



FINANCIAL YEAR 2006:

Teleperformance's results exceeded the objectives announced in November 2006

Sustained Growth Rate and Increased Profitability Ratios

REVENUES:	€1,385.2 million, +15.8%
INCOME FROM OPERATIONS:	€131.3 million, +23.8%
NET INCOME, GROUP SHARE:	€70.9 million, +21.6%
FREE CASH FLOW(*):	€82.7 million, +49.8%

Paris, March 15th, 2007 – The Teleperformance Supervisory Board met on March 15th, 2007 and examined the consolidated accounts for the financial year 2006, which highlighted the following results:

- ▶ **Revenues, based on published data, were €1,385.2 million** versus €1,195.8 million at December 31st, 2005, **increasing by 15.8%**. On a comparable basis (excluding foreign exchange and scope of consolidation effects), the Group's revenues **increased by 11.8%**.
- ▶ **Income from operations** amounted to **€131.3 million**, versus **€106.1 million** at December 31st, 2005, an increase close to **24%**. The **Operating Margin Rate** reached **9.5% of the Group's revenues**, versus **8.9%** at December 31st, 2005.
- ▶ **Net Income, Group Share, amounted to €70.9 million**, versus **€58.3 million** at December 31st, 2005, representing an **increase close to 22%**, exceeding the **€70 million objective** announced last November.
- ▶ **Free Cash Flow (*) strongly increased** and amounted to **€82.7 million**, versus **€55.2 million** at December 31st, 2005, i.e., **an increase close to 50%**.

A Positive Cash balance which amounted to €128 million at December 31st, 2006, versus a Net Financial Indebtedness of €178.6 million at December 31st, 2005.

- ▶ **A dividend of €0.37 per share, increasing by 23%, will be subject to the approval of the General Shareholders' Meeting on June 1st, 2007.**

(*) Net Cash Flow from operating activities after deducting net tangible and intangible investments.

Summary of Consolidated Accounts (in Millions of Euros)	31/12/2006	31/12/2005
Revenues	1,385.2	1,195.8
Income from Operations	131.3	106.1
Operating margin rate	9.5%	8.9%
Financial result	-15.3	-12.2
Tax expenses	-41.9	-33.1
Net Profit Before Discontinued Operations	74.1	60.8
Incl. Group Share	70.9	57.2
Net Profit from Discontinued Operations	-	1.5
Net Income	74.1	62.3
Incl. Group Share	70.9	58.2

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

Consolidated Financial Structure (in Millions of Euros)	31/12/06	31/12/05
Cash Flow	141.7	120.5
Change in Working Capital Requirements	+0.5	-17.8
Net Cash Flow from Operating Activities	142.2	102.7
Capex	-59.5	-47.5
Free Cash Flow	82.7	55.2
Net Financial Investments (Equity Shares)	-22.9	-8.0
Total Consolidated Shareholders' Equity	739.4	440.7
Consolidated Shareholders' Equity, Group Share	726.4	426.7
Financial Liabilities	-306.2	-330.4
Including Current Financial Liabilities	-245.5	-147.7
Cash & Cash Equivalents (excluding bank credits)	+434.2	+151.8
Net Cash / Net Financial Indebtedness*	+128.0	-178.6

* including financial expenses related to minority interest purchase commitments:

49.3

56.4

I.- 2006 ANNUAL ACTIVITY REPORT

Consolidated revenues amounted to **€1,385.2 million**, i.e. a **15.8% increase** based on published data. **If not considering the foreign exchange effect**, the consolidated revenues would have **increased by 14.7%**.

On a comparable basis (excluding foreign exchange and scope of consolidation effects), the Group's revenues grew by **11.8%**, and this increase was equally split over the network:

-NAFTA:	+11.1%
-Europe:	+12.3%
-Other:	+12.2%

The main **external growth transactions** were achieved in:

- ✓ **the NAFTA region** with the acquisition of **MCCI (Canada)**, which was consolidated as of January 1st, 2006
- ✓ **Europe** in the following countries:
 - Russia: Direct Star**, which was consolidated as of January 1st, 2006
 - Hungary: Photel**, which was consolidated as of July 1st, 2006
 - Switzerland: SCMG**, which was consolidated as of December 1st, 2006.

The **geographical distribution (in %)** of Teleperformance's revenues was modified as follows:

In %	31/12/06	31/12/05	Variation
Europe	46.5	48.6	-2.1
<i>including France</i>	<i>21.4</i>	<i>23.4</i>	<i>-2</i>
NAFTA(*)	41.0	40.0	+1.0
Other	12.5	11.4	+1.1
Total	100	100	

(*) North America and Mexico

II. PROFITABILITY

Income from operations amounted to **€131.3 million**, versus €106.1 million in 2005, **an increase close to 24%**.

The Operating Margin Rate represented **9.5%** of the Group's revenues, versus **8.9%** in 2005.

This result includes:

- an **expense of €5.2 million**, corresponding to the evaluated amount of benefits obtained by the Teleperformance employees with the implementation of the **stock option plans** granted in June 2004 and August 2006.

