

Investor Day, February 2005

elisa

Veli-Matti Mattila

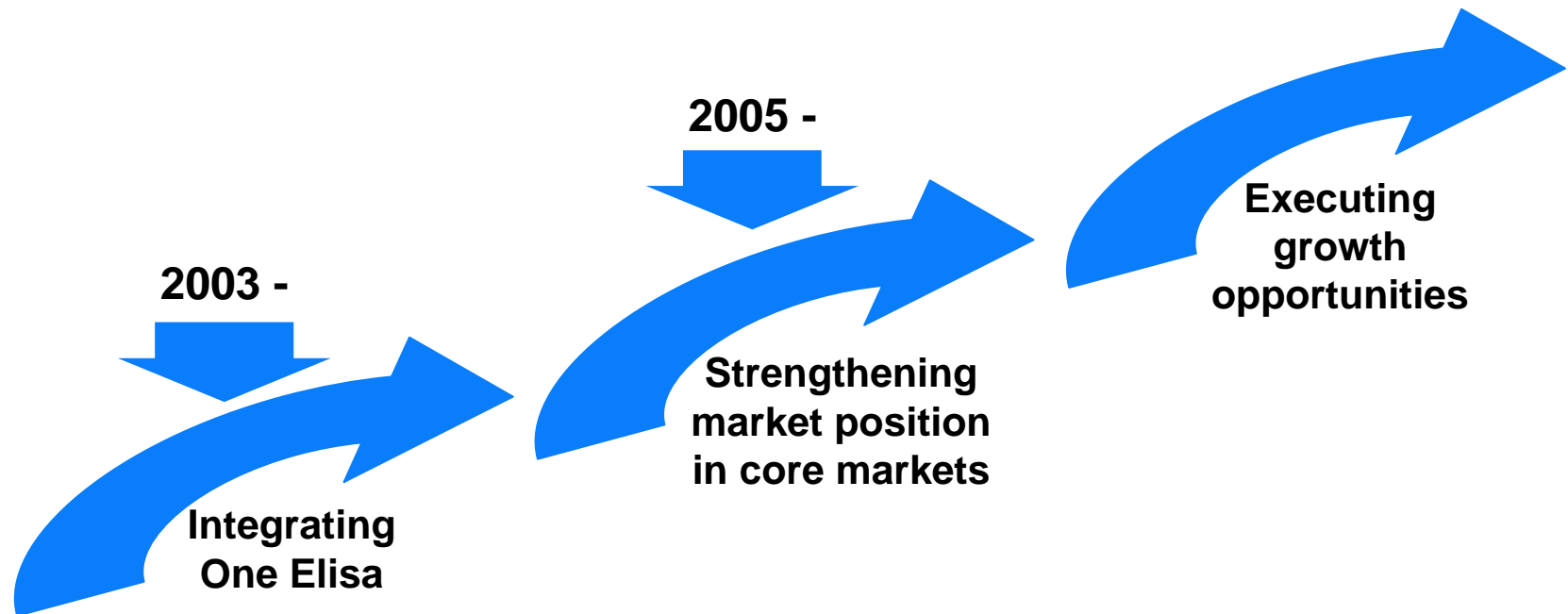
CEO

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Elisa strategy and focus



Strong execution of operational priorities

Operational priorities

Significant profitability improvement

Customer orientation

Simplification of structure

Actions taken and results achieved 2003-2004

Restructuring program started Oct 2003

- Costs down by EUR 48 million
 - Personnel reduction by 1,300 to 5,400
 - Completion of network installation outsourcing
 - Outsource of IT services and maintenance
 - Sale of the former Elisa headquarters
 - Outsourcing of application management
- Efficiency development continues

- 3G services for commercial use
- ICT partnerships
- New security solutions
- National Elisa broadband services launched
- Antivirus program services for the mobile business
- Mobile phone-enabled check-in service for airlines

