DNA Interim Report January–March 2009

DNA's net sales continued to grow, profit weakened by non-recurring items

Summary of the first quarter (IFRS)

- DNA's net sales for January-March amounted to EUR 159 million (1-3/2008: EUR 155 million), a 2.4 per cent increase year-on-year.
- The gross margin (EBITDA) for January-March amounted to EUR 29 million, accounting for 18.0 per cent of net sales (1-3/2008: EUR 43 million, 27.9 per cent).
- The gross margin (EBITDA), adjusted for non-recurring items, for January-March amounted to EUR 43 million, accounting for 26.9 per cent of net sales (1-3/2008: EUR 43 million, 27.6 per cent).
- Profit amounted to EUR 3 million, accounting for 1.7 per cent of net sales (1-3/2008: EUR 19 million, 12.5 per cent).
- Profit adjusted for non-recurring items came to EUR 17 million (1-3/2008: EUR 19 million).
- Profit before taxes was EUR 0 million, representing a decrease of EUR 19 million year-on-year (1-3/2008: EUR 19 million).
- Profit before taxes, adjusted for non-recurring items, came to EUR 18 million (1-3/2008: EUR 19 million).
- Profit was weakened by non-recurring items of EUR 18 million (1-3/2008: EUR +0.4 million) - provision of EUR 14.1 million for the cooperation negotiations and losses of EUR 3.9 million arising from fair value measurement of Elisa Corporation's shares.
- DNA's mobile communications (including mobile broadband) grew by 82,000 subscriptions during the first quarter to 1,745,000 subscriptions (3/2008: 1,415,000; 12/2008: 1,663,000).
- Average revenue per user (ARPU) for mobile communication amounted to EUR 22.8 (1-3/2008: 24.9; 10-12/2008: 24.5).
- Subscription turnover rate (CHURN) was 16.9 per cent (1-3/2008: 13.7; 10-12/2008: 12.5).
- At the end of March, the number of fixed-line network broadband subscriptions amounted to 190,000 (3/2008: 195,000; 12/2008: 190,000).
- The number of traditional telephone subscriptions was 222,000 (3/2008: 248,000; 12/2008: 229,000).
- The number of customers in DNA's cable TV distribution networks was 265,000 (3/2008: 259,000; 12/2008: 263,000).

Figures are unaudited.

KEY FIGURES

MEUR	1-3/2009	1-3/2008	1-12/2008
Net sales	159	155	647
EBITDA	29	43	166
EBITDA, %	18.0	27.9	25.7
EBITDA excluding non-recurring items	43	43	166
EBITDA, % excluding non-recurring items	26.9	27.6	25.7
EBIT	3	19	69
EBIT, %	1.7	12.5	10.7
Profit/loss before taxe	0	19	64
Profit/loss for the financial period	0	14	47
Capital expenditure	19	11	97
Cash flow from operations	23	40	147

MEUR	31.3.2009	31.3.2008	31.12.2008
Net liabilities	203	25	162
Net liabilities/EBITDA	1.78	0.14	0.97
Gearing, %	39.7	3.9	29.2
Equity ratio, %	56.1	69.4	60.9
Personnel at end of period	962	1,144	982

Riitta Tiuraniemi, President & CEO: We succeeded in increasing our net sales despite the economic downturn and intensifying competition

"DNA continues to grow despite the economic downturn and tough competition. Our growth figures were supported by strong growth in the subscription volume during 2008 and the launch of telesales at the beginning of 2009, even though the increase in net sales was slowed down by the most drastic drop in termination charges in the market.

At the beginning of March, we switched over to a new operating model, which will combine the mobile communication and fixed-line network businesses into a single organisation from the earlier separate subsidiaries. The new organisational model will streamline our operations by bringing together network and service production, customer services, sales and marketing. At the new DNA, customer focus and operational alignment with the DNA brand will be the most important growth factors. Maintaining the best customer satisfaction rating in the sector, improving our service portfolio and offering excellent value for money are some of DNA's key focus areas.

