

25.2.2009

IFRS Transition Bulletin

DNA Group published its first IFRS-compliant financial statements for the financial year ending 31 December 2008, having adopted the International Financial Reporting Standards on 1 January 2006.

MEUR						
Assets	FAS					IFRS
Long-term assets	31.12.2005	Adjustments to FAS figures	Re-segmented items	Refer-ence	Impact of adopting IFRS	1.1.2006
Goodwill	13,3			k	-1	12
Other intangible assets	2.1		20.2	k	-0.3	22.0
Other long-term liabilities	20.2		-20.2			
Property, plant and equipment	37.7	0.7	0.0	h i k	110.1	148.5
Equity in associates	0.1					0.1
Investments available for sale	0.1			d k	0.1	0.2
Financial assets at fair value through profit or loss			5.7			5.7
Deferred tax assets			4.0	a b c h i	12.3	16.3
Total long-term assets	73.5	0.7	9.7		121.3	205.1
Total short-term assets						
Inventories	0.9		0.6	k	-0.2	1.4
Long-term receivables						
Deferred tax assets	4.0		-4.0			
Receivables	83.0	0.2	-1.4	k	-6.4	75.4
Other financial assets	7.8		-5.7			2.1
Tied liquid assets			0.5			0.5
Liquid assets	24.5		-0.5	k	-3.8	20.2
Long-term assets held for sale				k	15.6	15.6
Total short-term assets	120.2	0.2	-10.4		5.1	115.1
Assets total	193.7	0.9	-0.7		126.4	320.2
Shareholders' equity						
Share capital	31.6					31.6
Issue premium fund	86.4					86.4
Current value fund				d	0.1	0.1
Accrued profits	-54.8	0.9		a b c e h i	-33.1	-87.0
Profit for the financial period	-12.8					-12.8
Total shareholders' equity	50.5	0.9			-33.0	18.3
Long-term liabilities						
Interest-bearing liabilities	22.6			h	144.5	167.1
Provisions			1.1	e i	0.4	1.6

**DNA Oy**

Ansatie 6a B
PL 41
01741 Vantaa

Puhelin
044 0440

Y-tunnus
0592509-6

Kotipaikka
Vantaa

www.dna.fi

25.2.2009

Accruals	0.3			k	-0.3	
Deferred tax liabilities				d	0.0	0.0
Other long-term liabilities	9.0			a c	14.3	23.3
Total long-term liabilities	31.8		1.1		159.1	192.0
Short-term liabilities						
Interest-bearing liabilities	13.3					13.3
Accruals	1.0			k	-0.1	0.9
Accounts payable	59.5	0.0		k	-4.5	54.9
Accruals	26.4	0.0	-7.8	k	-1.5	17.1
Other short-term liabilities	11.2		6.0	b k	-0.2	17.0
Liabilities related to long-term assets held for sale				k	6.6	6.6
Total short-term liabilities	111.4		-1.8		0.3	109.8
Total liabilities	143.2		-0.7		159.4	301.9
Total shareholders' equity and liabilities	193.7	0.9	-0.7		126.4	320.2
Assets	FAS					IFRS
Long-term assets	31.12.2006	Adjustments to FAS figures	Re-segmented items	Refer-ence	Impact of adopting IFRS	31.12.2006
Goodwill	8.7	-0.2		f g	7.0	15.5
Other intangible assets	2.3		15.5	g n	1.6	19.4
Other long-term liabilities	15.6		-15.6			
Property, plant and equipment	76.4		0.1	g h i	57.6	134.1
Equity in associates	2.4			g	-2.3	0.1
Investments available for sale	0.1			d g	0.2	0.3
Financial assets at fair value through profit or loss			5.7			5.7
Receivables from owned joint ventures			0.4	g	-0.4	
Other receivables			5.7	g	-0.5	5.1
Deferred tax assets			27.1	g h i j l	10.9	38.0
Total long-term assets	105.5	-0.2	38.9		74.1	218.3
Short-term assets						
Inventories	0.4			g	2.5	2.8
Long-term receivables						
Receivables from owned joint ventures	0.4		-0.4			
Deferred tax assets	27.1		-27.1			
Receivables	115.7		-5.7	g l	0.5	110.5
Financial assets at fair value through profit or loss	8.0		-5.7			2.3
Tied liquid assets			0.4			0.4
Liquid assets	39.4		-0.4	g	0.4	39.4

