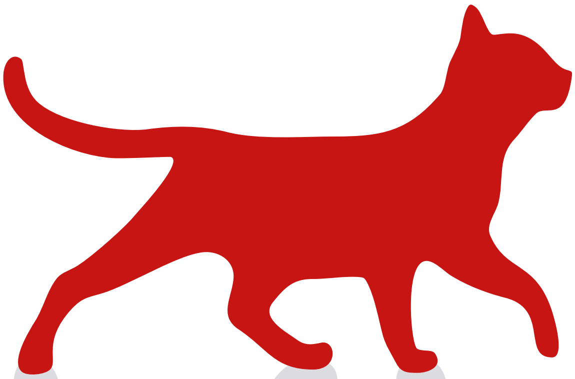
trainers' HOUSE



FINANCIAL STATEMENTS 2009

CONTENTS

Financial Statements of Trainers' House Plc for 2009

General

Trainers' House is a technology-dependent training company that helps its customers to grow. In addition to training, the company utilizes marketing, management systems and the financing of customer risks.

The Group's areas of expertise, the gathering and processing of market information, marketing, and training and systems know-how together form an integrated Growth System. The idea of the Growth System is to improve the overall productivity of customers by influencing their chances of success in marketing, sales and the management of customer-oriented work. The company's growth management services are based on SaaS (Software as a Service) services, which deliver quantifiable results on productivity growth in marketing, sales and the management of the corporate strategy.

Changes in Business Operations and Group Structure

In order to adjust its resources to correspond to the present market situation, Trainers' House carried out codetermination negotiations in March 2009. The negotiations were concluded on 24 March and resulted in the dismissal of 57 employees. After negotiations, another 67 people have left the company through other arrangements. At the end of the financial year, the Group employed 227 people.

Personnel reductions affected in particular the area of high price pressure, subcontracting work, which did not create quantifiable, business-critical value for customers. Subcontracting services have been cut systematically, while additional resources have been allocated in services that create more value for customers and in SaaS product development. In connection with the codetermination negotiations, Trainers' House closed down its Turku office and divested its small, non-strategic international operations in Düsseldorf, Stockholm and St. Petersburg.

In the first quarter, a restructuring provision of EUR 1.4 million was made to cover costs resulting from personnel reductions and the divestment of international operations. During 2009, EUR 0.8 million of the restructuring provision has been used to cover actual expenses, while EUR 0.2 million has been dissolved and recognized as income. At the end of the year, EUR 0.3 million of the provision remained unused. The unused provision is expected to cover the remaining costs resulting from the restructuring. The Group's goodwill was written down in the amount of EUR 0.8 million, which corresponds to the value of the Group's divested German operations.

The restructuring carried out during the period under review does not affect the company's long-term strategy.

Changes in Ownership

During 2009, the company became aware of two notices of change in ownership exceeding the disclosure threshold. Information on notices of change in ownership is available on the company's website at www.trainershouse.fi > Investors.

As required by the terms and conditions of the exemption granted by the Finnish Financial Supervision Authority on 18 December 2008, the combined shareholding of Mr. Sarasvuo and Isildur Oy in Trainers' House declined to 30% or under by 30 June 2009. The company's CEO Jari Sarasvuo and his controlled company Isildur Oy currently hold a total of 30.0 % of the share capital of Trainers' House Plc.

Development of Net Sales and Profit

The financial statements of the Trainers' House Group have been compiled in accordance with the International Financial Reporting Standards (IFRS). The parent company's financial statements have been drafted in accordance with Finnish laws and regulations.

The year 2008 was the first financial year following the merger of Trainers' House Oy with Trainers' House Plc (former Satama Interactive Plc) on 31 December 2007. The merger has had a significant impact on the Group's operations, and as a result, the figures for 2007 are not fully comparable.

The following key figures describe the Group's financial performance:

	2009	*2008*	*2007*
Net sales, EUR	27.647.240,92	44.237.260,99	29.988.578,69
Operating profit, EUR	-2.694.840,78	4.297.930,70	2.119.332,38
Operating profit, % of net sales	-9,7	9,7	7,1
Return on equity, %	-12,4	2,2	11,5
Return on investment, %	-3,4	5,2	3,5
Equity ratio, %	66,5	65,1	56,0
Profit/share, EUR	-0,10	0,02	0,12
Shareholders' equity/share, EUR	0,76	0,91	0,92
Dividends *)		3.400.835,20	2.720.668,16
Dividend per share, EUR		0,05	0,04
Dividend per earnings, %		250,8	34,4
Effective dividend yield, %		9,1	3,4

*) The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2009.

Net result for 2009 was EUR -7.0 million. Financial performance is burdened by non-recurring restructuring expenses of EUR 1.2 million from spring 2009, as well as the following items not affecting cash flow: depreciation resulting from the allocation of the purchase price of Trainers' House Oy totalling EUR 2.0 million, a goodwill write-down in the amount of EUR 0.8 million, and a write-down in deferred tax assets totalling EUR 3.7 million.

A total of EUR 10.2 million of the purchase price of Trainers' House Oy was allocated in intangible assets with a limited useful life on 31 December 2007. This item is depreciated over a period of five years. At the end of the year, a total of EUR 5.0 million were still pending depreciation. The remaining portion will be depreciated as follows: EUR 2.0 million in 2010, EUR 1.6 million in 2011 and EUR 1.4 million in 2010.

The following information is described in the consolidated financial statements as follows:

	Section:
Shareholder distribution	*Shareholders*
Information on shareholders	*Shareholders*
Management ownership	*Note 33 to the consolidated financial statements*
Key figures per share	*Key Figures per Share*
Key figures representing financial performance	*Key Figures Representing Financial Performance*

Financing, Solvency and Risks

On 31 December 2009, the liquid assets of the Trainers' House Group amounted to EUR 1.9 million (EUR 7.7 million in 2008 and EUR 17.1 million in 2007). The equity-to-assets ratio was 66.5% (65.1 % in 2008 and 56.0 % in 2007) and net gearing 28.9% (22.9% in 2008 and 27.6% in 2007). At the end of the year, the Group had interest-bearing liabilities in the amount of EUR 16.7 million (EUR 21.8 million in 2008 and EUR 34.3 million in 2007).

Cash flow from operations totalled EUR 3.5 million (EUR 4.1 million in 2008 and EUR 2.1 million in 2007). Cash from investments totalled EUR -0.3 million (EUR 0.9 million in 2008 and EUR -19.9 million in 2007) and cash from financing came to EUR -9.0 million (EUR -14.5 million in 2008 and EUR 34.4 million in 2007).

Cash flow from financing was affected most significantly by loan repayments totalling EUR 5.0 million and a dividend paid out in the amount of EUR 3.4 million.

As Trainers' House operates primarily within the euro zone, there are no substantial exchange rate fluctuation risks. A bad debt provision, which is booked on the basis of ageing and case-specific risk analyses, covers risks to accounts receivable. Further details on financial risk management can be found in the notes to the consolidated financial statements (Section 28, Financial Risk Management).

Personnel

Key figures on the Group's personnel:	***2009***	***2008***	***2007***
Average number of personnel	281	375	329
Personnel at the end of the period	227	340	400
Salaries and compensations, EUR	16.021.832,99	17.782.100,92	15.036.841,13

Research and Development

In 2009, the Group's research and development costs totalled EUR 2.5 million (EUR 2.3 million in 2008 and EUR 1.9 million in 2007), representing 9.1% of net sales (5.1% in 2008 and 6.3% in 2007).

Shares and Share Capital

The shares of Trainers' House Plc are listed on NASDAQ OMX Helsinki Ltd under the symbol TRH1V.

At the end of the period, Trainer's House Plc had issued 68,016,704 shares. The company's registered share capital amounted to EUR 880,743.59. The stated value of the share is EUR 0.02 (not exact). The share capital comprises shares of a single class, with each share entitling to one vote. No changes took place in the number of shares or share capital during the period under review. At the end of the period under review, the company did not possess any treasury shares.

Staff Incentive Schemes

Trainers' House has currently one option programme for its personnel, included in the personnel's commitment and incentive scheme.

The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the share capital of Trainers' House Plc may increase by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B.

The subscription period for shares converted under the 2006A warrants ran from 1 September 2008 to 28 February 2009. No shares were subscribed under the 2006A warrants. The subscription period for shares converted under the 2006B warrant began on 1 September 2009 and will end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 1.08 for shares converted under the 2006B warrant. No shares have been subscribed under the 2006B warrants.

The Board of Directors has decided to create a new long-term incentive scheme for key employees.

Authorizations by the Board of Directors

The Annual General Meeting held on 24 March 2009 authorized the Board of Directors to decide on the repurchase of the company's own shares. Under the authorization, whether on one or on several occasions, a maximum of 6,500,000 shares, which corresponds to approximately 9.56% of the company's shares, may be acquired. The authorization shall remain in force until 30 June 2010. At the same time the AGM countermanded the earlier comparable authorization. The authorization had not been exercised on 31 December 2009.

The Board of Directors is otherwise authorized to decide on all conditions related to the acquisition of own shares, including the manner of acquisition of shares. The authorization does not exclude the right of the Board of Directors to decide on a directed acquisition of own shares as well, if there is significant financial reason for the company to do so.

The AGM authorized the Board to decide on a share issue including the conveyance of own shares, and the issue of special rights. With these authorizations related to share issue and/or issue of special rights, whether on one or on several occasions, a maximum of 13,000,000 new shares may be issued and/or treasury shares may be transferred, which corresponds to approximately 19.11% of the company's shares. The authorization shall remain in force until 30 June 2010. At the same time the AGM countermanded the earlier comparable authorization. The authorization had not been exercised on 31 December 2009.

The Board of Directors is otherwise authorized to decide on all terms regarding the share issue and issue of special rights, including the right to also decide on a directed share issue and a directed issue of special rights. Shareholders' pre-emptive subscription rights can be deviated from, provided that there is significant financial reason for the company to do so.

Board of Directors and Auditors

The Annual General Meeting of Trainers' House was held on 24 March 2009. Aarne Aktan, Tarja Jussila, Kai Seikku and Matti Vikkula were re-elected as Board members until the following Annual General Meeting. Authorized Public Accountants Ernst & Young Oy were elected as the company's auditors. Harri Pärssinen, APA, has been acting as the responsible auditor.

The Board of Directors convened 14 times in 2009. The attendance rate was 95.2%.

Corporate Governance

A report by the Board of Directors on corporate governance at Trainers' House Plc, drafted in accordance with the Finnish Corporate Governance Code and Chapter 2, Section 6 of the Securities Markets Act (495/1989), is available on the company's website at www.trainershouse.fi > Investors.

Shareholder Agreements

To the knowledge of the company, the shareholders have no mutual agreements related to the operation or ownership of the company.

Long-term Goals

Trainers' House Plc's Board of Directors has set the following long-term financial objectives for the company:

The company will target 15% annual organic growth and 15% operating profit, and will aim to pay a steady dividend.

Taking the recent restructuring into consideration, we expect to achieve these goals using our Growth System concept and along with the internationalization of Trainers' House.

Short-term Business Risks and Factors of Uncertainty

The financial crisis and the resulting stagnation in economic activity will influence the decisions made by the company's customers and thereby affect the financial position of Trainers' House Plc. In the current market situation, the length of sales projects is expected to increase, and more projects are expected to be cancelled than before. Price competition has also intensified. Customers are having more and more difficulty in keeping faith in the future.

Risks in the company's operating environment have increased, business operations have become more challenging, and it has become more difficult to estimate future developments. The operations of Trainers' House are hindered by the unequivocal cost cuts made by some customers.

The Group's goodwill and deferred tax assets recognized in the balance sheet were retested for impairment at the end of the financial year.

In the first quarter, the Group's goodwill was written down in the amount of EUR 0.8 million, which corresponds to the value of the Group's divested German operations. The impairment testing carried out at the end of 2009 indicates no need for other goodwill write-downs. If the company's profitability should fail to develop as predicted, or if interest rates or other external factors beyond the company's control should change significantly, there is a risk that some of the Group's goodwill may have to be written down.

The consolidated balance sheet of Trainers' House contained deferred tax assets from losses carried forward in the amount of EUR 7.1 million. At its meeting on 11 January 2010, the company's Board of Directors reviewed the principles used in recognizing deferred tax assets, and decided to make a non-recurring write-down of EUR 3.7 million in deferred tax assets in the financial statements for 2009. The write-down is based on a revised estimate of the company's taxable income in 2010–2012.

If the company's taxable income does not reach approximately EUR 13 million in 2010–2012, there is a risk that some of the EUR 3.4 million in deferred tax assets from losses carried forward recognized in the balance sheet of Trainers' House Plc cannot be utilized and may have to be written down.

In connection with the merger of Trainers' House and Satama Interactive on 31 December 2007, the company concluded a loan agreement in the amount of EUR 40 million. At the balance sheet date, the company had loans related to this loan agreement in the amount of EUR 16.5 million. The loan agreement contains standard covenants, including one concerning the ratio of net debt to EBITDA.

In order to ensure that it will fulfil the financial covenant in the loan agreement concerning the ratio of net debt to EBITDA, the company issued a hybrid capital bond in the amount of EUR 5.0 million on 15 January 2010.

About Risks

The Trainers' House Group is an expert organization. Market and business risks are part of regular business operations, and their extent is difficult to define. Typical risks in this field are associated with, for example, general economic development, distribution of the clientele, technology choices and development of the competitive situation and personnel expenses. Risks are managed through the efficient planning and regular monitoring of sales, human resources and business costs, enabling a quick response to changes in the operating environment.

Furthermore, Trainers' House aims to improve its risk tolerance by designing services that are not easily affected by economic fluctuations.

The success of the Group as an expert organization also depends on its ability to attract and retain skilled employees. Personnel risks are managed with competitive salaries and incentive schemes as well as investments in employee training, career opportunities and general job satisfaction.

Risks are discussed in more detail on the company's website at: www.trainershouse.fi > Investors.

Subordinated Loans to Subsidiaries

On 31 December 2009, Trainers' House Plc issued an equity loan in the amount of EUR 2,870,983.13 to its subsidiary Trainers' House Growth System Corporation. At the end of the year, the equity loans granted to Trainers' House Growth System Corporation totalled EUR 3,471,895.89. All loans have the same terms.

The loans have no maturity date, and the debtor or the lender may terminate the loan at one month's notice, provided that the repayment of the equity loan does not violate the Finnish Companies Act. The interest rate of the loan is the base rate confirmed twice a year by the Ministry of Finance +3.5%. The loan capital and interest are paid at a lower priority than those of other debt in the case of liquidation or bankruptcy. The loan capital may only be repaid if the company's confirmed balance sheet for the preceding financial year has full cover for the restricted equity and other non-distributable items. The loan interest may only be paid if the amount being paid can be used for the distribution of profits based on the company's confirmed balance sheet for the preceding financial year. Unpaid interest is calculated separately and is paid only once the conditions for interest payment have been met. Interest is paid on the imputed interest. The total amount of imputed interest on the loan is EUR 127,596.89.

Board's Proposal Concerning Distributable Assets

At the end of 2009, the parent company's distributable assets amounted to EUR 34.4 million. The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2009.

Events After the Balance Sheet Date

On 15 January 2010, Trainers' House Plc announced that company is issuing a EUR 5 million domestic hybrid bond.

EUR 1 million of the bond was subscribed by domestic investors and EUR 4 million by major shareholders of Trainers' House Plc based on their underwriting commitments. The coupon rate of the bond is 10.00% per annum. The bond has no maturity but the company may call the bond after three years.

The hybrid bond will strengthen Trainers' House Plc's capital structure and enhance its financial position. The arrangement will also enhance the ratio of net debt to EBITDA.

A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. Hybrid bonds do not confer to their holders the right to vote at shareholder meetings and do not dilute the holdings of the current shareholders.