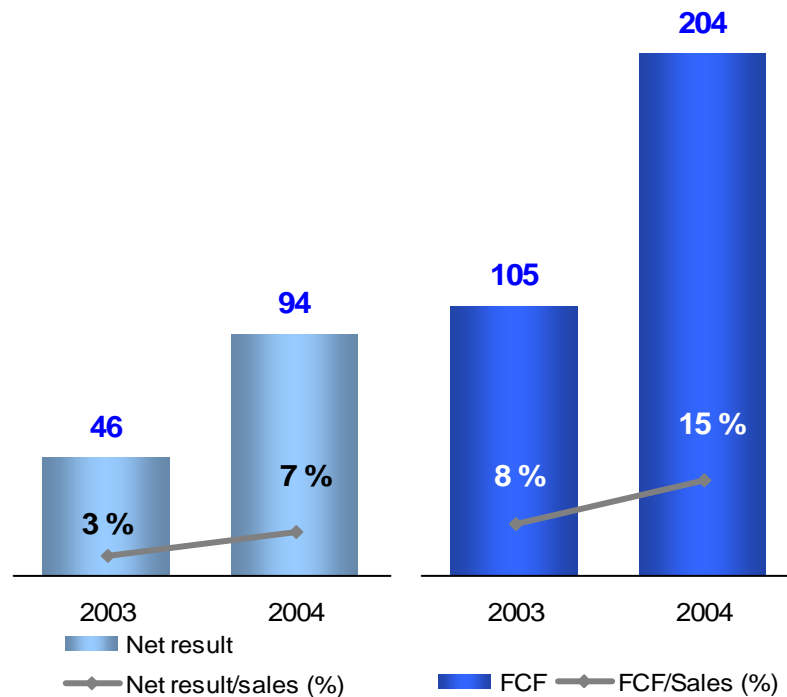
- New organisation and operational model in January
- Successful launch of Elisa umbrella brand
- Finnet International 100% owned company
- Simplified legal structure from 1 July 2004
- Yomi's telecom business merged into Elisa



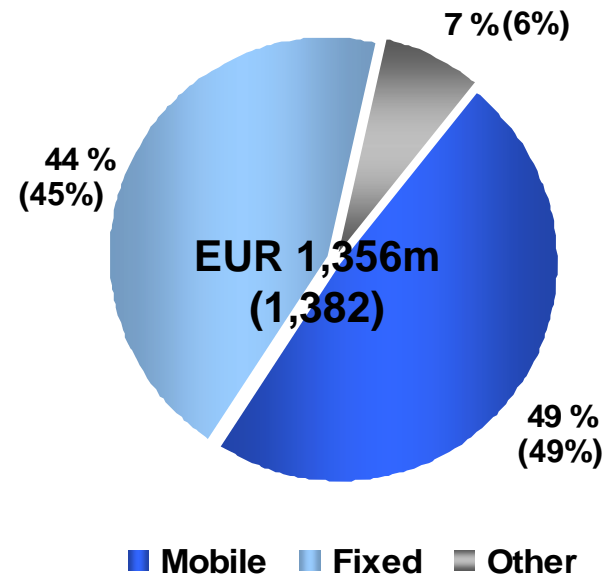


Significant profitability improvement

Net result* and Free Cash Flow (EURm)



Revenues 2004 (2003)*



* Comparable numbers (excl. EO items)

* Excluding intra-company revenues





Financial performance improved in 2004

- Profitability improved, EBITDA margin 31% (29%)
- Cost base down by EUR 48 million
- Net result more than doubled to EUR 94m (46m)
- Cash flow EUR 204m (105), 15% of revenue
- Net debt down to EUR 410m (654)
- Gearing 46% (88)

Change in cost structure

EUR million	2003	2004	change in 2004
Elisa's costs excl. one-offs	1165	955	
- Germany *	-130		
- Yomi *	-46	-49	
- Comptel *	-45	-43	
- Radiolinja Estonia *	-44	-53	
Total costs	900	810	
Adjustements **	-42		
Comparable costs	858	810	48

