Transcom

Q4

Fourth Quarter and Full-Year 2012 Results

Transcom discloses the information in this year-end report pursuant to the Luxembourg Transparency Obligations Law as amended. Submitted for publication on February 14, 2013 at 08:00am CET.

Q4 2012 financial highlights

- **Net revenue** €162.9 million, a 14.1% increase compared to Q411 (€142.8 million)
- **Gross margin** 18.2%, a 0.5 percentage point decrease compared to Q411 (18.7%)
- **Underlying gross margin** 18.5%, a 0.2 percentage point decrease compared to Q411 (18.7%)
- **EBITA** €0.2 million compared to €2.2 million in Q411
- **Underlying EBITA** €2.9* million compared to €2.2 million in Q411
- **EPS** -2.0 Euro cents compared to -1.3 Euro cents in Q411
- **The exchange rate** impact on revenue was +€3.6 million, and the impact on EBIT was +€0.2 million

Full year financial highlights

- **Net revenue** €605.6 million, a 9.3% increase compared to 2011 (€554.1 million)
- **Gross margin** 18.5%, a 1.2 percentage point increase compared to 2011 (17.3%)
- **Underlying gross margin** 18.6%, a 0.8 percentage point increase compared to 2011 (17.8%)
- **EBITA** €6.9 million compared to €-26.2 million in 2011
- **Underlying EBITA** €12.8 million compared to €6.8 million in 2011
- **EPS** -2.4 Euro cents compared to -63.1 Euro cents in 2011
- **The exchange rate** impact on revenue was €15.2 million and the impact on EBIT was €0.4 million

(€ m)	2012 Q4	2011*** Q4	Change Y-o-Y	2012 Jan- Dec	2011*** Jan-Dec	Change Y-o-Y
Net revenue	162.9	142.8	14.1%	605.6	554.1	9.3%
Gross profit	29.7	26.7	11.2%	111.8	95.8	16.8%
Underlying gross profit	30.1	26.7	12.6%	112.9	98.8	14.2%
EBITDA	1.9	3.3	-41.0%	14.1	(17.2)	-
Underlying EBITDA	4.6*	4.0	13.8%	19.4	14.3	35.1%
EBITA	0.2	2.2	-90.8%	6.9	(26.2)	-
Underlying EBITA	2.9*	2.2	32.0%	12.8	6.8	87.7%
EBIT	(21.3)**	1.2	-	(17.6)**	(29.0)	-
Underlying EBIT	2.0*	1.2	65.0%	8.9	4.1	114.8%
Net financial items	(1.5)	(0.1)	-	(5.9)	(3.0)	-
Profit before tax	(22.8)**	1.1	-	(23.5)**	(32.0)	-
Net income	(25.0)**	(1.2)	-	(30.5)**	(50.4)	-
EPS (Euro cents)	(2.0)**	(1.3)	-	(2.4)**	(63.1)	-
Net cash flow from operations	(2.7)	8.0	-	(12.8)	27.5	-
Total weighted average outstanding number of shares before dilution ('000)	1,245,533	92,903	-	1,245,533	79,790	-

* Excluding €1.9m in restructuring and other non-recurring costs related to a restructuring of the Company's corporate and regional organizations, and €0.8m in non-recurring costs related to specific activities in France, mainly legal and professional fees

** Impacted by a €20.6 million write-down of goodwill and other intangible assets

*** Historical data reflects a reclassification of €0.3 million in costs from depreciation to amortization, and the correction of a prior year misstatement of Italian pension liabilities as described in note 2.3

\- Not applicable / not meaningful percentage comparison

Comments from the President and CEO

Revenue growth trend continued in Q412

The growth trend continued in the fourth quarter with revenue increasing by 14.1% compared to the same period last year. Most of the increase was organic, whereas foreign exchange effects added 2.5 percentage points to overall growth. Increasing volumes with our installed client base was the most significant growth driver. Revenue generated by new clients also contributed meaningfully to our top-line growth. This is a direct resut of our successful client development efforts during the year, not least in new geographical regions. We have signed agreements with several new clients in the Asia-Pacific region, not only in the Philippines but also in Australasia. We will continue to execute on our strategy to evolve some of our offshore locations into home markets in 2013. This will allow us to grow in new attractive markets, diversify our client base, and increase our seat capacity utilization as we increasingly serve clients across many time zones.

From a full-year perspective, revenue increased by 9.3% to €605.6 million. Again, most of this revenue growth was generated organically, while currency effects contributed 2.7 percentage points.

Underlying profitability improved despite significant expansion investments

Underlying EBITA, excluding restructuring and other non-recurring costs, was €2.9 million in Q412 (€2.2 million in Q411). Of the €2.7 million in restructuring and non-recurring costs in the quarter, €1.9 million is attributable to the previously announced restructuring of our corporate and regional organizations, and €0.8 million is related to specific activities in France.

The rapid growth in the North and North America & Asia Pacific region has created some operational challenges related to the start-up of new service agreements, and has also necessitated extra investments in order to ensure high-quality service delivery to our clients. Performance in the North region was impacted by ramp-up costs for a new client, and by expansion investments in Sweden, Latvia and Estonia. In the North America & Asia Pacific region, we have not yet reached optimal utilization of the investment in additional capacity put in place in Q312. Revenue associated with this investment has gradually been ramped up during the fourth quarter, and we expect the seat capacity utilization in the Philippines to stabilize at an adequate level by the end of the first quarter of 2013. In the credit management services (CMS) business, lower volumes negatively impacted results. Also, a reassessment of accrued revenue in CMS negatively impacted the Q412 EBITA by €0.4 million.

Transcom's underlying EBITA in FY 2012 was €12.8 million (€6.8 million in FY 2011). In addition to previously announced restructuring and non-recurring costs, the underlying EBITA in FY 2012 also excludes €1.7 million in non-recurring costs related to Transcom's French operations, mainly legal and professional fees (€0.8m in Q412, €0.6m in Q312 and €0.3m in Q212).

Johan Eriksson, President and CEO of Transcom

Key events during 2012

Expansion of operations in the Philippines

Transcom significantly expanded operations in the Philippines, more than doubling our workforce in the country during the year. This growth was driven both by client demands for increased offshore delivery, and by the start-up of business with new local clients in the Asia Pacific region.

Credit Management Services (CMS)

A separate business unit for Transcom's operations in Credit Management Services (CMS) was established. The Board of Directors also initiated a review of strategic alternatives for the CMS business unit, a spin-off to Transcom's shareholders being the main option considered.

Safeguard proceedings opened for Transcom's French subsidiary

At the end of the year, safeguard proceedings were opened for Transcom's French subsidiary, Transcom WorldWide (France) S.A.S. Transcom WorldWide S.A. will not continue financing the French subsidiary's loss-making operations beyond 1 March 2013.

Organizational changes

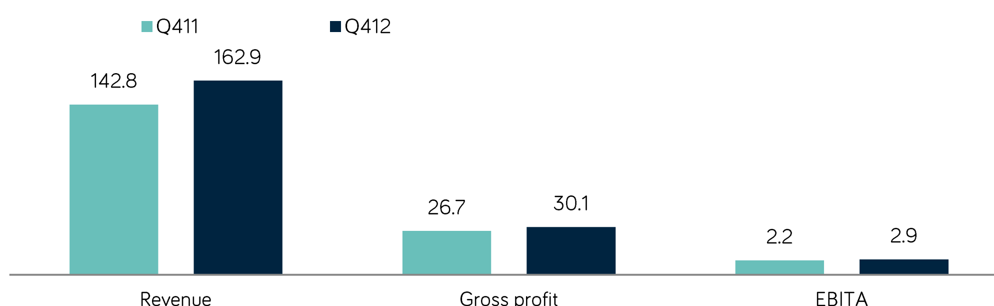
Transcom's corporate organization was streamlined, and a Group management office was established in Stockholm, Sweden. Some key Group functions have been consolidated to this location in order to increase management efficiency and strengthen control.

Updated brand positioning

In December 2012, Transcom launched its updated brand positioning, emphasizing our role in creating outstanding customer experiences, driving revenue and brand loyalty for our clients.

Group Operating Review, Q4 2012

Group quarterly development, underlying business performance



Revenue and new business development

In the fourth quarter of 2012, Transcom reported net revenue of €162.9 million, a 14.1% increase compared to the same period last year. While revenue decreased in the CMS business unit (-9.0%), all our regions reported positive revenue growth: North America & Asia Pacific (+23.8%), Central Europe (+11.5%), Iberia (+8.6%), North (+19.7%), and South (+17.5%).

Currency effects had a €3.6 million positive impact on the Q412 vs. Q411 revenue comparison.

