UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 30, 2006**

TeleTech Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**0-21055**	**84-1291044**
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

9197 S. Peoria Street, Englewood, Colorado 80112
(Address of principal executive offices, including Zip Code)

Telephone Number: **(303) 397-8100**
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

On July 5, 2006, TeleTech Holdings, Inc. filed a Current Report Form 8-K under Item 2.01 "Completion of Acquisition or Disposition of Assets" to report that on June 30, 2006 it had completed its acquisition of Direct Alliance Corporation, an Arizona corporation wholly owned by Insight Enterprises, Inc. (NASDAQ: NSIT). This Form 8-K/A is being filed to provide the required financial statements and pro forma financial information relating to the Direct Alliance Corporation acquisition as required by Item 9.01.

Item 9.01 Financial Statements and Exhibits

(a) *Financial Statements of Business Acquired.* The required financial statements are attached hereto as Exhibit 99.1 and 99.2 and are incorporated herein by reference.

(b) *Pro Forma Financial Information.* The required pro forma financial information is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

(c) *Exhibits.* The following exhibits are being filed herewith.

Exhibit Number	Description
23.1	Consent of Grant Thornton LLP
99.1	Audited Financial Statements of Direct Alliance Corporation
99.2	Interim Financial Statements of Direct Alliance Corporation
99.3	Pro Forma Financial Information

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TeleTech Holdings, Inc.

By: /s/ Kenneth D. Tuchman
KENNETH D. TUCHMAN
Chief Executive Officer

Dated: September 14, 2006

EXHIBIT INDEX

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated August 28, 2006, accompanying the consolidated financial statements of Direct Alliance Corporation as of and for the year ended December 31, 2005, included in the TeleTech Holdings, Inc. Form 8-K/A dated September 14, 2006. We hereby consent to the incorporation by reference of said report in the Registration Statement of TeleTech Holdings, Inc. on Form S-8 (File No. 333-96617).

/s/ GRANT THORNTON LLP

Denver, Colorado
August 28, 2006

Exhibit 99.1

Financial Statements

Direct Alliance Corporation

Year ended December 31, 2005 with Report of Independent Certified Public Accountants

DIRECT ALLIANCE CORPORATION
Index to Financial Statements
December 31, 2005

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and management
Direct Alliance Corporation

We have audited the accompanying balance sheet of Direct Alliance Corporation (“the Company”) as of December 31, 2005 and the related statements of operations, stockholder’s equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Direct Alliance Corporation as of December 31, 2005 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Denver, Colorado
August 28, 2006

DIRECT ALLIANCE CORPORATION
Balance Sheets

	December 31, 2005	December 31, 2004 (unaudited)
ASSETS		
Current assets:		
Accounts receivable, net	$15,539,669	$12,480,968
Prepaids and other assets	302,037	500,697
Deferred tax assets	1,509,320	1,756,333
Total current assets	17,351,026	14,737,998
Long-term assets:		
Property and equipment, net	32,593,331	32,392,449
Total long-term assets	32,593,331	32,392,449
Total assets	$49,944,357	$47,130,447
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 1,832,963	$ 1,505,187
Accrued employee compensation and benefits	3,078,555	3,054,011
Other accrued expenses	693,019	3,517,303
Deferred revenue	76,946	—
Current portion of capital lease obligation	155,182	169,232
Total current liabilities	5,836,665	8,245,733
Long-term liabilities:		
Deferred tax liability	3,807,551	3,213,983
Capital leases, net of current portion	—	155,129
Total long-term liabilities	3,807,551	3,369,112
Total liabilities	9,644,216	11,614,845
Stockholder's equity:		
Common stock — $0.01 par value; 30,000,000 shares authorized; issued and outstanding as of December 31, 2005 and 2004	300,000	300,000
Retained earnings	40,000,141	35,215,602
Total stockholder's equity	40,300,141	35,515,602
Total liabilities and stockholder's equity	$49,944,357	$47,130,447

The accompanying notes are an integral part of these financial statements.

DIRECT ALLIANCE CORPORATION
Statement of Operations

	Year Ended December 31, 2005
Revenues	$77,443,452
Operating expenses:	
Cost of services	60,071,879
Selling, general and administrative expenses	4,017,816
Depreciation and amortization expense	3,582,379
Total operating expenses	67,672,074
Income from operations	9,771,378
Other expense, net	79,650
Income before income taxes	9,691,728
Provision for income taxes	3,856,779
Net income	$ 5,834,949

The accompanying notes are an integral part of this financial statement.

DIRECT ALLIANCE CORPORATION
Statement of Stockholder's Equity

	Common Stock		Retained	Total Stockholder's
	Shares	Amount	Earnings	Equity
Balance as of December 31, 2004	30,000,000	$ 300,000	$ 35,215,602	$ 35,515,602
Net income	—	—	5,834,949	5,834,949
Dividend to Parent	—	—	(1,050,410)	(1,050,410)
Balance as of December 31, 2005	30,000,000	$ 300,000	$ 40,000,141	$ 40,300,141

The accompanying notes are an integral part of this financial statement.

DIRECT ALLIANCE CORPORATION
Statement of Cash Flows

	Year Ended December 31, 2005
Cash flows from operating activities:	
Net income	$ 5,834,949
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization expense	3,582,379
Deferred income tax provision	840,581
Gain on sale of property and equipment	(971)
Changes in assets and liabilities:	
Accounts receivable, net	(3,058,701)
Prepaids and other assets	198,660
Accounts payable	620,030
Accrued employee compensation and benefits	24,544
Other accrued expenses	(2,824,284)
Deferred revenue	76,946
Net cash provided by operating activities	5,294,133
Cash flows from investing activities:	
Purchases of property and equipment	(3,789,999)
Proceeds from sale of property and equipment	7,709
Net cash used in investing activities	(3,782,290)
Cash flows from financing activities:	
Net change in bank overdraft	(292,254)
Payments on capital lease obligation	(169,179)
Dividend to Parent	(1,050,410)
Net cash used in financing activities	(1,511,843)
Increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents, beginning of year	—
Cash and cash equivalents, end of year	$ —

The accompanying notes are an integral part of this financial statement.

