

ELISA CORPORATION'S INTERIM REPORT FOR JANUARY-MARCH 2003

Revenue

The Group's January-March revenue amounted to EUR 371 million (384). Revenue decreased by 3 per cent compared with the corresponding period last year. Disposal of telephone directory and installation businesses and changes in accounting practices reduced the revenue by EUR 10 million in total.

Performance

The Group's January-March EBIT was EUR 7 million (-13, exclusive of non-recurring items the figure is 11). Without amortisation on consolidated goodwill the January-March EBIT was EUR 21 million (1). The first quarter did not include substantial non-recurring items.

Planned depreciation and value adjustments on fixed assets totalled EUR 65 million (77, exclusive of non-recurring items the figure is 60). The shortening of write-off periods for mobile networks in early 2003 and buy-backs of mobile networks Radiolinja earlier leased were reflected in increased depreciation.

EUR 14 million (14) amortisation was booked on consolidated goodwill. The Group's goodwill resulting from the acquisition of subsidiaries amounted to EUR 569 million (647) at the end of the period under review.

The Group's financial income and expenses for January-March totalled EUR -11 million (-11).

The Group's share of associated companies' results amounted to EUR -1 million (-1).

January-March taxes were EUR -4 million (-7). No deferred tax receivables have been assigned for the losses incurred by German subsidiaries and associated companies.

January-March performance:

- result before extraordinary items and taxes amounted to EUR -5 million (-25, exclusive of non-recurring items the figure is -1) and exclusive of amortisation on Group goodwill EUR 9 million (-11)
- earnings after taxes and minority interests were EUR -8 million (-22)

The Group's January-March earnings per share stood at EUR -0.06 (-0.18).

Elisa Mobile business area

The Elisa Mobile business area's January-March results were:

- revenue EUR 175 million (174)
- EBITDA EUR 42 million (52)
- EBIT EUR 5 million (6, exclusive of non-recurring items the figure is 20) and exclusive of amortisation on Group goodwill EUR 15 million (16).

Revenue was affected by: the disconnection of Telia Mobile Finland subscriptions from Radiolinja's network in the summer of 2002, tariff revisions, campaign discounts and loyal customer discount schemes aimed at existing customers.

In addition to the weakened EBITDA, EBIT was also affected by planned depreciation, which was EUR 5 million higher compared to the corresponding period in 2002. Higher depreciation was due to the shortened write-off periods and buy-backs of the mobile network.

At the end of March 2003, Radiolinja's network in Finland had 1 348 183 subscriptions (1 348 710). This number includes Radiolinja's own subscriptions as well as Telia's prepaid subscriptions roaming on Radiolinja's network.

Subscriptions of Radiolinja's service operator in Finland:

- annualised churn for the review period was 14.4 per cent (18.2)
- ARPU amounted to EUR 38.4 a month (41.4)
- the share of added value services from the revenue was 13 per cent (12).

The decline in ARPU from the corresponding period of the previous year results from the decline in customer tariffs in the Finnish mobile market.

Radiolinja and Cubio Communications signed a service operator agreement in January. According to the agreement, Radiolinja is providing the start-up mobile operator with network capacity as well as content and expert services. The services were initiated during the spring 2003.

In March, Radiolinja's new organisation, based on regional competition strategy, was adopted. The operating areas, covering the whole of Finland, are Uusimaa, Western Finland, Häme and Central Finland, Eastern Finland and Northern Finland.

At the end of March, Radiolinja Eesti, Radiolinja's subsidiary operating in Estonia, had 157 600 subscriptions (147 500).

Radiolinja Eesti reported the following figures for January-March:

- revenue of EUR 13.6 million (11.2)
- EBITDA EUR 3.7 million (3.0) and
- EBIT EUR 1.5 million (1.0).

Fixed network business (ElisaCom and Elisa Networks business areas)

Fixed network business' results January-March were:

- revenue was EUR 170 million (186)
- EBITDA amounted to EUR 52 million (51)
- EBIT totalled EUR 24 million (23).

The decrease in revenue was due to the divestment of the telephone directory business, restructuring of the business areas, changes in accounting practices and price erosion.

EBIT does not include substantial amortisation on Group goodwill.

At the end of March, the Group with its associated companies had 1.18 million fixed subscriptions (1.20) in total.

The number of broadband subscriptions was approximately 81 000 (37 000). There were 172 400 TV cable subscriptions (157 900) at the end of March.

The availability area of Elisa's broadband subscriptions was expanded in early 2003 to eight new regions. The expansion also continued after the review period. The geographical expansion of broadband subscriptions is jointly implemented by ElisaCom, Elisa Networks and Elisa Mobile.

