Teleperformance
Transforming Passion into Excellence

PRESS RELEASE

2014 Annual Results

Another year of strong revenue growth and improved margins

PARIS, February 25, 2015 – 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, 2014. The Group also announced its financial results for the year.

2014 FINANCIAL RESULTS

▪ Revenue:	€2,758 million up + 13.3% as reported up + 9.9% like-for-like*
▪ EBITA before non-recurring items:	€267 million
EBITA margin before non-recurring items:	9.7% versus 9.3% in 2013
Diluted earnings per share:	€2.62, up + 15.4% on 2013
▪ Dividend per share:	€0.92**, vs €0.80 on 2013

SIGNIFICANT STRENGTHENING OF THE GROUP'S GLOBAL MARKET LEADERSHIP

- Strengthening of the Group's worldwide footprint with increase in total number of work stations by 25,000 units in 2014 and facilities opened in 16 new countries

- Positioning in the North American market strengthened in promising segments with the acquisition of Aegis USA Inc.

2015 OBJECTIVES: SUSTAINED PROFITABLE GROWTH

- Like-for-like revenue growth of at least 7%
- Increase in the EBITA margin before non-recurring items to at least 10.3%

* at constant exchange rates and scope of consolidation
**submitted to shareholder approval at the annual general meeting on May 7, 2015.

NB: The consolidated financial statements have been audited and certified

2014 FINANCIAL HIGHLIGHTS

€ millions	2014 €1=US$ 1,33	2013 €1=US$ 1,33	*change*
Revenue	**2,758**	2,433	*+ 13.3%*
Like-for-like growth			*+ 9.9%*
EBITDA before non-recurring items	**376**	325	*+ 15.7%*
% of revenue	13.6%	13.3%	
EBITA before non-recurring items(1)	**267**	226	*+ 18.2%*
% of revenue	9.7%	9.3%	
EBIT	**237**	196	*+ 20.6%*
Net profit – attributable to shareholders	**150**	129	*+ 16.4%*
Diluted earnings per share (€)	**2.62**	2.27	*+ 15.4%*
Dividend per share (€)	**0.92***	0.80	

(1)EBIT before amortization of intangible assets on acquisitions and non-recurring items…
*Submitted to shareholder approval at the annual general meeting on May 7, 2015.

Paulo César Salles Vasques, Chief Executive Officer of Teleperformance, said: *"In 2014, we once again enjoyed a record year, with nearly + 10% like-for-like growth and further improvement in our EBITA margin, to 9.7%, in line with our objectives.*

Teleperformance enjoyed strong momentum throughout the year. Growth was sustained in the English-speaking market & Asia-Pacific region, with many new contracts signed in a wide range of industries, and satisfactory in the Ibero-LATAM region, despite the lackluster environment in Brazil. In the Continental Europe & MEA region, business was lifted by the dynamic development of TLScontact visa application management activities.

The acquisition of Aegis USA Inc. in August 2014, strengthened our worldwide leadership. Team, customer and systems integration has gone very smoothly and is now complete for the most part. Our expertise, our level of excellence and our sales teams have been enhanced as a result in a large number of high-potential industries in the United States, like healthcare, financial services and travel services. This bodes very well for the development of highly promising selling synergies in the near future.

2015 will be another year of growth. We are already projecting a more than + 7% like-for-like increase in revenue for the year, along with a further improvement in EBITA margin before non-recurring items, to at least 10.3%. In addition, our solid balance sheet will enable us to effectively seize growth opportunities in our markets, with a constant commitment to creating value for our shareholders and clients."

Daniel Julien, Executive Chairman of Teleperformance, added: *" Teleperformance is now:*

*- the global leader in multichannel customer experience management, **diversified** by business segment, geography and type of service;*

*- a group that is experiencing **gradual, well-managed change** thanks to the deployment of a new generation of seasoned leaders who are taking full advantage of their elders expertise and intimate understanding of the global markets;*

*- an industry player that is solidly positioned to **take advantage of the growth opportunities** created by the surge in long-distance communication volume, while also rising to new challenges in the fight against electronic fraud.*

Teleperformance's Research and Development, Quality and Process and Information Systems teams have recently developed a set of high value-added solutions that offer a variety of competitive advantages, namely:

***- CX Lab and e-Performance**, which analyze trends in consumer behavior and facilitate omnichannel integration.*

*- the **TP Client** CRM application, which seamlessly tracks all customer experiences and information;*

*- the **TP Observer** security application, which uses algorithms to detect suspicious activity and issue alerts;*

*- **Global Essential Security Policies (G.E.S.P.)** deployed at contact centers worldwide.*

In a global, competitive, fluid, rapidly growing and sometimes erratic marketplace, Teleperformance represents a trusted standard and offers genuine support to its existing and future customers."

