interim report

January–June 2010

DNA's excellent financial performance

Key figures

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Net sales	166	162	328	320	652
EBITDA	47	42	94	71	167
EBITDA, per cent	28.3	26.3	28.7	22.2	25.6
EBITDA excluding non-recurring items	47	43	94	86	179
EBITDA, per cent excluding non recurring items	28.3	26.7	28.7	26.8	27.5
EBIT	20	14	40	17	–44
EBIT, per cent	12.2	8.7	12.3	5.2	–6.7
Profit before tax	20	16	37	15	–43
Profit/loss for the financial period	15	12	28	12	–57
Capital expenditure	17	26	25	45	88
Cash flow after investments	20	5	47	9	52

EUR million	30.6.2010	30.6.2009	31.12.2009
Net debt	138 (138*)	197	147
Net debt / EBITDA	0.73 (0.73*)	1.39	0.88
Gearing, per cent	22.2 (32.8*)	37.6	34.5
Equity ratio, per cent	64.1 (55.3*)	57.5	55.3
Personnel at end of period	1,052 (827*)	970	818

* Excluding Welho. Welho business was incorporated into DNA Ltd on 30 June 2010, and the associated business operations were launched on 1 July 2010. For this reason, Welho business is included in the DNA figures in the balance sheet, as well as in the number of subscriptions and employees.

Figures are unaudited.

summary

SUMMARY OF THE SECOND QUARTER

- DNA's net sales for April–June amounted to EUR 166 million (4–6/2009: EUR 162 million), a three per cent year-on-year increase.
- EBITDA for April to June totalled EUR 47 million, accounting for 28.3 per cent of net sales (4–6/2009: EUR 42 million, 26.3 per cent).
- EBIT came to EUR 20 million, accounting for 12,2 per cent of net sales (4–6/2009: EUR 14 million, 8.7 per cent).
- Profit before tax was EUR 20 million (4–6/2009: EUR 16 million).
- Cash flow after investments was at a good level on account of good financial performance: EUR 20 million (4–6/2009: EUR 5 million).
- The DNA mobile communication subscription base (including mobile broadband) grew in Q2 by 69,000 subscriptions, reaching 2,060,000 in total (6/2008: 1,817,00; 3/2010 1,991,000).
- Revenue per user (ARPU) for mobile communications amounted to EUR 22.3 (4–6/2009: 22.4; 1–3/2010: 21.1).
- The subscription turnover rate (churn) was 17.9 per cent (4–6/2009: 18.9; 1–3/2010: 20.4).
- At the end of June, DNA's fixed-line network had 1,068,000 (631,000 excluding Welho) telephone, broadband and cable TV subscriptions (6/2009: 669,000; 3/2010: 638,000).

SUMMARY FOR JANUARY–JUNE

- DNA's net sales for January–June amounted to EUR 328 million (1–6/2009: EUR 320 million), a two per cent increase year on year.
- January–June EBITDA amounted to EUR 94 million, accounting for 28.7 per cent of net sales (1–6/2009: EUR 71 million, 22.2 per cent).
- EBIT amounted to EUR 40 million, accounting for 12.3 per cent of net sales (1–6/2009: EUR 17 million, 5.2 per cent).
- Profit before tax was EUR 37 million (1–6/2009: EUR 15 million).
- Cash flow after investments was EUR 47 million (1–6/2009: EUR 9 million).

Riitta Tiuraniemi, President and CEO:

"Our profitability and result remain excellent. The Welho acquisition gives a significant boost to our strategic position in the Finnish data communication market."

In picture: CEO RIITTA TIURANIEMI

During Q2, DNA's profitability remained at the excellent level reached in Q1. We are closing on our target-level EBITDA of 30 per cent, and our EBIT is already over 12 per cent. Our good financial performance is based on the increase in mobile communication customers, growing use of our services, and the efficiency improvements carried out in 2009. DNA's net sales showed year-on-year growth of three per cent. The termination charge reduction and introduction of the same level of mobile termination charges for all operators in December 2009 hinder our growth and profitability somewhat.

DNA's mobile communication subscription base grew by 44,000 subscriptions from January to June, reaching 2,060,000 in total. Compared to this time last year, DNA has 243,000 additional subscriptions. We gained 69,000 new mobile communication subscriptions in April-June, reaching the planned growth rate. Despite tight competition, we managed to decrease the subscription turnover rate and increase revenue per user (ARPU) in Q2. Both of these elements have a direct positive effect on our result.