Expected Future Developments

The company's business environment is expected to remain challenging and difficult to predict due to the post-cyclical nature of the company's operations.

In the first half of 2010, net sales are expected to fall year-on-year due to structural reasons. As a result of cost savings and the restructuring carried out in 2009, the operating profit for the first half of 2010, before non-recurring items and depreciation resulting from the allocation of acquisition cost, is expected to improve.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR	Note	1.1. - 31.12.2009	1.1. - 31.12.2008
NET SALES	1.	27,647,240.92	44,237,260.99
Other Operating Income	4.	101,089.56	214,261.97
Costs:			
Materials and services	5.	-3,726,372.58	-5,434,104.34
Salaries and other employee benefits	6.	-16,021,832.99	-22,041,729.54
Depreciation	7.	-2,817,991.07	-4,060,633.92
Goodwill impairment	7.	-804,122.63	
Other operating expenses	8.	-7,072,851.99	-8,617,124.46
Total Costs		-30,443,171.26	-40,153,592.26
OPERATING PROFIT/LOSS		**-2,694,840.78**	**4,297,930.70**
Financial income	10.	118,302.45	350,597.57
Financial expenses	11.	-1,273,223.19	-2,041,054.06
PROFIT/LOSS BEFORE TAX		**-3,849,761.52**	**2,607,474.21**
Taxes	12.	-3,166,521.23	-1,252,347.35
PROFIT/LOSS FOR THE PERIOD		**-7,016,282.75**	**1,355,126.86**
Other comprehensive income:			
Cash flow hedges	11.	-120,809.32	-231,124.22
Translation differences related to international operations		10,542.73	-8,363.53
Income tax related to items of other comprehensive income	12.	31,410.42	60,092.30
Other comprehensive income in the period after taxes		-78,856.17	-179,395.45
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-7,095,138.92**	**1,175,731.41**
Profit/loss attributable to:			
Shareholders of the parent company		-7,016,282.75	1,355,126.86
Comprehensive profit/loss attributable to:			
Shareholders of the parent company		- 7,095,138.92	1,175,731.41
Earnings per share as calculated from the profit attributable to shareholders of the parent company:			
Undiluted earnings/share (EUR)	13.	-0.10	0.02
Diluted earnings/share (EUR/share)	13.	-0.10	0.02

The notes comprise a significant component of the financial statements.

CONSOLIDATED BALANCE SHEET, IFRS

EUR	Note	31.12.2009	31.12.2008
ASSETS			
Non-current assets			
Property, plant and equipment	14.	506,419.48	780,813.46
Goodwill	15.	50,968,235.34	51,772,357.97
Other intangible assets	15.	15,027,936.80	17,245,753.99
Financial assets	17.	3,193.99	2,721.85
Receivables	19.	513,170.80	25,717.93
Deferred tax receivables	18.	3,457,986.72	7,119,646.34
Total non-current assets		**70,476,943.13**	**76,947,011.54**
Current assets			
Inventories	20.	12,296.90	14,227.51
Trade and other receivables	21.	4,862,178.71	10,708,098.30
Cash and cash equivalents	22.	1,858,058.88	7,663,977.77
Total current assets		**6,732,534.49**	**18,386,303.58**
TOTAL ASSETS		**77,209,477.62**	**95,333,315.12**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company	23.		
Share capital		880,743.59	880,743.59
Premium fund		13,942,679.30	13,942,679.30
Translation difference			-10,542.73
Hedging reserve		-260,430.82	-171,031.92
Distributable non-restricted equity fund		31,872,147.15	31,872,147.15
Retained earnings		11,937,725.43	13,983,433.77
Profit/loss for the period		-7,016,282.75	1,355,126.86
Total shareholders' equity		**51,356,581.90**	**61,852,556.02**
Long-term liabilities			
Deferred tax liabilities	18.	3,799,751.49	4,328,458.33
Financial liabilities	26.	15,335,916.91	16,638,767.96
Total non-current liabilities		**19,135,668.40**	**20,967,226.29**
Current liabilities			
Provisions	25.	346,361.15	
Financial liabilities	26.	1,370,996.00	5,187,677.00
Trade and other payables	27.	4,999,870.17	7,325,855.81
Total current liabilities		**6,717,227.32**	**12,513,532.81**
Total liabilities		**25,852,895.72**	**33,480,759.10**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**77,209,477.62**	**95,333,315.12**

The notes comprise a significant component of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR	Note	1.1. - 31.12.2009	1.1. - 31.12.2008
CASH FLOW FROM OPERATIONS			
Profit/loss for the period		-7,016,282.75	1,355,126.86
Adjustments			
Financial income and expenses		1,160,525.42	1,687,009.61
Non-cash transactions	30.	6,785,691.94	5,288,135.96
Other adjustments		104,470.18	-359,612.41
Change in working capital			
Change in trade and other receivables		6,155,259.74	840,570.37
Change in inventories		1,930.61	367.23
Change in trade payables and other liabilities		-2,486,829.51	-3,206,968.67
Interest paid and other financial expenses		-1,224,992.38	-1,764,916.14
Interest received		60,997.88	350,590.61
Taxes paid		-2,158.04	-43,144.51
Net cash from operations		3,538,613.09	4,147,158.91
CASH FLOW FROM INVESTMENTS			
Divestment of operations and sale of shares			1,100,024.50
Investments in tangible and intangible assets		-335,246.91	-351,922.22
Proceeds from sale of property, plant and equipment			134,246.63
Net cash from investments		-335,246.91	882,348.91
CASH FLOW FROM FINANCING			
Proceeds on share issue			491,115.06
Decrease in short-term loans		-3,750,000.00	
Decrease in long-term loans		-1,370,997.00	-12,253,840.26
Decrease in long-term receivables		-487,452.87	-1,747.93
Dividends paid		-3,400,835.20	-2,720,668.16
Net cash from financing		-9,009,285.07	-14,485,141.29
CHANGE IN CASH EQUIVALENTS		-5,805,918.89	-9,455,633.47
Cash and cash equivalents at the beginning of period		7,663,977.77	17,119,611.24
Cash and cash equivalents at the end of period	22.	1,858,058.88	7,663,977.77
Change during period		-5,805,918.89	-9,455,633.47

The notes comprise a significant component of the financial statements.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY, IFRS

Equity attributable to equity holders of the parent company

EUR	Share capital	Share issue	Premium fund	Translation difference	Hedge reserve	Distributable non-restricted equity fund	Retained earnings	Total
Total equity, 1 Jan 2008	866,941.67	255,914.94	13,227,766.22	-2,179.20		31,348,075.20	16,550,762.94	62,247,281.77
Dividend distribution							-2,720,668.16	-2,720,668.16
Cost of share-based payments							153,338.99	153,338.99
Stock options used	13,801.92	-255,914.94	714,913.08					472,800.06
Total comprehensive income for the period				-8,363.53	-171,031.92		1,355,126.86	1,175,731.41
Taxes related to items recognized in equity						524,071.95		524,071.95
Total equity, 31 Dec 2008	880,743.59	0.00	13,942,679.30	-10,542.73	-171,031.92	31,872,147.15	15,338,560.63	61,852,556.02
Dividend distribution							-3,400,835.20	-3,400,835.20
Total comprehensive income for the period				10,542.73	-89,398.90		-7,016,282.75	-7,095,138.92
Equity 31 Dec 2009	880,743.59	0.00	13,942,679.30	0.00	-260,430.82	31,872,147.15	4,921,442.68	51,356,581.90

The notes comprise a significant component of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

Trainers' House is a technology-dependent training company that helps its customers to grow. The parent company is Trainers' House Plc. The company's domicile is Helsinki, and its registered address is Niittymäentie 7, 02200 Espoo. A copy of the consolidated financial statements is available at www.trainershouse.fi or from the head office of the parent company at Niittymäentie 7, 02200 Espoo.

At its meeting on 10 February 2010, the Board of Trainers' House Plc approved these financial statements for publication. According to the Finnish Companies Act, shareholders are entitled to approve or reject the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting may also decide on amendments to the financial statements.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in conformance with IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2009. International accounting standards refer to standards and interpretations approved for application in the European Union as provided for in Finnish Accounting Act and regulations based on the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements are also in accordance with the Finnish accounting and business legislation supplementing the IFRS regulations.

The figures shown in the consolidated financial statements are based on original acquisition costs with the exception of financial assets and liabilities, derivatives and share-based payments, which have been entered at fair value and recorded as profit or loss.

The Group has applied all the standards, amendments and interpretations published by the IASB entered into force on 1 January 2009.

Revised IAS 1 Presentation of Financial Statements. The amendments have mainly affected the presentation of the comprehensive income statement and the statement of changes in equity. In addition, the revised standard has changed extensively the terminology used in also other standards, and consequently the names of certain items in the financial statements have changed. The calculation of earnings per share has not changed.

Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments. The amendments have increased the amount of information presented in the notes to the consolidated financial statements.

IFRS 8 Operating Segments. The adoption of the standard has not affected the financial statements.

Revised IAS 23 Borrowing Costs. The adoption of the standard has not affected the financial statements.

Amendments to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations. These changes have not affected the financial statements.

Improvements to IFRSs. These changes have affected each standard differently, but they have no significant effect on the consolidated financial statements.

IFRIC 13 Customer Loyalty Programmes. The Group does not use customer loyalty programmes specified in the interpretation, and therefore the adoption of the interpretation has not affected the financial statements.

IFRIC 15 Agreements for the Construction of Real Estate. The adoption of the interpretation has not affected the financial statements, because the Group does not operate in the construction industry.

Amendments to IAS 1 Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation – Puttable Instruments and Obligations Arising on Liquidation. The adoption of the amended standards has not affected the financial statements.

Amendments to IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives. These changes have not affected the financial statements.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The adoption of the interpretation has not affected the financial statements.

The preparation of financial statements in conformity with IFRS requires the management to make certain estimates and to disclose the grounds on which its decisions are based. Information on the discretion that the management has used in applying the accounting principles of the consolidated financial statements that has the most significance on the figures shown in the financial statements is given under "Critical Accounting Estimates and Judgements".

Accounting Principles

Subsidiaries

The consolidated financial statements include the parent company Trainers' House Plc and all its subsidiaries. The subsidiaries included in the financial statements are companies controlled by the Group: companies where the Group controls more than half of voting rights or otherwise exercises authority. Control over an enterprise arises when the Group holds over half of the votes or has control in other ways. Companies acquired during the period were consolidated as of the date on which the Group acquired control of the subsidiary, and divested companies were consolidated up to the date on which the Group lost control of the subsidiary.

The subsidiaries were consolidated by means of the cost method, according to which the assets and liabilities of the subsidiary are recognized at fair value at the time of acquisition, to which figure the direct costs related to the acquisition are added. Goodwill comprises the part of the cost that exceeds the fair value of the net assets of the acquired company. All intra-group transactions, receivables and liabilities have been eliminated. Unrealized profits have been eliminated, and unrealized losses have been eliminated when they have not resulted from impairment. The accounting principles of the financial statements of the subsidiaries have been converted to correspond with the accounting principles of the consolidated financial statements.

Associated Companies

Associated companies are companies where the Group exercises a considerable influence. The Group is considered to exercise a considerable influence when holds 20–50% of a company's voting rights or when the Group otherwise exercises a considerable influence but not authority. Associated companies are consolidated using the equity method. If the Group's share of an associated company's losses exceeds the book value of the investment, the value of the investment in the balance sheet will be reduced to zero and the losses exceeding the book value will not be consolidated, unless the Group has committed to fulfilling the obligations of the associated company. An investment in an associated company includes the goodwill generated from its acquisition. The Group's share of the profit or loss of associated companies is presented as a separate item after the operating profit.

Foreign Currency Translation

Figures on the financial performance and standing of Group companies are presented in the currency of each company's primary operating environment. The consolidated financial statements are prepared in euro, which is the parent company's functional and presentation currency.

Foreign currency transactions have been translated into the operating currency using the exchange rate of the transaction date. In practice, the rate used is often one that approximately equals the rate on the transaction date. Monetary items have been translated into the operating currency using the exchange rate of the closing date. Non-monetary items, which have been valued at fair value, have been translated into the operating currency using the exchange rate of the valuation date. Other non-monetary items have been measured at the rate prevailing on the transaction date.

Gains and losses from foreign currency transactions and from the translation of monetary items have been recognized in the income statement. Exchange rate gains and losses from business activities are included in the corresponding items above operating profit.

In the income statements of foreign Group companies, income and expenses have been translated into euro using the average exchange rate of the financial year, while balance sheets have been translated using the exchange rate of the closing date. The translation of the profit for the financial year with different exchange rates in the income statement and balance sheet causes a translation difference that is recognized in shareholders' equity. Translation differences resulting from translating items accumulated in the shareholders' equity as a result of the elimination of the acquisition cost of foreign subsidiaries after the acquisition are recognized in shareholders' equity. When a subsidiary is wholly or partly divested, the accumulated translation differences are recognized as capital gain or loss in the income statement.

The Group's foreign subsidiaries were divested during 2009, and the translation differences accumulated by 31 December 2009 have been moved through profit or loss from translation differences in shareholders' equity to financial items in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Property, Plant and Equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment. Straight-line depreciations are made on assets over their estimated useful life. The estimated useful lives are the following:

Renovation of facilities	2-10 years
Cars	4 years
Machinery and equipment	
IT equipment	2 years
Office furniture	5 years

The residual value of the assets and their useful life are reviewed all financial statements and, if necessary, adjusted to indicate changes expected in the asset's economic benefits. Capital gains and losses resulting from the disposal and divestment of property, plant and equipment are entered as other operating income or expenses.

Goodwill

Goodwill generated through business acquisitions comprises the difference between the acquisition cost and the acquired identifiable net assets valued at fair value. Goodwill is measured at original cost less any impairment. In addition, expenses directly related to an acquisition, such as expert fees, are included in the acquisition cost. Goodwill is allocated to cash generating units and is tested annually for any impairment. Goodwill is not amortized.

Other Intangible Assets

Intangible assets are recognized in the balance sheet at cost if the cost of the asset can be measured reliably and it is probable that the expected economic benefits of the asset will flow to the Group.

Intangible assets with indefinite useful life are not subject to depreciation but are tested annually for any impairment. Intangible assets with a limited useful life are amortized using a straight line method over their estimated useful life.

The amortization periods for other intangible assets are as follows:

Computer software licences	2–5 years
Customer registers	5 years
Customer relationships	5 years
Non-compete agreements	3 years
Order book	1 year
Other agreements	5 years

Trademarks are considered to have an indefinite useful life.

The residual value of the assets and their useful life are reviewed all financial statements and, if necessary, adjusted to indicate changes expected in the asset's economic benefits. Subsequent expenditure related to intangible assets is only capitalized if the economic benefits to the Group generated by the expenditure exceeds the level originally anticipated. Otherwise, such expenditure is expensed as incurred.

Research and Development Costs

Research and development costs are expensed in the financial period incurred. Costs related to the development of new products and processes have not been capitalized, because the income they are expected to generate in the future is not certain until the products have entered the markets. The Group's balance sheet contained no capitalized development costs on the balance sheet date.

Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value is the expected selling price in the ordinary course of business less the estimated costs of product completion and selling expenses.

Leases

Group as Lessee

Leases on property, plant and equipment where the Group has substantially all risks and rewards incident to ownership are classified as finance leases. Assets acquired on finance leases are recognized in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. An asset acquired on a finance lease is depreciated over the shorter of the asset's useful life or lease period. Lease payments are divided into a finance charge and a reduction of the outstanding liability over the lease period so that a constant periodic rate of interest is achieved on the outstanding liability. Lease liabilities are included in financial liabilities. Leases where the lessor retains the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized as expenses in the income statement on a straight-line basis over the lease period.

