

Atento Reports Fiscal 2016 Third-Quarter Results

Solid Performance in Line with Strategy to Protect Margins and Generate Cash

- Solid top-line performance in the context of a challenging macroeconomic environment:
 - Improving growth profile in Brazil
 - Maintaining growth in Americas
 - Double-digit growth with non-Telefónica clients in EMEA
- Reported net income loss of \$0.5 million; improved profitability with a 160 basis point increase in adjusted EBITDA margin to 13.6%, as compared to the second quarter of fiscal 2016.
- Free cash flow before interest expense of \$46.7 million, up \$22.2 million year-over-year; third consecutive quarter of improvement.
- Reaffirmed and extended relationship with Telefónica: new contract with Vivo in Brazil; MSA extended by two-years to 2023 in Brazil and Spain.
- Strong progress on delivery of Strategic Growth Priorities with acquisition of R Brasil, a leader in the late collections market in Brazil.
- Accelerated pay down of higher-cost Brazilian Debentures starting in the fourth-quarter of 2016 strengthens balance sheet and earnings trajectory.

NEW YORK, November 9, 2016 – Atento S.A. (NYSE: ATTO), the largest provider of customer-relationship management and business-process outsourcing services in Latin America, and among the top three providers globally, today announced its third-quarter 2016 operating results. All comparisons in this announcement are year-over-year and in constant-currency (CCY), unless noted otherwise.

Summary

(\$ in millions except EPS)	Q3 2016	Q3 2015	CCY Growth	YTD 2016	YTD 2015	CCY Growth
Revenue ⁽¹⁾	443.7	465.5	-3.3%	1,315.5	1,497.1	-0.5%
Reported Net Income ⁽²⁾	(0.5)	17.4	N.M	(13.4)	44.4	N.M
Reported Earnings Per Share ⁽²⁾	\$(0.01)	\$0.24	N.M	\$(0.18)	\$0.60	N.M
Net Operating Cash Flow from/(used) in Operating Activities	48.3	38.7		58.1	(3.3)	
Adjusted EBITDA ⁽³⁾	60.5	65.1	-6.5%	163.3	185.5	-1.0%
Adjusted Margin	13.6%	14.0%		12.4%	12.4%	
Adjusted Earnings per Share ⁽²⁾	\$0.20	\$0.31	-35.5%	\$0.45	\$0.73	-31.8%
Free Cash Flow before net Interest ⁽⁴⁾	46.7	24.5		53.0	(28.8)	
Leverage (x) ⁽⁵⁾	1.9x	1.5x		1.9x	1.5x	

(1) Revenue excludes Morocco which was divested in September 2016.

(2) Reported Net Income and Earnings Per Share and Adjusted EBITDA, adjusted EBITDA margin and Adjusted Earnings per Share refer only to continuing operations. Reported and Adjusted Earnings Per Share, for the period ended September 30, 2016, were calculated considering the number of ordinary shares of 73,786,225. For the period ended September 30, 2015, the number of ordinary shares was 73,648,760.

(3) EBITDA is defined as profit/(loss) for the period from continuing operations before net finance costs, income taxes and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted to exclude acquisition and integration related costs, restructuring costs, sponsor management fees, asset impairments, site relocation costs, financing and IPO fees, and other items which are not related to our core results of operations [need to update this language depending on what stays]. EBITDA and Adjusted EBITDA are not measures defined by IFRS. The most directly comparable IFRS measure to EBITDA and Adjusted EBITDA is net income for the period from continuing operations.

(4) We define Free Cash flow (FCF) as net cash flows from operating activities less net cash and disposals of payments for acquisition of property, plant, equipment and intangible assets.

(5) Considered the pro-forma Net Debt adjusted to give effect to the Reorganization Transaction, regarding Preferred Equity Certificates.

Alejandro Reynal, Atento’s Chief Executive Officer, commented, “We delivered solid third quarter results, which were consistent with our strategy to diversify revenue, protect margins, and generate free cash flow. We continued to invest in transforming the business through the focused execution of our growth and client strategy. During the third quarter, we acquired R Brasil to expand our capabilities in higher- value solutions, specifically for the \$1.5 billion late-stage collections market in Brazil. We have also reaffirmed and extended our relationship with Telefónica, providing near and long-term benefits to both companies.”

