

Year-end report 2016

Fourth Quarter 2016

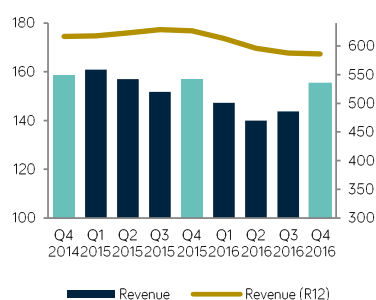
- **Net revenue** €155.2 million, a 1.0% decrease compared to Q4 2015 (156.9). Organic growth was +1.4%.
- **EBIT** was €9.0 million (4.1), representing an EBIT margin of 5.8%, compared to 2.6% in Q4 2015 (4.1% excluding non-recurring items).
- **Net income** €8.1 million (0.3).
- **Operating cash flow** €9.6 million (9.4).
- **EPS** 31.0 Euro cents (1.0).
- On December 21, Altor made a public cash offer to Transcom's shareholders, offering SEK 87.50 per share.

January-December 2016

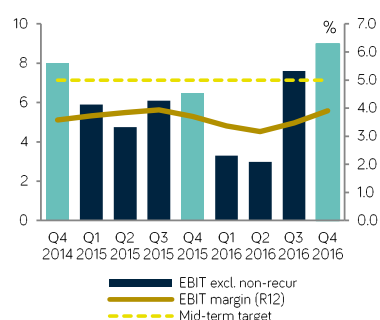
- **Net revenue** €586.1 million (626.5), a 6.4% decrease. Organic revenue decreased by 4.4%.
- **EBIT** was €23.4 million (20.0), representing an EBIT margin of 4.0% (3.2%). EBIT excluding non-recurring items was €22.9 million (23.2), corresponding to an EBIT margin of 3.9% (3.7%).
- **Net income** €16.1 million (8.7).
- **Operating cash flow** €5.0 million (20.6).
- **EPS** 61.5 Euro cents (33.2).
- **Net debt/EBITDA** 0.6 (0.6).
- The Board will make a decision concerning a potential dividend for 2016 ahead of the notice to the AGM.

(€m)	2016 Q4	2015 Q4	Change Y-o-Y	2016 Jan-Dec	2015 Jan-Dec	Change Y-o-Y
Revenue	155.2	156.9	-1.0%	586.1	626.5	-6.4%
EBITDA	11.2	6.5	71.0%	31.7	29.1	8.7%
EBITDA margin	7.2%	4.2%	-	5.4%	4.6%	-
EBIT	9.0	4.1	121.5%	23.4	20.0	17.2%
EBIT margin	5.8%	2.6%	-	4.0%	3.2%	-
EBIT excl. non-recurring items	9.0	6.5	39.2%	22.9	23.2	-1.1%
EBIT margin excl. non-recurring items	5.8%	4.1%	-	3.9%	3.7%	-
Profit before tax	9.8	4.0	145.3%	21.2	17.4	21.8%
Net income	8.1	0.3	-	16.1	8.7	86.1%
EPS (Euro cents)	31.0	1.0	-	61.5	33.2	85.5%
Cash flow from operating activities	9.6	9.4	1.8%	5.0	20.6	-75.8%
Net debt / EBITDA	0.6	0.6	-	0.6	0.6	-

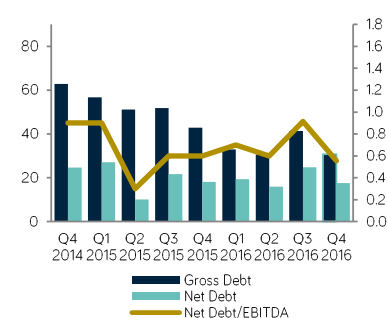
Revenue



EBIT



Debt & Leveraging





The improved operational efficiency we saw in Q3 continued into this quarter. Capacity utilization in the English-speaking markets & APAC region continued to improve compared to the first two quarters of the year, as we are ramping up new business with several clients. The North Europe and Continental Europe regions also delivered better results this quarter, on the back of higher business volumes and improved efficiency. Our improved results are fully in line with the outlook that we disclosed in our Q1 2016 and Q2 2016 reports. Also, our reported revenue and EBIT fall in the upper range of the financial guidance that we released on December 21, 2016.

Higher capacity utilization in Q4

After a challenging first half of 2016, with an unexpected temporary volume drop in the English-speaking markets & APAC region, as well as soft volumes in the telecom sector in North Europe, our results have significantly improved. Our efforts to win new business in order to fill unused capacity in the English-speaking markets & APAC region started to yield good results during the third quarter, and this trend continued into the fourth quarter, with a fast-improving utilization of available capacity. In Europe, solid growth with clients in other sectors has compensated for lower telecom volumes. The full-year and Q4 financials clearly reflect this positive progression during the year.

Improved EBIT margin

We delivered an EBIT margin of 5.8% in the fourth quarter, compared to 4.1%, excluding non-recurring items, in the same quarter 2015. Profitability also improved compared to Q3 2016. On a rolling twelve-month basis, our EBIT margin improved from 3.5% in Q3 2016 to 3.9% in Q4 2016. Higher efficiency and cost savings in Europe and new business in the English-speaking markets & APAC region were the main factors behind the improvement. The realignment of our regional management structure in the Continental Europe region, estimated to yield €2.9 million in annual cost savings, was fully implemented during the fourth quarter. We are now within reach of our goal to generate an EBIT margin of at least five percent, reaching an average EBIT margin of 5.5% in the six-month period between July and December 2016. Transcom's financial position is strong. Net debt/EBITDA was 0.6 at the end of 2016, well within the financial covenant threshold and Transcom's target.