Impairment of Tangible and Intangible Assets

On each balance sheet date, the carrying amounts of assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Irrespective of whether there is any indication of impairment, the recoverable amount of the following items is estimated annually: goodwill and intangible assets with an indefinite useful life. The need for impairment is assessed at the level of cash-generating units, that is, at the lowest unit level that is mainly independent of other units and has separately identifiable cash flows.

The impairment recognized is the amount by which the balance sheet value of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell or value in use. The value in use is principally based on the discounted net cash flow that can be realized with the asset in question in the future. The discount rate is the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized immediately in profit or loss if the carrying amount of an asset is higher than its recoverable amount. If the impairment loss concerns a cash-generating unit it is first allocated to reduce the goodwill of the cash-generating unit and then to proportionately reduce the unit's other assets. In connection with the recognition of an impairment loss, the depreciation period of the given asset is re-evaluated. An impairment loss is reversed if there is a change in conditions and if the recoverable amount of the asset has changed since the recognition of the impairment loss. However, the reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized. Goodwill impairment is not reversed under any circumstances.

Employee Benefits

Pension Obligations

The Group's pension arrangements are defined contribution plans, and the contributions are recognized in the income statement for the financial period in which they are made. In defined contribution schemes the Group pays fixed contributions to a separate entity. Pension coverage for the employees of the Group's Finnish companies is based on the Finnish statutory TyEL insurance provided by an external pension insurance company. The Group's foreign subsidiaries have arranged the pension coverage of employees in accordance with local legislation. The Group has no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to take care of all of the pension benefits.

Share-based Payments

The Group has incentive schemes in which payments involve equity instruments. Option rights are valued at fair value at the time of issue and expensed in equal instalments in the income statement over the vesting period. The cost determined at the time of issuing the options is based on the Group's estimate of the number of options that are expected to become exercisable at the end of the vesting period. Estimates on the final number of the options that will vest are updated on each balance sheet date, and any changes to the estimates are recognized in the income statement. The fair value is determined using the Black-Scholes pricing model. When the options are exercised, the proceeds received less any transaction costs are recognized in equity. In accordance with the terms of the options granted before the new Limited Liability Companies Act (624/2006) entered into force on 1 September 2006, proceeds from exercised option rights have been recognized in share capital and the premium fund. In accordance with the terms of option schemes introduced after the new Limited Liability Companies Act entered into force, proceeds from exercised option rights are credited to the distributable non-restricted equity fund.

Provisions and Contingent Liabilities

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation or that the obligation will result in a financial loss, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of expenditures required to settle the obligations. The discount rate used in the calculation of present value reflects current market assessments of the time value of money and the risks specific to the liability.

The provisions are related to restructuring activities and onerous contracts. A restructuring provision is recognized when the Group has drawn up a detailed restructuring plan, initiated implementation of the plan and made the plan known. A provision is recognized for an onerous contract if the expenses required to settle the obligations exceed the benefits from the contract.

A contingent liability is a potential liability based on previous events. It depends on the realisation of an uncertain future event that is not under the Group's control. Contingent liabilities include obligations that will not likely lead to payment or the size of which cannot be reliably determined. Contingent liabilities are shown in the Notes.

Tax Based on Taxable Income for the Period, and Deferred Taxes

Tax expenses in the income statement comprise tax based on taxable income for the period and deferred tax. Taxes are recognized through profit or loss, except when they are directly related to items recognized in equity or the income statement. In the latter case, the tax is recognized with the related items. Current tax is calculated from taxable income using the tax rate enacted in each country.

Deferred taxes are calculated for temporary differences between the carrying amount and taxable amount. Deferred taxes are not recognized on non-deductible goodwill or the undistributed profits of subsidiaries to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. Likewise, deferred taxes are not recognized on the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect either neither accounting income nor taxable profit.

The largest temporary differences arise from the depreciation of property, plant and equipment, unused tax losses and measurement at fair value in connection with acquisitions. A deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

Revenue Recognition

Revenue from services is recognized at the time the service is carried out. Revenue for services provided is measured at the fair value of the consideration receivable. When calculating net sales, revenue from sales is adjusted with indirect taxes and discounts. Service revenue is recognized on the percentage of completion basis. The stage of completion is determined on the basis of the proportion of costs incurred for work performed to date compared to the total estimated costs. The credit rating of customers is checked before the signing of any supply agreement. If the buyer’s insolvency is discovered after recognition as revenue, then a credit loss reserve is made on the doubtful receivable.

Interest income is recognized using the effective interest method and dividend income when a shareholder’s right to receive payment is established.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets (or a disposal group) and assets and liabilities related to discontinued operations are classified as held for sale, if their carrying amount is to be recovered mainly from the disposal of said assets, instead of continuing use. For an asset to be classified as held for sale, the sale must be highly probable, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups), the management must be committed to a plan to sell the asset (or disposal group), and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amount of the asset must be measured in accordance with applicable IFRSs. After classification, non-current assets (or disposal groups) that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Once classified as held for sale, the non-current assets (or disposal groups) are no longer depreciated.

Liabilities and assets belonging to a disposal group that are not subject to the measurement requirements of IFRS 5 are measured in accordance with applicable IFRSs also after classification.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and

1. represents a separate major line of business or geographical area of operations
2. is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
3. is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented as a separate item in the consolidated income statement. Assets (and disposal groups) classified as held for sale, amounts recognized in other comprehensive income related to the assets held for sale, as well as liabilities included within a disposal group are presented separately on the face of the balance sheet.

Financial Assets and Liabilities

Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, and loans and receivables. The categorization is carried out based on the purpose for which the financial assets were acquired and is done in conjunction with the original acquisition.

Transaction expenses are included in the original carrying amount of financial assets in the case of an item that is not measured at fair value through profit or loss. All purchases and sales of financial assets are recognized on the transaction date, which is the date on which the Group commits to buying or selling a financial instrument. Financial assets are derecognized if the Group loses the contractual right to cash flows or if it transfers substantial risks and income outside the Group.

Financial assets at fair value through profit or loss are measured at fair value and investments are measured at fair value using quoted market prices in an active market. Any unrealized and realized gains or losses from changes in fair value are recognized in the income statement for the period in which they occur.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and not held for trading. They are measured at amortized cost. Loans and other receivables are presented as current or non-current financial assets depending on their nature: assets expiring after 12 months are presented in non-current assets.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. Items in cash and cash equivalents have a maximum maturity of three months from the date of acquisition.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. The Group recognizes an impairment loss on trade receivables, when there is objective evidence that a receivable is not collectible. Considerable financial difficulties of a debtor, likelihood of bankruptcy, default of payments or a payment delay of more than 90 days are indications of impairment of trade receivables. Once the impairment loss is final, it is recognized and a corresponding provision is made. If the amount of the impairment loss decreases in a later period due to an event occurring after the impairment was originally recognized, the previously recognised impairment loss is reversed through profit or loss.

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction expenses are included in the original carrying amount of financial liabilities at amortized cost. All financial liabilities, except for derivatives, are later measured at amortized cost using the effective interest method. Financial liabilities are included in non-current and current liabilities. Financial liabilities are classified as current if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the period under review.

Borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they occur. Credit fees related to loan commitments are recognized as transaction costs to the extent that it is probable that the loan commitment or part thereof will be exercised. Such fees are recognized in the balance sheet until the loan is taken. Credit fees related to loan commitments are recognized as transaction costs when the loan is taken. To the extent that it is probable that the loan commitment will not be exercised, credit fees are recognized as advance payments for a liquidity-related service and are expensed for the duration of the loan commitment.

The principles applied to the measurement of financial assets and liabilities at fair value are described in Note 29: Fair Value of Financial Assets and Liabilities.

Derivatives and Hedge Accounting

Derivatives are initially recognized in the balance sheet at fair value and subsequently measured at their fair value at each balance sheet date. Any gains and losses arising from fair valuation are accounted for in the manner determined by the purpose of the derivative. For derivatives to which hedge accounting is applied and which are effective hedging instruments, the financial effects of changes in fair value are recognized together with the hedged item.

At the beginning of hedge accounting, the Group documents the relationship between the hedged item and the hedging instruments, as well as the Group's risk management objectives and the strategy for undertaking the hedging. The Group also documents and assesses, at hedge inception and at least annually in the financial statements, the efficiency of hedging relationships by analyzing the hedging instrument's ability to offset changes in the fair value of the hedged item or cash flows.

Cash Flow Hedges

The Group applies cash flow hedge accounting to floating-rate loans. The Group does not have other derivative contracts. Changes in the fair value of the effective component of derivative instruments used as cash flow hedges are recognized directly in the hedging reserve in shareholders' equity and the ineffective component under financial income and expenses in the income statement.

The fair values of derivatives are determined by comparing their carrying amount with their realizable value. Realizable values are calculated using verifiable market prices or market-based valuation by the counterparties of the derivatives.

The fair values of hedge accounting derivatives are presented in current receivables and liabilities.

Shareholders' Equity

Ordinary shares are presented as share capital. Expenditure related to own equity issues or acquisitions are presented as allowance for equity. If Trainers' House Plc repurchases own equity instruments, their acquisition cost is deducted from equity.

Operating Profit

The IAS 1 Presentation of Financial Statements standard does not define the concept of operating profit. The Group uses the following definition: operating profit is the net sum calculated by adding other operating income to net sales; deducting costs from materials and services, costs resulting from employee benefits, depreciations, possible impairment losses as well as other operating expenses. All other income statement items are presented under operating profit. Exchange differences are included in operating profit if they have arisen from business-related items. In other cases they are recognized in financial items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Critical Accounting Estimates and Judgements

Preparation of the financial statements requires the Group management to make certain estimates and assumptions concerning future events, and the realized results can differ from these estimates and assumptions. In addition, the management must exercise its judgment in applying the accounting principles of the financial statements.

The estimates and assumptions made in the preparation of the financial statements represent the management's best knowledge of current events and actions at end of the period under review. They are based on historical experience and assumptions on, for example, the development of sales and costs in the Group's operating environment as considered most probable on the balance sheet date. The Group regularly monitors the accuracy of estimates and assumptions as well as the factors influencing them in cooperation with its business units, using several internal and external information providers. Possible changes in the estimates and assumptions are recognized in the income statement and balance sheet in the period during which the estimate or assumption is adjusted, and also in all subsequent periods.

Critical judgements concerning the future and risk factors related to estimates at the end of the period under review, which pose a considerable risk of significantly changing the carrying amounts of assets and liabilities during the next financial year are presented below. The Group management has considered the following areas of the financial statements to be most critical because the principles involved in preparing them are the most complex for the Group and require the most use of estimates and assumptions (for example, in the recognition of assets). In addition, possible changes in estimates and assumptions made concerning these areas are considered to have the greatest financial impact.

Determining the Fair Value of Assets Acquired Through Business Combinations

In connection with significant business combinations, the Group has employed the services of an outside advisor in assessing the fair value of tangible and intangible assets. For tangible assets, comparisons have been made with the market prices of corresponding assets, and estimates have been made on impairment resulting from the asset's age, wear and other such factors. The determination of the fair value of intangible assets is based on estimated cash flows related to the asset, since no information has been available on the market prices of corresponding assets.

The management believes that the estimates and assumptions used are sufficiently accurate for the assessment of fair value. In addition, the Group tests both tangible and intangible assets for any indication of impairment at least at the end of each period under review.

Impairment Testing

Annual impairment tests are carried out in the Group on goodwill and intangible assets with an indefinite useful life, and indications of impairment are assessed as described above under "Accounting Principles". The recoverable amounts of cash generating units are determined by calculations based on value in use. These calculations require the use of estimates.

During 2009, the Group's goodwill has been written down in the amount of EUR 0.8 million, which corresponds to the value of the Group's divested German operations. For more information on the sensitivity of recoverable amounts to possible changes in assumptions made, see Note 15: Intangible Assets.

Deferred Tax Assets

Deferred tax assets are recognized in the balance sheet in the extent that the company will likely be able to utilize in the future against taxable income. Deferred tax assets are examined annually in connection with the preparation of the financial statements.

A non-recurring write-down of EUR 3.7 million in deferred tax assets was made during 2009. The write-down is based on a revised estimate of the company's taxable income in 2010–2012.

New or Amended IFRS Standards

The standards, interpretations and their amendments presented below have been published, but they are not yet effective, and the Group has not applied them prior to their obligatory entry into force.

In 2010, the Group will adopt the following new and amended standards and interpretations published by the IASB:

Improvements to IFRSs (April 2009). The annual improvements project gathers necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project into a single collection of amendments implemented once a year. The Group estimates that the standard amendments will not affect the consolidated financial statements.

Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions. The Group estimates that the amendments will not affect the consolidated financial statements.

Revised IFRS 3 Business Combinations. The scope of the revised standard is wider. The revised standard contains several amendments that are significant to the Group. The amendments affect the recognition of goodwill in acquisitions, as well as the sales figures of business operations. They also affect items recognized through profit or loss both during the financial year of the acquisition as well as during the financial years in which an additional price is paid or additional acquisitions are made. In accordance with the transition requirements of the standard, business combinations in which the acquisition date precedes the obligatory adoption date of the standard are not adjusted.

Adjustments to IAS 27 Consolidated and Separate Financial Statements. The amendment requires any change in a subsidiary's shareholding to be recognized in shareholders' equity if the parent company's control holds. If control in the subsidiary is lost, any remaining investment must be recognized at fair value through profit or loss. The Group estimates that the amendments will not affect the consolidated financial statements.

Amendment to IAS 32, Financial Instruments: Presentation – Classification of Rights Issues. The amendment applies to the classification of rights issues offered in a foreign currency. The amendments will not affect the consolidated financial statements.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items. The amendment applies to hedge accounting. It clarifies the application of hedge accounting to one-sided risk and inflation risk of financial assets and liabilities under IAS 39. The Group estimates that the amendments will not affect the consolidated financial statements.

The following amendments are not expected to have an impact on the Group:

IFRIC 12 *Service Concession Arrangements*

IFRIC 15 *Agreements for the Construction of Real Estate*

IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*

IFRIC 17 *Distributions of Non-cash Assets to Owners*

IFRIC 18 *Transfers of Assets from Customers*

1. Operating segments

The entire Trainers' House Group is reported within the Business Growth Services segment. The Group's net sales were generated entirely from the provision of services.

Net sales by geographical segments are reported based on the geographical location of customers and Group companies and assets/liabilities based on the location of assets. At Group companies, inter-segment transactions are priced at fair market values.

In spring 2009, the Group divested its small, non-strategic international operations. In legal terms, the Group's foreign subsidiaries continue to exist.

Segment assets are operating assets that are employed by the segment in its operations. Capital expenditure comprises additions to property, plant and equipment and intangible assets to be employed over several periods.

Operating segments

Business growth services	**2009**	**2008**
Net sales	27,647,240.92	44,237,260.99
Operating profit 1)	-2,694,840.78	4,297,930.70
Profit/loss for the period 2)	-7,016,282.75	1,355,126.86
Assets	77,209,477.62	95,333,315.12
Liabilities	25,852,895.72	33,480,759.10
Investments	334,152.79	443,461.00
Depreciation	-2,817,991.07	-4,060,633.92
Other non-cash expenses		
Option schemes		-153,338.99
1) including restructuring expenses	-1,174,807.85	
1) including goodwill impairment	-804,122.63	
2) including a write-down in deferred tax assets	-3,700,000.00	

2009 **Net sales by geographical segment**	**Finland**	**Rest of Europe**	**Other countries**	**Group Total**
Net sales by target country 1)	27,418,327.31	182,607.29	46,306.32	27,647,240.92
Net sales by country of origin 2)	27,611,068.48	36,172.44		27,647,240.92
Assets 2)	76,976,635.80	232,841.82		77,209,477.62
Investments 2)	334,152.79			334,152.79

2008 **Net sales by geographical segment**	**Finland**	**Rest of Europe**	**Other countries**	**Group Total**
Net sales by target country 1)	43,231,700.16	722,296.75	283,264.08	44,237,260.99
Net sales by country of origin 2)	43,851,315.53	385,945.46		44,237,260.99
Assets 2)	94,154,759.66	1,178,555.46		95,333,315.12
Investments 2)	443,461.00			443,461.00

1) Net sales by target country are sales to parties outside the Group
2) Net sales, assets and investments are given based on the location of Group companies

2. Divested operations

The Group did not divest any operations during 2008 or 2009.

