

## **TRANSCOM ASSESSING TAX EXPOSURE IN ONE EU COUNTRY**

**Luxembourg, 12 October 2011 – Transcom is assessing its tax exposure in one EU jurisdiction and plans to provision up to €14.1 million in Q3 2011. A Supreme Court appeal will be filed in the coming months.**

The company was recently notified that the Court of Appeal has issued an adverse ruling regarding a FY2003 tax dispute in one of the EU jurisdictions where it operates.

In December 2008, in this jurisdiction, the tax auditor reassessed FY2003 through to FY2006. This tax audit resulted in a total tax reassessment notification of €27.3 million (including penalties and accrued late payment interest).

The Group believes its tax position overall and in this jurisdiction in particular, to be fully compliant with EU law and regulation. Since 2009, the Group has been in dispute with the tax authorities with respect to this tax reassessment. The total net amount provided in 2009 to cover this tax exposure amounted to €1.5 million.

Management, together with its legal advisors, consider that the whole reassessment is not justified from a legal standpoint, and even more so in regards to the Withholding tax amounts claimed (€11.7 million) because the EU regulation grants Withholding tax exemption on royalties.

Transcom management considers its case to be robust and has decided to lodge an appeal in front of the Supreme Court. However, following the recent notification of this adverse ruling, Transcom had to reassess its provision and is considering increasing the existing tax provision by €14.1 million in the quarter ended September 30, 2011.

Management is uncertain about the timing and the ultimate financial exposure that may result out of the resolution of the ongoing tax litigation in this jurisdiction. Only FY2003 and FY2004 cases are currently in front of the courts. FY2005 and FY2006 are not yet judged.

The short term cash exposure resulting from the current rulings is estimated to be €8.8 million. Transcom is requesting to pay in installments over 72 months, which would reduce the cash outlay to €0.4 million per quarter. Should Transcom ultimately succeed in its Appeals, these amounts would be paid back.

***Transcom will host a conference call at 11.00 am CET (10:00 am UK time) today, October 12, 2011. The conference call will be held in English.***

### **Dial-in information**

***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.***

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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'.*