Press Release

2013 was a record year for Teleperformance

PARIS, FEBRUARY 25, 2014 – The Board of Directors of Teleperformance, the global leader in outsourced multichannel customer experience management, met today and reviewed the consolidated and parent company financial statements for the year ended December 31, 2013. The Group also announced its financial results for the year.

- **2013 FINANCIAL RESULTS**
  - Revenue: €2,432.9 million
    Like-for-like growth: +7.9% year-on-year
  - EBITA before non-recurring items: €225.7 million
    EBITA margin before non-recurring items: 9.3% versus 9.1% in 2012
  - Diluted earnings per share: €2.27
  - Dividend per share: €0.80*, +17.6% year-on-year

- **SIGNIFICANTLY STRONGER GLOBAL MARKET LEADERSHIP**
  - Around 10,000 workstations created in 2013
  - Mainly in the United States, the Philippines and Latin America

- **2014 OBJECTIVES: SUSTAINED GROWTH IN BUSINESS AND MARGINS**
  - Like-for-like revenue growth of +5% to +7%
  - EBITA margin before non-recurring items of 9.5% to 9.7%
  - Further improvement in return on capital employed

2013 FINANCIAL HIGHLIGHTS

€ millions	**2013**	**2012**	***% change***
	€1 = US $1.33	**€1 = US $1.29**	
Revenue	**2,432.9**	**2,347.1**	***+3.7%***
Like-for-like growth			***+7.9%***
EBITDA before non-recurring items	**324.5**	**306.2**	***+6.0%***
% of revenue	13.3%	13.0%	
EBITA before non-recurring items[1]	**225.7**	**213.9**	***+5.5%***
% of revenue	9.3%	9.1%	
EBIT	**196.3**	**193.2**	***+1.6%***
Net profit – attributable to shareholders	**128.8**	**127.5**	**-**
Diluted earnings per share (€)	**2.27**	**2.27**	**-**
Dividend per share (€)	**0.80***	**0.68**	***+17.6%***

[1]EBIT before amortization of acquired intangible assets and non-recurring items…
*Submitted to shareholder approval at the Annual Meeting on May 7, 2014.

NB: The consolidated financial statements have been audited. Auditors report is currently in progress.

Paulo César Salles Vasques, Chief Executive Officer of Teleperformance, said:

"Thanks to our great people and our wonderful clients all around the world, we saw a significant increase in business in 2013 which represents a new record revenue level for Teleperformance. I am pleased to report that we enjoyed like-for-like revenues growth of +7.9%, above our original target and that our EBITA margin raised to 9.3%, before non-recurring items, in line with our guidance.

Our good performance was primarily driven by growth in the United States and increasing demand in a large number of markets in our Ibero-LATAM region, specially Mexico, Colombia and Portugal. We also saw positive developments in Continental Europe, Middle East and Africa as well.

From an overall business management perspective, the health of our balance sheet tangibly shows our people, client, and innovation strategies are working and providing a clear competitive differentiation for us. We are well positioned across all of our core services and our markets are positively responding to our capabilities and solutions. In short, we intend to use our strong momentum to continue leading the path of the entire industry and to optimize our own potential.

I am also happy to tell you we expect to deliver another year of strong growth in 2014. Right now, we see a +5% to +7% like-for-like increase in revenues and an additional improvement in EBITA margin before non-recurring items, to be between 9.5% and 9.7%. We are also targeting a further increase in return on capital employed above the 11.7% we attained in 2013.*

We have a lot of hard work ahead of us as usual, but I remain optimistic for our growth and financial health in 2014 and beyond. A special thanks to the exceptional support of Daniel Julien and our senior management team and the passion of all of our people to do a great job on every single customer interaction".
**after taxes.*

CONSOLIDATED REVENUE

Consolidated revenue amounted to €2,432.9 million in 2013, an increase of +7.9% at constant scope of consolidation and exchange rates (like-for-like) and of +3.7% as reported.

Changes in exchange rates had a €93.2 million negative impact on reported revenue that mainly reflected the decline in the Brazilian real, Argentine peso, US dollar and British pound against the euro.