* Not within the cost reduction program

** Change in the booking procedure and revenue related costs

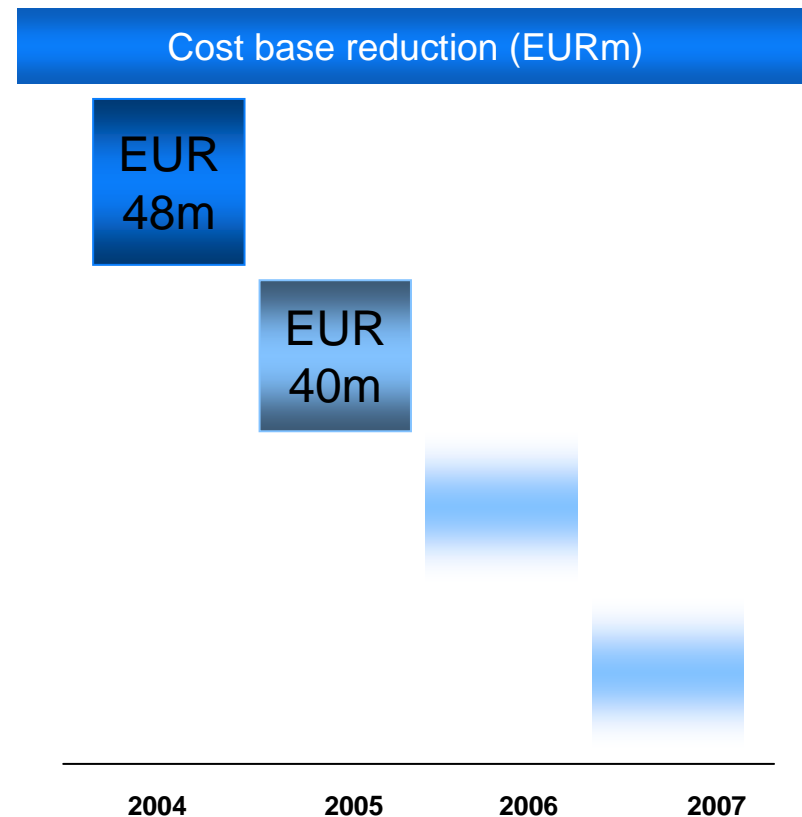




Future actions to further improve profitability

Actions planned to be taken during 2005-2007:

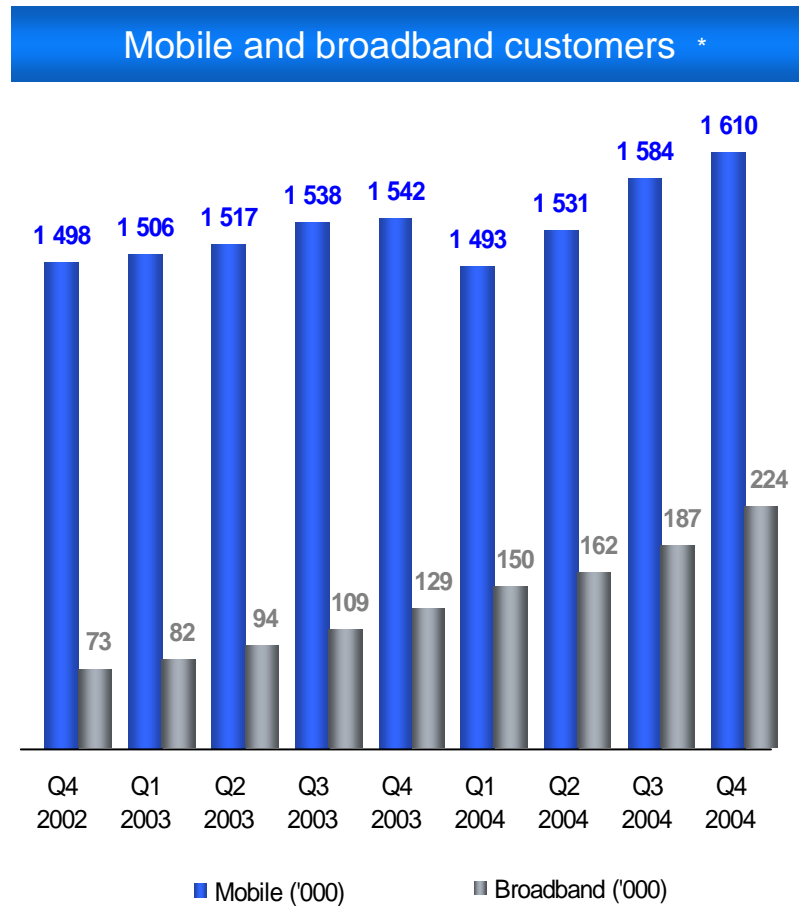
- Divestments
- Sourcing & procurement
- Outsourcing
- IT-systems
- Productivity improvements
- Personnel





Successful year 2004 in fierce competition

- Focused customer orientation yielding clear results
- Growth in mobile
 - Strong focus on sales and marketing activities
 - 68,000 new customers
- Strong growth in broadband
 - 95,000 new customers
 - Growth 75% yoy
- Usage of mobile services up
 - MOU up 8% yoy
 - SMS up 19% yoy



