

Financial Results

2019

29 January 2020



ELISA'S FINANCIAL STATEMENT RELEASE 2019

Fourth quarter 2019 financial highlights

- Revenue increased by EUR 17m to EUR 487m, mainly due to the Polystar acquisition, growth in mobile services and equipment sales.
- Mobile service revenue increased by 1.5 per cent to EUR 208m.
- EBITDA, including the IFRS 16 change, grew by EUR 10m to EUR 168m.
- EBIT, including the IFRS 16 change, increased by EUR 2m to EUR 100m.
- Comparable cash flow decreased by EUR 2m to EUR 55m, mainly due to a change in net working capital, impacted by increased equipment sales.
- Mobile post-paid ARPU was at the previous quarter's level, EUR 19.3 (19.4).
- Mobile churn was at the previous quarter's level, 20.1 per cent (20.1).
- The number of post-paid mobile subscriptions increased by 36,800 from the previous quarter.
- Prepaid subscriptions decreased by 10,800 during the quarter.
- The number of fixed broadband subscriptions decreased by 8,300 during the quarter, and excluding clean-up of non-revenue-generating-unit subscriptions, increased by 4,700.

Key indicators

EUR million	4Q19	4Q18	Δ %	2019	2018	Δ %
Revenue	487	471	3.5 %	1,844	1,832	0.7 %
EBITDA ¹⁾	168	158	6.3 %	661	640	3.2 %
Comparable EBITDA ¹⁾²⁾	168	158	6.3 %	668	639	4.4 %
EBIT ³⁾	100	98	1.7 %	395	404	-2.2 %
Comparable EBIT	100	98	1.7 %	402	403	-0.3 %
Profit before tax	96	93	3.3 %	372	381	-2.4 %
Comparable PBT	96	93	3.3 %	379	380	-0.4 %
EPS, EUR	0.49	0.49	-0.3 %	1.90	1.98	-4.1 %
Comparable EPS, EUR	0.49	0.47	4.0 %	1.93	1.95	-1.0 %
Capital expenditure	83	92	-10.3 %	256	254	0.6 %
Net debt	1,184	1,068	10.9 %	1,184	1,068	10.9 %
Net debt / EBITDA ⁴⁾	1.8	1.7		1.8	1.7	
Gearing ratio, %	103.0 %	94.8 %		103.0 %	94.8 %	
Equity ratio, %	41.0 %	42.4 %		41.0 %	42.4 %	
Cash flow	55	52	6.2 %	257	272	-5.4 %
Comparable cash flow ⁵⁾	55	58	-3.8 %	323	282	14.7 %

¹⁾ Includes EUR 5m IFRS 16 impact in 4Q19 and EUR 18m in 2019. ²⁾ 2019: EUR 6m restructuring costs and EUR 1m one-off transaction cost relating to Polystar acquisition. ³⁾ IFRS 16 has no material impact on EBIT. ⁴⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ⁵⁾ 2019: excluding EUR 66m investments in acquisition and shares.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 1.85 per share. The Board of Directors also decided to propose an authorisation to acquire a maximum of 5 million treasury shares, which corresponds to 3 per cent of the total shares.

Additional key performance Indicators are available at elisa.com/investors (Elisa Operational Data.xlsx).

CEO's review:

Elisa's revenue and EBITDA grew; 5G already available in thirteen cities

Continuous improvement of quality and customer experience strengthened again Elisa's ability to succeed, as competition remained intense. Both revenue and comparable EBITDA increased in 2019. EBITDA was improved by the IFRS 16 change, increase in revenue and improved profitability of operational activities.

The mobile postpaid subscription base increased by 36,800 subscriptions during the quarter, while the prepaid subscription base decreased by 10,800 subscriptions. Elisa continued to serve customers as a 5G forerunner by introducing the 5G Fixed Wireless Access (FWA) service, during the quarter. The 5G FWA service is an excellent way to have a high-speed, stable and reasonably priced internet connection for the home if no optical fibre connection is feasible. The number of fixed broadband subscriptions decreased by 8,300 during the quarter, and excluding clean-up of non-revenue-generating-unit subscriptions, increased by 4,700. In 2019, Elisa was the first Finnish operator to launch sales of 5G devices and subscriptions. And for corporate customers, 5G has opened new avenues for utilising the Internet of Things.

During the fourth quarter, Elisa launched the original series *Duke of Sipoos II* and *The Man in Room 301* in the Elisa Viihde entertainment service. Elisa's original series have been successful internationally and were nominated for a total of 13 Venla awards (the "Finnish Oscars"). We expanded the Elisa Viihde service with a smart TV app and introduced a new service, Elisa Viihde Premium. In 2019, we launched altogether six original series, of which *Bullets*, *Arctic Circle* and *All the Sins* have been sold to more than 30 countries.

In 2019, Elisa's consistent work to improve quality was recognised with Finland's quality award, *Suomen laatupalkinto*. We made the Great Place to Work Finland list again, being the largest company on the list for the third consecutive year. This year, we were also listed among the best places to work in Europe for the first time.

The continuous improvement of the customer experience and quality are integral parts of our corporate culture, and we will continue to focus on them strongly. Increasing productivity, expanding our digital services internationally and creating value with data, as well as our strong investment capability, will continue to lay a solid foundation for creating value competitively in the future.

Veli-Matti Mattila

CEO

FINANCIAL STATEMENTS 2019

The Financial Statement Release has been prepared in accordance with the IAS 34 standard.

Market situation

The competitive environment has been intense and active. Mobile churn levels are high due to continued campaigning. The smartphone market grew, and the usage of data services continued to evolve favourably. Nearly all mobile phones sold are smartphones. Another factor contributing to mobile market growth has been the increased network capacity and demand for higher 4G speeds. The competition in the fixed broadband market has continued to be intense in multi-dwelling units. The number and usage of traditional fixed network subscriptions is decreasing.

The markets for IT and IPTV entertainment services have continued to develop favourably. The demand for other digital services is also growing.

