DNA Interim Report January–June 2009

DNA seeks growth from new business sectors

Summary of the second quarter

- DNA's net sales for April–June amounted to EUR 162 million (4–6/2008: EUR 162 million).
- Gross margin (EBITDA) amounted to EUR 42 million, accounting for 26.3 per cent of net sales (4–6/2008: EUR 44 million, 27.0 per cent).
- EBITDA adjusted for non-recurring items came to EUR 43 million (4–6/2008: EUR 43 million).
- Profit amounted to EUR 14 million, accounting for 8.7 per cent of net sales (4–6/2008: EUR 19 million, 11.7 per cent).
- Adjusted for non-recurring items, profit came to EUR 15 million (EUR 18 million).
- Profit before taxes was EUR 16 million (4–6/2008: EUR 19 million).
- Profit before taxes, adjusted for non-recurring items, came to EUR 14 million (EUR 18 million).

- DNA's mobile communications (including mobile broadband) grew by 72,000 subscriptions during the second quarter to 1,817,000 subscriptions (6/2008: 1,492,000; 3/2009: 1,745,000).
- Average revenue per user (ARPU) for mobile communication amounted to EUR 22.4 (4–6/2008: 25.3; 1–3/2009: 22.8).
- Subscription turnover rate (churn) was 18.9 per cent (4–6/2008: 13.2; 1–3/2009: 16.9).
- At the end of June, the number of fixed-line network broadband subscriptions amounted to 187,000 (6/2008: 191,000; 3/2009: 190,000).
- The number of traditional telephone subscriptions was 215,000 (6/2008: 242,000; 3/2009: 222,000).
- The number of customers in DNA's cable TV distribution networks was 267,000 (6/2008: 258,000; 3/2009: 265,000).

Summary of January–June

- DNA's net sales for January–June amounted to EUR 320 million (1–6/2008: EUR 318 million), a 0.9 per cent increase year-on-year.
- Gross margin (EBITDA) amounted to EUR 71 million, accounting for 22.2 per cent of net sales (1–6/2008: EUR 87 million, 27.4 per cent).
- EBITDA excluding non-recurring items came to EUR 86 million (1–6/2008: EUR 86 million).
- Profit amounted to EUR 17 million, accounting for 5.2 per cent of net sales (1–6/2008: EUR 38 million, 12.1 per cent).
- Profit excluding non-recurring items came to EUR 31 million (1–6/2008: EUR 37 million).
- Profit before taxes was EUR 15 million (1–6/2008: EUR 39 million).
- Profit before taxes, adjusted for non-recurring items, came to EUR 32 million (EUR 37 million).
- The non-recurring items covered the expense provisions for the cooperation negotiations and the losses arising from fair value measurement of Elisa Corporation's shares.

Figures are unaudited.

Key figures

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	162	162	320	318	647
EBITDA	42	44	71	87	166
EBITDA, %	26.3	27.0	22.2	27.4	25.7
EBITDA excluding non-recurring items	43	43	86	86	166
EBITDA, % excluding non-recurring items	26.7	26.3	26.8	27.0	25.7
EBIT	14	19	17	38	69
EBIT, %	8.7	11.7	5.2	12.1	10.7
EBIT excluding non-recurring items	15	18	31	37	69
EBIT, % excluding non-recurring items	9.1	11.0	9.8	11.6	10.6
Profit/loss before taxes	16	19	15	39	64
Profit/loss before taxes, excluding non-recurring items	14	18	32	37	71
Profit/loss for the financial period	12	13	12	27	47
Capital expenditure	26	20	45	31	97
Cash flow from operations	32	34	56	74	147

MEUR	30.6.2009	30.6.2008	31.12.2008
Net liabilities	197	111	163
Net liabilities/EBITDA	1.39	0.64	0.98
Gearing, %	37.6	20.8	29.5
Equity ratio, %	57.5	61.4	60.8
Personnel at end of period	970	1,115	982

Riitta Tiuraniemi, President & CEO:

"Net sales and profitability remained close to last year's level; we are seeking growth from new business sectors"

We consider the new high-definition (HD) television services as our latest growth area, enabled by the network licence we received in June for HD trial broadcasting over the aerial network. We already hold a strong position in the provision of cable and pay TV services. Expanding to aerial network broadcasting is part of our strategy of providing services in selected national business sectors. Due to extensive coverage, the aerial network has become a popular television distribution channel in Finland, with the launch of HD services providing a significant competitive advantage. Our goal is to create new services for aerial households and challenge the established businesses in the sector.

