

## Base Prospectus



## Elisa Corporation

*(incorporated with limited liability in Finland)*

€1,000,000,000

### *Euro Medium Term Note Programme*

Under this €1,000,000,000 Euro Medium Term Note Programme (the **Programme**), Elisa Corporation (the **Issuer** or **Elisa**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

Application for approval has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* (the Luxembourg Act dated 10 July 2005 on prospectuses for securities) (the **Prospectus Act 2005**) to approve this document as a Base Prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the Final Terms (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF and will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer has been rated Baa2 by Moody's Investors Service España S.A. (**Moody's**) and BBB+ by Standard & Poor's Credit Market Services Europe Limited (**S&P**). The Programme has been rated Baa2 by Moody's and BBB+ by S&P. Each of Moody's and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Arranger*

**Nordea**

*Dealers*

**Danske Bank**

**J.P. Morgan**

**OP Corporate Bank plc**

**Swedbank**

**Handelsbanken Capital Markets**

**Nordea**

**SEB**

**The Royal Bank of Scotland**

15 June 2016

## IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see "*Subscription and Sale*" below).

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Finland) and Japan, see "*Subscription and Sale*" below.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

## **PRESENTATION OF INFORMATION**

In this Base Prospectus, all references to:

- **U.S. dollars, U.S.\$ and \$** refer to United States dollars;
- **Sterling and £** refer to pounds sterling; and
- **euro and €** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

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### STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or the Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## **RISK FACTORS**

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### ***Legal proceedings***

Elisa and its subsidiaries (the **Elisa Group**) are party to disputes and legal proceedings in the ordinary course of their business, as well as to regulatory proceedings, the outcome of which is uncertain. Elisa does not believe that any such actions to which it or any of its subsidiaries is currently subject are likely to have a significant effect on the Elisa Group's financial position or performance but no assurance can be given that this will in fact be the case. In addition, no assurance can be given that any future claims or proceedings (including regulatory proceedings and claims relating to competition law) will not have a significant adverse effect on the Elisa Group's financial position, results of operations or market reputation.

#### ***Competition***

The markets in which Elisa Group companies operate are highly competitive. Although Elisa believes that it will be able to continue to compete successfully in these markets no assurance can be given that the Elisa Group will not be adversely affected in the future by competition. If any Elisa Group company is unable to compete effectively this could lead to loss of revenue, price erosion, reduced margins, loss of market share and could adversely affect the Elisa Group's financial position and results of operations. IP technology may result in changes in the competitive situation in communications markets as IP-based operators may have a lower cost base and be subject to less extensive regulation, which could enable them to charge lower prices as compared to non-IP-based operators. Elisa also applies IP technology in its network.

The Finnish fixed and mobile telecommunications market with traditional means of communications is increasingly saturated. This saturation, together with increased competition and regulation of customers taking their phone numbers with them to other networks (number portability), has resulted in higher levels of customer turnover. Elisa has taken a number of steps to improve both customer acquisition and customer retention which have increased its expenses, including increasing the number of personnel for call centre activities, which has adversely impacted its results of operations. No assurance can be given that customer turnover rates will not increase further or that the Elisa Group's results of operations will not be adversely affected in the future by this competition.

The traffic in the Elisa Group's fixed network has decreased as traditional voice traffic has migrated from fixed to mobile networks. The traditional means of communication (voice and sms) will also face increased pressure from alternative services such as voice over internet protocol. No assurance can be given that this

trend will not accelerate in the future or that the Elisa Group's results of operations will not be adversely affected in the future by this competition.

### ***Regulation***

The telecommunications market is highly regulated. Telecommunications in Finland and in other countries is regulated by a number of different authorities. These authorities regulate, among other things, the prices the Elisa Group may charge for many of its services and the extent to which the Elisa Group has to provide services to its competitors especially in interconnection, roaming and wholesale prices of network services. Regulation (for example, number portability regulation) may also change the competitive situation within the industry. No assurance can be given that the regulations with which the Elisa Group must comply will not change in the future in a manner which adversely affects the Elisa Group's financial position and results of operations.

The mobile business of Elisa in Finland and Estonia requires licences for operations and for frequencies. The licences have a material effect on Elisa Group's operations and no assurance can be given that in the future Elisa will be able to obtain the licences desired or required nor that the price of the licences will remain the same.

A new EU regulation regarding roaming and net neutrality has been officially approved and came into force on 30 April 2016. Retail roaming charges will end in June 2017 provided that the new wholesale regulation is in force. Several substantial issues such as fair use limits and wholesale regulation are still open and were left to be decided later with separate regulation. During the transitional period (starting from April 2016 and ending in June 2017) operators may charge an additional charge to domestic prices for all roaming use. The additional charge may not be higher than the current regulated wholesale roaming prices. The final effects of the new EU regulation regarding roaming and net neutrality are still open, and therefore it might have a negative impact on Elisa's business.

### ***Technology***

The Elisa Group operates in an industry where technological change can have a significant effect. Although Elisa Group companies have, in the past, been able to anticipate and adapt in a timely manner to technological change, no assurance can be given that this will remain the case in the future or that the Elisa Group's financial position and results of operations will not in the future be adversely affected by technological change. Management of technology lifecycles in voice and data communications may have a material effect on the results of the operations of Elisa. In addition, a feature of the need to adapt to technological change or increase in capacity needs may require a significant level of investment. No assurance can be given that the Elisa Group will have or be able to obtain cost effectively the necessary financial resources to fund such investment both to the network and also to the terminal equipment nor that such investments will result in the anticipated improvement in results of operations.

### ***Finnish and Estonian market and operations***

The Elisa Group's operations and assets are located principally in Finland and Estonia. The Elisa Group's operating results are and will be affected by economic developments in or affecting these markets. No assurance can be given that events relating to natural conditions, accidents and data management will not affect the Elisa Group's results of operations. Increasing data traffic and build-up of new services may require significant investments but no assurance can be given that the Elisa Group will be able to obtain the necessary financial resources cost effectively to fund such investment and that such investments will result in the anticipated improvement in results of operations.

### ***Personnel***

The Elisa Group's business operations are dependent on the efforts of its personnel and the ability to attract and maintain skilled staff. No assurance can be given that changes in employees will not have a material adverse effect on the Elisa Group's results of operations.

### ***Goodwill***

The majority of the consolidated goodwill on the Elisa Group's balance sheet is derived from the acquisition of mobile assets. The acquisition of minority shares in mobile operator Radiolinja Oy created the largest part of the goodwill. Radiolinja Oy was merged into Elisa on 31 December 2005. In recent years Elisa has acquired companies in the ICT sector which has increased the goodwill. No assurance can be given that changes in markets or the Elisa Group's business plans will not in the future result in substantial write-downs of the carrying value of its mobile and ICT assets.

### ***The global economic situation***

The European economic situation and related recessionary conditions could affect sales of the Elisa Group's products and services, as the ability of clients to pay for these products and services could be adversely impacted. These and other effects of recent global economic conditions could adversely affect the Elisa Group's business and financial performance. Effects of recent global economic conditions could adversely affect the Elisa Group's financial performance via effects to the availability and the terms of the funding in the public or bank markets. The global economic conditions could also reduce demand for the Elisa Group's products as consumer and corporate customers reduce their spending.

### ***Outsourcing***

The Elisa Group has outsourced, amongst other things, its network building and customer installation functions as well as some customer services and IT operations, which could cause difficulties in installation projects, IT operations and customer service. The outsourcing relationships are renegotiated regularly and it might not be possible to attract outsourcing partners on economically attractive terms, or at all.

