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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to _____________

Commission file number 0-21055

TELETECH HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	84-1291044
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1700 LINCOLN STREET, SUITE 1400 DENVER, COLORADO	80203
(Address of principal executive office)	(Zip Code)

(303) 894-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at November 7,
Common Stock, par value $.01 per share	56,284,965

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TELETECH HOLDINGS, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

ASSETS

	December 31, 1996	September 30, 1997 (Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,564	$ 5,282
Short-term investments	71,573	64,768
Accounts receivable, net of allowance for doubtful accounts of $1,462 and $1,924, respectively	31,731	40,355
Prepaids and other assets	4,141	2,069
Deferred tax asset	1,128	1,903
Total current assets	114,137	114,377
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $11,231 and $17,457, respectively	23,684	44,213
OTHER ASSETS:		
Deferred contract costs (net of amortization of $1,658 and $2,361, respectively)	703	-
Goodwill (net of amortization of $238 and $548, respectively)	3,257	7,231
Long-term accounts receivable	-	4,274
Investment in affiliated company accounted for under the equity method	679	949
Other assets	918	1,007
Total assets	$143,378	$172,051

The accompanying notes are an integral part of these balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT SHARE AMOUNTS)

LIABILITIES AND STOCKHOLDERS EQUITY

	December 31, 1996	September 30, 1997 (Unaudited)
CURRENT LIABILITIES:		
Current portion of long-term debt	4,985	5,273
Accounts payable	6,108	9,276
Accrued employee compensation	8,484	9,353
Accrued income taxes	2,952	-
Other accrued expenses	3,246	8,713
Customer advances, deposits and deferred income	787	1,180
Total current liabilities	26,562	33,795
DEFERRED TAX LIABILITIES	564	717
LONG-TERM DEBT, net of current portion:		
Capital lease obligations	9,675	7,857
Other debt	262	801
Total liabilities	37,063	43,170
STOCKHOLDERS EQUITY:		
Preferred stock, 10,000,000 shares authorized, zero shares issued and outstanding	-	-
Common stock, $.01 par value, 150,000,000 shares authorized, 55,811,840 and 56,383,775 shares issued, 55,713,030 and 56,284,965 shares outstanding	558	564
Additional paid-in capital	92,030	99,339
Cumulative translation adjustment	98	(418)
Unearned compensation-restricted stock	(254)	(158)
Treasury stock, 98,810 shares, at cost	(988)	(988)
Retained earnings	14,871	30,542
Total stockholders equity	106,315	128,881
Total liabilities and stockholders equity	$143,378	$ 172,051

The accompanying notes are an integral part of these balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(Unaudited)

	Three Months Ended September 30, 1996	Three Months Ended September 30, 1997
REVENUES	$ 50,057	$ 65,505
OPERATING EXPENSES:		
Costs of services	31,376	42,728
Selling, general and administrative expenses	11,780	16,647
Total operating expenses	43,156	59,375
INCOME FROM OPERATIONS	6,901	6,130
OTHER INCOME (EXPENSE):		
Interest expense	(339)	(249)
Investment income	411	791
Equity in income (loss) of affiliated company	(10)	160
Other	37	24
	99	726
Income before income taxes	7,000	6,856
PROVISION FOR INCOME TAXES	2,941	2,674
Net income	$4,059	$ 4,182
WEIGHTED AVERAGE SHARES OUTSTANDING	57,448	59,222
NET INCOME PER COMMON SHARE	$.07	$.07

The accompanying notes are an integral part of these statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(Unaudited)

