
Sitel Denmark ApS

Sluseholmen 2, 3, DK-2450 Copenhagen SV

Annual Report for 1 January - 31 December 2015

CVR No 30 55 42 56

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /8 2016

Pedro Lozano de Castro
Chairman



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Sitel Denmark ApS for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Newcastle, 3 August 2016

Executive Board

John Kellett

Pedro Lozano de Castro

Karl Vernon Brough

Independent Auditor's Report on the Financial Statements

To the Shareholder of Sitel Denmark ApS

Report on the Financial Statements

We have audited the Financial Statements of Sitel Denmark ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Report on Other Legal and Regulatory Requirements

Other Matter

Contrary to the Danish Companies Act, the Company has prepared and filed the Annual Report after the deadlines for filing of the Annual Report; consequently, Management may incur liability.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 3 August 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant

Anders Røjleskov
State Authorised Public Accountant

Company Information

The Company

Sitel Denmark ApS
Sluseholmen 2, 3
DK-2450 Copenhagen SV

Telephone: + 45 3263 0900

CVR No: 30 55 42 56

Financial period: 1 January - 31 December

Financial year: 9th financial year

Municipality of reg. office: Copenhagen

Executive Board

John Kellett
Pedro Lozano de Castro
Karl Vernon Brough

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
Key figures					
Profit/loss					
Revenue	311.662	90.011	39.411	35.548	52.613
Operating profit/loss	15.149	2.484	2.644	151	4.266
Profit/loss before financial income and expenses	15.149	2.484	2.644	151	4.266
Net financials	-231	-187	-51	-83	-390
Net profit/loss for the year	11.394	1.717	1.943	52	2.752
Balance sheet					
Balance sheet total	94.530	89.905	16.983	6.869	4.326
Equity	14.646	3.252	1.535	-4.462	-4.514
Investment in property, plant and equipment	492	1.226	168	6	178
Number of employees	726	235	82	74	113

Financial Highlights

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	93,1%	90,2%	82,8%	77,2%	83,9%
Profit margin	4,9%	2,8%	6,7%	0,4%	8,1%
Return on assets	16,0%	2,8%	15,6%	2,2%	98,6%
Solvency ratio	15,5%	3,6%	9,0%	-65,0%	-104,3%
Return on equity	127,3%	71,7%	-132,8%	-1,2%	-46,7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The Company's main activity involves trade and industry as well as call center services and outsourcing of specific company related functions and related business.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 11,394,488, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 14,646,473.

The past year and follow-up on development expectations from last year

2015 saw the full year impact of the TDC contract which has significantly expanded the business and increased profitability of the company.

In 2015 we delivered on achieving agreed savings for TDC as well as improving TDC customer satisfaction significantly.

Targets and expectations for the year ahead

In 2016 Sitel Denmark will look to continue to grow with TDC and develop and expand with existing and new clients.

TDC are merging their B2B TDC brands into their youSee brand. Sitel will lead a large project for TDC, multi skilling all staff in both brand's products and operating systems, in order to secure a smooth and effortless transformation for TDC's customers

Research and development

Sitel Denmark will continue to search for new opportunities on technological, operational or commercial level to improve the quality of its services to its customers and improve their satisfaction.

Sitel will drive continuous systems and process re-engineering and gradually move towards a social media strategy, with the resulting deflection from traditional contact channels.

External environment

The Danish outsourcing market is still in its infancy. Sitel are the largest outsourcing operator in the market, and as we grow towards maximum capacity we will invest to facilitate future expansion in the market place

Management's Review

Intellectual capital resources

We are investing heavily in development of our internal IC resources. We operate a People First culture and have introduced support from our Global Work Force Management team. Equally a close co-operation with our Global Continuous Improvement team has been initiated.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Revenue		311.662.060	90.010.591
Other external expenses		-21.613.902	-8.818.781
Gross profit/loss		290.048.158	81.191.810
Staff expenses	1	-274.322.575	-78.232.075
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-576.350	-475.615
Resultat før finansielle poster		15.149.233	2.484.120
Financial income		0	1.614
Financial expenses		-231.005	-188.150
Resultat før skat		14.918.228	2.297.584
Tax on profit/loss for the year	3	-3.523.740	-580.273
Net profit/loss for the year		11.394.488	1.717.311

Distribution of profit

Proposed distribution of profit

Retained earnings		11.394.488	1.717.311
		11.394.488	1.717.311

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Software		87.737	130.433
Goodwill		0	0
Intangible assets	4	87.737	130.433
Other fixtures and fittings, tools and equipment		648.262	819.145
Leasehold improvements		147.395	224.913
Property, plant and equipment	5	795.657	1.044.058
Other receivables		496.461	464.225
Fixed asset investments	6	496.461	464.225
Fixed assets		1.379.855	1.638.716
Trade receivables		6.032.227	8.590.679
Receivables from group enterprises		84.868.777	79.246.269
Other receivables		1.178.847	140.139
Deferred tax asset		138.900	138.900
Prepayments		931.559	149.853
Receivables		93.150.310	88.265.840
Currents assets		93.150.310	88.265.840
Assets		94.530.165	89.904.556