NOTE 1: OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview of Company. Direct Alliance Corporation (“Direct Alliance” or the “Company”), an Arizona Corporation, is a provider of outsourced direct marketing services to third parties in the United States (“U.S.”). Its focus is to provide outsourced marketing, sales and business process outsourcing solutions to large multinational clients. Direct Alliance is a wholly-owned subsidiary of Insight Enterprises, Inc. (“Parent” or “Insight”).

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. (“GAAP”) requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Concentration of Credit Risk. The Company is exposed to credit risk in the normal course of business, primarily related to accounts receivable. Historically, the losses related to credit risk have not been material. The Company regularly monitors its credit risk to mitigate the possibility of current and future exposures resulting in a loss. The Company evaluates the creditworthiness of its clients prior to entering into an agreement to provide services, and on an on-going basis as part of the processes for revenue recognition and accounts receivable.

Cash and Cash Equivalents. The Company considers all cash and investments with an original maturity of 90 days or less to be cash equivalents. As of December 31, 2005 and 2004 (unaudited), the Company had recorded bank overdrafts of approximately $129 thousand and $422 thousand, respectively which are included in Accounts Payable in the accompanying Balance Sheets.

Property and Equipment. Property and equipment are stated at cost less accumulated depreciation and amortization. Additions, improvements, and major renewals are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Amounts paid for software licenses and third-party-packaged software are capitalized.

Depreciation and amortization is computed on the straight-line method based on the following estimated useful lives:

Buildings and improvements	5 to 29 years
Computer equipment and software	3 to 10 years
Telephone equipment	5 to 10 years
Furniture and fixtures	7 years

The Company depreciates assets acquired under capital leases over the shorter of the expected useful life or the initial term of the lease.

During the year, the Company evaluates the carrying value of its Property and Equipment in accordance with SFAS No. 144 “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”) to assess whether future operating results are sufficient to recover the carrying costs of these long-lived assets. Reviews are regularly performed to determine whether facts and circumstances exist which indicate that the useful life is shorter than originally estimated or the carrying amount of assets may not be recoverable. When an indication exists, the Company assesses the recoverability of the long-lived assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the estimated fair value of those assets. There was no indication of impairment during the year ended December 31, 2005.

Software Development Costs. The Company accounts for software development costs in accordance with the American Institute of Certified Public Accountants Statement of Position 98-1 “Accounting for the Cost of Computer Software Developed or Obtained for Internal Use,” which requires that certain costs related to the development or purchase of internal-use software be capitalized. Capitalized software costs are included in Property and Equipment in the accompanying Balance Sheets. These costs are amortized over the expected useful life of the software, which is three years. During the year, the Company assesses the recoverability of its capitalized software costs in accordance with SFAS 144, based upon analyses of expected future cash flows of services utilizing the software. There was no indication of impairment during the year ended December 31, 2005.

Deferred Revenue. The Company records amounts billed and received, but not earned as Deferred Revenue in the accompanying Balance Sheets.

Fair Value of Financial Instruments. Fair values of current accounts receivable, accounts payable, accrued employee compensation and accrued expenses approximate their carrying amounts because of their short-term nature. Capital lease obligations carried on the Company’s Balance Sheets at December 31, 2005 and 2004 have a carrying value that approximate their estimated fair value.

Revenue Recognition. The Company’s outsourcing arrangements are primarily service fee based whereby net sales are based primarily upon a cost plus arrangement and a percentage of the sales price from products sold on behalf of the customer. These sales are recorded under the net sales recognition method in the period services are provided. Also, as an accommodation to select clients, the Company purchases product from suppliers and immediately resells the product to clients for ultimate resale to the client’s customer. These product sales (referred to as “pass-through product sales”) to the clients are transacted at little or no gross margin and the selling price to our client is recorded in net sales with the cost payable to the supplier recorded in cost of goods sold in accordance with Emerging Issues Task Force 99-19 “Reporting Revenue Gross as a Principal Versus Net as an Agent.”

Income Taxes. The Company accounts for income taxes in accordance with SFAS No. 109 “Accounting for Income Taxes” (“SFAS 109”), which requires recognition of deferred tax assets and liabilities for the expected future income tax consequences of transactions that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Gross deferred tax assets may then be reduced by a valuation allowance for amounts that do not satisfy the realization criteria of SFAS 109.

For the year ended December 31, 2005, the Company is included in the consolidated federal return and the Arizona combined state tax return of Insight. For purposes of these financial statements, federal and state income taxes have been computed as if the Company’s tax provision and related liability had been calculated on a separate return basis.

Stock Option Accounting. The Company has elected to follow Accounting Principles Board Opinion No. 25 “Accounting for Stock Issued to Employees” (“APB 25”), and related interpretations in accounting for its employee stock options including SFAS No. 148 “Accounting for Stock-Based Compensation Transition and Disclosure” (“SFAS 148”). Under APB 25, because the exercise price of the Company’s employee stock options is equal to the market price of the underlying stock on the date of the grant, no compensation expense is recognized. SFAS No. 123 “Accounting for Stock-Based Compensation” (“SFAS 123”), establishes an alternative method of expense recognition for stock-based compensation awards to employees based on fair values. The Company elected not to adopt SFAS 123 for expense recognition purposes.