3. Acquisitions

The Group did not make any acquisitions during 2008 or 2009.

4. Other operating income	***2009***	***2008***
Proceeds from sale of property, plant and equipment	2,829.45	3,714.63
Capital gains from divestments	89,701.25	201,586.26
Other income	8,558.86	8,961.08
Total	**101,089.56**	**214,261.97**

5. Materials and services	***2009***	***2008***
Raw materials and consumables	259,479.82	349,277.02
Decrease in inventory	1,930.61	367.23
External services – subcontracting	3,464,962.15	5,084,460.09
Total	**3,726,372.58**	**5,434,104.34**

6. Salaries and other employee benefits	***2009***	***2008***
Wages, salaries and fees	13,082,110.48	17,782,100.92
Pension costs – defined contribution plans	2,341,742.45	3,049,668.90
Options to be paid as shares		153,338.99
Other personnel expenses	597,980.06	1,056,620.73
Total	**16,021,832.99**	**22,041,729.54**

Average number of personnel	***2009***	***2008***
In Finland	280	366
Abroad	1	9
Total	**281**	**375**

Personnel at year-end	***2009***	***2008***
In Finland	227	334
Abroad		6
Total	**227**	**340**

Information on the emoluments of the management is given in Note 33: Related Party Transactions.
Information on stock options is given in Note 24: Share-based Payments.

7. Depreciation and impairment	***2009***	***2008***
Depreciation by asset group		
Property, plant and equipment		
Machinery and equipment	-291,141.59	-526,299.00
Other tangible assets	-236,836.16	-275,363.11
Total	-527,977.75	-801,662.11
Intangible assets		
Intangible rights	-2,290,013.32	-3,258,971.81
Impairment by asset group		
Goodwill	-804,122.63	
Total depreciation and impairment	**-3,622,113.70**	**-4,060,633.92**

8. Other operating expenses	***2009***	***2008***
Voluntary personnel expenses	1,686,843.84	2,128,703.48
IT costs	1,307,520.10	1,665,936.47
Other expenses	4,078,488.05	4,822,484.51
Total	**7,072,851.99**	**8,617,124.46**

Other operating expenses include exchange rate losses in the amount of EUR 2,983.54 for 2009 (2008: EUR 5,359.15).

Auditor's fees	***2009***	***2008***
Auditing	34,104.00	117,575.00
Tax advice	3,000.00	7,085.00
Other services	7,000.00	17,170.59
Total	**44,104.00**	**141,830.59**

In 2009, the Group has paid fees to Authorized Public Accountants Ernst & Young Oy. In 2008, the Group paid fees to three Authorized Public Accountants: Ernst & Young Oy, PricewaterhouseCoopers Oy and Tietotili Audit Oy.

9. Research and development costs

The income statement includes EUR 2.5 million of research and development costs expensed in 2009 (2008: EUR 2.3 million).

10. Financial income	***2009***	***2008***
Dividend income for financial assets recognized at fair value through profit or loss	279.00	502.20
Interest income on receivables at amortized cost	60,718.88	347,744.21
Interest gains on hedging of financial liabilities (realized)		2,003.56
Change in value of financial assets recognized at fair value through profit or loss	8,253.85	6.96
Profit from hedging instruments (interest rate derivatives) used to hedge fair value	26,646.44	
Exchange rate gains on receivables and payables	22,404.28	340.64
Total interest and financial income	**118,302.45**	**350,597.57**

11. Financial expenses	***2009***	***2008***
Items recognized through profit or loss		
Interest expenses on liabilities at amortized cost		
Financial loans	-855,706.67	-1,541,859.35
Other liabilities	-9,479.64	-26,314.55
Interest expenses on hedging of financial liabilities (realized)	-161,841.19	
Interest expenses on hedging of financial liabilities (unrealized)	-55,173.24	
Losses from hedging instruments (interest rate derivatives) used to hedge fair value		-24,039.71
Impairment of investments in non-current assets		-141,000.00
Impairment losses for financial assets recognized at fair value through profit or loss		-195,182.19
Other financial expenses	-183,951.90	-109,211.38
Exchange rate losses on receivables and payables	-62.41	-3,446.88
Translation differences recognized in shareholders' equity through profit or loss	-7,008.14	
Total interest and financial expenses	**-1,273,223.19**	**-2,041,054.06**

The Group's foreign subsidiaries were divested during 2009, and the translation differences accumulated by 31 December 2009 have been moved through profit or loss from translation differences in shareholders' equity to financial expenses.

Financial income and expenses include realized and unrealized interest income and financial expenses related to the hedging of financial liabilities totalling EUR -190,367.99 (2008: EUR -22,036.15).

Other comprehensive income

Items related to financial instruments recognized in other comprehensive income:

	2009	*2008*
Cash flow hedges	-120,809.32	-231,124.22

12. Taxes

	2009	*2008*
Tax based on taxable income for the period		-1,725,167.74
Paid tax on taxable income for the period	-2,158.04	-49,038.93
Deferred tax	-3,164,363.19	521,859.32
Total	**-3,166,521.23**	**-1,252,347.35**

Tax on taxable income for the period in the income statement is deducted from deferred tax receivables stated on the balance sheet in 2008. A write-down of EUR 3.7 million in deferred tax assets was made during 2009 (Note 18).

Reconciliation between tax expenses and taxes calculated in accordance with the tax rate in the Group's home country (26%):

	2009	*2008*
Profit before tax	-3,849,761.52	2,607,474.21
Tax at the parent company's tax rate	1,000,938.00	-677,943.29
Non-deductible expenses	-122,413.34	-525,365.13
Unrecognized deferred tax assets from tax losses	-342,887.85	
Write-down in deferred tax assets	-3,700,000.00	
Taxes for previous periods	-2,158.04	-49,038.93
Taxes in the income statement	-3,166,521.23	-1,252,347.35

Income tax related to items of other comprehensive income

		2009	
	before taxes	*tax effect*	*after taxes*
Cash flow hedges	-120,809.32	31,410.42	-89,398.90

		2008	
	before taxes	*tax effect*	*after taxes*
Cash flow hedges	-231,124.22	60,092.30	-171,031.92

13. Earnings per share

The undiluted earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent company by the weighted average number of shares outstanding during the financial year. Treasury shares are not included in the number of outstanding shares.

	2009	*2008*
Profit/loss for the period attributable to equity holders of the parent company (EUR)	-7,016,282.75	1,355,126.86
Weighted average number of shares during the period, qty	68,016,704	67,979,361
Undiluted earnings per share (EUR/share)	-0.10	0.02

Diluted earnings per share are calculated by adjusting number of shares to assume conversion of all dilutive potential ordinary shares.

The Group has share options, which increase the number of potential dilutive ordinary shares (warrant 2006B). Share options have a dilutive effect when the subscription price of an option is lower than the fair value of the share. The dilutive effect is the number of shares that will have to be issued for no consideration, because the consideration received from the exercise of the options is not sufficient for issuing a corresponding number of shares at fair value. The fair value of shares is based on their average price over the period.

	2009	*2008*
Profit for the period attributable to equity holders of the parent company (EUR)	-7,016,282.75	1,355,126.86
Weighted average number of shares during the period, qty	68,016,704	67,979,361
Effect of stock options, qty		132,743
Weighted average number of shares for calculating diluted earnings per share, qty	68,016,704	68,112,104
Diluted earnings/share (EUR/share)	-0.10	0.02

14.Property, plant and equipment	*Machinery and equipment*	*Other tangible assets*	*Total*
Acquisition cost, 1 Jan 2009	7,858,876.14	2,900,662.07	10,759,538.21
Increase	124,711.00	137,217.86	261,928.86
Decrease	-8,907.95		-8,907.95
Acquisition cost, 31 Dec 2009	7,974,679.19	3,037,879.93	11,012,559.12
Accumulated depreciation and impairment, 1 Jan 2009	-7,314,898.84	-2,663,825.91	-9,978,724.75
Depreciation for the period	-291,141.59	-236,836.16	-527,977.75
Decrease	562.86		562.86
Accumulated depreciation and impairment, 31 Dec 2009	-7,605,477.57	-2,900,662.07	-10,506,139.64
Carrying amount, 1 Jan 2009	**543,977.30**	**236,836.16**	**780,813.46**
Carrying amount, 31 Dec 2009	**369,201.62**	**137,217.86**	**506,419.48**

Property, plant and equipment	*Machinery and equipment*	*Other tangible assets*	*Total*
Acquisition cost, 1 Jan 2008	7,985,138.16	2,900,662.07	10,885,800.23
Increase	1,830.23		1,830.23
Decrease	-128,092.25		-128,092.25
Acquisition cost, 31 Dec 2008	7,858,876.14	2,900,662.07	10,759,538.21
Accumulated depreciation and impairment, 1 Jan 2008	-6,791,477.99	-2,388,462.80	-9,179,940.79
Decrease	2,878.15		2,878.15
Depreciation for the period	-526,299.00	-275,363.11	-801,662.11
Accumulated depreciation and impairment, 31 Dec 2008	-7,314,898.84	-2,663,825.91	-9,978,724.75
Carrying amount, 1 Jan 2008	**1,193,660.17**	**512,199.27**	**1,705,859.44**
Carrying amount, 31 Dec 2008	**543,977.30**	**236,836.16**	**780,813.46**

The share of the acquisition cost of machinery and equipment included in PP&E still pending depreciation was EUR 369,201.62 on 31 December 2009 (EUR 543,977.30 on 31 December 2008).

Finance leases
PP&E includes assets leased using finance leases as follows:

Machinery and equipment	**31 Dec 2009**	**31 Dec 2008**
Acquisition cost	348,954.00	629,537.00
Accumulated depreciation	-185,804.00	-280,583.00
Carrying amount	163,150.00	348,954.00

15. Intangible assets	*Goodwill 1)*	*Trademarks 2)*	*Other intangible assets 3)*	*Total*
Acquisition cost, 1 Jan 2009	51,772,357.97	9,643,800.00	12,518,008.30	73,934,166.27
Increase			72,223.93	72,223.93
Decrease			-12.00	-12.00
Acquisition cost, 31 Dec 2009	51,772,357.97	9,643,800.00	12,590,220.23	74,006,378.20
Accumulated depreciation and impairment, 1 Jan 2009			-4,916,054.31	-4,916,054.31
Depreciation for the period			-2,290,013.32	-2,290,013.32
Decrease			-15.80	-15.80
Impairment	-804,122.63			-804,122.63
Accumulated depreciation and impairment, 31 Dec 2009	-804,122.63		-7,206,083.43	-8,010,206.06
Carrying amount, 1 Jan 2009	**51,772,357.97**	**9,643,800.00**	**7,601,953.99**	**69,018,111.96**
Carrying amount, 31 Dec 2009	**50,968,235.34**	**9,643,800.00**	**5,384,136.80**	**65,996,172.14**
Acquisition cost, 1 Jan 2008	52,466,758.51	9,643,800.00	12,174,948.84	74,285,507.35
Increase	98,571.31		343,059.46	441,630.77
Decrease	-792,971.85			-792,971.85
Acquisition cost, 31 Dec 2008	51,772,357.97	9,643,800.00	12,518,008.30	73,934,166.27
Accumulated depreciation and impairment, 1 Jan 2008			-1,657,082.50	-1,657,082.50
Depreciation for the period			-3,258,971.81	-3,258,971.81
Accumulated depreciation and impairment, 31 Dec 2008			-4,916,054.31	-4,916,054.31
Carrying amount, 1 Jan 2008	**52,466,758.51**	**9,643,800.00**	**10,517,866.34**	**72,628,424.85**
Carrying amount, 31 Dec 2008	**51,772,357.97**	**9,643,800.00**	**7,601,953.99**	**69,018,111.96**

1) Goodwill has not been amortized since 1 January 2004.

2) Trademarks are tested annually for impairment (unlimited useful life, strong trademark awareness supports the management's understanding that trademarks have an indefinite effect on the generation of cash flow).

3) Other intangible assets include computer software, as well as customer relationships, customer registers, order books, non-compete agreements and other agreements acquired in connection with business combination.

Impairment testing on goodwill and other intangible assets with an indefinite useful life

The entire Trainers' House Group is considered a single cash generating unit. Goodwill and the carrying amounts of trademarks acquired in business combinations are allocated to the Group for the purpose of impairment testing. Strong trademark awareness supports the management's understanding that trademarks have an indefinite effect on the generation of cash flow. Impairment testing was carried out on 31 December 2009.

The carrying amounts of goodwill and trademarks are as follows:

	2009	*2008*
Goodwill	50,968,235.34	51,772,357.97
Trademarks	9,643,800.00	9,643,800.00
Total	**60,612,035.34**	**61,416,157.97**

In spring 2009, Trainers' House divested its small international operations. At the same time, the Group's goodwill was written down in the amount of EUR 0.8 million, which corresponds to the value of the Group's divested German operations. The write-down was made through profit or loss. For more information on the write-down, see Note 7: Depreciation and Impairment. No other assets have been written down. On 31 December 2009, the company's market capitalization was EUR 29.9 million.

Impairment testing

Trainers' House carries out impairment testing at least once a year to ensure that the balance sheet values of goodwill and trademarks do not exceed their fair value. In impairment testing, the recoverable amount is determined on the basis of value in use. The estimated recoverable cash flows are based on projections approved by the management, where the most important assumptions are the planned growth of net sales and the operating margin. In these calculations, operating margin refers to operating profit before depreciation resulting from the allocation of the purchase price of Trainers' House Oy.

Growth projections are based on a forecast for 2010 approved by the management, and on a steady growth rate after 2010. The projected growth rate is a conservative estimate of long-term development. It does not take into consideration the significant decrease in net sales resulting from the restructuring carried out in 2009. The average growth rate for the forecast period is 5.3% (2008: 5.4%). The long-term annual growth target specified in the company's strategy is 15%.

The projected margin is based on the forecast for 2010 and margins realized prior to 2009. Cash flows following the forecast period approved by the management have been extrapolated at a constant growth factor. Cash flows following the forecast period have been extrapolated at a constant 2% growth factor.

The discount rate has been calculated using the weighted average cost of capital, which describes the total cost of equity and debt, taking into account the risks related to an asset. The key components of the discount rate are a risk-free interest level, a market risk premium and an industry-specific beta factor. Due to rising borrowing costs, the applied discount rate is 10.02% (2008: 8.36%).

Sensitivity analyses on key assumptions

The financial situation and restructuring have significantly reduced margins year-on-year, whereby values in use exceed the carrying amount. Using said parameters, the values in use exceed the carrying amount by EUR 13.8 million. With a growth rate of 2% for the period, 78% of the value in use is created in the terminal period. A sensitivity analysis has been carried out for value in use by testing the following key assumptions: growth, profitability, terminal growth rate and WACC. The assumptions were tested using values that would lower the value in use below the carrying amount.

For the value in use to fall below the carrying amount, the following changes would have to be made in the key assumptions:

Growth permanently below 0.3%.

Margin permanently 3.8% below projections.

Permanent increase of 1.64% in WACC.

No impairment was recognized in 2009 based on the results of the impairment testing.

The scenarios are hypothetical and should not be considered likely to materialize.

16. Investments in associated companies

Associated companies	2009	2008
Ramblas Digital Oy, Helsinki		
Ownership		46%
Assets		182,303.62
Liabilities		1,371,000.81
Net sales		1,132,634.12
Profit/loss for the period		-1,171,142.04

The Group divested Ramblas Digital Oy in February 2009.
The Group did not have any associated companies at the end of 2009.

