

ELISA'S INTERIM REPORT JANUARY-SEPTEMBER

Third quarter 2008

- Revenue was EUR 374 million (394)
- EBITDA was EUR 129 million (132), EBIT EUR 77 million (82), EBITDA margin increased to 35 per cent (33)
- Profit before tax amounted to EUR 67 million (89)
- Earnings per share was EUR 0.33 (0.45)
- Cash flow after investments was EUR 51 million (6)
- Financial position and liquidity are good. Cash and undrawn credit lines totalled EUR 201 million and there are no refinancing needs expected on a three-year time scale.
- EBITDA for the last quarter of the year is expected to improve on the previous quarter
- ARPU in the mobile business was at the previous quarter's level EUR 26.4 (26.8).
- Churn increased to 14.1 per cent from the previous quarter (11.2)
- The number of Elisa's mobile subscriptions increased by 57,400 during the quarter, due in particular to the new 3G customers, mobile broadband and prepaid subscriptions
- The number of fixed broadband subscriptions decreased by 3,200 on the previous quarter
- Net debt / EBITDA was 1.7x (1.5x at the end of 2007) and gearing 107 per cent (71 at the end of 2007)

January-September 2008

- Revenue was EUR 1,113 million (1,166)
- EBITDA was EUR 342 million (373), EBIT EUR 187 million (228)
- EBITDA excluding non-recurring items was EUR 349 million (363), EBIT EUR 194 million (217)
- Cash flow after investments was strong, EUR 176 million (61)
- Extra implementation costs of the new billing and CRM system and revenue adjusting items affected EBITDA negatively by EUR 22 million

Key indicators:

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Revenue	374	394	1113	1166
EBITDA	129	132	342	373
EBITDA excluding non-recurring items	129	132	349	363
EBIT	77	82	187	228
Profit before tax	67	89	157	220
Earnings per share, EUR	0.33	0.45	0.78	1.06
Capital expenditures	42	44	120	138

Financial position and cash flow:

EUR million	30.9.2008	30.9.2007	31.12.2007
Net debt	891	646	738
Net debt / EBITDA ¹⁾	1.7	1.2	1.5
Gearing ratio, %	107.4	65.3	71.3
Equity ratio, %	40.8	45.7	47.9

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Cash flow after investments	51	6	176	61

¹⁾ (interest-bearing debt – financial assets) / (EBITDA exclusive of non-recurring items x 4)

CEO Veli-Matti Mattila:

“Elisa’s profitability has improved, driven by strengthened competitiveness and more efficient operations

Elisa achieved strong profitability and cash flow in the third quarter of 2008. This is due to strengthened competitiveness and determined actions to improve the efficiency of the operations. Revenue met expectations, although sales of equipment were at a lower level than expected. Elisa’s financial position and liquidity are strong.

Elisa succeeded well given the fierce competition in mobile communication. Our mobile subscription base increased by nearly 60,000 new subscriptions. There was growth especially in 3G services and mobile broadband and we continue to be the 3G market leader. Customers have appreciated the 3G network with the best coverage in Finland, reaching over 270 locations by the end of the year.

Finns have quickly adopted the use of mobile broadband; also when measured at the international level. The growth has been excellent and thus we upgrade our estimate that there will be up to 1.7 million people using 3G services in Finland by the end of the year.

The new billing and CRM system is now in full use and operating smoothly. The measures to improve our customer service have succeeded well and as a result of that the queuing times to our call centres have further decreased and customer satisfaction is at the good level. We will continue consistently to further develop the quality of our services.

We will continue to follow our strategy and develop One Elisa, improve our profitability and provide new services. A strong market position, improved competitiveness and good financial position provide Elisa with an excellent basis for the rest of the year. Despite the generally insecure economic environment, we maintain a positive attitude towards continued success.”

