Transcom Q1

Relationships Revenue Results

Lunch presentation
SEB Enskilda

April 19, 2012

Contents

Key data - Transcom

- Global specialist of outsourced customer and credit management services
- Established in 1995 and listed on NASDAQ OMX Stockholm since 2001
- €554.1 million revenue in 2011
- 24,500+ people
- 72 sites across 26 countries
- Top 5 shareholders : Kinnevik (33%), Creades (9%), Avanza (7%), Nordnet (6%), Fjärde AP-Fonden (4%)
- Market cap: SEK 921.7 million (April 18)
  - 622,764,910 TWW SDB B (non-voting). Closing price April 18: SEK 0.76
  - 622,767,823 TWW SDB A (voting). Closing price April 18: SEK 0.72
- Average daily trading volume during Q112: 2.8 million B shares and 960,000 A shares
- Net debt €11.9m (€74.7m)

Working with our clients to strengthen their customer relationships, grow and secure their revenue streams

- Inbound customer service operations account for the greater part of Transcom's revenue
- Phone is the dominant medium, but our agents increasingly deliver services via multiple channels
- Transcom's revenue is typically driven by the amount of time that our agents spend on the phone with our clients' customers + commissions for any sales made
- Examples of other payment models: per call, per hour worked, commission for collection services
- Different commercial models imply very different business dynamics and risk-return characteristics

Market trends

- Continued outsourcing market growth primarily driven by companies' desire to achieve cost savings, to focus on core operations, and to access knowledge

- Increasing focus on customer loyalty and revenue generation…
  - Vendors' capacity for supporting customer loyalty and revenue generation increase in importance
  - Outsourced contact centers' potential value in terms of cross- and up-selling is increasingly being recognized, and incentive schemes are likely to put greater emphasis on revenue generation.

- … and pressure to increase capabilities in multichannel integration and analytics
  - 2011 saw a significant increase in the uptake of social media channels for customer interaction
  - Achieving a tight integration across different channels for customer interaction will become an even greater imperative
  - Systems and processes need to support advanced analytics and coordinate the customer experience in all channels , offering a full view of the customer

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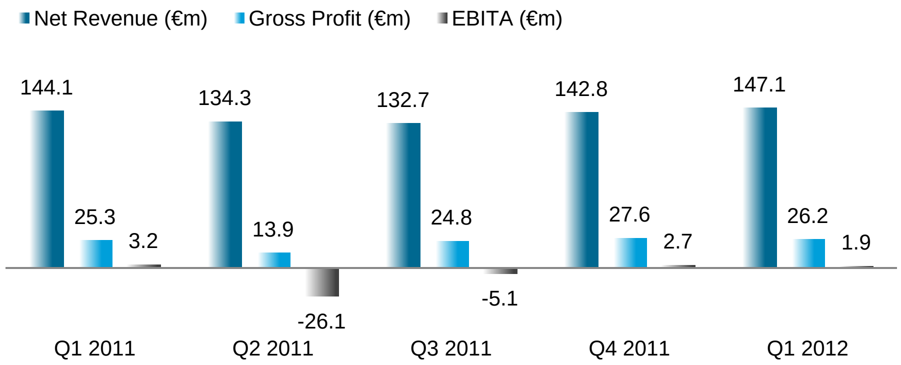
Q1 2012 Group financial results



(€ m)	2012 Q1	2011 Q1	Change Y-o-Y	2011 Jan-Dec
Net revenue	147.1	144.1	2.1%	554.1
Gross profit	26.2	25.3	3.7%	96.5
Gross margin	17.8%	17.6%	-	17.4%
EBITDA	4.4	6.5	-31.3%	-15.2
EBITDA margin	3.1%	4.5%	-	-2.7%
EBITA	1.9	3.2	-41.8%	-25.2
EBITA margin	1.3%	2.2%	-	-4.5%
EPS (Euro cents)	-0.1	3	-	-62
Net Debt	11.9	74.7	-	13.2
Net cash flow from operating activities	2.8	3.4	-	27.5

- **2.1% revenue** increase driven by
  - Ramp-up of new volumes on- and off shore with new and existing clients in the Iberia region
  - Growth of interpretation business and higher inbound contact center volumes
- **Gross margin** 17.8% (17.6%). Q112 impacted by restructuring cost in North America & Asia Pacific.
- **EBITA** €1.9m (€3.2m). Q112 impacted by restructuring cost in North America & Asia Pacific.
- **EBITA margin**: **1.3%**, down from 2.2% in Q111
- **Net currency impact**:

