q4

Integration of PPO on track

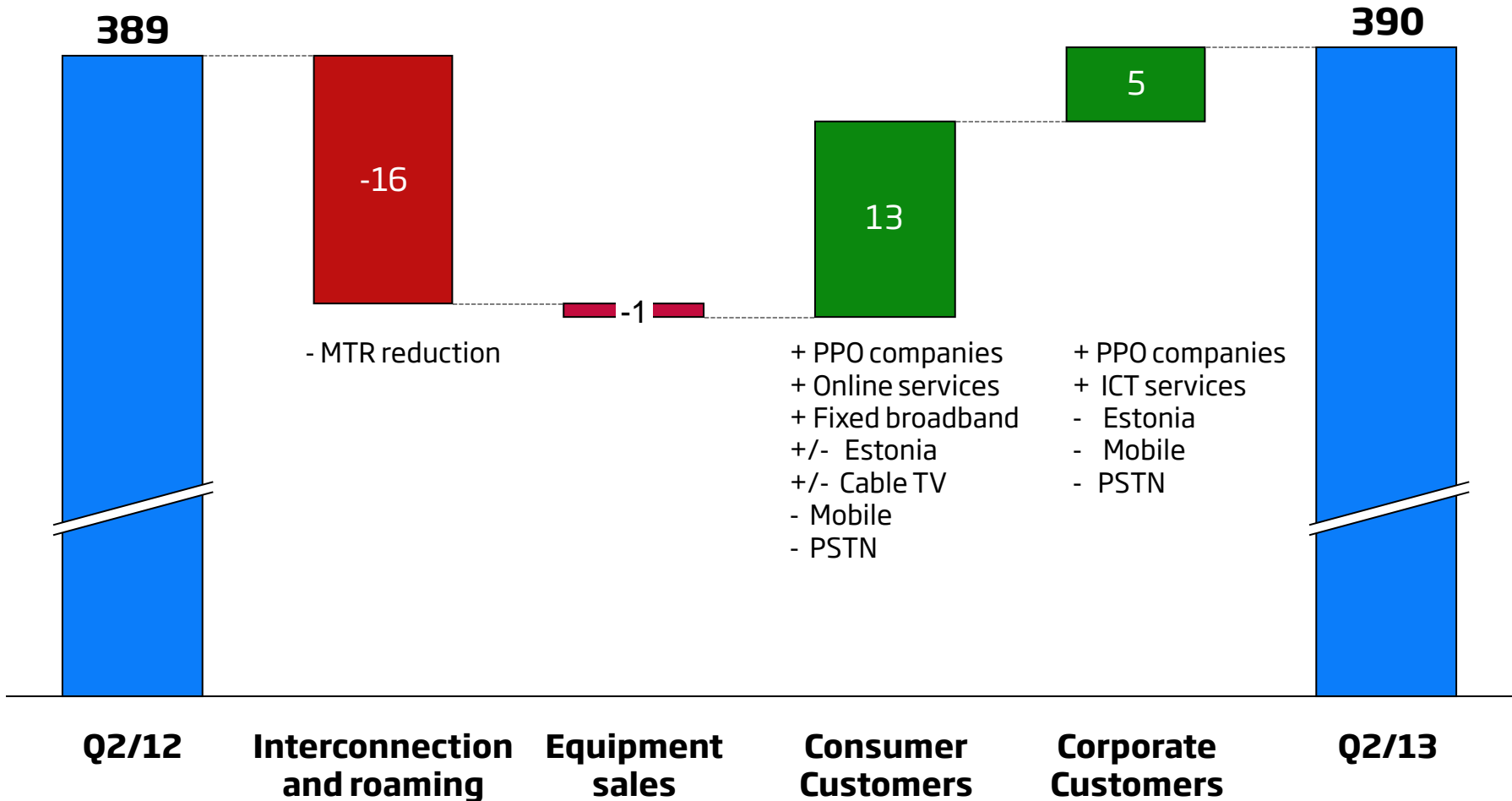
- PPO acquisition closed on 30 April
 - Consists of PPO-Yhtiöt 100%, Kymen Puhelin 49% and Telekarelia 67%
- Acquiring minorities in Kymen Puhelin and Telekarelia
 - Share exchange for minority shareholders
 - Approximately 2 million Elisa shares
- Merger on 31.12.2013
- Synergies of EUR 10m in 2014, excluding Kymen Puhelin and Telekarelia still valid
- Kymen Puhelin and Telekarelia synergy estimate of €5-10m in 2015

