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

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **February 7, 2007**

**TeleTech Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of  
Incorporation)

**001-11919**  
(Commission  
File Number)

**84-1291044**  
(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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operation and Financial Condition**

The following information is being “furnished” in accordance with General Instruction of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference to any filing under the Securities Act of 1933, as amended or the Exchange Act.

On February 7, 2007 Registrant issued a press release announcing Registrant’s financial and operating results for the quarter and year ended December 31, 2006. On February 7, 2007, the Registrant also held a conference call, which was open to the public, to discuss these results. A copy of this press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

**Item 9.01 Financial Statements and Exhibits**

99.1 Press Release issued by TeleTech on February 7, 2007

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**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: February 12, 2007

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**EXHIBIT INDEX**

**EXHIBIT NUMBER**

**DESCRIPTION**

99.1

Press Release Dated February 7, 2007

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**Investor Contact:**

Karen Breen  
303-397-8592

**Media Contact:**

KCHiggins  
303-397-8325

**TeleTech Reports Record Fourth Quarter Results**

*Fourth Quarter Revenue Grows 10.7 Percent to a Record \$337 Million*

*EPS Grows 114 Percent to 30 Cents*

*Operating Income Increases 177 Percent and Operating Margin Expands to 8.6 Percent*

**Englewood, Colo., February 7, 2007** — TeleTech Holdings, Inc. (NASDAQ: TTEC), one of the largest global business process outsourcing (BPO) providers with a customer management focus, today announced financial results for the fourth quarter and fiscal year ended December 31, 2006. The Company also filed its Annual Report on Form 10-K with the Securities and Exchange Commission for the fourth quarter and year ended December 31, 2006.

TeleTech reported record fourth quarter 2006 revenue of \$336.7 million, the highest quarterly revenue in TeleTech's history and a 10.7 percent increase over the year-ago quarter. Revenue in TeleTech's North American and International BPO segments grew 16.0 percent over the year-ago quarter and represented 98 percent of consolidated fourth quarter revenue.

Revenue from services performed for clients in offshore locations grew approximately 40 percent to \$400 million in 2006 and represented 33 percent of total revenue. TeleTech currently provides offshore services from seven countries including Argentina, Brazil, Canada, India, Malaysia, Mexico and the Philippines and believes it has the largest and most geographically diverse offshore footprint of any global BPO provider with a customer management focus. TeleTech is currently expanding into two new emerging markets that will exclusively provide offshore services and has plans to continue select expansion into other attractive offshore markets.

Income from operations in the fourth quarter 2006 increased 177 percent to \$28.9 million from \$10.4 million in the year-ago quarter. Income from operations in the International BPO segment increased \$13.1 million to \$3.4 million compared to an operating loss of (\$9.7) million in the year-ago quarter.

TeleTech exceeded its fourth quarter 2006 operating margin goal of 7 to 8 percent, reporting an 8.6 percent operating margin compared to 3.4 percent in the year-ago quarter. The North American and International BPO segments combined had an operating margin of 10.0 percent. Stock option expense included in income from operations for the current quarter was \$1.9 million which lowered operating margin by 56 basis points.

Fully diluted earnings per share in the fourth quarter 2006 was 30 cents, up from 14 cents in the year ago quarter. The current quarter EPS included a \$3.3 million (5 cents per share) tax expense reduction related to recording the benefit of certain tax loss carry forwards.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the fourth quarter 2006 was \$43.5 million or 12.9 percent of revenue, an 86.8 percent increase over the year-ago quarter. Please refer to the discussion of Non-GAAP financial measures below.

Capacity utilization in our multi-client delivery centers grew to 80 percent at the end of 2006, up from 72 percent at the end of 2005.

Return on invested capital, defined as earnings before interest and taxes (EBIT) divided by average shareholders' equity, was 21.4 percent at the end of 2006 up from 10.2 percent at the end of 2005.

