Press Release

2012 Financial Results

PARIS, FEBRUARY 26, 2013 – The Board of Directors of Teleperformance, the global leader in customer experience management, met today and reviewed the consolidated financial statements for the year ended December 31, 2012. The Group also announced its financial results for the year 2012.

Strong growth in revenue and earnings, above Group's target

- **Revenue: €2,347.1 million**
  Organic growth: 6.9% year-on-year
- **EBITA before non-recurring items: €213.9 million, up 18.3% year-on-year**
  EBITA margin before non-recurring items of 9.1% versus 8.5% in 2011
- **Strong growth in the Ibero-LATAM region and a continuing recovery in operations in most European countries.**
- **Diluted earnings per share: €2.27, up 39.3% year-on-year**

Full-year 2013 outlook

- **Continuing revenue gains,**
  with organic growth of 3% to 5%
- **Continuing margin improvement,**
  with an EBITA margin before non-recurring items of 9.3% to 9.5%
- **Strengthened governance as from June 2013**

2012 FINANCIAL HIGHLIGHTS

€ millions	**2012**	**2011**	***Change***
	€1 = US $1.29	**€1 = US$ 1.39**	
Revenue	**2,347.1**	**2,126.2**	***10.4%***
EBITDA before non-recurring items	**306.2**	**268.4**	***14.1%***
% of revenue	13.0%	12.6%	
EBITA before non-recurring items*	**213.9**	**180.8**	***18.3%***
% of revenue	9.1%	8.5%	
Operating profit	**193.2**	**152.3**	***26.9%***
Net profit – attributable to shareholders	**127.5**	**91.9**	***38.7%***
Diluted earnings per share (€)	**2.27**	**1.63**	***39.3%***

*Operating profit before amortization of acquired intangible assets and non-recurring items
- Non-recurring items represented a net expense of €11.8 million in 2012 and €19.2 million in 2011
- Amortization of acquired intangible assets amounted to €8.9 million in 2012 and €9.3 million in 2011

NB: The consolidated financial statements have been audited. The auditors will issue their report once they have completed the procedures required for the publication of the annual financial report

Daniel Julien, Chairman and Chief Executive Officer of Teleperformance, said: *"In 2012, we saw a significant increase in business, with reported growth of 10.4% and organic growth of 6.9%, exceeding our objectives. EBITA margin before non-recurring items sharply improved during the year, to 9.1% of revenue, again beating our initial objective. This good performance was primarily driven by the fast growth in our businesses in the Ibero-LATAM region, notably in Brazil where we are benefiting from a favorable environment and a premium positioning in expanding industries. In Europe, operations in a certain number of countries, such as the United Kingdom, Spain and Germany, reported a rebound in business and margins. Thanks to the tight management of our capital expenditure and assets, we once again increased our return on capital employed. These very good results confirm our global leadership of the outsourced customer experience management market and demonstrate the success of our value-creating growth strategy.*

Today, we are leveraging a number of powerful advantages to seize the opportunities offered by the mobile Internet revolution, which has only just begun. These include 140,000 young, ambitious, motivated employees, integrated processes and technology and an extremely solid customer base. The right moment has now come to carry out a smooth, orderly transition in the Group's leadership. The Board of Directors will therefore ask shareholders at the Annual Meeting next May 30 to elect Paulo Cesar Vasques as director, with the aim of appointing him Chief Executive Officer. An engineer with an MBA degree, Mr. Vasques, 43, is an outstanding executive who in Brazil, in just a few years, successfully developed one of our most remarkable member companies. He is the symbol of a new generation of leaders, aged 35 to 50, who represent the life blood of our Group and who are now gradually moving into positions of responsibility, where they will drive our profitable growth for decades to come. I will remain Chairman of the Board of Directors and continue to exercise my CEO's duties with Teleperformance Group Inc. for at least two or three more years.

For 2013, we expect to deliver further gains in revenue, EBITA margin before non-recurring items, and return on capital employed, reflecting our confidence in our positioning and the future of our markets."

REVENUE

CONSOLIDATED REVENUE

Consolidated revenue amounted to €2,347.1 million in 2012, an increase of 10.4% as reported. At constant scope of consolidation and exchange rates, organic growth was 6.9%, outpacing the 3.5% reported in 2011.

Changes in exchange rates, mainly the appreciation of the US dollar against the euro, added €71.9 million to reported revenue.

Changes in the scope of consolidation had a slight €2.2-million negative impact, reflecting the disposal of the Hungarian subsidiary in 2011.

The 6.9% organic growth was led by the increase in business in the Ibero-LATAM region, particularly in Brazil.

Organic growth also gained momentum throughout the year, increasing from 3.1% in the first half.

