DNA Finland Ltd.

Telecom Forum 2003
Role of mobile challenger operator

CEO Ari Tolonen

Finnet
Close to the Customer – as a Team

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The roles of companies in the Finnet Group

Customers

Companies and consumers

Nationwide companies

Operators

33 local telephone companies

Finnet Oy

Finnet Association

Key financial indicators of the Finnet Group

€ million	**1-6 /2003**	**1-6 / 2002**	**change %**
Net sales	447	366	+ 22
Profit for the financial year	28	0,5	
Investments	66	70	- 6

Equity ratio	71%	75%	
No. of employees	5,132	4,292	+ 20

	2003	**2002**	**change %**
No. of mobile subscriptions	710,000	209,000	+ 340
No. of fixed-line subscriptions	800,000	800,000	

Finnet Oy

- DNA Finland
- DNA Plus
- Suomen 3 KTV

- Finnet Com

Finnet Verkko
Suomen 2G
Kaukoverkko Ysi

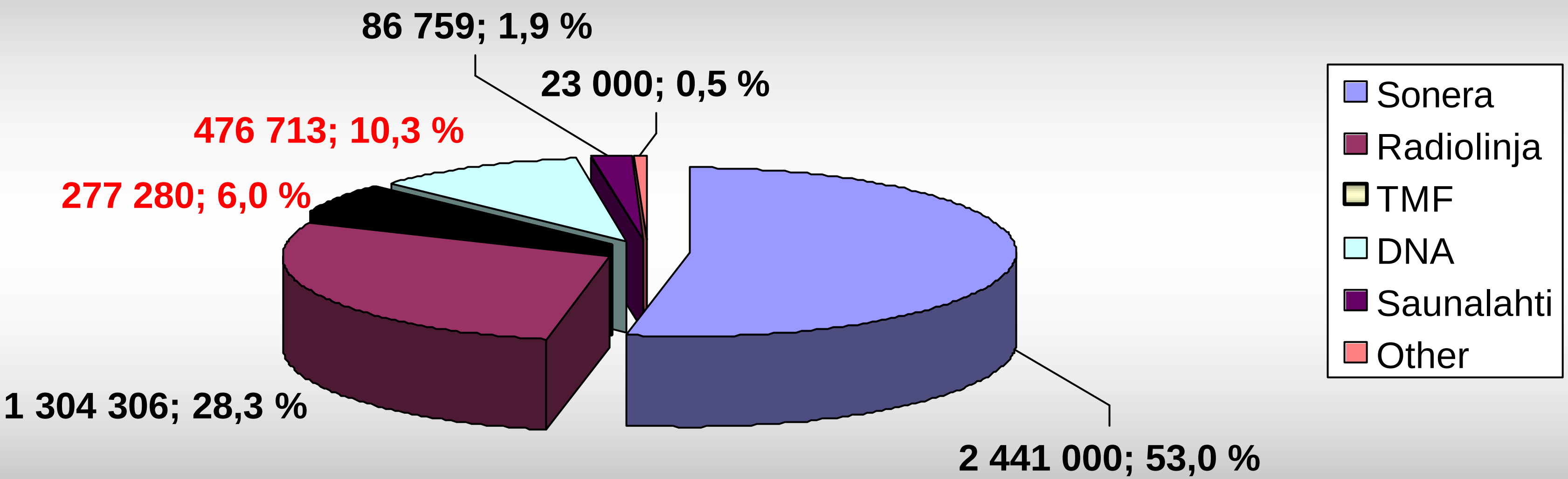
DNA for consumers

- dna mobile services
- dna Internet connections and services
- Digital TV services
- Voice call services for fixed-line subscriptions

DNA Finland Ltd.

- Finland’s third largest mobile operator utilizing GSM, GPRS and UMTS-technology
- Owned by Finnet Oy
- Sister company Suomen 2 G Oy – holds a GSM and UMTS license in Finland
- Established in November 1999
- Started its commercial activities in February 2001
- Personnel at work 400
- Turnover in 2002 was 111 million €
- Turnover estimate in 2003 is over 240 million €