	Elisa Q2/13	PPO companies ¹⁾
EUR million		
Revenue	390	15
EBITDA	122	4
EBIT	69	1
Subscriptions, thousands		
Traditional fixed	252	40
Fixed broadband	567	61
Cable TV	307	38
Personnel	4 506	393

1) Consolidation started 1.5.2013, included in Elisa's Q2/13 figures

Revenue change

Change Q2/13 vs Q2/12, EURm



Changes are rounded to millions

Total expenses at previous year's level

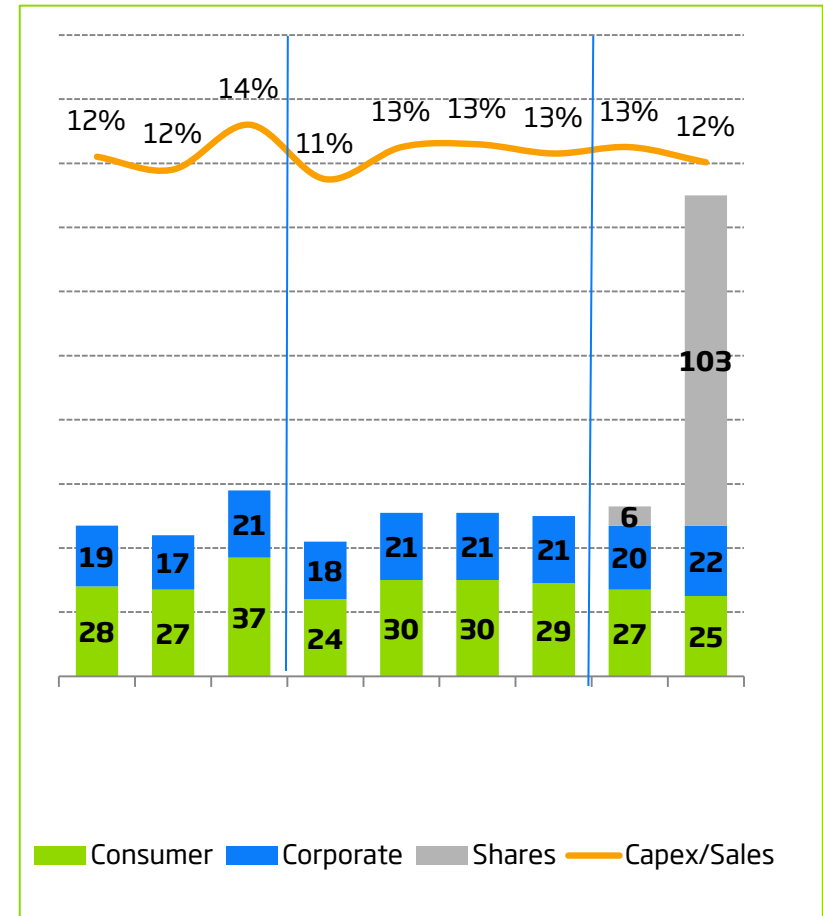
- OPEX decreases in Q2/13
 - Interconnection and roaming
 - Productivity improvements
 - network management and maintenance costs
 - general administration

- OPEX increases in Q2/13
 - Acquired companies
 - New service development
 - Personnel expenses
 - Acquired companies
 - Collective labour agreement salary increases 1.10.2012

EURm	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Materials and services	164	163	171	146	155
Employee benefit expenses	61	53	62	64	66
Other operating expenses	44	39	40	43	48
Total expenses	269	254	273	253	269
Depreciation	50	49	50	50	53

CAPEX in line with guidance

- Q2 CAPEX €47m (51)
 - CAPEX/Sales 12% (13)
 - Consumer €25m (30)
 - Corporate €22m (21)
- Major CAPEX areas
 - 3G and 4G coverage and upgrade
 - Fixed access and backbone networks
 - IT systems
 - Customer equipment
- Acquisition of PPO shares
 - EUR 101m original purchase
 - EUR 2m additional minority share purchase



