

Investor Day, February 2005

elisa

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Elisa Mobile

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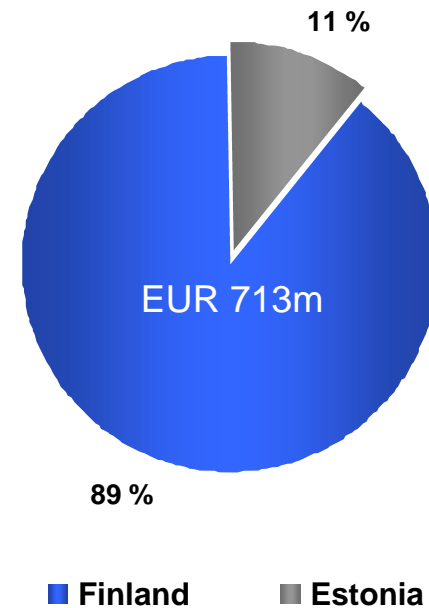
- Summary
- Financial performance – Top line
- Operational performance
- Financial performance - Profitability
- Operational priorities
- Elisa in Estonia



# Summary

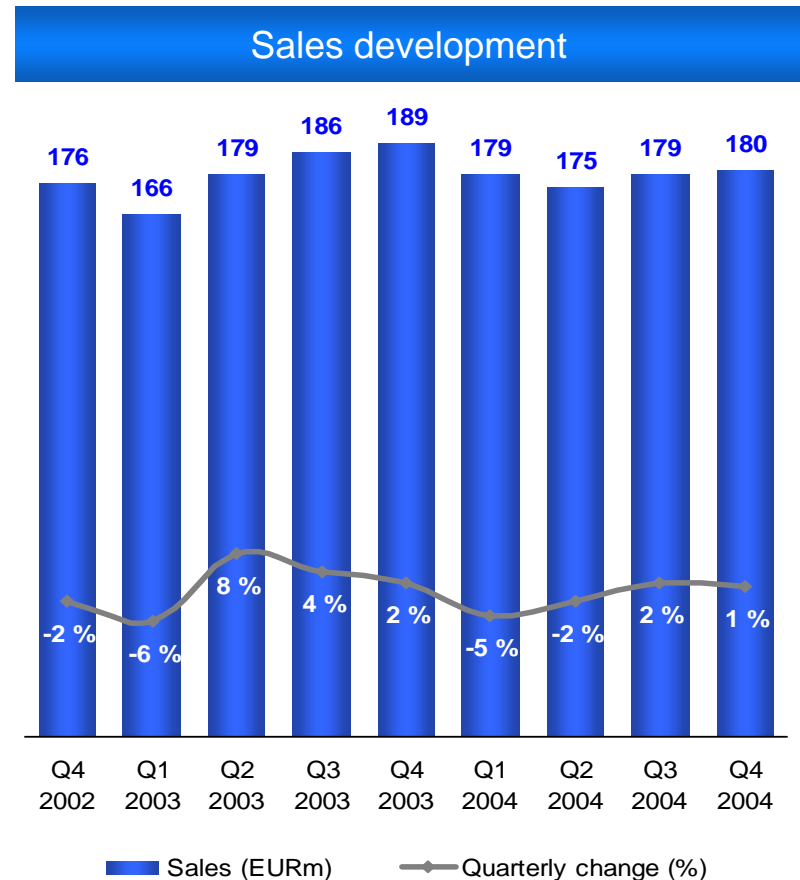
- Volatile market since 3Q 2003
- Stable top line
- Margin improvement
- Strong operational development
- Capital intensity remained stable