Underlying operational performance

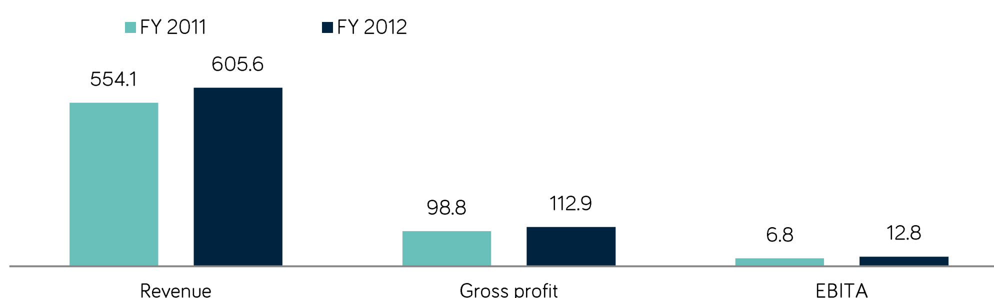
Transcom's underlying EBITA in Q412 amounted to €2.9 million, an increase of €0.7 million relative to Q411. Currency effects had a €0.2 million positive impact on EBITA relative to Q411. Expansion investments during the quarter offset €3.0 million in restructuring savings and €1.3 million in volume and efficiency improvements compared to Q411. The Q412 vs. Q411 comparison is also negatively impacted by €0.8 million in non-recurring costs related to specific activities in France, as shown in the table below. In addition, the Q412 result was impacted by €0.4 million from the reassessment of accrued revenue in CMS.

	North	Iberia	South	North America & AP	Central Europe	CMS	Group
EBITA Q4 2011*	4.0	1.4	(3.0)	(0.4)	(1.2)	1.5	2.2
Restructuring savings	0.1	0.0	0.7	2.1	0.2	0.0	3.0
Volume & efficiency driven impacts, incl. ramp-up costs	(2.5)	0.6	0.9	1.7	1.7	(1.2)	1.3
Expansion investments	(0.1)	(0.7)	0.0	(3.6)	0.0	0.0	(4.4)
Investments in sales & support functions	(0.1)	0.0	0.0	(0.0)	0.0	0.0	(0.1)
Non-recurring costs related to France	0.0	0.0	0.8	0.0	0.0	0.0	0.8
EBITA Q4 2012*	1.4	1.4	(0.6)	(0.2)	0.6	0.3	2.9

* Underlying performance, excluding restructuring and other non-recurring costs

Group Operating Review, FY 2012

Group development in FY 2012, underlying business performance



Revenue and new business development

Transcom reported full-year revenues amounting to €605.6 million in 2012, a 9.3% increase compared to 2011. Revenue fell in the CMS business unit (-4.8%), but all regions reported positive revenue growth: North America & Asia Pacific (+14.0%), Central Europe (+4.0%), Iberia (+9.6%), North (+15.6%), and South (+6.4%).

Currency effects had a €15.2 million positive impact on the 2012 vs. 2011 revenue comparison.

Underlying operational performance

Transcom's EBITA in 2012 amounted to €12.8 million, an increase of €6.0 million relative to 2011, as illustrated in the table below. Currency effects had a €0.4 million positive impact on EBITA relative to 2011. €7.4 million in expansion investments during the year partly offset €7.6 million in restructuring savings and €3.5 million in volume and efficiency improvements compared to 2011. The 2012 vs. 2011 comparison is also negatively impacted by €1.7 million in non-recurring costs related to specific activities in France, as shown in the table below. In addition, the 2012 result was impacted by €0.4 million from the reassessment of accrued revenue in CMS.

	North	Iberia	South	North America & AP	Central Europe	CMS	Group
EBITA 2011*	8.3	5.1	(8.2)	(3.4)	(0.1)	5.0	6.8
Restructuring savings	0.5	0.3	2.0	3.8	0.8	0.0	7.6
Volume & efficiency driven impacts	(3.5)	1.4	1.8	5.6	(0.8)	(1.2)	3.5
Expansion investments/ramp-up costs	(0.4)	(1.7)	0.0	(5.3)	0.0	0.0	(7.4)
Investments in sales & support functions	(0.3)	0.0	(0.1)	(0.4)	0.0	0.0	(0.7)
Reclassification of amortization	0.3	0.2	0.2	0.2	0.1	0.1	1.2
Exceptional Costs related to France	0.0	0.0	1.7	0.0	0.0	0.0	1.7
EBITA 2012*	5.0	5.4	(2.4)	0.7	0.1	4.0	12.8

* Underlying performance, excluding restructuring and other non-recurring costs

Group Financial Review

Depreciation & Amortization

Depreciation in the fourth quarter of 2012 was €1.7 million (€1.1 million in Q411) and amortization of intangible assets was €0.9 million (€1.0 million in Q411). On a full-year basis, depreciation was €7.1 million in 2012, a €1.9 million decrease compared to 2011 (€9.0 million).

Goodwill

As previously announced, Transcom has assessed the impact of changes in its segment reporting structure on goodwill carrying values. After finalizing the impairment test for 2012, Transcom recorded non-cash goodwill and other intangible asset impairment charges in Q412. The charges are related to Transcom's Credit Management Services (CMS) business unit and, to a lesser extent, to a brand name that Transcom no longer uses in its operations in the North America & Asia Pacific region.

The impairment charges amount to a total of €20.6 million. €14.7 million of this amount is attributable to impairment of goodwill related to the CMS business unit, and €5.9 million refers to impairment of brand name intangible assets in the North America & Asia Pacific region.

The impairment is a non-recurring, non-cash charge to earnings. It will not affect Transcom's liquidity, cash flow or bank covenants, or have any impact on future operations. The charges are based on long-term assessments, and not specifically related to the short-term performance of the respective business unit.

SG&A

SG&A expenses were €30.8 million in the quarter compared to €25.0 million in Q411. SG&A in Q412 was negatively impacted by €2.7 million in restructuring and other non-recurring costs.

As a comparison, SG&A in Q411 was negatively impacted by a €1.5 million provision for VAT adjustment in France, a €0.5 million write-off of receivables in the North America & Asia Pacific region due to a client filing for bankruptcy, a €0.4 million provision related to a dispute with a client in North America & Asia Pacific, a €0.5 million cost for severance pay to the former CEO, and was positively impacted by a reversal for €1.1 million of the LTIP accrual due to the weak performance in the company, resulting in a reduced potential liability.

Net of these one-off effects in Q412 and Q411, SG&A increased by €4.9 million year-on-year, mainly as a result of higher costs due to expansion.

Excluding one-off effects, SG&A in 2012 was €95.9 million, compared to €88.7 million in 2011. The €7.2 million increase in SG&A costs stems from increased costs due to expansion.

Restatement of 2011 results due to correction of a prior year misstatement of Italian pension liabilities

The Group contributes to a defined benefit plan for the employees of its Italian operation. With effect from January 1, 2007 the Italian laws were changed. However, the old plan remains in place for the past. An adjustment is made to the provision based on the actuarial report to bring it into accordance with IAS 19. During the preparation of the 2012 financial statements, Management identified that this adjustment had been incorrectly recorded in the past. Therefore, Transcom has restated its December 31, 2011 financial statements. The effect of the correction is to increase the Employee Benefit Obligations by €4,599k as at December 31, 2011 and increase Administrative Expenses by €765k for the year ended December 31, 2011. Please see note 2.3.

Debt & Financing

Transcom increased debt by €4.8 million compared to Q312 (of which €0.2 million positive foreign exchange impact), to €80.7 million. Net Debt/EBITDA in Q412 was 1.97x, as compared to the Q312 level of 1.71. This is due to higher net debt, as a result of increased investments. Consolidated net financial expenses/EBITDA in Q412 was 6.69x, compared to 5.78x in Q312. Both covenants are within the thresholds and Transcom expects to continue to be in compliance with its covenant terms in 2013.

Tax

Tax charge

The tax charge in Q412 amounted to €2.2 million, compared to €2.3 million in Q411. The tax provision, net of payments of €5.4 million, amounts to €16.2 million.

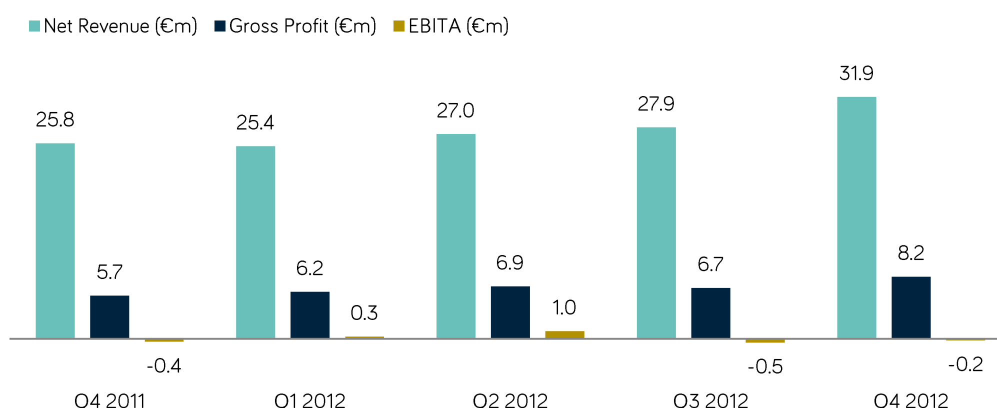
The full-year 2012 tax charge amounts to €7.0 million (versus €18.4 million in 2011). €6.0 million relates to current income tax (versus €5.4 million in 2011), €2.1 million adjustments in respect of prior years (versus €14.1 million in 2011) and €1.1 million net deferred tax income (versus €1.1 million in 2011).

