ANNUAL REPORT
2015

Index

Stronger position in a competitive market

2015 was a very successful year for DNA despite intense competition and the fragile economic situation in Finland. Our profitability in particular improved, and we reported the largest operating profit in the history of DNA. While our net sales remained steady year-on-year, we can be satisfied with the growth of our service net sales and customer base. Customer satisfaction developed favourably, as did customer loyalty. Personnel satisfaction is at an all-time high at DNA, which is an excellent foundation for our future. Our new brand was launched successfully: research data suggests that DNA is perceived as a more attractive choice in the market.

Improved profitability

Our EBITDA increased by 12.6 per cent to EUR 227.7 million and our operating profit nearly tripled from 2014. DNA's profitability was boosted by increased service net sales and improved operational efficiency. While interconnection earnings and mobile devices sales fell from 2014, our service net sales were boosted by the acquisition of TDC's Finnish operations and mobile communication service sales. Investments remained at a high level in 2015 as planned. Our subscription base continued to grow, boosted in particular by the high demand for broadband services in both mobile and fixed networks.

The customer comes first

Our rigorous efforts to improve DNA's customer experience continued to provide good results. DNA again topped every corporate service category of the EPSI Rating customer satisfaction survey, and also scored the highest customer satisfaction score for mobile broadband in the consumer segment. We placed special emphasis on customer service development, which further improved our customer satisfaction. We will continue the systematic development of customer experience according to our strategy, with the aim of having the most satisfied customers.

> **Our subscription base continued to grow, boosted in particular by the high demand for broadband services in both mobile and fixed networks.**

DNA'S 4G LTE networks expand quickly

We continued to make significant investments to expand our 4G networks, which covered 93 per cent of the population at the end of 2015. Total mobile data volumes in our networks doubled again, and even tripled in our 4G networks. Suomen Yhteisverkko started the construction of the shared network in the spring of 2015 and the project proceeded according to plan; the 4G network was completed in Northern Finland according to the planned schedule. The quality of our mobile data service has remained good despite the extremely strong growth of 4G traffic volumes. According to several measurements in 2015, DNA's 4G was the fastest in almost all most populous cities in Finland.

DNA TV responds to consumers' changing viewing habits

We launched a multi-channel DNA TV service in the first half of 2015, allowing the viewing of TV content in the cable and terrestrial networks as well as the fixed and mobile broadband networks. The service has been well received, boosting the demand for broadband services and improving customer loyalty. 4G-based services have also enjoyed strong growth.

New, stronger corporate business

Reshaped in 2015, DNA's Corporate Business was off to a strong start, growing both its subscription and customer base despite intense competition. We became a more competitive provider of enterprise-class corporate network solutions, also on an international scale. An increasing number of organisations are interested in Industrial Internet solutions, and DNA placed special emphasis on the development of its Industrial Internet concept and subscription offering.

Revised responsibility strategy

We revised our corporate responsibility strategy in 2015 to align it even better with our business and place special emphasis on the responsibility for our customers. As climate change manifests itself, we changed our direct procurement of electricity in 2015 and are now using 100% renewable energy.

Positive outlook for 2016

Overall, we managed to achieve our strategic goals well in 2015: our customer satisfaction and customer loyalty improved, the Great Place to Work results signalled that our personnel satisfaction is at an all-time high, our profitability improved significantly, we grew our service net sales and expanded our customer base. The outlook is positive as we start the new year. Net sales are expected to remain at a similar level and operating profit is expected to grow significantly in 2016 compared to 2015.

Jukka Leinonen

DNA's year 2015 in figures

DNA Welho MatkaTV has more than
200,000
users

In excess of
300 per cent
more data was transferred in the 4G network than in 2014

Cable-TV customers totalled
606,000

Smart phones accounted for
95 per cent
for all phones sold

DNA's 4G network reaches more than
93 per cent
of Finns

DNA 4G network is available in
244
municipalities

The number of LTE subscribers increased by more than
175 per cent

Almost
67 per cent
of mobile data was transferred in the LTE network at the end of 2015

Fixed-network subscription base up by
12,000

Mobile communications subscription base up by
113,000

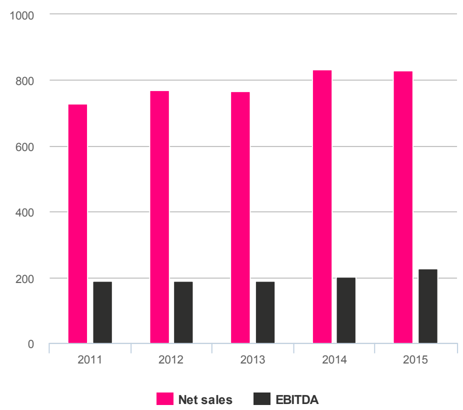
The average data speed in the 4G/LTE network was some
6 times faster
than in the 3G network

More than
20,396
kilometres of fibre-optic cable

Financial development in 2015

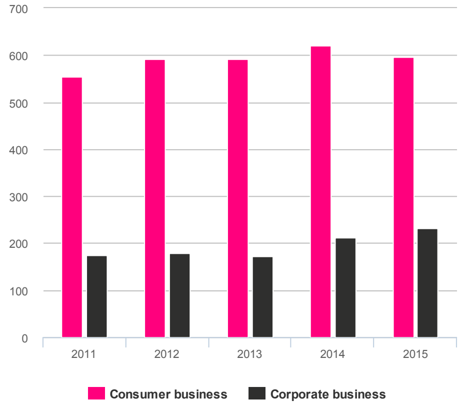
Growth

Net sales and EBITDA, EUR million



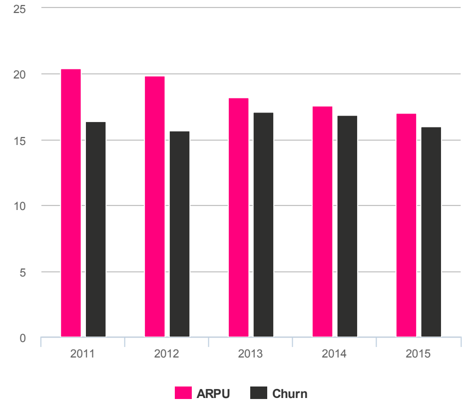
- Net sales were fuelled by the growth in service net sales (net sales - sales of goods - interconnection). This positive development was fuelled by the acquisition of TDC's Finnish operations and the good development of broadband service sales.
- Net sales were burdened by decreased mobile device and pay-TV service sales as well as lower interconnection prices.
- EBITDA increase was fuelled by the acquisition of TDC's Finnish operations and improved operational efficiency.

Net sales, consumer and corporate business, M €



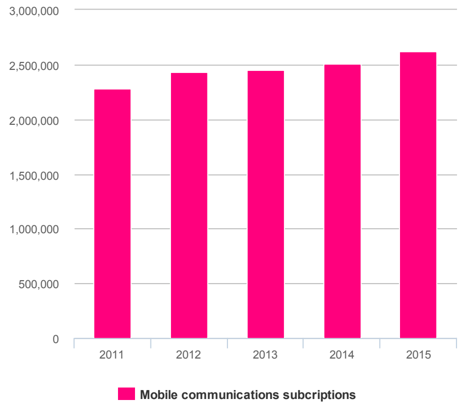
ARPU and Churn

ARPU = Revenue per user
Churn = Mobile communication subscription turnover rate



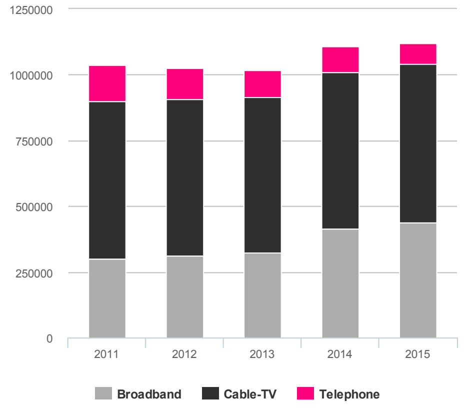
Mobile communications subcriptions*

*voice and mobile broadband



- Mobile communication subscription base grew by 113,000 (+4.5 per cent)
- DNA's result is fuelled by the growing demand for mobile data, which is reflected in the growing share of faster 4G subscriptions.
- Mobile communication subscription base has increased steadily in recent years

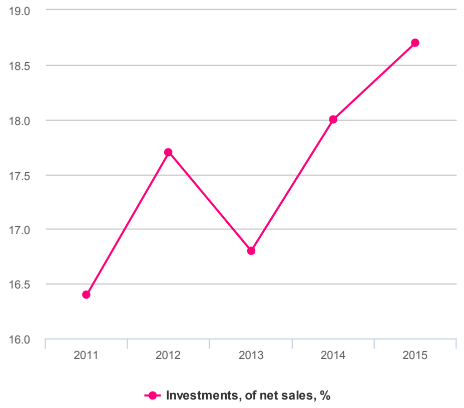
Fixed-network subscriptions



- Fixed-network subscription base has increased slightly despite the decrease in fixed voice subscriptions.
- Fixed-network subscription base increased by 12,000
- Especially the number of fixed-network broadband subscriptions increased (+5.1 %)

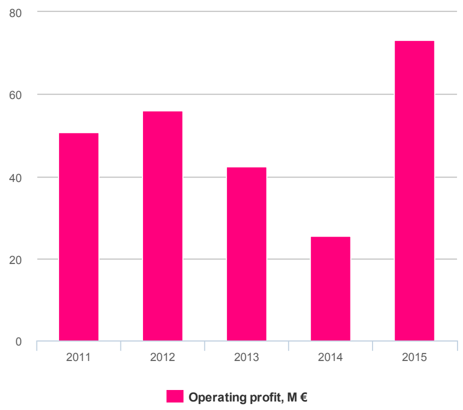
Investments, EUR million

Investments, of net sales, %



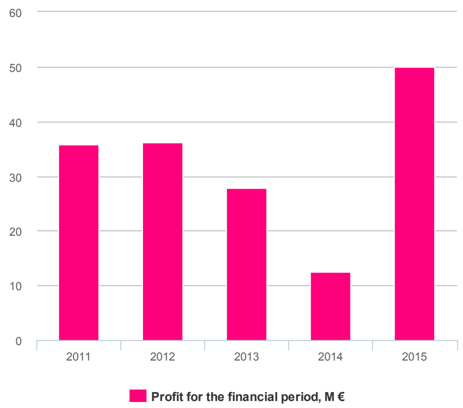
Profitability

Operating profit, M €

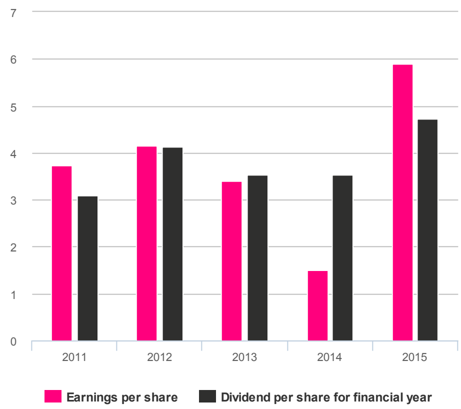


- Operating profit increased by 185.5 per cent to EUR 73.1 million
- Operating profit as a percentage of net sales increased to 8.8 per cent (3.1 per cent)
- The increase was fuelled by growth in service net sales and improved operational efficiency.
- Operating profit for the reference period of 2014 was burdened by significant non-recurring items.
- Operating profit excluding nonrecurring items increased by 36.4 per cent to EUR 72.0 million.

Profit for the financial period, M €

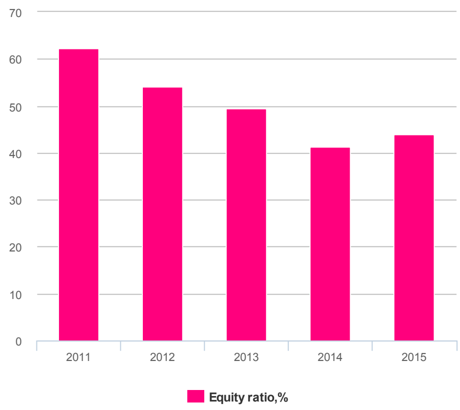


Per-share indicators, EUR

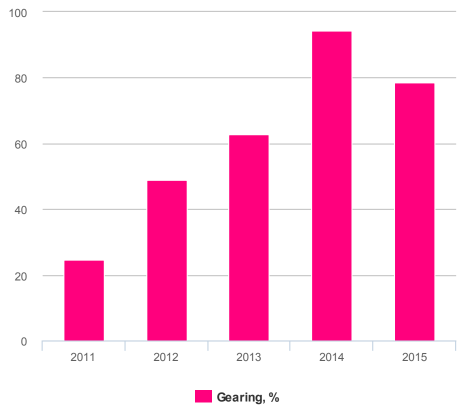


Solvency

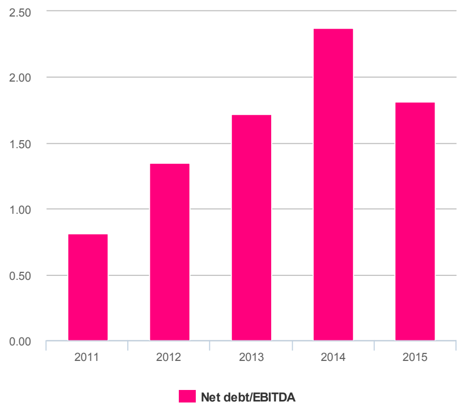
Equity ratio, %



Net gearing, %

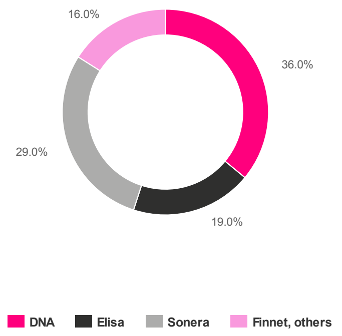


Net debt/EBITDA, %



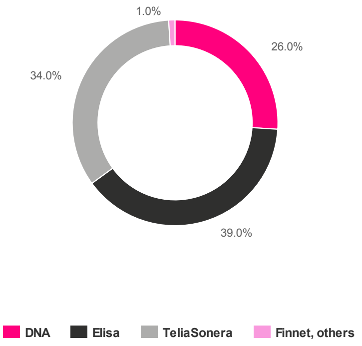
Market share

Market share: Cable TV and IPTV

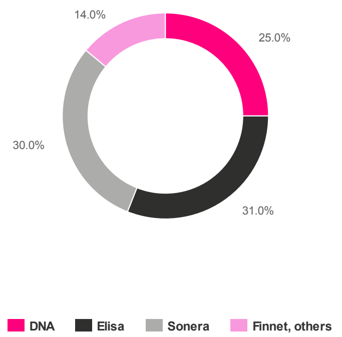


Market share: Mobile communication

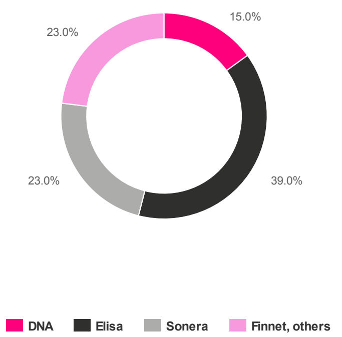
voice and broadband subscribptions



Market share: Fixed-line broadband



Market share: Fixed-line voice



Source: Finnish Communications Regulatory Authority, market shares in the end of December 2015; cable TV and fixed-line voice market shares in the end of June 2015

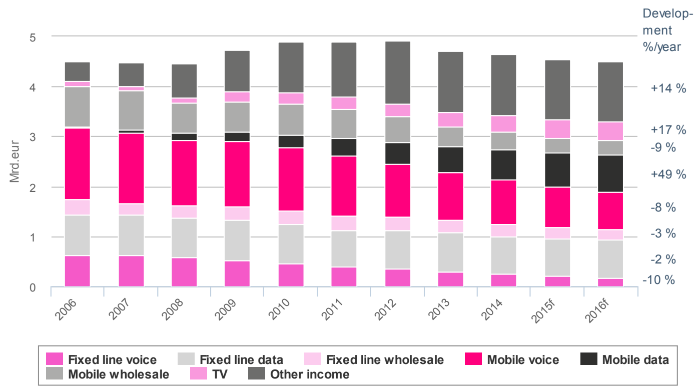
Expansion of mobile data volumes the most important growth driver

While there has been a slight decline in the total net sales of the telecommunications industry in Finland in recent years, different sectors are experiencing diverse trends. Of these, the significant expansion of data traffic in mobile communications networks has boosted the industry net sales the most. At the same time, message and voice traffic is increasingly moving to the Internet. The more and more central role of the Internet in the home and workplace creates new business opportunities for telecom operators.

The weak economic situation in Finland has been persisting for a long time, which has increased uncertainty also in the telecommunications industry. In 2015, the weaker consumer purchasing power affected, in particular, the demand for DNA's pay-TV services and mobile devices.

The total net sales of the telecommunications industry in Finland have fallen slightly in recent years. However, the industry also had growing sectors in 2015, and the expansion of mobile data volumes was the most important growth driver. Growing numbers of smart phones, tablets and other smart devices as well as the wider availability of 4G speeds significantly boosted data transfer volumes. Net sales for television services have grown in both the cable TV and IPTV networks. At the same time, 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.

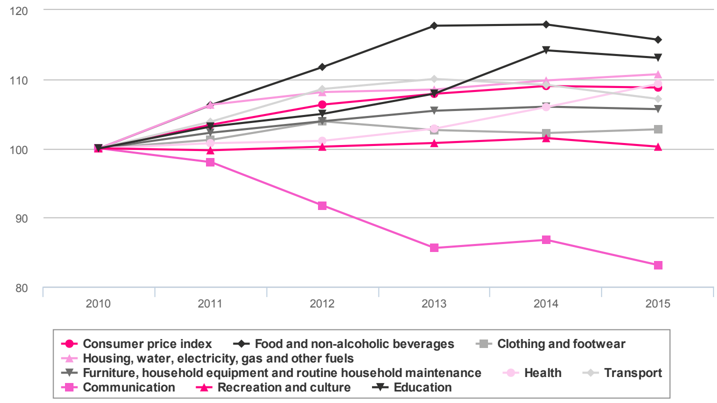
The development of net sales in Finnish telecoms industry in 2006-2014 and forecast for 2015-2016, EUR billion



Source: Valor, Finnish telecommunications industry 2015 - strategic industry review

The average annual increase in consumer prices in Finland was 2.0 per cent between 2005 and 2015. However, the opposite is true for the price development of communications services.

Price development of goods and services in Finland in 2010-2015

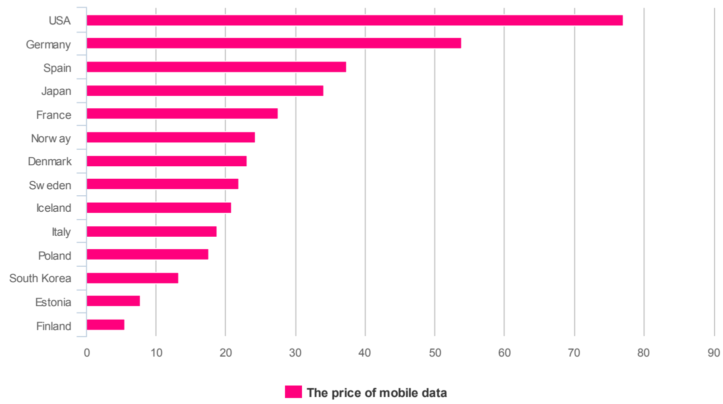


Source: Statistics Finland

There are four main reasons for this development: price competition between operators, new competition in the service layer as a result of different free services, significant expansion of telecom service volumes as well as the regulation of operators' wholesale charges.

In comparison with the rest of Europe, the prices of telecom services in Finland have long remained below the average level. Finland has some of the lowest prices in Europe and the world, in particular for mobile broadband. This is reflected in mobile data volumes: Finland has one of the highest per-user data usage rates in the EU.

The price of mobile data in selected countries, €/month (10 GB/month), 2014



Source: Valor, Finnish telecommunications industry 2015 - strategic industry review

Mega-trends in the operating environment

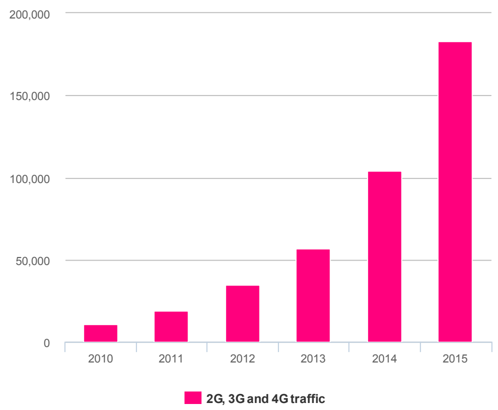
DNA has identified four mega-trends that have a significant impact on DNA's business and the industry as a whole.

1. The demand for faster and better-quality connections is growing at an increasing pace – mobile broadband traffic volumes are fuelled by the growing number of smart phones and other smart devices.

The exponential growth of mobile data has been the most important industry trend in recent years. Calculated on a per capita basis, some 80 per cent of Finns had unlimited mobile broadband data plans at the end of 2015, in comparison to less than 3 per cent in 2007. Mobile data traffic is boosted by the fast expansion of the 4G LTE network, the proliferation of devices that employ a constant network connection, and the migration of TV and music services to mobile devices. Strong growth of mobile data traffic is set to continue for several years as a result of the increase in mobile data usage per user. The emerging Industrial Internet applications will further expand the volume of data traffic, providing new kinds of growth opportunities.

Mobile data traffic in DNA's 4G network tripled in 2015. According to benchmarking company tEfficient, Finland is the number 1 country in the world when it comes to mobile data usage, and of Finnish operators, DNA's customers use the most mobile data.

Mobile data growth, '000, GB



2.Customers lead increasingly digital lives and want a seamless experience regardless of the service channel.

Customers spend a lot of time online and expect to get service there, 24/7 and mainly on mobile devices. Consumers are increasingly switching between different digital and physical service channels. This places greater demands for a seamless customer experience. Sales channels are evolving alongside the changing service and product offering. Digital sales channels gain importance in an increasingly digital world.

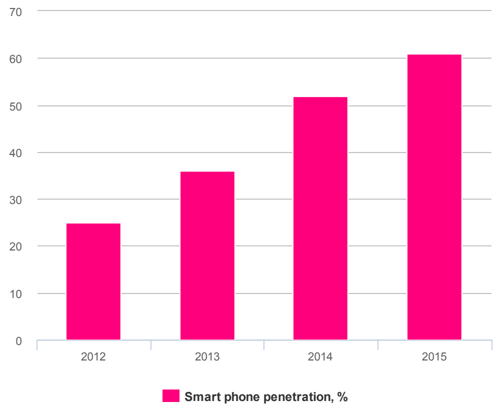
It is very important that customer service quality in digital channels remains competitive, in comparison to global competition for example. DNA develops its service channels systematically to meet the increasing customer requirements.

3. The strong growth of the variety of services and smart devices continues – the best global services will gain a stronger foothold.

Use of mobile devices that have a constant network connection is increasing strongly among both business and private users. The number of constantly connected devices is set to continue growing with the increased adoption of smart phones, tablets, smart TVs, wearables and even smart household appliances.

The Internet is increasingly the means for providing cost-effective digital services that are easy to use. Competition for end clients will also take place on a global scale and the best global services will gain a stronger foothold. While this will boost the demand for mobile data, it will also mean additional challenges for operators' voice and messaging business. The increasingly central role of the Internet in the home and workplace creates new business opportunities for telecom operators.

Smart phone penetration in DNA's network, %



4. Mobile working, digitisation and the Internet of Things will make business more flexible and productive.

Digitisation and mobile working gain ground at an increasing pace, and are the main engines of renewal in the public and private sector.

Rapid expansion of cloud services also drives this trend. With cloud services, most applications can be used anywhere, any time and on any device. Forecasts indicate that in a few years, companies will use dozens of different cloud services.

Industrial Internet, or the Internet of Things (IoT*), has emerged strongly in recent years as a future opportunity for the telecom industry. It will expand mobile data volumes even further. The role of data in business will also gain in importance, as growing data volumes and an increasing number of data sources enable the innovation of new smart services.

*IoT refers to the Internet of Things, an environment and services made possible when all the things worth connecting to the Internet are connected. A narrower term, M2M refers to machine-to-machine communication.

Growth drivers

The expansion of Internet services provides new growth opportunities for operators: increasingly networked lifestyles, new mobile devices and applications, new TV and home entertainment services, growth of mobile data volumes, cloud services and M2M communication are trends boosting operators' business. The main challenge will be gaining foothold of these growth segments.

Future challenges

One of the challenges in the future is lack of growth in the traditional segments of voice and message traffic as well as broadband subscriptions. Lower revenue per user from traditional business makes cost-effectiveness critical in the future. Global competition is also increasingly affecting the operators' operating environment in Finland, and international players are changing the revenue models of services.

Smart phones conquer the phone market

In 2015, 95 per cent of phones sold by DNA were smart phones and some 85 per cent of them were 4G-capable. The demand for 4G subscriptions grew steadily during the year. The demand for tablets remained relatively stable and tablets have created a new channel for content consumption. Quickly evolving devices and new viewing habits continue to modify the TV market. It is anticipated that demand for broadband and entertainment services in particular will continue to increase.

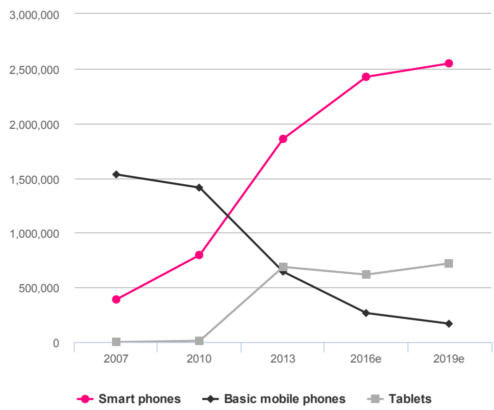
Important home appliances

There has been a significant shift to smart phones among consumers: smart phones accounted for more than 61 per cent of DNA's phone base at the end of 2015. Since December 2015, all DNA's best-selling phone models have been smart phones (more than 99.9 per cent of all sales). Demand for 4G subscriptions continues to increase, and customers are prepared to pay more for faster data connections.

In terms of other smart devices, the increased adoption of tablets in Finnish homes is significant. Tablet sales have surpassed the combined sales of laptops and flat screen TVs in Finland. Many consumers use their tablet in addition to their laptop or PC. On the other hand, the main tablet boom seems to be over. Tablets have nevertheless created a new channel for content consumption.

A new product category is emerging in the next few years in the form of wearable devices. These will initially consist of smart watches as well as fitness and health trackers, the first models of which are already available on the market. Sales of wearable devices were very modest in Finland in 2015.

Phone and tablet sales in Finland in 2007–2014 and forecast in 2015–2019



What typically makes wearables "smart" is their ability to connect to the Internet. The connection can be established by the device itself, or through a smart phone for example, which will further increase the demand for reliable high-speed networks. The increasing take-up and everyday use of new mobile devices creates interesting new opportunities in terms of service packages.

Entertainment services take centre stage in our lives

An increasing number of households use more than one technology to watch TV, such as cable TV and IP-based services. There is an accelerating technology shift, and IP-based TV services have gained ground rapidly during 2015. According to the Finnish Communications Regulatory Authority, there were 376,000 IPTV subscriptions in Finland at the end of June 2015.

DNA uses several technologies to provide entertainment and TV services. DNA's cable television network serves some 600,000 households in Finland, and the terrestrial TV network covers 85 per cent of the population. Launched in 2015, the DNA TV application had 200,000 subscribers by the end of the year.

The demand for broadband is expected to remain steady. It may also grow as consumers become increasingly dependent on fast broadband due to new Internet and entertainment services. The number of cable TV subscriptions has grown steadily in recent years, at an annual rate of a few percentage points. More than half of Finnish households (in excess of 1.6 million households) currently have a cable TV subscription.

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 on households' large-screen television sets and customers want to watch TV content conveniently at a time that works best for them. The competitive environment has changed quickly in recent years, in particular for entertainment services as global players have a stronger presence in the market.

Finnish households have traditionally purchased their fixed-network subscriptions individually. However, housing company broadband subscriptions are becoming more popular. Steady customer relationship with a greater number of subscribers allows more affordable pricing.

Consumer market outlook for 2016

It is anticipated that consumer demand for broadband and entertainment services in particular will 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.

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.

Consumer business

- Mobile and fixed-network broadband and entertainment services are growth segments.
- More time is spent watching TV programmes and videos, and households have several devices for viewing such content.
- As smart phones and tablets, as well as newly emerging wearables become more common and 4G speeds more widely available, data transfer volumes will experience strong growth.
- Competition in the housing company broadband subscription market remained strong.
- In 2015, 95 per cent of phones sold were smart phones and 85 per cent of them were 4G-capable.
- Demand for 4G subscriptions is increasing.

Companies interested in mobile working and the Industrial Internet

While economic uncertainty continued to affect investment decisions in the corporate market in 2015, businesses were increasingly interested in mobile and versatile ways of working and the possibilities of the Industrial Internet. Companies also continued to adopt cloud services, migrating their applications to the cloud to increase their operational efficiency.

DNA aims to become an enabler of digital business and enhance its service offering in the multi-vendor network management, monitoring and data security segments. Due to the overall economic situation, organisations were seeking cost savings in 2015, but also increasingly need to implement new ICT solutions, such as those offered by DNA, to improve the productivity of their business.

The use of ICT services has changed both among consumer and corporate customers. The new way of working is mobile, networked and flexible, which is increasingly reflected in companies' network solutions and data communication services.

Cloud service take-up grows notably

The take-up of cloud services is increasing and the market is growing at an annual rate of around 20 per cent globally. Research data suggests that most of this growth originates in the SME sector which is very actively adopting cloud computing. While businesses and consumers had only a few cloud services at their disposal in 2010, most companies today use at least four cloud services: email, file sharing, collaboration and video and instant messaging.

The cloud service market is global. Few operator-developed products will succeed on the global market. Operators can do better on the cloud service market by focusing on offering leading providers' global cloud services instead of trying to reinvent the wheel themselves.

The new way of working

The new way of working refers to an ecosystem of smart mobile devices, high-speed networks, innovative cloud services and data security, which enable a more versatile and effective way of working. According to a survey conducted by DNA, almost half of Finns feel that in the future, there is no need for the employees to be physically at the office to work. DNA is an expert partner when it comes to the services required in this new world. DNA walks the walk and provides its employees the opportunity to work in a new, more flexible way. More information >>

Industrial Internet and the Internet of Things (IoT) – new opportunities for operators

- Smart home, home monitoring, sensors & energy saving optimisation
- Smart society, infrastructure control, monitoring
- Industrial Internet, remote control, maintenance & process optimisation
- Wearables, smart watches, navigators, entertainment
- Health, preventive healthcare, remote healthcare
- Smart cars, remote maintenance, entertainment, autonomous vehicles, safety systems
- Logistics, optimisation, monitoring, analysis, autonomous vehicles
- Robotics, autonomous machines

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. With it, operators can monitor and optimise products and services delivered to customers in real time.

Industrial Internet brings new kind of visibility and immediacy to companies' smart, connected products and services.
IoT in turn makes a growing number of digital products and services available to consumers. When a company's internal business processes and available products and services are connected to the Internet, data becomes increasingly business-critical and the company can innovate new, data-based smart services.

These services can, for example, promote health and well-being, help reduce heating costs and save energy or optimise maintenance processes.

Smart, connected products and services require that companies build an entirely new technology infrastructure, consisting of a series of layers known as a "technology stack". Included in the infrastructure are, for example, software, applications, networks, hardware, product cloud, platforms and rules engines.

For instance, DNA Cloud Connection guarantees a high-quality, secure connection to Microsoft and Amazon clouds to corporate clients. With it, customers can build cloud services quickly and reliably to meet their changing business needs. DNA Cloud Connection is part of DNA's IoT strategy and cloud services offering.

In Industrial Internet implementations, DNA connects IoT services securely to the information network – and the rest of the world. The operator's role in the ecosystem is gaining importance simply because many IoT solutions are global. New Industrial Internet implementations already boosted DNA's M2M (machine to machine) subscription base in 2015.

According to Valor, the addition of sensors to vehicles, machines and structures to monitor their status and condition automatically, together with increasing health and well-being monitoring of people, will expand the M2M subscription base many times over by 2020. Operators will particularly see this in the growing volumes of mobile data.

Outlook for 2016 in Corporate Business operating environment

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 continue to adopt 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. 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.

Corporate Business

- The market remained cautious due to the overall economic situation.
- Businesses were increasingly interested in mobile and versatile ways of working and the possibilities of the Industrial Internet.
- Companies also continue to adopt cloud services, migrating their applications to the cloud to increase their operational efficiency.
- The demand for customer network services, such as fast Internet connections and information security solutions, is anticipated to continue to increase.

Digitalisation drives reform in private and public sector - Vantaa's occupational health services demonstrate the power of digital services

Vantaa's occupational health services in the cities of Helsinki, Espoo, Vantaa and Kauniainen are currently piloting virtual services. Virtual health services are of benefit for both the employer and the employee. Occupational health nurses can, for example, set up virtual meetings with facilities, or organise virtual labour protection committee meetings. They can also set up a video meeting with a sick employee to discuss the treatment of the illness and to issue a sick leave note.

In most cases, patients will still need to visit the doctor at the occupational health centre, but technological development may in the future help make some of these services virtual, too. For example, a patient's heart rate can be measured remotely, or they can use their mobile phones to measure their blood sugar levels from their ears.

