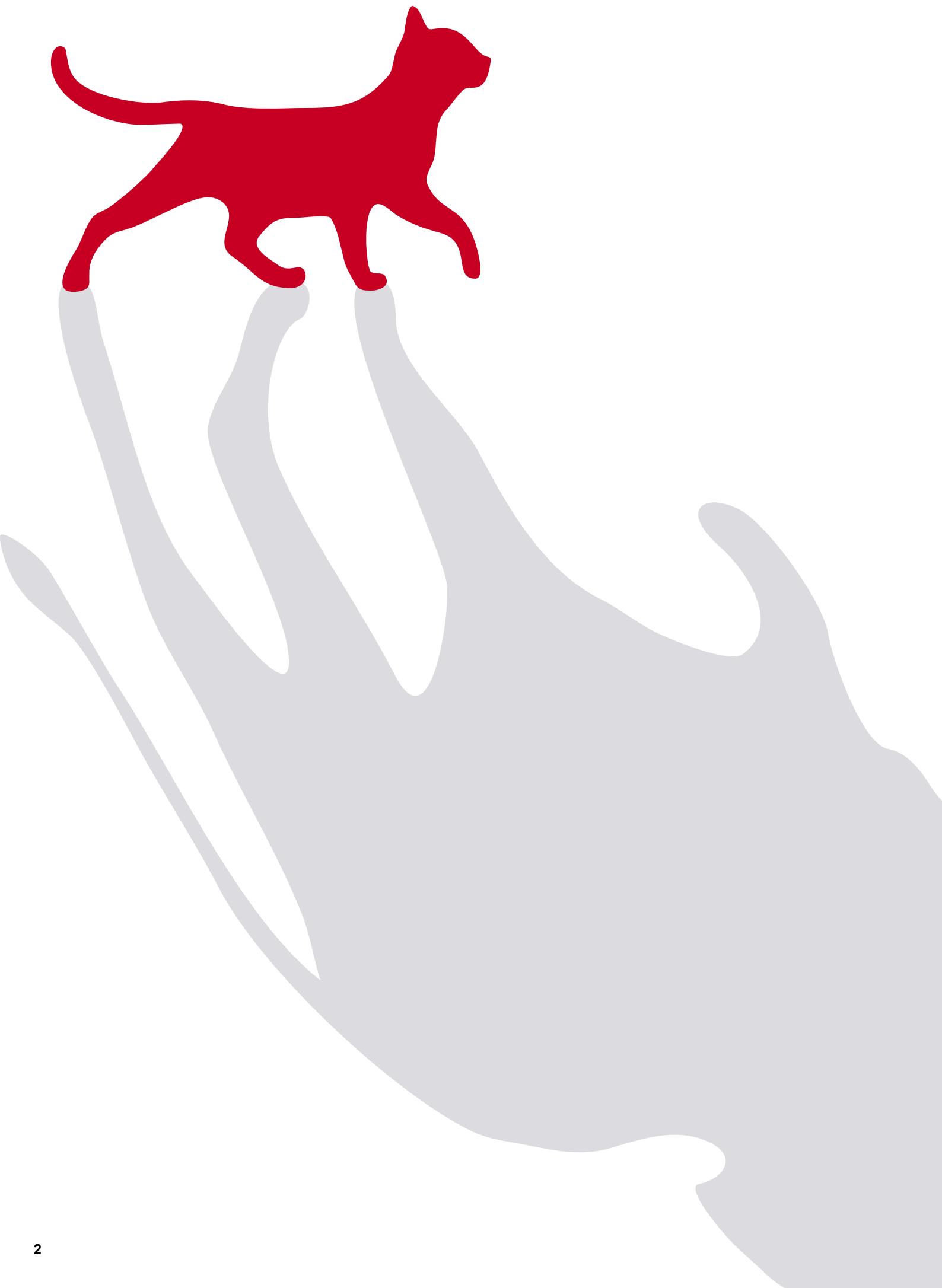


trainers'
HOUSE



ANNUAL REPORT

2009



CONTENTS

4 - 5	Trainers' House – Helping Our Customers Grow
6 - 7	Trainers' House in Brief
8 - 9	CEO's Review
10 - 11	Mission, Vision, Strategy and Values
12 - 15	Services
16 - 18	SaaS Products
19 - 22	References
23	Personnel
24 - 25	Corporate Governance
26 - 28	Internal Control and Auditing
29 - 30	Board of Directors
31 - 32	Management
33	Information for Investors

TRAINERS' HOUSE

– Helping Our Customers Grow

Trainers' House is a technology-assisted training company that helps its customers to grow.

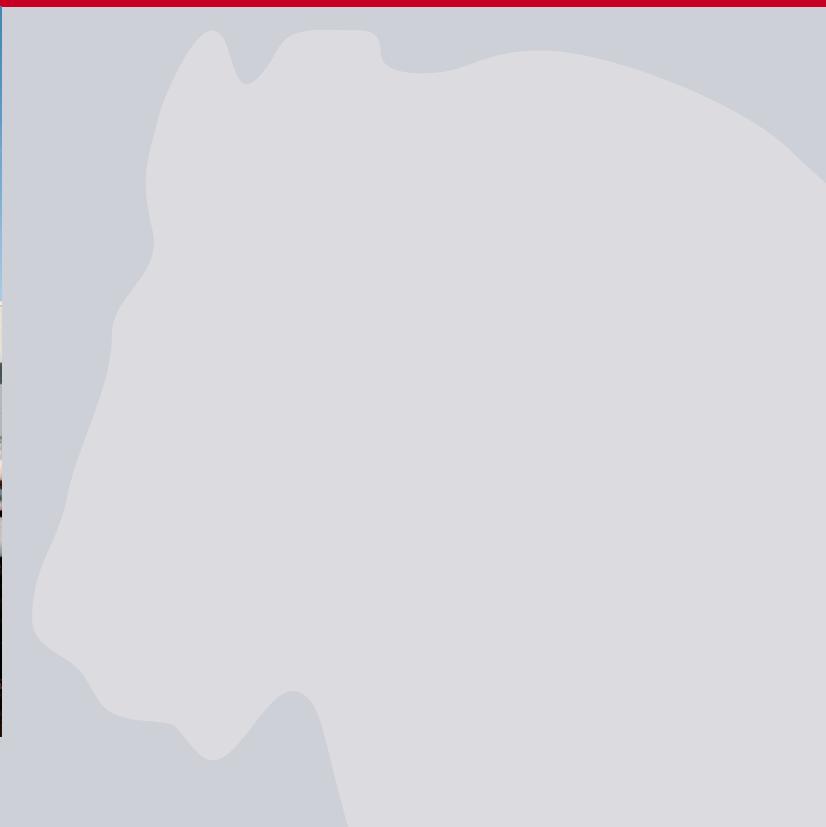
Extensive experience has taught us that all major changes require outside assistance. In business organizations, things often become rutted, routinized and personified. Change processes progress slowly or are never finished.

It is difficult to change work practices from within the organization. As a partner, it is our job to clarify the desired change, provide an outsider's perspective, generate new ideas, find ways to leverage the change, and inspire people about the desired change. Work practices can only change if people understand the significance of the change and are committed to carrying it out. Our training solutions have successfully helped many businesses identify the critical success factors of daily operations and inspire their organization to achieve quantifiable results.

Training Supported by Technology

Any enthusiasm will gradually die down if the corporate vision is not systematically made part of daily work. Good management ensures the best possible return on the training investment. Efficient processes, tools and minimum standards keep the team on the right path.

We use technology to ensure the progress of change processes in customer organizations. Our management systems enable our customers to translate their goals into everyday activities. Even a simple technical tool can deliver amazing results, when everyone involved in the process can continuously monitor the achievement of agreed targets – not to mention our more sophisticated solutions designed to bring the corporate culture behind the chosen strategy.



Management Systems as a Service

When we added management systems to support training, we also wanted to avoid making the related investment prohibitive. This is why our services supporting growth are mainly SaaS solutions (Software as a Service). SaaS solutions come with other advantages as well: continuous maintenance also means continuous development of the software. Furthermore, the investment costs are spread over a long period, offering a better match for revenues and expenses than traditional one-time investment model.

