Teleperformance
Transforming Passion into Excellence

2016 Half Year Financial Report

Façonner
L'AVENIR

2016 Half Year Financial Report

1. Condensed consolidated interim financial statements

1.1 Condensed consolidated statement of financial position *(in millions of euros)*

ASSETS	Notes	06.30.2016	12.31.2015
Non-current assets			
Goodwill	D	1,097	1,123
Other intangible assets		264	281
Property, plant and equipment		422	428
Financial assets		39	34
Deferred tax assets		37	36
Total non-current assets		1,859	1,902
Current assets			
Current income tax receivable		39	36
Accounts receivable - Trade	C.1	734	754
Other current assets	C.1	123	107
Other financial assets		45	43
Cash and cash equivalents	H.4	255	257
Total current assets		1,196	1,197
Total assets		**3,055**	**3,099**

EQUITY AND LIABILITIES	Notes	06.30.2016	12.31.2015
Equity			
Share capital	F.1	143	143
Share premium		575	575
Translation reserve		32	69
Other reserves		969	971
Equity attributable to owners of the company		1,719	1,758
Non-controlling interests		8	7
Total shareholder's equity		1,727	1,765
Non-current liabilities			
Provisions	I.1	11	10
Financial liabilities	G.2	416	469
Deferred tax liabilities		104	110
Total non-current liabilities		531	589
Current liabilities			
Provisions	I.1	69	70
Current income tax		47	46
Accounts payable - Trade	C.3	115	117
Other current liabilities	C.3	371	361
Other financial liabilities	G.2	195	151
Total current liabilities		797	745
Total equity and liabilities		**3,055**	**3,099**

1.2 Condensed consolidated statement of income (in millions of euros)

	Notes	1st ½ yr 2016	1st ½ yr 2015
Revenues	**C.4**	**1 689**	**1 658**
Other revenues	C.4	2	3
Personnel		-1 151	-1 124
External expenses		-309	-317
Taxes other than income taxes		-9	-8
Depreciation and amortization		-72	-68
Amortization of intang. assets acquired as part of a business combination		-11	-12
Share-based payments	C.2	-8	-6
Operating profit		**131**	**126**
Income from cash and cash equivalents		1	
Interest on financial liabilities		-12	-12
Net financing costs	**G.1**	**-11**	**-12**
Other financial income (expenses), net	G.1	1	8
Financial result		**-10**	**-4**
Profit before taxes		**121**	**122**
Income tax	E	-34	-38
Net profit		**87**	**84**
Net profit - Group share		**86**	**83**
Net profit (loss) attributable to non-controlling interests		1	1
Basic earnings per share (in €)	**F.3**	**1,51**	**1,45**
Diluted earnings per share (in €)	**F.3**	**1,48**	**1,45**

1.3 Condensed consolidated statement of comprehensive income (in millions of euros)

	1st ½ yr 2016	1st ½ yr 2015
Net profit	**87**	**84**
May not be reclassified to profit or loss in a subsequent period		
May be reclassified to profit or loss in a subsequent period		
Net gain on foreign exchange hedges (before tax)	5	0
Income tax on foreign exchange hedges	-2	0
Translation differences	-37	71
Other recognized income and expenses	**-34**	**71**
Total comprehensive income	**53**	**155**
Group share	52	154
Attributable to non-controllling interests	1	1

1.4 Condensed consolidated statement of cash flows *(in millions of euros)*

Cash flows from operating activities	Notes	1st ½ yr 2016	1st ½ yr 2015
Net profit - Group share		86	83
Net profit attributable to non-controlling interests		1	1
Income tax expense		34	38
Interest expense on financial liabilities *		8	9
(Income) expenses, net, without effect on cash	**H.1**	90	85
Income tax paid		-43	-49
Internally generated funds from operations		**176**	***167***
Change in working capital	**H.2**	**20**	***23***
Net cash from operating activities		**196**	**190**

Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		-76	-88
Loans made		-1	-1
Proceeds from disposals of intangible assets and property, plant and equipment		1	2
Repayment of loans		1	2
Net cash used in investing activities		**-75**	**-85**

Cash flows from financing activities			
Acquisition/disposal of treasury shares		-17	-2
Change in ownership interest in controlled entities	**G.2**	-33	-2
Dividends paid to parent company shareholders		-68	-53
Interest on financial liabilities paid/received		-8	-9
Increase in financial liabilities		537	415
Repayment of financial liabilities		-526	-381
Net cash used in financing activities		**-115**	**-32**

Change in cash and cash equivalents		***6***	***73***
Effect of exchange rates on cash held		-10	*-31*
Net cash at January 1	**H.4**	**254**	**214**
Net cash at June 30	**H.4**	**250**	**256**

** In view of the significance of interest on financial liabilities paid by the group following the acquisition of Aegis USA Inc., management has decided to reclassify this as a cash flow from financing activities. Comparative amounts have been similarly reclassified .*

1.5 *Condensed consolidated statement of changes in equity (in millions of euros)*

