Teleperformance
Transforming Passion into Excellence

PRESS RELEASE

First-Half 2015 Results

Sustained growth in results and margins

PARIS, JULY 28, 2015 – The Board of Directors of Teleperformance, the global leader in outsourced multi-channel customer experience management, met today and reviewed the consolidated financial statements for the six months ended June 30, 2015. The Group also announced its half-year financial results.

GROWTH IN RESULTS AND MARGINS IN FIRST-HALF 2015

Versus first-half 2014:

▪ Revenue:	€1,658 million, up + 33.2%
Like-for-like growth*:	+ 7.8%
▪ EBITA before non-recurring items:	€144 million, up + 43.6%
EBITA margin before non-recurring items:	8.7% versus 8.1% year-on-year
▪ Diluted earnings per share:	€1.45, up + 45.1%
▪ Net free cash flow	€95 million versus €15 million year-on-year

2015 GUIDANCE UNCHANGED

- Like-for-like revenue growth of at least + 7%
- EBITA margin of at least 10.3%, versus 9.7% in 2014

GLOBAL MARKET LEADERSHIP CONFIRMED

- Unique global presence in more than 60 countries
- Continued expansion of the Group's footprint during the first half of 2015, with the creation of c. 8,000 new workstations in its key markets, mainly in the Philippines, China and Southern Europe
- A robust geographical mix: almost 50% of revenue generated in North America and Asia-Pacific, 26% in Latin America and 25% in Europe, the Middle East and Africa

**at constant exchange rates and scope of consolidation*

N.B.: The half-year financial statements at June 30, 2014 and June 30, 2015 have been subject to review by the auditors.

INTERIM FINANCIAL HIGHLIGHTS

€ millions	**H1 2015**	**H1 2014**	***% change***
	€1 = US$ 1.12	**€1 = US$ 1.37**	
Revenue	**1,658**	**1,245**	***+ 33.2%***
Like-for-like growth			***+ 7.8%***
EBITA before non-recurring items*	**144**	**100**	***+ 43.6%***
% of revenue	8.7%	8.1%	
Operating profit	**126**	**89**	***+ 41.3%***
Net profit – Group share	**83**	**57**	***+ 45.1%***
Diluted earnings per share (€)	**1.45**	**1.00**	***+ 45.1%***

*Operating income before amortization of acquisition related intangibles, loss of goodwill value and excluding non-recurring items.

Paulo César Vasques, Chief Executive Officer of Teleperformance, said: *"We had a good first half with like-for-like revenue growth of + 7.8% and a further improvement in our EBITA margin to 8.7%, which is in line with our 2015 targets. Driven by robust performances in our three operating regions, Teleperformance further strengthened its global market leadership. In North America, growth was particularly sustained following our strategic acquisition in 2014 of Aegis USA Inc., the integration of which is now complete. In Latin America, Brazil enjoyed particularly healthy business momentum. In Europe, where the Group remains the unrivaled leader, the fastest growth came from the southern and eastern regions.*

Our growth was not only profitable but also controlled, with improved margins and liquidity management discipline, both reflected in high cash flow generation.

For 2015, we are confirming our full-year guidance, targeting at least + 7% like-for-like revenue growth and an EBITA margin before non-recurring items of at least 10.3%, despite the increase in costs due to measures required to strengthen data security and the geographic mix effect of lower growth in the Group's offshore activities."

Daniel Julien, Executive Chairman of Teleperformance, added: *"With our excellent financial position and cash flows, there are still many opportunities for us to expand and create value for our shareholders and customers. Outsourcing is still relatively underdeveloped in the highly fragmented customer experience market.*

The Group's continued expansion will also be supported by the growing complexity of our activities, not only due to the new needs triggered by the digital revolution but also the challenges of data security. Over time, these areas offer us a genuinely significant opportunity to make a difference and win market share."

N.B.: The half-year financial statements at June 30, 2014 and June 30, 2015 have been subject to review by the auditors.

FIRST-HALF AND SECOND-QUARTER 2015 REVENUE

CONSOLIDATED REVENUE

Consolidated revenue amounted to €1,658 million in the first half of 2015, representing a year-on-year increase of + 7.8% at constant exchange rates and scope of consolidation (like-for-like).

On a reported basis, growth was + 33.2%. It includes the aggregate €190 million contribution from Aegis USA Inc., consolidated since August 7, 2014, and City Park Technologies (CPT), consolidated since July 1, 2014. It also reflects the €117 million positive currency effect arising from the increase in the US dollar, British pound and certain other currencies against the euro.

