



Teleperformance – Financial results for the 1st semester 2008

- Revenues + 19.1%
- Net Operating Profit + 21.3%
- Net Profit, Group Share + 20.6%

Paris, August 29, 2008 – The consolidated accounts for the 1st semester submitted by the Board of Directors on August 29, 2008, highlighted the following results:

Condensed Consolidated Data (in million of euros)	June 30, 2008 6 months	June 30, 2007 6 months	Changes (in %)	Dec 31, 2007 12 months
Revenues	879.8	738.5	+19.1%	1,593.8
EBITDA	120.4	100.3	+20.0%	225.3
EBITDA rate	13.7%	13.6%		14.1%
Net Operating Profit	86.1	71.0	+21.3%	159.3
Operating Margin Rate	9.8%	9.6%		10.0%
Net Profit, Group Share	55.6	46.1	+20.6%	98.3

ACTIVITY

- Revenues

The consolidated revenues achieved over the first six months of the financial year 2008 were **€879.8 million** versus €738.5 million last year for the same period, increasing by **19.1% based on published data**.

If not considering the foreign exchange effect, the group's revenues **increased by 26.5%**.

Excluding foreign exchange and scope of consolidation effects, the group achieved an **organic growth rate of 11.6%** over the first six months of the year 2008.

THE GROUP'S REVENUES WERE BROKEN DOWN BY BUSINESS SEGMENT AS FOLLOWS:

At June 30 (in %)	2008	2007
Inbound services	72	69
Outbound services	24	27
Other*	4	4
Total	100	100

* Mainly market research operations



- Factors to consider to assess the activity over the 1st half of 2008

- ◇ Foreign exchange effect

The **negative foreign exchange effect over the 1st half of 2008** amounted to **€54.3 million**. Such effect mainly resulted from the rise of the euro against most currencies, and especially the U.S. Dollar and the Pound Sterling.

It may be broken down **per region** as follows:

-	NAFTA	-€45.8 million
-	Europe	-€6.8 million
-	Rest of the World	-€1.7 million

- ◇ Scope of consolidation effect

The **scope of consolidation effect** over the **1st half of 2008** represented a **net positive impact of €98.2 million** and may be split up as follows:

-	NAFTA	+€63 million
-	Europe	+€35.2 million

The main external growth transactions **impacting business results in the 1st half of 2008** were completed in 2007 in the following regions:

- **Europe**
Acquisition of the German group **twenty4help Knowledge Service AG**, which was consolidated as of April 1.
Acquisition of the French company The Phone House Services Telecom, which was consolidated as of May 1.
- ✓ **NAFTA region:**
Acquisition of the **US company Alliance One**, which was consolidated as of August 1.
Acquisition of the Mexican company **Hispanic Teleservices**, which was consolidated as of December 1.

Moreover, **early this year** the group **sold** the last two companies in the Marketing Services Division specializing in **training activities**. They were **deconsolidated as of January 1, 2008**.

The Equity investment in GN Research group, consolidated from June 30, 2008 had no effect on the revenue in the first half of 2008. This Equity investment materializes the group's new will to expand in the market research business.

- ◇ Base effect

The group's **business activity over the 2nd quarter 2008** was very sustained throughout the network and especially in the **European and NAFTA regions**, which reported **very strong organic growth rates**, i.e., **17.7%** and **23.2%** respectively.

Teleperformance benefited from a **very positive base effect** in both regions whereas in the **2nd quarter 2007** they had reported **low organic growth rates** of 5.3% and 5.5% respectively.

In the **2nd quarter 2008** the **organic growth rate** was **+14.6% throughout the network**, versus 5,2% at the same period in 2007.

Finally, for the first six months of the year 2008, Teleperformance reported an organic growth rate of **11.6%** versus 6% over the semester 2007.



PROFITABILITY

- The group's **Net Operating Profit** amounted to **€86.1 million** in the 1st half of 2008, versus €71.0 million in the 1st half of 2007, an increase of **21%**.
This result includes, up to €8.1 million, the proceeds generated by the sale of the group's shareholding in ISM and IDCC at the beginning of 2008 (versus €8.6 million sales proceeds generated in 2007).

The Net Operating Profit was also impacted by:

- an expense of €4.5 million equal to the value of benefits acquired by employees under share award plans in 2006 and 2007, versus €6 million at June 30, 2007.
- the implementation of the non-compete agreement as a consequence of the termination of managerial functions by the Chairman of the Board of Directors, Mr. Christophe Allard, whose indemnity represented a global expense of €6.3 million for the company. Provision for this expense was recognized in the 2008 half-year financial statements.

Impairment tests in respect of the Brazil cash-generating unit ("CGU") resulted in the recognition of a partial depreciation of the Brazilian subsidiary's goodwill (up to €1.5 million, versus €1.2 million in 2007).

Before depreciating the goodwill, **the operating margin rate was 10% at June 30, 2008 versus 9.8% in 2007.**

- The **EBITDA** amounted to **€120.4 million**, versus €100.3 million in the 1st half of 2007, representing **13.7% of the group's revenues**, versus 13.6% at June 30, 2007 and 14.1% at December 31, 2007.
- The **net financial result** in 2008 amounted to a net expense of €3.5 million versus a net income of €1.7 million in 2007.