Unique Solutions

By combining training and technology with marketing-related services, such as customer meetings or storytelling, we are able to offer our customers a unique Growth System. The desire for growth can be related to, for example, net sales, profitability or market share, but also to collaboration, adoption of new practices, practical implementation of the strategy, or product development. Nevertheless, our primary goal is always to increase the success of our customers.

We have invested considerably in the implementation of this concept. The results achieved by our customers indicate that we are on the right track.

TRAINERS' HOUSE IN BRIEF

The operations of Trainers' House began in 1990 under the name Writers' Studio Oy. At first, the company's operations comprised of, for example, magazine journalism and direct marketing. In 1995, the company began to focus on the training business. In 1998, the company adopted the name Trainers' House Oy, which better reflected the nature of its operations.

During the 2000s, Trainers' House Oy grew to become the leading training company in Finland. Trainers' House Plc was formed on 31 December 2007 by the merger of Trainers' House Oy and Satama Interactive Plc, a company listed on NASDAQ OMX Helsinki Ltd.

Along with the merger supporting technology- and marketing services were added into the training offering. At the end of 2009, the company had 227 employees and two offices located in Helsinki and Tampere.

In 2009, Trainers' House's net sales totalled EUR 27.6 million, and operating profit before non-recurring items and depreciation resulting from the allocation of the purchase price of Trainers' House Oy amounted to EUR 1.3 million, or 4.8% of net sales. Operating profit after these items was EUR -2.7 million, or -9.7% of net sales.

Key figures representing financial performance	IFRS 2009	IFRS 2008	IFRS 2007
Net sales, EUR	27 647,2	44 237,3	29 988,6
Operating profit before depreciation resulting from the allocation of the purchase price of Trainers' House Oy	1 317,8	7 308,5	2 119,3
% of net sales	4,8 %	16,5 %	7,1 %
Operating profit before non-recurring items	-715,7	7 308,5	2 119,3
% of net sales	-2,6 %	16,5 %	7,1 %
Operating profit, EUR	-2 694,8	4 297,9	2 119,3
% of net sales	-9,7 %	9,7 %	7,1 %
Profit before tax, EUR	-3 849,8	2 607,5	1 757,6
% of net sales	-13,9 %	5,9 %	5,9 %
Return on equity, %	-12,4 %	2,2 %	11,5 %
Return on investment, %	-3,4 %	5,2 %	3,5 %
Gearing, %	28,9 %	22,9 %	27,6 %
Debt-equity ratio, %	66,5 %	65,1 %	56,0 %
Dividend, EUR	0*)	3 400,8	2 720,7
Dividend per share, EUR	0,00	0,05	0,04
Personnel at the end of the year	227	340	400
Personnel on average	281	375	329

*) Board's Proposal to the Annual General Meeting

Financial Targets

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 also in the future.

We expect to achieve these goals once our Growth System concepts have been completed and along with the internationalization of Trainers' House.

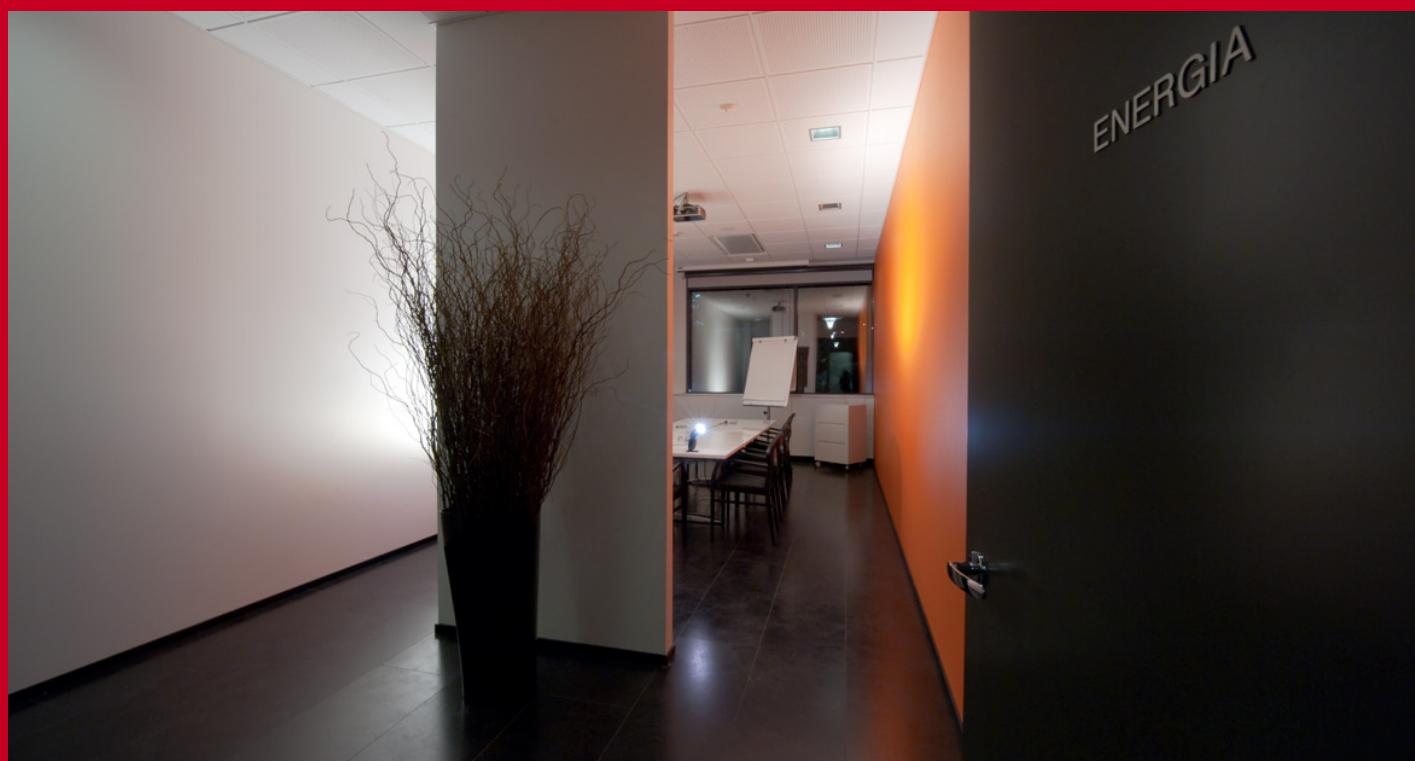
Dividend Proposal

The Board of Directors proposes that no dividend be paid for 2009.

Share Information

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

During 2009, a total of 20.6 million shares, or 30.3% of the average number of all company shares (22.9 million shares or 33.7%), were traded on the Helsinki Exchange for a value of EUR 11.5 million (EUR 26.0 million). The period's highest share quotation was EUR 0.71 (EUR 1.44), the lowest EUR 0.42 (EUR 0.52) and the closing price EUR 0.44 (EUR 0.55). The weighted average price was EUR 0.56 (EUR 1.13). At the closing price on 31 December 2009, the company's market capitalization was EUR 29.9 million (EUR 37.4 million).



CEO'S REVIEW

In order to understand the year 2009, we must think back to the merger between Trainers' House and Satama, which was agreed on in August 2007 and carried out on 31 December 2007.

The acquisition was made to allow Trainers' House to become a technology-assisted training company that offers business-critical services to its customers. Our goal was to offer training services that are managed using technology and quantifiable using the customer's business criteria. To rise to the next level, the exceptional ten-year success of Trainers' House required a lever. We wanted to create value for our customers by integrating marketing, management (i.e. training) and management systems offered as IT services. To achieve this, we needed SaaS technology – and this is why we concluded the deal with Satama.

However, many of Satama's operations were non-strategic. It has been expensive and difficult to bring those operations in line with the new company's strategy.

Year 2009 was a period of measurement losses. When you change customers, operations and personnel in a turbulent economic climate such as this, you cannot expect to get away without any damage. Unfortunately, we received a lot more bruises than we had anticipated. Our net sales almost halved. Write-downs and restructurings produced a poor result.