Ongoing tax audits and tax litigations

The Group is currently subject to six tax audits. Three new audits were launched in 2012. Four tax audits were closed in 2012 without material tax costs.

Segmental operating review, underlying performance

North America & Asia Pacific



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	31.9	25.8	23.8%	112.1	98.3	14.0%
Gross profit	8.2	5.7	42.8%	27.9	18.8	48.5%
Gross margin	25.6%	22.2%	-	24.9%	19.1%	-
EBITDA	0.1	0.1	-	2.1	-0.8	-
EBITDA Margin	0.4%	0.3%	-	1.9%	-0.8%	-
EBITA	-0.2	-0.4	-	0.7	-3.4	-
EBITA margin	-0.6%	-1.6%	-	0.6%	-3.5%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

The expansion of our operations in the Philippines drove the revenue increase, most of which is attributable to an increased demand for offshore delivery from our installed client base in North America and the United Kingdom. New business won with local clients in the Asia Pacific region also contributed to the revenue increase. Revenue was positively impacted by foreign exchange effects, contributing approximately €1.0 million.

The gross margin improvement compared to the same period last year is mainly due to increased volumes delivered from the Philippines, where revenue per hour worked is lower but margins are higher. The capacity adjustments undertaken in North America during 2011 and 2012 also had a positive impact on margins.

EBITA in the quarter was negatively impacted by support costs related to the expansion in the Philippines. Revenue associated with these additional costs lag the expenditure, and is being ramped up gradually. We expect margins to improve as the seat capacity utilization in the Philippines normalizes during the first quarter of 2013.

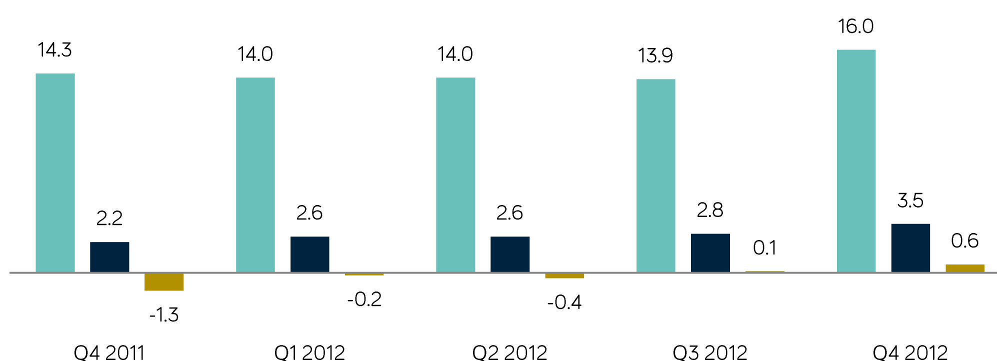
Full year 2012

Full-year revenues increased by €13.8 million, the lion's share of which is due to increased offshore volumes with our installed client base in North America and the United Kingdom. New business won with several new clients based in the Asia Pacific region also contributed to the revenue increase.

The shift in volumes delivered from onshore contact centers in North America to our offshore locations in the Philippines had a positive effect on margins. Also, the site closures undertaken during 2011 and 2012 in North America increased efficiency.

The region reported a positive EBITA for the full year, compared to a loss last year. The positive development in the Philippines was counterbalanced by unsatisfactory performance in North America. Despite restructuring actions in 2012, capacity utilization onshore in North America was still below our target. Further restructuring actions in North America are currently being considered, in order to increase operational efficiency.

Central Europe



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	16.0	14.3	11.5%	57.8	55.6	4.0%
Gross profit	3.5	2.2	60.8%	11.5	11.2	2.8%
Gross margin	21.9%	15.2%	-	19.9%	20.1%	-
EBITDA	0.8	-1.0	-	0.8	0.9	-8.3%
EBITDA Margin	5.0%	-7.3%	-	1.4%	1.6%	-
EBITA	0.6	-1.3	-	0.1	-0.1	-
EBITA margin	4.0%	-8.8%	-	0.2%	-0.1%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

The revenue increase in the quarter was mainly driven by strong growth in the Netherlands, Poland and Hungary, both with our installed base clients and with new accounts.

The positive movement in gross margin was mainly the result of higher volumes and improved seat capacity utilization in the Netherlands, and performance improvements in Germany as a result of lower costs and increased flexibility following the renegotiation of labor agreements in the country.

Lower sales costs in the Netherlands contributed to the decrease in SG&A costs.

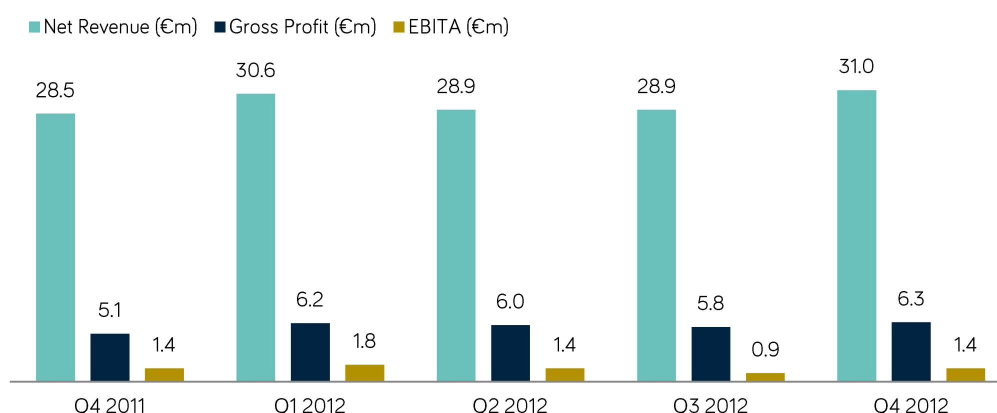
Full year 2012

Increased volumes with existing clients – primarily in the Netherlands, Poland and Hungary – drove higher revenues. A new consumer electronics client in the Netherlands also contributed to the revenue increase.

Gross margin was slightly lower versus last year, driven by lower volumes and efficiency in Germany. Performance in Germany improved in the latter part of the year. Start-up costs related to new business in the Netherlands also affected margins negatively.

EBITA improved slightly, driven by performance improvements during the fourth quarter.

Iberia



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	31.0	28.5	8.6%	119.4	108.9	9.6%
Gross profit	6.3	5.1	22.3%	24.3	21.3	13.9%
Gross margin	20.3%	18.0%	-	20.3%	19.6%	-
EBITDA	1.8	1.9	-2.2%	7.4	7.1	4.8%
EBITDA margin	5.9%	6.6%	-	6.2%	6.5%	-
EBITA	1.4	1.4	-2.5%	5.4	5.1	6.2%
EBITA margin	4.4%	4.9%	-	4.5%	4.7%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

The revenue increase compared to Q411 was primarily driven by increasing volumes with existing clients in Spain, but also thanks to the start-up of new business, contributing approximately €0.8 million in additional revenue. Revenue was positively impacted by foreign exchange effects, contributing approximately €0.4 million.

Higher volumes and improved operational efficiency in Spain drove the 2.3 percentage point improvement in gross margin, despite a negative impact from the appreciation of the Chilean Peso, as well as by higher salary costs in Chile following a new labor agreement.

Higher SG&A costs impacted on EBITA, mainly as a result of expansion investments in Peru and Spain.

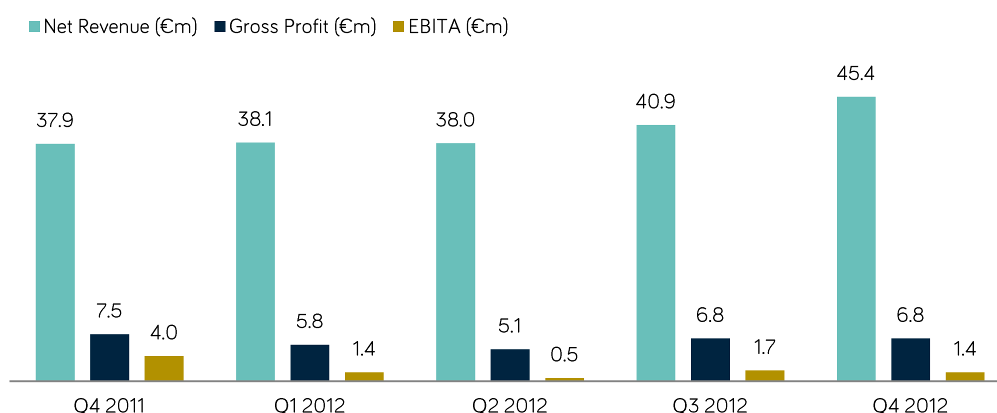
Full year 2012

The ramp-up of additional volumes with one of our largest clients in the telecommunications sector was the most significant factor driving the increase in revenue. We also expanded operations with financial services clients in Spain. New contracts contributed €2.5 million in additional revenue compared to 2011.

The gross margin improvement is mainly due to higher volumes and operational improvements in Spain during the year, despite a negative impact from the appreciation of the Chilean Peso, as well as by higher salary costs in Chile following a new labor agreement.

