

TRAINERS' HOUSE GROUP'S FINANCIAL STATEMENTS BULLETIN FOR 1 JANUARY - 31 DECEMBER 2014

Trainers' House Plc published its financial statements bulletin on 12 February 2015. Since the publication of the financial statements bulletin, the company has reassessed the interest rate applied in the testing of balance sheet values on the basis of the company's current situation, the initiated corporate restructuring process and other development. On the basis of this assessment, the company has decided to record a goodwill write-down, which has been included in this adjusted financial statements bulletin and in the financial statements to be published on 4 March 2015.

Key differences to the financial statements bulletin published on 12 February 2015:

Group's goodwill and other intangible assets as recognised in the balance sheet were re-tested for impairment. Based on the results of this impairment testing, the goodwill values were EUR 2.4 million lower than the book value, resulting in a goodwill write-down. An amount of EUR 0.3 million of the write-down is allocated to goodwill and EUR 2.1 million to trademarks. These write-downs do not have an effect on cash flow.

The write-down and the change in deferred tax liabilities of EUR 0.4 million allocated to the trademark write-down have been entered through profit or loss.

The operating result from continuing operations after these items was EUR -6.1 million (EUR -3.8 million before the write-down). The Group's operating result after the write-down is EUR -5.7 million (EUR -3.8 million before the write-down). Balance sheet total decreased to EUR 12.8 million from EUR 15.1 million. The Group's equity-to-assets ratio after the write-down is 16.5% (26.8% before the write-down) and gearing 263.1% (136.5% before the write-down).

After the write-down, the Group balance sheet has EUR 1.7 million of goodwill. The balance sheet value of trademarks is EUR 7.6 million.

As a result of the write-down, the parent company's equity is negative. As stipulated in the Limited Liability Companies Act, the Board of Directors will make a register notification on the loss of share capital. Parent company's equity and any related measures will be reviewed in accordance with the Companies Act at the Annual General Meeting on 25 March 2015, as well as in the course of the corporate restructuring process.

ADJUSTED FINANCIAL STATEMENTS BULLETIN

January - December 2014 in brief (the figures are for the company's ongoing operations)

- Net sales amounted to EUR 8.0 million (EUR 10.1 million).
- Operating profit (EBIT) before non-recurring items was EUR -1.0 million (EUR 0.5 million), or -12.8% of net sales (4.9%).
- Based on the results of impairment testing, the goodwill values were lower than the book value in March, September and December 2014, resulting in a goodwill write-off in a total amount of EUR 5.1 million (EUR 4.5 million in June 2013).
- Operating profit was EUR -6.1 million, or -76.5% of net sales (EUR -4.1 million, -41.0%).

- Cash flow from operating activities was EUR -0.3 million (EUR 1.5 million).
- Earnings per share were EUR -0.09 (EUR -0.07).

October – December 2014 in brief (the figures are for the company's ongoing operations)

- Net sales amounted to EUR 2.2 million (EUR 2.8 million).
- Operating profit (EBIT) before non-recurring items was EUR -0.3 million (EUR 0.4 million), or -12.1% of net sales (15.4%).
- Based on the results of impairment testing, the goodwill values were lower than the book value in December 2014, resulting in a goodwill write-off in a total amount of EUR 2.4 million.
- Operating profit was EUR -2.7 million (EUR 0.4 million), or -123.4% of net sales (15.4%).
- Cash flow from operating activities was EUR 0.3 million (EUR 0.6 million).
- Earnings per share were EUR -0.03 (EUR 0.01).

Key figures at the end of 2014

- Liquid assets totalled EUR 1.6 million (EUR 2.6 million).
- Interest-bearing liabilities amounted to EUR 7.1 million (EUR 8.6 million), and interest-bearing net debt totalled EUR 5.5 million (EUR 5.9 million).
- Net gearing was 263.1% (87.4%).
- The equity ratio was 16.5% (35.4%).