### ***Limited number of suppliers***

The Elisa Group has limited number of suppliers for its network equipment, software and handsets. If one of these suppliers were to stop supplying products to the Elisa Group, the Elisa Group may be unable to acquire equipment from alternative suppliers, or it may have to pay increased prices for such equipment.

### ***Network risk***

Increased outsourcing and operations to several partners adds complexity since partners have different platforms and processes. This may result in a higher number of faults in the services that the Elisa Group provides.

### ***Network integrity and data security***

The Elisa Group operates several networks and information systems which carry high data volumes. The Elisa Group aims to ensure network integrity and data security and to protect customers' personal data. To ensure privacy, Elisa seeks to protect assets such as personnel, customers, information, IT infrastructure, internal and public networks, office buildings and technical facilities. External or internal factors may negatively affect security, which may result in a negative effect in terms of how customers perceive the Elisa Group to handle such matters. This, in turn, may have negative effect on Elisa's business and operations.

## ***Acquisitions***

The Elisa Group may, from time to time, make acquisitions of other companies and businesses should attractive opportunities arise. For example, recently the Elisa Group has acquired PPO and Sulake (see "*Description of the Issuer – Acquisition of PPO telecom and ICT businesses*" and "*Description of the Issuer – Acquisition of Sulake Corporation*"). If the integration of any acquired companies or businesses is not carried out as expected, management's attention may be diverted away from the Elisa Group's on-going operations, giving rise to negative results and having a negative effect on the Elisa Group's financial position. As at the date of this Base Prospectus, Elisa has signed an agreement with Anvia Oyj to acquire Anvia's ICT business. This acquisition needs approval from Anvia's Extraordinary General Meeting to be held in June 2016. There can be no assurances that Anvia's Extraordinary General Meeting will accept the acquisition.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisors, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Risks related to the structure of a particular issue of Notes***

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.



The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

***The Issuer may experience difficulties financing the redemption of Notes on the occurrence of a Put Event***

If Change of Control Put is specified as being applicable in the applicable Final Terms, such Series of Notes will contain change of control provisions to the effect that if any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force on 28 February 2007) or any person or persons acting on behalf of any such person(s) owns or acquires (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer and this results in a ratings downgrade below the agreed thresholds or a withdrawal of a credit rating altogether, then each Noteholder of the relevant Series of Notes has the option to require the Issuer to redeem or purchase its Notes subject to the more detailed provisions of Condition 6(e). In addition, if 80 per cent. or more in nominal amount of a Series of Notes is redeemed pursuant to Condition 6(e), the Issuer may redeem or purchase the remaining Notes in such Series.

In the event that a Change of Control Put is triggered, the Issuer may be required to redeem or purchase Notes in respect of any Series of Notes where Change of Control Put is specified as being applicable in the applicable Final Terms. At such time, the Issuer may not have sufficient funds available to cover the cost of redeeming such outstanding Notes and may have difficulties securing third-party financing to do so. The change of control may cause the acceleration of other indebtedness which may be senior to the Notes or rank equally with the Notes. In the event that a Put Event resulted in the simultaneous acceleration of the majority or a significant part of the Issuer's outstanding debt, there may be a material adverse effect on the Issuer's financial condition. Any holder not exercising its rights following a Put Event may experience a significant reduction in the liquidity of the Notes held by it if one or more holders of the same Series of Notes exercise

their option to require the Issuer to redeem or purchase such Notes. Any such reduction in liquidity may adversely affect the market value of the Notes.

In addition, for those Series of Notes where Change of Control Put is specified as not applicable in the applicable Final Terms, the Noteholders will have no option for the Notes to be redeemed or purchased by the Issuer regardless of the change in ownership of the Issuer.

### ***Risks related to Notes generally***

Set out below is a description of the material risks relating to the Notes generally:

#### ***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### ***The value of the Notes could be adversely affected by a change in English law or administrative practice***

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could have a material adverse effect on the market value of any Notes affected by it.

#### ***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Risks related to the market generally***

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### ***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of the Notes.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes, especially if market interest rates subsequently increase above the rate paid on any such Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in the Notes***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency

included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published in English and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus:

- (1) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2014 of the Issuer, set out on the following pages of the 2014 Annual Report of the Issuer:

Consolidated Income Statement	page 20
Consolidated Balance Sheet	page 22
Consolidated Cash Flow Statement	page 23
Consolidated Statement of Changes in Equity	page 24
Notes to the Consolidated Financial Statements	pages 25 to 80
Auditors' Report	pages 103 to 104

- (2) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2015 of the Issuer, set out on the following pages of the 2015 Annual Report of the Issuer:

Consolidated Income Statement	page 116
Consolidated Statement of Financial Position	page 118
Consolidated Cash Flow Statement	page 119
Consolidated Statement of Changes in Equity	page 120
Notes to the consolidated Financial Statements	pages 121 to 174
Auditors' Report	pages 203 to 204

- (3) the interim unaudited consolidated financial statements for the three months ended 31 March 2016 of the Issuer, set out on the following pages of the 2016 First Quarter Results of the Issuer:

Consolidated Income Statement	page 20
Consolidated Statement of Financial Position	page 22
Consolidated Cash Flow Statement	page 23
Consolidated Statement of Changes in Equity	page 24
Notes to the consolidated Financial Statements	pages 32 to 77
Auditors' Report	pages 103 to 104

- (4) the Terms and Conditions of the Notes contained in the Issuer's Base Prospectus dated 16 March 2011 on pages 29 to 47;
- (5) the Terms and Conditions of the Notes contained in the Issuer's Base Prospectus dated 16 March 2012 on pages 30 to 48;
- (6) the Terms and Conditions of the Notes contained in the Issuer's Base Prospectus dated 14 May 2013 on pages 33 to 59;
- (7) the Terms and Conditions of the Notes contained in the Issuer's Base Prospectus dated 2 June 2014 on pages 34 to 60; and
- (8) the Terms and Conditions of the Notes contained in the Issuer's Base Prospectus dated 2 June 2015 on pages 35 to 61.

Any information incorporated by reference pursuant to paragraphs (1) to (3) above that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004. With respect to paragraphs (4) to (8) above, any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either deemed not relevant for an investor or are otherwise contained elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the Issuer's office as set out at the end of this Base Prospectus. In addition, such documents will be available, free of charge, from the principal office in Luxembourg of Banque Internationale à Luxembourg, société anonyme (the **Luxembourg Listing Agent**) for Notes admitted to the Official List and to trading on the Regulated Market of the Luxembourg Stock Exchange. This Base Prospectus and the documents incorporated by reference herein will also be published on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This General Description constitutes a general description of the programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive. Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" below shall have the same meanings in this General Description.

**Issuer:** Elisa Corporation

**Risk Factors:** There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.

**Description:** Euro Medium Term Note Programme

**Arranger:** Nordea Bank Finland Plc

**Dealers:** Danske Bank A/S  
J.P. Morgan Securities plc  
Nordea Bank Danmark A/S  
Nordea Bank Finland Plc  
OP Corporate Bank plc  
Skandinaviska Enskilda Banken AB (publ)  
Svenska Handelsbanken AB (publ)  
Swedbank AB (publ)  
The Royal Bank of Scotland plc

and any other Dealers appointed in accordance with the Programme Agreement.

**Certain Restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.

### **Notes with a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

According to the Luxembourg Act dated 10 July 2005 on prospectuses for securities, the CSSF is not competent to approve prospectuses for the listing of money market instruments having a maturity of less than one year and complying also with the definition of securities in that Act.

