



**INTERIM REPORT**  
1-3/2016



# Index

Summary	1
CEO's review	3
January-March	5
Operating environment	5
Net sales and profit	6
Cash flow and financial position	8
Development per business segment	9
Investments	11
Network infrastructure	12
Personnel	13
Changes in the Group and capital structure and significant litigation matters	14
Management and governance	15
Shares and shareholders	16
Corporate responsibility	17
Near-term risks and uncertainties	18
Events after the review period	20
Outlook for 2016	21
Financial Statements	22
Consolidated income statement	22
Consolidated statement of financial position	24
Consolidated statement of cash flows	26
Consolidated statement of changes in equity	27
Notes	28
1. Accounting principles	29
2. Segment information	30
3. Investments	32
4. Shareholders' equity	33
5. Interest-bearing net liabilities	34
6. Provisions for other liabilities	35
7. Related party transactions	36
8. Share-based payments	37
Key figures	39

# DNA reports strong first quarter – operating profit grew significantly

## Summary

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period in the previous year (reference period).

### January–March 2016

- Net sales remained at a similar level year-on-year and amounted to EUR 202.0 million (200.8 million).
- EBITDA increased by 8.6 per cent to EUR 60.1 million (55.4 million). The EBITDA percentage of net sales increased and came to 29.8 per cent (27.6 per cent).
- Operating profit increased by 74.4 per cent to EUR 25.1 million (14.4 million), or 12.4 per cent of net sales (7.2 per cent).
- Mobile communication subscription base grew by 4.6 per cent, reaching 2,632,000 (2,516,000) in total.
- Revenue per user (ARPU) for mobile communications amounted to EUR 16.4 (16.9).
- Mobile communication subscription turnover rate (CHURN) was 13.6 per cent (17.4 per cent).
- Fixed-network subscription base (voice, broadband and cable television) remained at a similar level and came to 1,111,000 subscriptions at the end of the first quarter (1,111,000).

### DNA's outlook for 2016 remains unchanged

Net sales are expected to remain at a similar level and operating profit is expected to grow significantly in 2016 compared to 2015. The Group's financial position is expected to remain at a healthy level.

## Key figures

Figures are unaudited.

EUR million	1-3/2016	1-3/2015	Change, %	1-12/2015
Net sales	202.0	200.8	0.6%	828.8
EBITDA	60.1	55.4	8.6%	227.7
- % of net sales	29.8%	27.6%		27.5%
Comparable EBITDA *	60.1	55.4	8.6%	226.7
- % of net sales	29.8%	27.6%		27.3%
Depreciation and impairment charges	-35.0	-40.9		154.6
Operating profit	25.1	14.4	74.4%	73.1
- % of net sales	12.4%	7.2%		8.8%
Comparable operating profit*	25.1	14.4	74.4%	72.0
- % of net sales	12.4%	7.2%		8.7%
Profit before tax	22.7	11.4	99.7%	61.6
Profit for the financial period	18.2	9.1	100.1%	50.0
Return on investment (ROI), %	12.0	6.0		7.6
Return on equity (ROE), %	15.9	7.4		9.7
Investments	20.8	15.6	33.3%	154.7
Cash flow after investments	29.1	37.4		97.3
Interest bearing net debt, EUR million	383.4	442.2	-13.3%	412.3
Interest bearing net debt/EBITDA	1.6	2.0		1.8
Net gearing, %	76.2	91.5		78.5
Equity ratio, %	42.6	40.9		44.1
Basic earnings per share, EUR	2.1	1.1		5.9
Personnel at the end of period	1,683	1,740	-3.3%	1,672

\*Note 1

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## CEO's review



DNA's year 2016 is off to a strong start. Our net sales remained at a similar level year-on-year and our profitability continued to improve. Operating profit increased by 74.4 per cent to EUR 25.1 million, or 12.4 per cent of net sales. Net sales were fuelled in particular by the growth in service net sales (net sales - sales of goods - interconnection) as well as positive development of mobile device sales. Our service net sales were boosted in particular by the increased sales of mobile subscriptions. The growth in the revenue from mobile data, boosted by the increasing demand for 4G subscriptions, compensates for the drop in the revenue from voice calls. Our net sales were burdened by lower interconnection earnings as well as weaker pay-TV service sales.

Our profit for the period improved notably and came to EUR 18.2 million, while our return on investment (ROI) improved from 6.0 to 12.0 per cent. Having reduced our net debt according to our financial objectives, we have increased our equity ratio to 42.6 per cent.

Our subscription base continued to grow, in particular in the mobile communication network. Our mobile communication subscription base grew by 116,000 subscriptions from the reference period, reaching

2,632,000 in total. Of particular significance is the very low mobile communication subscription turnover rate (CHURN) of 13.6 per cent, in comparison to 17.4 per cent in the review period. Both the new subscription customers and the lower CHURN boosted our profitability. Our fixed-network subscription base increased by 1,000 and came to 1,112,000 in total at the end of the first quarter. The growth in the number of fixed-network broadband and cable television subscriptions is compensating for the drop in the number of fixed-network voice subscriptions.

In March, we became the first operator in Finland to introduce Voice over LTE (VoLTE) technology, i.e. 4G calls, across our nationwide mobile communication network. At the same time, we upgraded our mobile communication network to support the Voice over WiFi (VoWiFi) technology. The new technologies will be available to pilot customers towards the end of the summer 2016, enabling higher-quality phone calls, better reception indoors and more affordable roaming calls.

According to the latest study by telecommunications expert Omnitele\*, our mobile broadband was again the fastest in almost all of the most populous cities in Finland. DNA had the greatest average inbound speeds in eight of Finland's ten largest cities and the fastest average outbound speeds in nine.

4G traffic volumes in DNA's network continued to grow in the first quarter, increasing by more than 180 per cent year-on-year. We continued to expand our mobile communication network as planned and added some 150 new base stations to our 4G and 3G networks. Our 4G network currently reaches more than five million people in Finland. The construction of the shared network that started in the late spring of 2015 has proceeded well and fast 4G connections were available in all of Lapland by the end of March. Network construction in Eastern Finland is set to start in the second quarter of 2016.

We will continue our operations in 2016 according to our strategic goals, focusing on the continued improvement of our profitability and sales, provision of even better expert services to our customers and further development of our employee satisfaction.

