Transcom

Annual Report 2015

CONTENTS

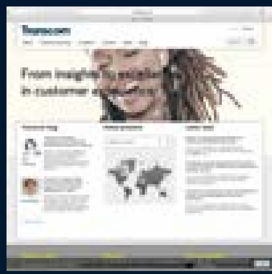
MORE INFORMATION ABOUT TRANSCOM

This annual report is focused on the annual financial review. The resources listed below provide additional information about Transcom and important activities in 2015.

2015.transcom.com

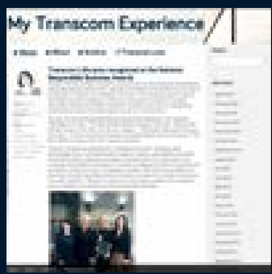
This special website replaces the traditional front section of the annual report, giving you key highlights from 2015. You will also find Transcom's people & sustainability report here.

Transcom.com



Transcom's corporate website.

blog.transcom.com



On Transcom's corporate blog, we share stories from around the Company. We also try to exemplify how we work together with our clients to enhance their business performance by improving the experience of their customers.

Hello!
This magazine contains recent stories from around Transcom. It can be downloaded on www.transcom.com.

The formal annual accounts and the consolidated accounts comprise pages 6–63.
This is a translation of the original Swedish Annual Report. In the event of differences between the English translation and the Swedish original, the Swedish Annual Report shall prevail.

Key highlights

TRANSCOM ANNOUNCES MID-TERM FINANCIAL TARGETS

Transcom's adoption of a set of mid-term financial targets in February 2015 signified the beginning of the next stage in Transcom's development. Transcom's mid-term targets are:

- EBIT margin of at least 5 percent. This is the most fundamental and prioritized target at the moment.
- Net debt/EBITDA ratio of maximum 1.0.
- Organic revenue growth of at least 5 percent per year

TRANSCOM STRENGTHENS MANAGEMENT TEAM TO SUPPORT GROWTH, OPERATIONAL PERFORMANCE IMPROVEMENTS AND INNOVATION

In mid-2015, Transcom's Group executive management team was strengthened with the addition of a Chief Operating Officer (COO), a Chief Commercial Officer (CCO) and a global HR Director. A number of projects in these and other areas have been initiated in order to secure the Company's competitiveness and profitability for the long term.

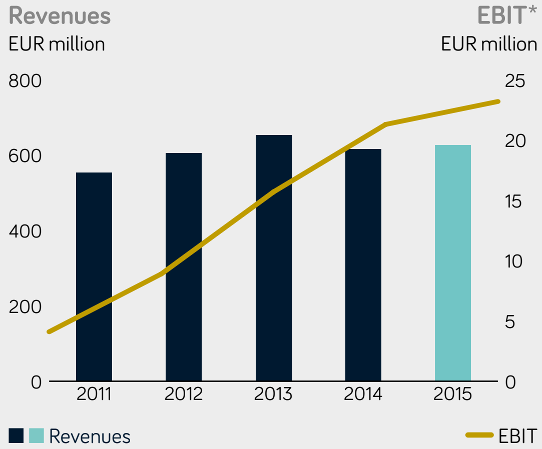
FROST & SULLIVAN RECOGNIZES TRANSCOM'S GROWTH AND INNOVATION IN MULTIPLE CUSTOMER CARE OUTSOURCING MARKETS

Frost & Sullivan recognized Transcom with the **2015 European Frost & Sullivan Award for Visionary Innovation Leadership**. Each year, Frost & Sullivan presents this Award to the company that has demonstrated the understanding to leverage global Mega Trends and integrate the vision into processes to achieve strategic excellence.

TRANSCOM EXITS COLOMBIA AND REVIEWS REMAINING LATIN AMERICAN BUSINESS

In January 2016, Transcom announced the closing of its loss-making contact center in Cali, Colombia. The Board of Directors is also evaluating strategic alternatives for the Company's remaining Latin American business in Chile and Peru. Transcom is a marginal player in Latin America, and will focus on other markets, where the Company's potential for generating profitable growth is greater.

Key financial highlights



* Excluding non-recurring items (rare events or activities that are not part of normal business operations, mainly restructuring activities)

TRANSCOM STREAMLINES REGIONAL AND MANAGEMENT STRUCTURE

In January 2016, Transcom made a number of changes to its regional and management structure. This will improve efficiency and further streamline Transcom's global business operations, as well as focus the organization's resources on prioritized growth areas. Following these changes, Transcom's global business is managed within three operating units, in addition to the Latin American organization currently under review: North Europe, Continental Europe, and English-speaking markets & APAC.

TRANSCOM SIGNS A NUMBER OF NEW CLIENT AGREEMENTS

During the year, Transcom signed a number of new agreements, e.g. with lastminute.com and Whirlpool.

Comments from the CEO

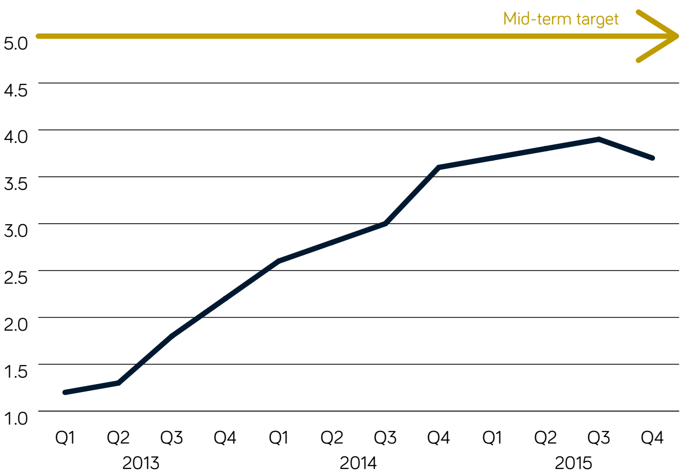
As a result of the continued positive profitability trend, Transcom's financial position is strong. We are now in a situation that allows us to start paying a dividend. In 2016, we are implementing a number of structural changes that will improve our margins further and focus the organization on prioritized growth areas.

CONTINUED POSITIVE PROFITABILITY TREND

As we entered 2015, I stated that Transcom was exiting the turnaround phase that we initiated at the end of 2011 with the aim of improving financial and operational stability. In order to give our stakeholders some guidance on what to expect from us in the next two to three years, we also announced a set of mid-term financial targets at the beginning of the year. We set an EBIT margin target of at least five percent, and an organic revenue growth target of at least five percent. In addition, we said that our net debt/EBITDA ratio should not exceed 1.0.

I am happy to report that we are progressing well against our profitability target, which is our most fundamental and prioritized target at the moment. Our EBIT margin performance on a rolling 12-month basis, excluding non-recurring items, has improved in ten of the last eleven quarters (our performance in the fourth quarter 2015, while satisfactory, fell short of the exceptionally strong Q4 in 2014). Our EBIT margin in 2015, excluding non-recurring items, improved to 3.7 percent, mainly driven by stronger performance in the North America & Asia Pacific region. As a result of the positive profitability trend, Transcom's balance sheet is strong. At the end of 2015, our net debt/EBITDA ratio stood at 0.6, compared to 0.9 in December 2014. This means that Transcom is in a financial position to start paying a dividend. Consequently, the Board of Directors recommends a dividend for 2015 amounting to SEK 1.75 per share.

12-month rolling EBIT* margin development, %



* Excluding items affecting comparability

While our performance in terms of sales is improving, with a number of new agreements signed during the year and a healthy pipeline, our organic revenue grew only slightly in 2015, by 0.5 percent. It should be noted that Transcom's decision not to bid for a renewed public sector client agreement in Italy had a EUR 8.7 million (-1.4 percent) negative effect on revenue compared to 2014.

TAKING IT TO THE NEXT LEVEL

During 2015, we completed a comprehensive review of our strategy going forward. One tangible outcome of this exercise is the decision to implement some structural changes that will improve profitability and focus the organization on prioritized growth areas. As previously announced, we have decided to exit Colombia and to evaluate strategic alternatives for our remaining Latin American business in Chile and Peru. This decision reflects a major shift in market conditions. Macroeconomic changes in the last couple of years have negatively affected the viability of Latin American contact centers as an offshore delivery solution for clients in Spain. In response, we have focused on repositioning our Latin American business towards serving domestic clients. While we have won a number of new clients, results are still unsatisfactory. Transcom is a marginal player in Latin America, and we have chosen to focus on other markets, where our potential for generating profitable growth is greater.

We will aim to grow our presence further in English-language markets, with a particular focus on the United States, the largest customer care outsourcing market in the world by far, and the United Kingdom, which is the biggest market in Europe. We expect to see continued healthy market growth in both countries in the

“We are progressing well against our profitability target, which is our most fundamental and prioritized target at the moment.”

coming years. In addition to this, we are targeting growth in selected markets in Europe, where Transcom has a very strong position to build on. We can offer clients an industry-leading multilingual delivery capability, based on a mix of onshore, near shore and offshore contact centers.

As a consequence of the decision concerning Latin America and our geographical focus areas going forward, we have realigned our regional and management structure. Starting on January 1, 2016, Transcom’s global business is managed within three operating units, in addition to the Latin American organization currently under review: North Europe, Continental Europe, and English-speaking markets & APAC. This change will yield cost advantages as well as enhance the opportunity to drive standardization and efficiency across our global business.

The key focus areas that we have defined for the coming years are to ensure that we have efficient and effective regional and corporate functions, that our sites deliver superior performance through operational excellence, that we excel in contract and account management, and that we win long-term profitable business in line with Transcom’s commercial and operational set-up. And, of course, the most fundamental thing we need to do is to deliver high-quality services to our clients and their customers.

The good news is that Transcom’s position is very strong in this respect. Our clients recognize the quality of our services, which has allowed us to expand our relationships with many of them, and to win new clients. For example, we recently announced new agreements with lastminute.com and Whirlpool.

I believe that Transcom’s position as a quality vendor is a key factor behind our success in the last few years. Our people’s strong local market knowledge and our flexibility in terms of meeting client requirements are also very important strengths in the marketplace. They provide a solid foundation as we prepare to move to the next level of performance. During the year, we reinforced our organizational skills and capabilities, further increasing focus and accountability in important areas in order to ensure that we continue the positive development towards our targets. In mid-2015, Transcom’s Group executive management team was strengthened with the addition of a Chief Operating Officer (COO), a Chief Commercial Officer (CCO) and a global HR Director. Our global Commercial, Operations, HR and Finance organizations provide strategic leadership for key activities and initiatives in four key areas that will reinforce our strengths and allow us to gain better leverage throughout the whole organization: commercial excellence, production platforms, operational excellence, and people.

Partnering with our clients to put in place innovative solutions

In the area of **commercial excellence**, the key goal is to support our future growth objectives by further strengthening Transcom's position as a strategic partner for our clients, and to win new business. We need to make sure that we have the right capabilities to keep up with the rapid pace of change in our industry, bringing new and innovative solutions to the market quickly. To this end, we are making investments in order to build our skills and capabilities, while developing tangible solutions for clients in parallel. One notable example in the area of innovation is our "LeonarDo 2.0.14" innovation lab, set up at the end of 2014 in Italy, at the Transcom site in L'Aquila on a joint basis with the L'Aquila University and local contact center company Elleacall. This project is dedicated to developing new technology solutions and customer management processes based on a social and digital approach. The aim is to constantly improve the customer experience offered by our contact centers. The project is now delivering its first results in the form of a series of pilot projects developed for our clients.

Refining our production platform

When it comes to our **production platform concepts**, our key objective is always that they match our clients' needs and requirements. Transcom's responsiveness and flexibility are well recognized in the marketplace. At the same time, it is necessary that we successfully strike a balance between adaptiveness and our ability to put in place solutions that are as standardized and replicable as possible. This is an important focus area in 2016 and beyond, as an increased degree of standardization across our site network will yield important benefits in terms of higher efficiency, scalability, and consistency of quality. A key project in 2016 in this area is a comprehensive site benchmarking exercise. During the fall of 2015, we completed a pilot study, covering a subset of our facilities, with some very promising results in terms of efficiency improvement opportunities. In 2016, we will be putting the methodology into action across our entire network of sites.

Operational excellence to drive quality and improved profitability

Our benchmarking methodology will also support **operational excellence** in a wider sense, identifying and prioritizing projects based on their value creation potential. In the operations area, key areas of focus include process standardization, the implementation of continuous improvement processes, and structured programs for leadership training and assessments across different levels. We will continue the process of optimizing and standardizing Transcom's Group-wide operational processes, ensuring that our global business operations are efficient and effective and that our resources are managed in the best possible way.

Developing our people

Every year, Transcom hires thousands of new people on whom our business results depend. So it is not an overstatement to say that people truly make all the difference in our business. During a typi-

"I believe that Transcom's position as a quality vendor is a key factor behind our success in the last few years. Our people's strong local market knowledge and our flexibility in terms of meeting client requirements are also very important strengths in the marketplace."

cal month, our customer experience specialists handle approximately 30 million interactions with our clients' customers in more than 33 languages. We rely on knowledgeable, motivated people to deliver a great customer experience every time, in any customer situation and via any channel. Our ability to find people with the right skills and attitudes, in combination with efficient training methods and processes to drive performance, is essential to making this happen. We also need to make sure that we develop good leaders. This is the reason we are strengthening our talent management program further in 2016, e.g. by establishing international and cross-functional development programs for high performers. We take employee satisfaction very seriously. In order to make sure we get the insights we need in order to continuously improve our workplace and make it a great place to work, we launched a redesigned employee satisfaction survey at the beginning of 2016.

Transcom Cares

At Transcom, we have chosen to focus our corporate social responsibility (CSR) efforts on people, which is reflected in the focus areas of our CSR governance program, **Transcom Cares**. We focus on people development, equality & diversity and community engagement. In addition to the CSR focus areas we have defined for our Transcom Cares program, Transcom fully supports the ten principles of the UN Global Compact with respect to human rights, labor rights, environmental care and anti-corruption work. These principles are an integral part of our corporate strategy, business culture and day-to-day operations. Therefore, as part of our ongoing pledge to deliver an outstanding customer experience in a global sustainable society, Transcom is a signatory of the UN Global Compact. We are whole-heartedly committed to ensuring that we comply with the UN Global Compact and its principles.

I invite you to read more about CSR at Transcom in 2015 on our special website **2015.transcom.com**, which replaces the traditional front section of the annual report. On this site, you will also find content on other areas, such as operations, business development, finance and HR. Let me also invite you to read Transcom's magazine, Hello!, which features stories from the year. It is available on www.transcom.com.

Let me close by thanking our clients and shareholders for their continued support, as well as our 30,000 employees for their hard work, commitment and dedication during 2015.

Stockholm, April 6, 2016

Johan Eriksson
President & CEO of Transcom

Administration report

The Board of Directors and the CEO of Transcom WorldWide AB (publ), corporate registration number 556880-1277, hereby submit the Annual Report and Consolidated Financial Statements for the 2015 financial year.

Transcom (the "Company") is a global customer experience specialist, providing customer care, sales, technical support and collections services through an extensive network of contact centers and work-at-home agents. Transcom's customer experience specialists engage with customers in multiple channels, including phone, e-mail, chat and social media networks.

Transcom's operations add value to clients' businesses by supporting the creation of outstanding customer experiences, while reducing cost and helping to drive growth. Transcom does this directly, by delivering multi-channel customer service and support in a cost-effective way. But Transcom's goal is also that the Company's activities benefit other parts of clients' businesses. For example, Transcom's analytics capabilities can generate insights that ultimately contribute to the creation of a differentiated customer experience, setting Transcom's clients apart in an increasingly competitive marketplace.

As a global specialist of outsourced customer care solutions, Transcom has an important role in helping to make sure that end customers form positive perceptions of their interactions with the companies that Transcom supports. To many of the Company's clients, the quality of their customer care operations is fundamental to their ability to execute their service-based strategies to increase loyalty, retention and customer sales. This is why they partner with Transcom, whose core business is to deliver excellent multichannel customer service and support.

The Company's services are delivered through a structured and proven process with rigorous quality controls. Continuous improvement practices, focused on strengthening service quality and enhancing operational efficiency, are embedded into daily operations.

The impact of the Company's service delivery on customer experience is constantly validated, e.g. through Customer Satisfaction, Customer Effort, and Net Promoter indices.

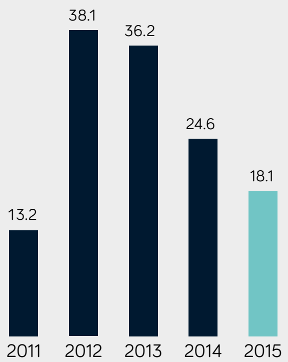
At the end of 2015, Transcom employed approximately 30,000 customer experience specialists at 54 onshore, offshore and near shore contact centers across 23 countries, delivering services in 33 languages to customers in various industry verticals.

The Transcom Group consisted of the following business segments (regions) at the end of 2015: North Europe, Central & South Europe, Iberia & Latam, and North America & Asia Pacific.

In January 2016, Transcom announced a number of changes to its regional and management structure (see "Events after the reporting period" below).

	2015	2014	2013	2012	2011
Revenue (EUR million)	626.5	616.8	653.2	605.6	554.1
Profit/loss before tax (EUR million)	17.4	18.8	–12.2	–23.6	–32.0
Profit/loss for the year (EUR million)	8.7	6.9	–18.6	–30.6	–50.4
Operating margin	3.2 %	3.5 %	–0.8 %	–2.9 %	–5.1 %
Net debt/EBITDA	0.6	0.9	1.5	2.0	0.8

Net debt
EUR million



FINANCIAL OVERVIEW

Revenue development

Revenue in 2015 amounted to EUR 626.5 million (EUR 616.8 million). Revenue, adjusted for exchange rate impact and divested operations, increased slightly in 2015, by 0.5 percent (EUR 3.1 million). The divestment of CMS units had a EUR 12.4 million negative impact on the revenue comparison with 2014, while currency effects had a EUR 19.0 million positive impact. Transcom's previously disclosed decision not to bid for a renewed public sector client agreement in Italy had a EUR 8.7 million negative impact on the revenue comparison with 2014.

Operating result

Transcoms EBIT in 2015 was EUR 20.0 million compared to EUR 21.3 million in 2014. EBIT in 2015 was impacted by a non-recurring EUR 2.3 million restructuring cost related to the closure of the Cali site in Colombia, of which EUR 0.8 million will have a cash flow effect. EBIT excluding non-recurring items was EUR 23.2 million (EUR 21.3 million). This was driven by improved performance in the North America & Asia Pacific region.

Depreciation amounted to EUR 7.8 million in 2015 (EUR 6.2 million) and amortization EUR 1.4 million (EUR 2.2 million). SG&A expenses amounted to EUR 102.8 million (EUR 101.9 million).

Taxes

During 2015, the Group's tax expense amounted to EUR 8.7 million (EUR 11.9 million). The reported current income tax on profit (including withholding taxes) for the year was EUR 5.8 million in 2015 (EUR 9.6 million). Tax expenses in 2015 also include EUR 2.5 million cost relatig to a tax audit and an impairment of deferred tax assets of EUR 0.7 million. The Group's corporate income tax expense (excluding withholding taxes) was EUR 4.9 million in 2015 (EUR 8.6 million). The effective tax rate differs from the statutory rate mainly due to losses for which no deferred tax assets can be recognized. The effective tax rate is currently high, and it is expected that continued performance improvements will lower the tax rate to the level of the average statutory tax rates in the countries where the Group operates.

Cash flow

EUR million	2015 Jan–Dec	2014 Jan–Dec
Cash flow from operating activities before changes in working capital	21.5	17.7
Change in working capital	-0.9	-6.2
Cash flow from operating activities	20.6	11.5
Cash flow for the year	-15.1	-22.0

Cash flow from operating actitivies improved during the year 2015 compared to previous year. Repayment of borrowings amounted to EUR 31.0 million in 2015 (EUR 39.1 million).

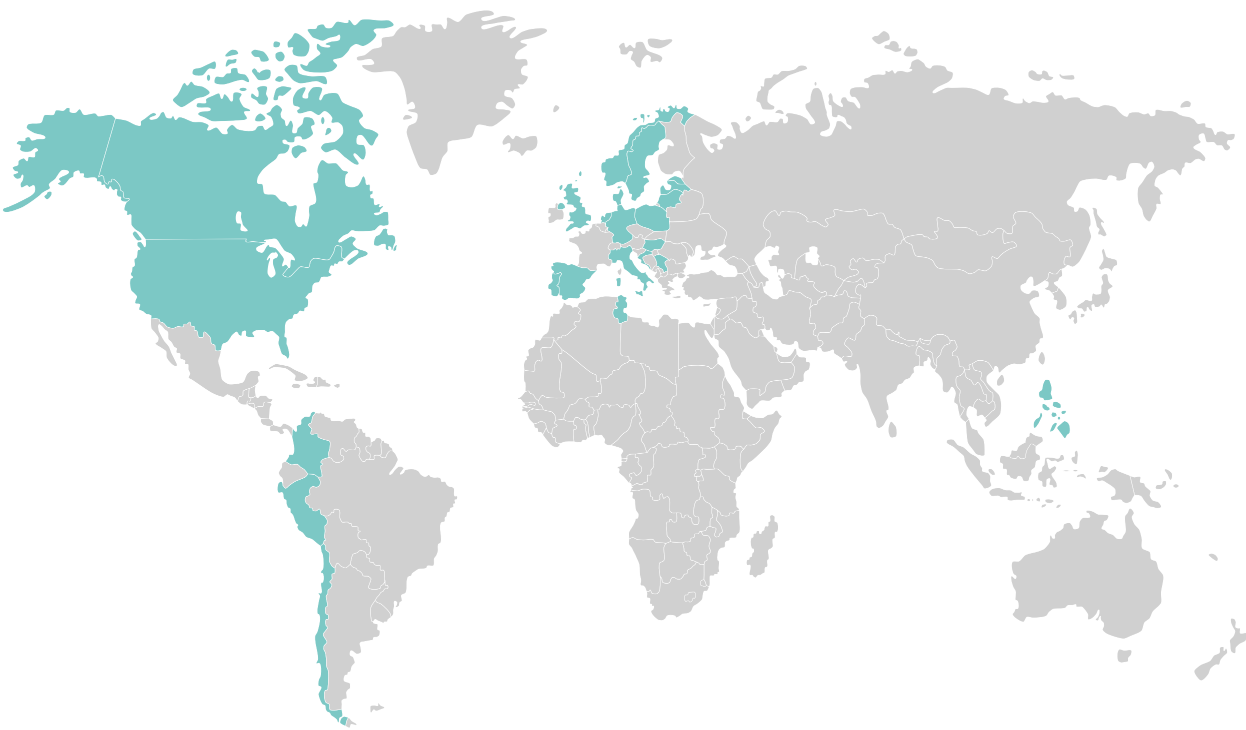
Debt & Financing

EUR million	2015 Dec 31	2014 Dec 31
Gross debt	42.9	62.8
Net debt	18.1	24.6
Net debt/EBITDA	0.6	0.9
Equity	132.0	120.0
Cash and cash equivalents	24.8	38.2

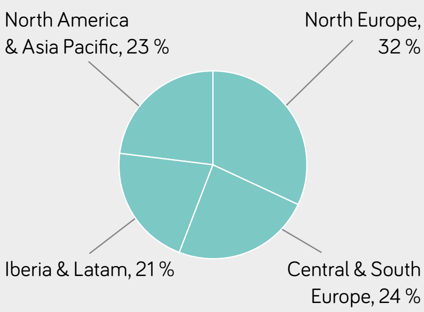
Transcom reduced gross debt from EUR 62.8 million at the end of 2014 to EUR 42.9 million at the end of 2015. Net debt as at December 31, 2015 was EUR 18.1 million compared to EUR 24.6 million at the end of 2014. Net Debt/EBITDA was 0.6, compared to 0.9 at the end of 2014. Transcom is well within its financial covenant thresholds.

REGIONAL OVERVIEW

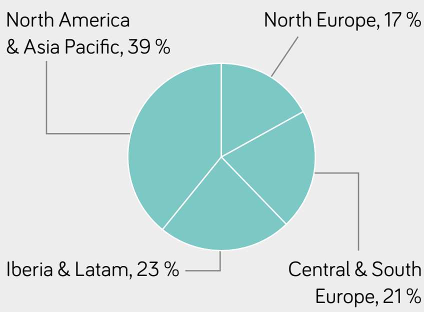
As a global player with operations in 23 countries across five continents employing 30,000 people, Transcom can provide service wherever our clients have customers. Our global delivery network with 54 sites across five continents is one of the most extensive in our industry. We deliver services from onshore, near shore as well as from offshore contact centers. Our wide geographic presence means that we can offer our clients flexibility with regards to sourcing options and devise solutions that are well-adapted to clients' needs. During 2015, Transcom's global business was managed within four segments.



