



- **1ST SEMESTER 2007: RESULTS EXCEEDED OBJECTIVES**

REVENUES: €738.5 million, + 6%

NET PROFIT, GROUP SHARE: €46.1 million, +33%

- **YEAR 2007: GROWTH CONFIRMED AND STRONGER PROFITABILITY TREND**

Paris, August 30, 2007 – The consolidated accounts for the 1st semester 2007 submitted by the Board of Directors on August 28, 2007, highlighted the following results:

- ▶ **Based on published data, the Group's revenues** amounted to **€738.5 million** versus €696.4 million at June 30, 2006, **increasing by 6%**; **on a comparable basis** (excluding foreign exchange and scope of consolidation effects), the Group's increased its revenues by **6%**.
- ▶ **The Operating Profit** amounted to **€71 million**, versus **€63.9 million** at June 30, 2006, an increase of **11%**.
- ▶ **The Net Profit, Group share** amounted to **€46.1 million**, versus €34.7 million at June 30, 2006, representing an **increase of +33%**.



The main elements of the income statement are:

Condensed Consolidated Data (in millions of Euros)	06/30/2007	06/30/2006	12/31/2006
Revenues	738.5	696.4	1,385.2
EBITDA	100.3	91.1	186.9
	Rate	13.6%	13.3%
Net Operating Profit before financing costs	71.0	63.9	131.3
	Operating Margin	9.6%	8.9%
Net financial result	1.7	-8.1	-15.4
Income Tax	-25.3	-19.9	-41.9
Net Profit before gain on sale of discontinued operations	47.4	35.9	74.1
	Group share	46.1	70.9
Gain on sale of Discontinued Operations, net of tax	-	-	-
Net Profit	47.4	35.9	74.1
	Group share	46.1	70.9

The Teleperformance Group's financial structure was modified as follows:

Consolidated Financial Structure (in millions of Euros)	06/30/2007	06/30/2006	12/31/2006
Internally generated funds from operations	77.9	62.4	141.7
Change in Working Capital Requirements relating to operations	-18.9	-3.6	0.5
Net Cash Flow from Operating Activities	59.0	58.8	142.2
Net Capital Expenditures (Capex)	-29.4	-30.7	-59.5
Free Cash Flow	29.6	28.1	82.7
Net Financial Investments (investments in subsidiaries and affiliates)	-106.0	-6.8	-22.8
Total Equity	929.3	447.4	739.4
Group share	918.5	434.2	726.4
Net Financial Indebtedness		-181.9	
Net cash surplus	+175.6		+128.0

1/ 1st Semester 2007 Activity

In the 1st semester 2007 the Group's consolidated revenues, **based on published data**, amounted to **€738.5 million** versus €696.4 million in 2006, increasing by **6%**.

After deduction of the foreign exchange effects, the consolidated revenues **increased by 9.4%** over the first six months of the current financial year.

On a comparable basis, the revenues increased by **6%**.

The scope of consolidation effect represented a net positive impact of **€21.8 million**, mainly resulting from the transactions completed in the following regions:

✓ Transactions completed in 2006

- **Europe**: Acquisition of **TP Hungary**, which was consolidated as of the 2nd semester 2006 and acquisition of the **SCMG** Group in **Switzerland**, which was consolidated as of December 1, 2006.

- Sale of **European** market research operations during the 2nd semester 2006.



✓ **Transactions completed during the 1st semester 2007**

- **NAFTA region:** Sale of the US company **Noble Systems Corp.**, which was deconsolidated as of January 1, 2007.
- Sale of the French company **Présence +** (sales promotion and marketing services), which was deconsolidated as of May 31, 2007.
- Acquisition of the **German** group **Twenty4help Knowledge Service AG**, which was consolidated as of April 1, 2007.
- Acquisition of the **French** company **The Phone House Services Telecom**, which was consolidated as of May 1, 2007.
- Sale by MM Group (UK) of its shareholding in its subsidiary **TP Technologies**, effective as of June 30, 2007.

The **Group's revenues are distributed per region** as follows:

(in %)	06/30/07	06/30/06
Europe	52.7	47.5
NAFTA	35.9	40.8
Other	11.4	11.7
Total	100	100

Inbound activities represented **69% of the Teleperformance Group's revenues** in the 1st semester 2007, versus **66%** in the 1st semester 2006, increasing by 3 points.

B/ Profitability

The **Operating Profit** amounted to **€71.0 million** in the 1st semester 2007, versus €63.9 million in the 1st semester 2006, i.e., an increase of **11%**.

This result includes, up to €8.6 million, the proceeds generated by the sale of the Group's shareholding in the US company Noble Systems Corp., in TP Technologies (UK), as well as in Marketing Services operations (Design Board and Présence +), versus €0.9 million sales proceeds generated in 2006.

The Operating Profit was also impacted by an expense of €6 million equal to the value of the benefits acquired by employees under share award plans in 2006 and 2007.

As a result of the early termination of the Brasil Telecom contract, the Brazilian subsidiary's goodwill was tested for impairment and partially depreciated (up to €1.2 million).

Before depreciating the goodwill, **the operating margin rate was 9.8% at June 30, 2007** versus **9.2% in 2006**.