Most satisfied customers the cornerstone of DNA's strategy

DNA's strategy places great emphasis on the customer, and the key objective in its implementation is customer satisfaction. DNA implemented its strategy with great determination in 2015. And with great results – customer satisfaction metrics improved, as did DNA's profitability. DNA has very satisfied employees and personnel satisfaction improved further in 2015.

At DNA, the customer comes first; we place special emphasis on customer experience. It means that we provide a seamless customer experience for the duration of the customer relationship and service life-cycle, according to our values. We aim to provide connections, services and devices that are of high quality, fairly priced and easy to use. In terms of customer experience, it is also important to update the offering according to customers' needs, offer interesting service packages, provide a straightforward shopping experience in different channels as well as provide high-quality customer support. We aim to provide straightforward, high-quality service in every channel, every time.

We strengthen the foundation of our competitiveness by continuous personnel and project development and adoption of latest information systems and analytics tools. We will also continue to make significant investments in 4G mobile communications networks, fibre-optic and cable broadband networks as well as cost-effective delivery of nationwide TV and video services. Competitive networks also contribute to an excellent customer experience.

In the summer and autumn of 2015, more than 1,000 DNA employees formed "Paras duuni" ("Best job") working groups. Customer experience was one of the themes under discussion, and more specifically, what each DNA employee can do to serve the customer even better.

We measure the progress of our vision implementation with strategic goals, which are the following:

1. Most loyal customers in our customer segments
2. Industry-leading financial development and faster than average market growth
3. Being a great place to work and one of the most desired employers in Finland.

We made great progress in these areas in 2015. Improving significantly year-on-year, our personnel satisfaction and motivation are at a high level. Customer satisfaction developed favourably in most areas. We have also grown faster than the competition for several years as a result of business acquisitions and organic growth. Almost every other Finnish household is a customer of DNA in one product category. We grew our subscription base at a much faster rate in 2015 than competitors. At the same time, we also improved our profitability significantly.

Key measures in 2015 to achieve DNA's strategic goals

Brand renewal

DNA's renewed brand was launched in April 2015. DNA's visual image was also revamped to support the company's expanding business. The new DNA brand better supports DNA's position as a versatile telecommunications service provider for consumers and businesses. The previously separate DNA Store, DNA Welho and DNA Business brands were fused into the new DNA brand which conveys a more unified brand identity to the customers in all encounters.

IT architecture, system and operating model renewal

DNA aims to provide the best seamless multi-channel customer experience and adopt a fast and agile approach to productisation. To this end, DNA is renewing its IT systems, analytics tools and operating models. Some 30 IT projects in total were launched in 2015 to provide an even better, seamless customer experience in real time, and to improve DNA's operational efficiency. DNA adopted, for example, a new online store platform and new systems for real-time analytics and data management. At the same time, we have made our development activities much more customer-oriented and agile.

Expansion of DNA's 4G network

We constructed almost 3,000 new base stations in 2015, some two thirds of them in the 4G network. At the end of the year, DNA's 4G network reached almost five million people in Finland. Suomen Yhteisverkko Oy is constructing a new 2G/3G/4G network for mobile communications in Northern and Eastern Finland. The 4G network expanded significantly also in sparsely populated areas towards the end of 2015, providing completely new connections for some 160,000 customers in the area.

Corporate Business development projects

DNA acquired TDC's Finnish operations in 2014 to strengthen its position as an enterprise service provider. Four companies were integrated into one business entity in 2015 to serve all DNA corporate customers. Most key customer satisfaction metrics have developed favourably since then. Winning several important tenders in 2015, DNA signed new agreements and also extended agreements with existing customers. DNA also implemented an increasing number of international, enterprise-scale solutions for businesses in 2015. In addition, the company placed special emphasis on the development of its Industrial Internet offering and implemented Industrial Internet solutions for customers in cooperation with partners.

Online services were developed succesfully

In May, DNA was honoured with the Best B2B Identity Project award at the European Identity Conference. It is presented annually to the most innovative electronic identity management projects in different categories. DNA was awarded for its "My Company" self-service portal, where its corporate customers can easily purchase all the communications and IT services they need.

Consumer Business development projects

Consumer Business has focused on competitive productisation in the 4G and broadband segment as well as device and service offering. Further development of DNA's TV and customer services have also been special focus areas. DNA has successfully met the increasing demand for 4G subscriptions. DNA's TV and broadband products were reshaped in early 2015 to offer comprehensive services to as many Finns as possible. DNA launched the DNA TV subscription to respond to the change in the ways people use entertainment services, providing customers an easy and flexible way to watch television on various devices.

Customer Service is the key to enhanced customer experience

The emphasis on the further development of customer service and processes intensified in 2015. New recruitments helped shorten the queueing times of DNA's phone service. Customer satisfaction was also boosted by further development of training, coaching and customer service processes and systems as well as expansion of service advisor competence. Online services were also enhanced with the aim of providing even better customer service in all channels. For example, customer service in social media channels was expanded and DNA also introduced single sign-on towards the end of 2015 to allow customers to access all DNA services with one login.

DNA's strategic goals and achievements in their implementation in 2015

1. Most loyal customers in our customer segments: our aim is to have the most satisfied private and business customers

Achievements in 2015:

- EPSI Rating survey results signal high customer satisfaction. DNA had the most satisfied corporate customers in all product categories: mobile voice, mobile broadband and fixed-network broadband. In the consumer segment, DNA scored the highest customer satisfaction score for mobile broadband.
- Our mobile communication subscription turnover rate (CHURN), which indicates the percentage of terminated subscriptions in relation to active subscription base, has decreased steadily over recent years. In 2015, DNA's CHURN was 16.0 per cent, in comparison to 16.9 per cent in 2014.
- DNA's Net Promoter Score (NPS), which measures customer satisfaction, improved steadily in 2015.
- As a result of the acquisition of TDC's Finnish operations in 2014, DNA was even better equipped to provide comprehensive business solutions in 2015, also at an international scale.

2. Industry-leading financial development and faster than average market growth

Achievements in 2015:

- DNA increased its market share slightly in mobile communications and fixed-network broadband.
- Profitability developed very favourably in 2015.
- EBITDA as a percentage of net sales came to 27.5 per cent, in comparison to 24.3 per cent in 2014.
- Return on investment (ROI) improved from 2.8 to 7.6 per cent.
- DNA's subscription base also continued to grow: fixed-network subscriptions were up by 12,000 and mobile communications subscriptions by 113,000 subscriptions.
- Net sales for services grew, and net sales in total remained steady and came to EUR 828.8 million (831.5 million) despite the challenging economic situation and a reduction in interconnection earnings.

3. DNA is a great place to work; we aim to be one of the most desired employers in Finland

Achievements in 2015:

- Job satisfaction improved greatly in 2015: DNA's second Great Place to Work survey indicated a significant improvement on the levels reported in 2014, which were already good. Results improved across the board for the organisation as a whole.
- Launched in 2015 for the duration of the year, the "Paras duuni" ("best job") initiative focused on the employees' ability to contribute to the future development of their jobs.
- DNA's office concept was expanded to new locations.
- The genuine method of working was also expanded – customer service personnel took part in a successful remote working pilot.

Financial objectives

DNA has specified financial objectives that it aims to reach by the end of 2016. These objectives relate to the key figures on the financial position of the company. Improved EBITDA and profit ratio will improve gearing. Other strategic objectives include industry-leading financial development and faster than average market growth. DNA already achieved two of the financial objectives in 2015: its net gearing was less than 85 per cent and the net debt/EBITDA ratio was less than 2.0 per cent.

Objective setting for the end of 2016:

	Objective for the end of 2016	Figure in the end of 2015
Equity ratio	more than 45 per cent	44.1 per cent
Net gearing	less than 85 per cent	78.5 per cent
Net debt/EBITDA	less than 2.0	1.81

Special emphasis on excellent customer service continues

DNA continued the further improvement of customer experience and customer service, according to company strategy. We have, for example, worked towards providing the best entertainment services in Finland and the best-quality tools for a mobile lifestyle. The 4G subscription offering was also revamped.

DNA's mobile communication subscription base grew by 113,000 subscriptions in 2015, making DNA a strong, third largest player in the market. Fixed-network subscription base grew by 12,000 subscriptions. Consumer Business net sales decreased by 5.1 per cent to EUR 442.1 million. This was mostly due to decreased mobile device and pay-TV service sales as well as lower interconnection prices. Net sales were fuelled by the increasing demand for mobile data as well as positive development of broadband sales.

Continued emphasis on customer service excellence

Customers increasingly want to use digital channels and DNA increased its focus on online channels accordingly. A growing share of customers was also shopping for phones and tablets online in 2015. DNA introduced single sign-on in 2015 ("DNA Tunnus"), to allow customers to access all DNA services with one login. DNA also expanded customer service in social media channels during 2015. DNA serves customer in DNA Stores as well as on the phone and in digital channels. DNA's systematic development of customer service quality and efficiency continued in 2015. New recruitments helped improve the service levels and shorten the queuing times of DNA's phone service. The Finnish Communications Regulatory Authority measured the response times of operators' customer service towards the end of 2015, and the results indicate that DNA has the quickest response time. DNA also provided the quickest responses to electronic enquiries.

Brand renewal

DNA significantly renewed its brand in 2015. The new brand was launched successfully in April 2015. The new DNA brand better supports DNA's position as a versatile service provider for consumers and businesses. The previously separate DNA Store, DNA Welho and DNA Business brands were fused into the new DNA brand. After the brand renewal, DNA conveys a more unified brand identity to the customers.

Customer service metrics developed positively in 2015. DNA's customer service development is guided by customer satisfaction, which is measured by means of the Net Promoter Score (NPS). Satisfaction among DNA's customers improved from month to month in 2015. DNA also scored the highest points among consumer customers for mobile broadband in the EPSI Rating survey of 2015.

DNA TV launched to respond to consumers' changing viewing habits

When the company's cable, terrestrial and mobile TV customers are put together, DNA had nearly one million television service customers at the end of 2015.

In the beginning of the year, DNA reshaped its TV and broadband product offering, making the services available to customers practically nationwide via different distribution channels. In the first quarter, DNA expanded the Überkaista broadband service so that it is available in the 4G network in addition to the fixed network, making the service available to more than 4.5 million Finns.

DNA has also made significant investments in HDTV services in the terrestrial and cable TV networks, as well as mobile TV services. DNA aims to expand the offering in the terrestrial network to make it similar to that in the cable TV network, and the channel offering in the terrestrial network grew notably in 2015: for example, all four HDTV channels of the national broadcaster Yle and nine new Viasat channels became available in the terrestrial network. Towards the end of 2015, the Finnish Government granted DNA terrestrial network operating licences in VHF multiplexes for a ten-year period beginning in early January 2017. DNA will continue to expand its channel offering and add new HDTV channels.

With the growing TV/Internet convergence, it is both practical and cost-effective for consumers to get both services in one package. DNA launched the DNA TV subscription in the second quarter to respond to the change in the ways people use entertainment services. A DNA TV subscription provides customers with an easy and flexible way to watch television on various devices and to pick just the television services they want. The C

More Play programme library is also included in the DNA TV application. The sales of DNA TV subscriptions were off to a very good start and the service had 200,000 users at the end of the year.

In fixed-network broadband, the number of housing company broadband subscriptions in particular grew in 2015. DNA won several important tenders in 2015 and increased its share of the fixed-network broadband market.

DNA is Finland's largest cable operator and the leading pay-TV provider in both cable and terrestrial networks, with more than 3.7 million mobile communication and fixed-network subscriptions. DNA's mobile communication subscription base grew by 113,000 and fixed-network subscription base by 12,000 subscriptions.

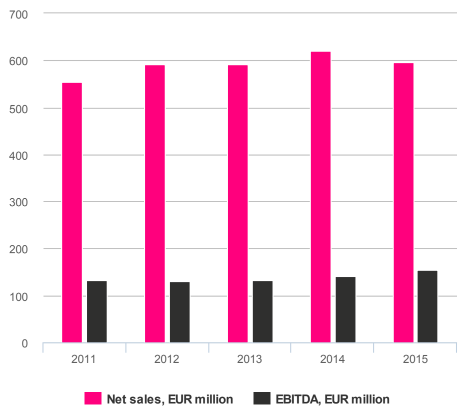
Growing demand for 4G subscriptions and additional services

Weaker demand for mobile devices affected net sales development in early 2015, but sales picked up again in the third quarter. Christmas sales were strong. However, in terms of sales revenue, mobile device sales remained below the levels reported in 2014. In December, as much as 99.9 per cent of phones sold were smart phones. Tablet sales remained steady.

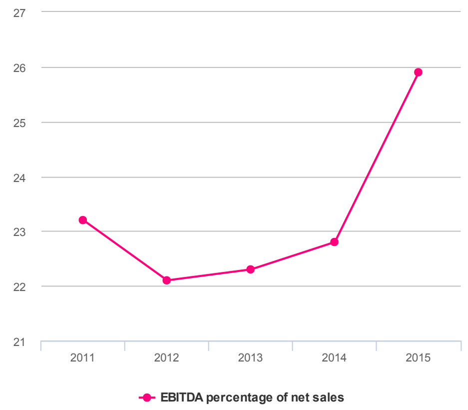
Uptake of 4G phones continued among consumers, with prices falling due to the expanding product offering. DNA renewed its 4G subscription portfolio, and the demand for the 4G subscriptions grew significantly during the year. The sales of additional services, such as DNA TV, Deezer or information security services, also grew in 2015. While wearable technologies, such as smart watches, are a growing market, in terms of sales revenue, sales remained modest in 2015.

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. From a business perspective, this is an interesting new field, as there already is a target market among Russian people living in Finland.

Consumer business, net sales and EBITDA



EBITDA percentage of net sales, % (consumer business)



DNA’s Corporate Business signed significant new agreements

DNA provides easily deployable and secure high-quality communications and network services for companies with the aim of helping customers boost their productivity and succeed with ICT services. DNA signed significant new agreements in 2015, as well as extensions to many existing agreements. DNA implemented an increasing number of international, enterprise-scale solutions and actively developed its Industrial Internet concept. Both customer and subscription base grew despite intense competition.

DNA’s Corporate Business aims to achieve a deep understanding of the customers’ business and communication challenges and to continuously develop services to meet these needs.

Corporate Business net sales increased by 10.1 per cent to EUR 232.5 million. This increase was fuelled in particular by the increase in the service net sales due to the acquisition of TDC’s Finnish operations.

Significant new agreements and extensions

DNA provides a wide selection of data communication solutions and services to SMEs and enterprise customers. Despite the persisting economic uncertainty in the corporate market, both DNA’s corporate subscription and customer base grew steadily throughout 2015.

In the first quarter, for example, DNA secured the Lahti region tender for communications network and voice services. The agreement covers the Lahti region closed communications network, the switching core and voice services. This is a significant agreement for DNA with a wide scope including small municipalities as well the Päijät-Häme Social and Health Consortium. UPM and DNA signed a three-year agreement on the monitoring of UPM’s application performance. The service provides UPM’s IT help desk with improved visibility to the operation of UPM’s business-critical applications. DNA also renewed significant agreements with companies including Cargotec, Lindström and Tikkurila.

In the spring of 2015, DNA signed an agreement with mobile game developer Supercell on data connections, three event-specific WLAN packages and significant video conference connections.

EPSI Rating 2015 signals high satisfaction among corporate customers

DNA topped the EPSI Rating survey results on mobile operators’ customer satisfaction among 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. Furthermore, DNA was the only operator able to increase its customer satisfaction from the previous year's survey. Results improved in areas such as customer service and customer loyalty.

DNA even better equipped to offer corporate network solutions on a global scale

DNA’s strong strategic cooperation with the TDC Group to provide customer solutions in the Nordic countries continued. The acquisition of TDC’s Finnish operations in 2014 has made DNA even better equipped to provide comprehensive business solutions effectively. The acquisition also enhanced DNA’s ability to provide international corporate network solutions – which, at the end of 2015, were delivered to some 65 countries in total.

For example, welding solutions provider Kemppi has been an important long-term customer for DNA. This cooperation was expanded further towards the end of the year. 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.

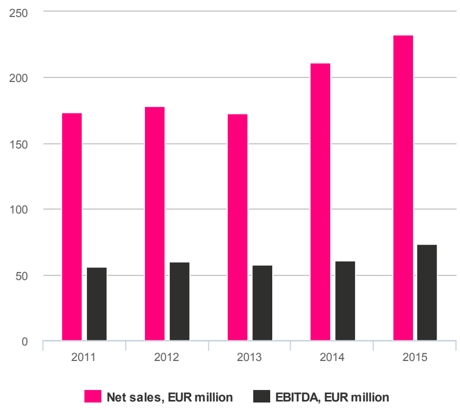
DNA also signed a corporate network contract with Basware, including subscriptions in Finland and other Nordic countries, Belgium, France, Germany, the Netherlands, Romania, the UK, the United States as well as Australia and India. In addition to the corporate network, DNA will provide firewall, LAN and WLAN services to Basware.

Organisations increasingly interested in the Industrial Internet

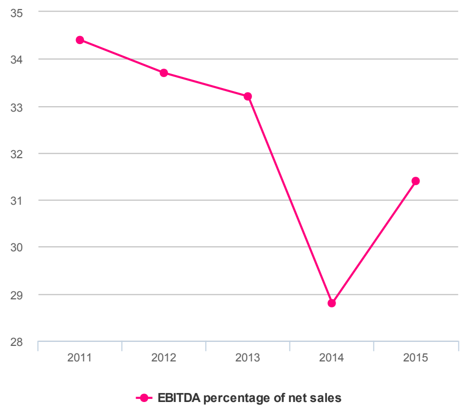
An increasing number of organisations are interested in Industrial Internet solutions, and DNA placed special emphasis on the development of its Industrial Internet concept and subscription offering. DNA's Industrial Internet services connect the customer's Internet of Things (IoT) solution to the information network and global cloud services. DNA's fast and comprehensive networks and technological neutrality enable countless implementation options for the customer's IoT solution. DNA provides fast, reliable and comprehensive connections from the mobile device to the backbone network and further to the customer's IoT service.

For example, Enevo Oy is optimising waste collections with the help of wireless sensor technology. Sensors in waste bins are connected to DNA's mobile network so that the company knows which bins are full and need to be collected. The system also predicts when bins will get full and suggests suitable routes to waste truck drivers. DNA's M2M data subscriptions enable continuous communication between the servers and sensors. Through DNA's extensive partner network, sensors located abroad can use the best available connection, regardless of the network. Enevo already has more than 10,000 smart bins in 35 countries.

Corporate business, net sales and EBITDA



EBITDA percentage of net sales, % (corporate business)



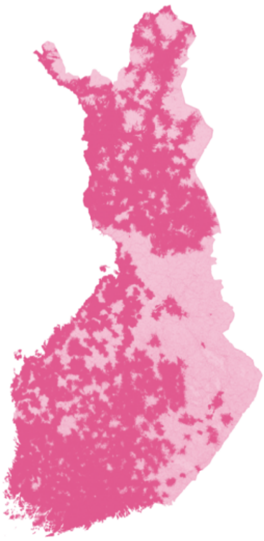
DNA continued to make significant investments in networks in 2015

At the end of 2015, DNA's 4G network reached over 93 per cent of the population and the 3G network 99 per cent. 4G technology was a special investment area in the mobile communication networks. DNA's investments in 2015 totalled EUR 154.7 million, or 18.7 per cent of net sales. Most of the investments were made in networks. The construction of the shared network that got under way in the spring of 2015 proceeded fast. It will bring data transfer speeds that are dozens of times faster than those currently available to sparsely populated areas.

DNA makes continuous investments in high-speed mobile networks and fixed-network broadband to support the customers' growing use of subscriptions, devices and Web services – and to support an excellent customer experience. DNA's fibre-optic based cable network already reaches some one million households in Finland. At the end of 2015, DNA's 4G LTE network reached almost five million Finns.

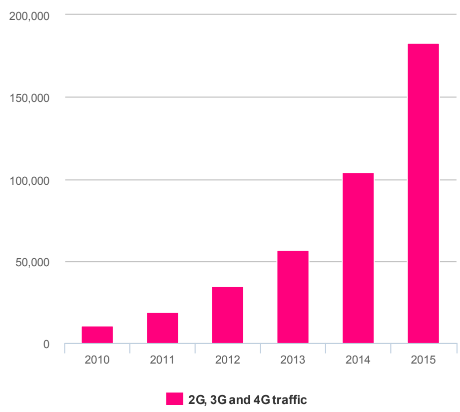
DNA's fibre-optic IP trunk network is fully backed up, making it a reliable and scalable platform for all the data communication and other services provided by DNA. In 2015, DNA expanded its 3G and 4G LTE mobile communication networks by adding almost 3,000 base stations, some two thirds of which to the 4G network.

Mobile data traffic volumes continued to grow rapidly in 2015. Data volumes in DNA's 4G network tripled between the end of 2014 and end of 2015. At the moment, up to 67 per cent of all data is transferred in the 4G network. The high quality of DNA's mobile data service was evident also in measurements by Omnitele in November 2015, indicating that DNA's average 4G data transfer speeds were clearly superior in nine of the ten most populous cities in Finland.

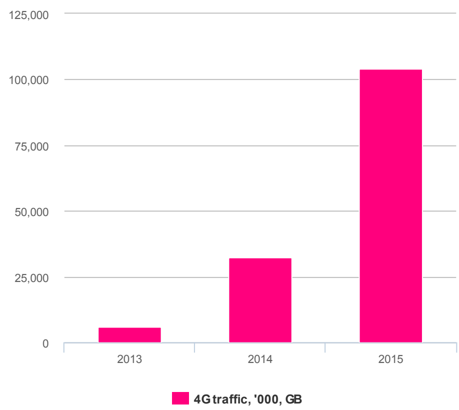


Picture: DNA's 4G network reached over 93 per cent of the population in the end of 2015.

Mobile data growth, '000, GB



4G traffic, '000, GB



Number of IP addresses growing significantly

DNA was the first operator in Finland to adopt IPv6 support on a broad scale in June 2015. DNA has already enabled IPv6 functionality in more than two million consumer and corporate subscriptions. IPv6 enhances, for example, online gaming experience and is also of great benefit in the quickly emerging Internet of Things. Some 15 per cent of smart phone traffic and 19 per cent of all connections in DNA's networks use IPv6.

The construction of the shared network proceeded rapidly in sparsely populated areas

Suomen Yhteisverkko Oy is responsible for the construction of a new 2G/3G/4G network for mobile communications in Northern and Eastern Finland. By combining the frequencies and resources of two operators, it is possible to provision a comprehensive 4G network more cost-efficiently and faster than by constructing separate networks. The shared network significantly improves DNA's network coverage, because the number of serving base stations available for DNA's customers grows by some 50 per cent.

Yhteisverkko Oy constructed more than 500 base stations in Northern Finland in 2015, introducing completely new connections for some 160,000 customers in the area. The construction of DNA and Sonera's shared network was launched in the Kuusamo pilot area in the spring of 2015. In the summer, the network was expanded to Eastern Lapland, in early autumn to Northern Lapland, and towards early winter, to Western Lapland. Most of Southern Lapland was covered by the end of 2015. By the end of 2016, the jointly constructed network will cover about half of the surface area of Finland, which is populated by some 15 per cent of Finns.

Cable network frequency update improved network performance

DNA is Finland's largest cable TV operator with a market share of 36 per cent (as of end of June 2015). Some 600,000 households are connected to DNA's cable network and the company boasts the widest selection of channels in Finland: some 180 channels in total, more than 40 of which are HD channels.

DNA updated its cable network frequencies in all service areas during the spring and summer of 2015. 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.

DNA's terrestrial network focuses on offering HD channels in particular

DNA's terrestrial TV network covers some 85 per cent of households in Finland, and almost 50 per cent of Finnish households receive their TV services through the terrestrial TV network. Operating in the VHF band, DNA's terrestrial network focuses on offering HD channels in particular. The network uses the new DVB-T2 technology, to which all terrestrial network TV services will switch in early 2017. DNA is the only operator in Finland offering pay-TV services in its terrestrial TV network.

DNA's networks among the healthiest in the world

Research data suggests that the healthiest networks in the world can be found in Finland.* Finnish operators and the Finnish Communications Regulatory Authority have long worked together to remove malware from operators' networks. DNA has been an active participant, and can currently boast one of the healthiest networks in the world. The fight against malware requires continuous process development – an organisation cannot let its attention waver, otherwise the situation can quickly deteriorate. Malware evolves quickly and preventive measures are always a step behind. While the current situation is excellent, preventive measures are enhanced continuously. In terms of customer experience, this means even better and more reliable services.

* http://www.microsoft.com/security/sir/default.asp

DNA updated its CR objectives

DNA's corporate responsibility (CR) strategy and objectives were updated in the autumn of 2015. The customer is now even more at the core of DNA's corporate responsibility. DNA also specified climate objectives for its business.

In the spirit of the Paris Climate Conference, DNA committed to a more ambitious reduction of its greenhouse gas emissions. In November 2015, according to the new climate objectives, DNA began using renewable energy in its direct procurement of electricity. 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. This amount equals about 2,000 trips around the world in a car.

DNA's responsibility strategy comprises three areas: the customer, the society and meaningful work. Each area in a nutshell:

Area	Objectives	Examples of measures in 2015
Customer We look after the customer. DNA must understand what the customer needs and provide suitable solutions. The customer understands what can be achieved with DNA's services and is aware of key issues in the digital world.	DNA acts as an enabler in the society, making customers' lives more inspiring, productive and entertaining while also preventing digital exclusion.	– DNA's responsibility strategy and objectives were updated, placing special emphasis on responsibility at the customer interface – New products and services were launched for consumers, such as the DNA TV and IPTV services – New products and services were launched for businesses, such as DNA Pouta, which allows a company to choose suitable cloud services - DNA and Sonera's shared network enables a quick construction of a 4G network in sparsely populated areas in Northern and Eastern Finland
Society DNA plays a significant role in society by providing important communication connections and maintaining infrastructure that is critical to the operation of the society. Our continuously expanding networks consume a lot of energy. We want to be responsible and do our part to combat climate change.	– While the expansion of DNA's networks continues, we aim to reduce our total emissions by 15 per cent by 2020 from the levels reported in 2014 – We will improve the energy efficiency of our radio network and reduce emissions from radio network in proportion to annual data transfer volumes by 80 per cent from 2014 levels by 2020	– DNA's 4G and 3G networks were expanded by adding almost 3,000 base stations, some two thirds of which to the 4G network – DNA began using renewable energy in November 2015 – Modernisation of DNA's radio network continued as planned, improving energy efficiency – Investments in the energy efficient LTE technology help reduce emissions – Constructing and

		sharing a network with Sonera is more energy-efficient because the technology is shared
Meaningful work We will increase corporate responsibility know-how and understanding at DNA.	Each DNA employee is familiar with the key responsibility objectives and understands how they personally can help the company achieve them.	– DNA Group's Code of Conduct was updated – Code of Conduct training was updated and will be launched in 2016 – Internal communication about DNA's updated responsibility strategy and objectives got under way towards the end of 2015

DNA is also continuously developing areas such as responsible procurement, privacy and data security, Code of Conduct compliance and waste recycling.

New responsibility organisation

DNA changed the organisation of its responsibility towards the end of 2015. The cross-organisatory CR network was replaced by three new virtual teams: climate, innovations and responsible supply chain. Responsibility is also regularly discussed by the customer experience steering group and DNA's brand forum.

The body which ultimately accounts for DNA's corporate responsibility is the Board of Directors. It is responsible, for example, for approving DNA's corporate responsibility report annually. At Executive Team level, the Chief Financial Officer is mainly in charge of corporate responsibility. DNA has a full-time Sustainability Manager who is responsible for promoting corporate responsibility at the Group level and issuing reports to the Executive Team every six months.

Organisation of CR at DNA

Board of Directors' Audit Committee	The Audit Committee discusses corporate relationship issues based on proposals by the Executive Team.
DNA's Executive Team	The Executive Team monitors the productivity of DNA's operations and discusses factors with significant economic or other impact. The Chief Financial Officer is in charge of corporate responsibility at the Executive Team.
Sustainability Manager and the CFO	DNA's Sustainability Manager decides on the main principles of corporate responsibility together with the Chief Financial Officer, and is responsible for meeting the targets and implementing the measures related to corporate responsibility.
• Climate team • Innovation team • Responsible supply chain team • Customer experience steering group • Brand forum	CR teams discuss and plan factors related to responsibility and decide on the implementation and responsibilities thereof.
Responsibility forum	Whenever necessary, the responsibility forum that comprises members of the responsibility teams is called to plan and prepare larger CR-related entities.

Our customers are our main responsibility

DNA elaborated its responsibility strategy in 2015. The new and updated approach places special emphasis on DNA's responsibility towards the customer.

Voice and data communications have become a necessity for people and the society at large: it is difficult to manage without good connections. However, consumers may find the product, service and solution offering of the telecommunication operator sector very complex and even difficult to understand. As an operator, DNA shares the responsibility of understanding the customer's needs and providing solutions that meet these needs. DNA also strives to inform the customer about these services and their possibilities as clearly as possible, and to help the customer identify key issues that they should be aware of in the digital world.

DNA's business objective is to make customers' lives more inspiring, productive and entertaining. DNA also considers it important that connections, services and devices are provided to consumers and companies in a clear, easy and cost-efficient manner.

Striving to provide the highest-quality customer experience

After the brand renewal, DNA conveys a more unified brand identity to the customers: all products and services were brought under the DNA brand in 2015 and the DNA Store, DNA Business and DNA Welho brands were discontinued.

Customer experience was enhanced further in many ways. Customer service and other service channels work in closer co-operation now, and online services were renewed by introducing new, handy features, such as click and collect, which allows customers to buy products online and collect them from the local store. DNA also implemented single sign-on, which allows users to access several DNA services without having to login separately to each of them.

DNA's customer service development is guided by customer satisfaction, which is measured by means such as the Net Promoter Score (NPS). Both Consumer and Corporate Business experienced very positive customer satisfaction development in 2015. Investing in occupational well-being among customer service personnel improved customer satisfaction in both segments. Satisfaction was also improved by further development of training, coaching and customer service processes and systems as well as expansion of service advisor competence.

Moreover, the process that anticipates the contact streams in Consumer Business was improved, which also benefited shift planning. Customer service times improved as a result.

Corporate Business customer service performed a successful remote working pilot in 2015. DNA's remote working method, the Genuine method of working, will be implemented in Corporate Customer Services in early 2016.

DNA's EPSI Rating survey success continues

DNA's success in the EPSI Rating survey continued in 2015. The company topped the EPSI Rating survey results on mobile operators' customer satisfaction among corporate customers across the board. DNA's

Focus on customer experience

In the summer and autumn of 2015, more than 1,000 DNA employees formed "Paras duuni" ("Best job") working groups led by their peers to discuss the further development of their community. Customer experience was one of the themes under discussion, and more specifically, what each DNA employee can do to serve the customer even better.

Working group participants represented most positions at DNA, not just customer service. This helped bring home the fact that at the end of the day, everyone at DNA is working to provide even better customer experiences.

The initiative generated a myriad of new ideas, all of which have been processed and implemented where possible. Performance reviews and objective setting were among the areas enhanced based on the feedback from the groups. The initiative continues in 2016 with a new theme: "One, unified DNA", with the aim to unify the corporate culture further on the basis of DNA's values – fast, bold and straightforward.

corporate customers were the most satisfied in all three product categories: mobile voice, mobile broadband and fixed-network broadband.

Among consumer customers, DNA's customer satisfaction and customer loyalty improved in 2015, and DNA scored the top points for mobile broadband services for consumers.

For more information on the results, see our website.

Customer satisfaction

Results of the EPSI Rating survey, DNA and DNA Welho	2015	2014	2013	2012	2011
Mobile communication services for consumers (DNA)	74.9	74.0	75.6	72.9	73.8
Fixed broadband services for consumers (DNA Welho)	71.7	74.2	72.2	71.9	69.4
Mobile broadband services for consumers (DNA)	73.3	71.7	71.3	69.3	67.0
Mobile communication services for businesses (DNA)	74.3	74.0	68.5	65.7	65.3
Fixed broadband services for businesses (DNA)	69.2	71.1	67.0	65.8	65.8
Mobile broadband services for businesses (DNA)*	73.5	67.8	70.2	N/A	N/A
Pay-TV (DNA Welho)	67.8	69.1	72.8	71.3	67.4

*Satisfaction in mobile broadband services among businesses was measured for the first time in 2013.

We promote digitalisation and competitiveness in Finland

As a telecommunications operator, DNA plays an important role in society by providing important communication connections and maintaining infrastructure that is critical to the operation of society.

According to its strategy, DNA will meet the growing demand for faster high-quality connections. The company invests in a very competitive and cost-effective network and service platform infrastructure to meet the growing communications needs of consumers and the society in general. By doing so, DNA promotes digitalisation and Finnish competitiveness.

Domestic investments and employment

DNA's economic responsibility includes meeting the expectations of customers and shareholders in a sustainable manner, supporting the economic welfare of the company's employees and society through direct and indirect employment as well as investments and product and service innovation.

DNA's investments in 2015 came to EUR 154.7 million (EUR 149.6 million), or 18.7 per cent of net sales (17.9 per cent). Major individual items included investments in the 3G and 4G networks and in fibre and transfer systems.