In the early summer, we released the beta version of Huuked, a new kind of mobile community service. Through this service registered users can share mobile phone content, which they own or have produced, in real time. Huuked is similar to Bluetooth, but uses the open internet and is unrestricted by time or place.

During the first half of 2009, DNA's net sales remained at the 2008 level. Customer invoicing increased owing to continued brisk sales and successful campaigns in mobile communication subscriptions and mobile broadband. Meanwhile, net sales were weakened by the significant decrease in termination charges at the beginning of 2009. DNA's EBITDA and EBIT will gradually begin to reflect the streamlining and reorganisation efforts carried out earlier in the year. Considering our year-on-year progress and taking account of the difficult market situation, we can be very satisfied with our results.

We have increased our investment in 3G base stations, with the objective of deploying 1,100 new stations this year. Our 3G services have extended to nearly 300 municipalities and we reach over 4.5 million residents in Finland. Based on the coverage maps published by all telecom operators on their websites, DNA has the most extensive 3G coverage in the country. The completion of our nationwide 3G coverage is planned for 2012.

The findings of a survey carried out by DNA among summer cottage users show that increasing numbers of holiday makers are using the internet. One in five respondents had access to broadband in their holiday home, 70 per cent of them using mobile broadband. The older generations in particular found mobile broadband very important. During their stay at their summer cottage, customers used Mokkula to keep up with current affairs, read email and pay bills. One in four said they needed the connection for remote working.

The maximum speed of the currently available DNA mobile broadband is 2 Mbps, but we will be the first telecom operator to increase its network speed to the peak speed of 21 Mbps. The company has been conducting technical testing over the summer in preparation for the launch of this enhancement, scheduled for the autumn of 2009. Higher HSPA+ data transfer speeds will particularly benefit customers who use the mobile network to transfer files and access a growing range of internet services, while improved network capacity will allow a greater number of simultaneous users to enjoy higher transfer speeds.

Year-end outlook

DNA's year-end outlook is cautiously optimistic. We have succeeded in deploying our new operating model and will see the streamlining measures begin to take effect. On the other hand, the prolonged economic downturn is intensifying competitive tendering for corporate subscriptions and is giving rise to a preference for lower-priced terminals and a growing number of delayed payments. All of this will increase the pressure on both net sales and profit.

Market situation

Competition has continued to be intense in the telecommunications market, particularly in the mobile communication market due to the voice and broadband campaigns waged there. Mobile communication customer churn has slightly increased year-on-year. In the consumer business, mobile broadband is replacing fixed-line broadband at an increasingly rapid pace, as seen in the decreasing numbers of fixed-line broadband subscriptions and rising sales of high-speed mobile broadband. In the corporate business, intense competition has continued in the mobile communication market in particular, while business use of mobile broadband is showing a positive, rising trend.

In the broadband market, which is seeing genuine growth, demand has remained brisk and interest in higher-speed services has increased. The use of mobile broadband continues to grow rapidly, replacing fixed-line broadband to a greater extent than expected. However, in a saturated market, no increase in fixed-network voice and broadband services is predicted.

Interim report January–June 2009

Accounting principles

This interim report has been prepared in accordance with IFRS recognition and measurement principles and the IAS 34 Interim reports standard. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application in the European Union. The accounting principles are identical to those applied to the financial statements of 31 December 2008. This interim report should be read observing the 2008 financial statements.

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

The information presented in this interim report is unaudited.

Development of net sales

DNA's net sales for April–June amounted to EUR 162 million (162). During the reporting period, 72 per cent (69) of net sales was generated by consumer business and 28 per cent (31) by corporate business.

The growth in net sales is a result of the increase in mobile communication subscriptions, continued strong sales in mobile broadband and the launch of telesales at the beginning of 2009. This increase in net sales was slowed down by the market's sharpest termination charge reductions, and a decrease in corporate business net sales, following the disposal of businesses and the decrease in the use of conventional telephone network services.

The results for DNA in January-June came to EUR 320 million (318), while net sales increased by 0.9 per cent year-on-year.

Net sales

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Consumer business	117	112	231	220	451
Corporate business	45	50	89	98	196
Eliminations/unallocated	0	0	0	0	0
Total	**162**	**162**	**320**	**318**	**647**

Financial performance

DNA's gross margin (EBITDA) for April–June amounted to EUR 42 million (44), accounting for 26.3 per cent of net sales EBITDA fell, primarily as a result of lower termination charges and the decrease in the use of conventional telephone network services.