CONSOLIDATED REVENUE

Consolidated revenue stood at €2,758 million for 2014, a year-on-year increase of + 9.9% at constant exchange rates and scope of consolidation (like-for-like).

On a reported basis, growth was + 13.3%, lifted by the €148 million positive contribution from the consolidation of Aegis USA Inc. since August 7, 2014 and City Park Technologies (CPT) since July 1, 2014. This offset the €58 million negative currency effect arising from the decline against the euro of certain currencies like the Brazilian real, the Argentine peso and the Colombian peso.

REVENUE BY REGION

2014 revenue performance was primarily shaped by the sharp increase in business in the English-speaking market & Asia-Pacific region, with robust growth in operations in the United States and China and the acquisition during the year of Aegis USA Inc. It also benefited from the sustained development of TLScontact visa application management activities during the year.

The geographic mix remained robust, with 72% of revenue generated in predominant markets delivering profitability and growth, compared to 65% in 2010.

The English-speaking market & Asia-Pacific region contributed 44% of consolidated revenue for the year, up over 2013 (39%), primarily due to the acquisition of Aegis USA Inc. The Ibero-LATAM and Continental Europe & MEA regions each accounted for 28% of the total.

ANNUAL REVENUE BY REGION

€ millions	**2014**	**2013**	***change***	
			Reported	***Like-for-like***
English-speaking market & Asia Pacific	1,209	947	*+ 27.7%*	*+ 12.5%*
Ibero-LATAM	770	762	*+ 1.0%*	*+ 6.8%*
Continental Europe & MEA	779	724	*+ 7.6%*	*+ 9.5%*
TOTAL	**2,758**	**2,433**	***+ 13.3%***	***+ 9.9%***

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

Revenue in the English-speaking market & Asia-Pacific region rose by + 12.5% like-for-like and by + 27.7% as reported, led by the acquisition in the United States.

Demand in the region remained very strong, especially in the United States, where business with clients in the Internet and consumer electronics industries enjoyed solid growth and a large number of contracts were signed with new clients in a variety of industries, such as financial services, healthcare, online travel agencies and retailing.

Growth was also noteworthy in the United Kingdom, particularly in the government agency, retailing and energy sectors. Revenue for the year included the contribution from Glasgow-based City Park Technologies, acquired on July 1, 2014.

In the Asia-Pacific region, revenue continued to expand at a brisk pace in China, where the Group is supporting the fast expansion of its global key accounts, particularly in the consumer electronics industry.

- **Ibero-LATAM**

The Ibero-LATAM region reported a + 6.8% increase in revenue on a like-for-like basis. Reported growth came to just + 1.0% due to the negative currency effect arising primarily on the decline in the Brazilian real, Argentine peso and Colombian peso against the euro over the year.

Despite the lackluster local economy, revenue in Brazil was lifted in the second half by the start-up of new contracts signed with existing customers, in particular with facilities recently opened in the north of the country.

The solid performance of operations in El Salvador and the Dominican Republic helped to drive growth in the nearshore business serving the US market.

Operations in Portugal turned in the region's fastest growth, powered by the success of the Lisbon-based multilingual platforms.

- **Continental Europe & MEA**

Regional revenue rose by + 9.5% like-for-like and + 7.6% as reported, held back by the negative currency effect caused primarily by the decline in the Russian ruble and the Swedish krona against the euro.

The Group is continuing to post solid business gains with global customers, particularly in the Netherlands, Eastern Europe (Russia, Poland and Romania) and Southern Europe (Greece, Turkey and Egypt). The late-year start-up of the new contact center in Poland to serve the German market is promising and illustrates the further reinforcement of the Group's global footprint with new offshore solutions.

Growth was also positively impacted by the fast development in business at the TLScontact subsidiary, specialized in face-to-face services.

Given their challenging situation, operations in mainland France saw business decline over the year, to the point that they accounted for just 4% of 2014 consolidated revenue.

RESULTS

EBITDA before non-recurring items amounted to €376 million, up + 15.7% year-on-year and representing 13.6% of revenue, a further 0.3-point improvement on 2013.