Revenues by region



Number of employees



North Europe

Services delivered from Denmark, Estonia, Latvia, Lithuania, the Netherlands, Norway and Sweden.

Performance highlights 2015

We saw a slight negative organic growth in the year (-0.4 percent). Growth in the Netherlands and the Baltics was offset by lower business volumes in Sweden and Norway compared to 2014. Currency movements impacted the revenue comparison with 2014 negatively by EUR 5.0 million.

The slight decrease in EBIT margin is attributable to the effect of lower volumes in the last quarter of the year.

EUR million	2015 Jan–Dec	2014 Jan–Dec
Revenue	201.9	207.7
Gross profit	37.0	38.7
Gross margin	18.3 %	18.6 %
EBIT	10.0	11.0
EBIT margin	5.0 %	5.3 %

Iberia & Latam

Services delivered from Chile, Colombia, Peru, Portugal and Spain.

Performance highlights 2015

In Spain, lower volumes and lower prices on some client projects impacted negatively on revenue and EBIT. Higher volumes in Portugal partly compensated. Profitability in Portugal was impacted by costs associated with the ramp-up of a new site.

Higher business volumes in Chile and Peru had a positive effect on revenue and EBIT. However, the result in Latam is not satisfactory. Total losses in Latin America amounted to EUR 3.7 million for 2015, excluding restructuring costs in Colombia, amounting to EUR 2.3 million. Revenue in Latin America amounted to EUR 13.1 million in 2015.

EUR million	2015 Jan–Dec	2014 Jan–Dec
Revenue	129.4	124.1
Gross profit*	20.4	21.6
Gross margin*	15.8 %	17.4 %
EBIT*	0.5	1.1
EBIT margin*	0.4 %	0.9 %

* Excluding non-recurring items amounting to EUR -0.2 million in gross profit and EUR -2.3 million in EBIT in 2015

Central & South Europe

Services delivered from Croatia, Germany, Hungary, Italy, Poland, Serbia, Tunisia and the United Kingdom.

Performance highlights 2015

Growth in Germany and, to a lesser extent, Poland, Tunisia and Serbia, was offset by lower volumes in Italy and Hungary. The effect of the decision to not submit a tender for a new partnership with a public sector client in Italy had a negative EUR 8.7 million (-5.8 percent) impact on revenue in the region.

EUR million	2015 Jan–Dec	2014 Jan–Dec
Revenue	149.7	149.5
Gross profit	27.0	28.5
Gross margin	18.0 %	19.0 %
EBIT*	4.7	5.0
EBIT margin*	3.1 %	3.3 %

* Excluding non-recurring items amounting to EUR -0.1 million in 2015

North America & Asia Pacific

Services delivered from Canada, the Philippines and USA.

Performance highlights 2015

Organic growth was negative 0.8 percent as a result of lower volumes and unfavorable transaction currencies in Asia. Foreign exchange effects had a EUR 23.5 million positive impact on the revenue comparison.

Increased efficiency and cost savings in both North America and Asia impacted positively on margins. Currency effects had a EUR 1.7 million positive effect on EBIT.

EUR million	2015 Jan–Dec	2014 Jan–Dec
Revenue	145.5	123.2
Gross profit*	40.3	34.4
Gross margin*	27.7 %	27.9 %
EBIT*	8.0	4.3
EBIT margin*	5.5 %	3.5 %

* Excluding non-recurring items amounting to EUR -0.8 million in 2015

CHANGE IN GROUP EXECUTIVE MANAGEMENT

As disclosed on February 5, 2015, Transcom is strengthening its Group executive management team in order to increase focus and accountability in areas of vital importance to the Company's continued success. The following changes were implemented in 2015:

- Transcom's executive management team now includes a Chief Operating Officer (COO), a Chief Commercial Officer (CCO) and an HR Director.
- Pär Christiansen, Transcom's former CFO, was appointed COO with overall responsibility for Transcom's Group-wide operational processes. As part of his new role, Pär also has overall responsibility for global IT operations.
- Ulrik Englund was appointed new Chief Financial Officer (CFO).
- Philip Sköld was appointed CCO, responsible for further strengthening Transcom's position as a strategic partner for our clients
- Rosana Garcia was appointed Group HR Director, responsible for implementing Transcom's human resources strategy across its global organization.

RESEARCH & DEVELOPMENT

Transcom, being a service company, does not carry out any research activities as defined in IAS 38 Intangible assets. Development activities mainly consist of the development of IT solutions. The Company's service offering and solutions are continuously developed and refined in order to ensure that Transcom has the right capabilities to keep up with the rapid pace of change in its industry, bringing new and innovative service solutions to market quickly.

PARENT COMPANY

Transcom Group's Parent Company, Transcom WorldWide AB (publ), does not perform CRM services, but is responsible for corporate management and administrative services to other Group companies as well as holding company functions. The Parent Company is also the counterparty to a limited number of client contracts. The Company is listed on the Nasdaq Stockholm exchange under the ticker symbol TWW. Transcom WorldWide AB (publ) is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Gjörwellsgatan 30, SE-112 60 Stockholm.

Gross profit was roughly flat compared to 2014. The equity ratio improved to 42 percent (17 percent in 2014) mainly due to received dividend from Group companies. In 2015, Transcom WorldWide AB received EUR 66,259 thousand (EUR 13,060 thousand in 2014) in dividends from Group companies, and EUR 8,816 thousand (EUR 4,883 thousand in 2014) in Group contribution.

Transcom has one foreign branch, in Switzerland. The Swiss branch carried out no operations during the year, and will be discontinued.

EVENTS AFTER THE REPORTING PERIOD

On March 9, 2016, Transcom announced that the Company has signed a syndicated credit agreement with ING, Nordea and SEB to implement a EUR 90 million multi-currency revolving credit facility. The facility has a tenor of three years with an option to extend for one year. The purpose of the new agreement is to refinance an existing facility which was due to expire in January 2017.

On March 3, 2016, Transcom announced that the Company has successfully closed the divestment of its Danish Credit Management Services operations (CMS Denmark) for an equity value of EUR 13.0 million to Inga Acquisition ApS, a holding company of the current management team and an investment company. CMS Denmark was part of Transcom's North Europe region in 2015. The divested unit had a turnover of EUR 11.4 million in 2015 and has approximately 80 employees.

On January 18, 2016, Transcom announced that it will close its loss-making contact center in Cali, Colombia, and that the Board of Directors is evaluating strategic alternatives for the Company's remaining Latin American business in Chile and Peru. Since 2013, Transcom has generated losses in Latin America totaling EUR 15.6 million. Out of this amount, EUR 4.7 million is attributable to Colombia. In 2015, losses in Latin America totaled EUR 3.7 million, EUR 2.0 million of which refers to Colombia. Stopping these losses is a key priority in 2016.

On January 18, 2016, Transcom also announced a number of changes to its regional and management structure (see below). This realignment will improve efficiency and further streamline Transcom's global business operations, as well as focus the organization's resources on prioritized growth areas. The following changes have been made to Transcom's regional structure, i.e. the Company's operating segments:

- A new region, **Continental Europe**, combines Transcom's operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). Roberto Boggio has been appointed General Manager of this new region.
- A new region, **English-speaking markets & APAC**, integrates the UK organization with Transcom's operations in North America & Asia Pacific. Siva Subramaniam has been appointed General Manager of this new region.
- Region **North Europe** remains unchanged, led by Christian Hultén.
- Transcom's assets in Chile and Peru, currently under strategic review, will be managed separately, reporting to the President & CEO, Johan Eriksson.

Starting in the Q1 2016 interim report, Transcom's segment reporting will reflect this change. Pro forma comparable figures for Transcom's new segment reporting structure will be released before the publication of Q1 2016 results.

OUTLOOK

Transcom has a solid foundation from which to take the next steps in its development. The Company's objective is to increase revenue organically, while continuing to improve operational efficiency in order to strengthen margins. As disclosed on February 5, 2015, Transcom has adopted a set of mid-term financial targets: organic revenue growth of at least 5 percent per year, an EBIT margin of at least 5 percent, and a net debt/EBITDA ratio of maximum 1.0.

The closure of Transcom's loss-making site in Colombia and the simplification of the Company's regional and management structure will support margin improvements going forward.

RISKS AND UNCERTAINTIES

There are a number of risk factors that may affect Transcom's operations which, to varying degrees, have an impact on Transcom's revenue, operations, profitability and financial position. These risks are monitored and to the extent possible, managed by Transcom. 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 and to provide reliable financial information. Transcom's approach to enterprise risk management, as well as a more comprehensive depiction of risk factors, is described in the Corporate Governance report on pages 72–73.
Key risks specific to Transcom's operations are:

- The risk of overcapacity situations in the case of volume reductions or termination of client contracts.
- The risk of significant volume reduction in relation to key clients, since a significant portion of Transcom's revenue is generated from a limited number of clients. Furthermore, since Transcom is highly dependent on the Communications and Financial services industries, any future prolonged downturn in these industry verticals may lead to volume reductions.
- The risk of failure to achieve the desired flexibility in staffing in each local market. Transcom is also exposed to the risk of adverse movements in labor costs, legislation or other conditions related to staffing.
- The risks of Transcom's clients terminating contracts before their scheduled expiration dates, or reduce business volumes, since some of these contracts do not require any termination fees or the possibility by Transcom to invoice any costs to recover client-specific investments. In addition, many client contracts have performance-related bonus and/or penalty provisions which are driven by Transcom's performance vis-à-vis agreed-upon performance metrics. In the event that Transcom is unable to deliver on the agreed-upon performance metrics, the Group could face penalties.
- The risk of high staff attrition in some of Transcom's markets or the inability to attract and retain personnel, since Transcom's long-term success largely depends on the ability to attract and develop the right people.
- The risk of disruption in technological infrastructure due to host of reasons including natural disaster, lapses from vendors, operating malfunction, lapses in change management procedures, cyber attacks, sabotage, etc. Furthermore, continuity in Transcom's operations may be affected by natural events, wars, terrorist attacks, other civil disturbances, epidemics, technical failures, etc.
- The risk of adverse foreign exchange movements, involving transaction exposure where Transcom invoices clients in one currency and incurs costs in another currency. Transcom is also exposed to translation exposure due to conversion of assets, liabilities, revenues and costs denominated in non-reporting currencies, into Transcom's reporting currency, which is the Euro.

The main risks arising from the Group's financial instruments are liquidity risk, credit/counterparty risk, foreign currency risk, and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks. Further information on financial risks is summarized in note 24.

PERSONNEL AND SUSTAINABILITY

At the end of 2015, Transcom had 29,513 employees in 23 countries. Every year, Transcom hires thousands of new people on whom its business results depend. An engaged, skilled and motivated workforce is key to meeting the Company's ambitious goals. In a people-intensive business like Transcom's, where long-term success largely depends on the ability to attract and develop the right people, it makes sense to focus corporate social responsibility (CSR) efforts on people as well. This is reflected in Transcom Cares, the Company's overarching CSR governance program, which is focused on people development, equality & diversity, and community engagement.

In order to ensure that Transcom is successful in finding the right people, the Company has a clear goal of becoming an employer of choice in its industry. Besides offering a stimulating working experience, competitive compensation and robust training, the opportunity for career development is one of the key factors that attracts new talents to the Company.

There is a multitude of opportunities for employees to develop and grow at Transcom, which is reflected in the Company's clearly defined career progression, either as a line manager or specialist. Over 85 percent of managers are internally recruited, translating into a skilled workforce with a high degree of specialist knowledge. In 2015, we continued to institutionalize our redesigned Talent Management Program, which was implemented in 2014, putting the necessary tools in place to manage the process on a global level, ensuring greater transparency and efficiency. We also improved our Performance Management Program, which not only supports performance, but also serves as the platform for the Talent Management Process. Our Managers and specialists received training on the process in order to ensure that the quality is maintained.

Environment

Transcom strives to reduce the environmental impact of its operations, with a particular focus on limiting business travel and decreasing energy consumption in its facilities.

There are training programs in place in the area, and the Group supports local initiatives with employees in order to encourage greater environmental responsibility in its workplaces. Our employees are committed to minimizing the impact and to working together to contribute to a better environment. Our environmental policy, which includes respect for the precautionary principle, guides us in lowering emissions from air travel, supports us in selecting goods and services produced with respect for the nature and is a tool to push our environmental demands throughout our supply chain.

In 2015, energy consumption in our facilities increased slightly, by approximately 1.5 percent, while CO_2 emissions from business travel decreased by 35 percent. CO_2 emissions per employee were also lower compared to 2014 (from 0.055 ton per employee to 0.034 ton).

Further information about Transcom's activities in the area of people and sustainability is available at **2015.transcom.com**.

CORPORATE GOVERNANCE

Transcom's Corporate Governance report is published on www.transcom.com, and is also included in this document on pages 65–79.

PROPOSED GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES

Upon recommendation of the remuneration committee, the board of directors proposes that the annual general meeting resolves to adopt guidelines for remuneration to senior executives in accordance with the following:

These guidelines apply to remuneration for senior executives within the Group which currently include eight members of the executive management of Transcom ("Senior Executives"), as well as members of the Board of Directors to the extent they are remunerated outside their directorship.

The total amount of remuneration granted directly or indirectly by Transcom to the Senior Executives is fully described in note 4.

The remuneration to the Senior Executives shall consist of fixed salary, variable salary as well as the possibility to participate in long-term incentive programs. These components shall create a well-balanced remuneration which reflects individual performance and which offers a competitive remuneration package adjusted to conditions on the market.

The fixed salary and the bonus percentage may vary amongst Senior Executives according to their level of responsibility or seniority.

The level of variable salary shall be in accordance with market practice and shall depend on the level of responsibility and seniority and shall be calculated according to a combination of results achieved and individual performances. The maximum bonus entitlement is capped at 80 percent of the fixed annual salary.

Other benefits shall only constitute of a limited amount in relation to the total remuneration and shall correspond to local practice.

In the event of notice of termination of employment being served by Transcom, there is entitlement to salary during such notice period according to law governing the respective employment relationship.

The Senior Executives shall be entitled to pension commitments based on those that are customary in the country in which they are employed. The maximum pension commitment shall not exceed 30 percent of the fixed annual salary. Pension commitments will be secured through premiums paid to insurance companies.

Members of the board of directors, elected at shareholders' meetings, receive a fixed fee for their services. The board of directors may in exceptional cases receive a fee for services performed within their respective areas of expertise and outside of their duties on the board of directors. (No such fees have been paid out in 2015). Compensation for these services shall be paid on market terms and be approved by the board of directors.

In special circumstances, the board of directors may deviate from the above guidelines. In such case, the board of directors is obligated to give account for the reason for the deviation on the following annual general meeting of shareholders.

The board of directors' view is that the remuneration to the CEO and the other members in the executive management strikes an appropriate balance between motivating the members of the executive management and achieving a well-balanced competitive compensation that aligns the members' incentives with the interests of Transcom and the shareholders.

Current remuneration guidelines are described in note 4.

THE TRANSCOM SHARE

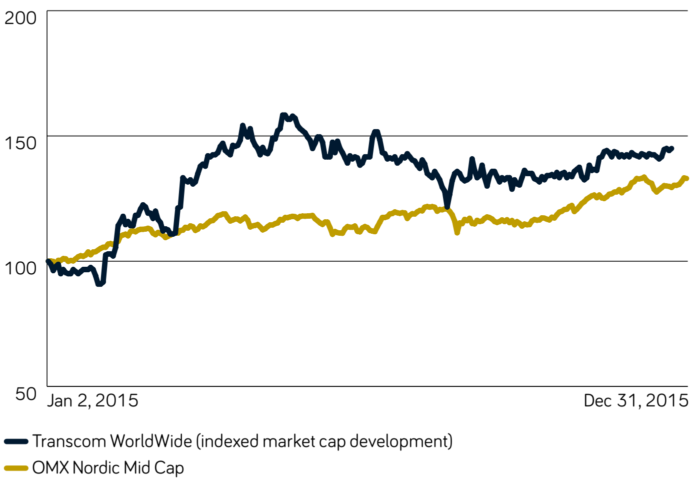
Transcom's ordinary shares are listed on Nasdaq Stockholm under the ticker symbol TWW. The ISIN code is SE0006168316. Each share entitles the holder to one vote at general meetings of shareholders and each holder may vote for the entire number of shares owned or represented by him or her without any limitation of the voting rights. The total number of shares and votes in Transcom amounts to 26,706,584. Transcom has an issued capital of EUR 56,083,826.40 divided into a total of 26,172,212 ordinary shares with one voting right each and 534,372 class C shares, also with one voting right each. The nominal value per share is EUR 2.10. All class C shares are held as treasury shares by Transcom. The total number of treasury shares held by Transcom amounts to 568,771, out of which 34,399 are ordinary shares.

During 2015 115,000 class C shares were converted to ordinary shares. In addition, 108,272 shares held by Transcom were used when the long-term incentive plan 2012 vested (see note 17).

As at December 31, 2015, there were two shareholders whose holdings exceeded ten percent of the voting capital: Altor AB (24.4 percent) and Creades AB (10.2 percent).

Further information on the Transcom share can be found in note 16 for the Group and note A18 for the Parent Company.

The Transcom share



Transcom's top ten shareholders as at December 30, 2015

Shareholder	Shares	% of capital and votes*
ALTOR AB	6,377,238	24.4 %
CREADES AB	2,672,196	10.2 %
SKANDINAVISKA ENSKILDA BANKEN S.A.	1,776,434	6.8 %
FIDELITY FUNDS	1,410,003	5.4 %
FJÄRDE AP-FONDEN	1,311,899	5.0 %
NORDNET PENSIONSFÖRSÄKRING AB	1,033,675	4.0 %
UNIONEN	976,098	3.7 %
FÖRSÄKRINGSAKTIEBOLAGET AVANZA PENSION	882,712	3.4 %
PICTET	570,422	2.2 %
DNB SWEDEN MICRO CAP	534,981	2.0 %

* Excluding treasury shares

PROPOSED ALLOCATION OF EARNINGS

The statements of income and the balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on April 28, 2016.

The following amounts in EUR are at the disposal of the Parent Company's Annual General Meeting:

Retained earnings	1,110,242
Profit/loss for the year	50,671,792
Total	**51,782,034**

The Board and the CEO propose that the unappropriated earnings at the disposal of the Annual General Meeting be disposed of as follows:

Proposed dividend (1.75 SEK per share)*	4,977,547
Carried forward:	
Retained earnings	46,804,487
Total	**51,782,034**

* The proposed dividend amount in Euros is an approximation since the total amount in Euros will be calculated using the EUR/SEK exchange rate on the day the dividend is paid out to shareholders of record.

Financial overview

	2015	2014	2013	2012	2011
Revenue (EUR million)	626.5	616.8	653.2	605.6	554.1
Profit/loss before tax (EUR million)	17.4	18.8	-12.2	-23.6	-32.0
Profit/loss for the year (EUR million)	8.7	6.9	-18.6	-30.6	-50.4
Net cash flow from operating activities (EUR million)	20.6	11.5	9.9	-12.4	27.5
Net cash flow from operating activities per share (Euro cents)	79.0	44	38	-48	106
Earnings per share (Euro cents)*	33.2	26.4	-71.3	-117.4	-193.5
Return on Equity	6.7 %	6.0 %	-15.2 %	-23.0 %	-29.5 %
Operating margin	3.2 %	3.5 %	-0.8 %	-2.9 %	-5.1 %
Equity ratio	46.2 %	39.5 %	32.2 %	37.1 %	43.0 %
Net debt/EBITDA	0.6	0.9	1.5	2.0	0.8

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

Consolidated income statement

January to December

EUR thousand	Note	2015	2014
Revenue	3, 26	626,522	616,840
Cost of sales	4, 5, 7, 26	-502,833	-489,257
Gross profit	**3**	**123,689**	**127,583**
Marketing expenses	4, 5	-3,585	-4,451
Administrative expenses	4, 5, 6, 16	-99,218	-97,468
Restructuring expenses	25	–	-515
Net gain/loss on disposal of business	25	-109	-1,498
Other operating income/expenses	7	-827	-2,325
Operating profit/loss	**3**	**19,950**	**21,326**
Financial income	8	360	2,334
Financial expenses	8	-2,913	-4,858
Profit/loss before tax		**17,397**	**18,802**
Income tax expense	9	-8,744	-11,934
Profit/loss for the year		**8,653**	**6,868**
Attributable to:			
– equity holders of the parent		8,653	6,868
– non-controlling interests		–	–
Earnings per share attributable to equity holders of the parent	10		
Earnings before dilution per Ordinary share, Euro cent per common share		33.2	26.4
Earnings after dilution per Ordinary share, Euro cent per common share		33.1	26.4

Consolidated statement of comprehensive income

January to December

EUR thousand	Note	2015	2014
Profit/loss for the year		8,653	6,868
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		4,672	1,700
Exchange differences recycled to profit and loss		–	115
		4,672	**1,815**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial profit/loss on post employment benefit obligations	19	262	-311
Income tax effect		10	58
		271	**-253**
Other comprehensive income for the year, net of tax		**4,943**	**1,562**
Total comprehensive income for the year, net of tax		**13,596**	**8,430**
Attributable to:			
– equity holders of the parent		13,596	8,430
– non-controlling interests		–	–

Consolidated statement of financial position

as at December 31

EUR thousand	Note	2015	2014
ASSETS			
Non-current assets			
Goodwill	11	107,491	101,824
Other intangible assets	11	4,175	4,211
Tangible assets	12	16,398	16,152
Deferred tax assets	9	917	2,137
Other receivables		1,283	1,534
	24	**130,264**	**125,858**
Current assets			
Trade receivables	13, 26	87,070	91,935
Income tax receivables		3,147	2,483
Other receivables	14	18,517	24,586
Prepaid expenses and accrued income		22,115	20,645
Cash and cash equivalents	15	24,826	38,173
	24	**155,675**	**177,822**
TOTAL ASSETS		**285,939**	**303,680**

Consolidated statement of financial position (continued)

as at December 31

EUR thousand	Note	2015	2014
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	16		
Share capital		56,084	56,084
Other contributed capital		8,993	8,993
Reserves		-8,172	-12,844
Retained earnings including net profit/loss for the year		75,108	67,763
Total equity		**132,013**	**119,996**
Non-current liabilities			
Interest-bearing liabilities	18	34,894	47,635
Employee benefit obligations	19	3,177	3,264
Provisions	20	–	135
Deferred tax liabilities	9	1,343	1,464
Income tax payables		283	2,093
Other liabilities		72	–
	24	**39,769**	**54,591**
Current liabilities			
Interest-bearing liabilities	18	7,992	15,119
Provisions	20	3,850	1,501
Trade payables	26	25,428	27,279
Income tax payables		4,669	8,304
Other liabilities	21	27,360	27,017
Accrued expenses and prepaid income	22	44,858	49,873
		114,157	**129,093**
Total liabilities	**24**	**153,926**	**183,684**
TOTAL EQUITY AND LIABILITIES		**285,939**	**303,680**

Consolidated statement of changes in equity

		Equity attributable to equity holders of the parent							
				Reserves					
EUR thousand	Note	Share capital	Other con-tributed capital	Legal reserve	Share-based payments	Foreign translation reserve	Total other reserves	Retained earnings	Total
As at January 1, 2014		**53,558**	**11,458**	**4,213**	**182**	**-14,659**	**27,847**	**28,743**	**111,342**
Profit/loss for the year		–	–	–	–	–	–	6,868	**6,868**
Other comprehensive income for the year, net of tax		–	–	–	–	1,815	–	-253	**1,562**
Total comprehensive income for the year, net of tax		**–**	**–**	**–**	**–**	**1,815**	**–**	**6,615**	**8,430**
Merger	16	2,465	-2,465	-4,213	-182	–	-27,847	32,242	**–**
Issue of C class shares	16	1,396	–	–	–	–	–	–	**1,396**
Repurchase of C class shares	16	–	–	–	–	–	–	-1,396	**-1,396**
Impact of change of nominal value	16	-1,335	–	–	–	–	–	1,335	**–**
Share-based payments	17	–	–	–	–	–	–	224	**224**
As at December 31, 2014		**56,084**	**8,993**	**–**	**–**	**-12,844**	–	**67,763**	**119,996**
As at January 1, 2015		**56,084**	**8,993**	–	–	**-12,844**	–	**67,763**	**119,996**
Profit/loss for the year		–	–	–	–	–	–	8,653	**8,653**
Other comprehensive income for the year, net of tax		–	–	–	–	4,672	–	271	**4,943**
Total comprehensive income for the year, net of tax		–	–	–	–	**4,672**	–	**8,924**	**13,596**
Share swap	18	–	–	–	–	–	–	-1,939	**-1,939**
Share-based payments	17	–	–	–	–	–	–	360	**360**
As at December 31, 2015		**56,084**	**8,993**	**–**	**–**	**-8,172**	**–**	**75,108**	**132,013**

Consolidated statement of cash flows

January to December

EUR thousand	Note	2015	2014
Cash flows from operating activities			
Profit/loss before tax		17,397	18,802
Adjustments to reconcile profit before tax to net cash:			
Depreciation and amortization	7	9,135	8,642
Change in provisions including employee benefit obligations		941	-687
Result from disposal of business		109	1,498
Other non-cash adjustments		3,798	-189
Net financial items		2,553	2,524
Income taxes paid		-12,424	-12,883
Cash flows from operating activities before changes in working capital		**21,509**	**17,707**
Changes in working capital			
Change in operating receivables		13,163	5,896
Change in operating liabilities		-14,024	-12,069
Changes in working capital		**-861**	**-6,173**
Net cash flow from operating activities		**20,648**	**11,534**
Cash flows from investing activities			
Investments in tangible assets	12	-8,767	-6,606
Investments in intangible assets	11	-1,209	-1,653
Disposals of tangible assets		96	25
Disposal of business, net of cash	25	-324	12,849
Changes in other non-current assets		267	-162
Net cash flow from investing activities		**-9,937**	**4,453**
Cash flows from financing activities			
Proceeds from borrowings	18	7,004	5,286
Repayment of borrowings		-30,982	-39,082
Payment of finance lease liabilities		-343	-69
Interest paid		-1,514	-4,152
Net cash flow from financing activities		**-25,835**	**-38,017**
Net cash flow for the year		**-15,124**	**-22,030**
Cash and cash equivalents at beginning of the year		38,173	58,362
Net cash flow for the year		-15,124	-22,030
Exchange rate differences in cash and cash equivalents		1,777	1,841
Cash and cash equivalents at end of the year	**15**	**24,826**	**38,173**

Notes to the consolidated financial statements

Note 1 Summary of significant accounting and valuation policies

1.1 General
Transcom Worldwide AB (publ) (the "Company" or the "Parent Company") and its Group companies (together, "Transcom" or the "Group") 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 53 contact centers across 22 countries, delivering services in 33 languages to international brands in various industry verticals. Transcom WorldWide AB's share is listed on the Nasdaq Stockholm Exchange under the ticker symbol TWW.

