Interim Report
January–September 2011

DNA

DNA's net sales and EBITDA continued to develop as expected

Summary

July-September

- Net sales increased by 3.7 per cent year-on-year to EUR 187.6 million (180.8 million).
- EBITDA decreased by 2.3 per cent and totalled EUR 46.9 million (48.0 million), or 25.0 per cent of net sales. The decline was due to higher material, sales and marketing costs resulting from positive sales development, and measures necessitated by intensifying competition. Due to an increase in depreciation, operating profit fell by 24.1 per cent to EUR 13.3 million (17.6 million), or 7.1 per cent of net sales (9.7).
- Pay-TV services were launched in the terrestrial network on 15 August 2011.

- The mobile communication subscription base grew by 7.5 per cent year-on-year to 2,234,000 in total.
  - Revenue per user (ARPU) for mobile communications amounted to EUR 21.4 (21.4).
  - Mobile communication subscription turnover rate (CHURN) was 15.7 per cent (16.3 per cent).
- Due to the fall in the number of telephone subscriptions, the fixed-line subscription base fell by 2.3 per cent year-on-year to 1,035,000 subscriptions (telephone, broadband and cable television).

January-September

- Net sales increased by 7.0 per cent year-on-year to EUR 544.1 million (508.5 million). From 1 July 2010 onwards, net sales growth was particularly fuelled by incorporation of the Welho business.
- EBITDA improved by 4.6 per cent and totalled EUR 148.7 million (142.2 million), or 27.3 per cent of net sales. Due to an increase in depreciation, operating profit fell by 23.2 per cent and came to EUR 44.3 million (57.7 million), or 8.2 per cent of net sales.

Key figures

Figures are unaudited.

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010
Net sales	**187.6**	180.8	**544.1**	508.5
EBITDA	**46.9**	48.0	**148.7**	142.2
- % of net sales	**25.0**	26.6	**27.3**	28.0
Depreciation	**33.6**	30.5	**104.3**	84.4
Operating profit (EBIT)	**13.3**	17.6	**44.3**	57.7
- % of net sales	**7.1**	9.7	**8.2**	11.4
Profit before tax	**12.4**	16.5	**41.6**	53.9
Profit for the financial period	**8.9**	12.1	**30.5**	40.1
Return on investment (ROI), %*	**7.1**	9.0	**7.7**	11.3
Return on equity (ROE), %*	**5.8**	7.8	**6.5**	10.1
Capital expenditure	**26.6**	16.7	**70.0**	44.5
Cash flow after investments**	**-21.1**	30.4	**12.1**	74.0

	30 Sept. 2011	30 Sept. 2010
Net debt, EUR million	**150.1**	103.0
Net debt/EBITDA	**0.76**	0.54
Gearing, %	**24.2**	16.5
Equity ratio, %	**64.7**	64.1
Personnel at the end of period	**1,014**	1,005

* 12-month average

** includes business combinations and financial lease agreements

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CEO's review

> "Tests show that DNA has the fastest 3G network."

During the January-September period, DNA's net sales and EBITDA developed according to expectations. As anticipated, operating profit was weakened by the increase in depreciation. Financial position remained good.

Net sales growth continued in the third quarter of the year: they grew by 3.7 per cent year-on-year to EUR 187.6 million (180.8 million). EBITDA for the period amounted to EUR 46.9 million (48.0 million), or 25.0 per cent of net sales (26.6 per cent). The decrease in EBITDA was caused by the increase in material, sales and marketing costs due to positive sales development and measures necessitated by intensifying competition. The customer churn rate was lower than in the comparable period in 2010 and the first half of 2011.

In the July-September period, operating profit decreased to EUR 13.3 million (17.6 million), or 7.1 per cent of net sales (9.7 per cent), particularly owing to the increase in depreciation. Gearing increased due to bigger investments and company acquisitions, and our net debt/EBITDA ratio was 0.76 (0.54).

Among the key events this year was the launch of pay-TV services in the terrestrial network, with the introduction of DNA Welho TV channel package, on 15 August 2011. We have the capacity to broadcast in excess of 20 TV channels in the terrestrial network, half of which are high definition channels. We will expand our offering to nationwide coverage with the Welho Mix concept used in our cable network, thus providing consumers with added choice. We aim to achieve over 80 per cent population coverage with our terrestrial network by the end of 2011.

At the end of the period under review, we streamlined our cable network channel offering and launched the DNA Welho TV card product. The card provides access to the largest channel offering in Finland, including over 20 high definition channels alongside the standard definition channels. We consider the quick introduction of a single nationwide pay-TV card, as requested by the authorities, to be of vital importance, since it will enable consumers to order new channels without having to change cards.

In September, DNA won two awards at the IBC Awards Ceremony, the premier annual event for television and broadcasting professionals worldwide. We received the IBC Innovation Award for our unique terrestrial network and its spectral efficiency. It is being constructed using existing masts in our mobile communication network, and due to efficient frequency use, we can broadcast even more channels. We also received the Judges' Prize for the speedy launch of our terrestrial TV business.

These awards are recognition of DNA's ground-breaking concept on an international scale as well as our strong investments in the TV business. The industry offers significant opportunities for innovation, new products and technological development.

We also continued to develop our mobile communication network. We opened the 4G network for test users in mid-August in the cities of Helsinki and Hämeenlinna, obtaining valuable feedback on the high speeds achieved and services used. The speeds available in 4G make this a compelling alternative to fixed-network connections. Commercial 4G services will be launched towards the end of the year.

We further developed and expanded our 3G network, which already reaches over five million Finns. Launched in Hämeenlinna in late September, DNA's software-based implementation of MultiStandard Radio mixed mode technology is the first of its kind in the world. This solution improves connection speeds further and improves coverage without introducing new base stations. The technology also provides added investment, operational and energy efficiency.

Overall, we have modernised our network systematically by introducing the most advanced technologies. After the review period, a network data transfer comparison test proved that DNA's 3G network is the fastest in Finland. Fast connections provide sound user experiences in mobile broadband services; we intend to continue meeting the growing service demand in the future.

DNA's outlook for 2011 has been revised. The Group's financial position is expected to remain good in 2011, and net sales are expected to grow by 5 to 6 per cent. EBITDA is expected to improve on that of 2010. Due to an increase in depreciation, operating profit is estimated to be lower than in 2010.

Riitta Tiuraniemi

Interim Report *January–September 2011*

Interim report practices

This interim report has been prepared in accordance with IFRS recognition and measurement principles. For more detailed information on the accounting principles, please see note 1 (Accounting principles).

Unless otherwise stated, the comparison figures in brackets refer to the equivalent period in the previous year. The information presented in this interim report is unaudited.