In January, as part of our reorganisation, we initiated cooperation negotiations, which were concluded at the end of February in collaboration with the employee representatives. Following the negotiations, 103 DNA Group employees were made redundant, 30 of them through pension arrangements. The non-recurring items arising from the cooperation procedure placed a considerable strain on our Q1 profit. However, the more efficient operating model will improve our financial performance in the future.

We have introduced high-speed broadband service options (30M and 110M) for households subscribing to cable TV in Lohja and Lahti. Next we will implement the top-speed broadband service in the Satakunta province. In early 2009 we expanded our 3G services to 37 new locations. DNA's 3G network now covers nearly 200 locations. We are investing heavily in building our 3G network and plan to build a total of 1,100 3G base stations in 2009.

In January, we launched a new service – DNA Etsivä, or DNA Seeker, which enables contact information searches and use of maps. We have also increased high-definition (HD) programming in our cable TV network.

At the time of writing, the global economic downturn has had minimal effect on our business operations, mainly showing as decreased terminal sales in the higher price ranges."

Market situation

Competition continues to intensify in the telecommunications market, particularly following the mobile communication market's voice subscription campaigns. This type of campaigning, which has shown a worrying rise in the saturated market, feeds artificial growth in subscription numbers, overheats price competition and weakens profitability across the sector. It also threatens consumer trust in all businesses in the market. The Finnish telecommunications market will not see further growth, and the price level is the lowest among the EU countries. Competition that focuses purely on increasing subscription volumes will neither add value to the market nor benefit customers or providers. However, DNA believes that the peak of offer campaigning has been reached and the market situation will calm down towards the end of the year.

In the genuinely growing broadband market, demand has continued to be brisk and interest in higher-speed services has increased. The use of mobile broadband continues to grow rapidly, replacing fixed-line broadband to a greater extent than expected. However, in a saturated market no increase in fixed-network voice and broadband services is predicted.

Interim report January–March 2009

Accounting principles

This interim report has been prepared in accordance with IFRS recognition and measurement principles. However, the report does not fully comply with all requirements of the IAS 34 standard. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved to be applied in the European Union. The accounting principles are identical to those applied to the financial statements of 31 December 2008. This interim report should be read together with the 2008 financial statements.

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

The information presented in this interim report is unaudited.

Development of net sales

DNA's net sales for January–March amounted to EUR 159 million (155), representing 2.4 per cent growth compared to the equivalent period last year. During the reporting period, 72 per cent (69) of net sales was generated by consumer business and 28 per cent (31) by corporate business.

The growth in net sales is a result of the increase in mobile communication subscriptions, continued strong sales in mobile broadband and the launch of telesales at the beginning of 2009. The increase in net sales was slowed down by the most drastic drop in termination charges in the market.

Net sales

MEUR	1 -3/2009	1- 3/2008	1-12/2008
Consumer business	114	107	443
Corporate business	44	48	203
Eliminations/unallocated	0	0	0
Total	**159**	**155**	**647**

Financial performance

DNA's gross margin (EBITDA) for January–March amounted to EUR 29 million, accounting for 18.0 per cent of net sales. Adjusted for non-recurring items, EBITDA came to EUR 43 million (43).

Operating profit (EBIT) totalled EUR 3 million, representing 1.7 per cent of net sales. Adjusted for non-recurring items, EBIT came to EUR 17 million (19).

The Group financial performance was weakened by non-recurring items of EUR 18.0 million (0), covering the expense provision of EUR 14.1 million for the cooperation negotiations and EUR 3.9 million arising from fair value measurement of Elisa Corporation's shares.

DNA has signed a purchase agreement with Savon Voima Myynti Ltd for supplying electricity in 2009-2010. The price fixing agreement related to the electricity purchase agreement has been recognised at fair value with effect on profit or loss and liabilities in the balance sheet of EUR -1.1 million.

