

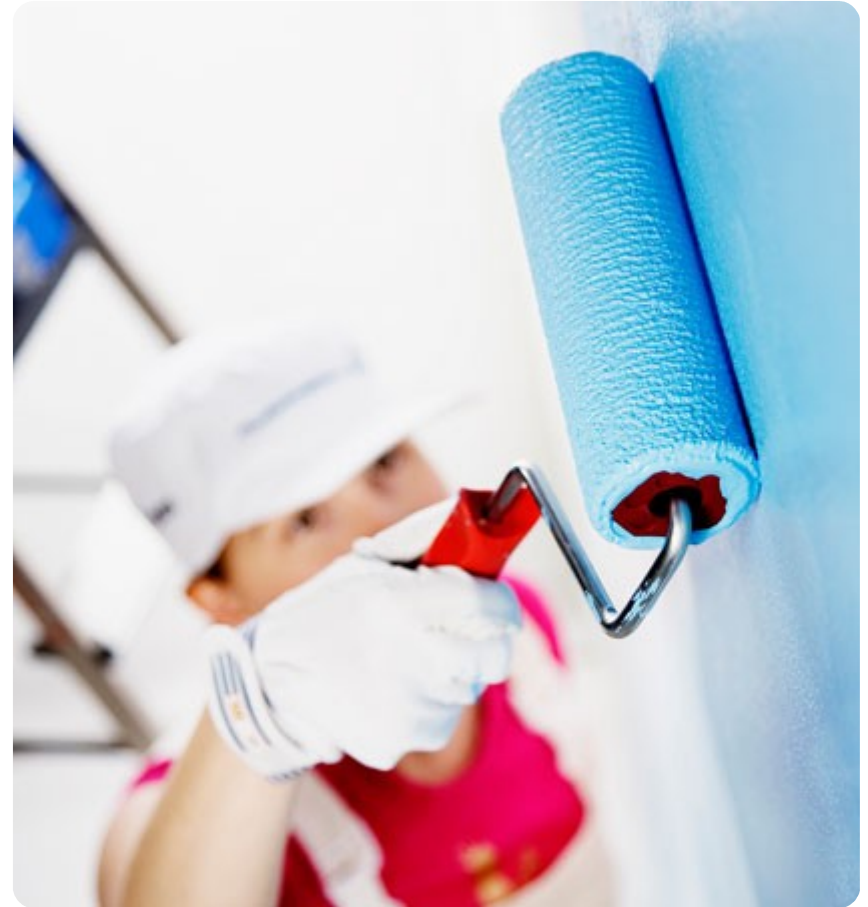


Transformation of an ICT company

CEO Veli-Matti Mattila, Elisa Oyj
Telecom Forum 16.10.2007

Transformation of an ICT company

- Elisa
- Driving the Market
- Driving the Brand
- Driving Productivity
- Driving Innovation





Elisa

Elisa key figures

- Revenue € 1.52 billion (2006)
- 2.6 million mobile customers
- 500,000 broadband customers
– altogether 1.3 million fixed customers
- Investments € 207 million (2006)
- 3,300 employees
- Marcap € 3,3 B



Elisa's strategy



New services and
new markets

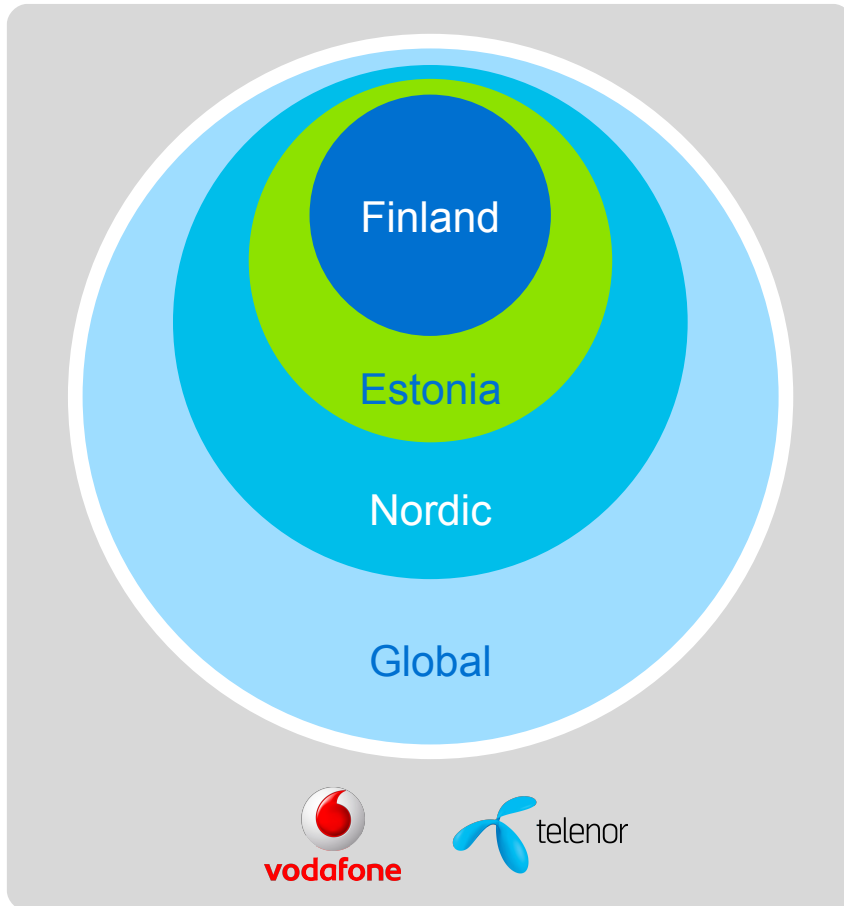
2005 –

Strengthening market position in
core markets

2003 –

Integration of One Elisa

Elisa in Finland, the Nordic countries and globally



Strong position in the home market

- Market leader in broadband services
- Strong position in mobile subscriptions
- Nation-wide service network

