



July 23, 2002

West Corporation Reports Second Quarter Results

OMAHA, Neb., July 23 /PRNewswire-FirstCall/ -- West Corporation (Nasdaq: [WSTC - News](#)), a leading provider of integrated customer contact solutions focused on helping Fortune 1000 companies acquire, manage, retain and grow their customer relationships, today announced results for the quarter ended June 30, 2002.

Financial Summary (unaudited)

(In thousands, except per share amounts and percentages)

	Three Months Ended			Six Months Ended		
	June 30		Percent Change	June 30		Percent Change
	2002	2001		2002	2001	
Total Revenue	\$195,076	\$193,006	1.1%	\$405,624	\$396,048	2.4%
Operating income	\$31,123	\$30,404	2.4%	\$65,986	\$64,321	2.6%
Net income	\$20,285	\$19,485	4.1%	\$42,877	\$41,322	3.8%
Net Income per share (basic)	\$0.31	\$0.30		0.65	\$0.64	
Net Income per diluted share	\$0.30	\$0.28		\$0.63	\$0.60	

"West has remained focused on meeting and exceeding the needs of our clients, plus controlling our costs during a difficult economic environment," stated Thomas B. Barker, President and Chief Executive Officer.

Operating Results

For the second quarter of 2002, the company reported revenues of \$195.1 million compared to revenues of \$193.0 million in the same quarter last year. Operating income increased from \$30.4 million in second quarter 2001 to \$31.1 million this quarter, a 2.4% change. Net income also increased to \$20.3 million from \$19.5 million in last years second quarter, a 4.1% increase. Diluted earnings per share were \$0.30 for the quarter compared to \$0.28 in second quarter 2001. EBITDA (earnings before interest, taxes, depreciation and amortization) rose 6.9% to \$46.3 million during the second quarter 2002 from \$43.4 million in the same period last year.

Revenues grew 2.4% for the six months ended on June 30, 2002, up from \$396.0 million to \$405.6 million. Operating income improved 2.6% to \$66.0 million from \$64.3 million in the comparable 2001 period. In the first six months of 2002, Net income expanded 3.8% to \$42.9 million from \$41.3 million and EBITDA rose 7.3% to \$95.9 million from \$89.4 million.

Margins

As a percentage of revenue, operating income increased to 16.0% in the second quarter of 2002 from 15.8% in the second quarter of 2001. During the first six months of 2002, operating income as a percentage of revenues increased to 16.3% from 16.2% for the six months ended June 2001. In the second quarter of 2002, SG&A as a percentage of revenues increased to 36.5% from 33.2% in last year's second quarter. For the first six months of 2002, SG&A as a percentage of revenues rose to 35.6% from 32.9% in the comparable period of last year. The increase can be attributed to the additional overhead brought about by the acquisitions of Tel Mark Sales, Inc. and Dakotah Direct plus an increase in the allowance for bad debt.

Balance Sheet

At June 30, 2002, West Corporation had a current ratio of 4.4 to 1, higher than the current ratio of 3.5 to 1 at December 31, 2001. This significant improvement can be attributed to a decrease in current liabilities, dropping 23.2% from \$93.6 million at

the end of 2001 to \$71.9 million, at June 30, 2002.

Recent Developments

West Corporation also announced that it has entered into an agreement with Teleservices Jamaica Ltd, for the operation of contact centers in Montego Bay and Portmore, Jamaica. TJL has approximately 500 seats currently available and can expand to 1000 seats in the future if necessary. West will begin performing outbound transactions at these centers in late August or early September.

The agreement will allow West's clients to take advantage of the highly skilled and motivated workforce in Jamaica at a lower cost. West's technical infrastructure will be utilized allowing all scripting, reporting, call monitoring and call verification to be controlled by West's San Antonio facility.

"The integration of Tel Mark Sales and Dakotah Direct are progressing well and both divisions met our internal targets this quarter," said Mike Micek, Chief Financial Officer of West Corporation. "During the second quarter, we invested \$19.1 million in capital expenditures primarily for contact center upgrades. Also, we were able to reduce our Days Sales Outstanding (DSO's) to 54 days from 60 days at the end of 2001."

Conference Call

The company will hold a conference call to discuss earnings on July 24th 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, Web-enabled customer contact solutions and business-to-business marketing services. 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 24,000 employees, occupying thirty-five state-of-the-art contact centers and eight 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 June 30,		
	2002	2001	% change
Revenue	\$195,076	\$193,006	1.1%
Cost of services	92,787	98,431	-5.7%
Selling, general and administrative expense	71,166	64,171	10.9%
Operating Income	31,123	30,404	2.4%

Other Income	431	994	-56.6%
Income before tax	31,554	31,398	0.5%
Income tax expense	11,220	11,704	-4.1%
Minority Interest	49	209	-76.6%
Net income	\$20,285	\$19,485	4.1%

Earnings per common share			
Basic	\$0.31	\$0.30	
Diluted	\$0.30	\$0.28	

Weighted average number of shares outstanding:			
Basic common shares	65,659	64,804	
Diluted common share	68,491	68,485	

Selected operating data:			
Operating margin	15.95%	15.75%	
Number of workstations (end of period)	13,357	11,055	
Number of ports (end of period)	128,187	56,167	

WEST CORPORATION
CONDENSED STATEMENTS OF OPERATIONS

Unaudited

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

	Six Months Ended June 30,		
	2002	2001	% change
Revenue	\$405,624	\$396,048	2.4%
Cost of services	195,106	201,465	-3.2%
Selling, general and administrative expense	144,532	130,262	11.0%
Operating Income	65,986	64,321	2.6%
Other Income	1,142	1,648	-30.7%
Income before tax	67,128	65,969	1.8%
Income tax expense	24,096	24,365	-1.1%
Minority Interest	155	282	-45.0%
Net income	\$42,877	\$41,322	3.8%
Earnings per common share			
Basic	\$0.65	\$0.64	
Diluted	\$0.63	\$0.60	
Weighted average number of shares outstanding:			
Basic common shares	65,506	64,692	
Diluted common share	68,530	68,457	
Selected operating data:			
Operating margin	16.27%	16.24%	
Number of workstations (end of period)	13,857	11,055	
Number of ports (end of period)	128,187	56,167	

	June 30, 2002	December 31, 2001	% change
Current assets:			
Cash and short-term investments	\$139,301	\$151,520	-8.1%
Trade accounts receivable, net	118,045	131,316	-10.1%
Other current assets	55,638	45,936	21.1%
Total current assets	312,984	328,772	-4.8%
Net property and equipment	216,767	202,671	7.0%
Goodwill	68,069	41,942	62.3%
Other assets	25,805	18,050	43.0%
Total assets	\$623,625	\$591,435	5.4%
Current liabilities	\$71,880	\$93,592	-23.2%
Other liabilities & minority interest	32,228	29,684	8.6%
Stockholders' equity	519,517	468,159	11.0%
Total liabilities and stockholders' equity	\$623,625	\$591,435	5.4%