Mauricio Montilha, Atento’s Chief Financial Officer, said, “The challenging macro environments in Brazil and Americas weighed on our top-line growth during the third quarter. However, our keen focus on selective profitable growth and margin protection through proactive restructuring and cost and efficiency initiatives allowed us to achieve a 160 basis point quarterly sequential improvement in our adjusted EBITDA margin to 13.6%. Our commitment to disciplined capital allocation and strict working capital management improved free cash flow before net interest by \$22.2 million year-over-year, our third consecutive quarter of improvement. This sustainable improvement in free cash flow will allow us to accelerate the payment of our higher-cost debt over the next year, strengthening our balance sheet and earnings trajectory. “

Mr. Reynal concluded, “We are starting to see signs of macroeconomic stabilization in Latin America and expect Brazil to return to growth in 2017, which bodes well for Atento. In addition to a more stable macro environment, our operating and financial performance this year, coupled with our strategy, have primed Atento for higher growth, earnings and cash flow in 2017. I am confident we can once again outperform the market, increase our leadership position in Latin America, and continue to be the reference partner for the CRM BPO needs of our clients.”

Third Quarter Consolidated Operating Results

All comparisons in this announcement, unless otherwise noted, are year-over-year, in constant-currency (CCY) and exclude the effects of our divestiture of Morocco in September 2016.

During the third quarter, we achieved solid top-line results in the context of a challenging macroeconomic environment, including an improving sequential growth profile in Brazil, maintenance of growth in Americas, and strong growth with non-Telefónica clients in EMEA. In addition, we continued to drive cost and efficiency initiatives with investments in restructuring and a focus on inflation pass-through.

Year-over-year, consolidated revenue declined 3.3% as a shift in country mix due to foreign exchange and a macro-driven decline in Brazil and EMEA of 7.5% and 4.8%, respectively, were partially offset by a 2.8% increase in the Americas. Revenue from non-Telefónica clients increased 1.9%, to account for 57.8% of revenue, an increase of 370 basis points. We won 3,462 workstations, driven by wins from new clients including financial services. Revenue from Telefónica declined 9.6%, largely driven by macro-driven declines in Brazil. On a reported basis, total revenue declined 4.7%.

Reported net loss from continuing operations totaled \$0.5 million. Our focus on cost and efficiency initiatives contributed to a 160 basis point quarterly sequential increase in adjusted EBITDA margin as compared to the second quarter of 2016. Adjusted EBITDA declined 6.5% to \$60.5 million while adjusted EBITDA margin declined 40 basis points year-over-year to 13.6%.

Reported results included \$11.1 million in non-recurring items, including a \$3.1 million reserve related to the sale of our operations in Morocco in September 2016. In addition, we invested in restructuring initiatives to align our cost structure given the impact of macro pressures in some of our regions, including Brazil.

Reported EPS was a loss of \$0.01. This loss includes the non-cash impact of foreign exchange losses on intercompany balances. Adjusted EPS of \$0.20 was a decline of \$0.11 year-over-year, driven by foreign exchange, an increase in net interest expense, and a higher share count.

Cash from operating activities totaled \$48.3 million and free cash flow was \$32.7 million. Excluding the impact of net interest expense, free cash flow was \$46.7 million, an increase of \$22.2 million year-over-year, our third consecutive quarter of improvement. Year-to-date, free cash flow before interest was \$53.0 million.

At the end of the third quarter, we had a liquidity position of \$234 million and net debt to adjusted EBITDA of 1.9x.

Adjusted earnings, adjusted EBITDA and adjusted Earnings per Share are non-GAAP financial measures and are reconciled to their most directly comparable GAAP measures in the accompanying financial tables.

