Teleperformance - Annual Results 2009

RESULTS IN LINE WITH OBJECTIVES

- Revenues: €1,847.7 million
- EBITA before non-recurring items*: €156.2 million
- Free cash flow: €123.1 million

PARIS, MARCH 2, 2010 - The Teleperformance Supervisory Board met on February 26, 2010 and was submitted **the consolidated financial statements for the year 2009.**

CONDENSED CONSOLIDATED DATA IN MILLIONS OF EUROS

	Objectives 2009	Actual	
INCOME STATEMENT	**31-12-2009**	**31-12-2009**	**31-12-2008**
Revenues	**1,820-1,830**	**1,847.7**	**1,784.7**
EBITA before non-recurring items*	**154-155**	**156.2**	**182.3**
Rate	8.5%	8.5%	10.2%
Net operating profit		**130.0**	**177.9**
Operating margin rate		7.0%	10%
Net financial result		**0.1**	**-1.9**
Income tax		**-41.3**	**-56.4**
Tax rate		31.8%	32.1%
Net profit - Group share		**88.2**	**116.4**
Diluted earnings per share (in €)		**1.56**	**2.09**
FINANCIAL STRUCTURE	**31-12-2009**	**31-12-2009**	**31-12-2008**
Net cash flow from operating activities		**190.2**	**98.2**
Net operating expenses		-67.1	-68.8
Free cash flow	**125.0**	**123.1**	**29.4**
Equity, Group share		**1,111.1**	**1,041.8**
Net cash surplus		**+11.0**	**+17.7**

*Net operating profit before amortization of intangible assets related to acquisitions and provision related to the reorganization of the French operations

BUSINESS ACTIVITY

The Teleperformance Group's consolidated revenues amounted to €1,847.7 million, an increase of 3.5% based on published data.
If not considering the foreign exchange effect, the Group's consolidated revenues increased by 4.7%.

The negative impact related to the **foreign exchange effects** amounted to €20.9 million in 2009 and may be described as follows:
- NAFTA +€7.5 million
- EMEA -€19.4 million
- Other -€9.0 million

On a comparable basis (excluding foreign exchange and scope of consolidation effects), the Group's revenues overall declined by 1.1%, as follows:
- NAFTA -3.5%
- EMEA -4.3%
- Other +48.8%

Last year, the Group reported slight revenue erosion across the whole network, except for the "Other" region, which covers South America and Asia. Revenues significantly increased in this region mainly as a result of strong activity in South America (Argentina & Brazil).

The decline noted in the NAFTA region is related to lower revenues from our major clients, partially offset by the signature of new contracts.
As for the EMEA region, revenues slightly decreased throughout 2009, except for France where revenues noticeably declined in comparison with 2008.

Changes in the scope of consolidation in 2009 may be mostly explained by the external growth transactions, which were completed during the second half of 2008:

- In the EMEA region:
  Acquisition of a controlling interest in the GN Research Group, which was consolidated as of July 1.
- In the NAFTA region:
  Acquisition of the US company The Answer Group, which was consolidated as of December 31.

The Colombian company Teledatos is part of the group since end of December. The company was consolidated as of December 31, 2009. Therefore its revenues have not been included in the consolidated revenues for 2009.

In 2009, the scope of consolidation effect represented a net positive impact of €104.8 million, which may be split as follows:
- In the EMEA region: +€8.0 million
- In the NAFTA region +€96.8 million

The Group's revenues are now distributed per region as follows:

(in %)	**31-12-2009**	**31-12-2008**	**Changes**
EMEA	**50.0**	**54.5**	**-4.5**
including France	16.0	20.5	-4.5
NAFTA (1)	42.4	39.2	+3.2
Other	7.6	6.3	+1.3
Rest of the World - Total	**50.0**	**45.5**	**+4.5**
Total	**100.0**	**100.0**	

(1) North America Free Trade Agreement

PROFITABILITY

Net operating profit amounted to €130 million versus €177.9 million in 2008.
The operating margin rate represented 7% of the Group's revenues, versus 10% in 2008.
This result includes a €21 million provision corresponding, based on the current elements, to the initial cost estimate of the restructuration plan announced by our subsidiary TP France in 2009 and which became effective as of February 4, 2010.

Excluding this item, EBITA* amounted to €156.2 million, or 8.5% of revenues, which is in line with the objectives announced on November 26, 2009 during the last the financial meeting.
Operating profitability per region is as follows:

EBITA ratio* (in %)	Actual 2008	Actual 2009
EMEA	**8.0**	**1.3**
NAFTA (1)	13.8	14.7
Other	-3.1	2.0
Rest of the World - Total	**11.7**	**13.4**

* Net operating profit before amortization of intangible assets related to acquisitions and provision related to the reorganization of the French operations

The net financial result amounted to €0.1 million versus a net expense of €1.9 million in 2008.

