



Financial overview

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- Execution of Elisa's strategy
- Financials
- Distribution
- Mid-term targets

Highlights 2006

- Revenue growth 14%
 - 3G bundling
 - Saunalahti acquisition
 - Increased usage
- EDITDA improvement excluding one-offs EUR 99m
 - Personnel reduction about 1,100
 - Saunalahti synergies
- Free Cash Flow EUR 118m
- Mobile subscriptions +260 000
 - Mobile churn down from 28% to 14%
 - Bottom of mobile ARPU reached
- Broadband subscriptions +75 000



Substantial increase in profits

EXECUTION OF STRATEGY

Comparable figures 2005 and 2006

	Elisa 2005	1)	2)	3)	4)	Elisa 2005 Pro Forma	Elisa 2006 excluding one-offs 5)	Change	%
Revenue	1 337	-47	217		-87	1 420	1 518	98	7%
Other operating income	114			-93		21	9	-12	
Operative expenses	-1 005	42	-213	-7	-87	-1 096	-1 082	14	-1%
EBITDA	446	-5	4	-100	0	345	445	100	29%
Depreciation	213	-5	8		14	230	209	-21	-9%
EBIT	233	0	-4	-100	-14	115	236	121	105%

1) Subsidiaries sold in 2005. Comptel, Yomi Software, Estera and Keilasatama 5.

2) Subsidiaries bought in 2005. Tikka and Saunalahti.

3) One-off items as reported in 2005

4) Consolidation items and amortisation of intangible assets based on Saunalahti and Tikka Purchase Price Allocation (PPA)

5) One-off items as reported in 2006.



Execution of Elisa's strategy

- Restructuring program
- Debt reduction

- New customer oriented organisation model
- Saunalahti acquisition

- Disciplined acquisition criteria's

New services and new markets

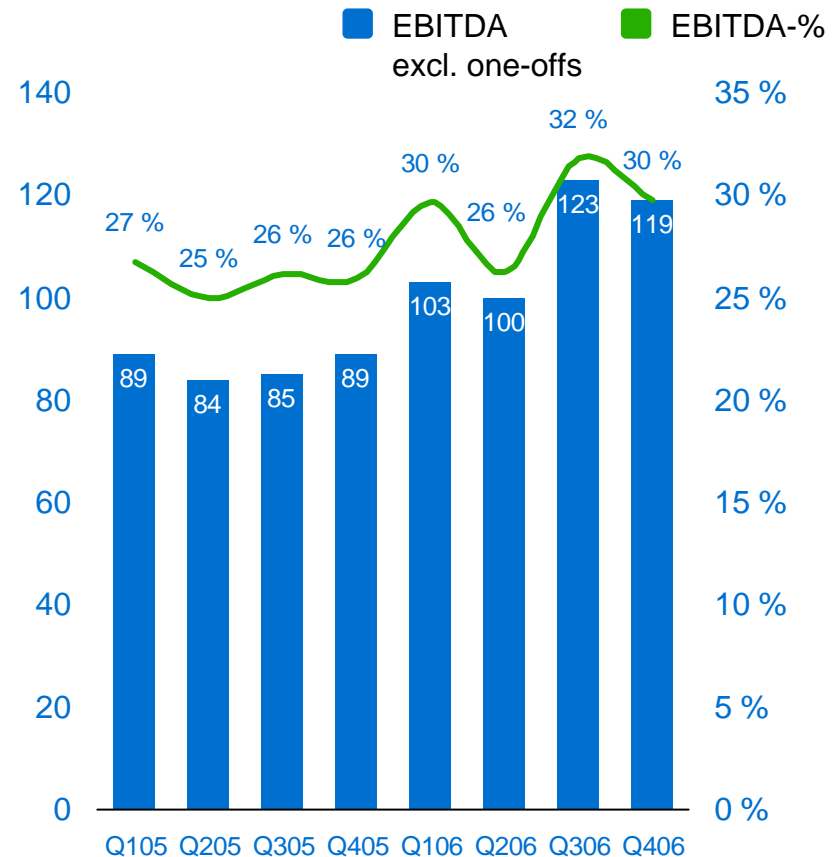
2005–
Strengthening market position

2003–
Integrating One Elisa

Strong EBITDA growth

EXECUTION OF STRATEGY

- EBITDA improvement
 - cost cutting
 - changes in the market dynamics
- Synergy benefits from acquisitions