  Y-o-Y Revenue +€0.9m, EBIT -€0.1m
- **EPS** at -0.1 euro cents, compared to 3 euro cents in Q111
- Net Debt decreased by €62.8m to **€11.9m**; Current Net Debt / EBITDA ratio at **0.71** (2.6 in Q111)
- **Net cash flow from operations** €2.8m compared to €3.4m in Q111

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Net cost of €1.3m in Q112 to adjust capacity and increase efficiency in North America

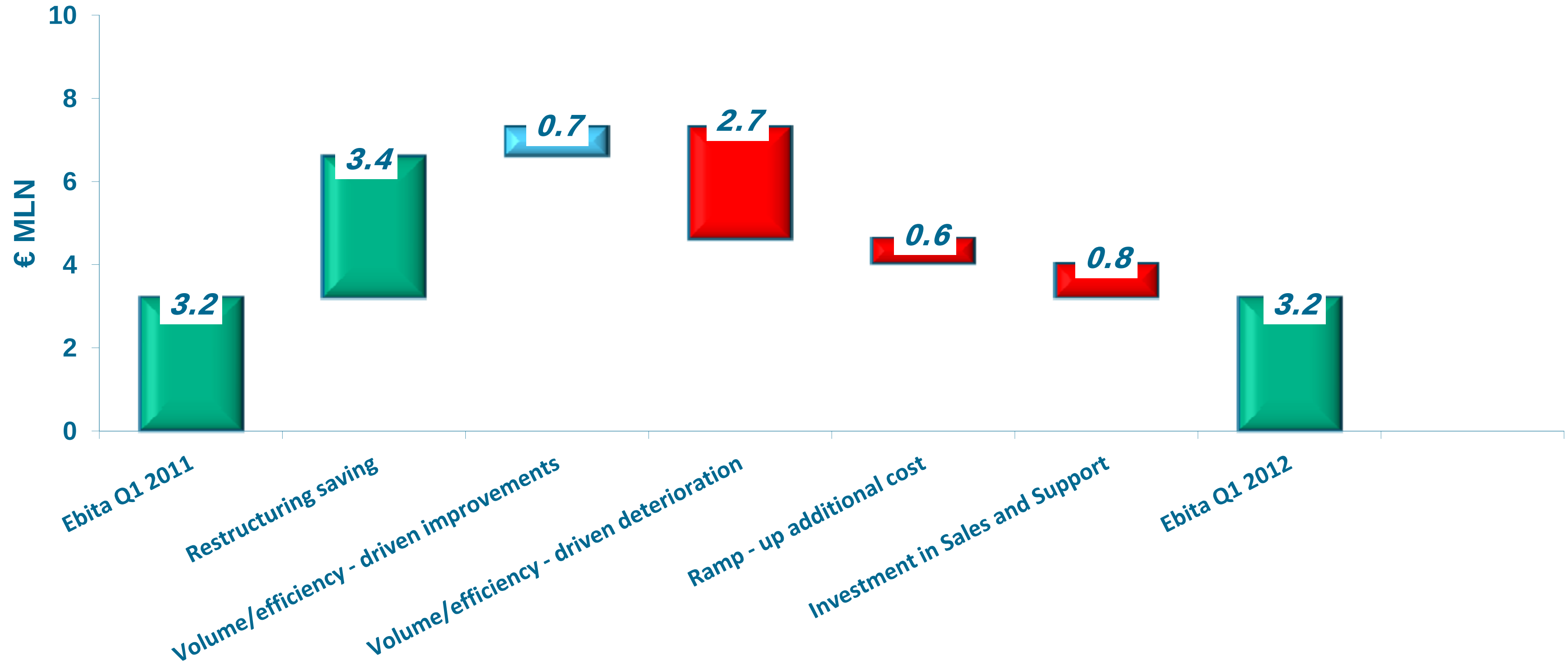
- **€5.3m cost** to close four of Transcom's current sites in North America by the end of the second quarter of 2012
  - Restructuring costs: €4.3 million
  - Other non-recurring costs: €1.0 million

- **€3.9m positive effect** due to the write-back in Q112 of an onerous lease provision for our Iloilo site in the Philippines, recorded in Q211

- Operational costs in the North America & Asia Pacific region will be reduced by approximately €1.7 million. Savings to be achieved in fiscal year 2012 estimated at €1.4 million.