	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1997
REVENUES	$106,675	$189,837
OPERATING EXPENSES:		
Costs of services	63,097	121,101
Selling, general and administrative expenses	30,399	44,526
Total operating expenses	93,496	165,627
INCOME FROM OPERATIONS	13,179	24,210
OTHER INCOME (EXPENSE):		
Interest expense	(799)	(866)
Investment income	625	2,482
Equity in income (loss) of affiliated company	(66)	263
Other	(205)	(2)
	(445)	1,877
Income before income taxes	12,734	26,087
PROVISION FOR INCOME TAXES	5,357	10,416
Net income	$7,377	$15,671
WEIGHTED AVERAGE SHARES OUTSTANDING	55,368	59,430
NET INCOME PER COMMON SHARE	$.13	$.26

The accompanying notes are an integral part of these statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997
(DOLLARS IN THOUSANDS)
(Unaudited)

	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 7,377	$ 15,671
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	4,431	7,240
Allowance for doubtful accounts	527	462
Equity in (income) loss of affiliated company	66	(263)
Deferred taxes on income	(273)	(785)
Deferred compensation expense	84	96
Changes in assets and liabilities-		
Accounts receivable	(17,403)	(12,859)
Prepaids and other assets	(566)	(903)
Deferred contract costs	(2,263)	-
Accounts payable and accrued liabilities	13,506	5,581
Customer advances and deferred income	301	393
Net cash provided by operating activities	5,787	14,633
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	$ (5,410)	$(23,875)
Purchase of Access 24	(2,431)	-
Proceeds from sale of interest in Access 24 UK Limited	3,903	-
Purchase of TMI	-	(2,337)
Return of deposit on new Call Center	-	3,000
Changes in accounts payable and accrued liabilities relating to investing activities	-	56
Decrease (increase) in short-term investments	(42,940)	6,805
Net cash used in investing activities	(46,878)	(16,351)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in short-term borrowings	$ (1,000)	$ -
Net decrease in bank overdraft	(1,427)	-
Payments on long-term debt and capital leases	(2,227)	(3,565)
Proceeds from issuance of common stock, net of offering costs	52,565	-
Acquisition of treasury stock	(988)	-
Exercise of stock options including tax benefit	-	5,517
Net cash provided by financing activities	46,923	1,952
Effect of exchange rate changes on cash	98	(516)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,930	(282)
CASH AND CASH EQUIVALENTS, beginning of period	42	5,564
CASH AND CASH EQUIVALENTS, end of period	$ 5,972	$ 5,282

The accompanying notes are an integral part of these statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1997

NOTE (1)--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed consolidated financial statements reflect all adjustments (consisting of only normal recurring accruals) which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of TeleTech Holdings, Inc. and subsidiaries as of September 30, 1997 and 1996 and for the periods then ended. Operating results for the three and nine month periods ended September 30, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997.

The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated and combined financial statements and footnotes thereto included in the Company s Form 10-K for the year ended December 31, 1996.

NOTE (2)--EARNINGS PER SHARE

Pursuant to Securities and Exchange Commission Staff Accounting Bulletin No. 83, for purposes of determining the average number of common shares outstanding for periods prior to completion of the Company's initial public offering in August 1996, common stock and common stock equivalent shares issued by the Company at prices below the initial public offering price during the 12 month period prior to the offering date (using the treasury stock method) have been included in the calculation as if they were outstanding for all periods presented. The shares of convertible preferred stock were considered common stock equivalents due to the mandatory conversion provision.

The weighted average number of common shares for the three and nine months ended September 30, 1997 and 1996 were calculated as follows (average common shares outstanding for all periods presented in 1996 include 9.3 million shares issued upon conversion of the convertible preferred stock as if they were outstanding for the entire period):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1997	1996	1997
Average common shares outstanding	53,647	56,279	51,913	56,002
Equivalent common shares from outstanding stock options	3,801	2,943	3,455	3,428
	57,448	59,222	55,368	59,430

