

Year-end Report 2015

Transcom WorldWide AB (publ) discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 5, 2016 at 08:00 AM CET.

“The closure of our loss-making site in Colombia and the simplification of our regional and management structure will support margin improvements going forward.”

Johan Eriksson, President and CEO of Transcom

KEY HIGHLIGHTS Q4 2015

- Organic growth was negative 4.1%. Transcom's previously disclosed decision not to renew an agreement with an Italian public sector client had a negative 3.5% impact on growth in the quarter.
- EBIT margin in Q4 2015 was 2.6% (5.8% in Q4 2014). EBIT margin excluding non-recurring items was 4.1% (5.8% in Q4 2014).
- Profitability improved in the North America & Asia Pacific region, while we saw a negative development in the Iberia & Latam region.
- As announced on January 18, 2016, we are closing our loss-making site in Colombia. A restructuring cost of €2.3 million has been recognized in the Q4 2015. Also, Transcom's management structure will be simplified in order to improve efficiency. These actions will benefit margins in the years ahead.
- Net debt/EBITDA 0.6, compared to 0.9 in Q4 2014.
- The Board of Directors recommends a dividend for 2015 amounting to SEK 1.75 per share.

Q4 2015 FINANCIAL HIGHLIGHTS

- **Net revenue** €156.9 million, a 1.2% decrease compared to Q4 2014 (€158.7 million). Organic growth was negative 4.1%.
- **Gross margin** excluding non-recurring items 20.3% compared to 21.9% in the same period 2014.
- **EBIT** in Q4 2015 was €4.1 million (€9.2 million). EBIT excluding non-recurring items was €6.5 million compared to €9.2 million in Q4 2014.
- **EPS** 1.0 Euro cents compared to 14.5 Euro cents in Q4 2014. EPS was impacted by a €2.5 million provision, related to a tax audit.

YTD 2015 FINANCIAL HIGHLIGHTS

- **Net revenue** €626.5 million, a 1.6% increase (€616.8 million). Organic growth was 0.5%.
- **Gross margin** excluding non-recurring items 19.9% compared to 20.7% in the same period 2014.
- **EBIT** was €20.0 million (€21.3 million). EBIT excluding non-recurring items was €23.2 million (€21.3 million).
- **EPS** 33.2 Euro cents compared to 26.4 Euro cents in the same period 2014.

(€m)	2015 Q4	2014 Q4	Change Y-o-Y	2015 Jan-Dec	2014 Jan-Dec	Change Y-o-Y
Revenue	156.9	158.7	-1.2%	626.5	616.8	1.6%
Gross profit excl. non-recurring items*	31.9	34.7	-8.3%	124.7	127.6	-2.2%
EBITDA excl. non-recurring items*	8.9	11.2	-20.1%	32.3	29.8	8.7%
EBIT excl. non-recurring items*	6.5	9.2	-29.9%	23.2	21.3	8.6%
EBIT	4.1	9.2	-56.0%	20.0	21.3	-6.5%
Profit before tax	4.0	8.9	-55.1%	17.4	18.8	-7.5%
Net income	0.3	3.8	-	8.7	6.9	-
EPS before dilution (Euro cents)**	1.0	14.5	-	33.2	26.4	-
Cash flow from operating activities	9.4	16.8	-	20.6	11.5	-
Total weighted average outstanding number of shares before dilution ('000)**	26,138	26,030	-	26,100	26,030	-
Total weighted average outstanding number of shares after dilution ('000)**	26,216	26,030	-	26,162	26,030	-

*Excluding non-recurring items of € -0.1m in Q4 2015 in Gross profit (YTD: € -1.0m), € -2.4m in EBIT in Q4 2015 (YTD: € -3.2m)

**EPS for 2014 has been adjusted to reflect the reverse split as if it had occurred per January 2014

Comments from the President and CEO

We are making progress towards our financial targets. The closure of our loss-making site in Colombia and the simplification of our regional and management structure will support margin improvements going forward.

ORGANIC GROWTH DECLINE IN Q4 2015

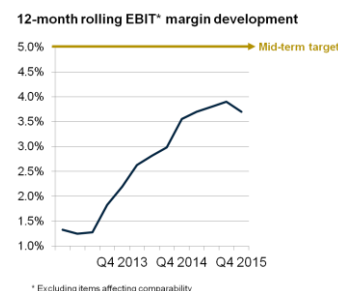
Organic growth was negative 4.1% compared to Q4 2014. This was mainly due to Transcom's decision not to bid for a renewed agreement with an Italian public sector client. From a full-year perspective, organic growth was +0.5%.

4.1% EBIT MARGIN IN Q4 2015, EXCLUDING NON-RECURRING ITEMS

Our EBIT margin in the quarter was 4.1%, excluding non-recurring items.

As a result of the positive profitability trend, Transcom's balance sheet is strong. At the end of 2015, our net debt/EBITDA ratio stood at 0.6, compared to 0.9 in December 2014.

Transcom's EBIT margin on a rolling 12-month basis, excluding non-recurring items, has steadily improved. The slight decline in the measure this quarter is due to the fact that Q4 last year was exceptionally strong, and that we saw a weaker development in the Iberia & Latam region. We are implementing a number of changes, described below, which will support our continued positive progression towards our mid-term financial targets, in particular in terms of improved EBIT, which is our most fundamental and prioritized target at the moment.



