DNA LTD'S FINANCIAL STATEMENTS BULLETIN 2013

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DNA's net sales and EBITDA remained steady in 2013 – non-recurring items decreased operating profit

Summary

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

October–December 2013

- Net sales increased by 1.8 per cent and came to EUR 205.4 million (201.8 million).
- EBITDA decreased by 5.8 per cent to EUR 46.8 million (49.7 million), accounting for 22.8 per cent of net sales (24.6 per cent).
- Operating profit decreased significantly, i.e. by 31.9 per cent, and came to EUR 8.1 million (12.0 million), or 4.0 per cent of net sales (5.9 per cent).
- The mobile communication subscription base grew by 0.9 per cent, reaching 2,450,000 in total (2,428,000).
    - Revenue per user (ARPU) for mobile communications amounted to EUR 18.0 (19.5).
    - Mobile communication subscription turnover rate (CHURN) was 16.9 per cent (17.7 per cent).
- Fixed line subscription base (voice, broadband and cable television) decreased and came to 1,016,000 subscriptions at the end of the fourth quarter (1,027,000). The decrease is due to a drop in the number of fixed line voice subscriptions.

January–December 2013

- Net sales remained almost unchanged and amounted to EUR 766.4 million (769.2 million).
- EBITDA remained almost at a similar level year-on-year and amounted to EUR 190.7 million (190.8 million), or 24.9 per cent of net sales (24.8 per cent).
- Operating profit decreased significantly, i.e. by 22.3 per cent, and came to EUR 43.7 million (56.2 million), or 5.7 per cent of net sales (7.3 per cent).
- The mobile communication subscription base grew by 0.9 per cent, reaching 2,450,000 in total (2,428,000).
    - Revenue per user (ARPU) for mobile communications amounted to EUR 18.2 (19.9). The decline in ARPU was mainly due to the reduction in interconnection prices.
    - Mobile communication subscription turnover rate (CHURN) was 17.1 per cent (15.7 per cent).

Outlook for 2014

Net sales and operating profit are expected to increase somewhat in 2014. The Group's financial position is expected to remain at the same healthy level.

Key figures

Figures are unaudited.

EUR million	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Net sales	**205.4**	201.8	1.8%	**766.4**	769.2	-0.4%
EBITDA ***	**46.8**	49.7	-5.8%	**190.7**	190.8	0.0%
- % of net sales	**22.8%**	24.6%		**24.9%**	24.8%	
Depreciation	**38.7**	37.7		**147.1**	134.6	
Operating profit ***	**8.1**	12.0	-31.9%	**43.7**	56.2	-22.3%
- % of net sales	**4.0%**	5.9%		**5.7%**	7.3%	
Profit before tax	**5.3**	10.2		**37.7**	48.3	
Profit for the financial period	**5.6**	7.3	-23.9%	**28.9**	36.1	-20.0%
Return on investment (ROI), %*	**3.9**	6.2		**5.4**	7.2	
Return on equity (ROE), %*	**4.3**	5.6		**5.5**	6.3	
Investments	**40.5**	43.0		**128.4**	136.3	
Cash flow after investments**	**-8.2**	7.4		**-33.6**	28.9	

Interest bearing net debt, EUR million	**326.7**	257.7		**326.7**	257.7	
Interest bearing net debt/EBITDA	**1.74**	1.30		**1.71**	1.35	
Net gearing, %	**62.6**	48.8		**62.6**	48.8	
Equity ratio, %	**49.4**	54.0		**49.4**	54.0	
Personnel at the end of period	**1.563**	1.427		**1.563**	1.427	

*rolling 12 months

**includes business combinations

*** non-recurring items

October-December 2013 0.7 m€

January-December 2013 5.1 m€

Additional information:

Jukka Leinonen, CEO, DNA Ltd, tel. +358 44 044 1000, jukka.leinonen (at) dna.fi
Timo Karppinen, CFO, DNA Ltd, tel. +358 44 044 5007, timo.karppinen (at) dna.fi

DNA Corporate Communications, tel. +358 44 044 8000, viestinta (at) dna.fi

DNA's financial publications in 2014:

20 March 2014 Annual General Meeting
28 April 2014 Interim Report January–March
18 July 2014 Interim Report January–June
24 October 2014 Interim Report January–September

Annual Report 2013 will be published in week 10.

Distribution:

Key media
www.dna.fi

DNA’s net sales and EBITDA remained steady in 2013 – non-recurring items decreased operating profit

Our net sales remained steady at EUR 766.4 million in 2013, despite the reduction in interconnection prices and the challenging overall economic situation. Net sales were boosted mainly by the positive development of mobile broadband sales, the growth of our pay-TV business and the PlusTV acquisition. EBITDA remained almost unchanged at EUR 190.7 million, despite non-recurring items, mainly due to increased operational efficiency. Non-recurring items were EUR 5.1 million in total. Operating profit shrank and came to EUR 147.1 million in 2013, mainly due to an increase in depreciations and non-recurring items.

We continued our investments in the 3G and 4G networks and in fibre and transfer systems. Our investments in 2013 came to EUR 128.4 million.

Most satisfied customers and improved employee satisfaction

Our efforts to continuously improve our customer contacts provided great results in 2013. According to the results of the international EPSI Rating study published in October, DNA has the most satisfied mobile broadband customers, both among consumers and corporate customers. As in previous years, DNA Welho had the best customer satisfaction among TV service providers.

According to our annual employee satisfaction survey, DNA has very satisfied employees. Employee satisfaction improved in almost all of the areas measured in the survey. According to the survey, the implementation of our Genuine method of working, which is based on increasingly flexible mobile and remote working, has not only increased employee motivation and satisfaction but also boosted efficiency.

Expanded pay-TV service offering

In September 2013, we acquired PlusTV, which serves over 200,000 households in Finland. With the PlusTV integration, we can offer more comprehensive services to customers in our terrestrial network. Since November 2013, PlusTV viewers have been able to watch high-definition channels and use Antenna Ready HD certified high-definition devices with their existing PlusTV cards. At the same time, a wealth of other channels was made available to the terrestrial network customers of both PlusTV and DNA.

As a result of the PlusTV acquisition, DNA is the market leader with in excess of 300,000 pay-TV customers in the cable and terrestrial network.

New products, services and partnerships

Our close cooperation with partners, such the Finnish mobile device manufacturer Jolla, continued in 2013. In December, DNA became the first operator in the world and the only operator in Finland to launch the sales of the Jolla smart phone. Such cooperation is part our partner strategy, aimed at providing Finnish people with the most appealing equipment and services on the market.