REVENUE BY REGION

€ millions	**2012**	**2011**	***Change***	
			Reported	***Organic***
English-speaking market & Asia-Pacific	910.4	819.6	*+ 11.1%*	*+ 3.2%*
Ibero-LATAM	737.6	628.1	*+ 17.4%*	*+ 16.5%*
Continental Europe & MEA	699.1	678.5	*+ 3.0%*	*+ 2.6%*
TOTAL	**2,347.1**	**2,126.2**	***+ 10.4%***	***+ 6.9%***

- ### English-speaking market & Asia-Pacific

Regional revenue rose by 11.1% over the year, lifted by the increase in the US dollar and, to a lesser extent, the British pound against the euro. At constant scope of consolidation and exchange rates, growth in the region was 3.2%.

Growth strongly varied from one half to the next. In the first half, business showed a year-on-year decline due to the particularly high prior-year comparatives, reflecting the ramp-up of a significant contract in the United States in first-half 2011. Second-half figures, however, benefited from a much more favorable basis of comparison, enabling regional operations to return to growth over the full year.

Operations in the United Kingdom enjoyed significant growth following contract wins in new industries.

- ### Ibero-LATAM

Regional revenue rose by 17.4% as reported and 16.5% at constant scope of consolidation and exchange rates.

The Group enjoyed a positive dynamic across the region during the year, with operations in every country except Argentina delivering revenue gains.

Growth was spectacular in Brazil, where operations are benefiting from a favorable economic environment and their premium positioning, which is helping to drive market share gains in the country's fast expanding industries, such as banking and the Internet/media sector.

Operations in Spain have returned to growth. In Portugal, the Group continues to benefit from its high value-added positioning thanks to its multilingual hubs offering. This end-to-end customer experience management solution has proven highly successful with large accounts seeking to simplify their customer service strategy in Europe.

- **Continental Europe & MEA**

Regional revenue ended the year up 3.0% as reported and 2.6% at constant scope of consolidation and exchange rates.

The renewed growth momentum was driven by the improvements reported in Northern Europe, the Eastern European countries, Greece and Turkey. Firm demand in Germany, the Netherlands and, to a lesser extent, Italy also made a positive contribution to the year's performance.

All of these positive factors helped to offset the decline in business at Teleperformance France which remained impacted by the major shift in the competitive landscape of its largest market, mobile telephony.

The contrasting trends in Teleperformance's three core operating regions over the past three years have noticeably altered its profile. Continental Europe now accounts for less than 30% of consolidated revenue, while the Ibero-LATAM region represents 31% and the English-speaking market & Asia-Pacific region 39%.

RESULTS

Consolidated EBITDA before non-recurring items rose by 14.1% to €306.2 million in 2012, representing 13.0% of revenue versus 12.6% in 2011.

Consolidated EBITA before non-recurring items stood at €213.9 million for the year, an 18.3% gain on the €180.8 million reported in 2011. EBITA margin before non-recurring items widened to 9.1% from 8.5% a year earlier, exceeding the Group's target, which was at the upper end of a range from 8.5% to 9%.

EBITA MARGIN BEFORE NON-RECURRING ITEMS BY REGION – EXCLUDING THE HOLDING COMPANY

% of revenue	**2012**	**2011**
English-speaking market & Asia-Pacific	11.3%	10.3%
Ibero-LATAM	12.6%	11.1%
Continental Europe & MEA	0.6%	0.4%
TOTAL	**9.1%**	**8.5%**

All of the operating regions helped to drive margin improvement over the year. The English-speaking market & Asia-Pacific and the Ibero-LATAM regions continued to deliver double-digit EBITA margins before non-recurring items, with year-on-year increases to respectively 11.3% and 12.6% in 2012. The Continental Europe & MEA region reported a positive margin, up slightly on 2011.

Non-recurring items represented a net expense of €11.8 million for the year, analyzed as follows:

- €2 million in costs of closure related to two subsidiaries based in Austria and Vietnam, where market's size and growth outlook no longer warranted a local presence;
- €9.8 million related to the 2011 performance share plan, as the requisite performance criteria were met.

After accounting for these non-recurring items and the amortization of intangible assets (€8.9 million versus €9.3 million in 2011), operating profit came to €193.2 million for the year, up a sharp 26.9% from 2011.

Net financial expense stood at €7.3 million, versus €5.6 million in 2011. It included a non-recurring €3 million expense incurred in setting the new €300-million syndicated line of credit.

Income tax expense amounted to €56.5 million for the year, corresponding to an effective tax rate of 30.4%, versus 35.2% in 2011. The improvement primarily reflected the return to profit of operations in a certain number of countries that had reported tax losses in previous years.

Following a certain number of buybacks, minority interests in net profit stood at €1.9 million in 2012, down from €3.1 million a year earlier.