ELISA

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INTERIM REPORT JANUARY-SEPTEMBER 2008

The interim report has been prepared in accordance with the IAS 34 standard, "Interim reports". The information presented in this interim report is unaudited.

Market situation

The base of mobile communications subscriptions and the use of data services have evolved favourably in Finland with 3G subscriptions comprising a significant proportion of new subscriptions. The use of services made available through 3G subscriptions has also increased. Another factor contributing to the growth has been the use of multiple terminal devices for different purposes, mobile broadband services and prepaid subscriptions. Churn has been at a normal level in relation to the market situation, and competition has been seen in services and in campaigning.

In the fixed network business the number and usage of traditional subscriptions decreased at a slower pace than in the previous quarters. The fixed broadband market is declining slightly, while the subscription growth is now in mobile broadband.

Revenue, earnings and financial position

Revenue:

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Mobile communications	237	252	689	727
Fixed network	150	157	462	480
Inter-segment sales	-13	-15	-38	-41
Total	374	394	1113	1166

Third quarter 2008

Revenue decreased by 5 per cent due to lower mobile interconnection fees as of the beginning of the year and lower roaming fees as of September 2007. Lower fees reduced revenue by EUR 15 million. Terminal equipment sales were at the same level.

The new fees affected the Mobile segment's revenue, which decreased by 6 per cent. The Fixed network segment's revenue decreased by 4 per cent driven by lower volumes in the traditional analogue network.

January-September 2008

Elisa's revenue decreased by 5 per cent on last year mainly due to lower mobile interconnection and roaming fees, which reduced revenue by EUR 46 million. The Mobile segment's revenue decreased by 5 percent and the Fixed network segment's by 4 per cent.

The revenue adjusting items in January-September affected revenue negatively by approximately EUR 11 million.

Earnings:

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Mobile communications				
EBITDA	74	80	193	220
EBITDA-%	31	32	28	30
EBITDA excl. non-recurring items	74	80	196	220
EBITDA-%, excl. non-recurring items	31	32	28	30
EBIT	45	53	106	143
Fixed network				
EBITDA	55	54	151	159
EBITDA-%	36	34	33	33
EBITDA excl. non-recurring items	55	54	155	149
EBITDA-%, excl. non-recurring items	36	34	34	31
EBIT	32	31	83	91
Corporate functions				
EBITDA	0	-3	-2	-6
EBIT	0	-3	-2	-6
Total				
EBITDA	129	132	342	373
EBITDA-%	35	33	31	32
EBITDA excl. non-recurring items	129	132	349	363
EBITDA-%, excl. non-recurring items	35	33	31	31
EBIT	77	82	187	228

Third quarter 2008

Elisa's EBITDA declined by 2 per cent on the previous year, but the EBITDA margin improved to 35 per cent (33). Additional implementation costs of the new billing and CRM system continued and affected EBITDA negatively by approximately EUR 2 million, as expected. During the last quarter of the year these additional costs are expected to come to an end.

Financial income and expenses totalled EUR -10 million (7, including a EUR 13 million gain on the sale of Comptel shares). The increase in financial expenses was mainly due to an increase in net debt. Income taxes in the income statement amounted to EUR -16 million (-17).

Elisa's July-September earnings after taxes were EUR 51 million (72). The Group's earnings per share (EPS) amounted to EUR 0.33 (0.45). At the end of September, the Group's equity per share was EUR 5.32 (6.53 at the end of 2007).

January-September 2008

EBITDA declined by 8 per cent on the previous year. EBITDA excluding non-recurring items declined EUR 14 million or by 4 per cent. Implementation of the new billing and CRM system and revenue adjusting items affected EBITDA negatively by approximately EUR 22 million.