Market situation and business environment

During the third quarter of the year, the overall financial environment became more uncertain, although this was not reflected in the telecommunications market. Competition in the telecommunications consumer and corporate markets remained intense.

Consumer demand for smart phones continued to increase. Mobile communication services, including mobile voice communication and mobile broadband, enjoyed strong demand. Fixed-network broadband customers were actively switching to higher-speed connections. Demand for pay-TV services increased after the summer, following the standard annual cycle.

Demand in the corporate market kept switching from fixed-network services to mobile services. This was reflected in particular in the decreasing volumes of fixed-network operator services and voice services. Demand for mobile communication services continued to increase, particularly for mobile broadband. Demand for fixed-network broadband services remained steady.

Mobile network termination charges between operators fell from the corresponding period in 2010.

The Finnish Ministry of Transport and Communications launched an initiative to introduce legislation to halt consumer telemarketing. A Parliament decision is expected during the beginning of 2012. DNA has voiced its strong support for the initiative.

In accordance with the Government Programme, the Ministry of Transport and Communications launched an initiative to bring together legislation pertaining to electronic communication and the provision of information service. Approximately ten acts will be consolidated to form an information society code. This legal reform will take several years to complete.

Finland and Russia reached an agreement on the coordination of the 800 MHz frequency band. As a result, the timetable for the uptake of new generation mobile networks has been accelerated by several years. Because the same frequency band is used in Russia by air navigation systems, bringing it into use in Finland has required frequency coordination. The Ministry of Transport and Communications has begun drafting a spectrum policy resolution on how licenses are to be granted and distributed within the 800 band.

The Housing Companies Act was amended last year, making it easier for housing companies' annual general meetings of 2011 to decide on fixed-network subscriptions. This intensified competition between operators, causing prices to fall in the review period.

July–September 2011 in brief

Net sales

DNA's net sales in the third quarter amounted to EUR 187.6 million (180.8 million), increasing by 3.7 per cent on last year. The growth was fuelled in particular by the increase in consumer sales. Net sales growth was restrained by price erosion caused by intensifying competition, falling demand for fixed-network services and the reduction in mobile network termination charges.

During the reporting period, 75.4 per cent (75.7 per cent) of net sales was generated by consumer business and 24.6 per cent (24.3 per cent) by corporate business.

Profit

DNA's EBITDA for the July-September period fell to EUR 46.9 million (48.0 million), accounting for 25.0 per cent (26.6 per cent) of net sales. Operating profit decreased to EUR 13.3 million (17.6 million), or 7.1 per cent of net sales (9.7 per cent).

EBITDA and operating profit were burdened by the further increase in material, sales and marketing costs due to positive consumer business sales development, and measures necessitated by intensifying competition. Operating profit was also burdened by an increase in depreciation, which totalled EUR 33.6 million (30.5 million). This increase was mainly due to larger investments in data communications networks and their shorter depreciation period.

DNA's profit after taxes in July-September came to EUR 12.4 million (16.5 million).

Return on investment was 7.1 per cent (9.0 per cent) and return on equity 5.8 per cent (7.8 per cent)

Financial profits and expenses amounted to EUR -0.9 million (-1.1 million). Income tax for the period was EUR 3.5 million (4.4 million) and profit decreased to EUR 8.9 million (12.1 million). Earnings per share came to EUR 0.93 (1.26).

Key operative indicators

	7-9/2011	7-9/2010
Number of mobile communication network subscriptions at end of period*	**2,234,000**	2,078,000
- Revenue per user (ARPU), EUR**	**21.4**	21.4
- Customer CHURN rate, %**	**15.7**	16.3
Number of fixed-network subscriptions at end of period	**1,035,000**	1,059,000

*includes voice and mobile broadband
**includes postpaid subscriptions only

Development per business segment

Consumer business

In the July-September period, DNA's consumer business net sales increased to EUR 141.4 million (137.0 million) due to the growth in mobile communication services.

EBITDA for the period amounted to EUR 30.8 million (35.3 million), or 21.8 per cent of net sales (25.7 per cent). Operating profit came to EUR 9.9 million (15.5 million), accounting for 7.0 per cent of net sales (11.3 per cent).

EBITDA and operating profit were burdened by the further increase in material, sales and marketing costs due to positive sales development, and measures necessitated by intensifying competition. Operating profit was also reduced by the increase in depreciation, of which EUR 20.9 million (19.8 million) was allocated to consumer business.

Corporate business

Corporate business net sales for the review period increased to EUR 46.2 million (43.9 million) due to the Forte Netservices Oy acquisition and the increase in net sales of mobile communication services. Net sales were burdened especially by the gradually shrinking volumes in operator sales.

EBITDA improved to EUR 16.2 million (12.8 million), or 35.0 per cent of net sales (29.1 per cent). Operating profit grew to EUR 3.5 million (2.1 million), or 7.5 per cent of net sales (4.7 per cent).

EBITDA and operating profit were boosted by the increase in net sales. Operating profit was burdened by the increase in depreciation, of which EUR 12.7 million was allocated to corporate business (10.7 million).

Investments

Investments in the July-September period amounted to EUR 26.6 million (16.7 million), or 14.2 per cent of net sales (9.2 per cent). The largest individual items were investments in fibre and transfer systems and the 3G network.

Investments

EUR million	7-9/2011	7-9/2010
Consumer business	17.6	10.7
Corporate business	7.7	4.3
Non-allocated	1.3	1.7
Total investments	26.6	16.7

January–September 2011

Net sales

DNA's net sales in the January-September period totalled EUR 544.1 million (508.5 million), representing 7.0 per cent growth on last year. The growth was fuelled in particular by the incorporation of the Welho business into DNA's consumer business. The main brake on net sales growth was price erosion caused by intensifying competition, falling demand for fixed-network services and the reduction in mobile network termination charges.

During the review period, 75.8 per cent (73.9 per cent) of net sales were generated by consumer business and 24.2 per cent (26.1 per cent) by corporate business.

Profit

DNA's EBITDA for January-September amounted to EUR 148.7 million (142.2 million), accounting for 27.3 per cent (28.0 per cent) of net sales. Operating profit decreased to EUR 44.3 million (57.7 million), or 8.2 per cent (11.4 per cent) of net sales.

EBITDA and operating profit were burdened in particular by the increase in material, sales and marketing costs due to positive consumer business sales development, and measures necessitated by intensifying competition. Operating profit was also burdened by an increase in depreciation, which totalled EUR 104.3 million (84.4 million). The increase was due to larger investments in data communications networks and their shorter depreciation period.

DNA's profit after taxes in the period came to EUR 41.6 million (53.9 million).

