Teleperformance
Transforming Passion into Excellence

PRESS RELEASE

First-Half 2016 Results

- **SUSTAINED GROWTH IN LIKE-FOR-LIKE REVENUE*: UP + 6.8%**
- **FASTER GROWTH IN THE SECOND QUARTER: UP + 8.2% LIKE-FOR-LIKE**
- **FURTHER INCREASE IN EBITA MARGIN BEFORE NON-RECURRING ITEMS** TO 8.9% OF REVENUE**
- **ROBUST GENERATION OF NET FREE CASH FLOW***: €121 MILLION**
- **CONTINUED STRENGTHENING OF GLOBAL LEADERSHIP POSITION, NOTABLY IN CHINA, PHILIPPINES, BRAZIL AND PORTUGAL WITH MORE THAN 8,000 ADDITIONAL WORKSTATIONS**
- **2016 OBJECTIVES CONFIRMED AND REFINED**

PARIS, JULY 27, 2016 – The Board of Directors of Teleperformance, the worldwide leader in outsourced omnichannel customer experience management, met today and reviewed the consolidated financial statements for the six months ended June 30, 2016. The Group also announced its half-year financial results.

INTERIM FINANCIAL HIGHLIGHTS

	H1 2016	H1 2015	*% change*	
	€1 = US$ 1.12	€1 = US$ 1.12		
€ millions			*Reported*	*Like-for-like*
Revenue	**1,689**	1,658	*+ 1.8%*	*+ 6.8%*
EBITDA before non-recurring items	**222**	212	*+ 4.8%*	
% of revenue	**13.2%**	12.8%		
EBITA before non-recurring items(1)	**150**	144	*+ 4.5%*	
% of revenue	**8.9%**	8.7%		
Operating profit	**131**	126	*+ 4.0%*	
Net profit - Group share	**86**	83	*+ 3.7%*	
Diluted earnings per share (€)	**1.48**	1.45	*+ 2.1%*	
Net free cash flow***	**121**	***104***	*+ 16.3%*	

(1) Operating income before amortization of acquisition-related intangibles and excluding non-recurring items.

NOTES:

** At constant exchange rates and scope of consolidation*
*** EBITA before non-recurring items as a % of revenue*
**** Internally generated funds from operations (excluding interest paid) - WCR - Net capital expenditure*

N.B.: The half-year financial statements at June 30, 2015 and June 30, 2016 have been subject to review by the auditors.

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

"We had a good first half with like-for-like revenue growth of + 6.8% and a further improvement in our EBITA margin before non-recurring items to 8.9%, which is in line with our 2016 targets. As expected, the pace of growth was faster in the second quarter than in the first, notably in North America and the Ibero-LATAM region. In addition, Continental Europe & MEA, China and India all continued to see double-digit growth in their operations over the period.

Our growth was not only profitable but also controlled, with improved margins and liquidity management discipline both reflected in robust cash flow generation. This very good performance stems from Teleperformance's unique global leadership position. In June, Everest Group recognized us as one of the world's top-performing Contact Center Outsourcing providers for the fourth year in a row. I would like to take this opportunity to thank all of our people for driving this performance and bringing us this recognition.

Backed by our encouraging first-half results, we are confirming and refining our full-year guidance, targeting like-for-like revenue growth of around + 7% and an EBITA margin before non-recurring items of at least 10.3%."

Daniel Julien, Executive Chairman of Teleperformance, added:

"Teleperformance has fantastic strengths on which it can draw to win new market share in an increasingly complex environment for our businesses, shaped in particular by the new needs of the digital revolution. Innovation, the core driver of our profitable, sustainable growth, is a key focus as we work to develop the most effective omnichannel strategies combining talent management and high value-added solutions to support the world's best-known brands.

Teleperformance also has a solid balance sheet and cash flow performance that allows it to take advantage of the many remaining acquisition opportunities in the still highly fragmented customer experience and business process outsourcing services market. External growth is another key value-creation driver for Teleperformance's shareholders and clients."