In December, we entered into a partnership with the Finnish media company MTV. Television-viewing habits are changing rapidly, and we want to improve the viewing experience of Finnish consumers by bringing MTV's broadcasts to mobile devices. Moreover, DNA’s and PlusTV’s terrestrial network customers will be able to view MTV channels in HD quality.

In the corporate sector, interest towards office communications services continued to increase in 2013, in particular in services related to unified and mobile communications. Demand for services related to network data security and management as well as mobility-related data solutions also continued to increase. In 2013, we placed special emphasis on the further development of Service Desk operations and provision of electronic services. We strengthened our partnerships in particular in services related to terminal devices and life-cycle services.

DNA’s 4G LTE network development continues – winning bid in the 800 MHz auction

Winning the bid for two frequency pairs in the 800 MHz auction organised by the Finnish Communications Regulatory Authority was an important achievement for us. As a result, we have an excellent opportunity to develop the coverage and speed of our 4G network further, in particular in sparsely populated areas. We are well equipped to strengthen our mobile broadband business and seek further growth in the segment.

We have made significant investments into the development and modernisation of our mobile communications networks in recent years. In 2013 alone, we added more than 1,700 new base stations into our networks across Finland, 1,100 of which to the 4G LTE network. DNA’s 4G LTE network coverage will double by the end of 2014, reaching 80 per cent of the population. We will build thousands of new base stations this year, mostly in the 4G LTE network.

Our operating environment is undergoing significant changes, which is reflected in particular in the increasingly important role of content and value added services. In 2014, we will continue to create unique user experiences, leading the way in innovating high-quality services for our consumer and corporate customers.

Jukka Leinonen
President and CEO

Operating environment

The telecommunications market continues to undergo a change, requiring agility, new business innovations and continuous investments in network speeds and coverage. Network and terminal device technologies are developing at an increasingly fast pace, fuelling future growth in the market with increasing traffic volumes and new types of use.

The overall economic situation remained challenging during the entire review period, increasing uncertainty in the markets. Competition remained intense in the Finnish telecommunications market in 2013. The competitive situation places high demands on the quality and availability of operators' systems and network infrastructure as well as their cost competitiveness.

Smart phone sales were brisk throughout the year. The demand for tablets enjoyed strong growth, and not just in the consumer market as companies are increasingly taking to tablets. The use of smart phones is evolving quickly. They are used for viewing high-quality video and TV content, and accessing various other types of content, much more so than in 2012.

In addition to the overall economic situation, net sales and profitability of the industry were affected negatively by the steady reduction in mobile interconnection prices and increased competition in the mobile communication and fixed line broadband markets in particular.

In the consumer market, demand for mobile and fixed line broadband remained strong in 2013. Mobile broadband in particular enjoyed significant growth in the consumer segment. Quickly evolving terminal devices and new viewing habits modify the TV market. The rapid development of the pay-TV market is driven by the demand for pay-TV and video services. Consumers are spending more time watching TV, and households have several devices for viewing TV content. As regards TV and movie content, competition is more intense due to global players operating in the Finnish market.

The overall situation in the corporate market remained cautious while competition remained tight. However, the demand for value added services related to network data security and management as well as mobility-related data solutions continued at a good level. The need for industrial Internet solutions boosts demand in the corporate segment, in particular for services related to unified and mobile communications. Companies migrated increasingly from mobile to unified communications services,which is reflected in the growing importance of mobile data in comparison with other communications services.

The Finnish telecommunications market is strictly regulated. Regulation can influence the cost and price structure of products and services as well as the grounds on which frequencies and licences are distributed. In 30 October 2013, DNA won 2 x 10 MHz frequency band pairs in the 800 MHz auction organised by the Finnish Communications Regulatory Authority, and will pay a total of EUR 33.57 million for them. The utilisation of the 800 MHz frequency band provides DNA with the opportunity of developing the speed and coverage of its LTE-based 4G network, particularly in sparsely populated areas.

The comprehensive reform of the legislation on electronic communications is making headway. The government submitted its proposal for the Information Society Code to the parliament on 30 January 2014. In accordance with the Government Programme, the key provisions that apply to electronic communications have been integrated in the Information Society Code. The Information Society Code is scheduled to enter into force on 1 January 2015.

The European Commission has proposed new legislation to promote the European single market for electronic communications, which will most likely not be processed until after the elections to the European Parliament in the spring of 2014. Should the new legislation enter into force, it would have a major impact in DNA's business.

Net sales and profit

October–December 2013

DNA's net sales for the fourth quarter increased by 1.8 per cent and came to EUR 205.4 million (201.8 million). The net sales increased slightly despite the reduction in interconnection prices. The increase was mainly due to the acquisition of PlusTV and the positive development of mobile broadband sales. During the review period, 78.8 per cent (78.1 per cent) of net sales was generated by consumer business and 21.2 per cent (21.9 per cent) by corporate business.

EBITDA decreased by 5.8 per cent to EUR 46.8 million (49.7 million), The EBITDA percentage of net sales dropped and came to 22.8 per cent (24.6 per cent). Group EBITDA was affected by the negative EBITDA of PlusTV. Operating profit decreased significantly, i.e. by 31.9 per cent, and came to EUR 8.1 million (12.0 million). Operating profit accounted for 4.0 per cent of net sales (5.9 per cent). Operating profit decreased due to increase in depreciations.

Financial income and expenses amounted to EUR -2.8 million (-1.8 million). Income tax came to a total of EUR 0.3 million (-2,8 million), due to a change in tax rate and re-measurement of deferred tax that amounted to EUR 1.6 million. Net sales decreased somewhat in the fourth quarter and came to EUR 5.6 million (7.3 million). Earnings per share came to EUR 0.7 (0.9).

January–December 2013

Net sales remained at last year's level and amounted to EUR 766.4 million (769.2 million). The net sales development was affected by the reduction in interconnection prices, but boosted by the acquisition of PlusTV and the positive development of mobile broadband sales.

EBITDA remained almost at a similar level year-on-year and amounted to EUR 190.7 million (190.8 million), despite non-recurring items. These were EUR 5.1 million in total, most important of which were the costs of investigating the possibility of broadening the ownership base of the company. EBITDA accounted for 24.9 per cent of net sales (24.8 per cent). Operating profit decreased by 22.3 per cent to EUR 43.7 million (56.2 million), or 5.7 per cent of net sales (7.3 per cent). Operating profit was affected by an increase in depreciations.

Financial income and expenses amounted to EUR -6.0 million (-7.9 million). Income tax for the period was EUR -8.7 million (12.2 million). Profit for the financial period decreased somewhat and came to EUR 28.9 million (36.1 million). Earnings per share came to EUR 3.4 (4.1).