GSM subscriptions and market shares Q3 / 2003 estimate



DNA total 753.993 subscriptions, market share 16,3%

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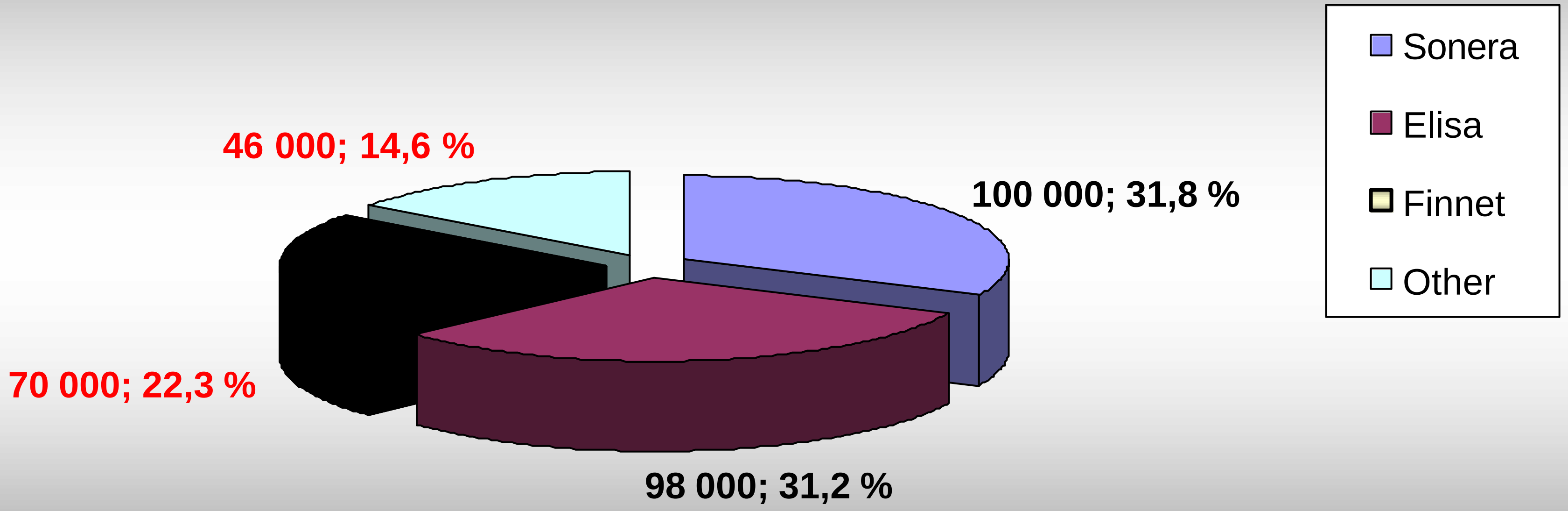
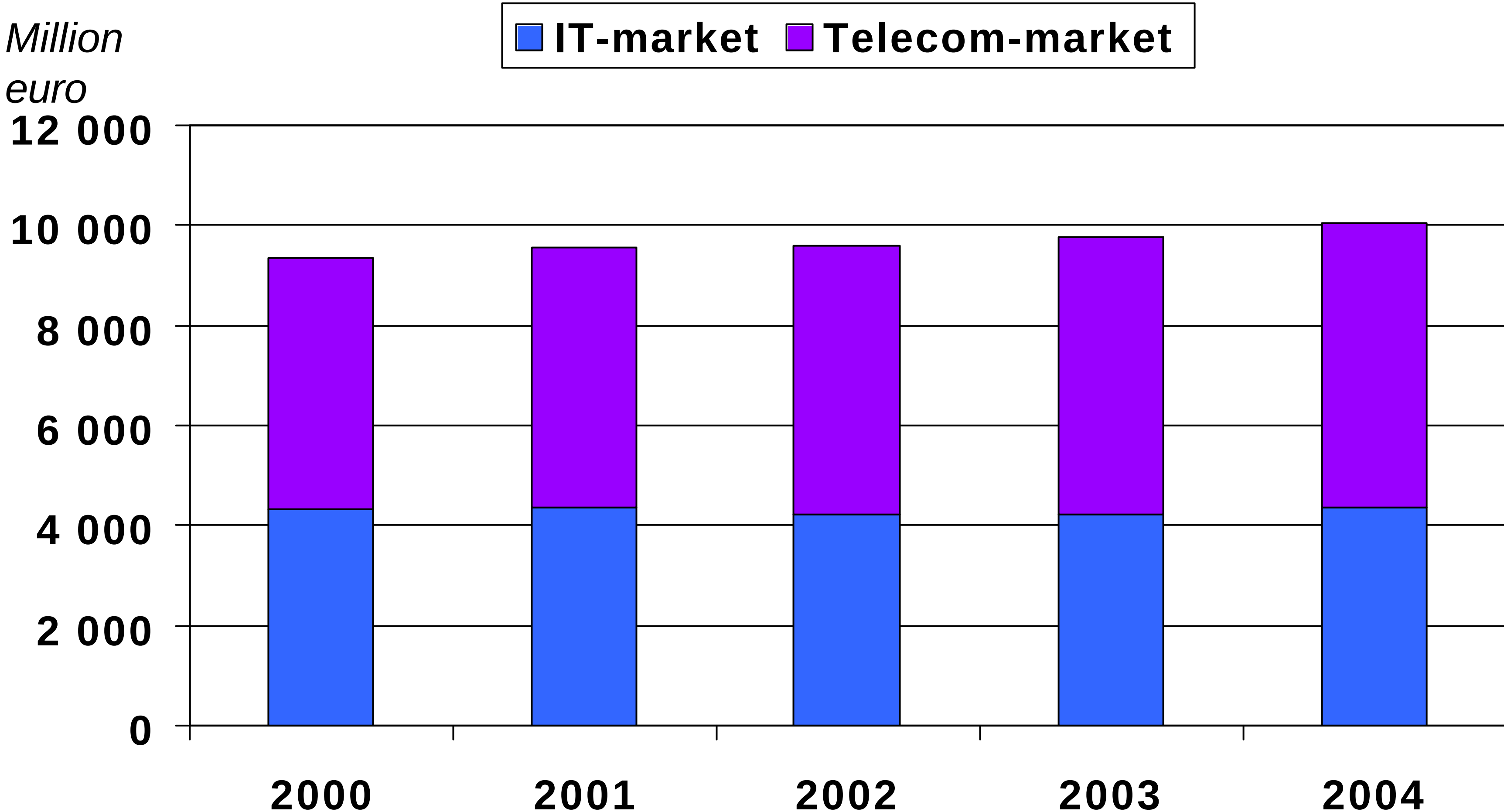
Broadband subscr. and market shares Q3 / 2003



