



ANNUAL REPORT 2010

trainers'
HOUSE

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TRAINERS' HOUSE

— SUPPORTING OUR CUSTOMERS' EVERYDAY LEADERSHIP

Trainer's House is a training company that helps its customers grow by supporting their everyday leadership. We are the artisans of growth management – we use practical methods and tailor our services. Our projects typically focus on implementing a change in a professional community. As a partner, we bring extensive experience to the table, as well as a hand-picked project team that inspires the community to support the change, whether the project involves developing leadership, increasing sales, creating a new service concept, working on company strategy or implementing a business-critical change or project.

An increasing number of customer projects utilise a wide selection of Trainers' House's services: Trainings help our customers clarify their strategies and increase the efficiency of their operations. Trainers' House's subsidiary Ignis helps customers identify new sales opportunities and audit their operations. Management systems (SaaS) support effective implementation of new procedures and methods. The new offerings of Trainers' House, i.e. the sales management system and employee well-being promotion and coaching services from Revenue House, have been enthusiastically received.

Trainers' House implements some 600 tailored customer projects each year, in close cooperation with the customers. To support these projects, we also offer our customers the possibility to participate in personal training programmes that support their professional and personal growth.

The story of Trainers' House began in 1990 under the name Writers' Studio Oy. In the initial stage of operations, the company focused on marketing. The company's focus shifted to training business in 1995, and in 1998 the company adopted a name more descriptive of its current operations: Trainers' House.

At the end of 2010, the company had 133 employees. The company is based in Espoo.

In 2010, Trainers' House's net sales totalled EUR 15.6 million, and operating profit before non-recurring items and depreciations resulting from the allocation of acquisition costs amounted to EUR 1.1 million, or 7.1% of net sales. Operating profit after these items was EUR -15.8 million or -101.5% of net sales.

FINANCIAL TARGETS

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

DIVIDEND PROPOSAL

The Board of Directors proposes that no dividend be paid for 2010.

SHARE INFORMATION

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

During 2010, a total of 16.0 million shares, or 23.6% of the average number of all company shares (20.6 million shares or 30.3%), were traded on the Helsinki Exchanges for a value of EUR 6.8 million (EUR 11.5 million). The period's highest share quotation was EUR 0.53

(EUR 0.71), the lowest EUR 0.33 (EUR 0.42) and the closing price EUR 0.36 (EUR 0.44). The weighted average price was EUR 0.42 (EUR 0.56). At the closing price on 31 December 2010, the company's market capitalisation was EUR 24.5 million (EUR 29.9 million).

CEO'S REVIEW

The operation of Trainers' House is post-cyclical. The cautious purchase behaviour of customers in 2009 affected the 2010 net sales and result. The company recognised a write-down of EUR 14.4 million in the Group's goodwill in the financial statements. The write-down does not have an effect on cash flow.

The business environment did, however, show some signs of recovery in 2010. Even though the fourth quarter of the year was weaker than expected after a few important sales projects were postponed until 2011, orders in continuing operations increased by 21% year on year.

The restructuring measures carried out during 2010 streamlined the operations of Trainers' House, making it easier to focus on the company's core business. An increasing number of customer projects utilise a wide selection of Trainers' House's services: Training services clarify our customers' strategies and increase the efficiency of their operations. Our subsidiary Ignis offers new opportunities for our customers' sales agents and helps audit critical points in their customer and supervisor work. Management systems (SaaS) ensure that the operations are effective and the company stays on the right path.

The new offerings of Trainers' House, i.e. the sales management system and employee well-being promotion services from Revenue House, were enthusiastically received. Both already generated revenue in 2010.

We are well positioned for the year ahead. Restructuring has streamlined our operations, and helps us focus on our core businesses. We are now better equipped to support our customers' growth and daily management work than this time last year, and the overall recovery of the business environment will also create new opportunities for us.

I would like to take this opportunity to thank all our customers – it has been a pleasure to serve you. We do our utmost to ensure that our cooperation provides results.

I would also like to thank our employees, who seem to have a knack for achieving amazing results under conditions and schedules that can at times be very demanding.

Vesa Honkanen
CEO

MISSION, VISION, STRATEGY AND VALUES

Customers value our ability to help them grow. Trainers' House's mission is to support our customers' daily operations so that they run smoothly and are productive.

Trainers' House aspires to become a world-class training company. To achieve this, we must provide world-class results for our customers and employ world-class trainers and methods.

We believe in supporting our customers' everyday operations rather than providing traditional consultation or training services. To this end, we combine marketing, training and management systems into a Growth System that helps our customers reach their goals.