\* Omnitele study 03/2016



Jukka Leinonen  
President and CEO

## Operating environment

The weak economic situation in Finland continued in the first quarter, and uncertainty continued also in the telecommunications sector. Different sectors of the industry are experiencing diverse trends. The mobile data market in particular continued to grow. Growing numbers of smart phones and tablets as well as the wider availability of 4G speeds further increased data transfer. The trend of increased smart phone penetration continued, and some 98 per cent of phones sold by DNA in the first quarter were smart phones. Demand for 4G subscriptions also continued to increase, and some 85 per cent of phones sold by DNA were 4G-capable.

The number of mobile broadband subscriptions grew and the number of fixed-network broadband subscriptions remained steady in Finland. Price competition in the broadband market is very intense. Revenue from voice calls as well as the text message market have been declining steadily in Finland. This trend is compensated by the growth in mobile data.

Use of TV and video services has become more versatile. Traditional TV viewing remains relatively steady while the use of streaming and on-demand video services has increased notably. The younger the viewers, the more likely they are to watch TV on other devices in addition to the television set.\* The use of HDTV broadcasts is growing and customers want to watch TV content conveniently at a time that works best for them. The use of online entertainment services in particular continued to grow. The competitive environment has become more versatile as global players have a stronger presence in the entertainment service market.

Economic uncertainty persisted and continued to affect investment decisions in the corporate market in the first quarter. Both public and private sector continued to digitise their business and expand mobile working at an increasing pace. Companies are also interested in the Industrial Internet and its possibilities, which was reflected in the growth of DNA's M2M (machine-to-machine) subscription base. Cloud service adoption has also been very quick.

The Finnish telecommunications market is strictly regulated. Regulation, particularly the authorities' ability to influence the price level of DNA's products and services, cost structure and the criteria on which licences are granted, may also have an impact on DNA's business and operating environment.

The Finnish Ministry of Transport and Communications has decided that the licenses for commercial use of the 700 MHz band will be auctioned towards the end of 2016.

In the spring of 2015, the European Commission launched the review of the regulatory framework for electronic communications. Legislative proposals on the reform of framework are expected during 2016.

Final approval of the EU Data Protection Directive is expected in the spring of 2016. The Data Protection Directive and the related review of the Directive on privacy and electronic communications will have an impact on DNA's business.

\*Source: DNA's consumer survey on the use of digital content

## Net sales and profit

### January–March 2016

DNA's net sales remained at a similar level year-on-year and amounted to EUR 202.0 million (200.8 million). Net sales were fuelled by the growth in service net sales (net sales - sales of goods - interconnection) as well as positive development of mobile device sales. Service net sales were boosted in particular by the increased sales of mobile subscriptions and growing use of mobile data. Net sales were burdened by decreased pay-TV service sales as well as lower interconnection prices. During the review period, 72.1 per cent (71.5 per cent) of net sales was generated by Consumer Business and 27.9 per cent (28.5 per cent) by Corporate Business.

EBITDA increased by 8.6 per cent to EUR 60.1 million (55.4 million). The EBITDA percentage of net sales increased and came to 29.8 per cent (27.6 per cent). The increase was fuelled by growth in service net sales and improved operational efficiency. There were no items affecting to the comparability of EBITDA in the review period or the reference period.

Operating profit increased by 74.4 per cent to EUR 25.1 million (14.4 million), boosted by the improved EBITDA and lower level of depreciation in the review period. Operating profit as a percentage of net sales increased to 12.4 per cent (7.2 per cent). There were no items affecting to the comparability of operating profit in the review period or the reference period.

Financial income and expenses amounted to EUR -2.4 million (-3.0 million). Income tax for the period was EUR -4.5 million (-2.3 million). Profit for the financial period improved by 100.1 per cent from the reference period and amounted to EUR 18.2 million (9.1 million). Earnings per share came to EUR 2.1 (1.1).

### Consolidated key figures

EUR million	1-3/2016	1-3/2015	Change, %	1-12/2015
Net sales	<b>202.0</b>	200.8	0.6%	<b>828.8</b>
EBITDA	<b>60.1</b>	55.4	8.6%	<b>227.7</b>
- % of net sales	<b>29.8%</b>	27.6%		<b>27.5%</b>
Comparable EBITDA*	<b>60.1</b>	55.4	8.6%	<b>226.7</b>
- % of net sales	<b>29.8%</b>	27.6%		<b>27.3%</b>
Operating profit	<b>25.1</b>	14.4	74.4%	<b>73.1</b>
- % of net sales	<b>12.4%</b>	7.2%		<b>8.8%</b>
Comparable operating profit*	<b>25.1</b>	14.4	74.4%	<b>72.0</b>
- % of net sales	<b>12.4%</b>	7.2%		<b>8.7%</b>
Profit for the financial period	<b>18.2</b>	9.1	100.1%	<b>50.0</b>

\* Note 1



## Key operative indicators

	1-3/2016	1-3/2015	Change, %	1-12/2015
<b>Number of mobile communication network subscriptions at end of period</b>	<b>2,632,000</b>	2,516,000	4.6%	<b>2,618,000</b>
- Revenue per user (ARPU), EUR	<b>16.4</b>	16.9	-3.0%	<b>17.0</b>
- Customer CHURN rate, %	<b>13.6</b>	17.4	-21.8%	<b>16.0</b>
<b>Number of fixed line subscriptions at end of period</b>	<b>1,112,000</b>	1,111,000	0.1%	<b>1,120,000</b>

## Cash flow and financial position

### January–March 2016

Cash flow after investments was EUR 29.1 million (37.4 million). This is due to higher investments than in the reference period.

DNA has a EUR 150 million revolving credit facility, of which EUR 150.0 million (200.0 million) remain undrawn, and a EUR 15.0 million (15.0 million) credit facility. In addition, the company has a commercial paper programme worth EUR 150.0 million (150.0 million), under which EUR 35.0 million (105.0 million) was drawn by the end of the review period.

DNA's equity ratio decreased and came to 76.2 per cent (91.5 per cent) at the end of the review period. The Group's liquid assets amounted to EUR 45.5 million (26.4 million). Interest bearing net debt decreased to EUR 383.4 million (442.2 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 210.5 million (241.4 million).

The interest-bearing net debt/EBITDA ratio improved and was 1.59 (2.00) at the end of the review period.

DNA's equity ratio was 42.6 per cent (40.9 per cent) at the end of the review period.