The Company is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Gjörwellsgatan 30, SE-112 60 Stockholm.

The consolidated financial statements were authorized for issue by the Board of Directors on April 6, 2016. These consolidated financial statements will be submitted for approval at the Annual General Meeting on April 28, 2016.

1.2 Basis of preparation
The consolidated financial statements of Transcom WorldWide AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements pertain to January 1–December 31 for income statement items and December 31 for balance sheet items.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

1.2.1 Changes in accounting policies and disclosures
New and amended standards that are effective for the first time for the financial year 2015 and adopted by the Group.

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions.* The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendments to the standard has note had any material impact on the Group's reporting.

Standards in issue but not yet effective, up to date of issuance of the Group's financial statements, are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 *Financial Instruments*, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurements of the Group's financial liabilities. The standard is effective on or after 1 January 2018 and the Group will quantify the effect for the Groups financial statements.
- Amendments to IFRS 11 *Accounting for Acquisition of interests in Joint Operations.* The amendments require an entity acquiring an interest in a joint operation, in which the activity on the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 and other IFRSs that do not conflict with the requirements of IFRS 11. The amendments are applied prospectively and are effective on or after 1 January 2016.
- IFRS 15 *Revenue from Contracts with Customers* – outlines the principles to measure and recognize revenue. The standard is effective from 1 January 2018 and the Group will quantify the effect for the Group's financial statements during 2017.
- IFRS 16 Leases specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective from 1 January 2019 and the Group will quantify the effect for the Group's financial statements before effective date.
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets* between an Investor and its Associate or Joint Venture. The amendments clarify that gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 *Business Combinations,* is recognized in full. The amendments are applied prospectively and are effective from 1 January 2016.
- IFRS 14 *Regulatory Deferral Accounts.* IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. The standard is effective from 1 January 2016.
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization.* The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business rather than the economic benefits that are consumed through use of the asset. The amendments are effective on or after 1 January 2016 and are effective prospectively.
- Amendments to IAS 1 *Disclosure Initiative* – The amendments clarify existing IAS 1 requirements. Effective on or after 1 January 2016.
- In the 2012–2014 annual improvements cycle the IASB issued four amendments to four standards in which includes IFRS 5 *Non-Current Assets Held for Sale and Discounted Operations;* IFRS 7 *Financial Instruments Disclosures;* IAS 19 *Employee Benefits* and IAS 34 *Interim Financial Reporting.* The amendments are effective on periods beginning on 1 January 2016 and must be applied retrospectively.

Other standards in issue but not yet effective are considered not material for the Group.

1.3 Consolidation
The consolidated financial statements include the Group companies of which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. There is a presumption that a majority of voting rights result in control. Group companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated accounts are prepared according to the acquisition method, which entails acquisitions of subsidiaries being viewed as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The Group's equity therefore includes only the portion of the subsidiary's equity added since acquisition. The Group's cost is determined through an acquisition analysis in connection with the acquisition. This analysis determines, in part, the cost of the holdings or operations and, in part, the fair value of the identifiable assets, liabilities and contingent liabilities assumed on the date of acquisition. The cost of the subsidiary's shares or operations consists of the fair value of the compensation on the transfer date. The cost includes conditional purchase considerations recognized as liabilities at fair value per the acquisition date.

In acquisitions where there is a positive difference between the cost of the acquisition and the net value of acquired assets and assumed liabilities and contingent liabilities, the difference is reported as goodwill. When the difference is negative, it is recognized in the Income statement.

Intra-Group receivables and liabilities, revenue and expenses, and unrealized gains and losses that arise from transactions between Group companies are eliminated in the consolidated accounts.

1.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Euro (EUR)', which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

The results and financial position of all the Group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognized directly in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in Other comprehensive income are recycled in Other comprehensive income and further recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized directly in other comprehensive income as the year's change in the foreign translation reserve.

1.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

- Telephone switch 5 years
- Fixtures and fittings 3–5 years
- Computer, hardware and software 3–7 years
- Office improvements and others 3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.6 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of Group companies is included in 'intangible assets'. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposals of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization and are assessed for impairment whenever there is an indication that the asset is impaired. Amortization is calculated using the straight-line method over the expected life of the customer relationship which is between 7 to 15 years.

(c) Development costs

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product, include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which is between 3 to 5 years.

1.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortization and are tested annually for impairment, or if events or circumstances change which may Indicate that there may be need for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Transcom's operations in each segmental region are considered the Group's cash-generating units in this regard. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Impairment losses attributable to a cash-generating unit are mainly allocated to goodwill after which they are divided proportionately among other assets in the unit. The recoverable amount of cash-generating units is the higher of their fair value less costs to sell and value in use. Value in use is measured by discounting future cash flows using a discounting factor that takes into account the risk-free rate of interest and the risk associated with the specific asset.

Impairment of goodwill is not reversed. Impairment of other assets is reversed if a change has been made in the assumptions that served as the basis for determining the recoverable amount. Impairment is reversed only to the extent the carrying value of the assets following the reversal does not exceed the carrying value that the asset would have had if the impairment had not been recognized.

1.8 Financial assets and liabilities

A financial instrument is defined as any form of agreement giving rise to a financial asset in a company and a financial liability or equity instrument in a counterparty. Financial instruments recognized in the balance sheet include, on the asset side, cash and bank balances, accounts receivable and other equity instruments, loans receivable. Included among liabilities and equity are accounts payable, debt and equity instruments in issue and loan liabilities.

Financial instruments are recognized at amortized cost including transaction expenses. An exception is made for financial instruments in the category financial assets or liabilities recognized at fair value through profit and loss, that are recognized at fair value excluding transaction costs. Measurement depends on how they are classified, as indicated below.

A financial asset or financial liability is recognized in the balance sheet when the Company becomes party to the instrument's contractual terms. Receivables are recognized when the Company has performed and there is a contractual obligation on the counterparty to pay. Trade receivable are recognized in the balance sheet when an invoice has been sent. Liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognized when an invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or the Company loses control over them. A financial liability is removed from the balance sheet when the obligation in the agreement has been discharged or otherwise extinguished.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

1.9 Non-current receivables and other receivables

These receivables fall into the category Loans and receivables and are assessed at their discounted current value if their expected maturity exceeds 12 months. If their maturities are shorter, they are assessed at accrued cost.

1.10 Trade receivables

Trade receivables are classified in the category loans and receivables. Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. The anticipated receivable is short, so they are carried at accrued cost without discounting.

Impairment are determined individually. Impairment needs are addressed when receivables have fallen overdue for payment by a certain number of days, or if Transcom becomes aware that the counterparty has become insolvent. Provisions for impaired receivables are recognized as administrative expenses in the Consolidated Income Statement.

1.11 Cash and cash equivalents

Cash and cash equivalents includes cash and cash equivalents and immediately available balances with banks and similar institutions as well as other short-term liquid investments with original maturities of three months or less. In the consolidated statement of financial position, bank overdrafts are shown within interest-bearing liabilities in current liabilities.

1.12 Interest-bearing liabilities

Interest-bearing liabilities are classified as financial liabilities at amortized cost. Amortized cost is determined based on the effective interest rate calculated when the liability was assumed. This means that surplus and deficit values as well as direct costs in conjunction with assuming of loans are distributed over the term of the liability.

Non-current interest-bearing liabilities have an anticipated maturity of more than one year, while current interest-bearing liabilities have a maturity of less than one year.

1.13 Trade Payables

Trade payables are classified in the category financial liabilities at amortized cost.

Trade payables have short expected term and are valued at nominal value.

1.14 Other payables, other liabilities, accrued expenses and prepaid income

Other payables, other liabilities, accrued expenses and prepaid income are recognized at amortized cost.

1.15 Leasing

The Group leases certain property, plant and equipment. Leasing is classified in the consolidated accounts as either finance or operating leasing.

When the Group, as lessee, essentially enjoys the economic benefits and bears the economic risks attributable to the leased asset, it is classified as a finance lease. The leased asset is recognized in the balance sheet as a fixed asset, while the estimated present value of future lease payments is recognized as a liability. The portion of the lease fee that falls due for payment within one year is recognized as a current liability, while the remainder is recognized as a long-term liability. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Minimum lease fees for finance leases are divided between interest expense and amortization of the outstanding liability. Interest expense is divided over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in each period. Variable fees are expensed in the period in which they arise.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its Group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities have been measured at the tax rate that are expected to apply during the period when the asset is realized or the liability is settled, according to the tax rates and tax regulations that have been resolved or enacted at the balance-sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in Group companies and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.17 Employee benefits

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit is typically defined by the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

The Group's main defined benefit plans are a termination indemnity plan in Italy and a pension plan in Philippines.

1.18 Share capital and treasury shares

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

1.19 Share-based payments

The Group issues equity-settled share-based payments to certain employees and key management. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is recognized as an expense on a graded vesting basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market vesting conditions. Fair value is measured using the Black-Scholes pricing model or any relevant valuation model. The expected life used in the model is adjusted at the end of each reporting period, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioral considerations.

1.20 Dividend

Dividend is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Annual General Meeting.

1.21 Provisions

Provisions for restructuring costs, legal claims and other obligations are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

1.22 Contingent liabilities

A contingent liability is recognized when there is a possible obligation that arises from past events whose existence will be confirmed only by one or more uncertain future events or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

1.23 Revenue recognition

Revenue comprises the fair value of the compensation received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

In relation to its CRM business (Customer Relationship Management), revenue mainly arise from call services operations. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- Revenues related to inbound teleservices are recognized at the time services are provided on a per-call basis.
- Revenues on outbound teleservices and debt collection are recognized at the time services are provided on either a per-call, per-sale or per-collection basis under a fully executed contractual agreement and record reductions to revenues for contractual penalties and holdbacks for failure to meet specified minimum service levels and other performance based contingencies.
- Revenues from other CRM services are recognized as services are provided. Generally service revenues are billed in the month following provision of related services. Contracts to provide call center services typically do not involve fees related to customer set-up, initiation or activation.

CMS revenue mainly arise from fees and commissions generated from the collection of receivables on behalf of customers.

Accrued income on CMS activities is recognized on incomplete activities where a fair assessment of the work achieved to date and the future cash inflows associated with it can be measured with reasonable accuracy. The Company calculates accrued income based on the number of collection cases expected to be solved ("success rates") in the future multiplied by the estimated cost incurred per case.

1.24 Financial income and expenses

Financial income and expenses consist of interest income on bank balances and receivables and interest-bearing securities, bank fees, interest expenses on loans, dividend income, exchange rate differences, realized and unrealized gains on financial investments, and derivatives used in financial operations.

1.25 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortized cost are disclosed in note 24.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.3 Cash flow statement

The cash flow statement includes changes in the balance of liquid assets. The Group's liquid assets consist of cash and bank balances with original maturities of three months or less. Cash flow is presented according to the indirect method, and divided into cash flows from operating activities, investing activities and financing activities.

Cash flow from investing activities includes only actual disbursements for investments during the year.

Foreign Group companies' transactions are translated in the cash flow statement at the average exchange rate for the period. Acquired and divested Group companies are recognized as cash flow from investing activities, net, after deducting liquid assets in the acquired or divested company.

1.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to and is evaluated regularly by the chief operating decision maker, i.e. the Group's Chief executive officer. Transcom's operating segments are North Europe region (Sweden, Norway, the Netherlands, Denmark, Estonia, Latvia and Lithuania), Central & South Europe region (Italy, Germany, Poland, Tunisia, Hungary, UK, Croatia and Serbia), Iberia & Latam region (Spain, Portugal, Colombia, Peru and Chile), North America & Asia Pacific region (the Philippines, USA and Canada).

Note 2 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits. Recognized value for each balance sheet date for deferred tax assets, see note 9.

(b) Useful lifetimes of intangible and tangible fixed assets
Executive management establishes assessed useful lifetimes and thus consistent amortization and depreciation for the Group's intangible and tangible fixed assets. These estimates are based on historical knowledge of equivalent assets' useful lifetimes. Useful lifetimes and estimated residual values are tested on each balance sheet date and adjusted when necessary. Recognized values for each balance sheet date for intangible and tangible fixed assets see notes 11 and 12.

(c) Impairment of goodwill and intangible assets
The Group annually evaluates the carrying value of goodwill for potential impairment by comparing projected discounted cash flows (using a suitable discount rate) associated with such assets to the related carrying value. An impairment test is also carried out should events or circumstances change which may indicate that there may be need for impairment. An impairment loss would be recognized when the estimated future discounted cash flow generated by the asset is less than the carrying amount of the asset. An impairment loss would be measured as the amount by which the carrying value of the asset exceeds the recoverable amount. The Group performed its annual impairment test of goodwill during the 4th quarter of 2015. Please refer to note 11 for further details. Changes in the assumptions and estimates used may have a significant effect on the income statement and statement of financial position. Please see note 11 for a sensitivity analysis of some of the assumptions made.

(d) Pension assumptions
The liabilities of the defined benefit pension schemes operated by the Group are determined using methods relying on actuarial assumptions and estimates. Details of the key assumptions are set out in note 19. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions and estimates used may have a significant effect on the income statement, statement of financial position and other comprehensive income.

(e) Provisions
The Group recognizes a provision where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be estimated reliably. The Group reviews outstanding legal cases following developments in the legal proceedings, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation or claim.

(f) Share-based payments
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 17.

Note 3 Segmental information

EUR thousand	2015 CRM North Europe	2015 CRM Central & South Europe	2015 CRM Iberia & Latam	2015 CRM North America & AP	2015 Total Group
Revenue					
Total segment revenue*	207,091	154,875	129,743	145,464	**637,173**
Inter-segment revenue*	-5,202	-5,150	-299	–	**-10,651**
Revenue from external customers	201,889	149,725	129,444	145,464	**626,522**
Gross profit	37,047	26,982	20,189	39,471	**123,689**
Operating profit/loss	10,046	4,547	-1,784	7,141	**19,950**

* The revenue for 2015 is presented for each segment after elimination of the intra-segment transactions. The inter-segment revenue shows the transactions between regions.

EUR thousand	2014 CRM North Europe	2014 CRM Central & South Europe	2014 CRM Iberia & Latam	2014 CRM North America & AP	2014 CRM Total CRM	2014 CMS Total CMS	2014 Total Group
Revenue							
Total revenue (gross)*	215,689	171,951	125,526	139,442	652,608	12,676	**665,284**
Total inter-company revenue*	-8,001	-22,426	-1,443	-16,252	-48,122	-322	**-48,444**
Revenue from external customers	207,688	149,525	124,083	123,190	604,486	12,354	**616,840**
Gross profit	38,700	28,453	21,570	34,394	123,117	4,466	**127,583**
Operating profit/loss	10,971	4,978	1,127	4,318	21,395	-69	**21,326**

* The revenue for 2014 is presented for each segment before elimination of the intra-segment transactions. The inter-company revenue shows the transactions between and within regions.

The Group reportable segments are composed as follows:
- North Europe region: Denmark, Estonia, Latvia, Lithuania, the Netherlands, Norway and Sweden
- Central and South Europe region: Croatia, Germany, Hungary, Italy, Poland, Serbia, Tunisia and UK
- Iberia & Latam region: Chile, Colombia, Peru, Portugal and Spain
- North America & Asia Pacific region: Canada, the Philippines and USA
- CMS region: Credit Management Services in Austria (deconsolidated per July 31, 2014) and Czech Republic and Poland (deconsolidated per May 28, 2014)

Inter-segment transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. An appropriate mark-up is being applied according to Transcom's Transfer Pricing Policy, in order to encourage use of Group resources.

Revenues from the two largest single customers from sales by the CRM segment amounted to EUR 92,287 thousand 2015 (2014: EUR 108,306 thousand) and EUR 60,568 thousand 2015 (2014: EUR 55,964 thousand) respectively. The revenues amounted to EUR 92,287 thousand comes from the segments North Europe and Central & South Europe and the revenues amounted to EUR 60,568 thousand comes from the segment North America & AP. External revenue for Sweden amounted to EUR 124,012 thousand 2015 (2014: EUR 117,707 thousand) .

Goodwill per segment is reflected in note 11.

Note 4 Employees

Salaries, other remuneration and social security charges

EUR thousand	2015	2014
Salaries and other remunerations	-393,927	-373,569
Social security charges	-67,270	-65,872
Pension expenses	-10,194	-10,099
Total	**-471,391**	**449 540**

Personnel expenses are recognized in the following line items in the income statement:

EUR thousand	2015	2014
Cost of sales	-434,273	-414,009
Marketing expenses	-2,684	-2,720
Administrative expenses	-34,434	-32,811
Total	**-471,391**	**-449,540**

Average number of employees

	2015			2014		
	Women	Men	Total	Women	Men	Total
Austria	–	–	**–**	20	14	**34**
Canada	493	316	**809**	417	355	**772**
Chile	288	196	**484**	265	146	**411**
Colombia	30	214	**244**	226	172	**398**
Croatia	640	341	**981**	280	177	**457**
Czech Republic	–	–	**–**	30	20	**50**
Denmark	59	24	**83**	62	31	**93**
Estonia	193	83	**276**	183	27	**210**
Germany	460	380	**840**	427	253	**680**
Hungary	223	360	**583**	355	224	**579**
Italy	613	471	**1,084**	659	440	**1,099**
Latvia	326	216	**542**	272	147	**419**
Lithuania	558	234	**792**	403	190	**593**
Luxembourg	–	–	**–**	3	5	**8**
The Netherlands	140	211	**351**	137	164	**301**
Norway	131	154	**285**	145	174	**319**
Peru	380	328	**708**	171	148	**319**
Philippines	4,882	4,657	**9,539**	4,794	4,365	**9,159**
Poland	286	166	**452**	232	152	**384**
Portugal	211	85	**296**	83	34	**117**
Serbia	104	36	**140**	24	19	**43**
Spain	3,615	1,263	**4,878**	3,459	1,168	**4,627**
Sweden	929	1,020	**1,949**	783	897	**1,680**
Tunisia	665	555	**1,220**	453	400	**853**
United Kingdom	38	63	**101**	48	59	**107**
United States	472	302	**774**	441	238	**679**
Total*	**15,736**	**11,675**	**27,411**	**14,372**	**10,019**	**24,391**

* Total average number of employees excludes agency staff.

Note 4 Employees (cont.)

Women in Board and Executive management, %

	2015	2014
Board of Directors	0 %	14 %
Executive management	20 %	11 %

Remuneration to the Board

EUR thousand	2015	2014
Chairman of the Board:		
Henning Boysen	-105	-105
Other members of the Board:		
Mikael Larsson	-59	-59
Alexander Izosimov	-43	-50
Klas Johansson	-55	–
Per Frankling	-53	–
Fredrik Cappelen	-43	–
Stefan Charette	–	-53
Roel Louwhoff	–	-46
Mia Brunell Livfors	–	-48
John C Frecker Jr	–	-43
Total	**-358**	**-404**

No fees for special assignment have been paid.

Remuneration and other benefits to Executive management

	2015				
EUR	Base salary	Variable compensation	Other benefits*	Pension fees	Total
President and CEO:					
Johan Eriksson	-553,450	-200,604	-485,157	-166,310	**-1,405,521**
Other members of Executive management:					
9 positions	-1,916,809	-678,842	-652,649	-240,727	**-3,489,027**
Total	**-2,470,259**	**-879,446**	**-1,137,806**	**-407,037**	**-4,894,548**

During 2015, executive management consisted of the following persons: Pär Christiansen, Christian Hultén, Roberto Boggio, Isabel Sanchez-Lozano, Neil Rae, Siva Subramaniam, Ulrik Englund (from June 2015), Philip Sköld (from August 2015), Rosana Garcia (from August 2015), Jörgen Skoog (until June 2015), Sytze Koopmans (until June 2015).

* Refers to vacation pay, company car, medical insurance etc. During the year the long-term incentive plan 2012 have been closed and shares allotted, see note 17.

	2014				
EUR	Base salary	Variable compensation	Other benefits*	Pension fees	Total
President and CEO:					
Johan Eriksson	-540,603	-379,653	-14,177	-158,738	**-1,093,171**
Other members of Executive management:					
8 positions	-1,798,885	-522,074	-82,017	-336,562	**-2,739,538**
Total	**-2,339,487**	**-901,727**	**-96,194**	**-495,300**	**-3,832,709**

During 2014, executive management consisted of the following persons: Pär Christiansen, Jörgen Skoog, Sytze Koopmans, Christian Hultén, Roberto Boggio, Isabel Sanchez-Lozano, Neil Rae, Siva Subramaniam.

* Refers to vacation pay, company car, medical insurance etc. No benefits for share-based payments have been received.

The following guidelines were approved by the AGM of Transcom WorldWide AB on May 12, 2015 and applied on remuneration for senior executives within the Group as well as members of the Board of Directors to the extent they are remunerated outside their directorship.

The remuneration to the Senior Executives consists of fixed salary, variable salary as well as the possibility to participate in long-term incentive programs.

The fixed salary and the bonus percentage may vary amongst Senior Executives according to their level of responsibility or seniority.

The level of variable salary is in accordance with market practice and depend on the level of responsibility and seniority and calculated according to a combination of results achieved and individual performances.

Other benefits constitute a limited amount in relation to the total remuneration and corresponds to the local practice.

In the event of notice of termination of employment being served by Transcom, there is entitlement to salary during such notice period according to law governing the respective employment relationship.

In the event of notice of termination of employment being served by the Company, the CEO is entitled to salary during a period of a maximum of 18 months and the other Senior Executives are entitled to salary during a period in a range of maximum 12 months.

The Senior Executives is entitled to pension commitments based on those that are customary in the country in which they are employed.

The Senior Executives are offered defined contribution pension plans, with premiums amounting in a range to a maximum of 30 percent of the fixed salary that are paid to insurance companies.

Members of the Board of Directors, elected at shareholders' meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their duties on the Board of Directors. Compensation for these services shall be paid at market terms and be approved by the Board of Directors.