Consolidated key figures

EUR million	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Net sales	**205.4**	201.8	1.8%	**766.4**	769.2	-0.4%
EBITDA	**46.8**	49.7	-5.8%	**190.7**	190.8	0.0%
- % of net sales	**22.8%**	24.6%		**24.9%**	24.8%	
Operating profit	**8.1**	12.0	-31.9%	**43.7**	56.2	-22.3%
- % of net sales	**4.0%**	5.9%		**5.7%**	7.3%	
Profit for the financial period	**5.6**	7.3		**28.9**	36.1	

Key operative indicators

	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Number of mobile communication network subscriptions at end of period*	**2,450.000**	2,428.000	0.9%	**2,450.000**	2,428.000	0.9%
- Revenue per user (ARPU), EUR**	**18.0**	19.5	-7.7%	**18.2**	19.9	-8.5%
- Customer CHURN rate, %**	**16.9**	17.7		**17.1**	15.7	
Number of fixed line subscriptions at end of period	**1.016,000**	1.027,000	-1.1%	**1.016,000**	1.027,000	-1.1%
*includes voice and mobile broadband						
**includes postpaid voice 'subscriptions only						

Cash flow and financial position

October–December 2013

In the October–December period, cash flow after investments decreased to EUR -8.2 million (7.5 million). This is particularly due to the 800 MHz licence first fee which was EUR 6.7 million and an increase in working capital.

January–December 2013

Cash flow after investments decreased to EUR -33.6 million (28.9 million). This was particularly due to the PlusTV acquisition.

DNA has a EUR 200 million revolving credit facility, EUR 200 million (200 million) of which 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 75 million (50.0 million) was drawn by the end of the review period.

DNA's financial position remained good, and net gearing came to 62.6 per cent (48.8 per cent) at the end of the review period. The Group's liquid assets amounted to EUR 27.1 million (8.2 million), and interest-bearing net debt to EUR 326.7 million (257.7 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 242.1 million (223.2 million).

The interest-bearing net debt/EBITDA ratio increased and was 1.71 (1.35) at the end of the review period.

The balance sheet remained strong, with the end-of-period equity ratio totalling 49.4 per cent (54.0 per cent).

In the review period, DNA Ltd agreed on the issuance and terms of an unlisted unsecured bond of EUR 100 million. The bond was issued on 28 November 2013. The proceeds will be used for general corporate purposes. The bond will mature in 2018 and carries a coupon rate of 2.625 per cent.

Cash flow and financial key figures

	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Cash flow after investments, EUR million	**-8.2**	7.4	**-33.6**	28.9

	31 Dec 2013	31 Dec 2012
Interest bearing net debt, EUR million	**326.7**	257.7
Interest bearing net debt/EBITDA	**1.71**	1.35
Net gearing, %	**62.6**	48.8
Equity ratio, %	**49.4**	54.0

Development per business segment

Consumer business

October–December 2013

Consumer business net sales increased by 2.7 per cent to EUR 162.0 million (157.6 million) in the fourth quarter. This increase was fuelled in particular by the growth in pay-TV business after the acquisition of PlusTV, and the positive development of mobile broadband sales. Net sales decreased slightly and came to EUR 33.5 million (34.9 million). The EBITDA percentage of net sales dropped to 20.7 per cent (22.1 per cent). Operating profit decreased by 23.2 per cent to EUR 7.8 million (10.2 million), or 4.8 per cent of net sales (6.5 per cent). Operating profit fell due to an increase in depreciations.

In September, the terrestrial network pay-TV operator Digi TV Plus Oy, or PlusTV, became a DNA subsidiary. Since November, PlusTV viewers have been able to watch high-definition channels and use Antenna Ready HD certified high-definition devices with their existing PlusTV cards. As a result, DNA can provide increasingly comprehensive services and a wealth of new channels to its terrestrial network customers.

The annual international EPSI Rating study analyses customer satisfaction and loyalty of the different sectors of telecommunications. According to the 2013 EPSI Rating results, DNA has the most satisfied mobile broadband customers, both among consumers and corporate customers. As in previous years, DNA Welho had the best customer satisfaction among TV service providers.

On 1 October 2013, DNA announced the new DNA Täpäkkä Credit solution that can be used for normal shopping, whether on the high street or online, and for withdrawing money from cash dispensers both in Finland and abroad. DNA Täpäkkä Credit comes in the form of a sticker for phones, or a separate MasterCard. It allows making payments by holding the card or NFC sticker against the payment terminal reader. OP-Pohjola is the banking operation behind DNA Täpäkkä Credit.

DNA supports innovation in Finland, and works in close cooperation with many start-up companies and communities. In December, DNA became the first operator in the world and the only operator in Finland to launch the sales of the Jolla smart phone. DNA and Jolla cooperate in the sales and marketing of smart phones using a Sailfish-based operating system. Jolla phones went on general sale in DNA Stores on 11 December, 2013. In December 2013, Jolla phones were the fifth most popular phone sold at DNA Stores.

In October, DNA and Tabletkoulu Oy signed a cooperation agreement to open a common sales channel. The aim of the cooperation is to facilitate local schools' move to e-learning by offering Tabletkoulu's e-learning products and the most appropriate terminals and interfaces through a common sales channel.

In December, Finnish media company MTV and DNA announced their cooperation agreement with the purpose of improving the Finnish TV viewing experience. Viewing habits are changing rapidly, and DNA is responding by bringing MTV's broadcasts to mobile devices. Moreover, the terrestrial-network customers of DNA and PlusTV will be able to view MTV channels in HD quality.

January–December 2013

Consumer business net sales increased by 0.4 per cent to EUR 593.4 million (591.2 million), despite the decrease in interconnection prices. EBITDA increased to EUR 133.3 million (130.9 million), or 22.4 per cent of net sales (22.1 per cent). Operating profit decreased to EUR 35.7 million (42.1 million), or 6.0 per cent of net sales (7.1 per cent).

The EBITDA increase was fuelled by the increased operational efficiency and positive development of mobile broadband sales. Operating profit fell due to an increase in depreciations.

Consumer business

EUR million	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Net sales	**162.0**	157.6	2.7%	**593.4**	591.2	0.4%
EBITDA	**33.5**	34.9	-4.1%	**133.3**	130.9	1.8%
- % of net sales	**20.7**	22.1		**22.4**	22.1	
Operating profit/loss	**7.8**	10.2	-23.2%	**35.7**	42.1	-15.0%
- % of net sales	**4.8**	6.5		**6.0**	7.1	

Corporate business

October–December 2013

In the fourth quarter, corporate business net sales decreased by 1.7 per cent to EUR 43.5 million (44.2 million). Net sales were affected by the reduction in interconnection earnings and the falling net sales of fixed line voice services.

