Strategic review of the CEO

February 28, 2002

elisa communications

Execution of Elisa’s strategy 1997 - 2002

1997 — 2001 — 2002

Growth → **Consolidation** → **Profitability**

From local (Helsinki) to nationwide telecom-munications operator

Acquisition of majority in Radiolinja and Datatie plus minority stakes in TPO (later: Soon) and KSP

Emission and IPO of Comptel

From national to international player

Merger (HPY Holding with Helsingin Puhelin) New group name: Elisa

Acquisition of stakes in city carriers in Germany (25)

Majority in Soon and KSP

Credit ratings:
Standard & Poor’s A-
Moody’s A3
Both ”stable outlook”

Consolidation of domestic and German holdings

Radiolinja and Soon wholly-owned subsidiaries

Lounet, RPO, KSP and FNI Group companies

Incorporation of service and network operators

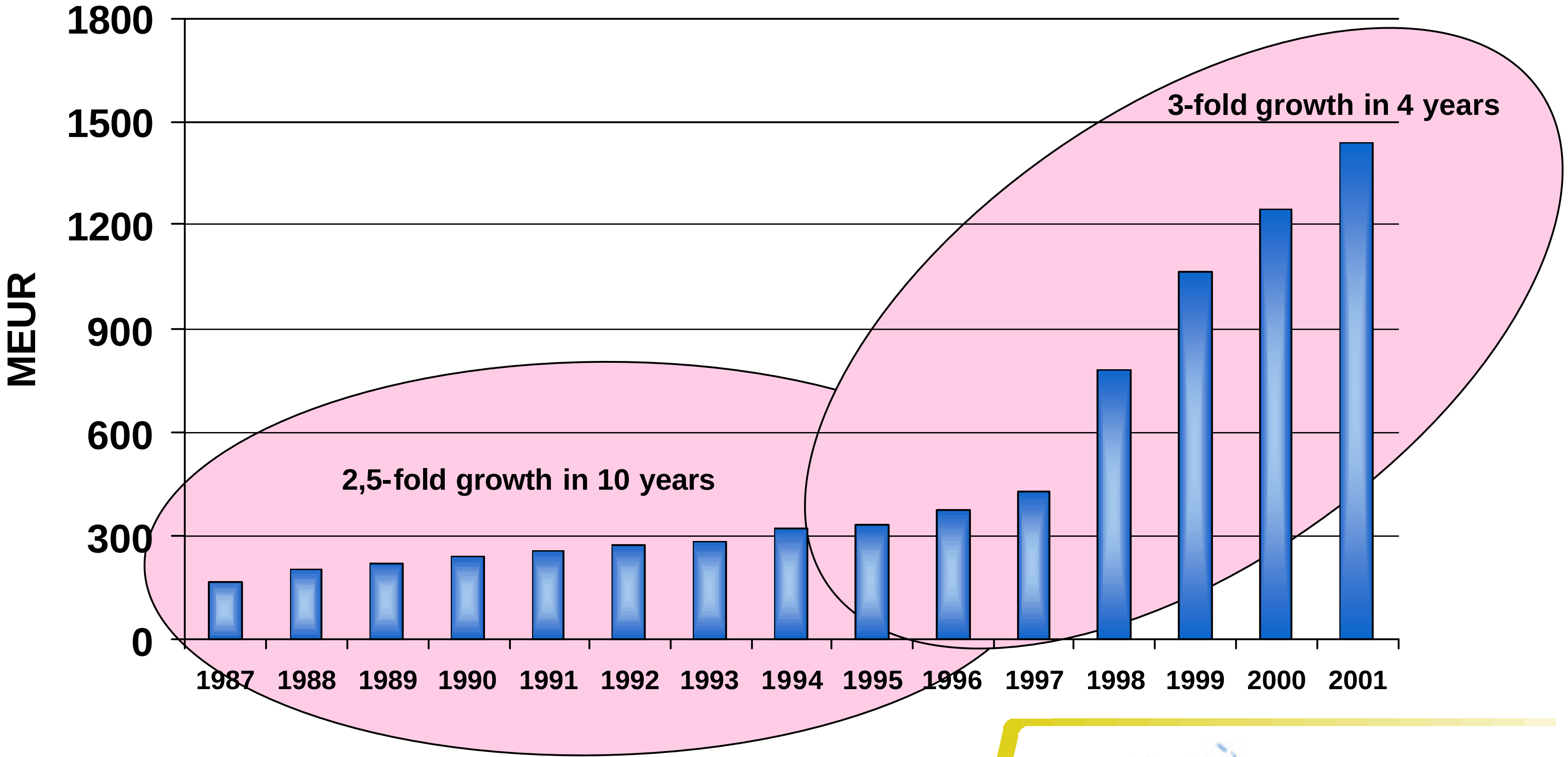
Divesting from directory media business

Cross-SBA synergies, economies of scale, cutting of operating expenditure and CAPEX