SG&A costs increased as a result of expansion investments undertaken during the year in order to support increased volumes with existing clients. Transcom's new contact center in Peru, which was opened in the latter part of 2011, also contributed to higher support costs.

North



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	45.4	37.9	19.7%	162.4	140.5	15.6%
Gross profit	6.8	7.5	-10.4%	24.4	24.6	-0.8%
Gross margin	14.9%	19.9%	-	15.0%	17.5%	-
EBITDA	1.9	4.3	-55.6%	6.5	9.5	-31.6%
EBITDA margin	4.2%	11.3%	-	4.0%	6.8%	-
EBITA	1.4	4.0	-65.0%	5.0	8.3	-39.6%
EBITA margin	3.1%	10.5%	-	3.1%	5.9%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

The revenue increase in the North region is mainly due to higher contact center volumes with existing clients. New clients accounted for approximately €1.4 million in additional revenue compared to Q411. All countries except Denmark reported higher revenue compared to last year. The positive growth trend in the interpretation business in Sweden contributed strongly to the top-line result, adding approximately €1.9 million in revenue. Foreign exchange effects had a €1.9 million positive impact on revenue, relative to Q411. During the quarter, the first implementation wave of a technical support program for a new consumer electronics client was successfully launched. This program is based entirely on agents working from home, delivering services in all Scandinavian languages.

Gross margin in the fourth quarter decreased by 5.0 percentage points compared to the same period in 2011. This was mainly due to operational performance issues on some client projects. Also, ramp-up costs for a new client impacted the result. An action plan to improve operational performance is currently being implemented, and is expected to deliver results during the first quarter of 2013.

The SG&A cost increased compared to Q411 is mainly due to expansion investments in Sweden, Latvia and Estonia.

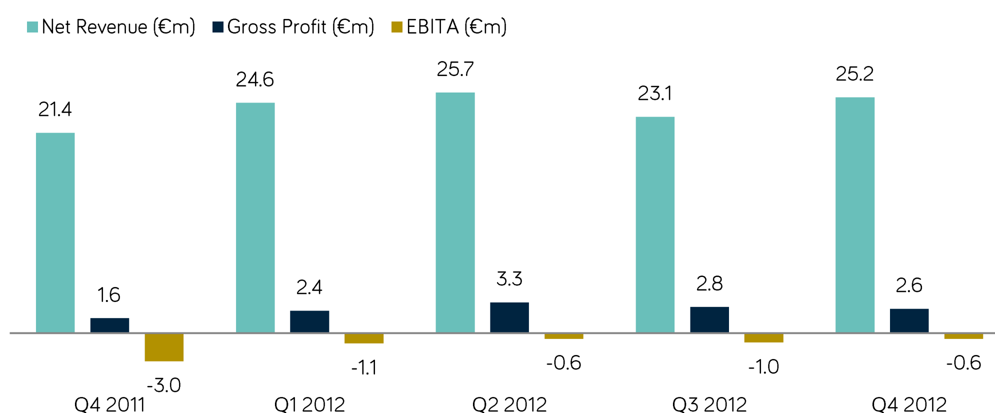
Full year 2012

The €22 million increase in revenue compared to 2011 was driven both by increased contact center volumes with installed base clients – predominantly in the telecom sector – as well as by the strong development in the interpretation business during the year. New client wins also contributed to the growth. Foreign exchange effects had a €5.7 million positive impact on revenue, relative to 2011.

The 2.5 percentage point decrease in gross margin was mainly driven by lower operational efficiency on some client projects, higher attrition and higher training costs compared to the same period last year.

SG&A costs increased compared to 2011, mainly due to investments to support revenue growth in Sweden, Latvia and Estonia.

South



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	25.2	21.4	17.5%	98.5	92.6	6.4%
Gross profit	2.6	1.6	69.7%	11.2	6.2	79.2%
Gross margin	10.5%	7.2%	-	11.3%	6.7%	-
EBITDA	-0.5	-2.8	-	-1.8	-7.9	-
EBITDA Margin	-1.8%	-12.9%	-	-1.8%	-8.6%	-
EBITA	-0.6	-3.0	-	-2.4	-8.2	-
EBITA margin	-2.4%	-14.0%	-	-2.5%	-8.8%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

Higher volumes with our installed client base in Italy, as well as from new clients, drove the revenue increase in the quarter. Lower volumes in France partly offset the positive development in Italy.

The gross margin improvement is mainly due to an increased proportion of offshore delivery, in addition to efficiency improvements and restructuring savings in France.

The improvement in EBITA was driven by a higher proportion of offshore delivery, and savings as a result of the closure of the Vélizy site in France.

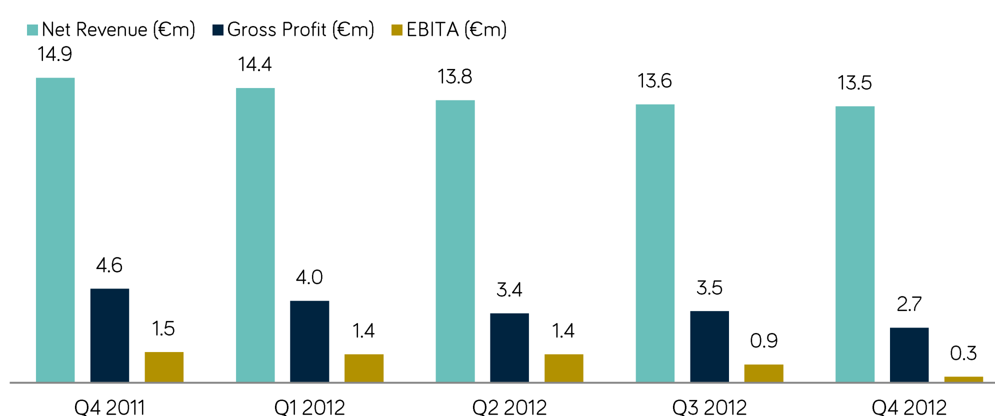
Full year 2012

Higher volumes with our installed client base in Italy, as well as from new clients, drove the revenue increase. Lower volumes in France partly offset the positive development in Italy.

Gross margin improved significantly compared to 2011, mainly due to a higher proportion of offshore delivery, efficiency improvements, and restructuring savings in France.

The improvement in EBITA was driven by the factors explained above.

Credit Management Services (CMS)



(€ millions)	2012 Oct-Dec	2011* Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Revenue	13.5	14.9	-9.0%	55.3	58.1	-4.8%
Gross profit	2.7	4.6	-40.3%	13.6	16.7	-18.5%
Gross margin	20.1%	30.7%	-	24.6%	28.8%	-
EBITDA	0.4	1.6	-76.0%	4.3	5.7	-23.9%
EBITDA Margin	2.9%	10.9%	-	7.8%	9.8%	-
EBITA	0.3	1.5	-81.1%	4.0	5.0	-21.0%
EBITA margin	2.0%	9.9%	-	7.2%	8.7%	-

* Historical data reflects a reclassification of costs from depreciation to amortization

October-December 2012

The revenue decrease is due to lower case volumes and collection rates compared to last year, especially in Germany, Poland and Austria. This was counterbalanced to some extent by increased revenue in Scandinavia, both from existing contracts and new sales. However, taking into account that Q411 revenue was positively impacted by a €0.2 million reassessment of accrued revenue, and that Q412 was negatively impacted by a €-0.4 million accrued revenue reassessment, the year-on-year decrease is 5.4%.

During the year, we have invested in sales resources in Germany and Austria to drive new sales. Based on recent strong sales performance, we see good growth potential. However, new accounts generally take longer to develop in CMS, relative to the CRM business.

The drop in gross margin and EBITA is primarily due to the decrease in volumes handled. We have also experienced increased price pressure. Performance in the UK has improved, and we expect a full turnaround

during 2013, driven by volume growth, operational efficiency improvements and SG&A savings. Cost reduction initiatives lowered SG&A expenses by €0.6 million.

Full year 2012

The revenue decrease is due to lower case volumes and collection rates compared to last year, especially in Germany, Poland and Austria. This was counterbalanced to some extent by increased revenue in Scandinavia, both from existing contracts and new sales.

The drop in gross margin and EBITA is primarily due to the decrease in volumes handled. Performance in the UK improved during the latter part of the year, and we expect a full turnaround during 2013, driven by volume growth, operational efficiency improvements and SG&A savings. Cost reduction initiatives lowered SG&A expenses by €2.1 million.

Other information

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU. This report has been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting". The accounting principles and calculation method applied in this report are consistent with those described in the 2011 consolidated financial statements. Unless otherwise noted, the numbers in the press release have not been audited. The financial information and certain other information presented in a number of tables in this press release have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this press release reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Results Conference Call and Webcast

Transcom will host a conference call at 10.30 am CET (09:30 am UK time) on Thursday, February 14, 2013. The conference call will be held in English and will also be available as webcast on Transcom's website, www.transcom.com.

Dial-in information

To ensure that you are connected to the conference call, please dial in a few minutes before the start in order to register your attendance.

Sweden: 08-503 364 34
UK: +44 (0) 1452 555 566
US: +1 631 510 7498
Passcode: 90070361

For a replay of the results conference call, please visit www.transcom.com to view the webcast of the event.

