2014 HALF-YEAR FINANCIAL REPORT

AT JUNE 30, 2014

Teleperformance

Transforming Passion into Excellence

2014 HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT

1. Condensed Consolidated Interim Financial Statements

A. Condensed Consolidated Statement of Financial Position

(in millions of euros)

ASSETS	Notes	06.30.2014	12.31.2013
Non-current assets			
Goodwill	F3.1	681	674
Other intangible assets		77	78
Property, plant and equipment		305	287
Financial assets		35	33
Deferred tax assets		36	31
Total non-current assets		1,134	1,103
Current assets			
Current income tax receivable		43	38
Accounts receivable - Trade	F3.2	515	498
Other current assets	F3.2	106	73
Other financial assets		21	15
Cash and cash equivalents	F3.4	177	164
Total current assets		862	788
Total assets		**1,996**	**1,891**

EQUITY AND LIABILITIES	Notes	06.30.2014	12.31.2013
Shareholder's equity			
Share capital		143	143
Share premium		575	576
Translation reserve		-43	-65
Other reserves		759	738
Equity attibutable to owners of the company		1,434	1,392
Non-controlling interests		4	4
Total shareholder's equity	E	1,438	1,396
Non-current liabilities			
Long-term provisions	F3.3	9	9
Financial liabilities	F3.4	18	21
Deferred tax liabilities		38	37
Total non-current liabilities		65	67
Current liabilities			
Short-term provisions	F3.3	12	14
Current income tax		31	23
Accounts payable - Trade	F3.5	97	87
Other current liabilities	F3.5	261	249
Other financial liabilities	F3.4	92	56
Total current liabilities		493	429
Total equity and liabilities		**1,996**	**1,891**

B. Condensed Consolidated Statement of Income
(in millions of euros)

	Notes	*1st half year 2014*	*1st half year 2013*
Revenues		**1,245**	**1,196**
Other revenues	F4.1	3	5
Personnel		-868	-849
Share-based payment	F4.2	-3	-4
External expenses		-226	-201
Taxes other than income taxes		-6	-7
Depreciation and amortization		-50	-49
Amortization of intangible assets acquired as part of a business combination		-4	-4
Impairment loss on goodwill		0	-3
Other operating income		2	2
Other operating expenses		-4	-3
Operating profit		**89**	**83**
Income from cash and cash equivalents	F4.3	1	1
Interest on financial liabilities	F4.3	-6	-5
Net financing costs	**F4.3**	**-5**	**-4**
Other financial income	F4.3	15	11
Other financial expenses	F4.3	-15	-11
Financial result		**-5**	**-4**
Profit before taxes		**84**	**79**
Income tax	F4.4	-27	-26
Net profit		**57**	**53**
Net profit - Group share		**57**	**53**
Net profit attributable to non-controlling interests		0	0
Basic earnings per share (in €)	**F4.5**	**1.00**	**0.96**
Diluted earnings per share (in €)	**F4.5**	**1.00**	**0.94**

C. Condensed Consolidated Statement of Comprehensive Income

(in millions of euros)

	1st half year 2014	*1st half year 2013*
Net profit	**57**	**53**
May be reclassified to profit or loss in a subsequent period		
Translation differences from foreign operations	22	-20
Net gain (loss) on foreign exchange hedges (before tax)	5	-8
Income tax on net gain (loss) on foreign exchange hedges	-2	3
Other recognized income and expenses	**25**	**-25**
Total comprehensive income	**82**	**28**
Group share	82	28
Attributable to non-controlling interests	0	0

D. Condensed Consolidated Statement of Cash Flows
(in millions of euros)

	1st half year 2014	*1st half year 2013*
Cash flows from operating activities		
Net profit - Group share	57	53
Net profit attributable to non-controlling interests	0	0
Income tax expense	27	26
Depreciation and amortization	54	54
Impairment loss on goodwill	0	3
Change in provisions	1	-2
Share-based payment	3	4
Unrealized gains and losses on financial instruments	-5	3
Income tax paid	-29	-39
Internally generated funds from operations	***108***	***102***
Change in accounts receivable-trade	-13	-6
Change in accounts payable-trade	8	-12
Change in other accounts	-12	-15
Total change in working capital requirements relating to operations	***-17***	***-33***
Net cash flow from operating activities	**91**	**69**
Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-77	-57
Proceeds from disposals of intangible assets and PPE	1	1
Proceeds from repayment of loans made	1	1
Net cash flow from investing activities	**-75**	**-55**
Cash flows from financing activities		
Treasury shares transaction	-1	1
Change in ownership interest in controlled entities	-7	-11
Dividends paid to parent company shareholders	-46	
Proceeds from borrowings	127	6
Repayment of borrowings	-84	-24
Net cash flow from financing activities	**-11**	**-28**
Change in cash and cash equivalents	***5***	***-14***
Effect of exchange rates on cash held	*4*	*3*
Net cash at January 1	**160**	**160**
Net cah at June 30	**169**	**149**