The harmonisation of local calls pricing structure continued during the review period. The new broadband price list for operators came into force on 1 April 2003.

ElisaCom and Hewlett Packard renewed their extensive cooperation agreement in February. The agreement consolidates Elisa's position as a provider of ICT services for business customers.

Soon Com and Etelä-Satakunnan Puhelin signed an agreement in February to extend their cooperation.

Riihimäen Puhelin Oy incorporated its service operator business as of 1 January 2003. The 100% owned subsidiary RPOCom Oy continues with the service operator business. RPO's corporate sales, customer sales and shops were also assigned to RPOCom.

During the first quarter Elisa Corporation's holding in Riihimäen Puhelin Oy exceeded the 90 per cent limit through stock exchange transactions. The price per share for the transactions was

EUR 1 525. On 20 March 2003, the Group announced its intention to redeem the remaining shares of Riihimäen Puhelin Oy in compliance with the Companies Act.

Germany-based business (Elisa Kommunikation business area)

Operations in Germany reported for January-March:

- revenue of EUR 32 million (27)
- EBITDA was EUR -1 million (-15)
- EBIT of EUR -10 million (-27, exclusive of non-recurring items the figure is -17) and exclusive of amortisation on Group goodwill EUR -7 million (-24).

Germany-based business developed as expected despite the country's ongoing difficult economic situation. The number of business customers increased during Q1, to 16 633 at the end of March. Negative EBITDA of the review period was due to the seasonal fluctuation, characteristic to Germany-based business.

Other companies

Comptel Corporation disclosed its January-March interim report on 23 April 2003 and Yomi Plc on 28 April 2003. The key figures of these listed companies in the January-March reports were:

Comptel Corporation

- revenue EUR 12.1 million (11.3)
- EBITDA EUR 0.5 million (-1.7)
- EBIT EUR -0.3 million (-2.6)

Yomi Plc

- revenue EUR 14.0 million (13.9)
- EBITDA EUR 2.2 million (1.8)
- EBIT EUR -0.4 million (-0.8)

Yomi's subsidiaries Kestel Oy and Kesnet Oy are operatively associated with the fixed line business.

In addition, Estera Oy, also listed under 'Other companies' reported:

- revenue EUR 5.4 million
- EBITDA EUR 0.3 million
- EBIT EUR 0.1 million.

Investments

The Group's gross investments in fixed assets in January-March amounted to EUR 39 million (68), of which operative investments

accounted for EUR 30 million (48) and acquisition of shares 1 million (4).

Investments in fixed assets amounted to:

- EUR 16 million in Radiolinja
- EUR 18 million in the fixed network business and
- EUR 4 million in Germany-based business.

Radiolinja's investments include GSM leasing liability buy-backs from telcos to the amount of EUR 9 million (20).

Financial position

The Group's financial position and liquidity remained stable. Net debt amounted to EUR 767 million at the end of review period. The Group's equity ratio stood at 38.1 per cent (38.3 per cent at the end of 2002). Consolidated cash flow after investments was EUR -10 million. Negative consolidated cash flow after investments is due to the timing of interest payments and billing due dates of business customers. More detailed information on the financial position is available in the table attached.

On 13 March 2003, the credit rating agency Moody's Investor Services downgraded the Group's credit rating A3 (review for downgrade) to Baa2 (stable). Moody's explained its decision as being due to the tough competition and price erosion prevailing in Elisa's home market. Other factors were: difficult business environment and losses in German business, difficulties in re-arranging non-core businesses because of challenging market situation and risks which might relate for example to acquisitions.

Shares

The A Share of Elisa Corporation closed at EUR 5.70 on 31 March 2003. The highest quotation in January-March was EUR 6.50 and the lowest EUR 4.67. The average rate was EUR 5.61.

As of 31 March 2003, the company's number of shares was 138 011 757, all of which were A Shares. Their market capitalisation was EUR 782 million.

During the period from 1 January 2003 to 31 March 2003, a total of 26.1 million A Shares of the company were exchanged on the Helsinki Exchanges for an aggregate value of EUR 146.7 million. The exchange was 19 per cent of the number of A Shares on the market.

The number of Elisa Corporation's A options for the year 2000 is 3 600 000. Between 1 January 2003 - 31 March 2003, the total number of A options traded on Helsinki Exchanges was 7 950 at a

total price of EUR 1 443 and their average rate was EUR 0.18. The highest quotation of the A options in the January-March period was EUR 0.25, and the lowest EUR 0.03. The closing rate of the A option was EUR 0.03.