The **EBITDA** amounted to **€100.3 million**, versus €91.1 million in the 1st semester 2006, representing **13.6% of the revenues**, versus 13.1% at June 30, 2006 and 13.3% at December 31, 2006.

The **net financial result** in 2007 amounted to **€1.7 million** versus a net expense of €8.1 million in 2006.



It may be broken down as follows:

(in Millions of Euros)	06/30/07	06/30/06
IAS 32/39 Impact	-1.2	-2.5
Net Financial Interests	3.5	-5.5
Other	-0.6	-0.1
Total Financial Result	+1.7	-8.1

Such increase in the 1st semester 2007 mainly resulted from:

- The early redemption of the OCEANE convertible bonds in February 2007, which represented an expense of €3.5 million in the 1st semester 2006, including €0.9 million related to the implementation of the IAS 32/39;
- The financial result amounting to €4.6 million generated through financial investments based on the funds raised and not invested yet in the context of the cash increase in capital completed in November 2006.

The income tax amounted to **€25.3 million**, versus €19.9 million in the 1st semester 2006.

The **effective tax rate was 34.8%** versus 35.6% at June 30, 2006 and 36.1% at December 31, 2006.

The apparent tax rate was impacted by the consolidation adjustments related to the adoption of the IFRS (stock options and bonus shares, OCEANE convertible bonds in 2006, interest rate swaps, financial expenses related to minority interest purchase commitments, goodwill impairment loss), which did not give rise to deferred taxation, except for countries where local tax laws provide for tax deductions in relation to stock options and bonus shares.

Excluding the effect of these items, **the average tax rate was 33.6%** at June 30, 2007 (33.9% at June 30, 2006).

To be noted that no profit on sale of discontinued operations was recognized during the 1st semesters 2007 and 2006.

As a consequence, the Group' net profit amounted to €47.4 million, versus €35.9 million in the 1st semester 2006.

The Net Profit, Group share amounted to €46.1 million versus €34.7 million in the 1st semester 2006, increasing by +33%.

2 - FINANCIAL STRUCTURE AT JUNE 30, 2007

Total equity represented **€929.3 million**, including **€918.5 million share of the Group**.

The **internally generated funds from operations** during the 1st semester 2007 amounted to **€77.9 million** versus €62.5 million at June 30, 2006, increasing by **+25%**.

In addition, **the working capital requirements increased** by nearly €19 million mainly as a consequence of the **implementation of new contracts**, which led to significant outstanding invoices at the end of the 2nd quarter 2007.

The net cash flow generated by operating activities amounted to **€59 million**, like in 2006.

The Group's net financial indebtedness may be split as follows: (in millions of Euros)

	June 30, 2007	Dec. 31, 2006
Debts related to minority interest purchase commitments	54.0	48.6
OCEANE (convertible bonds)	-	158.3
Bank overdrafts and advances	34.0	24.6
Other liabilities	125.4	99.3
Total Financial Liabilities	213.4	330.8
Cash Assets and Cash Equivalents	389.0	458.8
Net Cash Surplus	175.6	128.0



The Group's net financial indebtedness was modified as follows: (in millions of Euros)

Net Cash at January 1, 2007	+128.0
Free Cash Flow	+29.5
Capital increases	+8.9
Net cash related to the scope of consolidation effects	-106.1
Conversion of the OCEANE bonds	+152.7
Dividends paid	-19.6
Purchase commitment to minority shareholders	-9.5
New finance lease agreements	-4.7
Translation differences	-2.7
Other	-0.9
Net Cash at June 30, 2007	+175.6

3 - OUTLOOK

Overall, the business trend for the second semester seems to be rather positive in the various industries. New major contracts have been signed and are under development in Europe as well as in the NAFTA region. The early termination of the Brasil Telecom contract should have little effect on the financial year 2007 and be offset in the future by the development of significant clients in Brazil and the Group's dynamic trend.

The management team has revised the Teleperformance Group's annual objectives for 2007 upwards, as follows:

- Revenues estimated at around €1,590 million, increasing by:

- +14%, based on published data
- +8% on a comparable basis.

- **Operating Profit** included between **€155 million and €159 million**, representing about 10% of the Group's revenues

- **Net Profit, Group share** included between **€92 million and €94 million, increasing by 31%** compared to 2006.

The objectives for 2007 have been updated based on the following exchange rate: **€1 = US\$ 1.35**.

The half-year financial report 2007 will be available both in French and English on our website www.teleperformance.com as of August 31, 2007.

About Teleperformance:

Teleperformance (Euronext: FR 0000051807), the **world's co-leading provider** of outsourced CRM and contact center services, **operates under various brands**, such as **Teleperformance** for customer acquisition, customer service and customer growth programs, as well as **TechCity Solutions** and **Cash Performance** respectively specializing in technical support and debt collection. In 2006, the Teleperformance Group achieved €1,385 million revenues (US\$1,824 million - exchange rate at December 31, 2006: €1 = US\$1.317).

The Group operates nearly **62,000 computerized workstations, with more than 70,000 employees (Full-Time Equivalents) across 292 contact centers in 44 countries** and conducts programs in more than 60 different languages and dialects on behalf of major international companies operating in various industries.

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