2008

FINANCIAL STATEMENTS

trainers' HOUSE

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FINANCIAL STATEMENTS OF TRAINERS' HOUSE PLC FOR 2008

BOARD OF DIRECTORS' REPORT 1 JANUARY – 31 DECEMBER 2008

General

Trainers' House Plc is a business growth company formed when Satama Interactive Plc acquired the entire share capital of Trainers' House Oy in 2007 and the companies merged on 31 December 2007. In connection with the merger, the combined company adopted the name Trainers' House Plc.

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

Changes in Group Structure

In 2008, Trainers' House Growth System Corporation sold its mobile technology unit to Nice-business Solutions Finland Oy. The divestment has not had any significant impact on the company's net sales or result in the period under review.

Trainers' House Plc's wholly owned subsidiaries Satama MST Oy, Fimentor Oy and Seiren Solutions Oy, as well as Trainers' House Growth System Corporation's wholly owned subsidiary The Uncles Oy will be merged into Trainers' House Growth System Corporation on 31 December 2008. Trainers' House Growth System Corporation is a wholly owned subsidiary of Trainers' House Plc.

Changes in Ownership

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

The company's CEO Jari Sarasvuo and his controlled company Isildur Oy currently hold a total of 36.7% of the share capital of Trainers' House Plc. The Finnish Financial Supervision Authority has on 18 December 2008 granted a new exemption until 30 June 2009 to Mr. Sarasvuo and Isildur Oy regarding the obligation to present a mandatory redemption offer concerning the shares of Trainers' House Plc. The combined shareholding of Mr. Sarasvuo and Isildur Oy exceeded 30 percent as the shares, issued in conjunction with the merger of Satama Interactive Plc and Trainers' House Oy, were registered to the Trade Register on 31 December 2007. At that time, the Finnish Financial Supervision Authority granted an exemption to Mr. Sarasvuo and his controlled company Isildur Oy regarding the obligation to present a mandatory redemption offer concerning the company. The terms and conditions of the exemption required that the combined shareholding of Mr. Sarasvuo and Isildur Oy would decline to 30% or under within one (1) year from the date that the new shares were registered to the Trade Register. This exemption expired on 31 December 2008.

The terms and conditions of the new exemption require that the combined shareholding of Mr. Sarasvuo and Isildur Oy in Trainers' House will decline to 30% or under by 30 June 2009. Furthermore, the terms and conditions state that during the exemption, Mr. Sarasvuo and Isildur Oy shall not acquire or subscribe more shares or otherwise increase their ownership in the company, and that Mr. Sarasvuo and Isildur Oy, together or separately, shall not in general meetings use voting rights exceeding the amount of votes calculated by deducting the shares owned by Mr. Sarasvuo and Isildur Oy from the total amount of shares issued by the company and multiplying the calculated amount by 3/7.

Development of Net Sales and Profit

The financial statements of the Trainers' House Group have been compiled in accordance with the International Financial Reporting Standards (IFRS).

The year 2008 was the first financial year following the merger of Trainers' House Oy with Trainers' House Plc on 31 December 2007. The merger has had a significant impact on the Group's operations, and as a result, the figures for 2006 and 2007 are not fully comparable.

The Group divested its Dutch operations in 2007. The net profit of the company's Dutch operations from the beginning of 2007 to the date of the divestment agreement and the related non-recurring capital gain are presented in the profit from divested operations. The financial information for 2006 has been adjusted to correspond to the structure of the continuing and divested operations.

The service offering of Trainers' House includes media services related to measurement and analytics, which are purchased from external service providers. Consequently, the company decided to change the accounting principles for media services from gross to net basis as of 1 January 2007. Under these principles, only the mark-up portion of media services is included in net sales. The financial information for 2006 has been adjusted to comply with the adjusted accounting principles.

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

	2008	2007	2006
Net sales, EUR	44 237 260,99	29 988 578,69	28 394 932,55
Operating profit, EUR	4 297 930,70	2 119 332,38	187 296,09
Operating profit, % of net sales	9,7	7,1	0,7
Return on equity, %	2,2	11,5	0,2
Return on investment, %	5,2	3,5	1,0
Equity ratio, %	65,1	56,0	71,9
Profit/share, EUR	0,02	0,12	0,00
Shareholders' equity/share, EUR	0,91	0,92	0,53
Dividends	*) 3 400 835,20	2 720 668,16	
Dividend per share, EUR	*) 0,05	0,04	
Dividend on profit, %	*) 250,8	34,4	
Effective dividend yield, %	*) 9,1	3,4	

*) Proposal of the Board of Directors, financial ratios calculated from total amount of dividend.

After the merger, the volume and profitability of operations have improved significantly year on year. A total of EUR 10.2 million of the purchase price of Trainers' House Oy was allocated in intangible assets with a limited useful life. Depreciation resulting from the allocation totalled EUR 3.0 million in 2008. This item is depreciated over a period of five years.

In connection with the merger, the training business of Trainers' House Oy was transferred to the parent company, Trainers' House Plc. In addition, the parent company has included the group management and a unit providing administrative functions for Group companies. The parent company's financial statements have been drafted in accordance with Finnish laws and regulations.

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

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

Financing, Solvency and Risks

On 31 December 2008, the liquid assets of the Trainers' House Group amounted to EUR 7.7 million (EUR 17.1 million in 2007 and EUR 0.5 million in 2006). The equity ratio was 65.1% (56.0% in 2007 and 71.9% in 2006) and net gearing 22.9% (27.6% in 2007 and -0.9% in 2006). At the end of 2008, the Group had interest-bearing liabilities in the amount of EUR 21.8 million (EUR 34.3 million in 2007 and EUR 0.4 million in 2006).

Cash flow from operations totalled EUR 4.1 million (EUR 2.1 million in 2007 and EUR -0.6 million in 2006). Cash from investments totalled EUR 0.9 million (EUR -19.9 million in 2007 and EUR -2.8 million in 2006) and cash from financing came to EUR -14.5 million (EUR 34.4 million in 2007 and EUR 0.7 million in 2006).

Cash flow from financing was affected most significantly by loan repayments totalling EUR 12.3 million. This figure includes extra repayments in the amount of EUR 7.3 million relating to the divestment of the company's Dutch operations and the mobile technology unit. Dividends were paid in the amount of EUR 2.7 million. Cash flow from financing was affected positively in the amount of EUR 0.5 million by subscriptions made under warrant 2003C, for which the subscription period ended on 1 February 2008.

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

Personnel

Key figures on the Group's personnel for continuing operations:

	2008	2007	2006
Average number of personnel	375	329	329
Personnel at the end of the period	340	400	324
Salaries and compensations, EUR	17 782 100,92	15 036 841,13	15 267 125,47

Research and Development

In 2007, the Group's research and development costs totalled EUR 2.3 million (EUR 1.9 million in 2007 and EUR 1.2 million in 2006), representing 5.1% of net sales (6.3% in 2007 and 4.1% in 2006).

Shares and Share Capital

At the end of the period, Trainer's House Plc had issued 68,016,704 shares. The company's registered share capital amounted to EUR 880,743.59. The stated value of the share is EUR 0.02 (not exact). The share capital comprises shares of a single class, with each share entitling to one vote. The company's share capital was increased by a total of EUR 13,801.92 during the period under review, as a result of subscriptions made on account of the 2003C warrants issued under the personnel's option programme. The total number of new shares subscribed for was 656,500.

A total of 7,217,171 treasury shares acquired by Trainers' House Plc in the merger of Satama Interactive Plc and Trainers' House Oy were invalidated during the period under review. The invalidation did not affect the company's share capital. The change in the number of shares was registered in the trade register on 7 March 2008. At the end of the period under review, the company did not possess any treasury shares.

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

Personnel Option Programmes

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

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

The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B. The subscription period for shares converted under the 2006A warrant began on 1 September 2008 and ended on 28 February 2009. The subscription period for the shares converted under the 2006B warrant is to begin on a date determined by the Board of Directors after publication of the interim report for the second quarter of 2009, but not later than on 1 September 2009, and end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 0.98 for shares converted under the 2006A warrant, and EUR 1.13 for shares converted under the 2006B warrant.

Authorizations by the Board of Directors

The Annual General Meeting held on 1 April 2008 authorized the Board of Directors to decide on the repurchase of the company's own shares. Under the authorization, whether on one or on several occasions, a maximum of 6,500,000 shares, which corresponds to approximately 9.62% of the company's shares, may be acquired. The authorization shall remain in force until 30 June 2009. At the same time the AGM countermanded the earlier comparable authorization.

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

The authorization had not been exercised on 31 December 2008.

The AGM authorized the Board to decide on a share issue including the conveyance of own shares, and the issue of special rights. With these authorizations related to share issue and/or issue of special rights, whether on one or on several occasions, a maximum of 13,000,000 new shares may be issued and/or treasury shares may be transferred, which corresponds to approximately 19.24% of the company's shares. The authorization shall remain in force until 30 June 2009. At the same time the AGM countermanded the earlier comparable authorization.

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

The authorizations had not been exercised on 31 December 2008.

Board of Directors and Auditors

Annual General Meeting of Trainers' House Plc was held on 1 April 2008. Aarne Aktan, Timo Everi, Kai Seikku, Petteri Terho and Matti Vikkula were re-elected as members of the Board of Directors until the following Annual General Meeting. Tarja Jussila was elected as an independent member of the Board. Authorized Public Accountants Ernst & Young Oy were elected as the company's auditors. Harri Pärssinen, APA, has been acting as the responsible auditor.

Shareholder Agreements

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

Long-term Goals

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

The company will target 15% annual organic growth and 15% operating profit, and will aim to pay 30–50% of its annual profit as a dividend. The company expects to achieve these goals once the Growth System concepts have been completed and launched internationally.

Short-term Business Risks and Factors of Uncertainty

The financial crisis and the resulting stagnation in economic activity in Finland and abroad will influence the decisions made by the company's customers and thereby affect the financial position of Trainers' House Plc. The key objective of the company's product offering – helping customers move forward and grow – is relevant to the Group's customers also in a weak market situation. Furthermore, in the current economic situation, the quantifiability of the Group's operations strengthens our position to some extent. Nevertheless, the length of sales projects is expected to increase, and more projects are expected to be cancelled than before. Price competition is distorting customers' decision-making criteria. Customers are having more and more difficulty in keeping faith in the future.

Trainers' House Plc has prepared for the new market situation by restructuring its organization with the aim of placing more and more of its personnel at the customer interface. We have adjusted our product offering to suit the market situation, and have launched new products. By continuing our SaaS product development, we aim to create new services for improving operational efficiency, which require smaller initial investments from customers. Trainers' House is adjusting its operations and product offering according to the requirements of the new situation. Risks in the company's operating environment are increasing, business operations are becoming more challenging, and it is becoming more difficult to estimate future developments. The operations of Trainers' House are hindered by the unequivocal cost cuts made by some customers.

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

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

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

Board's Proposal Concerning Distributable Assets
At the end of 2008, the parent company's distributable assets amounted to EUR 39.5 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.05 per share be paid for 2008, totalling EUR 3.4 million with the share capital of the time of the Annual General Meeting.

No significant changes have taken place in the financial position of Trainers' House Plc since the end of the financial year. The company's liquidity is strong, and the Board of Directors holds that the proposed profit distribution will not compromise the company's solvency.

Events After the Balance Sheet Date
No major events have taken place in the Group after the balance sheet date.

