



DNA

INTERIM REPORT

1-9/2015

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DNA's EBITDA and operating profit grew significantly in January–September

Summary

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

July–September 2015

Net sales decreased by 4.4 per cent and came to EUR 206.3 million (215.9 million).
EBITDA increased by 10.2 per cent to EUR 63.0 million (57.2 million), accounting for 30.5 per cent of net sales (26.5 per cent).
EBITDA excluding non-recurring items came to EUR 63.0 million (60.9 million).
Operating profit increased by 630.1 per cent to EUR 25.4 million (-4.8 million), or 12.3 per cent of net sales (-2.2 per cent).
Operating profit excluding non-recurring items came to EUR 25.4 million (20.3 million).
Mobile communication subscription base grew by 3.4 per cent, reaching 2,580,000 (2,496,000) in total.
Revenue per user (ARPU) for mobile communications amounted to EUR 17.2 (17.8).
Mobile communication subscription turnover rate (CHURN) was 16.1 per cent (17.8 per cent).

January–September 2015

Net sales remained at a similar level year-on-year and amounted to EUR 614.9 million (615.8 million).
EBITDA increased by 11.9 per cent to EUR 173.5 million (155.1 million), accounting for 28.2 per cent of net sales (25.2 per cent).
EBITDA excluding non-recurring items came to EUR 172.5 million (161.0 million).
Operating profit increased by 189.5 per cent to EUR 63.8 million (18.6 million), or 8.8 per cent of net sales (3.0 per cent).
Operating profit excluding non-recurring items came to EUR 52.7 million (45.8 million).
Mobile communication subscription base grew by 3.4 per cent, reaching 2,580,000 (2,496,000) in total.
Revenue per user (ARPU) for mobile communications amounted to EUR 17.1 (17.9).
Mobile communication subscription turnover rate (CHURN) was 16.0 per cent (16.9 per cent).
Fixed-network subscription base (voice, broadband and cable television) grew by 3.1 per cent and came to 1,111,000 subscriptions at the end of the third quarter (1,078,000).

DNA's outlook for 2015 remains unchanged

Net sales are expected to remain at a similar level and operating profit excluding 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	7-9/2015	7-9/2014 Restated*	Change, %	1-9/2015	1-9/2014 Restated*	Change, %	1-12/2014 Restated*
Net sales	206.3	215.9	-4.4%	614.9	615.8	-0.2%	831.5
EBITDA	63.0	57.2	10.2%	173.5	155.1	11.9%	202.2
- % of net sales	30.5%	26.5%		28.2%	25.2%		24.3%
EBITDA without non-recurring items	63.0	60.9	3.4%	172.5	161.0	7.1%	208.1
- % of net sales	30.5%	28.2%		28.1%	26.1%		25.0%
Depreciation and impairment charges	37.6	62.0		119.7	136.5		176.6
Operating profit	25.4	-4.8	630.1%	53.8	18.6	189.5%	25.6
- % of net sales	12.3%	-2.2%		8.8%	3.0%		3.1%
Operating profit without non-recurring items	25.4	20.3	-25.2%	52.7	45.8	15.1%	52.8
- % of net sales	12.3%	9.4%		8.6%	7.4%		6.4%
Profit before tax	22.4	-7.8	388.2%	44.9	11.3	296.5%	15.2
Profit for the financial period	17.9	-6.2	389.7%	36.1	9.4	282.0%	12.4
Return on investment (ROI), %	10.7	-1.9		7.5	2.7		2.8
Return on equity (ROE), %	14.3	-4.9		9.5	2.5		2.4
Investments	32.5	35.1	-7.4%	83.8	82.7	1.3%	149.6
Cash flow after investments**	16.1	17.8		79.2	-115.1		-123.9
Interest bearing net debt, EUR million	430.7	472.3	-8.8%	430.7	472.3	-8.8%	479.4
Interest bearing net debt/EBITDA	1.71	2.06		1.86	2.28		2.37
Net gearing, %	84.3	94.3		84.3	94.3		95.1
Equity ratio, %	44.2	41.7		44.2	41.7		41.4
Basic earnings per share, EUR	2.1	-0.7		4.3	1.1		1.5
Personnel at the end of period	1,691	1,782	-5.1%	1,691	1,782	-5.1%	1,748

*Note 10

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CEO's review



2015 has been a successful year for DNA despite continued economic uncertainty. Both DNA's third quarter and the review period as a whole have been strong. Corporate Business has experienced robust growth during the review period, fuelled in particular by the acquisition of TDC's Finnish operations last year. Fixed-network and mobile broadband remain strong growth areas.

Our net sales for the January-September period remained at a similar level year-on-year and amounted to EUR 614.9 million. Weaker demand for mobile devices affected net sales development in early 2015, but sales picked up again in the third quarter. However, in terms of sales revenue, mobile device sales lag behind the levels reported in 2014. Interconnection revenue also fell due to lower interconnection prices.

We have continued to improve our cost-efficiency and profitability successfully, and our profitability has developed favourably. Our EBITDA and operating profit grew significantly. Our EBITDA was boosted in particular by the strong growth of our service business and our improved operational efficiency. Our result is also fuelled by the growing demand for mobile data, which is reflected in the growing share of faster 4G subscriptions. Result for the period improved by 282 per cent from the reference period and amounted to EUR 36.1 million. The result of the reference period was burdened by significant non-recurring items.

Our mobile communication subscription base grew by 84,000 subscriptions year-on-year, reaching 2,580,000 in total. Fixed-network subscription base increased by 33,000, totalling 1,111,000 at the end of the third quarter. At the moment, some 80 per cent of phones sold by DNA are 4G ready. Demand for 4G subscriptions keeps increasing, and customers are prepared to pay more for faster data connections. Increased use of mobile data compensates for the decrease in voice minutes in mobile networks.