Consolidated revenue for the second quarter stood at €827 million, an increase of + 30.2% as reported and of + 5.7% like-for-like.

REVENUE BY REGION

In the first half of 2015, all of the operating regions reported satisfactory like-for-like growth, above the global market average.

The geographic mix remains robust, with 75% of revenue generated in predominant markets delivering profitability and growth, compared to 65% in 2010. During the period, the English speaking market & Asia-Pacific region represented almost 50% of consolidated revenue, the Ibero-LATAM region 26% and Continental Europe & MEA 25%.

€ millions	**2015**	**2014**	***% change***	
			Reported	*Like-for-like*
FIRST HALF				
English-speaking market & Asia-Pacific	815	495	*+ 64.7%*	*+ 6.4%*
Ibero-LATAM	422	367	*+ 15.0%*	*+ 8.1%*
Continental Europe & MEA	421	383	*+ 9.9%*	*+ 9.8%*
TOTAL	**1,658**	**1,245**	***+ 33.2%***	***+ 7.8%***
SECOND QUARTER				
English-speaking market & Asia-Pacific	399	249	*+ 59.8%*	*+ 3.0%*
Ibero-LATAM	214	188	*+ 13.8%*	*+ 7.9%*
Continental Europe & MEA	214	198	*+ 8.4%*	*+ 7.8%*
TOTAL	**827**	**635**	***+ 30.2%***	***+ 5.7%***
FIRST QUARTER				
English-speaking market & Asia-Pacific	416	245	*+ 69.7%*	*+ 9.9%*
Ibero-LATAM	209	180	*+ 16.3%*	*+ 8.3%*
Continental Europe & MEA	206	185	*+ 11.5%*	*+ 12.0%*
TOTAL	**831**	**610**	***+ 36.3%***	***+ 10.0%***

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

Compared with the prior year, first-half regional revenue rose by + 6.4% like-for-like and by + 64.7% as reported, led mainly by the acquisition in the United States and the positive currency effect.

In the second quarter, revenue rose by + 3.0% like-for-like and by + 59.8% as reported due to the favorable currency environment coupled with acquisitions.

Following a second quarter in which like-for-like growth was less sustained - reflecting a very high basis of comparison in 2014 and a slowdown in offshore business with some clients - business momentum should remain favorable in the second half, driven by the new contracts recently signed in the United States in the healthcare, financial services and insurance sectors.

The pace of growth also remained strong in the Asia-Pacific region, particularly in China where Teleperformance has successfully forged preferred partnership relations with locally based North American multinationals. The Group continues to strengthen its presence by opening and expanding new facilities.

- **Ibero-LATAM**

The Ibero-LATAM region delivered strong revenue growth in the first half of 2015, advancing + 8.1% like-for-like and + 15.0% as reported. The difference was mainly due to the favorable currency environment driven by the increase in the US dollar.

In the second quarter, revenue rose by + 7.9% like-for-like and by + 13.8% as reported thanks to the favorable currency environment.

Despite a still lackluster economy, Brazil remained the Group's most dynamic market in the Ibero-LATAM region, with Teleperformance continuing to benefit in first-half 2015 from the successful ramp-up of new contracts signed with existing premium clients during the second half of last year.

Operations in Portugal continued to deliver satisfactory growth, still powered by the success of the Lisbon-based multilingual platforms.

- **Continental Europe & MEA**

Regional revenue rose by + 9.8% like-for-like and by + 9.9% as reported in the first half, and by + 7.8% like-for-like and + 8.4% as reported in the second quarter.

The quarter-on-quarter slowdown in the region was largely due to a higher basis of comparison relating to the start-up of a major new contract in outsourced visa application management in the second quarter of 2014.

The Group continues to post solid business gains with global clients, particularly in the Netherlands, Eastern Europe (Russia, Poland and Romania) and Southern Europe (Greece, Turkey and Egypt).

Germany and, to a lesser extent, the Nordic countries, remain highly competitive markets where developing the Group's solutions profitably is more challenging.

Thanks to healthy growth in offshore business in Morocco and Tunisia, France delivered an improved year-on-year performance, as expected. Action plans aimed at restoring profitability in France continue apace and on track with the Group's targets.

FIRST-HALF 2015 RESULTS

EBITA before non-recurring items stood at €144 million, up + 43.6% from the €100 million reported in first-half 2014. EBITA margin before non-recurring items widened to 8.7% from 8.1% a year earlier.