<b>Issuing and Principal Paying Agent:</b>	The Bank of New York Mellon.
<b>Luxembourg Paying Agent:</b>	The Bank of New York Mellon (Luxembourg) S.A.
<b>Programme Size:</b>	Up to €1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued on a fully-paid basis only and at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms.
<b>Form of Notes:</b>	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ". The relevant clearing system for each series of Notes will be Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the applicable Final Terms.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"><li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li><li>(b) on the basis of the reference rate set out in the applicable Final Terms.</li></ul>



The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as provided in Condition 6.

In addition, if Change of Control Put is specified as applicable in the applicable Final Terms, the Notes may be redeemed before their stated maturity at the option of the Noteholders in the circumstances described in Condition 6(e), see "*General Description of the Programme – Change of Control Put*".

**Denomination of Notes:**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes with a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a European Economic Area exchange, or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notes which have a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes with a maturity of less than one year*" above.

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Notes will contain a negative pledge provision as further

described in Condition 3.

**Cross Default:**

The terms of the Notes will contain a cross default provision as further described in Condition 9.

**Change of Control Put:**

The terms of the Notes will contain a change of control provision as further described in Condition 6(e).

If any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force on 28 February 2007) or any person or persons acting on behalf of any such person(s) owns or acquires (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer and this results in a ratings downgrade below the agreed thresholds or a withdrawal of a credit rating, then each relevant Noteholder has the option to require the Issuer to redeem or purchase its Notes subject to the more detailed provisions of Condition 6(e). In addition, if 80 per cent. or more in nominal amount of a Series of Notes is redeemed pursuant to Condition 6(e), the Issuer may redeem or purchase the remaining Notes in such Series.

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 2, unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

**Rating:**

The Programme has been rated Baa2 by Moody's Investors Service España S.A. and BBB+ by Standard & Poor's Credit Market Services Europe Limited. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Approval, Listing and Admission to Trading:**

Application has been made to the CSSF to approve this document as a Base Prospectus. Application has also been made for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Governing Law:** The Notes will be governed by, and construed in accordance with, English law.

**Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described

therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 14 May 2013, executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event a supplement to the Base Prospectus (if applicable) or a new Base

Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

[Date]

### ELISA CORPORATION

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €1,000,000,000  
Euro Medium Term Note Programme

### PART 1

#### CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 June 2016 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).]

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [16 March 2011/16 March 2012/14 May 2013/2 June 2014/2 June 2015] [and the supplement to it dated [date]] which are incorporated by reference in the Base Prospectus dated 15 June 2016 and attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 15 June 2016 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).]

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

1. (a) Series Number: [       ]
- (b) Tranche Number: [       ]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: [       ]
3. Aggregate Nominal Amount:
- (a) Series: [       ]
- (b) Tranche: [       ]
4. Issue Price: [       ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: [       ]
- N.B. Notes must have a minimum denomination of €100,000 (or equivalent).*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [       ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: [       ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

*(N.B. An Interest Commencement Date will not be relevant*



*for certain Notes, for example Zero Coupon Notes.)*

7. Maturity Date: [Specify date or for Floating rate notes — Interest Payment Date falling in or nearest to [specify month and year]]
8. Interest Basis: [[ ] per cent. Fixed Rate]  
[[Reference Rate] +/- [ ] per cent.  
Floating Rate]  
[Zero Coupon]  
see paragraph [12]/[ 13]/[14] below
9. Change of Interest Basis: [For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [12]/[13] applies and for the period from (and including) [date] to (but excluding) the Maturity Date, paragraph [12/13] applies][Not Applicable]
10. Put/Call Options: [Investor Put]  
[Change of Control Put]  
[Issuer Call]  
[Not Applicable]  
  
[see paragraph [16]/[17]/[18] below]
11. Date Board approval for issuance of [ ] Notes obtained:  
  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]

global form see  
Conditions): [Not Applicable]

(e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]

(f) Determination Date(s): [[ ] in each year][Not Applicable]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

13. **Floating Rate Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Specified Period(s)/Specified Interest Payment Dates [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]

(b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]

(c) Additional Business Centre(s): [ ]

(d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]

(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] / [Not Applicable]

(f) Screen Rate Determination:

- Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [ ] month [(the **Designated Maturity**) (include where Linear Interpolation is applicable)] [ ] [LIBOR/EURIBOR/STIBOR/NIBOR]

Relevant Time: [[ ] in the Relevant Financial Centre/As per Condition 4(b)(ii)]

Relevant Financial Centre: [London/ Brussels/ Stockholm/ Oslo]

- Interest [Second London business day prior to the start of each

Determination Date(s): Interest Period] [*For LIBOR, other than Sterling or euro*]  
 [First day of each Interest Period] (*For Sterling LIBOR*)  
 [Second day on which the TARGET2 System is open prior to the start of each Interest Period] (*For EURIBOR or euro LIBOR*)  
 [Second Stockholm business day prior to the start of each Interest Period] (*For STIBOR*)  
 [Second Oslo business day prior to the start of each Interest Period] (*For NIBOR*)  
 [[ ] prior to the start of each Interest Period]

- Relevant Screen Page: [ ]

*(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*

(g) ISDA Determination:

- Floating Option: Rate [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*

(h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)

(i) Margin(s): [+/-] [ ] per cent. per annum

(j) Minimum Rate of Interest: [ ] per cent. per annum

(k) Maximum Rate of Interest: [ ] per cent. per annum

(l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]  
 30E/360 (ISDA)]  
*(See Condition 4 for alternatives)*

14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this*

*paragraph)*

- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

## **PROVISIONS RELATING TO REDEMPTION**

- 15. Notice periods for Condition 6(b): Minimum period: [30] days  
Maximum period: [60] days

- 16. Issuer Call: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [[ ] per Calculation Amount]
- (c) If redeemable in part:
  - (i) Minimum Redemption Amount: [ ]
  - (ii) Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [15] days  
Maximum period: [30] days

*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

- 17. Investor Put: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount: [[ ] per Calculation Amount

(c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days

*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

18. Change of Control Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Amount: [ ] per Calculation Amount

(b) Notice Periods: Minimum period: [15] days  
Maximum period: [30] days

*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

19. Final Redemption Amount: [ ] per Calculation Amount

20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

21. (a) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

*(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified*

*Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof and up to and including [€199,000]"*) Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

- (b) New Global Note: [Yes] [No]
22. Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which subparagraph 13(c) relates)*
23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

### **THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART 2

### OTHER INFORMATION

#### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading: [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [            ].] [Not Applicable]
- (b) Estimate of total expenses related to admission to trading: [    ]

#### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[Each of [defined terms] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [Not Applicable]

#### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

#### 4. YIELD

(Fixed Rate Notes only)

Indication of yield: [            ]

## 5. OPERATIONAL INFORMATION

- (a) ISIN: [ ]
- (b) Common Code: [ ]
- (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s) and address(es): [Not Applicable/give name(s), number(s) and address(es)]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (f) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (g) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 6. DISTRIBUTION

- U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, If not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Elisa Corporation (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement dated 14 May 2013 (such Agency Agreement as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**), and made between the Issuer, The Bank of New York Mellon as issuing and principal paying agent (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue.

Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified/and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 14 May 2013 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office for the time being of each of the Agent, The Bank of New York Mellon (Luxembourg) S.A., at Vertigo Building, Polaris-2-4 rue Eugène Ruppert, L-2453, Luxembourg and the Paying Agents. If this Note is to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If this Note is neither admitted to trading on the regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be

conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## 2. **Status of the Notes**

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## 3. **Negative Pledge**

So long as any of the Notes or Coupons remains outstanding (as defined in the Agency Agreement) the Issuer will not and will ensure that none of its subsidiaries will create or permit to subsist any mortgage, charge, pledge, lien or any other form of encumbrance or security interest (**Security**), upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt of any person, or any guarantee of or indemnity in respect of any Relevant Debt of any person unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Coupons are secured equally and rateably therewith or have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Condition, **Relevant Debt** means any present or future indebtedness in the form of, or represented by, securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock, exchange, over-the-counter or other securities market.