## OUTLOOK FOR 2015

The company filed an application for corporate restructuring on 12 December 2014. By Espoo District Court's decision, the company's corporate restructuring commenced on 28 January 2015. The company estimates that net sales will be lower than in 2014 as a result of cost saving measures and the effects of corporate restructuring. Moreover, the general economic situation is expected to remain difficult, at least in the short term.

Key factors affecting the continuation of the company's business operations and its financial performance are the success of the company's corporate restructuring proceedings and the measures that may be decided upon as part of the restructuring process. The content or success of these measures is not currently known. For this reason, the company will not issue a more detailed profit estimate.

## REPORT OF ARTO HEIMONEN, CEO

Trainers' House Plc applied for corporate restructuring in December 2014. At the moment, the company's corporate restructuring proceedings are in the process phase, the purpose of which is to prepare and confirm the restructuring programme. In the company's day-to-day operations, customer work continues as usual. Since filing the application for corporate restructuring, the reactions of customers and personnel have been encouraging.

The aim is that the restructuring programme will enable the company's financial

obligations to decrease in such a way that they correspond to the current scope of the company's business operations and its capacity in such a way that the company's finances and cash flow can quickly recover. This means significant cuts in the company's operational expenses. The corporate restructuring process will reduce operational expenses to a level that enables the company to have continuously profitable business operations.

The company started searching for entrepreneur partners in Finland's key cities during the second half of last year, with the aim of expanding its sales network. The partner agreements concluded at the moment currently cover a significant part of the southern Finland: Pirkkala, Häme, Central Finland and Kymenlaakso.

Trainers' House will continue with the development work to identify change management methods that increase measurable results as well as new earnings models.

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## REVIEW OF OPERATIONS

The company has continued the development of a product and service model that provides quantifiable results to customers. An increasing number of customer assignments include the Pulssi (Pulse) change management system. Also other change tools developed by the company have evolved. Other change support tools include, for example, Vaikutuskartta (Impact Map), which is used to clarify a customer company's goals. The change tools are used to identify and agree on operative indicators, as well as to crystallise repeated weekly activities through which the goals are achieved. Regarding Ignis services, sales services such as decision-maker mapping, scheduling decision-maker appointments, market research as well as marketing and sales outsourcing solutions are emphasised.

As reported previously, the company actively sought a solution concerning its premises and financial position during the last quarter of the reporting period, because the company's current level of net sales and results do not, in the company's assessment, enable the fulfilment of the company's obligations under its financial agreements.

Because the company did not succeed in identifying an overall solution to the situation, the company's Board of Directors decided that the best solution for the company and its stakeholders was for the company to apply for corporate restructuring. The company filed an application for corporate restructuring with Espoo District Court on 12 December 2014. An extraordinary general meeting decided on the continuation of the application for corporate restructuring on 20 January 2015.

As part of the recovery programme planned by the company, Trainers' House Plc and its subsidiary, Ignis Oy, initiated codetermination negotiations on 12 December 2014. The negotiations were completed on 2 January 2015 and as a result, a total of 11 employment contracts in the Group were terminated.

The change projects executed by Trainers' House are usually connected with clarifying our customers' business strategies, marketing the strategies, and implementing the strategies by boosting sales, enhancing customer service (for example, through service design) and developing the work of leaders and supervisors, along with the skills of subordinates. Managing work capacity through physical and mental coaching plays an important role in an increasing number of customer projects.

#### FINANCIAL PERFORMANCE

Net sales development was weaker year-on-year, and the company's operating profit before non-recurring items showed a loss.

Net sales from continuing operations in the period under review came to EUR 8.0 million (EUR 10.1 million). Operating profit (EBIT) from continuing operations before non-recurring items was EUR -1.0 million, or -12.8% of net sales (EUR 0.5 million, or 4.9%). The result for ongoing operations during the period was EUR -6.0 million, or -74.7% of turnover (EUR -4.8 million, or -47.1%).

#### Result

The comparative figures used to report operating profit include the reported operating profit and the operating profit before non-recurring items (EBIT). According to the company's management, these figures provide a more accurate view of the company's productivity.

