



## New drivers of mobile business

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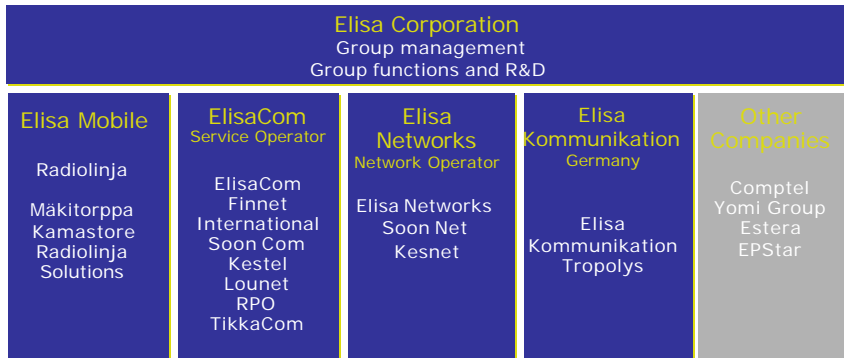
## Agenda

- Elisa
- Mobile business
- New drivers of mobile business
- Conclusions





## Elisa Group Structure



## Elisa

### Geographical Markets

- Finland is the main market
  - All segments
- Carefully selected international markets
  - Estonia
  - Germany, fixed services for corporates
  - International scope through partnerships





# Elisa

Customer oriented offering in Finland

- Full range of telecom services
- Call center outsourcing
- ICT solutions
- Nordic telecommunication solutions and international mobile solutions



## Elisa Group's Q3 2003 P&L

Elisa Group EURm	Excl. one-off items*			Interim report		
	Q3/03	Q3/02	2002	Q3/03	Q3/02	2002
<b>Revenue</b>	<b>385</b>	<b>388</b>	<b>1563</b>	<b>385</b>	<b>388</b>	<b>1563</b>
Other income from operations	8	2	18	8	46	92
<b>EBITDA</b>	<b>107</b>	<b>84</b>	<b>342</b>	<b>107</b>	<b>51</b>	<b>333</b>
<i>EBITDA margin</i>	<i>28 %</i>	<i>22 %</i>	<i>22 %</i>	<i>28 %</i>	<i>13 %</i>	<i>21 %</i>
Depreciation	-67	-64	-255	-67	-64	-255
Goodwill depreciation	-14	-14	-55	-14	-14	-55
Write-downs					-16	-71
<b>EBIT</b>	<b>26</b>	<b>6</b>	<b>32</b>	<b>26</b>	<b>-43</b>	<b>-48</b>
<i>EBIT margin</i>	<i>7 %</i>	<i>2 %</i>	<i>2 %</i>	<i>7 %</i>	<i>-11 %</i>	<i>-3 %</i>
Share of associated comp. result	1	-1	-5	1	-1	-5
Net financial items	-10	-13	-50	-10	-13	-50
<b>Pre Tax Profit</b>	<b>17</b>	<b>-7</b>	<b>-23</b>	<b>17</b>	<b>-56</b>	<b>-103</b>

\*Q3 2003 does not include any major one-off items  
 Q3 2002 one-off items: GSM provision EUR -77m, sale of Elisa Instalia EUR +35m, sale of Yomi directories EUR +8m, sale of Telekolmio shares EUR +1m, GSM write-off EUR -12m and one-off depreciation in Yomi EUR -4m





