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This document is a free translation of the SR.Teleperformance French language “Actualisation du Document de référence”. In the event of ambiguity or conflict between statements contained in these two documents, the statements contained in the French language Report shall prevail.

RECENT CHANGES

Contents

- **Group report for the 1st six months of 2003**
- **Recent events**

Group business report for the first half of 2003

I. Business in the first half

The consolidated accounts for the first half of 2003, settled by the Board of Directors, are as follows:

Summarized consolidated data (€m)	6/30/03	6/30/02	Change
Turnover	447.9	445.7	+0.5%
EBITDA	52.7	52.3	+0.8%
Operating result	35.9	37.8	-5.0%
Pre-tax result before exceptional items	34.3	34.7	-1.1%
Net result, group share, before amortization of goodwill from acquisitions and non-recurring items	19.8	18.9	+4.8%
Net result, group share, after amortization of goodwill from acquisitions and non-recurring items	10.4	10.3	+1.0%

Consolidated financial structure (€m)	6/30/03	6/30/02	Change
Cash flow	41.7	33.9	+23%
Net cash flow generated by business	34.1	30.8	+11%
Capital expenditures	18.5	17.6	+5%
Net financial investments (in affiliates)	-4.8	62.1	
Total consolidated stockholders' equity	333.3	317.6	
Consolidated stockholders' equity, group share	307.0	293.9	
Cash assets net of indebtedness	-4.5	-34.4	

Consolidated turnover for the first half of 2003 totaled **€447.9m**, i.e. an overall increase of **0.5%**, breaking down by division as follows:

Contact centers: +3.6%
Marketing services and healthcare: -14.1%

The contact centers division represents 85% of total turnover, compared with 82% at June 30th 2002 and 84% at December 31st 2002. Excluding the exchange rate effect, the increase is 13%, including +19% for the contact centers division.

On the basis of comparable data, the Group's turnover rose by **0.4%**, breaking down as follows:

Contact centers: +3.2%
Marketing services and healthcare: -14.3%

The consolidated turnover includes the first-half turnover earned by the Vivactis group, deconsolidated on June 30th 2003 after it was sold.

Geographical breakdown of turnover:

(%)	6/30/03	6/30/02	Change
Europe	59	58	+1
<i>including France</i>	31	30	+1
North America	36	35	+1
Others	5	7	-2
Total	100	100	

The Group's **operating result** for the first half of 2003 was **€35.9m**, compared with €37.8m for the first half of 2002. The operational margin was **8.0%**, compared with 8.5% for the first half of 2002. Excluding the exchange rate effect, the operating result was

€41.1m, i.e. an increase of 9%, with an operational margin of 8.2%. The **contact centers** division generated an operational margin of **8.3%** (8.4% at a constant rate), compared with 8.9% for the first half of 2002.

E.B.I.T.D.A. (earnings before interest, taxation, depreciation and amortization) totaled **€52.7m**, compared with €52.3m for the first half of 2002, i.e. an increase of **0.8%**. The E.B.I.T.D.A. generated by the **contact centers** division was **€47.2m**, compared with €46m for the first half of 2002, i.e. an increase of **3%**.

Net financial expenses totaled €1.6m, compared with €3.0m in 2002. They include €0.8m in net exchange losses, compared with €1.8m in 2002.

The **pre-tax result before exceptional items** was **€34.3m**, compared with €34.8m for the first half of 2002.

The **exceptional result generated by fully consolidated companies** was a pre-tax surplus of **€11.8m**, compared with a deficit of €0.5m in 2002, breaking down as follows:

(€m)	6/30/03	6/30/02
Management operations	-0.1	-0.4
Non-recurring items	+11.9	-0.1
. Net capital gains on securities	+11.9	+2.9
. Exceptional provisions	-	-3.0
Total	+11.8	-0.5

The capital gains on securities mainly result from the deconsolidation of the Vivactis Santé Group and the TP Italy subsidiary on June 30th.

Corporation tax totaled €8.8m, compared with €13.9m for the first half of 2002, breaking down as follows (€m):

	<u>2003</u>	<u>2002</u>
Tax burden on normal business:	-10.4	-12.7
Tax credit on non-recurring items:	<u>+1.6</u>	<u>-1.2</u>
Total	-8.8	-13.9

The tax credit on non-recurring items includes a future tax saving of €3.3m due to the recording in the consolidated accounts of an exceptional allocation for goodwill on acquisition of a subsidiary, tax-deductible within the subsidiary over a longer period. The average rate on recurring operations was 30%, compared with 37%.

The **net result, group share, before non-recurring items and amortization of goodwill on acquisitions**, totals **€19.8m**, compared with **€18.9m** for the first half of 2002, i.e. an increase of **4,8%**.

The **group share of non-recurring items** represents **€13m** in profit net of tax. Gross amortization of goodwill on acquisitions totals **€22.4m** (including €15.3m in exceptional amortization mainly recorded for an American subsidiary following the reorganization of the North American network).

The **group share of the net result** comes out as €10.4m, compared with €10.3m at June 30th 2002.

II. Financial structure at June 30th 2003

The **group's total stockholders' equity** stands at **€333.3m**, of which the group share is €307m. Residual goodwill on acquisitions at June 30th 2003 totaled €152.2m.

Net available funds totaled **€103.9m** at June 30th 2003, compared with €78m at December 31st 2002, i.e. an increase of €25.9m.

Net indebtedness at June 30th 2003 was **€4.5m**, compared with €34.4m at June 30th 2002 and €16.6m at December 31st 2002.

Changes in the group's cash assets in the first half of 2003:

(€m)	1 st half 2003	1 st half 2002	%
Gross cash flow	+41.7	+33.9	+23%
Change in working capital requirement	-7.5	-3.1	
Net operational investments	-18.5	-17.6	
Available cash flow	+15.7	+13.2	+19%
Financial investments (in affiliates)	+4.8	-62.1	
Debt repayments (net)	-7.8	+48.5	
Dividends	-11.5	-11.7	
Capital increase	+0.6	+1.9	
Others	-2.1	-2.2	
Net change in cash assets	-0.3	-12.4	
Effect of changes in the scope of consolidation	-2.4	-5.4	
Net change in cash assets	-2.7	-17.8	

Prospects

Despite the very poor economic situation and uncertainties over new US legislation on telemarketing, **the management confirms the group's ability to maintain a level of activity and results for the whole of 2003 that will be comparable with the level achieved in 2002, corrected for the effects of deconsolidation.**

Recent events

1/ Transfer of Health business **(press release dated 17th June 2003)**

On 17th June SR Teleperformance transferred all of its holdings grouped into the Health communication department under the VIVACTIS brand to the ACTIVA CAPITAL investment capital company.

This transfer is part of the strategy of disinvesting in the group's non-strategic activities and of refocusing on its core business, i.e. the Call Centres division.

2/ Reinforcing the managerial structure **(press release dated 26th June 2003)**

The new structure of the management team, effective from 1st July, is as follows:

Jacques Berrebi, formerly chairman of the supervisory board, holds the following positions:

- Vice-chairman of the Supervisory Board
- Chairman of the Appointments and Remunerations Committee
- Vice-Chairman of the Audit Committee
- Chairman of Teleperformance Group Inc (U.S.A.)

Daniel Julien, formerly chairman of the Board, holds the following positions:

- Chairman of the Supervisory Board
- Chief Executive Officer of Teleperformance Group Inc. (U.S.A.)

Christophe Allard, formerly Managing Director and member of the Board, is appointed to the position of Chairman of the Board

Michel Peschard, Company Secretary, is appointed a member of the Board

A 7-member executive committee, based around Mr Jacques Berrebi, Daniel Julien and Christophe Allard has also been set up to harmonise and develop policies in the broadly defined regions of the world.

3/ Incorporation of two new subsidiaries in the United Kingdom **(press release dated 2nd July 2003)**

The SR Teleperformance group is now operating in the United Kingdom through two subsidiaries trading under different brand names.

This strategy, which had previously been set up in countries such as France, the Netherlands and the United States, aims at strengthening growth potential on the Call Centres market by doing away with conflicts of interests whilst offering greater flexibility and a wider choice of outsourcing partners.

4/ Strengthening the company's presence in Southern Europe **(press release dated 22nd July 2003)**

SR Teleperformance has strengthened its presence on the Italian market by taking over a majority holding in a subsidiary, newly incorporated under the Teleperformance brand and based in Rome, and by transferring its 50% holding in MM Contact Center, located in Milan.

In addition, SR Teleperformance holds 100% of the capital in the Spanish subsidiary Iberphone after the buyout of the minority 30% holding owned by the Caja de Madrid group. In consideration, Caja de Madrid has undertaken to renew its contracts with Iberphone over the next three years. Over this period these contracts will be worth a total of €25 million.

5/ Acquisition of Sodema in Canada **(press release dated 6th October 2003)**

The Canadian company Teleperformance Canada, which is a subsidiary of SR Teleperformance, has acquired 100% of SODEMA, a company based in Montreal, from the TRANSCONTINENTAL group. This acquisition, which was paid for in cash, means that the group has now entered the top 10 on the Canadian market with more than 500 working positions and an annual turnover over a full year of 30 million Canadian dollars.

