

First Quarter 2016 Results

Transcom WorldWide AB (publ) discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on April 20, 2016 at 08:00 AM CET.

“A challenging start to the year with declining volumes in all regions. This is expected to continue into Q2. We are implementing measures that I expect will start to yield improvements in the second half of the year.”

Johan Eriksson, President and CEO of Transcom

KEY HIGHLIGHTS Q1 2016

- Organic growth was negative 8.5%, primarily due to declining volumes in the North Europe and Continental Europe regions. Transcom's previously disclosed decision not to renew an agreement with an Italian public sector client had a negative 3.8% impact on revenue in the quarter.
- EBIT margin decreased to 2.3%, excluding non-recurring items, mainly due to the volume decrease, but also because of price reductions and lower efficiency in Spain.
- We expect the Q2 result to be impacted by continued soft volumes.
- The previously announced realignment of the regional management structure, a Group-wide operational excellence program, and additional measures to address soft volumes are expected to yield improvements starting in the second half of 2016.
- CMS Denmark divested during the quarter, resulting in a €3.5 million gain.
- Agreement reached with lenders for €90.0 million credit facility, replacing existing facility.

Q1 2016 FINANCIAL HIGHLIGHTS

- **Net revenue** €147.2 million (€160.9 million). Organic growth was negative 8.5%. Currency effects had a positive 0.5% impact, and the divestment of CMS Denmark had a negative 0.6% impact.
- **Gross margin** excluding non-recurring items 18.6% compared to 19.6% in the same period 2015.
- **EBIT** in Q1 2016 was €3.8 million (€5.9 million). EBIT excluding non-recurring items was €3.3 million compared to €5.9 million in Q1 2015.
- **Non-recurring items** in the quarter amount to positive €0.5 million, and consist of a €3.0 million restructuring cost, €2.7 million of which refers to the previously announced alignment of the regional and management structure, and a €3.5 million gain from the divestment of CMS Denmark.
- **Net debt** €19.4 million compared to €27.1 million at the end of Q1 2015. **Net debt/EBITDA** 0.7 compared to 0.9 at the end of Q1 2015. Excess cash reduced through more efficient cash management.
- **EPS** 4.0 Euro cents compared to 20.5 Euro cents in Q1 2015.

(€m)	2016 Q1	2015 Q1	Change Y-o-Y	2015 Jan-Dec
Revenue	147.2	160.9	-8.5%	626.5
Gross profit excl. non-recurring items*	27.4	31.6	-13.3%	124.7
EBITDA excl. non-recurring items*	5.3	8.1	-34.3%	32.3
EBIT excl. non-recurring items*	3.3	5.9	-43.3%	23.2
EBIT	3.8	5.9	-35.2%	20.0
Profit before tax	1.5	7.1	-78.4%	17.4
Net income	1.0	5.3	-	8.7
EPS (Euro cents)	4.0	20.5	-	33.2
Cash flow from operating activities	-7.9	-0.4	-	20.6
Total weighted average outstanding number of shares before dilution ('000)	26,138	26,030	-	26,100
Total weighted average outstanding number of shares after dilution ('000)	26,211	26,145	-	26,162

*Excluding non-recurring items of €-1.5m in Q1 2016 in Gross profit (Jan-Dec 2015 €-1.0m), €0.5m in EBIT in Q1 2016 (Jan-Dec 2015 €-3.2m).

Comments from the President and CEO

The first quarter was challenging, and our results are not satisfactory. Profitability was impacted by lower volumes in all regions, but particularly in the North Europe and Continental Europe regions. Volume-related issues will continue to impact our result in the second quarter. We are currently implementing measures to address the volume shortfall.

NEGATIVE ORGANIC GROWTH IN Q1 2016

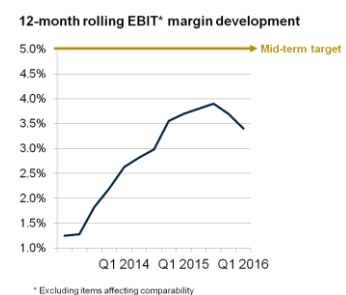
Organic growth was negative €13.6 million (-8.5%) compared to Q1 2015. In the North Europe region, call volumes with telecom clients in Sweden and Norway was lower than Q1 last year, when we experienced high volumes in the telecom sector. In addition to this, the divestment of CMS Denmark during Q1 2016 had a negative impact on revenue. In the Continental Europe region, our previously disclosed decision not to submit a tender for a new agreement with one of our public sector clients in Italy had a €6.1 million (-3.8%) negative impact on the revenue comparison vis-à-vis Q1 2015. In the region, we also saw lower business volumes with some clients in Spain, as well as an impact due to fewer working days compared to Q1 last year.