* Includes both Finland and Estonia, excluding MVNOs





Simplified brand and corporate structure

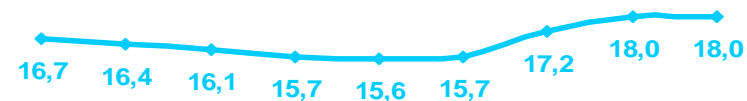
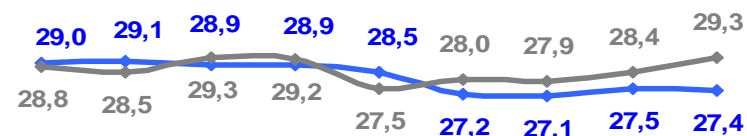
- Amount of group subsidiaries down by 14 to one company
- Simplified processes and new organizational model
- Personnel reduction by 1,300 to 5,400
- From multi-brand to one umbrella brand



Market activities yielding results

- From stable market share to increasing market share
 - Broadband well under way
- Mobile
 - Presently stable market position in Finland
 - Significant growth in Estonia
- Leverage strong position in the fixed network market

Market share*, retail (%)



Q4 2002 Q1 2003 Q2 2003 Q3 2003 Q4 2003 Q1 2004 Q2 2004 Q3 2004 Q4 2004

◆ Mobile in Finland (%)
◆ Mobile in Estonia (%)
◆ Broadband in Finland (%)

* Elisa estimate



Focus on hidden customer potential

- Growth potential in Elisa's customer base
 - 46% of Finnish households
Elisa customers
- Focus on present customer relationships
 - Increase in usage
 - New services

