Transcom

Relationships Revenue Results

Q2

Second Quarter 2012
Financial Results Presentation

July 19, 2012

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- Key data on Transcom
- Performance in Q2 2012
- Q&A

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
- 25,000+ people
- 72 sites across 26 countries
- Top 5 shareholders : Kinnevik (33%), Creades (9%), Avanza (6%), Nordnet (6%), Fjärde AP-Fonden (4%)
- Market cap: SEK 647.7 million (June 29, 2012)
  - 622,764,910 TWW SDB B (non-voting). Closing price June 29: SEK 0.54
  - 622,767,823 TWW SDB A (voting). Closing price June 29: SEK 0.50
- Average daily trading volume during Q212: 1.2 million B shares and 252,000 A shares
- Net debt €17.2m (€89.1m in Q2 2011)

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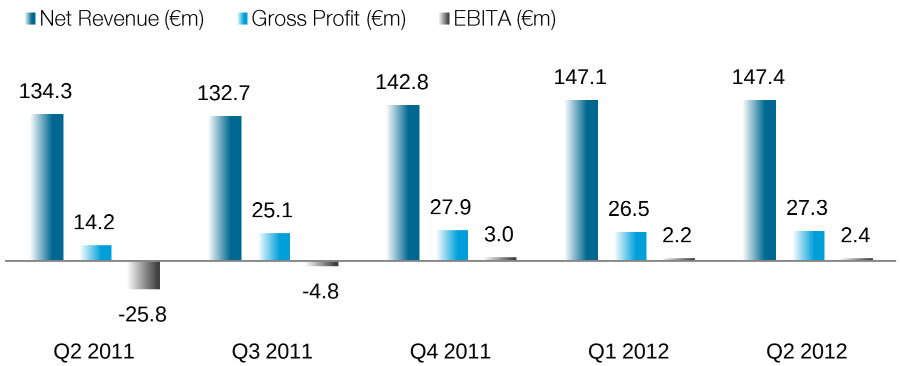
Q2 2012 Group financial results



(€ m)	2012 Q2	2011* Q2	Change Y-o-Y	2011* Jan-Dec
Net revenue	147.4	134.3	9.7%	554.1
Gross profit	27.3	14.2	92.5%	97.7
EBITDA	3.9	-22.8	-	-14.4
EBITA	2.4	-25.8	-	-24.0
EBIT	1.4	-26.8	-	-28.0
Net financial items	-0.7	0.0	-	-3.0
Profit before tax	0.7	-26.8	-	-31.0
Net income	-0.8	-27.9	-	-49.4
EPS (Euro cents)	0.0	-38	-	-62
Net cash flow from operations	-0.3	-3.3	-	25.7
Total weighted average outstanding number of shares before dilution ('000)	1,245,533	73,367	-	79,790

- **9.7% revenue** increase
  - Primarily driven by North America & Asia Pacific, North and Iberia
- **Gross margin** 18.5% (10.6%), primarily driven by higher performance in the North America & Asia Pacific and South regions
- **EBITA** €2.4m (€-25.8m). Q212 impacted by €1.0m cost for organizational restructuring in Europe, and Q211 by €24.2m in restructuring cost.
- **EBITA margin**: **1.6%**, up from -19.4% in Q211
- **Net currency impact**:

  Y-o-Y Revenue +€2.8m, EBIT +€0.2m
- **EPS** at 0 euro cents, compared to -38 euro cents in Q211
- **Net Debt** decreased by €71.9m to **€17.2m**; Current Net Debt / EBITDA ratio at **0.77** (4.2 in Q211)
- **Net cash flow from operations** €-0.3m compared to €-3.3m in Q211

