

# Third Quarter 2015 Results

Transcom WorldWide AB (publ) discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on October 21, 2015 at 08:00 AM CET.

**“Transcom’s positive profitability trend continued in Q3. Our EBIT margin development on a rolling 12-month basis is steadily improving towards our mid-term target of at least five percent.”**

Johan Eriksson, President and CEO of Transcom

## KEY HIGHLIGHTS Q3 2015

- Organic revenue growth was 1.8%, mainly driven by higher volumes in the North Europe region
- EBIT margin, excluding non-recurring items, improved from 3.6% to 4.1%. Including a €1.0 million provision for a class action lawsuit in North America, the EBIT margin in Q3 2015 was 3.5%.
- Profitability improvements in the North Europe and North America & Asia Pacific regions.
- Net debt/EBITDA 0.6, well within our target.

## Q3 2015 FINANCIAL HIGHLIGHTS

- **Net revenue** €151.8 million, a 4.0% increase compared to Q3 2014 (€146.0 million). Organic revenue growth was 1.8%.
- **Gross margin** excluding non-recurring items 20.5% compared to 20.8% in the same period 2014.
- **EBIT** excluding non-recurring items €6.2 million compared to €5.3 million in Q3 2014. EBIT including non-recurring items in Q3 2015 was €5.3 million.
- **EPS** 7.4 Euro cents compared to 10.4 Euro cents in Q3 2014.

## YTD 2015 FINANCIAL HIGHLIGHTS

- **Net revenue** €469.7 million, a 2.5% increase compared to the same period 2014 (€458.1 million). Organic revenue growth was 2.2%.
- **Gross margin** excluding non-recurring items 19.8% compared to 20.3% in the same period 2014.
- **EBIT** excluding non-recurring items €16.9 million compared to €12.1 million in the same period 2014. EBIT including non-recurring items was €15.9 million in the first nine months of 2015.
- **EPS** 32.2 Euro cents compared to 11.9 Euro cents in the same period 2014.

(€m)	2015 Q3	2014 Q3	Change Y-o-Y	2015 Jan-Sep	2014 Jan-Sep	Change Y-o-Y	2014 Jan-Dec
Revenue	151.8	146.0	4.0%	469.7	458.1	2.5%	616.8
Gross profit excl. non-recurring items*	31.0	30.3	2.4%	92.9	92.9	0.0%	127.6
EBITDA excl. non-recurring items*	8.4	7.2	17.7%	23.6	18.6	26.8%	29.8
EBIT excl. non-recurring items*	6.2	5.3	18.1%	16.9	12.1	39.1%	21.3
EBIT	5.3	5.3	-0.1%	15.9	12.1	31.2%	21.3
Profit before tax	3.0	4.9	-38.4%	13.4	9.9	35.8%	18.8
Net income	1.9	2.7	-	8.4	3.1	-	6.9
EPS (Euro cents)**	7.4	10.4	-	32.2	11.9	-	26.4
Cash flow from operating activities	-9.4	7.2	-	11.2	-5.3	-	11.5
Total weighted average outstanding number of shares before dilution ('000)**	26,138	26,030	-	26,088	26,030	-	26,030
Total weighted average outstanding number of shares after dilution ('000)**	26,224	26,030	-	26,145	26,030	-	26,030

\*Excluding non-recurring items of €-1.0m in Q3 2015

\*\*EPS for 2014 has been adjusted to reflect the reverse split as if it had occurred per January 2014

# Comments from the President and CEO

Transcom's positive performance trend towards our mid-term financial targets was maintained in Q3. Our EBIT margin development on a rolling 12-month basis continued to strengthen, driven by improvements in the North Europe and North America & Asia Pacific regions.

## CONTINUED ORGANIC REVENUE GROWTH

Organic revenue growth in Q3 2015 amounted to €2.7 million (+1.8%). This was mainly driven by growth with clients in the North Europe region.

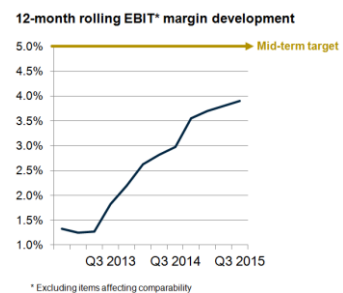
The reported €5.8 million revenue increase in the quarter is comprised of:

- €+2.7 million: Growth in North Europe and, to a lesser extent, in Iberia & Latam and North America & Asia Pacific drove the increase. Transcom's previously disclosed decision not to bid for a renewed public sector client agreement in Italy had a €3.3 million negative impact on the revenue comparison with Q3 2014.
- €-1.4 million: Divested CMS units.
- €+4.5 million: Positive currency impact.

## IMPROVED EBIT MARGIN

Transcom's EBIT margin in Q3 2015, excluding non-recurring items, was 4.1%, compared to 3.6% in Q3 2014. Performance improvements in the North Europe and North America & Asia Pacific regions drove the increase.

Reported EBIT in Q3 2015 was impacted by a €1.0 million provision for the settlement of a class action lawsuit in North America. While the final settlement amount is uncertain, it is estimated not to exceed €1.0 million.



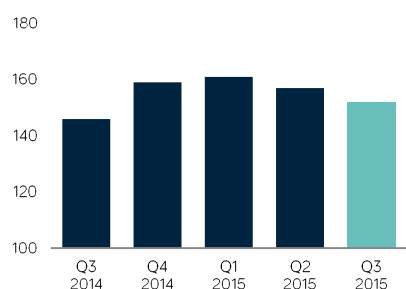
I am pleased to report that Transcom's EBIT margin development on a rolling 12-month basis continues to strengthen. We can see a steady improvement towards our mid-term target of at least five percent. Our objective going forward is to increase revenue organically, while continuing to improve our operational efficiency in order to strengthen margins further.