Financial position:

EUR million	30.9.2008	30.9.2007	31.12.2007
Net debt	891	646	738
Net debt / EBITDA ¹⁾	1.7	1.2	1.5
Gearing ratio, %	107.4	65.3	71.3
Equity ratio, %	40.8	45.7	47.9

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Cash flow after investments	51	6	176	61

¹⁾ (interest-bearing debt – financial assets) / (EBITDA exclusive of non-recurring items x 4)

The financial position and liquidity are good. Cash and undrawn credit lines totalled EUR 201 million at the end of the quarter and there are no refinancing needs expected on a three-year time scale.

Third quarter

The July-September cash flow after investments increased to EUR 51 million. Contributing to the increase was a change in net working capital. Net debt decreased by EUR 7 million in the third quarter. Net debt increased through share buy-backs of EUR 43 million.

January-September 2008

Elisa's financial position and liquidity remained good. Elisa's net debt increased from EUR 738 million to EUR 891 million mainly due to the capital repayment of EUR 284 million in March 2008.

Cash flow after investments increased clearly on the previous year to EUR 176 million (61) mainly due to the change in net working capital.

Changes in corporate structure

There were no changes in corporate structure during the third quarter.

Mobile communication business

Number of subscriptions	30.9.2008	30.9.2007	31.12.2007
Total number of subscriptions	2,830,000	2,622,300	2,657,400
- Subscriptions in Finland	2,487,700	2,309,800	2,334,600
- Subscriptions in Estonia	342,300	312,500	322,800
User-specific indicators ¹⁾	7-9/2008	7-9/2007	1-12/2007
Average revenue/subscription, €/month	26.4	29.9	30.0
Annualised churn, %	14.1	11.2	12.2
Outgoing calls, min/subscription/month	216	217	218
SMS, message/subscription/month	57	51	53
Non-voice services/revenue, %	22	19	19
Indicators on network usage ²⁾	7-9/2008	7-9/2007	1-12/2007
Outgoing calls, million minutes	1,498	1,428	5,661
SMS, million messages	403	382	1,550

¹⁾ Elisa's service operators in Finland (excluding prepaid subscriptions)

²⁾ Elisa's network operator in Finland

Elisa's network operator in Finland increased the number of its subscriptions by approximately 208,000 from a year ago. The increase was due markedly to the success of 3G service bundles, mobile broadband and prepaid subscriptions. The increase in subscriptions in the third quarter was approximately 57,000. The total number of subscriptions at the end of September was 2.8 million.

In the third quarter, the call minutes per subscription of Elisa's own service operators were at the same level, 216 (217) and the number of SMS messages increased by 12 per cent to 57 (51) on the corresponding period last year. Due to the increase in the number of subscriptions of Elisa's service operators, the total call minutes in the network grew by 5 per cent and the number of SMS messages increased by 5 per cent.

Mobile communication revenues decreased by 6 per cent given the lower interconnection fees and equipment sales. Revenue per subscription declined 12 per cent on the previous year to EUR 26.4 due to lower interconnection fees as of the beginning of the year and lower roaming fees as of September 2007.

The mobile communication business of Elisa's Estonian subsidiary has been negatively affected by lower interconnection fees since November 2007. Revenue declined to EUR 25.2 million (30.6), EBIT declined to EUR 6.9 million (7.4) and EBITDA to EUR 9.1 million (10.1). The number of subscriptions increased by 29,800 to 342,300 (312,500). Subscriptions grew by 7,600 in the third quarter.

Fixed network business

Number of subscriptions	30.9.2008	30.9.2007	31.12.2007
Broadband subscriptions	519,800	518,400	521,800
ISDN channels	56,400	70,900	70,800
Cable TV subscriptions	242,500	235,700	237,100
Analogue and other subscriptions	456,600	483,500	471,500
Total number of subscriptions	1,275,300	1,308,500	1,301,300

Elisa continued to be the Finnish broadband market leader. Broadband growth has been taken by the Mobile broadband, which affected the amount of fixed broadband subscriptions in the third quarter. Year-on-year growth was 1,400 or 0.3 per cent.