Financial profits and expenses amounted to EUR -2.8 million (-3.9 million). Income tax for the period was EUR 11.1 (13.8 million), and profit decreased to EUR 30.5 million (40.1 million). Earnings per share came to EUR 3.17 (4.85).

Consolidated key figures

EUR million	1-9/2011	1-9/2010
Net sales	**544.1**	508.5
EBITDA	**148.7**	142.2
- % of net sales	**27.3**	28.0
Operating profit	**44.3**	57.7
- % of net sales	**8.2**	11.4
Profit before tax	**41.6**	53.9
Profit for the financial period	**30.5**	40.1
Return on investment (ROI), %*	**7.7**	11.3
Return on equity (ROE), %*	**6.5**	10.1
Cash flow after investments**	**12.1**	74.0

*12-month average

** includes business combinations and financial lease agreements

Cash flow and financial position

In the January-September period, cash flow after investments decreased to EUR 12.1 million (74.0 million). The financial position was solid, and gearing was 24.2 per cent (16.5 per cent) at the period end. Gearing increased slightly due to increased investments, business acquisitions and higher working capital.

The Group's liquid assets at the end of the period amounted to EUR 12.4 million (56.3 million), and interest-bearing liabilities to EUR 162.5 million (159.3 million). Undrawn credit limits, including the maximum of a EUR 120 million loan negotiated with the European Investment Bank, came to EUR 185.0 million (180.0 million). In addition, the company has a commercial paper programme worth EUR 150.0 million (150.0 million), under which EUR 53.0 million (0.0 million) was drawn by the end of September.

The net debt/EBITDA ratio was 0.76 (0.54).

The balance sheet remained strong, with the end-of-period equity ratio totalling 64.7 per cent (64.1 per cent).

Cash flow and financial key figures

	7-9/2011	7-9/2010	1-9/2011	1-9/2010
Cash flow after investments, EUR million	**-21.1**	30.4	**12.1**	74.0

	30 Sept. 2011	30 Sept. 2010
Net debt, EUR million	**150.1**	103.0
Net debt/EBITDA	**0.76**	0.54
Gearing, %	**24.2**	16.5
Equity ratio, %	**64.7**	64.1

Development per business segment

Consumer business

In the period under review, DNA's consumer business net sales increased to EUR 412.2 million (375.8 million) mainly due to the Welho acquisition and growth in mobile communication services.

EBITDA increased to EUR 103.3 million (97.2 million) and operating profit fell to EUR 37.7 million (45.1 million).

EBITDA and operating profit were burdened in particular by the increase in material, sales and marketing costs due to positive sales development, and measures necessitated by intensifying competition. Operating profit was also burdened by the increase in depreciation in particular, of which EUR 65.6 million was allocated to consumer business (52.1 million).

On 8 April 2011, DNA announced new fixed-fee mobile phone and mobile broadband subscriber connections dubbed S, M, L and XL. With the mobile phone subscriptions, the total amount of calls and text messages can be flexibly selected. Each mobile broadband subscription offers a dedicated maximum transmission speed and a defined volume of prioritised data transmission over the 3G network.

The new fixed-network products DNA Welho Broadband and DNA Welho TV were launched on 9 May 2011. With these products, DNA's TV and HDTV channel offering became the largest in Finland and Welho's extremely fast fixed-network broadband connections were made available to nearly one million households within the company's fixed-network area. At the same time, product offerings and pricing were streamlined and new fixed-network broadband customer promises were introduced.

Together with other operators, DNA began to grant mobile certificates to consumers from 27 June 2011 onwards.

On 15 August 2011, DNA opened its 4G network for a three-week trial use in Helsinki and Hämeenlinna, testing connection speeds and collecting valuable user feedback.

On 17 August 2011, DNA launched a new consumer mobile subscription concept dubbed DNA Pro. The best on the market, its pricing levels are based on streamlined processes and self service. Purchasing and customer service are available online and invoicing is in electronic format.

Among the key events of 2011 was the launch of pay-TV business within the terrestrial network on 18 August 2011, with the introduction of DNA Welho TV channel packages that include both standard and high definition channels. The channel offering and productisation were developed further during the review period. At the end of the period, DNA launched a harmonised DNA Welho TV card product.

On 11 September 20011, DNA won two awards at the IBC Awards Ceremony, the premier annual event for television and broadcasting professionals worldwide. DNA received the prestigious IBC Innovation Award for its unique terrestrial network and the network's spectral efficiency. In addition, the company received the Judges' Prize for launching its terrestrial TV business within a short timeline. DNA expanded its terrestrial HDTV network further during the review period.

Corporate business

Corporate business net sales for the review period fell to EUR 131.9 million (132.7 million) due to lower operator sales volumes in particular.

EBITDA amounted to EUR 45.3 million (45.0 million), and operating profit fell to EUR 6.6 million (12.7 million).

Operating profit was burdened by the increase in depreciation, of which EUR 38.7 million was allocated to corporate business (32.3 million).

On 28 March 2011, DNA and G4S, the world's leading provider of security solutions, announced the use of DNA's network for G4S security services. The agreement covers several thousand fixed-network and mobile communication connections.

On 12 July 2011, DNA strengthened its corporate business by acquiring Forte Netservices Oy, a company that offers data communications and data security services. The company's services are used in 60 countries, and net sales for the current year are estimated at EUR 8 million. Forte Netservice's 37 staff continued in its employ. The company's headquarters are in Espoo, Finland, and it has branches in Moscow, St Petersburg and Bangkok.

One of the world's leading manufacturers of piling equipment, Junttan Oy, selected DNA to provide its network-oriented server centre services. The companies announced their two-year contract on 9 August 2011, comprising the comprehensive DNA Data Services solution with company network subscriptions.

The City of Lahti introduced the DNA Mobile Certificate in the Lahti region residents' portal. The Internet services were launched on 29 August 2011.

Under a purchasing pool arrangement, the towns of Naantali and Raisio selected DNA as the supplier of the towns' voice and data communication services on 20 September 2011. Valued at EUR 1.8 million, the contract includes approximately 2,400 mobile phone subscriptions, the DNA Mobile Switcboard service and DNA Mobile Broadband. The contract spans four years, with an option for one additional year.

Key indicators per business segment

		Consumer business		Corporate business
EUR million	1-9/2011	1-9/2010	1-9/2011	1-9/2010
Net sales	**412.2**	375.8	**131.9**	132.7
EBITDA	**103.3**	97.2	**45.3**	45.0
- % of net sales	**25.1**	25.9	**34.4**	33.9
Operating profit/loss	**37.7**	45.1	**6.6**	12.7
- % of net sales	**9.1**	12.0	**5.0**	9.6

Investments

Investments in the January-September period amounted to EUR 70.0 million (44.5 million), or 12.9 per cent of net sales (8.8 per cent). Major individual items included investments in fibre and transfer systems, the 3G network and information systems.