Financial profits and expenses for January–March amounted to EUR 3 million (0). Income taxes for the period under review were EUR 0 million (5). The significant increase in financing expenses arose from fair value measurement of Elisa Corporation's shares.

DNA's profit after taxes in January–March came to EUR 0 million (19).

Profit

MEUR	1-3/2009	1-3/2008	1-12/2008
EBITDA	29	43	166
EBITDA excluding non-recurring items	43	43	166
EBIT	3	19	69
Profit/loss before taxes	0	19	64
Profit/loss for the financial period	**0**	**14**	**47**

Consumer business

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

DNA's consumer business net sales for January–March amounted to EUR 114 million (107), representing 6.5 per cent growth compared to the equivalent period last year.

Despite intensified price competition, solid growth in mobile communication subscriptions has continued in Q1. Heated campaigning and price competition have characterised the voice subscription market in particular. Growth is driven by mobile broadband services, i.e. Mokkula, which is attracting rising interest in the highest speed categories as well. Sales of higher value terminals have dried up following the economic downturn, and this has in turn affected growth in the related data packages.

Demand for fixed-line voice and broadband services continues to be weak.

Consumer business key indicators:

MiEUR	1-3/2009	1-3/2008	1-12/2008
Net sales	114	107	451
EBITDA	21	29	104
EBITDA excluding non-recurring items	28	28	104
EBIT	4	13	42

Corporate business

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.

DNA's corporate business net sales for January–March totalled EUR 44 million (48). The decrease in net sales is primarily a result of the disposal of businesses and the decrease in the use of conventional telephone network services.

A favourable trend has been sustained in mobile communication sales in Q1. However, customer churn has increased following tough competition, and the use of fixed-line network voice services has continued to decrease.

Corporate business key indicators:

MEUR	1-3/2009	1-3/2008	1-12/2008
Net sales	44	48	196
EBITDA	8	14	62
EBITDA excluding non-recurring items	15	14	61
EBIT	-2	6	27

Key operative indicators

The number of subscriptions in DNA's mobile communication network has grown by 330,000 over the year and by 82,000 subscriptions in January–March. DNA has a total of approximately 1,745,000 mobile communication subscribers, increasing our market share to 24.5 per cent (3/2008: 22.4%).

DNA's ARPU declined, mainly due to a significant drop in termination charges, with an average monthly profit by subscription of EUR 22.8 (24.9) in Q1. The customer churn rate amounted to 16.9 per cent (13.7%).

In the fixed-network business, the volume of broadband subscriptions remained unchanged at 190,000 in early 2009, while there was a year-on-year decrease of 5,000 subscriptions (195,000) with a market share of 12 per cent (13%). The number of conventional telephone subscriptions amounted to 222,000 (248,000) at the end of March, representing a market share of 15 per cent (15%). DNA's cable TV distribution networks had 265,000 customers (259,000), with a market share of 20 per cent (19%).

Mobile communication network subscription volumes:

Amount	3/2009	3/2008	12/2008
No. of subscriptions (incl. mobile broadband)	1,745,000	1,415,000	1,663,000
DNA's own customers	1,640,000	1,340,000	1,565,000
	1-3/2009	1-3/2008	1-12/2008
Revenue per subscription (ARPU), EUR	22.8	24.9	24.5
Customer churn rate (CHURN), %	16.9	13.7	13.7

Fixed-line network subscription volumes:

Amount	3/2009	3/2008	12/2008
Broadband	190,000	195,000	190,000
Cable TV	265,000	259,000	263,000
Fixed-line network subscriptions	222,000	248,000	229,000

Personnel

At the end of March, DNA employed 962 (1,144) people, a year-on-year reduction of 15.9 per cent. Personnel were allocated as follows: consumer business 576 employees, corporate business 386 employees. The average number of employees in January–March was 970.