Operating profit (EBIT) totalled EUR 14 million (19), representing 8.7 per cent of net sales.

DNA's profit after taxes in April–June came to EUR 16 million (19).

DNA's gross margin (EBITDA) for January–June amounted to EUR 71 million (87), accounting for 22.2 per cent of net sales.

DNA's EBITDA excluding non-recurring items for January–June decreased by 0.9 per cent year-on-year. DNA's EBITDA without non-recurring items amounted to EUR 86 million (86), accounting for 26.8 per cent of net sales.

Operating profit (EBIT) totalled EUR 17 million (38), representing 5.2 per cent of net sales.

DNA's profit after taxes in January–June came to EUR 15 million (39).

Financial profits and expenses for January–June amounted to EUR -1 million (+1). Income taxes for the period under review were EUR 4 million (12)

Profit

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
EBITDA	42	44	71	87	166
EBIT	14	19	17	38	69
Profit/loss before taxes	16	19	15	39	64
Profit/loss for the financial period	**12**	**13**	**12**	**27**	**47**

Consumer business

DNA's consumer business net sales for January–June amounted to EUR 117 million (112), representing 4.2 per cent growth compared to the equivalent period last year. Profit came to EUR 8 million (10).

Intense campaigning and price competition have continued in the mobile communication voice subscription market, and customer churn has slightly increased year-on-year. In the consumer business, mobile broadband is replacing fixed-line broadband at an increasingly rapid pace, as seen in the decreasing numbers of fixed-line broadband subscriptions and increased sales of high-speed mobile broadband. Following the successful application for a HD licence, the expansion of the television business forms part of DNA's strategy of providing services in selected business sectors nationwide. DNA traditionally holds a strong position in the provision of cable TV and pay TV services.

In January–June, consumer business net sales came to EUR 231 million (220), its gross margin (EBITDA) amounted to EUR 48 million (55), and the profit was EUR 12 million (23).

Consumer business key indicators:

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	117	112	231	220	451
EBITDA	27	27	48	55	104
EBIT	8	10	12	23	42

Corporate business

DNA's corporate business net sales for January–June totalled EUR 45 million (50). Profit was EUR 6 million (9).

The decrease in net sales was primarily a result of the disposal of businesses and the decrease in the use of conventional telephone network services.

A favourable trend has been sustained in mobile communication sales in Q2. However, customer churn has increased following tough competition. The use of fixed-line network voice services has continued to decrease.

In January–June, corporate business net sales came to EUR 89 million (98), its gross margin (EBITDA) amounted to EUR 23 million (32), and the profit was EUR 5 million (15).

Corporate business key indicators:

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	45	50	89	98	196
EBITDA	15	17	23	32	62
EBIT	6	9	5	15	27

Key operative indicators

The number of subscriptions in DNA's mobile communication network grew by 72,000 in Q2. DNA now has a total of approximately 1,817,000 mobile communication subscribers, increasing our market share to 24.7 per cent (3/2009: 24.5 per cent).

DNA's ARPU declined, mainly due to a significant drop in termination charges, with an average monthly profit by subscription of EUR 22.4 (25.3) in Q2. The customer churn rate amounted to 18.9 per cent (13.2 per cent).

Fixed-line network subscriptions did not show any significant changes in Q2, although the year-on-year figures indicated a record fall in the number of conventional telephone subscriptions, while the number of cable TV customers increased. Furthermore, the number of broadband subscriptions decreased somewhat to 187,000 (191,000) in Q2, with a market share of 12 per cent (3/09: 12 per cent). The number of conventional telephone subscriptions amounted to 215,000 (242,000) at the end of June, representing a market share of 15 per cent (3/09: 15 per cent). DNA's cable TV distribution networks had 267,000 customers (258,000), with a market share of 20 per cent (3/09: 19 per cent).

Mobile communication network subscription volumes:

Amount	6/2009	6/2008	3/2009	3/2008	12/2008
No. of subscriptions (incl. mobile broadband)	1,817,000	1,492,000	1,745,000	1,415,000	1,663,000
DNA's own customers	1,709,000	1,413,000	1,640,000	1,340,000	1,565,000

	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Revenue per subscription (ARPU), EUR	22.4	25.3	22.6	25.0	24.5
Customer churn rate (CHURN), %	18.9	13.2	17.9	13.4	13.7

Fixed-line network subscription volumes:

Amount	6/2009	6/2008	3/2009	3/2008	12/2008
Broadband	187,000	191,000	190,000	191,000	190,000
Cable TV	267,000	258,000	265,000	259,000	263,000
Fixed-line network subscriptions	215,000	242,000	222,000	236,000	229,000

Personnel

At the end of June, DNA employed 970 (1,115) people, a year-on-year reduction of 13 per cent. Personnel were allocated as follows: the consumer business 585 employees, the corporate business 385 employees.