17. Financial assets at fair value through income statement

	2009	2008
Carrying amount, 1Jan	2,721.85	229,903.55
Change in fair value through profit or loss	472.14	-1,122.70
Sales		-226,059.00
Carrying amount, 31 Dec	3,193.99	2,721.85

Financial assets are entered at fair value through profit or loss. They include quoted shares classified on initial recognition into this group.

An investment insurance from Rahasto-Optimi expired on 1 March 2008. Impairment in the amount of EUR 23,144.00 resulting from the insurance is included in financial expenses for 2008 (Note 11). The insured party was the CEO of Trainers' House Plc, Jari Sarasvuo, and the beneficiary was Trainers' House Plc.

18. Deferred tax receivables and liabilities

Changes in deferred taxes during 2009

Deferred tax receivables	*12/31/2008*	*Recognized in the income statement*	*Recognized in equity*	*12/31/2009*
Losses carried forward	9,806,191.52			9,806,191.52
Tax for the period with a deduction effect on deferred tax receivables	-2,753,905.81			-2,753,905.81
Other items	67,360.63	6,929.97	31,410.41	105,701.01
Impairment of deferred tax assets from losses carried forward		-3,700,000.00		-3,700,000.00
Total deferred tax receivables	**7,119,646.34**	**-3,693,070.03**	**31,410.41**	**3,457,986.72**

Deferred tax liabilities	*12/31/2008*	*Recognized in the income statement*	*Recognized in equity*	*12/31/2009*
Fair value measurement of tangible and intangible assets in acquisition	4,328,458.33	-528,706.84		3,799,751.49
Total deferred tax liabilities	**4,328,458.33**	**-528,706.84**		**3,799,751.49**

Changes in deferred taxes during 2008

Deferred tax receivables	*12/31/2007*	*Recognized in the income statement*	*Recognized in equity*	*12/31/2008*
Losses carried forward	9,806,191.52			9,806,191.52
Tax for the period with a deduction effect on deferred tax receivables	-1,028,738.07	-1,725,167.74		-2,753,905.81
Other items	372,030.00	-364,761.67	60,092.30	67,360.63
Total deferred tax receivables	**9,149,483.45**	**-2,089,929.41**	**60,092.30**	**7,119,646.34**

Deferred tax liabilities	*12/31/2007*	*Recognized in the income statement*	*Recognized in equity*	*12/31/2008*
Fair value measurement of tangible and intangible assets in acquisition	5,111,205.32	-782,746.99		4,328,458.33
Other items	627,945.95	-103,874.00	-524,071.95	0.00
Total deferred tax liabilities	**5,739,151.27**	**-886,620.99**	**-524,071.95**	**4,328,458.33**

At the end of 2008, the Group's losses carried forward in Finland totalled EUR 28.5 million, and the consolidated balance sheet contained deferred tax assets from losses carried forward in the amount of EUR 7.1 million. A tax receivable had been entered for the Finnish Group companies in the maximum amount with the assumption that all confirmed losses could be utilized within their period of validity.

At its meeting on 11 January 2010, the company's Board of Directors reviewed the principles used in recognizing deferred tax assets, and decided to make a write-down of EUR 3.7 million in the financial statements for 2009. The write-down is based on a revised estimate of the company's taxable income in 2010–2012, at which time the losses will expire in Finland. If the company's taxable income does not reach approximately EUR 13 million in 2010–2012, there is a risk that some of the EUR 3.4 million in deferred tax assets from losses carried forward recognized in the balance sheet of Trainers' House Plc cannot be utilized and may have to be written down.

The Group has losses carried forward also in Germany, Sweden and the Netherlands, which have not been recognized in the deferred tax receivables.

19. Non-current receivables	*2009*	*2008*
Non-current loan receivables	511,317.50	
Rental guarantees on premises	1,853.30	25,717.93
Total non-current receivables	**513,170.80**	**25,717.93**

Non-current loan receivables are customer financing agreements in which Trainers' House provides financing for part of the Growth System purchased by a customer. Such loans fall due when the criteria specified in the financing agreement are met.

Balance sheet values best represent the maximum amount of the credit risk, excluding the fair value of collateral, in cases where other parties are unable to fulfil their obligations in relation to financial instruments. Receivables do not contain any significant concentrations of credit risk. The fair value of receivables is described in Note 29.

20. Inventories	*2009*	*2008*
Raw materials and consumables	12,296.90	14,227.51

The inventories consist of a book storage.

21. Trade and other receivables

	2009	*2008*
Loans and other receivables		
Trade receivables	4,171,504.74	9,238,800.39
Loan receivables	50,000.00	
Other receivables	284,204.94	319,460.71
Prepaid expenses and accrued income		
Personnel expenses	92,820.68	720,110.41
Other	263,648.35	429,726.79
Total prepaid expenses and accrued income	356,469.03	1,149,837.20
Total current receivables	**4,862,178.71**	**10,708,098.30**

The Group makes a provision for impairment loss for all receivables over 90 days past due for which it has not received a promissory note from the customer. The Group has recognized credit losses from trade receivables during the period in the amount of EUR 197,187.78 (2008: 48,000.00). A credit loss is recognized when a receivable is permanently lost due to, for example, a customer's bankruptcy.

Receivables do not contain any significant concentrations of credit risk. Balance sheet values best represent the maximum amount of the credit risk in cases where other parties are unable to fulfil their obligations in relation to financial instruments. The fair value of receivables is described in Note 29.

Ageing of trade receivables and recognized impairment losses

		2009	***Impairment losses***	***Net 2009***	***2008***	***Impairment losses***	***Net 2008***
Undue		3,523,511.33		3,523,511.33	7,548,749.61		7,548,749.61
Due							
	Less than 30 days	509,380.60		509,380.60	1,082,986.29		1,082,986.29
	30–60 days	55,045.18		55,045.18	390,972.27		390,972.27
	61–90 days	45,597.63		45,597.63	150,864.50		150,864.50
	Over 90 days	107,407.86	-69,437.86	37,970.00	652,515.04	-587,287.32	65,227.72
Total		**4,240,942.60**	**-69,437.86**	**4,171,504.74**	**9,826,087.71**	**-587,287.32**	**9,238,800.39**

Current receivables by currency:

	2009	***2008***
Euro	4,838,737.49	10,670,353.03
SEK	23,441.22	37,745.27
Total	**4,862,178.71**	**10,708,098.30**

22. Cash and cash equivalents

	2009	***2008***
Cash and bank accounts	1,579,233.83	7,392,934.43
Certificates of deposit (1-3 months)	278,825.05	271,043.34
Total	**1,858,058.88**	**7,663,977.77**

Balance sheet values best represent the maximum amount of the credit risk, excluding the fair value of collateral, in cases where other parties are unable to fulfil their obligations in relation to financial instruments. Cash and cash equivalents do not contain any significant concentrations of credit risk. The fair value of certificates of deposit included in cash and cash equivalents is described in Note 29.

Cash and cash equivalents in accordance with cash flow statement:

	2009	***2008***
Cash, bank accounts and certificates of deposit	**1,858,058.88**	**7,663,977.77**

In the cash flow statement, items in cash and cash equivalents have a maximum maturity of three months from the date of acquisition.

23. Notes to shareholders' equity

	Number of shares	*Share capital*	*Share issue*	*Premium fund*	*Distributable non-restricted equity fund*	*Total*
31.12.2007	**67,360,204**	**866,941.67**	**255,914.94**	**13,227,766.22**	**31,348,075.20**	**45,698,698.03**
Shares subscribed with options, registered 3 Jan 2008	214,054	4,500.16	-237,599.94	233,099.78		0.00
Shares subscribed with options 30 Jan – 4 Feb 2008			472,800.06			472,800.06
Shares subscribed with options, registered 7 Mar 2008	442,446	9,301.76	-491,115.06	481,813.30		0.00
Taxes related to items recognized in equity					524,071.95	524,071.95
31.12.2008	**68,016,704**	**880,743.59**	**0.00**	**13,942,679.30**	**31,872,147.15**	**46,695,570.04**
31.12.2009	**68,016,704**	**880,743.59**	**0.00**	**13,942,679.30**	**31,872,147.15**	**46,695,570.04**

The share capital of Trainers' House Plc comprises shares of a single class. The number of shares is not limited. The stated value of the share is EUR 0.02 (not exact). All shares issued have been paid in full.

The Group's equity reserves are described below:

Premium fund

Where the terms of options were determined in accordance with the old Limited Liability Companies Act (734/1978), proceeds from exercised option rights less transaction expenses have been recognized in share capital and the premium fund.

Distributable non-restricted equity fund

The distributable non-restricted equity fund contains other quasi-equity investment instruments and the subscription price of shares when this is not separately recorded in share capital. In accordance with the Limited Liability Companies Act (624/2006), which entered into force on 1 September 2006, all proceeds from exercised option rights are credited to the distributable non-restricted equity fund.

On 31 December 2007, Trainers' House Oy was merged into Trainers' House Plc (former Satama Interactive Plc) through an absorption merger, whereby the shareholders of Trainers' House Oy received 33,340,567 new shares in Trainers' House Plc as merger consideration. The total price of the shares, EUR 40.0 million, represented the closing price on the merger date, EUR 1.20 per share. The share capital of Trainers' House Plc was not increased in connection with the merger. The increase in shareholders' equity was recorded in the distributable non-restricted equity fund. The shares paid as merger consideration were registered in the Trade Register on 31 December 2007.

Treasury shares

Treasury shares include an acquisition cost related to the purchase of treasury shares. The treasury shares acquired in connection with the merger with Trainers' House Oy on 31 Dec 2007 (7,217,171 shares) were invalidated during 2008. The invalidation did not affect the share capital. The change in the number of shares was registered in the trade register on 7 March 2008. At the end of the period, Trainers' House Plc did not possess any treasury shares.

Translation difference

Translation differences include translation differences from converting the financial statements of foreign subsidiaries. The Group's foreign subsidiaries were divested during 2009, and the translation differences accumulated by 31 December 2009 have been moved through profit or loss from translation differences in shareholders' equity to financial items in the income statement.

Share issue

Share issue includes the amount paid for exercised share options, which has not yet been registered in the share capital.

Other reserves

Other reserves include a hedging reserve in which changes in the fair value of the effective component of derivative instruments used as cash flow hedges are recognized.

	2009	*2008*
Hedging reserve	-260,430.82	-171,031.92

Dividends

The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2009. A dividend of EUR 0.05 per share was paid in 2009 (2008: EUR 0.04 per share).

24. Share-based payments

Option rights are offered to key employees of the Group on the basis of the commitment and incentive scheme. The options represent a right to subscribe for the company's shares at a subscription price determined in the terms of the options. The option rights are freely transferable once they have vested. Options are forfeited if their holder leaves the company before the options have vested. The right to dividends and other rights resulting from the shares subscribed for with the option rights are granted once the increase in share capital has been entered in the Trade Register.

Options under warrant 2006A have been offered to employees since 2007. A total cost of EUR 287,510.61 has been expensed for the financial years of 2007–2008.

Options under warrant 2006B have not been offered or expensed.

2003B and 2003C

The Annual General Meeting held on 26 March 2003 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. One million of the warrants are titled 2003B and the other million 2003C. The subscription period for shares converted under the 2003B warrants ran from 1 February 2005 to 1 February 2007, and the subscription price was EUR 0.36 per share. The subscription period for shares converted under the 2003C warrants ran from 1 February 2006 to 1 February 2008, and the subscription price was EUR 1.11 per share. The number of new shares subscribed for with the 2003B warrants during 2007 was 375,000. The total number of new shares subscribed for with the 2003B warrants was 1,000,000. The number of new shares subscribed for with the 2003C warrants during 2008 was 656,500. The total number of new shares subscribed for with the 2003C warrants was 656,500.

2006A and 2006B

The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B. The subscription period for shares converted under the 2006A warrants ran from 1 September 2008 to 28 February 2009, and the subscription period for shares converted under the 2006B warrant began on 1 September 2009 and will end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 1.08 for shares converted under the 2006B warrant.

The principal terms and conditions of the option schemes are described below:

Share-based options	***Warrant 2003C***	***Warrant 2006A***	***Warrant 2006B***
Nature of scheme	Share options	Share options	Share options
Grant date	1/1/2006	6/1/2007	n/a
Number of instruments granted	1,000,000	1,000,000	1,000,000
Exercise price (EUR)	1.11	0.98	1.13
Share price at grant date (EUR)	0.81	1.17	n/a
Subscription period	1.2.06-1.2.08	1.9.08 - 28.2.09	n/a - 28.2.10
Vesting conditions	Employment at the beginning of subscription period	Employment at the beginning of subscription period	Employment at the beginning of subscription period
Settlement	Shares	Shares	Shares
Expected volatility	34%	33%	n/a
Expected option life at grant date (years)	1	2	n/a
Risk-free interest rate	3.0 %	4.4 %	n/a
Expected dividend (dividend yield)	0%	0%	n/a
Expected departures (grant date)	0%	10%	n/a
Expected outcome of meeting performance criteria (at grant date)	n/a	n/a	n/a
Fair value per granted instrument determined at grant date	75,969.50	287,510.61	n/a
Valuation model	Black-Scholes	Black-Scholes	n/a

The Group applies the Black-Scholes pricing model. The expected volatility has been determined by calculating the historical volatility of the Group's share price, which has been adjusted with a general coefficient expected to cause variations in the historical volatility. Historical volatility is calculated as a weighted figure for the average term of share options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2009		***2008***	
	Weighted average exercise price EUR per share	***Number of options***	***Weighted average exercise price EUR per share***	***Number of options***
Outstanding at start of year	1.11	2,000,000	1.10	2,785,946
Exercised			1.11	-656,500
Expired	0.98	-1,000,000	1.11	-129,446
Outstanding at year-end	1.08	1,000,000	1.11	2,000,000
Exercisable at year-end			0.98	1,000,000

No options were exercised during 2009. In 2008, the Group received EUR 472,800.06 for exercised options, of which EUR 13,801.92 was recorded in share capital and EUR 458,998.14 in the premium fund. The average price of options exercised during 2008 was EUR 1.11.

Exercise price fluctuation and weighed average vesting period for share options outstanding at year-end are given below:

	Exercise price (EUR)	***Option life (years)***	***Shares***
2009	1.08	0.2	1,000,000
2008	0,98-1,08	0.7	2,000,000

The fair value of shares included in options granting shares has been based on the listed share price. Dividend payments were not expected, which is why dividends have not been taken into account in calculating the fair value of the options.

25. Provisions	*2009*	*2008*
Provisions, 1 Jan	0.00	63,700.00
Additions to provisions	1,400,000.00	
Provisions used	-828,446.70	-63,700.00
Amounts reversed	-225,192.15	
Provisions, 31 Dec	**346,361.15**	**0.00**

Restructuring provision

In order to adjust its resources to correspond to the present market situation, Trainers' House carried out codetermination negotiations in March 2009. The negotiations were concluded on 24 March and resulted in the dismissal of 57 employees. In connection with the codetermination negotiations, Trainers' House closed down its Turku office and divested its small, non-strategic international operations in Düsseldorf, Stockholm and St. Petersburg.

A restructuring provision of EUR 1.4 million was made to cover costs resulting from personnel reductions and the divestment of international operations. During 2009, EUR 0.8 million of the restructuring provision has been used to cover actual expenses, while EUR 0.2 million has been dissolved and recognized as income. At the end of the year, EUR 0.3 million of the provision remained unused.

In the first half of 2006, Trainers' House Plc (former Satama Interactive Plc) failed to pursue its strategic goals and to improve its financial performance as expected. As a result, the Board of Directors launched a major restructuring programme in order to improve profitability. The company's CEO and COO resigned, and the company began codetermination negotiations in its Finnish operations. In June 2006, restructuring provisions for non-recurring expenses were made in the amount of EUR 1.3 million. The provision was used up during 2008.