- Total cash impact of restructuring is €4.5 million. The non-cash element relates to asset write-offs.

EBITA, Q112 vs. Q111



Q1 2012 main highlights – underlying performance

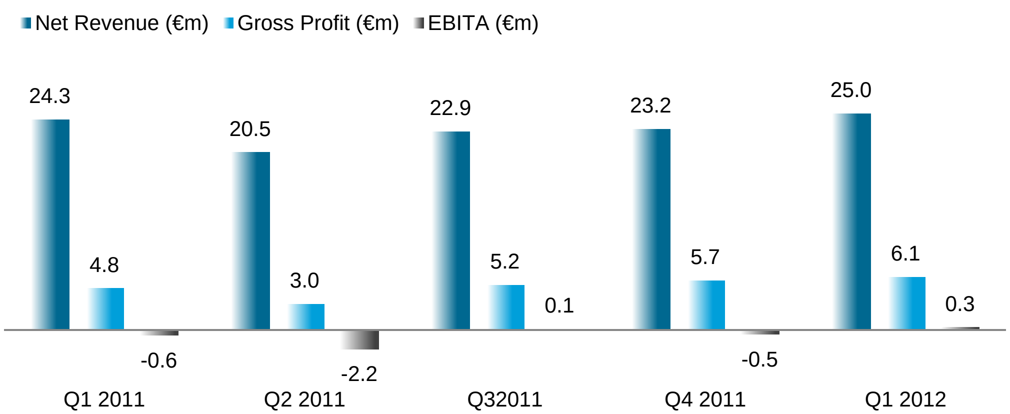
- **Revenue**
  - **€147.1m** vs. €144.1m
  - Growth **2.1%**

- **Gross margin 18.3%**
  - 0.7 percentage point improvement
  - Growth and improvement in performance in Iberia and South
  - Offshore mix in NAA

- **Net Debt €11.9m** vs. €74.7m in Q111
  - €62.8m improvement
  - Driven by significant improvement in working capital management

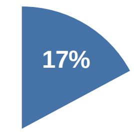
- **Net Debt/EBITDA covenant**
  - **0.71** compared to 2.6 in Q111

North America & Asia Pacific Region*



(€ millions)	2012 Jan-Mar	2011 Jan-Mar	Growth Y-o-Y	2011 Jan–Dec
Net revenue	25.2	24.3	3.6%	90.9
Gross profit	6.1	4.8	27.1%	18.7
Gross margin	24.2%	19.8%	-	20.6%
Depreciation	-0.5	-1.0	-52.3%	-3.1
EBITDA	0.7	0.4	104.8%	-0.2
EBITDA margin	2.9%	1.5%		-0.2%
EBITA	0.3	-0.6	-	-3.2
EBITA margin	1.1%	-2.5%	-	-3.5%

* Underlying performance, excluiding restructuring and other non-recurring costs



Percentage of Total Revenues

- **Revenue increased by 3.6%**
  - Continued shift from onshore to offshore volumes, leading to closure of four additional sites in Canada
  - Net of reporting change, revenue decreased €0.6m
- **Gross margin up by 4.4 percentage points**
  - Higher share of volumes delivered from offshore sites in the Philippines
  - Increased operational efficiency and capacity adjustment
- **EBITA increased by €0.9m**
  - Savings from restructuring program were offset by investments in the expansion of operations in Asia
- **Key priorities**
  - Complete execution of restructuring plan
  - Offshore volume growth
  - Sales: funnel build-up and deal closure
  - Scale volumes and sustain quality levels

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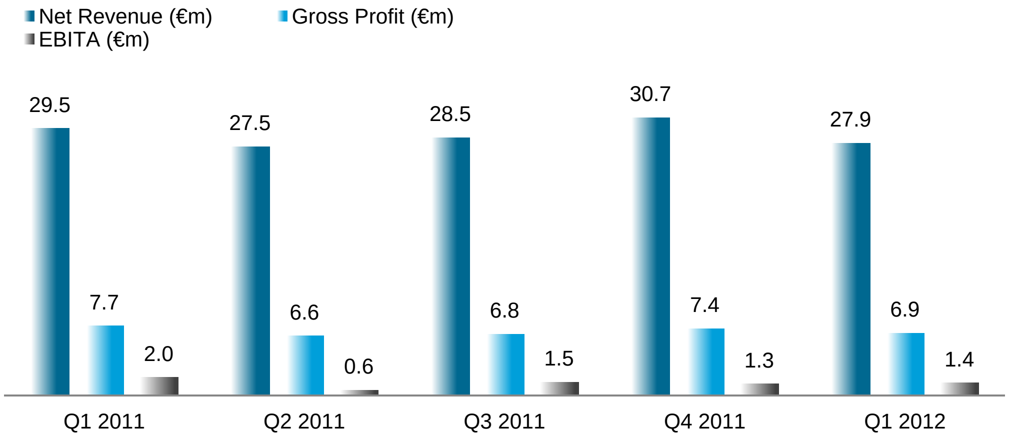
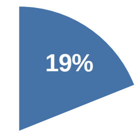
West & Central Region