The average number of employees in January-June was 966.

	6/2009	6/2008	3/2009	3/2008	12/2008
Personnel at end of period	970	1,155	962	1,144	982

Investments

DNA's capital expenditure for January-June totalled EUR 26 million (20). Consumer business investment amounted to EUR 20 million (14) and corporate business to EUR 6 million (6).

Major individual items included the 3G network investments as well as investments in the fibre and transfer system.

Over 85 per cent of residents in Finland had access to DNA's 3G coverage. DNA's 3G network has also expanded on the 900 MHz frequency, which is particularly suitable for providing 3G services in sparsely populated areas. DNA will deploy a total of 1,100 new 3G base stations before the year end.

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/208	1-12/2008
Capital expenditure	26	20	45	31	97

Financial position

The Group's liquidity has remained healthy in Q2. Cash flow from operations for January-June amounted to EUR 31 million (34) and the Group's liquid assets to EUR 9 million (33). The company set up a commercial paper programme to the value of EUR 150 million, with Nordea Bank Finland Plc and Sampo Bank Plc as the issuers.

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Cash flow from operations	32	34	56	74	147

Events in Q2

DNA's termination charges

Together with other Finnish mobile communications operators, DNA has agreed on termination charges for the period 1 December 2009–30 November 2011. Teleoperators pay compensation to each other for calls made to a competitor's network. The agreed termination charges are 4.9 cent/min for the period 1 December 2009–30 November 2010 and 4.4 cent/min for the period 1 December 2010–30 November 2011. This price agreement is based on the agreement between mobile communications operators signed on 19 February 2007, entailing a gradual reduction in the operators' termination fees in 2007–2010.

DNA and Dicame sign a network rental agreement

DNA and Dicame Ltd have signed a network rental agreement to secure the continued operation of GSM Suomi's mobile phone subscriptions in DNA's network. In connection with this agreement, Dicame Ltd also agreed to purchase GSM Suomi plc's operator business.

DNA and the Union of Salaried Employees reached understanding

The Union of Salaried Employees criticised DNA Shop Ltd's human resources policy at the end of May. DNA viewed these unfounded claims as a cause for concern, as the company invariably complies with collective agreements. In response, DNA carried out an internal study of the issues raised and submitted the results to the Union. Following the study, DNA and the Union have reached a mutual understanding.

DNA transferred its switchboard and availability businesses to Ericsson

On 1 June 2009, the company transferred its switchboard and availability businesses to Oy Ericsson Ab following an agreement on the remote operation and maintenance of its switchboard and availability systems.

Reduced charges for DNA calls in the EU and EEA area

Charges for using DNA's mobile communication subscriptions in the EU and EEA countries, which include Norway, Iceland and Liechtenstein, were reduced from 1 July 2009.

As of July, the new internal roaming charges will be €0.5246/min for calling, €0.2318/min for receiving calls, and €0.1342/message for texting when using DNA's subscriptions in the above countries. Until the end of June, the charges for using DNA's post-paid subscriptions in EU countries were €0.5500/min for outgoing calls and €0.2684/min for incoming calls. The charge for outgoing calls from DNA prepaid subscriptions is €0.5612/min, while receiving calls to prepaid subscriptions costs €0.2684/min, the same as to postpaid subscriptions.

This price revision follows the EU's decision to set new maximum limits for roaming charges as of 1 July 2009.

DNA introduces new services and increases competition on the TV market

On 25 June 2009, the Ministry of Transport and Communications granted DNA a network operating licence for high-definition (HD) trial broadcasting in the aerial network. The licence will be valid until the year end 2016. The licence-compliant network must cover 60 per cent of residents in mainland Finland by the end of 2011, and the network activities must begin by no later than 31 December 2010. As a licence holder, DNA's goal is to create new services for aerial households and challenge the established businesses in the sector. By expanding on the aerial network, DNA will strengthen its position on the national television services market.

Changes to DNA's executive team

Arto Kaikkonen, DNA Services Ltd's managing director and director of DNA Ltd Group's corporate business, resigned on 30 June 2009. For the time being, his duties will be taken on by business development director Jukka Usmi.

