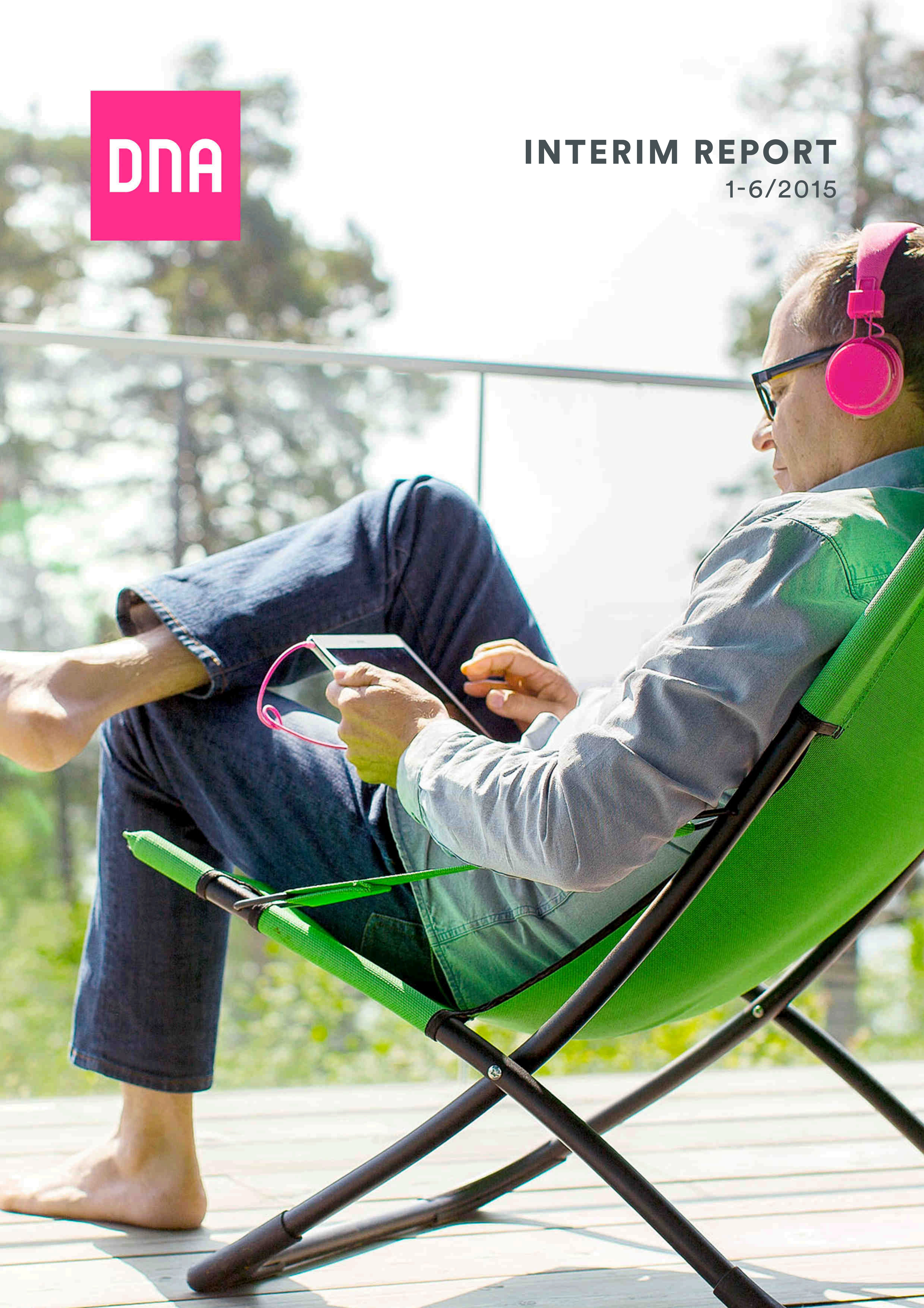
INTERIM REPORT

1-6/2015



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DNA reports strong first half of 2015 – EBITDA and operating profit grew

Summary

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

April–June 2015

Net sales increased by 2.8 per cent and came to EUR 208.3 million (202.6 million).
EBITDA increased by 10.1 per cent to EUR 55.7 million (50.5 million), accounting for 26.7 per cent of net sales (24.9 per cent).
EBITDA without non-recurring items came to EUR 54.6 million (52.6 million).
Operating profit increased by 15.2 per cent to EUR 14.5 million (12.6 million), or 7.0 per cent of net sales (6.2 per cent).
Operating profit without non-recurring items came to EUR 13.5 million (14.8 million).
Mobile communication subscription base grew by 2.7 per cent, reaching 2,547,000 (2,481,000) in total.
Revenue per user (ARPU) for mobile communications amounted to EUR 17.2 (18.2).
Mobile communication subscription turnover rate (CHURN) was 14.6 per cent (15.4 per cent).

January–June 2015

Net sales increased by 2.2 per cent and came to EUR 409.6 million (400.9 million).
EBITDA increased by 12.8 per cent to EUR 111.5 million (98.9 million), accounting for 27.2 per cent of net sales (24.7 per cent).
EBITDA without non-recurring items came to EUR 110.5 million (101.0 million).
Operating profit increased by 21.2 per cent to EUR 29.4 million (24.3 million), or 7.2 per cent of net sales (6.1 per cent).
Operating profit without non-recurring items came to EUR 28.4 million (26.5 million).
Mobile communication subscription base grew by 2.7 per cent, reaching 2,547,000 (2,481,000) in total.
Revenue per user (ARPU) for mobile communications amounted to EUR 17.0 (18.0).
Mobile communication subscription turnover rate (CHURN) was 16.0 per cent (16.5 per cent).
Fixed-network subscription base (voice, broadband and cable television) grew by 6.3 per cent and came to 1,109,000 subscriptions at the end of the first quarter (1,043,000).

DNA's outlook for 2015 remains unchanged

Net sales are expected to remain at a similar level and operating profit without non-recurring items is expected to grow significantly in 2015 compared to 2014. The Group's financial position is expected to remain at a fairly healthy level.

Key figures

Figures are unaudited.

EUR million	4–6/2015	4–6/2014	Change, %	1–6/2015	1–6/2014	Change, %	1–12/2014
Net sales	208.3	202.6	2.8%	409.6	400.9	2.2%	833.5
EBITDA	55.7	50.5	10.1%	111.5	98.9	12.8%	204.2
- % of net sales	26.7%	24.9%		27.2%	24.7%		24.5%
EBITDA without non-recurring items	54.6	52.6	3.7%	110.5	101.0	9.4%	210.1
- % of net sales	26.2%	26.0%		27.0%	25.2%		25.2%
Depreciation and impairment charges	41.1	37.9		82.1	74.5		176.6
Operating profit	14.5	12.6	15.2%	29.4	24.3	21.2%	27.6
- % of net sales	7.0%	6.2%		7.2%	6.1%		3.3%
Operating profit without non-recurring items	13.5	14.8	-9.0%	28.4	26.5	7.2%	54.8
- % of net sales	6.5%	7.3%		6.9%	6.6%		6.6%
Profit before tax	11.6	10.3	12.5%	23.5	20.1	16.8%	17.2
Profit for the financial period	9.5	8.6	10.1%	19.0	16.4	15.4%	14.0
Return on investment (ROI), %	6.2	5.5		6.1	5.2		3.0
Return on equity (ROE), %	7.7	6.8		7.6	6.4		2.7
Investments	35.5	27.4	29.6%	49.3	47.6	3.5%	149.6
Cash flow after investments**	25.8	-148.8		63.2	-132.9		-123.9
Interest bearing net debt, EUR million	446.6	489.9	-8.8%	446.6	489.9	-8.8%	479.4
Interest bearing net debt/EBITDA	2.01	2.43		2.00	2.48		2.35
Net gearing, %	90.0	96.3		90.0	96.3		94.6
Equity ratio, %	42.7	41.7		42.7	41.7		41.5
Basic earnings per share, EUR	1.1	1.0		2.2	1.9		1.6
Personnel at the end of period	1,739	1,855	-6.3%	1,739	1,855	-6.3%	1,748