Public cash offer to the shareholders of Transcom

On December 21, 2016, Altor AB announced a public cash offer to the shareholders of Transcom, offering SEK 87.50 in cash per share, corresponding to a total value for all outstanding shares in Transcom of SEK 2,294 million. More information about Altor's offer can be found on altor.com/transcomoffer. Transcom's independent Bid Committee unanimously recommends that the shareholders of Transcom accept the offer. The acceptance period for the offer commenced on January 16, 2017 and will expire on or around February 21, 2017, subject to any extensions. Altor has stated that they support Transcom's strategy, and – if the shareholders accept the offer – they are planning to accelerate the implementation of some activities, increase investments to support digitalization and also make targeted acquisitions.

Johan Eriksson, President and CEO of Transcom

Group financial overview

(€m)	2016 Q4	2015 Q4	Change Y-o-Y	2016 Jan-Dec	2015 Jan-Dec	Change Y-o-Y
Revenue	155.2	156.9	-1.0%	586.1	626.5	-6.4%
EBITDA	11.2	6.5	71.0%	31.7	29.1	8.7%
EBITDA margin	7.2%	4.2%	-	5.4%	4.6%	-
EBIT	9.0	4.1	121.5%	23.4	20.0	17.2%
EBIT margin	5.8%	2.6%	-	4.0%	3.2%	-
EBIT excl. non-recurring items	9.0	6.5	39.2%	22.9	23.2	-1.1%
EBIT margin excl. non-recurring items	5.8%	4.1%	-	3.9%	3.7%	-
Profit before tax	9.8	4.0	145.3%	21.2	17.4	21.8%
Net income	8.1	0.3	-	16.1	8.7	86.1%
EPS (Euro cents)	31.0	1.0	-	61.5	33.2	85.5%
Cash flow from operating activities	9.6	9.4	1.8%	5.0	20.6	-75.8%
Net debt / EBITDA	0.6	0.6	-	0.6	0.6	-

Q4 2016

REVENUE

Revenue amounted to €155.2 million (156.9), a decrease of 1.0%. Organic revenue increased by €2.2 million (+1.4%) compared to the same quarter last year. Currency effects had a €0.9 million negative effect (-0.6%). The divestment of CMS Denmark in Q1 2016 had a €2.9 million negative impact (-1.9%).

EBIT

EBIT amounted to €9.0 million in the quarter, compared to €4.1 million in Q4 2015 (6.5 excluding non-recurring items). The EBIT margin was 5.8%, compared to 2.6% in Q4 2015 (4.1% excluding non-recurring items). Transcom's EBIT margin development on a rolling 12-month basis increased from 3.5% to 3.9% during the quarter.

NON-RECURRING ITEMS

No non-recurring items in the quarter.

NET FINANCIAL ITEMS

Net financial items amounted to positive €0.8 million (-0.0), mainly due to foreign exchange gains during the quarter.

TAXES

Tax expenses in the quarter amounted to €1.7 million (3.7) with an effective tax rate of 17% (94%). Last year's tax expense included a tax audit provision of €2.5 million. Excluding the tax audit provision, the effective tax rate was 31%. The effective tax rate has improved during the quarter due to improved overall result and lower losses where no deferred tax asset can be recognized.

NET INCOME

Net income was €8.1 million (0.3).

EARNINGS PER SHARE

Earnings per share amounted to 31.0 Euro cents (1.0).

CASH FLOW

Cash flow was negative €3.4 million (-5.9). Operating cash flow amounted to €9.6 million (9.4).

January - December 2016

Revenue (€m)	Q4	%	Jan-Dec	%
2015	156.9	-	626.5	-
Divested business	-2.9	-1.9	-11.4	-1.8
Currency translation effect	-0.9	-0.6	-1.3	-0.2
Organic growth	2.2	1.4	-27.7	-4.4
2016	155.2	-1.0	586.1	-6.4

REVENUE

Revenue amounted to €586.1 million (626.5), a 6.4% decrease. Organic revenue decreased by €27.7 million (-4.4%) compared to the same period 2015. Currency effects had a €1.3 million negative effect (-0.2%). The divestment of CMS Denmark had a €11.4 million negative impact (-1.8%).

EBIT

EBIT amounted to €23.4 million (20.0). The EBIT margin in 2016 was 4.0% (3.2%). EBIT excluding non-recurring items was €22.9 million (23.2) with a corresponding margin of 3.9% (3.7%).

NON-RECURRING ITEMS

Non-recurring items amounted to positive €0.5 million for the period (-3.2), and consisted of €3.0 million restructuring costs related to changes to the regional and management structure, and a positive €3.5 million capital gain from the divestment of CMS Denmark.

NET FINANCIAL ITEMS

Net financial items amounted to negative €2.2 million (-2.6). The negative effect was mainly due to foreign exchange losses during the year.

TAXES

Tax expenses amounted to €5.1 million (8.7) with an effective tax rate of 24% (50%). The effective tax rate is affected by losses for which no deferred tax asset can be recognized. Last year's tax expense included a €2.5 million tax audit provision. Excluding the tax audit provision the effective tax rate was 36%.

NET INCOME

Net income was €16.1 million (8.7).

EARNINGS PER SHARE

Earnings per share amounted to 61.5 Euro cents (33.2).

CASH FLOW

Cash flow was negative €9.3 million (-15.1). Operating cash flow amounted to €5.0 million (20.6) and is mainly due to negative working capital and negative cash flow effects from restructuring costs recorded at the end of last year as well as at the beginning of the year. Cash flow from investments was positively impacted by the sale of CMS Denmark in Q1, amounting to €12.6 million. A dividend amounting to €4.9 million was paid to the shareholders in Q2.

