Transcom
Relationships Revenue Results

Q3 2011 Presentation

19 October 2011

Q311 highlights and significant events

Q3 financial results

As reported

Revenue	€132.7m
EBITA	€-5.1m

Underlying performance
(excluding €8.6m restructuring costs)

Revenue.	€132.7m
EBITA	€ 3.6m

Q3 highlights

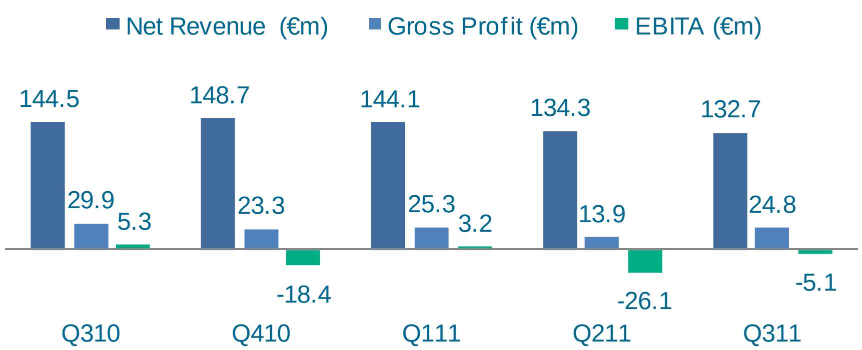
- Revenue.
  - €1.6m sequential erosion
  - France divestment €2.1m
  - Growth: NAA 11.7%, WC 3.6%
- Restructuring
  - €8.6m impact on Q3 results
  - Savings from restructuring: €1.9m
- Operational efficiency improvement: €3.6m in NAA and North regions
- Tax provision of €14.1m

Strengthening long term financing

- Rights issue of ~€50m
- New credit facility €125m

Q311 Group financial results

Group*



(€ millions)	Q311	Q211	Change Q-o-Q	Q310	Change Y-o-Y	FY2010
Revenue	**132.7**	134.3	-1.2%	144.5	-8.2%	**589.1**
Gross profit	**24.8**	13.9	78.4%	29.9	-17.1%	**118**
Gross margin	**18.7%**	10.3%		20.7%		**19.0%**
EBITA	**-5.1**	-26.1	-80.5%	5.3	-	**-3.7**
EBITA margin	**-3.8%**	-19.4%		**3.7%**		**-0.60%**
EPS (€)	**-0.31**	-0.38	-	0.04	-	**-0.11**
Net Debt	**73.4**	96.2	-23.7%	85.7	-14.4%	**77.5**

* Q311 includes €8.6m restructuring and other non-recurring costs and a €14.1m one-off tax provision
Q211 includes €24.2m restructuring and other non-recurring costs

- **Revenue: €132.7m**, down by 1.2% compared to Q211 and down by 8.2% compared to Q310
- **Gross margin: 18.7%** compared to 10.3% in Q211 and 20.7% in Q310
- **EBITA**: **€-5.1m,** up from €-26.1m in Q211 and down from €5.3m in Q310
- **EBITA margin**: **-3.8%**, up from -19.4% in Q211 and down from 3.7% in Q310.
- **Net currency impact**:
  Q-o-Q Revenue €-0.5m, EBIT €0.0m
  Y-o-Y Revenue €-2.5m, EBIT €-0.5m
- **EPS** at **€-0.31**, compared to €-0.38 in Q211 and €0.04 in Q310.
- Net Debt decreased by €15.7m to **€73.4m**; Current Net Debt / EBITDA ratio at **4.2** (4.2 in Q211)
- **Net cash flow from operations** up to €18.9m in Q311 compared to €-3.3m in Q211

Second phase of restructuring & rightsizing plan

- **Reported operating profit in Q3 2011 includes €8.6m in restructuring costs and other non-recurring costs related to the restructuring**
  - Restructuring costs of €7.4m
  - Other non-recurring items of €1.2 million
  - Cash impact €11.0m in H2 2011 (€0.7m in Q211)