### Cash flow and financial key figures

	1-3/2016	1-3/2015	1-12/2015
Cash flow after investments, EUR million	29.1	37.4	97.3
	12/31/2015	3/31/2015	
Interest bearing net debt, EUR million	412.3	442.2	
Interest bearing net debt/EBITDA	1.81	2.00	
Net gearing, %	78.5	91.5	
Equity ratio, %	44.1	40.9	

## Development per business segment

### Consumer business

#### January–March 2016

Net sales increased by 1.4 per cent and came to EUR 145.6 million (143.6 million). Net sales were boosted by the positive development in mobile subscription sales and the increased use of mobile data. Net sales were burdened by lower interconnection prices and weaker demand for pay-TV services. EBITDA increased by 9.7 per cent and came to EUR 42.1 million (38.4 million). The increase was fuelled by positive development of net sales for services and improved operational efficiency. The EBITDA percentage of net sales increased to 28.9 (26.8 per cent). Consumer Business operating profit increased by 49.9 per cent to EUR 19.7 million (13.1 million), or 13.5 per cent of Consumer Business net sales (9.1 per cent). Depreciation to the amount of EUR 22.5 million (25.3 million) was allocated to Consumer Business.

DNA's mobile communication subscription base continued to grow in the first quarter. What was significant is that mobile communication subscription turnover rate (CHURN) decreased to a very low level, and was 13.6 per cent (17.4 per cent). The share of 4G subscriptions continued to expand. DNA's profitability was boosted by new subscription customers and lower CHURN.

The share of smart phones reached a historical level between December and January, as practically all phones sold by DNA were smart phones. In January–March, 98 per cent of phones sold were smart phones.

### Consumer business

EUR million	1-3/2016	1-3/2015	Change, %	1-12/2015
Net sales	<b>145.6</b>	143.6	1.4%	<b>596.3</b>
EBITDA	<b>42.1</b>	38.4	9.7%	<b>154.6</b>
- % of net sales	<b>28.9%</b>	26.8%		<b>25.9%</b>
Comparable EBITDA	<b>42.1</b>	38.4	9.7%	<b>154.6</b>
- % of net sales	<b>28.9%</b>	26.8%		<b>25.9%</b>
Operating profit/loss	<b>19.7</b>	13.1	49.9%	<b>56.0</b>
- % of net sales	<b>13.5%</b>	9.1%		<b>9.4%</b>
Comparable operating profit	<b>19.7</b>	13.1	50.3%	<b>56.0</b>
- % of net sales	<b>13.5%</b>	9.1%		<b>9.4%</b>

## Corporate business

### January–March 2016

Corporate Business net sales decreased by 1.5 per cent to EUR 56.4 million (57.2 million). Net sales were burdened by the reduction in interconnection prices and the decrease in the MVNO (Mobile Virtual Network Operator) business. EBITDA increased by 6.0 per cent to EUR 18.0 million (16.9 million), or 31.9 per cent of net sales (29.6 per cent). The increase was fuelled by a withdrawal from the provision for premises. Operating profit grew to EUR 5.5 million (1.3 million), or 9.7 per cent of net sales (2.2 per cent). Depreciation to the amount of EUR 12.5 million (15.7 million) was allocated to Corporate Business.

DNA signed significant new agreements and extensions with medium-sized and large enterprises and the public sector in the first quarter. The share of SMEs in particular grew in the customer base.

DNA's Corporate Business has strengthened its market position as planned and DNA's brand recognition and customers' willingness to consider DNA as a corporate service provider reached record-high levels in early 2016, in particular in the enterprise customer sector.\*

\*Source: brand study commissioned by DNA

## Corporate business

EUR million	1-3/2016	1-3/2015	Change, %	1-12/2015
Net sales	<b>56.4</b>	57.2	-1.5%	<b>232.5</b>
EBITDA	<b>18.0</b>	16.9	6.0%	<b>73.1</b>
- % of net sales	<b>31.9%</b>	29.6%		<b>31.4%</b>
Comparable EBITDA	<b>18.0</b>	16.9	6.0%	<b>73.1</b>
- % of net sales	<b>31.9%</b>	29.6%		<b>31.4%</b>
Operating profit/loss	<b>5.5</b>	1.3	325.2%	<b>17.1</b>
- % of net sales	<b>9.7%</b>	2.2%		<b>7.3%</b>
Comparable operating profit	<b>5.5</b>	1.3	325.2%	<b>17.1</b>
- % of net sales	<b>9.7%</b>	2.2%		<b>7.3%</b>

## Investments

### January–March 2016

Investments amounted to EUR 20.8 million (15.6 million), or 10.3 per cent of net sales (7.8 per cent).

Major individual items included investments in the 4G and 3G networks and in fibre and transfer systems.

### Investments

EUR million	1-3/2016	1-3/2015	Change, %	1-12/2015
Consumer business	12.6	9.3	35.5%	101.5
Corporate business	6.9	5.2	32.6%	48.2
Un-allocated	1.3	1.1	18.2%	5.0
<b>Total investments</b>	<b>20.8</b>	<b>15.6</b>	<b>33.3%</b>	<b>154.7</b>

## Network infrastructure

DNA makes continuous investments in high-speed mobile networks and fixed-network broadband to support the customers' growing use of subscriptions, devices as well as online and cloud services. DNA expanded its 3G and 4G networks in the first quarter of 2016 by adding some 150 new base stations. DNA's 4G LTE network expanded in particular around the city of Tornio and was enhanced further in the areas of Kuopio, Mikkeli and Heinola. At the end of the first quarter, DNA's 4G LTE network reached more than five million Finns. It will reach nationwide coverage of 99 per cent by the end of 2016. DNA's 3G network reaches more than 99 per cent of the population.

Mobile data volumes continued to expand in the first quarter, boosting the volumes of 4G traffic in DNA's networks by more than 180 per cent year-on-year. This trend is due to the intense expansion of the 4G LTE network, growing 4G customer base, the proliferation of devices that employ a constant network connection, and the migration of TV and music services to mobile devices.

Suomen Yhteisverkko Oy is responsible for the construction of a new 2G/3G/4G network for mobile communications in Northern and Eastern Finland. Launched in 2015, the construction of the shared network has proceeded according to plan, and 4G connections were available in almost all of Lapland by the end of 2015. Network construction in Eastern Finland is set to start in the second quarter of 2016. A shared network enables a faster construction of the mobile network and will provide data transfer speeds in Northern and Eastern Finland that are dozens of times faster than those available now.

