Transcom Worldwide S.A.
Société Anonyme
R.C.S. Luxembourg B 59.528

Report on review of interim condensed consolidated financial statements for the six months ended 30 June 2009

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Report on review of interim condensed consolidated financial statements to the shareholders of Transcom Worldwide S.A.

To the Shareholders of
TRANSCOM WORLDWIDE S.A.
Société Anonyme
Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Transcom Worldwide S.A. and its subsidiaries ('the Group') as at 30 June 2009, comprising of the interim consolidated statement of financial position as at 30 June 2009 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting,* as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

ERNST & YOUNG
Société Anonyme
Réviseur d'entreprises

Werner WEYNAND

Luxembourg, 17 July 2009

Interim consolidated income statement

for the six months ended 30 June, 2009

(€000, except share and per share amounts)	Note	June 30 2009 unaudited '000	June 30 2008 unaudited '000
Revenue	4	280,548	332,005
Cost of sales		(218,785)	(263,753)
Gross profit		61,763	68,252
Selling expenses		(3,240)	(4,057)
Administrative expenses		(42,842)	(46,424)
Profit before interest, tax and amortisation		15,681	17,771
Amortisation of other intangible assets		(1,476)	(1,354)
Profit from operations		14,205	16,417
Finance income		2,754	1,117
Finance costs		(2,909)	(4,564)
Profit before tax	4	14,050	12,970
Income tax expenses	5	(2,529)	(2,870)
Profit for the period attributable to equity holders of the parent		11,521	10,100
Basic earnings per A class share, for profit for the period attributable to ordinary equity holders of the parent		0.15	0.13
Basic earnings per B class share, for profit for the period attributable to ordinary equity holders of the parent		0.17	0.15
Diluted earnings per A class share, for profit for the period attributable to ordinary equity holders of the parent		0.15	0.13
Diluted earnings per B class share, for profit for the period attributable to ordinary equity holders of the parent		0.17	0.15

The accompanying notes form an integral part of the interim financial statements

Interim consolidated statement of comprehensive income

For the six months ended 30 June, 2009

	Note	30 June 2009 unaudited '000	30 June 2008 unaudited '000
Profit for the period		**11,521**	10,100
Net gain on cash flow hedges	7	350	-
Income tax		(107)	-
		243	-
Exchange differences on translation of foreign operations		1,186	-
Net loss on hedge of net investment		(785)	-
Income tax		141	-
		(644)	-
Other comprehensive gain for the period, net of tax		**785**	**-**
Total comprehensive income for the period, net of tax		**12,306**	**10,100**
Attributable to:			
Equity holders of the parent		12,306	10,100

The accompanying notes form an integral part of the interim financial statements

Interim consolidated statement of financial position

as at 30 June, 2009

	Note	**30 June 2009 unaudited '000**	31 December 2008 audited '000
Assets			
Non-current assets			
Property, plant and equipment		33,055	36,998
Intangible assets	8 & 9	164,180	162,416
Deferred tax assets		805	1,318
Total non-current assets		198,040	200,732
Current assets			
Trade and other receivables		102,209	133,303
Prepaid expenses and accrued income		31,654	14,517
Derivative financial assets	11	337	-
		134,200	147,820
Cash and cash equivalents	10	44,204	44,444
Total current assets		178,404	192,264
Total assets	4	376,444	392,996

The accompanying notes form an integral part of the interim financial statements

Interim consolidated statement of financial position (continued)

as at 30 June, 2009

	Note	30 June 2009 unaudited '000	31 December 2008 audited '000
Equity and liabilities			
Capital and reserves attributable to equity holders of the parent			
Share capital	13	31,497	31,749
Share premium		9,877	9,877
Legal reserve		3,908	3,908
Equity-based payments		2,281	2,190
Retained earnings		117,102	100,878
Foreign exchange reserve		(19,952)	(20,746)
Cash flow hedge reserve		-	(243)
Profit for the period/year		11,521	16,224
Total equity		156,234	143,837
Non-current liabilities			
Bank loan and credit facilities	12	139,772	127,012
Deferred tax liabilities		1,345	6,517
Employee benefits		6,265	5,763
Government grants		2,264	2,766
		149,646	142,058
Current liabilities			
Trade and other payables		10,008	19,888
Income tax payable		7,757	12,029
Other liabilities		23,516	32,679
Accrued expenses and prepaid income		29,283	41,503
Derivative financial liabilities	11	-	1,002
		70,564	107,101
Total liabilities		220,210	249,159
Total shareholders' equity and liabilities		376,444	392,996