VALUES GUIDE OUR WORK



SERVICES

TRAINERS' HOUSE'S SERVICES COMPRISE TRAINING, CONSULTATION AND MARKETING SERVICES AS WELL AS THE TECHNOLOGY-BASED MANAGEMENT SYSTEMS THAT SUPPORT THESE SERVICES.

TAILORED TRAINING PROGRAMMES AND CONSULTATION

Our training and consultation solutions are always tailored to meet the specific needs of each customer organisation. Most of our work is project-based. We specify the schedule and detailed targets for each project with the customer, and agree on regular support, monitoring and guidance.

>> In 2010, we worked on projects focusing on areas such as the following:

- creating service concepts
- increasing b2b and b2c sales
- implementing new operating models
- boosting strategy implementation
- implementing organisational changes
- organisational restructurings
- developing corporate culture.

PERSONAL TRAINING PROGRAMMES

Our personal training programmes support the participant's individual growth.

Leadership Path and Professional Path were completely revamped in 2010. In their new format, the programmes provide opportunities for broad professional networking. To this end, all short coaching sessions in the programmes recommend – if not oblige – the participants to involve their personal inner circles. The programmes have been very well received.

The success of our sales training programmes continued. Both programmes are constructed so that the participants do hands-on work with their own customers or sales team, guided by our professional and committed trainers.

>> Our personal training programmes include the following:

- Johtajan Polku (Leadership Path)
- Ammatillaisen Polku (Professional Path)
- Sales Management Training
- Sales Training

TRAININGS RELATED TO WELL-BEING AT WORK

Successful management of employee well-being ensures that the emotional, mental, social and physical energies flow at the right level. This literally makes the organisation work better: the work provides results, the employees' mental capacity grows, as does their motivation and creativity, relationships flourish, the atmosphere at work is good and employees take less sick leave.

Fight Club is one of our solutions.

FIGHTCLUB trainers' HOUSE Fight Club, our training programme that promotes personal well-being, went from strength to strength last year. The programme supports both mental and physical development, and aims to introduce quantifiable and significant changes in the participants' life, body and mind. Early morning training sessions in good company are a key element in Fight Club. They provide each participant the opportunity to train towards their individual goals that they have set with experts.

In 2010, the average improvement in the physical fitness of the participants was 30%. Many participants have achieved notable improvements in areas such as blood pressure, or have their early-stage diabetes under control so that they do not need their prescribed medication. According to the participants, their energy levels have been boosted to completely new levels, and their mental and physical strength has also vastly improved.

"I am extremely satisfied with my decision to start my journey on the Leadership Path. The programme has enforced my view that strategy requires action and that it must translated into a tangible and easily understandable story that people can commit to in their work. It is great that the Leadership Path focuses on personal development instead of theoretical knowledge, providing a lot of food for thought in relation to further development as a person and a leader. The programme has encouraged me to reflect on what I do and how I present myself, i.e., what those around me see and hear both on and off work."

– Hanna Hartikainen, OP-Pohjola.

"The course kicked off before holidays with growth assessment. This really forced the participants to think about their respective sales organisations and their bottlenecks. (--)

After this, the first intensive training period fell on fertile ground. The subjects discussed during the two-day training really made us reflect on our individual situations. I found that especially the discussions related to thought patterns, tools, skills and systems opened up completely new perspectives into sales and sales management.

I want to commend the way people shared their views and experiences. Instead of traditional group work, people "travelled"

PILOT OF TAILORED COMPANY WELL-BEING PROGRAMMES

We launched company-specific well-being programmes in 2010. The programmes aim to identify feasible ways of improving employees' ability to work by means of exercise, healthier diet and new thought patterns.

Finnair Technical Services was one of the first companies to use this service, allowing its personnel to participate in our Fits programme. The programme runs for six months, until early March 2011.

All participants' physical fitness was evaluated at midpoint of the programme, and the their test results already notably exceeded the targets set for the 6-month programme. The team has been very motivated to exercise and participate in the coaching sessions.

The success of the programme is also measured by an impartial party, the UKK institute. Finnair's occupational healthcare participates actively in the programme.

"One hundred personal training sessions, 5 years off the physical age, 15% improvement in oxygen uptake and muscle strength and 300 kg of fat burned off in total. All this in just 6 months!"

from one table to another. In my opinion, this was a much more effective method than the use of fixed groups."

"All in all, I am very satisfied with the course. The trainers were experienced sales professionals who kept the discussions and training practical and interesting. Our assignments were demanding enough and really made us think about how to best take what we have learned on board and implement it in our organisations. Full marks for the organisers as all the events ran very smoothly. THANK YOU for a good and rewarding course that I can warmly recommend to all sales managers!"