The agreement between Sanoma and DNA for the sales of Welho business operations entered into force in late June. In connection with the business transaction, Sanoma became the second-largest shareholder in DNA. With the transaction, DNA obtains a significant share of the data communication market in the Helsinki Metropolitan Area, gaining both volume and market share for its broadband and cable TV business. Welho's fibre and local area networks in the Helsinki Metropolitan Area improve DNA's self-sufficiency as regards the basic mobile network infrastructure, enabling DNA to provide even better connections to customers in and around Helsinki.

After the transaction, DNA will have over three million customers, almost 600,000 of whom have cable television subscriptions. This will make DNA a leading TV operator, with a 43 per cent market share. In fixed-line broadband, the 19 per cent market share acquired after the transaction enables us to further diversify and develop our service portfolio.

In the mobile broadband market, our objective for 2010 remains the same: continued growth and strong investments in our 3G network. We have constructed hundreds of new base stations, all over Finland. The coverage of DNA's 3G network has improved in areas including Central Finland, Ostrobothnia, Satakunta, Northern Savo, and Eastern Finland. In the future, the construction of DNA's 3G network will focus mainly on the improvement of current networks by adding capacity and upgrading base stations. However, we will construct some new base stations, too.

DNA's year-end outlook is cautiously optimistic. The recession seems to be abating and traffic volumes are reaching slightly higher levels than previously predicted. The rapidly growing use of smartphones and the resulting increase in the use of mobile broadband boost per-user revenue.

Interim Report, January–June 2010

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IFRS regulations and measurement principles. However, the report does not fully comply with all requirements of the IAS 34 Interim Financial Reporting standard.

Unless otherwise stated, the comparison figures in brackets refer to the equivalent period in the previous year.

Welho business was incorporated into DNA Ltd on 30 June 2010 and the associated business operations launched on 1 July 2010. For this reason, Welho business is included in the DNA figures in the balance sheet, as well as in the number of subscriptions and employees. For purposes of comparison, some figures have been calculated without Welho's impact. If Welho is excluded, this is always specifically mentioned.

The information presented in this interim report is unaudited.

THE MARKET SITUATION

Competition in the consumer telecommunications market remained tight but stable. Mobile broadband continues to enjoy strong demand. Fixed-line broadband customers are actively switching to higher-speed Internet connections. It is believed that this trend will continue.

General market conditions in the corporate market have remained tight. Because of the recession, use per subscription decreased somewhat for voice services and switches from fixed-network services to mobile services have decelerated. On the other hand, mobile broadband continues to enjoy strong demand and is still growing.

AN EXCELLENT RESULT, WITH NET SALES AT THE PREVIOUS YEAR'S LEVEL

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Net sales	166	162	328	320	652
EBITDA	47	42	94	71	167
EBITDA excluding nonrecurring items	47	43	94	86	179
EBIT	20	14	40	17	–44
EBIT excluding non recurring items	20	15	40	31	63
Profit before tax	20	16	37	15	–43
Profit/loss for the financial period	15	12	28	12	–57

Q2/2010

DNA's net sales for April–June amounted to EUR 166 million (comparative: EUR 162 million), representing three per cent growth in comparison to the equivalent period last year. During the reporting period, 73 per cent (as compared to 72 per cent) of net sales were generated by consumer business and 27 per cent (28 per cent) by corporate business.

DNA's EBITDA between April and June amounted to EUR 47 million (42 million), accounting for 28.3 (26.3) per cent of net sales. EBITDA improved slightly despite intense competition.

The EBIT figure grew by 44 per cent in comparison to the equivalent period last year, coming to EUR 20 million (14 million).

DNA's profit before tax in April–June came to EUR 20 million (16 million).

Financial profits and expenses for April–June amounted to a negative EUR 1 million (2 million). Income tax for the period under review was EUR 5 million (3 million).

January–June 2010

DNA's net sales for January–June totalled EUR 328 million (320 million), representing two per cent growth in comparison to the equivalent period of last year. During the reporting period, 73 per cent (72 per cent) of net sales were generated by consumer business and 27 per cent (28 per cent) by corporate business.

DNA's EBITDA for January–June amounted to EUR 94 million, accounting for 28.7 per cent of net sales.

EBIT came to EUR 40 million (17 million), growing by some 141 per cent. Significant non-recurring items are included in the EBIT in the year of comparison, on account of the restructuring of business.

DNA's profit before tax in January–June came to EUR 37 million (15 million).Financial profits and expenses for January–June amounted to EUR 3 million to the negative (from the previous year's negative EUR 1 million). Income tax for the period under review was EUR 9 million (3 million).

MOBILE BROADBAND AS THE ENGINE OF CONSUMER BUSINESS

Consumer business key indicators:

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Net sales	122	117	239	231	471
EBITDA	32	27	62	48	113
EBITDA excluding nonrecurring items	32	27	62	55	119
EBIT	15	8	30	12	21

Q2/2010

DNA's consumer-business net sales for April–June amounted to EUR 122 million (117 million), representing a four per cent year-on-year increase. The growth in net sales resulted from the good performance of mobile communication services – in particular, the strong growth of mobile broadband.