25.2.2009

Total short-term assets	190.9		-38.9		3.4	155.4
Assets total	296.4	-0.2	0.0		77.5	373.7
Shareholders' equity						
Share capital	39.5					39.5
Issue premium fund	141.7					141.7
Current value fund				d	0.2	0.2
Accrued profits	-69.7	-0.2		a g h	-34.2	-104.1
Profit for the financial period	-4.5			b,c,e,f,g,h,i,l	40.7	36.1
Total shareholders' equity	107.0	-0.2			6.6	113.4
Negative consolidation difference	1.3		-1.3	e		
Long-term liabilities						
Interest-bearing liabilities	30.0		23.6	h	50.9	104.5
Provisions			1.3	i	-0.8	0.5
Deferred tax liabilities				d g l	2.4	2.4
Other long-term liabilities	31.9		-23.6	a	7.1	15.4
Total long-term liabilities	63.3				59.6	122.9
Short-term liabilities						
Interest-bearing liabilities	25.7		5.9	g h	15.5	47.2
Accruals	0.8					0.8
Accounts payable	55.9	0.0		g	3.0	58.8
Accruals	36.8	0.0		g	-13.1	23.7
Other short-term liabilities	6.9		-5.9	g	5.9	6.9
Total short-term liabilities	126.1				11.3	137.4
Total liabilities	189.4		0.0		70.9	260.3
Total shareholders' equity and liabilities	296.4	-0.2	0.0		77.5	373.7
Assets	FAS					IFRS
Long-term assets	31.12.2007	Adjustments to FAS figures	Re-segmented items	Refer-ence	Impact of adopting IFRS	31.12.2007
Goodwill	16.9	-0.2		f g	174.9	191.6
Other intangible assets	4.7		15.2	n	38.3	58.3
Other long-term liabilities	15.4		-15.4			0.0
Property, plant and equipment	247.6		-0.7	h i	171.1	418.0
Equity in associates	1.2					1.2
Investments available for sale	3.6			d	0.2	3.8
Other receivables			5.1	h	1.2	6.3
Deferred tax assets			30.5	g h i j	14.1	44.6
Total long-term assets	289.4	-0.2	34.8		399.8	723.8
Short-term assets						
Inventories	9.1		0.8			9.9
Long-term receivables						
Accounts receivable	5.1		-5.1			

25.2.2009

Other receivables	0.0		0.0			
Deferred tax assets	30.5		-30.5			
Leasing receivables				h	0.1	0.1
Receivables	145.6		0.0	i	0.6	146.2
Financial assets at fair value through profit or loss	6.1					6.1
Liquid assets	31.8					31.8
Total short-term assets	228.1		-34.7		0.7	194.0
Assets total	517.4	-0.2	0.0		400.5	917.8
Shareholders' equity						
Share capital	72.2					72.2
Share issue	0.0					0.0
Issue premium fund	141.7					141.7
Current value fund				d	0.2	0.2
Free equity fund	65.4			o	339.3	404.6
Share of accrued depreciation transferred	37.1		-37.1			0.0
Accrued profits	-76.1	-0.2	37.1	a g l	-30.7	-69.8
Profit for the financial period	58.6			a,e,f,g h,i,j,l	5.1	63.7
Total shareholders' equity	298.9	-0.2			313.8	612.5
Long-term liabilities						
Interest-bearing liabilities	17.1		22.3	h	18.6	58.1
Provisions	1.7		1.7	e i	1.3	4.8
Obligatory provisions	1.7		-1.7			
Accruals	1.0		-1.0			
Deferred tax liabilities	17.2			d g l	48.8	66.1
Other long-term liabilities	25.0		-21.1	a m	4.4	8.3
Total long-term liabilities	63.8		0.3		73.2	137.3
Short-term liabilities						
Interest-bearing liabilities	8.6		17.9	h	12.2	38.7
Accruals	2.0		1.3			3.3
Accounts payable	64.9	0.0				64.9
Accruals	47.7	0.0	-12.7	g	-1.1	33.9
Provisions			3.8			3.8
Other short-term liabilities	31.6		-10.6	g	2.4	23.4
Total short-term liabilities	154.7		-0.3		13.5	168.0
Total liabilities	218.5		0.0		86.8	305.2
Total shareholders' equity and liabilities	517.4	-0.2	0.0		400.6	917.8
Assets	FAS					IFRS
Long-term assets	31.12.2008	Adjustments to FAS figures	Re-segmented items	Refer-ence	Impact of adopting IFRS	31.12.2008
Goodwill	12.2	-0.2		f g	179.6	191.6
Other intangible assets	9.9		15.1	n	36.5	61.5
Other long-term liabilities	15.5		-15.5			0.0
Property, plant and equipment	271.4		0.4	h i	143.9	415.7