DNA continued to build its 4G network and ran 4G network tests during August and September. The terrestrial TV network was expanded as planned, and commercial broadcasting was launched in August.

Investments

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010
Consumer business	**17.6**	10.7	**46.6**	27.9
Corporate business	**7.7**	4.3	**19.9**	12.3
Non-allocated	**1.3**	1.7	**3.5**	4.3
Total investments	**26.6**	16.7	**70.0**	44.5

Research and development

During the review period, the Group invested EUR 0.2 million (0.2 million) in research and product development, representing 0.1 per cent (0.1) of net sales. The majority of research and development costs have been recognised as expenses.

Personnel

At the end of September, DNA employed 1,014 personnel (1,005). Year-on-year, this figure grew by 1.0 per cent. The number of consumer business employees totalled 676 (703) and corporate business employees 338 (302). The acquisition of Forte Netservices Oy increased the number of corporate business employees by 37 on 12 July 2011.

The average number of DNA employees in January-September was 1,000 (911). Salaries and fees paid during the period amounted to EUR 34.4 million (31.6 million).

As a result of the cooperation negotiations that ended in February, 23 employees were made redundant and 27 jobs were relocated.

Number of personnel *

	30 Sept. 2011	30 Sept. 2010
Consumer business	**676**	703
Corporate business	**338**	302
Total personnel	**1,014**	1,005

* the figures include Welho personnel

Changes in the Group structure

In its meeting of 25 May 2011, the Board of Directors decided to transfer the Welho Store (retail store business) and Welho Outbound (telemarketing business) business on 1 June 2011 from DNA Ltd to DNA Store Ltd. The business operation was transferred on 30 June 2010 to DNA Ltd in connection with the acquisition of Welho.

On 12 July 2011, DNA Ltd acquired the entire capital stock of Forte Groupservices Oy, the owner of Forte Netservices Oy, a company that offers data security services. In turn, Forte Netservices Oy is the owner of Forte Netservices OOO, a company that provides data security services in Russia.

Significant litigation matters

There were no significant litigation matters during the review period.

Management and governance

DNA's sales and marketing functions were transferred to the consumer and corporate business organisations as of 1 January 2011. On the same date, Erik Sylvestersson, Vice President, Sales and Marketing, retired from DNA Ltd's Executive Team.

DNA Ltd's Annual General Meeting of 10 March 2011 confirmed the Board of Directors to comprise eight members. Re-elected members of the Board of Directors included Hannu Isotalo, Jarmo Leino, Anu Nissinen, David Nuutinen, Jukka Ottela, Risto Siivola and Anssi Soila, and Tuija Soanjärvi was elected a new member. Jarmo Leino was re-elected Chairman of the Board of Directors in the Board's constitutive meeting. PricewaterhouseCoopers Ltd continue as the company's auditor.

On 31 March 2011, the Board of Directors decided to establish an audit committee that will primarily be in charge of DNA Ltd's financial reporting and control as well as preparation of audit-related matters. The Board elected Tuija Soanjärvi as chair and David Nuutinen and Jukka Ottela as members of the audit committee. The audit committee's rules of procedure were adopted on 25 May 2011.

On 28 September 2001, the Board decided to establish a remuneration and nomination committee to assist the Board in the preparation of remuneration and nomination related matters of Board members, the CEO and other management, as well as the preparation of the employee incentive scheme.

The Board elected Jarmo Leino as chair and Hannu Isotalo, Risto Siivola and Anu Nissinen as members of the remuneration and nomination committee.

DNA Ltd's corporate governance principles are described in more detail in the company's Annual Report 2010.

Shares and shareholders

Shareholders

On 30 September 2011, the ten largest shareholders of DNA Ltd included Finda Oy, Sanoma Entertainment Finland Oy, Oulu ICT Oy, PHP Liiketoiminta Oyj, Osuuskunta KPY, Anvia Oyj, Ilmarinen Mutual Pension Insurance Company, Lohjan Puhelin Oy, Pietarsaaren Seudun Puhelin Oy and Karjaan Puhelin Oy. They owned a total of 99.5 per cent of DNA shares and voting rights.

Dividend

In accordance to the proposal by the Board of Directors, the Annual General Meeting of 10 March 2011 agreed to pay a dividend of EUR 5.20 per share, a total of EUR 49,936,515.20, to DNA's shareholders. The dividend was paid on 23 March 2011.

Shares

At the end of the review period, the company's shares totalled 9,610,676 and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65. There was no change in the number of shares or the share capital during the review period. The company held 7,500 treasury shares.

The Annual General Meeting of 10 March 2011 authorised the Board of Directors to resolve to repurchase or accept as a pledge DNA shares by using funds in the unrestricted equity reserve. A maximum number of 960,000 shares can be repurchased in one or several lots. The authorisation grants the Board of Directors the right to decide on the repurchase otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The shares may be repurchased in order to carry out acquisitions or other arrangements related to the company's business, to improve the capital structure of the company, to be used as part of the incentive scheme, to be transferred for other purposes or to be cancelled. The Board of Directors has the right to decide on all other matters related to the purchase of the shares. This authorisation will be effective until 30 June 2012 and replaced the previous authorisation.

Share issues and option rights

In March, based on the authorisation by the Annual General Meeting of 27 March 2009, the Board of Directors decided to issue 50,000 option rights classified as 2010B. Of these, 34,000 were allocated to the Executive Team and 16,000 to other key personnel. In addition, the Board decided to issue a maximum of 8,000 option rights classified as a 2010B Supplementary lot. Of these, 3,000 were allocated to the Executive Team and 5,000 to other key personnel.

At the end of the review period, the Board of Directors had a remaining authorisation to issue 17,000 option rights based on the Annual General Meeting's authorisation on 27 March 2009 to issue a maximum of 125,000 option rights. They can be issued in one or several lots to be used as part of the management and key personnel incentive scheme, and the authorisation includes the right to deviate from the pre-emptive right of shareholders.

Corporate responsibility

Due to its electricity consumption, the mobile radio network has been identified as the main source of DNA's environmental impact. DNA continues to modernise its radio network with new generation base station devices. Instead of building individual base stations, the company can integrate all mobile communication technologies into one base station device.

4G technology, to be launched commercially during the end of the year, will further diminish relative per-data energy consumption through improved technical performance. Moreover, the terrestrial TV network is being constructed using existing masts in the mobile communication network and the use of frequencies is efficient.

Network modernisation and the adoption of 4G technology are expected to decrease the network's total energy consumption considerably, while the need to multiply mobile broadband capacity is growing.