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CEO's review

DNA fared well in the first half of 2015 despite continued economic uncertainty. In consumer business, sales and subscription base developed positively in the first quarter – fixed-network and mobile broadband remain strong growth areas. Weak demand for mobile devices affected net sales development in early 2015, but sales picked up towards the end of the second quarter. Despite the weak market situation and tight competition in corporate business, we again made several successful tenders and signed significant new agreements.

Our net sales increased slightly, by 2.2 per cent, from the reference period and came to EUR 409.6 million. Both our EBITDA and operating profit grew. Our EBITDA increased by 12.8 per cent to EUR 111.5 million, and our operating profit by 21.2 per cent to EUR 29.4 million. Our result also improved significantly year-on-year. Net sales were fuelled by the development of net sales for services (net sales - interconnection prices - sales for goods), which was boosted in particular by the acquisition of TDC's Finnish operations in June 2014 and broadband sales. The positive EBITDA and operating profit development were fuelled by the acquisition of TDC's Finnish operations, improved operational efficiency, withdrawal from the provision for premises and a profit of EUR 1.1 million from the sales of DNA's share in Booxmedia Oy.

DNA's mobile communication subscription base grew by 42,000 subscriptions in the first half of 2015, reaching 2,547,000 in total. Fixed-network subscription base increased by 1,000, totalling 1,109,000 at the end of the second quarter. Demand for fast 4G data connections has increased significantly, boosting revenue per user (ARPU). Already more than half of the new mobile subscriptions are 4G subscriptions, and their share continues to grow.

We renewed DNA's brand and visuals in the second quarter to better support our expanded business. Over the years, DNA has grown from a consumer mobile communications operator to a versatile provider of both consumer and corporate telecommunication services. As part of our brand renewal, we launched a new DNA TV subscription as a response to the change in the ways people use entertainment services. The sales of DNA TV subscriptions are off to a very good start.

DNA's corporate business developed favourably in the first half of 2015. Competition remained intense, in particular in the SME market. In the second quarter, we signed an agreement with Vantaa-info and Vantaa's occupational health services on the provision of a pilot solution that enables a video connection between a customer service employee and a customer and the possibility to view documents together. We also launched DNA Pouta for small entrepreneurs, a new service providing a versatile range of cloud services that can be purchased and managed through one interface.

The construction of DNA's and Sonera's joint network has proceeded as planned in the first half of 2015. The construction of the network got underway in Northern Finland in the second quarter, and the construction of the pilot area in Kuusamo was completed at the end of June. The network will be deployed in stages, and network coverage is expected to reach the northernmost tip of Lapland by the end of 2015. A joint network enables a faster construction of the network and the 4G LTE technology will provide data transfer speeds in Northern Finland that are dozens of times faster than those available now.

At the end of the first half of 2015, our 4G LTE network reached close to 5 million Finns. According to a study published by telecommunications expert Omnitele in June 2015, DNA's mobile broadband was again the fastest in nine of the ten most populous cities in Finland.

We will continue the implementation of our strategy with the aim of having the most satisfied customers to whom we provide reliable and high-quality products and services. We will also continue to improve our profitability and cost-efficiency and focus on excellent customer service.

Jukka Leinonen
President and CEO

Operating environment

The overall economic situation remained challenging in the first half of 2015. General decline in consumer purchasing power and the consumer confidence index had a particular effect on the demand of mobile devices and traditional pay-TV services. Competition remained intense, in particular in the mobile communications and fixed-network broadband markets.

As smart phones and tablets become more common and 4G speeds more widely available, data transfer volumes and mobile markets will experience strong growth. Smart phone markets have grown quickly, and some 95 per sent of phones sold today are smart phones. An increasing number of users updates to 4G models as new services require faster data transfer speeds. Mobile devices are increasingly used in completely new ways, and consumers view video and TV content on smart phones and tablets at an increasing pace.

Consumers are spending more time watching TV programmes and videos, and have several devices for viewing such content. The use of HDTV services is growing on households' large-screen television sets and customers want to watch TV content conveniently at a time that works best for them. The competitive environment has changed quickly, in particular for entertainment services, as global players have a stronger presence in the market. DNA faces competition from many providers of TV services, such as cable and terrestrial TV service providers similar to DNA as well as service providers that use other distribution channels, such as OTT services.

The corporate business segment remained relatively subdued in the first half of 2015. Competition remained intense, in particular in the SME market. However, companies continue to digitise their business and increase mobile working, which increases demand for company network and telecommunications solutions. Companies are also increasingly interested in the possibilities of industrial Internet solutions. Companies continued to increase the use of next-generation devices, smart phones and, in particular, tablets.

The Finnish telecommunications market is strictly regulated. Regulation, particularly the authorities' ability to influence the price level of DNA's products and services, cost structure and the criteria on which frequencies are distributed, may also have an impact on DNA's business.

The process on the introduction of the European Digital Single Market continued in early 2015 as negotiations took place between the European Parliament and Commission. They reached an initial agreement at the end of June. The main contents of the agreement involve the end of roaming charges and strong net neutrality rules. The initial agreement did not provide details on the regulation of operators' roaming charges or other conditions. Such regulatory changes may have an effect on the industry and DNA's business.

The European Commission presented its Digital Single Market strategy in the spring of 2015. This strategy, and the review of the digital regulation framework in particular may have major impact on the regulations affecting DNA as well as DNA's operating environment.

The Finnish Parliament approved the amendments to the Copyright Act in the spring affecting online storage services and cable TV distribution. Both changes are likely to have an effect on DNA's entertainment business.

DNA applied for a extension to its terrestrial TV network operating licences for the VHF multiplexes in the spring. Government decisions on the extension of licences are expected during 2015.

Net sales and profit

April–June 2015

DNA's net sales for the second quarter increased by 2.8 per cent and came to EUR 208.3 million (202.6 million). Net sales were fuelled by the development of net sales for services (net sales - interconnection prices - sales for goods), which was boosted in particular by growth of corporate business as a result of the acquisition of TDC's Finnish operations as well as positive development of broadband sales. Net sales were burdened by decreased mobile device sales and interconnection prices. During the review period, 71.8 per cent (76.5 per cent) of net sales was generated by Consumer Business and 28.2 per cent (23.5 per cent) by Corporate Business.
EBITDA increased by 10.1 per cent to EUR 55.7 million (50.5 million). The EBITDA percentage of net sales increased and came to 26.7 per cent (24.9 per cent). The increase was fuelled by the acquisition of TDC's Finnish operations, improved operational efficiency and withdrawal from the provision for premises. EBITDA without non-recurring items increased by 3.7 per cent and came to EUR 54.6 million (52.6 million). EBITDA was affected positively by a non-recurring item, a profit of EUR 1.1 million from the sales of DNA's share in Booxmedia Oy. In the reference period, non-recurring items amounted to EUR 2.1 million.
Operating profit increased by 15.2 per cent to EUR 14.5 million (12.6 million), or 7.0 per cent of net sales (6.2 per cent). Operating profit without non-recurring items decreased by 9.0 per cent and came to EUR 13.5 million (14.8 million). Operating profit was boosted by a non-recurring item of EUR 1.1 million.
Financial income and expenses amounted to EUR 2.9 million (-2.3 million). Income tax for the period was EUR 2.1 million (-1.8 million). Result for the second quarter improved by 10.1 per cent from the reference period and amounted to EUR 9.5 million (8.6 million). Earnings per share came to EUR 1.1 (1.0).