FINANCIAL RESULT

in million of euros	06/30/08	06/30/07
IAS 32/39 Impact	-1.2	-1.2
Net financial interests	0	+3.1
Exchange rate differences	-2.5	+0.4
Other	+0.2	-0.6
Total	-3.5	+1.7

Such decline in the 1st half of 2008 mainly resulted from decreasing financial income generated through two acquisitions completed during the 2nd half of 2007 in the NAFTA region, as well as through translation losses incurred in the NAFTA region.

- The income tax was **€25.3 million**, comparable to the amount reported in the 1st half of 2007.
The effective tax rate was 30.6%, versus 34.8% at June 30, 2007 and 36.2% at December 31, 2007.
The effective rate of 34.8% in the first half of 2007 had been impacted by the derecognition of deferred tax assets where the probability of recovery had become uncertain (Brazil) and by expenses in Italy considered as permanently disallowable.
Excluding the effect of these items, the effective tax rate is 31.1% in the first half of 2007 compared with 30.6% in the first half of 2008.

To be noted that no profit on sale of discontinued operations was recognized during the 1st semesters 2008 and 2007.

- As a consequence, **the net profit amounted to €57.3 million**, versus €47.4 million in the 1st half of 2007.
The net profit, group share, amounted to **€55.6 million** versus €46.1 million in the 1st half of 2007, **increasing by +21%**.



FINANCIAL STRUCTURE AT JUNE 30, 2008

- Shareholders' equity amounted to **€976.9 million**, including **€962.5 million as the group share**.
- **The internally generated funds from operations** during the 1st half of 2008 amounted to **€61.8 million** versus €77.9 million at June 30, 2007. They were impacted by tax disbursements in the 1st half of 2008 in relation to deferred income generated through the buy-out transaction completed in 2007.

There is a large increase in working capital requirements, due to the following factors:

- Deferred income at the end of 2007 was reduced by €24 million in 2008.
- The strong internal growth in the second quarter of 2008 arising from new contracts, particularly in southern Europe, resulted in high invoicing at the end of the period.

- Considering all the above elements, net cash flow from operating activities resulted in a net deficit of €22.3 million in the 1st half of 2008.
 - Net cash outflow related to net capital expenditures amounted to €36 million in the 1st half of 2008, i.e., 4.1% of the group's revenues.
 - Transactions related to changes in the scope of consolidation resulted in a net cash surplus of €4.4 million.
 - And finally, the payment of 2007 dividends amounting to €26 million and the implementation of the program of buy-back shares for cancellation were translated into a net cash outflow of €2.2 million in the 1st semester. As a consequence, cash and cash equivalents, including effect of exchange rates for an amount of €3.7 million in the 1st half of 2008 decreased in the 1st half of 2008 by €86.9 million.

THE GROUP'S NET FINANCIAL MAY BE SPLIT AS FOLLOWS: (IN MILLION OF EUROS)

En millions d'euros	June 30, 2008	December 31, 2007	Change in %
Debts related to minority interest purchase commitments	- 47.4	- 56.4	+ 9.0
Other liabilities	- 127.1	- 129.5	+ 2.4
Total financial liabilities	- 174.5	- 185.9	+ 11.4
Cash assets and cash equivalents	231.4	318.3	- 86.9
Total net cash assets	+ 56.9	+ 132.4	- 75.5

OUTLOOK

The challenging economic environment impacts **some of Teleperformance clients' business volume forecasts**, therefore providing limited visibility for the 2nd half of the year. Then, the second semester should register a decrease in the revenue organic growth rate.

However, considering the business results achieved in the first half of 2008, **the group's management team maintains its annual objectives for the year 2008**, as announced during the last financial meeting which was held on May 21, i.e.:

- Revenues between €1,740 and €1,750 million, increasing by:
 - +9.5%, based on published data
 - +7.5% on a comparable basis (excl. foreign exchange and scope of consolidation effects),
- Net operating profit close to €182 million,
- Net profit, group share, at around €115 million, increasing by 17% compared to 2007.

The group's objectives for 2008 were defined based on the following exchange rate: €1 = US\$1.55.



HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

The company announced today that it has published and filed with the *Autorité des Marchés Financiers* (the French Securities Regulator) its half-year financial report as of June 30, 2008.

The half-year consolidated financial statements at June 30, 2008, in French and in English, can be consulted from August 29, 2008, after market close, on Teleperformance's website, at the following address: www.teleperformance.com

NEXT PUBLICATIONS

SFAF Meeting: November 26, 2008

ABOUT TELEPERFORMANCE:

Teleperformance (NYSE Euronext Paris: FR 0000051807), the **world's leading provider** of outsourced CRM and contact center services, has been serving companies around the world rolling out customer acquisition, customer care, technical support and debt collection programs on their behalf. In 2007, the Teleperformance group achieved €1.593 billion revenues (US\$2.182 billion – exchange rate at December 31, 2007: €1 = US\$1.37).