DNA has a strong local presence in some 100 locations in Finland. At the end of 2015, the company employed 1,674 people and indirectly some 1,050 more. The number of DNA personnel decreased by 57 employees in 2015. The decrease is due to the cooperative negotiations that took place after the acquisition of TDC's Finnish operations between August and October 2014 to establish a new DNA Business unit.

DNA is an important regional employer. For example, DNA employs close to 50 customer service professionals in the city of Pietarsaari and almost 70 in the municipality of Taivalkoski. Furthermore, the company traditionally employs young people in customer service and DNA Store functions. At the end of 2015, those under 25 accounted for some 20 per cent of customer service personnel. In DNA Stores, the figure was almost 50 per cent.

Economic value for stakeholders, EUR million

Generation of added value		2015	2014
From the customers	Net sales	828.8	833.5
Total generated added value		**828.8**	**833.5**
Distribution of added value		2015	2014
Goods and service suppliers	Materials and services as well as other operating expenses	498.5	530.1
Personnel	Salaries and remuneration as well as pension expenses	102.3	96.4
Public sector	Income tax, value added tax, personnel expenses as well as payments to the Finnish Communications Regulatory Authority	90.0	77.1
Financial sector	Interest expenses	12.5	11.3
Shareholders	Dividends for 2015*	40.1	30.0
Total distributed added value		**743.4**	**744.9**

* DNA's Board of Directors has proposed to the Annual General Meeting that a dividend of EUR 4.72 (3.54) per share be paid for the financial year 2015, EUR 40,062,746.40 in total (EUR 30,041,194.02).

DNA a main partner in the “HundrED – 100 Koulua” initiative

DNA is a main partner of the “HundrED – 100 Koulua” initiative that was launched in December 2015. The initiative brings the best education innovations together, develops 100 new operating models with the schools, providing a foundation for the best education in the world for the next 100 years.

The “HundrED – 100 Koulua” initiative is implemented by SCOOL, a Finnish education development company. The initiative will also build a database for education innovations which will be made available to schools and teachers globally. Other plans include a book, a documentary and a series of international seminars.

“At DNA, we are particularly interested in the effect of digitalisation on schools and learning. This is a great opportunity to develop education in Finland and give it a new direction. This requires a touch of boldness simply because the future professions of our children may not even exist today,” says DNA’s CEO **Jukka Leinonen**.

DNA provides solutions for changing service needs

In a digital society, there is a constant need for receiving and sharing data. Remote and mobile working with smart devices is increasing, as is sharing content in social media and the use of entertainment services. DNA offers high-quality voice, data and TV services for communication, entertainment and work, and provides new solutions to meet the changing consumer needs.

Helping asylum seekers

DNA wants to extend a helping hand to those in need in the society. As a member of the Diversity Charter Finland, DNA wants to provide operator services to everyone, both Finns and other nationalities.

In the autumn of 2015, DNA donated Internet connections to more than 20 reception centres for asylum seekers maintained by the Finnish Red Cross across the country. DNA also donated prepaid subscriptions to almost 800 asylum seekers.

DNA became a business sponsor of the Startup Refugees initiative, which provides mentoring programs and funding to help refugees in Finland start their own businesses and integrate. In the autumn of 2015, DNA donated tablets to support the documentation of refugees' backgrounds and skills. This cooperation will continue in 2016.

For more information on DNA's support to charities, please see our website.

Strong growth of mobile data volumes continues

Mobile data traffic volumes continued to grow rapidly in 2015. Data volumes in DNA's 4G network tripled between the end of 2014 and end of 2015. At the moment, up to 67 per cent of all data is transferred in the 4G network.

This growth was driven, among other things, by the growing supply and use of video, image and instant messaging services that benefit from the high speeds provided in modern networks. DNA makes significant investments in the network infrastructure, providing comprehensive high-speed connections.

By the end of 2016, DNA's 4G network will cover 99 per cent of the population.

Additional information: Network infrastructure

A shared network brings fast connections to sparsely populated areas

DNA and Sonera's shared network is a unique initiative in Finland, enabling a quick and cost-effective construction of a 4G network in sparsely populated areas in Northern and Eastern Finland. The jointly constructed network covers about half of the surface area of Finland, populated by some 15 per cent of Finns.

The construction got under way in 2015 in the Kuusamo area and quickly proceeded North. The network has already been completed in Eastern, Northern and Western Lapland and also covers most of Southern Lapland. The shared network has more than 500 base stations in Northern Finland. Network construction in Eastern Finland will commence in early 2016.

DNA drives innovation and new business

DNA actively supports innovation in Finland and works in close cooperation with many start-up companies and communities. DNA works together with these partners to create unique user experiences to consumers and business customers, leading the way in the commercialisation of new innovations. At the same time, DNA provides its partners with an opportunity to grow their business and visibility. More information: Strategy

New way of working is effective and mobile

DNA has been a pioneer in the promotion of digital and mobile work. Corporations are seeking smart solutions to improve the efficiency of their processes by means of cloud applications and remote working. The Internet of

Things places high demands on the capacity and security of networks.

As a responsible operator, DNA takes the changing service needs of the working life into consideration, and develops smart solutions for data communication between devices.

Online safety of young users

DNA has been guiding young users on safe use of the Internet and mobile phones for several years. DNA has signed a European framework agreement, European Framework for Safer Mobile Use by Younger Teenagers and Children, which aims to improve the safety of mobile phone use by teenagers and children.

DNA is also a long-term partner of SOS Children's Village Association, providing financial support and data communication connections to the organisation.

DNA values its stakeholders

DNA engages in active dialogue with its stakeholders. In addition to high standards of customer service, cooperative networking with other businesses, relationships with partners and support for non-profit causes form part of DNA's broad stakeholder interaction.

DNA's Customer Panel was renewed and expanded in 2014. The Internet-based customer panel is one of the main interaction channels for consumer customers. It provides DNA with quick feedback and information on customers' opinions, expectations and values.

In addition to the customers, DNA's important stakeholders include personnel, shareholders, subcontractors and partners, civic organisations, authorities and political decision-makers, the media, financial and insurance markets, labour market organisations and other organisations as well as competitors.

Transparent advocacy

The principles according to which DNA uses social influence stem from the company's values and Code of Conduct. The aim is to establish open two-way communication between decision-makers and DNA. The objectives of social influence are based on DNA's business strategy and business objectives.

The communication is also a means of disseminating information to provide a balanced view of benefits as well as possible challenges or problematic areas. The communication is respectful of the view of the other party, such as a political decision-maker, and also the views of other stakeholders.

In 2015, DNA joined the EU Transparency Register. The Transparency Register, or lobbyist register, has been introduced to answer basic questions such as these: what interests are being represented at EU level, who represents those interests and with what budgets. The register is jointly maintained by the European Parliament and the European Commission.

DNA is a member of the following organisations: European Competitive Telecommunications Association ECTA, Groupe Speciale Mobile Association (GSMA), the Finnish Federation for Communications and Teleinformatics (FiCom), the Service Sector Employers PALTA and Amcham Finland.

DNA sets climate objectives

As a Finnish telecommunications Group, DNA wants to be responsible and work towards reduction of emissions and increased energy efficiency. DNA has calculated its greenhouse gas emissions since 2012 to identify the direct effect of DNA's operations on climate change. According to the results, most of the greenhouse gas emissions originate in production, i.e. the electricity consumption of DNA's radio network and transfer equipment as well as the maintenance of their equipment facilities.

DNA consumes a large amount of electricity, which means that the indirect greenhouse gas emissions from DNA's own energy consumption are significant. This is why DNA specified the following climate objectives in 2015:

- While the expansion of DNA's networks continues, we aim to reduce our total emissions by 15 per cent by 2020 from the levels reported in 2014.
- We will improve the energy efficiency of our radio network and reduce emissions from the radio network in proportion to annual data transfer volumes by 80 per cent by 2020 from 2014.

In November 2015, in accordance with the new climate objectives, DNA began using renewable energy in its direct procurement of electricity. 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. This amount equals about 2,000 trips around the world in a car.

The renewable energy purchased by DNA is hydro power and comes with a Guarantee of Origin. Hydro power is an emission-free energy source and as such, a good option in terms of reducing the climate impacts of DNA's business. However, renewable energy generation does have its problems and this also applies to hydro power. Hydroelectric plants can prevent the movement of migratory fish in rivers. Fish passages and ladders are constructed in Finland according to Finland's National Fish Passage Strategy to enhance the viability of migratory fish stocks. DNA is monitoring the situation and regularly assesses the origin of purchased electricity.

Climate risks assessed

DNA also wants to consider the options available for adjusting to currently prevailing effects of climate change. To this end, DNA has assessed its climate risks, covering effects of phenomena such as rainstorms and floods on DNA's operations as well as the business impact and opportunities of regulation and changes in consumer behaviour.

Energy efficiency in production

Modernisation of base stations in the mobile network proceeded as planned in 2015. Some 80 per cent of the old base stations have been replaced by more energy-efficient models. The project is expected to be completed by 2017. The new system requires fewer devices, thereby reducing relative energy consumption. During the network upgrades, hundreds of radio units have also been relocated from inside the equipment facilities to the masts, removing the need for mechanical cooling. This saves significant amounts of energy.

Increased mobile data volumes challenge the energy efficiency of the radio network, because the continuously growing volumes require more equipment, which in turn increases energy consumption. On the other hand, the 4G network reduces the relative per-data energy consumption through improved technical performance of LTE.

Energy-efficient facilities and working methods

The new DNA House, completed in the autumn of 2012, was constructed by YIT according to its Energy genius concept. Energy efficiency of the building was carefully considered already in the design and construction phase. DNA's headquarters have earned an international LEED Gold certification as a recognition of the building's ecological energy and water consumption, materials used and emissions.

DNA conducted a mandatory energy review towards the end of 2015 in company offices and equipment facilities. While measures that can further improve energy efficiency and energy savings were identified during the review, it indicated that as a whole, DNA Group's offices and equipment facilities are already quite energy-efficient.

DNA conducted a study on the effects of the Genuine method of working on CO2 emissions from work-related travel. According to the results, emissions from work-related travel can be cut by some 40 per cent annually when employees work remotely at home for example. Over the past years, DNA has encouraged personnel to use web conferencing and other similar tools, which has reduced work-related travel.

DNA monitors responsibility in its entire delivery and supply chain

DNA applies responsibility throughout the value chain from infrastructure investments and purchases to the final product and service delivered to the customer. Over the past years, the company has enhanced responsibility in the supply and delivery chains and also taken into account the needs of end users as regards the recycling of mobile devices, for example.

DNA also expects its partners to take economic, environmental and social responsibility into consideration in their operations. DNA has enforced a Supplier Code of Conduct since 2012. The Code is added to all new supplier agreements and also applies to the supplier's subcontractors.

In 2015, DNA again conducted a supplier responsibility survey to assess the responsibility of suppliers' operations. Among other things, the survey results indicated that 85 per cent of DNA's subcontractors and suppliers address corporate responsibility in their strategy and 69 per cent have specified responsibility objectives that are monitored. In total, 73 per cent of them monitor the responsibility of their subcontractors and suppliers.

Mobile device value chain and life-cycle from the consumer point of view

1. Responsibility in the supply chain

The mobile device starts it journey at a factory, from where it is transported overseas to a DNA Store. We emphasise responsibility and ethical operations in the supply chain and calculate logistics emissions.

2. Expert advice

At the DNA Store, our customer service experts help you find the right product for you. In addition to voice and data subscriptions, we also provide entertainment services, such as DNA TV subscriptions and the Deezer music service.

3. Energy-efficient networks

DNA's networks provide reliable, extensive and fast connections – both at home and on the move. DNA has systematically improved the energy efficiency of its network by upgrading the base stations and radio network, for example.

4. Environmentally friendly data centers

The robust servers that live in DNA's data centres make sure that you can easily access the services you need over DNA's networks. Thanks to district cooling, DNA's new, environmentally friendly data centre will be practically emission-free.

5. Safe disposal

When your old mobile device is no longer of use to you, bring it to your nearest DNA Store, where our experts dispose of it safely and responsibly without burdening the environment.

6. Recycling of materials

Recyclable materials recovered from mobile devices find a new life in products such as musical instruments, garden furniture, traffic safety products and jewellery.

A team of top experts

DNA's human resources management aims to establish a team of top experts at DNA, so that each and every task is performed by a dedicated and qualified person. This is the foundation for DNA's competitiveness. DNA aims to be one of the most desired employers in Finland.

Leadership that is based on DNA's values creates competitive advantage in the constantly evolving industry. Employee satisfaction amidst the changes is one key indicator that DNA is committed to.

After the organisational changes that took place at the end of 2014, the focus in 2015 was on a stronger, unified corporate culture. Key initiatives in this area included coaching programmes in supervisors' leadership skills and the launch of the work community initiative.

Other important – and permanent – focus areas include continuous competence development and open interaction between personnel representatives and the personnel.

Significant improvement in job satisfaction

DNA participated in the Great Place to Work survey for the second time in 2015. The survey measures employee satisfaction and the company's employer image.

In comparison to 2014, the Trust Index of DNA's personnel was 67 per cent in 2015 (60 per cent in 2014), which according to the Great Place to Work institute is an exceptional year-on-year improvement in the large companies' category in Finland. In total, 78 per cent of DNA's employees considered DNA as a good workplace (69 per cent in 2014). Results improved across the board for the organisation as a whole.

According to the survey, DNA's strengths as an employer include flexibility, equal treatment of employees and friendly atmosphere at work. The employees also felt that their contribution is important and that they can freely be themselves.

Suggestions for improvements included, for example, that the company management could keep employees better up to date, involve employees more in decision-making and be more active in seeking out employees' suggestions and ideas and following up on them. The employees would like to see the company management (top management and supervisors) to be more active communicators in the organisation. While this area developed positively from the previous year, the employees would like to see this trend continue.

In 2015, 1,373 (997) DNA employees participated in the 2015 Great Place to Work survey, achieving a response rate of 79 per cent (69 per cent).

DNA specified further action to improve employee satisfaction and employer image based on the results.

Dream Christmas presents for SOS Children's Village

DNA employees in the cities of Rauma, Pori and Turku collected gift donations for the SOS Children's Village Kaarina and employees in the city of Lahti for the SOS Children's Village Tampere. Many children had named sports equipment as their dream present. DNA Peers visited the SOS Children's Villages before Christmas to deliver the presents.

DNA Peers are DNA employees who volunteer to promote well-being at work and employee satisfaction at DNA premises. They organise various fun events and campaigns for the personnel.

DNA is the main partner of SOS Children's Village.

Customer service pilots the Genuine method of working

DNA's Genuine method of working is based on trust and flexibility, and has proved very successful. Using mobile workstations, the employees decide independently where they work without discussing this with their supervisor. The Genuine method of working changes not only the working environment but also the working culture, and DNA's employees have welcomed this change enthusiastically.

They especially value the increased flexibility in the management of their work and personal lives. They also reported being more effective and less stressed when using the new method. Most DNA employees take advantage of the flexibility by working at home.

The Genuine method of working was expanded further in 2015 according to plan with the aim of implementing it in all DNA facilities during 2017.

Personnel in Consumer Customer Services (technical support) and Corporate Customer Services took part in a remote working pilot in 2015. After a very successful pilot, the remote working model will be implemented in Corporate Customer Services in 2015, while flexible working pilots are set to continue in Consumer Customer Services.

In January 2016, DNA announced that it will participate in the Family-Friendly Workplace programme of the Family Federation of Finland which aims to support well-being at work by providing tools to companies and communities that promote the development of family-friendly practices. These practices improve job satisfaction and productivity at the workplace. DNA's Genuine method of working is one example of family-friendly practices at the workplace.

Support for supervisors' individual development

Supervisors' leadership skills remained a focus area in skills development in 2015. The supervisor mentoring programme continued in 2015 to provide support for supervisors' individual development by means of discussions. Participants' experiences about mentoring were very positive, and the programme will continue in 2016.

In 2015, DNA launched a coaching programme for all supervisors on leadership and labour law. The programme will also be incorporated in the induction process of new supervisors.

Advanced coaching needs are identified by means of 360-degree surveys and mentoring.

For several years now, both DNA Ltd and DNA Store employees have had the opportunity to enrol in the JET qualification programme in leadership training. By the end of 2015, 95 persons in total had participated in the programme, 64 of which have acquired the qualification and seven having completed a partial qualification. DNA Store employees also have the opportunity to work towards a specialist qualification in commerce through apprenticeship training. The first group of students consisted of 18 students and four of them have completed a partial qualification.

DNA employees develop their working community

In 2015, DNA employees were given an opportunity to influence the future development of their working community in the "Paras duuni" ("best job") initiative in which their peers led working groups discussing the future development of their jobs. Most DNA employees took part in the working groups during the summer and autumn. The initiative generated a myriad of development ideas, which were reviewed by the Executive Team.

DNA employees were also active participants in the implementation of DNA's brand renewal. DNA's new brand was launched in April 2015 and DNA Movie Experience events were organised in different parts of the country. Everyone at DNA was given the opportunity to consider the essentials of the DNA brand in small groups and create a short film about them. The best ones were celebrated at an Oscar-inspired gala at the end of the spring.

DNA promotes well-being at work

DNA promotes the well-being of its personnel with, for example, the Edenred Duo card, which provides exercise opportunities for the personnel, and by organising different activity clubs. A mindfulness course was piloted at DNA House in 2015. Participants were satisfied with the course and felt that it promoted their well-being at work. The quit smoking campaign that was organised with occupational health and safety continues.

DNA provides employees with a wide selection of healthcare and medical services in excess of the level required by law. DNA personnel can avail themselves of health services provided by, for example, specialists, gynaecologists, occupational physiotherapists and psychologists. DNA also offers its employees an accident insurance for recreational activities.

Focus areas in the further development of well-being at DNA in 2015 included the development of team skills in Customer Service and also throughout the organisation with various campaigns. DNA's HR experts were also actively available at different premises in Finland throughout the year. This was deemed useful and they will continue to visit different premises in 2016.

DNA Peers continued to be active. They organised a Halloween-themed party and Oktoberfest for the personnel and a Christmas present collection for SOS Children's Village.

Leadership practices embrace diversity

DNA has been a member of FIBS and Diversity Charter Finland since early 2012. DNA was among the first members to sign the first Diversity Charter in Finland, and has been an active participant in the diversity charter network.

Diversity is a tangible part of every-day leadership at DNA. It is included in the company's view of what constitutes good leadership, alongside the principles of equality, non-discrimination and respect for and utilisation of different skill sets.

By signing the Diversity Charter, DNA is committed to providing equal opportunities for its employees and customers, identifying and recognising their individual skill sets and needs, managing employees and customers in a fair, encouraging and productive way, and communicating about its objectives and achievements to them.

Deeper customer understanding is also an important area in DNA's diversity vision. A diverse and pluralistic working community helps DNA understand customer needs in different segments.

DNA's objectives in diversity management include:

- Better identification of key business metrics
- Enhanced employee recognition and commitment to improving reputation as a good employer
- Increasing the value of the company in the long term

DNA's diversity vision

Increased customer understanding and customer satisfaction	The customer is at the core of our strategy: we aim to have the most satisfied customers. For DNA's business, it is important to deepen customer understanding continuously, whereas a diverse working community helps create this type of skills and, on the long term, leads to increased customer satisfaction.
More versatile expertise	We aim to be one of the most desired employers in Finland. Versatile top expertise is a critical success factor for DNA: we must be able to understand the needs of the changing society from the point of view of different target groups and to provide an offering that meets these needs.
New ways of working and thinking expand	We develop new, more effective ways of working digitally – for ourselves and our customers. We want to lead the way to better working life in Finland. We aim to attract versatile expertise to stay ahead of the curve in a rapidly changing industry. As an organisation and as individuals, we must learn continuously to remain competitive in a tough environment.

We adhere to our Code of Conduct and legislation

As an employer, DNA adheres to national legislation and the principles of the ILO Declaration on Fundamental Principles and Rights at Work, the UN Convention of the Rights of the Child, legislation on minimum wage and working hours as well as general environmental, health and safety requirements. These are taken into consideration in DNA Group's Code of Conduct which applies to all employees. The company expects its suppliers and subcontractors to operate according to these principles and has appended a Supplier Code of Conduct to its procurement and logistics agreements.

Reporting according to GRI guidelines

As in previous years, DNA continued to report on corporate responsibility according to the Global Reporting Initiative reporting model in 2015. This is DNA's sixth GRI report. With a reporting period of one calendar year, DNA publishes this GRI-compliant corporate responsibility report annually with the annual report. The previous report was published on 6 March 2014. DNA adopted the GRI G4 guidelines in 2014, and this is DNA's second G4-compliant corporate responsibility report.

DNA's CR reporting is based on the guidelines, principles and calculation methods specified by GRI. It includes the data for DNA Ltd, including DNA Store Ltd. Any deviations from or changes to the calculation limits are mentioned with each indicator. Similarly, any changes in measurement methods are mentioned with each indicator.

The reporting is steered by the materiality analysis which gives consideration to business objectives and stakeholder expectations. The materiality analysis was performed in 2014. The analysis of material aspects was based on how they affect DNA's ability to create added value with its business. As a result of the analysis, material aspects were specified as follows:

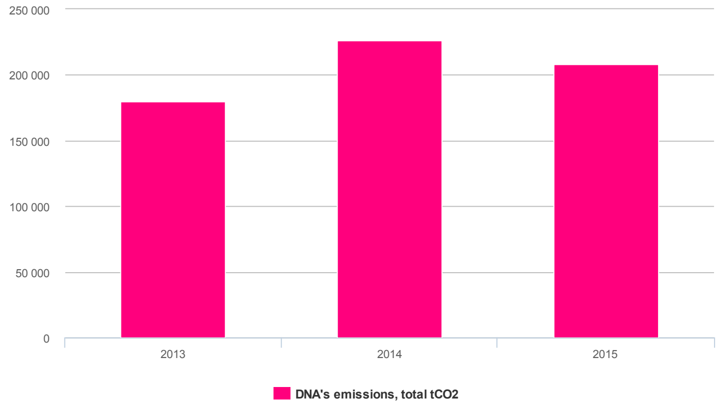
Requirement	More effective and competitive DNA	Added value to stakeholders
• Privacy and data security • Adhering to ethical business principles • Electronic waste • Responsible purchasing	• Using and developing environmentally friendly solutions • Online safety of young users • Economic benefits to stakeholders and the society • Service availability	• Investments in networks and the society • Customer satisfaction and customer service • Good employer

DNA utilises the materiality analysis in its corporate responsibility work including target setting, activities and reporting.

The GRI indicators in this report have been reviewed by the Board of Director's Audit Committee. DNA's Sustainability Manager is responsible for the future development of reporting.

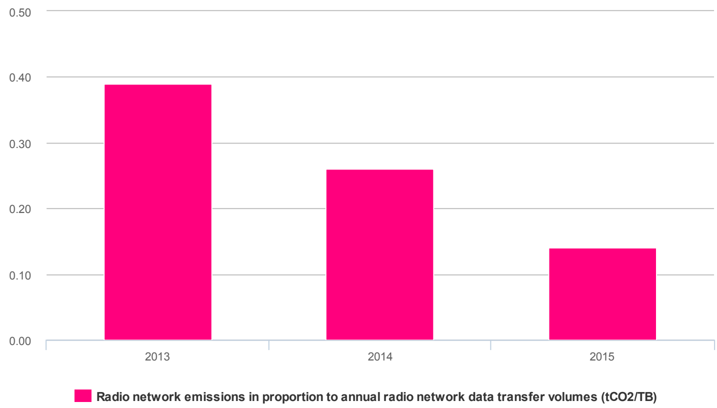
Environmental indicators

DNA's emissions, total tCO2*



*Indicator includes Scope 1, Scope 2 (market-based) and Scope 3 emissions.

EN18 – Radio network emissions in proportion to annual radio network data transfer volumes (tCO2/TB)*



*Indicator includes Scope 1, Scope 2 (market-based) and Scope 3 emissions.

EN15 – Direct greenhouse gas emissions (scope 1)(tCO2)

	2015	2014	2013	2012	2011
Direct greenhouse gas emissions	662	835	1104	569	546

EN16 – Indirect greenhouse gas emissions (scope 2) (tCO2)

	2015*	2014	2013	2012	2011
Indirect greenhouse gas emissions	29,707**	30,101	28,846	25,863	31,564

*Energy consumption for 2015 includes the electricity consumption of the radio network of Suomen Yhteisverkko Oy. DNA owns 49 per cent of Suomen Yhteisverkko Oy shares.
**DNA monitors emissions from energy consumption with the market-based approach, which takes into account e.g. the Guarantees of Origin obtained by DNA. DNA's location-based emissions totalled 27,088 tCO2, based on the specific carbon dioxide emissions from electricity production in Finland.

EN17 – Other indirect greenhouse gas emissions (scope 3) (tCO2)

	2015	2014	2013	2012	2011
Scope 3, business travel*	853	743	616	721	934
Scope 3, total**	177,516	195,784	150,250	N/A	N/A

*Business travel emissions are included in the total emissions figure for 2013, 2014 and 2015.
**Scope 3 emission calculation was expanded and made more detailed in 2013. The calculation method is based on the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard published in the spring of 2013.

EN18 – Greenhouse gas emissions in proportion to net sales (tCO2/MEUR)*

	2015	2014	2013
Emissions in proportion to net sales	251	272	235

*Includes scope 1, 2 and 3 emissions.

EN3 – Energy consumption within the organisation (TJ)

	2015*	2014	2013	2012	2011
Total consumption of non-renewable fuels**:					
- Diesel and gasoline	7.2	6.6	6.3	6.3	5.8
- Fuel oil	1.2	1.4	1.5	1.6	0.9
Consumption of renewable fuels	N/A	N/A	N/A	N/A	N/A
Electricity consumption	422.9	367.5	355.0	346.0	369.0
Heat consumption	21.6	15.9	21.0	19.0	29.0
Cooling consumption	3.5	N/A	N/A	N/A	N/A
Steam consumption	0.0	0.0	0.0	0.0	0.0
Energy sales	0.0	0.0	0.0	0.0	0.0
Total energy consumption	456.3	391.5	383.8	373.0	404.7

*Energy consumption for 2015 includes the electricity consumption of the radio network of Suomen Yhteisverkko Oy. DNA owns 49 per cent of Suomen Yhteisverkko Oy shares.
**The calculation presumes that fuel used by DNA's vehicles is from non-renewable sources.

EN4 – Energy consumption outside of the organisation (TJ)

	2015	2014
Total energy consumption outside of the organisation in terajoules*	1.4	1.3

*Information on energy consumption outside of the organisation is collected on a limited scope for EN17/Scope 3 calculation. This indicator includes the energy consumption during usage of products and services sold by DNA, which is the same as in indicator EN17, i.e. Google office communications service. Energy consumption has been calculated based on the average consumption information provided by Google.

EN23 – Total weight of waste by type and disposal method (tonnes)*

	2015	2014	2013	2012
Hazardous waste, total**	8	26	6	14
Other waste, total	540	698	510	703
Recyclable waste	478	531	398	N/A
Combustible waste	37	121	80	N/A
Disposable waste	25	46	32	N/A
Total, all waste	548	724	516	717

*Waste reporting is based on data received from the waste operators.
**Accurate information in terms of processing hazardous waste was not available. Hazardous waste consists mostly of lead-acid batteries, the materials of which are recycled (lead, chemicals) or combusted in energy production facilities (plastic).

Social responsibility indicators

Type of employment contract

Type of employment contract	2015	2014	2013	2012	2011
Open-ended	1,626	1,710	1,537	1,403	1,015
Fixed-term	48	29	26	24	20
Total	1,674	1,739	1,563	1,427	1,035

Type of employment

Type of employment	2015	2014	2013	2012	2011
Full-time	1,636	1,651	1,468	1,336	997
Part-time	38	88	95	91	38
Total	1,674	1,739	1,563	1,427	1,035

Gender structure

By gender	2015	2014	2013	2012	2011
Women	676	1,022	668	611	333
Men	998	717	895	816	702
Total	1,674	1,739	1,563	1,427	1,035

Age structure

By age group	2015	2014	2013	2012	2011
< 25	3%	5%	5%	6%	3%
25–34	31%	31%	32%	31%	27%
35–44	35%	32%	32%	31%	37%
45–54	22%	22%	22%	23%	25%
55–64	9%	9%	8%	9%	8%
Total	100%	100%	100%	100%	100%

Share of women (%) per personnel group

Personnel groups include women as follows:	2015	2014	2013	2012
Of management	24%	30%	21%	25%
Of managerial employees	26%	25%	26%	25%
Of administrative employees	47%	48%	49%	36%
Of service and production employees	0%	3%	6%	15%

GRI content index

GRI	Indicator	Reference	External assurance
General standard disclosures			
	Strategy and analysis		
G4-1	CEO's review	CEO's review	-
G4-2	Description of key impacts, risks and opportunities	CEO's review, Operating environment, Strategy, Board of Director's report	Financial Statements and Board of Directors' Report have been audited
	Organisational profile		
G4-3	Name of the reporting organisation	DNA Ltd	-
G4-4	Primary brands, products and services	Primary brand is DNA. For products and services, see Year 2015 and Business	-
G4-5	Location of organisation's headquarters	Consolidated financial statements: Note 1 The Group in brief	Financial Statements and Board of Directors' Report have been audited
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	Almost 100 per cent of DNA's operations occur in Finland. Finnish operations are supported by some sales and service employees in other countries. See DNA's subsidiaries in notes to the consolidated financial statements, 31 Related party transactions	Financial Statements and Board of Directors' Report have been audited
G4-7	Nature of ownership and legal form	DNA in figures. See Shares and shareholders in the financial statements	Financial Statements and Board of Directors' Report have been audited
G4-8	Markets served	Almost 100 per cent of DNA's operations occur in Finland. Finnish operations are supported by some sales and service employees in other countries. See DNA's subsidiaries in notes to the consolidated financial statements, 31 Related party transactions	Financial Statements and Board of Directors' Report have been audited

G4-9	Scale of the organisation	Number of personnel 31 Dec 2015: 1,674	Financial Statements and Board of Directors' Report have been audited
G4-10	Total number of employees by employment contract, region and gender	On 31 December 2015, DNA Group employed 1,674 people, 1,626 of which had open-ended contracts and 48 had fixed-term contracts. 1,636 worked full time and 38 part time. Social responsibility indicators	-
G4-11	Percentage of employees covered by collective bargaining agreements	All DNA Group staff are covered by the applicable collective bargaining agreements specific to each employee category. Service and production employees are covered by the collective agreement in the energy-ICT-networks sector, and administrative and managerial employees by the collective agreement for salaried and senior salaried employees in the ICT sector.	-
G4-12	Description of the organisation's supply chain	Supply chain	-
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Board of Directors' Report	Financial Statements and Board of Directors' Report have been audited
G4-14	Explanation of whether and how the precautionary principle is applied	Risks and risk management	-
G4-15	Endorsement of externally developed economic, environmental and social charters, principles or other initiatives	In autumn 2010, DNA signed the Finnish Code of Conduct for Safer Mobile Use by Younger Teenagers and Children as well as the European Framework for Safer Mobile Use (SMF) by younger teenagers and children. In 2012, DNA signed the Finnish Diversity Charter and joined the Diversity Charter Finland. In 2015, DNA joined the EU Transparency Register.	-
G4-16	Memberships in associations and advocacy organisations	DNA is a member of various associations, including the Service Sector Employers PALTA, the Finnish Federation for Communications and Teleinformatics (FiCom), Amcham Finland, the European Competitive Telecommunications Association ECTA and Groupe Speciale Mobile Association (GSMA). DNA is also a member of Corporate Responsibility Network FIBS and Diversity Charter Finland. DNA engages in active communication with various authorities and political decision-makers. Stakeholder relations	-
	Identified material aspects and boundaries		
G4-17	Entities included in the organisation's consolidated financial statements	Business. See also Development per business segment and notes to the consolidated financial statements: 16 Investments in associates and 31 Related party transactions	Financial Statements and Board of Directors' Report have been

			audited
G4-18	Process for defining report content	DNA has determined the contents of its 2015 CR report according to the GRI G4 materiality process. The materiality analysis was performed in 2014. Reporting (GRI)	-
G4-19	Material aspects	DNA has determined the contents of its 2015 CR report according to the GRI G4 materiality process. The materiality analysis was performed in 2014. Reporting (GRI)	-
G4-20	Aspect boundary within the organisation	Internal boundary: For economic and social responsibility reporting, the scope is DNA Group. The boundary is specified by DNA Group's financial reporting. This is why DNA's responsibility reporting for 2015 includes the electricity consumption of the radio network of Suomen Yhteisverkko Oy. DNA Ltd owns 49 per cent of Suomen Yhteisverkko Oy shares. DNA's financial reporting for 2015 includes 42 per cent of Suomen Yhteisverkko Oy's figures. Correspondingly, the responsibility reporting includes 42 per cent of the electricity consumption of the radio network of Suomen Yhteisverkko Oy.	-
G4-21	Aspect boundary outside the organisation	Internal boundary: For economic and social responsibility reporting, the scope is DNA Group. The boundary is specified by DNA Group's financial reporting. This is why DNA's responsibility reporting for 2015 includes the electricity consumption of the radio network of Suomen Yhteisverkko Oy. DNA Ltd owns 49 per cent of Suomen Yhteisverkko Oy shares. DNA's financial reporting for 2015 includes 42 per cent of Suomen Yhteisverkko Oy's figures. Correspondingly, the responsibility reporting includes 42 per cent of the electricity consumption of the radio network of Suomen Yhteisverkko Oy.	-
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports	Any deviations from or changes to the calculation limits are mentioned with each key figure. See Reporting (GRI).	-
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Any deviations from or changes to the calculation limits are mentioned with each key figure. See Reporting (GRI).	-
	Stakeholder engagement		
G4-24	List of stakeholder groups engaged by the organisation	DNA's important stakeholders include customers, personnel, shareholders, subcontractors, civic organisations, authorities and political decision-makers, the media, financial and insurance markets, labour market organisations and other organisations as well as competitors. Stakeholder relations	-
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholders have been specified as part of updating the materiality analysis. DNA's important stakeholders include customers, personnel, shareholders, subcontractors, civic organisations, authorities and political decision-makers, the media, financial and insurance markets, labour market organisations and other organisations as well as competitors. Stakeholder relations	-
G4-26	Approaches to stakeholder engagement	Customer, Stakeholder relations	-
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Reporting (GRI)	-