It also allows the company to add to its range of services and to develop the call reception and technical support businesses in this country.

It is part of the group's development strategy on nearshore solutions due to Canada's close geographical and cultural proximity to the United States

6/ Acquisition of Telnorm in Mexico **(press release dated 15th October 2003)**

SR Teleperformance is strengthening its position as leader on the Mexican market following the acquisition – which was paid for in cash – by its Mexican subsidiary Merkafon of assets in Telnorm, an outsourced call centre operator based in Mexico City.

Telnorm is a leading debt recovery specialist

7/ Turnover at 30th September **(press release dated 12th November 2003)**

The **consolidated turnover at 30th September 2003** stood at **631.4 million euros** compared with 646.7 million in 2002. **In terms of published data** this is a slight fall of 2.4%.

Excluding the exchange rate effect, the consolidated turnover shows a **growth of 7.3%**.

On the basis of comparable data, the consolidated turnover has recorded a **slight rise of 0.5%**.

The **consolidated turnover** over the **3rd quarter of 2003** stands at **183.5 million euros**, down by **9%**. It has been affected by the transfer of the

Health Department's business which has been de-consolidated since 1st July 2003, as well as the exchange rate effect (the fall in the value of the dollar).

On the basis of comparable data, the consolidated turnover has grown by **0.6%**

At **30th September 2003** the **Call Centre** division had achieved a turnover of **541.9 millions euros, up 1%**.

Excluding the exchange rate effect, this amounts to a **12.6% growth**.

On the basis of comparable data, the consolidated turnover has recorded a **2.6% growth**.

In the **3rd quarter of 2003**, the Call Centres achieved a turnover of **161.8 million euros, down 5%** which, **using comparable data**, is a **rise of 1%** for the same period.

The Call Centres division now accounts for **86% of the group's overall turnover** as against **83%** at 30th September 2002.

BREAKDOWN BY AREA OF BUSINESS

The consolidated turnover at 30th September is broken down as follows:

(in millions of euros)	<u>2003</u>	<u>2002</u>	<u>Growth</u>		
			<u>Using published data</u>	<u>Using a constant exchange rate</u>	<u>Using comparable data</u>
Call Centres	541.9	536.4			
Marketing Services & Health	89.5	110.3			
TOTAL	631.4	646.7	+ 1%	+ 12.6%	+ 2.6%
			- 19%	- 19.0%	- 11.8%
			- 2.4%	+ 7.3%	+ 0.5%

(*) Using constant scope and exchange rate

BREAKDOWN BY GEOGRAPHICAL AREA

The turnover by **geographical area** is broken down as follows:

(in millions of euros)	<u>Global</u>		<u>Call Centres</u>	
	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>
France	182.2	29.0	139.4	25.5
Europe (excluding France)	<u>173.8</u>	<u>27.5</u>	<u>127.1</u>	<u>23.5</u>
Europe	356.0	56.5	266.5	49.0
North & Central America (NAFTA)	239.7	38.0	239.7	44.5
Others	<u>35.7</u>	<u>5.5</u>	<u>35.7</u>	<u>6.5</u>
Rest of the World	275.4	43.5	275.4	51.0
TOTAL	631.4	100	541.9	100

Consolidated financial statements at 30th June 2003

- **Balance sheet**
- **Profit and loss account**
- **Cash flow statement**
- **Consolidation scope**
- **Annex**
- **Simplified organisational chart at 18th November 2003**

Balance sheet at 6/30/03

<i>€k</i>		6/30/03	30/06/02	31/12/02
ASSETS	Note in the annex			
Subscribed capital not called up		224	384	224
Net intangible fixed assets	III,1	7 515	6 458	5 878
Net goodwill from acquisitions	III,2	152 231	156 689	166 609
Net tangible fixed assets	III,3	94 722	90 758	100 181
Net financial fixed assets				
Securities recorded using the equity method		245	78	235
Investments in affiliates		4 622	4 374	4 161
Receivables from affiliates			66	4
Others		6 428	5 860	6 904
Total financial fixed assets	III,4	11 295	10 378	11 304
TOTAL FIXED ASSETS		265 763	264 283	283 972
Current assets				
Inventories and work in progress		5 652	5 754	3 815
Advances and payments on account		2 575	975	1 413
Customers and related accounts		201 999	234 718	223 551
Other receivables		35 513	38 249	38 664
Marketable securities		74 503	50 764	65 074
Available funds		47 346	53 529	62 185
Prepaid expenses		8 739	9 692	7 984
TOTAL CURRENT ASSETS	III,5	376 327	393 681	402 686
Expenses spread over several years		1 374	1 233	1 309
Deferred tax assets	III,9	9 351	4 209	7 450
Asset translation differences			1 438	1 477
TOTAL ASSETS		653 039	665 228	697 118

<i>(€k)</i>		6/30/03	6/30/02	12/31/02
	Note in annex			
LIABILITIES				
Capital		87 658	84 097	87 465
Issue and merger premiums		177 609	166 303	170 803
Consolidated reserves		31 364	33 177	26 216
Result	IV,1	10 388	10 272	23 806
TOTAL STOCKHOLDERS' EQUITY	III,6	307 019	293 849	308 290
Minority interests		26 331	23 750	31 736
Provisions for risks and expenses	III,7	6 459	5 887	5 882
Deferred tax liabilities	III,9	1 847	622	3 116
Debts				
Financial debts	III,8	126 384	138 643	143 900
Advances and payments on account		4 364	2 277	4 058
Supplier debts and related accounts		54 572	68 031	66 624
Other debts		119 583	120 978	123 480
Prepaid income		6 480	10 181	8 772
TOTAL DEBTS		311 383	340 110	346 834
Liability translation differences			1 010	1 260
TOTAL LIABILITIES		653 039	665 228	697 118

CONSOLIDATED INCOME STATEMENT

(€k)		6/30/03	6/30/02	12/31/02
	Note in annex			
Operating income		457 728	459 051	950 267
Turnover	IV,1	447 927	445 718	931 964
Stored production		1 052	1 031	-242
Capitalized production		226	274	759
Write-backs of depreciation and provisions, plus expense transfers		2 493	1 887	3 882
Other income		6 030	10 141	13 904
Operating expenses		421 851	421 300	866 854
Purchases of goods and raw materials		1 122	226	1 385
Inventory change		-289	-65	-423
Other external expenses		128 936	145 089	293 103
Taxes and levies		4 394	4 593	10 368
Personnel expenses*		265 741	253 117	521 131
Allocations for depreciation and provisions	IV,2	20 018	17 832	39 749
Other expenses		1 929	508	1 541
Operating result	IV,1	35 877	37 751	83 413
Share of results of joint operations				
Financial income	IV,3	3 648	2 878	6 858
Financial expenses	IV,3	5 215	5 876	12 353
Financial result	IV,3	-1 567	-2 998	-5 495
PRE-TAX RESULT BEFORE EXCEPTIONAL ITEM	IV,1	34 310	34 753	77 918
Exceptional income and expenses	IV,6	11 797	-499	-561
Corporate tax	IV,4	-8 817	-13 908	-26 228
NET RESULT INTEGRATED COMPANIES		37 290	20 346	51 129
NET EARNINGS FROM COMPANIES RECORDED USING THE E	IV,5	-6	-50	11
NET RESULT BEFORE GOODWILL		37 284	20 296	51 140
Amortization of goodwill (net)		-22 585	-7 360	-17 411
TOTAL NET RESULT		14 699	12 936	33 729
Including:				
- Group share				
Before goodwill		32 776	17 556	41 005
~per share (€)		0,94	0,52	1,22
~diluted per share (€)		0,91	0,49	1,13
After goodwill	IV,1	10 388	10 272	23 806
~per share (€)		0,30	0,31	0,71
~diluted per share (€)		0,29	0,28	0,66
- Minority interests				
Before goodwill		4 508	2 740	10 135
After goodwill		4 311	2 664	9 923
* including personnel profit-sharing		629	556	1 141

CASH FLOW STATEMENT

	6/30/03	6/30/02	12/31/02
(€k)			
<u>I. Cash flow relating to operating activities</u>			
Net result, group share	10 388	10 272	23 806
Net result, minority interests' share	4 311	2 664	9 923
Share of the results of companies recorded using the equity method	6	50	-12
Dividends received from companies recorded using the equity method	44	75	75
Depreciation and amortization of fixed assets	39 465	21 913	50 694
Change in other provisions	1 587	565	3 728
Change in deferred tax	-3 954	-414	-541
Investment subsidies	-71		-1
Capital gains or losses on sales of assets, net of tax	-9 692	-1 180	-3 227
Exchange difference	-405		-5 268
Gross cash flow from consolidated companies	41 679	33 945	79 177
Change in working capital requirement	-7 544	-3 151	+11 485
Net cash flow resulting from operating activities	+34 135	+30 794	+90 662
<u>II. Cash flow relating to investment transactions</u>			
Acquisitions of fixed assets			
Intangible and tangible	-19 676	-18 331	-35 134
Investments in affiliates	-13 334	-60 444	-97 074
Other financial assets	-638	-1 822	-4 098
Expenses to be spread over several years	-471	-865	-879
Change in receivables for sales of fixed assets			
Change in debts on fixed assets	-1 510	-213	1 315
Sales and reduction of fixed assets, net of tax			
Intangible and tangible	+1 197	+731	+1 872
Investments in affiliates	18 150	-1 657	+1 723
Other financial assets	+493	+1 233	+3 084
Net cash flow resulting from investment transactions	-15 789	-81 368	-129 191
<u>III. Cash flow relating to financing operations</u>			
Capital increases in cash	+584	+1 869	+11 649
Dividends paid to stockholders of the parent company	-6 298	-6 055	-6 055
Dividends paid to minority stockholders of consolidated companies	-5 260	-5 616	-6 179
Asset/liability translation difference	217	-533	-322
Reimbursement of financial debts	-13 323	-16 904	-39 230
Increase in financial debts	+5 459	+65 425	+91 275
Net cash flow resulting from financing operations	-18 621	38 186	51 138
Change in cash assets	-275	-12 388	12 609
Initial cash assets	106 621	95 815	95 815
Closing cash assets	103 944	78 024	106 621
Effect of currency rate variations	-1 616	-159	-355
Effect of changes in the scope of consolidation	-786	-5 244	-1 448