Segment Reporting

	Q3 2016	Q3 2015	CCY growth	YTD 2016	YTD 2015	CCY growth
Brazil Region						
Revenue	217.2	216.5	-7.5%	601.9	737.6	-7.9%
Operating Income	15.1	17.6	-22.6%	32.5	55.6	-36.4%
Adjusted EBITDA	33.1	33.6	-11.3%	85.1	100.0	-7.1%
Margin	15.2%	15.5%		14.1%	13.6%	
Americas Region						
Revenue	179.8	200.3	2.8%	546.1	585.9	10.3%
Operating Income	12.5	18.3	-18.3%	41.4	48.5	2.7%
Adjusted EBITDA	24.2	28.2	-0.4%	71.9	79.9	6.4%
Margin	13.5%	14.1%		13.2%	13.6%	
EMEA Region						
Revenue	47.1	49.1	-4.8%	168.7	175.0	-3.8%
Operating Income	(1.5)	1.4	N.M	(7.1)	(2.3)	N.M
Adjusted EBITDA	4.7	4.6	2.2%	11.0	11.1	-0.9%
Margin	10.0%	9.4%		6.5%	6.3%	

Brazil Region

The macroeconomic environment in Brazil continues to be challenging. However, we have successfully protected margins and the trajectory of our revenue growth and adjusted EBITDA margin are improving.

Revenue in the third quarter declined 7.5%, a sequential improvement versus the second quarter of 2016, with macro-driven decline in revenue of 14.3% from Telefónica and a decline of 3.6% from non-Telefónica clients. Importantly, our focus on revenue diversification drove a 110 basis points increase in higher value-add solutions, lifting the mix of revenue from these services to 38.7% of revenue. In addition, approximately 30% of the workstations won in the third quarter came from financial services, a key growth sector for the Company. Revenue from non-Telefónica clients increased 270 basis points to 65.8% of revenue. On a reported basis, revenue increased 0.3%.

Operating Income was \$15.1 million. Adjusted EBITDA declined 11.3% to \$33.2 million, with an adjusted EBITDA margin of 15.2%, a decline of 30 basis point year-over-year. Adjusted EBITDA margin improved sequentially by 180 basis points as compared to the second quarter of 2016, supported by further actions to improve cost and efficiencies, our focus on inflation pass-through, and an improved mix of higher value-add solutions. Cost and efficiency actions included the rationalization of headcount and the relocation of sites to lower-cost Tier 2 locations. At the end of the third quarter, 63% of sites were located in Tier 2 locations, an increase of 500 basis points from the end of Fiscal 2015.

Americas Region

Revenue increased 2.8%, a sequential decline in growth rate as compared to the second quarter of 2016. Results reflected macro-driven declines in volume, particularly with Telefónica in Argentina as the recession deepened, and in Mexico where GDP growth is tracking below analyst expectations. Revenue from Telefónica declined 4.0%, largely driven by declines in Argentina. Revenue from non-Telefónica clients increased 8.7%, led by growth in Colombia and our U.S. nearshore business, which grew 23.7% in the third quarter. On a reported basis, revenue declined 10.2%.

Operating income was \$12.5 million. Adjusted EBITDA declined 40 basis points to \$24.2 million, with an EBITDA margin of 13.5%, a decline of 60 basis points year-over-year. Adjusted EBITDA margin improved sequentially by 60 basis points as compared to the second quarter of 2016, supported by our proactive actions to align our cost structure with volumes.

EMEA Region

Revenue declined 4.8% during the third quarter. Revenue from Telefónica decreased 10.6%, primarily driven by Spain. Revenue from non-Telefónica clients grew 15.8%, driven by strong growth from new clients, particularly in financial services and utilities. The mix of revenue from non-Telefónica clients increased by 500 basis points to 26.4%, and the mix of revenue from higher value-add solutions increased by 420 basis points to 13.9%. On a reported basis, revenue declined 4.1%.

The region posted an operating loss of \$1.5 million in the third quarter. Adjusted EBITDA increase by 2.2%, with adjusted EBITDA margin of 10.0%, an increase of 60 basis points. Our profitability was supported by our restructuring actions, and our continued focus on cost and efficiency initiatives to align costs with new volume levels.