DNA became the first operator in Finland to introduce Voice over LTE (VoLTE) technology, i.e. 4G calls, across its nationwide mobile communication network. At the same time, DNA upgraded the mobile communication network to support the Voice over WiFi (VoWiFi) technology. The new technologies will be available to pilot customers towards the end of the summer 2016, enabling higher-quality phone calls, better reception indoors and more affordable roaming calls.

According to the latest study by telecommunications expert Omnitele\*, DNA's mobile broadband was again the fastest in almost all of the most populous cities in Finland. DNA had the greatest average inbound speeds in eight of Finland's ten largest cities and the fastest average outbound speeds in nine. The survey covered Finland's three main operators.

## Personnel

At the end of March 2016, DNA Group had 1,683 employees (1,740 employees), of which 682 were women (713) and 1,001 men (1,027).

Salaries and employee benefit expenses paid during the first quarter amounted to EUR 27.6 million (27.0 million).

### Personnel by business segment

	12/31/2015	3/31/2015	Change, %
Consumer business	1,020	1,033	-1.3%
Corporate business	663	707	-6.2%
<b>Total personnel</b>	<b>1,683</b>	<b>1,740</b>	<b>-3.3%</b>

## **Changes in the Group structure and significant litigation matters**

### **Changes in the Group structure**

There were no changes in the Group structure during the review period.

### **Significant litigation matters**

There were no new significant litigation matters in the review period.



# Management and governance

## Group Executive Team

DNA Ltd has a line organisation, comprising of Consumer Business, Corporate Business, Technology, and Information Management and IT units as well as support functions.

At the end of March 2015, DNA's Executive Team comprised CEO Jukka Leinonen, CFO Timo Karppinen, Senior Vice President, Consumer Business Pekka Väisänen, Senior Vice President, Corporate Business Hannu Rokka, Senior Vice President, Technology Tommy Olenius, Senior Vice President, Human Resources Marko Rissanen, Senior Vice President, Legal Affairs Asta Rantanen, Senior Vice President, Strategy Christoffer von Schantz and CIO Janne Aalto.

## Decisions of the Annual General Meeting of 2016

DNA Ltd's Annual General Meeting was held on 31 March 2016. The AGM adopted the financial statements and discharged the Board of Directors and the CEO from liability for the period 1 January to 31 December 2015. According to the proposal by the Board of Directors, the AGM agreed to pay a dividend of EUR 4.72 per share, at a total of EUR 40,062,746.40, to DNA's shareholders. No dividend will be paid for treasury shares held by the company itself. The dividend was paid on 11 April 2016.

The AGM elected PricewaterhouseCoopers to continue as the company's auditor, with Authorised Public Accountant Mika Kaarisalo as the principal auditor.

## Board members and remuneration

The number of Board members was confirmed to be six. Re-elected members of the Board include Jarmo Leino, Jukka Ottela, Kirsi Sormunen, Tero Ojanperä, Anu Nissinen and Margus Schults. At the constitutive meeting of the Board of Directors held subsequent to the AGM, Jarmo Leino was re-elected Chairman.

The AGM decided on the following annual remuneration: EUR 144,000 for the Chairman of the Board and EUR 48,000 for the members of the Board. Based on the decision of the AGM, each member and the Chairman of the Board of Directors can choose to receive 40 per cent of their annual remuneration in DNA shares. Acquired shares are measured at fair value at acquisition date. Certain conditions apply to the transferability of shares. The AGM also decided on the following payments per meeting: for each member of the Board and Committee Chairmen, EUR 1,050 per person and for each committee member, EUR 525 per person.

## The Board's share repurchase authorisation

The AGM authorised the Board of Directors to decide on the repurchase of treasury shares. Based on the authorisation, the Board of Directors can decide on the repurchase of a maximum of 960,000 treasury shares. This is equal to slightly less than 10 per cent of all company shares. The shares can only be repurchased using the company's unrestricted shareholders' equity. The repurchase can take place in one or several lots. The authorisation will be effective until 30 June 2017. This authorisation cancels the previous authorisation.

DNA's Corporate Governance Statement is included in the company Annual Report published on 7 March 2016: <http://annualreporting.dna.fi/2015/en/governance/corporate-governance-and-internal-control>.

## Shares and shareholders

### Shareholders

#### Owners (10 biggest):

	<b>3/31/2016</b>
Finda Oy	49.85%
PHP Holding Oy	37.52%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	5.00%
Anvia Oyj	3.47%
Lohjan Puhelin Oy	2.60%
Pietarsaaren Seudun Puhelin Oy	0.83%
Karjaan Puhelin Oy	0.20%
Vakka-Suomen Puhelin Oy	0.15%
Puhelinosuuskunta IPY	0.13%
Orox Oy	0.04%
TOTAL	99.79%

On 31/03/2016, the ten largest shareholders of DNA Ltd were Finda Oy (49.85 per cent), PHP Holding Oy (37.52 per cent), Ilmarinen Mutual Pension Insurance Company (5.00 per cent), Anvia Oyj (3.47 per cent) and Lohjan Puhelin Oy (2.60 per cent). At the end of the review period, they held a total of 98.44 per cent of DNA's shares and voting rights. The holdings were calculated based on the number of outstanding shares. There were no changes in the shares owned by the largest shareholders during the review period.

### Shares

At the end of the review period, the company's shares totalled 9,618,357 (9,618,357 on 31 March 2015) and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65 (EUR 72,702,225.65 on 31 March 2015). At the end of the review period, the company held 1,130,487 treasury shares (1,132,144 on 31 March 2015), or 11.75 per cent of all shares. The changes in the number of shares are related to the share-based reward system for DNA's personnel as well as the payment of the annual remuneration for the members of the Board of Directors.

## Corporate responsibility

DNA started to implement its new corporate responsibility strategy in the first quarter of 2016.

Responsibility strategy supports DNA's business objectives and emphasises DNA's responsible attitude towards its customers. The strategy places special emphasis on DNA's responsibility over the environmental effects of its operations. While the strong expansion of DNA's networks and business continues, DNA aims to reduce its total emissions by 15 per cent by 2020 from the levels reported in 2014. The company also aims to improve the energy-efficiency of its networks and to reduce emissions from its radio network in proportion to annual data transfer volumes by 80 per cent by 2020 from 2014.

Modernisation of radio network base stations continued as planned throughout 2015. By the end of March 2016, some 80 per cent of the old base stations had been replaced by more energy-efficient models. The project is expected to be completed by 2017.