2.3% EBIT MARGIN IN Q1 2016, EXCLUDING NON-RECURRING ITEMS

Our EBIT margin in the quarter was 2.3%, excluding non-recurring items.

While profitability increased in the English-speaking markets & APAC region, the result was weaker in the North Europe and Continental Europe regions.

- In the North Europe region, lower call volumes with telecom clients in Sweden and Norway compared to last year impacted on profitability.
- In addition to the impact due to lower volumes in the Continental Europe region, lower prices on some client accounts had a negative effect on profitability. In Spain, we also experienced lower efficiency at one of our contact centers, mainly due to higher absenteeism and training costs.



GROUP-WIDE PROGRAM TO START YIELDING IMPROVEMENTS IN THE SECOND HALF OF THE YEAR

While I expect that the volume and efficiency issues described above will continue to impact our result in the second quarter as well, I am confident that the initiatives we are currently driving in order to reach our five percent mid-term EBIT margin target will result in improvements. First, the realignment of our regional and management structure will yield cost advantages and enhance the opportunity to drive standardization and efficiency across our global business. A non-recurring restructuring cost amounting to €2.7 million, related to these organizational changes, was recorded this quarter. Annual cost savings as a result of the new regional management structure are estimated at €2.9 million, and are expected to take full effect in the fourth quarter this year. I expect further efficiency gains in addition to these direct cost savings to be realized in the coming years. Second, we have launched a Group-wide operational excellence program, including a comprehensive site benchmarking exercise. This program will generate improvements over the coming years, starting in the second half of 2016.

Whilst improving our EBIT margin is our most fundamental and prioritized target at the moment, we are also implementing measures in order to meet our future growth objectives. We aim to continue growing our presence further in English-speaking markets. We have a strong pipeline in the region, and expect to see profitable growth generated by new client agreements in the second half of the year. In addition to this, we are targeting growth in selected markets in Europe, where Transcom has a very strong position to build on.

As a result of the positive profitability trend over the last few years, Transcom's financial position is strong. At the end of Q1 2016, our net debt/EBITDA ratio stood at 0.7, compared to 0.9 at the end of Q1 2015. During Q1, we divested the Danish Credit Management Services operations (CMS Denmark) for an equity value of €13.0 million, resulting in a €3.5 million gain. This transaction concluded the divestment of Transcom's former CMS business unit, in line with the company's strategy to focus on its core business – outsourced customer care solutions (CRM).

Johan Eriksson, President and CEO of Transcom

Group Operating Review

Revenue	(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue		147.2	160.9	626.5
Gross profit*		27.4	31.6	124.7
Gross margin*		18.6%	19.6%	19.9%
EBIT*		3.3	5.9	23.2
EBIT margin*		2.3%	3.7%	3.7%
EBIT		3.8	5.9	20.0
EBIT margin		2.6%	3.7%	3.2%

*Excluding non-recurring items of €-1.5m in Gross profit (Jan-Dec 2015 €-1.0m), €0.5m in EBIT in Q1 2016 (Jan-Dec 2015 €-3.2m).

Revenue development

FIRST QUARTER

Organic growth was negative €13.6 million (-8.5%) compared to Q1 2015, due to lower volumes in all regions. Transcom's decision not to bid for a renewed public sector client agreement in Italy had a €6.1 million negative impact (-3.8%) on the revenue comparison vis-à-vis Q1 2015. Currency effects had a €0.8 million positive effect (+0.5%). The divestment of CMS Denmark had a €0.9 million negative impact (-0.6%).

(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
North Europe	47.2	52.5	201.9
Continental Europe	62.2	70.2	262.4
English-speaking markets & APAC	34.9	35.3	149.2
Latin America	2.8	2.8	13.1
TOTAL REVENUE FOR THE PERIOD	147.2	160.9	626.5

Operating result

(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
North Europe	1.4	2.5	10.0
Continental Europe	0.9	3.5	9.5
English-speaking markets & APAC	1.2	1.1	7.3
Latin America	-0.2	-1.3	-3.7
EBIT FOR THE PERIOD*	3.3	5.9	23.2

*Excluding non-recurring items of € 0.5m in Q1 2016 (Jan-Dec 2015 €-3.2m), see Operating review per segment.

FIRST QUARTER

Transcom's EBIT margin development on a rolling 12-month basis deteriorated. In the North Europe region, lower call volumes with telecom clients in Sweden and Norway compared to last year impacted on profitability. In addition to the effect of lower volumes in the Continental Europe region, lower prices on some client accounts had a negative effect on profitability. In Spain, we also experienced lower efficiency at one of our contact centers, mainly due to higher absenteeism and training costs.