Progress on Delivery of Strategic Growth Priorities

During the third quarter, we acquired R Brasil, a leading provider of late stage collections services in Brazil. The total collections market in Latin America is \$2.7 billion, of which 75% or \$2 billion, is late-stage where we have low penetration. Approximately \$1.5 billion of late stage is in Brazil. R Brasil provides Atento with an entry into the late stage collections market in Brazil, and provides a platform to deploy this capability across our geographic footprint over time. In addition, to further strengthen our leadership position in Latin America, this acquisition advances our long-term strategy to continue to lead in core voice services; diversify into higher-value add solutions, particularly with financial services clients; and accelerate growth in digital services.

Reaffirmed and Extended Relationship with Telefónica

We renegotiated another three-year contract in Brazil with Vivo, maintaining volume levels through the expansion of our business and improved profitability supported by changes in our operating model. We also amended our broader Master Service Agreement, or MSA, with Telefónica to include:

- Brazil and Spain extended to 2023 (previously 2021), aligning revenue targets to current operating conditions and retaining total level of commitment.
- Atento guaranteed to maintain at least current share of wallet, remaining largest service provider to Telefónica.
- Payment terms and invoicing process improved in all key markets.
- Argentinian \$24 million Contingent Value Obligation, or CVI, eliminated further strengthening our balance sheet.

Strong Balance Sheet, Improved Liquidity and Accelerated Debt Pay Down Enhances Financial Flexibility

At September 30, 2016, we had cash, cash equivalents and short-term financial investments of \$177.9 million and undrawn revolving credit facilities of €50 million for total liquidity of \$234 million. Total net debt with third parties equaled \$436.0 million. Our last twelve month (LTM) adjusted EBITDA to net debt with third parties was 1.9x.

During the third quarter of 2016, we invested \$9.4 million, or 2.1% of revenue, in capital expenditures.

In 2016 we expect to make the regular scheduled debt payment of \$32 million. In addition, the sustained improvement in our cash flow will drive a one-year program of accelerated payments of our higher-cost Brazil debentures. We will start this in the fourth quarter of this year with a payment of \$30 million that we expect will reduce our interest expense in Fiscal 2017 by \$5.8 million pre-tax, or \$0.06 per share, on an adjusted basis.

Fiscal 2016 Guidance

We expect to continue to operate in a challenging growth environment in many of our markets during the balance of Fiscal 2016. In light of this, we remained focused on driving the optimal balance of profitable growth and liquidity, strengthening our balance sheet and maintaining financial flexibility. By continuing to execute on our priorities for Fiscal 2016, including tight cost controls and disciplined capital allocation, we are well-positioned to outperform the market, increase our leadership position in Latin America, and remain the reference partner for the CRM BPO needs of our clients.

For the full year Fiscal 2016, we expect:

	<u>Guidance</u>	<u>Comments</u>
Consolidated Revenue Growth (CCY)	1% to 5%	Trending at low-end of the range
Adjusted EBITDA Margin Range (CCY) (1)	11% to 12%	Trending at high-end of the range
Non-recurring Expenses – Adjustments to EBITDA	~\$15 MM	Higher exceptional restructuring costs offset by benefit of CVI elimination
Debt Payments – 2016 Regular Schedule	\$27MM	~\$32MM of scheduled payments (at current FX rates) and ~\$30MM of accelerated payments
Net Interest Expense Range	\$60MM to \$65MM	\$70MM to \$75MM driven by FX rates (as highlighted in Q2)
Cash Capex (% of Revenue)	~5%	Trending below guidance by ~\$24MM
Effective Tax Rate	~32%	
Diluted Share Count	~73.8MM shares	

This guidance assumes no acquisitions or changes in the current operating environment, capital structure or exchange rates movements on the translation of our financial statements into U.S. dollars.

Conference Call

We will host a conference call and webcast for analysts on Wednesday, November 9, 2016 at 5:00 pm ET to discuss our financial results. The conference call can be accessed by dialing: +1 (877) 407-3982 toll free domestic, UK: (+44) 0 800 756 3429 toll free, Brazil: (+55) 0 800 891 6221 toll free, or Spain: (+34) 900 834 236 toll free. All other international callers can access the conference call by dialing: +1 (201) 493-6780 toll free. No passcode is required. Individuals who dial in will be asked to identify themselves and their affiliations. The conference call will also be webcasted through a link on our Investor Relations website at investors.atento.com. A web-based archive of the conference call will also be available at the above website.

