



DNA Ltd's Financial Statements Bulletin 2012



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Growth in net sales and operating result continued

Summary

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

October–December 2012

- Net sales increased by 6.1 per cent to EUR 201.8 million (190.2 million). This growth was fuelled by an increase in the number of mobile subscriptions and terminal device sales.
- EBITDA increased by 6.8 per cent to EUR 49.6 million (46.5 million), or 24.6 per cent of net sales (24.4 per cent). The increase was due to reduced sales costs and increased efficiency due to restructuring of operations.
- Operating profit decreased by 10.0 per cent to EUR 11.9 million (13.2 million), or 5.9 per cent of net sales (7.0 per cent). This was due to an increased level of fixed asset capitalization towards the end of 2012, which caused increase in depreciation.
- During the quarter, the mobile communication subscription base grew by 22,000 subscriptions.
- The fixed line subscription base (telephone, broadband and cable television) fell during the quarter by 11,000 subscriptions.

January–December 2012

- Net sales increased by 5.7 per cent to EUR 769.2 million (727.5 million). This growth was fuelled by the growth of net sales from subscriptions and terminal device sales.
- EBITDA increased by 1.2 per cent to EUR 190.7 million (188.4 million), or 24.8 per cent of net sales (25.9 per cent). The increase was due to reduced sales costs and increased efficiency due to restructuring of operations.
- Operating profit increased by 10.4 per cent to EUR 56.1 million (50.8 million), or 7.3 per cent of net sales (7.0 per cent). The positive operating profit development was due to increased operational efficiency and a decrease in depreciation.
- The mobile communication subscription base grew 6.3 per cent from the end of the comparable period, reaching 2,428,000 in total (2,285,000).
 - Revenue per user (ARPU) for mobile communications amounted to EUR 19.9 (20.4).
 - Mobile communication subscription turnover rate (CHURN) was 15.7 per cent (16.4 per cent).
- DNA's fixed-line subscription base decreased to 1,027,000 (1,039,000) subscriptions (telephone, broadband and cable television) at the end of December. The decrease is due to a drop in the number of fixed-line telephone subscriptions.

Outlook for 2013

Net sales are expected to remain at the same level and, due to growing depreciation in 2013, operating profit is forecast to fall slightly. The Group's financial position is expected to remain at the same healthy level.

Key figures

Figures are unaudited.

EUR million	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Net sales	201.8	190.2	6.1%	769.2	727.5	5.7%
EBITDA	49.6	46.5	6.8%	190.7	188.4	1.2%
- % of net sales	24.6%	24.4%		24.8%	25.9%	
Depreciation	37.7	33.2		134.6	137.6	
Operating profit	11.9	13.2	-10.0%	56.1	50.8	10.4%
- % of net sales	5.9%	7.0%		7.3%	7.0%	
Profit before tax	10.1	11.3		48.3	46.2	
Profit/loss for the financial period	7.3	10.3	-28.8%	36.1	35.8	1.0%
Return on investment (ROI), %*	6.1	6.9		7.2	6.6	
Return on equity (ROE), %*	5.6	6.7		6.3	5.7	
Investments	43.0	49.5		136.3	119.5	
Cash flow after investments**	11.9	-3.1		33.6	9.0	
Net debt, EUR million	257.7	153.2		257.7	153.2	
Net debt/EBITDA	1.30	0.82		1.35	0.81	
Gearing, %	48.7	24.5		48.7	24.5	
Equity ratio, %	54.1	62.2		54.1	62.2	
Personnel at the end of period	1.427	1.035		1.427	1.035	
*rolling 12 months						
**includes business acquisitions/combinations						

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DNA's financial publications in 2013:

21 March 2013 Annual General Meeting
26 April 2013 Interim Report January–March 2013
19 July 2013 Interim Report January–June 2013
25 October 2013 Interim Report January–September 2013

Annual Report 2012 will be published in week 10.

All reports are published in the Internet at <http://annualreporting.dna.fi/> in Finnish and in English.

Distribution:

Key media

www.dna.fi

CEO's review:



DNA's growth continued in 2012: net sales increased by 5.7 per cent year-on-year to EUR 769.2 million. This growth was fuelled by the growth of net sales from subscriptions and terminal device sales. EBITDA increased to EUR 190.7 million and operating profit to EUR 56.1 million. The positive development was due to restructuring of operations and reduced sales costs in particular. Operating profit grew due to increased operational efficiency and a decrease in depreciation.

Investments were at a high level in 2012, totaling EUR 136.3 million. DNA made significant investments into 4G networks and high-speed broadband services without acquiring debt.

Focus on customers and interesting services

DNA enhances its customer-facing functions continuously, and we want to keep improving our customer satisfaction. According to the results of the international EPSI Rating study published in the autumn of 2012, DNA has the most satisfied mobile broadband customers, while DNA WELHO has the most satisfied consumer customers in the pay-TV market in Finland. DNA's service quality is considered the best, and customer value and loyalty are also at the highest level. DNA WELHO pay-TV services also scored top position product quality and image.

At the end of June, we acquired a customer service operation from our outsourcing partner, GoExcellent. We have since made this entity part of our consumer and corporate business operations. DNA will hire 40 new customer service employees at its Taivalkoski office in early 2013, bringing the number of customer service personnel from 45 to 85.

In the last quarter of 2012, we launched the sales of fourth generation iPads at DNA Stores. DNA is the only Finnish operator that sells iPads. We also announced cooperation with mobile device company Jolla. Corporate business signed a sales cooperation agreement with Marski Data Oy in Eastern Finland, and will recruit new technical support staff in early 2013 to serve corporate customers.