26. Financial liabilities	*2009*	*2008*
Non-current financial liabilities at amortized cost		
Bank loans	15,291,721.91	16,473,575.96
Finance lease liabilities	44,195.00	165,192.00
Total	**15,335,916.91**	**16,638,767.96**
Current financial liabilities at amortized cost		
Finance lease liabilities	120,996.00	187,677.00
Instalments of non-current loans	1,250,000.00	5,000,000.00
Total	**1,370,996.00**	**5,187,677.00**

The fair value of liabilities is described in Note 29: Fair Value of Financial Assets and Liabilities.

The parent company took a bank loan in 2007 consisting of three euro-denominated floating-rate financial instruments, whose key interest and amortization terms are as follows:

	Loan type	*Original principal*	*Loan period*	*Reference rate*
Financial instrument A	Amortizing term loan	24,286,200.00	5 years	Euribor 6 months
Financial instrument B	Bullet loan	9,713,800.00	6 years	Euribor 6 months
Financial instrument C	Credit line	5,000,000.00	5 years	Euribor 1-6 months

Financial instrument C has not been used yet. The repricing time period for financial instruments A and B is 6 months.

The interest margins of the loans are based on the ratio of net debt to EBITDA, varying between 1.75% p.a. and 3.50% p.a. In 2009, the Group's average interest rate was 4.0% (2008: 6.0%). The company has renegotiated the financial covenants with the bank, which has affected the interest expenses. During 2009, the principal of financial instrument A has been paid back in the amount of EUR 5.0 million.

In accordance with the Group's risk management objectives and the loan terms, the Group has hedged most of the interest flows using interest rate swaps. Cash flow hedging is described in more detail in Note 28: Financial Risk Management.

Cash flows from instalments and financial expenses related to the financial liabilities (financial instrument C is not included).

	2010	*2011*	*2012*	*2013*	*Total*
Bank loans					
Instalment	1,318,146.00	6,484,027.00	6,484,027.00	2,459,959.74	16,746,159.74
Financial expenses/interest	1,455,986.35	539,716.58	287,446.32	107,012.29	2,390,161.54

Maturity of finance lease liabilities	***2009***	***2008***
Total minimum lease payments		
Less than 1 year	119,041.00	192,202.00
1–5 years	43,686.00	167,657.00
Total	162,727.00	359,859.00
Financial expenses incurred in the future	2,465.00	7,989.00
Total finance lease liabilities	165,192.00	367,848.00

27. Trade and other payables

	2009	***2008***
Current financial liabilities at amortized cost		
Trade payables	1,084,781.00	501,392.04
Advances received		251,394.75
Other liabilities	1,050,842.22	1,966,687.65
Accrued expenses		
Personnel expenses	1,370,344.26	2,384,880.88
Other accrued expenses	1,144,575.89	1,966,336.56
Total accrued expenses	2,514,920.15	4,351,217.44
Current financial liabilities recognized at fair value through profit or loss		
Short-term derivatives – hedge accounting	349,326.80	255,163.93
Total current liabilities	**4,999,870.17**	**7,325,855.81**

The fair value of liabilities is described in Note 29.

28. Financial risk management

The Group is exposed to several financial risks in its normal business operations. The objective of the Group's risk management is to secure the availability of its own and borrowed capital at competitive terms, and to alleviate the effects of adverse market developments on the Group's operations.

Financial risks are divided into four categories: liquidity risks, interest rate risks, currency risks and credit risks. The general principles applied to the Group's hedging activities are approved by the Board of Directors. The Group evaluates and obtains, when necessary, the instruments required to protect itself against risks.

Liquidity risks

The Group continuously assesses and monitors the financing needed for business to ensure that it has enough liquid assets at its disposal to finance operations and repay loans falling due. Liquidity risk is decreased through adequate cash flow, binding credit limits and through efficient accounts receivable tracking. The Group has a EUR 5.0 million credit limit at its disposal, which remained unused on 31 December 2009 (2008: EUR 5.0 million). On 31 December 2009, the Group's liquid assets totalled EUR 1.9 million (31 December 2008: EUR 7.7 million).

At the end of 2009, the Group had interest-bearing liabilities in the amount of EUR 16.7 million (2008: EUR 21.8 million). Key financial covenants are reported to the bank quarterly. The Group's financial covenants include no covenants requiring early repayment. During 2009, the Group has been able to meet all terms of the financial covenants related to loans. Any failure to meet the financial covenants will affect the Group's financial expenses. The management is continuously monitoring the fulfilment of the covenants.

Interest rate risk

The Group's liquid assets have been invested in short-term interest rate instruments, and therefore there are no significant interest rate risks. The Group's income and operational cash flows are mostly independent of interest rate fluctuations.

The company's interest risks mainly involve the floating-rate loans taken in 2007. In accordance with the Group's risk management objectives and the loan terms, the Group has hedged most of the interest flows using interest rate swaps.

The Group has two separate interest rate corridors which both provide hedging for the interest rates of the principal of financial instrument A. The interest rate corridor effective as of 6 May 2008 is 3.96–4.85%, and the one effective as of 6 May 2009 is 2.38–5.0%. If the floating rate specified for the interest period exceeds the upper limit of the corridor, the bank is liable to pay the difference to the company. If the interest rate goes under the lower limit of the corridor, the company is liable to pay the difference to the bank. The interest period of the corridors is the same as the interest period of the loan: 6 months. In addition, the Group has a fixed interest rate agreement hedging the interest rates of the principal of financial instrument B. The fixed interest rate of the agreement effective as of 6 May 2009 is 2.1725%.

All interest rate swaps have been specified as hedging instruments. A total of EUR -260,430.32 (2008: -171,031.92) has been entered in the hedging reserve in shareholders' equity. Financial income and expenses include realized and unrealized interest income and financial expenses totalling EUR -190,367.99 (2008: EUR -22,036.15).

Interest-rate swaps	*2009*	*2008*
Fair value	-349,326.80	-255,163.93
Par value	15,926,109.35	17,393,478.44
Expires in 2009		3,927,328.83
Expires in 2010	7,498,757.41	7,498,757.41
Expires in 2011	3,213,043.12	3,213,043.12
Expires in 2012	5,214,308.82	2,754,349.08

Currency risks

As the Group operates primarily within the euro zone, the exchange rate fluctuation risks have been insignificant so far. The main invoicing currency is euro. At the balance sheet date, the Group has no significant currency-denominated balance sheet items.

Credit risks

The Group's liquid assets are invested in short-term bank deposits at financially sound partner banks and in short-term commercial papers issued by firms with excellent credit ratings.

The Group has no significant concentrations of credit risk, as the range of customers is wide and it only allows credit to companies with an excellent credit rating. The Group makes a provision for impairment loss for all receivables over 90 days past due for which it has not received a promissory note from the customer.

The impairment losses recognized during 2009 and the reversal of impairment losses recognized in 2008 had the net effect of improving the result for 2009 by EUR 309,340.17 through profit or loss (impairment losses recognized in 2008: EUR -355,503.84). The ageing of trade receivables is described in Note 21: Trade and Other Receivables.

Capital management

The objective of the Group's capital management is to support the Group's operations by ensuring normal operational conditions through optimal capital structure and to create shareholder value through maximum profitability. An optimal capital structure also ensures a lower cost of capital. Capital management covers both shareholders' equity and interest-bearing liabilities.

The capital structure can be adjusted, for example, through dividends and share issues. The Group may adjust the amount of dividends paid or capital returned to shareholders, or adjust the number of new shares issued, or decide on the sale of assets to reduce the amount of debt.

The development of the Group's capital structure is monitored continuously using the gearing ratio, for which the Group has specified a strategic target level. At the end of 2009, the Group's interest-bearing liabilities totalled EUR 14.8 million (31 December 2008: EUR 14.2 million) and gearing was 28.9% (2008: 22.9%). Gearing is calculated by dividing net interest-bearing debt by the amount of shareholders' equity. Net interest-bearing debt includes interest-bearing liabilities less cash and cash equivalents.

The Group's interest-bearing loans involve covenants. During 2009 and 2008, the company has fulfilled the terms of these covenants.

The Group's gearing figures are presented below:

	2009	***2008***
Total interest-bearing liabilities	16,706,912.91	21,826,444.96
Cash and bank deposits	-1,858,058.88	-7,663,977.77
Net interest-bearing debt	14,848,854.03	14,162,467.19
Shareholders' equity	51,356,581.90	61,852,556.02
Gearing ratio	28.9 %	22.9 %

29. Fair value of financial assets and liabilities

The table specifies the fair values and carrying amounts of each asset. The same principles are applied to the values stated on the consolidated balance sheet.

	Note	***Carrying amount 2009***	***Fair value 2009***	***Carrying amount 2009***	***Fair value 2008***
Financial assets					
Financial assets at fair value through profit or loss	17.	3,193.99	3,193.99	2,721.85	2,721.85
Non-current receivables	19.	513,170.80	513,170.80	25,717.93	25,717.93
Trade and other receivables	21.	4,862,178.71	4,862,178.71	10,708,098.30	10,708,098.30
Certificates of deposit (cash and cash equivalents)	22.	278,825.05	278,825.05	271,043.34	271,043.34

	Note	Carrying amount 2009	Fair value 2009	Carrying amount 2008	Fair value 2008
Financial liabilities					
Bank loans	26.	16,541,721.91	16,541,721.91	21,473,575.96	21,473,575.96
Finance lease liabilities	26.	165,191.00	165,191.00	352,869.00	352,869.00
Trade and other payables	27.	4,650,543.37	4,650,543.37	7,070,691.88	7,070,691.88
Interest-rate swaps	27.	349,326.80	349,326.80	255,163.93	255,163.93

Principles applied to the measurement of all financial instruments at fair value
The table describes the quotations, assumptions and valuation models that have been applied in the measurement of financial assets and liabilities at fair value.

Financial assets at fair value through profit or loss
The financial assets consist of shares in Finnish companies listed on NASDAQ OMX Helsinki, and their valuation is based on the share price at year-end.

Derivatives to which hedge accounting is applied
The fair values of derivatives are determined by comparing their carrying amount with their realizable value. Realizable values are calculated using verifiable market prices or market-based valuation by the counterparties of the derivatives. The Group's interest rate swaps are categorized at the fair value hierarchy Level 1.

Bank loans
The fair values of liabilities are based on discounted cash flows. The discount interest rate is the rate at which the Group would be able to obtain loans from outside parties at the balance sheet date. The total interest rate comprises a risk-free interest rate and a company-specific risk premium.
Group's bank loans have floating rates and the calculation bases for the interest are provided in the Note 26: Financial Liabilities. As the interest period of the Group's financial instruments is 6 months, the carrying amounts of the Group's long-term bank loans are considered their fair value.

Finance lease liabilities
Fair value is measured by discounting future cash flows by the interest rate of corresponding leases.

Trade and other receivables
The carrying amount of receivables is their fair value, because discounting would not have a significant effect on them due to their maturity.

Trade and other payables
The carrying amount of trade and other payables is their fair value, because discounting would not have a significant effect on them due to their maturity.

Interest rates used in measuring fair value	***2009***	***2008***
Bank loans		
Financial instrument A	4.52%	6.46%
Financial instrument B	4.00%	5.90%

30. Adjustments to cash flow from operations	***2009***	***2008***
Non-cash transactions		
Employee benefits		153,338.99
Depreciation	2,817,991.07	3,780,050.92
Impairment	804,122.63	
Exchange rate differences	-5,604.68	3,446.88
Deferred taxes	3,164,363.19	1,197,381.59
Provision for credit losses	-309,340.17	355,503.84
Restructuring provision	346,361.15	
Divestments	-32,201.25	-201,586.26
Total	**6,785,691.94**	**5,288,135.96**

31. Other lease agreements

Group as lessee

Minimum lease payments under non-cancellable leases:

	2009	*2008*
Less than 1 year	2,003,508.42	1,620,150.54
1–5 years	7,694,931.43	484,479.13
Over five years	5,913,623.04	
	15,612,062.89	**2,104,629.67**

The Group has leased nearly all office premises in its use. The average duration of leases is between one to ten years and they normally include an option to continue the lease after its original expiry date. The income statement for 2009 includes rental expenses from other leases in the amount of EUR 1.1 million (2008: EUR 1.2 million).

32. Contingent liabilities and assets

Commitments and contingent liabilities	*2009*	*2008*
Collateral given for own liabilities		
Rental guarantees/liabilities	14,980,605.81	1,131,728.46
Other contingent liabilities	100,000.00	879,719.84

33. Related party transactions

Group companies	***Domicile***	***Group holding***	***Parent company holding***
Parent company Trainers' House Plc	Helsinki		
Trainers' House Growth System Corporation	Helsinki	100%	100%
Ignis Oy	Helsinki	100%	100%
Interweb Oy	Helsinki	100%	100%
Ignis People Oy	Helsinki	100%	100%
Ignis Air force Oy	Helsinki	100%	100%
Ignis Artillery Oy	Helsinki	100%	100%
Ignis Marines Oy	Helsinki	100%	100%
Satama Netherlands Holding B.V.	Amsterdam	100%	100%
Trainers' House GmbH	Düsseldorf	100%	100%
Trainers' House AB	Stockholm	100%	100%
Satama UK Ltd	London	100%	100%

Management's emoluments	*2009*	*2008*
Salaries and other short-term employment benefits	470,154.14	511,461.08
Jari Sarasvuo, CEO	0.00	0.00
Jarmo Lönnfors, Senior Vice President	155,987.61	255,448.00
Vesa Honkanen, Senior Vice President	204,691.50	172,719.80
Board members		
Airaksinen Manne (former member)		6,000.00
Aktan Aarne	43,500.00	48,000.00
Everi Timo (former member)	6,000.00	24,000.00
Jussila Tarja	9,000.00	18,000.00
Seikku Kai	19,500.00	24,000.00
Terho Petteri (former member)	6,000.00	24,000.00
Vikkula Matti	19,500.00	24,000.00

On 31 December 2009, CEO Jari Sarasvuo and his controlled company Isildur Oy held a total of 20,396,600 shares (31 Dec 2008: 24,956,600 shares) in Trainers' House Plc, representing 30.0% (36.7%) of the entire share capital. The CEO has no share options.

On 31 December 2009, the company's management held no share options (31 December 2008: 180,000). The management's share options are governed by the same terms as the share options of other employees.

The CEO has a six-month term of notice.

The company has three contribution-based supplementary pension insurance policies in which the insured party is Jari Sarasvuo. During 2009, a total of EUR 4,399.40 was paid for the pension insurance policy at Rahasto-Optimi (2008: EUR 4,399.40). The pension insurance policies at Yritysoptimi are paid-up. The pension entitlement period for all policies is from 1 July 2020 to 30 June 2045. The policies also include life insurance.

No loans have been granted to the CEO or the Board members of Group companies.

34. Events after the balance sheet date

In order to ensure that it will fulfil the financial covenant in the loan agreement concerning the ratio of net debt to EBITDA, Trainers' House issued a hybrid capital bond in the amount of EUR 5.0 million on 15 January 2010.

EUR 1 million of the bond was subscribed by domestic investors and EUR 4 million by major shareholders of Trainers' House Plc based on their underwriting commitments. The coupon rate of the bond is 10.00% per annum. The bond has no maturity but the company may call the bond after three years.

The hybrid bond will strengthen Trainers' House Plc's capital structure and enhance its financial position. The arrangement will also enhance the ratio of net debt to EBITDA. A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. Hybrid bonds do not confer to their holders the right to vote at shareholder meetings and do not dilute the holdings of the current shareholders.

At the beginning of 2010, all personnel working at the company's three Helsinki offices moved to new premises located in Niittykumpu, Espoo. Combining operations will create significant strategic advantages: gathering employees into new, appropriate premises will facilitate cooperation within Trainers' House and will provide new kinds of opportunities for developing operations.