CONSOLIDATED INCOME STATEMENT, IFRS

EUR	Note	1.1.–31.12.2008	1.1.–31.12.2007
Continuing operations			
NET SALES	1.	44 237 260,99	29 988 578,69
Other operating income	4.	214 261,97	60 953,96
Costs			
Materials and services	5.	-5 434 104,34	-3 437 368,12
Salaries and other employee benefits	6.	-22 041 729,54	-18 663 194,68
Depreciation	7.	-4 060 633,92	-713 380,20
Other operating expenses	8.	-8 617 124,46	-5 116 257,27
		-40 153 592,26	-27 930 200,27
OPERATING PROFIT		4 297 930,70	2 119 332,38
Financial income	10.	350 597,57	62 083,37
Financial expenses	11.	-2 041 054,06	-320 815,00
Share from profit/loss of associated company	16.		-102 992,47
PROFIT BEFORE TAX		2 607 474,21	1 757 608,28
Taxes	12.	-1 252 347,35	3 081 853,84
Profit for the period from continuing operations		1 355 126,86	4 839 462,12
Divested operations			
Profit for the period from divested operations	2.		3 822 001,48
PROFIT FOR THE PERIOD		1 355 126,86	8 661 463,60
Attributable to			
Shareholders of the parent company		1 355 126,86	8 661 463,60
Earnings per share as calculated from the profit attributable			
to shareholders of the parent company:			
Undiluted earnings/share (EUR),			
continuing operations	13.	0,02	0,12
Diluted earnings/share (EUR),			
continuing operations	13.	0,02	0,12
Undiluted earnings/share (EUR),			
divested operations	13.		0,09
Diluted earnings/share (EUR),			
divested operations	13.		0,09

The notes comprise a significant component of the financial statements.

trainers' HOUSE

CONSOLIDATED BALANCE SHEET IFRS

EUR	Note	31.12.2008	31.12.2007
ASSETS			
Non-current assets			
Property, plant and equipment	14.	780 813,46	1 705 859,44
Goodwill	15.	51 772 357,97	52 466 758,51
Other intangible assets	15.	17 245 753,99	20 161 666,34
Financial assets	17.	2 721,85	229 903,55
Receivables	19.	25 717,93	23 970,00
Deferred tax receivables	18.	7 119 646,34	9 149 483,45
Total non-current assets		76 947 011,54	83 737 641,29
Current assets			
Inventories	20.	14 227,51	14 594,74
Trade and other receivables	21.	10 708 098,30	11 689 668,67
Cash and cash equivalents	22.	7 663 977,77	17 119 611,24
Total current assets		18 386 303,58	28 823 874,65
TOTAL ASSETS		95 333 315,12	112 561 515,94
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company	23.		
Share capital		880 743,59	866 941,67
Share issue			255 914,94
Premium fund		13 942 679,30	13 227 766,22
Translation differences		-10 542,73	-2 179,20
Hedging reserve		-171 031,92	
Distributable non-restricted equity fund		31 872 147,15	31 348 075,20
Retained earnings		13 983 433,77	7 889 299,34
Profit for the period		1 355 126,86	8 661 463,60
Total shareholders' equity		61 852 556,02	62 247 281,77
Long-term liabilities			
Deferred tax liabilities	18.	4 328 458,33	5 739 151,27
Financial liabilities	26.	16 638 767,96	34 012 140,27
Total non-current liabilities		20 967 226,29	39 751 291,54
Current liabilities			
Provisions	25.		63 700,00
Financial liabilities	26.	5 187 677,00	281 762,00
Trade and other payables	27.	7 325 855,81	10 217 480,63
Total current liabilities		12 513 532,81	10 562 942,63
Total liabilities		33 480 759,10	50 314 234,17
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		95 333 315,12	112 561 515,94

The notes comprise a significant component of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT IFRS

EUR	Note	1.1. - 31.12.2008	1.1. - 31.12.2007
CASH FLOW FROM OPERATIONS			
Profit for the period		1 355 126,86	8 661 463,60
Adjustments			
Financial income and expenses		1 687 009,61	258 731,63
Non-cash transactions	30.	5 288 135,96	-1 889 187,50
Profit for the period from divested operations			-3 822 001,48
Other adjustments		-359 612,41	-401 586,50
Change in working capital			
Change in trade and other receivables		840 570,37	-1 898 468,50
Change in inventories		367,23	-14 594,74
Change in trade payables and other liabilities		-3 206 968,67	1 547 067,30
Interest paid and other financial expenses		-1 764 916,14	-323 506,70
Interest received		350 590,61	15 138,99
Income taxes paid		-43 144,51	-6 279,70
Net cash from operations		4 147 158,91	2 126 776,40
CASH FLOW FROM INVESTMENTS			
Acquisition cost of subsidiaries minus cash			
and cash equivalents at the time of acquisition	3.		-26 857 933,66
Divestment of subsidiaries minus cash			
and cash equivalents at the time of divestment	2.		7 857 398,16
Other investments			-187 345,07
Divestment of operations and sale of shares		1 100 024,50	
Investments in tangible and intangible assets		-351 922,22	-751 277,57
Proceeds from sale of property, plant and equipment		134 246,63	
Net cash from investments		882 348,91	-19 939 158,14
CASH FLOW FROM FINANCING			
Proceeds on share issue		491 115,06	390 914,94
Increase in short-term loans			281 762,00
Decrease in short-term loans			-62 495,00
Increase in long-term loans			34 352 870,00
Decrease in long-term loans		-12 253 840,26	-713 841,44
Increase in long-term receivables			135 970,59
Decrease in long-term receivables		-1 747,93	
Dividends paid		-2 720 668,16	
Net cash from financing		-14 485 141,29	34 385 181,09
CHANGE IN CASH EQUIVALENTS		-9 455 633,47	16 572 799,35
Cash and cash equivalents at the beginning of period		17 119 611,24	546 811,89
Cash and cash equivalents at the end of period	21.	7 663 977,77	17 119 611,24
Change during period		-9 455 633,47	16 572 799,35
The notes comprise a significant component of the financial statements.			

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IFRS

EUR	Share capital	Share issue	Premium fund	Translation difference	Treasury shares	Hedging reserve	Distributable non-restricted equity fund	Retained earnings	Total
	Equity attributable to equity holders of the parent company								
Total equity, 1 Jan 2007	859 057,86		13 100 650,03	-770,34				7 703 566,51	21 662 504,06
Translation difference				-1 408,86					-1 408,86
Cost of share-based payments								185 732,83	185 732,83
Items recognized directly in equity				-1 408,86				185 732,83	184 323,97
Profit for the period								8 661 463,60	8 661 463,60
Total gains and losses				-1 408,86				8 847 196,43	8 845 787,57
Stock options used	7 883,81	255 914,94	127 116,19						390 914,94
Acquisition of Trainers' House Oy					-8 660 605,20		40 008 680,40		31 348 075,20
merger					8 660 605,20		-8 660 605,20		0,00
Total equity, 31 Dec 2007	866 941,67	255 914,94	13 227 766,22	-2 179,20	0,00		31 348 075,20	16 550 762,94	62 247 281,77

EUR	Share capital	Share issue	Premium fund	Translation difference	Treasury shares	Hedging reserve	Distributable non-restricted equity fund	Retained earnings	Total
Total equity, 1 Jan 2008	866 941,67	255 914,94	13 227 766,22	-2 179,20			31 348 075,20	16 550 762,94	62 247 281,77
Cash flow hedges						-231 124,22			-231 124,22
Translation difference				-8 363,53					-8 363,53
Cost of share-based payments								153 338,99	153 338,99
Taxes related to items recognized in equity						60 092,30	524 071,95		584 164,25
Items recognized directly in equity				-8 363,53		-171 031,92	524 071,95	153 338,99	498 015,49
Profit for the period								1 355 126,86	1 355 126,86
Total gains and losses				-8 363,53		-171 031,92	524 071,95	1 508 465,85	1 853 142,35
Dividend distribution								-2 720 668,16	-2 720 668,16
Stock options used	13 801,92	-255 914,94	714 913,08						472 800,06
Total equity, 31 Dec 2008	880 743,59	0,00	13 942 679,30	-10 542,73		-171 031,92	31 872 147,15	15 338 560,63	61 852 556,02

The notes comprise a significant component of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

Trainers' House is a business growth company that helps its customers to grow. The parent company Trainers' House Plc was formed on 31 December 2007, when Trainers' House Oy (TH Oy) was merged with Satama Interactive Plc, a company listed on the Helsinki Stock Exchange (OMX) under the symbol SAI1V. In connection with the merger, the new company adopted the name Trainers' House Plc and the stock exchange symbol TRH1V. The company's domicile is Helsinki, and its registered address is Porkkalankatu 11, 00180 Helsinki, Finland. A copy of the consolidated financial statements is available at www.trainershouse.fi or from the head office of the parent company at Porkkalankatu 11, 00180 Helsinki, Finland.

At its meeting on 12 February 2009, the Board of Trainers' House Plc approved these financial statements for publication. According to the Finnish Companies Act, shareholders are entitled to approve or reject the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting may also decide on amendments to the financial statements.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in conformance with IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2008. International accounting standards refer to standards and interpretations approved for application in the European Union as provided for in Finnish Accounting Act and regulations based on the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements are also in accordance with the Finnish accounting and business legislation supplementing the IFRS regulations.

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

The Group has applied all the standards, amendments and interpretations published by the IASB entered into force on 1 January 2008.

IFRIC 11 IFRS 2 – *Group and Treasury Share Transactions*. The adoption of the interpretation has not affected the financial statements.

IFRIC 12 *Service Concession Arrangements*. The Group has not concluded any arrangements with public sector bodies referred to in the interpretation in the financial year or in the preceding financial years.

IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adoption of the interpretation has not affected the financial statements.

Amendments to IAS 39 *Financial instruments: Recognition and Measurement* and IFRS 7 *Financing Instruments: Disclosures*. The amended standards do not have a significant impact on the consolidated financial statements for 2008 or on future financial statements, because at the end of the financial year the Group did not have any financial assets referred to in the standard amendments on its balance sheet that would, in the Group's view, require reclassification.

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

Accounting Principles

Subsidiaries

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

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

Associated Companies

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

Foreign Currency Translation

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

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

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

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

Property, Plant and Equipment

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

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

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

Goodwill

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

Other Intangible Assets

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

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

The amortization periods for other intangible assets are as follows:

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

Trademarks are considered to have an indefinite useful life.

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

Research and Development Costs

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

Inventories

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

Leases

Group as Lessee

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

Impairment of Tangible and Intangible Assets

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

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

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

Employee Benefits

Pension obligations

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

Share-based payments

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

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

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

Taxes
Tax expenses in the income statement comprise tax based on taxable income for the period and deferred tax. Tax on taxable income for the period is calculated using the tax rates confirmed by the balance sheet date in each country. Taxes are adjusted with any taxes related to previous periods. The tax effects of items recognized directly in equity are also recognized in equity.

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

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

Revenue Recognition
Revenue from services is recognized at the time the service is carried out. Revenue for services provided is measured at the fair value of the consideration receivable. When calculating net sales, revenue from sales is adjusted with indirect taxes and discounts. Service revenue is recognized on the percentage of completion basis. The stage of completion is determined on the basis of the proportion of costs incurred for work performed to date compared to the total estimated costs.

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

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments. Items in cash and cash equivalents have a maximum maturity of three months from the date of acquisition.

Impairment of financial assets
The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. The Group recognizes an impairment loss on trade receivables, when there is objective evidence that a receivable is not collectible. Considerable financial difficulties of a debtor, likelihood of bankruptcy, default of payments or a payment delay of more than 90 days are indications of impairment of trade receivables.

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

Borrowing costs are recognized as an expense in the period in which they occur. Credit fees related to loan commitments are recognized as transaction costs to the extent that it is probable that the loan commitment or part thereof will be exercised. Such fees are recognized in the balance sheet until the loan is taken. Credit fees are recognized as advance payments for a liquidity-related service and are expensed for the duration of the loan commitment.

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

Derivatives and Hedge Accounting
Derivatives are initially recognized in the balance sheet at fair value and subsequently measured at their fair value at each balance sheet date. Any gains and losses arising from fair valuation are accounted for in the manner determined by the purpose of the derivative. For derivatives to which hedge accounting is ap-

plied and which are effective hedging instruments, changes in fair value are recognized together with the hedged item in the income statement.

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

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

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

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

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

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

Critical Accounting Estimates and Judgements
Preparation of the financial statements requires the Group management to make certain estimates and assumptions concerning future events, and the realized results can differ from these estimates and assumptions. In addition, the management must exercise its judgment in applying the accounting principles of the financial statements. The estimates and assumptions represent the management's best knowledge of current events and actions at the balance sheet date. They are based on historical experience and assumptions on, for example, the development of sales and costs in the Group's operating environment as considered most probable on the balance sheet date. The Group regularly monitors the accuracy of estimates and assumptions as well as the factors influencing them in cooperation with its business units, using several internal and external information providers. Possible changes in the estimates and assumptions are recognized in the income statement and balance sheet in the period during which the estimate or assumption is adjusted, and also in all subsequent periods.

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

Determining the fair value of assets acquired through business combinations
In connection with significant business combinations, the Group has employed the services of an outside advisor in assessing the fair value of tangible and intangible assets. For tangible assets, comparisons have been made with the market prices of corresponding assets, and estimates have been made on impairment resulting from the asset's age, wear and other such factors. The determination of the fair value of intangible assets is based on estimated cash flows related to the asset, since no information has been available on the market prices of corresponding assets. Further information on the determination of the fair value of assets acquired through business combinations is presented in Note 3: Acquisitions.

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

Deferred tax assets
Deferred tax assets are recognized in the balance sheet in the extent that the company will likely be able to utilize in the future against taxable income. The Group management expects that all confirmed losses of the Group's Finnish companies can be utilized within their period of validity. A tax receivable for the Finnish companies has therefore been entered in the maximum amount. Deferred tax assets are examined annually in connection with the preparation of the financial statements.

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

In 2009, the Group will adopt the following new and amended standards and interpretations published by the IASB:

Amendments to IAS 23 *Borrowing Costs*, IFRIC 13 *Customer Loyalty Programmes*, amendments to IAS 1 *Presentation of Financial Statements*, amendments to IFRS 2 *Share-based Payment*, amendments to IFRS 32 *Financial Instruments: Presentation*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*, IFRS 8 *Operating Segments, and amendments to Improvements to International Financial Reporting Standards*. The Group estimates that these amendments or new standards and interpretations will not have a significant impact the consolidated financial statements, except for the amendment to IAS 1 *Presentation of Financial Statements*, which will mainly affect the presentation of the income statement and the statement of changes in shareholders' equity, as well as the terminology used in other standards.

