Annual report
2009

Teleperformance

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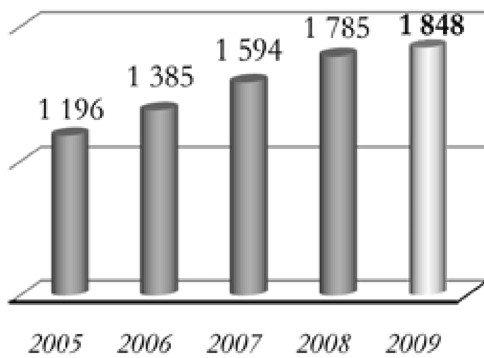
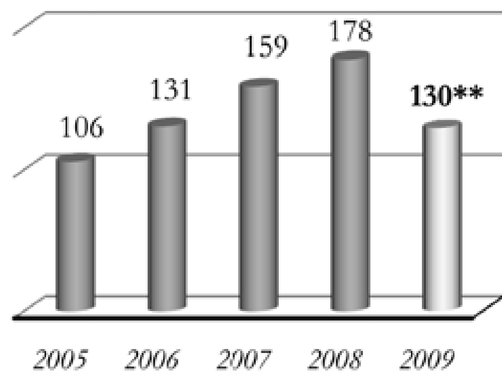
1. Key Figures

A. Selected Financial Data

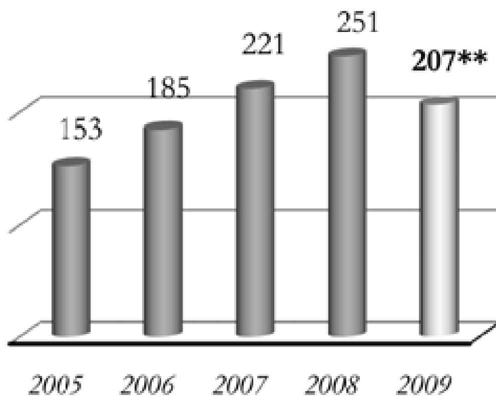
A1. Revenues (in millions of €)



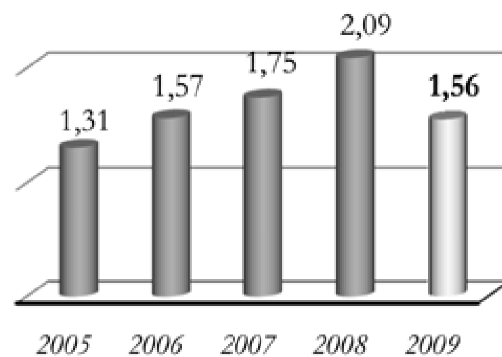
A3. EBIT * (in millions of €)



A2. EBITDA** (in millions of €)



A4. Diluted earnings per share (in €)



* EBIT: Net operating profit before financing costs
** EBITDA: Earnings before interest, income taxes, depreciation and amortization
*** including a provision for restructuring costs in France of € 21 million.

B. Selected Financial Data

	2009	*2008*
Key consolidated figures (in millions of €)		
Revenues	1,847.7	1,784.8
Net operating profit before financing costs (EBIT)	130.0	177.8
Net operating profit before financing costs (in % of revenues)	7.0%	10 %
Net operating profit before financing costs and before depreciation and amortization (EBITDA) (in % of the revenues)	11.2%	14 %
Net profit from consolidated companies	88.8	119.5
Net profit attributable to equity holders of the parent	88.2	116.4
Data per share (€)		
Basic earnings per share	1.56	2.09
Diluted earnings per share	1.56	2.09
Dividend per share	0.33	0.44
Assets (in millions of €)		
Total non-current assets	954.1	845.4
Total current assets	816.4	825.5
Total assets	1,770.5	1,670.9
Shareholders'equity and net financial indebtedness (in millions of €)		
Shareholders'equity attributable to equity holders of the parent	1,111.1	1,041.8
Minority interests	2.9	11.9
Shareholders'equity	1,114.1	1,053.7
Net financial indebtedness		
- Net cash *	11.0	17.7
Cash Flow (in millions of €)		
Internaly generated funds from operation	198.0	166.6
Net cash flow from operating activities	190.2	98.2
Capex (net)	-67.1	-68.8
Financial investments (net)	-96.3	-140.9

** Cash and cash equivalents net of current and non-current financial liabilities*

2. Introduction to Our Business

A. Company Background and Business Activities

Teleperformance was created from a merger in June 1990 between Jaurès Participations Conseils, S.D.P.S. and its listed subsidiary, Rochefortaise S.A. The majority of the new entity's capital held by the Managing Directors and founders was then transferred to a holding company, Eurofid.

On June 17, 1996, Eurofid was taken over by Rochefortaise Communication (formerly Rochefortaise S.A.).

The Company first changed its name to SR.Teleperformance and then on June 1, 2006, to *Teleperformance*.

Since 2003 the Group has gradually withdrawn from its Marketing Services and Healthcare businesses, which are no longer part of our corporate strategy. The Group sold its last holdings in these fields in late January 2008.

B. Teleperformance Business Activities and its Relationships with the subsidiaries

Teleperformance is a simple holding company that does not conduct any material economic activity; on July 30, 2008 management of its business in France was contributed to its wholly-owned subsidiary Teleperformance France, thereby terminating the lease management agreement.

Either directly or through wholly-owned subsidiaries, the Company manages its network of companies, monitors their performance and provides them with legal and financial management services. Subsidiaries receiving such services are billed for them.

In addition, Teleperformance receives trademark fees from all companies in the network. Note 14 *Balances and transactions with group companies* to the parent company financial statements provides detail on the relationship between the Company and its subsidiaries.

Detailed information on the major subsidiaries of Teleperformance is provided in the table of subsidiaries and affiliates attached to accounts on pages 150 and 151 of this document.

C. Position and Business Activities of the Group

The total contact centre market represents US$ 356 billion globally.

The market for outsourced contact centres represents 23 % of this market, about US$ 80 billion (source: IDC).

It includes two separate types of businesses:

- customer relationship management: these are services provided as part of customer service management, technical assistance, sales and marketing services estimated to total US$ 50 billion (source: IDC);

- debt collection, estimated at US$ 30 billion (source: Kaulkin Ginsberg)

Teleperformance is the global outsourced contact centre leader with about 3 % of the market.

The following are the five largest players in this market (sources: company publications), ranked by decreasing turnover expressed in US$:

	country	2009 Revenues (in millions of US$)	Market share
Teleperformance (1)	France	2,568	3.2 %
Convergys (2)	USA	1,986	2.5 %
Atento group (1) (3)	Spain	1,836	2.3 %
Sitel (4)	Canada	1,559	1.9 %
West (5)	USA	1,255	1.6 %

(1) figures converted into US$ at € 1= 1,39 US$ (average rate in 2009)
(2) CMG Division (Customer Management Group)
(3) The Atento Group is part of Telefonica SA.
(4) The company Sitel is part of Onex Corporation Group.
(5) West Communication Division

The group has developed through both internal and external growth transactions. Development has been financed both by existing shareholders' equity and by four rounds of public financing:

- June 1997: issue of a FRF200 million (€ 30.5 million) convertible bond loan.
- March 2000: € 151 million of cash raised through a share capital increase.
- December 2003: issue of a € 158.7 million Oceane convertible bond loan.
- November 2006: € 259 million cash raised in a new share capital increase.

Equal emphasis has been given to internal and external growth, with the objective of strengthening our position as worldwide market leader.

Teleperformance's recent move into Colombia bolsters our position in the Latin American market, where the Group has already established key relationships with clients established in Argentina, Brazil, Chile, Salvador, Mexico, Portugal and Spain.

We intend to continue the development program we began in 2007, through acquisitions of medium-sized companies (between € 50 and € 150 million in turnover) with profitability consistent with that of the Group.

Capital expenditures are shown on pages 5, part *Selected Financial Data* and average workforce for the last two years is indicated on page 68 in the *Board of Director's Management report.* These investments were financed with the group's shareholders' equity and by calls for capital.

Teleperformance is a service provider whose business activities do not depend on patents and on licenses.

The percentage growth in revenues over the last three financial years amounted to:

in %	2007		2008		2009	
	published	on a comparable basis	published	on a comparable basis	published	on a comparable basis
Contact centers	+15.3	+9	+12	+8	+3.5	-1.1
MS & Healthcare*	-16.9	+19	-	-	-	-
Total group	+15.1	+9	+12	+8	+3.5	-1.1
% revenues internationally	79		79		84	

** Marketing Services & Healthcare: gradual disinvestment policy since 2003*

D. Key Figures of the main Subsidiaries

The key figures of the subsidiaries whose revenues exceeded 10 % of the group's consolidated revenues are presented below:

Selected financial data	TP France (in K€)	TP USA (in KUS$)
Non-current assets	95,311	326,575
Current assets	230,766	162,492
Total assets	326,077	489,067
Shareholders' equity	57,175	113,687
Non-current liabilities	3,066	339,946
Current liabilities	265,836	35,434
Total liabilities	326,077	489,067
Revenues	308,596	426,267
Net profit	*** (115,671)**	**10,909**

* *This amount includes a provision for impairment of goodwill of € 60 million and a provision for restructuring of € 21 million.*

E. Risk Factors

E1. Market Risk

Liquidity risk

Liquidity risk involves the difficulties the Group may have in honoring its debts when they come due. The Group's approach to managing liquidity risk is to ensure to the extent possible that it will always have sufficient liquidity to honor its liabilities when they come due, whether money is normal or tight, without incurring unacceptable losses or harming the reputation of the Group.

Short-term cash management is ensured by the operating management of the subsidiaries, which generally have short-term bank credit lines, in some cases supplemented by lines secured by the holding company.
Any medium- or long-term financing is authorized and overseen by the Group's Finance Department.
The Group makes sure it is properly financed by issuing bonds, using loans and lines of credit from financial institutions.

Given the funds raised in 2006 as a result of the share capital increase and the bond conversion in February 2007, the Group had very low debt; net cash surplus at end 2009 is of € 11 million.

In early 2008 the Group negotiated a revolving credit facility among five institutions for € 300 million, with a 5-year balloon, and taking effect January 31, 2008.

In March 2009 an amendment was added to this line of credit, allowing the Group to draw it down in three different currencies - euros, pounds sterling and US dollars. At December 31, 2009 € 121.8 million of this multi-currency revolving credit facility was in use. Keeping this line of credit relates to compliance with covenants calculated as at June 30 and December 31 of each financial year. These covenants were being complied with as at June 30 and December 31, 2009 (cf Note C9 *Net financial indebtedness* of the schedule to the consolidated financial statements).
As at the date of this document, there are no other provisions of this type and no new lines of credit being negotiated.
Our liquidity risk, consequently, is judged to be low.

Management of the various financial risks is dealt with in Notes A25 *Financial risk management* and C9 *Net financial indebtedness* of the schedule to the consolidated financial statements on pages 103 and 116 respectively of this document.

E2. Business-related risks

The outsourced contact center market is fragmented and highly competitive. The group competes with other international corporate groups in this market, both to keep existing clients and to win new ones.

To deal with this competition and the consequent pressure on pricing, the group seeks to expand its international network. We also continue to develop our nearshore/offshore network for our three main working languages – English, Spanish and French.

Our industry is subject to the laws and regulations of the countries in which the group runs operations

In every country where the group has operations, the contact center business is subject to particular laws and regulations.

The governments and regulatory bodies regularly consider new consumer-protection measures, as in the United States, where regulations were adopted in 2003 that enabled individuals who so wished not to be called by telemarketers.

Action plans were put into place to limit their impact by developing our inbound activities (customer care and technical assistance services). For six years, these plans have helped us to reduce this risk markedly for the group in this country, where inbound activities now represent more than 78 % of our overall business, as compared to 38 % in 2003.

Regulations similar to those in force in the USA may be adopted in other countries. That is why the group is following developments closely and continues to strongly promote the development of inbound activities throughout its network. At the close of financial year 2009, inbound activities represent 76 % of the Group's overall business, versus 72 % in 2008 and 71 % in 2007.

Still, the adoption of such restrictive laws and regulations could harm the group's revenues and results if we do not manage to adapt to them quickly.

Our business is affected by our clients' business and their success

The growth of our business also depends on the success of our clients and the contracts they award us. So despite contractual provisions guaranteeing specific business volumes, we have no assurance that volumes will not be subject to revision by our clients. Additionally, the price erosion in our clients' industries, particularly in the telecommunications field, could have repercussions on our business and negatively impact our results.

A significant portion of the Group's revenues comes from large clients

Breakdown by client
The client portfolio has changed as follows:

	2007	*2008*	*2009*
Top client*	9.7 %	8.4 %	7.6%
Top 5	27.9 %	26.2 %	25.7%
Top 10	38.1 %	35.5 %	36.2%
Top 20	51.6 %	48.3 %	47.3%
Top 50	69.7 %	65.9 %	64.9%
Top 100	79.9 %	78.7 %	79.0%

** Teleperformance's top client is Sprint Nextel*

A more balanced client base has been noted over the last three years: the group's main client now only represents 7.6 % of the turnover achieved in 2009 as against 8.4 % in 2008 and 9.7% in 2007. The share of the top five clients is also falling: it now only contributes 25.7% of the 2009 consolidated turnover as against 26.2% in 2008 and 27.7% in 2007.
Reductions in, or indeed the loss of, certain contracts with significant clients could affect the Group's results.

Developing the inbound business increases the Group's recurrent income by lengthening the term of our contracts. The terms of such contracts are between two and five years.

As for payment periods, they depended on clients' locations and ranged as follows:

Breakdown of DSO by geographical segment

	Days sales outstanding		
	2007	*2008*	*2009*
Europe *	80	81	89
NAFTA **	63	64	54
Others	40	48	46
Total network	**70**	**72**	**72**

** Increased collection duration in Southern Europe and France*
***Significant improvement in collection duration in Canada and Mexico.*

The client portfolio by industry has changed as follows:

(% of annual revenues)	*2007*	*2008*	*2009*
Telecoms, Internet	53.1 %	52.0 %	50.5 %
Technology, media	10.6 %	10.0 %	14.7 %
Financial services	10.6 %	13.0 %	7.0 %
Insurance	6.1 %	5.0 %	3.3 %
Government sector	3.0 %	4.0 %	4.6 %
Utilities	3.0 %	4.0 %	3.6 %
Other	13.6 %	12.0 %	16.3 %
Total	100,0 %	100,0 %	100,0 %

Our clients operate in industries where new business combinations can occur through mergers, acquisitions or buy-outs. Such consolidations worldwide do not enable us to say whether they will tend to help or hurt our business.

Our business depends on fault-free service to our clients

We deliver our services to our clients by means of a complex technological platform, which integrates various aspects of information technology: telephony, IT hardware and high-level software. Not keeping them up to standard by adapting to new technological advances could hurt our business and our operating income.

A great number of our subsidiaries are networked by dedicated lines. Any significant service breakdown on our technological platform which may interrupt call center activity, itself liable to natural and non-natural damage, could affect the Group's results.

The Group makes sure that all necessary safety precautions are taken and all necessary insurance is carried in its operations. It is nevertheless impossible to guarantee that such risks will not occur and negatively impact our business and our results.

Protection of personal data

In our business we need to process, enrich and transfer personal information about our clients' customers. Our subsidiaries take operational measures to avoid any unauthorized access to these data and we endeavor to fully observe the specific regulations in force in the various countries where we run operations, as well as the security procedures stipulated by contract with our clients.

It must be understood, however, that any unauthorized access to and any use of such data could have legal consequences with a possible effect on the Group's results.

The Group's business is highly dependent upon its executives and workforce

In an industry characterized by high employee attrition, our success depends to a large extent on our ability to recruit, hire and retain qualified employees.

In fact, a significant increase in employee attrition rates would increase our recruitment and training costs, deteriorate the services provided to clients and customers and negatively impact our operating income.

Our success also depends on our ability to retain managers capable of growing our business

Thus if the Group were to lose the contribution of certain managers or could no longer retain its employees, this could have a deleterious effect on our business and results

Likewise, we have executed non-compete and non-solicitation agreements with top management worldwide, so as to protect the Group against client and employee solicitation should a key manager leave the Group for any reason.

Growth through acquisition of companies may entail risks

The Group's strategic plan calls for external growth. Within this strategy, identifying acquisition targets may become tricky and an assessment of risk in making an acquisition might be wrong. In addition, the integration of a newly acquired company in the Group might turn out to be difficult or not to produce the synergies hoped for.

The goodwill appearing on the Group's balance sheet for acquired companies may become impaired.

The goodwill appearing in the Group's balance sheet assets is evaluated every year to see if it has to be written down. The assumptions made in estimating future earnings and cash flows at the time of these re-evaluations may not be confirmed by subsequent actual results. If the Group had to acknowledge such impairments, the resulting accounting loss could negatively impact the Group's results.

The Group is exposed to a certain amount of risk by operating internationally

In the context of its expansion plan, the Group runs part of its operations internationally, particularly in certain emerging countries. Certain risks inherent to operating in these countries - such as late payment of invoices, economic, political and social instability or unexpected regulatory changes - could have consequences for these operations and therefore affect the Group's results to the extent that insurance or risk hedging turned out to be impossible.

E3. Industrial and Environment-related Risks

As far as we aware, there are no industrial and environment-related risks likely to have a specific impact on the financial situation, business, and results of the Group or the Company.

E4. Other Risks

E4/a Suppliers

We estimate the Group's top five suppliers to represent between 15% and 20% of Group purchases.
These are largely IT hardware suppliers and telephone operating companies.
However, we consider our risk to be limited, since for a given service or product we contact several suppliers, all leaders in their market.

E4/b Legal Risks

For the Company and its subsidiaries, there are no:

- Specific legal regulations and/or licenses for the conduct of its business, with the exception of those mentioned above in the section on business-related risks
- Ties of dependency
- Special tax treatments, aside from the deductions or grants for job creation allowed by law or regulation in France and the other countries where we are located.
- Litigation, arbitration or government proceedings, including proceedings the Company may have been aware of, pending proceedings or proceedings threatening the Company, likely to have, or having had in the past twelve months, a noticeable impact upon the financial position or profitability of the Company and/or the Group.

The Group operates in a certain number of countries where failure to comply with local legislation could expose the Group to legal action on the part of employees or shareholders.

E4/c Insurance – Coverage for Risks

E4/c1 General Insurance Policy in the Group

The Group and its subsidiaries took out insurance policies in particular for property damage, business interruption, civil liability, vehicles and coverage specific to our business and geographic locations.

Total premiums paid for 2009 amounted to € 4.9 million.

In addition, the Group does not have a captive insurer or self-insure against any significant risk.

E4/c2 Changes over time in how the Group handles insurance

In 2009 the Group gradually moved to Group-level insurance management in Europe for certain types of risk, with provisions for local features.

Since January 1, 2009 a comprehensive policy has been in place for all subsidiaries in the European region and covering the traditional, potentially significant risks: property damage, business interruption and civil liability.

This orientation towards handling our insurance needs at a broader level meets our objectives of uniform coverage, rationalized risk management and optimal insurance costs.

This Group-level approach to insurance takes into account local regulatory requirements, as the subsidiaries locally take out required coverage and coverage specific to their exposures.

As this change occurs, Teleperformance arranges visits by management and our insurers' engineering departments to our local sites in order to assess the degree of protection and prevention that exists.

These processes contribute to assess the Group's risks for insurors and are essential analysis elements to insurance coverage negotiations.

E4/d Labor-related Risks

Within the normal framework of its business, the Group is involved in a certain number of labor disputes. In accordance with current accounting rules, these disputes receive provisions, as explained in Note C8 *Provisions* to the consolidated financial statements, page 114 of this Annual Report.

F. Real Proprety and Facilities

The Group has approximately 102,000 computerized workstations across its 274 contact centers in 50 countries.

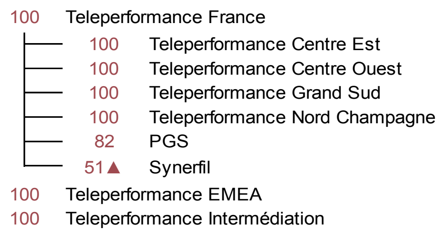
The premises operated by the companies in the Group are generally subject to property leases. Furthermore, Teleperformance is also the owner of an operating property located in Lyons (France). The Company has no more investment property.

G. Simplified Organization Chart (% of shareholding on February 26th, 2010)

(▲ without taking into account commitments to buy back the shareholdings of the minority shareholders which would take the group's shareholding up to 100%).

Teleperformance SA

France



- 100 Teleperformance France
  - 100 Teleperformance Centre Est
  - 100 Teleperformance Centre Ouest
  - 100 Teleperformance Grand Sud
  - 100 Teleperformance Nord Champagne
  - 82 PGS
  - 51▲ Synerfil
- 100 Teleperformance EMEA
- 100 Teleperformance Intermédiation

NAFTA

- 100 Teleperformance Group Inc. (USA)
  - 100 TPUSA (USA)
    - 100 The Answer Group (USA)
    - 100 MMCC Solutions Philippines
    - 100 AllianceOne Inc. (USA)
    - 100 CRM Services India (India)
    - 100 MMCC Solutions Canada (Canada)
  - 100 Americall Group Inc. (USA)
    - 100 Marcom Dominicana (Dominican Republic)
  - 100 Merkafon Group (Mexico)
    - 90 TP Nearshore (Mexico)
  - 100 Hispanic Teleservices Corp. (USA/Mexico)

South America

- 100 Sao Paulo Contact Ltd (Brazil)
  - 100 Teleperformance CRM (Brazil)
- 100 Full Sale Teleperformance (Argentina)
  - 100 Software del Plata (Argentina)
  - 100 TP Chili (Chile)
- 100 Citytech (Argentina)
- 100 Teledatos (Colombia)

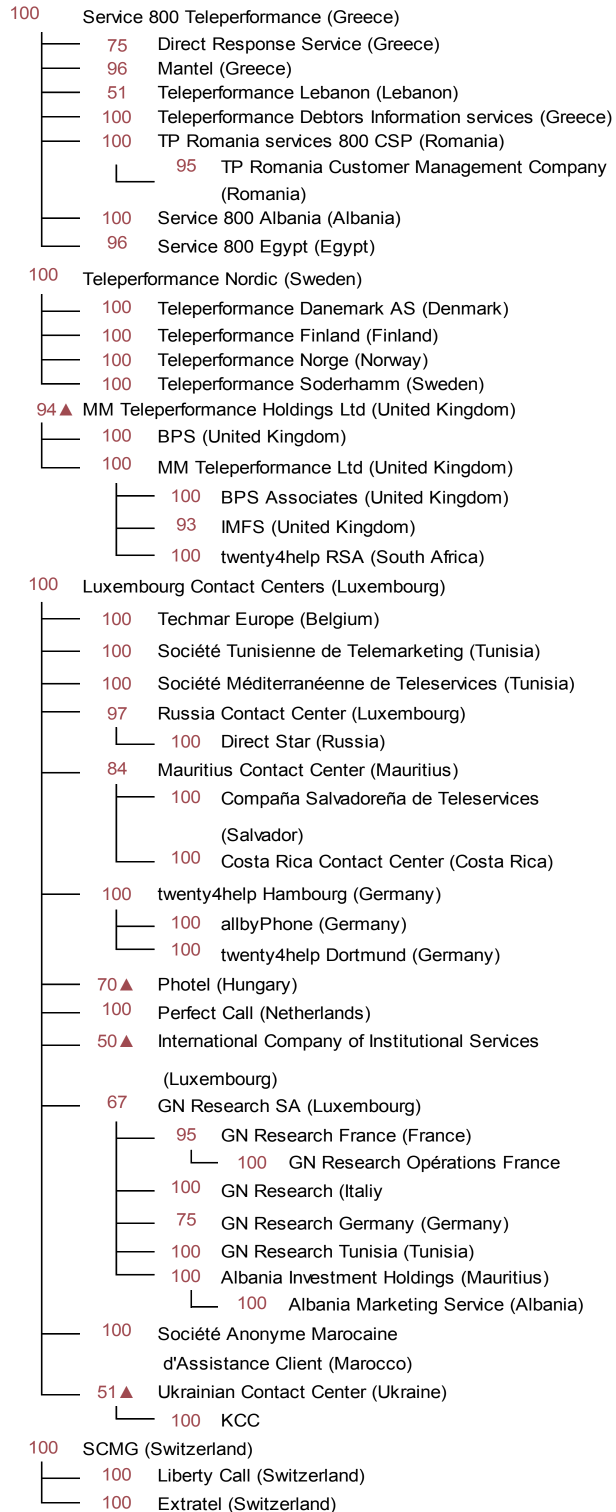
Asia/The Pacific

- 95 Telemarketing Asia (Singapore)
  - 99 P.T. Telemarketing Indonesia (Indonesia)
  - 100 Teleservices Vietnam Co. (Vietnam)
- 51 IMC Marketing (Korea)
  - 100 IMC TP Inc. (Korea)
- 100 Telephilippines (The Filipinas)
- 100 Teleperformance Group Inc. (USA)
  - 83 Hong Kong CRM Ltd (Hong Kong)
    - 100 North Asia Ltd CRM Technologies (China, Beijing)

Europe

- 100 Iberphone (Spain)
  - 100 CEE Iberphone (Spain)
- 85▲ Plurimarketing (Portugal)
- 100 In & out (Italy)
  - 100 O.B. Tel (Italy)
- 98 Teleperformance Unternehmungsbeatung (Austria)
- 90▲ Centrum Telemarketingowe (Poland)
- 90 Lion Teleservices CZ (Czech Republic)
  - 70 Lion Teleservices SK (Slovakia)
- 100 Société Européenne de Telemarketing (Belgium)

Europe



- 100 Service 800 Teleperformance (Greece)
  - 75 Direct Response Service (Greece)
  - 96 Mantel (Greece)
  - 51 Teleperformance Lebanon (Lebanon)
  - 100 Teleperformance Debtors Information services (Greece)
  - 100 TP Romania services 800 CSP (Romania)
    - 95 TP Romania Customer Management Company (Romania)
  - 100 Service 800 Albania (Albania)
  - 96 Service 800 Egypt (Egypt)
- 100 Teleperformance Nordic (Sweden)
  - 100 Teleperformance Danemark AS (Denmark)
  - 100 Teleperformance Finland (Finland)
  - 100 Teleperformance Norge (Norway)
  - 100 Teleperformance Soderhamm (Sweden)
- 94▲ MM Teleperformance Holdings Ltd (United Kingdom)
  - 100 BPS (United Kingdom)
  - 100 MM Teleperformance Ltd (United Kingdom)
    - 100 BPS Associates (United Kingdom)
    - 93 IMFS (United Kingdom)
    - 100 twenty4help RSA (South Africa)
- 100 Luxembourg Contact Centers (Luxembourg)
  - 100 Techmar Europe (Belgium)
  - 100 Société Tunisienne de Telemarketing (Tunisia)
  - 100 Société Méditerranéenne de Teleservices (Tunisia)
  - 97 Russia Contact Center (Luxembourg)
    - 100 Direct Star (Russia)
  - 84 Mauritius Contact Center (Mauritius)
    - 100 Compaña Salvadoreña de Teleservices (Salvador)
    - 100 Costa Rica Contact Center (Costa Rica)
  - 100 twenty4help Hambourg (Germany)
    - 100 allbyPhone (Germany)
    - 100 twenty4help Dortmund (Germany)
  - 70▲ Photel (Hungary)
  - 100 Perfect Call (Netherlands)
  - 50▲ International Company of Institutional Services (Luxembourg)
  - 67 GN Research SA (Luxembourg)
    - 95 GN Research France (France)
      - 100 GN Research Opérations France
    - 100 GN Research (Italiy
    - 75 GN Research Germany (Germany)
    - 100 GN Research Tunisia (Tunisia)
    - 100 Albania Investment Holdings (Mauritius)
      - 100 Albania Marketing Service (Albania)
  - 100 Société Anonyme Marocaine d'Assistance Client (Marocco)
  - 51▲ Ukrainian Contact Center (Ukraine)
    - 100 KCC
- 100 SCMG (Switzerland)
  - 100 Liberty Call (Switzerland)
  - 100 Extratel (Switzerland)

3. Information About the Company

A. General Information About the Company

Corporate name
Teleperformance (by decision of the Ordinary & Extraordinary General Meeting of June 1, 2006)

Legal form
Public limited Company governed by a Board of Directors and a Supervisory Board. These two bodies are described in Chapter 2. *Corporate Governance*.The Company was founded in 1910; its incorporation will expire on October 9, 2059, unless extended or wound up earlier.

Registered office
6-8, rue Firmin Gillot, 75015 Paris, France

Summary of corporate purpose
"Any activity as a service provider in the field of mass market or specialist communications and advertising, and in particular the design and performance of promotional activities, public relations, marketing, telemarketing, and teleservices activities" (Article 2 of the Articles of Incorporation).

Company Registration Number
PARIS B 301 292 702; APE code: 744B

Location where documents and information relating to the Company may be consulted: Registered office: 6-8, rue Firmin Gillot, 75015 Paris, France

Financial year: From January 1 to December 31, i.e., a 12-month period.

Distribution of profits under the Articles of Incorporation: There is no specific provision in the Articles of Incorporation.

General meetings

Method of notification

General meetings shall be called by means of a notice published in a newspaper authorized to carry legal notices in the French *département* where the registered office is located, as well as in the *Bulletin des Annonces Légales Obligatoires* (French Bulletin of Compulsory Legal Notices), at least fifteen days prior to the date of the General meeting.
At least thirty-five days before any shareholders' meeting, the Company shall publish in the *Bulletin des Annonces Légales Obligatoires* the notice specified in Article R. 225-73 of the French Commercial Code.

Registered shareholders who have been such for at least one month prior to the date of publication of the notice of the meeting shall in addition be called to all meetings by a letter sent by regular mail, or at their request and at their own expense, by registered letter.

Conditions for admission

Every shareholder is entitled to take part in the meetings and deliberations of the shareholders, in person or by proxy, regardless of the number of shares he or she owns, provided that the shares have been paid up to the full extent required.

The right to participate in the General Meeting is proven by the accounting registration of the shares in the name of the shareholder or in that of an intermediary registered in their name in application of paragraph 7 of Article L. 228-1 of the French Commercial Code, no later than the third business day prior to the Meeting concerned at 00:00 hours Paris time, either in the register of registered shares held by the Company or in the register of bearer shares held by the authorized intermediary.

Accounting registration or entry of the shares in the authorized intermediary's register of bearer shares shall be witnessed by an attendance certificate (known as *attestation de participation*) issued by the intermediary and attached either to an absentee ballot or a proxy, or to the request for an admission ticket in the shareholder's name or on behalf of a shareholder represented by a designated intermediary. A certificate shall also be provided to any shareholder who wishes to participate in the meeting in person but has not yet received his or her admission ticket by midnight Paris time, on the third business day preceding the meeting.

Instead of personally attending the Meeting, a shareholder may vote by absentee ballot; grant a proxy to another shareholder or to the shareholder's spouse, who must provide proof of the proxy; or give a proxy to the Company without naming a representative.

The Company sends out proxy forms and absentee ballots to all holders of registered (name) shares. These forms are also sent to holders of bearer shares upon written request received no later than six days before the Meeting.

The only absentee ballots counted are properly filled out forms received at the Company's registered office at least three days before the meeting and, if for bearer shares, accompanied by the aforementioned attendance certificate.

Conditions for the exercise of voting rights – Double voting right

Every shareholder shall have as many votes as shares he or she possesses or represents.

A double voting right is granted to all paid up shares which can be demonstrated to have been registered for a period of at least four years in the name of the same shareholder of French nationality or from a member state of the European Union.

This provision was inserted into the Articles of Incorporation by decision of the Combined General Meeting of June 26, 1985, setting the ownership period at 5 years, which was reduced to four years by the Extraordinary General Meeting of June 17, 1996.

Registered shares allotted at no cost to a shareholder by virtue of old shares with a double voting right shall enjoy a double voting right (Article 35.2 of the Articles of Incorporation).

The double voting right shall legally be terminated for any shares which have been converted into bearer shares or transferred, unless transferred from one registered shareholder to another by inheritance, spousal community property or family bequest, in accordance with Article L.225-124 of the French Commercial Code.

Declaration required for crossing thresholds specified in the Articles of Incorporation

No declaration is required by the Articles of Incorporation with respect to ownership of less than one-twentieth of the share capital.

Amending Shareholder Rights

Shareholder rights are amendable pursuant to the terms and conditions provided by law.

B. General Information about the Share Capital

B1. Specific Conditions for Making Changes to the Share Capital

The conditions imposed by the Articles of Incorporation on changes to the share capital or to the respective rights of different classes of shares are governed by the legal provisions; there are no special restrictions.

B2. Table of Changes in the Share Capital

The changes in the share capital since 2007 are shown below:

Changes in the share capital	*Type of transaction*	*Capital increase*	*Share Premium*	*Amount of the Share Capital*	*Number of shares*
01.01.2007				**€ 118,014,182.50**	**47,205,673**
01.15.2007	Conversion of 96,600 OCEANE bonds; Issue of 102,782 shares	€ 256,955	€ 1,781,292.94	€ 118,271,137.50	102,782
02 .21.2007	Conversion of 7,296,656 OCEANE bonds; Issue of 7,763,583 shares	€ 19,408,957.50	€ 134,548,486.83	€ 137,680,095.00	7,763,583
02.21.2007	Share option plan of June 25, 2001; Issue of 3,992 shares	€ 9,980.00	€ 100,199.20	€ 137,690,075.00	3,992
03.15.2007	Share option plan of June 25, 2001; Issue of 26,170 shares	€ 66,775.00	€ 670,421.00	€ 137,756,850.00	26,710
05.31.2007	Share option plan of June 25, 2001; Issue of 101,235 shares	€ 253,087.50	€ 2,540,998.50	€ 138,009,937.50	101,235
06. 28.2007	Share option plan of June 25, 2001; Issue of 179,536 shares	€ 448,840.00	€ 4,506,353.60	€ 138,458,777.50	179,536
01.01 2008				**€ 138,458,777.50**	**55,383,511**
08. 02.2008	Issue of 735,950 bonus shares per plan approved by the General Meeting on August 2, 2006	€ 1 839,875		€ 140,298,652.50	735,950
08. 04.2008	Issue of 190,572 new shares for options exercised per June 24, 2004	€ 476,430	€ 2,828,088.48	€ 140,775,082.50	190,572
08. 05.2008	Cancellation of 100,000 treasury shares	€ -250,000	€ -1,909,320.50	€ 140,525,082.50	-100,000
11. 06.2008	Issue of 127,758 new shares for options exercised per June 24, 2004 plan; Issue of 41,862 bonus shares per plan approved by the General Meeting on August 2, 2006	€ 424,050	€ 1,895,928.72	€ 140,949,132.50	169,620
12. 31.2008	Issue of 3,194 new shares for options exercised per June 24, 2004 plan	€ 7,985	€ 47,398.96	€ 140,957,117.50	3,194
01.01.2009		**€ 140,957,117.50**	**€ 535,733,849.63**	**€ 140,957,117.50**	**56,382,847**
05. 04.2009	Issue of 20,500 bonus shares per plan approved by the General Meeting on August 2nd, 2006	€ 51,250		€ 141,008,367.5	56,403,347
06. 30.2009	Issue of 192,701 new shares for options exercised per June 24, 2004	€ 481,752.50	€ 2,859,682.84	€ 141,490,120	56,596,048
12.31.2009		**€ 141,490,120**	**€ 538,593,532.47**	**€ 141,490,120**	**56,596,048**

To be best of the Company's knowledge, there are 1,060,000 pledged share at the date of this document

B3. Share Capital

The Group's share capital at December 31, 2009 amounted to € 141,490,120 and was divided into 56,596,048 fully paid up shares with a par value of € 2.50, all of the same class.

As at January 10, 2010, the share capital was increased to € 141,495,120 (divided into 56,598,048 shares) by the issue of 2,000 new shares with a par value of € 2.50, each fully paid up and awarded at no cost to the only beneficiary who had retained its rights until January 10, 2010 under the bonus share plan of January 10, 2008.

On February 26, 2010, the number of shares and the value of the share capital were unchanged.

B3/a Current delegations of authority and powers granted to the Board of Directors by the shareholders' General Meeting (Art. L. 225-100, par. 7 of the French Commercial Code) – Authorized capital not issued at December 31, 2009

Delegations of authority granted by the Ordinary & Extraordinary General Meeting of June 1, 2006

The Ordinary and Extraordinary General Meeting of June 1, 2006 authorized the Board of Directors, over a 38-month period ending August 1, 2009, to award bonus shares, consisting of existing or new shares, to the Group's employees and corporate officers or to specific categories of the same, up to a limit of 2.30% of the Company's share capital as of that Meeting.

The entirety of this authorization was used by the Board of Directors until January 10, 2008 and in the following manner:

- The Board of Directors met on August 2, 2006 and resolved to award at no cost 776,600 new shares representing 2.20% of the Company's share capital at June 1, 2006, i.e., after adjustment on November 6, 2006, a total number of 826,666 new shares granted to 169 managers and employees within the Group;

- The Board of Directors met on May 3, 2007 and resolved to award at no cost 23,400 new shares to 15 managers and employees of foreign subsidiaries of the Group;

- The Board of Directors met on January 10, 2008 and resolved to award at no cost 12,000 new shares to 3 managers and employees of foreign subsidiaries of the Group.

These three share award plans represent a total of 812,000 bonus shares (before the adjustment dated November 6, 2006) out of an authorized total of 812,185 shares representing about 2.30% of the Company's share capital at June 1, 2006.

Under the first plan of August 2, 2006 the Board of Directors issued effective August 2, 2008 a total of 735,950 new shares awarded at no cost to 145 beneficiaries who had retained their rights over the two-year vesting period.

Out of the total additional awards of 50,066 bonus shares voted on November 6, 2006 the Board of Directors issued on that same date a total of 41,862 new shares awarded at no cost to the 139 beneficiaries who had retained their rights over the two-year vesting period.

Under the second plan of May, 3, 2007 the Board of Directors issued effective May, 3, 2009 a total of 20,500 new shares awarded at no cost to twelve beneficiaries who had retained their rights over the two-year vesting period.

Under the third plan of January 10, 2008 the Board of Directors issued effective January 10, 2010 a total of 2,000 new shares awarded at no cost to one beneficiary who had retained his rights over the two-year vesting period.

B3/b Delegations of authority granted by the Ordinary and Extraordinary General Meeting of June 3, 2008

The Ordinary and Extraordinary General Meeting of June 3, 2008 granted several authorizations or delegations of authority to the Board of Directors, whose effect was to:

- Cancel all or part of the Company's shares acquired under the share buy-back program referred to in the 13th Resolution of the same Meeting, for up to 10% of the total number of shares per 24-month period;

- Decide to increase share capital by issuing with pre-emptive rights (i) common shares, up to a maximum par value of € 20 million or (ii) any kind of securities convertible into common shares in the Company or a subsidiary, up to a maximum par value of € 300 million;

- Decide to carry out one or more capital increases, up to a limit of 10% of the share capital, while cancelling pre-emptive rights, with a view to paying for contributions in kind consisting of shares or securities carrying entitlement to the share capital of outside companies;

- Decide to carry out one or more capital increases by incorporating reserves, not to exceed a total value of € 140 million;

- Decide to increase capital with shares restricted to the members of a Company or Group savings plan, with a par value not to exceed € 2 million.

These delegations of authority, each valid for 26 months and expiring August 2, 2010, were not used.

B3/c Delegations of authority granted by the Ordinary and Extraordinary General Meeting of June 29, 2009

B3/c1 Authorization granted to the Board of Directors to cancel treasury shares held by the Company

The Ordinary and Extraordinary General Meeting of May 29, 2009 authorized the Board of Directors to cancel all or part of the Company's shares acquired under the share buy-back program referred to the 14th Ordinary Resolution of the same Meeting, or already held in the treasury under prior authorizations, for up to 10 % of the total number of shares per 24-month period.

The effective period for such authorization is 26 months, superseding the authorization granted by the Shareholders' Meeting held on June 3, 2008 on the same subject matter. At the date of this document, this authorization was not used.

B3/c2 Delegation of powers and authority to the Board of Directors to increase the Company's share capital by issuing, with pre-emptive rights, common shares or any securities convertible into equity in the Company or its subsidiaries

The same Meeting delegated to the Board of Directors the authority to decide upon an increase in share capital by issuing with pre-emptive rights (i) common shares, up to a maximum par value of € 37.5 million or (ii) any kind of securities convertible into common shares in the Company or a subsidiary, up to a maximum par value of € 300 million.

The effective period for such authorization is 26 months, superseding the authorization granted by the Shareholders' Meeting held on June 3, 2008 on the same subject matter. At the date of this document, this authorization was not used.

B3/c3 Delegation of authority to the Board of Directors to increase the share capital with contributions in kind of shares or securities convertible into equity in outside companies

The Shareholders' Meeting also authorized the Board of Directors to decide upon one or more capital increases, while cancelling pre-emptive rights, up to a limit of 10% of the share capital with a view to paying for contributions in kind consisting of shares or securities carrying entitlement to the share capital of outside companies, whenever the provisions of Article L. 225-148 do not apply.

The effective period for such authorization is 26 months, superseding the authorization granted by the Shareholders' Meeting held on June 3, 2008 on the same subject matter. At the date of this document, this authorization was not used.

B3/c4 Delegation of authority to the Board of Directors to increase share capital by incorporating issue premiums, reserves, profits or any other funds approved for capitalization

The Meeting authorized the Board of Directors to carry out one or more capital increases by incorporating issue premiums, reserves, profits or any other funds approved for capitalization, in a total amount not to exceed € 150 million.

The effective period for such authorization is 26 months, superseding the authorization granted by the Shareholders' Meeting held on June 3, 2008 on the same subject matter. At the date of this document, this authorization was not used.

B3/c5 Delegation of authority to the Board of Directors to undertake one or more issues of shares restricted to employees

Lastly, the Meeting delegated authority to the Board of Directors, over a period of 26 months, for the purpose of undertaking one or more issues of shares restricted to members of a Group or Company savings plan, with a par value not to exceed € 2 million.

The effective period for such authorization is 26 months, superseding the authorization granted by the Shareholders' Meeting held on June 3, 2008 on the same subject matter. At the date of this document, this authorization was not used.

B3/d Potential share capital at December 31, 2009 and February 26, 2010

At December 31, 2009 the number of shares issuable was only 2,000 common shares to be issued at no cost under the award plan of January 10, 2008, this after elimination of the 10,000 shares initially reserved for two beneficiaries who lost their rights in 2008 and 2009.

The potential share capital at December 31, 2009 consisted therefore of 56,598,048 shares of € 2.50 par value, or a total of € 141,495,120.

Because the Board of Directors issued 2,000 new shares on January 11, 2010, effective January 10, 2010, under the bonus share plan of January 10, 2008, the Company's share capital was at the potential amount mentioned above since January 10, 2010 and did not change until February 26, 2010.

At February 26, 2010 there were no securities representing potential share capital.

B4. Share Options and Bonus Shares Awarded to Corporate Officers and Employees

The particulars of the various share option and bonus share award plans are shown in Note D4 to the consolidated financial statements, page 120 of the present document.