FINANCIAL POSITION

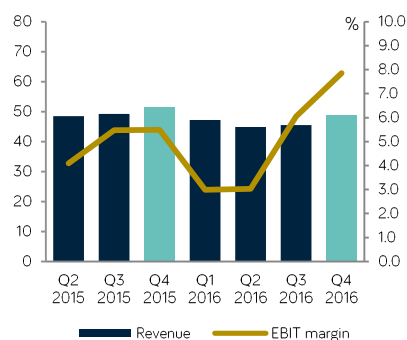
Gross debt decreased from €41.4 million in the previous quarter to €30.8 million. Net debt decreased from €24.7 million to €17.6 million as a result of the divestment of CMS Denmark. The cash position has been reduced compared to last year and amounts to €15.7 million (24.8). Net debt/EBITDA amounts to 0.6 and is well within the financial covenant threshold and Transcom's financial target.

Quarterly development by region

(€m)	2016 Q4	2015 Q4	Change Y-o-Y	Organic growth	2016 Jan-Dec	2015 Jan-Dec	Change Y-o-Y	Organic growth
North Europe	49.0	51.6	-5.0%	3.0%	186.6	201.9	-7.6%	-1.0%
Continental Europe	63.6	61.8	2.8%	2.9%	248.8	262.4	-5.2%	-5.1%
English-speaking markets & APAC	39.5	40.1	-1.6%	-2.2%	138.7	149.2	-7.0%	-7.6%
Latin America	3.1	3.3	-4.8%	-4.8%	12.0	13.1	-8.0%	-8.0%
Revenue	155.2	156.9	-1.0%	1.4%	586.1	626.5	-6.4%	-4.4%
North Europe	3.9	2.8	36.1%	-	9.4	10.0	-6.7%	-
Continental Europe	2.9	1.4	108.1%	-	9.2	9.5	-3.5%	-
English-speaking markets & APAC	2.1	2.8	-23.8%	-	4.5	7.3	-38.1%	-
Latin America	0.2	-0.5	-135.2%	-	-0.2	-3.7	-95.7%	-
EBIT excl. non-recurring items	9.0	6.5	39.2%	-	22.9	23.2	-1.1%	-
North Europe	7.9%	5.5%	-	-	5.0%	5.0%	-	-
Continental Europe	4.5%	2.2%	-	-	3.7%	3.6%	-	-
English-speaking markets & APAC	5.3%	6.9%	-	-	3.2%	4.9%	-	-
Latin America	5.7%	-15.4%	-	-	-1.3%	-28.0%	-	-
EBIT margin excl non-recurring items	5.8%	4.1%	-	-	3.9%	3.7%	-	-

NORTH EUROPE

Revenue & EBIT margin



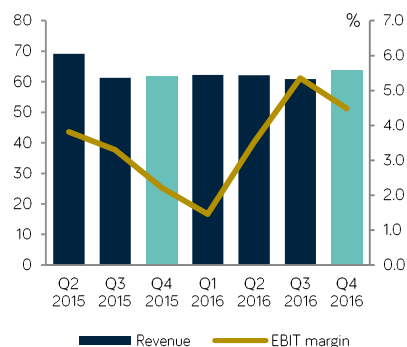
Revenue in the quarter amounted to €49.0 million (51.6), a 5% decrease. Organic revenue growth was +3.0% compared to the same period last year. The divestment of CMS Denmark during Q1 2016 had a 5.8% negative impact on the revenue comparison, and currency movements had a 2.3% negative impact. The organic revenue growth was mainly attributable to higher business volumes in the Netherlands, the Baltics, and in the Swedish interpretation business (Transvoice). We also saw good growth with some clients in Sweden, mainly in the hospitality and retail sectors. Lower business volumes in the telecom sector in Sweden and Norway counterbalanced.

EBIT was €3.9 million (2.8), corresponding to a 2.4 percentage-point improvement to 7.9%. The margin improvement was mainly due to higher efficiency and cost savings.

In 2016, lower business volumes in the telecom sector in Sweden and Norway impacted on results in the region. However, this declining trend started to flatten out during the third quarter. At the same time, we experienced good growth in the Netherlands, the Baltics and in the Swedish interpretation business. Efficiency improvements and cost savings improved margins during the year.

CONTINENTAL EUROPE

Revenue & EBIT margin



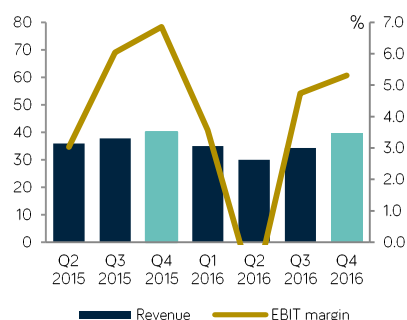
Revenue in the quarter amounted to €63.6 million (61.8), a 2.8% increase. Organic revenue increased by 2.9%. Business volumes increased in Spain, Poland, Germany, Croatia, Tunisia, and, to a lesser extent, in Portugal. This was counterbalanced by lower activity in Hungary and Italy.

EBIT was €2.9 million (1.4), corresponding to an increase of the EBIT margin from 2.2% to 4.5%. The previously disclosed realignment of the regional structure yielded good improvements during the quarter. Efficiency enhancements, mainly in Germany, were also an important factor behind the improvement.

At the beginning of 2016, profitability in the region was impacted by low efficiency at one of our Spanish contact centers and low volumes in Germany. However, performance improved in the second quarter, and we saw this positive trend continue into the second half of the year. The realignment of the regional structure was fully implemented during the fourth quarter, and is yielding cost savings according to plan.

ENGLISH-SPEAKING MARKETS & APAC

Revenue & EBIT margin



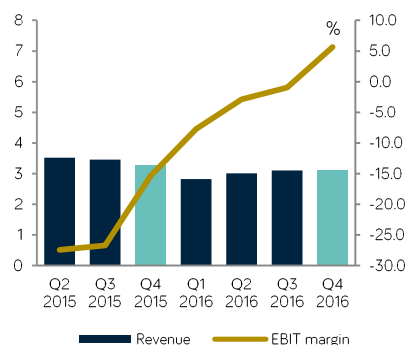
Revenue in the quarter amounted to €39.5 million (40.1), a 1.6% decrease compared to the same period last year. Organic revenue decreased by 2.2%. Currency movements had a 0.7% positive impact. While we are not yet back to last year's revenue level, our efforts to win new business in order to fill unused capacity continued to yield good results during the fourth quarter, with a fast-improving capacity utilization compared to the first three quarters of 2016.