Transcom WorldWide S.A. 2013 Annual General Meeting

The 2013 Annual General Meeting will be held on May 29, 2013 in Luxembourg. Shareholders who hold at least 5% of the issued share capital, and who wish to have matters considered at the Annual General Meeting, should submit their proposal in writing to agm@transcom.com or by registered mail to the Company Secretary, Transcom WorldWide S.A., 45 rue des Scillas, L-2529 Howald, Luxembourg, at least 2 months prior to the Meeting in order that the proposal may be included in the notice to the Meeting. Further details on how and when to register will be published in advance of the Meeting.

Nomination Committee for the 2013 Annual General Meeting

A Nomination Committee of major shareholders in Transcom has been formed in accordance with the resolution of the 2012 Annual General Meeting. The Nomination Committee is comprised of Mia Brunell Livfors on behalf of Investment AB Kinnevik, Stefan Charette on behalf of Creades AB, and Arne Lööw on behalf of the Fourth Swedish National Pension Fund (Fjärde AP-fonden). Mia Brunell Livfors has been elected Chairman of the Nomination Committee. Information about the work of the Nomination Committee can be found on Transcom's corporate website at: www.transcom.com.

Shareholders wishing to propose candidates for election to the Board of Directors of Transcom WorldWide S.A. should submit their proposal in writing to agm@transcom.com or to the Company Secretary, Transcom WorldWide S.A., 45 rue des Scillas, L-2529 Howald, Luxembourg.

Notice of Financial Results

Transcom's financial results for the first quarter 2013 will be published on 18 April 2013.

Johan Eriksson
14 February 2013

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www.transcom.com
Company registration number: RCS B59528

For further information please contact:

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About Transcom

Transcom is a global customer experience specialist, providing customer care, sales, technical support and credit management services through our extensive network of contact centers and work-at-home agents. We are 30,000 customer experience specialists at 70 contact centers across 28 countries, delivering services in 33 languages to over 350 international brands in various industry verticals. Transcom WorldWide S.A. Class A and Class B shares are listed on the NASDAQ OMX Stockholm Exchange under the symbols TWW SDB A and TWW SDB B.

Condensed consolidated income statement for the three months ended 31 December 2012 and the year ended 31 December 2012

	Notes	Q4 2012 €000 Unaudited	Q4 2011 €000 Unaudited	Year ended Dec 31 2012 €000	Year ended Dec 31 2011 €000 Restated
Revenue		162,903	142,819	605,581	554,069
Cost of sales		-133,236	-116,129	-493,749	-458,335
Gross profit		29,667	26,690	111,832	95,734
Selling expenses		-1,497	-1,633	-6,459	-6,426
Administrative expenses		-29,273	-23,373	-102,742	-84,203
Other income/ (expenses)		448	-514	622	-15,978
Restructuring	6.2	-	-	-247	-18,167
Intangible assets impairment	8	-20,641	-	-20,641	-
(Loss)/profit from operations		-21,296	1,170	-17,635	-29,040
Finance income		45	88	366	1,393
Finance costs		-1,595	-226	-6,320	-4,361
Loss before tax		-22,846	1,032	-23,589	-32,008
Income tax expense		-2,176	-2,296	-6,975	-18,350
(Loss)/profit for the year attributable to owners of the parent		-25,022	-1,264	-30,564	-50,358
Earnings per share for the year (expressed in € per common share)					
Basic					
- per A and B class share, for loss for the year attributable to owners of the parent		-0.02	-0.01	-0.02	-0.63
Diluted					
- per A and B class share, for loss for the year attributable to owners of the parent		-0.02	-0.01	-0.02	-0.63

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income for the three months ended 31 December 2012 and the year ended 31 December 2012

	Q4 2012	Q4 2011	Year ended Dec 31 2012	Year ended Dec 31 2011
	€000	€000	€000	€000
	Unaudited	Unaudited		Restated
(Loss)/profit for the year	-25,022	-1,264	-30,564	-50,358
Other comprehensive income				
Exchange differences on translating foreign operations	-1,869	-7,212	1,522	-9,514
Actuarial profit/(loss) on post employment benefits obligation	-97	-63	-388	251
Cash flow hedges - gains/(losses) recognized directly in equity	-	-126	-	-502
Income tax relating to cash flow hedges	-	42	-	166
	-1,966	-7,359	1,134	-9,599
Total comprehensive income attributable to owners of the parent	-26,988	-8,623	-29,430	-59,957

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of financial position as at 31 December 2012

	Notes	As of Dec 31 2012 €000	As of Dec 31 2011 €000 Restated	As of Jan 1 2011 €000 Restated
Assets				
Non-current assets				
Property, plant and equipment	7	14,518	12,386	19,139
Intangible assets	8	147,921	171,682	174,820
Deferred tax assets		3,540	5,088	5,554
Other receivables		1,350	2,185	-
		167,329	191,341	199,513
Current assets				
Trade and other receivables		127,543	104,837	112,294
Income tax receivable		526	3,817	-
Prepaid expenses and accrued income		29,685	25,300	18,731
Derivative financial instruments		-	-	1,959
Cash and cash equivalents		42,600	52,076	40,977
		200,354	186,030	173,961
Total assets		367,683	377,371	373,474

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of financial position as at 31 December 2012 (continued)

	As of Dec 31 2012 €000	As of Dec 31 2011 €000 Restated	As of Jan 1 2011 €000 Restated
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	53,558	53,558	31,548
Share premium	11,458	11,458	10,156
Legal reserve	4,213	3,908	3,908
Retained earnings	47,306	78,175	128,602
Equity-based payments	42	-	342
Foreign exchange reserve	-11,461	-12,983	-3,469
Other reserves	27,910	28,298	38
Total equity	**133,026**	**162,414**	**171,125**
Non-current liabilities			
Borrowings	70,530	65,286	118,462
Leasing and other similar obligations	42	163	-
Deferred tax liabilities	2,650	5,342	6,811
Provisions for other liabilities and charges	10,518	18,081	5,117
Employee benefit obligations	2,834	2,414	2,704
Government grants	67	147	917
	86,641	**91,433**	**134,011**
Current liabilities			
Borrowings	10,000	-	-
Derivative financial instruments	-	272	-
Leasing and other similar obligations	167	152	-
Trade and other payables	121,212	100,108	58,930
Government grants	78	79	-
Provisions for other liabilities and charges	16,559	22,913	7,885
Income tax payable	-	-	1,523
	148,016	**123,524**	**68,338**
Total liabilities	**234,657**	**214,957**	**202,349**
Total equity and liabilities	**367,683**	**377,371**	**373,474**

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of changes in equity for the year ended 31 December 2012

Attributable to the owners of the parent

	Share capital	Share premium	Legal reserve	Retained earnings	Equity-based payments	Foreign exchange reserve	Other reserves	Total
	€000	€000	€000	€000	€000	€000	€000	€000
Balance as at January 1, 2011	31,548	10,156	3,908	132,437	342	-3,469	38	174,960
Correction of error	-	-	-	-3,835	-	-	-	-3,835
Balance as at January 1, 2011 (restated)	31,548	10,156	3,908	128,602	342	-3,469	38	171,125
Loss for the year	-	-	-	-49,593	-	-	-	-49,593
Correction of error	-	-	-	-765	-	-	-	-765
Other comprehensive income, net of tax	-	-	-	-	-	-9,514	-85	-9,599
Transaction with owners								
Dividends		-	-	-69	-	-	-	-69
Equity based payments	-	-	-	-	-342	-	-	-342
Issue of share capital	50,403	4,730	-	-	-	-	-	55,133
Transaction costs	-	-3,428	-	-	-	-	-	-3,428
Decrease of share capital	-28,393	-	-	-	-	-	28,393	-
Purchase of treasury shares	-	-	-	-	-	-	-48	-48
Balance as at December 31, 2011 (restated)	53,558	11,458	3,908	78,175	-	-12,983	28,298	162,414
Balance as at January 1, 2012	53,558	11,458	3,908	78,175	-	-12,983	28,298	162,414
Loss for the year	-	-	-	-30,564	-	-	-	-30,564
Transfer to legal reserve			305	-305				-
Other comprehensive income, net of tax	-	-	-	-	-	1,522	-388	1,134
Transaction with owners								
Dividends	-	-	-	-	-	-	-	-
Equity based payments	-	-	-	-	42	-	-	42
Issue of share capital	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	42	-	-	42
Balance as at December 31, 2012	53,558	11,458	4,213	47,306	42	-11,461	27,910	133,026

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of cash flows for the year ended 31 December 2012

	2012 €000	2011 '€000 Restated
Cash flows from operating activities		
Loss before tax	-23,589	-32,008
Adjustments for non cash items:		
Depreciation and amortization	11,083	13,637
Impairment loss	20,641	2,168
Share-based payments	42	-342
Increase/(decrease) in provisions including employee benefit obligations	-13,496	27,992
Other non-cash adjustments	5,637	-9,457
Cash flows from operating activities before changes in working capital	318	1,990
Changes in working capital:		
(Increase)/decrease in trade and other receivables	-22,706	5,272
Increase/(decrease) in trade and other payables	21,104	32,457
Prepaid expenses and accrued income	-4,385	-6,569
Changes in working capital	-5,987	31,160
Income tax paid	-7,136	-5,625
Net cash flows from operating activities	-12,805	27,525
Cash flows from investing activities		
Purchases of property, plant and equipment	-8,530	-5,121
Purchases of intangible assets	-823	-120
Disposal of sites	-	-8,662
Interest received	366	269
Net cash flows used in investing activities	-8,987	-13,634
Cash flows from financing activities		
Proceeds from borrowings	15,244	31,116
Repayment of borrowings	-	-84,292
Proceeds from issuance of shares net of share issuance costs	-	53,882
Interest paid	-2,981	-3,429
Dividends paid to owners	-	-69
Net cash flows used in financing activities	12,263	-2,792
Net (decrease)/increase in cash and cash equivalents	-9,529	11,099
Net foreign exchange difference	53	-
Cash and cash equivalents at beginning of year	52,076	40,977
Cash and cash equivalents at end of year	42,600	52,076

The accompanying notes form an integral part of the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying notes are an integral part of the condensed consolidated financial statements. Amounts in thousands of EUR unless otherwise stated.