EXITING COLOMBIA, REVIEWING REMAINING LATIN AMERICAN BUSINESS AND STREAMLINING MANAGEMENT STRUCTURE

As announced on January 18, 2016, we have decided to close our loss-making contact center in Cali, Colombia and to evaluate strategic alternatives for our remaining Latin American business in Chile and Peru. Transcom is a marginal player in Latin America, and we have chosen to focus on other markets, where our potential for generating profitable growth is greater. Since 2013, Transcom has generated losses in Latin America totaling €15.6 million. Out of this amount, €4.7 million is attributable to Colombia. In 2015, revenue in Latin America amounted to €13.1 million, while losses totaled €3.7 million, €2.0 million of which refers to Colombia. Stopping these losses is a key priority in 2016.

We have also announced a number of organizational changes, which will simplify our regional and management structure, focusing our resources on prioritized growth areas. Starting January 1, Transcom's global business is managed within three operating units, in addition to the Latin American organization currently under review: North Europe, Continental Europe, and English-speaking markets & APAC. This reorganization will yield cost advantages as well as enhance the opportunity to drive standardization and efficiency across our global business. Annual cost savings to be realized are estimated at €2.9 million, and are expected to take full effect in the fourth quarter of 2016. Further efficiency gains in addition to these direct cost savings are expected to be realized in the coming years, supporting Transcom's mid-term financial objectives. A non-recurring restructuring cost amounting to approximately €2.7 million, related to these organizational changes will be recorded in the first quarter of 2016. Starting in the Q1 2016 interim report, our segment reporting will reflect our new regional and management structure. We will release pro forma comparable figures before the publication of Q1 2016 results.

Important focus areas for Transcom in the coming years are to ensure that we have efficient and effective regional and corporate functions, that our sites deliver superior performance through operational excellence, that we excel in contract and account management, and that we win long-term profitable business in line with Transcom's commercial and operational set-up.

Johan Eriksson, President and CEO of Transcom

Group Operating Review

Revenue	(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Revenue		156.9	158.7	626.5	616.8
Gross profit*		31.9	34.7	124.7	127.6
Gross margin*		20.3%	21.9%	19.9%	20.7%
EBIT*		6.5	9.2	23.2	21.3
EBIT margin*		4.1%	5.8%	3.7%	3.5%
EBIT		4.1	9.2	20.0	21.3
EBIT margin		2.6%	5.8%	3.2%	3.5%

*Excluding non-recurring items of € -0.1m in Q4 2015 in Gross profit (YTD: € -1.0m), € -2.4m in EBIT Q4 2015 (YTD: € -3.2m)

Revenue development

FOURTH QUARTER

Organic growth was negative €6.7 million (-4.1%) compared to Q4 2014. Volumes were lower in all regions. Transcom's decision not to bid for a renewed public sector client agreement in Italy had a €5.5 million (-3.5%) negative effect compared to the same period last year. Currency effects had a €4.9 million positive effect (+3.1%).

TWELVE MONTHS

Revenue grew organically by €3.1 million (+0.5%) compared to 2014. Transcom's decision not to bid for a renewed public sector client agreement in Italy had €8.7 million (-1.4%) negative effect compared to 2014.

(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
North Europe	51.6	54.9	201.9	207.7
Central & South Europe	34.8	37.4	149.7	149.5
Iberia & Latam	31.3	32.4	129.4	124.1
North America & Asia Pacific	39.1	34.1	145.5	123.2
CMS	-	-	-	12.4
TOTAL REVENUE FOR THE PERIOD	156.9	158.7	626.5	616.8

Operating result

(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
North Europe	2.8	4.0	10.0	11.0
Central & South Europe*	0.8	1.4	4.7	5.0
Iberia & Latam*	-0.2	1.6	0.5	1.1
North America & Asia Pacific*	3.0	2.2	8.0	4.3
CMS	-	0.0	-	-0.1
EBIT FOR THE PERIOD*	6.5	9.2	23.2	21.3

*Excluding non-recurring items of € -2.4m in EBIT Q4 2015 (YTD: € -3.2m)

FOURTH QUARTER

Transcom's EBIT margin development on a rolling 12-month basis deteriorated slightly compared to last quarter, due to the exceptionally strong Q4 in 2014, and that we saw a weaker development in the Iberia & Latam region.

In Q4 2015, the EBIT margin was 4.1% excluding non-recurring items of € -2.4 million (€2.3 million cost for closing the loss-making Cali site in Colombia, a €0.2 million post-settlement adjustment related to the 2013 divestment of CMS units in Germany and a €0.1 million positive effect from the reversal of a provision related to a class action lawsuit in North America, which has now been settled).

Performance improved in the North America & Asia Pacific region. Including non-recurring items in Q4 2015, the EBIT margin was 2.6% (5.8% in Q4 2014).

EBIT BRIDGE (€m)	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
EBIT Q4 2014	4.0	1.4	1.6	2.2	9.2	-	9.2
Cost savings	0.0	0.0	0.5	0.4	0.9	-	0.9
Volume & efficiency driven impacts	-1.4	-0.7	-1.1	-0.1	-3.3	-	-3.3
Expansion investments	0.0	0.0	-0.1	0.0	-0.1	-	-0.1
Other	0.3	0.0	-1.1	0.5	-0.3	-	-0.3
EBIT Q4 2015*	2.8	0.8	-0.2	3.0	6.5	-	6.5