Revenue, earnings and financial position

EUR million	4Q19	4Q18	Δ %	2019	2018	Δ %
Revenue	487	471	3.5 %	1,844	1,832	0.7 %
EBITDA ¹⁾	168	158	6.3 %	661	640	3.2 %
EBITDA-%	34.5 %	33.6 %		35.8 %	34.9 %	
Comparable EBITDA ¹⁾²⁾	168	158	6.3 %	668	639	4.4 %
Comparable EBITDA-%	34.5 %	33.6 %		36.2 %	34.9 %	
EBIT ³⁾	100	98	1.7 %	395	404	-2.2 %
EBIT-%	20.5 %	20.9 %		21.4 %	22.0 %	
Comparable EBIT	100	98	1.7 %	402	403	-0.3 %
Comparable EBIT-%	20.5 %	20.9 %		21.8 %	22.0 %	
Return on equity, %	26.6 %	29.2 %		26.6 %	29.2 %	

¹⁾ Includes EUR 5m IFRS 16 impact on 4Q19 and EUR 18m on 2019. ²⁾ 2019: EUR 6m restructuring costs and EUR 1m one-off transaction cost relating to Polystar acquisition. ³⁾ IFRS 16 has no material impact on EBIT.

Fourth quarter 2019

Revenue increased by 4 per cent, mostly due to the Polystar acquisition and growth in mobile services, consumer digital services, equipment sales and Estonian business. Lower interconnection and roaming prices, as well as decreases in usage and subscriptions of traditional fixed telecom services, affected revenue negatively.

EBITDA increased by 6 per cent. The IFRS 16 change, efficiency improvements and revenue growth impacted EBITDA positively. Depreciation was higher, mainly due to the IFRS 16 change. EBIT grew by 2 per cent, mainly because of efficiency improvements and revenue growth.

Net financial income and expenses were EUR -4 million (-6). Income taxes in the income statement amounted to EUR -17 million (-13). Net profit was EUR 79 million (79), and earnings per share were EUR 0.49 (0.49).

Year 2019

Revenue increased slightly on the previous year, mainly due to the Polystar acquisition, growth in mobile services, consumer digital services, equipment sales and Estonian business. Lower roaming and interconnection prices, divestments, as well as decreases in usage and subscriptions of traditional fixed telecom services, affected revenue negatively.

Comparable EBITDA, excluding the Polystar transaction cost and restructuring costs relating to personnel reductions, increased by 4 per cent. The IFRS 16 change and efficiency improvements impacted EBITDA growth positively. Depreciation was higher, mainly due to the IFRS 16 change. Comparable EBIT was at the previous year's level.

Net financial income and expenses were EUR -23 million (-23). Income taxes in the income statement were EUR -69 million (-65). Net profit was EUR 303 million (316), and earnings per share were EUR 1.90 (1.98). Comparable earnings per share were EUR 1.93 (1.95).

Financial position

EUR million	4Q19	4Q18	Δ %	2019	2018	Δ %
Net debt	1,184	1,068	10.9 %	1,184	1,068	10.9 %
Net debt / EBITDA ¹⁾	1.8	1.7		1.8	1.7	
Gearing ratio, %	103.0 %	94.8 %		103.0 %	94.8 %	
Equity ratio, %	41.0 %	42.4 %		41.0 %	42.4 %	
Cash flow	55	52	6.2 %	257	272	-5.4 %
Comparable cash flow ²⁾	55	58	-3.8 %	323	282	14.7 %

¹⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA) ²⁾ 2019: excluding EUR 66m acquisition and investments in shares.

Fourth quarter 2019

Net debt increased by EUR 116 million to EUR 1,184 million, mainly due to the Polystar acquisition and the IFRS 16 change. Comparable cash flow after investments decreased by 4 per cent to EUR 55 million (58). Cash flow was positively affected by higher EBITDA and lower net financial expenses. Cash flow was negatively affected, mainly by a change in net working capital, and higher capital expenditure and taxes paid.

Year 2019

Comparable cash flow after investments increased by 15 per cent to EUR 323 million (282). A change in net working capital, higher EBITDA and lower capital expenditure affected cash flow positively. Higher net financial expenses and taxes paid affected cash flow negatively.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 352 million at the end of the quarter.

Changes in corporate structure

In June, Elisa and Swedish Polystar Instruments AB signed an agreement in which Elisa acquires 100 per cent of Polystar OSIX AB and the shares of the affiliated companies. Polystar has been consolidated into Elisa from the beginning of June. More about the transaction in Note 2, page 21, and Stock exchange release 10 June 2019.

Consumer Customers business

EUR million	4Q19	4Q18	Δ %	2019	2018	Δ %
Revenue	302	296	1.9 %	1,152	1,150	0.1 %
EBITDA ¹⁾	109	104	4.8 %	433	416	4.1 %
EBITDA-%	36.0 %	35.0 %		37.6 %	36.2 %	
Comparable EBITDA ¹⁾²⁾	109	104	4.8 %	435	415	4.8 %
Comparable EBITDA-%	36.0 %	35.0 %		37.8 %	36.1 %	
EBIT	67	66	0.5 %	268	268	0.0 %
EBIT-%	22.1 %	22.4 %		23.3 %	23.3 %	
Comparable EBIT	67	66	0.5 %	271	268	1.1 %
Comparable EBIT-%	22.1 %	22.4 %		23.5 %	23.3 %	
CAPEX	54	57	-5.0 %	171	166	2.8 %

¹⁾ Includes EUR 3m IFRS 16 impact on 4Q19 and EUR 11m on 2019. ²⁾ 2019: EUR 2m restructuring costs

Fourth quarter 2019

Revenue increased by 2 per cent. Revenue was positively affected by growth in mobile and digital services, as well as equipment sales and Estonian business. Lower mobile interconnection and roaming prices, as well as a decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively.

EBITDA increased by 5 per cent, mainly due to the IFRS 16 change, revenue growth and efficiency improvements.

Year 2019

Revenue was at the previous year's level. Revenue was positively affected by growth in mobile and digital services. Lower roaming and interconnection prices, lower equipment sales, as well as the decrease in traditional fixed network usage and subscriptions, affected revenue negatively. Comparable EBITDA increased by 5 per cent, mainly due to the IFRS 16 change and efficiency improvements.