Changes to DNA's legal structure

DNA Finland Ltd and DNA Services Ltd merged with their parent company DNA Ltd on 30 June 2009. This business merger forms part of the reorganisation launched by DNA in the spring. A subsidiary of the Group, DNA Shop Ltd is responsible for distributing DNA's products and services and will continue to operate as a separate limited company.

DNA Ltd has acquired the entire share capital of ShelCo 2 Ltd and ShelCo 3 Ltd.

Significant litigation matters

Significant litigation matters remained unchanged during the reporting period.

Significant risks and uncertainties

DNA operates in the Finnish telecommunications market, which is characterised by fierce competition and where any prospective reduction in the market may have a negative effect on business. Such market reduction has been observed in fixed-line network voice traffic in particular.

Profitable growth continues to face significant challenges in the Finnish market. Intensifying competition, in particular in mobile communication voice service pricing, may affect the development of DNA's mobile communication subscription volumes. Moreover, the steady decline in fixed-line network voice subscriptions and the slowdown in the growth of the broadband market may limit the growth opportunities of the fixed-line network business.

The general economic recession and consumers' quickly declining confidence in the favourable development of household economies may have an impact on demand for DNA's products and services and the business operations of telecommunications companies.

Stringent regulation, particularly the authorities' ability to influence the price level and cost structure of DNA's products and services, may also have an impact on DNA's business. Any decline in fixed-network voice traffic may trigger new regulation, which aims to ensure service availability and standards, among other factors. The national broadband project will have an effect on regulation regarding universal services and licensing.

Radio frequency auction trials will be held in Finland in the autumn of 2009. There should be sufficient 4G frequency operating licences for at least four companies. The auction is an attempt to prevent the concentration of the control of the frequencies. These licences will be granted for a maximum of 20 years.

In order to manage the interest rate risk, some of the loans taken by the Group have been hedged. The Group's borrowings have been spread between fixed- and variable-rate instruments. DNA Group's foreign interest risk is insignificant, as the majority of its cash flow is euro denominated. In order to manage liquidity risk, the company uses credit limits and a commercial paper programme in addition to liquid assets.

Events after the review period

DNA Ltd's shareholders have been invited to an extraordinary general meeting (EGM) to be held on 4 August 2009. The EGM will decide on reacquiring 2,500 DNA Ltd shares owned by Arto Kaikkonen following his resignation on 30 June 2009..

Near-term prospects

DNA's turnover for 2009 is expected to remain at the 2008 level or take a slight downward turn, while the 2009 EBITDA will fall from the 2008 level, weakened by non-recurring items in Q1 and intensified competition. DNA's profit will also decrease slightly, owing to significant 3G investments among other reasons. DNA's financial position is expected to remain healthy. DNA will continue its strong investment in 3G network coverage, capacity and services.

Consumer business

n 2009, the consumer business will seek growth. The highest increase in the number of subscriptions is expected in mobile communication network voice subscriptions. However, the rapid decline in fixed-line network voice subscriptions will continue, and the number of voice minutes is also expected to continue falling. In data services, the strong growth in the number of mobile broadband subscriptions is expected to continue, whereas the number of broadband subscriptions in the fixed-line network is estimated to fall slightly.

Customer churn for voice subscriptions in the mobile communication network is expected to remain at the level of Q2, while following the fall in termination charges, the decline in the average revenue per user (ARPU) should continue. However, it is anticipated that the ARPU of the fixed-line network broadband subscriptions will increase slightly, owing to faster communication speeds.

Competition in the consumer market will remain fierce, as demonstrated by strong marketing investment and price offers, particularly in relation to mobile communication network subscriptions.

Corporate business

DNA's corporate business net sales are expected to remain at the Q1 level. Sales of DNA's corporate mobile phone subscriptions are expected to continue improving, while customer churn looks set to increase owing to intensifying competition. Use of fixed-line voice services is likely to continue falling as companies switch to using more mobile phone services.