*Excluding non-recurring items of € -2.4m

TWELVE MONTHS

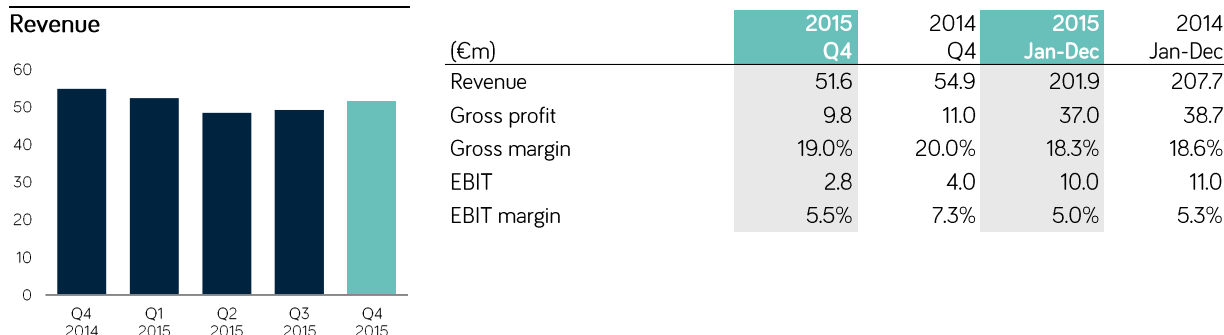
The EBIT margin in 2015, excluding non-recurring items, improved slightly to 3.7%, mainly driven by improved performance in the North America & Asia Pacific region. Including non-recurring items, the EBIT margin declined slightly to 3.2% (3.5% in 2014).

EBIT BRIDGE (€m)	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
EBIT Jan-Dec 2014	11.0	5.0	1.1	4.3	21.4	-0.1	21.3
Cost savings	0.0	0.7	1.4	2.2	4.3	-	4.3
Volume & efficiency driven impacts	-0.6	-1.3	-0.9	0.0	-2.9	-	-2.9
Expansion investments	-	-	-0.1	-0.2	-0.3	-	-0.3
Other	-0.3	0.4	-1.0	1.7	0.7	0.1	0.8
EBIT Jan-Dec 2015*	10.0	4.7	0.5	8.0	23.2	-	23.2

*Excluding non-recurring items of € -3.2m

Operating review by segment

North Europe



FOURTH QUARTER

Revenue growth was negative 5.1% compared to the same period last year, when we saw exceptionally high volumes on some client accounts. Lower revenue in Sweden was partly compensated for by higher volumes in the Netherlands and the Baltics. Currency movements impacted the revenue comparison negatively by €0.5 million.

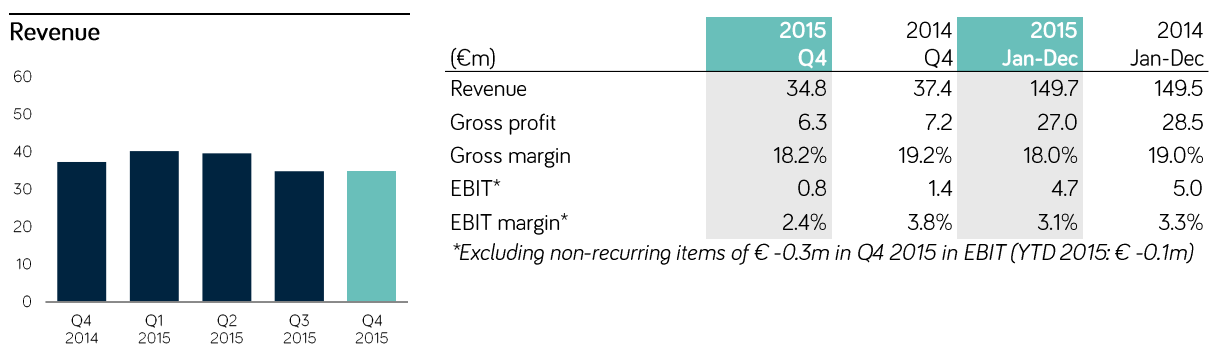
The EBIT margin, while satisfactory, fell short of the exceptionally strong Q4 in 2014. Efficiency improvements partly compensated for the impact of lower volumes on EBIT.

TWELVE MONTHS

We saw a slight negative organic growth in the year (-0.4%). Growth in the Netherlands and the Baltics was offset by lower business volumes in Sweden and Norway compared to 2014. Currency movements impacted the revenue comparison negatively by €5.0 million.

The slight decrease in EBIT margin is attributable to the effect of lower volumes in the last quarter of the year.

Central & South Europe



FOURTH QUARTER

Transcom's previously disclosed decision not to submit a tender for a new partnership with one of its public sector clients in Italy had a €5.5 million negative impact (-14,7%) on the revenue comparison vis-à-vis Q4 2014. This was partly compensated for by growth with other clients in the region, chiefly in Germany and in our near shore sites in Serbia and Croatia.

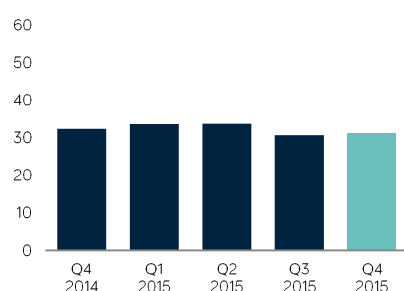
The decrease in EBIT is mainly due to the non-renewal of the client agreement in Italy, as described above.

TWELVE MONTHS

Growth in Germany and, to a lesser extent, Poland, Tunisia and Serbia, was offset by lower volumes in Italy and Hungary. The effect of the decision to not submit a tender for a new partnership with a public sector client in Italy had a negative €8.7 (-5,8%) million impact on the revenue.

Iberia & Latam

Revenue



(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Revenue	31.3	32.4	129.4	124.1
Gross profit*	4.4	6.8	20.4	21.6
Gross margin*	14.2%	21.1%	15.8%	17.4%
EBIT*	-0.2	1.6	0.5	1.1
EBIT margin*	-0.5%	5.0%	0.4%	0.9%

*Excluding non-recurring items of € -0.2m in Gross profit and € -2.3m in EBIT in Q4 2015 and Jan-Dec 2015

FOURTH QUARTER

Revenues and EBIT in Spain decreased as a result of fewer working days and lower prices on some client projects. This was partly compensated for by higher volumes in Portugal. Profitability in Portugal was also impacted by costs associated with the ramp-up of a new site. EBIT in Q4 2014 was positively impacted by a €1.2 million reversal of a personnel-related accrual.