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

€ millions	**H1 2015**	**H1 2014**
English-speaking market & Asia-Pacific	75	47
% of revenue	**9.2%**	**9.4%**
Ibero-LATAM	44	37
% of revenue	**10.4%**	**9.8%**
Continental Europe & MEA	9	4
% of revenue	**2.1%**	**1.0%**
Total - including holding companies	144	100
% of revenue	**8.7%**	**8.1%**

EBITA before non-recurring items in the **English-speaking and Asia-Pacific region** rose to €75 million in the first half of 2015, compared to €47 million in the prior-year period. These gains were driven by satisfactory volume growth, the contribution of Aegis USA Inc. acquired in August 2014, and the sharp increase in the US dollar against the euro. EBITA margin before non-recurring items remained high, at 9.2% versus 9.4% for the prior-year period. The slight decline was mainly due to start-up costs on major contracts in the United States, an unfavorable mix effect stemming from business trend with some clients, and the impact on payroll costs of the Patient Protection and Affordable Care Act (Obama Care) in the United States.

EBITA before non-recurring items in the **Ibero-LATAM region** rose to €44 million in the first half of 2015, compared to €37 million in the prior-year period. EBITA margin before non-recurring items remained high, rising to 10.4% versus 9.8% in the first half of 2014, mainly due to strong, profitable growth in the Brazilian market, coupled with favorable currency trends for offshore business in Mexico serving the US market.

EBITA before non-recurring items in the **Continental & MEA region** came to €9 million, giving a margin of 2.1% versus 1.0% in the prior-year period. This improvement reflects the success of the profitability recovery strategy pursued by Teleperformance in the region over the past few years. The Group benefited from healthy business growth in a certain number of countries in Southern and Northern Europe and sustained expansion of TLScontact's business in outsourced visa application management.

Operating profit amounted to €126 million, up + 41.3% from €89 million in first-half 2014.

First-half 2015 operating profit reflects the amortization of intangible assets in an amount of €12 million versus €4 million in the prior-year period. The increase was due to the acquisition of Aegis USA Inc. in August 2014 coupled with non-recurring expenses, mainly corresponding to a €6 million accounting expense on the performance share plans set up in 2013.

Financial result stood at €4 million, versus €5 million in 2014. Although debt increased following the US acquisition in 2014, the increase in interest income was more than offset by foreign exchange gains resulting from the Group's active hedging policy.

Income tax expense amounted to €38 million, corresponding to an effective tax rate of 31.6%, versus 31.4% in the prior-year period.

Minority interests in net income amounted to €1 million.

Net profit - Group share increased by + 45.1%, to €83 million from €57 million in the prior-year period. Diluted earnings per share stood at €1.45, up + 45.1% year-on-year.

CASH FLOWS AND FINANCIAL STRUCTURE

Cash flow after tax rose to €158 million from €108 million in first-half 2014.

Change in consolidated working capital requirement was an inflow of €23 million, vs an outflow of €17 million in the prior-year period. This good performance reflects the success of the policy deployed to improve the Group's liquidity.

Net capital expenditure amounted to €86 million, or 5.2% of revenue, versus €76 million, or 6.1% of revenue, in the first half of 2014, which included some significant expenditures related to the new visa application management contract signed with the UK government. In the first half of 2015, the Group's capital expenditure focused on creating or expanding contract centers serving key markets in Asia, North & Latin America and CEMEA.

In all, free cash flow increased sharply, to €95 million versus €15 million in the prior-year period.

After the payment of €53 million in dividends, net debt stood at €429 million at June 30, 2015. The Group's financial structure therefore remains very solid, with equity of €1,701 million at June 30, 2015.

RECENT DEVELOPMENTS

In the first half of 2015, Teleperformance continued to deploy its strategy of expanding in a large number of key countries, opening new facilities in Asia (Philippines and China), Latin America (Guyana and Surinam) and CEMEA (Albania and Dubai). Most of these developments have strengthened the Group's global offshore network.

The Group also expanded the number of workstations in existing facilities in Canada, the Philippines, China, El Salvador, Mexico and CEMEA (Greece, Italy, Morocco, Netherlands and Russia).

In all, 8,000 new workstations were installed during the first half.

2015 OUTLOOK

Based on half-year results, Teleperformance is confirming its full-year guidance, targeting at least + 7% like-for-like revenue growth and an EBITA margin of at least 10.3%, despite the increase in certain costs due to measures required to strengthen data security and the unfavorable geographical mix effect stemming from business trend with some clients.