DNA is a main partner of the "HundrED – 100 Koulu" initiative that was launched in December 2015. The initiative is searching for 100 education innovations that will be developed and trialled with a selection of Finnish schools and education experts. DNA is also one of the main partners of SOS Children's Village, supporting it financially and providing data communication connections for its premises.

## Near-term risks and uncertainties

Risk management is part of DNA's strategy process and corporate governance. It is guided by the risk management policy approved by the Board of Directors. The Audit Committee of the Board monitors the implementation of risk management. The CEO is responsible for the practical organisation of risk management and maintenance of the risk management policy. Risk management is a means of ensuring that any risks affecting DNA's business are identified, controlled and monitored.

According to the company, there have been no significant changes in near-term risks and uncertainties in the review period. A more detailed description of DNA's risk management and uncertainties is available in the Annual Report: <http://annualreporting.dna.fi/2015/en/governance/risks-and-risk-management>.

### **Strategic and operative risks**

Uncertainty related to the overall economic situation has not abated, affecting the demand for smart phone and TV services and the corporate market. General decline in purchasing power has a post-cyclical effect on the operator market.

DNA operates in the Finnish telecommunications market, which is characterised by tough competition between established operators, and a high degree of penetration. The demand for fixed-network voice services is declining steadily. DNA operates in Finland, a market where the number of mobile phones per capita is among the highest in the world, which limits the prospects of future growth in the number of subscriptions.

DNA closely monitors changes in the operating environment and the resulting possible new business opportunities, which always involve higher risks than conventional and established business operations.

### **New communication methods and continuous technological development**

The rapid phase of technological development affects the entire telecommunication industry and DNA's operations. Alongside traditional communications methods, technological development and new types of devices can create new revenue models. Customer behaviour can change rapidly if new services are reliable and easy to use.

As new communications methods gain widespread popularity, they have an impact on the traditional business of operators. Global IM applications are changing the way people communicate. Most popular IM services have already overtaken texting, for example. Message and voice traffic is increasingly moving to the Internet, which creates new challenges for operators. On the other hand, new communications methods can provide new opportunities for operators, by increasing the use of mobile data, for example.

### **Intensifying competition in entertainment business**

International players have a strong presence in the competitive environment of TV and entertainment services. DNA faces competition from traditional operators, but also increasingly from OTT (over-the-top content) service providers that deliver content over the Internet to mobile devices. The role of media companies' own distribution channels and services is also becoming more important.

The ongoing shift in media use will provide both new risks and opportunities while content rights are being negotiated. DNA monitors the TV and entertainment service market intensively and continuously enhances its service offering to anticipate changes in the market.

**System and network risks**

The nature of DNA's operations and customer requirements place high demands on DNA's systems and network infrastructure. DNA's business is capital-intensive, and the company's success depends on the ability to continuously maintain and improve its network infrastructure. Use of mobile devices that have a constant network connection is increasing strongly among both business and private users. M2M subscriptions and the Industrial Internet will further expand the volume of data traffic. To optimise the availability of its communications services, DNA employs a range of methods. These include establishing back-up solutions for critical transfer connections, by using at least two different routes. Other methods involve duplicating and decentralising the main data centre and communication service systems in the company's equipment facilities.

The role of good information security and data security gain in importance as the use of smart devices and Industrial Internet gain ground.

**Regulatory risks**

The legislative preparation, interpretation and implementation of roaming regulations is still largely incomplete. Significant uncertainty about the financial constraints on the provision of roaming services remains in particular due to the incomplete regulation of wholesale roaming rates. The interpretation and implementation of net neutrality regulations is also incomplete, and they may have a significant impact on DNA's broadband business.

**Financing risks**

In order to manage the interest rate risk, the Group's borrowings have been spread between fixed- and variable-rate instruments. In order to manage liquidity risk, the company uses credit limits in addition to liquid assets. To manage customer credit risk, the credit history of new customers is checked as part of the ordering process. The Group's foreign interest risk is insignificant, since the majority of its cash flow is euro denominated.

A more detailed description of the management of financing risks can be found in Note 3 to the consolidated financial statements in DNA's Annual Report:

<http://annualreporting.dna.fi/2015/en/financial-statements/consolidated-financial-statements/notes-to-the-consolidated-financial-statements/3.-financial-risk-management>.

**Damage risk**

In anticipation of possible unforeseen damage risks, DNA has continuous insurance policies covering aspects of its operations including personnel, property, business interruption, third-party liability and criminal action. Damager risks are prevented and minimised by means such as security guidelines and personnel training.

## Events after the review period

The European Union roaming regulations (the Eurotariff) will enter into force on 30 April, lowering the prices of calls, text messages and data transfer throughout the EU area. New prices will apply in Iceland, Liechtenstein and Norway as well. As a result of the new regulations, DNA announced that it will introduce substantially lower roaming charges for Europe as of 30 April, up to 70 per cent over the current levels.

# Outlook for 2016

## Market outlook

Competition is expected to remain intense in 2016. The overall economic situation will remain challenging, affecting consumer and corporate purchasing power. Domestic demand will continue to contract in 2016 due to weaker consumer purchasing power. The total value of the telecommunications market is expected to fall slightly in 2016.

In addition to the overall economic situation, net sales and the profitability of the industry are being affected by the increased popularity of IP-based communications solutions driven by the growing number of smart phones and tablets. Moreover, they are affected by the reduction in interconnection prices in the mobile communication network and intense competition in the mobile communication and fixed-line broadband markets in particular.

Mobile data traffic volumes will reflect the increased use of smart phones and other constantly connected smart devices and the migration to the 4G technology. Strong growth of mobile data traffic is set to continue for several years, boosted by the growing number of 4G subscriptions and increased mobile data usage per user.

In the consumer market, consumer demand for broadband and entertainment services in particular is expected to increase. Fixed-network broadband customers are expected to continue to switch to housing company subscriptions and higher-speed connections. The mobile broadband subscription base is expected to remain relatively steady in the near future.

Decline in the SMS and voice revenue in both the fixed and mobile communication network is a clear trend in Finland and all other Nordic countries. The market for fixed-network voice services is expected to continue declining.

Due to the overall economic situation, organisations will continue to seek cost savings, but also increasingly need to implement new ICT solutions to improve the productivity of their business. More mobile and versatile ways of working will boost demand in the corporate segment. Companies will continue to adopt cloud services, migrating their applications to the cloud to increase their operational efficiency, which will boost the demand for connections with redundancy and high speeds. The demand for customer network services, such as fast Internet connections and information security solutions, is anticipated to continue to increase.