In Q1 2016, the EBIT margin was 2.3% excluding non-recurring items of €+0.5 million (€3.0 million cost, €2.7 million of which refers to regional and management restructuring, and a €3.5 million gain from the divestment of CMS Denmark).

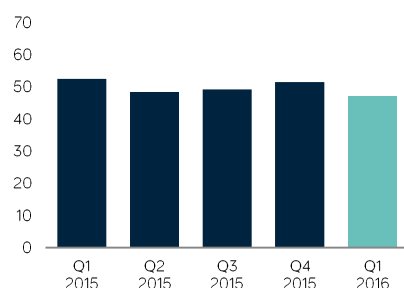
EBIT BRIDGE (€m)	North Europe	Continental Europe	English- speaking markets & APAC	Latin America	Group
EBIT Q1 2015	2.5	3.5	1.1	-1.3	5.9
Disposed and Closed business	-0.1	-	-	0.5	0.5
Cost savings	-	0.5	0.4	0.2	1.0
Volume driven impacts	-1.5	-2.1	-0.6	0.1	-4.1
Efficiency driven impacts	0.5	-1.1	0.4	0.3	0.1
Other	-0.0	0.1	-0.1	-0.0	-0.0
EBIT Q1 2016*	1.4	0.9	1.2	-0.2	3.3

*Excluding non-recurring items of € 0.5m in EBIT in Q1 2016.

Operating review by segment

North Europe

Revenue



(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue	47.2	52.5	201.9
Gross profit	8.1	9.2	37.0
Gross margin	17.1%	17.5%	18.3%
EBIT*	1.4	2.5	10.0
EBIT margin*	3.0%	4.8%	5.0%

*Excluding non-recurring items of €3.5m in Q1 2016 EBIT.

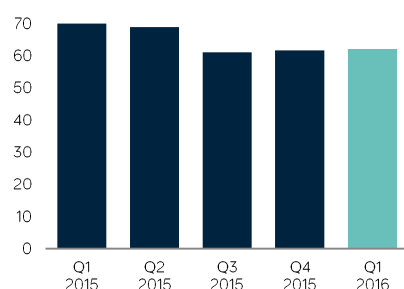
FIRST QUARTER

Organic growth in the quarter was negative 8.3%. The divestment of CMS Denmark during Q1 2016 had a €0.9 million negative impact on revenue (-1.7%), and currency movements impacted negatively by €0.1 million (-0.2%). The revenue decrease was mainly driven by lower call volumes with telecom clients in Sweden and Norway. At the beginning of last year, we had a situation of high volumes with telecom clients in Sweden. In Norway, a major telecom client has decided to move their customer service operations in-house. This impacted revenue in the quarter, as volumes with this client are being ramped down during Q1 2016 and the beginning of Q2 2016. Higher business activity with other Norwegian clients partly compensated. Revenue also increased in the Baltics, due to the ramp-up of business with a new client in Russia, and in the Netherlands due to higher volumes with clients in telecom, technology and logistics.

The decrease in EBIT margin was mainly due to the revenue decrease, described above. The divestment of CMS Denmark during Q1 2016 also had a negative effect, as did lower profitability in the interpretation business in Sweden compared to Q1 last year.

Continental Europe

Revenue



(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue	62.2	70.2	262.4
Gross profit*	9.6	13.0	45.6
Gross margin*	15.4%	18.5%	17.4%
EBIT*	0.9	3.5	9.5
EBIT margin*	1.5%	5.0%	3.6%

*Excluding non-recurring items of €-1.5m in Gross profit and €-2.7m EBIT in Q1 2016 (Jan-Dec 2015 €-0.1m in EBIT).

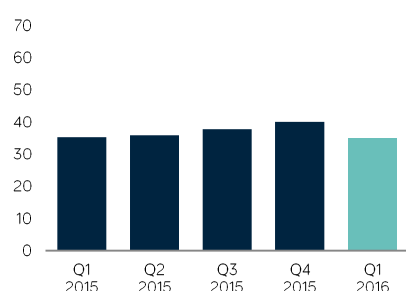
FIRST QUARTER

Transcom's previously disclosed decision not to submit a tender for a new partnership with one of its public sector clients in Italy had a €6.1 million negative impact (-8.7%) on the revenue comparison vis-à-vis Q1 2015. We also saw lower business volumes with some clients in Spain, as well as an impact due to the lower number of working days compared to Q1 2015.

The decrease in EBIT is partly due to the decrease in volumes, as described above. Lower efficiency at one of our contact centers in Spain, mainly due to higher absenteeism and training costs, also had a negative effect. In addition, price reductions implemented last year on some client accounts had an impact.

English-speaking markets & APAC

Revenue



(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue	34.9	35.3	149.2
Gross profit*	9.1	9.4	41.1
Gross margin*	26.1%	26.6%	27.6%
EBIT*	1.2	1.1	7.3
EBIT margin*	3.6%	3.2%	4.9%

*Excluding non-recurring items of €-0.8m in Jan-Dec 2015.