On 7 February 2011, DNA announced an agreement on the construction of a new office building in Käpylä, Helsinki, a location with excellent public transport connections. DNA will rent the building on a long term-lease, and about 600 DNA staff in the Helsinki Metropolitan Area will relocate to the new premises. The new building, to be completed in late summer 2012, will be extremely energy-efficient.

DNA recruited a corporate responsibility specialist during the period and continued the corporate responsibility development project, which is based on the Global Reporting Initiative (GRI) reporting model. DNA's first corporate responsibility report based on the model was included in the company's Annual Report 2010. As part of the reporting, DNA published a wider GRI index table on the company website.

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. For a more detailed description of DNA's risk management and risks, please see the Board of Directors' Report on the Annual Report.

Risk refers to events or circumstances that, if they materialise, could affect DNA's ability to achieve its targets. Any risks that undermine DNA's strategically significant competitive strengths must be avoided if possible, and special attention must be paid to managing such risks.

DNA considers its risks to currently be at a manageable level, given the extent of its operations and its ability to manage risks.

DNA operates in the Finnish telecommunications market, which is characterised in particular by tough competition between established operators and a high level of penetration.

DNA is making special efforts to identify new business opportunities. Starting up new business always involves higher risks than conventional and established business operations.

The Finnish telecommunications market is characterised by stringent regulation. Regulation and, in particular, the authorities' ability to influence the price level of DNA's products and services, cost structure and the grounds on which frequencies are distributed, may also have an impact on DNA's business. For example, the views or changes in the assessment principles of the Finnish Communications Regulatory Authority (FICORA) can have an impact on the pricing of DNA's mobile termination and other wholesale products. Licence regulation plays a major role in DNA's mobile communication and terrestrial network businesses. Licence regulation and the operating licence decisions of the Council of State can have a significant impact on DNA's business conditions.

The operators' business environment is very sensitive to change, and the pace of change is increasing. Technological development could create new communications methods alongside the ones offered by traditional telecom operators. Customer behaviour could change rapidly if new communications methods are sufficiently reliable and easy to use. If such services were to gain widespread popularity, they might have an overall impact on the traditional business of operators. It would be problematic for DNA if regulations did not treat operators equally. Regulation in areas such as data protection should be the same for all communication service providers.

Increased uncertainty related to overall economic development may affect customers' purchase behaviour and purchase power.

Intense market competition places high demands on operators' systems. They must be able to provide usable and high-quality tools and to productise services quickly and cost-efficiently.

In order to manage the Group interest rate risk, some of the loans taken by the Group have been hedged and 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.

With respect to the relevant areas, DNA's operations have been insured against loss and business interruption.

Events after the review period

DNA and SOS Children's Village Association Finland, which provides child protection services, agreed on long-term cooperation on 1 October 2011, with DNA providing financial support and data communication connections for the Association. DNA is among the key partners of the Association.

In data transfer comparison tests announced on 4 October 2011, DNA's 3G network was again the fastest. Telecommunications expert Omnitele Oy took the measurements in the Helsinki Metropolitan area and other major cities in Finland. In several measurements, the speeds achieved by DNA were significantly better than those of other operators.

The City of Helsinki's real estate company, Siilitien Kiinteistöt Oy, selected DNA's TV and broadband services for its real estate. Published on 17 October 2011, the agreement covers a total of 1,700 apartments.

DNA announced that the sales of iPhone 4S will start on 28 October 2011.

Outlook for the rest of 2011

Market outlook

It is estimated that the total value of the Finnish telecommunications market will remain unchanged. Areas likely to experience growth include mobile broadband and, as IP TV gains ground, TV services. The value of fixed-network broadband business is anticipated to decrease as a result of intensified competition over housing company subscriptions, made possible by the amended Housing Company Act. The value of fixed-network voice services is expected to fall.

Uncertainty related to the overall economic situation is expected to increase, which may affect the value of smart phone and TV services and the corporate market.

In addition to the overall economic situation, net sales and profitability of the industry are affected by market development, pricing pressures, reduction in mobile termination charges (in December 2010, prices fell from 4.9 cents to 4.4 cents/minute) and increased competition in the mobile communication and fixed-network broadband markets in particular.

Finnish mobile operators agreed to decrease mobile network termination charges as of December 2011, to 3.82 cents/minute.

The amendment to the Communications Market Act, which entered into force in May, may intensify competition between operators.

DNA's outlook

Competition in the consumer market is expected to remain intense. DNA anticipates that business operations launched in the third quarter in the terrestrial TV network and terrestrial network pay-TV will grow slowly as terminal devices that support terrestrial HDTV broadcasts have penetrated the market at a slower rate than expected. Consumer confidence related to overall economic development will also affect demand for pay-TV services. Demand for the company's mobile broadband services is anticipated to increase, and it is expected that fixed-network broadband customers will continue to switch to higher-speed connections. Intensifying competition in the housing company subscriptions market should lead to a lowering of ARPU.

Competition in the corporate market is expected to remain tight. Demand for DNA's mobile communication services is expected to grow, whereas demand for fixed-network services should decrease.

DNA will expand its current terrestrial HDTV network and all channel package broadcasts to cover over 80 per cent of the Finnish population in 2011.

DNA will invest heavily in the construction and deployment of the 4G network during the rest of 2011. The company's target is to provide 4G services in major cities between 2011 and 2014 and to launch 4G commercially during the ongoing year. Moreover, DNA will expand the 3G network to cover 95 per cent of the population.

DNA's outlook for 2011 has been revised. The Group's financial position is expected to remain good in 2011, and net sales are expected to grow by 5 to 6 per cent. EBITDA is expected to improve on that of 2010. Due to an increase in depreciation, operating profit is estimated to be lower than in 2010.

DNA Ltd
Board of Directors

Interim Financial Statements

The 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. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the financial statements of 31 December 2010. This interim report should be read observing the 2010 financial statements.