EBIT was €2.1 million (2.8), corresponding to a 1.7 percentage-point decrease of the EBIT margin, from 6.9% in the same period last year to 5.3% this quarter. Lower volumes on some client accounts, as described above, had a negative impact. Cost savings and lower staff attrition partly compensated. The positive margin development compared to the first half of 2016 continued this quarter, mainly as a result of increasing business volumes with key clients.

During the first half of 2016, we experienced a drop in volumes on some client accounts in the region, which impacted our capacity utilization negatively. This trend was successfully reversed in the third quarter, as a result of winning new business with several of our existing clients. The positive development continued in the fourth quarter, with a positive impact on the EBIT margin.

LATIN AMERICA

Revenue & EBIT margin



Revenue in the quarter amounted to €3.1 million (3.3), a 4.8% decrease. The decrease is due to the closure of operations in Colombia in Q1 2016. We saw strong growth in Chile, while revenue in Peru decreased somewhat compared to the same period last year.

EBIT was €0.2 million (-0.5). The operations in Latin America are now profitable, driven by volume increases in the remaining business and efficiency improvements. As previously announced, Transcom is evaluating strategic alternatives for the Latin American business. On January 9, 2017, it was announced that Transcom has successfully closed the divestment of its operations in Peru for an equity value of EUR 1.0 million. Transcom's contact center in Concepción, Chile is the company's only remaining asset in Latin America.

Other information

RESULTS CONFERENCE CALL AND WEBCAST

Transcom will host a conference call at 10:30am CET (09:30am UK time) on Wednesday, February 8, 2017. The conference call will be held in English and will also be available as webcast on Transcom's website, www.transcom.com.

To ensure that you are connected to the conference call, please dial in a few minutes before the start in order to register your attendance. No pass code is required.

Sweden: +46 8 505 564 74
UK: +44 203 364 5374
US: +1 855 753 2230

For a replay of the results conference call, please visit www.transcom.com to view the webcast of the event.

AGM 2017

The 2017 Annual General Meeting will take place at 10:00 CET on April 26, 2017 in Stockholm, Sweden. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to agm@transcom.com or to the Company Secretary, Transcom WorldWide AB, P.O. Box 34220, SE-100 26 Stockholm, Sweden, at least seven weeks before the Annual General Meeting, in order to ensure that the proposal may be included in the notice to the meeting. Further details on how and when to register will be published in advance of the Meeting.

Nomination Committee for the 2017 Annual General Meeting

A Nomination Committee consisting of major shareholders in Transcom has been formed in accordance with the resolution of the 2016 Annual General Meeting. The Nomination Committee is comprised of Mattias Holmström representing Altor Fund Manager AB, Daniel Nyhrén representing Creades AB, Johan Strandberg representing SEB S.A. and Arne Lööv representing The Fourth Swedish National Pension Fund (Fjärde AP-fonden). Mattias Holmström has been appointed Committee Chairman.

As a result of Altor's public cash offer to the shareholders of Transcom, the Board of Directors has not yet finalized its dividend proposal for 2016.

OTHER INFORMATION

The year-end report has been reviewed by the company's auditor.

NOTICE OF FINANCIAL RESULTS

Transcom's Q1 2017 report will be published on April 25, 2017.

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www.transcom.com
Company registration number: 556880-1277

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This information is such that Transcom WorldWide AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on February 8, 2017.

Signatures of the Board of Directors

The Board of Directors and the President and CEO certify that the year-end report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, February 8, 2017

Henning Boysen
Chairman of the Board

Fredrik Cappelen
Member of the Board

Liselotte Högertz Engstam
Member of the Board

Klas Johansson
Member of the Board

Mikael Larsson
Member of the Board

Erik Törnberg
Member of the Board

Johan Eriksson
President and CEO

Auditors' review report

This is a translation from Swedish original

To the Board of Directors of Transcom WorldWide AB, corporate identity number 556880-1277

Introduction

We have reviewed the year-end report for Transcom WorldWide AB as at December 31, 2016 and for the twelve months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this year-end report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, February 8, 2017

Ernst & Young AB

Erik Åström

Authorized Public Accountant

TRANSCOM GROUP - CONDENSED CONSOLIDATED INCOME STATEMENT

(€ '000)	Notes	2016 Q4	2015 Q4	2016 Jan-Dec	2015 Jan-Dec
Revenue	4	155,221	156,853	586,119	626,522
Cost of sales	10	-120,630	-125,081	-468,471	-502,833
Gross profit		34,591	31,772	117,648	123,689
Marketing expenses	10	-695	-1,002	-3,369	-3,585
Administrative expenses	10	-24,798	-25,002	-94,227	-99,218
Net gain/loss on disposal of business	11	-	-273	3,530	-109
Other operating income/expenses		-121	-1,443	-203	-827
Operating profit/loss	4	8,977	4,052	23,379	19,950
Net financial items		829	-54	-2,188	-2,553
Profit/loss before tax		9,806	3,998	21,191	17,397
Income tax expense	6	-1,691	-3,746	-5,091	-8,744
Profit/loss for the period attributable to equity holders of the parent		8,115	252	16,100	8,653
Earnings per share attributable to equity holders of the parent					
Total weighted average outstanding number of shares before dilution ('000)		26,214	26,138	26,185	26,100
Earnings before dilution per Ordinary share, Euro cent per common share		31.0	1.0	61.5	33.2
Total weighted average outstanding number of shares after dilution ('000)		26,234	26,216	26,220	26,162
Earnings after dilution per Ordinary share, Euro cent per common share		30.9	1.0	61.4	33.1