The accompanying notes form an integral part of the interim financial statements

Interim consolidated statement of changes in equity

for the six months ended 30 June, 2009

	Share capital (note 13) '000	Share premium '000	Legal reserve '000	Equity based payments '000	Retained earnings '000	Foreign exchange reserve '000	Cash flow hedge reserve '000	Net profit '000	Total '000
As at January 1, 2009	31,749	9,877	3,908	2,190	100,878	(20,746)	(243)	16,224	143,837
Allocation of profit	-	-	-	-	16,224	-	-	(16,224)	-
	31,749	9,877	3,908	2,190	117,102	(20,746)	(243)	-	143,837
Profit for the period	-	-	-	-	-	-	-	11,521	11,521
Other comprehensive income	-	-	-	-	-	542	243	-	785
Total comprehensive income	-	-	-	-	-	542	243	11,521	12,306
Equity-based payment	-	-	-	91	-	-	-	-	91
Decrease of share capital	(252)	-	-	-	-	252	-	-	-
As at 30 June, 2009	31,497	9,877	3,908	2,281	117,102	(19,952)	-	11,521	156,234
As at January 1, 2008	31,457	9,971	2,341	1,842	93,141	(2,326)	-	24,301	160,727
Allocation of profit	-	-	1,567	-	22,734	-	-	(24,301)	-
	31,457	9,971	3,908	1,842	115,875	(2,326)	-	-	160,727
Profit for the period	-	-	-	-	-	-	-	10,100	10,100
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	10,100	10,100
Dividends paid	-	-	-	-	(14,997)	-	-		(14,997)
Exercise of options	204	(94)	-	-	-	-	-	-	110
Equity-based payment	-	-	-	494	-	-	-	-	494
As at 30 June, 2008	31,661	9,877	3,908	2,336	100,878	(2,326)	-	10,100	156,434

The accompanying notes form an integral part of the interim financial statements

Interim consolidated statement of cash flows

for the six months ended 30 June, 2009

	Note	30 June 2009 unaudited '000	30 June 2008 unaudited '000
Cash flows from operating activities			
Profit for the period		11,521	10,100
Non-cash adjustments		(4,606)	(3,010)
Depreciation and amortisation		9,783	10,140
Income taxes	5	2,529	2,870
Cash flows from operating activities before changes in working capital		19,227	20,100
Changes in working capital			
Trade and other receivables		14,553	(24,259)
Trade and other payables		(21,883)	11,403
Income tax paid		(2,274)	(5,350)
Net cash flows from operating activities		(9,604)	(18,206)
Investment activities			
Movements on property, plant and equipment		(5,634)	(839)
Movements on intangible assets	9	635	(7,261)
Purchase of subsidiary		(17,608)	(7,500)
Net cash flows used in investing activities		(22,607)	(15,600)
Financing activities			
Movements on credit facilities		12,760	-
Government grants received		63	-
Movements of finance leases		(79)	-
Dividends paid to equity holders	6	-	(14,997)
Net cash flows used in financing activities		12,744	(14,997)
Net decrease in cash and cash equivalents		(240)	(28,703)
Cash and cash equivalents at beginning of period		44,444	72,903
Cash and cash equivalents at end of period		44,204	44,200

The accompanying notes form an integral part of the interim financial statements

Notes to the interim condensed consolidated financial statements

for the year ended 30 June, 2009

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

1 CORPORATE INFORMATION

Transcom Worldwide S.A. ("Transcom", the "Group", the "Company" or the "parent company") is a limited liability company ("Société Anonyme") incorporated and existing under the laws of the Grand Duchy of Luxembourg. The Company was registered on June 11, 1997 with the Luxembourg Registration Office – Company Register. ("Tribunal d'arrondissement de et à Luxembourg") number RC B59528. The Registered Office of the Company is at 45 rue des Scillas, L-2529, Luxembourg.

Transcom was formed to provide multi-language customer relationship management products and services ("CRM") and credit management services ("CMS"), including customer help lines and other telephone-based marketing and customer service programs ("teleservices") to clients in customer-intensive industries.

The Company operates in 29 countries and employed 19,441 employees as at June 30, 2009. The segmental reporting by Transcom is based on geographical areas, i.e. North Region, West & Central Region, South, Iberian Region and North America & Asia Pacific Region. A significant portion of Transcom's consolidated net revenue is derived from related parties (see note 17).