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

Amendments to IFRS 3 *Business Combinations*, amendments to IAS 27 *Consolidated and Separate Financial Statements*, and amendments to IAS 39 *Financial instruments: Recognition and Measurement*. The Group management is currently assessing how these standards and amendments to interpretations will affect the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

1. Segment Information

Segment information is given on the basis of the business and geographical segments of the Group. The Group's primary reporting format is business segments. The entire Group is reported within the Business Growth Services segment. The secondary reporting format is geographical segments, for which net sales are reported based on the geographical location of customers and Group companies and assets/liabilities based on the location of assets.

Inter-segment transactions are priced at fair market values.

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

Business segment Business Growth Services	2008	2007
Net Sales	44 237 260,99	29 988 578,69
Operating profit	4 297 930,70	2 119 332,38
Profit for the period from continuing operations	1 355 126,86	4 839 462,12
Profit for the period from divested operations		3 822 001,48
Assets	95 333 315,12	112 561 515,94
Liabilities	33 480 759,10	50 314 234,17
Investments	443 461,00	64 369 913,00
Depreciation	4 060 633,92	713 380,20
Other non-cash expenses		
Option schemes	153 338,99	185 732,83

2008 Geographical segments	Finland	Rest of Europe	Other countries	Group total
Net sales by target country 1)	43 231 700,16	722 296,75	283 264,08	44 237 260,99
Net sales by country of origin 2)	43 851 315,53	385 945,46		44 237 260,99
Assets 2)	94 154 759,66	1 178 555,46		95 333 315,12
Investments 2)	443 461,00			443 461,00

2007 Geographical segments	Finland	Rest of Europe	Other countries	Group total
Net sales by target country 1)	27 314 391,67	1 890 318,49	783 868,53	29 988 578,69
Net sales by country of origin 2)	29 406 976,85	581 601,84		29 988 578,69
Assets 2)	111 090 595,33	1 470 920,61		112 561 515,94
Investments 2)	64 369 913,00			64 369 913,00

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

2. Divested Operations

Operations divested in 2008
The Group did not divest any operations during 2008.

Operations divested in 2007
During 2007, the Group sold its Dutch operations to Lost Boys N.V., a Dutch subsidiary of LBI International AB, as part of the refocusing of operations for a total consideration of EUR 8.1 million. The transaction resulted in a non-recurring EUR 3.3 million capital gain for Trainers' House. A provision of EUR 1.5 million was made from the purchase price to cover premises expenses and other restructuring expenses to be paid by Trainers' House. The transaction also included an additional price due in 2008, which is subject to net sales and profitability targets specified for the divested operations. The additional consideration is to be paid in cash. Lost Boys N.V. assumed control over the divested operations on 1 November 2007.

The conditional additional price was not paid in 2008. The Group continues to negotiate on the additional price.

The financial result of the divested operations, the capital gain from their divestment, and the share of the divested operations from the cash flow are as follows:

	1.1.–31.10.2007
Financial result of Dutch operations	
Income	6 089 478,16
Expenses	-4 079 726,92
Restructuring provisions	-1 503 929,00
Profit before taxes	505 822,24
Taxes	188,00
Net profit	506 010,24
Capital gain from divestment of Dutch operations before taxes	3 315 991,24
Taxes	0,00
Capital gain from divestment of Dutch operations after taxes	3 315 991,24
Profit for the period from divested operations	3 822 001,48

Effect of the sale of Dutch operations on the Group's financial position	31.10.2007
Property, plant and equipment	474 283,97
Goodwill	1 258 602,44
Other intangible assets	19 683,57
Receivables	2 359 129,35
Cash and cash equivalents	216 823,84
Trade and other payables	-1 048 433,25
Total assets and liabilities	3 280 089,92
Paid in cash	8 074 222,00
Cash and cash equivalents in divested unit	-216 823,84
Net cash flow	7 857 398,16

3. Acquisitions

Acquisitions in 2008

The Group did not make any acquisitions during 2008.

Acquisitions in 2007

On 28 August 2007, Satama Interactive Plc, Trainers' House Oy and the shareholders of Trainers' House signed a Combination Agreement, according to which Satama will purchase 45% of shares in Trainers' House and Trainers' House will merge into Satama by the end of 2007. The business operations of Trainers' House consist of the training operations of Trainers' House Oy and the marketing operations of Ignis Oy.

The transaction was carried out in two phases as follows:
In the first phase Satama purchased from the shareholders of Trainers' House approximately 45.0% of the shares in Trainers' House. The purchase price of the shares was approximately EUR 33.1 million, which was paid in cash. The share purchase was financed entirely with bank loans.

In the second phase, on 31 December 2007, Trainers' House was merged into Satama through an absorption merger and the current shareholders of Trainers' House received 33,340,567 new Satama shares for consideration of the remaining 55% of the shares in Trainers' House. The total price of the shares, EUR 40.0 million, represented the closing price on the merger date, EUR 1.20 per share. Satama's share capital was not increased in connection with the merger. The increase in shareholders' equity was recorded in the distributable non-restricted equity fund. The shares paid as merger consideration were registered in the Trade Register on 31 December 2007 and immediately granted all shareholder rights.

The amount of the merger consideration was based on the mutual relationship between the values of Satama and Trainers' House. The parties and their shares have been valued on the basis of generally accepted valuation principles. For Trainers' House, the valuation has primarily been based on a financial analysis of the company's projected cash flows, and for Satama, on the company's market capitalization on the Helsinki Stock Exchange (OMX).

In connection with the merger, Satama adopted the trade name Trainers' House Plc. The transaction created a company that provides growth management services and employee training, and delivers business-critical sales and marketing systems. After the transaction, the company has a strong position in the industry in Finland and a great potential to achieve growth, a strong cash flow and high profitability. The arrangement is not expected to create any significant cost savings. These were the key factors behind the generated goodwill of EUR 43.7 million.

The acquisition cost included consultancy fees in the amount of EUR 1.1 million. Had the acquired companies been consolidated as of 1 January 2007, the Group's net sales for 2007 would have totalled EUR 46.6 million and net profit EUR 5.7 million. The financial result of Trainers' House Oy for the last two months of 2007 is included in the consolidated financial statements as an associated company after the operating profit. The balance sheets of acquired companies have been consolidated as of 31 December 2007.

The assets and liabilities measured at their acquisition-date fair value were as follows:

EUR	Note	Fair value recognized in consolidation	Carrying amount before consolidation
Property, plant and equipment	14.	898 623,20	898 623,20
Intangible Assets	15.	69 689,27	69 689,27
Trademarks (included in intangible assets)	15.	9 643 800,00	
Customer relationships (included in intangible assets)	15.	4 914 800,00	
Customer registers (included in intangible assets)	15.	859 600,00	
Order book (included in intangible assets)	15.	1 056 300,00	
Non-compete agreements (included in intangible assets)	15.	1 149 200,00	
Other agreements (included in intangible assets)	15.	2 263 300,00	
Inventories		14 594,74	14 594,74
Trade and other receivables		3 051 865,06	3 051 865,06
Other assets		8 889 373,60	8 889 373,60
Cash and cash equivalents		7 802 363,65	7 802 363,65
Total assets		40 613 509,52	20 726 509,52

EUR	Note	Fair value recognized in consolidation	Carrying amount before consolidation
Deferred tax liabilities	18.	-5 798 565,95	-627 945,95
Interest-bearing liabilities		-634 632,00	-634 632,00
Trade and other payables		-3 125 254,95	-3 125 254,95
Total liabilities		-9 558 452,90	-4 387 832,90
Net assets		31 055 056,62	16 338 676,62
Acquisition cost		74 668 977,71	
Goodwill	15.	43 680 031,94	
Acquisition cost paid in cash		33 604 054,05	
Cash and cash equivalents in acquired subsidiaries		-7 802 363,65	
Net cash flow		25 801 690,40	
Consideration			
Paid in cash		33 604 054,05	
Direct costs related to acquisitions		1 056 243,26	
New shares paid as merger consideration		40 008 680,40	
Total consideration		74 668 977,71	
Fair value of acquired net assets		-31 055 056,62	
Result of associated company		66 110,85	
Goodwill		43 680 031,94	

Tangible assets acquired as a result of business combination are measured at fair value based on the market prices of corresponding assets, considering the asset's age, wear and other such factors.

Intangible assets acquired in a business combination are recognized separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably. In connection with the completed business combination, the Group has acquired the following intangible assets: The fair value of acquired trademarks is determined on the basis of estimated discounted royalties, which have been avoided through the ownership of the particular trademarks. The fair value of customer relationships, customer registers and order books has been determined based on their estimated useful life and the discounted net cash flow from existing customer relationships. The fair value of non-compete agreements has been determined on the basis of the estimated loss of market share likely to result without the existence of the particular agreements during their validity.

4. Other Operating Income

	2008	2007
Proceeds from sale of property, plant and equipment	3 714,63	3 050,72
Capital gains from divestments	201 586,26	
Other income	8 961,08	57 903,24
Total	214 261,97	60 953,96

5. Materials and Services

	2008	2007
Raw materials and consumables	349 644,25	53 434,29
External services – subcontracting	5 084 460,09	3 383 933,83
Total	5 434 104,34	3 437 368,12

6. Salaries and Other Employee Benefits

	2008	2007
Wages, salaries and fees	17 782 100,92	15 036 841,13
Pension costs – defined contribution plans	3 049 668,90	2 480 029,53
Options to be paid as shares	153 338,99	185 732,83
Other personnel expenses	1 056 620,73	960 591,19
Total	22 041 729,54	18 663 194,68

Average number of personnel	2008	2007
In Finland	366	320
Abroad	9	9
Continuing operations, total	375	329
Divested operations		40
Total	375	369
Personnel at year-end		
In Finland	334	391
Abroad	6	9
Continuing operations, total	340	400
Divested operations		
Total	340	400

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

7. Depreciation and Impairment

	2008	2007
Depreciation by asset group		
Property, plant and equipment		
Machinery and equipment	-526 299,00	-329 188,52
Other tangible assets	-275 363,11	-257 087,78
Total	-801 662,11	-586 276,30
Intangible assets		
Intangible rights	-3 258 971,81	-127 103,90
Total depreciation and impairment	-4 060 633,92	-713 380,20

Impairment losses have not been recognized for 2007 or 2008.

8. Other Operating Expenses

	2008	2007
Voluntary personnel expenses	2 128 703,48	1 250 007,87
IT costs	1 665 936,47	558 843,27
Other expenses	4 822 484,51	3 307 406,13
Total	8 617 124,46	5 116 257,27

Other operating expenses include exchange rate differences in the amount of EUR 5,359.15 for 2008 (2007: EUR 55,188.26).

Auditor's fees

	2008	2007
Auditing	117 575,00	94 751,60
Tax advice	7 085,00	18 696,58
Other services	17 170,59	295 283,76
Total auditor's fees	141 830,59	408 731,94

In 2008, the Group paid fees to three Authorized Public Accountants: Ernst & Young Oy, PricewaterhouseCoopers Oy and Tietotili Audit Oy. In 2007, all auditor's fees were paid to PricewaterhouseCoopers Oy.

9. Research and Development Costs

The income statement includes EUR 2.3 million of research and development costs expensed in 2008 (2007: EUR 1.9 million).

10. Financial Income

	2008	2007
Interest income on receivables at amortized cost	349 747,77	14 463,19
Financial income from assets measured at fair value through profit or loss	849,80	5 675,47
Sales proceeds from assets measured at fair value through profit or loss		41 944,71
Total interest and financial income	350 597,57	62 083,37
Financial income includes exchange rate differences	340,64	

11. Financial Expenses

	2008	2007
Interest expenses on liabilities at amortized cost		
Financial loans	-1 541 859,35	-282 098,18
Other liabilities	-67 379,98	-38 716,82
Impairment of investments in non-current assets	-141 000,00	
Impairment loss for financial assets recognized at fair value through profit or loss	-195 182,19	
Other financial expenses	-95 632,54	
Total interest and financial expenses	-2 041 054,06	-320 815,00
Financial expenses include exchange rate differences	-3 446,88	-8 184,04

Financial income and expenses include realized interest income and unrealized financial expenses related to the hedging of financial liabilities totalling EUR -22,036.15.

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12. Taxes

	2008	2007
Tax based on taxable income for the period	-1 725 167,74	-552 271,81
Paid tax on taxable income for the period	-49 038,93	-6 467,70
Deferred tax	521 859,32	3 640 593,35
Total	-1 252 347,35	3 081 853,84

Tax on the taxable income for the period in the income statement is deducted from the deferred tax receivables stated on the balance sheet. A tax receivable dated 31 December 2007 has been entered for the Finnish Group companies in the maximum amount with the assumption that all confirmed losses can be utilized within their period of validity (Note 18).