Nevertheless, the hard core of Trainers' House is healthy and strong. In view of the challenges in our business environment and our organizational restructuring, I consider the performance of our training business (profit of EUR 4 million) as the best ever. The performance of our coaches also played a critical role in the record result of



our marketing engine, Ignis.

The strategy of the new Trainers' House endured the pressures of the economic climate of 2009. Our decision to integrate management systems offered as SaaS solutions into management through training has turned out to be a good one. The number of people using our SaaS solutions is growing at a fair rate. We have sold SaaS services to more than 160 customers and over 7,000 users, either based on fixed-term agreements, or agreements valid until further notice.

However, our ability to respond to changes in the global economy has been inadequate. With our country's GDP decreasing by nearly 8 percent in 2009, we need to be able to learn more quickly than we did last year. Our IT business, which had been based on subcontracting, was not able to create value. Our overhead expenses are too high for our wide range of operations. But we will overcome these challenges once we succeed in increasing the volume of strategically important operations and in improving the prioritization of operations.

While 2009 was a year of shocking disappointments, we worked and continue to work hard every day to turn our expenses into profit.

Our direction and strategic vision have been well received by our customers. All the same, our journey has turned out to be steeper, narrower, fogger and more dangerous than we could ever have imagined in our worst-case scenarios in 2007, 2008 and early 2009.

However, there are positive aspects about our current position. We have not grown dumber. And we have not been able to disprove the value-creating nature of our strategy, even with the help of our key customers. The fact that we are not as sure of victory as we were during our years of great success only means that we will be better prepared for the next eventual economic downturn.

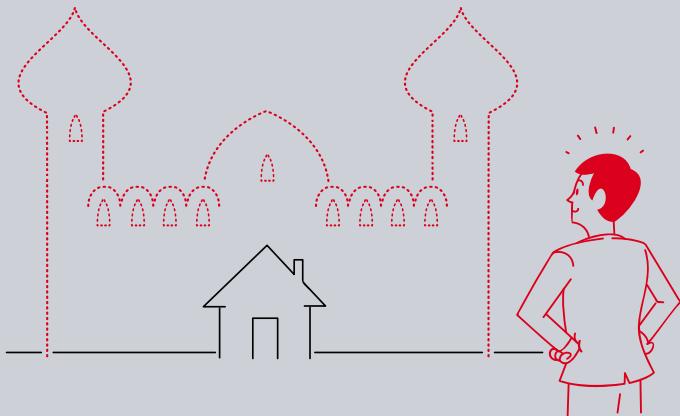
I would like to thank our customers, my colleagues and our competitors for a job well done. By challenging and respecting one another, we have all moved forward. This has also provided entertainment for those not interested in our particular sports event.

Last year made us stronger. In the coming years of harvest, I ask for the wisdom to be as acutely grateful for the teachings of this period as I am today.

Jari Sarasvuo
CEO



MISSION, VISION, STRATEGY AND VALUES



Mission to Grow

Our mission is to help our customers grow. Improvement of practices and productivity across the organization, strengthening of individuals and growth in both net sales and cash flow are a testimony to our success. Growth does not happen – it is created.

Vision to Revolutionize Productivity

There are many opportunities for increasing the productivity of human work. We all have about eight working hours at our disposal each day. How we spend that time as individuals and as a community determines the outcome of the game.

Each member of an organization should know how to spend most of their time on tasks that support the corporate strategy. It is our job to provide the customer with the right solution for increasing productivity. Our success is measured in results.

Strategy Based on the Growth System

Trainers' House is a technology-assisted training company that offers business-critical services to its customers. In addition to training, the company utilizes marketing and management systems.

Technology-assisted training refers to training that involves the use of systems based on the SaaS (software as a service) business model. In the future, these services will play a key role in creating value for customers. SaaS services deliver quantifiable results on productivity growth in marketing, sales and strategic management. SaaS services enable our customers to reduce the cost of additional sales and to improve their chances of success.

Our areas of expertise, marketing, training and technology together form an integrated Growth System. The Growth System is a management and sales model driven by the possibilities of tomorrow.

We aim to grow by further strengthening our position and cash flow in the domestic market, and by launching international operations. Our internationalization efforts will be based on our areas of expertise and our Growth System concept.

We will support our organic growth by acquisitions both in the domestic market and abroad. We will not enter mature markets by establishing new business units, but through acquisitions or business alliances. Our long-term objective is to see the cash flow of international operations exceed that of domestic operations.

Values Guiding Our Operations

Values provide a foundation and a framework for our operations. Values guide both our internal and external operations. We encourage our personnel to implement our values in everyday work, and reward them when they succeed in it.

Growth - Growth is our mission. We help both people and businesses rise to the next level. We get results by investing in human, professional and corporate-level ethical growth. Growth can refer to many things: personal growth, growth in sales, operations or profitability, or the development of the company's operating model. Our primary task is to ensure that our customer's business grows to the next level, and to secure the growth and development of our own personnel and the personnel of our customers.

Passion - Price first, rewards later. Rising to the next level always requires an emotional price and sacrifices. Passion refers to both sacrifice and fire. People who have a passion for their work are ready to pay the price, make the necessary sacrifices and eventually receive their reward. We are passionate about every assignment we receive from our customers. We are willing to work hard and to make sacrifices in order to get the job done.

Reason - Feelings and activities not governed by reason can only result in ruin.

Integrity - Integrity refers to the calm pursuit of balance in both work and life

Love - We encounter challenges with love and forgiveness, in both our work and human relationships. We care about our customers, each other, our work, our results, and ourselves.



SERVICES



Growth as a Service

Trainers' House is a technology-assisted training company that helps its customers to grow. We also offer growth as a continuous service, based on a customer-specific solution.

All our services are designed to increase the success of our customers.

With **marketing**, we create demand, increase face time with end customers, and strengthen the customer flow.

With **training**, we develop tools and indicators for implementing the refined strategy, and inspire people to doing the right things at both the group and the individual level.

With **technology**, we turn the new practices that support the corporate strategy into a part of the daily routine.

Finally, we combine solutions suited to the customer's needs into an effective Growth System. Nevertheless, every customer delivery is different, reflecting each customer's specific challenges.

MARKETING – Better Position in the Markets

Marketing is used to create a better position in the market for companies. A better position can be achieved in various ways. Key methods used by Trainers' House to support the Growth System are storytelling (STORY) and support in the acquisition of new customers (IGNIS).



Storytelling (Story)

What do you want your company to be famous for? What kind of a story do you need in order to achieve your goals? How could you communicate your corporate strategy interestingly in the market?

Story inspires. Story offers insight. Story gives wings to good ideas. A story will make a good idea, like a corporate strategy, fly. A good story will crystallize the key elements of your strategy in an understandable and realizable manner. It will make your internal and external communications easier – and your strategy the talking point in the market.

A company creates value through encounters. And encounters are based on a story. Story formulates encounters that create value in a manner that gives the company reason to expect its strategy to affect cash flow positively.

Supporting New Customer Acquisition – Ignis

Ignis is a subsidiary of Trainers' House founded in 2006. The mission of Ignis is to help customers grow by supporting and boosting their new customer acquisition. Ignis is an expert in B2B contacting and in different types of trade fair and marketing operations.

The company's services include clarifying the customer's message, setting up meetings at a high rate (our average hit rate is 50%), and close monitoring and reporting. Each year, Ignis schedules about 20,000 meetings for our customers. The company's strength lies in the total management of new customer acquisition projects.

The high quality of its operations is reflected in the fact that about 80 % of its customers continue cooperating with us after the delivery of the first project.

We have developed a tool called Lähde (Source) to facilitate prospecting, project management and the scheduling of meetings (see our SaaS solutions)



TRAINING – Leveraging the Better Market Position

We use marketing to improve the customer's market position and to change the operating environment. We enable the customer to leverage the better market position by offering training. To improve its results, a company needs changes in management, beliefs, practices and ways of thinking. Training supports this process, turning opportunities created in the market into cash flow.

Our training activities always focus on the people. People who feel inspired about their goals and tasks are able to implement the corporate strategy effectively.

Our training projects nearly always begin with clarifying the growth idea – **the Growth Assessment**. Together with the customer, we refine and crystallize a distinctive growth idea based on the customer's strategy. Depending on the situation, this vision is marketed at least to the company's personnel, but preferably also to the company's current and future customers. Indeed, training is one of the most effective methods of internal marketing.