	Group share							Total
	Share capital	*Share premium*	*Translation reserve*	*Retained earnings*	*Impact of financial hedging instruments*	*Equity - Group share*	*Non-controlling interests*	
At December 31, 2014	**143**	**575**	**32**	**852**	**-7**	**1,595**	**5**	**1,600**
Translation differences from foreign operations			71			**71**		**71**
Net profit				83		**83**	1	**84**
Net gain on cash flow hedges (after tax)						**0**		**0**
Total recognized income and expenses	***0***	***0***	***71***	***83***	***0***	***154***	***1***	***155***
Operations on non-controlling interests				-5		**-5**		**-5**
Fair value of incentive plan share awards				6		**6**		**6**
Treasury shares				-2		**-2**		**-2**
Dividends (€0.92 per share)				-53		**-53**		**-53**
At June 30, 2015	**143**	**575**	**103**	**881**	**-7**	**1,695**	**6**	**1,701**
At December 31, 2015	**143**	**575**	**69**	**978**	**-7**	**1,758**	**7**	**1,765**
Translation differences from foreign operations			-37			**-37**		**-37**
Net profit				86		**86**	1	**87**
Net gain on cash flow hedges (after tax)					3	**3**		**3**
Total recognized income and expenses	***0***	***0***	***-37***	***86***	***3***	***52***	***1***	***53***
Operations on non-controlling interests				-13		**-13**		**-13**
Fair value of incentive plan share awards				8		**8**		**8**
Treasury shares				-18		**-18**		**-18**
Dividends (€1.20 per share)				-68		**-68**		**-68**
At June 30, 2016	***143***	***575***	***32***	***973***	***-4***	***1,719***	***8***	***1,727***

1.6 Notes to the condensed consolidated financial statements *(in millions of euros)*

Highlights of the first half of 2016

There have been no significant events in the first half of 2016.

A. Accounting policies and methods

A.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, 2016 include the company and its subsidiaries (together referred to as "the group").

The consolidated financial statements of the group for the year ended December 31, 2015 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 euro has been rounded to the nearest million unless otherwise specified.

A.2 Basis of preparation

These condensed consolidated interim financial statements as at and for the six months ended June 30, 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and are presented in accordance with revised and amended 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, 2015 which are included in the 2015 reference document D.16-0088 that was filed with the AMF (the French Stock Exchange regulator) on February 26, 2016.

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 27, 2016.

The following standards, amendments and interpretations:

- Annual improvements 2010-2012;
- Amendments to IAS 19 on employee contributions to defined benefit plans;
- Amendments to IAS 1 on disclosures;
- Amendments to IAS 16 and IAS 38 on acceptable methods of depreciation and amortization;
- Annual improvements 2012-2014 ;

came into force in 2016 but did not have a significant impact on the group's financial statements.

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, 2015, with the exception of the new standards, amendments and interpretations set out above.

A.3 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,
- impairment of intangible assets and goodwill,
- the measurement of provisions and retirement benefits,
- the estimation of financial liabilities connected with purchase commitments to minority shareholders,
- the measurement of share-based payment expense,
- provisions for contingencies and expenses,
- the measurement of intangible assets acquired as part of a business combination,
- deferred taxation.

The 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.

B. Consolidation scope

The group made no acquisition or disposal during the first half of 2016.

C. Operational activity

C.1 Accounts receivable – Trade and Other current assets

	06/30/2016			*12/31/2015*
	Gross	*Write-downs*	*Net*	*Net*
Accounts receivable - Trade	744	-10	734	754
Other receivables	30	-7	23	22
Taxation recoverable	42		42	41
Advances and receivables on non-current assets	6		6	6
Prepayments	52		52	38
Total	874	-17	857	861

Factoring arrangements:

The group and a number of its subsidiaries use factoring arrangements which comply with criteria for derecognition. The amounts concerned by these arrangements totaled €56.2 million and €32.2 million at June 30, 2016 and December 31, 2015, respectively.

C.2 Share-based payments

2016 performance share award plans

The Board of Directors' meeting on April 28, 2016 approved free awards of a total of 914,300 performance plan shares to group personnel, including corporate officers of the group, under the authorization given at the Shareholders' General Meeting of April 28, 2016, limited to a maximum of 2.5% of the share capital of the company at the grant date. This board meeting also approved the setting-up of a long-term incentive plan for company officers, with the free award of 350,000 shares. The two plans have identical conditions for vesting.

The features of these plans are as follows:

	Plans of 04/28/16
Date of board meeting allocating the awards	04/28/2016
Vesting period	04/28/2016 to 04/27/2019
Grant date	04/28/2016
Number of share awards°	1,264,300
Number of outstanding share awards ar June 30, 2016	1,264,300
Fair value of each free share award at the grant date (taking into account the market condition)	€48.51
Fair value of each free share award at the grant date (without taking into account the market condition)	€75.2
°including for company officers	350,000

Vesting of the free 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 2016 and 2018.

The board of directors has defined four performance criteria as set out below; the number of shares allocated is determined on the basis of the average of the percentages obtained by the three best–performing criteria.

As one of the four criteria is a market condition (the change in the share price compared with the SBF 120 share index), this is required to be taken into account in the calculation of the fair value of the performance share awards. However, it is uncertain whether this market condition will be applied, as only three of the four criteria will in fact be used in the final determination of the number of shares allocated. Two fair values have therefore been calculated, with and without the inclusion of the market condition. As of June 30, 2016, it is considered probable that the market condition will be one of the three best-performing criteria and the amount of expense recognized in respect of the plans is therefore based on a fair value of €48.51 per share, which results in expense of €2.9 million in the first half of 2016.