I. SCOPE OF CONSOLIDATION AT JUNE 30TH 2003

Business sector	Consolidated companies	% Interest	% Control
I.1) - FULL CONSOLIDATION			
Parent company:	SR.Teleperformance	100	100
<u>CONTACT CENTERS</u>			
Paris			
	Teleperformance France	100	100
	Cash Performance	90	90
	Multilignes Conseil	90	90
French regions			
	Teleperformance Azur	88	98
	Teleperformance Est	84	100
	Teleperformance Midi-Pyrénées	90	95
	Teleperformance Nord	84	84
	Teleperformance Ouest	86	86
	Teleperformance Rhône-Alpes	88	88
	Teleperformance Sud-Ouest	94	94
	Communicator	87	87
	Techcity Solutions France	75	97
Europe			
Southern Europe			
	Iberphone (Spain)	70	70
	CEE Iberphone (Spain)	70	100
	Fonomerk (Spain)	100	100
	Plurimarketing (Portugal)	69	69
	Grandi Numeri (Italy)	50	50
	Service 800 (Greece)	70	70
	DRS (Greece)	53	75
	Mantel (Greece)	36	51
	TP Lebanon	36	51
	Société Tunisienne de Télémarketing	100	100
Northern Europe			
	Teleperformance Germany	96	96
	Market Vision (Germany)	38	76
	TP Austria	100	100
	B.I.T.E. (Sweden)	85	85
	B.I.T.E. Göteborg (Sweden)	85	100
	Techcity Nordic (Sweden)	62	80
	Stafet (Denmark)	60	70
	Teleperformance Finland	77	90
	Teleperformance Norway	44	52
	Teleperformance Fund Raising AS (Norway)	44	100
	Teleperformance Consulting (Norway)	44	100
	Teleperformance Belgium	100	100
	Teleperformance Holland	88	88
	Perfect Call (Holland)	95	95
	TP Switzerland	67	67
	B.P.S Teleperformance (UK)	84	84
	Teleperformance Technologies (UK)	43	51
	Luxembourg Call Centers	100	100
North America			
	Teleperformance USA	97	97
	Americall (USA)	89	89

	Noble Systems Corporation (USA)	51	51
	National Service Direct, Inc (N.S.D.I.) (USA)	51	51
	Marcom Dominicana (Dominican Republic)	89	100
	Teleperformance Group Inc (USA)	100	100
	Marusa marketing (Canada)	100	100
	Marusa financial services (Canada)	50	98
	Teleperformance Canada	86	86
	Merkafon group (Mexico and USA)	100	100
South America			
	TP Brasil Comércio et Serviços	51	51
	Full Sale Teleperformance Argentina	65	65
	Americall Mexico	89	100
Asia/Pacific			
	Times Singapore	51	51
	I.M.C. Marketing (Korea)	50	50
	CRM TP India	97	100
	Teleperformance Australia	100	100
Other support services (Europe including France)			
<i>Information services</i>			
	Synerfil	50	50
	Business Fil	48	95
<i>Software design</i>			
	Progisoftware conseil (P.G.S.)	82	82
<i>Other</i>			
	Institut du Call Center (France)	80	80
	SRBV	78	78
	Teleperformance Institute (Denmark)	48	80
<u>MARKETING SERVICES</u>			
Parent company:	SR.Marketing Services	100	100
Marketing research & training			
<i>Qualitative surveys</i>			
	W.S.A.	61	61
<i>Point of sale surveys</i>			
	In Vivo	31	50
	Interview	31	100
	Intermind	18	60
	In Situ (Germany)	31	100
	Market Lab (Italy)	30	98
	Webnostic	45	100
	Kalee	60	60
<i>Semio-linguistic surveys</i>			
	Anacom	51	51

<i>Statistical processing and data mining</i>	Socio	70	70
<i>Training</i>	Pédagogie du management (I.S.M.)	80	80
 Design and communications			
 Brand strategy and design			
	Khéops (France)	100	100
	Design Board (Belgium)	99	99
	Xo Design	100	100
 Newton 21 network			
Parent company	Newton 21 Europe	95	95
<i>Real estate</i>	BIP S.P.R.L.	95	100
	Immo couronne	24	50
Benelux			
<i>Communications agencies</i>	Newton 21 Belgium	48	50
	Efcom (Netherlands)	24	51
	Hoogcarspel (Netherlands)	24	100
	Belpharma	17	50
<i>Public relations</i>	Pimiento	36	75
	Texys	36	75
<i>Healthcare agency</i>	New Way (Belgium)	33	70
<i>Sales promotion</i>	Banco	48	50
<i>Market research</i>	Carré Jaune	52	55
Spain			
<i>Communications agencies</i>	Puzzle Barcelona	58	60
	NEWTON 21 Madrid	54	57
	San Romero	95	100
Italy			
<i>Communications agencies</i>	Newton 21 Italy	48	50
France			
<i>Communications agencies</i>	C.C.P.A	81	85
	Richard Peyrat & Associés	94	99
Switzerland			
	W& G für dialogkommunikation AG	49	51

Operational marketing

Direct marketing	SRMS One	95	95
	Pentagone	100	100
Marketing, not-for-profit sector	Cime	51	51
Sales force incentives	Promoplan (Italy)	70	65
	Catiturama (Italy)	70	100
	Ambrosini (Italy)	36	51
	Gala Events (Italy)	70	100
Press relations and events	Information Presse Service	50	50
Sales promotion	SRMS AKOA	50	50
	Groupe Présence plus	66	66
	Présence plus	66	100
	Start	66	100
Other	Tirage	83	79
	New way (France)	100	100
	LB Conseil & Participation	100	100

HEALTHCARE COMMUNICATIONS

Parent company	Rocheftortaise Santé (Vivactis)	100	100
	J.R.T. Participations	100	100
	F.C.S.	100	100

I.2) - RECORDED USING THE EQUITY METHOD

CONTACT CENTERS

Asie/Pacific	Teleperformance Philippines	40	40
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MARKETING SERVICES

Operational marketing

Other	Differdange S.A	20	20
Sales promotion	Flexibreaks	33	50

I.3) - CHANGES IN THE SCOPE OF CONSOLIDATION

The following consolidation changes took place:

ACQUISITIONS OF NEW INTERESTS AND START-UPS:

			Date of effect	Control Change
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A: ACQUISITION S: START-UP

Contact centers

Europe

Cash Performance (France)	C	01/01/03	+ 90%
Teleperformance Consulting (Norway)	C	01/01/03	+ 100%
Techcity Nordic (Sweden)	C	01/01/03	+ 80%

Other support services (Europe)

Teleperformance Institute (Denmark)	C	01/01/03	+ 80%
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INCREASES IN INTEREST PERCENTAGES:

			Date of effect	Control Change
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Contact centers

Société Tunisienne de Télémarketing	A	04/01/03	+ 16%
Bite Göteborg (Sweden)	A	01/01/03	+ 10%
BPS Technologies (UK)	A	01/01/03	+ 21%
Teleperformance Canada	A	01/01/03	+ 19%

Marketing services

Hoogcarpsel & Partners	A	01/01/03	+ 20%
Design Board		01/01/03	+ 29%
SRMS One	A	01/01/03	+ 21%
Newton 21 Europe	A	01/01/03	+ 1%

SALES OF COMPLETE INTERESTS:

			Date of effect	Control Change
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Contact centers

Teleperformance Italy		06/30/03	-50%
Teomac		01/01/03	-65%

Healthcare

The group sold all its interests in the Vivactis group, its healthcare communications division with effect from June 30th 2003

The interests sold are listed below:

Contact centers			
	Mail Call Healthcare (Vivactis Mail Call)	06/30/03	-76%
Clinical studies			
	Medistat (Vivactis Etudes Cliniques)	06/30/03	-75%
Communications agencies			
	S2L Santé (Vivactis Conseil)	06/30/03	-89%
	Réactif	06/30/03	-51%
	Intermed (Vivactis Hôpital)	06/30/03	-58%
	Alinea +	06/30/03	-70%
	Optimed (filiale d'Alinea +)	06/30/03	-97%
Events			
	Euclide (Vivactis Evénements)	06/30/03	-61%
Media			
	Aljac (Vivactis Média)	06/30/03	-97%
	CDTM Editions	06/30/03	-60%
	DATEBE Editions	06/30/03	-51%
	M.P.I.	06/30/03	-100%
	Edimark	06/30/03	-100%

INTERNAL RESTRUCTURING OPERATIONS

Contact centers

As part of the reorganization of the network in North America, Marcom Technologies was amalgamated with Americall with effect from June 30th 2003.