In February 1997, the Financial Accounting Standards Board issued SFAS 128, "Earnings Per Share". Under SFAS 128 primary earnings per share previously required under Accounting Principles Board No. 15 is replaced with basic earnings per share. Basic earnings per share is computed by dividing reported earnings available to common stockholders by weighted average shares outstanding. No dilution for any potentially dilutive securities is included. Fully diluted earnings per share as defined under Accounting Principles Board No. 15 is called diluted earnings per share under SFAS 128. Diluted earnings per share reflects the potential dilution assuming the issuance of common shares for all dilutive potential common shares outstanding during the period. SFAS 128 is effective for financial statements for periods ending after December 15, 1997. The pro forma earnings per share for the three and nine months ended September 30, 1997 and 1996 utilizing the requirements of SFAS 128 is as follows:

	Three Months Ended September 30,		Nine months Ended September 30,	
	1996	1997	1996	1997
Basic Earnings Per Share	$0.08	$0.07	$0.13	$ 0.28
Diluted Earnings Per Share	0.07	0.07	0.13	0.26

For purposes of the calculation of basic earnings per share for the three and nine months ended September 30, 1996 net income was reduced by zero and $422,000, respectively, representing dividends on preferred stock, to arrive at net income available for common shareholders.

NOTE (3)--SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES (IN THOUSANDS):

	Nine Months Ended September 30,	
	1996	1997
Cash paid for interest	$ 746	$ 887
Cash paid for income taxes	$ 2,541	$10,897
Noncash investing and financing activities:		
Assets acquired through capital leases	$ 9,467	$ 2,266
Stock issued in purchase of Access 24	$ 4,851	$ -
Stock issued in purchase of TMI	$ -	$ 1,797
Restricted stock issued under employment agreements	$ 380	$ -

NOTE (4)--ACQUISITION OF TELEMERCADEO INTERNATIONAL, S.A.:

In May 1997 the Company acquired 100% of the common stock of Telemercadeo Integral, S.A. ("TMI") for consideration of $4.2 million, consisting of 100,000 shares of the Company's common stock and cash of $2.2 million. TMI is an inbound customer care provider in Mexico. The acquisition was accounted for using the purchase method. The excess of cost of the acquisition over the underlying net assets of TMI is being amortized using the straight-line method over 25 years. The operations of TMI for all periods prior to the acquisition are immaterial to the results of the Company and accordingly no pro forma financial information has been presented.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations in this Form 10-Q should be read in conjunction with the risk factors included in the Company's Form 10-K for the year ended December 31, 1996.

The Company has experienced, and in the future could experience, quarterly variations in revenues and earnings as a result of a variety of factors, many of which are outside the Company's control, including: the timing of new contracts; the timing of new product or service offerings or modifications in client strategies; the expiration or termination of existing contracts; the timing of increased expenses incurred to obtain and support new business; and the seasonal pattern of certain of the businesses serviced by the Company. Any event that adversely affects the demand for and customers' use of a client's products or services, whether increased competition, labor shortage or strike, unavailability of raw materials or otherwise, may adversely affect the Company's revenues attributable to such client's program. In addition, the Company has concentrated its marketing efforts towards obtaining larger, more complex, strategic customer care programs. As a result, the time required to negotiate and execute an agreement with the client has increased. This may lead to short-term delays in the anticipated start-up of new client programs and in the Company achieving full capacity utilization. The Company's planned staffing levels, investments and other operating expenditures are also based on revenue forecasts. If revenues are below expectations in any given quarter as a result of such delay or for other reasons, the Company's operating results would likely be adversely affected for that quarter.

During the third quarter of 1997 the Company announced that third and fourth quarter 1997 results would be negatively impacted by several factors including: (1) lower call volumes and revenues in certain facility management programs, due largely to a labor strike experienced by a significant client ; (2) lower projected call volumes with a large telecommunications client due to a change in their marketing programs, and (3) a longer sales cycle associated with the Company's focus on large, complex customer care programs.