Pro forma information regarding net income is required by SFAS 123, and has been calculated as if the Company had accounted for its employee stock options under the fair value method of SFAS 123. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma net income as if the Company had used the fair value accounting provisions of SFAS 123, is shown below for the year ended December 31, 2005:

Net income as reported	$5,834,949
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(19,495)
Pro forma net income	$5,815,454

There were no options granted in 2005.

Recently Issued Accounting Pronouncements. In December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004) "Share-Based Payment" ("SFAS 123R"), which replaces SFAS 123. SFAS 123R requires all share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in the financial statements based on their fair values, beginning with the first interim or annual period after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS 123R in its first quarter of fiscal 2006. Under SFAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost, and the transition method to be used at date of adoption. The transition methods include modified prospective and modified retrospective adoption options. Under the modified retrospective options, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The modified prospective method requires that compensation expense be recorded at the beginning of the first quarter of adoption of SFAS 123R for all unvested stock options and restricted stock based upon the previously disclosed SFAS 123 methodology and amounts. The modified retrospective methods would record compensation expense beginning with the first period restated for all unvested stock options and restricted stock.

The Company is evaluating the requirements of SFAS 123R and has preliminarily estimated that the impact of adoption in 2006 will be $0 as the options are all vested at December 31, 2005.

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48 "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 is to be effective as of the beginning of the first annual period beginning after December 15, 2006. FIN 48 defines the threshold for recognizing the tax benefits of a tax return filing position in the financial statements as "more-likely-than-not" to be sustained by the taxing authority. This is different than the accounting practice currently followed by the Company, which is to recognize the best estimate of the impact of a tax position only when the position is "probable" of being sustained on audit based solely on the technical merits of the position. The term "probable" is consistent with the use of the term in SFAS No. 5 "Accounting for Contingencies," to mean that "the future event or events are likely to occur."

The Company is currently studying the impact FIN 48 will have on its financial statements when adopted.

NOTE 2: ACCOUNTS RECEIVABLE AND SIGNIFICANT CLIENTS

Accounts receivable, net consists of the following at December 31:

	2005	2004 (Unaudited)
Accounts receivable	$15,539,669	$12,730,800
Less: allowance for doubtful accounts	—	(249,832)
Accounts receivable, net	$15,539,669	$12,480,968

The Company has three clients that contributed in excess of 10% of total revenue, all of which operate in the technology industry. The revenue from these clients as a percentage of total revenue for the year ended December 31, 2005 was as follows:

	% of Total Revenue
Client A	25%
Client B	28%
Client C	23%

Accounts receivable from these clients as of December 31, 2005 and 2004 was as follows:

	2005	2004 (Unaudited)
Client A	$6,459,277	$ —
Client B	$2,050,742	$7,783,681
Client C	$3,162,566	$2,389,960

The loss of one or more of its significant clients could have a material adverse effect on the Company’s business, operating results, or financial condition. The Company does not require collateral from its clients. To limit the Company’s credit risk, management performs ongoing credit evaluations of its clients and maintains allowances for uncollectible accounts, when necessary. Although the Company is impacted by economic conditions in the technology industry, management does not believe significant credit risk exists at December 31, 2005.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2005	2004 (Unaudited)
Land, buildings and improvements	$ 23,385,958	$ 23,198,972
Computer equipment	3,361,205	3,256,330
Computer software	12,822,500	12,223,663
Telephone equipment	2,143,851	2,143,851
Furniture and fixtures	5,921,911	5,908,633
Construction-in-progress	4,595,054	2,164,605
	52,230,479	48,896,054
Less: Accumulated depreciation	(19,637,148)	(16,503,605)
	$ 32,593,331	$ 32,392,449

The Company has $338,463 of fixed assets purchased under a capital lease as of December 31, 2005 and 2004 (unaudited). Accumulated amortization of these fixed assets was $112,821 and $39,487 as of December 31, 2005 and 2004 (unaudited), respectively. Amortization expense of these fixed assets was $73,334 for the year ended December 31, 2005 and is recorded as a component of Depreciation and Amortization Expense in the accompanying Statement of Operations.

The net unamortized capitalized software, including amounts for internally developed software and software purchased from a third party, was $5,661,296 and $6,492,538 as of December 31, 2005 and 2004 (unaudited), respectively. Amortization expense of capitalized software was $1,430,079 for the year ended December 31, 2005 and is recorded as a component of Depreciation and Amortization Expense in the accompanying Statement of Operations.

NOTE 4: CAPITAL LEASE

The Company has one capital lease for software. The future obligation for this lease as of December 31, 2005 is $155,182.

NOTE 5: CONTINGENCIES

Legal Proceedings. From time to time, the Company may be involved in claims or lawsuits that arise in the ordinary course of business. Accruals for claims or lawsuits have been provided for to the extent that losses are deemed both probable and estimable. Although the ultimate outcome of these claims or lawsuits cannot be ascertained, on the basis of present information and advice received from counsel, it is management’s opinion that the disposition or ultimate determination of such claims or lawsuits will not have a material adverse effect on the Company.

NOTE 6: INCOME TAXES

The components of the provision for income taxes for the year ended December 31, 2005 are as follows:

Current provision:	
Federal	$2,511,238
State	504,960
Total current provision	$3,016,198
Deferred provision	
Federal	$ 744,268
State	96,313
Total deferred provision	$ 840,581
Total provision for income taxes	$3,856,779

The following reconciles the Company's effective tax rate to the federal statutory rate for the year ended December 31, 2005:

Income tax per U.S. federal statutory rate (35%)	$3,392,105
State income taxes, net of federal deduction	438,958
Other permanent differences	25,716
	$3,856,779

The Company's deferred income tax assets and liabilities are summarized as follows as of December 31:

	2005	2004 (Unaudited)
Current deferred tax assets:		
Accrued employee compensation and benefits	$ 393,924	$ 343,778
Allowance for doubtful accounts and other accruals	1,107,360	1,412,515
Other	8,036	40
Total current deferred tax assets	$ 1,509,320	$ 1,756,333
Long-term deferred tax liability		
Depreciation and amortization	(3,807,551)	(3,213,983)
Total long-term deferred tax liability	(3,807,551)	(3,213,983)
Net	$(2,298,231)	$(1,457,650)

As required by SFAS 109, the Company periodically reviews the likelihood that deferred tax assets will be realized in future tax periods under the "more-likely-than-not" criteria. In making this judgment, SFAS 109 requires that all available evidence, both positive and negative, should be considered to determine whether, based on the weight of that evidence, a valuation allowance is required. As of December 31, 2005 and 2004 (unaudited), the Company determined that no valuation allowances were necessary.