E. Condensed Consolidated Statement of Changes in Equity
(in millions of euros)

	Group share								*Total*
	Share capital	*Share premium*	*Translation reserve*	*Retained earnings*	*Fair value hedges*	*Actuarial gains (losses) on employee benefits*	*Equity - Group share*	*Non-controlling interests*	
At December 31, 2012	**142**	**556**	**17**	**661**	**1**	**0**	**1,377**	**6**	**1,383**
Translation differences from foreign operations			-20				**-20**		**-20**
Net profit				53			**53**		**53**
Net loss on cash flow hedges (after tax)					-5		**-5**		**-5**
Total recognized income and expenses	***0***	***0***	***-20***	***53***	***-5***	***0***	***28***	***0***	***28***
Increase/Decrease in share capital	1	20					**21**		**21**
Commitments for the purchase of non-controlling interests				-7			**-7**	-3	**-10**
Fair value of incentive plan share awards				4			**4**		**4**
Treasury shares				1			**1**		**1**
Dividends (€ 0.68 per share)*				-38			**-38**		**-38**
At June 30, 2013	**143**	**576**	**-3**	**674**	**-4**	**0**	**1,386**	**3**	**1,389**
At December 31, 2013	**143**	**576**	**-65**	**740**	**-2**	**0**	**1,392**	**4**	**1,396**
Translation differences from foreign operations			22				**22**		**22**
Net profit				57			**57**		**57**
Net gain on cash flow hedges (after tax)					3		**3**		**3**
Total recognized income and expenses	***0***	***0***	***22***	***57***	***3***	***0***	***82***	***0***	**82**
Increase/Decrease in share capital		-1					**-1**		**-1**
Operations on non-controlling interests				4			**4**		**4**
Fair value of incentive plan share awards				3			**3**		**3**
Dividends (€ 0.80 per share)				-46			**-46**		**-46**
At June 30, 2014	**143**	**575**	**-43**	**758**	**1**	**0**	**1,434**	**4**	**1,438**

** The Annual General Meeting held on May 28, 2013 fixed the 2012 dividend in a total amount of € 37.6 million, of which € 21.2 million was made by way of a distribution of company shares on June 21, 2013 and the balance paid in cash on July 3, 2013.*

F. Notes to the Condensed Consolidated Interim Financial Statements

F1. ACCOUNTING POLICIES AND METHODS

1. Reporting entity

Teleperformance ("the company") is a company domiciled in France.
The condensed consolidated interim financial statements of the company as at and for the six months ended June 30, 2014 includes the company and its subsidiaries (together referred to as "the group").
The consolidated financial statements of the group for the year ended December 31, 2013 are available upon request from the company's registered office at 21/25 rue Balzac, 75008 Paris or from its website www.teleperformance.com.
All financial information presented in millions of euros has been rounded to the nearest million, unless otherwise specified.

2. Statement of compliance

These condensed consolidated interim financial statements as at and for the six months ended June 30, 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and are presented in accordance with revised IAS 1. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended December 31, 2013 which are included in the 2013 reference document D.14-0102 that was filed with the AMF (the French Stock Exchange regulator) on February 28, 2014.
The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.
These condensed consolidated interim financial statements were approved by the Board of Directors on July 28, 2014.

3. New accounting standards

The following standards, amendments and interpretations:

- Standards relating to consolidated financial statements IFRS 10, IFRS 11, IFRS 12;
- Amendments to IAS 27 and IAS 28 following the issue of IFRS 10, 11, 12;
- Amendments to IAS 32 on offsetting financial assets and financial liabilities;
- Amendments to IAS 36 on disclosures on the recoverable amount for non-financial assets;
- Amendments to IAS 39 on novation of derivatives and continuation of hedge accounting;

did not have a significant impact on the group's financial statements.

The group has elected not to anticipate the application of IFRIC 21 prior to its date of application of January 1, 2015.

The group does not expect that its adoption will have a significant impact on the financial statements.

4. Significant accounting policies

The accounting policies applied by the group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended December 31, 2013, with the exception of the new standards, amendments and interpretations set out above.

5. Estimates

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the reported amounts in the financial statements, especially with respect to the following items:

- the depreciation and amortization rates,
- the calculation of losses on doubtful receivables,
- the calculation of impairment losses on intangible assets and goodwill,
- the measurement of provisions and commitments for retirement benefits,
- the measurement of financial liabilities connected with purchase commitments to minority shareholders,
- the measurement of share-based payment expense,
- other provisions, particularly relating to legal claims,
- restructuring provisions,
- the measurement of intangible assets acquired as part of a business combination,
- deferred taxation.

Such estimates are based on information available at the time of preparation of the financial statements, and may be revised, in a future period, if circumstances change, or if new information is available. Actual results may differ from these estimates.