Corporate Customers business

EUR million	4Q19	4Q18	Δ %	2019	2018	Δ %
Revenue	185	174	6.4 %	692	681	1.5 %
EBITDA ¹⁾	59	54	9.1 %	228	224	1.7 %
EBITDA-%	32.0 %	31.2 %		32.9 %	32.9 %	
Comparable EBITDA ¹⁾	59	54	9.1 %	232	224	3.7 %
Comparable EBITDA-%	32.0 %	31.2 %		33.6 %	32.9 %	
EBIT	33	32	4.3 %	127	135	-6.4 %
EBIT-%	18.0 %	18.4 %		18.3 %	19.9 %	
Comparable EBIT	33	32	4.3 %	131	135	-3.0 %
Comparable EBIT-%	18.0 %	18.4 %		19.0 %	19.9 %	
CAPEX	29	35	-18.8 %	85	88	-3.4 %

¹⁾ Includes EUR 2m IFRS 16 impact on 4Q19 and EUR 6m on 2019. ²⁾ 2019: EUR 4m restructuring costs and EUR 1m one-off transaction cost.

Fourth quarter 2019

Revenue increased by 6 per cent. Revenue was positively affected by growth in mobile and digital services, as well as equipment sales and Estonian business. Lower mobile interconnection and roaming

prices, as well as the decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively.

EBITDA increased by 9 per cent. EBITDA was positively impacted by the IFRS 16 change, revenue growth and efficiency improvements.

Year 2019

Revenue grew by 2 per cent. Revenue was positively affected by the Polystar acquisition and equipment sales. Lower mobile interconnection and roaming prices, divestments, as well as the decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively. Comparable EBITDA increased by 4 per cent, mainly due to the IFRS 16 change and efficiency improvements.

Personnel

In 2019, the average number of personnel at Elisa was 4,882 (4,814). Employee expenses totalled EUR 320 million (311). Personnel by segment at the end of the period:

	2019	2018
Consumer Customers	2,736	2,754
Corporate Customers	2,148	2,033
Total	4,884	4,787

Investments

EUR million	4Q19	4Q18	2019	2018
Capital expenditure, of which	83	92	256	254
Consumer Customers	54	57	171	166
Corporate Customers	29	35	85	88
Shares	1	6	83	14
Total	84	98	339	268
Capital expenditure excluding leasing	71	92	227	252

The main capital expenditures related to the capacity and coverage increases in the 4G networks, as well as to other network and IT investments. In 2019, investments in shares related mainly to the Polystar acquisition and Lounea shares. Capital expenditure includes EUR 11 million of leased assets in the fourth quarter and EUR 29 million in 2019.

Financing arrangements and ratings

EUR million	Maximum amount	In use on 31 Dec 2019
Committed credit limits	300	0
Commercial paper programme (not committed)	350	133
EMTN programme (not committed)	1,500	774

Long term credit ratings	Rating	Outlook
Credit rating agency		
Moody's Investor Services	Baa2	Stable
S&P Global Ratings	BBB+	Stable

Shares

Share trading volumes are based on trades made on the Nasdaq Helsinki and alternative marketplaces. Closing prices are based on the Nasdaq Helsinki.

Trading of shares	4Q19	4Q18	2019	2018
Nasdaq Helsinki, millions	21.6	27.9	96.7	104.9
Other marketplaces, millions ¹⁾	34.2	47.3	168.5	196.8
Total volume, millions	55.9	75.2	265.1	301.7
Value, EUR million	2,706.0	2,724.8	11,145.4	11,003.9
% of shares	33.4 %	44.9 %	158.4 %	180.3 %

Shares and market values	2019	2018
Total number of shares	167,335,073	167,335,073
Treasury shares	7,437,277	7,611,821
Outstanding shares	159,897,796	159,723,252
Closing price, EUR	49.25	36.08
Market capitalisation, EUR million	8,241	6,037
Treasury shares, %	4.44 %	4.55 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2018	167,335,073	7,611,821	159,723,252
Performance Share Plan 5 Feb 2019 ²⁾		-174,544	174,544
Shares on 31 Dec 2019	167,335,073	7,437,277	159,897,796

¹⁾ Other marketplaces: 4Q19 based on Bloomberg, 2019 based on Bloomberg and Fidessa Fragmentation Index, 4Q18 and 2018 based on the Fidessa Fragmentation Index. ²⁾ Stock exchange bulletin 5 February 2019.

Research and development

The majority of the service development occurs during the ordinary course of business and is accounted for as a normal operating expense. Elisa invested EUR 8 million (8) in research and development, of which EUR 6 million (7) was capitalised in 2019, corresponding to 0.4 per cent (0.5) of revenue.

Annual General Meeting 2019

On 3 April 2019, Elisa's Annual General Meeting decided to pay a dividend of EUR 1.75 per share based on the adopted financial statements for 2018. The dividend was paid to the shareholders who were registered in the company's share register maintained by Euroclear Finland Ltd on 5 April 2019. The dividend was paid on 16 April 2019.

The Annual General Meeting adopted the financial statements for 2018. The members of the Board of Directors and the CEO were discharged from liability for 2018.

The number of the members of the Board of Directors was confirmed at seven (7). Ms Clarisse Berggårdh, Mr Petteri Koponen, Ms Leena Niemistö, Ms Seija Turunen, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors, and Mr Kim Ignatius was elected as a new member of the Board of Directors. Mr Anssi Vanjoki was appointed as the Chair and Mr Petteri Koponen as the Deputy Chair of the Board of Directors.

The Annual General Meeting decided to change the amount of annual remuneration for the members of the Board of Directors and to keep remuneration for meeting participation unchanged. The Chair is

paid annual remuneration of EUR 120,000, the Deputy Chair and the Chairs of the Committees EUR 80,000, and other Board members EUR 65,000; and in addition participants also receive EUR 700 per meeting of the Board and of its committees.

The audit firm KPMG Oy Ab was re-elected as the company's auditor. Mr Toni Aaltonen, APA, is the responsible auditor.

Composition of the Committees of the Elisa's Board of Directors

The Board of Directors held its organising meeting and appointed Mr Petteri Koponen (Chair), Ms Leena Niemistö and Mr Antti Vasara to the People and Compensation Committee. Ms Seija Turunen (Chair), Ms Clarisse Berggårdh and Mr Kim Ignatius were appointed to the Audit Committee.

Authorisations of the Board of Directors

The Annual General Meeting decided on to authorise the Board of Directors to resolve to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The amount of shares under this authorisation is 5 million shares at maximum. The authorisation is effective until 30 June 2020.

The Board of Directors already has authorisation 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 a proportion other than that of the current shareholdings (directed share issue). A maximum aggregate of 15 million of the company's shares can be issued under the authorisation. The authorisation is effective until 30 June 2020.