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	2016 Q4	2015 Q4	2016 Jan-Dec	2015 Jan-Dec
Profit/loss for the period attributable to equity holders of the parent	8,115	252	16,100	8,653
Other comprehensive income:				
Exchange differences on translation of foreign operations	2,465	1,434	405	4,672
Net gain/loss on cash flow hedges	-190	-	-1,309	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	2,275	1,434	-904	4,672
Actuarial profit/loss on post-employment benefit obligations	-12	262	-12	262
Income tax effect	35	10	35	10
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	23	271	23	271
Other comprehensive income for the period, net of tax	2,298	1,705	-881	4,943
Total comprehensive income for the period, net of tax, attributable to equity holders of the parent	10,413	1,957	15,218	13,596

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ '000)	Notes	2016 Dec 31	2015 Dec 31
ASSETS			
Non-current assets			
Goodwill		108,835	107,491
Other intangible assets		5,244	4,175
Tangible assets		15,989	16,398
Deferred tax assets		340	917
Other receivables		1,173	1,283
	8	131,582	130,264
Current assets			
Trade receivables		75,878	87,070
Income tax receivables		3,685	3,147
Other receivables		12,885	18,517
Prepaid expenses and accrued income		32,706	22,115
Cash and cash equivalents		15,415	24,826
	8	140,570	155,675
Assets classified as held for sale	11	1,980	-
		142,549	155,675
TOTAL ASSETS		274,131	285,939
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	9,12	142,714	132,013
Non-current liabilities			
Interest-bearing liabilities	5	27,887	34,894
Employee benefit obligations		2,537	3,177
Provisions		450	-
Deferred tax liabilities		937	1,343
Income tax payables		-	283
Other liabilities		174	72
	8	31,985	39,769
Current liabilities			
Interest-bearing liabilities	5	2,940	7,992
Provisions	6,10	2,671	3,850
Trade payables		21,352	25,428
Income tax payables		2,370	4,669
Other liabilities		24,548	27,360
Accrued expenses and prepaid income		44,950	44,858
	8	98,830	114,157
Liabilities classified as held for sale	11	602	-
		99,432	114,157
Total liabilities		131,417	153,926
TOTAL EQUITY AND LIABILITIES		274,131	285,939

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ '000)	Notes	Equity attributable to equity holders of the parent					Total equity
		Total number of shares ('000)	Number of shares held by the Group ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	
Balance, Jan 1, 2015		26,707	677	56,084	8,993	54,919	119,996
Profit/loss for the period		-	-	-	-	8,653	8,653
Other comprehensive income, net of tax		-	-	-	-	4,943	4,943
Allotment of shares (LTIP 2012)	9	-	-108	-	-	-	-
Share Swap		-	-	-	-	-1,939	-1,939
Share-based payments		-	-	-	-	360	360
Balance, Dec 31, 2015		26,707	569	56,084	8,993	66,936	132,013
Profit/loss for the period		-	-	-	-	16,100	16,100
Other comprehensive income, net of tax		-	-	-	-	-881	-881
Dividend	12	-	-	-	-	-4,902	-4,902
Allotment of shares (LTIP 2013)	9	-	-76	-	-	-	-
Issue and repurchase of shares	9	210	210	-	-	-	-
Share-based payments		-	-	-	-	384	384
Balance, Dec 31, 2016	9	26,917	703	56,084	8,993	77,637	142,714

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ '000)	Notes	2016 Q4	2015 Q4	2016 Jan-Dec	2015 Jan-Dec
Cash flows from operating activities					
Profit/loss before tax		9,806	3,998	21,191	17,397
Adjustments to reconcile profit before tax to net cash:					
Adjustments for non cash items	10,11	-1,035	9,804	3,018	13,983
Net financial items		-829	54	2,188	2,553
Income taxes paid		-2,240	-3,338	-8,477	-12,424
Cash flows from operating activities before changes in working capital		5,702	10,518	17,920	21,509
Changes in working capital		3,869	-1,089	-12,945	-861
Cash flow from operating activities		9,571	9,429	4,975	20,648
Investments and disposals of tangible assets		-1,787	-2,264	-6,441	-8,671
Investments and disposals of intangible assets		-1,015	-610	-1,974	-1,209
Disposals of business, net of cash	11	-	-324	12,622	-324
Changes in other non-current assets		130	-34	-22	267
Cash flow from investing activities		-2,672	-3,232	4,185	-9,937
Proceeds from borrowings	5	14,271	-	47,384	7,004
Repayment of borrowings	5	-23,996	-11,284	-59,753	-30,982
Payment of finance lease liabilities		-	-242	-118	-343
Dividend	12	-	-	-4,902	-
Interest paid		-608	-535	-1,072	-1,514
Cash flow from financing activities		-10,333	-12,061	-18,461	-25,835
Cash flow for the period		-3,434	-5,864	-9,301	-15,124
Cash and cash equivalents at beginning of the period		17,927	30,139	24,826	38,173
Cash flow for the period		-3,434	-5,863	-9,301	-15,124
Exchange rate differences in cash and cash equivalents		1,244	550	212	1,777
Cash attributable to assets classified as held for sale	11	-322	-	-322	-
Cash and cash equivalents at end of the period		15,415	24,826	15,415	24,826

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED INCOME STATEMENT

(€ '000)	Notes	2016 Q4	2015 Q4	2016 Jan-Dec	2015 Jan-Dec
Revenue		3,664	7,264	22,391	23,664
Cost of sales		-3,528	-6,926	-21,895	-23,242
Gross profit		136	338	496	422
Administrative expenses		-4,024	-1,532	-7,059	-8,169
Other operating income/expenses		14	-35	14	3,150
Operating profit/loss		-3,874	-1,229	-6,549	-4,597
Result from participations in Group companies	11,13	5,519	-	55,964	49,770
Net financial items		874	37,543	1,115	220
Profit/loss before appropriations		2,520	36,314	50,531	45,393
Appropriations		4,815	8,816	4,815	8,816
Profit/loss before tax		7,335	45,130	55,346	54,209
Income tax expense/income		-646	-4,555	-1,182	-3,537
Profit/loss for the period*		6,689	40,575	54,164	50,672

*Profit/loss for the period corresponds with total comprehensive income.

