

POWERFUL EXECUTION
TRAINERS'
2012 **HOUSE**



TRAINERS' HOUSE

||||| ANNUAL REPORT 2012

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POWERFUL EXECUTION

ALL OF OUR SERVICES ARE DESIGNED TO ENSURE SUCCESSFUL CHANGE MANAGEMENT

We are in the business of unlocking our clients' future potential according to their wishes.

Company management typically spends a considerable amount of time planning their company's vision and strategies. Our task is to help them implement the desired change and integrate it into their employees' everyday lives. By doing the right things daily, they ensure both their own and the company's success.

In 2012, we participated in over 880 customer projects, scheduled 26,300 customer meetings and carried out approximately 3,100 audit interviews.

Our clients particularly appreciate the customer results achieved in cooperation, the expertise and customer-centered approach of our staff, and our practical and quick methods of operation.

In our projects, we focus on the companies' key success factors:

- 1. we strengthen employee well-being and motivation**
- 2. we organise tasks to make them more productive and rewarding**
- 3. we ensure the implementation of strategy by developing the work of supervisors and by improving management tools**
- 4. we help our clients achieve their goals with SaaS-based change management tools**

TRAINERS' HOUSE

The story of Trainers' House began in 1990, and by the end of 2012, the company employed 108 people. The company's Head Office is located in Espoo.

In 2012, Trainers' House's net sales totalled EUR 13.3 million, and operating profit before non-recurring items and depreciations resulting from the allocation of acquisition costs amounted to EUR 1.2 million, or 8.9% of net sales. Operating profit after these items was EUR -0.1 million or -0.7% of net sales.

LONG-TERM GOALS

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

DIVIDEND PROPOSAL

The Board of Directors proposes that no dividend be paid for the financial year 2012.

SHARE INFORMATION

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

In the operating year 2012, a total of 5.9 million shares, or 8.7% of the average number of all company shares (9.5 million shares, or 14.0%), were traded on the Helsinki Stock Exchange, for a value of EUR 0.8 million (EUR 2.6 million). The period's highest share quotation was EUR 0.22 (EUR 0.36), the lowest EUR 0.09 (EUR 0.17) and the closing price EUR 0.10 (EUR 0.18). The weighted average price was EUR 0.14 (EUR 0.27). At the closing price on 31 December 2012, the company's market capitalization was EUR 6.8 million (EUR 12.2 million).

THE NECESSARY EVENTUALLY BECOMES INEVITABLE

The core competencies of Trainers' House's business are on steady ground. This provides us with a good basis for moving forward with the company's next phase. This is proven by the excellent feedback we have received from more than 300 quality audits concerning our assignments. In the current transition phase of the training industry, particular demand exists for services that are connected with implementing successful change management processes for clients.

We constantly receive praise from our clients for the amount of contact they receive, and our courage in challenging their outlook and operating methods. We cooperate with our clients on their terms, and we also receive good feedback on engaging our clients in the projects. We involve the client in planning the implementation of change. We keep to deadlines and to what has been agreed. Our experience is evident in that we react quickly if the situation so requires. According to our clients' testimonies, we provide vision, guidance and suggestions, as well as concrete tools for generating results. Business results are what our clients expect from our cooperation. Nice training events in state of the art conference centres are not an end in itself, but rather, a quick and positive outcome of our cooperation is evident in the client's bottom line.

More and more, our clients' change programmes require the engagement of the entire organisation as well as an understanding of human behaviour. It is becoming increasingly clear that committed and satisfied employees are also productive employees.

The task of Trainer's House is to help people grow by supporting everyday leadership. This means analysing our clients' current situations, and on the basis of this analysis, clarifying the story supporting the company's strategy. We also help our clients improve the effectiveness of human encounters, such as management or sales.

The market has been difficult for several years. As a result of the continued streamlining measures carried out in Trainer's House, there has been no significant effect on our profitability, however we demand more from ourselves.

Trainers' House has created a simple methodology which makes the necessary eventually inevitable. An example of this is the Pulssi (Pulse) Management System renewed by us. It enables the monitoring of changes in activities almost in real time. A Trainers' House client using Pulssi knows whether the personnel has started doing the agreed things and whether critical behavior changes have occurred in their daily work. The Pulssi follow-up improves the quality of management, and employees receive explicit feedback. Transparency allows people to learn from each other and the quality of activities improves faster.

There is a need for successful change management: measurable results and a lasting change in activities are business-oriented goals that Trainer's House is committed to.

Thank you, Valued Customers! Thank you for your confidence in us.

Thank you colleagues, who create astonishing results in sometimes challenging circumstances.

Arto Heimonen



”THANK
YOU

COMPANY

CHANGING THE WAY OUR CLIENTS ACT AND THINK

A WORLD-CLASS CHANGE MANAGEMENT COMPANY

We want to be a world-class change management company. We employ the finest experts in the field, provide unique tools and methods and have a driving passion for guiding our clients successfully through change management.

CHANGING ACTIONS AND THOUGHTS

Successful change requires committed people and concrete changes in actions. Results change when actions change. Actions change when people want better results. We work on projects with our clients to strengthen their everyday leadership in practical ways and at all organisational levels.

OUR FOCUS AREAS

We are known for our client-centric approach. The client is at the core of everything we do, and a key driver for every member of our staff.

We start with **identifying our client's reality.** We set realistic and attainable goals. We use methods that ensure the engagement of every employee.

We build a better common story for our clients, which both the personnel and customers can relate to.

A better story becomes real during human encounters - **in moments of truth.** We help our clients bring about **better encounters. Learning** with our help **is based on feedback from authentic situations** and the guiding of daily activities, implemented jointly on the basis of feedback.

Our management tools provide solid results. The tools are based on the concept that they encourage people to do the right things to ensure their own and the company's success.

OUR PHILOSOPHY

We believe that successful businesses are made of ever-improving people, recognising and celebrating common successes, providing meaningful work and visionary leadership.

VALUES GUIDE OUR EVERYDAY LIVES

HUMANS are our most important value. We work at our client companies with human beings, and their needs drive our work.

TO US, COURAGE means that we do what needs to be done to promote the client's success. We do not sugar-coat our findings, nor do we shy away from dealing with difficult issues.

We believe that we need to be fast **IN EVERYTHING WE DO.** However, rushing around is not smart. We work efficiently but also with great care.