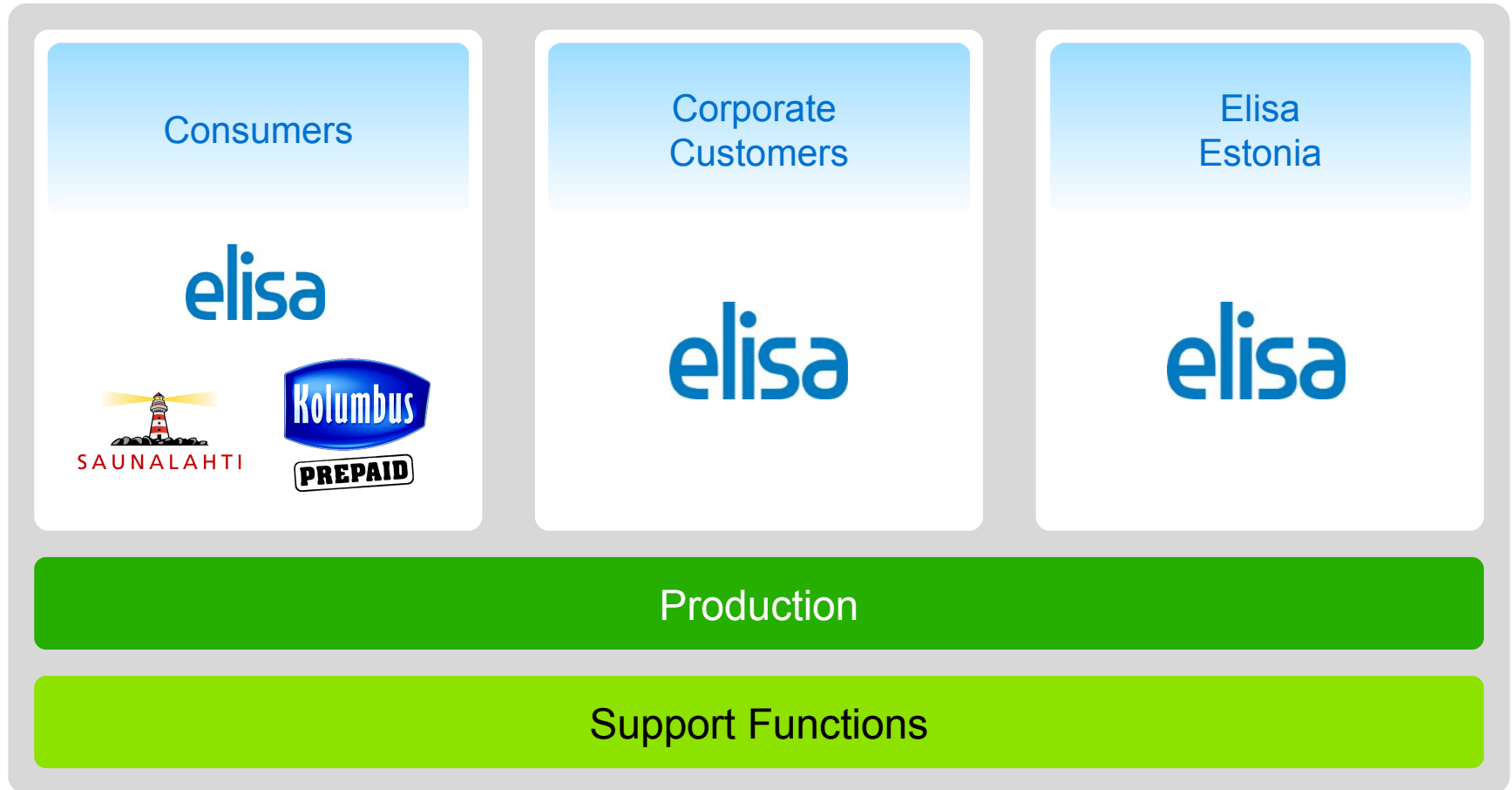
Extensive Nordic presence

- With Telenor, Elisa provides the full range of telephone and data solutions in the Nordic countries, just as in Finland

Superior global offering

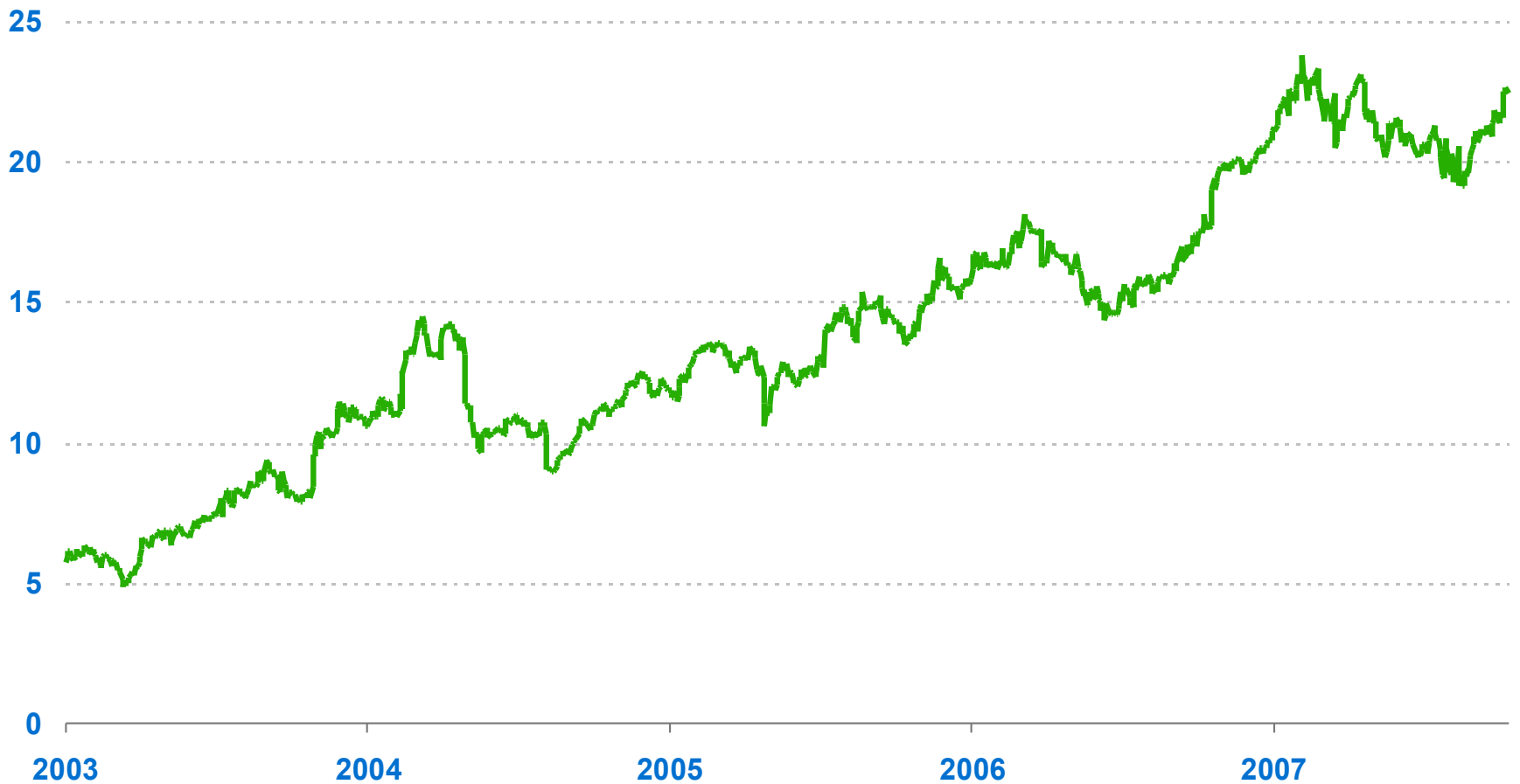
- Access to the services of Vodafone, the world's biggest mobile operator
- Wide roaming cooperation network