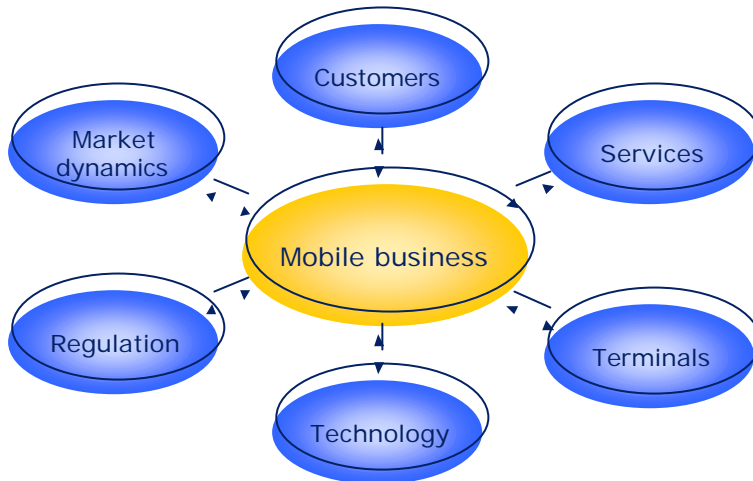
## Elisa Mobile's Key Figures

Elisa Mobile's key figures, EURm	Q3/03	Q3/02	%	2003
Revenue	195	188	3 %	739
Clean EBITDA	58	50	17 %	194
Clean EBITDA -%	30 %	27 %		26 %
Leasing adj. EBITDA	64	57	12 %	229
Leasing adj. EBITDA -%	33 %	31 %		31 %
CAPEX	22	16	42 %	145
CAPEX excl. network buy-backs	19	10	87 %	96
Oper CAPEX / sales	10 %	6 %		13 %
No. of Subscriptions in Finland *	1 374 847	1 301 621	6 %	1 342 417
ARPU, EUR **	42,5	43,0	-1 %	42,2
Churn **	24,2 %	14,0 %		15,7 %
Minutes of use, million *	598	521	15 %	2 087
Minutes of use / subs / month **	151	139	9 %	136
No. of SMS, million *	111	100	11 %	422
No. of SMS / subs / month **	28	27	5 %	27
Value added services / revenue	12 %	13 %		12 %