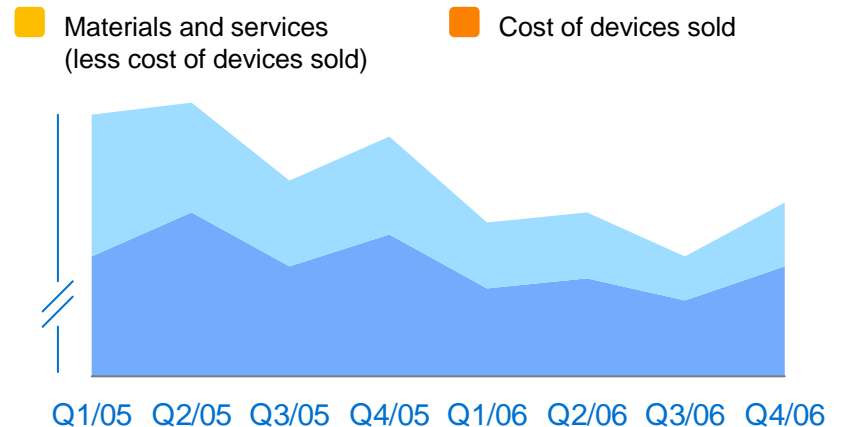
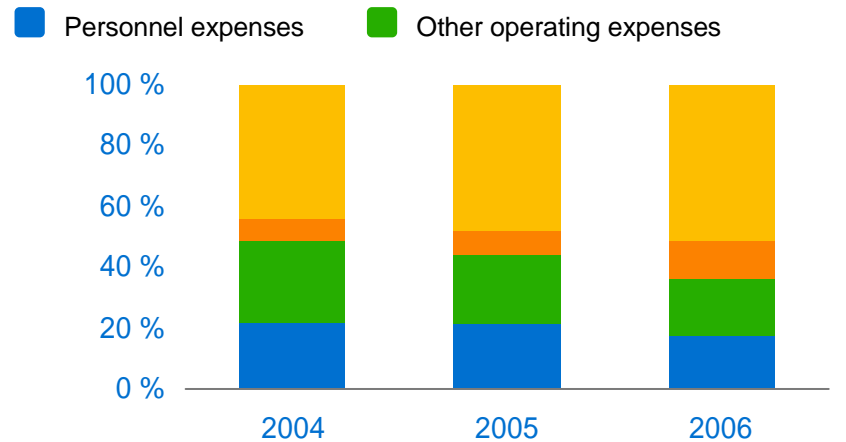
One Elisa integration reduces expenses...

EXECUTION OF STRATEGY

- Fixed expenses down for three consecutive years
 - Lower personnel expenses
 - Decreased marketing expenses
 - IT costs

- Increased material and service expenses
 - 3G service bundle
 - Increased sales
 - Outsourcing
 - But decrease in SAC

Change in cost base*)