Elisa's organization



Market appreciation of the transformation

Elisa's share price



Lähde: Bloomberg

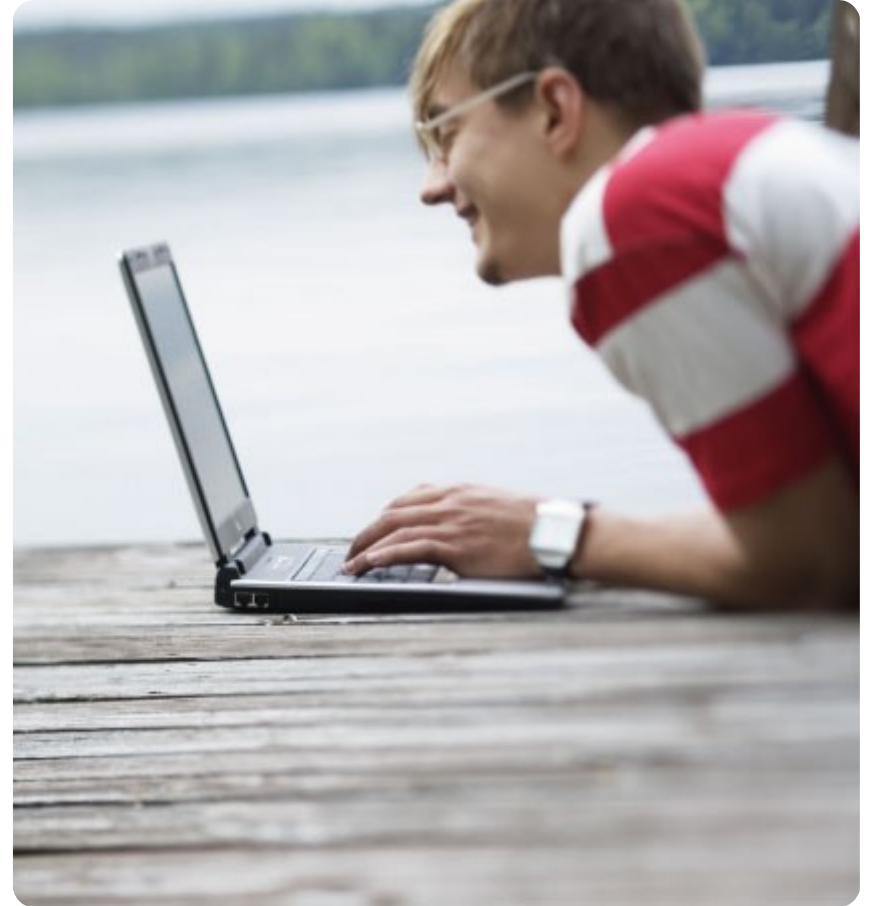




Driving the Market

Driving the market

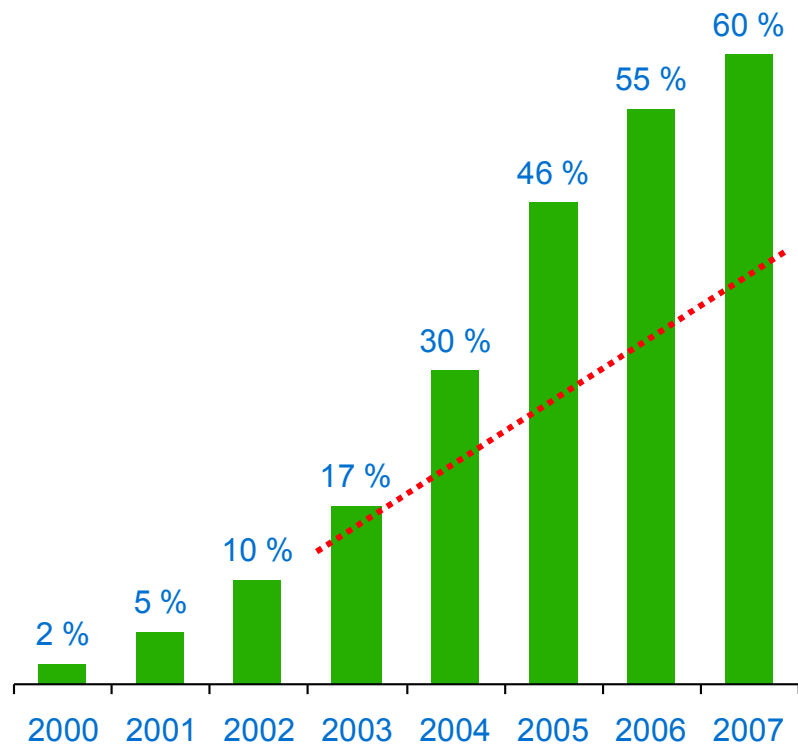
- Broadband
- Mobile Broadband
- Productivity for Corporate Customers



Driving Broadband Growth

- Various technologies tested for broadband in 1990's (dsl, cable modems, ect.)
- First DSL services 1999,
 - before that Helsinki Arena and Video-on demand experiments
- Price for 384 kbit/s in 1999 Fim 1 770 per month (eur 305)
- Market size only a few hundred customers at the beginning of 2000

Driving broadband growth



Source: Company reports, Elisa estimates

New services (IPTV, VoD)