FIRST-HALF AND SECOND-QUARTER 2016 REVENUE

CONSOLIDATED REVENUE

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.

Consolidated revenue for the second quarter stood at €845 million, an increase of + 8.2% like-for-like compared with + 5.5% in the first quarter. On a reported basis, growth amounted to + 2.1% due to the negative currency effect.

REVENUE BY REGION

In the first half of 2016, all of the operating regions reported satisfactory like-for-like growth, equal to or above the global market average.

The geographic breakdown continued to reflect Teleperformance's unique global leadership position. In first-half 2016, the English-speaking market & Asia-Pacific region accounted for 49% of consolidated revenue, Ibero-LATAM 24% and Continental Europe & MEA 27%.

	H1 2016	**% total**	H1 2015	% total	*% change*	
€ millions					*Reported*	*Like-for-like*
English-speaking market & Asia-Pacific	**829**	**49%**	815	49%	*+ 1.7%*	*+ 4.2%*
Ibero-LATAM	**400**	**24%**	422	26%	*- 5.3%*	*+ 6.9%*
Continental Europe & MEA	**460**	**27%**	421	25%	*+ 9.3%*	*+ 11.8%*
TOTAL	**1,689**	**100%**	**1,658**	**100%**	***+ 1.8%***	***+ 6.8%***

	Q2 2016	**% total**	Q2 2015	% total	*% change*	
€ millions					*Reported*	*Like-for-like*
English-speaking market & Asia-Pacific	**404**	**48%**	399	48%	*+ 1.3%*	*+ 5.9%*
Ibero-LATAM	**210**	**25%**	214	26%	*- 2.0%*	*+ 9.8%*
Continental Europe & MEA	**231**	**27%**	214	26%	*+ 7.8%*	*+ 10.8%*
TOTAL	**845**	**100%**	**827**	**100%**	***+ 2.1%***	***+ 8.2%***

	Q1 2016	**% total**	Q1 2015	% total	*% change*	
€ millions					*Reported*	*Like-for-like*
English-speaking market & Asia-Pacific	**425**	**50%**	416	50%	*+ 2.1%*	*+ 2.6%*
Ibero-LATAM	**190**	**23%**	209	25%	*- 8.7%*	*+ 4.0%*
Continental Europe & MEA	**229**	**27%**	206	25%	*+ 10.9%*	*+ 12.9%*
TOTAL	**844**	**100%**	**831**	**100%**	***+ 1.6%***	***+ 5.5%***

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. In second-quarter 2016, regional revenue increased by + 5.9% like-for-like and by + 1.3% 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.

In the second quarter, like-for-like revenue growth accelerated significantly to + 9.8% compared with + 4.0% in the first quarter. Reported revenue declined by 2.0% over the period due to the adverse currency effect.

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, and by + 10.8% like-for-like and + 7.8% as reported in the second quarter.

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.

FIRST-HALF 2016 RESULTS

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.

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

	H1 2016	H1 2015
€ millions		
English-speaking market & Asia-Pacific	**65**	75
% of revenue	**7.9%**	9.2%
Ibero-LATAM	**43**	44
% of revenue	**10.7%**	10.4%
Continental 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 (EBIT) amounted to €131 million, up + 4.0% from €126 million in first-half 2015.

First-half 2016 EBIT 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.

CASH FLOWS AND FINANCIAL STRUCTURE

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 €86 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.

RECENT DEVELOPMENTS

In the first half of 2016, Teleperformance continued to deploy its strategy of expanding worldwide by opening new facilities in:

- The English-speaking market & Asia-Pacific region– in China, Philippines and Australia
- The Ibero-LATAM region – in Brazil
- Continental Europe & MEA – in Madagascar. The latter is designed to strengthen and diversify the offshore network serving the French-speaking market.

