

Transcom to record €20.6m in non-cash goodwill and other intangible asset impairment charges in Q4 2012

Press release

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For immediate release

As previously announced, Transcom has been assessing the impact of changes in its segment reporting structure on goodwill carrying values. After finalizing the impairment test for 2012, Transcom has decided to record non-cash goodwill and other intangible asset impairment charges in Q4 2012. The charges are related to Transcom's Credit Management Services (CMS) business unit and, to a lesser extent, to a brand name that Transcom no longer uses in its operations in the North America & Asia Pacific region.

The impairment charges amount to a total of €20.6 million, and will be recorded in Transcom's fourth quarter 2012 consolidated financial statements. €14.7 million is attributable to impairment of goodwill, and €5.9 million refers to impairment of other intangible assets.

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

For the CMS business unit, the impairment charges amount to €15.0 million. €14.7 million is attributable to goodwill and €0.3 million reflects an impairment of customer relationship intangible assets.

The charge in the North America & Asia Pacific region amounts to €5.6 million, based on an impairment of brand name intangible assets.

"These required impairment charges are not reflective of our positive view of the value of Transcom's underlying businesses," commented Johan Eriksson, President and CEO of Transcom. "Operational performance is improving, and we remain confident about the future success and value of our businesses."

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About Transcom

Transcom is a global customer experience specialist, providing customer care, sales, technical support and credit management services through our extensive network of contact centers and work-at-home agents. We are more than 27,000 customer experience specialists at 72 contact centers across 26 countries, delivering services in 33 languages to over 350 international brands in various industry verticals. Transcom WorldWide