EBITDA totalled EUR 32 million (27 million) and EBIT EUR 15 million (8 million). EBITDA and EBIT improved as a result of increased net sales and cost savings achieved.

January–June 2010

In January–June, consumer-business net sales came to EUR 239 million (231 million), with the associated EBITDA amounting to EUR 62 million (48 million) and EBIT totalling EUR 30 million (12 million).

PROFITABILITY OF CORPORATE BUSINESS AT THE PREVIOUS YEAR'S LEVEL

Corporate business key indicators:

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Net sales	44	45	89	89	181
EBITDA	16	15	32	23	54
EBITDA excluding nonrecurring items	16	16	32	31	61
EBIT	6	6	11	5	-65

Q2/2010

DNA's corporate-business net sales for April–June totalled EUR 44 million (45 million), the same level as last year. Net sales increased in mobile services and, correspondingly, decreased in fixed-network voice services.

EBITDA improved, to total EUR 16 million (15 million), and EBIT rose to EUR 6 million (6 million).

January–June 2010

In January–June, corporate-business net sales came to EUR 89 million (89 million), the associated EBITDA amounted to EUR 32 million (23 million), and EBIT was EUR 11 million (5 million).

PERSONNEL

At the end of June, DNA employed 1,052 (970) people. The number includes the personnel transferred from Welho. Personnel were distributed as follows: 737 people in consumer business and 315 for corporate business. In total, 225 people transferred from Welho to the employ of DNA as existing employees.

The average number of employees in January–June was 859.

Personnel at end of period	6/2010	6/2009	3/2010	3/2009	12/2009
Consumer business	737	585	512	576	511
Corporate business	315	385	307	386	307
Total personnel	1,052	970	819	962	818

INVESTMENTS

DNA's capital expenditure for April–June totalled EUR 17 million (26 million). Consumer-business investment amounted to EUR 12 million (20 million) and investment in corporate business to EUR 5 million (6 million).

Major individual items include the 3G network investments as well as investments in the fibre and transfer system.

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Consumer business	12	20	17	31	60
Corporate business	5	6	8	14	28
Total investments in fixed assets	17	26	25	45	88

FINANCIAL POSITION

The Group's financial position and liquidity improved in Q2 and remain healthy. Cash flow after investments for April–June amounted to EUR 20 million (5 million) and the Group's liquid assets to EUR 40 million (9 million). The Group's interest-bearing liabilities totalled EUR 178 million (206 million) while undrawn credit limits came to EUR 60 million (75 million). In addition, the Group has an undrawn commercial paper programme worth EUR 150 million.

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Cash flow after investments	20	5	47	9	52

EVENTS IN Q2

Welho business operations were purchased by DNA

DNA Ltd reached an agreement with Sanoma on 31 May to purchase Welho's business operations. The Finnish Competition Authority approved the sale on 30 June 2010, after the Council of State had approved the transaction on 23 June 2010.

With the authorities' approval, the business transaction had a green light. Welho business is included in DNA's balance sheet as of 30 June 2010, and the incorporated business operations were launched on 1 July 2010.

With the transaction, DNA has over three million customers, almost 600,000 of whom have cable television subscriptions. This will make DNA a leading TV operator, with a 43 per cent market share.

DNA's 3G network expanded all around Finland

Over the spring, DNA constructed hundreds of new base stations, in different parts of the country. The coverage of DNA's 3G network has improved in areas including Central Finland, Ostrobothnia, Satakunta, Northern Savo, and Eastern Finland. Also all of the municipalities in the Turku archipelago avail themselves of DNA's 3G network.

HDTV gained ground rapidly

Finns are already watching high-definition broadcasts. According to a survey commissioned by DNA, 35 per cent of the population have already watched HDTV programmes. Almost half of all Finnish homes have a Full HD or HD ready television set. HDTV is expected to become widespread in Finland in the very near future.

Finns viewed free HD broadcast of the FIFA World Cup in South Africa

Cable TV subscribers in the regions of Lahti, Lohja, Kuopio, Oulu, Raisio, and Rauma could watch high-definition broadcasts from the FIFA World Cup in South Africa without any extra cost.

DNA and the Kuopio-region purchasing consortium enter into agreement

The Kuopio region and DNA Ltd signed an agreement for the purchase of telecommunication services on 13 April 2010. This agreement provides the members of the so-called HALO community with telecommunication services until the new tender process is finished. The agreement covers more than 10,000 mobile and fixed-network subscriptions.