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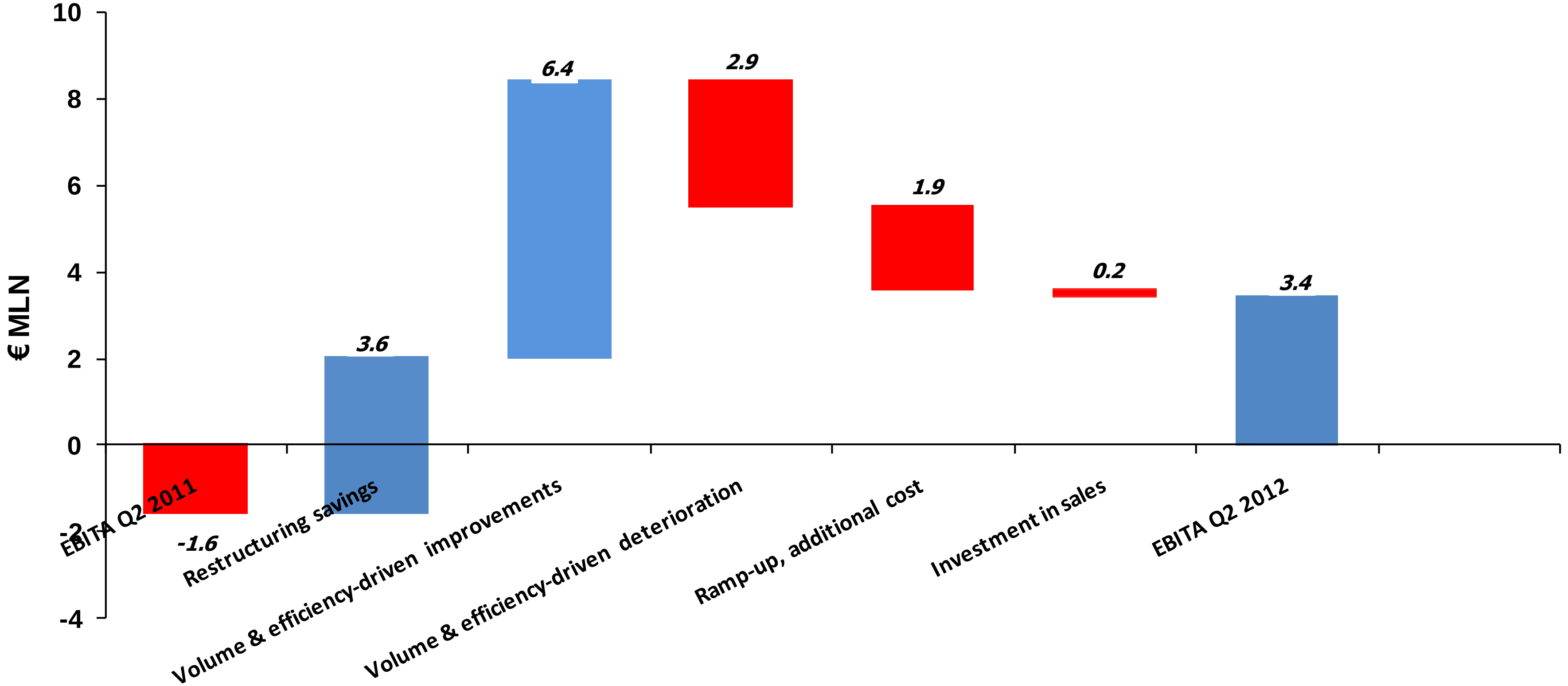
Relationships Revenue Results

Establishment of CMS Business Unit, and organizational and management restructuring in Europe

- **Operations in Credit Management Services (CMS) will be managed as a separate business unit**
  - Increased transparency
  - Increased degree of management attention and focus on driving operational efficiency and growth in this important and distinct area of the business
  - €0.3 million cost in Q212

- **Realignment of the organizational and management structure in North and Central Europe (former West & Central region)**
  - Significant client synergies between the Baltic and Scandinavian countries: operations in the Baltic countries form part of the North region
  - Simplified organization in the new Central Europe region
  - €0.7 million cost in Q212, mainly consisting of severance payments and legal fees