In special circumstances, the Board of Directors may deviate from the above guidelines. In such case, the Board of Directors is obligated to give account for the reason for the deviation on the following annual general meeting of shareholders.

The Board of Directors' view is that the remuneration to the CEO and the other members in the Executive management strikes an appropriate balance between motivating the members of the Executive management and achieving a well-balanced competitive compensation that aligns the members' incentives with the interests of Transcom and the shareholders.

For information of Transcom's long-term incentive plans, see note 17.

Note 5 Leases

Operating leases as a lessee

Operating leasing costs

EUR thousand	2015	2014
Premises	-23,101	-22,823
IT Equipment	-3,165	-5,382
Office equipment	-342	-338
Cars	-893	-1,078
Others	-1,271	-2,161
Total	**-28,772**	**-31,782**

Generally, the Group's lease contracts require deposits and certain provisions for inflation-indexed rental increases.

Future payments for non cancellable leases as at December 31, 2015

EUR thousand	Less than one year	Between one and five years	Total
Premises	-18,901	-30,673	**-49,574**
IT Equipment	-1,430	-1,355	**-2,785**
Office equipment	-356	-661	**-1,017**
Cars	-1,002	-1,254	**-2,256**
Others	-13	-4	**-17**
Total	**-21,702**	**-33,947**	**-55,649**

Future payments for non cancellable leases as at December 31, 2014

EUR thousand	Less than one year	Between one and five years	Total
Premises	-21,044	-34,279	**-55,323**
IT Equipment	-3,555	-2,032	**-5,587**
Office equipment	-385	-294	**-679**
Cars	-801	-1,043	**-1,844**
Others	-1,261	-21	**-1,282**
Total	**-27,046**	**-37,669**	**-64,715**

Finance leases as a lessee

Assets utilized under finance leases

EUR thousand	2015	2014
Cost	365	327
Accumulated depreciation	-182	-98
Carrying value	**183**	**228**

Gross finance lease liabilities – minimum lease payments

EUR thousand	2015	2014
Less than one year	55	125
Between one and five years	93	132
	149	**257**
Future finance charges on finance leases	-8	-14
Present value of finance lease liabilities	**141**	**243**

Present value of finance lease liabilities

EUR thousand	2015	2014
Less than one year	49	116
Between one and five years	92	127
Present value of finance lease liabilities	**141**	**243**

Note 6 Remuneration to auditors

EUR thousand	2015	2014
Ernst & Young		
Audit fees according to audit assignment	-603	-568
Audit fees in addition to audit assignment	-56	-140
Tax	-2	–
Other services	-3	-9
Other audit firms		
Audit fees according to audit assignment	-30	-36
Tax	-93	–
Non audit	-16	–
Total	**-803**	**-753**

Note 7 Amortization, depreciation and impairment

Amortization and depreciation

EUR thousand	2015	2014
Customer relationships	-243	-1,065
Development costs	-1,054	-967
Other intangibles	-90	-186
Telephone switch	-403	-474
Fixture and fittings	-1,509	-1,627
Computer hardware and software	-3,922	-3,243
Office improvements	-1,914	-876
Total	**-9,135**	**-8,438**

Amortization, depreciation and impairment are recognized in the following line items in the income statement:

EUR thousand	2015	2014
Cost of sales	-9,135	-6,556
Other operating expenses	–	-1,882
Total	**-9,135**	**-8,438**

Note 8 Financial income and expenses

Financial income

EUR thousand	2015	2014
Interest income on bank deposits	90	61
Foreign exchange gain, net	270	2,273
Total	**360**	**2,334**

Financial expenses

EUR thousand	2015	2014
Interest expense on bank borrowings	-1,476	-2,863
Other financing costs	-1,297	-1,239
Bank fees	-140	-756
Total	**-2,913**	**-4,858**

Note 9 Taxes

Income tax expense

EUR thousand	2015	2014
Current income tax on profit/loss for the year	-5,793	-9,623
Adjustments in respect of prior years	-1,933	-527
Current taxes	**-7,727**	**-10,150**
Current year origination and reversal of temporary differences	-809	-1,398
Adjustments in respect of prior years	-209	-386
Deferred taxes	**-1,018**	**-1,784**
Income tax expense	**-8,744**	**-11,934**

Current income tax on profit/loss for the year includes corporate income tax of EUR 4,887 thousand (2014: EUR 8,647 thousand) and withholding tax of EUR 906 thousand (2014: EUR 976 thousand).

Adjustments in respect of prior years mainly represents provisions, or reversal thereof, with respect to claims brought against the Group by tax authorities in various jurisdictions.

Transcom received a re-assessment decision in one tax audit during 2015. Although the decision has been appealed, management believes it is probable that the decision will lead to future cash outflows. The Group recorded a provision of EUR 2,500 thousand relating to the audit (as at December 31, 2015 the provision amounts to EUR 2,375 thousand) and is included in Adjustments in respect of prior years in the table above (Current taxes) and below (Effective tax rate).

Note 9 Taxes (cont.)

Effective tax rate

A reconciliation of the statutory tax rate to the Company's effective tax rate applicable to income from continuous operations was:

EUR thousand	2015	%	2014	%
Profit/loss before tax	**17,397**		**18,802**	
Calculated tax based on tax rate in Sweden 22.00 %	-3,827	-22.0	-4,136	-22.0
Foreign tax rate differential	2,515	14.5	8,604	45.8
Tax exempt income	-3	0.0	1	0.0
Non-deductible expenses	-1,368	-7.9	-5,558	-29.5
Adjustments in respect of prior years	-2,142	-12.3	-913	-4.9
Losses for which no tax benefit is recognized	-2,215	-12.7	-6,875	-36.6
Losses previously recognized impaired current year	-643	-3.7	-1,345	-7.2
Losses utilized for which no deferred tax assets were previously recognized	389	2.2	563	3.0
Change in tax rates	14	0.1	37	0.2
Withholding tax	-906	-5.2	-976	-5.2
Other tax not at standard rate*	-557	-3.2	-1,336	-7.1
Income tax expense	**-8,744**	**-50.2**	**-11,934**	**-63.5**

* Other tax not at standard rate mainly relates to regional business tax.

Deferred tax assets

EUR thousand	Tangible assets	Tax losses	Other	Netting	Total
As at January 1, 2015	**905**	**1,316**	**695**	**-779**	**2,137**
Income statement movement	-294	-866	-266	–	**-1,426**
Translation differences	-2	-22	1	–	**-23**
Netting of assets/liabilities	–	–	–	230	**230**
As at December 31, 2015	**609**	**428**	**429**	**-549**	**917**
As at January 1, 2014	**880**	**2,737**	**1,167**	**–**	**4,784**
Income statement movement	32	-1,336	-434	–	**-1,738**
Tax related to components of other comprehensive income	–	–	58	–	**58**
Disposal of business	–	–	-95	–	**-95**
Translation differences	-7	-85	-1	–	**-93**
Netting of assets/liabilities	–	–	–	-779	**-779**
As at December 31, 2014	**905**	**1,316**	**695**	**-779**	**2,137**

Deferred tax liabilities

EUR thousand	Tangible assets	Intangible assets	Other	Netting	Total
As at January 1, 2015	**82**	**1,143**	**1,018**	**-779**	**1,464**
Income statement movement	29	-105	-332	–	**-408**
Translation differences	–	51	6	–	**57**
Netting of assets/liabilities	–	–	–	230	**230**
As at December 31, 2015	**111**	**1,089**	**691**	**-549**	**1,343**
As at January 1, 2014	**44**	**1,503**	**1,133**	**–**	**2,680**
Income statement movement	38	-274	284	–	**48**
Disposal of business	–	-143	-373	–	**-516**
Translation differences	–	57	-26	–	**31**
Netting of assets/liabilities	–	–	–	-779	**-779**
As at December 31, 2014	**82**	**1,143**	**1,018**	**-779**	**1,464**

Deferred tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profit is probable. The Group did not recognize deferred tax assets for losses amounting to EUR 91,253 thousand (2014: EUR 72,041 thousand). 30,616 thousand (2014: EUR 23,736 thousand) of these losses have no expiration date. The corresponding deferred tax assets for the losses would have been EUR 24,851 thousand (2014: EUR 19,743 thousand) based on each country expected tax rate.

Note 10 Earnings per share

Basic earnings per share

	2015	2014
Profit/loss for the year attributable to equity holders of the parent (EUR thousand)	8,653	6,868
Weighted average number of shares in issue during the year (thousand)	26,100	26,030
Basic earnings per share (EUR cent)	**33.2**	**26.4**

Diluted earnings per share

	2015	2014
Profit/loss for the year attributable to equity holders of the parent (EUR thousand)	8,653	6,868
Weighted average number of shares in issue during the year adjusted for outstanding stock options (thousand)	26,162	26,061
Diluted earnings per share (EUR cent)	**33.1**	**26.4**

Per December 31, 2015 outstanding Ordinary shares are 26,137,812 and C-class shares 534,372 (2014: 26,057,212 and C-class shares 649,372).

Basic earnings per share amounts were calculated by dividing profit/loss for the year attributable to equity holders of the parent by weighted average number of shares in issue during the year.

Diluted earnings per share amounts were calculated by dividing profit/loss for the year attributable to equity holders of the parent by the weighted average number of shares in issue during the year adjusted for outstanding share options of 72 thousand (2014: 31 thousand).

Note 11 Goodwill and other intangible assets

Cost

EUR thousand	Goodwill	Customer relationships	Development cost	Others	Total
As at January 1, 2015	**118,740**	**12,517**	**11,310**	**3,358**	**145,925**
Investments	–	–	1,202	7	**1,209**
Translation differences	6,208	1,434	807	-855	**7,594**
As at December 31, 2015	**124,948**	**13,951**	**13,319**	**2,510**	**154,728**
Accumulated amortization and impairment					
As at January 1, 2015	**-16,917**	**-10,804**	**-9,829**	**-2,340**	**-39,890**
Amortization for the year	–	-243	-1,054	-90	**-1,387**
Translation differences	-541	-1,243	4	-6	**-1,786**
As at December 31, 2015	**-17,457**	**-12,290**	**-10,879**	**-2,436**	**-43,062**
Carrying value as at December 31, 2015	**107,491**	**1,661**	**2,440**	**74**	**111,666**

Note 11 Goodwill and other intangible assets (cont.)

Cost

EUR thousand	Goodwill	Customer relationships	Development cost	Others	Total
As at January 1, 2014	**143,912**	**25,625**	**10,606**	**2,663**	**182,806**
Investments	–	3	704	946	**1,653**
Disposal of business*	-29,780	-14,599	–	-263	**-44,642**
Translation differences	4,608	1,488	–	12	**6,108**
As at December 31, 2014	**118,740**	**12,517**	**11,310**	**3,358**	**145,925**

* For further information, see note 25.

Accumulated amortization and impairment

As at January 1, 2014	**-32,793**	**-22,491**	**-8,862**	**-2,326**	**-66,472**
Amortization for the year	–	-1,065	-967	-186	**-2,218**
Disposal of business*	15,396	14,029	–	176	**29,601**
Translation differences	481	-1,277	–	-4	**-801**
As at December 31, 2014	**-16,917**	**-10,804**	**-9,829**	**-2,340**	**-39,890**
Carrying value as at December 31, 2014	**101,824**	**1,713**	**1,481**	**1,018**	**106,035**

* For further information, see note 25.

Goodwill

Impairment testing for cash generating units containing goodwill
The impairment test gave no indication of a need for goodwill impairment (2014: nil).

The Group treats the geographical regions stated below as cash-generating units in the sense referred to in IAS 36 Impairment of assets. The carrying amounts of goodwill allocated to each region are:

EUR thousand	2015	2014
North Europe	42,953	42,751
Central & South Europe	1,694	1,675
Iberia & Latam	10,121	10,121
North America & Asia Pacific	52,723	47,277
Total	**107,491**	**101,824**

The calculation of the value in use was based on the following key assumptions:

Cash flows were projected based on past experience, actual operating results and the 3-year financial plans approved by the Board of Directors. Beyond the specifically forecasted period of three years, the Company extrapolates cash flows based on estimated constant growth rates of 2.1 percent (2014: 2.0 percent to 2.1 percent) depending on management's understanding of the market in the region in which the unit is based. The anticipated annual revenue growth included in the cash-flow projections has been based on historical experience and expectations of future changes in the market conditions. Market conditions take into account the nature of risk within geographical markets and management's estimations of change within these markets. These rates do not exceed the average long-term growth rates for the relevant markets.

Pre-tax discount rates ranging from 7.3 percent to 14.3 percent (2014: 9.2 percent to 15.3 percent) were applied in determining the recoverable amounts of the units. The discount rates were estimated based on past experience, industry average weighted cost of capital and Group's industry related beta adjusted to reflect management's assessment of specific risks related to the unit. Main changes in discount rates 2015 compared to 2014 is explained by lower risk-free rate and lower CDS spread.

Reasonably possible changes in key assumptions (such as discount rates, Revenue/Operating margin and terminal growth rate) would not trigger any impairment loss to be recognized in neither of the segments.

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. During the fourth quarter 2015 these assets were tested for impairment. The impairment test gave no indication of need of impairment (2014: 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, 2015 these assets were tested for impairment. The impairment test gave no indication of need of impairment (2014: nil).

Note 12 Tangible assets

Cost

EUR thousand	Telephone switch	Fixtures and fittings	Computer hardware and software	Office improvements	Total
As at January 1, 2015	**31,285**	**27,615**	**53,588**	**17,391**	**129,879**
Investments	428	909	3,496	3,934	**8,767**
Disposals	-429	-2,269	-2,086	-359	**-5,143**
Translation differences	1,201	633	1,617	1,160	**4,611**
As at December 31, 2015	**32,485**	**26,888**	**56,615**	**22,126**	**138,114**

Accumulated amortization and impairment

As at January 1, 2015	**-29,727**	**-23,443**	**-47,188**	**-13,369**	**-113,727**
Depreciation for the year	-403	-1,509	-3,922	-1,914	**-7,748**
Disposals	361	1,379	2,061	186	**3,987**
Translation differences	-1,286	-614	-1,468	-860	**-4,228**
As at December 31, 2015	**-31,055**	**-24,187**	**-50,517**	**-15,957**	**-121,716**
Carrying value as at December 31, 2015	**1,430**	**2,701**	**6,098**	**6,169**	**16,398**

Cost

As at January 1, 2014	**30,890**	**26,694**	**51,462**	**18,111**	**127,157**
Investments	1,196	958	3,036	1,664	**6,854**
Disposals	-1,060	-326	-1,289	-2,429	**-5,104**
Disposal of business*	-298	-136	-789	-965	**-2,188**
Translation differences	557	425	1,168	1,010	**3,160**
As at December 31, 2014	**31,285**	**27,615**	**53,588**	**17,391**	**129,879**

* For further information, see note 25.

Accumulated amortization and impairment

As at January 1, 2014	**-30,017**	**-21,829**	**-44,844**	**-14,858**	**-111,548**
Depreciation for the year	-474	-1,627	-3,243	-876	**-6,220**
Disposals	1,060	326	1,272	2,308	**4,966**
Disposal of business*	296	123	716	857	**1,992**
Translation differences	-592	-436	-1,089	-800	**-2,917**
As at December 31, 2014	**-29,727**	**-23,443**	**-47,188**	**-13,369**	**-113,727**
Carrying value as at December 31, 2014	**1,558**	**4,172**	**6,400**	**4,022**	**16,152**

* For further information, see note 25.

Note 13 Trade receivables

EUR thousand	2015	2014
Trade receivables gross	87,471	92,492
Provision for impairment of trade receivables	-401	-557
Trade receivables net	**87,070**	**91,935**

The carrying value less impairment of trade receivables is assumed to approximate the fair value.

Provision of trade receivables

EUR thousand	2015	2014
As at January 1	**-557**	**-1,135**
Provisions made	-76	-279
Provisions used	96	857
Provisions reversed	145	–
Translation differences	-9	–
As at 31 December	**-401**	**-557**

Overview of the ageing of trade receivables

EUR thousand	2015	2014
<30 days	81,244	88,987
30–60 days	2,754	1,018
60–90 days	349	253
90–120 days	1,563	283
>120 days	1,160	1,394
Total	**87,070**	**91,935**

The Group operates in several jurisdictions and payment terms vary upon this, as well as on a client by client basis. Therefore, based upon the maximum payment terms, trade receivables of EUR 5,826 thousand are past due more than 30 days but not provided for (2014: EUR 2,948 thousand). These relates to a number of independent customers for whom there is no recent history of default. Details of credit risk are included in note 24.

Note 14 Other receivables

EUR thousand	2015	2014
VAT recoverable	2,397	2,546
Amount due from public authorities	1,332	5,380
Right to collect portfolio	7,906	9,932
Client deposit related assets	3,083	2,823
Other receivables*	3,799	3,906
Total	**18,517**	**24,586**

* Other receivables mainly relates to bank deposits and advanced payments.

Note 15 Cash and cash equivalents

The cash does not include any restricted cash maturities of less than 3 months.

Note 16 Equity

Share capital

As of December 31, 2015 the share capital amounted to EUR 56,084 thousand (2014: 56,084 thousand). During 2015 115,000 class C shares were converted to ordinary shares. In addition, 108 272 shares held by Transcom was used when the long-term incentive plan 2012 was vested (see note 17). As a result, Transcom has per December 31, 2015 a total of 26,172,212 ordinary shares with one voting right each and 534,372 class C shares, also with one voting right each (2014: Ordinary shares 26,057,212 ; C class shares 649,372). All class C shares are held as treasury shares by Transcom. The total number of treasury shares held by Transcom amounts to 568,771 (534,372 class C shares and 34,399 ordinary shares). For more information of the Equity, please refer to note A18.

On November 26, 2014, Transcom executed a re-domiciliation to Sweden from Luxembourg through a merger between the 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 (amounting to EUR 1.1 million and reported in 2014 in the caption Administrative expenses). For more information on the merger, please refer to note A17.

Note 17 Share-based payments

Long-term incentive plan 2015 ("LTIP 2015")
At the Annual General Meeting held in May 2015, the LTIP 2015 was approved. The plan consists of two elements, a matching share award plan ("loyalty element") and a performance share plan ("performance element"). The LTIP was granted to Transcom's Senior Executives and the grant date was determined to be 12th May, 2015.

The shares awarded are subject to market conditions based on the "total shareholder return", the average normalized EBIT, the average normalized Earnings Per Share (EPS) and Transcom average TSR vs a peer Group's average TSR during the performance period. The performance element vest over a three year period. The achievement of a certain level of each condition, measured at each vesting date, yields a specific percentage of shares awarded to each employee at the grant date.

The loyalty element requires eligible employees to invest a certain percentage of their salary in shares of the Company on the market in order to receive potential matching shares. In addition the participants need to be employed by Transcom at the time of the vesting date. The shares awarded under this plan vest at the end of a three year period. The value of the plan is apportioned equally over the total period of the plan and charged through the income statement. The expense recognized in the consolidated income statement 2015 with respect to LTIP 2015 amounted to EUR 113 thousand (2014: nil).

Long-term incentive plan 2014 ("LTIP 2014")
At the Annual General Meeting held in May 2014, the LTIP 2014 was approved. The plan consists of two elements, a matching share award plan ("loyalty element") and a performance share plan ("performance element"). The LTIP was granted to Transcom's Senior Executives and the grant date was determined to be 28th May, 2014.

The shares awarded are subject to market conditions based on the "total shareholder return", the accumulated normalized EBIT, the average normalized EBIT and Transcom average TSR vs a peer Group's average TSR during the performance period. The performance element vest over a three year period, however that entitlement to shares based on fulfilment of the EBIT related conditions may also accrue on a year-for-year basis.

The achievement of a certain level of each condition, measured at each vesting date, yields a specific percentage of shares awarded to each employee at the grant date.

The loyalty element requires eligible employees to invest a certain percentage of their salary in shares of the Company on the market in order to receive potential matching shares. In addition the participants need to be employed by Transcom at the time of the vesting date. The shares awarded under this plan vest at the end of a three year period.

The value of the plan is apportioned equally over the total period of the plan and charged through the income statement. The expense recognized in the consolidated income statement 2015 with respect to LTIP 2014 amounted to EUR 79 thousand (2014: 40 thousand).

Long-term incentive plan 2013 ("LTIP 2013")
The 2013–2016 LTIP was approved at the Annual General Meeting, held on 29 May 2013. This plan consists of two elements, a performance share plan ("performance element") and a matching share award plan ("loyalty element"). This LTIP was granted to Transcom's executives and the grant date was determined to be May 29, 2013.

The shares awarded are subject to market conditions based on the "total shareholder return", the accumulated normalized EBIT, the average normalized EBIT and average normalized seat utilization ratio under the performance element vest over a three year period, however that entitlement to shares based on fulfilment of the EBIT related conditions may also accrue on a year-for-year basis.

The achievement of a certain level of each condition, measured at each vesting date, yields a specific percentage of shares awarded to each employee at the grant date. The loyalty element requires eligible employees to invest a certain percentage of their salary in shares of the Company on the market in order to receive potential matching shares. The shares awarded under this plan vest at the end of a three year period.

The value of the plan is apportioned equally over the total period of the plan and charged through the income statement. The expense recognized in the consolidated income statement 2015 with respect to LTIP 2013 amounted to EUR 182 thousand (2014: EUR 81 thousand).

Long-term incentive plan 2012 ("LTIP 2012")
In May 2012, at the Annual General Meeting, the 2012–2015 LTIP was approved. This plan consists of two elements, a performance share plan ("performance element") and a matching share award plan ("loyalty element"). This LTIP was granted to Transcom's executives and the grant date was determined to be May 30, 2012.

The shares awarded under the performance element vest over a three year period, subject to market conditions based on the "total shareholder return", the average normalized EBIT and average normalized seat utilization ratio. The achievement of a certain level of each condition, measured at each vesting date, yields a specific percentage of shares awarded to each employee at the grant date. The loyalty element requires eligible employees to invest a certain percentage of their salary in shares of the Company on the market in order to receive potential matching shares. The shares awarded under this plan vest at the end of a three year period.

The value of the plan is apportioned equally over the total period of the plan and charged through the income statement. The expense recognized in the consolidated income statement 2015 with respect to LTIP 2012 amounted to EUR -13 thousand (2014: EUR 103 thousand). During year 2015 this plan was vested and number of shares allotted amounted to 108 272.

Movement in number of outstanding share awards	LTIP 2015	LTIP 2014	LTIP 2013	LTIP 2012
As at January 1, 2015	–	21,861	30,698	31,420
Granted	30,572	–	–	–
Vested	–	–	–	-31,420
As at December 31, 2015	**30,572**	**21,861**	**30,698**	**–**
Maximum number of performance shares as at January 1, 2015	**–**	**132,981**	**204,521**	**182,179**
New incentive plan	178,769	–	–	–
Allotment	–	–	–	-108,272
Cancelled	–	–	–	-73,907
Maximum number of performance shares as at December 31, 2015	**178,769**	**132,981**	**204,521**	**–**

Movement in number of outstanding share awards	LTIP 2014	LTIP 2013	LTIP 2012
As at January 1, 2014	–	13,345	31,420
Granted	21,861	17,353	–
As at December 31, 2014	**21,861**	**30,698**	**31,420**

Note 18 Interest-bearing liabilities

EUR thousand	2015	2014
EUR revolving credit facility	20,000	41,800
USD revolving credit facility	20,208	18,121
Other loans	2,943	3,402
Unamortized transaction costs	-406	-812
	42,745	**62,511**
Finance leases	141	243
Total	**42,886**	**62,754**
Non-current interest-bearing liabilities	34,894	47,635
Current interest-bearing liabilities	7,992	15,119
Total	**42,886**	**62,754**

On January 22, 2014 a new credit facility was signed. It is a three-year syndicated credit facility of EUR 103.8 million composed of three tranches; the first being a EUR 40 million term loan expiring on January 21, 2017; the second being a EUR 55 million revolving credit facility expiring also on January 21, 2017; whilst the third was a term loan expiring on October 21, 2014. Interest rates are based on IBOR and EURIBOR for Euro drawings plus margins which may vary albeit based on the Transcom's Consolidated Gross Debt to Consolidated EBITDA ratio. The Company is also committed under this agreement to maintain certain financial ratios within agreed limits. The loan is unsecured. There was no breach of covenants in 2015.