Percentage obtained	0%	50%	75%	100%
Average increase in revenues at constant exchange rates and consolidation scope	Below 3.5%	Higher than 3.5% but less than 5.0% (both inclusive)		Over 5.0%
Average rate of EBITDA margin, excluding non-recurring items	Below 10.3%	Higher than 10.3% (inclusive) but less than 10.4%	Higher than 10.4% (inclusive) but less than 10.5%	10.5% or over
Change in Teleperformance SE's share price compared with the SBF 120 share index	Negative	Above 0 and up to 2.5% (inclusive)		Over 2.5%
Qualititive condition*	0 - 25 points	25 points or more, but less than 35 points		From 35 to 45 points

* This condition concerns the effectiveness of the technological and strategic developments ownership by the group. In order to measure this qualitative condition over time, three sub-criteria will be examined, each with three indicators:

- the ability of management to develop a vision of the impact of technologies on the group’s future;
- the acquisition and implementation of new technologies;
- benchmarking of group practices with those of its competitors.

A maximum of 15 points will be allocated to each sub-criterion.

2013 and 2014 performance share award plans

The Board of Directors' meetings on July 30, 2013 and February 25, 2014 approved free awards of a total of 862,500 performance 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 two plans have identical conditions for vesting.

The features of these two plans are as follows:

	Plan of 07/30/13	Plan of 02/25/14
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 canceled	-205,000	
Number of outstanding share awards ar June 30, 2016	935,000	22,500
Fair value of each free share award at the grant date	€33.37	€40.80
°including for company officers	300,000	0

Vesting of the free 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.

As the performance criteria were met, management considers that all shares in respect of awards outstanding as of June 30, 2016 will be allocated. The expense recognized in respect of these plans in the first half of 2016 amounted to €5.4 million compared with €5.7 million in the same period in 2015.

In order to satisfy the share awards under these plans that will vest on July 30, 2016, the group has acquired 356,690 Teleperformance shares on the market for a total price of €23.0 million, which has been recognized as a deduction from equity, and will issue new shares for the balance during the second half of 2016.

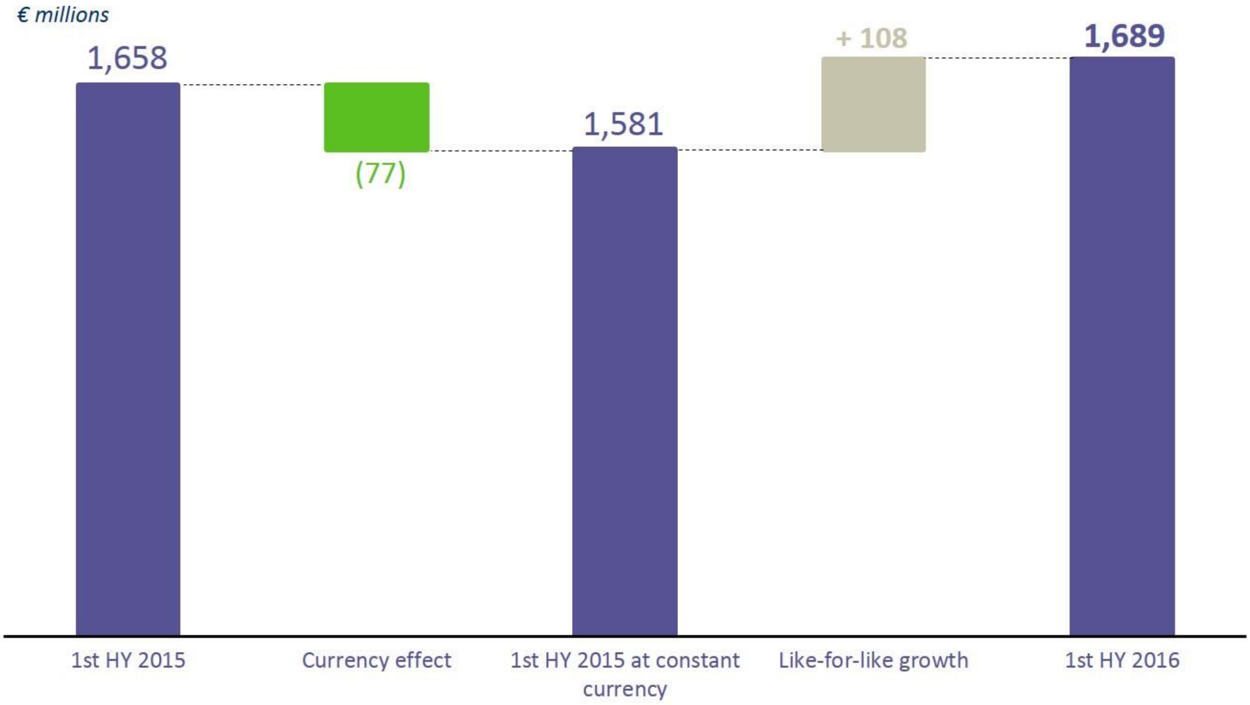
C.3 Accounts payable – Trade and Other current liabilities

	06/30/2016	*12/31/2015*
Accounts payable - Trade	115	117
Other payables	136	125
Taxes payable	54	57
Accruals	144	127
Other operating liabilities	37	52
Total	486	478

Other operating liabilities at June 30, 2016 include an amount of €8.4 million (December 31, 2015: €23.5 million) in respect of the negative fair value of derivative financial instruments used for currency hedging.

C.4 Income

Revenues



Group revenues in the first half of 2016 amounted to €1,689 million, which represents an increase (on the basis of published figures) of 1.8% over the same period in 2015.

At constant currency rates and consolidation scope, the increase is 6.8%.

Other operating revenues

Other operating revenues mainly comprise government grants.

In the first half of 2016, grant income amounted to €2.2 million, compared with €3.1 million in the same period of 2015. It includes French competitiveness and employment tax credits for € 1.3 million in 2016, compared with €1.6 million in the same period of 2015.

C.5 Segment reporting

Segment information is reported in the following schedules:

Inter-segment operations are not significant and are not identified separately.