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED BALANCE SHEET

(€ '000)	Notes	2016 Dec 31	2015 Dec 31
ASSETS			
Non-current assets			
Intangible assets		1,972	1,441
Tangible assets		227	509
Investments in Group companies	13	185,030	94,720
Receivables from Group companies		16,189	44,884
		203,418	141,554
Current assets			
Receivables from Group companies		95,146	112,229
Other receivables		1,642	2,775
Cash and cash equivalents		2,457	42
		99,245	115,046
TOTAL ASSETS	14	302,663	256,600
EQUITY AND LIABILITIES			
Restricted equity		56,084	56,084
Unrestricted equity		101,428	51,782
	9,12	157,512	107,866
Non-current liabilities			
Interest-bearing liabilities	5	27,882	34,802
Provisions	6	443	-
Liabilities to Group companies		15,717	29,217
Other liabilities		174	155
		44,216	64,174
Current liabilities			
Interest-bearing liabilities	5	2,925	7,943
Provisions	6	817	2,375
Liabilities to Group companies		92,790	69,163
Other liabilities		4,403	5,079
		100,935	84,560
Total liabilities		145,151	148,734
TOTAL EQUITY AND LIABILITIES	14	302,663	256,600

Notes to the condensed financial statements

The accompanying notes are an integral part of the year-end condensed consolidated financial statements. Amounts in thousands of Euro, unless otherwise stated.

1. GENERAL

The Group's publicly listed Parent Company, Transcom WorldWide AB (publ), is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarter is Gjörwellsgatan 30, SE-112 60 Stockholm. The Parent Company is responsible for corporate management and administration of intra-group transactions as well as holding company and internal finance functions.

2. ACCOUNTING PRINCIPLES

The year-end report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and the year-end report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities from the Swedish Financial Reporting Board. Application of IFRS complies with the accounting principles set out in the Group's annual financial statements as at December 31, 2015. There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2016 that have had a material impact on the Group.

3. RISK MANAGEMENT

The Group's activities expose it to a variety of business and financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management and control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of the Group's business objectives. The condensed consolidated financial statements do not include all risk management information and should be read in conjunction with the Group's annual financial statements as at December 31, 2015. There have been no material changes in risks, the risk management policy and procedures during the period compared to what was presented in the annual financial statements as at December 31, 2015.

4. SEGMENTAL INFORMATION

2016 Jan-Dec	North Europe	Continental Europe	English-speaking markets & APAC	Latin America	Group
Total segment revenue	191,804	253,713	138,725	12,371	596,613
Inter-segment revenue	-5,210	-4,949	-	-335	-10,494
Revenue from external customers	186,594	248,764	138,725	12,036	586,119
Operating profit/loss from segments excl. non-recurring items	9,377	9,196	4,489	-157	22,905
Non-recurring items	3,530	-2,715	-	-341	474
Operating profit/loss from segments	12,907	6,481	4,489	-498	23,379

2015 Jan-Dec	North Europe	Continental Europe	English-speaking markets & APAC	Latin America	Group
Total segment revenue	207,090	267,541	149,160	14,348	638,139
Inter-segment revenue	-5,202	-5,150	-	-1,265	-11,617
Revenue from external customers	201,889	262,390	149,160	13,083	626,522
Operating profit/loss from segments excl. non-recurring items	10,046	9,533	7,251	-3,664	23,167
Non-recurring items	-	-109	-827	-2,281	-3,217
Operating profit/loss from segments	10,046	9,424	6,424	-5,945	19,950

In Q1 2016 the regional structure was changed in the Group and comparable figures restated accordingly. The Continental Europe region combines Transcom's operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). The English-speaking markets & APAC region integrates the UK organization with Transcom's operations in North America & Asia Pacific. Region North Europe remains unchanged. Transcom's remaining assets in Latin America are currently under strategic review and managed as a separate segment.

Revenue from the largest single client amounted to €77,586 thousand during January to December 2016, referring to North Europe region and Continental Europe region, and revenue from the second largest client amounted to €47,148 thousand referring to Continental Europe region (Jan-Dec 2015: €92,287 thousand, North Europe region and Continental Europe region, €60,568 thousand English-speaking markets & APAC region).

5. INTEREST-BEARING LIABILITIES

On March 9, 2016, Transcom signed a syndicated credit agreement with ING, Nordea and SEB to implement a €90,000 thousand multi-currency revolving credit facility. The facility has a tenor of three years with an option to extend for one year. The purpose of the new agreement was to refinance the previous facility which was due to expire in January 2017. Interest rates in the facility are based on IBOR and EURIBOR plus margins. The loan is unsecured. The utilization of the loan per December 31, 2016 was €22,400 thousand and USD 6,000 thousand. Part of the USD loan has during Q4 been converted to EUR and the overall loan has been reduced by €2.6 million.

6. CONTINGENT LIABILITIES

The Group has contingent liabilities related to litigations and legal claims arising in the ordinary course of business. The integrated worldwide nature of Transcom's operations can give rise to complexity and delays in assessing the Group's tax position and can lead to the Group occasionally facing tax audits which in some cases result in disputes with tax authorities. During these tax audits, local tax authorities may question or challenge the Group's tax positions. Disputes with tax authorities can lead to litigations in front of several courts resulting in lengthy legal proceedings.