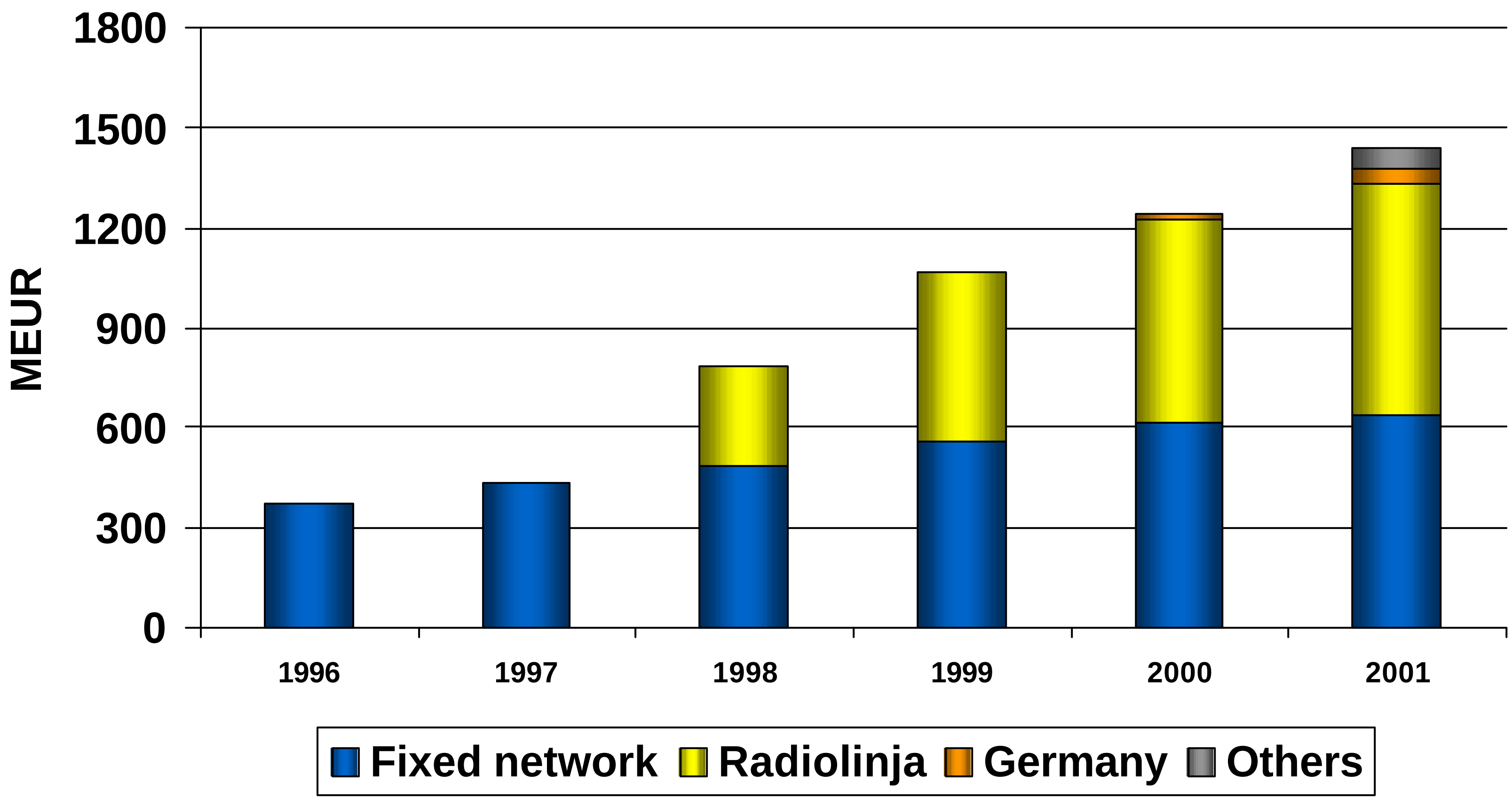
Global partners: Vodafone and SPRINT

Revenue Growth of Elisa 1987 - 2001

Relative size of Elisa to its main competitor has grown from 30% to 66% since the Telecommunications Act of 1987