Six months ended June 30, 2016	*English-speaking, & APAC*	*Ibero-LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**829**	**400**	**460**		**1,689**
Operating profit	**56**	**41**	**25**	**9**	**131**
Capital expenditure	36	23	17		76
Intangible assets and Property, plant and equipment (carrying amounts)	1,190	293	296	4	1,783
Depreciation and amortization of non-current assets	47	19	17		83

Six months ended June 30, 2015	*English-speaking, & APAC*	*Ibero-LATAM*	*Continental Europe & MEA*	*Holdings*	*Total*
Revenues	**815**	**422**	**421**	**0**	**1,658**
Operating profit	**65**	**42**	**9**	**10**	**126**
Capital expenditure	48	19	21	0	88
Intangible assets and Property, plant and equipment (carrying amounts)	1,220	312	296	2	1,830
Depreciation and amortization of non-current assets	43	21	16	0	80

D. Goodwill

There were no changes to the composition of CGUs or groups of CGUs in the first half of 2016.

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 Central Europe CGU for which the sensitivity analyses at December 31, 2015 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 2016.

E. Income tax

Income tax expense in an interim period is measured using management's best estimate of the expected full-year rate.

The income tax expense in the first half of 2016 amounted to €33.9 million compared with €38.6 million in the first half of 2015.

F. Equity and earnings per share

F.1 Share capital and dividends

The share capital at June 30, 2016 amounted to €143,004,225 represented by 57,201,690 shares with a nominal value of €2.50, fully paid up.

The company made a dividend distribution of €68.6 million during May 2016.

F.2 Treasury shares

At June 30, 2016, the group held 379,190 treasury shares, of which 22,500 were acquired under the liquidity contract and the balance of 356,690 were purchased to meet the future vesting of incentive plan shares, for amounts of €1.7 million and €23.0 million, respectively. These amounts have been deducted from equity.

F.3 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	1st ½ yr 2016	*1st* ½ yr 2015
Net profit - Group share	**86**	**83**
Weighted-average number of shares used to calculate basic earnings per share	56,918,628	57,136,812
Dilutive effect of incentive share awards	933,421	0
Weighted-average number of shares used to calculate diluted earnings per share	57,852,049	57,136,812
Basic earnings per share *(in €)*	1.51	1.45
Diluted earnings per share *(in €)*	1.48	1.45

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

	1st ½ yr 2016	*1st* ½ yr 2015
Number of ordinary shares in issue at January 1	57,201,690	57,201,690
Treasury shares	-283,062	-64,878
Total	56,918,628	57,136,812

G. Financial assets and financial liabilities

G.1 Financial result

	1st ½ yr 2016	*1st* ½ yr 2015
Income from cash and cash equivalents	**1**	**0**
Interest expense	-9	-9
Bank commissions	-3	-3
Financing costs	**-12**	**-12**
Net financing costs	-11	-12
Foreign exchange gains	17	27
Foreign exchange losses	-15	-19
Other	-1	
Other financial income (expenses), net	1	8
Financial result	-10	-4

G.2 Financial liabilities

Net financial indebtedness: Schedule of debt maturities:

	06/30/2016	Current	Non-current	12/31/2015	Current	Non-current
Loans from financial institutions and the "USPP"	558	142	416	547	94	453
Bank overdrafts	5	5		3	3	
Finance lease liabilities	1	1		2	1	1
Other borrowings and financial liabilities	2	2		2	2	
Cross Currency Interest Swap on loan	18	18		20	20	
Due to minority shareholders	27	27		46	31	15
Total financial liabilities	611	195	416	620	151	469
Marketable securities	4	4		20	20	
Cash and bank	251	251		237	237	
Total cash and cash equivalents	255	255		257	257	
Net debt	**356**	**-60**	**416**	**363**	**-106**	**469**

The amounts due to minority shareholders concern the estimated residual amounts on commitments in respect of 2013 share purchases. These total €27.0 million at June 30, 2016 (€46.0 million at December 31, 2015); a payment of €30.8 million was made in the first half of 2016.

Covenants

Our principal financial liabilities are subject to financial covenants which were all respected as of June 30, 2016.

G.3 Foreign exchange hedging operations

Revenues and operating expenses of group subsidiaries may be denominated in a currency other than the functional currency of each country concerned.

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

- the US dollar and the Mexican peso;
- the US dollar and the Colombian peso;
- the Philippine peso and the US dollar;
- the Colombian peso, the Turkish pound, the Tunisian dinar and the Euro.

The policy of the group is cover its highly probable forecast commercial 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, hedging arrangements are in place to cover the risk of changes in exchange rates amongst the various currencies managed in the cash pool and the euro (particularly the US$ and the Mexican peso) and on certain loans between Teleperformance SE and its subsidiaries.