Despite the impact of the overall economic uncertainty on companies' investment decisions, we have increased our subscription base and signed significant new agreements and extensions in the third quarter. For example, the municipalities and consortiums in Päijät-Häme signed and agreement with DNA on the delivery of a significant communications network and communications services package. This further strengthens DNA's role as a public sector service provider. We also renewed significant agreements with companies including Cargotec, Lindström and Tikkurila.

Since the start of 2015, we have added more than 1,200 base stations to our 4G and 3G networks. Our 4G LTE network already reaches some 5 million Finns – about 1 million more than a year ago. In the past year, 4G data transfer volumes in DNA's networks have increased by almost 300 per cent, and up to 60 per cent of all mobile data is transferred in the 4G network. The construction of DNA's and Sonera's shared network started in late spring from Kuusamo, expanding to Eastern and South Eastern Lapland in the third quarter. Network coverage is expected to reach the northernmost tip of Lapland by the end of 2015. A shared network enables a faster construction of the mobile network and boosts data transfer speeds in Northern 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 third quarter of 2015. General decline in consumer purchasing power and the consumer confidence index had a particular effect on the demand of traditional pay-TV services. Competition remained intense in the mobile communications and fixed-network broadband markets. Despite the growth of mobile broadband, the number of fixed-network broadband subscriptions has remained steady in Finland. However, there is a trend of replacing slower fixed-network subscriptions by mobile connections.

As smart phones and tablets become more common and 4G speeds more widely available, mobile data usage and markets will expand. The positive trend in the use of data services continued. The trend of increased smart phone penetration continued, and some 95 per cent of phones sold today are smart phones. An increasing number of users updates to 4G models as new services require faster data transfer speeds. At the moment, some 80 per cent of phones sold by DNA are 4G ready. Demand for 4G subscriptions keeps increasing, and customers are prepared to pay more for faster data connections.

Voice minutes in the mobile and fixed-network subscriptions are decreasing. The value of the voice segment in mobile networks is experiencing a downward trend, due to an increase in the use of Internet services, such as Skype and WhatsApp. However, the increase in mobile data transfer compensates for this decrease.

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 use of IPTV entertainment services has increased. The competitive environment has changed quickly, in particular for entertainment services, as global players have a stronger presence in the market. In the entertainment services segment, 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 (over-the-top content over the Internet).

Continuing economic uncertainty affects investment decisions in the corporate market, and the total value of the corporate telecommunications market in Finland is expected to decrease in the coming years. However, both DNA's corporate subscriptions and services have grown steadily throughout 2015. 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, which was reflected in the growth of DNA's M2M (machine-to-machine) subscription base.

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.

In July 2015, the European Parliament and Commission reached a compromise in their negotiations on the introduction of the European Digital Single Market. The main contents of the agreement involve the end of roaming charges and strong net neutrality rules. The result of the negotiations leaves significant uncertainty about the roaming regulations and the implementation of net neutrality. 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.

DNA has applied for an extension to its terrestrial TV network operating licences for the VHF multiplexes as the only applicant in this range. Government decisions on the extension of licences are expected during 2015.

* DNA's consumer survey on the use of entertainment and digital content 2/2015

Net sales and profit

July–September 2015

Net sales decreased by 4.4 per cent and came to EUR 206.3 million (215.9 million). Net sales were fuelled by the positive development of mobile broadband sales. Net sales were burdened by decreased mobile device and pay-TV service sales as well as lower 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 10.2 per cent to EUR 63.0 million (57.2 million). The EBITDA percentage of net sales increased and came to 30.5 per cent (26.5 per cent). The increase was fuelled by improved operational efficiency. EBITDA excluding non-recurring items increased by 3.4 per cent and came to EUR 60.9 million (60.9 million). Operating profit increased by 630.1 per cent to EUR 25.4 million (+4.8 million). Operating profit for the reference period was burdened by significant non-recurring items. Operating profit as a percentage of net sales increased and came to 12.3 per cent (-2.2 per cent). Operating profit excluding non-recurring items increased by 25.2 per cent and came to EUR 20.3 million (20.3 million). There were no non-recurring items in the review period. The non-recurring items affecting EBITDA in the reference period were EUR 3.7 million. The non-recurring items affecting operating profit in the reference period were EUR 25.1 million in total. Most of the non-recurring items were related to the write-down of the PlusTV brand after the introduction of the DNA Welho brand, write-downs in relation to renewals in information systems as well as a provision recognised in the period due to cooperation negotiations. Financial income and expenses amounted to EUR -3.0 million (-3.0 million). Income tax for the period was EUR -4.5 million (1.6 million). In the third quarter, profit for the financial period improved by 389.7 per cent from the reference period and amounted to EUR 17.9 million (-6.2 million). The result for the reference period was burdened by non-recurring items. Earnings per share came to EUR 2.1 (-0.7).