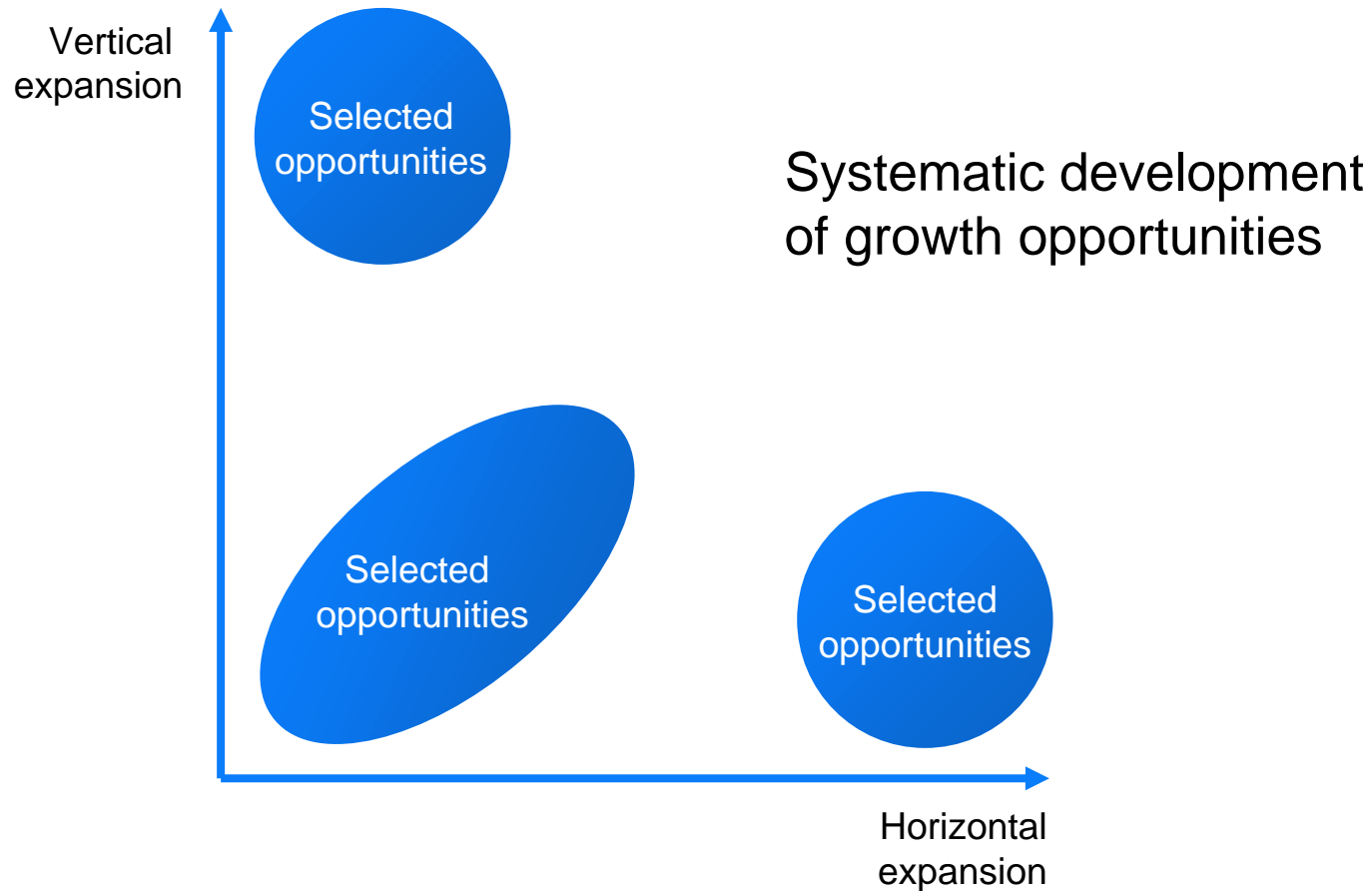
Households in Finland
2.34 m

Households, Elisa customers
1.08 m
46%

Elisa market shares
Mobile 27%
Broadband 29%



Executing growth opportunities

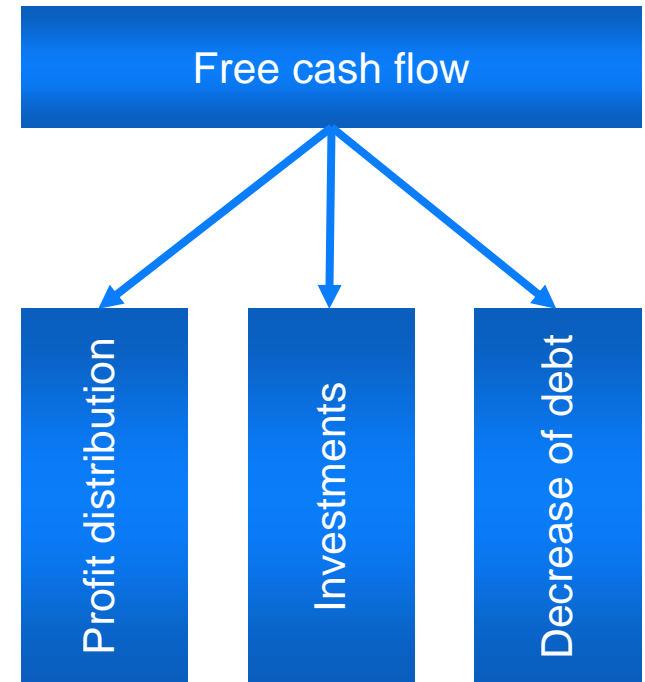


Mid-term targets

Parameter	Target
Average revenue growth	Flat to slightly positive annually on comparable basis
EBITDA-margin	Clear improvement from the current level
CAPEX	Operative CAPEX-to-sales 11-13%
Operative Cash Flow	Improvement from the current level
Capital structure	Net debt / EBITDA 1 - 2 Gearing 50 - 80% Equity ratio 40 - 50%
ROCE	Above 15%

Focus on profit distribution

- Maximize cash flow in mature markets
- Customer driven pragmatic investments
- Profit distribution policy 40 – 60% of net income
 - Via dividends
 - Via share buy-backs
- Control of optimised capital structure through profit distribution by the Board
- Acquisitions only
 - In core business area
 - To create shareholder value



Current regulatory environment

Regulatory decisions

- Mobile termination: the Supreme Administrative Court decision in September 2004
- Changes in Communications Market Act: maximum price for some wholesale products
- Number portability for corporate in fixed line, gradually during the March 2005 and March 2006
- Changes in Communications Market Act: fixed-to-mobile pricing

Issues under process

- Regional operators' wholesale prices and terms of delivery
- Mobile termination: investigation of network operators mobile interconnection charges, decisions during the spring 2005



CEO priorities

- Integrating One Elisa
- Strengthening market position
- Growth opportunities



Forward-looking statements

Statements made in this document relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty 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 the control of Elisa.



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Thank you