REVENUE BY REGION

2013 revenue performance was primarily shaped by the sharp increase in business in the Ibero-LATAM region, particularly in Mexico, Colombia and Portugal, and in the English-speaking market & Asia-Pacific region, especially in the United States and China.

The percentage of revenue derived from the rapidly growing Ibero-LATAM and English-speaking market & Asia-Pacific regions was stable compared with 2012, at 70.2% of the consolidated 2013 total. The Continental Europe & MEA region accounted for around 30% of revenue, also unchanged from the previous year.

ANNUAL REVENUE BY REGION

€ millions	**2013**	**2012**	***% change***	
			Reported	***Like-for-like***
English-speaking market & Asia-Pacific	946.5	910.4	*+ 4.0%*	*+ 8.1%*
Ibero-LATAM	762.3	737.6	*+ 3.4%*	*+ 11.2%*
Continental Europe & MEA	724.1	699.1	*+ 3.6%*	*+ 4.6%*
TOTAL	**2,432.9**	**2,347.1**	***+ 3.7%***	***+ 7.9%***

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- **English-speaking market & Asia-Pacific**

Organic growth in revenue was +8.1%. Reported growth was +4.0% over the year, held back by the decline in the US dollar and, to a lesser extent, the British pound against the euro.

The region achieved an outstanding year.

The Asia-Pacific business notably saw very strong growth, especially in China where the Group successfully forged close partnership relations with locally based multinationals.

In North America, growth was robust throughout the year and particularly in the final quarter, when revenue surged +9.2% on the ramp-up of new contracts in new business sectors (healthcare and insurance).

- **Ibero-LATAM**

Operations in the Ibero-LATAM region continued to expand at a double-digit figure in 2013, delivering like-for-like growth of +11.2%. Reported growth came to +3.4%, reflecting a year shaped by an adverse currency environment, notably with the Brazilian real losing close to 15% and the Argentine peso 25% against the euro during the period.

All the countries in the region contributed to growth except Argentina, impacted by its current economic conditions. The most dynamic growth contributors were Colombia, Mexico and Portugal, while growth in Brazil has begun to slow.

As in the English-speaking market & Asia-Pacific, the Group remained committed to investing in this promising region throughout 2013.

Continental Europe & MEA

Regional revenue ended the year +4.6% like-for-like and +3.6% as reported.

Revenue improved in every country in the region, except for France, with growth accelerating in the second half. This performance was attributable to the development of multilingual European hubs and the return to growth in several countries.

Illustrating this trend, operations in Italy saw an upturn in 2013. Business in the Netherlands, Russia and Southern Europe (Greece and Turkey) benefited from a solid sales dynamic, particularly with global customers. Revenue in France continued to be affected by a persistently difficult environment in the telecommunications industry, but the decline was cushioned by the award of a few contracts in new business sectors.

RESULTS

EBITDA before non-recurring items rose by +6% year-on-year to €324.5 million, or 13.3% of revenue, an improvement of 0.3 points on 2012.

EBITA before non-recurring items stood at €225.7 million, +5.5% from the €213.9 million reported in 2012. EBITA margin before non-recurring items widened by 0.2 points to 9.3% from 9.1% a year earlier, in line with the target for the year.

EBITA BEFORE NON-RECURRING ITEMS BY REGION – EXCLUDING HOLDING COMPANIES

€ millions	**2013**	**2012**
English-speaking market & Asia-Pacific	94.8	102.8
% of revenue	**10.0%**	**11.3%**
Ibero-LATAM	90.1	92.9
% of revenue	**11.8%**	**12.6%**
Continental Europe & MEA	12.9	4.2
% of revenue	**1.8%**	**0.6%**
Total – including holding companies	225.7	213.9
% of revenue	**9.3%**	**9.1%**

The **English-speaking market & Asia-Pacific** region continued to deliver a high EBITA margin before non-recurring items, despite an adverse transaction effect mainly resulting from the weakening of the US dollar against other currencies.

The **Ibero-LATAM region** continued to deliver a double-digit margin, at 11.8%, despite the challenges facing the Argentine market.