As at December 31, 2016, four Group entities are subject to tax audits. Some of these tax inquiries have resulted in reassessments, while others are still at an early stage and no reassessments have yet been raised. One tax audit was closed and one audit was initiated in the quarter. The final reassessment of the closed audit only resulted in a minor additional tax cost. The Group has during the year used the main part of the provision recorded last year. As at December 31, 2016 the provision amounts to €816 thousand related to tax audits (December 31, 2015 €2,375 thousand recorded in Group and Parent company).

The group has no material changes in contingent liabilities as at December 31, 2016 compared to what has been reported in the 2015 annual financial statement. In addition to the above tax risks, the Group may be subject to other tax claims for which the risk of future economic outflows is currently evaluated to be remote.

7. RELATED PARTY TRANSACTIONS

Previously Investment AB Kinnevik and subsidiaries were defined as related party up until March 20, 2015. Transactions up until this date with Investment AB Kinnevik were as follows: the Group's sales revenue from the Tele2 companies amounted to €26,748 thousand. Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €139 thousand. For January to December 2016 no material related party transactions are to be reported.

8. FINANCIAL INSTRUMENTS

Classification of the Group's financial assets and liabilities:

(€ '000)	Loans and receivables	Financial liabilities amortized cost	Derivatives for cashflow hedges	Dec 31, 2016	Dec 31, 2016	Loans and receivables	Financial liabilities amortized cost	Dec 31, 2015	Dec 31, 2015
				Carrying amount	Fair value			Carrying amount	Fair value
Total non-current assets	1,230	-	-	1,230	1,230	1,230	-	1,283	1,283
Total current assets	133,089	-	-	133,089	133,089	133,089	-	146,472	146,472
Total financial assets	134,319	-	-	134,319	134,319	134,319	-	147,755	147,755
Total non-current liabilities	-	27,887	-	27,887	28,781	-	34,894	34,894	34,894
Total current liabilities	-	73,902	1,597	75,499	75,499	-	86,573	86,573	86,573
Total financial liabilities	-	101,789	1,597	103,386	104,280	-	121,467	121,467	121,467

9. EQUITY

As per December 2016, Transcom's issued capital amounts to € 56,083 thousand divided into a total of 26,322,212 ordinary shares with one voting right each and 594,372 class C shares, also with one voting right each. All class C shares are held as treasury shares by the Company. The total number of treasury shares held in own custody amounts to 702,966 (594,372 class C shares and 108,594 ordinary shares).

During September 2016, Transcom issued and repurchased 210,000 class C shares for potential delivery to long-term incentive plan (LTIP) participants. During April 2016, Transcom converted 150,000 class C shares to ordinary shares to be used when vesting long-term incentive plans. 75,805 shares held by Transcom were used when the long-term incentive plan 2013 was vested during the second quarter 2016.

During 2015 115,000 class C shares were converted to ordinary shares. In addition, 108 272 shares held by Transcom were used when the long-term incentive plan 2012 was vested.

10. RESTRUCTURING COSTS

At the beginning of 2016 Transcom made a number of changes to its regional and management structure. Restructuring costs amounting to €2,715 thousand, related to the organizational changes, were recorded in the first quarter of 2016. €1,494 thousand in Cost of sales, €73 thousand in Marketing expenses and €1,148 thousand recorded in Administrative expenses.

In Q4 2015 restructuring costs amounting to €2,281 thousand were recorded related to Colombia whereof €212 thousand affected Gross profit. In Q1 2016 an additional cost of €341 thousand was recorded in the caption Administrative expenses.

11. DISPOSALS

(€ '000)	2016 Jan-Dec CMS Denmark	2015 Jan-Dec
Consideration received	13,000	-
Total non-current assets	-	-
Total current assets	11,945	-
Total assets disposed	11,945	-
Total non-current liabilities	-313	-
Total current liabilities	-2,755	-
Total liabilities disposed	-3,068	-
Net carrying value	8,877	-
Currency effects	2	-
Provision	-500	-
Transaction costs	-95	-
Post-settlement adjustment	-	-
Net capital gain/loss	3,530	-
Consideration received	13,000	-
Cash and cash equivalents disposed	-283	-
Transaction costs	-95	-
Net cash flow from disposals of subsidiary	12,622	-

On March 3, 2016 Transcom divested the Danish Credit Management Services operations (CMS Denmark) for an equity value of €13,000 thousand to an investment company, minority-owned by the current management team. Net capital gain recorded in Q1 2016 amounted to €3,530 thousand and a positive net cash flow effect of €12,622 thousand.

In January 2017, Transcom signed an agreement to divest its Peruvian business to BPO Consulting S.A.C. for an equity value of € 1,000 thousand. The transaction was closed in January 2017. Consequently the assets and liabilities referring to the entity were reported as Assets and Liabilities classified as held for sale as at December 31, 2016.

12. DIVIDEND

As resolved by the AGM at April 28, 2016 SEK 1.75 per share was distributed as dividend to the shareholders during Q2 2016, corresponding to €4,902 thousand.

13. RESULT FROM PARTICIPATIONS IN GROUP COMPANIES

Due to internal reorganizations during the year of the legal structure an increase of Investments in Group companies was recorded in the Balance sheet of the Parent company. In addition, a net capital gain of €86,172 thousand was recorded in Result from participations in Group companies in Parent company Income statement together with impairments of investment in Group companies, mainly in connection with capital injections to the same Group companies, amounting to €77,146 thousand.

14. PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR GROUP COMPANIES

The Parent Company has contingent liabilities for Group companies amounting to €26,054 thousand as at December 31, 2016 (December 31, 2015 21,929 thousand). No pledged assets for these periods to disclose.