Sales split 2004



# Stable top line

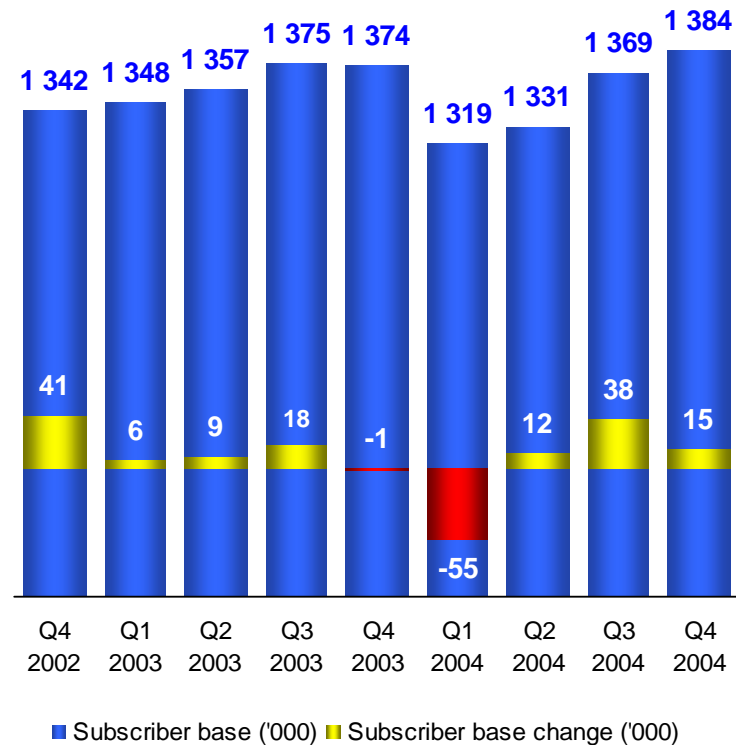
- Growth in volume
  - MOU 8%, SMS 19% yoy
- Decline in prices
  - 15% yoy
- Competitive sales channels
  - Elisa Shopit and Mäkitorppa retail chains
  - Independent high volume retailers
  - Elisa Contact Center



# Continuous long term growth

## Subscriber base development

- Subscriber base growth in 2003 and 2004
  - Strong focus on sales and marketing activities, steady growth after 1Q 2004
  - The only top 3 operator growing in 2004
- MVNOs not included



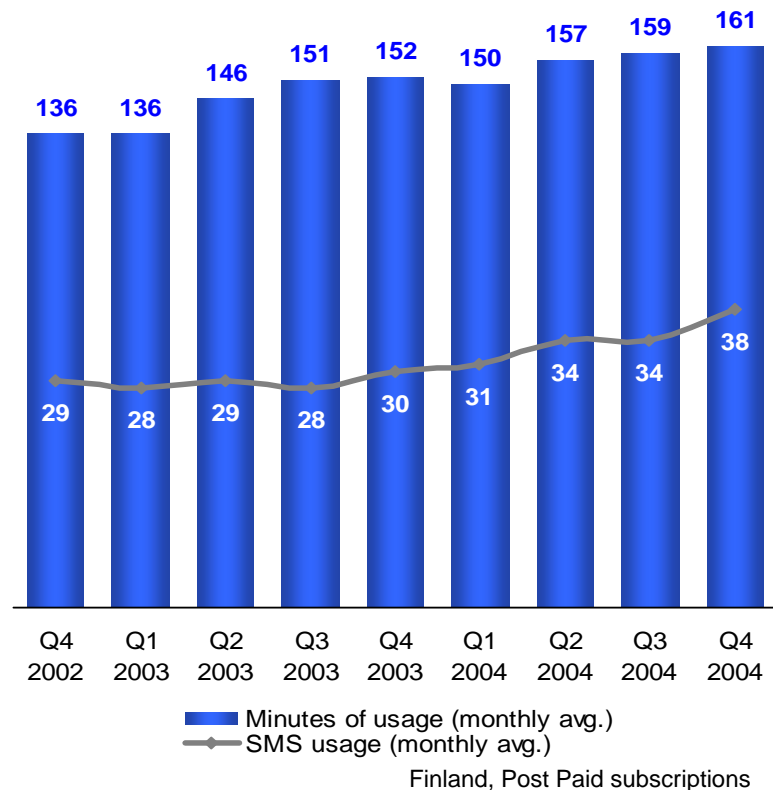
Finland, subscriptions in Elisa's network



# Continued strong growth in usage

- Decreasing prices increase usage
- New pricing schemes introduced
  - Services for smaller target groups
- New services launched
  - Finnair SMS booking service
- Users are moving from PSTN to Mobile