2. Corporate Governance

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1. Board of Directors and Supervisory Board

Teleperformance is a Company governed by a Board of Directors and a Supervisory Board. Further to a series of decisions taken by the Supervisory Board, the Company complies with the corporate governance principles laid out in the recommandations of the AFEP/MEDEF report of October 2003.

On December 11, 2008 the Supervisory Board reviewed the October 6, 2008 AFEP-MEDEF recommendations regarding the remuneration of officers and directors.
In its December 29, 2008 press release the Supervisory Board stated that it unanimously approved these recommendations, subject to modification of some of them.
These relate to two recommendations regarding the payments made as part of the non-compete undertaking by Jacques Berrebi and Daniel Julien.

1st recommendation: There should be no severance payments to a corporate officer if he decides to leave the Company to take up a new post
As regards the ruling out of a severance payment if a corporate officer decides to leave, the AFEP-MEDEF recommendations appear to conflict with the Company's interests when non-compete obligations are involved, as this type of agreement is by its very nature protection for the Company if the corporate officer decides to leave.

2nd recommendation: The severance payment must not exceed two years' remuneration
The agreements require the group to make a payment equal to 250% of the aggregate remuneration in the year preceding Jacques Berrebi and/or Daniel Julien leaving the Company, with respect to the two-year period during which the non-compete provision applies.
This two-year period is set at the request and in the interest of the Company and these same agreements allow the group to reduce this period to one year.

These terms have been approved by the Supervisory Board which relied on the findings of an expert appointed by the Commercial Court at the Company's request, in accordance with a decision taken by the Supervisory Board at its meeting of June 23, 2005.

A. The Supervisory Board

A1. Membership

At February 26, 2010 the members of the Teleperformance Supervisory Board were as follows:

Name, age	*Initial appointment / end of term of office*	*Current position in the Company*	*Other current positions held during the last financial year (Art. L.225-102-1 of the French Commercial Code)*	*Number of shares held in the Company*
Daniel BERGSTEIN 67 Independent member	09/30/2002 2011	Chairman of the Supervisory Board since 01/29/2010	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group**: *Attorney and partner* with the international law firm Paul Hastings, resident in New York *Director* of MxEnergy Inc.	7,500

Martine DASSAULT 54 Independent member	06/24/2002 2012	Vice-Chairman of the Supervisory Board	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group**: none	2,000
Philippe DOMINATI 56	06/17/1996 2012	Deputy Vice-Chairman of the Supervisory Board	**Positions held within the French and foreign companies in the Group**: *Chairman* of SAS Teleperformance France **Positions held outside the Group**: *Manager* of Isado (SARL) and Trocadero (SCP) *Director* of Caisse d'Épargne SLE Paris Ouest and Theolia	2,134
Philippe SANTINI 67 Independent member	09/30/2002 2011	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group**: *Director* of Galeries Lafayette, Apax, Zodiac Marine *Manager* of PHS Consultant	1,500
Alain LAGUILLAUMIE 67	06/17/1996 2012	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group:** *Chairman of the oard of Directors* of B.H.L. *Chairman* of SAS CAP 33 *Director* of Hébrard *Manager* of SCI Auguste Cestas and Bellefont-Belcier	12,897
Éric DELORME 56 Independent member	23/06/2005 2011	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group:** none **Positions held outside the Group**: *Manager* of SARL ED associates	1,406
Bernard CANETTI 61 Independent member	06/23/2005 2011	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group:** none **Positions held outside the Group:** *Director* of Productions Jacques Canetti and Éditions Majestic	9,482
Mario SCIACCA 67 Independent member	01/29/2010 2013	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group: none**	-
Jean GUEZ 64	01/29/2010 2011	Member of the Supervisory Board	**Positions held within the French and foreign companies in the Group:** none **Positions held outside the Group:** *Director* of Société fiduciaire d'expertise comptable de gestion et de révision *Manager* of CSA and SCI Anne Pierre	-

Jacques Berrebi, chairman of the Board of Directors until January 2, 2010, was co-opted as a member of the Supervisory Board and appointed chairman of the Supervisory Board in place of Daniel Julien, with effect from January 2, 2010. On January 29, 2010, Jacques Berrebi resigned from all his positions on the Supervisory Board.

At the meeting of the Supervisory Board on January 29, 2010, Mario Sciacca and Jean Guez were co-opted as members of the Supervisory Board and Daniel Bergstein was appointed as the new chairman of the Supervisory Board with effect from the same date.

The Supervisory Board comprises nine members of which six are termed independent as regards the criteria defined by the AFEP-MEDEF governance code. They are appointed for four years.

Each member of the Supervisory Board must hold at least 1,000 shares, in accordance with the provisions of the memorandum and articles of association. Mario Sciacca and Jean Guez, have been recently appointed and have three months in which to acquire their qualifying shares.

Other information about the Supervisory Board members

Additional information required in accordance with point 14.1, Annex I of EC Regulation 809/2004 of April 29, 2004

1. Positions held in the last five years and now expired

Daniel BERGSTEIN	**Positions held outside the Group**: *Member of the Supervisory Board* of Catalyst Partners Inc. *Director* of cebridge connections llc, towervision Ltd
Philippe DOMINATI	**Positions held within the Group**: *Chairman* of SAS Teleperformance France (formerly TP Technical Help, formerly SRMS) *Director* of TP Technical Help subsidiaries: Optimise, Pédagogie du Management, groupe Présence +, IDCC, IDCC, Akoa and its subsidiary Akoa Interactive
Philippe SANTINI	**Positions held outside the Group**: *Chairman* of SAS Aprovia Gun, Aprovia GT, Aprovia GE, Bedouk éditions, GIE emploi pro *Chairman and CEO* of Aprovia and Industrie Service Info *Vice-Chairman of the Supervisory Board* of Sial *Director* of Exposium, groupe Tests, cadre on line
Martine DASSAULT	**Positions held within or outside the Group**: none
Bernard CANETTI	**Positions held outside the Group**: *Chairman* of SAS Provea, Centre de formation européen, Éditions Atlas Inc. (Canada)
Éric DELORME	**Positions held outside the Group**: *Director and CEO* of SAS Calisto
Alain LAGUILLAUMIE	**Positions held within or outside the Group**: none
Mario SCIACCA	**Positions held outside the Group**: *Chairman* of Catiturama Spa, Gala Events Srl and JP Solutions *Vice-Chairman* of the Jakala group
Jean GUEZ	**Positions held outside the Group**: *Manager* of the MG Sofintex

2. To the best of the Company's knowledge, no member of the Supervisory Board currently in office has given notice to the Company that he/she has been found guilty of a criminal offense in the past five years, nor been associated with a bankruptcy, sequestration or liquidation, nor been accused of an offense, subject to an official sanction or disqualification, as provided in point 14.1 of Annex I of EC Regulation 809/2004 of April 29, 2004.
3. The members of the Supervisory Board have not brought to the attention of the Company any potential conflict of interest between their duties to the issuer and their private interests.
4. There are no restrictions on the transfer of shares in the issuer at certain periods.

5. There is no service contract linking any member of the Supervisory Board to the Company or to any of its subsidiaries, providing for the grant of particular benefits.
6. No member of the Supervisory Board of the Company has given notice of an agreement with a major shareholder, client or supplier of the Company pursuant to which he has been appointed as a corporate officer.

A2. Operating Rules of the Supervisory Board

The operating rules and conditions of the Supervisory Board and of the specialist Committees are described in the report by the Chairman of the Supervisory Board on the operation of the Board and the internal control system on pages 33 to 39 of this document.

B. The Board of Directors

B1. Members of the Board of Directors

At February 26, 2010 the members of the Teleperformance Board of Directors were as follows

Name, age	*Initial appointment / end of term of office*	*Current position in the Company*	*Other current positions held during the last financial year (Art. L.225-102-1 of the French Commercial Code)*	*Number of shares held in the Company*
Daniel JULIEN 57	01/02/2010 06/30/2014	Chairman of the Board of Directors	**Positions held within the French companies in the Group**: *Member of the Supervisory Board* of SAS Teleperformance France *Member of the Management Board* of SAS Teleperformance EMEA **Positions held within the foreign companies in the Group**: *Chairman* of Hispanic Teleservices de Guadalajara, Hispanic Teleservices Corp., Hispanic Teleservices International *Managing Director* of TP Group Inc. *Director* of FST (TP Argentina), Citytech, TP Chile, MMCC Solutions Canada, Americall Group Inc., TPUSA, AllianceOne Inc., The Answer Group Inc, Colombia Multi Media Center, Teledatos SA, Teledatos Zona Franca SA, TP Nearshore, Merkafon de Mexico, Merkafon Management Corporation, Sao Paulo Contact Center, Teleperformance CRM, Telemarketing Asia (Singapore), Hong Kong Asia United CRM (TP Hong Kong), IMC Marketing Inc. (TP Korea), North Asia United CRM Technologies (Beijing) Limited, Telephilippines Inc., MMCC Solutions Philippines, In & Out TP Italy, Iberphone (TP Spain), Service 800 Teleperformance (TP Greece), Plurimarketing (TP Portugal), MM Teleperformance Holdings, Teleperformance Nordic (TP Sweden), GN Research Luxembourg, GN Research Italy **Positions held outside the Group**: none	658,314
Michel PESCHARD 60	07/01/2003 06/30/2014	Managing Director	**Positions held within the French companies in the Group**: *Chairman* of SAS Teleperformance Intermédiation *Member of the Supervisory Board* of SAS Teleperformance France *Member of the Management Board* of SAS Teleperformance EMEA **Positions held within the foreign companies in the Group**: *Director* of Teleperformance Nordic, Société Méditerranéenne de Teleservices, Mauritius contact center, GN Research Luxembourg, Société Tunisienne de Télémarketing **Positions held outside the Group**: none	22,505
Brigitte DAUBRY 46	01/02/2010 06/30/2014	Managing Director	**Positions held within the French and foreign companies in the Group**: none **Positions held outside the Group**: none	

DATO 52	06/30/2014	the Board of Directors	**Positions held within the foreign companies in the Group**: *Chairman* of Hispanic Teleservices Corp., AllianceOne Inc., AllianceOne Ltd., Nova Information Technologies Ltd, Outsourcing Management International Ltd, AllianceOne Receivables Management Inc., The Answer Group Inc., Teleperformance Delaware Inc. *Director* of TPUSA, Telephilippines, Telemarketing Asia (Singapore), MMCC Solutions Canada, Americall Group Inc., CRM Services India, North Asia United CRM Technologies (Beijing) Ltd,Hong Kong Asia United CRM Ltd, teleservices Vietnam Company Ltd, P.T. Telemarketing Indonesia **Positions held outside the Group**: none	26,612
Paulo Cesar SALLES VASQUES 41	01/02/2010 06/30/2014	Member of the Board of Directors	**Positions held within the French companies in the Group**: none **Positions held within the foreign companies in the Group**: *Chairman* of Sao Paulo Contact Center and Teleperformance CRM (Brazil) **Positions held outside the Group**: none	5,000
Alejandro PEREZ 61	01/02/2010 06/30/2014	Member of the Board of Directors	**Positions held within the French companies in the Group**: none **Positions held within the foreign companies in the Group**: *Chairman* of TP Nearshore (Mexico) *Director* of Sao Paulo Contact Center, Teledatos, Teledatos Zona Franca, Teleperformance CRM **Positions held outside the Group**: *Chairman* of Dextra Technologies *Director* of Savia	9,580
Norberto VARAS 53	03/01/2010 06/30/2014	Member of the Board of Directors	**Positions held within the French companies in the Group**: none **Positions held within the foreign companies in the Group**: *Chairman* of FST (Argentina) and Teleperformance Chile *Vice-Chairman* of Software del Plata *Director* of Iberphone (Spain) **Positions held outside the Group**: *Chairman* of SA BTV, South Cone Management, Terrainvest, Vivainvest	3,097

Since January 2, 2010, Jacques Berrebi and Olivier Douce no longer hold any positions on the Board of Directors.

Other information about the Board members

Additional information required in accordance with point 14.1, Annex I of EC Regulation 809/2004 of April 29, 2004

1. Positions held in the last five years and now expired

Daniel JULIEN	**Positions held within the French companies in the Group**: *Chairman of the Supervisory Board* of Teleperformance, *Director* of Teleperformance France (formerly TP Technical Help and Rochefortaise Marketing services) **Positions held within the foreign companies in the Group**: *Director* of CKAPT (Brazil), Call Tech communications, Noble Systems Corp., Nova Scotia Company, Inverpanamerica, MMCC Solutions Inc. H-tel Holdings, Merkafon International, CRM Service India private, Americall de Mexico, TP Telemarketing Indonesia, Teleperformance Australia, Grandi Numeri **Positions held outside the Group**: *Director* of Crédit du Nord and Frens Inmobiliaria

Michel PESCHARD	**Positions held within the French companies in the Group**: *Director* of: Optimise, Business Fil, Design Board, FCS, Synerfil, Infomobile, SRBV, TechCity Solutions France, Teleperformance Technical Help (formerly SRMS), groupe Présence+, Teleperformance France *Chairman* of SAS Synerfil Multi Info
Brigitte DAUBRY	**Positions held within or outside the Group**: none
Dominic DATO	**Positions held within or outside the Group**: *Chairman* of AllianceOne Holding Company Inc., Bayside Billing Inc., National Medical coders Inc., Trinity Medical Services Inc., MCCI Multichannel Communication, MMCC Solutions, Marusa Marketing, Voice FX International Inc., TAG Support Company, US Support Company, Home Team Solutions Inc. *Director* of TP Nearshore
Alejandro PEREZ	**Positions held within the French or foreign companies in the Group**: none **Positions held outside the Group**: *Director* of Christus Muguerza Hospitale
Paulo Cesar SALLES VASQUES	**Positions held within or outside the Group**: none
Norberto VARAS	**Positions held within or outside the Group**: none

2. To the best of the Company's knowledge, no member of the Supervisory Board currently in office has given notice to the Company that he/she has been found guilty of a criminal offense in the past five years, nor been associated with a bankruptcy, sequestration or liquidation, nor been accused of an offense, subject to an official sanction or disqualification, as provided in point 14.1 of Annex I of EC Regulation 809/2004 of April 29, 2004.
3. The members of the Supervisory Board have not brought to the attention of the Company any potential conflict of interest between their duties to the issuer and their private interests.
4. There are no time restrictions on the sale or transfer of the issuer's shares, with the exception of the bonus shares awarded in 2008 to Daniel Julien, Michel Peschard, Dominic Dato, Alejandro Perez, Paulo Cesar Salles Vasques and Norberto Varas, who must hold the same for a period of at least two years from the date of the awards.
5. There is no service contract linking any member of the Supervisory Board to the Company or to any of its subsidiaries, providing for the grant of particular benefits. No member of the Supervisory Board of the Company has given notice of an agreement with a major shareholder, client or supplier of the Company pursuant to which he has been appointed as a corporate officer.

B2. Operating Rules of the Board of Directors

The members of the Board of Directors are appointed for four years by the Supervisory Board, acting on the basis of the recommendation of the Appointments and Remunerations Committee, and the age limit is set at 70 years. They may be re-elected. The Board of Directors is currently composed of seven members. The Chairman of the Board of Directors represents the Company in relations with third parties. The Supervisory Board may grant the same powers of representation to one or more members of the Board of Directors, who shall then bear the title of Managing Director.

The Board of Directors shall meet as often as the interests of the Company may require. It shall present a quarterly business report to the Supervisory Board. For verification and control, it also presents the parent company and consolidated annual financial statements and, within two months of the end of the first half during year, the half-year consolidated financial statements. These presentations are supplemented with management forecasts and a report, as provided in Article L.232-2, paragraph 3 of the French Commercial Code.

The Board of Directors calls all shareholders' General Meetings, determines their agenda and carries out their decisions.

2. Statutory Auditors

A. Terms of Office of the Auditors

Auditors	*Substitutes*	*Initial appointment*	*Expiry of current term of office*
KPMG 3 cours du Triangle 92 939 Paris La Défense Cedex Tel: +33 1 55 68 68 68	SCP de commissaires aux comptes, Jean-Claude ANDRÉ et autres 2bis rue de Villiers 92309 Levallois Perret	June 25, 1987	2011
MG SOFINTEX, **A member of Deloitte, Touche Tohmatsu** 23 rue de Lille 94701 Maisons-Alfort Tel: +33 1 45 18 33 10	M. Joël ASSAYAH 185 av. Charles de Gaulle 92524 Neuilly-sur-Seine	June 30, 1999	2011

B. Auditors' Fees

The fees received by the auditors and the members of their networks in 2008 and 2009 are analysed as follows (in thousands of euros):

	KPMG				MG Sofintex, member of Deloitte, Touche Tohmatsu			
	Amount		*%*		*Amount*		*%*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*
Audit:								
Audit, certification, review of the parent and consolidated financial statements								
- Issuer (parent company)	456	434	27 %	23 %	304	253	45 %	17 %
- Consolidated subsidiaries	1,095	1,414	65 %	74 %	195	587	29 %	40 %
Other procedures and services directly related to the auditor's engagement								
- Issuer (parent company))		12		1 %				
- Consolidated subsidiaries	36		2%			33		2 %
Subtotal I	1,587	1,860	94%	98 %	499	873	74 %	59 %
Other services rendered by the network to globally integrated subsidiaries:								
- Legal, tax, employment	101	25	6%	1 %	68	35	10 %	2 %
- Other		21		1 %	106	*573	16 %	39 %
Subtotal II	101	46	6%	2 %	174	608	26 %	41 %
Total	**1,688**	**1,906**	100 %	100 %	**673**	**1,481**	100 %	100 %

* These fees correspond to the work carried out during the second half-year as part of the proposed investment by a potential major shareholder in Teleperformance.

3. Remuneration of the Board of Directors and Supervisory Board

Executive remuneration is proposed by the Remunerations Committee, then set and authorized by the Supervisory Board.

The shareholders' General Meeting, acting on a proposal of the Supervisory Board, authorizes the amount of directors' fees allocated to the members of the Supervisory Board each year.

The Supervisory Board allocates a portion of these fees to the members of the specialist Committees and the balance to all members. In making this allocation, it takes into consideration the attendance records of the members.

With respect to the remuneration of senior executives, this includes a fixed portion and a variable portion, in keeping with the recommendations of the AFEP-MEDEF report.

Remuneration of Jacques Berrebi, Chairman of the Board of Directors until January 2, 2010 and Daniel Julien, Chairman of the Supervisory Board until January 2, 2010 and Chairman of the Board of Directors since January 2, 2010

Given the disparities among the various social benefits programs that apply to the Group's executives depending on their geographical location (NAFTA and Europe) and the nature of their emoluments, the respective remuneration packages are determined on the basis of the overall cost to the Group, including employer social contributions.

For Jacques Berrebi, in addition to his direct remuneration, this package includes fees which he receives via his companies for services provided to subsidiaries of the group.

This package include a fixed portion and a variable portion.

Based on a proposal by the remuneration Committee, the Supervisory Board has adopted procedures for calculating variable remuneration.

The Remunerations Committee has laid out for the two senior executives the qualitative and quantitative criteria determining the amount of the annual variable remuneration.

The quantitative criteria take account of operational performance (in terms of levels of business and profitability) over the entire group.

The objective of the qualitative criteria is to measure the performance of each director from the point of view of the successful completion of strategic actions. For example, these criteria may measure the ability to develop existing business, to successfully carry out reorganisations and to integrate or complete recent acquisitions or set up new locations.

Quantitative criteria

These relate to achieving targets applied to the entire network, relating to the growth of:

- revenue and EBITDA (at a constant exchange rate); and
- diluted earnings per share (based on published data).

The Remunerations committee has noted that the revenue and EBITDA targets set have only been partially achieved; it has therefore only allocated to the two corporate officers some of the points awarded on the basis of a pre-established scale.

With respect to earnings per share, no points have been awarded under this last criterion, as none of the targets set has been achieved.

Qualitative criteria

These relate to strategic actions taken by the directors. The actions for 2009 related to the following three priorities:

- the reorganisations carried out in Europe;
- introduction of new innovative products; and
- developing the group through external growth.

The Remunerations and Appointments committee has noted that the actions of the two corporate officers have been partially achieved.

It has therefore awarded each of them a bonus (inclusive of employer social security charges) of:
- US$485,000 (out of a total of US$1,250,000) for Daniel Julien; and
- € 320,000 (out of a total of € 830,000) for Jacques Berrebi.

Remuneration payable to Michel Peschard
With respect to Michel Peschard, a member of the board of directors and a managing director, his performance assessment criteria are related to his Corporate secretary employment contract. The criteria for 2009 relate to:
- the setting up of centralised cash management and exchange rate hedging systems; and
- the establishment of a new reporting tool.

The Appointments and Remunerations Committee has noted that the targets assigned to Michel Peschard have been partially achieved.

It has therefore awarded him a bonus (inclusive of employer social security charges) of € 143,000 out of a possible total of € 220,000.

With regard to the fees of the members of the Supervisory Board, the Combined General Meeting of June 2, 2010 will be asked to approve a total of € 125,800 as payments for 2009, of which € 80,500 will be allocated to the members of specialist Committees. In 2008, the overall sum of Directors' fees allocated to the Supervisory Board amounted to € 145,800, of which € 87,000 was paid to those who served on specialist Committees.

Total gross remuneration and other benefits (in euros) allocated to each member of the management and supervisory bodies in the past two years *by Teleperformance and all companies in which the Group has a controlling interest within the meaning of Article L.233-16 of the French Commercial Code (Article L.225-102-1 of the French Commercial Code, paragraphs 1, 2 and 3)*

Summary of cash compensation, stock options and shares awarded to each senior executive who is also a corporate officer (in €):

Daniel Julien, *Chairman of the Supervisory Board then Chairman of the Board of Directors since January 2, 2010*	*2008*	*2009*
Remuneration for the reporting period	2,645,115	2,465,375
Value of options granted during the reporting period	none	none
Value of stock incentives awarded during the reporting period	none	none

Jacques Berrebi, *Chairman of the Board of Directors then Chairman of the Supervisory Board between January 2, 2010 and January 29, 2010*	*2008*	*2009*
Remuneration for the reporting period	2,617,265	2,226,222
Value of options granted during the reporting period	none	none
Value of stock incentives awarded during the reporting period	none	none

Michel Peschard, *Member of the Board of Directors and Managing Director*	*2008*	*2009*
Remuneration for the reporting period	422,480	428,830
Value of options granted during the reporting period	none	none
Value of stock incentives awarded during the reporting period	none	none

Olivier Douce, *Member of the Board of Directors until January 2, 2010*	*2008*	*2009*
Remuneration for the reporting period	90,000	91,800
Value of options granted during the reporting period	none	none
Value of stock incentives awarded during the reporting period	none	none

Summary of the compensation of all executives/corporate officers

Remuneration in US$ paid during the financial year is converted into € at the average rate, i.e., €1= US$1.3935 for 2009
Remuneration in US$ not paid at the end of the financial year is converted into € at the closing rate, i.e., €1= US$1.4406 for 2009

Daniel Julien	*2008*		*2009*	
	due	*paid*	*due*	*paid*
Fixed remuneration	1,749,231	1,749,231	2,117,330	2,117,330
Variable remuneration	768,844	643,836	336,665	800,502
Bonus	none	none	none	none
Fee for chairing the Board	120,000	120,000	none	none
Director's fees	7,040	7,040	none	none
Perquisites	none	none	none	none

The gross remuneration for the 2009 financial year comprises a fixed element of US$2,950,500 and a variable element of US$485,000, a provision for which was made as at December 31, 2009. This remuneration is awarded to him for his position as CEO of TGI.

Jacques Berrebi	*2008*		*2009*	
	due	*paid*	*due*	*paid*
Fixed remuneration	1,867,933	1,867,933	1,906,222	1,906,222
Variable remuneration	749,332	643,836	320,000	629,294
Bonus	none	none	none	none
Director's fees	26,040	26,040	none	none
Perquisites	none	none	none	none

Remuneration comprises all the direct and indirect remuneration paid by the companies in the group (including US$1,413,000 for his position as Chairman of TGI).

Michel Peschard	*2008*		*2009*	
	due	*paid*	*due*	*paid*
Fixed remuneration (1)	299,000	299,000	318,850	318,850
Variable remuneration (2)(3)	117,000	96,000	103,500	117,000
Bonus (2)(3)	none	65,000	none	none
Director's fees	none	none	none	none
Perquisites	6,480	6,480	6,480	6,480

(1) Including remuneration under his employment contract of €259,200 in 2007, €281,000 in 2008 and €300,850 in 2009
(2) Variable remuneration paid under the employment contract.
(3) The amounts paid correspond to the variable remuneration awarded for the previous financial year.

Olivier Douce	*2008*		*2009*	
	due	*paid*	*due*	*paid*
Fixed remuneration	90,000	90,000	91,800	91,800
Variable remuneration	none	none	none	none
Bonus	none	none	none	none
Director's fees	none	none	none	none
Perquisites	none	none	none	none

Table of Directors' fees and other remuneration received by corporate officers who are not also executives:

Corporate officers who are not also executives		*2008*	*2009*
Martine Dassault	Director's fees	19,040	26,600
Philippe Santini	Director's fees	26,040	31,600
Philippe Ginestié	Director's fees	7,040	8,100
Alain Laguillaumie	Director's fees	7,040	14,100
Bernard Canetti	Director's fees	5,740	5,100
Éric Delorme	Director's fees	17,040	20,100
Daniel Bergstein	Director's fees	8,940	17,100
Philippe Dominati	Director's fees	26,040	23,100
	Other fees	76, 800	76,800

Share purchase or subscription or options granted during the financial year to each officer or director:
None

Performance-related shares granted to each officer or director:
None

Share purchase or subscription options exercised during the financial year by each officer or director:

	date of plan	*number of options exercised during the year*	*Exercise price*
Michel Peschard	June 24, 2004	21,292	17.34

Bonus shares vesting during the year, listed by corporate officer:
None

History of options granted to subscribe or purchase shares

Information concerning share purchase or subscription options

	plan n°1	*plan n°2*	*plan n°3*
Date of the Board of Directors' meeting authorizing the plans	06. 25.2001	06. 25.2001	06. 24.2004
Total number of options that may be subscribed (including additional options issued as a result of the capital increase of 11/06/2006)	634,161	254,349	745,250
Including those that may be subscribed by corporate officers	*133,017*	*198,994*	*180,981*
Christophe Allard	*122,375*	*196,754*	*159,689*
Michel Peschard	*10,642*	*2,129*	*21,292*
Start date for exercising options	06. 26.2005	06. 26.2005	06. 25.2008
Expiration date	06. 25.2007	06. 25.2007	06. 25.2009
Adjusted option exercise price	27.6	27.6	17.34
Number of shares subscribed before 12/31/09	293,052	18,421	514,225
Total subscription options canceled or expired	341,109	235,928	231,025
Subscription options outstanding at end of period	-	-	-

Apart from the exception mentioned hereafter, none of the individuals listed above had or received:

- a bonus for joining or leaving the Company,
- perquisites in payment for their services,
- any non-standard supplemental pension plans.

Executive Corporate officers	Jacques Berrebi	Michel Peschard	Daniel Julien
Employment contract	no	yes	no
Supplemental pension plan	no	no	no
Payments or benefits due or liable to be due upon termination or change of responsibilities	no	yes	no
Payments relating to a non-compete clause	yes	no	yes

The Supervisory Board meeting of March 16, 2006 authorized non-compete agreements for Mssrs. Julien and Berrebi

These agreements have the following features:

- Nine months' notice by either party in the event of termination of managerial functions within the Teleperformance group,
  As regards Jacques Berrebi, this notice period had no reason to apply when he left his positions on the Board of Directors and the Supervisory Board, as he will continue to carry out all his other functions and appointments within the group's subsidiaries.
- Non-compete obligation in the event of termination of managerial functions,
- Non-solicitation obligation prohibiting the hiring of a top executive from the Teleperformance group,
- Limitation of these two obligations (non-compete and non-solicitation) to those countries in which the Group is operating at the time of termination of managerial functions,
- Duration of the two obligations (non-compete and non-solicitation) limited to two years, although the Teleperformance group may decide to limit them to one year only,
- A compensating indemnity payment for the first year of the obligations, equal to the total remuneration of the calendar year preceding the termination of managerial functions, including employer social charges, less any expenses and withholdings related to the payment of the indemnity; for the second year, the indemnity will be 150 % of the amount paid in the first year.

On March 16, 2006, the Supervisory Board authorized an amendment to the employment contract of Mr. Michel Peschard

The amendment to his employment contract involves the following:

- 12 months' notice by either party in the event of termination of his employment, for any reason,
- In the event of termination by the Company, and if the 12-month notice is respected, or reduced by agreement of both parties, an additional redundancy payment will be made in addition to that legally or contractually due, in the amount of the total remuneration received in the year preceeding the termination of employment,
- After the age of 60, in the event of termination for any reason whatsoever, and if the 12-month notice is respected, or reduced by agreement of both parties, an additional redundancy payment will be made in addition to that legally or contractual due, in the amount of the total remuneration received in the year preceding the termination of employment.

Teleperformance has made a provision in its financial statements with respect to the commitments made in amending Mr. Michel Peschard's employment contract. These agreements and amendments were approved by the Ordinary and Extraordinary General Meeting of June 1, 2006.

The meeting of the Supervisory Board of November 25, 2009 formally acknowledged, as part of the reorganisation of general management, the resignation of the Board of Directors and appointed a new Board of Directors.

At this meeting, the Supervisory Board formally acknowledged that Brigitte Daubry and Michel Peschard will continue to have employment contracts within the Company with respect to their technical functions, which are distinct from their appointment as members of the Board of Directors.

Furthermore, the meeting of the Supervisory Board on February 26, 2010 took the view that there was no longer any reason to include performance conditions in the contractual severance payment payable by the Company on Michel Peschard's departure.

This payment is only payable if the employment contract is terminated, with no connection with a termination of his appointment as member of the Board of Directors. The Supervisory Board based its decision on the position taken by lawyers since the previous decision of the Supervisory Board of June 3, 2008.

It should be noted that the amendment to Michel Peschard's employment contract which set out the financial terms of his departure was duly authorised by the meeting of the Supervisory Board on March 16, 2006 and then approved by the ordinary and extraordinary general meeting of June 1, 2006.

4. Report of the Chairman of the Supervisory Board

Pursuant to the provisions of Article L. 225-68, paragraph 7 of the French Commercial Code, I herewith present the following report on:

- The terms and conditions pursuant to which your Supervisory Board prepared and organized its work during the course of the financial year ended on December 31, 2009

- The internal control and risk management procedures implemented by the Company.

At its December 11, 2008 meeting the Supervisory Board voted to follow the AFEP-MEDEF recommendations of October 6, 2008, subject only to modifications dictated by special circumstances and fully explained and justified. This decision was made public on December 29, 2008.

For the purposes of this Annual Report the Supervisory Board therefore decided on February 26, 2010 to apply - or if not, then to explain why - the December 23, 2008 governance code for listed companies that resulted from blending the October 2003 AFEP-MEDEF report and their recommendations of January 2007 and October 2008 on the remuneration of executives who are also corporate officers. This AFEP-MEDEF code of governance is available for viewing on the Internet at www.code-afep-medef.com.

My report was drawn up in liaison with the Administrative, Legal and Financial Departments and on the basis of records of the Audit Committee's work.

The preparation of this report has also been corroborated by meetings with General Management and the Company's statutory auditors.

Finally, the report was examined by the members of the Supervisory Board at their meeting of February 26, 2010.

A. Composition of the Supervisory Board and terms and conditions regarding the preparation and organization of its work

A1. Composition of the Supervisory Board

A1/a Presence of independent members

The Supervisory Board strives to have at least half of its members meet the definition of independence in the AFEP-MEDEF code of governance, under which a member of the Supervisory Board is classified as independent "when there is no relationship of any kind whatsoever with the Company, the Group, or top management which might compromise that individual's freedom of judgment".

Using this definition, the Supervisory Board determines the independence of a member in the light of advice given by the Appointments and Remunerations Committee, which is charged with reviewing a member's individual situation against the five criteria for independence listed in Article 8.4 of the AFEP-MEDEF code.

At the date of this report, your Supervisory Board was composed of the following nine members:

Daniel Bergstein	Chairman of the Supervisory Board, *independent*
Martine Dassault	Incumbent Vice-Chairman of the Supervisory Board, *independent*
Philippe Dominati	Deputy Vice-Chairman of the Supervisory Board
Philippe Santini	Independent member of the Supervisory Board
Mario Sciacca	Independent member of the Supervisory Board
Bernard Canetti	Independent member of the Supervisory Board
Éric Delorme	Independent member of the Supervisory Board
Alain Laguillaumie	Member of the Supervisory Board
Jean Guez	Member of the Supervisory Board

Any other positions inside or outside of the Teleperformance Group held by members of the Supervisory Board appear in part A1 of the *Corporate governance* section, page 20.

At this same meeting the Supervisory Board reviewed the independence of Jean Guez and Mario Sciacca, who were co-opted onto the Supervisory Board on January 29, 2010 and whose ratification is on the agenda of the Combined General Meeting of June 2, 2010.

The Supervisory Board re-examined the independence of all other members during its February 26, 2010 meeting.

On February 26, 2010 the Supervisory Board also ruled on the independence of three new members, whose appointment is on the agenda of the Combined General Meeting of June 2, 2010, namely:

- Stephen Winningham, *independent*
- Robert J. Paszczak, *independent*,
- Philippe Ginestié, *non-independent*.

A1/b Length of office

The dates on which the members' terms of office expire are listed in Chapter 2, *Corporate Governance*.

In accordance with the AFEP-MEDEF code, the terms of office of the Supervisory Board members were shortened from six to four years at the June 1, 2006 General Meeting, leaving unaffected the terms running as at that date.

A1/c Age limits (Articles 24 and 26 of the Articles of Incorporation)

No more than one eighth of the serving members of the Supervisory Board may be more than 70 years of age, and none may be over 80.

The Chairman and Vice-Chairman may hold their offices up to the age of 76.

A1/d Qualifying shares (Article 23 of the Articles of Incorporation)

A member of the Supervisory Board must own at least 1,000 Company shares throughout his or her term.

Members of the Supervisory Board are also required:

- to register in their name all Company shares held, or in that of their spouse or minor children; and
- to declare directly to the French securities regulator (AMF) within five trading days any transaction involving Company shares that was executed either by them or by persons with whom they have close personal ties.

A1/e Remuneration of services on the Supervisory Board

The members of the Supervisory Board receive directors' fees in an amount set by the Board out of the total allocation for this purpose made by the annual General Meeting, after deducting the portion allocated by the Meeting to members of Specialist Committees.

The Supervisory Board takes into consideration the usual place of residence of its members, especially those living abroad, and their attendance rate in allocating directors' fees, in accordance with the Board's internal rules as amended on February 26, 2010.

The Chairman and the Vice-Chairmen of the Supervisory Board receive no remuneration beyond these directors' fees.

Daniel Julien, Chairman of the Supervisory Board in 2009 and Jacques Berrebi, Chairman in January 2010, waived all directors' fees to which they were entitled.

A2. The Supervisory Board's operating rules - Internal Rules of Procedure

The operating procedures of the Supervisory Board, and the rights and duties of its members, are described in the Company's Articles of Incorporation and its Internal Rules of Procedure.

The internal rules of procedure for the Supervisory Board stipulate principally:

- the nature and extent of Board assignments,
- the operating rules of the Supervisory Board and the periodic reports and communications to which its members are entitled,
- the creation of Specialist Committees, which are currently an Audit Committee and an Appointments and Remunerations Committee, whose membership and scope of action are set by the Board, which remains responsible for the Committees' actions,

- the terms on which the work of the Board and the Specialist Committees will be assessed,
- the confidentiality required of each member regarding the deliberations of the Board and its Committees and any information of a confidential nature or presented as such by its Chairman or the Chairman of the Board of Directors.

The Internal Rules of Procedure were adopted by the Supervisory Board on June 26, 2003 and have since been changed to reflect existing law and current recommended practices. On February 26, 2010, the Supervisory Board therefore updated the Internal Rules regarding remuneration of executive corporate officers also based on the rules of the AFEP-MEDEF code and the principle of explaining any non-application of the rules.

A supplement to these internal rules was voted on March 11, 2008 setting forth the conditions for video-conferencing and telecommunications in Supervisory Board meetings.

These internal rules of procedure, which supplement the rules in the Articles of Incorporation, are available to the public upon written request to the Legal Department at the Company's regis-tered office, 6-8 rue Firmin Gillot – 75015 Paris, France.

A3. Constant oversight of the Board of Directors' management

The Supervisory Board exercises constant oversight of the management of the Company by the Board of Directors. At any time of the year, it carries out the inspections and controls it considers appropriate, and may call for any documents it deems useful in fulfilling this responsibility.

As part of its constant oversight over the Company's management and in compliance with its internal rules of procedure, the Supervisory Board:

- shall, whenever it considers it appropriate, issue an opinion on the advisability of the strategic choices presented by the Board of Directors (strategy options, parent company and consoli-dated group annual budget, dividend distributions, issuance of financial instruments, and any significant transaction contemplated by the Board of Directors, which is not included in the budget or fall within published strategy);
- shall issue its *a posteriori* opinion on the advisability of the management decisions brought to its attention, in particular through the quarterly reports submitted by the Board of Directors;
- shall see that equality among the shareholders is always observed;
- shall present its observations on the Board of Directors' report and the annual financial statements to the Shareholders' Annual General Meeting; and
- shall approve the draft report of the Chairman on the operation of the Board and the Company's internal control system.

A4. Particular limitations on the powers of the Board of Directors

In the category of transactions required to be submitted by the law to the Supervisory Board for prior approval, the Board of Directors is not authorized to make sales of buildings, or to dispose wholly or in part of equity investments made by the Company, or to collateralize commitments made by the Company, except in an amount less than € 1.5 million each. If any such commitment should exceed this limit, it may only be undertaken by the Board of Directors after prior authorization by the Supervisory Board (Article 28.2 of the Articles of Incorporation.)

Sureties, endorsements and guarantees given by the Company for the commitments of any third party, in particular another company in the Group, may only be granted by the Board of Directors within the annual limit determined by the Supervisory Board of € 20 million, or on special authorization from the Supervisory Board.

The members of the Board of Directors may be removed from office by the Shareholders' General Meeting, or by the Supervisory Board (Article 15.3 of the Articles of Incorporation).

The chairmanship and general management responsibilities of members of the Board of Directors can be withdrawn at any time by a vote of the Supervisory Board (Article 18.3 of the Articles of Incorporation.)

The age limit for members of the Board of Directors is set at 70 years (Article 16.3 of the Articles of Incorporation.)

A5. Activities of the Supervisory Board

A5/a Board meetings

Article 27 of the Articles of Incorporation provides that the Supervisory Board shall meet as often as the interests of the Company may require. In practice, it meets at least four times a year.

The meetings of the Supervisory Board usually take place at Teleperformance headquarters and last from three to four hours.

All the members of the Board of Directors regularly take part in these meetings, particularly to present the financial statements and their reports, to be granted any authority required and to provide any explanations and information as may permit the Supervisory Board to fulfill its task of constant oversight over the management by the Board of Directors. Furthermore, at these meetings, the Board of Directors presents to the Supervisory Board the operations carried out, in progress, or planned, whether in France or abroad, as part of the Group's expansion strategy.

Minutes are drawn up after each meeting of the Supervisory Board and are distributed to all the members of the Board, the auditors and the members of the Board of Directors.

A5/b Notification to and participation of the Supervisory Board members and the auditors

Members of the Supervisory Board, the auditors and the members of the Board of Directors receive the dates of all Supervisory Board meetings to be held in the year several months in advance.

In addition, members of the Board receive written notice of each meeting.

As required by Article L.225-238 of the French Commercial Code, the auditors are given notice of the Supervisory Board meetings called to review and approve interim and annual financial statements, by registered letter with acknowledgment of receipt. In practice, the auditors are notified of all Supervisory Board meetings by registered letter with acknowledgment of receipt.

A5/c Information provided to Supervisory Board members

All documents, technical files and information necessary for Supervisory Board members to perform their task are issued prior to each meeting, with the exception of confidential information, which is only provided at the meeting. This information is presented in a file given to the members of the Supervisory Board and the Board of Directors, as well as to the auditors who attend the meeting, with added up-to-the-minute information, particularly with regard to recent or ongoing developments.
In addition, when the chairman of the Supervisory Board or the Board of Directors judges it necessary, Group senior managers are invited before the Supervisory Board to present their particular areas of responsibility within the Group or the situation at the regional subsidiaries for which they are responsible.

A5/d Supervisory Board meetings held during 2009

During the course of 2009, the Supervisory Board met four times. The overall attendance rate of members of the Supervisory Board for these four meetings was 94.5%. The Company's two auditors were present at all these meetings.

These meetings were devoted to the subjects discussed below, in addition to recurring topics concerning review of the Board of Directors' report on the previous quarter's operations, updating of annual forecasts and granting, various authorizations, and to a review of operations under way to expand the Group's business.

- Supervisory Board Meeting of March 10, 2009:

At this meeting the Board reviewed and approved the parent company and consolidated financial statements at December 31, 2008, the Chairman's report on the operation of the Board and the internal control procedures, the Board of Directors' forecasts and the reports and resolutions proposed to the General Meeting of May 29, 2009. In this connection, the Board had a wide-ranging discussion on the draft resolution awarding bonus shares and setting related performance criteria based on the recommendations of the Appointments and Remunerations Committee.

The Board reviewed the statement of sureties, endorsements and guarantees granted up to December 31, 2008 under authorizations previously given, and renewed these authorizations.

Discussion was also held evaluating the way the Supervisory Board and Specialist Committees are working.

- Supervisory Board Meeting of May 29, 2009:

At this meeting Daniel Julien was re-elected as Chairman of the Supervisory Board and the Board voted on the allocation of the directors' fees authorized by the General Meeting that same day.

The Supervisory Board also accepted the resignation of Philippe Ginestié, while indicating to him that the Board hoped to welcome him back, once one or more new independent members were appointed.

- Supervisory Board Meeting of September 3, 2009:

This meeting was largely devoted to reviewing the financial and labor situation of Teleperformance France, presented to the Board by that subsidiary's CEO, who was specially invited for this purpose.

The Board also reviewed and approved the parent company and consolidated financial statements at June 30, 2009, the forecasts and the statement of sureties, endorsements and guarantees at June 30, 2009.

- Supervisory Board Meeting of November 25, 2009:

This meeting began with a presentation by the CEO of Teleperformance France, who had been invited to give an account of trends in that subsidiary's financial position, the measures planned for turning it around and the prospects for development. After much discussion, the Supervisory Board explicitly asked the CEO of Teleperformance France to quickly implement an austerity plan.

After accepting the resignations, effective January 2, 2010, of the three members of the Board of Directors, including its Chairman Jacques Berrebi, and the resignation of Daniel Julien as a member and Chairman of the Supervisory Board, the Board made the following decisions, all effective January 2, 2010:

- Co-option of Jacques Berrebi as a new member of the Supervisory Board to replace Daniel Julien;
- Appointment of Jacques Berrebi as Chairman of the Supervisory Board;
- Enlarging the Board of Directors to six members and appointing Daniel Julien as member and Chairman of the Board of Directors, Brigitte Daubry and Michel Peschard as members of the Board of Directors and General Managers, and Dominic Dato, Alejandro Perez and Paulo Cesar Salles Vasquez as members of the Board of Directors.