The following table shows the Group's key figures (in thousands of euros unless otherwise noted):

	2014	2013
Net sales	8,003	10,120
Expenses:		
Personnel-related expenses	-5,320	-5,500
Other expenses	-3,552	-3,913
EBITDA	-870	706
Depreciation of non-current assets	-153	-207
Operating profit before non-recurring items	-1,024	499
Non-recurring items *)	-5,102	-4,646
EBIT	-6,126	-4,147
% of net sales	-76.5	-41.0
Financial income and expenses	-268	-1,054
Profit/loss before tax	-6,394	-5,201
Tax **)	420	432
Profit/loss for the period for the continuing operations	-5,974	-4,769
% of net sales	-74.7	-47.1
Divested operations ***)	250	
Profit/loss for the period	-5,724	-4,769

% of net sales	-71.5	-47.1
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\*) Non-recurring items in 2014 include a write-down in the Group's goodwill in the amount of EUR 3.0 million, write-down in trademarks EUR 2.1 million and a non-recurring settlement compensation of EUR 0.05 million relating to a former associated company. Non-recurring items in 2013 include a restructuring provision in the amount of EUR 0.1 million and a write-down in the Group's goodwill in the amount of EUR 4.5 million.

\*\*) The tax included in the income statement is deferred. Taxes recognised in the income statement have no effect on cash flow. Deferred tax liabilities of EUR 0.4 million allocated to the trademark write-down have been entered through profit or loss. On 31 December 2014, the company's balance sheet included deferred tax assets from losses carried forward in the amount of EUR 0.4 million. The deferred tax assets will expire during the period 2019 to 2023.

\*\*\*) The dissolution of restructuring provisions of a Dutch subsidiary divested in 2007, which was recognised as income.

The following table shows the distribution of net sales from ongoing operations and the quarterly profit/loss from the start of 2013 (in thousands of euros).

	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414
Net sales	2945	2582	1800	2793	2154	2128	1563	2158
Operating profit before non-recurring items *)	167	56	-153	430	-177	-262	-323	-261
Operating profit	42	-4465	-153	430	-1820	-262	-1379	-2664

#### BOARD'S PROPOSAL CONCERNING DISTRIBUTABLE ASSETS

According to the financial statement as of 31 December 2014, the parent company's distributable assets amount to EUR -5.1 million. The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2014.

#### LONG-TERM OBJECTIVES

The company's long-term objective is profitable growth.

#### FINANCING, INVESTMENTS AND SOLVENCY

In connection with the merger of Trainers' House Oy and Satama Interactive Plc, the company concluded a loan agreement in the amount of EUR 40 million. At the end of the reporting period, the company had outstanding loans related to this agreement, which was renegotiated at the end of 2013, in the amount of EUR 1.7 million.

The company issued a new, low-interest subordinated loan of approximately EUR

1.2 million during 2013 and 2014. The interest rate of the subordinated loan is 3.0% until 31 December 2016. The interest is capitalised at the end of each year. From 1 January 2017, a cash interest payment of 5.0% will be payable subject to the availability of the distributable assets. The capital loan will mature on 31 December 2018. At the end of period, EUR 1.0 million of the loan had been subscribed.

#### Hybrid bond

On 15 January 2010, Trainers' House Plc issued a domestic hybrid bond in the amount of EUR 5.0 million. Interest of EUR 1.0 million related to the hybrid bond was recognised in shareholders' equity.

According to the terms of the hybrid bond, the company has the right to decide, subject to certain limitations specified in the terms, either to pay the interest on the hybrid bond annually or to postpone these payments. Interest in the amount of EUR 0.5 million was paid to the subscribers on 21 January 2011 and EUR 0.5 million on 20 January 2012. The interest paid reduces the non-restricted equity and is not recognised as income.

In accordance with its stock exchange release dated 17 December 2012, Trainers' House has decided to defer interest payments on the hybrid loan for the time being. The purpose of the deferment of interest payments is to strengthen the company's financial position and to fulfil the terms of its loan agreement. According to the terms of the hybrid bond, the company must pay the deferred interest and any interest accrued on it if the company pays dividends in excess of the minimum dividend stipulated in the Limited Liability Companies Act, or otherwise distributes equity to its shareholders.