EBITDA decreased to EUR 13.3 million (14.8 million), or 30.7 per cent of net sales (33.4 per cent). Operating profit decreased to EUR 0.3 million (1.7 million), or 0.8 per cent of net sales (3.9 per cent). The decrease in net sales affected also to EBITDA. Operating profit was burdened by an increase in depreciations.

The 2013 EPSI Rating study was the first to measure the satisfaction of corporate customers with their mobile broadband services. According to the results, DNA has the most satisfied mobile broadband customers.

Unified communications services enjoyed growing demand. Demand for services related to network data security and management also continued to increase. The sales of mobility-related data solutions also grew. Thanks to the enhanced product portfolio, DNA secured new orders after successful public-sector tenders in the fourth quarter.

In the fourth quarter, Yara which delivers solutions for sustainable agriculture and the environment, bought a private 3G network from DNA, which was constructed in Yara's Siilinjärvi mine. This 3G network is the first in the world to help control and calculate ore concentration at this scale. DNA's private radio network M2M mobile subscriptions are an integral part of the industrial Internet solution provided.

Otherwise, the corporate market remained cautious. Businesses were less keen to switch subscriptions and were cautious about new investments due to the overall economic situation.

January–December 2013

Corporate business net sales decreased by 2.8 per cent to EUR 173.0 million (178.0 million). Net sales were affected in particular by the reduction in interconnection earnings and the falling net sales of fixed line voice services. Net sales were positively impacted by the value added services in customer networks and corporate mobile broadband services. EBITDA decreased slightly and amounted to EUR 57.5 million (59.9 million). EBITDA accounted for 33.2 per cent of net sales (33.7 per cent). Operating profit decreased to EUR 7.9 million (14.1 million), or 4.6 per cent of net sales (8.0 per cent).

Corporate business

EUR million	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Net sales	**43.5**	44.2	-1.7%	**173.0**	178.0	-2.8%
EBITDA	**13.3**	14.8	-9.7%	**57.5**	59.9	-4.1%
- % of net sales	**30.7**	33.4		**33.2**	33.7	
Operating profit/loss	**0.3**	1.7	-80.9%	**7.9**	14.1	44.1%
- % of net sales	**0.8**	3.9		**4.6**	8.0	

Investments

October–December 2013

Investments in the October–December period amounted to EUR 40.5 million (43.0 million), or 19.7 per cent of net sales (21.3 per cent).

January–December 2013

Investments in the January−December period amounted to EUR 128.4 million (136.3 million), or 16.8 per cent of net sales (17.7 per cent).

Major individual items in 2013 included investments in the 3G and 4G networks and in fibre and transfer systems. In the fourth quarter, the first licence payment for the 800 MHz licence was a significant investment.

Investments

EUR million	10–12/2013	10–12/2012	Change, %	1–12/2013	1–12/2012	Change, %
Consumer business	28.1	30.2	-7.0%	**91.2**	96.6	-5.7%
Corporate business	11.3	12.1	-6.8%	**35.0**	36.8	-4.8%
Un-allocated	1.1	0.7	42.9%	**2.3**	2.9	21.5%
Total investments	**40.5**	43.0	-5.8%	**128.4**	136.3	-5.8%

Network infrastructure

DNA expands its network continuously with 3G and 4G technologies. The volume of mobile data traffic in DNA's networks doubled again in 2013. At the end of 2013, the volume in DNA's 4G LTE network was ten times higher than in early 2013. The traffic volume was boosted by the increase adoption of services such as the DNA MatkaTV service, which enables the viewing of on-demand videos or TV programmes with a mobile device.

In 2013, DNA expanded its mobile communication networks by adding more than 1,700 new base stations across Finland: about 1,100 to the 4G LTE network and some 600 to the 3G network. DNA's 4G-grade speeds are currently available in more than 220 Finnish municipalities. DNA's 4G LTE network is available in more than 40 cities and reaches over two million Finns. The city of Jyväskylä was one of the areas where a new DNA 4G LTE network was completed in the fourth quarter, comprising of some 50 base stations.

The 800 MHz auction was completed on 30 October 2013. DNA won 2 x 10 MHz frequency band pairs in the 800 MHz auction organised by the Finnish Communications Regulatory Authority. The utilisation of the 800 MHz frequency band provides DNA with a better opportunity of developing the speed and coverage of its LTE-based 4G network, particularly in sparsely populated areas.

DNA will build thousands of new base stations in 2014, mostly in the 4G LTE network. DNA's 4G LTE network coverage will double by the end of 2014, and is anticipated to reach 80 per cent of the population. DNA's 3G network will reach approximately 99 per cent of the population by the end of 2014, almost equalling DNA's current GSM coverage.

At the end of 2013, DNA had more than 170 channels in the cable network and the largest number of high-definition channels. New high-definition content is added constantly, and the capacity and efficiency of DNA's cable network enable DNA to offer broadcasts in next-generation 4K high definition in the future.

At the end of the review period, DNA's terrestrial TV network covered some 85 per cent of households in Finland. DNA is the only operator offering high-definition content in the terrestrial network. As a result of the PlusTV acquisition, the services available through DNA's terrestrial TV network were diversified further.

Personnel

At the end of December 2013, DNA Group had 1,563 employees (1,427 employees), of which 667 were women (611) and 896 men (816).

In September, PlusTV became a DNA subsidiary and the 33 employees of the company transferred to the employ of DNA as existing employees.

Salaries and employee benefit expenses paid during the fourth quarter amounted to EUR 22.0 million (21.8 million) and during the year 2013 to EUR 85.4 million (77.3 million).

According to the results of DNA's employee satisfaction survey, employee satisfaction improved in almost all areas in 2013. An increasingly mobile working method, which supports remote working, not only increased employee motivation but also boosted efficiency.

Personnel by business segment

	31 Dec 2013	31 Dec 2012	Change, %
Consumer business	1.104	979	12.8%
Corporate business	459	448	2.5%
Total personnel	**1.563**	**1.427**	9.5%

Changes in the Group and capital structure and significant litigation matters

Changes in the Group and capital structure

On 21 May 2013, DNA announced that the company Board of Directors was investigating possibilities of broadening the ownership base of the company. On 16 July 2013, DNA announced that the owners had decided not to continue with the ownership broadening process.