Lastly, the Supervisory Board set the 2009 bonuses and total remuneration of the three members of the Board of Directors and of Daniel Julien as CEO of Teleperformance Group, Inc.

A5/e Significant disclosures concerning membership of the Supervisory Board and the Board of Directors following decisions by the Supervisory Board from January 1 to February 26, 2010

The Supervisory Board meeting of January 29, 2010 accepted the resignation of Jacques Berrebi as a member and Chairman of the Board and appointed as its new Chairman Daniel Bergstein, who thereupon resigned from the Appointments and Remunerations Committee. This meeting also co-opted Jean Guez and Mario Sciacca as new members.

On February 26, 2010 the Supervisory Board voted to enlarge the Board of Directors to seven members and to appoint Norberto Varas as a new member effective March 1, 2010.

A6. Assessment of the Supervisory Board's working procedures

In accordance with the recommendations of the October 2003 AFEP/MEDEF report, on March 10, 2009 the Supervisory Board included on its agenda a discussion of its operation and that of its specialist Committees based on a document containing a summary of the responses and comments made by the Supervisory Board members on the questionnaire that had been sent to them.

This discussion related mainly to the composition of the Supervisory Board, the conduct of its activities and assignments, the type and format of its meetings, the reliability and the relevance of the information provided, the relationship of the Supervisory Board with the Board of Directors and the organisation and the operation of the Committees.

A new discussion of the working procedures was held during the Supervisory Board meeting of February 26, 2010.

A7. Specialist Committees

To fulfil its responsibilities, the Supervisory Board is assisted by its two permanent specialist Committees:
- the Audit Committee;
- the Appointments and Remuneration Committee.

A7/a The Audit Committee

As at the date of this report, the Audit Committee consists of:

Philippe Santini	Chairman, independent member
Éric Delorme	Independent member
Martine Dassault	Independent member
Alain Laguillaumie	Member

The Audit Committee derives its status from the Internal Rules of Procedure adopted by the Supervisory Board on June 26, 2003 and successively updated through March 11, 2008, primarily in response to changes in recommended practices.

The Committee can invite anyone it chooses to participate in some or all of its meetings, and decides whether to hear people individually or in groups. The Group's senior managers do not attend the Committee's meetings, unless the Committee so desires. In practice, the Committee invites the auditors and the Company's CFO to its meetings, as well as from time to time the Chief Audit Officer and the Group Treasurer.

The Audit Committee is responsible for preparing and facilitating the oversight work of the Supervisory Board. In this regard, it reports on its activities to the Supervisory Board, in particular, on those related to:

- the parent company and consolidated financial statements; and
- the review of the system of internal control within the Group.

The Audit Committee met three times in 2009 (March 5, August 31 and November 25) with an overall attendance rate of 92%. The Audit Committee examined all matters requiring particular attention, which is to say the following:

- Review of the report of the chairman of the Supervisory Board on the operations of the Board and the internal control procedures;
- Determination of the 2009 internal audit schedule and a detailed review of internal audit work methodology and programs;
- Examination of the final 2008 parent company and consolidated financial statements, including the Group's financial structure, and of the draft press release about these financial statements;
- Review of the Group's risks and the risk management system;
- Presentation by the auditors of the results of their work;
- Review of the Audit Committee's assignments and of its members in the light of the French Order of December 8, 2008;
- Examination of the Group's consolidated financial statements for the first half of 2009;
- Examination of the Board of Directors' report on the financial statements at September 30, 2009;
- Report on the 2009 internal audit assignments and review of the report's conclusions;
- Update on the work related to the use of the French securities regulator reference framework and the procedures put into place within the Group;
- Update on the work related to currency hedging and cash pooling within the Group.

The Committee stated to the Supervisory Board that it had no objection in respect of the subjects reviewed.

A7/b The Appointments and Remuneration and Committee

As at the date of this report, the Committee consists of:

Martine Dassault	Chairman, independent member
Philippe Dominati	Member
Philippe Santini	Independent member

The composition, assignments and procedural rules of the Appointments and Remuneration Committee are determined by the Internal Rules adopted by the Supervisory Board on June 26, 2003 and successively updated to reflect recommended practices. The Supervisory Board on February 26, 2010 therefore updated the Internal Rules regarding remuneration of executive corporate officers based on the rules of the AFEP-MEDEF code.

The Committee can invite anyone it chooses to participate in some or all of its meetings. The Committee can decide whether to hear people individually or in groups. The members of the Board of Directors do not attend the Committee's meetings, unless the Committee so desires.

Under the terms of the Internal Rules, the Appointments and Remuneration Committee issues advisory opinions, in particular on:

- The total remuneration and benefits of members of the Board of Directors, including the determination of the variable portion of their remuneration, by assessing:
  - the definition of the rules for determining this variable portion, and
  - the application of these rules each year;
- The general policy for awarding share purchase or subscription options and bonus or incentive shares, as well as the vesting conditions;
- Candidates for membership of the Board of Directors;
- The candidates for membership of the Supervisory Board and whether they qualify, initially and each subsequent year, as "independent" in terms of the criteria set forth in the AFEP-MEDEF code.

The Appointments and Remuneration Committee met twice in 2009 (March 10 and November 25), with an overall attendance rate of 87.50%. The following matters were discussed:

- Proposal to the General Meeting of May 29, 2009 to renew Daniel Julien's term of office as a member of the Supervisory Board and as its Chairman;
- Review of a planned award of bonus shares and of its terms, to be put before the General Meeting of May 29, 2009;
- Proposal to appoint Jacques Berrebi to the Supervisory Board, effective January 2, 2010;
- Review of the new Board of Directors, increased to six members effective January 2, 2010 with the appointment of Daniel Julien, Brigitte Daubry, Dominic Dato, Alejandro Perez, Paulo Cesar Salles Vasquez and Michel Peschard;
- Study of how well the members of the Board of Directors and Daniel Julien, CEO of TGI, had met the quantitative and qualitative criteria that had been established for the award of their 2009 bonuses, and proposed amounts of these bonuses.

The proposals for setting the bonuses and remuneration of the new senior executives for 2010 were reviewed by the Appointments and Remuneration Committee on January 29, 2010.

The annual review of the criteria for independence as a member of the Supervisory Board was undertaken by the Appointments and Remuneration Committee on February 26, 2010.

A7/c Remuneration of the members of the specialist Committees

The members and chairmen of the Audit Committee and the Remuneration and Appointments Committee receive specific fees as determined by the Supervisory Board which are included in the total remuneration granted to the Supervisory Board at the annual shareholders' meeting, in accordance with the internal regulations of these Committees.

The Supervisory Board takes into consideration the diligence with which its members attend the meetings of the specialist Committees in granting these specific fees.

A8. Remuneration of executive corporate officers

The total remuneration packages, including employer social charges, allocated for 2009 to members of the Board of Directors and to Daniel Julien in his capacity as CEO of Teleperformance Group, Inc. were approved by the Supervisory Board on November 25, 2009. This was done after studying the report of the Appointments and Remuneration Committee on the award of their bonuses in light of the qualitative and quantitative objectives established for each of them by the Supervisory Board on December 11, 2008. Detail of these remunerations is provided in Chapter 2 of this document.

A9. Shareholders' participation in General Meetings

General Meetings are called, and shareholders attend and vote, under the rules laid out in Chapter 3 of the Annual Report.

A10. Factors liable to have impact in the event of a tender offer for the Company's shares

Disclosures as to the Company's ownership structure and the factors liable to have an impact in the event of a tender offer are given in Chapter 3 *Shareholding* of this document.

A11. Internal Control Procedures

A11/a Choice of reference system of

The Group has used the manual "*Internal Control: a Reference Framework*" developed under the aegis of the French securities regulator (the AMF) as the basis for drafting this section on internal control procedures.

The *General Principles of Internal Control* laid out in the *Reference Framework*, i.e., the definition and the objectives of internal control together with a description of the system and those who operate it, are described below.

Mention is also made of how the Group has used the *Application Guide* from the *Reference Framework* for its internal control procedures regarding financial and accounting information by setting up a self-assessment system in each subsidiary.

A11/b Definition and objectives of internal control

The Group has adopted the definition of internal control in the AMF *Reference Framework*:

Internal control, as defined and implemented at Teleperformance, i.e. the parent company and the companies included in its consolidated financial statements ("the Group"), is a system meant to ensure:

- Compliance with legislation and regulations;
- Implementation of the instructions and policy orientations set by the General Management or the Board of Directors;
- Smooth operation of the Company's internal processes, especially those affecting the protection of the Company's assets;
- Reliability of financial information.

Generally, the internal control system contributes to the management of the Company's business, to the effectiveness of its operations and to the efficient use of its resources.

By helping to predict and limit the risks of not achieving the objectives that the Company has set for itself, the internal control system plays a key role in the management and operation of our various activities.

Nevertheless, internal controls cannot give an absolute guarantee that the Company's objectives shall be achieved. They depend primarily on individuals observing the procedures that have been put in place.

A11/c Summary description of the internal control system

A11/c1 The control environment and organization

The control environment is an essential ingredient in our internal control system. It is based on behavior, organizational structure, individuals and procedures.

Teleperformance values

The Group's internal control system is based on five core values: *Integrity, Respect, Professionalism, Innovation and Commitment*. The values infuse the Group's leadership strategy and form the "key value charter" for our employees and our subsidiaries.

They are made known to our employees in all 50 countries. Teleperformance lays great stress on our managers' ability to live up to these values on a daily basis. We conduct training sessions specifically about these values, so that every manager may understand how they translate into his actions and decisions.

Organization and responsibilities

A new organizational structure approved by the Supervisory Board on November 25, 2009 was put into effect as of January 2, 2010. It resulted in an enlargement of the Board of Directors and the Supervisory Board. The Board of Directors currently comprises seven members, among whom are the three General Managers of the regions defined by the Group: the English-speaking region, the Iberian-Latin American region and Continental Europe. Each regional General Manager shares responsibility with each country's management for achieving the objectives set by the Board of Directors on which the General Managers sit.

General Managers represent each of the threethe major support functions (marketing, quality assurance and finance) and also sit on the Board of Directors and so lend their expertise to the entire Group.

The Board of Directors is responsible for devising and monitoring policies which will enable the Group to meet its various objectives, in terms of overall growth, technology decisions, implementation of consistent operating processes throughout the network, and optimal use of human resources. The Board of Directors relies on a committee of senior managers from all the Group's major support and operating departments.

This organizational structure depends on a matrix management organization within each geographic area, whose purpose is to create direct links betwwen countries, business lines, sales forces and support staff.

The objective is to foster the Group's expansion, in a uniform fashion, with performance regularly and carefully monitored by the Company's Supervisory Board.

Human Resources Management

Skills management is a major component of the internal control system, the more so because our business consists in putting *"people at the service of others"*.

Our human resources policy at Teleperformance is defined by a constant quest for excellence in recruiting, building employee loyalty and enhancing employees' skills. Our aim is to enable everyone to perform well and the Company to achieve its objectives.

The Group seeks to strengthen our human resources management in terms of selecting, training, supervising and developing the careers of contact center agents, as well as in terms of work and down-time environments that are commensurate with high-quality service.

Teleperformance attends to this especially through specific training programs at all levels, a hands-on management approach, and broad satisfaction surveys among our customer service representatives.

Based on an opinion survey conducted in 2009 over 41,000 employees in 40 countries, Teleperformance has implemented numerous processes to improve working conditions and build corporate spirit, while supporting employees' personal and professional development.

Becoming a Company valued by its employees is one of the Group's major objectives. Our aim is to build seniority among our 103,000 employees by offering them a chance to take on added responsibilities in our 267 contact centers, favoring local staff as far as possible and limiting the number of expatriates.

Information systems

The Group's IT Department sets the strategic policy with respect to tools and information systems related to production at the subsidiary level. The Department sees to it that these information systems are developed to support the Group's objectives.

In that connection, it has worldwide responsibility for implementing in the Group's principal entities an integrated software suite for managing our contact center services - the *Contact Center Management System.* This software implementation is helping to bring consistency to operations and added security to data production. The ICT Department also issues directives concerning operating security, data preservation and back-up.

Management and industry procedures

The internal control system also depends on the subsidiaries' implementation of the corporate *TOPS (Teleperformance Operational Processes and Standards)*, as well as of international management standards such as *ISO 9001* or telemarketing standards such as *COPC (Customer Operations Performance Centers).*

The standardization and application of these procedures and standards enable us to make our global network more internally consistent, while providing greater control over our operations.

TOPS (Teleperformance Operational Processes and Standards)

The Group designed *TOPS* in order to manage our operations uniformly across subsidiaries. The *TOPS* therefore give us better quality control.

The *TOPS* were implemented throughout all subsidiaries in 2008. These processes can use the Group's integrated software suite for service management *(CCMS)*. The *TOPS* provide the Group with a reference framework for all its operations.

ISO 9001: a management standard

The ISO 9000 series standards are applied in all subsidiaries that account for a significant portion of the Group's revenues.

Changes in the AMF *Internal control reference framework* to make it conform better to ISO 9001 reveal the areas of convergence and complementarity between the two sets of standards. In that light, this ISO standard does a great deal to stabilize the control environment on which our internal control system is based.

It sets forth what is required in terms of quality assurance systems. It ensures our ability to meet quality requirements and to improve our clients' satisfaction with us. Our approach is "process-oriented", which requires that clear responsibility is set out for the management of key activities.

COPC (Customer Operations Customer Centers): an industry standard

The COPC-2000® standard supplies contact center management teams with the necessary information to improve their operational performance. The COPC certification also provides a model for global performance management linking all business areas of the Company. It also ensures operational consistency by meeting the high performance criteria required by the COPC standard.

Since 2004 our Company has worked in close collaboration with the Customer Operations Performance Center Inc. (COPC), based in Amherst, New York, and has developed its own in-house team of COPC-certified auditors.

Teleperformance continues to have its inbound call centers annually certified in the Americas and continues its efforts to obtain certification throughout Europe.

A11/c2 Information-sharing

The Group has a policy of releasing internally all relevant information, whether financial or operating, that enables everyone to perform their job.

A department has been set up to facilitate the sharing of knowledge, know-how and best practices within the Group. It makes use of an Intranet that is accessible to key employees. This corporate knowledge-base fosters dialogue and the dissemination of helpful information among those who use it.

Group information and procedures are also regularly communicated to the managers of all consolidated subsidiaries at international seminars or presentations. These rules are also repeated at subsidiary Board meetings. Subsidiary executives are expected to relay instructions from Group Management to their employees.

The heads of corporate support departments also inform their teams of specialized personnel at meetings and training sessions.

A11/c3 Risk management system

Group management has inventoried the major identifiable risks, both internal and external, that may prevent it from achieving its objectives. The chief risks are presented in the *Risk Factors* section of the Reference document. Particular mention is made of financial risks, business-related risks and others.

Paragraph *A11/c4 Controls* completes the measures in the "Risk Factors" section by indicating the centralized and decentralized procedures adopted to control the risks liable to affect the achievement of objectives.

The risks mentioned in the *Risk Factors* section were documented in detail and presented to the Audit Committee. The documents list the risks that have been identified and how it is intended to reduce them, including accounting, finance, human resources, technology, sales development and business-related matters.

The plans for the reduction of risksrely upon specific management tools, procedures and people in charge of monitoring these risks. Our analysis of the findings of these management tools results in action plans to monitor the risks identified.

This monitoring process, along with the operating priorities, the strategy and the management controls to be adopted with respect to the analysis of these risks, is reviewed with all Teleperformance Chief Executive Officers, meeting together as a group or at the time of Board meetings or executive committee meetings.

Group Management pays particular attention to the development and dissemination of these management tools. They enable the Group and each subsidiary to take the necessary steps to run its operations smoothly and to prevent risks, with regard to the rules that result from Teleperformance objectives and strategy.

In addition, a formal analysis of the main accounting and financial procedures concerning the subsidiaries' processes which contribute to the Group's principal financial statements' line items was undertaken once again in 2009 and presented to the Audit Committee.

These procedures cover the main risks identified as liable to affect the preparation of the published financial and accounting information. This formal analysis relies on the self-assessment system implemented by each subsidiary as described in section A11/e *Description of the internal control system for the preparation and processing of accounting and financial information.*

A11/c4 Control activities

Over the last six years the Group's revenues have gone from € 1 billion to € 2 billion and its workforce from 30,000 to about 103,000 employees. This growth occurred both through organic and external growth.

The control activities, designed to see that the necessary steps are taken to limit the risks liable to affect the achievement of our objectives, are developed by Group Management, using centralized procedures, and by local manage-ment, using decentralized procedures. The proce-dures described below add to those already listed in the *Risk Factors* section of the Management Report.

Centralized procedures

The internal control procedures centralized at headquarters level cover areas common to all the companies within the Group. These procedures involve finance, legal, IT and sales activities.

Financial procedures

The financial procedures related to the preparation of financial information are detailed in a specific section hereinafter.

The Group's policy for managing foreign exchange and interest rate risks, and which is meant to limit these risks, preserve sales margins and control financial expense, is presented in section *Introduction to Our Business,* Paragraph E. *Risk Factors*, page 8 of this document.

Legal procedures

The Group's Legal Department has for several years implemented a monitoring system for the brands used and registered by the companies within the Group, and in particular a system for a worldwide monitoring of the corporate name, our domain names and the "Teleperformance" brand and logo. The purpose is to be able to contest registrations of trade names other intellectual property rights by competitors and to avoid misuse of these assets, especially on the Internet.

A procedure defining the powers of the Managing Directors to commit their subsidiaries legally vis-à-vis third parties has been implemented under the supervision of the French and International Legal Departments and the Group's senior management.

In order to reduce the exposure to legal risks inherent in contracts, the Group has also defined the principles for drafting certain clauses which present a specific risk related to the business activity, and also for drafting answers to requests for proposals. Any departure from these rules requires specific approval. In addition, all global contracts with clients are reviewed by the Group lawyers before being signed, such that risks are limited and drawn to the attention of top management.

IT procedures

In the technology area, the Group has entered into partnerships with the major providers of data security solutions. Procedures for monitoring agents, workstations, and supervisory personnel strictly limiting fraud and combating security failures are being installed throughout the Group.

For its North American operations, the Group's information security policy is based on compliance with ISO 17799 and the ITIL concepts *(Information Technology Infrastructure Library)* to offer our clients the best IT service possible.

The ISO international security standard makes it possible to implement additional controls in order to comply with business regulations, such as the American HIPAA *(Health Insurance Portability and Accountability Act)*, which requires every participant in the US healthcare sector to protect patient information.

As a normal part of operations, Teleperformance systematically aims to obtain all certifications recommended by its clients. Such certifications, and in particular those obtained in the United States, Brazil, Canada and in Mexico for payment services *(PCI – Payment Card Industry –* certification*)*, ensure the Company's observance of strict control procedures intended to guarantee continual compliance with security and/or quality standards and processes.

Sales procedures

To manage its sales processes, Teleperformance has created a set of best practices to follow in order to standardize the approach to managing requests for proposals. Key international RFPs are handled directly by specialized staff based in Paris and Miami.

Decentralized procedures

Local internal control procedures are decentralized at the individual subsidiary level, where the management team is responsible for their implementation to prevent risks and comply with local legislation.

During Board meetings, each subsidiary reviews the steps to be taken to ensure that operations run smoothly respecting local law, as well as the human and social factors of each country.

A11/c5 Oversight of the internal control system

Group and local senior management

Group support departments together with local and regional management, under the direction of the Board of Directors, keep a watch on the internal control system, the purpose of which is to make sure that the system is relevant and adequate for the Group's objectives.

This includes regular reviews on the part of management and supervisory staff. This oversight is part of their ongoing responsibilities. It also makes use of the self-assessment results obtained in 2008 from the Group's performance management tool, which makes it possible to align each of the organization's processes with the Group's strategy and vision. This oversight is supplemented by active surveys of the regional and local best practices, which the Group systematically identifies and implements throughout its global network.

The oversight is also based on the network of support services specialists, and specific research requested by Group Management.

The role of internal audit

In 2009, audit assignments were carried out in the subsidiaries of the Group by the Paris and Miami audit teams, according to the audit plan and priorities set by management during the year. These audits focused primarily on the control procedures implemented at the local level.

The work is reviewed with each subsidiary's management and measures to be taken are put into an action plan, to ensure that internal control procedures are continually improved.

A11/d The parties involved in internal control

The main parties involved in the management of the internal control system are:

- The Board of Directors and the Supervisory Board,
- The Executive Committee and local management,
- The Specialist Committees
- The Internal Audit Department.

A11/d1 The Board of Directors and the Supervisory Board

Teleperformance is a public limited Company governed by a Board of Directors and a Supervisory Board. This dual system promotes a clear separation of tasks between the management functions of the Company, which are assumed by the Board of Directors, and the control function, which is performed by the Supervisory Board.

A Strategy and Finance Committee reports to the Board of Directors. It is in charge of tracking the Group's strategic positioning, particularly with regard to external growth, and of looking after the Group's financial position.

These bodies follow closely the performance of the Group on a regular basis, and consider all types of risks relating to its activity, whether financial, commercial, operational, legal or personnel-related.

A11/d2 The Executive Committee and local management

The Executive Committee includes the members of the Board of Directors and the major operating and support managers.

The Executive Committee is responsible for devising and monitoring policies and procedures, to enable the Group to achieve its various objectives, and the control procedures to make sure that these internal rules, together with all the rules governing the Group's business and corporate activities, are followed.

The guidelines and procedures are communicated to the local management of subsidiaries, who are responsible for carrying them out with the support of regional, operating and support managers.

A11/d3 Specialist Committees

The Specialist Committees' role is to prepare and facilitate the oversight carried out by the Supervisory Board.

In this respect, the Audit Committee reports to the Supervisory Board, especially on its work related to the consolidated and parent company financial statements and on its review of the Group internal control system.

Each year, this Committee undertakes an examination of the program, objectives, and the overall engagement conclusions of Internal Audit. The Committee prepares a memorandum for the Supervisory Board of the points raised during its meetings.

The Appointments and Remuneration Committee issues opinions on the appointments of members of the Board of Directors which are proposed to the Supervisory Board, on the independence of members of the Supervisory Board, on the general policy for awarding stock options and bonus or incentive shares, and on the determination of remuneration and in-kind benefits for members of the Board of Directors.

A11/d4 The internal Audit Department

The Internal Audit Department reports in a line relationship to a member of the Board of Directors, and in a staff relationship to the Audit Committee.

The operating rules of the Internal Audit Department were defined in its *Charter,* which refers to the IFACI (French Audit and Internal Control Institute) professional standards. This *Charter* and the internal audit policy of the Group set out internal audit guidelines and how the main organizational bodies involved in monitoring the Group's internal control system operate.

The Internal Audit Department carries out the missions included in the annual planning cycle established by Group Management and reviewed by the Audit Committee. The summary report on the accomplishment and findings of the assignments together with the stage of completion of action plans are presented to the Audit Committee and shared with the auditors.

A11/e Description of the internal control system for the preparation and processing of financial and accounting information

This section derives from the Application Guide for Internal Control on Financial and Accounting Information Published by Issuers, taken from the AMF Reference Framework.

The Group has included the AMF Reference Framework among its reference materials. These materials are available on the Group's Intranet to the parties concerned. Workshops and newsletters are also meant to promote awareness and use of them within the Group.

This section explains how this Application Guide was used, before proceeding to the definition and objectives of the internal accounting and financial controls and a description of the two main processes.

A11/e1 Use of the Application Guide

The Group used the *Application Guide* to review its internal control procedures for financial and accounting information by setting up a self-assessment system in each subsidiary.

Self-assessment questionnaires based on the *Guide* were also drawn up. They were sent for completion to all Group Chief Executive Officers and Chief Financial Officers. The action plans decided on after these questionnaires were reviewed were then monitored by the Internal Audit Department. This work was presented to the Audit Committee. The responses from the main subsidiaries were also reviewed by subsidiary auditors.

These questionnaires have enabled every subsidiary to review its internal control procedures for financial and accounting information and to prepare letters of representation signed by the subsidiaries Chief Executive Officers, including a paragraph about the use of the *Reference Framework* in their subsidiary. These letters are sent to the Chairman of the Board of Directors and the Group's Chief Financial Officer.

Through use of the *Application Guide*, the Group has aimed to continue both the training of employees in this regard and the standardization and improvement of processes, especially their documentation.

A11/e2 Definition, objectives and scope

The Group has adopted the definition of accounting and financial internal control in the *Application Guide* of the AMF *Reference Framework*:

A major element of a Company's internal control is its accounting and financial control. It relates to all production and communication processes of a company's accounting and financial information, resulting in the production of reliable information in compliance with legal and regulatory requirements.

Its purpose is to ensure:

- The compliance of published accounting and financial information with applicable rules;
- The application of the instructions and policy set by the General Management or the Board of Directors in connection with such information;
- The protection of assets;
- The prevention and detection of fraud and accounting and financial irregularities, to the extent possible;
- The reliability of information communicated and used internally for the purpose of management or control to the extent that it relates to the preparation of published accounting and financial information;
- The reliability of published financial statements and other information communicated to the market.

In the context of the preparation of consolidated financial statements, the scope of internal accounting and financial control covers the parent company and those companies included in the consolidated financial statements ("the Group").

A11/e3 Management processes in the accounting and financial organization

Organization and responsibilities

Under the supervision of the Group Finance Department, the Group's accounting and financial organization is managed by the Finance Department staff, in the following areas: Accounting, Treasury, Consolidation and Reporting. They are supported by the Internal Audit Department to uphold the quality of the internal controls on published accounting and financial information.

Preparation of the Group's consolidated financial statements is the responsibility of the Group Finance Department, which relies on the regional and subsidiary Chief Financial Officers. This function, created at the start of 2008, as well the tools for managing these risks, are being put in place to cover the entire network.

Accounting standards

The Group's accounting standards comply with IFRSs issued by the IASB and adopted by the European Union as of the balance sheet date, and this has been the basis of our accounting since 2005.

Since that time, the definitions and accounting principles, which are accessible on the Group's consolidation and management system, have been made known to the CFOs of the subsidiaries to make sure that they are applied consistently and that financial information is in compliance with these standards. Application of IFRSs is mandatory for all consolidated subsidiaries.

The Group Finance Department, with the help of the auditors, keeps itself informed of new IFRSs under development, in order to alert top Management and anticipate their impact on the Group's financial statements.

The information system

The consolidation of accounting information, monthly reports and budgets is managed on a single IT system, which is well-known and used by other listed companies.

It was installed during the change-over to IFRS. Since then it has been adapted to meet the Group's changing needs. All Group subsidiaries use this system.

In terms of controls, the objectives of the consolidation and management system are as follows:

- Automatic monitoring of the consistency of the financial information submitted by the subsidiaries;
- Faster and more accurate processing of collected information;
- Increase homogenization via formatted submission and retrieval tables.

A management tool

The information system makes it possible to prepare detailed monthly financial reports using a Group-wide template. It also enables us to analyze cash flows precisely and how performance is proceeding in comparison to budget.

This monthly reporting procedure is meant to supply senior management with a detailed analysis of business trends, specific key performance indicators, and allows them to measure the effectiveness of the organizations in place.

Forecasts are reviewed on a monthly basis to ensure that objectives are being achieved. The monthly budget is a control tool for checking and analyzing monthly performance, so that any corrective measures needed may be taken.

The Audit Committee

The Audit Committee is kept informed about the Group's internal control system. It examines all matters requiring particular attention, and especially the preparation of the consolidated financial statements and the work carried out by the Internal Audit Department and other staff.

It is made aware of any changes in accounting methods and alternatives adopted by the Company, which may have a significant effect on the financial statements.

The topics examined during the four meetings of the Audit Committee in 2009 are described in the section on the work carried out by the Supervisory Board.

The statutory auditors

The statutory auditors of the parent company carry out a limited review of the consolidated financial statements at June 30 and certify the parent company and consolidated financial statements at December 31.

The auditors took part in all Audit Committee meetings. They presented the Audit Committee with their conclusions on the procedures as well as on the financial statements, when they also reported on the key points raised during the audit.

A11/e4 Process of preparing the accounting and financial information

Accounts closing

The process of closing the Group's accounts involves checks at every stage and the processing of the information to a schedule set by the Group Managing Director Finance and communicated to all subsidiaries.

The information forwarded by the subsidiaries is inspected by the Headquarters consolidation staff, who eliminate internal transactions, test for consistency and check the items that pose the greatest uncertainty or risk.

The financial statements are consolidated at Group level, without any intermediate consolidation stage. The Group's Finance Department therefore has sole authority to make consolidation entries.

The published consolidated financial statements are prepared by the Finance Department on the basis of the subsidiaries' audited financial statements. All reporting submitted by the subsidiaries is subject to a limited examination at the half-yearly closing and to an audit at the year-end.

The main accounting options and estimates used by the Group are discussed with the auditors before the year-end.

Finalization of the financial statements

The subsidiaries' Managing Directors give Group Management a formal commitment, expressed in a letter of representation, that their financial statements present a true and fair view, that no fraud has been detected, and that all legal and regulatory provisions have been complied with.

Finally, the consolidated financial statements are presented by the Managing Director Finance to the Audit Committee, which examines them in preparation for the meetings and deliberations of the Board of Directors, which approves them, and of the Supervisory Board, which reviews them.

Financial communications

The Group communicates financial information according to a publication schedule and regularly update information on the Group.

The Managing Director Finance sees that all information is provided in accordance with the requirements of the securities regulator, within the legal time frames and under the conditions stipulated by law and regulations in force.

A12. Outlook

The Board of the AMF has set up a task force to prepare a guide concerning audit committees and to make proposals for adapting the Reference Framework that the AMF established in 2007. The Group will give careful study to the results of this work, which is expected to be published in the summer of 2010, in order to continue to promote the implementation of best practices.

5. Statutory Auditors' Report

prepared in accordance with article L. 225-235 of the French Commercial Code on the report of the Chairman of the Supervisory Board of Teleperformance S.A.

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

As statutory auditors of Teleperformance S.A., and in accordance with article L. 225-235 of the French Commercial Code, we hereby present our report on the report of the Chairman of your Company prepared in accordance with the terms of article L. 225-68 of the French Commercial Code, for the year ended December 31, 2009.

It is the responsibility of the Chairman to prepare a report, for approval by the Supervisory Board, on the internal control and risk management procedures in place at the Company, and which also includes the disclosures required under article L. 225-37 of the French Commercial Code which relate in particular to the Company's system of corporate governance.

It is our responsibility:

- to inform you of our observations concerning the information contained in the Chairman's report with respect to the internal control and risk management procedures for the preparation and processing of financial and accounting information, and
- to certify that the Chairman's report includes the disclosures required under article L. 225-68 of the French Commercial Code, without our having any responsibility for the verification of the fair presentation of such disclosures.

We have performed our work in accordance with professional guidelines applicable in France.

Disclosures in respect of internal control and risk management procedures for the preparation and processing of financial and accounting information

Professional guidelines require us to perform procedures to assess the fairness of information contained in the Chairman's report with respect to internal control and risk management procedures for the preparation and processing of financial and accounting information. These procedures included:

- obtaining an understanding of the internal control and risk management procedures for the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report, and the available documentation;
- reviewing the preparation and documentation of the information contained in the report;
- considering whether any significant deficiencies in internal control procedures for the preparation and processing of financial and accounting information which we may have identified during our audit have been satisfactorily disclosed in the Chairman's report.

On the basis of the work carried out, we have no matters to report as to the information with respect to the internal control and risk management procedures of the Company for the preparation and processing of financial and accounting information, as presented in the report of the Chairman of the Supervisory Board, prepared in accordance with article L. 225-68 of the French Commercial Code.

Other disclosures

We certify that the report of the Chairman of the Supervisory Board includes the other disclosures required under article L.225-68 of the French Commercial Code.

Labège and Maisons Alfort, March 22, 2010

KPMG Audit *A division of KPMG S.A.*	MG Sofintex *Member of Deloitte Touche Tohmatsu*
Christian Libéros Partner	Pierre Marque, Laurent Odobez Partner

6. Workforce, Employee Share Ownership, Share Options

A. Workforce

Distribution of workforce by category at December 31, 2009

Information related to the workforce is shown in Chapter 4. *Reports and resolutions submitted to the Combined General Meeting of June 2, 2010.*

Employee share ownership

Employee share ownership agreements: None

Shares owned by the members of the Board of Directors and the Supervisory Board

At February 26, 2010, on the basis of the declarations made by the interested parties and of the share register listing the registered shares, the members of the Board of Directors and the Supervisory Board held 753,200 shares, representing 1.33 % of the share capital and 1.80 % of the voting rights.

B. Share Options

B1. In the Company

There are no share options outstanding as at February 26, 2010.

Options for subscription or purchase of shares granted to corporate officers, and options exercised by corporate officers during 2009	*Number of options allocated/ shares subscribed or purchased*
Options allocated to corporate officers during 2009	none
Options exercised by corporate officers during 2009	21,292

Options for subscription or purchase of shares granted to the ten employees excluding corporate officers who have received the most options, and options exercised by such employees	*Number of options allocated/subscribed*
Options granted in 2009 by the issuer or any company in the Group of companies eligible for stock option allocation to the ten employees of the issuer or any other company in the Group who have received the most options	none
Options to purchase shares of the issuer and the aforementioned companies that were exercised during 2009 by the ten employees (of the issuer and the aforementioned companies) who hold the most options	111,786

B2. Share Option Plans Set up by Companies under Majority Control

There is no share option plan set up by companies in which Teleperformance has a controlling interest.

C. Bonus Share Plan

C1. The Company

There are no share that could be issued as at February 26, 2010.

Bonus shares allotted to each corporate officer and shares that have become unrestricted	*number of shares granted*
Shares allotted during 2009 to corporate officers of the Company	none
Shares that have become unrestricted during 2009 held by corporate officers	none

Bonus shares allotted to the ten employees excluding corporate officers who have received the most bonus shares and shares that have become available to them	*number of shares allocated*
Bonus shares allotted during 2009 by the issuer and by any company falling within the scope of the granti of the options to the ten employees (of the issuer and of any company falling within the scope) who have been allotted the most shares	none
Shares held in the issuer and the companies referred to above, that have become unrestricted during 2009 by the ten employees of the issuer and these companies, who have thus received the most shares	19,250

C2. Bonus Share Plans Granted by Majority-controlled Companies

There are no bonus share plans granted by companies that are majority controlled.

3. Shareholding

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5. Dividends 59

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1. Breakdown of Share Capital and Voting Rights

A. Change in the Breakdown of Share Capital and Voting Rights

Shareholders	At March 11, 2008			At March 10, 2009			At February 26, 2010				
	Outstanding shares			*Outstanding shares*			*Outstanding shares*			*Potential shares*	
	number of shares	*% of capital*	*% of voting rights*	*number of shares*	*% of capital*	*% of voting rights*	*number of shares*	*% of capital*	*% of voting rights*	*% of capital*	*% of voting rights*
Mr Jacques BERREBI	920,000	1.66	2.41	1,000,900	1.78	2.50	1,000,900	1.77	2.50	1.77	2.50
Mr Olivier DOUCE	1,914,980	3.46	5.57	1,669,980	2.96	4.84	1,489,000	2.63	4.24	2.63	4.24
Mr Daniel JULIEN	574,221	1.04	1.49	658,314	1.17	1.60	658,314	1.16	1.60	1.16	1.60
GIM Dassault *	2,830,441	5.11	7.46	2,897,541	5.14	7.44	2,937,541	5.19	7.50	5.19	7.50
Ms Sylvie DOUCE	670,236	1.21	1.14	670,236	1.19	1.12	632,330	1.12	1.05	1.12	1.05
Other registered shareholders with double voting rights	181,678	0.33	0.61	141,296	0.25	0.47	103,941	0.18	0.35	0.18	0.35
Other registered shareholders with ordinary voting rights	38,728	0.07	0.07	690,951	1.23	1.15	143,695	0.25	0.24	0.25	0.24
Other shareholders	48,253,227	87.12	81.25	48,653,629	86.28	80.88	49,632,327	87.70	82.52	87.70	82.52
Total	55,383,511	100	100	56,382,847	100	100	56,598,048	100	100	100	100

** A financial and property holding company located at 9, rond point des Champs Elysées, Paris, France*

As of February 26, 2010, the members the Board of Directors and Supervisory Board held altogether 1.33 % of the share capital and 1.80 % of the voting rights. To date, the Company holds 63,089 of treasury shares under a liquidity agreement.

To the Company's knowledge, the employees of the Group who are not corporate officers of Teleperformance hold at today's date 492,576 registered shares, primarily representing options exercised under stock option plans and bonus shares.

None of these shares is in a fund managed under a company savings plan.

There are no shareholders' agreements, or agreements of any nature whatsoever, that have been declared to the French securities regulator, including agreements stemming from the French Dutreil Law.

To the best of the Company's knowledge and belief, no agreement exists the exercise of which could, at a date subsequent to the approval of this document, alter the control of the Company.

Each share of the Company gives one voting right, except where, under the shareholding terms and conditions as provided by the Articles of Incorporation, any specific share confers on its holder a double voting right.

The main shareholders do not have voting rights which are different from any other shareholder's.

The conditions on which double voting rights are granted are described in detail in Chapter 1, part 3. *General Information.*

B. Major Changes in the Breakdown of Share Capital over the Last Three Years

The Company was informed of the following changes:

Mr. Olivier Douce sold 50,000 shares between November 30 and December 12, 2007 for a total of € 1,313,523.60, representing an average selling price of € 26.27 per share.

Mr. Olivier Douce sold 25,000 shares between February 8 and February 25, 2008 for a total of € 539,340.50, representing an average selling price of € 21.57 per share.

Mr. Olivier Douce sold 245,000 shares between March 26, 2008 and February 6, 2009 for a total of € 5,782,593.50 representing an average selling price of € 23.6024 per share.

Mr. Olivier Douce sold 122,000 shares between March 12, 2009 and August 13, 2009 for a total of € 2,834,949.40 representing an average selling price of € 23.2373 per share.

C. Crossing Thresholds

The Company was informed that the following thressholds were crossed:

During 2007

Groupe Industriel Marcel Dassault, on February 23, 2007: the 5 % threshold for capital stock was crossed downward following the capital increase resulting from the OCEANE bond conversion on February 14, 2007.
GIM Dassault reported on this occasion that it held 2,632,901 shares in total on the date of this transaction, representing 4.78 % of the share capital and 7.13 % of the voting rights.

Mr. Olivier Douce, on April 4, 2007: the 5 % threshold for capital stock was crossed downward for adjustment purposes as a result of the capital increase completed through the OCEANE bond conversion on February 14, 2007.
Mr. Olivier Douce reported on this occasion that he held 1,989,980 shares in total on the date of this transaction, representing 3.61 % of the share capital and 5.69 % of the voting rights.

Oddo & Cie, on April 17, 2007: for regularization purposes, the 5 % threshold for capital stock was crossed downward as a result of the capital increase completed on November 6, 2006.
Oddo & Cie reported on this occasion that it held 2,246,949 shares on the date of this transaction, representing 4.08 % of the share capital and 3.81 % of the voting rights.

Groupe Industriel Marcel Dassault, on December 21, 2007: the 5 % threshold for capital stock was crossed upward following the purchase of shares on the market.
GIM Dassault reported on this occasion that it held 2,794,938 shares in total on the date of this transaction, representing 5.05 % of the share capital and 7.36 % of the voting rights.

During 2008

The Company has not been informed of any threshold crossing, upward or downward, during the 2008 financial year.

During 2009

Mr. Olivier Douce, on March 25, 2009, for regularization purposes, the 5 % threshold for voting rights was crossed downward.

2. Description of the Share Buy-Back Program

The shareholders' General Meeting of May 29, 2009, after having read the Board of Directors' report, resolved in its Fourteenth Resolution that the Company may purchase its own shares for the purpose of:

- Canceling all or a portion of such shares, up to 10 % of the total number of shares per 24-month period, in accordance with the authorization granted for 26 months to the Board of Directors pursuant to the Fifteenth Resolution of the same shareholders' meeting,
- Implementing or honoring share option plans or other share allotments (specifically, purchase options or bonus share awards) for the benefit of employees and corporate officers of the Group,
- Implementing obligations in connection with the issue of securities convertible into shares,
- Retaining shares for the purpose of allotting them at a later date in payment or exchange, as part of an external growth strategy,
- Authorizing an independent investment services company to handle the Company's stock under a liquidity agreement that complies with a code of conduct recognized by the French securities regulator.

The terms and conditions of the buy-back program are based on the following characteristics:

- The maximum purchase price per share is set at € 30, exclusive of charges;
- The maximum funds allocated by the Company to this share buy-back program may not exceed € 168,913,500;
- the maximum number of shares that may be held by the Company under this resolution may not exceed 10% of the total number of shares comprising the share capital at any time whatsoever and the number of shares that the Company may repurchase during the repurchase programme (to retain them and subsequently use them in payment or in exchange as part of a merger, spin-off or contribution transaction) may not exceed 5% of the shares comprising the Company's share capital.

The shareholders' General Meeting of May 29, 2009 set the effective period of such authorization at 18 months, that is, until November 28, 2010.

A. Update on the Current Repurchase Programme

The Company traded on the public market during FY2009 under a liquidity agreement with Oddo Corporate Finance taking effect January 8, 2007. This agreement complies with the Code of Conduct established by the AFEI (French Association of Investment Firms) and approved by the French securities regulator.

The resources allocated to the liquidity account include € 2 million cash and the 1,500 shares from an earlier buy-back program predating the liquidity agreement.

Summary Report Table

Declaration by the issuer for transactions carried out from May 29, 2009 to February 26, 2010 under the share buy-back program in progress in connection with the liquidity agreement in effect since January 8, 2007 with Oddo Corporate Finance, as well as the repurchase of shares for canceling.

At February 26, 2010

Percentage of direct or indirect treasury shares	0.11%
Number of shares cancelled over the last 24 months	100,000
Number of treasury shares in stock portfolio	63,089
Number of treasury shares at program start	82,500
Number of shares bought since program start	1,186,067
Number of shares sold since program start	1,205,478
Book value of stock portfolio	1,481,635.39
Market value of stock portfolio	1,476,913.49

The Board of Directors did not cancel any shares between May 29, 2009 and February 26, 2010 as part of the authorisation given by the general meeting of May 29, 2009.

B. Description of the New Buy-back Program under Articles 241-1 et seq. of the General Regulations of the French Securities Regulator (AMF)

B1. Objectives of the Share Buy-back Program

A proposal will be made to the Combined General Meeting of June 2, 2010 to renew the share buy-back program for another 18 more months, to meet the same objectives as the previous program.

The terms and conditions of the buy-back program are the same, except for the maximum amount of funds the Company can devote to the repurchase of its own shares, which may not exceed € 169,000,000.