	3/2009	3/2008	12/2008
Personnel at end of period	962	1,144	982

Investments

DNA's capital expenditure for January–March totalled EUR 19 million (11). Consumer business investment amounted to EUR 11 million (7) and corporate business to EUR 8 million (4).

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

Around 80 per cent of residents in Finland had access to DNA's 3G coverage. In January–March, DNA's 3G services expanded to 37 new locations. DNA's 3G network has also expanded on the 900 MHz frequency, which is particularly suitable for providing 3G services in sparsely populated areas.

MEUR	1-3/2009	1-3/2008	1-12/2008
Capital expenditure	19	11	97

Financial position

The Group's liquidity has remained healthy in early 2009. Cash flow from operations for January–March amounted to EUR 23 million (40) and the Group's liquid assets to EUR 15 million (67).

According to the decision taken by the Extraordinary General Meeting on 10 September 2008, the Board agreed to refund capital to its shareholders at EUR 5.49 per share, a total of EUR 41,618,377.89. The refund was paid on 31 March 2009.

DNA Ltd agreed a loan arrangement with Sampo Bank Plc and Nordea Bank Finland Plc to the value of EUR 60 million. In addition, DNA agreed an investment loan of EUR 20 million with Ilmarinen Mutual Pension Insurance Company in order to switch over to more long-term funding arrangements and issue shareholders a capital refund from the premium fund.

MEUR	1-3/2009	1-3/2008	1-12/2008
Cash flow from operations	23	40	147

Events in Q1

Reorganisation of DNA's businesses

DNA Group's mobile, fixed-line network and store businesses have been merged into a single operational entity. This reorganisation is designed to streamline operations and bring cost savings. The business restructuring entailed merging the mobile communication service provider DNA Finland Ltd, the fixed-network service supplier DNA Services Ltd, the distribution channel DNA Store Ltd, and the Group parent company DNA Ltd into one operational entity. According to the plan, DNA Finland Ltd and DNA Services Ltd will merge with DNA Ltd during Q2.

As part of the business restructuring, DNA initiated cooperative negotiations in January; the negotiations were concluded on 27 February 2009. As a result of the restructuring, 103 people from DNA Group have been made redundant, 30 of them through pension arrangements. The planned workforce reductions will be implemented in stages by the end of 2009. Following the cooperation negotiations, DNA Group will employ a total of 850 people. Related to the business restructuring, a total of EUR 14.1 million expense provision has been recorded in profit or loss for redundancies and site closures.

Changes in the Group Executive Team

Following the business restructuring, DNA's Board of Directors has appointed the following persons to DNA's Executive Team as of 9 March 2009: Riitta Tiuraniemi (President & CEO), Arto Kaikkonen (Vice President, Corporate Business), Simo Mustila (Vice President, Corporate Finance and Administration; Deputy CEO), Petteri Niemi (Vice President, Customer Service & Operations), Tommy Olenius (Vice President, Technology), Asta Rantanen (Vice President, Legal Affairs; Secretary of the Executive Team), Marko Rissanen (Vice President, Human Resources), Erik Sylvestersson (Vice President, Sales & Marketing), Hannu Turunen (Vice President, New Business), Timo Varsila (Vice President, Products & Content) and Pekka Väisänen (Vice President, Consumer Business).

DNA selects SEK & GREY as new marketing partner

DNA has selected SEK & GREY as its new partner in marketing communication and advertising.

Annual General Meeting, 27 March 2009

Convened on 27 March 2009, DNA Ltd's Annual General Meeting agreed to pay a dividend of EUR 3.95 per share, a total of EUR 29,944,005.95, to DNA's shareholders.

The number of the Board members was confirmed as six (6) and the current members were re-elected for the period until the next Annual General Meeting: Risto Siivola (Chairman), Esa Haavisto, Hannu Isotalo, Juha-Pekka Keskiaho, Jarmo Leino and Anssi Soila.