\* Network operator  
\*\* Service operator



## Mobile business environment





Finland has traditionally been among the lowest tariff countries in Europe

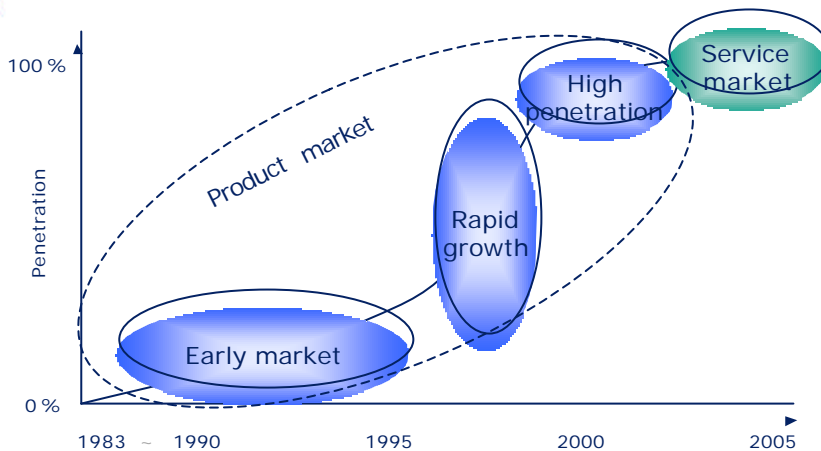


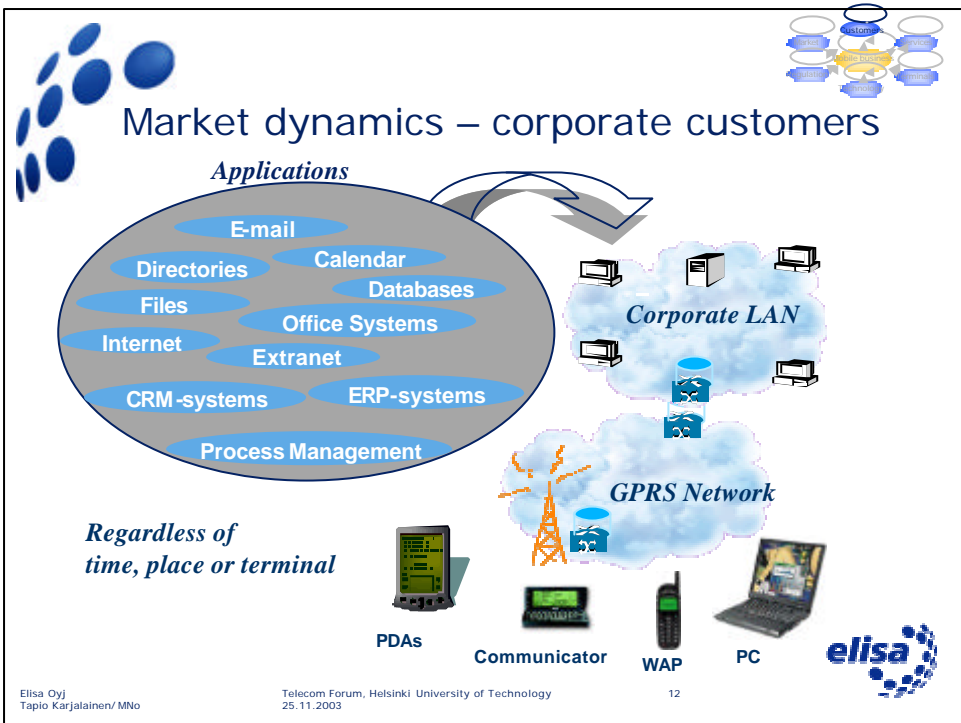
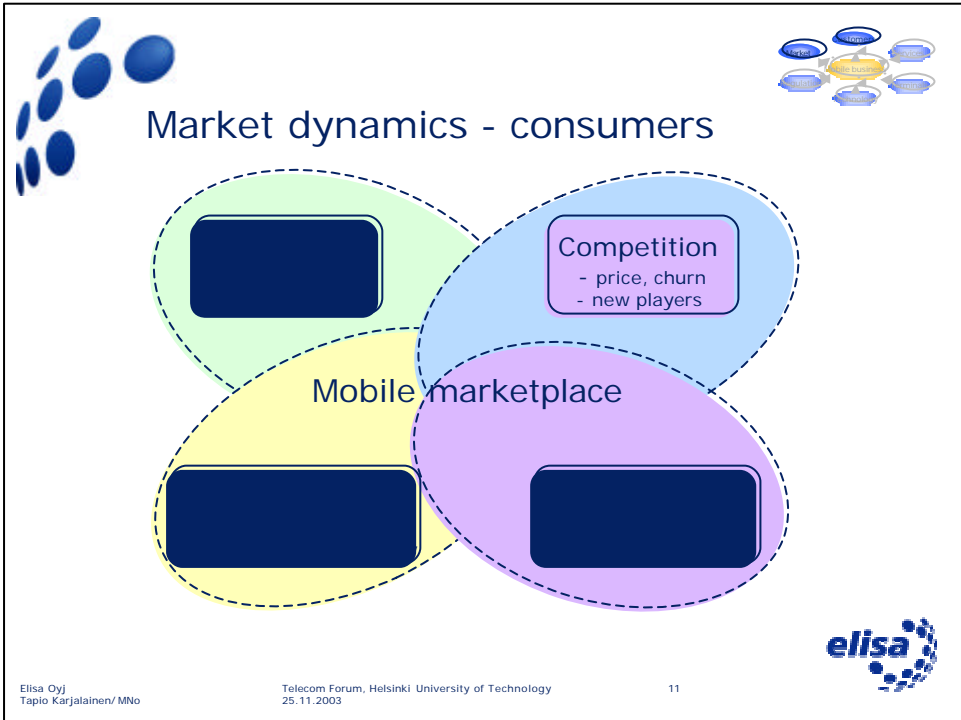
Maa	Kustannus 150 min puhuvalle ja 25 tekstiviestiiä lähettävälle asiakkaalle			muutos-%	
	2001	2002	2003	'01-'03	Muutos €
Luxemburg	30,03	29,55	29,42	-2,0	-0,61
<b>Suomi</b>	<b>33,21</b>	<b>31,44</b>	<b>31,09</b>	<b>-6,4</b>	<b>-2,12</b>
Tanska	40,32	40,67	32,05	-20,5	-8,27
Espanja	34,96	36,15	33,21	-5,0	-1,75
Ranska	42,98	42,41	41,58	-3,3	-1,4
Italia	41,17	40,55	42,89	4,2	1,72
Ruotsi	45,72	45,54	44,08	-3,6	-1,64
Belgia	43,41	47,06	46,66	7,5	3,25
Hollanti	46,85	46,69	47,54	1,5	0,69
Norja	48,96	50,23	47,62	-2,7	-1,34
UK	67,29	66,23	50,47	-25,0	-16,82
Saksa	63,02	62,31	61,08	-3,1	-1,94
Sveitsi	59,73	62,34	63,33	6,0	3,6