## 4. **Interest**

### (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the rate(s) of interest (as used in this paragraph, **Rate(s) of Interest**). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount; and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of II below shall apply *mutatis mutandis* or (2) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall

into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- II. either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (b) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the **TARGET 2 System**) is open.

(ii) *Rate of Interest*

The rate of interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms (as used in this paragraph, **Rate of Interest**) as either:

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- I. the Floating Rate Option is as specified in the applicable Final Terms;
- II. the Designated Maturity is a period specified in the applicable Final Terms; and
- III. the relevant Reset Date is the day as specified in the applicable Final Terms.

For the purposes of this subparagraph (A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero; or

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- I. the offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of I above, no offered quotation appears or, in the case of II above, fewer than three offered quotations appear, in each case as at the Relevant Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been

used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of these Conditions:

**Interest Determination Date** shall mean the date specified as such in the Final Terms or if none is so specified:

- (a) if the Reference Rate is the London interbank offered rate (**LIBOR**) (other than Sterling or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (b) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;
- (c) if the Reference Rate is Euro LIBOR or the Euro-zone interbank offered rate (**EURIBOR**), the second day on which the TARGET2 System is open prior to the start of each Interest Period;
- (d) if the Reference Rate is the Stockholm interbank offered rate (**STIBOR**), the second Stockholm business day prior to the start of each Interest Period; and
- (e) if the Reference Rate is the Norwegian interbank offered rate (**NIBOR**), the Second Oslo business day prior to the start of each Interest Period.

**Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market, in each case selected by the Agent.

**Reference Rate** shall mean (i) LIBOR, (ii) EURIBOR, (iii) STIBOR, or (iv) NIBOR, in each case for the relevant period, as specified in the applicable Final Terms.

**Relevant Financial Centre** shall mean London, in the case of a determination of LIBOR, Brussels, in the case of a determination of EURIBOR, Stockholm, in the case of a determination of STIBOR and Oslo, in the case of a determination of NIBOR, as specified in the applicable Final Terms.



**Relevant Time** shall mean (i) in the case of LIBOR, 11.00 a.m., (ii) in the case of EURIBOR, 11.00 a.m., (iii) in the case of STIBOR, 11.00 a.m. and (iv) in the case of NIBOR, 12.00 noon, in each case in the Relevant Financial Centre, or such other time as specified in the applicable Final Terms.

(iii) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period.

(iv) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a minimum rate of interest for any Interest Period (**Minimum Rate of Interest**), then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a maximum rate of interest for any Interest Period (**Maximum Rate of Interest**), then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(v) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls; "M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (1) that day is the last day of February or (2) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (1) that day is the last day of February but not the Maturity Date or (2) such number would be 31 and in which case D2 will be 30.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London

Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## 5. **Payments**

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or

(without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

(b) *Presentation of Definitive Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in Respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or the records of Euroclear and Clearstream, Luxembourg as applicable and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General Provisions Applicable to Payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET 2 System is open.

(f) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(f)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

**6. Redemption and Purchase**

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at 100 per cent. of the Calculation Amount (the Final Redemption Amount) in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

Subject to Condition 6(f), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period specified in the applicable Final Terms to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer

so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Each Note redeemed pursuant to this Condition 6(b) will be redeemed at its Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the optional redemption amount(s) specified in the applicable Final Terms (**Optional Redemption Amount**) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) *Redemption at the Option of the Noteholders (Investor Put)*

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the



Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph (d) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) *Redemption at the option of the Noteholders (Change of Control)*

If Change of Control Put is specified as being applicable in the applicable Final Terms then this Condition 6(e) will apply.

(a) A **Put Event** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force on 28 February 2007) or any person or persons acting on behalf of any such person(s) (the **Relevant Person**) at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (such event being a **Change of Control**), provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer; and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from either of Moody's Investors Service España, S.A. (**Moody's**) or Standard & Poor's Credit Market Services Europe Limited (**S&P**) or any of their respective successors or affiliates or any other rating agency (each a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer (each, a **rating agency**):
  - (A) an investment grade credit rating (*Baa3/BBB-, or equivalent, or better*), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such rating agency; or
  - (B) a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*), and such rating from any rating agency is within the Change of Control Period downgraded by one or more notches (*for illustration, Ba1/BB+ to*

*Ba2/BB being one notch*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such rating agency; or

- (C) no credit rating, and no credit rating from another rating agency and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Notes,

provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and

- (iii) in making the relevant decision(s) referred to above, the relevant rating agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 13.

If the rating designations employed by either of Moody's or S&P are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(e) shall be read accordingly.

- (b) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at the Optional Redemption Amount together with interest accrued to but excluding the date of redemption or purchase. Such option shall operate as set out below.
- (c) Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall, give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(e).
- (d) To exercise the option to require the redemption or purchase of a Note under this Condition 6(e), the holder of the Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note, at the specified office of any Paying Agent, at any time during normal business hours of the relevant Paying Agent falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the **Put Date**), failing which the relevant Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) at any time after such payment, but before the expiry of the period of five years from the Relevant Date (as defined in Condition 7) in respect of such Coupon, but not thereafter. The Paying Agent to which such Note and

Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.

If a Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the option to require the redemption or purchase of the Note under this Condition 6(e), the holder of the Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common safekeeper for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Payment in respect of any Note so delivered or in respect of which such notice is given to the Agent will be made either (i) on the Put Date by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of the Note at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, pending redemption or purchase of the relevant Notes non-transferable receipts issued pursuant to this Condition 6(e)(D) shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If 80 per cent. or more in nominal amount of a Series of Notes then outstanding have been redeemed pursuant to this Condition 6(e), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at their principal amount together with interest accrued to but excluding the date of redemption or purchase.

- (e) In these Conditions:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a rating agency, such period not to exceed 60 days after the public announcement of such consideration); and

**Relevant Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (f) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the

applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(g) *Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

(h) *Cancellation*

The Issuer or any Subsidiary of the Issuer may at its option retain any Notes so redeemed or purchased by the Issuer or any Subsidiary of the Issuer (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption or purchase) for its own account and/or resell or cancel or otherwise deal with the same at its discretion.

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## 7. Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or by the Paying Agent will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) the holder of which would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 13th day assuming that day to have been a Payment Day (as defined in Condition 5(e)); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or the Luxembourg Law of 23 December 2005; or
- (e) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means the Grand-Duché of Luxembourg and/or the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## 8. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## 9. Events of Default

### (a) *Events of Default*

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) if: (A) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries is, or becomes capable of being, declared due and repayable prematurely by reason of an event of default (however described); (B) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (C) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; (D) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; or
- (iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (v) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) if (A) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar Official, or an administrative or other receiver, manager, administrator or other similar Official is appointed, in relation to the Issuer or any of its

Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 30 days or are otherwise being disputed by the Issuer for cause and in good faith; or

- (vii) if the Issuer or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) *Definitions*

For the purposes of the Conditions:

- (i) **Material Subsidiary** at any time shall mean a Subsidiary of the Issuer inter alia:
  - (A) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated gross revenues attributable to the Issuer or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
  - (B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary,

all as more particularly defined in the Agency Agreement.

A report by the Directors of the Issuer that, in their opinion, a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, accompanied by a report by the auditors of the Issuer, addressed to the Directors of the Issuer as to proper extraction of the figures used by the Directors of the Issuer in determining the Material Subsidiaries of the Issuer and mathematical accuracy of the calculation shall, in the absence of manifest error, be conclusive and binding on the Noteholders.