The control percentages have changed as follows:

	12/31/02	06/30/03
Marcom Technologies	100%	-
Americall	80%	88,77%

II. Accounting principles, valuation methods and consolidation procedures, comparability of accounts (€k: thousands of euros)

II.1 – Accounting references and consolidation methods

The consolidated accounts are prepared according to French accounting principles and the provisions of Regulation No. 99-02 on consolidated accounts issued by the Accounting Regulatory Committee (CRC). The consolidated accounts are prepared on the basis of each company's accounts as at June 30th 2003.

a) Consolidation method

The accounts of companies controlled exclusively by SR.Teleperformance, directly or indirectly, are fully consolidated. The accounts of companies over which SR.Teleperformance has significant influence are consolidated using the equity method.

b) Goodwill

Goodwill is the difference between the cost of purchasing stocks, including the purchase price plus purchase expenses fees net of tax, and the share of the total value of assets and liabilities identifiable on the date of purchase. Identifiable assets and liabilities used to determine goodwill are valued on the basis of an accounting statement close to the date when the interest was acquired.

The depreciation schedule for goodwill is as follows:

- Contact centers:
 - . companies acquired or formed since January 1st 1997: twenty years
 - . companies acquired before January 1st 1997: five years
- Marketing services, healthcare and other activities: five years

The goodwill recorded on June 30th 2003 has been systematically validated. The methodology used mainly consisted in comparing fair values of each of the Group's operational divisions with the corresponding net assets (including goodwill). These fair values were determined essentially with reference to the market value calculated on the basis of provisional data. The other expected benefits of the acquisition, such as synergies resulting from the acquired company's integration in the Group's activities, and the strategic value of this company for the Group were also taken into account. This approach led to exceptional depreciation of €15.3m being recorded during the first half of 2003.

c) Conversion method

The conversion rate used for the accounts of foreign subsidiaries is the closing rate for the balance sheet and the average rate for the income statement. The differences resulting from these conversions are recorded in stockholders' equity. None of the Group's subsidiaries is based in a hyper-inflationary country as defined by the *Conseil National de la Comptabilité (French Accounting Council)*.

II.2 – Valuation methods and rules

a) Tangible and intangible assets

Business goodwill is depreciated according to the same schedule as goodwill on acquisition. Tangible assets of consolidated companies are valued at their purchase

cost. Depreciation is calculated using the straight-line or reducing-balance method depending on the nature of the assets concerned.

Intangible fixed assets: one to five years, straight-line

Buildings: twenty years, straight-line

Fixtures and fittings: five to ten years, straight-line

Other tangible fixed assets: three to ten years, straight-line

b) Investments in affiliates

Stocks in non-consolidated affiliates are recorded on the balance sheet at their purchase price and are amortized via provisions when the inventory value is lower than the cost of purchase. The inventory value is calculated by taking an asset value (net book worth as corrected) and a value based on profitability (historic profit and future potential). Original and current valuation criteria are taken into account, plus, where relevant, future prospects.

c) Receivables and related accounts

Receivables are valued at the nominal value and amortized via provisions to take account of any collection problems.

d) Receivables and debts denominated in foreign currencies

Since January 1st 2003, latent exchange gains or losses resulting from the conversion of receivables and debts denominated in foreign currencies at the closing exchange rates have been recorded on the income statement in the financial result.

e) Finance leasing contracts

Leasing and equivalent contracts are capitalized.

f) Pension commitments

For pension compensation valued using the retrospective method, a provision is made under balance sheet liabilities in accordance with the preferential method in CRC Regulation 99-02. A tax credit may be recorded (deferred tax).

g) Deferred tax

The effects of deferred tax resulting from temporary differences between entries of income or expenses and their inclusion in the fiscal result are recorded using the variable transfer method and calculated according to the latest known tax rates. Potential tax credits resulting from losses carried forward and amortization deemed to be deferred are recorded when they relate to companies whose short-term result forecasts mean that these losses can be carried forward with sufficient certainty.

h) Recording income

Operations partially completed at the end of the year are recorded according to the progress method.

i) **Result before exceptional items and exceptional result**

Exceptional items included in the result comprise significant income or expenses not corresponding to the company's normal activities and also include capital gains and losses resulting from the sale of assets.

The allocations and write-backs of provisions for securities depreciation are included in the financial result, except for write-backs of provisions for sales of securities, in whole or in part, which are reclassified in the exceptional result.

j) **Earnings per share**

The net earnings per share are calculated according to the average number of issued shares forming the capital over the year. The diluted earnings per share takes into account the diluting effect of shares to be issued for options.

k) **Exchange and interest rate management**

Except for an interest rate swap for a loan of €11.4 million taken out in 1999, the group does not use any financial instruments. In order to limit its exchange risk exposure, the Group borrows or advances funds in foreign currency in order to cover the loans made to its subsidiaries denominated in the same currency and with the same expiry dates. In accordance with the rules applicable to cover operations, exchange gains and losses are recorded on the date when the symmetrical operations unwind. In the event of the disappearance of the covered item, the cover is settled and the gains and losses are immediately recorded in the result.

l) **Debenture loan**

The convertible bond loan issued by the parent company on June 24th 1997 matured on April 7th 2003. During the first half of 2003, 8,484 bonds were converted. A total of 1,656 bonds not converted on April 7th 2003 were redeemed.

II.3 – Preferential methods

The preferential method was applied to process latent exchange gains and losses for the first time in 2003. The impact of this change of method is +€42k on the result and -€17k on the initial consolidated reserves. In practice, the overall impact of +€25m (insignificant) was recorded in the result. If the preferential method had been applied in previous years, the impact on the consolidated pre-tax result would have been as follows (€k):

2001 financial year: -1,926
2002 financial year: -422

II.4 – Comparability of accounts

The cost of securities acquired during the first half of 2003 financial year totaled €13.4m, mainly corresponding to increases in percentage interests. The main acquisition was 16% of the capital of Société Tunisienne de Télémarketing for €9.1m. The goodwill recorded for this period stands at €11.1m.

The main sales in the first half concerned Teleperformance Italy (contact centers) and operational companies in the Vivactis group. These operations recorded on June 30th 2003 had no effect on the consolidated result before exceptional items.

III. Notes on the balance sheet (€k)

III.1 - Intangible fixed assets

Position at June 30th 2003

	Gross value	Depreciation	Net value
Concessions, patents and licenses	3,193	1,876	1,317
Goodwill	1,200	1,171	29
Others*	14,577	8,408	6,169
Total	18,970	11,455	7,515

Changes during the accounting period

	1/1/03	Increase	Reduction	Structural changes and currency changes	6/30/03
. Gross value					
Concessions, patents and licenses	2,800	890	56	-441	3,193
Goodwill	1,594			-394	1,200
Others*	13,844	850	245	128	14,577
Total	18,238	1,740	301	-707	18,970
. Depreciation					
Concessions, patents and licenses	2,022	278	55	-369	1,876
Goodwill	1,558	180		-567	1,171
Others*	8,780	894	109	-1,157	8,408
Total	12,360	1,352	164	-2,093	11,455

* Mainly software

Breakdown by sector of activity

The gross value of intangible fixed assets breaks down by sector of activity as follows:

Business sector	1/1/03	Increase	Reduction	Structural changes and currency changes	6/30/03
Contact centers	14,287	.1,499	151	118	15,753
Marketing services and healthcare	3,951	241	150	-825	3,217
Total	18,238	1,740	301	-707	18,970

III.2 – Goodwill from acquisitions

Position at June 30th 2003

	Gross value	Depreciation	Net value
Goodwill	222,643	70,412	152,231

Changes in the first half:

Gross value

	1/1/03	Acquisitions & consolidation changes	Deconsolidation	Currency changes	6/30/03
Contact centers	193,264	*10,673	-699	-1,394	201,844
Marketing services	20,448	392		-41	20,799
Healthcare communications	9,015		†-9,015		0
Total	222,727	11,065	-9,714	-1,435	222,643

* This figure includes €8.8m for the acquisition by Luxembourg Call Centers of 16% of the capital of Société Tunisienne de Télémarketing.

† Sale of the healthcare division of the SR Teleperformance Group on June 30th 2003.

Note that since June 30th 2003 a 30% capital stake has been acquired in Iberphone, increasing our interest from 70% to 100%, and a debt collection business has been acquired in Mexico.

Depreciation and provisions:

	1/1/03	Allocations	Deconsolidation	6/30/03
Contact centers	35,004	19,946	-677	54,273
Marketing services	14,230	1,909		16,139
Healthcare communications	6,884	730	-7,614	0
Overall total	56,118	22,585	-8,291	70,412

Goodwill takes into account the price adjustments agreed when the stocks of the companies concerned were purchased. These adjustments total €0.6m for the first half of 2003. Goodwill was subject to exceptional depreciation of €15.3m in the first half of 2003, including €14.6m for the North American contact center network and €0.7m in Marketing Services.