PwC will continue as DNA Ltd's authorised public accountants and Pekka Loikkanen, Authorised Public Accountant, as the responsible auditor.

Board authorisations

The Annual General Meeting authorised the Board of Directors to approve a share issue of a maximum of 2,500 shares. This authorisation can be used as part of the 2008 incentive programme targeting the members of the Executive Team.

The Board has also been authorised to agree on an option rights issue of a maximum of 125,000 shares. This authorisation can be used as part of the incentive programme for the new Executive Team.

Päijät-Visio Ltd merges with DNA

Päijät-Visio Ltd, a company based in the Lahti region providing cable television services, merged with its parent company, DNA Services Ltd, on 31 March 2009.

Significant litigation matters

Significant litigation matters remained unchanged during the reporting period.

Significant risks and uncertainties

DNA operates in the Finnish telecommunications market, which is characterised by fierce competition and where any prospective reduction in the market may have a negative effect on business. Such market reduction has been observed in fixed-line network voice traffic in particular.

Profitable growth continues to face significant challenges in the Finnish market. Intensifying competition, in particular in mobile communication voice service pricing, may affect the development of DNA's mobile communication subscription volume. Moreover, the steady decline in fixed-line network voice subscriptions and the slowdown in the growth of the broadband market may limit the growth opportunities of the fixed-line network business.

The general economic recession and consumers' quickly declining confidence in the favourable development of their own finances may have an impact on demand for DNA's products and services and the business operations of telecommunications companies.

Stringent regulation of the sector, and 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. Any decline in fixed-network voice traffic may trigger new regulation which aims to ensure service availability and standards, among other factors. The national broadband project will have an effect on regulation regarding universal services and licensing. In addition, the Finnish Government agreed to proceed with a frequency auction pilot during 2009.

In order to manage the interest rate risk, some of the loans taken 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 insignificant, as the majority of its cash flow is euro denominated. In order to manage liquidity risk, the company uses credit limits in addition to liquid assets.

Events after the review period

DNA's termination charges

Together with other Finnish mobile communications operators, DNA has agreed on the termination charges for the period 1 December 2009–30 November 2011. Teleoperators pay compensation to each other for calls made to the competitor's network. The agreed termination charges are 4.9 cent/min for the period 1 December 2009–30 November 2010 and 4.4 cent/min for the period 1 December 2010–30 November 2011. This price agreement is based on the agreement between mobile communications operators signed on 19 February 2007, entailing a gradual reduction in the operators' termination fees in 2007–2010.

DNA and Dicame sign a network rental agreement

DNA and Dicame Ltd have signed a network rental agreement to secure the continued operation of GSM Suomi's mobile phone subscriptions in DNA's network. In connection with this agreement, Dicame Ltd also agreed to purchase GSM Suomi plc's operator business. GSM Suomi plc's mobile subscriptions have mainly been operating in DNA's network.

Near-term prospects

DNA's turnover for 2009 is expected to remain at the 2008 level or take a slight upward turn, while the 2009 EBITDA will fall from the 2008 level, weakened by non-recurring items in Q1 and intensified competition. DNA's profit will also decrease slightly, owing to a larger depreciation basis among other reasons. DNA's financial position is expected to remain healthy. DNA will continue its strong investment in 3G network coverage, capacity and services.

Consumer business

In 2009, the consumer business will seek growth. The highest increase in the number of subscriptions is expected in mobile communication network voice subscriptions. However, the rapid decline in fixed-line network voice subscriptions will continue, and the number of voice minutes is also expected to continue falling. In data services, the strong growth in the number of mobile broadband subscriptions is expected to continue, whereas the number of broadband subscriptions in the fixed-line network is estimated to fall slightly.