EBITA before non-recurring items rose by + 18.2% to €267 million from €226 million in 2013, while EBITA margin before non-recurring items widened by 0.4 points to 9.7% from 9.3% a year earlier, in line with the target.

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

€ millions	2014	2013
English-speaking market & Asia-Pacific	135	95
% of revenue	**11.2%**	**10.0%**
Ibero-LATAM	83	90
% of revenue	**10.8%**	**11.8%**
Continental Europe & MEA	17	13
% of revenue	**2.2%**	**1.8%**
Total – including holding companies	267	226
% of revenue	**9.7%**	**9.3%**

The **English-speaking market & Asia-Pacific** region saw its EBITA margin before non-recurring items improve to 11.2% from 10.0 % in 2013, led by the strong growth in business volumes, the integration of Aegis USA Inc. operations (of which a large proportion are based in the Philippines), and a favorable currency effect.

The **Ibero-LATAM** region also delivered a high EBITA margin before non-recurring items, albeit lower than in 2013, at 10.8%. EBITA before non-recurring items stood at €83 million, versus €90 million the year before, primarily as a result of the unfavorable currency environment caused by the declines in the Brazilian real, the Colombian peso and the Mexican peso.

With EBITA before non-recurring items of €17 million, for a margin up year-on-year to 2.2%, the **Continental Europe & MEA** region remained on the steady upward trend in profitability observed for the past three years. Revenue was boosted by a favorable mix stemming from starting new contracts.

Reported EBIT amounted to €237 million, versus €196 million in 2013.

EBIT is stated after amortization of intangible assets on acquisitions in an amount of €15 million, up from the previous year due to the acquisition of Aegis USA Inc., and after the following non-recurring expenses:

- €7 million in accounting expenses on the performance share plans set up in 2013.
- €8 million in other non-recurring expenses, notably the €4 million in acquisition costs related to Aegis USA Inc. and CPT.

Net financial expense stood at €19 million, versus €7 million in 2013.

Income tax expense amounted to €66 million, corresponding to an effective tax rate of 30.5%, versus 31.5% in the prior year.

After €2 million in minority interests, net profit attributable to shareholders stood at €150 million for the year, up + 16.3% from the €129 million reported in 2013. Diluted earnings per share rose by + 15.4% year-on-year to €2.62.

The Board of Directors will recommend that shareholders at the annual general meeting on May 7 approve an increase in the 2014 dividend to €0.92 per share from the €0.80 paid in respect of 2013. This would correspond to a payout ratio of 35%, unchanged from the prior year.

CASH FLOWS AND FINANCIAL STRUCTURE

Cash flow after tax amounted to €315 million, versus €236 million in 2013.

Consolidated working capital requirement outflow was €115 million over the year vs an outflow of €46 million in 2013. Termination of a factoring program set up by Aegis USA Inc. before its acquisition by the group in August increased 2014 working capital requirement by an estimated €50 million.

Net capital expenditure rose significantly to €157 million, or 5.7% of revenue, from €126 million, or 5.2% of revenue in 2013. These investments were primarily committed to create or expand contact centers serving key markets in the Group's three regions, and in connection with the start-up of the UKVI contract for €20-million.

Due to the exceptionally high working capital requirement and substantial growth capex in 2014, consolidated free cash flow ended the year at €43 million compared with €64 million in 2013.

After the payment of €46 million in dividends and the €471-million net cost of acquiring Aegis USA Inc and CPT., net debt stood at €423 million at December 31, 2014. At year-end, the Group's financial structure remained very solid, with equity of €1,600 million and a net debt to EBITDA ratio of 1.1.

SIGNIFICANT STRENGTHENING OF THE GROUP'S GLOBAL MARKET LEADERSHIP

- **Acquisition of Aegis USA Inc.**

On August 7, 2014, Teleperformance acquired Aegis USA Inc., a major outsourcing and technology company with operations in the United States, the Philippines and Costa Rica. Aegis USA Inc. has today total annual revenue of around $400 million and more than 20,000 employees based in 12 centers in the three countries. It serves a large portfolio of premium clients in various key, fast growing industries in the US market, including healthcare, financial services, hospitality and travel services.

In perfect alignment with Teleperformance's long-term strategy, the acquisition has strengthened the Group's worldwide leadership, broadened its market share in the United States, and diversified its customer portfolio and significantly enhanced its expertise in key industries. It has also created value for shareholders by increasing consolidated earnings per share by more than 10% as from 2015.