January–June 2015

Net sales increased by 2.2 per cent and came to EUR 409.6 million (400.9 million). Net sales were fuelled by the development of net sales for services, which was boosted in particular by growth of corporate business as a result of the acquisition of TDC's Finnish operations in June 2014 as well as positive development of broadband sales. Net sales were burdened by decreased mobile device sales and interconnection prices. During the review period, 71.7 per cent (77.5 per cent) of net sales was generated by Consumer Business and 28.3 per cent (22.5 per cent) by Corporate Business.
EBITDA increased by 12.8 per cent to EUR 111.5 million (98.9 million). The EBITDA percentage of net sales increased and came to 27.2 per cent (24.7 per cent). The increase was fuelled by the acquisition of TDC's Finnish operations, improved operational efficiency and withdrawal from the provision for premises. EBITDA without non-recurring items increased by 9.4 per cent to EUR 110.5 million (101.0 million). EBITDA was affected positively by a non-recurring item, a profit of EUR 1.1 million from the sales of DNA's share in Booxmedia Oy.
Operating profit increased by 21.2 per cent to EUR 29.4 million (24.3 million), or 7.2 per cent of net sales (6.1 per cent). Operating profit without non-recurring items increased by 7.2 per cent to EUR 28.4 million (26.5 million).
Financial income and expenses amounted to EUR 6.0 million (-4.3 million). Income tax for the period was EUR 4.5 million (3.7 million). Result for the first half of 2015 improved by 15.4 per cent from the reference period and amounted to EUR 19.0 million (16.4 million). Earnings per share came to EUR 2.2 (1.9).

Consolidated key figures

EUR million	4–6/2015	4–6/2014	Change, %	1–6/2015	1–6/2014	Change, %	1–12/2014
Net sales	**208.3**	202.6	2.8%	**409.6**	400.9	2.2%	833.5
EBITDA	**55.7**	50.5	10.1%	**111.5**	98.9	12.8%	204.2
- % of net sales	**26.7%**	24.9%		**27.2%**	24.7%		24.5%
EBITDA without non-recurring items	**54.6**	52.6	3.7%	**110.5**	101.0	9.4%	210.1
- % of net sales	**26.2%**	26.0%		**27.0%**	25.2%		25.2%
Operating profit	**14.5**	12.6	15.2%	**29.4**	24.3	21.2%	27.6
- % of net sales	**7.0%**	6.2%		**7.2%**	6.1%		3.5%
Operating profit without non-recurring items	**13.5**	14.8	-9.0%	**28.4**	26.5	7.2%	54.8
- % of net sales	**6.5%**	7.3%		**6.9%**	6.6%		6.6%
Profit for the financial period	**9.5**	8.6	10.1%	**19.0**	16.4	15.4%	14.0

Key operative indicators

	4–6/2015	4–6/2014	Muutos-%	1–6/2015	1–6/2014	Change, %	1–12/2014
Number of mobile communication network subscriptions at end of period*	**2,547,000**	2,481,000	2.7%	**2,547,000**	2,481,000	2.7%	2,505,000
- Revenue per user (ARPU), EUR**	**17.2**	18.2	-5.5%	**17.0**	18.0	-5.6%	17.6
- Customer CHURN rate, %**	**14.6**	15.4	-5.2%	**16.0**	16.5	-3.0%	16.9
Number of fixed line subscriptions at end of period	**1,109,000**	1,043,000	6.3%	**1,109,000**	1,043,000	6.3%	1,108,000

Cash flow and financial position

April–June 2015

Cash flow after investments was EUR 25.8 million (-148.8 million). This is particularly due to the acquisition of TDC Ltd Finland and TDC Hosting Ltd in the reference period.

January–June 2015

Cash flow after investments was EUR 63.2 million (-132.9 million). This is particularly due to the acquisition of TDC Ltd Finland and TDC Hosting Ltd in the reference period.
DNA has a EUR 200 million revolving credit facility, of which EUR 200.0 million (200.0 million) remain undrawn, and a EUR 15.0 million (15.0 million) credit facility. In addition, the company has a commercial paper programme worth EUR 150.0 million (150.0 million), under which EUR 115 million (100.0 million) was drawn by the end of the review period.
Net gearing came to 90.0 per cent (96.3 per cent) at the end of the review period. The Group's liquid assets amounted to EUR 16.6 million (27.3 million), and interest-bearing net debt to EUR 446.6 million (489.9 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 231.6 million (77.3 million).
The interest bearing net debt/EBITDA ratio decreased and was 2.00 (2.48) at the end of the review period.
DNA's equity ratio was 42.7 per cent (41.7 per cent) at the end of the review period.

Cash flow and financial key figures

	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
Cash flow after investments, EUR million	**25.8**	-148.8	**63.2**	-132.9	-123.9

	6/30/2015	6/30/2014	12/31/2014
Interest bearing net debt, EUR million	**446.6**	489.9	479.4
Interest bearing net debt/EBITDA	**2.00**	2.48	2.35
Net gearing, %	**90.0**	96.3	94.6
Equity ratio, %	**42.7**	41.7	41.5

Development per business segment

Consumer business

April–June 2015

Consumer Business net sales decreased by 3.5 per cent to EUR 149.6 million (155.1 million). This was mostly due to weaker demand for mobile devices and the decrease in interconnection prices. EBITDA increased by 1.4 per cent and came to EUR 37.9 million (37.4 million). The increase was fuelled by the profit from the sales of DNA's share of Booxmedia Oy. The EBITDA percentage of net sales increased to 25.3 (24.1 per cent). Operating profit decreased by 7.5 per cent to EUR 12.2 million (13.2 million), or 8.2 per cent of consumer business net sales (8.5 per cent). Depreciation to the amount of EUR 25.7 million (24.2 million) was allocated to consumer business.

DNA launched a new DNA TV subscription in the second quarter to respond to the change in the ways people use entertainment services. A DNA TV subscription provides customers with an easy and flexible way to watch television on various devices. Customers have the option to tailor their DNA TV subscription to include a storage service, extensive film rental service and a programme library. The C More Play programme library is also included in the DNA TV application. The sales of DNA TV subscriptions are off to a very good start.

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

January–June 2015

Consumer Business net sales decreased by 5.5 per cent to EUR 293.7 million (310.8 million). This was mostly due to weaker demand for mobile devices and the decrease in interconnection prices. EBITDA increased by 7.8 per cent and came to EUR 76.9 million (71.3 million). The increase was fuelled by the development of net sales for services and improved operational efficiency. The EBITDA percentage of net sales increased to 26.2 (22.9 per cent). Operating profit increased by 12.8 per cent to EUR 25.9 million (22.9 million), or 8.8 per cent of Consumer Business net sales (7.4 per cent). Depreciation to the amount of EUR 51.0 million (48.4 million) was allocated to consumer business.