NOTE 7: STOCK COMPENSATION PLAN

Stock Compensation Plans. In May 2000, the Company established the Direct Alliance Corporation 2000 Long-Term Incentive Plan ("Direct Alliance Plan"). The total number of stock options initially available for grant under this plan, representing 15% of the outstanding shares of the Company's common stock, was 4,500,000. The underlying shares are held by Insight. As of December 31, 2005, the number of stock options outstanding and available for grant under the Direct Alliance Plan was 2,042,500 and 2,457,500, respectively. The Company currently does not intend to grant additional stock options under the Direct Alliance Plan. As of December 31, 2005, none of the stock options have been exercised.

The Direct Alliance Plan, which is currently administered by the Company's Board of Directors, includes provisions for granting of incentive awards in the form of stock options to the Company's employees and directors as well as to officers and employees of Insight and corporate affiliates. The right to purchase shares under the stock option agreements currently outstanding vested 100% on May 5, 2005 and expire on May 5, 2006.

The following table summarizes the stock option activity under the Direct Alliance Plan:

	Number of Shares	Weighted Average Price per Share
Outstanding as of December 31, 2004 (unaudited)	2,777,500	$1.42
Forfeitures	(735,000)	$1.42
Outstanding as of December 31, 2005	2,042,500	$1.42

There were 2,042,500 and zero options exercisable with a weighted average price per share of $1.42 and $0.00 as of December 31, 2005 and 2004 (unaudited), respectively.

The following table sets forth the exercise price range, number of shares, weighted average exercise price and remaining contractual lives as of December 31, 2005:

	Outstanding			Exercisable	
Range of Exercise Price	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Shares	Weighted Average Exercise Price
$1.42	2,042,500	$1.42	0.3	2,042,500	$1.42
	2,042,500			2,042,500	

NOTE 8: RELATED PARTY TRANSACTIONS

During the year ended December 31, 2005, the Company recognized $935,844 sales from Insight, which is reported as Revenue in the accompanying Statement of Operations. These sales had associated costs of $596,162, which are reported in Cost of Services in the accompanying Statement of Operations.

NOTE 9: SUBSEQUENT EVENT

On June 30, 2006, TeleTech Holdings, Inc. (the "Buyer") acquired 100 percent of the outstanding common shares of the Company from Insight (the "Seller"), though certain real-estate assets were excluded from the sale. The preliminary purchase price was $46.5 million. The purchase agreement provides for the Seller to (i) receive a future payment of up to $11.0 million based upon the earnings of the Company for the last six months of 2006 exceeding specified amounts and (ii) pay the Buyer up to $5.0 million in the event certain clients of the Company do not renew, on substantially similar terms, their service agreements with the Company as set forth in the purchase agreement.

Exhibit 99.2

Interim Financial Statements
Direct Alliance Corporation
June 30, 2006

DIRECT ALLIANCE CORPORATION
Index to Interim Financial Statements
June 30, 2006

Interim Financial Statements:

DIRECT ALLIANCE CORPORATION
Balance Sheet
(Unaudited)

	June 30, 2006
ASSETS	
Current assets:	
Cash and cash equivalents	$ 467,804
Accounts receivable, net	13,888,133
Prepaids and other current assets	191,633
Deferred tax assets, net	1,434,301
Total current assets	15,981,871
Long-term assets:	
Property and equipment, net	33,836,272
Total long-term assets	33,836,272
Total assets	$49,818,143
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current liabilities:	
Accounts payable	$ 677,224
Accrued employee compensation and benefits	3,571,819
Other accrued expenses	1,135,259
Deferred revenue	50,468
Current portion of capital lease obligation	70,513
Total current liabilities	5,505,283
Long-term liabilities:	
Deferred tax liabilities, net	4,104,335
Total long-term liabilities	4,104,335
Total liabilities	9,609,618
Stockholder's equity:	
Common stock — $0.01 par value; 30,000,000 shares authorized, issued and outstanding as of June 30, 2006	300,000
Retained earnings	39,908,525
Total stockholder's equity	40,208,525
Total liabilities and stockholder's equity	$49,818,143

The accompanying notes are an integral part of this financial statement.

DIRECT ALLIANCE CORPORATION
Statements of Operations
(Unaudited)

	Six Months Ended June 30,	
	2006	2005
Revenues	$34,095,033	$36,216,578
Operating expenses:		
Cost of services	27,137,613	28,174,750
Selling, general and administrative expenses	2,253,217	1,252,592
Depreciation and amortization expense	1,733,440	1,834,763
Total operating expenses	31,124,270	31,262,105
Income from operations	2,970,763	4,954,473
Other expense, net	2,991	31,413
Income before income taxes	2,967,772	4,923,060
Provision for income taxes	1,181,671	1,959,109
Net income	$ 1,786,101	$ 2,963,951

The accompanying notes are an integral part of these financial statements.