On 26 April 2013, DNA signed an agreement with Teracom Group on the acquisition of PlusTV. The Finnish Competition and Consumer Authority approved the acquisition on 29 August 2013 and PlusTV became a DNA subsidiary in September.

Significant litigation matters

The hearing on the trademark dispute between Deutsche Telekom AG and DNA Ltd continues at Helsinki District Court. Pleading the European Community Trademark Registration 212787, Deutsche Telekom AG filed an action in Helsinki District Court on 4 January 2008, requesting that DNA Ltd be denied the use of the colour pink in its operations. In its counterclaim of 29 October 2008, DNA Ltd demanded that the European Community Trademark Registration 212787 be repealed.

In its ruling issued on 24 August 2009, the Helsinki District Court suspended the action and the counterclaim because complaints about the validity of the European Community Trademark Registration 212787 were simultaneously being handled in three processes outside Finland. Deutsche Telecom AG notified the district court in the spring of 2013 that the matters impeding the continuation of the process have been resolved. The action and counterclaim are processed separately, and DNA’s counterclaim will be heard first. Deutsche Telekom AG has provided its defence to DNA Ltd’s counterclaim on 27 June 2013. DNA provided its response to Deutsche Telekom’s defence on 30 September 2013. The Helsinki District Court will continue to process the hearing at a time that will be announced later.

Management and governance

Group Executive Team

DNA Ltd has a line organisation, comprising of Consumer, Corporate and Technical units as well as support functions.

On 19 November 2013, DNA Ltd appointed Jukka Leinonen, Vice President, Corporate Business, as the new company CEO. Leinonen, 51, was the acting CEO since 29 August 2013 after the resignation of CEO Riitta Tiuraniemi.

DNA's Executive Team comprises CEO Jukka Leinonen, Chief Financial Officer Timo Karppinen, Vice President, Consumer Business Pekka Väisänen, Vice President, Technology Tommy Olenius, Vice President, Human Resources Marko Rissanen, Vice President, Legal Affairs Asta Rantanen and Chief Strategy Officer Christoffer von Schantz.

Annual General Meeting 2013´

DNA Ltd's Annual General Meeting was held on 21 March 2013. The Annual General Meeting adopted the financial statements and discharged the Board of Directors and the CEO from liability for the period 1 January to 31 December 2012. The AGM decided to pay a dividend of EUR 4.13 per share, at a total of EUR 35,016,337.16.

Board members and remuneration

Re-elected members of the board include Jarmo Leino, Juha Ala-Mursula, Hannu Isotalo, Jukka Ottela, Tuija Soanjärvi and Anssi Soila. The Annual General Meeting decided not to change the remunerations paid to the members of the Board of Directors and its Committees.

At the constitutive meeting of the Board of Directors held subsequent to the Annual General Meeting, Jarmo Leino was re-elected Chairman. The Board elected Tuija Soanjärvi as the chair and Jukka Ottela as member of the Audit Committee. The Board elected Jarmo Leino as the chair and Hannu Isotalo and Juha Ala-Mursula as members of the Remuneration and Nomination Committee.

The Board's share repurchase authorisation

The Board of Directors is authorised by the AGM to decide on the repurchase of DNA shares. Based on the authorisation, the Board of Directors can decide on the repurchase of a maximum of 950,000 DNA shares. This is equal to about 9.9 per cent of all company shares (the number of all shares at period end was 9,610,676 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 is valid until 30 June 2014.

Incorporation of DNA shares in the book-entry system

The AGM decided on the incorporation of DNA shares in the book-entry system.

Amending the Articles of Association

As proposed by the Board of Directors, the AGM decided to add a new section to the company Articles of Association, which specifies that company shares are incorporated into the book-entry system.

After the amendment, Section 5 of the Articles of Association reads as follows:

Section 5 Incorporation into the book-entry system

Company shares are incorporated into the book-entry system after a registration period specified by the company Board of Directors.

As proposed by the Board of Directors, the AGM also decided to amend Section 2 (Line of Business) of the Articles of Association by adding a mention of payment services to it.

After the amendment, Section 2 of the Articles of Association reads as follows:

Section 2 Line of Business

The line of business of the company is general telecommunications and ICT operations, provision of data communications and ICT services and devices as well as related consulting and research and development operations. The company also imports equipment, devices, accessories and software and acts as a trader and an intermediary.

Moreover, the company provides consulting and services related to the above-mentioned operations as well as voice and other types of communications. The company has the right to offer payment services. The payment services provided by the company are listed in the register of payment service providers maintained by the Financial Supervisor Authority. The company conducts its business directly or through its subsidiaries and joint ventures.

The company may own real estate and securities, conduct investment and finance operations that support its operations as well as provide finance facilities for its customers.

DNA’s Corporate Governance Statement is included in the company Annual Report, which will be published on 6 March 2014.

Shares and shareholders

Shareholders

Owners (10 biggest):

	31 Dec 2013
Finda Oy	49.90%
PHP Holding Oy	37.56%
Ilmarinen Mutual Pension Insurance Company	5.01%
Anvia Oyj	3.47%
Lohjan Puhelin Oy	2.61%
Pietarsaaren Seudun Puhelin Oy	0.83%
Karjaan Puhelin Oy	0.20%
Vakka-Suomen seudun Puhelin	0.15%
Puhelinosuuskunta IPY	0.13%
Orox Oy	0.04%
TOTAL	99.90%

On 31 December 2013, the ten largest shareholders of DNA Ltd were Finda Oy (49.90 per cent), PHP Holding Oy (37.56 per cent), Ilmarinen Mutual Pension Insurance Company (5.01 per cent), Anvia Oyj (3.47 per cent) and Lohjan Puhelin Oy (2.61 per cent). At the end of the review period, they held a total of 98.55 per cent of DNA's shares and voting rights.

There were changes in the shares owned by the ten largest shareholders during the review period. On 10 October 2013, KPY Sijoitus Oy announced that it was selling its DNA shares to Finda Oy and PHP Holding Oy. Oulu ICT Oy also joined the arrangement as a purchaser, according to an agreement between the parties. The arrangement was carried out on 26 November 2013, and the 1,099,596 shares held by KPY Sijoitus Oy were allocated between the parties as follows: Finda Oy and PHP Holding Oy bot acquired 386,159 shares and Oulu ICT Oy acquired 327,278 shares.

On 10 October 2013, Oulu ICT Oy announced that it had sold its DNA shares to Finda Oy and PHP Holding Oy. Finda Oy 's ownership increased to 4,230,787 shares, or 49.90 per cent of DNA's shares. PHP Holding Oy's ownership increased to 3,184,425 shares, or 37.56 per cent of DNA's shares. Oulu ICT Oy sold 1,083,659 shares to Finda Oy and 1,123,361 to PHP Holding Oy. Prior to the transaction, Oulu ICT Oy owned 2,207,020 DNA shares, amounting to 26.03 per cent of DNA's shares.