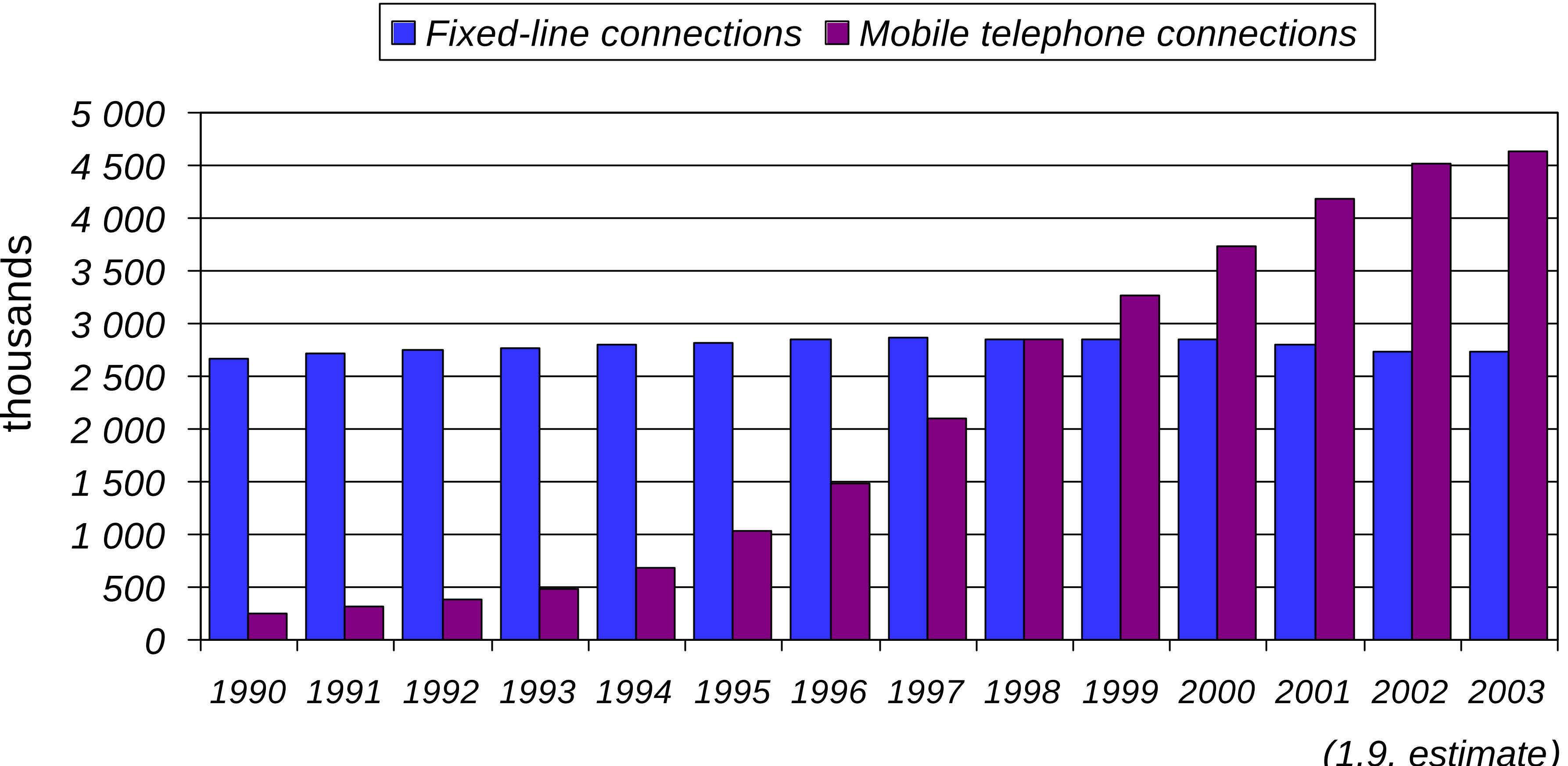
The Future

Estimated size and increase in Finnish IT- and Telecom-markets in 2000-2004



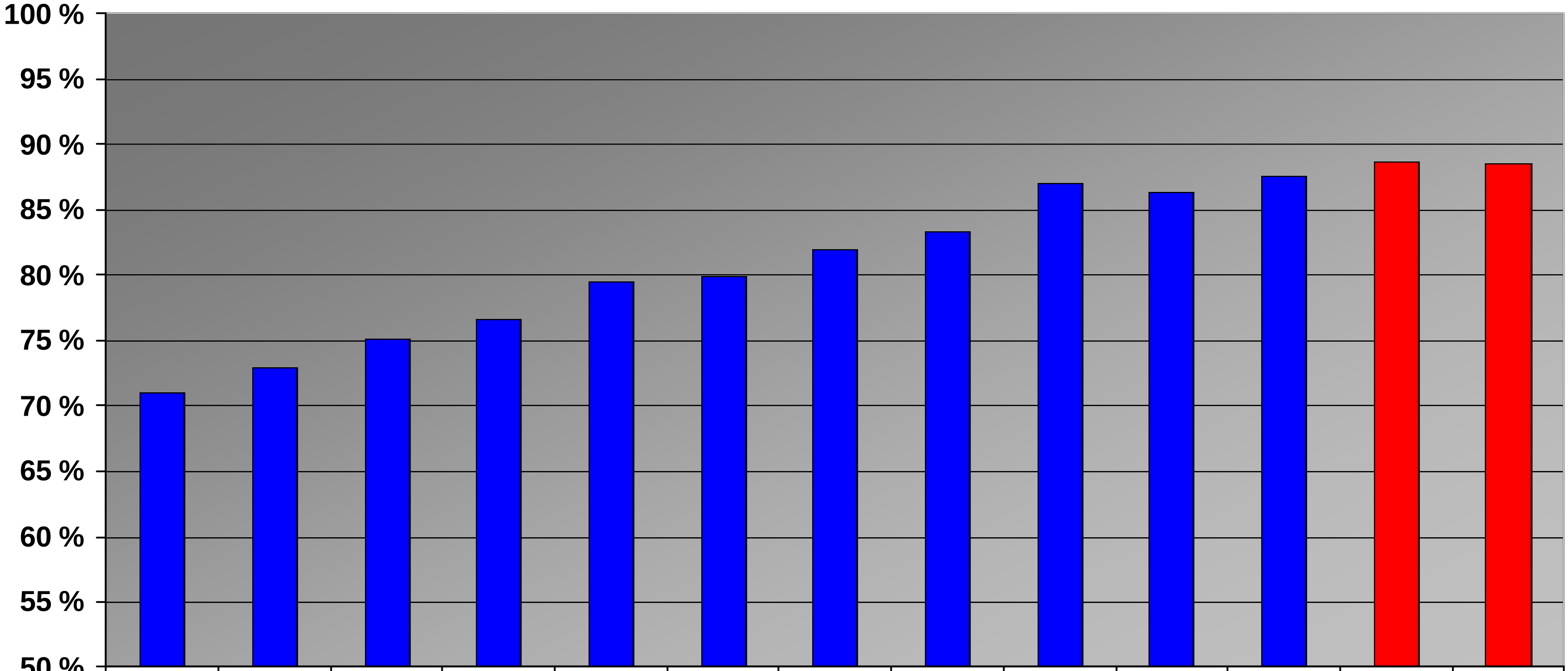
Source: Market-Visio, IT-investoinnit, -kustannukset ja –hankkeet Suomessa 2002-2005 (published 6/2003)

Fixed-line and mobile telephone connections in Finland 1990-1.9.2003



Sources: Ministry of Transport and Communications, Statistics Finland and Mobile Communications