The **Continental Europe & MEA region** saw a further increase this year in its operating margin, led by growth in business in a number of southern and northern European countries.

Reported EBIT amounted to €196.3 million, versus €193.2 million in the previous year. EBIT growth at constant exchange rates would have come to +6%, without the negative currency translation impact of €8 million.

EBIT also reflected the following non-recurring expenses:

- €3.9 million in restructuring costs related to the closure of the Belgian subsidiary, as well as the reduction in the Group's exposure in Argentina and Chile.
- €10.0 million in accounting costs on the performance share plans set up in 2011 and 2013.
- Other non-recurring expenses such as the amortization of acquisitions-related intangible assets.

Net financial expense stood at €7.6 million, versus €7.3 million in 2012.

Income tax expense amounted to €59.4 million, corresponding to an effective tax rate of 31.5%, versus 30.4% in the prior year.

Following the buyback of non-controlling interests in TLScontact and the Turkish subsidiary, minority interests in net profit amounted to €0.5 million in 2013, versus €1.9 million in 2012.

At €128.8 million, net profit attributable to shareholders was slightly higher than in 2012 (€127.5 million). Diluted earnings per share were stable year-on-year, at €2.27.

The Board of Directors will recommend that shareholders at the Annual Meeting on May 7 approve an increase in the 2013 dividend to €0.80 per share from the €0.68 paid in respect of 2012. The proposed dividend corresponds to a total payout of 35%, up from 30% last year.

CASH FLOWS AND FINANCIAL STRUCTURE

Cash flow before tax rose to €307.7 million in 2013 from €286.1 million in 2012.

The amount of tax paid, at €71.1 million in 2013, was significantly higher vs 2012

Consolidated working capital requirement outflow was €46.2 million in 2013 versus an outflow of €26.0 million in 2012, reflecting the strong increase in business late in the year, particularly in North America.

Net capital expenditure rose significantly to €126.1 million, or 5.2% of revenue, versus €108.4 million and 4.6% in 2012. Reflecting the organic growth initiatives deployed by the Group, these investments were primarily committed to create or expand centers serving fast growing markets in Latin America, the United States and the Philippines. Free cash flow ended the year at €64.3 million.

After the payment of €16.9 million in dividends, and taking into account liabilities under earn-out agreements, net cash stood at €86.8 million at the year-end. The Group's financial structure therefore is very solid, with equity of €1,395.4 million at December 31, 2013.

DEVELOPMENTS AND AWARDS

- **Expansion and creation of contact centers to support organic growth in promising markets**

In 2013, Teleperformance continued to deploy its strategy focused on driving organic growth in its business (with new facilities). Teleperformance pursued its expansion by opening 16 new contact centers and increasing the number of workstations in existing facilities, in many key countries.

In the English-speaking market & Asia-Pacific region, six new centers were opened and capacity was increased at seven existing facilities.

The Ibero-LATAM region, where growth remains robust, was again the leading locus of Group capital spending in 2013, with eight new contact centers opened.

In the Continental Europe & MEA region, two new facilities were opened in 2013, in Turkey and Greece.

- **Recognition for the Group's strategy**

In 2013, Teleperformance again won numerous awards from prestigious institutions and well-known independent research firms around the world. This was in recognition of Teleperformance 's sustained leadership and excellent service across its markets. Independent awards also acknowledged Teleperformance for its people strategy, innovation capabilities and the company's commitment to social and environmental responsibility. Some of this recognition includes:

- Teleperformance recognized by IDC as a customer care leader in its *IDC MarketScape: Worldwide Customer Care BPO Services 2013 Vendor Analysis*.
- 2013 Colombia Frost & Sullivan Market Share Leadership Award.
- 2013 Asia-Pacific Frost & Sullivan Contact Center Outsourcing Service Provider of the Year, ICT Awards.
- 2013 Argentina Frost & Sullivan Customer Value Leadership Award.
- 2013 Brazil Frost & Sullivan Competitive Strategy Innovation & Leadership Award.