\*Kuluttajahinnat  
Lähde: LVM



## Market dynamics



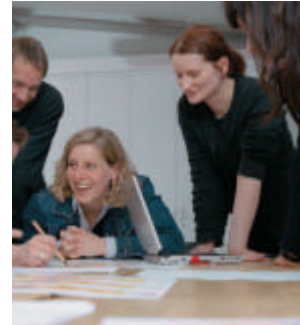




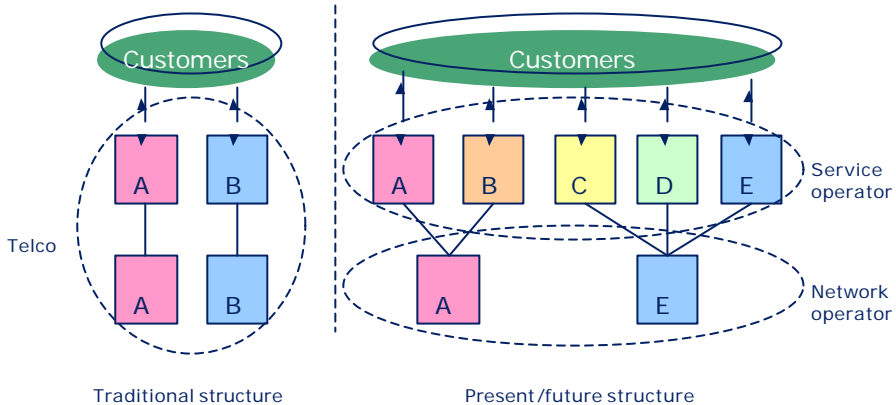


# Regulation

- Creating active markets through
  - licencing
  - network operator products
  - interconnection
  - number portability
- Ensuring service quality