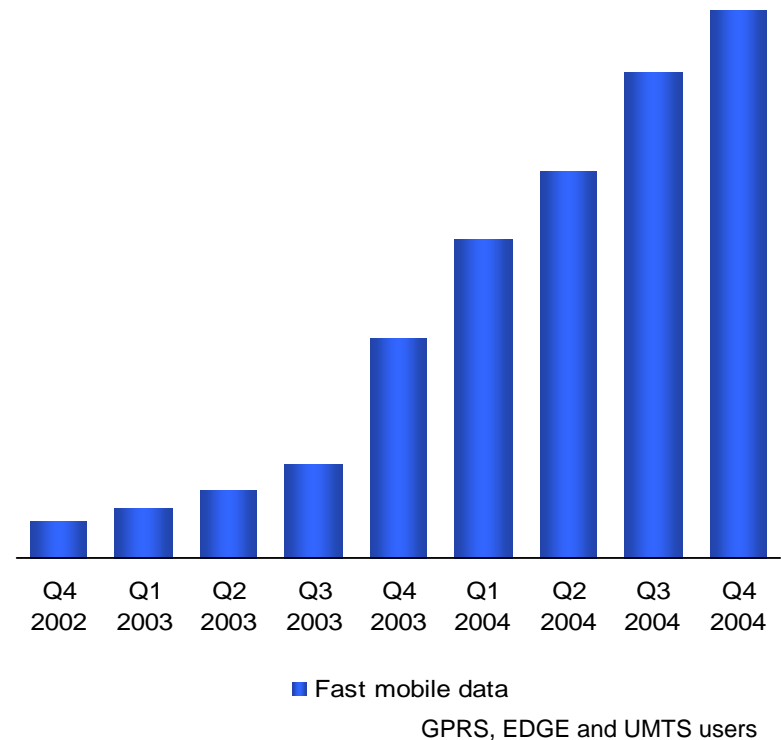
Minutes of usage and SMS development



# Potential in value added services

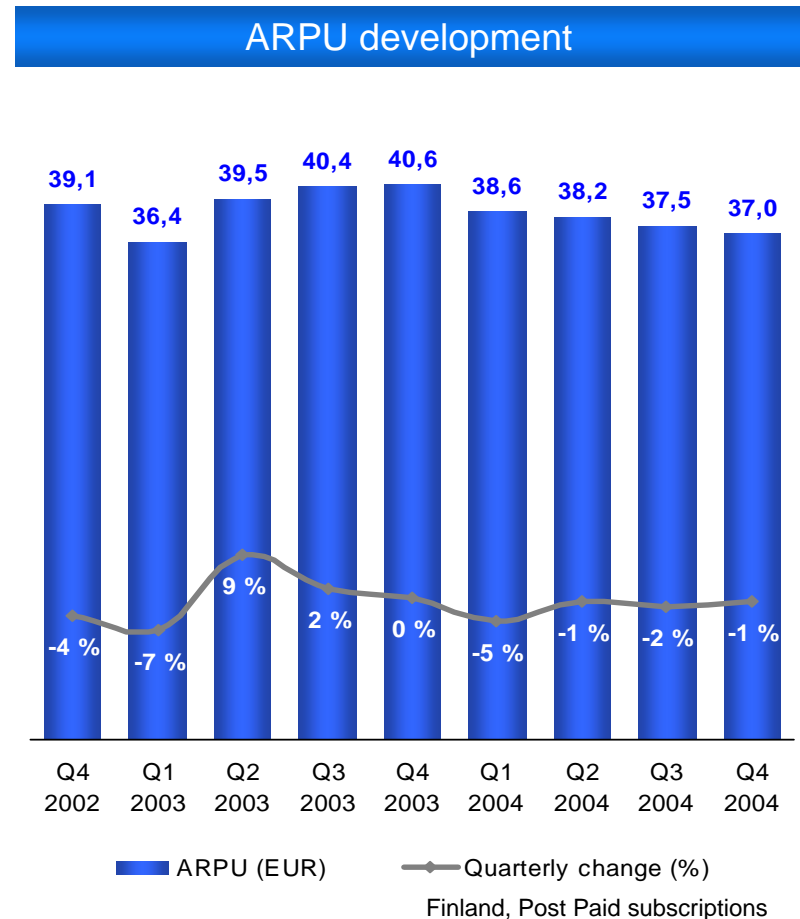
## Fast mobile data user development

- GPRS solutions
  - New TAXI ordering service platforms delivered
  - Vodafone data card launched
- 3G services launched in November 2004
  - Vodafone Connect Card service