Income tax amounted to €41.3 million versus €56.4 in 2008. The average tax rate was 31.8% versus 32.1% at December 31, 2008.

As a consequence, the Group's net profit amounted to €88.8 million, versus €119.5 million in 2008.
Net profit, Group share, amounted to €88.2 million versus €116.4 million in 2008, decreasing by 24.2%.
The minority interests' share in net profit strongly declined as it amounted to €0.6 million versus €3.1 million in 2008. This may be explained by the policy initiated by the Group in the second half of 2008 to purchase minority interests in subsidiaries.

Diluted earnings per share amounted to €1.56, versus €2.09 in 2008.

FINANCIAL STRUCTURE

The Group's financial structure at December 31, 2009 may be described as follows:

- Shareholders' equity amounting to €1,114.1 million, including €1,111.1 million as Group share;
- Cash available amounted to €238.7 million;
- Financial liabilities amounted to €227.7 million, of which €121.8 million from a €300 million revolving credit facility;
  Financial expenses related to minority interest purchase commitments in Group subsidiaries amounted to €10.6 million versus €28 million in 2008. Such reduction resulted from the policy initiated by the Group in the second half of 2008 to purchase minority interests in subsidiaries and which continued throughout 2009.
- Net cash surplus amounted to €11 million.

CASH FLOWS

The Group's net cash flow generated by operating activities amounted to €190.2 million, versus €98.2 million in 2008.

As for capex in 2009, excluding finance lease agreements, they represented €67.1 million net (i.e., 3.6% of revenues) versus €68.8 million in 2008 (i.e., 3.8% of revenues).
Free cash flow ended up at €123.1 million, versus €29.4 million at December 31, 2008.

Net cash outflow related to changes in the scope of consolidation amounted to €97.5 million. It is notably due to the investment made in Colombia at the end of the year and to the purchase of minority interests from managing directors in the Teleperformance subsidiaries.
Other investment transactions involved a net cash inflow of €1.2 million.

Cash flows from financing activities were translated into a net cash outflow of €48.6 million, including:
-€25 million for dividend payment,
+€3.7 million for a cash increase in capital,
-€27.3 million for the net decrease in financial liabilities.

Finally, after considering all these transactions, the Group's net cash flow generated in 2009, excluding foreign exchange and scope of consolidation effects, declined by €21.8 million.

The Group's net cash surplus was modified as follows:

In millions of euros

At January 1, 2009	**17.8**
Free cash flow	123.1
Net impact of changes in the scope of consolidation*	-122.5
Dividends paid	-25.0
Capital increase	+3.7
Finance leases	-9.8
Minority interest purchase commitments	+17.6
Translation differences	+2.1
Other	+4.0
At December 31, 2009	**11.0**

* This amount includes the price adjustment related to acquisitions and the financial liabilities resulting from companies which are now consolidated.

DIVIDENDS 2009

Due to the nonrecurring charges to be incurred as a result of the reorganization of the French operations and a limited visibility of the markets, the Board of Directors will propose to the Annual General Meeting, to be held on May 27, 2010, that dividend be set at €0.33 per share, considering the best interests of the Company and its shareholders.

OUTLOOK

The start of the year is tough, especially in Europe: the reorganization of the French operations will continue to impact the Group's results in 2010 while Italy and the Germanic region remain sources of concern.
In 2010 Teleperformance's global business is expected to see the first signs of recovery in the second quarter, and further improvement over the second half of the year.
The Board of Directors has implemented strict cost reduction and control measures. These are particularly necessary in the current period, which is characterized by the necessity not only to reorganize European operations, but also to adapt to a very uncertain business environment.
The objectives announced in November 2009 will be reconsidered, like every year, during our next financial meeting on May 26, 2010; they will be based on the first quarter 2010 achievements and the analysis of market trends.

FINANCIAL STATEMENT AUDIT PROCESS – STATUTORY AUDITORS' REPORT

The consolidated financial statement audit process has ended. The statutory auditors will issue their report upon completion of the process required to file the Company's Annual Report.

KEY DATES

Financial Results - 1st Quarter 2010: May 4, 2010, after market close.