	Report profile		
G4-28	Reporting period	The GRI report is published annually with the Annual Report.	-
G4-29	Date of the most recent previous report	6 March 2014	-
G4-30	Reporting cycle	Annually	-
G4-31	Contact point for questions regarding the report or its contents	Contacts	-
G4-32	GRI content index	GRI content index	
G4-33	Policy and current practice with regard to seeking external assurance for the report	DNA's corporate responsibility report 2015 has not been subjected to external assurance. DNA Ltd's auditor has audited the Financial Statements and Board of Director's Report.	-
	Governance		
G4-34	Governance structure and committees	Corporate governance and internal control	-
G4-35	Division of Responsibilities	Corporate responsibility at DNA	-
G4-36	Executive-level positions with responsibility for economic, environmental and social topics	Corporate responsibility at DNA, Contacts	-
G4-37	Processes for consultation between stakeholders and the highest governance body	Shareholders exercise their shareholder power in the General Meeting. DNA's Board of Directors does not have an employee representative. Personnel representatives attend meetings of the Extended Executive Team. See Corporate governance and internal control	-
G4-38	Composition of the highest governance body and its committees	Corporate governance and internal control	-
G4-39	The Chairman of the Board's role in the organisation	The Chairman of DNA Ltd's Board of Directors is not an executive officer. See Board of Directors and Members of the Board of Directors	-
G4-40	Nomination and selection processes for the Board of Directors and its committees	See Board of Directors for information on the nomination and selection process of Board and committee members	-
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided	As stipulated by law, a member of the Board of Directors shall be disqualified from the consideration of a matter that involves a conflict of interest. See Board of Directors.	-
G4-42	The Board of Directors' role in setting purpose, values and strategy	Strategy, Corporate governance and internal control	-
G4-44	Board of Directors' performance evaluation	The Board of Directors carries out an internal self-evaluation of its operations once per year. The self-evaluation report for 2015 was discussed in a Board meeting.	-
G4-45	Board of Directors' role in the identification and management of risks	The Board of Directors monitors DNA's CR performance according to the same principles that apply to the monitoring of DNA's other operations. See Board of Directors and Risks and risk management	-
G4-46	Board of Director's role in reviewing the effectiveness of the organisation's risk management processes	The Board of Directors monitors the effectiveness of DNA's risk management process according to the same principles that apply to the monitoring of DNA's other operations. See Board of Directors, Corporate responsibility at DNA and Risks and risk management.	-

G4-47	Risk assessment frequency	The Board of Directors monitors the effectiveness of DNA's risk management process according to the same principles that apply to the monitoring of DNA's other operations. See Board of Directors, Corporate responsibility at DNA and Risks and risk management.	-
G4-48	Highest committee or position that formally reviews and approves the sustainability report	Corporate responsibility at DNA	-
G4-49	Process for communicating critical concerns	Critical CR concerns are communicated to the Board of Directors.	-
G4-50	Critical concerns reported to the Board of Directors	No concerns specific to corporate responsibility have been reported during the reporting period.	-
G4-51	Remuneration policies for the Board of Directors and senior executives	DNA's remuneration principles do not specify a linkage between the organisation's responsibility performance and compensation for members of the Board of Directors and senior executives. For more details on remuneration, see the following notes to the consolidated financial statements: 13 Earnings per share and 9 Employment benefits and number of personnel. See also Governance - Salary and remuneration report.	Financial Statements and Board of Directors' Report have been audited
G4-53	Details on how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Shareholders exercise their shareholder power in the General Meeting. DNA's Board of Directors does not have an employee representative. Personnel representatives attend meetings of the Extended Executive Team. See Corporate governance and internal control and Salary and remuneration report.	-
	Ethics and integrity		
G4-56	Values and principles	Strategy, Corporate responsibility at DNA, Customer	-
G4-58	Mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	DNA's employees are guided by DNA Group's Code of Conduct. It specifies the Group's values, operating methods and communication channels and also the action to be taken when questions arise. The Code of Conduct is the upper-level guideline which is specified in more concrete terms in the company's operating policies. DNA's Board of Directors approves the Code of Conduct, which is updated every other year or so. The Code of Conduct was updated in 2015 and the practical implementation will take place in 2016. DNA's Code of Conduct instructs employees to report any concerns about unethical or unlawful behaviour to a supervisor, HR or the legal department.	-
Specific standard disclosures			
	Management approach		
	Disclosure of Management Approach (DMA)	Corporate responsibility at DNA, Contacts	-

	Economic responsibility		
G4-EC1	Direct economic value generated and distributed	See DNA's economic impact on its operating environment, Society. For more information, see consolidated income statement.	Financial Statements and Board of Directors' Report have been audited
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	DNA conducted a large-scale climate change risk assessment in the autumn of 2013. Climate, Environmental indicators	-
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Notes to the consolidated financial statements: 2 Accounting principles and 24 Defined benefit plan	Financial Statements and Board of Directors' Report have been audited
G4-EC4	Significant financial assistance received from government	In 2015, DNA did not receive financial assistance from government.	-
G4-EC7	Development and impact of infrastructure investments and services supported	Society, Network infrastructure	-
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Currently, DNA does not collect data regarding proportion of spending on local suppliers at significant locations.	-
	Environmental		
G4-EN3	Energy consumption within the organisation	Climate, Environmental indicators	-
G4-EN4	Energy consumption outside the organisation	Climate, Environmental indicators	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environmental indicators	-
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Environmental indicators	-
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environmental indicators	-
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environmental indicators	-
G4-EN23	Total weight of waste by type and disposal method	Environmental indicators	-
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Supply chain, Climate, Environmental indicators	-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	DNA's supplier agreements include the Supplier Code of Conduct according to which suppliers agree to adhere to environmental legislation and regulations. Supplier Code of Conduct was included in a significant proportion of new procurement and logistics agreements signed in 2015. The exact percentage is not currently available. The Supplier Code of Conduct is based on the UN Declaration on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Environmental responsibility considerations	-

		are also included. The Supplier Code of Conduct also applies to the suppliers' subcontractors.	
	Social responsibility		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	DNA Group's rate of employee turnover was 11.1 per cent in 2015. (In 2014, the rate was 6.3 per cent). The figure does not include fixed-term employment contracts or internal transfers.	-
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	DNA Ltd provides the same benefits to all employees, regardless of employment type. The benefits and policies of DNA's sales organisation, DNA Store Ltd, apply to all DNA Store employees regardless of employment type.	-
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	During operational changes, DNA has observed the minimum notice periods for the applicable collective agreements.	-
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	DNA Ltd has a statutory labour protection committee that consists of regional labour protection delegates. The committee members include five labour protection delegates, including DNA Store delegate, and the labour protection officer. The committee has quarterly meetings.	-
G4-LA6	Type of injury and rate of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	The Group-level relative rate of absenteeism was 4.9 per cent in 2015 (4.9 per cent in 2014). There were no work-related fatalities. There were 20 work time injuries (26 in 2014) and 22 days were lost due to work-related reasons (34 in 2014). 60 per cent of the work time injuries occurred on the way to or from work.	-
G4-LA8	Health and safety topics covered in formal agreements with trade unions	DNA believes that statutory labour protection activities in Finland cover LA8 requirements. DNA's labour protection committee 2015 has one labour protection delegate per office, a labour protection officer as well as representatives from office and human resource management. The committee meets once a quarter. A typical agenda includes reviewing areas such as accident, sick leave and overtime statistics, and dealing with possible occupational safety issues, for example, based on feedback from employees.	-
G4-LA9	Average hours of training per year per employee per gender, and by employee category	Average hours of training/employee for men/women in 2015: DNA Ltd: Senior salaried employees 17/17, salaried employees 10/11, workers -/-, managers 31/17. DNA Welho Ltd: Senior salaried employees 5/12, salaried employees 3/5, workers -/-, managers -/6. DNA Store Ltd: Senior salaried employees -/40, salaried employees 18/33, workers -/-, managers -/60. Average/personnel, entire Group: 12	-
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	By the end of 2015, six groups of employees have participated in the JET qualification programmes in leadership training, some 95 participants in total, of whom 64 have completed the programme and seven have a partial qualification. Two groups from DNA Store Ltd completed the qualification programme in store supervision (some 20 participants) and a group of DNA customer service employees have completed a further qualification in sales (10 participants). In total, 14 persons are working towards a specialist qualification in commerce, four of whom have a partial qualification. DNA signed an agreement on	-

		transition training with Salpaus Further Education that was organised in the spring of 2015.	
G4-LA11	Percentage of employees receiving regular performance and career development reviews	DNA Ltd and DNA Welho Ltd have conducted performance reviews with all permanently employed persons not on a leave and temporary and agency employees whose employment continues until the end of the year under review. DNA Store Ltd arranges sales-related performance reviews with employees, as required. These reviews focus on the development of sales skills and competence. Supervisors' performance reviews were conducted with a 360-degree survey (231 supervisors.)	-
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Two of the six members of DNA's Board of Directors were women during the reporting period. One of the nine members of DNA's Executive Team was a woman. Members of the Board, Executive Team, Social responsibility indicators	-
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	DNA's supplier agreements include the Supplier Code of Conduct according to which suppliers agree to adhere to responsible labour practices and related legislation and regulations. Supplier Code of Conduct was included in a significant proportion of new procurement and logistics agreements signed in 2015. The exact percentage is not currently available. The Supplier Code of Conduct is based on the UN Declaration on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Environmental responsibility considerations are also included. The Supplier Code of Conduct also applies to the suppliers' subcontractors.	-
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination occurred at DNA Group in 2015.	-
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	DNA's supplier agreements include the Supplier Code of Conduct according to which suppliers agree to adhere to human rights legislation and regulations. Supplier Code of Conduct was included in a significant proportion of new procurement and logistics agreements signed in 2015. The exact percentage is not currently available. The Supplier Code of Conduct is based on the UN Declaration on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Environmental responsibility considerations are also included. The Supplier Code of Conduct also applies to the suppliers' subcontractors.	-
	Society		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	DNA's Code of Conduct bans any corruption. DNA has issued separate guidelines for the giving and receiving business gifts. The company does not have a separate risk assessment process for corruption.	-
G4-SO4	Communication and training on anti-corruption policies and procedures	DNA's Sustainability Manager has trained DNA personnel in DNA Group's anti-corruption policies and procedures. Practical implementation of the Code of Conduct is repeated among personnel every couple of years. The Code of Conduct was updated in 2015 and practical implementation will take place in 2016.	-

G4-SO5	Confirmed incidents of corruption and actions taken	There were no incidents of corruption at DNA in 2015.	-
G4-SO6	Total value of political contributions by country and recipient/beneficiary	DNA Group does not support any political parties, politicians or similar institutions. According to this policy, DNA did not provide any political contributions in 2015.	-
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	DNA Ltd operates according to competitive regulations. During the reporting period, neither the Group nor any of its wholly-owned subsidiaries were subject to legal actions for violation of competition legislation. According to the Competition Act, the Finnish Competition and Consumer Authority carried out an inspection at DNA Ltd on 4 November 2014 in relation to the 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.	-
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2015, DNA was not ordered to pay any fines or other sanctions for non-compliance with laws or regulations.	-
G4-PR5	Results of surveys measuring customer satisfaction	Customer	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	In 2015, no court decisions were issued in relation to DNA's marketing, nor did the Market Court issue any conditional fines.	-
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	According to the Finnish Information Society Code, telecommunications operators shall notify the Finnish Communications Regulatory Authority (Ficora) of significant information security violations or threats to information security in their network and communication services. DNA issued less than five so-called CERT notifications to Ficora in 2015. The notifications concerned a human error that caused a small amount of customer data to be visible to a third party for a short period of time. DNA processed the cases specified in the CERT notifications as soon as possible to minimise any inconvenience caused to the customers. DNA considers the data security of both consumer and business customers a top priority in all its operations.	-

G4-PR9	Monetary value of significant fines for non-compliance with regulations concerning the provision and use of products and services	DNA has not been ordered to pay any major fines for non-compliance with laws and regulations concerning the provision and use of products and services during the reporting period.	-

Contacts

DNA Ltd's Sustainability Manager Hanna Haapakoski is responsible for DNA's corporate responsibility, forename.surname (at) dna.fi.

At the Executive Team level, CFO Timo Karppinen is in charge of corporate responsibility, forename.surname (at) dna.fi.

Corporate Governance Statement

DNA Ltd (“DNA” or “company”) is a Finnish telecommunications Group providing high-quality voice, data, and TV services to private customers and corporations.The company conducts its business directly or through its subsidiaries. Parent company DNA Ltd and its subsidiaries form the DNA Group.The company is domiciled in Helsinki, Finland.

DNA operates in accordance to its Articles of Association and the Finnish Limited Liability Companies Act as well as the applicable rules and regulations of the Securities Market Act and other legislation in force in Finland. DNA also complies with the recommendations of the Finnish Corporate Governance Code 2010 issued by the Securities Market Association, except for Recommendation 1 (Information on general meetings to shareholders) and Recommendation 51 (The company’s insider administration). DNA departs from Recommendation 1 by not making the information mentioned in the recommendation available on the company website. DNA departs from Recommendation 51 by not maintaining a public insider register. Both departures are due to the fact that the company does not have any listed instruments.

DNA’s Audit Committee has audited this corporate governance statement.

The Finnish Corporate Governance Code is available at www.cgfinland.fi. DNA will issue its Corporate Governance Statement for the financial year starting on 1 January 2016 according to the recommendations of the new Finnish Corporate Governance Code that came into force on 1 January 2016 (in 2017).

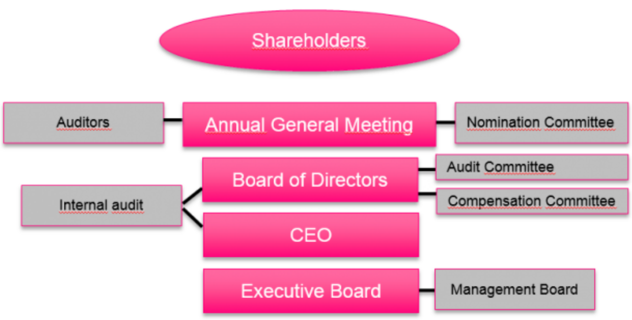
Governing bodies

DNA Ltd aims at open, transparent and responsible governance and management.

The obligations and responsibilities of DNA’s governing bodies are determined by Finnish legislation. In decision-making, DNA adheres to the Finnish Limited Liability Companies Act and the Articles of Association.

DNA’s governing bodies comprise the General Meeting, the Board of Directors and the CEO. The Executive Team assists the CEO in the management of the Group.

› CORPORATE GOVERNANCE STATEMENT (PDF) >>



General Meeting

The General Meeting is the highest decision-making body of DNA, held at least once a year.

General Meetings are convened by the Board of Directors. The Annual General Meeting (AGM) is held within six months of the end of the financial year. According to the Articles of Association, the meeting discusses matters that fall within the scope of its responsibility, and any proposals to the AGM.

Extraordinary General Meetings can be organised by the Board of Directors as required. The Board must call an Extraordinary General Meeting if an auditor or shareholders with a total of 10 per cent of all DNA shares so demand.

Notice and agenda of the General Meeting

Unless otherwise stipulated in the Finnish Limited Liability Companies Act, the notice of the Annual General Meeting is sent to shareholders no earlier than two (2) months and no later than nine (9) days before the record date of the General Meeting. Notices are posted to the addresses listed in the shareholder list, or published as an announcement in at least one nationwide newspaper designated by the Board of Directors. Notices are posted to shareholders who are registered in the book-entry system maintained by Euroclear Finland Ltd on the General Meeting record date. The record date of the meeting is eight (8) business days before the meeting. The notice includes the agenda for the meeting.

DNA shares are linked to the book-entry system maintained by Euroclear Finland Ltd.

Duties of the General Meeting

According to the company Articles of Association, the responsibilities of the General Meeting include

- Adopting the company's income statement;
- Deciding on the distribution the profit shown on the balance sheet;
- Discharging the members of the Board of Directors and the CEO from liability for the financial period;
- Confirming the number of members in the Board of Directors, electing them and deciding on their remuneration; and
- When necessary, electing the auditor and deciding the auditor's remuneration.

The General Meeting may also make decisions on other matters falling within its competence according to the Limited Liability Companies Act, such as amendments to the Articles of Association, issue of new shares as well as repurchase of company's own shares.

According to the Limited Liability Companies Act, a shareholder may have a matter falling within the competence of the General Meeting dealt with by the next General Meeting. The shareholder must send this request to the company, along with the related grounds and proposal, well in advance of the meeting so that it can be included in the notice of the AGM.

Registration

Registration for the General Meeting takes place no later than on the due date specified in the notice of the General Meeting. Each shareholder may attend the General Meeting in person, or by means of a representative. A shareholder or representative may have an assistant present at the General Meeting.

Presence of the Board of Directors, committee members and the CEO

The Chairman of the Board of Directors, sufficient number of members of the Board and its committees as well as the CEO shall attend the General Meeting. The auditor must attend the Annual General Meeting. A person standing for election as a member of the Board of Directors for the first time shall be present at the General Meeting deciding on the nomination, unless there are weighty reasons for said person's absence.

Voting

The company has one share series. A share entitles to one vote at General Meetings. As stipulated in the Finnish Limited Liability Companies Act, a proposal supported by more than half of the votes shall constitute a decision of the Annual General Meeting. However, the Limited Liability Companies Act stipulates that several matters, including the amendment of the Articles of Association and a directed share issue, require a decision by a qualified majority, i.e. at least two thirds of the votes cast and the shares represented at the meeting.

The company Articles of Association include a redemption provision and acceptance clause. The right to vote at General Meetings and the redemption of company shares are restricted by shareholder agreements.

Annual General Meeting 2015

DNA Ltd's Annual General Meeting was held on 26 March 2015. According to the proposal by the Board of Directors, the AGM agreed to pay a dividend of EUR 3.54 per share for the financial year 2014. No dividend will be paid for treasury shares held by the company itself. The AGM adopted the financial statements and discharged the Board of Directors and the CEOs from liability for the period 1 January to 31 December 2014.

Board members, committees and remuneration

DNA Ltd's Board of Directors had the following members 1 January to 26 March 2015: Jarmo Leino (Chairman), Kirsi Sormunen, Anu Nissinen, Jukka Ottela, Tero Ojanperä and Anssi Soila.

Number of Board members was confirmed to be six by the AGM of 26 March 2015. For the period until the next AGM, re-elected members of the Board include Jarmo Leino (Chairman), Kirsi Sormunen, Anu Nissinen Jukka Ottela and Tero Ojanperä while Margus Schults was elected as a new member.

At the constitutive meeting of the Board of Directors held subsequent to the AGM:

- Jarmo Leino was re-elected Chairman of the Board;
- Kirsi Sormunen was re-elected as the chair and Anu Nissinen and Jukka Ottela as members of the Audit Committee;
- Jarmo Leino was re-elected as chair and Kirsi Sormunen, Anu Nissinen and Jukka Ottela as members of the Remuneration Committee.

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. Each member of the Board of Directors can choose to receive 40 per cent of their annual remuneration in DNA 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.

Establishment of a permanent Nomination Committee

The AGM of 26 March 2015 decided to establish a Nomination Committee comprising of shareholders or their representatives tasked with the preparation of proposals for the Annual General Meeting regarding Board members' election and their remuneration. The AGM approved the written charter of the Nomination Committee. The Nomination Committee was established until further notice by the AGM.

The committee consists of three members appointed by the shareholders for a one-year term. 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.

In 2015, the members of the committee were Esa Haavisto (appointed by Finda Oy), Seppo Vikström (appointed by PHP Holding Oy) and Esko Torstila (appointed by Ilmarinen Mutual Pension Insurance Company).

Board of Directors

The Board of Directors is responsible for properly organising DNA's administration and operations. According to the company Articles of Association, the DNA Board of Directors comprises five to seven ordinary members elected by the General Meeting. A person who has reached the age of 68 cannot be elected to the Board of Directors. When electing members to the Board of Directors, the requirements laid down by the company's operations and development phase shall be considered. Both genders shall be represented on the Board.

The term of office of a member of the Board of Directors begins immediately at the end of the Annual General Meeting and expires at the end of the Annual General Meeting following the election. If a membership becomes available in the middle of the term of office, a new member is elected for the remainder of the term.

The Board of Directors meets regularly approximately once per month, and as and when deemed necessary. A memo is written for each meeting.

A quorum is constituted by the presence of more than half of the members of the Board of Directors. In the event of a tie, the vote shall be decided by the casting vote of the Chairman of the Board. If there is a tie in an election of a person, the election shall be decided by drawing lots. As stipulated by law, a member of the Board of Directors shall be disqualified from the consideration of a matter that involves a conflict of interest.

The Board of Directors elects the committee Chairs and members from among its members at its annual constitutive meeting. The Board of Directors has confirmed a written charter on the duties of the committees. The committees regularly report to the Board of Directors on the matters discussed and actions required at the next Board meeting following the committee meeting.

Independence of directors

According to Recommendation 14 of the Finnish Corporate Governance Code, the majority of the directors shall be independent of the company. In addition, at least two of the directors representing this majority shall be independent of significant shareholders of the company.

The Board of Directors evaluates the independence of its members annually. All six members of the Board were deemed to be independent of the company. Chairman of the Board Jarmo Leino was deemed to be not independent of major shareholders. He has been appointed to the Board by Finda Oy, which is a significant shareholder. Jukka Ottela is also not independent of major shareholders. He has been appointed to the Board by PHP Holding Oy. The other four members of the Board were deemed independent of major shareholders.

Duties of the Board

The Board of Directors is responsible for properly organising the company's administration, operations, accounting and asset management. The Board of Directors has confirmed a written charter on the duties of the Board of Directors, matters on the agenda, meeting practices and the decision-making process. According to the charter, the Board of Directors handles and decides on matters that are significant to the Group's finances, business or principles.

According to its charter and the Limited Liability Companies Act, the Board has the following duties:

- Seeing to the administration of the company and the appropriate organisation of its operations (general competence);
- Arranging the control of the company accounts and asset management in an appropriate manner;
- Electing the chairman from among the members for each term of office;
- Appointing and dismissing the Group CEO;
- Appointing the deputy CEO and Members of the Group Executive Team based on the CEO's proposal;
- Deciding on the salaries and remunerations of the above-mentioned persons and their incentive scheme;
- Deciding on the strategy of the Group and its business units;
- Controlling the implementation of the strategic objectives and business plans of the Group and its business units;
- Deciding on strategically or financially significant investments as part of the annual company budget, business acquisitions and divestments, business transactions and contingent liabilities; any significant investments outside the annual budget are to be confirmed separately;
- Confirming the Group values and other general Group principles by means of operating instructions; and
- Confirming the Group's personnel strategy and annual personnel and training plans and deciding on the personnel incentive and reward scheme.

The Board of Directors conducts a regular internal self-evaluation of its operations and working methods.

The Board of Directors in 2015

The Board convened 10 times in 2015. The participation rate of the Board of Directors in the meetings was 98 per cent. In addition to its regular duties, the Board focused on strengthening DNA's corporate business, cost-efficiency of investments, cooperation related to the shared mobile communication network constructed by Suomen Yhteisverkko Oy, fast changes in the operating environment of entertainment business as well as the efficiency of DNA's ICT infrastructure.

Members of the Board of Directors

Jarmo Leino

Chairman of the Board
b. 1951
Master of Laws, Master of Laws with court training
Finda Oy, CEO since 2010

Main previous experience
Advocate, Asianajotoimisto Jarmo Leino Oy 1980–2010

Main positions of trust
Omnitele Ltd, Chairman of the Board since 2011

Member of DNA's Board of Directors since 2006, Chairman since 2010. Chairman of the Remuneration Committee (RC) since 2011. Independent of the company, not independent of major shareholders. Nominated to the Board by Finda Oy, which is DNA's largest shareholder.

Jukka Ottela

b. 1953
M.Sc. (Econ), Master of Laws
Esan Kirjapaino Oy, CEO since 1994

Main previous experience
Onninen Oy, Director Wholesale Division 1990–1994

Main positions of trust
PHP Holding Oy, Chairman of the Board since 2009
Mutual Pension Insurance Company Ilmarinen, member of the Supervisory Board since 2013
Sanomalehtien liitto, Member of the Board since 2010
PHP Liiketoiminta Oyj, Chairman of the Board since 2009

Member of DNA’s Board of Directors since 2010. Member of DNA’s Audit Committee since 2011. Member of DNA’s Remuneration Committee since 2014. Independent of the company, not independent of major shareholders. Nominated to the Board by PHP Holding Oy, which is DNA’s second largest shareholder.

Margus Schults

b. 1966
PhD, Electrical Engineering
TallinkSilja Oy, CEO since 2009

Main previous experience
Tallink Silja Oy, CEO since 2009
Tallink Group AS, Head of Organisational Development and Investor Relations 2008–2009
SEB, business development, strategy and human resource management positions in Tallinn, Riga and Stockholm 1994-2008

Main positions of trust
Directors' Institute of Finland, member since 2013
Finnish Shipowners' Association, Board member since 2012
Finnish Estonian Trade Association, Deputy Chairman since 2012
Helsinki Region Chamber of Commerce, Council member since 2012

Member of DNA's Board of Directors since 2015. Independent of the company and major shareholders.

Kirsi Sormunen

b. 1957
M.Sc. (Econ)

Main previous experience
Nokia Oyj, various management positions in financial administration and corporate responsibility in Finland and abroad 1993–2013
Nokia Oyj, various specialist and managerial roles in corporate treasury since 1982

Main positions of trust
Neste Oil Oyj, Member of the Board and Member of the Audit Committee since 2013
Sitra, Member of the Board since 2013

Member of DNA's Board of Directors since 2014. Chair of DNA's Audit Committee and Member of DNA's Remuneration Committee since 2014. Independent of the company and major shareholders.

Tero Ojanperä

b. 1966
PhD, Electrical Engineering
Visionplus Oyj, Managing Partner and Co-Founder

Main previous experience
Nokia Oyj, Chief Strategy Officer, Head of Nokia Research Center, CTO and other management positions in 1990–2011, member of the Group Executive Board 1990–2011

Main positions of trust
Tampere University of Technology, Chairman of the Board of Directors since 2012
Veikkaus Oy, Member of the Board since 2013
Kiosked Oy, Chairman of the Board since 2014
Tailorframe Oy, Chairman of the Board of Directors since 2013
Smilestream Oy, Chairman of the Board of Directors since 2015

Member of DNA's Board of Directors since 2014. Independent of the company and major shareholders.

Anu Nissinen

b. 1963
M.Sc. (Econ)
Era Content Oy, Partner, Chairman of the Board since 2016

Main previous experience
Sanoma Media Finland, CEO 2011–2013
Sanoma Entertainment Finland, President 2008–2011
Helsinki Television/Welho, Managing Director 2004–2008

Main positions of trust
F-Secure Oyj, Member of the Board since 2010
Siili Solutions Oyj, Member of the Board since 2014
Kesko Oyj, Member of the Board since 2015
Viestilehdet Oy, Member of the Board since 2015

Member of DNA's Board of Directors 2010–2011 and again from 2014. Member of DNA's Audit Committee and Remuneration Committee since 2014. Independent of the company and major shareholders.

Board committees

The Board of Directors elects the Audit and Remuneration Committee and, whenever necessary, other committees at its annual constitutive meeting that takes place after the AGM. The Board appoints the members and Chairs of the committees and also has the power to discharge them. The committees prepare suggestions for items that will be decided in the Board of Directors’ meetings. The committees have no independent power of decision.

Audit Committee (AC)

The AC comprises a chairman and at least one member elected annually by the Board of Directors from among Board members. The members of the committee must be sufficiently competent and experienced. They must be independent of the company, and at least one of them has to be independent of major shareholders. The committee meets at least four times a year.

Duties

The Board specifies the duties of the AC in the AC charter. According to its charter, DNA's Audit Committee assists the Board of Directors in carrying out its financial reporting and control, risk management, and internal and external audit responsibilities. The committee reports regularly to the Board of Directors.

The duties of the AC include the following:

- Monitoring the reporting process of financial statements;
- Supervising the financial reporting process;
- Monitoring the efficiency of the company's internal control and risk management systems;
- Performing a quarterly review to confirm the accuracy of the company's financial result with financial managers and auditors;
- Monitoring and discussing significant financial risks and managerial actions to monitor, control and report on said risks;
- Reviewing significant findings by the auditors and the related management responses;
- Evaluating significant trials and other litigation matters with the Senior Vice President, Legal Affairs, as required;
- Monitoring business transactions by company management and the related parties, and possible related conflicts of interest;
- Reviewing the Corporate Governance Statement;
- Evaluating the independence of the statutory auditor or auditor firm, particularly the provision of related services to the company; and
- Preparing a proposal on the election of the auditor to the AGM.

The Audit Committee may have additional tasks, as deemed appropriate to the fulfilment of its responsibilities.

Audit Committee (AC) in 2015

From 1 January to 31 December 2015, the Audit Committee members included Kirsi Sormunen (Chair), Anu Nissinen and Jukka Ottela. The AC convened six times in 2015, with a participation rate of 100 per cent.

In 2015, the AC reviewed reports on the Group's financial position, including the Group's Financial Statements Release and interim reports, and made recommendations on them to the Board of Directors. The committee also reviewed reports issued by external and internal audit and financing and risk management as well as issues related to data security and information security at the company.

Remuneration Committee (RC)

The RC comprises a chairman and at least two members elected annually by the Board of Directors from among Board members. The majority of the members of must be independent of the company. The CEO or any other member of the company management cannot be a member of the RC. The committee meets at least twice a year.

Duties

The Board specifies the duties of the RC in the RC charter. According to its charter, DNA's Remuneration Committee assists the Board of Directors in the preparation of issues related to the remuneration of DNA's management, key employees and personnel. The committee reports regularly to the Board of Directors.

The main duties of the RC include the preparation of the following matters for consideration by the Board of Directors:

- Deciding on salaries, pensions terms and other benefits, other key terms of agreement and any exceptional agreement terms of the CEO and Executive Team;
- Establishing short- and long-term incentive schemes for company management and personnel;
- Planning possible successors to the CEO and Executive Team members.

The committee may have additional duties deemed appropriate to its task of assisting the Board of Directors in areas such as the following:

- Matters pertaining to the appointment of the CEO and Executive Team members;
- Principles according to which the management participates in the work of subsidiary and third-party Boards;
- Principles and practices related to personnel incentives;
- Essential organisational changes;
- Review of the remuneration and salary statement included in the annual Corporate Governance Statement.

Remuneration Committee (RC) in 2015

From 1 January to 31 December 2015, the Remuneration Committee comprised Jarmo Leino (Chair), Kirsi Sormunen, Anu Nissinen and Jukka Ottela. The RC convened two times, with a participation rate of 100 per cent.

In 2015, the RC monitored the implementation, results and follow-up of the GPTW (Great Place to Work) survey and prepared the incentive and performance-based payment scheme and its numeric objectives for 2016 for the Board of Directors.

Shareholders’ Nomination Committee

The AGM of 26 March 2015 decided to establish a permanent Nomination Committee comprising of shareholders or their representatives tasked with the preparation of proposals for the Annual General Meeting regarding Board members’ election and their remuneration. The Nomination Committee was established until further notice by the AGM.

The committee consists of three members appointed by the shareholders. A majority of the committee members must be independent of the company. The CEO or any other member of the company management cannot be a member of the Nomination Committee. 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.

In 2015, the members of the committee were Esa Haavisto (appointed by Finda Oy), Seppo Vikström (appointed by PHP Holding Oy) and Esko Torstila (appointed by Ilmarinen Mutual Pension Insurance Company).

The CEO and the Executive Team

The CEO

The CEO is nominated by the Board of Directors. The terms of the CEO's employment are specified in a written CEO agreement.

The duties of DNA's CEO are as specified in the Limited Liabilities Company Act. The CEO independently attends to the executive management of the company according to the strategic guidelines, operational plans and general principles approved and confirmed by the Board of Directors.

The CEO has the following duties:

- Ensuring that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner;
- Managing the daily operations of the company according to strategic principles and objectives confirmed by the Board of Directors;
- Preparing proposals for resolutions and matters for Board meetings and presenting them to the Board and its Committees;
- Preparing the proposal for Executive Team members to the Board;
- Using the owner's right to speak and vote in subsidiaries (including the election of subsidiary Board members and managing directors) or nominating a person authorised to do so;
- Chairing the DNA Executive Team and extended Executive Team.

Jukka Leinonen has been DNA's CEO since 2013.