Breakdown of restructuring and other non-recurring charges in Q2 2011

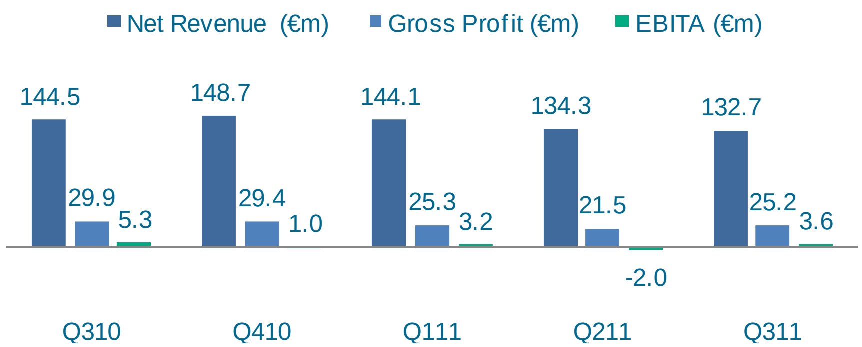
(€ millions)	North	West & Central	South	Iberia	TOTAL
Restructuring costs	1.6	0.0	5.2	0.6	**7.4**
Other non-recurring costs	0.6	0.6	0.0	0.0	**1.2**
Total	2.2	0.6	5.2	0.6	**8.6**

Tax provision increased by €14.1 million

- FY2003 through to FY2006 tax reassessment of €27.3 million (including penalties and accrued late payment interest).
- Court of Appeal issued an adverse ruling regarding a FY2003 tax dispute. Transcom will lodge an appeal in front of the Supreme Court.
- Company tax position is robust. The Withholding tax amounts (€11.7 million) claimed is legally not justified. Transcom increased the existing tax provision by **€14.1 million** in Q311. Total exposure €15.6m fully provided.
- Short term cash exposure: **€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.

Q311 underlying performance

Group*



(€ millions)	Q311	Q211	Change Q-o-Q	Q310	Change Y-o-Y	FY2010
Revenue	**132.7**	134.3	-1.2%	144.5	-8.2%	**589.1**
Gross profit	**25.2**	21.5	17.2%	29.9	-15.7%	**118.0**
Gross margin	**19.0%**	16.0%		20.7%		**20.0%**
EBITA	**3.6**	-1.9	-	5.3	-32.1%	**15.7**
EBITA margin	**2.7%**	-1.4%		**3.7%**		**2.7%**
EPS (€)	**0.00**	-0.05	-	0.04	-	**0.15**
Net Debt	**73.4**	96.2	-23.7%	85.7	-14.4%	**77.5**

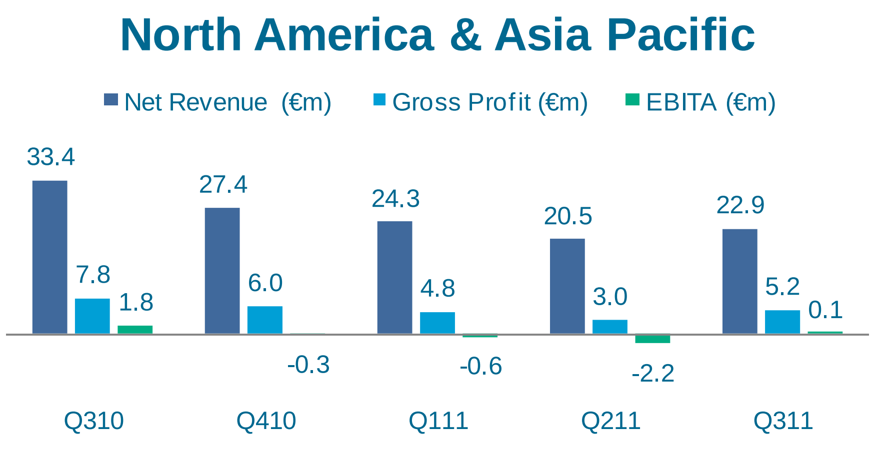
* Q311 excludes €8.6m restructuring and other non-recurring costs and a €14.1m one-off tax provision
Q211 excludes €24.2m restructuring and other non-recurring costs

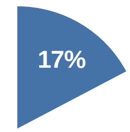
- **Revenue: €132.7m**, down by 1.2% compared to Q211 and down by 8.2% compared to Q310
- **Gross margin: 19.0%** compared to 16.0% in Q211 and 20.7% in Q310.
- **EBITA**: **€3.6m,** up from €-1.9m in Q211 and down from €5.3m in Q310.
- **EBITA margin**: **2.7%,** up from -1.4% in Q211 and down from 3.7% in Q310.
- **Net currency impact**:

