

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000, 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
(State or Other Jurisdiction of
Incorporation or Organization)

84-1291044
(I.R.S. Employer
Identification No.)

1700 LINCOLN STREET,
SUITE 1400, DENVER, COLORADO
(Address of Principal Executive
Offices)

80203
(Zip Code)

(303) 894-4000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act: COMMON STOCK, \$.01
PAR VALUE PER SHARE

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 (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. /

As of March 23, 2001, there were 74,907,151 shares of the registrant's common
stock outstanding. The aggregate market value of the registrant's voting stock
that was held by non-affiliates on such date was \$311,988,284 based on the
closing sale price of the registrant's common stock on such date as reported on
the Nasdaq Stock Market.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of TeleTech Holdings, Inc.'s definitive proxy statement for its
annual meeting of stockholders to be held on May 24, 2001, are incorporated by
reference into Part III of this Form 10-K, as indicated.

PART I

Item 1. Business. OVERVIEW

TeleTech Holdings, Inc., a Delaware Corporation (together with its wholly and majority owned subsidiaries, "TeleTech" or the "Company," which may also be referred to as "we," "us" or "our"), is a leading global provider of customer relationship management ("CRM") services and solutions for large domestic, foreign and multinational companies. Utilizing a number of technologies, we help our clients acquire, serve, retain and grow their customers by strategically managing inbound telephone, e-mail and Internet-based inquiries on their behalf. By compiling and maintaining a database of customer activity, we also offer comprehensive analytical reports to help clients better understand and retain their customers. By providing high quality, technologically advanced services through state-of-the-art customer interaction centers, we have the ability to completely assume our clients' CRM functions through an outsourcing relationship that is transparent to the customer.

Our offerings are scaleable, with a variety of service packages to meet our clients' specific CRM requirements. We provide services from 50 state-of-the-art customer interaction centers around the world. We also offer consulting services for clients seeking to optimize internal CRM functions.

Since 1996, we have expanded our international presence and we currently have operations in 11 different countries. Our international reach provides increased business opportunities with non-U.S. clients, as well as opportunities to expand our relationship with existing multinational clients based in the U.S. In 2000, our international operations represented 36% of our total revenues.

CUSTOMER RELATIONSHIP MANAGEMENT SOLUTIONS

Our fully integrated, CRM solutions encompass the following capabilities:

- - strategic consulting and process redesign;
- - infrastructure deployment, including the securing, designing and building of world-class customer interaction centers;
- - recruitment, education and management of client-dedicated customer care representatives;
- - engineering operational process controls and quality systems;
- - technology consulting and implementation, including the integration of hardware, software, network and computer-telephony technology;
- - and database management, which involves the accumulation, management and analysis of customer information to deliver actionable marketing solutions.

We design, develop and implement large-scale programs built around each client's unique set of requirements and specific business needs. The programs may incorporate voice, e-mail or Internet-based technologies, and are designed to allow for system expansion. We provide services from customer interaction centers leased, equipped and staffed by us (fully outsourced programs) and customer interaction centers leased and equipped by our clients and staffed by us (facilities management programs).

Through our acquisition of Newgen Results Corporation ("Newgen") in December 2000, we now also offer database marketing and consulting services.

OUTSOURCED

With a fully outsourced program, we provide comprehensive CRM solutions from customer interaction centers leased, equipped and staffed by us. Our fully outsourced customer interaction centers are utilized to serve either multiple clients (shared centers) or one dedicated client (dedicated centers). Our domestic and international outsourced business segments currently represent approximately 77% of total 2000 revenues.

FACILITIES MANAGEMENT

With our facilities management program the client owns or leases the customer interaction center and the equipment and we provide the staff and knowledge to operate the center. Our facilities management segment has declined as a percentage of total revenue, but it still accounted for approximately 13.5% of our total 2000 revenues.

DATABASE MARKETING AND CONSULTING

Through our database marketing and consulting segment, we provide outsourced database management, direct marketing and related customer retention services for the service department of automobile dealerships and manufacturers. Additionally, we provide consulting services related to the CRM development and implementation of new techniques and programs that enable automobile dealerships to grow their business, streamline inefficient processes and more effectively market their services. Our database marketing and consulting segment accounted for approximately 8.7% of our total 2000 revenues.

CRM SOLUTIONS

Our CRM solutions include:

- - CUSTOMER SERVICE AND RETENTION PROGRAMS: Once a business gains a customer, generally through the purchase of a product or service, it can begin working to service and retain that individual. We generate the majority of our revenues through programs designed to provide customer service and help in retention efforts. A sampling of these services includes providing technical help desk, product or service support; responding to billing, warranty and other account inquiries; managing customer churn, or turnover; and resolving complaints and product or service problems.
- - CUSTOMER ACQUISITION PROGRAMS: We help some clients secure new customers through an assortment of customer acquisition programs, which generally build the customer's knowledge about a product or service. A sampling of these services includes processing and fulfilling pre-sale information requests; verifying sales, activating services and directing customers to product or service sources; and providing initial post-sale support, including operating instructions for new product or service use.
- - CUSTOMER SATISFACTION AND LOYALTY PROGRAMS: Through customer satisfaction and loyalty programs, we help clients gather important information, build brand loyalty and reward customers for repeat business. A sampling of these services includes supporting promotional campaigns; developing and implementing client-branded loyalty programs; and conducting satisfaction assessments.
- - OTHER CUSTOMER-RELATED PROGRAMS: Our CRM solutions may also include other services, including aiding in collections, collecting market research from customers, and performing outbound-call campaigns.

MARKETS AND CLIENTS

To target our sales and marketing efforts in North America, we created Strategic Business Units ("SBUs"), which are responsible for developing and implementing customized industry-specific CRM solutions in vertical markets. Within this framework, we focus on large multinational corporations in the communications industry, the transportation industry, the financial services industry, and the government. These industries account for 42%, 21%, 14% and 9%, respectively, of our 2000 revenue. Sales into other industries, including technology, healthcare and various others, accounted for 14% of our 2000 revenues. Our two largest clients in 2000 were Verizon Communications ("Verizon") and United Parcel Service which accounted for 20% and 8%, respectively, of our revenue.

COMMUNICATIONS

The communications industry encompasses a wide range of businesses, including broadband, cable, long-distance, local and wireless service providers. In addition to traditional product and service support solutions, we deliver advanced order management through our Order Works program. We have also developed specific end-to-end solutions for Internet service providers and wireless service providers.

FINANCIAL SERVICES

Regulatory changes have allowed financial service providers to expand their product offerings, placing an increased importance on CRM. As industry leaders integrate services provided by newly created or recently acquired divisions, we help align delivery channels and

ensure service quality through our financial services technology solutions, which integrate contact channels such as voice and e-mail while providing full-feature support for customers and clients alike. In addition, our financial services technology solutions integrate with most legacy and third-party industry oriented systems. We have also developed specific end-to-end solutions for Internet, retail banking services and card services.

TRANSPORTATION

We provide a variety of CRM services to clients in the transportation industry, including package delivery and travel companies, as well as automobile dealers and manufacturers. In 2000, we significantly expanded our solution set for the transportation sector with the launch of Percepta, LLC ("Percepta"), our joint venture with Ford Motor Company ("Ford") and the acquisition of Newgen (see "Recent Developments" below).

GOVERNMENT

Leveraging nearly 20 years of experience, we streamline the CRM function for government organizations. By utilizing well-managed customer interaction centers for traditional CRM solutions such as customer support, we allow various government agencies to maintain a focus on conducting their primary business.

SALES AND MARKETING

We employ a consultative sales approach and hire business development professionals with experience in industries relating to our key SBUs. Once a potentially significant client is identified, a team of TeleTech employees, usually consisting of applications and systems specialists, operations experts, human resources professionals and other appropriate management personnel, thoroughly examines the potential client's operations and assess its current and prospective CRM needs, goals and strategies. We invest significant resources during the development of a client relationship, although our technological capabilities enable us to generally develop working prototypes of proposed solutions with minimal capital investment by the client.

We work with our clients to generate a set of detailed requirements, a development plan and a deployment strategy tailored to the client's specific needs. After the initial solution is deployed, we conduct regular reviews of the relationship to ensure client satisfaction and we watch for areas to expand the relationship.

We generally provide CRM solutions pursuant to written contracts with terms ranging from one to seven years. Often, the contracts contain renewal or extension options. Under substantially all of our significant contracts, we generate revenue based on the amount of time representatives devote to a client's program. In addition, clients typically are required to pay ongoing fees relating to education and training of representatives to implement the client's program, setup and management of the program, and development and integration of computer software and technology. Many of the contracts also have price adjustment terms allowing for cost of living adjustments and market changes in agent labor costs. Our client contracts generally contain provisions that (i) allow us or the client to terminate the contract upon the occurrence of certain events, (ii) designate the manner by which we receive payment for our services and (iii) protect the confidentiality and ownership of information and materials used in connection with the performance of the contract. Some of our contracts also require our clients to pay a fee in the event of early termination.

OPERATIONS

We provide CRM services through the operation of 50 state-of-the-art customer interaction centers located in the United States, Argentina, Australia, Brazil, Canada, China, Mexico, New Zealand, Singapore, Spain and the United Kingdom. As of December 31, 2000, we leased 44 customer interaction centers and also managed 6 customer interaction centers on behalf of three clients. In 2001, we expect to open four or five new customer interaction centers, most likely internationally.

We apply predetermined site selection criteria to identify locations conducive to operating large-scale, sophisticated customer management facilities in a cost-effective manner. We maintain databases covering demographic statistics and the commercial real estate markets. These are used to produce a project-specific short list on demand. We also aggressively pursue incentives such as tax abatements, cash grants, low-interest loans, training grants and low cost utilities. Following comprehensive site evaluations and cost analyses, as well as client considerations, a specific site is located and a lease is negotiated and finalized.

Once we take occupancy of a site, we use a standardized development process to minimize the time it takes to open a new customer interaction center, control costs and eliminate elements that might compromise success. The site is retrofitted to exacting requirements that incorporate value engineering, cost control and schedule concepts while placing emphasis on the quality of the work environment. Upon completion, we integrate the new customer interaction center into the corporate facility and asset management programs. Throughout the development process, we conduct critical reviews to evaluate the overall effectiveness and efficiency of the development. Generally, we can establish a new, fully operational inbound customer interaction center containing 450 or more workstations within 120 days after a lease is finalized and signed.

QUALITY ASSURANCE

We monitor and measure the quality and accuracy of our customer interactions through a quality assurance department located at each customer interaction center. Each department evaluates, on a real-time basis, a statistically significant percentage of the customer interactions in a day, across all of the mediums utilized within the center. Each center also has the ability to enable its clients to monitor customer interactions as they occur. Using criteria mutually determined by the client and us, quality assurance professionals monitor, evaluate, and provide feedback to the representatives on a weekly basis. As appropriate, representatives are recognized for superior performance or scheduled for additional training and coaching.

To fulfill client quality requirements, we have received and maintained ISO 9002 certification for two of our customer interaction centers in the United States and three in Australia and New Zealand.

TECHNOLOGY

Our CRM solution set is built upon complex, state-of-the-art technology, which helps maximize the utilization of customer interaction centers and increase the efficiency of representatives. Interaction routing technology is designed for rapid response rates while tracking and workforce management systems facilitate efficient staffing levels, reflecting historical demands. In addition, our infrastructure and object-oriented software allows for tracking of each customer interaction, filing the information within a relational database and generating reports on demand.

In 2000, we initiated technological efforts designed to improve the utilization and productivity of our worldwide network of customer interaction centers. We began the deployment of the Universal Desktop system, which allows multiple clients to be served from a single workstation, and has the potential to boost capacity in our shared customer interaction centers.

We expect to realize further efficiencies in 2001 with continued deployment of the Universal Desktop system and the rollout of our new centralized customer interaction center architecture. This new framework, built around centralized data centers, is designed for increased control over productivity and utilization while decreasing system redundancies. We also plan to further develop workstation tools; implement quality management systems to improve technological productivity and utilization within customer interaction centers; and explore system enhancements to support the unique needs of specific business units.

We do not know if we will be successful in deploying the Universal Desktop system, the centralized customer interaction center architecture or other technological systems, or if deployed we do not know if we will realize the anticipated benefits.

We have invested significant resources in designing and developing industry-specific open-systems software applications and tools and, as a result, maintain a library of reusable software code for use in future developments. We run our applications software on open-system, client-server architecture and use a variety of products developed by Lucent, IBM, Cisco, Microsoft, Oracle and others. We continue to invest significant resources into the development and implementation of emerging customer management and technical support technologies.

HUMAN RESOURCES

Our ability to provide high quality comprehensive customer management solutions hinges upon our success in recruiting, hiring and training large numbers of skilled employees. We primarily offer full-time positions with competitive salaries and wages and a full range of

employee benefits. To aid in employee retention, we also provide viable career paths.

To sustain a high level of service and support to our clients, our representatives undergo intensive training before managing customer interactions and receive ongoing training on a regular basis. In addition to learning about the client's corporate culture and specific product or service offerings, representatives receive training in the numerous media we use to effectively execute our client's customer management program.

We are committed to the continued education and development of our employees and believe that providing employees with access to new learning opportunities contributes to job satisfaction, ensures a higher quality labor force and fosters loyalty between our employees and the clients we serve.

As of December 31, 2000, we had over 21,000 employees in 11 countries, with approximately 95% holding full-time positions. Although our industry is very labor-intensive and has experienced significant personnel turnover, we seek to manage employee turnover through proactive initiatives. A small percentage of our non-U.S. employees are subject to collective bargaining agreements mandated under national labor laws. We believe our relations with our employees are good.

INTERNATIONAL OPERATIONS

During 2000, we continued our international expansion, which will allow us the opportunity to build a broader client base, increase the services we can offer existing multinational clients and leverage our international employee base in response to business demands.

As of December 31, 2000, we operated seven customer interaction centers in Spain; seven customer interaction centers in Canada; four customer interaction centers in Australia; two customer interaction centers in each of Argentina, Mexico and New Zealand; and one customer interaction center in each of Brazil, China, Singapore and the United Kingdom.

In 2000, we expanded our reach into Asia and Europe through two acquisitions. In August, we acquired Contact Center Holding, S.A., of Spain, enhancing our Spanish-language capabilities and our presence in Europe. In October, we acquired Hong Kong-based iCcare Limited, one of greater China's leading CRM service providers. Also in 2000, TeleTech strengthened its operations in the Americas with state-of-the-art customer interaction centers in North Bay, Ontario, Canada and Leon, Mexico. We also announced plans to develop a new 40,000 square foot customer interaction center in Timmins, Ontario and a new 58,000 square foot customer interaction center in Belfast, Northern Ireland.