# Operator market





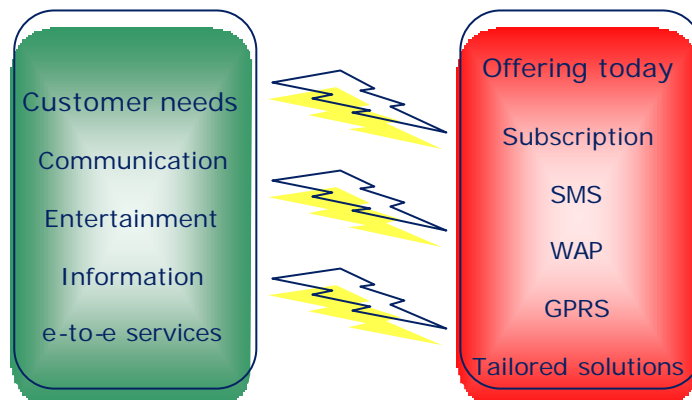


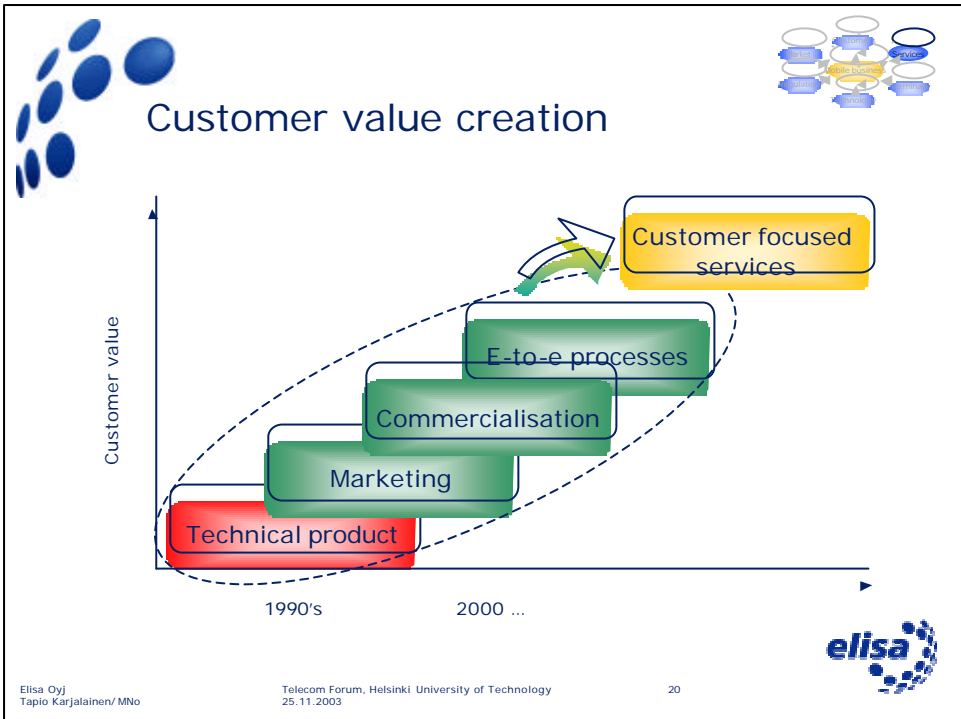
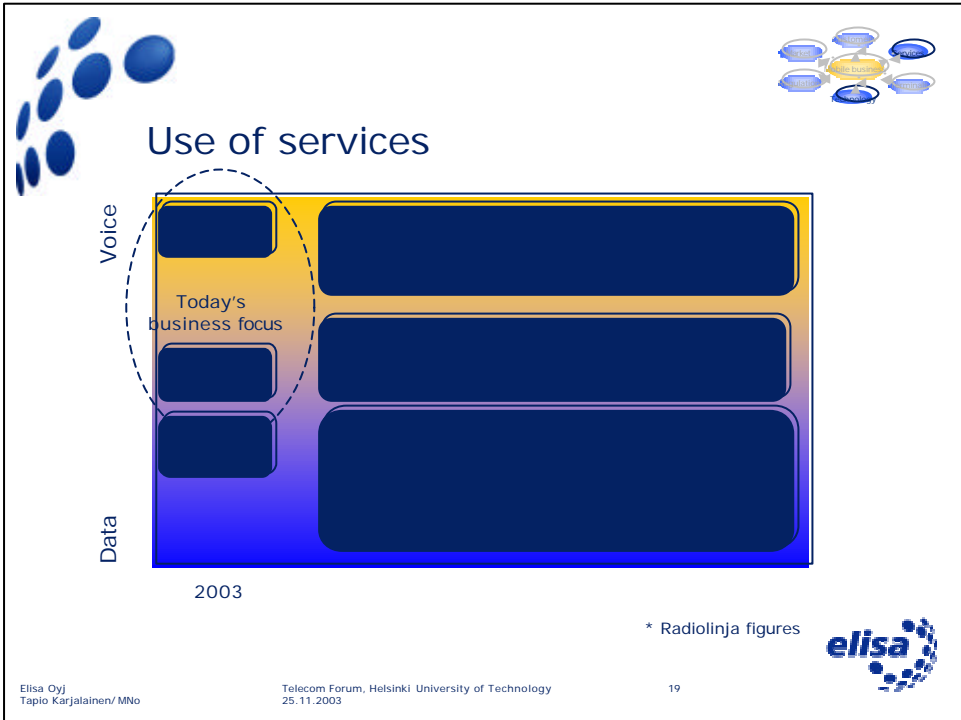
## Elisa Mobile milestones

- September 19th 1988,
  - Oy Radiolinja Ab was established as the first GSM operator in Finland
- March 1991
  - the world's first GSM call was made in Radiolinja's network
- July 1991
  - Radiolinja's GSM network was the first to be opened in the world
- January 1995
  - Radiolinja Eesti AS's GSM network was opened in Estonia
- March 1999
  - Radiolinja was granted a UMTS operating licence
- October 2001
  - Radiolinja brings the GPRS network and services to the market
- February 2002
  - Radiolinja and Vodafone sign a co-operation agreement
- August 2003
  - Contact Center of the year award for Radiolinja



## Customer needs and service offering



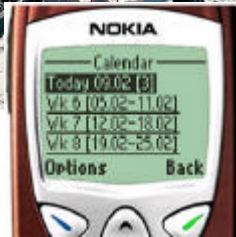
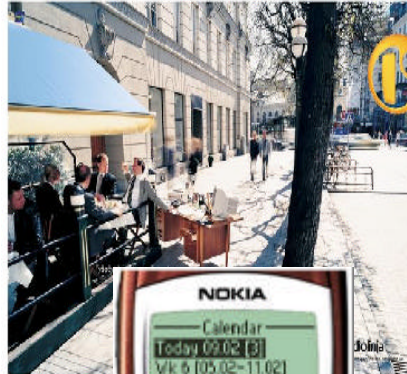




## You CAN Read Your e-mail Using Your Phone!

E-mail  
Calendar  
Addressbook

- Can read your e-mail using a phone, a PDA or a PC
- Uses your existing e-mail address
- Access corporate directories
- Real-time updates to your calendar
- Works in Finland and abroad
- Can be also used with other operators' subscriptions
- High data security
- Turnkey implementation



## Positioning services

Thanks to the data transmitted over the mobile phone network, the location of the phone can be determined – with the owner's consent