Strong 4G services meet the needs of increased data volumes

Data volumes have increased quickly: the volume of mobile data in DNA's network has more than doubled since 2011. At the same time, both smartphones and tablets enjoy strong demand. The demand for the top-speed 4G LTE technology will increase, and DNA will continue to invest into its 4G network. DNA's 4G-grade speeds are currently available in more than 200 Finnish municipalities. At the end of 2012, DNA's 4G-grade speeds were available for half of the population while our 3G network reached approximately five million Finns. DNA's terrestrial TV network covers some 85 per cent of households in Finland, providing the versatile

DNA WELHO pay-TV channel offering. DNA is the only operator offering high-definition channels in the terrestrial network. DNA's cable network offers in excess of 160 TV channels. We will continue to invest in the speed, coverage and capacity of our broadband and TV networks in 2013. In addition to fast connections, DNA provides new and interesting services in cooperation with its partners.

Industry change continues

We continue to develop our cost competitiveness in a business environment that requires ever growing agility and efficiency. We anticipate long-term growth in the telecommunications market, driven by the growing traffic volumes and new types of usage. Network and terminal device technologies are developing at an increasing pace, fuelling new growth in the basic traffic and subscription business and driving new product, service and business innovations. We expect the consumer demand for mobile broadband services to keep growing in 2013. Competition in the corporate market is likely to remain tight. The market is characterised by consumerisation and a growing demand for services that enable networking and mobile work in corporate networks.

Riitta Tiuraniemi

Interim report practices

This financial statement bulletin 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 2011. This financial statement bulletin should be read observing the 2011 Financial Statements.

Operating environment

DNA's operating environment is undergoing a change, requiring ever growing agility and efficiency. Competition remained intense in the Finnish telecommunications market in 2012.

Demand for smartphones remained strong in the consumer market. Demand for tablets also grew. Demand for mobile services, including mobile voice and mobile broadband, remained solid. The popularity of housing company broadband services increased, as a growing number of housing companies offers fixed-line broadband connections and TV services to their residents. Demand for pay-TV services followed normal seasonal fluctuation.

Mobile and versatile ways of working are reflected in corporate network solutions and communication services. Demand in the corporate market continued to switch from fixed-network voice services to mobile services as the volumes of mobile voice services increased and fixed-network voice services decreased. Demand for corporate fixed-network broadband services remained at a similar level, and demand for mobile broadband services increased.

In October, the Finnish Parliament made a decision on the Act on auctioning the 800 MHz frequency band. This decision may affect competition, market concentration and end-user pricing.

Net sales and profit

October–December 2012

DNA's net sales in the fourth quarter amounted to EUR 201.8 million (190.2 million), increasing by 6.1 per cent on last year. This growth was fuelled in particular by terminal device sales and an increase in the number of mobile subscriptions.

During the reporting period, 78.1 per cent (76.0 per cent) of net sales was generated by consumer business and 21.9 per cent (24.0 per cent) by corporate business.

DNA's EBITDA for the October–December period grew by 6.8 per cent to EUR 49.6 million (46.5 million), accounting for 24.6 per cent of net sales (24.4 per cent). Operating profit decreased by 10.0 per cent to EUR 11.9 million (13.2 million), or 5.9 per cent of net sales (7.0 per cent). The positive EBITDA development was due to increased operational efficiency and reduced sales costs. Operating profit decreased due to an increase in depreciation.

Financial income and expenses amounted to EUR -1.8 million (-1.9 million). Profit decreased to EUR 7.3 million (10.3 million) due to depreciation. Earnings per share came to EUR 0.87 (1.07).

January–December 2012

DNA's net sales grew by 5.7 per cent year-on-year and came to EUR 769.2 million (727.5 million).

EBITDA for the January–December period grew by 1.2 per cent to EUR 190.7 million (188.4 million), accounting for 24.8 per cent of net sales (25.9 per cent). Operating profit increased by 10.4 per cent to EUR 56.1 million (50.8 million), or 7.3 per cent of net sales (7.0 per cent). Profit before tax in January–December came to EUR 48.3 million (46.2 million).

The positive EBITDA development was due to increased operational efficiency and reduced sales costs. The positive operating profit development was due to increased operational efficiency and a decrease in depreciation.

Financial income and expenses amounted to EUR -7.8 million (-4.7 million). Income tax for the period was EUR 12.2 million (10.4 million), and profit increased to EUR 36.1 million (35.8 million). Earnings per share came to EUR 4.15 (3.73).

Consolidated key figures

EUR million	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Net sales	201.8	190.2	6.1%	769.2	727.5	5.7%
EBITDA	49.6	46.5	6.8%	190.7	188.4	1.2%
- % of net sales	24.6%	24.4%		24.8%	25.9%	
Operating profit	11.9	13.2	-10.0%	56.1	50.8	10.4%
- % of net sales	5.9%	7.0%		7.3%	7.0%	
Profit/loss for the financial period	7.3	10.3	-28.8%	36.1	35.8	1.0%

Key operative indicators

	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Number of mobile communication network subscriptions at end of period*	2,428,000	2,285,000	6.3%	2,428,000	2,285,000	6.3%
- Revenue per user (ARPU), EUR**	19.5	20.5	-4.9%	19.9	20.4	-2.5%
- Customer CHURN rate, %**	17.7	16.5		15.7	16.4	
Number of fixed-network subscriptions at end of period	1,027,000	1,039,000	-1.2%	1,027,000	1,039,000	-1.2%

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

Cash flow and financial position

October–December 2012

In the fourth quarter, cash flow after investments increased to EUR 11.9 million (-3.1 million). This was due to efficient management of working capital.

January–December 2012

In the January–December period, cash flow after investments increased to EUR 33.6 million (9.0 million) due to efficient management of working capital and the acquisition of Forte Netservices Oy in 2011.