In January 2014, the company made an offer to hybrid bond bearers to convert the hybrid bond into a low-interest loan instrument with secondary priority as compared with a senior loan and with the same key terms and conditions as for a subordinated loan. The company's financiers, representing a total of approximately EUR 4.1 million of the hybrid bond's capital, accepted the offer.

The company has agreed on an opportunity to convert a maximum of EUR 2.0 million of the capital of these loan instruments to subordinated loans as specified in the Limited Liability Companies Act, if deemed necessary to support the parent company's equity. By the end of the third quarter, the conversion had been executed in full.

#### Cash flow and financing

Cash flow from operating activities before financial items totalled EUR -0.2 million (EUR 1.7 million), and after financial items EUR -0.3 million (EUR 1.5 million).

Cash from investments totalled EUR -0.0 million during the period under review (EUR 1.3 million). Cash flow from financing came to EUR -0.8 million (EUR -1.7 million).

Total cash flow amounted to EUR -1.1 million (EUR 1.1 million).

On 31 December 2014, the Group's liquid assets totalled EUR 1.6 million (EUR 2.6 million). The equity ratio was 16.5% (35.4%). Net gearing was 263.1% (87.4%). At the end of the reporting period, the company had interest-bearing liabilities

in the amount of EUR 7.1 million (EUR 8.6 million).

#### Financial risks

The company's fulfilment of the covenants of its financial instruments requires a successful corporate restructuring process and the improvement of the company's operational profitability.

Interest rate risk is managed by covering some of the risk with hedging agreements, as required. A bad-debt provision, which is booked on the basis of ageing and case-specific risk analyses, covers risks to accounts receivable.

In financial risk management, liquidity remained the key focus. Due to the decrease in net sales and the excessive costs for premises and financing in relation to the company's current level of net sales, the financing arrangements concluded in 2013 proved inadequate, and the company decided to file an application for corporate restructuring on 12 December 2014. Corporate restructuring is underway at the time of writing this report, and it remains the company's aim to secure sufficient financing to continue the Group's operations. Failure of the restructuring proceedings could lead to the bankruptcy of the company.

#### SHORT-TERM BUSINESS RISKS AND FACTORS OF UNCERTAINTY

Risks in the company's operating environment have remained unchanged. On account of the project-based nature of the company's operations, the order life cycle is short, which makes it more difficult to estimate future developments. Long-term visibility remains limited due to the general economic situation. The company's financial situation is critical and taking care of the company's liabilities under financial agreements requires improvement in the profitability of the company's operational business as well as a successful corporate restructuring process.

#### Short-term risks

The Group's goodwill, other intangible assets and deferred tax assets as recognised in the balance sheet was re-tested for impairment at the end of the quarter. Based on the results of this impairment testing, the goodwill values were EUR 2.4 million lower than the book value, resulting in a goodwill write-down. An amount of EUR 0.3 million of the write-down is allocated to goodwill and EUR 2.1 million to trademarks.

As a result of the write-down, the parent company's equity is negative. As stipulated in the Limited Liability Companies Act, the Board of Directors will make a register notification on the loss of share capital. Parent company's equity and any related measures will be reviewed in accordance with the Companies Act at the Annual General Meeting on 25 March 2015, as well as in the course of the corporate restructuring process.

Trainers' House Plc's Group balance sheet has EUR 1.7 million of goodwill. The balance sheet value of trademarks is EUR 7.6 million. If the company's profitability should fail to develop as predicted, or if external factors beyond the company's control, such as interest rates, should change significantly, there is a risk that some of the Group's goodwill and other

intangible assets may have to be written down. Such a write-down would not affect the company's cash flow.

At the end of the period under review, Trainers' House Plc's balance sheet included deferred tax assets from losses carried forward in the amount of EUR 0.4 million. The deferred tax assets will expire between 2019 and 2023.

The company's new loan agreement, under which there were loans in an amount of EUR 1.7 million at the end of the reporting period, includes standard covenants concerning operating profit before depreciation and cash in hand.