B2. Legal Framework

The implementation of said program, which falls within the legislative scope created by Law No. 98-546 of July 2, 1998 setting forth various economic and financial provisions and under provisions of European Regulation No. 2273/2003 setting forth the terms of application for European Directive No. 2003/6/CE of January 28, 2003, is subject to approval by the shareholders' General Meeting of June 2, 2010 as expressed in the following resolutions:

B2/a1 Resolutions of the Ordinary General Meeting

Twelth Resolution: Authorization to engage in transactions involving Company shares

The shareholders' General Meeting, acting in accordance with quorum and majority requirements for an Ordinary General Meeting, having read the Board of Directors' report, and pursuant to Articles L.225-209 et seq. of the French Commercial Code, Articles 241-1 et seq. of the General Rules and Regulations of the French securities regulator and EC Regulation No.2273/2003 dated December 22, 2003:

1. Resolved that the Company may purchase its own shares by virtue of this resolution, in compliance with all existing legal provisions and regulations in accordance with positive law, for the purpose of:

- Canceling repurchased shares, subject to the meeting's adoption of the Thirteenth Resolution as written hereunder or pursuant to a similar authorization;

- Implementing or honoring share option plans or other share allotments for the benefit of employees and corporate officers, particularly by:

  - inviting employees of the Company or affiliated companies, as specified under Articles L.225-180 or L.233-16 of the French Commercial Code, to acquire shares, directly or through a company-sponsored mutual fund, in accordance with legal requirements, particularly Articles L. L.3332-18 et seq. of the French Labor Code; or

  - granting share options and awarding bonus shares to employees or authorized corporate officers of the Company or of affiliated companies, in accordance with Articles L. 225-177 et seq. and L. 225-197-1 et seq. of the French Commercial Code;

- Implementing or honoring obligations in connection with the issue of securities convertible into shares;

- Retaining shares for the purpose of allotting them at a later date in payment or exchange, as part of an external growth strategy;

- Authorizing an independent investment services company to handle the Company's stock under a liquidity agreement that complies with a code of conduct recognized by the French securities regulator.

- And more generally, performing any transaction permitted by law.

2. Resolved that:

- The maximum purchase price per share is set at € 30.00, exclusive of charges;
- The maximum amount of the funds the Company can devote to the repurchase of its own shares may not exceed € 169,000,000;
- The maximum number of shares that may be repurchased and held by the Company pursuant to this resolution may not exceed 10 % of the total number of shares comprising the share capital at any given time, being specified that the number of shares the Company may purchase under the buy-back program with a view toward retaining them and allotting them at a later date in payment or exchange under a merger, split-off or capital contribution transaction may not exceed 5 % of the shares comprising the share capital of the Company;
- The acquisition, sale, exchange or transfer of such shares may be carried out at any time, except during a tender offer, in one or more installments, by any means within the limits of, and on terms and conditions stipulated by, the law and regulations in force. These transactions may be completed, as appropriate, by mutual agreement, through block sales, or by using forms of options or derivative instruments, excluding the sale of put options. The maximum portion of the capital stock that may be transferred in the form of blocks of shares may equal but not exceed the total of the share buy-back program.

3. Set the effective period of such authorization at 18 months from the shareholders' General Meeting, canceling the period remaining under the previous authorization and replacing the former authorization set forth under the Fourteenth Resolution of the shareholders' General Meeting of May 29, 2009, as of the effective date set by the Board of Directors.
4. Granted all powers to the Board of Directors, with right of delegation, to carry out such transactions, all formalities and declarations, to make any necessary adjustments related to equity transactions involving the Company and, more generally, do everything necessary to implement the present authorization.

B2/a2 Resolutions of the Extraordinary General Meeting

Thirteenth Resolution: Authorizing the Board of Directors to cancel treasury shares held by the Company, up to a limit of 10 % per 24-month period

The shareholders' General Meeting, acting in accordance with quorum and majority requirements for an Extraordinary General Meeting, having read the Board of Directors' report and the Auditors' special report, and pursuant to legal requirements, in particular Article L.225-209 of the French Commercial Code:

1. Authorized the Board of Directors, to cancel, in whole or in part, the Company shares acquired by itself in implementing the authorization set forth in the Twelth Resolution of the Ordinary General Meeting, or Company shares already held under previous authorizations, which it may do at its sole discretion, in one or more installments, up to a limit of 10 % of the total number of shares per 24-month period, by recording the difference between the purchase value of the cancelled shares and their par value in the share premiums and available reserve accounts, including the legal reserve account, up to 10 % of all shares cancelled.
2. Set the effective period of such authorization at 26 months commencing from today's date, canceling the time remaining under the previous authorization and replacing the authorization set forth under the Fifteenth Resolution of the shareholders' General Meeting of May 29, 2009, which dealt with the same subject matter.
3. Granted all powers to the Board of Directors, with right of sub-delegation, for the purpose of proceeding with the capital reduction(s), modifying the Articles of Incorporation accordingly, and carrying out all necessary formalities.

B2/a3 Terms and conditions

Maximum portion of capital stock to be purchased and maximum amount payable by Teleperformance

Pursuant to the provisions of Article L.225-209 of the French Commercial Code, the maximum portion of capital stock that Teleperformance may purchase is 10 % of the share capital, i.e. 5,659,804 shares as of

the shareholders' General Meeting. The limit of 10 % shall be applied to an amount of capital stock that may be adjusted for changes in the capital stock occurring after this shareholders' General Meeting.

The Company undertakes, as required by law, not to exceed the limit of 10 % of direct or indirect treasury shares or 10 % of a given class of shares. Considering the number of treasury shares already held (63,089 shares representing 0.11 % of the Company's share capital at February 26, 2009), the maximum amount authorized in theory would be € 169,604,850, representing 5,653,495 shares or 9.89 % of the share capital, to remain within the limit of available reserves other than the legal reserve. The maximum purchase price per share, exclusive of charges, would be € 30.00. As of February 26, 2010, the Company held 63,089 treasury shares representing 0.11 % of the share capital and declared that it complied with the provisions of Article L.225-210 of the French Commercial Code. The Company also agrees to maintain a sufficient float that respects the thresholds defined by Nyse Euronext Paris.

The Company shall not hold directly or indirectly more than 10 % of its share capital, pursuant to the provisions of Article L.225-210 of the French Commercial Code.

Terms and conditions for buying back shares

The shares may be bought back when trading on the market or otherwise, in particular by buying blocks of securities that may include all securities held under the program (apart from buy-backs carried out to ensure market liquidity), as well as by using derivative financial instruments, at any time, except within the limits that stock market regulations may allow during a tender offer, and with respect to all or part of the shares that may be bought back, always in compliance with regulations in force. Note that no sale of put options shall be used under the buy-back program and no derivative instrument shall be used for the purpose of ensuring market liquidity under a liquidity agreement. In any event, the Company agrees not to increase the volatility of its share price with the use of derivative instruments.

Term and timetable of the buy-back program

Under the resolution that shall be submitted to the Company's Combined General Meeting of June 2, 2010, the authorization to buy back the Company's shares shall be granted to the Board of Directors for a term of eighteen months from the date of said meeting.

3. Regulated Agreements and Transactions with Related Parties

The statutory auditors' special report on regulated agreements for the 2008 financial year (as provided for in Articles L.225-38, L.225-42-1 and L.225-22-1 of the French Commercial Code) is presented in Chapter 4. *Reports and Resolutions*, part 6 *Statutory Auditors' Report on Regulated Agreements and Commitments* on page 77 of the Annual Report.

The list of current regulated agreements set forth under Articles L.225-39, L.225-115, L.225-42-1 and L.225-22-1 of the French Commercial Code is made available to shareholders at the Company's headquarters.

This list does not include any agreement that is liable to have a significant impact on the Company's financial situation.

In particular, there is no agreement or commitment between the Company and a shareholder holding in excess of 10 % of the Company's voting rights.

Transactions with the related parties are presented in Note H. *Related Party disclosures* to the consolidated financial statements, page 125.

4. Stock Market Listing

A. Place of listing

Nyse Euronext Paris, compartment A since January 18, 2007, deferred settlement service (ISIN code: FR000051807)
Since October 21, 2000, the Teleperformance share has been listed on EURONEXT 150.
Since December 21, 2000, the Teleperformance share has been one of the components of the SBF 120 index.
Since December 18, 2001, the Teleperformance share has been part of the NEXTPRIME segment in the "Business Support Services" list.
Since December 20, 2002, the Teleperformance share has been included in the Midcac index.

B. ISIN Code: FR0000051807

Monthly adjusted share price movement over the past 18 months
(source Nyse Euronext Paris)

	Higher price (in €)	*Lower price (in €)*	*Closing price (in €)*	*Number of shares traded*	*Value traded (in €)*	*Number of trading sessions*
2008						
September	26.55	18.91	19.57	13,490,435	313,330,038	22
October	19.70	13.80	16.82	14,228,407	233,381,069	23
November	19.43	16.87	18.78	6,702,806	121,976,531	20
December	20.05	17.90	19.92	5,412,108	103,440,728	21
2009						
January	22.23	19.57	21.47	5,587,419	117,809,710	21
February	23.90	20.20	22.00	5,949,258	131,626,072	20
March	24.33	20.26	20.72	6,762,791	150,188,393	22
April	22.98	20.44	21.95	4,551,965	99,180,714	20
May	25.46	20.62	20.80	5,720,936	127,110,561	20
June	22.30	20.63	21.67	7,820,583	166,088,967	22
July	22.38	20.45	22.20	4,206,668	89,355,616	23
August	24.18	22.19	23.96	3,621,288	84,825,809	21
September	23.45	21.07	22.93	7,445,975	164,428,228	22
October	23.22	21.37	21.88	4,677,470	104,504,580	22
November	23.60	21.30	22.10	4,370,023	97,904,989	21
December	22.75	21.58	22.68	3,903,267	85,979,521	22
2010						
January	24.27	22.51	23.64	3,388,125	79,798,071	20
February	25.28	22.76	23.41	3,799,818	91,121,648	20

5. Dividends

A. Dividend Policy

During the shareholders' General Meeting to be held on June 2, 2010, the Board of Directors will propose setting the dividend at € 0.33 per share.

The table hereafter shows the dividends paid by Teleperformance over the last five financial years.

Dividend per share	*Dividend*	*Total income*
2005	€ 0.30	€ 0.30
2006	€ 0.37	€ 0.37
2007	€ 0.44	€ 0.44
2008	€ 0.44	€ 0.44
2009 *	€ 0.33	€ 0.33

** proposed at the shareholders' General Meeting of June 2, 2010*

Dividends not claimed five years after their payment date shall lapse and be paid over to the French government.

6. Communication with Shareholders

A. Documentation

The Company provides its shareholders with the following:

- The annual report, published in French and English,
- A half-year report on line on the website www.teleperformance.com.
- General, economic and financial information about the Group, on line on the website www.teleperformance.com.

The statutory documents (Articles of Incorporation, General Meeting minutes and auditors' reports) are available at the Legal Affairs Department, at the Company's headquarters.

B. Provisional schedule for financial publications during the 2010/2011 financial year

Quarterly publications

1st Quarter: May 4, 2010
2nd Quarter: August 4, 2010
3rd Quarter: November 3, 2010
4th Quarter: February 3, 2011

Publication of results

Half-year results: August 31, 2010
Annual results: February 28, 2011

Financial Analysts meetings

May 26, 2010
November 29, 2010

Shareholders' General Meeting

June 2, 2010

Person responsible for the financial information:
Mr. Michel Peschard, Managing Director
Tel.: +33-1 55 76 40 80

4. Reports and Resolutions Submitted to the Ordinary and Extraordinary Shareholders' Meeting of June 2, 2010

1. Management Report of the Board of Directors 62

2. Special Report of the Board of Directors (share subscription and purchase options) 73

3. Special Report of the Board of Directors (grants of bonus shares) 74

4. Report of the Board of Directors – extraordinary section 74

5. Report of the Supervisory Board 76

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7. Statutory Auditors' Report on the Share Capital Operations concerned by the 13th, 14th and 18th Resolutions to be put to the Shareholders' General Meeting on June 2, 2010 78

8. Text of the Resolutions 80

1. Management Report of the Board of Directors

A. Review of the Financial Position and Income Statement of the Group (in millions of €)

A1. The 2009 results of the Group

A1/a Business

Consolidated revenues reached € 1,847.7 million or a 3.5 % increase based on published data.

Excluding the foreign exchange effect, the Group's consolidated revenues increased by 4.7 %.

The negative impact related to the foreign exchange effects amounted to € 20.7 million for the year, as follows: (in millions of euros):

NAFTA: + 7.2
Europe: - 19.6
Other: - 8.3

On a comparable basis (excluding foreign exchange and scope of consolidation effect, the Group's revenues declined by 1.1 %, as follows:

NAFTA: - 3.5 %
Europe: - 4.3 %
Other: + 48.8 %

This year the Group reported a small revenue erosion across the whole network, except for the "Other" region, which covers South America and Asia. Revenues significantly increased in this region mainly as a result of strong activity in South America (Argentina and Brazil).

The decline noted in the NAFTA region is related to lower revenues from our major clients, partially offset by new contracts.

As for Europe, revenues slightly increased over 2009, except for France where revenues declined noticeably in comparison with 2008.

Changes in the scope of consolidation effects in 2009 are mostly explained by the external growth transactions that were completed during the second half of 2008:

In Europe:

- Acquisition of a controlling interest in the GN Research Group, which was consolidated from July 1, 2008

In NAFTA:

- Acquisition of the US company The Answer Group, which was consolidated from December 31, 2008

The Colombian company Teledatos is part of the group since the end of December. The company was consolidated as of December 31, 2009. None of its revenues have been included in the consolidated revenues for 2009.

In 2009, the scope of consolidation effect represented a net positive impact of € 104.8 million, which may be split as follows:

- in Europe: + 8.0 million
- in NAFTA: +96.8 million

The Group's revenues are now distributed by region as follows:

in %	*12/31/09*	*12/31/08*	*change*
Europe	50.0	54.5	- 4.5
of which France totalled	*16.0*	*20.5*	*- 4.5*
NAFTA *	42.6	39.2	+ 3.2
Other	7.4	6.3	+1.3
Total Rest of the World	50.0		+ 4.5
Total	100.0	100.0	

** North America Free Trade Agreement*

A1/b Profitability

Net operating profit amounted to € 130 million, versus € 177.9 million in 2008.
The operating margin represented 7 % of the Group's revenues, versus 10 % in 2008.

This result includes a € 21 million provision corresponding, based on the current estimation, to the cost of the restructuration plan announced by the subsidiary TP France in 2009 and which became effective as of February 4, 2010.

Excluding this item, net operating profit amounted to € 151 million, or 8.2 % of revenues, which is in line with the objectives announced on November 26, 2009 during the last financial meeting.

Operating profitability by region is as follows:

EBITA ratio* (in %)	Actual 2008	Actual 2009	Objectives 2009
Europe	8.1	1.3	1.6
NAFTA	13.8	15.4	16.0
Other	-3.1	2.0	1.2
Total Rest of the World	11.7	13.4	13.8

** net operating profit before amortization of intangible assets related to acquisitions and provision related to the reorganization of the French operations.*

EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) amounted to € 206.9 million, or 11.2 % of revenues.

The financial result in 2009 showed a net income of € 0.1 million versus a net expense of € 1.9 million in 2008.

Income tax expense was € 41.3 million, versus € 56.4 million in 2008. The Group's average tax rate was 31.8%, versus 32% in 2008.

As a consequence, the Group's net profit amounted to € 88.8 million, versus € 119.5 million in 2008.
Net profit, Group share amounted to € 88.2 million versus € 116.4 million in 2008, decreasing by 24.2%.

The minority interests' share in net profit strongly declined as it amounted to € 0.6 million versus € 3.1 million in 2008. This is explained by the policy initiated by the Group in the second half of 2008 to purchase minority interests in subsidiaries.

Diluted earnings per share amounted to € 1.56, versus € 2.09 in 2008.

A2. Cash flow and Capital structure

A2/a Consolidated financial structure as at December 31, 2009

Long and short-term capital

Long-term capital

as at December 31 (in millions of €)	*2009*	*2008*	*2007*
Shareholders' equity	1,114.1	1,053.7	965.6
Non-current financial liabilities	36.6	46.8	135.9
Total non-current capital	1,150.7	1,100.5	829.7

Short-term capital

as at December 31 (in millions of €)	*2009*	*2008*	*2007*
Current financial liabilities	191.1	216.1	101.0
Cash and cash equivalents	238.7	280.6	369.3
Cash surplus, net of current financial liabilities	47.6	64.5	268.3

Source and amount of cash flows

(in millions of €)	*2009*	*2008*	*2007*
Internally generated funds from operations before changes in working capital requirements	198.0	166.6	180.8
Changes in working capital requirements	- 7.8	-68.4	-3.8
Cash flow from operating activities	**190.2**	**98.2**	**177.0**
Investments and capital expenditures	- 166.3	-221.2	-310.9
Proceeds from disposals	2.9	11.6	25.7
Cash flow from investing activities	**- 163.4**	**-209.6**	**-285.2**
Proceeds from share capital increases	3.7	4.8	9.2
Dividends paid	-25.0	-26.3	-21.1
Net change in financial liabilities	-27.3	59.1	+8.4
Cash flow from financing activities	**- 48.6**	**37.6**	**-3.5**
Change in cash and cash equivalents	**- 21.8**	**-73.8**	**-111.7**

The Group's financial structure at December 31, 2009 was described as follows:

- Shareholders' equity amounting to € 1,114.1 million, including € 1,111.1 of Group share.
- Cash and cash equivalents amounted to € 238.7 million.

- Financial liabilities amounted to € 227.7 million, of which € 121.8 million from a € 300 million revolving credit-line.

  Financial liabilities related to minority interest purchase commitments in Group subsidiaries amounted to € 10.6 million versus € 28 million in 2008. Such reduction resulted from the policy initiated by the Group in the second half of 2008 to purchase minority interests in subsidiaries and which continued throughout 2009.

- The net cash surplus amounted to € 11 million.

A2/b Cash flow

The internally generated funds from operations before changes in working capital requirements and income taxes in 2009 amounted to € 229.3 million versus € 250.6 million in 2008, a decrease of 8.5 %.

Income taxes paid in 2009 totalled € 31.3 million versus € 83.9 million in 2008.

The high amount paid out in 2008 is mainly linked to the income taxes paid in the first half of 2008 regarding deferred income from a "business transformation" taxable in 2007.

The increase in working capital requirements was € 7.8 million, versus € 68.5 million in 2008. This strong decrease was largely due to the following factors:

- the significant decrease in business volumes experienced in the fourth quarter of 2009,

- tighter control of working capital requirements due to new measures taken, including cash-pooling management, which was extended Europe-wide in 2009.

Finally, the group's net cash flow generated by operating activities amounted to € 190.2 million, versus € 98.2 million in 2008.

As for capex in 2009, excluding finance lease agreements, it represented € 67.1 million (i.e. 3.6% of revenues) versus € 68.8 millions 2008 (i.e. 3.8 % of revenues).

Free cash flow totalled at € 123.1 million, versus € 29.4 million in 2008.

Net cash outflows related to changes in the scope of consolidation amounted to € 97.5 million. It is notably due to the investment made in Colombia at the end of the year and to the purchase of minority interests from managing directors of Teleperformance subsidiaries.

Other investing transactions resulted in a net cash inflow of € 1.2 million.

Cash flows from financing activities translated into a net cash outflow of € 48.6 million, including:

- - € 25 million for dividend payments,
- + € 3.7 million from cash increases in capital,
- - € 27.3 million for the net decrease in financial liabilities.

Due to the above mentioned transactions, the Group's net cash, excluding foreign exchange and scope of consolidation effects, declined by € 21.8 million during 2009.

The Group's net cash surplus was modified as follows:

(in millions of euros)

as at January 1st, 2009	17.8
Free cash flow	123.1
Net impact of changes in the scope of consolidation *	- 104.9
Dividends paid	- 25.0
Capital increase	3.7
Finance lease	- 9.8
Translation differences	2.1
Other	4.0
as at December 31, 2009	11.0

**This amount includes the earn-out paid on acquisitions and the financial liabilities held in the newly consolidated companies.*

B. Review of the Parent Company's Financial Position and Income Statement

B1. Balance Sheet

B1/a Investments

B1/a1 Share transactions

The policy of purchasing the minority interests held by the local Managing Directors in subsidiaries continued into 2009. These acquisitions involved the following companies:

- Acquisition of the remaining 30 % of the share capital of the Greek subsidiary, Teleperformance Hellas, bringing our ownership to 100%.
- Acquisition of of the remaining 20 % of the share capital of the Italian company In & Out, bringing our ownership to 100%.
- Acquisition of a further 25 % of the share capital of Teleperformance Singapore, bringing our ownership to 95 %.
- Acquisition of all the share capital held by local managers in the Swiss company SCMG.

As part of the reorganization of our businesses in Central Europe, the Company sold all of its shareholding in NETC (Germany) to its German subsidiary twenty4help AG.

Lastly, in December, Teleperformance acquired the entire share capital of the Colombian company Multi Media Centers SAS.

B1/a2 Other financial transactions

Loans granted to subsidiaries as at December 31, 2009 reached € 186 million, consisting mainly of:

- a £ 12.2 million loan to MM Group. This loan is hedged by a foreign currency swap of £ 5 million.
- A loan of € 57.8 million granted to the Luxembourg company LCC, to finance the share purchases that the company realized for the Central European reorganization.
- A loan of US$ 125 million made to our TGI subsidiary, which is responsible for managing the NAFTA network, for the purpose of financing external growth in that region. This US dollar loan is hedged by drawing down in the same amount and in the same currency on our € 300 million multi-currency revolving credit line.
- A loan of € 14 million made to the subsidiary TP France to finance its cash needs.

B1/b Shareholders' equity

In 2009 share capital was increased issued for a total of € 3.3 million (€ 0.5 million of par value and the balance as share premium), as a result of the options that were exercised and the bonus shares that vested in 2009 in connection with:

- the share subscription option plan of June 24, 2004 and
- the bonus share award plan of May 3, 2007.

The number of shares issued in these transactions was 213,201.

Share capital as at December 31, 2009 consisted of 56,596,048 shares with a € 2.50 par value.

On June 5, 2009 a € 0.44 dividend per share was distributed.

B1/c Terms of Borrowings and Financing Structure

At December 31, 2009, total financial liabilities amounted to € 131 million, of which € 121.8 million represented the amount of the revolving credit line drawn down at that date. The balance, of € 9 million, represents the amount of bank overdrafts used by the European subsidiaries under the cash-pooling agreement.

The conditions relating to compliance with the credit line covenants are addressed in the note C9 of the notes to the consolidated financial statements.

B1/d Cash

As at December 31, 2009, the Company had net cash assets of € 46.4 million, versus € 93.9 million as at December 31, 2008.
The net reduction of € 47.5 million can be broken down as follows:

Capital increases	3.3
Net cash flow generated by operating activities	20.9
Net cash outflow related to capex	-2.3
Net cash inflow from investing activities	8.4
Net cash outflow from other financial activities	-65.9
Net increase in financial liabilities	12.9
Dividends paid	-24.8
Total	-47.5

B1/e Maturity of trade payables

Start January 1, 2009 the Company has applied the recommendations of the French LME Law of August 4, 2008 concerning supplier credit terms. Pursuant to Article D 441-4 of the French Commercial Code, the table below summarizes the breakdown of trade payables by due date as at December 31, 2009. As this is the first year for the application of this law, no prior year comparable data is shown.

in thousands of euros

Type of supplier	Inter-company	Third party	Total
due in 1 month	1,783	95	1,878
due in 2 months			0
due in over 2 months			0
overdue 0 to 30 days	228	43	271
overdue 30 to 60 days	382	32	414
overdue 60 to 90 days	508	69	577
overdue 90 to 120 days	2,718	103	2,821
overdue past 120 days			0
total	€ 5,619	€ 342	€ 5,961

B2. Income statement

Total revenues amounted to € 39.9 million, versus € 33.1 million in 2008, an increase of € 6.8 million.

It is broken down as follows:

	2009	*2008*
Fees received from subsidiaries	37.5	29.4
Commercial activity	0.2	1.5
Other revenue (including real property leases)	2.2	2.2

The increase in fees received from subsidiaries derives from the new organizational structure implemented at the beginning of the year. Teleperformance receives trademark royalties from all subsidiaries across the network, in addition to management fees for services it provides in its own geographic area.

Net operating income was € 16.4 million.

The net financial result showed a net expense of € 81.8 million versus a net income of € 14.7 million in 2008. It may be broken down as follows:

	2009	*2008*
Dividends	12.0	25.8
Interest income (net)	3.0	6.3
Provisions (net)	-98.2	-16.1
Exchange rate difference	1.4	-1.1

The net amount of provisions includes a provision for impairment of € 100 million recognized on our investments in the subsidiary Teleperformance France. The amount of this impair-ment was determined as described in Note B to the parent company financial statement.

The ordinary activities before exceptionnal result and income taxes generated a loss of € 65.4 million, versus a profit of € 14.7 million in 2008.

Exceptional result showed a net income of € 2.3 million, consisting primarily of the capital gain recognized on the disposal of our shares in the German company NETC.

After income taxes (a credit of € 8.7 million), a net loss of € 54.4 million was reported, versus a net profit of € 57.6 million in 2008.

Financial results over the last five financial years

		2005		2006		2007		2008		2009	
I	**Year-end financial position**										
	Share capital	88,281,040		118,014,183		138,458,777		140,957,117		141,490,120	
	Number of shares issued	35,312,416		47,205,673		55,383,511		56,382,847		56,596,048	
	Maximum number of shares to be issued in the future:										
	- through the exercise of subscription rights	1,534,750	(*)	1,633,760	(*)	745,250	(*)	201,218	(*)		
	- through grants of bonus shares			826,666	(**)	850,066	(**)	27,400	(**)	3,000	(**)
	- throught bond conversions	7,521,326		7,882,875		-		-			
II	**Income statement highlights**										
	Revenues, exclusive of taxes	33,565,498		34,600,546		34,752,423		33,104,256		39,907,668	
	Earnings before tax, depreciation and provisions	22,203,659		45,253,264		180,176,951		71,025,196		32,833,991	
	Income tax	4,224,624		5,028,802		9,529,495		-6,327,167		-8,712,052	
	Earnings after tax, depreciation and provisions	13,597,162		48,650,339		166,457,238		57,619,190		-54,413,250	
	Distributed earnings	10,593,725		17,466,099		24,368,745		24,808,459		18,676,696	
III	**Earnings per share**										
	Earnings after tax, but before depreciation and provisions	0.51		0.85		3.08		1.37		0.73	
	Earnings after tax, depreciation and provisions	0.39		1.03		3.01		1.02		-0.96	
	Dividend per share	0.30		0.37		0.44		0.44		0.33	
IV	**Employees**										
	Number of employees	31		31		31		33		40	
	Total payroll	3,813,663		3,967,838		5,623,349		11,708,210		3,394,931	
	Employment benefits paid (social security, welfare actions, etc.)	1,421,627		1,455,022		2,015,442		3,402,558		1,396,343	

(*) After the authorisation given to the Board of Directors to grant share subscription options (June 25, 2001 and June 24, 2004 Extraordinary General Meetings).
(**) After the authorisation given to the Board of Directors to grant bonus shares (June 1, 2006 Extraordinary General Meeting)

C. Trends and Prospects

Prospects

The start of the year is tough, especially in Europe: the reorganization of the French operations will continue to impact the Group's results in 2010 while Italy and the Germanic region remain sources of concern.

In 2010, Teleperformance's overall business is expected to see the first signs of recovery in the second quarter, and further improvement over the second half of the year.

The Board of Directors has implemented strict cost reduction and control measures. These are particularly necessary in the current period, which is characterized by the necessity not only to reorganize European operations but also to adapt to a very uncertain business environment.

The objectives we announced in November 2009 i.e.:
- A stable volume of business generating an organic growth rate between 0% and 3%,
- Improved profitability, which should result in an EBITA ratio between 9 and 9.5% of revenues, excluding non-recurring items,

will be re-examined, as every year, at our next financial meeting on May 26. Any changes will be based on the actual results of the first quarter 2010 and an analysis of market trends.

Risks and uncertainty

The Group's business is subject to market risks (sensitivity to economic and financial factors), as well as to the political and geopolitical uncertainties related to its global footprint.
A detailed description of these risks is provided in the *Description of the business* section of the *Risk factors* paragraph E, page 8.

D. Further Information

D1. Workforce and remuneration – France's new business law « Nouvelles régulations économiques »

The following employment information relates to all companies in the Group.

Breakdown of average workforce by geographical area (in K€)

	2009		2008	
	Workforce	Personnel expenses	Workforce	Personnel expenses
Europe	39,280	702,580	36,491	715,352
NAFTA	34,536	462,491	31,215	395,695
Rest of the World	26,840	128,732	23,637	135,043
Total	**100,656**	**1,293,803**	**91,343**	**1,246,090**
Average cost per employee		12.85		13.64

Breakdown of average workforce by gender

	At December 31, 2009	At December 31, 2008
Men	48,252	40,599
Women	52,404	50,744
Total	**100,656**	**91,343**

Breakdown of average workforce by category

	2009			2008		
	Managers	Employees	Total	Managers	Employees	Total
Permanent contract	5,593	74,726	80,319	5,672	65,799	71,471
Fixed-term contract	271	14,579	14,850	192	15,078	15,270
Subtotal	**5,864**	**89,305**	**95,169**	**5,864**	**80,877**	**86,741**
Temporary	24	5,463	5,487	20	4,582	4,602
Total	**5,888**	**94,768**	**100,656**	**5,884**	**85,459**	**91,343**

Change over time in the average workforce by category

Managers	*Permanent contract*	*Fixed-term contrat*	*Temporary*	*Total*
At January 1st, 2009 *	5,548	245	91	5,884
Scope changes	230	1	1	232
Hiring	35	41	3	79
Positions eliminated	-58	-3	0	-61
Dismissals for individual reasons	-315	-18	0	-333
Transfers	605	19	-17	607
At December 31, 2009	6,045	285	78	6,408

Employees	*Permanent contract*	*Fixed-term contrat*	*Temporary*	*Total*
At January 1st, 2009 *	76,266	17,396	6,851	100 513
Scope changes	666	5,412	22	6,100
Hiring	21,949	568	1,359	23,876
Positions eliminated	-4,708	-195	-2	-4,905
Dismissals for individual reasons	-17,449	-1,555	-355	-19,359
Transfers	1,700	-1,515	-792	-607
At December 31, 2009	78,424	20,111	7,083	105 618
Total workforce				
At January 1st, 2009	**81,814**	**17,641**	**6,942**	**106,397**
At December 31, 2009	**84,469**	**20,396**	**7,161**	**112 026**

Disabled personnel *(managers and employees)*	*Total*
At January 1st, 2009 *	545
Scope changes	-
Hiring	31
Positions eliminated	-27
Dismissals for individual reasons	-8
Transfers	0
At December 31, 2009	541

* *Data as of 01/01*2009 were restated to take into consideration the December 2008 acquisition, The Answer Group.*

Information about the Contact Center Division in France:

The Group undertook a major legal reorganization of its French entities as of January 1, 2009, which involved the merger of nine legal entities* into Teleperformance France and resulted in the creation of what is known as a *unité économique et sociale*, which is a single legal employer for all the French contact centers. Since the previous collective agreements were terminated by operation of law, substitute agreements are under negotiation with employee representatives.

The following indicators were relevant to the 2009 financial year:

- Length of working time: In France, the standard average weekly working time of a full-time employee is 35 hours, all stall categories included. The number of overtime hours, earning between 125% and 200% of standard pay, was 45,474 hours.

- Absenteeism: We registered 396,099 days of absence in 2009, of which 49.32 % is due to illness/maternity leave, 2.34 % to accidents including traveling to work and 48.34 % due to other causes. The number of days is calculated across all contact centers located in France, includes all stall categories, but excuded standard and additional vacation.

- Social welfare initiatives: The total budget allocated by the contact centers located in France to social welfare amounted to € 5,190K in 2009, of which 64.48 % for subsidies meals, 16 % for worker's council, 8.24 % for transportation and 10.67 % for housing subsidies.

** Cashperformance, Comunicator, Infomobile, TechCity Solutions France, Teleperformance France, Teleperformance Midi-Aquitaine, Teleperformance Nord, Teleperformance Rhône-Alpes, TP New way, TPH Services Telecom was merged as at April 1, 2009.*

In addition, as part of a TP Centre-Est plan to redeploy production, two voluntary redundancy plans were established in February 2010 covering at most 585 jobs. The employees opting for this plan receive incentives to accomplish a personal business project or to assist in their finding new employment.

Teleperformance France is continuing with the relocation of its business from the Greater Paris area to the French regions within the planned timescale, meeting its corporate employment responsibilities and with the aim of improving the level of services offered to consumers and citizens.

D2. Share capital ownership

In compliance with Article L.233-13 as amended of the French Commercial Code and in light of the information received under Articles L.233-7 and L.233-12 of the Code, we declare that to our knowledge the individuals and entities owning more than 5 %, 10 %, 15 %, 20 %, 25 %, 1/3, 50 %, 2/3, 90 % or 95 % of share capital or shareholder voting rights on the date of this report are as follows:

In capital: 5 % threshold GIM Dassault
In voting rights: 5 % threshold GIM Dassault,

Since our last report on the 2008 financial year, the only individual or entity crossing a threshold in terms of share capital or voting rights is Olivier Douce, going below the 5% voting rights threshold on March 25, 2009, noted for purposes of regularisation.

D3. Company shares held by employees

In compliance with the provisions of Article L.225-102 of the French Commercial Code, we declare that, to the best of our knowledge and as of the date of this report, Group employees, excluding corporate officers of Teleperformance, own 489,976 registered shares in the Company, due especially to the exercise of options under our share option plans and to bonus shares vesting in 2008 and 2009.

D4. Appropriation of earnings

We submit for your approval the following appropriation of the 2009 result:

Period loss	-54,413,250.05
Retained earnings	61,046,830.80
Total to be appropriated	6,633,580.75
Transfer from the Ordinary Reserve	13,000,000.00
Distributable profit	19,633,580.75
Total dividend	-18,676,695.84
Balance to retained earnings	**956,884.91**

A dividend of € 0.33 per share shall be paid out on the 56,596,048 Company shares outstanding at December 31, 2009.

In compliance with Article L.225-210 of the French Commercial Code, the dividends on the Company's treasury shares as of the dividend payment date will be allocated to Retained Earnings.

According to 2008 French tax law (Article 158-3-2 of the General Tax Code), private individuals who are French tax residents and who have not opted for income tax withholding will be allowed a 40 % exemption on the net dividend, after social security levies.

Previously paid dividends:

	dividend	*Exemption rate for individual French tax residents (unless they elect for the 18% fixed withholding known as prélèvement forfaitaire libératoire)*
2008	€ 0.44	40 %
2007	€ 0.44	40 %
2006	€ 0,37	40 %

D5. Own shares purchased by the Company

To comply with the requirements of Article L.225-211 of the French Commercial Code, we are providing you with the following information regarding the conduct of the share buy-back program authorised at the June 3, 2008 and May 29 2009 shareholders' meetings.

The share buy-back program was only used in connection with a liquidity agreement managed by Oddo that was implemented on January 8, 2007 in accordance with the ethical charter of the AFEI, as approved by the French securities regulator.

The resources that have been allocated to the liquidity account include € 2 million in cash, as well as 1,500 shares from a prior share buy-back program.

Position as at December 31, 2009

	number of shares	*Book value*	*market value*
shares held	55,000	€ 1,208,518	€ 1,247,400

Transactions completed in 2009 under:

	number of shares	*amount*	*average price*
➢ **The June 3, 2008 agreement**			
purchases	797,196	€ 17,410,968	21.84
sales	- 777,196	€ - 17,070,625	21.96
➢ **The May 29, 2009 agreement**			
purchases	989,872	€ 21,856,507	22.08
sales	- 1,017,372	€ - 22,543,356	22.16

D6. Share subscription options granted by the Company

We summarise for you the June 24, 2004 share subscription option plan implemented by the Company:

- Teleperformance share subscription option plan approved by the Board of Directors at its June 24, 2004 meeting based on an authorisation at the extraordinary shareholders' meeting held on the same day, relating to 700,000 new shares with a par value of € 2.50 for a unit price of € 18.46, granted to 86 managers and employees of the Group.

  The number of new shares granted under this plan was increased from 700,000 to 745,250 after the share capital increase completed in November 2006, and the subscription price was adjusted to € 17.34. The options could be exercised from June 25, 2008 until June 24, 2009 inclusive.

The number of shares subscribed was 321,524 at December 31, 2008 and 192,701 at June 24, 2009 - or in all, 514,225 shares subscribed out of the 745,250 shares allocated under this plan, after the adjustment of November 6, 2006.

The number of shares not subscribed (lapsed options) was 222,508 at December 31, 2008 and 8,517 at June 24, 2009—or 213,025 in all.

There is no other current share option plan.

D7. Grants of bonus shares to be issued by the Company based on the authorisation at the combined June 1, 2006 ordinary and extraordinary shareholders' meeting

- Plan to grant 776,600 bonus shares approved by theBoard of Directorsof August 2,2006, adjusted to 826,666 shares on November 6, 2006:

  The Board of Directors made an irrevocable grant of 735,950 bonus shares on August 2, 2008 and 41,862 bonus shares on November 6, 2008, or a total of 777,812 bonus shares through a share capital increase. These shares must be retained by their beneficiaries in a registered account until August 2, 2010 and November 6, 2010, respectively.

- Plan to grant 23,400 bonus shares approved by the Board of Directors on May 3, 2007:

  The Board of Directors allocated 20,500 bonus shares fully vested at May 3, 2009 with an increase of share capital. These shares must be held by the twelve recipients as registered (name) shares until May 3, 2011.

- Plan to grant 12,000 bonus shares approved by the Board of Directors on January 10, 2008:

  Initially awarded to three managers and employees of a foreign subsidiary, the grant was reduced to 2,000 shares at December 31, 2009 after two recipients left the Company in 2008 and 2009.
  The Board of Directors allocated 2,000 bonus shares fully vested at January 10, 2010 with an increase of share capital. These shares must be held by the remaining recipient as registered (name) shares until January 10, 2012.

No corporate officer received a grant of bonus shares under the May 3, 2007 and January 10, 2008 plans.

There is no other current bonus share plan.

D8. Share options and bonus shares granted by companies in which our Company has a controlling interest

In accordance with the provisions of the last paragraphs of Articles L.225-180 and L.225-197-2 of the French Commercial Code, we hereby inform you that there are no share option plans or bonus share plans set up by companies in which Teleperformance has a controlling interest, whether directly or indirectly.

D9. Significant new shareholdings and new controlling interests

Pursuant to Article L.233-7 of the French Commercial Code, we hereby disclose the significant new shareholdings and new controlling interests, whether direct or indirect, that we acquired during 2009 in companies whose registered offices are located in France.

Our indirect controlling interest was increased from 62 % to 100 % of the share capital in TPH Services Telecom.

D10. Corporate officers

In compliance with the provisions of Article L.225-102-1 as amended of the French Commercial Code, we report below the remuneration and perquisites paid to each company officer during 2009, either by Teleperformance or by companies under its control as defined in Article L.233-16 of the French Commercial Code.

Received during the past financial year:

Mr Jacques Berrebi, *Chairman of the Board of Directors until January 2, 2010:*
- from Teleperformance, for serving as *Chairman of the Board of Directors*: none
- from TGI (USA), *Chairman*: gross pay US$ 1,844,000

Mr Michel Peschard, *Member of the Board of Directors*:
- from Teleperformance: € 442,330 gross pay (*including € 424,330 on his employment contract*), including € 6,480 of fringe benefits.

Mr Olivier Douce, *Member of the Board of Directors until January 2:*
- from Teleperformance: € 91,800 gross pay (*including € 82,020 on his employment contract*).

Mr Daniel Julien, *Chairman of the Supervisory Board until January 2, 2010:*
- from Teleperformance: for serving as *Chairman of the Supervisory Board* and *Director's fees*: none
- from TGI (USA), *Chief Executive Officer*: US$ 4,066,000 gross pay.

Mr Philippe Dominati, *Deputy Vice-Chairman of the Supervisory Board*:
- from Teleperformance: Director's fees: € 23,100
- from Teleperformance France (formerly TP Tech): € 76,800 gross pay.

Mrs Martine Dassault, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 26 600

Mr Daniel Bergstein, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 17,100

Mr Philippe Santini, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 31,600

Mr Philippe Ginestié, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 8,100

Mr Alain Laguillaumie, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 14,100

Mr Éric Delorme, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 20,100

Mr Bernard Canetti, *Member of the Supervisory Board*:
- from Teleperformance: Director's fees: € 5,100

In the Reference Document you will find the information disclosed by the Members of the Board of Directors and the Supervisory Board relating to the offices or functions exercised by them in any company, whether French or foreign.

D11. Summary statement of share transactions by corporate officers between March 11, 2009 and February 27, 2010

The Company has been informed of the following transactions declared by a corporate officer.

Olivier Douce

During the financial year 2009, sale of 122,000 shares:

date	number	amount	share price
03/2009	20,000	€ 467,789	23.3885
06/2009	2,000	€ 42,871.60	21.4358
08/2009	100,000	€ 2,324,308.80	23.2431

D12. Delegation of powers to the Board of Directors with respect to share capital increases (Article L.255-100 of the French Commercial Code)

None of the authorizations given by the Combined General Meeting of May 29, 2009 in Resolutions 16, 17, 18 and 20 has been implemented by the Board of Directors as of the date of this report.

The delegations of powers granted to the Board of Directors with respect to share capital increases are set out in Chapter 1. *General Information*.

D13. Events occuring between the balance sheet date and the date of Management Report

None

D14. Information required by Article L.225-100-3 of the French Commercial Code

Information to be provided pursuant to Article L.225-100-3 of the French Commercial Code is indicated in Chapter 1 part 3A *General Information About the Company*, Chapter 2 part 3 *Remuneration of the Board of Directors and the Supervisory Board* Chapter 2 part 4 *Report of the Chairman of the Supervisory Board* and Chapter 3, part 1 *Breakdown of Share Capital and Voting Rights* of the Annual Report.

Only the elements listed in the aforementioned chapters could be of significance in the event of a public offering.

We invite you to adopt the resolutions that have been submitted to you.

The Board of Directors

2. Special Report of the Board of Directors (Share Subscription and Purchase Options)

on the transactions completed pursuant to Articles l. 225-177 to l. 225-186 of the French Commercial Code

Dear Shareholders,

In accordance with the provisions of Article L.225-184 of the French Commercial Code, we have the pleasure of reporting to you on the transactions completed during 2009 pursuant to Article L.225-177 to L.225-186 of the said Code with respect to share purchase and subscription options.

Involving Teleperformance shares:

Options exercised in 2009:

The Company's share subscription option plan of June 24, 2004, open from June 25, 2008 until June 24, 2009:

Under this plan, the board of directors allotted to 86 beneficiaries of the group a total of 700,000 new stock options at a unit price of € 18.46, readjusted to 745,250 stock options at a unit price of € 17.34 following the cash capital increase completed on 3 November 2006.

Between June 25, and December 31, 2008, a total of 321,524 new shares were subscribed for by beneficiaries who were members of staff and employees of the group and not corporate officers of the Company.

Between January 1, 2009 and June 24, 2009, the date when the plan expired, 192,701 new shares were subscribed for, including:

- 21,292 new shares by Michel Peschard, a corporate officer of the Company;
- 14,906 new shares by three employees of the Company who were not corporate officers of the Company; and
- 111,254 new shares by the ten major beneficiaries of the group, who were not corporate officers of the Company and who exercised their options in 2009.

In the end, of the 745,250 options granted, 231,025 have not been exercised, the beneficiaries of such options having lost their rights.