During the reporting period, DNA drew a loan of EUR 80 million, based on the credit facility agreement negotiated with the European Investment Bank in September 2010. The maturity of the loan is seven years. In addition, the company has a commercial paper program worth EUR 150.0 million (150.0 million), under which EUR 50.0 million (25.0 million) was drawn by the end of December. DNA also has a EUR 200 million revolving credit facility that remained undrawn at the end of the review period.

The financial position was good although gearing increased to 48.7 per cent (24.5 per cent) at the period end, due to acquisition of own shares in March. At the end of December, the Group's liquid assets amounted to EUR 8.2 million (28.4 million), and interest-bearing liabilities to EUR 265.9 million (181.6 million).

On 15 March 2012, the company acquired 1,116,896 DNA shares from Sanoma Entertainment Finland Ltd. The total price of the shares was EUR 99,999,962.51 (excluding transfer tax and other acquisition-related costs).

The Group's liquid assets and undrawn committed credit limits amounted to EUR 223.2 million (243.4 million).

The net debt/EBITDA ratio was 1.35 (0.81).

The balance sheet remained strong, with the end-of-period equity ratio totaling 54.1 per cent (62.2 per cent).

Cash flow and financial key figures

	10-12/2012	10-12/2011	01-12/2012	01-12/2011
Cash flow after investments, EUR million	11.9	-3.1	33.6	9.0
			31 Dec 2012	31 Dec 2011
Net debt, EUR million			257.7	153.2
Net debt/EBITDA			1.35	0.81
Gearing, %			48.7	24.5
Equity ratio, %			54.1	62.2

Development per business segment

Business segment cost allocation principles were specified in more detail after the restructuring of DNA's organisation in June 2012. The figures for the comparable period have been updated to match the new calculation principles. For more information about the changes, please see Note 2.

Consumer business

October–December 2012

In the fourth quarter, consumer business net sales increased by 9.0 per cent year-on-year to EUR 157.6 million (144.6 million). EBITDA increased to EUR 34.9 million (32.1 million), or 22.1 per cent of net sales (22.2 per cent). Operating profit decreased to EUR 10.2 million (10.5 million), accounting for 6.5 per cent of net sales (7.3 per cent). The positive development in EBITDA in the fourth quarter was fuelled by higher sales volumes, the increase in the mobile communication subscriptions, reduced sales costs and improved operational efficiency.

According to the international EPSI Rating study, DNA mobile broadband and DNA WELHO pay-TV had the most satisfied consumer customers in Finland in 2012. DNA's service quality is considered the best, and customer value and loyalty are also at the highest level. DNA WELHO pay-TV services also scored top positions in product quality and image. The study shows that DNA mobile broadband has gained a significant boost in customer satisfaction.

DNA will almost double the number of customer service personnel at its Taivalkoski office: in December, DNA announced the recruitment of 40 new customer service employees under a permanent employment contract, bringing the number of customer service personnel from 45 to 85.

DNA launched the sales of two new iPad models. DNA is the only Finnish operator that sells iPads.

On 21 November 2012, DNA and Jolla announced a cooperation agreement specifying that DNA Store and other DNA sales channels will sell and market Jolla smartphones in Finland as soon as they enter the market in 2013. The upcoming Jolla smartphones use an open Sailfish operating system, based on the MeeGo operating system.

January–December 2012

Consumer business net sales increased by 6.7 per cent year-on-year to EUR 591.2 million (554.0 million). The growth was fuelled by the increase in terminal device sales, the mobile communication subscription base and pay-TV services. EBITDA increased to EUR 130.8 million (128.7 million), or 22.1 per cent of net sales (23.2 per cent). Operating profit increased to EUR 42.0 million (38.0 million), accounting for 7.1 per cent of net sales (6.9 per cent).

The positive EBITDA and operating profit development were due to an increase in the number of mobile subscriptions, a decrease in sales costs and improved operational efficiency.

Consumer business

EUR million	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Net sales	157.6	144.6	9.0%	591.2	554.0	6.7%
EBITDA	34.9	32.1	8.7%	130.8	128.7	1.7%
- % of net sales	22.1%	22.2%		22.1%	23.2%	
Operating profit/loss	10.2	10.5	-3.4%	42.0	38.0	10.5%
- % of net sales	6.5%	7.3%		7.1%	6.9%	

Corporate business

October–December 2012

In the fourth quarter, DNA's corporate business net sales decreased to EUR 44.2 million (45.5 million). This was due to higher level of project invoicing in the comparable period. EBITDA increased to EUR 14.8 million (14.4 million), or 33.4 per cent of net sales (31.6 per cent). Operating profit came to EUR 1.7 million (2.7 million), accounting for 3.9 per cent of net sales (5.9 per cent). EBITDA grew due to increased operational efficiency, whereas operating profit was burdened by increased depreciation.

DNA Ltd and Marski Data Oy agreed on sales cooperation. Marski Data will serve DNA customers in all its stores in the cities of Joensuu, Mikkeli and Savonlinna. Marski Data will sell DNA's mobile and fixed-network voice and data services to companies, associations and consumers.

DNA's corporate business will gain at least ten new employees once the scope and operating model of corporate customers' technical support is revamped. The first of the new recruits will start in their new roles in early 2013. These recruitments are due to the renewed, more extensive DNA corporate service portfolio.

January–December 2012

Operating profit improved, coming to EUR 178.0 million (173.5 million). Net sales grew thanks to the Forte Netservices Oy's value added services and the growth of mobile communication services. EBITDA increased to EUR 59.9 million (59.7 million), or 33.7 per cent of net sales (34.4 per cent). Operating profit increased to EUR 14.1 million (12.8 million), or 7.9 per cent of net sales (7.4 per cent).