Revenue Growth of Elisa 1996 - 2001

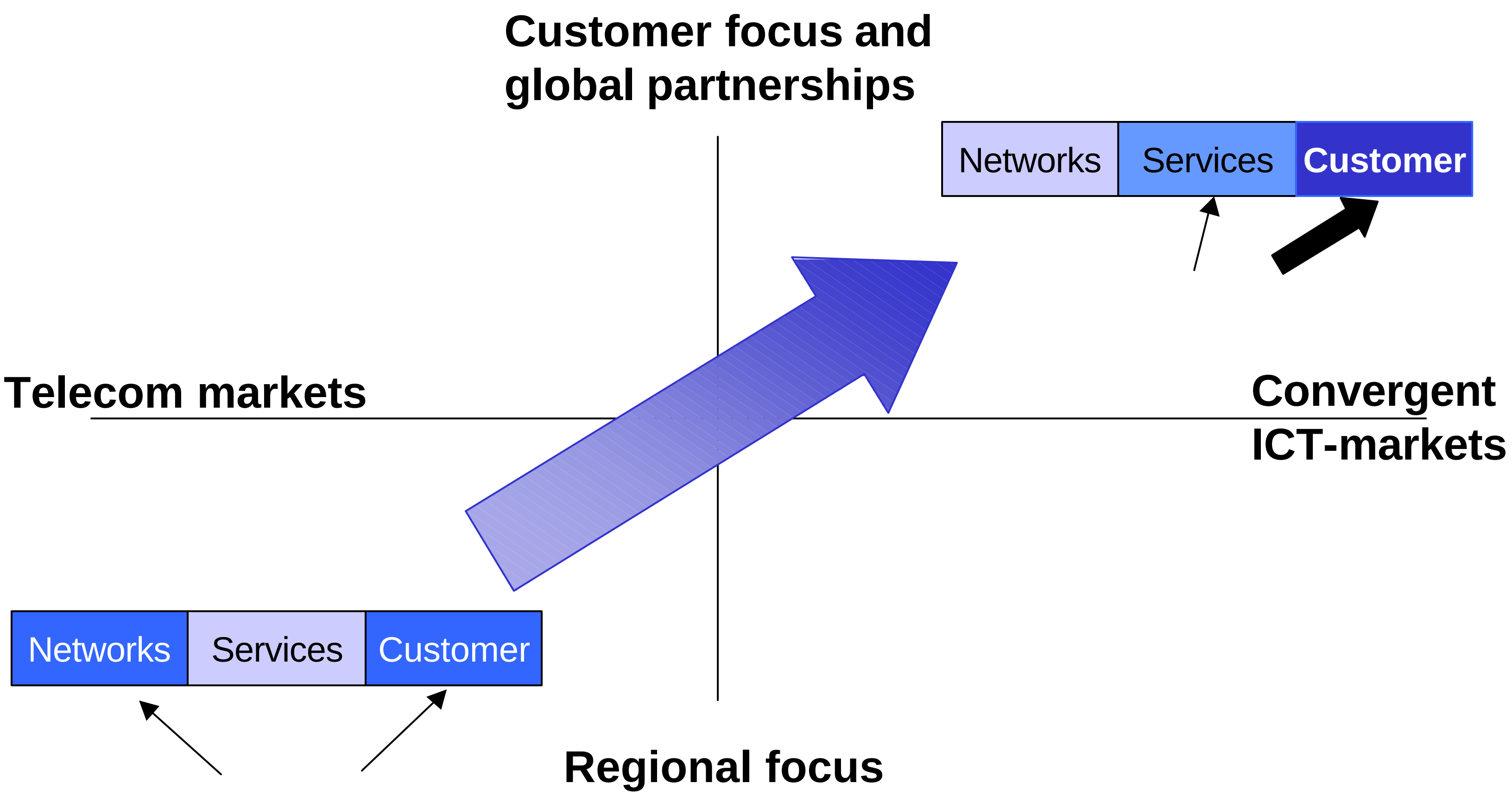


Group Structure 2002

ELISA COMMUNICATIONS
Group management
Group functions and R&D

MOBILE	SOLUTIONS	NETWORK	GERMANY	OTHER COMPANIES
Radiolinja Mäkitorppa Kamastore Radiolinja Solutions	ElisaCom Finnet International Soon Com Kestel Lounet Riihimäen Puhelin Tikka Communications	Elisa Networks Soon Net Kesnet	Elisa Kommunikation Tropolys	Comptel Yomi Group EPStar Arcus

Elisa Shifts Focus of the Strategy



Financial Statements 2001

February 28, 2002

Top-line Growth and Sharper Competitive Edge

Execution of Strategic Agenda 2001

- Revenue growth 16% exceeded sector average
- Joint efforts of Elisa and the partner companies resulted in the largest fixed-network operator business in Finland
- Share exchange offer to shareholders of Soon was carried out, after redemption Elisa owns 100% of Soon
- Elisa, Soon and Radiolinja incorporated their service operator and network operator businesses. This created a platform for, among other benefits, improved cost efficiency
- Radiolinja's revenue increased with 12% and profitability improved
- Core business in Germany advanced as expected, but brought still a loss. The management control of city carriers in germany was centralised.
- Elisa Group focuses on core business, directory media business was sold to Eniro