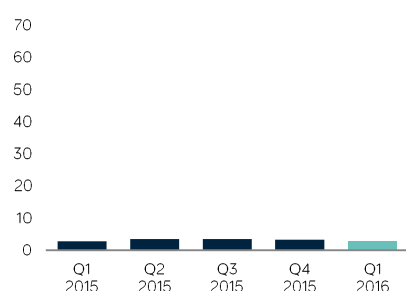
FIRST QUARTER

Organic growth was negative 4.0% compared to the same period last year. Currency movements impacted by €1.1 million (3.1%). Volumes delivered from our contact centers in North America increased, while revenue fell in Asia Pacific due to lower volumes on some client accounts.

The EBIT margin strengthened despite lower revenue. This was mainly due to operational improvements at our sites and lower SG&A, driven by renegotiated facilities contracts and lower recruitment costs.

Latin America

Revenue



(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue	2.8	2.8	13.1
Gross profit*	0.6	0.0	0.9
Gross margin*	21.8%	-1.4%	7.1%
EBIT*	-0.2	-1.3	-3.7
EBIT margin*	-7.7%	-44.9%	-28.0%

*Excluding non-recurring items of €-0.3m in EBIT in Q1 2016 (Jan-Dec 2015 €-0.2m in Gross profit and €-2.3m in EBIT).

FIRST QUARTER

Revenue was flat despite the closure of the site in Colombia, driven by increased revenue in Chile and Peru as a result of new projects won with domestic clients.

The operations in Latin America are now approaching break-even, driven by volume increases and efficiency improvements.

As previously announced, Transcom is evaluating strategic alternatives for the Latin American business.

Group Financial Review

DEPRECIATION & AMORTIZATION

Depreciation in the quarter was €1.8 million (€1.9 million) and amortization of intangible assets was €0.2 million (€0.3 million).

SG&A

SG&A expenses were €25.2 million in the quarter compared to €25.6 million in Q1 2015.

TAXES

In Q1 2016, tax expenses amounted to €0.5 million, compared to €1.8 million in Q1 2015. Profit before tax, which includes a restructuring cost of EUR 2.7 million, also includes the capital gain of €3.5 million on the sale of CMS Denmark, which is not taxable. Excluding this gain, profit before tax is negative whilst the tax expenses remain unchanged. This results in a negative effective tax rate for Q1 2016. As in previous quarters, the effective tax rate is affected by losses for which no deferred tax asset can be recognized. For further information of taxes please see note 6 Contingent liabilities.

CASH FLOW

(€m)	2016 Q1	2015 Q1	2015 Jan-Dec
Cash flow from operating activities before changes in working capital	0.5	3.3	21.5
Change in working capital	-8.4	-3.7	-0.9
Cash flow from operating activities	-7.9	-0.4	20.6
Cash flow for the period	-7.3	-10.5	-15.1

Cash flow from operating activities was negatively impacted by lower result compared to same quarter last year and timing of collections that impacted the cash flow negatively. The sale of CMS Denmark improved the cash flow with €12.6 million which was used to reduce gross debt during the quarter.

FINANCING

(€m)	2016 Mar 31	2015 Mar 31	2015 Dec 31
Gross debt	33.0	56.7	42.9
Net debt	19.4	27.1	18.1
Net debt /EBITDA	0.7	0.9	0.6
Equity	131.0	130.9	132.0
Cash and cash equivalents	16.8	29.6	24.8

In Q1 2016 Transcom reduced gross debt from €42.9 million in the previous quarter to €33.0 million mainly due to repayment of loans. Net debt per December 31, 2015, was €18.1 million and has per March 31 2016, slightly increased to €19.4 million. Cash position per March 31, 2016 has been reduced to €16.8 due to improved cash management.

Compared to the same period last year, gross debt decreased by €23.7 million. Net Debt/EBITDA has improved from 0.9 to 0.7 compared to the same period last year, which is well within its financial covenant thresholds as well as Transcom's financial target. In March 2016, a new syndicated credit agreement was signed, see note 5 Interest-bearing liabilities for further information.

Net financial items deviated negatively for the quarter, mainly due to unrealized foreign exchange losses.

RESULTS CONFERENCE CALL AND WEBCAST

Transcom will host a conference call at 10:30am CET (09:30am UK time) on Wednesday, April 20, 2016. The conference call will be held in English and will also be available as webcast on Transcom's website, www.transcom.com.

To ensure that you are connected to the conference call, please dial in a few minutes before the start in order to register your attendance. No pass code is required.