In addition, Teleperformance expect to deliver a strong growth in its net free cash flow vs 2014.

ANALYST AND INVESTOR INFORMATION MEETING

Date: Tuesday, July 28, 2015 at 6:30 PM CEST
Presentation materials will also be available at www.teleperformance.com.

INVESTOR CALENDAR

Third-quarter 2015 revenue: Thursday, 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

For more information: *www.teleperformance.com*
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APPENDICES

CONSOLIDATED INCOME STATEMENT

€ millions

	1st half year 2015	*1st half year 2014*
Revenues	**1 658**	**1 245**
Other operating revenues	3	3
Personnel	-1 124	-868
External expenses	-317	-226
Taxes other than income taxes	-8	-6
Depreciation and amortization	-68	-50
Amortization of intang. assets acquired as part of a business comb	-12	-4
Share-based payments	-6	-3
Other operating income and expenses		-2
Operating profit	**126**	**89**
Income from cash and cash equivalents		1
Interest on financial liabilities	-12	-6
Net financing costs	-12	**-5**
Other financial income	44	15
Other financial expenses	-36	-15
Financial result	**-4**	**-5**
Profit before taxes	**122**	**84**
Income tax	-38	-27
Net profit	**84**	**57**
Net profit - Group share	**83**	**57**
Net profit attributable to non-controlling interests	1	0
Basic earnings per share (in €)	**1,45**	**1,00**
Diluted earnings per share (in €)	**1,45**	**1,00**

CONSOLIDATED CASH FLOW STATEMENT

€ millions

Cash flows from operating activities	1st half *year 2015*	1st half *year 2014*
Net profit - Group share	83	57
Net profit attibutable to non-controlling interests	1	0
Income tax expense	38	27
Expense (income) without effect on cash	85	53
Income tax paid	-49	-29
Internally generated funds from operations	**158**	***108***
Change in working capital	**23**	***-17***
Net cash flow from operating activities	**181**	**91**

Cash flows from investing activities		
Acquisition of intangible assets and property, plant anc	-88	-77
Loans made	-1	0
Proceeds from disposals of intangible assets and property, plant and equipment	2	1
Repayment of loans	2	1
Net cash flow from investing activities	**-85**	**-75**

Cash flows from financing activities		
Acquisition/disposal of treasury shares	-2	-1
Change in ownership interest in controlled entities	-2	-7
Dividends paid to parent company shareholders	-53	-46
Increase in financial liabilities	415	127
Repayment of financial liabilities	-381	-84
Net cash flow from financing activities	**-23**	**-11**

Change in cash and cash equivalents	***73***	***5***
Effect of exchange rates on cash held	**-31**	*4*
Net cash at January 1st	**214**	**160**
Net cash at June 30th	**256**	**169**

N.B.: The half-year financial statements at June 30, 2014 and June 30, 2015 have been subject to review by the auditors.

CONSOLIDATED BALANCE SHEET

€ millions

ASSETS	*06.30.2015*	*12.31.2014*
Non-current assets		
Goodwill	1 120	1 019
Other intangible assets	287	323
Property, plant and equipment	422	391
Financial assets	43	43
Deferred tax assets	55	41
Total non-current assets	1 927	1 817
Current assets		
Current income tax receivable	36	37
Accounts receivable - Trade	699	693
Other current assets	132	113
Other financial assets	46	51
Cash and cash equivalents	261	216
Total current assets	1 174	1 110
Total assets	**3 101**	**2 927**

EQUITY AND LIABILITIES	*06.30.2015*	*12.31.2014*
Equity		
Share capital	143	143
Share premium	575	575
Translation reserve	103	32
Other reserves	874	845
Equity attributable to owners of the company	1 695	1 595
Non-controlling interests	6	5
Total shareholder's equity	1 701	1 600
Non-current liabilities		
Provisions	12	10
Financial liabilities	450	425
Deferred tax liabilities	119	125
Total non-current liabilities	581	560
Current liabilities		
Provisions	63	43
Current income tax	46	49
Accounts payable - Trade	119	123
Other current liabilities	351	338
Other financial liabilities	240	214
Total current liabilities	819	767
Total equity and liabilities	**3 101**	**2 927**

N.B.: The half-year financial statements at June 30, 2014 and June 30, 2015 have been subject to review by the auditors.