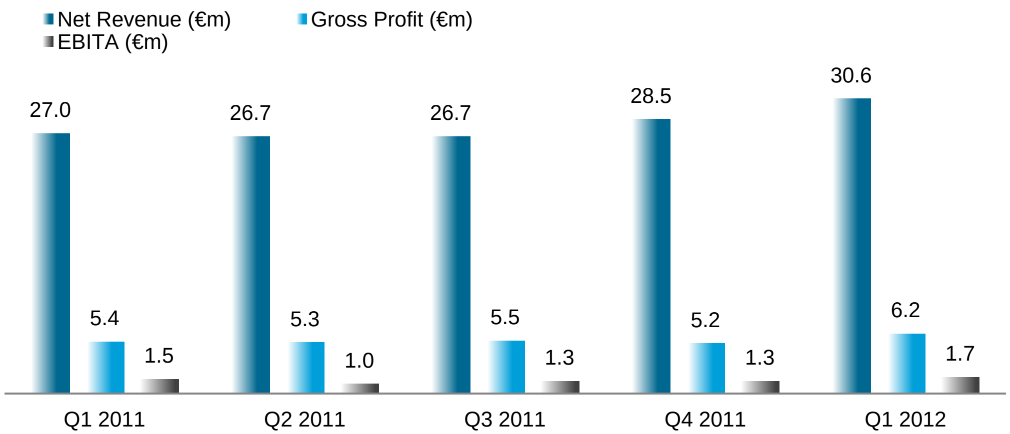
(€ millions)	2012 Jan-Mar	2011 Jan-Mar	Growth Y-o-Y	2011 Jan–Dec
Net revenue	27.9	29.5	-5.4%	116.2
Gross profit	6.9	7.7	-11.0%	28.5
Gross margin	24.5%	26.1%	-	24.5%
Depreciation	-0.4	-0.6	-40.0%	-2.2
EBITDA	1.8	2.6	-30.5%	7.6
EBITDA margin	6.5%	8.9%		6.5%
EBITA	1.4	2.0	-27.6%	5.4
EBITA margin	5.2%	6.8%	-	4.6%

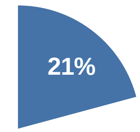


Percentage of Total Revenues

- **Revenue decreased by 5.4%**
  - Reporting change: volumes relating to a specific contract are now accounted for in NA & APAC
  - Net of this change, revenue increased €0.5m
- **Gross margin decreased by 1.6 percentage points**
  - Resulting from revenue mix changes and ramp up costs related to new business in both CRM and collection operations
- **EBITA decreased by €0.6m**
  - Savings from restructuring program and additional savings offset by lower efficiency and investment in the ramp-up of volumes for a new client
- **Key priorities**
  - Germany: increase capacity utilization and improve efficiency
  - Continue optimizing performance of collection business
  - Sales: funnel build-up and deal closure

Iberia Region





Percentage of Total Revenues

(€ millions)	2012 Jan-Mar	2011 Jan-Mar	Growth Y-o-Y	2011 Jan–Dec
Net revenue	30.6	27.0	13.5%	108.9
Gross profit	6.2	5.4	14.1%	21.4
Gross margin	20.1%	20.0%	-	19.7%
Depreciation	-0.5	-0.6	-17.9%	-2.6
EBITDA	2.2	2.1	4.0%	7.7
EBITDA margin	7.2%	7.9%		7.0%
EBITA	1.7	1.5	13.2%	5.1
EBITA margin	5.5%	5.6%	-	4.7%