Industrial Internet is part of the new digital shift in the business world. Industrial Internet solutions will continue to grow in popularity, resulting in the expansion of the M2M subscription base.

## DNA's outlook for 2016 remains unchanged

Net sales are expected to remain at a similar level and operating profit is expected to grow significantly in 2016 compared to 2015. The Group's financial position is expected to remain at a healthy level.

DNA Ltd  
Board of Directors

### DNA's financial publications in 2016:

15 July 2016      Interim Report January–June 2016  
20 October 2016      Interim Report January–September 2016

## Consolidated income statement, IFRS

EUR million	1 Jan -31 Mar 2016	1 Jan -31 Mar 2015	1 Jan-31 Dec 2015
<b>Net sales</b>	<b>202.0</b>	<b>200.8</b>	<b>828.8</b>
Other operating income	0.9	0.7	4.3
Materials and services	-85.8	-89.3	-375.0
Employee benefit expenses	-27.6	-27.0	-106.9
Depreciation and impairments	-35.0	-40.9	-154.6
Other operating expenses	-29.3	-29.8	-123.5
<b>Operating result, EBIT</b>	<b>25.1</b>	<b>14.4</b>	<b>73.1</b>
Financial income	0.2	0.2	1.0
Financial expense	-2.7	-3.3	-12.5
Share of associated companies' results	0.0	0.0	0.0
<b>Net profit before tax</b>	<b>22.7</b>	<b>11.4</b>	<b>61.6</b>
Income tax	-4.5	-2.3	-11.5
<b>Net profit for the period</b>	<b>18.2</b>	<b>9.1</b>	<b>50.0</b>
Net profit attributable to:			
Owners of the parent	<b>18.2</b>	<b>9.1</b>	<b>50.0</b>
Earnings per share of the profit attributable to equity holders of the parent company			
Basic earnings per share, EUR	<b>2.1</b>	<b>1.1</b>	<b>5.9</b>
Average number of shares			
- Basic	8,488	8,486	8,487



## Consolidated statement of comprehensive income

<b>Net profit for the period</b>	<b>18.2</b>	<b>9.1</b>	<b>50.0</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gains (losses) on defined benefit pension plans	0.0	0.0	0.2
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Cash flow hedges	0.0	0.0	0.0
Other comprehensive income, net of tax	0.0	0.0	0.1
Comprehensive income attributable to:	<b>18.2</b>	<b>9.1</b>	<b>50.4</b>
Owners of the parent			

## Consolidated statement of financial position, IFRS

EUR million	31 Mar 2016	31 Dec 2015	32 Mar 2015
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	327.2	327.2	327.2
Other intangible assets	158.1	171.6	158.4
Property, plant and equipment	428.8	412.6	443.9
Investments in associates	1.2	2.1	1.2
Available-for-sale financial assets	0.2	0.2	0.2
Trade and other receivables	33.0	41.0	37.9
Deferred tax assets	18.2	28.5	18.8
<b>Total non-current assets</b>	<b>966.7</b>	<b>983.2</b>	<b>987.6</b>
<b>Current assets</b>			
Inventories	22.7	18.3	21.1
Trade receivables	154.2	154.6	157.9
Other current receivables	7.1	13.9	13.3
Accrued income	15.0	14.3	11.3
Cash and cash equivalents	45.5	26.4	25.3
<b>Total current assets</b>	<b>244.5</b>	<b>227.5</b>	<b>228.9</b>
<b>Total assets</b>	<b>1211.2</b>	<b>1210.7</b>	<b>1216.5</b>
<b>Shareholders' equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	72.7	72.7	72.7
Other reserves	607.3	607.3	607.3
Treasury shares	-103.4	-103.5	-103.4
Retained earnings	-91.7	-102.2	-101.8
Profit for the year	18.2	9.1	50.0
<b>Total equity</b>	<b>503.1</b>	<b>483.3</b>	<b>524.9</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	358.7	321.9	362.3
Retirement benefit obligations	1.9	2.2	1.9
Provision for other liabilities	12.1	19.7	13.0
Deferred income tax liabilities	27.0	30.5	28.3

Other non-current liabilities	12.5	19.5	12.5
<b>Total non-current liabilities</b>	<b>412.3</b>	<b>393.8</b>	<b>418.1</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities	70.2	146.8	75.2
Provisions for other liabilities	0.9	1.7	1.0
Trade and other payables	220.4	184.7	197.3
Current income tax liabilities	4.3	0.3	0.0
<b>Total current liabilities</b>	<b>295.8</b>	<b>333.6</b>	<b>273.5</b>
<b>Total liabilities</b>	<b>708.1</b>	<b>727.4</b>	<b>691.6</b>
<b>Total equity and liabilities</b>	<b>1211.2</b>	<b>1210.7</b>	<b>1216.5</b>

## Condensed consolidated statement of cash flows, IFRS

EUR million	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
<b>Cash flows from operating activities</b>			
Profit for the period	18.2	9.1	50.0
Depreciation and impairments	35.0	40.9	154.6
Change in working capital	-6.0	-5.2	42.1
Other adjustments	2.6	8.3	3.0
<b>Net cash generated from operating activities (A)</b>	<b>49.8</b>	<b>53.1</b>	<b>249.7</b>
<b>Cash flows from investing activities</b>			
Investments in property, plant and equipment (PPE) and intangible assets	-20.8	0.0	0.0
Proceeds from sale of PPE	0.1	-15.8	-155.1
Change in other investments	0.0	0.1	1.0
<b>Net cash used in investing activities (B)</b>	<b>-20.7</b>	<b>-15.6</b>	<b>-152.5</b>
<b>Cash flows from financing activities</b>			
Share issue	0.0	0.0	0.2
Dividends paid	0.0	0.0	-30.0
Borrowing of interest-bearing liabilities	5.0	19.9	274.6
Repayment of interest-bearing liabilities	-13.8	-41.6	-327.3
<b>Net cash used in financing activities (C)</b>	<b>-8.8</b>	<b>-21.6</b>	<b>-82.6</b>
Change in cash and cash equivalents (A+B+C)	20.2	15.8	14.7
Cash and cash equivalents at beginning of year	25.3	10.6	10.6
Cash and cash equivalents at end of year	45.5	26.4	25.3