III.3 – Tangible fixed assets

Position at June 30th 2003

	Gross value	Depreciation	Net value
Land	2,136		2,136
Buildings	14,613	4,847	9,766
Technical facilities	72,646	45,693	26,953
Others	122,590	68,308	54,282
Fixed assets in process	1,104	20	1,084
Advances and payments on account	501		501
Total	213,590	118,868	94,722

Changes in the first half

	1/1/03	Increase	Reduction	Structural changes and currency changes	Other changes	6/30/03
. Gross value						
Land	2,136					2,136
Buildings	14,536	1,405	43	-1,285		14,613
Technical facilities	100,585	4,425	1,672	-30,692		72,646
Others	97,138	10,979	3,087	17,609	-49	122,590
Fixed assets in process	836	566		-237	-61	1,104
Advances and payments on account	116	501		-116		501
Total	215,347	17,876	4,802	-14,721	-110	213,590
<u>Depreciation</u>						
Land						
Buildings	4,784	401	19	-312	-7	4,847
Technical facilities	59,230	5,061	1,348	-17,246	-4	45,693
Others	51,152	9,775	2,486	10,273	-406	68,308
Fixed assets in process		20				20
Total	115,166	15,257	3,853	-7,285	-417	118,868

Breakdown by sector of activity

The gross value of tangible fixed assets breaks down by sector of activity as follows:

Business sector	1/1/03	Increase	Reduction	Structural changes and currency changes	Other changes	6/30/03
Contact centers	200,435	17,172	4,395	-13,161		200,051
Marketing services and healthcare	14,912	704	407	-1,560	-110	13,539
Total	215,347	17,876	4,802	-14,721	-110	213,590

III.4 – Financial fixed assets

Position at June 30th 2003

	Gross value	Provision	Net value
Securities recorded using the equity method	245		245
Investments in affiliates	8,009	3,387	4,622
Related receivables			
Others	6,516	88	6,428
Total	14,770	3,475	11,295

Changes in the first half

	1/1/03	Increase	Reduction	Structural changes	6/30/03
. Gross value					
Securities recorded using the equity method	235	-	-	10	245
Investments in affiliates	7,584	549	70	-54	8,009
Related receivables	4	138	4	-138	
Others	6,996	500	491	-489	6,516
Total	14,819	1,187	565	-671	14,770
. Provisions					
Investments in affiliates	3,423		36		3,387
Related receivables					
Others	92			-4	88
Total	3,515		36	-4	3,475

Unconsolidated investments in affiliates break down as follows:

Company	Net value	% control
Palalto golf course (Spain)	4,049	13.79%
Others	576	
Total	4,622	-

III.5 – Current assets

Breakdown of receivables at June 30th 2003

	Gross value	Provision	Net value
Customers and related accounts	220,408	18,409	201,999
Other operating receivables	25,323	359	24,964
Miscellaneous receivables	10,773	224	10,549
Total	256,504	18,992	237,512

Including:

- Those due within one year

237,512

Investment securities

Investment securities, totaling €74.5m, are formed by capitalization unit trusts and bonds.

III.6 – Change in stockholders' equity – Group share

	Capital	Premiums	Consolidated reserves	Annual result	Translation differences	Total stockholders' equity
Position at 12/31/00	83,748	165,655	7,992	19,253	2,898	279,546
Changes in the consolidating company's capital	+349	+648				+997
Dividends paid by the consolidating company			+14,228	-19,253		-5,025
Changes in translation differences					+701	+701
Other movements			+98			+98
Annual result (group share)				+20,233		+20,233
Position at 12/31/01	84,097	166,303	22,318	20,233	3,599	296,550
Changes in the consolidating company's capital	+3,368	+4,501				+7,868
Dividends paid by the consolidating company			+14,178	-20,233		-6,055
Changes in translation differences					-14,248	-14,248
Other movements			+369			+369
Annual result (group share)				+23,806		+23,806
Position at 12/31/02	87,465	170,804	36,865	+23,806	-10,649	308,290
Changes in the consolidating company's capital	193	328				521
Dividends paid by the consolidating company			+17,509	-23,806		- 6,297
Changes in translation differences					- 5,722	- 5,722
Other movements			- 162			- 162
Annual result (group share)				+10,388		+10,388
Position at 6/30/03	87,658	171,132	54,212	10,388	-16,371	307,018

The capital stock at June 30th 2003 comprised 35,063,048 shares with a nominal value of €2.50.

In accordance with the option provided by the doctrine of the *Commission des Opérations de Bourse* in force in 1999, goodwill resulting from merger/amalgamation operations and contributions of securities made in 1999 was set off against the premium in the consolidated accounts. The goodwill resulting from these operations totaled €7,855k at December 31st 1999. If the goodwill had not been set off against the issue and merger premium, it would have changed as follows:

<i>Residual value at December 31st 2002</i>	<i>€1,571m</i>
<i>Allocation in the first half (based on a five-year period)</i>	<i>-€785m</i>
<i>Residual value at June 30th 2003</i>	<i>€786m</i>

III.7 - Provisions for risks and expenses

The change in provisions for risks and expenses breaks down as follows:

	1/1/03	Increase		Reduction		Others	6/30/03
		A	B	A	B		
Provision for risks	3,031	1,286	204	818	9	170	3,864
Provision for retirement	2,577	398		51		-668	2,256
Other provisions for expenses	274	602	6			-543	339
Total	5,882	2,286	210	869	9	-1,041	6,459

A: Result before exceptional items; B: Exceptional result

Provisions for risks break down as follows (€m):

- labor: 1.4
- commercial: 1.7
- tax: 0.5
- others: 0.3

Receivables and debts in foreign currencies are shown on the balance sheet at their equivalent values at the closing exchange rates. Commitments for retirement compensation made in accordance with collective agreements are valued according to statistical data.

III.8 – Financial debts

	<u>Total</u>	Due within one year	Due within one to five years	Due in more than five years
Bank credits	17,851	17,851		
Employee profit-sharing	78		78	
Bank borrowings	99,268	24,014	75,194	60
Other financial borrowings and debts(1)	9,187	1,379	7,116	692
Total	126,384	43,244	82,388	752

(1) This item chiefly comprises:

- variable-rate loans denominated in euros and taken out by SR Teleperformance to finance the development of its international network,
- borrowing in US dollars used to cover a loan of \$9m made to a subsidiary, denominated in the same currency and with the same term,
- the debt relating to the capitalization of leasing contracts, totaling €9,042m.

During the previous financial year, SR Teleperformance and TGI contracted credit lines amounting to €47m and US\$25m respectively to finance their external growth. The loan contracts require compliance with financial ratios calculated on the basis of the consolidated accounts at the end of each financial year. These ratios are still being observed on the basis of the first-half accounts closed on June 30th 2003.

III.9 – Latent tax debts

	CHANGES			6/30/03
	1/1/03	Result	Others	
Deferred tax assets (1)	7,450	3,388	-1,487	9,351
Deferred tax liabilities	-3,116	566	703	-1,847
Net	4,334	3,954	-784	7,504
(1) Including:				
- Deferrable tax deficits		1,601		1,538

IV – Notes on the income statement

IV.1 – Breakdown of the figures

	At 6/30/03	At 6/30/02	change
Turnover			
- Contact centers	380,031	366,723	+3.5%
- Marketing services and healthcare	67,896	78,995	-14%
Total	447,927	445,718	
<u>Pre-tax operating result</u>			
- Contact centers	31,436	32,470	-3%
- Marketing services and healthcare	4,441	5,281	-16%
Total	35,877	37,751	-5%
<u>Pre-tax result before exceptional items</u>			
- Contact centers	29,803	29,243	+2%
- Marketing services and healthcare	4,507	5,510	-18%
Total	34,310	34,753	-1%
<u>Net result, Group share</u>			
- Before non-recurring items	19,806	18,932	+5%
- Non-recurring items	+12,971	-1,380	
- Overvalues	-22,389	-7,280	
- After exceptional items and overvalues	10,388	10,272	

The breakdown of turnover by geographical area is as follows:

	<u>6/30/03</u>	<u>6/30/02</u>
- Europe:	59%	58%
including France:	31%	30%
- Nafta:	36%	35%
- Others:	5%	7%

The effect of changes in exchange rates on the income statement items is as follows:

	Raw data	Excluding exchange rate variation
♦ Turnover	447,925	503,463
♦ Pre-tax operating result	35,877	41,140
♦ Pre-tax result before exceptional items	34,310	39,324
♦ Net result, group share, before exceptional items and overvalues	19,806	23,516
♦ Net result, group share, after exceptional items and overvalues	10,388	14,098

IV.2 – Distinction between depreciation and operating provisions

	At 6/30/03		At 6/30/02	
	Allocations	Write-backs	Allocations	Write-backs
Depreciation	16,865	10	14,532	
Provision for current assets	867	1,113	2,430	307
Provision for retirement	398	51	193	83
Provisions for risks and expenses	1,888	812	677	665
Total	20,018	1,986	17,832	1,055

