

elisa

CMD

2016

Financial overview

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CFO











elisa

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AGENDA

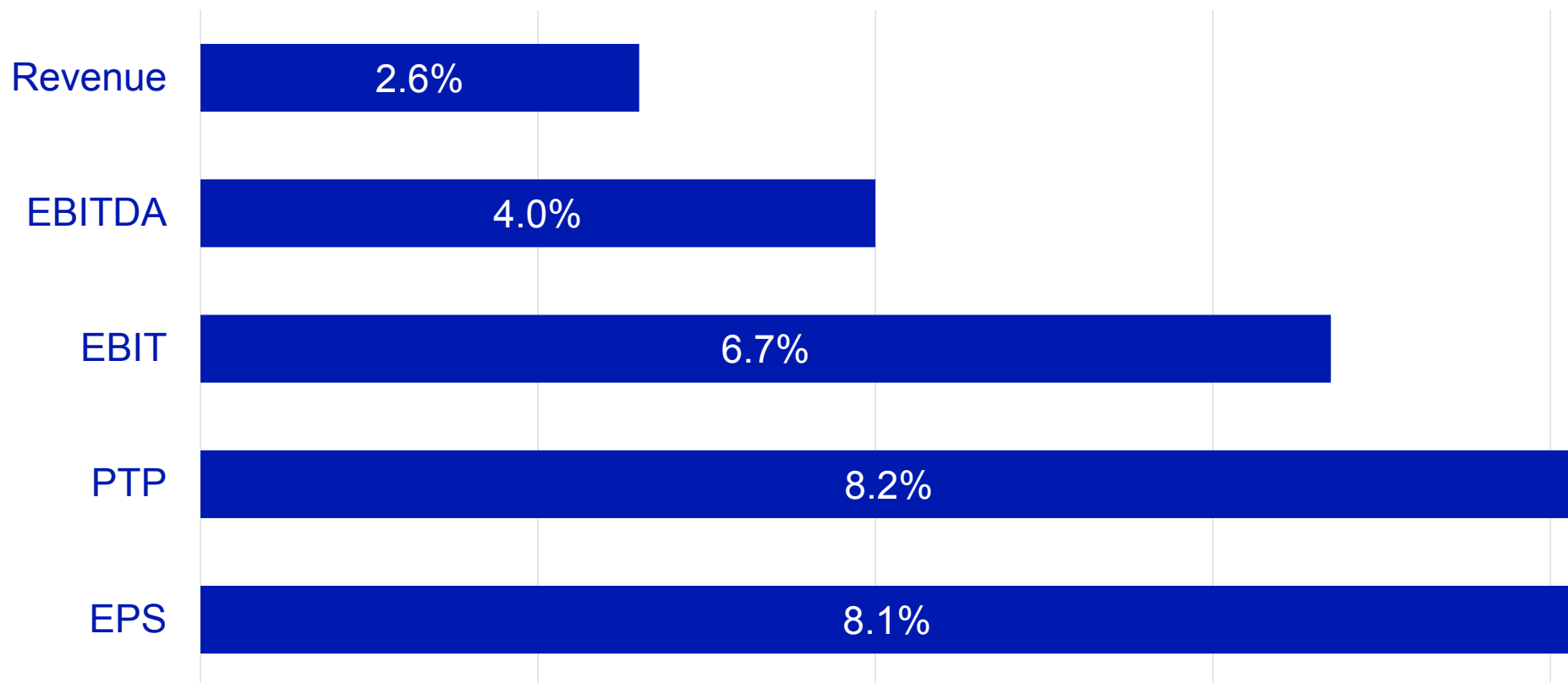
- 1 Financial performance
- 2 Capital management
- 3 Cost allocation change
- 4 CFO priorities

Revenue growth continues, 2/3 with mid-single digits...

	CAGR 14 – LTM		Revenue share
Total revenue	2.6%		100%
Mobile service revenue	7.0%		47%
Digital services	5.1%		15%
Fixed services excl. PSTN and operator sales	-2.1%		15%
Equipment sales	8.5%		12%
Interconnection and roaming	-19.3%		6%
Operator sales	-5.5%		3%
PSTN	-6.8%		3%