Corporate business

EUR million	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Net sales	44.2	45.5	-2.9%	178.0	173.5	2.6%
EBITDA	14.8	14.4	2.7%	59.9	59.7	0.3%
- % of net sales	33.4%	31.6%		33.7%	34.4%	
Operating profit/loss	1.7	2.7	-36.1%	14.1	12.8	10.1%
- % of net sales	3.9%	5.9%		7.9%	7.4%	

Investments and network infrastructure

Investments

October–December 2012

Investments in the October–December period amounted to EUR 43.0 million (49.5 million), or 21.3 per cent of net sales (26.0 per cent).

January–December 2012

Investments in January–December amounted to EUR 136.3 million (119.5 million), or 17.7 per cent of net sales (16.4 per cent).

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

Investments

EUR million	10–12/2012	10–12/2011	change (%)	1–12/2012	1–12/2011	change (%)
Consumer business	30.2	35.3	-14.4%	96.6	84.2	14.7%
Corporate business	12.1	13.6	-10.7%	36.8	31.2	18.0%
Un-allocated	0.7	0.7	0.0%	2.9	4.2	-30.4%
Total investments	43.0	49.5	-13.2%	136.3	119.5	14.0%

Network infrastructure

The volume of mobile data traffic more than doubled from 2011 to 2012. The increase in mobile traffic volumes is a result of the growing popularity of smartphones and tablets in particular. These new devices are actively used for viewing content such as HD-grade videos.

The role of the top-speed 4G LTE technology will gain importance, and DNA's 4G LTE is likely to continue to expand. DNA's 4G-grade speeds are currently available in more than 200 Finnish municipalities. DNA's 4G LTE network comprises hundreds of base stations, and reaches approximately one million Finns.

HD voice was launched in DNA's 3G network on 12 November 2012. It is available throughout the DNA 3G network, which reaches five million Finns.

DNA's terrestrial TV network covers some 85 per cent of households in Finland, providing the versatile DNA WELHO pay-TV channel offering. DNA is the only operator offering high-definition channels in the terrestrial network. At the end of 2012, DNA's terrestrial network (VHF band) had a total of 19 channels, nine of which offer high-definition broadcasts. DNA's cable network offers in excess of 160 TV-channels out of which 30 offers high-definition broadcasts and one being a 3D channel.

Personnel

At the end of December, DNA had 1,427 employees (1,035). Year-on-year, the figure grew by 392 employees. The average number of DNA employees in 2012 was 1,285 (1,008). At the end of the year, DNA employed 611 women (333) and 816 men (702).

Salaries and employee benefit expenses paid during the fourth quarter amounted to EUR 21.9 million (16.2 million) and during the year 2012 to EUR 77.3 million (58.6 million). The increase in the period is due to the transfer of GoExcellent customer service personnel to the employ of DNA on 1 July 2012.

In December 2012, DNA's corporate business announced that it will gain at least ten new employees once the scope and operating model of corporate customers' technical support is revamped in early 2013. DNA also announced that it will recruit 40 new customer service employees to its Taivalkoski office during 2013. The total number of customer service employees at the Taivalkoski office will be 85.

Personnel by business segment

	31 Dec 2012	31 Dec 2011	change (%)
Consumer business	979	654	49.7%
Corporate business	448	381	17.6%
Total personnel	1,427	1,035	37.9%

Group structure and significant litigation and regulatory matters

Changes in the Group structure

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

Significant litigation matters

On 28 June 2012, the Helsinki District Court ordered that DNA block some domain names and IP addresses that direct subscribers to the Pirate Bay service. This order was issued to prevent the public from accessing copyright-protected material via Pirate Bay. The order came into effect once those seeking the ban set the security specified in the ruling and delivered the required documents to the District Court. DNA implemented the blocks to the Pirate Bay service as ordered by the Court on 31 July 2012.

Management and governance

DNA Ltd has a line organisation, comprising of Consumer, Corporate and Technical units.

DNA's Executive Team comprises Chief Executive Officer Riitta Tiuraniemi, Vice President, Consumer Business Pekka Väisänen, Vice President, Corporate Business Jukka Leinonen, Vice President, Technology Tommy Olenius, Vice President, Human Resources Marko Rissanen, Vice President, Legal Affairs Asta Rantanen and as of 1 December, Chief Financial Officer Timo Karppinen. Director of Accounting Maria Strömberg-Hyry attended the Executive Team meetings as Acting CFO from 28 June to 30 November 2012. Chief Financial Officer Ilkka Pitkänen resigned at the end of June 2012.

Minna Miettinen acted as DNA Vice President, Products & Content, and member of the Executive Team from 16 January to 10 June 2012. Her predecessor Timo Varsila was the member of the Executive Team until the end of 2011.

Annual General Meeting

DNA Ltd's Annual General Meeting of 15 March 2012 adopted the financial statements for the financial period of 1 January to 31 December 2011. Due to the purchase of DNA shares, the Annual General Meeting adjusted the Board of Directors' previous proposal, deciding to pay a dividend of EUR 3.50 per share, totaling EUR 29,701,980. The dividend was paid out on 27 March 2012 for shares held by external parties on 19 March 2012. The Annual General Meeting discharged the Board of Directors and the CEO from liability for the period 1 January to 31 December 2011.

The Annual General Meeting confirmed the Board of Directors to comprise six members. Re-elected members of the Board include Hannu Isotalo, Jarmo Leino, Jukka Ottela, Tuija Soanjärvi and Anssi Soila. Juha Ala-Mursula was elected a new member.

The Annual General Meeting decided not to change the remunerations paid to the members of the Board of Directors and its Committees. PricewaterhouseCoopers Ltd. continued as the company's auditor, with Johan Kronberg acting as the principal auditor.