# ARPU development remains challenging

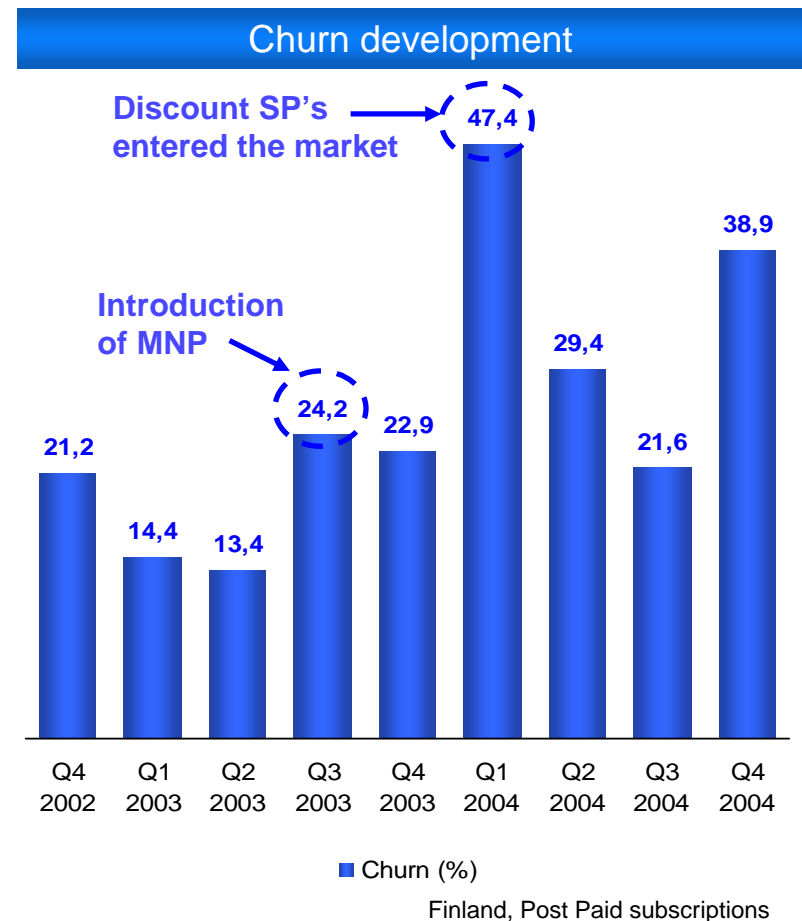
- Fierce price competition during 2004
  - New SP's to the market in 2003
- Changes in interconnection tariffs
- Elisa introduced Kolumbus in 2Q 2004
  - Elisa's discount SP





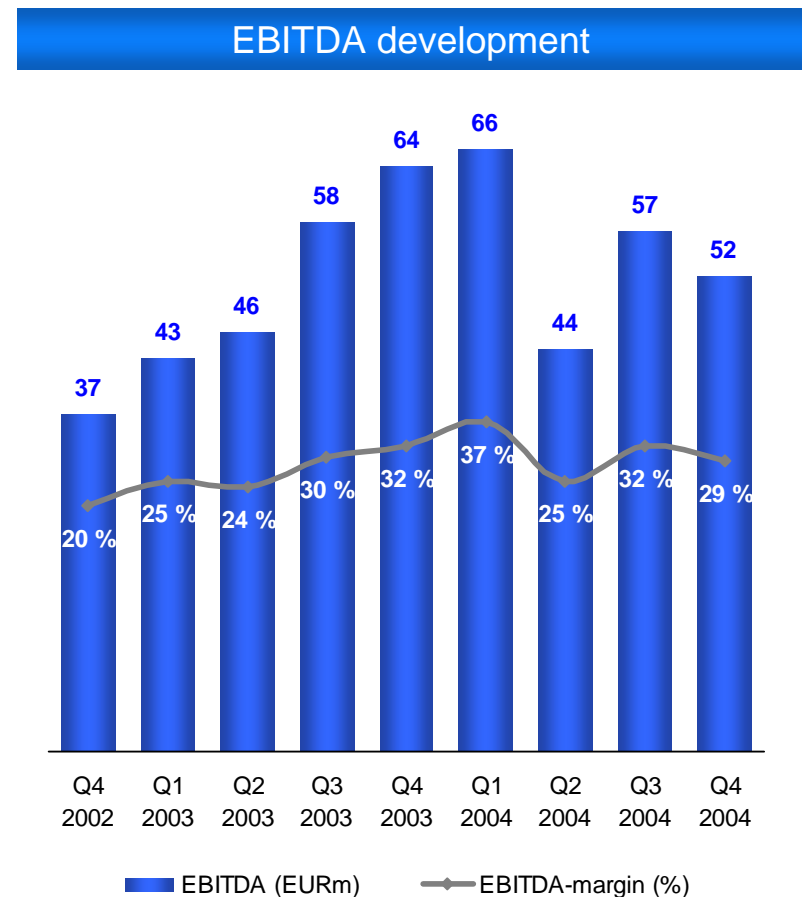
# Fast moving consumer market logic

- Mobile Number Portability (MNP) introduced in July 2003
- Discount SP's entered the market
- Seasonal sales peaks
- Attractive giveaways introduced
- New pricing schemes to Elisa's customers
- Improved Elisa loyalty programs