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

OTHER INFORMATION

The interim report has not been reviewed by the company's auditors.

NOTICE OF FINANCIAL RESULTS

Transcom's Q2 2016 report will be published on July 19, 2016.

Johan Eriksson, President & CEO
April 20, 2016

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TRANSCOM GROUP - CONDENSED CONSOLIDATED INCOME STATEMENT

(€ '000)	Notes	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue	4	147,202	160,858	626,522
Cost of sales	10	-121,318	-129,277	-502,833
Gross profit	4	25,884	31,581	123,689
Marketing expenses	10	-1,019	-1,014	-3,585
Administrative expenses	10	-24,192	-24,579	-99,218
Net gain/loss on disposal of business	11	3,530	-	-109
Other operating income/expenses		-386	-99	-827
Operating profit/loss	4	3,817	5,889	19,950
Net financial items		-2,280	1,226	-2,553
Profit/loss before tax		1,536	7,115	17,397
Income tax expense	6	-496	-1,767	-8,744
Profit/loss for the period attributable to equity holders of the parent		1,041	5,348	8,653
Earnings per share attributable to equity holders of the parent				
Earnings before dilution per Ordinary share, Euro cent per common share		4.0	20.5	33.2
Earnings after dilution per Ordinary share, Euro cent per common share		4.0	20.5	33.1

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	2016 Q1	2015 Q1	2015 Jan-Dec
Profit/loss for the period attributable to equity holders of the parent	1,041	5,348	8,653
Other comprehensive income:			
Exchange differences on translation of foreign operations	-2,158	5,179	4,672
Exchange differences recycled to profit and loss	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-2,158	5,179	4,672
Actuarial profit/loss on post-employment benefit obligations	-	-	262
Income tax effect	-	-	10
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	271
Other comprehensive income for the period, net of tax	-2,158	5,179	4,943
Total comprehensive income for the period, net of tax, attributable to equity holders of the parent	-1,118	10,527	13,596

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ '000)	Notes	2016 Mar 31	2015 Mar 31	2015 Dec 31
ASSETS				
Non-current assets				
Goodwill		105,128	108,077	107,491
Other intangible assets		4,446	4,107	4,175
Tangible assets		16,072	15,976	16,398
Deferred tax assets		1,621	2,111	917
Other receivables		1,192	1,586	1,283
	8	128,458	131,857	130,264
Current assets				
Trade receivables		72,835	87,764	87,070
Income tax receivables		3,191	2,935	3,147
Other receivables		12,562	23,843	18,517
Prepaid expenses and accrued income		36,484	35,050	22,115
Cash and cash equivalents		16,752	29,551	24,826
	8	141,824	179,143	155,675
Assets classified as held for sale		193	-	-
		142,017	179,143	155,675
TOTAL ASSETS		270,476	311,000	285,939
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
	9	130,975	130,879	132,013
Non-current liabilities				
Interest-bearing liabilities	5	27,148	42,364	34,894
Employee benefit obligations		3,162	3,443	3,177
Provisions		506	137	-
Deferred tax liabilities		908	1,512	1,343
Income tax payables		140	1,540	283
Other liabilities		114	-	72
	8	31,977	48,996	39,769
Current liabilities				
Interest-bearing liabilities	5	5,892	14,302	7,992
Provisions	6, 10	5,979	1,580	3,850
Trade payables		21,602	22,877	25,428
Income tax payables		3,859	8,789	4,669
Other liabilities		24,194	28,798	27,360
Accrued expenses and prepaid income		45,997	54,779	44,858
	8	107,523	131,125	114,157
Total liabilities		139,500	180,121	153,926
TOTAL EQUITY AND LIABILITIES		270,476	311,000	285,939

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ '000)	Notes	Equity attributable to equity holders of the parent					Total equity
		Total number of shares ('000)	Number of shares held by the Group ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	
Balance, Jan 1, 2015		26,707	677	56,084	8,993	54,919	119,996
Profit/loss for the period		-	-	-	-	5,348	5,348
Other comprehensive income, net of tax		-	-	-	-	5,179	5,179
Share-based payments		-	-	-	-	356	356
Balance, Mar 31, 2015		26,707	677	56,084	8,993	65,802	130,879
Profit/loss for the period		-	-	-	-	3,305	3,305
Other comprehensive income, net of tax		-	-	-	-	-236	-236
Allotment of shares (LTIP 2012)	9	-	-108	-	-	-	-
Share Swap		-	-	-	-	-1,939	-1,939
Share-based payments		-	-	-	-	4	4
Balance, Dec 31, 2015		26,707	569	56,084	8,993	66,936	132,013
Profit/loss for the period		-	-	-	-	1,041	1,041
Other comprehensive income, net of tax		-	-	-	-	-2,158	-2,158
Share-based payments		-	-	-	-	81	81
Balance, Mar 31, 2016	9	26,707	569	56,084	8,993	65,898	130,975