The number of traditional subscriptions continued to decrease as voice calls shifted to the mobile communication network and data transfers to broadband subscriptions.

Personnel

In January-September the average number of personnel at Elisa was 2,938 (3,326).

Personnel by segments:

	30.9.2008	30.9.2007	31.12.2007
Mobile communications	1,278	1,313	1,252
Fixed network	1,562	1,878	1,727
Corporate functions	36	38	36
Total	2,876	3,229	3,015

Investments

EUR million	7-9/2008	7-9/2007	1-9/2008	1-9/2007	1-12/2007
Capital expenditures, of which	42	44	120	138	206
- mobile communication business	25	21	65	63	91
- GSM leasing liability buy-backs	0	0	2	0	2
- fixed network business	17	23	53	75	113
Shares	0	6	13	11	12
- of which achieved through an exchange of shares		5		5	5
Total	42	51	133	149	218

Mobile business investments grew mainly due to capacity and coverage increase of the 3G network. Investments in the fixed network business have declined due to the decrease in the traditional analogue business and reduced number of broadband subscription installations.

Financing arrangements and ratings

Valid financing arrangements:

EUR million	Maximum amount	In use on 30.9.2008
Committed credit limits	300	120
Commercial paper programme ¹⁾	250	81
EMTN programme ²⁾	1,000	636

1) The programme is not committed.

2) European Medium Term Note programme, not committed.

Long-term credit ratings:

Credit rating agency	Rating	Outlook
Moody's Investor Services	Baa2	Stable
Standard & Poor's	BBB	Stable

Share

Trading of shares	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Shares traded, millions	83.7	72.0	262.7	243.0
Volume, EUR million	1,145.9	1,465.6	4,159.7	5,200.8
% of shares	53.8	45.5	168.7	153.6

Shares and market values	30.9.2008	30.9.2007	31.12.2007
Total number of shares	166,307,586	166,307,586	166,307,586
Treasury shares	10,688,629	8,049,976	8,049,976
Outstanding shares	155,618,957	158,257,610	158,257,610
Closing price, EUR	13.74	21.80	21.00
Market capitalisation, EUR million	2,138	3,450	3,323
Treasury shares, %	6.4	4.8	4.8

On 5th August 2008, Elisa was notified, in accordance with Chapter 2, Section 9 of the Finnish Securities Market Act, of a change in the company's ownership as follows:

DNA Oy, Lännen Puhelin Oy, Oulun Puhelin Holding Oyj, Kuopion Puhelin Sijoitus Oy and PHP Liiketoiminta Oyj aggregate ownership in Elisa shares and votes exceeded 5 per cent. The companies may use their voting rights in mutual understanding.

The share repurchases announced by Elisa on 1st August 2008 was completed on 16 September 2008. Elisa purchased 3,000,000 of its own shares on the Helsinki Stock Exchange during 8.8 – 16.9.2008. The average price per share was EUR 14.43 and the total purchase price approximately EUR 43 million. Elisa now holds 10,688,629 treasury shares following these purchases.

The Board of Directors' authorisations

The Board of Directors has authorisation to decide on the distribution of funds out of distributable equity up to a maximum of EUR 250,000,000. The authorization is valid until the commencement of the next Annual General Meeting.

The Board of Directors has authorisation to issue shares and special rights. The authorisation is valid until 31 March 2010. A maximum aggregate of 50.0 million of the company's shares can be issued under the authorization. A total of 361,347 shares were issued on 2 May 2008.

The Board of Directors has authorisation to acquire treasury shares. The amount of shares that may be purchased under the authorisation is maximum 15,000,000. The authorisation is valid until August 31, 2009.

Significant legal issues

There have not been any material changes in the legal issues disclosed in the previous interim report nor prior to that.

Substantial risks associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, insurable and financial risks.

Strategic and operational risks:

The telecommunications industry is under intense competition in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its business are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world, which means that growth in subscriptions is limited. Furthermore, the volume of phone traffic in Elisa's fixed network has decreased in the past few years. These factors may limit the opportunities for growth.