We strive for **GROWTH.** We challenge ourselves and our clients to perform excel as human beings, professionals and in business.

RESULTS matter. Results give our clients the reason to continue their partnership with us. Results give us the reason to continue our work.

THE HUMAN BEING

COMPANY

Changing the Way Our Clients Act and Think

SERVICES

CONCRETE TOOLS FOR CHANGE

All of Trainers' House's services are designed to ensure successful implementation of the desired change in the client organisation. We offer effective tools to support strategies and to implement changes at different organisational levels.

SUPPORT FOR THE EVERYDAY MOMENTS OF TRUTH

Human encounters are crucial. These everyday moments of truth ultimately define the results of operations.

It is an old truth that sales grow when a salesperson meets a sufficient numbers of customers, and the quality of sales activities is systematically improved through feedback from those customers.

The biggest positive impact on work atmosphere, is brought on by high quality immediate supervisor work, and management that is considered fair.

In 2012, we delivered more than 26,000 customer encounters as a service. Our Customer Experience Quality Audit Service studied more than 3,000 customer encounters and management situations. Our auditing service helped our clients raise the quality of their activities. Feedback on both of our services has been excellent.

COMPANY-SPECIFIC CHANGE PROJECTS

Our core functions are training and consulting that support the execution of various successful change management processes in our client organisations. Our service packages are always tailored to meet the specific needs of each client organisation and the actual situation. We identify the starting level, embark on the project with realistic and progressive targets and apply engaging methods. We standardise the milestones achieved into a permanent procedure. To support the change, we set up an internal coach network to continue to anchor the change in the client organisation.

In 2012, we implemented hundreds of company-specific change projects. The results achieved and our customer feedback, demonstrates that our methods bring results irrespective of industry.



COMPANY-SPECIFIC CHANGE PROJECTS

**INCREASING B2B AND B2C SALES
IMPLEMENTING NEW OPERATING MODELS
HARMONISATION OF CRITICAL ACTIVITIES
IN INTERNATIONAL COMPANIES
BOOSTING STRATEGY IMPLEMENTATION
CREATING SERVICE
CONCEPTS
MANAGING WORK CAPACITY
AND WORK ENJOYMENT
SHIFT IN HUMAN BEHAVIOUR
AND CORPORATE CULTURE**

SERVICES

Concrete Tools for Change

INDIVIDUAL GROWTH AS A PROFESSIONAL

Our personal training programmes have been a success for almost 20 years. They have spurred the participating professionals on to even better performance and positions in the recruitment market. In addition to professional, personal and mental growth, the programmes offer an excellent opportunity for networking. We work around practical issues. For example, participants in the Sales Training Programme work on actual cases relating to their own work during the programme.

"On the whole, my experience of the Leadership Path was positive and thought-provoking. The most important offering was our like-minded course group. The entire dialogue with both the trainers and course participants has given concrete tools for performing in a professional way in my own work, for example, advice on time management and calendar planning as far as possible, help enormously in my daily work. The Effective Communication section was a revelation to me and I gained several good tips that I could apply immediately. Another revelation was the importance of regular exercise for managing in my own work, although this is an area where I still need to push myself to stay on the path. However, after the Leadership Path, my direction is right and the goal clear."

Pia Ahtola-Hollo, Deputy CEO, Beweship Oy Ab

"In the Sales Management training programme, I gained plenty of ideas and experiences for systematic management from other participants. After the training course, a clear, systematic approach has been adopted in our company. The calendar no longer controls us - we control the calendar. Thus, we gain more time for the right customers. Professionalism was another target I set for myself, and now I can say that has become evident throughout the team. We work with enthusiasm and systematically, focusing on target-oriented sales with an extensive customer base."

Tarja Rasanen, Sales Manager/Residential Construction and Refurbishment, Laattapiste Oy

LEADERSHIP PATH



Leadership Path is a leadership training programme for directors and managers. The objective of the programme is to support the participants in clarifying and achieving both their work targets as well as personal ones.

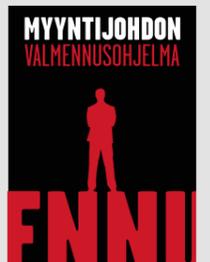
PROFESSIONAL PATH



Professional Path is a self-management training package for experts and middle management. The objective of the training programme is to strengthen a professional's thinking and working skills as well as to create inspiration and ideas to benefit both the participant and the organisation.

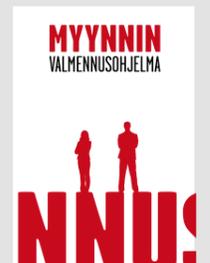
SALES MANAGEMENT TRAINING PROGRAMME

Sales Management Training Programme is directed at sales managers and managers of salespeople. It offers the participants a new angle for the outlook, tools, skills and systems behind sales management and the management of salespeople. During this very practical training programme, the focus is firmly on the sales manager's own actual situation and effective measures are taken to achieve targets.



SALES TRAINING PROGRAMME

The exceptionally concrete Sales Training Programme is directed to growth-hungry salespeople. During the programme, a salesperson examines his or her own sales activities and its opportunities and difficulties with the objective of achieving significant improvement within a few months.



MANAGEMENT TOOLS ENSURE CHANGE

Trainers' House is a pioneer in the development of electronic change management systems provided as cloud-based SaaS services. The significance of these systems continues to grow and they are an important tool in managing change.

In 2012, we increasingly focused our resources in SaaS services for project management tools that support change.

Production management systems have been a part of everyday work for a long time. In our opinion, the next big change in how work is performed is an emphasis on doing things together. It is increasingly important for employees to be able to see that they are doing the right things and notice their individual successes in their daily work. Our management systems incorporate the desired changes in the everyday work of our clients. They increase an employee's feeling of the significance of his or her work, increase productivity, help implement the strategy and generate quantifiable results: increase in sales and more effective cooperation. Good tools make work easier, increase productivity and the understanding of the management.

Our change management systems are quick and cost-efficient to deploy and also have lower lifecycle costs than traditional systems.

In return for a monthly fee, our clients can utilise a continuously developed and regularly updated system. Of our SaaS services, the Lähde (Source) Prospecting System was used by 110 client companies and the Pulssi (Pulse) Management System by more than 200 client organisations in 2012. The technical service implementation utilises Microsoft's products.

