

RESTRUCTURING AND NON-RECURRING COSTS OF €32.8 MILLION TO INCREASE OPERATIONAL EFFICIENCY. SIGNIFICANTLY LOWER VOLUMES IN Q2 2011.

Luxembourg, 21 June 2011 – Transcom today announced a restructuring plan aimed at adjusting delivery capacity, strengthening global competitiveness and increasing operational efficiency in a quarter impacted by significantly lower volumes.

Restructuring and non-recurring costs amount to approximately €32.8 million. €24.2 million will be recorded in Q2 2011, and €8.6 million in Q3 2011.

Driven by particularly low volumes, revenues in Q2 2011 are expected to reach approximately €135 million and underlying operating profit to range between €0.5 and €0.7 million.

Transcom also announced today that ownership of its Tulle (France) site and business has been transferred to the new owner according to plan, with effect as of 1 June 2011.

Restructuring & Rightsizing Plan

During the past 18 months, Transcom has been implementing a transformation program with the objective of generating faster sales growth, improving underperforming areas of our business, and accelerating the technology and portfolio transformation.

Despite the significant progress Transcom has achieved in driving sales, the evolution of our pipeline as well as the current market dynamics and business outlook for the remainder of the year do not support our current delivery infrastructure.

In light of this outlook, Transcom has decided to launch a restructuring and rightsizing plan aimed at adjusting its delivery capacity to the current book of business, strengthening global competitiveness and increasing operational efficiency.

The restructuring plan and the operational improvement measures will result in:

- a. An annualized gross savings of approximately **€10 to €12** million when the restructuring and operational improvement plans are fully implemented;
- b. A reduction of available seats by approximately 10% (2,400);
- c. Restructuring costs of **approximately €18.2 million**, indirect costs linked to the restructuring of **€5.5** million as well as other non-recurring costs of **€9.1** million, starting in Q2 2011 and lasting through the remainder of 2011. Transcom will be recording a total cost of **€24.2** million in Q2 2011 and **€8.6** million in Q3 2011 as detailed in the table below:

Detailed P&L Impact Analysis (€ million)	Q2 2011	Q3 2011	FY 2011
Restructuring costs	10.8	7.4	18.2
Costs indirectly linked to restructuring measures (*)	4.9	0.6	5.5
Other non-recurring items (*)	8.5	0.6	9.1
Total	24.2	8.6	32.8

(*) presented by nature in the respective captions of the income statement in the interim financial statements

- d. A Cash impact of **€0.5 million** in Q2 2011, **€5.1 million** in Q3 2011 and **€5.0 million** in Q4 2011.

The restructuring and rightsizing plan is in the process of being launched and will be executed during Q3 and Q4 2011. It will address Transcom's capacity issues and transform underperforming areas with the view to deliver the following outcomes:

- **Adjust the delivery infrastructure:** Transcom will close 4 sites in Canada and consolidate other sites in the North America & Asia Pacific, North, Iberia, South and West & Central regions. This initiative will cost **€10.4** million and bring annual savings starting in Q4 2011 in the range of **€2.5** to **€3.0** million.
- **Reduce the number of available seats and workforce capacity,** mainly in the North America & Asia Pacific region, but also in the other regions. This initiative will cost **€8.6** million and bring annual savings starting in Q3 2011 of approximately **€7.0** million.
- **Recognize non-recurring costs and accruals and reassess 3 onerous contracts** for a total of **€13.8** million which will bring annual savings starting in Q3 2011 of approximately **€1.0** million.

In addition to the restructuring program and recognition of these non-recurring items, Transcom is implementing operational efficiency and profitability improvement measures, not only in the North America & Asia Pacific region but also in the other regions, with the view to improve financial performance. These measures will improve our operating profit in Q4 2011.

The cash outflow resulting from the restructuring plan is estimated at **€10.6** million, occurring during Q2 and the remainder of 2011. The current level of underlying profit and the forecasted cash outflow associated with the restructuring plan will have an adverse impact on our bank covenants during Q2 and H2 2011. Transcom has renegotiated the existing covenants with its Bank Syndicate and the Banks have formally agreed to raise the covenant thresholds for Q2 2011 and until the end of the year, when the restructuring process will be completed. Transcom is due to renegotiate its refinancing facility before the end of 2011.

“Once the restructuring plan is executed, we expect the company to have reached a significant milestone in its transformation, with a more competitive delivery footprint and improved operational efficiency. We are confident that this significant rightsizing program will bring Transcom into a financial position that better reflects its current underlying business performance and run rate”, said Pablo Sánchez-Lozano, Chief Executive Officer of Transcom.

Disposal of Tulle (France) Site

Transcom has entered into a definitive agreement to sell its Tulle (France) site and has transferred ownership of the site and its business, following the positive completion of the information/consultation procedure with employee representatives. 254 employees at the Tulle site transferred along with the site on 1 June 2011. Cash outflow for this operation is €4.4 million, comprising the funding and the amount of accruals related to the transferred employees.

“The divestment of the site in Tulle is an important step which follows the announcement on April 21 of our sale of the Roanne site in France. As with our former site in Roanne, we are convinced that the new owner of the Tulle site will contribute to the development of the site activities for the benefit of our previous employees”, said Pablo Sánchez-Lozano, Chief Executive Officer of Transcom.

Please note that a special telephone conference will be held at 08:30 CET / 07:30 UK on June 22. Please call in a few minutes before the conference starts in order to register your attendance. The conference call will be held in English and will also be available as webcast on Transcom’s website, www.transcom.com.

Call-in details (quote 77294385 when dialling into the conference):

SWEDEN: +46 (0) 8 503 364 34

UK: 0844 493 3800 or +44 (0) 1452 555 566 if calling from abroad.

USA: +1 631 510 7498

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About Transcom

Transcom is a global outsourced service provider entirely focused on customers, the service they experience and the revenue they generate. Our customer management and credit management services are designed to strengthen our clients' customer relationships and secure their revenue streams.

Our broad service portfolio supports every stage of the customer lifecycle, from acquisition through service, retention, cross and upsell, then on through early and contingent collections to legal recovery. Expert at managing both customers and debt, we make a positive contribution to our clients' profitability by helping them win customers, maintain their loyalty and secure their payments.

And, while our services are designed to maximize revenue, our delivery operations are built to drive efficiency. Through our global network we can provide service in any country where our clients have customers, accessing the most appropriate skills and deploying the best communication channels in the most cost effective locations.

Every day we handle over 600,000 customer contacts in 33 languages for more than 350 clients, including brand leaders in some of today's most challenging and competitive industry sectors. The experience we gain is used to constantly refine our service portfolio and business processes, allowing us to respond quickly to changing market conditions and client requirements.

Transcom WorldWide S.A. Class A and Class B shares are listed on the Nasdaq OMX Stockholm Mid Cap list under the symbols 'TWW SDB A' and 'TWW SDB B'.