EBITA, Q212 vs. Q211



Q2 2012 main highlights – underlying performance

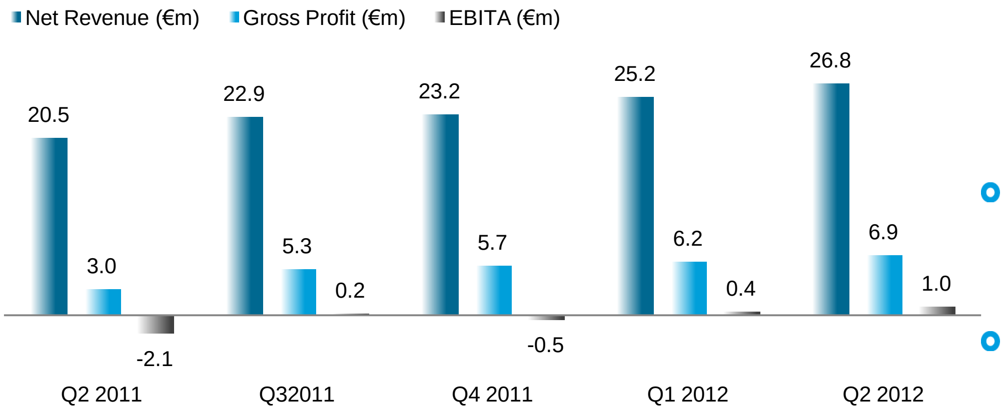
- **Revenue grew by 9.7%**
  - **€147.4m** vs. €134.3m

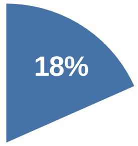
- **Gross margin improved by 2.5 percentage points**
  - 18.5% vs. 16.0%
  - Growth and improvement in performance in North America & Asia Pacific and South
  - Offshore mix in NAA

- **Net Debt €17.2m** vs. €89.1m in Q211
  - €71.9m improvement
  - Driven by significant improvement in working capital management

- **Net Debt/EBITDA covenant**
  - **0.77** compared to 4.2 in Q211

North America & Asia Pacific Region*





Percentage of Total Revenues

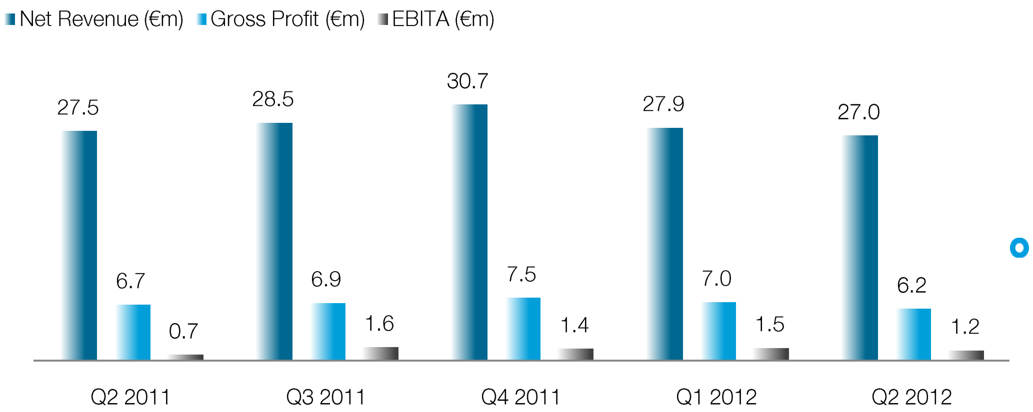
(€ millions)	2012 Apr-Jun	2011** Apr-Jun	Growth Y-o-Y	2011** Jan–Dec
Revenue	26.8	20.5	30.7%	90.9
Gross profit	6.9	3.0	125.3%	18.9
Gross margin	25.6%	14.8%	-	20.6%
EBITDA	1.4	-1.4	-	-0.1
EBITDA Margin	5.2%	-6.8%	-	-0.1%
EBITA	1.0	-2.1	-	-3.0
EBITA margin	3.8%	-10.7%	-	-3.5%

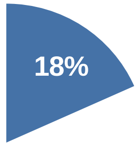
* Underlying performance, excluiding restructuring and other non-recurring costs