- Equity ratio was 40% and the financial position continues as good. Credit ratings remained unchanged, A- stable outlook (S&P) and A3 stable outlook (Moody's)

elisa communications

Key Figures of Elisa Group 2001

EUR million	2001	2000	**2001***	2000*	10-12/01	10-12/00
Revenue	1439	1244	**1439**	1244	386	345
EBITDA	424	360	**331**	305	183	74
EBIT	108	149	**74**	119	58	-5
Pre Tax Profit	46	94	**12**	90	44	-42

*** excluding one-time items**

- Revenue growth 16% (17%)
- EBITDA growth 18% (13%), EBITDA margin 30% (29%)
- EBIT reduction 28% (-31%). EBIT and pre-tax profit were affected by:
  - Depreciation from increased fixed assets of Radiolinja
  - Contribution of the German business
  - Financial cost of debt resulting from share acquisitions
- The year-end figures include as one-time items:
  - capital gain EUR 86 million from the sale of the directory media business
  - one-time write-off EUR -59 million from fixed assets, mainly in Radiolinja
  - further capital gain and penalty payment of the Competition Council totalling EUR +7 million
- Comparable EBITDA growth 9% (19%)
  and EBITDA margin 23% (25%)

Business Areas

Mobile Business 2001

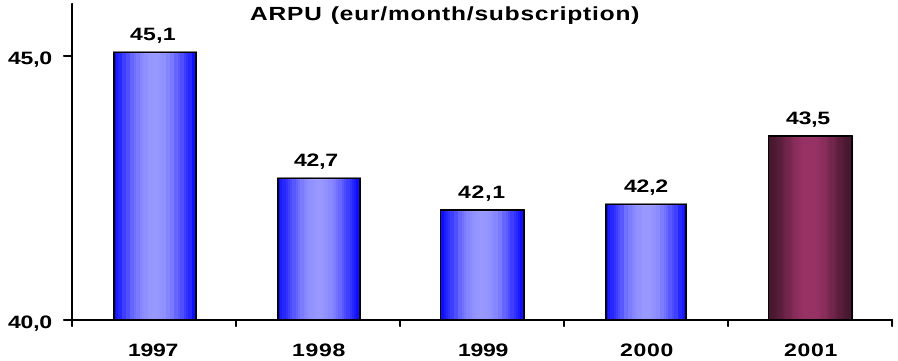
Mobile	Revenue			EBITDA			EBIT		
	2001	2000	change	2001	2000	change	2001	2000	change
Radiolinja	686	614	12 %	226	170	33 %	72	4	1545 %
Mäkitorppa Group	55	93	-41 %	-2	0	-	-7	-4	-
Group bookings	-15	-18			-8		-10	62	
Total	727	690	5 %	224	162	38 %	56	62	-10 %