GSM-penetration in Finland 2000 - October 03 e



	2000 END	Q1 / 2001	Q2 / 2001	Q3 / 2001	2001 END	Q1 / 2002	Q2 / 2002	Q3 / 2002	2002 END	Q1 / 2003	Q2 / 2003	Q3 / 2003	October 2003 e
Penetration	71,0 %	72,9 %	75,1 %	76,7 %	79,5 %	80,0 %	82,0 %	83,4 %	87,0 %	86,4 %	87,6 %	88,7 %	88,6 %

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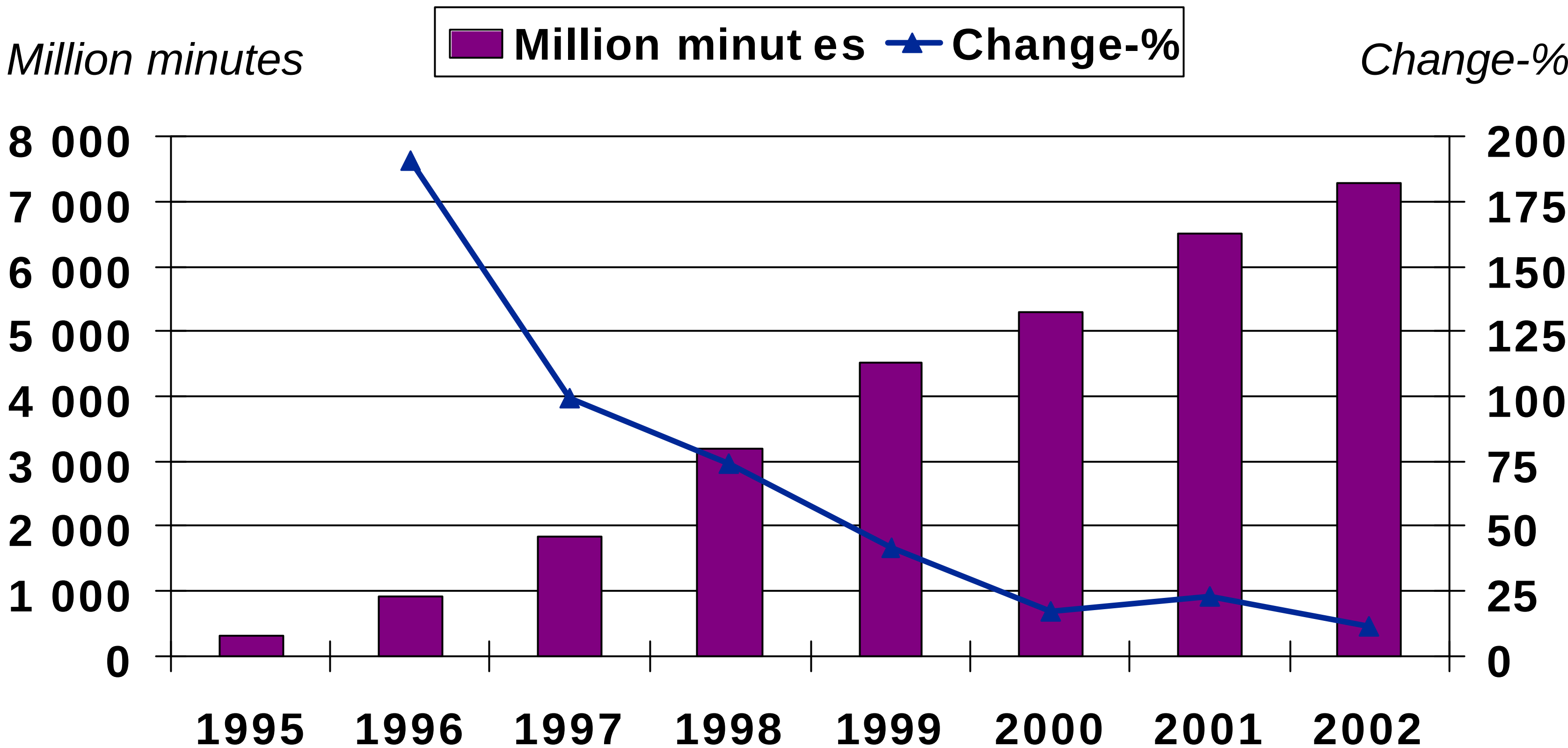
Outgoing minutes of GSM mobile phone calls and change-% in Finland in 1995-2002