Options exercised in 2009: None

Involving shares of companies affiliated with or controlled by Teleperformance:

There are no share subscription or purchase option plans relating to these companies.

The Board of Directors

3. Special Report of the Board of Directors (Grants of Bonus Shares)

on the transactions completed pursuant to Articles L.225-197-1 to L.225-197-5 of the French Commercial Code

Dear Shareholders,

In accordance with the provisions of Article L.225-197-4 of the French Commercial Code, we have the pleasure of reporting to you on the transactions completed pursuant to Articles L.225-197-1 to L.225-197-5 of the said Code with respect to grants of bonus shares.

Involving Teleperformance shares

May 3, 2007 bonus share grant plan

Under this plan, the board of directors granted 15 employees of foreign subsidiaries of the group a total of 23,400 bonus shares with a unit value set at € 32.52.

As at May 3, 2009 (*i.e.,* at the end of the two-year acquisition period), 20,500 bonus shares had been issued to 12 beneficiaries, including a total of 19,250 bonus shares issued to 10 major grantee employees of the Group (non officers).

No corporate officer or employee of the Company has benefited from this plan.

January 10, 2008 bonus share grant plan

Under this plan, the board of directors granted three employees of foreign subsidiaries of the group 12,000 bonus shares with a unit value set at € 22.18. As at January 10, 2010 (*i.e.,* at the end of the two-year acquisition period), 2,000 bonus shares had been issued to only one employee, the others having lost their rights.

No corporate officer or employee of the Company has benefited from this plan.

Involving shares of the companies affiliated with or controlled by Teleperformance:

There are no bonus share plans in the companies affiliated with or controlled by the Company.

The Board of Directors

4. Report of the Board of Directors – Extraordinary Section

Dear Shareholders,

We would like to submit the following authorisations for your approval as part of the extraordinary resolutions presented at this meeting:

Power to the Board of Directors to cancel treasury stock

We request that you authorise your Board of Directors to cancel, at its own discretion, all or part of the shares of the Company acquired in the implementation of the share buy-back program listed in the thirteenth ordinary resolution of this meeting, up to the limit of 10 % of the total number of shares per 24-month period. All power will be given to the Board of Directors to formally acknowledge the capital reductions corresponding to the cancellation of the said shares.

In accordance with legal requirements, the term of this authorisation will be 26 months and it will cancel the unused portion of and replace the authorisation granted at the May 29, 2009 meeting with the same purpose.

Delegation of power to the Board of Directors to increase capital by issuing ordinary shares or any securities granting access to the equity of the Company or subsidiaries

To allow your Company to use the financial markets if necessary to continue the Group's development strategy and to finance critical technological expenditures, it is proposed that you delegate to your Board of Directors the power to decide to increase capital, while maintaining shareholders' pre-emptive subscription rights, on one or more occasions and at the times that it deems appropriate, by issuing:

- ordinary shares up to a maximum par value of forty million euros, which amount will be increased, if appropriate, by the par value of the shares to be issued to preserve the rights of the holders of securities granting rights to the shares, or

- up to a maximum par value of three hundred million euros of any securities, including independent warrants, granting access, immediately or in the future, to the ordinary shares of the Company or of a subsidiary of the Group of which the Company holds more than the half of the equity. These securities may, in particular, consist of debt securities or be linked with such securities.

In accordance with legal requirements, the delegation submitted to you for the issue of the securities constitutes, by operation of law, a waiver by the shareholders of their pre-emptive subscription right for the ordinary shares to which the securities that may be issued pursuant to these delegations grant a right.

The term of this authorisation will be 26 months and it will cancel the unused portion of and replace the authorisation granted by the May 29, 2009 general meeting relating to the same subject matter, with the pre-emptive subscription rights being continued.

Finally, and in accordance with legal requirements, it is proposed that you authorise your board of directors during this same 26-month period to increase (for a period of thirty days from the end of the subscription period) the number of securities to be issued, at the same price and with the pre-emptive subscription rights being continued, in the event that a capital increase which is approved pursuant to the above authorisation is oversubscribed, up to the limit of 15% of the initial issue.

If your Board of Directors implements this delegation, it will submit to the shareholders an additional report describing the exact procedures for the issue.

Further, your Board of Directors will report to you each year, in its annual report, on the transactions completed pursuant to this delegation.

Delegation of power to the Board of Directors to increase capital through an in-kind contribution of third-party equity or securities

We propose that you also delegate to the Board of Directors the power, based on the report of a contributions auditor (*commissaire aux apports*), to increase capital, on one or more occasions, by up to 10 % of equity, with a waiver of the shareholders' pre-emptive subscription right, by issuing ordinary shares of the Company or securities granting access, immediately and/or in the future, to existing shares or to shares to be issued to pay for the in-kind contributions made to the Company that consist of third-party equity or equity securities if the provisions of Article L.225-148 do not apply.

The term of this delegation will be 26 months and it will cancel the unused portion of and replace the authorisation granted at the May 29, 2009 meeting with the same purpose. Your Board of Directors will report to you, in its annual report, on the transactions completed pursuant to this delegation.

Delegation of power to the Board of Directors to increase capital by incorporating reserves

We also request that you delegate to your Board of Directors the power to increase capital, on one or more occasions, by incorporating reserves, income, premiums or other amounts that may be capitalised, by granting bonus shares and/or increasing the par value of existing shares, up to a total of one hundred and fifty million euros, plus any additional value of shares to be issued to preserve the rights of the holders of equity securities in the Company.

In accordance with legal requirements, the term of this authorisation will be 26 months and it will cancel the unused portion of and replace the authorisation granted at the May 29, 2009 meeting with the same purpose.

Delegation of power to the Board of Directors to increase capital, on one or more occasions, reserved for employees

In accordance with legal requirements, it is proposed that you delegate to your Board of Directors the power to increase capital, on one or more occasions, and at its sole discretion, up to a maximum par value of two million euros per issue, of shares or equity securities reserved for members of a company or group savings scheme as provided for in Articles

L.3332-18 *et seq*. of the French Employment Code, with a waiver of the shareholders' pre-emptive subscription right in favour thereof.

This proposal is being submitted to you as a result of a legal obligation that requires shareholders to vote on such a resolution when a decision or delegation to complete a capital increase is submitted for their approval. However, your Board of Directors does not feel that, at the present time, it would be appropriate to allow the employees of the Company to purchase shares through a company savings scheme.

The term of this delegation, if approved, will be 26 months; it will cancel the unused portion of and replace the authorisation granted at the May 29, 2009 meeting with the same purpose.

Your Board of Directors will report to you, in its annual report, on the transactions completed pursuant to this delegation.

Variation of Article 13 of the articles of incorporation and by-laws (*exceeding of thresholds*)

As the timeframe for declaring the exceeding of thresholds (provided for in Article 223-14 of the General Regulations of the AMF and Article R 233-1 of the French Commercial Code) has been reduced from five stock exchange days to four stock exchange days (prior to close) as from the thresholds being exceeded, it is proposed that you vary the first paragraph of Article 13 of the articles of incorporation and by-laws as a result.

The Board of Directors

5. Report of the Supervisory Board

Dear Shareholders,

You have just heard the management report of the Board of Directors on the business, parent company accounts and consolidated accounts for your Company's financial year ended December 31, 2009. These documents were submitted to us within the legal and regulatory deadlines.

We have no comment to make on the reports, parent company accounts and consolidated accounts submitted by the Board of Directors, or on the draft resolutions that have been submitted to you.

In accordance with Article L.225-37, paragraph 6, of the French Commercial Code, a report from the chairman of the Supervisory Board on both:

- the conditions under which the work of your Supervisory Board was prepared and organised and,
- the internal control and risk management procedures implemented by the Company in 2009,

is attached to the management report of the Board of Directors.

This report was approved by the Supervisory Board at its February 26, 2010 meeting.

At this meeting, we propose that you:

- grant € 129,000 to the Supervisory Board as directors' fees for the 2009 financial year;
- approve the interim appointments, as members of the Supervisory Board, of Jacques Berrebi (appointed by the meeting of the board held on November 25, 2009, with effect from January 2, 2010) to replace Philippe Ginestié (who resigned on May 29, 2009) and Jean Guez (appointed by the meeting of the board held on January 29, 2010) to replace Jacques Berrebi (who resigned on the same day);
- approve the interim appointment, as member of the Supervisory Board, of Mario Sciacca, an independent member (appointed by the meeting of the board held on January 29, 2010 with effect from the same date) to replace Daniel Julien (who resigned on January 2, 2010);
- appoint Stephen Winningham (an *independent* member), Robert Paszczak (an *independent* member) and Philippe Ginestié, as new members of the Supervisory Board for a term of four years.

If you accept these proposals, your board will accordingly comprise 12 members, two thirds of whom will be independent members

Finally, during its last meeting, your Supervisory Board reviewed the regulated agreements concluded or renewed during the last financial year. These agreements will be described to you in detail in the auditors' special report.

The Supervisory Board

6. Statutory Auditors' Report on Regulated Agreements and Commitments

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

As statutory auditors of your company, and in accordance with the requirements of the French Commercial Code, we hereby report on the transactions on which you are requested to vote.

Regulated agreements and commitments authorized in 2009

In accordance with article L. 225-88 of the French Commercial Code we have been advised of regulated agreements and commitments which have been subject to prior authorization by your Supervisory Board.

We are not required to ascertain whether any other regulated agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those of which we were notified. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article R. 225-58 of the French Commercial Code, to evaluate the benefits arising from these regulated agreements and commitments prior to their approval.

We conducted our work in accordance with relevant professional guidelines issued by the French Institute of Auditors. We performed procedures to verify that the information provided to us is in agreement with the underlying documentation from which it was extracted.

1. Transfer of your company's controlling interest in its German subsidiary, NETC, to Luxembourg Contact Center ("LCC")

Related parties: Mr Jacques Berrebi
Mr Michel Peschard

Terms and conditions: Your company's controlling interest of 86.16 % in its German subsidiary, NETC, was transferred to its subsidiary, LCC, for a consideration of € 2,254,000.

2. Remuneration of a member of the Management Board in respect of his employment contract

Related party: Mr Michel Peschard

Terms and conditions: Mr Peschard has been granted a gross bonus of € 143,000 in 2009 under his employment contract as company secretary.

The Supervisory Board has fixed the annual remuneration of Mr Peschard at € 450,000 (including a gross amount of € 18,000 exempt from social charges in respect of his appointment as company officer), including social charges, from January 1st, 2010, and has capped his total remuneration package for 2010 including amounts received in his capacity as a company officer at € 670,000, including all social charges.

Continuing regulated agreements and commitments which were approved in prior years

Moreover, in accordance with the French Commercial Code, we have been informed of the following regulated agreements and commitments which were approved during previous years and which continued to apply during the year:

Guarantee commitment of your company in favor of IBM in the context of the contract entered into by your subsidiary, Merkafon de Mexico

Terms and conditions: Merkafon de Mexico has entered into a contract with IBM to manage customer relations and call center services for Sprint PCS. IBM requested that your company guarantee Merkafon de Mexico's performance of the contract. Your company gave the guarantee, with a counter-guarantee of 50% from your subsidiary, TGI. The guarantee given by your company is remunerated by a commission of 0.5% of contract sales, and your company recorded related income of € 337,942 during 2009.

Labège et Maisons-Alfort, March 22, 2010

The auditors

KPMG Audit	MG Sofintex
A division of KPMG S.A	*Member of Deloitte Touche Tohmatsu*
Christian Libéros	Pierre Marque, Laurent Odobez
Partner	*Partners*

7. Statutory Auditors' Report on the Share Capital Operations Concerned by the 13th, 14th and 18th Resolutions to be put to the Shareholders' General Meeting on June 2, 2010

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

As statutory auditors of your company, and in accordance with the requirements of the French Commercial Code, we hereby report on the transactions on which you are requested to vote.

1. Reduction of share capital by cancellation of repurchased shares (13th resolution)

In accordance with the terms of article L. 225-209 ss.7 of the French Commercial Code, which relates to the reduction of share capital by cancellation of repurchased shares, we report to you on our assessment of the reasons for and conditions of the proposed reduction of share capital.

We have performed the procedures we considered necessary under French professional guidelines issued by the French Institute of Auditors relating to this type of engagement. The procedures are designed to determine whether the reasons for and conditions of the reduction of share capital are in conformity with the law.

The present operation relates to the repurchase by your company of its shares, limited to a maximum of 10% of its outstanding share capital, under the terms of article L. 225-209 of the French Commercial Code. The authorization to repurchase during a period of 18 months will be proposed to the General Meeting.

The Management Board is requesting you to delegate to it, for a period of 26 months, in the context of the repurchase by your company of its shares, all powers required to cancel the repurchased shares, up to a maximum of 10% of the outstanding share capital, by period of 24 months,

We have no matters to report concerning the reasons for and the conditions of the reduction of share capital, which can be realized only if you give prior approval to the repurchase of the shares.

2. Issue of share capital or other financial instruments with retention of preferential subscription rights and related authorizations (14th resolution)

In accordance with the terms of the French Commercial Code, particularly article L. 225-135 and following articles, and article L. 228-92, we report to you on the proposed delegation to the Management Board of the right to issue ordinary shares or other financial instruments giving right to share capital and/or to debt instruments, operations on which you are being requested to vote.

The Management Board is requesting you to delegate to it for a period of 26 months, on the basis of its report, the right to decide to proceed on one or more occasions with the following operations and to determine their final conditions:

- issue of ordinary shares with retention of preferential subscription rights, or
- issue of financial instruments giving right to the share capital of your company or of that of its subsidiaries, with retention of preferential subscription rights. These financial instruments may take the form of debt instruments or have a debt instrument component.

The total nominal amount of the increase in share capital, either with immediate effect or at a later date, is limited to a maximum of (i) € 40 million for the issue of ordinary shares, and (ii) € 300 million for the issue of other financial instruments.

The Management Board is responsible for the preparation of a report in accordance with articles

R. 225-113, R. 225-114, and R. 225-117 of the French Commercial Code. Our role is to report to you on the fair presentation of the information obtained from the financial statements and on certain other disclosures concerning these operations which are contained in their report.

We have performed the procedures which we considered necessary under French professional guidelines issued by the French Institute of Auditors relating to this engagement. These procedures relate to the verification of the disclosures in the report of the Management Board concerning these operations and the method of determining the issue price for the shares.

As the report of the Management Board does not include any information on how the issue price for the shares concerned by the 14th resolution is to be determined, we are unable to report on the information to be used in determining the issue price.

As the issue price for the shares is not yet fixed, we cannot report on the final conditions under which the operations will be realized.

In compliance with the terms of article R. 225-116 of the French Commercial Code, we shall prepare another report, if necessary, when the Management Board decides to issue financial instruments giving right to share capital and/or to the grant of debt instruments.

3. Issue of share capital or other financial instruments reserved to members of a company or group savings plan in the terms of the French Commercial Code and article L. 3332-18 and following articles of the French Labor Law (18th resolution)

In accordance with the terms of article L. 225-135 and following articles of the French Commercial Code, we hereby report to you on the proposed delegation to the Management Board of the right to decide to make an issue, or several issues, of share capital, with cancellation of preferential subscription rights, reserved to employees who are members of a company or group savings plan, in a maximum amount of € 2 million, an operation on which you are being requested to vote.

The proposed increase of share capital requires your approval in the context of article L. 225-129-6 of the French Commercial Code, and article L. 3332-18 and following articles of the French Labor Law.

The Management Board is requesting you, on the basis of its report, to delegate to it for a period of 26 months, the right to make one or more increases in share capital, and to waive your preferential subscriptions rights. It will fix the final conditions of any issue.

The Management Board is responsible for the preparation of a report in accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to report to you on the fair presentation of information obtained from the financial statements, the proposed cancellation of preferential subscription rights, and certain other disclosures concerning these operations which are contained in their report.

We have performed the procedures which we considered necessary under French professional guidelines issued by the French Institute of Auditors relating to this engagement. These procedures related to the verification of the disclosures in the report of the Management Board concerning these operations and the method of determining the issue price for the shares.

Subject to our future assessment of the conditions under which the increases of share capital will be decided, we have no comment to make on the methods of determining the issue price of the shares as disclosed in the report of the Management Board.

As the issue price for the shares has not been fixed, we cannot report on the final conditions under which any share capital increases will be made, nor, in consequence, on the proposed cancellation of preferential subscriptions rights.

In accordance with the terms of article R. 225-116 of the French Commercial Code, we shall report to you again if the Management Board uses this authorization.

The auditors

Labège and Maisons-Alfort, March 22, 2010

KPMG Audit *A division of KPMG S.A.*	MG Sofintex *Member of Deloitte Touche Tohmatsu*
Christian Libéros *Partner*	Pierre Marque, Laurent Odobez *Partners*

8. Text of the Resolutions

Ordinary resolutions

First resolution – Approval of the Company accounts

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), after having reviewed:

- the Board of Directors' report on the Company's business and the auditors' report on the Company accounts for the financial year ending December 31, 2009; and
- the report of the Supervisory Board,

approved the annual accounts produced as of December 31, 2009 as submitted to them, showing a loss of € 54,413,250.05.

They also approved the transactions referred to in these accounts and summarised in these reports.
The shareholders at the General Meeting therefore discharged the members of the Board of Directors in full for the performance of their duties for the last financial year.
It also discharged the auditors in full for the performance of their duties.

Second resolution – Approval of the consolidated accounts

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), after having reviewed the Board of Directors' report on the Group's business and the auditors' report on the consolidated accounts for the financial year ending December 31, 2009, approved the said accounts which showed a total net profit after tax of € 88.8 million, including Group net profit of € 88.2 million.

Third resolution – Regulated agreement and commitments

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting), after having reviewed the special report prepared by the auditors on the agreements and commitments regulated by Articles L.225-86 *et seq.* of the French Commercial Code, approved the transfer to the Luxembourg subsidiary LCC of Teleperformance's majority shareholding in the German subsidiary NETC, as referred to in that report.

Fourth resolution – Regulated agreement and commitment

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), after having reviewed the special report produced by the auditors on agreements and commitments regulated by Articles L.225-86 *et seq.* of the French Commercial Code, approved Mr Michel Peschard's remuneration, under his employment contract, as referred to in the report.

Fifth resolution – Appropriation of earnings

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), on a proposal by the Board of Directors, and in accordance with Article L.232-11 of the French Commercial Code, resolved to appropriate the result for the 2009 financial year as follows:

Period loss	€ -54,413,250.05
Retained earnings	€ 61,046,830.80
Total to be appropriated	€ 6,633,580.75
Transfer from the ordinary reserve	€ +13,000,000.00
Distributable profits	€ 19,633,580.75
Total dividend	€ - 18,676,695.84
Retained balance	€ 956,884.91

A dividend of € 0.33 per share shall be paid out on the 56,596,048 shares comprising the Company's share capital as at December 31, 2009.

The payment shall be made on June 10, 2010.

The shareholders at the General Meeting resolved that, in accordance with the provisions of Article L.225-210 of the French Commercial Code, the amount of the dividend to be paid on treasury shares as at the date of payment shall be allocated to the "retained earnings" account.

In accordance with Article 158-3-2 of the French General Tax Code, individuals who are domiciled from a tax point of view in France and who have not elected for the withholding at source of income tax shall benefit, for their income tax, from a 40 % deduction on the net dividend paid after deduction of social security withholding (French Finance Act 2008).

As a reminder, the following dividends have been paid in the last three financial years:

Financial year	*Dividend*	*Income tax adjustment for individuals resident in France (except election for the 18 % flat-rate withholding tax)*
2008	€ 0.44	40 %
2007	€ 0.44	40 %
2006	€ 0.37	40 %

Sixth resolution – Approval of the interim appointment of two successive members of the supervisory board

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting) approved the successive interim appointments of Jacques Berrebi (appointed by the meeting of the supervisory board on November 25, 2009 with effect from January 2, 2010) for the remaining term of the appointment of Philippe Ginestié (who resigned on May 29, 2009) and Jean Guez (appointed by the meeting of the board held on January 29, 2010) for the remaining term of the appointment of Jacques Berrebi (who resigned on the same day), *i.e.,* until the shareholders' meeting called in 2011 to approve the Company accounts for the financial year ended.

Seventh resolution – Approval of the interim appointment of a member of the supervisory board

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting) approved the interim appointment of Mario Sciacca (appointed by the meeting of the supervisory board held on January 29, 2010 with effect from the same day), for the remaining term of the appointment of Daniel Julien (who resigned on January 2, 2010), *i.e.,* until the shareholders' meeting called in 2013 to approve the Company accounts for the financial year ended.

Eighth resolution – Appointment of a new member of the board

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting) decided to appoint Stephen Winningham as a new member of the supervisory board for a term of four years, *i.e.,* until the shareholders' meeting called in 2014 to approve the Company accounts for the financial year ended.

Ninth resolution – Appointment of a new member of the board

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting) decided to appoint Robert Paszczak as a new member of the supervisory board for a term of four years, *i.e.,* until the shareholders' meeting called in 2014 to approve the Company accounts for the financial year ended.

Tenth resolution – Appointment of a new member of the board

The shareholders at the general meeting (being quorate and having the majority required for an ordinary general meeting) decided to appoint Philippe Ginestié as a new member of the supervisory board for a term of four years, *i.e.,* until the shareholders' meeting called in 2014 to approve the Company accounts for the financial year ended.

Eleventh resolution – Fees

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting) resolved to set the total amount of the fees to be shared amongst the members of the Supervisory Board, for the 2009 financial year, at € 129,000.

Twelfth resolution – Authorisation to trade in the Company's shares

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), after having reviewed the Board of Directors' report and, in accordance with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code, Articles 241-1 *et seq.* of the General Rules of the Financial Markets Authority and Regulation (EC) No. 2273/2003 of the European Commission of December 22, 2003:

1. resolved that the Company could acquire its own shares pursuant to this resolution, provided that it complies with applicable legislative and regulatory provisions in accordance with positive law, in order to:

- cancel the shares acquired, provided that the shareholders at the General Meeting adopt the thirteenth resolution below on the terms set out therein or a similar authorisation;
- establish or honour share option plans or other allotments of shares in favour of employees and

corporate officers and directors (*mandataires sociaux*), including by:

- offering employees of the Company or affiliates (as defined in Articles L.225-180 or L.233-16 of the French Commercial Code) the opportunity to acquire shares, directly or via an employees' mutual fund, on the terms and conditions laid down by law, in particular Articles L.3332-18 *et seq.* of the French Employment Code;
- granting share purchase options and by allotting bonus shares to authorised employees or corporate officers and directors of the Company or affiliates as defined in Articles L.225-177 *et seq.* and L.225-197-1 *et seq.* of the French Commercial Code;

- establish or honour obligations relating to the issue of securities granting access to share capital;
- retain them in order to provide them later as payment or in exchange as part of acquisitions;
- appoint an independent investment services provider to trade in the Company's shares pursuant to a liquidity contract in accordance with a code of conduct that is recognised by the French securities regulators;
- generally, effect any other transactions that are admissible under regulations in force.

2. resolved that:

- the maximum purchase price per share is set at € 30, excluding costs;
- the amount of the funds that the Company could use for the acquisition of its own shares shall not exceed € 169,000,000;
- the maximum number of shares that can be held by the Company under this resolution shall not exceed 10 % of the total number of shares comprising the share capital at any time, provided always that the number of shares that the Company may acquire during the acquisition scheme to be retained and later provided as payment or in exchange as part of a merger, demerger or contribution shall not exceed 5 % of the shares of the Company.
- the shares may be acquired, sold, exchanged or transferred at any time, except during public offering periods, on one or more occasions and by any means, within the limits of and in accordance with the terms defined by the laws and regulations in force. If applicable, these transactions may occur over the counter, in block sales, or using options or derivatives, other than through the sale of put options. The entire shares acquisition scheme may be transferred in blocks of securities.

3. set the duration of this authorisation, which shall cancel (for the unexpired period and shall replace, as from the date of implementation by the Board of Directors) the authorisation given by the shareholders at the General Meeting of May 29, 2009 in the fourteenth resolution thereof, at 18 months from this meeting.

4. conferred all powers on the Board of Directors, with the power to delegate, to carry out these transactions, carry out all formalities and make all filings, carry out (if applicable) the adjustments regarding any transactions affecting the Company's equity and, generally, do all that is required to implement this authorisation.

Extraordinary resolutions

Thirteenth resolution – Authorisation given to the Board of Directors to cancel up to 10 % of its treasury shares per 24-month period

The shareholders at the General Meeting (being quorate and having the majority required for an extraordinary General Meeting), after having reviewed the Board of Directors' report and the auditors' special report, in accordance with statutory provisions, in particular Article L.225-209 of the French Commercial Code:

1. authorised the Board of Directors to cancel, whenever it so decides, on one or more occasions, all or some of the shares of the Company acquired by it as part of the implementation of the authorisation given in the twelfth ordinary resolution of this General Meeting or already held by it under previous authorisations, up to 10 % of the total number of shares per 24-month period, by setting off the difference between the purchase price of the

shares cancelled and their nominal value against premiums and available reserves, including in part against the statutory reserve of up to 10 % of the capital cancelled.

2. set the duration of this delegation, which cancels for the unexpired period and replaces the one granted by the shareholders at the General Meeting of May 29, 2009 in the fifteenth resolution thereof relating to the same subject matter, at 26 months from the date hereof.

3. conferred all powers on the Board of Directors, with the power to subdelegate, to carry out capital reduction(s), amend the memorandum and articles of association accordingly and carry out all necessary formalities.

Fourteenth resolution – Delegation of power to the board of directors, for 26 months, to increase share capital, maintaining the pre-emptive subscription right, by the issue of ordinary shares or any securities granting access to the share capital of the Company or subsidiaries, for a nominal maximum amount of € 40,000,000 (ordinary shares) and € 300,000,000 (debt securities)

The shareholders at the General Meeting (being quorate and having the majority required for an extraordinary General Meeting), after having reviewed the Board of Directors' report and the auditors' special report and in accordance with statutory provisions, in particular Articles L.225-129 to L.225-129-6 and L.228-91 to L.228-93 of the French Commercial Code:

1. delegated to the Board of Directors, with the power to subdelegate to any person authorised by law, the power to increase share capital (maintaining the pre-emptive subscription right), both in France and abroad, in such proportion and at whatever times it shall decide, on one or more occasions, by the issue of ordinary shares in the Company or any securities, including detachable warrants, granting access by all means, immediately and/or in the future, to ordinary shares in the Company or a company in which the Company directly or indirectly holds more than half of the equity (a "subsidiary").

   The securities granting access to the ordinary shares in the Company or a subsidiary thus issued can, in particular, consist of debt instruments or be related to such securities.

   The ordinary shares shall be denominated in euros; securities other than the ordinary shares shall be denominated in euros, foreign currency, or any monetary unit introduced by reference to a basket of currencies.

2. resolved that the limits of the transactions thus authorised shall be as follows:

   a) the nominal maximum amount of the ordinary shares which can be issued pursuant to this delegation, immediately or in the future, is set at forty million euros, provided always that this amount shall, if necessary, be increased by the additional amount of the shares to be issued to preserve, in accordance with the law, the rights of the holders of securities granting rights to shares;

   b) the nominal maximum amount of the debt securities granting access to ordinary shares is set at three hundred million euros;

3. if the Board of Directors uses this delegation:

   a) resolved that the shareholders shall have a pre-emptive right (*pro rata* the amount of their shares) to subscribe for the ordinary shares and securities issued pursuant to this delegation;

   b) resolved, in accordance with Article L.225-134 of the French Commercial Code, that if the mandatory and any optional subscriptions have not absorbed the entirety of an issue of ordinary shares or securities, the Board of Directors may, if it so chooses and in the order that it decides, limit the issue to the amount of the subscriptions received on the condition that it achieves at least three quarters of the agreed issue, freely allot some or all of the unsubscribed securities and/or offer them to the public;

c) officially acknowledged that this delegation constitutes an automatic waiver by the shareholders of their preemptive subscription right to the ordinary shares in the Company that result from the securities that may be issued pursuant to this delegation.

4. set the duration of this delegation, which cancels for the unexpired period and replaces the one granted by the shareholders at the General Meeting of May 29, 2009 in the sixteenth resolution thereof relating to the same subject matter, at 26 months from the date hereof.

5. conferred all powers on the Board of Directors, with the power to subdelegate, to implement this delegation of power on the terms and conditions laid down by law and to amend the memorandum and articles of association accordingly.

Fifteenth resolution – Authorisation given to the board of directors, for 26 months, to increase the number of securities to be issued in the event that a capital increase is oversubscribed, with a pre-emptive subscription right, up to the limit of 15% of the initial issue

The shareholders at the general meeting (being quorate and having the majority required for an extraordinary general meeting), having reviewed the report of the board of directors and in accordance with the statutory provisions, in particular Articles L. 225-129 to L. 225-129-6 and L. 225-135-1 of the French Commercial Code:

1. authorised the board of directors (with the power to subdelegate to any person authorised by law) to decide, if it finds that a share capital increase approved pursuant to the 14th resolution of this meeting is oversubscribed, to increase the number of securities with a pre-emptive subscription right to be issued in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, within thirty days of the close of the subscription period, at the same price as that selected for the initial issue and up to the limit of 15% of the initial issue.

2. set the term of validity of this authorisation at 26 months as of the date hereof.

3. conferred all powers on the Board of Directors, with the power to subdelegate, to implement this delegation of power on the terms and conditions laid down by law and to amend the memorandum and articles of association accordingly.

Sixteenth resolution – Delegation of power to the Board of Directors, for 26 months, to increase the share capital by up to 10 % to remunerate the in-kind contributions of equity shares or securities granting access to the share capital of third-party companies

The shareholders at the General Meeting (being quorate and having the majority required for an extraordinary General Meeting), after having reviewed the Board of Directors' report and in accordance with the provisions of Articles L.225-129 to L.225-129-6 and L.225-147 of the French Commercial Code:

1. delegated to the Board of Directors, with the power to subdelegate to any person authorised by law, the power, on the basis of the report(s) by the *commissaire aux apports* [contributions auditor], to carry out one or more share capital increases, by the issue of ordinary shares in the Company or shares granting access by any means, immediately and/or in the future, to shares in the Company that are in existence or to be issued in order to remunerate in-kind contributions made to the Company and comprising equity securities or securities granting access to capital, if the provisions of Article L.225-148 of the French Commercial Code do not apply.

2. capped at 10 % of the share capital the amount of the capital increase, immediately or in the future, that may result from the issues carried out pursuant to this delegation.

3. resolved to waive, in favour of the holders of the securities that are issued against in-kind contributions, the shareholders' preemptive right to the ordinary shares thus issued and officially acknowledged that this delegation constitutes a waiver by the shareholders of their preemptive subscription right to the ordinary shares in the Company that result from the securities which may be issued on the basis of this delegation.

4. set the duration of this delegation, which cancels for the unexpired period and replaces the one

granted by the shareholders at the General Meeting of May 29, 2009 in the seventeenth resolution thereof relating to the same subject matter, at 26 months from the date hereof.

5. conferred all powers on the Board of Directors, with the power to subdelegate, to approve the valuation of the contributions, to proceed with and officially acknowledge the capital increase remunerating the contribution transaction, to set off against the contribution premium, if applicable, all expenses and duties incurred by the capital increase, to deduct from the contribution premium, if it deems it appropriate, the sums required for the statutory reserve provision, to amend the memorandum and articles of association accordingly and, generally, to take all necessary steps.

Seventeenth resolution – Delegation of power to the board of directors, for 26 months, to increase capital by incorporation of premiums, reserves, profits or other sums that can be capitalised, up to a maximum amount of € 150,000,000

The shareholders at the General Meeting (being quorate and having the majority required for an ordinary General Meeting), after having reviewed the Board of Directors' report and in accordance with statutory provisions, particularly Articles L.225-129 to L.225-129-6 and L.225-130 of the French Commercial Code:

1. delegated to the Board of Directors, with the power to subdelegate to any person authorised by law, the power to increase share capital, in such proportion and at whatever times it shall decide, on one or more occasions, by the incorporation in the capital of reserves, profits, premiums or other sums that can be capitalised, to be carried out by the creation and allotment of bonus shares, by increasing the par value of the existing shares or by using these two procedures together.
2. resolved that the nominal value of the capital increases which may be carried out under this delegation is set at one hundred and fifty million euros, provided always that to this cap shall be added, if applicable, the additional amount of the shares to be issued to preserve, in accordance with the law, the rights of the holders of securities granting a right to equity securities in the Company.
3. if the Board of Directors uses this delegation, resolved, in the event of a capital increase in the form of bonus issues and in accordance with the provisions of Article L.225-130 of the French Commercial Code, that the fractional rights shall not be negotiable or assignable and that the corresponding shares shall be sold, the proceeds of the sale being allocated to the holders of the rights within the time frame set by the regulations in force.
4. set the duration of this delegation, which cancels for the unexpired period and replaces the one granted by the shareholders at the General Meeting of May 29, 2009 in the eighteenth resolution thereof relating to the same subject matter, at 26 months from the date hereof.
5. conferred all powers on the Board of Directors, with the power to subdelegate, to implement this delegation of power on the terms and conditions laid down by the law, to deduct all sums required to bring the statutory reserve back up to one tenth of the share capital and to amend the memorandum and articles of association accordingly.

Eighteenth resolution – Delegation of power to the Board of Directors, for 26 months, to carry out capital increases reserved for the members of a company or group savings scheme up to a nominal maximum amount of two million euros

The shareholders at the General Meeting (being quorate and having the majority required for an extraordinary General Meeting), after having reviewed the Board of Directors' report and the auditors' special report, in accordance with statutory provisions, particularly Articles L.225-129 to L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 *et seq.* of the French Employment Code:

1. delegated to the Board of Directors, with the power to subdelegate to any person authorised by law, the power to increase share capital, on one or more occasions and whenever it so decides, if applicable, in separate tranches, by a maximum nominal value of two million euros by the issue of shares or securities granting access to the capital of the Company reserved for the members of a company or group savings scheme to be set up in advance.
2. resolved that this authorisation constitutes a waiver of the shareholders' pre-emptive right in

favour of the said members of a company or group savings scheme, to the equity securities and securities to be issued under this resolution and a waiver of their preemptive subscription right relating to the shares that result from the securities issued on the basis of this delegation.

3. resolved, in accordance with Article L.3332-19 of the French Employment Code, to set the discount at 20 % of the average of the price quoted for the Company's shares on Nyse Euronext Paris' Eurolist during the twenty trading sessions prior to the date of the decision setting the subscription commencement date. However, the shareholders at the General Meeting authorised the Board of Directors to substitute all or part of the discount by the bonus issue of shares or securities granting access to the share capital of the Company, to reduce or not grant a discount, all within the applicable statutory or regulatory limits.

4. resolved that the Board of Directors may, within the limits set by Article L.3332-21 of the French Employment Code, carry out a bonus issue of shares or securities granting access to the share capital of the Company with respect to the employer's contribution to the Company savings scheme.

5. set the duration of this authorisation, cancelling for the unexpired period and replacing the one granted by the shareholders at the General Meeting of May 29, 2009 in the twentieth resolution thereof, at 26 months from the date hereof.

6. conferred all powers on the Board of Directors, with the power to delegate, in particular, to:

   - finalise all the terms and conditions of the future transaction(s) and in particular, to:
     - define a list of the companies eligible for the offer that is smaller than the list of the companies eligible for the Company or group savings plan;
     - set the terms and conditions of the issues which shall be carried out pursuant to this authorisation, in particular, decide the amounts proposed for the subscription, finalise the issue price, dates, deadlines and the terms and conditions for the subscription, payment, delivery and possession of the shares or securities granting access to the share capital of the Company;
     - as it deems appropriate, after each capital increase, set off the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums required to bring the statutory reserve up to one tenth of the new share capital;
   - carry out all acts and formalities to accomplish and officially acknowledge the capital increase or increases carried out pursuant to this authorisation, particularly, amend the memorandum and articles of association accordingly and, generally, to take all necessary steps.

Nineteenth resolution – Variation of Article 13 of the articles of incorporation and by-laws

The shareholders at the general meeting (being quorate and having the majority required for an extraordinary general meeting), having read the report of the board of directors, decided to vary Article 13 of the articles of incorporation and by-laws as follows:

Article 13 – information on significant shareholdings

Any individual or legal entity acting alone or in concert who comes to hold a number of shares representing more than a twentieth, a tenth, three twentieths, a fifth, a quarter, a third, half, two-thirds, eighteen twentieths or nineteen twentieths of the capital or of the voting rights, must inform the French securities regulator and the board of directors of the total number of shares and voting rights that it holds, **within four (4) stock exchange days (prior to close)** of the shareholding threshold being exceeded.

Twentieth resolution – Powers

The shareholders at the General Meeting (being quorate and having the majority required for an extraordinary General Meeting) conferred all powers on a bearer of a copy or extract of the minutes of this General Meeting to carry out all filing and registration formalities relating to the above resolutions.

5. Consolidated Financial Statements and Auditors' report

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1. Statement of Financial Position

(in thousands of euros)

ASSETS	Notes	12.31.2009	12.31.2008
Non-current assets			
Goodwill	C2	642,798	571,323
Other intangible assets	C2	65,452	70,565
Property, plant and equipment	C3	217,283	194,779
Financial assets	C11	18,080	13,826
Deferred tax assets	C5	10,438	7,535
Total non-current assets		954,051	858,028
Current assets			
Inventories	C4	567	520
Current income tax receivable		31,781	37,108
Accounts receivable - Trade	C6	445,626	433,890
Other current assets	C6	93,500	62,790
Other financial assets	C11	6,239	10,518
Cash and cash equivalents	C9	238,686	280,642
Total current assets		816,399	825,468
Total assets		**1,770,450**	**1,683,496**

LIABILITIES & SHAREHOLDERS' EQUITY	Notes	31.12.2009	31.12.2008
Shareholders' equity			
Share capital	C7	141,490	140,957
Share premium		556,181	553,321
Translation reserve		-46,245	-48,275
Other group reserves		459,706	395,803
Attributable to equity holders of the parent		1,111,132	1,041,806
Minority interests		2,933	11,877
Total shareholder's equity		1,114,065	1,053,683
Non-current liabilities			
Long-term provisions	C8	6,251	5,792
Financial liabilities	C9	36,589	46,822
Deferred tax liabilities	C5	27,833	29,756
Total non-current liabilities		70,673	82,370
Current liabilities			
Short-term provisions	C8	34,810	13,782
Income tax payable		25,277	20,294
Accounts payable - Trade	C10	88,088	77,217
Other current liabilities	C10	246,433	220,057
Other financial liabilities	C9	191,104	216,093
Total current liabilities		585,712	547,443
Total liabilities and shareholders' equity		**1,770,450**	**1,683,496**

2. Income Statement

(in thousands of euros)

	Notes	*2009*	*2008*
Revenues		**1,847,654**	**1,784,752**
Other operating revenues	D2	13,873	24,035
Personnel	D3	-1,293,803	-1,246,090
External expenses	D6	-311,565	-293,958
Taxes other than income taxes		-15,688	-18,431
Depreciation and amortization		-71,620	-68,412
Amortization of intangible assets acquired as part of a business combination		-5,205	-2,984
Impairment loss on goodwill			-1,464
Change in inventories		42	-137
Other operating income	D5	5,939	6,236
Other operating expenses	D5	-39,592	-5,695
Net operating profit before financing costs		**130,035**	**177,853**
Income from cash and cash equivalents		4,068	12,018
Interest on financial liabilities		-7,771	-14,219
Net financing costs	**D7**	**-3,703**	**-2,200**
Other financial income	D7	15,333	25,649
Other financial expenses	D7	-11,601	-25,394
Share in profit (loss) of associates		0	0
Profit before taxes		**130,064**	**175,908**
Income tax	D8	-41,310	-56,424
Net profit		**88,754**	**119,484**
Net profit - Group share		**88,201**	**116,358**
Net profit attributable to minority interests		553	3,126
Basic and diluted earnings per share (in €)	**D9**	**1.56**	**2.09**

3. Statement of Comprehensive Income

(in thousands of euros)

	2009	*2008*
Net profit	**88,754**	**119,484**
Translation differences from foreign operations	2,479	-11,809
Net gain on cash flow hedges (gross)	88	692
Net gain on cash flow hedges (tax)	-30	-235
Other comprehensive income	**2,537**	**-11,352**
Total comprehensive income	**91,291**	**108,132**
Group	90,289	105,309
Minority interests	1,002	2,823

4. Statement of Cash Flows

(in thousands of euros)

Cash flow from operating activities	*2009*	*2008*
Net profit group share	88,201	116,358
Net profit attributable to minority interests	553	3,126
Income tax expense	41,310	56,338
Depreciation and amortization	76,825	71,392
Impairment loss on goodwill	-	1,464
change in provisions	21,557	4,836
Expense relating to share-based payments	78	5,836
Unrealised gains and losses on financial instruments	808	-618
Gain/losses on disposal of non-current assets net of tax	1,029	-7,952
Income taxes paid	-31,296	-83,932
Other	-1,107	-201
Internally generated funds from operations	***197,958***	***166,647***
Change in working capital requirements	-7,806	-68,456
Net cash from operating activities	**190,152**	**98,191**

Cash flows used in investing activities		
Acquisition of intangible and tangible assets	-68,096	-70,712
Acquisition of subsidiaries (net of cash acquired)	-97,514	-149,380
Acquisition of financial assets	-673	-1,192
Disposal of intangible & tangible assets	1,006	1,925
Disposal of subsidiaries (net of cash disposed of)	-	7,977
Disposal of other financial assets	1,921	1,744
Net cash used in investing activities	**-163,356**	**-209,638**

Cash flows used in financial activities		
Proceeds from the issuance of capital	3,342	6,930
Purchase of own shares	353	-2,159
Dividends paid to parent company shareholders	-24,808	-24,316
Dividends paid to minority interests in consolidated subsidiar	-160	-2,032
Proceeds from new borrowings	165,654	134,215
Repayment of borrowings	-192,998	-75,022
Net cash used in financing activities	**-48,617**	**37,616**

Change in cash and cash equivalents	***-21,821***	***-73,830***
Effect of exchange rates on cash held	*-563*	*-7,489*
Net cash at January 1	**238,235**	**319,555**
Net cash at December 31	**215,851**	**238,235**

5. Statement of Changes in Equity

(in thousands of euros)

	Attribution to equity holders of the parent							*Total*
	Share capital	*Share premium*	*Translation reserve*	*Retained earnings*	*Faire value of derivatives*	*Total*	*Minority interests*	
12/31/2007	**138,459**	**550,459**	**-36,769**	**300,187**	**0**	**952,336**	**12,916**	**965,252**
Translation differences from foreign operations			-11,506			**-11,506**	-303	**-11,809**
Net profit				116,358		**116,358**	3,126	**119,484**
Net gains on cash flow hedges					457	**457**		**457**
Total income and expenses reported for the period	-	-	***-11,506***	***116,358***	***457***	***105,309***	***2,823***	***108,132***
Increase in share capital						-		-
Share-based payments	2,748	4,771		3,727		**11,246**	-65	**11,181**
Treasury shares	-250	-1,909		-616		**-2,775**		**-2,775**
Dividends (€ 0.44 per share)				-24,316		**-24,316**	-2,032	**-26,348**
Other				6		**6**	-1,765	**-1,759**
12/31/2008	**140,957**	**553,321**	**-48,275**	**395,346**	**457**	**1,041,806**	**11,877**	**1,053,683**
Translation differences from foreign operations			2,030			**2,030**	449	**2,479**
Net profit				88,201		**88,201**	553	**88,754**
Net gains on cash flow hedges					58	**58**		**58**
Total income and expenses reported for the period	-	-	***2,030***	***88,201***	***58***	***90,289***	***1,002***	***91,291***
Increase in share capital						-		-
Share-based payments	533	2,860		28		**3,421**		**3,421**
Treasury shares				353		**353**		**353**
Dividends (€ 0.44 per share)				-24,808		**-24,808**	-160	**-24,968**
Other				71		**71**	-9,786	**-9,715**
12/31/2009	**141,490**	**556,181**	**-46,245**	**459,191**	**515**	**1,111,132**	**2,933**	**1,114,065**

Translation differences from converting the financial statements of foreign subsidiaries before January 1, 2004 have been reclassified as reserves in accordance with the option available under IFRS1 on transition to IFRS

6. Notes to the Consolidated Financial Statements

A. Principal Accounting Policies

A1. Reporting Entity

Teleperformance («the company») is a company domiciled in France.
The Company’s consolidated financial statements for the year ended December 31, 2009 include the Company and its subsidiaries, together referred to as « the group ».
The financial statements were approved by the Board of Directors on February 24, 2010, and will be submitted to the shareholders at the Annual general meeting to be held on June 2, 2010.
All financial information presented in euro has been rounded to the nearest thousand.