The number of workstations has also been increased at existing facilities in the English-speaking market & Asia-Pacific region (in the United-States, Canada and China), in the Ibero-LATAM region (in Colombia, Mexico, Brazil and Portugal) and in Continental Europe & MEA (in Albania, Lithuania and Russia)

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

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.

DISCLAIMER

All forward-looking statements are Teleperformance management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" section of our Registration Document, available at www.teleperformance.com. Teleperformance undertakes no obligation to publicly update or revise any of these forward-looking statements.

RESULTS PRESENTATION AND DOCUMENTATION

A conference call and webcast will be held today at 6:15 PM CEST
The webcast will be available live or for delayed viewing at:
http://teleperformance.webcast.ldvproduction.com/Index.aspx?eid=149&LngId=en

The half-year financial report and presentation materials will be available after the conference call on www.teleperformance.com at:
https://www.teleperformance.com/en-us/investor-relations/press-releases-and-documentation/annual-and-half-yearly-information

INVESTOR CALENDAR

Third-quarter 2016 revenue: Monday, November 14, 2016

ABOUT TELEPERFORMANCE

Teleperformance (RCF - ISIN: FR0000051807 - Reuters: ROCH.PA - Bloomberg: RCF FP), the worldwide leader in outsourced omnichannel customer experience management, serves companies around the world with customer care, technical support, customer acquisition and debt collection programs. In 2015, it reported consolidated revenue of €3.4 billion ($3.7 billion, based on €1 = $1.11).

The Group operates 147,000 computerized workstations, with close to 190,000 employees across 311 contact centers in 65 countries and serving more than 160 markets. It manages programs in 75 languages and dialects on behalf of major international companies operating in a wide variety of industries.

Teleperformance shares are traded on the Euronext Paris market, Compartment A, and are eligible for the deferred settlement service. They are included in the following indices: STOXX 600, SBF 120, Next 150, CAC Mid 60 and CAC Support Services. They also have been included in the Euronext Vigeo Eurozone 120 index since December 2015, with regard of the Group's performance in corporate responsibility

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

CONSOLIDATED INCOME STATEMENT

€ millions

	1st ½ yr 2016	1st ½ yr 2015
Revenues	**1 689**	**1 658**
Other revenues	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	-8	-6
Operating profit	**131**	**126**
Income from cash and cash equivalents	1	
Interest on financial liabilities	-12	-12
Net financing costs	**-11**	**-12**
Other financial income (expenses), net	1	8
Financial result	**-10**	**-4**
Profit before taxes	**121**	**122**
Income tax	-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 €)	**1,51**	**1,45**
Diluted earnings per share (in €)	**1,48**	**1,45**

N.B.: The half-year financial statements at June 30, 2015 and June 30, 2016 have been subject to review by the auditors.

CONSOLIDATED CASH FLOW STATEMENT

€ millions

Cash flows from operating activities	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	90	85
Income tax paid	-43	-49
Internally generated funds from operations	**176**	***167***
Change in working capital	**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	-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	**254**	**214**
Net cash at June 30	**250**	**256**
	0	*0*

** 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 .*

CONSOLIDATED BALANCE SHEET

€ millions

ASSETS	06.30.2016	12.31.2015
Non-current assets		
Goodwill	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	734	754
Other current assets	123	107
Other financial assets	45	43
Cash and cash equivalents	255	257
Total current assets	1 196	1 197
Total assets	**3 055**	**3 099**

EQUITY AND LIABILITIES	06.30.2016	12.31.2015
Equity		
Share capital	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	11	10
Financial liabilities	416	469
Deferred tax liabilities	104	110
Total non-current liabilities	531	589
Current liabilities		
Provisions	69	70
Current income tax	47	46
Accounts payable - Trade	115	117
Other current liabilities	371	361
Other financial liabilities	195	151
Total current liabilities	797	745
Total equity and liabilities	**3 055**	**3 099**

N.B.: The half-year financial statements at June 30, 2015 and June 30, 2016 have been subject to review by the auditors.