	2008	2007
Profit before tax	2 607 474,21	1 757 608,28
Tax at the parent company's tax rate	-677 943,29	-456 978,15
Tax exempt income		20 478,40
Non-deductible expenses	-525 365,13	-122 239,76
Taxes for previous periods	-49 038,93	
Change in deferred tax receivables		3 640 593,35
Taxes in the income statement	-1 252 347,35	3 081 853,84

13. Earnings per Share

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

	2008	2007
Profit for the period attributable to equity holders of the parent company (EUR)		
Continuing operations	1 355 126,86	4 839 462,12
Profit for the period attributable to equity holders of the parent company (EUR)		
Divested operations		3 822 001,48
Weighted average number of shares		
during the period	67 979 361	41 204 959
Undiluted earnings per share (EUR/share)		
Continuing operations	0,02	0,12
Undiluted earnings per share (EUR/share)		
Divested operations		0,09

Diluted earnings per share are calculated by adjusting number of shares to assume conversion of all dilutive potential ordinary shares. The Group has share options, which increase the number of potential dilutive ordinary shares (warrants 2003C, 2006A and 2006B). Share options have a dilutive effect when the subscription price of an option is lower than the fair value of the share. The dilutive effect is the number of shares that will have to be issued for no consideration, because the consideration received from the exercise of the options is not sufficient for issuing a corresponding number of shares at fair value. The fair value of shares is based on their average price over the period.

	2008	2007
Profit for the period attributable to equity holders of the parent company (EUR)		
Continuing operations	1 355 126,86	4 839 462,12
Profit for the period attributable to equity holders of the parent company (EUR)		
Divested operations		3 822 001,48
Weighted average number of shares		
during the period	67 979 361	41 204 959
Effect of stock options, qty	132 743	208 219
Weighted average number of shares for calculating diluted		
earnings per share, qty	68 112 104	41 413 178
Diluted earnings/share (EUR/share), continuing operations	0,02	0,12
Diluted earnings/share (EUR/share), divested operations		0,09

14. Property, Plant and Equipment

	Machinery and equipment	Other tangible assets	Total
Acquisition cost, 1 Jan 2008	7 985 138,16	2 900 662,07	10 885 800,23
Increase	1 830,23		1 830,23
Decrease	-128 092,25		-128 092,25
Acquisition cost, 31 Dec 2008	7 858 876,14	2 900 662,07	10 759 538,21
Accumulated depreciation and impairment, 1 Jan 2008	-6 791 477,99	-2 388 462,80	-9 179 940,79
Decrease	2 878,15		2 878,15
Depreciation for the period	-526 299,00	-275 363,11	-801 662,11
Accumulated depreciation and impairment, 31 Dec 2008	-7 314 898,84	-2 663 825,91	-9 978 724,75
Carrying amount, 1 Jan 2008	1 193 660,17	512 199,27	1 705 859,44
Carrying amount, 31 Dec 2008	543 977,30	236 836,16	780 813,46
Acquisition cost, 1 Jan 2007	7 925 170,41	3 331 510,49	11 256 680,90
Increase	277 085,92		277 085,92
Business combinations	869 451,92	29 171,28	898 623,20
Decrease	-8 514,59		-8 514,59
Divestments	-1 078 055,50	-460 019,70	-1 538 075,20
Acquisition cost, 31 Dec 2007	7 985 138,16	2 900 662,07	10 885 800,23
Accumulated depreciation and impairment, 1 Jan 2007	-7 467 393,14	-2 197 969,59	-9 665 362,73
Decrease	7 907,01		7 907,01
Divestments	997 196,66	66 594,57	1 063 791,23
Depreciation for the period	-329 188,52	-257 087,78	-586 276,30
Accumulated depreciation and impairment, 31 Dec 2007	-6 791 477,99	-2 388 462,80	-9 179 940,79
Carrying amount, 1 Jan 2007	457 777,27	1 133 540,90	1 591 318,17
Carrying amount, 31 Dec 2007	1 193 660,17	512 199,27	1 705 859,44

The share of the acquisition cost of machinery and equipment included in PP&E still pending depreciation was EUR 543,977.30 on 31 December 2008 (EUR 1,193,660.17 on 31 December 2007).

Finance leases

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

Machinery and equipment	31.12.2008	31.12.2007
Acquisition cost	629 537,00	629 537,00
Accumulated depreciation	-280 583,00	
Carrying amount	348 954,00	629 537,00

15. Intangible Assets

	Goodwill 1)	Trademarks 2)	Other intangible assets 3)	Total
Acquisition cost, 1 Jan 2008	52 466 758,51	9 643 800,00	12 174 948,84	74 285 507,35
Increase	98 571,31		343 059,46	441 630,77
Decrease	-792 971,85			-792 971,85
Acquisition cost, 31 Dec 2008	51 772 357,97	9 643 800,00	12 518 008,30	73 934 166,27
Accumulated depreciation and impairment, 1 Jan 2008			-1 657 082,50	-1 657 082,50
Depreciation for the period			-3 258 971,81	-3 258 971,81
Accumulated depreciation and impairment, 31 Dec 2008			-4 916 054,31	-4 916 054,31
Carrying amount, 1 Jan 2008	52 466 758,51	9 643 800,00	10 517 866,34	72 628 424,85
Carrying amount, 31 Dec 2008	51 772 357,97	9 643 800,00	7 601 953,99	69 018 111,96
Acquisition cost, 1 Jan 2007	9 952 725,64		1 901 768,55	11 854 494,19
Increase	92 603,37		433 191,77	525 795,14
Business combinations	43 680 031,94	9 643 800,00	10 312 889,27	63 636 721,21
Decrease			-229 039,38	-229 039,38
Divestments	-1 258 602,44		-243 861,37	-1 502 463,81
Acquisition cost, 31 Dec 2007	52 466 758,51	9 643 800,00	12 174 948,84	74 285 507,35
Accumulated depreciation and impairment, 1 Jan 2007			-1 754 156,40	-1 754 156,40
Divestments			224 177,80	224 177,80
Depreciation for the period			-127 103,90	-127 103,90
Accumulated depreciation and impairment, 31 Dec 2007			-1 657 082,50	-1 657 082,50
Carrying amount, 1 Jan 2007	9 952 725,64	0,00	147 612,15	10 100 337,79
Carrying amount, 31 Dec 2007	52 466 758,51	9 643 800,00	10 517 866,34	72 628 424,85

1) Goodwill has not been amortized since 1 January 2004.
2) Trademarks are tested annually for impairment (unlimited useful life, strong trademark awareness supports the management's understanding that trademarks have an indefinite effect on the generation of cash flow).
3) Other intangible assets include computer software, as well as customer relationships, customer registers, order books, non-compete agreements and other agreements acquired in connection with business combination.

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

The entire Trainers' House Group is considered a single cash generating unit. Goodwill and the carrying amounts of trademarks acquired in business combinations are allocated to the Group for the purpose of impairment testing. Strong trademark awareness supports the management's understanding that trademarks have an indefinite effect on the generation of cash flow. Impairment testing was carried out on 31 December 2008.

The carrying amounts of goodwill and trademarks are as follows:

	2008	2007
Goodwill	51 772 357,97	52 466 758,51
Trademarks	9 643 800,00	9 643 800,00
Total	61 416 157,97	62 110 558,51

Impairment testing

Trainers' House carries out impairment testing at least once a year to ensure that the balance sheet values of goodwill and trademarks do not exceed their fair value. In impairment testing, the recoverable amount is determined on the basis of value in use. The estimated recoverable cash flows are based on 5-year projections prepared by the management, where the most important assumptions are the planned growth of net sales and the operating margin. The growth and profit parameters used in the calculations are based on historical trends. Cash flows following the forecast period approved by the management have been extrapolated at a constant growth factor.

The discount rate has been calculated using the weighted average cost of capital, which describes the total cost of equity and debt, taking into account the risks related to an asset. The key components of the discount rate are a risk-free interest level, a market risk premium and an industry-specific beta factor. The discount rate is 8.36% (2007: 7.25%). The growth rate for the five–year forecast period approved by the management is 5.4% (2007: 7.7%). Cash flows following the forecast period have been extrapolated at a constant 2% growth factor.

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

Sensitivity analyses on key assumptions

Trainers' House's values in use calculated with the issued parameters significantly exceed the carrying amount. A sensitivity analysis has been carried out for value in use by creating downside scenarios. The parameters used were tested by giving the key assumptions of growth, profitability, terminal growth rate and WACC values that might under certain conditions be considered somewhat probable.

Based on the sensitivity analyses, none of the following scenarios would lead to a situation in which the carrying amount exceeded the fair value. The scenarios are hypothetical and should not be considered likely to materialize.

Decrease in sales:	30% permanent decrease from 2010 onwards, zero growth in the terminal period
Decrease in profitability:	-30% from predicted level from 2010 onwards
Increase in WACC:	up to 15%

16. Investments in Associated Companies

	2008	2007
Start of period		0,00
Share of loss for the period		-102 992,47
Increase		33 604 054,05
Decrease		-33 501 061,58
End of period		0,00

Associated companies	2008	2007
Ramblas Digital Oy, Helsinki		
Ownership	46%	46%
Assets	182 303,62	1 158 538,43
Liabilities	1 371 000,81	1 176 093,58
Net sales	1 132 634,12	1 341 415,68
Loss for the period	-1 171 142,04	9 999,35

The Group did not recognize its share of the loss of Ramblas Digital Oy for 2008. The Group has a guarantee liability of EUR 9,750 to Handelsbanken Finance, Finland, related to IT hardware. The Group's unrecognized share of the losses of the associated company is EUR 539,319.29. The carrying amount of the investment made in the associated company was reduced to zero already in the consolidated financial statements for 2006.

In November 2007, Trainers' House Plc (former Satama Interactive Plc) acquired 45% of the share capital of Trainers' House Oy (Note 3). Trainers' House Oy was merged with Trainers' House Plc on 31 December 2007. The Group's share of 45% of the loss of Trainer's House as an associated company, EUR -102,992.47, comprises the following three items: share of the profit of Trainers' House Oy for the last two months of 2007 was EUR 66,110.58, share of the depreciation of acquisition cost allocated in the same period was EUR -228,518.00 and the resulting tax liability was EUR 59,414.68.

17. Financial Assets at Fair Value Through Income Statement

	2008	2007
Carrying amount, 1Jan	229 903,55	42 558,48
Reclassified from other intangible assets		521,38
Business combinations		228 768,40
Change in fair value through profit or loss	-1 122,70	
Sales	-226 059,00	-41 944,71
Carrying amount, 31 Dec	2 721,85	229 903,55

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

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

During 2007, the Group sold all its shares in 24/7 Real Media Inc. The Group's ownership in the company had been less than 1%. The capital gain is reported under financial income (Note 10).

18. Deferred tax receivables and liabilities

Changes in deferred taxes during 2008	31.12.2007	Recognized in the income statement	Recognized in the shareholders' equity	31.12.2008
Deferred tax receivables				
Losses carried forward	9 806 191,52			9 806 191,52
Tax for the period with a deduction effect on deferred tax receivables	-1 028 738,07	-1 725 167,74		-2 753 905,81
Other items	372 030,00	-364 761,67	60 092,30	67 360,63
Total deferred tax receivables	9 149 483,45	-2 089 929,41	60 092,30	7 119 646,34
Deferred tax liabilities				
Fair value measurement of tangible and intangible assets in acquisition	5 111 205,32	-782 746,99		4 328 458,33
Other items	627 945,95	-103 874,00	-524 071,95	0,00
Total deferred tax liabilities	5 739 151,27	-886 620,99	-524 071,95	4 328 458,33

Changes in deferred taxes during 2007	31.12.2006	Recognized in the income statement	Acquisitions	31.12.2007
Deferred tax receivables				
Losses carried forward	6 165 598,17	3 640 593,35		9 806 191,52
Tax for the period with a deduction effect on deferred tax receivables	-476 466,26	-552 271,81		-1 028 738,07
Business combinations			372 030,00	372 030,00
Total deferred tax receivables	5 689 131,91	3 088 321,54	372 030,00	9 149 483,45
Deferred tax liabilities				
Fair value measurement of tangible and intangible assets in acquisition			5 111 205,32	5 111 205,32
Business combinations			627 945,95	627 945,95
Total deferred tax liabilities			5 739 151,27	5 739 151,27

At the end of 2006, the Group's losses carried forward in Finland totalled EUR 37.3 million. A tax receivable dated 31 December 2007 has been entered for the Finnish Group companies in the maximum amount with the assumption that all confirmed losses can be utilized within their period of validity. The losses will expire in Finland in 2010–2012. The Group has losses carried forward also in Germany, Sweden and the Netherlands, which have not been recognized in the deferred tax receivables.