PARENT COMPANY'S FINANCIAL STATEMENTS, FAS

	Note	*1.1. - 31.12.2009*	*1.1. - 31.12.2008*
NET SALES	1.	17,792,180.78	20,812,646.91
Other operating income	2.	6,344.45	8,714.63
Costs			
Materials and services	3.	-1,570,859.42	-1,443,628.03
Personnel expenses	4.	-6,481,373.41	-6,222,608.30
Depreciation	6.	-3,433,354.67	-3,653,496.42
Other operating expenses		-5,866,567.16	-6,101,430.08
		-17,352,154.66	-17,421,162.83
OPERATING PROFIT		**446,370.57**	**3,400,198.71**
Financial income and expenses	7.	-2,214,083.19	-1,206,876.20
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		-1,767,712.62	2,193,322.51
Extraordinary items	8.		722,229.22
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		-1,767,712.62	2,915,551.73
Taxes	9.		-5,910.62
PROFIT/LOSS FOR THE PERIOD		**-1,767,712.62**	**2,909,641.11**

PARENT COMPANY'S BALANCE SHEET, FAS

	Note	*31.12.2009*	*31.12.2008*
ASSETS			
Non-current assets			
Intangible assets	10.	53,026,941.12	56,180,576.10
Property, plant and equipment	10.	175,195.13	120,762.03
Investments	11.		
Investments in subsidiaries		10,846,802.87	10,846,802.87
Other investments		2,580.22	2,108.08
		64,051,519.34	67,150,249.08
Current assets			
Inventories	12.	12,296.90	14,227.51
Non-current receivables	13.	3,892,054.82	1,481,702.82
Deferred tax assets	17.	1,350,000.00	1,350,000.00
Current receivables	13.	2,622,719.35	6,550,712.05
Marketable securities		278,825.05	271,043.34
Cash and bank deposits		1,341,692.94	6,867,778.71
		9,497,589.06	16,535,464.43
TOTAL ASSETS		**73,549,108.40**	**83,685,713.51**
LIABILITIES			
Shareholders' equity	14.		
Share capital		880,743.59	880,743.59
Premium fund		14,221,515.28	14,221,515.28
Distributable non-restricted equity fund		33,363,736.54	33,363,736.54
Retained earnings		2,776,095.75	3,267,289.84
Profit / Loss for the period		-1,767,712.62	2,909,641.11
		49,474,378.54	54,642,926.36
Liabilities			
Non-current liabilities	18.	20,055,451.41	21,483,938.96
Current liabilities	18.	4,019,278.45	7,558,848.19
TOTAL LIABILITIES		**73,549,108.40**	**83,685,713.51**

	1.1. - 31.12.2009	1.1. - 31.12.2008
CASH FLOW FROM OPERATIONS		
Profit/loss before extraordinary items	-1,767,712.62	2,193,322.51
Adjustments		
Depreciation	3,433,354.67	3,653,496.42
Unrealized exchange gains and losses		10,439.29
Other non-cash transactions	-1,000,033.57	
Financial income and expenses	2,214,083.19	1,196,436.91
Other adjustments	-472.81	-45,852.31
Cash flow before change in working capital	2,879,218.86	7,007,842.82
Change in working capital		
Change in trade and other receivables	1,616,665.86	3,185,988.37
Change in inventories	1,930.61	370.23
Change in trade and other payables	182,891.50	-299,774.85
Change in working capital	1,801,487.97	2,886,583.75
Cash flow from business operations before financial items and taxes	4,680,706.83	9,894,426.57
Interest paid and other financial expenses	-1,529,044.47	-1,864,043.20
Dividends received from operations	279.00	502.20
Interest received from operations	38,097.27	564,358.38
Taxes paid		-5,910.62
Cash flow from operations (A)	**3,190,038.63**	**8,589,333.33**
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-334,152.79	-282,419.36
Loans granted	26,360.58	-3,317,155.57
Interest income from investments	178,772.27	197,023.49
Cash flow from investments (B)	**-129,019.94**	**-3,402,551.44**
CASH FLOW FROM FINANCING		
Share issue		491,115.22
Repayment of current loans	-3,750,000.00	-69,973.94
Repayment of non-current loans	-1,428,487.55	-12,805,654.92
Dividends paid	-3,400,835.20	-2,720,668.16
Group contributions received		722,229.22
Cash flow from financing (C)	**-8,579,322.75**	**-14,382,952.58**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	**-5,518,304.06**	**-9,196,170.69**
Cash and cash equivalents at the beginning of period	7,138,822.05	16,334,992.74
Cash and cash equivalents at the end of period	1,620,517.99	7,138,822.05

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

The Group's parent company, Trainers' House Plc, is a Finnish public limited company founded in accordance with Finnish laws whose registered office is in Helsinki, Finland, at Niittymäentie 7, 02200 Espoo.

The parent company's financial statements have been drafted in accordance with Finnish laws and regulations. The relevant Finnish laws are based on the provisions of directives 4 and 7 of the European Union.

VALUATION PRINCIPLES

Fixed Assets

Fixed assets are recognized at cost in the balance sheet less planned depreciation. Planned depreciations are calculated by type on a straight-line basis according to their useful life. The useful lives are as follows:

Intangible assets

Merger loss	20 years
Renovation of facilities	5–10 years
Computer software licences	2 years

Tangible assets

Cars	4 years
Machinery and equipment	
IT equipment	2 years
Office furniture	5 years

The merger loss was recognized in connection with the merger of Trainers' House Oy and Trainers' House Plc on 31 December 2007. The merger loss has been capitalized and its depreciation period is 20 years. The depreciation period was determined based on the strategic importance of the acquisition of Trainers' House Oy. The cash flow of Trainers' House Oy will form most of the combined company's cash flow in the future. Furthermore, while assessing the acquisition of the company, one of the valuation criteria used was the so-called discounted free cash flow method. With this method, a significant part of the company's value is formed by calculated cash flows that will be generated also after 20 years.

Inventories

Inventories are stated using the FIFO method at the lower of acquisition cost or replacement cost or probable net realizable value. The value of inventories includes variable overheads and an allocable proportion of fixed acquisition and production costs.

Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate of the transaction date. Receivables and liabilities in foreign currencies have been translated into euro using the average exchange rate issued by the European Central Bank on the balance sheet date.

Extraordinary Items

Extraordinary items include Group contributions received from subsidiaries during the financial year.

1. Net sales by business segment and market area	***2009***	***2008***
Net sales by business segment		
Training business	12,917,882.32	15,824,197.25
Intra-group services	4,874,298.46	4,988,449.66
Total	**17,792,180.78**	**20,812,646.91**
Net sales by geographical segment		
Finland	17,674,108.29	20,530,580.70
Rest of Europe	14,442.35	178,882.64
Other countries	103,630.14	103,183.57
Total	**17,792,180.78**	**20,812,646.91**

2. Other operating income	***2009***	***2008***
Capital gains on disposal of fixed assets	2,829.45	3,714.63
Other income	3,515.00	5,000.00
Total	**6,344.45**	**8,714.63**

3. Materials and services	***2009***	***2008***
Raw materials and consumables		
Purchases during the period	197,851.15	328,285.10
Decrease in inventory	1,930.61	367.23
External services	1,371,077.66	1,114,975.70
Total	**1,570,859.42**	**1,443,628.03**

4. Personnel expenses	***2009***	***2008***
Wages, salaries and fees		
Board of Directors	103,500.00	168,000.00
Other wages, salaries and fees	5,173,040.83	4,845,889.41
Pension costs	957,796.87	887,216.57
Other personnel expenses	247,035.71	321,502.32
Total	**6,481,373.41**	**6,222,608.30**
Average number of personnel		
Employees	97	92
Personnel at year-end		
Employees	89	97

Pension obligations concerning the management: see Note 33 Related Party Transactions. No loans have been granted to the CEO or Board members.

5. Auditor's fees	***2009***	***2008***
Authorized Public Accountants PricewaterhouseCoopers Oy		
Statutory audit		44,307.50
Tax advice		7,085.00
Other fees		8,340.59
Authorized Public Accountants Ernst & Young Oy		
Statutory audit	34,104.00	57,170.00
Tax advice	3,000.00	
Other fees	7,000.00	8,830.00
Authorized Public Accountants Tietotili Audit Oy		
Statutory audit		16,097.50
Total	**44,104.00**	**141,830.59**

6. Depreciation and impairment	*2009*	*2008*
Depreciation		
Merger loss	2,917,280.52	2,917,280.52
Intangible assets	445,796.25	523,434.22
Tangible assets	70,277.90	212,781.68
Total	**3,433,354.67**	**3,653,496.42**

7. Financial income and expenses	*2009*	*2008*
Dividend income from others	279.00	502.20
Other interest and financial income		
From Group companies	178,772.27	197,023.49
From others	47,826.32	564,358.38
Total other interest and financial income	**226,598.59**	**761,381.87**
Impairment of long-term investments and reversal of impairment		
Group companies		
Impairment	-1,008,287.42	
Other		
Reversal of impairment	8,253.85	226.26
Impairment		-27,545.68
Total impairment and reversal of impairment	**-1,000,033.57**	**-27,319.42**
Interest expenses and other financial expenses		
To Group companies	-304,986.67	-336,702.64
To others	-1,135,940.54	-1,604,738.21
Total interest expenses and other financial expenses	**-1,440,927.21**	**-1,941,440.85**
Total financial income and expenses	**-2,214,083.19**	**-1,206,876.20**
Financial income and expenses include exchange rate differences (net)	9,729.05	-10,439.29

8. Extraordinary items	*2008*
Extraordinary income	
Group contributions	722,229.22

9. Taxes	*2008*
Tax on extraordinary items	187,779.60
Tax on operating activities	-193,690.22
Total	**-5,910.62**

10. Intangible and tangible assets	Intangible assets Merger loss	Intangible assets Intangible rights	Tangible assets Machinery and equipment	Total
Acquisition cost, 1 Jan 2009	58,345,609.70	4,891,582.13	2,645,620.84	65,882,812.67
Increase		209,441.79	124,711.00	334,152.79
Acquisition cost, 31 Dec 2009	58,345,609.70	5,101,023.92	2,770,331.84	66,216,965.46
Accumulated depreciation and impairment, 1 Jan 2009	-2,917,280.52	-4,139,335.21	-2,524,858.81	-9,581,474.54
Depreciation for the period	-2,917,280.52	-445,796.25	-70,277.90	-3,433,354.67
Accumulated depreciation, 31 Dec 2009	-5,834,561.04	-4,585,131.46	-2,595,136.71	-13,014,829.21
Carrying amount, 31 Dec 2009	**52,511,048.66**	**515,892.46**	**175,195.13**	**53,202,136.25**
Carrying amount, 31 Dec 2008	**55,428,329.18**	**752,246.92**	**120,762.03**	**56,301,338.13**
Acquisition cost, 1 Jan 2008	58,345,609.70	4,605,499.67	2,650,223.58	65,601,332.95
Increase		286,082.46		286,082.46
Decrease			-4,602.74	-4,602.74
Acquisition cost, 31 Dec 2008	58,345,609.70	4,891,582.13	2,645,620.84	65,882,812.67
Accumulated depreciation and impairment, 1 Jan 2008		-3,615,900.99	-2,313,016.77	-5,928,917.76
Depreciation for the period	-2,917,280.52	-523,434.22	-212,781.68	-3,653,496.42
Accumulated depreciation of decreases			939.64	939.64
Accumulated depreciation, 31 Dec 2008	-2,917,280.52	-4,139,335.21	-2,524,858.81	-9,581,474.54
Carrying amount, 31 Dec 2008	**55,428,329.18**	**752,246.92**	**120,762.03**	**56,301,338.13**
Carrying amount, 31 Dec 2007	**58,345,609.70**	**989,598.68**	**337,206.81**	**59,672,415.19**

11. Investments	Shares Group companies	Shares Other	Total
Acquisition cost, 1 Jan 2009	31,550,541.46	1,393,025.25	32,943,566.71
Acquisition cost, 31 Dec 2009	31,550,541.46	1,393,025.25	32,943,566.71
Accumulated impairment and reversal of impairment, 1 Jan 2009	-20,703,738.59	-1,390,917.17	-22,094,655.76
Revaluation during the period		472.14	472.14
Accumulated impairment and reversal of impairment, 31 Dec 2009	-20,703,738.59	-1,390,445.03	-22,094,183.62
Carrying amount, 31 Dec 2009	**10,846,802.87**	**2,580.22**	**10,849,383.09**
Carrying amount, 31 Dec 2008	**10,846,802.87**	**2,108.08**	**10,848,910.95**
Acquisition cost, 1 Jan 2008	31,550,541.46	1,393,025.25	32,943,566.71
Acquisition cost, 31 Dec 2008	31,550,541.46	1,393,025.25	32,943,566.71
Accumulated impairment, 1 Jan 2008	-20,703,738.59	-1,391,136.47	-22,094,875.06
Revaluation during the period		219.30	219.30
Accumulated impairment and reversal of impairment, 31 Dec 2008	-20,703,738.59	-1,390,917.17	-22,094,655.76
Carrying amount, 31 Dec 2008	**10,846,802.87**	**2,108.08**	**10,848,910.95**
Carrying amount, 31 Dec 2007	**10,846,802.87**	**1,888.78**	**10,848,691.65**

Group companies: see Note 33 Related Party Transactions.

12. Inventories	*2009*	*2008*
Raw materials and consumables	12,296.90	14,227.51

13. Receivables	*2009*	*2008*
Non-current receivables		
Receivables from Group companies		
Loan receivables	3,380,737.32	1,481,702.82
Loan receivables	511,317.50	
Total non-current receivables	**3,892,054.82**	**1,481,702.82**
Current receivables		
Trade receivables	2,014,770.78	2,016,387.91
Receivables from Group companies		
Trade receivables	137,374.29	524,072.79
Loan receivables		3,193,748.11
Group companies total	**137,374.29**	**3,717,820.90**
Loan receivables	50,000.00	
Other receivables	233,533.83	200,299.78
Prepaid expenses and accrued income		
TyEL pension receivables	27,494.18	174,428.76
Other	159,546.27	441,774.70
Total prepaid expenses and accrued income	**187,040.45**	**616,203.46**
Total current receivables	**2,622,719.35**	**6,550,712.05**

14. Shareholders' equity	*2009*	*2008*
Restricted equity		
Share capital, 1 Jan 2009 / 1 Jan 2008	880,743.59	866,941.67
Shares subscribed with options		
Registered 3 Jan 2008		4,500.16
Registered 7 Mar 2008		9,301.76
Share capital, 31 Dec 2009 / 31 Dec 2008	**880,743.59**	**880,743.59**
Share issue, 1 Jan 2009 / 1 Jan 2008		255,914.94
Shares subscribed with options, registered 3 Jan 2008		-237,599.94
Option rights, 31 Jan – 4 Feb 2008		472,800.06
Shares subscribed with options, registered 7 Mar 2008		-491,115.06
Share issue, 31 Dec 2009 / 31 Dec 2008		**0.00**
Premium fund, 1 Jan 2009 / 1 Jan 2008	14,221,515.28	13,506,602.20
Shares subscribed with options		
Registered 3 Jan 2008		233,099.78
Registered 7 Mar 2008		481,813.30
Premium fund, 31 Dec 2009 / 31 Dec 2008	**14,221,515.28**	**14,221,515.28**
Total restricted equity	**15,102,258.87**	**15,102,258.87**

Shareholders' equity	*2009*	*2008*
Non-restricted equity		
Distributable non-restricted equity fund,		
1 Jan 2009 / 1 Jan 2008	33,363,736.54	33,363,736.54
Distributable non-restricted equity fund,		
31 Dec 2009 / 31 Dec 2008	**33,363,736.54**	**33,363,736.54**
Retained earnings, 1 Jan 2009 / 1 Jan 2008	6,176,930.95	5,987,958.00
Dividend distribution, 3 Apr 2009 / 1 Apr 2008	-3,400,835.20	-2,720,668.16
Profit/loss for the period, 31 Dec 2009 / 31 Dec 2008	-1,767,712.62	2,909,641.11
Retained earnings, 31 Dec 2009 / 31 Dec 2008	**1,008,383.13**	**6,176,930.95**
Total non-restricted equity	**34,372,119.67**	**39,540,667.49**
Total shareholders' equity, 31 Dec 2009 / 31 Dec 2008	**49,474,378.54**	**54,642,926.36**

15. Distributable funds	*2009*	*2008*
Retained earnings	6,176,930.95	5,987,958.00
Dividend distribution	-3,400,835.20	-2,720,668.16
Profit/loss for the period	-1,767,712.62	2,909,641.11
Distributable non-restricted equity fund	33,363,736.54	33,363,736.54
Total	**34,372,119.67**	**39,540,667.49**

16. Composition of share capital

The parent company's share capital comprises shares of a single class. On 31 December 2009, the company's share capital was EUR 880,743.59, consisting of 68,016,704 shares each entitling to one vote. For a more detailed itemization, see Note 23: Notes to Shareholders' Equity.