** Historical data reflects a reclassification of costs from depreciation to amortization

- **Revenue increased by 30.7%**
  - Continued expansion in the Philippines
  - New volumes and shift of volumes offshore
- **Gross margin up by 10.8 percentage points**
  - Higher share of volumes delivered from offshore sites in the Philippines
  - Increased operational efficiency and capacity adjustment
- **EBITA increased by €3.1m**
  - Driven by volumes and savings from restructuring program, partly offset by investments in the expansion of operations in Asia
- **Key priorities**
  - Acquisition of new clients
  - Offshore volume growth
  - Onshore capacity utilization
  - Scale volumes and sustain quality levels

West & Central Region*





Percentage of Total Revenues

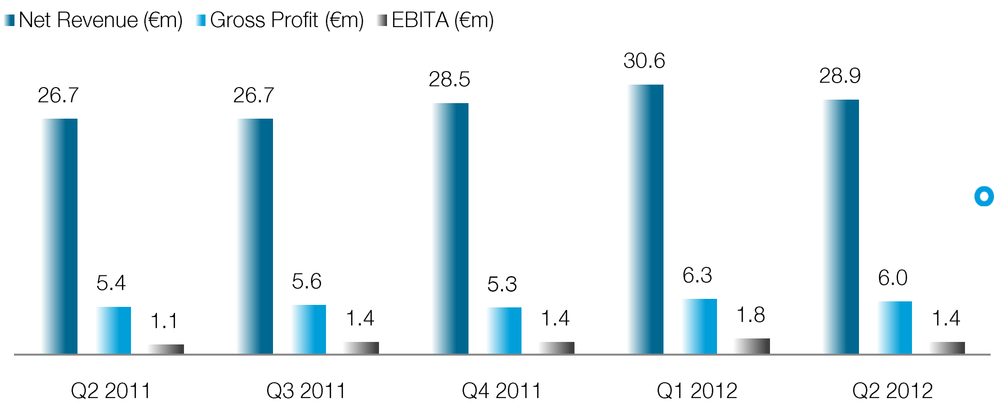
(€ millions)	2012 Apr-Jun	2011** Apr-Jun	Growth Y-o-Y	2011** Jan–Dec
Revenue	27.0	27.5	-1.8%	116.2
Gross profit	6.2	6.7	-6.3%	28.8
Gross margin	23.1%	24.0%	-	24.5%
EBITDA	1.5	1.2	24.0%	7.6
EBITDA Margin	5.4%	4.3%	-	6.6%
EBITA	1.2	0.7	76.8%	5.7
EBITA margin	4.3%	2.2%	-	4.6%

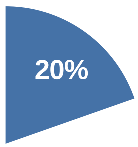
* Underlying performance, excluiding restructuring and other non-recurring costs

** Historical data reflects a reclassification of costs from depreciation to amortization

- **Revenue decreased by 1.8%**
  - Reporting change: volumes previously accounted for in WCE now accounted for in North America & Asia Pacific and South regions
  - Net of this change, revenue increased €1.3m .
- **Gross margin decreased by 0.9 percentage points**
  - Lower efficiency and activity in the CMS business.
- **EBITA increased by €0.5m**
  - Lower SG&A costs, mainly as a result of savings related to the restructuring program.
- **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

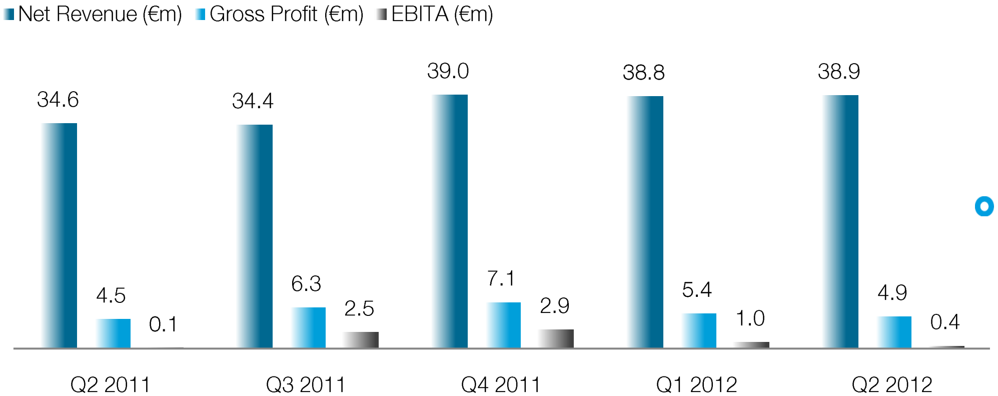
(€ millions)	2012 Apr-Jun	2011** Apr-Jun	Growth Y-o-Y	2011** Jan–Dec
Revenue	28.9	26.7	8.4%	108.9
Gross profit	6.0	5.4	12.2%	21.6
Gross margin	20.8%	19.9%	-	19.7%
EBITDA	1.9	1.6	16.8%	7.7
EBITDA margin	6.6%	6.1%	-	7.1%
EBITA	1.4	1.1	29.8%	5.4
EBITA margin	4.8%	3.7%	-	4.7%