IV.3 – Financial result

	6/30/03	6/30/02
<u>Financial income</u>		
♦ Dividends		9
♦ Interest	1,813	1,338
♦ Write-backs of provisions	375	348
♦ Positive exchange differences	670	266
♦ Net income from sales of marketable securities	790	917
Total	3,648	2,878
	6/30/03	6/30/02
<u>Financial expenses</u>		
♦ Allocations for provisions	235	551
♦ Interest and financial expenses	2,804	3,259
♦ Negative exchange differences	1,470	2,065
♦ Net expenses for sales of marketable securities	706	1
Total	5,215	5,876
Overall total	-1,567	-2,998

IV.4 – Corporate tax

Corporate tax totaled €8.8m compared with €14m on June 30th 2002, including €12.8m in taxes due and €4m in deferred tax proceeds. The deferred taxes recorded on the consolidation reprocessing and the tax deficits represent net proceeds of €4m compared with net proceeds of €0.3m on June 30th 2003. The reconciliation between the consolidating company's total tax burden recorded and its theoretical tax burden breaks down as follows (€k):

♦ Total consolidated net result	14,699	
(-) Net result of companies recorded using the equity method	+6	
(+) Amortization of goodwill	+22,585	
(=) Consolidated net result before amortization of goodwill and companies recorded using the equity method	37,290	
(+) Recorded tax burden (1)	8,817	8,817
(=) Pre-tax result (2)	46,107	
♦ Actual consolidated tax rate (1) / (2)	19.12%	
♦ Current tax rate applicable to the consolidating company (3)	35.43%	
♦ Theoretical tax burden (2 x 3)	16,335	16,335
♦ Difference		7,519
Including:		
Difference in tax rate		-3,112
Tax on permanent differences		-4,407

IV.5 – Companies recorded using the equity method

The net result of companies consolidated using the equity method (before amortization of goodwill) was a loss of €6m at June 30th 2003, compared with a loss of €50m at June 30th 2002.

IV.6 - Exceptional result

On June 30th 2003, the Group recorded net exceptional income before tax of €11.8m, breaking down as follows:

	6/30/03		6/30/02	
	Income	Expenses	Net	Net
<u>Capital operations</u>				
♦ From/for sales of securities or deconsolidation ⁽¹⁾	20,178	8,530	11,648	2,873
♦ Others	1,638	1,419	219	317
Total	21,816	9,949	11,867	3,190
<u>Management operations</u>				
♦ Exceptional provisions	13	235	-222	-3,616
♦ Others	543	391	152	-73
Total	556	626	-70	3,689
Overall total	22,372	10,575	11,797	-499

(1) The amount of non recurrent items before tax is composed as follows:

	6/30/03	6/30/03
Profit on deconsolidated and sold securities	11,648	2,873
Capital gains on intangible assets	202	
Depreciation of receivables and deconsolidated companies		-2,976
Total	11,850	- 100

The capital gain of €11.6m mainly comes from the sale of the healthcare business

V. Foreign currencies

Exchange rates used to convert the accounts of consolidated companies outside the euro zone (source: Bank of France):

Currency	Country	6/30/03		12/31/02
		Average rate	Closing rate	Closing rate
Europe				
Danish kroner	Denmark	0.134631	0.134591	0.1346
Pound sterling	United Kingdom	1.454827	1.442585	1.5372
Norwegian krone	Norway	0.128922	0.120576	0.1374
Swedish krona	Sweden	0.109156	0.108122	0.1092
Swiss franc	Switzerland	0.669615	0.643335	0.6885
Tunisian dinar	Tunisia	0.697360	0.686201	0.7137
Americas				
Brazilian real	Brazil	0.280122	0.307872	0.2710
Canadian dollar	Canada	0.622081	0.644912	0.6042
US dollar	United States	0.903374	0.875120	0.9535
Argentinean peso	Argentina	0.301988	0.311711	0.2831
Mexican peso	Mexico	0.084805	0.083784	0.0917
Asia/Pacific				
Australian dollar	Australia	0.556775	0.584249	0.5389
Korean won	Korea	0.000749	0.000733	0.00080
Hong Kong dollar	Hong Kong	0.115832	0.112221	0.1222
Japanese yen	Japan	0.007597	0.007282	0.00804
New Zealand dollar	New Zealand	0.504924	0.511012	0.5006
Philippine peso	Philippines	0.016852	0.016371	0.01808
Singapore dollar	Singapore	0.517318	0.496303	0.5494

VI. Financial commitments (€m)

VI.1 – Reciprocal commitments

Interest rate swap on a loan of €7.6m.

VI.2 Contractual commitments

The loans contracted with the financial institutions break down, per main currency and per type of rate, as follows (€m) :

	Total amount	€	US\$	Danish krone	£	Korean won	Australian \$
	99.3	68.4	29.1	0.7	0.1	0.8	0.2
Fix rate	6.5	5.4			0.1	0.8	0.2
Variable rate	92.8	63.0	29.1	0.7			

During the sale of the healthcare business, a guarantee provision has been introduced to the benefit of the purchaser that cannot exceed 20% of the sale price, minus 5% a year, and valid until June 30th 2007.

Simplified organisational chart at 18th November 2003

Call centres

France

100		Teleperformance France
	90	Multilignes Conseil
	50	Synerfil group
	90	Cash Performance
82		Progissoftware conseil (P.G.S.)
98		SRBV
	97	Techcity solutions
	80	Techcity Nordic (Sweden)
84		Teleperformance Nord
	100	Teleperformance Est
86		Teleperformance Ouest
88		Teleperformance Rhône-Alpes
94		Teleperformance Sud-Ouest
15	80	Teleperformance Midi-Pyrénées
	98	Teleperformance Azur
87		Comunicator

Europe

100		Iberphone (Spain)
	100	CEE Iberphone (Spain)
100		Fonomerk (Spain)
69		Plurimarketing (Portugal)
80		Teleperformance Italia (IN & OUT SPA)
51		Grandi Numeri (Italy)
	76	Market Vision
70		Service 800 group (Greece)
	75	DRS (Greece)
	51	Mantel
	51	TP Lebanon
96		N.E.T.C. (Teleperformance Germany)
100		TP Austria
85		B.I.T.E. group (Sweden)
	100	B.I.T.E. Göteborg (Sweden)
	70	Stafet (Denmark)
	90	Teleperformance Finland
	52	Teleperformance Norway
	100	Teleperformance Fund Raising
	100	Teleperformance Consulting
100		Teleperformance Belgium
88		Teleperformance Holland

95	Call & Sell BV (Holland)
67	TP Switzerland
84	B.P.S Teleperformance (UK)
	51 Teleperformance Technologies (UK)
100	Luxembourg Call Centres
	100 Société Tunisienne de Télémarketing

Americas

100	Teleperformance Group Inc.
	97 Teleperformance USA
	100 CRM Teleperformance India
	89 Americall
	100 Americall Mexico
	100 Marcom Dominica
51	Noble Systems Corporation (U.S.A.)
51	National Service Direct, Inc (N.S.D.I.) (U.S.A.)
100	Marusa Marketing (Canada)
86	Teleperformance Canada
100	Sodema
100	Merkafon group
51	Teleperformance Brazil Comercio et servicios
65	Teleperformance Argentina

Others

51	Times Singapore
51	I.M.C. Marketing (Korea)
40	Teleperformance Philippines
100	Teleperformance Australia

MARKETING SERVICES

100	SR. Marketing Services	<i>parent company</i>
	Market Research	
	61 W.S.A.	<i>Qualitative surveys</i>
	51 Anacom	<i>Semio-linguistic surveys</i>
	70 Socio	<i>Statistical processing and Data-Mining</i>
	Design & Communication	
	99 Design Board (Belgium)	<i>Brand strategy and Design</i>
	95 Newton 21 Europe	<i>parent company</i>
	100 BIP S.P.R.L.	
	50 Immo couronne	
	50 Newton 21 group Belgium (Benelux)	<i>Communication Agency</i>
	55 Carré Jaune	<i>Design</i>
	60 Puzzle Barcelona (Spain)	<i>Communication Agencies</i>
	57 Newton 21 Madrid (Spain)	<i>Communication Agencies</i>
	50 Newton 21 Italy	<i>Communication Agency</i>
	51 W & G fur dialogkommunikation AG (Switzerland)	<i>Communication Agency</i>
	85 C.C.P.A (France)	<i>Communication Agency</i>
	99 Richard Peyrat & Associés	<i>Communication Agency</i>

		Training	
80		Management training (I.S.M.)	
80		IDCC	
		Operational marketing	
74		SRMS One to One	<i>Direct marketing</i>
51		Cime	<i>Total Marketing</i>
70		Promoplan (Italy)	<i>Sales force stimulation</i>
	100	Catiturationa	<i>Sales force stimulation</i>
	51	Ambrosini	<i>Sales force stimulation</i>
	100	Gala Events	<i>Sales force stimulation</i>
50		Press Information Service	<i>Press Relations</i>
50		SRMS AKOA	<i>Sales promotion</i>
66		Présence + group	<i>Sales promotion</i>
100		Rochefortaise Santé	<i>parent company</i>

OTHERS

14		Golf Palalto	<i>Hotel complex</i>
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Legal and administrative information

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- 1 Information about the capital
- 2 Information about the business
- 3 Management and supervisory bodies – Corporate governance

LEGAL AND ADMINISTRATIVE INFORMATION

1 Information about the capital

1.1 Recent changes to the company's capital

At 18th November 2003 the company's capital is **€88,281,040**, divided into **35,312,416 shares** with a nominal value of 2.50 euros, fully paid up and all of the same category.