Cash flow

EUR million	Q2/13	Q2/12	Δ ¹⁾	H1/13	H1/12	Δ ¹⁾	2012
EBITDA	122	122	0	231	243	-12	501
Change in receivables	3	22	-18	11	24	-13	-14
Change in inventories	3	0	3	5	-7	12	-19
Change in payables	-7	-16	9	-7	-25	18	-16
Change in NWC	0	6	-6	9	-9	18	-50
Financials (net)	-2	-2	0	-13	-21	8	-30
Taxes for the year	-16	-16	0	-31	-27	-4	-62
Taxes for the previous year	-1	-10	9	-1	-10	9	-10
Taxes	-17	-26	9	-32	-37	5	-72
CAPEX	-47	-51	5	-95	-91	-5	-189
Investments in shares ²⁾	-82	-1	-81	-88	-1	-87	-1
Sale of assets and adjustments	-4	1	-5	-4	0	-4	-5
Cash flow after investments	-30	47	-77	7	85	-78	155
Cash flow after investments excl. PPO acquisition ³⁾	54	47	6	95	85	10	155

1) Difference is calculated using exact figures prior to rounding

2) Acquisition price ./ cash in acquired companies

3) Excluding acquisition price ./ cash in acquired companies

MTR cuts effected Estonian revenue

- Revenue €24m (28)

- Revenue decrease 15%
- MTR decrease 79%
- Growth in mobile subs: +5 400 QoQ
- Mobile broadband growing

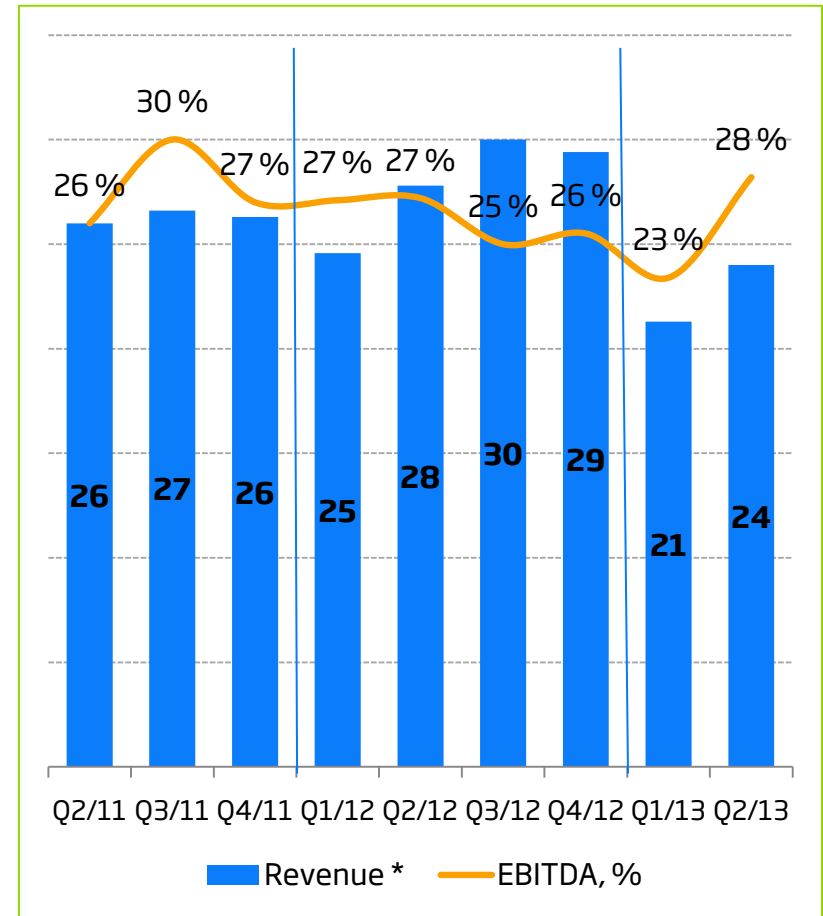
- EBITDA €7m (8)

- MTR decrease

- CAPEX 3m (1)

- 3G Coverage

Estonian MTRs	1 Jan 2012	1 Jul 2012	1 Jan 2013	1 July 2013
All operators, euro cents	7.02	6.32	1.47	1.29
MTR change, YoY			-79%	-80%