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ '000)	Notes	2016 Q1	2015 Q1	2015 Jan-Dec
Cash flows from operating activities				
Profit/loss before tax		1,536	7,115	17,396
Adjustments to reconcile profit before tax to net cash:				
Adjustments for non cash items	10,11	-1,111	3	13,983
Net financial items		2,280	-1,226	2,553
Income taxes paid		-2,195	-2,562	-12,424
Cash flows from operating activities before changes in working capital		510	3,330	21,508
Changes in working capital		-8,362	-3,703	-861
Cash flow from operating activities		-7,852	-373	20,647
Investments and disposals of tangible assets		-1,966	-1,178	-8,671
Investments and disposals of intangible assets		-553	-	-1,209
Disposals of business, net of cash	11	12,622	-	-324
Changes in other non-current assets		91	-41	267
Cash flow from investing activities		10,194	-1,219	-9,937
Proceeds from borrowings	5	30,673	2,278	7,004
Repayment of borrowings	5	-40,074	-10,767	-30,982
Payment of finance lease liabilities		-31	-31	-343
Interest paid		-240	-391	-1,514
Cash flow from financing activities		-9,671	-8,911	-25,835
Cash flow for the period		-7,329	-10,503	-15,125
Cash and cash equivalents at beginning of the period		24,826	38,173	38,173
Cash flow for the period		-7,329	-10,503	-15,124
Exchange rate differences in cash and cash equivalents		-745	1,881	1,777
Cash and cash equivalents at end of the period		16,752	29,551	24,826

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED INCOME STATEMENT

(€ '000)	Notes	2016 Q1	2015 Q1	2015 Jan-Dec
Revenue		6,004	5,843	23,664
Cost of sales		-5,946	-5,829	-23,242
Gross profit		58	14	422
Administrative expenses		-1,635	-1,946	-8,169
Other operating income/expenses		3,777	31	3,150
Operating profit/loss		2,200	-1,901	-4,597
Net financial items		-886	8,730	49,990
Profit/loss before appropriations		1,314	6,829	45,393
Appropriations		-	-	8,816
Profit/loss before tax		1,314	6,829	54,209
Income tax expense/income		334	414	-3,537
Profit/loss for the period*		1,648	7,243	50,672

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

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED BALANCE SHEET

(€ '000)	Notes	2016 Mar 31	2015 Mar 31	2015 Dec 31
ASSETS				
Non-current assets				
Intangible assets		1,741	2,562	1,441
Tangible assets		440	783	509
Investments in Group companies		86,124	92,679	94,720
Receivables from Group companies		44,176	48,309	44,884
Other receivables		-	242	-
		132,481	144,575	141,554
Current assets				
Receivables from Group companies		116,653	125,555	112,229
Other receivables		3,825	3,147	2,775
Cash and cash equivalents		518	378	42
		120,995	129,079	115,046
TOTAL ASSETS		253,476	273,654	256,600
EQUITY AND LIABILITIES				
Restricted equity		56,084	56,084	56,084
Unrestricted equity		53,511	10,289	51,782
		109,595	66,373	107,866
Non-current liabilities				
Interest-bearing liabilities	5	27,061	42,238	34,802
Liabilities to Group companies		31,624	32,421	29,217
Other liabilities		267	-	155
		59,458	74,659	64,174
Current liabilities				
Interest-bearing liabilities	5	5,401	12,278	7,943
Provisions	6	2,375	-	2,375
Liabilities to Group companies		73,052	116,259	69,163
Other liabilities		3,595	4,085	5,079
		84,423	132,622	84,560
Total liabilities		143,881	207,281	148,734
TOTAL EQUITY AND LIABILITIES		253,476	273,654	256,600
Pledged assets		None	None	None
Contingent liabilities for Group companies		21,494	20,326	21,929

Notes to the condensed financial statements

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

1. GENERAL

The Group's publicly listed Parent Company, Transcom WorldWide AB (publ), is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Gjörwellsgatan 30, SE-112 60 Stockholm. The Parent Company is responsible for corporate management and administration of intra-group transactions as well as holding company and internal finance functions.

2. ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and the interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities from the Swedish Financial Reporting Board. Application of IFRS complies with the accounting principles set out in the Group's annual financial statements as at December 31, 2015. There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2016 that have had a material impact on the Group.

3. RISK MANAGEMENT

The Group's activities expose it to a variety of business and financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management and control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of the Group's business objectives. The condensed consolidated financial statements do not include all risk management information and should be read in conjunction with the Group's annual financial statements as at December 31, 2015. There have been no material changes in risks, the risk management policy and procedures during the period compared to what was presented in the annual financial statements as at December 31, 2015.