Consolidated statement of comprehensive income, IFRS

EUR million	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Net sales	**187.6**	180.8	**544.1**	508.5	690.5
Other operating income	**1.1**	1.1	**3.3**	2.7	3.7
Materials and services	**-98.1**	-95.2	**-273.4**	-258.9	-350.8
Employee benefit expenses	**-14.5**	-13.7	**-42.4**	-39.3	-63.1
Depreciation	**-33.6**	-30.5	**-104.3**	-84.4	-116.8
Other operating expenses	**-29.1**	-25.1	**-83.0**	-70.8	-98.2
Operating result	**13.3**	17.6	**44.3**	57.7	65.2
Financial income	**0.4**	0.3	**1.1**	0.9	1.4
Financial expense	**-1.3**	-1.4	**-3.9**	-4.8	-6.1
Share of associated companies' results	**0.0**	0.0	**0.0**	0.0	0.0
Net profit/loss before tax	**12.4**	16.5	**41.6**	53.9	60.6
Income tax	**-3.5**	-4.4	**-11.1**	-13.8	-14.5
Net profit/loss for the period	**8.9**	12.1	**30.5**	40.1	46.0
Other comprehensive income					
Cash flow hedges	**0.1**	0.2	**0.3**	0.4	0.6
Other comprehensive income, net of tax	**0.1**	0.2	**0.3**	0.4	0.6
Total comprehensive income	**9.0**	12.4	**30.8**	40.5	46.6
Net profit/loss attributable to:					
Owners of the parent	**8.9**	12.1	**30.5**	40.1	46.0
Comprehensive income attributable to:					
Owners of the parent	**9.0**	12.4	**30.8**	40.5	46.6
Earnings per share of the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	**0.93**	1.26	**3.17**	4.85	5.35
Average number of shares					
-Basic	**9,603**	9,601	**9,603**	8,268	8,604

Consolidated statement of financial position, IFRS

Assets

EUR million	30 September 2011	30 September 2010	31 December 2010
Non-current assets			
Goodwill	**220.4**	209.8	209.8
Other intangible assets	**135.2**	119.6	134.4
Property, plant and equipment	**383.5**	419.7	412.6
Investments in associates	**1.1**	1.1	1.1
Available-for-sale financial assets	**0.2**	0.2	0.2
Trade and other receivables	**15.8**	11.9	7.9
Deferred income tax assets	**24.2**	28.5	28.5
Total non-current assets	**780.4**	790.8	794.4
Current assets			
Inventories	**16.8**	9.9	12.5
Trade and other receivables	**162.6**	141.2	158.1
Cash and cash equivalents	**12.4**	56.3	49.5
Total current assets	**191.8**	207.5	220.0
Total assets	**972.2**	998.3	1,014.4

Equity and liabilities

EUR million	30 September 2011	30 September 2010	31 December 2010
Equity attributable to owners of the parent			
Share capital	**72.7**	72.7	72.7
Other reserves	**605.6**	605.1	605.3
Retained earnings	**-58.7**	-46.4	-40.3
Equity attributable to owners of the parent	**619.6**	631.4	637.7
Total equity	**619.6**	631.4	637.7
Liabilities			
Non-current liabilities			
Deferred tax liabilites	**64.0**	74.1	71.9
Interest-bearing non-current liabilities	**69.1**	110.5	100.3
Derivative financial instruments	**0.4**	1.0	1.1
Provisions for other liabilities	**6.9**	9.2	8.0
Retirement benefit obligations	**0.2**	0.2	0.2
Other non-current liabilities	**1.3**	1.3	1.4
Total non-current liabilities	**141.9**	196.3	183.0
Current liabilities			
Interest-bearing current liabilities	**93.4**	48.8	51.6
Derivative financial instruments	**0.0**	0.4	0.0
Provisions for other liabilities	**0.4**	2.3	6.5
Income tax liabilities	**5.1**	0.0	9.2
Trade and other payables	**111.8**	119.0	126.5
Total current liabilities	**210.7**	170.5	193.8
Total equity and liabilities	**972.2**	998.3	1,014.4

IFRS=International Financial Reporting Standards

Condensed consolidated statement of cash flows

EUR million	1-9/2011	1-9/2010	1-12/2010
Cash flows from operating activities			
Profit/loss for the period	**30.5**	40.1	46.0
Adjustments			
Depreciation	**104.3**	84.4	116.8
Change in working capital	**-24.5**	-1.7	-13.6
Other adjustments	**-15.1**	-4.5	5.7
Net cash generated from operating activities	**95.2**	118.3	154.9
Cash flows from investing activities			
Investments in tangible and intangible assets	**-69.4**	-44.6	-83.4
Proceeds from sale of assets	**0.3**	0.2	0.3
Acquisition of subsidiaries and business transfers	**-14.2**	0.0	0.0
Loan repayments received	**0.1**	0.0	0.0
Change in other investments	**0.0**	0.0	0.0
Net cash used in investing activities	**-83.1**	-44.3	-83.0
Cash flows from financing activities			
Dividends paid	**-49.9**	-33.0	-33.0
Borrowing of interest-bearing liabilities	**52.8**	70.0	30.0
Repayments of interest-bearing liabilities	**-44.4**	-81.5	-49.0
Change in non-current receivables	**-7.7**	0.5	3.3
Net cash used in financing activities	**-49.2**	-43.9	-48.7
Change in cash and cash equivalents	**-37.1**	30.0	23.2
Cash and cash equivalents at beginning of period	**49.5**	26.3	26.3
Cash and cash equivalents at end of period	**12.4**	56.3	49.5

Consolidated statement of changes in equity

EUR 1,000	Share capital	Hedge fund	Unrestricted equity reserve	Retained earnings	Total equity
Balance at 1 January 2010	72.7	-1.2	407.0	-53.8	424.6
Comprehensive income					
Profit/loss	0.0	0.0	0.0	40.1	40.1
Other comprehensive income					
Cash flow hedges, net of tax		0.4			0.4
Total other comprehensive income	0.0	0.4	0.0	0.0	0.4
Total comprehensive income for the period	0.0	0.4	0.0	40.1	40.5
Transactions with owners					
Acquisitions				0.0	0.0
Issue of ordinary shares related to business combination			200.0		200.0
Employees share option scheme: granted options				0.3	0.3
Other changes			-1.0	0.0	-1.0
Dividends relating to 2009				-33.0	-33.0
Total contributions by and distributions to owners	0.0	0.0	199.0	-32.7	166.3
Balance at 30 September 2010	72.7	-0.8	605.9	-46.4	631.4

EUR 1,000	Share capital	Hedge fund	Unrestricted equity reserve	Retained earnings	Total equity
Balance at 1 January 2011	72.7	-0.6	605.9	-40.3	637.7
Comprehensive income					
Profit/loss	0.0	0.0	0.0	30.5	30.5
Other comprehensive income					
Cash flow hedges, net of tax		0.3			0.3
Total other comprehensive income	0.0	0.3	0.0	0.0	0.3
Total comprehensive income for the period	0.0	0.3	0.0	30.5	30.8
Transactions with owners					
Employees share option scheme: granted options				1.1	1.1
Dividends relating to 2010				-49.9	-49.9
Total contributions by and distributions to owners	0.0	0.0	0.0	-48.9	-48.9
Balance at 30 September 2011	72.7	-0.3	605.9	-58.7	619.6

Notes to the interim financial statements

1. Accounting principles

The 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. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the financial statements of 31 December 2010. This interim report should be read observing the 2010 financial statements.