Supernopea laajakaista, jossa TV ja internetpuhelut



Broadband with television
and VoIP

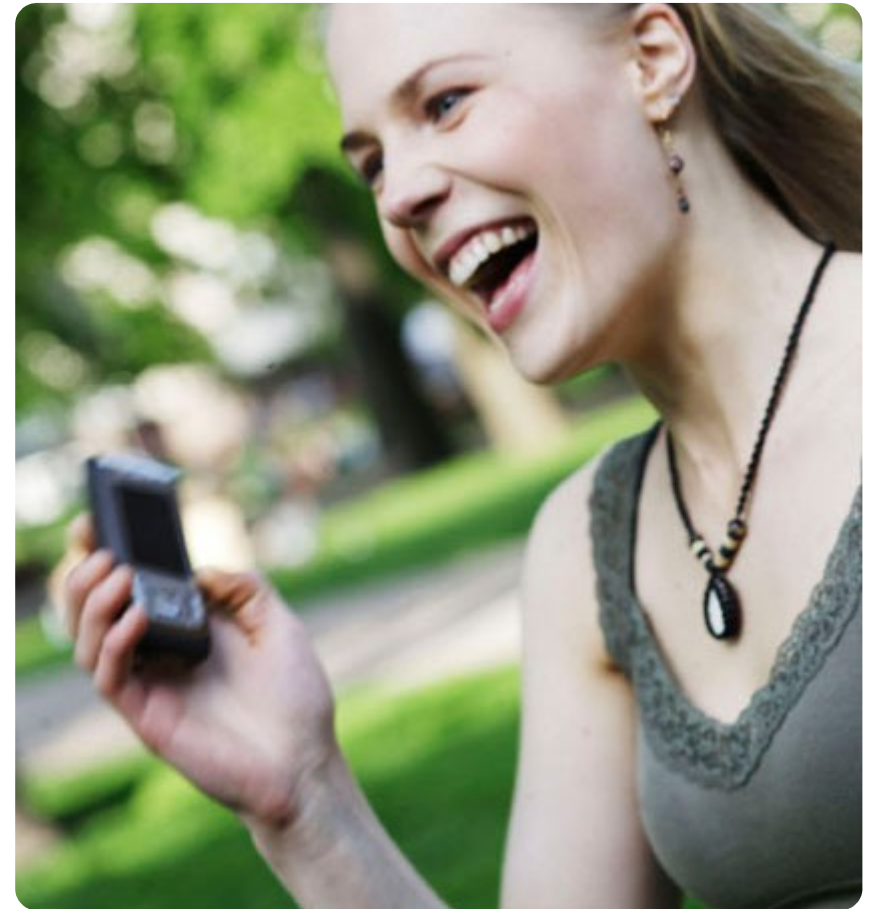
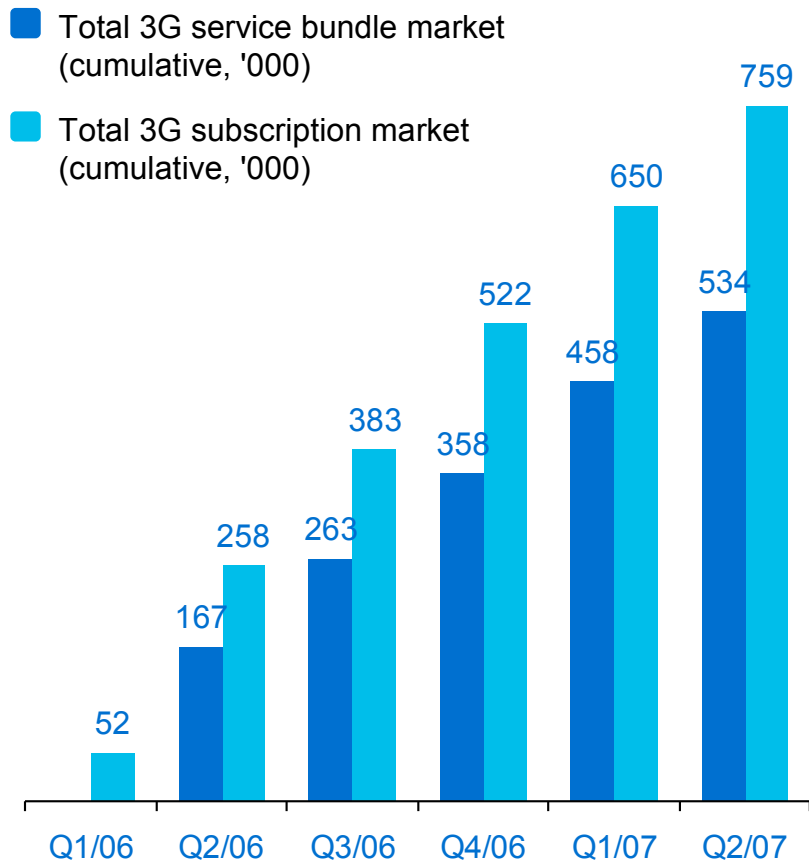
TV TV+ CANAL+ Film CANAL+ Total TV+ CANAL+ Film TV+ CANAL+ Total

Viihdekaista TV+ ja CANAL+ Total -pakettiin kuuluvat kaikki parhaat kanavat, joiden ääressä viihtyy vaativinkin katsoja. Mahdollisuus tilata CANAL+ Select -palvelu. **45€**

A grid of channel logos. The first row includes MTV3, a blue circle with the number 4, and YLE TV1, YLE TV2, YLE Teema, YLE Extra, and YLE FST. The second row includes EUROSPORT, EUROSPORT 2, Disney, Discovery Channel, Animal Planet, CNN, subTV, and JIM. The third row includes travel & living, travel channel, lifestyletv, THE HISTORY CHANNEL, two Nickelodeon logos, CN, and JETIX. The fourth row includes Discovery science, Discovery CIVILISATION, NATIONAL GEOGRAPHIC CHANNEL, CNBC EUROPE, Bloomberg TELEVISION, BBC WORLD, STAR!, and SHOWTIME. The fifth row includes TCM, UK adult channel, music choice, SKY NEWS, and silver KINO. The bottom row includes CANAL+ FILM 1, CANAL+ FILM 2, CANAL+ FILM 3, CANAL+ SPORT 1, CANAL+ SPORT 2, and CANAL+ MIX.