About Atento

Atento is the largest provider of customer relationship management and business process outsourcing (CRM BPO) services in Latin America, and among the top three providers globally, based on revenues. Atento is also a leading provider for U.S.-based companies nearshoring CRM/BPO services to Latin America. Since 1999, the company has developed its business model in 14 countries where it employs more than 150,000 people. Atento has over 400 clients to whom it offers a wide range of CRM BPO services across multiple channels. Atento's clients are mostly leading multinational corporations in sectors such as telecommunications, banking and financial services, media and technology, health, retail and public administrations, among others. Atento's shares trade under the symbol ATTO on the New York Stock Exchange (NYSE). In 2015, Atento was named one of the World's 25 Best Multinational Workplaces by Great Place to Work® for third consecutive year. For more information visit www.atento.com

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Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "continue" or similar terminology. These statements reflect only Atento's current expectations and are not guarantees of future performance or results. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. These risks and uncertainties include, but are not limited to, competition in Atento's highly competitive industries; increases in the cost of voice and data services or significant interruptions in these services; Atento's ability to keep pace with its clients' needs for rapid technological change and systems availability; the continued deployment and adoption of emerging technologies; the loss, financial difficulties or bankruptcy of any key clients; the effects of global economic trends on the businesses of Atento's clients; the non-exclusive nature of Atento's client contracts and the absence of revenue commitments; security and privacy breaches of the systems Atento uses to protect personal data; the cost of pending and future litigation; the cost of defending Atento against intellectual property infringement claims; extensive regulation affecting many of Atento's businesses; Atento's ability to protect its proprietary information or technology; service interruptions to Atento's data and operation centers; Atento's ability to retain key personnel and attract a sufficient number of qualified employees; increases in labor costs and turnover rates; the political, economic and other conditions in the countries where Atento operates; changes in foreign exchange rates; Atento's ability to complete future acquisitions and integrate or achieve the objectives of its recent and future acquisitions; future impairments of our substantial goodwill, intangible assets, or other long-lived assets; and Atento's ability to recover consumer receivables on behalf of its clients. In addition, Atento is subject to risks related to its level of indebtedness. Such risks include Atento's ability to generate sufficient cash to service its indebtedness and fund its other liquidity needs; Atento's ability to comply with covenants contained in its debt instruments; the ability to obtain additional financing; the incurrence of significant additional indebtedness by Atento and its subsidiaries; and the ability of Atento's lenders to fulfill their lending commitments. Atento is also subject to other risk factors described in documents filed by the company with the United States Securities and Exchange Commission.

These forward-looking statements speak only as of the date on which the statements were made. Atento undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

SELECTED FINANCIAL DATA

The following selected financial information should be read in conjunction with the interim consolidated financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" presented elsewhere in the Form 6-K.