Group Executive Team

The Group Executive Team comprises the CEO, Senior Vice Presidents of the Group's business segments, the CFO, Senior Vice President, Technology, Senior Vice President, Legal Affairs, Senior Vice President, Human Resources, Senior Vice President, Strategy and the CIO. The CEO is the Chairman of the Group Executive Team. Members of the Executive Team are nominated by the Board of Directors. The team convenes regularly at least twice a month. Additional meetings are organised when necessary.

DNA Executive Team helps the CEO in the management of the Group.

Its duties include the following:

- Implementing the Group's long-term strategic objectives;
- Coordinating Group management;
- Preparing the Group business plans, budget and investment plan and monitoring the Group's financial development;
- Preparing significant investments as part of budget preparation, making separate decisions on proposals for possible additional investments;
- Managing and developing the Group brands;
- Preparing matters and reports for Board of Directors' meetings;
- Managing activities that drive organic growth;
- Preparing matters pertaining to business and company acquisitions, managing related acquisition processes and making decision proposals for the Board of Directors;
- Preparing matters and decision-making pertaining to internationalisation;
- Deciding on Group-level development initiatives and main supplier selections;
- Approving Group-level principles, procedures and guidelines;
- Specifying risk management strategies, processes and emphasis;
- Internal control according to the principles approved by the Board of Directors.

Extended Executive Team

Personnel representatives attend meetings of the Extended Executive Team, which meets at least once per quarter. The Extended Executive Team decides on important matters pertaining to DNA's business, finances and financial reporting and personnel and reviews business reviews and personnel representatives' reviews.

Extended Executive Team in 2015

In 2015, the personnel were represented by Tarja Koivisto (administrative personnel), Pertti Määttä (managerial personnel) and Jorma Airaksinen (service and production personnel) at the Extended Executive Team meetings. The Extended Group Executive Team convened six times in 2015.

Members of the Executive Team

Jukka Leinonen

With DNA since 2010
b. 1962
M.Sc. (Tech)
CEO

Main previous experience
DNA Ltd, CEO since 2013
DNA Ltd, Senior Vice President, Corporate Business 2010–2013
TeliaSonera Ltd, various management positions in corporate business marketing and product management 2002–2009
Sonera Solutions Oy (Yritysverkot Oy), President and CEO, 1996–1999

Main positions of trust
Finnish Federation for Communications and Teleinformatics (FiCom ry), Member of the Board since 2013
Service Sector Employers PALTA, Member of the Board since 2014

Pekka Väisänen

with DNA from 2003–2006 and again 2007–
b. 1966
M.Sc. (Econ)
Senior Vice President, Consumer Business

Main previous experience
DNA Ltd, Senior Vice President, Consumer Business since 2009
DNA Services Ltd, Sales and Marketing Director 2007–2009
Oulun Puhelin Oyj, Business Development Director 2006–2007
Finnet Oy and DNA Finland Ltd, Sales and Marketing Director 2003–2006
Oulun Puhelin Plc, various roles 1996–2003

No main positions of trust

Hannu Rokka

with DNA since 2011
b. 1965
Senior Vice President, Corporate Business

Main previous experience
DNA Ltd, Senior Vice President, Corporate Business 2014–
Forte Netservices Oy, CEO 2012–2014
DNA Ltd, Director, Product Management in corporate business 2013–2014
Forte Netservices Oy, Co-founder and CTO 2000–2012
WM-data Faci Oy, Senior Consultant 1995–2000
Digital Equipment Corp., Customer Service Engineer 1990–1995

No main positions of trust

Timo Karppinen

with DNA since 2012
b. 1964
M. SSc.
CFO

Main previous experience
DNA Ltd, CFO 2012–
Ponsse PLC, Director, Corporate Development and Strategy 2010–2012
Nokia North America, CFO 2008–2010
Nokia Asia-Pacific, CFO 2006–2008
Nokia China, CFO 2000–2006

Main positions of trust
Gummerus Oy, Member of the Board since 2014

Tommy Olenius

with DNA since 2003
b. 1962
Engineer
Senior Vice President, Technology

Main previous experience
DNA Ltd, Senior Vice President, Technology since 2009
DNA Finland Ltd, Senior Vice President, Technology 2005–2009
Suomen 2G Oy / Finnet Verkot Oy (DNA Networks), CTO 2003–2005
Telia Mobile Finland Oy, Deputy Director, CTO 2001–2003

No main positions of trust

Asta Rantanen

with DNA since 2003
b. 1962
Master of Laws
Senior Vice President, Legal Affairs

Main previous experience
DNA Ltd, Senior Vice President, Legal Affairs since 2007
Finnet Ltd and DNA Finland Ltd, Vice President, Legal Affairs 2003–2007
Telia Finland Oy, Legal Counsel 1999–2003
Vakuutusyhtiö Sampo, Claims Manager, Product Development Manager 1994–1999
Vakuutusyhtiö Kansa, Legal Counsel 1985–1994

No main positions of trust

Marko Rissanen

with DNA since 2003
b. 1974
Vocational Qualification in Business and Administration
Senior Vice President, Human Resources

Main previous experience
DNA Ltd, Senior Vice President, Human Resources since 2007
DNA Finland Ltd, HR Manager 2005–2006
Finnet Networks Ltd, HR Manager 2004–2005
Telia Product Oy, HR Manager 2001–2003

Main positions of trust
Service Sector Employers PALTA, member of the Labour Market committee 2011–2014 and again since 2016

Christoffer von Schantz

With DNA since 2013
b. 1973
M.Sc. (Tech)
Senior Vice President, Strategy

Main previous experience

DNA Ltd, Senior Vice President, Strategy since 2013
Nokia, Director, Strategy and Business Development 2006–2012
Omnitele, Vice President, Consulting, Member of the Executive Team 2000–2006

No main positions of trust

Janne Aalto

with DNA since 2014
b. 1965
MBA, Business College Graduate, Information Technology
CIO

Main previous experience
DNA Ltd, CIO since 2014
Kiosked, Head of Demand Side Platform 2014
CEM4Mobile Solutions, CEO & Co-Founder 2004–2013
Sonera Zed, Vice President, Development 2000–2004
Fujitsu Finland, Director, Head of Professional Services 1997–2000
Fujitsu UK and Ireland, Senior Project Manager 1994–1997

No main positions of trust

Control of the financial reporting process

DNA Ltd's business segments are Consumer and Corporate Business. The Group's financial reporting is based on the financial information produced by each unit on the profitability of their respected business which is combined with segment and Group-level information.

Setting and monitoring of financial targets forms an essential part of the management and governance of the company. Near-term goals are specified during annual planning, and progress is monitored on a monthly basis. Group and Business segments issue monthly financial reports on actual results and forecasts.

Financial reporting process refers to functions that provide financial data used by the management of the company, as well as financial data that is published as stipulated by legislation, standards and other binding regulations. DNA has launched significant development initiatives for its information systems to improve the efficiency of processes such as the financial reporting process.

Internal control of financial reporting aims to ensure that the company management has current, adequate, essential and accurate data at its disposal to perform its duties and that the reports published by the company provide essential and accurate information on the financial position of the company.

Financial management is headed by the Group CFO who is responsible for the accuracy of the Group's financial reporting. Internal control reviews and monitors the operation of the reporting process and assesses the reliability of financial reporting. Management of financing and financial risks is part of the responsibilities of the Group's financial management. The entire Group applies the International Financial Reporting Standards (IFRS).

Internal control and internal audit

Principles of internal control

A process implemented by the company Board of Directors, management and personnel, internal control aims at establishing an adequate and fact-based certainty that the company objectives are fulfilled in the following areas: the effectiveness and efficiency of business operations, the reliability and consistency of financial and operational information and compliance with the relevant legislation, regulations and operating principles.

Internal control comprises the control environment, risk management, control measures, information and communication as well as monitoring (control).

The Board of Directors has confirmed the principles of internal control, which are based on widely recognised international principles.

Internal control forms an essential part of the management and governance of the company. The Board of Directors and CEO are responsible for organising internal control. The Board of Directors is responsible to shareholders and the CEO to the Board of Directors. The chain of responsibility applies to the entire organisation as follows: persons under the CEO's immediate supervision report to the CEO, whereas every company employee is responsible to his/her immediate supervisor for managing their respective area of responsibility.

Internal audit

The Group's internal control supports the CEO, the Board of Directors and the operating management in their controlling duty. The functions and principles of the company's internal audit have been defined in the Internal Audit Charter confirmed by the Board of Directors.

According to the charter, internal audit is performed independently of the companies, management and Board of Directors. Governance of internal audit is the responsibility of Senior Vice President, Legal Affairs, who is a member of the Executive Team. Internal audit has direct and unlimited access to the senior management and Board of Directors of the company and it issues regular reports to the company Audit Committee and, when necessary, to the Board. Internal auditing is carried out in accordance with the annual plan. When required, internal audit performs additional checks as proposed by the function itself, the CEO or the Board of Directors. Persons carrying out the internal audit and auditing of the accounts communicate with each other in order to further the coordination of auditing activities.

Internal audit reports on the results of the audit to the management of the audited operation, the CEO and the Audit Committee and issues an annual summary on the audits to the Audit Committee.
The Board of Directors confirms decisions on the appointment and dismissal of the person in charge of internal auditing.

The objective of auditing is to ensure that the company's targets are met in areas such as effectiveness and efficiency of operations, reliability of financial and operational reporting, legislative compliance and safeguarding of assets.

Internal audit is responsible for the Group's independent assessment and control function, which systematically reviews and confirms the effectiveness of risk management, monitoring and governance and management. Internal audit supports the Group management and organisation in ensuring that the Group objectives and goals are met and the monitoring system is further developed.

To ensure adequate audit coverage, regular contacts and communication is maintained between security management and auditors. In addition, internal audit can, if deemed necessary, purchase external services to temporarily increase auditing resources or to perform auditing that requires special skills.

Internal audit in 2015

In 2015, the main focus areas of internal audit included reviewing the main development initiatives of the company, as well as auditing the efficiency of the company's controls and processes in selected areas. Internal audit has been in regular communication with the auditors and they have exchanged reports. Internal audit has issued regular reports to the Audit Committee.

Auditing of the Accounts

Under the Articles of Association, the company has one auditor, nominated by the Annual General Meeting. The auditor must be a public accountant authorised by the Central Chamber of Commerce. The auditor shall present the company's shareholders with an auditors' report, as part of the financial statements in compliance with the legislation in force. The auditor reports regularly to the Board of Directors and the Audit Committee.

Companies belonging to the same Group or chain as the audit company, as well as companies controlled by the auditor, are considered equal to the auditor. Fees paid by all companies belonging to the same Group as the company are reported as fees. In addition to requirements on general qualifications, the auditor must also meet certain legal requirements on independence to ensure a reliable and independent audit.

Auditing of the Accounts in 2015

PricewaterhouseCoopers acts as DNA's auditor, with Authorised Public Accountant Johan Kronberg as the principal auditor. In 2015, the auditors' audit fees came to EUR 221,899 (EUR 254,183.37 in 2014) and other fees to EUR 278,961 (EUR 198,226 in 2014).

Insider administration

The company's insider administration is based on the guideline for insiders adopted by the Board of Directors. DNA complies with the Guidelines for Insiders issued by the Helsinki Stock Exchange, except for maintaining a public insider register, because the company does not hold listed instruments.

DNA's permanent insiders include persons who, in relation to their duties, receive information on the company's financial statements and quarterly reviews before their publication.

DNA also maintains a project-specific insider register which lists those DNA employees, and possibly also representatives of the partners/consultants involved in the project, that work in a project affected by a confidentiality requirement. Insiders receive written notice about being in the insider register and guidelines on their responsibilities.

Separate confidentiality registers complement the basic confidentiality requirement of DNA's employees and also highlight the importance of confidentiality. Insider registers are maintained for all significant projects related to DNA's business involving an important business secret the confidentiality of which is of particular importance. The confidentiality register can be easily converted to a project-specific insider register, if it meets the criteria of an insider project.

DNA's insider register is maintained by DNA's legal affairs.

Risks and risk management

At DNA, risk refers to events or circumstances which, if they materialise, could affect the company's ability to achieve its strategic targets or the operative targets derived from them. DNA's risk management is based on the risk management policy adopted by the Board of Directors, defining the objectives, process, main duties and responsibilities of risk management. The basic principle is to manage the Group's overall risk position, not just individual risks. The risk management process is part of DNA's management process.

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.

The nature and probability of risks is regularly monitored and reported on. The risk management process provides reports on risks and their control methods to DNA's executive management and Board of Directors. Each DNA business unit provides a regular update of the main risks and uncertainties related to their operation, assessing their business impact and probability.

DNA's Executive Team specifies DNA's key risks and assigns persons responsible for them. These persons document appropriate risk management methods and development measures for their responsibility area and submit them to the CEO for approval. The responsibility for a risk is assigned to a person who, based on their role in the company, is best qualified to understand the risk and determine how its management should be developed. Several persons can share a responsibility for a risk.

Operational plans for the management of significant risks are drafted based on risk management reports, and the Executive Team monitors the implementation of these plans.

Systematic risk management is in place to ensure that:

- DNA reaches its operational and strategic goals;
- Risks are taken into account in operational decision-making;
- DNA takes the right risks in terms of its strategy;
- The company is aware of all significant risks related to its operations;
- All necessary measures are taken to prevent significant risks or to prepare for consequences thereof;
- The Executive Team and Board of Directors have sufficient information at their disposal on the risks related to DNA's operations and management thereof.

The company includes a description of significant risks and uncertainties, of which the Board of Directors is aware, in the Board of Directors' Report and interim reports.

Significant risks

DNA classifies as risk such events or circumstances which, if they materialise, could affect the Group's ability to achieve its strategic and operational goals. The identification and management of risk factors takes into account the special characteristics of DNA's business and operational environment.

Market and competitive situation

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. Due to the high number of penetration, DNA has limited opportunities for growth in areas such as the number of mobile communications subscriptions.

DNA's business environment is very sensitive to change, and the changes happen fast. Content and value added services, for example, are gaining in importance. These changes not only involve risks but also significant opportunities for an agile operator such as DNA.

The overall economic situation remains challenging in Finland, which has a particular effect on the demand for value added services, such as pay-TV and entertainment services, as well as business services. General decline in purchasing power has a post-cyclical effect on the operator market.

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.

Intensifying competition in entertainment business

DNA faces competition from many providers of TV services: cable and terrestrial TV service providers similar to DNA as well as service providers that use other distribution channels, such as satellite and over-the-top or OTT services. 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 entertainment service market closely and continuously enhances its service offering to anticipate changes in the market.

New communication methods and continuous technological development

Technological development and new types of mobile devices can create new communications methods alongside traditional ones. Customer behaviour can change rapidly if new services are reliable and easy to use. DNA's ability to retain its customers depends on the company's ability to provide innovative products and services and develop them continuously, achieve customer loyalty and maintain a high level of customer satisfaction. The telecommunications industry is characterised by dynamic changes in products and network technologies.

As new communications methods gain widespread popularity, they have an impact on the traditional business of operators. Competition for end clients will also take place on a global scale and the best global services will gain a stronger foothold. Message and voice traffic is increasingly moving to the Internet, which creates new challenges for operators. New Internet services have become a natural part of everyday life. On the other hand, new communications methods can provide new opportunities for operators by increasing the use of mobile data, for example.

The number 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, providing new kinds of growth opportunities for operators. The continuous growth in the use of smart devices and online services has boosted the use of mobile data significantly. The expansion of mobile data volumes has been the main trend in recent years, and mobile data usage per user is expected to keep growing. DNA is actively monitoring the development of data volumes and the consumers' user experience. Network capacity is being increased continuously to meet growth in demand. The role of good information security and data security gain in importance as the use of smart devices and Industrial Internet gain ground.

Systems and networks

The nature of DNA's operations and increasing customer expectations place high demands on DNA's systems and network infrastructure.

To optimise the availability of 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.

DNA's business is capital-intensive, and the company's success depends on the ability to continuously maintain and improve its network infrastructure. DNA makes continuous investments in its network infrastructure, for example, by expanding the 4G LTE networks. Expansion of DNA's network coverage depends on continuous maintenance of existing base stations and masts and construction of new ones.

Regulatory risks

The Finnish telecommunications market is characterised by stringent regulation. Regulation, particularly the authorities' ability to influence the price level of DNA's products and services, cost structure and the criteria used in distributing frequencies, may also have an impact on DNA's business. DNA takes regulatory risks into account by monitoring the preparation of new legislation, providing statements on issues affecting DNA's business and participating in working groups.

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. Such regulatory changes may have an effect on the industry and DNA's business.

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. Actions taken by the Commission may have a significant impact on DNA's operating environment. 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.

Financing risks

In order to manage the interest rate risk, the Group's borrowings have been spread between fixed- and variable-rate loans. 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. For more details on the management of financing risks, please refer to the note on 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. Adequacy of insurance cover is continuously reviewed and maintained according to changing needs.

Salary and remuneration report

Remuneration systems have been designed to support the strategic, financial and operative development of DNA, to motivate the personnel and to reward the personnel for good financial results. DNA adheres to the remuneration principles approved by the Board of Directors.

Board of Directors' remuneration

DNA's Annual General Meeting decides on the remuneration of the Board of Directors. The Nomination Committee reviews the Board members' remuneration and remuneration methods annually and submits proposals to the AGM.

The AGM decides on the Board of Directors' remuneration for the period until the next Annual General Meeting. DNA's AGM of 26 March 2015 decided on the following payments to the members of the Board of Directors:

- Annual remuneration, Chairman of the Board (half-time role): EUR 144,000
- Annual remuneration, members of the Board of Directors: EUR 48,000
- Meeting fee, members of the Board of Directors: EUR 1,050/meeting/person
- Meeting fee, Board Committee Chairmen and Nomination Committee Chairman: EUR 1,050/meeting/person
- Meeting fee, members of Board Committees and the Nomination Committee: EUR 525/meeting/person

On the basis of the AGM decision, each member and the Chairman of the Board of Directors could choose to receive 40 per cent of their annual remuneration as DNA's shares. Such acquired shares were measured at fair value at acquisition date. Certain conditions applied to the transferability of shares.

On the basis of the authorisation of the Annual General Meeting of 26 March 2015, the Board of Directors decided on a directed rights issue for the members of the Board of Directors. There is a right to derogate from the pre-emptive right of the shareholders according to a weighty financial reason specified in Section 9(4) of the Limited Liability Companies Act, because the rights issue was based on the decision of the Annual General Meeting to pay the annual remuneration of each member of the Board of Directors partly in shares as specified by the AGM. In the directed rights issue of 24 April 2015, the members of the Board of Directors subscribed a total of 1,407 treasury shares.

The Board of Directors convened 10 times during the year.

Board of Directors' remuneration in 2015

Name	Annual remuneration in 2015, EUR	Annual remuneration in 2014, EUR	Meeting fees 2015, EUR	Meeting fees 2014, EUR	Total, 2015, EUR	Total, 2014, EUR
Jarmo Leino	**144,000**	178,650	14,811	19,950	158,811	198,600
Jukka Ottela	**48,000**	59,025	14,722	19,950	62,722	78,975
Anssi Soila (member until 26 March 2015)	**12,080**	47,025	2,100	15,750	14,180	62,775
Kirsi Sormunen	**48,240**	36,000	18,900	16,800	67,140	52,800
Anu Nissinen	**48,000**	48,000	15,247	14,700	63,247	62,700
Tero Ojanperä	**48,000**	48,000	8,707	10,500	56,707	58,500
Margus Schults (member since 26 March 2015)	**48,000**	0	8,707	0	56,707	0

Shares held by members of the Board in 2015

Name	Shares subscribed in 2015	Total number of shares held by members of the Board on 31 December 2015
Jarmo Leino	603	1,206
Jukka Ottela	201	402
Kirsi Sormunen	0	0
Anu Nissinen	201	402
Tero Ojanperä	201	402
Margus Schults	0	201

Remuneration of the CEO and the Executive Team

The Board of Directors decides on the CEO's and Executive Team's salaries, remunerations and long-term incentive schemes based on the suggestions prepared by the Remuneration Committee. The remuneration of the CEO and the Executive Team is based on a fixed monthly salary, performance-based payment according to DNA's incentive and performance-based payment scheme and a share-based reward system.

Principles for Executive Team's performance-based payments

The payments to the CEO and the Executive Team comprise of a total salary (including a fixed salary and usual taxable benefits, such as a phone and car benefit) and long- and short-term incentives. Short-term incentives comprise the annual target and performance-based payments that are based on the annual targets specified by the Board of Directors. Share-based reward systems serve as long-term incentives. The Annual General Meeting decides on such share authorisations and rights issues.

The management's performance-based payments are based on company-level targets. The incentive and performance-based payment system has been designed to support the strategic, financial and operative development of DNA, to motivate the management personnel and to reward them for good financial results. Company-level targets are related to the development of cash flow and service net sales as well as customer satisfaction. The system also sets targets at group-level as well as personal targets. DNA's Board of Directors decides on the payment of incentives.

Remuneration and employment of the CEO and the Executive Team

The CEO's period of notice is six (6) months, for both the company and the CEO. If the contract is terminated by DNA, the CEO is entitled to severance pay that equals the CEO's salary for eight (8) months in addition to the salary paid during the notice period.

The CEO has the right to retire at the age of 60. Supplementary pension rights are assessed based on payments. The CEO's pension includes vested rights.

The members of the Executive Team receive a total salary, which includes a fixed monthly salary, taxable phone benefit and in some cases, a car benefit. Pensions of the members of the Executive Team are payment-based. The Executive Team members' pensions include vested rights.

The payments for the CEO and Executive Team members' supplementary pensions amounted to EUR 234,435.20. The premium of the CEO's supplementary pension amounted to EUR 68,901.96 in 2015.

Long-term share-based reward system

The company has implemented a long-term share-based reward system for key employees, based on the development of company share value. In total, 35 people are participants in the system.

Receiving of the shares is tied, among other things, to the continuance of participant's employment or service in the Group or Group company upon payment of the reward. If a participant's employment or service ends before the payment of the reward, their right to subscribe shares is automatically cancelled. Another prerequisite for the subscription of shares is the signing of a separate shareholder agreement by the subscriber.

The CEO held 900 DNA Ltd shares at the end of 2015. Other members of the Executive Team held 2,175 DNA Ltd shares in total.

	Wages and salaries and benefit costs in 2015, EUR	Wages and salaries and benefit costs in 2014, EUR	Performance-based payment for the results in 2014, EUR (paid in 2015)	Performance-based payment for the results in 2013, EUR (paid in 2014)	Total paid in 2015, EUR	Total paid in 2014, EUR
CEO, Jukka Leinonen	381,240	407,040	162,108	152,382	543,348	559,422
Other members of the Executive Team	1,417,857	1,313,445	438,349	378,331	1,856,206	1,691,776

Personnel incentive scheme

DNA's personnel are included in the company's incentive and performance-based payment scheme which is confirmed annually by the Board of Directors. These incentives are based on the performance targets set at the company level, as well as on group-level and individual targets derived from them for each employee. The incentive scheme has been designed to support the strategic, financial and operative development of DNA, to motivate the personnel and to reward the personnel for good financial results. Some responsibilities in the company have their own compensation systems whereby commissions or payments are paid.

The current scheme came into force as of the beginning of 2015. Its main objectives include better alignment of personal results and the Group's strategic goals, fair and consistent rewards between units, improved motivation by the scheme and greater emphasis on the company's result as a basis for rewards. Performance reviews are an essential part of the incentive and performance-based payment scheme. The reviews comprise the setting of main objectives and their weightings as well as a review of previously agreed performance goals.

The incentive and performance-based payment scheme is complemented by one-time rewards. Consistent principles apply to one-time rewards. These rewards are in place to reward individual top performance during the financial period. This can be due to excellent performance in an important project, or remarkable performance in one's daily duties. The one-time reward can, at most, equal the employee's one-month salary, and it cannot be paid for more than twice a year to the same person. In total, 266 employees received a one-time reward in 2015.

Introduction

DNA Ltd is a Finnish telecommunications group providing high-quality voice, data and TV services for communication, entertainment and business, nationwide. DNA is Finland's largest cable operator and the leading pay-TV provider in both cable and terrestrial networks. The company also utilises advanced technologies to provide fast fixed-network broadband connections. DNA caters for the rapidly growing need for fast data transfer connections by continuously increasing the speed, capacity and base stations of its 3G and 4G networks. At the end of 2015, DNA's 4G LTE network reached almost 95 per cent of the population. DNA has more than 3.7 million mobile communications and fixed network customer subscriptions.

The comparison figures in brackets refer to 2014.

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

Net sales

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.

Profit

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	2015	2014	2013
Net sales	**828.8**	831.5	766.4
EBITDA	**227.7**	202.2	190.7
- % of net sales	**27.5%**	24.3%	24.9%
Depreciation	**154.6**	176.6	147.1
Operating profit	**73.1**	25.6	43.7
- % of net sales	**8.8%**	3.1%	5.7%
Profit before tax	**61.6**	15.2	37.7
Profit for the financial period	**50.0**	12.4	28.9
Return on investment (ROI), %*	**7.6**	2.8	5.4
Return on equity (ROE), %*	**9.7**	2.4	5.5
Investments	**154.7**	149.6	128.4
Cash flow after investments**	**97.3**	-123.7	-33.6
Personnel at the end of period	**1,672**	1,748	1,563

* rolling 12 months
** includes business combinations

Key operative indicators

	12/31/2015	12/31/2014	12/31/2013
Number of mobile communication network subscriptions*	**2,618,000**	2,505,000	2,450,000
- Revenue per user (ARPU), EUR**	**17.0**	17.6	18.2
- Customer CHURN rate, %**	**16.0**	16.9	17.1
Number of fixed-network subscriptions	**1,120,000**	1,108,000	1,016,000

*includes voice and mobile broadband
**includes postpaid subscriptions

Cash flow and financial position

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.

Cash flow and financial key figures

EUR, million	1–12/2015	1–12/2014	1–12/2013
Cash flow after investments	**97.3**	-123.7	-33.6

	12/31/2015	12/31/2014	12/31/2013
Net debt, EUR million	**412.3**	479.4	326.7
Net debt/EBITDA	**1.81**	2.37	1.71
Gearing, %	**78.5**	95.1	62.6
Equity ratio, %	**44.1**	41.4	49.4

Development per business segment

Consumer business

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.

DNA's significant investments in 4G technology in its mobile communications networks continued in 2015. In Consumer Business, special focus was on the further improvement of customer experience and customer service, according to DNA's strategy. DNA's entertainment offering was expanded in 2015 by introducing new tools and services to enable users' mobile lifestyle and by renewing the 4G subscription offering.

While smart phone sales picked up towards the end of the year, in terms of sales revenue, mobile device sales remained below the levels reported in 2014. Uptake of 4G phones continued among consumers, with prices falling due to the expanding product offering. At the moment, some 85 per cent of phones sold are 4G models. DNA renewed its 4G subscription portfolio, and the demand for the 4G subscriptions grew significantly during the year. The sales of additional services, such as DNA TV, Deezer or security services, also grew in 2015.

In 2015, special focus was on improved service level in customer service. Phone service queuing times were reduced with the recruitment of new service advisors. Customer satisfaction was also boosted by further development of training, coaching and customer service processes and systems as well as expansion of service advisor competence. Most of the concrete customer service metrics developed positively in 2015. DNA's customer service development is guided by customer satisfaction, which is measured by means of the Net Promoter Score (NPS).Satisfaction among DNA's customers improved systematically from month to month in 2015.

DNA was again successful in the annual EPSI Rating survey on mobile operators' customer satisfaction. Among consumer customers, DNA's customer satisfaction and customer loyalty improved in 2015, and DNA scored the top points for mobile broadband services for consumers.

In February, DNA renewed its TV and broadband product offering, making the services available to customers practically nationwide via different distribution channels. DNA's TV services, fixed-network broadband and 4G connections are tailored to the customers' needs, regardless of whether they watch TV in the cable or terrestrial network, or use fixed-network broadband or 4G. In the first quarter, DNA expanded the Überkaista broadband service so that it is available in the 4G network in addition to the fixed network, making the service available to more than 4.5 million Finns.

DNA aims to offer terrestrial network viewers the same channel selection and picture quality that is available to cable households. The second-generation digital terrestrial television (DVB T2) offers twice the number of channels and its HD channels four times the picture quality of standard channels. On 12 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 the coming years.

With the growing TV/Internet convergence, it is both practical and cost-effective for consumers to get both services in one package. DNA launched the DNA TV subscription in the second quarter to respond to the change in the ways people use entertainment services.A DNA TV subscription provides customers with an easy and flexible way to watch television on various devices.Customers can pick just the television services they want instead of having to choose from ready-made entertainment packages.At the end of 2015, DNA TV had already reached200,000 subscribers.

DNA and Samsung opened new Samsung Experience Stores in the cities of Oulu and Tampere. All DNA's voice and broadband subscriptions as well as entertainment services are available at the stores.

United Kingdom-based Amino Technologies acquired the entire share capital of the Finland-based cloud-TV platform provider Booxmedia. This includes DNA's share in the company, as DNA was Booxmedia's second-largest owner with a share of some 26 per cent. DNA and Booxmedia will continue and expand their cooperation after the transaction. Booxmedia will continue operating as an independent company, and DNA continues to be its customer.

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.

Corporate business

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.

While economic uncertainty persisted and continued to affect investment decisions in the corporate market, DNA signed significant new agreements with organisations and also agreed on extensions with several existing customers in 2015. DNA has been implementing an increasing number of international, enterprise-scale solutions and actively developed its Industrial Internet concept in 2015. Strong strategic cooperation with the TDC Group to provide customer solutions in the Nordic countries also continued throughout 2015.The acquisition of TDC's Finnish operations in 2014 has made DNA even better equipped to provide comprehensive business solutions effectively and with transparent management solutions.The acquisition has also enhanced DNA's ability to provide international corporate network solutions.

In the first quarter, DNA secured the Lahti region tender for communications network and voice services. The agreement covers the Lahti region closed communications network, the switching core and voice services. This is a significant agreement for DNA with a wide scope including small municipalities as well the Päijät-Häme Social and Health Consortium. The agreement further strengthened DNA's role as a public sector service provider.

UPM and DNA signed a three-year agreement on the monitoring of UPM's application performance. The service provides UPM's IT help desk with improved visibility to the operation of UPM's business-critical applications. This is an important first for DNA's Application Performance Monitoring services.

In the first quarter, DNA built a WLAN environment for the electronic matriculation exam pilot in the Olari high school in Espoo. During the pilot, almost 200 students completed the electronic exam in a closed WLAN environment. Electronic matriculation exams will be introduced in stages in all Finnish high schools between 2016 and 2019. DNA has been delivering wireless networks to schools and libraries in municipalities for a long time.

Vantaa-info and Vantaa's occupational health services started a trial to pilot the city's online services. The trial is part of a more extensive development of the city's multi-channel customer service to find solutions to make it easier to use the services. DNA provided a pilot solution that enables a video connection between a customer service employee and a customer and the possibility to view documents together.

In the second quarter, DNA launched DNA Pouta, a new service providing a versatile range of cloud services for small entrepreneurs that can be purchased and managed through one interface. Through the service, it is possible to purchase and use services related to, for example, time management and booking appointments. Cloud service comparisons are a special feature of DNA Pouta. The service contains comparisons of the most commonly used network tools for entrepreneurs in the market.

DNA also renewed significant agreements with companies including Cargotec, Lindström and Tikkurila.Welding solutions provider Kemppi has been an important long-term customer for DNA. This cooperation was expanded further 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 is also continuously developing its digital and online services for corporate customers to make business with DNA as simple as possible. In May, DNA was honoured with the Best B2B Identity Project award at the European Identity Conference. It is presented annually to the most innovative electronic identity management projects in different categories. DNA was awarded for its "My Company" self-service portal, where its corporate customers can easily manage the services purchased from DNA.

DNA topped the EPSI Rating survey results on mobile operators' customer satisfaction among 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.

Key indicators per business segment

Consumer business

EUR million	2015	2014	Change, %
Net sales	**596.3**	620.4	-3.9%
EBITDA	**154.6**	141.3	9.4%
- % of net sales	**25.9%**	22.8%	
EBITDA without non-recurring items	**154.6**	143.0	8.1%
- % of net sales	**25.9%**	23.1%	
Operating profit	**56.0**	23.0	143.9%
- % of net sales	**9.4%**	3.7%	
Operating profit without non-recurring items	**56.0**	42.7	31.2%
- % of net sales	**9.4%**	6.9%	

Corporate business

EUR million	2015	2014	Change, %
Net sales	**232.5**	211.2	10.1%
EBITDA	**73.1**	60.9	20.1%
- % of net sales	**31.4%**	28.8%	
EBITDA without non-recurring items	**73.1**	65.1	12.3%
- % of net sales	**31.4%**	30.8%	
Operating profit	**17.1**	2.6	550.3%
- % of net sales	**7.3%**	1.2%	
Operating profit without non-recurring items	**17.1**	10.2	67.5%
- % of net sales	**7.3%**	4.8%	

Investments

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.

EUR million	1-12/2015	1-12/2014	Change, %
Consumer business	**101.5**	98.7	2.8%
Corporate business	**48.2**	46.1	4.5%
Non-allocated	**5.0**	4.8	4.7%
Total investments	**154.7**	149.6	3.4%

Research and development

The Group conducted no research and development in 2015 (EUR 0.0 million).

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 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. The average number of DNA employees in 2015 was 1,710 (1,656).