Future international expansion plans may include joint venture or strategic partnering alliances, as well as the acquisition of businesses with products or technologies that extend or complement our existing businesses. From time to time, we engage in discussions regarding restructurings, dispositions, acquisitions and other similar transactions. Any such transaction could include, among other things, the transfer, sale or acquisition of significant assets, businesses or interests, including joint ventures, or the incurrence, assumption or refinancing of indebtedness, and could be material to our financial condition and results of operations. We cannot assure that any such discussions will result in the consummation of any such transaction.

COMPETITION

We believe that we compete primarily with the in-house CRM operations of our current and potential clients. We also compete with certain companies that provide CRM services on an outsourced basis, including APAC Customer Services, Convergys Corporation, SITEL Corporation, Sykes Enterprises Incorporated, TeleSpectrum Worldwide, Inc. and West Corporation. We compete primarily on the basis of quality and scope of services provided, speed and flexibility of implementation, and technological expertise. Although the CRM industry is very competitive and highly fragmented with numerous small participants, we believe that TeleTech generally does not directly compete with traditional telemarketing companies, which primarily provide outbound "cold calling" services.

RECENT DEVELOPMENTS

On March 14, 2001, we announced that Verizon agreed to honor the terms of its long-term contract with us, whereby we have been providing services for its Competitive Local Exchange Carrier ("CLEC") business. As agreed, Verizon will redirect business from its CLEC operations to other Verizon strategic units. We had previously

disclosed Verizon's notification of a change in its CLEC strategy. We do not believe the new business with Verizon will initially reach the same revenue levels as the CLEC business, which had been operating in excess of Verizon's contractual commitments. Future revenue levels will be dependent upon the timing of the replacement of the remaining CLEC business. Verizon's CLEC business accounted for 14% and 21% of the Company's revenues for the years ending December 31, 2000 and 1999, respectively.

On March 14, 2001, we named Kenneth D. Tuchman as interim chief executive officer replacing former CEO Scott Thompson who resigned from that position. Additionally, we announced that Larry Kessler resigned from the position of chief operating officer.

On December 20, 2000, we consummated a business combination with Newgen that included the exchange of 8,283,325 shares of our common stock for all of Newgen's common stock. We accounted for this business combination as a pooling-of-interests, and our financial statements have been restated to include the financial statements of Newgen for all periods presented.

On December 14, 2000, we amended our existing Revolving Credit Agreement with a syndicate of banks in order to increase our line of credit to \$87.5 million from \$75.0 million.

During the fourth quarter of 2000, we transferred all of our common stock of enhansiv, inc., a Colorado corporation ("enhansiv"), to enhansiv holdings, inc., a Delaware corporation ("EHI"), in exchange for 100 shares of Series A Preferred Stock of EHI. At the time of the transfer, enhansiv's holdings included a subsidiary formerly known as Cygnus Computer Associates Ltd., a division formerly known as Intellisystems, and a division consisting of the Freefire assets which we acquired from Information Management Associates. Our preferred shares of EHI are convertible into 1,000,000 shares of EHI common stock. As part of this transaction, EHI sold 2,333,333 shares of common stock to a group of investors. One of those investors, Kenneth D. Tuchman, is our Chairman and Chief Executive Officer. We have an option to buy back approximately 95% of the common stock sold in the transaction. However, given the terms of the option it is unlikely we will exercise the option until February 2002. We also agreed to a revenue commitment for enhansiv services of \$2.3 million per year over a four-year period either through business referrals or direct purchases, and we agreed to make a \$7.0 million line of credit available to enhansiv. While enhansiv's independent status allows it to pursue other business opportunities, we expect to maintain a close relationship with enhansiv and we plan to use enhansiv's technological systems in our global network of customer interaction centers.

On November 7, 2000, we acquired the customer care division of Boston Communications Group, Inc. ("BCGI") for approximately \$15 million, consisting of \$13 million in cash and \$2 million in assumed liabilities, in an asset purchase transaction accounted for under the purchase method of accounting. BCGI could receive additional cash payments, totaling up to an additional \$20 million over four years, based on achievement of certain predetermined revenue targets.

On October 27, 2000, we acquired iCcare Limited, a Hong Kong based CRM company, for approximately \$4 million, consisting of \$2 million in cash and \$2 million in stock, in a transaction accounted for under the purchase method of accounting. The former shareholder of iCcare could receive additional amounts over the next two years based upon achievement of predetermined revenue targets.

On August 31, 2000, we acquired Contact Center Holdings, S.L. ("CCH"), through the exchange of 3,264,000 shares of our common stock for all of the issued share capital of CCH. We accounted for this business combination as a pooling-of-interests, and our financial statements have been restated to include the financial statements of CCH for all periods presented.

In March 2000, we entered into a lease agreement with State Street Bank and Trust Company ("State Street") whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for the purpose of constructing a new corporate headquarters for us ("the planned headquarters building"). Subsequently, we decided it was likely that we would terminate the lease agreement as we determined that the planned headquarters building would be unable to accommodate our anticipated growth. We have recorded a \$9 million loss on the termination of the lease, which is included in the accompanying consolidated statements of income.

In March 2001, we agreed to acquire the planned headquarters building on March 31, 2001 if the building cannot be sold before that time. We anticipate that the purchase price will be approximately \$15 million. In addition, to complete construction of the building we will

incur approximately \$11 million in additional capital expenditures. We plan to sell the building upon completion. The estimated fair value of the building, less anticipated selling costs, will approximate our cost for the building less the \$9 million accrued loss on the termination of the lease.

In December 2000, we consummated a lease transaction with State Street for our new corporate headquarters, whereby State Street acquired the property at 9197 South Peoria, Street, Englewood, Colorado (the "Property"). Simultaneously, State Street leased the Property to our wholly owned subsidiary, TeleTech Services Corporation ("TSC"), and TSC subleased the Property to an affiliate of the seller, pursuant to a short-term sublease, prior to occupancy by us. The rent expense and corresponding sublease payments are reflected in the lease commitments. See Note 8 of the consolidated financial statements.

During the first quarter of 2000, TeleTech and Ford launched Percepta, which provides CRM services to Ford's customers. In addition to consolidating Ford's customer interaction functions, Percepta is expanding its service offerings. Percepta also markets its services to other auto-related product and service providers. We currently hold a 55% interest in Percepta and Ford holds the remainder.

FORWARD LOOKING INFORMATION MAY PROVE INACCURATE

Some of the information presented in this Annual Report on Form 10-K constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements that include terms such as "may," "will," "intend," "anticipate," "estimate," "expect," "continue," "believe," "plan," or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations. Factors that could cause actual results to differ from expectations include:

Dependence on the Success of Our Clients' Products. In substantially all of our client programs, we generate revenues based, in large part, on the amount of time that our personnel devote to a client's customers. Consequently, and due to the inbound nature of our business, the amount of revenues generated from any particular client program is dependent upon consumers' interest in, and use of, the client's products and/or services. Furthermore, a significant portion of our expected revenues and planned capacity utilization relate to recently introduced product or service offerings of our clients. For example, in August 2000 Verizon announced that it was discontinuing its CLEC business. Verizon's CLEC business accounted for 14% and 21% of our 2000 and 1999 revenues, respectively. There can be no assurance as to the number of consumers who will be attracted to the products and services of our clients, and who will therefore need our services, or that our clients will develop new products or services that will require our services.

Risks Associated with an Economic Downturn. Our ability to enter into new multi-year contracts, particularly large, high-end opportunities, may be dependent upon the general macroeconomic environment in which our clients and their customers are operating. A weakening of the U.S. and/or global economy could cause longer sales cycles, delays in closing new business opportunities and slower growth in existing contracts.

Risks Associated with Financing Activities. From time to time, we may need to obtain debt or equity financing for capital expenditures for payment of existing obligations and to replenish cash reserves. There can be no assurance that we will be able to obtain such debt or equity financing, or that any such financing would be on terms acceptable to us.

Reliance on a Few Major Clients. We strategically focus our marketing efforts on developing long-term relationships with large and multinational companies in targeted industries. As a result, we derive a substantial portion of our revenues from relatively few clients. There can be no assurance that we will not become more dependent on a few significant clients, that we will be able to retain any of our largest clients, that the volumes

or profit margins of our most significant programs will not be reduced, or that we would be able to replace such clients or programs with clients or programs that generate a comparable amount of profits. Consequently, the loss of one or more of our significant clients could have a material adverse effect on our business, results of operations or financial condition.

Risks Associated with Our Contracts. Our contracts do not ensure that we will generate a minimum level of revenues, and the profitability of each client program may fluctuate, sometimes significantly, throughout the various stages of such program. Although we seek to sign multiyear contracts with our clients, our contracts generally enable the clients to terminate the contract, or terminate or reduce customer interaction volumes, on relatively short notice. Although some contracts require the client to pay a contractually agreed amount in the event of early termination, there can be no assurance that we will be able to collect such amount or that such amount, if received, will sufficiently compensate us for our investment in the canceled program or for the revenues we may lose as a result of the early termination. We are usually not designated as our client's exclusive service provider; however, we believe that meeting our clients' expectations can have a more significant impact on revenues generated by us than the specific terms of our client contracts. In addition, some of our contracts limit the aggregate amount we can charge for our services, and some prohibit us from providing services to the client's direct competitor that are similar to the services we provide to such client.

Risks Associated with Cost and Price Increases. A few of our contracts allow us to increase our service fees if and to the extent certain cost or price indices increase; however, most of our significant contracts do not contain such provisions and some contracts require us to decrease our service fees if, among other things, we do not achieve certain performance objectives. Increases in our service fees that are based upon increases in cost or price indices may not fully compensate us for increases in labor and other costs incurred in providing services.

Difficulties of Managing Capacity Utilization. Our profitability is influenced significantly by our customer interaction center capacity utilization. We attempt to maximize utilization; however, because almost all of our business is inbound, we have significantly higher utilization during peak (weekday) periods than during off-peak (night and weekend) periods. We have experienced periods of idle capacity, particularly in our shared customer interaction centers. In addition, we have experienced, and in the future may experience, at least short-term, idle peak period capacity when we open a new customer interaction center or terminate or complete a large client program. From time to time we assess the expected long-term capacity utilization of our centers. Accordingly, we may, if deemed necessary, consolidate or shutdown under-performing centers in order to maintain or improve targeted utilization and margins. There can be no assurance that we will be able to achieve or maintain optimal customer interaction center capacity utilization.

Difficulties of Managing Rapid Growth. We have experienced rapid growth over the past several years. Continued future growth will depend on a number of factors, including the general macroeconomic conditions of the global economy and our ability to (i) initiate, develop and maintain new client relationships and expand our existing client programs; (ii) recruit, motivate and retain qualified management and hourly personnel; (iii) rapidly identify, acquire or lease suitable customer interaction center facilities on acceptable terms and complete the buildout of such facilities in a timely and economic fashion; and (iv) maintain the high quality of the services and products that we provide to our clients. There can be no assurance that we will be able to effectively manage our expanding operations or maintain our profitability. If we are unable to effectively manage our growth, our business, results of operations or financial condition could be materially adversely affected.

Risks Associated with Rapidly Changing Technology. Our business is highly dependent on our computer and telecommunications equipment and software capabilities. Our failure to maintain the superiority of our technological capabilities or to respond effectively to technological changes could have a material adverse effect on our business, results of operations or financial condition. Our continued growth and future profitability will be highly dependent on a number of factors, including our ability to (i) expand our existing service offerings; (ii) achieve cost efficiencies in our existing customer interaction center operations; and (iii) introduce new services and products that leverage and respond to changing

technological developments. There can be no assurance that technologies or services developed by our competitors will not render our products or services non-competitive or obsolete, that we can successfully develop and market any new services or products, that any such new services or products will be commercially successful or that the integration of automated customer support capabilities will achieve intended cost reductions.

Dependence on Key Personnel. Continued growth and profitability will depend upon our ability to maintain our leadership infrastructure by recruiting and retaining qualified, experienced executive personnel. We recently named Kenneth D. Tuchman, our founder and Chairman of our board, as interim Chief Executive Officer following the resignations of our former CEO and COO. Competition in our industry for executive-level personnel is fierce and there can be no assurance that we will be able to hire, motivate and retain highly effective executive employees, or that we can do so on economically feasible terms.

Dependence on Labor Force. Our success is largely dependent on our ability to recruit, hire, train and retain qualified employees. Our industry is very labor-intensive and has experienced high personnel turnover. A significant increase in our employee turnover rate could increase our recruiting and training costs and decrease operating effectiveness and productivity. Also, if we obtain several significant new clients or implement several new, large-scale programs, we may need to recruit, hire and train qualified personnel at an accelerated rate. We may not be able to continue to hire, train and retain sufficient qualified personnel to adequately staff new customer management programs. Because a significant portion of our operating costs relate to labor costs, an increase in wages, costs of employee benefits or employment taxes could have a material adverse effect on our business, results of operations or financial condition. In addition, certain of our customer interaction centers are located in geographic areas with relatively low unemployment rates, which could make it more difficult and costly to hire qualified personnel.

Highly Competitive Market. We believe that the market in which we operate is fragmented and highly competitive and that competition is likely to intensify in the future. We compete with small firms offering specific applications, divisions of large entities, large independent firms and, most significantly, the in-house operations of clients or potential clients. A number of competitors have or may develop greater capabilities and resources than us. Similarly, there can be no assurance that additional competitors with greater resources than us will not enter our market. Because our primary competitors are the in-house operations of existing or potential clients, our performance and growth could be adversely affected if our existing or potential clients decide to provide in-house customer management services that they currently outsource, or retain or increase their in-house customer service and product support capabilities. In addition, competitive pressures from current or future competitors also could cause our services to lose market acceptance or result in significant price erosion, which could have a material adverse effect upon our business, results of operations or financial condition.

Difficulties of Completing and Integrating Acquisitions and Joint Ventures. In the past, we have pursued, and in the future we may continue to pursue strategic acquisitions of companies that have services, technologies, industry specializations or geographic coverage that extend or complement our existing business. There can be no assurance that we will be successful in acquiring such companies on favorable terms or in integrating such companies into our existing businesses, or that any completed acquisition will enhance our business, results of operations or financial condition. We have faced, and in the future may continue to face, increased competition for acquisition opportunities, which may inhibit our ability to consummate suitable acquisitions on favorable terms. We may require additional debt or equity financing for future acquisitions, such financing may not be available on terms favorable to us, if at all. As part of our growth strategy, we also may pursue strategic alliances in the form of joint ventures. Joint ventures involve many of the same risks as acquisitions, as well as additional risks associated with possible lack of control of the ventures. There can be no assurance that we will successfully manage these risks.