– Petteri Aaltonen, Depot General Manager, TNT Suomi Oy

MANAGEMENT SYSTEMS

SaaS, or Software as Service, offers software in the cloud as a service. These services support our training and marketing service offering by introducing the key growth procedures and methods into the daily work and processes of our customers. Effective tools support the strategy work and provide quantifiable results: increase in sales, more effective cooperation and improved productivity.

All our SaaS services are quick and cost-efficient to deploy and also have lower lifecycle costs than traditional systems. Quick deployment means quick results. Customers pay a monthly fee and can utilise a continuously devel-

over 200 customer organisations
over 19,000 end users

oped and regularly updated system, and have a say in how it is developed. Our comprehensive service includes the system and extensive support and development services.

Our SaaS services are in use in over 200 customer organisations, and have over 19,000 end users. The technical service implementation utilises Microsoft's products.

BLARP

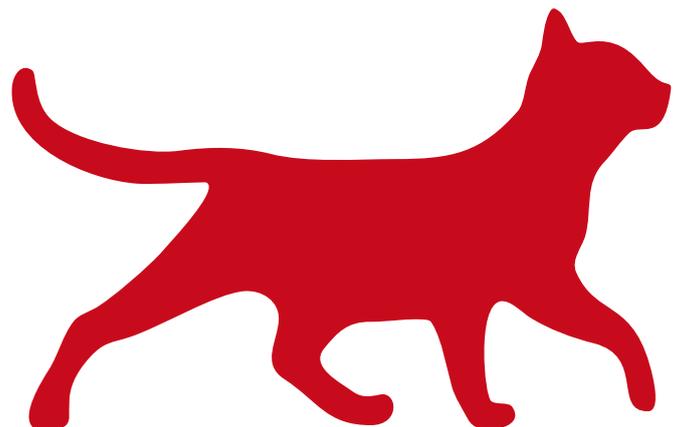
BLARP BLARP is a sales management system that helps companies effectively deploy an active and systematic method of working with their customers. BLARP encourages individual sales agents to spend their time on what brings results and provides sales managers with a real-time view to sales processes and activities from several perspectives. The BLARP sales process is based on methods that are tested in thousands of training projects.

As a system, BLARP

- translates sales agent and customer-specific targets into actions
- helps the sales agents achieve their goals
- encourages sales managers to focus on the future rather than the past
- provides an intuitive and user-friendly tool for daily work.

BLARP is based on Microsoft's Dynamics CRM and can be easily connected to the customer company's other information systems.

BLARP helps the practical implementation and on-boarding of the methods and procedures learned in sales trainings in the every-day operations of the sales organisation. In our Revenue House projects, BLARP provides a tried and tested practical tool for systematic sales management.



SYDÄN



Sydän (Heart) is an electronic working environment that is typically used as an intranet and extranet solution. Sydän improves the productivity of companies by making it easier to identify the information and competence required, and by encouraging people to focus on strategically important issues. As a community service, Sydän also strengthens the company culture. Sydän combines our experience that spans hundreds of customer projects with our view on utilising social media in a professional environment.

Sydän is based on Microsoft's SharePoint 2010 server platform, the global leader of cooperation platforms.

Our customers use Sydän in their intranet projects, and we utilise it to share information in long-term projects with our customers. In addition to Trainers' House, Sydän services are available through our partners such as atBusiness, Elisa, eCraft and Bilot.

Sydän contains a vast array of ready-to-use features that help the company

- enhance internal and stakeholder communication and improve its focus
- support social media best practices, such as discussions, content creation and classification by users, following the activities of other users and status information
- promote team and project work
- locate the right expertise and competencies
- automate internal processes such as innovation
- manage documents.

PULSSI



Pulssi (Pulse) is a system for strategy marketing and implementation, measuring the extent to which the set targets are achieved in everyday operations. Pulssi users regularly answer questions related to their individual targets, typically once a week or once a month.

Based on their answers, Pulssi illustrates overall goal achievement on individual, team and organisation level. Results can be viewed in numerical format, with "traffic lights" and in chart format illustrating historical development. With transparent common goals, the organisation creates a motivating atmosphere that promotes healthy competition and hands-on work.

Pulssi is used in our training projects.

LÄHDE

Lähde (Source) is designed for the systematic management of prospecting and initial customer contacts. Lähde also contains tools for identifying leads from customer organisations or external sources, lead qualification and management of customer contacts. Versatile reporting and monitoring tools enable the organisation to set precise targets for prospecting and manage it effectively: Real-time data about contacts helps focus activities in the areas that provide the best results.

Lähde is an important tool in the Ignis projects where we schedule appointments for our customers' sales agents.