# Improved margins in intensive competition

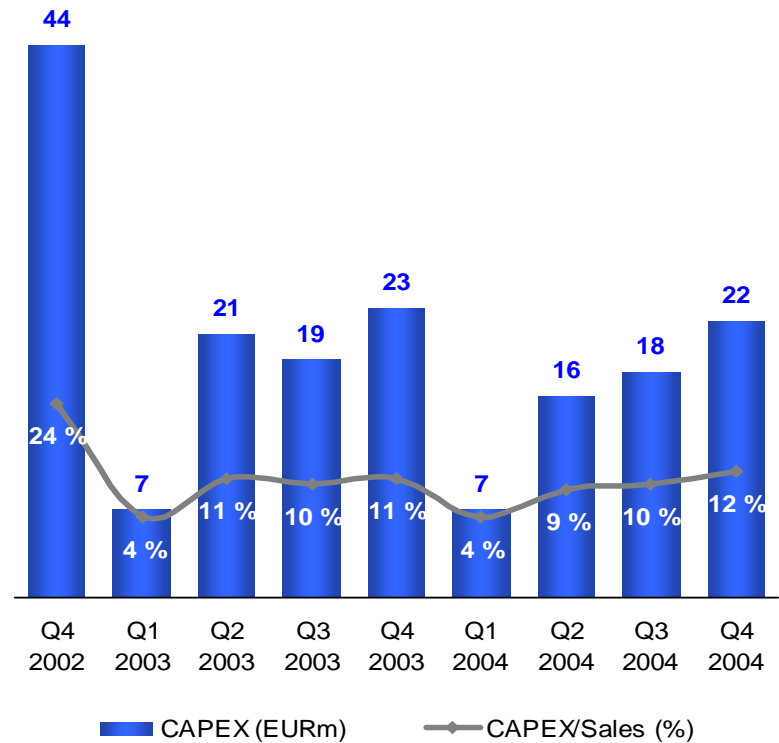
- Our actions
  - Improved operational efficiency
  - Personnel reductions in 2Q 2003 and 1Q 2004
  - Strong focus on sales and marketing activities
  - Radiolinja brand changed to Elisa in 2Q 2004



# Capital intensity remained stable

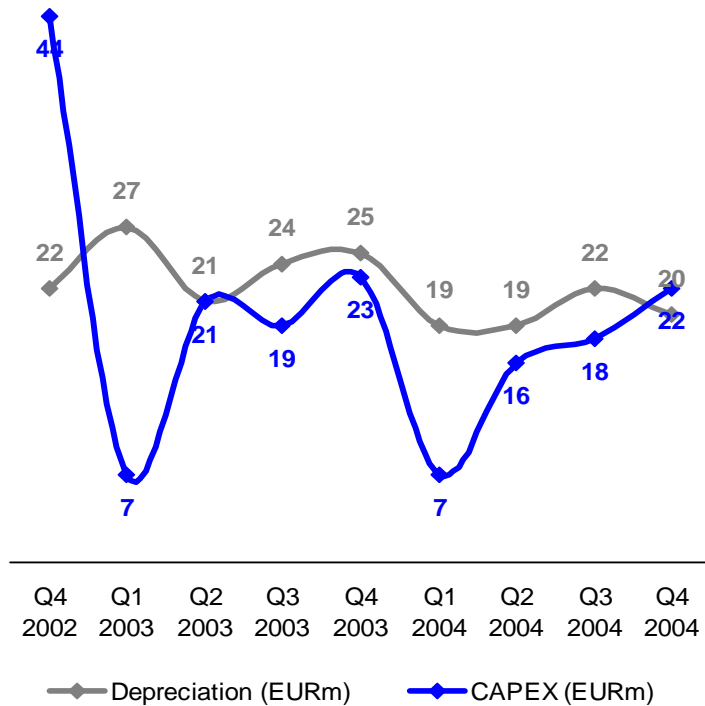
- 2003 to 2004
  - network optimization
  - Improved efficiency
- 3-4Q 2004
  - 3G coverage expansion