The customer churn of voice subscriptions in the mobile communication network is expected to take a small upward turn, while following the fall in termination charges, the decline in the average revenue per user (ARPU) is estimated to continue; however, the ARPU of the fixed-line network broadband subscriptions is estimated to increase slightly, owing to faster communication speeds.

Competition in the consumer market will remain fierce, as demonstrated by strong marketing investment and price offers, particularly in relation to mobile communication network subscriptions.

Corporate business

DNA's corporate business net sales are expected remain at the Q1 level. Sales of DNA's corporate mobile phone subscriptions are expected to continue improving, while customer churn is estimated to increase owing to intensifying competition. Use of fixed-line voice services is likely to continue falling as companies switch over to using more mobile phone services.

DNA Ltd
Board of Directors

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Distribution:

Key media

Publication schedule for DNA's financial information:

5.8.2009	Interim report January–June 2009
4.11.2009	Interim report January–September 2009

www.dna.fi

TABLES ATTACHED TO THE INTERIM REPORT

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COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR THE REPORTING PERIOD

MEUR	1-3/2009	1-3/2008	1-12/2008
NET SALES	159	155	647
Other operating income	1	1	5
Materials and services	-78	-82	-326
Employment benefit expenditure	-22	-16	-61
Depreciations	-26	-24	-97
Other operating expenses	-31	-14	-99
Profit/loss	3	19	69
Financial income	2	1	4
Loss on financial assets recognised at fair value against profit or loss	-4		-3
Financial income and expenses	-1	-1	-5
Share of associated company's profits	0	0	0
Profit/loss before taxes	0	19	64
Income taxes	0	-5	-17
Profit/loss for the financial period	0	14	47
Other comprehensive income items:			
Financial assets available for sale	0	0	0
Cash flow hedge	0	0	-1
Other comprehensive income items, net:	-1	0	-1
Total comprehensive income for the reporting period	0	14	46
Income attributable to:			
Parent company shareholders	0	14	47
Minority interests			
	0	14	47
Comprehensive income attributable to:			
Parent company shareholders	0	14	46
Minority interests	0	0	0
	0	14	46
Earnings per share of the profit attributable to parent company equity holders:			
Basic earnings/share (EUR)	0.01	1.90	6.19
Diluted earnings/share (EUR)	0.01	1.90	6.19
Average number of shares (1,000):			
-Basic	7,581	7,568	7,569
-Diluted	7,581	7,568	7,569

CONSOLIDATED BALANCE SHEET

MEUR	31.3.2009	31.3.2008	31.12.2008
Assets			
Long-term assets			
Goodwill	192	192	192
Other intangible assets	61	57	61
Property, plant and equipment	410	405	416
Equity in associates	1	1	1
Financial assets available for sale	14	6	12
Other receivables	6	6	6
Deferred tax assets	37	38	33
Total long-term assets	**720**	**706**	**721**
Short-term assets			
Inventories	8	8	11
Sales receivables and other receivables	141	131	137
Financial assets at fair value through profit or loss	32	6	36
Liquid assets	15	64	7
Total short-term assets	**197**	**209**	**191**
Assets total	**917**	**915**	**912**
Shareholders' equity			
Share capital	73	72	72
Issue premium fund	0	142	42
Current value fund and other funds	406	405	406
Accrued profits	33	10	33
Equity attributable to equity holders of the parent company	**511**	**629**	**553**
Minority interest	0	0	0
Shareholders' equity	**511**	**629**	**553**
Long-term liabilities			
Deferred tax	60	64	61
Financial liabilities	149	55	120
Provisions	15	5	5
Pension liabilities	1	0	0
Other long-term liabilities	2	5	2
Total long-term liabilities	**227**	**130**	**188**
Short-term liabilities			
Financial liabilities	68	40	51
Provisions	5	2	2
Accounts payable and other liabilities	106	114	118
Total short-term liabilities	**179**	**157**	**170**
Total shareholders' equity and liabilities	**917**	**915**	**912**