As previously announced, Transcom's loss-making site in Colombia will be closed and we are reviewing strategic alternatives for our remaining Latin American business in Chile and Peru. While higher business volumes in Chile and Peru, as a result of new projects won with domestic clients, had a positive effect on revenue and EBIT, the result is not satisfactory. In Q4 2015, revenue in Latin America amounted to €3.3 million, while total losses in Latin America amounted to €0.5m (excluding restructuring cost in Colombia amounting to €2.3m), mainly referring to Colombian operations which will be closed at the beginning of 2016. Stopping the losses in Latin America is a top priority for 2016.

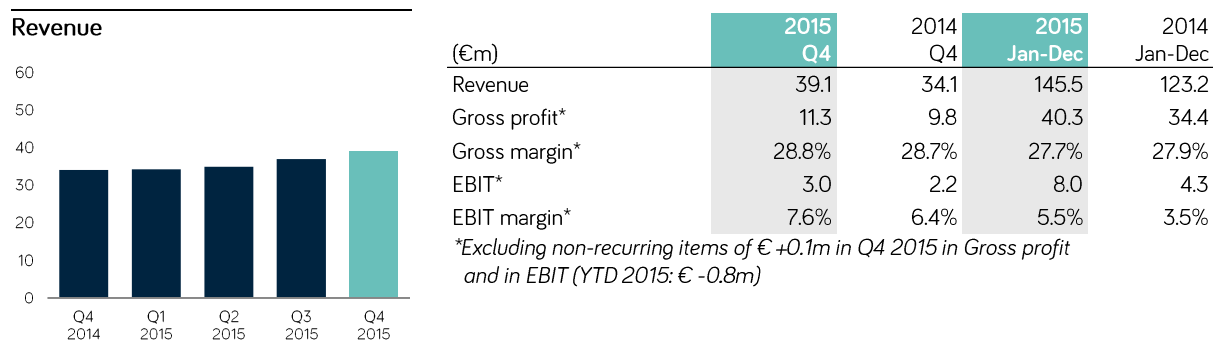
Starting January 1, 2016, Spain and Portugal form part of a new region, Continental Europe. This region combines our operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). This change simplifies our regional structure, which will yield advantages in terms of lower costs and increased efficiency.

TWELVE MONTHS

In Spain, lower volumes and lower prices on some client projects impacted negatively on revenue and EBIT. Higher volumes in Portugal partly compensated. Profitability in Portugal was impacted by costs associated with the ramp-up of a new site.

Higher business volumes in Chile and Peru had a positive effect on revenue and EBIT. However, the result in Latam is not satisfactory. Total losses in Latin America amounted to €3.7m for 2015, excluding restructuring costs in Q4 2015 in Colombia, amounting to €-2.3m. Revenue in Latin America amounted to €13.1 million in 2015.

North America & Asia Pacific



FOURTH QUARTER

Organic growth was negative 0.8 percent compared to the same period last year. Currency translation effects had a €5.3 million positive effect on the revenue comparison.

The EBIT margin improved due to cost savings, efficiency improvements and positive currency effects.

TWELVE MONTHS

Organic growth was negative 0.8 percent as a result of lower volumes and unfavorable transaction currencies in Asia. Foreign exchange effects had a €23.5 million positive impact on the revenue comparison.

Increased efficiency and cost savings in both North America and Asia impacted positively on margins. Currency effects had a €1.7 million positive effect on EBIT.

Group Financial Review

DEPRECIATION & AMORTIZATION

Depreciation in the quarter was €2.1 million (€1.6 million) and amortization of intangible assets was €0.4 million (€0.4 million). During January to December 2015 depreciation amounted to €7.8 million (€6.2 million) and amortization €1.4 million (€2.2 million).

SG&A

SG&A expenses were €26.0 million in the quarter compared to €24.8 million in Q4 2014. During January to December 2015 the SG&A expenses amounted to €102.8 million (€101.9 million).

TAXES

In Q4 2015, tax expenses amounted to €3.7 million, compared to €5.2 million in Q4 2014. During 2015, Transcom reported tax expenses of €8.7 million (€11.9 million). The Q4 tax expenses include a tax audit provision of €2.5 million. Excluding this cost, the tax rate for the quarter is approximately 31%. Excluding the Q4 tax audit cost and the impairment of the deferred tax asset of €0.7m taken in Q2, the tax rate for 2015 is approximately 32%. The effective tax rate differs from the statutory rate mainly due to losses for which no deferred tax asset can be recognized. For further information please see note 6 Contingent liabilities.

CASH FLOW

(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Cash flow from operating activities before changes in working capital	10.5	10.6	21.5	17.7
Change in working capital	-1.1	6.2	-0.9	-6.2
Cash flow from operating activities	9.4	16.8	20.6	11.5
Cash flow for the period	-5.9	8.4	-15.1	-22.0

Cash flow from operating activities improved during the year 2015 compared to 2014. Repayment of borrowings amounted to €31.0 million for the year and €11.3 million for Q4 2015.

FINANCING

(€m)	2015 Dec 31	2014 Dec 31
Gross debt	42.9	62.8
Net debt	18.1	24.6
Net debt /EBITDA	0.6	0.9
Equity	132.0	120.0
Cash and cash equivalents	24.8	38.2

In Q4 2015 Transcom reduced gross debt from €51.8 million in the previous quarter to €42.9 million due to re-payment of loans and less utilization of credit facilities. Net debt as at September 30, 2015, was €21.7 million and have per December 31, 2015, been reduced to €18.1 million.