The Annual General Meeting amended the number of the members of the Board of Directors specified in the Articles of Association to no less than five and no more than seven ordinary members. The company is domiciled in Helsinki. The changes came into force on 1 August 2012.

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.

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

Shares and shareholders

Shareholders

On 31 December 2012, the ten largest shareholders of DNA Ltd included Finda Oy (32,56), Oulu ICT Oy (22,17), PHP Holding Oy (19,75), KPY Sijoitus Oy (12,97), 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%) and Vakka-Suomen Puhelin Oy (0,15). They owned a total of 99.72 per cent of DNA's shares and voting rights.

On 16 March 2012, Finda Oy, Oulu ICT Oy, PHP Holding Oy, Osuuskunta KPY (now KPY Sijoitus Oy) and Ilmarinen Mutual Pension Insurance Company purchased 910,271 DNA Ltd shares held by Sanoma Entertainment Finland Ltd, which were entered into DNA Ltd's share register on 27 April 2012.

The transfer of the DNA Ltd shares held by PHP Liiketoiminta Oyj to its parent company PHP Holding Oy was entered into DNA's shareholder register on 6 February 2012. The transfer of the DNA Ltd shares held by Osuuskunta KPY to KPY Sijoitus Oy was entered into the shareholder register on 19 December 2012.

Shares and the Board's authorisations

The Annual General Meeting of 15 March 2012 decided to buy a total of 1,116,896 DNA shares from Sanoma Entertainment Finland Ltd. The total purchase price came to EUR 99,999,962.51. The purchase was financed using DNA's unrestricted equity reserve on 16 March 2012.

The Annual General Meeting of 15 March 2012 authorised the Board of Directors to decide on repurchasing a maximum of 950,000 shares using the company's unrestricted shareholders' equity. The authorisation includes a right to decide on all terms of the share repurchase and is effective until 30 June 2013. This authorisation cancels the previous authorisation. The Annual General Meeting authorised the Board to decide on issuing a maximum of 950,000 shares and special rights entitling to shares. The authorisation includes a right to decide on all terms related to the issuance of shares and special rights. The authorisation is effective until 30 June 2017 and cancels the previous authorisation. The Board of Directors was also authorised to make a decision on a conveyance of a maximum of 950,000 acquired shares. The authorisation includes a right to decide on all terms related to the conveyance. The authorisation will be effective until 30 June 2017.

The Extraordinary General Meeting of 19 July 2012 decided to repurchase a total of 2,500 DNA shares from Ilkka Pitkänen according to the management agreement binding both parties. The total purchase price came to EUR 169,750. The purchase was financed using DNA's unrestricted equity reserve on 20 July 2012.

Pursuant to the authorisation to decide on repurchasing DNA shares, the Board decided on 20 November 2012 to repurchase the DNA shares held by Riitta Tiuraniemi and Asta Rantanen according to the management agreement binding both parties. The total purchase price came to EUR 682,240. The purchase was financed using DNA's unrestricted equity reserve on 19 December 2012. After the repurchase, the Board has a remaining authorisation to repurchase 944,752 DNA shares.

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

Corporate responsibility

DNA continued to develop its corporate responsibility practices according to its corporate responsibility programme. GRI reporting was enhanced by including direct and indirect greenhouse gas emissions retrospectively for the past two years and by having an external party verify the energy consumption calculations. As regards social responsibility, DNA continued to develop its supply chain management by introducing an ethical supplier appendix to its new technological and logistics contracts.

In October, DNA was among the first companies to join the Diversity Charter Finland and sign a diversity commitment. 2012 marked the second year of cooperation with SOS Children's Village. Among other activities, DNA personnel participated in a collection on the Universal Children's Day in November for SOS Children's Village.

DNA also continued to develop its operational energy efficiency during the reporting period by means such as upgrading the radio network technologies and mapping the possibility of using renewable sources of energy in power generation for DNA's network.

Near-term risks and uncertainties

Risk management is part of DNA's strategy process and corporate governance. It is guided by the risk management policy approved by the Board of Directors. A more detailed description of DNA's risk management and uncertainties is available in the Annual Report at www.dna.fi/annualreporting. There have been no significant changes in near-term risks and uncertainties in 2012.

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. Starting up new business always involves higher risks than conventional and established business operations. Intense market competition places high demands on the quality and availability of operators' systems, network infrastructure. In addition, they must productise new services quickly and cost-efficiently.

The Finnish telecommunications market is characterised by stringent regulation. 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. In October 2012, the Finnish Parliament made a decision on the Act on auctioning the 800 MHz frequency band. This decision may affect competition, market concentration and end-user pricing.

DNA's business environment is very sensitive to change, and the pace of change is increasing. Uncertainty related to the overall economic situation may increase, which may affect the value of smartphone and TV services and the corporate market.

Events after the review period

The auctioning of the 800 MHz frequency band has started. There have been no other significant events after the review period.

Outlook for 2012

Market outlook

The economic situation in Finland and Europe is expected to remain turbulent, and the economies to enter a long period of slow growth. The impact of the economic situation will be slow and post-cyclical in the telecommunications market.

The Finnish telecommunications market is undergoing a change, which DNA expects to be followed by a period of new growth driven by growing traffic volumes and new types of usage.

Network and terminal device technologies are developing at an increasingly fast pace, fuelling new growth in the basic traffic and subscription business and driving new product, service and business innovations. Intense market competition places 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 being affected by the increased popularity of IP-based communication services driven by the growing number of smartphones and tablets, other market developments, pricing pressures, the reduction in mobile termination charges and competition in the mobile communication and fixed-line broadband markets in particular.

It is anticipated that consumer demand for DNA's mobile broadband services will increase. Fixed-network broadband customers are expected to continue to switch to housing company subscriptions and higher-speed connections. Competition in the housing company subscription market is expected to remain intense, but the price erosion that has been characteristic of the market is expected to ease off. Intensifying competition in the housing company subscriptions market should lead to a lowering of ARPU.