Driving 3G growth

ELISA'S MARKET SHARE >50%

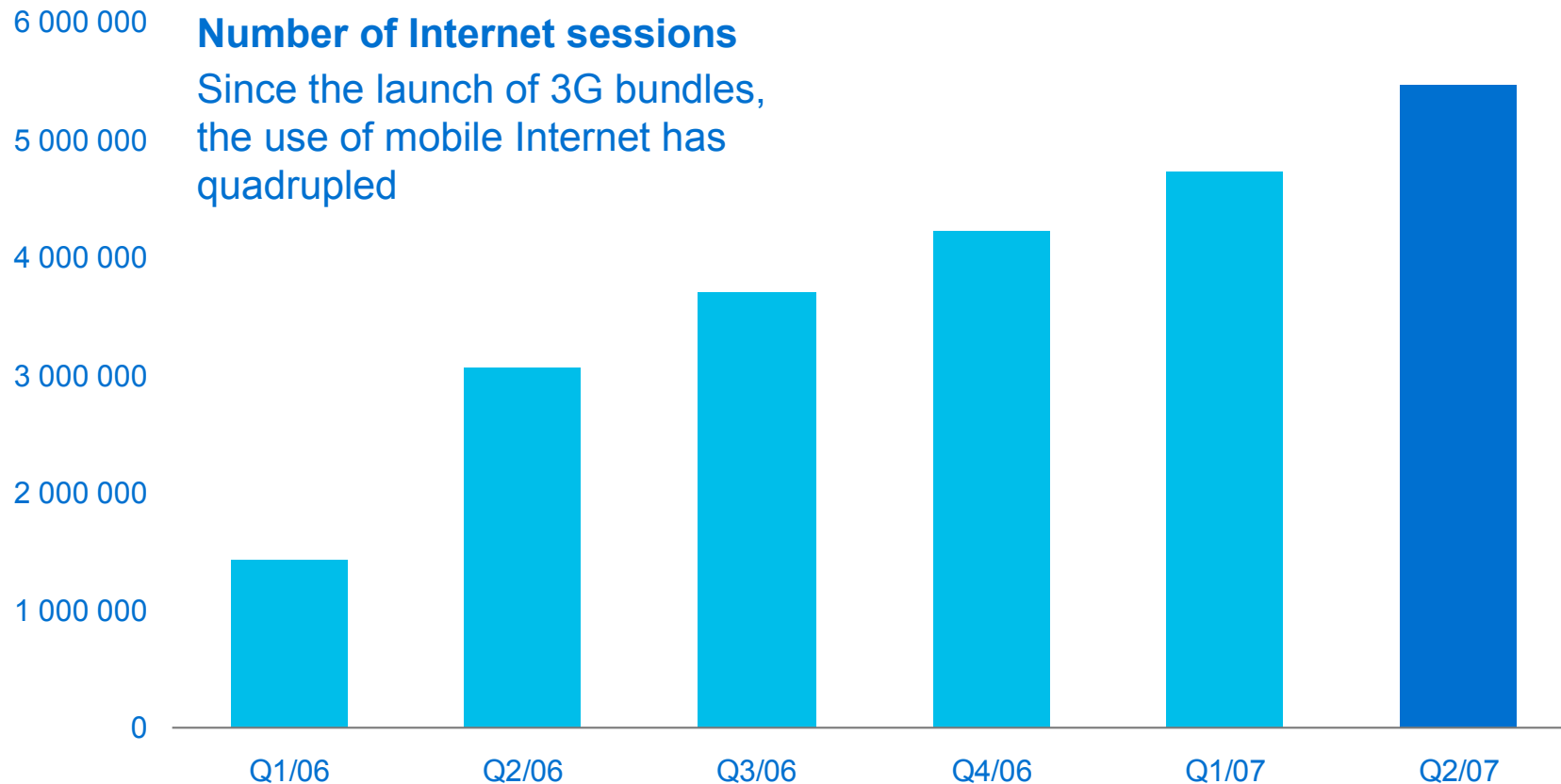


Source: Company reports, Elisa estimates



Customers appreciate high mobile data speeds

DRIVING MOBILE BROADBAND



New User-Friendly Services

DRIVING MOBILE BROADBAND

- Flat monthly rate
- Unlimited amount of data
- Starting at EUR 9.90 per month (384 kbit/s)
- Available for 3G phones and computers
- Bundling with fixed broadband subscriptions with discount



Justice!

PRODUCTIVITY FOR CORPORATE CUSTOMERS

- Integrated fixed and mobile phone solutions, VoiP
- Largest VoiP project in Northern Europe
- Over 10 000 users (est.)
- Mobile Switchboard

Benefits:

- Video testimony to court rooms
- Mobile office solutions, work is not dependent on place or time
- Client service center makes everyday life and contacts more simple



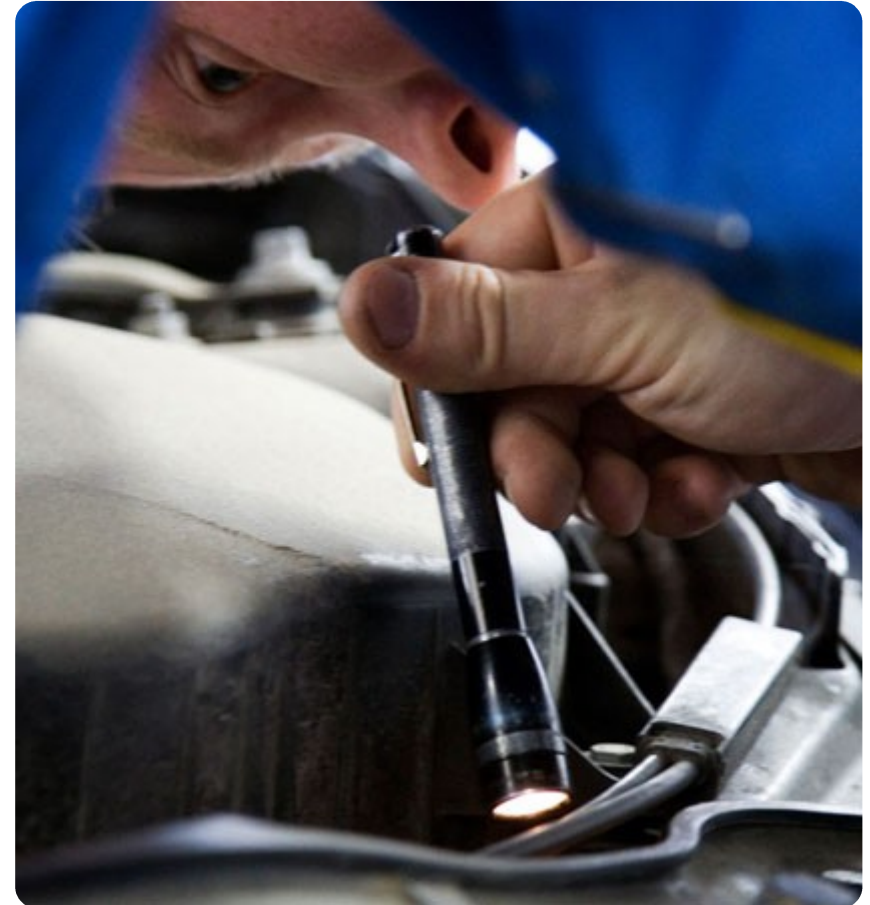
Fix my car, make my day!

PRODUCTIVITY FOR CORPORATE CUSTOMERS

- Call center and booking services
- Intelligent SMS for reservations
- Client service solutions and reporting

Benefits:

- Cost savings
- Higher customer satisfaction
- Number of lost calls close to a zero
- Intelligent text message makes contacting clients quick and efficient



