



Teleperformance

Transforming Passion into Excellence

Letter to shareholders

MARCH 2018



*Editorial: Daniel Julien,
Chairman and Chief
Executive Officer*



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Dear Shareholder,

On the publication of the 2017 annual results on February 28, 2018, I had the pleasure to review our achievements and our outlook.

Teleperformance delivered another record year, posting revenue of €4.2 billion. Its growth has also been profitable and has generated cash, as demonstrated by the further gain in EBITA margin and the increase in cash flow, which has significantly reduced our debt.

Above all, 2017 enabled us to lay solid foundations for the future. First, by defining new five-year targets and the strategies to achieve them, through organic growth and targeted acquisitions. And then by enhancing our corporate governance system and setting up a new, more agile and efficient organization to meet our targets.

We also pursued our innovation strategy with the recent acquisition of Wibilong, a specialist in digital customer and community experiences. In addition, Teleperformance secured a leading position in its business sector in the fields of data security and privacy. Lastly, we decided to launch a new, high value-added consulting service called Praxidia.

We have entered the new year with confidence. Our financial objectives for the year include organic revenue growth of over +6% and a further improvement in EBITA margin compared with 2017. Cash flow generation should remain at a good level.

Based on these results and positive outlook, the Board of Directors invites you to approve a 2017 dividend of €1.85 per share, up +42.3% compared with last year. The Board of Directors will propose that you ratify the temporary appointment of Patrick Thomas as a Lead Director

*“To lay solid
foundations
for the
future”*

as part of the process to continually improve our governance. The renewal of the terms of office of five directors, subject to your approval, will ensure that we maintain a diversified and balanced board in line with best market practices.

The Annual Shareholders' Meeting, which will take place this year on **Friday April 20, 2018 at 3 p.m. (Paris time)** at 21-25 rue Balzac, 75008 Paris, will provide a valuable opportunity to discuss all of these topics with you.

We would like to thank you for your trust. We are counting on your participation in the Annual Meeting. Your vote is essential to ensuring that the Group is effectively governed.

REVENUE

+14.6%
€4,180 m

CURRENT EBITA* MARGIN
(% OF REVENUE)

13.3%
€556 m

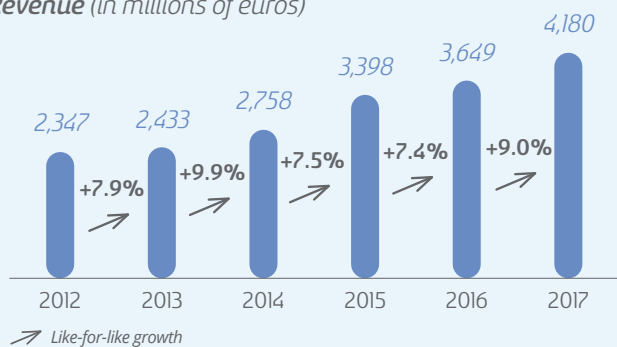
DIVIDEND PER SHARE submitted at the
Annual Meeting on April 20, 2018

+42.3%
€1.85

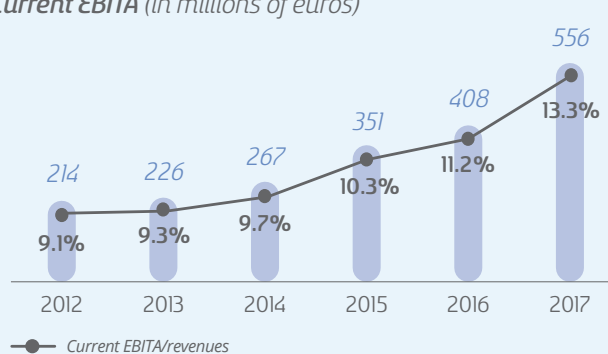
* Operating profit before amortization of intangible assets acquired as part of a business combination, goodwill impairment charges and non-recurring items

GROWTH AND PROFITABILITY

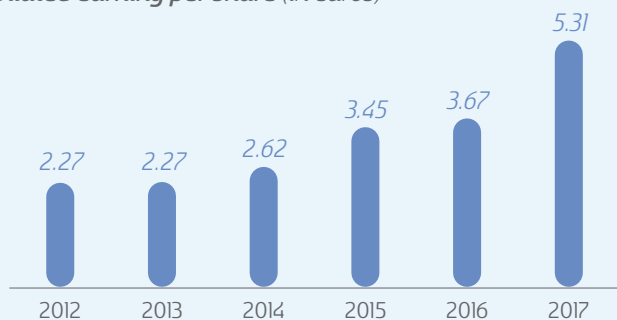
Revenue (in millions of euros)



