DNA

FINANCIAL STATEMENTS

2015

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DNA's operating profit grew significantly in 2015 – mobile data traffic volumes triple in the 4G network

Summary

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

October–December 2015

- Net sales remained at a similar level year-on-year and amounted to EUR 213.9 million (215.7 million).
- EBITDA increased by 15.0 per cent to EUR 54.2 million (47.1 million). The EBITDA percentage of net sales increased and came to 25.3 per cent (21.8 per cent).
- Operating profit increased by 174.6 per cent to EUR 19.3 million (7.0 million), or 9.0 per cent of net sales (3.3 per cent).
- There were no non-recurring items affecting EBITDA or operating profit in neither the fourth quarter of 2015 or the reference period.
- Mobile communication subscription base grew by 1.5 per cent, reaching 2,618,000 (2,505,000) in total.
- Revenue per user (ARPU) for mobile communications amounted to EUR 17.0 (16.7).
- Mobile communication subscription turnover rate (CHURN) was 15.9 per cent (16.8 per cent).

January–December 2015

- Net sales remained at a similar level year-on-year and amounted to EUR 828.8 million (831.5 million).
- EBITDA increased by 12.6 per cent to EUR 227.7 million (202.2 million). The EBITDA percentage of net sales increased and came to 27.5 per cent (24.3 per cent).
- EBITDA excluding non-recurring items increased by 8.9 per cent and came to EUR 226.7 million (208.1 million).
- Operating profit increased by 185.5 per cent to EUR 73.1 million (25.6 million), or 8.8 per cent of net sales (3.1 per cent).
- Operating profit excluding non-recurring items increased by 36.4 per cent and came to EUR 72.0 million (52.8 million).
- Mobile communication subscription base grew by 4.5 per cent, reaching 2,618,000 (2,505,000) in total.
- Revenue per user (ARPU) for mobile communications amounted to EUR 17.0 (17.6).
- Mobile communication subscription turnover rate (CHURN) was 16.0 per cent (16.9 per cent).

- Fixed-network subscription base (voice, broadband and cable television) grew by 1.1 per cent and came to 1,120,000 subscriptions at the end of the fourth quarter (1,108,000).
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 4.72 (3.54) per share be paid.

DNA's outlook for 2016

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	10–12/2015	10–12/2014	Change, %	1–12/2015	1–12/2014	Change, %
Net sales	**213.9**	215.7	-0.8%	**828.8**	831.5	-0.3%
EBITDA	**54.2**	47.1	15.0%	**227.7**	202.2	12.6%
- % of net sales	**25.3%**	21.8%		**27.5%**	24.3%	
EBITDA without non-recurring items	**54.2**	47.1	15.0%	**226.7**	208.1	8.9%
- % of net sales	**25.3%**	21.8%		**27.3%**	25.0%	
Depreciation and impairment charges	**34.9**	40.1		**154.6**	176.6	
Operating profit	**19.3**	7.0	174.6%	**73.1**	25.6	185.5%
- % of net sales	**9.0%**	3.3%		**8.8%**	3.1%	
Operating profit without non-recurring items	**19.3**	7.0	174.6%	**72.0**	52.8	36.4%
- % of net sales	**9.0%**	3.3%		**8.7%**	6.4%	
Profit before tax	**16.7**	3.9	333.4%	**61.6**	15.2	306.1%
Profit for the financial period	**14.0**	3.0	371.9%	**50.0**	12.4	303.7%
Return on investment (ROI), %	**8.2**	2.9		**7.6**	2.8	
Return on equity (ROE), %	**10.8**	2.4		**9.7**	2.4	
Investments	**70.9**	66.9	6.0%	**154.7**	149.6	3.4%
Cash flow after investments*	**18.1**	-8.5		**97.3**	-123.7	
Interest bearing net debt, EUR million	**412.3**	479.4	-14.0%	**412.3**	479.4	-14.0%
Interest bearing net debt/EBITDA	**1.90**	2.54		**1.81**	2.37	
Net gearing, %	**78.5**	95.1		**78.5**	95.1	
Equity ratio, %	**44.1**	41.4		**44.1**	41.4	
Basic earnings per share, EUR	**1.6**	0.3		**5.9**	1.5	
Personnel at the end of period	**1,672**	1,748	-4.3%	**1,672**	1,748	-4.3%

* including business combinations

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CEO’s review

2015 was a successful year for DNA: we improved both our profitability and our customer satisfaction. The increased adoption of smart phones, tablets and other smart devices as well as the wider availability of 4G speeds significantly boosted data transfer volumes in 2015. The increased revenue from mobile data compensates for the drop in the revenue from voice calls. We are also satisfied with the notable growth of our corporate business since the TDC acquisition in 2014. We have managed to strengthen our position as a provider of competitive, high-quality services to businesses. As a recognition of our expertise, DNA Business scored top points in every corporate service category of the EPSI Rating* customer satisfaction survey for the second year in a row. We also scored the highest points among consumer customer for mobile broadband.

Our net sales remained at a similar level year-on-year and amounted to EUR 828.8 million. In terms of sales revenue, mobile device sales were down from the levels reported in 2014, and interconnection revenue also fell. However, the growth of our service revenue brought our net sales to the level reported in 2014. Increased demand for mobile data and growth of our corporate services had a positive effect on our service revenue. The challenging economic situation and intense competition weakened the demand for pay-TV services in particular. Our EBITDA and operating profit grew significantly. Our EBITDA was boosted in particular by the strong growth of our service business and our improved operational efficiency. Our operating profit increased to EUR 73.1 million. The operating profit of the reference period was burdened by significant non-recurring items, but even without non-recurring items, our operating profit increased by 36.4 per cent and came to EUR 72.0 million. Profit for the financial period improved by as much as 304 per cent from the reference period.