Elisa Shareholders' Nomination Board

The largest shareholders were determined according to the shareholder register of Elisa on 31 August 2019, and they named the members of the Nomination Board. The composition of the Nomination Board since September 2019 has been as follows:

- Mr Antti Mäkinen, CEO, nominated by Solidium Oy
- Mr Reima Rytsölä, Executive Vice-President, nominated by Varma Mutual Pension Insurance Company
- Mr Jouko Pölönen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Ms Hanna Hiidenpalo, Director, Chief Investment Officer, nominated by Elo Mutual Pension Insurance Company
- Mr Anssi Vanjoki, Chair of the Board of Elisa

The Nomination Board elected from amongst its members Mr Antti Mäkinen as the chair.

Elisa's Shareholders' Nomination Board was established in 2012 by the Annual General Meeting. Its duty is to prepare proposals for the election and remuneration of the members of the Board of Directors of Elisa for the Annual General Meeting.

Significant legal and regulatory issues

In March 2018, the Finnish Communications Regulatory Authority issued significant market power decisions concerning local loop and bitstream markets. Elisa has appealed FICORA's decision to the Supreme Administrative Court.

In March, Elisa's 2,100 MHz licence was renewed in the Åland region. The licence is valid until 31 December 2033.

In May, the Finnish Transport and Communications Agency granted Elisa a renewed licence to apply surcharges for consumer customers' data roaming in the EU and the EEA countries. The new licence became valid on 15 June 2019, and is valid until 14 June 2020.

In September, the Market Court overruled a procurement decision by the joint municipal procurement unit KL-Kuntahankinta to choose Elisa as the provider of telecoms and some other additional services due to deficiencies in the proposal stage of KL-Kuntahankinta's invitation to tender. Elisa has applied to the Supreme Administrative Court for leave to appeal against the decision of the Market Court. However, the public procurement unit has started a new procurement process.

In October, the Market Court overruled a procurement decision by the City of Espoo to choose Elisa as the provider of IT services due to deficiencies in the proposal stage of City of Espoo's invitation to tender. Elisa has applied to the Supreme Administrative Court for leave to appeal against the decision of the Market Court.

Substantial risks and uncertainties associated with Elisa's operations

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

Strategic and operational risks:

The telecommunications industry is intensely competitive in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa, and may also require investments that have long payback times.

Elisa processes different kinds of data, including personal and network traffic data. Therefore, the applicable data protection legislation, especially the General Data Protection Regulation, has a significant impact on Elisa and its businesses.

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

Changes in governmental relationships may increase the risk that there will be restrictions on the network providers' equipment, which is also used in Elisa's network. This might have financial or operational impacts on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world, and growth in subscriptions is thus limited. Furthermore, the volume of phone traffic on the fixed network has decreased during the last years. These factors may limit opportunities for growth in the telecom business.

Hazard risks:

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

Financial risks:

In order to manage the interest rate risk, the Group's loans and investments are diversified into fixed- and variable-rate instruments. Interest rate swaps can be used to manage the interest rate risk.

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

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits in financially solid banks, domestic companies and institutions. Credit risk concentrations in accounts receivable are minor, as the customer base is broad.

A detailed description of financial risk management can be found in Note 7 to the Annual Report 2018.

Corporate responsibility and non-financial reporting

Elisa is committed to the principles of the UN Global Compact. Digital responsibility is a core element in our corporate responsibility in addition to social, environmental and economical responsibility. The reduction of carbon dioxide emissions has been part of Elisa's strategy since 2009, and the company has set goals in line with Science Based Targets aligned with the goals of the Paris Agreement.

Elisa will publish its sixth verified responsibility report as part of the Annual Report 2019 during week 11 (beginning 9 March 2020). The responsibility report is aligned with the GRI standards and meets the requirements of non-financial reporting. The report includes mid-term targets, performance and metrics.

In recognising Elisa's material corporate responsibility, the most important financial, social and environmental effects and risks of the company, as well as other significant trends affecting the industry, have been taken into account. The management's description of corporate responsibility is available on the company website.

2019 Annual Report and Corporate Governance Statement

The release date of Elisa's Corporate Governance Statement is 29 January 2020. Elisa will publish its 2019 Annual Report, which contains the report by the Board of Directors and the financial statements for 2019 as well as the Corporate Governance Statement, during week 11 on the company website at www.elisa.com.

Events after the financial period

There are no substantial events after the financial period.

Outlook and guidance for 2020

The positive development of the macroeconomic environment is decelerating in Finland. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be at the same level or slightly higher than in 2019. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be at the same level or slightly higher than in 2019. Capital expenditure is expected to be a maximum of 12 per cent of revenue.

Elisa is continuing its productivity improvement development, for example by increasing automation and data analytics in different processes, such as customer interactions, network operations and delivery. Additionally, Elisa's continuous quality improvement measures will increase customer satisfaction and efficiency, and reduce costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term growth and profitability improvement will derive from growth in the mobile data market, as well as digital online and ICT services.

Profit distribution

According to Elisa's distribution policy, profit distribution is 80–100 per cent of the previous fiscal year's net profit. In addition, any 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. Profit distribution includes dividend payment, capital repayment and purchase of treasury shares.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 1.85 per share. The dividend payment corresponds to 96 per cent of the financial period's comparable net profit.

Shareholders who are listed in the company's register of shareholders maintained by Euroclear Finland Ltd on 6 April 2020 are entitled to funds distributed by the General Meeting. The Board of Directors proposes that the payment date be 15 April 2020. The profit for the period will be added to retained earnings.

The Board of Directors also decided to propose to the General Meeting that the Board of Directors be authorised to acquire a maximum of 5 million treasury shares, which corresponds to 3 per cent of the total shares.

BOARD OF DIRECTORS

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 28 January 2020.