Transcom Worldwide S.A. Class A and Class B shares are listed on the Nordic Exchange Mid Cap list under the symbols "TWW SDB A" and "TWW SDB B".

The accounts were approved and authorised for issue at the Board of Directors' meeting on 17 July, 2009.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June, 2009 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union.
The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December, 2008.
The interim condensed consolidated financial statements have been prepared on a historical cost basis and the accounting policies have been consistently applied by the Company for all periods presented. The interim condensed consolidated financial statements are presented in Euros following the Company's adoption of the Euro as its reporting currency, rounded in thousands of Euros.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Significant accounting policies The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December, 2008, except for the adoption of new Standards and Interpretations as at 1 January, 2009, noted below. Adoption of these revised standards and interpretations did not require any restatement of prior year figures in the financial statements of the Group.

IFRS 2 Share-based Payment – Vesting Conditions and Cancellations
The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. It is considered that a consistent accounting treatment will be adopted with regards to equity instruments in the parent company being granted to employees of the subsidiaries in relation to the share grants and share options plan as detailed in note 16. These will be treated in accordance with IFRS 2.

Notes to the interim condensed consolidated financial statements

for the year ended 30 June, 2009

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

IFRS 8 Operating Segments
This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine the primary and secondary geographical reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the geographical segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note 4, including revised comparative information.

IAS 1 Revised Presentation of Financial Statements
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 Borrowing Costs (Revised)
The standard has been revised to require capitalisation of borrowing costs on qualifying assets and the Group has amended its accounting policy accordingly. In accordance with the transitional requirements of the Standard this has been adopted as a prospective change. The Company does not consider that it has any assets which are within the definition of a qualifying asset (IAS 23.5) and therefore no capitalisation of borrowing costs has been made during the period.

IAS 32: Financial instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation
The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

IAS 39 Financial Instruments: Recognition and Measurement (Amended)
The Amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation, should be applied in particular situations.

It is considered that this standard will have no effect on the presentation or operating results.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
These amendments to IFRIC 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of net investment. As such it provides guidance on identifying the foreign currency risk that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation. As the Group did not dispose of any net investment it has had no impact on the financial position or results.

Improvements to IFRSs
In May 2008 the International Accounting Standards Board (IASB) issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

Notes to the interim condensed consolidated financial statements

for the year ended 30 June, 2009

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

IAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement
Assets and liabilities are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

IAS 16 Property, Plant and Equipment: Replace the term "net selling price" with "fair value less costs to sell"
The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

IAS 23 Borrowing Costs
The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

IAS 38 Intangible Assets: Expenditure on advertising and promotional activities
This is recognised as an expense when the Group either has the right to access the goods or has received the service. This amendment has no impact on the Group because it does not enter into such promotional activities.

The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method has been removed. The Group reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

IFRS, IAS and IFRIC interpretations not relevant to the Group
The following new and amended IFRS, IAS and IFRIC interpretations are mandatory for accounting periods beginning on or after 1 January 2008 and did not have any impact on the financial position or performance of the Group.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 8 Accounting Policies, Change in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 16 Property, Plant and Equipment
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosures of Government Assistance
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investment in Associates
- IAS 31 Interest in Joint Ventures
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 15 Agreements for the Construction of Real Estate

Notes to the interim condensed consolidated financial statements

for the year ended 30 June, 2009

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

IFRS standards and interpretations not yet effective The following new and amended IFRS, IAS and IFRIC interpretations have an effective date for financial periods beginning on or after July 1, 2009. The Company has chosen not to adopt these standards or interpretations early.

- IFRS 3 Business Combinations (and complementary Amendments to IAS 27 Consolidated and Separate financial Statements)

IFRS 3 "Business Combinations" (Revised) This amendment is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July, 2009. The Group plans to adopt this standard at its effective date or at the date of endorsement by the European Union, if later.

It is considered that, on adoption, this standard will affect operating results on acquisitions made in future years when compared with prior financial year operating results to 31 December, 2008. This is due to the amendments to the standard resulting in acquisition costs being charged to the income statement when an acquisition is made instead of being treated as an element of the cost of an investment.

Seasonality of operations
The Group does not consider that there is any significant seasonality within its operational markets and therefore it considers the financial statements for the period to 30 June, 2009 to be a consistent representation of the entire financial year.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

4 BUSINESS SEGMENTS

For management purposes, the Group is organized into regions and has five reportable operating segments as follows:

- North
- West & Central
- South
- Iberia
- North America & Asia Pacific

Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties.