6. Determination of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is made up of three levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the asset or liability.

7. Financial risk management

During January 2014, the group renegotiated the financial conditions of the syndicated credit facility of € 300 million which had been put in place in June 2012. As a result, the facility is now repayable in February 2019 rather than the initial date of June 2017.

8. Segment reporting

Segments may be aggregated when they present similar economic characteristics.

The group's business is divided into the following three major management regions:

- The English-speaking region (including Asia-Pacific), which covers the businesses in the following countries: Canada, United States, United Kingdom, South Africa, China, Indonesia, India, Philippines, Singapore and Jamaica.
- The Ibero-Latam region, which covers the businesses in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Mexico, Spain and Portugal.
- The Continental Europe & MEA region, which covers the businesses in all countries of Europe, the Middle East and Africa, with the exception of the United Kingdom, Spain and Portugal; the TLS and GN Research sub-groups are also included.

Inter-segment sales are negligible and are made under arm's length conditions.

F2. CHANGES IN CONSOLIDATION SCOPE

The group made no significant acquisition or disposal during the first half of 2014.

F3. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Goodwill

There were no changes to the composition of CGUs or groups of CGUs in the first half of 2014.
The group has reviewed these CGUs or group of CGUs to determine whether there is any indication of impairment.
In particular, the group reviewed closely the two CGU groups represented by Central Europe and Argentina for which the sensitivity analyses at December 31, 2013 had shown little margin for absorbing downward changes in assumptions.
The impairment reviews did not result in the recognition of any impairment losses in the first half of 2014.

2. Accounts receivable – Trade and Other current assets

	06/30/2014			*12/31/2013*
	Gross	*Write-downs*	*Net*	*Net*
Accounts receivable - Trade	522	-7	515	498
Other receivables	27	-1	26	19
Taxation recoverable	33		33	25
Receivables from non-current assets	5		5	3
Prepayments	42		42	26
Total	629	-8	621	571

Factoring arrangements:

The group and certain subsidiaries use factoring arrangements which comply with criteria for derecognition. The amounts concerned by these arrangements totaled € 15.8 million and € 21.8 million at June 30, 2014 and December 31, 2013, respectively.

3. Provisions

	12/31/2013	*Increases*	*Releases*		*Translation differences*	*Other*	*06/30/2014*
			Utilized	*Unutilized*			
Non-current							
Provisions for retirement benefits	8						8
Provisions for other expenses	1						1
Total non-current	9	0	0	0	0	0	9
Current							
Provisions for risks	12	3	-1	-1	-1	-1	11
Provisions for other expenses	*2*		*-1*				1
Total current	14	3	-2	-1	-1	-1	12
TOTAL	**23**	**3**	**-2**	**-1**	**-1**	**-1**	**21**

Provisions for risks include personnel-related risks for € 8.8 million, principally concerning lawsuits with former employees, particularly in Argentina, France and Brazil.

4. Net financial indebtedness

Schedule of debt maturities:

	06/30/2014	Current	Non-current	12/31/2013	Current	Non-current
Loans from financial institutions	78	77	1	34	32	2
Bank overdrafts	8	8	0	4	4	0
Finance lease liabilities	2	1	1	2	1	1
Other borrowings and financial liabilities	8	6	2	13	12	1
Due to minority shareholders	14		14	24	7	17
Total financial liabilities	**110**	**92**	**18**	**77**	**56**	**21**
Short-term investments	50	50		59	59	
Cash and bank	127	127		105	105	
Total cash and cash equivalents	**177**	**177**	**0**	**164**	**164**	**0**
Net debt	-67	-85	18	-87	-108	21

The amounts due to minority shareholders concern the estimated residual amount owing in respect of 2013 share purchases.
The group's syndicated multi-currency credit facility of € 300 million (denominated in € and US$) was drawn down to the extent of € 65 million at June 30, 2014.

Reconciliation to Net cash as presented in the Condensed Consolidated Statement of Cash Flows:

	06/30/2014	12/31/2013
Bank overdrafts	-8	-4
Short-term investments	50	59
Cash and bank	127	105
Net cash	169	160

All covenants that are attached to certain of the group's borrowings were respected as of June 30, 2014.

Dividends:

Teleperformance SA made a dividend distribution of € 45.8 million in June 2014.

5. Accounts payable – Trade and Other current liabilities

	06/30/2014	*12/31/2013*
Accounts payable - Trade	97	87
Personnel liabilities	102	101
Taxes payable	47	49
Accruals	93	74
Other operating liabilities	19	25
Total	358	336

6. Financial instruments

Foreign exchange hedging operations

Revenues and operating expenses of group companies are denominated principally in the currency of each country concerned. However, the group is exposed to foreign exchange risk in certain subsidiaries where revenues are denominated in a currency other than the functional currency.