New members joined the DNA Board of Directors

The Extraordinary General Meeting of DNA Ltd on 30 June 2010 decided to appoint two new members, Anu Nissinen, M.Sc. (Econ.), and David Nuutinen, MBA, to the Board of Directors of DNA. Ms Nissinen is the CEO of Sanoma Entertainment and a member of the Executive Management Group of the Sanoma Group. Mr Nuutinen is the CEO and a member of the Board of Management of Leaf Finland Ltd.

On the same date, current Board member Mr Esa Haavisto retired from the Board and the number of Board members was confirmed as seven. Mr Jarmo Leino, Chairman of the Board of DNA's largest shareholder, Finda Ltd, will take over as the chairman of the Board.

SIGNIFICANT LITIGATION MATTERS

Significant litigation matters remained unchanged during the reporting period.

SIGNIFICANT RISKS AND UNCERTAINTIES

DNA operates in the Finnish telecommunications market, which has a limited number of users and is characterised by tough competition and a high degree of penetration.

Net sales in the telecommunications market are not growing but may experience a slight drop, negatively affecting DNA's business operations. A reduction in the telecommunications market has been observed for fixed-line network telephone traffic in particular.

If the economic situation remains volatile, it may affect the demand for DNA's products and services. On the other hand, customers' increased price-awareness may provide opportunities for operators who can offer competitive pricing.

Rapid technological development of the industry may have an effect on DNA's operations.

The Finnish telecommunications market is heavily regulated. Regulation – particularly the authorities' ability to influence the price level and cost structure of DNA's products and services – may also have an impact on DNA's business.

For managing the interest-rate risk, a notable proportion of the loans taken out by the Group have been hedged. The Group's borrowings have been spread between fixed- and variable-rate instruments. DNA Group's foreign interest risk is not significant, as the majority of DNA cash flow is euro-denominated. To manage liquidity risk, the company has committed credit agreements in addition to liquid assets, as well as continuous cash flow, which are sufficient for its foreseeable funding requirements. The Group has no significant concentrations of credit risk related to sales receivables, thanks to the large number of customers. With respect to the relevant areas, DNA's operations have been insured against loss and business interruption.

CORPORATE RESPONSIBILITY

In the autumn of 2009, DNA launched a corporate responsibility development project, which is based on the Global Reporting Initiative (GRI) reporting model. We will implement the reporting model in stages, selecting those GRI metrics that are appropriate for our business. At a minimum, we aim to reach GRI level C in 2010.

EVENTS AFTER THE REVIEW PERIOD

DNA will set up a new call centre in Mikkeli, offering approximately 40 new positions.
The centre will deal with DNA customers' orders and other issues related to subscription agreements, as well as sell DNA services. The centre will commence operations in August.

Co-operative shop Arina continues agreement with DNA
Co-operative shop Arina extended the agreement with DNA by three years. Arina has used DNA's mobile solutions for several years now.

Arina has more than 800 voice and data subscriptions from DNA. DNA's mobile services and mobile exchanges have been established in locations such as markets, ABC service stations, shops, and hotels around Northern Finland.

Pori continues co-operation with DNA
The City of Pori and the Satakunta health-care district have decided to continue their co-operation with DNA. The new agreement has a three-year term, with an option of extension for a further two years. The agreement covers a total of 14,000 mobile and fixed-network subscriptions.

PROSPECTS
The Finnish economy is expected to gradually recover. In previous recessions, there has been a clear delay in the effect of economic cycles on the telecommunications sector.

Because of this general market development, DNA's total net sales are expected to grow moderately as in Q1. DNA's total net sales growth is also hampered by the reduction in mobile network termination charges in December 2009 and the fall in the number of fixed-line voice subscriptions. For Q3/2010, EBIT and EBITDA are forecast to be better than in Q3/2009.

DNA Oy
Board of Directors

further information

Sources of further information:
Riitta Tiuraniemi, President and CEO, tel. +358 44 220 3201, riitta.tiuraniemi@dna.fi
Ilkka Pitkänen, CFO, tel. +358 44 044 4001, ilkka.pitkanen@dna.fi
Vilhelmiina Wahlbeck, Vice President, Corporate Communications, tel. +358 44 040 1671, vilhelmiina.wahlbeck@dna.fi

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Interim Report Financials

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This interim report also takes account of the requirements of the revised IAS 1 standard for presentation of changes in shareholders' equity. The revised IFRS 3 and IAS 27 standards, which entered into force at the beginning of the financial period, will have an impact on future business combinations.