19. Non-current Receivables

	2008	2007
Rental guarantees on premises	25 717,93	23 970,00
Total non-current receivables	25 717,93	23 970,00

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

20. Inventories

	2008	2007
Raw materials and consumables	14 227,51	14 594,74

The inventories consist of a book storage.

21. Trade and Other Receivables

	2008	2007
Loans and other receivables		
Trade receivables	9 238 800,39	10 434 852,42
Receivables from associated companies		110 000,00
Other receivables	319 460,71	599 636,16
Prepaid expenses and accrued income		
Personnel expenses	720 110,41	145 284,98
Other accrued income	429 726,79	399 895,11
Total prepaid expenses and accrued income	1 149 837,20	545 180,09
Total current receivables	10 708 098,30	11 689 668,67

The Group makes a provision for impairment loss for all receivables over 90 days past due for which it has not received a promissory note from the customer. During 2008, the Group recognized credit losses from trade receivables in the amount of EUR 48,000 (no credit losses were recognized for 2007). A credit loss is recognized when a receivable is permanently lost due to, for example, a customer's bankruptcy.

In 2008, the Group wrote down receivables from the associated company Ramblas Digital Oy. In 2007, receivables from the associated company included other receivables totalling EUR 60,000 and a capital loan in the amount of EUR 50,000. The interest rate of the loan is 4.0%.

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

Ageing of trade receivables and recognized impairment losses

	2008	Impairment losses	Net 2008	2007	Impairment losses	Net 2007
Undue	7 548 749,61		7 548 749,61	7 836 458,22		7 836 458,22
Due						
Less than 30 days	1 082 986,29		1 082 986,29	1 569 032,35		1 569 032,35
30–60 days	390 972,27		390 972,27	441 652,87		441 652,87
61–90 days	150 864,50		150 864,50	385 715,86		385 715,86
Over 90 days	652 515,04	-587 287,32	65 227,72	445 150,23	-243 157,11	201 993,12
Total	9 826 087,71	-587 287,32	9 238 800,39	10 678 009,53	-243 157,11	10 434 852,42

Current receivables by currency:

	2008	2007
Euro	10 670 353,03	11 578 097,84
USD		23 453,23
GBP		37 883,39
SEK	37 745,27	50 234,21
Total	10 708 098,30	11 689 668,67

22. Cash and Cash Equivalents

	2008	2007
Cash and back accounts	7 392 934,43	13 859 269,70
Certificates of deposit (1–3 months)	271 043,34	3 260 341,54
Total	7 663 977,77	17 119 611,24

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

Cash and cash equivalents in accordance with cash flow statement:

	2008	2007
Cash, bank accounts and certificates of deposit	7 663 977,77	17 119 611,24

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

23. Notes to Shareholders' Equity

	Number of shares	Share capital	Share issue	Premium fund	Distributable non-restricted equity fund	Treasury shares	Total
31.12.2006	40 861 808	859 057,86		13 100 650,03			13 959 707,89
Shares subscribed with options							
Registered 19 Feb 2007	375 000	7 883,81		127 116,19			135 000,00
Shares subscribed with options							
Subscriptions, 1 Nov–31 Dec 2007			255 914,94				255 914,94
Trainers' House Oy							
Acquisition, 31 Dec 2007	33 340 567				40 008 680,40	-8 660 605,20	31 348 075,20
Merger, 31 Dec 2007	-7 217 171				-8 660 605,20	8 660 605,20	0,00
Shares outstanding, 31 Dec 2007	67 360 204	866 941,67	255 914,94	13 227 766,22	31 348 075,20	0,00	45 698 698,03
Shares subscribed with options							
Registered 3 Jan 2008	214 054	4 500,16	-237 599,94	233 099,78			0,00
Shares subscribed with options							
Subscriptions, 30 Jan–4 Feb 2008			472 800,06				472 800,06
Shares subscribed with options							
Registered 7 Mar 2008	442 446	9 301,76	-491 115,06	481 813,30			0,00
Taxes related to items							
recognized in equity					524 071,95		524 071,95
	68 016 704	880 743,59	0,00	13 942 679,30	31 872 147,15		46 695 570,04

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

The Group's equity reserves are described below:

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

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

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

Treasury shares
In connection with the merger of Trainers' House Oy on 31 December 2007, the company's 7,217,171 shares in Trainers' House Plc (former Satama Interactive Plc) representing approximately 9.7% of the share capital were recorded against the distributable non-restricted equity fund. The shares are valued at the closing price of EUR 1.20 per share on the balance sheet date, 31 December 2007.

During 2008, a total of 7,217,171 treasury shares were invalidated. The invalidation did not affect the share capital. The change in the number of shares was registered in the trade register on 7 March 2008. At the end of the period, Trainers' House Plc did not possess any treasury shares.

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Translation difference
Translation differences include translation differences from converting the financial statements of foreign subsidiaries.

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

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

Dividends
After the balance sheet date, the Board of Directors has proposed that a dividend of EUR 0.05 per share be paid. A dividend of EUR 0.04 per share was paid in 2008 (no dividend was paid in 2007).

	2008	2007
Hedging reserve	-171 031,92	

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

Options under warrant 2003B have been offered to employees since 2004. The options vested on 1 February 2005 and a total cost of EUR 759,487.84 has been expensed for the financial years of 2004–2006.

Options under warrant 2003C have been offered to employees since 2006. The options vested on 1 February 2006 and a total cost of EUR 75,969.50 has been expensed for the financial years of 2006–2007.

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

Options under warrant 2006B have been offered or expensed.

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

2006A and 2006B
The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B. The subscription period for shares converted under the 2006A warrant began on 1 September 2008 and ended on 28 February 2009. The subscription period for the shares converted under the 2006B warrant is to begin on a date determined by the Board of Directors after publication of the interim report for the second quarter of 2009, but not later than on 1 September 2009, and end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 0.98 for shares converted under the 2006A warrant, and EUR 1.13 for shares converted under the 2006B warrant.

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

Share-based options	Warrant 2003B	Warrant 2003C	Warrant 2006A	Warrant 2006B
Nature of scheme	Share options	Share options	Share options	Share options
Grant date	1.1.2004	1.1.2006	1.6.2007	n/a
Number of instruments granted	1 000 000	1 000 000	1 000 000	1 000 000
Exercise price (EUR)	0,36	1,11	0,98	1,13
Share price at grant date (EUR)	1,08	0,81	1,17	n/a
Subscription period	1.2.05-1.2.07	1.2.06-1.2.08	1.9.08 - 28.2.09	n/a - 28.2.10
Vesting conditions	Employment at the beginning of subscription period	Employment at the beginning of subscription period	Employment at the beginning of subscription period	Employment at the beginning of subscription period
Settlement	Shares	Shares	Shares	Shares
Expected volatility	52 %	34 %	33 %	n/a
Expected option life at grant date (years)	2-3	1	2	n/a
Risk-free interest rate	2,5 %	3,0 %	4,4 %	n/a
Expected dividend (dividend yield)	0 %	0 %	0 %	n/a
Expected departures (grant date)	0 %	0 %	10 %	n/a
Expected outcome of meeting performance criteria (at grant date)	n/a	n/a	n/a	n/a
Fair value per granted instrument determined at grant date	759 487,84	75 969,50	287 510,61	n/a
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes	n/a

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

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

	2008		2007	
	Weighted average exercise price EUR per share	Number of options	Weighted average exercise price EUR per share	Number of options
Outstanding at start of year	1,10	2 785 946	0,44	1 375 000
Granted			1,10	2 000 000
Exercised	1,11	-656 500	0,63	-589 054
Expired	1,11	-129 446		
Outstanding at year-end	1,11	2 000 000	1,10	2 785 946
Exercisable at year-end	0,98	1 000 000	1,11	785 946

The average price of options exercised during 2008 was EUR 1.11 (2007: EUR 0.63) and options were exercised evenly throughout the year. The Group received EUR 472,800.06 for the exercised options, of which EUR 13,801.92 was recorded in share capital and EUR 458,998.14 in the premium fund (in 2007, the Group received EUR 390,914.94, of which EUR 7,883.81 was recorded in share capital, EUR 127,116.19 in the premium fund and EUR 255,914.94 in a share issue).

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

	Exercise price (EUR)	Vesting period (years)	Number of shares qty
2008	0,98-1,13	0,7	2 000 000
2007	1,02-1,17	1,2	2 785 946

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

25. Provisions

	2008	2007
Provisions, 1 Jan	63 700,00	160 000,00
Provisions used	-63 700,00	-96 300,00
Provisions, 31 Dec	0,00	63 700,00

Restructuring provision

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

26. Financial Liabilities

	2008	2007
Non-current financial liabilities at amortized cost		
Bank loans	16 473 575,96	33 659 270,27
Finance lease liabilities	165 192,00	352 870,00
Total	16 638 767,96	34 012 140,27
Current financial liabilities at amortized cost		
Finance lease liabilities	187 677,00	281 762,00
Instalments of non-current loans	5 000 000,00	
Total	5 187 677,00	281 762,00

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

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

	Loan type	Original principal	Loan period	Reference rate
Financial instrument A	Amortizing term loan	24 286 200,00	5 years	6-month Euribor
Financial instrument B	Bullet loan	9 713 800,00	6 years	6-month Euribor
Financial instrument C	Credit line	5 000 000,00	5 years	1–6-month Euribor

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

The interest margins of the loans are based on the total liabilities to EBITDA ratio, varying for financial instrument A between 0.75% p.a. and 1.75% p.a. and for financial instruments B and C between 0.80% p.a. and 2.20% p.a. In 2008, the Group's average interest rate was 6.0% (2007: 5.4%).

During 2008, the principals of the financial instruments have been paid back in the amount of EUR 12.3 million (EUR 5.0 million for financial instrument A and an extra repayment of EUR 7.3 million for financial instrument B).

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

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

	2009	2010	2011	2012	2013	Total
Loans from financial institutions						
Instalment	4 821 550,00	4 821 550,00	4 821 550,00	4 821 550,00	2 459 959,74	21 746 159,74
Financial expenses/ interest	1 265 060,09	976 788,27	675 231,28	372 256,31	157 871,20	3 447 207,15

Maturity of finance lease liabilities

	2008	2007
Total minimum lease payments		
Less than 1 year	192 202,00	270 925,00
1–5 years	167 657,00	344 882,00
Total	359 859,00	615 807,00
Financial expenses incurred in the future	7 989,00	18 825,00
Total finance lease liabilities	367 848,00	634 632,00

27. Trade and Other Payables

	2008	2007
Current financial liabilities at amortized cost		
Trade payables	501 392,04	1 520 584,11
Advances received	251 394,75	1 376 754,00
Other liabilities	1 966 687,65	2 395 112,25
Accrued expenses		
Personnel expenses	2 384 880,88	2 921 228,31
Other accrued expenses	1 966 336,56	2 003 801,96
Total accrued expenses	4 351 217,44	4 925 030,27
Current financial liabilities recognized at fair value through profit or loss		
Short-term derivatives – hedge accounting	255 163,93	
Total current liabilities	7 325 855,81	10 217 480,63

The fair value of liabilities is described in Note 29.

Non-interest-bearing current liabilities by currency:

	2008	2007
Euro	7 267 719,25	10 152 960,93
HKD	435,40	
SEK	57 701,16	64 519,70
Total	7 325 855,81	10 217 480,63

28. Financial Risk Management

The Group is exposed to several financial risks in its normal business operations. The objective of the Group's hedging activities is to minimize the negative effects of changes in the financial market on the Group's financial performance. Financial risks are divided into four categories: liquidity risks, interest rate risks, currency risks and credit risks. The general principles applied to the Group's hedging activities are approved by the Board of Directors. The Group evaluates and obtains, when necessary, the instruments required to protect itself against risks.

Liquidity risks

The Group continuously assesses and monitors the financing needed for business to ensure that it has enough liquid assets at its disposal to finance operations and repay loans falling due. The Group aims to secure the availability and flexibility of financing by using credit limits. The Group has a EUR 5.0 million credit limit at its disposal (2007: EUR 5.0 million). The amount of unused credit limits was EUR 5.0 million on 31 December 2008 (2006: EUR 5.0 million).

Interest rate risk

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

The company's interest risks mainly involves the floating-rate loans taken in 2007. In accordance with the Group's risk management objectives and the loan terms, the Group has hedged most of the interest flows using interest rate swaps. The Group has two separate interest rate corridors which both provide hedging for financial instrument A. The interest rate corridor effective as of 6 May 2008 is 3.96–4.85%, and the one effective as of 6 May 2009 is 2.38–5.0%. If the floating rate specified for the interest period exceeds the upper limit of the corridor, the bank is liable to pay the difference to the company. If the interest rate goes under the lower limit of the corridor, the company is liable to pay the difference to the bank. The interest period of the corridors is the same as the interest period of the loan: 6 months.