■ Marketing ■ Other SAC

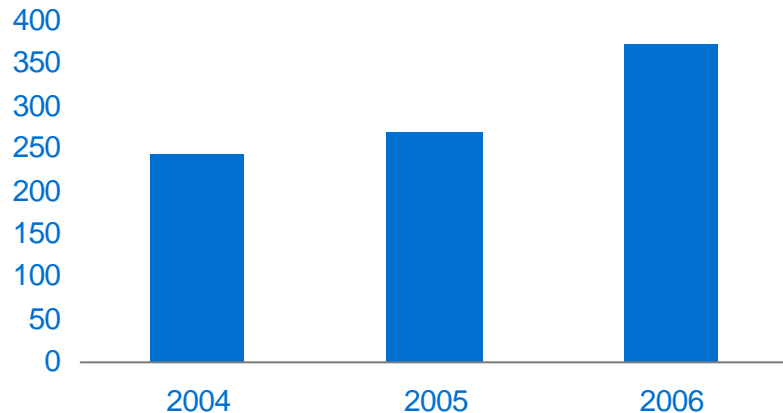
*) One-offs eliminated



.. as well as number of employees

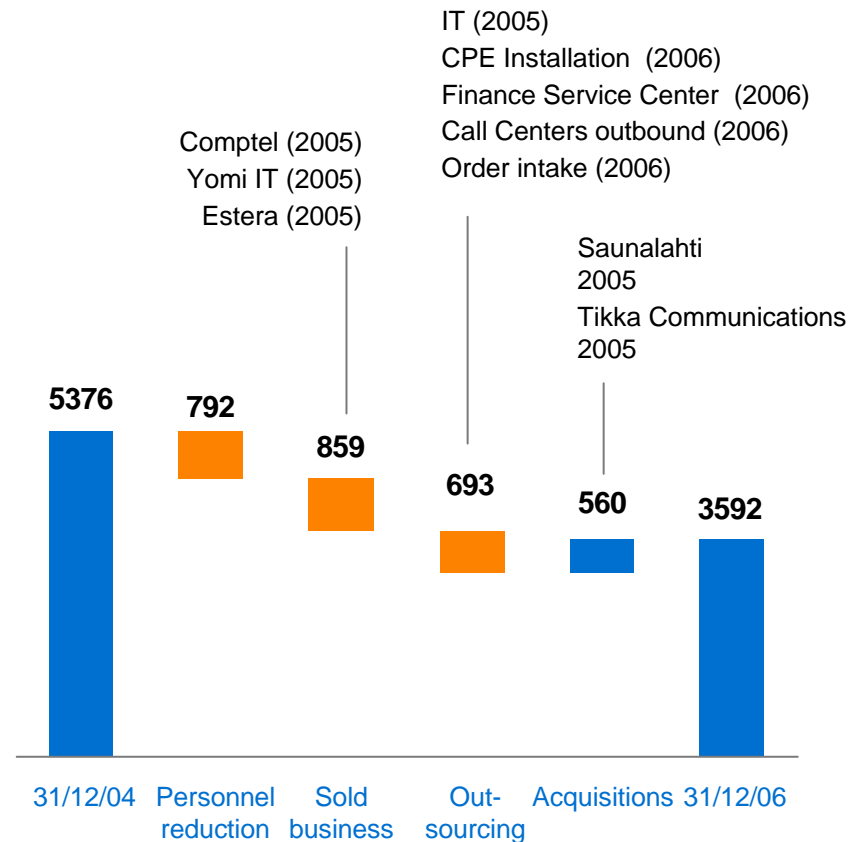
EXECUTION OF STRATEGY

- Simplified group structure
- Flexibility through outsourcings
- Sale of non-core businesses
- Revenue per employee 372 € in 2006 (268 € in 2005, up by 39 %)



■ Revenue per employee

Headcount reduction



Cost efficiency programs still underway

EXECUTION OF STRATEGY

Product and services streamlining

Processes

Outsourcing

Procurement

Actions to be taken

- Product and services discontinuations
- Business discontinuations

- IT systems consolidation
- Self service systems to customers
- Simplified internal processes
- Network operations and planning
- Sales channels
- Abandon some operations

- Cost benefits
- Fixed expenses to variable expenses
- Leveraging outsourced operational model (post outsourcing)