CUSTOMER CASES

EXPERT – 14 YEARS OF STRATEGY WORK

Our cooperation with Expert – previously known as Konepiste Oy – initially started with sales training in 1997 and has since continued with strategy workshops. The company's mission and vision were clarified, and we used these clarified concepts as a basis for short-term objectives and plans of action.

As the company has grown and the markets have changed, we have regularly sharpened and enlivened the company story, re-focused objectives and created practical action plans. Over the years, the company's key personnel has participated in personal self-management and leadership programmes.

We reached an important milestone in 2006 when Expert's story adopted its current TOP10 format. The new format has helped us reach a completely new level in many areas. The company is now four times bigger than in 2006, and its relative profitability has improved despite intense competition and product price erosion. The story and its implementation in a pilot store attracted attention also outside Finland,

and partly influenced the decision of the Norwegian Expert ASA that has 900 shops in Norway, Sweden, Denmark and Finland to acquire a notable interest in the chain in January 2007 (51% share). Expert ASA now has 31 shops. Three new shops will open their doors in April and May: a 2,000 m² store in Espoo, a 2,000 m² store in Oulu and a 1,250 m² store in Jyväskylä. The company's net sales were EUR 116 million in 2010. The budget for 2011 is EUR 140 million.

All of the company's further development activities are linked to the company's TOP10 story. New Expert employees are involved in acting out the story, and the employees' relationship with the story has been continuously deepened. The story provides every employee clear guidelines for everyday leadership. It has strengthened the culture of success in the company, and has boosted our self-confidence in implementing important projects, such as the Expert Expo trade fair which was a commercial success. We will continue the development of our chain as a service provider that works through multiple channels and whose company culture is based on providing excellent customer service.



RAUTAKIRJA KIOSK OPERATIONS – CLARIFIED STRATEGY THROUGHOUT THE ENTIRE CHAIN

Trainers' House and Rautakirja launched cooperation to clarify the kiosk operations' strategy, implement the new strategy throughout the kiosk chain and bring about a strategic change in the way Rautakirja employees think and operate. The cooperation continues.

The strategy was clarified into three key areas that kiosk sales must succeed in. TOP3 goals were drawn from these key areas for each member of the management team, and the TOP3 model was implemented throughout the organisation all the way to the customer interface: thanks to this process, every customer service professional in the kiosks knows how to implement the strategy in their work.

The clarified strategy was communicated to employees during meetings that were organised in every country that Rautakirja operates in. Employee commitment was encouraged by empowerment and active participation; participants had a say on changes required in their own actions and their team's operations.

In addition to the first workshops, Rautakirja's management team met a few times in the course of the year to enforce the shared view of objectives and the actions required.

Communication of the new strategy took many forms in the organisation, and feedback was actively collected. The Pulssi (Pulse) management tool was also utilised during strategy implementation.

The most important result of the cooperation with Trainers' House has been the enhanced operation of Rautakirja's management team as well as the shift in the focus of the company's middle management and country organisations. We have sought to achieve this by means that strengthen our culture, atmosphere, operations and results, says Jari Heino, Senior Vice President, kiosk operations. "So far, key results include renewing our strategy and focusing on the areas that matter – in each country and at every level of the organisation."

Rautakirja's kiosk operations are part of the Sanoma Trade business unit of the Sanoma Group. In Finland, the kiosks are known as R-kiosks. The net sales of kiosk operations accounted to EUR 398.4 million in 2010, employing approximately 3,500 people in Finland, Estonia, Latvia, Lithuania and Romania.



FONECTA — BOLDLY BETTER SERVICE

Initial situation

In 2009, Fonecta and Trainers' House agreed on a pilot programme that aimed to bring the competence of Directory Assistance service personnel a new level required by the market situation. The traditional directory service was quickly turning into an information search service, and the role of supervisors was seen critical in the implementation of change.

Target

The company wanted to enhance the quality of customer service, employees' competence and productivity. Enhanced supervisor work was to provide better results. The following were selected as indicators:

- Results of customer satisfaction survey and supervisor feedback
- Customer query resolution during the first call
- Increased use of the online service vs. calls to the 02 number

Implementation

During the change project, the company management, supervisors and the selected seven teams were coached to provide a better-quality of goal-oriented customer service with better results. The training was practical and offered

participants both personal feedback and useful solutions for daily customer service and supervisor work. Fonecta assessed Trainers' House's procedures throughout the project.

Result

The training programme brought on a leap in the quality of customer service and leadership practices. The results of all seven teams that participated in the training improved notably: online service usage doubled within 12 months, and in most cases, the customer's query was resolved during the first call. The results of the customer and personnel satisfaction survey improved, and the company's net sales grew.