January–September 2015

DNA's net sales remained at a similar level year-on-year and amounted to EUR 614.9 million (615.8 million). Net sales were fuelled by the development of net sales for services, which was boosted by the acquisition of TDC's Finnish operations in June 2014, increasing demand for mobile data as well as positive development of broadband sales. Net sales were burdened by decreased mobile device and pay-TV service sales as well as lower interconnection prices. During the review period, 71.9 per cent (75.7 per cent) of net sales was generated by Consumer Business and 28.1 per cent (24.3 per cent) by Corporate Business. EBITDA increased by 11.9 per cent to EUR 173.5 million (155.1 million). The EBITDA percentage of net sales increased and came to 28.2 per cent (25.2 per cent). The increase was fuelled by the acquisition of TDC's Finnish operations and improved operational efficiency. EBITDA excluding non-recurring items increased by 7.1 per cent to EUR 172.5 million (161.0 million). Operating profit increased by 189.5 per cent to EUR 53.8 million (18.6 million). Operating profit for the reference period was burdened by significant non-recurring items. Operating profit as a percentage of net sales increased and came to 8.8 per cent of net sales (3.0 per cent). Operating profit excluding non-recurring items increased by 15.1 per cent to EUR 52.7 million (45.8 million). The non-recurring item affecting EBITDA and operating profit in the review period was EUR 1.1 million. This consisted of a profit from the sales of DNA's share in Boxmedia Oy. The non-recurring items affecting EBITDA in the reference period were EUR 5.9 million in total, and the items affecting operating profit EUR 27.2 million. Most of the non-recurring items were related to the write-down of the PlusTV brand after the introduction of the DNA Welho brand, write-downs in relation to renewals in information systems as well as a provision recognised in the period due to cooperation negotiations. Financial income and expenses amounted to EUR -8.9 million (-7.2 million). Income tax for the period was EUR 8.8 million (1.9 million). Profit for the financial period improved by 282.0 per cent from the reference period and amounted to EUR 36.1 million (9.4 million). Earnings per share came to EUR 4.3 (1.1).

Consolidated key figures

EUR million	7-9/2015	7-9/2014 Restated*	Change, %	1-9/2015	1-9/2014 Restated*	Change, %	1-12/2014 Restated*
Net sales	206.3	215.9	-4.4%	614.9	615.8	-0.2%	831.5
EBITDA	63.0	57.2	10.2%	173.5	155.1	11.9%	202.2
- % of net sales	30.5%	26.5%		28.2%	25.2%		24.3%
EBITDA without non-recurring items	63.0	60.9	3.4%	172.5	161.0	7.1%	208.1
- % of net sales	30.5%	28.2%		28.1%	26.1%		25.0%
Operating profit	25.4	-4.8	630.1%	53.8	18.6	189.5%	25.6
- % of net sales	12.3%	-2.2%		8.8%	3.0%		3.1%
Operating profit without non-recurring items	25.4	20.3	-25.2%	52.7	45.8	15.1%	52.8
- % of net sales	12.3%	9.4%		8.6%	7.4%		6.4%
Profit for the financial period	17.9	-6.2	389.7%	36.1	9.4	282.0%	12.4

*Note 10

Key operative indicators

	7-9/2015	7-9/2014 Restated*	Change, %	1-9/2015	1-9/2014 Restated*	Change, %	1-12/2014 Restated*
Number of mobile communication network subscriptions at end of period*	2,580,000	2,496,000	3.4%	2,580,000	2,496,000	3.4%	2,505,000
- Revenue per user (ARPU), EUR**	17.2	17.8	-3.4%	17.1	17.9	-4.5%	17.6
- Customer CHURN rate, %**	16.1	17.8	-9.6%	16.0	16.9	-5.3%	16.9
Number of fixed line subscriptions at end of period	1,111,000	1,078,000	3.1%	1,111,000	1,078,000	3.1%	1,108,000

Cash flow and financial position

July–September 2015

Cash flow after investments was EUR 16.1 million (17.8 million).

January–September 2015

Cash flow after investments was EUR 79.2 million (-115.1 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 105.0 million (100.0 million) was drawn by the end of the review period. DNA's equity ratio decreased and came to 84.3 per cent (94.3 per cent) at the end of the review period. The Group's liquid assets amounted to EUR 12.5 million (23.4 million), and interest-bearing net debt to EUR 430.7 million (472.3 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 227.5 million (77.3 million). The interest-bearing net debt/EBITDA ratio decreased and was 1.86 (2.28) at the end of the review period. DNA's equity ratio was 44.2 per cent (41.7 per cent) at the end of the review period. After the review period, on 14 October, DNA signed a new five-year EUR 100 million loan facility and a five-year EUR 150 million revolving credit facility, which has an option to be extended by a maximum of two years. Both were signed with a group of five Nordic banks. The new loan and revolving credit facility will be allocated to rearranging existing loans and they replace the former EUR 200 million revolving credit facility that was signed in 2011. Furthermore, they will be allocated to general corporate funding purposes.

Cash flow and financial key figures

	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014 Restated*
Cash flow after investments, EUR million	16.1	17.8	79.2	-115.1	-123.9
	9/30/2015	9/30/2014	12/31/2014		
Interest bearing net debt, EUR million	430.7	472.3	479.4		
Interest bearing net debt/EBITDA	1.86	2.28	2.37		
Net gearing, %	84.3	94.3	95.1		
Equity ratio, %	44.2	41.7	41.4		

* Note 10

Development per business segment

Consumer business

July–September 2015

Consumer Business net sales decreased by 4.3 per cent to EUR 149.4 million (156.1 million). This was mostly due to decreased mobile device and pay-TV service sales as well as lower interconnection prices. EBITDA increased by 8.9 per cent and came to EUR 43.7 million (40.2 million). The increase was fuelled by positive development of net sales for services and improved operational efficiency. The EBITDA percentage of net sales increased to 29.3 (25.7 per cent). Operating profit increased by 454.8 per cent to EUR 18.7 million (+5.3 million), or 12.5 per cent of Consumer Business net sales (-3.4 per cent). Operating profit for the reference period was burdened by significant non-recurring items. Depreciation to the amount of EUR 25.0 million (45.5 million) was allocated to Consumer Business. In the third quarter, special focus was on improved service level in customer service. The special efforts to enhance customer service provided excellent results, such as shorter phone-in service waiting times. DNA launched a new DNA TV subscription in the second quarter to respond to the change in the ways people use entertainment services. In the third quarter, DNA's TV offering was further expanded with both entertainment and sports content.