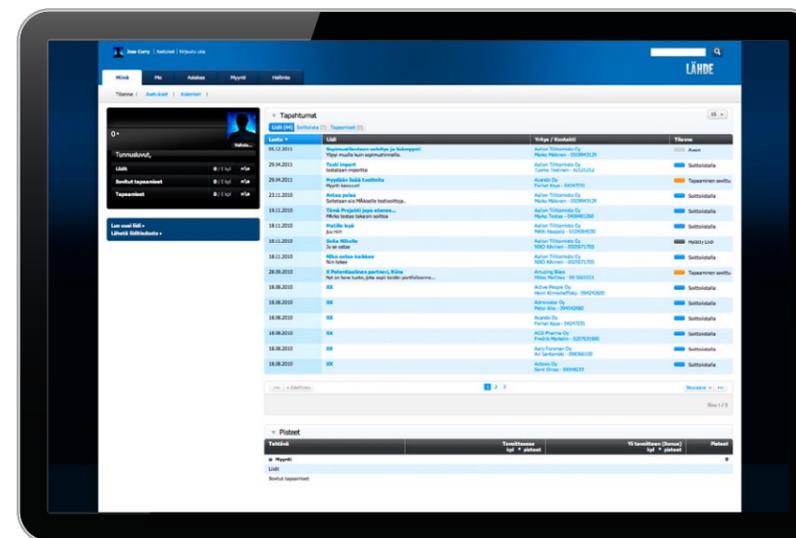


THE PULSSI MANAGEMENT SYSTEM WAS USED BY MORE THAN **200** CLIENT ORGANISATIONS

PULSSI

Pulssi is a change management tool. It makes it easier to start the right actions and to systematically monitor them. Supporting a company's story and open, visual monitoring of the activities that implement the strategy are at the core of Pulssi. Weekly progress can be viewed in numerical format, with "traffic lights" and in chart format

illustrating historical development. Pulssi makes it possible to share insights quickly within an organisation and it creates a healthy, active atmosphere. Pulssi is used as a part of Trainers' House's change projects, to ensure that the agreed conditions are implemented in the daily work.



THE LÄHDE PROSPECTING SYSTEM WAS USED BY **110** CUSTOMER COMPANIES

LÄHDE

Lähde (Source) is designed for the systematic management of prospecting and initial customer contacts. Lähde also contains tools for collecting customer opportunities, lead qualification and management of customer contacts. Versatile reporting and monitoring tools enable the organisation to set precise targets for prospecting and manag-

ing them effectively: real-time data about customer contacts helps focus activities in the areas that provide the best results. Lähde is an important tool in projects where a subsidiary of Trainer's House, Ignis, schedules appointments for its customers' sales agents.

SERVICES

RESULTS THROUGH INVESTING IN PEOPLE

Managing work capacity is an important social issue. That is why we challenged the traditional well-being at work models by introducing company-specific programmes aimed at promoting work capacity and prolonging the working age.

Understanding individual responsibilities, increasing exercise, a healthier diet and new thought patterns are key ways of increasing personnel's work capacity. When this is combined with high-quality supervisory work and a well constructed and executed early caring model, it is possible to achieve excellent results. By focusing investments on the right people and by taking a sufficiently long-term approach to activities, financially measurable savings are also achieved. Investing in people generates profit at both an individual and corporate level, as well as being beneficial for society.

FIGHT CLUB BRINGS POWER TO THE WORKING LIFE

Our personal strength-building programme, Fight Club, continued to be successful. We have achieved:

- 8 seasons, with approximately 100 participants during each season
- 2,100 test events
- more than 61,000 hours of exercise
- leadership training and extraordinary personal success stories

The programme aims to introduce quantifiable and significant changes in the participant's life, body and mind. It focuses on strengthening physical, mental and social resources and is suitable for any everyday-life fighter. Each participant commits to his or her own goals set jointly with our experts.

SERHEL OY'S SYKE (HEARTBEAT) 2012 PROGRAMME

At Serhel, a voluntary "Syke 2012" programme was developed for the personnel, aimed at increasing their work capacity while improving their work atmosphere. Serhel set an ambitious target of engaging 80% of customer service employees in the project. When the consultants of Trainers' House presented the six-month Syke 2012 programme to the personnel, 86% of the customer service employees signed up for the programme.

Management's support for the project was demonstrated by allowing the employees to exercise three hours a week during their working time. The Syke 2012 programme was entirely based on voluntary exercise as well as on coaching sessions promoting a healthy and active lifestyle, which took place in a group. A positive group atmosphere was created by an exercise diary in which Serhel's teams, located in different towns, competed with points accruing from training sessions.

The results were significant, taking into account the voluntary nature of training. At a group level, the body's age decreased on average by 2.3 years. The improved result was mainly due to the improvement in muscle strength and mobility, as well as lowered blood pressure. At an individual level, significant health effects were achieved in blood pressure, and within the group; **blood pressure lowered in more than half of the participants.**

Stomach and leg muscle performance, **which is necessary for a person's overall health, improved at a group level by about 20%.** Good muscle tone improves our ability to participate in endurance sports, which have plenty of health effects. **During the programme, mobility improved in more than 50% of the participants.** At the start of the programme, 35% of the group had excellent or good mobility and at the end of it, the figure was more than 60%.

Improvement of stomach and leg muscle strength and mobility is essential in the prevention of musculo-skeletal illnesses and problems caused by sedentary work.

One participant comments about the programme: "I got the jumpstart needed for the rest of my life. During the Syke project, my sky-high blood pressure lowered significantly. It was like a snowball effect; my blood pressure lowered, alertness and energy levels increased, and gradually my physical condition improved also."

" I REGAINED A START FOR THE REST OF MY LIFE.