If the company's profitability does not improve, the covenants will not be fulfilled. The company's fulfilment of the covenants of its financial instruments requires a corporate restructuring process and an improvement in the company's operational profitability.

Risks are discussed in more detail in the annual report and on the company's website: [www.trainershouse.fi](http://www.trainershouse.fi) > Investors.

#### PERSONNEL

At the end of 2014, the Group employed 87 (82) people.

#### DECISIONS OF THE EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting of Trainers' House Plc was held in Espoo on 20 January 2015. The Board of Directors had called an extraordinary general meeting in accordance with the provisions of the Limited Liability Companies Act to discuss the continuation of the corporate restructuring application that was filed by the company on 12 December 2014.

In accordance with the proposal of the Board of Directors, the extraordinary general meeting decided that the corporate restructuring application filed by the company was to be continued.

#### DECISIONS OF THE ANNUAL GENERAL MEETING

The annual general meeting of Trainers' House Plc was held on 26 March 2014 in Espoo.

In accordance with the proposal of the Board of Directors, the annual general meeting decided that no dividend be paid for the financial year 2013.

In accordance with the proposal of the Board of Directors, the annual general meeting decided that the company's premium fund be decreased by EUR 4,037,620.81 to cover the parent company's losses. On 31 December 2013, before the offsetting of losses, the parent company's premium fund amounted to EUR 4,532,159.97. After the write-off the company's premium fund totals EUR 494,539.16.

The annual general meeting adopted the company's financial statements and discharged the CEO and the members of the Board of Directors from liability for the period 1 January to 31 December 2013.

It was confirmed that the Board of Directors will consist of five (5) members. Aarne Aktan, Vesa Honkanen, Jarmo Hyökyvaara and Jari Sarasvuo were re-elected as members of the Board of Directors. Marjaana Toiminen was elected as a new member of the Board. In its assembly meeting held after the AGM, the Board of Directors elected Aarne Aktan as the Chairman of the Board. The annual general meeting decided that the members of the Board be entitled to a monthly emolument of EUR 1,500 and the Chairman of the Board be entitled to a monthly emolument of EUR 3,500.

Authorised Public Accountants Ernst & Young Oy were elected as the company's auditors. Auditor's fees are paid on the basis of a reasonable invoice.

It was decided to authorise the Board of Directors to decide on a share issue, on transfer of the company's own shares and on the granting of special rights entitling holders to shares. The number of shares to be granted or transferred on the basis of the authorisation may not exceed 13,000,000. Share issues, transfers of the company's own shares and grants of other special rights entitling holders to shares may take place in deviation of the shareholders' pre-emptive subscription rights. This authorisation overrides previous authorisations concerning share issues, transfers of the company's own shares and grants of other special rights entitling holders to shares. The authorisation is valid until 30 June 2017.

#### 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 reviewed, Trainers' House Plc had issued 68,016,704 shares and the company's registered share capital amounted to EUR 880,743.59. No changes took place in the number of shares or share capital during the period under review.

#### Share performance and trading

During the period under review, a total of 18.1 million shares, or 26.7% of the average number of all company shares (21.4 million shares or 31.5%), were traded on the Helsinki stock exchange. These shares had a value of EUR 0.8 million (EUR 1.5 million). The period's highest share quotation was EUR 0.08 (EUR 0.11), the lowest was EUR 0.02 (EUR 0.05) and the closing price was EUR 0.02 (EUR 0.07). The weighted average price was EUR 0.04 (EUR 0.07). At the closing price on 31 December 2014, the company's market capitalisation was EUR 1.4 million (EUR 4.8 million).

#### PERSONNEL OPTION PROGRAMMES

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

The annual general meeting held on 21 March 2012 decided to initiate an employee option programme for key employees in Trainers' House and its subsidiaries. The number of optionrights granted shall not exceed 5,000,000,

and the option rights shall entitle their holders to subscribe for no more than 5,000,000 new shares or treasury shares in total. Of the warrants, 3,000,000 will be entitled 2012A and 2,000,000 will be entitled 2012B. The subscription price for the warrants is EUR 0.16. The subscription period for shares converted under warrant 2012A is from 1 September 2013 to 31 December 2014 and for shares converted under warrant 2012B from 1 September 2014 to 31 December 2015. The options have not yet been offered.