At the end of the review period, the company held 1,132,144 treasury shares. The holdings were calculated based on the number of outstanding shares.

Shares

At the end of the review period, the company's shares totalled 9,610,676 and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65. There was no change in the number of shares or the share capital during the review period. At the end of the review period, the company held 1,132,144 treasury shares.

The shares of DNA were transferred to the book-entry system on 27 June 2013. The Finnish book-entry system is maintained by Euroclear Finland Oy.

Corporate responsibility

In May, DNA announced the construction of a new, energy-efficient data centre in Helsinki. The centre was competed on schedule, and server deployment commenced in October. Thanks to district heating, the heating of the 2,000 square meter centre will be practically emission-free. Waste heat from the data centre will be collected and utilised by the district cooling system.

The ongoing base station upgrading project is proceeding on schedule and has improved the energy efficiency of DNA's mobile communications network significantly. Upgraded base stations can reach the same data transfer efficiency as before, but require only 60 per cent of the energy to do so. More than 1,700 3G and 4G base stations have already been made more energy-efficient by means of the upgrade in 2013, and the process continues.

DNA's Corporate Responsibility reporting for 2012 was included in the company Annual Report, which was published on 7 March 2013. DNA's Corporate Responsibility reporting for 2013 is included in the company Annual Report, which will be published on 6 March 2014.

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. The most important change in near-term risks is related to the frequency auction having been completed.

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 is increasing its emphasis on new business. New business operations always involve higher risks than conventional and established business operations. Intense market competition places high demands on the quality and availability of operators’ systems and network infrastructure. In addition, new services must be productised quickly and cost-efficiently.

The Finnish telecommunications market is strictly regulated. Regulation, and in particular, the authorities’ ability to influence the price level of DNA’s products and services, cost structure and the grounds on which frequencies are distributed, may also have an impact on DNA’s business. The auction of the 800 MHz frequency band for mobile communications was completed on 30 October 2013. DNA won 2 x 10 MHz frequency band pairs in the auction, and will pay a total of EUR 33,57 million for them.

DNA’s business environment is very sensitive to change, and the pace of change is increasing. Uncertainty related to the overall economic situation has increased, which may affect the demand for smart phone and TV services and the corporate market.

Events after the review period

The Expert home electronics chain started selling DNA’s services in early January 2014. Expert will focus on DNA's offering of entertainment and telecommunications services. In addition to television and broadband services, the offering will also include mobile telephone and data subscriptions.

As part of the development of the TV services provided by the Group, DNA will combine the previously acquired PlusTV (DigiTV Plus Oy) and the TV and fixed-network broadband business of DNA Welho. At the same time, Digi TV Plus Oy will be renamed as DNA Welho Oy. This does not have an effect on the consolidated financial accounts.

Outlook for 2014

Market outlook

The telecommunications market continues to undergo a change. Network and terminal device technologies are developing at an increasingly fast pace, fuelling new growth with increasing traffic volumes and new types of use. DNA's operating environment is undergoing significant changes, which is reflected in particular in the increasingly important role of content and value added services as well as an expansion of the operator market to new areas.

Market competition remains intense, placing high demands on the quality and availability of operators' systems and network infrastructure.

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

It is anticipated that consumer demand for broadband 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 subscriptions market is anticipated to remain intense, and increased competition should lead to decreasing ARPU.

Mobile broadband traffic volumes will reflect the growth and increased versatility in the use of smart phones and other smart terminals. Service development and new business models will create new device applications.

New devices are used, for example, for viewing HD-grade videos and accessing social media services. The use of cloud-based storage services is already widespread, and it is recognised that 4G LTE speeds will be of benefit to web meeting services, remote workers and action game players.

The market for fixed-network voice services is expected to continue declining. DNA anticipates that business operations in the terrestrial TV network and terrestrial network pay-TV will grow slowly. Consumers are spending more time watching TV, and households have several devices for viewing TV content. However, as regards TV and movie content, competition is more intense now that global players have entered the Finnish market.

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. Companies will migrate increasingly from mobile to unified communications services, which is reflected in the growing importance of mobile data in comparison with other communications services.

The demand for company network services, such as fast Internet connections and security solutions, is anticipated to continue to increase. Reliable and effectively managed ICT infrastructure will become increasingly vital for businesses.

DNA's outlook for 2014

Net sales and operating profit are expected to increase somewhat in 2014. The Group's financial position is expected to remain at the same healthy level.

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).

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.

Consolidated income statement, IFRS

EUR million	1 Oct–31 Dec 2013	1 Oct–31 Dec 2012 (restated)	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012 (restated)
Net sales	**205.4**	**201.8**	**766.4**	**769.2**
Other operating income	0.7	0.8	2.4	2.4
Materials and services	-106.7	-101.8	-370.2	-391.6
Employee benefit expenses	-22	-21.8	-85.4	-77.3
Depreciation	-38.7	-37.7	-147.1	-134.6
Other operating expenses	-30.6	-29.3	-122.4	-111.9
Operating result, EBIT	**8.1**	**12.0**	**43.7**	**56.2**
Financial income	0.3	0.3	1.2	1.5
Financial expense	-3.1	-2.1	-7.2	-9.4
Share of associated companies' results	0,0	0,0	0,0	0,0
Net profit before tax	**5.3**	**10.2**	**37.7**	**48.3**
Income tax	0.3	-2.8	-8.7	-12.2
Net profit for the period	**5.6**	**7.3**	**28.9**	**36.1**
Net profit attributable to:				
Owners of the parent	5.6	7.3	28.9	36.1
Earnings per share of the profit attributable to equity holders of the parent company				
Basic earnings per share, EUR	0.7	0.9	3.4	4.10
Average number of shares				
- Basic	8,479	8,483	8,479	8,714

Consolidated statement of comprehensive income

Net profit for the period	5.6	7.3	28.9	36.1
Items that will not be reclassified to profit or loss:				
Actuarian gains (losses) on defined benefit pension plans	-0.1	-0.2	0.1	-0.6
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges	0.1	0.1	0.6	-0.7
Other comprehensive income, net of tax	0.1	-0.1	0.7	-1.3

Total comprehensive income	**5.7**	**7.3**	**29.6**	**34.8**
Comprehensive income attributable to:				
Owners of the parent	5.7	7.3	29.6	34.8