Risk of Business Interruption. Our operations are dependent upon our ability to protect our customer interaction centers, computer and telecommunications equipment and software systems against damage from

fire, power loss, telecommunications interruption or failure, natural disaster and other similar events. In the event we experience a temporary or permanent interruption at one or more of our customer interaction centers, through casualty, operating malfunction or otherwise, our business could be materially adversely affected and we may be required to pay contractual damages to some clients or allow some clients to terminate or renegotiate their contracts with us. We maintain property and business interruption insurance; however, such insurance may not adequately compensate us for any losses we may incur.

Risks Associated with International Operations and Expansion. We currently conduct business in Argentina, Australia, Brazil, Canada, China, Mexico, New Zealand, Singapore, Spain, the United Kingdom and the United States. In addition, a key component of our growth strategy is continued international expansion. There can be no assurance that we will be able to (i) increase our market share in the international markets in which we currently conduct business or (ii) successfully market, sell and deliver our services in additional international markets. In addition, there are certain risks inherent in conducting international business, including exposure to currency fluctuations, longer payment cycles, greater difficulties in accounts receivable collection, difficulties in complying with a variety of foreign laws, unexpected changes in regulatory requirements, difficulties in managing capacity utilization and in staffing and managing foreign operations, political instability and potentially adverse tax consequences. Any one or more of these factors could have a material adverse effect on our international operations and, consequently, on our business, results of operations or financial condition.

Variability of Quarterly Operating Results. We have experienced and could continue to experience quarterly variations in operating results because of a variety of factors, many of which are outside our control. Such factors include the timing of new contracts; labor strikes and slowdowns; reductions or other modifications in our clients' marketing and sales strategies; the timing of new product or service offerings; the expiration or termination of existing contracts or the reduction in existing programs; the timing of increased expenses incurred to obtain and support new business; changes in the revenue mix among our various service offerings; and the seasonal pattern of certain businesses serviced by us. In addition, we make decisions regarding staffing levels, investments and other operating expenditures based on our revenue forecasts. If our revenues are below expectations in any given quarter, our operating results for that quarter would likely be materially adversely affected.

Foreign currency exchange risk. With our expanding global reach we are increasingly exposed to the market risk associated with foreign currency exchange fluctuations. Although we have entered into forward financial instruments to manage and reduce the impact of changes in foreign currency rates, there can be no assurance that such instruments will protect us from foreign currency fluctuations or that we have or will have instruments in place with respect to the most volatile currencies.

Dependence on Key Industries. We generate a majority of our revenues from clients in the telecommunications, transportation, financial services and government services industries. Our growth and financial results are largely dependent on continued demand for our services from clients in these industries and current trends in such industries to outsource certain customer management services. A general economic downturn in any of these industries or a slowdown or reversal of the trend in any of these industries to outsource certain customer management services could have a material adverse effect on our business, results of operations or financial condition.

You should not construe these cautionary statements as an exhaustive list. We cannot always predict what factors would cause actual results to differ materially from those indicated in our forward-looking statements. All cautionary statements should be read as being applicable to all forward-looking statements wherever they appear. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur.

Item 2. Properties.

Our corporate headquarters are located in Denver, Colorado, in approximately 39,000 square feet of leased office space. In second quarter of 2001, we plan to move

our corporate headquarters, see "Recent Developments" and Notes 14 and 15 of the consolidated financial statements. As of December 31, 2000, we leased (unless otherwise noted) and operated the following customer interaction centers:

Location	Year Opened or Acquired	Number of Production Workstations	Number of Training Workstations(1)	Total Number of Workstations
U.S. OUTSOURCED CENTERS				
Birmingham, Alabama	1999	450	113	563
Burbank, California	1995	416	60	476
Deland, Florida	2000	285	0	285
Enfield, Connecticut	1998	411	60	471
Hollywood, California	2000	697	0	697
Kansas City, Kansas	1998	500	230	730
Lowell, Massachusetts	2000	100	0	100
Melbourne, Florida	2000	525	0	525
Morgantown, West Virginia	2000	550	110	660
Moundsville, West Virginia	1998	400	104	504
Niagara Falls, New York	1997	570	96	666
Stockton, California	2000	428	0	428
Thornton, Colorado, Center 1(2)	1996	574	100	674
Thornton, Colorado, Center 2(2)	1996	415	58	473
Topeka, Kansas	1999	510	100	610
Uniontown, Pennsylvania	1998	570	80	650
Van Nuys, California	1996	355	38	393
DATABASE MARKETING AND CONSULTING				
San Diego, California	2000	262	28	290
INTERNATIONAL OUTSOURCED CENTERS				
Auckland, New Zealand	1996	256	42	298
Barcelona, Spain, Center 1	2000	203	1	204
Barcelona, Spain, Center 2	2000	234	3	237
Buenos Aires, Argentina, Center 1	1999	606	25	631
Buenos Aires, Argentina, Center 2	1999	237	25	262
Canberra, Australia	2000	125	0	125
Casebridge, Canada	1998	94	0	94
Glasgow, Scotland	1996	680	20	700
Hong Kong, China	2000	300	0	300
Leon, Mexico	2000	550	0	550
London, Ontario	2000	556	0	556
Madrid, Spain, Center 1	2000	457	0	457
Madrid, Spain, Center 2	2000	255	0	255
Melbourne, Australia	1997	506	99	605
Mexico City, Mexico	1997	1,050	96	1,146
North Bay, Ontario	2000	304	0	304
Perth, Australia	1999	48	12	60
Sao Paulo, Brazil	1998	509	26	535
Seville, Spain	2000	229	0	229
Sheppard, Ontario	1998	228	39	267
Sudbury, Ontario	1999	917	60	977
Sydney, Australia	1996	317	32	349

Tampines, Singapore	1998	141	26	167
Toronto, Ontario	2000	530	66	596
Valencia, Spain	2000	141	0	141
Zaragoza, Spain	2000	185	2	187
MANAGED CENTERS(3)				
Christchurch, New Zealand	2000	44	0	44
Greenville, South Carolina	1996	611	105	716
Montbello, Colorado	1996	486	182	668
Tampa, Florida	1996	652	90	742
Toronto, Ontario	1998	332	80	412
Tucson, Arizona	1996	795	90	885
Total number of workstations		20,596	2,298	22,894

(1) Training workstations are fully operative as production workstations should the Company require additional capacity.

(2) TeleTech operates each floor in the Thornton facility as an independent customer interaction center, and each of Thornton center 1 and Thornton center 2 employs its own management and representatives.

(3) Centers are leased or owned by TeleTech's clients, and managed by TeleTech on behalf of such clients pursuant to facilities management agreements.

The leases for our U.S. customer interaction centers have terms ranging from 1 to 15 years and generally contain renewal options. We believe that our existing customer interaction centers are suitable and adequate for our current operations. We target capacity utilization in our fully outsourced centers at 85% of our available workstations during peak (weekday) periods. In 2000, we deployed two dedicated centers in the United States in Melbourne, Florida and Stockton, California, and five shared centers in the United States in Deland, Florida, Hollywood, California, Lowell, Massachusetts, Morgantown, West Virginia and San Diego, California. Additionally in 2000, we deployed a dedicated center in New Zealand and shared centers in Canberra, Australia; Spain (seven centers); Hong Kong; Leon, Mexico; and London, North Bay and Toronto, Ontario, Canada. Our plans for 2001 include four or five additional international centers.

Due to the inbound nature of our business, we experience significantly higher capacity utilization during peak periods than during off-peak (night and weekend) periods. We may be required to open or expand customer interaction centers to create the additional peak period capacity necessary to accommodate new or expanded customer management programs. The opening or expansion of a customer interaction center may result, at least in the short term, in idle capacity during peak periods until any new or expanded program is implemented fully.

Item 3. Legal Proceedings.

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 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of the Company's stockholders during the fourth quarter of its fiscal year ended December 31, 2000.

Executive Officers of TeleTech Holdings, Inc.

In accordance with General Instruction G(3) of this Form 10-K, the following information is included as an additional item in Part I:

Name	Position	Age	Date Position Assumed
Kenneth D. Tuchman(1)	Chairman and Chief Executive Officer	41	2001
Chris Batson(2)	Vice President--Treasurer	33	2001
Richard S. Erickson(3)	President and General Manager--North America	39	1997
Michael E. Foss(4)	President of the TeleTech Companies Group	43	1999
James B. Kaufman(5)	Executive Vice President, General Counsel and Secretary	39	1999
Margot O'Dell(6)	Chief Financial Officer and Executive Vice President of Administration	36	2000
Jeffrey S. Sperber(7)	Vice President--Controller	36	2001

(1) Mr. Tuchman founded TeleTech and has served as the Chairman of the Board of Directors since its formation in 1994. Mr. Tuchman served as the Company's President and Chief Executive Officer from the Company's inception until the appointment of Scott Thompson as Chief Executive Officer and President in October of 1999. Mr. Tuchman recently resumed the position of interim Chief Executive Officer following the resignation of Mr. Thompson in March of 2001. Mr. Tuchman has also held various board and officer positions with a number of TeleTech's affiliates, and Mr. Tuchman serves on the board of Ocean Journey and the Boy Scouts of America. Mr. Tuchman is also a member of the Governor's Commission on Science and Technology.

(2) Before joining TeleTech in January 2001, Mr. Batson served as an Account Director within the Teradata Division of NCR Corporation, a data warehousing and customer relationship management solution provider. During his four years with NCR, Mr. Batson also held several financial management positions within NCR's Treasury Department, including Director of Capital Markets & Corporate Finance and Manager of Mergers & Acquisitions. Before joining NCR in 1997, Mr. Batson was a Senior Consultant with Deloitte Consulting.

(3) Before joining TeleTech in 1997, Mr. Erickson served in a variety of customer service and operations strategy positions at TeleCommunications, Inc. ("TCI") including Chief Operating Officer of a call center joint venture between TCI and Primestar Satellite, Inc. Before joining TCI in 1995, Mr. Erickson held numerous sales, marketing, and customer service positions at MCI Telecommunications, including Director of Customer Retention Marketing, Director of Operator Services, and Executive Director of Mass Markets Customer service with responsibility for 12 call centers and 5,000 employees, nationwide.

(4) Before joining TeleTech in 1999, Mr. Foss served as Chief Executive Officer of Picture Vision, Inc., a subsidiary of Eastman Kodak that focussed on Internet imaging. Mr. Foss was also General Manager of online digital services and Vice President of consumer imaging for Kodak. Prior to this position, Mr. Foss was General Manager of Components, Services and Media for Kodak's Business Imaging Systems Division. Before joining Kodak, Mr. Foss served as Senior Vice President and Chief Financial Officer for Rally's and held numerous positions with IBM, including Director of financial planning, Worldwide Sales and Services, and Director of Corporate Treasury Operations.

- (5) Before joining TeleTech in 1999, Mr. Kaufman served as Vice President--Law at Orion Network Systems (renamed Loral Cyberstar following its acquisition by Loral Space & Communications in March 1998), an international satellite-based communications company. Before joining Orion in 1994, Mr. Kaufman was engaged in private law practice, most recently with Proskauer Rose, a national law firm.
- (6) Before joining TeleTech in 2000, Ms. O'Dell served as Senior Vice President of Finance for Global Network Operations at Qwest, formerly U S WEST. Prior to that position, Ms. O'Dell served as Vice President of Human Resources, Employee and Retiree Services and as Executive Director of Corporate Benefits for U S WEST. Prior to U S WEST, Ms. O'Dell was Vice President Finance and Operations for FHP Healthcare's Eastern Division.
- (7) Before joining TeleTech in March of 2001, Mr. Sperber served as Chief Financial Officer of USOL Holdings, Inc., a publicly held company providing bundled video, voice and data services to residents of multi-family housing units. Prior to joining USOL in 1997, Mr. Sperber served as the Controller for TCI Wireline, Inc., a subsidiary of TCI that focused on launching local telephone service and managing TCI's telephone investments in Sprint PCS and Teleport Communications Group.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's common stock is traded on the Nasdaq Stock Market under the symbol "TTEC." The following table sets forth the range of the high and low closing sale prices of the common stock for the fiscal quarters indicated as reported on the Nasdaq Stock Market:

	High	Low
First Quarter 2000	\$43.69	\$ 23.38
Second Quarter 2000	41.19	27.13
Third Quarter 2000	38.31	19.75
Fourth Quarter 2000	30.25	16.125
First Quarter 1999	\$12.38	\$ 5.56
Second Quarter 1999	10.25	5.56
Third Quarter 1999	14.94	9.69
Fourth Quarter 1999	34.38	11.13

As of March 23, 2001, there were 74,907,151 shares of common stock outstanding, held by approximately 101 shareholders of record.

TeleTech did not declare or pay any dividends on its common stock in 2000 or 1999 and it does not expect to do so in the foreseeable future. Management anticipates that all cash flow generated from operations in the foreseeable future will be retained and used to develop and expand TeleTech's business. Any future payment of dividends will depend upon TeleTech's results of operations, financial condition, cash requirements and other factors deemed relevant by the board of directors.

On October 27, 2000, the Company issued 74,688 restricted shares of common stock to Pacific Lifestyle Group Incorporated in consideration for the acquisition of all of the outstanding shares of iCcare Limited in an offering exempt under Section 4(2) of the Securities Act of 1933.

Item 6. Selected Financial Data.

The following selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Financial Statements and the related notes appearing elsewhere in this report. The financial information for years prior to 2000 have been restated to reflect the August 2000 business combination with Contact Center Holdings, S.L. and the December 2000 business combination with Newgen Results Corporation. The financial information for years prior to 1998 have been restated to reflect the June 1998 business combinations with EDM Electronic Direct Marketing Ltd. and Digital Creators, Inc. All of the mentioned business combinations were accounted for using the pooling-of-interests method of accounting.

