

TRAINERS' HOUSE HAS TERMINATED ITS MAIN LEASE AGREEMENT AS PART OF THE COMPANY'S REORGANISATION

As previously communicated by Trainers' House Plc, the company submitted an application for corporate restructuring on 12 December 2014. On the basis of this application, the District Court of Espoo decided on 28 January 2015 to commence a corporate restructuring process. The main reason for the company's financial difficulties has been the excessive cost of premises and financing in proportion to the company's current turnover. This is due to long-term premises and financing agreements concluded in 2007 and 2008.

At the recommendation of the administrator appointed by the District Court of Espoo, Trainers' House Plc terminated the company's main lease agreement on 14 April 2015 with a notice period of two months in compliance with Section 27 of the Restructuring of Enterprises Act. The company estimates that the termination of the office lease agreement will improve the company's profitability significantly.

The costs associated with the rented premises and the agreement that has now been terminated amounted to approximately EUR 1.7 million in the 2014 financial period and sub-letting income amounted to approximately EUR 0.6 million. However, the termination of the office lease agreement is likely to give rise to non-recurring expenses in an amount that the company is not yet able to estimate with precision.

The expenses related to the termination of the lease agreement, along with any compensation that may be payable to the lessor due to the premature termination of the agreement, will be handled as part of the corporate restructuring process. In accordance with the decision of the District Court, a proposed restructuring programme must be prepared by 3 June 2015.

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