1. Corporate information

Transcom WorldWide S.A. (the "Company" or the "parent entity") and its subsidiaries (together, "Transcom" or the "Group") provide multi-language customer relationship management products and services ("CRM") and credit management services ("CMS"), including customer help lines and other telephone-based marketing and customer service programs ("teleservices") to clients in customer-intensive industries.

The Company is a limited liability company ("Société Anonyme") incorporated and existing under the laws of the Grand Duchy of Luxembourg. The Company was registered on June 11, 1997 with the Luxembourg Register of Commerce under the number RCS B59528. The registered office of the Company is at 45, Rue des Scillas, L-2529, Luxembourg. Transcom WorldWide S.A. class A and class B shares are listed on the Nordic Exchange Small Cap list under the symbols "TWW SDB A" and "TWW SDB B".

The condensed consolidated financial statements of the Group for the three months ended December 31, 2012 were authorized for issue on February 14, 2013 by the Board of Directors.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed consolidated financial statements for the three months ended December 31, 2012 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the year ended December 31, 2011.

2.2 New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year.

2.3 Correction of prior year errors

The Group has contributed to an employee plan in its Italian operation. When preparing the financial statements for 2012, management discovered that this defined contribution plan was not recorded in accordance with IAS 19 *Employee Benefits*.

As of 1 January 2011 and 31 December 2011, the accrued expenses were understated for an amount of EUR 3,835 thousand and EUR 4,600 thousand, respectively.

As a consequence, the Group has recorded the following adjustments to the previously issued financial statements:

	1 Jan 2011
	€000
Increase in trade and other payables	3,835
Decrease in retained earnings	-3,835

	31 Dec 2011
	€000
Increase in trade and other payables	765
Decrease in retained earnings	-765
Increase in cost of sales	726
Increase in administrative expenses	39

2.4 Seasonality of operations

The Group does not consider that there is any significant seasonality within its operational markets and therefore it considers the financial statements for the quarter to December 31, 2012 to be a consistent representation of the entire financial year.

3. Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2011.

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the risk management policy and procedures since year end or in any risk management policies.

5. Segmental information

In line with IFRS 8 - *Operating Segments*, the business segmental reporting bases used by the Group are those which are reported to the Chief Operating Decision Maker.

In 2012, the management changed the structure of the internal organization of the Group in a manner that has caused the composition of the Group reportable segments to change, compared to the prior financial year. Consequently, the corresponding items of segment information for the year ended 31 December 2011 have been restated.

For management purposes the business is considered from a service perspective where management separately considers multi-language customer relationship management products and services ("CRM") and credit management services ("CMS").

The Group reportable segments are composed as follows:

- CRM North America & Asia Pacific: Canada, the Philippines, USA, the United Kingdom and Australia;
- CRM Central Europe: Austria, Belgium, Croatia, Germany, Hungary, Luxembourg, the Netherlands, Poland, Slovakia and Switzerland;
- CRM Iberia: Chile, Peru, Portugal and Spain;
- CRM North: Denmark, Norway, Sweden, Estonia, Latvia and Lithuania;
- CRM South: France, Italy and Tunisia;
- CMS: Denmark, Finland, Norway, Sweden, Austria, the Czech Republic, Germany, the United Kingdom, Luxembourg, and Poland.

	CRM							
2012	North America & Asia Pacific	Central Europe	Iberia	North	South	Total CRM	Total CMS	Group Total
Revenue								
Total segment revenue	114,511	69,067	119,791	168,043	106,680	578,092	56,043	634,135
Inter-segment revenue	-2,381	-11,245	-358	-5,684	-8,144	-27,812	-742	-28,554
Revenue from external customers	112,130	57,822	119,433	162,359	98,536	550,280	55,301	605,581
Gross profit	27,071	11,327	24,297	24,353	11,180	98,228	13,604	111,832
EBITA*	1,318	-1,455	5,252	4,780	-4,264	2,995	3,906	6,901
Amortization								-3,895
Goodwill and other intangible asset impairment								-20,641
Finance income								366
Finance costs								-6,320
Income taxes								-6,975
Profit (loss) after tax								**-30,564**

* Earnings before interest, taxes and amortization

5. Segmental information (continued)

2011	CRM							
	North America & Asia Pacific	Central Europe	Iberia	North	South	Total CRM	Total CMS	Group Total
Revenue								
Total segment revenue	100,599	65,336	108,896	145,526	99,952	520,309	59,044	579,353
Inter-segment revenue	-2,268	-9,734	19	-5,022	-7,357	-24,362	-922	-25,284
Revenue from external customers	98,331	55,602	108,915	140,504	92,595	495,947	58,122	554,069
Gross profit	18,527	10,528	20,423	23,919	5,930	79,327	16,407	95,734
EBITA*	-16,613	-2,711	3,127	4,768	-17,029	-28,458	2,237	-26,221
Amortization								-2,819
Finance income								1,393
Finance costs								-4,361
Income taxes								-18,350
Profit (loss) after tax								**-50,358**

* Earnings before interest, taxes and amortization

Inter-segment transfers are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities.

This policy was applied consistently throughout the current and prior periods.

Revenue from two single customers and arising from sales by both the CRM and CMS segments amounted to €106,746 thousand (2011: €94,419 thousand) and €58,344 thousand (2011: €45,463 thousand) respectively.

6. Significant disposals and restructuring

6.1 Disposals - 2010

In 2010, Transcom's Board of Directors approved the disposal of two French sites located in Roanne and Tulle. The transactions were reflected in the Group's financial statements for the year-ended December 31, 2010 as a charge of €19.4 million. This amount included a charge of €10.0 million which corresponds to the funding provided to the acquirers in order to manage the takeover (€7.6 million) as well as the transition costs (€2.4 million), and a charge of €9.4 million related to the provisioning of contracts which are either discontinued or considered onerous as a consequence of this operation.

In April and June 2011, Transcom entered into a definitive agreement to sell these sites and transfered ownership of the site and its business. This transaction follows the positive completion of the information/consultation procedure with employee representatives. Cash outflow for these operations amounted to €8.7 million comprising the funding and the amount of accruals related to transferred employees.

As per December 31, 2012, the residual provision amounts to €3,389 thousand (2011: €7,219 thousand) and is reported under the caption provision for onerous contracts in the amount of €2,499 thousand (2011: €5,879 thousand) and other provision in the amount of €1,340 thousand (2011: €1,340 thousand)

6.2 Restructuring programs - 2011 and 2012

In June 2011, Transcom entered into a restructuring program through which 4 sites were closed in Canada and other sites were consolidated in NAAP, North, Iberia, South and Central Europe regions. The program consisted of restructuring and non-recurring costs amounting to €32.812 million.

During the second quarter of 2012, four sites in North America were closed and capacity was transferred to the Philippines. The cost to close these sites amounted to €5,270 thousand, out of which restructuring costs amounted to €3,699 thousand, other non-recurring costs amounted to €959 thousand and are reported as other accruals under the caption “trade and other payables” and €612 thousand corresponded to write offs of tangible assets.
The transfer of capacity to the Philippines resulted in a reversal of €3,938 thousand of the onerous lease provision recorded in 2011 as well as in other reversals of €769 thousand, totaling €4,707 thousand.

During the fourth quarter of 2012, the Company launched another restructuring program aiming at reorganizing central support teams. This program consisted of restructuring and non-recurring costs amounting to €1,870 thousand, of which restructuring costs amounted to €1,255 thousand and non-recurring costs amounted to €615 thousand.