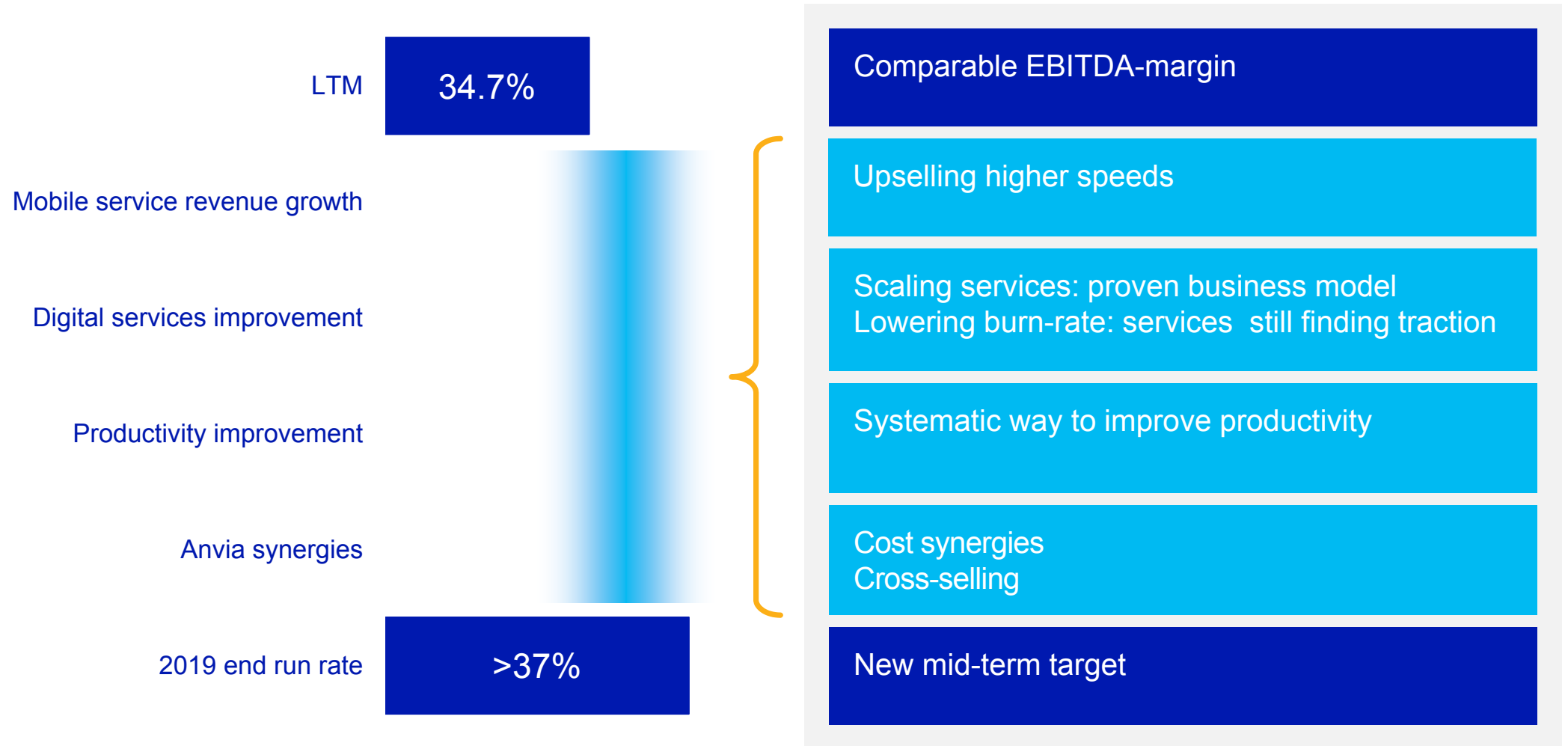
...operational excellence leveraging on EPS...

CAGR 2014 → LTM



Comparable figures

...and strong drivers to continue improvement

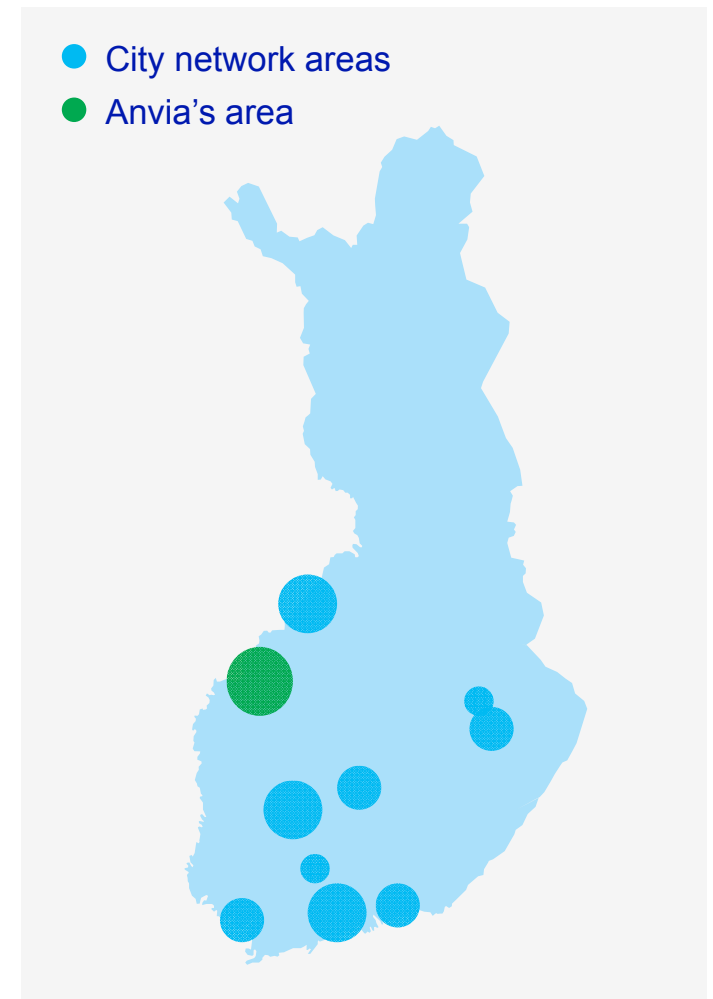


Anvia synergies

- EBITDA synergy estimates
 - 4Q16e negative EUR1–2m
 - 2017e EUR5–8m
 - 2018e EUR5–8m
- Synergy sources
 - Overlapping functions, networks and IT
 - Procurement
 - CAPEX
- New cross-selling opportunities for Elisa
- Expected EPS effect
 - Neutral in 2016, accretive on 2017 onwards
- No negative impact on dividend payment capability