The company's Board of Directors decided on 5 August 2013 to adopt a new option programme under the authorisation of the annual general meeting on 21 March 2012. The number of option rights granted shall not exceed 7,500,000, and the option rights shall entitle their holders to subscribe for no more than 7,500,000 new shares or treasury shares in total. 2,500,000 of the converted shares will be under the warrant 2013A and the subscription period for the converted shares is from 1 January 2015 to 1 January 2018. 2,500,000 of the converted shares will be under the warrant 2013B and the subscription period for the converted shares is from 1 January 2016 to 1 January 2018. 2,500,000 of the converted shares will be under the warrant 2013C and the subscription period for the converted shares is from 1 January 2017 to 1 January 2018. The subscription price for each warrant is EUR 0.09. The total number of warrants granted to the personnel is 5.0 million. A total cost of EUR 0.1 million has been expensed for the 2014 financial year for options.

The company's Board of Directors decided on 18 December 2013 to adopt a new option programme under the authorisation of the annual general meeting on 21 March 2012. The number of option rights granted shall not exceed 5,250,000, and the option rights shall entitle their holders to subscribe for no more than 5,250,000 new shares or treasury shares in total. The converted shares will be under the warrant 2013D. The subscription period for shares converted under the warrant is from 1 January 2018 to 31 December 2018, and the subscription price for each warrant is EUR 0.06. The options have not yet been offered.

#### CONDENSED FINANCIAL STATEMENTS AND NOTES

This report was compiled in accordance with the IAS 34 standard. This interim report has been prepared in accordance with the IFRS standards and interpretations adopted in the EU, valid on 31 December 2014.

In producing this financial statements bulletin, Trainers' House has applied the same accounting principles for key figures as in its financial statements for 2013. The calculation of key figures is described on page 92 of the financial statements included in the Annual Report 2013.

The figures given in the financial statements bulletin are audited.

#### INCOME STATEMENT, IFRS (kEUR)

Group 01/10- 31/12/14	Group 01/10- 31/12/13	Group 01/01- 31/12/14	Group 01/01- 31/12/13
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#### CONTINUING OPERATIONS

NET SALES	2,158	2,793	8,003	10,120
Other income from operations	181	239	648	785

Costs:

Materials and services	-206	-289	-691	-1,032
Personnel-related expenses	-1,460	-1,387	-5,320	-5,615
Depreciation	-37	-46	-153	-207
Impairment	-2,353		-5,052	-4,521
Other operating expenses	-948	-881	-3,560	-3,676
Operating profit/loss	-2,664	430	-6,126	-4,147
Financial income and expenses	-77	-78	-268	-1,054
Profit/loss before tax	-2,741	352	-6,394	-5,201
Tax *)	419	431	420	432
<b>PROFIT/LOSS FOR THE PERIOD CONTINUING OPERATIONS</b>	<b>-2,322</b>	<b>784</b>	<b>-5,974</b>	<b>-4,769</b>
Discontinued operations	250		250	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-2,072</b>	<b>784</b>	<b>-5,724</b>	<b>-4,769</b>
Profit/loss attributable to:				
Owners of the parent company	-2,072	784	-5,724	-4,769
Total comprehensive income attributable to:				
Owners of the parent company	-2,072	784	-5,724	-4,769
Earnings per share, undiluted:				
EPS result for the period from continuing operations	-0.03	0.01	-0.09	-0.07
EPS result for the period from discontinued operations	0.00		0.00	
EPS attributable to equity holders of the parent company	-0.03	0.01	-0.08	-0.07
EPS result for the period	-0.03	0.01	-0.08	-0.07

Diluted earnings per share are the same as undiluted earning per share.

\*) The tax included in the income statement is deferred.