These programs are reflected as follows in the consolidated income statement:

	As at Dec 31, 2012	As at Dec 31, 2011
	€000	€001
Total expenses recognized within "Cost of sales"	612	2,574
Total expenses recognized within "Other expenses"	1,574	12,071
Total expenses recognized within "Restructuring costs"	247	18,167
	2,433	**32,812**

As per December 31, 2012, the residual provision relating to these restructuring programs amounts to €5,564 thousand (2011: €13,222 thousand) and is included in the caption provision for restructuring in the amount of €4,902 thousand (2011: €6,869 thousand) and provision for onerous contracts in the amount of €662 thousand (2011: €6,353 thousand)

7 Property, plant and equipment, and intangible assets

7.1 Property, plant and equipment

	Telephone switch €000	Fixtures and fittings €000	Computer hardware and software €000	Office improvements €000	Total €000
COST					
As at January 1, 2012	**36,204**	**24,962**	**50,832**	**21,120**	**133,118**
Additions	856	1,744	4,808	1,122	8,530
Disposals/write-off	-524	-255	-1,006	-540	-2,325
Transfers	-763	231	-106	-	-638
Exchange differences	359	376	116	630	1,481
As at December 31, 2012	**36,132**	**27,058**	**54,644**	**22,332**	**140,166**
ACCUMULATED DEPRECIATION					
As at January 1, 2012	**-34,083**	**-22,202**	**-47,549**	**-16,898**	**-120,732**
Depreciation charge for the year	-1,505	-1,592	-2,201	-1,761	-7,059
Disposals/write-off	504	255	1,005	528	2,292
Transfers	763	-17	106	-214	638
Exchange differences	-290	-245	-16	-236	-787
As at December 31, 2012	**-34,611**	**-23,801**	**-48,655**	**-18,581**	**-125,648**
Net book value as at December 31, 2012	**1,521**	**3,257**	**5,989**	**3,751**	**14,518**

	Telephone switch €000	Fixtures and fittings €000	Computer hardware and software €000	Office improvements €000	Total €000
COST					
As at January 1, 2011	**42,524**	**25,865**	**47,421**	**23,195**	**139,005**
Additions	434	698	3,397	592	5,121
Disposals/write-off	-3,686	-3,007	-3,114	-692	-10,499
Transfers	-3,487	1,470	2,709	-758	-66
Exchange differences	419	-64	419	-1,217	-443
As at December 31, 2011	**36,204**	**24,962**	**50,832**	**21,120**	**133,118**
ACCUMULATED DEPRECIATION					
As at January 1, 2011	**-38,082**	**-21,591**	**-43,637**	**-16,556**	**-119,866**
Depreciation charge for the year	-2,523	-1,703	-2,879	-1,891	-8,996
Disposals/write-off	3,552	2,918	2,989	546	10,005
Transfers	-3,504	-1,916	-2,636	1,114	66
Exchange differences	-534	90	-1,386	-111	-1,941
As at December 31, 2011	**-34,083**	**-22,202**	**-47,549**	**-16,898**	**-120,732**
Net book value as at December 31, 2011	2,121	2,760	3,283	4,222	12,386

7.2 Intangible assets

	Goodwill €000	Customer relationships €000	Development cost €000	Others €000	Total €000
COST					
As at January 1, 2012	154,795	26,333	9,680	2,234	193,042
Additions	-	-	457	366	823
Transfers	50	-	-	(50)	-
Exchange differences	117	(207)	-	(17)	(107)
As at December 31, 2012	154,962	26,126	10,137	2,533	193,758
ACCUMULATED AMORTIZATION AND IMPAIRMENT					
As at January 1, 2012	-	(12,487)	(6,854)	(2,019)	(21,360)
Amortization charge for the year	-	(2,781)	(1,114)	(130)	(4,025)
Impairment charge	(14,729)	(5,912)	-	-	(20,641)
Exchange differences	-	164	-	25	189
As at December 31, 2012	(14,729)	(21,016)	(7,968)	(2,124)	(45,837)
Net book value as at December 31, 2012	140,233	5,110	2,169	409	147,921

	Goodwill €000	Customer relationships €000	Development cost €000	Others €000	Total €000
COST					
As at January 1, 2011	152,088	24,677	9,158	4,403	190,326
Additions	-	-	-	120	120
Disposals/write-off	-	-	(3,332)	-	(3,332)
Transfers	-	1,205	3,854	(2,199)	2,860
Exchange differences	2,707	451	-	(90)	3,068
As at December 31, 2011	154,795	26,333	9,680	(2,234)	193,042
ACCUMULATED AMORTIZATION AND IMPAIRMENT					
As at January 1, 2011	-	(9,091)	(5,530)	(885)	(15,506)
Amortization charge for the year	-	(2,819)	(1,786)	(36)	(4,641)
Disposals/write-off	-	-	1,658	-	1,658
Transfers	-	(577)	(1,196)	(1,087)	(2,860)
Exchange differences	-	-	-	(11)	(11)
As at December 31, 2011	-	(12,487)	(6,854)	(2,019)	(21,360)
Net book value as at December 31, 2011	154,795	13,846	2,826	215	171,682

8. Impairment of intangible assets

8.1 Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The results of the Company's goodwill impairment test as of December 31, 2012 for each unit resulted in an impairment of EUR 14,729 (2011: nil).

8.2 Customer relationships and development costs

Customer relationships mainly consist of intangible assets that were identified during the past acquisitions based on the discounted cash flows expected to be derived from the use and eventual sale of the asset, determined at the date of acquisition. As at December 31, 2012 and December 31, 2011 these assets were tested for impairment. Based on the results of the testing, the management has recognized an impairment charge of € 5,912 thousand in 2012 (2011: nil).

Development costs consist of amounts identified by management where it is considered that technological and economical feasibility exists, usually determined by reference to the achievement of defined milestones according to an established project management model. These costs relate to development of assets for the use in the Group. As at December 31, 2012 and December 31, 2011 these assets were tested for impairment. Based on the results of the testing, the management has recognized no impairment charge in 2012 (2011: nil).

9. Contingencies

The Group has contingent liabilities related to litigations and legal claims arising in the ordinary course of business.

The integrated worldwide nature of Transcom's operations involves a significant level of intra-group transactions which can give rise to complexity and delays in agreeing the Group's tax position with the various tax authorities in the jurisdictions in which the Group operates. The Group occasionally faces tax audits which, in some cases, result in disputes with tax authorities. During these tax audits, local tax authorities may question or challenge the Group's tax positions (in such matters as transfer pricing, withholding tax, direct tax or VAT). Disputes with tax authorities can lead to litigations in front of several courts resulting in lengthy legal proceedings.

As of December 31, 2012, there are six ongoing tax audits. Some of these tax enquiries have resulted in reassessments, while others are still at an early stage and no reassessment has yet been raised. Management is required to make estimates and judgments about the ultimate outcome of these investigations or litigations in determining legal provisions. Final claims or court rulings may differ from management estimates.

The Group has provided €16,246 thousand (2011: €18,575 thousand) in relation to tax risks. In addition, based on its analysis, its risk assessment as well as ongoing tax audits in certain jurisdictions referred to above, management estimated additional possible tax exposure of approximately €17,600 thousand (2011: €15,000 thousand), which has not been provided for, but rather, are the subject of this disclosure. Management believes it has strong arguments to defend against such claims and therefore estimates that the likelihood of cash outflows for these risks is less than probable. In addition to the above tax risks, the Group may be subject to other tax claims going forward for which the risk of future economic outflows is currently evaluated to be remote.

10. Related party transactions

Investment AB Kinnevik and subsidiaries are significant shareholders of the Group as well as Tele2 group, MTG Group, accordingly, these companies have been regarded as related parties to the group. Business relations between Transcom WorldWide and all closely related parties are subject to commercial terms and conditions.

The Group provided customer service functions for certain Tele2 group companies in exchange for service fees determined on an arm's length basis. The Group's sales revenue from the Tele2 companies amounted to €104,372 thousand in 2012 (2011: €93,541 thousand). Sales revenues mainly relate to customer help lines and other CRM services.

Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €574 thousand in 2012 (2011: €514 thousand). The Company rents premises from Tele2 group companies under sub-lease agreements on the same commercial terms provided to Tele 2.

The group's receivables from and liabilities to Tele2 group companies at December 31, 2012 and 2011 were as follows:

	2012	2011
	€000	€000
Trade and other receivables	**18,548**	17,110
Trade and other payables	**-241**	-171
Net receivable	**18,307**	16,939

The Group provided customer service functions for certain MTG group companies in exchange for service fees determined on an arm's length basis. The Transcom WorldWide Group's sales revenue from the MTG group companies amounted to €3,065 thousand in 2012 (2011: €7,814 thousand). Sales revenues mainly relate to customer help lines.

Operating expenses paid to MTG group companies amounted to €12 thousand in 2012 (2011: €19 thousand).

The Group's receivables from MTG Group companies were €481 thousand at December 31, 2012 (2011: €1,020 thousand).

11. Dividends paid and proposed

	2012	2011
	€000	€000
Declared and paid during the year (thousands)	-	69
Dividend per share	-	0.0022

On 25 May 2011, further to the proposal of the Board of Director's, the Annual General Meeting approved the preferred cumulative dividend in relation to year 2010 in the amount of €0.0022 per share to Class B Transcom shareholders in accordance with article 21 of the Company's Article of Association.

12. Events after the interim period

On January 10, 2013 Transcom Worldwide SAS (France) filed for "redressement judiciaire". Transcom Worldwide S.A. will not continue to support this subsidiary after February 28, 2013.