4. SEGMENTAL INFORMATION

2016 Jan-Mar	North Europe	Continental Europe	English-speaking markets & APAC	Latin America	Group
Total segment revenue	48,545	63,478	34,940	2,817	149,780
Inter-segment revenue	-1,310	-1,268	-	-	-2,578
Revenue from external customers	47,235	62,209	34,940	2,817	147,202
Gross profit	8,083	8,057	9,129	615	25,884
Operating profit/loss from segments	4,941	-1,812	1,246	-559	3,817

2015 Jan-Mar	North Europe	Continental Europe	English-speaking markets & APAC	Latin America	Group
Total segment revenue	53,811	71,439	35,325	2,832	163,407
Inter-segment revenue	-1,282	-1,267	-	-	-2,549
Revenue from external customers	52,529	70,171	35,325	2,832	160,858
Gross profit	9,210	13,005	9,407	-41	31,581
Operating profit/loss from segments	2,528	3,506	1,126	-1,271	5,889

In Q1 2016 the regional structure has been changed in the Company and comparable figures restated accordingly. A new region, Continental Europe, combines Transcom's operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). A new region, English-speaking markets & APAC, integrates the UK organization with Transcom's operations in North America & Asia Pacific. Region North Europe remains unchanged. Transcom's assets in Chile and Peru, is currently under strategic review and is together with Colombia (closed in Q4 2015) managed as a separate segment.

Revenue from two largest single customers amounted to €20,010 thousand during January to March 2016 (Jan-Mar 2015: €26,748 thousand) and €12,475 thousand (Jan-Mar 2015: €14,948 thousand) respectively.

5. INTEREST-BEARING LIABILITIES

On March 9, 2016, Transcom signed a syndicated credit agreement with ING, Nordea and SEB to implement a €90,000 thousand 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 the existing facility which was due to expire in January 2017.

Interest rates in the facility are based on IBOR and EURIBOR plus margins. The loan is unsecured. The initial utilization of the loan was for €13,000 thousand (old loan €20,000 thousand) and USD22,000 thousand (old loan USD22,000 thousand). At the end of Q1 2016 €5,000 thousand was repaid, hence the utilization at Q1 2016 was €8,000 thousand and USD22,000 thousand.

Due to the volatility of the USD vs the EUR there was a notable decrease in the EUR equivalent value of the USD loan in the quarter.

6. CONTINGENT LIABILITIES

The Group has contingent liabilities related to litigations and legal claims arising in the ordinary course of business. The integrated worldwide nature of Transcom's operations can give rise to complexity and delays in assessing 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 March 31, 2016, seven Group entities are subject to tax audits. Some of these tax inquiries have resulted in reassessments, while others are still at an early stage and no reassessments have yet been raised. The group has at March 31, 2016 a provision of €2,375 thousand related to tax audits (December 31, 2015 €2,375 thousand).

The group has no material changes in contingent liabilities as at March 31, 2016 compared to what has been reported in the annual financial statement.

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

7. RELATED PARTY TRANSACTIONS

Previously Investment AB Kinnevik and subsidiaries were defined as related party up until March 20, 2015. Transactions up until this date with Investment AB Kinnevik were as follows: the Group's sales revenue from the Tele2 companies amounted to €26,748 thousand. Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €139 thousand. For Q1 2016 no material related party transactions are to be reported.

8. FINANCIAL INSTRUMENTS

Classification of the Group's financial assets and liabilities:

(€ '000)	Financial assets		Mar 31, 2016	Mar 31, 2016	Financial liabilities		Dec 31, 2015	Dec 31, 2015
	Loans and receivables	amortized cost	Carrying amount	Fair value	Loans and receivables	amortized cost	Carrying amount	Fair value
Total non-current assets	1,192	-	1,192	1,192	1,283	-	1,283	1,283
Total current assets	132,858	-	132,858	132,858	146,472	-	146,472	146,472
Total financial assets	134,050	-	134,050	134,050	147,755	-	147,755	147,755
Total non-current liabilities	-	27,148	27,148	27,148	-	34,894	34,894	34,894
Total current liabilities	-	79,494	79,494	79,494	-	86,573	86,573	86,573
Total financial liabilities	-	106,642	106,642	106,642	-	121,467	121,467	121,467

9. EQUITY

As at March 31, 2016 the share capital amounted to €56,084 thousand. Transcom has per March 31, 2016 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. 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).

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. As a result, Transcom had 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.

10. RESTRUCTURING COSTS

In beginning of 2016 Transcom did a number of changes to its regional and management structure (see also Note 4). Restructuring costs amounting to €2,715 thousand, related to the organizational changes was recorded in the first quarter of 2016. €1,494 thousand in the caption Cost of sales, €73 thousand in Marketing expenses and €1,148 thousand recorded in the caption Administrative expenses.