Comprehensive consolidated income statement

EUR million	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
NET SALES	166	162	328	320	652
Other operating income	1	0	2	1	5
Materials and services	–83	–81	–164	–159	–324
Employee benefit expenses	–13	–14	–26	–36	–63
Depreciation	–27	–28	–54	–54	–116
Goodwill impairment					–95
Other operating expenses	–24	–24	–46	–55	–102
Operating result	20	14	40	17	–44
Financial income		1	1	3	4
Loss/gain on financial assets recognised at fair value against profit or loss		2		–2	2
Financial expense	–1	–2	–3	–3	–5
Share of associated companies' results	0	0	0	0	0
Net profit/loss before tax	20	16	37	15	–43
Income tax	–5	–4	–9	–4	–14
Net profit/loss for the period	15	12	28	12	–57
OTHER COMPREHENSIVE INCOME:					
Available-for-sale financial assets	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income, net of tax	0	–1	0	0	0
TOTAL COMPREHENSIVE INCOME	15	11	28	11	–57
Net profit/loss attributable to:					
Equity-holders of the parent	15	12	28	12	–57
Non-controlling interest	0	0	0	0	0
		12	28	12	–57
Comprehensive income attributable to:					
Equity-holders of the parent	15	11	28	11	–57
Non-controlling interest	0	0	0	0	0
	15	11	28	11	–57
Earnings per share of the profit attributable to equity-holders of the parent company:					
Basic earnings per share, in euros	1.92	1.54	3.68	1.55	–7.46
Average number of shares (in thousands)					
-basic	7,589	7,581	7,589	7,581	7,580

Consolidated balance sheet

EUR million	30.6.2010	30.6.2009	31.12.2009
Assets			
Non-current assets			
Goodwill	276	192	97
Other intangible assets	57	59	59
Property, plant, and equipment	410	411	398
Investments in associates	1	1	1
Available-for-sale financial assets	0	15	0
Trade and other receivables	9	8	11
Deferred income tax assets	30	35	32
Total non-current assets	782	720	597
Current assets			
Inventories	9	8	8
Trade and other receivables	155	141	140
Financial assets at fair value through profit and loss	0	35	
Cash and cash equivalents	40	9	26
Total current assets	204	192	174
Total assets	986	912	772

EUR million	30.6.2010	30.6.2009	31.12.2009
Equity attributable to owners of the parent			
Share capital	73	73	73
Share premium		0	0
Invested unrestricted equity reserve and other reserves	605	406	406
Retained earnings	-59	15	-54
Equity attributable to owners of the parent	619	493	425
Non-controlling interest	0	0	0
Total equity	619	493	425
Non-current liabilities			
Deferred income tax liability	51	58	55
Borrowings	128	131	123
Provisions	8	10	9
Retirement benefit obligations	0	1	0
Other non-current liabilities	2	2	1
Total non-current liabilities	190	202	189
Current liabilities			
Borrowings	50	75	50
Financial liabilities at fair value through profit and loss	0	0	0
Provisions	2	6	4
Trade and other payables	125	137	105
Total current liabilities	177	217	158
Total equity and liabilities	986	912	772

Consolidated statement of changes in equity (IFRS)

Changes in consolidated equity, 1–6/2009, EUR million	Share capital	Share premium	Fair value reserve	Hedge fund	Invested unre-stricted equity reserve	Retained earnings	Attribut-able to owners of the parent	Non controlling interest	Total equity
SHAREHOLDERS' EQUITY ON 1 JANUARY 2009	72	42	0	–1	407	33	554	0	554
Dividends paid		–42				–30	–72	0	–72
Share issue	0				0		0	0	0
Transfers in equity		–0			–0		0	0	0
Net profit for the period									
Available-for-sale financial assets									
Cash flow hedges									
Total comprehensive income for the period			0	0		12	11	0	11
SHAREHOLDERS' EQUITY ON 30 JUNE 2009	73	–	0	–1	407	15	493	0	493

Changes in consolidated equity, 1–6/2010, EUR million	Share capital	Share premium	Fair value reserve	Hedge fund	Invested unre-stricted equity reserve	Retained earnings	Attribut-able to owners of the parent	Non controlling interest	Total equity
SHAREHOLDERS' EQUITY ON 1 JANUARY 2010	73			–1	407	–54	425	0	425
Dividends paid						–33	–33		–33
Share issue					200		200		200
Share issue profit							0		0
Transfers in equity							0	0	0
Employees share option scheme: granted options						0	0		0
Acquisitions						0	0		0
Other changes					–1	0	–1		–1
Net profit for the period						28	28		28
Cash flow hedges				0					
Total comprehensive income for the period						28	28		28
SHAREHOLDERS' EQUITY ON 30 JUNE 2010	73			–1	606	–59	619	0	619