  Q-o-Q Revenue €0.2, EBIT €0.1m
  Y-o-Y Revenue €-2.3m, EBIT €-0.5m
- **EPS** at **€0.00,** up from €-0.05 in Q211 and down from €0.04 in Q310.
- Net Debt decreased by €15.7m to **€73.4m**; Current Net Debt / EBITDA ratio at **4.2** (4.2 in Q211)
- **Net cash flow from operations** up to €18.9m in Q311 compared to €-3.3m in Q211

Transcom
Relationships Revenue Results

North America & Asia Pacific Region





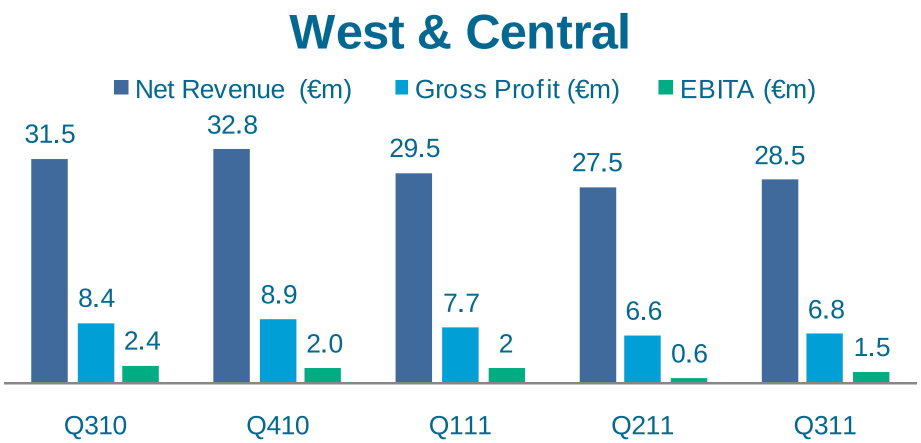
Percentage of Total Revenues

(€ millions)	Q311	Q211	Growth Q-o-Q	Q310	Growth Q-o-Q	FY2010
Revenue	**22.9**	20.5	11.7%	33.4	-31.4%	**131.8**
Gross profit	**5.2**	3.0	73.3%	7.8	-33.3%	**27.1**
Gross margin	**22.7%**	14.8%	-	23.4%	-	**20.6%**
EBITA	**0.1**	-2.2	-	1.8	-94.40%	**2.2**
EBITA margin	**0.4%**	-10.7%	-	5.4%	-	**1.7%**

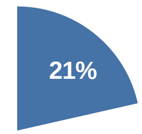
- **Revenue Q311 (Q211): €22.9 (€20.5m)**
  - 11.7% growth driven by installed base volume ramp-up in Asia
- **Gross margin Q311 (Q211): 22.7% (14.8%)**
  - Offshore volumes
  - Efficiency improvement measures
- **EBITA Q311 (Q211): €0.1m (€-2.2m)**
- **Key priorities**
  - Complete execution of restructuring plan
  - IB volume ramp-up
  - Sales: funnel build-up and deal closure.
  - Scale volumes and sustain quality levels

Transcom
Relationships Revenue Results

West & Central Region



(€ millions)	Q311	Q211	Growth Q-o-Q	Q310	Growth Q-o-Q	FY2010
Revenue	**28.5**	27.5	3.6%	31.5	-9.5%	**128.2**
Gross profit	**6.8**	6.6	3.0%	8.4	-19.0%	**35.1**
Gross margin	**23.9%**	24.0%	-	26.7%	-	**27.4%**
EBITA	**1.5**	0.6	141.9%	2.4	-37.5%	**10.0**
EBITA margin	**5.3%**	2.2%	-	7.6%	-	**7.8%**