During the second quarter of 1997 the Company and GTE announced that they entered into a five-year master agreement, which is renewable for two additional one-year terms, under which the Company will provide support for a new national sales service and marketing unit of GTE. The Company is expected to use approximately 1,200 production workstations in several dedicated call centers in support of this contract. Revenues from GTE will exceed 10% of the Company's consolidated revenues for the year ended December 31, 1997.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1996   Revenues increased $15.4 million or 30.9% to $65.5 million for the three months ended September 30, 1997 from $50.1 million for the three months ended September 30, 1996. The increase resulted primarily from $30.1 million in revenues from new clients and $3.9 million in increased revenue from existing clients. These increases were offset in part by contract expirations and other client reductions. These reductions and terminations include $7.3 million in revenues due to the cancellation of the CompuServe contract in the first quarter of 1997 and $7.4 million in revenues due to lower call volumes from two significant client programs in the telecommunications and transportation industries. Revenues for the three months ended September 30, 1997 include approximately $19.0 million from facilities management contracts as compared with $16.7 million for the three months ended September 30, 1996.

Costs of services increased $11.4 million, or 36.2%, to $42.7 million for the three months ended September 30, 1997 from $31.4 million for the three months ended September 30, 1996. Costs of services as a percentage of revenues increased from 62.7% for the three months ended September 30, 1996 to 65.2% for the three months ended September 30, 1997. The increase in the costs of services as a percentage of revenues is a result of lower volumes from two significant client programs in the telecommunications and transportation industries. As a result of a labor strike experienced by one of these clients, the Company continued to incur labor costs that were not billable to the client in an effort to preserve the workforce.

Selling, general and administrative expenses increased $4.9 million, or 41.3% to $16.6 million for the three months ended September 30, 1997 from $11.7 million for the three months ended September 30, 1996. Selling, general and administrative expenses as a percentage of revenues increased from 23.5% for the three months ended September 30, 1996 to 25.4% for the three months ended September 30, 1997 primarily as a result of increased depreciation and infrastructure costs associated with the opening of call centers in Niagara Falls, NY and Melbourne, Australia.

As a result of the foregoing factors, income from operations decreased $771,000 or 11.2%, to $6.1 million for the three months ended September 30, 1997 from $6.9 million for the three months ended September 30, 1996. Operating income as a percentage of revenues decreased from 13.8% for the three months ended September 30, 1996 to 9.4% for the three months ended September 30, 1997.

Other income totaled $726,000 for the three months ended September 30, 1997 compared with $99,000 during the three months ended September 30, 1996. This is primarily related to increased investment income and decreased interest expense. Investment income increased $380,000 to $791,000 for the three months ended September 30,1997 from $411,000 for the three months ended September 30, 1996. This increase is a result of the increase in short-term investments resulting from the Company's July 1996 and October 1996 public stock offerings. Interest expense decreased $90,000 resulting from reductions in outstanding capital lease obligations.

As a result of the foregoing factors, net income increased $123,000 or 3.0%, to $4.2 million for the three months ended September 30, 1997 from $4.1 million for the three months ended September 30, 1996.

NINE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1996

Revenues increased $83.2 million or 77.9% to $189.8 million for the nine months ended September 30, 1997 from $106.7 million for the nine months ended September 30, 1996. The increase resulted from $71.5 million in revenues from new clients and $38.9 million in increased revenue from existing clients. These increases were offset in part by contract expirations and other client reductions, including the loss of $17.1 million from the termination of the CompuServe contract in the first quarter of 1997. Revenues for the nine months ended September 30, 1997 include approximately $61.7 million from facilities management contracts as compared with $23.8 million in the nine months ended September 30, 1996.

Costs of services increased $58.0 million, or 91.9%, to $121.1 million for the nine months ended September 30, 1997 from $63.1 million for the nine months ended September 30, 1996. Costs of services as a percentage of revenues increased from 59.1% for the nine months ended September 30, 1996 to 63.8% for the nine months ended September 30, 1997. The increase in the costs of services as a percentage of revenues is primarily the result of the significant incremental revenues received in 1997 from the Company's facilities management programs. Facilities management programs, under which the Company provides services from facilities owned or leased by the clients, have higher costs of services as a percentage of revenues than fully outsourced programs.