Johan Eriksson, President and CEO of Transcom

# Group Operating Review

Revenue	(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Revenue		151.8	146.0	469.7	458.1	616.8
Gross profit*		31.0	30.3	92.9	92.9	127.6
Gross margin*		20.5%	20.8%	19.8%	20.3%	20.7%
EBIT*		6.2	5.3	16.9	12.1	21.3
EBIT margin*		4.1%	3.6%	3.6%	2.6%	3.5%
EBIT		5.3	5.3	15.9	12.1	21.3
EBIT margin		3.5%	3.6%	3.4%	2.6%	3.5%

\*Excluding non-recurring items of €-1.0m in Q3 2015



## Revenue development

### THIRD QUARTER

Organic revenue growth was €2.7 million (+1.8%) compared to Q3 2014. This was mainly driven by growth with clients in the North Europe region, more than compensating for Transcom's decision not to bid for a renewed public sector client agreement in Italy, which had a €3.3 million negative effect. The divestment of Credit Management Services units during the year had a €1.4 million negative effect on the revenue comparison vis-à-vis Q3 2014, while currency effects had a €4.5 million positive effect.

### NINE MONTHS

Revenue increased organically by €9.9 million (+2.2%) compared to the same period 2014.

(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
North Europe	49.3	48.2	150.3	152.8	207.7
Central & South Europe	34.9	35.1	114.9	112.1	149.5
Iberia & Latam	30.7	30.4	98.1	91.7	124.1
North America & Asia Pacific	37.0	31.0	106.3	89.1	123.2
CMS	-	1.4	-	12.4	12.4
<b>TOTAL REVENUE FOR THE PERIOD</b>	<b>151.8</b>	<b>146.0</b>	<b>469.7</b>	<b>458.1</b>	<b>616.8</b>

## Operating result

(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
North Europe	2.7	2.4	7.2	7.0	11.0
Central & South Europe	0.9	0.8	4.0	3.5	5.0
Iberia & Latam	0.1	0.3	0.7	-0.5	1.1
North America & Asia Pacific*	2.5	1.6	5.0	2.2	4.3
CMS	-	0.2	-	-0.1	-0.1
<b>EBIT FOR THE PERIOD*</b>	<b>6.2</b>	<b>5.3</b>	<b>16.9</b>	<b>12.1</b>	<b>21.3</b>

\*Excluding non-recurring items of €-1.0m in Q3 2015

### THIRD QUARTER

Transcom's EBIT margin development on a rolling 12-month basis, excluding non-recurring items in Q3 2015, continued to improve towards the mid-term target of at least five percent. In Q3 2015, the EBIT margin improved by 0.5 percentage points to 4.1%, driven by improved performance in the North Europe and North America & Asia Pacific regions. Including non-recurring items in Q3 2015, the EBIT margin was essentially flat compared to Q3 2014.

EBIT BRIDGE (€m)	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
EBIT Q3 2014	2.4	0.8	0.3	1.6	5.1	0.2	5.3
Cost savings	0.0	0.0	0.4	0.5	0.9	-	0.9
Volume & efficiency driven impacts	0.5	0.1	-0.4	0.0	0.2	-	0.2
Expansion investments	-	-	-	-	-	-	-
Other	-0.2	0.0	-0.1	0.4	0.0	-0.2	0.1
<b>EBIT Q3 2015*</b>	<b>2.7</b>	<b>0.9</b>	<b>0.1</b>	<b>2.5</b>	<b>6.2</b>	-	<b>6.2</b>

\*Excluding non-recurring items of €-1.0m in Q3 2015

## NINE MONTHS

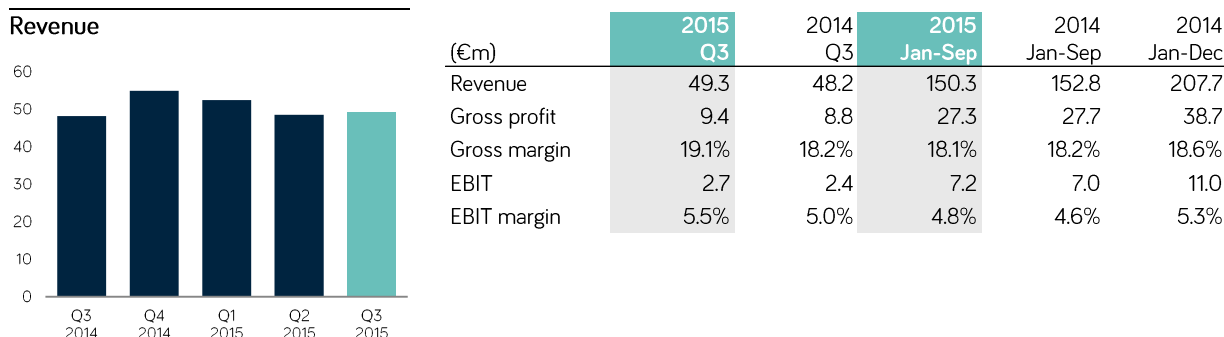
The EBIT margin in the first nine months of 2015, excluding non-recurring items, improved by one percentage point to 3.6%, mainly driven by improved performance in the Iberia & Latam and North America & Asia Pacific regions. Including non-recurring items, the improvement was 0.8 percentage points.