The Company evaluates performance of the regions in which they are performed, and allocates resources based on the operating results of those regions. The following tables set forth the Group's revenue, profit before tax and segment assets.

Revenue and profit before tax by geographic origin of sale

Six months ended 30 June 2009 (unaudited)	**North**	**West & Central**	**South**	**Iberia**	**North America & Asia Pacific**	**Total**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Revenue						
Third Party	**62,690**	**65,134**	**47,157**	**50,274**	**55,293**	**280,548**
Inter-segment	**(636)**	**(1,383)**	**(43)**	**594**	**1,468**	**-**
Total Revenue	**62,054**	**63,751**	**47,114**	**50,868**	**56,761**	**280,548**
Segment profit before tax	**3,607**	**(2,077)**	**(1,915)**	**2,789**	**11,646**	**14,050**

Six months ended 30 June 2008 (unaudited)	North	West & Central	South	Iberia	North America & Asia Pacific	Total
	'000	'000	'000	'000	'000	'000
Revenue						
Third Party	84,133	82,419	73,532	47,311	44,610	332,005
Inter-segment	(1,507)	(989)	(1,831)	2,915	1,412	-
Total Revenue	82,626	81,430	71,701	50,226	46,022	332,005
Segment profit before tax	3,938	578	2,811	1,766	3,877	12,970

Net revenue comprises total sales proceeds net of sales discounts, VAT and other taxes directly connected to sales. The geographic distribution of net revenue is based upon the geographic location of the seller.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

4 BUSINESS SEGMENTS CONTINUED

External sales include all sales to parties other than the Company and its consolidated subsidiaries. For information on sales to related parties, see note 17.

Sales to Tele2 group companies represented 16.4% and 9.0% and sales to MTG group companies represented 2.6% and 1.1% of total net revenue for the period ended June 30, 2009 and June 30, 2008, respectively.

Segment assets

	North	**West & Central**	**South**	**Iberia**	**North America & Asia Pacific**	**Total**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
As at 30 June 2009 (unaudited)	**98,067**	**157,179**	**48,289**	**22,520**	**50,389**	**376,444**
As at 31 December 2008	92,342	166,304	51,350	27,687	55,313	392,996

Segment assets are those assets used in Company operations in each segment.

The geographical locations are composed as follows:

- **North:** Denmark, Norway and Sweden
- **West & Central:** Austria, Belgium, Croatia, the Czech Republic, Estonia, Germany, Hungary, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Serbia, Slovakia, Switzerland and the United Kingdom
- **South:** France, Italy and Tunisia
- **Iberia:** Chile, Portugal and Spain
- **North America & Asia Pacific:** Canada, the Philippines and the United States of America

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

5 INCOME TAX EXPENSES

The Group's tax charge has reduced to 18% from 26% due to the advantage gained by an agreed tax incentive scheme which the Management is confident will be maintained for the foreseeable future.

6 DIVIDENDS PAID AND PROPOSED

	30 June 2009 unaudited '000	30 June 2008 unaudited '000
Dividend declared and paid		
Ordinary dividend on ordinary shares declared and paid during the six month period	-	10,000
Extraordinary dividend on ordinary shares declared and paid during the six month period	-	4,997
	-	14,997
Divided as follows		
Dividend to ordinary A Class share holders (per share 0.201 euros)	-	7,353
Dividend to ordinary B Class share holders (per share 0.209 euros)	-	7,644
	-	14,997

7 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	30 June 2009 unaudited '000	30 June 2008 unaudited '000
Cash flow hedges		
Gains (losses) arising during the year	-	-
Less: Reclassification adjustments for gains included in the income statement	(350)	-
	350	-

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

8 NON-CURRENT ASSETS

Development costs

Development work continued on the Lance NG project during the half year, concentrating developing the CRM version of the system in Sweden and incorporating key customer requirements into the CMS version in Spain. One entire project was completed by the end of June and has been moved from being under the control of the development department, to the operational department.

In addition, enhancements were made to the Area and Group Reporting systems to improve efficiency and save costs.

9 INTANGIBLE ASSETS

Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired. Goodwill acquired through business combinations and intangible assets with indefinite lives have been reviewed in accordance with key assumptions in order to identify if any impairment needs to be recognised in the financial year.