BALANCE SHEET IFRS (kEUR)

	Group 31/12/14	Group 31/12/13
<b>ASSET</b>		
Non-current assets		
Property, plant and equipment	137	236
Goodwill	1,653	4,614
Other intangible assets	7,561	9,669

Other financial assets	4	4
Other receivables	12	42
Deferred tax receivables	382	380
Total non-current assets	9,749	14,946
 Current assets		
Inventories	10	10
Accounts receivables and other receivables	1,455	1,791
Cash and cash equivalents	1,578	2,630
Total current assets	3,043	4,432
 TOTAL ASSETS	12,792	19,377
 SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	881	881
Premium fund	216	4,253
Distributable non-restricted equity fund	31,872	31,872
Other equity fund	900	
Retained earnings	-31,780	-30,215
Total shareholders' equity	2,088	6,791
 Long-term liabilities		
Deferred tax liabilities	1,511	1,929
Other long-term liabilities	6,044	7,455
 Accounts payable and other liabilities		
	3,150	3,202
 Total liabilities	10,704	12,586
 TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12,792	19,377
 CASH FLOW STATEMENT, IFRS (kEUR)		
	Group 01/01- 31/12/14	Group 01/01- 31/12/13
Profit/loss for the period	-5,724	-4,769
Adjustments to profit/loss for the period	5,176	5,372
Change in working capital	363	1,142

Financial items	-96	-218
Cash flow from operations	-281	1,527
Investments in tangible and intangible assets	-37	-19
Divestment of business		472
Repayment of loan receivables	30	30
Sales from available-for-sale financial assets		770
Cash flow from investments	-6	1,253
Withdrawal of long-term loans	347	700
Repayment of long-term loans	-1,000	-2,225
Repayment of finance lease liabilities	-111	-145
Cash flow from financing	-765	-1,670
Change in cash and cash equivalents	-1,052	1,110
Opening balance of cash and cash equivalents	2,630	1,520
Closing balance of cash and cash equivalents	1,578	2,630

#### CHANGE IN SHAREHOLDERS' EQUITY (kEUR)

Equity attributable to equity holders of the parent company

- A. Share capital
- B. Premium fund
- C. Distributable non-restricted equity
- D. Other equity fund
- E. Retained earnings
- F. Total

	A.	B.	C.	D.	E.	F.
Equity 01/01/2013	881	5,077	31,872	4,962	-26,397	16,394
Re-measurement of deferred tax - change in tax rate					145	145
Adjusted equity 01/01/2013	881	5,077	31,872	4,962	-26,253	16,539
Other comprehensive income					-4,769	-4,769
Decrease of share premium fund to cover		-823			823	0

losses						
Sharebased payments					21	21
Hybrid bond recognised under non-current liabilities				-4,962	-38	-5,000
Equity 31/12/2013	881	4,253	31,872	0	-30 215	6,791
Equity 01/01/2014	881	4,253	31,872	0	-30,215	6,791
Other comprehensive income					-5,724	-5,724
Decrease of share premium fund to cover losses		-4,038			4,038	0
Sharebased payments					121	121
Hybrid bond transferred from non-current liabilities				900		900
Equity 31/12/2014	881	216	31,872	900	-31,780	2,088

RESTRUCTURING PROVISION (kEUR)	Group 01/01- 31/12/14	Group 01/01- 31/12/13
Provisions 1 January	222	240
Provisions increased		125
Provisions used	-21	-143
Provisions 31 December	200	222

PERSONNEL	Group 01/01- 31/12/14	Group 01/01- 31/12/13
Average number of personnel	88	93
Personnel at the end of the period	87	82

COMMITMENTS AND CONTINGENT LIABILITIES (kEUR)	Group 31/12/14	Group 31/12/13
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Collaterals and contingent liabilities given for own commitments	7,805	9,213
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OTHER KEY FIGURES	Group 31/12/14	Group 31/12/13
Equity-to-assets ratio (%)	16.5	35.4
Net gearing (%)	263.1	87.4
Shareholders' equity/share (EUR)	0.03	0.10
Return on equity (%)	-134.6	-41.1
Return on investment (%)	-49.9	-22.1

Espoo, 3 March 2015

TRAINERS' HOUSE PLC

BOARD OF DIRECTORS

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