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

Personnel by business segment

	12/31/2015	12/31/2014	12/31/2013
Consumer business	1,000	1,039	1,104
Corporate business	672	709	459
Total personnel	1,672	1,748	1,563

Personnel by age group

	12/31/2015	12/31/2014	12/31/2013
–25 years	**45**	96	84
25–34 years	**520**	549	502
35–44 years	**586**	562	506
45–54 years	**370**	392	341
55–64 years	**150**	150	130
Total personnel	**1,672**	1,748	1,563

Key personnel indicators

	2015	2014	2013
Average number of personnel	**1,710**	1,656	1,506
Salaries and remunerations, EUR million	**106.9**	101.0	85.4

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

DNA Ltd's corporate governance principles are described in more detail in the company's Annual Report.

Decisions of Annual General Meeting 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, a total of EUR 30,041,194.02, for the financial year 2014. 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 purchase 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 included in the company Annual Report 2015:
http://annualreporting.dna.fi/2015/hallinnointi/selvitys-hallinnointi-ja-ohjausjarjestelmasta.

Board of Directors

From 1 January to 26 March 2015, the Members of the Board included Jarmo Leino (Chairman), Anssi Soila, Jukka Ottela, Kirsi Sormunen, Tero Ojanperä and Anu Nissinen. The AGM of 26 March 2015 elected Margus Schults as a new member of the Board of Directors to replace Anssi Soila. The AGM re-elected other members of the Board.

The Board convened 10 times in 2015. The participation rate of the Board of Directors in the meetings was 98 per cent. In addition to its regular duties, the Board focused on strengthening DNA's corporate business, cost-efficiency of investments, cooperation related to the shared mobile communication network constructed by Suomen Yhteisverkko Oy, fast changes in the operating environment of entertainment business as well as the efficiency of DNA's ICT infrastructure.

The Audit Committee (AC) convened six times in 2015, with a participation rate of 100 per cent. The Remuneration Committee (RC) convened two times, with a participation rate of 100 per cent.

In 2015, the AC reviewed reports on the Group's financial position, including the Group's Financial Statements Release and interim reports, and made recommendations on them to the Board of Directors. The committee also reviewed reports issued by external and internal audit and financing and risk management as well as issues related to data security and information security at the company.

In 2015, the RC monitored the implementation, results and follow-up of the GPTW (Great Place to Work) survey and prepared the incentive and performance-based payment scheme and its numeric objectives for 2016 for the Board of Directors.

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 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.

Shares and 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.

DNA Ltd's major shareholders 31 December 2015

	No. of shares	No. of votes	Share, %
Finda Oy	4,230,787	4,230,787	49.85%
PHP Holding Oy	3,184,425	3,184,425	37.52%
Ilmarinen Mutual Pension Insurance Company	424,689	424,689	5.00%
Anvia Oyj	294,312	294,312	3.47%
Lohjan Puhelin Oy	220,877	220,877	2.60%
Others	132,780	132,780	1.56%

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.

DNA's long-term share-based reward system

In November 2014, the Board of Directors decided to implement a long-term share-based reward system for the Group top management and other key employees, based on the development of company share value. In total, 35 people are participants in the system.

Receiving of the shares is tied, among other things, to the continuance of participant's employment or service in the Group or Group company upon payment of the reward. If a participant's employment or service ends before the payment of the reward, their right to subscribe shares is automatically cancelled. Another prerequisite for the subscription of shares is the signing of a separate shareholder agreement by the subscriber.

The CEO holds 900 DNA Ltd shares. Other members of the Executive Team hold 2,175 DNA Ltd shares in total.

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.

DNA's Corporate Responsibility report for 2015 is included in the company Annual Report published on 7 March 2016.

Significant 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 reporting period

There have been no significant events after the financial year.

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.

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.

Board of Directors' proposal on the distribution of profits

DNA Ltd's distributable funds in the financial statements amounted to EUR 153,168,105.20, of which profit for the financial year came to EUR 14,732,319.69. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 4.72 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.

DNA Ltd
Board of Directors

Consolidated income statement, IFRS

EUR 1,000	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014 Restated*
Net sales	5	**828,800**	**831,541**
Other operating income	6	4,283	1,837
Materials and services		-375,009	-407,326
Employee benefit expenses	9	-106,850	-100,985
Depreciation	8	-154,622	-176,626
Other operating expenses	7	-123,510	-122,840
Operating result, EBIT		**73,093**	**25,601**
Financial income	10	986	891
Financial expense	11	-12,499	-11,342
Share of associated companies' results	16	14	17
Net profit before tax		**61,593**	**15,168**
Income tax	12	-11,544	-2,771
Net profit for the period		**50,049**	**12,397**
Attributable to:			
Owners of the parent		50,049	12,397
Earnings per share attributable to owners of the parent:			
Earnings per share, basic (EUR)	13	5.9	1.5
Average number of shares			
-Basic		8,487	8,479

Consolidated statement of comprehensive income

EUR 1,000	Note	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014 Restated*
Net profit for the period		50,049	12,397
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		249	-535
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	11	112	179
Other comprehensive income, net of tax:		361	-356
Total comprehensive income		50,410	12,041
Attributable to:			
Owners of the parent		50,410	12,041

Notes are an integral part of the consolidated financial statements.

*Note 34

Consolidated statement of financial position, IFRS

EUR 1,000	Note	31 Dec 2015	31 Dec 2014 Restated*
Assets			
Non-current assets			
Goodwill	15	327,206	327,206
Other intangible assets	15	158,429	176,867
Property, plant and equipment	14	443,877	432,414
Investments in associates	16	1,186	2,155
Available-for-sale financial assets	17	215	215
Trade and other receivables	18	37,874	40,413
Deferred tax assets	19	18,840	31,190
Total non-current assets		**987,626**	**1,010,460**
Current assets			
Inventories	20	21,082	19,497
Trade and other receivables	18	176,591	189,006
Current income tax receivables		5,940	11,628
Cash and cash equivalents	21	25,266	10,599
Total current assets		**228,879**	**230,730**
Total assets		**1,216,505**	**1,241,190**
Shareholders' equity			
Equity attributable to owners of the parent			
Share capital	22	72,702	72,702
Hedge fund	22	0	-112
Unrestricted equity reserve	22	607,335	607,335
Treasury shares		-103,388	-103,546
Retained earnings		-101,778	-84,632
Profit for the year		50,049	12,397
Total equity		**524,920**	**504,144**

Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	26	362,334	327,105
Retirement benefit obligations	24	1,939	2,219
Provisions for other liabilities	25	13,023	20,057
Deferred income tax liabilities	19	28,285	32,518
Other non-current liabilities		12,502	19,553
Total non-current liabilities		**418,082**	**401,452**
Current liabilities			
Interest-bearing current liabilities	26	75,210	162,929
Provisions for other liabilities	25	1,004	3,137
Derivative financial instruments	27	0	150
Trade and other payables	27	197,271	169,288
Current income tax liabilities		18	90
Total current liabilities		**273,503**	**335,594**
Total liabilities		**691,585**	**737,046**
Total equity and liabilities		**1,216,505**	**1,241,190**

Notes are an integral part of the consolidated financial statements.
*Note 34

Consolidated statement of cash flows, IFRS

EUR 1,000	2015	2014
Cash flows from operating activities		
Profit for the period	50,049	12,397
Adjustments *)	165,954	191,571
Change in working capital **)	42,114	627
Dividends received	6	6
Interest paid	-9,452	-8,307
Interest received	463	580
Other financial items	-1,487	-1,724
Taxes	2,096	-13,543
Net cash generated from operating activities	**249,743**	**181,607**
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	-155,129	-149,608
Proceeds from sale of PPE	1,026	1,551
Acquisition of subsidiaries and business transfers	0	-156,838
Change in other investments	1,637	-400
Net cash used in investing activities	**-152,466**	**-305,295**

Cash flows from financing activities		
Proceeds from issuance of shares	158	557
Dividends paid	-30,041	-30,014
Borrowing of interest-bearing liabilities	274,561	544,010
Repayment of interest-bearing liabilities	-327,288	-407,321
Net cash used in financing activities	**-82,610**	**107,232**
Change in cash and cash equivalents	14,667	-16,456
Cash and cash equivalents at beginning of year	10,599	27,055
Cash and cash equivalents at end of year	25,266	10,599
Adjustments*):		
Depreciation	154,622	176,626
Gains and losses on disposals of non-current assets	-1,215	-131
Other non-cash income and expense	-14	269
Financial income and expense	10,465	9,418
Taxes	11,544	2,771
Change in provisions	-9,447	2,620
Total adjustment	**165,954**	**191,571**
Change in working capital **):		
Change in receivables, non-interest bearing	15,216	-12,696
Change in inventories	-1,585	1,408
Change in liabilities, non-interest bearing	28,483	11,915
Change in working capital	**42,114**	**627**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

EUR 1,000	Note	Share capital	Hedge fund	Unrestricted equity reserve	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2014		**72,702**	**-292**	**606,779**	**-103,546**	**-53,390**	**522,253**
Correction to previously reported figures*						**-1,011**	**-1,011**
Comprehensive income							
Profit for the period						12,397	12,397
Other comprehensive income							
Actuarian gains (losses) on defined benefit pension plans						-535	-535
Cash flow hedges, net of tax	11		179				179
Total other comprehensive income, net of tax			179			-535	-356
Total comprehensive income		**0**	**179**	**0**	**0**	**11,862**	**12,041**
Transactions with owners							
Share issue				**557**			**557**
Employee share option scheme: granted options	23					320	320
Dividends relating to 2013	22					-30,014	-30,014
Total contribution by and distributions to owners				557	0	-29,694	-29,137
Balance at 1 January 2015		**72,702**	**-112**	**607,335**	**-103,546**	**-72,235**	**504,144**
Comprehensive income							
Profit for the period						50,049	50,049
Other comprehensive income							
Actuarian gains (losses) on defined benefit pension plans						249	249
Cash flow hedges, net of tax	11		112				112
Total other comprehensive income, net of tax			112			249	361
Total comprehensive income		**0**	**112**	**0**	**0**	**50,298**	**50,410**
Transactions with owners							
Share issue					**158**	**-158**	0
Employee share option scheme: granted options	23					407	407
Dividends relating to 2014	22					-30,041	-30,041
Total contribution by and							

distributions to owners			0	158	-29,792	-29,634
Balance at 31 December 2015	**72,702**	**0**	**607,335**	**-103,388**	**-51,729**	**524,920**

* Note 34

Notes to the consolidated financial statements

1. The group in brief

DNA Group is a national supplier of mobile communication services. The Group parent company is DNA Ltd. The parent company's registered place of business is Helsinki, Finland, and registered address Läkkisepäntie 21. Copies of the Consolidated Financial Statements are available online at www.dna.fi or at the Group parent company head office at Läkkisepäntie 21, 00620 Helsinki, Finland.
DNA Ltd's Board of Directors approved the release of these consolidated financial statements at a meeting on 5 February 2016. Under the Finnish Limited Liability Companies Act, shareholders can approve or disapprove the consolidated financial statements in the Annual General Meeting held after the release. The Annual General Meeting is also entitled to amend the consolidated financial statements.

2. Accounting principles

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The statements are based on the IAS and IFRS standards and the SIC and IFRS interpretations effective on 31 December 2015. International Financial Reporting Standards refer to standards and interpretations that comply with the Finnish Accounting Act and regulations issued by virtue thereof and the procedure adopted for application in the European Union according to the IAS Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with Finnish accounting legislation and Community legislation that supplement the IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss. The consolidated financial statements are presented in euro.

New and amended standards adopted by the Group

The Group has adopted the followings standards and amended standards during the financial year beginning 1 January 2015:

IAS 19 Employee Benefits -Defined Benefit Plans: Employee Contributions (effective for financial periods beginning on or after 1 July 2014). The amendment clarifies the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments had no effect on the Group’s financial statements.

Annual Improvements to IFRS standards, 2010-2012 and 2011-2013 cycles (mainly effective for financial periods beginning on or after 1 July 2014). The Annual Improvements process collects small and less urgent amendments to the standards and implements them once a year. The amendments had no material effect on the Group’s financial statements. Other amendments that came into effect from the beginning of the financial year had no material impact on the Group’s financial statements.

Subsidiaries

The consolidated financial statements comprise the parent company DNA Ltd and all its subsidiaries. Subsidiaries are entities controlled by the Group. The criteria for control are fulfilled when the Group is exposed or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is applied to business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquirees’ net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group’s share of the identifiable net assets acquired is recorded as goodwill.
Subsidiaries are consolidated from the date on which control is obtained by the Group and de-consolidated from the date on which control ceases.

All inter-company transactions, receivables, liabilities, unrealised gains and internal profit distribution are eliminated in the consolidated financial statements. Unrealised losses are not eliminated if they result from impairment. Distribution of profit between parent company shareholders and non-controlling shareholders is presented in the income statement, and non-controlling interest in equity is presented in the balance sheet as a separate component of shareholder's equity. The Group did not have any non-controlling shareholders during the 2014-2015 financial periods.

Associated companies

Associated companies are companies in which the Group has a significant influence. A significant influence is realised if the Group holds more than 20 per cent of the voting rights or otherwise has a significance influence without exercising full control.

Associated companies are consolidated using the equity method. If the Group's share of the associated companies' losses exceeds the carrying amount of the investment, the investment is recognised in the balance sheet at zero value and the portion of the losses exceeding the carrying amount is not consolidated unless the Group has agreed to meet the associated companies' obligations. Unrealised profits between the Group and its associated companies are eliminated to the extent of the Group's share of ownership. The investment in each associated company includes goodwill arising from the acquisition. The Group's share of the associated companies' profit or loss for the financial year corresponding the Group's share of ownership is recognised separately below the operating profit line. The Group's share of its associates' movements in other comprehensive income is recognised in the Group's other comprehensive income. The Group's associates have not had any such items during the 2014-2015 financial periods.

Joint arrangements

Joint arrangement refers to an arrangement where two or more entities jointly control an arrangement. Joint arrangements are classified either as a joint venture or a joint operation. A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement, whereas in a joint operation, the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement.

The network company, Suomen Yhteisverkko Oy, established during the accounting period 2014 is accounted for in accordance to IFRS 11. The parties control the arrangement jointly. According to the contractual agreement, all decisions on essential operations of the company require unanimous agreement by both parties. The joint arrangement is classified as a joint operation. The contractual arrangement establishes the parties' rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses. DNA will recognise its share of assets, liabilities, revenues and expenses in its consolidated financial statements.

Segment reporting

The reporting on the operating segments is consistent with the internal reporting to the chief operating decision maker. The CEO, who is responsible for strategic decisions, has been nominated the chief operating decision maker to make decisions about resources to be allocated to the segments and to assess their performance.

Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group parent company.

Foreign currency transactions

Foreign currency transactions are translated into functional currency applying the exchange rates valid on the date of the transaction. Monetary items denominated in foreign currency are translated into functional currency applying the exchange rates quoted on the balance sheet date.

Gains and losses on foreign currency transactions and translation of monetary items are recognised in the income statement. Exchange gains and losses related to business operations are included in other operating income or expenses.

Property, plant and equipment

Items of property, plant and equipment have been carried at their historical cost less accumulated depreciation and impairment.

If an item consists of several components with varying useful lives, each component is treated as a separate asset. In this case, the cost of replacement is capitalised. In other cases, subsequent costs are included in the carrying amount of the asset only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the item can be measured reliably. Other repair and maintenance costs are recognised against profit or loss as they are incurred.

Depreciation on assets is calculated using the straight-line method over the estimated useful lives. Land is not recognised as a depreciable asset.

The depreciation periods are as follows:

- Buildings 25 years
- Constructions 10-25 years
- Machinery and equipment 3-15 years

Residual values and depreciation periods are reviewed at each interim reporting and, if appropriate, adjusted to reflect any changes that may have occurred in the expectation of financial benefit.

Depreciation on property, plant and equipment ceases when the asset is classified as held for sale according to IRFS 5 Non-current Assets Held for Sale and Discontinued Operations.

Capital gain or loss on the decommissioning and disposal of property, plant and equipment are included in other operating income or expenses.

Intangible assets

Goodwill

Goodwill represents the excess of the acquisition cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired and measured at the acquisition date. Goodwill arising from business combinations is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Research and development expenditure

Research expenditure is recognised as an expense in the income statement. Expenditure for the development of new or improved products is capitalised as intangible assets in the balance sheet from the date on which the product is technically feasible and commercially viable and is expected to bring future financial benefit. Capitalised development expenditure comprises material, work and testing expenses that are the direct result of the

process of completing the product for its intended use. Development costs previously recognised as an expense cannot be capitalised in a subsequent period. Assets are depreciated from the time they are ready for use. The Group has no uncompleted capitalised development expenditure at the moment. Subsequent initial recognition, capitalised development expenditure is carried at cost less accrued amortisation and impairment. The useful life of capitalised development expenditure is three years, over which period capitalised expenses are recognised as expenses on a straight-line basis.

Contractual customer base

Customer base acquired in a business combination is recognised at fair value at the acquisition date. The contractual customer base has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer base.

Other intangible assets

Intangible assets are recorded at historical cost in the balance sheet only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost can be measured reliably.
Intangible assets with finite useful life are recognised as an expense on a straight-line basis in the income statement over their known or foreseeable useful life.

The useful lives of other intangible assets are as follows:

- Customer contracts and the related customer relationships 1-20 years
- IT software 3-10 years
- Brand 10-30 years
- Other intangible assets 2-10 years

Inventories

Inventories are recognised at the lower of cost or probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to sell. Inventories are stated at the weighted average price.

Lease agreements

Group as a lessee

Leases on property, plant and equipment are classified as financial lease agreements if the risks and rewards incidental to ownership are substantially transferred to the Group. Assets acquired through finance lease agreements are recognised in the balance sheet at the lower of the fair value of the leased asset or present value of minimum lease payments. Assets based on finance leases are amortised over their useful life or within the shorter lease term. Payable lease amounts are split between finance expenses and loan repayments over the lease term based on a pattern reflecting a constant periodic interest rate for the remaining debt. Rental obligations are included in interest-bearing liabilities. The Group has used finance lease agreements mainly to lease telecommunication network and IT equipment.

Leases are classified as operating lease agreements if the risks and rewards incidental to ownership are retained by the lessor. Lease amounts paid on the basis of operating leases are recognised as an expense in the income statement over the lease term on a straight-line basis.

Impairment of property, plant and equipment and intangible assets

Goodwill and intangible assets in progress are tested for impairment annually and whenever there is any indication of impairment of an asset. Intangible assets with finite useful lives and tangible assets are tested for impairment whenever events or changes in circumstances indicate that the non-trading position of the asset does not correspond to the recoverable amount.

The need for impairment is reviewed at the level of cash generating units (CGUs), i.e. the lowest unit level that is mostly independent of other units and whose cash flows can be identified separately from other cash flows. Recoverable amount is the higher of the asset's fair value less costs to sell, or the value in use. Value in use refers to the estimated future net cash flows obtainable from the asset or a CGU, which are discounted to their present value. The discount rate is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is immediately recognised in the income statement. If an impairment loss is recognised for a CGU, the loss is first allocated to reduce goodwill on the CGU and then to reduce other assets of the unit on a pro-rata basis. When an impairment loss is recognised, the useful life of the amortised asset is reassessed. In respect of assets other than goodwill, an impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount for the asset. However, the reversal will not exceed the carrying amount that the asset would have if an impairment loss had not been recognised. An impairment loss for goodwill cannot be reversed.

Employee benefits

Retirement benefit obligations

The Group's employee pension plans are managed by external insurance companies. The TyEL pension insurances are managed as defined contribution plans by the pension insurance companies.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. Post-employment plans other than defined contribution plans are defined benefit plans.

Defined benefit plans generally pay an agreed benefit at retirement, determined by a formula based on one or more factors, such as the employee’s age at retirement, years of service and compensation earned while in employment.

Net defined benefit plan liability is reported in the balance sheet at present value at the end of the annual reporting period. The fair value of any plan assets is deducted from the present value. The Group’s obligations with regard to defined benefit plans are based on unbiased actuarial assumptions using the projected unit credit method. The present value of the obligation is determined by using the market yields of high-quality bonds issued by companies as the discount rate. These bonds are issued in the currency in which the benefits are to be paid and their maturity corresponds in essential aspects to the maturity of the pension obligation being considered.

Gains or losses resulting from actuarial losses or past service costs are recognised in the statement of other comprehensive income when they occur.

Past service costs are recognised immediately at fair value through profit or loss.

In contribution-based plans, the Group makes payments to publicly or privately managed pension insurances, which are mandatory, contract-based or voluntary. The Group has no other payment obligations apart from these. The payments are recognised as employee expenses when they fall due. Payments made in advance are recognised as assets in the balance sheet to the extent there are economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan

Share-based payments

DNA Ltd operates equity-settled, share-based compensation plans, under which the entity receives services from key employees as consideration for equity instruments of the Group. The compensation is paid either in shares or in cash. The fair value of service given in return for equity instruments is recognised as an expense. For shares, the total amount of expenses is based on the fair value of stock on the date of issue and for compensation paid as cash, on the fair value on the reporting date. The amount recognised as an expense is accrued over the period of time during which all vesting conditions should be met. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. Any effect of the adjustments made to the original estimates is recognised in the income statement and correspondingly in shareholders' equity and liabilities.

Any payments received for exercising the subscription right less the related direct transaction costs are recognised in the unrestricted equity reserve.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, payment is probable and a reliable estimate can be made on the amount of the obligation. Provisions are measured at the
present value of the expenditure required to settle the obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money at the time of review and the risks involved in the obligation. Where the Group expects some of the obligation to be reimbursed by a third party, the reimbursement is recognised as a separate asset but only when it is virtually certain.

A restructuring provision is recognised if the Group has prepared a detailed restructuring plan and initiated its implementation or notified thereof.

No provision is recognised for the expenses incurred from the continuing operations of the Group.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

A provision for decommissioning is recognised when the Group is under contractual obligation regarding decommissioning of leased equipment and aerial sites, and telephone poles and masts.

Taxes and deferred taxes included in the taxable income for the period

The tax expense in the income statement comprises tax based on taxable income for the financial period and deferred tax. With regard to items recognised directly in shareholders' equity or the statement of comprehensive income, the corresponding tax effect is also recognised as such. Tax based on taxable profit for the financial period is calculated using taxable income and applying the effective tax rate, adjusted by any taxes from previous periods.

Deferred tax is calculated on temporary differences between the carrying amount and tax base of assets. However, deferred tax liability is not recognised on the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

The most significant temporary differences arise from the depreciation of property, plant and equipment and fair value measurement on business combinations, unused conferred losses and deferred depreciation.

Deferred tax is computed using tax rates enacted by the financial statement closing date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Revenue recognition

The Group's net sales mainly comprise revenue from the sale of voice, data, TV and operator services; periodical, activation and maintenance charges; and revenue from the sale of equipment. Sales are recognised at fair value, which largely corresponds to the sale value less discounts and sales taxes.

Revenue is recognised in the period in which the service has been performed, either based on the actual traffic volume or over the contract term. Revenue from the rendering of services is recognised when it is probable that the economic benefit will flow to the Group, and the revenue and expenses related to the transaction can be reliably measured. Revenue from voice and data services is recognised in accordance with the actual use of the service. Termination revenue from voice and data traffic from other operators is recognised at the time of transit across DNA's network. When end customers are charged for services provided by external content providers, amounts collected on behalf of the service provider are not recognised as revenue.

Subscription fees are recognised as revenue over the subscription period. The sales of pre-paid phone cards, mainly for mobile phones, is deferred and recognised as income based on the actual usage of the cards. Activation and connection fees are recognised at the time of activation. Equipment sales are recognised as income when the delivery has occurred and the risks and rewards incidental to ownership have been transferred to the customer, normally on delivery and following the customer's acceptance.

DNA can bundle services and products to create a single offering. Offerings may include the delivery or execution of a product, service or user right (tie-in deals) and the payment can be issued either as a separate payment or a combination of a separate payment and a continuous payment flow. Equipment is recognised separately from the service, if both items are also sold separately and the ownership of the equipment is transferred to the end user. In the IFRS financial statements, equipment and service revenue is recognised in proportion to the fair value of the individual items. If fair value cannot be reliably measured for the delivered items but it can be measured for the undelivered items, a residual method is used. Under the residual method, the value allocated to the delivered items equals the total arrangement value less the aggregate fair value of the undelivered items. In the IFRS financial statements, DNA has recognised tie-in deals using the residual method. Income from tie-in deals is discounted to the present value while a part of the received payments from customers is recognised in financial income.

DNA provides corporate customers with comprehensive functionality service agreements in telecommunications, which may include switchboard services, fixed-line network telephony, mobile telephony, data communication and other customised services. Revenue from functionality services is recognised as income over the contract period.

Revenue and expense from construction contracts is recognised using the percentage of completion method. The stage of completion is determined for each project by reference to the relationship between the costs incurred for work performed to the date of review and the estimated total cost of the project. When it is probable that the total cost of the project will exceed total project revenue, the expected loss is recognised immediately as an expense. When the end result of the project cannot be reliably assessed, revenue is recognised only to the extent that is likely to be generated to correspond with actual expenses.

Interest and dividend

Interest income is recognised using the effective interest method, and dividend income is recognised when the right to receive dividend is established.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Financial assets and liabilities

Financial assets

The Group's financial assets are classified as follows: financial assets at fair value recognised against profit or loss, loans and other receivables, and financial assets available-for-sale. The classification depends on the basis of the purpose for which the financial assets were acquired and are classified at initial recognition. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the right to receive cash flows has expired or has been transferred to another party and are meeting derecognition conditions.

Financial assets recognised at fair value against profit or loss represent financial assets that have been acquired to be held for trading or that are designated to this group when initially recognised. Financial assets recognised at fair value against profit or loss are measured at fair value. Changes in fair value are recognised as finance income or finance expenses. An item comprises derivatives not fulfilling the hedge accounting criteria.

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current receivables in the balance sheet if they expire within twelve months. The assets in this group are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Sales receivables is the most significant item included in loans and other receivables.

Financial assets held for sale are non-derivative assets, which have been designated specifically to this group or not designated to any other group. Held for sale financial assets are valued at fair value. They are included in non-current assets, unless they are intended to be held for less than twelve months from the closing date of the financial statement, in which case they are included in current assets. The Group's investments in shares belong to this group. The investments have been designated to this group as they are not held for active trading and they are non-current. Changes in fair value are recognised in the statement of comprehensive income and presented in the fair value reserve in equity. Changes in fair value are transferred from shareholders' equity to the income statement when the investment is sold or its value has fallen so that an impairment loss has to be recognised for the investment. Unquoted shares are recognised at cost if their fair value cannot be reliably measured or if the market is inactive.

Liquid assets comprise cash in hand and bank deposits held at call. Items classified as liquid assets mature within three months or less from the date of acquisition. Credit accounts connected to the Group accounts are included in short-term interest-bearing liabilities.

The Group reviews at each closing date whether there is any indication of an impaired liquid asset or asset group. If there is objective evidence that the value of an item has impaired, the impairment loss is recognised against profit or loss. If the amount of the impairment loss subsequently reduces, the impairment loss recorded for an interest-bearing instrument will be reversed against profit or loss. However, an impairment loss on a share investment cannot be reversed against profit or loss.

An impairment loss is recognised for accounts receivable when there is objective evidence that the outstanding amounts cannot be collected in full. Among others, a payment delayed for more than 180 days is considered as such objective evidence. The impairment is determined by the difference between the receivable's carrying amount and the present value of estimated future cash flows. The carrying value of accounts receivable is decreased by using a separate reduction account and the loss is reported in other operating expenses in the income statement. When the impairment loss is ascertained it is removed from the balance sheet through the reduction account. If, in a subsequent period, the amount of the impairment loss decreases, the reversal of the previously recognised impairment loss is recognised by reducing other operating expenses.

Borrowings

Financial liabilities are initially measured at the fair value of consideration received less transaction costs. Subsequently all financial liabilities are carried at amortised cost using the effective interest method. Financial liabilities may include both current and non-current liabilities. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Derivative instruments and hedge accounting

Derivatives are initially and subsequently recognised at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group's derivatives are either cash flow hedges or derivatives not fulfilling the hedge accounting criteria.

During the financial period the Group has been using interest rate swaps to hedge against loan interest rate risk transferring variable rate loans into fixed-rate loans. Hedge accounting under IAS 39 is applied to the interest rate swaps, and at the closing date they met the criteria for being effective. Changes in the fair value of effective derivatives qualifying for cash flow hedges are recognised in the statement of comprehensive income and presented in the hedge fund of shareholders' equity. Accumulated profit or loss from derivatives recognised in the shareholders' equity is carried in the income statement as income or expense in the period in which the hedged item is recognised in the income statement. When a cash flow hedge instrument expires, is sold or fails to qualify for hedge accounting, any profit or loss accumulated from the hedge instrument remains in shareholders' equity until the forecast cash flow from the transaction occurs. However, if the forecast transaction is not expected to continue, any profit or loss accumulated in the shareholders' equity is immediately recognised in the financial items in the income statement. Any possible non-effective share of the hedge relationship is immediately recognised in the financial items of the income statement. Fair values of interest rate swaps are determined using the discounted cash-flow method.

The Group may also have derivatives that fulfil the criteria for hedge instruments set by the Group risk management, but that do not fulfil the criteria for hedge accounting according to IAS 39. These derivatives are classified as assets or liabilities held for trade and presented in non-current assets or liabilities except when maturity is less than 12 months from the balance sheet date. Their realised and non-realised changes in fair value are recognised as finance income or expense in the income statement.

Share capital

Outstanding ordinary shares are presented in share capital.

Operating result (EBIT)

IAS Standard 1 Presentation of Financial Statements does not define operating result. The Group has defined the concept as follows: operating result is the net total which is formed when other operating income is added to net sales and the following items are detracted: the cost of purchase adjusted by change in the inventory of finished goods and work in progress, the cost of manufacture for own use, the cost of employee benefits, depreciation, impairment loss and other operating expenses. All other items of the income statement are presented below the operating result line. Exchange differences are included in operating result if they arise from business-related items; otherwise they are recognised in financial items.

EBITDA

IAS Standard 1 Presentation of Financial Statements does not define EBITDA. The Group has defined the concept as follows: EBITDA is the net total which is formed when other operating income is added to net sales and the following items are detracted: the cost of purchase adjusted by change in the inventory of finished goods and work in progress, the cost of manufacture for own use, the cost of employee benefits and other operating expenses. All other items of the income statement are presented below the EBITDA line.

Non-recurring items

At DNA Group, non-recurring items include exceptional and material items outside ordinary course of business, such as capital gains or losses from business divestments, write-downs, costs for phasing down operations, restructuring provisions, fines or other similar compensations and damages.

Accounting principles requiring management judgement and uncertainty factors related to estimates

The estimates made during the preparation of the financial statements are based on the management's best judgement at the closing date of the financial statements. Management estimates are based on historical experience and assumptions on future developments, which were considered well-founded at the closing date, including assumptions on expected development of the Group's economic environment in terms of sales and cost levels. The Group
monitors the realisation of these estimates and assumptions on a regular basis together with the business units and with the help of internal and external information sources. Any changes to the estimates and assumptions are recognised during the period in which the change occurs and in all subsequent periods.

Measuring fair value of assets in business combinations

Value of tangible assets has been compared to the market price of similar assets, and impairment caused by age, wear and other similar factors has been estimated. Measuring the fair value of intangible assets is based on the related estimated cash flows. Management considers the assumptions and estimates to be sufficiently accurate to provide a basis for estimating the fair value. The Group also reviews any indication of impairment loss of tangible and intangible assets at each closing day of the financial statements (see note 15).

Impairment testing

The Group tests goodwill and unfinished intangible assets annually for impairment. Any indication of impairment is also reviewed in accordance with the basis of preparation described above. Recoverable amounts of cash-generating units are recognised with the help of calculations based on value in use. Preparing such calculations requires the use of estimates (see note 15).

Provisions

Recognising provisions requires management’s judgement, as the precise euro amount of obligations related to provisions is not known when preparing the financial statements (see note 25).

Confirmed loss

For confirmed loss, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. The Group’s management has estimated the future taxable income against which the confirmed losses can be used and has recognised deferred tax assets to this extent (see note 19).

Correction to prior period

DNA Ltd has identified an error in its new invoicing system during the year 2015, affecting the return and bookkeeping process of consumer business customer devices. Customer invoicing has not been affected by this error. As a result, DNA Ltd’s consumer business net sales for 2013, 2014 and 2015 have been overstated. After the financial statements of 2014, it was identified that the brand write-down in Q3/2014 was understated by EUR 1.8 million. These have been retroactively restated. These errors have been retroactively restated according to the requirements of IAS8 Accounting Policies, Changes in Accounting Estimates and Errors. The effect of the corrections on the Group’s figures is specified in note 34.

Adoption of new and amended standards and interpretations

New or revised standards and amendments have been published, but they will not be effective for the first time for the financial year beginning 1 January 2015, and the Group has not applied them in the preparation of these consolidated financial statements. Of them, only the following are expected to have a material impact on the Group’s financial statements:

IFRS 15 Revenue from Contracts with Customers (effective for financial periods beginning on or after 1 January 2018). The new standard provides a five-step model to be applied to all revenue from contracts with customers, replacing existing guidance under IAS 18 and IAS 11 and their interpretations. Revenue can be recognised over time or at a specific time, with the central criterion being the transfer of control. The standard will also expand the notes presented with financial statements. The Group has assessed the potential effects of the standard and has identified changes in areas such as the following:

- Allocation of discounts to different performance obligations.
- Treatment of loyalty benefits and contract changes.
- The point of time for the recognition of certain revenue and contract-related expenses will also change.