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

Interest-rate swaps	2008	2007
Fair value	-255 163,93	
Par value	17 393 478,44	
Expires in 2009	3 927 328,83	
Expires in 2010	7 498 757,41	
Expires in 2011	3 213 043,12	
Expires in 2012	2 754 349,08	

Currency risks

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

Credit risks

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

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

Capital management

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

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

The development of the Group's capital structure is monitored continuously using the gearing ratio, for which the Group has specified a strategic target level. At the end of 2008, the Group's interest-bearing debt totalled EUR 14.2 million (2007: EUR 17.2 million) and gearing was 22.9% (2007: 27.6%). Gearing is calculated by dividing net interest-bearing debt by the amount of shareholders' equity. Net interest-bearing debt includes interest-bearing liabilities less cash and cash equivalents.

The Group's interest-bearing loans involve covenants. During 2007 and 2008, the company has fulfilled the terms of these covenants.

The Group's gearing figures are presented below:

	2008	2007
Total interest-bearing liabilities	21 826 444,96	34 293 902,27
Cash and bank deposits	-7 663 977,77	-17 119 611,24
Net interest-bearing debt	14 162 467,19	17 174 291,03
Shareholders' equity	61 852 556,02	62 247 281,77
Gearing ratio	22,9 %	27,6 %

29. Fair Value of Financial Assets and Liabilities

The principles applied to the measurement of all financial instruments at fair value are described below. In addition, the table specifies the fair values and carrying amounts of each asset in detail. The same principles are applied to the values stated on the consolidated balance sheet.

	Note	Carrying amount 2008	Fair value 2008	Carrying amount 2007	Fair value 2007
Financial assets					
Financial assets at fair value					
through profit or loss	17.	2 721,85	2 721,85	229 903,55	229 903,55
Non-current receivables	19.	25 717,93	25 717,93	23 970,00	23 970,00
Trade and other receivables	21.	10 708 098,30	10 708 098,30	11 689 668,67	11 689 668,67
Certificates of deposit (cash and cash equivalents)	22.	271 043,34	271 043,34	3 260 341,54	3 260 341,54
Financial liabilities					
Bank loans	26.	21 473 575,96	21 473 575,96	33 659 270,27	33 659 270,27
Finance lease liabilities	26.	352 869,00	352 869,00	634 632,00	634 632,00
Trade and other payables	27.	7 070 691,88	7 070 691,88	10 217 480,63	10 217 480,63
Interest-rate swaps	27.	255 163,93	255 163,93		

As the interest period of the Group's financial instruments is 6 months, the carrying amounts of the Group's long-term bank loans are considered their fair value.

Derivatives to which hedge accounting is applied

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

Bank loans

The fair values of liabilities are based on discounted cash flows. The discount interest rate is the rate at which the Group would be able to obtain loans from outside parties at the balance sheet date. The total interest rate comprises a risk-free interest rate and a company-specific risk premium.

Group's bank loans have floating rates and the calculation bases for the interest are provided in the Note 26: Financial Liabilities. Interest period is six months.

Finance lease liabilities

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

Trade and other receivables

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

Trade and other payables

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

Interest rates used in measuring fair value

	2008	2007
Bank loans		
Financial instrument A	6,46%	5,97%
Financial instrument B	5,90%	5,64%

30. Adjustments to Cash Flow from Operations

	2008	2007
Non-cash transactions		
Employee benefits	153 338,99	185 732,83
Depreciation	3 780 050,92	891 423,67
Exchange rate differences	3 446,88	8 184,04
Deferred taxes	1 197 381,59	-3 082 041,84
Share from profit/loss of associated company		102 992,47
Provision for credit losses	355 503,84	4 521,33
Divestments	-201 586,26	
Total	5 288 135,96	-1 889 187,50

31. Other Lease Agreements

Group as Lessee

Minimum lease payments under non-cancellable leases:

	2008	2007
Less than 1 year	1 620 150,54	1 917 870,65
1–5 years	484 479,13	1 661 071,57
	2 104 629,67	3 578 942,22

The Group has leased nearly all office premises in its use. The average duration of leases is between three to six years and they normally include an option to continue the lease after its original expiry date. The income statement for 2008 includes rental expenses from other leases in the amount of EUR 1.2 million (2007: EUR 0.8 million).

32. Contingent Liabilities and Assets

Commitments and contingent liabilities	2008	2007
Collateral given for own liabilities		
Rental guarantees/liabilities	1 131 728,46	2 882 285,45
Other contingent liabilities	879 719,84	887 249,52

33. Related Party Transactions

Group companies	Domicile	Group holding	Parent company holding
Parent company Trainers' House Plc	Helsinki		
Trainers' House Growth System Corporation	Helsinki	100%	100%
Satama MST Oy	Helsinki	100%	100%
Ignis Oy	Helsinki	100%	100%
Fimentor Oy	Helsinki	100%	100%
the Uncles Oy	Helsinki	100%	
Interweb Oy	Helsinki	100%	100%
Seiren Solutions Oy	Helsinki	100%	100%
Ignis People Oy	Helsinki	100%	100%
Ignis Air force Oy	Helsinki	100%	100%
Ignis Artillery Oy	Helsinki	100%	100%
Ignis Marines Oy	Helsinki	100%	100%
Satama Netherlands Holding B.V.	Amsterdam	100%	100%
Trainers' House GmbH	Düsseldorf	100%	100%
Trainers' House AB	Stockholm	100%	100%
Trainers' House OOO	St. Petersburg	100%	100%
Satama UK Ltd	London	100%	100%

Management's emoluments	2008	2007
Salaries and other short-term employment benefits	511 461,08	725 749,65
Share-based payments		31 267,56
Total	511 461,08	757 017,21
Jari Sarasvuo, CEO	0,00	0,00
Jarmo Lönnfors, Senior Vice President	255 448,00	210 378,00
Vesa Honkanen, Senior Vice President	172 719,80	
Board members		
Airaksinen Manne (former member)	6 000,00	24 000,00
Aktan Aarne	48 000,00	42 000,00
Everi Timo	24 000,00	24 000,00
Jussila Tarja	18 000,00	
Länsiö Jussi (former member)		9 000,00
Sarasvuo Jari (former member)		18 000,00
Seikku Kai	24 000,00	
Terho Petteri	24 000,00	18 000,00
Vikkula Matti	24 000,00	24 000,00

On 31 December 2008, CEO Jari Sarasvuo and his controlled company Isildur Oy held a total of 24,956,600 shares (31 Dec 2007: 24,156,600 shares) in Trainers' House Plc, representing 36.7% (32.4%) of the entire share capital. The CEO has no share options.

On 31 December 2008, the total number of share options held by the company's management was 180,000 (31 December 2007: 580,000). The options held by the management have the same terms as the options held by other employees.

The CEO has a six-month term of notice. The company has three contribution-based supplementary pension insurance policies in which the insured party is Jari Sarasvuo. During 2008, a total of EUR 4,399.40 was paid for the pension insurance policy at Rahasto-Optimi. The pension insurance policies at Yritysoptimi are paid-up. The pension entitlement period for all policies is from 1 July 2020 to 30 June 2045. The policies also include life insurance. The investment insurance at Rahasto-Optimi in which the insured party was the CEO of Trainers' House Plc, Jari Sarasvuo, and the beneficiary Trainers' House Plc, expired on 1 March 2008.

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

34. Events After the Balance Sheet Date

No major events have taken place in the Group after the balance sheet date.

PARENT COMPANY'S FINANCIAL STATEMENTS, FAS

	Note	1.1.–31.12.2008	1.1.–31.12.2007
NET SALES	1.	20 812 646,91	4 105 550,78
Other operating income	2.	8 714,63	14 715,15
Costs			
Materials and services	3.	-1 443 628,03	
Personnel expenses	4.	-6 222 608,30	-2 367 841,28
Depreciation	6.	-3 653 496,42	-469 541,07
Other operating expenses		-6 101 430,08	-3 689 142,36
		-17 421 162,83	-6 526 524,71
OPERATING PROFIT/LOSS		3 400 198,71	-2 406 258,78
Financial income and expenses	7.	-1 206 876,20	-55 912,98
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		2 193 322,51	-2 462 171,76
Extraordinary items	8.	722 229,22	3 896 023,10
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		2 915 551,73	1 433 851,34
Taxes		-5 910,62	
PROFIT/LOSS FOR THE PERIOD		2 909 641,11	1 433 851,34

PARENT COMPANY'S BALANCE SHEET, FAS

	Note	31.12.2008	31.12.2007
ASSETS			
Non-current assets			
Intangible assets	10.	56 180 576,10	59 335 208,38
Property, plant and equipment	10.	120 762,03	337 206,81
Investments	11.		
Investments in subsidiaries		10 846 802,87	10 846 802,87
Other investments		2 108,08	1 888,78
		67 150 249,08	70 521 106,84
Current assets			
Inventories	12.	14 227,51	14 594,74
Non-current receivables	13.	1 481 702,82	542 436,53
Deferred tax assets	17.	1 350 000,00	1 350 000,00
Current receivables	13.	6 550 712,05	7 369 250,43
Marketable securities		271 043,34	3 098 226,54
Cash and bank deposits		6 867 778,71	13 236 766,20
		16 535 464,43	25 611 274,44
TOTAL ASSETS		83 685 713,51	96 132 381,28
LIABILITIES			
Shareholders' equity	14.		
Share capital		880 743,59	866 941,67
Share issue			255 914,94
Premium fund		14 221 515,28	13 506 602,20
Distributable non-restricted equity fund		33 363 736,54	33 363 736,54
Retained earnings		3 267 289,84	4 554 106,66
Profit for the period		2 909 641,11	1 433 851,34
		54 642 926,36	53 981 153,35
Liabilities			
Non-current liabilities	18.	21 483 938,96	39 289 593,88
Current liabilities	18.	7 558 848,19	2 861 634,05
TOTAL LIABILITIES		83 685 713,51	96 132 381,28

PARENT COMPANY'S FINANCIAL STATEMENTS, FAS

	1.1.–31.12.2008	1.1.–31.12.2007
CASH FLOW FROM OPERATIONS:		
Profit/loss before extraordinary items	2 193 322,51	-2 462 171,76
Adjustments		
Depreciation	3 653 496,42	469 541,07
Unrealized exchange gains and losses	10 439,29	247,35
Other non-cash transactions		665 755,54
Financial income and expenses	1 196 436,91	
Other adjustments	-45 852,31	-36 219,24
Cash flow before change in working capital	7 007 842,82	-1 362 847,04
Change in working capital		
Change in trade and other receivables	3 185 988,37	-6 575 164,77
Change in inventories	370,23	-14 597,74
Change in trade and other payables	-299 774,85	2 073 733,15
Change in working capital	2 886 583,75	-4 516 029,36
Cash flow from business operations before financial items and taxes	9 894 426,57	-5 878 876,40
Interest paid and other financial expenses	-1 864 043,20	-480 121,88
Dividends received from operations	502,20	375,00
Interest received from operations	564 358,38	198 913,75
Taxes paid	-5 910,62	
Cash flow before extraordinary items	8 589 333,33	-6 159 709,53
Cash flow from business operations due to extraordinary items		
Cash flow from operations (A)	8 589 333,33	-6 159 709,53
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-282 419,36	-537 406,70
Other investments		754 945,43
Loans granted	-3 317 155,57	4 800 352,30
Acquisition of subsidiaries		-25 801 690,40
Interest income from investments	197 023,49	186 258,47
Cash flow from investments (B)	-3 402 551,44	-20 597 540,90
CASH FLOW FROM FINANCING		
Share issue	491 115,22	390 914,94
Repayment of current loans	-69 973,94	-354 363,64
Increase in non-current loans		42 074 222,00
Repayment of non-current loans	-12 805 654,92	-2 916 071,83
Dividends paid	-2 720 668,16	
Group contributions received	722 229,22	3 896 023,10
Cash flow from financing (C)	-14 382 952,58	43 090 724,57
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-9 196 170,69	16 333 474,14
Cash and cash equivalents at the beginning of period	16 334 992,74	1 518,60
Cash and cash equivalents at the end of period	7 138 822,05	16 334 992,74

PARENT COMPANY'S NOTES, FAS

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

The Group's parent company, Trainers' House Plc, is a Finnish public limited company founded in accordance with Finnish laws whose registered office is in Helsinki, Finland, at Porkkalankatu 11, 00180 Helsinki.

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

Comparability of Figures

Trainers' House Plc was formed on 31 December 2007, when Trainers' House Oy was merged with Satama Interactive Plc, a company listed on the Helsinki Stock Exchange (OMX) under the symbol SAI1V. In connection with the merger, the new company adopted the name Trainers' House Plc and the stock exchange symbol TRH1V.

The balance sheets of Trainers' House Oy and its parent company were combined on 31 December 2007, and therefore the balance sheet figures are comparable with the figures given for 2007. The income statement figures are not comparable with the figures given for 2007, because the year 2008 was the first financial year following the merger.