(in thousands, except per share and operating data)	Year Ended December 31,				
	2000	1999	1998	1997	1996
Statement of Operations Data:					
Revenues	\$885,349	\$604,264	\$424,877	\$311,097	\$182,894
Costs of services	560,826	406,149	282,689	202,906	114,293
SG&A expenses	251,606(4)	147,918	111,808	76,535	49,444
	-----	-----	-----	-----	-----
Income from operations	72,917	50,197	30,380	31,656	19,157
Other income (expense)	49,386(3)	7,561(2)	68(1)	1,881	(211)
Provision for income taxes	46,938	20,978	13,344	14,206	9,773
Minority interest	(1,559)	--	--	--	--
	-----	-----	-----	-----	-----
Net income.	\$ 73,806	\$ 36,780	\$ 17,104	\$ 19,331	\$ 9,173
	=====	=====	=====	=====	=====
Net income per share:					
Basic	\$ 1.00	\$ 0.51	\$ 0.24	\$ 0.30	\$ 0.16
Diluted	\$ 0.93	\$ 0.49	\$ 0.24	\$ 0.27	\$ 0.15
Average shares outstanding:					
Basic	74,171	70,557	66,228	64,713	57,536
Diluted	79,108	74,462	71,781	70,969	61,166
Operating Data:					
Number of production workstations	20,600	13,800	10,100	6,800	5,600
Number of customer interaction centers	50	33	26	20	16
Balance Sheet Data:					
Working capital	\$164,123	\$111,850	\$ 68,137	\$ 88,445	\$ 88,995
Total assets	589,899	362,579	251,729	207,249	152,503
Long-term debt, net of current portion	74,906	27,404	7,660	11,001	11,408
Redeemable convertible preferred stock	--	--	16,050	14,679	5,422
Total stockholders' equity.	363,365	253,145	157,931	132,586	104,851

- (1) Includes non-recurring \$1.3 million of business combination expenses relating to two pooling-of-interest transactions.
- (2) Includes a non-recurring \$6.7 million pretax net gain from a contract settlement payment made by a former client.
- (3) Includes the following non-recurring items: a \$57.0 million gain on the sale of securities, \$10.5 million of business combination expenses relating to two pooling-of-interest transactions, and a \$4.0 million gain on the sale of a subsidiary.
- (4) Includes the following non-recurring items: an \$8.1 million loss on the closures of a subsidiary and three customer interaction centers and a \$9.0 million loss on the termination of a lease on the Company's planned corporate headquarters building.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Special Note: Certain statements set forth below under this caption constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. See "Forward Looking Information May Prove Inaccurate" on page 8 for additional factors relating to such statements.

OVERVIEW

TeleTech generates its revenues primarily by providing CRM solutions, both from TeleTech-leased customer interaction centers (fully outsourced) and client-owned customer interaction centers (facilities management). The Company's fully outsourced customer interaction centers serve either multiple clients (shared centers) or one dedicated client (dedicated centers). The Company bills for its services based primarily on the amount of time TeleTech representatives devote to a client's program, and revenues are recognized as services are provided. The Company also derives revenues from consulting services, including the sale of customer interaction center and customer management technology, automated customer support, database management, systems integration, web-based applications and distance-based learning and education. These consulting and technology revenues historically have not been a significant component of the Company's revenues. The Company seeks to enter into multiyear contracts with its clients that cannot be terminated for convenience except upon the payment of a termination fee. The majority of the Company's revenues are, and the Company anticipates that the majority of its future revenues will continue to be, from multiyear contracts. However, the Company does provide some programs on a short-term basis and the Company's operations outside of North America are characterized by shorter-term contracts. The Company's ability to enter into new multiyear contracts, particularly large high-end opportunities, may be dependent upon the macroeconomic environment in general and the specific industry environments in which its customers are operating. A weakening of the U.S. and/or global economy could cause longer sales cycles or delays in closing new business opportunities. As a result of recent economic uncertainties during the fourth quarter of 2000 and the first quarter of 2001, the Company is encountering delays in both the ramp up of some existing client programs as well as the closing of sales opportunities for large customer care programs.

TeleTech's profitability is significantly influenced by its customer interaction center capacity utilization. The Company seeks to optimize new and existing capacity utilization during both peak (weekday) and off-peak (night and weekend) periods to achieve maximum fixed cost absorption. Historically, the majority of the Company's revenues have been generated during peak periods. TeleTech may be adversely impacted by idle capacity in its fully outsourced centers if prior to the opening or expansion of a customer interaction center, the Company has not contracted for the provision of services or if a client program does not reach its intended level of operations on a timely basis. In addition, the Company can also be adversely impacted by idle capacity in its facilities management contracts. In a facilities management contract, the Company does not incur the costs of the facilities and equipment; however, the costs of the management team supporting the customer interaction center are semi-fixed in nature, and absorption of these costs will be negatively impacted if the customer interaction center has idle capacity. The Company attempts to plan the development and opening of new customer interaction centers to minimize the financial impact resulting from idle capacity. In planning the opening of new centers or the expansion of existing centers, management considers numerous factors that affect its capacity utilization, including anticipated expirations, reductions, terminations or expansions of existing programs, and the size and timing of new client contracts that the Company expects to obtain. The Company continues to concentrate its marketing efforts toward obtaining larger, more complex, strategic customer management programs. As a result, the time required to negotiate and execute an agreement with the client can be significant. To enable the Company to respond rapidly to changing market demands, implement new programs and expand existing

programs, TeleTech may be required to commit to additional capacity prior to the contracting of additional business, which may result in idle capacity. TeleTech targets capacity utilization in its fully outsourced centers at 85% of its available workstations during the weekday period. From time to time the Company assesses the expected long-term capacity utilization of its centers. Accordingly, the Company may, if deemed necessary, consolidate or shutdown under-performing centers in order to maintain or improve targeted utilization and margins.

The Company records costs specifically associated with client programs as costs of services. These costs, which include direct labor wages and benefits, telecommunication charges and certain facility costs are primarily variable in nature. All other expenses of operations, including technology support, depreciation and amortization, sales and marketing, human resource management and other administrative functions and customer interaction center operational expenses that are not allocable to specific programs, are recorded as selling, general and administrative ("SG&A") expenses. SG&A expenses tend to be either semi-variable or fixed in nature. The majority of the Company's operating expenses have consisted of labor costs. Representative wage rates, which comprise the majority of the Company's labor costs, have been and are expected to continue to be a key component of the Company's expenses. A significant portion of the Company's contracts with its clients contain clauses allowing adjustment of billing rates in accordance with wage inflation.

The cost characteristics of TeleTech's fully outsourced programs differ significantly from the cost characteristics of its facilities management programs. Under facilities management programs, customer interaction centers and the related equipment are owned by the client but are staffed and managed by TeleTech. Accordingly, facilities management programs have higher costs of services as a percentage of revenues and lower SG&A expenses as a percentage of revenues than fully outsourced programs. Additionally, the cost characteristics of the Company's dedicated centers differ from the cost characteristics of its shared centers. Dedicated centers have lower operating expenses than shared centers as they do not require as many resources for management and other administrative functions. Accordingly, shared centers have higher operating expenses as a percentage of revenues than dedicated centers. As a result, the Company expects its overall gross margin will continue to fluctuate on a quarter-to-quarter basis as revenues attributable to fully outsourced programs vary in proportion to revenues attributable to facilities management programs. Management believes the Company's operating margin, which is income from operations expressed as a percentage of revenues, is a better measure of "profitability" on a period-to-period basis than gross margin. Operating margin may be less subject to fluctuation as the proportion of the Company's business portfolio attributable to fully outsourced programs versus facilities management programs changes. Revenue from facilities management contracts represented 13.5%, 15.6% and 20.2% of consolidated revenues in 2000, 1999 and 1998, respectively. Based on sales forecast data as of December 31, 2000, the Company expects its facilities management programs to continue to decline as a percentage of overall revenues.

The Company has used business combinations and acquisitions to expand the Company's international customer management operations and to obtain complementary technology solution offerings to extend its product line and vertical market presence. The following is a summary of this activity.

International Operations:

	Locations	Consideration		Date
		Shares	Cash	
iCcare Limited	Hong Kong, China	74,688(1)	\$2.0 million(1)	October 2000
Contact Center Holdings, S.L	Barcelona, Spain	3,264,000	--	August 2000
Smart Call, S.A. & Connect, S.A	Buenos Aires, Argentina	--	\$4.7 million(1)	March & October 1999
Outsource Informatica, Ltda.	Sao Paulo, Brazil	606,343	--	August 1998
EDM Electronic Direct Marketing, Ltd.	Toronto, Ontario, Canada	1,783,444	--	June 1998
Telemercadeo Integral, S.A	Mexico City, Mexico	100,000	\$2.4 million	May 1997
TeleTech International Pty Limited	Sydney, Australia, and Auckland, New Zealand	970,240	\$2.3 million	January 1996

(1) The former shareholders of these entities have the opportunity to earn additional amounts pursuant to an earnout provision

Technology and Services:

	Company Description	Consideration		Date
		Shares	Cash	
Newgen Results Corporation	Database marketing and consulting	8,283,325	--	December 2000
Assets of the customer care division of Boston Communications Group	Provider of CRM support for the wireless industry	--	\$13.0 million(c)	November 2000
FreeFire assets of Information Management Associates(b)	Marketing and software solutions	--	\$ 1.0 million	June 2000
Pamet River, Inc.(a)	Database marketing and consulting	285,711	\$ 1.8 million	March 1999
Cygnus Computer Associates(b)	Provider of systems integration and call center software solutions	324,744	\$ 0.7 million	December 1998
Digital Creators, Inc	Developer of Web-based applications and distance-based learning and education	1,069,000	--	June 1998
Intellisystems, Inc.(b)	Developer of automated product support systems	344,487	\$ 2.0 million	February 1998

(a) Pamet River was closed in September of 2000. See note 14 of the Financial Statements for further discussion.

(b) These entities were transferred to the Company's enhansiv subsidiary. The common stock of enhansiv was then sold to a group of investors during the fourth quarter of 2000. See Note 14 of the Financial Statements for further discussion.

(c) Boston Communication Group has the opportunity to earn additional amounts pursuant to an earnout provision. Additionally, the Company assumed approximately \$2.0 million of liabilities.

RESULTS OF OPERATIONS

The following table sets forth certain income statement data as a percentage of revenues:

	2000	1999	1998
Revenues	100.0%	100.0%	100.0%
Costs of services	63.3	67.2	66.5
SG&A expenses	26.5	24.5	26.3
Income from operations	8.2	8.3	7.2
Other income	5.6	1.3	--
Provision for income taxes	5.3	3.5	3.1
Net income	8.3	6.1	4.0

2000 Compared to 1999

Revenues. Revenues increased \$281.0 million, or 46.5%, to \$885.3 million in 2000 from \$604.3 million in 1999. The revenue increase resulted from growth in new and existing client relationships offset in part by contract expirations and other client reductions. On a segment basis, outsourced revenue increased 29.8% to \$388.7 million in 2000 from \$299.4 million in 1999. The increase resulted from growth in new and existing client relationships. Revenues for 2000 include approximately \$119.5 million from facilities management contracts, an increase of 26.5%, as compared with \$94.5 million during 1999, resulting from increased revenue from existing clients. International outsourced revenues increased 116.7% to \$291.3 million in 2000 from \$134.4 million in 1999. The increase in international outsourced revenues resulting from significant growth in the Company's Canadian operations as a result of the commencement of operations of Percepta and an increasing number of United States clients utilizing the Company's Canadian locations. Revenues from database marketing and consulting increased 40.4% to \$77.5 million in 2000 from \$55.2 in 1999. This increase was due primarily to the increase in database marketing and consulting customers and an acquisition that was completed by Newgen in the fourth quarter of 1999. Revenues from corporate activities consist of consulting services, automated customer support, systems integration, database management, Web-based applications and distance-based learning and education. These revenues totaled \$8.3 million in 2000, a decrease of \$12.5 million from \$20.8 million in 1999. The decrease in revenue from corporate activities was primarily due to the closure of the Company's Pamet River subsidiary in September 2000 and the sale of the common stock of the Company's enhansiv subsidiary to a group of investors in the fourth quarter of 2000.

Costs of Services. Costs of services increased \$154.7 million, or 38.1%, to \$560.8 million in 2000 from \$406.1 million in 1999. Costs of services as a percentage of revenues decreased from 67.2% in 1999 to 63.3% in 2000. This decrease in costs of services as a percentage of revenues is primarily the result of strong growth from both new and existing clients, increased operating efficiencies and the decline in the percentage of revenues generated from facilities management programs. Cost of services as a percentage of revenue was positively impacted by contract restructurings with two clients in the fourth quarter of 2000.

Selling, General and Administrative. SG&A expenses increased \$86.6 million, or 58.6%, to \$234.5 million in 2000, from \$147.9 million in 1999 primarily resulting from the Company's increased number of customer interaction centers, global expansion and increased investment in technology. SG&A expenses as a percentage of revenues increased from 24.5% in 1999 to 26.5% in 2000. This increase is primarily the result of an increase in the percentage of revenue generated from shared center client programs.

Income from Operations. As a result of the foregoing factors, income from operations increased \$22.7 million, or 45.2%, to \$72.9 million in 2000 from \$50.2 million in

1999. Income from operations as a percentage of revenues decreased to 8.2% in 2000 from 8.3% in 1999. Included in operating income are the following non-recurring items: an \$8.1 million loss on the closure of a subsidiary and three customer interaction centers and a \$9.0 million loss on the termination of a lease on the Company's planned corporate headquarters building. From time to time the Company assesses the expected long-term capacity utilization of its centers. Accordingly, the Company may, if deemed necessary, consolidate or shutdown under-performing centers in order to maintain or improve targeted utilization and margins. Income from operations, exclusive of non-recurring items, increased \$39.8 million or 79.3%, to \$90 million in 2000. Income from operations as a percentage of revenues, exclusive of non-recurring items, increased to 10.2% in 2000.

Other Income (Expense). Other income increased \$41.8 million to \$49.4 million in 2000 compared to \$7.6 in 1999. Included in other income in 2000 are the following non-recurring items: a \$57.0 million gain on the sale securities, a \$4.0 million gain on the sale of a subsidiary and \$10.5 million in business combination expenses related to two business combinations accounted for under the pooling-of-interest method. Included in other income in 1999 is a \$6.7 million gain on the settlement of a long-term contract, which was terminated by a client in 1996. Interest expense increased \$2.3 million to \$5.1 million in 2000 compared to \$2.8 million in 1999. This increase is primarily the result of increased borrowings on the Company's lines of credit.

Income Taxes. Taxes on income increased \$25.9 million to \$46.9 in 2000 from \$21.0 million in 1999 primarily due to higher pre-tax income. The Company's effective tax rate was 38.4% in 2000 compared to 36.3% in 1999. The lower effective tax rate in 1999 was due to an acquisition accounted for under the pooling-of-interest method.

Net Income. As a result of the foregoing factors, net income increased \$37.0 million, or 101%, to \$73.8 million in 2000 from \$36.8 million in 1999. Diluted earnings per share increased from \$0.49 to \$0.93. Excluding non-recurring items in 2000 and the non-recurring gain in 1999 from the long-term contract settlement, net income in 2000 was \$52.4 million, compared with net income in 1999 of \$32.7 million, an increase of 60.2%. Diluted earnings per share excluding non-recurring items was \$0.66 in 2000 compared to \$0.44 in 1999.