## CAPEX development

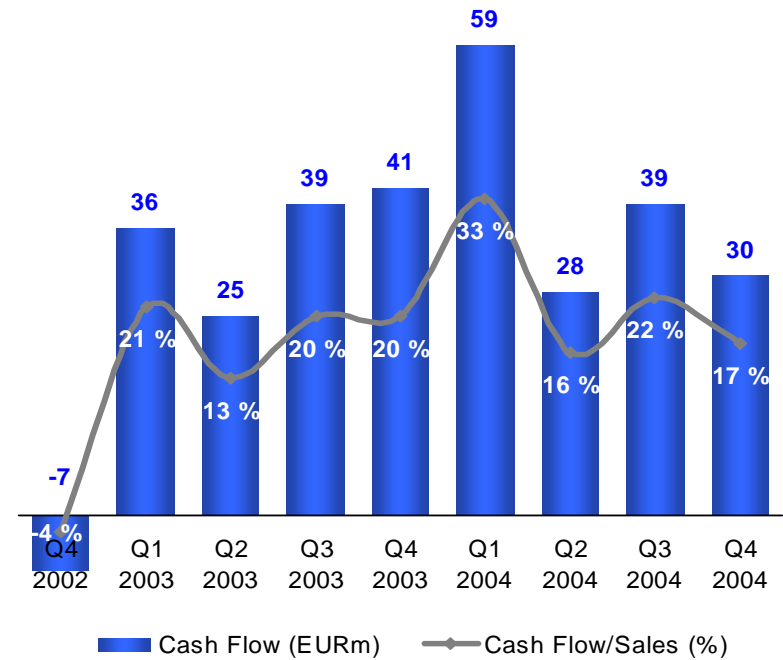


# Improved cash flow from operations

Depreciation vs. CAPEX



Operating cash flow development



Operating cash flow = EBITDA - CAPEX



# 3G – Business customer approach

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- Commercial launch of 3G services in November 2004
- First services for business customers
  - Vodafone Connect Card
- Coverage
  - Major Finnish cities



# Elisa vs. Kolumbus - differences

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The Elisa logo is the word "elisa" in a lowercase, blue, sans-serif font.

- Products for all customer segments
- Elisa's and partners' loyalty programs
- 24 hour customer service
- All retail channels



- Products for price sensitive customers
- Attractive pricing
  - No loyalty programs
- Limited customer service
- Retail distribution from February 2005

# Vodafone cooperation

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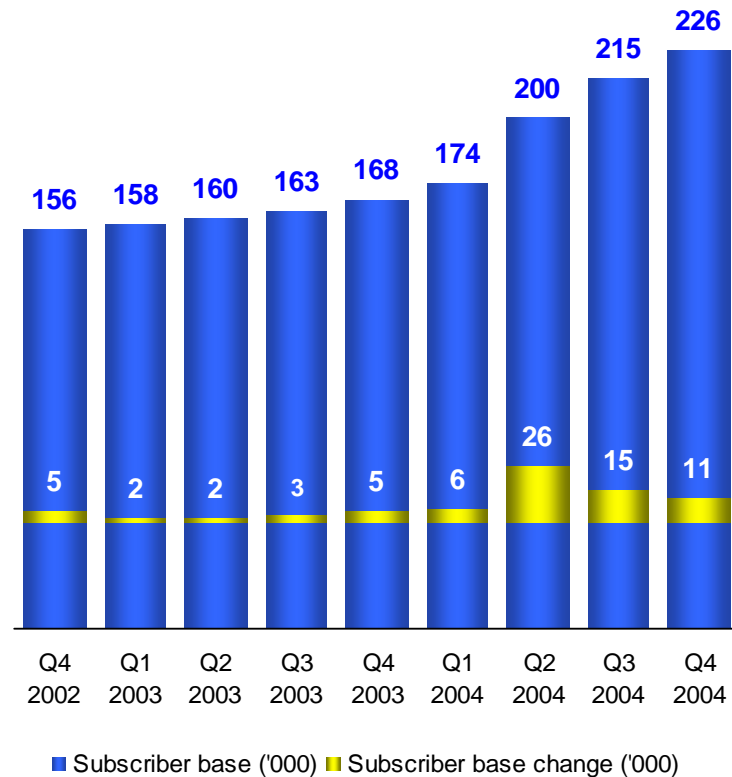
- Vodafone Global
  - Global services for all Finnish customers
- Vodafone Nordic
  - Nordic services for corporate customers
- Roaming income
- New products and services



