DNA Ltd's
Interim Report

1 January–30 June 2012

Index

Growth in DNA's net sales and profit

Summary

April–June 2012

- Net sales increased to EUR 191.5 million (178.7 million) year-on-year. This growth was fuelled in particular by terminal device sales, an increase in the number of mobile subscriptions, added value services and the 2011 Forte acquisition.
- EBITDA increased to EUR 49.6 million (47.3 million), or 25.9 per cent of net sales. The increase was due to higher sales volumes and reduced terminal subventions.
- Operating profit increased to EUR 17.2 million (12.1 million), or 9.0 per cent (6.8 per cent) of net sales.

- The mobile communication subscription base grew 9.8 per cent from the end of the comparable period, reaching 2,376,000 in total (2,163,000).

  Revenue per user (ARPU) for mobile communications amounted to EUR 20.2 (20.7).

  Mobile communication subscription turnover rate (CHURN) was 13.5 per cent (15.1 per cent).

- Due to the fall in the number of telephone subscriptions, DNA's fixed-line subscription base fell to 1,034,000 (1,036,000) subscriptions (telephone, broadband and cable television) from the end of the comparable period.

January–June 2012

- Net sales increased to EUR 378.1 million (351.9 million) year-on-year. This growth was fuelled by similar factors to those in the second quarter.
- EBITDA decreased to EUR 88.2 million (97.2 million), or 23.3 per cent of net sales (27.6 per cent). The decline was due to higher network, service, personnel and marketing costs in the first quarter, as well as a provision recognised in the quarter due to cooperation negotiations.

Key figures

Figures are unaudited.

EUR million	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Net sales	191.5	178.7	378.1	351.9
EBITDA	49.6	47.3	88.2*	97.2
- % of net sales	25.9	26.5	23.3*	27.6
Depreciation	32.4	35.2	63.6	70.7
Operating profit	17.2	12.1	24.6*	26.4
- % of net sales	9.0	6.8	6.5*	7.5
Profit before tax	14.9	11.2	20.7*	24.6
Profit/loss for the financial period	11.8	8.3	16.1*	18.1
Return on investment (ROI), %**	8.8	6.7	6.3*	7.0
Return on equity (ROE), %**	9.4	5.5	5.7*	5.8
Investments	36.6	27.4	60.1	45.4
Cash flow after investments***	21.6	7.3	12.7	33.2
Net debt, EUR million			276.7	124.4
Net debt/EBITDA			1.57	0.64
Gearing, %			54.3	20.5
Equity ratio, %			52.4	64.0
Personnel at the end of period			1,529	1,009

*includes a EUR 2.5 million provision due to cooperation negotiations
**adjusted to 12 months
***includes business combinations and financial lease agreements

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Distribution:

Key media

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CEO's review:

We improved our ability to compete

DNA's net sales for April–June increased to EUR 191.5 million (178.7 million) and EBITDA to EUR 49.6 million (47.3 million). Profit grew by 42 per cent to EUR 17.2 million (12.1 million). This growth was mainly fuelled by terminal device sales, the Forte acquisition a year ago as well as the increased sales volume for added value services. The mobile communication subscription turnover rate (CHURN) improved and came to 13.5 per cent (15.1 per cent).

We renewed our business structure during the spring to streamline operations, improving our operational efficiency and competitiveness in a business environment that requires ever growing agility and efficiency. Some effects of these changes can already be seen in this quarter, as we have cut some costs which we continue doing.

While improving our operational efficiency, we have strengthened our customer service function. At the end of June, we acquired a customer service entity from GoExcellent, an outsourcing partner that has served us for the past five years. The number of DNA personnel increased by some 480 employees. This business transfer helps us to provide better customer service, clarify our operations and increase our cost-efficiency.

Our terrestrial TV network was completed in full on 20 June, as the TV transmitter in Palomäki, Kouvola, was switched on. Today, our network covers some 85 per cent of households and provides, among other entertainment, the popular DNA Welho pay-TV channel offering, with a number of high definition channels.

Quickly evolving terminal devices, fast networks and new viewing habits will modify the market rapidly in the near future. We acquired a 20 per cent share in Booxmedia in June, and launched close cooperation with the company. We have introduced a new service with Booxmedia, enabling our customers to view and store selected television content on their smart phones and tablets.

We expect the economic situation in Finland and Europe to remain turbulent. However, the impact of the weakening economic situation will be slow and post-cyclical in the telecommunications market. The competitive situation remains tight.

Our outlook for 2012 remains unchanged. The Group's financial position should remain good in 2012 and net sales are expected to grow. EBITDA (in euros) and operating profit are forecast to be slightly lower than in 2011; however, the restructuring of operations in March–May will improve these figures further.

Riitta Tiuraniemi

Interim report practices

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

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

Operating environment

Competition remained intense in the Finnish telecommunications market.

Demand for smart phones remained strong in the consumer market. Demand for mobile services, including mobile voice and mobile broadband, remained solid. Fixed-line broadband customers were actively switching to higher-speed connections and housing company broadband services. Boosted by interesting sports coverage, pay-TV services enjoyed strong growth.

Demand in the corporate market kept switching from fixed-network services to mobile services as the volumes of mobile voice services increased and fixed-network voice services decreased. Demand for mobile communication services continued to increase, particularly for mobile broadband. Demand for corporate fixed-network broadband services remained steady.