As of December 31, 2015, an amount of EUR 20 million and USD 22 million was drawn (December 31, 2014: EUR 41.8 million and USD 22 million). In addition, an equivalent of EUR 2.4 million of the facility is utilized to cover the issuance of bank guarantees. An unused amount of EUR 17.4 million on the revolving borrowing facility exists on December 31, 2015 (December 31, 2014: EUR 9.8 million). The reduced usage of the syndicated credit facility is due to the net of re-payment of loans EUR 27.8 million and new loans of EUR 6.0 million during 2015. In addition to the credit facility, a local short-term loan amounted to EUR 1.0 million as of December 31, 2015.

On October 23, 2015, Transcom entered into a Swap Agreement with Nordea Bank AB (publ) ("Nordea"). As per the shareholders' authorization, the purpose of the agreement is to secure the obligation of the Company to deliver ordinary shares under the LTIP 2015 via a swap arrangement. Under the Swap Agreement, Nordea will deliver the ordinary shares to the participants in the LTIP 2015 once vested. In the meantime, while the shares are in Nordea's custody, the Company will pay interest on the cost for purchasing the ordinary shares. Any dividend on the ordinary shares during such period will be refunded to the Company. Any remaining ordinary shares not delivered to the participants will be sold on Nasdaq Stockholm. Any profit will be paid to the Company, who also will carry the risk of potential losses. As a result of the LTIP 2015, a maximum of 220,000 ordinary shares in the Company may be allotted, including compensation for dividends paid (if any) on the underlying share. A liability amounting to EUR 1.9 million is recorded per December 31, 2015, which is included under Other loans in the table above.

The table below shows the maturity profile of the Groups's interest-bearing liabilites including interests.

	2015	2014
EUR thousand	**Carrying amount**	**Carrying amount**
Less than six months	3,338	10,109
Between six and twelve months	4,286	5,164
Between one and two years*	36,089	10,244
Between two and five years	–	40,220
Total	**43,713**	**65,737**

* Syndicated credit facility expires per January 21, 2017

Note 19 Employee benefit obligations

The Group has employee benefit schemes in Italy and Phillippines in relation to termination indemnity and defined benefit pensions. A full actuarial valuation was carried out to December 31, 2015 by a qualified, independent actuary. There are no plan assets in connection with the pension plans in Italy and Philippines.

Reconciliation to the statement of financial position

EUR thousand	Value at 2015	Value at 2014
Italy	2,122	2,372
Philippines	1,055	892
Present value of scheme liabilities	**3,177**	**3,264**

Analysis of the amount charged to operating profit

	2015			2014		
EUR thousand	Italy	Philippines	Total	Italy	Philippines	Total
Current service cost	–	-291	**-291**	–	-182	**-182**
Past service cost	–	-67	**-67**	–	–	**–**
Total operating charge	**–**	**-358**	**-358**	**–**	**-182**	**-182**

Analysis of the amount credited to other finance costs

	2015			2014		
EUR thousand	Italy	Philippines	Total	Italy	Philippines	Total
Interest on pension scheme liabilities	-29	-45	**-74**	-35	-27	**-62**
Total finance cost	**-29**	**-45**	**-74**	**-35**	**-27**	**-62**

Note 19 Employee benefit obligations (cont.)

Major assumptions used by the actuary for the calculation of the defined benefit pension scheme

	2015		2014	
%	Italy	Philippines	Italy	Philippines
Rate of increase in salaries	2.0	3.0	2.0	3.0
Discount rate	2.4	5.2	2.5	4.8

Assumptions regarding future mortality experience are set in accordance with published statistics and experience in each territory.

Amount recognized in the statement of financial position – movement in deficit during the year

	2015			2014		
EUR thousand	Italy	Philippines	Total	Italy	Philippines	Total
As at January 1	**2,372**	**891**	**3,263**	**2,147**	**487**	**2,635**
Movement in the year						
Current service cost and settlements	–	291	**291**	–	182	**182**
Interest cost	29	45	**74**	35	27	**62**
Past service cost	–	67	**67**	–	–	**–**
Contributions	–	–	**–**	135	–	**135**
Actuarial gains/losses from changes in demographic assumptions	34	-196	**-162**	211	44	**254**
Actuarial gains/losses from changes in financial assumptions	–	-100	**-100**	–	57	**57**
Benefits paid	-145	–	**-145**	-156	–	**-156**
Cancellation*	-168	–	**-168**	–	–	**–**
Translation difference	–	57	**57**	–	94	**94**
As at December 31	**2,122**	**1,055**	**3,177**	**2,372**	**892**	**3,264**

* During 2015, part of the Italian defined benefit plan has been cancelled due to reduced number of employees that were included in the plan.

The Italian liability would increase with EUR 21 thousand if the discount rate would be lowered by 5 percent. An increase with the same percentage would lower the liability with EUR 21 thousand.

The liability in the Philippines would increase with EUR 152 thousand if the discount rate would be lowered by 1 percentage point. An increase with the same percentage would lower the liability with EUR 125 thousand. If the inflation rate assumption in the Philippines would increase with 1 percentage point the liability would be EUR 144 thousand higher, the correspondant decrease would lower the liability with EUR 121 thousand.

Note 20 Provisions

EUR thousand	Onerous contracts	Legal and tax claims	Re-structuring	Others	Total
As at January 1, 2015	**43**	**982**	**415**	**196**	**1,636**
Provisions made*	–	2,534	862	243	**3,639**
Provisions used	-44	-855	-299	-33	**-1,231**
Provisions reversed	-3	-274	–	-5	**-282**
Translation differences	4	65	19	–	**88**
As at December 31, 2015	**–**	**2,452**	**997**	**401**	**3,850**
Current provisions	–	2,452	997	401	**3,850**
Total	**–**	**2,452**	**997**	**401**	**3,850**

* The Group has as at December 31, 2015 a remaining provision of EUR 2,375 thousand from a total of EUR 2,500 thousand relating to a tax audit. The Group also has a restructuring provision relating to Colombia of EUR 862 thousand. For further information, see notes 23 and 25.

EUR thousand	Onerous contracts	Legal claims	Re-structuring	Others	Total
As at January 1, 2014	**268**	**2,480**	**1,729**	**324**	**4,801**
Provisions made	–	36	515	38	**589**
Provisions used	-321	-1,584	-1,985	-39	**-3,929**
Provisions reversed	–	-86	-90	-102	**-278**
Disposal of business**	–	-9	–	-24	**-33**
Translation differences	96	145	246	-1	**486**
As at December 31, 2014	**43**	**982**	**415**	**196**	**1,636**
Non-current provisions	–	110	–	25	**135**
Current provisions	43	872	415	171	**1,501**
Total	**43**	**982**	**415**	**196**	**1,636**

** For further information, see note 25.

Provision which are not expected to be paid within the next 12 months have been classified as non-current liabilities.

Restructuring and others
Please see note 25 for further details.

Note 21 Other liabilities

EUR thousand	2015	2014
VAT payable	4,556	6,472
Liabilities to public authorities	12,231	10,256
Client deposit related liabilities	3,083	2,823
Advances received from customers	1,165	1,794
Other current liabilities*	6,325	5,672
Total	**27,360**	**27,017**

* Other current liabilities are mainly related to liabilities to subcontractors.

Note 22 Accrued expenses and prepaid income

EUR thousand	2015	2014
Accrued staff related expenses	26,922	28,348
Other accrued expenses*	16,824	20,134
Deferred income	1,112	1,391
Total	**44,858**	**49,873**

* Other accrued expenses are mainly related to temporary agents, subcontractors and rents.

Note 23 Commitments and 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 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 December 31, 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. The Group received a re-assessment decision during Q4 2015. Although the decision has been appealed, management believes it is probable that the decision will lead to future cash outflows. The Group recorded a provision of EUR 2,500 thousand relating to the audit (as at December 31, 2015 the provision amounts to EUR 2,375 thousand). See also note 20 and 25.

The Group has no contingent liabilities as at December 31, 2015 other than those provided for (December 31, 2014: EUR 1,860 thousand, all related to the re-assessment now 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.

Guarantees

At December 31, 2015 the Group had outstanding bank guarantees for an amount of EUR 5.2 milion (2014: EUR 4.3 milion) with respect to performance and warranty guarantees mainly for the provision of services/rental agreements. The Company is also supporting its Group companies through guarantees issued in the normal course of business.

Note 24 Financial instrument risk management objectives and policies

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, credit/counterparty risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Management controls and procedures
The Board has overall responsibility for the determination of the Group's risk management objectives and policies with the objective to set policies that seek to reduce risk as far as possible, without unduly affecting the Group's competitiveness and flexibility. It has delegated the authority for designing and operating the associated processes to the Group's treasury department.

Risk exposures are monitored and reported to management on a quarterly basis, together with required actions when tolerance limits are exceeded.

For the presentation of market risks, IFRS 13 requires sensitivity analysis that shows the effects of hypothetical changes of relevant risk variables on the income statement and shareholders' equity.

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's revolving credit facility. The interest on each loan under the facility agreement for each term is calculated as the aggregate of the Interbank offered rate (IBOR) plus a margin based on the basis of the consolidated total gross debt to consolidated EBITDA.

Interest rate risk is not hedged today, neither through derivative financial instruments or otherwise.

If the EUR interest rates increase by 10 percent it would have an effect on the profit before tax by EUR 69 thousand and if the USD interest rates increase by 10 percent it would have an effect on the profit before tax by EUR 47 thousand. There is no material impact on the Group's equity.

Currency risk
The following main exchange rates have been used to translate the transactions in foreign currency to Euro in the financial statements.

Foreign exchange rates

	2015		2014	
Currency	Average rate	Closing rate	Average rate	Closing rate
US Dollar, USD	1.11	1.09	1.33	1.21
Swedish Krona, SEK	9.34	9.19	9.10	9.39
Norwegian Krona, NOK	9.00	9.60	8.39	9.04

As an international company, the Group is subject to foreign exchange risks of two different types:

Transactional risk, which may occur when the Group invoices clients in one currency and must pay its costs in another currency. The Group seeks to minimize these movements by matching the currency of revenue with the currency of costs, by negotiating pricing adjustments and/or indexation of contracts to foreign exchange rates, and by implementing hedging instruments on a case-by-case basis, under close supervision of the Board and Audit Committee. The main exposure for the Group is in the Philippines with exposures in PHP vs USD as well as PHP vs GBP where the Group benefits from a weak PHP. At the closing of the 2015 accounts, no hedging instruments are in place. Management has a mandate from the Board to start to hedge the PHP vs USD exposure in 2016.

Translation risk, results from the conversion of assets, liabilities, revenues and costs denominated in non-Euro reporting currencies, into the Group reporting currency, which is the Euro. In 2015, 51.7 percent (2014: 51.7 percent) of the Group's sales were denominated in currencies other than the reporting currency of the Group. The Board has decided not to hedge these exposures as they do not constitute a direct cash flow exposure.

In terms of shareholders' equity in the Group, a 10 percent change per December 31, 2015 of the exchange rate for the USD vs EUR would have affected shareholders' equity in the Group with EUR +/-8.3 million, EUR +/-2.7 million against SEK and EUR +/-0.2 million against NOK. Exposures in other currencies have had an immaterial impact for the Group.

On the net income for the Group, a 10 percent change per 2015 average exchange rate for the USD vs EUR would have affected the Group's net income of EUR +/-1.2 million, EUR +/-27 thousand against SEK and EUR +/-18 thousand against NOK. Exposures in other currencies have had an immaterial impact for the Group.

Credit/counterparty risk
With respect to credit risk arising from the financial assets of the Group, which comprise balances from credit sales and cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these instruments.

Prior to accepting new accounts and wherever practicable, credit checks are performed using a reputable external source. Credit risk is reviewed monthly by Executive management, and corrective action is taken if pre-agreed limits are exceeded. Bank counterparty risk is mitigated by concentrating the Group's cash management activity with a limited number of top tier banks in each of the Group's regions.

Further analysis on gross trade debtors, provisions and ageing of net trade debtors are provided in note 13. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

Liquidity risk
Liquidity risk arises from the Group's management of its working capital as well as the finance charges and principal repayments on its debt instruments.

The Group monitors this risk using a consolidated cash flow model in order to identify peaks and needs in liquidity and identify benefits which can be attained by controlled placement and utilization of available funds.

A significant mitigating factor of the Group's liquidity risk is the unused proportion of the Revolving Credit facility agreement as disclosed in note 18, as well as other financing sources which may be implemented from time to time by the Group. The unused proportion of the Credit Facility at December 31, 2015 was EUR 17.4 million (December 31, 2014: EUR 9.8 million).

Note 24 Financial instrument risk management objectives and policies (cont.)

Classification of the Group's financial assets and liabilities

EUR thousand	2015 Loans and receivables	2015 Financial liabilities at amortized cost	2015 Total carrying amount	2015 Fair value	2014 Loans and receivables	2014 Financial liabilities at amortized cost	2014 Total carrying amount	2014 Fair value
Financial assets								
Other receivables	1,283	–	1,283	1,283	1,534	–	1,534	1,534
Total non-current financial assets	**1,283**	**–**	**1,283**	**1,283**	**1,534**	**–**	**1,534**	**1,534**
Trade receivables	87,070	–	87,070	87,070	91,935	–	91,935	91,935
Other receivables incl. accrued income	34,576	–	34,576	34,576	37,568	–	37,568	37,568
Cash and cash equivalents	24,826	–	24,826	24,826	38,173	–	38,173	38,173
Total current financial assets	**146,472**	**–**	**146,472**	**146,472**	**167,676**	**–**	**167,676**	**167,676**
Total financial assets	**147,755**	**–**	**147,755**	**147,755**	**169,210**	**–**	**169,210**	**169,210**
Financial liabilities								
Interest-bearing liabilities*	–	34,894	34,894	34,894	–	48,041	48,041	48,853
Total non-current financial liabilities	**–**	**34,894**	**34,894**	**34,894**	**–**	**48,041**	**48,041**	**48,853**
Interest-bearing liabilities	–	7,992	7,992	7,992	–	14,713	14,713	14,713
Trade payables	–	25,428	25,428	25,428	–	27,279	27,279	27,279
Other liabilities incl. accrued expenses	–	53,153	53,153	53,153	–	57,005	57,005	57,005
Total current financial liabilities	**–**	**86,573**	**86,573**	**86,573**	**–**	**98,997**	**98,997**	**98,997**
Total financial liabilities	**–**	**121,467**	**121,467**	**121,467**	**–**	**147,038**	**147,038**	**147,850**

Maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments

EUR thousand	2015 <1 year	2015 1–5 years	2015 >5 years	2015 Carrying amount	2014 <1 year	2014 1–5 years	2014 >5 years	2014 Carrying amount
Financial assets								
Other receivables	–	1,283	–	1,283	–	1,534	–	1,534
Total non-current financial assets	**–**	**1,283**	**–**	**1,283**	**–**	**1,534**	**–**	**1,534**
Trade receivables	87,070	–	–	87,070	91,935	–	–	91,935
Other receivables incl. accrued income	34,576	–	–	34,576	37,568	–	–	37,568
Cash and cash equivalents	24,826	–	–	24,826	38,173	–	–	38,173
Total current financial assets	**146,472**	**–**	**–**	**146,472**	**167,676**	**–**	**–**	**167,676**
Total financial assets	**146,472**	**1,283**	**–**	**147,755**	**167,676**	**1,534**	**–**	**169,210**
Financial liabilities								
Interest-bearing liabilities*	–	35,683	–	35,683	–	50,464	–	50,464
Total non-current financial liabilities	**–**	**35,683**	**–**	**35,683**	**–**	**50,464**	**–**	**50,464**
Interest-bearing liabilities	8,030	–	–	8,030	15,273	–	–	15,273
Trade payables	25,428	–	–	25,428	27,279	–	–	27,279
Other liabilities incl. accrued expenses	53,153	–	–	53,153	57,005	–	–	57,005
Total current financial liabilities	**86,611**	**–**	**–**	**86,611**	**99,557**	**–**	**–**	**99,557**
Total financial liabilities	**86,611**	**35,683**	**–**	**122,294**	**99,557**	**50,464**	**–**	**150,021**

* Syndicated credit facility expires per January 21, 2017

Note 25 Significant disposals and restructuring

	2015		
EUR thousand	Austria	Germany	Total
Post-settlement adjustments	141	-250	**-109**
Net capital gain/loss	**141**	**-250**	**-109**
Consideration received/repaid	141	-465	**-324**
Net cash flow from disposals of subsidiary	**141**	**-465**	**-324**

	2014			
EUR thousand	Poland	Austria	Germany	Total
Consideration received	**2,000**	**15,000**	**–**	**17,000**
Goodwill	-230	-14,154	–	**-14,384**
Intangible assets	–	-657	–	**-657**
Tangible assets	-51	-145	–	**-196**
Deferred tax assets	-5	-90	–	**-95**
Receivables	-469	-2,670	–	**-3,139**
Cash and cash equivalents	-1,097	-2,390	–	**-3,487**
Provisions	33	–	–	**33**
Deferred tax liabilities	–	516	–	**516**
Other liabilities	725	3,180	–	**3,905**
Net carrying value of assets and liabilities disposed	**-1,094**	**-16,410**	**–**	**-17,504**
Currency effects	-144	29	–	**-115**
Transaction costs	-162	-502	–	**-664**
Post-settlement adjustment	–	–	-215	**-215**
Net capital gain/loss	**600**	**-1,883**	**-215**	**-1,498**
Consideration received	2,000	15,000	–	**17,000**
Cash and cash equivalents disposed	-1,097	-2,390	–	**-3,487**
Transaction costs	-162	-502	–	**-664**
Net cash flow from disposals of subsidiary	**741**	**12,108**	**–**	**12,849**

There has been no disposals during 2015. The net capital gain / loss and the net cash flow from disposals of subsidiaries recorded in 2015 are related to previous years transactions.

In Q4 2015 Transcom paid a post-settlement adjustment of EUR 0.5 million related to the divestment of CMS Germany in 2013, of which EUR 0.3 million was recorded as a cost in Q4 2015 (EUR 0.2 million was recorded as a cost in 2014). In Q3 2015 Transcom received a final settlement of EUR 0.1 million related to the previously divested operation in Belgium from 2013.

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

On June 27, 2014, Transcom signed an agreement to divest its Austrian CMS operations to the private equity investor HANNOVER Finanz Group, for EUR 15.0 million on a cash and debt free basis (excluding EUR 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 EUR 1.9 million classified as Gain/loss on disposals of operating unit. Total assets disposed included goodwill of EUR 14.1 million. Net cash flow from the disposal of CMS Austria amounted to EUR 12.1 million.

Restructuring costs

Restructuring cost amounting to EUR 2,281 thousand was recorded in 2015 related to the site closure in Colombia. Per December 31, 2015, the provision amounted to EUR 862 thousand. See also note 20 and 23.

EUR thousand	2015
Cost of sales	-212
Marketing expenses	-9
Administrative expenses	-689
Other operating expenses	-1,371
Total	**-2,281**

Note 26 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:

EUR thousand	2015	2014
Revenues		
Tele2 companies (until March 20, 2015)	26,748	108,306
MTG Group companies (until March 20, 2015)	191	5,275
Other Kinnevik companies (until March 20, 2015)	1,076	312
Operating expenses		
Tele2 companies (until March 20, 2015)	-161	-415
Altor companies (after March 20, 2015)	48	–
Trade receivables		
Tele2 companies (until March 20, 2015)	–	16,421
MTG Group companies (until March 20, 2015)	–	723
Other Kinnevik companies (until March 20, 2015)	–	173
Trade payables		
Tele2 companies (until March 20, 2015)	–	-87
Other Kinnevik companies (until March 20, 2015)	–	-1
Altor companies (after March 20, 2015)	4	–

For related party transactions with the Board of Directors, please see note 4.

Note 27 Events after the reporting period

On March 9, 2016, Transcom announced that the Company has signed a syndicated credit agreement with ING, Nordea and SEB to implement a EUR 90 million multi-currency revolving credit facility. The facility has a tenor of three years with an option to extend for one year. The purpose of the new agreement is to refinance an existing facility which was due to expire in January 2017.

On March 3, 2016, Transcom announced that the Company has successfully closed the divestment of its Danish Credit Management Services operations (CMS Denmark) for an equity value of EUR 13.0 million to Inga Acquisition ApS, a holding company of the current management team and an investment company. CMS Denmark was part of Transcom's North Europe region in 2015. The divested unit had a turnover of EUR 11.4 million in 2015 and has approximately 80 employees.

On January 18, 2016, Transcom announced that it will close its loss-making contact center in Cali, Colombia, and that the Board of Directors is evaluating strategic alternatives for the Company's remaining Latin American business in Chile and Peru. Since 2013, Transcom has generated losses in Latin America totaling EUR 15.6 million. Out of this amount, EUR 4.7 million is attributable to Colombia. In 2015, losses in Latin America totaled EUR 3.7 million, EUR 2.0 million of which refers to Colombia. Stopping these losses is a key priority in 2016.

On January 18, 2016, Transcom also announced a number of changes to its regional and management structure. This realignment will improve efficiency and further streamline Transcom's global business operations, as well as focus the organization's resources on prioritized growth areas. The following changes have been made to Transcom's regional structure, i.e. the Company's operating segments:

- A new region, **Continental Europe**, combines Transcom's operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). Roberto Boggio has been appointed General Manager of this new region.
- A new region, **English-speaking markets & APAC**, integrates the UK organization with Transcom's operations in North America & Asia Pacific. Siva Subramaniam has been appointed General Manager of this new region.
- Region **North Europe** remains unchanged, led by Christian Hultén.
- Transcom's assets in Chile and Peru, currently under strategic review, will be managed separately, reporting to the President & CEO, Johan Eriksson.

Starting in the Q1 2016 interim report, Transcom's segment reporting will reflect this change. Pro forma comparable figures for Transcom's new segment reporting structure will be released before the publication of Q1 2016 results.