The deterioration of the economic environment may impact the demand for Elisa's services and products, and therefore growth prospects. However, the demand for communication services is expected to continue also during a possible recession.

Accident risks:

The company's core operations are covered by insurance against damage and interruptions caused by accidents. Accident risks also include litigations and claims.

Financial risks:

In order to manage interest rate risk, the Group's borrowing and investments are diversified in fixed- and variable-rate instruments. Interest rate derivatives are used to manage interest rate risk.

As most of Elisa Group's cash flow is denominated in euros, the exchange rate risk is minor.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. The Group's liquid assets, committed credit limits and investments totalled EUR 201 million at the end of September 2008 (EUR 317 million at the end of 2007).

Liquid assets are invested within confirmed limits to investment targets with a good credit rating. The business units are liable for credit risk associated with accounts receivable. Credit risk concentrations in accounts receivable are minor as the customer base is wide. The company uses credit derivatives to manage counterparty risks relating to the QTE arrangement. Elisa has provided a guarantee for a credit derivative portfolio, which carries a certain credit default threshold prior to guarantee obligation. The maximum liability under guarantee is disclosed in note 3. Contingent Liabilities.

Given the recent financial market turmoil, the banking sector has suffered and the banks' ability to finance companies have deteriorated, with some capital market activities not operating fully. However, Elisa has cash, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Events after the financial period

On 13 October 2008, Elisa received a notice from Novator Finland Oy in accordance with Chapter 2, Section 9 of the Finnish Securities Market Act, that Novator has sold its entire shareholding in Elisa Corporation.

On 13 October 2008, Elisa received two notices from Varma Mutual Pension Insurance Company in accordance with Chapter 2, Section 9 of the Finnish Securities Market Act, announcing firstly that Varma holds more than 10 per cent (12.21) of Elisa's shares and votes. In the second notice Varma announced that they hold more than 15 per cent (15.71) of Elisa's shares and votes.

The Finnish State has announced that Varma is entitled to oblige the Finnish State to redeem at least 50 per cent of Elisa shares (purchased by Varma on 13 October 2008) at the same day's purchase price and to use this right at its discretion once the State has made the necessary financing decisions.

Outlook for 2008

Competition in the Finnish telecommunications market remains challenging. The market is focusing increasingly on services. The use of mobile communications and mobile broadband products is continuing to rise. Elisa's aim is to further reinforce its position as the service leader.

Elisa's full year EBITDA excluding non-recurring items is expected to be at the same level as in 2007. EBIT excluding non-recurring items is expected to be at the same or slightly lower level as in 2007. As a result of lower terminal sales volumes, revenue is estimated to be slightly less than in 2007. The extra implementation costs of the billing and CRM system are expected to come to an end during the last quarter of the year. Determined execution of profitability improvement measures will continue. Strong growth in mobile subscriptions and seasonality also contribute positively to profitability.

The contributory factors for long-term growth and profitability improvement include the 3G market growth and efficiency measures, which are continuing as expected. Elisa's financial position and liquidity are good. There are no refinancing needs expected on a three-year time scale. The current financial market turmoil is expected have no material impact on Elisa's operations in the fourth quarter.

Full-year capital expenditure is expected to be 10 to 12 per cent of revenue, and cash flow will substantially improve on the previous year due to factors such as change in net working capital.

