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## **West Corporation Reports Record Full Year and Fourth Quarter Earnings**

OMAHA, Neb., Feb. 6 -- West Corporation (Nasdaq: WSTC) or ("West"), a leading provider of innovative full service customer relationship management solutions using the latest in voice and Internet technology, announced today record revenues for the fourth quarter and full year 2000. Revenues for the fourth quarter increased 35.0% to \$193.4 million and net income rose 51.8% to \$19.2 million during the same period, ahead of analyst consensus expectations. The company attributes its exceptional performance to cross-selling opportunities across its product base and new sales.

"We are extremely pleased with our fourth quarter performance, recording top-line growth of 35% and net income growth of 52%," commented Thomas B. Barker, President and Chief Executive Officer. "Our clients are relying on West to manage the increasingly complex communication channels demanded by their customers, which is driving our exceptional growth. Our financial performance validates our ability to help premium-brand companies acquire, retain and grow profitable customer relationships."

### **Operating Results**

#### **Fourth Quarter Highlights**

- For the quarter ended December 31, 2000, revenues increased 35% to \$193.4 million from \$143.3 million in the prior year fourth quarter.
- Operating income expanded 40.5% to \$30.3 million, up from \$21.5 million in last year's fourth quarter.
- Net income rose significantly, jumping 51.8% to \$19.2 million from \$12.6 million last year. Fully diluted earnings per share was 28 cents versus 19 cents in the comparable period of 1999.
- EBITDA (earnings before interest, taxes, depreciation and amortization) rose 39.2% to \$42.0 million from \$30.2 million in the prior year comparable period.

#### **Fiscal Year**

- For FY' 2000, revenues expanded 28.8% to \$724.5 million from \$562.4 million in the prior year period.
- Operating income rose by 37.9% to \$109.4 million from \$79.3 million.
- Net income climbed 41.2% to \$70.3 million from \$49.8 million for the year.
- EBITDA grew 32.3% to \$154.8 million from \$117.0 million in last year's comparable period.

Michael Micek, Chief Financial Officer of West, commented, "We are extremely pleased with our performance as evidenced by our 16.1% growth in revenue per workstation to \$15,249 from \$13,138 in the fourth quarter of 1999. Our expanded margin demonstrates the efficiency of asset utilization across the organization and reaffirms the success of our integration initiatives. Since the beginning of 2000, West began processing transactions at four new contact centers located in Pennsylvania, Alabama, Oklahoma and India. We have increased the total number of workstations from 8,364 to 10,147 over the course of the year to handle the increased volume of transactions for our clients. In addition, interactive call handling capacity grew to 50,573 ports in the fourth quarter from 33,476 at the beginning of the year."

### **Margins**

As a percentage of revenues, operating income rose to 15.7% in the fourth quarter of 2000 from 15.0% in the same period of last year. For the twelve months ended December 31, 2000, operating income was 15.1% of revenues, versus 14.1% of

revenues in FY'99. Operating margin gains are primarily the result of reductions in SG&A expense as a percentage of revenues due to increased utilization of workstations. SG&A represented 33.9% of revenues in the current year fourth quarter, down from 34.6% of revenues in the comparable period last year. For the fiscal year 2000 period, SG&A dropped to 33.6% of revenues from 34.6% in the comparable period a year earlier.

#### Balance Sheet

West continues to improve its strong and liquid balance sheet. At December 31, 2000, the company had cash and short-term investments totaling \$108.1 million, working capital of \$151 million and a favorable 2.1-to-1 current ratio. In addition, West had no outstanding borrowings under its bank lines of credit.

#### About West Corporation

West Corporation is a leading provider of innovative, full-service customer care solutions that help Fortune 500 companies acquire, retain and grow profitable customer relationships. West has the technology and experience needed to create customized solutions that work for both e-Business initiatives and traditional business ventures. West's customer relationship management solutions incorporate agent and automated services using the latest in voice and Internet technology.

Founded in 1986 and headquartered in Omaha, Nebraska, West has a team of approximately 25,000 employees, including an IT staff of approximately 780, occupying 28 state-of-the-art contact centers and seven interactive automated voice and data processing centers across North America and India.

Statements which are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties. Such risks and uncertainties include, but are not limited to: planned expansion of operating facilities; labor market conditions; mergers, acquisitions, or joint ventures, including their execution; customer concentrations; technological innovation; and general economic conditions. Further information regarding the factors that could cause actual results to differ from expected or projected results can be found in documents filed by the Company with the United States Securities and Exchange Commission (the "SEC").