EBIT BRIDGE (€m)	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
EBIT Jan-Sep 2014	7.0	3.5	-0.5	2.2	12.2	-0.1	12.1
Cost savings	0.0	0.7	0.9	1.8	3.4	-	3.4
Volume & efficiency driven impacts	0.8	-0.7	0.2	0.1	0.4	-	0.4
Expansion investments	-	-	-	-0.2	-0.2	-	-0.2
Other	-0.6	0.4	0.1	1.2	1.1	0.1	1.2
<b>EBIT Jan-Sep 2015*</b>	<b>7.2</b>	<b>4.0</b>	<b>0.7</b>	<b>5.0</b>	<b>16.9</b>	-	<b>16.9</b>

\*Excluding non-recurring items of €-1.0m in Q3 2015

# Operating review by segment

## North Europe



### THIRD QUARTER

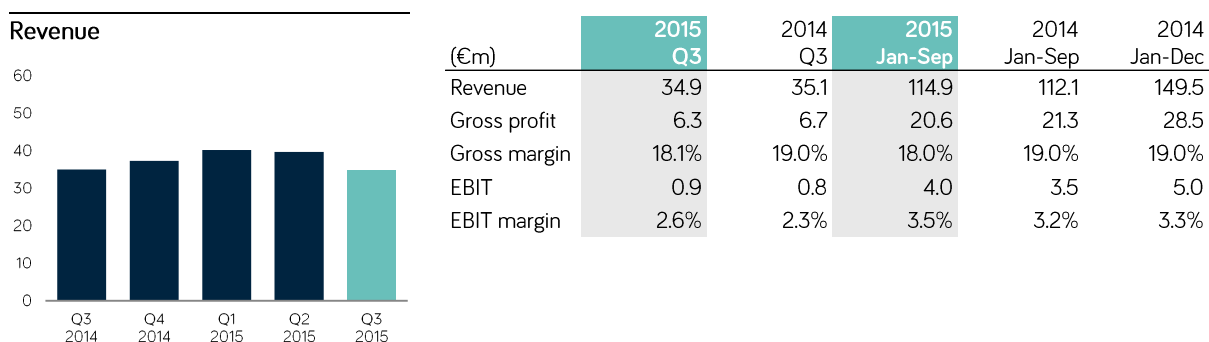
Organic revenue growth was 5.1 percent in the quarter (2.3 percent including the €1.3 million negative currency impact). We saw positive volume growth in the Baltic countries as well as in the Netherlands. Revenue also increased in the interpretation business in Sweden (Transvoice) as well as in the Danish collections business. The volume increase is the main driver of the EBIT improvement in the quarter.

### NINE MONTHS

Revenue increased 1.3 percent organically compared to the same period last year. This was mainly the result of growth in the Netherlands, Latvia and the Danish collections business. The reported revenue decrease in the region is a result of currency movements, impacting the revenue comparison negatively by €4.5 million.

The EBIT margin compared to the same period last year increased, despite the ramp-down and discontinuation of legal and contingent collections activities in Sweden and Norway. This was mainly due to improved performance in the Netherlands and Latvia.

## Central & South Europe



### THIRD QUARTER

Despite Transcom's decision not to submit a tender for a new partnership agreement with one of its public sector clients in Italy, revenue was essentially flat. The negative revenue impact from the discontinued agreement amounted to €3.3 million in the quarter. This decrease was almost entirely offset by growth on other client accounts in the region. EBIT was flat compared to the same quarter last year.

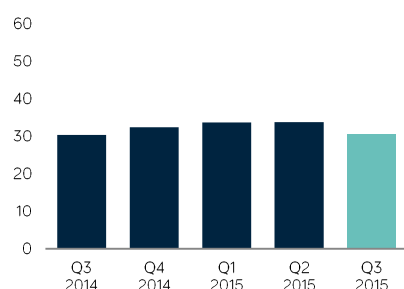
### NINE MONTHS

Growth in Germany, Poland and Tunisia was the main driver of the revenue increase, which was partly counterbalanced by lower volumes in Italy, Hungary and Croatia.

Improved performance in Tunisia counterbalanced the impact on EBIT from lower volumes in other markets, as described above.

## Iberia & Latam

### Revenue



(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Revenue	30.7	30.4	98.1	91.7	124.1
Gross profit	5.2	5.4	16.0	14.7	21.6
Gross margin	16.8%	17.9%	16.3%	16.1%	17.4%
EBIT	0.1	0.3	0.7	-0.5	1.1
EBIT margin	0.5%	0.9%	0.7%	-0.5%	0.9%

### THIRD QUARTER

Growth in Portugal, Chile and Peru in the quarter counterbalanced lower volumes in Spain and Colombia.

Increased volumes in Chile and Peru, albeit from a low level, impacted positively on EBIT, partly compensating for decreased volumes and lower prices on some client projects in Spain. The improvement in Latin America is driven by new projects won with domestic clients, and by cost savings. However, profitability in Latin America is still unsatisfactory.

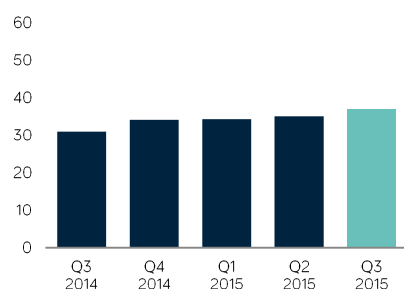
### NINE MONTHS

The revenue increase was mainly driven by significantly higher business volumes in Peru, Chile and Portugal.

The positive profitability impact from the volume increases described above was counterbalanced by lower volumes in Spain and Colombia, as well as by lower prices on some client projects in Spain.