Parent Company Income statement

January to December

EUR thousand	Note	2015	2014
Revenue	A2, A3, A17	23,664	22,096
Cost of sales	A3, A4, A11	-23,242	-22,010
Gross profit		**422**	**86**
Administrative expenses	A4, A5, A6, A17	-8,169	-9,592
Other operating income	A14	3,198	9
Other operating expenses		-48	-150
Operating profit/loss		**-4,597**	**-9,647**
Result from participations in Group companies	A7	49,770	13,134
Interest income and similar items	A8	2,830	6,052
Interest expenses and similar items	A8	-2,610	-3,824
Profit/loss before appropriations		**45,393**	**5,715**
Appropriations	A9	8,816	4,883
Profit/loss before tax		**54,209**	**10,598**
Income tax expense	A10	-3,537	-1,188
Profit/loss for the year*		**50,672**	**9,410**

*Net profit corresponds with total comprehensive income

Parent Company Balance sheet

as at December 31

EUR thousand	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	A12	1,441	3,495
Tangible assets	A13	509	167
Financial assets			
Shares in Group companies	A14	94,720	92,779
Receivables from Group companies		44,884	29,588
Other receivables		–	243
Total financial assets	A20	139,604	122,610
Total non-current assets		**141,554**	**126,272**
Current assets			
Trade receivables	A15	889	1,480
Income tax receivables		41	–
Receivables from Group companies		112,229	206,534
Other receivables		964	1,040
Prepaid expenses and accrued income	A16	881	717
Total receivables		115,004	209,771
Cash and cash equivalents		42	7,206
Total current assets	**A20**	**115,046**	**216,977**
TOTAL ASSETS		**256,600**	**343,249**

Parent Company Balance sheet (continued)

as at December 31

EUR thousand	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (26,706,584 shares, quota value EUR 2.10 per share)		56,084	56,084
Total restricted equity		56,084	56,084
Unrestricted equity			
Retained earnings		1,110	-6,719
Net result		50,672	9,410
Total unrestricted equity		51,782	2,691
Total equity	**A17, A18**	**107,866**	**58,775**
Non-current liabilities			
Interest-bearing liabilities	A19	34,802	47,509
Liabilities to Group companies		29,217	43,731
Other liabilities		155	–
Total non-current liabilities	**A20**	**64,174**	**91,240**
Current liabilities			
Interest-bearing liabilities	A19	7,943	11,600
Provisions	A10	2,375	–
Trade payables		1,539	2,189
Liabilities to Group companies		69,163	176,496
Tax liabilities		1,068	615
Other liabilities		867	474
Accrued expenses and prepaid income	A21	1,605	1,860
Total current liabilities	**A20**	**84,560**	**193,234**
Total liabilities		**148,734**	**284,474**
TOTAL EQUITY AND LIABILITIES		**256,600**	**343,249**
Pledged assets		None	None
Contingent liabilities for Group companies	23	21,929	19,128

Parent Company
Statement of changes in equity

EUR thousand	Note	Total number of shares (thousand)	Number of shares held by the Parent (thousand)	Share capital	Retained earnings incl. Profit/loss for the year	Total equity
As at January 1, 2014		**1,279**	**–**	**55**	**299**	**354**
Profit/loss for the year		–	–	–	9,410	**9,410**
Shareholder contribution		–	–	–	1,300	**1,300**
Merger	A17, A18	1,301,582	1,384	55,968	-8,663	**47,305**
Reverse split	A18	-1,276,803	-1,356	–	–	**–**
Issue of C class shares	A18	649	–	1,396	–	**1,396**
Repurchase of C class shares	A18	–	649	–	-1,396	**-1,396**
Impact of change of nominal value	A18	–	–	-1,335	1,335	**-**
Share-based payments	17	–	–	–	406	**406**
As at December 31, 2014		**26,707**	**677**	**56,084**	**2,691**	**58,775**

EUR thousand	Note	Total number of shares (thousand)	Number of shares held by the Parent (thousand)	Share capital	Retained earnings incl. Profit/loss for the year	Total equity
As at January 1, 2015		**26,707**	**677**	**56,084**	**2,691**	**58,775**
Profit/loss for the year		–	–	–	50,672	**50,672**
Share swap	A19	–	–	–	-1,939	**-1,939**
Allotment of shares (LTIP 2012)	17	–	-108	–	–	**-**
Share-based payments	17	–	-	–	358	**358**
As at December 31, 2015	**A18**	**26,707**	**569**	**56,084**	**51,782**	**107,866**

Parent Company Statement of cash flows

January to December

EUR thousand	Note	2015	2014
Cash flows from operating activities			
Profit/loss before appropriations		45,393	5,715
Adjustments to reconcile profit before appropriations to net cash:			
Depreciation and amortization	A11	1,802	1,576
Impairment of financial assets	A7, A8	16,600	–
Results from disposal of business	A14	-3,198	-74
Dividend from Group companies		-66,259	–
Share-based payment expenses		358	406
Net financial items		220	-2,220
Income taxes paid		-447	-1,403
Cash flows from operating activities before changes in working capital		**-5,531**	**4,000**
Changes in working capital			
Change in operating receivables		119,782	140,246
Change in operating liabilities		-104,479	-106,623
Changes in working capital		**15,303**	**33,623**
Net cash flow from operating activities		**9,772**	**37,623**
Cash flows from investing activities			
Investment in Group companies, net of cash	A14	-9,362	-50
Disposal of business, net of cash	A14	19	2,838
Investments in tangible assets	A13	-48	-6
Investments in intangible assets	A12	-42	-1,565
Investments in financial assets		243	-243
Change in long-term receivables to Group companies		-15,296	–
Net cash flow from investing activities		**-24,486**	**974**
Cash flows from financing activities			
Received dividends from Group companies		45,301	–
Proceeds from borrowings		6,000	–
Repayment of borrowings		-27,800	-37,200
Interest paid		-1,437	-4,107
Change in long-term liabilities from Group companies		-14,514	–
Net cash flow from financing activities		**7,550**	**-41,307**
Net cash flow for the year		**-7,164**	**-2,710**
Cash and cash equivalents at beginning of the year		7,206	–
Cash and cash equivalents from merger		–	9,916
Net cash flow for the year		-7,164	-2,710
Cash and cash equivalents at end of the year*		**42**	**7,206**

* Cash and cash equivalents at the end of the year consists in total of cash.

Parent Company
Notes to the financial statements

Note A1 Parent Company's accounting and valuation policies

Transcom WorldWide AB (publ) ("Parent Company") corporate id number 556880-1277 is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Gjörwellsgatan 30, SE-112 59 Stockholm.

The Parent Company has prepared and presented the annual report according to the Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for legal entities from the Swedish Financial Reporting Board. RFR 2 means that the Parent Company, in the annual report for the legal entity, must apply all EU-approved IFRS and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between reporting and taxation. The recommendation specifies exemptions and additions relative to IFRS.

The financial statements pertain January 1–December 31 for income statement items and December 31 for balance sheet items.

The financial statements are presented in Euros wich is the Company's presentation currency, rounded in thousand of Euro.

The Parent Company applies the same accounting principles as the Group except in the cases stated below.

(a) Group companies

Shares in Group companies are recognized by the Parent Company at cost, including transaction costs less any impairment. Dividend received from Group companies is recognized as income.

(b) Dividend from Group companies and Group contributions

Dividend received from Group companies is recognized as financial income. Group contributions received and paid are recognized as appropriations.

Note A2 Revenues per market

Revenue

EUR thousand	2015	2014
Europe	18,116	17,346
Asia	3,900	3,029
Africa	611	376
North America	860	710
South America	177	635
Total	**23,664**	**22,096**

Note A3 Intra-group revenues and cost of sales

	2015	2014
Intra-group revenues out of total	57 %	56 %
Intra-group cost of sales out of total	-72 %	-79 %

Intra-group prices are on an arm's length basis in a manner similar to transactions with third parties. An appropriate mark-up is being applied according to Transcom's Transfer Pricing Policy, in order to encourage use of Group resources.

Note A4 Employees

Salaries, other remuneration and social security charges

	2015			2014		
EUR thousand	Board of Directors and Executive management	Other employees	Total	Board of Directors and Executive management	Other employees	Total
Salaries	-1,526	-1,773	**-3,299**	-1,414	-1,599	**-3,013**
Other remunerations	-1,739	-35	**-1,774**	-770	-729	**-1,499**
Pension expenses	-311	-389	**-700**	-294	-313	**-607**
Social security charges	-890	-668	**-1,558**	-758	-743	**-1,501**
Total	**-4,466**	**-2,865**	**-7,331**	**-3,236**	**-3,384**	**-6,620**

Salaries includes remunerations to the Board. Other remunerations includes allotment of shares (LTIP 2012), see note 17 for the Group.

Salaries, other remuneration and other entitlements to the Board, CEO and other Senior Executives, see note 4 for the Group.

Personnel expenses are recognized in the following line items in the income statement:

EUR thousand	2015	2014
Cost of sales	-2,214	-1,232
Administrative expenses	-5,117	-5,388
Total	**-7,331**	**-6,620**

Average number of employees

	2015			2014		
	Women	Men	Total	Women	Men	Total
Sweden	16	12	**28**	13	5	**18**
Total	**16**	**12**	**28**	**13**	**5**	**18**

Note A5 Leases

Operating leases as a lessee

EUR thousand	2015	2014
Operating leasing costs		
Premises	-418	-27
Office equipment	-24	–
Cars	-52	–
Total	**-493**	**-27**

Generally, the Parent Company's lease contracts require deposits and included certain provisions for inflation-indexed rental increases. Future payments for rent on non-cancellable leases for premises at December 31, are as follows:

EUR thousand	2015			2014		
Future leasing costs	Less than one year	Between one and five years	Total	Less than one year	Between one and five years	Total
Premises	-357	-633	**-990**	-27	-6	**-33**
Office equipment	-5	-8	**-13**	-	-	**-**
Cars	-33	-20	**-53**	-40	-45	**-85**
Total	**-395**	**-661**	**-1,056**	**-67**	**-51**	**-118**

Note A6 Remuneration to auditors

EUR thousand	2015	2014
Ernst & Young		
Audit fees according to audit assignment	-205	-186
Other audit related fees	–	-70
Non audit	–	-9
Total	**-205**	**-265**

Note A7 Result from participations in Group companies

EUR thousand	2015	2014
Dividend from Group companies	66,259	13,060
Provision receivable on Group companies	-16,489	–
Net gain from disposals of Group companies	–	74
Total	**49,770**	**13,134**

Note A8 Interest income/expense and similar items

Interest income and similar items

EUR thousand	2015	2014
Interest income on bank deposits	6	8
Interest income Group companies	2,824	4,539
Foreign exchange gain, net	–	1,505
Total	**2,830**	**6,052**

Interest expense and similar items

Interest expense on bank borrowings	-1,162	-2,759
Impairment financial assets	-111	–
Foreign exchange loss, net	-272	–
Interest expense Group companies	-418	-310
Other interest expense	-87	-81
Other financing costs	-560	-674
Total	**-2,610**	**-3,824**

Note A9 Appropriations

EUR thousand	2015	2014
Group contribution	8,816	4,883
Total	**8,816**	**4,883**

Note A10 Taxes

Income tax expense

EUR thousand	2015	2014
Current income tax on profit/loss for the year	-875	-1,198
Adjustments in respect of prior years	-2,662	10
Current taxes	**-3,537**	**-1,188**

Effective tax rate

A reconciliation of the statutory tax rate to the Company's effective tax rate applicable to income from continuous operations was:

EUR thousand	2015	%	2014	%
Profit/Loss before tax	**54,209**	**–**	**10,598**	**–**
Weighted tax rate for Sweden and Switzerland 22.06 %*	-11,962	-22.1	-2,973	-28.1
Internal dividend not taxable	14,577	26.9	3,914	36.9
Non-deductible expenses	-3,007	-5.5	-307	-2.9
Adjustments in respect of prior years	-2,662	-4.9	10	0.1
Tax losses current year (not recognized in BS)	–	–	-1,613	-15.2
Losses utilized for which no deferred tax assets were previously recognized	–	–	427	4.0
Witholding tax	-483	-0.9	-593	-5.6
Other tax not at standard rate	–	–	-29	-0.3
Other	–	–	-24	-0.2
Income tax expense	**-3,537**	**-6.5**	**-1,188**	**-11.2**

* 2014 the weighted tax rate for Sweden, Luxembourg and Switzerland was 28,1 %.

Transcom received a re-assessment decision in one tax audit during 2015. Although the decision has been appealed, management believes it is probable that the decision will lead to future cash outflows. The Company has thus as at December 31, 2015 made a provision of EUR 2,375 thousand relating to the audit and is presented and included in the item Adjustments in respect of prior years in tables above.

Note A11 Amortization, depreciation and impairment

Amortization and depreciation

EUR thousand	2015	2014
Development costs	-919	-597
Other intangibles	-1	-828
Fixture and fittings	-4	-2
Computer hardware and software	-872	-123
Office improvements	-6	-27
Total	**-1,802**	**-1,576**

Amortization and depreciation are recognized in the following line items in the income statement:

EUR thousand	2015	2014
Cost of sales	-1,802	-1,576
Total	**-1,802**	**-1,576**

Note A12 Intangible assets

Cost

EUR thousand	Development cost	Others	Total
As at January 1, 2015	**13,911**	**868**	**14,780**
Investments	–	42	42
Reclassifications	-2,391	-239	-2,630
As at December 31, 2015	**11,521**	**671**	**12,192**
Accumulated amortization and impairment			
As at January 1, 2015	**-10,452**	**-834**	**-11,285**
Amortization for the year	-919	-1	-920
Reclassifications	630	826	1,456
As at December 31, 2015	**-10,742**	**-9**	**-10,751**
Carrying value as at December 31, 2015	**779**	**662**	**1,441**

Cost

EUR thousand	Development cost	Others	Total
As at January 1, 2014	**–**	**–**	**–**
Merger	13,205	9	**13,214**
Investments	706	859	**1,565**
As at December 31, 2014	**13,911**	**868**	**14,780**
Accumulated amortization and impairment			
As at January 1, 2014	**–**	**–**	**–**
Merger	-9,855	-6	**-9,861**
Amortization for the year	-597	-828	**-1,424**
As at December 31, 2014	**-10,452**	**-834**	**-11,285**
Carrying value as at December 31, 2014	**3,460**	**35**	**3,495**

Development costs

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product, include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which is between 3 to 5 years.

Note A13 Tangible assets

Cost

EUR thousand	Telephone switch	Fixtures and fittings	Computer hard-ware and software	Office improvements	Total
As at January 1, 2015	**257**	**439**	**1,796**	**498**	**2,990**
Investments	–	46	–	2	**48**
Reclassifications	–	–	2,630	–	**2,630**
As at December 31, 2015	**257**	**485**	**4,426**	**500**	**5,668**
Accumulated amortization and impairment					
As at January 1, 2015	**-257**	**-429**	**-1,648**	**-489**	**-2,823**
Depreciation for the year	–	-4	-872	-6	**-882**
Reclassifications	–	–	-1,454	–	**-1,454**
As at December 31, 2015	**-257**	**-433**	**-3,974**	**-495**	**-5,159**
Carrying value as at December 31, 2015	**–**	**52**	**452**	**5**	**509**

Cost					
As at January 1, 2014	**–**	**6**	**3**	**6**	**15**
Merger	257	427	1,793	492	**2,969**
Investments	–	6	–	–	**6**
As at December 31, 2014	**257**	**439**	**1,796**	**498**	**2,990**
Accumulated amortization and impairment					
As at January 1, 2014	**–**	**–**	**–**	**-2**	**-2**
Merger	-257	-427	-1,525	-460	**-2,669**
Depreciation for the year	–	-2	-123	-27	**-152**
As at December 31, 2014	**-257**	**-429**	**-1,648**	**-489**	**-2,823**
Carrying value as at December 31, 2014	**–**	**10**	**148**	**9**	**167**

Note A14 Investments in Group companies

Group Company	Country of incorporation	Domicile	Corporate identity number	2015 Booked value EUR thousand	2015 Capital/voting interest (%)
Transcom WorldWide GmbH	Austria	Vienna		37	100
Transcom WorldWide Belgium S.A.	Belgium	Milmort		0	100
Transcom WorldWide (North America) Inc.	Canada	St. Catharine's		22,907	100
Transcom Insurance Agency Inc.	Canada	St. Catharine's			
Transcom WorldWide Chile Limitada	Chile	Santiago de Chile		19	100
TWW Colombia SAS	Colombia	Cali		6	100
Transcom WorldWide d.o.o.	Croatia	Osijek		3	100
IK Transcom Europe GmbH	Germany	Düsseldorf			
Transcom WorldWide GmbH	Germany	Rostock		13,422	100
Transcom Halle GmbH	Germany	Halle			
Transcom Rostock GmbH	Germany	Rostock			
Transcom Services GmbH	Germany	Rostock			
CEE Holding Kft.	Hungary	Budapest		0	100
Transcom Hungary Kft.	Hungary	Budapest		2,830	100
Transcom WorldWide SpA	Italy	Milan		4,103	100
Transcom Worldwide Italy Holding Srl	Italy	Milan		40	100
Transcom Worldwide Italy Srl	Italy	Milan		0	100
SIA Transcom WorldWide Latvia	Latvia	Riga		4	100
Transcom WorldWide Vilnius UAB	Lithuania	Vilnius		3	100
Transcom WorldWide Luxembourg S.a.r.l.	Luxembourg	Howald			
Transcom Europe Holding B.V.	The Netherlands	Amsterdam		28,894	100
Transcom AB	Sweden	Karlskoga	556201-3234		
Transcom Denmark A/S	Denmark	Vordingborg			
Transcom Eesti OÜ	Estonia	Tallinn			
Transcom Finland OY	Finland	Helsinki			
Transcom Norge AS	Norway	Rolvsoy			
Transcom Collection AS	Norway	Oslo			
Transcom WorldWide B.V.	The Netherlands	Groningen		18	100
Transcom WorldWide (Australia) Pty Ltd	Australia	Sydney			
Transcom WorldWide (Philippines) Holding, Inc.	Philippines	Pasig City			
Transcom WorldWide (Philippines), Inc.	Philippines	Pasig City			
Transcom Worldwide Peru S.A.C.	Peru	Lima		0	100
Transcom WorldWide Poland Sp. z o.o.	Poland	Olsztyn		11	100
TWW Serviços de Helpline e de Atendimento Telefónico Lda	Portugal	Vila Nova de Famalicão		5	100
Transcom Worldwide D.O.O. Beograd	Serbia	Beograd		50	100
Transcom WorldWide Spain S.L.U.	Spain	Madrid		12,849	100
Transcom Worldwide Global S.L.	Spain	Madrid		3	100
Transcom CMS A/S	Denmark	Albertslund		8,596	100
Transvoice Sweden AB	Sweden	Karlskoga	556653-6370	178	100
Stockholms Tolkförmedling AB	Sweden	Stockholm	556482-8654		

Note A14 Investments in Group companies (cont.)

Group Company	Country of incorporation	Domicile	Corporate identity number	2015 Booked value EUR thousand	2015 Capital/voting interest (%)
Tolk- och språktjänst i Östergötland AB	Sweden	Norrköping	556658-1368		
Transcom WorldWide AG	Switzerland	Zurich		0	100
Transcom WorldWideTunisie Sarl	Tunisia	Tunis		1	100
Transcom WorldWide (UK) Limited*	United Kingdom	St Albans, Herts		567	100
Top Up Mortgages Limited	United Kingdom	St Albans, Herts			
Newman & Company Limited	United Kingdom	Leeds		174	100
Cloud 10 Corp	United States	Denver		0	100
Transcom WorldWide (US) Inc.	United States	Delaware		0	100
Total				**94,720**	

* The Group companies in United Kingdom are exempt from the requirements of the Companies Act 2006 relating to the audits of its respectively individual accounts.

Cost

EUR thousand	2015	2014
As at January 1, 2015	**156,941**	**–**
Merger	–	156,891
Investments in Group companies	9,467	50
Divestment of Group companies	-7,426	–
As at December 31, 2015	**158,982**	**156,941**
Impairment		
As at January 1, 2015	**-64,162**	**–**
Merger	–	-64,162
Impairment	-100	–
As at December 31, 2015	**-64,262**	**-64,162**
Carrying value as at December 31, 2015	**94,720**	**92,779**

During 2015 the Company has divested subsidiaries to other Group companies. The net carrying value of assets and liabilities disposed amounted to EUR 10,623 thousands, and net gain of EUR 3,198 thousands was recorded. The net cash flow effect from the divestments amounted to EUR 19 thousands.

During 2015 the Company acquired a company from another company in the Group, amounting to EUR 9,467 thousands and a cash flow effect of EUR 9,362 thousands was recorded.

Note A15 Trade receivables

The carrying value less impairment of trade receivables is assumed to approximate the fair value.

Per December 31, 2015 no trade receivables was overdue and no provision for impairment has been recorded (2014: nil).

Note A16 Prepaid expenses and accrued income

EUR thousand	2015	2014
Prepaid staff related expenses	223	235
Prepaid insurance	–	8
Prepaid IT-related expenses	559	467
Other prepaid expenses	99	7
Total	**881**	**717**

Note A17 Merger 2014

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.

In 2014, revenue and operating result of the former Parent Company was included in the new Parent Company's income statement for the year up until merger date. Merger costs amounting to EUR 1.1 million were reported in the Parent Company for year 2014 in the caption Administrative expenses.

Assets and liabilities in the former Parent Company before the merger are stated in the table below.

November 26, 2014	Transcom WorldWide S.A. before merger
Investments in Group companies	94,127
Receivables from Group companies	31,311
Other non-current assets	3,630
Receivables from Group companies	199,698
Cash and cash equivalents	11,175
Other current assets	933
Liabilities to Group companies	-47,303
Interest-bearing liabilities	-53,578
Other non-current liabilities	-3,310
Liabilities to Group companies	-165,720
Other current liabilities	-13,380
Net assets	**57,583**
Loss for the period	-8,746
Elimination shares in Transcom WorldWide AB (publ)	-1,532
Merger	**47,305**

Note A18 Equity

Transcom's share capital as at December 31, 2015 was distributed among 26,706,584 shares with a nominal value of EUR 2.10 per share.

Distribution by class of shares was as follows per December 31, 2015

	Number of shares	Number of votes	Nominal value (EUR thousand)
Outstanding Ordinary shares	26,137,813	26,137,813	54,889
Ordinary shares in own custody	34,399	–	72
Class C shares in own custody	534,372	–	1,122
Registered number of shares	**26,706,584**	**26,137,813**	**56,084**

All shares entitle to one vote each (regardless of class). The Company holds 34,399 ordinary shares and 534,372 shares of class C of its own shares. The Company cannot exercise the voting rights connected to the shares held in its own custody. Shares of class C do not entitle to dividend. In case the Company is dissolved, shares of class C entitle to an equal right with ordinary shares to the Company's assets. Such right is, however, limited to a maximum amount corresponding to the share's nominal value enumerated on the day of distribution with an interest factor.

Merger, reverse split and C class shares year 2014

As merger considerations on November 26, 2014, 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. Transcom Worldwide AB (publ), had before the merger 1 279 070 Ordinary shares (nominal value EUR 0.043) which maintained as treasury shares by the Company after the merger.

Class A Ordinary shares, Transcom WorldWide S.A, before merger	622,767,823
Class B Preference shares, Transcom WorldWide S.A, before merger	622,764,910
Ordinary shares, Transcom WorldWide AB (publ), before merger	1,279,070
Ordinary shares, Transcom WorldWide AB (publ), after merger	1,302,860,600
Share capital, Transcom WorldWide AB (publ), before merger (EUR thousand)	55
Share capital, Transcom WorldWide S.A, before merger (EUR thousand)	53,558
Share capital after merger (EUR thousand)	56,023
Share capital, adjustment (EUR thousand)	2,410

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 nominal value to EUR 2.10 was made.

Number of shares after reverse split 1:50	26,057,212
Share capital (EUR thousand)	56,023
Nominal value (EUR)	2.15

Issue of C class shares and change of nominal value	649,372
Share capital (EUR thousand)	56,084
Nominal value (EUR)	2.10

Note A19 Interest-bearing liabilities

EUR thousand	2015	2014
Revolving credit facility – EUR 20,000	20,000	41,800
Revolving credit facility – USD 22,000	20,208	18,121
Other loans	2,943	–
Unamortized transaction costs	-406	-812
Total	**42,745**	**59,109**

On January 22, 2014 a new credit facility was signed. It is a 3-year syndicated credit facility of EUR 103.8 million composed of three tranches; the first being a EUR 40 million term loan expiring on January 21, 2017; the second being a EUR 55 million revolving credit facility expiring also on January 21, 2017; whilst the third was a term loan expiring on October 21, 2014. Interest rates are based on IBOR and EURIBOR for Euro drawings plus margins which may vary albeit based on the Transcom's Consolidated Gross Debt to Consolidated EBITDA ratio. The Company is also committed under this agreement to maintain certain financial ratios within agreed limits. The loan is unsecured. There was no breach of covenants in 2015.

As of December 31, 2015, an amount of EUR 20 million and USD 22 million was drawn (December 31, 2014: EUR 41.8 million and USD 22 million). In addition, an equivalent of EUR 2.4 million of the facility is utilized to cover the issuance of bank guarantees. An unused amount of EUR 17.4 million on the revolving borrowing facility exists on December 31, 2015 (December 31, 2014: EUR 9.8 million). The reduced usage of the syndicated credit facility is due to the net of re-payment of loans EUR 27.8 million and new loans of EUR 6.0 million dureing 2015. In addition to the credit facility, a local short-term loan amounted to EUR 1.0 million as of December 31, 2015.

The table below shows the maturity profile of the Company's interest-bearing liabilites including interests.

EUR thousand	2015 Carrying amount	2014 Carrying amount
Less than six months	3,314	6,648
Between six and twelve months	4,261	5,106
Between one and two years	35,997	10,144
Between two and five years	–	40,193
Total	**43,572**	**62,091**

On October 23, 2015, Transcom entered into a Swap Agreement with Nordea Bank AB (publ) ("Nordea"). As per the shareholders' authorization, the purpose of the agreement is to secure the obligation of the Company to deliver ordinary shares under the LTIP 2015 via a swap arrangement. Under the Swap Agreement, Nordea will deliver the ordinary shares to the participants in the LTIP 2015 once vested. In the meantime, while the shares are in Nordea's custody, the Company will pay interest on the cost for purchasing the ordinary shares. Any dividend on the ordinary shares during such period will be refunded to the Company. Any remaining ordinary shares not delivered to the participants will be sold on Nasdaq Stockholm. Any profit will be paid to the Company, who also will carry the risk of potential losses. As a result of the LTIP 2015, a maximum of 220,000 ordinary shares in the Company may be allotted, including compensation for dividends paid (if any) on the underlying share. A liability amounting to EUR 1.9 million is recorded per December 31, 2015.

Note A20 Financial instrument risk management objectives and policies

Financial risks are mainly market risks (incl. currency risk and interest rate risk), credit risk and liquidity risk. The risk management policy, adopted by the Board of Directors, aims to minimize the adverse impact on financial results and positions.

Interest rate risk
Interest rate risk pertains to changes to the market rate of interest impact the Company's net interest. The Company has mainly financial liabilities that are interest-bearing and limited interest-bearing assets. Calculated on the financial interest-bearing liabilities at December 31, 2015, a 10 percent change in the market interest rate would impact the Company's earnings by EUR 116 thousand.