25.2.2009

Equity in associates	1.2					1.2
Investments available for sale	12.3			d	0.1	12.4
Financial assets at fair value through profit or loss			36.3			36.3
Other receivables	0.2		4.7	h	1.1	6.0
Deferred tax assets			31.4	h i j p	1.4	32.7
Total long-term assets	322.7	-0.2	72.4		362.5	757.4
Short-term assets						
Inventories	10.7					10.7
Long-term receivables						
Accounts receivable	4.1		-4.1			
Other receivables	0.6		-0.6			
Deferred tax assets	31.4		-31.4			
Leasing receivables				h	0.0	0.0
Receivables	136.1			i	0.5	136.6
Financial assets at fair value through profit or loss	36.3		-36.3			
Liquid assets	7.3					7.3
Total short-term assets	226.5		-72.4		0.5	154.7
Assets total	549.2	-0.2			363.1	912.1
Shareholders' equity						
Share capital	72.2					72.2
Share issue	0.2					0.2
Issue premium fund	41.7					41.7
Current value fund				d	0.0	0.0
Hedge instrument fund				p	-1.0	-1.0
Free equity fund	68.0			o	339.3	407.2
Share of accrued depreciation transferred	45.3		-45.3			0.0
Accrued profits	-33.1	-0.2	45.3	a g l	-25.8	-13.9
Profit for the financial period	67.7			a,e,f,g ,h,i,j,l	-20.7	47.0
Total shareholders' equity	261.9	-0.2			291.8	553.5
Long-term liabilities						
Interest-bearing liabilities	106.1		-0.1	h	12.5	118.6
Provisions			2.6	e i	3.0	5.5
Obligatory provisions	2.2		-2.2			
Derivatives (liability)				p	1.3	1.3
Accruals						
Deferred tax liabilities	16.5			d g l	44.7	61.1
Other long-term liabilities	1.7			a m	0.4	2.1
Total long-term liabilities	126.6		0.3		61.8	188.7
Short-term liabilities						
Interest-bearing liabilities	42.6		0.1	h	7.9	50.6
Accruals	2.6					2.6
Accounts payable	78.0	0.0				78.0
Accruals	28.2	0.0	-0.4		1.5	29.4

25.2.2009

Provisions					
Other short-term liabilities	9.4				9.4
Total short-term liabilities	160.7		-0.3		169.9
Total liabilities	287.3			71.2	358.6
Total shareholders' equity and liabilities	549.2	-0.2		363.1	912.1