A key training method we use is learning through challenges. We have a very practical approach. Training does not necessarily have to take place in classrooms or away from work. Skilfully designed shared training events strengthen the corporate culture and lay foundation for the desired future. These events are intended for making decisions on targets, management practices, concepts and ways of doing business, and for ensuring a common understanding of the strategy. Brief clinic meetings, sparring sessions, teleconferences and efficient monitoring tools help you overcome everyday challenges and keep you on the right path.

Besides personal training, we use digital tools to implement changes.

Open Training Programmes

Our operations mainly consist of tailored, customer-specific projects. In addition, we offer training that is open to the public. The objective of our open training programmes is to develop participants' ability to manage themselves and others, and to offer unique networking opportunities for the best people in different industries.

**train the
TRAINER**



**sisäinen
LINNAKE**



In Spire



**vaikuttava
JOHTAJA**



TECHNOLOGY – Sense to Management

In order to really capitalize on the Growth System, the practices essential for growth should be integrated into the enterprise's everyday operations and processes. Effective tools help you implement the corporate strategy and increase productivity.

When building a management system, we determine the processes critical for growth, clarify the indicators to be used, and define the management rhythm. The process is always based on practices best suited to the customer, instead of theoretical reflection or information systems.

SaaS Services – More Effective Sales, Marketing and Cooperation

Our growth management services are based on SaaS services. SaaS services provide our customers with quantifiable results in marketing, sales and cooperation management: reducing the cost of sales, improving internal and external cooperation, and increasing transparency, customer satisfaction and productivity. In addition, our SaaS customers always use state-of-the-art solutions – as part of our service, we deliver a new version of the software regularly to our customers.

Customer-Specific Solutions – User-friendly Electronic Services and Improved Productivity

The customer-specific solutions of Trainers' House are designed to deliver improved productivity in knowledge work and user-friendly electronic services.

In the form of reliable online services, extranets and online stores, electronic services improve our customers'

productivity and interaction with their customers and other stakeholders. Our productivity solutions include the digitization of processes, smart communication solutions and document management.

In customer-specific solutions, the project delivery model is based on either agile methods or the traditional waterfall model. Usually concept and specification work is carried out in workshops, and design and implementation phases using agile methods. This provides better visibility for the progress of the project, increases the agility of project management, and ensures the high quality of project deliveries.

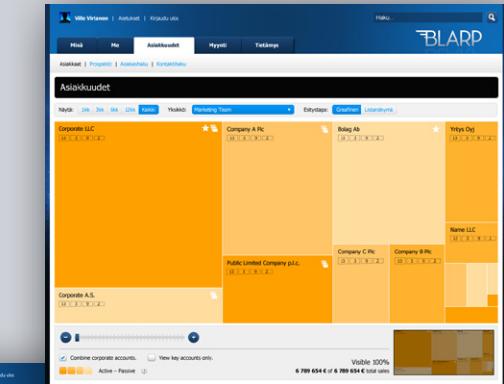
Support Services – Securing Operations

The support and maintenance unit of Trainers' House ensures the undisrupted operation and further development of solutions that are in production use. Our ITIL-based practices are integrated into the customer's everyday operations.

Partners – More Value Together

Trainers' House works in close cooperation with industry-leading companies. In technology solutions, Microsoft has been our strategic partner already for a decade. Trainers' House is one of the few Gold Certified partners with six competency designations in Finland. As recognition of our commitment, Microsoft selected Trainers' House as its 2007 Finnish Solution Partner of the Year and its 2008 Software + Services Partner of the Year. Our other partners include Sitecore and Nintex.

SAAS PRODUCTS




BLARP – A Growth Management System

Companies can either move forwards or backwards. There is no stable state. Often sales management takes place by looking in the rear-view mirror.

We wanted to design a sales management tool that would help in managing and achieving sales based on the possibilities of today and tomorrow. Your sales team has 8–10 hours at its disposal each day. How they spend that time determines the outcome of the game.

How have the account's different decision-makers been contacted? What kind of a story would win the customer over? How many meetings do you have scheduled with potential new customers? How do your sales people spend their time? What information do we have on the customer? Where does our cash flow come from? Have we neglected any of our customers? What and how much does the salesperson's funnel contain? How are different individuals performing? Do our operations involve suboptimization or teamwork? What kind of decisions should we expect next week, based on current facts? What is the likelihood of success for an individual? What about the whole team?

BLARP is a sales management system designed to help supervisors manage operations by focusing on causes and the possibilities of tomorrow. BLARP focuses the time management of individuals on relevant issues, and guides people towards closer cooperation with their colleagues.

BLARP improves the efficiency of customer acquisition and customer relationship management, and generates real-time data on sales activities. As a community service, BLARP encourages members to share information and utilize the expertise of other members. Comprehensive metrics make it easy to reward good performance. Thanks to its role-based structure, BLARP can be customised for various roles from support processes to sales.

BLARP consists of a growth-oriented operating model and a supporting sales management system.

We provide BLARP as an easily deployable SaaS solution. You get to influence our product development and receive a new product version four times a year. BLARP includes the Microsoft Dynamics CRM 4.0 and SharePoint Server 2007 software, and it can be easily integrated into other information systems in use in your organization.

Pulssi-



LÄHDE – A Tool for Managing the Initial Stages of the Sales Process

Ignis organizes the calendars of your sales people. Lähde (Source) has been designed to support and facilitate this task.

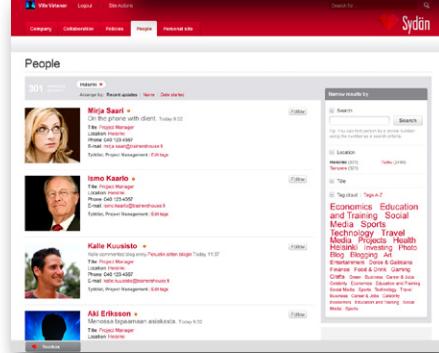
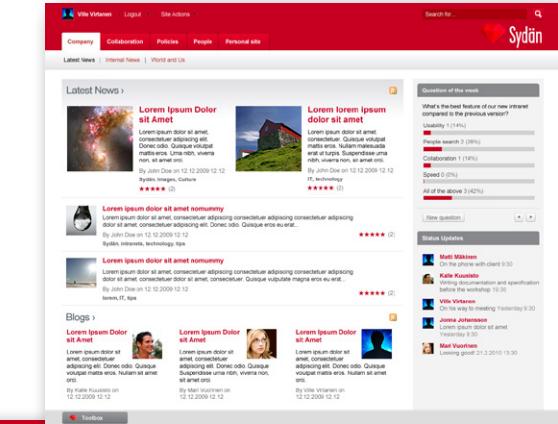
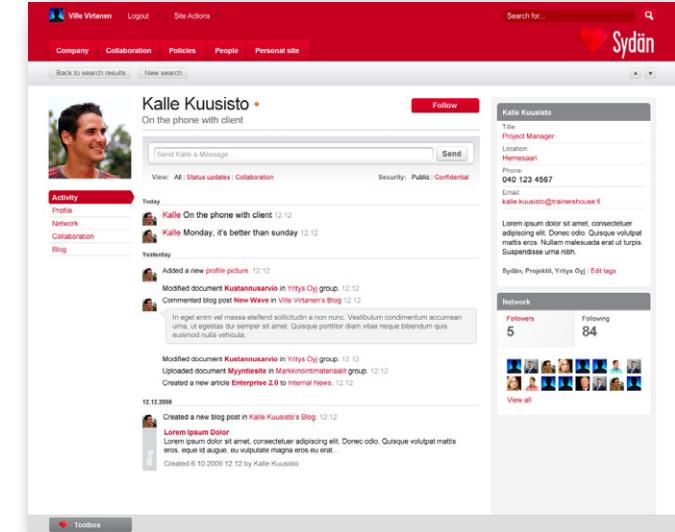
Lähde enables you to manage prospecting, lead qualification, sales calls and sales meetings. Lähde also functions as a tool for managing the cooperation between your sales organization and Trainers' House. Lähde makes prospecting goal-oriented, qualification efficient, and cooperation transparent and productive.