The principal outstanding derivative financial instruments at the reporting date are as follows:

Derivative financial instruments (in millions)	*Notional amount in currency*	*Notional amount in € at 06/30/2016*	*Fair value in € at 06/30/2016*	*In equity*	*In 2016 profit or loss*
Hedge of forecast 2016 MXN/USD transactions					
Put & call USD - options	9	8	-1		-1
Forward USD sales	16	14	-1	-1	0
Sale of USD options*	6	5	0		0
Hedge of forecast 2017 MXN/USD transactions					
Forward USD sales	15	14	0	0	0
Hedge of forecast 2016 USD/MXN transactions					
Put & call MXN - options	181	9	0	0	0
Forward MXN purchases	436	21	-3	-3	0
Sale of MXN options*	118	6	0		0
Hedge of forecast 2016 USD/PHP transactions					
Put & call PHP - options	2,750	53	0	0	0
Forward PHP purchases	4,400	84	0	-1	1
Sale of PHP options*	1,700	33	0		0
Hedge of forecast 2017 USD/PHP transactions					
Forward PHP purchases	930	18	0		0
Hedge of forecast 2016 COP/EUR transactions					
Forward € sales	13	13	1	1	
Hedge of forecast 2016 COP/USD transactions					
Forward USD sales	14	13	-1	-1	
Hedge of forecast 2016 EUR/TND transactions					
Forward TND purchases	41	17	-1	-1	
Cross Currency Interest Swap EUR/USD	115	104	-18		-18
Hedge of intra-group loans					
- in GBP	36	44	1		1
- in USD	141	127	1		1
- in PHP	3,934	75	1		1
Cash pooling hedges					
- in MXN	2,010	97	-1		-1
- in USD	80	72	1		1

* not eligible for hedge accounting

Derivative financial instruments (in millions)	*Notional amount in currency*	*Notional amount in € at 12/31/2015*	*Fair value in € at 12/31/2015*	*In equity*	*In 2015 profit or loss*
Hedge of forecast 2015 USD/MXN transactions					
Forward USD sales	37	34	-5		-5
Hedge of forecast 2016 USD/MXN transactions					
Put & call USD - options	9	8	-1	-1	0
Forward USD sales	17	16	-1	-1	0
Sale of USD options*	7	6	0		0
Hedge of forecast 2016 MXN/USD transactions					
Put & call MXN - options	196	10	0	0	0
Forward MXN purchases	483	26	-2	-3	1
Sale of MXN options*	133	7	0	0	0
Hedge of forecast 2015 USD/PHP transactions					
Forward PHP purchases	2,288	45	-1	0	-1
Hedge of forecast 2016 USD/PHP transactions					
Put & call PHP - options	3,150	62	-1	-1	0
Forward PHP purchases	5,250	103	-1	-2	1
Sale of PHP options*	2,200	43	0	0	0
Hedge of forward 2016 COP/EUR transactions					
Forward € sales	18	18	0	0	0
Hedge of forward 2016 COP/USD transactions					
Forward USD sales	20	18	-3	-3	0
Hedge of forecast 2016 USD/INR transactions					
Put & call USD - options	3	3	0	0	0
Forward USD sales	8	7	0	0	0
Sale of USD options*	2	2	0	0	0
Hedge of forecast 2016 EUR/TND transactions					
Forward TND purchases	58	26	-1	0	-1
Cross Currency Interest Swap EUR/USD	115	106	-20	0	-20
Hedge of intra-group loans					
- in GBP	33	45	-1	0	-1
- in USD	143	131	0	0	0
- in PHP	3,931	78	-2	0	-2
Cash pool hedges					
- in MXN	1,870	99	-4	0	-4
- in USD	25	23	1	0	1

* not eligible for hedge accounting

At June 30, 2016, the net negative fair value of derivative financial instruments amounted to -€21.2 million (December 31, 2015: -€40.6 million) of which €5.0 million is presented in Other financial assets, €8.4 million in Other current liabilities and €17.8 million in Other financial liabilities.

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

G.4 Carrying amount and fair value of financial assets and financial liabilities by accounting category

The following schedules show the carrying amounts of financial assets and financial liabilities by accounting category as well as their fair values by level of hierarchy:

	Accounting category					Fair value			
06/30/2016	Financial instruments 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	4	5	0	0	**9**	4	5	0	**9**
Exchange rate hedging instruments		5			**5**		5		**5**
Marketable securities	4				**4**	4			**4**
II - Financial assets at amortized cost	0	0	1,187	0	**1,187**	251	936	0	**1,187**
Loans			2		**2**		2		**2**
Guarantee deposits			47		**47**		47		**47**
Net asset warranty			30		**30**		30		**30**
Accounts receivable - Trade			734		**734**		734		**734**
Other assets			123		**123**		123		**123**
Cash and bank			251		**251**	251			**251**
Financial instruments: Liabilities									
I - Financial liabilities at fair value	0	26	0	0	26	0	26	0	26
Cross Currency Interest Swap on loan		18			**18**		18		**18**
Exchange rate hedging instruments		8			**8**		8		**8**
II - Financial instruments at amortized cost	0	0	5	1,047	**1,052**	5	1,047	0	**1,052**
Loans from financial institutions and the USPP				558	**558**		558		**558**
Finance lease liabilities				1	**1**		1		**1**
Other borrowings and financial liabilities				2	**2**		2		**2**
Bank overdrafts and advances			5		**5**	5			**5**
Accounts payable - Trade				115	**115**		115		**115**
Other liabilities				371	**371**		371		**371**

12/31/2015	Accounting category					Fair value			
	Financial instruments 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	20	3	0	0	**23**	20	3	0	**23**
Exchange rate hedging instruments		3			**3**		3		**3**
Marketable securities	20				**20**	20			**20**
II - Financial assets at amortized cost	0	0	1 172	0	**1 172**	237	935	0	**1 172**
Loans			2		**2**		2		**2**
Guarantee deposits			41		**41**		41		**41**
Net asset warranty			31		**31**		31		**31**
Accounts receivable - Trade			754		**754**		754		**754**
Other assets			107		**107**		107		**107**
Cash and bank			237		**237**	237			**237**
Financial instruments: Liabilities									
I - Financial liabilities at fair value	0	44	0	0	44	0	44	0	44
Cross Currency Interest Swap on loan		20			**20**		20		**20**
Exchange rate hedging instruments		24			**24**		24		**24**
II - Financial instruments at amortized cost	0	0	3	1 005	**1 008**	3	1 005	0	**1 008**
Loans from financial institutions and the USPP				547	**547**		547		**547**
Finance lease liabilities				2	**2**		2		**2**
Other borrowings and financial liabilities				2	**2**		2		**2**
Bank overdrafts and advances			3		**3**	3			**3**
Accounts payable - Trade				117	**117**		117		**117**
Other liabilities				337	**337**		337		**337**

No assets or liabilities measured at fair value have been transferred between different levels of the fair value hierarchy.