- Radiolinja Group revenue growth 12% (18%) and EBITDA growth 33% (32%) with EBITDA margin of 33% (28%)
- Leasing adjusted EBITDA was EUR 277 million (224) and EBITDA margin 40% (36%)
- ARPU increased to EUR 43.5 per month (42.2)
- Subscriptions in networks increased by 9% to 1.36 million (1.25)
- Service operator’s annualised churn was 14.3% (12.2%)
- Revenue share of value added services increased to 12% (11%)
- MOU up by 11% to 1.97 million (1.77) and amount of SMS by 15% to 394 million (343)
- Market share of subscriptions in Finland amounted to about 33%

elisa communications

Mobile business 2001

- New domestic terminating tariff reduced revenues 3 to 4% from September onwards, but margins remained unaffected
- Average amount of SMS sent per subscriber increased to 26 per month (24)
- Average monthly usage of subscription increased to 131 minutes (127)
- Content services were used by 25% of users (19%)
- Share of flat rate *Tandem Aina* was over 70% of new subscriptions (from September 2001 onwards)
- Radiolinja launched together with department store Stockmann a new subcription service (Stockmann Dial) and made a co-operation agreement with supermarket chain S-ryhmä
- GPRS service was launched in September



Fixed Network Business 2001

Fixed network	Revenue			EBITDA			EBIT		
	2001	2000	change	2001	2000	change	2001	2000	change
Elisa Communications*	472			66			2		
Soon Communications**	58			35			11		
KSP Group**	30			8			4		
Other companies*	342			127			84		
Group bookings	-216			7			21		
Total	686	532	29 %	243	203	20 %	122	107	14 %

* Company figures are not comparable due to new group structure
** Group companies since 1July,2001

- Revenue grew by 29%. The new group companies contributed EUR 90 million.
- EBITDA grew up to 243 MEUR (203) and EBITDA margin was 36% (38%)
- Total amount of subscriptions in Elisa Group was 1.14 million (0.74)
- Consolidation of the new group companies increased revenue and number of subscriptions
- Elisa Group became market leader in fixed network business in Finland with the market share of approx. 37%
- The number of ADSL channels grew strongly

Fixed Network Business 2001

- Kolumbus Oy and Direktia Oy started on 1 January, 2001
- Group sold its directory business to Eniro AB
- Elisa Networks Oy started on October 1, 2001
- Elisa commissioned its own domestic long-distance network in September
- The carrier-to-carrier interconnection tariffs were decreased by an average of 20%
- The number of Cable TV subscriptions rose up to 133,000

Subcriptions, '000	2001	2000	2000*	change*
ISDN channels	276	218	266	4 %
ADSL channels	27	5	6	350 %
Cable TV	133	11	122	9 %
PSTN and others	701	509	721	-3 %
Total	1 137	743	1 115	2 %

* includes also subscriptions of Soon, KSP, RPO and Lounet

Germany-based Operations 2001

Germany	Revenue		EBITDA		EBIT	
	2001	2000	2001	2000	2001	2000
Carrier-business	41	9	-14	-10	-37	-21
Mäkitorppa GmbH	13	9	-16	-4	-19	-5
Group bookings					3	
Total	54	18	-30	-14	-53	-26

2000 and 2001 figures are not comparable

- Consolidated revenue was EUR 54.2 million (17)
- The aggregate revenue volume of Elisa subsidiaries and affiliates in Germany amounted to EUR 156 million (40)
- Consolidated EBIT amounted to EUR -55.7 million (-18 full year 2000)
- The loss contribution to Elisa Group was further affected by EUR -13.5 million (-15 full year 2000) share of associated companies result
- Management of city carrier business was centralised to Tropolys, which became a subsidiary of Elisa Kommunikation GmbH as of January 1, 2002
- Mäkitorppa GmbH entered into a heavy restructuring program in 2H2001