Compared to the same period last year, gross debt decreased by €19.9 million. Net Debt/EBITDA has improved from 0.9 to 0.6, compared to the same period last year, which is well within its financial covenant thresholds as well as Transcom's financial target.

Net financial items deviated negatively for the year, mainly due to foreign exchange net losses.

RESULTS CONFERENCE CALL AND WEBCAST

Transcom will host a conference call at 10:30am CET (09:30am UK time) on Friday, February 5, 2016. 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.

ANNUAL GENERAL MEETING 2016

The 2016 Annual General Meeting will take place at 10:00 CET on April 28, 2016 at Rålambsvägen 15 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 2016 ANNUAL GENERAL MEETING

A Nomination Committee consisting of major shareholders in Transcom has been formed in accordance with the resolution of the 2015 Annual General Meeting. The Nomination Committee is comprised of Niclas Ekestubbe representing Altor Fund Manager AB, Daniel Nyhrén representing Creades AB, and Arne Lööv representing The Fourth Swedish National Pension Fund (Fjärde AP-fonden). Niclas Ekestubbe has been appointed Committee Chairman.

DIVIDEND

The Board of Directors recommends a dividend for 2015 amounting to SEK 1.75 per share.

OTHER INFORMATION

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

NOTICE OF FINANCIAL RESULTS

Transcom's Q1 2016 report will be published on April 20, 2016. The annual report will be published April 6.

Transcom WorldWide AB

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Stefan Pettersson, Head of Group Communications	+46 70 776 80 88

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 5, 2016

Henning Boysen
Chairman

Fredrik Cappelen
Director

Per Frankling
Director

Alexander Izosimov
Director

Klas Johansson
Director

Mikael Larsson
Director

Johan Eriksson
President and CEO

Auditors' review report

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

Introduction

We have reviewed the Year-End Report 2015 for Transcom Worldwide AB (publ) as at December 31, 2015 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 interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim 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 interim 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 5, 2016

Ernst & Young AB

Erik Åström
Authorized Public Accountant

TRANSCOM GROUP - CONDENSED CONSOLIDATED INCOME STATEMENT

(€ '000)	Notes	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Revenue	4	156,853	158,739	626,522	616,840
Cost of sales	10	-125,081	-124,016	-502,833	-489,257
Gross profit	4	31,772	34,723	123,689	127,583
Marketing expenses		-1,002	-620	-3,585	-4,451
Administrative expenses	10	-25,002	-24,189	-99,218	-97,468
Restructuring expenses		-	-41	-	-515
Net gain/loss on disposal of business	11	-273	-215	-109	-1,498
Other operating income/expenses	10	-1,443	-452	-827	-2,325
Operating profit/loss	4	4,052	9,206	19,950	21,326
Net financial items		-54	-269	-2,553	-2,524
Profit/loss before tax		3,998	8,937	17,397	18,802
Income tax expense	6	-3,746	-5,159	-8,744	-11,934
Profit/loss for the period attributable to equity holders of the parent		252	3,778	8,653	6,868
Earnings per share attributable to equity holders of the parent					
Earnings before dilution per Ordinary share, Euro cent per common share	9	1.0	14.5	33.2	26.4
Earnings after dilution per Ordinary share, Euro cent per common share	9	1.0	14.5	33.1	26.4

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Profit/loss for the period attributable to equity holders of the parent	252	3,778	8,653	6,868
Other comprehensive income:				
Exchange differences on translation of foreign operations	1,434	-279	4,672	1,700
Exchange differences recycled to profit and loss	-	-	-	115
Other comprehensive income to be reclassified to profit or loss in subsequent periods	1,434	-279	4,672	1,815
Actuarial profit/loss on post-employment benefit obligations	262	-322	262	-311
Income tax effect	10	58	10	58
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	271	-264	271	-253
Other comprehensive income for the period, net of tax	1,705	-543	4,943	1,562
Total comprehensive income for the period, net of tax, attributable to equity holders of the parent	1,957	3,235	13,596	8,430

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ '000)	Notes	2015 Dec 31	2014 Dec 31
ASSETS			
Non-current assets			
Goodwill		107,491	101,824
Other intangible assets		4,175	4,211
Tangible assets		16,398	16,152
Deferred tax assets		917	2,137
Other receivables		1,283	1,534
	8	130,264	125,858
Current assets			
Trade receivables		87,070	91,935
Income tax receivables		3,147	2,483
Other receivables		18,517	24,586
Prepaid expenses and accrued income		22,115	20,645
Cash and cash equivalents		24,826	38,173
	8	155,675	177,822
TOTAL ASSETS		285,939	303,680
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
		132,013	119,996
Non-current liabilities			
Interest-bearing liabilities	5	34,894	47,635
Employee benefit obligations		3,177	3,264
Provisions		-	135
Deferred tax liabilities		1,343	1,464
Income tax payables		283	2,093
Other liabilities		72	0
	8	39,769	54,591
Current liabilities			
Interest-bearing liabilities	5	7,992	15,119
Provisions	6, 10	3,850	1,501
Trade payables		25,428	27,279
Income tax payables		4,669	8,304
Other liabilities		27,360	27,017
Accrued expenses and prepaid income		44,858	49,873
	8	114,157	129,093
Total liabilities		153,926	183,684
TOTAL EQUITY AND LIABILITIES		285,939	303,680