Currency risk
Sales occur mainly in the accounting currency EUR while the purchases mainly are in SEK and EUR. At the end of the year, the Company was exposed to exchange-rate risk pertaining primarily to receivables and liabilities to Group companies. Should exchange rates for all currencies be 5 percent higher/lower, the impact on earnings would be -/+ EUR 27 thousand based on exposure on the balance-sheet date.

Credit risk
The Company strives for the best possible credit rating for the Company's counterparties. The vast proportion of financial receivables were against Group companies.

Liquidity risk
Liquidity risk entails the risk that there is insufficient cash and cash equivalents and marketable securities or agreed credit opportunities to close the market positions. The liquidity risk is deemed stable and the Board of Directors believes that the capital required to meet the Company's commitments will be available during the 2016 fiscal year.

Note A20 Financial instrument risk management objectives and policies (cont.)

Maturity profile of the financial assets and liabilities based on contractual undiscounted payments

	2015			2014		
EUR thousand	<1 year	1–5 years	Carrying amount	<1 year	1–5 years	Carrying amount
Financial assets						
Receivables from Group companies	–	44,884	44,884	–	31,594	31,594
Other receivables	–	–	–	–	243	243
Total non-current financial assets	**–**	**44,884**	**44,884**	**–**	**31,837**	**31,837**
Trade receivables	889	–	889	1,480	–	1,480
Receivables from Group companies	112,229	–	112,229	206,534	–	206,534
Other receivables incl. accrued income	1,005	–	1,005	1,040	–	1,040
Cash and cash equivalents	42	–	42	7,206	–	7,206
Total current financial assets	**114,165**	**–**	**114,165**	**216,260**	**–**	**216,260**
Total financial assets	**114,165**	**44,884**	**159,049**	**216,260**	**31,837**	**248,097**
Financial liabilities						
Interest-bearing liabilities	–	35,997	35,997	–	50,337	50,337
Liabilities to Group companies	–	29,217	29,217	–	44,234	44,234
Other liabilities	–	155	155	–	–	–
Total non-current financial liabilities	**–**	**65,369**	**65,369**	**–**	**94,571**	**94,571**
Interest-bearing liabilities	7,575	–	7,575	11,754	–	11,754
Trade payables	1,539	–	1,539	2,189	–	2,189
Liabilities to Group companies	69,163	–	69,163	176,496	–	176,496
Other liabilities incl. accrued expenses	1,935	–	1,935	2,073	–	2,073
Total current financial liabilities	**80,212**	**–**	**80,212**	**192,512**	**–**	**192,512**
Total financial liabilities	**80,212**	**65,369**	**145,581**	**192,512**	**94,571**	**287,083**

Note A20 Financial instrument risk management objectives and policies (cont.)

Classification of the financial assets and liabilities

	2015				2014			
EUR thousand	Loans and receivables	Financial liabilities at amortized cost	Carrying amount Dec 31	Fair value Dec 31	Loans and receivables	Financial liabilities at amortized cost	Carrying amount Dec 31	Fair value Dec 31
Financial assets								
Receivables from Group companies	44,884	–	44,884	44,884	29,588	–	29,588	29,588
Other receivables	–	–	–	–	243	–	243	243
Total non-current financial assets	**44,884**	**–**	**44,884**	**44,884**	**29,831**	**–**	**29,831**	**29,831**
Trade receivables	889	–	889	889	1,480	–	1,480	1,480
Receivables from Group companies	112,229	–	112,229	112,229	206,534	–	206,534	206,534
Other receivables incl. accrued income	1,005	–	1,005	1,005	1,040	–	1,040	1,040
Cash and cash equivalents	42	–	42	42	7,206	–	7,206	7,206
Total current financial assets	**114,165**	**–**	**114,165**	**114,165**	**216,260**	**–**	**216,260**	**216,260**
Total financial assets	**159,049**	**–**	**159,049**	**159,049**	**246,091**	**–**	**246,091**	**246,091**
Financial liabilities								
Interest-bearing liabilities	–	34,802	34,802	34,802	–	47,509	47,509	48,321
Liabilities to Group companies	–	29,217	29,217	29,217	–	43,731	43,731	43,731
Other liabilities	–	155	155	155	–	–	–	–
Total non-current financial liabilities	**–**	**64,174**	**64,174**	**64,174**	**–**	**91,240**	**91,240**	**92,052**
Interest-bearing liabilities	–	7,943	7,943	7,943	–	11,600	11,600	11,600
Trade payables	–	1,539	1,539	1,539	–	2,189	2,189	2,189
Liabilities to Group companies	–	69,163	69,163	69,163	–	176,496	176,496	176,496
Other liabilities incl. accrued expenses	–	1,935	1,935	1,935	–	2,073	2,073	2,073
Total current financial liabilities	**–**	**80,580**	**80,580**	**80,580**	**–**	**192,358**	**192,358**	**192,358**
Total financial liabilities	**–**	**144,754**	**144,754**	**144,754**	**–**	**283,598**	**283,598**	**284,410**

Note A21 Accrued expenses and prepaid income

EUR thousand	2015	2014
Accrued staff related expenses	1,183	1,591
Accrued subcontractors	208	168
Accrued audit fee	204	97
Accrued interest	10	4
Total	**1,605**	**1,860**

Note A22 Related party transactions

Up until March 20, 2015 Investment AB Kinnevik and subsidiaries were defined as related party. 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 parties to Transcom. Transactions up until this date with Investment AB Kinnevik were as follows. The Company's operating expenses, mainly for telephone services, paid to Tele2 group companies amounted to EUR 30 thousand for the period January to March (Jan-Dec 2014: EUR 65 thousand). No other material related party transactions for the period are to be reported.

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, for the Group and the Annual Accounts Act and RFR2 for the Parent Company, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Administration Report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies face.

Stockholm, April 6, 2016

Henning Boysen
Chairman of the Board

Fredrik Cappelen
Member of the Board

Per Frankling
Member of the Board

Alexander Izosimov
Member of the Board

Klas Johansson
Member of the Board

Mikael Larsson
Member of the Board

Johan Eriksson
President & CEO

Our audit report has been submitted on April 6, 2016

Ernst & Young AB

Erik Åström
Authorized Public Accountant

Translation from the Swedish original

Auditor's report

To the annual meeting of the shareholders of Transcom WorldWide AB (publ), corporate identity number 556880-1277

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of Transcom Worldwide AB (publ) for the year 2015. The annual accounts and consolidated accounts of the Company are included on pages 6–63.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatemet.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet of the Parent Company and the income statement and the statement of financial position of the Group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the Managing Director of Transcom WorldWide AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the Managing Directorr
The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the Company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, April 6, 2016

Ernst & Young AB

Erik Åström
Authorized Public Accountant

Corporate Governance Report 2015

OVERVIEW

Transcom WorldWide AB (publ) ("Transcom" or the "Company") is a Swedish public limited company, and its ordinary shares are listed on the Nasdaq Stockholm exchange.

Transcom recognizes the importance of, and is committed to following corporate governance standards. The Company's governance framework encapsulates key principles which govern the relationship between the numerous stakeholders of Transcom. It further includes an internal framework for decision making, and assignment of responsibility for the Company's management, administration and internal control. Transparent reporting is one of the cornerstones of corporate governance at Transcom, in that it facilitates the understanding and monitoring of key developments in the Company by its stakeholders. Transcom's corporate governance framework further supports Transcom in ensuring that it is an ethical corporate citizen.

Transcom adheres to principles of corporate governance found in both internal and external rules and regulations. As a Swedish public limited company listed on Nasdaq Stockholm, Transcom is subject to the Swedish Companies Act, the Annual Accounts Act and other applicable Swedish and foreign laws and regulations, including the Rule Book for Issuers of Nasdaq Stockholm and the Swedish Corporate governance Code (the "Code").

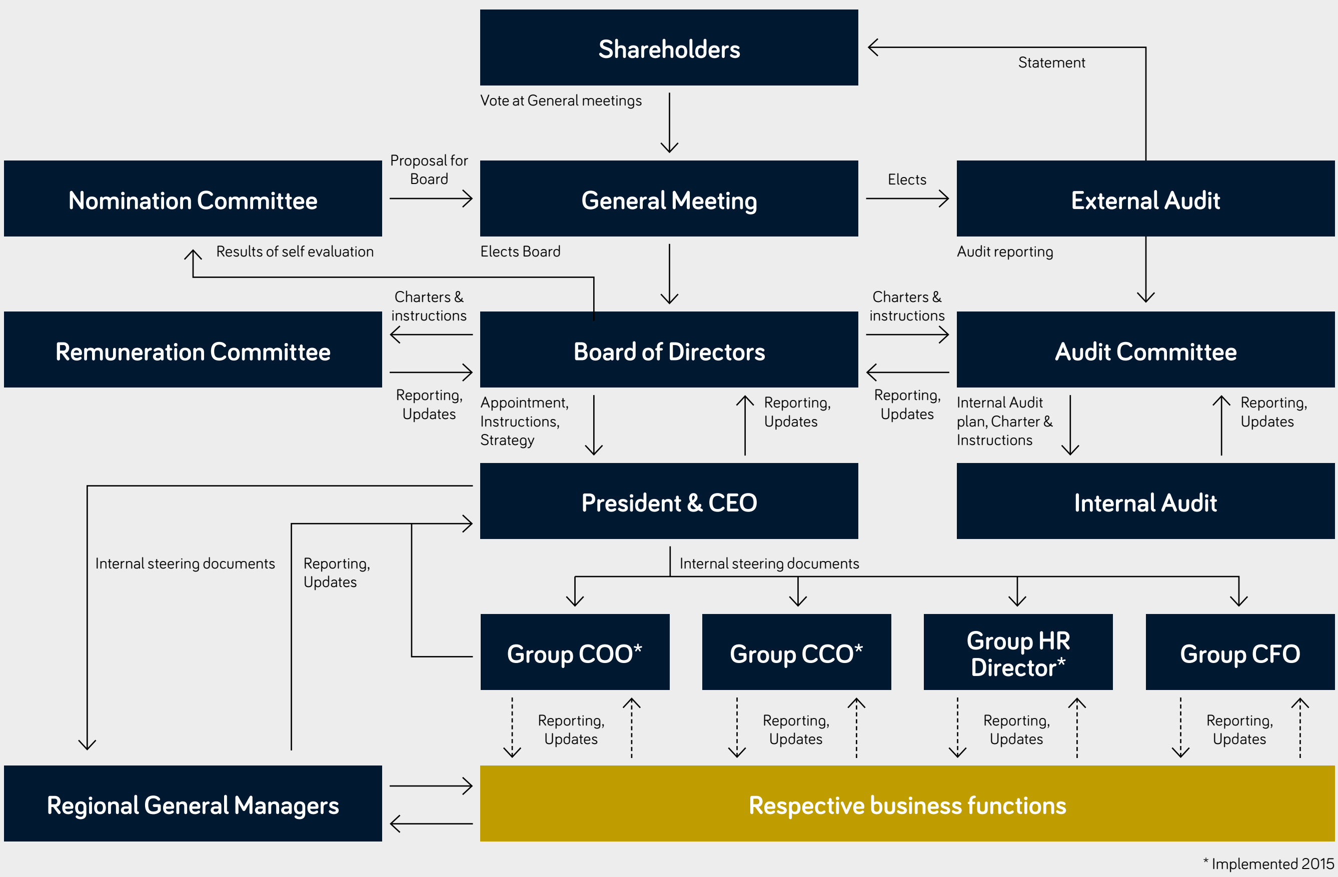
In addition, to ensure compliance with all applicable legal requirements, Transcom has adopted internal instructions that include the Code of Business Conduct, Supplier Code of Business Conduct as well as a number of internal policies as explained further below. The Board of Directors has also approved and implemented its rules of procedures for the work of the Board.

This report is prepared in accordance with the Swedish Annual Accounts Act and the provisions of the Code.

COMPLIANCE WITH THE CODE

Transcom is committed to complying with best-practice corporate governance, which includes continued compliance with the Code. Transcom is following the Code without any deviation. The Code can be found on the website of the Swedish Corporate Governance Board, which administrates the Code (www.corporategovernanceboard.se).

TRANSCOM'S CORPORATE GOVERNANCE STRUCTURE



ARTICLES OF ASSOCIATION

Transcom's Articles of Association (as defined below), which form the basis of the governance of the Company's operations, set forth the Company's name, the seat of the Board, the object of the business activities, the shares and share capital of the Company and contain rules with respect to the shareholders' meetings. The Articles of Association do not contain any limitations as to how many votes each shareholder may cast at shareholders' meetings, nor any provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association can be found at http://www.transcom.com/en/About-Transcom/Organization-and-Governance/Article-of-Association/.

SHARE AND SHAREHOLDERS

The share capital of Transcom is composed of ordinary shares and class C shares. Each share regardless of series represents one vote.

As previously disclosed, the annual general meeting of Transcom held on 12 May 2015, resolved to adopt a long-term incentive program (the "LTIP 2015") and authorized the Board of Directors to secure the Company's obligations under the LTIP 2015 by entering into a swap agreement with a third party. Consequently on October 23, 2015, the Board of Directors of Transcom entered into a Swap Agreement with Nordea Bank AB (publ) ("Nordea"). As per the shareholders' authorization, the purpose of the agreement is to secure the obligation of the Company to deliver ordinary shares under the LTIP 2015 via a swap arrangement. As a result of the LTIP 2015, a maximum of 220,000 ordinary shares in the Company may be allotted, including compensation for dividends paid (if any) on the underlying share.

Transcom's share ownership is disclosed on pages 13–14. All other significant relationships between Transcom and its major shareholders, in so far as it is aware of them, are described in note 26 "Related Party Transactions" and the Board of Directors has no knowledge of any shareholders' agreement or any other agreement regarding voting rights or other rights for the shareholders.

SHAREHOLDERS' MEETING

The Shareholders' meeting is the highest decision-making body for Transcom and it is at the shareholders' meeting where all shareholders are entitled to participate and exercise their right to decide on issues affecting Transcom and its operations.

In 2015, one shareholder meeting was held, the annual general meeting of shareholders ("AGM") of Transcom ("2015 AGM").

The function of the Shareholders' meeting, the general meeting's primary authority to adopt resolutions, the shareholders' rights and how these rights are exercised are all regulated by law or other statutory instrument.

2015 AGM

In 2015, the statutory AGM was held on 12 May 2015. At the meeting, shareholders representing 55.20 percent of the total number of shares were present either personally or by proxy. Shareholders exercised their rights to decide on the key affairs and the following resolutions were adopted by the AGM:

- Approval of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet for the financial year ended 31 December 2014
- Appropriation of the results as of 31 December 2014
- Discharge of the liability of the members of the Board of Directors of the Company and the managing director of the Company for, and in connection with, the financial year ended 31 December 2014
- Determination of the number of the members of the Board of Directors of the Company
- Re-election of some existing Directors and election of new Directors and the Chairman of the Board of Directors for the period until the close of the next AGM
- Determination of Directors' and the auditors' fees
- Adoption of the procedures for establishment of the Nomination Committee.
- Adoption of guidelines for remuneration of senior executives
- Adoption of LTIP 2015.

The minutes of the 2015 AGM are available on Transcom's website.

2016 AGM

The AGM shall be held within six months after the end of the financial year. Shareholders wishing to have matters considered at the AGM should submit their proposals in writing at least seven weeks before the AGM in order to guarantee that their proposals may be included in the notice to the AGM. Details on how and when to submit proposals to Transcom can be found on Transcom's website. Shareholders who wish to participate in the AGM must be duly registered as such with Euroclear Sweden AB. The shareholders may then attend and vote at the meeting in person or by proxy. A shareholder wishing to attend the AGM must notify Transcom of his or her intention to attend. All relevant instructions in relation to the participation at the AGM shall be included in the convening notice to the AGM.

The AGM for the financial year 2015 will be held on 28 April 2016 in Stockholm at Rålambsvägen 15 (the "2016 AGM").

NOMINATION COMMITTEE

According to the instructions adopted by the AGM 2015, the Nomination Committee is to consist of at least three members appointed by the largest shareholders of Transcom (given that they elected to appoint a member). The Nomination Committee is formed each year in October in consultation with the largest shareholders of Transcom as per 30 September each year (the "Nomination Committee").

In March of 2015 Altor Fund Manager AB became a major shareholder in Transcom which led to changes in the composition of the Nomination Committee. Cristina Stenbeck stepped down as chairperson and member of the committee and Jesper Eliasson was appointed as chairman of the committee at that time.

The Nomination Committee is now comprised of Niclas Ekestubbe representing Altor Fund Manager AB, Daniel Nyhrén representing Creades AB, and Arne Lööw representing The Fourth Swedish National Pension Fund (Fjärde AP-fonden). Niclas Ekestubbe has been appointed Committee Chairman. The members of the Nomination Committee do not receive any remuneration for their work.

- one member is independent vis-à-vis major shareholders and
- three members are independent vis-à-vis the management and the Company.

The Nomination Committee's tasks include:

- Evaluation of the Board of Directors' work and composition
- Submission of the proposals to the AGM regarding the election of the Board of Directors and the Chairman of the Board
- Preparations of the proposals regarding the election of auditors in cooperation with the Audit Committee (when appropriate)
- Preparations of the proposals regarding the fees to be paid to Board Directors and to the Company's auditors
- Preparations of the proposals for the Chairman of the AGM, and
- Preparations of the proposals for the administration and order of appointment of the Nomination Committee for the AGM.

The Nomination Committee invites proposals from shareholders wishing to propose candidates for election to the Board of Directors. The Nomination Committee will submit a proposal for the composition of the Board of Directors; remuneration for the Board of Directors and the auditor; and a proposal on the Chairman of the 2016 AGM, which will be presented to the 2016 AGM for approval. The Nomination Committee met six times during 2015:

	Meetings attended
Jesper Eliasson	2/6
Niclas Ekestubbe	2/6
Arne Lööw	6/6
Cristina Stenbeck	3/6
Daniel Nyhrén	6/6

BOARD OF DIRECTORS

As per the applicable Swedish laws, the Board of Directors is elected by shareholders' meetings, and can be removed at any time, with or without cause, by a resolution in shareholders' meetings. The Board of Directors of the Company (the "Board of Directors") is ultimately responsible for the organization of Transcom and the management of its operations.

Composition of the Board of Directors of the Company

The Board of Directors as at 31 December 2015 is comprised of six directors whereof:

- Four directors are independent vis-à-vis major shareholders and
- Six directors are independent vis-à-vis the management and the Company.

In the 2015 AGM, Klas Johansson, Fredrik Cappelen and Per Frankling were elected as new directors whereas Roel Louwhoff and Stefan Charette declined re-election. Henning Boysen, Mikael Larsson and Alexander Izosimov were re-elected as directors. For summary curriculum vitae for each director, the list of material positions held by them in other companies, remuneration, attendance in Board and committee meetings, refer to the table on pages 74–75 of this report.

Remuneration of the Board of Directors

The remuneration of the members of the Board of Directors is proposed by the Nomination Committee and approved by the AGM. The Nomination Committee proposal is based on benchmarking of peer group company compensation and company size. The members of the Board of Directors do not participate in the Group's incentive schemes. Furthermore, Transcom did not grant any loan to any member of its Board of Directors.

The total amount of remuneration and other benefits granted directly or indirectly by the Company to the members of its Board of Directors is provided in note 4.

Responsibilities and duties of the Board of Directors

The Board of Directors is in charge of the overall governance and strategic direction of the Company. The Board of Directors provides effective support for, and control of, the activities of the Executive Committee. It is responsible for the performance of all acts of administration necessary for accomplishing the Company's purposes, except for matters reserved by Swedish law to the general meeting of shareholders.

The Board of Directors has adopted rules of procedure for its internal activities which include rules pertaining to the number of Board meetings to be held, the matters to be handled at such regular Board meetings, and the duties of the Chairman (the "Rules of Procedure"). The work of the Board is also governed by rules and regulations which include the Swedish Companies Act, the Articles of Association, and the Code as well as internal policy documents.

In order to carry out its work more effectively, the Board of Directors has created a Remuneration Committee and an Audit Committee. The Rules of Procedure specify the duties that the board has delegated to Remuneration and Audit Committee and how the committees are to report to the board. These committees handle business within their respective areas and present recommendations and reports on which the Board of Directors may base its decisions and actions. However, all members of the Board of Directors have the same responsibility for decisions made and actions taken, irrespective of whether issues have been reviewed by such committees or not.

In 2015, the Board addressed and discussed the following (apart from regular matters in the annual Board work cycle):

- Continuous work relating to strategic plans and direction
- Review and approval of new contact centers and other investment proposals
- Corporate social responsibility
- Compliance
- Organizational design and alignment
- Executive Committee's updated risk assessment.

The Board held ten meetings during 2015. During 2015, the statutory auditor attended one meeting without the presence of management. For details of attendance see pages 74–75.

Evaluation of the Board and its Committees

The Board of Directors carries out an annual assessment wherein the Board of Directors evaluates its own performance and the performance of its committees through a systematic and structured process aimed, among other things, at gathering good documentation as a basis for improvements in the Board of Directors work. As part of the evaluation process, the Chairman of the Board of Directors carried out feedback sessions with board members, which also included feedback on performance in committees. This annual assessment process also entails a review of competencies, board process and internal communication within the board. A summary of the evaluation is also presented to the Nomination Committee. Where deemed relevant, actions were taken to further enhance board performance.

REMUNERATION COMMITTEE

At the statutory Board of Directors meeting following the 2015 AGM, the Board of Directors decided that the Remuneration Committee be comprised of Henning Boysen, Klas Johansson and Per Frankling. Klas Johansson was elected as its Chairman.

The responsibilities of the Remuneration Committee include:

- Issues concerning principles for remuneration, remunerations and other terms of employment for the Executive Management
- Monitoring and evaluating programs for variable remuneration for the Executive Management
- Reviewing performance of Executive Committee and of the individual executives at least once a year
- Ensuring that the Executive Management Team has an updated succession plan with identified emergency cover; and
- Ensuring the Company has a Talent Management Program in place and an individual development plan for key leaders.

No specific decision-making authority has been delegated to the Remuneration Committee.

The Remuneration Committee held four meetings during 2015. For details of attendance, refer to the table on pages 74–75.

AUDIT COMMITTEE

At the statutory Board of Directors meeting following the 2015 AGM, the Board of Directors decided that the Audit Committee be comprised of Mikael Larsson, Henning Boysen, Per Frankling and Klas Johansson. Mikael Larsson was elected as its Chairman.

The responsibilities of the Audit Committee include:
- Ensuring quality and correctness in the Company's financial reporting
- Reviewing and monitoring the impartiality and independence of the External auditor
- Assisting the Nomination Committee to prepare for the election of auditors at the AGM
- Reviewing the process for monitoring compliance with laws and regulations affecting financial reporting and Code of Business Conduct
- Evaluating the overall effectiveness of the internal control and risk management frameworks
- Evaluating the effectiveness of the internal audit function
- Monitoring and securing the quality and fairness of transactions with related parties, when applicable.

No specific decision-making authority has been delegated to the Audit Committee.

The Audit Committee held ten meetings during 2015. For details of attendance, refer to the table on pages 74–75. The CEO, CFO, External auditor, Head of Internal Audit, Group Financial Controller, Head of Group Tax, etc. were called to the meeting as required.

EXTERNAL AUDITORS

The registered audit firm Ernst Young AB, with the authorized public accountant Erik Åström as auditor-in-charge, was elected as auditor in an extraordinary general meeting of Transcom Worldwide AB held in January 2012, for the period ending at the close of the annual general meeting held during the fourth financial year after the appointment. Thus, the AGM 2016 will resolve on who shall be elected as auditor for the next four year period.

EXECUTIVE COMMITTEE

The President and CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of the Company in accordance with instructions from the Board of Directors. The President and CEO is supported by the Executive Committee appointed by the Board of Directors. In 2015, the Executive Committee included President and CEO, Group CFO, Chief Operating Officer (COO), Chief Commercial Officer (CCO), Group HR Director and Regional General Managers (the "RGMs"). A full list of its members is provided on pages 76–77.

The CEO, along with the rest of the Executive Committee, is responsible for the adherence to the Group's overall strategy, financial and business control, financing, capital structure, risk management and acquisitions. Among other tasks, this includes preparation of financial reports, capital markets communication and other issues.

Executive Committee remuneration

The guidelines for remuneration for members of the Executive Committee were approved by the 2015 AGM. Refer to the 2015 AGM minutes on Transcom's website for details. The total amount of remuneration and other benefits granted directly or indirectly by the Company to the members of its Executive Committee is provided in note 4.