Consolidated statement of financial position, IFRS

EUR million	31 Dec 2013	31 Dec 2012 (restated)
Assets		
Non-current assets		
Goodwill	232.3	221.1
Other intangible assets	173.9	132.1
Property, plant and equipment	392.3	405.5
Investments in associates	2.1	1.8
Available-for-sale financial assets	0.2	0.2
Trade and other receivables	38.7	21.2
Deferred tax assets	31.8	19.9
Total non-current assets	**871.5**	**801.9**
Current assets		
Inventories	20.8	17.7
Trade and other receivables	159.2	167.7
Tax receivable	0.8	0.4
Cash and cash equivalents	27.1	8.2
Total current assets	**207.9**	**194.1**
Total assets	**1,079.3**	**996.0**
Shareholders' equity		
Equity attributable to owners of the parent		
Share capital	72.7	72.7
Other reserves	606.5	605.8
Treasury shares	-103.5	-103.5
Retained earnings	-82.3	-83.3
Profit for the year	28.9	36.1
Total equity	**522.3**	**527.8**
Liabilities		
Non-current liabilities		
Interest-bearing non-current liabilities	225.8	180.9
Retirement benefit obligations	1.5	1.7
Provision for other liabilities	7.6	8.1
Derivative financial instruments	0.5	2.9
Deferred income tax liabilities	39.0	50.4
Other non-current liabilities	21.7	2.7
Total non-current liabilities	**296.0**	**246.8**
Current liabilities		
Interest-bearing current liabilities	127.9	85.0
Provisions for other liabilities	0.2	1.0

Trade and other payables	132.8	135.5
Current income tax liabilities	0.1	0.0
Total current liabilities	**261.0**	**221.4**
Total liabilities	**557.1**	**468.2**
Total equity and liabilities	**1,079.3**	**996.0**

Condensed consolidated statement of cash flows, IFRS

EUR million	1–12/2013	1–12/2012 (restated)
Cash flows from operating activities		
Profit for the period	28.9	36.1
Depreciation	147.1	134.6
Change in working capital	-32.9	-3.1
Other adjustments	-9.6	-2.3
Net cash generated from operating activities (A)	**133.6**	**165.4**
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	-127.1	-134.8
Proceeds from sale of PPE	0.5	0.3
Acquisition of subsidiaries and business transfers	-40.5	-1.2
Change in other investments	0,0	-0.7
Net cash used in investing activities (B)	**-167.1**	**-136.4**
Cash flows from financing activities		
Dividends paid	-35.0	-29.7
Treasury share acquisition	0,0	-102.7
Borrowing of interest-bearing liabilities	307.1	233.7
Repayment of interest-bearing liabilities	-219.7	-150.5
Net cash used in financing activities (C)	**52.4**	**-49.2**
Change in cash and cash equivalents (A+B+C)	18.8	-20.2
Cash and cash equivalents at beginning of year	8.2	28.4
Cash and cash equivalents at end of year	27.1	8.2

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 2012	**72.7**	**-0.3**	**605.9**	**-0.9**	**-52.3**	**625.2**
IAS 19 revised					-0.6	-0.6
Comprehensive income						
Profit for the period					36.1	36.1
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					-0.6	-0.6
Cash flow hedges, net of tax		-0.7				-0.7
Total other comprehensive income, net of tax		**-0.7**			**-0.6**	**-1.3**
Total comprehensive income	**0.0**	**-0.7**	**0.0**	**0.0**	**35.5**	**34.8**
Transactions with owners						
Treasury share acquisition			0.9	-102.7		-101.8
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**	**0.9**	**-102.7**	**-29.9**	**-131.7**
Balance at 31 December 2012 (restated)	**72.7**	**-0.9**	**606.8**	**-103.5**	**-47.2**	**527.8**
Balance at 1 January 2013	**72.7**	**-0.9**	**606.8**	**-103.5**	**-47.2**	**527.8**
Comprehensive income						
Profit for the period					28.9	28.9
Other comprehensive income						
Actuarian gains (losses) on defined benefit pension plans					0.1	**0.1**
Cash flow hedges, net of tax		0.6				0.6
Total other comprehensive income, net of tax		**0.6**			**0.1**	**0.7**
Total comprehensive income	**0.0**	**0.6**	**0.0**	**0.0**	**29.0**	**29.6**
Transactions with owners						
Employee share option scheme: granted options					-0.2	-0.2
Dividends relating to 2012					-35.0	-35.0
Total contribution by and distributions to owners	**0.0**	**0.0**	**0.0**	**0.0**	**-35.2**	**-35.2**
Balance at 31 December 2013	**72.7**	**-0.3**	**606.8**	**-103.5**	**-53.4**	**522.3**

Notes

1. Accounting principles

2. Segment information

3. Investments

4. Shareholders's equity

5. Interest-bearing net liabilities

6. Provisions for other liabilities

7. Related party transactions

8. Share-based payments

9. Derivative fair value measurement hierarchy

10. Business combinations

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 2012 with the exception of the revised IAS 19 - standard adopted 1 January 2013. This interim report should be read observing the 2012 Financial Statements. The information presented in the interim report is anaudited.

Changes to accounting principles
The DNA Group adopted the revised IAS 19 Employee benefit standard on 1 January 2013. The revised IAS - 19 standard is applied retrospectively. The revision affects the DNA Group's retirement benefit expense as well as the retirement benefit obligation in the statement of financial position and shareholders' equity. As a consequense, the Group's income statement, comprehensive income statement, statement of financial position and statement of changes in equity have been restated in compliance with the requirements prescribed in the revised standard (see Q1 interim report).

IFRS 13 Fair value measurement: the standard provides a framework for measuring fair value and disclosure requirements.

IAS 1 (revised) Presentation of other comprehensive income: the group presents other comprehensive items as items that can be reclassified into profit or loss or items that cannot be reclassified into profit or loss.