- you can find the nearest post office
- you can conveniently acquire a route map of the cottage you rented
- you can find out where you are
- you will know exactly where your friends are

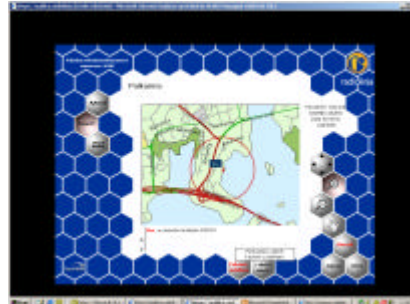




## Positioning services - Internet interface



Buddylist



Buddy located



## Picture Messaging Service

Multimedia messaging– it will lift the personality, expressiveness and possibilities of mobile communications to a totally new level.

- person to person picture messages
- personal photo album
- content services
- an interface for external service providers



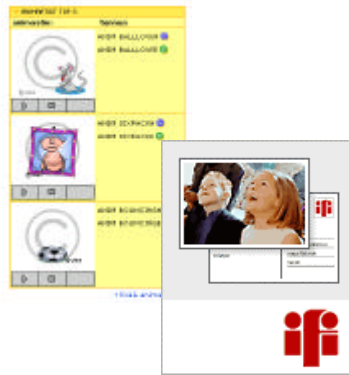
Tiny pictures, big emotions





## Most Versatile MMS Offering in Finland – Radiolinja Picture Messages (launched 18.9.2002)

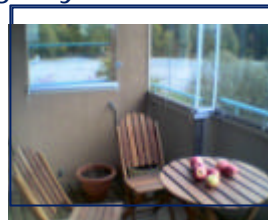
- Person to person MMS messaging
  - Video messages 5.3.2003
- Message album on the web
- MMS legacy support
  - SMS notification and web page
  - Message album also for registered legacy users
- Content services
  - Postcard service
  - Animations
  - Polyphonic ringing tones
  - Background pictures
  - Greetings
- Interface for MMS service providers



## Example: Real Estate Listings by Huoneistokeskus



SMS or MMS



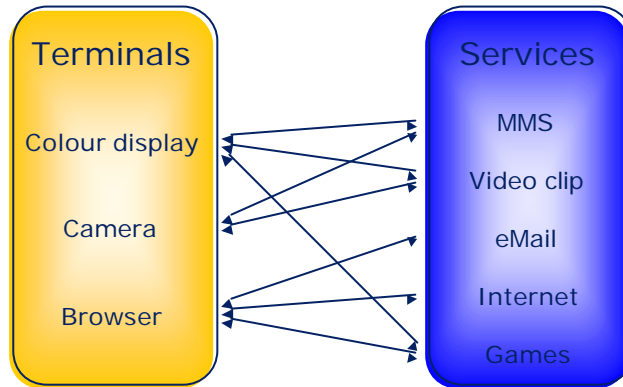
For sale ft. 60 m2,  
2h+k+s. HKI,  
Mesenaatinkj. XXX  
kEUR. Picture: send  
home key sms 12345  
to 12123.  
Info. t. 050 1234567  
www.huoneistokeskus  
.fi

For sale: Helsinki, Tali,  
flat 60 m2, 2h+k+s. In  
good shape. Glass  
veranda. Carport with  
heater outlet. Built 1995.  
Mesenaatinkuja 2.  
Asking price XXX XXX  
EUR. For more  
information t. 050  
1234567 or  
www.huoneistokeskus.fi  
(home key 12345)