- 2013 Asia-Pacific Frost & Sullivan Customer Value Enhancement Award.
- 2013 EMEA Frost & Sullivan Customer Value Enhancement Award.
- 2013 North America Frost & Sullivan Contact Center of the Year.
- Included in the 2013 Great Place to Work® list of "Best Companies to Work For" in Brazil, India, Greece & Portugal.
- Four prizes awarded to Teleperformance Portugal in 2013 by Contact Center World
- 2013 Contact Center World Award for "Best Use of Social Media in the Contact Center" in the EMEA region.
- 2013 "Service Leader in Outsourcing" Award from *CRM Magazine*.
- 2013 EOA Corporate Social Responsibility Award recognizing Teleperformance's social and environmental strategy in the EMEA region.
- 2013 "True Leaders" Award for Teleperformance Hellas in Athens, Greece.
- 2013 "Grand Prix for Financial Transparency" awarded to the Teleperformance Group for showing the greatest improvement in the quality of its financial information.

2014 OUTLOOK

Led by the recent strategic investments, the initiatives deployed to strengthen its presence in new business sectors, and still buoyant demand, Teleperformance expects to deliver another year of growth, with the following full-year 2014 objectives:

- Like-for-like revenue growth of between +5% and +7%.
- An additional improvement in EBITA margin before non-recurring items, to between 9.5% and 9.7%.
- A further increase in return on capital employed.
- New targeted acquisitions supported by a solid balance sheet.

ANALYST AND INVESTOR INFORMATION MEETING

Wednesday, February 26, 2014 at 9:00 am CET
The meeting, which will be held in Paris, will be simultaneously webcast on www.teleperformance.com. The related presentation may also be downloaded from the site

INVESTOR CALENDAR

Annual Shareholders' Meeting:	May 7, 2014
First-quarter 2014 revenue:	May 13, 2014
First-half 2014 results:	July 28, 2014
Third-quarter 2014 revenue:	November 12, 2014

NB: The consolidated financial statements have been audited. Auditors report is currently in progress.

ABOUT TELEPERFORMANCE GROUP

Teleperformance, the worldwide leader in outsourced multichannel customer experience management, serves companies around the world with customer care, technical support, customer acquisition and debt collection programs. In 2013, it reported consolidated revenue of €2,433 million ($3,236 million, based on €1 = $1.33).

The Group operates 110,000 computerized workstations, with close to 149,000 employees across around 230 contact centers in 46 countries and serving more than 150 markets. It manages programs in 63 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, Eurolist-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

For further information, please visit the Teleperformance website at **www.teleperformance.com.**

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APPENDICES

REVENUE BY REGION

€ millions	2013	2012	% change	
			Reported	Like-for-like
FOURTH QUARTER				
English-speaking market & Asia-Pacific	258.4	250.0	+ 3.4%	+ 9.2%
Ibero-LATAM	186.9	194.6	- 3.9%	+ 3.8%
Continental Europe & MEA	204.2	196.1	+ 4.1%	+ 8.3%
TOTAL	**649.5**	**640.7**	**+ 1.4%**	**+ 7.3%**
THIRD QUARTER				
English-speaking market & Asia-Pacific	233.3	238.1	- 2.0%	+ 3.8%
Ibero-LATAM	181.0	183.3	- 1.2%	+ 12.2%
Continental Europe & MEA	173.0	158.1	+ 9.4%	+ 8.6%
TOTAL	**587.3**	**579.5**	**+ 1.4%**	**+ 7.7%**
SECOND QUARTER				
English-speaking market & Asia-Pacific	224.2	214.2	+ 4.7%	+ 7.7%
Ibero-LATAM	202.5	191.7	+ 5.6%	+ 9.3%
Continental Europe & MEA	177.4	179.2	- 1.0%	- 0.7%
TOTAL	**604.1**	**585.1**	**+ 3.3%**	**+ 5.6%**
FIRST QUARTER				
English-speaking market & Asia-Pacific	230.6	208.1	+ 10.8%	+ 12.1%
Ibero-LATAM	191.9	168.0	+ 14.2%	+ 20.1%
Continental Europe & MEA	169.5	165.7	+ 2.3%	+ 2.3%
TOTAL	**592.0**	**541.8**	**+ 9.3%**	**+ 11.5%**