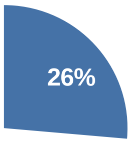
* Underlying performance, excluiding restructuring and other non-recurring costs

** Historical data reflects a reclassification of costs from depreciation to amortization

- **Revenue increased by 8.4%**
  - additional volumes with one of our largest clients in the telecommunications sector
  - Volume increases with other clients in Spain, as well as in Portugal
- **Gross margin increased by 0.9 percentage points**
  - Higher efficiency, partly offset by severance costs and higher salary costs in Chile
- **EBITA increased by €0.3m**
  - Driven by higher revenue and gross margin
- **Key priorities**
  - Growth Latin America (on- and offshore), new site in Lima, Peru.
  - Continue driving operational efficiency
  - Sales: funnel build-up and deal closure

North Region*





Percentage of Total Revenues

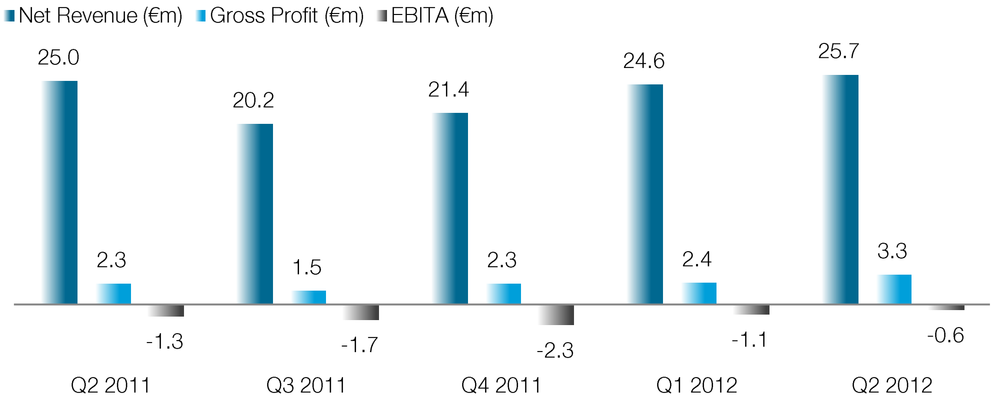
(€ millions)	2012 Apr-Jun	2011** Apr-Jun	Growth Y-o-Y	2011** Jan–Dec
Revenue	38.9	34.6	12.5%	145.4
Gross profit	4.9	4.5	9.4%	24.3
Gross margin	12.6%	12.7%	-	16.5%
EBITDA	0.6	0.5	29.9%	9.5
EBITDA margin	1.6%	1.3%	-	6.5%
EBITA	0.4	0.1	363.5%	8.1
EBITA margin	0.9%	0.0%	-	5.3%

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

** Historical data reflects a reclassification of costs from depreciation to amortization

- **Revenue increased by 12.5%**
  - Growth in the interpretation business
  - New volumes with installed base clients offset by volume reductions with client in the media sector
- **Gross margin flat**
  - Higher-than-expected attrition, which resulted in increased training costs and higher costs for temporary personnel.
  - Recruiting and training of temporary personnel for the summer season
- **EBITA increased by €0.3m**
  - Driven by higher volumes
- **Key priorities**
  - Stabilize ramp-up of new volumes
  - Continue improving operational efficiency
  - Sales: funnel build-up and deal closure