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## EXECUTIVE COMMENTARY

“We are extremely pleased that TeleTech delivered another quarter of strong financial performance. This is our fifth consecutive quarter of double-digit revenue growth driven by our expanding array of service offerings, vertical industry expertise and global delivery capabilities. Our revenue growth this quarter was combined with significant improvement in profitability as income from operations increased 177 percent,” said Kenneth Tuchman, chairman and chief executive officer. “This solid performance is the result of our outstanding global workforce and our carefully planned investments in proprietary technology and best operating practices to further position TeleTech as the premier global outsourcing partner in the minds of our clients. As we begin the year, we are focused on achieving both our 2007 and 2008 financial goals through continued top line growth and improving profitability.”

## FOURTH QUARTER 2006 BUSINESS HIGHLIGHTS

### Strong Revenue and Operating Margin

- Revenue in TeleTech’s North American BPO segment grew 17.0 percent to \$238.7 million over the prior year quarter. Operating income in this segment grew 39.0 percent to \$29.7 million and operating margin grew to 12.4 percent.
- Revenue in TeleTech’s International BPO segment grew 13.5 percent to \$91.8 million over the prior year quarter with an operating margin of 3.7 percent.
- TeleTech’s improved financial results were attributable to solid performance in its North American and International BPO segments resulting from growth in new and existing client programs, continued expansion of business in offshore locations, and ongoing profit improvement initiatives.

### Solid Balance Sheet Continues to Fund Organic Growth and Share Repurchase Program

- As of year-end, TeleTech had cash and cash equivalents of \$60.5 million and total debt to equity of 20 percent.
- TeleTech generated \$7.8 million of free cash flow in the fourth quarter compared to negative free cash flow of (\$22.1) million in the year-ago quarter.
- Capital expenditures were \$14.3 million in the fourth quarter, up from \$10.8 million in the year-ago quarter. Approximately 70 percent of this quarter’s capital expenditures were related to growth in offshore locations with the balance for maintenance capital.
- TeleTech repurchased \$1.9 million of common stock in the fourth quarter, bringing its total purchases of common stock to \$16.6 million during 2006. Approximately \$49.3 million remained under the repurchase program as of year-end.

### Business Outlook

- For 2007, TeleTech estimates revenue will grow approximately 15 percent over 2006 as it focuses on achieving its previously stated goal of reaching a \$1.5 billion revenue run-rate by the fourth quarter 2007. Furthermore, TeleTech estimates fourth quarter 2007 operating margin will increase to 10 percent, excluding unusual charges, if any.
- For 2008, TeleTech estimates revenue will grow between 12 and 15 percent and operating margin will improve by approximately 200 basis points over 2007.

## SEC FILINGS

The Company’s filings with the Securities and Exchange Commission are available in the “Investors” section of TeleTech’s website, which is located at [www.teletech.com](http://www.teletech.com).

### CONFERENCE CALL

TeleTech executive management will hold a conference call to discuss fourth quarter 2006 financial results on Wednesday, February 7, 2007, at 5:00 p.m. Eastern Time. You are invited to join a live webcast of the call by visiting the “Investors” section of the TeleTech website at [www.teletech.com](http://www.teletech.com). If you are unable to participate during the live webcast, a replay of the call will be available on the TeleTech website through Wednesday, February 21, 2007.

## NON-GAAP FINANCIAL MEASURES

To supplement the Company’s consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP) in the United States, the Company uses the following non-GAAP financial measures: EBITDA, EBIT, Free Cash Flow and Non-GAAP EPS. TeleTech believes that providing these non-GAAP financial measures provides investors with greater transparency to the information used by TeleTech’s management in its financial and operational decision-making and allows investors to see TeleTech’s results “through the eyes” of management.

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TeleTech also believes that providing this information better enables TeleTech's investors to understand its operating performance and information used by management to evaluate and measure such performance. The presentation of these financial measures are not intended to be used in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures is available in the financial tables attached to this press release and in its SEC filings.

#### **ABOUT TELETECH**

Our 25 year history has enabled TeleTech to become one of the largest global providers of onshore, offshore and work-from-home business process outsourcing (BPO) services with a customer management focus. TeleTech helps Global 1000 companies sustain and enhance their strategic capabilities, improve quality and lower costs by designing, implementing and managing their critical front and back office processes. We provide 24 x 7, 365 day, fully integrated global solutions that span people, process, proprietary technology and infrastructure for clients and governments in the automotive, broadband, cable, financial services, healthcare, logistics, media and entertainment, retail, satellite, technology, travel, wireline and wireless industries. TeleTech has one of the largest and most globally diverse footprints of any public provider with 47,000 employees in 17 countries on four continents. For additional information, visit [www.telettech.com](http://www.telettech.com).