The value of fixed-network voice services is expected to continue falling. DNA anticipates that business operations in the terrestrial TV network and terrestrial network pay-TV will grow slowly. As regards TV and movie content, competition is increasing as global players (HBO and Netflix) set up operations in the Finnish market.

The corporate market is characterised by consumerisation and exponential growth of data volumes as new technologies become more commonly adopted. Mobile work and versatile ways of working will gain importance. Reliable and effectively managed ICT infrastructure will become increasingly vital for businesses. Smart value added services will become a more important consideration when corporations select service providers for their networks.

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

Expansion of DNA's fixed broadband and TV networks, expansion of DNA's mobile networks and adoption of 4G-grade speeds will remain the main investments areas in 2013. DNA meets the market need by strong focus on network coverage and capacity. At the end of 2012, DNA's 4G network reached half of the Finnish population. The 3G network reaches five million Finns. At the end of 2012, DNA's HDTV broadcasts reached 85 percent of Finnish households. This is the largest coverage in Finland.

DNA's outlook

Net sales are expected to remain at the same level and, due to growing depreciation in 2013, operating profit is forecast to fall slightly. The Group's financial position is expected to remain at the same healthy level. DNA Ltd

Board of Directors

Interim report practices

This financial statement bulletin 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 2011. This financial statement bulletin should be read observing the 2011 Financial Statements.

Consolidated income statement, IFRS

EUR million	1 Oct–31 Dec 2012	1 Oct–31 Dec 2011	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Net sales	201.8	190.2	769.2	727.5
Other operating income	0.8	0.6	2.4	3.9
Materials and services	-101.8	-103.7	-391.6	-377.1
Employee benefit expenses	-21.9	-16.2	-77.3	-58.6
Depreciation	-37.7	-33.2	-134.6	-137.6
Other operating expenses	-29.3	-24.4	-111.9	-107.4
Operating result, EBIT	11.9	13.2	56.1	50.8
Financial income	0.3	0.4	1.5	1.6
Financial expense	-2.0	-2.3	-9.3	-6.2
Share of associated companies' results	0,0	0,0	0,0	0,0
Net profit before tax	10.1	11.3	48.3	46.2
Income tax	-2.8	-1.0	-12.2	-10.4
Net profit for the period	7.3	10.3	36.1	35.8
Other comprehensive income:				
Cash flow hedges	0.1	0,0	-0.7	0.4
Other comprehensive income, net of tax	0.1	0,0	-0.7	0.4
Total comprehensive income	7.4	10.3	35.5	36.1
Net profit/loss attributable to:				
Owners of the parent	7.3	10.3	36.1	35.8
Comprehensive income attributable to:				
Owners of the parent	7.4	10.3	35.5	36.1
Earnings per share of the profit attributable to equity holders of the parent company				
Basic earnings per share, EUR	0.87	1.07	4.15	3.73
Average number of shares				
- Basic	8,483	9,603	8,714	9,603

Consolidated statement of financial position, IFRS

EUR million	31 Dec 2012	31 Dec 2011
Assets		
Non-current assets		
Goodwill	221.1	220.4
Other intangible assets	132.1	129.7
Property, plant and equipment	405.5	415.4
Investments in associates	1.8	1.1
Available-for-sale financial assets	0.2	0.2
Trade and other receivables	21.2	16.6
Deferred tax assets	19.6	21.8
Total non-current assets	801.5	805.1
Current assets		
Inventories	17.7	14.0
Trade and other receivables	168.2	171.0
Cash and cash equivalents	8.2	28.4
Total current assets	194.1	213.5
Total assets	995.6	1,018.6
Shareholders' equity		
Equity attributable to owners of the parent		
Share capital	72.7	72.7
Other reserves	605.8	605.6
Treasury shares	-103.5	-0.9
Retained earnings	-82.1	-88.0
Profit for the year	36.1	35.8
Total equity	529.0	625.2
Liabilities		
Non-current liabilities		
Interest-bearing non-current liabilities	180.9	135.1
Retirement benefit obligations	0.1	0.2
Provision for other liabilities	8.1	5.7
Derivative financial instruments	2.9	0.7
Deferred income tax liabilities	50.4	58.2
Other non-current liabilities	2.7	1.4
Total non-current liabilities	245.2	201.3
Current liabilities		
Interest-bearing current liabilities	85.0	46.5
Provisions for other liabilities	1.0	0.1
Trade and other payables	135.5	144.5
Current income tax liabilities	0.0	0.9
Total current liabilities	221.4	192.0
Total liabilities	466.6	393.4
Total equity and liabilities	995.6	1,018.6

Condensed consolidated statement of cash flows, IFRS

EUR million	1–12/2012	1–12/2011
Cash flows from operating activities		
Profit for the period	36.1	35.8
Depreciation	134.6	137.6
Change in working capital	1.6	-7.9
Other adjustments	-2.3	-24.5
Net cash generated from operating activities (A)	170.0	140.9
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	-134.8	-118.4
Proceeds from sale of PPE	0.3	0.5
Acquisition of subsidiaries and business transfers	-1.2	-14.1
Change in other investments	-0.7	0.1
Net cash used in investing activities (B)	-136.4	-131.9
Cash flows from financing activities		
Dividends paid	-29.7	-49.9
Treasury share acquisition	-102.7	0.0
Borrowing of interest-bearing liabilities	80.0	100.0
Repayment of interest-bearing liabilities	-21.7	-97.8
Commercial papers, net	24.9	24.9
Change in non-current receivables	-4.7	-7.2
Net cash used in financing activities (C)	-53.8	-30.0
Change in cash and cash equivalents (A+B+C)	-20.2	-21.0
Cash and cash equivalents at beginning of year	28.4	49.5
Cash and cash equivalents at end of year	8.2	28.4

