

Trainers' House has agreed on measures aimed at enhancing the company's financing position; Trainers' House specifies its future outlook for the fourth quarter

Trainers' House Plc has agreed on a number of measures aimed at significantly enhancing the company's financing position and in connection to this specifies its future outlook. According to the estimation of the Company the operating result for the fourth quarter before non-recurring items will be positive.

During past couple of years the market conditions for Trainers' House Plc's business operations have been extraordinary challenging due to quickly changing economic outlook and simultaneous significant changes in the industry dynamics. Due to these changes the Satama Interactive -transaction which was signed in 2007 has not delivered the expected results, and consequently the financing agreements related to the transaction, with the total original value of approximately 40 million euro, have been a heavy burden for the company's current operations. The company has repaid most of these facilities, the outstanding amount under the senior facilities agreement is approximately 4.0 million euro and the outstanding capital of the hybrid bond (without accrued interests) is 5.0 million euro.

At the same time the core of the company's business operations has remained profitable regardless of the challenging market conditions. The company specifies its outlook so that the company estimates that the operating profit before non-recurring items will be positive in the fourth quarter. Further, the company estimates that also the operating profit before non-recurring items for the full year will be positive. However, at the same the company estimates that the market conditions will remain challenging also in 2014.

Against this background the company has now signed agreements with all of its key financing parties and key persons on arrangements, which the company estimates to significantly strengthen the company's financial position and possibilities of developing the company's operations. Key components of the arrangement:

- The Company will issue a low-interest capital loan with the aggregate value of approximately 1.2 - 1.5 million euro during 2013 and 2014. Major owners and management of the company have committed to subscribing the loan. The interest of the capital loan is 3.0 % until 31 December 2016. The interest will be capitalized annually. From 1 January 2017 a cash interest of 5.0 % will be payable subject to the availability of the distributable assets. The capital loan will become due and payable on 31 December 2018.
- The Company will make an exchange offer to the holders of the 5.0 million euro hybrid bond issued by the company, in which the company will offer to exchange the hybrid bond to a low-interest loan instrument which has been subordinated to the senior loans of the company, on the same principal terms and conditions as the capital loan. The Company's debt-holders who hold in aggregate approximately 4.0 million euro of the outstanding capital in the hybrid bond, have announced that they will accept the offer.
- The senior facilities agreement in the remaining outstanding capital amount of approximately 4.0 million euro will be amended so that the company will repay the loans at a rate of 1.0 million euro annually in 2014 and 2015 as well as with the disposal proceeds gained from the sale of AtBusiness Oy, and the financial covenants set out in the facilities agreement will be adjusted.
- The company will issue new stock options to its key persons. A total of 5.25 million stock options marked as 2013D will be issued, and they entitle their owners to subscribe for a total of 5.25 million new shares in the company or

existing shares held by the company. The subscription price for each share subscribed is EUR 0.06. According to the terms and conditions of the stock option plan dividends, returned equity and certain other amounts will be deducted from the subscription price. The subscription period is from 1 January 2018 to 31 December 2018. The terms and conditions of the stock option plan 2013 are attached to this release.

In addition to these measures the company continues the negotiations and measures in order to find a better than current solution to the lease agreement concerning the company's headquarters.

TRAINERS' HOUSE PLC

BOARD OF DIRECTORS

Further information:

Aarne Aktan, tel +358 40 342 4440

Chairman of the Board

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