January–September 2015

Consumer Business net sales decreased by 5.1 per cent to EUR 442.1 million (466.0 million). This was mostly due to decreased mobile device and pay-TV service sales as well as lower interconnection prices. EBITDA increased by 8.2 per cent and came to EUR 119.6 million (110.5 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 27.1 (23.7 per cent). Operating profit increased by 161.2 per cent to EUR 43.6 million (16.7 million), or 9.9 per cent of Consumer Business net sales (3.6 per cent). Operating profit and depreciation for the reference period were burdened by non-recurring items. Depreciation to the amount of EUR 76.0 million (93.8 million) was allocated to Consumer Business.

Consumer business

EUR million	7-9/2015	7-9/2014 Restated*	Change, %	1-9/2015	1-9/2014 Restated*	Change, %	1-12/2014 Restated*
Net sales	149.4	156.1	-4.3%	442.1	466.0	-5.1%	620.4
EBITDA	43.7	40.2	8.9%	119.6	110.5	8.2%	141.3
- % of net sales	29.3%	25.7%		27.1%	23.7%		22.8%
EBITDA without non-recurring items	43.7	42.6	2.6%	118.5	112.2	5.7%	143.0
- % of net sales	29.3%	27.3%		26.8%	24.1%		23.1%
Operating profit/loss	18.7	-5.3	-454.8%	43.6	16.7	161.1%	23.0
- % of net sales	12.5%	-3.4%		9.9%	3.6%		3.7%
Operating profit without non-recurring items	18.7	15.2	23.6%	44.7	36.4	22.7%	42.7
- % of net sales	12.5%	9.7%		10.1%	7.8%		6.9%

* Note 10

Corporate business

July–September 2015

Corporate Business net sales decreased by 4.8 per cent to EUR 56.9 million (59.8 million). Net sales were burdened by the reduction in interconnection prices and the decrease in the MVNO (Mobile Virtual Network Operator) business. EBITDA increased by 13.3 per cent to EUR 19.3 million (17.0 million), or 33.9 per cent of net sales (28.5 per cent). The increase was fuelled by improved operational efficiency. Operating profit grew to EUR 6.7 million (0.5 million), or 11.7 per cent of net sales (0.8 per cent). EBITDA and operating profit for the reference period were burdened by non-recurring items. Depreciation to the amount of EUR 12.6 million (16.6 million) was allocated to Corporate Business. Despite the overall economic uncertainty that is affecting investment decisions in the corporate sector, DNA signed significant new agreements and extensions with medium-sized and large enterprises in the third quarter. DNA's M2M subscription base is also growing.

For example, the municipalities and consortiums in Päijät-Häme signed an agreement with DNA on the delivery of a significant communications network and communications services package. This further strengthens DNA's role as a public-sector service provider. The agreements span five years with a total value of some EUR 11 million.

DNA also renewed significant agreements with companies including Cargotec, Lindström and Tikkurila. Strong strategic cooperation with the TDC Group to provide customer solutions in the Nordic countries also continues.

January–September 2015

Corporate Business net sales increased by 15.3 per cent to EUR 172.7 million (149.8 million). This increase was fuelled in particular by the acquisition of TDC's Finnish operations. EBITDA increased by 21.0 per cent to EUR 54.0 million (44.6 million), or 31.2 per cent of net sales (29.8 per cent). The increase was fuelled by the development of net sales for services and improved operational efficiency. Operating profit grew to EUR 10.2 million (1.9 million), or 5.9 per cent of net sales (1.3 per cent). Depreciation to the amount of EUR 43.7 million (42.7 million) was allocated to Corporate Business.

Corporate business

EUR million	7-9/2015	7-9/2014	Change, %	1-9/2015	1-9/2014	Change, %	1-12/2014
Net sales	56.9	59.8	-4.8%	172.7	149.8	15.3%	211.2
EBITDA	19.3	17.0	13.3%	54.0	44.6	21.0%	60.9
- % of net sales	33.9%	28.5%		31.2%	29.8%		28.8%
EBITDA without non-recurring items	19.3	18.3	5.4%	54.0	48.8	10.7%	65.1
- % of net sales	33.9%	30.6%		31.3%	32.6%		30.8%
Operating profit/loss	6.7	0.5	1274.4%	10.2	1.9	439.4%	2.6
- % of net sales	11.7%	0.8%		5.9%	1.3%		1.2%
Operating profit without non-recurring items	6.7	5.1	30.2%	10.2	9.4	8.6%	10.2
- % of net sales	11.7%	8.6%		5.9%	6.3%		4.8%

Investments

July–September 2015

Investments amounted to EUR 32.5 million (35.1 million), or 15.8 per cent of net sales (13.6 per cent).

January–September 2015

Investments amounted to EUR 83.8 million (82.7 million), or 13.6 per cent of net sales (13.4 per cent). Major individual items included investments in the 4G and 3G networks and in fibre and transfer systems.