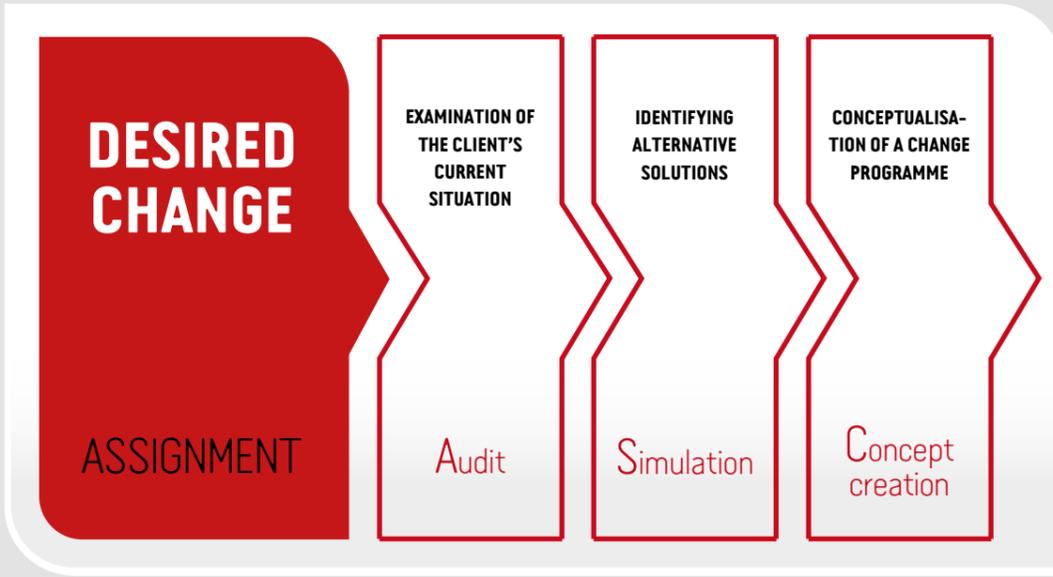
THE BODY'S AGE DECREASED BY **2,3** YEARS ON AVERAGE.

SERVICES

Results Through Investing in People

SUCCESSFUL CHANGE MANAGEMENT

CLIENT'S STRATEGIC GOALS



IMPLEMENTATION

BETTER MANAGEMENT

Results change when management changes.

Increased work productivity is achieved by managing people. We speed up the realisation of the desired change

- with inspiring and systematic supervisory work
- with a transparent management system
- with creative internal communication.

BETTER COOPERATION

Value is created when people are in contact with one another in a situation that is crucial for the company's story.

We tailor a programme to meet the client's needs that ensures

- active and high quality customer dialogue
- internal cooperation and joint success
- regular feedback.

BETTER ACTIVITIES

A person who becomes stronger gives more of him- or herself.

Thoughts, activities and results turn toward the goals when we ensure

- a better understanding of an individual's role in the whole picture
- better skills to succeed
- better working capacity (we implement practical solutions also in cooperation with occupational health services).

VERIFIABLE RESULTS

SALES GROWTH

BETTER HIT RATE

BETTER HIT RATE

MORE CUSTOMER ENCOUNTERS

INCREASED MARKET SHARE

COST MANAGEMENT

REDUCTION IN WASTE

INCREASED WORK EFFICIENCY

A HIGHER AVERAGE PURCHASE

CASE

AUDI – VORSPRUNG DURCH TECHNIK

ASSIGNMENT -

SHIFT IN PURCHASE BEHAVIOUR

The automotive industry as a whole has been in transition for some time now. At the same time, the requirements in the Premium vehicle customer segment have changed radically. Model ranges have become more extensive - and technical. Moreover, buyers place an increased emphasis on the design and brand of the car. Up to 98 per cent of new Premium cars are sold through factory delivery, fully customised to the customer's personal needs. "This shift in purchase behaviour sets a new tone for the sales approach. It determines how the salesperson understands where the customers are coming from and what exactly they are looking for," says **Janne Hällfors, Product Manager, Audi Finland.**

Audi has outperformed its main competitors BMW and Mercedes-Benz in the Premium car segment since 2004. Audi operates with a dealership model, and many operating practices are decided by Audi AG in Germany. Both the sales process and methods must adhere to strict standards. "Our cooperation with Trainers' House focused on training to improve the leadership skills of sales centre managers and the quality of our sales and customer service operations to cement our position in the segment," Hällfors explains.

CUSTOMER DELIGHT AT ALL LEVELS

All car manufactures follow similar sales processes. What takes place within that process is what can differentiate them and create competitive advantage. "We have considered every phase of the process and established requirements for a standard Premium class experience. In addition to the product itself, everything from communication to the sales centre and customer service must embody the Premium attitude and first-class customer care," Hällfors emphasises.

We established a training program for the sales managers and all the 70 salesmen in the Audi Finland sales network. The sales manager training focused on the managerial role, creation of management plans, the best way of measuring sales success and leadership in practice. "It is essential for a sales manager to understand how operations and the measurement and management thereof affects sales, overheads and finally, customer satisfaction," says Hällfors. Audi has

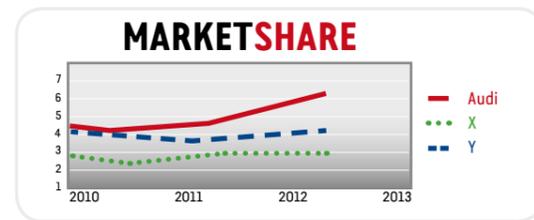
audited the practical implementation of management plans with the Trainers' House's Pulse monitoring tool.

In sales training, we focused on identifying the most effective and client-centric way to drive the sales process. "Sales personnel honed their practical sales skills and identification of customer needs in small groups. We also simulated customer encounters and the best ways of proceeding in different situations. By doing so, we implemented Audi's mission - customer delight - in practice at all levels," Hällfors says.

GREAT RESULTS

"Our sales process has improved all-round, and our performance has improved significantly in every area. We have increased our market share and most importantly, all of our customer satisfaction metrics have improved notably," says Hällfors, satisfied. "Our customer satisfaction is now the best in the Nordic countries and Audi Finland has established itself as a benchmark in Europe," Hällfors says.

Audi Finland will report a strong sales result for 2012. Everything we do at Audi is based on our brand essence, "Vorsprung durch Technik", or progress through technology, which is further divided into three brand values: sportiness, sophistication and progressiveness. We live and breathe these values in all our customer service and sales activities," Hällfors concludes.



CASE

Audi



Janne Hällfors
Product Manager
Audi Finland

Olli Lätti
Trainers' House

CASE

Audi



Jari Kivinen
Trainers' House

Bo Ranta
Production Director
Sinebrychoff

CASE

Sinebrychoff

CASE

SINEBRYCHOFF - CONTINUOUSLY BETTER

192-year old Sinebrychoff, the leading manufacturer of beers, ciders, soft drinks and energy drinks in Finland, also offers a comprehensive selection of international beers as well as a wide range of other alcoholic beverages through its partners. Sinebrychoff began its brewing operation in 1819 and is today the oldest brewery in the Nordic countries and the oldest foodstuff producer in Finland. Sinebrychoff is part of the international Carlsberg Group.