Condensed consolidated statement of cash flows

EUR million	1–6/2010	1–6/2009	1–12/2009
Cash flows from operating activities			
Profit/loss for the period	28	12	–57
Adjustments			
Depreciation and impairments	54	54	211
Change in working capital	–5	–21	–17
Other adjustments	–2	10	–11
Net cash generated from operating activities	75	56	126
Net cash generated from operating activities			
Purchases of tangible and intangible assets	–28	–44	–88
Proceeds from sales of tangible and intangible assets			2
Sales of shares			14
Change in other shares		–2	–2
			0
Change in other investments **Net cash used in investing activities**	–28	–46	–73
Cash flows from financing activities			
Fees received from share issue			0
Dividends paid	–33		–10
Capital refund		–42	–42
Repayments of current borrowings, net		–3	–62
Repayments of non-current borrowings, net		39	66
Increase/decrease in non-current receivables		–2	–5
Other			19
Net cash used in financing activities	–33	8	–34
Change in cash and cash equivalents	14	2	19
Cash and cash equivalents at beginning of period	26	7	7
Cash and cash equivalents at end of period	40	9	26

Notes to the Interim Report

ACCOUNTING PRINCIPLES

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This interim report also takes account of the requirements of the revised IAS 1 standard on presenting changes in share-holders' equity. The revised IFRS 3 and IAS 27 standards, which entered into force at the beginning of the financial period, will have an impact on future business combinations.

1 SEGMENT INFORMATION UNDER IFRS 8

DNA's internal organisational and management structure is based on a customer-focused operating model, whereby the reporting segments comprise consumer customers and corporate customers.

DNA's consumer business offers consumers diverse telecommunication services, such as voice and data services for communication and information retrieval, and telecommunication services for security and entertainment.

DNA's corporate business offers nationwide, standardised, and easy-to-use telecommunication, communication, and networking solutions. Our operator services are part of the corporate business.

Business segments, EUR 1,000	Consumer	Corporate	Unallocated	Group total
1 April–30 June 2010				
Net sales	121,824	44,398	0	166,222
EBITDA	31,517	15,563	0	47080
Depreciation	16,967	9,892	0	26,859
Profit/loss	14,550	5,671	0	20,221
Financial items				–581
Profit before tax				19,640
Profit/loss for the financial period				14,583
Investments	11,498	5,330	0	16,827
Personnel at end of period	737	315	0	1,052
1 April–30 June 2009				
Net sales	116,910	44,647	0	161,557
EBITDA	27,175	15,368	–109	42,434
Depreciation	19,440	8,967	–8	28,399
Profit/loss	7,735	6,400	–101	14,035
Financial items				1,597
Profit before tax				15,631
Profit/loss for the financial period				11,677
Investments	19,751	6,340	143	26,234
Personnel at end of period	585	385	0	970

1 January–30 June 2010				
Net sales	238,819	88,816	0	327,635
EBITDA	61,924	32,216	0	94,140
Depreciation	32,370	21,580	0	53,951
Profit/loss	29,554	10,636	0	40,190
Financial items				–2,771
Profit before tax				37,418
Profit/loss for the financial period				27,964
Investments	17,175	7,961	0	25,136
Personnel at end of period	737	315	0	1,052

1 January–30 June 2009				
Net sales	231,231	89,040	88	320,359
EBITDA	47,835	23,328	–198	70,965
Depreciation	35,661	18,653	–9	54,305
Profit/loss	12,174	4,675	–189	16,660
Financial items				–1,424
Profit before tax				15,236
Profit/loss for the financial period				11,719
Investments	30,667	14,258	143	45,068
Personnel at end of period	558	358	0	970

1 January–31 December 2009				
Net sales	471,022	181,052	88	652,162
EBITDA	112,992	54,435	–271	167,155
Depreciation	91,924	119,048	–21	210,951
Profit/loss	21,068	–64,614	–250	–43,796
Financial items				1,024
Profit before tax				–42,772
Profit/loss for the financial period				–56,550
Investments	59,945	27,788	143	87,876
Personnel at end of period	511	307	0	818

2 INVESTMENTS

Capital expenditure, EUR 1,000	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Intangible assets	1,994	3,884	4,403	5,219	14,554
Tangible assets	14,834	22,350	20,734	39,849	73,322
Total	16,827	26,234	25,136	45,068	87,876

3 SHAREHOLDERS' EQUITY

DIVIDEND PAYMENT

DNA Ltd's Annual General Meeting of 31 March 2010 approved a payment of dividends (EUR 4.35 per share) totalling EUR 32,954,560.35. The dividend was paid on 15 April 2010.

TREASURY SHARES

Treasury shares redeemed during the financial period represent 0.07 per cent of the votes (treasury shares in total representing 0.01 per cent of the votes). The purchase of treasury shares did not materially affect the structure of ownership and voting power in the company.