- **Revenue increased by 13.5%**
  - Ramp-up of additional volumes onshore and offshore
  - Double-digit growth in Portugal
- **Gross margin stable**
  - Stable margin levels despite ramp-up cost for new volumes and higher salary cost in Chile.
- **EBITA increased by €0.2m**
  - Savings from restructuring program and efficiency improvements offset by investment in Peru and Chile
- **Key priorities**
  - Growth Latin America (on- and offshore), new site in Lima, Peru.
  - Continue improving operational efficiency
  - Sales: funnel build-up and deal closure

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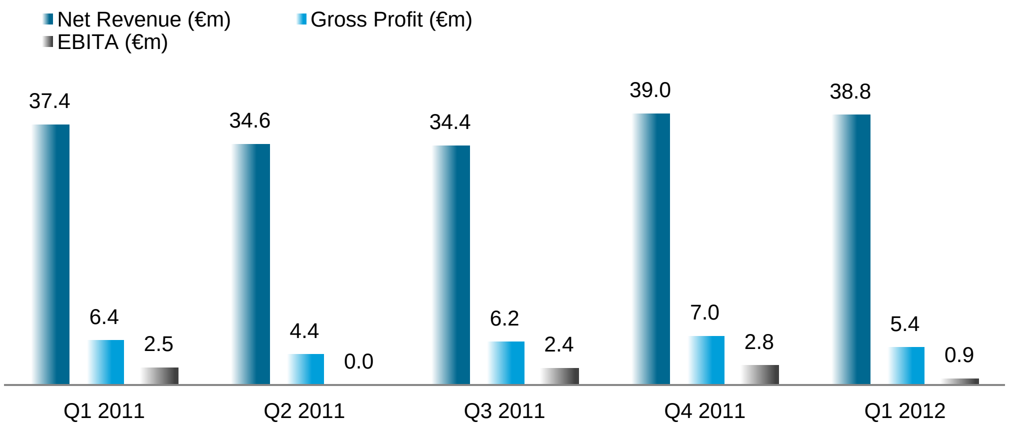
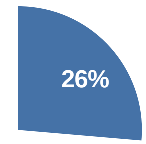
North Region





Percentage of Total Revenues

(€ millions)	2012 Jan-Mar	2011 Jan-Mar	Growth Y-o-Y	2011 Jan–Dec
Net revenue	38.8	37.4	3.8%	145.4
Gross profit	5.4	6.4	-15.9%	24.0
Gross margin	13.9%	17.1%	-	16.5%
Depreciation	-0.3	-0.5	-33.0%	-1.8
EBITDA	1.3	3.0	-57.2%	9.5
EBITDA margin	3.3%	8.1%		6.5%
EBITA	0.9	2.5	-62.2%	7.7
EBITA margin	2.4%	6.7%	-	5.3%

- **Revenue increased by 3.8%**
  - Growth in the interpretation business
  - New volumes with installed base clients offset by volume reductions with client in the media sector
- **Gross margin decreased by 3.2 percentage points**
  - Additional temporary cost to meet service levels due to ramp up of volumes
  - Impact of salary increases an lower efficiency
- **EBITA decreased by €1.6m**
  - Savings from restructuring offset by lower efficiency and by investments in strengthening sales capabilities.
- **Key priorities**
  - Stabilize ramp-up of new volumes
  - Complete execution of restructuring plan
  - Continue driving operational efficiency
  - Sales: funnel build-up and deal closure

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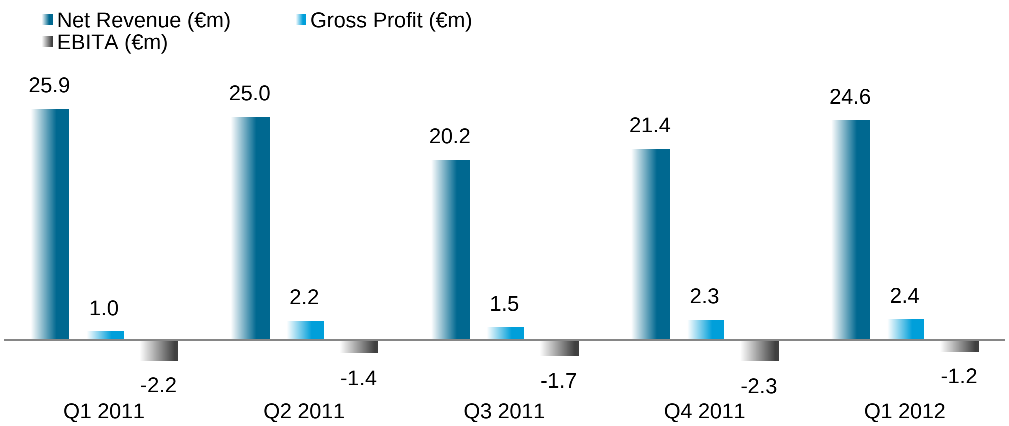
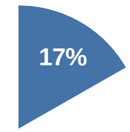
South Region