Source: Statistics Finland, Telecommunications in Finland 2002

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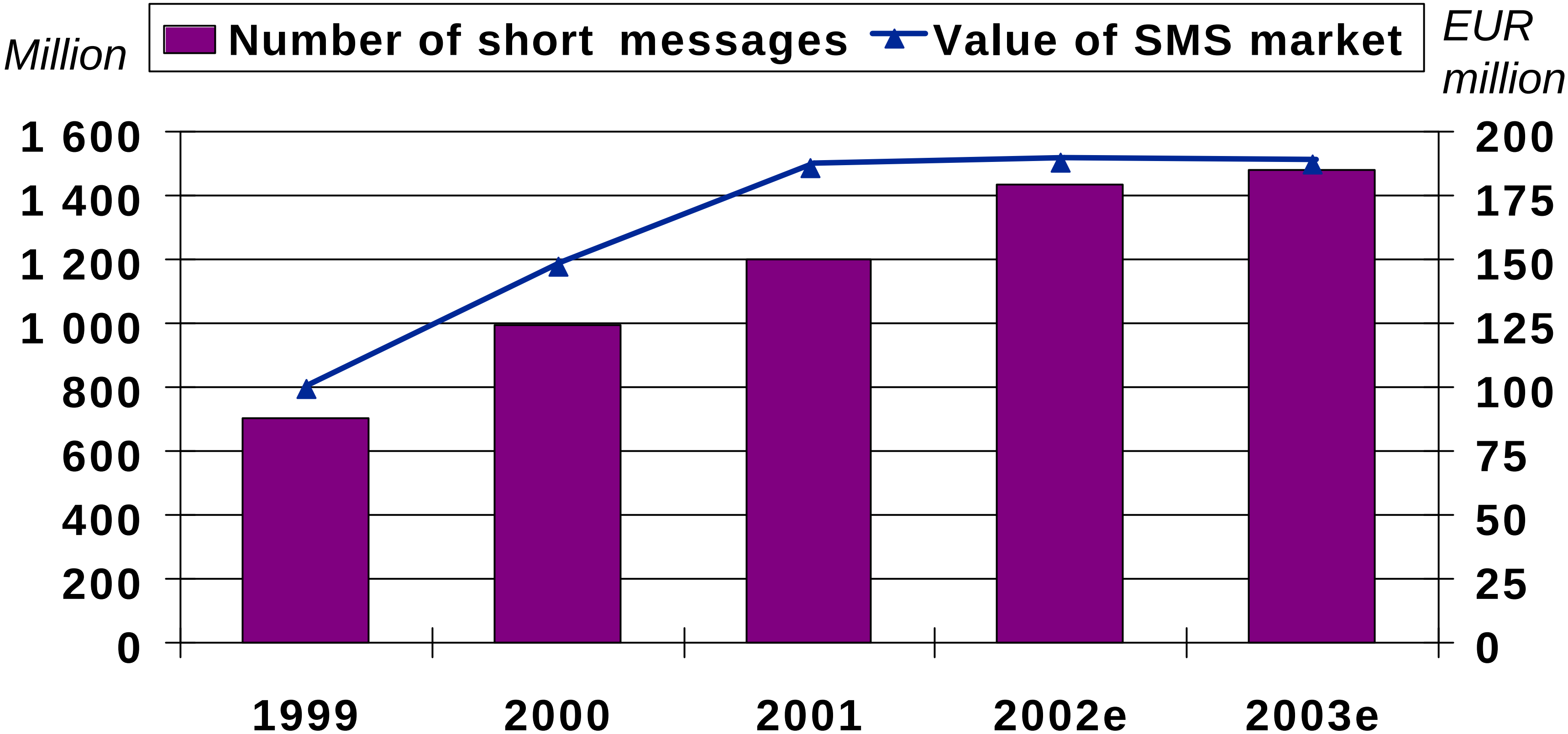
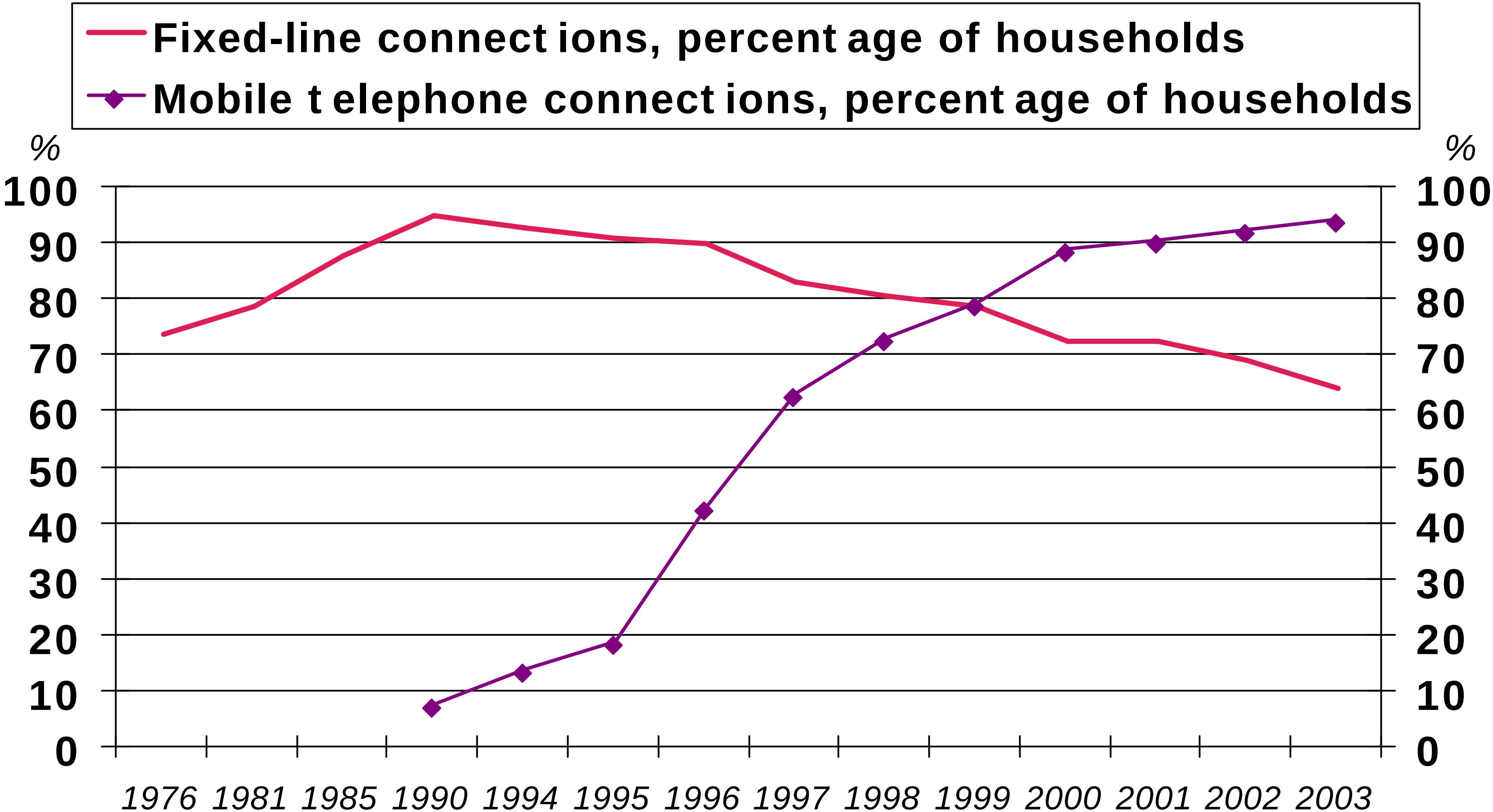
Number of short messages and value of SMS market in Finland 1999-2003