Amounts due to minority shareholders (€27.0 million and €46.0 million at June 30, 2016 and December 31, 2015, respectively) have been measured using the relevant contractual formula.

G.5 Foreign currencies

Principal currencies	*Country*	*Average rate* 1st half year 2016	*Closing rate* 06/30/2016	*Average rate* 1st half year 2015	*Closing rate* 12/31/2015
Europe					
£ sterling	United Kingdom	0.78	0.83	0.73	0.73
Americas and Asia					
Brazilian real	Brazil	4.14	3.59	3.31	4.31
Colombian peso	Colombia	3484.00	3241.00	2,772.00	3,442.00
US dollar	USA	1.12	1.11	1.12	1.09
Mexican peso	Mexico	20.17	20.64	16.89	18.92
Philippine peso	Philippines	52.32	52.24	49.73	51.00

H. Cash flows

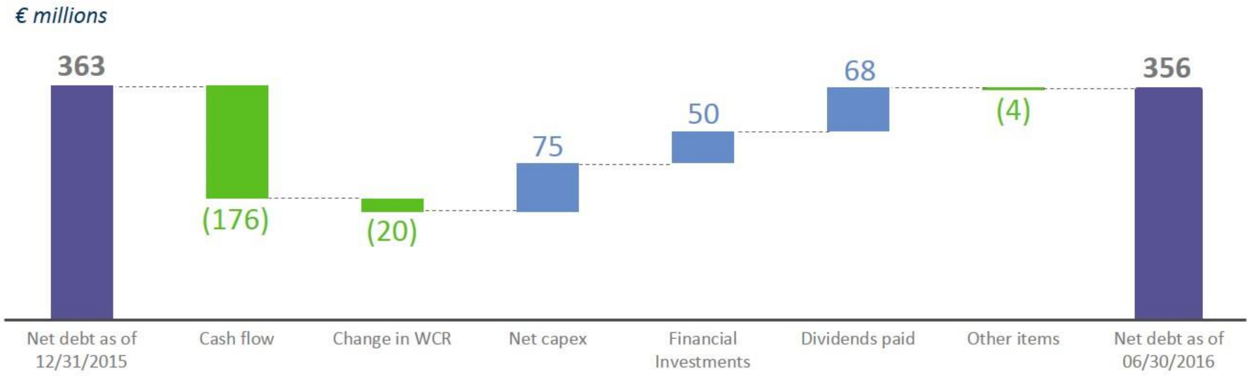
H.1 (Income) expenses, net, without effect on cash

	1st half year 2016	*1st half year 2015*
Depreciation, amortization and impairment losses on non-current assets	83	80
Change in provisions	1	1
Unrealized gains and losses on financial instruments	-2	-2
Share-based payments	8	6
Total	90	85

H.2 Change in working capital

	1st half year 2016	*1st half year 2015*
Accounts receivable - Trade	10	26
Accounts payable - Trade	14	-13
Other	-4	10
Total	20	23

H.3 Reconciliation of the change in net debt with cash flows



The amount shown as "Financial investments" relates to additional consideration paid for the shares of a subsidiary and to the purchase of Teleperformance shares.

H.4 Analysis of net cash presented in the condensed consolidated statement of cash flows

	06/30/2016	12/31/2015
Bank overdrafts	-5	-3
Marketable securities	4	20
Cash and bank	251	237
Net cash	250	254

I. Provisions, litigation, commitments and other contractual obligations

I.1 Change in provisions

	12/31/2015	Increases	Releases		Translation	Other	06/30/2016
			Utilized	Not utilized	differences		
Non-current							
Provisions for retirement benefits	10	1					11
Provisions for risks	0						0
Total	10	1	0	0	0	0	11
Current							
Provisions for risks	68	2	-3		-2	1	66
Provisions for other expenses	2	1					3
Total	70	3	-3	0	-2	1	69
TOTAL	**80**	**4**	**-3**	**0**	**-2**	**1**	**80**

Provisions for risks at June 30, 2016, include a contingent liability of €46.1 million (US$ 51.2 million), in respect of risks identified during the Aegis USA Inc. acquisition process in 2014, including tax risks of €30.1 million. An equivalent asset of €30.1 million has been recognized, as these risks are covered by a contractual warranty.

Other provisions for risks at June 30, 2016 include other risks in a total amount of €19.9 million, of which €8.5 million relates to personnel-related risks, principally concerning lawsuits with former employees, particularly in Argentina and France.

In respect of the fraud that occurred in 2014 at certain of our call centers concerning one specific customer, there have been no developments during 2016 that call into question the position taken by the group as of December 31, 2014. Taking into consideration the available legal analyses and the extent of insurance coverage, management remains confident that it can resolve this dispute without significant financial loss. No provision has been recognized in the group's financial statements as of June 30, 2016.

I.2 Warranties and other contractual obligations

The group has neither given nor received any significant new warranties during the first half of 2016.