A legislative amendment, introducing a three-year ban on the telemarketing of mobile phone subscriptions, was approved in June. The ban applies to telemarketing to new customers. It will not apply to telemarketing to an operator's old customers, or to marketing specifically requested by a customer. The amendment applying a marketing ban was initiated due to problems that have emerged in telemarketing. It will enter into force on 1 August 2012.

Net sales and profit

April–June 2012

DNA’s net sales in the second quarter amounted to EUR 191.5 million (178.7 million), increasing by 7.2 per cent on last year. This growth was fuelled in particular by increased terminal device and pay-TV service sales, growth in the number of mobile communication subscriptions and strong demand for mobile broadband. The growth was also supported by the net sales of Forte Netservices Oy that DNA acquired in the summer of 2011. On the other hand, net sales growth was restrained by the reduction in mobile network termination charges, price erosion caused by intensifying competition and falling demand for fixed-network voice services.

During the reporting period, 76.7 per cent (77.2 per cent) of net sales was generated by consumer business and 23.3 per cent (22.8 per cent) by corporate business.

DNA's EBITDA for the April−June period grew by 4.7 per cent to EUR 49.6 million (47.3 million), accounting for 25.9 per cent of net sales (26.5 per cent). Operating profit increased by 42.0 per cent to EUR 17.2 million (12.1 million), or 9.0 per cent (6.8 per cent) of net sales. EBITDA improved mainly because of the increase in net sales and improved operational efficiency.

Financial income and expenses amounted to EUR -2.3 million (-0.9 million). Profit increased to EUR 11.8 million (8.3 million). Earnings per share came to EUR 1.40 (0.86).

January–June 2012

DNA’s net sales for the January–June period grew by 7.4 per cent and came to EUR 378.1 million (351.9 million). This growth was fuelled by positive sales development in the second quarter.

DNA's EBITDA for the January–June period decreased by 9.3 per cent and came to EUR 88.2 million (97.2 million), accounting for 23.3 per cent of net sales (27.6 per cent). Operating profit decreased by 7.0 per cent to EUR 24.6 million (26.4 million), or 6.5 per cent (7.5 per cent) of net sales. Profit before tax between January and June came to EUR 20.7 million (EUR 24.6 million). EBITDA and operating profit were burdened by higher network, service, personnel and marketing costs, as well as a provision recognised in the first quarter due to cooperation negotiations.

Financial income and expenses amounted to EUR –3.9 million (–1.9 million). Income tax for the period was EUR 4.6 million (6.4 million), and profit decreased to EUR 16.1 million (18.1 million). Earnings per share came to EUR 1.80 (1.88).

Consolidated key figures

EUR million	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Net sales	191.5	178.7	378.1	351.9
EBITDA	49.6	47.3	88.2*	97.2
- % of net sales	25.9	26.5	23.3*	27.6
Operating profit	17.2	12.1	24.6*	26.4
- % of net sales	9.0	6.8	6.5*	7.5
Profit/loss for the financial period	11.8	8.3	16.1*	18.1

*includes a EUR 2.5 million provision due to cooperation negotiations

Key operative indicators

	4–6/2012	4–6/2011
Number of mobile communication network subscriptions at end of period*	2,376,000	2,163,000
- Revenue per user (ARPU), EUR**	20.2	20.7
- Customer CHURN rate, %**	13.5	15.1
Number of fixed-network subscriptions at end of period	1,034,000	1,036,000

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

Cash flow and financial position

April–June 2012

In the April–June period, cash flow after investments increased to EUR 21.6 million (7.3 million). This was particularly due to improved operating profit and a VAT return in the second quarter.

January–June 2012

In the January–June period, cash flow after investments decreased to EUR 12.7 million (33.2 million). This is particularly due to weak performance development during the first quarter and an increase in working capital and investments.

During the reporting period, DNA drew a loan of EUR 80 million, based on the credit facility agreement negotiated with the European Investment Bank in September 2010. The maturity of the loan is seven years. The availability of the draw down expired in March 2012. In addition, the company has a commercial paper programme worth EUR 150.0 million (150.0 million), under which EUR 67.5 million (23.0 million) was drawn by the end of June. DNA also has a EUR 200 million revolving credit facility which remained undrawn at the end of the review period.

The financial position was good although gearing increased to 54.3 per cent (20.5 per cent) at the period end, due to acquisition of own shares. At the end of June, the Group's liquid assets amounted to EUR 16.1 million (24.8 million), and interest-bearing liabilities to EUR 292.8 million (149.2 million).

The Group’s liquid assets and undrawn committed credit limits amounted to EUR 231.1 million (89.8 million).

The net debt/EBITDA ratio was 1.57 (0.64).

The balance sheet remained strong, with the end-of-period equity ratio totalling 52.4 per cent (64.0 per cent).

Cash flow and financial key figures

	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Cash flow after investments, EUR million	21.6	7.3	12.7	33.2

	30 June 2012	30 June 2011	31 Dec 2011
Net debt, EUR million	276.7	124.4	153.2
Net debt/EBITDA	1.57	0.64	0.81
Gearing, %	54.3	20.5	24.5
Equity ratio, %	52.4	64.0	62.2

Development per business segment

Consumer business

April–June 2012

In the April–June period, DNA's consumer business net sales increased to EUR 146.9 million (137.9 million). EBITDA increased to EUR 36.3 million (34.9 million), or 24.7 per cent of net sales (25.3 per cent). Operating profit increased to EUR 16.1 million (13.0 million), accounting for 11.0 per cent of net sales (9.4 per cent).