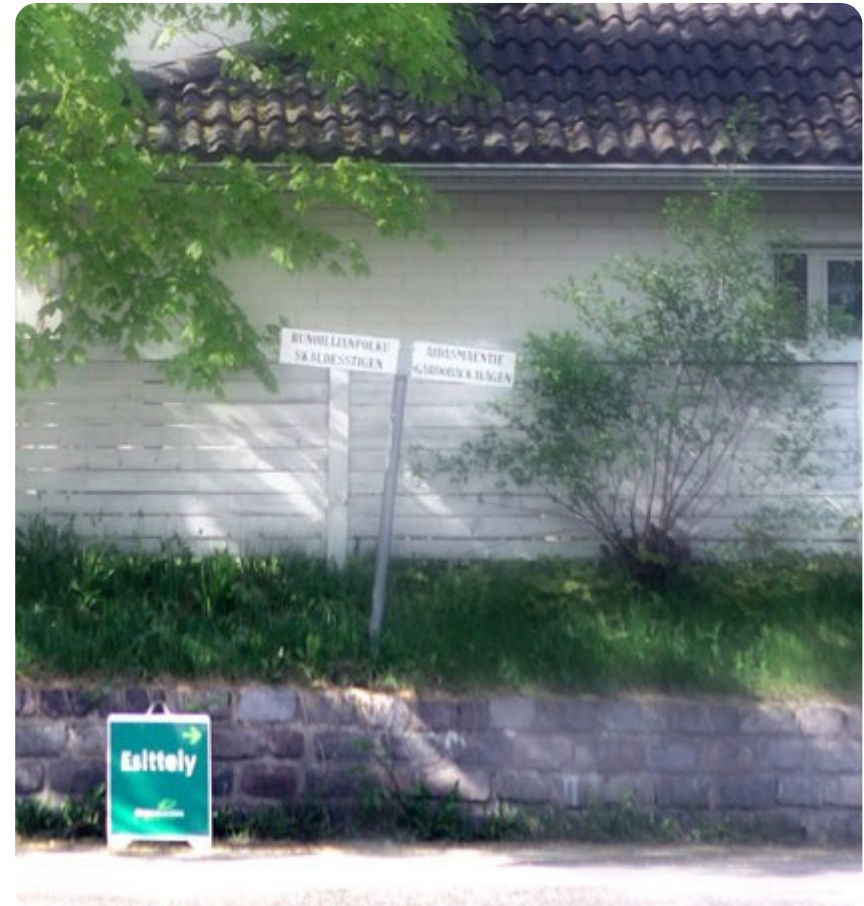
Home sweet home!

PRODUCTIVITY FOR CORPORATE CUSTOMERS

- Mobile solutions to serve hot potential clients
- Mobile office solutions to manage office routines on the road
- Click-to-call directly to an agent

Benefits:

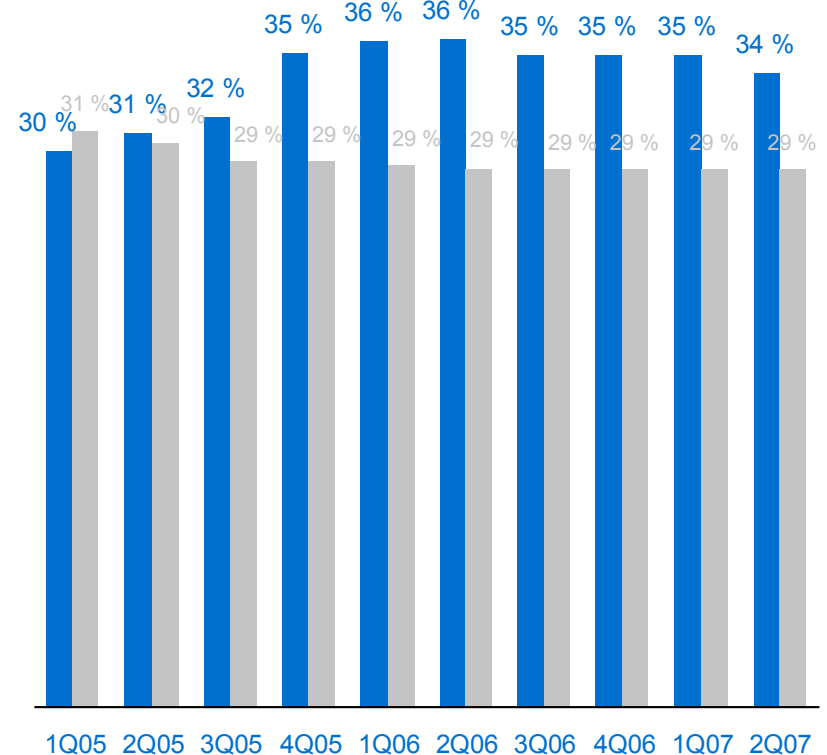
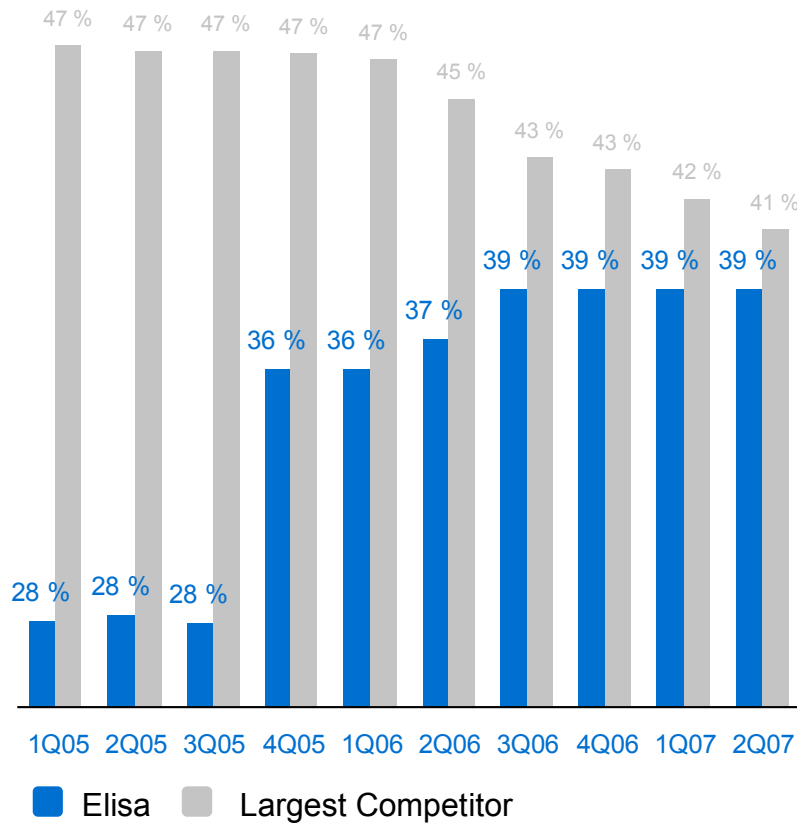
- Company number to make it easier to call
- Collaboration tools to communicate with potential clients via web/VoiP



Service-Driven Market Share Growth

Market Share Mobile

Market Share Broadband





Driving the Brand

Driving the brand

- Brand as a picture of organization and operations
- Transformation to one strong brand impacted the market
- M&A influences for branding



One Elisa – One strong brand



Today we have three brands in Elisa



Service leader
"Elisa makes it easy"

elisa

Forerunner
"Value for money"