15. EVENTS AFTER THE REPORTING PERIOD

On January 9, 2017, Transcom announced the successful closing of the divestment of its operations in Peru for an equity value of € 1,000 thousand to BPO Consulting S.A.C.

Financial key metrics – Quarter

(€m)	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Revenue	160.9	157.0	151.8	156.9	147.2	140.0	143.7	155.2
EBITDA	8.1	7.0	7.5	6.6	5.8	5.0	9.7	11.2
EBITDA margin	5.0%	4.5%	4.9%	4.2%	4.0%	3.6%	6.7%	7.2%
EBIT	5.9	4.7	5.3	4.1	3.8	3.0	7.6	9.0
EBIT margin	3.7%	3.0%	3.5%	2.6%	2.6%	2.1%	5.3%	5.8%
Profit/loss before tax	7.1	3.3	3.0	4.0	1.5	2.6	7.3	9.8
Profit/loss for the period	5.3	1.1	1.9	0.3	1.0	1.0	5.9	8.1
Cash flow from operating activities	-0.4	21.0	-9.4	9.4	-7.9	10.4	-7.1	9.6
Return on Equity	9.0%	10.7%	9.7%	6.7%	3.3%	3.2%	6.1%	12.1%
Equity ratio	42.1%	43.4%	44.0%	46.2%	48.4%	49.4%	48.5%	52.1%
Net debt	27.1	10.1	21.7	18.1	19.4	15.9	24.7	17.6
Net debt/EBITDA	0.9	0.3	0.6	0.6	0.7	0.6	0.9	0.6
EPS (Euro cents)*	20.5	4.3	7.4	1.0	4.0	3.9	22.6	31.0
Cash flow from operating activities per share (Euro cents)	-1	81	-36	36	-30	40	-27	37
Equity per share (Euro cents)	503	501	507	507	501	487	504	544

Financial key metrics – Five years

(€m)	2012 Jan-Dec	2013 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2016 Jan-Dec
Revenue	605.6	653.2	616.8	626.5	586.1
EBITDA	14.1	24.8	29.7	29.1	31.7
EBITDA margin	2.3%	3.8%	4.8%	4.6%	5.4%
EBIT	-17.6	-5.4	21.3	20.0	23.4
EBIT margin	-2.9%	-0.8%	3.5%	3.2%	4.0%
Profit/loss before tax	-23.6	-12.2	18.8	17.4	21.2
Profit/loss for the period	-30.6	-18.6	6.9	8.7	16.1
Cash flow from operating activities	-12.4	9.9	11.5	20.6	5.0
Return on Equity	-23.0%	-15.2%	6.0%	6.7%	12.1%
Equity ratio	37.1%	32.2%	39.5%	46.2%	52.1%
Net debt	24.7	36.2	24.6	18.1	17.6
Net debt/EBITDA	2.0	1.5	0.9	0.6	0.6
EPS (Euro cents)*	-117.4	-71.3	26.4	33.2	61.5
Cash flow from operating activities per share (Euro cents)	-48	38	44	79	19
Equity per share (Euro cents)	510	427	461	507	544

*EPS has been adjusted to reflect the reverse split as if it had occurred in 2012.

ALTERNATIVE PERFORMANCE MEASURES

The purpose of Transcom's alternative performance measurements is to disclose additional information to support a more comprehensive year-on-year comparison and provide an indication of the Group's performance and financial position. These alternative performance measurements defined below are considered to be widely accepted. The measures and basis for calculation can be found in the historical released financial reports at www.transcom.com.

Organic growth: change in revenue for comparable units, excluding currency effects with purpose to provide a more transparent year-on-year comparison for Transcom's business.

EBIT: corresponds to the Operating profit/loss presented in the Condensed Consolidated Income Statement.

Non-recurring items: are defined as rare events or activities that are not part of normal business operations, mainly restructuring activities.

EBIT excluding non-recurring items: is calculated by excluding the non-recurring items from Transcom's Operating profit/loss. The purpose of disclosing Transcom's EBIT excluding non-recurring items is to provide more transparent year-on-year comparison excluding events that are not considered part of Transcom's normal business, such as restructuring cost and net gain or loss from disposed business.

EBITDA: is defined as Operating profit/loss, adding back the recorded depreciation on fixed assets and amortization.

EBITDA excluding non-recurring items: is defined as EBITDA excluding the non-recurring items as defined above.

Net debt: is defined as interest-bearing liabilities and employee benefit obligations less cash and cash equivalents per balance sheet day.

Net debt/EBITDA: is defined as interest-bearing liabilities and pension provisions less cash and cash equivalents divided by rolling 12 months EBITDA. The net debt to EBITDA ratio is a financial target for Transcom.

Return on Equity: Net income (rolling 12 months) divided by average equity (average calculation based on equity per balance sheet day the last five quarters).

Equity ratio: Total shareholders' equity divided by total assets per balance sheet day.

OTHER DEFINITIONS

North Europe region: services delivered from Denmark (deconsolidated from March 2016), Estonia, Latvia, Lithuania, the Netherlands, Norway and Sweden.

Continental Europe region: services delivered from Italy, Germany, Poland, Portugal, Spain, Tunisia, Hungary, Croatia and Serbia.

English-speaking markets & APAC region: services delivered from the Philippines, UK, USA and Canada.

Latin America region: services delivered from Colombia (closed in December 2015), Peru and Chile.

Increases in revenues, EBIT and profit before tax refer to the percentage increase in income statement item year-over-year.

ABOUT TRANSCOM

Transcom is a global customer experience specialist, providing customer care, sales, technical support and collections services through our extensive network of contact centers and work-at-home agents. We are 30,000 customer experience specialists at 52 contact centers across 20 countries, delivering services in 33 languages to international brands in various industry verticals. Transcom's share is listed on the Nasdaq Stockholm Exchange under the ticker symbol TWW.