Over the course of the 2003 financial year, the following modifications took place:

Development of the capital	Nature of the Transactions	Increase in capital	Issue premium	Total capital	Number of shares
1.1.2003				87.464.600	34.985.840
22.04.2003	Conversion of 8,484 Bonds Creation of 67,872 shares	€169,680	315,350	€87,634,280	35,053,712
22.04.2003	Share option plans of 20 th August and 21 st July 1997 Issuing of 9,336 shares	€23,340	12,791	€87,657,620	35,063,048
01.09.2003	Share option plans of 20 th August and 21 st July 1997 Issuing of 249,368 shares	€623,420	812,274	€88,281,040	35,312,416
18.11.2003				€88,281,040	35,312,416

The Extraordinary General Meeting, which was held at the end of the Ordinary General Meeting on 26th June 2003, allowed a number of types of issue

- an issue of any security with the DPS -(preferred right of subscription) being maintained for a maximum nominal total of €200 million
- an issue of any security with the DPS -(preferred right of subscription) being removed for a maximum nominal total of €200 million
- an issue of any security with the DPS-(preferred right of subscription) being removed for a maximum nominal total of €50 million as part of a public exchange offering.
- an increase in capital by means of the incorporation of a reserve for a maximum nominal total of €100 million

1.2 Securities giving eventual access to the capital

At 18th November 2003, the number of securities which may be issued stands at 834,750 shares, represented by share subscription options from two share option plans granted to the group's employees and executives. There are no other potential capital securities.

If all of the subscription options in circulation are taken up, the dilution of the existing equity would be 2.36%.

Employee stock options	Plan n° 1	Plan n° 2
Date of the general meeting authorizing the plans	06.25.01	06.25.01
Number of the options authorized by the general meeting	595 750	239 000
Number of the options granted to to the board of directors	125 000	187 000
Date from which options can be exercised	06.26.05	06.26.05
Expiration date	06.25.06	06.25.06
Option exercise price	29,37€	29,37€
Date of the Board meeting approving the plans	06.25.01	06.25.01
Number of options granted since the introduction of the plan	595 750	239 000
Number of options in circulation at 12/31/02	595 750	239 000
Number of options granted subject to achieving targets	néant	néant
Number of options remaining to be granted	-	-

1.3 Authorisation to operate on the market within the framework of article L255-209 et seq. of the French commercial code

The resolutions proposed at the Ordinary General Meeting held on 26th June 2003 allow the Board of Management to buy back the Company's shares on the Stock Exchange for a further period of 18 months with a view to proceeding:

- to the equalisation of the price of the company's shares,
- to the handing over of securities in payment or in exchange, in particular for external growth transactions

The intervention rates are as follows:

- maximum purchase price not exceeding €22 per share,
- the minimum sale price may not be below €6 per share, subject to any adjustments relating to potential operations on the Company's capital.

The company did not intervene on the Securities Market over the course of the 2003 financial year under the terms of this authorisation.

1.4 Breakdown of capital and voting rights

The breakdown of capital (A) and voting rights (V) at 18th November 2003 is as follows:

Shareholders	As a percentage				As no. of shares	
	At 24.03.2003		At 18.11.2003		At 18.11.2003	
	A	V	A	V	A	V
Françoise Douce' Estate (1)	6.56	10.49	-	-	-	-
Mr Jacques Berrebi	6.74	5.39	7.43	6.10	2,624,705	2,624,705
Mr Olivier Douce (1)	5.70	8.83	8.10	11.00	2,858,745	4,728,745
Mrs Sylvie Douce (1)	-	-	2.91	2.39	1,026,206	1,026,206
BNP PARIBAS group	9.80	15.28	10.06	15.80	3,553,234	6,794,210
Mr Daniel Julien	6.5	7.81	4.35	6.90	1,536,436	2,969,036
Marcel Dassault Industrial group (2)	8.09	6.47	8.01	8.86	2,829,672	3,809,784
Other shareholders of record with double voting rights	0.49	0.78	0.49	0.80	171,575	343,150
Other shareholders of record with single voting rights	0.27	0.22	0.57	0.47	202,847	202,847
Other bearers	55.90	44.73	58.08	47.68	20,508,196	20,508,196
TOTALS	100.00	100.00	100.00	100.00	35,312,416	43,007,679

(1) The estate of Françoise Douce which was initiated following her death is closed as of the date of this document

(2) Financial and property holding company located at 9 rond point des Champs Elysées

As far as the Company is aware, there are no shareholders who directly or indirectly own more than 5% of the capital or voting rights amongst the other bearers.

At 18th November 2003, all of the members of the Board of Management and of the Supervisory Board hold 22.3% of the capital and 26% of the voting rights.

None of the shares are self-owned or self-controlled.

There are no shareholders' agreements which have been declared to the Stock Exchange authorities.

1.5 Organisational chart

A simplified group organisational chart is shown on pages 33 and 34 of this document

1.6. Changes to prices

Monthly changes to readjusted share prices for the months from April to October 2003

	Price + Up (in €)	Price + Down (in €)	Closing price (in €)	Transactions in number of Securities	Transactions in capitals (in €)	Number of sessions
2003						
• April	13.88	10.08	13.70	3,117,572	38,285,000	20
• May	14.20	10.19	11.99	3,438,331	42,843,000	21
• June	14.80	12.14	12.90	2,155,825	24,759,000	21
• July	14.36	12.07	14.30	1,693,287	22,322,000	23
• August	15.33	13.69	15.33	1,719,646	24,563,000	21
• September	16.50	13.25	13.60	2,125,364	31,856,000	22
• October	16.50	13.75	16.35	2,120,447	29,416,000	23

Source: Euronext - Paris

2 Information about the business

2.1 SR.Teleperformance

With the exception of its real estate, SR Teleperformance is a simple holding company with no business of its own, the management of its business in France having been handed over to its 100% owned subsidiary TP France for lease-management purposes.

It manages its network, supervises the subsidiaries, handles the legal department in France and the overall financial management. It has entered into technical support contracts with its subsidiaries.

2.2. Group positioning and business

SR Teleperformance is one of the world leaders in Call Centre outsourcing. This market is estimated to be worth 37 thousand million USD (source: IDC - February 2003), broken down as follows:

Americas:	59%
Europe:	30%
Pacific Asia:	11%

The SR Teleperformance group accounts for about 2% of this market SR. Teleperformance's main direct competitors (sources: company publications, Bloomberg) are listed in descending order of turnover, below:

SR Teleperformance's competitors	country	Estimated 2003 turnover (in 000 USD)	market shares
Convergys	USA	1,495	3.8%
West Corporation	USA	1,000	2.6%
Teletech	USA	977	2.5%
Sitel	USA	801	2%
SNT	Netherlands	591	1.5%
Bell system24	Japan	550	1.4%

At 30th September 2003, the Call Centre division accounted for 86% of the group's consolidated turnover.

The project of transferring the group's other non-strategic business is still ongoing, the aim being to totally transfer the Marketing Services branch of business before the end of 2004.

2.3. Main subsidiaries management interim balances

The management interim balances of the subsidiaries that have a turnover superior to 10% of the consolidated turnover break down as follows :

	TP France (in 000 €)	TP USA (in 000 USD)
Turnover	136 676	153 508
Operating profit	235	12 100
Ebitda	3 660	18 250
Profit on ordinary activities	30	11 817
Exceptional result	-4 030	-
Result before tax	-4 000	11 817
Result after tax	-4 000	7 830

2. 4 Risk factors

2.4.1 Market risks

a/ Liquidity risk

In 2002 SR.Teleperformance and TGI contracted lines of credit to finance their external growth. These lines were granted subject to compliance with ratios calculated on the basis of the consolidated accounts at the close of each financial year

The position at 30th June is as follows:

Company	Total		Ratios	
	initial	At 30 th June 2003	To be complied with	At 30 th June
SR Teleperformance	€47 million	€47 million		
- Gross financial debt / Equity capital (*)			<1.2	0.38
- EBIT / Financial expenditure			>3	40
T.G.I	\$25 million	\$19 million		
- Stable debts / Hard equity capital (up to 30 /09 /2003)			<0.8	0.46
- Net financial debt / Equity capital (*) (from 1/10/2003)			<0.80	0.01
- Net financial debt/ EBITDA			<2.5	0,09

(*) Shareholders' equity = equity capital, group share + minority interests

b/ Interest rate risk

The group's exposure to a 1% variation in interest rates on the basis of the position at 30th June 2003 can be analysed as shown below:

Net position at less than one year at 30 th June 2003 (in 000 €)	Variation in short rate	Average time remaining	Impact over 12 months (in 000 €)	Total financial interest 2002	Relative impact over 12 months
25,393	1%	10 months	212	6,668	3.2%

The low degree of sensitivity to changes in interest rates relating to the group's financial structure which does not involve a great deal of debt, does not require the use:

- of any derivative products, with the exception of a rate swap, for a total of €3.8 million, falling due at the end of August 2004, or
- of any rate hedging operations.