The positive development was fuelled in particular by higher sales volumes, the increase in the mobile communication subscriptions and pay-TV services, reduced sales costs and improved operational efficiency.

On 2 April 2012, DNA and MTV MEDIA agreed on the broadcasting of the ice hockey world championships over the terrestrial network in addition to the cable network, also in HDTV.

In May, DNA launched sales of the Nokia LUMIA 900 and Samsung Galaxy S III smart phones. The Samsung S III immediately became DNA's most-sold phone during the early summer.

In June, DNA launched sales of the Samsung Galaxy Tab 8.9 LTE, a new tablet that supports LTE speeds. It is the first tablet available in Finland to utilise the 4G LTE network and the fastest mobile connections on offer. Designed for mobile use and moving images, this tablet highlights the benefits of top-grade network speeds.

DNA acquired a 20 per cent share of Booxmedia Oy in June. Booxmedia Oy provides the booxTV service, which enables online storage of television content on smart phones and tablets.

January–June 2012

In the January–June period, DNA's consumer business net sales increased to EUR 287.4 million (269.1 million), mainly due to the increase in terminal device sales and in the mobile communication subscription base. EBITDA decreased to EUR 63.1 million (70.8 million), or 22.0 per cent of net sales (26.3 per cent). Operating profit fell to EUR 23.6 million (26.0 million), accounting for 8.2 per cent of net sales (9.7 per cent).

EBITDA and operating profit were burdened by higher network, service, personnel and marketing costs, as well as a provision recognised in the first quarter due to cooperation negotiations.

Consumer business

EUR million	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Net sales	146.9	137.9	287.4	269.1
EBITDA	36.3	34.9	63.1	70.8
- % of net sales	24.7	25.3	22.0	26.3
Operating profit/loss	16.1	13.0	23.6	26.0
- % of net sales	11.0	9.4	8.2	9.7

Corporate business

April–June 2012

Corporate business net sales for the April–June period increased to EUR 44.7 million (40.8 million), EBITDA increased to EUR 13.3 million (12.4 million), or 29.7 per cent of net sales (30.4 per cent). Operating profit grew, totalling EUR 1.1 million (-0.9 million), or 2.4 per cent of net sales (-2.2 per cent). Net sales growth was fuelled in particular by an increase in mobile broadband and operator service turnover, as well as the increasing turnover generated by Forte Netservices Oy acquired in the summer of 2011.

Corporate Sales expanded the DNA Business service portfolio in April, with a corporate version of the mobile broadband service.

January–June 2012

Corporate business net sales for the January–June period increased to EUR 90.8 million (82.9 million). EBITDA decreased to EUR 25.0 million (26.4 million), or 27.6 per cent of net sales (31.8 per cent). Operating profit grew, totalling EUR 1.0 million (0.4 million), or 1.1 per cent of net sales (0.5 per cent).

EBITDA and operating profit were burdened by higher network, service and personnel costs, as well as a provision recognised in the first quarter due to cooperation negotiations. However, the operating profit was improved by decreased depreciation.

Corporate business

EUR million	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Net sales	44.7	40.8	90.8	82.9
EBITDA	13.3	12.4	25.0	26.4
- % of net sales	29.7	30.4	27.6	31.8
Operating profit/loss	1.1	−0.9	1.0	0.4
- % of net sales	2.4	−2.2	1.1	0.5

Investments and network infrastructure

Investments

April–June 2012

Investments in the April-June period amounted to EUR 36.6 million (27.4 million), or 19.1 per cent of net sales (15.3 per cent).

January–June 2012

Investments in the January-June period amounted to EUR 60.1 million (45.4 million), or 15.9 per cent of net sales (12.9 per cent).

Major individual items in early 2012 included investments in the 3G and 4G networks and fibre and transfer systems.

Investments

EUR million	4–6/2012	4–6/2011	1–6/2012	1–6/2011
Consumer business	24.1	18.1	39.6	29.1
Corporate business	10.2	7.6	16.8	12.2
Un-allocated	2.3	1.7	3.7	4.1
Total investments	36.6	27.4	60.1	45.4

Network infrastructure

During the period under review, DNA expanded its 4G services to new locations. These expansions further improve the availability and data transfer speeds of DNA's mobile broadband. DNA’s 4G LTE network already comprises hundreds of base stations, and reaches over one million Finns. The population coverage of DNA’s LTE network will double in 2012, reaching over two million Finns. DNA's 4G speeds are currently available in more than 180 locations in Finland.

The average speed of DNA's 3G network was graded the fastest in Finland in measurements by Omnitele Oy, in their audit covering 15 largest cities and 2,300 kilometres on the road. These measurements were conducted in the main population centres in the research area. DNA’s 3G network reaches over 5 million Finns and the company is continuing its significant investments in network capacity in 2012.

DNA’s terrestrial TV network covers some 85 per cent of households and provides, among others, the versatile DNA Welho pay-TV channel offering, with high definition channels.

Personnel

At the end of June, DNA had 1,529 employees (1,009). Year-on-year, this figure grew by 51.5 per cent due to the acquisition of Forte Netservices Oy and the GoExcellent business transfer. The number of consumer business employees totalled 1,104 (694) and corporate business employees 425 (315).