Included in 2000 net income is \$3.9 million of losses related to the operations of enhansiv prior to its sale to a group of investors in the fourth quarter of 2000. As further discussed in footnote 14 to the consolidated financial statements, the Company would have to commence recording enhansiv losses in the event that the cumulative losses (subsequent to the sale) exceed the value of all equity investments in enhansiv that are subordinate to the Company's preferred stock investment. In the event that additional subordinate equity is not raised by enhansiv, the recording of enhansiv losses would have a material impact on the Company's consolidated financial statements. Management believes that this may occur sometime during the first half of 2001.

1999 Compared to 1998

Revenues. Revenues increased \$179.4 million, or 42.2%, to \$604.3 million in 1999 from \$424.9 million in 1998. The increase resulted from new clients and existing client relationships. These increases were offset in part by contract expirations and other client reductions. On a segment basis, outsourced revenue increased 49.3% to \$299.4 million in 1999 from \$200.5 million in 1998. The increase resulted from \$22.3 million in revenues from new clients and \$111.9 million in increased revenues from existing clients offset in part by contract expirations and other client reductions. Revenues for 1999 include approximately \$94.5 million from facilities management contracts, an increase of 10.2%, from \$85.7 million in 1998, resulting from increased number of customer interactions. International outsourced revenues increased 49.7% to \$134.4 million in 1999 from \$89.8 million in 1998. The increase in international outsourced revenues resulting from the 1999 Argentina acquisitions of Smart Call, S.A. and Connect, S.A. was \$6.6 million. The remaining increase resulted primarily from continued expansion in the Company's Mexican and Australian operations. These increases were offset by a decrease in revenues in the Company's Canadian operations resulting from the expiration of a client contract. Revenues from database marketing and consulting increased 37.6% to \$55.2 million in 1999 from \$40.1 million in 1998, primarily due to increased customers from the Company's

Newgen subsidiary's, RESULTS program. Revenues from corporate activities consist of consulting services, automated customer support, systems integration, database management, Web-based applications and distance-based learning and education. These revenues totaled \$20.8 million in 1999, an increase of \$12.0 million from \$8.8 million in 1998. Approximately \$8.4 million of this increase resulted from the Cygnus acquisition in December 1998 and the Pamet acquisition in 1999.

Costs of Services. Costs of services increased \$123.5 million, or 43.7%, to \$406.1 million in 1999 from \$282.7 million in 1998. Costs of services as a percentage of revenues increased from 66.5% in 1998 to 67.2% in 1999. This increase in costs of services as a percentage of revenues is primarily the result of reduced margins in two of the Company's facilities management contracts in 1999 and gross margin being favorably impacted by a non-recurring technology sale in 1998. These factors more than offset the costs of services benefit resulting from the decline in the percentage of revenues generated from facilities management programs.

Selling, General and Administrative. SG&A expenses increased \$36.1 million, or 32.3%, to \$147.9 million in 1999, from \$111.8 million in 1998 primarily resulting from the Company's increased number of customer interaction centers, global expansion and increased investment in technology. SG&A expenses as a percentage of revenues decreased from 26.3% in 1998 to 24.5% in 1999. This decrease was driven by an increase in revenues as a result of improvements in capacity utilization in the second half of 1999 in the Company's outsourced domestic and international customer interaction centers as well as improvements in the Company's database marketing and consulting segment primarily resulting from the leverage obtained by spreading new customer installation costs over a large revenue base.

Income from Operations. As a result of the foregoing factors, income from operations increased \$19.8 million, or 65.2%, to \$50.2 million in 1999 from \$30.4 million in 1998. Income from operations as a percentage of revenues increased to 8.3% in 1999 from 7.2% in 1998.

Other Income (Expense). Other income increased \$7.5 million to \$7.6 million in 1999 compared to \$68,000 in 1998. Included in other income in 1999 is a \$6.7 million gain on the settlement of a long-term contract, which was terminated by a client in 1996. Also included in other income (expense) in 1998 is \$1.3 million in business combination expenses relating to the business combinations accounted for under the pooling-of-interests method. Interest expense increased \$1.2 million to \$2.8 million in 1999 compared to \$1.6 million in 1998. This increase is primarily the result of increased borrowings. Interest income increased \$221,000 to \$3.4 million in 1999 compared to \$3.2 million in 1998. This increase is the result of the increase in short-term investments during 1999.

Income Taxes. Taxes on income increased \$7.6 million to \$21.0 million in 1999 from \$13.3 in 1998 primarily due to higher pre-tax income. The Company's effective tax rate was 36.3% in 1999 compared with 43% in 1998. The higher effective tax rate in 1998 was due to a decrease in pre-tax income from an acquisition accounted for under the pooling-of-interest method.

Net Income. As a result of the foregoing factors, net income increased \$19.7 million, or 115%, to \$36.8 million in 1999 from \$17.1 million in 1998. Diluted earnings per share increased from \$0.24 to \$0.49. Excluding the one-time business combination expenses in 1998 and the one-time gain in 1999 from the long-term contract settlement, net income in 1999 was \$32.7 million, compared with net income in 1998 of \$18.4 million, an increase of 63.6%. Diluted earnings per share excluding these one-time items was \$0.44 in 1999 compared to \$0.26 in 1998.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities was \$36.3 million in 2000 as compared to \$64.3 million in 1999. Cash provided by operating activities for 2000 consists of \$93.1 million of total net income before depreciation and amortization, bad debt, deferred income taxes, tax benefit from exercise of stock options, gain on sales of securities and a subsidiary and net loss on disposals, offset in part by \$56.8 million of changes in working capital. The change in working capital is primarily the result of an increase in accounts receivable. Accounts receivable increased as a result of an increase in revenue between years as well as slower paying customers. The Company's days sales outstanding increased from 52 days in 1999 to

73 days in 2000. The Company believes that it can reduce these days sales outstanding in 2001 through changes in billing arrangements and more aggressive collection procedures.

The Company used \$54.3 million in investing activities during 2000. In 2000, the Company's capital expenditures (exclusive of \$3.0 million in assets acquired under capital leases) were \$118.0 million, and the Company used \$15.7 million in cash for the Boston Communication Group, FreeFire and iCcare Limited acquisitions. The Company also invested \$8.0 million in a customer relationship management software company. These expenditures were offset in part by the reduction of \$23.9 million in short-term investments and proceeds from the sale of available-for-sale securities of \$64.9 million. Included in capital expenditures for 2000 was \$22.1 million relating to Percepta. Ford Motor Company funds 45% of all capital requirements of Percepta. Cash used in investing activities was \$76.7 million for 1999, resulting primarily from \$60.4 million in capital expenditures, \$18.1 million for acquisitions and \$4.3 million decrease in short-term investments.

Historically, capital expenditures have been, and future capital expenditures are anticipated to be, primarily for the development of customer interaction centers, as well as expansion of the Company's customer management consulting practice, technology deployment and systems integration, Web-based education platforms, Internet customer relationship management and customer-centric marketing solutions. The Company currently expects total capital expenditures in 2001 to be approximately \$105 million to \$115 million. The Company expects its capital expenditures will be used primarily to open up approximately 4 or 5 new international customer interaction centers during 2001. Such expenditures will be financed with internally generated funds, existing cash balances and additional borrowings. The level of capital expenditures incurred in 2001 will be dependent upon new client contracts obtained by the Company and the corresponding need for additional capacity. In addition, if the Company's future growth is generated through facilities management contracts, the anticipated level of capital expenditures could be reduced significantly.

Cash provided by financing activities in 2000 was \$34.1 million. This primarily resulted from the net increase in the line of credit, offset by payments on long-term notes payable and capital lease obligations. Additional proceeds from financing activities were generated by the exercise of stock options and employee stock purchases. In 1999, cash provided by financing activities of \$50.9 million resulted primarily from issuance of common stock and proceeds from lines of credit.

During the first and fourth quarters of 2000, the Company completed amendments to its unsecured revolving line of credit with a syndicate of banks. The amendments increased the line of credit to approximately \$87 million from \$50 million. The Company also has the option to secure at any time up to \$25 million of the line with available cash investments. The Company has two interest rate options: an offshore rate option or a bank base rate option. The Company will pay interest at a spread of 50 to 150 basis points over the applicable offshore or bank base rate, depending upon the Company's leverage. Interest on the secured portion is based on the applicable rate plus 22.5 basis points. The Company had \$62 million in borrowings under the line of credit at December 31, 2000.

As discussed in Note 15 of the consolidated financial statements, subsequent to year end, the Company entered into a commitment to acquire the Company's planned headquarters building and terminate the existing lease agreement. This transaction is expected to close on March 31, 2001. The purchase of the building, together with the capital required to finish construction is estimated to be approximately \$26.0 million. These funds will likely be provided by existing cash and cash equivalents on hand. This transaction, together with significant declines in the market value of the Company's E.piphany stock investment subsequent to year end, will require the Company to seek additional debt financing to replenish its cash reserves and reduce outstanding borrowings under the lines of credit. The Company is seeking to raise \$50 to \$70 million in a private placement of long-term debt. There can be no assurance that this financing will be obtained or if obtained, it will have terms acceptable to the Company.

From time to time, the Company engages in discussions regarding restructuring, dispositions, mergers, acquisitions and other similar transactions. Any such transaction could include, among other things, the transfer, sale or acquisition of significant assets, businesses or interests, including joint ventures, or the incurrence, assumption or refinancing of indebtedness, and could be

material to the financial condition and results of operations of the Company. There is no assurance that any such discussions will result in the consummation of any such transaction.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact the financial position, results of operations or cash flows of the Company due to adverse changes in financial and commodity market prices and rates. The Company is exposed to market risk in the areas of changes in U.S. interest rates, foreign currency exchange rates as measured against the U.S. dollar and changes in the market value of its investment portfolio. These exposures are directly related to its normal operating and funding activities. As of December 31, 2000, the Company has entered into forward financial instruments to manage and reduce the impact of changes in foreign currency rates with a major financial institution. The Company has also entered into an interest rate swap agreement to manage interest rate risk.

Interest Rate Risk

The interest on the Company's line of credit and its Canadian subsidiary's operating loan is variable based on the bank's base rate or offshore rate, and therefore, affected by changes in market interest rates. At December 31, 2000, there was \$62 million outstanding on the Company's line of credit and approximately \$42,000 in borrowings outstanding on the operating loan. At December 31, 2000, the Company has an outstanding variable to fixed interest rate swap agreement with a notional amount of \$20.0 million, a fixed rate of 6.37%, and a floating rate of LIBOR. The swap agreement dated December 12, 2000 has a six-year term. If interest rates were to increase 10% from year-end levels, the Company would have incurred \$2.0 in additional interest expense, net of the effect of the swap agreement.

Foreign Currency Risk

The Company has wholly-owned subsidiaries in Argentina, Australia, Brazil, Canada, China, Mexico, New Zealand, Singapore, Spain and the United Kingdom. Revenues and expenses from these operations are typically denominated in local currency, thereby creating exposures to changes in exchange rates. The changes in the exchange rate may positively or negatively affect the Company's revenues and net income attributed to these subsidiaries. For the years ended December 31, 2000, 1999, and 1998, revenues from non-U.S. countries represented 36.1%, 25.3%, and 21.1% of consolidated revenues, respectively.

The Company's Spanish subsidiary has factoring lines of credit under which it may borrow up to ESP 1,600 million. At December 31, 2000, there was \$8.3 million outstanding under these factoring lines. If the U.S./Spanish Peseta exchange rate were to increase 10% from year-end levels, the obligation would increase by \$828,000.

The Company's Canadian subsidiary receives payment in U.S. dollars for certain of its larger customer contracts. As all of its expenditures are in Canadian dollars, the Company must acquire Canadian currency on a monthly basis. Accordingly, the Company has contracted with a Commercial bank at no material cost, to acquire a total of \$30.0 million Canadian dollars during the first six months of 2001 at a fixed price in U.S. dollars of \$20.0 million. There is no material difference between the fixed exchange ratio and the current exchange ratio of the U.S./Canadian dollar. If the U.S./Canadian dollar exchange rates were to increase 10% from year-end levels, the Company would have incurred a loss of \$460,000.

Fair Value of Debt and Equity Securities

The Company's investments in debt and equity securities are short-term and not subject to significant fluctuations in fair value. If interest rates and equity prices were to decrease 10% from year-end levels, the fair value of the Company's debt and equity securities would have decreased \$4.6 million.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by this item are located beginning on page 34 of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

For a discussion of our executive officers, you should refer to Part I, Page 14, after Item 4 under the caption "Executive Officers of TeleTech Holdings, Inc."

For a discussion of our Directors, you should refer to our definitive Proxy Statement under "Election of Directors" and "Director Compensation," which we incorporate by reference into this Form 10-K.

Item 11. Executive Compensation.

We hereby incorporate by reference the information to appear under the caption "Executive Officers--Executive Compensation" in our definitive proxy statement for our 2001 Annual Meeting of Stockholders, provided, however, that neither the Report of the Compensation Committee on Executive Compensation nor the performance graph set forth therein shall be incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

We hereby incorporate by reference the information to appear under the caption "Security Ownership of Certain Beneficial Owners and Management" in our definitive proxy statement for our 2001 Annual Meeting of Stockholders.

Item 13. Certain Relationships and Related Party Transactions.

We hereby incorporate by reference the information to appear under the caption "Certain Relationships and Related Party Transactions" in our definitive proxy statement for our 2001 Annual Meeting of Stockholders.

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements

The Index to Financial Statements is set forth on page 34 of this report.