To cover these exchange risks, hedge contracts are entered into in the following principal currencies:

- the US dollar and the Mexican peso;
- the Australian dollar, the Canadian dollar, the Philippine peso and the US dollar.

The policy of the group is to cover its highly probable forecast transactions denominated in foreign currency, usually up to 12 months ahead. The group uses forward exchange contracts and plain vanilla foreign exchange options.

In addition, following the extension of the cash pool in 2010 to countries outside the euro zone (particularly the United States and Mexico), hedging arrangements were put in place to cover the risk of changes in exchange rates amongst the various currencies managed in the cash pool.

Finally, a number of loans between Teleperformance SA and its subsidiaries are also hedged.

The principal derivative financial instruments in place at June 30, 2014 are as follows:

Derivative financial instruments (in thousands)	*Notional amount in currency*	*Notional amount in € at June 30, 2014*	*Fair value in € at June 30, 2014*	*Recognized in equity*	*Recognized in 2014 income*
Hedge of forecast 2014 USD/MXN transactions					
Put & call USD - options	25,500	18,668	295	57	238
Forward USD sales	56,500	41,362	1,031	25	1,006
Sales of USD options *	13,500	9,883	293		293
Hedge of forecast 2014 USD/PHP transactions					
Put & call PHP - options	1,700,000	28,499	93	132	-39
Forward PHP purchases	2,725,000	45,682	481	201	280
Sales of PHP options *	850,000	14,249	196		196
Hedge of forecast 2015 USD/PHP transactions					
Put & call PHP - options	1,850,000	31,013	635	590	45
Forward PHP purchases	4,600,000	77,114	869	552	317
Sales of PHP options *	1,600,000	26,822	161		161
Purchases of PHP options *	1,350,000	22,631	-14		-14
Hedge of forecast 2014 COP/EUR transactions					
Forward EUR sales	24,500	24,500	765	480	285
Hedge of forecast 2014 COP/USD transactions					
Forward USD sales	17,000	12,445	627	359	268
Hedge of forecast 2014 INR/USD transactions					
Put & call INR - options	70,000	852	115	87	28
Forward INR purchases	717,000	8,723	934	497	437
INR put sales*	190,000	2,311	29		29
Hedge of forecast 2014 AUD/USD transactions					
Put & call AUD - options	6,000	4,127	-55	-25	-30
Forward AUD sales	8,500	5,846	-72	1	-73
Sales of AUD options *	5,000	3,439			
Couverture de change budgétaire AUD/USD 2014					
Put & call AUD - options	7,500	5,158	-39	0	-39
Forward AUD sales	26,000	17,882	-543	-275	-268
Forward AUD purchases	2,000	1,376	-2		-2
Sales of AUD options *	7,500	5,158	43		43
Purchases of AUD options *	4,000	2,751	-3		-3
Hedge of forecast 2014 PHP/USD transactions					
Forward PHP purchases	951,450	15,950	-193		-193
Hedge of intra-group loans					
- in BRL	9,838	3,279	-200		-200
- in GBP	22,260	27,756	-493		-493
Cash pooling hedges					
- in MXN	1,130,000	63,799	2,061		2,061
- in USD	111,500	81,625	710		710

**not eligible for hedge accounting*

As of June 30, 2014, the fair value of derivative financial instruments amounted to € 7.7 million of which € 9.5 million is shown in "Other financial assets (current)" and € 1.6 million in "Other financial liabilities (current)" on the statement of financial position.

Counterparty credit risk (Credit value adjustment - CVA) and own credit risk (Debt value adjustment - DVA) are included in the fair values of hedging instruments, but the amounts are not significant.

Book and fair value of financial instruments by categories

The following tables set out the carrying amount of financial assets and financial liabilities with their fair values and hierarchy levels:

	Accounting categories					Fair value			
June 30, 2014	Financial intruments at fair value through profit or loss	Derivative financial instruments	Loans and receivables	Financial liabilities at amortized cost	**Total**	Lev 1	Lev 2	Lev 3	**Total**
Financial instruments - Assets									
I - Financial assets at fair value	50	10	0	0	**60**	50	10	0	**60**
Hedging instruments/loans/cash pooling		10			**10**		10		**10**
Short-term investments	50				**50**	50			**50**
II - Financial assets at amortized cost	0	0	795	0	**795**	127	668	0	**795**
Loans			11		**11**		11		**11**
Guarantie deposits			36		**36**		36		**36**
Accounts receivable - Trade			515		**515**		515		**515**
Other assets			106		**106**		106		**106**
Cash and bank			127		**127**	127			**127**
Financial instruments - Liabilities									
I - Financial liabilities at fair value	0	2	0	0	**2**	0	2	0	**2**
Hedging instruments/loans/cash pooling		2			**2**		2		**2**
II - Financial liabilities at amortized cost	0	0	8	446	**454**				**454**
Loans from financial institutions				78	**78**		78		**78**
Finance lease liabilities				2	**2**		2		**2**
Other borrowings and financial liabilities				8	**8**		8		**8**
Bank overdrafts			8		**8**	8			**8**
Accounts payable - Trade				97	**97**		97		**97**
Other liabilities				261	**261**		261		**261**