- Leverage Elisa's purchasing power

Saunalahti acquisition

EXECUTION OF STRATEGY

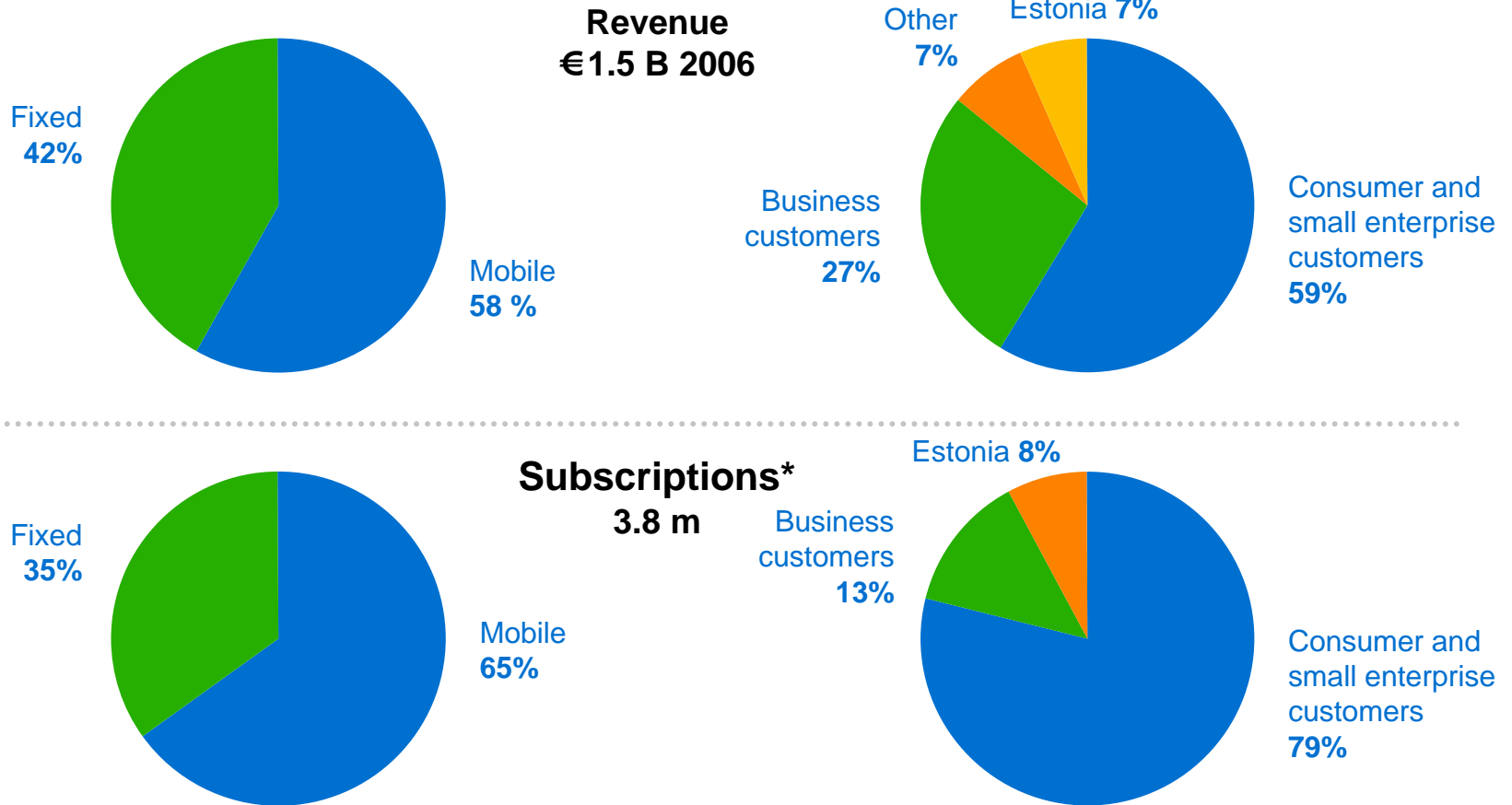
- Communicated synergies of € 70 million from 2007 onwards
- Synergies already reached in 2006
- Revenue synergies
- Saunalahti vital part of Elisa
 - “Value for money” brand
 - Lean processes

New customer oriented business model

EXECUTION OF STRATEGY

Reported segments

Business units



*) Mobile, broadband and analogue subscriptions total 31.12.2006

Elisa's Estonian business

KEY FIGURES

- Operations since 1995
- Under Elisa brand
- Mobile business
 - 98% coverage
 - Market share ~25% (revenue)
 - 2G and 3G licenses
 - HSDPA launch in 2006
- Fixed line business
 - Focus on corporate customers
 - Own fiber network between Capital Tallinn and five major cities

	2005	2006	Change	%
Revenue	88,1	102,9	14,8	17%
EBITDA	27,9	32,6	4,7	17%
EBITDA%	32%	32%		
EBIT	18,5	22,5	4,0	22%
EBIT%	21%	22%		
CAPEX	9,3	13,6	4,4	47%
CAPEX%	11%	13%		
No. of mobile subs thousands	266	295	29	11%