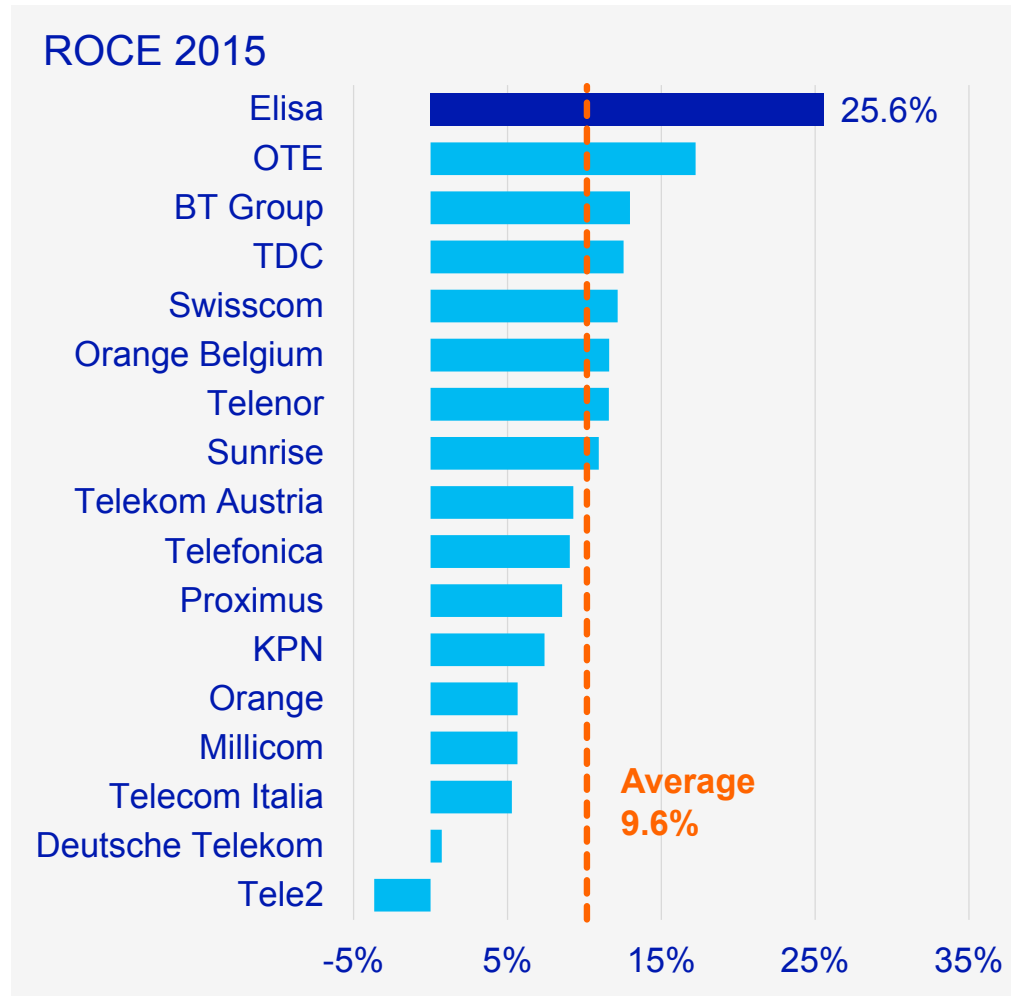
Fixed line Subs 000's	Elisa 3Q16	Anvia 3Q16	Total 3Q16	Increase	Market share ¹⁾
Traditional	139	36	175	26%	35%
Broadband	531	61	592	11%	34%
Cable TV	348	84	432	24%	27%

1) Based on Ficoras report 21 September 2016

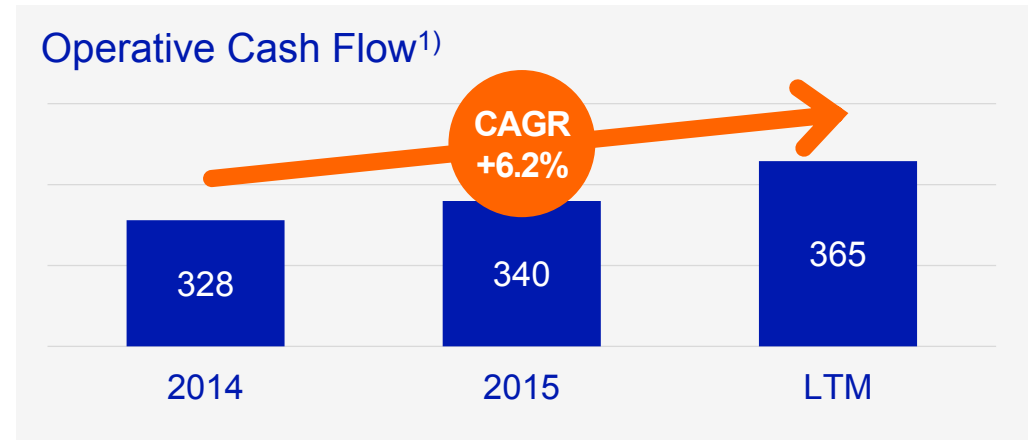


Financial performance

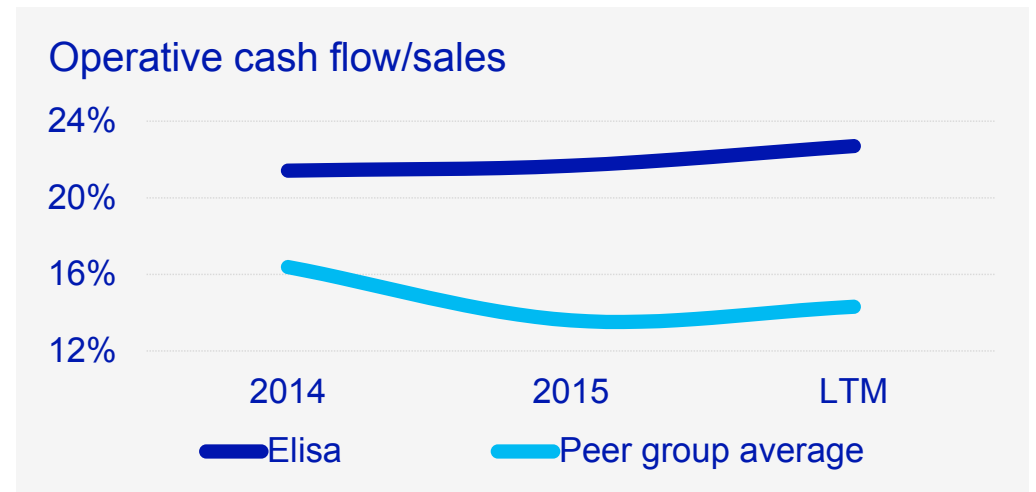
Best-in-class ROCE and cash flow growth...