ASSIGNMENT - IMPROVING PRODUCTIVITY

Sinebrychoff has fared very well despite the challenging market conditions. Sinebrychoff is part of the international Carlsberg Group and is one of its twenty-six production facilities in Europe. "Success and competitiveness in Europe today requires more than being good," says **Bo Ranta, Production Director, Sinebrychoff**. "Success is not a given. We must improve continuously, which became the founding principle of our project. We must see to it that our cost management and productivity are better than the Group average," he says.

SOLUTION

Our cooperation focuses on managing and motivating people. Personnel should be inspired to work together to identify better ways of working. Managing the flow of goods and logistics alone is not enough to provide exceptional results. "It is a process more than a project - we want to improve continuously," Ranta explains.

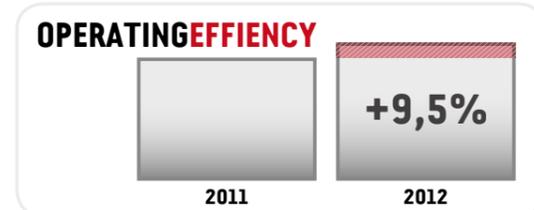
The training sessions focused on what the Group operations involve and what the supervisor's role is in the Group environment. All Sinebrychoff managers and most of the staff have participated in the training sessions. In total, some 200 people were involved in the implementation of the change, one way or another. "We must keep up with the Group-level requirements and enforce not only the management's leadership skills but also the personnel's interaction skills to remain at the top," Ranta emphasises. In addition to training sessions, we established a forum, "**Continuously better**" café, where the management and personnel can discuss given themes. "The café has been well received and a good platform for fruitful interaction. It has also increased the visibility of management among the staff."

WE MEASURE CHANGE IN

4

 AREAS

OPERATING EFFICIENCY



RESULTS

The cooperation has introduced changes in leadership practices and personnel's attitudes. We now have a deeper understanding of why we want to be continuously better. "We had previously tried to implement lean ideology at the production plant, but the launch was not very successful. We have now managed to crystallise the idea into a more approachable and positive form," Ranta says.

"We measure change in four areas. We have gained the best results in cost management and produced vs. planned," Ranta adds.

CASE

Sinebrychoff

CASE

OP KYMENLAAKSO - IMPORTANT CUSTOMER ENCOUNTERS

OP Kymenlaakso has an extensive branch network providing comprehensive banking services. We aspire to create value for our customers, owners, personnel and the entire Kymenlaakso region. We help you achieve your dreams and secure your future.

ASSIGNMENT -
CUSTOMER EXPERIENCE MANAGEMENT

Our cooperation was launched in 2012 when five banks merged and formed a new entity, OP Kymenlaakso. *"We saw the merger as an opportunity to provide better customer service, grow as a customer-friendly bank and work for the benefit of the entire Kymenlaakso region,"* **Managing Director Marjo Partio, OP Kymenlaakso** explains. *"In cooperation with Trainers' House, we established a leadership culture and a winning customer experience for the new bank,"* she adds.

EVERY CUSTOMER ENCOUNTER IS IMPORTANT

Good customer experience is based on an effective leadership culture. In the training sessions, we determined the objectives, identity and joint practices for the new bank. Supervisors and Managers developed a model to specify what good leadership and meaningful customer interaction means at OP Kymenlaakso. Our management handbook has supported the work by crystallising the concepts of customer experience management, coaching management style and atmosphere management. *"In banking, it is ground-breaking to place the customer at the core of operations and work in partnership with the customer to promote wellbeing. We are here to serve our customers in a confident, friendly and profitable way,"* Partio explains.

PEOPLE'S BANK

"Our cooperation with Trainers' House has been advantageous, and the main concept we have taken on board is that only the future can be managed. This is where our actions can contribute to success. We must not only provide leadership at an individual level, but also manage the effectiveness of interaction at that level," Partio explains. OP Kymenlaakso's project has been a success: the bank has increased its customer interaction by volumes and gained numerous new customers. *"We have established ourselves as a bank that appeals to customers: a people's bank,"* says Partio. *"We have created a solid foundation and expect to see strong results in 2013,"* she concludes.

**"WE HAVE ESTABLISHED
OURSELVES AS A BANK
THAT APPEALS TO
CUSTOMERS:
A PEOPLE'S BANK**

CASE

OP Kymenlaakso



Johanna Sarekoski
Trainers' House

Marjo Partio
Managing Director, OP Kymenlaakso

CASE

OP Kymenlaakso



Ville Kämäräinen
Customer Service Director, Forenom

Antti Kiukas
Trainers' House

FORENOM - WORLD-CLASS CUSTOMER SERVICE

Forenom specialises in temporary accommodation and relocation services. A subsidiary of Barona, the company was established in 2001. In 2012, Forenom's turnover was EUR 24 million. Forenom's services consist of three different parts: accommodation services (furnished short-term apartments and flats), relocation services and investment property management. Forenom operates throughout Finland. Our main office is in Helsinki, and we also have locations in Lahti, Turku, Tampere, Jyväskylä, Kuopio, Lappeenranta, Pori and Oulu, as well as in Stockholm, St. Petersburg and Tallinn.

ASSIGNMENT -

STRATEGIC COMPETITIVE ADVANTAGE FROM CUSTOMER SERVICE

Forenom specialises in temporary accommodations and relocation services and bases its strategy on top-class customer service. In the initial situation, the effectiveness and productivity of customer service varied between customer service agents. Forenom wanted to ensure the proactiveness of its customer service operations and boost the level of service, up-selling and customer satisfaction.

"Forenom's management and board decided that it was time to take customer service to the next level to gain a strategic competitive advantage. We set the target of establishing a culture for first time problem resolution," says Ville Kämäräinen, Customer Service Director, Forenom.

SOLUTION

After careful analysis, we selected a solution with Trainers' House that empowers the customer service personnel to implement the change. We met with the management team to specify clear and unambiguous targets and ensure buy-in throughout the organisation. Each team then fine-tuned their targets further. It was important that the management was 100 per cent behind the customer service development initiative.

"An essential feature in our cooperation was a long-term project schedule with several check points that allowed us to monitor the project achievements. This helped ensure progress," Kämäräinen emphasises.