In Q4 2015 restructuring costs amounting to €2,281 thousand were recorded related to Colombia whereof €212 thousand affected Gross profit. In Q1 2016 an additional cost of €341 thousand was recorded in the caption Administrative expenses.

11. DISPOSALS

(€ '000)	2016 CMS Denmark	2015 CMS Germany	2015 CMS Belgium
Consideration received	13,000	-	-
Total non-current assets	-	-	-
Total current assets	11,945	-	-
Total assets disposed	11,945	-	-
Total non-current liabilities	-313	-	-
Total current liabilities	-2,755	-	-
Total liabilities disposed	-3,068	-	-
Net carrying value	8,877	-	-
Currency effects	2	-	-
Provision	-500	-	-
Transaction costs	-95	-	-
Post-settlement adjustment	-	-250	141
Net capital gain/loss	3,530	-250	141
Consideration received	13,000	-	-
Cash and cash equivalents disposed	-283	-	-
Transaction costs	-95	-	-
Net cash flow from disposals of subsidiary	12,622	-465	141

On March 3, 2016 Transcom divested the Danish Credit Management Services operations (CMS Denmark) for an equity value of €13,000 thousand to an investment company, minority-owned by the current management team. Net capital gain recorded in Q1 2016 amounted to €3,530 thousand and a positive net cash flow effect of €12,622 thousand.

In Q4 2015 Transcom paid a post-settlement adjustment of €465 thousand referring to previous divestment of CMS Germany, of which €250 thousand was recorded as a cost in Q4 2015 (€215 thousand was recorded as a cost in 2014). In Q3 2015 Transcom received a final settlement of €141 thousand referring to the previously divested operation in Belgium.

12. EVENTS AFTER THE REPORTING PERIOD

Transcom converted 150,000 class C shares to ordinary shares during the month of April 2016. As a result, Transcom now has a total of 26,322,212 ordinary shares with one voting right each and 384,372 class C shares, also with one voting right each. Neither the total number of shares nor the total number of votes have changed, only the distribution between ordinary shares and class C shares. All class C shares are held as treasury shares by Transcom. The total number of treasury shares held by Transcom amounts to 568,771 (384,372 class C shares and 184,399 ordinary shares).

Financial overview

(€m)	2016 Q1	2015 Q1	2015 Jan-Dec	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec
Revenue	147.2	160.9	626.5	616.8	653.2	605.6
EBIT	3.8	5.9	20.0	21.3	-5.4	-17.6
Profit/loss before tax	1.5	7.1	17.4	18.8	-12.2	-23.6
Profit/loss for the period	1.0	5.3	8.7	6.9	-18.6	-30.6
Cash flow from operating activities	-7.9	-0.4	20.6	11.5	9.9	-12.4
Cash flow from operating activities per share (Euro cents)	-30	-1	79	44	38	-48
EPS (Euro cents)*	4.0	20.5	33.2	26.4	-71.3	-117.4
Return on Equity	3.3%	9.0%	6.7%	6.0%	-15.2%	-23.0%
Operating margin	2.6%	3.7%	3.2%	3.5%	-0.8%	-2.9%
Equity ratio	48.4%	42.1%	46.2%	39.5%	32.2%	37.1%
Net debt/EBITDA	0.7	0.9	0.6	0.9	1.5	2.0

*EPS has been adjusted to reflect the reverse split as if it had occurred in 2012 in the table above.

FINANCIAL DEFINITIONS

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

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

EBIT: operating profit/loss.

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

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

Non-recurring items: rare events or activities that are not part of normal business operations, mainly restructuring activities

Gross debt: interest-bearing liabilities.

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

Net debt/EBITDA: net debt divided by rolling 12 months EBITDA.

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

Equity ratio: equity divided by total assets.

North Europe region: services delivered from Denmark (deconsolidated from March 2016), Estonia, Latvia, Lithuania, the Netherlands, Norway and Sweden.

Continental Europe region: services delivered from Italy, Germany, Poland, Portugal, Spain, Tunisia, Hungary, Croatia and Serbia.

English-speaking markets & APAC region: services delivered from the Philippines, UK, USA and Canada.

Latin America region: services delivered from Colombia (closed in December 2015), Peru and Chile.

ABOUT TRANSCOM

Transcom is a global customer experience specialist, providing customer care, sales, technical support and collections services through our extensive network of contact centers and work-at-home agents. We are 30,000 customer experience specialists at 52 contact centers across 21 countries, delivering services in 33 languages to international brands in various industry verticals. Transcom's share is listed on the Nasdaq Stockholm Exchange under the ticker symbol TWW.