Investments

EUR million	7-9/2015	7-9/2014	Change, %	1-9/2015	1-9/2014	Change, %	1-12/2014
Consumer business	20.7	22.0	-5.9%	55.3	53.4	3.6%	98.7
Corporate business	10.6	11.9	-11.5%	25.2	26.0	-3.2%	46.1
Un-allocated	1.2	1.1	5.2%	3.2	3.2	-0.9%	4.8
Total investments	32.5	35.1	-7.4%	83.7	82.7	1.3%	149.6

Network infrastructure

DNA continued to expand its 4G and 3G networks in the third quarter by adding more than 500 new base stations across Finland. Since the start of 2015, more than 1,200 base stations have been added to the 4G and 3G networks. DNA's 4G LTE network expanded in particular in Eastern and South-Eastern Lapland and was enhanced further in areas including Hyvinkää, Kouvola, Mikkeli, Raahel and Salo. The 4G network was also expanded to new municipalities such as Halsua, Isojoki, Karjoki, Lesijärvi and Puumala. At the end of September 2015, DNA's 4G LTE network reached almost 5 million Finns (almost 4 million on 30 September 2014). DNA's 4G network is estimated to cover almost 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. In the past year, 4G data transfer volumes in DNA's networks have increased by almost 300 per cent, and 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 the shared network started in late spring from Kuusamo, expanding to Eastern and South Eastern Lapland in the third quarter after the pilot area in Kuusamo was completed as planned. Network coverage is expected to reach the northernmost tip of Lapland by the end of 2015. A shared network enables a faster construction of the mobile network and the 4G LTE technology will provide data transfer speeds in Northern Finland that are dozens of times faster than those available now. 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 Omnitel in June 2015, DNA's mobile broadband was again the fastest in nine of the ten most populous cities in Finland. The survey covered Finland's three main operators.

Personnel

At the end of September 2015, DNA Group had 1,691 employees (1,782 employees), of which 675 were women (730) and 1,016 men (1,052). The decrease is due to the cooperative negotiations that took place after the acquisition of TDC's Finnish operations in August and September 2014 to establish a new DNA Business unit.

Salaries and employee benefit expenses paid during the third quarter amounted to EUR 23.0 million (26.0 million).

Personnel by business segment

	9/30/2015	9/30/2014	Change, %	12/31/2014
Consumer business	1,008	1,038	-2.9%	1,039
Corporate business	683	744	-8.2%	709
Total personnel	1,691	1,782	-5.1%	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 TellaSonera 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 Rantinen, Senior Vice President, Strategy Christoffer von Schantz and CIO Janne Aallo.

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 is the CEO of TallinkSiija 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 Chairmen, 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-otjajajajestelmasta>.

Shares and shareholders

Shareholders

Owners (10 biggest):

	9/30/2015
Finda Oy	49.84%
PHP Holding Oy	37.52%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	5.00%
Anvia Oyj	3.47%
Lohtjan 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 September 2015, the ten largest shareholders of DNA Ltd were Finda Oy (49.85 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 Lohtjan Puhelin Oy (2.60 per cent). At the end of the review period, they held a total of 98.44 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.

Shares

At the end of the review period, the company's shares totalled 9,618,357 (9,611,277 on 30 September 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 September 2014). At the end of the review period, the company held 1,130,487 treasury shares (1,132,144 on 30 September 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 partner.

DNA launched an energy review in the third quarter. Among other things, it seeks to identify means of saving energy in DNA's premises, equipment facilities and agreements.

In the second quarter, DNA launched a project that focuses on the ability of the personnel to influence the further development of the work community. The project continues in the autumn.

Modernisation of base stations in the mobile network has proceeded as planned. By the end of September 2015, in excess of more than half of the old base stations had 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 closely monitors changes in the operating environment and the resulting possible new business opportunities, which always involve higher risks than conventional and established business operations. 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. Damage risks are prevented and minimised by means such as security guidelines and personnel training.

Events after the review period

On 14 October, DNA signed a new five-year EUR 100 million loan facility and a five-year EUR 150 million revolving credit facility, which has an option to be extended by a maximum of two years. Both were signed with a group of five Nordic banks.

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 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 growth of the mobile data market will continue, boosted by the increased use of smart phones and faster subscriptions. The strong growth of the variety of services and smart devices continues.

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 broadband 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. The total number of broadband subscriptions in the fixed-network is expected to remain relatively steady. Fixed-network data subscriptions will maintain their status as an important subscription type, because they provide consistent quality and reliable connection speeds.

While companies are delaying investments decisions due to current economic uncertainty, their 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. Companies also increasingly interested in cloud services, migrating their applications to the cloud to increase their operational efficiency. Cloud applications require reliable data connections, which boosts the demand for connections with redundancy and high speeds.

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 2016:

5 February 2016	Financial Statements for 2015
21 April 2016	Interim Report January–March 2016
15 July 2016	Interim Report January–June 2016
20 October 2016	Interim Report January–September 2016

Consolidated income statement, IFRS

EUR million	1 Jul-30 Sep 2015	1 Jul-30 Sep 2014 Restated*	1 Jan-30 Sep 2015	1 Jan-30 Sep 2014 Restated*	1 Jan-31 Dec 2014 Restated*
Net sales	206.3	215.9	614.9	615.8	831.5
Other operating income	0.8	-0.2	3.3	1.6	1.8
Materials and services	-91.7	-102.7	-274.6	-300.1	-407.3
Employee benefit expenses	-23.0	-26.0	-78.8	-74.2	-101.0
Depreciation and impairments	-37.6	-62.0	-119.7	-136.5	-176.6
Other operating expenses	-29.4	-29.8	-91.2	-88.0	-122.8
Operating result, EBIT	25.4	-4.8	53.8	18.6	25.6
Financial income	0.2	0.1	0.7	0.7	0.9
Financial expense	-3.2	-3.1	-9.6	-7.9	-11.3
Share of associated companies' results	0.0	0.0	0.0	0.0	0.0
Net profit before tax	22.4	-7.8	44.9	11.3	15.2
Income tax	-4.5	1.6	-8.8	-1.9	-2.8
Net profit for the period	17.9	-6.2	36.1	9.4	12.4
Net profit attributable to:					
Owners of the parent	17.9	-6.2	36.1	9.4	12.4
Earnings per share of the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	2.1	-0.7	4.3	1.1	1.5
Average number of shares					
- Basic	8,488	8,479	8,487	8,479	8,479