Transcom did not grant any loan to any member of its Executive Committee.

INTERNAL CONTROL

The Board of Directors has overall responsibility for Transcom's risk and internal control systems and for monitoring their effectiveness. The Board of Directors monitors the ongoing process by which critical risks to the business are identified, evaluated and managed.

Transcom's internal control systems are designed to manage, rather than eliminate risks that might affect the achievement of its objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. In assessing what constitutes reasonable assurance, the Board of Directors and the Executive Management considers the materiality of financial and non-financial risks and the relationship between the costs of, and benefit from, internal control systems.

The principal features of the Group's systems of internal control are designed to:
- Maintain proper accounting records
- Provide reliable financial information
- Identify and manage business risks
- Maintain compliance with appropriate legislation and regulation;
- Identify and adopt best practice; and
- Safeguard assets.

Each year the Audit Committee assesses the effectiveness of Transcom's risk management and internal controls system on the basis of:
- Established policies, including those already described, which are in place to manage perceived risks
- The continuous enterprise-wide process for identifying, evaluating and managing the significant risks to the achievement of the Group's objectives
- Reports to the Audit Committee on the results of External auditor's work and Internal audit reviews, both including action plans from the concerned Management
- Results of control self-assessments over financial reporting, presented by the Management.

The Audit committee chairman informs the Board of Directors of the results of above.

Group Internal audit reviews the effectiveness of risk- and internal control systems throughout the Group in accordance with the approved internal audit plan and provides the Audit Committee and the Board of Directors with an assessment of the overall effectiveness of the governance, risk management and control processes. The principal features of the control framework are detailed below.

Control environment

The Board of Directors reviews and approves the annual budget and three-year plan which includes a quantified assessment of planned operating and financial performance for the next financial year for each business unit, together with a strategic plan for the Group for the following two years.

Transcom has an established governance framework, the key features of which include:

- Rules of procedures for the Board of Directors and instruction for each of its committees
- A clear organizational structure, with documented delegation of authority to CEO from the Board
- Board-approved key policies including Financial and Treasury Management policy, Instruction for financial reporting, Insider Trading policy and Communications policy
- Board-approved Whistleblower policy, Environmental policy, Code of Business Conduct and Supplier Code of Business Conduct to promote ethical, sustainable and transparent business practices within the Group
- A living internal governance manual, which sets out clear guidance on key decisions and risk governance across key processes; and
- Accounting manual and reporting instructions to ensure the completeness and correctness of financial reporting and its compliance with IFRS requirements.

Furthermore, a number of corporate functions are responsible for promoting effective internal controls in separately defined areas. Among these, the central finance organization, including Group Financial Control and Group Business Control, as well as the Group Communications department play important roles in ensuring correct and timely financial reporting. In addition, Group Internal Audit independently evaluates the operations of the Company to identify any shortcomings in internal controls.

Risk assessment

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 and to provide reliable financial information. Transcom's risk management is based on the following key principles:

a. Comprehensive scope: Risks are assessed for a number of defined categories. The Executive Committee is responsible for reviewing and monitoring the financial, strategic, human resources, operational, commercial, technological, compliance and other applicable risks. It monitors the completeness of the Group's risk profile on a regular basis through a Group risk monitoring framework. This helps the Company to proactively identify the most important risks. The risk assessment process also entails identification of risk owners in the Company
b. Regular reporting: Risks are evaluated in terms of their potential impact and likelihood. The results of the risk assessment along with mitigation plans for key risks are presented to the Audit Committee on a periodic basis for review. Further, results of risk assessment are also reported to the Board
c. Follow-up: Risk mitigation plans are followed up on a periodic basis and the status of mitigation plans/activities are periodically reported to the Audit Committee
d. Risks and business planning: The business plans are based on key market, client, economic and financial assumptions. The business planning process also includes an assessment of the risk and sensitivities underlying the projections.

The Group Internal Audit function is responsible for coordinating the risk management processes in the Group and consolidating the periodic risk reporting for the Board of Directors and the Audit Committee.

Transcom continuously works to improve the policies which govern the management and control of both financial and non-financial risks. The adoption of these policies throughout the Group enables a broadly consistent approach to the management of risk at business unit level.

For a summary of key risks Transcom faces while operating in a highly fragmented and competitive global industry, refer to pages 72–73.

Information and Communication

Policies and guidelines of significance to financial reporting are regularly updated and communicated to the employees concerned. Detailed reporting instructions are provided to Group companies periodically.

Transcom has strengthened information and communication related to policies and governance principles by publishing an internal governance manual, which among other things incorporates a list of key policies and procedures. Key management personnel (everyone who reports into Executive Committee members) have signed the internal governance manual.

Further, all employees are required to sign the Code of Business Conduct when starting their employment with Transcom and are given suitable training on the key values. Also, Transcom has implemented a Supplier Code of Business Conduct to promote ethical business practices in our supply chain.

Control activities

The RGMs, with support from their respective management teams, are responsible for the implementation of control activities in compliance with Transcom's policies and governance documents (including the Accounting policy) as well as for managing any further risks that they may identify. This includes controls in the financial reporting processes as well as controls in other processes which could be expected to impact financial reporting.

The Audit Committee, in addition to the Board, reviews every interim and Annual Report prior to publication.

Follow-up

Monthly performance and financial reports are produced for each business unit, with comparisons to budget. Reports are consolidated for overall review by the corporate team (CEO, CFO, COO, CCO and Group HR Director) together with forecasts for the income statement and cash flow.

The Board of Directors also regularly reviews the actual performance of the business compared with budgets and forecasts, as well as other key performance indicators. The Board of Directors reviews the effectiveness of established internal controls through the Audit Committee, as described above.

Transcom's Group Internal Audit function is responsible for following up on critical risks and action plans and reporting the status of action plans to the Audit Committee on a periodic basis. Further Transcom's annual internal audit plan, that is, the scope and the areas of operations to be reviewed during audits, is reviewed and approved each year by the Audit Committee. Risk-based internal audits are carried out independently to evaluate if the key risks are managed appropriately.

CORPORATE RESPONSIBILITY

Control against corruption

Transcom is a signatory of the UN Global Compact. In order to be successful and create value, Transcom needs to meet the expectations of all its key stakeholders: clients, employees and investors, as well as the communities that the Company is a part of. This is the basis for Transcom's CSR work, which forms an integral part of the Company's day-to-day business activities. At Transcom, CSR means that we always do our utmost to do the right thing by our clients, our people and our communities. This ambition is encapsulated in Transcom Cares, the Company's CSR governance framework, launched on a global level in 2013. Transcom's Code of Business Conduct, available in 17 languages, covers the four areas of The UN Global Compact, environmental care, human rights, labor rights and anticorruption practices, all of which Transcom respects and supports fully. The principles are an integral part of Transcom's corporate strategy.

Whistle-blower process

The Board of Directors has established a whistle blowing process which enables personnel to report violations in accounting, reporting, internal controls, non-compliance with Code of Business Conduct, Group policies, applicable laws, etc. Personnel are requested to report the matters to local Human Resources manager or to Transcom's internal whistle blower function at whistleblower reporting@transcom.com. The whistleblower reporting mechanism also facilitates anonymous reporting. All allegations are taken seriously and an enquiry is conducted to not only investigate the alleged violations, but also to identify root causes to facilitate further strengthening of internal controls.

Risk	How it may impact Transcom	Transcom's management of risks
Business risks		
Macro-economic risks	Deterioration and/or sustained volatility in economic conditions in the markets in which Transcom operates may adversely affect its clients' businesses and the level of demand for Transcom's services which could have a material adverse effect on our revenue, profitability & strategy.	We continuously observe the economic development and evolution of our clients' business trends to align our strategy and goals in view of the ever-evolving economic condition.
Client & industry concentration	A significant portion of the Company's revenues is generated from a limited number of key clients in few industry sectors. Any significant loss of work from one or more of these clients, or a prolonged downturn in one or more of these industry verticals, could adversely affect our business.	We systematically monitor this risk with multiple variables at site level. Our strategy aims to increasingly diversify the risks by operating in different geographies, clients and industry verticals. The Company has a rigorous governance process for oversight and management of commercial risks.
Capacity utilization & productivity/efficiency risks	Our financial results depend on our capacity utilization and our ability to manage our workforce efficiently in view of client demands. Any sustained failure in ensuring optimal capacity utilization and/or optimal efficiency may have a material adverse effect on the Company's overall profitability.	We have established a governance structure for review of investments in capacity. Our core processes are designed to optimize these critical KPIs. We systematically and continuously monitor capacity utilization and efficiency for each client, site, and program and continuously identify remediation plans and focus areas for improvement.
People related risks	If Transcom is unable to attract and retain skilled staff, this may adversely impact the Company's business. The customer care outsourcing industry is prone to high staff attrition.	Transcom has deployed robust talent management and career development programs which help us in talent retention (more information available at 2015.transcom.com). Furthermore, the Company carries out periodic employee satisfaction surveys and other benchmarking exercises to identify improvement areas and further strengthen our position as an employer of choice in our industry.
Disasters, disruption & hazard risks	Continuity of our operations may be affected by natural events, wars, terrorist attacks, other civil disturbances, epidemics, technical failures etc. Any sustained disruption of our services may lead to significant deterioration in our profitability from the affected site/country/region.	We carry out detailed business impact analysis and have developed business continuity plans, which are periodically evaluated and updated. For technological risks, we have developed back up & disaster recovery plans and strategies. We have secured insurance against business interruptions.
Exchange rate fluctuation risks	We are exposed to exchange rate fluctuations: Transaction exposure: In some contracts (mostly offshore delivery) we have costs and revenues in different currencies. Translation exposure: A movement in the value of a currency relative to the Euro (which is Transcom's reporting currency) could impact the results.	Transcom continuously monitors foreign exchange fluctuations. As a principle, we aim to avoid foreign exchange fluctuation risks by trying to negotiate contracts with costs and revenues in the same currency. Furthermore, the Audit Committee has established a formal hedging policy which governs the terms, conditions and procedure for any hedging transaction executed by the Company.
Impairment risk	A substantial part of our assets consists of goodwill and any significant impairment would affect our results and shareholders' equity.	We annually evaluate the Goodwill on our balance sheet to identify any necessary impairment requirements, in view of the best available information.

Risk	How it may impact Transcom	Transcom's management of risks
Significant increase in input costs	If we are unable to pass on any significant increase in our key input costs – Human resources, technology, telecommunication, etc. to clients, our operating results could be adversely affected. Historically, there have been shifts in the relative geographic concentration of contact centers, following the trend in production costs.	Transcom strives to apply bespoke pricing and/or commercial models with clients, where possible. We continuously evaluate new locations for our delivery centers in countries with stable and competitive wages and other input costs.
Employee misconducts	Our employees owing to the inherent nature of the industry and service offerings may be able to perpetrate frauds or other misconducts which may not only affect Transcom, but also its clients. Most of the client contracts hold Transcom liable for damages and/or liabilities arising due to fraud.	We collaborate with our clients continuously to identify and address fraud risks in a structured manner. We have secured insurance against such misconducts.
Tax audits & litigation risks	The Group is subject to tax audits in the normal course of business. A negative outcome in respect of such audits or litigation may have a materially adverse effect on the Group's business, financial condition and results of operations, beyond what has already been provided for. Refer to note 23 for details.	We observe all applicable laws, rules, regulations and disclosure requirements. We seek to plan and manage our tax affairs efficiently in all the jurisdictions in which we operate and to ensure that decisions taken are supported with documentation that supports the facts, conclusions and risks involved. We engage external tax experts for advice in complex matters to ensure that our interpretation and application of tax laws of the concerned jurisdiction is consistent and prudent. We follow tax litigations closely and create provisions in relation to tax risks for which management believes it is probable. All transactions we engage in must have business purpose or commercial rationale.
Corporate Social Responsibility-related risks		
Corruption and other unethical practices	We have operations in countries which have been assessed as more risky for corrupt practices. Any corrupt practices engaged in by our employee(s) may affect our goal to be a responsible corporate citizen.	We have zero tolerance towards any corrupt and unethical practices. Our Code of Business Conduct is available in 17 languages. All our employees sign this document when they start their employment. They are given suitable training on the key values of the Code. All managers receive training on this topic every year.
Supply chain malpractices	Any violations of ethical business practices by our vendor(s) may affect our goal to be a responsible corporate citizen.	We have a formal Supplier Code of Business Conduct (SCBC) based on the 10 principles of the UN Global compact. SCBC covers ethical business practices, respect for human and labor rights, and environmental care. All suppliers, including their employees, agents and subcontractors are expected to adhere to SCBC and make a commitment by signing. We have established a process of supplier self-assessment to control adherence to the requirements in our SCBC, starting with the largest suppliers.

Board of Directors



Name (born)	Henning Boysen (1946)	Fredrik Cappelen (1957)	Per Frankling (1971)
Function	Chairman of the Board since 2014 (Chairman of Transcom World-Wide S.A.'s Board, 2012–2014) Member of the Remuneration Committee and the Audit Committee.	Elected to the Board in 2015	Elected to the Board in 2015 Member of the Audit Committee and Remuneration Committee.
Education	Masters in Economics from Aarhus University, Denmark.	MSc in Economics from Uppsala University.	MSc from the Stockholm School of Economics and a MSc in electrical engineering from the Royal Institute of Technology in Stockholm.
Nationality/Elected	Danish/2009	Swedish/2015	Swedish/2015
Other assignments	Chairman of Apodan Nordic AS, Chairman of Nupo AS.	Chairman of the board of directors of Dustin Group AB, Byggmax Group AB (until AGM May 2015), Dometic AB, Terveystalo Oy, vice chairman of the board of directors Munksjö Oy and a board member of Securitas AB.	Chairman of the board of Inet, member of the board of Lindab.
Share ownership, including related natural and legal persons	32,000	0	0
Principal work experience	Chairman of Kuoni, one of Europe's leading leisure travel companies, 2006–2014, board member since 2003. Chairman of Global Blue SA 2008–2012. President and CEO of Gate Gourmet from 1996 to 2004. COO and Deputy President of Saudia Catering in Saudi Arabia between 1988 and 1992.	Chairman of the board of directors of Svedbergs i Dalstorp AB, Sanitec Oy, Granngården AB, Munksjö AB, Munksjö Holding AB, GG Holding AB, Carnegie Holding AB and Carnegie Investment Bank AB as well as board member in Cramo Oy and WPO Service AB.	CEO of Creades. Previously, Investment Director of Ratos AB and management consultant with McKinsey & Co and Arkwright. Previously a board member of i.a. Inwido, Tornet, Stofa, Nordic Cinema Group, Nebula and Jøtul.
Total fees 2015 (EUR)	105,000	43,000	53,000
Board meeting Attendance[1]	10 out of 10 (Chair)	5 out of 6	6 out of 6
Remuneration Committee Attendance	4 out of 4	N.A.	2 out of 2
Audit Committee Attendance	9 out of 10	N.A.	7 out of 7
Independence to Transcom and its Management	Independent	Independent	Independent
Independence to major shareholders	Independent	Independent	Not Independent

1) Board meeting attendance of former board members during 2015: Mia Brunell Livfors (4 out of 4), John C. Freker Jr. (1 out of 4), Stefan Charette (4 out of 4), Roel Louwhoff (2 out of 4)

		
Alexander Izosimov (1964)	**Klas Johansson (1976)**	**Mikael Larsson (1968)**
Elected to the Board in 2014 (member of the Board of Transcom WorldWide S.A., 2012–2014)	Elected to the Board in 2015 Member of the Audit Committee and chairman of the Remuneration Committee.	Elected to the Board in 2014 (member of the Board of Transcom WorldWide S.A., 2012–2014) Chairman of the Audit Committee.
Master's degree in Science from Moscow Aviation Institute and an MBA from INSEAD.	MSc from the Stockholm School of Economics.	Graduate in Business Administration from Uppsala University.
Russian/2012	Swedish/2015	Swedish/2012
Director of LM Ericsson AB, Modern Times Group (MTG), EVRAZ Plc, EVRAZ SA, and Dynasty Foundation.	Board member of CTEK and Ewos and chairman of Gelato Group.	Until February 2015 member of the boards of a number of subsidiaries within the Investment AB Kinnevik Group.
0	0	12,540
Chief Executive Officer of VimpelCom Group and, latterly, the enlarged VimpelCom Ltd, – 2003 to 2011. Several senior management positions at Mars, Inc. over a period of seven years, including as a member of the Global Executive Management Board and as Regional President for Russia, the CIS, Eastern Europe and the Nordics. Consultant for McKinsey & Co in Stockholm and London for five years. He is on the Executive Board of international Chamber of Commerce, member of the Board of the GSMA (the governing body for the global mobile telecommunications industry), as well a member of the Russian Prime Minister's Council for Competitiveness and Entrepreneurship.	Partner at Altor. Previously an employee of McKinsey & Company and deputy board member of Lindorff.	Chief Financial Officer of Com Hem since May 2015. Chief Financial Officer of Investment AB Kinnevik between 2001 and February 2015. Prior to joining Kinnevik, Mr. Larsson worked six years with audit and transaction advisory services at Arthur Andersen in Stockholm and held a position as Group Controller at Thomas Cook Northern Europe.
43,000	55,000	59,000
10 out of 10	6 out of 6	9 out of 10
2 out of 2	2 out of 2	N.A.
2 out of 2	7 out of 7	10 out of 10
Independent	Independent	Independent
Independent	Not independent	Independent[2]

2) Status was dependent until Investment AB Kinnevik divested 24.5 % of Transcom's ordinary shares, in March 2015, to funds advised by Altor Fund Manager AB.

Executive management

Name	Johan Eriksson (born 1965)	Roberto Boggio	Pär Christiansen	Ulrik Englund
Function	President & Chief Executive Officer	General Manager, Continental Europe Region	Chief Operating Officer (COO)	Chief Financial Officer (CFO)
Work experience/education	Johan was appointed President and Chief Executive Officer of Transcom in 2011. He joined Transcom in October 2010 to head up our operations in the Nordics as General Manager of the North Europe Region. Immediately before joining Transcom, Johan spent three years as President & CEO of international staffing and recruitment company, Poolia AB (publ). He joined Poolia from Loomis, one of the world's leading players in Cash Handling services, where he held the post of Chief Operating Officer, responsible for operations in 14 countries. Between 1992 and 2007 he worked for the global outsourced security business, Securitas, latterly as Regional President for the Nordic Region. During his time with the Company he also held posts in the UK, Germany, Austria and Sweden. Johan holds a Bachelor of Science (BSc) in Business Administration and Economics from the University of Karlstad. **Other assignments:** Chairman of the Board and Board member in a number of companies in the Transcom Group.	Roberto joined Transcom's Group Executive team in July 2011, and is responsible for our operations in Italy, Croatia, Germany, Hungary, Poland, Portugal, Serbia and Spain as well as the offshore operations in North Africa that serve the French and Italian markets. Prior to his current role, Roberto served as Transcom's Italy Country Manager for seven years. Before joining Transcom, Roberto's career in the outsourcing industry includes ten years of general management experience, and an additional ten years at Hewlett Packard (HP). Roberto is a member of the Board of the Italian Call Center Association since the late 1990s and has been appointed as its President for the years 2015-2017. Roberto holds a degree in Business Administration from Bocconi University in Milan. **Other assignments:** Board member of various companies in the Transcom Group.	Pär joined Transcom in 2013 as Chief Financial Officer (CFO). He was appointed COO in 2015. Before joining Transcom, Pär served as CFO of MTR Stockholm, the MTR company that operates the Stockholm underground system. Prior to this role, he held a number of senior management positions at SAS Group, the Scandinavian airline carrier, most recently as Vice President Group Business & Financial Control at SAS Operations. He also has management consulting experience from Establish Inc. Pär holds a Master of Science Degree in Mechanical Engineering from the Lund Institute of Technology, as well as a Bachelor's Degree in Economics and Business Administration from the University of Lund. **Other assignments:** Board member of various companies in the Transcom Group.	Ulrik joined Transcom in 2015 as Chief Financial Officer (CFO). Before joining Transcom, Ulrik served as CFO of Mobile Climate Control (MCC), a wholly-owned subsidiary of Ratos AB that develops, manufactures and sells customized climate control systems for commercial vehicles, since 2009. Prior to this role, he held a number of senior finance positions at ASSA ABLOY, the largest global supplier of lock and security solutions, most recently as Group Controller. Ulrik holds a Bachelor of Science degree in Finance and Accounting from Umeå University in Sweden. **Other assignments:** Board member of various companies in the Transcom Group.
Share ownership including related natural and legal persons	80,000	20,000	25,450	15,000

Rosana Garcia

Group Human Resources Director

Rosana Garcia joined Transcom in 2006 as Human Resources (HR) Manager for Barcelona. In the same year, she was promoted to HR Director for Iberia. Between 2007 and 2015, Rosana served as HR Director for the Iberia and Latam region. In 2015, she was appointed Group HR Director.

Before joining Transcom, Rosana served as HR Manager at Mitsubishi Electric Europe B.V. Spanish Branch for 7 years.

Rosana Garcia holds a Master Degree in Human Resources Management and Labor Relations from Ramon Llull University in Barcelona, Spain.

Christian Hultén

General Manager, North Europe Region

Christian joined Transcom in 2012 as General Manager of the North Europe Region, with responsibility for Transcom's operations in Sweden, Norway, Denmark, the Netherlands, and the Baltic countries.

Prior to joining Transcom, Christian was CEO of ZeroLime, a software company developing and deploying video-based recruitment solutions. Christian also spent several years in senior management roles at Sykes. He was also part of the management team that established the Excellent Group in the Nordics.

Christian holds a Masters Degree in Political Science, International Relations from the University of Uppsala.

Other assignments:
Board member of various companies in the Transcom Group.

Philip Sköld

Chief Commercial Officer (CCO)

Philip joined Transcom in 2015 as Chief Commercial Officer (CCO).

Philip has over 17 years of international strategy consulting experience from Bain & Company (1997-2014), where he was elected Partner in 2006. He has held various senior leadership positions at Bain & Company, including Head of the Nordic Customer Strategy & Marketing practice and leader in the EMEA practice. He has extensive experience of growth strategy, M&A and all aspects of commercial excellence, having led some of the largest customer centricity change programs for Bain globally. His experience also includes serving as Director of Marketing & Business Development at Duni AB.

Philip holds a Master of Science degree in Industrial Engineering & Management from the Royal Institute of Technology (KTH) in Stockholm, Sweden. He is also a graduate of the Advanced Management Program at Harvard Business School.

Siva Subramaniam

General Manager, English-speaking markets and APAC

Siva joined Transcom's Group Executive team in 2014 and is responsible for our operations in Asia Pacific, North America and the UK.

Prior to this role, Siva served as Transcom's Country Manager for The Philippines and Head of Sales for the Asia Pacific region since 2009.

Siva has more than 26 years of contact center management experience. Prior to joining Transcom, Siva was the Vice President for Customer Experience at AIG Consumer Finance Group in Asia. He also held senior roles with Aspect Software as the Vice President for Business Development & Marketing (Asia Pacific & Middle-East), TeleTech International, Avaya Global Services Asia Pacific and Deloitte Consulting (Customer Relationship Management Practice).

Other assignments:
Board member of various companies in the Transcom Group.

0	16,284	6,000	0

Stockholm, April 6, 2016

The Board of Directors in Transcom WorldWide AB (publ)

Henning Boysen
Chairman of the Board

Fredrik Cappelen
Member of the Board

Per Frankling
Member of the Board

Alexander Izosimov
Member of the Board

Klas Johansson
Member of the Board

Mikael Larsson
Member of the Board

Johan Eriksson
President & CEO

Auditor's report on the Corporate Governance Statement

Translation from the Swedish original.

To the annual meeting of the shareholders of Transcom WorldWide AB (publ), corporate identity number 556880-1277.

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2015 on pages 65–78 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Statement and based on that reading and our knowledge of the Company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The Corporate Governance Statement has been prepared and in our opinion its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, April 6, 2016
Ernst & Young AB

Erik Åström
Authorized Public Accountant

Financial calendar

April 20, 2016
First quarter earnings announcement

April 28, 2016
Annual General Meeting of shareholders in Transcom WorldWide AB (publ)

The 2016 Annual General Meeting will take place at 10:00 CET on April 28, 2016 at Rålambsvägen 15, Stockholm, Sweden.

July 19, 2016
Second quarter earnings announcement

October 20, 2016
Third quarter earnings announcement

February 2017
Fourth quarter earnings announcement

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