DIRECT ALLIANCE CORPORATION
Statement of Stockholder's Equity
(Unaudited)

	Common Stock		Retained	Total Stockholder's
	Shares	Amount	Earnings	Equity
Balance as of December 31, 2005	30,000,000	$300,000	$40,000,141	$40,300,141
Net income	—	—	1,786,101	1,786,101
Dividend to Parent	—	—	(1,877,717)	(1,877,717)
Balance as of June 30, 2006	30,000,000	$300,000	$39,908,525	$40,208,525

The accompanying notes are an integral part of this financial statement.

DIRECT ALLIANCE CORPORATION
Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2006	2005
Cash flows from operating activities:		
Net income	$ 1,786,101	$ 2,963,951
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	1,733,440	1,834,763
Deferred income tax provision	371,803	426,986
Gain on sale of property and equipment	(110)	(61)
Changes in assets and liabilities:		
Accounts receivable, net	1,651,536	(2,952,967)
Prepaids and other assets	110,404	110,868
Accounts payable	(1,026,510)	(502,013)
Accrued employee compensation and benefits	493,264	(343,190)
Other accrued expenses	442,240	(1,942,646)
Deferred revenue	(26,478)	863,202
Net cash provided by operating activities	5,535,690	458,893
Cash flows from investing activities:		
Purchases of property and equipment	(2,976,381)	(1,864,150)
Proceeds from sale of property and equipment	110	304
Net cash used in investing activities	(2,976,271)	(1,863,846)
Cash flows from financing activities:		
Net change in bank overdraft	(129,229)	80,378
Payments on capital lease obligation	(84,669)	(84,616)
(Dividend to) distribution from Parent	(1,877,717)	1,409,191
Net cash (used in) provided by financing activities	(2,091,615)	1,404,953
Increase in cash and cash equivalents	467,804	—
Cash and cash equivalents, beginning of period	—	—
Cash and cash equivalents, end of period	$ 467,804	$ —

The accompanying notes are an integral part of these financial statements.

DIRECT ALLIANCE CORPORATION
Notes to Unaudited Interim Financial Statements
June 30, 2006

NOTE 1: OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview of Company. Direct Alliance Corporation ("Direct Alliance" or the "Company"), an Arizona Corporation, is a provider of outsourced direct marketing services to third parties in the United States ("U.S.") and its focus is to provide outsourced marketing, sales, and business process outsourcing solutions to large multinational clients. Direct Alliance is a wholly-owned subsidiary of Insight Enterprises, Inc. ("Parent" or "Insight").

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Concentration of Credit Risk. The Company is exposed to credit risk in the normal course of business, primarily related to accounts receivable. Historically, the losses related to credit risk have not been material. The Company regularly monitors its credit risk to mitigate the possibility of current and future exposures resulting in a loss. The Company evaluates the creditworthiness of its clients prior to entering into an agreement to provide services, and on an on-going basis as part of the processes for revenue recognition and accounts receivable.

Cash and Cash Equivalents. The Company considers all cash and investments with an original maturity of 90 days or less to be cash equivalents.

Property and Equipment. Property and equipment are stated at cost less accumulated depreciation and amortization. Additions, improvements, and major renewals are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Amounts paid for software licenses and third-party-packaged software are capitalized.

Depreciation and amortization is computed on the straight-line method based on the following estimated useful lives:

Buildings and improvements	5 to 29 years
Computer equipment and software	3 to 10 years
Telephone equipment	5 to 10 years
Furniture and fixtures	7 years

The Company depreciates assets acquired under capital leases over the shorter of the expected useful life or the initial term of the lease.

During the year, the Company evaluates the carrying value of its Property and Equipment in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") to assess whether future operating results are sufficient to recover the carrying costs of these long-lived assets. Reviews are regularly performed to determine whether facts and circumstances exist which indicate that the useful life is shorter than originally estimated or the carrying amount of assets may not be recoverable. When an indication exists, the Company assesses the recoverability of the long-lived assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the estimated fair value of those assets. There was no indication of impairment for the six months ended June 30, 2006.

Software Development Costs. The Company accounts for software development costs in accordance with the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Cost of Computer Software Developed or Obtained for Internal Use," which requires that certain costs related to the development or purchase of internal-use software be capitalized. Capitalized software costs are included in Property and Equipment in the accompanying Balance Sheets. These costs are amortized over the expected useful life of the software, which is three years. During the year, the Company assesses the recoverability of its capitalized software costs in accordance with SFAS 144, based upon analyses of expected future cash flows of services utilizing the software. There was no indication of impairment for the six months ended June 30, 2006.

Deferred Revenue. The Company records amounts billed and received, but not earned as Deferred Revenue in the accompanying Balance Sheet.

Fair Value of Financial Instruments. Fair values of current accounts receivable, accounts payable, accrued employee compensation and accrued expenses approximate their carrying amounts because of their short-term nature. Capital lease obligations carried on the Company's Balance Sheet as of June 30, 2006 have a carrying value that approximate their estimated fair value.

Revenue Recognition. The Company's outsourcing arrangements are primarily service fee based whereby net sales are based primarily upon a cost plus arrangement and a percentage of the sales price from products sold. These sales are recorded under the net sales recognition method in the period services are provided. Also, as an accommodation to select clients, the Company purchases product from suppliers and immediately resells the product to clients for ultimate resale to the client's customer. These product sales (referred to as "pass-through product sales") to the clients are transacted at little or no gross margin and the selling price to our client is recorded in net sales with the cost payable to the supplier recorded in cost of goods sold in accordance with Emerging Issues Task Force 99-19 "Reporting Revenue Gross as a Principal Versus Net as an Agent."

Income Taxes. The Company accounts for income taxes in accordance with SFAS No. 109 “Accounting for Income Taxes,” (“SFAS 109”), which requires recognition of deferred tax assets and liabilities for the expected future income tax consequences of transactions that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Gross deferred tax assets may then be reduced by a valuation allowance for amounts that do not satisfy the realization criteria of SFAS 109.