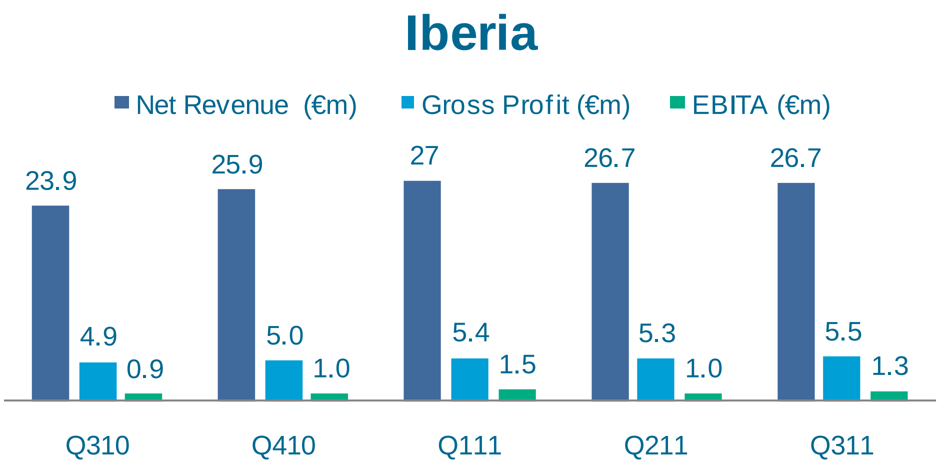


Percentage of Total Revenues

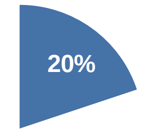
- **Revenue Q311 (Q211): €28.5m (€27.5m)**
  - Higher intake of collection cases
  - Inbound contact center volumes seasonally lower
- **Gross margin Q311 (Q211): 23.9% (24.0%)**
- **EBITA Q311 (Q211): €1.5m (€0.6m)**
  - EBITA in Q211 impacted by €0.7 million in one-off charges
- **EBITA margin**: **5.3%,** up from 2.2% in Q211 and down from 7.6% in Q310.
- **Key priorities**
  - Complete execution of restructuring plan
  - Sales: funnel build-up and deal closure.
  - Continue optimizing performance of collection business

Transcom
Relationships Revenue Results

Iberia Region



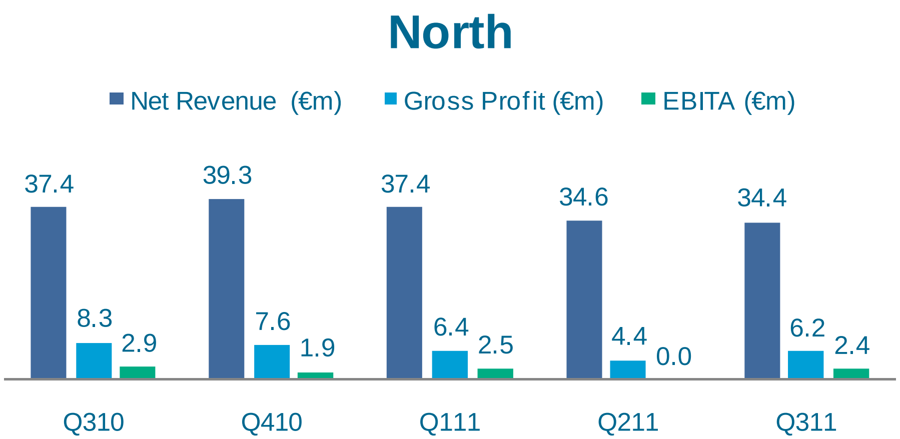
(€ millions)	Q311	Q211	Growth Q-o-Q	Q310	Growth Q-o-Q	FY2010
Revenue	**26.7**	26.7	0.0%	23.9	11.7%	**103.4**
Gross profit	**5.5**	5.3	5.8%	4.9	12.2%	**19.9**
Gross margin	**20.6%**	19.9%	-	20.5%	-	**19.2%**
EBITA	**1.3**	1.0	25.0%	0.9	44.4%	**4.1**
EBITA margin	**4.9%**	3.7%	-	3.8%	-	**4.0%**



Percentage of Total Revenues

- **Revenue Q311 (Q211): €26.7m (€26.7m)**
  - Continued ramp-up of new volumes offshore
  - Seasonally lower volumes onshore
- **Gross margin Q311 (Q211): 20.6% (19.9%)**
  - New volumes offshore
  - Cost savings from the restructuring program
- **EBITA Q311 (Q211): €1.3m (€1.0m)**
- **EBITA margin**: **4.9%,** up from 3.7% in Q211 and up from 3.8% in Q310.
- **Key priorities**
  - Sales: funnel build-up and deal closure.
  - Stabilize revenue ramp up
  - Continue improving operational efficiency