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CONSOLIDATED INCOME STATEMENT

in millions of euros

	2013	2012
Revenues	**2 433**	**2 347**
Other revenues	9	10
Personnel	-1 706	-1 650
Share-based payments	-10	-10
External expenses	-401	-386
Taxes other than income taxes	-13	-13
Depreciation and amortization	-99	-92
Amortization of intangible assets acquired as part of a business combination	-8	-9
Impairment loss on goodwill	-3	
Change in inventories		-1
Other operating income	2	7
Other operating expenses	-8	-10
Operating profit	**196**	**193**
Income from cash and cash equivalents	1	2
Interest on financial liabilities	-9	-13
Net financing costs	**-8**	**-11**
Other financial income	27	29
Other financial expenses	-26	-25
Financial result	**-7**	**-7**
Profit before taxes	**189**	**186**
Income tax	-60	-57
Net profit	**129**	**129**
Net profit - Group share	**129**	**127**
Net profit attributable to non-controlling interests	0	2
Basic earnings per share (in €)	**2,27**	**2,30**
Diluted earnings per share (in €)	**2,27**	**2,27**

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CONSOLIDATED BALANCE SHEET

in millions of euros

ASSETS	*12.31.2013*	*12.31.2012*
Non-current assets		
Goodwill	674	712
Other intangible assets	78	88
Property, plant and equipment	287	275
Financial assets	33	27
Deferred tax assets	31	36
Total non-current assets	1 103	1 138
Current assets		
Current income tax receivable	38	38
Accounts receivable - Trade	498	480
Other current assets	73	83
Other financial assets	15	13
Cash and cash equivalents	164	170
Total current assets	788	784
Total assets	**1 891**	**1 923**

EQUITY AND LIABILITIES	*12.31.2013*	*12.31.2012*
Equity		
Share capital	143	142
Share premium	576	556
Translation reserve	-65	17
Other reserves	738	662
Equity attributable to owners of the company	1 392	1 377
Non-controlling interests	4	6
Total shareholder's equity	1 396	1 383
Non-current liabilities		
Long-term provisions	9	7
Financial liabilities	21	14
Deferred tax liabilities	37	47
Total non-current liabilities	67	68
Current liabilities		
Short-term provisions	14	15
Current income tax	23	32
Accounts payable - Trade	87	81
Other current liabilities	249	269
Other financial liabilities	56	76
Total current liabilities	429	473
Total equity and liabilities	**1 891**	**1 923**

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CONSOLIDATED CASH FLOW STATEMENT

in millions of euros

Cash flows from operating activities	*2013*	*2012*
Net profit - Group share	129	127
Net profit attributable to non-controlling interests	0	2
Income tax expense	60	57
Depreciation and amortization	107	101
Impairment loss on goodwill	3	
Change in provisions	1	-10
Unrealized gains and losses on financial instruments	0	-1
Share-based payments	7	10
Income tax paid	-71	-57
Internally generated funds from operations	***236***	***229***
Change in accounts receivable - trade	-45	-31
Change in accounts payable - trade	-2	-9
Change in other accounts	1	14
Change in working capital requirements relating to operations	***-46***	***-26***
Net cash flow from operating activities	**190**	**203**

Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-127	-110
Loans and advances made	-8	-4
Proceeds from disposals of intangible assets and property, plant and equipment	1	2
Repayments of loans	2	0
Net cash flow from investing activities	**-132**	**-112**

Cash flows from financing activities		
Proceeds from the issue of share capital	0	0
Acquisition of treasury shares	1	0
Changes in ownership interest in controlled entities	-11	-5
Dividends paid to parent company shareholders	-17	-26
Proceeds from new borrowings	72	255
Repayment of borrowings	-93	-294
Net cash flow from financing activities	**-48**	**-70**

Change in cash and cash equivalents	***10***	***21***
Effect of exchange rates on cash held and reclassifications	*-10*	*-8*
Net cash at January 1	**160**	**147**
Net cash at December 31 (Note B7)	**160**	**160**

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