(€ millions)	2012 Jan-Mar	2011 Jan-Mar	Growth Y-o-Y	2011 Jan–Dec
Net revenue	24.6	25.9	-5.2%	92.5
Gross profit	2.4	1.0	136.3%	7.0
Gross margin	9.6%	3.9%	-	7.6%
Depreciation	-0.2	-0.5	-51.1%	-1.4
EBITDA	-0.9	-1.7	-43.9%	-6.2
EBITDA margin	-3.9%	-6.5%		-6.7%
EBITA	-1.2	-2.2	-45.6%	-7.6
EBITA margin	-4.9%	-8.5%	-	-8.2%



Percentage of Total Revenues

- **Revenue decreased by 5.2%**
  - €-4.7m impact following the disposals of two sites in France, offset by growth in Italy
- **Gross margin increased by 5.7 percentage points**
  - Operational performance improvement in Italy
  - Cost savings in France following the disposal of two sites.
- **EBITA improved by €1.0m**
  - Savings from restructuring program and higher capacity utilization in France.
- **Key priorities**
  - Finalize second phase of restructuring plan in France
  - Continue driving operational efficiency
  - Sales: funnel build-up and deal closure.

Financial Tables

Consolidated Financial Summary

	2012 Jan – Mar	2011 Jan – Mar	2011 Jan – Dec
Net revenue	147.1	144.1	554.1
Cost of sales	-120.9	-118.8	-457.6
Gross profit[1]	26.2	25.3	96.5
Selling, general and administration expenses[2]	-24.4	-22.1	-103.5
EBITDA	4.4	6.5	-15.2
EBITA	1.9	3.2	-25.2
Amortization	-0.7	-0.7	-2.8
Operating income	1.1	2.5	-28
Net financial items	-1.6	-1.0	-3
Profit before tax	-0.4	1.5	-31
Taxes	-0.8	0.4	-18.4
Net income	-1.3	1.9	-49.4
Basic earnings per share (Euro cents)	-0.1	3	-62
Fully diluted earnings per share (Euro cents)	-0.1	3	-62
Basic total weighted average outstanding number of shares	1,245,532,733	73,366,893	79,789,720
Fully diluted total weighted average outstanding number of shares	1,245,532,733	73,903,893	80,326,720

(1) Includes €0.6 million in restructuring costs
(2) Includes €0.2 million upside due to write-back of restructuring costs

- Net revenue **€147.1m** in Q112, up 2.1% compared to Q111.
- Gross margin increase of 0.2 percentage points. Excluding the restructuring charge in Q112, gross margin was up by 0.7 percentage points, driven by improvements in the North America & Asia Pacific and South regions.
- SG&A: €24.4m in Q112 (€22.1m). Restructuring savings offset by investments in capacity, sales capabilities and support functions.
- Net financial items: €-1.6 (€-1.0m). Interest expense €-0.7 (€-0.6m).

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Financial Tables

Balance Sheet

	2012 March	2011 March	2011 December
Fixed Assets			
Goodwill	153.7	150.7	154.8
Intangible Assets	15.6	21.2	16.9
Other Fixed Assets	18.8	23.4	19.6
	188.1	195.3	191.3
Current Assets			
Short-term receivables	145.8	138.8	134.0
Cash and cash equivalents	53.1	43.1	52.1
	198.9	181.9	186.1
Total Assets	387.0	377.2	377.4
Shareholders' Equity	165.1	175.2	167.1
Long-term liabilities			
Long Term Bank Loan	65.0	117.8	65.3
Other long-term liabilities	23.4	14.9	26.1
	88.4	132.7	91.4
Short-term liabilities			
Non-interest bearing liabilities	133.5	69.3	118.9
Total shareholders' equity and liabilities	387.0	377.2	377.4

- Net debt **€11.9** as at March 31 2012**,** compared to **€74.7m** as at March 31 2011
- Net Debt/EBITDA ratio in Q411 was **0.71**, compared to 2.6 in Q111.