J. Related parties

The Group has no knowledge of any significant transactions with related parties during the first half of 2016.

K. Events after the reporting date

None.

2. 2016 half year management report

2.1 Group revenue in the first half year 2016

A. Business activity over the last half year

Consolidated revenue amounted to €1,689 million in the first half of 2016, representing a year-on-year increase of + 6.8% at constant exchange rates and scope of consolidation (like-for-like). On a reported basis, growth was + 1.8%. This was due to a €77 million negative currency effect arising from the decrease in certain currencies – primarily Latin American currencies such as the Brazilian real, and the Mexican, Colombian and Argentine pesos – against the euro.

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

(€ millions)	**1st half year 2016**	**1st half year 2015**	***variation***	
			based on reported figures	*constant exchange rate & scope of consolidation*
English-speaking market & Asia-Pacific	829	815	*1.7%*	*4.2%*
Ibero-LATAM	400	422	*-5.3%*	*6.9%*
Continental Europe & MEA	460	421	*9.3%*	*11.8%*
Total	**1,689**	**1,658**	***1.8%***	***6.8%***

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

Compared with the prior-year period, revenue in the English-speaking market & Asia-Pacific region rose by + 4.2% like-for-like and by + 1.7% as reported.

Growth slowed temporarily in the first quarter due to an unfavorable basis of comparison, but moved back into pace with the global market in the second quarter of the year. Regional business was driven, in particular, by the ramp-up of major domestic contracts in the United States in the healthcare, financial services and insurance sectors, as well as by new contracts with globally-recognized sharing economy brands. Growth was also strong in the consumer electronics sector.

During the first half, Teleperformance continued to diversify its client portfolio in the region, by reducing its dependence on the telecommunications sector (including pay-TV), which accounted for only 26% of the region's revenue stream in 2015 compared with 30% in 2014.

In the Asia-Pacific region, Teleperformance continued to enjoy robust business growth in China, notably with locally based North American multinationals, as well as in India.

- **Ibero-LATAM**

Operations in the Ibero-LATAM region expanded at a sustained pace in first-half 2016, delivering growth of + 6.9% like-for-like. On a reported basis, however, revenue declined by 5.3% from the prior-year period due mainly to a particularly unfavorable exchange rate environment shaped by the decrease against the euro of certain currencies, including mainly the Brazilian real and the Mexican, Colombian and Argentine pesos.

A very good performance from operations in Portugal fueled most of the upswing. Business is expanding at a very swift pace, lifted by recent major contracts in a variety of areas, notably among globally-recognized sharing economy brands and in the leisure sector. This new volume is being handled by multilingual hubs in Lisbon, including the newest site – City Center – which came on stream in 2015 with 1,800 workstations.

Although the economic environment remains depressed in Brazil, Teleperformance continues to enjoy satisfactory business growth lifted by both domestic premium clients and by the ramp-up of new contracts with North American multinationals in the financial services, consumer electronics and sharing economy sectors.

- **Continental Europe & MEA**

Regional revenue rose by + 11.8% like-for-like and by + 9.3% as reported in the first half.

This strong growth reflects an ongoing network effect with global clients in several markets, in sectors ranging from consumer electronics and Internet services to e-commerce and financial services.

Performance was led by operations in the Netherlands, Greece (where clients are served by premium multilingual hubs located in Athens), the Middle East – notably Egypt and Dubai, where recently opened centers serve major Internet and consumer electronics firms – and Eastern Europe (Russia and Poland).

Revenue from the French-speaking market advanced at a satisfactory pace in the first half of 2016, driven primarily by offshore business in Morocco and Tunisia.

Teleperformance continues to support the market's growth by opening new sites, most of them offshore, and extending existing sites. Following on last year's openings in Albania, Dubai, Egypt, Lithuania and Suriname (which serves the Dutch market), Madagascar was chosen as the latest location for a new site that opened in first-half 2016.

The expansion of TLScontact, which provides visa application management services for governments, continued to have a positive impact on the region's growth, albeit less than in 2015, a year shaped by the rapid ramp-up of a contract with the British government. The strong performance in the first half of 2016 was spurred by a still high volume of visa applications from China and North Africa and by the development of new services.

B. First half 2016 result

EBITA before non-recurring items stood at €150 million, up + 4.5% from the €144 million reported in first-half 2015. EBITA margin before non-recurring items widened further to 8.9% from 8.7% in the year-earlier period.

(€ millions)	1st Half year 2016	1st Half year 2015
Operating profit	**131**	**126**
Share-based payments	8	6
Acquisition of intang. Assets acquired as part of business combination	11	12
EBITA before non-recurring items	**150**	**144**

EBITA before non-recurring items by region – excluding holding companies

(€ millions)	1st Half year 2016	1st Half year 2015
English-speaking market & Asia-Pacific	65	75
% of revenue	**7.9%**	**9.2%**
Ibero-LATAM	43	44
% of revenue	**10.7%**	**10.4%**
Continentale Europe & MEA	25	9
% of revenue	**5.4%**	**2.1%**
Total - including holding companies	150	144
% of revenue	**8.9%**	**8.7%**

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

The English-speaking and Asia-Pacific region achieved EBITA before non-recurring items of €65 million in the first half of 2016, compared to €75 million in the prior-year period. EBITA margin before non-recurring items stood at 7.9% versus 9.2% in first-half 2015. This decrease is primarily attributable to:

- An unfavorable basis of comparison mainly in the first quarter, stemming from a temporary decline in volume with a major client in the telecommunications sector in the United States.
- An unfavorable geographic mix effect related to significant growth in domestic business in the United States, notably in the financial services sector.
- The gradual ramp-up of new facilities that opened recently in Australia and China.
- The ongoing two-year increase in security costs, which began in 2015.