Consolidated statement of comprehensive income

Net profit for the period	17.9	-6.2	36.1	9.4	12.4
Items that will not be reclassified to profit or loss:					
Actuarial gains (losses) on defined benefit pension plans	0.0	0.0	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	0.0	0.0	0.1	-0.1	-0.4
Total comprehensive income	18.0	-6.2	36.2	9.3	12.0
Comprehensive income attributable to:					
Owners of the parent	18.0	-6.2	36.2	9.3	12.0
* Note 10					

Consolidated statement of financial position, IFRS

EUR million	30 Sep 2015	30 Sep 2014 Restated*	31 Dec 2014 Restated*
Assets			
Non-current assets			
Goodwill	327.2	327.2	327.2
Other intangible assets	159.1	183.1	176.9
Property, plant and equipment	413.4	406.2	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	34.6	60.2	40.4
Deferred tax assets	24.2	42.0	31.2
Total non-current assets	960.0	1,020.9	1,010.5
Current assets			
Inventories	18.9	19.4	19.5
Trade and other receivables	187.5	164.6	189.0
Tax receivable	2.8	9.6	11.6
Cash and cash equivalents	12.5	23.4	10.6
Total current assets	221.7	217.0	230.7
Total assets	1,181.7	1,237.9	1,241.2
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	-102.1	-84.3	-84.6
Profit for the year	36.1	9.4	12.4
Total equity	510.6	500.9	504.1
Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	298.9	193.5	327.1
Retirement benefit obligations	2.2	1.7	2.2
Provision for other liabilities	16.6	19.9	20.1
Derivative financial instruments	0.0	0.2	0.0
Deferred income tax liabilities	28.1	39.8	32.5
Other non-current liabilities	19.0	25.6	19.6
Total non-current liabilities	364.7	280.7	401.5
Current liabilities			
Interest-bearing current liabilities	144.3	302.2	162.9
Provisions for other liabilities	1.2	4.0	3.1
Derivative financial instruments	0.0	0.0	0.1
Trade and other payables	160.2	149.5	169.3
Current income tax liabilities	0.6	0.6	0.1
Total current liabilities	306.3	456.4	335.6
Total liabilities	671.1	737.0	737.0
Total equity and liabilities	1,181.7	1,237.9	1,241.2
* Note 10			

Condensed consolidated statement of cash flows, IFRS

EUR million	Jan-Sep 2015	Jan-Sep 2014 Restated*	Jan-Dec 2014 Restated*
Cash flows from operating activities			
Profit for the period	36.1	9.4	12.4
Depreciation and impairments	119.7	136.5	176.6
Change in working capital	-0.6	-13.9	1.9
Other adjustments	5.2	-8.5	-8.0
Net cash generated from operating activities (A)	160.4	123.6	182.9
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	-83.8	-82.2	-149.6
Proceeds from sale of PPE	0.9	0.2	0.1
Acquisition of subsidiaries and business transfers	0.0	-156.5	-156.8
Change in other investments	1.6	-0.3	-0.4
Net cash used in investing activities (B)	-81.2	-238.8	-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	124.6	309.4	544.0
Repayment of interest-bearing liabilities	-172.0	-167.9	-407.3
Net cash used in financing activities (C)	-77.3	111.5	107.4
Change in cash and cash equivalents (A+B+C)	1.9	-3.8	-16.5
Cash and cash equivalents at beginning of year	10.6	27.1	27.1
Cash and cash equivalents at end of year	12.5	23.4	10.6
* Note 10			

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	522.2
Correction of prior period*					-1.0	-1.0
Comprehensive income						
Profit for the period					9.4	9.4
Other comprehensive income						
Actuarial 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	9.2	9.3
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	-29.7	-29.7
Balance at 30 September 2014	72.7	-0.2	606.8	-103.5	-74.9	500.9
Balance at 1 January 2015	72.7	-0.1	607.3	-103.5	-69.6	506.7
Correction of prior period*					-2.6	-2.6
Comprehensive income						
Profit for the period					36.1	36.1
Other comprehensive income						
Actuarial gains (losses) on defined benefit pension plans					0.0	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	36.1	36.2
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	-29.9	-29.7
Balance at 30 September 2015	72.7	0.0	607.3	-103.4	-66.0	510.6

*Note 10

Notes

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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 statements. This interim report should be read observing the 2014 Financial Statements. The information presented in the interim report is audited.

2 Segment information

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

1 Jul–30 Sep 2015

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	149,450	56,895	206,345
EBITDA	43,744	19,295	63,038
Depreciation	25,011	12,628	37,639
Operating result, EBIT	18,733	6,667	25,399
Net financial items			-2,964
Share of associated companies' results			0
Profit before tax			22,436
Profit for the period			17,936
Investments	20,390	10,371	30,761
Employees at end of period	1,008	683	1,691

1 Jun–30 Sep 2014

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	156,132	59,755	215,887
EBITDA	40,172	17,037	57,209
Depreciation	24,454	16,204	40,658
Impairment	21,003	349	21,352
Operating result, EBIT	-5,286	485	-4,800
Net financial items			-2,967
Share of associated companies' results			-26
Profit before tax			-7,793
Profit for the period			-6,200
Investments	21,994	11,948	33,942
Employees at end of period	1,038	744	1,782

1 Jan–30 Sep 2015

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	442,113	172,745	614,858
EBITDA	119,561	53,969	173,529
Depreciation	76,000	43,727	119,727
Operating result, EBIT	43,560	10,242	53,802
Net financial items			-8,931
Share of associated companies' results			10
Profit before tax			44,882
Profit for the period			36,070
Investments	55,320	25,220	80,540
Employees at end of period	1,008	683	1,691