The Group will assess the effects in more detail over the next twelve months.

IFRS 9 Financial Instruments and amendments thereto (effective for financial periods beginning on or after 1 January 2018). The new standard replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will change the classification and measurement of financial instruments, including a new expected credit loss impairment model. The classification and measurement of financial liabilities largely correspond to the current guidance in IAS 39. For hedging accounting, three hedging calculation types will remain in effect. More risk positions than before can be included in hedge accounting, and the principles regarding hedge accounting have been made more consistent with risk management. The Group is currently assessing the potential effects of the standard.

After long preparation, the IASB has published the final version of the IFRS 16 – Leases standard on 13 January 2016. The primary objective of the new accounting standard is to make financial reporting more transparent by introducing a single lessee accounting model. The new standard applies to financial periods beginning on or after 1 January 2019. Earlier application is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the potential effects of the standard.

3. Financial risk management

The main objectives of the Group's financing operations are funding, optimising capital expenditure and managing financing risks. Principles of risk managements are defined in the Group financing policy, approved by the parent company Board of Directors. The policy includes guidelines for raising capital, investing cash surplus and managing finance risk. The Group financing activities are centralised at the parent company treasury department which coordinates and monitors financing in the subsidiaries and reports to the Group management. The Group liquidity is centralised by using Group accounts and pooling systems. The parent company is responsible for investing the surplus liquidity as well as managing the Group's extra funding requirements. Any finance deficit in the subsidiaries is covered by internal loans within the Group.
The main financial risks in the Group are liquidity, credit and interest rate risk. The objective of the Group financing risk management is to identify and measure the total risk position created by the Group financing operations and to carry out risk management measures to ensure that the total financing risk will not exceed the Group risk-bearing capacity and objectives. The Group's currency risk is insignificant, since its operations are mainly carried out in Finland.

Liquidity risk

Liquidity risk refers situations where the Group's financial assets and extra funding opportunities fall short of the Group's requirements or the cost of raising liquid assets is higher than the market cost. Creating cash flow forecasts and determining any related uncertainties are the key measures to manage liquidity risk. At the end of 2015, the Group had a strong liquidity position with cash and cash equivalents of EUR 25.3 million (10.6 million), and interest-bearing liabilities of EUR 437.5 million (490.0 million). In addition to cash and cash equivalents, the Group had unused credit limits and other committed credit limits of EUR 165.0 million (215.0 million). In addition, the company has a commercial paper programme of EUR 150.0 million (150.0 million), under which EUR 40.0 million (115.0 million) was drawn by the end of December. The unused credit limits totalled EUR 275.0 million (250.0 million). The Group's cash and cash equivalents and undrawn committed credit limits amounted to EUR 190.3 million (225.6 million). In October 2015, DNA replaced its EUR 200 million revolving credit facility with a new EUR 150 million revolving credit facility and drew a new five-year EUR 100 million loan. Both were signed with a group of Nordic banks. The new loan and revolving credit facility were allocated to rearranging existing loans and commercial paper programmes. The term of the revolving credit facility is 5+1+1 years, i.e. the term can be extended by one year at the end of the term at the banks' discretion. Planned repayments in 2016 total EUR 35 million without the commercial paper programmes.

Debt maturity analysis

2015

EUR 1,000	Less than 1 year		1-5 years		Over 5 years		Total		**Total**
	Interest payment	Repayment	Interest payment	Repayment	Interest payment	Repayment	Interest payment	Repayment	**Cash flow**
Interest-bearing liabilities (excl. finance lease liabilities)	8,304	75,143	24,550	214,286	4,313	150,000	37,167	439,429	**476,596**
Finance lease liabilities	23	168	45	583	0	0	68	751	**819**
Trade payables		85,402						85,402	**85,402**

2014

EUR 1,000	Less than 1 year		1-5 years		Over 5 years		Total		**Total**
	Interest payment	Repayment	Interest payment	Repayment	Interest payment	Repayment	Interest payment	Repayment	**Cash flow**
Interest-bearing liabilities (excl. finance lease liabilities)	6,205	161,919	26,586	179,139	8,625	150,000	41,416	491,058	532,475
Finance lease liabilities	49	1,129	64	627	4	92	117	1,848	1,965
Trade payables	0	71,100	0	0	0	0	0	71,100	71,100

The 2015 repayments are included in current liabilities. At balance sheet date, the average rate of variable rate loans was 0.9 per cent (1.1 per cent) and variable rate loans constituted 43 per cent (48 per cent) of the Group's interest-bearing liabilities. Interest-bearing liabilities from financial institutions have variable rates and bonds have fixed rates.

Credit risk

The Group has a large number of customers and the individual receivable amounts are small, and as such the credit risk is evenly spread. New customers are subjected to credit check as part of the ordering process, and if any existing customers are found to have credit problems, unsecured new sales are not made. In 2015, the impairment loss of trade receivables totalled EUR 3.0 million (EUR 3.6 million). The trade receivable impairment provision recognised in the financial statements is considered to correspond to the future impairment loss from trade receivables. Customer with weaker solvency are required to pay the basic charges in advance as a deposit. Opposing party risk refers to a situation where the other party fails to meet its obligations under the financing agreement. To minimise and monitor the opposing party risk, investments and derivative instruments are managed within the framework for opposing party, financial instrument and maturity limits.

The age distribution of outstanding trade receivables is shown in the following table.

EUR 1,000	2015	2014
Undue trade receivables	141,525	146,953
Trade receivables 1-45 days overdue	12,619	9,609
Trade receivables 46-90 days overdue	1,130	502
Trade receivables 91-180 days overdue	904	974
Trade receivables more than 180 days overdue	1,727	2,628
Total	**157,905**	**160,667**

Interest risk

The Group interest rate risk primarily comprises interest rate sensitivity of financial items, referring to the direct effect of changes in the interest rate level on financial items, such as interest-bearing loans, investments and derivative instruments. The interest rate sensitivity of the Group's business operations refers to the indirect effect of the interest rate level on purchase and sale prices, salaries and other operative items on the balance sheet. In order to manage the interest rate risk, some of the loans taken by the Group have been hedged. The Group applies hedge accounting in accordance with IAS 39. The Group's interest-bearing liabilities have been spread between fixed- and variable-rate instruments. 0 per cent (6 per cent) of variable-rate loans are hedged. At the end of 2015, the Group had no interest rate derivatives (EUR 14 million).
The Group is also exposed to fair value interest rate risk through fixed-rate bonds and finance lease liabilities. The share of fixed-rate loans amounted to 57 per cent (52 per cent) on the balance sheet date.
The effect on the Group's profit after taxes caused by a rise of one percentage point in the interest rate on the balance sheet date, all other factors remaining unchanged, would amount to EUR 1.3 million (EUR -1.7 million), and the effect from a corresponding drop in the interest rate would amount to EUR 1.3 million (+1.7 million). The sensitivity analysis covers the Group's variable-interest loans, cash and cash equivalents.
A one percentage point increase/decrease in interest rates, all other factors remaining unchanged, would result in a positive impact of EUR 0.0 million (0.1 million) / negative impact of EUR 0.0 million (EUR 0.1 million) in equity due to the change in fair value of the hedge accounting interest rate swaps. There was no impact at the end of 2015, because the company had no active interest rate swaps.

Capital management

The objective of the Group's capital management is to support the business operations by optimising the capital structure and ensuring normal operating conditions, as well as increasing shareholder value by maximising return on equity.
The capital structure can be influenced through dividend distribution, repayment of capital and investment planning. The Group management monitors the development of the capital structure through gearing and solvency ratios as well as the interest-bearing net debt/EBITDA ratio. These key indicators can be found in the key figures table. The Group's financing facilities include key indicator covenants as well as requiring a solvency ratio of at least 35 per cent and that net liabilities in relation to EBITDA should not exceed 3.50:1. These conditions have been met during the financial period. The solvency ratio on the balance sheet date was 44.1 per cent (41.5 per cent) and net liabilities in relation to EBITDA were 1,81:1 (2.35:1).

Financial instruments by class
2015

EUR 1,000	Loans and other receivables	Financial assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Assets					
Available-for-sale financial assets				215	**215**
Derivative financial instruments					**0**
Trade and other receivables excluding prepayments 1)	202,355				**202,355**
Financial assets at fair value through profit or loss					
Cash and cash equivalents	25,266				**25,280**
Total	**227,621**	**0**	**0**	**215**	**227,850**

EUR 1,000		Financial liabilities at fair value through profit or loss	Derivatives used for hedging	Financial liabilities recognised at amortised cost	Total
Financial liabilities					
Borrowings (excluding finance lease liabilities) 2)				436,793	**436,793**
Finance lease liabilities 2)				751	**751**
Derivative financial instruments			0		**0**
Trade and other payables excluding items outside financial liabilities 3)				209,772	**209,772**
Total		**0**	**0**	**647,316**	**647,316**

2014

EUR 1,000	Loans and other receivables	Financial assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Assets					
Available-for-sale financial assets				215	**215**
Derivative financial instruments					**0**
Trade and other receivables excluding prepayments 1)	213,715				**213,715**
Financial assets at fair value through profit or loss					**0**
Cash and cash equivalents	10,599				**10,599**
Total	**224,314**	**0**	**0**	**215**	**224,529**

EUR 1,000		Financial liabilities at fair value through profit or loss	Derivatives used for hedging	Financial liabilities recognised at amortised cost	Total
Financial liabilities					
Borrowings (excluding finance lease liabilities) 2)				488,186	**488,186**
Finance lease liabilities 2)				1,848	**1,848**
Derivative financial instruments			150		**150**
Trade and other payables excluding items outside financial liabilities 3)				189,640	**189,640**
Total	**0**	**0**	**150**	**679,674**	**679,824**

1) Trade and other liabilities do not include prepayments because this analysis is only required for financial instruments.
2) The classification in this note is based on IAS 39. Financial lease liabilities are mainly outside the scope of IAS 39, but fall under application of IFRS 7. This is why financial lease liabilities are presented separately.
3) Trade and other payables do not include items other than financial liabilities because this analysis is only required for financial instruments.

4 Segment information

The Group's operations are managed and reported according to the following business segments:
DNA's Consumer segment offers consumers diverse telecommunication services such as communication, information, safety and entertainment, including mobile phones and mobile phone subscriptions, broadband (mobile and fixed), data security services, TV services from connections to channel packages as well fixed telephone connections.
DNA’s Corporate segment offers companies and communities nationwide, standardised and easy-to-use communication and data network solutions, including SMS, telecommunication and voice services, comprehensive solutions as well as services to domestic and international teleoperators.
The primary key indicators for the segments' profit and loss monitoring comprise net sales, EBITDA and operating profit. Items not allocated to segments include financial items, share of associates’ results and taxes.
The DNA Group operates in Finland, domestic operations accounting for a majority of its net sales. In 2015, foreign operations accounted for EUR 16.8 million (EUR 15.8 million) of the Group's net sales.
As the products and services of the Group's extensive portfolio are targeted at the mass market, the Group is not dependent on any single customer.

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	**154,577**	**73,137**	**227,714**
Depreciation	98,565	56,057	**154,622**
Operating result, EBIT	**56,012**	**17,081**	**73,093**
Net financial items			-11,514
Share of associates' result			14
Profit before tax			61,593
Profit for the period			**50,049**
Investments	101,466	48,171	149,636
Employees at end of year	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 associates' results			17
Profit before tax			15,168
Profit for the period			**12,397**
Investments	98,748	46,053	144,801
Employees at end of year	1,039	709	1,748

5 Net sales

EUR 1,000	2015	2014
Sale of goods	98,690	112,083
Revenue from services	730,110	717,562
Revenue from construction contracts	0	1,896
Total	**828,800**	**831,541**

At the end of the period, the aggregate costs incurred and recognised profits from incomplete construction contracts (less recognised losses) totalled EUR 1.6 million (3.3 million). Advance payments in relation to construction contracts were EUR 0.1 million (0.2 million) at the end of 2015.

6 Other operating income

EUR 1,000	2015	2014
Gains on sale of property, plant and equipment	1,215	131
Rental income	2,168	585
Other income	900	1,121
Total	**4,283**	**1,837**

7 Other operating expenses

EUR 1,000	2015	2014
Maintenance expenses	39,648	34,286
Rental expenses	40,147	41,368
External services	7,477	8,607
Other expenses	36,239	38,579
Total	**123,510**	**122,840**

Auditor fees

	2015	2014
PricewaterhouseCoopers Oy		
Audit fees	222	257
Actions referred to in Section 1.1.2 of the Finnish Auditing Act	6	6
Tax services	90	40
Other services	183	152
Total	501	455

8 Depreciation and amortisation

EUR 1,000	2015	2014
Depreciation and amortisation expenses consist of the following:		
Intangible assets		
Customer base	10,657	9,434
Brand	949	949
Other intangible assets	31,065	34,030
Total	**42,671**	**44,413**
Property, plant and equipment		
Buildings and constructions	2,341	2,246
Machinery and equipment	109,610	108,614
Total	**111,951**	**110,860**
Impairment expenses consist of the following:		
Intangible assets		
Brand	0	12,490
Other intangible assets	0	8,862
Total	**0**	**21,352**

The impairment expenses recognised in September 2014 mostly relate to the write-down of the discontinued PlusTV brand (EUR 12.5 million). The impairment expense for other intangible assets, EUR 8.9 million, is related to write-downs in relation to changes in information systems.

9 Employment benefits and number of personnel

EUR 1,000	2015	2014
Wages and salaries	85,473	81,694
Pension expenses – defined contribution plan	15,897	14,577
Pension expenses – defined benefit plan	90	114
Employee share option scheme: granted options	890	286
Other personnel expenses	4,500	4,314
Total	**106,850**	**100,985**

Number of personnel, average

Consumer business	1,020	1,073
Corporate business	690	584
Total	**1,710**	**1,657**

Management employee benefits and loans are presented in note 31 Related party transactions.

10 Financial income

EUR 1,000	2015	2014
Interest income from loans and other receivables	984	889
Dividend income on available-for-sale investments	2	2
Total	**986**	**891**

11 Financial expenses

EUR 1,000	2015	2014
Derivative fair value change, outside hedge accounting	0	-150
Interest expense on financial liabilities	12,499	11,492
Total	**12,499**	**11,342**

Other comprehensive income
Financial instrument items reported through other comprehensive income as well as amendments relating to the change in classification is presented below:

	2015				2014			
	Transferred to profit or loss before tax	Change in fair value	Tax effect	Other comprehensive income, net of tax	Transferred to profit or loss before tax	Change in fair value	Tax effect	Other comprehensive income, net of tax
Cash flow hedges	155	-14	-28	112	376	-82	-115	179
Total	**155**	**-14**	**-28**	**112**	**376**	**-82**	**-115**	**179**

12 Income tax

EUR 1,000	2015	2014
Income tax, current year	-3,522	-3,053
Income tax, previous years	0	0
Change in deferred tax	-8,022	281
Total	**-11,544**	**-2,771**

Reconciliation of the income statement tax expense and the Group's taxes calculated at the domestic tax rate of 20.0 per cent:

Profit before tax	61,593	15,168
Income tax at Finnish tax rate 20 per cent	-12,319	-3,034
Tax effects of:		
Tax exempt profits	447	594
Non-deductible expenses	-71	-389
Use of previously unrecognised tax losses	361	5
Tax losses of which no deferred income tax asset was recognised	0	-1
Different tax rate of subsidiary	-6	0
Share of associated companies' results net of tax	3	3
Additional deductible expenses	42	50
Tax charge	**-11,544**	**-2,771**

13 Earnings per share

EUR 1,000	2015	2014
Profit attributable to the equity holders of the company, continuing operations (EUR 1,000)	50,049	12,397
Weighted average number of shares (thousands)	8,487	8,479
Basic earnings per share (euros/share), continuing operations	5.90	1.46

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders for the financial period by the weighted average number of outstanding shares during the financial period.

14 Property, plant and equipment

EUR 1,000	Land and water	Buildings and constructions	Machinery and equipment	Other property, plant and equipment	Prepayments and non-current assets under construction	Total
At 1 January 2014						
Cost	530	32,477	1,055,464	873	33,088	1,122,431
Accumulated depreciation at 1 January		-13,016	-717,115			-730,131
Net book amount	**530**	**19,461**	**338,349**	**873**	**33,088**	**392,299**
Year ended 31 December 2014						
Opening net book amount	530	19,461	338,349	873	33,088	392,299
Additions and transfers		1,654	102,180		14,593	118,427
Business combinations	187	900	34,075			35,162
Disposals			-727		-1,996	-2,723
Accumulated depreciation relating to disposals			108			108
Depreciation charge		-2,246	-108,614			-110,860
Closing net book amount	**717**	**19,769**	**365,371**	**873**	**45,685**	**432,413**
At 31 December 2014						
Cost	717	35,031	1,190,992	873	45,685	1,273,298
Accumulated depreciation		-15,262	-825,621			-840,883
Net book amount	**717**	**19,769**	**365,371**	**873**	**45,685**	**432,414**
At 1 January 2015						
Cost	717	35,031	1,190,992	873	45,685	1,273,298
Accumulated depreciation		-15,262	-825,621			-840,883
Net book amount	**717**	**19,769**	**365,371**	**873**	**45,685**	**432,414**
Year ended 31 December 2015						
Opening net book amount	717	19,769	365,371	873	45,685	432,414
Additions and transfers		1,950	69,152		52,733	123,835
Disposals			-3,126		0	-3,126
Accumulated depreciation relating to disposals			2,705			2,705
Depreciation charge		-2,341	-109,610			-111,951
Closing net book amount	**717**	**19,378**	**324,491**	**873**	**98,418**	**443,876**

At 31 December 2015						
Cost	717	36,981	1,257,017	873	98,418	1,394,007
Accumulated depreciation		-17,603	-932,526			-950,130
Net book amount	**717**	**19,378**	**324,491**	**873**	**98,418**	**443,877**

Property, plant and equipment includes property acquired through finance lease agreement as follows:

EUR 1,000

Property, plant and equipment	**2015**	**2014**
Cost - capitalised finance leases	85,470	85,470
Accumulated depreciation	85,469	85,013
Net book amount	**1**	**457**

15 Intangible assets

EUR 1,000	Goodwill	Customer base	Brand	Other intangible assets	Total
At 1 January 2014					
Cost	336,797	89,737	41,819	299,819	768,172
Accumulated amortisation and impairment at 31 Dec	-104,479	-39,958	-4,208	-213,285	-361,930
Net book amount	**232,318**	**49,779**	**37,610**	**86,534**	**406,241**
Year ended 31 December 2014					
Opening net book amount	232,318	49,779	37,610	86,534	406,241
Additions				27,970	27,970
Business combination	94,888	40,738			135,626
Disposals				-29	-29
Accumulated amortisation relating to disposals				29	29
Amortisation charge		-9,434	-949	-34,030	-44,413
Impairment			-12,490	-8,862	-21,352
Closing net book amount	**327,206**	**81,083**	**24,172**	**71,612**	**504,073**
At 31 December 2014					
Cost	431,685	130,475	41,819	327,760	931,739
Accumulated amortisation and impairment	-104,479	-49,392	-15,878	-256,148	-425,897
Net book amount	**327,206**	**81,083**	**25,941**	**71,612**	**505,843**
At 1 January 2015					
Cost	431,685	130,475	41,819	327,760	931,739
Accumulated amortisation and impairment	-104,479	-49,392	-17,647	-256,148	-427,666
Net book amount	**327,206**	**81,083**	**24,172**	**71,612**	**504,074**
Year ended 31 December 2015					
Opening net book amount	327,206	81,083	24,172	71,612	504,074
Additions				24,680	24,680
Disposals				-729	-729
Accumulated amortisation relating to disposals				282	282
Amortisation charge		-10,657	-949	-31,065	-42,671
Closing net book amount	**327,206**	**70,426**	**23,223**	**64,780**	**485,635**
31 December 2015					
Cost	431,685	130,475	41,819	351,711	955,690

Accumulated amortisation and impairment	-104,479	-60,049	-18,596	-286,931	-470,055
Net book amount	**327,206**	**70,426**	**23,223**	**64,780**	**485,635**

The impairment expenses recognised in September 2014 mostly relate to the write-down of the discontinued PlusTV brand (EUR 12.5 million). The impairment expense for other intangible assets, EUR 8.9 million, is related to write-downs in relation to changes in information systems.

Goodwill allocation

Goodwill is allocated to DNA's cash-generating units as follows:

EUR 1,000	**2015**	**2014**
Consumer	180,723	180,723
Corporate	146,483	146,483
Total	**327,206**	**327,206**

Impairment testing

In order to carry out impairment testing, goodwill is allocated to cash-generating units (CGUs) in accordance with DNA's business organisation. The balance sheet values of all CGUs are subjected to an annual impairment testing. Apart from goodwill, the Group does not have any other intangible assets with an unlimited useful life.
The recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) of each CGU is defined as the value in use according to the projected discounted cash flows (the DSC method). Cash flow projections are based on the plans approved by management, covering a five-year period. Management considers the projections to reflect development to date and other information available from external sources.
The (before tax) discount rate (weighted average cost of capital, WACC) used in testing represents 10.1–10.2 per cent depending on the segment.
The growth rate forecasted after five years was assumed to be 2.0 per cent.
The impairment test indicated that the recoverable amounts of the CGUs exceeded their balance sheet values and their goodwill have not been impaired. Management considers the applied assumptions to be reasonable in the light of information available at the time of producing the financial statements.
The key assumptions used were growth in net sales, development of profitability, weighted average cost of capital (WACC) as well as the cash flow growth rate after the five-year forecast period. The major sensitivities in the result are associated with the forecasted revenues and levels of profitability.
A risk premium was added to the WACC due to uncertain and changing market conditions. The CGU-specific WACC risk premiums used in testing were based on the differences in risks in the projected cash flows, e.g. relating to relative differences in growth projections. The risk premiums have been reduced year-on-year due to there being less uncertainties.

Applied parameters and sensitivity analysis

Applied parameters in testing 2015

	Consumer segment	**Corporate segment**
Applied forecast parameters	**2015**	**2015**
Amount by which the book value is exceeded, EUR million	1.3	2.0
Average growth in net sales, %	28.2	35.5
Average operating margin, % *	13.1	19.1
Average investment, % of net sales *	2.0	2.0
Growth after the forecast period, %	10.2	10.1

WACC, %	571	172

* Five-year forecast period average

The table below illustrates the percentage unit change for the key forecast parameters when fair value is equal to book value (and other parameters remaining unchanged).

	Consumer segment	Corporate segment
Sensitivity analysis of forecast parameters	**2015**	**2015**
Average EBITDA, % of net sales	-4.6	-3.4
WACC, %	8.4	3.6

Applied parameters in testing 2014

	Consumer segment	Corporate segment
Applied forecast parameters	**2014**	**2014**
Amount by which the book value is exceeded, EUR million	0.3	5.7
Average growth in net sales, %	26.7	32.8
Average operating margin, % *	13.8	18.0
Average investment, % of net sales *	2.0	2.0
Growth after the forecast period, %	10.6	10.4
WACC, %	451	106

* Five-year forecast period average

The table below illustrates the percentage unit change for the key forecast parameters when fair value is equal to book value (and other parameters remaining unchanged).

	Consumer segment	Corporate segment
Sensitivity analysis of forecast parameters	**2014**	**2014**
Average EBITDA, % of net sales	-3.8	-2.0
WACC, -%	6.6	2.3

16 Investments in associates

EUR 1,000	2015	2014
At 1 January	2,155	2,142
Share of the profit or loss for the financial period	10	17
Decreases	-980	-4
At 31 December	**1,186**	**2,155**

There was no goodwill related to associated companies in 2015 and 2014.
Financial information about the Group's associated companies, including assets, liabilities, net sales as well as the Group's share of the results.

EUR 1,000

2015	Domicile	Assets	Liabilities	Net sales	Share of profit/loss	Group holding
Suomen Numerot Numpac Oy	Helsinki	718	251	1,568	10	25%
Kiinteistö Oy Otavankatu 3	Pori	2,962	396	304	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	333	3	35	0	38%

2014	Domicile	Assets	Liabilities	Net sales	Share of profit/loss	Group holding
Suomen Numerot Numpac Oy	Helsinki	793	355	1,514	10	25%
Booxmedia Oy*	Helsinki	863	120	1,349	0	27%
Kiinteistö Oy Otavankatu 3	Pori	2,967	501	303	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	339	7	41	0	38%

*Booxmedia Oy was sold in May 2015.

Interest in a joint arrangement

	Group holding
Suomen Yhteisverkko Oy	49%

The joint arrangement is classified as a joint operation. The contractual arrangement establishes the parties' rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.
DNA will recognise its share (42 per cent) of assets, liabilities, revenues and expenses in its consolidated financial statements.

17 Available-for-sale financial assets

EUR 1,000	2015	2014
Shares in non-listed companies	215	215
Total	**215**	**215**

Reconciliation of available-for-sale financial assets

At 1 January	215	215
At 31 December	**215**	**215**

18 Receivables

EUR 1,000	2015	2014
Non-current receivables		
Trade and other receivables	1,127	400
Trade receivables	31,668	37,540
Accruals 1)	4,381	1,099
Other non-current receivables	697	1,374
Total non-current receivables	**37,874**	**40,413**
Current receivables		
Trade and other receivables:		
Trade receivables	157,905	160,667
Accruals 1)	11,295	19,264
Income tax receivables	5,940	11,628
Other current receivables	7,391	9,075
Total	**182,531**	**200,634**

1) Accruals mainly consist of: accrued production rental invoices, accrued support payments and other accuted trade payables EUR 12.8 million (11.1 million), TyEL pension prepayment EUR 0.3 million (2.1 million) and other EUR 2.5 million (1.0 million).
The Group has recognised a receivable impairment loss of EUR 3.0 million (EUR 3.6 million) during the period. Impairment is performed on receivables older than 180 days. Non-current receivables are measured at fair value. Fair value of current loans and other receivables corresponds to book value as the effect of discounting is not material considering the maturity.

Movements in the provision for impairment of trade receivables are as follows:

	2015	2014
At 1 January	7,933	9,370
Provision for impairment of receivables	892	3,299
Receivables written off during the year as uncollectible	-2,178	-4,735
At 31 December	**6,646**	**7,933**

19 Deferred tax assets and liabilities

EUR 1,000

Specification of deferred tax

Deferred tax assets 2015	**1 Jan**	**Recognised in the income statement**	**Other comprehensive income**	**Business combinations**	**31 Dec**
Financial assets	28		-28		0
Provisions	4,524	-1,770	-62		2,690
Finance lease agreements	415	-128			287
Group eliminations	8,474	-2,424			6,050
Confirmed loss	11,715	-11,520			195
Excess depreciation	4,779	2,133			6,912
Other temporary differences	1,256	1,449			2,705
Total	**31,190**	**-12,260**	**-90**	**0**	**18,840**

Deferred tax liabilities 2015	**1 Jan**	**Recognised in the income statement**	**Other comprehensive income**	**Business combinations**	**31 Dec**
Fair value of assets through business combinations	28,213	-4,580			23,633
Accelerated depreciation	78	209			287
Other temporary differences	4,228	137			4,365
Total	**32,519**	**-4,234**	**0**	**0**	**28,285**

Deferred tax assets 2014	**1 Jan**	**Recognised in the income statement**	**Other comprehensive income**	**Business combinations**	**31 Dec**
Financial assets	88	56	-115		29
Provisions	1,827	-5	134	2,568	4,524
Finance lease agreements	515	-100			415
Group eliminations	10,894	-2,420			8,474
Confirmed loss	18,371	-6,656			11,715
Excess depreciataion	2	-5,237		10,013	11,715
Other temporary differences	151	54		1,051	4,779
Total	**31,847**	**-14,308**	**19**	**13,632**	**31,190**

Deferred tax liabilities 2014	1 Jan	Recognised in the income statement	Other comprehensive income	Business combinations	31 Dec
Fair value of assets through business combinations	28,507	-8,441		8,147	28,213
Accelerated depreciation	6,601	-6,524		0	78
Other temporary differences	3,853	375		0	4,228
Total	**38,961**	**-14,590**	**0**	**8,147**	**32,519**

20 Inventories

EUR 1,000	2015	2014
Materials and supplies	21,082	19,497
Total	**21,082**	**19,497**

During the reporting period, an expense of EUR 97.3 million (109.6 million) was recognised in the income statement for materials and supplies.

21 Cash and cash equivalents

EUR 1,000	2015	2014
Cash and bank deposits	25,266	10,599
Total	**25,266**	**10,599**

22 Shareholders' equity

EUR 1,000	Number of shares (thousands)	Share capital	Unrestricted equity reserve
1/1/2014	**9,611**	**72,702**	**606,779**
Share issue	1		557
12/31/2014	**9,611**	**72,702**	**607,336**
1/1/2015	**9,611**	**72,702**	**607,336**
Share issue	6		0
12/31/2015	**9,618**	**72,702**	**607,336**

Number of shares include 1,130,487 treasury shares.
DNA has one type of share. The total number of shares is 9 618 357 (9,611,277). The shares do not have a nominal value. DNA Oy's share capital amounts to EUR 72,702,226. All issued shares have been paid in full.

Rights issue to the Board of Directors

The rights issue is based on the decision of the Annual General Meeting to allow each member of the Board of Directors to decide whether their annual remuneration shall be paid entirely in cash, or partly in shares and partly in cash. During the reporting period, a total of 1,407 (2014 1,206) new shares were subscribed. Jarmo Leino subscribed 603 new shares, Anu Nissinen 201, Tero Ojanperä 201, Jukka Ottela 201 and Margus Schults 201. The per-share subscription price was EUR 95.51. The new shares issued did not have a nominal value. 601 were registered 2014.

Rights issue to key personnel

During the accounting period, a total of 375 (2014 6,475) new shares were subscribed at the per-share subscription price of EUR 95.51. 6,475 shares were registered during 2015. The new shares issued did not have a nominal value.
Shareholders' equity reserves are described as follows:
Hedge fund
Changes in the fair value of derivative instruments, used as cash flow hedges, are recognised in the hedge fund.

	2015	2014
Hedge fund	0	-112
Total	**0**	**-112**

Unrestricted equity reserve
The unrestricted equity reserve includes other equity type investments and the subscription price of shares insofar as it has not been expressly recognised in the share capital.
Dividends
After the balance sheet date, the Board of Directors proposed to distribute a dividend of 40,062,746.40 euros (30,041,194.02 euros).
Treasury shares
The Treasury Shares account includes the acquisition cost of treasury shares held by the Group
Treasury shares are presented separately in equity.

Date	Number of shares	Acquisition cost
1/1/2014	**1,132,144**	**103,546,211.53**
12/31/2014	**1,132,144**	**103,546,211.53**
1/1/2015	**1,132,144**	**103,546,211.53**
Share issue	-1,657	158,260.07
12/31/2015	**1,130,487**	**103,704,471.60**

23 Share-based payments

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 (years)	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 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)

24 Defined benefit plan

DNA Group's employee pensions are managed by external insurance companies. The TyEL pension insurances are managed as defined contribution plans in the pension insurance companies. DNA also has additional defined benefit plans for some employees. These plans are based on the final salary, and the persons covered receive a supplementary pension at the defined level. The size of the benefit at retirement is determined by factors such as years of service and compensation earned while in employment.
The liability recognised in the balance sheet for the defined benefit plans is determined as follows:

€1,000	2015	2014
Liability recognised in the balance sheet:		
Funded defined benefit obligation	6,131	6,771
Fair value of plan assets	-4,192	-4,552
Surplus/deficit	1,939	2,219
Liability recognised in the balance sheet	1,939	2,219

	Present value of obligation	Fair value of plan assets	Total
1 Jan 2014	**5,982**	**-4,486**	**1,496**
Current service cost	114		114
Interest cost/income	181	-137	44
	295	-137	158
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		123	123
Gain or loss arising from changes in financial assumptions	-112		-112
Experience adjustments	-95		-95
	-207	123	-84
Contributions:			
Contribution paid by employer		-104	-104
Benefits paid:	-263	263	0
31 Dec 2014	**6,771**	**-4,552**	**2,219**
1 Jan 2015	**6,771**	**-4,552**	**2,219**
Current service cost	90		90
Interest cost/income	116	-78	38
	206	-78	128
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		300	300
Actuarial gain or loss arising from changes in demographic assumptions	-17		-17

Gain or loss arising from changes in financial assumptions	-472		-472
Experience adjustments	-122		-122
	-611	300	-311
Contributions:			
Contribution paid by employer		-97	-97
Benefits paid:			
Benefits	-235	235	0
Settlements			
31 Dec 2015	**6,131**	**-4,192**	**1,939**

Principal actuarial assumptions:

	2015	**2014**
Discount rate	1.90%	1.75%
Rate of inflation	1.60%	2.00%
Rate of salary increase	3.10%	3.50%
Rate of benefit increase	1.80%	2.10%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into a weighted average life expectancy in yYears for a pensioner at the retirement age of 65 as follows:

	Men	**Women**
Plan participants retiring at the end of the financial year	21.4	25.4
Plan participants retiring 20 years after the end of the financial year	22.0	27.0

The main actuarial assumptions (expresses as weighted averages):

Effect to defined benefit

	Change in assumption	Increase	Decrease
Discount rate	0.5%	-7.3%	8.2%
Rate of salary increase	0.5%	1.5%	-1.4%
Rate of benefit increase	0.5%	6.4%	-5.8%
			Addition of one year
Life expectancy			4.5%

The above sensitivity analysis is based on a method where one actuarial assumption changes but the others remain unchanged. In practice, this is unlikely, and some changes in assumptions may be correlated.
The sensitivity analysis of the benefit based liability for each main actuarial assumption has been calculated with the same method used to calculate the liability recognised in the balance sheet (present value at period end calculated using the projected unit credit method).
The Group is subject to several risks in relation to the defined benefit plans, the most significant of which are described below.