Disciplined acquisition criteria's

EXECUTION OF STRATEGY

Supports strategic goals

Financial accretive

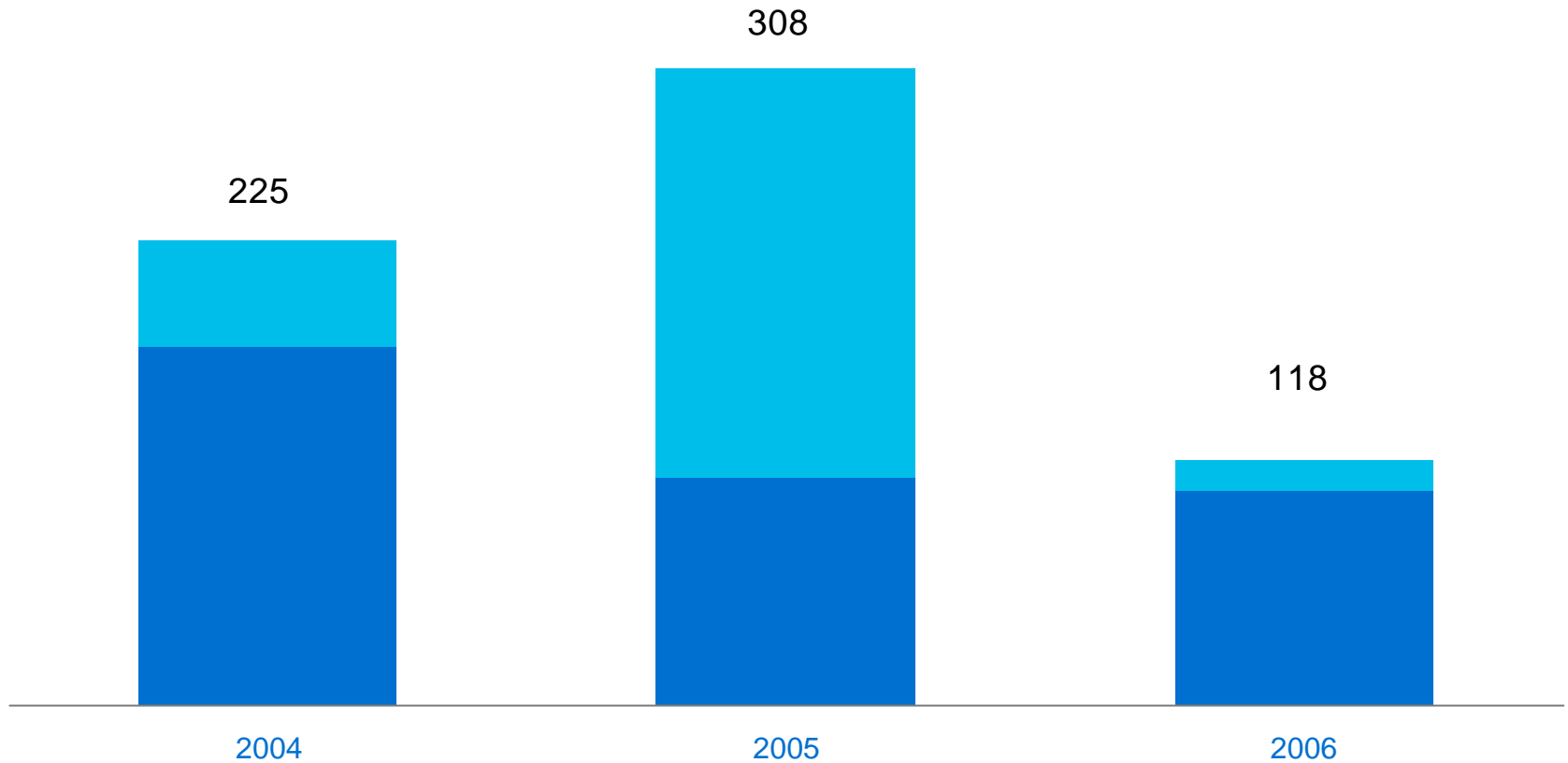
Valuation

**Shareholder distribution
policy intact or improved**

Execution of strategy has generated FCF

FINANCIALS

■ FCF, EURm ■ Sale of non-core, EURm



Taxes will impact on FCF from 2007 onwards

FINANCIALS

- Elisa has utilised the tax credit based on 2003 losses
- Corporate tax rate
 - Stable in Finland
 - Decreasing in Estonia
 - 22% in 2007
 - Tax paid only when dividend is paid

	2004	2005	2006
Taxes in P&L	53,2	34,1	50,4
Taxes in Cash flow statement	16,0	5,1	0,3
Tax credit year end 1)	46,3	19,6	0,0
Tax liabilities year end 1)	2,1	0,6	28,7
Tax rate Finland	29%	26%	26%
Tax rate Estonia	26%	24%	23%

1) Includes unused tax losses and liabilities and avoifiscal receivables at parent company. Deferred tax liabilities and receivables are not included.