December 31, 2013	Accounting categories: Financial intruments at fair value through profit or loss	Derivative financial instruments	Loans and receivables	Financial liabilities at amortized cost	Total	Fair value: Lev 1	Lev 2	Lev 3	Total
Financial instruments - Assets									
I - Financial assets at fair value	59	5	0	0	**64**	59	5	0	**64**
Hedging instruments/loans/cash pooling		5			**5**		5		**5**
Short-term investments	59				**59**	59			**59**
II - Financial assets at amortized cost	0	0	720	0	**720**	105	615	0	**720**
Loans			11		**11**		11		**11**
Guarantie deposits			33		**33**		33		**33**
Accounts receivable - Trade			498		**498**		498		**498**
Other assets			73		**73**		73		**73**
Cash and bank			105		**105**	105			**105**
Financial instruments - Liabilities									
I - Financial liabilities at fair value	0	6	0	0	**6**	0	6	0	**6**
Hedging instruments/loans/cash pooling		6			**6**		6		**6**
II - Financial liabilities at amortized cost	0	0	4	379	**383**				**383**
Loans from financial institutions				34	**34**		34		**34**
Finance lease liabilities				2	**2**		2		**2**
Other borrowings and financial liabilities				7	**7**		7		**7**
Bank overdrafts			4		**4**	4			**4**
Accounts payable - Trade				87	**87**		87		**87**
Other liabilities				249	**249**		249		**249**

No assets or liabilities measured at fair value have been transferred between different levels of the fair value hierarchy.
Amounts due to minority shareholders (€ 13.5 million and € 23.8 million at June 30, 2014 and December 31, 2013, respectively) have been measured using the relevant contractual formula.

F4. NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

1. Other revenues

Other revenues from operations are principally comprised of government grants, for € 3.2 million in the first half of 2014, compared with € 5.0 million in the same period of 2013. The French competitiveness tax credit ("CICE"), available since 2013, is included in this amount, for € 1.6 million in 2014.

2. Incentive plan share awards

2013 Shareholders' General Meeting

The Board of Directors' meetings on July 30, 2013 and February 25, 2014 approved free awards of a total of 862,500 incentive plan shares to group personnel under the authorization given at the Shareholders' General Meeting of May 30, 2013, limited to a maximum of 2 % of the share capital of the company at that date. The earlier board meeting also approved the setting-up of a long-term incentive plan for company officers, with the free award of 300,000 shares. The characteristics of these plans are :

	07/30/13 plan	*02/25/14 plan*
Date of board meeting allocating the awards	07/30/2013	02/25/2014
Vesting period	07/31/2013 to 07/30/2016	02/26/2014 to 02/25/2017
Grant date	08/02/2013	02/25/2014
Number of share awards*	1,140,000	22,500
Number of share awards cancelled/reallocated	-48,000	
Number of outstanding share awards at June 30, 2014	1,092,000	22,500
Fair value of one free share award at the grant date	€ 33.37	€ 40.80
**including company officers*	300,000	0

Vesting of the share awards is conditional on the beneficiaries remaining with the group until at least the end of the vesting period and on meeting certain performance conditions relating to the financial years between 2013 and 2015. The assumptions made at June 30, 2014 as to the probability of the performance conditions being met are unchanged from those at December 31, 2013.

The expense recognized in the first half of 2014 in respect of these plans amounted to € 2.9 million.

2011 Shareholders' General Meeting

At the Board of Directors' meetings held on July 27 and November 30, 2011, and May 29 and July 30, 2012, a total of 1,131,500 incentive plan share awards were allocated to group personnel and company officers under the authorization given at the Shareholders' General Meeting of May 31, 2011, limited to a maximum of 2 % of the share capital of the company at that date. As of June 30, 2014, 2,000 share awards remain outstanding.

No expense was recognized in the first half of 2014 in respect of this plan (€ 4 million in the first half of 2013).

Treasury shares

At June 30, 2014, the group held 87,961 own shares, representing 31,500 acquired under the liquidity contract and 56,461 purchased to meet the future vesting of incentive plan shares, for amounts of € 1.4 million and € 0.9 million, respectively. These amounts have been deducted from equity.

3. Financial result

	1st ½ yr 2014	*1st* ½ yr 2013
Income from cash and cash equivalents	1	1
Other interest expense, net	-6	-5
Financing costs, gross	-6	-5
Foreign exchange gains, net	1	2
Change in fair value of derivative financial instruments	-1	-1
Other		-1
Financial result	-5	-4

4. Income tax

Income tax amounted to € 26.3 million in the first half of 2014 compared with € 25.8 million in the first half of 2013, representing effective tax rates of 31.4% and 32.6%, respectively, based on management's estimate of the expected full-year rate.

5. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted-average number of ordinary shares outstanding during the period, excluding treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted-average number of ordinary shares outstanding during the period, as adjusted for the effect of all potentially dilutive ordinary shares.

	1st ½ yr 2014	*1st* ½ yr 2013
Net profit - Group share	**57**	**53**
Weighted-average number of shares used to calculate basic earnings per share	57,136,312	55,385,636
Dilutive effect of bonus shares	1,967	1,061,223
Weighted-average number of shares used to calculate diluted earnings per share	57,138,279	56,446,859
Basic earnings per share *(in €)*	1.00	0.96
Diluted earnings per share *(in €)*	1.00	0.94

Weighted-average number of shares used to calculate basic earnings per share:

	1st ½ yr 2014	*1st* ½ yr 2013
Number of ordinary shares in issue at January 1	57,260,190	56,598,048
Treasury shares	-65,378	-1,212,412
Cancelled shares	-58,500	0
Total	57,136,312	55,385,636

F5. SEGMENT REPORTING

Segment information is reported, as follows:
Intra-segment operations are not significant and are not identified separately.

Six months ended June 30, 2014	*English-speaking, APAC*	*Ibero LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**495**	**367**	**383**	**0**	**1,245**
Operating profit	**43**	**34**	**4**	**8**	**89**
Capital expenditure	24	21	32	0	**77**
Depreciation and amortization	21	19	14	0	**54**

Six months ended June 30, 2013	*English-speaking, APAC*	*Ibero LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**455**	**394**	**347**	**0**	**1,196**
Operating profit	**38**	**38**	**0**	**7**	**83**
Capital expenditure	17	27	13	0	**57**
Depreciation and amortization	22	20	12	0	**54**
Impairment loss on goodwill		3			**3**

F6. RELATED PARTIES

There are no significant transactions with related parties.

F7. COMMITMENTS

Under a board resolution dated November 25, 2013, Teleperformance SA has given a performance guarantee in favor of Barclays Bank PLC for the obligations of its subsidiary, TP Portugal, in respect of a commercial contract. The guarantee was entered into in 2014 and will remain in force for the duration of the contract.

F8. EVENTS AFTER THE REPORTING DATE

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On July 9, 2014, Teleperformance announced the signing of an agreement to acquire of Aegis USA Inc., a major outsourcing and technology company in the United States, the Philippines and Costa Rica.
The business represents annual revenues of approximately US $ 400 million with over 19,000 full time employees across 16 centers throughout the three countries.
The consideration for the transaction will be US$ 610 million, payable at closing which is subject to receipt certain regulatory approval and to meet standard suspensive conditions. The transaction is expected to close during the third quarter of 2014.

G. Foreign currencies

Principal currencies	*Country*	*06 /30/2014*		*06 /30/2013*	
		Average Rate	*Closing rate*	*Average rate*	*Closing rate*
Pound sterling	United Kingdom	0.821	0.802	0.851	0.857
Brazilian real	Brazil	3.150	3.000	2.668	2.890
US dollar	USA	1.371	1.366	1.313	1.308
Canadian dollar	Canada	1.504	1.459	1.334	1.371
Mexican peso	Mexico	17.980	17.712	16.502	17.041
Colombian peso	Colombia	2.686	2.572	2.399	2.498

2. 2014 half year management report

A. Group revenues in the first half year 2014

A.1 Business activity over the last half year

Consolidated revenue amounted to € 1,245.0 million in the first half of 2014, an increase of + 4.1% as reported and of + 10.3% at constant scope of consolidation and exchange rates (like-for-like).

Changes in exchange rates had a € 67.8 million negative impact on reported revenue that mainly reflected the decline in the Brazilian real, US dollar, and Argentine and Colombian pesos against the euro.

The table below shows the change in revenues generated in each geographic region :

in millions of euros	2014	2013	*variation*	
			Based on reported figures	*Excluding foreign exchange rate and scope of consolidation change*
1ST SEMESTER				
English-speaking market & Asia-Pacific	494.6	454.8	*+ 8.8 %*	*+ 13.7 %*
Ibero-LATAM	367.5	394.4	*(6.8) %*	*+ 3.9 %*
Continental Europe & MEA	382.9	346.9	*+ 10.4 %*	*+ 12.8 %*
TOTAL	**1,245.0**	**1,196.1**	***+ 4.1 %***	***+ 10.3 %***

First-half 2014 revenue was primarily shaped by the steep increase in business in the English speaking market & Asia-Pacific region especially in the United States and in the Continental Europe & MEA region, which is benefiting from the fast ramp-up of business at the TLScontact subsidiary, specialized in managing visa applications.