A2. Basis of preparation

The consolidated financial statements for the year ended December 31, 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of the balance sheet date, and comply with the presentation requirements of Revised IAS I.

The following standards, amendments of standards and interpretations had no impact on the consolidated financial statements:

- IFRS 8 «Operating Segments» which introduces the « management approach » to reporting by segment, applicable from January 1, 2009;
- Revised IAS 23 «Borrowing Costs», applicable from January 1, 2009;
- Amended IFRS 2 «Share-based Payments-Vesting Conditions and Cancellations»;
- Amended IAS 32 and IAS 1 «Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation»;
- IFRIC 13 «Customer Loyalty Programmes»;
- IFRIC 14 «IAS 39 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction»;
- IFRIC 16 «Hedges of a Net Investment in a Foreign Operation »

The following standards, amendments of standards and interpretations will be in force from 2010 but have not been applied by anticipation in the preparation of the 2009 consolidated financial statements:

- Revised IFRS 3 « Business combinations »;
- Revised IAS 27 « Presentation of financial statements »
- IFRS 9 « Financial instruments – Presentation and measurement »

The Group does not expect any significant impact on its financial statements due to the adoption of these standards and interpretations.

The financial statements have been prepared on the historical cost basis, with the exception of the following assets and liabilities stated at fair value: derivative financial instruments, financial instruments held for trading and financial instruments classified as available-for-sale.

Non-current assets and groups held for sale are stated at the lower of carrying value and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

The accounting policies have been consistently applied by all entities in the group.

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the amounts reported in the financial statements, especially with respect to the following items:

- The depreciation and amortization rates,
- The calculation of losses on doubtful receivables,
- The calculation of impairment losses on intangible assets and goodwill,
- The measurement of provisions and retirement benefits,

- The estimation of the financial liability connected with minority interest purchase commitments,
- Provisions, particularly relating to legal claims,
- Restructuring provisions,
- The measurement of employee share options,
- The measurement of intangible assets acquired as part of a business combination,
- Deferred taxation.

Such estimates are based on information available at the time of preparation of the financial statements, in particular that relating to the current economic and financial crisis, and may be revised, in a future period, if circumstances change or if new information is available. Actual results may differ from these estimates.

A3. Basis of consolidation

- Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the direct or indirect power to set the operating and financial policies of the entity, so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- Joint ventures

The Company is not a party to any joint venture.

- Associates

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share in the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an associate, the carrying amount of its investment is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

- Transactions eliminated in the consolidated financial statements

Balances, any unrealized gains and losses, and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A4. Foreign currency

- Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognized as income or expenses. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date the fair value was determined.

- Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros using the exchange rate at the balance sheet date.

The income and expenses of foreign operations are translated into euros using the average foreign exchange rate of the period, unless the exchange rate

has fluctuated significantly. Foreign exchange differences resulting from translations are recognized in the translation reserve, as a separate equity component.

The Company has no foreign operations in any country defined by the IASB as a hyperinflationary economy.

- Net investment in foreign operations

Foreign exchange differences arising from the translation of a net investment in foreign operations and of related hedges are recognized in the translation reserve. They are recognized as income on disposal of the foreign operations.

A5. Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments include investments in debt securities and equity instruments, trade and other receivables, cash and cash equivalents, loans and borrowings, and supplier and other payables.

Non-derivative financial instruments are initially recognized at fair value, plus directly attributable transaction costs in the case of instruments that are not at fair value through the income statement. After the initial recognition, non-derivative financial instruments are measured as described in the relevant notes.

A financial instrument is recognized if the group becomes a party to the instrument's contractual provisions. Financial assets are derecognized if the group's contractual rights to cash flows from financial assets expire or if the group transfers the financial asset to a third party without retaining control or nearly all the risks and benefits. "Standard" purchases and sales of financial assets are recognized on the transaction date, i.e. the date on which the group agrees to buy or sell the asset. Financial liabilities are derecognized if the group's contractually specified obligations expire or have been paid off or canceled.

- Investments held to maturity

Whenever the group has the intention and ability to hold debt securities until they mature, they are classified as investments held to maturity. After initial recognition, investments held to maturity are valued at amortized cost, on the effective interest rate basis, less impairment losses, if any.

- Financial assets available-for-sale

Group investments in equities and certain debt securities are classified as assets available-for-sale. After initial recognition, they are measured at fair value and any resulting change is directly recorded in shareholders' equity, with the exception of impairment losses and translation differences in the case of monetary items available-for-sale. When these investments are derecognized, the accrued gains or losses recorded in shareholders' equity are transferred to the income statement.

- Investments at fair value through the income statement

An instrument is classified as an investment at fair value through the income statement if it is held for trading or designated as such on initial recognition. Financial instruments are designated as at fair value through the income statement if the group manages such investments and makes buy and sell decisions based on their fair value. On initial recognition, when directly attributable transaction costs are incurred, they are carried to the income statement. Financial instruments at fair value through the income statement are measured at fair value, and any resulting change is recorded in the income statement.

- Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest rate basis.

- Other

Other non-derivative financial instruments are stated at amortized cost on the effective interest rate basis, less any impairment losses.

Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from its activities.

Gains and losses on financial instruments designated as hedges of assets or liabilities are recognized in the income statement in the case of a fair value hedge, or directly in equity in the case of a cash flow hedge.

The group may use derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. These are contracted with high-grade financial institutions to reduce counterparty risk.

The group applies hedge accounting when the hedge is shown to be effective.

Embedded derivatives are separated from the host contract and recorded separately if the following conditions are met: (i) the economic features and the risks of the host contract and those of the embedded derivative are not closely linked; (ii) a separate instrument with the same terms as the embedded derivative would fit the definition of a derivative; and (iii) the compound instrument is not measured at fair value through the income statement.

Derivatives are initially recognized at fair value, and when attributable transaction costs are incurred, they are carried in the income statement. After initial recognition, derivatives are measured at fair value, with resulting changes recognized in the income statement.

A6. Equity Instruments

- Ordinary shares

Ancillary costs directly attributable to the issuance of ordinary shares or share options are recognized as deductions from equity.

- Repurchase of equity instruments

If the group buys back its own equity instruments, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and shown as a deduction from total equity.

- Dividends

Dividends are recognized as a liability in the period in which they are declared.

A7. Non-current assets, excluding financial assets

Property, plant and equipment

- Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy A13. *Impairment*).

Cost includes the asset's directly attributable acquisition costs.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

- Leased assets

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. In that case, on initial recognition, the leased asset is recognized at the fair value of the asset leased or, if that is lower, at the present value of the minimum payments under the lease. After initial recognition, the asset is measured under the accounting method applicable to that type of asset.

Any other lease agreement is an operating lease. Except for investment property, leased assets are not, in that case, recognized on the group's balance sheet.

The Company has no property held under a finance lease agreement.

- Subsequent costs

The group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits of the item will flow to the group and the cost of the item can be measured reliably.

All costs of routine repairs and maintenance are recognized in the income statement as an expense when incurred.

- Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, from the time it is ready for use. Leased assets are depreciated over the shorter of the lease period and their useful life.

The estimated useful lives are as follows:

Buildings	20 to 25 years
Office and IT equipment	3 to 5 years
Other	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each period.

Land is not depreciated.

Intangible assets

- Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries and associates.

➢ **Acquisitions prior to January 1, 2004**
On transition to IFRS the group elected to restate only those business combinations occurring on or after January 1, 2004. For companies acquired before that date, goodwill is recorded at its assumed cost represented by the amount recognized under the preceding French generally accepted accounting principles.

➢ **Acquisitions after January 1, 2004**
For businesses acquired after January 1, 2004, goodwill represents the difference between the acquisition cost and the group's share of the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Any negative goodwill is immediately recorded in the income statement.

➢ **Minority interests acquired**
Goodwill resulting from the acquisition of minority interests in a subsidiary represents the difference between the cost of the additional investment and the carrying amount of net assets acquired on the transaction date.

➢ **Subsequent measurement**
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units, and is not amortized but is tested at least annually for impairment (see accounting policy A 13. *Impairment*).

- Research & Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the costs can be reliably measured and if the group can show that the product or process is technically and commercially feasible, if future economic benefits are probable, and if the group has the intention and sufficient resources to complete development.

The expenditure capitalized includes the cost of materials, direct labor and an appropriate portion of overheads.

Other development expenditure is recognized in the income statement as an expense when incurred.

Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (see accounting policy A13. *Impairment*).

- Other intangible assets

These represent principally brand names and customer relationships measured and recorded in the context of business combinations.

Other intangible assets with a limited useful life that have been acquired by the group are stated at cost less accumulated amortization (see below) and impairment losses (see accounting policy A13. *Impairment*).

Expenditure on internally generated goodwill and brands is recognized in the income statement as an expense when incurred.

- Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the income statement as an expense when incurred.

- Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date.

Other intangible assets are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software	3 to 5 years
Capitalized development costs	3 to 5 years
Patents and licenses	10 years
Brand names	3 to 10 years
Customer relationships	12 to 15 years
Non-compete agreement	Duration of the agreement

A8. Financial Assets

Current and non-current financial assets comprise the following:

- Shareholdings in non-consolidated companies classified as financial assets available-for –sale (non-current financial assets) are stated at fair value (see accounting policy A5. *Financial instruments*). However, fair value cannot be measured reliably for shareholdings in unlisted companies, so they are stated at cost of acquisition. In the event of objective evidence of another-than-temporary decline in value, an impairment loss is recognized in the income statement.
- Loans and other receivables, stated at amortized cost (see accounting policy *A5. Financial Instruments*): This heading particularly includes receivables or advances granted to associates or non-consolidated entities, and guarantee deposits made principally on property leases. On initial recognition these loans and other receivables are stated at fair value plus directly attributable costs; at each balance sheet date, these assets are measured at amortized cost.
- Derivative financial instruments used to hedge exposure to foreign exchange and interest rate risks, measured at fair value at each balance sheet date.

A9. Non-current assets held for sale and discontinued operations

Non-current assets (or group of assets and liabilities held for sale) whose carrying amount will be recovered mainly through sale rather than continued operations are classified as assets held for sale. Immediately before classification as held for sale, the carrying amount of the assets (and all assets and liabilities in a disposal group) is measured in accordance with the group's accounting policies.

Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of the carrying amount and fair value less cots to sell.

Any impairment loss in a disposal group is allocated first to goodwill, then to other assets in proportion to their carrying amount, except for inventories, financial assets, deferred tax assets, assets related to employee benefits and investment property, which continue to be measured in accordance with the group's relevant accounting policies. Impairment losses on classification of an asset (or group of assets) as held for sale are included in the income statement.

Profits and losses from subsequent measurement are similarly treated. Profit recognized may not exceed the total of impairment losses recognized.

A discontinued operation is a component of the group's business that represents a distinct line of business or a major geographical area of operations or is a subsidiary acquired solely for resale.

Classification as a discontinued operation occurs upon disposal or on an earlier date when the operation meets the criteria to be classified as held for sale. A disposal group that is to be discontinued may also qualify.

A10. Accounts receivable – Trade and Other current assets

Accounts receivable – Trade and Other current assets are initially recognized at fair value, then at amortized cost less any impairment losses at each balance sheet date.

A11. Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

A12. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and investments in mutual funds made with a short-term objective, measured at fair value, with changes in fair value recognized in the income statement (see accounting policy A5. *Financial Instruments*).

Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement, but are classified in the balance sheet as Other current financial liabilities.

A13. Impairment

- **Non-financial assets**

The carrying amounts of the group's non-financial assets, except for inventories (see accounting policy A11. *Inventories*) and deferred tax assets (see accounting policy A21. *Income tax*) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

With respect to goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the income statement.

An impairment loss recognized in respect of a CGU (or group of units) is first allocated to a reduction in the carrying amount of any goodwill associated with the CGU (or group of units), then to a reduction in the carrying amount of other assets in the unit (or group of units) in the following order:

- first goodwill;
- then intangible assets;
- next other non-current assets;
- finally current assets.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill may not be reversed.

The discount rate is based on the risk-free rate with a 10 year maturity, plus a risk premium, and the average weekly beta over two years. The risk-free rate and the risk premium are specific to each major geographical area of operations (euro zone, US $ zone, £ sterling zone, South American zone). The beta is that of the Company Teleperformance, as there is no comparable company.

With respect to other assets, the group assesses on each balance sheet date whether there is any indication that recognized impairment losses from previous periods have lessened or ceased. An impairment loss is reversed if there has been a change in the estimates used for determining the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

- Financial assets

The group considers a financial asset to be impaired if there is objective evidence that one or more events have had a negative effect on the asset's estimated future cash flows.

The impairment loss of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate of financial assets. An impairment loss in respect of a financial asset available-for-sale is calculated by reference to its current fair value.

An impairment test is performed individually on each significant financial asset. Other assets are tested in groups with similar credit risks.

Impairment losses are recognized in the income statement. With respect to assets available-for-sale, any accumulated loss previously recognized in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be objectively related to an event subsequent to when the impairment loss was recognized.

With respect to financial assets measured at amortized cost and financial assets available-for-sale which are debt securities, the reversal is recognized in the income statement.

With respect to financial assets available-for-sale which are equities, the reversal is directly recognized in equity.

A14. Financial liabilities

Financial liabilities consist primarily of:

- Interest-bearing borrowings

These are accounted for as non- derivative financial instruments in accordance with accounting policy *A5. Financial Instruments*.

- Minority interest purchase commitments

The group has committed, on either a firm or a conditional basis, to acquiring minority shareholders' interests in certain of its consolidated subsidiaries.

The group has applied the following accounting treatment:

- On initial recognition, the purchase commitment is recognized as a financial liability measured as the present value of the exercise price, eliminating the related minority interests and, for any balance remaining, as goodwill.

- At each balance sheet date, the financial liability is remeasured, based on forecasts as of the estimated repurchase date and any change in the financial liability is recognized as goodwill.

- The net profit attributable to equity holders of the parent includes the share in respect of interests over which a purchase commitment has been recognized.

Dividends paid to minority shareholders are classified as financial expense when a purchase commitment exists, unless the exercise price is based on a formula which includes such dividend payments, in which case the payment to minority shareholders is treated as an adjustment to goodwill.

A15. Employee benefits

- Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense when incurred.

- Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on AAA credit-rated bonds that have maturity dates approximating to the terms of the group's obligations. The obligation is measured using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

- Other long-term benefits

There are no other long-term service benefits.

- Termination payments

Termination payments are recognized as expenses when the group is committed, with no realistic possibility of withdrawal, to a formal detailed plan to lay off employees before their normal retirement date. Termination payments for voluntary redundancies are recognized if the group has offered an incentive to encourage voluntary redundancies, if it is probable that such an offer will be accepted and if the number of individuals accepting the offer can be reliably estimated.

- Short-term benefits

Liabilities for short-term benefits are measured on an undiscounted basis and recognized when the corresponding service is rendered.

A provision is recognized for the amount the group expects to pay under incentive plans and short-term cash bonuses if the group has a present legal or constructive obligation to make such payments as a result of past services by an employee and if the obligation can be reliably estimated.

- Share-based payments

The share option and bonus share programs enable the group's employees to acquire shares in the Company. The fair value of options or bonus shares, measured on the grant date, is recognized as a personnel expense with a corresponding increase in equity over the vesting period.

This fair value has been measured by independent actuaries. The amount recognized as an expense is adjusted to reflect the actual number of options and shares that vest except, in the case of options, where forfeiture is only due to share prices not achieving the threshold for vesting.

A16. Provisions

A provision is recognized in the balance sheet when the group has a present legal or constructive obligation resulting from a past event, the obligation can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time value effect is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A17. Accounts payable – Trade and Other current liabilities

Accounts payable – Trade and Other current liabilities are recognized initially at fair value, and subsequently at amortized cost.

A18. Revenues

- Goods sold and services rendered

Revenues from services rendered are recognized in the income statement in proportion to the stage of completion of the transaction at the balance sheet date.

The stage of completion is assessed by reference to surveys of work performed.

Revenues from the sale of goods are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

No revenue is recognized if there are significant uncertainties regarding (i) the recovery of the consideration due, (ii) associated past or future costs, or (iii) the possible return of goods where there exists a right to cancel the purchase and when the group remains involved in the management of the goods.

- Government subsidies

Government subsidies are recognized in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Subsidies that compensate the group for expenses incurred are systematically recognized as revenues in the income statement of the period in which the expenses are incurred. Subsidies that compensate the group in full or in part for the costs of an asset are systematically recognized in the income statement as other operating revenues spread over the useful life of the asset.

A19. Expenses

- Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease agreement.

Lease incentives received are recognized in the income statement as an integral part of the total net lease expense over the term of the lease agreement.

- Finance lease payments

Minimum finance lease payments are apportioned between the financial expense and the reduction of the outstanding liability. The financial expense is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

- External expenses

These principally comprise telecommunication expenses, rent of premises and related expenses, other rentals, insurance premiums, travel and entertainment, and fees (see note D6. *External expenses*).

A20. Financial income and expenses

Financial income includes interest receivable on investments, dividends, gains realized on disposal of available-for-sale financial assets, increases in the fair value of financial assets at fair value through the income statement, dividends on debt-equivalent preference shares and foreign currency gains. Profits on hedging instruments covering revenues are recognized in net operating profit.

Interest income is recognized in the income statement as it accrues, using the effective interest rate method. Dividends are recognized as soon as the group acquires the right to receive the payment, i.e., in the case of listed shares, on the ex-dividend date.

Financial expenses include interest due on borrowings, unwinding of the discount on provisions, foreign currency losses, decreases in the fair value of financial assets at fair value through the income statement, impairment losses on financial assets and the financial expense connected with minority interest purchase commitments.

All costs related to borrowings are recognized in the income statement using the effective interest rate method.

A21. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is (i) the expected tax payable on the taxable income for the year, which is calculated using tax rates enacted or substantially enacted at the balance sheet date, and (ii) any adjustment to tax payable in respect of previous years.

Deferred tax is calculated and recognized using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following items do not involve deferred tax recognition: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction which is not a business combination and that affects neither accounting profit nor taxable profit, and (iii) temporary differences relating to investments in subsidiaries and affiliates to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset is realized and the liability settled, according to tax laws that have been enacted or substantially enacted at the closing date.

A deferred tax asset is recognized only to the extent that it is likely that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Following the introduction of two new taxes in 2010 (one based on property rental values, the other on a value-added concept) to which French companies

will be subject, remplacing an existing local tax, the group has determined the accounting treatment under IFRS, including IFRIC interpretations, to be as follows:

- The tax based on property rental values is similar to the existing local tax, and will therefore be classified as an operating expense;
- The tax based on a value-added concept will come under the scope of IAS12, and will therefore be classified as income tax (similar to the accounting treatment of certain foreign taxes, such as the IRAP tax in Italy).
  As a result, additional deferred tax liabilities amounting to € 0.2 million were recognized at December 31, 2009.

A22. Earnings per share

The group reports both basic and diluted earnings per ordinary share. Basic earnings per share is calculated by dividing the earnings attributable to the owners of the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the earnings attributable to owners of ordinary shares and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares, which include convertible bonds, and share options and bonus shares awarded to employees.

A23. Segment reporting

An operating segment is a component of an entity:

1. which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity;
2. whose operating results are reviewed regularly by the entity's chief operating decision maker in order to allocate resources and assess its performance;
3. for which discrete financial information is available.

Segments may be aggregated when they have similar economic characteristics.

Based on these criteria, the group's corporate activities have been identified separately, and its operating segments are unchanged from those disclosed in previous years, corresponding to the following geographical segments:

- NAFTA (North America Free Trade Agreement): This segment includes the United States, Canada, Mexico, and their offshore locations (Dominican Republic, Philippines, India and Argentina),
- Europe: This segment comprises all European countries (France, United Kingdom, Spain, Portugal, Italy, Belgium, The Netherlands, Germany, Switzerland, Austria, Greece, Denmark, Norway, Sweden, Czech Republic, Slovakia, Poland, Lebanon, Russia and Hungary) and certain offshore locations (Tunisia, Romania, Argentina and Egypt),
- Other: This segment includes in particular South America (Brazil, Argentina, El Salvador, and Chile) and Asia (Indonesia, Philippines, South Korea, Singapore, China, Colombia and Vietnam).

Inter-segment sales are negligible and are completed under arm's length conditions.

Segment information is set out in *Note E Segment reporting*.

A24. Determination of fair value

Certain accounting policies and disclosures require determining the fair value of financial and non-financial assets and liabilities. Fair values are determined for purposes of measurement or disclosure according to the following methods.
Additional information about assumptions used in determining fair value is disclosed, where necessary, in the specific notes for the asset or liability involved.

- Property, plant and equipment

The fair value of property, plant and equipment that is recognized following a business combination is based on market value. The market value of a building is the estimated amount for which the property could be exchanged at that time between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

- Intangible assets

The fair value of patents and brand names acquired during a business combination is based on the discounted present value of estimated fees avoided through the acquisition of the patent or brand. The fair value of other intangible assets is based on the present value of the cash flows expected from the use and possible sale of the assets.

The fair value of customer relationships acquired during a business combination is based on the multi-period excess earnings method, under which the asset is measured at the amount of estimated cash flows net of a reasonable return allocated to other assets.

- Investments in debt and equity instruments

The fair value of financial instruments at fair value through the income statement, investments held to maturity and financial assets available-for-sale is determined with reference to their quoted bid price at the balance sheet date. The fair value of investments held to maturity is determined only for disclosure purposes.

- Accounts receivables – Trade and Other current assets

The fair value of Accounts receivable – Trade and Other current assets is estimated as the present value of future cash flows discounted at the market rate of interest at the balance sheet date.

- Derivatives

The fair value of forward currency contracts is based on their quoted market price when available. If no quoted market price is available, the fair value is estimated by discounting to the present value the difference between the contractual forward price and the current forward price on the residual term of the contract, by using an interest rate based on the money market.

The fair value of interest rate swaps is based on brokers' quoted prices and corresponds to the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and counterparty risk.

- Non-derivative financial liabilities

The fair value, which is determined for disclosure purposes, is based on the present value of future cash flows generated by principal and interest repayments, discounted at the market interest rate at the balance sheet date.

For finance lease agreements, the market interest rate is determined from similar lease agreements.

- Share-based payments

The fair value of share options and bonus shares awarded to employees is measured, respectively, using a binomial model and the Black-Scholes model. The data required in the measurement include the share price on the measurement date, the exercise price of the instrument, the expected volatility (based on the weighted average historical volatility adjusted for changes expected due to available public information), the weighted average expected life of the instruments (based on experience and the general behavior of option holders), the dividends expected and the risk-free interest rate (based on Treasury bonds). Terms of a transaction that are not market terms are not considered when determining fair value.

A25. Financial risk management

The group is exposed to the following risks connected with the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Equity risk

This note provides information on the group's exposure to each of the above risks, its objectives, policy and procedures for measuring and managing risk, as well as its share capital and equity management.

Quantitative disclosures appear elsewhere in the consolidated financial statements.

It is the Supervisory Board's role to define and oversee the group's risk management framework. Monitoring, measuring and overseeing financial risk is the responsibility of the group's Finance Department, for the group and group companies.

The objective of the group's risk management policy is to identify and analyze the risks that the group faces, to set appropriate risk limits and controls, to manage the risks and ensure that the limits defined are respected. The policy and the risk management systems are reviewed regularly so as to respond to changes in the market and in the group's activities.

Through its training and management rules and procedures, the group aims to develop a rigorous and constructive control environment in which every employee has a clear understanding of his or her role and duties.

The group's Audit Committee has the responsibility of making sure that senior management applies the group's risk management policy and procedures, and of assessing the suitability of the risk management framework for the risks the group faces. The group's Audit Committee is assisted in its supervisory role by the Internal Audit Department.

The Internal Audit team performs both periodic and ad hoc reviews of the risk management controls and procedures, reporting to the Audit Committee.
All strategic decisions relating to the hedging policy for financial risks are the responsibility of the group's Finance Director.

- Credit risk

Credit risk is the group's risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet his contractual obligations. This risk primarily concerns Accounts receivable - Trade and Short-term investments.

- Accounts receivable – Trade and Other current assets

The group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. The statistical profile of the customer portfolio, particularly the default risk for the business sector and country where customers operate, is without any real impact on credit risk. Nearly 8 % of group revenues comes from sales to one customer and about 51 % comes from the telecommunications sector and from internet service providers. There is no geographical concentration of credit risk.

The majority of our customers have been with the group for over two years.

Credit risk is continuously monitored by the group Finance Department, through monthly reports and quarterly executive committee meetings.

The group does not require specific credit guarantees for its Accounts receivable-Trade and Other current assets.

The group determines the level of its impairment losses by estimating losses incurred on Accounts receivable-Trade and Other current assets.

- Guarantees

The group provides performance guarantees on contracts when requested by certain customers, as disclosed in note F. *Commitments and other contractual obligations.*

- Liquidity risk

Liquidity risk is the risk that the group may not be able to meet its debts when they become due. The group's approach to managing liquidity risk is to ensure that it will have sufficient funds to pay its liabilities when they come due, whether conditions are normal or difficult, without incurring unacceptable losses or harming the reputation of the group.

Short-term cash management is provided by subsidiaries' operational management which generally has access to short-term bank facilities, plus, in some cases, confirmed credit line facilities from the parent company.

All medium - and long-term financing is authorized and overseen by the group's Finance Department.

The group obtains its financing by issuing bonds, and obtaining loans and credit lines from financial institutions.

As a result of the share capital increase in 2006 and the bond conversions in February 2007, the group had a very low level of debt at the end of 2009 with net cash resources of € 11 million. The liquidity risk is therefore judged to be low.

In early 2008 the group obtained a five year syndicated line of credit of € 300 million from five financial institutions, effective January 31, 2008 and

repayable in fine. An amount of € 122 million had been drawn down under this facility as of December 31, 2009.

Initially negotiated in Euros, it is now a multi-currency facility (Euro, US $, £ sterling) following an amendment signed in January 2009.

Disclosures about liquidity risk are set out in note C9. *Net financial indebtedness.*

- Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the cost of equity instruments, will affect the group's results or the value of its financial instruments. The objective of managing market risk is to manage and control the market risk exposure, keeping it within acceptable limits, while optimizing returns.

- Foreign exchange risk

The group is particularly exposed to foreign exchange risk on sales denominated in a currency other than the each company's functional currency - which is principally the US dollar.

The group has hedged this risk since 2008 mainly in respect of changes in exchange rates between the Mexican peso, the Canadian dollar, the Philippines peso and the US dollar. Additional disclosures are set out in note C11. *Financial instruments.*

The group is also exposed to exchange risk on its borrowings and minority interest purchase commitments denominated in currencies other than the euro or the functional currency of group companies.

Group policy is as follows:

- The group hedges loans granted to subsidiaries with loans or advances in the same currency and with the same maturities, or with foreign exchange contracts.
- The principal bank loans granted to group companies are denominated in the functional currency of the borrower.
- Interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the group-primarily the euro, the US dollar and the £ sterling. This provides an economic hedge without the use of derivatives.

The principal minority interest purchase commitments relate mainly to subsidiaries located outside the euro zone. The main risk on these commitments, as far as these subsidiaries are concerned, is the fluctuation of the exchange rate of those currencies in which the debt is denominated.

The purchase price of the minority interests is related to the future profitability of the subsidiary and the group is therefore not exposed to risk in this respect in the event of reduced performance by the subsidiary.

Finally, the group is exposed to foreign exchange risk when translating foreign subsidiaries' financial statements for consolidation purposes.

The translation effect on the consolidated revenues of the group is disclosed in note G. *Risk from translation of subsidiaries' financial statements on consolidation* which shows the breakdown of revenues by currency over the last two years.

The impact of changing foreign exchange rates on the group's revenues, profit before tax and net profit attributable to equity holders of the parent are disclosed in notes D1. *Effect of changes in foreign exchange rates* and G. *Risk from translation of subsidiaries' financial statements on consolidation.*

- Interest rate risk

The Group's low exposure to changes in interest rates is due to the low level of short-term debt, and does not require systematic use of derivative instruments or interest rate hedges. The interest rate risk is monitored at group level by the parent company's Finance Department.

The Group's exposure to a 1 % interest rate change based on its loans from financial institutions and finance lease liabilities at December 31, 2009, is disclosed in note C9. *Net financial indebtedness.*

- Equity risk

The group limits its exposure to equity risk by investing available cash reserves in short-term liquid investments and certificates of deposit, and in low risk financial instruments such as mutual funds, by choosing high-grade financial institutions and avoiding significant concentration. Group management does not expect any counterparty to default.

Short-term liquid investments at December 31, 2009 amounted to € 43,2 million, principally represented by money market funds classified as "euro monetary" by the French securities regulator, the AMF.

The group also held 55.000 own shares at December 31, 2009, with a carrying amount of € 1.2 million shown as a deduction from shareholders equity.

- Share capital and equity management

The group's policy on share capital and equity management is to maintain a strong equity base so as to keep the confidence of investors, creditors and the market, and to support future business development. The group pays close attention to its net indebtedness and the debt-to equity ratio.

The debt-to-equity ratio has changed as follows:

in thousands of €	*12/31/2009*	*12/31/2008*
Net financial indebtedness	-10,992	-17,727
Shareholders'equity	1,114,065	1,053,683
Gearing ratio	-0.01	-0.02

From time to time the group buys back its own shares on the market.

Oddo Corporate Finance has acted on its behalf under a liquidity agreement since January 8, 2007. The agreement complies with the Code of Conduct established by the AFEI (French Association of Investment Firms) as approved by the AMF. The number of treasury shares held at the end of the year is set out in note C7. *Share Capital.*

During the year the group did not make any change to its share capital management policy.

A26. Events after the balance sheet date

None

B. Acquisitions and Disposals of Group Companies

At the end of December 2009, the Group acquired 100 % of a Colombian company, Teledatos, a major player in its market of customer service solutions. The 2009 consolidated financial statements include only the company's assets and liabilities, as of December 31, 2009. Teledatos had revenues of approximately € 50 million in 2009.

The Group is in the process of identifying and measuring the assets and liabilities acquired, and had recognized goodwill of € 58 million at December 31, 2009.

In December 2008, the Group acquired The Answer Group, a major company in the field of technical assistance in the USA. This company, which is consolidated with effect from December 31, 2008, had revenues and net profit in 2008 of approximately € 96.8 million and € 4.8 million, respectively.

During 2009, the Group finalized the identification and measurement of assets and liabilities acquired, and recognized additional property, plant and equipment and intangible assets of € 33 million, with a corresponding reduction in the amount of goodwill initially recognized of € 68,5 million (see note C2. *Intangible Assets*).

The Group completed its strategy of concentrating on its core business in 2008 with the disposal of its majority shareholdings in the training organizations ISM and IDCC. These companies were deconsolidated with effect from January 1, 2008.

Net asset warranties obtained in respect of share acquisitions

All agreements in respect of the acquisition of controlling interests by the group since 2004 include a commitment by the sellers to indemnify the acquirer (the Company or a subsidiary) for any undisclosed liability as of the date of acquisition.

These commitments generally expire after three years, starting from the share transfer date, for liabilities other than tax or personnel liabilities. For these, the commitment expires only when the potential liability is prescribed.

Most of these commitments are guaranteed by escrow accounts under the control of an authorized party, due for release in two to four years on average. The acquisition agreements include non-compete clauses binding the sellers throughout any period of service with the group and in any event, for a period of two to five years, from the date of the final

acquisition of their shareholding. The commitment covers all activities of the group, including that of the company acquired.

No claim was made on any of these acquisition warranties during 2009.

Net asset warranties given in respect of the disposal of shares

Net asset warranties given by the group as part of the disposal of shareholdings amount to € 1 million, as follows:

- A warranty of an amount of € 100 K for four years, given by Teleperformance as part of the disposal of its subsidiary, Grandi Numeri, on September 30, 2006; initially for € 400 K, the warranty ceiling has reduced by € 100 K each year.
- A degressive warranty of € 0,9 million given jointly and severally by Teleperformance and Teleperformance Technical Help as part of the disposal of their subsidiaries ISM and IDCC on February 15, 2008. The warranty is in respect of undisclosed fiscal, personnel or customs liabilities originating prior to February 15, 2008.

At December 31, 2009, no warranty claims had been made with respect to these commitments.

C. Notes to the Statement of Financial Position (in thousands of euros: K€)

C1. Completion of the measurement process for the assets and liabilities of a subsidiary acquired in 2008

During 2009, the group completed the measurement process for the assets and liabilities of "The Answer Group" which has been consolidated since December 31, 2008. The process resulted in the allocation of part of the purchase price to property, plant and equipment and intangible assets, and a reduction in the amount of goodwill initially recognized.

The impact of these restatements on the December 31, 2008 statement of financial position is as follows:

Statement of financial position as at December 31, 2008	*as reported*	*restatements*	*restated*
Non-current assets			
Goodwill	591,928	-20,605	571,323
Other intangible assets	47,213	23,352	70,565
Property, plant and equipment	184,898	9,881	194,779
Financial assets	13,826		13,826
Deferred tax assets	7,535		7,535
Total non-current assets	**845,400**	**12,628**	**858,028**
Non-current liabilities			
Long-term provisions	5,792		5,792
Financial liabilities	46,822		46,822
Deferred tax liabilities	17,128	12,628	29,756
Total non-current liabilities	**69,742**	**12,628**	**82,370**

C2. Intangible assets

Cost	Goodwill	Software	Intangible assets acquired as part of a business	Other	Total
At December 31, 2007	**530,390**	**63,553**	**35,935**	**3,010**	**632,888**
Changes in scope of consolidation	61,129	558	23,352		85,039
Increase		7,024		4	7,028
Decrease	-1,539	-955		-59	-2,553
Remeasurement of minority interests and earnout	2,376				2,376
Exchange adjustments	809	-2,805	2,076	-166	-86
At December 31, 2008 *	**593,165**	**67,375**	**61,363**	**2,789**	**724,692**
Changes in scope of consolidation	70,522	948		-121	71,349
Increase		7,942			7,942
Decrease		-5,639		-25	-5,664
Remeasurement of minority interests and earnout	168				168
Exchange adjustments	1,752	1,934	-2,082	173	1,777
At December 31, 2009	**665,607**	**72,560**	**59,281**	**2,816**	**800,264**

Accumulated amortization and impairment losses	Goodwill	Software	Intangible assets acquired as part of a business	Other	Total
At December 31, 2007	**-20,356**	**-48,975**	**-639**	**-2,712**	**-72,682**
Changes in scope of consolidation	41	-347			-306
Increase		-8,156	-2,983	-207	-11,346
Decrease		1,307		57	1,364
Depreciation	-1,540				-1,540
Exchange adjustments	13	1,754	-191	130	1,706
At December 31, 2008	**-21,842**	**-54,417**	**-3,813**	**-2,732**	**-82,804**
Changes in scope of consolidation	-146	-35		120	-61
Increase		-7,957	-5,205		-13,162
Decrease		5,432		618	6,050
Depreciation					0
Exchange adjustments	-821	-1,343	300	-172	-2,036
At December 31, 2009	**-22,809**	**-58,320**	**-8,718**	**-2,166**	**-92,013**

Net book value	Goodwill	Software	Intangible assets acquired as part of a business	Other	Total
At December 31, 2007	510,034	14,578	35,296	298	560,206
At December 31, 2008	571,323	12,958	57,550	57	641,888
At December 31, 2009	**642,798**	**14,240**	**50,563**	**650**	**708,251**

* *The 2008 financial statements have been restated to recognize certain items of property, plant and equipment, and intangible assets as of the date of the business combination following analysis during 2009 of the identification and measurement of assets and liabilities of subsidiaries acquired in 2008. Goodwill as initially measured has been reduced and deferred tax liabilities have been recognized (see note C.1). The intangible assets mainly comprise brands and customer relationships, and are amortized over periods from three to twelve years, as determined during the analysis.*

Other intangible assets include patents and licenses, as well as a non-compete agreement under a business acquisition in the USA, amortized over its 10 year lifetime.

The carrying amount of capitalized development expenditures as of December 31, 2009 was 147 K€, compared with 470 K€ at December 31, 2008.

Analysis of goodwill by principal CGUs or groups of CGUs:

A subsidiary is considered to be a CGU when its cash flows are related to an indentified goodwill.

Subsidiaries are grouped together to form a CGU or a group of CGUs in the following cases:

- There are significant inter-relationships formed by the existence of the same customers with common cash flows;
- Existence of close ties of certain subsidiaries with their offshore production units;
- Presence in the same geographical region, with a similar economic context and common management.

At December 31, 2009, the main groups of CGUs were as follows:

NAFTA CGU:

This group of CGUs includes the contact center subsidiaries located in the USA, Canada and Mexico, and the offshore subsidiaries in the Dominican Republic, India, Philippines, Chile, and part of the Argentina entity.

USA revenues account for 73% of the total of this CGU group.

Goodwill allocated to this CGU group amounted to € 338,7 million at December 31, 2009, before accumulated impairment losses of € 15.8 million at December 31, 2008 and 2009.

France CGU:

This group of CGUs is formed by the French subsidiaries with contact center businesses, and the production subsidiaries in Tunisia. All these companies were brought together during 2008 under common management and a single brand. Goodwill allocated to this CGUs group amounted to € 54.1 million at December 31, 2009. There were no impairment losses.

UK CGU:

This CGU is formed by the UK business and the offshore company in South Africa. Goodwill allocated to this CGU amounted to € 32.8 million at December 31, 2009. There were no impairment losses.

Central Europe CGU:

This group of CGUs is formed by the businesses of companies situated in Germany, Benelux, Switzerland and Austria.

Goodwill allocated to this CGU group amounted to € 95.52 million at December 31, 2009, before accumulated impairment losses of € 0.1 million at December 31, 2008 and 2009.

Colombia CGU:

This CGU was recognized in 2009 following the acquisition of the Teledatos group.

As disclosed in note B, the Company is in the process of measuring the assets and liabilitites acquired, and the amount of goodwill recognized at December 31, 2009, € 57.9 million, has been calculated on a provisional basis.

Other CGU:

Other CGUs or CGU groups represent individually less than 5 % of total goodwill. Accumulated impairment losses were € 6,6 million at December 31, 2009 and € 5,8 million at December 31, 2008.

This CGU group includes the two Brazilian companies which form a single CGU. Impairment losses were recognized in 2008 and 2007 of € 1.5 million and € 2.2 million respectively, as a result of the early termination by Brazil Telecom of its contract in August 2007. The carrying amount of goodwill allocated to this CGU was € 6.8 million at December 31, 2009 (€ 6.2 million at December 31, 2008).

The following schedule sets out the allocation of goodwill by CGU or CGU group:

in thousands of €	*12/31/2009*	*12/31/2008*
NAFTA	338,765	357,609
France	54,054	53,701
United Kingdom	32,803	38,223
Central Europe	95,487	81,124
Colombia	57,925	
Other	63,764	61,271
Total	642,798	591,928

Goodwill was tested for impairment at December 31, 2009 as follows:

- Determination of the recoverable amount of CGUs or CGU groups

The recoverable amount of CGUs or CGU groups is represented by their value in use. This is determined by geographical area, and is calculated based on the present value of estimated future cash flows for the next five years.

The cash flows of the first year are based on the budget approved by management. For the following four years, cash flows are based on forecasts prepared by CGU managements and agreed by group management on the basis of their knowledge of the business sector, future growth possibilities, and the risk profile.

The terminal values calculated after five years assume perpetual future growth equal to inflation.

An impairment loss is recognized when the recoverable amount of a CGU or group of CGUs, determined as set out above, is less than its carrying amount.

The discount rates used are as follows:

	12/31/2009	*12/31/2008*
UK	8.60%	9.01%
Other European countries	8.35%	8.47%
NAFTA	8.05%	12.22%
Latin America	13.21%	13.34%
Other	8.35%	8.47%

This is the only method of determining the recoverable amount used by the group; for example, the method applying fair value less disposal costs in not used.

- Sensitivity analysis

The group has made the following sensitivity analyses in respect of the discount rate:

- an increase of 100 basis points in the discount rates for each CGU;
- an increase of 200 basis points in the discount rates for each CGU.

Neither analysis resulted in an impairment loss.

C3. Property, plant and equipment

Cost	Land & buildings	Telephone & IT equipment	Other	In-progress	Total
At December 31, 2007	**97 029**	**250 157**	**79 013**	**1 428**	**427 627**
Changes in scope of consolidation	32 812	23 828	5 071	-	61 711
Increase	20 368	36 793	15 256	820	73 237
Decrease	-6 110	-20 446	-4 383	-863	-31 802
Exchange adjustments	-4 320	-7 151	-5 931	-244	-17 646
At December 31, 2008 *	**139 779**	**283 181**	**89 027**	**1 141**	**513 127**
Changes in scope of consolidation	23 260	608	-637	-38	23 193
Increase	17 465	34 448	16 403	1 797	70 113
Decrease	-3 593	-7 438	-7 116	-152	-18 299
Exchange adjustments	2 115	4 123	3 749	58	10 045
At December 31, 2009	**179 026**	**314 922**	**101 426**	**2 806**	**598 179**

Accumulated depreciation	Land & buildings	Telephone & IT equipment	Other	In-progress	Total
At December 31, 2007	**-43 638**	**-175 996**	**-41 748**	**-**	**-261 382**
Changes in scope of consolidation	-7 549	-21 566	-3 926		-33 041
Increase	-12 564	-34 619	-9 899		-57 082
Decrease	5 191	17 917	3 717		26 825
Exchange adjustments	1 573	2 772	1 986		6 331
At December 31, 2008	**-56 987**	**-211 492**	**-49 870**	**-**	**-318 349**
Changes in scope of consolidation	-12 328	31	691		-11 606
Increase	-15 605	-36 173	-11 984		-63 762
Decrease	2 366	7 342	6 999		16 707
Exchange adjustments	-1 194	-1 653	-1 040		-3 887
At December 31, 2009	**-83 748**	**-241 945**	**-55 204**	**-**	**-380 897**

Net book value	Land & buildings	Telephone & IT equipment	Other	In-progress	Total
At December 31, 2007	53 391	74 161	37 265	1 428	**166 245**
At December 31, 2008	82 792	71 689	39 157	1 141	**194 779**
At December 31, 2009	95 278	72 977	46 222	2 806	**217 283**

** The 2008 financial statements have been restated to recognize certain items of property, plant and equipment, and intangible assets as of the date of the business combination following analysis during 2009 of the identification and measurement of assets and liabilities of subsidiaries acquired in 2008. Goodwill as initially measured has been reduced and deferred tax liabilities have been recognized (see note C.1). Property, plant and equipment is principally comprised of land and buildings.*

Other comprises principally office equipment and furniture, and motor vehicles.
No impairment loss has been recorded on these assets.