In the second half, Teleperformance aims to stabilize the region's margins in relation to the prior-year period as the basis of comparison becomes more favorable and the new facilities become fully operational.

- **Ibero-LATAM**

EBITA before non-recurring items in the Ibero-LATAM region amounted to €43 million in the first half of 2016, compared to €44 million in the prior-year period.

EBITA margin before non-recurring items remained high, rising to 10.7% versus 10.4% in the first half of 2015, mainly due to the strong and profitable growth of operations in Portugal and Colombia, good resilience in Brazil, and favorable currency trends for offshore business in Mexico serving the US market.

- **Continental Europe & MEA**

With EBITA before non-recurring items of €25 million, for a margin of 5.4% versus 2.1% in the prior-year period, the Continental & MEA region remained on the steady upward trend in profitability that began in 2012. Positive factors contributing to this growth included:

- An ongoing improvement in the French-speaking market's profitability, with a full-year objective of breaking even at the operating profit level.
- Good business growth and satisfactory cost discipline in a number of countries in Southern and Eastern Europe, such as Greece and Russia.
- Improved profitability for TLScontact's outsourced visa application management services.

Operating profit amounted to €131 million, up + 4.0% from €126 million in first-half 2015.

First-half 2016 operating profit reflects the amortization of intangible assets in an amount of €11 million, on a par with the prior-year period, and an €8 million accounting expense on performance share plans.

The financial result represented a net expense of €10 million, versus €4 million in first-half 2015, when the Group benefited from foreign exchange gains resulting from its active hedging policy.

Income tax expense amounted to €34 million, corresponding to an effective tax rate of 28.0%, versus 31.6% in the prior-year period.

Minority interests in net income amounted to €1 million.

Net profit - Group share increased by + 3.7%, to €86 million from €83 million in the prior-year period. Diluted earnings per share stood at €1.48, up + 2.1% year-on-year.

2.2 Cash flow and capital structure

A. Consolidated financial structure as of June 30, 2016

Long-term capital

(€ millions)	**06/30/2016**	**12/31/2015**
Shareholders' equity	1,727	1,765
Non-current financial liabilities	416	469
Total non-current capital	**2,143**	**2,234**

Short-term capital

(€ millions)	**06/30/2016**	**12/31/2015**
Current financial liabilities	195	151
Cash and cash equivalent	255	257
Cash, net of current liabilities	**60**	**106**

B. Cash flow

Source and amount of cash flows

(€ millions)	**06/30/2016**	**06/30/2015**
Internally generated funds from operations before changes in working capital requirements	176	167
Changes in working capital requirements	20	23
Cahs flow from operating activities	**196**	**190**
Investment and capital expenditure	-75	-86
Repayment of loans	0	1
Cash flow from investing activities	**-75**	**-85**
Proceeds from share capital increases / Treasury shares	-17	-2
Change in ownership interest in controlled activities	-33	-2
Dividends paid	-68	-53
Net change in financial liabilities	11	34
Interest paid on financial liabilities	-8	-9
Cash flow from financing activities	**-115**	**-32**
Change in cash and cash equivalent	**6**	**73**

Cash flow excluding interest paid and after tax rose to €176 million from €167 million in first-half 2015. Change in consolidated working capital requirement was an inflow of €20 million, on a par with the prior-year period. This good performance reflects, in particular, the success of the policy deployed to improve the Group's liquidity.

Net capital expenditure amounted to €75 million, or 4.4% of revenue, versus €85 million and 5.2% in first-half 2015. While maintaining good financial discipline, Teleperformance continued to create or expand contact centers to support clients in all markets, notably in the Asia-Pacific region (see Recent Developments below).

In all, net free cash flow increased sharply, to €121 million from €104 million in the prior-year period.

Financial investments, which totaled €50 million in the first half, included outlays related to TLScontact earn-out clauses and purchases of treasury shares.

After the payment of €68 million in dividends, net debt stood at €356 million at June 30, 2016. The Group's financial structure therefore remains very solid, with equity of €1,727 million at end-June.

2.3 Related parties

The group has no knowledge of any significant transactions with related parties during the first half of 2016.

2.4 Event after the reporting date

None.

2.5 Trend and prospects

A. Risks and uncertainties

The group is exposed to the risks which were described in the Reference Document for the year ended December 31, 2015, 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 2016.

B. 2016 outlook

In light of the encouraging first-half results, Teleperformance confirms and refines its full-year guidance, targeting:

- Like-for-like revenue growth of around + 7%.
- An EBITA margin before non-recurring items of at least 10.3%

In addition, Teleperformance expects to maintain a high level of net free cash flow in 2016.

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 2016 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 2016 ».

Paris, July 27, 2016

Paulo César Salles Vasques

Chief Executive Officer

4. Statutory auditors' review report on 2016 Half-yearly Financial Information

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.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the six-month period ended June 30, 2016

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 SE, for the period from January 1st, 2016 to June 30, 2016;
- 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.

1. 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.

2. 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, July 27, 2016

KPMG Audit IS

Eric Junières
Partner

Neuilly-sur-Seine, July 27, 2016

Deloitte & Associés

Philippe Battisti
Partner

Teleperformance
European Company
With a shre capital of €143,004,225
RCS number 301 292 702 Paris
21/25 rue Balzac – 75008 Paris – France
Tél : +33 1 59 83 59 00

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