North Region



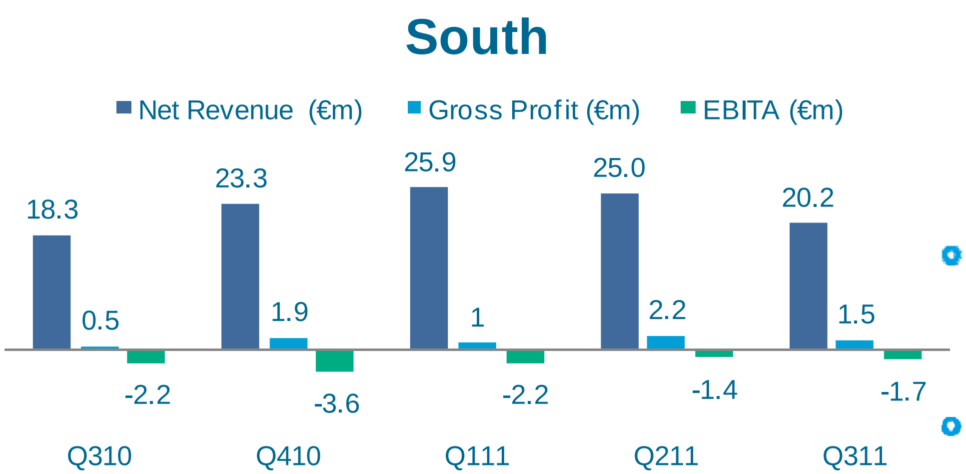
Percentage of Total Revenues

(€ millions)	Q311	Q211	Growth Q-o-Q	Q310	Growth Q-o-Q	FY2010
Revenue	**34.4**	34.6	-0.6%	37.4	-8.0%	**144.8**
Gross profit	**6.2**	4.4	40.1%	8.3	-25.3%	**29.2**
Gross margin	**18.0%**	12.7%	-	22.2%	-	**20.2%**
EBITA	**2.4**	0.0	-	3.9	-38.5%	**10.8**
EBITA margin	**7.0%**	0.0%	-	10.4%	-	**7.5%**

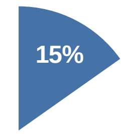
- **Revenue Q311 (Q211): €34.4m (€34.6m)**
  - Seasonally lower volumes
- **Gross margin Q311 (Q211): 18.0% (12.7%)**
  - Delivery model stabilized following Q2 challenges.
- **EBITA Q311 (Q211): €2.4m (€0.0m)**
- **EBITA margin**: **7.0%,** up from 0.0% in Q211 and down from 10.4% in Q310
- **Key priorities**
  - Complete execution of restructuring plan
  - Sales: funnel build-up and deal closure.
  - Continue driving operational efficiency

Transcom
Relationships Revenue Results

South Region



(€ millions)	Q311	Q211	Growth Q-o-Q	Q310	Growth Q-o-Q	FY2010
Revenue	**20.2**	25.0	-19.2%	18.3	10.4%	**80.9**
Gross profit	**1.5**	2.2	-31.8%	0.5	200.0%	**6.6**
Gross margin	**7.4%**	8.8%	-	2.7%	-	**8.2%**
EBITA	**-1.7**	-1.4	21.4%	-3.7	-54.1%	**-11.4**
EBITA margin	**-8.4%**	-5.6%	-	-20.2%	-	**-14.1%**



Percentage of Total Revenues

- **Revenue Q311 (Q211): €20.2m (€25.0m)**
  - Disposals of two sites in France €-2.1m
  - Seasonally lower volumes,
- **Gross margin Q311 (Q211): 7.4% (8.8%)**
  - Mainly driven by lower volumes
- **EBITA Q311 (Q211): €-1.7m (€-1.4m)**
- **EBITA margin**: **-8.4%,** down from -5.6% in Q211 and up from to -20.2% in Q310
- **Key priorities**
  - Finalise second phase of restructuring plan in France
  - Sales: funnel build-up and deal closure.
  - Continue driving operational efficiency

* FY2010 figures exclude impact of the intended divestment of two sites in France.