Changes in the yield of bonds

According to the employer's IFRS reporting practice, the employer's obligations and liabilities depend on the yield of bonds on the reporting date. Decrease in yields increases liabilities and the payment obligation of pension benefits calculated according to IAS 19. However, since the employer is not subject to an investment risk in relation to the assets covering the liabilities, an increase in the yield of bonds will also have an effect on reported assets.

Inflation risk

The benefits paid in the plan are tied to the TyEL index, which depends on inflation (80 per cent) and a general salary index (20 per cent). High inflation increases the TyEL index, which in turn increases liabilities (IFRS) and annual contributions to the insurance company.

Salary risk

If the salary of an employee increases by more than the general salary index, the size of benefit will increase, which in turn will increase the benefit obligation, which increases the risk of higher contributions payable by the employer.

Longevity risk

As regards the longevity risk, the insurance company carries the risk related to actual life expectancy deviating from the expected life expectancy. According to IFRS, changes in life expectancy have an impact on the employer's obligations. The employer's risk in terms of changes in life expectancy only applies to future costs, whereas the insurance company carries the risk for benefits accrued by the change date.
Expected contributions to the post-employment benefit plan in 2016 are expected to total EUR 92 000.
The weighted average duration of the defined benefit obligation was 16 years.
Non-discounted pension benefits are expected to mature as follows:

1,000 €	**Pension benefits**
Less than 1 year	279
1-5 years	1,127
5-10 years	1,231
10-15 years	1,243
15-20 years	1,097
Over 20 years	3,619
Total	8,596

25 Provisions

EUR 1,000	1 Jan 2015	Additions	Provisions used	Other/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 provisions	89	376	0	-89	**376**
Total	**23,194**	**1,246**	**-3,739**	**-6,675**	**14,027**

EUR 1,000	2014	2015
Non-current provisions	20,057	13,023
Current provisions	3,137	1,004
Total	**23,194**	**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.

Decommissioning provisions

The decommissioning provision comprise the estimated decommissioning costs of data centres, masts and telephone poles. The estimated decommissioning period for telephone poles is some 15 years, and 25 years for data centres and masts. Realising the decommissioning costs do not involve any significant uncertainties.

26 Financial liabilities

EUR 1,000	2015	2014
Non-current interest-bearing liabilities		
Loans from financial institutions	113,954	74,524
Other loan commitments	247,797	251,848
Finance lease liabilities	583	733
Total	**362,334**	**327,105**
Current interest-bearing liabilities		
Loans from financial institutions	35,138	44,134
Other loan commitments	39,904	117,681
Finance lease liabilities	168	1,115
Total	**75,210**	**162,929**

Finance lease liabilities	**2015**	**2014**
EUR 1,000		

Finance lease liabilities – minimum lease payments

No later than 1 year	170	1,146
Later than 1 year and no later than 5 years	649	678
Later than 5 years	0	142
Total	**819**	**1,965**
Future finance charges of finance leases	-68	-117
Present value of finance lease payments	**751**	**1,848**
Finance lease liabilities – present value of minimum lease payments		
No later than 1 year	168	1,129
Later than 1 year and no later than 5 years	583	627
Later than 5 years	0	92
Total	**751**	**1,848**
Total finance lease liabilities	**819**	**1,965**

27 Trade payables and other liabilities

EUR 1,000	2015	2014
Current financial liabilities carried at amortised acquisition cost		
Trade payables	85,402	71,100
Accrued expenses 1)	76,654	64,768
Advances received	25,743	22,981
Other current liabilities	9,471	10,439
Interest rate derivatives, hedge accounting	0	150
Total current liabilities	**197,271**	**169,438**

1) Accrued expenses consist of: Holiday pay and bonuses including social expenses totalling EUR 20.9 million (18.1 million), interest expenses EUR 4.0 million (1.2 million), as well as other accrued operative expenses EUR 44.8 million (38.5 million).

28 Fair value of financial liabilities

Non-current financial liabilities

	2015		2014	
EUR 1,000	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans from financial institutions	113,954	114,618	74,524	74,344
Bonds	247,797	256,945	247,232	250,162
Other loan commitments	0	0	4,616	4,923
Financial lease agreements	583	583	733	733
Total	**362,334**	**372,146**	**327,105**	**330,162**

Current financial liabilities

	2015		2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Loans from financial institutions	35,138	35,220	44,134	44,119
Other loan commitments	39,904	39,904	117,681	117,759
Financial lease agreements	168	168	1,115	115
Total	**75,210**	**75,292**	**162,929**	**161,993**

Fair value of liabilities has been calculated by discounting the expected cash flow of liabilities using the market interest rate at balance sheet date plus the company's risk premium. The market value of the bond is stated on the basis of the average value of year-end quoted prices from two banks. The fair value of financial lease agreements do not materially differ from their carrying amount.

29 Operating lease agreements

EUR 1,000	2015	2014
Group as lessee		
Minimum lease amounts paid on the basis of non-voidable operating lease agreements		
Within one year	50,932	40,198
Longer than one year but no more than five years	45,537	36,267
After five years	38,783	38,706
Total	135,253	115,171

The Group leases premises, telecommunication premises, masts, vehicles etc. The lease periods are 1–6 years and normally include the opportunity to continue the agreement after the original end date. The 2015 income statement includes paid operating lease expenses of EUR 40.1 million (EUR 41.4 million). Relating to operating leases, the Group has made a provision of EUR 4.9 million (EUR 11.6 million). For more information see note 25 Provisions.

30 Guarantees and contingent liabilities

EUR 1,000	2015	2014
VAT refund liability	969	1,180

Lease commitments relating to operating lease agreements are presented in note 29.

31 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 related party.

Group structure 2015

Company	Country	Share of ownership	Share of votes
DNA Kauppa Oy	Finland	100%	100%
DNA Welho Oy	Finland	100%	100%
Huuked Labs Oy	Finland	100%	100%
Forte Netservices OOO	Russia	100%	100%

Listing of associated companies is presented in note 16.

The following related party transactions were carried out:

EUR 1,000	Sales	Purchases	Receivables	Liabilities
2015				
Organisations exercising significant influence	24	3,527	2	2
Associated companies	0	624	0	2
2014				
Organisations exercising significant influence	27	3,859	2	2
Associated companies	0	617	0	2

Management employee benefits

Company management comprises the Board of Directors and the management team.

EUR 1,000	2015	2014
Salaries and other short-term employee benefits	2,879	2,815
Termination benefits	76	293
Post-employment benefits	322	229
Share-based benefits	756	286
Total	**4,033**	**3,623**

On 2014, in relation to the share-based remuneration system, management subscribed 3,075 shares (see note 23 Share-based payments).

EUR 1,000	2015	2014
Salaries and commissions:		
CEOs	1397	1418
Members and deputy members of the Board of Directors	479	544

Management's and CEOs' pension commitments

Members of the Group management are entitled to defined benefit pension at the age of 62 and the CEO and deputy CEO of the parent company at the age of 60. They have supplementary defined contribution plans.

32 Events after the balance sheet date

The management of DNA Group is not aware of any significant events after the balance sheet date that would have an effect on the balance sheet.

33 Shares and shareholders

Shareholders 31 December 2015	%
Private companies	96.5%
Public companies	3.5%

Shareholder information	Number of shares	% of shares and votes
Finda Ltd	4,230,787	49.9%
PHP Holding Ltd	3,184,425	37.6%
Ilmarinen Mutual Pension Insurance Company	424,689	5.0%
Anvia Ltd	294,312	3.5%
Lohjan Puhelin Ltd	220,877	2.6%
Other shareholders	132,780	1.6%

34 Correction to prior periods

DNA Ltd has identified an error in its new invoicing system during the year 2015, affecting the return and bookkeeping process of consumer business customer devices. Customer invoicing has not been affected by this error. As a result, DNA Ltd's consumer business net sales for 2013, 2014 and 2015 have been overstated. After the financial statements of 2014, it was identified that the brand write-down in Q3/2014 was understated by EUR 1.8 million. These have been retroactively restated. The corrections had the following effect on the Group's figures:

Income statement

EUR 1,000		**1.1.-31.12.2014**		
	Reported	**Change, invoicing system**	**Change, brand**	**Revised**
Net sales	833.5	-2.0		831.5
Depreciation and impairments	-174.9		-1.8	-176.6
Operating result, EBIT	29.4	-2.0	-1.8	25.6
Net profit before tax	18.9	-2.0	-1.8	15.2
Income tax	-3.5	0.4	0.4	-2.8
Net profit for the period	15.4	-1.6	-1.4	12.4
Basic earnings per share (EUR), continuous operations	1.8	-0.2	-0.2	1.5
Average number of shares				

Statement of financial position

	31.12.2014			
	Reported	**Change, invoicing system**	**Change, brand**	**Revised**
Other intangible assets	178.6		-1.8	176.8
Total non-current assets	1,012.2		-1.8	1,010.4
Trade and other receivables	193.1	-4.1		189.0
Tax receivable	10.9	0.7		11.6
Other current assets	30.1			30.1
Total current assets	234.1	-3.4		230.7
Total assets	**1,246.4**	**-3.4**	**-1.8**	**1,241.2**
Shareholders' equity	**508.2**	**-2.6**	**-1.4**	**504.1**
Deferred income tax liabilities	32.9		-0.4	32.5
Total non-current liabilities	401.8		-0.4	401.5
Trade and other payables	170.1	-0.8		169.3
Other current liabilities	166.3			166.3
Total current liabilities	336.4	-0.8		335.6
Total equity and liabilities	**1,246.4**	**-3.4**	**-1.8**	**1,241.2**

Income statement

	1.1.-31.12.2013		
	Reported	**Change, invoicing system**	**Revised**
Net sales	766.4	-1.3	765.1
Operating result	43.7	-1.4	42.3
Net profit before tax	37.6	-1.3	36.3
Income tax	-8.7	0.3	-8.4
Net profit for the period	28.9	-1.0	27.9
Earnings per share, basic (EUR), continuous operations	3.4	-0.1	3.3
Average number of shares			

Statement of financial position

	31.12.2013		
	Reported	Change, invoicing system	Revised
Other intangible assets	871.5		871.5
Trade and other receivables	159.2	-1.7	157.5
Tax receivable	0.8	0.3	1.1
Other current assets	47.9		47.9
Total current assets	207.9	-1.3	206.5
Total assets	1,079.3	-1.3	1,078.0
Shareholders' equity	522.3	-1.0	521.2
Total non-current liabilities	296.1		296.1
Trade and other payables	132.8	-0.3	132.5
Other current liabilities	128.2		128.2
Total current liabilities	261.0	-0.3	260.7
Total equity and liabilities	1,079.3	-1.3	1,078.0

The third statement is not presented as the change did not have a material effect.

PARENT COMPANY INCOME STATEMENT, FAS

EUR 1,000	Note		1 Jan - 31 Dec 2015		1 Jan - 31 Dec 2014 Restated
INCOME STATEMENT	1		**674,886**		**647,805**
Other operating income			9,901		7,389
Materials and services					
Purchases		98,853		108,312	
Change in inventory		-1,457		1,387	
External services		226,187	323,583	225,235	334,933
Employee expenses					
Salaries and commissions		74,294		61,564	
Social expenses					
Pensions		13,634		10,830	
Other social expenses		4,065	91,993	3,550	75,944
Depreciation and impairments	2				
Depreciation according to plan			128,235		121,217
Other operating expenses	3		112,087		102,052
OPERATING PROFIT			28,890		21,048
Financial income and expense	4				
Income from other investments		6		5	
Other interest and financial income		663		879	
Interest and other financial expenses		11,792	-11,124	10,412	-9,527
PROFIT BEFORE EXTRAORDINARY ITEMS			17,765		11,520
Extraordinary income	5		1,729		5,587

PROFIT BEFORE APPROPRIATIONS AND TAX		19,496	17,107
Appropriations	6	0	24,067
Income taxes	7	4,763	9,006
PROFIT FOR THE FINANCIAL PERIOD		14,732	32,167

PARENT COMPANY BALANCE SHEET, FAS

EUR 1,000

ASSETS		**Note**		**31 Dec 2015**		**31 Dec 2014 Restated**
NON-CURRENT ASSETS						
Intangible assets		8				
	Development costs		168		221	
	Goodwill		121,885		128,462	
	Intangible rights		70,660		85,178	
	Other capitalised expenditure		22,005	214,717	27,546	241,407
Property, plant and equipment		8				
	Land and water		717		717	
	Buildings and constructions		8,933		8,178	
	Machinery and equipment		244,339		271,513	
	Other tangible assets		873		873	
	Advances paid and construction in progress		83,454	338,316	41,625	322,906
Investments		9				
	Holdings in Group companies		82,653		82,653	
	Shares in associated companies		3,982		3,794	
	Other shares and holdings		1,427	88,063	1,427	87,875
TOTAL NON-CURRENT ASSETS				641,097		652,188
CURRENT ASSETS						
Inventory						
	Materials and supplies			21,044		19,466

Receivables					
Non-current receivables					
Trade receivables		31,668		37,540	
Receivables from Group companies	10	12,395		12,395	
Other receivables		6,536		3,795	
Deferred tax asset	17	6,038	56,637	7,336	61,066
Current receivables					
Trade receivables		135,470		140,856	
Receivables from Group companies	10	4,432		8,977	
Other receivables		6,478		7,404	
Accrued income and deferred expense	11	16,249	162,629	29,964	187,200
Cash and cash equivalents			22,678		9,336
TOTAL CURRENT ASSETS			262,989		277,068
TOTAL ASSETS			904,085		929,256
EQUITY AND LIABILITIES			**31.12.2015**		**31.12.2014**
SHAREHOLDERS' EQUITY	12				
Share capital			72,702		72,702
Unrestricted equity reserve			86,494		86,336
Retained earnings			51,942		49,815
Profit for the financial period			14,732		32,167
TOTAL SHAREHOLDERS' EQUITY			225,870		241,021
Provisions	13		10,686		19,277
LIABILITIES					
Non-current liabilities	14				
Loans from financial institutions		364,286		329,139	
Advances received		321		360	
Other non-current liabilities		12,517	377,123	19,896	349,395
Current liabilities					

Loans from financial institutions		75,143		161,919	
Advances		5,093		4,899	
Trade payables		70,256		65,130	
Liabilities to Group companies	15	73,265		27,596	
Other current liabilities		6,281		6,732	
Accruals	16	60,368	290,405	53,286	319,562
TOTAL LIABILITIES			667,529		668,957
TOTAL EQUITY AND LIABILITIES			904,085		929,256

PARENT COMPANY CASH FLOW STATEMENT, FAS

	Parent company	Parent company
EUR 1,000	**1.1 - 31.12.2015**	**1.1 - 31.12.2014**
Cash flows from operations		
Profit for the period	14,732	32,167
Adjustments*)	131,676	108,342
Change in working capital	35,493	19,941
Interest paid	-10,743	-7,241
Interest received	799	536
Taxes paid	2,133	-13,070
Net cash flow from operations (A)	**174,090**	**140,675**
Cash flows from investments		
Investments in tangible and intangible assets	-123,669	-126,160
Tangible assets capital gain	25	-2
Acquired subsidiaries and business transfers	0	-156,496
Subsidiary shares divested	1,853	0
Other investments	-1,250	-1,741
Loans granted	0	-2,400
Repayments of loan receivables	0	10,000
Total cash flows from investments (B)	**-123,042**	**-276,800**
Cash flows from financing		
Share issue	158	734
Dividend distribution	-30,041	-30,014
Borrowing of interest-bearing liabilities	312,780	546,226
Repayments of interest-bearing liabilities	-326,191	-405,879
Received and paid Group contribution	5,587	8,825
Total cash flows from financing (C)	**-37,707**	**119,892**
Change in liquid assets (A+B+C)	**13,341**	**-16,233**
Liquid assets on 1 January	9,336	25,569
Liquid assets on 31 December	22,678	9,336

Adjustments*)		
Depreciation	128,235	121,217
Proceeds from disposal of tangible and intangible assets	-1,077	-31
Other non-cash income and expense	-1,729	-28,807
Interest and other financial expense	10,076	8,495
Taxes	4,763	9,006
Change in provisions	-8,591	-1,539
Total adjustments	**131,676**	**108,342**
Change in working capital:		
Change in trade receivables and other receivables	18,247	14,369
Change in inventory	-1,578	-1,176
Change in trade payables and other payables	18,825	6,748
Total	**35,493**	**19,941**

Parent company accounting principles, FAS

Valuation principles

Fixed assets

Intangible and tangible assets are shown on the balance sheet as acquisition costs, less planned depreciation. Planned depreciation is recorded on a straight-line basis over the useful life of an asset.

The depreciation/amortisation periods are:

Intangible rights	2-10 years
Goodwill	5-20 years
Other intangible assets	3-5 years
Buildings	25 years
Constructions	10-25 years
Machinery and equipment	3-15 years

The merger loss has been capitalised and its depreciation period is 20 years based on the management's view that the merger will generate economic benefit for a minimum of 20 years.

Inventory

Inventories are stated at the lower of acquisition cost or replacement cost or likely realisable value.

Financial assets

Securities are recognised at market value. Valuation differences are recognised directly in the income statement.

Research and development

Development expenditure is recognised as annual costs for the year in which it is incurred. Development expenditure expected to generate future economic benefits are capitalised under intangible assets and amortised over three years.

Pensions

The company's employee pensions are managed by an external insurance company. Pension contributions and other costs for the financial period are based on the actuary calculations. Expenditure on pensions is recognised as an expense for the year in which it is incurred.

Deferred tax

Deferred tax asset has been determined for temporary differences between tax bases of assets and their amounts in financial reporting using the tax rates effective for future years confirmed on the balance sheet date. The balance sheet includes the deferred tax asset at its estimated realisable amount. The deferred tax asset comprises obligatory provisions, deferred depreciation and revenue recognition of long-term contracts.

Correction to prior periods

DNA Ltd has identified a period-related error in its new invoicing system during the year 2015. As a result, DNA Ltd's net sales for 2013, 2014 and 2015 have been overstated. These have been retroactively restated and the information is comparable for the financial periods. The corrections had the following effect on the DNA Ltd's income statement and statement of financial position:

EUR 1,000	**2014**	**2013**
Net sales	-1,989	-1,339
Income tax	398	328
Profit/loss for the period	-1,592	-1,011
Current receivables	-3,401	-1,333
Retained earnings	1,011	0
Profit/loss for the period	1,592	1,011
Total current liabilities	799	321

Comparability with prior period

The information for the prior period is comparable with the information reported for 2015.

Foreign currency translations

Items denominated in foreign currencies are translated using the Bank of Finland average rate.

Notes to the parent company financial statements

1 Net sales

EUR 1,000	2015	2014
Domestic	658,770	633,740
Foreign	16,117	14,065
Total	**674,886**	**647,805**

During the financial period, parent company employed personnel on average		
Total	1,438	1,296

2 Depreciation and amortisation

EUR 1,000	2015	2014
Depreciation of intangible assets	44,776	47,722
Depreciation of intangible and tangible assets	83,460	73,495
Total	**128,235**	**121,217**

Balance-sheet item-specific depreciation breakdown is included in fixed assets.

3 Other operating expenses

EUR 1,000	2015	2014
Operating and maintenance costs	39,563	31,295
Rental costs	39,918	35,871
External services	4,043	4,358
Other cost items	28,563	30,528
Total	**112,087**	**102,052**

Auditor fees

PricewaterhouseCoopers Oy		
Auditing fees	160	233
Actions referred to in Section 1.1.2 of the Finnish Auditing Act	6	6
Tax consulting	90	40
Other fees	183	152
Total	**439**	**431**

4 Financial income and expense

EUR 1,000	2015	2014
Dividends		
from associated companies	4	4
from others	2	1
Total dividends	**6**	**5**
Other interest and financial income		
Interest income from group companies	255	333
Interest income from others	408	534
Other financial income group companies	0	11
Other financial income from others	0	1
Total other interest and financial income	**663**	**879**
Total financial income	**669**	**885**
Other interest and financial expense		
Interest expense	9,437	8,284
Other financial expense	2,356	2,129
Total other interest and financial expense	**11,792**	**10,412**
Total financial income and expense	**-11,123**	**-9,527**

5 Extraordinary items

EUR 1,000	2015	2014
Group contributions	1,729	5,587
Total	**1,729**	**5,587**

6 Appropriations

EUR 1,000	2015	2014
Difference between planned depreciation and depreciation for taxation	0	24,067
Total	**0**	**24,067**

7 Direct taxes

EUR 1,000	2015	2014
Direct taxes	3,466	2,781
Change in deferred tax liability	1,297	6,225
Total taxes	**4,763**	**9,006**

8 Non-current assets

EUR 1,000	2015	2014
Development costs		
Acquisition cost 1 January	3,689	3,572
Transfers between items	139	169
Disposals	0	-53
Acquisition cost 31 December	**3,828**	**3,689**
Accumulated amortisation 1 January	3,468	3,238
Amortisation for the financial period	193	230
Accumulated amortisation 31 December	3,660	3,468
Book value 31 December	**168**	**221**
Intangible rights		
Acquisition cost 1 January	218,372	212,498
Additions from business combinations	0	394
Transfers between items	6,680	7,913
Disposals	0	-2,432
Acquisition cost 31 December	**225,052**	**218,372**
Accumulated amortisation 1 January	133,194	113,091
Amortisation for the financial period	21,198	22,536
Amortisation relating to disposals	0	-2,432
Accumulated amortisation 31 December	154,392	133,194
Book value 31 December	**70,660**	**85,178**
Goodwill		
Acquisition cost 1 January	150,768	22,616
Additions from business combinations	0	128,152
Acquisition cost 31 December	**150,768**	**150,768**

Accumulated amortisation 1 January	22,306	22,137
Amortisation for the financial period	6,577	169
Accumulated amortisation 31 December	28,883	22,306
Book value 31 December	**121,885**	**128,462**
Other non-current intangible assets		
Acquisition cost 1 January	149,749	149,525
Disposals	0	-12,784
Transfers between items	11,267	13,008
Acquisition cost 31 December	**161,016**	**149,749**
Accumulated amortisation 1 January	122,203	108,966
Amortisation for the financial period	16,808	15,925
Amortisation relating to disposals	0	-11,550
Impairments	0	8,862
Accumulated amortisation 31 December	139,011	122,203
Book value 31 December	**22,005**	**27,546**
Land and water		
Acquisition cost 1 January	717	530
Additions from business combinations	0	187
Book value 31 December	**717**	**717**
Buildings and constructions		
Acquisition cost 1 January	14,545	13,886
Additions from business combinations	0	796
Transfers between items	1,950	625
Disposals	0	-762
Acquisition cost 31 December	**16,495**	**14,545**
Accumulated depreciation 1 January	6,366	5,358
Depreciation for the financial period	1,196	1,008
Accumulated depreciation 31 December	7,562	6,366
Book value 31 December	**8,933**	**8,178**

Machinery and equipment		
Acquisition cost 1 January	830,689	771,748
Additions from business combinations	0	33,953
Transfers between items	55,090	80,080
Disposals	-2,122	-55,092
Acquisition cost 31 December	**883,658**	**830,689**
Accumulated depreciation 1 January	559,176	486,722
Depreciation for the financial period	82,264	72,487
Depreciation relating to disposals	-2,122	-33
Accumulated depreciation 31 December	639,319	559,176
Book value 31 December	**244,339**	**271,513**
Other tangible assets		
Acquisition cost 1 January	873	873
Acquisition cost 31 December	**873**	**873**
Advances paid and construction in progress		
Acquisition cost 1 January	41,625	32,943
Additions	116,955	111,338
Additions from business combinations	0	282
Disposals	0	-1,144
Transfers between items	-75,126	-101,795
Acquisition cost 31 December	**83,454**	**41,625**

9 Investments

EUR 1,000	2015	2014
Holdings in Group companies		
Book value 1 January	82,653	66,263
Increase	0	197,607
Disposals	0	-181,216
Book value 31 December	**82,653**	**82,653**
Shares in associated companies		
Book value 1 January	3,794	2,053
Increase	1,250	1,741
Disposals	-1,062	0
Book value 31 December	**3,982**	**3,794**
Other shares and holdings		
Book value 1 January	1,427	1,427
Book value 31 December	**1,427**	**1,427**

10 Receivables from Group companies

EUR 1,000	2015	2014
Long-term sales receivables	12,395	12,395
Sales receivables	830	689
Group account receivables	1,872	2,701
Group contribution receivables	1,729	5,587
Total	**16,827**	**21,371**

11 Accruals

EUR 1,000	2015	2014
Trade payables	5,289	8,578
Other receivables	10,960	21,386
Total	**16,249**	**29,964**
Unrecognised costs		
Of the bond issue costs:		
Remainder of the capitalised long-term deferred receivables	2,285	2,000
Remainder of the capitalised short-term deferred receivables	889	768
Total	**3,174**	**2,768**

12 Shareholders' equity

EUR 1,000	2015	2014
Share capital 1 January	72,702	72,702
Share capital 31 December	**72,702**	**72,702**
Unrestricted equity reserve 1 January	86,336	85,603
Shareissue*	158	734
Unrestricted equity reserve 31 December	**86,494**	**86,336**
Retained earnings 1 January	81,983	80,840
Correction to prior period	0	-1,011
Dividend distribution	-30,041	-30,014
Retained earnings 31 December	**51,942**	**49,815**
Profit for the financial period	**14,732**	**33,759**
Correction to prior period	0	**-1,592**
Total shareholders' equity	**14,732**	**241,021**

*There were two directed share issues during the accounting period: the issue to the Board of Directors totalled EUR 134,382.57 and the issue to key personnel EUR 23,877.50. The per-share subscription price was EUR 95.51.

13 Obligatory provisions

EUR 1,000	2015	2014
Estimated decommissioning costs of data centres and masts	5,223	5,468
Onerous contracts*	4,935	11,607
Pension provision	152	259
Restructuring provision	0	1,839
Other provision	376	104
Total obligatory provisions	**10,686**	**19,277**

*The provision covers the under-utilised premises for the full agreement term until 2025.

14 Non-current liabilities

EUR 1,000	2015	2014
Bonds	250,000	250,000
Loans from financial institutions	114,286	79,139
Other non-current liabilities	12,517	19,896
Accruals	321	360
Total	**377,123**	**349,395**

On 14 October 2015, 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. The loan repayments are made in equal half-yearly instalments.

Non-current liabilities, maturing in over 5 years

Bond	150,000	150,000
Total	**150,000**	**150,000**

15 Liabilities to Group companies

EUR 1,000	2015	2014
Trade payables	2,219	4,120
Accruals	19,997	10,646
Group account payables	51,049	12,830
Total	**73,265**	**27,596**

16 Accruals

EUR 1,000	2015	2014
Holiday pay and bonuses	18,288	15,877
Interest expenses	3,962	1,278
Sales section	7,006	7,518
Other accruals	31,112	28,613
Total	**60,368**	**53,286**

17 Deferred tax liability/asset

EUR 1,000	2015	2014
Deferred tax asset from obligatory provisions	2,137	3,856
Deferred tax asset from deferred depreciation	2,980	3,480
Deferred tax asset from temporary differences	921	0
Total	**6,038**	**7,336**

18 Pledged assets and contingent liabilities

EUR 1,000	2015	2014
Pledged assets		
Contingent liabilities and other liabilities		
Finance lease payments		
Payments due during the next financial period	1,034	1,731
Payments due at a later date	683	1,194
Total	**1,718**	**2,925**
Leasing contracts are made for three-year periods.		
Other contractual obligations		
Loan collaterals involve the application of covenants. The agreed covenants are related to the good financial position and liquidity of the Group. Violation of any covenants may result in increased financing costs or termination of the loan agreements. The Group monitors the covenants and they have been met during the financial period.		
Leasehold commitments*	124,073	93,529
*Includes EUR 4,395 million for the non-voidable lease agreement reported under the provision for onerous contracts.		
VAT refund liability	969	1,180
Other obligations on behalf of Group companies		
Bank guarantee	855	858
Derivative financial instruments		
Interest rate swaps, hedge accounting (Group)		
Fair value	0	-150
Nominal value	0	14,000
RELATED PARTY TRANSACTIONS		

Management salaries and commissions	**2015**	**2014**
Board members and the CEO	1,023	1,397

No loans have been granted to the Members of the Board of Directors or the CEO.
Members of the Group management are entitled to defined benefit pension at the age of 62 and the CEO and deputy CEO of the parent company at the age of 60. They have supplementary defined contribution plans.

19 Group and parent company holdings

	2015	2014
Group companies		
DNA Store Ltd	100%	100%
Huuked Labs Oy	100%	100%
DNA Welho Ltd	100%	100%
Forte Netservices OOO	0%	0%
Song Mobile Oy	0%	100%
Song Products Oy	0%	100%
Song Mobile Oy and Song Products Oy incorporated into DNA Ltd 31 October 2015.		
All Group companies are included in the parent company consolidated accounts.		
Shares in joint operatios		
Suomen Yhteisverkko Oy	49%	49%
Associated companies		
Suomen Numerot Numpac Oy	25%	25%
Booxmedia Oy	27%	27%
Kiinteistö Oy Otavankatu 3	36%	36%
Kiinteistö Oy Siilinjärven Toritie	38%	38%

Suomen Numerot Numpac Oy and Booxmedia Oy have been combined to parent company financial statement. The shares of Booxmedia Oy have been sold on 19 May 2015.

20 Statement of distributable earnings 31 December

EUR 1,000	2015	2014
Retained earnings	51,942	49,815
Unrestricted equity reserve	86,494	86,336
Profit for the financial period	14,732	32,168
Total distributable funds	**153,168**	**168,319**

Consolidated key financial indicators

INCOME STATEMENT	**12/31/2015**	**12/31/2014**
Net sales (MEUR)	829	831
EBITDA (MEUR)	228	202
EBITDA, % of net sales	27.5%	24.3%
Operating result, EBIT (MEUR)	73	26
Operating result, EBIT % of net sales	8.8%	3.1%
Profit for the financial period (MEUR)	50	12
Return on equity (ROE), %	9.7%	2.4%
Return on investment (ROI), %	7.6%	2.8%
BALANCE SHEET		
Equity ratio, %	44.1	41.4
Net liabilities/EBITDA	1.81	2.37
Gearing, %	78.5	95.1
Balance sheet total (MEUR)	1217	1,241
CAPITAL EXPENDITURE		
Gross investment (MEUR)	154.7	149.6
Gross investment, % of net sales	18.7%	18.0%
EMPLOYEES		
Average number of employees for the financial period	1,710	1,657
Per-share key indicators		
Earnings per share (EPS) (EUR)	5.9	1.5
Capital and reserves per share (EUR)	61.8	59.5
Dividend per share (EUR)	4.7	3.5
Dividend per earnings, %	80.0%	242.3%
Effective divident yield, %		
Price/earnings ratio (P/E)		
Share price trend		
Market capitalisation		

Trading volume for the financial period		
Trading volume for the financial period, %		
Weighted average adjusted number of shares during the financial period (1,000)	8,487	8,479
Adjusted number of shares at the end of the financial period (1,000)	8,488	8,479

Calculation of key indicators

EBITDA (EUR)	=	Operating result (EBIT) + depreciation, amortisation and impairments	
Return on equity (ROE), %	=	Profit for the financial period / Total shareholders' equity (annual average)	x 100
Return on investment (ROI), %	=	Profit before taxes + interest and other finance expenses / Balance sheet total – non-interest bearing liabilities (annual average)	x 100
Equity ratio, %	=	Shareholders' equity / Balance sheet total – prepayments received	x 100
Interest-bearing net liabilities (EUR)	=	Interest-bearing liabilities – liquid assets	
Gearing, %	=	Interest-bearing liabilities – liquid assets / Total shareholders' equity	x 100

Calculation of Per-share Key Indicators

Earnings per share (EUR)	=	Profit for the financial period attributable to equity holders of the parent company / Weighted number of shares during the financial period	
Capital and reserves per share (EUR)	=	Equity attributable to equity holders of the parent company / Number of shares on balance sheet date	
Dividend per share (EUR)	=	Dividend distribution for the financial period / Number of shares on the balance sheet date	
Dividend per earnings, %	=	Dividend per share / Earnings per share	x 100

Board of Directors’ proposal on the distribution of profits

DNA Ltd’s distributable funds in the financial statements amounted to EUR 153,168,105.20, of which profit for the financial year came to EUR 14,732,319.69. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 4.72 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.

DNA Ltd
Board of Directors

Signatures of the annual report and financial statements

Helsinki on this 5th day of February 2016

Jarmo Leino
Chairman of the board of Directors

Anu Nissinen
Member of the Board of Directors

Kirsi Sormunen
Member of the Board of Directors

Jukka Ottela
Member of the Board of Directors

Tero Ojanperä
Member of the Board of Directors

Margus Schults
Member of the Board of Directors

Jukka Leinonen
President and CEO

Auditors' note

An auditors' report have been issued today on the performed audit.

Helsinki, on this 17th day of February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Kronberg
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of DNA Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of DNA Oy for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company’s Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 17, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Kronberg
Authorised Public Accountant