#### **FORWARD-LOOKING STATEMENTS**

This press release may contain certain forward-looking statements that involve risks and uncertainties. The projections and statements contained in these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. All statements not based on historical fact are forward-looking statements that involve substantial risks and uncertainties. In accordance with the Private Securities Litigation Reform Act of 1995, following are important factors that could cause our actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to the following: our belief that we are continuing to see strong demand for our services and that sales cycles are shortening; the ability to close and ramp new business opportunities that are currently being pursued or that are in the final stages with existing and/or potential clients in order to achieve our Business Outlook; estimated revenue from new, renewed, and expanded client business as volumes may not materialize as forecasted or be sufficient to achieve our Business Outlook; the possibility of lower revenue or price pressure from our clients experiencing a business downturn or merger in their business; greater than anticipated competition in the BPO and customer management market, causing adverse pricing and more stringent contractual terms; risks associated with losing or not renewing client relationships, particularly large client agreements, or early termination of a client agreement; the risk of losing clients due to consolidation in the industries we serve; consumers' concerns or adverse publicity regarding our clients' products; our ability to execute our growth plans, including sales of new services (such as TeleTech OnDemand™); our ability to achieve our year-end 2007 and 2008 financial goals, including those set forth in our Business Outlook; achieving continued profit improvement in our International Business Process Outsourcing (BPO) operations; risks associated with attracting and retaining cost-effective labor at our delivery centers; the possibility of additional asset impairments and restructuring charges; risks associated with changes in foreign currency exchange rates; the possibility of future impairments and / or restructuring charges in our Database Marketing and Consulting segment; our ability to find cost effective delivery locations, obtain favorable lease terms, and build or retrofit facilities in a timely and economic manner; risks associated with business interruption due to weather, pandemic or terrorist-related events; economic or political changes affecting the countries in which we operate; changes in accounting policies and practices promulgated by standard setting bodies; and new legislation or government regulation that impacts the BPO and customer management industry.

PLEASE REFER TO THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2006, FOR A DETAILED DISCUSSION OF FACTORS DISCUSSED ABOVE AND OTHER IMPORTANT FACTORS THAT MAY IMPACT THE COMPANY'S BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION, AND CASH FLOWS. THE COMPANY ASSUMES NO OBLIGATION TO UPDATE ITS FORWARD-LOOKING STATEMENTS TO REFLECT ACTUAL RESULTS OR CHANGES IN FACTORS AFFECTING SUCH FORWARD-LOOKING STATEMENTS.

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**TELETECH HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