Source: Citi research



1) EBITDA-CAPEX



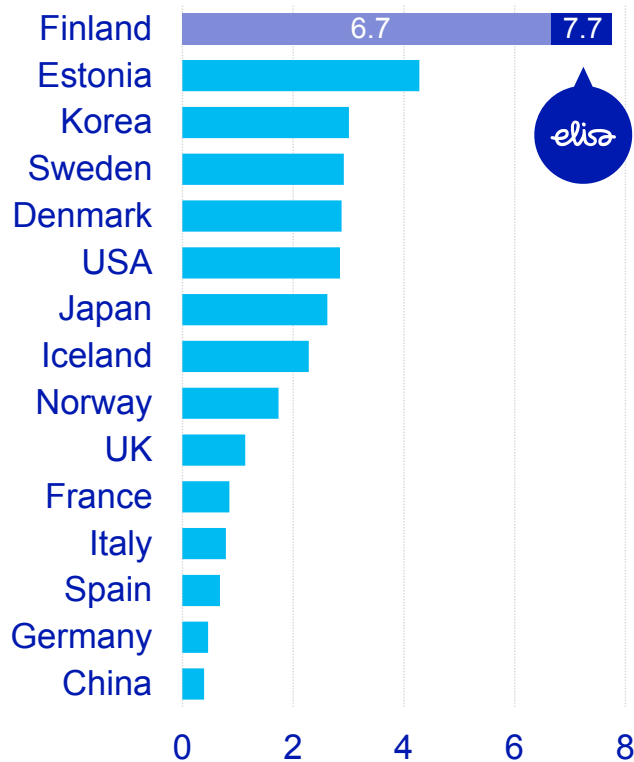
Source: Goldman Sachs peer group 2Q16, Elisa LTM 3Q16,
Peer group: BT, Deutsche Telekom, KPN, Orange, Proximus, Swisscom, TDC,
Tele2, Telecom Italia, Telefonica, Telekom Austria, Telenor, Telia Company



Capital management

...with customer- and value-driven CAPEX policy...

Worlds largest data usage

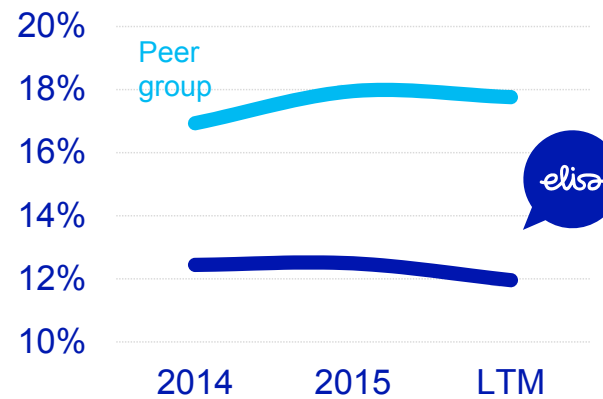


Data usage by country
GB / any SIM / month 4Q15¹⁾

1) Source: Analysys-Mason, Elisa

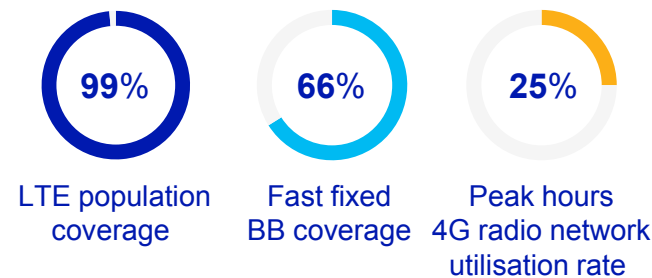
2) Source: Elisa, Goldman Sachs

Below average CAPEX



CAPEX/sales²⁾

Good coverage and capacity



- CAPEX/sales target 12% reiterated
- Lean pragmatic strategy focused on customer and market demands
- Strict policy and active management
- Effective network building and management

.. and disciplined M&A policy...

Focus on core markets

- Domestic telecom services
- Digital services
 - Bolt-on
 - Small and medium sized acquisitions