VALUATION PRINCIPLES

Fixed Assets

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

Intangible Assets	
Merger loss	20 years
Renovation of facilities	5-10 years
Computer software licences	2 years

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

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

Inventories

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

Foreign Currency Transactions

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

Extraordinary Items

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

1. Net Sales by Business Segment and Market Area

	2008	2007
Net sales by business segment		
Training business	15 824 197,25	
Intra-group services	4 988 449,66	4 105 550,78
Total	20 812 646,91	4 105 550,78
Net sales by geographical segment		
Finland	20 530 580,70	3 899 965,78
Rest of Europe	178 882,64	205 585,00
Other countries	103 183,57	
Total	20 812 646,91	4 105 550,78

2. Other Operating Income

	2008	2007
Capital gains on disposal of fixed assets	3 714,63	2 985,15
Other income	5 000,00	11 730,00
Total	8 714,63	14 715,15

3. Materials and services

	2008	2007
Raw materials and consumables		
Purchases during the period	329 019,56	
Change in inventories	-367,23	
External services	1 114 975,70	
Total	1 443 628,03	

4. Personnel Expenses

	2008	2007
Wages, salaries and fees		
Board of Directors	168 000,00	159 000,00
CEOs		210 378,00
Other wages, salaries and fees	4 845 889,41	1 567 942,37
Pension costs	887 216,57	328 895,07
Other personnel expenses	321 502,32	101 625,84
Total	6 222 608,30	2 367 841,28
Average number of personnel		
Employees	92	35
Personnel at year-end		
Employees	97	85

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

5. Auditor's Fees

	2008	2007
Authorized Public Accountants PricewaterhouseCoopers Oy		
Statutory audit	44 307,50	54 262,51
Tax advice	7 085,00	18 696,58
Other fees	8 340,59	295 283,76
Authorized Public Accountants Ernst & Young Oy		
Statutory audit	57 170,00	
Other fees	8 830,00	
Authorized Public Accountants Tietotili Audit Oy		
Statutory audit	16 097,50	
Total	141 830,59	368 242,85

6. Depreciation and Impairment

	2008	2007
Depreciation by asset group		
Merger loss	2 917 280,52	
Intangible assets	523 434,22	360 545,22
Tangible assets	212 781,68	108 995,85
Total	3 653 496,42	469 541,07

7. Financial Income and Expenses

	2008	2007
Dividend income from others	502,20	375,00
Other interest and financial income		
From Group companies	197 023,49	186 258,47
From others	564 358,38	12 655,28
Total other interest and financial income	761 381,87	198 913,75
Impairment of long-term investments and reversal of impairment		
Group companies		
Reversal of impairment		1 014 972,35
Others		
Reversal of impairment	226,26	10 346,37
Impairment	-27 545,68	
Sales loss		-676 101,91
Total impairment and reversal of impairment	-27 319,42	349 216,81
Interest expenses and other financial expenses		
To Group companies	-336 702,64	-36 868,56
To others	-1 604 738,21	-567 549,98
Total interest expenses and other financial expenses	-1 941 440,85	-604 418,54
Total financial income and expenses	-1 206 876,20	-55 912,98
Financial income and expenses include exchange rate differences (net)	-10 439,29	-247,35

8. Extraordinary Items

	2008	2007
Extraordinary income		
Group contributions	722 229,22	3 896 023,10

9. Taxes

	2008	2007
Tax on extraordinary items	187 779,60	1 012 966,01
Tax on operating activities	-193 690,22	-1 012 966,01
Total	-5 910,62	0,00

10. Intangible and Tangible Assets

	Intangible assets Merger loss	Intangible assets Intangible rights	Tangible assets Machinery and equipment	Total
Acquisition cost, 1 Jan 2008	58 345 609,70	4 605 499,67	2 650 223,58	65 601 332,95
Increase		286 082,46		286 082,46
Decrease			-4 602,74	-4 602,74
Acquisition cost, 31 Dec 2008	58 345 609,70	4 891 582,13	2 645 620,84	65 882 812,67
Accumulated depreciation and impairment, 1 Jan 2008		-3 615 900,99	-2 313 016,77	-5 928 917,76
Depreciation for the period	-2 917 280,52	-523 434,22	-212 781,68	-3 653 496,42
Accumulated depreciation of decreases			939,64	939,64
Accumulated depreciation, 31 Dec 2008	-2 917 280,52	-4 139 335,21	-2 524 858,81	-9 581 474,54
Carrying amount, 31 Dec 2008	55 428 329,18	752 246,92	120 762,03	56 301 338,13
Carrying amount, 31 Dec 2007	58 345 609,70	989 598,68	337 206,81	59 672 415,19

	Merger loss	Intangible rights	Machinery and equipment	Total
Acquisition cost, 1 Jan 2007		4 113 341,98	2 366 739,32	6 480 081,30
Increase	58 345 609,70	492 679,07	284 447,08	59 122 735,85
Decrease		-521,38	-962,82	-1 484,20
Acquisition cost, 31 Dec 2007	58 345 609,70	4 605 499,67	2 650 223,58	65 601 332,95
Accumulated depreciation and impairment, 1 Jan 2007		-3 255 355,77	-2 204 983,74	-5 460 339,51
Depreciation for the period		-360 545,22	-108 995,85	-469 541,07
Accumulated depreciation of decreases			962,82	962,82
Accumulated depreciation, 31 Dec 2007		-3 615 900,99	-2 313 016,77	-5 928 917,76
Carrying amount, 31 Dec 2007	58 345 609,70	989 598,68	337 206,81	59 672 415,19
Carrying amount, 31 Dec 2006	0,00	857 986,21	161 755,58	1 019 741,79

11. Investments

	Shares Group companies	Shares Other	Total
Acquisition cost, 1 Jan 2008	31 550 541,46	1 393 025,25	32 943 566,71
Acquisition cost, 31 Dec 2008	31 550 541,46	1 393 025,25	32 943 566,71
Accumulated impairment, 1 Jan 2008	-20 703 738,59	-1 391 136,47	-22 094 875,06
Revaluation during the period		219,30	219,30
Accumulated impairment and reversal of impairment, 31 Dec 2008	-20 703 738,59	-1 390 917,17	-22 094 655,76
Carrying amount, 31 Dec 2008	10 846 802,87	2 108,08	10 848 910,95
Carrying amount, 31 Dec 2007	10 846 802,87	1 888,78	10 848 691,65

	Shares Group companies	Shares Other	Total
Acquisition cost, 1 Jan 2007	31 510 541,46	2 146 081,90	33 656 623,36
Increase	40 000,00	1 888,78	41 888,78
Divestments		-754 945,43	-754 945,43
Acquisition cost, 31 Dec 2007	31 550 541,46	1 393 025,25	32 943 566,71
Accumulated impairment, 1 Jan 2007	-20 703 738,59	-1 391 136,47	-22 094 875,06
Accumulated impairment and reversal of impairment, 31 Dec 2007	-20 703 738,59	-1 391 136,47	-22 094 875,06
Carrying amount, 31 Dec 2007	10 846 802,87	1 888,78	10 848 691,65
Carrying amount, 31 Dec 2006	10 806 802,87	754 945,43	11 561 748,30

Group companies: see Note 33 Related Party Transactions.

During 2007, the company sold all its shares in First Hop Oy and 24/7 Real Media Inc. The capital gain from the sale of shares in Real Media Inc, EUR 10,346.37, and the capital loss from the sale of shares in First Hop Oy, EUR 676,101.91, are included in the financial items.

12. Inventories

	2008	2007
Raw materials and consumables	14 227,51	14 594,74

13. Receivables

	2008	2007
Non-current receivables		
Receivables from Group companies		
Loan receivables	1 481 702,82	542 436,53
Deferred tax receivables	1 350 000,00	1 350 000,00
Current receivables		
Trade receivables	2 016 387,91	1 902 120,49
Receivables from Group companies		
Trade receivables	524 072,79	862 992,62
Loan receivables	3 193 748,11	3 889 899,95
Other receivables		63 305,82
Group companies total	3 717 820,90	4 816 198,39
Other receivables	200 299,78	360 061,32
Prepaid expenses and accrued income		
TyEL pension receivables	174 428,76	10 492,76
Other	441 774,70	280 377,47
Total prepaid expenses and accrued income	616 203,46	290 870,23
Total current receivables	6 550 712,05	7 369 250,43

trainers' HOUSE

14. Shareholders' Equity

	2008	2007
Restricted equity		
Share capital, 1 Jan 2008 / 1 Jan 2007	866 941,67	859 057,86
Shares subscribed with options		
Registered 19 Feb 2007		7 883,81
Registered 3 Jan 2008	4 500,16	
Registered 7 Mar 2008	9 301,76	
Share capital, 31 Dec 2008 / 31 Dec 2007	880 743,59	866 941,67
Share issue, 1 Jan 2008 / 1 Jan 2007	255 914,94	
Option rights, 1 Nov – 31 Dec 2007		255 914,94
Shares subscribed with options, registered 3 Jan 2008	-237 599,94	
Option rights, 31 Jan – 4 Feb 2008	472 800,06	
Shares subscribed with options, registered 7 Mar 2008	-491 115,06	
Share issue, 31 Dec 2008 / 31 Dec 2007	0,00	255 914,94
Premium fund, 1 Jan 2008 / 1 Jan 2007	13 506 602,20	13 379 486,01
Shares subscribed with options		
Registered 19 Feb 2007		127 116,19
Registered 3 Jan 2008	233 099,78	
Registered 7 Mar 2008	481 813,30	
Premium fund, 31 Dec 2008 / 31 Dec 2007	14 221 515,28	13 506 602,20
Total restricted equity	15 102 258,87	14 629 458,81
Non-restricted equity		
Distributable non-restricted equity fund, 1 Jan 2008 / 1 Jan 2007	33 363 736,54	
Acquisition of Trainers' House Oy, 31 Dec 2007		40 008 680,40
Purchase of treasury shares in connection		
with the merger with Trainers' House Oy, 31 Dec 2007		-6 644 943,86
Distributable non-restricted equity fund, 31 Dec 2008 / 31 Dec 2007	33 363 736,54	33 363 736,54
Retained earnings, 1 Jan 2008 / 1 Jan 2007	5 987 958,00	4 554 106,66
Dividend distribution, 1 Apr 2008	-2 720 668,16	
Profit for the period, 31 Dec 2008 / 31 Dec 2007	2 909 641,11	1 433 851,34
Retained earnings, 31 Dec 2008 / 31 Dec 2007	6 176 930,95	5 987 958,00
Total non-restricted equity	39 540 667,49	39 351 694,54
Total shareholders' equity, 31 Dec 2008 / 31 Dec 2007	54 642 926,36	53 981 153,35

15. Distributable Funds

	2008	2007
Retained earnings	5 987 958,00	4 554 106,66
Dividend distribution	-2 720 668,16	
Profit for the period	2 909 641,11	1 433 851,34
Distributable non-restricted equity fund	33 363 736,54	33 363 736,54
Total	39 540 667,49	39 351 694,54

16. Composition of Share Capital

The parent company's share capital comprises shares of a single class. On 31 December 2008, the company's share capital was EUR 880,743.59, consisting of 68,016,704 shares each entitling to one vote. For a more detailed itemization, see Note 23: Notes to Shareholders' Equity.

17. Deferred Tax Assets and Liabilities

	2008	2007
Deferred tax receivables		
From losses carried forward	1 350 000,00	1 350 000,00

18. Liabilities

	2008	2007
Non-current liabilities		
Liabilities to Group companies		
Loan	4 737 779,22	5 289 593,88
To others		
Bank loans	16 746 159,74	34 000 000,00
Total non-current liabilities	21 483 938,96	39 289 593,88

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

	2008	2007
Current liabilities		
Loans from financial institutions	5 000 000,00	
Advances received	248 394,75	
Trade payables	266 214,73	1 013 922,88
Liabilities to Group companies		
Trade payables	3 879,65	30 101,77
Other liabilities		69 973,94
Accrued expenses	320 514,70	9 391,97
Group companies total	324 394,35	109 467,68
Other liabilities	717 157,03	633 304,69
Accrued expenses		
Holiday pay liabilities (including social expenses)	660 778,17	621 528,85
Other accrued expenses	341 909,16	483 409,95
Total accrued expenses	1 002 687,33	1 104 938,80
Total current liabilities	7 558 848,19	2 861 634,05

19. Contingent Liabilities

	2008	2007
Collateral given for own liabilities		
Rental guarantees/liabilities	834 753,36	1 413 135,64
Other contingent liabilities	754 522,99	754 522,99
Leasing liabilities		
Payable in the following financial year	766 706,93	563 319,64
Payable in subsequent years	582 964,57	683 213,81
Collateral given on behalf of Group companies		
Other guarantees / contingent liabilities	125 196,85	132 726,53

SHARE CAPITAL, STOCK OPTION RIGHTS AND BOARD AUTHORIZATIONS

Share Capital
At the end of the period, Trainer's House Plc had issued 68,016,704 shares. The company's registered share capital amounted to EUR 880,743.59. The stated value of the share is EUR 0.02 (not exact). The share capital comprises shares of a single class, with each share entitling to one vote. The company's share capital was increased by a total of EUR 13,801.92 during the period under review, as a result of subscriptions made on account of the 2003C warrants issued under the personnel's option programme. The total number of new shares subscribed for was 656,500.