Cooperation helped Fonecta identify quantifiable practices that support the company in achieving its goals. The best practices identified in the programme will be adopted by the entire 02 Directory Service operation by the end of 2010.

Fonecta is the fastest growing media company in Finland, and the market leader in directory services. A total of 110,000 businesses use Fonecta's sales-enhancement solutions and its comprehensive services are being addressed for information search more than 2 million times every day. Fonecta employs over 1,000 persons around Finland. In 2009, the group's net sales amounted to EUR 185 million.



Directory Assistance service in Pori

KAUKOMARKKINAT – BOOST TO SALES AND CUSTOMER SATISFACTION

Kaukomarkkinat and Trainers' House launched cooperation four years ago by developing the company's sales systems. The golden sales formula, volume x direction x quality = result, provided an excellent foundation for the work.

Trainers' House began supporting Kaukomarkkinat's sales agents' customer activities by scheduling customer meetings for them. The benefit of establishing a more active and systematic sales model was quickly demonstrated by improved results from those units that most meticulously applied the new method. Due to the cooperation, customer activity in areas such as electronics has doubled, and the customer experience has improved notably. Over the years, several company units have adopted the sales model constructed by Trainers' House.

During the cooperation, Trainers' House has supported Kaukomarkkinat's sales agents by scheduling hundreds of cus-

tomers for them, as well as by auditing the meetings to further improve their quality. Training sessions have added depth to the sales agents' competence over the years, and Trainers' House has also supported the company's participation in trade fairs. The cooperation continues in areas such as customer relationship management and enhanced customer experience.

Kaukomarkkinat focuses on three business sectors: the company provides products and services for safety and communications as well as boosting energy efficiency and improving profitability in the pulp and paper industry. Most of the company's products and related services comprise electronics and industrial machinery. Kaukomarkkinat was established in 1947. The company has a robust position in Asia. Kaukomarkkinat was the first Finnish company to open an office in China – way back in 1953 – and also the first to start importing Japanese products.



FINNAIR OYJ

— IMPROVED CUSTOMER SERVICE

Finnair's professional customer service has received several awards. However, the company had not specified in detail how customers were to be served during the different phases of their travel, regardless of whether the customer service provider was employed by Finnair or one of its partners.

Finnair launched a significant brand redevelopment project in 2010. This provided a perfect opportunity for a service concept project.

The schedule of the project was exceptionally demanding. Within the first ten weeks, we not only had to identify the existing operating procedures but also specify the desired Finnair service identity. We also had to introduce a concept for the selected service phases to support the new service identity.

In addition to the project team, a total of 1,276 Finnair employees and customers participated in the project. Together, they provided over 400 feasible ideas on how to enhance customer service.

The project proceeded in five stages: auditing, specifying the identity, brainstorming, concept creation and drafting an implementation plan.

The work proceeded briskly and we kept to the agreed schedule throughout the project. The new service identity was created and concepts created for the first service phases. We also created a good atmosphere.

Why did we succeed?

Key areas in the work included personnel empowerment, transparency and quick decision-making. We worked at customer premises which allowed us to meet a lot of employees. This in turn allowed a large number of spontaneous discussions to take place, giving more Finnair employees the chance to participate in the construction of the new customer service model.

Project management was determined and kept a tight rein. The project team met in the beginning of each week, and closed each week with a written weekly report. Phone meetings took place daily. Decision-making at Finnair was quick and the right people and organisations were involved from the start. Active internal communication also made the success possible.

The work continues

The development of Finnair's customer service culture continues with personnel and partners, and it is one of the company's main themes in 2011. Internal trainers familiarise the entire customer service personnel of Finnair and its partners with the new service concept. Change is led from the front, and its progress is actively supported and monitored.



G4S CASH SOLUTIONS OY — GOAL-ORIENTED SALES MANAGEMENT

Cooperation with G4S was launched in 2008. At the time, the company did not employ a Sales Manager, and each sales agent had their own sales methods. While looking for a suitable manager, G4S used Trainers' House's services and outsourced sales management to us. We built a systematic sales operating model, meters and monitoring system with the company CEO.

The new Sales Manager then deployed the well-constructed sales management model. The energetic leadership style of the new Sales Manager has inspired the sales agents to achieve remarkable results. He has also helped G4S sales agents to expand their competence into new service sales.

The activity level of G4S sales agents increased notably thanks to systematic sales management. However, they did not have enough time for scheduling appointments. To solve this issue, the cooperation with Trainers' House continued in this area. Our subsidiary Ignis is maintaining the sales agents' customer activities together with them. Ignis supports G4S's marketing by phoning customers to schedule meetings. A high-quality phone call lays a solid foundation for the meeting, creating positive expectations. Audits of

meetings have proved that by adopting this operating model, we have managed to exceed the customers' expectations.