## North America & Asia Pacific

### Revenue



(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Revenue	37.0	31.0	106.3	89.1	123.2
Gross profit*	10.2	9.0	29.0	24.6	34.4
Gross margin*	27.6%	29.0%	27.3%	27.6%	27.9%
EBIT*	2.5	1.6	5.0	2.2	4.3
EBIT margin*	6.7%	5.2%	4.7%	2.4%	3.5%

\*Excluding non-recurring items of €-1.0m in Q3 2015

### THIRD QUARTER

Organic revenue growth was 0.8 percent, mainly as a result of higher volumes with our installed base clients. Currency translation effects had a positive impact on the revenue comparison, amounting to €5.7 million.

Excluding the impact of the €1.0 million provision for the settlement of a class action lawsuit in North America, EBIT increased by €0.9 million. The improvement is primarily due to increased efficiency, cost savings and positive currency effects.

### NINE MONTHS

New client wins partly compensated for lower volumes on a number of client accounts. We saw an organic revenue decrease of 0.9 percent in the period, as a result of lower volumes and unfavorable transaction currencies in Asia. Foreign exchange effects had a €18.2 million positive impact on the revenue comparison.

Increased efficiency and cost savings in both North America and in Asia impacted positively on margins. Currency effects had a €1.1 million positive effect on EBIT.

# Group Financial Review

## DEPRECIATION & AMORTIZATION

Depreciation in the quarter was €1.9 million (€1.6 million) and amortization of intangible assets was €0.3 million (€0.3 million). During January to September 2015 depreciation amounted to €5.7 million (€4.7 million) and amortization €1.0 million (€1.8 million).

## SG&A

SG&A expenses were €25.4 million in the quarter compared to €24.5 million in Q3 2014. During January to September 2015 the SG&A expenses amounted to €76.8 million (€77.1 million).

## TAXES

In Q3 2015, tax expenses amounted to €1.1 million, compared to €2.2 million in Q3 2014. During January to September, Transcom reported tax expenses of €5.0 million (€6.8 million). The effective tax rate differs from the statutory rate mainly due to losses for which no deferred tax asset can be recognized. For further information please see note 6 Contingent liabilities.

## CASH FLOW

(€m)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Cash flow from operating activities before changes in working capital	4.0	2.9	11.0	7.1	17.7
Change in working capital	-13.4	4.3	0.2	-12.4	-6.2
Cash flow from operating activities	-9.4	7.2	11.2	-5.3	11.5
Cash flow for the period	-10.8	-3.4	-9.3	-30.4	-22.0

Cash flow from operating activities improved during the period January to September 2015 compared to the same period previous year. The temporarily strong collections per June 2015 affected the operating cash flow negatively during Q3 2015.

## FINANCING

(€m)	2015 Sep 30	2014 Sep 30	2014 Dec 31
Gross debt	51.8	67.0	62.8
Net debt	21.7	38.4	24.6
Net debt /EBITDA	0.6	1.7	0.9
Equity	132.0	116.7	120.0
Cash and cash equivalents	30.1	28.6	38.2

Gross debt increased slightly from €51.2 million the previous quarter to €51.8 million in Q3 2015. Net debt as at September 30, 2015 was €21.7 million compared to €10.1 million as at June 30 2015. The main reason for the increase in net debt was the normalization of collections compared to the temporarily strong collections at the end of June 2015.

Compared to the same period last year, gross debt decreased from €67.0 million to €51.8 million as at September 30 2015, and net debt/EBITDA improved from 1.7 in the same period last year to 0.6 this year. Transcom is well within its financial covenant thresholds.

Net financial items deviated negatively for the period, mainly due to foreign exchange net loss of €-1.6 million during the quarter compared to a net foreign exchange gain amounting to €0.8 million the same period last year. These amounts mainly refer to unrealized foreign exchange effects.

## RESULTS CONFERENCE CALL AND WEBCAST

Transcom will host a conference call at 10:30am CET (09:30am UK time) on Wednesday, October 21, 2015. The conference call will be held in English and will also be available as webcast on Transcom's website, [www.transcom.com](http://www.transcom.com).

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. No pass code is required.

Sweden: +46 8 505 564 74  
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For a replay of the results conference call, please visit [www.transcom.com](http://www.transcom.com) to view the webcast of the event.

## ANNUAL GENERAL MEETING 2016

The 2016 Annual General Meeting will take place at 10:00 CET on April 28, 2016 in Stockholm, Sweden. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to [agm@transcom.com](mailto:agm@transcom.com) or to the Company Secretary, Transcom WorldWide AB, P.O. Box 34220, SE-100 26 Stockholm, Sweden, at least seven weeks before the Annual General Meeting, in order to ensure 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.

## OTHER INFORMATION

The interim report has been reviewed by the company's auditors.

## NOTICE OF FINANCIAL RESULTS

Transcom's full-year 2015 report will be published on February 5, 2016.

Johan Eriksson, President and CEO of Transcom  
21 October 2015

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# Auditors' review report

To the Board of Directors of Transcom WorldWide AB (publ), corporate identity number 556880-1277

## **Introduction**

We have reviewed the interim report for Transcom WorldWide AB as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review 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 International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do 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.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 21, 2015