The total number of Elisa Corporation's A Shares owned by the subsidiaries was 781 563. The par value of the shares totalled EUR 390 781.50, and their proportion of the share capital and voting rights was 0.57 per cent. The book value of these company shares has been deducted from the distributable assets of the Group.

Moreover, the Elisa Group Pension Fund owns 1 577 763 A shares.

On 14 March 2003, Fidelity International Limited announced that through the trading of shares, the company's and its subsidiaries' share of Elisa Corporation's share capital and votes fell below 5 per cent.

Legal issues

No changes have taken place in the legal processes described in the company's Report of the Board of Directors for the Year 2002. No new legal processes have been initiated.

Events after the period under review

On 3 April 2003, the Board of Directors of Elisa Corporation appointed Veli-Matti Mattila (41) MSc (Eng.), MBA, Chief Executive Officer of the Group. His employment with the Group commences on 1 May and he will assume his duties as CEO on 1 July 2003. The present CEO Matti Mattheiszen (60) continues on special assignments for the Board until 1 September 2003, at which date he will retire.

On 4 April 2003, the Annual General Meeting decided in accordance with the proposal of the Board of Directors, that no dividend be paid for 2002. The Annual General Meeting confirmed the parent company's income statement and balance sheet, and the consolidated income statement and the balance sheet. The members of the Board and the CEO were discharged from liability for 2002, and the proposal of the Board of Directors to amend Articles 1,3,4,7,11 and 13 of the Articles of Association was approved. The amended Articles of Association as a whole were published as an addendum to the AGM stock exchange release given on 4 April 2003.

The number of the members of the Board of Directors was confirmed at six (6), and the following members were elected for the next one-year term: Keijo Suila, Ossi Virolainen, Matti Aura, Pekka Ketonen and Jere Lahti, plus a new member Mika Ihamuotila, Executive Vice President at Sampo Plc. In compliance with established practice, the monthly compensation of the Board

members is used for the purchases of Elisa shares.

PricewaterhouseCoopers Oy (authorized public accountants, with APA Henrik Sormunen as the responsible auditor) was appointed the company's auditor.

The Annual General Meeting approved the proposal of the Board of Directors to authorize the Board of Directors within one year from the Annual General Meeting to decide on increasing the company's share capital. The Board was to achieve this through one or more new issues, one or more convertible bonds and/or warrants so that in a new issue or when issuing convertible bonds or warrants, a maximum aggregate of 27.6 million of the company's A Shares can be issued for subscription, and the company's share capital can be increased by a maximum of EUR 13.8 million in total.

The Board of Directors, elected by the Annual General Meeting of Elisa Corporation, held its organising meeting on 4 April 2003. Keijo Suila was re-elected the Chairman of the Board and Ossi Virolainen continues as the Deputy Chairman.

The amendments decided upon at the AGM, including changing the name to Elisa Corporation, were entered in the Trade Register on 11 April 2003.

A decision was made to incorporate the Finnish service operator activities of the Elisa Mobile business area to form Radiolinja Suomi Oy as of 1 May 2003.

On 17 April, the credit rating agency Standard & Poor's announced that it has lowered its long-term credit rating of Elisa Corporation to 'BBB+' from 'A-'. At the same time, Standard & Poor's affirmed its 'A-2' short-term corporate credit rating of the company. The outlook is negative.

Future outlook

The Board of Directors reiterates its estimate given in the 2002 accounts, of the moderate growth of corporate revenue, EBITDA and earnings compared with 2002. The positive development of Germany-based businesses will improve the profitability of the whole Group.

Operative investments are restricted to 15 per cent of the revenue at the maximum. Owing to improved profitability and the moderate investment level the Group's cash flow will remain positive and net debt will be reduced. Restructuring of non-core businesses will continue.

EBITDA of the Group's Germany-based business area is estimated to be positive in 2003. EBIT is estimated to develop favourably in

2004, but due to the uncertain outlook of German market it is difficult to give a more exact guidance.