South Region*



(€ millions)	2012 Apr-Jun	2011** Apr-Jun	Growth Y-o-Y	2011** Jan–Dec
Revenue	25.7	25.0	2.8%	92.5
Gross profit	3.3	2.3	46.4%	7.2
Gross margin	12.8%	8.8%	-	7.6%
EBITDA	-0.4	-1.0	-	-6.1
EBITDA Margin	-1.7%	-3.9%	-	-6.6%
EBITA	-0.6	-1.3	-	-7.4
EBITA margin	-2.3%	-5.6%	-	-8.2%

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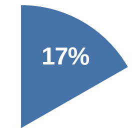

Percentage of Total Revenues

- **Revenue increased by 2.8%**
  - Growth in Italy offset a €2.2m negative impact following the disposals of two sites in France
  - Reporting change: volumes previously accounted for in WCE now accounted for in the South region (+€0.7m impact)
- **Gross margin increased by 4.0 percentage points**
  - Volume increases and efficiency improvements in Italy and offshore
  - Closure during Q212 of the Vélizy site in France
- **EBITA improved by €0.7m**
  - Driven by factors described above. SG&A costs increased slightly.
- **Key priorities**
  - France turnaround
  - Continue improving operational efficiency
  - Sales: funnel build-up and deal closure.

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Financial Statements

Consolidated Financial Summary

(€ m)	2012 Q2	2011* Q2	Change Y-o-Y	2011* Jan-Dec
Net revenue	147.4	134.3	9.7%	554.1
Gross profit	27.3	14.2	92.5%	97.7
EBITDA	3.9	-22.8	-	-14.4
EBITA**	2.4	-25.8	-	-24.0
EBIT	1.4	-26.8	-	-28.0
Net financial items	-0.7	0.0	-	-3.0
Profit before tax	0.7	-26.8	-	-31.0
Net income	-0.8	-27.9	-	-49.4
EPS (Euro cents)	0.0	-38.0	-	-62.0
Net cash flow from operations	-0.3	-3.3	-	25.7
Total weighted average outstanding number of shares before dilution ('000)	1,245,533	73,367	-	79,790

* Historical data reflects a reclassification of €0.3m in costs from depreciation to amortization

** Q2 2012 includes €1.0 million of non-recurring costs. Q211 includes €10.8 million of restructuring costs and €13.4 in non-recurring costs

- Net revenue **€147.4m** in Q212, up 9.7% compared to Q211.
- Gross margin increase of 8.2 percentage points. Excluding the restructuring costs in Q212 and Q211, gross margin was up by 2.5 percentage points, mainly driven by improvements in the North America & Asia Pacific and South regions.
- SG&A: €25.0 million vs. €29.2 million in Q211 (SG&A costs in Q211 included €7.2 million attributable to the restructuring program). The savings on SG&A generated out of the restructuring plan launched in Q211 were offset by significant investments in additional capacity, additional sales force and additional support functions.
- Net financial result: €-0.7 (€0.0m). Interest expense €-0.8 (€-0.9m).

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Financial Statements

Balance Sheet

	2012 June	2011 December	2011 June
Fixed Assets			
Goodwill	156.6	154.8	149.4
Intangible Assets	15.3	16.9	18.1
Other Fixed Assets	20.3	19.6	20.4
	192.2	191.3	187.9
Current Assets			
Short-term receivables	150.4	134.0	134.2
Cash and cash equivalents	53.8	52.1	37.7
	204.3	186.1	171.9
Total Assets	**396.5**	**377.4**	**359.8**
Shareholders' Equity	167.3	167.1	143.9
Long-term liabilities			
Long Term Bank Loan	66.0	65.3	0
Other long-term liabilities	23.6	26.1	18.9
	89.6	91.4	18.9
Short-term liabilities			
Short Term Bank Loan	5.0		126.8
Non-interest bearing liabilities	134.7	118.9	70.2
Total shareholders' equity and liabilities	**396.5**	**377.4**	**359.8**

- Net debt **€17.2** as at June 30, 2012**,** compared to **€89.1m** as at June 30, 2011
- Net Debt/EBITDA ratio in Q212 was **0.77**, compared to 4.2 in Q211.