Ernst & Young AB

Erik Åström  
Authorized Public Accountant

## TRANSCOM GROUP - CONDENSED CONSOLIDATED INCOME STATEMENT

(€ '000)	Notes	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Revenue	4	151,795	146,005	469,668	458,102	616,840
Cost of sales		-121,708	-115,697	-377,753	-365,242	-489,257
<b>Gross profit</b>	<b>4</b>	<b>30,087</b>	<b>30,308</b>	<b>91,915</b>	<b>92,860</b>	<b>127,583</b>
Marketing expenses		-740	-1,013	-2,583	-3,831	-4,451
Administrative expenses		-24,663	-23,501	-74,216	-73,280	-97,468
Restructuring expenses		-	2	-	-474	-515
Net gain/loss on disposal of business		165	-17	165	-1,283	-1,498
Other operating income/expenses		419	-507	616	-1,873	-2,325
<b>Operating profit/loss</b>	<b>4</b>	<b>5,268</b>	<b>5,272</b>	<b>15,897</b>	<b>12,119</b>	<b>21,326</b>
Net financial items		-2,250	-373	-2,499	-2,255	-2,524
<b>Profit/loss before tax</b>		<b>3,018</b>	<b>4,899</b>	<b>13,398</b>	<b>9,864</b>	<b>18,802</b>
Income tax expense		-1,094	-2,182	-4,998	-6,774	-11,934
<b>Profit/loss for the period attributable to equity holders of the parent</b>		<b>1,924</b>	<b>2,717</b>	<b>8,400</b>	<b>3,090</b>	<b>6,868</b>
<b>Earnings per share attributable to equity holders of the parent</b>						
Earnings before and after dilution per Ordinary share, Euro cent per common share		7.4	-	32.2	-	26.4
Earnings before and after dilution per A class share, Euro cent per common share	9	-	10.4	-	11.9	-
Earnings before and after dilution per B class share, Euro cent per common share	9	-	10.4	-	11.9	-

## TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Profit/loss for the period attributable to equity holders of the parent	1,924	2,717	8,400	3,090	6,868
<b>Other comprehensive income:</b>					
Exchange differences on translation of foreign operations	-395	2,797	3,238	2,105	1,700
Exchange differences recycled to profit and loss	-	-	-	-	115
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-395</b>	<b>2,797</b>	<b>3,238</b>	<b>2,105</b>	<b>1,815</b>
Actuarial profit/loss on post-employment benefit obligations	-	-	-	-	-311
Income tax effect	-	-	-	-	58
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-253</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-395</b>	<b>2,797</b>	<b>3,238</b>	<b>2,105</b>	<b>1,562</b>
<b>Total comprehensive income for the period, net of tax, attributable to equity holders of the parent</b>	<b>1,529</b>	<b>5,514</b>	<b>11,638</b>	<b>5,195</b>	<b>8,430</b>

**TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(€ '000)	Notes	2015 Sep 30	2014 Sep 30	2014 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		105,793	100,426	101,824
Other intangible assets		3,927	3,426	4,211
Tangible assets		17,157	16,421	16,152
Deferred tax assets		1,135	4,460	2,137
Other receivables		1,234	1,818	1,534
	8	<b>129,246</b>	<b>126,551</b>	<b>125,858</b>
<b>Current assets</b>				
Trade receivables		91,502	87,096	91,935
Income tax receivables		4,068	5,955	2,483
Other receivables		20,286	26,006	24,586
Prepaid expenses and accrued income		24,359	35,028	20,645
Cash and cash equivalents		30,139	28,645	38,173
	8	<b>170,354</b>	<b>182,730</b>	<b>177,822</b>
<b>TOTAL ASSETS</b>		<b>299,600</b>	<b>309,281</b>	<b>303,680</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
		<b>131,959</b>	<b>116,676</b>	<b>119,996</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	5	37,232	53,617	47,635
Employee benefit obligations		3,594	2,694	3,264
Provisions		-	923	135
Deferred tax liabilities		1,622	1,959	1,464
Income tax payables		425	2,644	2,093
Other liabilities		43	28	-
	8	<b>42,916</b>	<b>61,865</b>	<b>54,591</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	5	14,589	13,426	15,119
Provisions		1,510	1,336	1,501
Trade payables		23,901	22,733	27,279
Income tax payables		6,553	10,611	8,304
Other liabilities		24,264	29,107	27,017
Accrued expenses and prepaid income		53,908	53,527	49,873
	8	<b>124,725</b>	<b>130,740</b>	<b>129,093</b>
<b>Total liabilities</b>		<b>167,641</b>	<b>192,605</b>	<b>183,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>299,600</b>	<b>309,281</b>	<b>303,680</b>

## TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ '000)	Notes	Equity attributable to equity holders of the parent					Total equity
		Total number of shares ('000)	Number of shares held by the Group ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	
<b>Balance, Jan 1, 2014</b>		<b>1,245,533</b>	<b>97</b>	<b>53,558</b>	<b>11,458</b>	<b>46,326</b>	<b>111,342</b>
Profit/loss for the period		-	-	-	-	3,090	3,090
Other comprehensive income, net of tax		-	-	-	-	2,105	2,105
Share-based payments, expense		-	-	-	-	139	139
<b>Balance, Sep 30, 2014</b>		<b>1,245,533</b>	<b>97</b>	<b>53,558</b>	<b>11,458</b>	<b>51,660</b>	<b>116,676</b>
Profit/loss for the period		-	-	-	-	3,778	3,778
Other comprehensive income, net of tax		-	-	-	-	-543	-543
Merger	9	57,328	1,287	2,465	-2,465	-	-
Reverse split	9	-1,276,803	-1,356	-	-	-	-
Issue of C class shares	9	649	649	1,396	-	-	1,396
Repurchase of C class shares	9	-	-	-	-	-1,396	-1,396
Impact of change of quota value	9	-	-	-1,335	-	1,335	-
Share-based payments, expense		-	-	-	-	85	85
<b>Balance, Dec 31, 2014</b>		<b>26,707</b>	<b>677</b>	<b>56,084</b>	<b>8,993</b>	<b>54,919</b>	<b>119,996</b>
Profit/loss for the period		-	-	-	-	8,400	8,400
Other comprehensive income, net of tax		-	-	-	-	3,238	3,238
Allotment of shares (LTIP 2012)	9	-	-108	-	-	-	-
Share-based payments, expense		-	-	-	-	325	325
<b>Balance, Sep 30, 2015</b>		<b>26,707</b>	<b>569</b>	<b>56,084</b>	<b>8,993</b>	<b>66,882</b>	<b>131,959</b>

## TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ '000)	Notes	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Cash flows from operating activities</b>						
Profit/loss before tax		3,018	4,899	13,398	9,864	18,802
Adjustments to reconcile profit before tax to net cash:						
Adjustments for non cash items		880	440	4,179	4,720	9,264
Net financial items		2,250	374	2,499	2,255	2,524
Income taxes paid		-2,182	-2,809	-9,086	-9,761	-12,883
<b>Cash flows from operating activities before changes in working capital</b>		<b>3,966</b>	<b>2,904</b>	<b>10,990</b>	<b>7,078</b>	<b>17,707</b>
Changes in working capital		-13,386	4,310	228	-12,381	-6,173
<b>Cash flow from operating activities</b>		<b>-9,420</b>	<b>7,214</b>	<b>11,218</b>	<b>-5,303</b>	<b>11,534</b>
Investments and disposals of tangible assets		-1,104	-2,048	-6,407	-5,193	-6,581
Investments and disposals of intangible assets		-599	-443	-599	-518	-1,653
Disposals of business, net of cash	10	-	12,108	-	12,849	12,849
Changes in other non-current assets		81	42	301	42	-162
<b>Cash flow from investing activities</b>		<b>-1,622</b>	<b>9,659</b>	<b>-6,705</b>	<b>7,180</b>	<b>4,453</b>
Proceeds from borrowings		2,705	3,319	9,327	5,865	5,286
Repayment of borrowings	5	-2,146	-22,900	-22,021	-34,100	-39,082
Payment of finance lease liabilities		-49	-24	-101	-24	-69
Interest paid		-274	-675	-979	-4,009	-4,152
<b>Cash flow from financing activities</b>		<b>236</b>	<b>-20,280</b>	<b>-13,774</b>	<b>-32,268</b>	<b>-38,017</b>
<b>Cash flow for the period</b>		<b>-10,806</b>	<b>-3,407</b>	<b>-9,261</b>	<b>-30,391</b>	<b>-22,030</b>
Cash and cash equivalents at beginning of the period		41,163	31,433	38,173	58,362	58,362
Cash flow for the period		-10,806	-3,407	-9,261	-30,391	-22,030
Exchange rate differences in cash and cash equivalents		-218	619	1,227	674	1,841
<b>Cash and cash equivalents at end of the period</b>		<b>30,139</b>	<b>28,645</b>	<b>30,139</b>	<b>28,645</b>	<b>38,173</b>

## TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED INCOME STATEMENT

(€ '000)	Notes	2015 Q3	2014 Q3	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Revenue		5,615	5,580	16,402	16,204	22,096
Cost of sales		-5,575	-5,562	-16,318	-16,142	-22,010
<b>Gross profit</b>		<b>40</b>	<b>18</b>	<b>84</b>	<b>62</b>	<b>86</b>
Administrative expenses	9	-2,340	-2,092	-6,635	-7,082	-9,592
Other operating income/expenses		3,163	-52	3,185	-29	-141
<b>Operating profit/loss</b>		<b>863</b>	<b>-2,126</b>	<b>-3,366</b>	<b>-7,049</b>	<b>-9,647</b>
Net financial items		1,255	420	12,444	14,183	15,362
<b>Profit/loss before appropriations</b>		<b>2,118</b>	<b>-1,706</b>	<b>9,078</b>	<b>7,134</b>	<b>5,715</b>
Appropriations		-	-	-	-	4,883
<b>Profit/loss before tax</b>		<b>2,118</b>	<b>-1,706</b>	<b>9,078</b>	<b>7,134</b>	<b>10,598</b>
Income tax expense/income		277	-276	1,018	-767	-1,188
<b>Profit/loss for the period*</b>		<b>2,395</b>	<b>-1,982</b>	<b>10,096</b>	<b>6,367</b>	<b>9,410</b>

\*Profit/loss for the period corresponds with total comprehensive income

## TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED BALANCE SHEET

(€ '000)	Notes	2015 Sep 30	2014 Dec 31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,724	3,495
Tangible assets		121	167
Investments in Group companies		93,863	92,779
Receivables from Group companies		43,248	29,588
Other receivables		-	243
		<b>138,956</b>	<b>126,272</b>
<b>Current assets</b>			
Receivables from Group companies		93,210	206,534
Other receivables		6,687	3,237
Cash and cash equivalents		321	7,206
		<b>100,218</b>	<b>216,977</b>
<b>TOTAL ASSETS</b>		<b>239,174</b>	<b>343,249</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity		56,084	56,084
Unrestricted equity		13,116	2,691
		<b>69,200</b>	<b>58,775</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5	37,130	47,509
Liabilities to Group companies		28,816	43,731
Other liabilities		437	-
		<b>66,383</b>	<b>91,240</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	5	12,709	11,600
Liabilities to Group companies		86,400	176,496
Other liabilities		4,482	5,138
		<b>103,591</b>	<b>193,234</b>
<b>Total liabilities</b>		<b>169,974</b>	<b>284,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239,174</b>	<b>343,249</b>
Pledged assets		None	None
Contingent liabilities for Group companies		21,645	19,128

## Notes to the condensed financial statements

The accompanying notes are an integral part of the year-end condensed consolidated financial statements. Amounts in thousands of Euro, unless otherwise stated.

### 1. GENERAL

The Group's publicly listed Parent Company, Transcom WorldWide AB (publ), is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Rålambsvägen 17, SE-112 59 Stockholm. The Parent Company is responsible for corporate management and administration of intra-group transactions as well as holding company and internal finance functions.