ABOUT TELEPERFORMANCE

Teleperformance (NYSE Euronext Paris: FR 0000051807), the world's leading provider of outsourced CRM and contact center services, has been serving companies around the world rolling out customer acquisition, customer care, technical support and debt collection programs on their behalf. In 2009, the Teleperformance Group achieved €1.848 billion revenues (US$2.6 billion – average exchange rate at December 31, 2009: €1 = US$1.39).
The Group operates about 82,000 computerized workstations, with more than 100,000 employees (Full-Time Equivalents) across 268 contact centers in 49 countries and conducts programs in more than 66 different languages and dialects on behalf of major international companies operating in various industries.
www.teleperformance.com

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BALANCE SHEET - IN THOUSANDS OF EUROS

ASSETS	31.12.2009	31.12.2008
Non-current assets		
Goodwill	642,798	571,323
Other intangible assets	65,453	70,565
Property, plant and equipment	217,283	194,779
Financial assets	18,080	13,826
Deferred tax liabilities	10,438	7,535
Total non-current assets	954,051	858,028
Current assets		
Inventory	567	520
Current income tax receivable	31,781	37,108
Accounts receivable – Trade	45,627	433,890
Other current assets	93,500	62,790
Other financial assets	6,239	10,518
Cash assets and cash equivalents	238,685	280,642
Assets classified as held for sale	0	0
Total current assets	816,399	825,468
TOTAL ASSETS	**1,770,450**	**1,683,496**

LIABILITIES	31.12.2009	31.12.2008
Shareholders' equity		
Attributable to equity holders of the parent	1,111,132	1,041,806
Attributable to minority interests	2,933	11,877
Total shareholders' equity	1,114,065	1,053,683
Non-current liabilities		
Provisions	6,251	5,792
Financial liabilities	36,589	46,822
Deferred tax liabilities	27,833	29,756
Total non-current liabilities	70,673	82,370
Current liabilities		
Provisions	34,810	13,782
Current income tax	25,277	20,294
Accounts payable – Trade	88,089	77,217
Other current liabilities	246,432	220,057
Other financial liabilities	191,104	216,093
Liabilities classified as held for sale		
Total current liabilities	585,712	547,443
TOTAL LIABILITIES	**1,770,450**	**1,683,496**

INCOME STATEMENT - IN THOUSANDS OF EUROS

	2009	2008
Revenues	**1,847,654**	**1,784,752**
Other revenue	13,873	24,035
Personnel	-1,293,803	-1,246,090
External expenses	-311,565	-293,958
Taxes other than income taxes	-15,688	-18,431
Depreciation and amortization	-71,620	-68,412
Acquisition-related depreciation and amortization of intangible assets	-5,205	-2,984
Impairment loss on goodwill	-	-1,464
Change in inventory	42	-137
Other operating revenue	5,939	6,236
Other operating expenses	-39,592	-5,695
Net operating profit	**130,035**	**177,853**
Income from cash and cash equivalents	4,068	12,018
Interest on financial liabilities	-7,771	-14,219
Net financing costs	**-3,703**	**-2,200**
Other financial income	15,333	25,649
Other financial expenses	-11,601	-25,394
Share of profit of associates	0	0
Profit before tax	**130,064**	**175,908**
Income tax	-41,310	-56,424
Net profit	**88,754**	**119,484**
Attributable to minority interests	-553	-3,126
Net profit, attributable to equity holders of the parent	**88,201**	**116,358**
Diluted earnings per share (in €)	**1.56**	**2.09**

CASH FLOW STATEMENT - IN THOUSANDS OF EUROS

	2009	2008
Cash flows from operating activities		
Net profit – attributable to equity holders of the parent	88,201	116,358
Net profit – attributable to minority interests	553	3,126
Income tax expense	41,310	56,338
Depreciation and amortization	76,825	71,392
Impairment loss on goodwill	-	1,464
Change in provisions	21,557	4,836
Expense relating to share-based payments	78	5,836
Non-cash effect of IFRS	808	-618
Gain/Loss on disposals, net of tax	1,029	-7,952
Income tax paid	-31,296	-83,932
Other	-1,107	-201
Internally generated funds from operations	**197,958**	**166,647**
Change in working capital requirements relating to operations	-7,806	-68,456
Cash flows from operating activities	**190,152**	**98,191**
Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-68,096	-70,712
Acquisition of investments in subsidiaries and affiliates	-97,514	-149,380
Other financial assets acquired	-673	-1,192
Sale of intangible assets and property, plant and equipment	1,006	1,925
Sale of investments in subsidiaries and affiliates	-	7,977
Other financial assets sold	1,921	1,744
Cash flows from investing activities	**-163,356**	**-209,638**
Cash flows from financing activities		
Increase in shareholders' equity	3,342	6,930
Acquisition of treasury shares	353	-2,159
Dividends paid to parent company shareholders	-24,808	-24,316
Dividends paid to minority shareholders	-160	-2,032
Increase in financial liabilities	165,654	134,215
Repayment of financial liabilities	-192,998	-75,022
Cash flows from financing activities	**-48,617**	**37,616**
Change in cash and cash equivalents	***-21,821***	***-73,830***
Effect of exchange rates on cash held	***-563***	***-7,489***
CASH AND CASH EQUIVALENTS AT JANUARY 1	**238,235**	**319,555**
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**215,851**	**238,235**