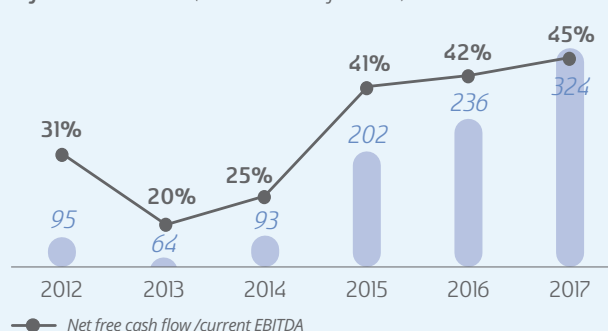
Current EBITA (in millions of euros)



Diluted earning per share (in euros)



Net free cash flow (in millions of euros)



DILIGENT PREPARATION FOR THE FUTURE

FROM JANUARY 2017

FIRST-TIME CONSOLIDATION OF LANGUAGELINE SOLUTIONS OVER A 12-MONTH PERIOD

Leader in online interpreting solutions in the United States, with 8,400 interpreters, 25,000 customers and \$450 million in revenue.

Expansion of Teleperformance's business portfolio in high-value services and enhancement of the Group's financial profile.

Further acquisitions in specialized services planned between now and 2022.

FROM MARCH 2017

ENHANCEMENT OF THE GROUP'S FINANCIAL STATUS

Standard & Poor's assigns Teleperformance a "BBB-" (Investment Grade) rating, the highest rating in the industry, reflecting the Group's financial strength and its change of status.

Enhancement of the Group's status in the financial markets thanks to its inclusion in the CAC Large 60, MSCI Global Standard and S&P 350 indexes.

HIGHLIGHTS OF 2017

OCTOBER 2017

PRESENTATION OF THE 2022 STRATEGIC PLAN AND IMPLEMENTATION OF ORGANIZATIONAL CHANGE

Presentation of the five-year strategic plan, including 2022 targets of more than €6 billion in revenue and more than €850 million in EBITA before non-recurring items.

Organizational change to increase efficiency in implementing the strategic plan and to reflect the Group's new size. Daniel Julien appointed Chairman and Chief Executive Officer.

OCTOBER 2017

ANNOUNCEMENT OF THE PREPARATION FOR THE LAUNCH OF PRAXIDIA, A HIGH VALUE CUSTOMER EXPERIENCE CONSULTING SOLUTION

Launch in 2018 of consulting solution Praxidia, which is based on the Group's front-line expertise in customer experience, customer data analysis and cutting-edge technologies.

Teleperformance aims to be the preferred partner in customer experience consulting worldwide.



“Teleperformance’s growth is profitable and generates cash”

Three questions for Olivier Rigaudy, Deputy Chief Executive Officer in charge of Finance

1 What are the key takeaways from this year’s annual results?

The 2017 annual results show that Teleperformance’s growth is profitable and generates cash. They confirm the company’s ability to deliver sustainable growth and create value. Our revenue reached €4.2 billion, up +9.0% like-for-like and +14.6% as reported compared with 2016, outperforming the market’s growth significantly. This growth was mainly driven by the Ibero-LATAM region, whose revenue rose by +22.4% like-for-like. Our current EBITA, which is the measure of our operating profitability, amounted to €556 million, up +35.9% to deliver a margin of 13.3% versus 11.2% in 2016. The increase reflects continued margin improvement in our Core Services activities and the larger contribution from the Specialized Services activities, which are generating strong margins. Free cash flow rose by +37.3% to total €324 million, enabling us to reduce our net debt to €1.7 billion as of December 31, 2017 from €1.3 billion a year earlier.

2 What is the financing strategy supporting the Group’s development, particularly through external growth?

We have the resources to support our development strategy and, at end-2017, our indebtedness was back to a level that provides us

with significant flexibility to seize external growth opportunities. The current cost of our net debt is 2.4% and its average maturity is 4.8 years. We continue to diversify our financing sources and to protect ourselves against any increase in interest rates. The significant portion of debt denominated in US dollars perfectly reflects the Group’s revenue exposure to the currency and provides a «natural» cash hedge. In addition, we have been able to renegotiate financial conditions with our banking partners, thus providing us with adequate flexibility to finance any potential acquisition. Lastly, note that we intend to maintain strict financial discipline given the BBB- long-term credit rating received from Standard & Poor’s in March 2017; this Investment Grade rating is the highest in our industry.