We use the Lähde tool especially in our Ignis projects.

PULSSI – Strategy Marketing and Change Communication System

Pulssi (Pulse) is a system for marketing a strategy and for change communication. Its purpose is to measure the achievement of targets in the everyday operations of the company and its employees. In the service, users register weekly or monthly tasks supporting personal targets and monitor the implementation of the strategy in the whole organization. The transparency of common goals and rewarding metrics create an atmosphere that encourages healthy competition. Objectives defined using Pulssi remain clear, and the implementation of changes can be monitored with real-time reporting.

Overall we have sold SaaS-Services for over 7000 users.



SYDÄN – Quickly Adopting the Best Practices of Electronic Working Environments

Sydän (Heart) condenses Trainers' House's ten years of experience in electronic working environments into an intranet solution that supports strategic activity.

Sydän improves the productivity of companies by focusing the sales process and time management on strategically important issues. Sydän makes redeeming promises, innovation and objectives a shared responsibility in the whole company, and gives managers tools for real-time monitoring. As a community service, Sydän strengthens the corporate culture and people's commitment to the task at hand. Sydän is suitable as a corporate intranet regardless of the industry.

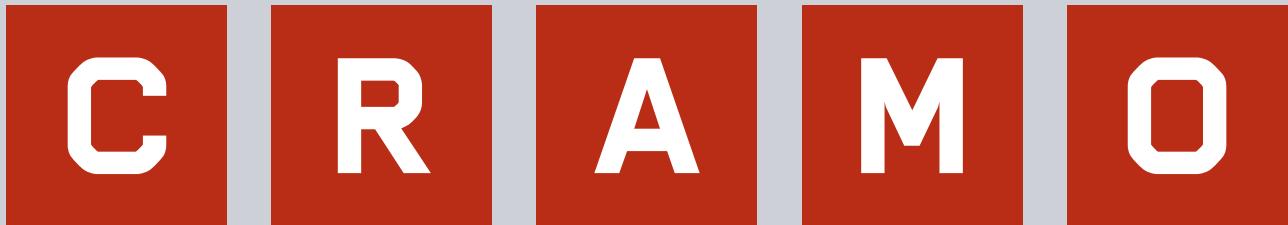
Sydän enables you to:

- Manage and distribute information throughout the organization quickly and effectively
- Model, digitize and improve processes and working methods
- Locate the right competencies and experts in the organization quickly and easily
- Learn as a community at lower training costs
- Support collaboration and teamwork regardless of time and space
- Deploy a continuously developing intranet quickly and cost-effectively

Sydän can be deployed as quickly as in one month. It covers 80 % of the most typical intranet needs, including today's community features. Compared to project investment, the special benefit of Sydän is cost efficiency.

Sydän can be delivered as an easily provided online service or as an installation in the customer's environment. Sydän is based on the Microsoft SharePoint 2007 / 2010 and Nintex Workflow 2007 / 2010 software.

REFERENCES



CRAMO FINLAND OY

The management of Cramo Finland Oy wanted to improve the level of customer service and increase sales in the organization. The objective was to design a consistent service and sales concept, and to adopt an entirely new management and operating culture across the organization. The new operating model was to be introduced in 60 offices.

We began our cooperation at the beginning of 2009. Through a practical background assessment, we identified the strengths and bottlenecks of current customer service, sales and management. Based on our findings, we designed a service and sales concept for rental depots together with field supervisors. The concept was eventually called "Best Service at Cramo".

The service and sales concept was documented in a Best Service at Cramo handbook.

The functionality of the concept was tested at three different pilot depots, and the final version of the concept was designed based on the test results.

We trained a team of Cramo Finland supervisors into trainers. The supervisors then implemented the concept in practice at all Cramo offices in Finland. We used the Pulssi online monitoring tool to ensure that the agreed changes in work practices actually took place. Each Cramo supervisor and trainer reported their change implementation activities once a week in a system open to all supervisors. During autumn 2009, Trainers' House's team held a teleconference with the management of Cramo Finland once a week to go through the results and agree on practical implementation activities for the following week.

What did we together achieve?

1. By the end of 2009, the concept had been effectively and quickly implemented in practice at the rental depots.
2. The Pulssi online monitoring tool ensured that the planned changes were actually realized.
3. The quality of service and sales management improved significantly.
4. During autumn 2009, thousands of additional sales proposals and deals were made at the rental depots thanks to the Best Service at Cramo concept.

Our customer's comments on our cooperation:

- *"Exemplary project by Trainers' House."*
- *"A major change was implemented effectively, and the desired change was achieved."*
- *"The most important factor was project management and monitoring using Pulssi by Trainers' House."*
- *"You didn't leave us on our own for a second, but managed the change all the way to the finishing line."*

SALES MANAGEMENT TRAINING 2009

We began renewing our open training programmes from the practical Sales Management Training programme. Our objective was to design a training programme that focused on practice instead of theory. We started by carrying out a Growth Assessment on the organization of each participating sales executive, seeking to identify sales challenges and opportunities. Based on the results, participants set specific targets for their training.



MYYNTIJÖHDÖN VALMENNUSOHJELMA

The most typical challenges are listed below:

1. Lack of consistence and planning
2. Level of sales activity, especially in new customer acquisition
3. Focus of time use and quality of work among sales people
4. Managing the carrying of the sales case
5. Managing change in a way that improves performance

By answering the Growth Assessment questions alone, many sales executives made valuable observations about their own sales organization. The Growth Assessment also provided a strong foundation for success in the Sales Management Training programme.

In the training programme, we took on the challenges identified. Here are some comments by programme participants:

“From the Sales Management Training programme, I acquired tangible tools for everyday sales management and for maintaining processes systematically. In addition, I gained confidence in holding on to the things I consider non-negotiable. I have implemented in practice issues covered during training, and have witnessed positive effects even in the short term. Once further training becomes available, I'll sign up right away!”

Jaana Kaarela, Director, Opteam Yhtiöt Oy

“The programme has been fantastic. It has helped us make our sales and operations more consistent, given us clear targets and effectively inspired our people to better results. A great wake-up call for me personally!!!”

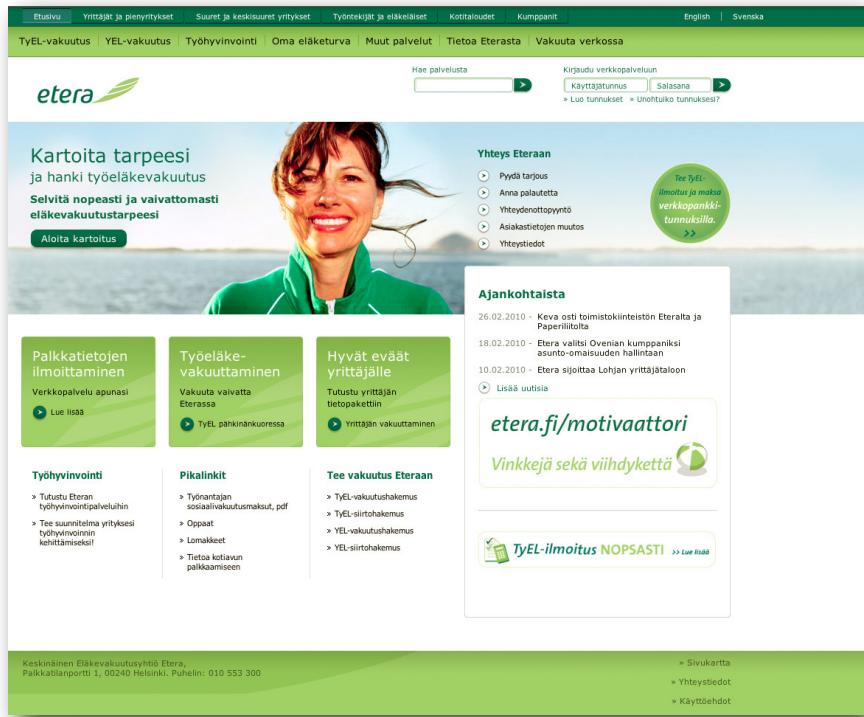
Kim Heiniö, Soupster Catering

“We started working on these issues with Trainers’ House in spring 2009, and have already exceeded the sales targets set for whole year. Our new target, which we are going to achieve, is to exceed the annual sales target by 20%. The best thing about this training is that it supports the actions we have initiated, making our work more effective.”