Another key to project success was the fact that the change initiative was well marketed internally. Effective customer service helps internal teams to succeed in their respective roles," Kämäräinen explains.

CONVINCING RESULTS

Customer satisfaction, service levels and up-selling have all improved notably. Customer service training drilled down into correct phrasing to introduce up-selling in telesales. As a result, up-sales have increased by more than 30 per cent during the project. At the same time, the customer service team was divided into two groups with specific roles: Front is responsible for new sales contacts while Back looks after any issues reported by the existing customer base. This helped ensure that each role employs the people best suited for the job. We have also established higher service levels. For calls for example, we have managed to consistently exceed a 95 per cent service level during the project. Close to half of all contacting (44 per cent) lead to an initial reservation, 75 per cent of which lead to a sale.



CASE

DO IT THE ASKO WAY - BOOST IN HIT RATE AND SALES

Asko is the best known brand on the Finnish furniture sector. Asko offers a competitive portfolio for home decorating through its active and reliable sales network and appealing stores.

ASSIGNMENT -
BOOST IN HIT RATE AND SALES

The premise of our cooperation was to improve Asko's hit rate (visits/sales) and sales performance. "Our cooperation with Trainers' House dates back to 2008. At the time, our financial result was weak and we were finding the market situation quite challenging," says **Chain Director Mika Kakko**. "We wanted to find a suitable partner to help us improve our financial result and increase our market share. Trainers' House's energetic and active approach stood out from the rest," Kakko explains.

DO IT THE ASKO WAY

The solution focused on modelling Asko store managers' leadership practices and streamlining the sales model. We set a target of a 20 per cent increase in hit rate and the size of average purchase, and worked together to identify means of reaching these goals. The project was kicked off in a super seminar for the entire personnel, marking the launch of the new sales program, Tee Askot ("**Do it the Asko Way**"). We also organised tailored training sessions for the entire personnel to provide more detailed information about how the new model applies to their everyday work. Since then, we have introduced new material annually: in 2010, we launched a handbook for Asko sales managers. In 2011, we published a video of tangible examples that illustrate what the Asko way means in practice. Asko's concept manual contains a section on leadership that specifies the new sales model in simple terms to support everyday sales work.

In 2012, we focused on wellbeing at work to help store managers identify suitable ways of maintaining and developing their ability to work.

"The store manager of each store is at the core of our sales model, because they are responsible for the sales and result of their respective stores. We have focused on training the managers to provide them with the necessary tools and means of implementing the Asko way in practice. In addition to the sales manager role, they also act as sales trainers and sparring partners to their sales personnel," Kakko explains.

RESULTS

"We got the results we wanted: the average purchase size has increased by 40 per cent over the past four years. Our hit rate still requires some work, but we are close to reaching the target of a 20 per cent improvement," Kakko says. Cooperation with Trainers' House has been smooth and effortless. "The cooperation has introduced concrete and tangible added value to our operations and we have significantly improved our market position. It has been great to see the daringness and skill with which Trainers' House generates and introduces new ideas every year. We have introduced something new annually under the umbrella theme," Kakko concludes, satisfied.



Antti Paussu
Trainers' House

Mika Kakko
Chain Director, Asko

CASE

KODIN TERRA - MORE CONSISTENT LEADERSHIP

Kodin Terra belongs to the S-chain and is a hardware store with a large gardening section. We focus on building, remodelling, decorating as well as gardening and landscaping. We offer our customers economical and versatile solutions to their homes, gardens, and holiday houses.

ASSIGNMENT -

BUILDING THE MANAGEMENT SYSTEM

Our cooperation with Kodin Terra Tuusula was launched in 2011. Our target was to establish a leadership model with which to achieve measurable improvements in the management, job satisfaction and key metrics of the store. *"We laid a foundation for a coaching leadership model, defined the store identity and specified shared leadership practices,"* says Antero Levänen, HR Director, HOK-Elanto. In 2012, the coaching leadership model was implemented at an individual level. *"This involves making people want change, creating a positive environment for change and helping the personnel understand why change is necessary,"* Levänen says. *"In practice, this involves regular observation and feedback of sales activities."*

LEADERSHIP IS AT THE CORE OF WELLBEING AT WORK

The impact of leadership on job satisfaction, atmosphere at work and the quality of work was the cornerstone of our cooperation. Trainers' House trained Kodin Terra Tuusula's managers in 2011 and 2012. We established clear leadership models and complemented them with metrics and a feedback model. *"We supported each manager's individual leadership style, helping them to find better customer contacts and support the professional development of their sales staff. We encouraged the managers to organise short daily meetings. Sales and sales development as well as the specified customer experience were the focus areas when we created the new leadership model,"* Levänen says.

"Progress takes place step by step. At the moment, Kodin Terra Tuusula's staff have a deeper understanding of the impact their work has on the business, which is important for job satisfaction. The staff is much more committed in comparison to the levels reported a year or two ago," Levänen points out. The next step in the cooperation involves focussing on separating sales from logistics, so that sales managers can dedicate more time for sales activities and sales management.

RESULTS

MORE DEDICATED AND COMMITTED STAFF

Many metrics now show notable improvements. The personnel satisfaction index is up by 8.6 per cent since 2011. *"This development is due to tangible improvements at the individual level and new ways of doing things,"* says Levänen, satisfied. According to the results of the customer satisfaction survey, Kodin Terra Tuusula is now above the Kodin Terra average as opposed to below average before the project.

"Personnel expertise and service attitude also score higher than average points, as do the friendliness and appearance of staff," Levänen points out. Kodin Terra Tuusula fares very well both in terms of financial and operational metrics. *"Sales are up one third in Tuusula. This is not a coincidence. It is a result of determined work and increasingly proactive customer service attitude. We will continue to develop our sales and sales management practices. We need to maintain our new position by continued good sales management and good levels of personnel satisfaction. We need to establish a cycle of positive reinforcement,"* Levänen concludes.

**"SALES ARE UP
ONE THIRD
IN TUUSULA**

CASE

Kodin Terra



CASE

KASSA

Antero Levänen
HR Director, HOK-Elanto

Arto Heimonen
Trainers' House

CASE

Kodin Terra

PERSONNEL

We believe in people's potential. The performance of an organisation depends on the ability of individual people to meet challenging situations with courage, constructiveness and energy. When a growing group of good people manages to give of their best in difficult situations and build a better future together, success will inevitably follow.