BOARD OF DIRECTORS

CONSOLIDATED INCOME STATEMENT

EUR million	Note	7-9 2008	7-9 2007	1-9 2008	1-9 2007	1-12 2007
Revenue	1	374,4	394,5	1 112,9	1 166,3	1 568,4
Other operating income		1,5	4,8	3,5	19,7	21,0
Materials and services		-165,7	-175,4	-493,4	-529,7	-707,0
Employee expenses		-32,3	-38,3	-119,3	-130,5	-181,2
Other operating expenses		-48,5	-53,7	-161,4	-152,5	-201,8
EBITDA	1	129,4	131,9	342,3	373,3	499,4
Depreciation and amortisation		-52,5	-49,9	-155,0	-145,5	-197,4
EBIT	1	76,9	82,0	187,3	227,8	302,0
Financial income		1,2	16,3	9,9	24,0	27,9
Financial expense		-11,0	-9,1	-39,9	-32,1	-44,7
Share of associated companies' profit		0,0	0,0	0,0	0,1	0,0
Profit before tax		67,1	89,2	157,3	219,8	285,2
Income taxes		-15,8	-17,0	-34,0	-49,7	-64,9
Profit for the period		51,3	72,2	123,3	170,1	220,3
Attributable to:						
Equity holders of the parent		51,3	72,4	123,0	169,7	219,8
Minority interest		0,0	-0,2	0,3	0,4	0,5
		51,3	72,2	123,3	170,1	220,3
Earnings per share (EUR)						
Basic		0,33	0,45	0,78	1,06	1,38
Diluted		0,33	0,45	0,78	1,06	1,38
Average number of outstanding shares (1000 shares)						
Basic		157 451	158 016	158 065	159 808	159 417
Diluted		157 451	158 016	158 065	159 808	159 417

CONSOLIDATED BALANCE SHEET

	30.9. 2008	31.12. 2007
EUR million		
Non-current assets		
Property, plant and equipment	614,0	637,3
Goodwill	776,2	773,6
Other intangible assets	182,2	194,5
Investments in associated companies	0,1	0,1
Available-for-sale investments	36,9	30,9
Receivables	8,4	7,3
Deferred tax assets	29,4	31,7
	1 647,2	1 675,4
Current assets		
Inventories	24,6	28,5
Trade and other receivables	350,5	454,8
Cash and cash equivalents	21,1	16,9
	396,2	500,2
Total assets	2 043,4	2 175,6
Equity attributable to equity holders of the parent	827,6	1 033,4
Minority interest	1,7	2,0
Total equity	829,3	1 035,4
Non-current liabilities		
Deferred tax liabilities	30,7	34,9
Provisions	5,5	7,3
Interest-bearing debt	670,4	627,3
Other non-current liabilities	17,2	24,6
	723,8	694,1
Current liabilities		
Trade and other payables	245,6	303,2
Tax liabilities	0,4	10,8
Provisions	2,7	4,1
Interest-bearing debt	241,6	128,0
	490,3	446,1
Total equity and liabilities	2 043,4	2 175,6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-9 2008	1-9 2007	1-12 2007
Cash flow from operating activities			
Profit before tax	157,3	219,8	285,2
Adjustments			
Depreciation and amortisation	155,0	145,5	197,4
Other adjustments	26,4	-7,7	3,6
	181,4	137,8	201,0
Change in working capital			
Change in trade and other receivables	104,6	-99,3	-116,0
Change in inventories	3,9	15,2	10,0
Change in trade and other payables	-58,1	-34,5	6,5
	50,4	-118,6	-99,5
Financial items, net	-35,1	-15,8	-18,9
Taxes paid	-48,8	-59,1	-82,2
Net cash flow from operating activities	305,2	164,1	285,6
Cash flow from investing activities			
Capital expenditure	-119,1	-135,4	-203,7
Purchase of shares	-10,6	-4,9	-6,2
Proceeds from asset disposal	0,6	37,4	38,2
Net cash used in investing activities	-129,1	-102,9	-171,7
Cash flow before financing activities	176,1	61,2	113,9
Cash flow from financing activities			
Purchase of treasury shares	-43,3	-85,6	-85,6
Proceeds from treasury shares		1,7	1,7
Proceeds from long-term borrowings	80,0	350,0	350,0
Repayment of long-term borrowings	-30,0	-44,2	-44,2
Change in short-term borrowings	109,0	-25,0	67,0
Repayment of finance lease liabilities	-2,8	-5,3	-6,7
Dividends paid and capital repayment	-284,8	-243,6	-401,4
Net cash used in financing activities	-171,9	-52,0	-119,2
Change in cash and cash equivalents	4,2	9,2	-5,3
Cash and cash equivalents at beginning of period	16,9	22,2	22,2
Cash and cash equivalents at end of period	21,1	31,4	16,9

STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium	Treasury shares	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Minority interest	Total equity
Balance at January 1, 2007	83,0	530,4	-81,3	422,1		353,4	4,7	1 312,3
Available-for-sale investments				-10,2				-10,2
Items recognised directly in equity				-10,2				-10,2
Profit for the period						169,7	0,4	170,1
Total recognised income and expense for the period				-10,2		169,7	0,4	159,9
Acquisitions of subsidiaries				5,3		-0,8	-2,8	1,7
Dividends						-401,5	-0,4	-401,9
Purchase of treasury shares			-85,6					-85,6
Sales of treasury shares			1,1			0,4		1,5
Share-based compensation						2,2		2,2
Balance at September 30, 2007	83,0	530,4	-165,8	417,2		123,4	1,9	990,1
Balance at January 1, 2008	83,0		-165,8	403,9	535,7	176,6	2,0	1 035,4
Available-for-sale investments				-2,4				-2,4
Items recognised directly in equity				-2,4				-2,4
Profit for the period						123,0	0,3	123,3
Total recognised income and expense for the period				-2,4		123,0	0,3	120,9
Capital repayment					-284,9			-284,9
Dividends							-0,6	-0,6
Purchase of treasury shares			-43,3					-43,3
Share-based compensation			7,1			-5,3		1,8
Balance at September 30, 2008	83,0		-202,0	401,5	250,8	294,3	1,7	829,3

NOTES

BASIS OF PREPARATION

The Interim report has been prepared in accordance with the IFRS recognition and measurement principles, although all requirements of IAS 34 standard have not been followed.

The Interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective at the time of preparing and adopted for use by European Union.

The accounting principles applied in the Interim report are the same as those applied in the Consolidated financial statements at December 31, 2007. This Interim consolidated financial statements should be read in conjunction with the 2007 Consolidated financial statements.

1. BUSINESS SEGMENT INFORMATION

7-9/2008					
EUR million	Mobile	Fixed Network	Unallocated items	Eliminations	Group Total
External sales	232,8	141,6			374,4
Inter-segment sales	3,9	8,9		-12,8	0,0
Revenue	236,7	150,5		-12,8	374,4
EBITDA	74,4	54,8	0,2		129,4
EBIT	45,0	31,7	0,2		76,9
Financial income and expense			-9,8		-9,8
Share of associated companies' profit			0,0		0,0
Profit before tax					67,1
Investments	25,0	16,9			41,9

7-9/2007					
EUR million	Mobile	Fixed Network	Unallocated items	Eliminations	Group Total
External sales	246,0	148,3	0,2		394,5
Inter-segment sales	5,8	9,1		-14,9	0,0
Revenue	251,8	157,4	0,2	-14,9	394,5
EBITDA	80,4	54,2	-2,7		131,9
EBIT	53,4	31,5	-2,9		82,0
Financial income and expense			7,2		7,2
Share of associated companies' profit			0,0		0,0
Profit before tax					89,2
Investments	21,0	23,4			44,4

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1-9/2008					
EUR million	Mobile	Fixed Network	Unallocated items	Eliminations	Group Total
External sales	677,1	435,8			1 112,9
Inter-segment sales	11,5	25,9		-37,4	0,0
Revenue	688,6	461,7		-37,4	1 112,9
EBITDA	192,8	151,5	-2,0		342,3
EBIT	105,9	83,4	-2,0		187,3
Financial income and expense			-30,0		-30,0
Share of associated companies' profit			0,0		0,0
Profit before tax					157,3
Investments	67,5	52,7			120,2