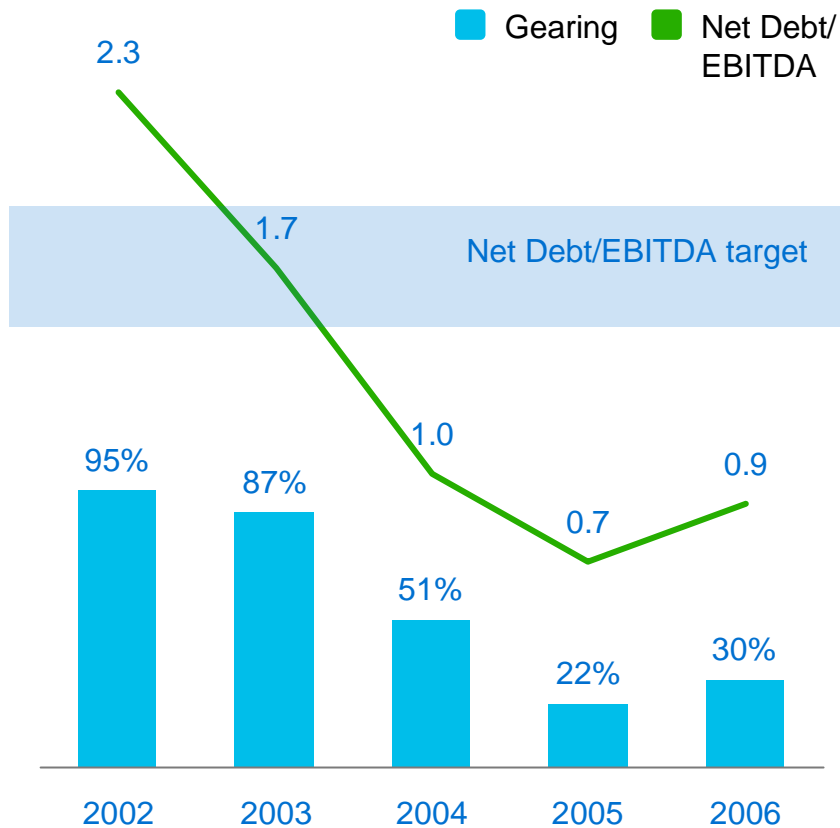
Current regulatory issues

- Interconnection fees
 - Regulator policy for years 2007- 2009
 - Decreasing fees
 - Operators have opportunity to agree the fees...
 - ... or declared by regulator
- International roaming
 - Commission's proposal -> probably into force in the summer 2007
 - No significant effects for Elisa
- EU Commission's views on frequency renewal
 - Commission's thoughts are still unclear