e = Preliminary data

Sources: Ministry of Transport and Communications; Short message market 2000-2003 and Telecommunications statistics 2002

Fixed telephones and mobile telephones in households, %



August 2003.

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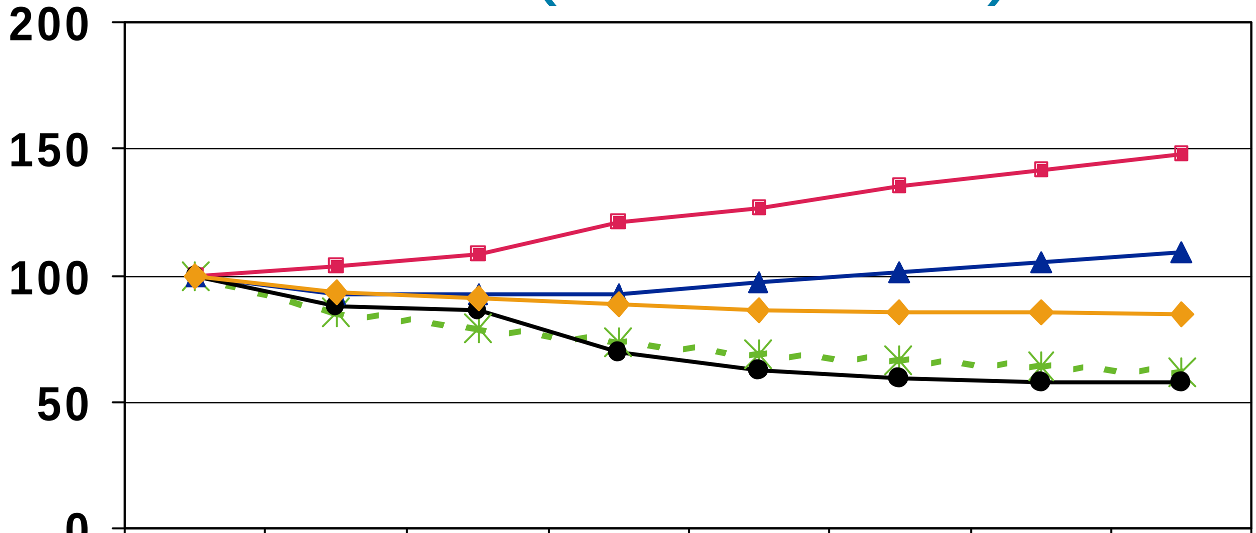
Sources: Statistics Finland: Consumer Survey,
On the road to the Finnish Information Society