Our subscription base grew further in 2015. Our mobile communication subscription base grew by 113,000, reaching 2,618,000 subscriptions in total. Fixed-network subscription base increased by 12,000, totalling 1,120,000 subscriptions at the end of the year. 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. Our mobile communication subscription turnover rate (CHURN) has decreased steadily over recent years. It was 16.9 per cent in 2014 and came to 16.0 per cent in 2015.

We successfully developed our operations according to our strategic objectives in 2015: our customer satisfaction results have developed very favourably, personnel satisfaction is at an all-time high and DNA’s profitability has also improved significantly. DNA’s cash flow after investments also improved notably. DNA’s operating profit was 8.8 per cent of net sales in 2015, in comparison to 3.1 per cent in 2014.

In corporate business, we significantly increased our subscription base and signed important new agreements in 2015. The acquisition of TDC’s Finnish operations has made us even better equipped to provide enterprise-class corporate network solutions, also at an international scale.

Data volumes in our 4G network tripled between the end of 2014 and end of 2015. Data usage per user is expected to grow further. We constructed almost 3,000 new base stations in 2015, some two thirds of them in the 4G network. This pace will continue in 2016. DNA’s 4G network currently covers almost 95% of the population, and will reach 99% by the end of 2016. The construction of the shared network that started in the late spring of 2015 proceeded according to plan and fast 4G connections were available in nearly all of Lapland by the end of the year.

We have made investments in consumer and corporate customer service centres, brand renewal and personnel development in recent years. We have also invested in modern IT systems, analytics tools and network services, which not only allow us to provide measurably good customer experience but also enable efficient and agile productisation and packaging. We will continue the systematic implementation of our strategy in 2016 with the aim of having the most satisfied customers. We will also continue to improve our profitability further.

Jukka Leinonen
President and CEO

* The EPSI Rating Telecom Finland 2015 survey measured satisfaction among corporate and consumer customers in the following categories: mobile phone services, fixed-network broadband services and mobile broadband services. Participants rate seven factors in each category, including brand image, expectations, product quality, service quality, value for money, satisfaction and loyalty. The error margin of the results is +/- 2.5 index points.

Operating environment

The economic situation in Finland remained fragile in 2015, which increased uncertainty also in the telecommunications industry. Different sectors of the industry were influenced by very diverse trends. Of these, the significant expansion of mobile broadband boosted the net sales of the industry as a whole the most. Despite the growth of mobile broadband, the number of fixed-network broadband subscriptions remained steady in Finland. Revenue from voice calls as well as the text message market have been declining steadily in Finland, but this trend is compensated by the growth in mobile data.

Growing numbers of smart phones and tablets as well as the wider availability of 4G speeds further increased data transfer and boosted the mobile data market. The trend of increased smart phone penetration continued, and some 95 per cent of phones sold by DNA in 2015 were smart phones. Demand for 4G subscriptions is also increasing steadily, and some 85 per cent of phones sold by DNA were 4G-capable.

The value of the voice segment in mobile networks is experiencing a downward trend, due to an increase in the use of Internet services. At the same time, the increasingly central role of the Internet in daily lives and business creates new business opportunities for telecom operators.

Consumers spent more time watching TV programmes and videos in 2015, and have several devices for viewing such content*. The use of HDTV services is growing and customers want to watch TV content conveniently at a time that works best for them. The use of online entertainment services increased in 2015. The competitive environment has changed quickly, in particular for entertainment services, as global players have a stronger presence in the market.

Economic uncertainty persisted and continued to affect investment decisions in the corporate market in 2015. Both the public and private sector continued to digitise their business and expand mobile working at an increasing pace, steadily boosting the demand for DNA's corporate subscriptions and services. Industrial Internet and its possibilities also featured strongly in 2015, 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.

Regulation on the European Digital Single Market entered into force at the end of 2015. Its main contents involve roaming charges and strong net neutrality rules. It left significant uncertainty about the roaming regulations and the implementation of net neutrality.

The European Commission presented its Digital Single Market strategy in the spring of 2015 and launched the review of the regulatory framework for electronic communications. Legislative proposals on the reform of the regulatory framework for electronic communications are expected during 2016.

Political agreement on the EU Data Protection Directive reform was reached in December 2015, and final approval is expected in the spring of 2016. The Data Protection Directive and the related review of the Directive on privacy and electronic communications may have an impact on DNA's business.

* DNA's consumer survey on the use of entertainment and digital content 2/2015

Net sales and profit

October–December 2015

Net sales remained at a similar level year-on-year and amounted to EUR 213.9 million (215.7 million). Net sales were fuelled by the positive development of broadband sales. Net sales were burdened by decreased pay-TV service sales as well as lower interconnection prices. During the review period, 72.0 per cent (71.5 per cent) of net sales was generated by Consumer Business and 28.0 per cent (28.5 per cent) by Corporate Business.

EBITDA increased by 15.0 per cent to EUR 54.2 million (47.1 million). The EBITDA percentage of net sales increased to 25.3 per cent (21.8 per cent). The increase was fuelled by improved operational efficiency and a withdrawal from the provision for premises.

Operating profit increased by 174.6 per cent to EUR 19.3 million (7.0 million), or 9.0 per cent of net sales (3.3 per cent). Operating profit was boosted by the improved EBITDA and a decrease in depreciations from the reference period.

There were no non-recurring items affecting EBITDA or operating profit in neither the fourth quarter or the reference period.

Financial income and expenses amounted to EUR -2.6 million (-3.2 million). Income tax for the period was EUR -2.7 million (-0.9 million). Profit for the fourth quarter improved by 371.9 per cent from the reference period and amounted to EUR 14.0 million (3.0 million). Earnings per share came to EUR 1.6 (0.3).