- **Acquisition of City Park Technologies**

On July 1, 2014, Teleperformance acquired City Park Technologies, a well-respected UK provider of inbound and outbound outsourced contact center services in a wide range of industries, including financial services, insurance and utilities. Based in Glasgow, the company has £17 million in annual revenue and operates more than 1,000 workstations at three centers in Scotland.

- **Extending and creating new facilities**

To support the fast growth in its business, Teleperformance continued to extend and open contact centers in its three linguistic regions in 2014: over the year, it opened eight new contact centers, integrated 15 facilities operated by companies acquired during the year (see above) and increased the number of workstations in ten existing centers. As a whole, total number of work stations hence increased by 25,000 units in 2014.

Most of the investments were committed in the English-speaking market & Asia-Pacific region, with the opening and integration of 20 new contact centers in the United States, the United Kingdom, China and the Philippines.

In addition, the rapid development of TLScontact activities led to the opening of number of visa application centers in 15 new countries in Europe, the Mediterranean basin and Africa.

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

In 2014, Teleperformance again garnered numerous awards from prestigious institutions and well-known independent research firms around the globe, in recognition of its leadership and excellent service in its market, as well as for its human capital development strategy, its innovation capabilities and its commitment to social and environmental responsibility.

Teleperformance was recognized, for the fourth straight year, as a Leader by Gartner in the Magic Quadrant for Customer Management Contact Center BPO and designated, for the second year in a row, by the Everest Group as the top-performing leader in Contact Center Outsourcing (CCO) delivery capability.

In 2014 Frost & Sullivan honored Teleperformance with four awards:

- Security Practice Visionary Innovation Leadership – North America
- Nearshore Outsourcing Services Company of the Year – Latin America
- Service Provider of the Year – Asia-Pacific
- Green Excellence Award – Latin America

The following Group units were included in the 2014 list of Great Place to Work® Best Companies:

- Teleperformance Mexico Domestic – Three awards nationally, for the North East region and in the gender equality category
- Teleperformance Brasil nationally and in the Information Technology category
- Teleperformance Portugal nationally
- Teleperformance El Salvador for the Central America region

In 2014 Teleperformance was certified by Aon Hewitt's Global Best Employers™ Program for its operations in Albania, China, El Salvador, India, the Philippines, Portugal, Singapore, Slovakia, Ukraine, the United States and the Asia-Pacific region.

2015 OUTLOOK

Led by its recent strategic investments, in particular in North America and the Philippines, the initiatives deployed to strengthen its presence in new industries, and the still buoyant demand in its markets, Teleperformance expects to deliver another year of growth in 2015, with the following full-year targets:

- Like-for-like revenue growth of at least 7%.
- A further improvement in the EBITA margin before non-recurring items to at least 10.3%.

ANALYST AND INVESTOR INFORMATION MEETING

Thursday, February 26, 2015 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

First-quarter 2015 revenue:	April 22, 2015
Annual general meeting:	May 7, 2015
First-half 2015 results:	July 28, 2015
Third-quarter 2015 revenue:	November 12, 2015

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 2014, it reported consolidated revenue of €2,758 million ($3,665 million, based on €1 = $1.33).

The Group operates around 135,000 computerized workstations, with more than 182,000 employees across around 270 contact centers in 62 countries and serving more than 160 markets. It manages programs in 75 languages and dialects on behalf of major international companies operating in a wide variety of industries.

Teleperformance shares are traded on the Euronext Paris market, Compartment A, and are eligible for the deferred settlement service. They are included in the following indices: STOXX 600, SBF 120, Next 150, CAC Mid 60 and CAC Support Services.
Symbol: RCF - ISIN: FR0000051807 - Reuters: ROCH.PA - Bloomberg: RCF FP

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APPENDICES

REVENUE BY REGION

€ millions	2014	2013	% Change	
			Reported	Like-for-like
FOURTH QUARTER				
English-speaking market & Asia-Pacific	395	258	+ 52.7%	+ 8.7%
Ibero-LATAM	208	187	+ 11.1%	+ 9.8%
Continental Europe & MEA	202	204	(0.9)%	+ 0.4%
TOTAL	**805**	**649**	**+ 23.9%**	**+ 6.5%**
THIRD QUARTER				
English-speaking market & Asia-Pacific	319	234	+ 37.0%	+ 14.8%
Ibero-LATAM	195	181	+ 7.6%	+ 9.3%
Continental Europe & MEA	194	173	+ 12.0%	+ 13.7%
TOTAL	**708**	**588**	**+ 20.6%**	**+ 12.8%**
SECOND QUARTER				
English-speaking market & Asia-Pacific	249	224	+ 11.3%	+ 17.6%
Ibero-LATAM	188	203	(7.2)%	+ 2.8%
Continental Europe & MEA	198	177	+ 11.4%	+ 13.5%
TOTAL	**635**	**604**	**+ 5.1%**	**+ 11.6%**
FIRST QUARTER				
English-speaking market & Asia-Pacific	245	231	+ 6.3%	+ 9.9%
Ibero-LATAM	180	192	(6.4)%	+ 5.1%
Continental Europe & MEA	185	169	+ 9.3%	+ 12.0%
TOTAL	**610**	**592**	**+ 3.0%**	**+ 9.1%**