The average number of DNA employees in January–June was 1,124 (994). Salaries and employee benefit expences paid during the period amounted to EUR 39.3 million (27.8 million). At the end of the period, DNA employed 682 women (320) and 847 men (688).

On 30 March 2012, DNA announced that it would initiate cooperation negotiations on 10 April 2012, to restructure its business operations. These negotiations involved the entire staff of DNA Ltd, excluding the company's subsidiaries DNA Store Ltd and Forte Netservices Oy. It was estimated that reorganising the business operations would result in staff cuts affecting approximately 150 employees.

The goal of the restructuring process was to streamline the organisation improving operational efficiency and sharpening its competitive edge. DNA's matrix organisation was dismantled during this organisational renewal, to be replaced by Consumer, Corporate and Technical units. As result of this restructuring, 57 DNA employees were made redundant. DNA will continue operating in all of its current locations.

DNA and GoExcellent agreed on a business transfer on 27 June. DNA gained 481 new employees, as customer service personnel were transferred from GoExcellent and became DNA employees.

Personnel by business segment

	30 June 2012	30 June 2011
Consumer business	1,104	694
Corporate business	425	315
Total personnel	1,529	1,009

Group structure and significant litigation and regulatory matters

Group structure

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

Significant litigation and regulatory matters

On 28 June 2012, the Helsinki District Court ordered that DNA block some domain names and IP addresses that direct subscribers to the Pirate Bay service. This order was issued to prevent the public from accessing copyright-protected material via Pirate Bay. The order will come into effect once those seeking the ban have set the security specified in the ruling and delivered the required documents to the District Court. After the order comes into effect, which is expected in early August, DNA will block its subscribers' access to the addresses specified by the court.

The Finnish Communications Regulatory Authority (FICORA) has published market analyses and draft decisions on metallic subscriber connections and wholesale broadband markets. As part of the international hearings included in the process, the European Commission has provided a statement and has launched its so-called second-phase procedure to investigate the matter. In the draft decisions, FICORA has proposed measures such as establishing price caps for subscriber connection products based on book values. DNA opposes the use of book values in the establishment of price caps.

Management and governance

DNA Ltd renewed and streamlined its business structure in June to improve operational efficiency and competitiveness. DNA’s matrix organisation was dismantled in this organisational renewal process, to be replaced by Consumer, Corporate and Technical units.

DNA's Executive Team was also restructured during the process. DNA’s new Executive Team comprises Chief Executive Officer Riitta Tiuraniemi, Vice President, Consumer Business Pekka Väisänen, Vice President, Corporate Business Jukka Leinonen, Vice President, Technology Tommy Olenius, Chief Financial Officer Ilkka Pitkänen, Vice President, Human Resources Marko Rissanen and Vice President, Legal Affairs Asta Rantanen. Ilkka Pitkänen resigned at the end of June. He will continue to work at DNA until the end of August.

DNA's corporate governance principles are described in more detail in the company's Annual Report at www.dna.fi/annualreporting.

Shares and shareholders

Shareholders

The 10 largest shareholders of DNA Ltd on 30 June 2012 included Finda Oy, Oulu ICT Oy, PHP Holding Oy, Osuuskunta KPY, Ilmarinen Mutual Pension Insurance Company, Anvia Oyj, Lohjan Puhelin Oy, Pietarsaaren Seudun Puhelin Oy, Karjaan Puhelin Oy and Vakka-Suomen Puhelin Oy. They owned a total of 99.6 per cent of DNA’s shares and voting rights.

Shares and the Board's authorisations

At the end of the review period, the company’s shares totalled 9,610,676 and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65. There was no change in the number of shares or the share capital during the review period. The company holds 1,124,396 treasury shares.

Corporate responsibility

Electricity consumption of the mobile radio network is the main individual source of DNA’s environmental impact. During the period under review, DNA continued to modernise its radio network with new generation base station devices. Instead of building individual base stations, all mobile communication technologies can be integrated into one base station.

DNA's 4G technology further diminishes relative per-data energy consumption through improved technical performance. The construction of the 4G network continued during the reporting period. In addition, the terrestrial TV network was constructed using existing masts in the mobile communication network, and DNA’s TV broadcasts use frequencies efficiently.

Network modernisation and the adoption of 4G technology are expected to considerably increase the network’s overall efficiency, while the need to multiply mobile broadband capacity is growing markedly.

DNA’s corporate responsibility report is based on the Global Reporting Initiative (GRI) reporting model. The report for 2011 was published with the Annual Report and can be found at www.dna.fi/annualreporting. DNA continued the development of corporate responsibility during the reporting period, through measures such as adding an appendix of ethical considerations to new purchase agreements.

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. A more detailed description of DNA's risk management and uncertainties is available in the Annual Report at www.dna.fi/annualreporting. There have been no significant changes in near-term risks and uncertainties.

Licence regulation plays a major role in DNA’s mobile communication and terrestrial network businesses. The Government has decided to auction licences to the broadband 800 MHz mobile network, and the auction is planned for early 2013.

Events after the review period

Making and receiving mobile phone calls with DNA subscriptions in the EU and the EEA countries, which include Norway, Iceland and Liechtenstein, became more affordable from July onwards. Lower charges will apply equally to post- and prepaid subscriptions. The price revision follows a change in the EU roaming decree, which sets price ceilings for making phone calls and sending SMSs within the European Union.