(2) Financial Statement Schedules

(3) Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of TeleTech [1] {Exhibit 3.1}
3.2	Amended and Restated Bylaws of TeleTech [1] {Exhibit 3.2}
10.1**	Intentionally omitted
10.2**	Intentionally omitted
10.3**	Intentionally omitted
10.4	TeleTech Holdings, Inc. Stock Plan, as amended and restated [1] {Exhibit 10.7}
10.5	Intentionally omitted
10.6	Form of Client Services Agreement, 1996 version [1] {Exhibit 10.12}
10.7	Agreement for Customer Interaction Center Management Between United Parcel General Services Co. and TeleTech [1] {Exhibit 10.13}
10.8	Business Loan Agreement dated March 29, 1996, among TeleTech Telecommunications, Inc.; TeleTech Teleservices, Inc.; and TeleTech, as borrower, and First Interstate Bank of California, as lender; addendum dated March 29, 1996 [1] {Exhibit 10.15}
10.9	Master Lease Agreement dated as of July 11, 1995, among First Interstate Bank of California; TeleTech; TeleTech Telecommunications, Inc.; and TeleTech Teleservices, Inc. [1] {Exhibit 10.17}
10.10	TeleTech Holdings, Inc. Employee Stock Purchase Plan [3] {Exhibit 10.22}
10.11**	Intentionally omitted
10.12	Client Services Agreement dated May 1, 1997, between TeleTech Customer Care Management (Telecommunications), Inc. and GTE Card Services Incorporated d/b/a GTE Solutions [4] {Exhibit 10.12}
10.13	\$50.0 Million Revolving Credit Agreement dated as of November 20, 1998 [5] {Exhibit 10.13}
10.14**	Employment Agreement dated as of February 26, 1998 between Morton H. Meyerson and TeleTech [5] {Exhibit 10.14}
10.15**	Intentionally omitted
10.16**	Intentionally omitted
10.17**	Intentionally omitted

Exhibit No.	Description
10.18**	Intentionally omitted
10.19**	Employment Agreement dated October 2, 1999 between Scott D. Thompson and TeleTech [7] {Exhibit 10.18}
10.20**	Stock Option Agreement dated October 18, 1999 between Scott D. Thompson and TeleTech [7] {Exhibit 10.20}
10.21**	Stock Option Agreement dated October 18, 1999 between Scott D. Thompson and TeleTech [7] {Exhibit 10.21}
10.22**	Amendment to Non-Qualified Stock Option Agreement (1999 Stock Option and Incentive Plan) between Scott D. Thompson and TeleTech [8] {Exhibit 10.22}
10.23**	Amendment to Non-Qualified Stock Option Agreement (1995 Stock Plan) between Scott D. Thompson and TeleTech [8] {Exhibit 10.23}
10.24	Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 [8] {Exhibit 10.24}
10.25	Operating Agreement for Ford Tel II, LLC effective February 24, 2000 by and among Ford Motor Company and TeleTech Holdings, Inc. [8] {Exhibit 10.25}
10.26**	Non-Qualified Stock Option Agreement dated October 27, 1999 between Michael E. Foss and TeleTech [8] {Exhibit 10.26}
10.27**	Employment Agreement dated December 6, 1999 between Michael E. Foss and TeleTech [8] {Exhibit 10.27}
10.28**	Letter Agreement dated March 27, 2000 between Larry Kessler and TeleTech [9] {Exhibit 10.28}
10.29**	Stock Option Agreement dated March 27, 2000 between Larry Kessler and TeleTech [9] {Exhibit 10.29}
10.30**	Promissory Note dated April 3, 2000 by Larry Kessler for the benefit of TeleTech [9] {Exhibit 10.30}
10.31	Lease and Deed of Trust Agreement dated June 22, 2000 [9] {Exhibit 10.31}
10.32	Participation Agreement dated June 22, 2000 [9] {Exhibit 10.32}
10.33**	Offer letter between TeleTech Holdings, Inc. and Margot O'Dell dated August 6, 2000 [10] {Exhibit 10.33}
10.34**	Stock Option Agreement between TeleTech Holdings, Inc. and Margot O'Dell dated September 11, 2000 [10] {Exhibit 10.34}
10.35	Asset purchase agreement among TeleTech Holdings, Inc., TeleTech Customer Care Management (Colorado), Inc., Boston Communications Group Inc., Cellular Express, Inc., and Wireless Teleservices Corp. dated as of October 11, 2000 [10] {Exhibit 10.35}
10.36	Agreement and Plan of Merger dated as of August 2000 among the Company, NG Acquisition Corp and Newgen [11] {Exhibit 2.1}
10.37	Share Purchase Agreement dated as of August 31, 2000 among the Company, 3i Group PLC, 3i Europartners II, LP, Milletti, S.L., and Albert Olle Bartolomie [12] {Exhibit 2.1}
10.38	TeleTech Holdings, Inc. Amended and Restated Employee Stock Purchase Plan [13] {Exhibit 99.1}
10.39	TeleTech Holdings, Inc. Amended and Restated 1999 Stock Option and Incentive Plan [13] {Exhibit 99.2}

Exhibit No.	Description
10.40	Newgen Results Corporation 1996 Equity Incentive Plan [14] {Exhibit 99.1}
10.41	Newgen Results Corporation 1998 Equity Incentive Plan [14] {Exhibit 99.3}
10.42	Participation Agreement dated as of December 27, 2000 among the Company Teletech Service Corporation ("TSC"), State Street Bank and Trust Company of Connecticut, N.A., (the "Trust"), First Security Bank, N.A., ("First Security") and the financial institutions named on Schedules I and II (the "Certificate Holders and Lenders") thereto [15] {Exhibit 2.2}
10.43	Lease and Deed of Trust dated as of December 27, 2000 among TSC, the Trust and the Public Trustee of Douglas County, Colorado [15] {Exhibit 2.3}
10.44	Participant Guarantee dated December 27, 2000 made by the Company in favor of First Security, the Certificate Holders and Lenders [15] {Exhibit 2.4}
10.45	Lessee Guarantee dated December 27, 2000 made by TeleTech in favor of the Trust First Security, the Certificate Holders and Lenders [15] {Exhibit 2.5}
10.46	Contract dated December 26, 2000 between TCI Realty, LLC and TSC [15] {Exhibit 2.6}
10.47*	First Amendment to Amended and Restated Revolving Credit Agreement and Waiver dated December 14, 2000 among the Company, the financial institutions from time to time party to the Credit Agreement and Bank of America, N.A.
10.48* **	Employment Agreement dated February 8, 2001 between Margot O'Dell and TeleTech
10.49* **	Stock Option Agreement dated February 8, 2001 between Margot O'Dell and TeleTech
10.50* **	Stock Option Agreement dated March 21, 2001 between Margot O'Dell and TeleTech
10.51* **	Stock Option Agreement dated December 6, 2000 between Michael Foss and TeleTech
10.52* **	Stock Option Agreement dated August 16, 2000 between Sean Erickson and TeleTech
10.53* **	Stock Option Agreement dated August 16, 2000 between James Kaufman and TeleTech
10.54* **	Letter Agreement dated January 11, 2000 between Chris Batson and TeleTech
10.55* **	Stock Option Agreement dated January 29, 2001 between Chris Batson and TeleTech
10.56* **	Letter Agreement dated January 26, 2001 between Jeffrey Sperber and TeleTech
10.57* **	Stock Option Agreement dated March 5, 2001 between Jeffrey Sperber and TeleTech
10.58* **	Separation Agreement and Mutual General Release dated March 13, 2001 between Scott Thompson and TeleTech
10.59* **	Separation Agreement and Mutual General Release dated March 12, 2001 between Larry Kessler and TeleTech
10.60* **	Promissory Note dated January 15, 2001 by Scott Thompson for the benefit of TeleTech
10.61* **	Loan and Security Agreement dated January 15, 2001 between Scott Thompson and TeleTech
10.62* **	Promissory Note dated November 28, 2000 by Sean Erickson for the benefit of TeleTech
21.1*	List of subsidiaries
23.1*	Consent of Arthur Andersen LLP.

* Filed herewith.

** Management contract or compensatory plan or arrangement filed pursuant to Item 14(c) of this report.

[] Such exhibit previously filed with the Securities and Exchange Commission as exhibits to the filings indicated below, under the exhibit number indicated in brackets { }, and is incorporated by reference.

-
- [1] TeleTech's Registration Statement on Form S-1, as amended (Registration Statement No. 333-04097).
 - [2] TeleTech's Registration Statements on Form S-1, as amended (Registration Statement Nos. 333-13833 and 333-15297).
 - [3] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1996.
 - [4] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1997.
 - [5] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1998.
 - [6] TeleTech's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999.
 - [7] TeleTech's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.
 - [8] TeleTech's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000.
 - [9] TeleTech's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.
 - [10] TeleTech's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.
 - [11] TeleTech's Report on Form 8-K filed August 25, 2000.
 - [12] TeleTech's Current Report on Form 8-K filed September 6, 2000.
 - [13] TeleTech's Registration Statement on Form S-8 filed October 2, 2000 (Registration Statement No. 333-47142).
 - [14] TeleTech's Registration Statement on Form S-8 filed December 20, 2000 (Registration Statement No. 333-52352).
 - [15] TeleTech's Current Report on Form 8-K filed January 16, 2001.

(b) Reports on Form 8-K

TeleTech filed the following reports on Form 8-K during the fourth quarter of 2000 and through the filing of this Form 10-K:

- (i) Report dated August 31, 2000 attaching Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operation and Supplemental Consolidated Financial Statements, which give effect to the Company's business combination with Contact Center Holdings, S.L., which was accounted for as a pooling-of-interests.
- (ii) Report dated December 20, 2000 providing notification of a press release entitled "TeleTech closes acquisition of Newgen Results Corporation" and disclosing a lease transaction and incorporating certain financial statements and pro forma information by reference.
- (iii) Report dated December 20, 2000 attaching the Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operation and Supplemental Consolidated Financial Statements, which give effect to the Company's business combination with Newgen Results Corporation, which was accounted for as a pooling-of-interests.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, in the City of Denver, State of Colorado, on March 29, 2001.

TELETECH HOLDINGS, INC.

By: /s/ KENNETH D. TUCHMAN

Kenneth D. Tuchman
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on March 29, 2001, by the following persons on behalf of the registrant and in the capacities indicated:

Signature	Title
-----	-----
PRINCIPAL EXECUTIVE OFFICER /s/ KENNETH D. TUCHMAN ----- Kenneth D. Tuchman	Chief Executive Officer
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER /s/ MARGOT O'DELL ----- Margot O'Dell	Chief Financial Officer
DIRECTOR /s/ KENNETH D. TUCHMAN ----- Kenneth D. Tuchman	Chairman of the Board
DIRECTOR /s/ JAMES E. BARLETT ----- James E. Barlett	
DIRECTOR /s/ ROD DAMMEYER ----- Rod Dammeyer	
DIRECTOR /s/ GEORGE HEILMEIER ----- George Heilmeier	

Signature

Title

DIRECTOR
/s/ MORTON H. MEYERSON

Morton H. Meyerson

DIRECTOR
/s/ ALAN SILVERMAN

Alan Silverman

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To TeleTech Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of TELETECH HOLDINGS, INC. (a Delaware corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2000. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 TeleTech Holdings, Inc. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Denver, Colorado
February 8, 2001, except for Note 15, as to which the date is March 15, 2001

TeleTech Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets

	December 31 2000	December 31 1999
(Amounts in thousands except per share amounts)		
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 58,797	\$ 48,278
Investment in available-for-sale securities	16,774	--
Short-term investments	8,904	32,838
Accounts receivable, net of allowance for doubtful accounts of \$9,264 and \$4,270, respectively	193,351	101,450
Prepays and other assets	17,737	6,334
Deferred tax asset	5,858	4,889
	-----	-----
Total current assets	301,421	193,789
	-----	-----
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$97,199 and \$70,823 respectively	178,760	117,363
	-----	-----
OTHER ASSETS:		
Long-term accounts receivable	3,749	3,930
Goodwill, net of accumulated amortization of \$3,461 and \$3,210, respectively	41,311	32,077
Contract acquisition cost, net of accumulated amortization of \$3,915 and \$1,614, respectively	15,335	9,286
Deferred tax asset	1,862	550
Other assets	47,461	5,584
	-----	-----
Total assets	\$589,899	\$362,579
	=====	=====

	December 31 2000	December 31 1999
(Amounts in thousands except per share amounts)		
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt and capital lease obligations	\$ 12,529	\$ 6,759
Bank overdraft	--	1,323
Accounts payable	19,740	16,822
Accrued employee compensation and benefits	41,177	35,061
Accrued income taxes	21,946	4,397
Accrued loss on termination of lease	9,000	--
Other accrued expenses	29,885	13,067
Customer advances, deposits and deferred income	3,021	4,510
	-----	-----
Total current liabilities	137,298	81,939
	-----	-----
LONG-TERM DEBT, net of current portion:		
Capital lease obligations	7,943	3,755
Revolving line of credit	62,000	18,000
Other long-term debt	4,963	5,649
Other liabilities	1,521	91
	-----	-----
Total liabilities	213,725	109,434
	-----	-----
MINORITY INTEREST		
	12,809	--
	-----	-----
STOCKHOLDERS' EQUITY:		
Stock purchase warrants	5,100	--
Common stock; \$.01 par value; 150,000,000 shares authorized; 74,683,858 and 73,113,938 shares, respectively, issued and outstanding	747	731
Additional paid-in capital	200,268	174,299
Deferred compensation	(603)	(1,104)
Notes receivable from stockholders	(283)	(56)
Accumulated other comprehensive loss	4,828	(1,398)
Retained earnings	153,308	80,673
	-----	-----
Total stockholders' equity	363,365	253,145
	-----	-----
Total liabilities and stockholders' equity	\$589,899	\$362,579
	=====	=====

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

TeleTech Holdings, Inc. and Subsidiaries

Consolidated Statements of Income

	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
(Amounts in thousands except per share data)			
REVENUES	\$885,349	\$604,264	\$424,877
OPERATING EXPENSES:			
Costs of services	560,826	406,149	282,689
Selling, general and administrative expenses	234,524	147,918	111,808
Loss on closures of subsidiary and customer interaction centers	8,082	--	--
Loss on termination of lease on corporate building	9,000	--	--
Total operating expenses	812,432	554,067	394,497
INCOME FROM OPERATIONS	72,917	50,197	30,380
OTHER INCOME (EXPENSE):			
Interest expense	(5,065)	(2,849)	(1,658)
Interest income	5,436	3,438	3,217
Gain on sale of securities	56,985	--	--
Equity in income of affiliate	--	--	70
Business combination expenses	(10,548)	--	(1,321)
Gain on settlement of long-term contract	--	6,726	--
Other	2,578	246	(240)
	49,386	7,561	68
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	122,303	57,758	30,448
Provision for income taxes	46,938	20,978	13,344
INCOME BEFORE MINORITY INTEREST	75,365	36,780	17,104
Minority interest	(1,559)	--	--
NET INCOME	73,806	36,780	17,104
Adjustment for accretion of redeemable convertible preferred stock	--	(487)	(1,371)
Net income (loss) applicable to common stockholders	\$ 73,806	\$ 36,293	\$ 15,733
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	74,171	70,557	66,228
Diluted	79,108	74,462	71,781
NET INCOME PER SHARE			
Basic	\$ 1.00	\$.51	\$.24
Diluted	\$.93	\$.49	\$.24

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

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TeleTech Holdings, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the years ended December 31, 2000, 1999 and 1998