For the six months ended June 30, 2006, the Company is included in the consolidated federal return and the Arizona combined state tax return of Insight. For purposes of these financial statements, federal and state income taxes have been computed as if the Company’s tax provision and related liability had been calculated on a separate return basis.

Stock Option Accounting. During the first quarter of 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004) “Share-Based Payment” (SFAS 123(R)”) applying the modified prospective method. SFAS 123(R) requires all equity-based payments to employees, including grants of employee stock options, to be recognized in the Condensed Consolidated Statement of Operations and Comprehensive Income based on the grant date fair value of the award. Prior to the adoption of SFAS 123(R), the Company accounted for equity-based awards under the intrinsic value method, which followed recognition and measurement principles of Accounting Principles Board Opinion No. 25 “Accounting for Stock Issued to Employees,” and related interpretations and equity-based compensation was included as pro forma disclosure within the notes to the financial statements.

Recently Issued Accounting Pronouncements.
In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48 “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109” (“FIN 48”). FIN 48 is to be effective as of the beginning of the first annual period beginning after December 15, 2006. FIN 48 defines the threshold for recognizing the tax benefits of a tax return filing position in the financial statements as “more-likely-than-not” to be sustained by the taxing authority. This is different than the accounting practice currently followed by the Company, which is to recognize the best estimate of the impact of a tax position only when the position is “probable” of being sustained on audit based solely on the technical merits of the position. The term “probable” is consistent with the use of the term in SFAS No. 5 “Accounting for Contingencies,” to mean that “the future event or events are likely to occur.”

The Company is currently studying the impact FIN 48 will have on its financial statements when adopted.

NOTE 2: ACCOUNTS RECEIVABLE AND SIGNIFICANT CLIENTS

Accounts receivable, net consists of the following as of June 30:

	2006
Accounts receivable	$13,888,133
Less: allowance for doubtful accounts	—
Accounts receivable, net	$13,888,133

The Company has three clients that contributed in excess of 10% of total revenue, all of which operate in the technology industry. The revenue from these clients as a percentage of total revenue for the six months ended June 30, 2006 was as follows:

	% of Total Revenue
Client A	39%
Client B	18%
Client C	21%

Accounts receivable from these clients as of June 30, 2006 was as follows:

	2006
Client A	$6,092,020
Client B	$2,710,693
Client C	$1,946,337

The loss of one or more of its significant clients could have a material adverse effect on the Company’s business, operating results, or financial condition. The Company does not require collateral from its clients. To limit the Company’s credit risk, management performs ongoing credit evaluations of its clients and maintains allowances for uncollectible accounts, when necessary. Although the Company is impacted by economic conditions in the technology industry, management does not believe significant credit risk exists as of June 30, 2006.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2006:

	2006
Land, buildings and improvements	$ 23,385,958
Computer equipment	3,379,447
Computer software	12,861,359
Telephone equipment	2,575,629
Furniture and fixtures	5,924,940
Construction-in-progress	7,017,251
	55,144,584
Less: Accumulated depreciation	(21,308,312)
	$ 33,836,272

The Company has $338,463 of fixed assets purchased under a capital lease as of June 30, 2006. Accumulated amortization of these fixed assets was $144,131 as of June 30, 2006. Amortization expense of these fixed assets was $31,310 for the six months ended June 30, 2006 and 2005 and is recorded as a component of Depreciation and Amortization Expense in the accompanying Statement of Operations.

The net unamortized capitalized software, including amounts for internally developed software and software purchased from a third-party, was $5,770,075 as of June 30, 2006. Amortization expense of capitalized software was $643,017 and $769,518, respectively for the six months ended June 30, 2006 and 2005 and is recorded as a component of Depreciation and Amortization Expense in the accompanying Statement of Operations.

NOTE 4: CAPITAL LEASE

The Company has one capital lease for software. The future obligation for this lease as of June 30, 2006 was $70,513.

NOTE 5: CONTINGENCIES

Legal Proceedings. From time to time, the Company may be involved in claims or lawsuits that arise in the ordinary course of business. Accruals for claims or lawsuits have been provided for to the extent that losses are deemed both probable and estimable. Although the ultimate outcome of these claims or lawsuits cannot be ascertained, on the basis of present information and advice received from counsel, it is management’s opinion that the disposition or ultimate determination of such claims or lawsuits will not have a material adverse effect on the Company.

NOTE 6: INCOME TAXES

The components of the provision for income taxes are as follows for the six months ended June 30:

	2006	2005
Current provision:		
Federal	$ 667,110	$1,275,622
State	142,758	256,501
Total current provision	$ 809,868	1,532,123
Deferred provision		
Federal	$ 329,202	$ 378,063
State	42,601	48,923
Total deferred provision	$ 371,803	$ 426,986
Total provision for income taxes	$1,181,671	$1,959,109

The following reconciles the Company's effective tax rate to the federal statutory rate are as follows for the six months ended June 30:

	2006	2005
Income tax per U.S. federal statutory rate (35%)	$1,038,720	$1,723,071
State income taxes, net of federal deduction	134,417	222,975
Other permanent differences	8,534	13,063
	$1,181,671	$1,959,109

The Company's deferred income tax assets and liabilities are summarized as follows as of June 30, 2006:

	2006
Current deferred tax assets:	
Accrued employee compensation and benefits	$ 393,923
Allowance for doubtful accounts and other accruals	1,028,345
Other	12,033
Total current deferred tax assets	$ 1,434,301
Long-term deferred tax liabilities	
Depreciation and amortization	(4,104,335)
Total long-term deferred tax liabilities	(4,104,335)
Net	$(2,670,034)

As required by SFAS 109, the Company periodically reviews the likelihood that deferred tax assets will be realized in future tax periods under the "more-likely-than-not" criteria. In making this judgment, SFAS 109 requires that all available evidence, both positive and negative, should be considered to determine whether, based on the weight of that evidence, a valuation allowance is required. As of June 30, 2006, the Company determined that no valuation allowances were necessary.