Consumer business

EUR million	4–6/2015	4–6/2014	Change, %	1–6/2015	1–6/2014	Change, %	1–12/2014
Net sales	**149.6**	155.1	-3.5%	**293.7**	310.8	-5.5%	622.4
EBITDA	**37.9**	37.4	1.4%	**76.9**	71.3	7.8%	143.3
- % of net sales	**25.3%**	24.1%		**26.2%**	22.9%		23.0%
EBITDA without non-recurring items	**36.9**	36.7	0.5%	**75.8**	70.5	7.5%	145.0
- % of net sales	**24.6%**	23.6%		**25.8%**	22.7%		23.3%
Operating profit/loss	**12.2**	13.2	-7.5%	**25.9**	22.9	12.8%	25.0
- % of net sales	**8.2%**	8.5%		**8.8%**	7.4%		4.0%
Operating profit without non-recurring items	**11.2**	12.5	-10.4%	**24.8**	22.2	11.9%	45.8
- % of net sales	**7.5%**	8.0%		**8.4%**	7.1%		7.4%

Corporate business

April–June 2015

Corporate Business net sales increased by 23.4 per cent to EUR 58.6 million (47.5 million). This positive development is due to the acquisition of TDC's Finnish operations. EBITDA increased by 35.6 per cent to EUR 17.7 million (13.1 million), or 30.3 per cent of net sales (27.5 per cent). The positive EBITDA development was fuelled by the development of net sales for services and a withdrawal from the provision for premises. Operating profit grew to EUR 2.3 million (-0.6 million), or 3.9 per cent of net sales (-1.2 per cent). Depreciation to the amount of EUR 15.4 million (13.7 million) was allocated to Corporate Business.
DNA launched DNA Pouta, a new service providing a versatile range of cloud services for small entrepreneurs that can be purchased and managed through one interface. Through the service, it is possible to purchase and use services related to, for example, time management and booking appointments. Cloud service comparisons are a special feature of DNA Pouta. The service contains comparisons of the most commonly used network tools for entrepreneurs in the market.
Vantaa-info and Vantaa's occupational health services started a trial to pilot the city's online services. The trial is part of a more extensive development of the city's multi-channel customer service to find solutions to make it easier to use the services. DNA provided a pilot solution that enables a video connection between a customer service employee and a customer and the possibility to view documents together.

January–June 2015

Corporate Business net sales increased by 28.7 per cent to EUR 115.8 million (90.0 million). This increase was fuelled in particular by the acquisition of TDC's Finnish operations. EBITDA increased by 25.7 per cent to EUR 34.7 million (27.6 million), or 29.9 per cent of net sales (30.6 per cent). The positive EBITDA development was fuelled in particular by the development of net sales for services and a withdrawal from the provision for premises. Operating profit grew to EUR 3.6 million (1.4 million), or 3.1 per cent of net sales (1.6 per cent). Depreciation to the amount of EUR 31.1 million (26.2 million) was allocated to Corporate Business.

Corporate business

EUR million	4–6/2015	4–6/2014	Change, %	1–6/2015	1–6/2014	Change, %	1–12/2014
Net sales	**58.6**	47.5	23.4%	**115.8**	90.0	28.7%	211.2
EBITDA	**17.7**	13.1	35.6%	**34.7**	27.6	25.7%	60.9
- % of net sales	**30.3%**	27.5%		**29.9%**	30.6%		28.8%
EBITDA without non-recurring items	**17.7**	16.0	11.0%	**34.7**	30.5	13.8%	65.1
- % of net sales	**30.3%**	33.6%		**29.9%**	33.9%		30.8%
Operating profit/loss	**2.3**	-0.6	N/A	**3.6**	1.4	152.9%	2.6
- % of net sales	**3.9%**	-1.2%		**3.1%**	1.6%		1.2%
Operating profit without non-recurring items	**2.3**	2.3	-1.3%	**3.6**	4.3	-17.0%	9.0
- % of net sales	**3.9%**	4.9%		**3.1%**	4.8%		4.3%

Investments

April–June 2015

Investments amounted to EUR 35.5 million (27.4 million), or 17.0 per cent of net sales (13.5 per cent).

January–June 2015

Investments amounted to EUR 51.3 million (47.6 million), or 12.5 per cent of net sales (11.9 per cent).
Major individual items included investments in the 4G and 3G networks and in fibre and transfer systems.

Investments

EUR million	4–6/2015	4–6/2014	Change, %	1–6/2015	1–6/2014	Change, %	1–12/2014
Consumer business	24.7	18.5	33.8%	34.3	31.4	9.2%	98.7
Corporate business	9.8	7.9	24.1%	15.0	14.1	6.3%	46.1
Un-allocated	0.9	1.0	-9.8%	2.0	2.1	-5.9%	4.8
Total investments	**35.5**	27.4	29.4%	**51.3**	47.6	7.7%	149.6

Network infrastructure

DNA continued to expand its 4G and 3G networks in the second quarter by adding more than 600 new base stations across Finland. Since the start of 2015, more than 900 base stations have been added to the 4G and 3G networks. DNA's 4G LTE network expanded in areas including Porvoo, Lahti, the Turku archipelago, Kuusamo and Savonlinna. At the end of June 2015, DNA's 4G LTE network reached almost 5 million Finns (3 million on 31 June 2014). DNA's 4G network will cover 95 per cent of the population by the end of 2015. DNA's 3G network reaches 99 per cent of the population. Strong network infrastructure supports DNA's growth and strategic objective to have the best customer experience.

4G data transfer volumes have increased by more than 40 per cent since the start of 2015. At the moment, up to 60 per cent of all data is transferred in the 4G network. This trend is due to the intense expansion of the 4G LTE network, the proliferation of devices that employ a constant network connection, and the migration of TV and music services to mobile devices.

The construction of DNA's and Sonera's joint network started in Northern Finland in the second quarter and will start in Eastern Finland in early 2016. The construction of the pilot area in Kuusamo was completed at the end of June as planned. Network coverage is expected to reach the northernmost tip of Lapland by the end of 2015. A joint network enables a faster construction of the network and the 4G LTE technology will provide data transfer speeds in Northern Finland that are dozens of times faster than those available now.

Digitisation has meant greater demand for IP addresses. DNA was the first Finnish operator to implement large-scale IPv6 deployment. In total, DNA has brought the IPv6 functionality to over two million consumer and corporate subscriptions. IPv6 enhances online gaming experience and is also of great benefit in the quickly emerging Internet of Things.

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

According to a study published by telecommunications expert Omnitele in June 2015, DNA's mobile broadband was again the fastest in nine of the ten most populous cities in Finland. DNA had the greatest average inbound speeds. The survey covered Finland's three main operators.

Personnel

At the end of June 2015, DNA Group had 1,739 employees (1,855 employees), of which 704 were women (750) and 1,035 men (1,105). The decrease is due to the cooperative negotiations that took place after the acquisition of TDC's Finnish operations in August and September 2014.
Salaries and employee benefit expenses paid during the second quarter amounted to EUR 28.8 million (24.5 million).