Consolidated income statement

EUR million	Note	10-12 2019	10-12 2018	1-12 2019	1-12 2018
Revenue	1	487.3	470.6	1,843.5	1,831.5
Other operating income		3.0	0.9	5.7	9.8
Materials and services		-191.7	-185.1	-693.1	-704.4
Employee expenses		-80.9	-80.3	-320.3	-311.4
Other operating expenses		-49.6	-47.9	-175.0	-185.4
EBITDA	1	168.1	158.1	660.8	640.1
Depreciation, amortisation and impairment	1	-67.9	-59.7	-265.8	-236.2
EBIT	1	100.1	98.4	395.0	403.8
Financial income		0.4	0.6	6.1	2.4
Financial expenses		-4.6	-6.3	-29.0	-25.0
Share of associated companies' profit		-0.3	-0.2	-0.2	-0.4
Profit before tax		95.6	92.6	371.9	381.0
Income taxes		-16.6	-13.4	-68.7	-65.0
Profit for the period		79.0	79.2	303.1	316.0
Attributable to					
Equity holders of the parent		78.9	79.1	303.0	315.8
Non-controlling interests		0.1	0.1	0.2	0.2
		79.0	79.2	303.1	316.0
Earnings per share (EUR)					
Basic		0.49	0.49	1.90	1.98
Diluted		0.49	0.49	1.90	1.98
Average number of outstanding shares (1000 shares)					
Basic		159,898	159,751	159,881	159,737
Diluted		159,898	159,751	159,881	159,737
Consolidated statement of comprehensive income					
Profit for the period		79.0	79.2	303.1	316.0
Other comprehensive income, net of tax					
Items which may be reclassified subsequently to profit or loss					
Cash flow hedge		-0.1	0.1	-0.4	0.5
Translation differences		2.5	-0.1	1.2	-0.1
		2.4	0.0	0.9	0.4
Items, which are not reclassified subsequently to profit or loss					
Remeasurements of the net defined benefit liability		-1.7	0.7	-1.7	0.7
Total comprehensive income		79.6	79.8	302.3	317.0
Total comprehensive income attributable to					
Equity holders of the parent		79.6	79.8	302.2	316.9
Non-controlling interests		0.1	0.1	0.2	0.2
		79.6	79.8	302.3	317.0

Consolidated statement of financial position

EUR million	Note	31.12. 2019	31.12. 2018
Non-current assets			
Property, plant and equipment	3	826.8	751.6
Goodwill	3	1,086.1	1,020.7
Other intangible assets	3	202.5	206.7
Investments in associated companies	12	2.4	2.7
Other investments	4	13.7	9.6
Deferred tax assets		14.4	16.5
Trade and other receivables	4	91.9	93.8
		2,237.7	2,101.6
Current assets			
Inventories		67.7	65.4
Trade and other receivables		453.5	416.6
Tax receivables		3.3	4.3
Cash and cash equivalents		52.0	80.9
		576.5	567.2
Total assets		2,814.2	2,668.8
Equity attributable to equity holders of the parent			
	6	1,149.6	1,126.3
Non-controlling interests			
		0.7	0.5
Total shareholders' equity		1,150.3	1,126.9
Non-current liabilities			
Deferred tax liabilities		25.6	25.7
Pension obligations		16.7	15.2
Provisions	8	2.9	2.3
Financial liabilities	4, 7	1,085.1	861.3
Trade payables and other liabilities	4, 5	36.8	36.3
		1,167.2	940.8
Current liabilities			
Trade and other payables	4, 5	343.2	309.3
Tax liabilities		0.4	1.7
Provisions	8	2.1	2.7
Financial liabilities	4, 7	151.1	287.4
		496.7	601.1
Total equity and liabilities		2,814.2	2,668.8

Condensed consolidated cash flow statement

EUR million	1-12 2019	1-12 2018
Cash flow from operating activities		
Profit before tax	371.9	381.0
Adjustments		
Depreciation, amortisation and impairment	265.8	236.2
Other adjustments	11.9	4.4
	277.7	240.6
Change in working capital		
Increase (-) / decrease (+) in trade and other receivables	-20.4	6.1
Increase (-) / decrease (+) in inventories	-1.9	3.1
Increase (+) / decrease (-) in trade and other payables	16.8	-30.3
	-5.4	-21.1
Financial items, net	-21.3	-16.9
Taxes paid	-69.0	-68.2
Net cash flow from operating activities	553.9	515.4
Cash flow from investing activities		
Capital expenditure	-231.6	-235.6
Investments in shares and business combinations	-67.1	-10.5
Proceeds from asset disposal	2.3	3.0
Net cash used in investing activities	-296.5	-243.2
Cash flow before financing activities	257.4	272.2
Cash flow from financing activities		
Proceeds from long-term borrowings	167.9	100.0
Repayment of long-term borrowings	-180.1	-59.5
Increase (+) / decrease (-) in short-term borrowings	26.0	-9.6
Repayment of lease liabilities	-22.5	-3.4
Dividends paid	-279.6	-263.1
Net cash used in financing activities	-288.3	-235.6
Change in cash and cash equivalents	-30.9	36.6
Translation differences	2.0	
Cash and cash equivalents at the beginning of period	80.9	44.3
Cash and cash equivalents at the end of period	52.0	80.9

Consolidated statement of changes in equity

EUR million	Share capital	Treasury shares	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2018	83.0	-140.2	90.9	371.6	634.2	0.1	1,039.7
Adoption of IFRS 15					7.5		7.5
Adoption of IFRS 9					4.2		4.2
Adoption of amendment to IFRS 2					14.5		14.5
Balance at 1 January 2018	83.0	-140.2	90.9	371.6	660.4	0.1	1,065.9
Profit for the period					315.8	0.2	316.0
Translation differences					-0.1		-0.1
Cash flow hedge				0.5			0.5
Remeasurements of the net defined benefit liability				0.7			0.7
Total comprehensive income				1.2	315.7	0.2	317.0
Dividend distribution					-263.6		-263.6
Share-based compensation		4.6			7.6		12.2
Acquisition of non-controlling interests						0.2	0.2
Other changes					-4.9		-4.9
Balance at 31 December 2018	83.0	-135.6	90.9	372.8	715.2	0.5	1,126.9
EUR million							
Balance at 1 January 2019	83.0	-135.6	90.9	372.8	715.2	0.5	1,126.9
Profit for the period					303.0	0.2	303.1
Translation differences					1.2		1.2
Cash flow hedge				-0.4			-0.4
Remeasurements of the net defined benefit liability				-1.7			-1.7
Total comprehensive income				-2.0	304.2	0.2	302.3
Dividend distribution					-279.8		-279.8
Share-based compensation		3.4					3.4
Other changes					-2.5		-2.5
Balance at 31 December 2019	83.0	-132.2	90.9	370.8	737.0	0.7	1,150.3

Notes

ACCOUNTING PRINCIPLES

The financial statement release is prepared in compliance with IAS 34 Interim Financial Reporting. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by the European Union. Apart from the changes stated below, the accounting principles applied in the financial statement release are the same as in the financial statements on 31 December 2018.