## Consolidated statement of changes in equity

EUR million	Share		Unrestricted	Treasury	Retained	Total
	capital	Hedge	equity	shares	earnings	
		fund	reserve			equity
<b>Balance at 1 January 2015</b>	<b>72.7</b>	<b>-0.1</b>	<b>607.3</b>	<b>-103.5</b>	<b>-72.2</b>	<b>504.1</b>
<b>Comprehensive income</b>						
Profit for the period					9.1	9.1
<b>Other comprehensive income</b>						
Cash flow hedges, net of tax		0.0				0.0
Total other comprehensive income, net of tax		<b>0.0</b>			<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.1</b>	<b>513.3</b>
<b>Transactions with owners</b>						
Employee share option scheme: granted options					0.1	0.1
Dividends relating to 2014					-30.0	-30.0
<b>Total contribution by and distributions to owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-29.9</b>	<b>-29.9</b>
<b>Balance at 31 March 2015</b>	<b>72.7</b>	<b>-0.1</b>	<b>607.3</b>	<b>-103.5</b>	<b>-93.1</b>	<b>483.3</b>
<b>Balance at 1 January 2016</b>	<b>72.7</b>	<b>0.0</b>	<b>607.3</b>	<b>-103.4</b>	<b>-51.7</b>	<b>524.9</b>
<b>Comprehensive income</b>						
Profit for the period					18.2	18.2
<b>Other comprehensive income</b>						
Cash flow hedges, net of tax		0.0				0.0
Total other comprehensive income, net of tax		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.2</b>	<b>18.2</b>
<b>Transactions with owners</b>						
Employee share option scheme					0.1	0.1
Dividends relating to 2015					-40.1	-40.1
<b>Total contribution by and distributions to owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-40.0</b>	<b>-40.0</b>
<b>Balance at 31 March 2016</b>	<b>72.7</b>	<b>0.0</b>	<b>607.3</b>	<b>-103.4</b>	<b>-73.5</b>	<b>503.1</b>

## Notes

- [1. Accounting principles](#)
- [2. Segment information](#)
- [3. Investments](#)
- [4. Shareholders's equity](#)
- [5. Interest-bearing net liabilities](#)
- [6. Provisions for other liabilities](#)
- [7. Related party transactions](#)
- [8. Share-based payments](#)

## 1 Accounting principles

This interim report has been prepared in accordance with IFRS regulations and measurement principles and complies with the requirements of the IAS 34 Interim Financial Reporting standard. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the Financial Statements of 31 December 2015 with the exception of new and modified standards effective as of 1st of January 2016 which have not effected the DNA group financial statements. This interim report should be read observing the 2015 Financial Statements. The information presented in the interim report is unaudited.

DNA presents alternative performance measures to reflect the underlying business performance and to enhance comparability from period to period. The alternative performance measures should not be considered as a substitute for measures of performance in accordance with IFRS. From Q1 2016, DNA relabels the previously referenced "excluding non-recurring items" non-IFRS financial measures with "Comparable" performance measures. Comparable performance measures exclude the income statement impacts of certain non-operational affecting comparability.

## 2 Segment information

The Group's operations are reported according to the following business segments:

### 1 Jan–31 Mar 2016

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
<b>Net sales</b>	<b>145,593</b>	<b>56,365</b>	<b>201,958</b>
<b>EBITDA</b>	<b>42,148</b>	<b>17,954</b>	<b>60,102</b>
Depreciation	22,463	12,504	34,968
<b>Operating result, EBIT</b>	<b>19,685</b>	<b>5,450</b>	<b>25,135</b>
Net financial items			-2,417
Share of associated companies' results			0
Profit before tax			22,718
<b>Profit for the period</b>			<b>18,180</b>
Investments	12,609	6,898	19,506
Employees at end of period	1,020	663	1,683

### 1 Jan–31 Mar 2015

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
<b>Net sales</b>	<b>143,564</b>	<b>57,208</b>	<b>200,772</b>
<b>EBITDA</b>	<b>38,424</b>	<b>16,933</b>	<b>55,357</b>
Depreciation	25,294	15,651	40,945
<b>Operating result, EBIT</b>	<b>13,130</b>	<b>1,282</b>	<b>14,412</b>
Net financial items			-3,024
Share of associated companies' results			-13
Profit before tax			11,375
Profit for the period			9,084
Investments	9,297	5,212	14,509
Employees at end of period	1,033	707	1,740

### 1 Jan–31 Dec 2015

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
<b>Net sales</b>	<b>596,250</b>	<b>232,550</b>	<b>828,800</b>
<b>EBITDA</b>	<b>154,577</b>	<b>73,137</b>	<b>227,715</b>
Depreciation	98,565	56,057	154,622
<b>Operating result, EBIT</b>	<b>56,012</b>	<b>17,081</b>	<b>73,093</b>
Net financial items			-11,514



Share of associated companies' results			14
Profit before tax			61,593
Profit for the period			50,049
<hr/>			
Investments	101,466	48,171	149,636
Employees at end of period	1,000	672	1,672

### 3 Investments

EUR 1,000	Jan–Mar 2016	Jan–Mar 2015	Jan–Dec 2015
Capital expenditure*			
Intangible assets	6,279	3,787	37,306
Property, plant and equipment	14,528	11,797	117,358
<b>Total</b>	<b>20,807</b>	<b>15,584</b>	<b>154,664</b>

\*All items of capital expenditure have not been allocated to business segments in management reporting (for example financial leases). Investments are presented excluding business combinations.

## 4 Shareholders' equity

EUR 1,000	Number of shares (thousands)	Share capital	Unrestricted equity reserve
<b>At 1 January 2015</b>	<b>9,611</b>	<b>72,702</b>	<b>607,335</b>
Share issue	6		
<b>At 31 December 2015</b>	<b>9,618</b>	<b>72,702</b>	<b>607,335</b>
<b>At 31 March 2016</b>	<b>9,618</b>	<b>72,702</b>	<b>607,335</b>

Number of shares include 1,130,487 treasury shares.

DNA Ltd has one share type. The total number of shares is 9,618,357 (9,618,357). The shares do not have a nominal value. DNA Ltd's share capital amounts to EUR 72,702,226. All issued shares have been paid in full.

### Dividends

DNA Ltd's Annual General Meeting of 31 March 2016 approved a payment of dividend (EUR 4.72 per share) totalling EUR 40,062,746.40. The dividend was paid on 11 April 2016.