- (ii) **Indebtedness for Borrowed Money** means any indebtedness which in aggregate exceeds €10,000,000 or its equivalent in any other currency, on the basis of the middle spot rate for the relevant currency against the euro as quoted by a leading bank on the date on which the relevant clause operates, (whether being principal, premium, interest or other amounts) for

or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

#### **10. Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

#### **11. Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent and a Paying Agent with its specified office in a country outside the Tax Jurisdiction;
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive or law; and
- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

#### **12. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the



payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

### **13. Notices**

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, *www.bourse.lu*. It is expected that any such publication will be made in the *Financial Times* in London and in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

### **14. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of

the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Coupons or Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## **15. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **16. Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. Governing Law and Submission to Jurisdiction**

### *(a) Governing Law*

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

### *(b) Submission to Jurisdiction*

- (i) Subject to condition 17(b)(iii) below, the English courts have jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 17(b), each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) This Condition 17(b)(iii) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any

Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) *Appointment of Process Agent*

The Issuer irrevocably appoints EC3 Services Limited (ref: CHH/REH/2300227) at its office at The St Botolph Building, 138 Houndsditch, London EC3A 7AR as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of EC3 Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) *Other Documents*

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes (including making a profit).

## DESCRIPTION OF THE ISSUER

### Information about the Issuer

Elisa has been allocated Finnish Business ID number 0116510-6 and is registered in the Finnish Trade Register. Elisa's predecessor, Helsinki Telephone Association, was founded on 6 June 1882. Elisa is incorporated as a public limited liability company under the Finnish Companies Act and is domiciled in Helsinki. The life of the company is indefinite. Elisa is listed on the NASDAQ OMX Helsinki Stock Exchange (ELISA).

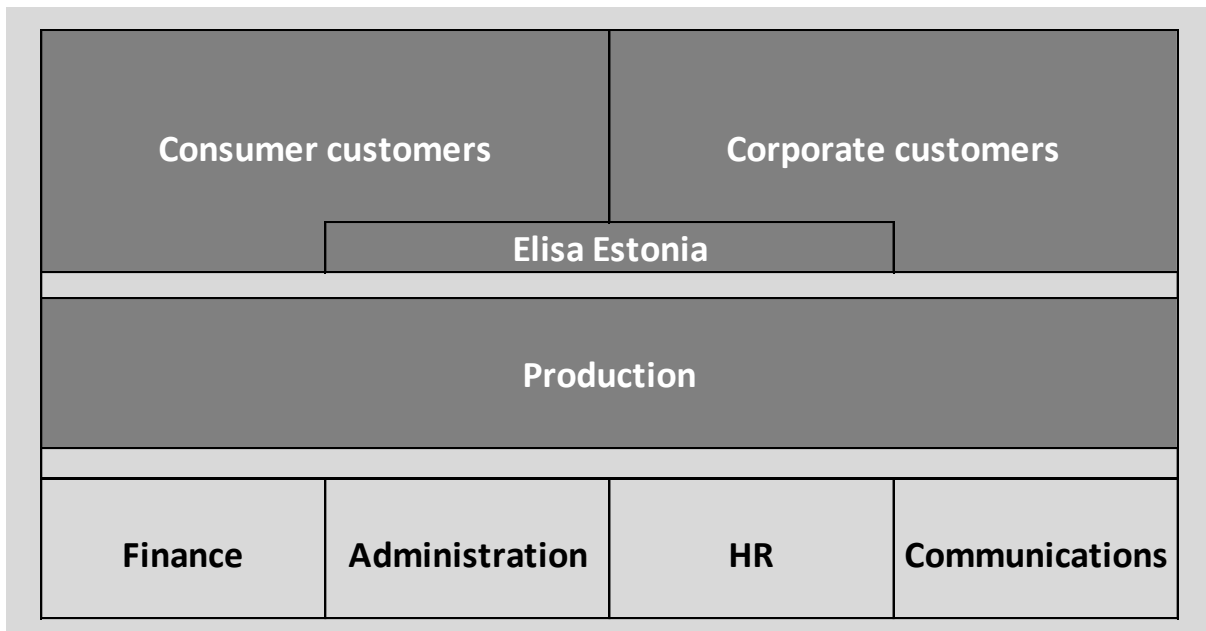
Elisa's main office is located in Helsinki, the address is Ratakarttinkatu 5, 00520 Helsinki and the telephone number is +358 10 26000.

### Organisational structure

Elisa is the parent company of the Elisa Group. Elisa conducts its operations both directly and through subsidiaries. The most significant fully owned subsidiaries are Elisa Eesti As (**Elisa Estonia**), Enia Oy, visual communications company Elisa Videra Oy and Elisa Appelsiini Oy and majority owned, cable TV company Tampereen Tietoverkko Ltd in Tampere. Saunalahti Group Oyj merged into Elisa on 31 December 2011. Note 35 to the 2015 consolidated financial statements (which are incorporated by reference into this Base Prospectus) details the group companies.

Elisa's two reporting segments are corporate customers and consumer customers. Geographical segments (comprising Finland and other countries) are defined as secondary segments.

The diagram below shows Elisa's operational organisation:



### Business overview

The Elisa Group is a full-service telecom operator whose customers comprise large companies, institutions, small and medium sized companies and retail consumers. The Elisa Group offers diverse voice and data

services, connections to the Internet and content services, voice solutions, customised communication and ICT solutions, visual communications, international communication solutions and network operator services.

### ***Mobile communication business***

The Elisa Group offers mobile communication services to consumer and corporate customers through its own networks in Finland and Estonia. The Elisa Group's service provision is supported by a comprehensive retail network, which is based on its own retail outlets and a network of representatives. The Elisa Group offers its mobile services under brands Elisa and Saunalahti. In December 1991, Elisa became the world's first commercial GSM operator and currently is one of the three network operators in Finland, offering digital mobile services through its 2G, 3G and 4G/LTE networks. 3G licences were granted in a competitive tender process and the network build-out is demand driven, as there are no predefined network build-out requirements. The 3G licence was amended in 2004 to allow partial joint construction and use of the networks. In November 2009 Elisa was granted in auction 2.6 GHz frequencies that can be utilised in LTE networks. In August 2013 Elisa was granted 800 MHz frequency in Estonia. The Licence fee was EUR 5 million. In October 2013 Elisa was granted in auction 10 MHz spectrum in 800 MHz frequency in Finland. The license is valid for 20 years from 1 January 2014 onwards and the fee was EUR 33.3 million. Elisa is also a network operator for smaller service providers. Through Elisa Estonia, the Elisa Group holds and operates GSM 900, GSM 1800 UMTS and 4G/LTE licenses in Estonia.

At 31 March 2016, the Elisa Group had about 4,065,700 subscribers to its networks in Finland and about 6586,00 in Estonia. In 2015, the Elisa Group subscribers' average usage was 132 minutes per month totalling almost 6,433 million minutes of calls in Finland. Value added services accounted for 59 per cent. of the Elisa Group's mobile revenues, including mobile broadband subscriptions in 2015. The Elisa Group charges subscribers a connection fee, a monthly subscription charge and traffic charges for outgoing calls based on minutes of use. Mobile subscribers are not charged for incoming calls (although the Elisa Group may receive interconnection fees from other network operators for such calls). The Elisa Group currently offers several tariff plans and a variety of service and data packages designed to meet the needs of different market segments, including both business and residential users. The Elisa Group offers its customers a full range of 2G, 3G and 4G speech and data services, and is continuously engaged in developing new products and services for its subscribers. The Elisa Group has cooperated with Vodafone Plc (**Vodafone**), the largest mobile operator in the world, since 2002. The purpose of the cooperation is to give the Elisa Group's customers the best possible services abroad as well as to offer Vodafone's customers state of the art services while roaming in Finland or Estonia. The common services include short number services, common pricing and various data services. Elisa owns 100 per cent. of Elisa Estonia. Ecosite Ltd, the base station tower company, was merged into Elisa Oyj on 31 December 2014.