Outlook for 2012

Market outlook

Similarly to 2011, it is estimated that the total value of the Finnish telecommunications market will remain unchanged. Areas likely to experience growth include mobile broadband, and, as pay-TV and IP TV gain ground, TV services. The value of fixed-network voice services is expected to keep falling.

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

In addition to the overall economic situation, net sales and the profitability of the industry are being affected by the increased popularity of IP-based communication services driven by the growing number of smart phones, other market developments, pricing pressures, the reduction in mobile termination charges and increased competition in the mobile communication and fixed-line broadband markets in particular.

DNA’s outlook

Competition in the consumer market is expected to remain intense. DNA anticipates that business operations in the terrestrial TV network and terrestrial network pay-TV will grow, albeit slowly. In 2012, pay-TV services are expected to gain ground as the most appealing sports coverage moves to pay channels.

It is anticipated that consumer demand for DNA’s mobile broadband services 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 subscription market is expected to remain intense, but the price erosion that has been characteristic of the market is expected to ease off. Intensifying competition in the housing company subscriptions market should lead to a lowering of ARPU.

Competition in the corporate market is expected to remain tight. The total value of the communication service market is expected to fall slightly, and the shift from fixed-network voice services to mobile terminal-based voice services is forecast to continue.

The economic situation in Finland and Europe is expected to remain turbulent. However, the impact of the weakening economic situation will be slow and post-cyclical in the telecommunications market. The competitive situation remains tight.

Our outlook for 2012 remains unchanged. The Group’s financial position should remain good in 2012 and net sales are expected to grow. EBITDA (in euros) and operating profit are forecast to be slightly lower than in 2011; however, the restructuring of operations in March–May will improve these figures further.

DNA Ltd

Board of Directors

Interim report practices

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

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Consolidated income statement, IFRS

EUR million	1 Apr–30 Jun 2012	1 Apr–30 Jun 2011 restated*	1 Jan–30 Jun 2012	1 Jan–30 Jun 2011 restated*	1 Jan–31 Dec 2011
Net sales	191.5	178.7	378.1	351.9	727.5
Other operating income	0.5	1.2	1.0	2.2	3.9
Materials and services	−96.5	−88.5	−195.4	−175.3	−377.1
Employee benefit expenses	−17.5	−15.5	−39.3	−27.8	−58.6
Depreciation	−32.4	−35.2	−63.6	−70.7	−137.6
Other operating expenses	−28.5	−28.6	−56.3	−53.9	−107.4
Operating result, EBIT	17.2	12.1	24.6	26.4	50.8
Financial income	0.3	0.3	0.7	0.8	1.6
Financial expense	−2.6	−1.2	−4.7	−2.6	−6.2
Share of associated companies' results	0,0	0,0	0,0	0,0	0,0
Net profit before tax	14.9	11.2	20.7	24.6	46.2
Income tax	−3.1	−2.9	−4.6	−6.4	−10.4
Net profit for the period	11.8	8.3	16.1	18.1	35.8
Other comprehensive income:					
Cash flow hedges	−0.3	0.1	−0.5	0.3	0.4
Other comprehensive income, net of tax	−0.3	0.1	−0.5	0.3	0.4
Total comprehensive income	11.6	8.4	15.6	18.4	36.1
Net profit/loss attributable to:					
Owners of the parent	11.8	8.3	16.1	18.1	35.8
Comprehensive income attributable to:					
Owners of the parent	11.6	8.4	15.6	18.4	36.1
Earnings per share of the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	1.40	0.86	1.80	1.88	3.73
Average number of shares					
- Basic	8,486	9,603	8,949	9,603	9,603

*) Note 9

Consolidated statement of financial position, IFRS

EUR million	30 Jun 2012	30 Jun 2011 restated*	31 Dec 2011
Assets			
Non-current assets			
Goodwill	221.1	209.8	220.4
Other intangible assets	131.6	131.3	129.7
Property, plant and equipment	398.3	388.3	415.4
Investments in associates	1.8	1.1	1.1
Available-for-sale financial assets	0.2	0.2	0.2
Trade and other receivables	20.9	12.9	16.6
Deferred tax assets	21.2	25.1	21.8
Total non-current assets	795.0	768.7	805.1
Current assets			
Inventories	18.2	13.1	14.0
Trade and other receivables	159.9	155.2	171.0
Cash and cash equivalents	16.1	24.8	28.4
Total current assets	194.3	193.1	213.5
Total assets	989.3	961.8	1,018.6
Shareholders' equity			
Equity attributable to owners of the parent			
Share capital	72.7	72.7	72.7
Unrestricted equity reserve	605.1	605.6	605.6
Treasury shares	−102.6	−0.9	−0.9
Retained earnings	−81.8	−88.9	−88.0
Profit for the year	16.1	18.1	35.8
Total equity	509.6	606.6	625.2
Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	198.7	75.6	135.1
Retirement benefit obligations	0.2	0.2	0.2
Provision for other liabilities	6.4	7.0	5.7
Derivative financial instruments	2.0	0.4	0.7
Deferred income tax liabilities	53.2	64.7	58.2
Other non-current liabilities	1.4	1.3	1.4
Total non-current liabilities	261.9	149.3	201.3
Current liabilities			
Interest-bearing current liabilities	94.1	73.6	46.5
Provisions for other liabilities	2.6	0.9	0.1
Trade and other payables	121.1	116.1	144.5
Current income tax liabilities	0.1	15.2	0.9
Total current liabilities	217.8	205.9	192.0
Total liabilities	479.7	355.2	393.4
Total equity and liabilities	989.3	961.8	1,018.6