Income statement 1.1.-31.12.2006	FAS				IFRS
	1.1.-31.12.2006	Re-segmented items	Refer-ence	Impact of adopting IFRS	1.1.-31.12.2006
Net sales	406.3	-15.0	g l	5.8	397.2
Other operating income	3.9	2.6	g	1.5	8.0
Share of associated companies' profits	0.8	0.0	g	-0.8	
Materials and services	253.1	-15.0	g n	1.7	239.9
Staff expenses	18.3		g	1.0	19.3
Depreciation and write-downs	28.4	44.1	f g h i n	-23.7	48.7
Other operating expenses	73.5	22.2	c e g h i	-24.5	71.2
Profit/loss	37.6	-63.7		52.1	26.0
Financial income	1.0		g h l	0.2	1.2
Financial expenditure	2.2	0.3	a b g h i l	7.5	10.0
Share of associated companies' profits		0.0			0.0
Extraordinary items	64.1	-64.1	g	-0.1	
Profit/loss before taxes	-27.7			44.8	17.1
Income taxes	23.1		a b c g h i j	-4.1	19.0
Profit/loss for the financial period	-4.5			40.7	36.1
Income statement 1.1.-31.12.2007	FAS				IFRS
	1.1.-31.12.2007	Re-segmented items	Refer-ence	Impact of adopting IFRS	1.1.-31.12.2007
Net sales	534.3		g l	4.2	538.5
Other operating income	5.6		g h	1.9	7.5
Share of associated companies' profits	0.3		g	-0.3	
Materials and services	298.3		g n	-0.9	297.5
Staff expenses	44.4		g	0.4	44.8
Depreciation and write-downs	48.9	1.7	f g h i n	22.6	73.2
Other operating expenses	84.0	-1.6	e g h i	-14.3	68.1
Profit/loss	64.6	-0.1		-2.0	62.5

25.2.2009

Financial income	2.2		g h l	0.6	2.9
Value adjustments of long-term investments	0.5		g	-0.5	
Financial expenditure	8.0		a g h i l	-2.6	5.4
Share of associated companies' profits			g	0.0	0.0
Extraordinary items	0.1	-0.1			
Profit/loss before taxes	59.2	0.0		0.7	59.9
Income taxes	-0.6		a g h i j	4.3	3.7
Profit/loss for the financial period	58.6	0.0		5.1	63.7
Income statement 1.1.-31.12.2008	FAS			Impact of	IFRS
	1.1.-31.12.2008	Re-segmented items	Refer-ence	adopting IFRS	1.1.-31.12.2008
Net sales	647.7		g l	-0.6	647.1
Other operating income	5.2		h	-0.2	5.0
Share of associated companies' profits	0.0				0.0
Materials and services	330.4		n	-4.4	326.0
Staff expenses	61.2		g	0.0	61.2
Depreciation and write-downs	65.1	0.0	f g h i n	31.7	96.8
Other operating expenses	109.4	0.0	e h i	-10.4	99.0
Profit/loss	86.8			-17.6	69.2
Financial income	3.0		h l	0.8	3.8
Value adjustments of long-term investments	3.4				3.4
Financial expenditure	10.4		a g h i l	-5.1	5.3
Extraordinary items					
Profit/loss before taxes	76.0			-11.7	64.3
Income taxes	-8.3		a g h i j	-9.0	-17.3
Profit/loss for the financial period	67.7			-20.7	47.0

a) Interest on subordinated loans

Following the establishment of Finnet Ltd in 2003 and the related restructuring of subordinated loans, the Group companies have an outstanding debt to the telephone companies consisting of unpaid interest on subordinated loans (for 2001–2003). This interest liability has been recognised in the FAS financial statements in the notes to the financial statement balance sheet. In the IFRS financial statement, such contractual obligations are recognised as a liability, irrespective of any existing company assets or a legal entitlement to repay such debts. Financial liabilities are recognised at fair value and subsequently re-measured at amortised cost. The IFRS financial statement opening balance recognises a liability of EUR 7.1 million, and the shareholders' equity has fallen by EUR 5.3 million, taking into account deferred taxes. This recording did not change in the IFRS financial statement of 31 December 2006. In 2007 (EUR 3.1 million) and 2008 (EUR 4.0 million), DNA Networks Ltd and DNA Finland Ltd recognised the accrued interest on subordinated loans through profit or loss.