ELISA CORPORATION GROUP

INTERIM REPORT 1 JANUARY - 31 MARCH 2003

EUR million CONSOLIDATED INCOME STATEMENT	January- March 2003	January- March 2002	January- December 2002
Revenue	371	384	1 563
Other operating income	4	5	92
Operating expenses	-290	-311	-1 322
Depreciation and value adjustments:			
On fixed assets	-65	-77	-322
On Group's goodwill	-14	-14	-59
EBIT	7	-13	-48
Financial income and expenses:			
Share of associated companies' profits	-1	-1	-5
Other financial income and expenses	-11	-11	-50
Profit before extraordinary items	-5	-25	-103
Extraordinary items		3	3
Profit after extraordinary items	-5	-22	-100
Income taxes	-4	-7	3
Minority interest	0	7	26
Net profit	-8	-22	-71
CONSOLIDATED BALANCE SHEET	January- March 2003	January- March 2002	January- December 2002
Fixed assets			
Intangible assets	76	81	77
Consolidated goodwill	569	647	583
Tangible assets	930	988	962
Share in associated companies	21	19	21
Other investments	13	21	13
	1 609	1 756	1 656
Current assets			
Inventories	20	26	21
Deferred tax receivable	28		14
Receivables	344	431	334
Marketable securities	1	5	2
Cash in hand and in banks	84	130	71
	477	592	442
Total assets	2 086	2 348	2 098
Shareholders' equity			
Share capital	69	69	69
Share premium account	517	517	517
Contingency fund	3	3	3
Retained earnings	127	183	198
Net profit	-8	-22	-71
	708	750	716
Minority interests	83	127	83
Provisions for liabilities and charges	64	1	71
Liabilities			
Deferred tax liability		15	

Long-term creditors	714	581	715
Short-term creditors	517	874	513
	1 231	1 470	1 228
Total shareholders' equity and liabilities	2 086	2 348	2 098

Deviating from the year 2002 interim reports, the Tropolys subgroup has applied an IAS-compliant procedure in the acquisition of subsidiaries, which has affected the Group's goodwill and minority interest, since the financial statements of 31 December 2002.

CONSOLIDATED CASH FLOW STATEMENT	January- March 2003	January- March 2002	January- December 2002
Cash inflow from operating activities			
Net profit for the financial period	-8	-22	-71
Adjustments:			
Depreciation and value adjustments	79	90	381
Reduction in value of investments			1
Sales profits from business operations			-48
Sales profits from the disposal of fixed assets and shares	0	0	-5
Expense booking for GSM leasing liability			70
Other adjustments	0	-6	-21
Change in deferred tax liability/receivable	-14	-3	-34
Change in working capital and other items	-28	25	32
	37	106	376
Cash inflow from operating activities	29	84	305
Cash flow in investments			
Investments in fixed assets	-39	-69	-268
Disposal of fixed assets	1	1	6
Investments in shares	-1	-4	-7
Disposal of shares and business operations	0	3	53
Cash flow in investments	-39	-69	-216
Cash flow after investments	-10	15	89
Cash flow in financing			
Change in long-term loans	-6	-34	75
Change in short-term loans	27	51	-209
Dividends paid		-1	-4
Sale of own shares			18
Cash flow in financing	21	16	-120
Change in financial assets	11	31	-31
Financial assets at the end of the financial period	85	135	74
KEY FIGURES	January- March 2003	January- March 2002	January- December 2002
Earnings/share (EPS), EUR	-0.06	-0.18	-0.54

Shareholders' equity/share, EUR	5.16	5.53	5.21
Gross investments in fixed assets	39	68	269
Gross investments as % of revenue	10.5	17.7	17.2
Purchase of shares	1	4	16
Non-interest-bearing debts	379	510	396
Personnel on average	7 365	8 673	8 115

LIABILITIES	January- March 2003	January- March 2002	January- December 2002
Mortgages			
For own			
Pledges given	75	70	67
Deposits given as surety	10	38	10
Guarantees given			
For others	11	1	11
Leasing commitments	79	76	72
Repurchase commitments	3	5	3
Lease-leaseback agreement commitment (QTE facility)	186	233	194
Other commitments	58	53	52
Total liabilities	422	476	409

GSM and data network lease agreement liabilities outside the Group on 31 March 2003 amounted to approximately EUR 209 million (EUR 216 million at the end of 2002). For the future redemption of the relevant GSM network financial agreements, obligatory reserve has been formed in the balance sheet, which covers around EUR 65 million of the remaining lease agreement liability.

Derivative contracts

Forward contracts			
Market value of underlying security	16	5	13
Market value	1	0	1
Interest and currency swaps			
Market value of underlying security	0	8	0
Market value	0	0	0

ADJUSTED GROUP KEY FIGURES (exclusive of non-recurring items)	January- March 2003	January- March 2002	January- December 2002
Revenue	371	384	1 563
EBITDA	85	85	342
EBITDA, %	22.9	22.1	21.9
EBIT	7	11	32
EBIT, %	1.9	2.9	2.0
Profit before extraordinary items	-5	-1	-23

Adjusted key figures have been calculated without the following non-recurring items:

Sales profits			73
Expense booking for GSM network leasing liability			-77
Writedowns of the GSM network		-14	-51
Writedowns of Cityphone and submarine cable networks			-8
Other writedowns in Finland			-4

Rundown costs of Mäkitorppa GmbH	-10	-8
Other writedowns in Germany		-5
Non-recurring items, total	-24	-80
Impact on EBITDA	-7	-9
Impact on EBIT	-24	-80
Impact on profit before extraordinary items	-24	-80

Items presented in the interim report tables have been rounded up.