*) Note 9

Condensed consolidated statement of cash flows, IFRS

EUR million	1–6/2012	1–6/2011 restated*	1–12/2011
Cash flows from operating activities			
Profit for the period	16.1	18.1	35.8
Depreciation	63.6	70.7	137.6
Change in working capital	−6.4	−10.0	−7.9
Other adjustments	−1.4	−2.8	−24.6
Net cash generated from operating activities (A)	71.9	76.0	140.9
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	−57.4	−43.2	−118.4
Proceeds from sale of PPE	0.1	0.3	0.5
Acquisition of subsidiaries and business transfers	−1.2	0,0	−14.1
Change in other investments	−0.7	0.1	0.1
Net cash used in investing activities (B)	−59.2	−42.8	−131.9
Cash flows from financing activities			
Dividends paid	−29.7	−49.9	−49.9
Treasury share acquisition	−101.7	0,0	0,0
Borrowing of interest-bearing liabilities	80.0	22.9	100.0
Repayment of interest-bearing liabilities	−11.0	−25.9	−97.8
Commercial papers, net	42.1	0,0	24.9
Change in non-current receivables	−4.6	−5.0	−7.2
Net cash used in financing activities (C)	−25.0	−57.9	−30.0
Change in cash and cash equivalents (A+B+C)	−12.3	−24.7	−21.0
Cash and cash equivalents at beginning of year	28.4	49.5	49.5
Cash and cash equivalents at end of year	16.1	24.8	28.4

*) Note 9

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 2011	72.7	−0.6	605.9	−0.9	−39.4	637.7
Comprehensive income						
Profit for the period					18.1	18.1
Other comprehensive income						
Cash flow hedges, net of tax		0.3				0.3
Total other comprehensive income, net of tax		0.3				0.3
Total comprehensive income	0.0	0.3	0.0	0.0	18.1	18.4
Transactions with owners						
Employee share option scheme: granted options					0.4	0.4
Dividends relating to 2010					−49.9	−49.9
Total contribution by and distributions to owners					−49.5	−49.5
Balance at 30 June 2011 restated*	72.7	−0.3	605.9	−0.9	−70.8	606.6
Balance at 1 January 2012	72.7	−0.3	605.9	−0.9	−52.3	625.2
Comprehensive income						
Profit for the period					16.1	16.1
Other comprehensive income						
Cash flow hedges, net of tax		−0.5				−0.5
Total other comprehensive income, net of tax		−0.5				−0.5
Total comprehensive income	0.0	−0.5	0.0	0.0	16.1	15.6
Transactions with owners						
Treasury share acquisition				−101.7		−101.7
Employee share option scheme: granted options					0.2	0.2
Dividends relating to 2011					−29.7	−29.7
Total contribution by and distributions to owners	0.0	0.0	0.0	−101.7	−29.5	−131.2
Balance at 30 June 2012	72.7	−0.8	605.9	−102.6	−65.7	509.6

*) Note 9

1 Accounting principles

This interim report has been prepared in accordance with IFRS regulations and measurement principles. However, the report does not fully comply with all requirements of the IAS 34 Interim Financial Reporting standard. 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 2011. This interim report should be read observing the 2011 Financial Statements.

2 Segment information, IFRS 8

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

1 Apr–30 Jun 2012			
EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	146,852	44,694	191,546
EBITDA	36,273	13,291	49,564
Depreciation	20,131	12,234	32,366
Operating result, EBIT	16,142	1,057	17,199
Net financial items			−2,269
Share of associated companies' results			3
Profit before tax			14,932
Profit for the period			11,846
Investments	24,107	10,205	34,312
Employees at end of period	1,104	425	1,529

1 Apr–30 Jun 2011			
EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	137,942	40,778	178,720
EBITDA	34,920	12,397	47,317
Depreciation	21,895	13,306	35,202
Operating result, EBIT	13,025	−910	12,115
Net financial items			−922
Share of associated companies' results			3
Profit before tax			11,196
Profit for the period			8,290
Investments	18,055	7,622	25,676
Employees at end of period	694	315	1,009

1 Jan–30 Jun 2012			
EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	287,359	90,775	378,134
EBITDA	63,127	25,026	88,154
Depreciation	39,533	24,025	63,559
Operating result, EBIT	23,594	1,001	24,595
Net financial items			−3,942
Share of associated companies' results			14
Profit before tax			20,667
Profit for the period			16,100
Investments	39,596	16,761	56,357
Employees at end of period	1,035	494	1,529

1 Jan–31 Jun 2011			
EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	269,068	82,867	351,935
EBITDA	70,760	26,390	97,150
Depreciation	44,718	25,998	70,717
Operating result, EBIT	26,042	392	26,434
Net financial items			−1,884
Share of associated companies' results			7
Profit before tax			24,556
Profit for the period			18,133
Investments	29,050	12,235	41,285
Employees at end of period	694	315	1,009