DNA Ltd
Board of Directors

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Distribution:

Key media

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4.11.2009 Interim report January–September 2009

www.dna.fi

TABLES ATTACHED TO THE INTERIM REPORT

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COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR THE REPORTING PERIOD

MEUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
NET SALES	162	162	320	318	647
Other operating income	0	2	1	3	5
Materials and services	-81	-73	-159	-155	-326
Employment benefit expenditure	-14	-16	-36	-32	-61
Depreciations	-28	-25	-54	-49	-97
Other operating expenses	-24	-32	-55	-46	-99
Profit/loss	**14**	**19**	**17**	**38**	**69**
Financial income	1	1	3	2	4
Loss on financial assets recognised at fair value against profit or loss	2	0	-2	0	-3
Financial income and expenses	-2	-1	-3	-2	-5
Share of associated company's profits	0	0	0	0	0
Profit/loss before taxes	**16**	**19**	**15**	**39**	**64**
Income taxes	-4	-6	-4	-12	-17
Profit/loss for the financial period	**12**	**13**	**12**	**27**	**47**
Other comprehensive income items:					
Financial assets available for sale	0	0	0	0	0
Cash flow hedge	0	0	0	0	-1
Other comprehensive income items, net:	-1	-1	0	0	-1
Total comprehensive income for the reporting period	**11**	**12**	**11**	**27**	**46**
Income attributable to:					
Parent company shareholders	12	13	12	27	47
Minority interests	0	0	0	0	
	12	**13**	**12**	**27**	**47**
Comprehensive income attributable to:					
Parent company shareholders	11	12	11	27	46
Minority interests	0	0	0	0	0
	11	**12**	**11**	**27**	**46**
Earnings per share of the profit attributable to parent company equity holders:					
Basic earnings/share (EUR)	1.54	1.72	1.55	3.62	6.19
Diluted earnings/share (EUR)	1.54	1.72	1.55	3.62	6.19
Average number of shares (1,000):					
- Basic	7,581	7,568	7,581	7,568	7,569
- Diluted	7,581	7,568	7,581	7,568	7,569

CONSOLIDATED BALANCE SHEET

MEUR	30.6.2009	30.6.2008	31.12.2008
Assets			
Long-term assets			
Goodwill	192	192	192
Other intangible assets	59	59	61
Property, plant and equipment	411	400	416
Equity in associates	1	1	1
Financial assets available for sale	15	12	12
Other receivables	8	0	6
Deferred tax assets	35	32	33
Total long-term assets	**720**	**704**	**721**
Short-term assets			
Inventories	8	8	11
Sales receivables and other receivables	141	119	137
Financial assets at fair value through profit or loss	35	6	36
Liquid assets	9	33	7
Total short-term assets	**192**	**166**	**191**
Assets total	**912**	**870**	**912**
Shareholders' equity			
Share capital	73	72	72
Issue premium fund	0	42	42
Current value fund and other funds	406	406	406
Accrued profits	45	113	33
Equity attributable to equity holders of the parent company	**523**	**533**	**553**
Minority interest	0	0	0
Shareholders' equity	**523**	**533**	**553**
Long-term liabilities			
Deferred tax	58	63	61
Financial liabilities	131	132	120
Provisions	10	4	5
Pension liabilities	1	0	0
Other long-term liabilities	2	5	2
Total long-term liabilities	**207**	**204**	**188**
Short-term liabilities			
Financial liabilities	75	19	51
Provisions	6	2	2
Accounts payable and other liabilities	107	112	118
Total short-term liabilities	**182**	**134**	**170**
Total shareholders’ equity and liabilities	**912**	**870**	**912**

CHANGES IN CONSOLIDATED EQUITY (IFRS)

MEUR	Share capital	Premium fund	Current value fund	Hedge instrument fund	Free equity fund	Accrued profits	Equity attributable to equity holders of the parent company	Minority interest	Total shareholders' equity
Total shareholders' equity 01/01/2008	72	142	0	0.0	405	-6	**613**	0	**613**
Distribution of funds		-100				-9	**-109**		**-109**
Other changes			0	0.0	1	0	**1**	0	**1**
Unregistered share issue	0	0.0	0	0.0	0		**0**	0	**0**
Total comprehensive income for the reporting period			-0			27	**27**	0	**27**
Total shareholders' equity 30/06/2008	72	42	0	0.0	406	13	**533**	0	**533**
Total shareholders' equity 01/01/2009	72	42	0	-1	407	33	**555**	0	**555**
Distribution of funds		-42					**-42**	0	**-42**
Share issue	0				-0		**0**	0	**0**
Transfers between items		-0			0		**0**	0	**0**
Total comprehensive income for the reporting period			0	0		12	**11**	0	**11**
Total shareholders' equity 30/06/2009	73	0	0	-1	407	45	**523**	0	**523**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-6/2009	1-6/2008	1-12/2008
Cash flow from operations			
Profit/loss for the financial period	12	27	47
Adjustments			
Depreciations	54	49	97
Change in working capital	-21	-6	-1
Other adjustments	10	4	5
Net cash flow from operations	**56**	**74**	**147**
Cash flow from investments			
Investments in tangible and intangible assets	-44	-31	-95
Sales of tangible and intangible assets			1
Net sales and purchases of shares			-8
Other shares	-2	-8	0
Net cash flow from investments	**-46**	**-36**	**-103**
Cash flow from financing			
Fees received from share issue			3
Dividend distribution		-9	-9
Premium refund	-42	-100	-100
Repayment of short-term loans	-3		-27
Withdrawal and repayments of long-term loans, net	39	75	95
Increase/decrease in long-term receivables	-2		1
Other		-1	-33
Net cash flow from financing	**-8**	**-34**	**-69**
Change in liquid assets	**2**	**2**	**-24**
Liquid assets at the beginning of the financial term	7	32	32
Liquid assets at the end of the financial term	**9**	**33**	**7**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