NOTE 7: STOCK COMPENSATION PLAN

Adoption of SFAS 123R. On January 1, 2006, the Company adopted SFAS 123R, which requires stock-based compensation to be measured based on the fair value of the award on the date of grant and the corresponding expense to be recognized over the period during which an employee is required to provide service in exchange for the award. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 (“SAB No. 107”) relating to SFAS No. 123R. The Company has applied the provisions of SAB No. 107 in the adoption of SFAS 123R.

The Company adopted SFAS 123R using the modified prospective transition method. Under this method, the provisions of SFAS 123R apply to all awards granted or modified after the date on which we adopted SFAS 123R, and compensation expense must be recognized for any unvested stock option awards outstanding as of such date of adoption. The impact of adoption in 2006 was $0 as the options were all vested at December 31, 2005.

Reported and pro forma net income for the six months ended June 30, 2005 was as follows:

Net income as reported	$2,963,951
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(19,495)
Pro forma net income	$2,944,456

There were no options granted in 2005.

Stock Compensation Plan. In May 2000, the Company established the Direct Alliance Corporation 2000 Long-Term Incentive Plan (“Direct Alliance Plan”). The total number of stock options initially available for grant under this plan, representing 15% of the outstanding shares of the Company’s common stock, was 4,500,000. The underlying shares are held by the Parent. The options that were issued in 2000 were fully vested on May 5, 2005 and were exercised on May 5, 2006. As described in Note 9, the Company was sold on June 20, 2006 and $2,696,000 was paid to the holders of the 1,997,500 exercised stock options.

The following table summarizes the stock option activity under the Direct Alliance Plan:

	Number of Shares	Weighted Average Price per Share
Outstanding as of December 31, 2005	2,042,500	$ 1.42
Exercised	(1,997,500)	$ 1.42
Forfeitures	(45,000)	$ 1.42
Outstanding as of June 30, 2006	—	$ 1.42

NOTE 8: RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2006 and 2005, the Company recognized $364,269 and $565,211, respectively in sales from Insight, which is reported as Revenue in the accompanying Statements of Operations. These sales had associated costs of $202,768 and $367,182, respectively, during the six months ended June 30, 2006 and 2005 which is reported as Cost of Services in the accompanying Statements of Operations.

NOTE 9: SUBSEQUENT EVENT

On June 30, 2006, TeleTech Holdings, Inc. acquired 100 percent of the outstanding common shares of the Company though certain real-estate assets were excluded from the sale. The preliminary purchase price was $46.5 million. The purchase agreement provides for the seller to (i) receive a future payment of up to $11.0 million based upon the earnings of the Company for the last six months of 2006 exceeding specified amounts and (ii) pay the buyer up to $5.0 million in the event certain clients of the Company do not renew, on substantially similar terms, their service agreement with the Company as set forth in the purchase agreement. The accompanying Balance Sheet reflects balances immediately prior to the acquisition by TeleTech Holdings, Inc.

Exhibit 99.3

TELETECH HOLDINGS, INC.
Pro Forma Financial Information

TELETECH HOLDINGS, INC.
Index to Pro Forma Financial Information

TELETECH HOLDINGS, INC.
Unaudited Pro Forma Condensed Consolidated Financial Information

EXPLANATORY NOTE

TeleTech Holdings, Inc. ("TeleTech" or "the Company") acquired Direct Alliance Corporation ("Direct Alliance") on June 30, 2006. The unaudited condensed consolidated balance sheet reported in the Company's Form 10-Q for the quarter ended June 30, 2006 gave effect to the acquisition of Direct Alliance by the Company as of June 30, 2006, which was accounted for as a business combination, using the purchase method of accounting. Under the purchase method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. Independent valuation specialists conducted an independent valuation of a significant portion of these assets, which was considered in preparing the reported unaudited condensed consolidated balance sheet as of June 30, 2006. Estimates of the fair values of the acquired assets and liabilities of Direct Alliance were consolidated with the recorded values of the assets and liabilities of Company in the unaudited condensed consolidated balance sheet as of June 30, 2006. Therefore, the Company's Form 10-Q for the quarter ended June 30, 2006 has been incorporated by reference and should be read in conjunction with this Form 8-K/A.

The following unaudited pro forma condensed consolidated statement of operations for the fiscal year ended December 31, 2005 gives pro forma effect to the acquisition of Direct Alliance by the Company as if the transaction was consummated on January 1, 2005. The information included in the unaudited pro forma condensed consolidated statement of operations for the fiscal year ended December 31, 2005 includes the condensed consolidated statement of operations of the Company for the year ended December 31, 2005 and the condensed consolidated statement of operations of Direct Alliance for the year ended December 31, 2005, which were derived from their respective audited statement of operations for that year.

The unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2006 gives pro forma effect to the acquisition of Direct Alliance by the Company as if the transaction was consummated on January 1, 2005. The information included in the unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2006 includes the condensed consolidated statement of operations of the Company for the six months ended June 30, 2006 and the condensed consolidated statement of operations of Direct Alliance for the six months ended June 30, 2006, which were derived from their respective unaudited statements of operations for such period.

The unaudited pro forma condensed consolidated statements of operations have been prepared by the Company's management for illustrative purposes only. The unaudited pro forma condensed consolidated statements of operations are not intended to represent or be indicative of the results of operations in future periods or the results that actually would have been realized had the Company and Direct Alliance been a consolidated company during the specified periods. Additionally, the unaudited pro forma results do not give effect to any potential synergies that could result from the consolidation of the Company and Direct Alliance. The pro forma adjustments are based on the information available at the date of this Form 8-K/A. The unaudited pro forma condensed consolidated statements of operations, including the notes thereto, is qualified in its entirety by reference to, and should be read in conjunction with, the historical consolidated financial statements of the Company included in its Form 10-K filed on February 21, 2006 and most recent Form 10-Q filed on August 1, 2006 with the SEC and the historical financial statements of Direct Alliance included elsewhere in this Form 8-K/A.