### ***Acquisition of PPO telecom and ICT businesses***

On 30 April 2013, following the approval by the Finnish Competition and Consumer Authority (**FCCA**) on 24 April 2013, Elisa completed the acquisition of fixed network operator Osuuskunta PPO's (**PPO**) telecom and ICT businesses, which were operating mainly in the western part of Finland. The acquisition included PPO's shareholding in fixed network operators Kymen Puhelin Oy (46 per cent.) and Telekarelia Oy (67 per cent.). Immediately prior to the acquisition, the acquired companies had approximately 70,000 fixed broadband, 54,000 PSTN and 35,000 cable-TV subscriptions.

In 2012, the revenue of the acquired companies totalled EUR 100 million, of which EUR 7 million was household appliance business, and the EBITDA was approximately EUR 23 million. Elisa's preliminary assessment for the synergy benefits of the PPO acquisition was realised by the end of 2015. The acquired companies' financial statements were consolidated with those of Elisa with effect from 1 May 2013.

The acquisition price was approximately EUR 101 million. As part of the acquisition, Elisa issued 303,599 shares which were subscribed for by Co-operative PPO as seller.

PPO-Yhtiöt Oy, Kymen Puhelin Oy and Telekarelia were merged into Elisa on 31 December 2013. Elisa issued 1,830,413 new shares as merger consideration for the minority shareholders of Telekarelia and Kymen Puhelin.

### *Acquisition of Sulake Corporation*

On 7 February 2013, Elisa announced that it had signed an agreement to purchase Sulake Corporation (**Sulake**) shares. By 26 February 2013, Elisa had a 100 per cent. ownership in Sulake. The company has continued its business as before under the Habbo brand.

Sulake is an internationally known brand which creates social meeting places and games on the Internet. The most familiar of Sulake's services is Habbo Hotel, which was designed for teenagers. Habbo Hotel has 12 different language versions and users in 150 countries, and a total of more than four million young people visiting the service every month. Sulake's head office is located in Helsinki. The net revenue of Sulake in 2012 was approximately EUR 22 million.

### *Acquisition of Anvia shares*

From August to December 2014, Elisa's ownership of Anvia Corporation grew to 24 per cent. of the total shares. Anvia became associated company on 9 October 2014. Anvia has been consolidated as an associated company since 1 October 2014. Anvia is a local fixed line operator that operates in Ostrobothnia area in Finland.

On 8 April 2015, the Finnish Competition and Consumer Authority approved the acquisition of Anvia by Elisa.

On 15 April 2015, Elisa made a tender offer to all shareholders of Anvia at a price of EUR 2,000 per share. The offer period began on 15 April 2015 and ended on 26 June 2015. Prior to the tender offer Elisa's ownership was 26.8 per cent. and after the tender offer it was 32.5 per cent.

On 8 February 2016, Elisa made a tender offer to all shareholders of Anvia at a price of EUR 2,000 per share. The offer period began on 8 February 2016 and ended on 19 May 2016. Prior to the tender offer Elisa's ownership was 32.5 per cent. and after the tender offer it was 37.8 per cent.

On 30 May 2016, Elisa announced that Elisa and Anvia Oyj signed an agreement that Elisa acquires from Anvia the total share capital of the following companies: Anvia Telecom Oy, Anvia IT-Palvelut Oy, Anvia Hosting Oy, Anvia TV Oy and Watson Nordic Oy. The acquired businesses include Anvia's telecom business, IT and hosting businesses as well as parts of TV business.

The acquisition price is EUR 107 million and Elisa pays it with Anvia shares, cash and security business Tansec Oy shares. Elisa will not own any Anvia shares after the deal. This acquisition has no impact on Elisa's dividend payment capabilities nor its profit distribution policy.

In 2015 revenue of acquired businesses totalled EUR 82 million and EBITDA EUR 15 million. The number of personnel is 303. At the end of 2015 Anvia Telecom Oy had approximately 62,000 fixed broadband subscriptions, 43,000 fixed telephone subscriptions and 80,000 cable-TV subscriptions. The transaction has positive synergy benefits, of which Elisa gives estimates in connection with the second quarter interim report.

The transaction is subject to the approval of the Anvia's extraordinary general meeting. Elisa estimates to close the transaction during the second quarter 2016.

### ***Fixed network business***

Elisa offers fixed network based voice and data services to private, corporate and institutional customers, and operators in Finland. The service portfolio also covers ICT solutions, Nordic and international telecommunication services as well as a wide array of contact centre services. Historically, the provision of fixed line telephony services constituted Elisa's core business. The Elisa Group owns the local network infrastructure serving the areas of Helsinki, Tampere, Jyväskylä, Riihimäki, Joensuu, Kotka, Kontiolahti, Ylivieska and the area surrounding Turku. The Elisa Group has a modern telephone network that allows it to introduce new access technologies, such as VDSL2 and supply value added services, and adapt its service package and applications to anticipate and meet customers' needs and consumption trends. Alongside advanced copper technologies Elisa is committed to deploying future-proof fibre infrastructure as a mean of meeting the escalating demand of more bandwidth and advanced services. The Elisa Group's exchange equipment is fully digital and based on IN (Intelligent Network) architecture.

As of 31 March 2016, the Elisa Group had installed in Finland approximately 1,012,500 local access channels, including approximately 528,600 broadband channels and approximately 332,600 cable TV subscriptions.

An increasing portion of the Elisa Group's business activities involves the provision of a diverse range of advanced and customised network, data and Internet services for both business and residential customers. In the area of managed network services, the Elisa Group offers data transmission services, including IP-MPLS, Ethernet, WDM and LAN services, as well as a variety of corporate communications solutions, including intranet, extranet and various tailored solutions designed to improve the flexibility and utility of the Elisa Group's business customers' networks. The Elisa Group is involved in a variety of Internet service activities. The Elisa Group also provides dedicated leased lines to customers throughout Finland.

The majority of the Elisa Group's fixed line operations are undertaken by Elisa.

### ***Other business***

In 2011, Elisa increased its Corporate Customer ICT offering by acquiring 100 per cent. of Elisa Appelsiini Oy (formerly Appelsiini Finland Oy) which provides IT outsourcing services for SME customers and 67 per cent. of Videra which provides visual communication services. In July 2014, Elisa acquired the remaining shares of Videra and in October 2014 the name was changed to Elisa Videra Ltd.

For consumer customers, Elisa has launched new services such as Elisa Viihde IPTV service, Elisa Kirja (electronic and voice books), Elisa Wallet and Elisa Vahti Live home monitoring service.

Elisa currently owns 13.2 per cent. of the Comptel Corporation, which is the global market leader in mediation and provisioning software solutions. Comptel was established in 1986 and is listed on NASDAQ OMX Helsinki (CTLIV).

### ***Financial targets***

On 22 November 2014, Elisa published its amended medium term financial targets for the period up until the end of 2017. Medium term financial targets:

Revenue growth:	above industry average
EBITDA margin:	above 36 per cent.
CAPEX/Sales:	max. 12 per cent.
Net Debt/EBITDA:	1.5 – 2.0 times



Equity ratio: above 35 per cent.

Distribution policy: Profit distribution is 80-100 per cent. of the profit for the financial period. In addition possible excess capital can be distributed to shareholders. When making the distribution proposal or decision, the Board of Directors will take into consideration the company's financial position, future financial needs and financial targets. Distribution methods include dividend payment, capital repayment and purchase of treasury shares.