January–December 2015

DNA's net sales remained at a similar level year-on-year and amounted to EUR 828.8 million (831.5 million). Net sales were fuelled by the growth in service net sales (net sales - sales of goods - interconnection). This positive development was fuelled by the acquisition of TDC's Finnish operations and the positive development of broadband service sales. Net sales were burdened by decreased mobile device and pay-TV service sales as well as lower interconnection prices. During the review period, 71.9 per cent (74.6 per cent) of net sales was generated by Consumer Business and 28.1 per cent (25.4 per cent) by Corporate Business.

EBITDA increased by 12.6 per cent to EUR 227.7 million (202.2 million). The EBITDA percentage of net sales increased and came to 27.5 per cent (24.3 per cent). The increase was fuelled by growth in service net sales and improved operational efficiency. EBITDA excluding non-recurring items increased by 8.9 per cent to EUR 226.7 million (208.1 million).

Operating profit increased by 185.5 per cent to EUR 73.1 million (25.6 million), Operating profit as a percentage of net sales increased to 8.8 per cent (3.1 per cent). Operating profit excluding non-recurring items increased by 36.4 per cent to EUR 72.0 million (52.8 million). Operating profit for the reference period of 2014 was burdened by significant non-recurring items.

EBITDA and operating profit for 2015 were affected positively by a non-recurring item, a profit of EUR 1.1 million from the sales of DNA's share in Booxmedia Oy. The non-recurring items affecting EBITDA in the reference period of 2014 were EUR 5.9 million in total, and were mostly related to a provision recognised due to cooperation negotiations. The non-recurring items affecting operating profit in the reference period of 2014 were EUR 27.2 million in total, and were related to the write-down of the PlusTV brand after the introduction of the DNA Welho brand as well as write-downs in relation to renewals in information systems.

Financial income and expenses amounted to EUR -11.5 million (-10.5 million). Income tax for the period was EUR -11.5 million (-2.8 million). Profit for the financial period improved by 303.7 per cent from the reference period and amounted to EUR 50.0 million (12.4 million). The result for the reference period was burdened by non-recurring items. Earnings per share came to EUR 5.9 (1.5).

Consolidated key figures

EUR million	10–12/2015	10–12/2014	Change, %	1–12/2015	1–12/2014	Change, %
Net sales	**213.9**	215.7	-0.8%	**828.8**	831.5	-0.3%
EBITDA	**54.2**	47.1	15.0%	**227.7**	202.2	12.6%
- % of net sales	**25.3%**	21.8%		**27.5%**	24.3%	
EBITDA without non-recurring items	**54.2**	47.1	15.0%	**226.7**	208.1	8.9%
- % of net sales	**25.3%**	21.8%		**27.3%**	25.0%	
Operating profit	**19.3**	7.0	174.6%	**73.1**	25.6	185.5%
- % of net sales	**9.0%**	3.3%		**8.8%**	3.1%	
Operating profit without non-recurring items	**19.3**	7.0	174.6%	**72.0**	52.8	36.4%
- % of net sales	**9.0%**	3.3%		**8.7%**	6.4%	
Profit for the financial period	**14.0**	3.0	371.9%	**50.0**	12.4	303.7%

Key operative indicators

	10–12/2015	10–12/2014	Change, %	1–12/2015	1–12/2014	Change, %
Number of mobile communication network subscriptions at end of period	**2,618,000**	2,505,000	4.5%	**2,618,000**	2,505,000	4.5%
- Revenue per user (ARPU), EUR	**17.0**	16.7	1.8%	**17.0**	17.6	-3.4%
- Customer CHURN rate, %	**15.9**	16.8	-5.4%	**16.0**	16.9	-5.3%
Number of fixed line subscriptions at end of period	**1,120,000**	1,108,000	1.1%	**1,120,000**	1,108,000	1.1%

Cash flow and financial position

October–December 2015

Cash flow after investments was EUR 18.1 million (-8.5 million).

January–December 2015

Cash flow after investments was EUR 97.3 million (-123.7 million). This is particularly due to the acquisition of TDC Ltd Finland and TDC Hosting Ltd 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 40.0 million (115.0 million) was drawn by the end of the review period.

Net gearing decreased and came to 78.5 per cent (95.1 per cent) at the end of 2015. The Group's liquid assets amounted to EUR 25.3 million (10.6 million), and interest-bearing net debt to EUR 412.3 million (479.4 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 190.3 million (225.6 million).

The interest-bearing net debt/EBITDA ratio improved and was 1.81 (2.37) at the end of the review period.

DNA's equity ratio was 44.1 per cent (41.4 per cent) at the end of the review period.
In October, DNA signed a new five-year EUR 100 million loan facility and a five-year EUR 150 million revolving credit facility, which has an option to be extended by a maximum of two years. Both were signed with a group of five Nordic banks. The new loan and revolving credit facility will be allocated to rearranging existing loans and they replace the former EUR 200 million revolving credit facility that was signed in 2011. Furthermore, they will be allocated to general corporate funding purposes.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 4.72 (3.54) per share be paid. Based on the number of shares at the end of the year, the total dividend to be paid comes to EUR 40,062,746.40 (30,041,194,02).

Cash flow and financial key figures

	10–12/2015	10–12/2014	1–12/2015	1–12/2014
Cash flow after investments, EUR million	**18.1**	-8.5	**97.3**	-123.7

	12/31/2015	12/31/2014
Interest bearing net debt, EUR million	**412.3**	479.4
Interest bearing net debt/EBITDA	**1.81**	2.37
Net gearing, %	**78.5**	95.1
Equity ratio, %	**44.1**	41.4

Development per business segment

Consumer business

October–December 2015

Consumer Business net sales remained at a similar level year-on-year and amounted to EUR 154.1 million (154.4 million). Net sales were burdened by lower interconnection prices and weaker demand for pay-TV services. They were boosted by the positive development in broadband service sales. EBITDA increased by 13.5 per cent and came to EUR 35.0 million (30.8 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 22.7 (20.0 per cent). Consumer Business operating profit increased by 97.6 per cent to EUR 12.4 million (6.3 million), or 8.1 per cent of Consumer Business net sales (4.1 per cent). There were no non-recurring items affecting EBITDA or operating profit in neither the fourth quarter or the reference period. Depreciation to the amount of EUR 22.6 million (24.5 million) was allocated to Consumer Business.