3 What is Teleperformance’s policy on dividend distributions to shareholders?

In light of the excellent 2017 results, at our next Shareholders’ Meeting the Board of Directors will be proposing a +42.3% increase in the 2017 dividend to €1.85 per share from the €1.30 paid in respect of 2016, for a stable payout ratio of 35%. We believe that this payout, although dependent on the Group’s financial position, is in line with best practices and with our resource allocation strategy focused on the Group’s development.

STRENGTHENING THE GROUP’S WORLDWIDE FOOTPRINT

NEW COUNTRIES WHERE THE GROUP OPERATES



New site in Peru



New site in Kosovo

SECURITY AS A STRATEGIC DIFFERENTIATING ASSET

TELEPERFORMANCE HAS BECOME A REFERENCE IN DATA SECURITY

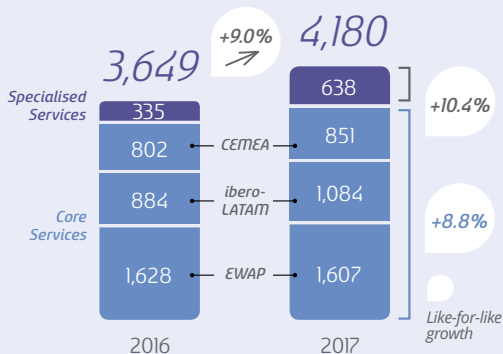
- In October 2017, Teleperformance received the prestigious HPE-IAPP Privacy Innovation Award in the Privacy Operations category. The distinctions issued by the American association IAPP recognize organizations that use data privacy to differentiate themselves and strengthen customer and public confidence.

- In January 2018, Teleperformance obtained the Binding Corporate Rules (BCR) certification from the French Data Protection Authority (Commission nationale de l’informatique et des libertés – CNIL). These rules are expected to be applied by all Group subsidiaries, which will enable the transfer and processing of data on a global scale.

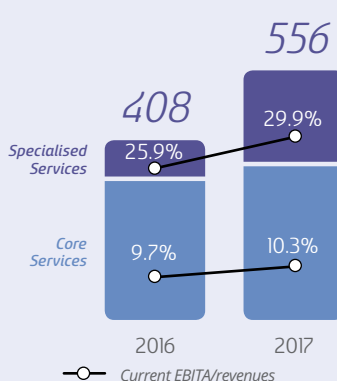
- Teleperformance’s organization in terms of security will comply with the European General Data Protection Regulation (GDPR) when it comes into force in May 2018.



Revenue by activity and linguistic region in 2017 vs 2016 (in millions of euros)



Current EBITA by activity in 2017 vs 2016 (in millions of euros)





“Doing what we do well can often be the difference between life and death”

Three questions for Scott W. Klein, President and Chief Executive Officer of LanguageLine Solutions



1 How does LanguageLine Solutions deliver interpretation of the spoken word?

We do so in three very different ways in order to meet the needs of our clients. The largest part of our business is providing interpretation over the phone, known as OPI. This works well in call center environments as well as in places like hospitals where phones are readily available in both treatment and patient rooms. InSight, our fastest growing solution, provides on-demand video interpretation via smartphone or tablet. It works best when eye contact is established with the user, whether a non-native English speaker or a hard-of-hearing individual, and enhances the overall experience. Finally, sometimes having a live interpreter physically present is required. This modality works best when a group is involved or when an extended period of time will be required to make the interaction a success.

2 Is the interpretation provided by LanguageLine Solutions considered to be mission critical?

We provide our services to hospitals, police forces, 911 services and other emergency service providers including those involved in disaster recovery operations. In these environments doing what we do well can often be the difference between life and death. We take this responsibility very seriously and as a result we provide our linguists with specialized training to make sure they are ready for the pressures involved in handling these situations. In addition, we support banks and insurance compa-

nies, and other types of clients where the financial well-being of an individual can be at stake. For those situations, like securing a mortgage or filing a claim the mission criticalness of what is at risk while not a life or death situation can also be incredibly stressful.

3 Won't the interpretation and translation solutions provided by LanguageLine Solutions soon be replaced by computers or some other form of artificial intelligence?