dna

The price indices of voice communications in 1995-2002 (1995 = 100)



	1995	1996	1997	1998	1999	2000	2001	2002
Mobile calls	*100*	*85,3*	*78,8*	*73,4*	*68,4*	*66,1*	*64,2*	*62*
Local services	*100*	*103,5*	*108,2*	*121,1*	*126,1*	*135,5*	*141,8*	*147,6*
Long-distance calls	*100*	*92,4*	*92,1*	*92,8*	*97,5*	*101,3*	*105*	*108,8*
International calls	*100*	*87,8*	*86,1*	*69,4*	*62,8*	*59*	*57,7*	*57,7*
Total	*100*	*93*	*90,7*	*88,7*	*85,8*	*85,6*	*85,2*	*84,6*

Source: Ministry of Transport and Communications/
Price level of the Finnish telecommunications charges 2002, 15/2003

Future trends of the wireless services

- 3G network infrastructure will be limited to urban areas and (E)GPRS networks will be dominant elsewhere in Finland
- Service and network operators will have increased traffic but decreased margins
  - Voice ARPU reduces but messaging and VAS ARPU increases.
  - Potential ARPU at 2007 is € 45.0 (today ~ 40 €)
- Mobile device will substitute fixed telephony in voice traffic and data traffic overtaking voice in fixed lines
- In 2005 3G starts to accelerate and by 2007 more than 50% of mobile traffic volume is 3G based
- Mobile devices will be used for micro payments, bookings, and entertainment
- Entertainment will be the main driver on consumer market
- Fast mobile data will be the most important VAS service for business users

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The bubbles burst, the needs remain

- The importance of telecommunications for the society is increasing all the time
- Networking of companies and services changes the conventional methods of operation
- Customers become more demanding
- Closeness and security are highlighted

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Our Strategy

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The role of Finnet in the future

- The third full service operator with 25% of the Finnish telecom services market
- Applies technologies and services to meet the customers’ needs better or faster than others
- Serves and makes decisions close to the customer
- Produces nationwide services in a networked and rapid manner

Our Strategy

Networking

- Efficiency is achieved through common processes, and added value is produced through local service

Proximity

- We make business decisions close to the customer
- We concentrate on serving customers in Finland

Difference

- We stand out from our competition due to reasons related to geography and ownership
- Our values, methods of service and operational models are different from others’

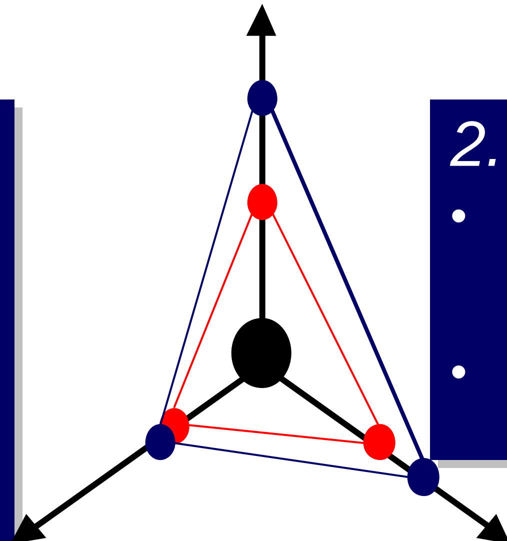
Focus areas

Marks:

- Today
- Goal

1. Customers

- **Operations based on good understanding of customer needs and expectations**
- **Be a local and trusted service provider and partner**



2. Operations

- **Excellent operative effectiveness and flexibility**
- **Good competitiveness and proven quality**

3. Products

Carefully selected product portfolio which is based on customer segmentation

Solid and stable basic services

Right timing in new service introduction

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