Consolidated Income Statements

	For the three months ended September 30,		Change excluding FX (%)	For the nine months ended September 30,		Change excluding FX (%)
	2015 *	2016		2015 *	2016	
	(unaudited)			(unaudited)		
Revenue	465,548	443,722	(3.3)	1,497,183	1,315,493	(0.5)
Other operating income	702	1,869	N.M.	2,014	3,361	88.9
Own work capitalized	1	24	N.M.	(15)	28	N.M.
Other gains	-	(14)	N.M.	-	-	N.M.
Operating expenses:						
Supplies	(20,645)	(16,784)	(16.4)	(60,105)	(46,988)	(10.5)
Employee benefit expenses	(329,539)	(323,647)	(0.1)	(1,084,605)	(980,418)	2.3
Depreciation	(11,215)	(11,574)	2.7	(37,685)	(34,435)	2.7
Amortization	(12,105)	(13,395)	10.7	(40,142)	(37,510)	3.6
Changes in trade provisions	(422)	(140)	(75.0)	(926)	(446)	(50.0)
Other operating expenses	(56,733)	(55,641)	(2.5)	(180,959)	(158,285)	(1.8)
Total operating expenses	(430,659)	(421,181)	(0.9)	(1,404,422)	(1,258,082)	1.3
Operating profit	35,592	24,420	(29.3)	94,760	60,800	(25.9)
Finance income	4,855	2,272	(54.9)	12,677	4,428	(60.7)
Finance costs	(17,915)	(21,963)	18.9	(58,000)	(59,764)	14.3
Change in fair value of financial instruments	512	(102)	(120.0)	17,798	561	N.M.
Net foreign exchange gain/(loss)	3,059	(2,480)	N.M.	(3,157)	(15,231)	N.M.
Net finance expense	(9,489)	(22,273)	145.1	(30,682)	(70,006)	N.M.
Profit/(loss) before tax	26,103	2,147	(91.7)	64,078	(9,206)	(116.4)
Income tax expense	(8,697)	(2,635)	(68.3)	(19,611)	(4,149)	(75.0)
Profit/(loss) from continuing operations	17,406	(488)	(102.9)	44,467	(13,355)	(133.3)
Profit/(loss) from discontinued operations	(723)	(3,206)	N.M.	(723)	(3,206)	N.M.
Profit/(loss) for the period	16,683	(3,694)	(122.4)	43,744	(16,561)	(142.0)
Basic result per share from continuing operations (in U.S. dollars) (**)	0.24	(0.01)	N.M.	0.60	(0.18)	N.M.
Basic result per share from discontinued operations (in U.S. dollars) (**)	(0.01)	(0.04)	N.M.	(0.01)	(0.04)	N.M.

* Restated, excluding discontinued operations - Morocco

(**) The basic result per share, for the period presented in the table above, were calculated based on the number of ordinary shares of 73,786,225 as of September 30, 2016. For the period ended September 30, 2015 the number of ordinary outstanding shares outstanding was 73,648,760.

N.M means not meaningful.

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2015 (unaudited)	2016	2015 (unaudited)	2016
Profit/(loss) from continuing operations	17.4	(0.5)	44.4	(13.4)
Net finance expense	9.5	22.3	30.7	70.1
Income tax expense	8.7	2.6	19.6	4.1
Depreciation and amortization	23.3	25.0	77.7	71.9
EBITDA (non-GAAP) (unaudited)	58.9	49.4	172.4	132.7
Acquisition and integration related costs ^(a)	-	-	0.1	-
Restructuring costs ^(b)	3.9	6.2	7.6	19.1
Site relocation costs ^(c)	-	0.7	0.5	6.5
Financing and IPO fees ^(d)	-	-	0.3	-
Asset impairments and Others ^(e)	2.3	4.2	4.6	5.0
Total non-recurring items	6.2	11.1	13.1	30.6
Adjusted EBITDA (non-GAAP) (unaudited)	65.1	60.5	185.5	163.3

(a) Acquisition and integration related costs incurred during the nine months ended September 30, 2015 are costs primarily related to an SAP IT transformation project implemented to drive financial and operational improvements.

(b) Restructuring costs incurred during the three and nine months ended September 30, 2015 and 2016 primarily included a number of restructuring and personnel costs that are not related to our core operation results. Restructuring costs incurred for the three months ended September 30, 2015 relate mainly to actions taken to lower variable costs, including labor, in Brazil and EMEA to align with lower volumes driven by the impacts of protracted macroeconomic pressures. Restructuring costs incurred for the three months ended September 30, 2016 relate mainly to actions taken to lower variable costs, including labor, in Brazil, Spain and Argentina to align with lower volumes driven by the impacts of protracted macroeconomic pressures and a restructuring program to lower our overhead structure in Peru, Chile, Colombia, Mexico and Central America. We expect these adjustments due to exceptional macro circumstances continue over fourth quarter 2016, but in most cases like Brazil and Argentina, will not continue in 2017.

(c) Site relocation costs for the three and nine months ended September 30, 2015 include costs associated with our strategic initiative, to relocate call centers in Brazil from tier 1 to tier 2 cities to achieve efficiencies through lower rental costs, lower attrition and improvement in absenteeism. Site relocation costs incurred for the three and nine months ended September 30, 2016 relate to the site closing in Brazil in connection with the site relocation program, which is, to relocate and consolidate our sites from to lower costs locations. The company expects to complete this program in Brazil by the end of fiscal 2016. The investments are to drive a sustainable lower-cost and more competitive operating model, specially due to the impacts of the exceptional macro circumstances in the operational volumes.