b) Interest rate hedge agreement

In the IFRS financial statement, the negative fair value of DNA Networks Ltd's interest rate hedge agreement is recognised as a liability. Hedge accounting was not applied in the Group in 2006 and 2007. In the FAS financial statement, the difference between the fair value and the book value has not been taken into account. The IFRS financial statement opening balance recognises a liability of EUR 0.1 million. The interest rate hedge agreement was cancelled on 31 December 2006, when the liability was derecognised through profit or loss.

c) Long-term discounts

The lump sum benefit related to long-term discounts is recognised as a liability in the IFRS financial statement opening balance of 1 January 2006 and as an expense in the accrued profits (the 2006 FAS cost consequence is reversed). The difference between the nominal value and the present value of the liability is recognised as a financing expense in the IFRS financial statement until the end of 2006 (in 2006, the interest expense recognised in the IFRS financial statement amounted to EUR 0.3 million), after which the coupon rate was spread and paid annually in the FAS financial statement.

d) Shares

In the financial statements complying with the FAS, shares are valued at purchase price. In the IFRS financial statement, shares are valued at fair value. Due to valuing at fair price, the value of shares in the opening balance of the IFRS financial statement increased by EUR 0.1 million.

On 31 December 2006, the value of shares in the IFRS financial statement is EUR 0.2 million higher than in the FAS financial statement. The year-on-year change, EUR 0.1 million, is recognised in the shareholders' equity fair value fund.

On 31 December 2007, the value of shares in the IFRS financial statement is EUR 0.2 million higher than in the FAS financial statement. The year-on-year change, EUR 0.1 million, is recognised in the shareholders' equity fair value fund.

On 31 December 2008, the value of shares in the IFRS financial statement is EUR 0.1 million higher than in the FAS financial statement. The year-on-year change, EUR -0.2 million, is recognised in the shareholders' equity fair value fund.

e) Reversal of provision

The FAS financial statement of 31 December 2006 includes a Group provision (EUR 1.3 million), which actually constitutes a litigation provision. As this provision does not comply with the requirements of IAS 37, the provision has been reversed in the IFRS financial statement. In addition, the change of provision of EUR 1 million recognised in the FAS financial statement (the income statement 2006) has been reclassified in the other operating expenses. The negative goodwill generated during 2007 by the acquisition of subsidiaries is reversed in the IFRS financial statement and recognised in the other operating expenses at EUR 0.4 million.

f) Reversing goodwill impairment

The transition standard (IFRS 1 – First-time Adoption of International Financial Reporting Standards) is applied to the acquisition cost measurement for acquisitions effective prior to 2006, and the acquisition cost measurement has not been performed again to comply with IFRS 3. The company has applied IFRS 3 to all business combinations effective on 1 January 2006 or later. Impairment loss for goodwill is not recognised in the IFRS, but an impairment test is performed based on the conditions on the date of adoption and annually thereafter. Reversal of impairment in the 2006 FAS financial statement reduced impairment by EUR 3.9 million in the IFRS financial statement. Reversal of impairment in the 2007 FAS financial statement reduced impairment by EUR 5.9 million in the IFRS financial statement. Reversal of impairment in the 2008 FAS financial statement reduced impairment by EUR 3.6 million in the IFRS financial statement.

g) Sonit retail outlet business

The Sonit retail outlet business acquired from DP Holding Ltd in 2006 was directly recognised on 31 December 2006 in the FAS financial statement in DNA Store Ltd, where goodwill was generated by the difference between net assets and the rise in share capital. The acquisition of the retail outlet business was financed by directing DNA Store Ltd's shares to DP Holding Ltd, reducing DNA Group's holding of DNA Store Ltd to 40 per cent. In the FAS financial statement, DNA Store Ltd is an associated company. In compliance with the IFRS, DNA Group has not ceased to hold controlling interest in DNA Store Ltd's shares, since when the acquisition was carried out, DNA Ltd received a call option for the DNA Store Ltd's shares owned by DP Holding Ltd. In the IFRS consolidated financial statement, DNA Store Ltd became a subsidiary as of the IFRS opening balance of 1 January 2006. The call option for the shares held by DP Holding Ltd was exercised on 1 July 2007, when the entire capital stock of DNA Store Ltd was acquired by the Group. The acquisition was financed by a conditional purchased price of EUR 5.3 million, part of which was paid later. The business acquisition cost constitutes the 2007 payment instalments, an unpaid purchase price falling due later in 2008 and direct expenses. Part of the difference between the acquisition cost and the book value of the transferred net assets was recognised as customers (intangible asset) and the rest as goodwill.