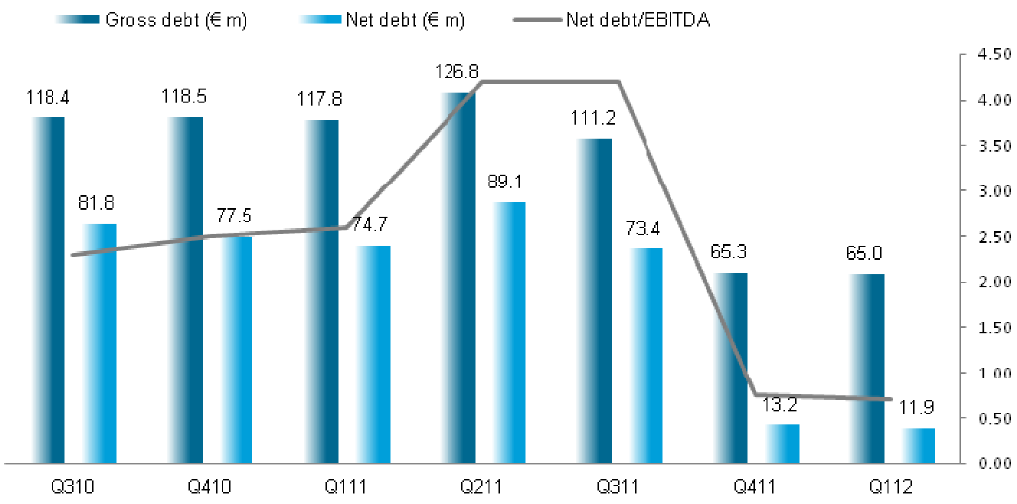
Financial Tables

Cash Flow

	2012 Jan – Mar	2011 Jan – Mar	2011 Jan – Dec
Cash flow from operations	-6.6	4.8	-2.9
Changes in working capital	9.4	-1.4	30.4
Net cash flow provided by operations	2.8	3.4	27.5
Capital expenditure	-1.1	-1	-5.2
Purchase of business	-	-	-8.7
Dividend paid	-	-	-0.1
Financing activities	-0.7	-0.3	-2.3
Net cash flow	1.0	2.1	11.1
Opening liquid funds	52.1	41	41
Closing liquid funds	53.1	43.1	52.1

- Net cash flow provided by operations was **€2.8m**, compared to €3.4m in Q111
- Net working capital was €36.3m at the end of Q112, a decrease by **€44.9m** compared to Q111 (€75.9m)
  - Improved collections
  - Tighter control on timing of payments
  - Alignment of credit terms for suppliers
  - Exceptional client advances
- Capex in Q112 was €-1.1m

Debt & Leveraging



- Gross debt decreased by **€52.8m** vs. Q111
- Net Debt decreased by **€62.8m** compared to the Q111 level
- Net Debt/EBITDA ratio: **0.71**, compared to 2.6 in Q111
- Interest charge **€0.7m**

(€ millions)	Q112	Q411	Q311	Q211	Q111	Q410	Q310	Q210
Gross debt	65.0	65.3	111.2	126.8	117.8	118.5	118.4	133.1
Net debt	11.9	13.2	73.4	89.1	74.7	77.5	81.8	85.7
Net debt/EBITDA	0.71	0.75	4.2	4.2	2.6	2.5	2.3	2.3
Interest charge	-0.7	-1.3	-1.1	-0.9	-0.6	-0.6	-0.4	-0.5

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Key priorities

Short-term focus areas

- Finalization of the restructuring program announced in 2011
- Additional consolidation of the North American onshore delivery footprint, announced in February 2012
- Consolidate some of the Group Management functions to Stockholm. We will soon establish a Corporate Management office.

Medium- to long-term priorities

- Grow revenue in line with overall market growth in the markets where we choose to compete
- Improve profitability and decrease earnings volatility
  - Continuously strengthen **operational efficiency**. An important objective in this area is to improve and maintain the Group's **seat capacity utilization ratio** at a satisfactory level.
  - Optimizing our **geographic delivery mix**. For some of our regions, this means that we will strive to increase the proportion of revenue generated **offshore**, since profitability depends in part on the country of service delivery.
  - Focus on **broadening our client base** with the objective of progressively decreasing the client concentration ratio, in order to **mitigate risk and sustain a stable performance** over time

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