In November, the Finnish Government granted DNA terrestrial network operating licences in the VHF network in multiplexes VHF A, VHF B and VHF C, for a ten-year period beginning in early January 2017. These licences are an extension to DNA's current operating licences and enable DNA to continue the development of the terrestrial TV network according to plan.

In December, DNA and a Russian operator Aiva Mobile launched a prepaid subscription for affordable calls between Finland and Russia. It is the first service of this kind to be launched in Finland. The prepaid subscription consists of a single SIM card with both DNA Double Prepaid and Aiva Mobile Finland subscriptions.

DNA was again successful in the annual EPSI Rating survey on mobile operators' customer satisfaction. Customer satisfaction and loyalty among DNA's consumer customers improved during the year.

January–December 2015

Consumer Business net sales decreased by 3.9 per cent to EUR 596.3 million (620.4 million). This was mostly due to decreased mobile device and pay-TV service sales in the beginning of the year, as well as lower interconnection prices. Broadband service sales had a positive impact on net sales. EBITDA increased by 9.4 per cent and came to EUR 154.6 million (141.3 million). The increase was fuelled by the development of net sales for services and improved operational efficiency. The EBITDA percentage of net sales increased to 25.9 (22.8 per cent). Operating profit increased by 143.9 per cent to EUR 56.0 million (23.0 million), or 9.4 per cent of Consumer Business net sales (3.7 per cent). Operating profit excluding non-recurring items increased by 31,2 per cent to EUR 56.0 million (42.7 million). Operating profit and depreciation for the reference period were burdened by non-recurring items. Depreciation to the amount of EUR 98.6 million (118.4 million) was allocated to Consumer Business.

Consumer business

EUR million	10–12/2015	10–12/2014	Change, %	1–12/2015	1–12/2014	Change, %
Net sales	**154.1**	154.4	-0.1%	**596.3**	620.4	-3.9%
EBITDA	**35.0**	30.8	13.5%	**154.6**	141.3	9.4%
- % of net sales	**22.7%**	20.0%		**25.9%**	22.8%	
EBITDA without non-recurring items	**35.0**	30.8	13.7%	**154.6**	143.0	8.1%
- % of net sales	**22.7%**	20.0%		**25.9%**	23.1%	
Operating profit/loss	**12.4**	6.3	97.6%	**56.0**	23.0	143.8%
- % of net sales	**8.1%**	4.1%		**9.4%**	3.7%	
Operating profit without non-recurring items	**12.4**	6.3	97.6%	**56.0**	42.7	31.2%
- % of net sales	**8.1%**	4.1%		**9.4%**	6.9%	

Corporate business

October–December 2015

Corporate Business net sales decreased by 2.6 per cent to EUR 59.8 million (61.4 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 17.6 per cent to EUR 19.2 million (16.3 million), or 32.1 per cent of net sales (26.5 per cent).The increase was fuelled by a withdrawal from the provision for premises. Operating profit grew to EUR 6.8 million (0.7 million), or 11.4 per cent of net sales (1.1 per cent). There were no non-recurring items affecting EBITDA or operating profit in the reporting or the reference period.Depreciation to the amount of EUR 12.3 million (15.5 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 fourth quarter.

For example, DNA signed an agreement on the delivery of a communications services package for the cities of Tampere, Nokia, Orivesi and Ylöjärvi and surrounding municipalities. The service package includes mobile subscriptions, mobile data, reachability and attendant services as well as customer service solutions.

Cooperation with welding solutions provider Kemppi expanded in the fourth quarter. According to the new agreement, DNA will sell Kemppi significant value-added services and will also expand the geographic coverage of the implementations. In the future, DNA will provide products and services for the 13 Kemppi subsidiaries around the world.

DNA topped the EPSI Rating survey results among operators' corporate customers across the board. DNA's corporate customers were the most satisfied in all three product categories: mobile voice, mobile broadband and fixed-network broadband.

DNA was the first operator in Finland to launch secure and guaranteed closed network connections to Microsoft Azure and Amazon Web Services (AWS) cloud service centres.

January–December 2015

Corporate Business net sales increased by 10.1 per cent to EUR 232.5 million (211.2 million). This increase was fuelled in particular by the increase in the service net sales due to the acquisition of TDC's Finnish operations. EBITDA increased by 20.1 per cent to EUR 73.1 million (60.9 million), or 31.4 per cent of net sales (28.8 per cent).The increase was fuelled by the development of service net sales, improved operational efficiency and a withdrawal from the provision for premises. Operating profit grew to EUR 17.1 million (2.6 million), or 7.3 per cent of net sales (1.2 per cent). Depreciation to the amount of EUR 56.1 million (58.3 million) was allocated to Corporate Business.

Corporate business

EUR million	10–12/2015	10–12/2014	Change, %	1–12/2015	1–12/2014	Change, %
Net sales	**59.8**	61.4	-2.6%	**232.5**	211.2	10.1%
EBITDA	**19.2**	16.3	17.6%	**73.1**	60.9	20.1%
- % of net sales	**32.1%**	26.5%		**31.4%**	28.8%	
EBITDA without non-recurring items	**19.2**	16.3	17.6%	**73.1**	65.1	12.3%
- % of net sales	**32.1%**	26.5%		**31.4%**	30.8%	
Operating profit/loss	**6.8**	0.7	877.4%	**17.1**	2.6	550.3%
- % of net sales	**11.4%**	1.1%		**7.3%**	1.2%	
Operating profit without non-recurring items	**6.8**	0.7	877.4%	**17.1**	10.2	67.5%
- % of net sales	**11.4%**	1.1%		**7.3%**	4.8%	

Investments

October–December 2015

Investments amounted to EUR 70.9 million (66.9 million), or 33.2 per cent of net sales (31.0 per cent). Capital expenditure (including licenses) came to EUR 69.1 million (65.4 million), or 32.3 per cent of net sales (30.3 per cent). Investments in licenses in the fourth quarter amounted to EUR 6.7 million in both 2015 and 2014. Capital expenditure increased by 7.1 per cent year-on-year.