h) Finance lease agreements

In the FAS financial statement, all lease agreements have been recognised as operating lease agreements. According to the IFRS, a lease is classified as a finance lease if it transfers to the lessee substantially all risks and rewards incidental to ownership. Finance lease agreements are recognised in the profit and loss account as asset and liability at the lower or present value of minimum lease payments and the fair value of the asset, determined at the time when the agreement becomes effective. Minimum lease payments are split into debt payments and financing costs. Financing costs are recognised in the income statement as financing costs and split between the periods of the term of lease based on a pattern reflecting a constant periodic interest rate for the remaining debt. All assets acquired through finance lease agreements are amortised on a straight-line basis over their useful life. Assets acquired through finance lease agreements less accrued amortisation totalled EUR 113.9 million on 1 January 2006 and EUR 57.2 million on 31 December 2006. The amount of finance lease debt came to EUR 144.5 million on 1 January 2006 and EUR 65.9 million on 31 December 2006. Assets acquired through finance lease agreements less accrued amortisation totalled EUR 30.3 million on 31 December 2007. The amount of finance lease debt came to EUR 30.8 million on 31 December 2007. Assets acquired through finance lease agreements less accrued amortisation totalled EUR 19.4 million on 31 December 2008. The amount of finance lease debt came to EUR 20.6 million on 31 December 2008.

i) Decommissioning costs

At the end of the lease, the company is responsible for restoring the object of the lease to its original condition, i.e. disassembling telephone poles, aerial and hardware locations, and masts. In the 2006 FAS financial statement, such decommissioning costs are recognised when they are generated. Under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), a provision must be recognised for this obligation in the IFRS financial statement. The opening balance of the IFRS financial statement recognises a provision of EUR 0.4 million for decommissioning and restoration obligations and EUR 0.1 million capitalised for property, plant and equipment (masts). The provision amounted to EUR 0.5 million on 31 December 2006. The provision for the decommissioning obligation amounted to EUR 4.8 million on 31 December 2007, of which EUR 3.2 million was capitalised for property, plant and equipment (masts and telephone poles). The amount added to the provision for the decommissioning obligation came to EUR 3.9 million in 2007 owing to acquisitions. The provision for the decommissioning obligation amounted to EUR 2.9 million on 31 December 2008, of which EUR 3 million was capitalised. The amount of the provision is reviewed at the end of each reporting period to adjust for the current expectations. The amount capitalised for property, plant and equipment is amortised on a straight-line basis over its useful life.

j) Deferred taxes

The company has not deducted deferred tax assets for confirmed losses and unused tax depreciation in accordance with the principle of prudence observed in the FAS financial statement. In the IFRS financial statement, deferred tax assets are recognised for unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible tax losses and credits can be utilised.

In the IFRS financial statement of 1 January 2006, the company has recognised a deferred tax asset of EUR 0.4 million owing to unused tax depreciation. In the IFRS financial statement of 31 December 2006, the deferred tax asset owing to the unused tax depreciation amounted to EUR 0.4 million. The change of EUR 0.1 million was recognised in the income statement as tax expense. In addition, on 31 December 2006 the company recognised EUR 7.9 million of deferred tax asset owing to confirmed losses in the IFRS financial statement.

In the 2007 FAS financial statement the company did not recognise the full tax asset for confirmed losses. In the IFRS financial statement, the company recognised an increase in deferred tax asset of EUR 4.0 million in order to fully recognise the tax asset for confirmed losses. The Group did not have unused confirmed losses on 31 December 2008.