The Group's revenue, EBITDA and EBIT by Business Area (BA),
1 Jan - 31 March 2003
EUR million

Fixed network*	Revenue		EBITDA		EBIT	
	1-3/03	1-3/02	1-3/03	1-3/02	1-3/03	1-3/02
Services	159	173	8	8	-3	-2
Network	71	80	44	43	27	25
Intra-BA sales	-60	-67				
Group bookings						
Total	170	186	52	51	24	23

*)Owing to corporate structural changes, the figures are not comparable with the previous year in all respects.

Elisa Mobile	Revenue		EBITDA		EBIT	
	1-3/03	1-3/02	1-3/03	1-3/02	1-3/03	1-3/02
Radiolinja (operator business)	165	166	41	53	14	18
Retail companies	16	12	1	-1	1	-2
Intra-BA sales	-6	-4				
Group bookings					-10	-9
Total	175	174	42	52	5	7

Germany*)	Revenue		EBITDA		EBIT	
	1-3/03	1-3/02	1-3/03	1-3/02	1-3/03	1-3/02
Carrier business	32	26	-1	-8	-7	-14
Mäkitorppa GmbH		1		-7		-10
Group bookings					-3	-3
Total	32	27	-1	-15	-10	-27

*)Shares of profits of German associated companies in 1-3/03 was MEUR 0 (-1).

Other companies	Revenue		EBITDA		EBIT	
	1-3/03	1-3/02	1-3/03	1-3/02	1-3/03	1-3/02
Comptel	12	11	1	-2	0	-3
Other companies*)	13	9	-2	1	-2	0
Intra-BA sales	-1					
Group bookings					-1	-1
Total	24	20	-1	-1	-3	-4

*)Includes Yomi IT companies and the parent company of Yomi Group

Group functions	9	8	-7	-9	-9	-12
Group, total	371	384	85	78	7	-13

Revenue, EBITDA and EBIT by Business Area
(exclusive of non-recurring items)

Business Area (BA)	Revenue (adjusted)		EBITDA (adjusted)		EBIT (adjusted)	
	1-3/03	1-3/02	1-3/03	1-3/02	1-3/03	1-3/02
Fixed network	170	186	52	51	24	23
Elisa Mobile	175	174	42	52	5	21
Germany	32	27	-1	-8	-10	-17
Other functions	33	28	-8	-10	-12	-16
Sales between BAs	-39	-31				
Group, total (adjusted)	371	384	85	85	7	11

FINANCIAL SITUATION AS AT 31 MARCH 2003

EUR million	31Mar03	31Dec02	30Sep02	30Jun02	31Mar02
Long-term loans					
Bonds and notes	572	572	472	472	423
Loans from the Pension Fun	80	80	83	83	83
Loans from financial institutions	48	54	38	38	68
Total	699	705	593	593	575
Short-term loans					
Bonds and notes	0	52	52	152	153
Loans from financial institutions	2	2	34	34	23
Committed credit line 1)	0	0	40	0	50
Commercial papers 2)	124	44	128	106	100
Others	27 3)	28	50	59	60
Total	153	126	304	351	385
Interest-bearing debt, total	852	831	897	944	960
Securities	1	3	3	3	5
Cash and bank	84	71	77	92	130
Interest-bearing receivables	85	74	80	95	135
Net debt 4)	767	757	817	849	825

1) The committed credit line is a joint EUR 170 million revolving credit facility with seven banks, which Elisa Group may flexibly use on agreed. The loan arrangement is valid until 26 November 2003.

2) Elisa Group has agreed on a joint program with six banks on issuing commercial papers. The arrangement is not committed. The maximum amount of the arrangement is EUR 150 million.

3) Radiolinja's redemption liability for minority shareholders (EUR 16m) and deposits in the Financial Services Office (EUR 11m).

4) Net debt is interest-bearing debt less interest-bearing receivables.

Key financial indicators	31Mar03	31Dec02	30Sep02	30Jun02	31Mar02
Gearing	97 %	95 %	105 %	102 %	94 %
Equity ratio	38 %	38 %	35 %	38 %	38 %