January–December 2015

Investments amounted to EUR 154.7 million (146.9 million), or 18.7 per cent of net sales (18.0 per cent). Capital expenditure (including licenses) came to EUR 149.6 million (144.8 million), or 18.1 per cent of net sales (17.4 per cent). Investments in licenses amounted to EUR 6.7 million. Capital expenditure increased by 3.4 per cent year-on-year.

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

Investments

EUR million	10–12/2015	10–12/2014	Change, %	1–12/2015	1-9/2014	Change, %
Consumer business	46.1	45.3	1.9%	101.5	98.7	2.8%
Corporate business	23.0	20.1	14.2%	48.2	46.1	4.5%
Un-allocated	1.8	1.5	21.1%	5.0	4.8	4.7%
Total investments	**70.9**	66.9	6.0%	**154.7**	149.6	3.4%

Network infrastructure

DNA makes continuous investments in high-speed mobile networks and fixed-network broadband to support the customers' growing use of subscriptions, devices and online services. In 2015, DNA' continued to expand its 4G and 3G networks by adding almost 3,000 base stations, some two thirds of which to the 4G network. DNA's 4G LTE network expanded in the fourth quarter in particular in Lapland, and was enhanced further in the areas of Hämeenlinna, Kouvola and Seinäjoki. At the end of 2015, DNA's 4G LTE network reached almost 5 million Finns (in excess of 4.5 million on 31 December 2014). It will reach nationwide coverage of over 99 per cent by the end of 2016. DNA's 3G network reaches over 99 per cent of the population.

4G traffic volumes tripled in DNA's networks during 2015, and up to 67 per cent of all mobile data was transferred in the 4G network at the end of the 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.It constructed more than 500 base stations in Northern Finland by the end of 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.A shared network enables a faster construction of the mobile network and will provide data transfer speeds in Northern Finland that are dozens of times faster than those available now.

DNA updated its cable network frequencies in all service areas during the spring and summer. The updates improved network performance, enabling DNA to offer, for example, a wider range of HD channels and more capacity for high quality cable broadband.

According to a study published by telecommunications expert Omnitele in November 2015, DNA had the greatest average inbound speeds in nine of Finland's ten largest cities. The survey covered Finland's three main operators.

Personnel

At the end of December 2015, DNA Group had 1,672 employees (1,748 employees), of which 673 were women (721) and 999 men (1,027). The decrease is due to the cooperative negotiations that took place after the acquisition of TDC's Finnish operations in August-October 2014 to establish a new DNA Business unit.

Salaries and employee benefit expenses paid during the fourth quarter amounted to EUR 28.1 million (26.8 million) and during the year 2015 to EUR 106.9 million (101.0 million).

Personnel by business segment

	12/31/2015	12/31/2014	Change, %
Consumer business	1,000	1,039	-3.8%
Corporate business	672	709	-5.2%
Total personnel	**1,672**	1,748	-4.3%

Changes in the Group structure and significant litigation matters

Changes in the Group structure

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

Significant litigation matters

According to the Competition Act, the Finnish Competition and Consumer Authority (FCCA) carried out an inspection at DNA Ltd on 4 November 2014 in relation to the mobile communication network partnership announced by DNA and TeliaSonera Finland on 20 August 2014. Inspections under the Competition Act are part of the normal operations of the Finnish Competition and Consumer Authority. The fact that an inspection is carried out is not an indication of guilt on the part of the audited organisation. FCCA issued a decision on 5 November 2015, stating that the network partnership of DNA and TeliaSonera creates concrete benefits to residents in Northern and Eastern Finland. However, the authority also expressed concern that the network partnership may restrict competition in the mobile communications market. As a result, DNA and TeliaSonera offered FCCA commitments that ensure competition and FCCA closed the inspection after these came into force.

On 29 April 2015, the Finnish Communications Regulatory Authority (FICORA) issued a decision on maximum prices charged for local loops by operators deemed to have significant market power (SMP). DNA made an appeal to the Supreme Administrative Court against this decision and requested suspension of its implementation. Due to the decision of the Supreme Administrative Court on 6 July 2015 to suspend the implementation of FICORA's decision, DNA cancelled the price list change pursuant to the decision.

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 2015

DNA Ltd's Annual General Meeting was held on 26 March 2015. 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 2014. According to the proposal by the Board of Directors, the AGM agreed to pay a dividend of EUR 3.54 per share, at a total of EUR 30,041,194.02, to DNA's shareholders. No dividend will be paid for treasury shares held by the company itself.

Board members and remuneration

Number of Board members was confirmed to be six. Re-elected members of the Board include Jarmo Leino, Jukka Ottela, Kirsi Sormunen, Tero Ojanperä and Anu Nissinen. The AGM elected Margus Schults as a new member to the Board of Directors. D. Tech. Margus Schults is the CEO of TallinkSilja Oy.

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 Chairmans, 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 (9,618,357 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 2016. This authorisation cancels the previous authorisation.

Establishment of a permanent appointment commission

The Annual General Meeting decided to establish a permanent appointment commission comprising shareholders or shareholders' representatives. The Nomination Committee is tasked with the preparation of proposals for the Annual General Meeting regarding Board members' election and their remuneration. The committee consists of three members appointed by the shareholders. The three shareholders entered in the company's shareholders' register maintained by Euroclear Finland Ltd whose portion of the votes produced by all the shares in the company according to the shareholders' register are the greatest on 1 September shall have the right to appoint members representing shareholders.