2 Segment information

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

1 Oct–31 Dec 2013

EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**161,963**	**43,456**	**205,419**
EBITDA	**33,484**	**13,334**	**46,818**
Depreciation	25,668	13,003	**38,671**
Operating result, EBIT	**7,817**	**330**	**8,147**
Net financial items			-2,803
Share of associated companies' results			-6
Profit before tax			5,339
Profit for the period			**5,591**
Investments	28,082	11,279	39,361
Employees at end of period	1,104	459	1,563

1 Oct–31 Dec 2012

EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**157,648**	**44,191**	**201,839**
EBITDA	**34,932**	**14,770**	**49,702**
Depreciation	24,694	13,045	37,739
Operating result, EBIT	**10,239**	**1,725**	**11,964**
Net financial items			-1,779
Share of associated companies' results			-22
Profit before tax			10,162
Profit for the period			**7,349**
Investments	30,181	12,104	42,285
Employees at end of period	979	448	1,427

1 Jan–31 Dec 2013

EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**593,429**	**173,003**	**766,431**
EBITDA	**133,259**	**57,486**	**190,745**
Depreciation	97,524	49,571	**147,094**
Operating result, EBIT	**35,736**	**7,915**	**43,651**
Net financial items			-5,965
Share of associated companies' results			-33
Profit before tax			37,653
Profit for the period			**28,924**

Investments	91,151	34,988	126,138
Employees at end of period	1,104	459	1,563

1 Jan–31 Dec 2012			
EUR 1,000			
Business segments	**Consumer segment**	**Corporate segment**	**Group total**
Net sales	**591,210**	**177,990**	**769,200**
EBITDA	**130,893**	**59,917**	**190,810**
Depreciation	88,831	45,769	134,600
Operating result, EBIT	**42,062**	**14,148**	**56,210**
Net financial items			-7,860
Share of associated companies' results			-14
Profit before tax			48,336
Profit for the period			**36,140**
Investments	96,620	36,763	133,383
Employees at end of period	979	448	1,427

3 Investments

EUR 1,000		Oct–Dec 2013	Oct–Dec 2012	Jan–Dec 2013	Jan–Dec 2012
Capital expenditure					
	Intangible assets	3,399	9,840	23,839	31,133
	Property, plant and equipment	37,132	33,162	104,575	105,127
Total		**40,532**	**43,003**	**128,415**	**136,260**

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 2012	**9,611**	**72,702**	**605,927**
Transfer, treasury share acquisition			852
At 31 December 2012	**9,611**	**72,702**	**606,779**
At 1 January 2013	**9,611**	**72,702**	**606,779**
At 31 December 2013	**9,611**	**72,702**	**606,779**

Number of shares include 1,132,144 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 21 March 2013 approved a payment of dividend (EUR 4.13 per share) totalling EUR 35,016,337.16. The dividend was paid on 3 April 2013.

5 Net liabilities

EUR 1,000	31 December 2013	31 December 2012
Non-current and current interest-bearing liabilities	353,724	265,902
Less short-term investments, cash and bank balances	27,054	8,224
Total	**326,670**	**257,678**

6 Provisions for other liabilities

EUR 1,000	1 Jan 2012	Additions	Provisions used	Other changes/Discount effect	31 Dec 2013
Decommissioning provisions	6,519	0	-195	486	**6,810**
Restructuring provisions	1,450	0	-1,244	0	**206**
Onerous contracts	1,072	0	-302	-4	**766**
Total	**9,041**	**0**	**-1,741**	**482**	**7,782**

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
12/2013				
Organisations exercising significant influence	50	4,338	3	34
Associated companies	0	518	0	80

EUR 1,000	Sales	Purchases	Receivables	Liabilities
12/2012				
Organisations exercising significant influence	87	5,086	9	285
Associated companies	0	261	0	22

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
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 2013	88,000
Granted options	
Forfeited options	26,000
Exercised options	
Expired options	
On 31 December 2013	62,000

There were no new options granted during 2013.

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

31 December 2013

	Level 1	Level 2	Level 3
Liabilities 1000€			
Interest rate swaps			
Designated at fair value through profit or loss		0	
Derivatives hedge accounting		476	
Total		476	

31 December 2012

	Level 1	Level 2	Level 3
Liabilities 1000€			
Interest rate swaps			
Designated at fair value through profit or loss		1,653	
Derivatives hedge accounting		1,243	
Total		2,896	

10 Business combinations

DNA Ltd acquired the entire capital stock of Digi Plus TV Oy on 6 September 2013. PlusTV, officially Digi TV Plus Oy, has provided terrestrial network pay-TV services to Finnish households since 2006. The purchase price was paid in total in cash. The assets and liabilities were preliminary reported in the interim statement 30 September 2013 at their carrying amount and have now been adjusted to their fair value. The goodwill recorded consist of synergy benefits expected, the knowledge of the personnel transferred as well as future benefits expected from the new customers acquired through the Plus TV-brand.

Direct acquisition costs of EUR 1.3 million were booked as other operating expenses. The acquired subsidiary's net sales for 1 January to 31 December 2013 amounted to EUR 60.8 million and it made a profit of EUR 12.5 million. If the acquisition had occurred on 1 January 2013, Group net sales would have been EUR 807.5 million and the Group would have made a profit of EUR 28.7 million. The post-acquisition net sales amounted to 19.7 million eur.

EUR 1000	Preliminary reported	Fair value recorded
Intangible assets	1,748	21,409
Property, plant and equipment	25	25
Deferred tax assets	4,000	22,531
Trade and other receivables	1,732	2,015
Cash and cash equivalents	6,302	6,302
Total assets	**13,808**	**52,282**
Deferred tax liabilities	0	4,817
Trade and other liabilities	11,922	12,312
Total liabilities	**11,922**	**17,129**
Net assets	**1,886**	**35,153**
Acquisition cost		46,391
Goodwill		11,238

Key figures

	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Equity per share, EUR	61.6	62.2	61.6	62.2
Interest bearing net liabilities, EUR million	326.7	257.7	326.7	257.7
Net gearing, %	62.6%	48.8%	62.6%	48.8%
Equity ratio, %	49.4%	54.0%	49.4%	54.0%
Interest bearing net debt/EBITDA	1.74	1.30	1.71	1.35
Return on investment (ROI), %	3.9%	6.2%	5.4%	7.2%
Return on equity (ROE), %	4.3%	5.6%	5.5%	6.3%
Investments, EUR million	40.5	43.0	128.4	136.3
Investments, % of net sales	19.7%	21.3%	16.8%	17.7%
Personnel at end of period	1,563	1,427	1,563	1,427

Key operative indicators

Mobile communication network subscription volumes:

Number of:	Sep 2013	Sep 2012	Dec 2013	Dec 2012
Subscriptions*	2,437,000	2,406,000	2,450,000	2,428,000
DNA's own customers*	2,350,000	2,281,000	2,377,000	2,315,000

	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue per subscription (ARPU), EUR**	18.0	19.5	18.2	19.9
Customer churn rate, %**	16.9	17.7	17.1	15.7

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

Fixed-network subscription volumes:

Number of:	Sep 2013	Sep 2012	Dec 2013	Dec 2012
Broadband subscriptions	313,000	311,000	322,000	311,000
Cable TV subscriptions	592,000	601,000	591,000	596,000
Telephone subscriptions	107,000	126,000	103,000	120,000

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