



February 4, 2003

West Corporation Reports Fourth Quarter & Full Year 2002 Earnings

OMAHA, Neb., Feb 4, 2003 /PRNewswire-FirstCall via COMTEX/ --

West Corporation (Nasdaq: WSTC) or "West", a leading provider of integrated customer contact solutions focused on helping Fortune 1000 companies acquire, manage, retain and grow their customer relationships, today announced its fourth quarter and full-year 2002 results.

Financial Summary (unaudited)

(In millions, except per share amounts and percentages)

	Three Months Ended			Twelve Months Ended		
	Dec 31			Dec 31		
	2002	2001	Percent Change	2002	2001	Percent Change
Total Revenue	\$215.7	\$203.1	6.2%	\$820.7	\$780.2	5.2%
Operating Income	\$19.6	\$31.0	-36.8%	\$106.5	\$120.8	-11.9%
Net Income	\$12.2	\$19.7	-38.4%	\$68.6	\$75.8	-9.4%
Earnings per share (basic)	\$0.18	\$0.30		\$1.04	\$1.17	
Earnings per share (diluted)	\$0.18	\$0.29		\$1.01	\$1.11	

"It was a difficult and challenging year for West," said Thomas B. Barker, President and Chief Executive Officer of West Corporation. "We continue to focus on meeting the needs of our clients and are well positioned for continued growth once the economy begins to recover. We are pleased with the level of profitability we delivered while adapting to changing market conditions."

Operating Results

For the fourth quarter ended December 31, 2002, revenues were \$215.7 million compared to \$203.1 million for the same quarter last year, an increase of 6.2%. Fourth quarter operating income was \$19.6 million, compared to \$31.0 million for the same quarter last year, a decrease of 36.8%. Net income was \$12.2 million, compared to \$19.7 million in the same quarter last year, a decrease of 38.4%. Diluted earnings per share were 18 cents versus 29 cents in the same period of 2001.

For the fiscal year 2002, revenues were \$820.7 million, 5.2% higher than 2001 revenues of \$780.2 million. Operating income was \$106.5 million compared to \$120.8 million in the prior year. Net income was \$68.6 million, versus \$75.8 million in 2001. The company earned \$1.01 per diluted share during the year, compared to \$1.11 in 2001. For the full-year 2002 EBITDA totaled \$169.8 million, consistent with the 2001 number of \$169.6 million.

Margins

The company reported fourth quarter 2002 operating margins of approximately 9.1%, compared to 15.3% in the comparable period of 2001. For the twelve months ended December 31, 2002, operating margins were 13.0%, versus 15.5% in fiscal 2001. As a percentage of revenues, SG&A expense increased from 33.7% in the fourth quarter of 2001 to 41.7% in the fourth quarter of 2002. The increase in fourth quarter SG&A was related to \$12.3 million of bad debt expense, a \$3.1 million increase related to depreciation and amortization costs and a one-time charge of \$2.5 million related to closing outbound contact centers. For the twelve months ended December 31, 2002, SG&A expense as percentage of revenue increased to 38.4% from 33.4% in the previous year.

Balance Sheet

At December 31, 2002, West Corporation had cash and cash equivalents totaling \$137.9 million. Over the past year, the company's current ratio has improved from 3.5-to-1 at the end of 2001 to 4.4-to-1 on December 31, 2002. West Corporation continues to maintain its strong financial position and there are no outstanding borrowings under the company's lines of credit.

Other Developments

The company announced the opening of a contact center in Victoria, British Columbia, Canada. Operations will begin in April 2003, with approximately 150 workstations. The center can accommodate up to 500 workstations.

"This new state of the art center is being opened to provide additional inbound customer service support for an existing client," said Paul Mendlik, Chief Financial Officer of West Corporation. "With these additions, West will have approximately 14,400 workstations in operation by the start of the second quarter."

Conference Call

The company will hold a conference call to discuss earnings on February 5th at 10:00 AM Central Time. Investors may access the call by visiting the Investor Relations section of the West Corporation website at www.west.com and clicking on the Live Webcast icon. If you are unable to participate during the live webcast, a replay of the call will also be available on the website.

About West Corporation

West Corporation is a leading provider of integrated customer contact solutions, focused on helping Fortune 1000 companies acquire, manage, retain and grow their customer relationships.

West's customized solutions include large volume agent based transaction processing, interactive voice response and Web-enabled customer contact solutions. The company's operational strength and proprietary technology enables it to develop long-term partnerships with its clients and drive greater value from each customer interaction.

Founded in 1986 and headquartered in Omaha, Nebraska, West has a team of approximately 23,000 employees, occupying thirty-five state-of-the-art contact centers and seven interactive automated voice and data processing centers across North America and India.

For more information, please visit www.west.com.

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").

WEST CORPORATION CONDENSED STATEMENTS OF OPERATIONS

Unaudited

(\$ in thousands except per share amounts and selected operating data)

	Three Months Ended 31-Dec		
	2002	2001	% change
Revenue	\$215,687	\$203,143	6.2%
Cost of services	106,066	103,714	2.3%
Selling, general and administrative expense	90,035	68,428	31.6%
Operating Income	19,586	31,001	-36.8%
Other Income (expense)	597	496	20.4%
Income before tax and minority interest	20,183	31,497	-35.9%
Income tax expense	7,928	11,577	31.5%
Minority interest	97	197	-50.8%
Net income	\$12,158	\$19,723	-38.4%

Earnings per common share		
Basic	\$0.18	\$0.30
Diluted	\$0.18	\$0.29

Weighted average number of shares outstanding (in 000's):		
Basic common shares	65,987	65,110
Diluted common share	67,329	67,868

Selected operating data:		
Operating margin	9.1%	15.3%
Number of workstations (end of period)	14,230	11,675
Number of ports (end of period)	151,759	78,287

WEST CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
Unaudited

(\$ in thousands except per share amounts and selected operating
data)

	Twelve Months 31-Dec		
	2002	2001	% change
Revenue	\$820,665	\$780,159	5.2%
Cost of services	399,276	398,892	0.1%
Selling, general and administrative expense	314,886	260,426	20.9%
Operating Income	106,503	120,841	-11.9%
Other Income (expense)	2,145	81	2548.1%
Income before tax and minority interest	108,648	120,922	-10.2%
Income tax expense	39,706	44,633	-11.0%
Minority interest	300	503	-40.4%
Net income	\$68,642	\$75,786	-9.4%
Earnings per common share			
Basic	\$1.04	\$1.17	
Diluted	\$1.01	\$1.11	

Weighted average number of shares outstanding (in 000's):		
Basic common shares	65,823	64,895
Diluted common share	68,129	68,130

Selected operating data:		
Operating margin	13.0%	15.5%
Number of workstations (end of period)	14,230	11,675
Number of ports (end of period)	151,759	78,287

Current assets:	31-Dec-02	31-Dec-01	% change
Cash and cash equivalents	\$137,927	\$151,520	-9.0%
Accounts & notes receivable, net	121,868	135,631	-10.1%
Other current assets	29,790	41,621	-28.4%
Total current assets	289,585	328,772	-11.9%

Property and equipment, net	213,641	202,671	5.4%
Goodwill	114,146	41,942	172.2%
Other assets	53,450	18,050	196.1%
Total assets	\$670,822	\$591,435	13.4%
Current liabilities	\$66,322	\$93,592	-29.1%
Other liabilities & minority interest	54,908	29,684	85.0%
Stockholders' equity	549,592	468,159	17.4%
Total liabilities and stockholders equity	\$670,822	\$591,435	13.4%

SOURCE West Corporation

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<http://www.west.com>

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