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, Dec 31, 2013		1,245,533	97	53,558	11,458	46,326	111,342
Profit/loss for the period		-	-	-	-	6,868	6,868
Other comprehensive income, net of tax		-	-	-	-	1,562	1,562
Merger	9	57,328	1,287	2,465	-2,465	-	-
Reverse split	9	-1,276,803	-1,356	-	-	-	-
Issue of C class shares	9	649	649	1,396	-	-	1,396
Repurchase of C class shares	9	-	-	-	-	-1,396	-1,396
Impact of change of quota value	9	-	-	-1,335	-	1,335	-
Share-based payments, expense		-	-	-	-	224	224
Balance, Dec 31, 2014		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	5	-	-	-	-	-1,939	-1,939
Share-based payments, expense		-	-	-	-	360	360
Balance, Dec 31, 2015		26,707	569	56,084	8,993	66,936	132,013

TRANSCOM GROUP - CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ '000)	Notes	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Cash flows from operating activities					
Profit/loss before tax		3,998	8,938	17,396	18,802
Adjustments to reconcile profit before tax to net cash:					
Adjustments for non cash items	10	9,804	4,544	13,983	9,264
Net financial items		54	269	2,553	2,524
Income taxes paid		-3,338	-3,122	-12,424	-12,883
Cash flows from operating activities before changes in working capital		10,518	10,629	21,508	17,707
Changes in working capital		-1,089	6,208	-861	-6,173
Cash flow from operating activities		9,429	16,837	20,647	11,534
Investments and disposals of tangible assets		-2,264	-1,388	-8,671	-6,581
Investments and disposals of intangible assets		-610	-1,135	-1,209	-1,653
Disposals of business, net of cash	11	-324	-	-324	12,849
Changes in other non-current assets		-34	-204	267	-162
Cash flow from investing activities		-3,232	-2,727	-9,937	4,453
Proceeds from borrowings		-	-579	7,004	5,286
Repayment of borrowings	5	-11,284	-4,982	-30,982	-39,082
Payment of finance lease liabilities		-242	-45	-343	-69
Interest paid		-535	-143	-1,514	-4,152
Cash flow from financing activities		-12,061	-5,749	-25,835	-38,017
Cash flow for the period		-5,864	8,361	-15,125	-22,030
Cash and cash equivalents at beginning of the period		30,139	28,645	38,173	58,362
Cash flow for the period		-5,863	8,361	-15,124	-22,030
Exchange rate differences in cash and cash equivalents		550	1,167	1,777	1,841
Cash and cash equivalents at end of the period		24,826	38,173	24,826	38,173

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED INCOME STATEMENT

(€ '000)	Notes	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Revenue		7,264	5,892	23,664	22,096
Cost of sales		-6,926	-5,868	-23,242	-22,010
Gross profit		338	24	422	86
Administrative expenses	9	-1,532	-2,510	-8,169	-9,592
Other operating income/expenses		-35	-38	3,150	-141
Operating profit/loss		-1,229	-2,524	-4,597	-9,647
Net financial items		37,543	1,105	49,990	15,362
Profit/loss before appropriations		36,314	-1,419	45,393	5,715
Appropriations		8,816	4,883	8,816	4,883
Profit/loss before tax		45,130	3,464	54,209	10,598
Income tax expense/income	6	-4,555	-421	-3,537	-1,188
Profit/loss for the period*		40,575	3,043	50,672	9,410

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

TRANSCOM WORLDWIDE AB (PUBL) - CONDENSED BALANCE SHEET

(€ '000)	Notes	2015 Dec 31	2014 Dec 31
ASSETS			
Non-current assets			
Intangible assets		1,441	3,495
Tangible assets		509	167
Investments in Group companies		94,720	92,779
Receivables from Group companies		44,884	29,588
Other receivables		-	243
		141,554	126,272
Current assets			
Receivables from Group companies		112,229	206,534
Other receivables		2,775	3,237
Cash and cash equivalents		42	7,206
		115,046	216,977
TOTAL ASSETS		256,600	343,249
EQUITY AND LIABILITIES			
Restricted equity		56,084	56,084
Unrestricted equity		51,782	2,691
		107,866	58,775
Non-current liabilities			
Interest-bearing liabilities	5	34,802	47,509
Liabilities to Group companies		29,217	43,731
Other liabilities		155	-
		64,174	91,240
Current liabilities			
Interest-bearing liabilities	5	7,943	11,600
Provisions	6	2,375	-
Liabilities to Group companies		69,163	176,496
Other liabilities		5,079	5,138
		84,560	193,234
Total liabilities		148,734	284,474
TOTAL EQUITY AND LIABILITIES		256,600	343,249
Pledged assets		None	None
Contingent liabilities for Group companies		21,929	19,128

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 interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and the interim 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, 2014. There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning January 1, 2015 that have had a material impact on the Group.

The comparable periods in the condensed income statement for the Parent Company has been presented to reflect as if the merger between the former parent company Transcom WorldWide S.A and its subsidiary, the new Parent Company Transcom WorldWide AB (publ), had occurred as per January 2014. For more information about the merger, see Note 9.

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 disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2014. There have been no changes in the risk management policy and procedures since year end or in any risk management policies.

4. SEGMENTAL INFORMATION

2015 Jan-Dec	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Group
Revenue from external customers	201,889	149,725	129,444	145,464	626,522
Gross profit	37,047	26,982	20,189	39,471	123,689
Operating profit/loss from segments	10,046	4,547	-1,784	7,141	19,950

2014 Jan-Dec	North Europe	Central & South Europe	Iberia & Latam	North America & Asia Pacific	Total CRM	CMS	Group
Revenue from external customers	207,688	149,525	124,083	123,190	604,486	12,354	616,840
Gross profit	38,700	28,453	21,570	34,394	123,117	4,466	127,583
Operating profit/loss from segments	10,971	4,978	1,127	4,318	21,395	-69	21,326

Revenue from two largest single customers amounted to €92,287 thousand during January to December 2015 (Jan-Dec 2014: €104,538 thousand) and €60,584 thousand (Jan-Dec 2014: €50,121 thousand) respectively.