This interim report has been prepared in accordance with IFRS recognition and measurement principles and the IAS 34 Interim reports standard. The information has been prepared in accordance with the valid International Financial Reporting Standards, as approved for application in the European Union. The accounting principles are identical to those applied to the financial statements of 31 December 2008. This interim report should be read observing the 2008 financial statements.

1. SEGMENT INFORMATION UNDER IFRS 8

Reporting of DNA's operating segments under IFRS 8 has materially changed as of 1 January 2009. The change in reporting concerns the presentation of information in the financial statements and has no effect on the Group's financial performance or position. The Standard requires that the presented segment information is based on the internal reporting to the management. Previously, the operating segments were defined as the mobile communication business, fixed-line business and store business. DNA's new internal organisational and management structure is based on a customer-focused operating model, where the reporting segments comprise consumer customers and corporate customers.

DNA's consumer business offers consumers diverse telecommunication services, such as voice and data services for communication and information retrieval, and telecommunication services for security and entertainment.

DNA's corporate business offers nationwide, standardised and easy-to-use telecommunication, communication and networking solutions. Our operator services are part of the corporate business.

1,000 EUR Business segments	Consumer	Corporate	Unallocated	Group total
1.4.–30.6.2009				
Net sales	116,910	44,647	0	161,557
EBITDA	27,175	15,368	-109	42,434
Depreciations	19,440	8,967	-8	28,399
Profit	7,735	6,400	-101	14,035
Financial items				1,597
Profit/loss before taxes				15,631
Profit/loss for the financial period				11,677
Investments		6,340	143	26,234
Personnel at end of period	585	385	0	970
1.4.–30.6.2008				
Net sales		49,997	311	162,474
EBITDA		17,253	-102	43,941
Depreciations		8,144	0	24,920
Profit		9,108	-102	19,021
Financial items				451
Profit/loss before taxes				19,472
Profit/loss for the financial period				,13,014
Investments		5,933	0	19,824
Personnel at end of period	612	503	0	1,115
1.1.–30.6.2009				
Net sales		89,040	88	320,359
EBITDA		23,328	-198	70,965
Depreciations		18,653	-9	54,305
Profit		4,675	-189,	16,660
Financial items				-1,424
Profit/loss before taxes				15,236
Profit/loss for the financial period				11,719
Investments		14,258	143	45,068
Personnel at end of period	585	358	0	970
Segment assets	465,129	339,183	107,868	912,180
1.1.–30.6.2008				
Net sales		98,017	0	317,526
EBITDA		31,651	24	87,147
Depreciations		16,322	0	48,757
Profit		15,329	24	38,389
Financial items				515
Profit/loss before taxes				38,904
Profit/loss for the financial period				27,366
Investments		10,232		31,184
Personnel at end of period	612	503		1,115
Segment assets	441,847	332,064	96,404	870,316
1.1.–31.12.2008				
Net sales	450,607	196,267	261	647,136
EBITDA	104,080	61,772	73	165,925
Depreciations	62,163	34,703	-100	96,766
Profit	41,917	27,069	174	69,159
Financial items				-4,837
Profit/loss before taxes				64,322
Profit/loss for the financial period				46,834
Investments	66,564	29,997	164	96,725
Personnel at end of period	554	428		982
Segment assets	460,044	344,178	107,858	912,080

2. INVESTMENTS

1,000 EUR Capital expenditure	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Intangible assets	3,884	6,745	5,219	8,958	24,313
Tangible assets	22 350	13,079	39,849	22,226	72,413
Total	**26,234**	**19,824**	**45,068**	**31,184**	**96,725**

3. SHAREHOLDERS' EQUITY

Refund of capital and payment of dividend
DNA Ltd's Extraordinary General Meeting of 10 September 2008 approved a refund of capital (approximately EUR 5.5 per share), totalling EUR 41,689,000. The refund was paid by 31 March 2009. This calculation is included in the change of equity.