“During the training programme, I have been able to raise the activity level of my sales team. The average number of meetings per month per salesperson has increased from 10 to 20 meetings. Thanks to the additional meetings, we have opened new cases in the volume of about 25%.”

“I have found a new direction for sales thanks to the training. Now our sales people know what we expect from them. We have adopted new indicators and a better work culture. Our hit rate has increased by 5–10%, and the number of our customer meetings by 25–35%.”

“So far, definitely much better course and contents than I imagined. I have previously taken courses on building an expert organization and matrix management offered by your competitors, but those courses didn't get even near the level of psyching up done here. My people have started reading my calendar in order to hide from me after I come back from TH's recharging sessions (in other words, I get so much energy from this training – and indeed need it to get this crew into shape).”



ETERA.FI – All Online Services from One Address

Etera is a mutual pension insurance company that offers pension insurance to employees and entrepreneurs in all fields. In 2008, Etera handled the pension insurance of 242,000 employees and 2,700 entrepreneurs. Etera's premium income totalled EUR 569 million. At the end of 2008, its investments totalled EUR 4.9 billion. Etera paid pensions in the amount of EUR 906 million to 156,000 recipients.

In 2007, Etera drafted a comprehensive digitization vision in order to develop customer service and increase the efficiency of operations. The vision included several online service elements, which resulted in the launching of an online business development project in 2008. The existing online service offering consisted of several separate services, which together did not support Etera's business operations. In addition, the services were not cost-effective, and customers did not find them useful. Furthermore, the technical environments of the electronic services had already become outdated.

The first phase of the new Etera.fi service was launched in spring 2009. The key principle in the development of the new service was to build a user-friendly, logical and extensive service, and to improve the marketability and usability of the service. The project included the implementation of existing services, both the public online service as well as extranet and Renki services available to users who have logged in, using new technology.

A new service launched in March offers Etera's customers familiar services in a more personalized manner. Upon logging in, users can access the services they use directly from the front page, and they can add new services to the front page. We also paid particular attention to information security. Now, all Etera's online services are found at a single address: etera.fi.

The digital vision project, Etera.fi, was a strategic investment for Etera. The electronic business environment is strategically important to Etera, because it is the main channel for transactions between Etera and its customers. Therefore, it was vital for Etera to introduce in its electronic business a new technological infrastructure that would enable a broad and flexible multichannel environment between Etera and its customers, partners and distribution channels.

Jorma Riipinen, Etera

Trainers' House participated in the implementation of both the public service and the services available to users who have logged in. The one-year development project included service specification, user interface design, phased technical design, implementation and deployment support. Trainers' House was also responsible for transferring customer data from the old system into the new one.

SOFIA BANK – A Full-service Bank Serving Investors and Savers

Sofia Bank Plc is a new Finnish bank, which was granted a banking licence in December 2008 and began full operations in January 2009. Sofia aims to be the best Finnish bank in 2015. The financial success of customers is a passion for Sofia's personnel.

The quickly established bank needed electronic services to support its operations. Sofia wanted to create Finland's leading online banking service, offering the most comprehensive features and best usability.

The primary purpose of the website was to serve the existing customers of Sofia Bank by offering them first-rate tools for monitoring investments as well as reliable and easy-to-use electronic banking services.

The online service functions also as an important channel for new customer acquisition, for attracting the customer's attention, and especially for providing customers the further information they need. The public website offers a great deal of interesting and current information on investment and saving, such as a market monitor and topical columns and articles on markets and investment.

Trainers' House implemented the new online service in five months. The company was responsible for concept design, technical design, implementation and deployment. The success of the challenging project was ensured, for example, by working at the same premises and by utilizing an agile project model. The project was implemented in phases, with each phase lasting for a few weeks. This made it easy to evaluate the results and change direction if necessary.

The project was completed on schedule with the desired functionality and within the specified budget.

“During the first year of full operations, we have acquired more than 5,000 customers, and the Internet has played a significant role in the rapid growth of our deposit base and other services. Customer feedback on our online service has been highly positive, and we have been able to develop our service quickly based on suggestions received from customers.”

Taina Ahvenjärvi, Managing Director, Sofia Bank

PERSONNEL

During 2009, we continued integrating our corporate cultures. After the codetermination negotiations carried out in the first half of 2009, we have focused on developing our operations and harmonizing our structures and management systems. During the financial year, 145 people left Trainers' House, while we recruited 20 new experts. At the end of the year, we employed 227 people: 206 in Helsinki and 21 in Tampere.

In 2009, we continued our successful Growth Academy training programme tailored to students with 63 new students. The extensive programme offered free of charge to students included the opportunity to gain working life experiences at Trainers' House in the areas of sales, marketing and technology.

Trainers' House can only create value by working close to the customer. It is important that as many employees as possible work at the customer interface. This also applies to functions traditionally seen as in-house services, such as finance and IT. Our goal is to shift resources continuously from in-house services to functions serving our customers. For our personnel, this means continuous learning and willingness to take on new challenges outside of their traditional areas of competence. On the other hand, this can be highly rewarding and motivating.

In autumn 2009, we deployed our own advanced intranet service called Sydän (Heart). Sydän allows us to monitor and increase learning and competencies in our organization. The service offers us easy access to information flows in our organization, including tacit knowledge. Our employees are able to safely utilize all possibilities offered by social media in developing their knowledge, skills and efficiency.

The competitive advantage of Trainers' House consists of combining three areas of expertise: marketing, training and technology. Consequently, our employees possess an extremely broad range of competencies. The ability to innovate and work together towards a common goal is vitally important for our success.

One factor strengthening this ability is our move to new premises. At the end of 2009, we said goodbye to all three Helsinki offices and moved under the same roof in Niittykumpu, Espoo. The new, functional and beautiful premises provide a great start for the new year. At the same time, they enable our marketing, training and technology experts us to cooperate more effectively.



CORPORATE GOVERNANCE

Trainers' House Plc is a public limited company registered in Finland and headquartered in Helsinki. The management of Trainers' House complies with Finnish law and the Articles of Association, according to which control and administration are divided among the Annual General Meeting, the Board of Directors and the CEO.

Trainers' House implements the Corporate Governance Code issued by Securities Market Association that came into effect in the beginning of 2009.

Annual General Meeting

In the Annual General Meeting (AGM), shareholders exercise their voting rights regarding company matters.

The AGM is held every year within six months from the end of the financial year. The Board of Directors calls the AGM and decides the time and venue of the meeting. The invitation to the AGM is announced to shareholders in at least two print publications designated by the AGM, three months before the AGM at the earliest and 17 days before at the latest.

The AGM elects the Trainers' House Board of Directors and auditors, decides on their compensation and discharges the company's management from liability. Matters to be discussed at the AGM and the shareholders' right to attend are defined in the Trainers' House Articles of Association and in the invitation to the AGM.

The Board of Directors will call an Extraordinary General Meeting when it considers one necessary or when it is so required by law.

The Annual General Meeting of Trainers' House Plc was held on 24 March 2009. The Annual General Meeting adopted the company's Financial Statements for 2008 and discharged the members of the Board of Directors and the CEO from liability.

Board of Directors

In accordance with the Articles of Association, the AGM elects three to eight members for the Trainers' House Board of Directors. The term of office of the members of the Board expires at the adjournment of the first AGM following their election. The Board of Directors elects a chairman from among its members. In the 2009–2010 term of office, the Board of Directors comprises four members.

Since 2007, Mr. Aarne Aktan has acted as Chairman of the Board. The work of the Board of Directors is organized in accordance with the charter in effect at the time. The members of the Board of Directors and their shareholding in the company are described on pages 29-30.

Meetings

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

Remuneration

The Annual General Meeting of 2009 decided that the Chairman of the Board be entitled to a monthly emolument of EUR 3,500, and Board members to a monthly emolument of EUR 1,500. No separate meeting fees are paid.