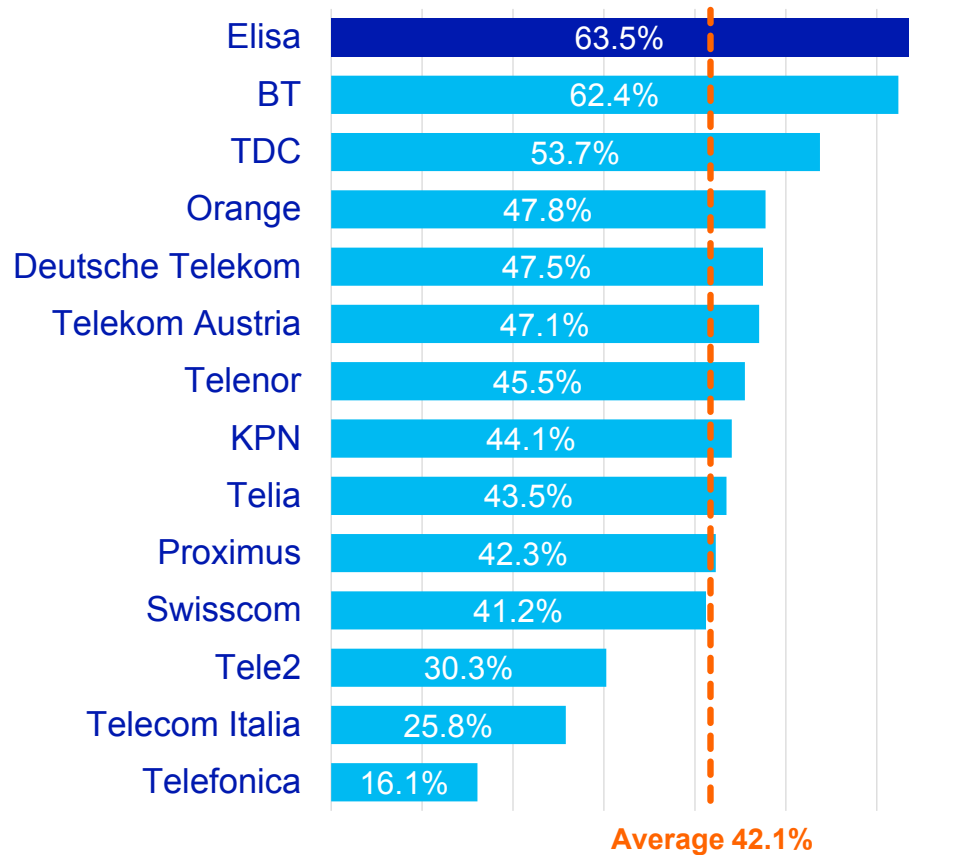
Value creating acquisition criteria

- Supports strategy
- Financially accretive
- Distribution intact or improved
- Solid capital structure and balance sheet
- Enhances service offering

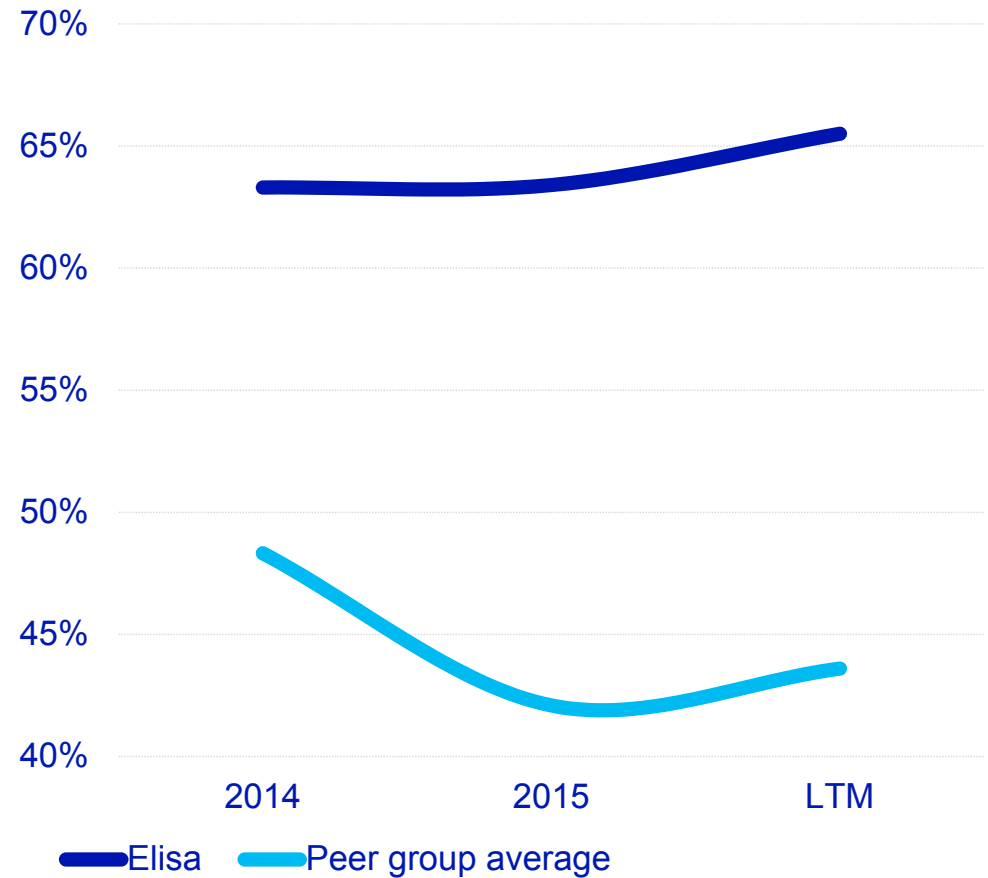
Capital management

...results in best cash conversion

2015¹⁾



2014 – LTM¹⁾



1) Peer group LTM 2Q16, Elisa 3Q16, Source: Goldman Sachs, Elisa calculated as (EBITDA – CAPEX) / EBITDA