The deferred tax has been measured based on the adjusted IFRS figures if it has caused a temporary taxable or tax-deductible difference. The most significant temporary differences were a consequence of property, plant and equipment depreciation or acquisition-date fair value measurement in compliance with IFRS 3. A deferred tax asset of EUR 16.3 million and a deferred tax liability of EUR 0.1 million are recognised in the IFRS opening balance of 1 January 2006. A deferred tax asset of EUR 10.9 million and a deferred tax liability of EUR 1.4 million have been recognised in the adjusted 2006 IFRS financial statement. A deferred tax asset of EUR 14.1 million and a deferred tax liability of EUR 46.8 million have been recognised in the adjusted 2007 IFRS financial statement and correspondingly a deferred tax asset of EUR 1.4 million and a deferred tax liability of EUR 44.7 million have been recognised in the adjusted 2008 IFRS financial statement.

k) Long-term assets held for sale

The sale of Finnet Com Ltd was completed on 10 February 2006. However, the management was committed to the sale on 1 January 2006 (for example, a buyer was actively sought during 2005, and by 1 January 2006 it was considered likely that the sale would be realised within the next 12 months). In the IFRS financial statement balance sheet of 1 January 2006, the assets and liabilities related to Finnet Com Ltd are recognised separately from other assets and liabilities as long-term assets held for sale. This recognition has the following effect on the IFRS opening balance:

MEUR

Long-term assets classified as held for sale	
Goodwill	0.9
Other intangible assets	0.3
Machinery and equipment	3.9
Materials and supplies	0.2
Accounts receivable	5.0
Other receivables	0.3
Accrued income and deferred expenses	1.1
Cash and bank receivables	3.8
Assets total	15.5
Liabilities related to long-term assets held for sale	
Accruals (long-term)	0.3
Accruals (short-term)	0.1
Accounts payable	4.5
Other short-term liabilities	0.2
Other deferred income	1.5
Total liabilities	6.6

l) Accounting methods

Tie-in deals

The company can combine services and products to create a single offering (tie-in deals). In the FAS financial statement, the equipment sold in a tie-in deal is recognised separately from the service, if both items are also sold separately and the end-user will have ownership of the equipment. Equipment expenses are recognised at the same time with the related income. However, sales revenue from tie-in deals has not been discounted in the FAS financial statement.

In the IFRS financial statement, receivables are measured at fair value and income from tie-in deals is discounted to the present value while a part of the received payments from customers is recognised in financial income.

No tie-in deals existed at the time of the opening balance and consequently no adjustments have been made to the opening balance.

The company recognised an adjustment of EUR 0.1 million relating to the financing costs of tie-in deals in the 2006 financial statement; the adjustment came to EUR 0.5 million in the 2007 financial statement and EUR 0.8 million in the 2008 financial statement. The company recognised an adjustment of EUR 0.5 million relating to financial income from tie-in deals in the 2006 financial statement; the adjustment came to EUR 0.8 million in the 2007 financial statement and EUR 0.8 million in the 2008 financial statement. The company recognised an adjustment of EUR 0.6 million relating to net sales from tie-in deals in the 2006 financial statement; the adjustment came to EUR 0.7 million in the 2007 financial statement and EUR 0.8 million in the 2008 financial statement.

Fibre exchange agreements

The regional telephone companies, acquired by the Group on 1 July 2007, had fibre exchange agreements with other companies. In the FAS financial statement, these agreements have been largely recognised immediately as expense or income. An adjustment has been made to spread the agreement income and expenses over the period of useful life. The fibre exchange agreements have been adjusted to comply with the IFRS in the acquisition cost calculation of the regional telephone companies and amortisation has been recognised in the IFRS balance sheet as receivables and liabilities according to the nature of the agreement.