17. Deferred tax assets and liabilities	*2009*	*2008*
Deferred tax receivables		
From losses carried forward	1,350,000.00	1,350,000.00

18. Liabilities	*2009*	*2008*
Non-current liabilities		
Liabilities to Group companies		
Loans	4,559,291.67	4,737,779.22
To others		
Loans from financial institutions	15,496,159.74	16,746,159.74
Total non-current liabilities	**20,055,451.41**	**21,483,938.96**

The parent company took a bank loan in 2007.
For a more detailed itemization, see Note 26: Financial Liabilities.

Liabilities	*2009*	*2008*
Current liabilities		
Loans from financial institutions	1,250,000.00	5,000,000.00
Advances received		248,394.75
Trade payables	530,552.82	266,214.73
Liabilities to Group companies		
Trade payables	70,291.21	3,879.65
Other liabilities	115,656.69	
Accrued expenses	618,183.15	320,514.70
Group companies total	804,131.05	324,394.35
Other liabilities	525,300.08	717,157.03
Accrued expenses		
Holiday pay liabilities (including social expenses)	531,258.27	660,778.17
Other accrued expenses	378,036.23	341,909.16
Total accrued expenses	909,294.50	1,002,687.33
Total current liabilities	**4,019,278.45**	**7,558,848.19**

19. Contingent liabilities	*2009*	*2008*
Collateral given for own liabilities		
Rental guarantees/liabilities	14,931,280.92	834,753.36
Other contingent liabilities		754,522.99
Leasing liabilities		
Payable in the following financial year	576,080.32	766,706.93
Payable in subsequent years	310,583.94	582,964.57
Guarantees given on behalf of Group companies		
Collateral given on behalf of Group companies		
Other guarantees / contingent liabilities	100,000.00	125,196.85

Share Capital

At the end of the period, Trainer's House Plc had issued 68,016,704 shares. The company's registered share capital amounted to EUR 880,743.59. The stated value of the share is EUR 0.02 (not exact). The share capital comprises shares of a single class, with each share entitling to one vote. No changes took place in the number of shares or share capital during the period under review.

The company's shares have been listed on the OMX Nordic Exchange since 2000. Until 28 December 2007, the company's shares were listed under the name Satama Interactive Plc (SAI1V) and as of 31 December 2007 under the name Trainers' House Plc (TRH1V).

Share Options

Trainers' House Plc has one option programme for its personnel, included in the personnel's commitment and incentive scheme.

The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B.

The subscription period for shares converted under the 2006A warrants ran from 1 September 2008 to 28 February 2009. No shares were subscribed under the 2006A warrants. The subscription period for shares converted under the 2006B warrant began on 1 September 2009 and will end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 1.08 for shares converted under the 2006B warrant. No shares have been subscribed under the 2006B warrants.

Board Authorizations

The Annual General Meeting of Trainers' House held on 24 March 2009 authorized the Board of Directors to decide on the repurchase of the company's own shares. Under the authorization, whether on one or on several occasions, a maximum of 6,500,000 shares, which corresponds to approximately 9.56% of the company's shares, may be acquired. The authorization shall remain in force until 30 June 2010. At the same time the AGM countermanded the earlier comparable authorization. The authorization had not been exercised on 31 December 2009.

The Board of Directors is otherwise authorized to decide on all conditions related to the acquisition of own shares, including the manner of acquisition of shares. The authorization does not exclude the right of the Board of Directors to decide on a directed acquisition of own shares as well, if there is significant financial reason for the company to do so.

The AGM authorized the Board to decide on a share issue including the conveyance of own shares, and the issue of special rights. With these authorizations related to share issue and/or issue of special rights, whether on one or on several occasions, a maximum of 13,000,000 new shares may be issued and/or treasury shares may be transferred, which corresponds to approximately 19.11% of the company's shares. The authorization shall remain in force until 30 June 2010. At the same time the AGM countermanded the earlier comparable authorization. The authorization had not been exercised on 31 December 2009.

The Board of Directors is otherwise authorized to decide on all terms regarding the share issue and issue of special rights, including the right to also decide on a directed share issue and a directed issue of special rights. Shareholders' pre-emptive subscription rights can be deviated from, provided that there is significant financial reason for the company to do so.

Distribution of shareholding by group, 31 December 2009	*%*	*Shares*
Finnish companies	21.4	14,526,238
Financial and insurance institutions	6.0	4,061,942
Public corporations	5.9	4,012,608
Households	64.5	43,896,985
Non-profit organizations	0.2	105,024
Foreign shareholders	0.5	339,150
Nominee-registered	1.6	1,074,757
Total	**100.0**	**68,016,704**

Distribution of shareholding by number of shares held, 31 December 2009

Shares	*Shareholders*	*Percentage of shareholders*	*Total number shares*	*Percentage of shares*
1 -1,000	4,800	75.7 %	1,164,620	1.7 %
1,001-10,000	1,257	19.8 %	4,426,393	6.5 %
10,001-100,000	221	3.5 %	6,204,585	9.1 %
over 100,001	65	1.0 %	56,221,106	82.7 %
Total	**6,343**	**100.0 %**	**68,016,704**	**100.0 %**

Shareholders, 31 December 2009	*Shares*	*Percentage of all shares and votes*
Sarasvuo Jari	20,196,600	29.7 %
Great Expectations Capital Oy	3,021,000	4.4 %
Smartum Oy	2,550,000	3.7 %
Ilmarinen Mutual Pension Insurance Company	2,048,288	3.0 %
Varma Mutual Pension Insurance Company	1,930,000	2.8 %
Quartal Oy	1,903,326	2.8 %
Danske Bank A/S, Helsinki Branch	1,860,000	2.7 %
Serkamo Ritva	1,811,672	2.7 %
Aho Antti	1,733,925	2.5 %
Special Mutual Fund eQ Nordic Small Titans	1,500,000	2.2 %
Uurasmaa Kristiina	1,437,978	2.1 %
Honkanen Vesa	1,165,984	1.7 %
Kaleva Mutual Insurance Company	1,000,000	1.5 %
Nominee-registered shares	1,074,757	1.6 %

Shareholder agreements

To the knowledge of the company, the shareholders have no mutual agreements related to the operation or ownership of the company.

Shareholding of Board Members and CEO

On 31 December 2009, CEO Jari Sarasvuo and his controlled company Isildur Oy held a total of 20,396,600 shares in Trainers' House Plc, representing 30.0% of the entire share capital.

As required by the terms and conditions of the exemption granted by the Finnish Financial Supervision Authority on 18 December 2008, the combined shareholding of Mr. Sarasvuo and Isildur Oy in Trainers' House declined to 30% or under by 30 June 2009.

On 31.12.09, the number of shares in Trainers' House Plc owned by either members of the Board or the CEO personally or through controlled companies totalled 23,827,046, which represents 35.0 % of the shares and votes in the company. At the end of the period, members of the Board or the CEO did not have any option rights.

Furthermore, on 31 December 2009, members of the Board and the CEO were either personally or through controlled companies parties to derivative contracts, which once matured, will result in ownership of 800,000 shares in Trainers' House Plc.

KEY FIGURES REPRESENTING FINANCIAL PERFORMANCE

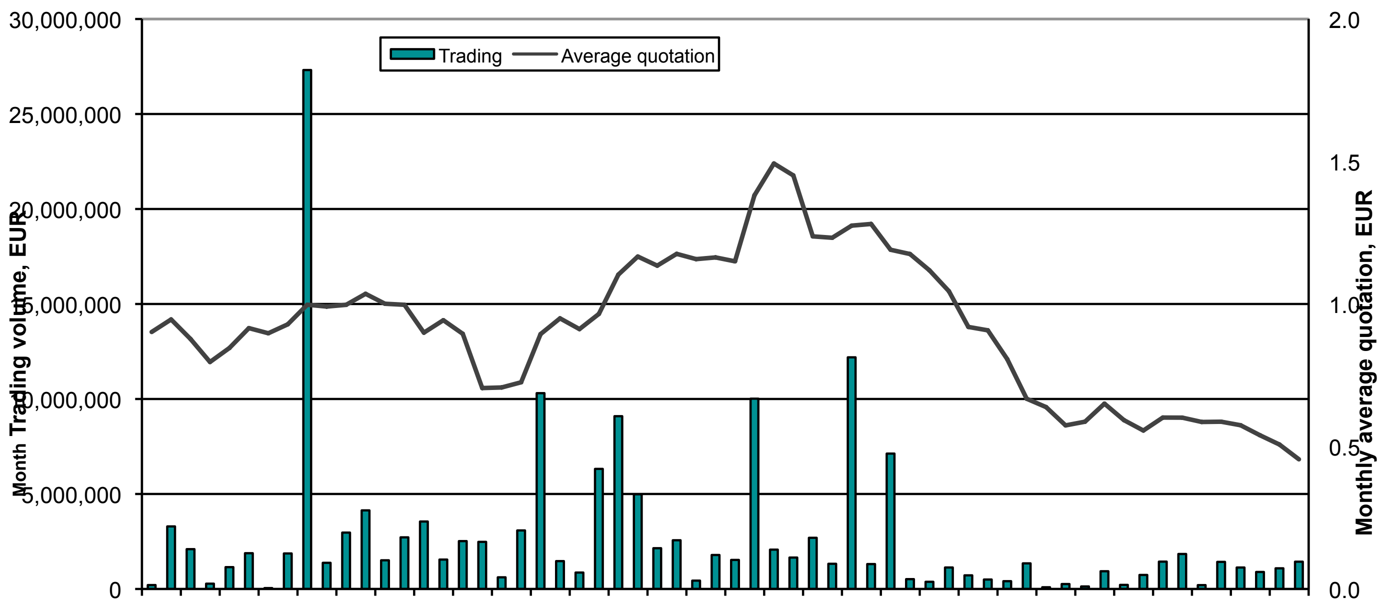
Key figures representing financial performance and key figures per share have been calculated in accordance with decision no. 538/2002 of the Finnish Ministry of Finance and the general guidelines issued by the Finnish Accounting Board. The key figures are based on financial statements drafted in accordance with the International Financial Reporting Standards (IFRS).

	IFRS 2009	***IFRS 2008***	***IFRS 2007***
Net sales, EUR	27,647,240.92	44,237,260.99	29,988,578.69
Operating profit/loss, EUR	-2,694,840.78	4,297,930.70	2,119,332.38
% of net sales	-9.7 %	9.7 %	7.1 %
Profit/loss before tax, EUR	-3,849,761.52	2,607,474.21	1,757,608.28
% of net sales	-13.9 %	5.9 %	5.9 %
Profit for the period, EUR	-7,016,282.75	1,355,126.86	4,839,462.12
% of net sales	-25.4 %	3.1 %	16.1 %
Return on equity, %	-12.4 %	2.2 %	11.5 %
Return on investment, %	-3.4 %	5.2 %	3.5 %
Debt-equity ratio, %	32.5 %	35.3 %	55.1 %
Gearing, %	28.9 %	22.9 %	27.6 %
Equity ratio, %	66.5 %	65.1 %	56.0 %
Gross investments, EUR	334,152.79	443,461.00	64,369,913.00
% of net sales	1.2 %	1.0 %	214.6 %
Personnel at the end of period	227	340	400
Average number of personnel	281	375	329

KEY FIGURES PER SHARE

	IFRS 2009	IFRS 2008	IFRS 2007
Earnings per share, EUR	-0.10	0.02	0.12
Diluted earnings per share, EUR	-0.10	0.02	0.12
Shareholders' equity per share, EUR	0.76	0.91	0.92
Diluted shareholders' equity per share, EUR	0.76	0.91	0.92
Dividends		3,400,835.20	2,720,668.16
Dividend per share, EUR		0.05	0.04
Dividend on profit, %		250.8	34.4
Effective dividend yield, %		9.1	3.4
Price per earnings ratio (P/E), EUR	-4.27	27.59	10.22
Development of share price during period			
Average trading price, EUR	0.56	1.13	1.23
Lowest trading price, EUR	0.42	0.52	1.00
Highest trading price, EUR	0.71	1.44	1.60
Share price at year-end, EUR	0.44	0.55	1.20
Market capitalization, EUR	29,927,349.76	37,409,187.20	80,832,244.80
Development in trading volume			
Trading volume, EUR	11,484,620.07	25,987,175.29	40,310,266.84
Trading volume, qty	20,584,260	22,904,347	32,968,083
Trading volume, %	30.3	33.7	80.0
Adjusted average number of shares during period	68,016,704	67,979,361	41,204,959
Adjusted average number of shares during period, diluted	68,016,704	68,112,104	41,413,178
Adjusted number of shares at year-end	68,016,704	68,016,704	67,360,204
Adjusted number of shares at year-end, diluted	68,016,704	68,149,447	67,677,277

Trading volume and average share price
1.1.2005 - 31.12.2009



CALCULATION OF KEY FIGURES

Return on equity (ROE), %	=	Profit/loss after financial items − tax / Shareholders’ equity (average during the period)	x 100
Return on investment (ROI), %	=	Profit/loss after financial items + interest and other financial expenses / Total assets – non-interest-bearing liabilities (annual average)	x 100
Debt-equity ratio, %	=	Interest-bearing liabilities / Shareholders’ equity	x 100
Gearing, %	=	Net interest-bearing debt / Shareholders’ equity	x 100
Equity ratio, %	=	Shareholders’ equity / Balance sheet total − advances received	x 100
IFRS earnings per share (EPS)	=	Profit/loss for the period − dividend attributable to preferred stock / Adjusted average number of shares during the period	
Dividend per share	=	Dividend paid for the period / Adjusted number of shares on balance sheet date	
Dividend per earnings, %	=	Dividend paid for the period / Earnings per share (EPS)	x 100
Effective dividend yield, %	=	Dividend per share / Closing price at year-end	x 100
Shareholders’ equity per share	=	Shareholders’ equity / Adjusted number of shares on balance sheet date	
Price per earnings ratio (P/E)	=	Adjusted closing price at year-end / Earnings per share	
Market capitalization	=	Number of shares at balance sheet date × closing price at balance sheet date	

SIGNATURES OF THE BOARD OF DIRECTORS

Espoo, February 10, 2010

Aarne Aktan
Chairman of the board

Tarja Jussila
Member of the board

Kai Seikku
Member of the board

Matti Vikkula
Member of the board

Jari Sarasvuo
CEO

AUDITOR'S REPORT

To the Annual General Meeting of Trainers' House Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Trainers' House Plc for the financial period 1.1.2009 - 31.12.2009. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Espoo, February 10, 2010

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant

trainers' HOUSE
2009