5. INTEREST-BEARING LIABILITIES

In January 2014 Transcom signed a new three year Revolving Credit Facility for the Group with SEB, DNB and Handelsbanken covering at that point €103.8 million. The facility was divided in three tranches; tranche A and B expiring 21st of January 2017 and tranche C that expired and was closed in October 2014. Interest rates in the facility are based on IBOR and EURIBOR plus margins. The loan is unsecured. The loan is mainly in EUR but there is a \$22 million drawn as well. During Q4 2015 the total repayment of loans in the credit facility was €5.5 million. In 2015, Tranche A, term loan, was reduced by €2.5 million and Tranche B, revolving credit facility, was reduced by €3.0 million. Due to the large volatility of the USD vs the EUR there was an increase in EUR equivalent value of the USD loan during January to December 2015.

On October 23, 2015, Transcom entered into a Swap Agreement with Nordea Bank AB (publ) ("Nordea"). As per the shareholders' authorization, the purpose of the agreement is to secure the obligation of the Company to deliver ordinary

shares under the LTIP 2015 via a swap arrangement. Under the Swap Agreement, Nordea will deliver the ordinary shares to the participants in the LTIP 2015 once vested. In the meantime, while the shares are in Nordea's custody, the Company will pay interest on the cost for purchasing the ordinary shares. Any dividend on the ordinary shares during such period will be refunded to the Company. Any remaining ordinary shares not delivered to the participants will be sold on Nasdaq Stockholm. Any profit will be paid to the Company, who also will carry the risk of potential losses. As a result of the LTIP 2015, a maximum of 220,000 ordinary shares in the Company may be allotted, including compensation for dividends paid (if any) on the underlying share. A liability amounting to €1.9 million is recorded per December 31, 2015.

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 agreeing 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, 2015, seven Group entities are subject to tax audits. Some of these tax inquiries have resulted in re-assessments, while others are still at an early stage and no re-assessments have yet been raised. The Group received a re-assessment decision in one audit during Q4 2015. Although the decision has been appealed, management believes it is probable that the decision will lead to future cash outflows. The Group has thus as at December 31, 2015 made a provision of €2,375 thousand relating to the audit, (the provision of €936 thousand as at December 31, 2014 was not related to this audit).

The Group has no contingent liabilities as at December 31, 2015 other than those provided for (December 31, 2014 €1,860 thousand, all related to the tax audit mentioned above).

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 of the same character as the transactions described in the Group's consolidated financial statements as at December 31, 2014. On March 20, 2015 Investment AB Kinnevik divested 6.4 million shares in Transcom and as per this date ceased to be defined as related party to Transcom. 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 during January to March 2015 (Jan-Mar 2014: €27,381 thousand). Operating expenses, mainly for telephone services and switch, paid to Tele2 group companies amounted to €139 thousand for the same period (Jan-Mar 2014: €138 thousand). No other material related party transactions for the period are to be reported.

8. FINANCIAL INSTRUMENTS

Classification of the Group's financial assets and liabilities:

(€ '000)	Loans and receivables	Financial liabilities amortized cost	Dec 31, 2015	Dec 31, 2015	Loans and receivables	Financial liabilities amortized cost	Dec 31, 2014	Dec 31, 2014
			Carrying amount	Fair value			Carrying amount	Fair value
Total non-current assets	1,283	-	1,283	1,283	1,534	-	1,534	1,534
Total current assets	143,229	-	143,229	143,229	167,676	-	167,676	167,676
Total financial assets	144,512	-	144,512	144,512	169,210	-	169,210	169,210
Total non-current liabilities	-	34,894	34,894	35,097	-	48,041	48,041	48,853
Total current liabilities	-	86,573	86,573	86,573	-	98,997	98,997	98,997
Total financial liabilities	-	121,467	121,467	121,670	-	147,038	147,038	147,850

9. MERGER AND EQUITY

During Q2 2015 Transcom WorldWide AB (publ) converted 115,000 class C shares to ordinary shares and the long-term incentive plan 2012 was closed which resulted in an allotment of 108,272 shares to the participants of the program. As a result, Transcom has a total of 26,172,212 ordinary shares and 534,372 class C shares. All class C shares are held as treasury shares by Transcom. The total value of the long-term incentive plan 2012 has been apportioned over the total three year period and charged to the income statement.

On November 26, 2014, Transcom's executed a re-domiciliation to Sweden from Luxembourg through a merger between the former parent company Transcom WorldWide S.A. (RCS B59528) and its subsidiary Transcom WorldWide AB (publ) (org.no 556880-1277). Transcom WorldWide AB (publ) was per November 26, 2014 the new Parent Company of Transcom Group. The merger did not have any impact on the assets or liabilities of the Group, and consequently not on the total equity, over and above from the merger costs of €1.1 million, reported in Q2 2014, in the caption Administrative expenses (reported in the Parent Company Transcom WorldWide AB (publ)). However, the composition within equity changed due to change in share capital and change of Parent company. As merger consideration, Transcom WorldWide AB (publ) issued 1 new Ordinary share for each Class A Ordinary share issued by Transcom Worldwide S.A and 1.09 new Ordinary share for each Class B Preference share issued by Transcom Worldwide S.A.

During 10-12 December, 2014 Transcom WorldWide AB (publ) executed a 1:50 reverse split of the ordinary share of the Company following the re-domiciliation. At December 15, 2014 the Company issued and repurchased C class shares for future distribution for long-term incentive plans. In addition, a change of quota value to €2.10 was made.

EPS for 2014, quarter and January to December, has been adjusted to reflect the reverse split as if it had occurred as per January 2014.