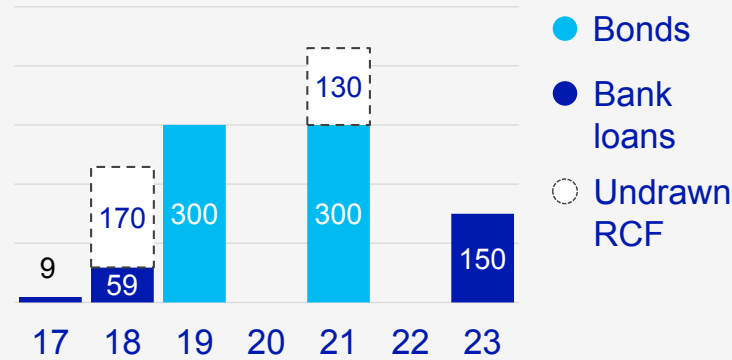
Capital management

Excellent funding efficiency

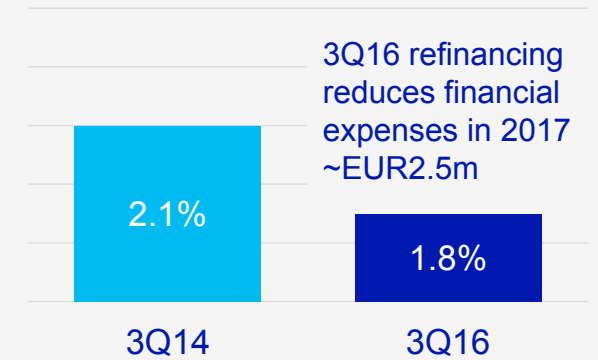
Nominal value, EURm



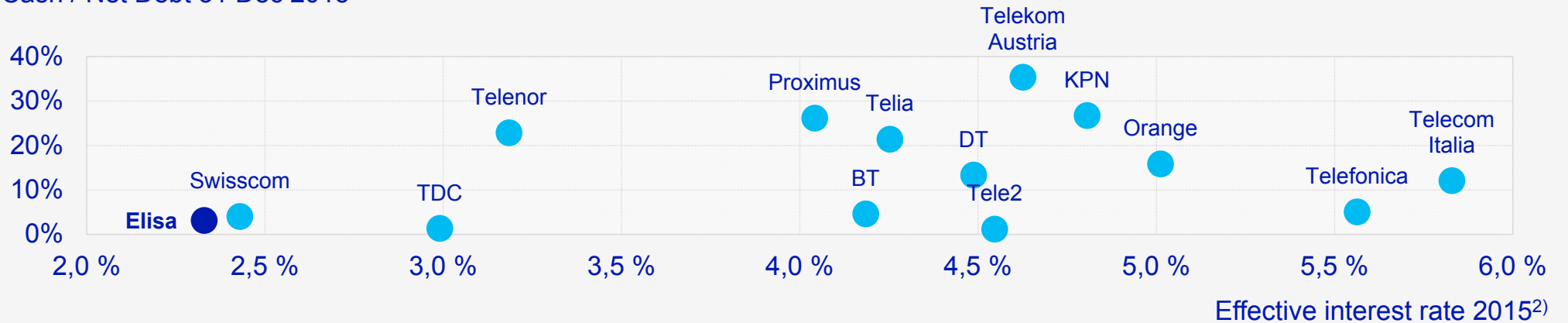
Average maturity 4.0 yrs



Average interest¹⁾



Cash / Net Debt 31 Dec 2015²⁾



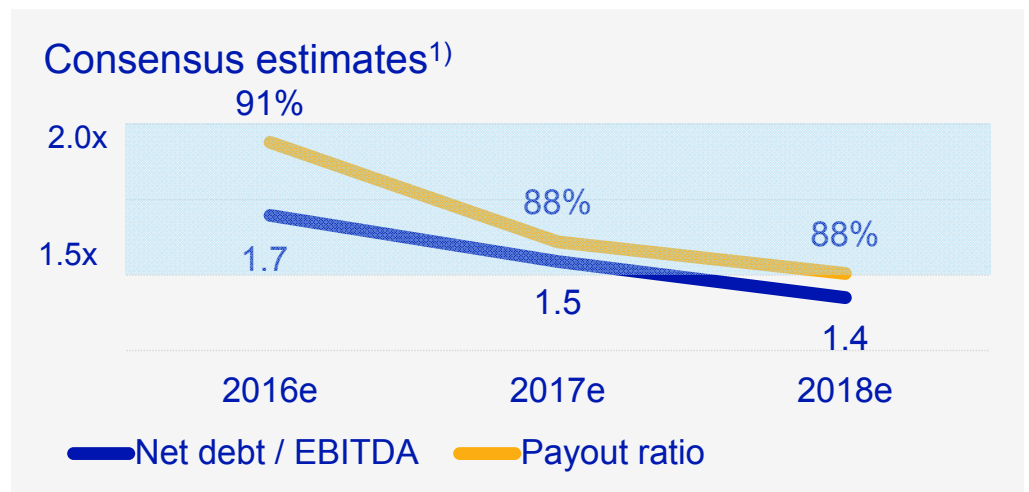
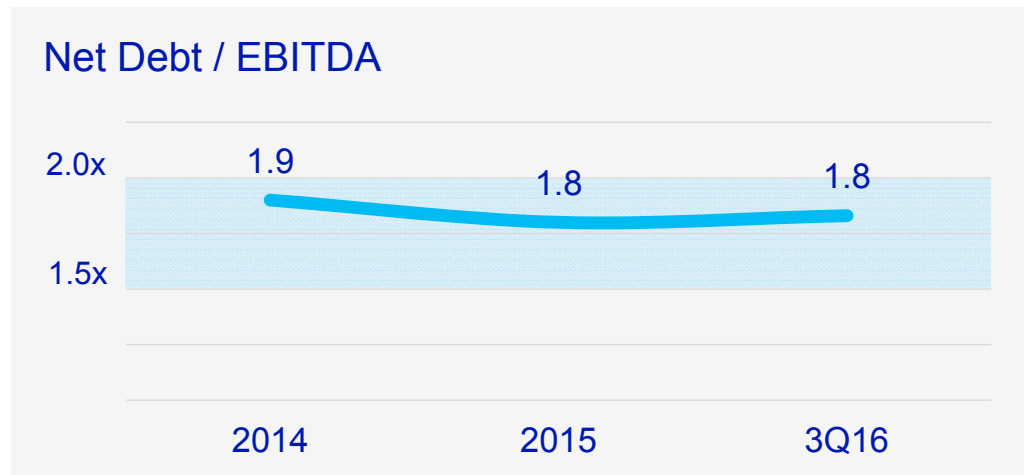
1) At the end of quarter