|   | Three months ended<br>December 31, |                  | Twelve months ended<br>December 31, |                  |
|---|------------------------------------|------------------|-------------------------------------|------------------|
|   | 2006                               | 2005             | 2006                                | 2005             |
| <b>Revenue</b>  | \$ 336,737                         | \$ 304,155       | \$ 1,211,297                        | \$ 1,086,673     |
| <b>Operating Expenses:</b>                              |                                    |                  |                                     |                  |
| Cost of services  | 238,779                            | 232,166          | 885,602                             | 812,174          |
| Selling, general and administrative                     | 54,094                             | 45,534           | 199,226                             | 182,262          |
| Depreciation and amortization                           | 14,736                             | 12,680           | 51,429                              | 53,317           |
| Restructuring charges, net                              | 175                                | 1,193            | 1,630                               | 2,673            |
| Impairment losses                                       | 87                                 | 2,174            | 565                                 | 4,711            |
| Total operating expenses                                | <u>307,871</u>                     | <u>293,747</u>   | <u>1,138,452</u>                    | <u>1,055,137</u> |
| <b>Income From Operations</b>                           | 28,866                             | 10,408           | 72,845                              | 31,536           |
| Other income (expense)                                  | (439)                              | (182)            | (4,459)                             | 680              |
| <b>Income Before Income Taxes and Minority Interest</b> | 28,427                             | 10,226           | 68,386                              | 32,216           |
| Provision for income taxes                              | 6,787                              | (688)            | 14,676                              | 2,516            |
| <b>Income Before Minority Interest</b>                  | 21,640                             | 10,914           | 53,710                              | 29,700           |
| Minority interest                                       | (209)                              | (829)            | (1,868)                             | (1,542)          |
| <b>Net Income</b>                                       | <u>\$ 21,431</u>                   | <u>\$ 10,085</u> | <u>\$ 51,842</u>                    | <u>\$ 28,158</u> |
| <b>Net Income Per Share:</b>                            |                                    |                  |                                     |                  |
| Basic   | <u>\$ 0.31</u>                     | <u>\$ 0.14</u>   | <u>\$ 0.75</u>                      | <u>\$ 0.39</u>   |
| Diluted   | <u>\$ 0.30</u>                     | <u>\$ 0.14</u>   | <u>\$ 0.73</u>                      | <u>\$ 0.38</u>   |
| <b>Income From Operations Margin</b>                    | 8.6%                               | 3.4%             | 6.0%                                | 2.9%             |
| <b>Net Income Margin</b>                                | 6.4%                               | 3.3%             | 4.3%                                | 2.6%             |
| <b>Effective Tax Rate after Minority Interest</b>       | 24.1%                              | (7.3)%           | 22.1%                               | 8.2%             |
| <b>Weighted Average Shares Outstanding</b>              |                                    |                  |                                     |                  |
| Basic   | 69,798                             | 69,646           | 69,184                              | 72,121           |
| Diluted   | 71,777                             | 70,711           | 70,615                              | 73,631           |

**TELETECH HOLDINGS, INC. AND SUBSIDIARIES**  
**SEGMENT INFORMATION**  
(In thousands)

|                                       | Three months ended<br>December 31, |                   | Twelve months ended<br>December 31, |                     |
|---------------------------------------|------------------------------------|-------------------|-------------------------------------|---------------------|
|                                       | 2006                               | 2005              | 2006                                | 2005                |
| <b>Revenue:</b>                       |                                    |                   |                                     |                     |
| North American BPO                    | \$ 238,680                         | \$ 203,951        | \$ 814,963                          | \$ 678,803          |
| International BPO                     | 91,829                             | 80,881            | 356,106                             | 325,038             |
| Database Marketing and Consulting     | 6,228                              | 19,323            | 40,228                              | 82,832              |
| Total                                 | <u>\$ 336,737</u>                  | <u>\$ 304,155</u> | <u>\$ 1,211,297</u>                 | <u>\$ 1,086,673</u> |
| <b>Income (Loss) From Operations:</b> |                                    |                   |                                     |                     |
| North American BPO                    | \$ 29,684                          | \$ 21,362         | \$ 86,642                           | \$ 62,675           |
| International BPO                     | 3,370                              | (9,733)           | 1,583                               | (21,814)            |
| Database Marketing and Consulting     | (4,188)                            | (1,221)           | (15,380)                            | (9,325)             |
| Total                                 | <u>\$ 28,866</u>                   | <u>\$ 10,408</u>  | <u>\$ 72,845</u>                    | <u>\$ 31,536</u>    |

**TELETECH HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

|   | <u>December 31,</u><br><u>2006</u> | <u>December 31,</u><br><u>2005</u> |
|---|------------------------------------|------------------------------------|
| <b>ASSETS</b>                                     |                                    |                                    |
| <b>Current assets:</b>                            |                                    |                                    |
| Cash and cash equivalents                         | \$ 60,484                          | \$ 32,505                          |
| Accounts receivable, net                          | 237,353                            | 207,090                            |
| Other current assets                              | 63,307                             | 58,292                             |
| <b>Total current assets</b>                       | <u>361,144</u>                     | <u>297,887</u>                     |
| <b>Property and equipment, net</b>                | 156,047                            | 133,635                            |
| <b>Other assets</b>                               | 141,525                            | 90,650                             |
| <b>Total assets</b>                               | <u>\$ 658,716</u>                  | <u>\$ 522,172</u>                  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                                    |                                    |
| <b>Total current liabilities</b>                  | \$ 182,015                         | \$ 160,915                         |
| <b>Other noncurrent liabilities</b>               | 107,417                            | 61,339                             |
| <b>Minority interest</b>                          | 5,877                              | 6,544                              |
| <b>Total stockholders' equity</b>                 | <u>363,407</u>                     | <u>293,374</u>                     |
| <b>Total liabilities and stockholders' equity</b> | <u>\$ 658,716</u>                  | <u>\$ 522,172</u>                  |