(d) Financing and IPO fees for the nine months ended September 30, 2015 relate to remaining costs incurred in connection with the IPO process.

(e) Asset impairments and other costs incurred for the three and nine months ended September 30, 2015 mainly refer to costs in Brazil, Spain and Mexico (\$2.5 million) of efficiency projects, fees incurred during the three months ended March 31, 2015, related to Czech Republic divested operation in December 2014 (\$2.5 million). Asset impairments and other costs incurred for the three and nine months ended September 30, 2016 refer mainly to other costs with the sale of Morocco operation related to the accrual of reserve in amount \$3.1 million as guarantee to the buyer, for potential indemnity related to eventual liability assessed from the period before the sale.

Reconciliation of Adjusted Earnings to profit/(loss):

(\$ in millions, except percentage changes)	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	(unaudited)		(unaudited)	
Profit/(Loss) attributable to equity holders of the parent	17.4	(0.5)	44.4	(13.4)
Acquisition and integration related Costs ^(a)	-	-	0.1	-
Amortization of Acquisition related Intangible assets ^(b)	7.0	6.5	21.6	17.9
Restructuring Costs ^(c)	3.9	6.2	7.6	19.1
Site relocation costs ^(d)	-	0.7	0.5	6.5
Financing and IPO fees ^(e)	-	-	0.3	-
Asset impairments and Others ^(f)	2.3	4.2	4.6	5.0
Net foreign exchange gain on financial instruments ^(g)	(0.5)	0.1	(17.8)	(0.6)
Net foreign exchange impacts ^(h)	(3.0)	2.5	3.2	15.3
Tax effect ⁽ⁱ⁾	(4.1)	(5.1)	(10.4)	(16.6)
Total of Add backs	5.6	15.1	9.7	46.6
Adjusted Earnings (non-GAAP) (unaudited)	23.0	14.6	54.1	33.2
Adjusted Basic Earnings per share (in U.S. dollars) ^(*) (unaudited)	0.31	0.20	0.73	0.45

(a) Acquisition and integration related costs incurred during the nine months ended September 30, 2015 are costs primarily related to an SAP IT transformation project implemented to drive financial and operational improvements.

(b) Amortization of acquisition related intangible assets represents the amortization expense of intangible assets resulting from the acquisition and has been adjusted to eliminate the impact of the amortization arising from the acquisition which is not in the ordinary course of our daily operations and also distorts comparison with peers and our results for prior periods. Such intangible assets primarily include contractual relationships with customers, for which the useful life has been estimated to be nine years.

(c) Restructuring costs incurred during the three and nine months ended September 30, 2015 and 2016 primarily included a number of restructuring and personnel costs that are not related to our core operation results. Restructuring costs incurred for the three months ended September 30, 2015 relate mainly to actions taken to lower variable costs, including labor, in Brazil and EMEA to align with lower volumes driven by the impacts of protracted macroeconomic pressures. Restructuring costs incurred for the three months ended September 30, 2016 relate mainly to actions taken to lower variable costs, including labor, in Brazil, Spain and Argentina to align with lower volumes driven by the impacts of protracted macroeconomic pressures and a restructuring program to lower our overhead structure in Peru, Chile, Colombia, Mexico and Central America. We expect these adjustments due to exceptional macro circumstances continue over fourth quarter 2016, but in most cases like Brazil and Argentina, will not continue in 2017.

(d) Site relocation costs for the three and nine months ended September 30, 2015 include costs associated with our strategic initiative, to relocate call centers in Brazil from tier 1 to tier 2 cities to achieve efficiencies through lower rental costs, lower attrition and improvement in absenteeism. Site relocation costs incurred for the three and nine months ended September 30, 2016 relate to the site closing in Brazil in connection with the site relocation program, which is, to relocate and consolidate our sites from to lower costs locations. The company expects to complete this program in Brazil by the end of fiscal 2016. The investments are to drive a sustainable lower-cost and more competitive operating model, specially due to the impacts of the exceptional macro circumstances in the operational volumes.