Personnel by business segment

	6/30/2015	6/30/2014	Change, %	12/31/2014
Consumer business	1,034	1,073	-3.6%	1,039
Corporate business	705	782	-9.8%	709
Total personnel	**1,739**	1,855	-6.3%	**1,748**

Changes in the Group structure and significant litigation matters

Changes in the Group structure

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

Significant litigation matters

According to the Competition Act, the Finnish Competition and Consumer Authority carried out an inspection at DNA Ltd on 4 November 2014 in relation to the network partnership announced by DNA and TeliaSonera Finland on 20 August 2014. Inspections under the Competition Act are part of the normal operations of the Finnish Competition and Consumer Authority. The fact that an inspection is carried out is not an indication of guilt on the part of the audited organisation. The Finnish Competition and Consumer Authority was still processing the matter at the end of the review period.

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

Management and governance

Group Executive Team

DNA Ltd has a line organisation, comprising of Consumer Business, Corporate Business, Technology, and Information Management and IT units as well as support functions.
At the end of March 2015, DNA's Executive Team comprised CEO Jukka Leinonen, CFO Timo Karppinen, Senior Vice President, Consumer Business Pekka Väisänen, Senior Vice President, Corporate Business Hannu Rokka, Senior Vice President, Technology Tommy Olenius, Senior Vice President, Human Resources Marko Rissanen, Senior Vice President, Legal Affairs Asta Rantanen, Senior Vice President, Strategy Christoffer von Schantz and CIO Janne Aalto.

Decisions of the Annual General Meeting of 2015

DNA Ltd's Annual General Meeting was held on 26 March 2015. The AGM adopted the financial statements and discharged the Board of Directors and the CEO from liability for the period 1 January to 31 December 2014. According to the proposal by the Board of Directors, the AGM agreed to pay a dividend of EUR 3.54 per share, at a total of EUR 30,041,194.02, to DNA's shareholders. No dividend will be paid for treasury shares held by the company itself.

Board members and remuneration

Number of Board members was confirmed to be six. Re-elected members of the Board include Jarmo Leino, Jukka Ottela, Kirsi Sormunen, Tero Ojanperä and Anu Nissinen. The AGM elected Margus Schults as a new member to the Board of Directors. Margus Schults (49) is the CEO of TallinkSilja Oy.
At the constitutive meeting of the Board of Directors held subsequent to the AGM, Jarmo Leino was re-elected Chairman.
The AGM decided on the following annual remuneration: EUR 144,000 for the Chairman of the Board and EUR 48,000 for the members of the Board. Each member of the Board of Directors decides on an annual basis whether their annual remuneration shall be paid entirely in cash or 40 per cent be paid in shares and 60 per cent in cash. The AGM also decided on the following payments per meeting: for each member of the Board and Committee Chairmans, EUR 1,050 per person and for each committee member, EUR 525 per person.

The Board's share repurchase authorisation

The AGM authorised the Board of Directors to decide on the repurchase of treasury shares. Based on the authorisation, the Board of Directors can decide on the repurchase of a maximum of 960,000 treasury shares. This is equal to slightly less than 10 per cent of all company shares (9,618,357 shares). The shares can only be repurchased using the company's unrestricted shareholders' equity. The repurchase can take place in one or several lots. The authorisation will be effective until 30 June 2016. This authorisation cancels the previous authorisation.

Establishment of a permanent appointment commission

The Annual General Meeting decided to establish a permanent appointment commission comprising shareholders or shareholders’ representatives. The Nomination Committee is tasked with the preparation of proposals for the Annual General Meeting regarding Board members’ election and their remuneration. The committee consists of three members appointed by the shareholders. The three shareholders entered in the company's shareholders’ register maintained by Euroclear Finland Ltd whose portion of the votes produced by all the shares in the company according to the shareholders' register are the greatest on 1 September shall have the right to appoint members representing shareholders.
DNA’s Corporate Governance Statement is included in the company Annual Report published on 6 March 2015: http://annualreporting.dna.fi/2014/hallinnointi/selvitys-hallinnointi-ja-ohjausjarjestelmasta.

Shares and shareholders

Shareholders

Owners (10 biggest):

	6/30/2015
Finda Oy	49.84%
PHP Holding Oy	37.52%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	5.00%
Anvia Oyj	3.47%
Lohjan Puhelin Oy	2.60%
Pietarsaaren Seudun Puhelin Oy	0.83%
Karjaan Puhelin Oy	0.20%
Vakka-Suomen Puhelin Oy	0.15%
Puhelinosuuskunta IPY	0.13%
Orox Oy	0.04%
TOTAL	99.78%

On 30 June 2015, the ten largest shareholders of DNA Ltd were Finda Oy (49.84 per cent), PHP Holding Oy (37.52 per cent), Ilmarinen Mutual Pension Insurance Company (5.00 per cent), Anvia Oyj (3.47 per cent) and Lohjan Puhelin Oy (2.60 per cent). At the end of the review period, they held a total of 98.43 per cent of DNA's shares and voting rights. The holdings were calculated based on the number of outstanding shares. There were no changes in the shares owned by the largest shareholders during the review period.
At the end of the review period, the company held 1,130,362 treasury shares (1,132,144 on 30 June 2014).

Shares

At the end of the review period, the company's shares totalled 9,618,357 (9,610,676 on 30 June 2014) and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65 (EUR 72,702,225.65 on 30 June 2014). At the end of the review period, the company held 1,130,362 treasury shares (1,132,144 on 30 June 2014), or 11.75 per cent of all shares. The changes in the number of shares are related to the share-based reward system for DNA's personnel as well as the payment of the annual remuneration for the members of the Board of Directors.

Corporate responsibility

According to DNA’s corporate responsibility programme, special focus areas include energy efficiency and environmental responsibility, personnel well-being, improving responsibility in the supply chain and social responsibility. As a responsible operator, we provide high-quality service to our customers, are a good employer and a reliable and innovative partner.

In the second quarter, DNA placed special emphasis on the ability of the personnel to influence the further development of the work community. The entire personnel attended workshops in April to familiarise themselves with DNA’s new brand. The first phase of the work community project was launched in May and June, providing the entire personnel with an opportunity to work in teams and have their say in the further development of their community. The project continues in the autumn.

Modernisation of base stations in the mobile network has proceeded as planned. By the end of June 2015, in excess of more than half of the old base stations have been replaced by more energy-efficient models. The project is expected to be completed by 2017.

DNA is one of the main partners of SOS Children’s Village, supporting it financially and providing data communication connections for its premises. In 2015, the support will be directed at child welfare and youth work in particular.

Near-term risks and uncertainties

Risk management is part of DNA's strategy process and corporate governance. It is guided by the risk management policy approved by the Board of Directors.

According to the company, there have been no significant changes in near-term risks and uncertainties in the review period. A more detailed description of DNA's risk management and uncertainties is available in the Annual Report 2014: http://annualreporting.dna.fi/2014/hallinnointi/riskit-ja-riskienhallinta.

Strategic and operative risks:

DNA operates in the Finnish telecommunications market, which is characterised by tough competition between established operators and a high degree of penetration of telecommunications solutions. DNA operates in Finland, a market where the number of mobile phones per capita is among the highest in the world, which limits the prospects of future growth in the number of subscriptions. DNA is increasing its emphasis on new business. Starting up new business operations always involves higher risks than conventional and established business operations. In addition, new services must be productised quickly and cost-efficiently. The rapid phase of technological development affects the entire telecommunication industry and DNA's operations.