2) Source: Bloomberg (Cash/net debt="BS_CASH_NEAR_CASH_ITEM"/"NET_DEBT"; Effective interest rate ="EFF_INT_RATE")

Capital management

Solid capital structure gives good prospects for growth and profit distribution

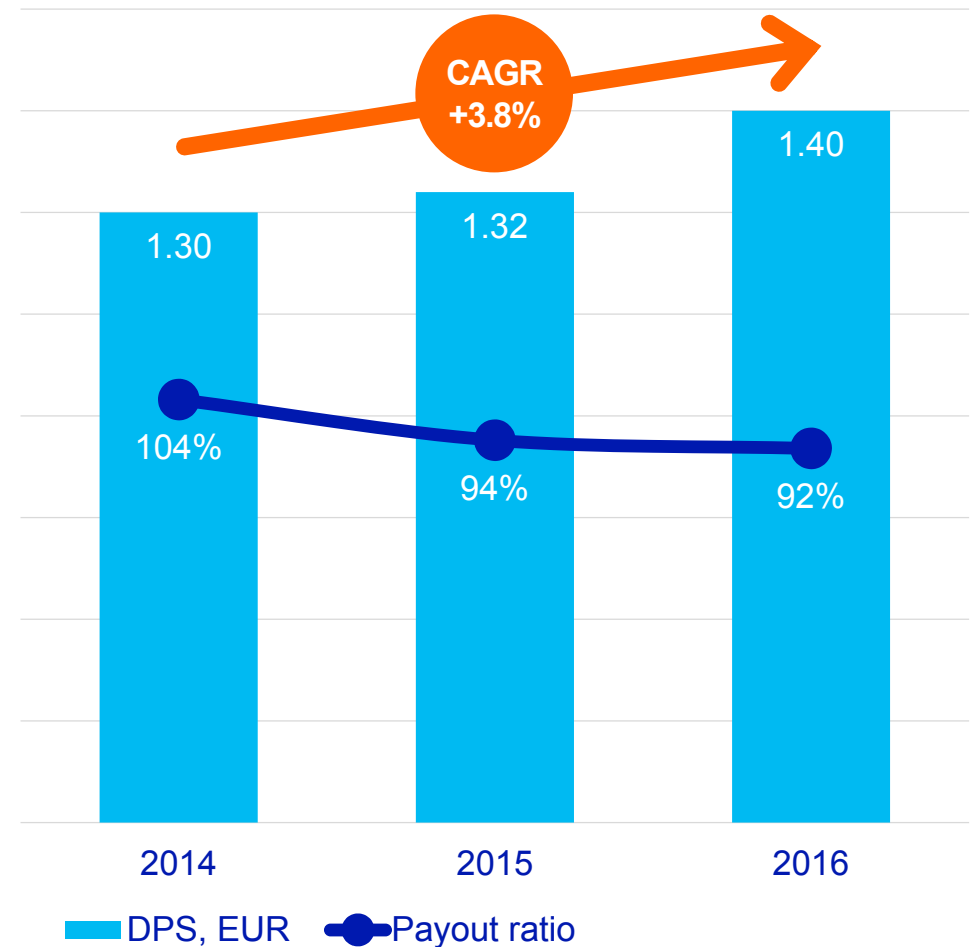
- Efficient capital structure
- Mid term target reiterated
 - Net debt / EBITDA 1.5–2.0x
- Flexibility for capital allocation
 - Remuneration
 - Acquisitions
- Strong investment grade rating
- Consensus estimates lead to under-leveraging



1) Source: Bloomberg

Strong shareholder remuneration

- Distribution policy reiterated
- Commitment to high profit distribution
 - Policy: payout ratio 80–100%
- Capability for competitive remuneration going forward
- EPS: €1.59 LTM (2015: 1.52)



Capital management

Liquidity of Elisa shares has increased

Elisa shares are traded on the Nasdaq Helsinki and in over 20 alternative marketplaces

Share of trading 1 Oct 2015 – 30 Sep 2016

Exchange	Lit trading ¹⁾	Other ²⁾	Total
Helsinki	21%	14%	35%
Bats total ³⁾	15%	22%	36%
BOAT		11%	11%
Turquoise	6%		6%
Others		12%	12%
Total	42%	58%	100%