Consolidated statement of changes in equity

EUR million	Share capital	Hedge fund	Unrestricted equity reserve	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2011	72.7	-0.6	605.9	-0.9	-39.4	637.7
Comprehensive income						
Profit for the period					35.8	35.8
Other comprehensive income						
Cash flow hedges, net of tax		0.4				0.4
Total other comprehensive income, net of tax		0.4				0.4
Total comprehensive income	0.0	0.4	0.0	0.0	35.8	36.1
Transactions with owners						
Employee share option scheme: granted options					1.3	1.3
Dividends relating to 2010					-49.9	-49.9
Total contribution by and distributions to owners					-48.6	-48.6
Balance at 31 December 2011	72.7	-0.3	605.9	-0.9	-52.3	625.2
Balance at 1 January 2012	72.7	-0.3	605.9	-0.9	-52.3	625.2
Comprehensive income						
Profit for the period					36.1	36.1
Other comprehensive income						
Cash flow hedges, net of tax		-0.7				-0.7
Total other comprehensive income, net of tax		-0.7				-0.7
Total comprehensive income	0.0	-0.7	0.0	0.0	36.1	35.5
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	72.7	-0.9	606.8	-103.5	-46.0	529.0

Notes to the interim financial statements

1. Accounting principles
2. Segment information
3. Investments
4. Shareholders' equity
5. Net liabilities
6. Provisions for other liabilities
7. Related party transactions
8. Share-based payments
9. Business combinations

1 Accounting principles

This financial statement bulletin 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 2011. This financial statement bulletin should be read observing the 2011 Financial Statements.

2 Segment information

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

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	34,865	14,770	49,635
Depreciation	24,694	13,045	37,739
Operating result, EBIT	10,171	1,725	11,897
Net financial items			-1,732
Share of associated companies' results			-22
Profit before tax			10,142
Profit for the period			7,345
Investments	30,181	12,104	42,285
Employees at end of period	979	448	1,427

1 Oct–31 Dec 2011

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	144,620	45,545	190,165
EBITDA	32,087	14,384	46,471
Depreciation	21,559	11,687	33,246
Operating result, EBIT	10,527	2,698	13,225
Net financial items			-1,903
Share of associated companies' results			3
Profit before tax			11,323
Profit for the period			10,317
Investments	35,290	13,550	48,841
Employees at end of period	654	381	1,035

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	130,826	59,917	190,743
Depreciation	88,831	45,769	134,600
Operating result, EBIT	41,995	14,148	56,143
Net financial items			-7,813
Share of associated companies' results			-14
Profit before tax			48,316
Profit for the period			36,136
Investments	96,620	36,763	133,383
Employees at end of period	979	448	1,427

1 Jan–31 Dec 2011

EUR 1,000			
Business segments	Consumer segment	Corporate segment	Group total
Net sales	554,035	173,497	727,531
EBITDA	128,692	59,711	188,403
Depreciation	90,703	46,861	137,564
Operating result, EBIT	37,989	12,850	50,839
Net financial items			-4,690
Share of associated companies' results			11
Profit before tax			46,160
Profit for the period			35,796
Investments	84,200	31,184	115,384
Employees at end of period	654	381	1,035

Change in the composition of the DNA Group segment reporting

The DNA Group internal structure changed beginning in June 2012. As a result, the segments' cost-allocation principles were updated. The main changes concern clarifications of the product- and customerservices areas, aiming to improve processes. Additionally, the segment allocation of depreciation was defined to better represent the motivation of old as well as new investments. The changes were made for the financial statements. Due to the change, DNA has, according to the IFRS 8 standard adjusted the corresponding items for the comparative periods of 2011 as well as the first three quarters of 2012.

The restated comparative figures for the comparative periods are:

	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
	2011	2011	2011	2011	2011	2012	2012	2012
Net sales*								
Consumer	131,126	137,944	140,345	144,620	554,035	140,507	146,852	146,203
Corporate	42,089	40,776	45,086	45,545	173,497	46,081	44,694	43,024
EBITDA								
Consumer	34,896	34,307	27,403	32,087	128,692	24,774	33,777	37,410
Corporate	14,938	13,010	17,379	14,384	59,711	13,815	15,787	15,544
Depreciation								
Consumer	23,398	23,862	21,884	21,559	90,703	20,641	21,399	22,098
Corporate	12,117	11,340	11,718	11,687	46,861	10,552	10,967	11,205
Operating result, EBIT								
Consumer	11,497	10,446	5,519	10,527	37,989	4,134	12,378	15,313
Corporate	2,821	1,670	5,661	2,698	12,850	3,263	4,820	4,339
Investments								
Consumer	10,781	17,657	20,472	35,290	84,200	16,592	25,081	24,766
Corporate	4,827	8,020	4,787	13,550	31,184	5,454	9,230	9,975
Employees								
Consumer	681	686	675	654	654	655	1047	977
Corporate	301	323	339	381	381	390	482	449

* Net sales has not been changed.

3 Investments

EUR 1,000	Oct–Dec 2012	Oct–Dec 2011	Jan–Dec 2012	Jan–Dec 2011
Capital expenditure				
Intangible assets	9,840	7,327	31,133	26,371
Property, plant and equipment	33,162	42,167	105,127	93,172
Total	43,002	49,495	136,260	119,543

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

4 Shareholders' equity

EUR 1,000	Number of shares (thousands)	Share capital	Unrestricted equity reserve
At 1 January 2011	9,611	72,702	605,927
At 31 December 2011	9,611	72,702	605,927
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

Number of shares include 1,132,144 treasury shares. The change in the unrestricted equity reserve is due to the acquisition of treasury shares, see below in the treasury shares section.