CHANGES IN CONSOLIDATED EQUITY (IFRS)

MEUR	Share capital	Premium fund	Current value fund	Hedge instrument fund	Free equity fund	Accrued profits	Equity attributable to equity holders of the parent company	Minority interest	Total shareholders' equity
Total shareholders' equity 1.1.2008	72	142	0	0,0	405	-6	613	0	613
Other changes			0	0,0		2	2	0	2
Unregistered share issue	0	0,0	0	0,0	0		1	0	1
Total comprehensive income for the reporting period			-0			14	14	0	14
Total shareholders' equity 31.3.2008	72	142	0	0,0	405	10	629	0	629
Total shareholders' equity 1.1.2009	72	42	0	-1	407	33	555	0	555
Distribution of funds		-42					-42	0	-42
Share issue	0				-0		0	0	0
Transfers between items		-0			0		0	0	0
Total comprehensive income for the reporting period			0	-1		0	-1	0	-1
Total shareholders' equity 31.3.2009	73	0	0	-1	407	33	511	0	511

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2009	1-3/2008	1-12/2008
Profit/loss for the financial period	0	16	47
Adjustments			
Depreciations	26	24	97
Change in working capital	-19	4	-1
Other adjustments	17	-4	5
Net cash flow from operations	23	40	147
Cash flow from investments			
Investments in tangible and intangible assets	-18	-10	-95
Sales of tangible and intangible assets	0	0	1
Net sales and purchases of shares			-8
Other shares	-2	-2	0
Net cash flow from investments	-20	-12	-103
Cash flow from financing			
Fees received from share issue	0	0	3
Dividend distribution	0	0	-9
Premium refund	-42	0	-100
Repayment of short-term loans	0	0	-27
Withdrawal and repayments of long-term loans, net	45	4	95
Increase/decrease in long-term receivables			1
Other			-33
Net cash flow from financing	4	5	-69
Change in liquid assets	7	33	-24
Liquid assets at the beginning of the financial term	7	32	32
Liquid assets at the end of the financial term	15	64	7

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

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1 SEGMENT INFORMATION UNDER IFRS 8

Reporting of DNA's operating segments under IFRS 8 has materially changed. The change in reporting concerns the presentation of information in the financial statements and has no effect on the Group's financial performance or position. The Standard requires that the presented segment information is based on the internal reporting to the management. Previously, the operating segments were defined as mobile business, fixed-line business and store business. DNA's new internal organisational and management structure is based on a customer-focused operating model, where the reporting segments comprise consumer customers and corporate customers.

DNA's consumer business provides 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, 1,000 €	Consumer	Corporate	Unallocated	Group total
1.1.–31.3.2009				
Net sales	114,322	44,393	88	158,802
EBITDA	20,660	7,960	-89	28,531
Depreciations	16,221	9,686	0	25,907
Profit	4,439	-1,725	-88	2,625
Financial items				-3,020
Profit/loss before taxes				-395
Profit/loss for the financial period				42
Investments	10,917	7,917	0	18,834
Personnel at end of period	576	386	0	962
1.1.–31.3.2008				
Net sales	107,342	48,019	-311	155,051
EBITDA	28,681	14,398	126	43,205
Depreciations	15,660	8,177	0	23,837
Profit	13,021	6,221	126	19,368
Financial items				64
Profit/loss before taxes				19,432
Profit/loss for the financial period				14,352
Investments	7,061	4,299		11,360
Personnel at end of period	617	527		1,144
1.1.–31.12.2008				
Net sales	450,607	196,267	261	647,136
EBITDA	104,080	61,772	73	165,925
Depreciations	62,163	34,703	-100	96,766
Profit	41,917	27,069	174	69,159
Financial items				-4,837
Profit/loss before taxes				64,322
Profit/loss for the financial period				46,834
Investments	66,564	29,997	164	96,725
Personnel at end of period	554	428		982