Property, plant and equipment held under finance lease agreements is as follows:

	12/31/09			12/31/08
	Cost	*Accumulated depreciation*	*Net book*	*Net book value*
Building improvement	2,115	-1,470	645	812
Telephone & IT equipment	40,499	-24,524	15,975	15,256
Other	13,264	-7,918	5,346	5,970
Total	55,878	-33,912	21,966	22,038

Schedule of future minimum payments on finance leases:

Dec. 31, 2009	*less than one year*	*between 1 & 5 years*	*more than 5 years*	*Total*
Interest	1,262	629	0	1,891
Principal	8,046	8,390	37	16,473
Total	9,308	9,019	37	18,364

Dec. 31, 2008	*less than one year*	*between 1 & 5 years*	*more than 5 years*	*Total*
Interest	917	1,229	0	2,146
Principal	7,783	9,537	447	17,767
Total	8,700	10,766	447	19,913

C4. Inventories

	12/31/2009	*12/31/2008*
Carrying amount	567	520

Inventories mainly comprise I.T. equipment.

C5. Deferred tax assets and liabilities

	Deferred tax assets	*Deferred tax liabilities*	*Net*	*Amount related to tax losses*
At December 31, 2007	**24,063**	**14,089**	**9,974**	**6,391**
Recognized in income	-25,150	-3,797	-21,353	-1,881
Exchange adjustements	-2,063	-1,050	-1,013	-82
Changes in scope of consolidation	2,799	12,628	-9,829	1,331
Offset of deferred tax	7,886	7,886	0	
At December 31, 2008	**7,535**	**29,756**	**-22,221**	**5,759**
Recognized in income	1,724	214	1,510	-698
Exchange adjustements	541	-2,775	3,316	240
Offset of deferred tax	638	638	0	
At December 31, 2009	**10,438**	**27,833**	**-17,395**	**5,301**

The amount of deferred tax liabilities on intangible assets recognized as part of a business combination was € 18.9 million and € 12.6 million at December 31, 2009 and 2008 respectively.

Deferred tax assets amounting to € 8.6 million were not recognized at December 31, 2009 as their realization was not considered probable

C6. Accounts receivable – Trade and Other current assets

	12/31/09			12/31/08
	Gross	*Impairment*	*Net*	*Net*
Accounts receivable - Trade	456,413	-10,787	445,626	433,890
Other receivables	32,336	-1,245	31,091	19,741
Taxation recoverable	43,484	-	43,484	24,338
Advances & receivables on fixed assets	1,646	-	1,646	1,780
Prepayments	17,279	-	17,279	16,931
Total	551,158	-12,032	539,126	496,680

Accounts receivable – Trade is analyzed by geographical segment as follows:

	December 31, 2009	*December 31, 2008*
Europe	293,773	275,239
NAFTA	113,599	137,305
Other	38,254	21,346
Total	445,626	433,890

Overdue payment of Accounts receivable – Trade is as follows:

	December 31, 2009	*December 31, 2008*
not yet due	335,967	311,790
overdue: < 30 days	65,184	74,501
overdue: < 60 days	18,190	27,195
overdue: < 90 days	10,861	12,630
overdue: < 120 days	5,547	3,999
overdue: > 120 days	9,877	3,775
Total	445,626	433,890

C7. Share capital

Share capital at December 31, 2009 was € 141,490,120 consisting of 56,596,048 shares, par value € 2.50 each, fully paid-up.

	12/31/2009	*12/31/2008*
Number of share issued and fully paid-up	56,596,048	56,382,847
of which treasury shares	55,000	62,500
Dividends declared in respect of the year	* 18 677	24,808
Dividend per share (in €)*	0.33	0.44

** based on the number of shares utstanding at December 31, 2009.*

During 2009, the Company made a number of share capital increases:

- issue of 20,500 bonus shares to beneficiaries of bonus share grant plans on May 3, 2009;
- issue of 192,701 shares from the exercise of share options under the plan of June 24, 2004, resulting in a share capital increase of € 3,3 million.

C8. Provisions

	12/31/2007	Changes in consolidation scope	Increase	Reversals		Exchange adjustments	Other	12/31/2008
				utlized	not utilized			
Non-current								
Provisions for risks	816	-	872	-65	-389	10	-112	1,132
- personnel-related	*258*		*872*	*-19*	*-*	*21*	-112	*1,020*
- fiscal	*558*		-	*-46*	*-389*	*-11*	-	112
Provisions for other expenses	40	-	-	-	-	-	-	40
Provisions retirement benefits	4,630	86	864	-345	-421	-194	-	4,620
Total	5,486	86	1,736	-410	-810	-184	-112	5,792
Current								
Provisions for risks	6,834	540	7,543	-1,958	-2,345	-498	2,149	12,265
- sales-related	*1,461*	*90*	*236*	*-904*	*-255*	*-62*	-91	475
- personnel-related	*2,934*	*450*	*5,106*	*-1,054*	*-1,094*	*-524*	2,128	7,946
- fiscal	*2,439*	-	*2,201*	-	*-996*	*88*	*112*	*3,844*
Provisions for other expenses	*455*	*97*	*1,516*	*-392*	*-43*	*-17*	-99	1,517
Total	7,289	637	9,059	-2,350	-2,388	-515	2,050	13,782
TOTAL	**12,775**	**723**	**10,795**	**-2,760**	**-3,198**	**-699**	**1,938**	**19,574**

	12/31/2008	Changes in consolidation scope	Increase	Reversals		Exchange adjustments	Other	12/31/2009
				utlized	not utilized			
Non-current								
Provisions for risks	1,132	-	556	-872	-212	13	-	617
- personnel-related	*1,020*		*556*	*-872*	*-212*			*492*
- fiscal	*112*					*13*	-	*125*
Provisions for other expenses	40		20			-1	-	59
Provisions retirement benefits	4,620		586			143	226	5,575
Total	5,792	-	1,162	-872	-212	155	226	6,251
Current								
Provisions for risks	12,265	-	5,925	-1,865	-933	978	-3,318	13,052
- sales-related	*475*		*50*	*-70*	*-169*	*18*	*-71*	*233*
- personnel-related	*7,946*		*5,818*	*-1,395*	*-764*	*970*	*-3,247*	*9,328*
- fiscal	*3,844*		*57*	*-400*		*-10*		*3,491*
Provisions for other expenses	*1,517*		*21,439*	*-676*	*-544*	*33*	*-11*	*21,758*
Total	13,782	-	27,364	-2,541	-1,477	1,011	-3,329	34,810
TOTAL	**19,574**	**-**	**28,526**	**-3,413**	**-1,689**	**1,166**	**-3,103**	**41,061**

Provisions for sales-related risks comprise provisions on sales, for quality-related risks, penalties and litigation.

Provisions for personnel-related risks basically concern lawsuits related to labor terminations.

Provisions for other expenses include a restructuring provision of € 21 million for French operations in 2009.
Fiscal provisions cover risks arising from tax examinations by fiscal authorities.

- Expected timing of outflows of economic benefits

With respect to retirement benefits, the expected timing corresponds to the average number of years' service remaining. Given the age pyramid within the group, the timing is long-term.

With respect to provisions for operating activities, the expected timing of outflows of economic benefits falls between one to two years.

Provisions on sales risks as described above are generally short-term and are resolved quickly once a final invoice has been issued.

Other provisions are generally short-term (less than two years) except for judicial proceedings, the duration of which cannot be known or estimated.

- Uncertainties as to the amount or timing of these outflows

The uncertainties as to the amount or timing are low compared to the overall amount of provisions. Provisions cover a multitude of disputes over small amounts, and the uncertainty surrounding each dispute has no impact on the total amount of provisions, or on the timing.

In respect of provisions for other expenses, in particular the French restructuring provision, management has made its best estimate of the amounts likely to be incurred on the basis of information available to it when the financial statements were prepared. Future costs may differ significantly from the amount of the provision.

The uncertainties as to timing generally only concern legal proceedings, where it is difficult to know when a conclusion will be reached.

Retirement benefits

Retirement benefits related to defined benefit plans principally concern lump-sum payments made to employees on their retirement under the provisions of national wage agreements and French labor law. The obligation is measured using the projected unit credit method and the following actuarial assumptions:

	2009	*2008*
Discount rate	5.0%	5.5%
Rate of increase of remuneration	2.5%	2.5% to 3.5%
Rate of employer social charges	42%/45%	45.0%

Employee turnover rates used are specific to each company.

Change in the actuarial liability during 2008 and 2009

	France	*Other countries*	*Total*
At December 31, 2007	**2,826**	**1,804**	**4,630**
2008 expense	-25	123	98
Scope changes	86		86
Exchange adjustments		-194	-194
At December 31, 2008	**2,887**	**1,733**	**4,620**
2009 expense	487	99	586
Exchange adjustments		143	143
Other		226	226
At December 31, 2009	**3,374**	**2,201**	**5,575**

Other countries relate principally to two group companies, in Greece and in Norway, for amounts of 894 K€ and 873 K€ at December 31, 2009, respectively.

The liability is equal to the defined benefit obligation. At previous year-ends, it amounted to:

- December 31, 2006, € 5.3 million
- December 31, 2007, € 4.6 million
- December 31, 2008, € 4.6 million

The amount of the liability in respect of Company officers was 512 K€ at December 31, 2009 (487 K€ at December 31, 2008).

C9. Net financial indebtedness

Current/non-current

	Total 2009	Current	Non-current (1)	Total 2008	Current	Non-current
Loans from financial institutions	163,402	151,197	12,205	163,144	149,614	13,530
Bank overdrafts	22,835	22,835	-	42,407	42,407	-
Finance lease liabilities	16,473	6,122	10,351	17,767	7,783	9,984
Other borrowings and financial liabilities	14,345	10,951	3,394	11,523	4,315	7,208
Due to minority shareholders	10,639		10,639	28,074	11,974	16,100
Total financial liabilities	227,694	191,105	36,589	262,915	216,093	46,822
Short-term investments	43,238	43,238		135,855	135,855	
Cash at bank	195,448	195,448		144,787	144,787	
Total cash and cash equivalents	**238,686**	**238,686**	**-**	**280,642**	**280,642**	**-**
Net indebtedness	-10,992	-47,581	36,589	-17,727	-64,549	46,822

(1) Due after five years: 1,079 K€

Reconciliation to cash and cash equivalents as presented in the Statement of Cash Flows:

	Total 2009	Total 2008
Bank overdrafts	-22,835	-42,407
Marketable securities	43,238	135,855
Cash at bank	195,448	144,787
Total cash and cash equivalents	215,851	238,235

Loans from financial institutions:

Analysis by principal currency and type of interest rate (in million of euros)

	Total	€	US$	CAD	BRL	COP	PHP	other
Type of interest rate								
- fixed rate	9.9	1.0	0.0	0.0	4.6	0.0	0.0	4.3
- floating rate	153.5	42.1	91.7	6.9	0.0	9.3	3.5	0.0
Total December 31, 2009	163.4	43.1	91.7	6.9	4.6	9.3	3.5	4.3

	Total	€	US$	CAD	BRL	GB£	PHP	other
Type of interest rate								
- fixed rate	3.6	0.7	0.0	0.5	0.0	0.0	2.1	0.3
- floating rate	159.5	127.4	5.9	11.5	0.0	11.9	0.0	2.8
Total December 31, 2008	163.1	128.1	5.9	12.0	0.0	11.9	2.1	3.1

Analysis by loan category

	Drawn down at December 31, 2009	Available	Total credit line	Initial amount in millions of currency		Interest rate	Maturity	Covenant
Credit lines								
Teleperformance SA	121,769	178,231	300,000	35,000	€	Euribor	2013.01	(a)
				125,000	USD	Libor	2013.01	
AGI (USA)	0	3,471	3,471	5,000	USD	4.25	none	
MCCI Canada	0	3,966	3,966	6,000	CAD	Bank's prime rate + 0.50	< 1 year	(a)
TP Spain	3,865	635	4,500	3,865	€	Euribor	2010.11	no
Total	125,634	186,303	311,937					
Secured bank loans								
MCCI Canada	6,867			10,390	CAD	Bank's prime rate + 0,50	1 month to illimited or 3 years	(a)
Teledatos	1,583			4,621,389	COP	DTF	2010.04	no
Teledatos ZF	4,392			12,824,304	COP	DTF	2012.11	no
TP CRM (Brasil)	4,559			11,449	BRL	12.4%	2013.07	no
Other	1,889							
Total	19,290							
Unsecured bank loans								
Telephilippines	3,515			233,750	PHP	5% to 7%	2010.02	no
TP Nordic (Sweden)	1,536			15,800	SEK	1.05%	2013.04	no
Télédatos	2,792			8,143,000	COP	DTF	2012.09	no
Télédatos	2,428			3,500	USD	Libor	2011.09	no
TP Chili	2,841			1,336,500	CLP	1.56% to 3.15%	2010.05	no
				1,000	EUR	4.00%	2010.01	no
Other	5,366							
Total	18,478							
Total	**163,402**	**186,303**	**311,937**					

(a) Covenants

Based on the consolidated financial statements of Teleperformance SA

company concerned	Ratios	At December 31, 2009	2008
Teleperformance SA			
Consolidated net debt/EBITDA	< 2.0	(1)	NA
Consolidated net debt/consolidated net equity	<0.7	(1)	NA

(1) not applicable as the Group had positive cash and cash equivalents

Assets secured against financial liabilities

	At December 31, 2009	2008
Property, plant and equipment	9,140	5,277
Accounts receivable - Trade	5,592	6,334
Total	14,732	11,611

Note: Teleperformance has given a personal guarantee to a bank for the loan obtained locally by Teleperformance CRM.

Finance lease liabilities

Analysis by principal currency and type of interest rate (in millions of euros):

Type of interest rate	**Total**	€	US$	COP	BRL	GB£	other
- fixed	14.5	3.7	0.7	1.8	2.7	4.1	1.5
- floating	2.0	1.1	0.0	0.0	0.0	0.0	0.9
Total 2009	**16.5**	**4.8**	**0.7**	**1.8**	**2.7**	**4.1**	**2.4**

Type of interest rate	**Total**	€	US$	PHP	BRL	GB£	other
- fixed	13.3	2.6	1.9	4.1	3.8	0.0	0.9
- floating	4.5	2.4	0.0	0.0	0.0	1.4	0.7
Total 2008	**17.8**	**5.0**	**1.9**	**4.1**	**3.8**	**1.4**	**1.6**

Sensitivity to interest rate changes

The group's exposure to a change of 1 % in interest rates, based on the amount of current net debt at December 31, 2008 and 2009, is as follows:

	12/31/2009	12/31/2008
Cash and cash equivalents	238,686	280,642
Current financial liabilities	-191,104	-216,093
Position	47,582	64,549
Impact of a 1% change in interest rates	476	645

The low sensitivity to changes in interest rates, due to the group's low level of short-term debt, does not require it to use derivative financial instruments and interest rate hedges.

Current financial liabilities include an amount of € 122 million drawn down from the € 300 million revolving credit line facility which expires on January 31, 2013.

C10. Accounts payable – Trade and Other current liabilities

	12/31/2009	12/31/2008
Accounts payable - Trade	88,088	77,217
Other payables	92,197	84,953
Taxes payable	80,669	55,725
Accruals	60,926	62,764
Other operating liabilities	12,641	16,615
Total	334,521	297,274

C11. Financial instruments

Financial assets

	current	non current	Total 12/31/09	Total 12/31/08
Investments in subsidiaries		66	66	50
Loans	1,478		1,478	2,902
Derivative financial instruments	722		722	5,884
Deposits	4039	18,014	22,053	15,888
total financial assets, gross	**6,239**	**18,080**	**24,319**	**24,724**
Impairment losses			0	-380
Total financial assets, net	6,239	18,080	24,319	24,344

Foreign exchange hedges

Revenues and operating expenses of group companies are denominated principally in the currency of each country concerned. However, the group is exposed to foreign exchange risk in certain subsidiaries where revenues are denominated in a currency other than the functional currency.
Foreign currency instruments were put in place at the end of 2008, to cover the risk of change in the exchange rate between the US dollar and the Mexican peso, Canadian dollar, Philippines peso, in respect of forecast revenues.
The policy of the group is cover its highly probable forecast transactions denominated in foreign currency, usually over a period of 12 months. The group uses forward exchange contracts and plain vanilla foreign exchange options.

The principal derivative financial instruments in place at the year-end are as follows:

At December 31, 2009 (in thousands)	*Notional amount in currency*	*Notional amount in € at 12/31/2009*	*Fair value in € at 12/31/2009*	*In equity*	*In 2009 result*
Currency hedge forecast PHP/USD 2009 transactions					
Forward purchase of PHP**	312,909	4,705	81		81
Currency hedge forecast PHP/USD 2010 transactions					
Forward purchase of PHP	1,950,000	29,320	287	539	-252
Put & call PHP - options	1,150,000	17,291	75	241	-166
Sale of PHP options **	930,000	13,983	37		37
Currency hedge forecast USD/MXN 2009 transactions					
Forward sales of USD**	8,700	6,039	242		242

At December 31, 2008 (in thousands)	*Notional amount in currency*	*Notional amount in € at 12/31/2009*	*Fair value in € at 12/31/2009*	*In equity*	*In 2009 result*
Intra-group loan					
Acquisition US$ *	146,403	105,197	4,563		4,563
Currency hedge forecast US$/CAD transactions					
Forward sale of US$	12,750	9,161	68	74	-6
Put & call US$ - options	5,000	3,593	98	88	10
Sale of US$ options **	4,000	2,874	17		17
Currency hedge forecast PHP/US$ transactions					
Forward purchase of PHP	2,300,000	34,885	512	319	193
Put & call PHP - options	500,000	7,584	215	211	4
Sale of PHP options **	250,000	3,792	3		3

** Expense of € 4.7 million has been recognized on the element covered.*
*** Not qualified for hedge accounting.*

At December 31, 2009, the fair value of derivative financial instruments was 722 K€, shown as Other financial assets.
At December 31, 2008, the fair value of derivative financial instruments was 5,476 K€, shown as Other financial assets.

D. Notes to the Income Statement

D1. Effect of changes in foreign exchange rates

The effect of changes in foreign exchange rates on income statement line items is as follows:

	2009 as reported	*2009 using 2008*	*2008 as reported*	*2008 using 2007 exchange*
Revenues	1,847,654	1,868,310	1,784,752	1,856,409
Net operating profit before financing costs	130,035	134,493	177,853	187,436
Financial income & expenses	29	-7,774	-1,945	-2,242
Net profit	88,754	84,544	119,484	125,971
Net profit, group share	88,201	83,990	116,358	122,710

D2. Other operating revenues

	2009	*2008*
Net profit on disposal of property, plant and equipment	-597	-100
Net profit on disposal of shareholdings	-94	7,848
Own work capitalized	161	1,202
Government grants	11,488	9,563
Other	2,915	5,522
Total	13,873	24,035

D3. Number of employees & personnel expense

The following disclosures relate to consolidated companies.

	2009		*2008*	
	number of employees	*Personnel expense*	*number of employees*	*Personnel expense*
Europe	39,280	702,580	36,491	715,352
NAFTA	34,536	462,491	31,215	395,695
Other	26,840	128,732	23,637	135,043
Total	100,656	1,293,803	91,343	1,246,090
Average cost per employee		13		14

D4. Share-based payments

Stock options

The group has no stock option programs in force as of December 31, 2009.

Details of outstanding options at December 31, 2008, which expired on June 25, 2009 are set out below:

Date of Supervisory Board or Board of Directors which made the grant	06.24.2004
Date of Shareholders' meeting authorizing the plan	06.24.2004
Number of options granted	700,000
Number of options granted to company officers	170,000
Date of vesting	06.25.2008
Expiry date	06.25.2009
Exercise price	€ 18.46
Adjusted number of options granted *	745,250
Adjusted exercise price *	€ 17.34

** following the increase in share capital on 11/06/2006*

- Changes in 2009 in the number of option grants outstanding were as follows:

At December 31, 2008	201,218
Cancelled	-8,517
Exercised	-192,701
At December 31, 2009	-

The fair value of the share options at their date of issue was assessed under the binomial method by an independent appraiser, who used the following assumptions: a 26 % expected volatility rate and a € 0.20 dividend per share in 2003, with a compound annual growth of 5 %.

The plan had no impact on the 2009 income statement, as vesting occurred in 2008.
The income recognized in the 2008 income statement for these plans amounted to 245 K€.

Bonus share awards

Under the authorization given by the shareholders' general meeting on June 1, 2006 relating to the issue of bonus shares of a maximum of 2.30 % of the Company's share capital at the time of the general meeting, the Board of Directors granted a total of 862,066 bonus share awards, on the following dates:

- Grant of 776,600 bonus share awards on August 2, 2006; following the share capital increase in November 2006, the number of bonus share awards was adjusted, increasing the number to 826,666.
- Grant of 23,400 bonus share awards on May 3, 2007,
- Grant of 12,000 bonus share awards on January 10, 2008, including 8,000 granted to a beneficiary who has lost his rights since.

The August 2, 2006 plan expired on December 31, 2008:

	Plan August 2, 2006
Number of bonus shares awarded	826,666
Number of shares issued	-777,812
Number of bonus shares cancelled	-48,854
Number of outstanding bonus share award at December 31, 2008	-
Number of outstanding bonus share award at December 31, 2009	-

The May 3, 2007 plan expired on December 31, 2009:

	Plan May 3, 2007
Number of bonus share awards	23,400
Number of outstanding bonus share awards at December 31, 2008	23,400
Number of shares issued	-20,500
Number of bonus share awards cancelled	-2,900
Number of outstanding bonus share awards at December 31, 2009	-

Only 2000 share awards from the January 10, 2008 plan, which expired on January 10, 2010, remained outstanding at December 31, 2009:

	Plan January 10, 2008
Number of bonus share awards	12,000
Number of bonus share awards cancelled	-8,000
Number of outstanding bonus share awards at December 31, 2008	4,000
Number of bonus share awards cancelled	-2,000
Number of outstanding bonus share awards at December 31, 2009	2,000
Number of outstanding bonus shares awarded to company officers	-

The fair value of bonus share awards at their grant date was assessed according to the Black & Scholes method using the following assumptions: a 25 % expected volatility rate, a 0.90 % dividend rate, and a 3.67 % risk-free interest rate.

The expense recognized in the income statement in 2009 and 2008 on these plans was 78 K€ and 6.075 K€, respectively.

D5. Other operating income and expenses

	2009		*2008*	
	Income	*Expenses*	*Income*	*Expenses*
Other revenues & expenses	5,939	11,359	6,236	2,619
Provisions		28,233		3,076
Total	5,939	39,592	6,236	5,695

Other operating expenses include in particular a restructuring provision for the French operations of € 21 million, mainly for redundancy costs.

D6. External expenses

	2009	*2008*
Building rents and charges	89,806	78,141
Telecommunication	58,259	60,685
Hive and maintenance of equivalents	34,847	28,504
Fees	21,233	21,274
Travel and entertainment	23,053	23,096
Consumables	12,262	11,908
Other	72,105	70,349
Total	311,565	293,957

D7. Net financing costs and other financial income and expenses

	2009	2008
Interest on cash and cash equivalents	4,068	12,018
Other interest	-5,994	-10,656
Interest on finance leases	-1,669	-2,013
Interest on commitments for the acquisition of minority interests	-109	-1,550
Financing costs, gross	-7,772	-14,219
Exchange rate gains and losses	4,743	-4,833
Change in fair value of derivative financial instruments	-1,000	4,784
Other interest	-11	305
Total	28	-1,945

D8. Income tax

Income tax expense was € 41 million in 2009, compared to € 56.4 million in 2008.

	2009	2008
Consolidated net profit	**88,754**	**119,484**
Current income tax expense	42,821	34,870
Deferred income tax expense	-1,511	21,554
Profit before taxes	**130,064**	**175,908**
Standard rate of tax in France	33.83%	34.43%
Expected tax expense	**-44,001**	**-60,565**
Impairment loss on goodwill	-	-504
Tax rates differences in foreign jurisdictions	6,834	6,919
Share-based payments	-	-823
Other permanent differences	-813	1,030
Unrecognized deferred tax assets	-3,330	-2,481
Total	-41,310	-56,424

D9. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, as adjusted for the effect of all potentially dilutive ordinary shares.

	2009	2008
Net profit attributable to equity holders	**88,201**	**116,358**
Weighted average number of shares issued to calculate basic earning per share	56,446,049	55,687,676
Dilutive effect of share options		44,050
Dilutive effect of bonus shares	2,982	13,561
Weighted average number of shares used to calculate diluted earnings per share	56,449,031	55,745,287
Basic earnings per share in €	1.56	2.09
Diluted earnings per share in €	1.56	2.09

Weighted average number of shares used to calculate basic earnings per share:

	2009	2008
Ordinary shares issued at January 1	56,382,847	55,383,511
Treasury shares	-55,000	-62,500
Cancelled shares		-77,630
OCEANES bonds converted		
Options exercised	104,535	131,232
Bonus shares issued	13,667	313,063
Weighted average number of ordinary shares	56,446,049	55,687,676

The average share price used to calculate the dilutive effect of share options and bonus shares was determined based on the share prices over the period when the options and bonus shares awards were outstanding.

E. Segment Reporting

Segment information is reported in respect of the group's geographical segments, as follows:

2009	*Europe*	*NAFTA*	*Other*	*Holdings*	*Total*
Revenues	**923,410**	**786,748**	**137,358**	**139**	**1,847,655**
Net operating profit before financing costs	**-8,715**	**116,211**	**2,768**	**19,771**	**130,035**
Capital expenditure (including finance leased assets)	29,991	32,238	15,530	92	**77,851**
Depreciation and amortization	29,416	37,668	9,279	462	**76,825**
Allocation of assets	**737,357**	**735,851**	**195,062**	**102,180**	**1,770,450**
- non current	*324,458*	*475,511*	*135,108*	*18,974*	**954,051**
- current	*412,899*	*260,340*	*59,954*	*83,206*	**816,399**
Allocation of liabilities	**338,264**	**94,326**	**74,312**	**149,483**	**656,385**
- non current	*17,775*	*15,634*	*13,480*	*23,784*	**70,673**
- current	*320,489*	*78,692*	*60,832*	*125,699*	**585,712**

2008	*Europe*	*NAFTA*	*Other*	*Holdings*	*Total*
Revenues	**973,615**	**706,476**	**101,041**	**3,620**	**1,784,752**
Net operating profit before financing costs	**78,632**	**94,765**	**-4,562**	**9,018**	**177,853**
Capital expenditure (including finance leased assets)	34,103	34,146	11,500	278	80,027
Depreciation and amortization	29,828	34,763	6,279	508	71,378
Impairment losses			1,464		1,464
Allocation of assets	**691,069**	**737,730**	**79,311**	**175,386**	**1,683,496**
- non current	*315,201*	*496,295*	*43,710*	*2,822*	*858,028*
- current	*375,868*	*241,435*	*35,601*	*172,564*	*825,468*
Allocation of liabilities	**306,091**	**118,843**	**26,097**	**178,782**	**629,813**
- non current	*16,742*	*37,974*	*3,347*	*24,307*	*82,370*
- current	*289,349*	*80,869*	*22,750*	*154,475*	*547,443*

F. Commitments and Other Contractual Obligations

Warranties given by the group

Under an 8-year service contract awarded in July 2007 by a UK customer to a subsidiary, MMTP Ltd, Teleperformance was requested by the customer to provide a first demand guarantee to a maximum of KGBP 1,755 covering amounts which MMTP Ltd might owe relating to the service contract. The guarantee was given on July 23, 2007.

During 2009, the group has also guaranteed the obligations of its Mexican subsidiary, HTC, in respect of a new customer, to a maximum of US$ 7 million, for a period of three years, expiring on January 19, 2012.

Type and maturity of contractual obligations at December 31, 2009

in millions of euros	*Total 12.31.09*	*2010*	*2011 to 2014*	*Due after 2014*
Recognized on the balance sheet				
Loans from financial institutions	12,205	151,198*	11,547	658
Bank overdrafts	22,835	22,835	0	0
Finance lease liabilities	16,473	6,122	10,351	0
Other borrowings and financial liabilities	14,345	10,951	2,973	421
Due to minority shareholders	10,639	0	10,639	0
Not recognized on the balance sheet				
Operating leases	197,546	57,036	114,508	26,002

** including € 121,8 million drawn down on the revolving credit line of € 300 million, repayable on January 31, 2013.*

G. Foreign Exchange Risk from Translation of Subsidiaries' Financial Statements on Consolidation

The analysis of group revenues by principal currency in 2009 and 2008 is set out in the following schedule:

Revenues	*2009*		*2008*	
	amount	%	amount	%
Euro	721.0	39.0%	756.3	42.4%
US Dollar	576.1	31.2%	501.0	28.1%
Brazilian Real	89.1	4.8%	61.0	3.4%
Mexican Peso	129.8	7.0%	125.1	7.0%
Sterling Pound	90.1	4.9%	103.2	5.8%
Canadian Dollar	54.5	2.9%	74.8	4.2%
Other	187.1	10.1%	163.4	9.2%
Total	1,847.7	100%	1,784.8	100%

Sensitivity of group profit before tax to a change of 1 % in the exchange rate of the euro compared with other currencies:

The group estimates that an increase of 1 % in the exchange rate of the euro compared with other currencies would have reduced 2009 profit before tax by approximately 950 K€ and would have reduced shareholders' equity by approximately € 1.3 million.

At December 31, 2009, the group's exposure to foreign exchange risk is summarized as follows:

in millions of euros	*Assets*	*Liabilities*	*Net position before hedging*	*Net position after hedging*
			12/31/2009	
Euro	635.0	415.3	219.7	219.8
USD	571.2	65.6	505.6	505.4
BRL	71.7	28.0	43.7	43.7
MXN	139.0	21.7	117.3	117.8
GBP	64.0	14.0	50.0	50.2
CAD	38.2	13.8	24.4	24.4
Other	247.3	94.7	152.6	152.7
Total	1,766.4	653.1	1,113.3	1,114.0
			12/31/2008	
Euro	712.0	414.0	298.0	298.0
USD	554.2	72.7	481.5	481.5
BRL	49.0	15.1	33.9	33.9
MXN	108.5	17.1	91.4	91.4
GBP	61.9	18.2	43.7	43.7
CAD	44.8	23.1	21.7	21.7
Other	140.5	57.0	83.5	83.5
Total	1,670.9	617.2	1,053.7	1,053.7

H. Related Party Disclosures

Transactions with group subsidiaries

Brand royalties and management fees are paid to the parent company by the subsidiaries. Loans are made to certain subsidiaries, these are cash-pooling transactions, and dividends are distributed to the parent by the subsidiaries.

Relationships between the parent company and related parties

During 2009 there was no relationship of any nature between the parent company and Company officers (other than remuneration or directors' fees) and associated companies.

Companies controlled by Mr Jacques Berrebi received remuneration from the parent company and/or its subsidiaries in respect of services rendered. Over the last two years, this remuneration amounted to:

2009: K€ 1,212
2008: K€ 1,264

At the end of June 2008, the group took control of GN Research, a company in which Mr Daniel Julien was a minority shareholder (37 %); as of December 31, 2009 he still holds 10 %.

Relationships between the Company and its officers

Remuneration of Company officers in 2009 and 2008 is summarized as follows:

Remuneration	*2009*	*2008*
Short-term benefits	4,000	6,825
Post-employment benefits		-
Other long-term benefits		-
Retirement indemnities	512	487
Share-based payments	0	1,502
Total	4,512	8,814

Mr Christophe Allard resigned as Chairman of the Board of Directors on February 4, 2008. The Company required him to execute his non-compete agreement, and in return, paid him an indemnity for a gross amount of € 4.9 million on October 31, 2008.

Mr Michel Peschard is entitled to a termination indemnity in addition to that due under the terms of labor legislation or other agreements, as authorized by the Supervisory Board on March 16, 2006. The amount will be equal to his total remuneration received in the year preceding cessation of his duties and is fully provided for in the Company's financial statements under IAS 19.

Messrs. Daniel Julien and Jacques Berrebi have signed non-compete agreements with the group, as authorized by the Supervisory Board on March 16, 2006; terms and conditions are described in Section 3. *Remuneration of the Board of Directors and the Supervisory Board* of the Annual Report.

H1. Scope of consolidation, December 31, 2009

Consolidated companies		*% interest*	*% control*
Parent company:	**Teleperformance**	**100**	**100**
	Contact centres		
	Europe:		
Albania	CC Albania	100	100
	Albania Marketing Services	67	100
	Service 800 Albania	100	100
Germany	All by Phone + Net	100	100
	twenty4Help Knowledge Service GMBH Nurnberg	100	100
	twenty4Help Knowledge Service GMBH Dortmund	100	100
	GN Research Germany	51	75
Austria	Teleperformance Unternehmensberatung	98	98
Belgium	Société Européenne de Telemarketing	100	100
	TechCity Solutions Benelux	100	100
	Techmar Europe	100	100
Denmark	TP Nordic	100	100
Egypt	Service 800 Égypte	96	96
Spain	Iberphone	100	100
	CEE Iberphone SL	100	100
	Fonomerk	100	100
	twenty4Help Knowledge Service S.L.	100	100
Finland	Teleperformance Finland	100	100
France	Teleperformance France	100	100
	GN Operation France	64	100
	GN Research France	64	95
	Teleperformance Europe Middle East and Africa	100	100
	Teleperformance Centre-Ouest	100	100
	Teleperformance Centre-Est	100	100
	Teleperformance Nord-Champagne	100	100
	Teleperformance Grand-Sud	100	100
Greece	Service 800 Teleperformance	100	100
	Direct Response Service	75	75
	Mantel	96	96
	Teleperformance Debtors Information Services	100	100
Hungary	Photel	100	100

Italy	In & Out	100	100
	O.B. Tel S.r.l.	100	100
	twenty4Help Knowledge Service S.r.L.	100	100
	GN Research	67	100
Lebanon	Teleperformance Lebanon	51	51
Luxembourg	Luxembourg Contact Center	100	100
	Russia Contact Center	97	97
	GN Research SA	67	67
	Ukraine Contact Center	100	100
Morocco	Société Anonyme Marocaine d'Assistance Client	100	100
Norway	Teleperformance Norge	100	100
The Netherlands	PerfectCall	100	100
	twenty4Help Knowledge Service B.V.	100	100
	Dutch Contact Centers	100	100
Poland	Centrum Telemarketingowe	100	100
	twenty4Help Knowledge Service Sp zoo.	100	100
Portugal	Plurimarketing-Telemarketing	100	100
South Africa	Mazambane Trading 6 (PTY)	100	100
Czech Republic	Lion Teleservices CZ	90	90
	twenty4Help Knowledge Service S.r.o.	100	100
Rumania	The Customer Management Company	100	100
	S 800 Customer Service Provider	100	100
United Kingdom	BPS Contact Centre Services	100	100
	BPS Associates	100	100
	MM Teleperformance Holdings Ltd	100	100
	MM Teleperformance UK	100	100
	twenty4Help Knowledge Service Ltd	100	100
	Improved Financial Solutions	93	93
	MM Group Ireland Ltd	100	100
Russia	Direct Star	97	100
Sweden	Teleperformance Nordic	100	100
	Teleperformance Soderham (TechCity Nordic)	100	100
	twenty4Help Knowledge Service AB	100	100
Slovakia	Lion Teleservices SK	63	70
Switzerland	SCMG	100	100
	Liberty Call	100	100
	Extratel	100	100
Tunisia	Société Tunisienne de Telemarketing	100	100
	Société Méditerranéenne de Télémarketing	100	100
	GN Research Tunisia	67	100
Ukraine	KCC	100	100

Consolidated companies		*% interest*	*% control*
	NAFTA (North America Free Trade Agreement)		
Canada	Marusa Marketing, Inc	100	100
	MMCC Solutions	100	100
	MCCI Multi-channel communication Inc.	100	100
	AllianceOne Limited	100	100
	Nova Information Technologies Ltd	100	100
Costa Rica	Costa Rica Contact Center	84	100
Mauritius	Mauricius Contact Center	84	84
Jamaica	Outsourcing Management International	100	100
Mexico	Teleperformance Nearshore	90	90
	Merkafon de Mexico	100	100
	Sistemas de Localizacion	100	100
	Impulsora Corporativa Internacional	100	100
	Propesa (Proveedora de Personal Especializado)	100	100
	SHT Servicios Hispanic Teleservices	100	100
	HTG Hispanic Teleservices Guadalajara	100	100
Dominican Republic	AGI Dominican Republic	100	100
El Salvador	Compania Salvadorena de Teleservices	84	100
USA	Teleperformance Group	100	100
	TP USA	100	100
	Voice Fx International	100	100
	Americall Group	100	100
	The Answer Group	100	100
	Merkafon Management	100	100
	Teleperformance International	100	100
	Teleperformance Delaware	100	100
	AllianceOne	100	100
	AllianceOne Holding Company	100	100
	AllianceOne Receivables Management Inc	100	100
	Bayside Billing	100	100
	National Medical Coders	100	100
	Trinity Medical Services	100	100
	HTC Hispanic Teleservices Corp	100	100

	Rest of the World:		
Argentina	FST	100	100
	Software Del Plata	100	100
	Citytech.	100	100
Brazil	Teleperformance CRM	100	100
	Sao Paulo Contact Centers	100	100
Chile	TP Chile	100	100
China	North Asia United CRM Technologies (Beijing)	83	100
Colombia	Colombia Contact Centers	100	100
	Teledatos	100	100
	Teledatos Zona Franca	100	100
South Korea	IMC Marketing	51	51
	IMC-TM Inc.	51	100
Hong Kong	Hong Kong CRM	83	83
India	CRM Services India	100	100
Indonesia	P.T. Telemarketing Indonesia	94	99
Philippines	Telephilippines	100	100
	MMCC Solutions Philippines	100	100
Singapore	Telemarketing Asia Singapore	95	95
Vietnam	TeleServices Vietnam	95	100
	Other support services: France		
	Information services: Synerfil	100	100
	Software development: PGS Progisoftware	82	82
	Health Care Communication		
	Parent Company: Teleperformance Intermediation (ex Rochefortaise Santé)	**100**	**100**

All the companies are fully consolidated.