DNA's Corporate Governance Statement is part of the company Annual Report published on 7 March 2016.

Shares and shareholders

Shareholders

On 31 December 2015, 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.

Owners (10 biggest):

	12/31/2015
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%

Shares

At the end of the review period, the company's shares totalled 9,618,357 (9,611,277 on 31 December 2014) and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65 (EUR 72,702,225.65 on 31 December 2014). At the end of the review period, the company held 1,130,487 treasury shares (1,132,144 on 31 December 2014), 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. There were no changes in the number of shares in the fourth quarter.

Corporate responsibility

DNA's responsibility strategy and objectives were update in the fourth quarter of 2015. Responsibility strategy supports DNA's business objectives and emphasises DNA's responsible attitude towards its customers. The strategy also 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.

As part of the implementation of the new responsibility strategy, DNA moved to electricity produced solely from renewable resources in its direct electricity procurement in November. Green electricity is estimated to reduce the indirect greenhouse gas emissions from DNA's own energy consumption by 40 per cent by the end of 2016, which means about 13,000 tonnes less greenhouse gases per year. The use of renewable energy sources is ensured by Guarantees of Origin.

Modernisation of radio network base stations continued as planned throughout 2015. By the end of December 2015, more than 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 Koulua" 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 business risks and uncertainties is available in the Annual Report, which will be published on 7 March 2016.

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 of telecommunications solutions. 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 services must be productised quickly and cost-efficiently.

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.

International players have a strong presence in the competitive environment of TV and entertainment services. DNA faces competition from many providers of TV services, such as cable and terrestrial TV service providers similar to DNA as well as service providers that use other distribution channels, such as OTT services (over-the-top content, including time-shift viewing without a separate receiver and multi-screen services that allow consumers to view TV channels on their smart phones or tablets). The role of media companies' own distribution channels 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 expectations 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. 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.

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 2015.

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

There have been no significant events after the review period.

Outlook for 2015

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.

DNA's operating environment is undergoing changes, which is reflected in particular in the increasingly important role of mobile data and content and value added services as well as an expansion of the traditional operator market to new areas. 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 as a result of increase in mobile data usage per user.

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 and intense competition in the mobile communication and fixed-line broadband markets in particular.

It is anticipated that consumer demand for broadband and entertainment services in particular will continue to increase. Fixed-network broadband customers are expected to continue to switch to housing company subscriptions and higher-speed connections. Competition in the housing company subscriptions market is anticipated to remain intense, and increased competition should lead to a further decrease of ARPU. In entertainment services, the role of traditional, linear pay-TV services in the terrestrial and cable networks will become less important, although they will still be popular, in particular for sports content. Growth areas in entertainment include on-demand video and programme library services as well as entertainment services that utilise several types of devices and distribution technologies.

Decline in the SMS and voice revenue in both the fixed and mobile network is a clear trend in Finland and all other Nordic countries. The market for fixed-network voice services is expected to continue declining. The total number of broadband subscriptions in the fixed-network is expected to remain relatively steady.

Workforces are increasingly networked and mobile and their work more flexible. More mobile and versatile ways of working will boost demand in the corporate segment, in particular for services related to unified and wireless data communications. This is reflected in the growing importance of mobile data in comparison with other communications services. Companies also increasingly interested in cloud services, migrating their applications to the cloud to increase their operational efficiency. Cloud applications require reliable data connections, which boosts the demand for connections with redundancy and high speeds.

Industrial Internet is part of the new digital shift in the business world, at the core of which are increasingly smart and connected products and services that provide real-time information about their status and properties. The M2M subscription base will continue to grow.

The demand for customer network services, such as fast Internet connections and information security solutions, is anticipated to continue to increase. Reliable and effectively managed ICT infrastructure will become increasingly vital for businesses. The total value of the telecommunications market is expected to fall slightly in 2016.

DNA's outlook for 2016

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.

The figures in the Financial Statements Bulletin are unaudited.

DNA Ltd
Board of Directors

DNA's financial publications in 2016:

21 April 2016	Interim Report January–March 2016
15 July 2016	Interim Report January–June 2016
20 October 2016	Interim Report January–September 2016

Consolidated income statement, IFRS

EUR million	1 Oct -31 Dec 2015	1 Oct -31 Dec 2014	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
Net sales	**213.9**	**215.7**	**828.8**	**831.5**
Other operating income	1.0	0.3	4.3	1.8
Materials and services	-100.4	-107.2	-375.0	-407.3
Employee benefit expenses	-28.1	-26.8	-106.9	-101.0
Depreciation and impairments	-34.9	-40.1	-154.6	-176.6
Other operating expenses	-32.3	-34.9	-123.5	-122.8
Operating result, EBIT	**19.3**	**7.0**	**73.1**	**25.6**
Financial income	0.3	0.2	1.0	0.9
Financial expense	-2.9	-3.4	-12.5	-11.3
Share of associated companies' results	0.0	0.1	0.0	0.0
Net profit before tax	**16.7**	**3.9**	**61.6**	**15.2**
Income tax	-2.7	-0.9	-11.5	-2.8
Net profit for the period	**14.0**	**3.0**	**50.0**	**12.4**
Net profit attributable to:				
Owners of the parent	14.0	3.0	50.0	12.4
Earnings per share of the profit attributable to equity holders of the parent company				
Basic earnings per share, EUR	1.6	0.3	5.9	1.5
Average number of shares				
- Basic	8,488	8,479	8,487	8,479

Consolidated statement of comprehensive income

Net profit for the period	14.0	3.0	50.0	12.4
Items that will not be reclassified to profit or loss:				
Actuarian gains (losses) on defined benefit pension plans	0.3	-0.4	0.2	-0.5
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges	0.0	0.1	0.1	0.2
Other comprehensive income, net of tax	0.3	-0.4	0.4	-0.4
Total comprehensive income	**14.3**	**2.6**	**50.4**	**12.0**
Comprehensive income attributable to:				
Owners of the parent	14.3	2.6	50.4	12.0