The interest rate risk is monitored at group level by the holding company's financial department, which is solely authorised to set up capital investment financing operations.

c/ Exchange risk

In order to limit its exposure to exchange risk, the group takes out loans or advances in currencies, these are intended to cover the loans made to subsidiaries, in the same currency and with the same due date.

The breakdown of the turnover per currency is as follows:

	2001		2002		1 st six months of 2003	
	Total (in €)	%	Total (in €)	%	Total (in €)	%
Euro	435.9	54.4%	456.2	49.0%	230.3	51.4%
USD	268.0	33.4%	307.6	33.0%	129.1	28,8%
Others	97.6	12.2%	168.2	18.0%	88.5	19.8%
Total	801.5	100.0%	932.0	100.0%	447,9	100,0%

The impact of changes to exchange rates on turnover, earnings before tax and net earnings group share, over the 1st six months of 2003 is shown on page 30 of this document.

d/ Share risk

The company is not exposed to any share risk as it does not have a portfolio of third party shares or pooled investment fund shares and does not own any self-controlled shares.

There are no clauses involving the issuer which are likely to have any significant impact on the price of the security

2.4.2 Business-related risks

Amendments to telemarketing regulations in the USA

On 29th January 2003, the Federal Trade Commission (“FTC”) published a series of amendments to the regulations governing the Telemarketing Sales Rules (“TSR”). On 26th June 2003, the Federal Communications Commission passed these amendments and they became part of the Telephone Consumer Protection Act (the regulations protecting consumers relating to commercial practices by telephone) in accordance with the reviewing of the TSR. An exhaustive introduction to these new measures is available on the FTC’s website at the following address:
[http://www.ftc.gov/bcp/rulemaking/tsrrulemaking /index.htm](http://www.ftc.gov/bcp/rulemaking/tsrrulemaking/index.htm)

These new regulations include the following provisions:

- Modification of the procedure for recording card payments (date of implementation: 31st March 2003)
- Reduction of hang-up rate to 3% when using the predictive dialer (date of implementation: initially 1st March, then put back to 1st October 2003)
- Creation of a Do Not Call (“DNC”) list, allowing consumers to refuse to take telemarketing calls (date of implementation: 1st October 2003). However some sectors of business are exempt: politics, fundraising (non profit-making associations), market surveys and debt collection. In addition to this the national DNC does not affect calls made to businesses.
- The need to identify the origin of each call via Caller Identification Transmission (date of implementation: 29th January 2004).

The aim of these measures is to offer consumers better protection whilst allowing call programmes to continue.

The American Teleservices Association (“ATA”) and the Direct Marketing Association (“DMA”) are combating the implementation of this national DNC and they have taken legal action, though the outcome of this still remains to be seen. In accordance with the majority of actors on the teleservice market, the American companies belonging to the SR. Teleperformance group have decided to voluntarily submit to these new regulations.

2.4.3 Other risks

a/ Suppliers

The group's most important suppliers are telephone operators. There are no dominant suppliers. The two most important suppliers are France Telecom (France) and MCI WORLDCOM (USA).

France Telecom, the group's leading supplier, accounts for around 2% of the group's total procurement.

As far as MCI WORLDCOM are concerned, there were no interruptions to service in 2002 and 2003. Nevertheless we plan a diversification of telephone operators in the USA.

b/ Customers

Breakdown by customer

The customer portfolio has changed as follows:

	% of annual turnover 2002		% of annual turnover 2003 (estimated)	
	Global business	call centres	Global business	call centres
1st customer (*)	4.7%	5.6%	4.0%	4.5%
Top 10	31.0%	37.0%	25.0%	29.0%
Top 20	40.9%	48.6%	36.0%	41.5%
Top 60	58.0%	69.0%	53.0%	61.0%

(*) SR Teleperformance's 1st customer is WANADOO Interactive

Payment times vary according to the location of the call centres and the customers. The average payment time is between 70 and 90 days.

Within the framework of medium-term contracts there is some recurrent revenue. The share of the group's turnover with recurring customers is 85%.

Breakdown by sector of business

The call centre division's customer portfolio has changed as follows:

Sectors of business	% of annual turnover	
	2002	2003 (estimated)
Telecoms	27%	30%
Financial Services	17%	19.5%
Insurance policies	16%	11%
Loyalty programmes	9%	5%
Internet Service Provider	7%	7%
Technology/media	7%	8%
Others	17%	19.5%
Total	100%	100%

C / Insurance – Risk cover

The group and the companies of which it is made up are normally insured within the framework of each of the national legislations.

Annual premium paid by the companies of the Call Center division for the financial years 2001 and 2002

	Property & third party insurance	Business interruption insurance	Vehicles	Total
€(000)				
2001	517	91	74	682
2002	645	110	87	842

3 Management and supervisory bodies – Corporate governance

3.1 Composition of the Board of Management

The new composition of the Board of SR. TELEPERFORMANCE since 1st July 2003 is as follows:

- Chairman of the Board

Christophe Allard:

Appointed: Supervisory Board meeting held on 6/26/2003

Term of office expires on: 6/30/2004

- Members of the Board

Michel Peschard

Appointed: Supervisory Board meeting held on 6/26/2003

Term of office expires on: 6/30/2004

Olivier Douce:

Appointed: Supervisory Board meeting held on 6/14/2000

Term of office expires on: 6/30/2004

3.2 Composition of the Supervisory Board

The new composition of the Supervisory Board of SR. TELEPERFORMANCE since 1st July 2003 is as follows:

- Chairman and member of the Supervisory Board

Daniel Julien

Appointed: Supervisory Board meeting held on 6/26/2003

Term of office expires on: 6/30/2009

- Vice-Chairman elect and member of the Supervisory Board

Jacques Berrebi:

Appointed

- as a member: co-opted on 4/2/2001

- as vice-chairman: 6/26/2003

Term of office expires on: 6/30/2005

- Deputy Vice-Chairman and member of the Supervisory Board

Philippe Dominati:

Appointed

- as a member: GM held on 6/17/1996

- as vice-chairman: 6/26/2003

Last renewal: GM held on 6/24./2002

Term of office expires on: 6/30/2008

- Members of the Supervisory Board

Martine Dassault

Co-opted: Supervisory Board meeting held on 26/24/2002

Term of office expires on: 30/6/2008

Ratification resolution: GM held on 6/26/2003

Philippe Santini:

Co-opted: Supervisory Board meeting held on 9/30/2002

Term of office expires on: 6/30/2005

Ratification resolution: GM held on 6/26/2003

Philippe Ginestie:

Appointed: GM held on 6/25/2001

Term of office expires on: 6/30/2007

Alain Laguillaumie:

Appointed: EGM held on 6/17/1996

Last renewal: GM held on 6/24/2002

Term of office expires on: 6/30/2008

Michel Renard:

Appointed: EGM held on 6/30/1999

Term of office expires on: 6/30/2005

Daniel Bergstein:

Co-opted: Supervisory Board meeting held on 9/24/2002

Term of office expires on: 6/30/2005

Ratification resolution: OGM held on 6/26/2003

3.3 Subscription options granted to the Management and Supervisory bodies

Share subscription or purchase options granted to each company executive and options taken up by these latter	Number of options assigned / shares subscribed or purchased	Price	Due dates	Plan assignment date
Options taken up during the financial year by company executives: Mr Michel Peschard, Member of the Board	8,000	€7.05	20/08/2003	20/08/1997

Share subscription or purchase options granted to the first ten employees who are not assignee company executives and options taken up by these latter	Numbers of shares assigned / subscribed	Price	Due date	Plan
Options granted during the financial year by the issuer and by any company within the scope for the assignment of the options to the ten employees of the issuer and any company within the scope, where the number of options granted in this way was the highest	None.	-	-	-
Options held on the issuer and the companies mentioned above taken up during the financial year, by the ten employees of the issuer and of these companies, where the number of shares subscribed in this way is the highest	None.	-	-	-

A/ Board

No plans have been decided upon and no options have been granted to members of the Board since 1st January 2003.

B/ Supervisory Board

No plans and no options have been granted to the members of the Supervisory Board since 1st January 2003.

3.4 Conventions that need to be authorized by the Board under French law (conventions réglementées) authorized since January 1st, 2003.

Authorization by the Supervisory Board date September 29th 2003.

1/. Authorization to re-purchase by SR.Teleperformance 6.314 shares of the company SRBV held by the minority shareholders, which are, among them, Mr Jacques BERREBI (3.060) and Mr. Christophe ALLARD (918) for a price of €320 per share.

2/. Specific public relation and advice mission granted to Mr. Philippe DOMINATI ; the conditions of such mission shall be approved in a future meeting of the supervisory board.

3.5 Supervisory Board Committee

Audit Committee

Since such a mission was granted to Mr. Philippe DOMINATI by the supervisory board, the composition of the audit committee has been modified, from September 29th 2003, as follows:

President : Philippe SANTINI (independent member)
Vice president : Philippe DOMINATI
Member : Jacques BERREBI