## 5 Net liabilities

EUR 1,000	31 March 2016	31 March 2015	31 December 2015
Non-current and current interest-bearing liabilities	428,892	469	437,544
Less short-term investments, cash and bank balances	45,493	26	25,266
<b>Total</b>	<b>383,399</b>	<b>442</b>	<b>412,278</b>

## 6 Provisions for other liabilities

EUR 1,000	1 Jan 2016	Additions	Provisions changes/Discount		31 Mar 2016
			used	Other effect	
Decommissioning provisions	8,564		-93		8,470
Restructuring provisions	152				152
Onerous contracts	4,935		-181	-823	3,930
Other provision	376	70			446
<b>Total</b>	<b>14,027</b>	<b>70</b>	<b>-275</b>	<b>-823</b>	<b>12,999</b>

### Onerous contracts

This provision is mainly for a non-voidable lease agreement and covers future leases of unused premises. During the period, the Group has let part of the under-utilised premises and the provision has been reversed. The provision has been discounted. The non-voidable lease agreement expires in 2025.

## 7 Related party transactions

The Group's related parties include organisations exercising significant influence, associated companies and members of the Board of Directors and the management teams, including the CEO and the deputy CEO as well as their immediate family. Additionally, any organisation where a member of the related party exercises significant influence is considered a related party.

<b>EUR 1,000</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
<b>3/2016</b>				
Organisations exercising significant influence	4	708	2	1
Associated companies	0	131	0	2

<b>EUR 1,000</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
<b>3/2015</b>				
Organisations exercising significant influence	6	969	5	26
Associated companies	0	137	0	2

<b>EUR 1,000</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
<b>12/2015</b>				
Organisations exercising significant influence	24	3,527	2	2
Associated companies	0	624	0	2

## 8 Share-based payments

### New rights issue against payment to Group key personnel in 2014

On 20 November 2014, the Board of Directors decided to introduce a new share-based reward plan in the incentive and commitment scheme of DNA and its subsidiaries.

The objective is to align the goals of DNA's owners and the participating key personnel in order to increase the value of DNA, ensure the commitment of the key personnel and to offer them a competitive reward plan based on earning and accumulating company shares.

Participation requires subscription in the directed rights issue

The prerequisite for participating in the plan is that a person participating in the plan acquires, against payment, shares up to the number determined by the Board of Directors.

Participants have the opportunity to receive a reward as DNA's shares or as cash in connection with stock-exchange listings or main shareholders' exit. Receiving of the reward is tied to the continuance of participant's employment and ownership of shares up to the number determined by the Board of Directors upon reward payment.

The reward will consist of one share per each subscribed share (base matching shares). Additionally, it is possible to obtain a reward based on the listing or sale price (performance share). For stock-exchange listings, the value of the reward is based on the share price and for exits, on the sale price. If neither takes place by 31 May 2019 at the latest, or if the Board of Directors decides to extend the plan no later than 31 May 2021, the reward is based on the possible increase in the share value during the expected life.

The right to the reward is personal, and is payable only to named participants. Participants cannot transfer the right to the reward to another party. The Board of Directors decides on all matters relating to the plan, such as a participant's right to the reward in case their duties within the Group should change or they leave the employment of DNA before the reward payment.

A maximum total of 128,000 new shares can be issued in the plan.

The share subscription period of the new shares was from 27 November to 12 December 2014. Additionally, the board of directors has on the 26th of March 2015, decided to make an addition to the share-based reward plan 2014 target group after which the amount of granted instruments were 6 725. The share subscription period of the new shares was from 26 March to 24 April 2015.

#### Plan

Granting date	12 Dec 2014	22 May 2015
Amount of granted instruments	6,475	375
Returned instruments	125	
Share price at granting date	95.51	95.51
Fair value		
Base matching share	95.51	95.51
Performance share	315.00	315.00
Valid until	31 May 2019	31 May 2019
Expected life	4 years	4 years
Implementation	As shares and cash	As shares and cash

DNA's management expects the implementation to take place partly as shares and partly as cash. The fair value of the share is estimated according to the shares' valuation model. The estimation of the performance share fair value is based on assumptions such as expected volatility, fair value of the share at granting date and expected life.



## Key figures

	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Equity per share, EUR	59.3	59.0	61.8
Interest bearing net liabilities, EUR million	383.4	442.2	412.3
Net gearing, %	76.2%	91.5%	78.5%
Equity ratio, %	42.6%	40.9%	44.1%
Interest bearing net debt/EBITDA	1.59	2.00	1.81
Return on investment (ROI), %	12.0%	6.0%	7.6%
Return on equity (ROE), %	15.9%	7.4%	9.7%
Investments, EUR million	20.8	15.6	154.7
Investments, % of net sales	10.3%	7.8%	18.7%
Personnel at end of period	1,683	1,740	1,672

## Key operative indicators

### Mobile communication network subscription volumes:

Number of:	31 Mar 2016	31 Mar 2015	31 Dec 2015
Subscriptions*	2,632,000	2,516,000	2,618,000
DNA's own customers*	2,628,000	2,504,000	2,615,000

	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Revenue per subscription (ARPU), EUR**	16.4	16.9	17.0
Customer churn rate, %**	13.6	17.4	16.0

\*Includes only mobile broadband

\*\*Includes only postpaid phone subscriptions

### Fixed-network subscription volumes:

Number of:	31 Mar 2016	31 Mar 2015	31 Dec 2015
Broadband subscriptions	432,000	422,000	436,000
Cable TV subscriptions	606,000	596,000	606,000
Telephone subscriptions	74,000	93,000	78,000

## Calculation of the key indicators

Equity per share, EUR	= $\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of outstanding shares at end of period}}$
Interest-bearing net liabilities, EUR	= Interest-bearing liabilities - liquid assets
Gearing, %	= $\frac{\text{Interest-bearing liabilities} - \text{liquid assets}}{\text{Total shareholders' equity}}$
Equity ratio, %	= $\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{prepayments received}}$
EBITDA, EUR	= Operating profit (EBIT) + depreciation, amortisation and impairments
Return on investment (ROI), %*	= $\frac{\text{Profit before taxes} + \text{interest and other finance expenses}}{\text{Balance sheet total} - \text{non-interest bearing liabilities (annual average)}}$
Return on equity (ROE), % *	= $\frac{\text{Profit for the financial period}}{\text{Total shareholders' equity (annual average)}}$
Interest-bearing net debt/EBITDA*	= $\frac{\text{Interest-bearing net liabilities}}{\text{EBIT} + \text{depreciation} + \text{amortisation}}$

\* 12-month adjusted