We help both our customers - and ourselves - rise to the next level. That is why we want to develop as human beings, professionals and as a work community. The monthly TH academy trainings, which are open for the entire personnel, increase the personnel's awareness of current topics related to Trainers' House, our customers and the markets in general.

In addition, as a reward and an incentive, we provide to selected employees the opportunity to participate in personal training programmes that are offered to our customers. Our induction procedure has proven effective and it helps us better ensure that new people are well equipped to succeed in their roles.

In 2012, we successfully continued the Growth Academy training programme tailored for students with 73 new students. Trainers' House's Growth Academy is a training and working programme of one year's duration, combining study and work. In addition to the 11 top-level business training sessions the students get during the year, they also get an opportunity to work as a marketer in various customer projects.

The Board of Directors of Trainers' House Plc appointed Arto Heimonen, LL.M, eMBA, Master of Laws (trained on the bench) as the new chief executive officer of the company effective as of 9 January 2013. At the end of 2012, the computational number of the company's employees was 108 (125). The majority of them worked as training consultants as well as in project management and marketing positions. The company recruited a total of 12 new people in permanent positions during 2012.

KATRIINA JUNTUNEN

29, M.Sc. (Econ.)
Consultant, Trainers' House

"Companies often find that what they thought was resistance to change is actually leadership that falls short of the mark."

Katriina graduated from the Helsinki School of Economics in 2008 and has been a consultant at Trainers' House since 2009. She is mainly involved in international companies' change projects, focusing on various leadership challenges.

"I am usually responsible for the implementation of the ASC phase with my team. In practice, it involves identifying the initial situation and specifying the change elements and management system to ensure effective project implementation. To succeed in my role, I need to form an efficient team with the training consultant and the project manager. The most interesting projects are those where the change needs to be implemented in several different environments and cultures. I consult company management, advising them on how to involve the personnel in the change process and develop their personal change management skills," Katriina explains.

She enjoys working in a good team and with good clients: *"At Trainers' House, you are given the chance to work in interesting customer projects from day one. I have a say in what my role involves and can specialise in areas that interest me. The best part of my work is that I can genuinely say that I contribute to the clients' progress: I help them adopt new points of view and improve their everyday leadership. We have a unique project approach: we focus on individuals, not plans that are (initially) far removed from everyday activities. To move forward, you need to know where you are now. Not where you no longer are or have yet to be."*

Katriina Juntunen
Trainers' House



Janne Tirkkonen
Trainers' House

Johanna Wegelius
Trainers' House

COMPANY

JANNE TIRKKONEN

44, M.Sc. (IT)
Training Consultant, Trainers' House

"As a community, we at Trainers' House excel at finding the best qualities of each person."

Janne graduated from the Tampere University of Technology in 1998. Before joining Trainers' House, he was employed by telecom operators such as Sonera and Finnet. He became a training consultant in 2011 and took to the helm of his own sales team in the autumn of 2012.

Trainers' House's customer base had an important role when Janne chose to work for the company. *"Trainers' House is a great company because you get to meet a vast array of different people, both customers and colleagues, and face interesting challenges. The way we do things, in terms of commitment and target setting, is very different from what I was used to. I believe that we attract certain types of people, but our culture is also strong enough to nudge and inspire you, increasing the intensity with which you work."*

Janne emphasises the importance of company culture in building motivation. *"When giving feedback is a solid part of the company culture, people can learn and develop. We give feedback openly. Everyone who is willing to accept challenges is given responsibility. Expectations are high, too, but everyone is given the opportunity to learn and earn respect. We have no interest in image worship,"* Tirkkonen says.

JOHANNA WEGELIUS

28, BBA
Operative Manager, Ignis

"I feel I have succeeded when a member of my team succeeds."

A Bachelor of Business Administration, Johanna graduated from the Haaga-Helia University of Applied Science in 2009. In her first role at Trainers' House, she worked as a part-time marketer in Growth Academy (THGA) in 2008. She has since advanced in quick progression to a Project Manager role, followed by a Senior Project Manager role with the responsibility of recruitment at THGA. She is currently responsible for the operations of Ignis, managing 14 full-time Project Managers and teams that work in more than 100 customer projects.

"I try to be an emphatic and approachable manager. It is a pleasure to see people in my team reach new heights, managing their team and providing great results for the clients. I am passionate about working with clients and helping them improve and progress. I could not give it up," Wegelius explains.

Working atmosphere is very important to her. *"What makes Trainers' House exceptional is the fact that the personnel strives to improve their performance time and again. Responsibility is given to those who are willing to take it on. My professional growth is based on a balance between ambition and humbleness. While the targets may seem ambitious at times, hard work and patience guarantee good results in the end. We take our work seriously but also have a twinkle in the eye. It is possible to manage the hectic pace and reach demanding targets with fabulous colleagues who share your ambition."*

CEO

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.

REMUNERATION

The CEO is directly responsible for strategic planning, strategy implementation and any investments these necessitate, as well as 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 9 January 2013, Arto Heimonen has acted as the CEO of Trainers' House Plc.

REMUNERATION

The Board of Directors approves the salary level offered to the CEO. In addition to his pay, Trainers' House Plc's CEO Arto Heimonen is entitled to the following fringe benefits according to current company policy: a lunch benefit and occupational health care in accordance with the company policy.

The CEO's contract may be terminated at any time by either the CEO or the company. The notice period for termination is six (6) 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 law. The CEO does not have any pension benefits exceeding the Employees' Pension Act (TyEL).

MANAGEMENT TEAM

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 in the company are presented on pages 38-39.

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 2012 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 2012, the Group paid auditing fees in the amount of EUR 76,498.50 to the auditors.

CORPORATE GOVERNANCE

ARTO HEIMONEN

CEO

Year of birth: 1964

Education: LL.M, eMBA, Master of Laws
(trained on the bench)

Work experience

Trainers' House Plc
CEO, 2013-

Trainers' House Plc
Senior Vice President, Ignis Oy, CEO 2009-

Veikon Kone Oy
Deputy Managing Director, 2008

SEK & Grey Oy
CEO, 2006-2007

Tele Finland Oy
CEO, 2004 -2005

Teliasonera and Sonera
vice president 2001 -2004

Pohjola Group
Marketing Director, 1995-2000

Other current positions of trust

None

Ownership:
25,500 shares

MIRKKA VIKSTRÖM

CFO

Year of birth: 1961

Education: Business college graduate
(Financial Administration)

Work experience

Trainers' House Plc
CFO, 2008-

Trainers' House Oy
CFO, 2006-2007

Trainers' House Oy
Financial Manager, 2001-2006

Other current positions of trust

None

Ownership:
210,895 shares



CORPORATE GOVERNANCE

Management team

CORPORATE GOVERNANCE

Management team



Jari Sarasvuo

Kai Seikku

Jarmo Hyökyvaara

Tarja Jussila

Aarne Aktan

BOARD OF DIRECTORS

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 on 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 23 March 2012. The AGM adopted the company's Financial Statements for 2011 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 2012-2013 term of office, the Board of Directors comprises five members.