(Amounts in thousands)	Treasury Shares	Stock Amount	Common Shares	Stock Amount	Additional Paid-in Capital
BALANCES, January 1, 1998	99	\$(988)	65,540	\$656	\$108,597
Comprehensive income:					
Net income	--	--	--	--	--
Translation adjustments	--	--	--	--	--
Comprehensive income	--	--	--	--	--
Acquisition of Intellisystems	(99)	988	245	2	2,089
Employee stock purchase plan	--	--	28	--	334
Acquisition of Cygnus	--	--	325	3	2,658
Combination with Outsource	--	--	606	6	--
Brokerage fee on EDM combination	--	--	42	--	485
Exercise of stock options	--	--	249	3	1,457
Issuances of common stock	--	--	13	--	1,096
Deferred compensation related to options granted	--	--	--	--	749
Year-end change for EDM	--	--	--	--	--
Compensation expense on restricted stock	--	--	--	--	--
Accretion of redeemable preferred stock	--	--	--	--	--
Amortization of deferred compensation	--	--	--	--	--
BALANCES, December 31, 1998	--	--	67,048	670	117,465
Comprehensive income:					
Net income	--	--	--	--	--
Other comprehensive income, net of tax					
Unrealized gains on securities	--	--	--	--	--
Translation adjustments	--	--	--	--	--
Other comprehensive income (loss)	--	--	--	--	--
Comprehensive income	--	--	--	--	--
Employee stock purchase plan	--	--	--	--	131
Acquisition of Panet	--	--	286	3	1,750
Exercise of stock options	--	--	850	8	8,237
Exercise of warrants	--	--	23	--	6
Issuances of common stock	--	--	2,180	22	32,083
Conversion of preferred stock	--	--	2,727	28	14,515
Deferred compensation related to options granted	--	--	--	--	112
Accretion of redeemable preferred stock	--	--	--	--	--
Amortization of deferred compensation	--	--	--	--	--
BALANCES, December 31, 1999	--	--	73,114	731	174,299
Comprehensive income:					
Net income	--	--	--	--	--
Other comprehensive income, net of tax					
Unrealized gains on securities	--	--	--	--	--
Translation adjustments	--	--	--	--	--
Other comprehensive income (loss)	--	--	--	--	--
Comprehensive income	--	--	--	--	--
Employee stock purchase plan	--	--	70	1	1,895
Acquisition of iCcare	--	--	75	1	1,999
Exercise of stock options	--	--	1,384	14	17,355
Issuances of common stock	--	--	41	--	2,920
CCH acquisition costs	--	--	--	--	1,800
Amortization of deferred compensation	--	--	--	--	--
Issuance of warrants	--	--	--	--	--
Distribution to stockholder	--	--	--	--	--
BALANCES, December 31, 2000	--	\$ --	74,684	\$747	\$200,268

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

(Amounts in thousands)	Accumulated Other Comprehensive Income (loss)	Unearned Compensation Restricted Stock	Deferred Compensation	Notes Receivable from Stockholder	Stock Purchase Warrants	Retained Earnings
BALANCES, January 1, 1998	\$ (774)	\$(127)	\$ (901)	--	--	\$ 26,123
Comprehensive income:						
Net income	--	--	--	--	--	17,104
Translation adjustments	(426)	--	--	--	--	--
Comprehensive income	--	--	--	--	--	--
Acquisition of Intellisystems	--	--	--	--	--	--
Employee stock purchase plan	--	--	--	--	--	--
Acquisition of Cygnus	--	--	--	--	--	--
Combination with Outsource	--	--	--	--	--	804
Brokerage fee on EDM combination	--	--	--	--	--	--
Exercise of stock options	--	--	--	--	--	--
Issuances of common stock	--	--	--	--	--	--
Deferred compensation related to options granted	--	--	(749)	--	--	--
Year-end change for EDM	--	--	--	--	--	(270)
Compensation expense on restricted stock	--	127	--	--	--	--
Accretion of redeemable preferred stock	--	--	--	--	--	(1,371)
Amortization of deferred compensation	--	--	256	--	--	--
BALANCES, December 31, 1998	(1,200)	--	(1,394)	--	--	42,390
Comprehensive income:						
Net income	--	--	--	--	--	36,780
Other comprehensive income, net of tax						
Unrealized gains on securities	3	--	--	--	--	--
Translation adjustments	(201)	--	--	--	--	--
Other comprehensive income (loss)	--	--	--	--	--	--
Comprehensive income	--	--	--	--	--	--
Employee stock purchase plan	--	--	--	--	--	--
Acquisition of Pamet	--	--	--	--	--	--
Exercise of stock options	--	--	--	(56)	--	--
Exercise of warrants	--	--	--	--	--	--
Issuances of common stock	--	--	--	--	--	--
Conversion of preferred stock	--	--	--	--	--	1,990
Deferred compensation related to options granted	--	--	(112)	--	--	--
Accretion of redeemable preferred stock	--	--	--	--	--	(487)
Amortization of deferred compensation	--	--	402	--	--	--
BALANCES, December 31, 1999	(1,398)	--	(1,104)	(56)	--	80,673
Comprehensive income:						
Net income	--	--	--	--	--	73,806
Other comprehensive income, net of tax						
Unrealized gains on securities	9,519	--	--	--	--	--
Translation adjustments	(3,293)	--	--	--	--	--
Other comprehensive income (loss)	--	--	--	--	--	--
Comprehensive income	--	--	--	--	--	--
Employee stock purchase plan	--	--	--	--	--	--
Acquisition of iCcare	--	--	--	--	--	--
Exercise of stock options	--	--	--	(227)	--	--
Issuances of common stock	--	--	--	--	--	--
CCH acquisition costs	--	--	--	--	--	--
Amortization of deferred compensation	--	--	501	--	--	--
Issuance of warrants	--	--	--	--	5,100	--
Distribution to stockholder	--	--	--	--	--	(1,171)
BALANCES, December 31, 2000	\$ 4,828	\$ --	\$ (603)	\$ (283)	\$ 5,100	\$153,308

(Amounts in thousands)	Comprehensive Income	Total Stockholders' Equity
BALANCES, January 1, 1998		\$132,586
Comprehensive income:		
Net income	\$17,104	17,104
Translation adjustments	(426)	(426)
Comprehensive income	\$16,678	--
Acquisition of Intellisystems		3,079
Employee stock purchase plan		334
Acquisition of Cygnus		2,661
Combination with Outsource		810
Brokerage fee on EDM combination		485
Exercise of stock options		1,460
Issuances of common stock		1,096
Deferred compensation related to options granted		--

Year-end change for EDM		(270)
Compensation expense on restricted stock		127
Accretion of redeemable preferred stock		(1,371)
Amortization of deferred compensation		256
	-----	-----
BALANCES, December 31, 1998		157,931
Comprehensive income:		
Net income	\$36,780	36,780
Other comprehensive income, net of tax		
Unrealized gains on securities	3	3
Translation adjustments	(201)	(201)
	-----	-----
Other comprehensive income (loss)	(198)	--
	-----	-----
Comprehensive income	\$36,582	--
	=====	
Employee stock purchase plan		131
Acquisition of Pamet		1,753
Exercise of stock options		8,189
Exercise of warrants		6
Issuances of common stock		32,105
Conversion of preferred stock		16,533
Deferred compensation related to options granted		--
Accretion of redeemable preferred stock		(487)
Amortization of deferred compensation		402
	-----	-----
BALANCES, December 31, 1999		253,145
Comprehensive income:		
Net income	\$73,806	73,806
Other comprehensive income, net of tax		
Unrealized gains on securities	9,519	9,519
Translation adjustments	(3,293)	(3,293)
	-----	-----
Other comprehensive income (loss)	6,226	--
	-----	-----
Comprehensive income	\$80,032	--
	=====	
Employee stock purchase plan		1,896
Acquisition of iCcare		2,000
Exercise of stock options		17,142
Issuances of common stock		2,920
CCH acquisition costs		1,800
Amortization of deferred compensation		501
Issuance of warrants		5,100
Distribution to stockholder		(1,171)
	-----	-----
BALANCES, December 31, 2000		\$363,365
	=====	=====

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

TeleTech Holdings, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(Amounts in thousands)	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 73,806	\$ 36,780	\$ 17,104
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,001	32,661	20,856
Allowance for doubtful accounts	5,067	904	705
Deferred rent	(52)	(44)	25
Gain on sale of securities	(56,985)	--	--
Deferred compensation	501	402	383
Deferred income taxes	(2,281)	(2,620)	(1,235)
Minority interest	1,559	--	--
Equity in income of affiliate	--	--	(70)
Loss on closure of customer interaction centers	8,082	--	--
Loss on termination of lease	9,000	--	--
Net gain on sale of division of subsidiary	(3,964)	509	--
Business combination expenses paid in stock	--	--	485
Non-cash acquisition costs	1,800	--	--
Tax benefit from stock option exercises	8,573	2,923	452
Changes in assets and liabilities:			
Accounts receivable	(102,000)	(17,340)	(32,579)
Prepaid and other assets	(14,780)	(1,235)	159
Accounts payable and accrued expenses	61,424	11,654	14,761
Customer advances, deposits and deferred income	(1,489)	(281)	2,030
Net cash provided by operating activities	36,262	64,313	23,076
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(118,013)	(60,446)	(39,624)
Acquisitions, net of cash acquired	(15,700)	(18,099)	(2,308)
Contract acquisition costs	--	--	(10,900)
Proceeds from sale of available-for-sale securities	64,912	--	--
Proceeds from sale of businesses	4,950	--	981
Proceeds from minority interest in subsidiary	11,250	--	--
Investment in customer relationship management software company	(7,989)	(2,500)	--
Changes in other assets, accounts payable and accrued liabilities related to investing activities	(17,616)	105	(2,127)
Decrease in short-term investments	23,934	4,269	32,527
Net cash used in investing activities	(54,272)	(76,671)	(21,451)

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

(Amounts in thousands)	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in bank overdraft	(1,323)	545	(316)
Net increase (decrease) in short-term borrowings	--	(1,887)	30
Proceeds from line-of-credit	44,000	18,000	593
Proceeds from long-term debt borrowings	700	5,000	3,227
Payments on long-term debt borrowings	(7,182)	(1,692)	(1,126)
Payments on capital lease obligations	(11,358)	(6,403)	(8,201)
Proceeds from common stock issuances	1,896	32,101	1,514
Proceeds from exercise of stock options	8,569	5,272	1,008
Distribution to stockholder	(1,171)	--	--
	-----	-----	-----
Net cash provided by (used in) financing activities	34,131	50,936	(3,271)
	-----	-----	-----
Effect of exchange rate changes on cash	(5,602)	(583)	(178)
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,519	37,995	(1,824)
CASH AND CASH EQUIVALENTS, beginning of period	48,278	10,283	12,107
	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 58,797	\$ 48,278	\$ 10,283
	=====	=====	=====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 1,510	\$ 2,859	\$ 1,657
Cash paid for income taxes	\$ 22,497	\$ 23,647	\$ 11,202

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

TeleTech Holdings, Inc. ("TeleTech" or the "Company") is a leading global provider of customer relationship management solutions for large multinational companies in the United States, Argentina, Australia, Brazil, Canada, China, Mexico, New Zealand, Spain, Singapore and the United Kingdom. Customer relationship management encompasses a wide range of customer acquisition, retention and satisfaction programs designed to maximize the lifetime value of the relationship between the Company's clients and their customers.

NOTE 1:
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION. The consolidated financial statements are composed of the accounts of TeleTech and its wholly owned subsidiaries, as well as its 55 percent owned subsidiary, Percepta, LLC ("Percepta"). All intercompany balances and transactions have been eliminated in consolidation.

During August 2000 and December 2000, the Company entered into business combinations with Contact Center Holdings, S.L. ("CCH") and Newgen Results Corporation ("Newgen"), respectively. The business combinations have been accounted for as poolings-of-interests, and the historical consolidated financial statements of the Company for all years prior to the business combination have been restated in the accompanying consolidated financial statements to include the financial position, results of operations and cash flows of CCH and Newgen.

The consolidated financial statements of the Company include reclassifications made to conform the financial statement presentation of CCH and Newgen to that of the Company.

Foreign Currency Translation. The assets and liabilities of the Company's foreign subsidiaries, whose functional currency is other than the U.S. dollar, are translated at the exchange rates in effect on the reporting date, and income and expenses are translated at the weighted average exchange rate during the period. The net effect of translation gains and losses is not included in determining net income, but is accumulated as a separate component of stockholders' equity. During 1998, the net effect of translation gains on the Company's Mexican subsidiary was included in determining net income, as Mexico was considered a highly inflationary economy. Foreign currency transaction gains and losses are included in determining net income. Such gains and losses were not material for any period presented. In 2000 and 1999, the Mexican economy was no longer considered highly inflationary, and therefore translation gains and losses were included as a component of stockholders' equity for 2000 and 1999.

Property and Equipment. Property and equipment are stated at cost less accumulated depreciation. 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 is computed on the straight-line method based on the estimated useful lives of the assets, as follows:

Buildings	27.5 years
Computer equipment and software	4-5 years
Telephone equipment	5-7 years
Furniture and fixtures	5-7 years
Leasehold improvements	5-10 years
Vehicles	5 years

Assets acquired under capital lease obligations are amortized over the life of the applicable lease of four to seven years (or the estimated useful lives of the assets, where title to the leased assets passes to the Company upon termination of the lease).

Cash, Cash Equivalents and Short-Term Investments. For the purposes of the statement of cash flows, the Company considers all cash and investments with an original maturity of 90 days or less to be cash equivalents. The Company has classified its short-term investments as available-for-sale securities. At December 31, 2000,

short-term investments consist of commercial paper, corporate securities, government securities and other securities. These short-term investments are carried at fair value based on quoted market prices with unrealized gains and losses, if any, net of tax, reported in accumulated other comprehensive income.

Intangible Assets. The excess of cost over the fair market value of tangible net assets and trademarks of acquired businesses is amortized on a straight-line basis over the periods of expected benefit of 9 to 25 years. Amortization of goodwill for the years ended December 31, 2000, 1999 and 1998 was \$4,794,000, \$1,611,000 and \$1,012,000, respectively.

Contract Acquisition Costs. Amounts paid to a client to obtain a long-term contract are being amortized on a straight-line basis over the term of the contract commencing with the date of the first revenues from the contract. Amortization of these costs for the years ended December 31, 2000 and 1999, was \$2,301,000 and \$1,614,000, respectively. There was no amortization expense during 1998.

Long-Lived Assets. Long-lived assets and certain identifiable intangibles to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered impaired when future undiscounted cash flows are estimated to be insufficient to recover the carrying amount. If impaired, an asset is written down to its fair value.

Software Development Costs. The Company accounts for software development costs in accordance with the American Institute of Certified Public Accountants ("AICPA") 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. At December 31, 2000, the Company has approximately \$8.0 million of software costs capitalized, which are included in other assets in the accompanying balance sheet. These costs will be amortized over the expected useful life of the software. There has been no amortization expense as of December 31, 2000, as the software is in the development stage.

Revenue Recognition. The Company recognizes revenues at the time services are performed. The Company has certain contracts that are billed in advance. Accordingly, amounts billed but not earned under these contracts are excluded from revenues and included in other liabilities.