I. Foreign Currencies

Foreign currency	Country	12/31/2009		12/31/2008	
		average rate	closing rate	average rate	closing rate
Europe					
Danish krone	Denmark	7.4463	7.4418	7.456	7.4506
Egyptian Pound	Egypt	7.7313	7.8496	7.8882	7.7723
£ sterling	UK	0.8913	0.8881	0.7948	0.9525
Forint	Hungary	280.4887	270.42	251.2563	266.7
Norwegian krone	Norway	8.7315	8.3	8.2018	9.75
Zloty	Poland	4.3296	4.1045	3.5044	4.1535
Czech koruna	Czech Republic	26.4456	26.473	24.9389	26.875
Rouble	Russia	44.1458	43.154	36.406	41.283
Swiss franc	Switzerland	1.5101	1.4836	1.5861	1.485
Swedish krona	Sweden	10.6209	10.252	9.6004	10.87
Tunisian dinar	Tunisia	1.876	1.8921	1.7878	1.8421
Turkish pound	Turkey	2.1625	2.1547	1.9001	2.1488
The Americas					
Argentinian peso	Argentina	5.2014	5.4376	4.6345	4.8631
Brazilian real	Brazil	2.7717	2.5113	2.6583	3.2436
Canadian dollar	Canada	1.5857	1.5128	1.5578	1.6998
Chilian peso	Chile	776.9318	726.11	755.287	900.542
Colombian peso	Colombia	2,986.09	2,920		
US dollar	USA	1.3935	1.4406	1.4635	1.3917
Mexican peso	Mexico	18.7872	18.9223	16.2641	19.2333
Rest of the World					
Yuan	China	9.5191	9.835	10.1612	9.4956
Hong Kong dollar	Hong Kong	10.8017	11.1709	11.3937	10.7858
Rupiah	Indonesia	14,456.015	13,626.130	14,285.7143	15,239.12
Rupee	India	67.3324	67.04	63.5445	69.36737
Australian dollar	Australia	1.7756	1.6008	1.7322	2.0274
Korean won	South Korea	1,773.187	1,666.970	1,594.8963	1,839.13
Philippine peso	Philippines	66.2803	66.507	64.973	65.93
Singapore dollar	Singapore	2.0233	2.0194	2.0734	2.004
Dong	Vietnam	24,803.036	26,440.220	23,809.5238	24,644
South African rand	South Africa	11.6882	10.666	11.997	13.0667

7. Statutory Auditors' Report on the consolidated financial statements Year ended December 31, 2009

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.The statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.This report also includes information relating to the specific verification of information relating to the Group given in the management report.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by the shareholders in General Meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying consolidated financial statements of Teleperformance S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies used and the reasonableness of significant accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2009 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Justification of our assessments

The accounting estimates required in the preparation of the consolidated financial statements for the year ended December 31, 2009 have been made in circumstances which render assessment of the future economic environment difficult. In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- At each balance sheet date, the company tests the carrying amount of goodwill to determine whether it is impaired, and also assesses other non-current assets to determine whether there is any indication of impairment, as described in notes A13. *Impairment* and C2. *Intangible assets* of the consolidated financial statements. We have examined how the impairment testing is performed, and assessed the cash flow forecasts and assumptions used. We have also verified that the disclosures in notes A13. *Impairment* and C2. *Intangible assets* are appropriate.
- As disclosed in notes A15. *Employee benefits*, A16. *Provisions* and C8. *Provisions*, the Company has made provisions, particularly in respect of restructuring costs. We have assessed the underlying information and assumptions used in the estimation of these provisions, reviewed on a test basis the calculations made by the Company, and examined the procedures for management's approval of these estimates. We have also verified that the disclosures in notes A15. *Employee benefits*, A16. *Provisions* and C8. *Provisions* are appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information relating to the Group which is given in the parent company's management report.We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Labège and Maisons-Alfort, March 22, 2010

KPMG Audit	MG Sofintex
A division of KPMG S.A	*Member of Deloitte Touche Tohmatsu*
Christian Libéros	Pierre Marque, Laurent Odobez
Partner	*Partners*

6. Parent Company Financial Statements

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1. Balance Sheet at December 31

ASSETS *(in euros)*	Note	*2009*	*2008*	*2007*
Net intangible fixed assets	1; 2; 3	1,579,726	100,289	150,120
Net tangible fixed assets	1; 2; 3	1,889,010	2,216,758	2,795,707
Net financial fixed assets				
Investments in subsidiaries and affiliates	1; 2; 3	725,518,649	828,799,500	772,253,474
Due from subsidiaries and affiliates	1; 2; 3	186,017,977	127,279,382	26,848,094
Other	1; 2; 3	500,728	484,728	459,297
Total financial fixed assets	1; 2; 3	912,037,354	956,563,610	799,560,864
Total fixed assets		915,506,090	958,880,657	802,506,691
Current assets				
Advances and payments on account				39,994
Accounts receivable – Trade		34,206,135	19,926,566	19,415,515
Other receivables		61,884,042	46,759,998	19,803,564
Marketable securities	4	33,380,755	92,861,580	160,548,630
Cash and cash equivalents	5	15,578,563	1,529,729	2,238,871
Prepaid expenses	5	200,995	606,108	532,637
Total current assets	5	145,250,491	161,683,981	202,579,211
Deferred charges				
Unrealized exchange losses	18	11,669,176	5,893,583	2,622,408
Total assets		1,072,425,757	1,126,458,221	1,007,708,311

LIABILITIES & SHAREHOLDERS' EQUITY *(in euros)*	Note	*2009*	*2008*	*2007*
Share capital		141,490,120	140,957,117	138,458,777
Issue, merger & contribution premiums		556,180,699	553,321,016	550,458,920
Legal reserve		14,095,712	13,845,878	11,801,418
Other reserves		174,410,889	144,462,139	36,406,669
Retained earnings		61,046,831	58,396,828	28,352,794
Net income for the period		-54,413,250	57,619,190	166,457,238
Interim dividend				
Regulated provisions		184,704	175,395	40,096
Total shareholders' equity	6	892,995,705	968,777,563	931,975,913
Provisions for contingencies and expenses	8	3,114,807	3,534,456	1,560,382
Liabilities				
Financial liabilities		131,026,057	126,333,607	25,358,641
Advances and payments on account				
Accounts payable – Trade		7,023,550	2,795,091	1,417,355
Tax, personnel and social security liabilities		4,303,486	5,426,293	28,891,597
Other liabilities		23,649,107	16,060,142	16,335,219
Deferred income				
Total liabilities *	9	166,002,200	150,615,133	72,002,812
Unrealized exchange gains	18	10,313,045	3,531,069	2,169,204
Total liabilities & shareholders' equity		1,072,425,757	1,126,458,221	1,007,708,311
* Due after one year		22,557,268	23,119,697	23,578,907

2. Income Statement, year ended December 31

(in euros)	Note	*2009*	*2008*	*2007*
Revenues	10	39,907,668	33,104,256	34,752,423
Operating subsidies		0	0	0
Write-back of depreciation, amortization and provisions		1,238,313	137,000	20,000
Other income		68,954	117,701	12,664
Total operating income		41,214,948	33,358,958	34,785,087
Purchases and external expenses		16,501,244	15,052,332	11,959,753
Taxes other than income taxes		782,079	1,136,914	1,021,211
Wages and social charges		4,791,274	15,104,768	7,638,790
Depreciation, amortization and provisions		1,431,644	1,858,298	1,746,450
Other expenses		1,280,160	180,768	210,600
Total operating expenses		24,786,401	33,333,080	22,576,804
Net income from operations	**10**	**16,428,547**	**25,878**	**12,208,283**
Net income from investments in subsidiaries and affiliates		11,980,805	25,777,947	19,112,988
Interest income from loans		5,922,951	1,998,892	3,777,572
Other interest and related income		18,369,307	10,615,109	12,801,498
Write-back of provisions and transferred expenses		4,230,757	505,465	1,256,353
Total financial income*		40,503,821	38,897,413	36,948,411
Amortization and provisions		101,853,815	18,517,340	4,921,447
Interest and related expenses		20,453,284	5,661,439	9,033,653
Total financial expenses**		122,307,099	24,178,779	13,955,100
Financial result	**11**	**-81,803,278**	**14,718,634**	**22,993,311**
Profit on ordinary activities before income taxes		**-65,374,731**	**14,744,512**	**35,201,594**
Net amount of:				
- capital gains on disposal of fixed assets		72,045	36,775,736	139,811,361
- other non-operating income and expense		379,428	-92,926	104,549
- write-back of depreciation, amortization & provisions		1,797,956	-135,299	869,229
Exceptional result	**12**	**2,249,429**	**36,547,511**	**140,785,139**
Income taxes	13	-8,712,052	-6,327,167	9,529,495
Net income		-54,413,250	57,619,190	166,457,238
* including income from affiliated companies		13,601,869	28,363,041	24,024,066
** including expenses from affiliated companies		100,011,534	16,095,054	7,544,063

3. Cash Flow Statement, year ended December 31

(in thousands of euros)	*2009*	*2008*	*2007*
I Cash Flows from operating activities			
Net income	-54,413	57,619	166,457
Depreciation and amortization of fixed assets	1,195	597	1,779
Changes in other provisions	96,062	19,271	2,765
Capital gains/losses on disposals of fixed assets & shareholdings	-72	-36,732	-138,211
Internally generated funds from operations	42,772	40,755	32,790
Change in working capital requirements	-21,895	-48,950	+2,749
Net cash flow from operating activities	20,877	-8,195	+35,539
II Cash flows from investing activities			
Acquisitions of fixed assets			
- Intangible and tangible fixed assets	-2,355	-214	-284
- Investments in subsidiaries and affiliates	-63,736	-43,511	-217,350
- Other financial fixed assets	-110,738	-122,396	-465
Disposals and reduction of fixed assets			
- Intangible and tangible fixed assets	11	340	4,089
- Investments in subsidiaries and affiliates	72,126	21,304	10,762
Other financial fixed assets	44,831	4,991	16,273
Net cash flow from investing activities	-59,861	-139,486	-186,975
III Cash flows from financing activities			
Increase in share capital	3,342	5,575	8,597
Dividends paid	-24,772	-24,316	-17,462
Unrealized exchange gains/losses			
Repayment of financial liabilities	-134,113	-14,807	-14,306
Increase in financial liabilities	147,038	112,322	22,894
Net cash flow from financing activities	-8,505	78,774	-277
Change in cash and cash equivalents	-47,489	-68,907	-151,713
Cash and cash equivalents at beginning of period	93,881	162,788	314,501
Cash and cash equivalents at end of period	46,392	93,881	162,788

4. Notes to the Parent Company's Financial Statements (K€: thousands of euros)

A. Highlights of the year

A1. Changes in group shareholdings

A1/a Acquisitions

During the year ended December 31, 2009 Teleperformance made the following acquisitions of minority shareholdings in a number of European subsidiaries:

- Acquisition of the remaining 30% of the share capital of the Greek subsidiary Teleperformance Hellas,
- Acquisition of the remaining 20% of the share capital of the Italian subsidiary, In & Out,
- Acquisition of a further 25% of the share capital of Teleperformance Singapore, increasing its holding to 95%,
- Acquisition of minority interests in the Swiss company, SCMG, and in Teleperformance Poland.

A1/b Share capital reductions

Teleperformance has reduced the share capital of Teleperformance France, in which it is the sole shareholder, from € 225.8 million to € 155.8 million by the repayment of € 70 million in cash. The related shares have been cancelled.

A1/c Subscriptions to share capital increases

During the year, Teleperformance subscribed to share capital increases in the following companies:

- Colombia Multi Media Center SAS, a Colombian company, in an amount of US$ 77.3 million (€ 52.8 million), financed essentially from existing funds.
- In & Out, an Italian company, in an amount of € 5.5 million, including € 3.6 million by incorporation of a debt, and € 1.9 million in cash.

A1/d Liquidation of a subsidiary

Teleperformance Australia was liquidated on February 9, 2009. The liquidation accounts showed a liquidation surplus of 45 K$, included in 2009 net income. There was no other significant impact from the liquidation, as all related assets, represented by shares, current account, and accounts receivable, had already been provided.

A2. Increases in share capital

A2/a Grant of bonus shares

At a board meeting held on May 4, 2009, the Directors drew up the final list of beneficiaries of bonus shares under the plan implemented by the Board on May 3, 2007.

An amount of 20,500 new shares were issued under this plan as decided by the Board of Directors on May 4, 2009 effective May 3, 2009.

The share capital of the Company was therefore increased by € 51,250 by the issue of 20,500 shares of a par value of € 2.50 each, fully paid up, by transfer from undistribuable reserves.

The new shares carry dividend rights from the start of the financial year in which they are issued, i.e. January 1, 2009, and will therefore participate in the distribution to be made in 2010 concerning the 2009 results.

Following the grants made in respect of the May 3, 2009 plan, the bonus share award plan has been terminated.

A2/b Exercise of share options

The Chairman of the Company's Board of Directors set out at the Board meeting held on June 30, 2009, the subscriptions and payments relating to options exercised in 2009 concerning the share option plan dated June 24, 2004.

A total of 192,701 shares were subscribed, and fully paid up, in a total amount of € 3,341,435.34 represented by € 481,782.50 of share capital (at par value) and € 2,859,682.84 of share premium.

A3. Purchase of a software package

In January 2009, the Company acquired software developed by its subsidiary Teleperformance USA for the management of call centers for an amount of US$ 3.4 million. The software will be amortized over three years.

A4. Group financing arrangements

A4/a Amendment to the syndicated credit line agreement, and utilisation in 2009

An amendment to the credit facility of € 300 million was signed on March 17, 2009, to enable amounts to be drawn down in euros, US dollars or £ sterling.

The first tranche of € 110 million, which was drawn down in the previous year to finance a loan to the US subsidiary Teleperformance Group Inc., was repaid in March 2009, and replaced by a new tranche of US$ 145 million.

An amount of US$ 20 million was repaid in June 2009, resulting in an outstanding balance of US$ 125 million.

A further tranche of € 35 million was drawn down in December 2009.

A4/b Implementation of a cash-pooling agreement for European group companies

Cash-pooling agreements were signed during 2009 between Teleperformance and some of its subsidiaries (principally the Scandinavian countries and the UK), similar to those implemented with French subsidiaries, as the next step in the group's implementation of its centralised management of cash requirements throughout its network.

The group's treasury department will be in charge of cash management and the financing and banking relationships of European group companies, in order to:

- maximise cash management;
- reduce weighted average finance costs, thereby reducing interest expense and bank charges;
- provide a fair remuneration for available cash balances.

A4/c Repayment of advances denominated in a foreign currency

Three advances denominated in a foreign currency, US dollars or £ sterling, obtained to hedge loans to two subsidiaries, Telephilippines and MM Teleperformance, were repaid during the year as part of the optimization of the management of exchange risks. The advances were replaced by foreign exchange swaps.

A4/d Loan to LCC, the Luxembourg subsidiary

To finance the transfer of shareholdings linked to the restructuring of the European network, Teleperformance has made a loan of € 70 million to its Luxembourg subsidiary LCC. The loan is repayable in five annual instalments, ending June 1, 2014. The first repayment was made in June 2009, in an amount of € 12.2 million.

A4/e Loans to Teleperformance France

Teleperformance has made two loans to its subsidiary Teleperformance France, due to the latter's financial position, in a total amount of € 14 million. The repayment conditions will be agreed during 2010.

A5. Other matters

A5/a Provision of the shareholding in Teleperformance France

Teleperformance has made a provision of € 100 million on its shareholding in Teleperformance France.

A5/b Operation of the French tax group

Following the tax group agreement signed between French group companies on March 14, 2007, tax savings made by Teleperformance through the utilization of the tax losses of subsidiaries are neutralized (in other liabilities) in the financial statements of Teleperformance. The merger of some of the subsidiaries with the parent company in 2009 has led to the recognition of tax income of € 16.9 million during the year.

A5/c 'Carry back' of tax losses

The tax group formed by Teleperformance and its French subsidiaries made a tax loss of € 12.3 million in 2009, and the parent company has decided to utilize these losses by recovery against payments of prior year income taxes, thereby recording an asset of € 4.1 million. Early repayment of this amount, as permitted under 2008 tax legislation, has been requested of the tax authorities.

A5/d Post balance sheet events

None

B. Accounting principles, rules and methods (K€: in thousands of €)

The annual financial statements have been prepared on the basis of information available at the time, in particular relating to the current economic and financial crisis and are presented in accordance with the principles and methods of the French chart of accounts and of CRC regulation no. 99-03 in compliance with the principles of matching and prudence, and using the going concern basis.

Recognition of assets and liabilities, and income and expenses in the financial statements is made on the basis of historical costs.

Investments in subsidiaries and affiliates

Teleperformance has remeasured its investments in subsidiaries and affiliates at December 31, 2009. The recoverable amount of investments in subsidiaries and affiliates is represented by their value in use. This is determined on the basis of estimated future cash flows for the next five years.
The cash flows of the first year are based on the budget approved by management.
For the following four years, cash flows are based on forecasts prepared by the managements of the subsidiaries on the basis of their knowledge of the business sector, future growth possibilities, and the risk profile.
The terminal values calculated after five years assume perpetual future growth equal to inflation.. .
Cash flows are discounted using the weighted average cost of capital.
This review has resulted in a provision for impairment of € 100 million on the shareholding in Teleperformance France.

The above estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change or if new information is available. Actual results may differ from these estimates.

- The discount rate is specific to each geographical zone:

  - Europe (excluding UK & France): 8.35 %
  - France: 7.76 %
  - UK: 8.60 %
  - NAFTA: 8.05 %
  - Latin America: 13.21 %

Any synergies arising from the integration of the company acquired into the business of the group, as well as its strategic value to the group, are also taken into account.

Increases and decreases in provisions for impairment losses of investments in subsidiaries and affiliates are included in the financial result, except for any reversals on disposal of shares, which are included in the exceptional result.

Note 1 – Fixed assets (in K€)

	2009			2008
	Gross	*Amortization, depreciation and provisions*	*Net*	*Net*
Intangible fixed assets	2,784	1,204	1,580	100
Tangible fixed assets	5,692	3,803	1,889	2,217
* Land	305		305	305
* Buildings	2,969	1,790	1,179	1,381
* Other	2,418	2,013	405	531
Financial fixed assets	1,027,484	115,447	912,037	956,564
* Investments in subsidiaries and affiliates	839,411	113,893	725,518	828,799
* Receivables from subsidiaries and affiliates	186,347	329	186,018	127,279
* Other	1,726	1,225	501	486
Total	1,035,960	120,454	915,506	958,881

Note 2 – Changes in gross fixed assets (in K€)

	01/01/2009	increase	Decrease	12/31/2009
Intangible fixed assets	491	2,293		2,784
Tangible fixed assets	5,678	61	47	5,692
* Land	305			305
* Buildings	2,969			2,969
* Other	2,404	61	47	2,418
Financial fixed assets	973,818	179,235	125,569	1,027,484
* Investments in subsidiaries and affiliates	844,499	66,967	72,055	839,411
* Receivables from subsidiaries and affiliates	127,608	112,253	53,514	186,347
* Other	1,711	15		1,726
Total	979,987	181,590	125,616	1,035,960

Gross financial fixed assets – Investments in subsidiaries and affiliates

Changes in the year as follows (in K€):

	Total
Gross amount at January 1, 2009	844,499
Acquisitions, price adjustments and subscriptions to share capital increases:	66,967
Colombia Multi Media Center	52,832
In & Out (Italy)	8,358
Teleperformance Greece	3,600
Teleperformance Singapore	1,248
Teleperformance Poland	611
SCMG (Switzerland)	194
Teleperformance Austria	124
Disposals and capital reductions	72,055
Teleperformance France (capital reduction)	70,000
Teleperformance Australia (liquidation)	1,807
Teleperformance Germany (disposal)	248
Gross amount at December 31, 2009	839,411

The list of investments in subsidiaries and affiliates is included at the end of the notes to the financial statements.

Receivables from subsidiaries and affiliates

These amount to 186,347 K€ and relate to the following companies (expressed in K€):

	01/01/2009	Increase	Decrease	12/31/2009	Due after one year
Fonomerk (Spain)	329			329	329
TGI (USA)	108,875		22,106	86,769	86,769
Luxemburg Contact Centers		85,649	27,849	57,800	43,800
Teleperformance France		14,000		14,000	0
MM Teleperformance (UK)	15,181	604	2,104	* 13,681	3,202
Teleperformance Nordik		5,560		5,560	3,414
Iberphone		4,500		4,500	-
Telephilippines	1,437		49	1,388	
IMC Korea	980			980	
Teleperformance EMEA		1,400	600	800	
Teleperformance Denmark	-	540		540	540
In & Out (Italy)	806		806	0	
Total	127,608	112,253	53,514	186,347	138,054

** The loan of € 8 million to the UK subsidiary MM Teleperformance is meant to be incorporated in its share capital.*

Note 3 – Changes in depreciation, amortization and provisions (in K€)

	01/01/2009	*Increase*	*Decrease*	*12/31/2009*
Intangible fixed assets	391	813		1,204
Tangible fixed assets	3,461	372	30	3,803
- Buildings	1,588	202		1,790
- Other	1,873	170	30	2,013
Financial fixed assets	17,254	100,000	1,807	115,447
- Investments in subsidiaries and affiliates	15,700	100,000	1,807	113,893
- Receivables from subsidiaries and affiliates	329			329
- Other	1,225			1,225
Total	21,106	101,185	1,837	120,454

Tangible and intangible fixed assets

All tangible and intangible fixed assets are amortized or depreciated on a straight-line basis, based on their category and the expected useful life in the business:

Software	3 years straight-line
Buildings *(*)*	15-25 years straight-line
Office and IT equipment	3 years straight-line
Other	5-10 years straight-line

(*) according to the nature and type of building

Software is subject to additional fiscal depreciation over a life of 12 months, shown as regulated provisions on the balance sheet, except for the software package for the management of call centers, acquired in 2009, which will be amortized on straight-line basis over its estimated useful life of three years.

Financial fixed assets - Investments in subsidiaries and affiliates

Increases in provisions

Increases in provisions on investments in subsidiaries and affiliates amounted to € 100 million, on Teleperformance France.

Decreases in provisions

The decrease of € 1.8 million relates to the subsidiary Teleperformance Australia, following its liquidation.

Note 4 – Current assets: marketable securities

Marketable securities amounted to € 33.4 million.

These comprise € 31.5 million in money market and mutual funds with a market value of the same amount as of December 31, 2009.

Teleperformance also holds € 1.2 million in treasury shares.

An amount of € 0.7 million concerns option premiums paid as part of the centralised management of foreign exchange risks on current business transactions.

In accordance with the requirements of art. L.225-210 ss.3 of French company law, Teleperformance maintains reserves of an amount, excluding the legal reserve, at least equal to the carrying amount of these shares.

The number and carrying value of treasury shares as of December 31, 2009 and the changes during the year in these shares, which are held under a liquidity agreement, are set out in the following schedule:

Number of shares held by Teleperformance at December 31, 2008	62,500
Number of shares bought in 2009 under the share buy-back program commencing June 3, 2008	797,196
Number of shares sold in 2009 under the share buy-back program commencing June 3, 2008	777,196
Number of shares bought in 2009 under the share buy-back program commencing May 29, 2009	989,872
Number of shares sold in 2009 under the share buy-back program commencing May 29, 2009	1,017,372
Number of treasury shares held at December 31, 2009	55,000
Carrying value of shares held at December 31, 2009	1,208,518

Note 5 – Maturity of current assets at December 31, 2009 (in K€)

Gross amount	*Total*	*Due after one year*
- Accounts receivable – Trade (1) (2)	35,590	35,461
- Other receivables (3)	65,987	63,019
- Advances and payments on account		
- Marketable securities	33,381	33,381
- Cash and cash equivalents	15,579	15,579
- Prepaid expenses	201	201
Total	150,738	147,641
(1) unbilled amount	3,869	3,869
(2) doubtful amount	1,350	-
(3) amount of income receivable	11,616	10,577

Changes in provisions on receivables are as follows:

	1/1/2009	*Increase*	*Decrease*	*12/31/2009*
Accounts receivable - Trade	2,548	34	1,198	1,384
Other receivables	5,888		* 1,785	4,103
Total	8,436	34	2,983	5,487

** The decrease includes € 1.6 million for receivables from Teleperformance Australia, following its liquidaiton*

Note 6 – Changes in shareholders' equity (in K€)

	Total
At January 1, 2009	968,778
- increase in share capital	3,341
- dividends paid	-24,808
- cancellation of dividends on treasury shares	89
- net income (loss)	-54,413
- change in fiscal amortization and depreciation	9
At December 31, 2009	892,996

The share capital at December 31, 2009 comprised 56,596,048 shares of € 2.50 nominal value.

Note 7 – Deferred charges

None

Note 8 – Provisions for contingencies and expenses (in K€)

Changes in this heading are as follows (in K€):

	01/01/09	*Increase*	*Decrease* A	*Decrease* B	*12/31/09*
Unrealized foreign exchange loss	2,429	1,854	2,429		1,854
Employee risks and litigation	40			40	-
Employee retirement benefits	1,030	212			1,242
Risks related to subsidiaries and affiliates	35			17	18
Total	3,534	2,066	2,429	57	3,114

A: utilized
B: non-utilized

Commitments for payments at retirement and post-employments benefits arising from labour agreements and legal requirements are classified as provisions, and have been measured using the projected unit credit method, under the following actuarial assumptions:

Discount rate:	* 5 %
Rate of increase in salaries:	2.50 %
Rate of social charges (employer contributions):	45 %

** Average of Bloomberg and Iboxx rates*

Actuarial differences are recorded in the income statement immediately and are set out in the following schedule:

Commitment at the beginning of the year	1,030
+ Service cost	75
+ Interest cost	30
+ Actuarial gains and losses	107
including actuarial changes	*61*
including new participants	*61*
including withdrawals in the year	*-15*
Commitment at the end of the year	* 1,242

** including 512 K€ for a director*

Receivables and liabilities in currencies other than the euro are measured at closing rates. Unrealized exchange gains and losses are shown separately in the balance sheet. Unrealized exchange losses are provided for.

Note 9 – Maturity of liabilities (in K€)

Certain loans are subject to covenants as set out in the « risk factors » section of the Annual Report.
At December 31, 2009 the Company was in compliance with all covenants.

	Gross amount	*Due within one year*	*Due between one and five years*	*Due after five years*
Loans from financial institutions (1)	123,914	123,914		
Other financial liabilities *	7,112	7,112	6,777	335
Sub-total	131,026	131,026	130,691	335
Operating liabilities (2)	7,024	7,024		
Due on fixed assets	-			
Other liabilities (3)	27,952	5,395	22,557	
Deferred income				
Total	166,002	143,110	22,892	-
(1) amount of bank overdrafts	*1,894*	*1,894*		
(2) amount of accruals	*1,064*	*1,064*		
(3) amount of accruals	*417*	*417*		
(3) amount of income taxes saved on subsidiaries' tax losses utilized	*22,557*		*22,557*	

** Amounts due to subsidiaries under the cash management scheme: €K 6,767*

Note 10 – Net income from operations (in K€)

Revenue analysis	*2009*	*2008*
-fees from subsidiaries	37,544	29,428
- sales	175	1,524
- rents and rental charges	436	16
- other	1,752	2,136
Total	39,907	33,104

Net income from operations in 2009 amounted to € 16.4 million.

The average workforce was 42, including 39 managers/supervisors and 3 other employees

Note 11 – Financial result (in K€)

	2009	*2008*
Dividends	11,981	25,778
Provisions on investments in subsidiaries and affiliates (net)	-100,000	-13,150
Other provisions for impairment losses (net)	1,802	-2,934
Provisions for unrealized exchange losses (net)	575	-1,927
Foreign exchange gains (losses), net	810	680
Net income from sale of marketable securities	815	1,487
Net interest income on financial investments	2,214	4,785
Total	-81,803	14,719

Note 12 – Exceptional result (in K€)

During 2009, exceptional result was a profit of € 2.2 million, as follows:

	2009			2008
	Income	*Expenses*	*Net*	*Net*
Capital transactions	3,130	2,678	452	36,688
- Intangible fixed assets				25,800
- Tangible fixed assets	17	17	-	133
- Financial fixed assets	* 2,127	** 2,055	72	10,843
- Other capital transactions	986	606	380	-88
Revenue operations				-5
Depreciation, amortization and provisions (net)	1,857	59	*** 1,798	-135
Total	4,987	2,737	2,250	36,548

** Gain on disposal of shares in NETC (Germany)*
*** Liquidation of Teleperformance Australia (removal of shares)*
**** Mainly the write-back of the provision on the shareholding in Teleperformance Australia.*

Note 13 – Analysis of income taxes and unrecognized deferred tax assets and liabilities (in K€)

	Pre-tax net income	*Income taxes*			*After-tax net income*
		(A)Theoretical	*(B) Adjustments*	*Tax due*	
Profit on ordinary activities before taxes	-65,375	11,714	-20,426	-8,712	-56,663
- standard rate (33,83 %)	34,625	11,714	-20,426	-8,712	43,337
- long term (0 %)	-100,000	-	-	-	-100,000
Income from exceptional items	2,250	125	-125	-	2,250
- standard rate (33,83 %)	370	125	-125	-	370
- long-term (0 %)	1,880	-	-	-	1,880
Total	-63,125	11,839	-20,551	* -8,712	-54,413

** This negative amount represents the 2009 income from the merger of tax group companies whose tax losses used had previously been neutralized in Teleperformance*

Tax savings realized in the tax group by utilizing the tax losses of subsidiaries are not included in the parent company's earnings and are shown as a liability in the amount of € 22.6 million.

The income tax that would have been recognized without the existence of the tax group is € 8 million, coming from:

- A profit of € 16.9 million following the merger of subsidiaries with prior year tax losses,
- The elimination of taxation on intra-group dividends, and the neutralization of the non-deductible part of debt forgiveness granted by Teleperformance.

The Company is currently subject to a tax audit covering 2006, 2007 and 2008. Management does not consider that the outcome will have a significant impact on the financial statements.

Unrecognized deferred tax assets and liabilities	*Gross amount*	*Income tax*
Liabilities		
Assets		
• Taxed accruals deductible in the future		
- Organic tax	38	13
- Construction-funding payroll tax	17	6
- Retirement benefits	1,242	420
Total	1,297	439

The companies in the tax group in 2009 are the following:

Teleperformance, Teleperformance France, Teleperformance Nord Champagne, Teleperformance Intermediation, Teleperformance Grand Sud, Teleperformance Centre Ouest, Teleperformance Centre Est and Teleperformance Europe Middle East and Africa.

The tax group agreement in force is that recommended by the taxation authority in its instruction of July 23, 1993, the tax burden of the subsidiaries being equal to what it would have been without the existence of the tax group.

Note 14 – Balances and transactions with group companies (in K€)

The schedule below summarizes the main balance sheet and income statement items that relate to subsidiaries.

Balance sheet	*Net amount*
Assets	
- investments in subsidiaries and affiliates	725,516
- receivables from subsidiaries and affiliates	186,018
- accounts receivable – Trade	33,376
- other receivables	48,927
Liabilities	
- provisions for contingencies and expenses	19
- financial liabilities	7,112
- accounts payable – Trade	5,546
- other liabilities	16,138

Income statement	*Net amount*
Income	
- revenues	39,772
- income from investments in subsidiaries and affiliates	11,980
- other financial income	1,622
- write-back of provisions	-
Expenses	
- purchases and external expenses	9,029
- financial expenses	12
- provisions	100,000

Note 15 – Disclosures relating to Company officers

Total remuneration for all services rendered by the members of the Board of Directors which was paid in 2009 was € 534 K compared to € 2,680 K in 2008. No amounts were paid in 2009 to the members of the Supervisory Board, compared with € 120 K in 2008.

Directors' fees paid to members of the Supervisory Board in 2009 were € 146 K, as compared to € 150 K in 2008.

Note 16 – Company's exposure to interest rate risks (in K€)

The Company's exposure to interest rate risks at December 31, 2009 is summarized as follows:

	Gross amount	*Due within one year*	*Due between one and five*	*Due after five years*
Financial assets				
- Loans and advances within the group	186,347	134,213	51,805	329
- fixed rate				
-floating rate (*)	*186,347*	*134,213*	*51,805*	329
Financial liabilities				
- Loans from financial institutions:	123,914	123,914		
- Other borrowings and financial liabilities	7,112	6,777	335	
Total financial liabilities	131,026	130,691	335	
- without interest	*335*		*335*	
- fixed rate				
- floating rate (*)	*130,691*	*130,691*		

(*) Floating rates are based on Euribor and Libor USD or Libor £stg. in respect of liabilities with maturities between three months and one year.

Note 17 – Company's exposure to foreign exchange risks (in K currency)

The Company's exposure to foreign exchange risks at December 31, 2009 is summarized as follows:

	Net amounts in thousands of foreign currency at December 31, 2009
Financial assets	
- Loans and advances within the group	
US$	(*) 125,000
£ sterling	(**) 12,174
Financial liabilities	
- Loans from financial institutions	
US$	(*) 125,000
£ sterling	(**)

(*) A loan of US$ 145 million to the US subsidiary Teleperformance Group Inc has now been reduced to US$ 125 million, and has been hedged by drawing on the syndicated facility in the same amount and currency.

(**) Two loans granted in £ sterling to the UK subsidiary MM Teleperformance (5,000 K€ in total) are hedged by a foreign currency swap.

A £stg. denominated loan of € 9.2 million (£ 7,174,000) has not been hedged. The unrealized exchange loss of 1,122 K€ at December 31, 2009 has been provided.

Note 18 – Unrealized exchange losses/gains on assets and liabilities denominated in foreign currency (in K€)

Balance sheet heading	*Unrealized exchange losses*			*Unrealized exchange gains*
	Total	*Offset by foreign currency hedges*	*Provision*	*Total*
Operating receivables	576		576	47
Receivables from subsidiaries and affiliates	11,078	9,815	1,263	432
Operating liabilities	15		15	19
Financial liabilities				9,815
Total	11,669	9,815	1,854	10,312

Note 19 – Financial commitments (in K€)

Commitments given

- Cautions

Cautions to banks for loans granted to subsidiaries	*Total*	*In favor of subsidiaries*	*Expiry date*
Société Générale (In & Out)	3,000	3,000	09/05/2011
Leasing companies (In & Out)	948	948	July 2008 to April 2010
HSBC (Teleperformance CRM)	721	721	05/31/2014
HSBC (Teleperformance CRM)	5,881	5,881	09/15/2013
Total	10,550	10,550	

- Guarantees

A net asset warranty given by Teleperformance to the purchaser of ISM and IDCC, with the joint and several commitment of Teleperformance France (formerly Teleperformance Technical Help). The warranty was in a maximum initial amount of € 1.7 million, decreasing over the period to its expiry date on December 31, 2010. The Company has also entered into a non-compete agreement in respect of the following activities: training in Company management, marketing, personal efficiency and telephone-related activities (except when carried out in relation to customers). This agreement applies to activities in France, and is valid until February 15, 2011.

During 2009, Teleperformance has also guaranteed (jointly with Teleperformance Group Inc.) the obligations of its Mexican subsidiary, HTC, in respect of a new customer, to a maximum of US $ 7 million, for a period of three years, expiring on January 19, 2012.

- Share purchase commitments to minority shareholders in subsidiaries

The Company has committed to minority shareholders to acquire their interests in certain of its subsidiaries as part of the original acquisition agreement.

These commitments are estimated to amount to 7,508 K€ at December 31, 2009, based on the contractual commitments given by the Company to these minority shareholders. This amount is adjusted each year according to subsidiaries' results and exchange rate movements.

Commitments received

- Net asset warranties received in the course of share purchases

The Company has acquired majority interests in a number of companies in 2009 and in prior years. All share purchase agreements in respect of these acquisitions include a commitment by the sellers to indemnify the Company for any undisclosed liability or any irrecoverable asset as of the date of acquisition. The duration of these commitments is of two or three years from the share transfer date, except for matters relating to liabilities arising from fiscal or employment issues, where the commitment continues until the date of prescription. Most of these commitments are guaranteed by escrow accounts, due for release in two to four years on average.

Other commitments

- Individual rights to training

At December 31, 2009, the Company had received no request from employees for training hours under the law of March 4, 2004. The outstanding commitment at the end of 2009 was for 2,763 hours.

- Financial instruments: hedges

The Company has contracted financial instruments represented by foreign exchange contracts for itself or on behalf of subsidiaries.

As of December 31, 2009, these derivative financial instruments are summarized as follows:

		Commitments received			*Commitments given*
Derivative financial instruments	*Notional amount (in thousands of foreign currency)*	*Notional amount (in thousands of foreign currency)*	*Notional amount (in thousands of foreign currency)*	*Notional amount (in thousands of foreign currency)*	
Hedge of intra-group loan					
Purchase of US$	-	-	-	-	
Hedge of forecast 2010 USD/CAD transactions			*in KCAD*		Teleperformance has granted an internal foreign exchange hedge to its subsidiary MCCI amounting to US$ 5 million at a fixed exchange rate of 1.01. Its fair value is 201 KCAD at December 31, 2009.
Forward sale of USD	900	625	-8	-5	
Put and call options – USD	750	521	1	0.5	
Sale of USD options	600	416	3	2	
Total	2,250	1,562	-4	-2.5	
Hedge of forecast 2010 EUR/CAD transactions			*in KCAD*		Teleperformance has granted an internal foreign exchange hedge to its subsidiary MCCI amounting to € 1.8 million at a fixed exchange rate of 1.63. Its fair value is 211 KCAD at December 31, 2009.
Forward sale of EUR	425	425	-17	-12	
Put and call options EUR	350	350	-2	-1	
Sale of EUR options	250	250	-17	-11	
Total	1,025	1,025	-36	-24	
Hedge of forecast 2010 PHP/USD transactions			*in KUSD*		Teleperformance has granted an internal foreign exchange hedge to its subsidiary Teleperformance USA amounting to PHP K 5,557,200 at a fixed rate of 46.31. Its fair value is KUSD 1,912 at December 31, 2009
Forward purchase of PHP	1,950,000	29,320	413	287	
Put & call PHP	1,150,000	17,291	109	75	
Sale of PHP options	930,000	13,983	53	37	
Total	4,030,000	60,594	575	399	

In accordance with agreements signed with its subsidiaries, Teleperformance:

- is committed to pay back 50 % of profit margins on the foreign exchange contracts, defined as the difference between the actual result made on the external and internal contracts; the fair value of these commitments at December 31, 2009 was:
  - For the hedging of forecast US$/CAD transactions: 98.5 KCAD,
  - For the hedging of forecast EUR/CAD transactions: 88 KCAD,
  - For the hedging of forecast PAP/US$ transactions: 1,295 KUSD,
- will support any losses unless caused by errors made by subsidiaries in estimating underlying exposures.

C. List of Subsidiaries and Affiliates, December 31, 2009

In thousands of local currency	*Share capital*		*Average change rate*	*Closing exchange rate*	*Reserves and retained earnings*		*% shareholding*
I – Detailed information							
Subsidiaries where the gross carrying amount of shares exceeds 1% of the parent company's share capital							
A. Subsidiaries **(more than 50 % owned by the Company)**							
Teleperformance Intermediation 6-8, rue Firmin Gillot 75015 Paris, France	3,750	EUR			1,479	EUR	100
Teleperformance France 6-8, rue Firmin Gillot 75015 Paris, France	155,800	EUR			27,879	EUR	100
Centrum Inwestycyjne Uiannapol 3 03-236 Warsawa, Poland	50	PLN	0.230968	0.243635	6,502	PLN	90
Luxembourg Call Centers 4, bd Joseph II 1840 Luxembourg	500	EUR			94,842	EUR	100
MM Group Holdings 17-54 Hartfield Road SW 19 3SE London, UK	750	GBP	1.121957	1.125999	9,842	GBP	95
SPCC Rua Fl. de Abreu 623 01029 001 Sao Paulo, Brazil	156,500	BRC	0.360789	0.398200	-57,363	BRC	100
Iberphone Avenida de Burgos 8A 28036 Madrid, Spain	7,442	EUR			8,635	EUR	100
Teleperformance Belgium Rue de la Borne 14 - 1080 Brussels, Belgium	769	EUR			-4,273	EUR	100
Service 800 Thisseos 330 176 75 Athens, Greece	600	EUR			5,642	EUR	70
Plurimarketing Rua Al. Braga 25B, 1150 003 Lisbon, Portugal	841	EUR			6,727	EUR	85
Teleperformance Nordic St Eriksgatan 113 - 11384 Stockholm, Sweden	277	SEK	0.094154	0.097542	78,829	SEK	100
Telephilippines San Miguel Av. 1600 Psig City Metro Manila, Philippines	85,392	PHP	0.015087	0.015036	1,199,404	PHP	60
Teleperformance Singapore 210 Middle Road Unit 188994 Singapore	6,000	SGD	0.494242	0.495197	1,144	SGD	98
In & Out Italy	5,650	EUR			-2,512	EUR	100
Teleperformance Colombia Calle 70 A 4 41 Bogota DC, Colombia	157,313	COP	2,986.092	2,920.00	0	COP	100
FST Av. Leandro N Alem 896 2 Piso 1001 Buenos Aires, Argentina	8,100	ARP	0.192256	0.183905	30,942	ARP	88
SCMG Lautengartenstrasse 23 - 4052 B le, Switzerland	250	CHF	0.662208	0.674036	1,725	CHF	92
Teleperformance Group Inc. 1601 Washington Av. Suite 400 - Miami Beach FL 33139, USA	328	USD	0.717618	0.694155	608,000	USD	100
B. Investments **(10 - 50 % of share capital held by the Company)**	None						
II General information							
A. Subsidiaries not set out in section 1	None						
a) French subsidiaries (in total)							
b) Foreign subsidiaries (in total)							
B. Affiliates not set out in section 1	None						
a) French subsidiaries (in total)							
b) Foreign subsidiaries (in total)							

List of Subsidiaries and Affiliates, December 31, 2009

In thousands of local currency

	Carrying amount of shareholding (in K€) Gross	Net	Outstanding loans and advances made by the Company (in K€)	Commitments and warranties given	2009 revenue		2009 net income		Dividends received (in K€)
I – Detailed information									
Subsidiaries where the gross carrying amount of shares exceeds 1% of the parent company's share capital									
A. Subsidiaries (more than 50 % owned by the Company)									
Teleperformance Intermediation	6,647	6,647			0	EUR	451	EUR	
Teleperformance France	159,276	59,276	14,000		277,490	EUR	-115,671	EUR	
Centrum Inwestycyjne	3,831	3,831			18,468	PLN	-524	PLN	
Luxembourg Call Centers	2,696	2,696	57,800		0	EUR	14,403	EUR	
MM Group Holdings	29,976	29,976	13,681		0	GBP	-916	GBP	
SPCC	62,365	51,365			0	BRC	1,495	BRC	
Iberphone	19,280	19,280	4,500		94,579	EUR	1,810	EUR	
Teleperformance Belgium	2,152	2	2,938		0	EUR	274	EUR	
Service 800	5,572	5,572			60,067	EUR	1,606	EUR	
Plurimarketing	3,768	3,768			29,039	EUR	2,131	EUR	
Teleperformance Nordic	6,586	6,586	5,560		237,940	SEK	21,168	SEK	0
Telephilippines	3,490	3,490	1,388		4,256,134	PHP	365,035	PHP	
Teleperformance Singapore	3,373	3,373			3,157	SGD	230	SGD	
In & Out	8,851	8,851		3,948	75,031	EUR	-3,383	EUR	
Teleperformance Colombia	52,832	52,832			0	COP	0	COP	
FST	6,795	6,795			97,811	ARP	5,992	ARP	275
SCMG	8,120	8,120			0	CHF	-119	CHF	
Teleperformance Group Inc.	449,972	449,972	86,769		0	USD	18,373	USD	10,412
B. Shareholdings (10 to 50 % holdings): none									
II General information									
A. Subsidiaries not set out in section 1									
a) French subsidiaries (in total)	340	250	800						
b) French subsidiaries (in total)	2,957	2,823	1,321						190
B. Affiliates not set out in section 1									
a) French subsidiaries (in total)	311	3							
b) French subsidiaries (in total)	219	8	85						

D. List of shareholdings and short-term investments, December 31, 2009

(in €)		*Number of shares*	*Carrying amount*
FRANCE			
	Teleperformance France	155,800	59,276,100
	Teleperformance Intermediation	250,000	6,646,739
	Teleperformance EMEA	2,500	250,000
	Miscellaneous shares with a carrying amount of less than € 15,000		404
	Short-term investments	56,663	32,706,472
	Total France		**98,879,715**
EUROPE			
UK	MM Teleperformance holdings	21,947,800	29,976,348
Austria	Teleperformance Austria	485	256,478
Benelux	Luxembourg contact centers	1,249	2,695,877
Spain	Iberphone	240,000	19,280,483
Portugal	Plurimarketing	715,956	3,767,900
Greece	Service 800	200,000	5,572,107
Italy	In and out SPA	200,000	8,851,261
Sweden	Teleperformance Nordic	2,775	6,586,198
Switzerland	SCMG	230	8,120,431
Czech Republic	Lion Teleservices	2,340	876,384
Poland	Centrum Inwestycyjne	72	3,830,844
	Miscellaneous shares with a carrying amount of less than 15 000 €		2,109
AMERICA			
Argentina	Teleperformance Argentina	7,087,101	6,794,697
Brazil	SPCC	156,500,049	51,365,442
USA	Teleperformance Group Inc.		
	Ordinary shares	259,000	307,922,194
	Preference shares	68,700	142,050,303
Argentina	Citytech	105,000	722,428
Mexico	Impulsora	99,999	326,477
Mexico	Sistemas	57,099	217,652
Colombia	Colombia Multi Media Center	10,800,000	52,832,308
	Miscellaneous shares with a carrying amount of less than 15 000 €		7,698
ASIA-OCEANIA			
South Korea	IMC	90,964	423,806
Singapore	Teleperformance Singapore	5,900,000	3,373,183
Philippines	Telephilippines	2,195,987	3,490,178
	Total outside France		**659,340,677**
Total			**758,220,392**

5. Statutory Auditors' Report on the financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by the shareholders in General Meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying financial statements of Teleperformance S.A.,
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, using sampling techniques or other methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2009 rules and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Justification of our assessments

The accounting estimates required in the preparation of the financial statements for the year ended December 31, 2009 have been made in circumstances which render assessment of the future economic environment difficult.

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter: Note B to the financial statements, *Accounting principles, rules and methods*, section *Investments in subsidiaries and affiliates,* discloses the accounting principles relating to the determination of the carrying value of investments in subsidiaries and affiliates, in particular how impairment losses are measured.

We have assessed the underlying information and assumptions used in the estimates, reviewed the calculation, and examined the procedures for management's approval of these estimates.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We have verified the consistency of the information provided in accordance with article L. 225-102-1 of the French Commercial Code with respect to remuneration and benefits paid to Company officers, and to any commitments given to them, with the financial statements or with the underlying information used in their preparation, and, as applicable, with information obtained by your Company from companies which either control it or are controlled by it. On the basis of our work, we certify that the information provided is accurate and fairly presented.

As required by law, we have ascertained that the necessary information relating to the acquisition of shareholdings and controlling interests, and the identity of shareholders, was given in the management report of the Management Board.

Labège and Maisons-Alfort, March 22, 2010

KPMG Audit	MG Sofintex
A division of KPMG S.A.	*Member of Deloitte Touche Tohmatsu*
Christian Libéros	Pierre Marque, Laurent Odobez
Partner	*Partners*

Teleperformance

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