Segmental reporting – regional breakdown of group results (underlying performance, excluding restructuring costs)

	2012 Oct-Dec	2011 Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Net Revenue (€m)						
North	45.4	37.9	19.7%	162.4	140.5	15.6%
Central Europe	16.0	14.3	11.5%	57.8	55.6	4.0%
South	25.2	21.4	17.5%	98.5	92.6	6.4%
Iberia	31.0	28.5	8.6%	119.4	108.9	9.6%
North America & AP	31.9	25.8	23.8%	112.1	98.3	14.0%
CMS	13.5	14.9	-9.0%	55.3	58.1	-4.8%
Total	**162.9**	**142.8**	**14.1%**	**605.6**	**554.1**	**9.3%**
Gross Profit (€m)						
North	6.8	7.5	-10.4%	24.4	24.6	-0.8%
Central Europe	3.5	2.2	60.8%	11.5	11.2	2.8%
South	2.6	1.6	69.7%	11.2	6.2	79.2%
Iberia	6.3	5.1	22.3%	24.3	21.3	13.9%
North America & AP	8.2	5.7	42.8%	27.9	18.8	48.5%
CMS	2.7	4.6	-40.3%	13.6	16.7	-18.5%
Total	**30.1**	**26.7**	**12.6%**	**112.9**	**98.8**	**14.2%**
Gross Margin						
North	14.9%	19.9%		15.0%	17.5%	
Central Europe	21.9%	15.2%		19.9%	20.1%	
South	10.5%	7.2%		11.3%	6.7%	
Iberia	20.3%	18.0%		20.3%	19.6%	
North America & AP	25.6%	22.2%		24.9%	19.1%	
CMS	20.1%	30.7%		24.6%	28.8%	
Total	18.5%	18.7%		18.6%	17.8%	
EBITDA						
North	1.9	4.3	-55.6%	6.5	9.5	-31.6%
Central Europe	0.8	-1.0	-	0.8	0.9	-8.3%
South	-0.5	-2.8	83.4%	-1.8	-7.9	-
Iberia	1.8	1.9	-2.2%	7.4	7.1	4.8%
North America & AP	0.1	0.1	68.0%	2.1	-0.8	-
CMS	0.4	1.6	-76.0%	4.3	5.7	-23.9%
Total	4.6	4.0	13.8%	19.4	14.3	**35.2%**
EBITDA Margin						
North	4.2%	11.3%		4.0%	6.8%	
Central Europe	5.0%	-7.3%		1.4%	1.6%	
South	-1.8%	-12.9%		-1.8%	-8.6%	
Iberia	5.9%	6.6%		6.2%	6.5%	
North America & AP	0.4%	0.3%		1.9%	-0.8%	
CMS	2.9%	10.9%		7.8%	9.8%	
Total	2.8%	2.8%		3.2%	2.6%	
EBITA						
North	1.4	4.0	-65.0%	5.0	8.3	-39.6%
Central Europe	0.6	-1.3	-	0.1	-0.1	-
South	-0.6	-3.0	-	-2.4	-8.2	-
Iberia	1.4	1.4	-2.5%	5.4	5.1	6.2%
North America & AP	-0.2	-0.4	-	0.7	-3.4	-
CMS	0.3	1.5	-81.1%	4.0	5.0	-21.0%
Total	**2.9**	**2.2**	**32.0%**	**12.8**	**6.8**	**87.7%**
EBITA Margin						
North	3.1%	10.5%		3.1%	5.9%	
Central Europe	4.0%	-8.8%		0.2%	-0.1%	
South	-2.4%	-14.0%		-2.5%	-8.8%	
Iberia	4.4%	4.9%		4.5%	4.7%	
North America & AP	-0.6%	-1.6%		0.6%	-3.5%	
CMS	2.0%	9.9%		7.2%	8.7%	
Total	1.8%	1.5%		2.1%	1.2%	

- Not applicable / not meaningful percentage comparison

Segmental reporting – regional breakdown of group results (including restructuring costs)

	2012 Oct-Dec	2011 Oct-Dec	Growth Y-o-Y	2012 Jan-Dec	2011 Jan-Dec	Growth Y-o-Y
Net Revenue (€m)						
North	45.4	37.9	19.7%	162.4	140.5	15.6%
Central Europe	16.0	14.3	11.5%	57.8	55.6	4.0%
South	25.2	21.4	17.5%	98.5	92.6	6.4%
Iberia	31.0	28.5	8.6%	119.4	108.9	9.6%
North America & AP	31.9	25.8	23.8%	112.1	98.3	14.0%
CMS	13.5	14.9	-9.0%	55.3	58.1	-4.8%
Total	**162.9**	**142.8**	**14.1%**	**605.6**	**554.1**	**9.3%**
Gross Profit (€m)						
North	6.8	7.5	-10.4%	24.4	24.0	1.5%
Central Europe	3.3	2.2	52.5%	11.3	10.5	7.7%
South	2.6	1.6	69.7%	11.2	5.9	89.3%
Iberia	6.3	5.1	22.3%	24.3	20.5	18.4%
North America & AP	8.0	5.7	39.0%	27.1	18.4	46.9%
CMS	2.7	4.6	-40.3%	13.6	16.4	-17.1%
Total	**29.7**	**26.7**	**11.2%**	**111.8**	**95.8**	**16.8%**
Gross Margin						
North	14.9%	19.9%		15.0%	17.1%	
Central Europe	20.8%	15.2%		19.6%	18.9%	
South	10.5%	7.2%		11.3%	6.4%	
Iberia	20.3%	18.0%		20.3%	18.8%	
North America & AP	25.0%	22.2%		24.1%	18.7%	
CMS	20.1%	30.7%		24.6%	28.2%	
Total	18.2%	18.7%		18.5%	17.3%	
EBITDA						
North	1.7	4.3	-61.5%	6.2	6.4	-2.4%
Central Europe	0.3	-1.0	-	-0.8	-1.6	-
South	-1.4	-3.5	-	-3.6	-16.6	-
Iberia	1.7	1.9	-11.1%	7.2	5.4	34.4%
North America & AP	-0.6	0.1	-	0.8	-13.7	-
CMS	0.3	1.6	-80.4%	4.2	3.0	41.5%
Total	1.9	3.3	-41.0%	14.1	-17.2	-182.1%
EBITDA Margin						
North	3.6%	11.3%		3.8%	4.6%	
Central Europe	1.6%	-7.3%		-1.3%	-3.0%	
South	-5.5%	-16.5%		-3.7%	-17.9%	
Iberia	5.4%	6.6%		6.0%	4.9%	
North America & AP	-1.8%	0.3%		0.7%	-14.0%	
CMS	2.3%	10.9%		7.7%	5.2%	
Total	1.2%	2.3%		2.3%	-3.1%	
EBITA*						
North	1.2	4.0	-71.0%	4.8	4.8	0.3%
Central Europe	0.1	-1.3	-	-1.5	-2.7	-
South	-1.6	-3.0	-	-4.3	-17.0	-
Iberia	1.2	1.4	-15.1%	5.3	3.1	67.8%
North America & AP	-0.9	-0.4	-	-1.3	-16.6	-
CMS	0.2	1.5	-86.7%	3.9	2.2	74.6%
Total	0.2	2.2	-90.8%	6.9	-26.2	-
EBITA Margin						
North	2.5%	10.5%		2.9%	3.4%	
Central Europe	0.5%	-8.8%		-2.5%	-4.9%	
South	-6.2%	-14.0%		-4.3%	-18.4%	
Iberia	3.8%	4.9%		4.4%	2.9%	
North America & AP	-2.7%	-1.6%		-1.2%	-16.9%	
CMS	1.4%	9.9%		7.1%	3.8%	
Total	0.1%	1.5%		1.1%	-4.7%	

* Includes €20.6 million in goodwill and other intangible asset impairment charges

- Not applicable / not meaningful percentage comparison

Appendix: Key ratios & five year summary

	2012	2011	2011	2010	2009	2008	2007
	Oct-Dec	Oct-Dec	Jan–Dec	Jan–Dec	Jan–Dec	Jan–Dec	Jan–Dec
Net Revenue (€m)	162.9	142.8	554.1	589.1	560.2	631.8	599.2
Profit before tax (€m)	-22.8	1.1	-32.0	-5.6	25.3	21.9	32.9
Net Income (€m)	-25.0	-1.2	-50.4	-8.0	20.6	16.2	24.3
Net cash flow from operations (€m)	-2.7	8.0	27.5	29.1	17.7	1.4	40.3
Net cash flow from operations per share (Euro cents)	-0.2	8.6	32.0	40.0	24.0	2.0	55.0
EPS (Euro cents)	-2.0	-1.3	-63.0	-11.0	28.0	22.0	33.0
Return on Equity	-18.8%	-0.7%	-29.5%	-4.6%	12.0%	11.3%	15.1%
Operating margin	-13.1%	0.9%	-5.1%	-1.1%	4.3%	4.4%	6.0%
Debt/equity ratio*	53.0%	40.2%	39.0%	67.7%	77.5%	88.3%	71.9%
Net debt/EBITDA**	2.0	0.8	0.8	2.5	2.3	1.7	0.8

* Gross debt/shareholders' equity

** At end of period