Consolidated statement of financial position, IFRS

EUR million	30 Dec 2015	31 Dec 2014
Assets		
Non-current assets		
Goodwill	327.2	327.2
Other intangible assets	158.4	176.9
Property, plant and equipment	443.9	432.4
Investments in associates	1.2	2.2
Available-for-sale financial assets	0.2	0.2
Trade and other receivables	37.9	40.4
Deferred tax assets	18.8	31.2
Total non-current assets	**987.6**	**1,010.5**
Current assets		
Inventories	21.1	19.5
Trade and other receivables	176.6	189.0
Tax receivable	5.9	11.6
Cash and cash equivalents	25.3	10.6
Total current assets	**228.9**	**230.7**
Total assets	**1,216.5**	**1,241.2**
Shareholders' equity		
Equity attributable to owners of the parent		
Share capital	72.7	72.7
Other reserves	607.3	607.2
Treasury shares	-103.4	-103.5
Retained earnings	-101.8	-84.6
Profit for the year	50.0	12.4
Total equity	**524.9**	**504.1**
Liabilities		
Non-current liabilities		
Interest-bearing non-current liabilities	362.3	327.1
Retirement benefit obligations	1.9	2.2

Provision for other liabilities	13.0	20.1
Deferred income tax liabilities	28.3	32.5
Other non-current liabilities	12.5	19.6
Total non-current liabilities	**418.1**	**401.5**
Current liabilities		
Interest-bearing current liabilities	75.2	162.9
Provisions for other liabilities	1.0	3.1
Derivative financial instruments	0,0	0.1
Trade and other payables	197.3	169.3
Current income tax liabilities	0.0	0.1
Total current liabilities	**273.5**	**335.6**
Total liabilities	**691.6**	**737.0**
Total equity and liabilities	**1,216.5**	**1,241.2**

Condensed consolidated statement of cash flows, IFRS

EUR million	Jan-Dec 2015	Jan-Dec 2014
Cash flows from operating activities		
Profit for the period	50.0	12.4
Depreciation and impairments	154.6	176.6
Change in working capital	42.1	0.6
Other adjustments	3.0	-8.0
Net cash generated from operating activities (A)	**249.7**	**181.6**
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	-155.1	-149.6
Proceeds from sale of PPE	1.0	1.6
Acquisition of subsidiaries and business transfers	0,0	-156.8
Change in other investments	1.6	-0.4
Net cash used in investing activities (B)	**-152.5**	**-305.2**
Cash flows from financing activities		
Share issue	0.2	0.6
Dividends paid	-30.0	-30.0
Borrowing of interest-bearing liabilities	274.6	544.0
Repayment of interest-bearing liabilities	-327.3	-407.3
Net cash used in financing activities (C)	**-82.6**	**107.3**
Change in cash and cash equivalents (A+B+C)	14.7	-16.4
Cash and cash equivalents at beginning of year	10.6	27.1
Cash and cash equivalents at end of year	25.3	10.6

Consolidated statement of changes in equity

EUR million	Share capital	Hedge fund	Unrestricted equity reserve	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2014	**72.7**	**-0.3**	**606.8**	**-103.5**	**-54.4**	**521.2**
Comprehensive income						
Profit for the period					12.4	12.4
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					-0.5	-0.5
Cash flow hedges, net of tax		0.1				0.1
Total other comprehensive income, net of tax		**0.1**			**-0.5**	**-0.4**
Total comprehensive income	**0,0**	**0.1**	**0,0**	**0,0**	**11.9**	**12.0**
Transactions with owners						
Share issue			0.6			0.6
Employee share option scheme: granted options					0.3	0.3
Dividends relating to 2013					-30.0	-30.0
Total contribution by and distributions to owners	**0,0**	**0,0**	**0.6**	**0,0**	**-29.6**	**-29.6**
Balance at 31 December 2014	**72.7**	**-0.2**	**607.3**	**-103.5**	**-72.2**	**504.1**
Balance at 1 January 2015	**72.7**	**-0.1**	**607.3**	**-103.5**	**-72.2**	**504.1**
Comprehensive income						
Profit for the period					50.0	50.0
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					0.2	0.2
Cash flow hedges, net of tax		0.1				0.1
Total other comprehensive income, net of tax		**0.1**			**0.2**	**0.4**
Total comprehensive income	**0,0**	**0.1**	**0,0**	**0,0**	**50.3**	**50.4**
Transactions with owners						
Employee share option scheme					0.4	0.4
Share transfer				0.2	-0.2	0,0
Dividends relating to 2014					-30.0	-30.0
Total contribution by and distributions to owners	**0,0**	**0,0**	**0.0**	**0.2**	**-29.7**	**-29.5**
Balance at 31 December 2015	**72.7**	**0.0**	**607.3**	**-103.4**	**-51.7**	**524.9**

Notes

1 Accounting principles

This financial statements bulletin 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 2014 with the exception of new and modified standards effective as of 1st of January 2015 which have not effected the DNA group financial statments. This interim report should be read observing the 2014 Financial Statements. The information presented in the interim report is anaudited.