2. Segment information under IFRS 8

There were no unallocated items in 2011 and 2010.

EUR 1,000
1 July–30 Sep 2011

Business Segments	Consumer	Corporate	Group total
Net sales	141,352	46,230	187,581
EBITDA	30,755	16,176	46,931
Depreciation	20,900	12,701	33,602
Operating result	9,855	3,475	13,330
Financial items			-903
Profit/loss before tax			12,429
Profit/loss for the financial period			8,936
Investments	17,558	7,701	25,258
Personnel at end of period	676	338	1,014

EUR 1,000
1 July–30 Sep 2010

Business Segments	Consumer	Corporate	Group total
Net sales	136,968	43,857	180,825
EBITDA	35,260	12,765	48,025
Depreciation	19,759	10,708	30,467
Operating result	15,501	2,057	17,558
Financial items			-1,081
Profit/loss before tax			16,490
Profit/loss for the financial period			12,131
Investments	10,745	4,325	15,070
Personnel at end of period	703	302	1,005

EUR 1,000
1 Jan–30 Sep 2011

Business Segments	Consumer	Corporate	Group total
Net sales	412,231	131,869	544,100
EBITDA	103,327	45,339	148,666
Depreciation	65,619	38,700	104,318
Operating result	37,708	6,639	44,347
Financial items			-2,787
Profit/loss before tax			41,569
Profit/loss for the financial period			30,461
Investments	46,608	19,936	66,544
Personnel at end of period	676	338	1,014

EUR 1,000
1 Jan-30 Sep 2010

Business Segments	Consumer	Corporate	Group total
Net sales	375,788	132,673	508,460
EBITDA	97,184	44,981	142,165
Depreciation	52,130	32,288	84,417
Operating result	45,055	12,693	57,748
Financial items			-3,857
Profit/loss before tax			53,908
Profit/loss for the financial period			40,095
Investments	27,920	12,287	40,207
Personnel at end of period	703	302	1,005

EUR 1,000
1 Jan-31 Dec 2010

Business Segments	Consumer	Corporate	Group total
Net sales	513,440	177,053	690,492
EBITDA	125,721	56,333	182,054
Depreciation	73,063	43,765	116,828
Operating result	52,658	12,568	65,225
Financial items			-4,681
Profit/loss before tax			60,555
Profit/loss for the financial period			46,032
Investments	60,610	22,764	83,373
Personnel at end of period	697	306	1,003

3. Investments

EUR 1,000	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Capital expenditure					
Intangible assets	**7,278**	1,776	**19,044**	8,829	21,055
Tangible assets	**19,271**	14,947	**51,005**	35,681	62,318
Total	**26,550**	16,723	**70,049**	44,510	83,373

All items of capital expenditure have not been allocated to business segments in management reporting (for example financial leases).

4. Shareholders' equity

Notes to Shareholders' equity:

EUR 1,000	Number of shares *	Share capital	Unrestriced equity reserve
1 January 2010	7,581	72,702	406,956
Directed share issue	3		
Welho business combination (note 10)	2,027		200,000
Other changes			-1,029
30 September 2010	9,611	72,702	605,927
1 January 2011	9,611	72,702	605,927
30 September 2011	**9,611**	**72,702**	**605,927**

* Number of shares include 7,500 treasury shares.

Payment of dividend

DNA Ltd's Annual General Meeting of 10 March 2011 approved a payment of dividend (EUR 5.20 per share) totalling EUR 49,936,515.20. The dividend was paid on 23 March 2011.

Treasury shares

No treasury shares were redeemed during the financial period.

Date	Amount	Payment, EUR
7 April 2010	5,000	588,402
4 Aug 2009	2,500	287,209
Total	7,500	875,611

Treasury shares in total represent 0.1 per cent of the votes. The purchase of treasury shares did not materially affect the structure of ownership and voting power in the company.

The shares do not have nominal value.

5. Net liabilities

EUR 1,000	30 September 2011	30 September 2010	31 December 2010
Non-current and current interest-bearing liabilities	**162,470**	159,348	151,876
Less short-term investments, cash and bank balances	**12,390**	56,345	49,466
Total	**150,080**	103,002	102,410

6. Provisions

EUR 1,000	Decommissioning provision	Onerous contracts	Restructuring provision	Other provisions
Provisions 1 January 2011	**4,683**	**3,786**	**6,076**	**0**
Additions		**40**		
Provisions used		**-818**	**-1,177**	
Other changes/discount effect	**36**	**-1,166**	**-4,126**	
Provisions 30 September 2011	**4,719**	**1,843**	**772**	**0**
Provisions 1 January 2010	4,667	4,636	3,710	0
Additions		621		
Business combinations		704		200
Provisions used		-639	-2,142	
Other changes/discount effect	544	-843		
Provisions 30 September 2010	5,210	4,480	1,568	200
Provisions 1 January 2010	4,667	4,636	3,710	0
Additions		767	4,587	
Business combinations		704		200
Provisions used	-113	-888	-2,221	-100
Other changes/discount effect	130	-1,433		-100
Provisions 31 December 2010	4,683	3,786	6,076	0

7. Related party transactions

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

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

EUR 1,000 9/2011	Sales	Purchases	Receivables	Liabilities
Organisations exercising significant influence	**7,927**	**3,241**	**4**	**2**
Associated companies	**0**	**138**	**0**	**0**
Other related parties	**0**	**0**	**0**	**0**

EUR 1,000 9/2010	Sales	Purchases	Receivables	Liabilities
Organisations exercising significant influence	4,765	3,745	1,287	749
Associated companies	0	195	0	0
Other related parties	0	109	0	0

EUR 1,000 12/2010	Sales	Purchases	Receivables	Liabilities
Organisations exercising significant influence	7,447	5,176	2,224	771
Associated companies	0	185	0	0
Other related parties	0	81	0	0

8. Rights issues

There has been no rights issues during the financial period. A rights issue was targeted at management as part of their incentive scheme in 2010, and a total of 2,748 new shares were subscribed to at a per-share subscription price of EUR 97. CEO Riitta Tiuraniemi subscribed to 180 shares and other members of the company's management subscribed to 2,568 shares. The new shares issued did not have a nominal value.

9. Share-based payments

Conditions of share-based incentive scheme

The Group has a share-based incentive scheme directed at management and key personnel. According to the conditions of the incentive scheme, the parent company gives options without monetary compensation. The Group's incentive scheme is conditional. The central condition of the scheme is presented in the table below.