### **Annual General Meeting**

On 31 March 2016, Elisa's Annual General Meeting decided:

- (a) on a dividend to shareholders in the amount of EUR 1.40 per share on the basis of the 31 December 2015 balance sheet;
- (b) on the authorisation to buyback or accept as a pledge Elisa's own shares. Such buyback may be exercised once authorised by the Board of Directors. The amount of shares under this authorisation would be a maximum of 5,000,000 shares. The authorisation is effective until 30 June 2017;
- (c) as proposed by the Shareholders' Nomination Board, Raimo Lind, Leena Niemistö, Jaakko Uotila, Petteri Koponen, Seija Turunen and Mika Vehviläinen were re-elected as members of the Board of Directors and Clarisse Berggårdh as a new member of the Board of Directors;
- (d) to authorise the Board of Directors to pass a resolution concerning the share issue, the right of assignment of treasury shares and/or the granting of special rights entitling to shares. The authorisation entitles the Board of Directors to issue the shares in another proportion than that of the current shareholdings (directed share issue). A maximum aggregate amount of 15 million of Elisa's shares can be issued under the authorisation. The authorisation is effective until 30 June 2018; and
- (e) provision of payment services was added to the Objects of Elisa in section 2 of the articles of association.

### **Announcements in 2016**

On 18 January 2016, Elisa announced the Shareholders' Nomination Board's proposal on the compensation and remuneration of the Board of Directors.

On 29 January 2016, Elisa published its Financial Statements for 2015.

On 29 January 2016, Elisa announced the transfer of company's own shares.

On 29 January 2016, Elisa published Corporate Governance Statement and Remuneration Statement for 2015.

On 29 January 2016, Notice to Elisa's Annual General Meeting was published.

On 8 February Elisa announced the tender offer for Anvia shares.

On 9 March Elisa announced the tender offer for Anvia shares to continue.

On 29 March Elisa announced the tender offer for Anvia shares to continue.

On 31 March 2016, Elisa announced the Decisions of Elisa's Annual General Meeting 2016/

On 31 March 2016, Elisa announced the decision that Raimo Lind was elected the Chairman in Elisa's Board of Directors/

On 8 April Elisa announced the tender offer for Anvia shares to continue.

On 15 April 2016, Elisa published the interim report for the first quarter in 2016.

On 22 April Elisa announced the tender offer for Anvia shares to continue.

On 6 May 2016, Elisa announced the tender offer for Anvia shares to continue.

On 12 May 2016, Elisa announced the change of the trading code.

On 30 May 2016, Elisa announced the purchase of Anvia's ICT businesses.

Between 1 January 2016 and the date of this Base Prospectus, 36 announcements were made relating to BlackRock Inc.'s ownership stake in Elisa which has fluctuated around 5 per cent. The most recent announcement was made on 9 June 2016 when Elisa announced that BlackRock Inc. has increased its direct ownership above 5 per cent.

The announcements and materials are available at [www.elisa.com/investors](http://www.elisa.com/investors).

### **Administrative, management and supervisory bodies**

In accordance with the Articles of Association, the Board of Directors of Elisa comprises a minimum of five and a maximum of nine members. The Members of the Board are appointed at the Annual General Meeting for a one year term of office starting at the close of the relevant appointing General Meeting and ending at the close of the next General Meeting after the new appointments are made. The Board of Directors elects a chairman and deputy chairman from among its members. At present, the Board of Directors comprises seven members.

In its organising meeting, the Board of Directors annually decides on committees, their chairmen and members. There are two current committees: the Compensation and Nomination Committee and the Audit Committee. The committees do not pass resolutions but instead make recommendations on matters which fall under their area of responsibility for decision by the Board of Directors. The minutes of the committees are distributed to all members of the Board of Directors. The Compensation and Nomination Committee is responsible for preparing proposals for appointing and discharging the persons within management, and matters associated with long-term incentive schemes and remuneration for management. The responsibility of the Committee for Auditing is to monitor financial reporting, accounting and asset management as well as external and internal auditing and risk management, and ensure that these activities have been duly organised. To fulfil its duties, the Committee scrutinises the contents of the annual accounts and interim reports before they are approved by the Board of Directors. The Committee also approves the auditing plan and an auditing report for the previous year prepared by the internal auditor, an auditing plan for the forthcoming year prepared by external auditors and an auditing report for the previous year prepared by the external auditor. The organising of risk management is also presented to the Committee and a report on the largest risks is dealt with. The principal external auditor attends all the meetings of this Committee.

The Annual General Meeting decided on 4 April 2012 to establish a Shareholders' Nomination Board to prepare proposals for the election and remuneration of the members of the Board of Directors to Annual General Meetings.

The Chairman of the Board of Directors is in charge of identifying the largest shareholders of the company on 31 August of each year. The right to nominate shareholder representatives is vested with the four shareholders of Elisa having the largest share of votes in the company on 31 August preceding the Annual

General Meeting. Should a shareholder not wish to exercise its right to appoint a member, the right is transferred to the next largest shareholder. The largest shareholder is determined on the basis of the shareholdings registered in the book-entry system.

On 3 September 2015, the composition of Elisa's Shareholders' Nomination Board was announced. The members were: Kari Järvinen, CEO, nominated by Solidium Oy; Reima Rytsölä, Chief Investment Officer, nominated by Varma Mutual Pension Insurance Company; Timo Ritakallio, Deputy CEO, nominated by Ilmarinen Mutual Pension Insurance Company; Ted Roberts, Head of Finnish Equities, nominated by Nordea Funds; and Raimo Lind, Chairman of the Board of Elisa. The members elected Kari Järvinen as Chairman of the Nomination Board. On 18 January 2016 Elisa's Shareholders' Nomination Board published the proposals for the Annual General Meeting on 31 March 2016.

The Members of the Board of Directors are:

Raimo Lind (1953), B.Sc. (Econ.), Chairman of the Board of Directors. Member of the Board of Directors since 2009. Main Board memberships and public duties currently undertaken: chairman of the board of the Evac Group Oy; member of the Board of the HiQ AB since March 2013; Capman Credit, member of the board since November 2013; member of the Board of the Nokian Tyres since April 2014. Holdings in Elisa at 31 December 2015: 13,225 shares.

Mika Vehviläinen (1961), M.Sc. (Econ and BA), HSE 1986, member since 2012. Employed by Cargotec, CEO. Member of the Board East Office of Finnish Industries Oy. Holdings in Elisa at 31 December 2015: 3,733 shares.

Petteri Koponen (1970), Chairman of the Board: Grand Cru Oy, Mindfield Games Oy, Everywear Games Oy and Kontena Oy. Member of the Board: Smartly.io Solutions Oy. Member: GigiNYT- seurantaryhmä. Holdings in Elisa at 31 December 2015: 1,478 shares.

Leena Niemistö (1963), MD, PhD, member of the board since 2010. Employed by Oy Dextra Ab, Managing Director. Main Board memberships and public duties currently undertaken: Chairman of the Board of Pihlajalinna Oyj, Member of the Board of Lääkäripalveluyritykset ry; Handelsbanken Finland; HLD Healthy Life Devices Oy; Modz Oy and Aprovix Ab; Chairman of the Board of the prize committee of Ars Fennica and Deputy Chairman of the Foundation for the Finnish Cancer Institute. Holdings in Elisa at 31 December 2015: 7,317 shares.

Seija Turunen (1953), M.Sc. (Econ.), Advisor of the Board Finnlines Oyj, Member of the Board of Pihlajalinna Oyj; Chairman of the board of Finnpilot Pilotage Oy. Holdings in Elisa at 31 December 2015: 1,559 shares.