Changes in the accounting principles

The Group adopted the following standards, amendments to standards and interpretations as of 1 January 2019:

- Annual changes and improvements to IFRS standards
- IFRS 16 Leases. The standard specifies the definition of leases, recognition, the measurement of lease agreements and other information given in relation to lease agreements in the financial statements. The new lease standard requires the lessor to recognise the lessee's lease agreements as lease debt on the balance sheet and as an associated right-of-use asset. The lessee's agreements are no longer classified into operative and finance lease agreements. For the lessor, the situation remains largely unchanged.

Elisa has adopted the standard using a modified retrospective approach, whereby the requirements of the IFRS 16 standard are applied to the contracts open on 1 January 2019. The adoption of the standard had no effect on retained earnings. The figures for the comparison year have not been restated.

On 1 January 2019, the opening balance of lease liability was EUR 85.3 million and of the corresponding right-of-use assets EUR 85.7 million. EUR 22.1 million of recognised lease liability is related to the earlier finance leases.

The implementation of the standard affected the opening balances of the right-of-use assets by EUR 70.3 million and the lease liability by EUR 63.2 million. A EUR 7.1 million portion of right-of-use assets was included in prepayments recognised on the balance sheet on 31 December 2018. The lease contracts capitalised on the balance sheet are mostly related to business and telecom premises, retail facilities and vehicles.

The carrying amounts of leases previously treated as finance lease agreements did not change at the time of adoption. Going forward, the treatment of also those capitalised lease liabilities will change, as IFRS 16 requires the index increases of rental payments to be taken into account in the valuation of lease liabilities.

The Group applies the exemptions allowed by the standard not to recognise assets and liabilities for short-term leases and low-value assets. In 2019, the Group recognised expenses relating to short-term lease of EUR 32.2 million and expenses relating to leases of low-value assets of EUR 3.2 million.

The Group applies the exemptions allowed by the standard regarding the treatment of service components in certain asset groups. The Group separates the service components included in the lease agreements of business premises, retail facilities and vehicles, and recognises their share as an expense in the income statement.

The Group's agreements on rights to use land mainly do not fulfil the definition of a lease according to IFRS 16 and thus are not in the standard's scope. The Group's telecom premises have been acquired through agreements that fulfil the definition of a lease and to which the standard's requirements are applied.

The Group's whole sale rentals from other operators are mainly treated as service agreements, and related expenses are recognised during the contract period according to the requirements of IFRS 15.

The impact of the finance lease on the Group's 2019 rental expenses is EUR +17.8 million, on depreciation EUR -18.5 million, and financial expenses EUR -1.2 million. The effect on EBITDA is EUR +17.8 million, on operating profit EUR -0.7 million, and on profit before taxes EUR -1.9 million. The impact on the Group's 2019 investments is 26.7 EUR million, of which EUR 5.1 million is related to the indexation of finance leases previously accounted for under IAS 17.

On 31 December 2019, the right-of-use assets, calculated in accordance with the standard, amounted to EUR 95.0 million and the corresponding interest-bearing liabilities to EUR 95.7 million.

In the cash flow statement, cash payments for the capital portion of the lease liability are presented under financing activities, and for the interest portion of the lease liability under operating cash flow. Previously, all the lease payments for operating leases were presented in the cash flow from the operating activities. The 2019 impact on the Group's cash flow from the operating activities is EUR +17.2 million, on cash flow from financing activities EUR -16.6 million, and on cash flow from investing activities EUR -0.6 million. The increase in prepayments included in right-of-use assets is presented under cash flow from investing activities.

Bridge calculation of the adoption of the IFRS 16 standard:

EUR million

Operating lease liabilities 31 December 2018	79.0
Short-term leases and low-value assets	-11.8
Service components	-9.5
New contracts ¹⁾	6.2
Discount rate	-5.8
Definition of lease term	2.7
Other	2.4
Increase of lease liability 1 January 2019	63.2
Finance lease liability IAS 17	22.1
Lease liability 1 January 2019	85.3

¹⁾ Includes lease agreements not previously presented as operating lease liabilities

1. Segment information

10-12/2019	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	301.9	185.4		487.3
EBITDA	108.7	59.4		168.1
Depreciation, amortisation and impairment	-41.9	-26.0		-67.9
EBIT	66.8	33.4		100.1
Financial income			0.4	0.4
Financial expenses			-4.6	-4.6
Share of associated companies' profit			-0.3	-0.3
Profit before tax				95.6
Investments	54.0	28.5		82.6
10-12/2018	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	296.3	174.3		470.6
EBITDA	103.7	54.4		158.1
Depreciation, amortisation and impairment	-37.3	-22.4		-59.7
EBIT	66.5	32.0		98.4
Financial income			0.6	0.6
Financial expenses			-6.3	-6.3
Share of associated companies' profit			-0.2	-0.2
Profit before tax				92.6
Investments	56.9	35.2		92.0

1-12/2019	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,151.9	691.6		1,843.5
EBITDA	433.2	227.6		660.8
Depreciation, amortisation and impairment	-164.8	-101.0		-265.8
EBIT	268.3	126.7		395.0
Financial income			6.1	6.1
Financial expenses			-29.0	-29.0
Share of associated companies' profit			-0.2	-0.2
Profit before tax				371.9
Investments	170.7	85.3		256.0
Total assets	1,748.2	980.2	85.8	2,814.2
1-12/2018	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,150.2	681.4		1,831.5
EBITDA	416.1	223.9		640.1
Depreciation, amortisation and impairment	-147.7	-88.5		-236.2
EBIT	268.4	135.4		403.8
Financial income			2.4	2.4
Financial expenses			-25.0	-25.0
Share of associated companies' profit			-0.4	-0.4
Profit before tax				381.0
Investments	166.1	88.3		254.4
Total assets	1,680.2	874.7	114.0	2,668.8

2. Acquisitions and disposals

On 10 June 2019, Elisa acquired Polystar OSIX AB and affiliated companies. Polystar OSIX is a global provider of analytics, assurance and monitoring software solutions for mobile operators. The transaction is consistent with Elisa's strategy to grow digital businesses internationally and to accelerate the Elisa Automate business.