Alongside traditional communications methods, technological development and new types of devices can create new revenue models. Customer behaviour can change rapidly if new services are reliable and easy to use.

As new communications methods gain widespread popularity, they have an impact on the traditional business of operators. Applications, such as global IM applications, are changing the way people communicate. On the other hand, new communications methods can provide new opportunities for operators, by increasing the use of mobile data, for example.

The competitive environment has changed quickly, in particular for TV and entertainment services, as strong international players have entered the market. DNA faces competition from many providers of TV services, such as cable and terrestrial TV service providers similar to DNA as well as service providers that use other distribution channels, such as OTT services. The ongoing shift in media use will provide both new risks and opportunities while content rights are being negotiated. DNA monitors the TV and entertainment service market intensively and continuously enhances its service offering to anticipate changes in the market.

Uncertainty related to the overall economic situation has not abated, affecting the demand for smart phone and TV services and the corporate market. General decline in purchasing power has a post-cyclical effect on the operator market.

System and network risks:

The nature of DNA's operations and customer expectations place high demands on DNA's systems and network infrastructure. DNA's business is capital-intensive, and the company's success depends on the ability to continuously maintain and improve its network infrastructure. To optimise the availability of its communications services, DNA employs a range of methods. These include establishing back-up solutions for critical transfer connections, by using at least two different routes. Other methods involve duplicating and decentralising the main data centre and communication service systems in the company's equipment facilities.

Financing risks:
In order to manage the interest rate risk, a small proportion of the loans taken by the Group have been hedged. The Group's borrowings have been spread between fixed- and variable-rate instruments. In order to manage liquidity risk, the company uses credit limits in addition to liquid assets. To manage customer credit risk, the credit history of new customers is checked as part of the ordering process. The Group's foreign interest risk is insignificant, since the majority of its cash flow is euro denominated.
A more detailed description of the management of financing risks can be found in Note 3 to the consolidated financial statements in DNA's Annual Report.

Damage risk:
In anticipation of possible unforeseen damage risks, DNA has continuous insurance policies covering aspects of its operations including personnel, property, business interruption, third-party liability and criminal action. Damager risks are prevented and minimised by means such as security guidelines and personnel training.

Events after the review period

There have been no significant events after the review period.

Outlook for 2015

Market outlook

Competition is expected to remain intense in 2015. The overall economic situation will remain challenging, affecting consumer and corporate purchasing power.

DNA's operating environment is undergoing significant changes, which is reflected in particular in the increasingly important role of mobile data and content and value added services as well as an expansion of the traditional operator market to new areas. Mobile communication traffic volumes will reflect the growth and increased versatility in the use of smart phones and migration to the 4G technology. The strong growth of the variety of services and smart devices continues, and the best global services will gain a stronger foothold. Increasing traffic volumes and new types of use will fuel future growth in the use of telecommunications.

In addition to the overall economic situation, net sales and the profitability of the industry are affected by the increased popularity of IP-based communications solutions driven by the growing number of smart phones and tablets. They are also affected by the reduction in mobile network interconnection prices and competition in the mobile communication and fixed-network markets in particular.

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

The market for fixed-network voice services is expected to continue declining. DNA anticipates that business operations in the terrestrial TV network and terrestrial network pay-TV will grow slowly.

Workforces are increasingly networked and mobile and their work more flexible. More mobile and versatile ways of working and the need for industrial Internet solutions will boost demand in the corporate segment, in particular for services related to unified and mobile communications. This is reflected in the growing importance of mobile data in comparison with other communications services.

The demand for company network services, such as fast Internet connections and security solutions, is anticipated to continue to increase. Reliable and effectively managed ICT infrastructure will become increasingly vital for businesses in terms of data security for instance. Large enterprises in particular will centralise their procurements and use a single provider.

DNA's outlook for 2015 remains unchanged

Net sales are expected to remain at a similar level and operating profit without non-recurring items is expected to grow significantly in 2015 compared to 2014. The Group's financial position is expected to remain at a fairly healthy level.

DNA Ltd
Board of Directors

DNA's financial publications in 2015:

23 October 2015 DNA Ltd's Interim Report January−September

Consolidated income statement, IFRS

EUR million	1 Apr-30 Jun 2015	1 Apr-30 Jun 2014	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014	1 Jan–31 Dec 2014
Net sales	**208.3**	**202.6**	**409.6**	**400.9**	**833.5**
Other operating income	1.8	1.4	2.5	1.8	1.8
Materials and services	-93.6	-99.5	-182.9	-197.3	-407.3
Employee benefit expenses	-28.8	-24.5	-55.8	-48.2	-101.0
Depreciation and impairments	-41.1	-37.9	-82.1	-74.5	-176.6
Other operating expenses	-32.0	-29.5	-61.8	-58.2	-122.8
Operating result, EBIT	**14.5**	**12.6**	**29.4**	**24.3**	**27.6**
Financial income	0.3	0.3	0.5	0.6	0.9
Financial expense	-3.2	-2.6	-6.5	-4.8	-11.3
Share of associated companies' results	0.0	0.0	0.0	0.0	0.0
Net profit before tax	**11.6**	**10.3**	**23.5**	**20.1**	**17.2**
Income tax	-2.1	-1.8	-4.5	-3.7	-3.2
Net profit for the period	**9.5**	**8.6**	**19.0**	**16.4**	**14.0**
Net profit attributable to:					
Owners of the parent	9.5	8.6	19.0	16.4	14.0
Earnings per share of the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	1.1	1.0	2.2	1.9	1.6
Average number of shares					
- Basic	8,486	8,479	8,486	8,479	8,479

Consolidated statement of comprehensive income

Net profit for the period	9.5	8.6	19.0	16.4	14.0
Items that will not be reclassified to profit or loss:					
Actuarian gains (losses) on defined benefit pension plans	0.0	-0.2	0.0	-0.2	-0.5
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	0.0	0.0	0.1	0.1	0.2
Other comprehensive income, net of tax	0.1	-0.2	0.1	-0.1	-0.4
Total comprehensive income	**9.5**	**8.4**	**19.1**	**16.3**	**13.6**
Comprehensive income attributable to:					
Owners of the parent	9.5	8.4	19.1	16.3	13.6