### 2. ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and the interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities from the Swedish Financial Reporting Board. Application of IFRS complies with the accounting principles set out in the Group's annual financial statements as at December 31, 2014. There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2015 that have had a material impact on the Group.

The comparable periods in the condensed income statement for the Parent Company has been presented to reflect as if the merger between the former parent company Transcom WorldWide S.A and its subsidiary, the new Parent Company Transcom WorldWide AB (publ), had occurred as per January 2014. For more information about the merger, see Note 9.

### 3. RISK MANAGEMENT

The Group's activities expose it to a variety of business and financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management and control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of the Group's business objectives. The condensed consolidated financial statements do not include all risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2014. There have been no changes in the risk management policy and procedures since year end or in any risk management policies.

### 4. SEGMENTAL INFORMATION

2015 Jan-Sep	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Group
Revenue from external customers	150,293	114,936	98,125	106,315	469,668
Gross profit	27,264	20,638	15,959	28,055	91,915
Operating profit/loss from segments	7,215	3,975	665	4,042	15,897

2014 Jan-Sep	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
Revenue from external customers	152,805	112,082	91,730	89,132	445,748	12,354	458,102
Gross profit	27,744	21,282	14,744	24,625	88,394	4,466	92,860
Operating profit/loss from segments	6,992	3,547	-504	2,153	12,188	-69	12,119

Revenue from two largest single customers amounted to €70,960 thousand during January to September 2015 (Jan-Sep 2014: €77,302 thousand) and €45,509 thousand (Jan-Sep 2015: €35,689 thousand) respectively.

### 5. INTEREST-BEARING LIABILITIES

In January 2014 Transcom signed a new three year Revolving Credit Facility for the Group with SEB, DNB and Handelsbanken covering at that point €103.8 million. The facility was divided in three tranches; tranche A and B expiring 21st of January 2017 and tranche C that expired and was closed in October 2014. Interest rates in the facility are based on IBOR and EURIBOR plus margins. The loan is unsecured. The loan is mainly in EUR but there is a \$22 million drawn as well. During the quarter a total repayment of loans amount to €2.5 million for Tranche A. During the period Transcom borrowed €3.0 million from Tranche B, hence increasing the borrowing from the Revolving Credit Facility with €0.5 million. Due to the large volatility of the USD vs the EUR there was an increase in EUR equivalent value of the USD loan during January to September.

## 6. CONTINGENT LIABILITIES

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 can give rise to complexity and delays in agreeing the Group's tax position and can lead to the Group occasionally facing 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. Disputes with tax authorities can lead to litigations in front of several courts resulting in lengthy legal proceedings.

As at September 30, 2015, seven Group entities are subject to tax audits. Some of these tax inquiries have resulted in re-assessments, while others are still at an early stage and no re-assessments have yet been raised. As at September 30, 2015 the Group has provided €644 thousand (December 31, 2014: €936 thousand) in relation to tax risks for which management believes it is probable that there will be cash outflows. Furthermore, based on its analysis, its risk assessment as well as on-going tax audits in certain jurisdictions referred to above, management has estimated additional possible tax exposures of approximately €2,400 thousand (December 31, 2014: €1,860 thousand), which have not been provided for.

In addition to the above tax risks, the Group may be subject to other tax claims for which the risk of future economic outflows is currently evaluated to be remote.

## 7. RELATED PARTY TRANSACTIONS

Previously Investment AB Kinnevik and subsidiaries were defined as related party of the same character as the transactions described in the Group's consolidated financial statements as at December 31, 2014. On March 20, 2015 Investment AB Kinnevik divested 6.4 million shares in Transcom and as per this date ceased to be defined as related party to Transcom. Transactions up until this date with Investment AB Kinnevik were as follows. The Group's sales revenue from the Tele2 companies amounted to €26,748 thousand during January to March 2015 (Jan-Mar 2014: €27,381 thousand). Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €139 thousand for the same period (Jan-Mar 2014: €138 thousand). No other material related party transactions for the period are to be reported.

## 8. FINANCIAL INSTRUMENTS

Classification of the Group's financial assets and liabilities:

(€ '000)	Loans and receivables	Financial liabilities amortized cost	Sep 30, 2015	Sep 30, 2015	Loans and receivables	Financial liabilities amortized cost	Dec 31, 2014	Dec 31, 2014
			Carrying amount	Fair value			Carrying amount	Fair value
Total non-current assets	1,234	-	1,234	1,234	1,534	-	1,534	1,534
Total current assets	158,784	-	158,784	158,784	167,676	-	167,676	167,676
<b>Total financial assets</b>	<b>160,018</b>	<b>-</b>	<b>160,018</b>	<b>160,018</b>	<b>169,210</b>	<b>-</b>	<b>169,210</b>	<b>169,210</b>
Total non-current liabilities	-	37,232	37,232	37,435	-	48,041	48,041	48,853
Total current liabilities	-	98,343	98,343	98,343	-	98,997	98,997	98,997
<b>Total financial liabilities</b>	<b>-</b>	<b>135,575</b>	<b>135,575</b>	<b>135,778</b>	<b>-</b>	<b>147,038</b>	<b>147,038</b>	<b>147,850</b>

## 9. MERGER AND EQUITY

During Q2 2015 Transcom WorldWide AB (publ) converted 115,000 class C shares to ordinary shares and the long-term incentive plan 2012 was closed which resulted in an allotment of 108,272 shares to the participants of the program. As a result, as at June 30, 2015 Transcom had a total of 26,172,212 ordinary shares and 534,372 class C shares. All class C shares are held as treasury shares by Transcom. The total value of the long-term incentive plan 2012 has been apportioned over the total three year period and charged to the income statement.