1 Jan–31 Dec 2011
EUR 1,000

Business segments	Consumer segment	Corporate segment	Group total
Net sales	554,033	173,498	727,531
EBITDA	132,793	55,610	188,403
Depreciation	86,298	51,266	137,564
Operating result, EBIT	46,496	4,343	50,839
Net financial items			−4,690
Share of associated companies' results			11
Profit before tax			46,161
Profit for the period			35,796
Investments	81,069	34,315	115,384
Employees at end of period	690	345	1,035

3 Investments

EUR 1,000		Apr–Jun 2012	Apr–Jun 2011	Jan–Jun 2012	Jan–Jun 2011	Jan–Dec 2011
Capital expenditure						
	Intangible assets	9,846	6,277	12,674	10,508	26,371
	Property, plant and equipment	26,768	21,095	47,386	34,910	93,172
Total		36,614	27,372	60,060	45,418	119,543

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 2011	9,611	72,702	605,927
At 30 June 2011	9,611	72,702	605,927
At 1 January 2012	9,611	72,702	605,927
At 30 June 2012	9,611	72,702	605,927

Number of shares include 1,124,396 treasury shares.
DNA Ltd has one share type. The total number of shares is 9,610,676 (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 15 March 2012 approved a payment of dividend (EUR 3.5 per share) totalling EUR 29,701,980.00. The dividend was paid on 27 March 2011.

Treasury shares
During the period, the company acquired 1,116,896 treasury shares following the decision made at the Annual General Meeting on 15 March 2012. The cost of the acquisition including transfer tax and other acquisition-related costs totalled EUR 101,745,723.26.

The acquisition of treasury shares is deducted from retained earnings.

Date	Number of shares	Acquisition cost
16 March 2012	1,116,896.00	101,745,723.26
Total	1,116,896.00	101,745,723.26

Treasury shares acquired during the period represent 11.7 per cent of the votes (treasury shares in total representing 11.7 per cent of the votes).

5 Net liabilities

EUR 1,000	30 June 2012	30 June 2011	31 December 2011
Non-current and current interest-bearing liabilities	292,821	149,186	181,601
Less short-term investments, cash and bank balances	16,138	24,761	28,448
Total	276,683	124,425	153,153

6 Provisions for other liabilities

EUR 1,000	1 Jan 2012	Additions	Provisions used	Other changes/Discount effect	30 Jun 2012
Decommissioning provisions	4,292			633	4,925
Restructuring provisions	752	3,161		−708	3,205
Onerous contracts	812	200	−56	−83	873
Total	5,856	3,361	−56	−158	9,003

Restructuring provision

At the end of March, personnel were informed of the reorganisation of DNA's business structure, resulting in the initiation of cooperation negotiations on 10 April 2012. In relation to this, a provision of EUR 3.2 million was made. At the completion of the cooperation negotiations a reversal of EUR 0.7 million was realised The restructuring provision includes a provision for termination costs. The provision relating to terminations will mainly realise during 2012. The provision includes unemployment insurance costs for terminated employment contracts.

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
6/2012				
Organisations exercising significant influence	5	638	1	0
Associated companies	0	127	0	18

EUR 1,000	Sales	Purchases	Receivables	Liabilities
6/2011				
Organisations exercising significant influence	5,118	1,984	1,108	3
Associated companies	0	68	0	0

EUR 1,000	Sales	Purchases	Receivables	Liabilities
12/2011				
Organisations exercising significant influence	8,842	2,915	1	8
Associated companies	0	197	0	0

8 Share-based payments

Conditions of share-based incentive scheme

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

Option scheme

As proposed by the Board of Directors, the Annual General Meeting decided that a long-term incentive scheme for the management and other key personnel be introduced in March 2010. If the option rights holder's employment with a Group company ends, his or her option rights will immediately transfer to the company or its order. A total of 100,000 option rights was issued (2010). During spring 2011, it was decided to grant an additional 8,000 option rights. At most, 50,000 option rights are classified as 2010A and 58,000 option rights as 2010B. The share subscription period for option rights 2010A begins on 2 January 2013 and ends on 30 April 2015, and for option rights 2010B it begins on 2 January 2014 and ends on 30 April 2016. Since one option right entitles the holder to subscribe to one new share or treasury share held by the company, all of the option rights awarded entitle to the subscription of a maximum of 108,000 shares in the company. The per-share subscription price for option rights 2010A and 2010B is EUR 97.00, which is the estimated fair value of the share on 17 December 2009. Should the company distribute dividends or funds from its unrestricted equity fund, the subscription price applied to the option rights will be decreased in line with the amount of dividends decided or unrestricted equity funds distributed after 17 December 2009 and prior to the share subscription period on the record date of each dividend payment or capital refund. The subscription price will be recorded in the company's invested unrestricted equity reserve.

Option scheme

Classification	2010A	2010B
Target group	Management and key personnel	Management and key personnel
Granting date	10 March 2010	1 March 2011
Amount of granted instruments	50,000	58,000
Exercise price	EUR 97.00	EUR 97.00
Share price at granting date	EUR 97.00	EUR 98.66
Subscription period	2 Jan 2013–30 April 2015	2 Jan 2014–30 April 2016
Expected life (years)	5 years	5 years
Conditions	Employed with the company	Employed with the company
Implementation	As shares	As shares

Share options outstanding

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

	Options
On 1 January	108,000
Granted options	
Forfeited options	8,000
Exercised options	
Expired options	
On 30 June	100,000

The weighted average fair value of options granted during 2011 was EUR 38.73 per option (2010A: EUR 35.47 per option). The fair value of the options was determined by using a valuation model. The significant inputs of the model were the share price of EUR 98.66, exercise price shown above less dividends paid in 2010 of EUR 4.35, volatility of 38 per cent, an expected option life of two years, and a risk-free interest rate of 2.82 per cent (2010A: 2.49 per cent).