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

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

The Annual General Meeting held on 29 March 2006 decided to commence an employee option programme involving 2,000,000 warrants. Due to the resulting subscriptions, the company's share capital can rise by a maximum of EUR 42,046.98 and the number of shares by a maximum of 2,000,000. Half of the warrants are titled 2006A and the other half 2006B. The subscription period for shares converted under the 2006A warrant began on 1 September 2008 and ended on 28 February 2009. The subscription period for the shares converted under the 2006B warrant is to begin on a date determined by the Board of Directors after publication of the interim report for the second quarter of 2009, but not later than on 1 September 2009, and end on 28 February 2010. The dividend-adjusted subscription price after dividend payment is EUR 0.98 for shares converted under the 2006A warrant, and EUR 1.13 for shares converted under the 2006B warrant.

Board Authorizations
The Annual General Meeting of Trainers' House held on 1 April 2008 authorized the Board of Directors to decide on the repurchase of the company's own shares. Under the authorization, whether on one or on several occasions, a maximum of 6,500,000 shares, which corresponds to approximately 9.62% of the company's shares, may be acquired. The authorization shall remain in force until 30 June 2009. At the same time the AGM countermanded the earlier comparable authorization.

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

The authorization had not been exercised on 31 December 2008.

The AGM authorized the Board to decide on a share issue including the conveyance of own shares, and the issue of special rights. With these authorizations related to share issue and/or issue of special rights, whether on one or on several occasions, a maximum of 13,000,000 new shares may be issued and/or treasury shares may be transferred, which corresponds to approximately 19.24% of the company's shares. The authorization shall remain in force until 30 June 2009. At the same time the AGM countermanded the earlier comparable authorization.

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

The authorizations had not been exercised on 31 December 2008.

SHAREHOLDERS

Distribution of shareholding by group, 31 December 2008

	%	Shares
Private enterprises	12,2	8 288 943
Financial and insurance institutions	9,4	6 390 403
Public corporations	9,2	6 271 289
Households	67,3	45 746 654
Non-profit organizations	0,1	95 024
Foreign shareholders	0,2	131 900
Nominee-registered	1,6	1 092 491
Total	100,0	68 016 704

Distribution of shareholding by number of shares held, 31 December 2008

Shares	Shareholders	Percentage of all shareholders	Total number of shares	Percentage of shares
1–1 000	4 772	79,2 %	1 101 740	1,6 %
1 001–10 000	1 041	17,3 %	3 498 018	5,2 %
10 001–100 000	164	2,7 %	4 849 739	7,1 %
Over 100 001	51	0,8 %	58 567 207	86,1 %
Total	6 028	100,0 %	68 016 704	100,0 %

Shareholders, 31 December 2008

	Shares	Percentage of all shares and votes
Jari Sarasvuo	24 756 600	36,4 %
Nordea Bank Finland Plc	3 824 736	5,6 %
Ilmarinen Mutual Pension Insurance Company	3 321 289	4,9 %
Great Expectations Capital Oy	3 021 000	4,4 %
Quartal Oy	2 094 063	3,1 %
Varma Mutual Pension Insurance Company	1 930 000	2,8 %
Serkamo Ritva	1 546 672	2,3 %
Aho Antti	1 468 925	2,2 %
Uurasmaa Kristiina	1 172 978	1,7 %
Mutual Insurance Company Pension Fennia	1 000 000	1,5 %
Kaleva Mutual Insurance Company	1 000 000	1,5 %
Mutual Fund Evli Select	1 000 000	1,5 %
Nominee-registered shares	1 092 491	1,6 %

Shareholder Agreements

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

Shareholding of Board Members and CEO

On 31 December 2008, CEO Jari Sarasvuo and his controlled company Isildur Oy held a total of 24,956,600 shares in Trainers' House Plc, representing 36.7% of the entire share capital.

The Finnish Financial Supervision Authority granted an exemption to Jari Sarasvuo and Isildur Oy regarding the obligation to present a mandatory redemption offer concerning the company. The terms and conditions of the exemption required that the combined shareholding of Mr. Sarasvuo and Isildur Oy in Trainers' House Plc decline to 30% or under within one (1) year from the date that the new shares have been registered. This exemption expired on 31 December 2008.

On 18 December 2008, the Finnish Financial Supervision Authority granted a new exemption until 30 June 2009 regarding the obligation to present a mandatory redemption offer. The terms and conditions of the new exemption require that the combined shareholding of Mr. Sarasvuo and Isildur Oy in Trainers' House will decline to 30% or under by 30 June 2009. Furthermore, the terms and conditions state that during the exemption, Mr. Sarasvuo and Isildur Oy shall not acquire or subscribe more shares or otherwise increase their ownership in the company, and that Mr. Sarasvuo and Isildur Oy, together or separately, shall not in general meetings use voting rights exceeding the amount of votes calculated by deducting the shares owned by Mr. Sarasvuo and Isildur Oy from the total amount of shares issued by the company and multiplying the calculated amount by 3/7.

On 31 December 2008, the number of shares in Trainers' House Plc owned by either members of the Board or the CEO personally or through controlled companies totalled 28,416,746, which represents 41.8% of the shares and votes in the company. At the end of the period, members of the Board or the CEO did not have any option rights.

Furthermore, on 31 December 2008, members of the Board and the CEO were either personally or through controlled companies parties to derivative contracts, which once matured, will result in ownership of 500,00 shares in Trainers' House Plc.

KEY FIGURES REPRESENTING FINANCIAL PERFORMANCE

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

NOTES ON THE FIGURES

The Group has changed the accounting principles for media services from gross to net basis as of 1 January 2007. Under these principles, only the mark-up portion of media services is included in net sales. The financial information for previous years has been adjusted to comply with the new accounting principles.

	IFRS 2008	IFRS 2007	IFRS 2006 *)
Net sales, EUR	44 237 260,99	29 988 578,69	28 394 932,55
Operating profit/loss, EUR	4 297 930,70	2 119 332,38	187 269,09
% of net sales	9,7 %	7,1 %	0,7 %
Profit/loss before tax, EUR	2 607 474,21	1 757 608,28	197 927,41
% of net sales	5,9 %	5,9 %	0,7 %
Profit for the period, EUR	1 355 126,86	4 839 462,12	51 088,06
% of net sales	3,1 %	16,1 %	0,2 %
Return on equity, %	2,2 %	11,5 %	0,2 %
Return on investment, %	5,2 %	3,5 %	1,0 %
Debt-equity ratio, %	35,3 %	55,1 %	1,7 %
Gearing, %	22,9 %	27,6 %	-0,9 %
Equity ratio, %	65,1 %	56,0 %	71,9 %
Gross investments, EUR	443 461,00	64 369 913,00	1 842 863,10
% of net sales	1,0 %	214,6 %	6,5 %
Personnel at the end of period	340	400	324
Average number of personnel	375	329	329

*) Key figures for 2006 have been adjusted to correspond to the structure of continuing operations.

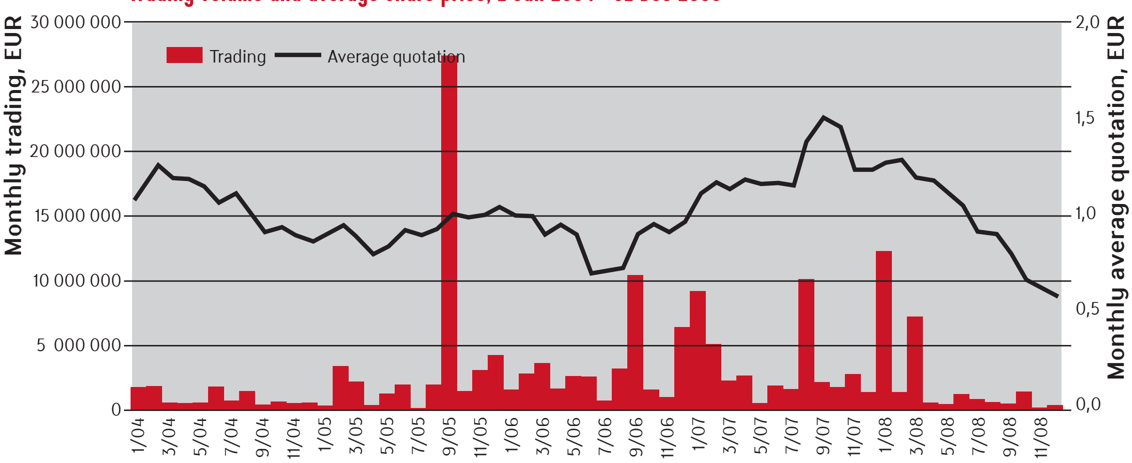
KEY FIGURES PER SHARE

	IFRS 2008	IFRS 2007	IFRS 2006 *)
Earnings per share, EUR	0,02	0,12	0,00
Diluted earnings per share, EUR	0,02	0,12	0,00
Shareholders' equity per share, EUR	0,91	0,92	0,53
Diluted shareholders' equity per share, EUR	0,91	0,92	0,53
Dividends	**) 3 400 835,20	2 720 668,16	-
Dividend per share, EUR	**) 0,05	0,04	-
Dividend per earnings, %	**) 250,8	34,4	-
Effective dividend yield, %	**) 9,1	3,4	-
Price per earnings ratio (P/E), EUR	27,59	10,22	790,51
Development of share price during period			
Average trading price, EUR	1,13	1,23	0,89
Lowest trading price, EUR	0,52	1,00	0,62
Highest trading price, EUR	1,44	1,60	1,05
Share price at year-end, EUR	0,55	1,20	1,00
Market capitalization, EUR	37 409 187,20	80 832 244,80	40 861 808,00
Development in trading volume			
Trading volume, EUR	25 987 175,29	40 310 266,84	36 984 561,92
Trading volume, qty	22 904 347	32 968 083	41 880 419
Trading volume, %	33,7	80,0	103,7
Adjusted average number of shares during period	67 979 361	41 204 959	40 385 862
Adjusted average number of shares during period, diluted	68 112 104	41 413 178	40 609 177
Adjusted number of shares at year-end	68 016 704	67 360 204	40 861 808
Adjusted number of shares at year-end, diluted	68 149 447	67 677 277	41 085 123

*) Key figures for 2006 have been adjusted to correspond to the structure of continuing operations.

**) Proposal of the Board of Directors, financial ratios calculated from total amount of dividend.

Trading volume and average share price, 1 Jan 2004 - 31 Dec 2008



* The company's shares have been listed on the OMX Nordic Exchange since 15 March 2000.

CALCULATION OF KEY FIGURES

Return on equity (ROE), % $= \dfrac{\text{Profit/loss after financial items – tax}}{\text{Shareholders' equity (average during the period)}} \times 100$

Return on investment (ROI), % $= \dfrac{\text{Profit/loss after financial items + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average during the period)}} \times 100$

Debt-equity ratio, % $= \dfrac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}} \times 100$

Gearing, % $= \dfrac{\text{Net interest-bearing debt}}{\text{Shareholders' equity}} \times 100$

Equity ratio, % $= \dfrac{\text{Shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$

IFRS earnings per share (EPS) $= \dfrac{\text{Profit/loss for the period – dividend attributable to preferred stock}}{\text{Adjusted average number of shares during the period}}$

Dividend per share $= \dfrac{\text{Dividend paid for the period}}{\text{Adjusted number of shares on balance sheet date}}$

Dividend per earnings, % $= \dfrac{\text{Dividend paid for the period}}{\text{Earnings per share (EPS)}} \times 100$

Effective dividend yield, % $= \dfrac{\text{Dividend per share}}{\text{Closing price at year-end}} \times 100$

Shareholders' equity per share $= \dfrac{\text{Shareholders' equity}}{\text{Adjusted number of shares on balance sheet date}}$

Price per earnings ratio (P/E) $= \dfrac{\text{Adjusted closing price at year-end}}{\text{Earnings per share}}$

Market capitalization = Number of shares at balance sheet date x closing price at balance sheet date

HELSINKI, FEBRUARY 12TH, 2009

Aarne Aktan
Chairman of the Board of Directors

Timo Everi
Member of the Board of Directors

Tarja Jussila
Member of the Board of Directors

Kai Seikku
Member of the Board of Directors

Petteri Terho
Member of the Board of Directors

Matti Vikkula
Member of the Board of Directors

Jari Sarasvuo
CEO

AUDITOR'S REPORT

To the Annual General Meeting of Trainer' House Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Trainers' House Plc for the financial period 1.1.2008 - 31.12.2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

Opinion on the consolidated financial statements

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

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

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

Helsinki, February 12, 2009

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant

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