Date	Number	Nominal value	Payment (in euros)
7 April 2010	5,000.00	0.00	588,402.16
4 August 2009	2,500.00	0.00	287,208.75
Total	7,500.00	0.00	875,611.91

4 NET LIABILITIES

EUR 1,000	30.6.2010	30.6.2009	31.12.2009
Non-current and current borrowings	177,746	205,865	172,969
Less short-term investments and cash in hand and at bank	40,155	8,985	26,304
	137,591	196,880	146,665

5 PROVISIONS

EUR 1,000	Decommissioning provision	Provision for onerous contracts	Restructuring provision	Other provisions
Provisions, 1 January 2010	4,667	4,636	3,710	0
Additions	0	0	0	200
Provisions used / discount effect	97	–1,201	–1,624	
Provisions, 30 June 2010	4,764	3,435	2,086	200
Provisions, 1 January 2009	4,482	704	1,698	
Additions		8,283	5,661	
Provisions used / discount effect	–334	–1,277	–3,271	
Provisions, 30 June 2009	4,148	7,710	4,088	
Provisions, 1 January 2009	4,482	704	1,699	
Additions		7,712	6,371	
Provisions used / discount effect	185	–3,780	–4,360	
Provisions, 31 December 2009	4,667	4,636	3,710	

6 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).

The following related party transactions were carried out during the period:

EUR 1,000	Sales	Purchases	Receivables	Liabilities
6/2010				
Organisations exercising significant influence	28	1,113	962	
Associated companies		103		
Other related parties		79		
6/2009				
Organisations exercising significant influence	53	2,157	5	2,470
Associated companies		109		299
Other related parties		13		
12/2009				
Organisations exercising significant influence	53	3,671	0	0
Associated companies	0	290	0	9
Other related parties	0	42	0	0

7 RIGHTS ISSUE FOR THE MANAGEMENT

A rights issue was targeted at the management as part of their incentive scheme. During the reporting period, in total, there were 2,748 new shares subscribed to, at a per-share subscription price of EUR 97. Riitta Tiuraniemi subscribed for 180 shares, and other members of the company's management subscribed for 2,568 shares. The new shares issued did not have a nominal value.

8 SHARE-BASED PAYMENT

CONDITIONS OF THE SHARE-BASED INCENTIVE SCHEME

In the period under review, the Group introduced a share-based incentive scheme directed at key personnel. According to the conditions of the incentive scheme, the parent company grants shares and options without monetary compensation. The Group's incentive scheme is conditional; the central condition for the scheme is presented in the table below.

THE OPTION SCHEME

As proposed by the Board of Directors, the Annual General Meeting decided that a long-term incentive scheme for the management and other key personnel be introduced in March 2010. If the employment of the holder of option rights with a Group company ends, his or her option rights shall immediately be transferred to the company or others on its order. In total, 100,000 option rights will be issued, of which at most 51,000 rights will be classified as 2010A and 49,000 as 2010B. The share subscription period for 2010A option rights begins on 2 January 2013 and ends on 30 April 2015 and for the 2010B rights begins on 2 January 2014 and ends on 30 April 2016. Since one option right entitles its holder to subscribe for one new share or treasury share held by the company, all option rights awarded entitle the holder to subscription for a maximum of 100,000 shares in the company. The per-share subscription price for the 2010A and 2010B rights series is EUR 97.00, which is the estimated fair value of the share on 17 December 2009. Should the company distribute dividends or funds from its unrestricted equity fund, the subscription price applied to the option rights will be decreased in line with the amount of dividends decided upon or unrestricted equity funds distributed after 17 December 2009 and prior to the share subscription period on the matching day for each dividend payment or capital refund. The subscription price will be recorded in the company's invested unrestricted equity reserve.

Option scheme

Classification	2010A	2010B
Target group	Key personnel	Key personnel
Granting date	10 March 2010	Not granted
Number of instruments granted	50,000	–
Exercise price	EUR 97	EUR 97
Share price at granting date	EUR 97	EUR 97
Subscription period	2 January 2013–30 April 2015	2 January 2014–30 April 2016
Expected life (years)	5 years	
Conditions	Employed with the company	Employed with the company
Implementation	As shares	As shares

OUTSTANDING SHARE OPTIONS

Changes in share options outstanding during the financial period and the average exercise prices are as follows:

	Number of options
On 1 January	
Options granted	50,000.00
Forfeited options	
Exercised options	
Expired options	
On 30 June	**50,000.00**

The weighted average fair value of options granted during the period was EUR 35.47 per option. The fair value of the options was determined by means of a valuation model. The significant inputs to the model were the share price as of 30 June 2010, of EUR 98.66; the exercise price shown above; volatility of 38 per cent; an expected option life of three years; and an annual risk-free interest rate of 2.49 per cent.