1 Jan–30 Sep 2014

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	466,015	149,782	615,798
EBITDA	110,498	44,618	155,116
Depreciation	72,818	42,371	115,189
Impairment	21,003	349	21,352
Operating result, EBIT	16,677	1,899	18,576
Net financial items			-7,220
Share of associated companies' results			-44
Profit before tax			11,312
Profit for the period			9,434
Investments	53,394	26,048	79,442
Employees at end of period	1,038	744	1,782

1 Jan–31 Dec 2014

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	620,372	211,168	831,541
EBITDA	141,339	60,888	202,227
Depreciation	118,366	58,260	176,626
Operating result, EBIT	22,974	2,628	25,601

Net financial items			-10,451
Share of associated companies' results			17
Profit before tax			15,168
Profit for the period			12,397
Investments	98,748	46,053	144,801
Employees at end of period	1,039	709	1,748

3 Investments

EUR 1,000	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
Capital expenditure			
Intangible assets	19,757	18,934	32,312
Property, plant and equipment	63,983	63,749	117,241
Total	83,740	82,683	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 September 2015	9,618	72,702	607,335

Number of shares include 1,130,487 treasury shares.

DNA Ltd has one share type. The total number of shares is 9,618,357 (9,611,277). 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 September 2015	30 September 2014	31 December 2014
Non-current and current interest-bearing liabilities	443,236	495,693	490,035
Less short-term investments, cash and bank balances	12,531	23,399	10,599
Total	430,705	472,294	479,436

6 Provisions for other liabilities

EUR 1,000	1 Jan 2015	Additions	Provisions used	Other changes/Discount effect	30 Sep 2015
Decommissioning provisions	9,211	0	-283	0	8,928
Restructuring provisions	2,114	0	-1,821	0	292
Onerous contracts	11,780	395	-897	-3,041	8,237
Other provision	89	306	0	-89	306
Total	23,194	702	-3,001	-3,130	17,764

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 exercises significant influence is considered a related party.

EUR 1,000	Sales	Purchases	Receivables	Liabilities
9/2015				
Organisations exercising significant influence	18	2,713	2	6
Associated companies	0	510	0	2
EUR 1,000				
9/2014				
Organisations exercising significant influence	20	2,869	3	35
Associated companies	0	489	0	0
EUR 1,000				
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 September 2015

	Level 1	Level 2	Level 3
Liabilities 1000€			
Interest rate swaps			
Derivatives hedge accounting		27	
Total		27	

31 December 2014

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

10. Correction of previously reported information

DNA Ltd has identified an error in its new invoicing system during the year 2015, affecting the return and bookkeeping process of consumer business customer devices. Customer invoicing has not been affected by this error. As a result, DNA Ltd's consumer business net sales for 2013, 2014 and 2015 have been overstated. These have been retroactively restated. The correction had the following effect on the Group's figures:

Income statement	1.1.-31.3.2015			1.4.-30.6.2015			1.1.-30.6.2015								
	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised						
Net sales	201.3	-0.5	200.8	208.3	-0.5	207.7	409.6	-1.0	408.5						
Operating result, EBIT	14.9	-0.5	14.4	14.5	-0.5	14.0	29.4	-1.0	28.4						
Net profit before tax	11.9	-0.5	11.4	11.6	-0.5	11.1	23.5	-1.1	22.4						
Income tax	-2.4	0.1	-2.3	-2.1	0.1	-2.0	-4.5	0.2	-4.3						
Net profit for the period	9.5	-0.4	9.1	9.5	-0.5	9.0	19.0	-0.9	18.1						
Basic earnings per share, EUR	1.1	0.0	1.1	1.1	0.0	1.1	2.2	-0.1	2.1						
Average number of shares															
- Basic	8,486		8,486	8,486		8,486	8,486		8,486						
Statement of financial position	3/31/2015			6/30/2015											
	Reported	Change	Revised	Reported	Change	Revised									
Total non-current asset	983.2		983.2	971.9		971.9									
Trade and other receivables	185.1	-4.8	180.4	181.5	-5.5	176.0									
Tax receivable	1.6	0.8	2.4	2.9	0.9	3.8									
Other current assets	44.7		44.7	32.8		32.8									
Total current assets	231.4	-3.9	227.5	217.1	-4.4	212.7									
Total assets	1,214.7	-4.0	1,210.7	1,189.0	-4.5	1,184.5									
Shareholders' equity	486.4	-3.1	483.3	496.0	-3.4	492.6									
Non-current liabilities	393.8		393.8	373.6		373.6									
Trade and other payables	185.6	-0.9	184.7	159.9	-1.1	158.8									
Other current liabilities	148.8	0.1	148.9	159.5	-0.1	159.4									
Current Liabilities	334.5	-0.9	333.6	319.3	-1.0	318.3									
Total equity and liabilities	1,214.7	-4.0	1,210.7	1,189.0	-4.5	1,184.5									
Income statement	1.1.-31.3.2014			1.4.-30.6.2014			1.7.-30.9.2014			1.10.-31.12.2014			1.1.-31.12.2014		
	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised
Net sales	198.2	-0.5	197.7	202.6	-0.4	202.2	216.3	-0.5	215.9	216.3	-0.6	215.7	833.5	-2.0	831.5
Operating result, EBIT	11.7	-0.5	11.2	12.6	-0.4	12.2	-4.3	-0.5	-4.8	7.6	-0.6	7.0	27.6	-2.0	25.6
Net profit before tax	9.7	-0.5	9.2	10.3	-0.4	9.9	-7.3	-0.5	-7.8	4.4	-0.6	3.9	17.2	-2.0	15.2
Income tax	-1.9	0.1	-1.8	-1.8	0.1	-1.7	1.5	0.1	1.6	-1.0	0.1	-0.9	-3.2	0.4	-2.8
Net profit for the period	7.8	-0.4	7.4	8.6	-0.4	8.2	-5.8	-0.4	-6.2	3.4	-0.4	3.0	14.0	-1.6	12.4
Basic earnings per share, EUR	0.9	0.0	0.9	1.0	0.0	1.0	-0.5	-0.2	-0.7	0.4	-0.1	0.3	1.8	-0.3	1.5
Average number of shares	8,479		8,479	8,479		8,479	8,479		8,479	8,479		8,479	8,479		8,479
- Basic															
Statement of financial position	3/31/2014			6/30/2014			9/30/2014			12/31/2014					
	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised	Reported	Change	Revised			
Total non-current asset	851.7		851.7	1,023.0		1,023.0	1,020.9		1,020.9	1,010.5		1,010.5			
Trade and other receivables	162.4	-2.3	160.1	179.9	-2.8	177.1	168.0	-3.4	164.6	193.1	-4.1	189.0			
Tax receivable	4.3	0.4	4.7	5.6	0.5	6.1	9.0	0.6	9.6	10.9	0.7	11.6			
Other current assets	44.3		44.3	47.8		47.8	42.8		42.8	30.1		30.1			