Implementing technology was the next solutions. To simplify sales and sales management processes, G4S's sales agents started using BLARP, which is one of our SaaS solutions. Cumbersome Excel sheets became a thing of the past, and information, such as agendas for weekly meetings, is now easily accessible in the sales system.

G4S has utilised our services smartly. Outsourced sales management and sales system creation ensured that sales activities were on a solid base while the company was still in the process of recruiting the Sales Manager. The new manager has energetically continued this work, boosted the sales team spirit and renewed the sales offering. Thanks to a good sales system combined with sales agent time management, the company's sales have developed very favourably.

G4S is the world's leading security solutions group, which specialises in services and solutions that improve the security and safety of personnel and property.



LUPAUS – STORA ENSO'S SUPERVISOR TRAINING PROGRAMME 2009-2011

Stora Enso and Trainers' House have cooperated since 2009, working on a supervisor training programme called Lupaus (Promise).

Initial situation

When identifying improvement areas in the company, we noted that Stora Enso's supervising activities had a lot of room for improvement. The basic idea of the Lupaus coaching programme is to improve the quality and efficiency of operations by improving cooperation between employees.

Structure of the programme

Work on the programme got underway with comprehensive background analysis. Trainers' House's trainers visited the plants to familiarise themselves with their meeting procedures, leadership and culture. While visiting the premises, they also interviewed a large proportion of Stora Enso's supervisors from plant management to shift supervisors.

After the background work, they defined change targets for leadership with Stora Enso's top management and plant managers. The first phase of implementing the change included

creating local leadership rules with supervisors, and a common tool, or "early caring model", was adopted to introduce a proactive approach to employee well-being. The second phase will develop the supervisors' leadership competencies by individual feedback on their communication and management skills.

Project progress is monitored weekly, and the supervisors have access to phone support. Implementation of the change is also promoted by regular monitoring training sessions organised for top management and plant managers.

Results to date

At this stage, we can already state that those units where the change in operating culture is actively managed and that have adopted the new rules and the early caring model, have reached excellent results. At best, sick leaves have decreased by over 4%.



SUOMEN ASIAKASTIETO OY — FROM EXPERTISE TO CUSTOMER UNDERSTANDING

Initial situation

Suomen Asiakastieto is seeking to increase its pace of growth over the coming years, through the immense growth potential of its current customer base. To be able to utilise this potential, Asiakastieto required an experienced and reliable partner to renew the operating procedures, monitoring, tools and management at the customer interface. Asiakastieto needed to be able to offer services with greater added value to its customers.

Solution

Trainers' House and Suomen Asiakastieto launched their cooperation in early 2010. The cooperation utilises the wide scope of Trainers' House expert services: personal marketing, training and technology.

The objective of the cooperation is to enhance Asiakastieto's ability to deepen its customer relationships. The theme of the change paints a clear picture: From expertise to customer understanding.

Understanding the customer requires active operation at the customer interface, as well as contact with decision-makers. In addition, systematic management of the volume, direction and quality of sales activities throughout the organisation requires the adoption of consistent management practices.

Based on these considerations, Asiakastieto and Trainers' House defined a sales process that unifies measurement, monitoring and management and increases transparency. Training was the means of practical implementation of the process at the customer interface. Trainers' House's subsidiary Ignis supports customer relationship management as well as the volume and quality of customer acquisition. The sales management tool used is Trainers' House's BLARP.

Results

Since we started cooperation, Asiakastieto's customer activity has almost doubled. The company meets a growing number of decision-makers and the number of new customer contacts has increased. Audits draws more attention to the quality of customer meetings. BLARP has made sales and customer relationship management more systematic. Asiakastieto's sales managers have real-time visibility into the volume, direction and quality of sales activities.

A significant change has taken place in the operations of Asiakastieto, requiring consistent, long-term leadership practices. The process elements – clear strategy, good management and strategic operations – support Asiakastieto's objective of providing added value to its customers.



Suomen Asiakastieto Oy:n toimitusjohtaja Mikko Parjanne

PERSONNEL

Year 2010 was the first year in our new headquarters in Niittykumpu, Espoo. The new premises facilitate closer cooperation between different personnel groups, and have also improved efficiency by providing project team members more opportunities for face-to-face encounters. These needs were considered when the new premises were designed, and the new headquarters reflect our corporate culture.

Trainers' House is an expert organisation and most of our employees work under pressure at the customer interface. This places special demands on both our culture and our personnel's competence. We have continued the open TH academy trainings launched in early 2000s to increase personnel's awareness of current topics related to Trainers' House, our customers and the markets in general. The academy trainings also encourage employees to create growth plans, for both their professional and personal growth. In addition to TH academy trainings, as a reward and an incentive, we provide selected employees the opportunity to participate in personal training programmes that are mainly offered to our customers.