During the period, the English speaking market & Asia-Pacific region represented 39.7% of consolidated revenue, the Ibero-LATAM region 29.5% and Continental Europe & MEA 30.8%.

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

Compared with the prior year, regional revenue rose by + 8.8% as reported and + 13.7% like-for-like in the first half and by + 11.3% as reported and + 17.6% like-for-like in the second quarter alone.

In the United States, growth is gaining momentum, led by the many new contracts won since last year, especially in the health, banking, insurance and retail sectors.

Business is expanding quickly in the United Kingdom, thanks to the sustained diversification of the business base in the key public sector and retail markets.

The pace of growth also remains strong in the Asia-Pacific region, particularly in China where Teleperformance has successfully forged preferred partnership relations with locally based North American multinationals.

- **Ibero-LATAM**

Operations in the Ibero-LATAM region delivered satisfactory growth for the first half, with a like-for-like increase of + 3.9% despite a high prior-year basis of comparison. As reported, however, revenue was down 6.8%, reflecting the unfavorable currency environment during the period, notably with the Brazilian real losing more than 15% and the Argentine peso nearly 40% against the euro compared with first-half 2013.

In the second quarter, regional revenue rose by + 2.8% like-for-like, but declined by - 7.2% as reported due to the adverse currency effect.

Mexico and Portugal reported the fastest growth, while business in Argentina continued to suffer from the lackluster economy. The slowdown in business in Brazil, which emerged in the final quarter of 2013, continued over the period.

- **Continental Europe & MEA**

Regional revenue rose by + 12.8% like-for-like and by + 10.4% as reported in the first half and by + 13.5% like-for-like and + 11.4% in the second quarter alone.

This performance is being led by the sustained, solid sales drive with global customers, notably in the Netherlands, Russia and Southern Europe (Greece and Turkey), by the ongoing upturn in growth in several countries such as Italy, and by the fast first-half ramp-up in business at the TLScontact subsidiary, specialized in managing visa applications. In fact, TLScontact's contribution for the first-half more than doubled year-on-year.

The faster growth in the second quarter compared with the prior-year period primarily resulted from the start-up of a major contract signed in late 2013 with UK Visas and Immigration (UKVI), covering the Euro-Med and Africa regions.

A.2 First-half 2014 results

EBITA before non-recurring items stood at € 100.2 million, up + 4.5% from the € 95.9 million reported in first-half 2013. EBITA margin before non-recurring items widened to 8.1% from 8.0% a year earlier.

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

in millions of euros	**H1 2014**	**H1 2013**
English-speaking market & Asia-Pacific	46.6	39.8
% of revenue	**9.4%**	**8.8%**
Ibero-LATAM	36.6	44.6
% of revenue	**9.8%**	**11.3%**
Continentale Europe & MEA	3.9	0.4
% of revenue	**1.0%**	**0.1%**
Total – including holdings	100.2	95.9
% of revenue	**8.1%**	**8.0%**

The **English-speaking market & Asia-Pacific** region saw its EBITA margin before non-recurring items improve to 9.4% from 8.8% in first-half 2013, lifted by the sharp growth in business volumes and a favorable transaction effect, mainly due to the weakening of the Philippine peso against the US dollar over the period.

EBITA in the **Ibero-LATAM** region contracted to € 36.6 million from € 44.6 million in first-half 2013, mainly as a result of an unfavorable currency environment with the decline in the Brazilian real and the Colombian and Mexican pesos against the euro. While down due to the geographic mix in the region, EBITA margin remained high, at 9.8%.

With EBITA of € 3.9 million, representing 1.0% of revenue, the **Continental Europe & MEA** region confirmed the return to breakeven reached in first-half 2013. The Group benefited from a speed-up in business growth in a certain number of countries in Southern and Northern Europe and the fast expansion of TLScontact's operations.

Reported EBIT amounted to € 88.9 million, up + 7.1% from € 83.0 million in first-half 2013.

First-half 2014 EBIT reflects the amortization of intangible assets in an amount of € 4.1 million as well as the following non-recurring expenses:

- € 2.9 million in accounting costs on the performance share plans set up in 2013.
- € 4.4 million in other non-recurring costs, of which €1.8 million relating to the cost of acquiring Aegis USA Inc.

Net financial expense stood at € 5.1 million, versus € 4.1 million in first-half 2013.

Income tax expense amounted to € 26.3 million, corresponding to an effective tax rate of 31.4%, versus 32.6% in the prior first half.

Minority interests in net profit amounted to € 0.4 million, versus € 0.1 million last year.

Net profit attributable to shareholders rose by + 7.3% over the period, to € 57.0 million from € 53.1 million in first-half 2013. Diluted earnings per share stood at € 1.00, up + 6.4% year-on-year.