Other Companies 2001

Other companies	Revenue			EBITDA			EBIT		
	2001	2000	change	2001	2000	change	2001	2000	change
Comptel	61	60	1 %	17	25	-32 %	14	22	-36 %
Other companies*	33	40		-1	3		-2	2	
Group bookings	0	0		-29	-19		-29	-18	
Total	94	100	-6 %	-13	9	-	-17	6	-

* Heltel, Epstar, Arcus

- Comptel revenue was EUR 60.8 million (60.4) and EBIT EUR 13.5 million (22.2)
- Comptel's revenue and earnings were affected by the current market situation and the postponed investment decisions of operators
- Comptel retained still its leading position in the global mediation market in a challenging situation

Elisa Focuses on Profitability

Improvements through new Group structure

- Economies of scale from the new service and network operator companies
- Product range will be simplified further and unified
- Personnel capacity was reduced in 2H2001 with over 11%
- Layoffs accounted for less than one third of the above
- Personnel capacity will further be reduced in 2002

Cash Flow will turn positive during 2002

- New simplified fixed netwok business structure reduces CAPEX
- Investment level of the cellular network will reduce in the next years and the UMTS investment will be deployed as the business takes up speed
- Investment in Germany will be limited and the losses from mobile retail will come to an end
- Total investment of the group is declining: EUR 615 million in 2001, less than EUR 400 million in 2002

elisa communications

Cooperation with Vodafone **(signed February 14, 2002)**

Business and Partnership Agreement between Radiolinja and Vodafone

- Radiolinja needs a ”globalisator” to be able to offer global mobile services to Finnish corporate clients
- Cooperation in products and services
- Radiolinja offers e.g. following Vodafone services: international roaming, GPRS roaming, Eurocall, Virtual Home Environment and Assisted Roaming
- Services will be rolled out in summer of 2002
- Radiolinja offers to Vodafone customers in Finland corresponding services

Umbrella Agreement between Elisa and Vodafone

- Partnership in accordance with the announced international strategy of Elisa
- Global networking is necessary for telecom services
- Partnerships with world-class telecommunications players enhance the service offering of Elisa and sharpen thus the competitive edge
- The agreement sets no constraints whatsoever for alliances with any parties

elisa communications

Future Outlook

- The group's revenue is expected to grow faster than the sector in general in 2002
- Euro value of EBITDA and PTP without one-time items are estimated to improve compared to 2001
- The ongoing restructuring programs will burden the financial performance in the beginning of the year 2002, but profitability is estimated to improve towards the year-end
- EBITDA of the Elisa Kommunikation GmbH sub-group is expected to turn positive by the end of 2002, and EBIT to turn positive by the end of 2003
- Elisa’s mobile retail business in Germany will be adapted to the market situation so that it will no longer be loss bringing from 2Q2002 onwards
- Cash flow of the Elisa Group is expected to turn positive during the year 2002

Financial Statements 2001

February 28, 2002

Elisa Communications Group

MEUR	2001	2000	2001 Adj.*	2000 Adj.*	Q4/01	Q4/01 Adj*.
Revenue	1439	1244	1439	1244	386	386
Other income from operations	126	74	29	16	102	16
EBITDA	424	360	331	305	183	97
EBITDA margin	29,5	29	23,0	24,5	47,4	25,1
Depreciation	-271	-167	-212	-150	-115	-68
Goodwill depreciation	-45	-44	-45	-36	-10	-10
EBIT	108	149	74	119	58	19
EBIT margin	7,5	12	5,1	9,6	15	4,9
Share of associated companies result	-14	-33	-14	-7	1	1
Net financial items	-48	-22	-48	-22	-15	-15
Pre Tax Profit	46	94	12	90	44	5
Taxes	-42	-60	-32	-50	-23	-12
Minority shares	-3	-12	-3	-12	-1	-2
Net Profit	1	22	-23	28	20	-9
EPS, EUR	0,01	0,18	-0,18	0,23	0,16	-0,07
CEPS, EUR	2,43	1,89	1,80	1,73	1,07	0,51
No. of shares, million	130,3	123,4	130,3	123,4	135,6	135,6

* one-time items incl. capital gain EUR 86 mio, one-time write-off EUR -59 mio, further capital gain +11 and penalty payment of the Competition Council -4, totalling EUR +7 mio