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 option rights holder's employment with a Group company ends, his or her option rights will immediately transfer to the company or its order. A total of 100,000 option rights was issued (2010). During spring 2011, it was decided to grant an additional 8,000 option rights. At most, 50,000 option rights are classified as 2010A and 58,000 option rights as 2010B (the allocation was amended 7 February, previously 51,000 option rights were classified as 2010A and 49,000 option rights as 2010B). The share subscription period for option rights 2010A begins on 2 January 2013 and ends on 30 April 2015, and for option rights 2010B it begins on 2 January 2014 and ends on 30 April 2016. Since one option right entitles the holder to subscribe to one new share or treasury share held by the company, all of the option rights awarded entitle to the subscription of a maximum of 108,000 shares in the company. The per-share subscription price for option rights 2010A and 2010B 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 or unrestricted equity funds distributed after 17 December 2009 and prior to the share subscription period on the record date of 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	Management and key personnel	Management and key personnel
Granting date	10 March 2010	1 March 2011
Amount of granted instruments	50,000	58,000
Exercise price	EUR 97.00	EUR 97.00
Share price at granting date	EUR 97.00	EUR 98.66
Subscription period	02 Jan 2013-30 April 2015	02 Jan 2014-30 April 2016
Expected life (years)	5 years	5 years
Conditions	Employed with the company	Employed with the company
Implementation	As shares	As shares

Share options outstanding

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

	Options
On 1 January	50,000
Granted options	58,000
Forfeited options	
Exercised options	
Expired options	
On 30 September	**108,000**

The weighted average fair value of options granted during the period was EUR 38.73 per option (2010A: EUR 35.47 per option). The fair value of the options was determined by using a valuation model. The significant inputs of the model were the share price of EUR 98.66, exercise price shown above less dividends paid in 2010 of EUR 4.35, volatility of 38 per cent, an expected option life of two years, and a risk-free interest rate of 2.82 per cent (2010A: 2.49 per cent).

10. Business combinations

Forte acquisition

On 12 July 2011, DNA Ltd acquired 100% of the share capital of Forte Groupservices Oy. Forte Groupservices Oy is the parent company of Forte Netservices Oy and Forte Netservices OOO. Forte produces secure communication services for enterprise customers. The consideration was paid in cash. The goodwill of EUR 10.6 million, arising from the acquisition, is attributable to expected synergy effects, the knowledge of the personnel transferred in the acquisition as well as future benefits expected from new customers acquired through Forte services.

The net profit included in the consolidated income statement from 12 July 2011 to 30 September 2011 contributed by Forte Groupservices Oy was EUR 0.3 million. Had Forte Groupservices Oy been consolidated from 1 January 2011, the consolidated income statement for the nine months ended 30 September 2011 would show revenue of EUR 548.3 million and profit of EUR 32.0 million. Direct costs of EUR 0.2 million relating to the acquisition were expensed.

The fair values of the acquired assets and liabilities are:

EUR 1,000	Fair value
Intangible assets	5,333
Property, plant and equipment	791
Deferred tax assets	210
Inventories	99
Trade and other receivables	1,914
Cash and cash equivalents	794
Total assets	9,140
Deferred tax liabilities	1,525
Trade and other liabilities	3,328
Total liabilities	4,853
Net assets	4,287
Acquisition cost	14,923
Goodwill	10,636

Welho acquisition 2010

DNA Ltd completed the acquisition of Welho through a directed share issue on 30 June 2010. DNA Ltd issued in total 2 027 167 new shares to Sanoma Group, representing 21 per cent of the group's shares. According to the acquisition agreement, the shares were determined to have a value of EUR 200 million in total (EUR 98.66 per share).

The assets and liabilities were recorded on 30 June 2010 at their carrying amount and were adjusted to their fair value for the interim report of 30 September 2010. The goodwill is mainly based on synergy benefits expected, the knowledge of the personnel transferred in the business combination as well as future benefits expected from new customers acquired through the Welho brand and the Welho products.

Direct costs of EUR 0.5 million relating to the acquisition were expensed.

The acquired business's net sales for the period 1 January 2010-30 September 2010 amounted to EUR 52 million. If the acquisition had occurred on 1 January 2010, group net sales would have been EUR 543 million.

EUR 1,000	Carrying amount prior to acquisition	Fair value
Intangible assets	1,074	68,956
Property, plant and equipment	36,209	54,814
Deferred tax assets	52	258
Inventories	904	818
Trade and other receivables	5,879	5,879
Cash and cash equivalents	8	8
Total assets	44,127	130,733
Provisions	200	904
Deferred tax liabilities	2,050	24,533
Trade and other liabilities	18,363	18,363
Total liabilities	20,613	43,800
Net assets	23,514	86,933
Acquisition cost (shares)		200,000
Goodwill		113,067

Key figures

	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Equity per share, EUR	**64.5**	65.8	**64.5**	65.8	66.4
Interest-bearing net liabilities, EUR million	**150.1**	103.0	**150.1**	103.0	102.4
Gearing, %	**24.2**	16.5	**24.2**	16.5	16.1
Equity ratio, %	**64.7**	64.1	**64.7**	64.1	63.6
Net debt/EBITDA	**0.80**	0.54	**0.76**	0.54	0.56
Return on investment (ROI), %	**7.1**	9.0	**7.7**	11.3	9.6
Return on equity (ROE), %	**5.8**	7.8	**6.5**	10.1	8.7
Investments, EUR million	**26.6**	16.7	**70.0**	44.5	83.4
Investments, % of net sales	**14.2**	9.2	**12.9**	8.8	12.1
Personnel at end of period	**1,014**	1,005	**1,014**	1,005	1,003

Key operative indicators

Mobile communication network subscription volumes:

Number of:	9/2011	9/2010	6/2011	6/2010	1-12/2010
Subscriptions *	**2,234,000**	2,078,000	**2,163,000**	2,029,000	2,108,000
DNA's own customers *	**2,147,000**	1,968,000	**2,069,000**	1,923,000	1,999,000

	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Revenue per subscription (ARPU), EUR **	**21.4**	21.4	**21.0**	21.7	21.7
Customer churn rate,% **	**15.7**	16.3	**16.5**	21.7	18.7

* Includes mobile broadband
** Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	9/2011	9/2010	6/2011	6/2010	1-12/2010
Broadband subscriptions	**294,000**	289,000	**292,000**	290,000	291,000
Cable TV subscriptions	**599,000**	596,000	**597,000**	596,000	598,000
Telephone subscriptions	**142,000**	174,000	**147,000**	182,000	171,000

Calculation of key figures

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

$$\text{Interest-bearing net liabilities (in euros)} = \text{Interest-bearing liabilities – liquid assets}$$

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

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

$$\text{EBITDA (in euros)} = \text{Operating result + depreciation and amortisation}$$

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

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

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

* 12-month adjusted EBITDA