

## Transcom gives update on strategic review of its CMS business unit

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Press release

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For immediate release

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**Luxembourg, 3 February 2014** – During the past year, as previously announced, Transcom's Board of Directors has been evaluating a number of strategic alternatives for the company's Credit Management Services (CMS) business unit, which generated revenues amounting to €55.3 million in 2012.

Initially, the main alternative considered was a spin-off of the CMS business unit to Transcom's shareholders through the distribution of new shares in the CMS business. However, since Transcom's CMS units in various European countries operate as independent, autonomous entities, each unit is being assessed both on a standalone basis and – in some cases – as part of various possible business combinations.

### SALE OF CMS GERMANY

In the case of CMS Germany, the Board of Directors concluded that the most beneficial option for Transcom's shareholders was a sale as a standalone unit. Consequently, on December 30, 2013, Transcom announced the successful closing of the divestment of its German Credit Management Services operations (CMS Germany) to Tesch Group, a portfolio company of Avedon Capital Partners, for €9.0 million on a cash and debt free basis. CMS Germany had a turnover of €9.0 million in 2012.

### CMS UK TO FORM PART OF CENTRAL & SOUTH EUROPE REGION

Transcom's CMS operation in the United Kingdom will form part of the company's Central & South Europe region, effective January 1, 2014. Starting in Q1 2014, Transcom's segment reporting will reflect this change. The UK business in question generates approximately €4.5 million in revenue on an annual basis.

While this UK business was previously part of the CMS business unit, the services it delivers to clients are predominantly in the back-office and early collections (e.g. payment reminder calls) areas. In many of our regions, these types of services are offered as an integrated part of Transcom's core CRM business, separate from the contingent and legal debt collections work that characterizes a significant part of the business in our CMS unit.

"We see increased demand for services delivered onshore in the UK, complementing the volumes that we deliver to UK clients from our contact centers in the Philippines. The change that we are announcing today signals our commitment to maintaining and further developing our onshore presence in the UK", commented Johan Eriksson, Transcom's President and CEO.

### PRIMARY OPTIONS CONSIDERED FOR REMAINING CMS UNITS

Following the divestment of CMS Germany and the integration of CMS UK with the Central & South Europe region, as described above, Transcom's CMS business unit comprises operations in six European countries: Austria, the Czech Republic, Denmark, Norway, Poland, and Sweden.

The strategic review for these country units is still underway. The primary options considered include a divestment and/or the integration of parts of the business with Transcom's CRM operations.

In some CMS units, as in the case of CMS UK, there is overlap with Transcom's core CRM business, e.g. in the area of early collections services and certain back-office tasks. Therefore, incorporating these entities with our regional CRM business units is a viable option in some cases. Furthermore, there are potential overhead cost synergies which can be realized through combining the organizations.

We expect to be able to communicate further details on progress during the first quarter of 2014.

#### BENT FAURSKOV TO LEAVE TRANSCOM

As the strategic review process is nearing completion, Bent Faurskov, General Manager of Transcom's CMS business unit, will leave the company. Until the strategic review is complete, Pär Christiansen, Transcom's CFO, will assume responsibility for the CMS business unit.

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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 29,000 customer experience specialists at 62 contact centers across 26 countries, delivering services in 33 languages to over 400 international brands in various industry verticals. Transcom WorldWide S.A. Class A and Class B shares are listed on the NASDAQ OMX Stockholm Exchange under the symbols TWW SDB A and TWW SDB B.*