1-9/2007					
EUR million	Mobile	Fixed Network	Unallocated items	Eliminations	Group Total
External sales	711,7	454,1	0,5		1 166,3
Inter-segment sales	15,1	26,2		-41,3	0,0
Revenue	726,8	480,3	0,5	-41,3	1 166,3
EBITDA	219,9	159,3	-5,9		373,3
EBIT	143,1	90,6	-5,9		227,8
Financial income and expense			-8,1		-8,1
Share of associated companies' profit			0,1		0,1
Profit before tax					219,8
Investments	62,6	75,2			137,8

1-12/2007					
EUR million	Mobile	Fixed Network	Unallocated items	Eliminations	Group Total
External sales	959,7	608,7			1 568,4
Inter-segment sales	20,2	33,5		-53,7	0,0
Revenue	979,9	642,2		-53,7	1 568,4
EBITDA	299,5	206,0	-6,1		499,4
EBIT	194,8	113,4	-6,2		302,0
Financial income and expense			-16,8		-16,8
Share of associated companies' profit			0,0		0,0
Profit before tax					285,2
Investments	92,8	113,6			206,4

2. OPERATING LEASE COMMITMENTS

	30.9. 2008	31.12. 2007
EUR million		
Due within 1 year	19,9	20,6
Due after 1 year but within 5 years	37,4	42,6
Due after 5 years	17,1	21,1
Total	74,4	84,3

3. CONTINGENT LIABILITIES

	30.9. 2008	31.12. 2007
EUR million		
Pledges given		
Pledges given as surety	0,8	1,3
Guarantees given		
For others (*)	43,2	42,3
Pledges and guarantees given, total	44,0	43,6

Other commitments

Repurchase commitments	0,1	0,2
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Contingent liabilities in QTE-arrangement

Lease-leaseback agreement (QTE facility)

Total value of the arrangement	141,9	137,9
Termination cost	12,6	14,5

*) 41,9 million euros is related to hedging of the guarantor bank risk in the QTE-arrangement
More information in Elisa's Annual Report 2007

4. DERIVATIVE INSTRUMENTS

	30.9. 2008	31.12. 2007
EUR million		
Interest rate swaps		
Nominal value	150,0	150,0
Fair value recognised in the balance sheet	-3,5	-3,0
Credit default swaps (*)		
Nominal value	46,1	45,6
Fair value recognised in the balance sheet	1,2	1,0

*) CDS is related to hedging of the guarantor bank in the QTE-arrangement
More information in Elisa's Annual Report 2007

KEY FIGURES

EUR million	1-9 2008	1-9 2007	1-12 2007
Shareholders' equity per share, EUR	5,32	6,24	6,53
Interest bearing net debt	890,9	646,0	738,4
Gearing	107,4 %	65,3 %	71,3 %
Equity ratio	40,8 %	45,7 %	47,9 %
Return on investment (ROI) *)	15,7 %	18,9 %	18,3 %
Gross investments in fixed assets	120,2	137,8	206,4
of which finance lease investments	1,0	2,5	2,7
Gross investments as % of revenue	10,8 %	11,8 %	13,2 %
Investments in shares,	12,9	11,3	12,4
Average number of employees	2 938	3 364	3 299

*) rolling 12 months profit preceding the reporting date

Formulae for financial indicators

Gearing %	$\frac{\text{Interest-bearing debt - cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio %	$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$
Return on investment % (ROI)	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total equity + interest bearing liabilities (average)}} \times 100$
Net debt	Interest-bearing debt - cash and cash equivalents
Shareholders' equity per share	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares outstanding at end of period}}$
Earnings/share	$\frac{\text{Profit for the period attributable to equity holders of parent}}{\text{Average number of outstanding shares}}$