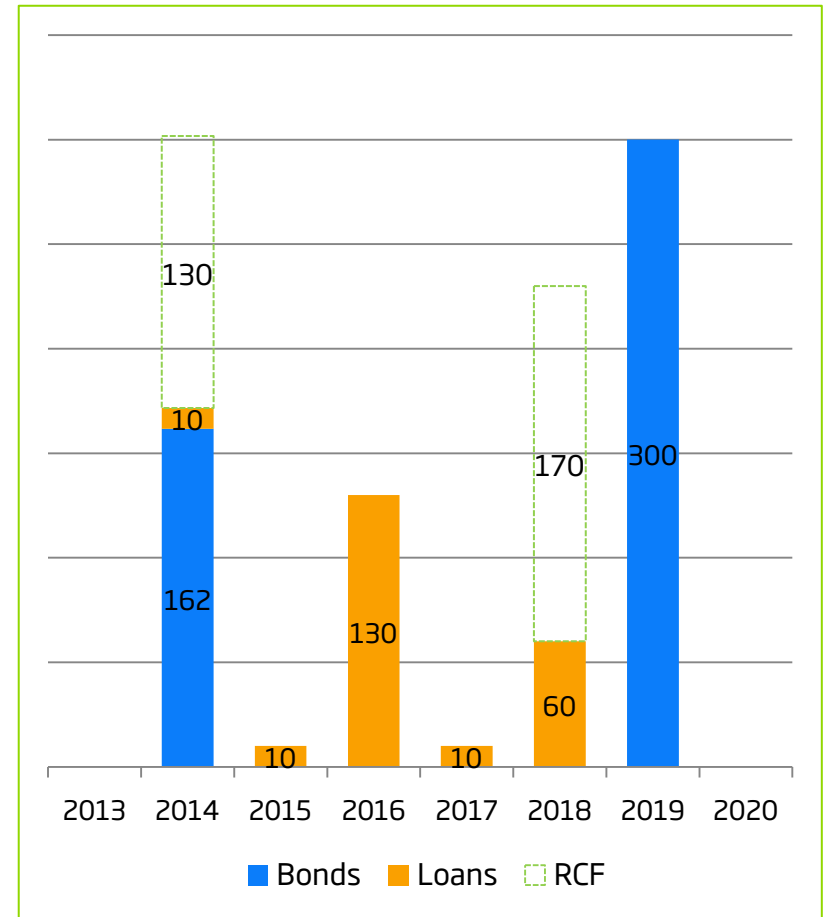


* Elisa Eesti AS including group items

Liquidity position remained good

- Cash and undrawn committed facilities €170m (364)
- Revolving Credit Facilities €300m
 - EUR 171m in use as 30 June
 - EUR 170m RCF was extended by 2 years to 2018
- Commercial Paper Program
 - €203.5m in use as 30 June
- Solid credit ratings since 2003
 - S&P BBB
 - Moody's Baa2