(e) Financing and IPO fees for the nine months ended September 30, 2015 relate to remaining costs incurred in connection with the IPO process.

(f) Asset impairments and other costs for the three and nine months ended September 30, 2015 mainly refer to costs in Brazil, Spain and Mexico (\$2.5 million) of efficiency projects, fees incurred during the three months ended March 31, 2015, related to Czech Republic divested operation in December 2014 (\$2.5 million). Asset impairments and other costs incurred for the three and nine months ended September 30, 2016 refer mainly to other costs with the sale of Morocco operation related to the accrual of reserve in amount \$3.1 million as guarantee to the buyer, for potential indemnity related to eventual liability assessed from the period before the sale.

(g) As of 2015, management analyzes the Company's financial performance excluding net foreign exchange financial instruments which eliminates the volatility related to the gain or loss of the ineffective portion of the hedge instruments. For the three months ended March 31, 2015 \$13.0 million was reversed from equity to profit/(loss) as a result of the Company designating the foreign currency risk on certain of its subsidiaries as net investment hedges, using financial instruments as hedging items.

(h) As of 2015, management analyzes the Company's financial performance excluding net foreign exchange impacts, which eliminates the volatility related to foreign exchange variances from our operational results.

(i) The tax effect represents the tax impact of the total adjustments based on tax rate of 25.2% for the period from July 1, 2016 to September 30, 2016, 30.4% for the period from July 1, 2015 to September 30, 2015, 26.3% for the period from January 1, 2016 to September 30, 2016 and 29.4% for the period from January 1, 2015 to September 30, 2015.

(*) The Adjusted Earnings per share, for the period presented, was calculated based on the weighted average number of ordinary shares outstanding of 73,786,225 as of September 30, 2016. For the period ended September 30, 2015 the weighted average number of ordinary shares outstanding was 73,648,760.

(\$ in millions, except Net Debt/Adj. EBITDA LTM)	As of September 30, (unaudited)	
	2016	2015
Cash and cash equivalents	174.7	177.9
Short term financial investments	-	-
Debt:		
7.375% Sr. Sec. Notes due 2020	295.9	297.4
Brazilian Debentures	172.4	211.8
Contingent Value Instrument	35.5	24.0
Finance Lease Payables	4.7	3.8
Other Borrowings	64.2	76.9
Total Debt	572.7	613.9
Net Debt with third parties ⁽¹⁾ (unaudited)	398.0	436.0
Adjusted EBITDA LTM ⁽²⁾ (non - GAAP) (unaudited)	271.8	227.5
Net Debt/Adjusted EBITDA LTM (non-GAAP) (unaudited)	1.5x	1.9x

(1) In considering our financial condition, our management analyzes Net debt with third parties, which is defined as total debt less cash and cash equivalents. Net debt with third parties is not a measure defined by IFRS and it has limitations as an analytical tool. Net debt with third parties is neither a measure defined by or presented in accordance with IFRS nor a measure of financial performance, and should not be considered in isolation or as an alternative financial measure determined in accordance with IFRS. Net debt is not necessarily comparable to similarly titled measures used by other companies.

(2) Adjusted EBITDA LTM (Last Twelve Months) is defined as EBITDA adjusted to exclude certain acquisition and integration related costs, restructuring costs, sponsor management fees, asset impairments, site relocation costs, financing fees, IPO costs and other items, which are not related to our core results of operations for the last twelve months.

Free Cash Flow

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2016	2015	2016
	(unaudited)			
Net cash flow from/(used in) operating activities	38.7	48.3	(3.3)	58.1
Payments for acquisition of property, plant, equipment and intangible assets	(23.4)	(15.8)	(60.7)	(56.3)
Disposals of property, plant, equipment and intangible assets	1.4	0.2	2.4	1.1
Free cash flow (non-GAAP) (unaudited)	16.7	32.7	(61.6)	2.9
Add-back Net Interest Expense	7.8	14.0	32.8	50.1
Free cash flow before Interest Expense	24.5	46.7	(28.8)	53.0