CEO

Responsibilities

The Board of Directors appoints the company's CEO and determines the CEO's compensation, benefits and terms of employment. The CEO is not a member of the Board of Directors. The CEO is responsible for the company's operational management in accordance with the applicable legislation and the instructions provided by the Board of Directors. The CEO operates under the Board's authority.

The CEO is directly responsible for strategic planning, strategy implementation and any investments these necessitate, as well as for ensuring the legal compliance of accounting practices and the reliable organization of asset management. He is also in charge of the practical organization of bookkeeping, accounting and reporting. Furthermore, Trainers' House's investor relations, communications and marketing functions report directly to him. The CEO supervises all decisions concerning executive level personnel as well as important operational decisions. He also ensures that the Group's subsidiaries act in the interest of the parent company and follow the Group's strategy.

The CEO, with the assistance of a management team, is responsible for day-to-day business operations. The management team prepares and makes decisions in matters falling under the CEO's authority.

As of 1 January 2008, Jari Sarasvuo has acted as the CEO of Trainers' House Plc.

Remuneration

The Board of Directors approves the salary level offered to the CEO. Jari Sarasvuo, the CEO of Trainers' House Plc, has decided not to accept any pay, shares or share based benefits until further notice. However, Mr. Sarasvuo is entitled to certain fringe benefits: car benefit, lunch benefit and health service according to the general company policy. The CEO's contract may be terminated immediately and no severance payment is paid. The CEO's retirement age is stipulated by the law. The CEO does not have pension benefits exceeding the Employees' Pension Act (TyEL).

Management Team

Management Team Responsibilities

The responsibilities of the management team include strategic planning and strategy implementation; management of business operations; monitoring of financial performance; annual planning; and handling of investments, acquisitions and expansion or downsizing plans. The management team convenes once a week.

Remuneration

The Board of Directors determines management salaries, the principles of incentive schemes and the allocation of stock options. The targets are set on the basis of the company's financial result, sales targets, customer satisfaction, human resource development, as well as specific personal quality targets.

The CEO and the operational management as well as their shareholding of the company are presented on pages 31-32.

Auditing

In accordance with the Articles of Association, the Annual General Meeting appoints the auditors of Trainers' House. The auditor must be an auditing firm approved by the Finnish Central Chamber of Commerce.

The Annual General Meeting of 2009 elected Authorized Public Accountants Ernst & Young Oy as the company's auditor. Harri Pärssinen, APA, acts as the responsible auditor.

The auditor is responsible for auditing the company's bookkeeping, accounts and governance in the year for which the auditor is appointed. This responsibility ceases at the Annual General Meeting following the appointment. The practical audit will consist of audits on business operations and corporate governance during the financial year and of the actual audit after the closing of accounts.

Auditor's fees are paid as per invoice.

In 2009, the Group paid the following fees to the auditors: auditing fees EUR 34,104.00 and other fees EUR 10,000.00.

INTERNAL CONTROL AND AUDITING

Internal Control

The internal management and control system of Trainers' House is based on the Finnish Companies Act, the Securities Market Act, the company's Articles of Association and the company's own internal practices. Trainers' House complies with the Corporate Governance Code issued by the Securities Market Association that came into effect in the beginning of 2009. Responsibility for the company's management and control is divided between the Annual General Meeting, the Board of Directors and the CEO. Internal control refers to all practices, systems and methods with which the company management aims to ensure efficient, cost-effective and reliable operations.

The Board of Directors is responsible for organizing the internal control. The Board has the ultimate responsibility for the company's vision, strategic objectives and the business objectives based on them. The Board is also responsible for supervising the company's accounting practices and asset management, and for organizing operations appropriately. The Board approves the internal control guidelines applied to the entire Group.

The CEO is directly responsible for strategy implementation and any investments it requires, and for ensuring the legal compliance of the accounting practices and the reliable organization of asset management. The CEO, with the assistance of the management team, is responsible for day-to-day business operations. The company's executive management is responsible for internal control, auditors for external auditing and internal auditors for internal auditing.

Internal Control Practices and Procedures

It is the CEO's duty to organize the accounting and control mechanisms in practice. The CEO supervises all decisions concerning executive level personnel as well as important operational decisions. He also ensures that the Group's subsidiaries act in the interest of the parent company and follow the Group's strategy. The Group's management team is responsible for business operations management and administrative supervision in the Group's day-to-day operations.

The Group has clearly defined the authorizations regarding the approval of matters related to investments and employees. The key duties of the Group's management team are:

- 1. Discussing strategic and annual plans**
- 2. Supervising business operations and financial activities**
- 3. Discussing investments, acquisitions and significant expansion or downsizing plans.**

Internal Auditing

The purpose of internal auditing is to use systematic methodology for analyzing and developing the risk management, internal control, management and administrative processes of the Trainers' House Group. Internal audits shall evaluate risks related to the company's management and administration systems, functions and information systems, as well as the adequacy and efficiency of internal control procedures related to the following:

- Reliability and integrity of financial and operational information**
- Profitability and efficiency of functions**
- Safeguarding of assets**
- Compliance with laws, regulations and contracts**

Any unit or function of the Trainers' House Group may be subjected to an internal audit. Internal auditing services are purchased from an external, independent, professional and sufficiently resourced service provider selected by the Board of Directors.

In 2009, internal auditing services were purchased from Tuokko Auditing Ltd.

Insiders

Trainers' House Plc applies the Nasdaq OMX Helsinki regulations on insider trading. In the Trainers' House Group, the so-called "closed window" (the period prior to the publication of financial reports during which permanent insiders are prohibited from trading in the company's shares) is 21 days. Trainers' House's Guidelines for Insiders require that permanent insiders notify the company's insider officer in advance of their intention to trade in the company's shares. The Guidelines recommend that company shares be purchased for long-term investment and to time any share transactions so that they take place as soon as possible after the release of interim reports and financial statements.

In addition to the statutory restrictions, Trainers' House specifies trading restrictions on a project-by-project basis, if necessary, where people participating in the planning, preparation and implementation of major projects that could affect the company's share price (such as business acquisitions) are defined as project-specific insiders. Trainers' House monitors insider trading regularly and arranges training on issues related to insider trading.

Public insiders include Trainers' House Plc's Board members, CEO, two Senior Vice Presidents, CFO and the responsible auditor. Trainers' House Plc maintains a detailed register of insiders about company employees who regularly receive insider information because of their position or duties. The number of insiders in the company is about 30 persons.

Trainers' House's insider officer is the company's CFO, Mirkka Vikström. A register of insiders is maintained in SIRE system of Euroclear Finland.

Risk Management

Trainers' House aims to increase its shareholder value within the boundaries set by legislation and social responsibilities.

The risk factors affecting the company's business, financial performance and market value can be divided into five main categories: market and business risks, personnel-related risks, technology and information security risks, financial risks and legal risks.

Trainers' House protects itself against the negative impact of other risks by means of comprehensive insurance policies. These include, for example, statutory insurance, liability and property insurance and legal expenses insurance. The level of insurance coverage, insurance rates and excess are audited every year in collaboration with the insurance company.

The following description of risks is not comprehensive. Trainers' House carries out continuous operational risk assessment and makes every effort to protect itself as effectively as possible from the risk factors identified.

Reporting and Control Systems

The Group uses reporting systems required for the efficient supervision of business activities. Internal control is linked to the corporate vision, strategic objectives and the business objectives based on them. The achievement of business objectives and the Group's financial performance are monitored monthly using a control system that covers the entire Group. As an essential part of this control system, actual results and updated forecasts are reviewed monthly at the meetings of the Group's management team. The control system includes, for example, comprehensive sales reporting, income statements, rolling net sales and profit forecasts, as well as key figures on business operations.

Market and Business Risks

Trainers' House 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.

Financial Risks

Trainers' House's objective in managing financial risks 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 company's operations.

Financial risks are divided into four categories: liquidity risks, interest rate risks, currency risks and credit risks. Each risk is being followed separately. Liquidity risk is decreased through adequate cash flow, binding credit limits and through efficient accounts receivable tracking. Interest rate risk is managed through the floating and fixed loans ratio. Additionally, interest exchange agreements or other derivative contracts can be used in managing interest rate risks. Currency risks are yet insignificant, because Trainers' House operates principally in the euro zone.