The costs of the share option scheme are expensed during the expected life of the options. Management´s estimate of the expected life of the options was updated from two years to three and a half years.

9 Prior period adjustments

After the publishing of the Q3 2011 interim report, an internal system error was detected which has been corrected retrospectively. The comparative figures for 30 June 2011 have been adjusted as follows:

Consolidated statement of comprehensive income

	April–June 2011			January–June 2011		
EUR million	Published	Adjustment	Restated	Published	Adjustment	Restated
NET SALES	181.3	−2.6	178.7	356.5	−4.6	351.9
Other operating income	1.2		1.2	2.2		2.2
Expenses	−167.8		−167.8	−327.7		−327.7
OPERATING RESULT, EBIT	14.7	−2.6	12.1	31.0	−4.6	26.4
Financial items	−0.9		−0.9	−1.9		−1.9
Share of associated companies' results	0.0		0.0	0.0		0.0
NET PROFIT BEFORE TAX	13.8	−2.6	11.2	29.1	−4.6	24.6
Income tax	−3.6	0.7	−2.9	−7.6	1.2	−6.4
NET PROFIT FOR THE PERIOD	10.2	−1.9	8.3	21.5	−3.4	18.1
OTHER COMPREHENSIVE INCOME:						
Cash flow hedging	0.1		0.1	0.3		0.3
Other comprehensive income, net of tax	0.1		0.1	0.3		0.3
TOTAL COMPREHENSIVE INCOME	10.3	−1.9	8.4	21.8	−3.4	18.4
Earnings per share, basic, EUR	1.06		0.86	2.24		1.88
Average number of shares						
- Basic	9,603		9,603	9,603		9,603

Consolidated statement of financial position

EUR million	Published	Adjustment	Restated
TOTAL NON-CURRENT ASSETS	768.7		768.7
Trade and other receivables	160.8	−5.6	155.2
Other current assets	37.9		37.9
TOTAL CURRENT ASSETS	198.7	−5.6	193.1
TOTAL ASSETS	967.5	−5.6	961.8
TOTAL EQUITY	610.0	−3.4	606.6
TOTAL NON-CURRENT LIABILITIES	149.3		149.3
Current income tax liabilities	16.4	−1.2	15.2
Trade and other payables	117.2	−1.1	116.1
Other current payables	74.5		74.5
TOTAL CURRENT LIABILITIES	208.2	−2.2	205.9
TOTAL EQUITY AND LIABILITIES	967.5	−5.6	961.8

10 Business combinations

On the 30th of June 2012, DNA Ltd acquired the GoExcellent business operation. The purchase price for the business transfer was EUR 1.2 million. The final fair value assessment of the transferred assets and liabilities have not yet been made. The business transfer has not had a material effect on the figures in the interim report.

In June 2012, DNA Ltd acquired a 20 per cent ownership in Booxmedia Oy. As a result of the arrangement, DNA is arranging sales and marketing cooperation with Booxmedia. The acquisition has no material effect on the group's figures.

Key figures

	4–6/2012	4–6/2011	1–6/2012	1–6/2011	31 Dec 2011
Equity per share, EUR	60.0	63.2	56.9	63.2	65.1
Interest-bearing net liabilities, EUR million	276.7	124.4	276.7	124.4	153.2
Gearing, %	54.3%	20.5%	54.3%	20.5%	24.5%
Equity ratio, %	52.4%	64.0%	52.4%	64%	62.2%
Net debt/EBITDA	1.40	0.66	1.57	0.64	0.81
Return on investment (ROI), %	8.8%	6.7%	6.3%	7.0%	6.6%
Return on equity (ROE), %	9.4%	5.5%	5.7%	5.8%	5.7%
Investments, EUR million	36.6	27.4	60.1	45.4	119.5
Investments, % of net sales	19.1%	15.3%	15.9%	12.9%	16.4%
Personnel at end of period	1,529	1,009	1,529	1,009	1,035

Key operative indicators

Mobile communication network subscription volumes:

Number of:	6/2012	6/2011	3/2012	3/2011	31 Dec 2011
Subscriptions*	2,376,000	2,163,000	2,329,000	2,112,000	2,285,000
DNA's own customers*	2,256,000	2,069,000	2,218,000	2,014,000	2,188,000

	4–6/2012	4–6/2011	1–6/2012	1–6/2011	31 Dec 2011
Revenue per subscription (ARPU), EUR**	20.2	20.7	20.1	20.6	20.4
Customer churn rate, %**	13.5	15.1	14.6	17.1	16.4

*Includes only mobile broadband

**Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	6/2012	6/2011	3/2012	3/2011	31 Dec 2011
Broadband subscriptions	307,000	292,000	298,000	368,000	299,000
Cable TV subscriptions	597,000	597,000	592,000	536,000	602,000
Telephone subscriptions	130,000	147,000	134,000	152,000	138,000

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)
Net debt/EBITDA*	=	Interest-bearing net liabilities
		EBIT + depreciation + amortisation

* 12-month adjusted