Focus on
Pre-paid

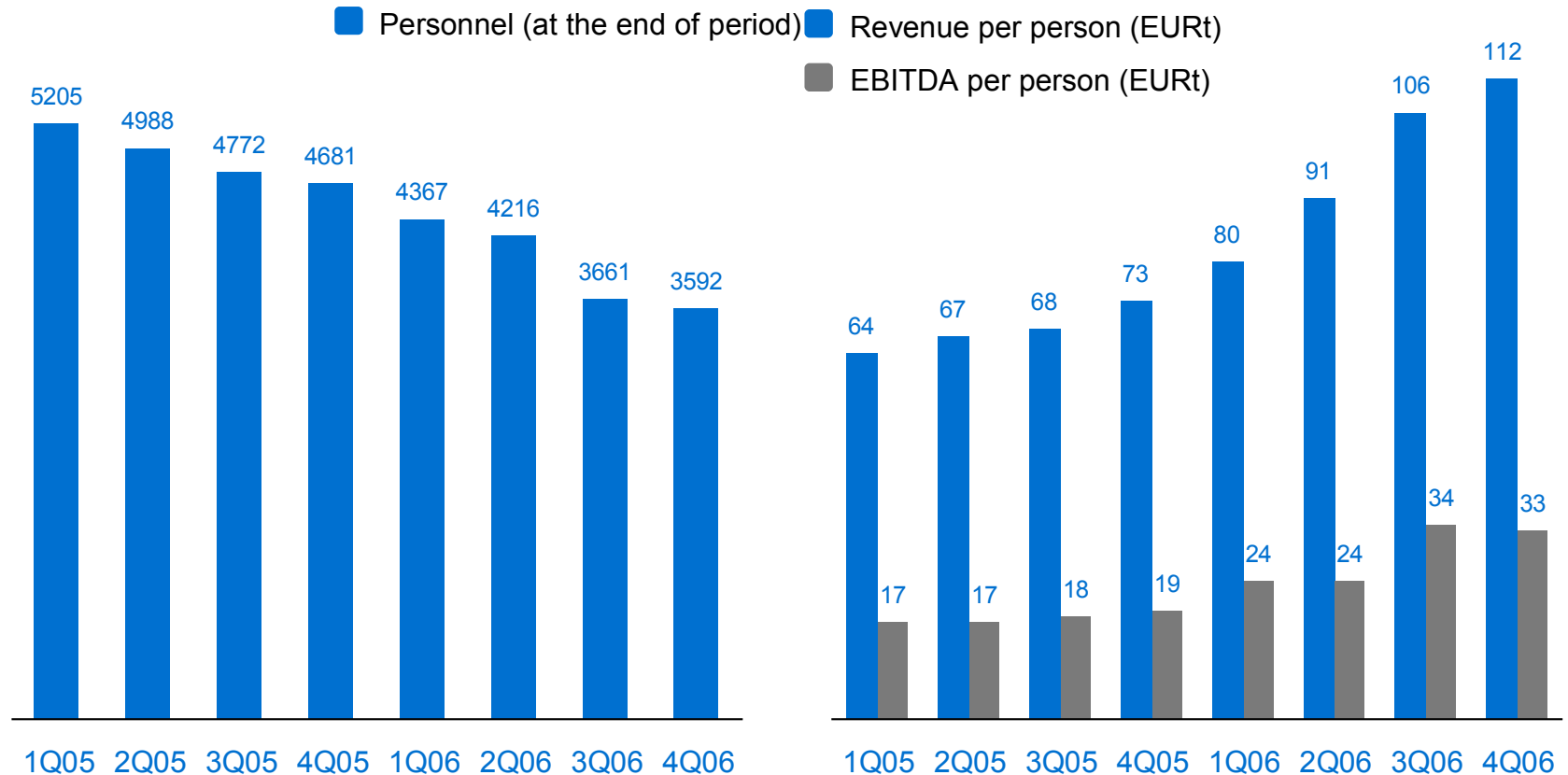


Driving the Productivity

Walk the talk: Elisa's productivity improved

Personnel

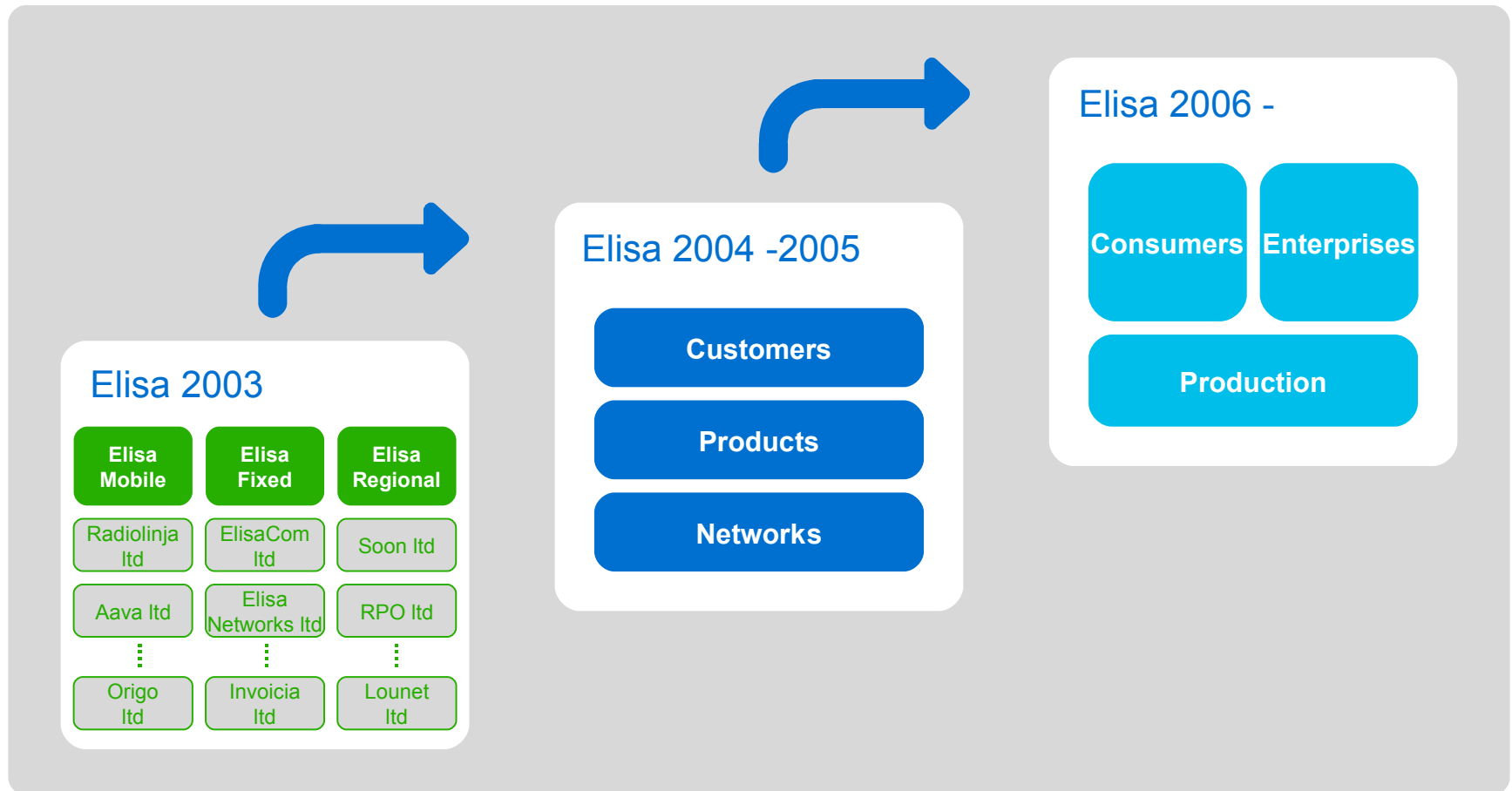
Revenue & EBITDA per person



All numbers comparable (excl. EO items)



Changing the structure and way of working



...still significant further potential...

Product and services streamlining

Processes

Outsourcing

Procurement

...e.g. within IT systems

Present IT systems include:

- Customer relationship management systems ~ 80 systems
- Business intelligence systems ~ 50 systems
- Ordering and self-service systems ~ 50 systems
- Operations support systems ~ 40 systems
- HR and Administration ~ 40 systems



Driving Innovations

Driving innovations

- Innovative organization and teams
- Innovative corporate culture
- New products and services



Opportunistic development of new services

Web 2.0 services

- User-generated content
- Tagging and search
 - Long tail
- New Pricing

Mobility

- Broadband
- Convenience
- Imaging and video
- Audio and music

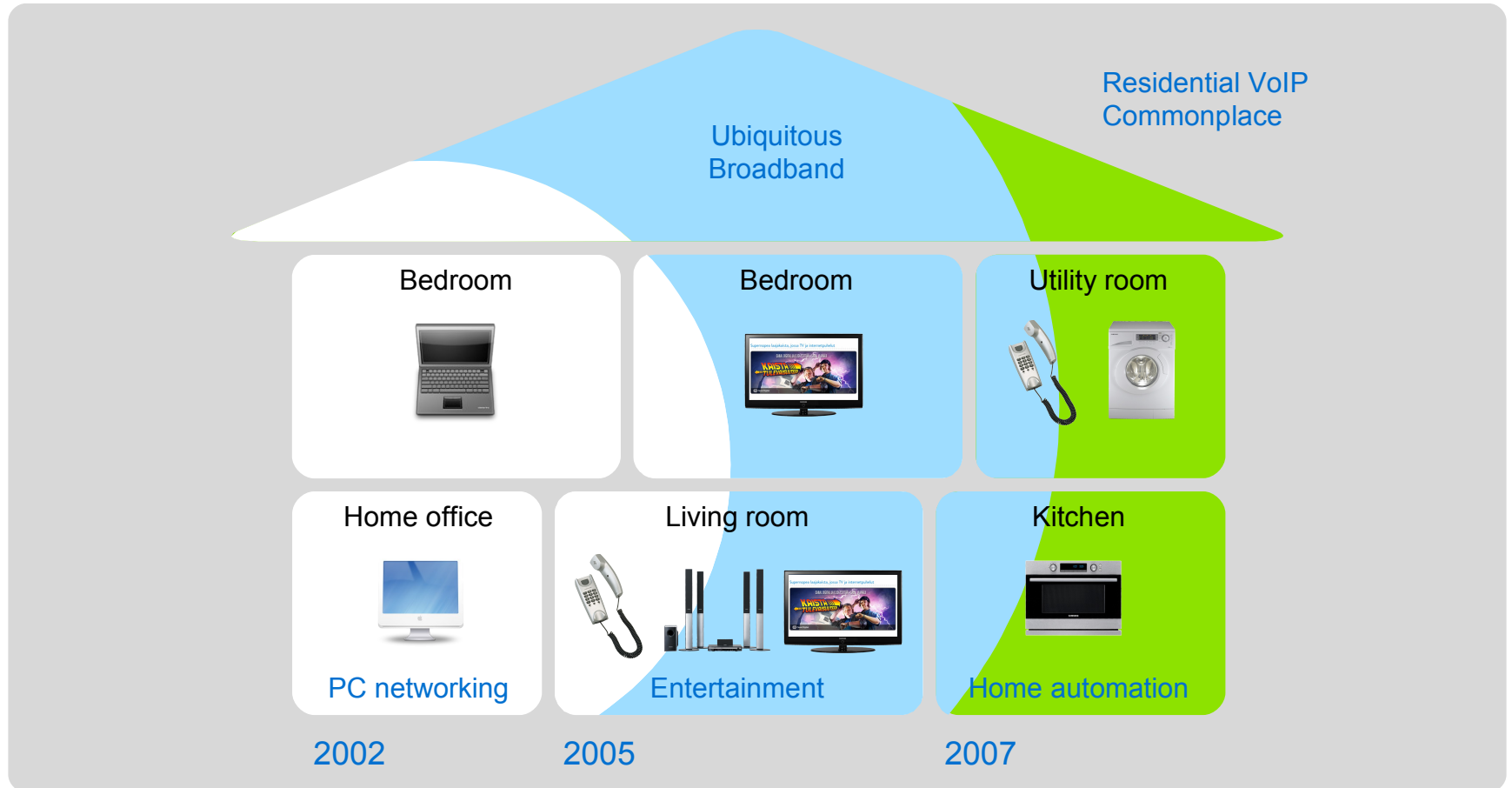
A “Flat world”

- Global value networks
- Compressed supply chains
- Services available 24/7
- International workflow

Open source

- Users as an integrated part of service development
 - Users as contributors
- Open source applications
- Customer self-service

Future home



Saunavisio, a new way to watch TV

- Recording digital TV programs in network-based drive
- Storage capacity 5 terabytes (5000 Gt)
- Simultaneous recording from all available TV channels
- Timing recordings with a digital set-top box or through www/wap pages
- Recordings watched with a digital set-top box over an Internet connection (min 8/1 Mbit/s)



Wippies, the WiRevolution

Wippies? World Wide Wippies Mail G-Lite Big-G Vault WiTag Blogs Phorums Help

wippies BETA

Wippies Mail:
Sähköpostiosoiteesi:
@wippies.com
Salasana:

Ilmainen 4 gigatavun sähköposti!

Ilmainen langaton tukiasema kotisi

TILAA TÄSTÄ

TILAA TÄSTÄ

The Wirevolution
Wippies HQs

- Free of charge WLAN
- Wippies network
- 4 GB mailbox with virus protection and spam filter
- 500 MB web space
- online image gallery
- blog
- backup services



125 years. A Good start.