Personnel-Related Risks

The success of Trainers' House as an expert organization 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.

Technology and Information Security Risks

Technology forms a key part of the business operations of Trainers' House. Technological risks include, for example, supplier risks, risks related to internal systems and the challenges and information security risks caused by technological changes. This risk is managed with long-term cooperation with technology suppliers, appropriate information security systems, employee training and regular information security audits.

Legal Risks

Trainers' House's legal risks are mostly related to its customer agreements. Typically the risks involve responsibility regarding delivery and the management of immaterial rights.

Risks related to responsibilities beyond the scope of the customer agreements mainly involve immaterial rights. The company has specified internal agreement guidelines for the management of risks related to agreements and immaterial rights. The company has identified no unusual agreement risks.

BOARD OF DIRECTORS



Aarne Aktan, Chairman of the Board

Member of the Board since 2006

Year of birth: 1973

Education: B.Sc. (Econ.)

Main occupation: CEO, Quartal Oy

Work experience

Quartal Oy, CEO, 1998–

Kauppamainos Bozell Oy, Account Manager, 1997–1998

Aarne Aktan is one of the pioneers in Finnish Internet technology. He has in-depth personal experience in turning an IT business into a European success story both through organic growth and business acquisitions.

Other current positions of trust

Investis, UK Ltd, Member of the Board

Quartal Flife AG, Member of the Board

Quartal Corporate Governance Solutions Oy,
Chairman of the Board

Great Expectations Capital Oy, Chairman of the Board

Ownership

Shares 3 026 000 pcs, directly and through a company controlled by Mr. Aktan.



Tarja Jussila

Independent Member of the Board since 1 April 2008

Year of birth: 1970

Education: M.Sc. (Econ.)

Main occupation: CEO, Hill & Knowlton Finland Oy

Work experience

Hill & Knowlton Finland Oy, CEO, 2002–

Hill & Knowlton Finland Oy, Vice President, 2000–2002

Other current positions of trust

Hill & Knowlton Finland Oy, Member of the Board

Gambit Hill & Knowlton A/S, Member of the Board

MTL (trade industry body for ad & communication agencies),
Member of the Board 2007 –

Pro Filharmonia Association, Member of the Board 2005 –

Ownership

None.

HALLITUS



Kai Seikku

Independent Member of the Board since 31 December 2007

Year of birth: 1965

Education: M.Sc. (Econ.)

Main occupation: Okmetic Oyj, CEO

Work experience

HKScan Oyj, CEO, 2006–2008

HK Ruokatalo Oy, CEO, 2005–2007

LSO Osuuskunta, CEO, 2006–2007

McCann-Erickson, Country Manager, 2002–2005

Hasan & Partners, CEO, 1999–2005

The Boston Consulting Group, (Stockholm, Helsinki),

Business Management Consultant, 1993–1999

SIAR-Bossard, Consultant, 1991–1993

Other current positions of trust

Alma Media Oyj, Member of the Board, 2006 –

Country Brand Delegation of Finland, 2008-2010

Ownership

Shares 204 446 pcs.



Matti Vikkula

Independent Member of the Board since 2006

Year of birth: 1960

Education: B.Sc. (Econ.)

Main occupation: CEO, Fenestra Oy, 2009–

Work experience

ResCus Partners Oy, Managing Partner, 2009–

Ruukki Group Plc, CEO, 2007–2008

Elisa Oyj, Executive Vice President, 2006–2007

Saunalahti Group Oyj, CEO, 2001–2007

PricewaterhouseCoopers, Partner, 1998–2001

Mecrastor Coopers & Lybrand Oy,

Management Consultant, 1996–1998

Other current positions of trust

Fenestra Oy, Chairman of the Board, 2009–

Efore Oyj, Member of the Board, 2009–

Rescus Partners Oy, Chairman of the Board, 2001–

Kristina Cruises Oy, Chairman of the Board, 1995–

Ownership

Finrema Oy, a company controlled by Mr Matti Vikkula, has entered into forward trading contracts, which, once matured, will result in the company owning a total of 800.000 shares in Trainers' House Plc. According to their present terms and conditions, the forward trading contracts of 800.000 shares will mature in 19 March, 2010.

OPERATIONAL MANAGEMENT



Jari Sarasvuo

Main occupation: CEO, Trainers' House Plc, 2008–

Year of birth: 1965

Education: Studies at Helsinki School of Economics

Work experience

Trainers' House Plc, CEO, 2008–

Trainers' House Oy, Chairman of the Board, 1990–

Länsiväylä, Uusi Suomi, Suomen Kuvailehti, Kymmenen Uutiset, Journalist/Reporter

Radio City, Contactor Magazine, Writers' Studio, managerial duties
Hyvät, Pahat ja Rumat, Minä ja Sarasvuo, Diili, TV programmes
Entrepreneur since 1990

Jari Sarasvuo has published several books on sales, economics and self-development. He has established a firm position as a corporate trainer and as an executor of corporate growth strategies. Sarasvuo is a multitalented visionary, who was selected as Entrepreneur of the Year 2008 by the Board of Suomen Liikemies-Yhdistys (Finnish Association of Entrepreneurs).

Other current positions of trust

GSP-Group Oy, Member of the Board, 2007–

Ownership

Shares 20 396 600 pcs, directly and through a company controlled by Mr. Sarasvuo.



Vesa Honkanen

Main occupation: Senior Vice President, Trainers' House Plc, 2008–

Year of birth: 1956

Education: M.Sc. (Eng.)

Work experience

Trainers' House Plc, Senior Vice President, 2008–

Trainers' House Oy, CEO, 2003–2007, Senior Vice President, 2002

Aston R5, CEO, 1998–2002

Trainers' House Oy, Training Consultant, 1997–1998

Tiedonhallinta Oy (later Solteq Plc), Sales Director, 1988–1997

Oy International Business Machines Ab, Sales, 1983–1988

Nokia Corporation, Development Engineer, 1981–1983

Other current positions of trust

FIM Oyj, Member of the Board, 2006–

FIM Pankki Oy, Member of the Board, 2007–

Ownership

Shares 1 165 984 pcs.

JOHTO



Jarmo Lönnfors

Main occupation: Senior Vice President, Trainers' House Plc, 2008–

Year of birth: 1961

Education: M.Sc. (Econ.)

Work experience

Satama Interactive Plc, CEO, 2006–2007

Fujitsu Services, Director, 2006–2006

Fujitsu Services AS, Denmark, Managing Director, 2005–2006

Fujitsu Services, Director, 2004–2005

Fujitsu Services, Director, Application Group, 2003–2004

ICL Invia (Fujitsu Invia as of 1 April 2002), Country Manager, Finland & Baltics

Invia Solutions, Director, 2000–2003

Other current positions of trust

None

Ownership

Shares 151 500 pcs.



Mirkka Vikström

Main occupation: CFO, Trainers' House Plc, 2008–

Year of birth: 1961

Education: Business college graduate (Financial Administration)

Work experience

Trainers' House Plc, CFO, 2008–

Trainers' House Oy, CFO, 2006–2007

Trainers' House Oy, Financial Manager, 2001–2006

Other current positions of trust

None

Ownership

Shares 210 895 pcs.

INFORMATION FOR INVESTORS

Calendar for 2010

The Annual General Meeting of Trainers' House Plc will be held on Thursday 25 March 2010, at noon.

In 2010, interim reports will be published as follows:

22 April 2010, at 8:30 am

Interim Report 1 January–31 March 2010

5 August 2010, at 8:30 am

Interim Report 1 January–30 June 2010

21 October 2010, at 8:30 am

Interim Report 1 January–30 September 2010

Dividends

The Board of Directors proposes that no dividend be paid for 2009.

Requests for Financial Information

To subscribe to our newsletter and order financial reports, please visit www.trainershouse.fi > Investors.

Analysts Following Trainers' House

According to our information, the following analysts are independently analyzing Trainers' House Plc:

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Swedbank Market

Antti Saari

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antti.saari@swedbank.fi

Pohjola Bank Plc

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2009

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HOUSE