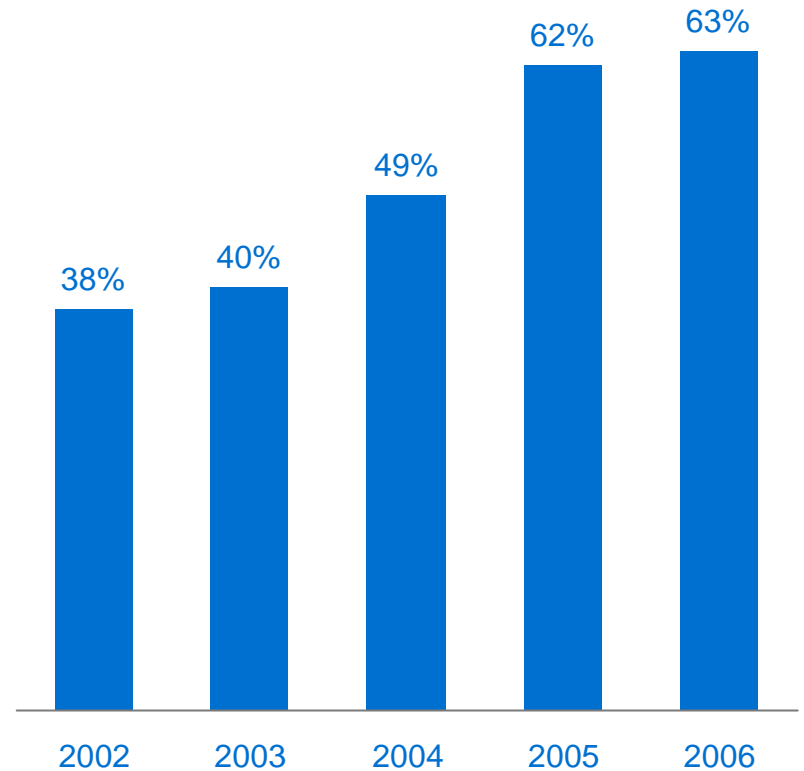
Change of capital structure underway

FINANCIALS

Gearing and Net Debt/EBITDA



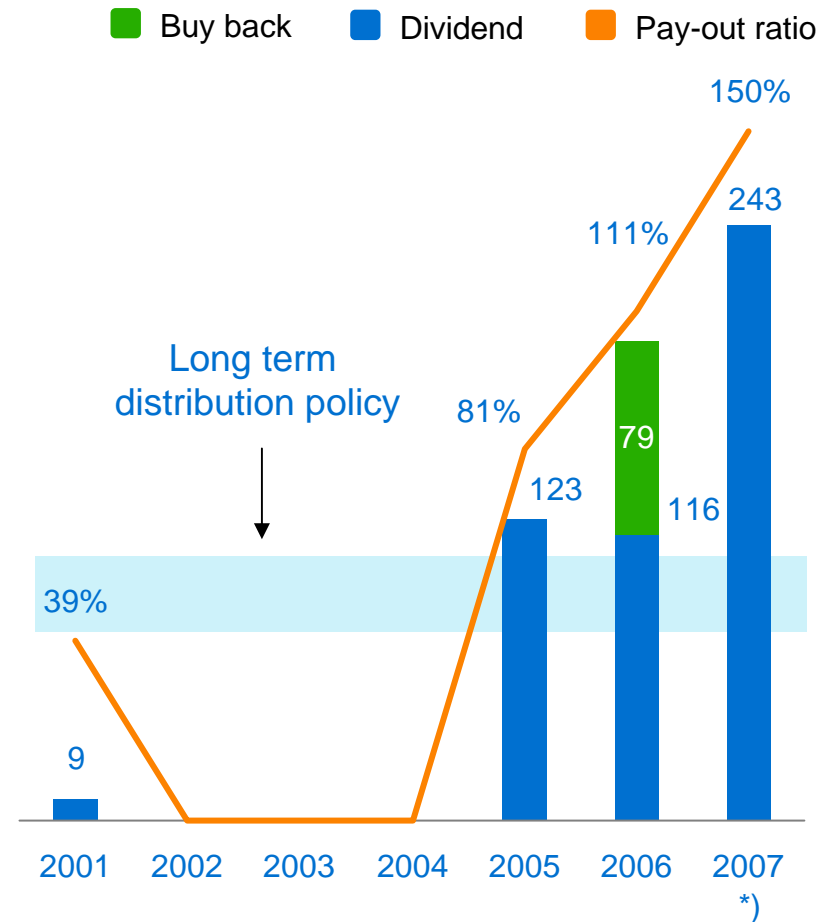
Equity ratio



Distribution above long-term policy

DISTRIBUTION

- Long-term distribution policy
40 – 60% of annual profit
 - Dividend
 - Share buy-backs
 - Extra distributions in
2005 – 2007
- Distributable equity EUR 574m
in December 2006



Dividend EUR million. Figures 2001 – 2004 FAS, 2005 onward IFRS. 2007 Proposal by the Board of Directors
Payout Ratio = (Dividend + Share Buy Back) / Net Result

Board proposal for the AGM

DISTRIBUTION

- Dividend EUR 1.50
 - Ordinary dividend EUR 0.50
 - Extra dividend EUR 1.00
 - Pay-out ratio 152%
 - Dividend yield 7.2% (as 31.12.2006)
 - Total dividend payment EUR 243m
- Authorisation of share buy-back to the board
 - Maximum 8,000,000 shares
 - Valid 18 months
- Enhanced capital structure



Thank you and Q&A

Forward looking statements

FINANCIAL OVERVIEW

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.