Selling, general and administrative expenses increased $14.1 million, or 46.5% to $44.5 million for the nine months ended September 30, 1997 from $30.4 million for the nine months ended September 30, 1996. This increase is primarily the result of increased revenues during the period. Selling, general and administrative expenses as a percentage of revenues decreased from 28.5% for the nine months ended September 30, 1996 to 23.5% for the nine months ended September 30, 1997 primarily as a result of spreading fixed costs over a larger revenue base as well as the impact of the Company's facilities management programs, which have insignificant incremental selling, general and administrative expenses.

As a result of the foregoing factors, income from operations increased $11.0 million or 83.7%, to $24.2 million for the nine months ended September 30, 1997 from $13.2 million for the nine months ended September 30, 1996. Operating income as a percentage of revenues increased from 12.4% for the nine months ended September 30, 1996 to 12.7% for the nine months ended September 30, 1997.

Other income totaled $1.9 million for the nine months ended September 30, 1997 compared with other expense of $445,000 during the nine months ended September 30, 1996. This is primarily related to the $1.9 million increase in investment income to $2.5 million for the nine months ended September 30,1997 from $625,000 for the nine months ended September 30, 1996. This increase is a result of the increase in short-term investments resulting from the Company's July 1996 and October 1996 public stock offerings.

As a result of the foregoing factors, net income increased $8.3 million or 112.4%, to $15.7 million for the nine months ended September 30, 1997 from $7.4 million for the nine months ended September 30, 1996.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 1997 the Company had cash and cash equivalents of $5.3 million and short-term investments of $64.8 million. Cash provided by operating activities was $14.6 million for the nine months ended September 30, 1997.

Cash used in investing activities was $16.4 million for the nine months ended September 30, 1997 resulting primarily from $23.9 million in capital expenditures and $2.3 million in cash used to acquire TMI offset in part by the reduction in short-term investments of $6.8 million and the return of a $3.0 million temporary deposit on a new call center which was made by the Company in December 1996.

Cash provided by financing activities was $1.9 million resulting primarily from $5.5 million of proceeds from the exercise of stock options and the related tax benefit offset in part by debt and capital lease repayments.

The Company has a $15 million unsecured revolving operating line of credit with a commercial bank which expires on May 31, 1998. At September 30, 1997, there were no outstanding borrowings under this agreement. The Company is currently in negotiations to extend the term and increase the amount of available borrowings. In addition, the Company has a master lease agreement under which the Company may lease equipment up to an aggregate value of $15.0 million. As of September 30, 1997, amounts outstanding under this agreement were approximately $8.0 million.

The Company currently expects total capital expenditures in 1997 to be approximately $36 million of which $26.1 million was expended in the first nine months of 1997 (inclusive of expenditures under capital leases), most of which will be used for the expansion and development of the Company's call centers. The Company believes that existing cash on hand together with cash from operations and available borrowings under the line of credit and master lease agreement, will be sufficient to finance the Company's operations, planned capital expenditures and anticipated growth through 1998.

FORWARD-LOOKING STATEMENTS

All statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" or elsewhere in this quarterly report, that are not statements of historical facts are forward-looking statements that involve substantial risks and uncertainties. Forward looking statements include (i) the anticipated level of capital expenditures for 1997; (ii) the Company's belief that existing cash, short-term investments and available borrowing will be sufficient to finance the Company's near term operations; (iii) the percentage of 1997 revenues represented by the GTE contract and the number of workstations to be dedicated to the GTE program; and (iv) statements relating to the Company or its operations that are preceded by terms such as "anticipates", "expects", "believes" and similar expressions.

