

CONVERGYS CORPORATION
Reconciliation of GAAP Revenue Growth to non-GAAP Constant Currency Revenue Growth
(In Millions Except Per Share Amounts)

	Three Months Ended March 31,	
	2016	2015
Revenue	\$ 722.2	\$ 740.5
Revenue growth, as reported under U.S. GAAP	-2.5%	22.0%
Foreign exchange impact ^(a)	1.1%	3.0%
Constant currency revenue growth (a non-GAAP measure)	-1.4%	25.0%

Reconciliation of GAAP EPS from Continuing Operations to non-GAAP EPS from Continuing Operations
(In Millions Except Per Share Amounts)

	Three Months Ended March 31,		% Change
	2016	2015	
Operating income as reported under U.S. GAAP	\$ 59.0	\$ 49.2	20
Operating Margin	8.2%	6.6%	
Depreciation of property & equipment write-up ^(b)	3.2	5.5	
Amortization of acquired intangible assets ^(c)	6.9	7.0	
Integration related expenses ^(d)	-	2.5	
Total charges	10.1	15.0	
Adjusted operating income (a non-GAAP measure)	\$ 69.1	\$ 64.2	8
Adjusted Operating Margin	9.6%	8.7%	
Income Before Income Taxes and Discontinued Operations as reported under U.S. GAAP	\$ 54.6	\$ 47.4	15
Total operating charges from above	10.1	15.0	
Adjusted Income Before Income Taxes and Discontinued Operations (a non-GAAP measure)	\$ 64.7	\$ 62.4	4
Income from continuing operations, net of tax, as reported under U.S. GAAP	\$ 44.5	\$ 39.3	13
Total operating charges from above, net of tax	7.1	10.5	
Adjusted income from continuing operations, net of tax (a non-GAAP measure)	\$ 51.6	\$ 49.8	4
Diluted EPS from continuing operations as reported under U.S. GAAP	\$ 0.43	\$ 0.37	16
Net impact of total charges included in continuing operations	0.07	0.10	
Adjusted diluted EPS from continuing operations (a non-GAAP measure)	\$ 0.50	\$ 0.47	6

(a) Changes in currency exchange rates resulted in reduced revenues in the current quarter primarily due to the strengthening U.S. dollar relative to the euro, British pound, Australian dollar and the Canadian dollar.

(b) During the first quarter of 2016 and 2015, the Company recorded \$3.2 and \$5.5, respectively, of depreciation expense resulting from the fair value write-up of property and equipment acquired from Stream.

(c) During the first quarter of 2016 and 2015, the Company recorded amortization expense of \$6.9 and \$7.0, respectively, related to acquired intangible assets.

(d) During the first quarter of 2015, the Company recorded \$2.5 of integration expenses associated with Convergys' integration of the acquired Stream operations. These expenses were primarily related to third-party consulting services and severance expense.

Management uses constant currency revenue growth to assess underlying revenue trends by providing revenue growth between periods on a consistent basis. Constant currency revenue growth is determined by using the comparable prior year period's currency exchange rates to translate current period revenue from local currencies. Management uses operating income, income from continuing operations, net of tax and earnings per share from continuing operations excluding the above items to assess the underlying operational performance of the continuing operations of the business for the year and to have a basis to compare underlying operating results to prior and future periods. These charges and credits are relevant in evaluating the overall performance of the business.

Limitations associated with the use of these non-GAAP measures include that these measures do not include all of the amounts associated with our results as determined in accordance with GAAP. Management compensates for these limitations by using the non-GAAP measures, constant currency revenue growth, operating income, income from continuing operations, net of tax and diluted earnings per share excluding the charges, and the GAAP measures, revenue growth, operating income, income from continuing operations, net of tax and diluted earnings per share, in its evaluation of performance.