Jaakko Uotila (1949), M.Sc, Pharmaceutics, M. Sc of Management. Member of the Board in Medifon Oy. Holdings in Elisa at 31 December 2015: 2,805 shares.

Clarisse Berggårdh (1967), M.Sc (Econ.), IUM Finland, CEO ; Member of the Board: Fingertip Ltd; Member of the Board, Suomen Mentorit. No holdings in Elisa at 31 December 2015.

The Compensation and Nomination Committee is comprised of the Chairman of the Board Raimo Lind (Committee Chairman), Petteri Koponen, Leena Niemistö and Mika Vehviläinen as Committee members.

The Committee for Auditing is chaired by Seija Turunen with Clarisse Berggårdh and Jaakko Uotila as Committee members.

All the members have been independent of the company's major shareholders for the whole tenure.

Elisa has a Chief Executive Officer (**CEO**) whose task is the day-to-day administration of the company in accordance with instructions and orders from the Board of Directors and the Companies Act. The CEO is appointed by the Board of Directors. Veli-Matti Mattila currently holds the position of CEO.

Elisa's Executive Board prepares company strategy, monitors the development of results and deals with issues with substantial financial or other impacts on Elisa. Elisa's Executive Board comprises:

Veli-Matti Mattila (1961), M.Sc. (Eng.), MBA, President & CEO. He has served the company since 2003. Main board memberships and public duties currently undertaken: Member of the Board of Directors of Sampo Ltd, member of the Supervisory Board of the Finnish Fair Association, member of Representative Assembly of Confederation of Finnish Industries EK and member of the Board of Directors of the service sector employers' association called PALTA. Holdings in Elisa at 31 December 2015: 88,573 shares.

Asko Käsälä (1957), M.Sc. (Eng.), Executive Vice President, Consumer Customer unit. He has served the company since 2003.

Pasi Mäenpää (1965), Degree in computing, MBA Executive Vice President, New Business Development, member of Elisa's Executive Board as of 23 January 2006.

Timo Katajisto (1968), M.Sc. (Eng.), Executive Vice President, Corporate Customers unit, commencing from 1 January 2008.

Jari Kinnunen (1962), M.Sc. (Econ. & Bus. Adm.) CFO. Member of the Corporate Executive Board since 2005.

Vesa-Pekka Nikula (1964), M.Sc. (Tech.), MBA, Executive Vice President, Production, Member of the Corporate Executive Board since 2014.

Sami Ylikortes (1967), M.Sc. (Econ. & Bus. Adm.), LL.M., Executive Vice President, Administration, He has served the company since 1996.

Merja Ranta-Aho (1966) M.Sc. (Psychology), Lic.Techn. (Work and organization psychology), Executive Vice President HR, She has served the company since 2001.

Katiye Vuorela (1968), M.Sc. (Econ. Sciences.), Executive Vice President, Corporate Communications. She has served the company since 2008.

The business address for all members of the Board of Directors, the Executive Board, the Compensation and Nomination Committee, and the Audit Committee is Ratavartijankatu 5, 00520 Helsinki, Finland.

There is no conflict of interest between the private interests or other duties of the members of the Board of Directors, the CEO and the members of the Executive Board and their duties to Elisa.

### **Statutory auditors**

Elisa has one external authorised auditing company. The auditing company must be duly authorised by the Central Chamber of Commerce. The auditors' term of office is the current financial period for which they are appointed. The duties of the auditors end at the conclusion of the first Annual General Meeting following the expiration of their terms of office.

Elisa's auditor is KPMG Oy Ab, authorised public accountants. This firm has been Elisa's auditor since 31 March 2004, with Esa Kailiala (APA) serving as principal auditor since 25 March 2011.

The address of KPMG Oy Ab is P.O. Box 1037, 00101 Helsinki.

## **Share and major shareholders**

Elisa is a publicly listed company on Nasdaq OMX Helsinki and its free float is 100 per cent. To Elisa's knowledge it is not directly or indirectly controlled by anyone. There are no arrangements, known to Elisa, the operation of which may at any subsequent date result in a change in control of Elisa. The total number of shares is 167,335,073 of which Elisa holds as at 31 March 2016 as treasury shares 7,716,969 of its own shares which represents 4.61 per cent. of the shares.

The following owners had over 5 per cent. ownership in Elisa as at 31 March 2016: Solidium Oy, fully owned by the State of Finland, held 16,801,000 shares which represents 10.04 per cent. of the shares. BlackRock, Inc and its funds held 5 per cent. ownership by direct shareholding and through financial instruments.

## **Material contracts**

There are no material contracts outside the ordinary course of business of the Elisa Group to which any Group member is a party and which could result in any Group member being under an obligation or entitlement that is material to Elisa's ability to meet its obligations to holders of Notes.

## TAXATION

### Finnish Taxation

The following is a general description addressing only the Finnish withholding tax treatment of income arising from the Notes. This description is (i) based on the laws, regulations and published case law in full force and effect in Finland and the interpretation thereof as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect, and (ii) prepared on the assumption that the Issuer is resident in Finland for tax purposes. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The following description is based on an interpretation of general provisions of tax law. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, exercise, redemption, sale or other disposition of the Notes.

#### A. Non-Resident Holders of Notes

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a Finnish branch, permanent establishment or other fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

#### B. Resident Holders of Notes

##### B1 Corporates

Payments made by or on behalf of the Issuer to corporates resident in Finland for tax purposes may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

##### B2 Individuals and Estates

Interest and any similar payments (e.g. interest compensation FI: "*jälkimarkkinahyvitys*" and index compensation FI: "*indeksihyvitys*") made to individuals or estates resident in Finland are generally subject to advance withholding of income tax. Payments classified as capital gain for Finnish income tax purposes are not subject to advance withholding of income tax.

The withholding liability should primarily lie with a possible paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

### The proposed financial transactions tax (the FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad

range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **Luxembourg Taxation**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

## **Withholding Tax**

### *(a) Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

### *(b) Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended, (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

## Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly referred to as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under “*Terms and Conditions of the Notes—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.



## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 14 May 2013 (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation

thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (i) the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (ii) the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- (iii) the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 12 October 2000. The update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 31 March 2016.

A separate resolution will be required to authorise each issue of Notes under the Programme.

### Approval, listing and admission to trading

Application has been made to the CSSF to approve this document as a Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

### Documents available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the trade register extract and the Articles of Association (with an English translation thereof) of the Issuer;
- (b) the audited consolidated and non-consolidated financial statements of the Issuer for the financial years ended 31 December 2014 and 31 December 2015 together with the audit report prepared in connection therewith, in each case with an English translation thereof. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer together with any audit or review reports prepared in connection therewith (with an English translation thereof). The Issuer currently prepares unaudited consolidated interim accounts on a quarterly basis;
- (d) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future Base Prospectuses, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

### Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1 210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J F Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions and will be set out in the relevant Final Terms.

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Significant or material adverse change**

There has been no significant change in the financial or trading position of the Elisa Group, taken as a whole, since 31 March 2016 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries, taken as a whole, since 31 December 2015.

### **Litigation**

Save as disclosed in this Base Prospectus on page 5, no member of Elisa Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### **Auditors**

The auditors of the Issuer are KPMG Oy Ab, authorised public accountants and a member of the Finnish Institute of Authorised Public Accountants (KHT), with Esa Kailiala serving as principal auditor. KPMG Oy Ab have audited the Issuer's accounts, without qualification, in accordance with applicable accounting standards in Finland for each of the two financial years ended on 31 December 2014 and 2015. KPMG Oy Ab has no material interest in the Issuer.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions

in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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