The group operates nearly **75,000 computerized workstations, with more than 83,000 employees (Full-Time Equivalents) across 281 contact centers in 45 countries** and conducts programs in more than 66 different languages and dialects on behalf of major international companies operating in various industries.

www.teleperformance.com

CONTACTS

TELEPERFORMANCE

Michel **PESCHARD**, Managing Director Finances, Member of the Board of Directors

+33 (0)1 55 76 40 80

info@teleperformance.com

LT VALUE – Investors Relations and Corporate Communication

Nancy Levain / Maryline Jarnoux-Sorin

nancy.levain@ltvalue.com

maryline.jarnoux-sorin@ltvalue.com

+33 (0)1 44 50 39 30 - +33 (0)6 72 28 91 44



CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Six months ended June 30

In thousands of euros	2008	2007
Revenue	879,799	738,452
Other revenue	13,335	12,756
Personnel	-624,646	-518,028
External expenses	-138,728	-127,103
Taxes other than income taxes	-8,799	-7,366
Depreciation and amortization	-32,841	-28,059
Impairment loss on goodwill	-1,500	-1,200
Change in inventory of finished goods and work-in-progress	-102	-84
Other operating revenue	5,717	2,759
Other operating expenses	-6,164	-1,091
Net operating profit before financing costs	86,071	71,036
Income from cash and cash equivalents	5,965	7,613
Interest on financial liabilities	-7,153	-6,449
Net financing costs	-1,188	1,164
Other financial income	3,194	7,676
Other financial expenses	-5,509	-7,115
Share of profit of associates	0	-11
Income taxes	-25,272	-25,329
Gain after taxes before gain on sale of discontinued operations	57,296	47,421
Gain on sale of discontinued operations, net of tax	-	-
Net profit	57,296	47,421
Attributable to equity holders of the parent	55,596	46,086
Attributable to minority interests	1,700	1,335
Earnings per share		
Basic earnings per share (euro)	1.01	0.84
Diluted earnings per share (euro)	0.99	0.83



CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

In thousands of euros	June 30, 2008	December 31, 2007
Assets		
Intangible assets	531,661	547,624
Including goodwill	516,920	532,748
Property, plant and equipment	171,705	166,245
Investment property		
Investments in associates		
Financial assets	13,802	9,718
Deferred tax assets	30,820	32,620
Total non-current assets	747,988	756,207
Inventories	557	641
Current income tax receivable	19,869	10,189
Accounts receivable – Trade	437,473	390,393
Other current assets	68,253	56,922
Other financial assets	5,218	9,507
Cash and cash equivalents	308,315	369,342
Non-current assets classified as held for sale	-	5,380
Total current assets	839,685	842,374
Total assets	1,587,673	1,598,581
Equity		
Attributable to equity holders of the parent	962,455	952,728
Minority interests	14,423	12,916
Total equity	976,878	965,644
Liabilities		
Long-term provisions	8,228	5,486
Financial liabilities	107,462	135,907
Deferred tax liabilities	11,341	9,672
Total non-current liabilities	127,031	151,065
Short term provisions	12,554	7,289
Current income tax	14,176	42,347
Accounts payable – Trade	74,800	75,309
Other current liabilities	238,339	253,231
Other financial liabilities	143,895	101,019
Non-current liabilities classified as held for sale	-	2,677
Total current liabilities	483,764	481,872
Total liabilities	610,795	632,937
Total equities and liabilities	1,587,673	1,598,581



FINANCIAL STRUCTURE AND NET CONSOLIDATED DEBT CHANGE TABLE

Consolidated Financial Structure (in million of euros)	June 30, 2008	June 30, 2007	December 31, 2007
Internally generated funds from operations (*)	61.8	77.9	180.9
Change in Working Capital Requirements relating to operations	-84.1	-18.9	-3.9
Net Cash Flow from operating activities	-22.3	59.0	177.0
Net Capital Expenditures (Capex)	-36.0	-29.4	-63.6
Net Financial Investments (investments in subsidiaries and affiliates)	+2.3	-106.0	-222.9
Total Equity	976.9	929.3	965.6
Attributable to equity holders of the parent	962.5	918.5	952.7
Net Cash Assets	56.9	175.6	132.4

(*)The decrease of the internally generated funds from operations is due to an income tax payment in 2008 relating to deferred income from the 2007 buy out transaction.

Before taking into account income tax paid, the internally generated funds from operations was €122.3 million versus €100.2 million as of June 30, 2007, **increasing by 22%**.

Net Cash Assets at January 1, 2008 - In million of euros		+ 132.4
Pre-tax cash flow	122.3	
- Income tax paid	- 60.4	
- Change in working capital requirements relating to operations:	- 84.1	
- Net Capital Expenditures (Capex)	- 36.0	
Free Cash Flow	-58.2	- 58.2
Capital increases		+1.4
Net cash related to the scope of consolidation effects		+ 4.2
Dividends paid		- 26.0
Purchase commitment to minority shareholders		+10.0
New finance lease agreements		- 5.5
Translation differences		+ 0.9
Buy-Back shares for cancellation		- 2.2
Other		- 0.1
Net Cash at June 30, 2008 - In million of euros		+56.9