- a **net income of €4.2 million**, generated by the sale of investments in affiliates and an investment property in 2006.

The **EBITDA** amounted to **€186.9 million**, representing **13.5%** of the Group's revenues.

Net financial expenses increased by €3.1 million, amounting to **€15.3 million**, versus €12.2 million in 2005. **To the extent of €1.7 million, this increase** resulted from the **impact of the IAS 32/39 implementation** corresponding to a **financial expense of €5.9 million** in 2006 versus €4.2 million in 2005.

The **corporate tax** amounted to **€41.9 million**, versus €33.1 million in 2005.

The **average tax rate** amounted to **36.1%**, versus 35.2% at December 31st, 2005.

This **rate was impacted by consolidation adjustments** related to the application of IFRS (impairment loss, share-based payments, OCEANE bond issue, interest rate swap, financial expenses related to minority shareholder commitments), which were not tax deductible.

Excluding the effect of these items, the **average tax rate** was **32.6%** in 2006, versus 31.4% in 2005.

As a result, the Group's **net income** amounted to **€74.1 million**, versus €62.3 million in 2005.

As **Group Share**, it amounted to **€70.9 million**, versus €58.3 million in 2005, **an increase close to 22%**.

III. FINANCIAL STRUCTURE

The Teleperformance Group's **Net Cash balance** was positive and amounted to **€128 million** at December 31st, 2006 versus a **Net Financial Indebtedness of €178.6 million** in 2005.

Financial Liabilities amounted to **€306.2 million**, including **€158.3 million** related to the **OCEANE bonds**.

At December 31st, 2006, **Total Consolidated Shareholders' Equity** represented **€739.4 million**, including **€726.4 million as Group Share**, versus **€426.7 million** in 2005.

The **main variations** recorded in the **balance sheet** were related to:

- **the capital increase** -a net amount of **€257.1 million**- completed in **November 2006**.
- **the reclassification of the OCEANE bonds to current financial liabilities**, as agreed in **January 2007** to implement the anticipated redemption clause included in the Information Note.
- **the reduction of the Group's consolidated net indebtedness** resulting from the significant increase in free cash flow from ordinary activities, which reached **€82.7 million last year**, versus **€55.2 million** in 2005.

Cash Flow from operating activities amounted to **€141.7 million** in 2006, versus **€120.5 million**, an increase of **17.6%**.

In 2006, the Teleperformance Group's **working capital requirements strongly reduced**. Excluding foreign exchange and scope of consolidation effects, working capital requirements decreased by **€0.5 million** in comparison with 2005.

Such improvement is related to:

- **the Group's strong growth rate** recorded at the end of the year 2005, which had contributed to the increase in working capital requirements on the date of closing of the accounts,
- the policy that has been implemented within the Group for one year, aiming at **reducing the receivables collection period**.

As for **Capex**, in 2006 they represented a net amount of **€59.5 million** (not including finance lease transactions), versus **€47.5 million** in 2005.

This figure includes the sale of a **building** located in Puteaux (France), i.e., an amount of **€1.7 million**.

Free Cash Flow eventually amounted to **€82.7 million**, versus **€55.2 million** at December 31st, 2005, i.e., an increase close to **50%**.

Disbursements related to **external growth transactions** reached **€27.1 million** over the same period. **These transactions** were mainly achieved in **Europe (Russia, Hungary and Switzerland)** and in **South America (Argentina and Brazil)**.

Disposal of investments in affiliates generated **cash (net of taxes) of €4.2 million**, mainly resulting from the **disposal of non-strategic activities**, as well as from the sale of the Group's European **Market Research** operations.

Net cash inflows related to financing activities amounted to **€228.6 million**.

The amount of **dividends distributed** by the Teleperformance Group was **€14.5 million**, including **€3.9 million** distributed by the subsidiaries to minority shareholders.

Financial liabilities decreased by a net amount of **€14.5 million**.

Finally, considering all these transactions and excluding foreign exchange and scope of consolidation effects, in 2006 the Group's Net Cash Flow increased by €288.6 million, including €257.1 million from the capital increase.

The evolution of the Group's net financial indebtedness (in Millions of Euros) was as follows:

Net Financial Indebtedness at January 1st, 2006	-178.6
Free Cash Flow(*)	+82.7
Net Impact from the scope of consolidation effects	-22.9
Dividends paid out	-14.5
Translation adjustments	+2.3
Other (including leasing and swaps)	+1.9
Variation before capital increase	+49.5
Capital Increase	+257.1
Net Cash Balance at December 31st, 2006	+128.0

(*) Net Cash Flow from operating activities after deducting net tangible and intangible investments

IV.- DIVIDENDS IN 2006 = €0.37 distributed per share

During the Shareholders' General Meeting which will be held on June 1st, 2007, the Board of Directors will suggest to set the dividend amount to €0.37 per share, increasing it by 23%.



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 31st, 2006: €1 = US\$1.317).

The Group operates nearly 56,500 computerized workstations with more than 70,000 employees (Full-Time Equivalents) across 263 contact centers (including 91 contact centers directly managed in clients' premises) in 42 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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