9 BUSINESS COMBINATIONS

DNA Ltd acquired Welho's business operations through a directed share issue from Sanoma Oyj on 30 June 2010. The share issue includes 2,027,167 shares, which represents 21 per cent of the company's share capital. The final fair-value assessment of the transferred assets and liabilities has not yet been made. The transferred assets and liabilities have preliminary been recorded as follows:

EUR 1,000	
Assets	44,415
Liabilities	23,577
Purchase consideration	200,000
Goodwill	179,162

Direct costs of EUR 0.5 M related to the acquisition were booked as expenses.

The acquired business's net sales for 1 January 2010–30 June 2010 amounted to EUR 35 M. If the acquisition had occurred on 1 January 2010, group net sales would have been EUR 363 M.

10 NOTES ON SHAREHOLDERS' EQUITY

(1,000 €)	Number of shares (1,000)	Share capital	Share premium	Invested unrestricted equity reserve
1 January 2009	7,581	72,375	41,689	407,213
Share issue		327		–327
Share premium refund			–41,618	
Other changes			–71	71
31 December 2009	7,581	72,702	0	406,956
Share-based incentive scheme				
Directed share issue		3		
Welho acquisition (see Note 9)*				200,000
Other changes				–1,029
30 June 2010	7,584**	72,702	0	605,927

* The directed share issue to Sanoma Oyj includes 2,027,167 shares. These shares have not yet been registered.

** Includes 7,500 treasury shares.

Key figures

	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Equity per share	64 (55*)	69	64 (55*)	69	56
Interest-bearing net liabilities	138 (138*)	197	138 (138*)	197	147
Gearing, per cent	22.2 (32.8*)	37.6	22.2 (32.8*)	37.6	34.5
Equity ratio, per cent	64.1 (55.3*)	57.5	64.1 (55.3*)	57.5	55.3
Net debt / EBITDA	0.73 (0.73*)	1.16	0.73 (0.73*)	1.39	0.88
Return on investment (ROI), per cent	12.3 (14.0*)	8.2	11.7 (13.7*)	5.4	–6.1
Return on equity (ROE), per cent	11.4 (13.9*)	9.0	10.7 (13.3*)	4.4	–11.6
Gross investments, in millions of euros	17	26	25	45	88
Gross investment, per cent of net sales	10.1	16.2	7.7	14.1	13.5
Personnel at end of period	1,052 (827*)	970	1,052 (827*)	970	818

* Excluding Welho

Key operative indicators

Mobile communication network subscription volumes:

Number of:	6/2010	6/2009	3/2010	3/2009	12/2009
Subscriptions (incl. mobile broadband)	2,060,000	17,000	1,991 000	1,745,000	1,947,000
DNA's own customers	1,954,000	1,709,000	1,888,000	1,640,000	1,846,000

	4–6/2010	4–6/2009	1–6/2010	1–6/2009	1–12/2009
Revenue per subscription (ARPU), in euros	22.3	22.4	21.7	22.6	22.4
Customer churn rate, per cent	17.9	18.9	19.1	17.9	16.2

Fixed-network subscription volumes:

Number of:	6/2010	6/2009	3/2010	3/2009	12/2009
Broadband subscriptions	290,000 (175,000*)	187,000	178,000	190,000	180,000
Cable TV subscriptions	596,000 (274,000*)	267,000	271 000	265,000	270,000
Telephone subscriptions	182,000	215,000	189,000	222,000	197,000

* Excluding Welho

Calculation of key figures

$$\text{Equity per share (EUR)} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of outstanding shares at end of period}}$$

Interest-bearing net liabilities (EUR) = Interest-bearing liabilities – liquid assets

$$\text{Gearing, per cent} = \frac{\text{Interest-bearing liabilities – liquid assets}}{\text{Total shareholders' equity}} \times 100$$

$$\text{Equity ratio, per cent} = \frac{\text{Shareholders' equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

EBITDA (EUR) = Profit + depreciation and amortisation

$$\text{Return on investment (ROI), per cent} = \frac{\text{Profit before taxes + interest and other financing expenditure}}{\text{Balance sheet total – non-interest bearing liabilities (annual average)}} \times 100$$

$$\text{Return on equity (ROE), per cent} = \frac{\text{Profit for the financial period}}{\text{Total shareholders' equity (annual average)}} \times 100$$

Interest-bearing net debt = Interest-bearing liabilities – money-market investments – liquid assets

$$\text{Interest-bearing net debt/EBITDA *} = \frac{\text{Interest-bearing net debt}}{\text{EBIT + depreciation + amortisation}}$$

* 12-month adjusted EBITDA