2 Segment information

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

1 Oct–31 Dec 2015			
EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**154,137**	**59,805**	**213,942**
EBITDA	**35,017**	**19,168**	**54,185**
Depreciation	22,565	12,330	34,895
Operating result, EBIT	**12,452**	**6,839**	**19,290**
Net financial items			-2,583
Share of associated companies' results			4
Profit before tax			16,711
Profit for the period			**13,979**
Investments	46,146	22,951	69,096
Employees at end of period	1,000	672	1,672

1 Oct–31 Dec 2014			
EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**154,357**	**61,386**	**215,743**
EBITDA	**30,841**	**16,269**	**47,110**
Depreciation	24,545	15,541	40,085
Operating result, EBIT	**6,296**	**729**	**7,025**
Net financial items			-3,230
Share of associated companies' results			61
Profit before tax			3,856
Profit for the period			**2,963**
Investments	45,354	20,005	65,359
Employees at end of period	1,039	709	1,748

1 Jan–31 Dec 2015			
EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**596,250**	**232,550**	**828,800**
EBITDA	**154,573**	**73,141**	**227,715**

Depreciation	98,565	56,057	**154,622**
Operating result, EBIT	**56,008**	**17,084**	**73,093**
Net financial items			-11,514
Share of associated companies' results			14
Profit before tax			61,593
Profit for the period			**50,049**
Investments	101,466	48,171	149,636
Employees at end of period	1,000	672	1,672

1 Jan–31 Dec 2014

EUR 1,000 **Business segments**	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**620,372**	**211,168**	**831,541**
EBITDA	**141,339**	**60,888**	**202,227**
Depreciation	118,366	58,260	**176,626**
Operating result, EBIT	**22,974**	**2,628**	**25,601**
Net financial items			-10,451
Share of associated companies' results			17
Profit before tax			15,168
Profit for the period			**12,397**
Investments	98,748	46,053	144,801
Employees at end of period	1,039	709	1,748

3 Investments

EUR 1,000		Oct–Dec 2015	Oct–Dec 2014	Jan–Dec 2015	Jan–Dec 2014
Capital expenditure*					
	Intangible assets	17,549	13,378	37,306	32,312
	Property, plant and equipment	53,375	53,492	117,358	117,241
Total		**70,924**	**66,870**	**154,664**	**149,553**

*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
At 1 January 2014	**9,611**	**72,702**	**606,779**
Share issue	1		557
At 31 December 2014	**9,611**	**72,702**	**607,335**
Share issue	**6**		**0**
At 31 December 2015	**9,618**	**72,702**	**607,335**

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

DNA Ltd has one share type. The total number of shares is 9,618,357 (9,611,277). 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 26 March 2015 approved a payment of dividend (EUR 3.54 per share) totalling EUR 30,041,194.02. The dividend was paid on 7 April 2015.

5 Net liabilities

EUR 1,000	31 December 2015	31 December 2014
Non-current and current interest-bearing liabilities	437,543	490,035
Less short-term investments, cash and bank balances	25,265	10,599
Total	**412,278**	**479,436**

6 Provisions for other liabilities

EUR 1,000	1 Jan 2015	Additions	Provisions used	Other changes/Discount effect	31 Dec 2015
Decommissioning provisions	9,211	1	-649	0	**8,563**
Restructuring provisions	2,114	0	-1,961	0	**152**
Onerous contracts	11,780	869	-1,129	-6,586	**4,935**
Other provision	89	376	0	-89	**376**
Total	**23,194**	**1,246**	**-3,739**	**-6,675**	**14,027**

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 excercises significant influence is considered a related party.

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

EUR 1,000	Sales	Purchases	Receivables	Liabilities
12/2014				
Organisations exercising significant influence	27	3,859	2	2
Associated companies	0	617	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.

Plan

Granting date	12 Dec 2014
Amount of granted instruments	6,475
Share price at granting date	95.51
Fair value	
Base matching share	95.51
Performance share	315.00
Valid until	31 May 2019
Expected life	4 years
Implementation	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.

During 2015, 125 shares were returned. Additionnally, 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	22 May 2015
Amount of granted instruments	375
Share price at granting date	95.51
Fair value	
Base matching share	95.51
Performance share	315.00
Valid until	31 May 2019
Expected life	4 years
Implementation	As shares and cash

The board of directors received share-based payments of 134,384.57 euro.
The debt recorded in the balance sheet relating to the share-based reward plan was 377,790.40 (0.0)

9 Derivative fair value measurement hierarchy

The market value of the interest rate swaps have been determined by discounting market interest rates.

No hierarchy transfers have been made

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Other inputs observable either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Unobservable inputs

30 September 2015			
	Level 1	**Level 2**	**Level 3**
Liabilities 1000€			
Interest rate swaps			
Derivatives hedge accounting		0	
Total		0	

31 December 2014			
	Level 1	**Level 2**	**Level 3**
Liabilities 1000€			
Interest rate swaps			
Derivatives hedge accounting		150	
Total		150	

Key figures

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Equity per share, EUR	61.8	59.5	61.8	59.5
Interest bearing net liabilities, EUR million	412.3	479.4	412.3	479.4
Net gearing, %	78.5%	95.1%	78.5%	95.1%
Equity ratio, %	44.1%	41.4%	44.1%	41.4%
Interest bearing net debt/EBITDA	1.90	2.54	1.81	2.37
Return on investment (ROI), %	8.2%	2.9%	7.6%	2.8%
Return on equity (ROE), %	10.8%	2.4%	9.7%	2.4%
Investments, EUR million	70.9	66.9	154.7	149.6
Investments, % of net sales	33.2%	31.0%	18.7%	18.0%
Personnel at end of period	1,672	1,748	1,672	1,748

Key operative indicators

Mobile communication network subscription volumes:

Number of:	30 Sep 2015	30 Sep 2014	31 Dec 2015	31 Dec 2014
Subscriptions*	2,577,000	2,496,000	2,618,000	2,505,000
DNA's own customers*	2,574,000	2,470,000	2,615,000	2,483,000

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Revenue per subscription (ARPU), EUR**	17.0	16.7	17.0	17.6
Customer churn rate, %**	15.9	16.8	16.0	16.9

*Includes only mobile broadband

**Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	30 Sep 2015	30 Sep 2014	31 Dec 2015	31 Dec 2014
Broadband subscriptions	430,000	411,000	436,000	415,000
Cable TV subscriptions	599,000	591,000	606,000	593,000
Telephone subscriptions	82,000	102,000	78,000	100,000

Calculation of the key indicators

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

* 12-month adjusted