To help the transfer and sharing of information, we use our own intranet service, Sydän (Heart). The service allows us to monitor and increase learning and competencies in our organisation. Sydän offers us easy access to information flows in our organisation.

Our personnel comprises of experts with very varied competences. By maintaining their own competence profile in Sydän, they can facilitate project team formation and increase their chances of involvement in customer projects that are of benefit for their growth and career development.

After the codetermination negotiations carried out in the spring of 2010, the Group's business unit in Tampere was shut down and support functions were streamlined. As a result of this restructuring, the personnel of the Group was reduced by 20 persons. At the same time, the administration functions of the Group were merged into one unit that comprises human resources as well as financial and contract administration.

At the end of 2010, the company had 133 employees, most of which, i.e. 45%, worked as consultants and trainers. 19% of employees worked on full-time basis and 27% on part-time basis in marketing services, while 5% were involved in product development and 4% in administration. At the end of 2009, the company employed 227 persons. Most of the reduction in the headcount is due to the business divestment in 2010.

We successfully continued the Growth Academy training programme tailored to students with 91 new students. In addition to training, the students get an opportunity to gain hands-on experience working at Trainers' House in sales and marketing.

We introduced a new induction procedure in 2010, to support new employees better and ensure that they are well equipped to succeed in their role.

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 the Securities Market Association that came into effect on 1 October 2010.

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 at the company website no earlier than three months and no later than three weeks before the meeting. However, the invitation must be delivered a minimum of nine days before the General Meeting Record Date.

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 25 March 2010. The AGM adopted the company's Financial Statements for 2009 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 2010-2011 term of office, the Board of Directors comprises four members. Since 2007, Aarne Aktan has acted as Chairman of the Board. The work of the Board of Directors is organised in accordance with the charter in effect at the time.

According to the Charter of the Board, in addition to the responsibilities defined in the Finnish Companies Act, other laws and the Articles of Association, the Board's responsibilities include the following:

- determining the compensation principles for senior management;
- approving the incentive schemes for the CEO and the personnel;
- appointing and dismissing the CEO and deciding on the terms of CEO's employment;
- approving the strategy and annual budget, and their follow-up;
- reviewing and approving interim reports and financial statements;
- reviewing and approving stock exchange releases issued by the company;
- approving major business transactions and investments as well as other decisions of key significance;
- approving the dividend distribution policy and preparing a proposal for the Annual General Meeting concerning the distribution of dividend;
- monitoring the implementation of internal control, internal auditing and risk management;
- reviewing all agreements and business events with the Group's management team, their insiders and with the companies under their command;
- reviewing other matters that the Chairman of the Board or the CEO have agreed to be taken on the Board's agenda or that otherwise fall within the Board's decision-making powers under the provisions of the Finnish Companies Act, other laws, Articles of Association or other regulations.

The Charter also determines in more detail the special duties of the Chairman, induction, independence and assessment of the Board members as well as Board meetings. The Board of Directors approved the currently valid Charter of the Board at its meeting on 23 April 2008. The full text is available on the company website.

The members of the Board of Directors and their shareholding in the company are described on page 21.

Meetings

The Board of Directors convened 13 times in 2010. The attendance rate was 96%.

Remuneration

The Annual General Meeting of 2010 decided that the Chairman of the Board be entitled to a monthly emolument of EUR 3,500, and Board members to a 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 the 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 23 January 2011, Vesa Honkanen has acted as the CEO of Trainers' House Plc. Jari Sarasvuo acted as the CEO from 1 January 2008 to 22 January 2011.

Remuneration

The Board of Directors approves the salary level offered to the CEO. In addition to his pay, Trainers' House Plc CEO Vesa Honkanen is entitled to the following fringe benefits according to current company policy: car benefit, lunch benefit and health service according to the general company policy. Mr Honkanen has also been granted the following option rights based on the employee option programme decision by the Annual General Meeting of 25 March 2010: a total of 75 000 of 2010A warrants and a total of 75 000 2010B warrants.

The CEO's contract may be terminated at any time by either the CEO or the company. The notice period for termination is twelve (12) months. During the notice period, regardless of his duties of work, the CEO is entitled to his pay and fringe

benefits, or at the company's discretion, to a monetary compensation that equals the taxable amount of the CEO's pay and fringe benefits.

The CEO's retirement age is stipulated by the law. The CEO does not have any 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.

Management Team Compensation

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 xx-xx.