2 INVESTMENTS

Capital expenditure, 1,000 €	1-3/2009	1-3/2008	1-12/2008
Intangible assets	1,335	2,213	24,313
Tangible assets	17,499	9,147	72,413
Total	**18,834**	**11,360**	**96,725**

3 SHAREHOLDERS' EQUITY

Refund of capital and payment of dividend

DNA Ltd's Extraordinary General Meeting of 10 September 2008 approved a refund of capital (approximately EUR 5.5 per share), a total of EUR 41,689,000. The refund was paid by 31 March 2009. This calculation is included in the change of equity.

DNA Ltd's Annual General Meeting of 27 March 2009 approved a payment of dividend (approximately EUR 3.95 per share), a total of EUR 29,944,000. The dividend will be paid by the end of August.

4 NET LIABILITIES

1,000 €	31.3.2009	31.3.2008	31.12.2008
Long- and short-term loans	217,865	94,976	170,442
Less short-term investments, cash and bank balances	14,679	70,382	43,650
	203,186	**24,594**	**126,792**

5 PROVISIONS

Reorganisation of DNA's businesses

DNA Group's mobile, fixed-line network and store businesses have been merged into a single operational entity. As part of the business restructuring, DNA initiated cooperative negotiations in January. The negotiations were concluded on 27 February 2009.

As a result of the restructuring, 103 DNA Group employees have been made redundant, 30 of them through pension arrangements. With regard to the restructuring, a total of EUR 5,661,000 was recognised in the personnel expenses for the arrangement and EUR 677,000 for pension obligations. In addition, site closures were agreed in connection with the restructuring, for which a provision of EUR 7,792,000 was recognised in profit or loss.

1,000 €	Decommissioning costs	Onerous contracts	Restructuring provisions
Provisions 1.1.2009	4,482	704	1,698
Increase		7,792	5,661
Used provisions/discount effect	-110	-167	-364
Provisions 31.3.2009	**4,373**	**8,330**	**6,995**
Provisions 1.1.2008	4,789	0	3,754
Increase			
Used provisions/discount effect	0	0	-1,357
Provisions 31.3.2008	**4,789**	**0**	**2,397**
Provisions 1.1.2008	4,789	0	3,754
Increase		1,089	443
Used provisions/discount effect	-307	-385	-2,499
Provisions 31.12.2008	**4,482**	**704**	**1,698**

6 RELATED PARTY TRANSACTIONS

The related parties of the Group comprise the parent company, subsidiaries and the associated companies. The related parties also include members of the (Supervisory Board), Board of Directors and the management teams, including the CEO and the senior vice-president.

The following related party transactions were carried out:

1,000 €	Sales	Purchases	Receivables	Liabilities
3/2009				
Organisations exercising significant influence	34	668	5	2,397
Associated undertakings	0	27	0	324
Other related parties		7		
3/2008				
Organisations exercising significant influence	699	573	2	4,042
Associated undertakings	0	26	0	424
Other related parties		17		
12/2008				
Organisations exercising significant influence	821	3,176	28	1,822
Associated undertakings	553	214	52	
Other related parties		86		6

KEY FIGURES

	1-3/2009	1-3/2008	1-12/2008
Equity per share	67	83	73
Interest-bearing net liabilities	203	25	162
Gearing, %	39.7	3.9	29.2
Equity ratio, %	56.1	69.4	60.9
Net liabilities/EBITDA	1.78	0.14	0.97
Return on investment (ROI), %	2.6	11.5	9.8
Return on equity (ROE), %	0.0	9.2	8.1
Gross investments*, MEUR	19	11	97
Gross investment, % of net sales	11.9	7.3	15.0
Personnel at end of period	962	1144	982

* incl. financial-leasing-based investments

CALCULATION OF THE KEY INDICATORS

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

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

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

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

EBITDA (EUR) = Profit + depreciation and amortisation

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

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

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