The acquisition price was EUR 77.6 million, including a contingent consideration of EUR 5.0 million. According to the preliminary purchase price allocation, EUR 8.5 million of the purchase price is allocated to the customer base, which is amortised over four years. The acquisition resulted in EUR 64.2 million of goodwill relating to Elisa's strategy to grow digital businesses internationally and to accelerate the Elisa Automate business. The purchase price allocation is prepared mainly using Swedish Krona, hence the euro amounts of both goodwill and customer base vary. Goodwill is not tax-deductible. The purchase price allocation is preliminary, as the verification of net assets acquired has not yet been fully completed. Possible adjustments are not expected to have a material impact on the purchase price allocation.

The acquired company has been consolidated from 1 June 2019 onwards. External revenue after the acquisition was EUR 21.4 million, and the impact on Group profit for the period was EUR 0.5 million. Had the acquisition been made as of the beginning of the year 2019, the impact on Group revenue and profit for the period in 2019 would have been EUR 41.6 million and EUR 2.1 million, respectively.

Consideration transferred

EUR million	Preliminary
Cash paid	72.6
Contingent consideration	5.0
Total cost of acquisition	77.6

Analysis of net assets acquired

EUR million	
Customer base	8.5
Tangible assets	1.9
Deferred tax assets	0.1
Inventories	0.7
Trade and other receivables	12.6
Tax receivables	0.2
Cash and cash equivalents	11.8
Deferred tax liabilities	-1.8
Provisions	-0.1
Finance lease liabilities	-1.7
Trade payables and other liabilities	-18.5
Tax liabilities	-0.5
	13.4

Effects of acquisition on cash flow

EUR million	
Purchase price paid in cash	-72.6
Cash and cash equivalents of the acquired entities	11.8
	-60.8

Goodwill arising from business combination

EUR million	
Consideration transferred	77.6
Net asset acquired	13.4
Goodwill	64.2

A EUR 0.9 million expense of fees for experts and professional advisors is recorded in other operating expenses.

3. Property, plant and equipment and intangible assets

31.12.2019	Property plant and equipment	Goodwill	Other intangible assets
EUR million			
Acquisition cost at 1 January 2019	3,947.3	1,035.7	839.6
Adoption of IFRS 16	70.3		
Acquisition cost at 1 January 2019	4,017.5	1,035.7	839.6
Business acquisitions	2.3	64.4	10.2
Additions	188.5		40.8
Additions, right-of-use assets	29.0		
Disposals	-18.1		-0.4
Disposals, right-of-use assets	-2.3		
Reclassifications	-0.3	0.0	-0.2
Translation differences	0.1	1.0	0.1
Acquisition cost at 31 December 2019	4,216.7	1,101.2	890.1
Accumulated depreciation, amortisation and impairment at 1 January 2019	3,195.8	15.0	632.9
Depreciation, amortisation and impairment	210.7		55.1
Accumulated depreciation and amortisation on business acquisitions	0.5		
Accumulated depreciation and amortisation on disposals and reclassifications	-16.9		-0.5
Translation differences	0.1		0.0
Accumulated depreciation, amortisation and impairment at 31 December 2019	3,390.0	15.0	687.6
Book value at 1 January 2019	751.6	1,020.7	206.7
Book value at 31 December 2019	826.8	1,086.1	202.5

31.12.2018 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2018	3,776.0	1,028.5	764.3
Business acquisitions	0.1	7.2	5.6 ⁽¹⁾
Additions	186.0		68.4 ⁽²⁾
Business disposals	-0.2		0.0
Disposals	-13.1		-0.2
Reclassifications	-1.5		1.5
Translation differences	-0.1	0.0	0.0
Acquisition cost at 31 December 2018	3,947.3	1,035.7	839.6
Accumulated depreciation, amortisation and impairment at 1 January 2018	3,018.0	15.0	587.2
Depreciation, amortisation and impairment	190.3		45.9
Accumulated depreciation and amortisation on disposals and reclassifications	-12.5		-0.2
Translation differences	-0.1		0.0
Accumulated depreciation, amortisation and impairment at 31 December 2018	3,195.8	15.0	632.9
Book value at 1 January 2018	758.1	1,013.5	177.1
Book value at 31 December 2018	751.6	1,020.7	206.7

¹⁾ Includes 2.6 GHz spectrum licence, EUR 4.8 million, acquired in connection with the acquisition of Ukkonet Oy.

²⁾ Includes Finnish 3.5 GHz spectrum licence in a carrying amount of EUR 26.3 million.

Commitments to purchase property, plant and equipment and intangible assets amounted to EUR 29.5 (41.7) million on 31 December 2019.

The lease commitments for rental agreements commencing in the future, in accordance with IFRS 16, were EUR 15.0 million on 31 December 2019.

4. Carrying amounts of financial assets and liabilities by category

31.12.2019 EUR million	Financial liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at fair value through other compre- hensive income	Financial assets/liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other investments ⁽¹⁾			13.7	13.7	13.7
Trade and other receivables			91.9	91.9	91.9
Current financial assets					
Trade and other receivables	0.0	0.0	453.4	453.5	453.5
	0.0	0.0	559.0	559.0	559.0
Non-current financial liabilities					
Financial liabilities			1,085.1	1,085.1	1,120.9
Trade and other payables ⁽²⁾	5.0	0.1	26.8	31.8	31.8
Current financial liabilities					
Financial liabilities			151.1	151.1	151.1
Trade and other payables ⁽²⁾	0.9		337.1	338.0	338.0
	5.9	0.1	1,600.0	1,606.0	1,641.9

31.12.2018	Financial liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at fair value through other comprehen- sive income	Financial assets/liabilities measured at amortised cost	Book values	Fair values
EUR million					
Non-current financial assets					
Other investments ⁽¹⁾			9.6	9.6	9.6
Trade and other receivables		0.4	93.4	93.8	93.8
Current financial assets					
Trade and other receivables			416.6	416.6	416.6
		0.4	519.6	520.0	520.0
Non-current financial liabilities					
Financial liabilities			861.3	861.3	884.9
Trade payables and other liabilities ⁽²⁾			31.4	31.4	31.4
Current financial liabilities					
Financial liabilities			287.4	287.4	293.0
Trade and other payables ⁽²⁾	1.6		302.0	303.5	303.5
	1.6		1,482.1	1,483.6	1,512.8

¹⁾ Other investments contains groups' unlisted equity investments

²⁾ Excluding advances received

The Group's financial assets and liabilities are classified as financial assets and liabilities measured at amortised cost, financial assets and liabilities measured at fair value through other comprehensive income, and financial assets and liabilities measured at fair value through profit or loss. Financial assets and liabilities measured at amortised cost include fixed-term contracts whose cash flow includes payments of principal and interest on the principal outstanding. Financial assets and liabilities measured at fair value through other comprehensive income include those financial items that are expected both to collect contractual cash flows and to sell financial assets. Financial assets and liabilities measured at fair value through profit or loss include items that do not meet the criteria of the other groups.