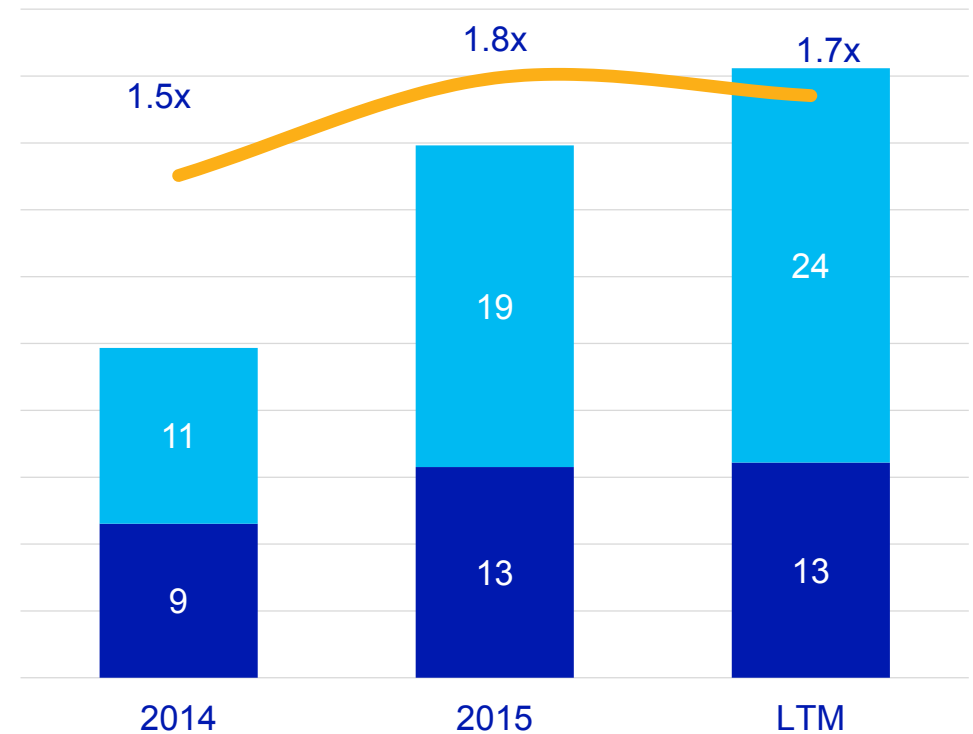
Alternative market places **65%**

1) Trading in venues with liquidity and bid and offer available
 2) Auction, dark pools, off-book and systematic internalisers
 3) Includes Bats BXE, CXE and OTC

Source: Fidessa

Trade volumes

■ Alternative venues, EURm ■ Helsinki, EURm
 ■ Annual share turnover



Cost allocation change

Cost allocation changes in segment reporting

Consumer Customers						
EURm	Current 1Q16	Current 2Q16	Current 3Q16	New 1Q16	New 2Q16	New 3Q16
Revenue	243.7	245.7	268.1	243.7	245.7	268.1
EBITDA	89.0	88.2	100.8	85.5	85.5	97.1
EBIT	59.9	59.0	70.1	52.6	52.8	62.9
CAPEX	24.7	30.8	23.7	27.3	34.8	26.3

Corporate Customers						
EURm	Current 1Q16	Current 2Q16	Current 3Q16	New 1Q16	New 2Q16	New 3Q16
Revenue	146.3	147.3	150.6	146.3	147.3	150.6
EBITDA	47.6	45.4	53.2	51.1	48.1	56.9
EBIT	24.2	22.0	28.4	31.5	28.2	35.6
CAPEX	19.7	25.0	17.9	17.1	21.0	15.3

Segment allocation changes starting 1Q17

Changes in operative expenses, depreciation and CAPEX

Summary

Elisa investment highlights

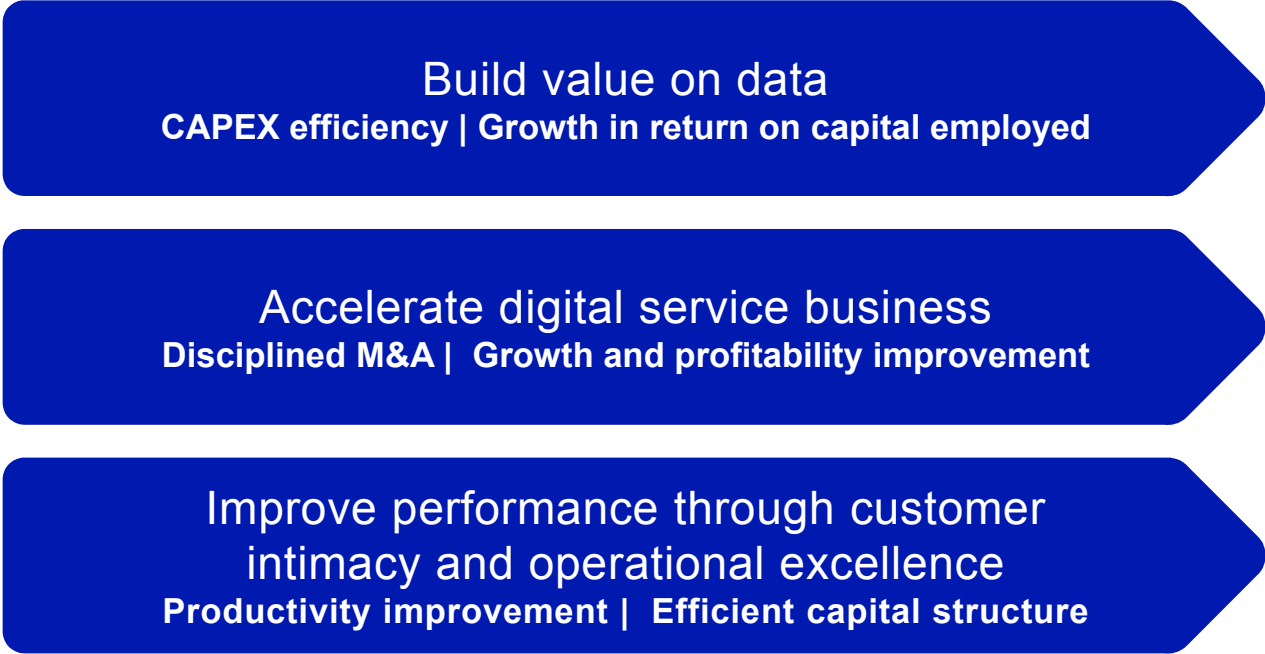
- Revenue growth above industry average
- EBITDA improvement continues
- High return on capital employed
- Industry-leading cash conversion
- Low risk profile
- Strong shareholder remuneration

Total shareholder return 27%
p.a. since 1 Jan 2014¹⁾



1) Source: Bloomberg

CFO priorities



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THANK YOU

Forward looking statements

Statements made in this document relating to the future, including future performance and other trend projections, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements, due to many factors, many of which are outside of Elisa's control.