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 2010 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 2010, the Group paid the following fees to the auditors: auditing fees EUR 29,902.00, tax consultation EUR 12,750.00 and other fees EUR 35,548.00.

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 on 1 October 2010. 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; and
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; and
- compliance with laws, regulations and contracts.

Any unit or function of the Trainers' House Group may be subjected to an internal audit. The Board of Directors is responsible for ensuring that internal auditing is organized appropriately and can be carried out independently.

Insiders

Trainers' House 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, CFO and the responsible auditor. Trainers' House maintains a permanent, non-public company-specific insider register of employees or contractors who regularly receive insider information because of their position or duties. The number of permanent insiders is less than 40 persons in total.

Trainers' House's insider officer is the company's CFO, Mirikka Vikström. The register of insiders is maintained in the 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 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.

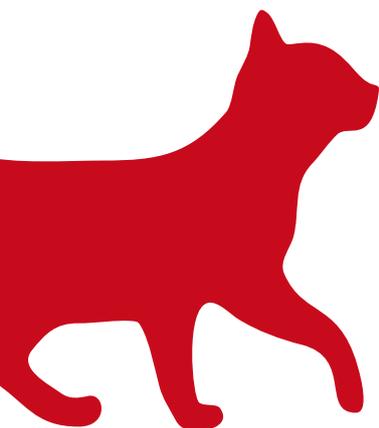
Technology and Information Security Risks

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. These risks are 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



Arne 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

Arne 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

Aldata Solution Oyj, Member of the Board
AtBusiness Group Oy, Member of the Board
Fondia Tools Oy Member of the Board
Great Expectations Capital Oy, hallituksen puheenjohtaja
Investis LTD UK, Member of the Board
Investis Flife OY, Chairman of the Board
Investis Flife AG, Chairman of the Board
Protie Oy Member of the Board
Quartal Financial Solutions AG, Member of the Board

Ownership: shares 3,026,000 pcs 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
MTL-Palvelut Oy, Member of the Board
Pro Filharmonia Association, Member of the Board

Ownership: None



Matti Vikkula

**Independent member of the Board
since 2006**

Syntymävuosi: 1960
Koulutus: Ekonomi
Main occupation: ResCus Partners Ltd,
Managing Partner, 2009–

Work experience

Ruukki Group Plc, CEO 2007–2008
Elisa Plc, Director, 2006–2007
Saunalahti Group Plc, CEO, 2001–2007
PriceWaterhouseCoopers, Partner 1998–2001
Mecrator Oy & Mecrator Coopers & Lybrand Ltd, Consultant, 1994–1998

Other current positions of trust

Fenestra Group Oy, Member of the Board, 2009 -
Trainers' House Oyj, Member of the Board, 2009 -
Kristina Cruises Oy, Chairman of the Board, 1995 -
ITaito Oy, Chairman of the Board
Efore Oyj, Chairman of the Board

Ownership: ResCus Partners 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 June, 2011



Kai Seikku

**Independent member of the Board
since 31 December 2007**

Year of birth: 1965
Education: M.Sc. (Econ.)
Main occupation: CEO, Okmetic Plc

Work experience

HKScan Oyj, CEO, 2006–2009
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 –

Ownership: Shares 204,446 pcs.

OPERATIONAL MANAGEMENT



Vesa Honkanen,
CEO

vesa.honkanen@trainershOUSE.fi
050-043 2993

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.



Mirikka Vikström,
CFO

mirikka.vikstrom@trainershOUSE.fi
050-376 1115

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
Medix Biochemica Oy, laskenta-assistentti, 1999–2000

Other current positions of trust

None
Ownership Shares 210,895 pcs.

INFORMATION FOR INVESTORS

Calendar for 2011

The Annual General Meeting of Trainers' House Plc will be held on 23 March 2011, at noon.

In 2011, interim reports will be published as follows:

- 17 February 2011, at 8:30 am
Financial Statements Bulletin 2010
- 21 April 2011, at 8:30 am
Interim Report 1 January – 31 March 2011
- 4 August 2011, at 8:30 am
Interim Report 1 January – 30 June 2011
- 20 October 2011, at 8:30 am
Interim Report 1 January – 30 September 2011

Dividends

The Board of Directors proposes that no dividend be paid for 2010.

Analysts Following Trainers' House

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

E. Öhman J:or Fondkommission AB
Teemu Vainio
tel. 09 8866 6038
teemu.vainio@ohmangroup.fi

Pohjola Bank Plc
Kimmo Stenvall
tel. 010 252 4561
kimmo.stenvall@pohjola.fi

Nordea Bank Plc
Pasi Väisänen
tel. 09 165 59943
pasi.vaisanen@nordea.com

Requests for Financial Information

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