This is the question I am asked most often when people find out what I do for a living. In reality, we are excited about technology advancements in the field of artificial intelligence and neural machine translations, but strongly agree with the experts in this field that replacing the vital function of qualified human interpreters is decades away. At LanguageLine Solutions we have created a lab to evaluate machine learning and automated interpretation capabilities. Specifically, the team is evaluating consumer-facing specialty interpreting devices and smart phone applications. We have been impressed with the recent improvements that neural algorithms have made for machine interpretation quality in controlled environments – in a quiet room for example – for single short phrases. Unfortunately, these technologies fail miserably when real-world scenarios are applied. Today's LanguageLine Solutions interpreters are supporting over 240 languages in stressful and often noisy environments. Our typical interactions last more than 10 minutes where dozens of exchanges are required.



TLSCONTACT, A MAJOR PLAYER IN THE GLOBAL OUTSOURCED VISA APPLICATION MANAGEMENT

TLSCONTACT INNOVATES IN PROCESS DEMATERIALIZATION



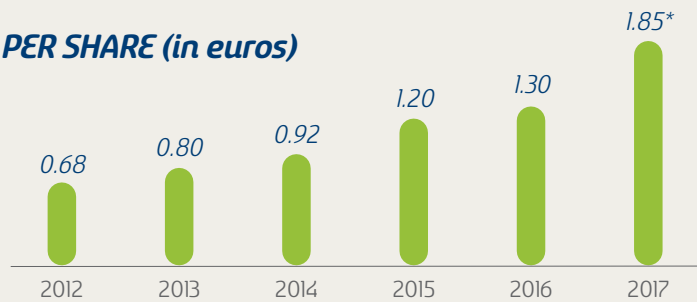
TLSccontact, subsidiary of the Group, is a major player in the global outsourced visa application management market. Its business involves assisting government clients in processing visa applications submitted by persons wishing to travel to a country requiring such a document, as securely, efficiently and quickly as possible.

TLSccontact has 140 locations in Europe, Asia and Africa, handling over 6 million visa interactions per year, serving governments in the Schengen zone (France, Switzerland, Italy, Germany, Denmark, the Netherlands, Hungary, Belgium...), members of the Commonwealth (United Kingdom and Australia) and countries with specific regulations (Cyprus, Kazakhstan).

In 2017, TLSccontact continued to innovate and invest in order to improve services for governments through initiatives to boost process productivity, while modernizing the customer-citizen experience. In particular, the company has set up innovative digital solutions throughout its global network with the aim of dematerializing processes to an ever-greater extent.



DIVIDEND PER SHARE (in euros)



*Submitted to shareholder approval at the Annual Meeting on April 20, 2018

GOVERNANCE

A GOVERNANCE SYSTEM ALIGNED WITH BEST MARKET PRACTICES

Teleperformance's governance system is aligned with best market practices. The fourteen-member Board of Directors is characterized by its independence, its balanced representation of men and women, and its diversity in terms of both expertise and nationalities.

Following the decision announced in October 2017 to combine the roles of Chairman and Chief Executive Officer, and as part of the process to continuously improve the Group's governance, the Board of Directors decided to create the position of Lead Director. Patrick

Thomas was thus appointed as a Lead Independent Director on February 28, 2018, and the ratification of this appointment will be submitted to shareholder approval at the Annual Meeting on April 20, 2018.

Six nationalities represented at the Board of Directors



China



Colombia



United States



France



Philippines



United Kingdom

APPOINTMENT OF PATRICK THOMAS AS A LEAD DIRECTOR

Photo: Thomas Laisné



Patrick Thomas
Lead Director

- Chairman of the Supervisory Board and Chairman of the Remuneration Committee of Ardian
- Director of Renault
- Chairman and director of Hermès International subsidiaries Shang-Xia Trading (China) and Full More Group (Hong Kong)
- Vice-Chairman of the Supervisory Boards of Laurent Perrier and Massily Holding
- Member of the Supervisory Boards of Leica Camera and Château Palmer
- Chief Executive Officer of Hermès International from 2003 to 2014.

"His experience of more than 40 years in challenging, international environments will be an essential asset for the Group, which continues to expand its global leadership. The appointment of a Lead Director also attests to the group's willingness to adopt a governance system aligned with its new size", commented Daniel Julien, Chairman and Chief Executive Officer of Teleperformance

"The five Teleperformance values are the pillars of our corporate culture and guarantee the excellence of our services and solutions."



Cosmos | Integrity
*I say what I do
& I do what I say*



Earth | Respect
*I treat others with
kindness and empathy*



Metal | Professionalism
*I do things correctly
the first time*



Air | Innovation
I create and I improve



Fire | Commitment
*I am passionate
and committed*

How to participate in the General Meeting?