10. RESTRUCTURING COSTS

Restructuring cost amounting to €-2.3 million was recorded in Q4 2015 related to Colombia whereof €-0.2 million effected Gross profit. Per December 31, 2015, the provision amounted to €0.8 million.

11. DISPOSALS

(€ '000)	2015 CMS Belgium	2015 CMS Germany	2014 CMS Germany	2014 CMS Poland, Czech	2014 CMS Austria
Consideration received	-	-	-	2,000	15,000
Total non-current assets	-	-	-	-286	-15,046
Total current assets	-	-	-	-1,566	-5,060
Total assets disposed	-	-	-	-1,852	-20,106
Total non-current liabilities	-	-	-	-	516
Total current liabilities	-	-	-	758	3,180
Total liabilities disposed	-	-	-	758	3,696
Currency effects	-	-	-	-144	29
Transaction costs	-	-	-	-162	-502
Post-settlement adjustment	141	-250	-215	-	-
Net capital gain/loss	141	-250	-215	600	-1,883

In Q4 2015 Transcom paid a post-settlement adjustment of €0.5 million referring to previous divestment of CMS Germany, of which €0.3 million was recorded as a cost in Q4 2015 (€0.2 million as a cost in 2014). In Q3 2015 Transcom received a final settlement of €0.1 million referring to the previously divested operation in Belgium.

In May, 2014 Transcom announced the divestment of its Polish and Czech CMS business to Credit Express Group for €2.0 million on a cash and debt free basis. Net capital gain of €0.6 million was recorded in Q2 2014.

In June 27, 2014, Transcom signed an agreement to divest its Austrian CMS operations to the private equity investor HANNOVER Finanz Group, for €15.0 million on a cash and debt free basis (excluding €2.4 million in cash and debt). The transaction was closed in August 2014. Transcom recorded an adjustment to fair value less costs to sell of €1.9 million classified as Gain/loss on disposals of operating unit. Total assets disposed included goodwill of €14.1 million. Net cash flow from disposals of CMS Austria amounted to €12.1 million.

12. EVENTS AFTER THE REPORTING PERIOD

As at January 18, 2016, Transcom announced it will close its loss-making site in Colombia (restructuring costs recorded in Q4 2015, see note 10) and review its remaining Latin American business as well as Transcom's regional and management structure will be changed. Expected annual direct cost savings amounts to €2.9 million. Further efficiency gains are expected in the coming years. Restructuring cost in Q1 2016 estimated at €2.7 million.

The following changes will be made to Transcom's regional structure, i.e. the company's operating segments:
A new region, Continental Europe, will combine our operations in Spain and Portugal with the former Central & South Europe region (excluding the United Kingdom). Roberto Boggio has been appointed General Manager of this new region.
A new region, English-speaking markets and APAC, will integrate the UK organization with our operations in North America & Asia Pacific. Siva Subramaniam has been appointed General Manager of this new region. Region North Europe

will remain unchanged, led by Christian Hultén. Transcom's assets in Chile and Peru, currently under strategic review, will be managed separately, reporting to the President & CEO, Johan Eriksson.

Following the changes described above, Transcom's global business will be managed within three operating units, in addition to the Latin American organization currently under review: North Europe, Continental Europe, and English-speaking markets & APAC. Starting in the Q1 2016 interim report, Transcom's segment reporting will reflect this change. Pro forma comparable figures for Transcom's new segment reporting structure will be released before the publication of Q1 2016 results.

Financial overview

(€m)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec
Revenue	156.9	158.7	626.5	616.8	653.2	605.6	554.1
Profit/loss before tax	4.0	8.9	17.4	18.8	-12.2	-23.6	-32.0
Profit/loss for the period	0.3	3.8	8.7	6.9	-18.6	-30.6	-50.4
Cash flow from operating activities	9.4	16.8	20.6	11.5	9.9	-12.4	27.5
Cash flow from operating activities per share (Euro cents)	36	65	79	44	38	-48	106
EPS (Euro cents)*	1.0	14.5	33.2	26.4	-71.3	-117.4	-193.5
Return on Equity	6.7%	6.0%	6.7%	6.0%	-15.2%	-23.0%	-29.5%
Operating margin	2.6%	5.8%	3.2%	3.5%	-0.8%	-2.9%	-5.1%
Equity ratio	46.2%	39.5%	46.2%	39.5%	32.2%	37.1%	43.0%
Net debt/EBITDA	0.6	0.9	0.6	0.9	1.5	2.0	0.8

*EPS has been adjusted to reflect the reverse split as if it had occurred year 2011

FINANCIAL DEFINITIONS

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

Operating margin: the operating result as a percentage of revenue.

EBIT: operating profit/loss.

EBITDA: operating result where depreciation on fixed assets and amortization are added back.

Organic growth: change in revenue for comparable units, excluding currency effects.

Gross debt: interest-bearing liabilities.

Net debt: interest-bearing liabilities less cash and cash equivalents.

Net debt/EBITDA: interest-bearing liabilities less cash and cash equivalents divided by rolling 12 months EBITDA.

Return on Equity: Net income (rolling 12 months) divided by average equity.

Equity ratio: equity divided by total assets.

North Europe region: services delivered from Sweden, Norway, the Netherlands, Denmark, Estonia, Latvia and Lithuania.

Central & South Europe region: services delivered from Italy, Germany, Poland, Tunisia, Hungary, UK, Croatia and Serbia.

Iberia & Latam region: services delivered from Spain, Portugal, Colombia, Peru and Chile.

North America and Asia region: services delivered from the Philippines, USA and Canada.

CMS region: Credit Management Services in Austria (deconsolidated per July 31, 2014), Czech Republic and Poland (deconsolidated per May 28, 2014).

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 54 contact centers across 23 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.