The Company's actual results, performance or achievements may differ materially from those implied by such forward-looking statements as a result of various factors, including the following: TeleTech's agreements with its clients do not ensure that TeleTech will generate a specific level of revenue and may be canceled by the clients on short notice. The amount of revenue TeleTech generates from a particular client is dependent upon customers' interest in and use of the client's products or services, some of which are recently-introduced or untested. Any event that adversely affects the demand for and customers' use of a client's products or services, whether increased competition, labor shortage or strike, unavailability of raw materials or otherwise, may adversely affect the Company's revenues attributable to such client's program. The loss of a significant client or the termination, completion or substantial reduction of a significant client program may have a material adverse effect on TeleTech's capacity utilization and results of operations.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As disclosed in the Company's 1996 Annual Report on Form 10-K, in late November 1996, CompuServe Incorporated ("CompuServe") terminated all the programs the Company provided to CompuServe effective January 31, 1997. In December 1996, the Company filed suit against CompuServe to enforce certain contract termination provisions and to collect the termination fee specified in the agreement with CompuServe. CompuServe filed a counterclaim in December 1996 alleging that the Company breached other provisions of the agreement and seeking unspecified monetary damages.

In March 1997, CompuServe asserted a right to offset $4.3 million of accounts receivable it owes to the Company for services it rendered to CompuServe against the amount that may be awarded to CompuServe on its counterclaim, in the event it were to be successful in its counterclaim against the Company and the Company were to be unsuccessful in its claims against CompuServe. While the Company believes that the adjudication of CompuServe's counterclaim will not have a material adverse effect on the Company's financial condition or results of operations, the ultimate outcome is uncertain. It is possible that a settlement or trial may take in excess of 12 months and accordingly the Company has reclassified the CompuServe receivable as a long-term asset in the accompanying September 30, 1997 condensed consolidated balance sheet.

From time to time the Company is involved in litigation, most of which is incidental to its business. In the Company's opinion, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations or financial condition.

Item 2. Changes in Securities and Use of Proceeds

The registration statement for the Company's initial public offering was effective July 30, 1996. As previously reported on Form SR filed for the period ending April 30, 1997, the net proceeds to the Company from the initial public offering were $52,565,000. The following is the amount of net offering proceeds used by the Company for each of the purposes listed below. The following use of proceed does not represent a material change in the use of proceeds described in the initial public offering prospectus.

	Direct or indirect payments to directors, officers, general partners of the issuer or their associates: to persons owning ten percent of more of any class of equity securities of the issuer: and to affiliates of the issuer	Direct or indirect payments to others
Purchase and installation of machinery and equipment		$ 968,000
Acquisition of other business		2,337,000
Repayment of indebtedness		9,950,000
Working Capital	$500,000	9,545,000

TEMPORARY INVESTMENT	
Morgan Stanley Cash Management Account	26,077,000
Wells Fargo Cash Management Account	2,200,000
OTHER PURPOSES	
Acquisition of 98,810 shares of Treasury Stock	988,000

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following document is filed as an exhibit to this report:

27.1 Financial Data Schedule

(b) Reports on Form 8-K

In a current report filed on Form 8-K dated September 16, 1997, the Company updated its anticipated results for third and fourth quarters of 1997 previously included in a press release dated September 10, 1997.

SIGNATURES

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 thereunto duly authorized.

TELETECH HOLDINGS, INC.
(Registrant)

Date: November 7, 1997

/s/ KENNETH D. TUCHMAN
Kenneth D. Tuchman
Chairman of the Board, President and Chief Executive Officer

Date: November 7, 1997

/s/ STEVEN B. COBURN
Steven B. Coburn, Chief Financial Officer

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TELETECH HOLDINGS, INC.'S 1997 THIRD QUARTER FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-Q FILING.

9-MOS
DEC-31-1997
SEP-30-1997
5,282
64,768
42,279
1,924
0
114,377
61,670
17,457
172,051
33,795
8,658
0
0
564
128,317
172,051
189,837
189,837
121,101
165,627
(1,011)
0
866
26,087
10,416
15,671
0
0
0
15,671
0.26
0.26