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

Dividends

DNA Ltd's Annual General Meeting of 15 March 2012 approved a payment of dividend (EUR 3.50 per share) totalling EUR 29,701,980.00. The dividend was paid on 27 March 2012.

Treasury shares

The company acquired 1,116,896 treasury shares following the decision made at the Annual General Meeting 15 March 2012. The cost of the acquisition including transfer tax and other acquisition related costs totalled EUR 101,804,978.94. Following the decision made at the Extraordinary Annual General Meeting on 18 July 2012, the company acquired 2,500 treasury shares at a total acquisition cost, including transfer tax and other acquisition related costs, of EUR 172,466. The company acquired 5,248 treasury shares following the decision made at the Board of Directors meeting on 20 November 2012. The cost of the acquisition including transfer tax and other acquisition related costs totalled EUR 693,155.84. In total, the company acquired 1,124,644 treasury shares during the financial year.

The treasury shares were acquired using retained earnings. Treasury shares are presented separately in equity.

Date	Number of shares	Acquisition cost
At 1 January 2012	7,500.00	875,610.75
16 March 2012	1,116,896.00	101,804,978.94
20 July 2012	2,500.00	172,466.00
19 December 2012	5,248.00	693,155.84
At 31 December 2012	1,132,144.00	103,546,211.53

Treasury shares acquired during the financial year represent 11.7 per cent of the votes (treasury shares in total representing 11.8 per cent of the votes).

5 Net liabilities

EUR 1,000	31 December 2012	31 December 2011
Non-current and current interest-bearing liabilities	265,902	181,601
Less short-term investments, cash and bank balances	8,224	28,448
Total	257,678	153,153

6 Provisions for other liabilities

EUR 1,000	1 Jan 2012	Additions	Provisions used	Other changes/Discount effect	31 Dec 2012
Decommissioning provisions	4,292	0	0	2,227	6,519
Restructuring provisions	753	3,230	-1,825	-708	1,450
Onerous contracts	811	568	-112	-194	1,072
Total	5,856	3,798	-1,937	1,324	9,041

Restructuring provision

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

7 Related party transactions

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

EUR 1,000	Sales	Purchases	Receivables	Liabilities
12/2012				
Organisations exercising significant influence	87	5,086	9	285
Associated companies	0	261	0	22
EUR 1,000				
12/2011				
Organisations exercising significant influence	8,842	2,915	1	8
Associated companies	0	197	0	0

During 2010, a rights issue was targeted at management as part of their incentive scheme. During the financial year, a total of 7,748 shares were repurchased from members of the management. More information is provided in note 8.

8 Share-based payments

Conditions of share-based incentive scheme

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

Option scheme

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

Option scheme

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

Share options outstanding

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

	Options
On 1 January 2012	108,000
Granted options	
Forfeited options	20,000
Exercised options	
Expired options	
On 31 December 2012	88,000

There were no new options granted during the period. The weighted average fair value of options granted during 2011 was EUR 38.73 per option. The fair value of the options was determined by using a valuation model. The significant inputs of the model were the share price of EUR 98.66, exercise price shown above less dividends paid in 2010 of EUR 4.35, volatility of 38 per cent, an expected option life of two years, and a risk-free interest rate of 2.82 per cent.

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

Rights issue for the management

During 2010, a rights issue was targeted at management as part of their incentive scheme. During the financial year, a total of 7,748 shares were repurchased from members of the management. The shares owned by management were classified as cash-settled share-based payments and due to the repurchase of the shares the corresponding liability recognised in the statement of financial position is EUR 0 (31 December 2011 EUR 794,756).

9 Business combinations

On the 30th of June 2012, DNA Ltd acquired DNA customer service functions from GoExcellent South Oy and Go Excellent Finland North Oy. The purchase price for the business transfer was EUR 1.2 million. Assets and liabilities transferred have been recognised at their fair value. The goodwill recognised is attributable to expected synergy effects and the knowledge of the personnel transferred.

EUR 1000	Fair value recognised
Property, plant and equipment	523.8
Total assets	523.8
Net assets	523.8
Acquisition cost	1,200.00
Goodwill	676.2

Key figures

	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Equity per share, EUR	62.4	65.1	60.7	65.1
Net liabilities, EUR million	257.7	153.2	257.7	153.2
Gearing, %	48.7%	24.5%	48.7%	24.5%
Equity ratio, %	54.1%	62.2%	54.1%	62.2%
Net debt/EBITDA	1.30	0.82	1.35	0.81
Return on investment (ROI), %	6.1%	6.9%	7.2%	6.6%
Return on equity (ROE), %	5.6%	6.7%	6.3%	5.7%
Investments, EUR million	43.0	49.5	136.3	119.5
Investments, % of net sales	21.3%	26.0%	17.7%	16.4%
Personnel at end of period	1,427	1,035	1,427	1,035

Key operative indicators

Mobile communication network subscription volumes:

Number of:	Sep 2012	Sep 2011	Dec 2012	Dec 2011
Subscriptions*	2,406,000	2,234,000	2,428,000	2,285,000
DNA's own customers*	2,281,000	2,147,000	2,315,000	2,188,000

	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Revenue per subscription (ARPU), EUR**	19.5	20.5	19.9	20.4
Customer churn rate, %**	17.7	16.5	15.7	16.4

*Includes only mobile broadband

**Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	Sep 2012	Sep 2011	Dec 2012	Dec 2011
Broadband subscriptions	311,000	294,000	311,000	299,000
Cable TV subscriptions	601,000	599,000	596,000	602,000
Telephone subscriptions	126,000	142,000	120,000	138,000

Calculation of the key indicators

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

* 12-month adjusted