TELETECH HOLDINGS, INC.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 2005
(In thousands, except per share data)

	Historical		Pro Forma	Pro Forma
	TeleTech	Direct Alliance	Adjustments	Consolidated
Revenues	$1,086,673	$ 77,443	$ —	$1,164,116
Operating expenses:				
Cost of services	813,271	60,072	—	873,343
Selling, general and administrative expenses	182,262	4,018	—	186,280
Depreciation and amortization expense	53,560	3,582	730(1)	57,872
Restructuring charges, net	2,673	—	—	2,673
Impairment losses	4,711	—	—	4,711
Total operating expenses	1,056,477	67,672	730	1,124,879
Income from operations	30,196	9,771	(730)	39,237
Other income (expense):				
Interest income	2,790	—	—	2,790
Interest expense	(3,510)	—	(3,156)(2)	(6,666)
Other, net	2,740	(79)	—	2,661
Income before income taxes and minority interest	32,216	9,692	(3,886)	38,022
Provision (benefit) for income taxes	2,516	3,857	(1,516)(3)	4,857
Income before minority interest	29,700	5,835	(2,370)	33,165
Minority interest	(1,542)	—	—	(1,542)
Net income	$ 28,158	$ 5,835	$ (2,370)	$ 31,623
Weighted average shares outstanding:				
Basic	72,121			72,121
Diluted	73,631			73,631
Net income per share:				
Basic	$ 0.39			$ 0.44
Diluted	$ 0.38			$ 0.43

TELETECH HOLDINGS, INC.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Six Months Ended June 30, 2006
(In thousands, except per share data)

	Historical		Pro Forma	Pro Forma
	TeleTech	Direct Alliance	Adjustments	Consolidated
Revenues	$570,756	$ 34,095	$ —	$ 604,851
Operating expenses:				
Cost of services	429,016	27,137	—	456,153
Selling, general and administrative expenses	95,861	2,253	—	98,114
Depreciation and amortization expense	23,776	1,734	365(1)	25,875
Restructuring charges, net	940	—	—	940
Impairment losses	478	—	—	478
Total operating expenses	550,071	31,124	365	581,560
Income from operations	20,685	2,971	(365)	23,291
Other income (expense):				
Interest income	687	—	—	687
Interest expense	(2,080)	—	(1,596)(2)	(3,676)
Other, net	877	(3)	—	874
Income before income taxes and minority interest	20,169	2,968	(1,961)	21,176
Provision (benefit) for income taxes	1,461	1,182	(765)(3)	1,878
Income before minority interest	18,708	1,786	(1,196)	19,298
Minority interest	(1,076)	—	—	(1,076)
Net income	$ 17,632	$ 1,786	$ (1,196)	$ 18,222
Weighted average shares outstanding:				
Basic	68,926			68,926
Diluted	70,159			70,159
Net income per share:				
Basic	$ 0.26			$ 0.26
Diluted	$ 0.25			$ 0.26

TELETECH HOLDINGS, INC.
Notes to Unaudited Pro Forma Condensed Consolidated
Financial Information

NOTE 1: ACQUISITION

On June 30, 2006, the TeleTech Holdings, Inc. (“the Company” or “TeleTech”) acquired 100 percent of the outstanding common shares of Direct Alliance Corporation (“Direct Alliance”). Direct Alliance is a provider of outsourced direct marketing services to third parties in the U.S. and its acquisition is consistent with the Company’s strategy to grow and to focus on providing outsourced marketing, sales, and business process outsourcing solutions to large multinational clients.

The preliminary total purchase price of $46.5 million in cash was funded utilizing the Company’s Credit Facility. The purchase agreement provides for the seller to (i) receive a future payment of up to $11 million based upon the earnings of Direct Alliance for the last six months of 2006 exceeding specified amounts and (ii) pay the Company up to $5 million in the event certain clients of Direct Alliance do not renew, on substantially similar terms, their service agreement with Direct Alliance as set forth in the purchase agreement.

The preliminary allocation of the purchase price to the assets acquired and liabilities assumed, based upon the Company’s intention to make a 338 election for income tax reporting for the acquisition of Direct Alliance, is as follows (amounts in thousands):

Current assets	$14,548
Property and equipment	4,410
Intangible assets	9,100
Goodwill	23,930
Total assets acquired	$51,988
Current liabilities	(5,505)
Total liabilities assumed	(5,505)
Net assets acquired	$46,483

The Company acquired identifiable intangible assets as a result of the acquisition of Direct Alliance. The intangible assets acquired, excluding costs in excess of net assets acquired, are preliminarily classified and valued as follows (amounts in thousands):

Type	Value	Amortization Period
Trade name	$ 1,800	None; indefinite life
Customer relationships	$ 7,300	10 years

NOTE 2: PRO FORMA ADJUSTMENTS

Pro forma adjustments are necessary to reflect the condensed consolidated statement of operations as if the acquisition was consummated on January 1, 2005 and are as follows:

(1) Adjustment to reflect amortization expense of the definite life intangible assets purchased in the acquisition.

(2) Adjustment to reflect interest expense assuming the Company utilized its Credit Facility to finance the acquisition.

(3) Adjustment to reflect the income tax effect related to the pro forma adjustments

There were no intercompany balances or transactions between the Company and Direct Alliance for the periods presented. Further, the pro forma consolidated provision for income taxes does not reflect the amounts that would have resulted had TeleTech and Direct Alliance filed consolidated income tax returns during the periods presented.