Since 2007, Aarne Aktan has acted as Chairman of the Board. The work of the Board of Directors is organized in accordance with the charter in effect at the time. The members of the Board of Directors and their shareholding in the company are described on pages 42-43.

MEETINGS

The Board of Directors convened 12 times in 2012. The attendance rate was 94%.

REMUNERATION

The Annual General Meeting of 2012 decided that the Chairman of the Board be entitled to a monthly emolument of EUR 3,500, and Board members to a monthly emolument of EUR 1,500. No separate meeting fees are paid.

CORPORATE GOVERNANCE

TARJA JUSSILA

MEMBER OF THE BOARD

Independent member of the Board since 2008.

Year of birth: 1970

Education: KTM

Main occupation: CEO
Hill & Knowlton Finland Oy

Work experience

Hill & Knowlton Finland Oy
CEO, 2002-

Other current positions of trust

Hill & Knowlton Finland Oy
Member of the Board, 2002-

Gambit Hill & Knowlton A/S
Member of the Board, 2002-

MTL, The Finnish Association of Marketing Communications Agencies
Member of the Board, 2007-

Pro Filharmonia Association
Member of the Board, 2005-

Ownership:

None

KAI SEIKKU

MEMBER OF THE BOARD

Independent member of the Board since December 31, 2007.

Year of birth: 1965

Education: M. Sc. (Econ.)

Main occupation: CEO, Okmetic Oyj

Work experience

HKScan Oyj
CEO, 2006-2009

Hasan & Partners Oy
CEO, 1999-2005

McCann-Erickson,
Country Manager, 2002-2005

The Boston Consulting Group
(Stockholm, Helsinki), 1993-1999

SIAR-Bossard
1991-1993

Other positions of trust

Alma Media Oyj
Member of the Board, 2006-

Ownership:

Shares 204,446 pcs.

JARI SARASVUO

MEMBER OF THE BOARD

Member of the Board since 2011

Year of birth: 1965

Education: Studies in Economics

Main occupation: Trainer, Trainers' House Plc

Work experience

Trainers' House Plc
CEO, 2008-2010

Trainers' House Oy
Chairman of the Board, 1990-2007

Länsiväylä, Uusi Suomi, Suomen Kuvalehti, Kymmenen Uutiset, Radio City, Contactor –magazine, journalist

Writers' Studio, management positions

Hyvät, Pahat ja Rumat, Minä ja Sarasvuo, Diili -TV shows

Entrepreneur since 1990

Other current positions of trust

GSP-Group Oy
Member of the Board, 2007-

Ownership:

shares 20,396,600 pcs through a company controlled by Mr. Sarasvuo.

JARMO HYÖKYVAARA

MEMBER OF THE BOARD

since 2011

Year of birth: 1965

Education: MBA

Work experience

Smartum Oy
CEO, 2003-2007

Partus Oy
Chairman of the Board, 2008-2011

Partus Oy
Member of the Board, 1999-2008

Other current positions of trust

The Orange Company Oy
Member of the Board, 2011-

Smartum Oy
Hallituksen jäsen, 2011-

AinoActive Oy
Member of the Board 2011-

TOC Private Oy
Member of the Board 2011-

Bonafit Oy
Chairman of the Board, 2011-

Myvision Oy
Chairman of the Board, 1990-

The Finnish Family Firms Association
Member of the Council, 2009-

Ownership:

shares 225,000 pcs through a company controlled by Mr. Hyökyvaara.

Shares 4,250,000 pcs through The Orange Company Oy

AARNE AKTAN

CHAIRMAN OF THE BOARD

Member of the Board since 2006

Year of birth: 1973

Education: B.Sc. (Econ.)

Main occupation: Talentum Oyj, CEO

Work experience:

Quartal Oy, CEO 1998-2011

Aarne Aktan is one of the pioneers in Finnish internet technology. He has solid 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, 2008-

AtBusiness Group Oy
Member of the Board, 2010-

Fondia Tools Oy
Member of the Board, 2010-

Great Expectations Capital Oy
Chairman of the Board, 2007-

Investis LTD UK
Member of the Board, 2008-

Investis Flife OY
Chairman of the Board, 2004-

Investis Flife AG
Chairman of the Board, 2008-

Protie Oy
Member of the Board

Quartal Financial Solutions AG
Member of the Board, 2008-

Quartal OY
Member of the Board, 2011-

Ownership:

shares 3,026,000 pcs through a company controlled by Mr. Aktan

THE CHARTER OF THE BOARD

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 the 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 acquisitions 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 duties of the Chairman, induction, independence and assessment of the Board members as well as Board meetings.

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 appointed by the Board of Directors for internal auditing.

INTERNAL CONTROL PRACTICES AND PROCEDURES

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

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

1. discussing strategic and annual plans
2. supervising business operations and financial activities
3. and discussing investments, acquisitions and significant expansion or downsizing plans.

INTERNAL CONTROL AND AUDITING

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 25 persons in total.

Trainers' House's insider officer is the company's CFO, Mirkka 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 area.

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.

INFORMATION FOR INVESTORS

CALENDAR FOR 2013

The Annual General Meeting of Trainers' House Plc will be held on 19 March 2013, at noon.

In 2013, interim reports will be published as follows:

- 14 February 2013 at 8:30 am
Financial Statements Bulletin 2012
- 18 April 2013 at 8:30 am
Interim Report 1 January – 31 March 2013
- 1 August 2013 at 8:30 am
Interim Report 1 January – 30 June 2013
- 24 October 2013 at 8:30 am
Interim Report 1 January – 30 September 2013

DIVIDENDS

The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2012.

ANALYSTS FOLLOWING TRAINERS' HOUSE

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

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