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Share capital		125.000	125.000
Retained earnings		<u>14.521.473</u>	<u>3.126.985</u>
Equity	7	<u>14.646.473</u>	<u>3.251.985</u>
Credit institutions		3.535.962	6.583.656
Trade payables		4.853.172	2.398.270
Payables to group enterprises		42.591.254	51.952.757
Corporation tax		3.548.898	572.670
Other payables		25.354.406	25.119.675
Deferred income		<u>0</u>	<u>25.543</u>
Short-term debt		<u>79.883.692</u>	<u>86.652.571</u>
Debt		<u>79.883.692</u>	<u>86.652.571</u>
Liabilities and equity		<u>94.530.165</u>	<u>89.904.556</u>
Contingent assets, liabilities and other financial obligations	8		
Related parties and group relation	9		

Notes to the Financial Statements

	<u>2015</u>	<u>2014</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	256.223.980	71.771.478
Pensions	15.428.319	5.606.117
Other staff expenses	<u>2.670.276</u>	<u>854.480</u>
	<u>274.322.575</u>	<u>78.232.075</u>
Average number of employees	<u>726</u>	<u>235</u>
<p>The company salaries are significantly influenced by the acquisition of TDC call center in October 2014. When calculating the number of employees by the ATP method it should be noted, that a large number of employees are employed on an hourly basis and therefore affect the calculation negatively.</p>		
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	42.697	42.697
Depreciation of property, plant and equipment	<u>533.653</u>	<u>432.918</u>
	<u>576.350</u>	<u>475.615</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>3.523.740</u>	<u>580.273</u>
	<u>3.523.740</u>	<u>580.273</u>

Notes to the Financial Statements

4 Intangible assets

	Software DKK	Goodwill DKK
Cost at 1 January	445.376	1.013.403
Cost at 31 December	445.376	1.013.403
Impairment losses and amortisation at 1 January	314.943	1.013.403
Amortisation for the year	42.696	0
Impairment losses and amortisation at 31 December	357.639	1.013.403
Carrying amount at 31 December	87.737	0
Amortised over	7 years	5 years

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	5.413.878	420.824
Additions for the year	274.396	10.854
Disposals for the year	0	0
Cost at 31 December	5.688.274	431.678
Impairment losses and depreciation at 1 January	4.594.733	195.911
Depreciation for the year	445.279	88.372
Impairment losses and depreciation at 31 December	5.040.012	284.283
Carrying amount at 31 December	648.262	147.395
Depreciated over	3-5 years	5 years

Notes to the Financial Statements

6 Fixed asset investments

	Other receiv- ables
	<u>DKK</u>
Cost at 1 January	464.225
Additions for the year	<u>32.236</u>
Cost at 31 December	<u>496.461</u>
Carrying amount at 31 December	<u>496.461</u>

7 Equity

	Share capital	Retained earnings	Total
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity at 1 January	125.000	3.126.985	3.251.985
Net profit/loss for the year	<u>0</u>	<u>11.394.488</u>	<u>11.394.488</u>
Equity at 31 December	<u>125.000</u>	<u>14.521.473</u>	<u>14.646.473</u>

The share capital consists of 125 shares of a nominal value of DKK 1.000. No shares carry any special rights.

	2015	2014
	<u>DKK</u>	<u>DKK</u>
8 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.041.186	892.733
Between 1 and 5 years	<u>728.662</u>	<u>1.155.771</u>
	<u>1.769.848</u>	<u>2.048.504</u>

Notes to the Financial Statements

9 Related parties and group relation

	Basis
Controlling interest	
ClientLogic BV, Aalderinkssingel 4, Almelo, NL-7604 EG, the Netherlands	Controlling Shareholder
Group Articall S.A, Boulevard Haussmann 50-52, 75009 Paris, France	Global Ultimate

Accounting Policies

Basis of Preparation

The Annual Report of Sitel Denmark ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year, change in Company size according to the Danish Financial Statements Act has resulted in additional disclosure requirements.

Financial Statements for 2015 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Sitel Worldwide Corporation Inc, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, herunder afskrivninger, nedskrivninger og hensatte forpligtelser samt tilbageførsler som følge af ændrede regnskabsmæssige skøn af beløb, der tidligere har været indregnet i resultatopgørelsen.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment as well as gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposit.

Accounting Policies

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums.

Equity

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$