B. Cash flow and capital structure

B.1 Consolidated financial structure as of June 30, 2014

Long-term capital

(in millions of €)	06/30/14	12/31/13
Shareholders' equity	1,438	1,396
Non-current financial liabilities	18	21
Total non-current capital	**1,456**	**1,417**

Short-term capital

(in millions of €)	06/30/14	12/31/13
Financial liabilities	92	56
Cash & cash equivalents	177	164
Cash, net of current liabilities	**85**	**108**

Source and amount of cash flows

(in millions d'€)	06/30/14	06/30/13
Internally generated funds from operations before changes in working capital requirements	107.9	101.7
Changes in working capital requirements	-17.3	-33.1
Cash flow from operating activities	**90.6**	**68.6**
Investement and capital expenditure	-77.2	-57.2
Proceeds from disposals	1.9	1.8
Cash flow from investments	**-75.3**	**-55.4**
Proceeds from share capital increases / Treasury shares	-1.0	0.6
Changes in ownership interest in controlled activities	-7.0	-11.2
Dividends paid	-45.7	
Net change in financial liabilities	42.6	-17.3
Cash flow from financing activities	**-11.1**	**-27.9**
Change in cash and cash equivalents	**4.2**	**-14.7**

The group had a sound financial structure as of June 30, 2014:

- Shareholders' equity amounted € 1,438 million, including group share of € 1,434 million. This will cover the entire costs of the group's intangible assets, which amounts to € 1,134 million.
- The group had a net cash surplus of € 67 million.

This surplus was comprised of cash and cash equivalents totaling € 177 million and financial liabilities totaling € 110 million, out of which € 92 million are current.

B.2 Cash flow

Internally generated funds from operations before tax amounted to € 108 million in the first semester 2014 as compared to € 102 million in first semester 2013.

In the first semester 2014, the group paid out € 29 million in taxes as compared to € 39 million in the first semester 2013.

Working capital requirement rose by € 17 million compared to the increase by € 33 million during the first half year 2013.

Consequently, the net cash generated by the group totaled € 91 million compared to € 69 million in the first half year 2013.

Net Tangible and Intangible investments amounted to € 76 million in the first semester 2014 (6.1% of revenues) as compared to € 56 million in the first half year 2013 (4.7% of revenues). To the exclusion of significant capital expenditure performed by our TLScontact subsidiary in the framework of UKVI client gain, the investment rate during the first semester 2014 remains stable compare to last year.

In the first semester 2014, the group disbursed € 7 million in respect of the residual amount related to the 2013 buying out of minority shareholders and for which € 11 million were disbursed in the first half year 2013.

The group has a € 300 million syndicated credit facility at its disposal out of which € 235.0 million were not drawn down at June 30, 2014.

C. Related parties

There are no significant transactions with related parties

D. Event after the reporting date

On July 9, 2014, Teleperformance announced the signing of an agreement to acquire of Aegis USA Inc., a major outsourcing and technology company in the United States, the Philippines and Costa Rica.
The business represents annual revenues of approximately US $ 400 million with over 19,000 full time employees across 16 centers throughout the three countries.
The consideration for the transaction will be US$ 610 million, payable at closing which is subject to receipt certain regulatory approval and to meet standard suspensive conditions. The transaction is expected to close during the third quarter of 2014.

E. Trends and prospects

E.1 Risks and uncertainties

The Group is exposed to the risks which were described in the Reference Document for the year ended December 31, 2013, which was subject to visa by the AMF.

The Group's management team has not anticipated any significant changes in such risks and uncertainties or new risk and uncertainty elements for the second half of 2014.

E.2 Prospects

Given the good first-half performance, Teleperformance has raised its full-year like-for-like revenue growth target to more than + 7%.

In addition, based on the consolidation of Aegis USA Inc., scheduled for the third quarter pending regulatory approval, and the first-half performance, the Group is also raising its annual target for EBITA before non-recurring items to more than 9.7%.

3. Attestation of the person responsible for the condensed consolidated interim financial statements and management report

« I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half of 2014 have been prepared in accordance with applicable accounting principles and give a true and fair view of the assets and liabilities, financial situation and results of the Group. I further declare that the half year Management Report gives a true and fair view of the material events occurring during the first six months of the financial year and of their impact on the half year financial statements, of the principal related party transactions, and of the principal risks and uncertainties for the remaining six months of 2014 ».

Paris, July 28, 2014

Paulo César Salles Vasques
Chief Executive Officer

4. Statutory auditors' review report on 2014 Half-yearly Financial Information

For the six-month period ended June 30, 2014

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English speaking users. This report includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders meeting and in accordance with the requirements of article L. 451-1-2 of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Teleperformance SA, for the period from January 1st, 2014 to June 30, 2014;
- the verification of the information presented in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, 28 juillet 2014

KPMG Audit IS

Eric Junières
Partner

Neuilly-sur-Seine, 28 juillet 2014

Deloitte & Associés

Philippe Battisti
Partner

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Transforming Passion into Excellence

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