Financial Tables

Consolidated Financial Summary

€ million	Q3 2011	Q2 2011	Q3 2010	FY2010
Net Sales	132.7	134.3	144.5	589.1
Gross Profit	24.8	13.9	29.9	118.0
SG&A	-21.6	-22.0	-24.6	-102.3
Restructuring and other non-recurring costs	-8.3	-18.0	-	-19.4
EBITA	-5.1	-26.1	5.3	-3.7
Amortization	-0.7	-0.7	-0.7	-2.8
Operating Income	-5.8	-26.8	4.6	-6.5
Net financial items	-1.8	0.0	-0.4	0.9
Pre-tax Profit	-7.6	-26.8	4.1	-5.6
Net Income After Tax	-22.9	-27.9	3.3	-8.0
Basic Earnings Per Share (€)	-0.31	-0.38	0.05	-0.11
Total weighted average outstanding number of shares before dilution	73,366,893	73,366,893	73,366,893	73,333,230

- Net revenue **€132.7m** in Q311, down 1.2% compared to Q211
- Sequential gross margin increase of 8.4pp to 18.7**%** compared to 10.3% in Q211.
- SG&A: €29.9m. Excluding restructuring and other non-recurring costs, SG&A is €21.6m, slightly lower than the Q211 level.
- Net financial items: €-1.8. Interest expense (€-1.1m), FX loss (€-0.6m)

Financial Tables

Balance Sheet

€ million	30 Sep 2011	30 June 2011	31 Dec 2010
Fixed assets	**189.8**	**187.9**	**199.5**
Goodwill	152.1	149.4	152.3
Intangible Assets	17.5	18.1	22.5
Other fixed assets	20.2	20.4	24.7
Current assets	**185.1**	**171.9**	**174.0**
Short-term receivables	147.3	134.2	133.0
Cash and cash equivalents	37.8	37.7	41.0
Total assets	**374.9**	**359.8**	**373.5**
Shareholders' equity	**124.1**	**143.9**	**175.0**
Long-term liabilities	**33.9**	**18.9**	**134.0**
Short-term liabilities	**216.9**	**197.0**	**64.5**
Short-term bank loan	**111.2**	**126.8**	**-**
Non-interest bearing liabilities	**105.7**	**70.2**	**64.5**
Total shareholders' equity and liabilities	**374.9**	**359.8**	**373.5**

- Net debt **€73.4m** as at Sept 30 2011**,** compared to **€89.1m** as at June 30, 2011
- Net Debt/EBITDA ratio in Q311 was **4.2**, compared to 4.2 in Q211.

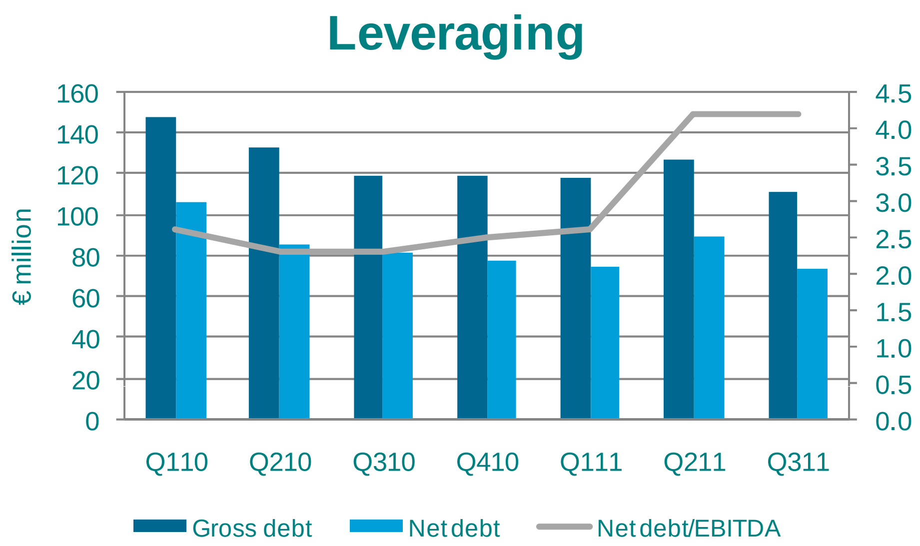
Financial Tables

Cash Flow

€ million	Q3 2011	Q2 2011	2010 Jan - Dec
Cash flow from operations	**2.7**	**-7.1**	**17.2**
Changes in working capital	16.2	3.8	11.9
Net cash flow provided by operations	**18.9**	**-3.3**	**29.1**
Capital expenditure	-0.9	-1.7	-4.8
Purchase of business	-	-8.7	-1.1
Dividend paid	-	-0.1	-0.2
Financing activities	-17.9	8.4	-18.8
Net cash flow	**0.1**	**-5.4**	**4.2**
Opening liquid funds	**37.7**	**43.1**	**36.8**
Closing liquid funds	**37.8**	**37.7**	**41.0**