## Terminals driving services (or vice versa)



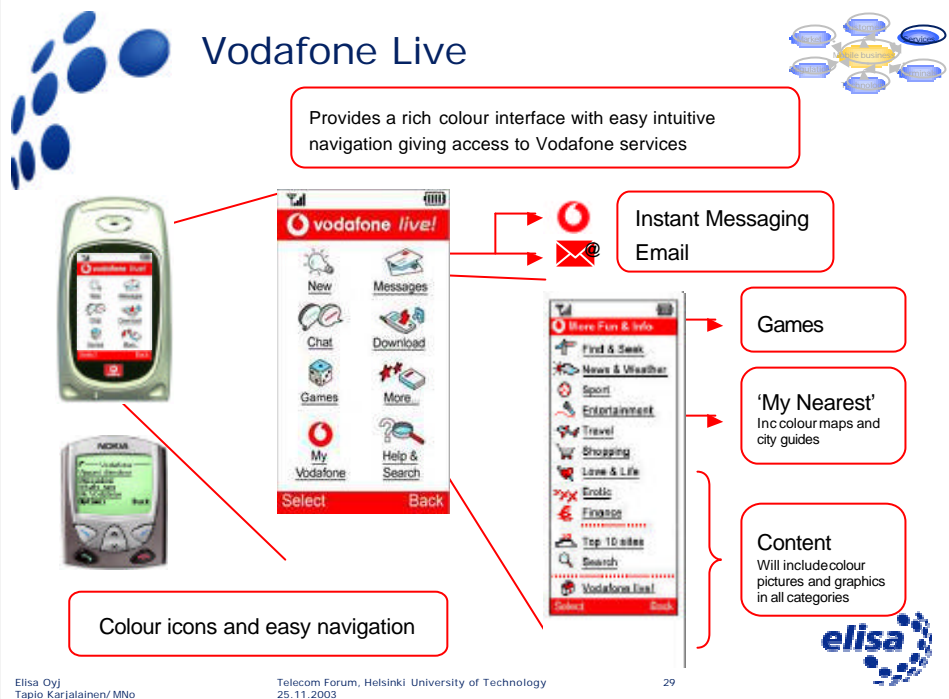
## Terminals

Finnish annual market  
- 1-400-000 mobile phones -

### Key drivers

- New features
- Availability
- Price
  - supported vs market price
- Service compatibility
  - settings
- Operating systems
  - manufacturer specific
  - i-mode, Windows
- Tailored terminals
  - user interface (Vodafone Live)





**Vodafone Live**

Provides a rich colour interface with easy intuitive navigation giving access to Vodafone services

Instant Messaging  
Email

Games

'My Nearest'  
Inc colour maps and city guides

Content  
Will include colour pictures and graphics in all categories

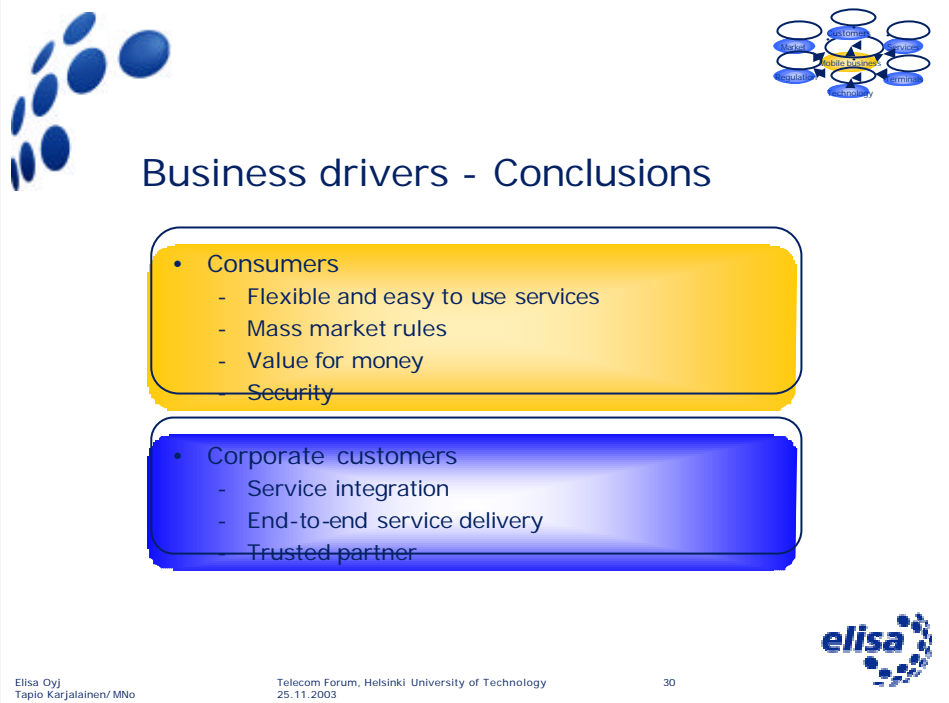
Colour icons and easy navigation

elisa

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25.11.2003

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**Business drivers - Conclusions**

- Consumers
  - Flexible and easy to use services
  - Mass market rules
  - Value for money
  - Security
- Corporate customers
  - Service integration
  - End-to-end service delivery
  - Trusted partner

elisa

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Thank you !

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