Consolidated statement of financial position, IFRS

EUR million	30 Jun 2015	30 Jun 2014	31 Dec 2014
Assets			
Non-current assets			
Goodwill	327.2	361.7	327.2
Other intangible assets	164.4	169.7	176.9
Property, plant and equipment	413.8	409.5	432.4
Investments in associates	1.2	2.1	2.2
Available-for-sale financial assets	0.2	0.2	0.2
Trade and other receivables	38.7	49.6	40.4
Deferred tax assets	26.4	30.1	31.2
Total non-current assets	**971.9**	**1,023.0**	**1,010.5**
Current assets			
Inventories	16.2	20.5	19.5
Trade and other receivables	181.5	179.9	193.1
Tax receivable	2.9	5.6	10.9
Cash and cash equivalents	16.6	27.3	10.6
Total current assets	**217.1**	**233.3**	**234.1**
Total assets	**1,189.0**	**1,256.3**	**1,244.6**
Shareholders' equity			
Equity attributable to owners of the parent			
Share capital	72.7	72.7	72.7
Other reserves	607.3	606.6	607.2
Treasury shares	-103.4	-103.5	-103.5
Retained earnings	-99.6	-83.4	-83.6
Profit for the year	19.0	16.4	14.0
Total equity	**496.0**	**508.8**	**506.7**
Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	305.7	198.9	327.1
Retirement benefit obligations	2.2	1.7	2.2
Provision for other liabilities	17.7	9.9	20.1
Derivative financial instruments	0.0	0.3	0,0
Deferred income tax liabilities	28.8	35.4	32.5
Other non-current liabilities	19.3	25.6	19.6
Total non-current liabilities	**373.6**	**271.8**	**401.5**
Current liabilities			
Interest-bearing current liabilities	157.5	318.3	162.9
Provisions for other liabilities	1.4	1.7	3.1
Derivative financial instruments	0.1	0.0	0.1
Trade and other payables	159.9	155.6	170.1
Current income tax liabilities	0.5	0.1	0.1
Total current liabilities	**319.3**	**475.7**	**336.4**
Total liabilities	**693.0**	**747.5**	**737.8**
Total equity and liabilities	**1,189.0**	**1,256.3**	**1,244.6**

Condensed consolidated statement of cash flows, IFRS

EUR million	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Cash flows from operating activities			
Profit for the period	19.0	16.4	14.0
Depreciation and impairments	82.1	74.5	176.6
Change in working capital	6.9	-14.5	-0.1
Other adjustments	4.1	-6.0	-7.6
Net cash generated from operating activities (A)	**112.1**	**70.5**	**182.9**
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	-51.8	-48.6	-149.6
Proceeds from sale of PPE	0.9	1.6	0.1
Acquisition of subsidiaries and business transfers	0.0	-156.5	-156.8
Change in other investments	1.8	0.0	-0.4
Net cash used in investing activities (B)	**-49.0**	**-203.4**	**-306.7**
Cash flows from financing activities			
Share issue	0.2	0.0	0.7
Dividends paid	-30.0	-30.0	-30.0
Borrowing of interest-bearing liabilities	114.7	269.5	544.0
Repayment of interest-bearing liabilities	-141.9	-106.4	-407.3
Net cash used in financing activities (C)	**-57.1**	**133.2**	**107.4**
Change in cash and cash equivalents (A+B+C)	6.0	0.1	-16.5
Cash and cash equivalents at beginning of year	10.6	27.1	27.1
Cash and cash equivalents at end of year	16.6	27.3	10.6

Consolidated statement of changes in equity

EUR million	Share capital	Hedge fund	Unrestricted equity reserve	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2014	**72.7**	**-0.3**	**606.8**	**-103.5**	**-53.4**	**522.3**
Comprehensive income						
Profit for the period					16.4	16.4
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					-0.2	-0.2
Cash flow hedges, net of tax		0.1				0.1
Total other comprehensive income, net of tax		**0.1**			**-0.2**	**-0.1**
Total comprehensive income	**0,0**	**0.1**	**0,0**	**0,0**	**16.2**	**16.3**
Transactions with owners						
Employee share option scheme: granted options					0.2	0.2
Dividends relating to 2013					-30.0	-30.0
Total contribution by and distributions to owners	**0,0**	**0,0**	**0,0**	**0,0**	**-29.8**	**-29.8**
Balance at 30 June 2014	**72.7**	**-0.2**	**606.8**	**-103.5**	**-66.9**	**508.8**
Balance at 1 January 2015	**72.7**	**-0.1**	**607.3**	**-103.5**	**-69.6**	**506.7**
Comprehensive income						
Profit for the period					19.0	19.0
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					0.0	
Cash flow hedges, net of tax		0.1				0.1
Total other comprehensive income, net of tax		**0.1**			**0.0**	**0.1**
Total comprehensive income	**0,0**	**0.1**	**0,0**	**0,0**	**19.0**	**19.0**
Transactions with owners						
Employee share option scheme					0.2	0.2
Share transfer				0.2	-0.2	0.0
Dividends relating to 2014					-30.0	-30.0
Total contribution by and distributions to owners	**0,0**	**0,0**	**0,0**	**0.2**	**-30.0**	**-29.8**
Balance at 30 June 2015	**72.7**	**0.0**	**607.3**	**-103.4**	**-80.6**	**496.0**

Notes

1 Accounting principles

This interim report has been prepared in accordance with IFRS regulations and measurement principles and complies with the requirements of the IAS 34 Interim Financial Reporting standard. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the Financial Statements of 31 December 2014 with the exception of new and modified standards effective as of 1st of January 2015 which have not effected the DNA group financial statments. This interim report should be read observing the 2014 Financial Statements. The information presented in the interim report is anaudited.

2 Segment information

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

1 Apr–30 Jun 2015

EUR 1,000

Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**149,620**	**58,642**	**208,262**
EBITDA	**37,914**	**17,742**	**55,656**
Depreciation	25,696	15,448	**41,144**
Operating result, EBIT	**12,219**	**2,293**	**14,512**
Net financial items			-2,943
Share of associated companies' results			23
Profit before tax			11,592
Profit for the period			**9,467**
Investments	24,748	9,805	34,552
Employees at end of period	1,034	705	1,739

1 Apr–30 Jun 2014

EUR 1,000

Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**155,094**	**47,537**	**202,631**
EBITDA	**37,409**	**13,087**	**50,496**
Depreciation	24,200	13,656	37,856
Operating result, EBIT	**13,209**	**-569**	**12,640**
Net financial items			-2,294
Share of associated companies' results			-28
Profit before tax			10,318
Profit for the period			**8,563**
Investments	18,499	7,901	26,399
Employees at end of period	1,073	782	1,855

1 Jan–30 Jun 2015

EUR 1,000

Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**293,703**	**115,849**	**409,552**
EBITDA	**76,856**	**34,674**	**111,531**
Depreciation	50,989	31,099	**82,089**
Operating result, EBIT	**25,867**	**3,575**	**29,442**
Net financial items			-5,967
Share of associated companies' results			10
Profit before tax			23,486
Profit for the period			**18,965**
Investments	34,295	14,982	49,277
Employees at end of period	1,034	705	1,739

1 Jan–30 Jun 2014

EUR 1,000

Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**310,843**	**90,027**	**400,871**
EBITDA	**71,287**	**27,581**	**98,867**
Depreciation	48,364	26,167	**74,531**
Operating result, EBIT	**22,923**	**1,414**	**24,337**
Net financial items			-4,253
Share of associated companies' results			-18
Profit before tax			20,065
Profit for the period			**16,402**
Investments	31,363	14,058	45,420
Employees at end of period	1,073	782	1,855

1 Jan–31 Dec 2014 restated

EUR 1,000

Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**622,362**	**211,168**	**833,530**
EBITDA	**143,329**	**60,888**	**204,216**
Depreciation	118,366	58,260	**176,626**
Operating result, EBIT	**24,963**	**2,628**	**27,591**
Net financial items			-10,451
Share of associated companies' results			17

Profit before tax			17,157
Profit for the period			**13,988**
Investments	98,748	46,053	144,801
Employees at end of period	1,039	709	1,748

3 Investments

EUR 1,000	Jan-Jun 2015	Jan-Jun 2014	Jan–Dec 2014
Capital expenditure			
Intangible assets	10,339	8,411	32,312
Property, plant and equipment	40,925	39,157	117,241
Total	**51,264**	**47,568**	**149,553**

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

4 Shareholders' equity

EUR 1,000	Number of shares (thousands)	Share capital	Unrestricted equity reserve
At 1 January 2014	**9,611**	**72,702**	**606,779**
Share issue	1		557
At 31 December 2014	**9,611**	**72,702**	**607,335**
Share issue	**6**		**0**
At 30 June 2015	**9,618**	**72,702**	**607,335**

Number of shares include 1,130,362 treasury shares.
DNA Ltd has one share type. The total number of shares is 9,618,357 (9,610,676). The shares do not have a nominal value. DNA Ltd's share capital amounts to EUR 72,702,226. All issued shares have been paid in full.