Bond and bank loan maturities



Net debt peaked in Q2

- Capital structure

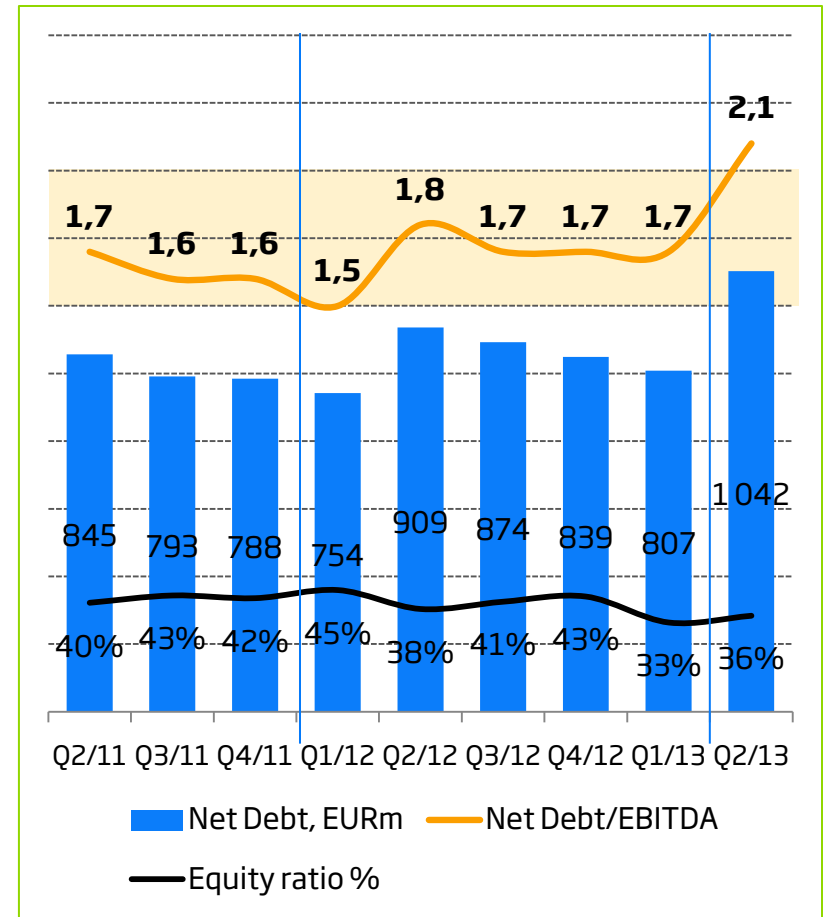
- Net debt / EBITDA 2.1
- Gearing 137%
- Equity ratio 36%

- Increase in net debt and net debt/EBITDA in Q2

- Dividend payment EUR 203m
- PPO Acquisition EUR 103m

- Target setting

- Net debt / EBITDA 1.5 - 2x
- Equity ratio > 35%





2nd QUARTER RESULTS

2013

Q2



siinä on ideaa.

Consolidated cash flow statement

EUR million	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Cash flow from operating activities									
Profit before tax	63	53	64	78	66	61	72	74	61
Adjustments to profit before tax	54	55	58	54	55	59	58	61	61
Change in working capital	0	9	-17	-24	6	-14	4	-10	-11
Cash flow from operating activities	117	118	104	108	126	106	134	125	111
Received dividends and interests and interest paid 1)	-2	-11	-7	-2	-2	-19	-1	-12	-1
Taxes paid	-17	-15	-15	-20	-26	-11	-13	-13	-11
Net cash flow from operating activities	98	92	82	86	98	77	120	100	99
Cash flow in investments									
Capital expenditure	-47	-49	-49	-49	-51	-40	-58	-45	-45
Investments in shares and other investments	-82	-6	0	0	-1	0	0	0	0
Proceeds from asset disposal	0	0	0	0	2	0	3	0	5
Net cash used in investment	-128	-55	-49	-49	-50	-40	-55	-44	-40
Cash flow after investments	-30	37	34	37	47	37	65	56	59
Cash flow in financing									
Share Buy Backs and sales (net)	5								
Change in long-term debt	0	-75	151	0	0	0	50	-106	0
Change in short-term debt	192	83	-163	-54	129	-31	-15	30	80
Repayment of financing leases	-1	-1	-2	-1	-2	-2	-1	-1	-2
Increase in reserve for invested non-restricted equity	3	0	2		1	1	3		
Dividends paid	-203	0	0	-1	-203	0	-62	-1	-140
Cash flow in financing	-5	7	-11	-56	-74	-32	-25	-78	-62
Change in cash and cash equivalents	-35	44	22	-19	-27	5	39	-22	-2

Financial situation

EUR million	30 Jun 12	31 Mar 13	31 Dec 12	30 Sep 12	30 Jun 12	31 Mar 12	31 Dec 11	30 Sep 11	30 Jun 11
Interest-bearing debt									
Bonds and notes	451	450	525	375	375	375	375	375	600
Commercial Papers	204	179	96	170	198	184	189	160	160
Loans from financial institutions	229	225	221	221	221	221	222	171	51
Financial leases	36	37	37	38	38	38	36	36	35
Committed credit lines 1)	171	0	0	89	115	0	25	70	40
Interest-bearing debt, total	1090	891	878	892	946	818	847	812	887
Cash and cash equivalents	48	83	40	18	37	64	59	19	42
Net debt 2)	1042	807	839	874	909	754	788	793	845

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 21 November 2014 and 3 June 2018.

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