On November 26, 2014, Transcom's executed a re-domiciliation to Sweden from Luxembourg through a merger between the former parent company Transcom WorldWide S.A. (RCS B59528) and its subsidiary Transcom WorldWide AB (publ) (org.no 556880-1277). Transcom Worldwide AB (publ) was per November 26, 2014 the new Parent Company of Transcom Group. The merger did not have any impact on the assets or liabilities of the Group, and consequently not on the total equity, over and above from the merger costs of €1.1 million, reported in Q2 2014, in the caption Administrative expenses (reported in the Parent Company Transcom WorldWide AB (publ)). However, the composition within equity changed due to change in share capital and change of Parent company. As merger consideration, Transcom Worldwide AB (publ) issued 1 new Ordinary share for each Class A Ordinary share issued by Transcom Worldwide S.A and 1.09 new Ordinary share for each Class B Preference share issued by Transcom Worldwide S.A.

During 10-12 December, 2014 Transcom WorldWide AB (publ) executed a 1:50 reverse split of the ordinary share of the Company following the re-domiciliation. At December 15, 2014 the Company issued and repurchased C class shares for future distribution for long-term incentive plans. In addition, a change of quota value to €2.10 was made.

EPS for 2014, quarter and January to September, has been adjusted to reflect the reverse split as if it had occurred as per January 2014.

## 10. DISPOSALS 2014

(€ '000)	CMS Poland, Czech	CMS Austria
<b>Consideration received</b>	<b>2,000</b>	<b>15,000</b>
Total non-current assets	-286	-15,046
Total current assets	-1,566	-5,060
<b>Total assets disposed</b>	<b>-1,852</b>	<b>-20,106</b>
Total non-current liabilities	-	516
Total current liabilities	758	3,180
<b>Total liabilities disposed</b>	<b>758</b>	<b>3,696</b>
Currency effects	-144	29
Transaction costs	-162	-502
<b>Net capital gain/loss</b>	<b>600</b>	<b>-1,883</b>

In May, 2014 Transcom announced the divestment of its Polish and Czech CMS business to Credit Express Group for €2.0 million on a cash and debt free basis. Net capital gain of €0.6 million was recorded in Q2 2014.

In June 27, 2014, Transcom signed an agreement to divest its Austrian CMS operations to the private equity investor HANNOVER Finanz Group, for €15.0 million on a cash and debt free basis (excluding €2.4 million in cash and debt). The transaction was closed in August 2014. Transcom recorded an adjustment to fair value less costs to sell of €1.9 million classified as Gain/loss on disposals of operating unit. Total assets disposed included goodwill of €14.1 million. Net cash flow from disposals of CMS Austria amounted to €12.1 million.

## 11. EVENTS AFTER THE REPORTING PERIOD

No events have taken place after the end of the interim period which require disclosure or amendment of these interim condensed financial statements.



## Financial overview

(€m)	2015 Q3	2014 Q3	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec
Revenue	151.8	146.0	616.8	653.2	605.6	554.1
Profit/loss before tax	3.0	4.9	18.8	-12.2	-23.6	-32.0
Profit/loss for the period	1.9	2.7	6.9	-18.6	-30.6	-50.4
Cash flow from operating activities	-9.4	7.2	11.5	9.9	-12.4	27.5
Cash flow from operating activities per share (Euro cents)	-36	28	44	38	-48	106
EPS (Euro cents)*	7.4	10.4	26.4	-71.3	-117.4	-193.5
Return on Equity	9.7%	-15.4%	6.0%	-15.2%	-23.0%	-29.5%
Operating margin	3.5%	3.6%	3.5%	-0.8%	-2.9%	-5.1%
Equity ratio	44.0%	22.8%	39.5%	32.2%	37.1%	43.0%
Net debt/EBITDA	0.6	1.7	0.9	1.5	2.0	0.8

\*EPS has been adjusted to reflect the reverse split as if it had occurred year 2011

### FINANCIAL DEFINITIONS

Increases in revenues, EBIT and profit before tax refer to the percentage increase in income statement item year-over-year.

Operating margin: the operating result as a percentage of revenue.

EBIT: operating profit/loss.

EBITDA: operating result where depreciation on fixed assets and amortization are added back.

Organic growth: change in revenue for comparable units, excluding currency effects.

Gross debt: interest-bearing liabilities.

Net debt: interest-bearing liabilities less cash and cash equivalents.

Net debt/EBITDA: interest-bearing liabilities less cash and cash equivalents divided by rolling 12 months EBITDA.

Return on Equity: Net income (rolling 12 months) divided by average equity.

Equity ratio: equity divided by total assets.

North Europe region: services delivered from Sweden, Norway, the Netherlands, Denmark, Estonia, Latvia and Lithuania.

Central & South Europe region: services delivered from Italy, Germany, Poland, Tunisia, Hungary, UK, Croatia and Serbia.

Iberia & Latam region: services delivered from Spain, Portugal, Colombia, Peru and Chile.

North America and Asia region: services delivered from the Philippines, USA and Canada.

CMS region: Credit Management Services in Austria (deconsolidated per July 31, 2014), Czech Republic and Poland (deconsolidated per May 28, 2014).

### ABOUT TRANSCOM

Transcom is a global customer experience specialist, providing customer care, sales, technical support and collections services through our extensive network of contact centers and work-at-home agents. We are 30,000 customer experience specialists at 54 contact centers across 23 countries, delivering services in 33 languages to over 400 international brands in various industry verticals. Transcom's share is listed on the Nasdaq Stockholm Exchange under the ticker symbol TWW.