Key assumptions Recognised goodwill has been reviewed for impairment from value in use calculations by taking into account the budgeted figures of each subsidiary or group of subsidiaries, and applying appropriate growth margins and discount rates dependent upon market conditions and other external risk factors.

- Growth rate - Growth rate is based on management assumptions of the development of the business over the next five years, based on projections made. Growth rate ranges between 3% and 25%.
- Market conditions - Market conditions take into account the nature of risk within geographical markets and management's estimations of change within these.
- External risk factors – External risk factors are predominantly the effect of other key competitors and the effect on cost of capital.
- Discount rates of between 8% and 12% have been used in order to allow for market conditions and external risk factors.

Sensitivity to changes in assumptions

The Company has reviewed the assumptions made as at 31 December, 2008 and considers that there are no significant changes to the sensitivity information disclosed at year end.

Based on these criteria, the Company has not identified any impairment which should be recognised in the income statement for the period ended 30 June, 2009.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

10 CASH AND CASH EQUIVALENTS

	30 June 2009 (unaudited) '000	31 December 2008 (audited) '000
Cash at bank and in hand	46,002	46,323
Bank overdrafts	(1,798)	(1,879)
	44,204	44,444

11 OTHER FINANCIAL ASSETS AND LIABILITIES

Set out below are details of new hedge activities entered into by the Group and hedges with changes in value, during the six months ended 30 June, 2009.

Cash flow hedges
As at 30 June, 2009, the Group held 6 forward currency collar contracts (comprising of a purchased put option and a written call option) designated as hedges of expected future sales to customers in US dollars for which the Group has firm commitments or highly probable forecasted transactions.

The critical terms of the foreign currency contracts have been negotiated to match the pattern of the commitments and forecasted sales expected to occur within the next 12 months.

Fair value disclosures
As at 30 June, 2009, the Group held financial instruments measured at fair value:

	Assets '000	**Liabilities '000**
Foreign currency collar contracts		
Fair value as at 30 June, 2009	337	-
Fair value as at 31 December, 2008	-	1,002

The cash flow hedges of the expected future sales in the months from 1 July, 2009 to 31 December, 2009 were assessed to be ineffective and as at 30 June, 2009 an unrealised gain of EUR 1,096 thousand relating to the hedging instruments is recognised in the consolidated income statement.

Hedge of net investment in foreign operations
Included in Bank loan and credit facilities at 30 June, 2009 was a borrowing of CAD 30 million which has been designated as a hedge of the net investment in the Canadian subsidiary, Transcom Worldwide Canada Inc., and is being used to hedge the Group's exposure to foreign exchange risk on this investment. Gains or losses on the retranslation of this borrowing are transferred to equity to offset any gains or losses on the translation of the net investment in the subsidiary.

During the six month period to 30 June, 2009, an after tax loss in the amount of EUR 644 thousand on the retranslation of this borrowing was transferred to equity to offset any gains or losses on translation of the net investment in the subsidiary.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

12 BANK LOAN AND CREDIT FACILITIES

The Company has a revolving variable credit rate facility agreement for an amount of €200 million carrying interest of IBOR, plus a margin of between 0.30% and 0.75%. The facility is due to expire on 12 April, 2012. The facility is a multi-currency facility with elements denominated in Euro, US Dollar and Canadian Dollar. The Company is committed under this agreement to maintaining a number of covenants requiring certain financial ratios to be maintained within agreed limits in order to provide sufficient security to the lender. The loan is unsecured.

As of June 30, 2009, an amount of €139.8 million was drawn (December 31, 2008: €127.0 million). The table below shows the drawn amounts in each of the currencies utilised by the Group.

	30 June 2009 unaudited local currency '000	**30 June 2009 unaudited €000**
Euro	**100,000**	**100,000**
Canadian dollar	**30,000**	**18,394**
US dollar	**30,000**	**21,378**
		139,772

An unused amount of €60.2 million on the revolving borrowing facility exists at June 30, 2009 (December 31, 2008: €73.0 million) which could be used to settle capital commitments. There are no restrictions on the use of this borrowing facility.

13 SHARE CAPITAL

At the Annual General Meeting held on 26 May, 2009 a decision was taken to fix the nominal value of the shares in Transcom to €0.43 per Class A and Class B share and for that purpose, reduce the value of the share capital of Transcom by an amount of EUR 251,896.02, without cancellation of any share and without any reimbursement to the shareholders of Transcom.

14 COMMITMENTS AND LONG-TERM OBLIGATIONS

There are no commitments or long term obligations which are significant in comparison to those which were identified as at 31 December, 2008.