CONSOLIDATED INCOME STATEMENT

€ millions

	2014	*2013*
Revenues	**2 758**	**2 433**
Other revenues	7	9
Personnel	-1 883	-1 706
External expenses	-493	-401
Taxes other than income taxes	-14	-13
Depreciation and amortization	-109	-99
Amortization of intangible assets acquired as part of a business combination	-15	-8
Impairment loss on goodwill	0	-3
Share-based payment	-7	-10
Other operating net expenses	-7	-6
Operating profit	**237**	**196**
Income from cash and cash equivalents	2	1
Interest on financial liabilities	-14	-9
Net financing costs	**-12**	**-8**
Other financial income	47	27
Other financial expenses	-54	-26
Financial result	**-19**	**-7**
Profit before taxes	**218**	**189**
Income tax	-66	-60
Net profit	**152**	**129**
Net profit - Group share	**150**	**129**
Net profit attributable to non-controlling interests	2	0
Basic earnings per share (in €)	**2,62**	**2,27**
Diluted earnings per share (in €)	**2,62**	**2,27**

NB: The consolidated financial statements have been audited and certified

Consolidated Balance Sheet

€ millions

ASSETS	*12.31.2014*	*12.31.2013*
Non-current assets		
Goodwill	1 019	674
Other intangible assets	323	78
Property, plant and equipment	391	287
Financial assets	43	33
Deferred tax assets	41	31
Total non-current assets	1 817	1 103
Current assets		
Current income tax receivable	37	38
Accounts receivable - Trade	693	498
Other current assets	113	73
Other financial assets	51	15
Cash and cash equivalents	216	164
Total current assets	1 110	788
Total assets	**2 927**	**1 891**

EQUITY AND LIABILITIES	*12.31.2014*	*12.31.2013*
Shareholder's equity		
Share capital	143	143
Share premium	575	576
Translation reserve	32	-65
Other reserves	845	738
Equity attibutable to owners of the company	1 595	1 392
Non-controlling interests	5	4
Total shareholder's equity	1 600	1 396
Non-current liabilities		
Long-term provisions	10	9
Financial liabilities	425	21
Deferred tax liabilities	125	37
Total non-current liabilities	560	67
Current liabilities		
Short-term provisions	43	14
Current income tax	49	23
Accounts payable - Trade	123	87
Other current liabilities	338	249
Other financial liabilities	214	56
Total current liabilities	767	429
Total equity and liabilities	**2 927**	**1 891**

NB: The consolidated financial statements have been audited and certified

CONSOLIDATED CASH FLOW STATEMENT

€ millions

	2014	*2013*
Cash flows from operating activities		
Net profit - Group share	150	129
Net profit attributable to non-controlling interests	2	0
Income tax expense	66	60
Non cash expenses (income)	150	118
Income tax paid	-53	-71
Internally generated funds from operations	**315**	**236**
Change in working capital requirements relating to operations	-115	-46
Net cash flow from operating activities	**200**	**190**
Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-160	-127
Loans made	-1	-8
Proceeds from disposals of intangible assets and PPE	3	1
Repayments of loans	1	2
Investments in subsidiairies	-471	
Net cash flow from investing activities	**-628**	**-132**
Cash flows from financing activities		
Treasury shares transaction	0	1
Change in ownership interest in controlled entities	-7	-11
Dividends paid to parent company shareholders	-46	-17
Proceeds from borrowings	918	72
Repayment of borrowings	-355	-93
Net cash flow from financing activities	**510**	**-48**
Change in cash and cash equivalents	***82***	***10***
Effect of exchange rates on cash held	*-28*	*-10*
Net cash at January 1	**160**	**160**
Net cah at December 31	**214**	**160**

NB: The consolidated financial statements have been audited and certified