Dividends

DNA Ltd's Annual General Meeting of 26 March 2015 approved a payment of dividend (EUR 3.54 per share) totalling EUR 30,041,194.02. The dividend was paid on 7 April 2015.

5 Net liabilities

EUR 1,000	30 June 2015	30 June 2014	31 December 2014
Non-current and current interest-bearing liabilities	463,205	517,200	490,034
Less short-term investments, cash and bank balances	16,597	27,283	10,599
Total	**446,608**	**489,917**	**479,435**

6 Provisions for other liabilities

EUR 1,000	1 Jan 2015	Additions	Provisions used	Other changes/Discount effect	30 Jun 2015
Decommissioning provisions	9,211	0	-119	0	**9,092**
Restructuring provisions	2,114	0	-1,773	25	**366**
Onerous contracts	11,780	0	-614	-1,915	**9,251**
Other provision	89	306	0	-89	**307**
Total	**23,194**	**306**	**-2,506**	**-1,979**	**19,016**

Restructuring

In August 2014, DNA announced the merger of its DNA Business unit, its subsidiary Forte Netservices Oy focusing on corporate data security solutions, and TDC Oy and TDC Hosting Oy, both acquired in early June, into one strong corporate business unit. In relation to the restructuring, TDC Hosting Oy and Forte Netservices Oy merged with the parent company DNA Ltd on 31 October, and TDC Oy on 31 December, according to plan. The cooperation negotiations necessitated by the reorganisation opened in August and were completed on 14 October. A provision of EUR 4.9 million was recognised for the negotiations. The restructuring provision contains provisions for staff termination costs. This provision will be realised in 2015.

Onerous contracts

This provision is mainly for a non-voidable lease agreement and covers future leases of unused premises. During the period, the Group has let part of the under-utilised premises. The provision has been discounted. The non-voidable lease agreement expires in 2025.

7 Related party transactions

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

EUR 1,000	Sales	Purchases	Receivables	Liabilities
6/2015				
Organisations exercising significant influence	12	1,857	2	1
Associated companies	0	380	0	2

EUR 1,000	Sales	Purchases	Receivables	Liabilities
6/2014				
Organisations exercising significant influence	34	2,204	4	264
Associated companies	0	179	0	4

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

8 Share-based payments

New rights issue against payment to Group key personnel in 2014

On 20 November 2014, the Board of Directors decided to introduce a new share-based reward plan in the incentive and commitment scheme of DNA and its subsidiaries.

The objective is to align the goals of DNA's owners and the participating key personnel in order to increase the value of DNA, ensure the commitment of the key personnel and to offer them a competitive reward plan based on earning and accumulating company shares.

Participation requires subscription in the directed rights issue
The prerequisite for participating in the plan is that a person participating in the plan acquires, against payment, shares up to the number determined by the Board of Directors.
Participants have the opportunity to receive a reward as DNA's shares or as cash in connection with stock-exchange listings or main shareholders' exit. Receiving of the reward is tied to the continuance of participant´s employment and ownership of shares up to the number determined by the Board of Directors upon reward payment.

The reward will consist of one share per each subscribed share (base matching shares). Additionally, it is possible to obtain a reward based on the listing or sale price (performance share). For stock-exchange listings, the value of the reward is based on the share price and for exits, on the sale price. If neither takes place by 31 May 2019 at the latest, or if the Board of Directors decides to extend the plan no later than 31 May 2021, the reward is based on the possible increase in the share value during the expected life.
The right to the reward is personal, and is payable only to named participants. Participants cannot transfer the right to the reward to another party. The Board of Directors decides on all matters relating to the plan, such as a participant's right to the reward in case their duties within the Group should change or they leave the employment of DNA before the reward payment.

A maximum total of 128,000 new shares can be issued in the plan.

The share subscription period of the new shares was from 27 November to 12 December 2014.

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

DNA's management expects the implementation to take place partly as shares and partly as cash.

The estimation of fair value is based on assumptions such as expected volatility, fair value of the share at granting date and expected life.

The board of directors has on the 26th of March 2015, decided to make an addition to the share-based reward plan 2014 target group.
The share subscription period of the new shares was from 26 March to 24 April 2015.

Plan	
Granting date	22 May 2015
Amount of granted instruments	375
Share price at granting date	95.51
Fair value	
Base matching share	95.51
Performance share	315.00
Valid until	31 May 2019
Expected life	4 years
Implementation	As shares and cash

9 Derivative fair value measurement hierarchy

The market value of the interest rate swaps have been determined by discounting market interest rates.
No hierarchy transfers have been made

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Other inputs observable either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3 - Unobservable inputs

30 June 2015

	Level 1	Level 2	Level 3
Liabilities 1000€			
Interest rate swaps			
Derivatives hedge accounting		53	
Total		53	

31 December 2014

	Level 1	Level 2	Level 3
Liabilities 1000€			
Interest rate swaps			
Derivatives hedge accounting		150	
Total		150	

Key figures

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Equity per share, EUR	58.5	60.0	58.5	60.0	59.8
Interest bearing net liabilities, EUR million	446.6	489.9	446.6	489.9	479.4
Net gearing, %	90.0%	96.3%	90.0%	96.3%	94.6%
Equity ratio, %	42.7%	41.7%	42.7%	41.7%	41.5%
Interest bearing net debt/EBITDA	2.01	2.43	2.00	2.48	2.35
Return on investment (ROI), %	6.2%	5.5%	6.1%	5.2%	3.0%
Return on equity (ROE), %	7.7%	6.8%	7.6%	6.4%	2.7%
Investments, EUR million	35.5	27.4	49.3	47.6	149.6
Investments, % of net sales	17.0%	13.5%	12.0%	11.9%	17.9%
Personnel at end of period	1,632	1,855	1,632	1,855	1,748

Key operative indicators

Mobile communication network subscription volumes:

Number of:	30 Jun 2015	30 Jun 2014	31 Mar 2015	31 Mar 2014	31 Dec 2014
Subscriptions*	2,547,000	2,481,000	2,516,000	2,458,000	2,505,000
DNA's own customers*	2,538,000	2,423,000	2,504,000	2,389,000	2,483,000

	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue per subscription (ARPU), EUR**	17.2	18.2	17.0	18.0	17.6
Customer churn rate, %**	14.6	15.4	16.0	16.5	16.9

*Includes only mobile broadband
**Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	30 Jun 2015	30 Jun 2014	31 Mar 2015	31 Mar 2014	31 Dec 2014
Broadband subscriptions	425,000	360,000	422,000	339,000	415,000
Cable TV subscriptions	598,000	590,000	596,000	590,000	593,000
Telephone subscriptions	86,000	93,000	93,000	97,000	100,000

Calculation of the key indicators

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

* 12-month adjusted