DNA Ltd's Annual General Meeting of 27 March 2009 approved a payment of dividend (approximately EUR 3.95 per share), totalling EUR 29,944,000. These dividends will be paid on 11 August 2009.

4. NET LIABILITIES

1,000 EUR	30.6.2009	30.6.2008	31.12.2008
Long- and short-term loans	205,865	150,505	170,442
Less short-term investments, cash and bank balances	8,985	39,633	7,339
	196,880	**110,872**	**163,103**

5. PROVISIONS

Reorganisation of DNA's businesses
DNA Group's mobile, fixed-line network and store businesses have been merged into a single operational entity. As part of this business restructuring, DNA initiated cooperative negotiations in January. The negotiations were concluded on 27 February 2009.

As a result of the restructuring, 103 DNA Group employees were made redundant, 30 through pension arrangements. With regard to the restructuring, a total of EUR 5,661,000 was recognised in the personnel expenses for the arrangement and EUR 677,000 for pension obligations. In addition, site closures were agreed in connection with the restructuring, for which a provision of EUR 7,792,000 was recognised in profit or loss.

1,000 EUR	Decommissioning costs	Onerous contracts	Restructuring provisions
Provisions 01/01/2009	4,482	704	1,698
Increase		8,283	5,661
Used provisions/discount effect	-334	-1,277	-3,271
Provisions 30/06/2009	**4,148**	**7,710**	**4,088**
Provisions 01/01/2008	4,789		3,754
Increase			
Used provisions/discount effect	-1,105		-752
Provisions 30/06/2008	**3,684**		**3,002**
Provisions 01/01/2008	4,789	0	3,754
Increase		1,089	443
Used provisions/discount effect	-307	-385	-2,499
Provisions 31.12.2008	**4,482**	**704**	**1,698**

6. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise the parent company, subsidiaries and the associated companies. The related parties also include members of the (Supervisory Board), Board of Directors and the management teams, including the CEO and the senior vice-president.

The following related party transactions were carried out:

1,000 EUR	Sales	Purchases	Receivables	Liabilities
6/2009				
Organisations exercising significant influence	53	2,157	5	2,470
Associated undertakings		109		299
Other related parties		13		
6/2008				
Organisations exercising significant influence	755,	1,429		4,043
Associated undertakings		58		399
Other related parties		36		
12/2008				
Organisations exercising significant influence	821	3,176	28	1,822
Associated undertakings	553	214	52	
Other related parties		86		6

KEY FIGURES

	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Equity per share	69	70	69	70	73
Interest-bearing net liabilities	197	111	197	111	163
Gearing, %	37.6	20.8	37.6	20.8	29.5
Equity ratio, %	57.5	61.4	57.5	61.4	60.8
Net liabilities/EBITDA	1.16	0.63	1.39	0.64	0.98
Return on investment (ROI), %	8.2	11.5	5.4	11.8	9.9
Return on equity (ROE), %	9.0	9.0	4.4	9.6	8.0
Gross investments*, MEUR	26	20	45	31	97
Gross investment, % of net sales	16.2	12.2	14.1	9.8	15.0
Personnel at end of period	970	1,115	970	1,115	982

* incl. financial-leasing-based investments

CALCULATION OF THE KEY INDICATORS

$$\text{Equity per share (EUR)} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of outstanding shares at end of period}}$$

$$\text{Interest-bearing net liabilities (EUR)} = \text{Interest-bearing liabilities - liquid assets}$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - liquid assets}}{\text{Total shareholders' equity}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Shareholders' equity}}{\text{Balance sheet total - advance payments received}} \times 100$$

$$\text{EBITDA (EUR)} = \text{Profit + depreciation and amortisation}$$

$$\text{Return on investment (ROI), \%} = \frac{\text{Profit before taxes + interest and other financing expenditure}}{\text{Balance sheet total - non-interest bearing liabilities (annual average)}} \times 100$$

$$\text{Return on equity (ROE), \%} = \frac{\text{Profit for the financial period}}{\text{Total shareholders' equity (annual average)}} \times 100$$

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