- Net cash flow provided by operations was **€18.9m**, compared to €-3.3m in Q211
- Working capital decreased by **€16.2m** sequentially, as a result of an action plan started in Q211 aimed at improving collections of receivables
- Capex in Q311 was €0.9m
- Repayment of credit facility **€17.9m**

Debt & Leveraging



(€millions)	Q311	Q211	Q111	Q410	Q310	Q210	Q110	Q409
Gross debt	111.2	126.8	117.8	118.5	118.4	133.1	147.9	132.9
Net Debt	73.4	89.1	74.7	77.5	81.8	85.7	105.6	96.1
Net debt / EBITDA	4.2	4.2	2.6	2.5	2.3	2.3	2.6	2.2
Interest charge	-1.1	-0.9	-0.6	-0.6	-0.4	-0.5	-0.5	-0.5

- Gross debt decreased by **€15.6m** vs. Q211 and decreased by **€7.2m** compared to Q310
- Net Debt decreased by **€15.7m** in the quarter and by **€8.4m** compared to the Q310 level
- Net Debt/EBITDA ratio: **4.2**, compared to 4.2 in Q211, within renegotiated covenant thresholds
- Interest charge **€1.1m**

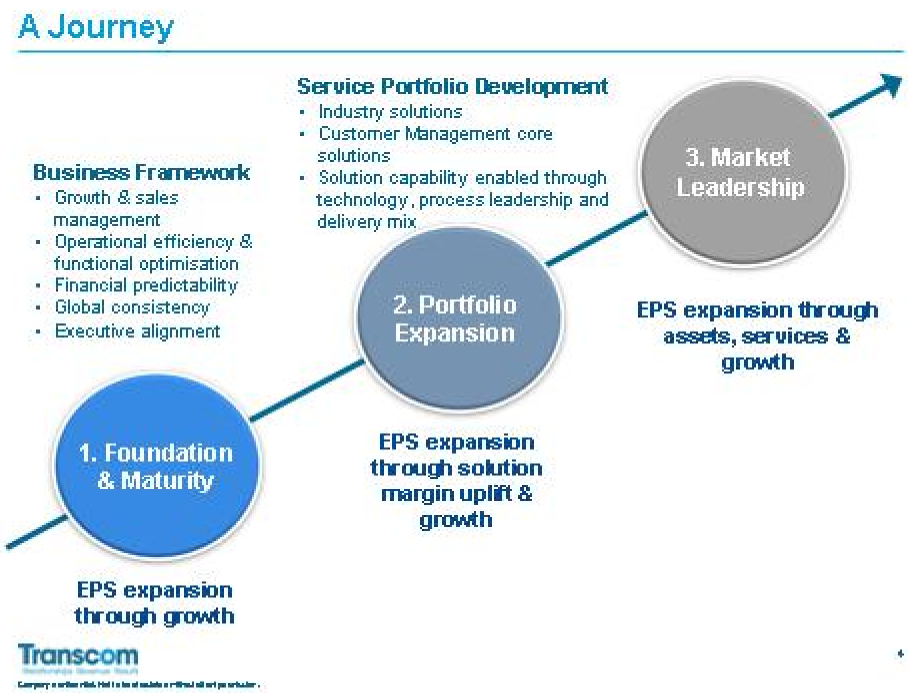
Transcom
Relationships Revenue Results

New credit facility agreed

- New credit facility agreed with current Bank pool **€125m, 3 year maturity.**
  - €50m term loan amortized starting Q113
  - €75m revolving credit facility
- New facility contingent upon completion of rights issue
- Terms & conditions similar to current facility
- Covenants:
  - Leverage: Net Debt / EBITDA
  - Interest coverage
  - Tight cash management discipline
- Cost of debt similar to current (Euribor + margin dependent on leverage)

CEO UPDATE

Next Steps in our Journey



Q3 achievements

- Stabilized revenue base and set up the foundation for Q4 growth
- Execution of restructuring plan delivered €1.9M savings
- Addressed operational inefficiencies
  - N America 11.7% growth
  - North 7% ebita margin
- EBITA of €3.6M, including €3.6M q-on-q operational improvement, ahead of plan
- Secured long term financial stability
  - Right Issue
  - Facility renewal

Q4 priorities

- Restructuring plan execution, operational efficiencies and growth remain as key priorities.
- Transformation plan

The journey continues...