Total current assets	211.0	-1.9	209.1	233.3	-2.3	231.0	219.8	-2.8	217.0	234.1	-3.4	230.7
Total assets	1,062.6	-1.9	1,060.7	1,256.3	-2.3	1,254.0	1,240.7	-2.8	1,237.9	1,244.6	-3.4	1,241.2
Shareholders' equity	500.2	-1.4	498.8	508.8	-1.8	507.0	503.0	-2.1	500.9	506.7	-2.6	504.1
Non-current liabilities	278.7		278.7	271.8		271.8	280.7		280.7	401.5		401.5
Trade and other payables	157.9	-0.5	157.5	155.6	-0.6	155.0	150.2	-0.7	149.5	170.1	-0.8	169.3
Other current liabilities	125.8		125.8	320.1		320.1	306.8		306.8	166.3		166.3
Current Liabilities	283.7	-0.4	283.3	475.7	-0.6	475.1	457.0	-0.6	456.4	336.4	-0.8	335.6
Total equity and liabilities	1,062.6	-1.9	1,060.7	1,256.3	-2.3	1,254.0	1,240.7	-2.8	1,237.9	1,244.6	-3.4	1,241.2

Income statement

1.1.-31.12.2013

Reported Change Revised

Net sales	766.4	-1.3	765.1
Operating result, EBIT	43.7	-1.3	42.3
Net profit before tax	37.6	-1.3	36.3
Income tax	-8.7	0.3	-8.4
Net profit for the period	28.9	-1.0	27.9

Basic earnings per share, EUR	3.4	-0.1	3.3
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Average number of shares	8479		8479
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- Basic

Statement of financial position

12/31/2013

Reported Change Revised

Total non-current asset	871.5		871.5
Trade and other receivables	159.2	-1.7	157.5
Tax receivable	0.8	0.3	1.1
Other current assets	47.9		47.9
Total current assets	207.9	-1.3	206.5
Total assets	1,079.3	-1.3	1,078.0
Shareholders' equity	522.3	-1.0	521.2
Non-current liabilities	296.1		296.1
Trade and other payables	132.8	-0.3	132.5
Other current liabilities	128.2		128.2
Current Liabilities	261.0	-0.3	260.7
Total equity and liabilities	1,079.3	-1.3	1,078.0

Key figures

	Jul-Sep 2015	Jul-Sep 2014 Restated*	Jan-Sep 2015	Jan-Sep 2014 Restated*	Jan-Dec 2014 Restated*
Equity per share, EUR	60.2	59.1	60.2	59.1	59.5
Interest bearing net liabilities, EUR million	430.7	472.3	430.7	472.3	479.4
Net gearing, %	84.3%	94.3%	84.3%	94.3%	95.1%
Equity ratio, %	44.2%	41.7%	44.2%	41.7%	41.4%
Interest bearing net debt/EBITDA	1.71	2.06	1.86	2.28	2.37
Return on investment (ROI), %	10.7%	-1.9%	7.5%	2.7%	2.8%
Return on equity (ROE), %	14.3%	-4.9%	9.5%	2.5%	2.4%
Investments, EUR million	32.0	35.1	83.8	82.7	149.6
Investments, % of net sales	15.5%	16.3%	13.6%	13.4%	18.0%
Personnel at end of period	1,691	1,782	1,691	1,782	1,748

* Note 10

Key operative indicators

Mobile communication network subscription volumes:

Number of:	30 Sep 2015	30 Sep 2014	30 Jun 2015	30 Jun 2014	31 Dec 2014
Subscriptions*	2,580,000	2,496,000	2,547,000	2,481,000	2,505,000
DNA's own customers*	2,577,000	2,443,000	2,538,000	2,423,000	2,483,000

	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014
Revenue per subscription (ARPU), EUR**	17.2	17.8	17.1	17.9	17.6
Customer churn rate, %**	16.1	17.8	16.0	16.9	16.9

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

Fixed-network subscription volumes:

Number of:	30 Sep 2015	30 Sep 2014	30 Jun 2015	30 Jun 2014	31 Dec 2014
Broadband subscriptions	430,000	398,000	425,000	360,000	415,000
Cable TV subscriptions	599,000	591,000	598,000	590,000	593,000
Telephone subscriptions	82,000	112,000	86,000	93,000	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