The Group categorises electricity derivatives that qualify for hedge accounting as financial assets or liabilities measured at fair value through other comprehensive income. Contingent considerations in the business combinations and listed equity investments are recognised as financial assets or liabilities measured at fair value through profit or loss. Other financial assets and liabilities are measured at amortised cost.

5. Financial assets and liabilities recognised at fair value

EUR million	31.12.2019	Level 1	Level 2	Level 3
Financial assets/liabilities measured at fair value through other comprehensive income				
Electricity derivatives	-0.1		-0.1	
Currency derivatives	0.0		0.0	
Financial assets/liabilities measured at fair value through profit or loss				
Currency derivatives	0.0		0.0	
Contingent considerations relating to business combinations	-5.9			-5.9
	-5.9		0.0	-5.9
EUR million	31.12.2018	Level 1	Level 2	Level 3
Financial assets/liabilities recognised at fair value through other comprehensive income				
Electricity derivatives	0.4		0.4	
Financial assets/liabilities measured at fair value through profit or loss				
Contingent considerations relating to business combinations	-1.6			-1.6
	-1.2		0.4	-1.6

Level 1 includes instruments with quoted prices in active markets. Level 2 includes instruments with observable prices based on market data. Level 3 includes instruments with prices that are not based on verifiable market data, but instead on the company's internal information, for example.

6. Equity

	Number of shares pcs	Treasury shares pcs	Holding, % of shares and votes
Shares at 31 December 2018	167,335,073	7,611,821	4.55 %
Disposal of treasury shares		-174,544	
Shares at 31 December 2019	167,335,073	7,437,277	4.44 %

Dividend

On 3 April 2019, Elisa's Annual General Meeting decided of a dividend of 1.75 euros per share. The total dividend amounts to EUR 279.8 million and payment started on 16 April 2019.

7. Issuance and repayment of debt securities

On 14 February 2019, Elisa issued a seven-year, fixed-rate, EUR 300 million eurobond under the EUR 1.5 billion EMTN programme. The coupon is 1.125 per cent, and the issue price was 99.260.

On 21 February 2019, Elisa accepted a nominal value of EUR 126,036,000 for the 2021 EUR 300 million bonds it tendered. The tendered bonds were partially extinguished or exchanged for the new 2026 bonds. The outstanding nominal value of the bonds maturing in 2021 is EUR 173,964,000.

On 4 October 2019, Elisa repaid maturing bond of EUR 179,998,000.

The unused amount of the EUR 1,500 million EMTN program is EUR 726 million as of 31 December 2019.

EUR million	31.12. 2019	31.12. 2018
Issued bonds, nominal value	774.0	780.0
Issued commercial papers	133.0	107.0
Withdrawn committed credit lines	0.0	0.0

8. Provisions

EUR million	Termination benefits	Other	Total
1 January 2019	3.4	1.7	5.0
Increases in provisions	5.9		5.9
Business acquisitions		0.1	0.1
Reversals of unused provisions	-1.3	-0.1	-1.4
Utilised provisions	-4.6		-4.6
31 December 2019	3.3	1.7	5.0

EUR million	Termination benefits	Other	Total
1 January 2018	7.0	1.7	8.7
Increases in provisions	5.6		5.6
Reversals of unused provisions	-4.2		-4.2
Utilised provisions	-4.9		-4.9
31 December 2018	3.4	1.7	5.0

9. Off-balance sheet lease commitments

The future minimum lease payments under non-cancellable off-balance sheet leases:

EUR million	31.12. 2019	31.12. 2018
Within one year	11.4	28.2
Later than one year, not later than five years	2.8	36.4
Later than five years	0.8	14.4
	15.0	79.0

The comparability of lease commitments is affected by the adoption of IFRS 16 on 1 January 2019, which has decreased the amount of off-balance sheet lease commitments.

Lease commitments are exclusive of value added tax.

10. Contingent liabilities

EUR million	31.12. 2019	31.12. 2018
For our own commitments		
Mortgages	1.2	2.0
Guarantees	0.1	0.1
Deposits	0.4	0.4
	1.6	2.5
Other contractual obligations		
Venture Capital investment commitment	2.2	2.8
Repurchase obligations	0.0	
Letter of credit	0.1	0.1

11. Derivative instruments

EUR million	31.12. 2019	31.12. 2018
Nominal values of derivatives		
Electricity derivatives	1.0	2.5
Currency derivatives	4.4	
	5.4	2.5
Fair values of derivatives		
Electricity derivatives	-0.1	0.4
Currency derivatives	0.0	
	0.0	0.4

12. Related party transactions

The Group's related parties include the parent company, subsidiaries, associates and joint ventures. The related parties also include Elisa's Board of Directors, the CEO, the Executive Board as well as entities controlled by them and close members of their family.

Related party transactions with associated companies EUR million	1-12 2019	1-12 2018
Sales	0.7	0.5
Purchases	0.9	1.1
Receivables	0.5	0.9
Liabilities	0.0	0.0

There were no related party transactions with the key management.

The salaries and remuneration paid to the management of Elisa Group will be published in the annual consolidated financial statements.

13. Key figures

EUR million	1-12 2019	1-12 2018
Shareholders' equity per share, EUR	7.19	7.05
Interest bearing net debt	1,184.2	1,067.9
Gearing, %	103.0 %	94.8 %
Equity ratio, %	41.0 %	42.4 %
Return on investment (ROI), % *)	17.2 %	18.3 %
Gross investments in fixed assets	256.0	254.4
of which right-of-use assets	29.0	2.3
Gross investments as % of revenue	13.9 %	13.9 %
Investments in shares and business combinations	83.4	13.6
Average number of employees	4,882	4,814

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

Interim Report Q1 2020	22 April 2020
Half-Year Report 2020	15 July 2020
Interim Report Q3 2020	16 October 2020

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