As a result, net profit attributable to shareholders came to €127.5 million, up 38.7% from the €91.9 million reported in 2011.

CASH FLOWS AND BALANCE SHEET STRUCTURE

The programs underway for the past two years to increase cash generation were pursued in 2012. Cash flow before non recurring items and taxes stood at €296.1 million, up 15.3% from €256.9 million in 2011.

Restructuring cash outlays declined significantly to €10 million from €47.7 million the year before, when they rose sharply on implementation of the restructuring plan in France that was decided in late 2010 but carried out primarily in 2011.

Consolidated working capital requirement swung to a €26 million outflow in 2012 from a €32.6 million inflow in 2011, mainly due to the robust increase in business at year-end, even as days sales outstanding continued to improve, with a decline of two days vs 2011.

Net capital expenditure was nearly unchanged as a percentage of revenue, at 4.6%, and stood at €108.4 million versus €95.5 million in 2011. Net free cash flow continued to increase, rising to €94.5 million from €88.2 million in 2011, while net cash and cash equivalents rose by €54.9 million to end the year at €80 million.

As a result, the Group's balance sheet at December 31, 2012 was very solid. Equity amounted to 1,382.4 million, of which €1,376.4 million attributable to shareholders. It amply covered the Group's non-current assets, which totaled €1,138.6 million at year-end.

CHANGE IN GOVERNANCE

Today, Teleperformance is a global industry leader, ready to meet the challenges and seize the opportunities offered by the mobile Internet revolution.

To do so, it has successfully built up a wide array of competitive advantages:

- The robustness of its seamless processes, integrated technology and customer base.
- Powerful innovation capabilities with the development of competitively differentiated solutions.
- A people-driven culture, with nearly 140,000 young, motivated and ambitious employees.

In accordance with the commitment to separating the offices of Chairman of the Board of Directors and Chief Executive Officer, the Board is considering:

- Requesting Daniel Julien to retain his position as Chairman of the Board of Directors as well as CEO of Teleperformance Group Inc., at least for the next two or three years.
- Asking shareholders at the next Annual Meeting to elect Paulo Cesar Vasques as director, with the aim of appointing him Chief Executive Officer. An engineer with an MBA degree, Mr. Vasques, 43, is an outstanding executive who, in just a few years in Brazil, successfully developed one of the Group's most remarkable member companies.

In this way, the Group will be led towards new success by a strengthened, younger management team, thereby demonstrating its solidity and proficiency in managing the planning of transition from generation to the next.

FULL-YEAR 2013 OUTLOOK

In 2013, Teleperformance is pursuing its strategy of creating value and driving balanced growth, which will lead to a further improvement in its return on capital employed.

The English-speaking markets & Asia-Pacific and Ibero-LATAM regions are expected to continue delivering a high EBITA margin before non-recurring items, while the margin in the Continental Europe & MEA region, despite the uncertain economic environment, should continue to gradually improve, notably in France, Germany and Italy.

For the full year, Teleperformance expects to see an organic growth in revenue of between 3% to 5%, as well as an improvement in its profitability ratios, with the objective of an EBITA margin before non-recurring items of between 9.3% and 9.5%.

PROPOSED DIVIDEND

Following the improvement in net profit for the year, the Board of Directors will recommend that shareholders at the Annual Meeting on May 30 approve an increase in the 2012 dividend to €0.68 per share from the €0.46 paid in respect of 2011, payable in cash or in shares at the shareholders' option. The proposed dividend corresponds to a total payout of 30%, in line with market practices and the Group's dividend payment policy defined two years ago.

INVESTOR CALENDAR

May 7, 2013: First-quarter 2013 revenue released
May 30, 2013: Annual Shareholders Meeting

ABOUT TELEPERFORMANCE

Teleperformance, the world's leading provider of outsourced CRM and contact center services, serves companies around the world with customer acquisition, customer care, technical support and debt collection programs. In 2012, it reported consolidated revenue of €2,347 million ($3,028 million, based on €1 = $1.29).

The Group operates about 98,000 computerized workstations, with 138,000 employees across more than 260 contact centers in 46 countries serving 78 markets. It manages programs in more than 66 languages and dialects on behalf of major international companies operating in a wide variety of industries.

Teleperformance shares are traded on the NYSE Euronext Paris market, Compartment A, and are eligible for the deferred settlement service. They are included in the following indices: SBF 120, STOXX 600 and France CAC Mid & Small.