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Relationships Revenue Results

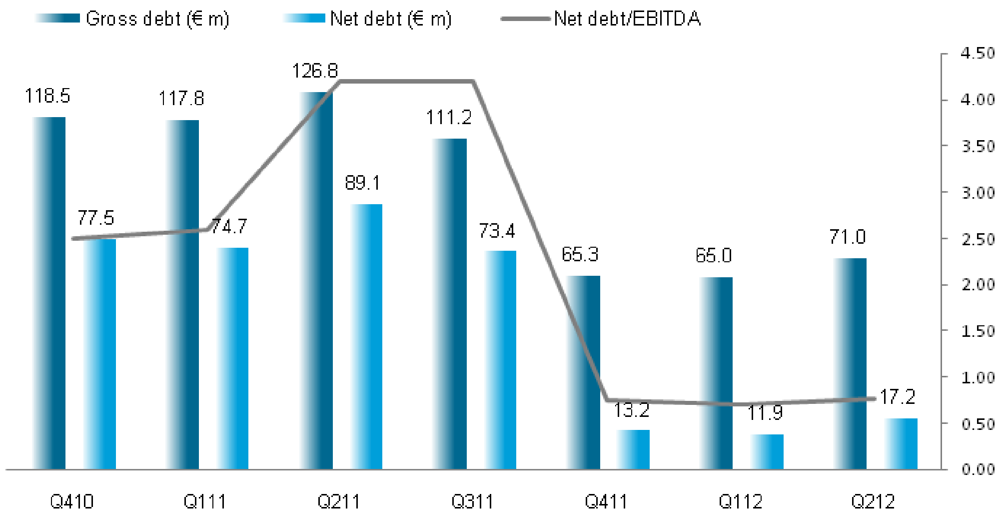
Financial Statements

Cash Flow

	2012 Apr – Jun	2011 Apr – Jun	2011 Jan – Dec
Cash flow from operations	4.9	-7.1	-2.9
Changes in working capital	-5.2	3.8	30.4
Net cash flow provided by operations	-0.3	-3.3	27.5
Capital expenditure	-3.5	-1.7	-5.2
Purchase of business	-0.2	-8.7	-8.7
Dividend paid	0.0	-0.1	-0.1
Financing activities	4.8	8.4	-2.3
Net cash flow	0.9	-5.4	11.1
Other Flow	-0.1	-	-
Opening liquid funds	53.1	43.1	41.0
Closing liquid funds	53.8	37.7	52.1

- Net cash flow provided by operations was **€-0.3m**, compared to €-3.3m in Q211
- Net working capital was €41.3 million, an increase of €5.0 million (€36.3 million in Q112).
  - Lower use of factoring
  - Continued strong focus on timely collections and controlled disbursements
  - Year-on-year, the improvement of working capital was €36.1 million
- Capex in Q212 was €3.5m

Debt & Leveraging



- Gross debt decreased by **€55.8m** vs. Q211
- Net Debt decreased by **€71.9m** compared to the Q211 level
- Net Debt/EBITDA ratio: **0.77** (4.2 in Q211)
- Interest charge **€0.8m** (€0.9m in Q211)

(€ millions)	Q212	Q112	Q411	Q311	Q211	Q111	Q410	Q310	Q210
Gross debt	71.0	65.0	65.3	111.2	126.8	117.8	118.5	118.4	133.1
Net debt	17.2	11.9	13.2	73.4	89.1	74.7	77.5	81.8	85.7
Net debt/EBITDA	0.77	0.71	0.75	4.2	4.2	2.6	2.5	2.3	2.3
Interest charge	-0.8	-0.7	-1.3	-1.1	-0.9	-0.6	-0.6	-0.4	-0.5

Key priorities

Short-term focus areas

- Establishment of CMS business unit
- Continuous focus on executing turnaround of underperforming areas
- Continued focus on revenue expansion and efficiency improvements
- Consolidate some of the Group Management functions to Stockholm.

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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