# Continuous growth

- Estonia's third largest operator
  - Steady growth since 1995
- First independent SP to the market late 2004
  - Operates in Elisa's network
- Mobile Number Portability introduced in January 2005
- Elisa brand introduced in February 2005

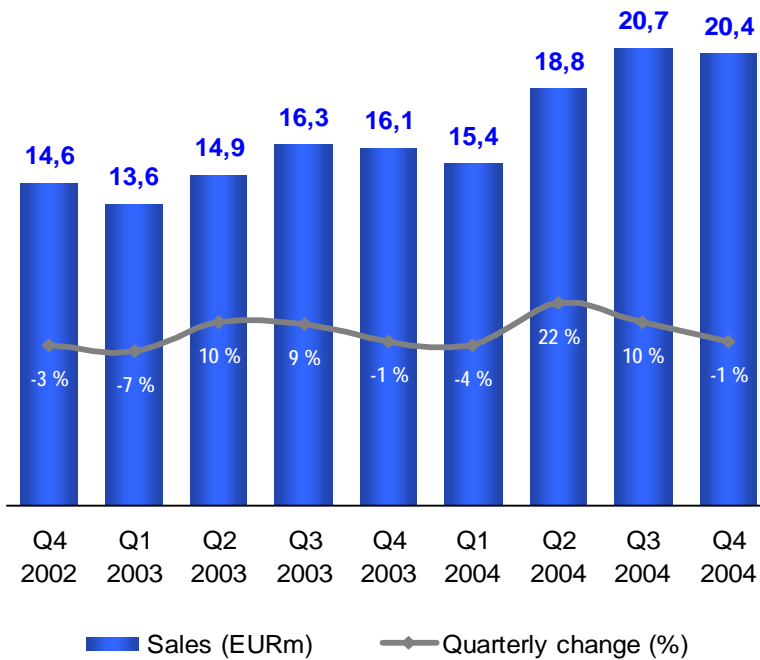
## Subscriber base development



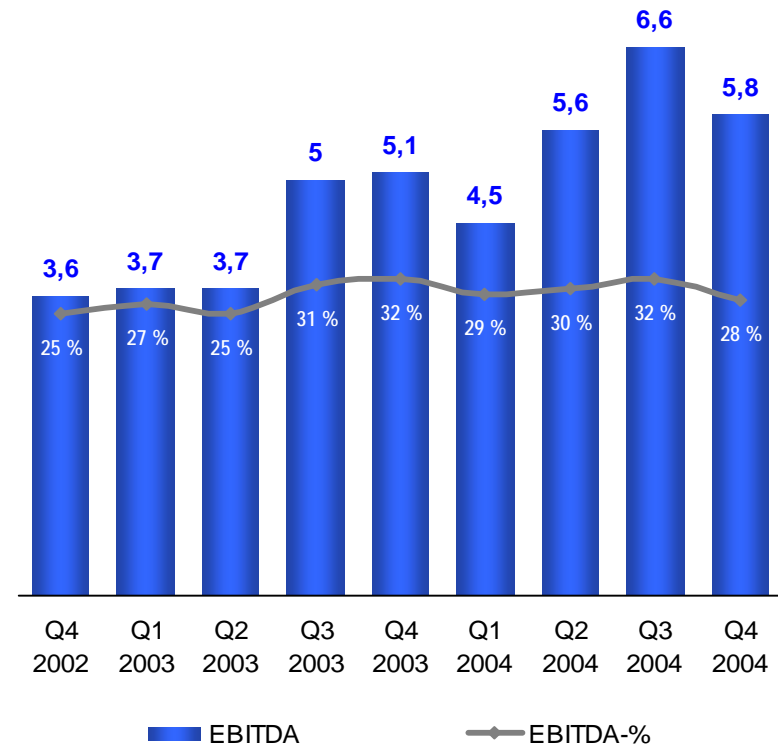


# Profitable growth

## Sales development



## EBITDA development



# Mobile summary

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- Improvement of operations
- Improvement of market position
- Improvement of margins

# Forward-looking statements

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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