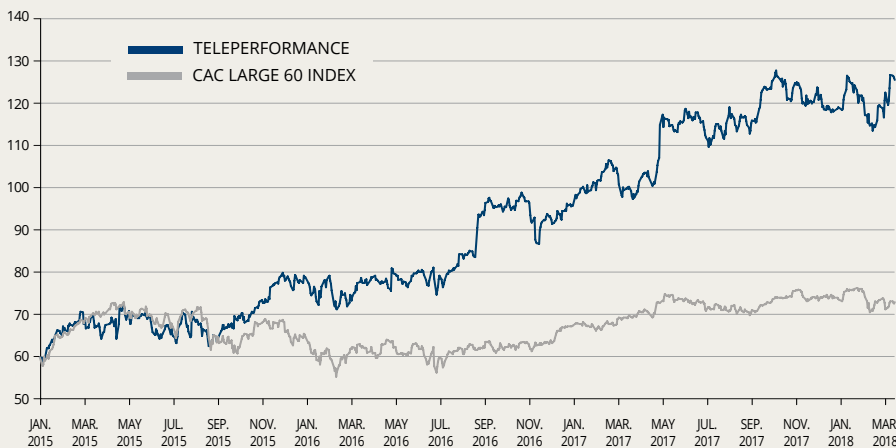
A Combined Shareholders' Meeting will be held on Friday April 20, 2018 at 3 p.m. (Paris time) at 21-25 rue Balzac, 75008 Paris, France.

All shareholders, regardless of the number of shares they hold (at least one share held on the second working day prior to the relevant shareholders' meeting), are entitled to participate in shareholders' meetings. Shareholders have the possibility, in addition

to the usual voting modalities, to vote via the Votaccess platform. More information on voting modalities is available on the Teleperformance website: www.teleperformance.com (Investor relations/General Meeting/ Notice of meeting)

TELEPERFORMANCE SHARE PRICE PERFORMANCE (IN €)

Compared to CAC Large 60* since January 1, 2015



*Based on the Teleperformance share price as of January 1, 2015.

Teleperformance shares are traded on the Euronext Paris market, Compartment A, and are eligible for the deferred settlement service. They are included in the following indices:

CAC Large 60, CAC Next 20, CAC Support Services, SBF 120, STOXX 600, MSCI Global Standard et S&P 350.
Symbol: RCF - ISIN: FR0000051807
Reuters: ROCH.PA - Bloomberg: RCF FP

57,780,000

OUTSTANDING NUMBER OF SHARES AS OF 03.15.2018

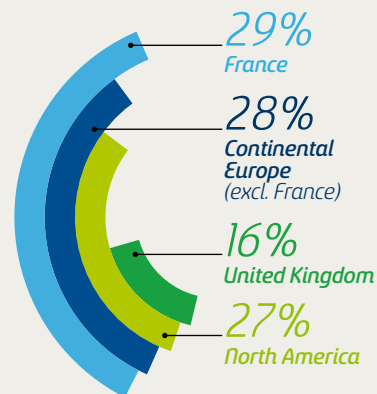
€7.3 billion

MARKET CAPITALIZATION AS OF 03.15.2018

SHAREHOLDING STRUCTURE

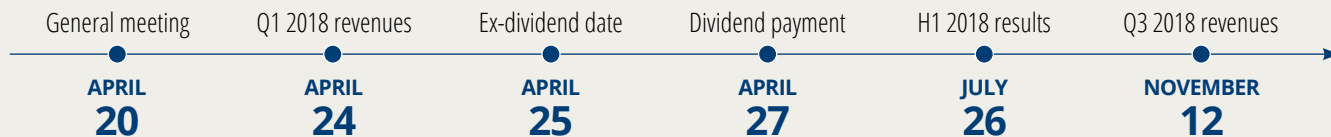
Daniel Julien, Chairman and CEO as well as Group founder holds 1.7% of the company's share capital. Institutional investors from around the world own 85% of the share capital*.

*GEOGRAPHICAL BREAKDOWN OF INSTITUTIONAL SHAREHOLDERS**



* As of 10.31.2017

2018 SAVE-THE-DATE (indicative calendar)



TELEPERFORMANCE AT A GLANCE

The worldwide leader in outsourced omnichannel customer experience management



Countries where Teleperformance operates

223,000
EMPLOYEES

265
LANGUAGES

76
COUNTRIES

€4.2 bn
REVENUE



English-speaking market & Asia-Pacific (EWAP)
€1,607 million

Ibero-LATAM
€1,084 million

Continental Europe, Middle East and Africa (CEMEA)
€851 million

Specialized Services
€638 million

Data as of December 31, 2017



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