Symbol: RCF - ISIN: FR0000051807 - Reuters: ROCH.PA - Bloomberg: RCF FP

CONTACTS

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STATEMENT OF INCOME

€ thousands

	2012	*2011*
Revenues	**2 347 093**	**2 126 222**
Other revenues	9 980	7 348
Personnel	-1 650 020	-1 487 530
Share-based payments	-9 842	-2 044
External expenses	-385 938	-365 981
Taxes other than income taxes	-13 403	-12 441
Depreciation and amortization	-92 210	-87 646
Amortization of intangible assets acquired as part of a business combination	-8 884	-9 270
Change in inventories	-557	185
Other operating income	6 586	5 587
Other operating expenses	-9 644	-22 095
Operating profit	**193 161**	**152 335**
Income from cash and cash equivalents	1 619	869
Interest on financial liabilities	-12 795	-8 311
Net financing costs	**-11 176**	**-7 443**
Other financial income	29 177	33 922
Other financial expenses	-25 275	-32 125
Financial result	**-7 274**	**-5 646**
Profit before taxes	**185 887**	**146 689**
Income tax	-56 569	-51 651
Net profit	**129 318**	**95 038**
Net profit - Group share	**127 464**	**91 896**
Net profit attributable to non-controlling interests	1 854	3 142
Basic earnings per share (in €)	**2,30**	**1,63**
Diluted earnings per share (in €)	**2,27**	**1,63**

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BALANCE SHEET

€ thousands

ASSETS	*12. 31. 2012*	*12. 31. 2011*
Non-current assets		
Goodwill	711 918	710 272
Other intangible assets	88 423	97 972
Property, plant and equipment	274 964	255 170
Financial assets	26 981	24 099
Deferred tax assets	36 304	32 006
Total non-current assets	1 138 590	1 119 519
Current assets		
Inventories	61	621
Current income tax receivable	38 516	40 838
Accounts receivable - Trade	479 628	450 503
Other current assets	82 997	93 104
Other financial assets	12 677	6 961
Cash and cash equivalents	170 362	159 612
Total current assets	784 241	751 639
Total assets	**1 922 831**	**1 871 158**

EQUITY AND LIABILITIES	*12. 31. 2012*	*12. 31. 2011*
Shareholder's equity		
Share capital	141 495	141 495
Share premium	556 181	556 181
Translation reserve	17 415	23 554
Other reserves	661 257	551 983
Equity attributable to owners of the company	1 376 348	1 273 213
Non-controlling interests	6 079	4 364
Total shareholder's equity	1 382 427	1 277 577
Non-current liabilities		
Long-term provisions	6 639	5 755
Financial liabilities	13 914	25 686
Deferred tax liabilities	47 310	48 357
Total non-current liabilities	67 863	79 798
Current liabilities		
Short-term provisions	14 814	25 898
Current income tax	32 221	26 577
Accounts payable - Trade	80 483	83 345
Other current liabilities	268 573	269 106
Other financial liabilities	76 450	108 857
Total current liabilities	472 541	513 783
Total equity and liabilities	**1 922 831**	**1 871 158**

CASH FLOW STATEMENT

€ thousands

Cash flows from operating activities	*2012*	*2011*
Net profit - Group share	127,464	91,896
Net profit attributable to non-controlling interests	1,854	3,142
Income tax expense	56,569	51,651
Depreciation and amortization	101,083	96,439
Change in provisions	-9,984	-37,750
Unrealized gains and losses on financial instruments	-713	1,206
Share-based payments	9,842	2,235
Net gains on disposal of non-current assets (after tax)	133	494
Income tax paid	-57,221	-58,244
Other	-45	-71
Internally generated funds from operations	***228,982***	***150,998***
Change in accounts receivable - trade	***-30,922***	33,100
Change in accounts payable - trade	***-8,970***	-9,605
Other changes	***13,868***	9,172
Change in working capital requirements relating to operations	***-26,024***	***32,667***
Net cash flow from operating activities	**202,958**	**183,665**

Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-109,921	-97,114
Acquisition of subsidiaries, net of cash acquired	-5,035	-15,087
Loans and advances made	-3,957	-32
Proceeds from disposals of intangible assets and property, plant and equipment	1,516	1,609
Proceeds from disposals of other non - current assets	126	1,182
Net cash flow from investing activities	**-117,271**	**-109,442**

Cash flows from financing activities		
Proceeds from the issue of share capital	379	
Acquisition of treasury shares	-267	-18,015
Dividends paid to parent company shareholders	-25,488	-18,654
Dividends paid to minority interests in consolidated subsidiaries	-181	-256
Proceeds from new borrowings	254,855	39,722
Repayment of borrowings	-293,980	-38,942
Net cash flow from financing activities	**-64,682**	**-36,145**

Change in cash and cash equivalents	***21,005***	***38,078***
Effect of exchange rates on cash held and reclassifications	*-7,699*	*-2,717*
Net cash at January 1	**147,073**	**111,712**
Net cash at December 31	**160,379**	**147,073**

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