In the 2007 financial statement, a total of EUR 1.4 million of fibre exchange receivables and EUR 1.7 million of fibre exchange liabilities were recognised. The adjustment of amortisation increased net sales by EUR 0.1 million, with a total impact of EUR 0.1 million in the 2007 financial statement when expenses and deferred tax were taken into account. In the 2008 financial statement, a total of EUR 1.3 million of fibre exchange receivables and EUR 1.5 million of fibre exchange liabilities were recognised. The adjustment of amortisation increased net sales by EUR 0.2 million, with a total impact of EUR 0.1 million when expenses and deferred tax were taken into account.

Operating lease agreements

The regional telephone companies, acquired by the Group on 1 July 2007, had long-term lease agreements with third parties, which have been recognised as an immediate cost in the FAS financial statement. These lease agreements are classified as operating leases and largely related to leasing mast and hardware locations.

An adjustment has been made to these lease agreements to spread the agreement expenses over the period of useful life. The impact of the assessment has been taken into account in the acquisition cost calculation of the regional telephone companies and the amortisation is recognised in the IFRS balance sheet as other receivables.

With regard to operating lease agreements, a total of EUR 1.0 million of receivables was recognised in the balance sheet and EUR 0.1 million of expenses was recognised in the income statement of the 2007 financial statement. In the 2008 financial statement, a total of EUR 1.0 million of receivables was recognised from operating lease agreements, and EUR 0.1 million of expenses was recognised in the income statement.

m) Pension obligations

Under the Finnish accounting method, the Group's pension obligations have been recorded in accordance with the local regulations. Following the business acquisition carried out in 2007, the Group assumed new defined contribution plans, for which added obligation has been recognised. The Group's pension obligations increased by EUR 0.4 million in the 2007 IFRS financial statement. In the 2008 IFRS financial statement pension obligations amounted to EUR 0.3 million. The change in pension obligations has been recognised in profit or loss.

n) Agent commissions

In the FAS financial statement, all sales commissions paid to third parties (agent commissions) have been recognised as immediate expenses. Commissions meeting the criteria of IAS 38 have been adjusted in the IFRS financial statements in order to capitalise them as intangible assets and recognised as expenses amortised over their useful life.

In the financial statement of 31 December 2006, intangible assets came to EUR 1.5 million, EUR 2.4 million was recognised in the income statement as expense adjustment and EUR 0.9 million as increase in depreciation difference.

In the financial statement of 31 December 2007, intangible assets came to EUR 1.8 million, EUR 2.5 million was recognised in the income statement as expense adjustment and EUR 2.2 million as increase in depreciation difference.

In the financial statement of 31 December 2008, intangible assets came to EUR 3.7 million, EUR 4.5 million was recognised in the income statement as expense adjustment and EUR 2.5 million as increase in depreciation difference.

o) Acquired businesses

More information in the financial statements included in the Annual Report 2008.

p) Hedge accounting

The Group has adopted hedge accounting in the 2008 financial year. The provisions for applying hedge accounting include the following: a risk can have an effect on profit or loss and the hedge is expected to effectively offset the changes caused by the hedged risk in fair value or in the cash flow, effectiveness of the hedge can be reliably measured, the hedge is reviewed regularly and has been considered to work effectively throughout the hedging relationship. With cash flow hedges, the forecast transaction must be highly probable and must subject the entity to fluctuations in the cash flow, which can have an impact on profit or loss in the financial statement. In hedge accounting, the change in value generated by the effective part of the hedge instrument is recognised in comprehensive income. The change in value of the ineffective part is recognised in the profit or loss of the reporting period. The item recognised in comprehensive income is recognised in profit or loss during the reporting period when the forecast transaction has an effect on profit or loss.

DNA Group has variable-rate borrowed capital. During the 2008 financial year, the Group signed interest rate swap agreements hedging against changes in variable interest rates. These swap agreements are included in the hedge accounting (cash flow hedge). In the financial period, the effective part of the hedge instrument recognised in the shareholders' equity fund is EUR 0.1 million. The negative change in value of EUR 1.3 million in the hedge instruments has been recognised as a long-term liability.