**TELETECH HOLDINGS, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION**  
(In thousands, except per share data)

|  | Three months ended<br>December 31, |                           | Twelve months ended<br>December 31, |                        |
|--|------------------------------------|---------------------------|-------------------------------------|------------------------|
|  | 2006                               | 2005                      | 2006                                | 2005                   |
| <b>Reconciliation of EBIT &amp; EBITDA:</b>  |                                    |                           |                                     |                        |
| <b>Net Income</b>  | \$ 21,431                          | \$ 10,085                 | \$ 51,842                           | \$ 28,158              |
| Interest income  | (859)                              | (342)                     | (2,209)                             | (2,789)                |
| Interest expense   | 1,452                              | 1,579                     | 5,943                               | 3,510                  |
| Provision for income taxes   | 6,787                              | (688)                     | 14,676                              | 2,516                  |
| <b>EBIT</b>  | <b>\$ 28,811</b>                   | <b>\$ 10,634</b>          | <b>\$ 70,252</b>                    | <b>\$ 31,395</b>       |
| Depreciation and amortization  | 14,736                             | 12,680                    | 51,429                              | 53,317                 |
| <b>EBITDA</b>  | <b>\$ 43,547</b>                   | <b>\$ 23,314</b>          | <b>\$ 121,681</b>                   | <b>\$ 84,712</b>       |
| <b>Reconciliation of Free Cash Flow:</b>   |                                    |                           |                                     |                        |
| <b>Cash Flow From Operating Activities:</b>  |                                    |                           |                                     |                        |
| Net income   | \$ 21,431                          | \$ 10,085                 | \$ 51,842                           | \$ 28,158              |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities:                  |                                    |                           |                                     |                        |
| Depreciation and amortization  | 14,736                             | 12,680                    | 51,429                              | 53,317                 |
| Other  | (14,045)                           | (34,011)                  | (8,537)                             | (39,989)               |
| Net cash provided by (used in) operating activities  | <u>\$ 22,122</u>                   | <u>\$ (11,246)</u>        | <u>\$ 94,734</u>                    | <u>\$ 41,486</u>       |
| <b>Total Capital Expenditures</b>  | 14,309                             | 10,843                    | 65,528                              | 37,606                 |
| <b>Free Cash Flow</b>  | <b><u>\$ 7,813</u></b>             | <b><u>\$ (22,089)</u></b> | <b><u>\$ 29,206</u></b>             | <b><u>\$ 3,880</u></b> |
| <b>Reconciliation of Non-GAAP EPS:</b>   |                                    |                           |                                     |                        |
| <b>GAAP Net Income</b>   | \$ 21,431                          | \$ 10,085                 | \$ 51,842                           | \$ 28,158              |
| Less: tax benefit from reversal of deferred tax valuation allowance  | (3,247)                            | (2,696)                   | (8,413)                             | (12,617)               |
| Plus: one-time, tax expense from repatriation of foreign monies under the American Jobs Creation Act of 2004 | —                                  | —                         | —                                   | 3,935                  |
| <b>Non-GAAP Net Income</b>   | <u>\$ 18,184</u>                   | <u>\$ 7,389</u>           | <u>\$ 43,429</u>                    | <u>\$ 19,476</u>       |
| Diluted shares outstanding   | 71,777                             | 70,711                    | 70,615                              | 73,631                 |
| <b>Non-GAAP Net Income per Diluted Share</b>   | <b>\$ 0.25</b>                     | <b>\$ 0.10</b>            | <b>\$ 0.62</b>                      | <b>\$ 0.26</b>         |