15 CONTINGENT LIABILITIES

The Company is party to routine litigation incidental to the normal conduct of its businesses. The Company does not believe that the outcome to these proceedings, or the proceedings related to the compulsory acquisition and related proceedings discussed above, individually or in aggregate, after taking into account the amounts reserved with respect to such matters, will have a material adverse effect on the interim consolidated financial position or results of operations of Transcom Worldwide S.A. and its subsidiaries.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

16 SHARE-BASED PAYMENT PLANS

The share-based payment plans are described below. There have been no cancellations or modifications to the plans during the period to 30 June, 2009. The share grant and share option plan was set up and implemented on November 15, 2006 (vesting dates June 30, 2007, June 30, 2008 and June 30, 2009).

Share option agreement In 2006 the Company granted additional options to key management employees and executive officers of the Company to purchase shares in the Company. The options were granted for a fixed number of shares and at a fixed exercise price that was equal to the estimated fair market value on the date of grant. Each option vests in three equal parts: the first after one year, the second after two years and the third after three years. The expense recognised in the interim consolidated statement of operations for equity-settled transactions was €91 thousand as at June 30, 2009 (June 30, 2008: €424 thousand).

Share options have been valued using the Black & Scholes model which utilises seven parameters to value the options, being the share price at measurement date (A shares SEK 68.00 and B shares SEK 76.5), exercise price (A shares SEK 65.0 and B shares 75.8), maturity (30 June, 2012), risk-free rate (between 3.89% and 3.94%), future volatility of the share (by utilising comparable companies as benchmark, 34.42%), future dividend yield (nil) and dilution (total number of shares outstanding, A shares 36,580,046 and B shares 36,577,151). The share options have been valued at the start date of the plan and in accordance with IFRS have not been re-valued as no significant changes to the contents or rules of the plan have been made. The value of the plan has been apportioned equally over the total period of the plan and provisions are made as necessary through the income statement.

Share grant agreement In 2006, the Company had granted the right to key management employees and executive officers of the Company to purchase and receive shares in the Company in the context a new share grant and share option agreement. The rights were granted for a fixed number of shares and at a fixed exercise price of €0.43. Each right vests on June 30, 2007, 2008 and 2009. Vesting of granted shares depends on targets being achieved.

The expense recognised in the interim consolidated statement of operations for equity settled transactions was nil as at June 30, 2009 (30 June, 2008: €70 thousand).

Share grants have been recognised through the income statement at full value once the right to the shares has been established. Share grants are recognised at nominal value as per the share grant scheme.

Notes to the interim condensed consolidated financial statements

for the period ended 30 June, 2009

17 RELATED PARTY TRANSACTIONS

As a result of its substantial direct and indirect shareholdings in the Tele2 Group, Invik Group, Kinnevik Group, MTG Group, and other companies, the Stenbeck family has the potential to exert considerable influence in terms of financial and operational decisions in these companies. These companies have been regarded as related parties to Transcom Worldwide. Business relations between Transcom Worldwide and all closely related parties are subject to commercial terms and conditions.

Tele2 The Group provided customer service functions for certain Tele2 group companies in exchange for service fees determined on an arms-length basis. The Transcom Worldwide Group's revenue from the Tele2 group companies amounted to €46,101 thousand in the six month period to 30 June, 2009 (Six month period to 30 June, 2008: €29,852 thousand). Revenues mainly relate to customer help lines and other CRM services.

Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €1,003 thousand in the six month period to 30 June, 2009 (Six month period to 30 June, 2008: €889 thousand). The Company rents premises from Tele2 group companies under sub-lease agreements on the same commercial terms provided to Tele 2.

The Group's receivables from and liabilities to Tele2 Group companies at June 30, 2009 and 31 December, 2008 were as follows:

	30 June 2009 unaudited '000	31 December 2008 audited '000
Trade and other receivables	**19,116**	18,271
Trade and other payables	**(117)**	(137)
Net receivable	**18,999**	18,134

MTG The Group provided customer service functions for certain MTG group companies in exchange for service fees determined on an arms-length basis. The Transcom Worldwide Group's Revenue from the MTG group companies amounted to €7,215 thousand in the six month period to 30 June, 2009 (Six month period to 30 June, 2008: €3,679 thousand). Revenues mainly relate to customer help lines.

The Group's receivables from MTG group companies were €1,505 thousand at June 30, 2009 (31 December, 2008: €3,282 thousand).