Income Taxes. The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards ("SFAS") 109, "Accounting for Income Taxes," 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 then may be reduced by a valuation allowance for amounts that do not satisfy the realization criteria of SFAS 109.

Comprehensive Income. Comprehensive income includes the following components:

	Year ended December 31, 2000	Year ended December 31, 1999	Year ended December 31, 1998
(amounts in thousands)	-----	-----	-----
Unrealized gains on securities, net of reclassification adjustments	\$14,644	\$ 4	\$ --
Foreign currency translation adjustments	(3,293)	(201)	(426)
Income tax (expense) benefit related to items of other comprehensive income	(5,125)	(1)	--
	-----	-----	-----
Other comprehensive income, net of tax	\$ 6,226	\$(198)	\$(426)
	=====	=====	=====

Disclosure of reclassification amount:

	Year ended December 31, 2000	Year ended December 31, 1999	Year ended December 31, 1998
	-----	-----	-----
Unrealized holding gains arising during the period	\$ 71,629	\$4	\$ --
Less: reclassification adjustment for gains included in net income	(56,985)	--	--
Provision for income taxes	(5,125)	(1)	--
	-----	-----	-----
Net unrealized gains on securities	\$ 9,519	\$3	\$ --
	=====	==	=====

Earnings per Share. Earnings per share are computed based upon the weighted average number of common shares and common share equivalents outstanding.

Basic earnings per share are computed by dividing reported earnings available to common stockholders by weighted average shares outstanding. No dilution for any potentially dilutive securities is included. Diluted earnings per share reflect the potential dilution assuming the issuance of common shares for all dilutive potential common shares outstanding during the period.

	Year ended December 31, 2000	Year ended December 31, 1999	Year ended December 31, 1998
	-----	-----	-----
(Amounts in thousands except per share data)			
Shares used in basic per share calculation	74,171	70,557	66,228
Effects of dilutive securities:			
Warrants	444	74	92
Conversion of preferred stock	--	1,046	2,727
Stock options	4,493	2,785	2,734
	-----	-----	-----
Shares used in diluted per share calculation	79,108	74,462	71,781
	=====	=====	=====

At December 31, 2000, 1999 and 1998 options to purchase 2,403,718, 2,739,299 and 2,422,719 shares of common stock, respectively, were outstanding but were not included in the computation of diluted EPS because the effect would be antidilutive.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Self-Insurance Program. The Company self-insures for certain levels of workers' compensation and employee health insurance. Estimated costs of these self-insurance programs were accrued at the projected settlements for known and anticipated claims. Self-insurance liabilities of the Company amounted to \$3.8 million and \$2.9 million at December 31, 2000 and 1999, respectively.

Fair Value of Financial Instruments Fair values of cash equivalents and other current accounts receivable and payable approximate the carrying amounts because of their short-term nature. Short-term investments include U.S. government Treasury bills, investments in commercial paper, short-term corporate bonds and other short-term corporate obligations. These investments are classified as held to maturity securities and are measured at amortized cost. The carrying values of these investments approximate their fair values.

Debt and long-term receivables carried on the Company's consolidated balance sheet at December 31, 2000 and 1999 have a carrying value that is not significantly different from its estimated fair value. The fair value is based on discounting future cash flows using current interest rates adjusted for risk. The fair value of the

short-term debt approximates its recorded value because of its short-term nature.

The fair value of the derivative instruments held as of December 31, 2000 is \$670,000 below the carrying value.

Derivatives. The Company entered into an interest rate swap agreement to effectively convert a portion of its floating-rate borrowings into fixed rate obligations. The interest rate differential to be received or paid is recognized as a current period adjustment to interest expense. The Company entered into the interest rate swap on December 12, 2000. The swap matures on December 12, 2006. The contract is for an aggregate notional amount of \$20 million with a fixed interest rate of 6.37% payable by the Company and the floating interest rate payable by the third party. The difference between the Company's fixed rates and the floating rates, which is reset monthly, is received or paid by the Company in arrears monthly and recognized as an adjustment to interest expense. The contract was entered into for the purpose of hedging interest rate risk.

Effects of Recently Issued Accounting Pronouncements. SFAS No. 133, "Accounting for Derivative Instrument and Hedging Activities," establishes fair value accounting and reporting standards for derivative instruments and hedging activities. TeleTech adopted SFAS No. 133 on January 1, 2001. SFAS No. 133 requires every derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset the related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment. Accordingly upon adoption of SFAS No. 133 on January 1, 2001, the Company recorded a decrease in fair value of approximately \$400,000 (net of tax effect of \$270,000) in other comprehensive income for the derivative contracts designated as hedges. A corresponding entry of \$775,000 was recorded to recognize a liability and \$105,000 to recognize an asset on the balance sheet. SFAS No. 133 could impact TeleTech's financial position and could increase volatility in earnings and accumulated other comprehensive income.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), Revenue Recognition in Financial Statements, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements. SAB 101 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosures related to revenue recognition policies. The Company has adopted SAB 101 in the fourth quarter of fiscal 2000. The adoption of this bulletin had no material impact on the financial position or results of operations of the Company.

Reclassifications Certain prior year amounts have been reclassified to conform to current year presentation.

NOTE 2:
SEGMENT INFORMATION AND CUSTOMER CONCENTRATIONS

The Company classifies its business activities into five fundamental areas: outsourced operations in the United States, facilities management operations, international outsourced operations, database marketing and consulting and technology services and consulting. These areas are separately managed and each has significant differences in capital requirements and cost structures. Technology services and consulting is included in corporate activities as it is not a material business segment. Also included in corporate activities are general corporate expenses and overall operational management expenses. Assets of corporate activities include unallocated cash, short-term investments and deferred income taxes. Segment accounting policies are the same as those used in the consolidated financial statements except capital expenditures are reported including assets acquired under capital lease. There are no significant transactions between the reported segments for the periods presented.

	2000	1999	1998
(Amounts in thousands)	-----	-----	-----
Revenues:			
Outsourced	\$388,739	\$299,379	\$200,514
Facilities management	119,529	94,461	85,694
International outsourced	291,341	134,416	89,791
Database marketing & consulting	77,468	55,188	40,106
Corporate activities	8,272	20,820	8,772
	-----	-----	-----
Total	\$885,349	\$604,264	\$424,877
	=====	=====	=====
Operating Income (Loss):			
Outsourced	\$ 82,190	\$ 69,463	\$ 41,495
Facilities management	16,144	6,849	11,648
International outsourced	45,776	10,467	7,451
Database marketing & consulting	9,987	4,240	(3,134)
Corporate activities	(81,180)	(40,822)	(27,080)
	-----	-----	-----
Total	\$ 72,917	\$ 50,197	\$ 30,380
	=====	=====	=====
Depreciation and Amortization Included in Operating Income:			
Outsourced	\$ 20,190	\$ 16,514	\$ 12,688
Facilities management	618	483	239
International outsourced	15,579	7,861	5,324
Database marketing & consulting	5,145	2,160	1,293
Corporate activities	6,469	5,643	1,312
	-----	-----	-----
Total	\$ 48,001	\$ 32,661	\$ 20,856
	=====	=====	=====
Assets:			
Outsourced	\$147,238	\$ 76,401	\$101,105
Facilities management	19,457	11,290	18,121
International outsourced	198,185	106,397	65,614
Database marketing & consulting	63,524	51,095	12,772
Corporate activities	161,495	117,396	54,117
	-----	-----	-----
Total	\$589,899	\$362,579	\$251,729
	=====	=====	=====
Goodwill (Included in Total Assets):			
International outsourced goodwill, net	\$ 14,181	\$ 10,496	\$ 6,803
Database marketing & consulting goodwill, net	15,244	11,443	--
Corporate activities goodwill, net	11,886	10,138	8,219
	-----	-----	-----
Total	\$ 41,311	\$ 32,077	\$ 15,022
	=====	=====	=====
Capital Expenditures (Including Capital Leases):			
Outsourced	\$ 39,841	\$ 22,570	\$ 29,874
Facilities management	826	434	1,169
International outsourced	66,230	21,344	5,580
Database marketing & consulting	6,840	3,422	1,129
Corporate activities	7,267	16,520	7,047
	-----	-----	-----
Total	\$121,004	\$ 64,290	\$ 44,799
	=====	=====	=====

The following geographic data includes revenues based on the location where the services are provided and gross property and equipment based on the physical location.

(Amounts in thousands)	2000 -----	1999 -----	1998 -----
Revenues:			
United States	\$565,519	\$449,329	\$321,183
Australia	64,411	49,925	36,958
Canada	112,842	35,814	36,852
Europe	82,664	46,786	21,051
Latin America	58,975	21,388	8,833
Rest of world	938	1,022	--
	-----	-----	-----
Total	\$885,349 =====	\$604,264 =====	\$424,877 =====
Gross Property and Equipment:			
United States	\$174,821	\$136,526	\$ 91,922
Australia	19,814	16,684	11,956
Canada	33,678	8,943	5,645
Europe	15,155	11,416	3,207
Latin America	31,355	14,547	8,694
Rest of world	1,136	70	2,294
	-----	-----	-----
Total	\$275,959 =====	\$188,186 =====	\$123,718 =====
All other long-lived assets:			
United States	\$ 46,248	\$ 3,730	\$ 3,868
Australia	507	296	365
Canada	367	3,640	252
Europe	469	309	2,007
Latin America	3,619	1,539	139
Rest of world	--	--	--
	-----	-----	-----
Total	\$ 51,210 =====	\$ 9,514 =====	\$ 6,631 =====

The Company's revenues from major customers (revenues in excess of 10% of total sales) are from entities involved in the telecommunications and transportation industries. The revenues from such customers as a percentage of total revenues for each of the three years ended December 31 are as follows:

	2000 ----	1999 ----	1998 ----
Customer A	8%	8%	11%
Customer B	20%	23%	22%
	---	--	--
	28%	31%	33%
	===	==	==

At December 31, 2000, accounts receivable from Customers A and B were \$6.8 million and \$14.3 million, respectively. At December 31, 1999, accounts receivable from Customers A and B were \$4.7 million and \$8.2 million, respectively. There were no other customers with receivable balances in excess of 10% of consolidated accounts receivable. Customer A is included in the facilities management reporting segment. Customer B is included in the outsourced reporting segment.

The loss of one or more of its significant customers could have a materially adverse effect on the Company's business, operating results or financial condition. The Company does not require collateral from its customers. To limit the Company's credit risk, management performs ongoing credit evaluations of its customers and maintains allowances for potentially uncollectible accounts. Although the Company is impacted by economic conditions in the telecommunications, transportation, financial services and government services industries, management does not believe significant credit risk exists at December 31, 2000.

NOTE 3:
PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2000 and 1999 (in thousands):

	2000	1999
	-----	-----
Land	\$ 51	\$ 51
Buildings	306	202
Computer equipment and software	94,779	83,700
Telephone equipment	24,996	12,631
Furniture and fixtures	66,177	33,005
Leasehold improvements	83,943	56,946
CIP	2,306	--
Other	3,401	1,651
	-----	-----
	275,959	188,186
Less accumulated depreciation	(97,199)	(70,823)
	-----	-----
	\$178,760	\$117,363
	=====	=====

Included in the cost of property and equipment is the following equipment obtained through capitalized leases as of December 31, 2000 and 1999 (in thousands):

	2000	1999
	-----	-----
Computer equipment and software	\$23,833	\$16,895
Telephone equipment	3,567	1,615
Furniture and fixtures	5,677	2,470
	-----	-----
	33,077	20,980
Less accumulated depreciation	(21,700)	(14,728)
	-----	-----
	\$11,377	\$ 6,252
	=====	=====

Depreciation expense was \$40.9 million, \$29.5 million and \$19.8 million for the years ended December 31, 2000, 1999 and 1998, respectively. Depreciation expense related to equipment under capital leases was \$5.2 million, \$5.9 million and \$5.6 million for the years ended December 31, 2000, 1999 and 1998, respectively.

NOTE 4
CAPITAL LEASE OBLIGATIONS

The Company has financed property and equipment under non-cancelable capital lease obligations of \$2,991,000, \$3,844,000 and \$5,175,000 in 2000, 1999 and 1998, respectively. Accordingly, the fair value of the equipment has been capitalized and the related obligation recorded. The average implicit interest rate on these leases was 7.1% at December 31, 2000. Interest is charged to expense at a level rate applied to declining principal over the period of the obligation.

The future minimum lease payments under capitalized lease obligations as of December 31, 2000, are as follows (in thousands):

Year Ended December 31,

2001	\$	3,355
2002		4,993
2003		2,991
2004		426

		11,765
Less amount representing interest		(789)

		10,976
Less current portion		(3,033)

	\$	7,943
		=====

Interest expense on the outstanding obligations under such leases was \$1.2 million, \$1.1 million and \$1.2 million for the years ended December 31, 2000, 1999 and 1998, respectively.

NOTE 5
OTHER LONG-TERM DEBT

As of December 31, 2000 and 1999, other long-term debt consisted of the following notes (in thousands):

	2000	1999
	-----	-----
Note payable, interest at 8% per annum, principal and interest payable quarterly, maturing March 2001, unsecured	\$ 194	\$ 1,090
Note payable, interest at 8% per annum, principal and interest payable monthly, maturing January 2001, unsecured	57	842
Note payable, interest at 5% per annum, principal and interest payable monthly, maturing November 2009, collateralized by certain assets of the Company	4,567	4,935
Note payable, interest at 7% per annum, principal and interest payable monthly, maturing July 2002, unsecured	324	271
Note payable, interest at 7% per annum, principal and interest payable monthly, maturing May 2004, unsecured	260	348
Note payable, interest at 6% per annum, principal and interest payable monthly, maturing June 2002, unsecured	265	--
Other notes payable	470	881
	-----	-----
	6,137	8,367
Less current portion	(1,174)	(2,718)
	-----	-----
	\$ 4,963	\$ 5,649
	=====	=====

Annual maturities of the long-term debt are as follows (in thousands):

Year Ended December 31,	
2001	\$ 1,174
2002	793
2003	563
2004	591
2005	550
Thereafter	2,466

	\$ 6,137
	=====

NOTE 6
REVOLVING LINE OF CREDIT

In November 1998, the Company entered into a three-year unsecured revolving line of credit agreement with a syndicate of five commercial banks under which it may borrow up to \$50.0 million. In the first and fourth quarters of 2000, the Company amended its unsecured revolving line of credit with a syndicate of four banks. The amendment increased the line of credit to approximately \$87.5 million from \$50.0 million. Interest is payable at various interest rates. The borrowings can be made at (a) the bank's base rate or (b) the bank's offshore rate (approximating LIBOR) plus a margin ranging from 50 to 150 basis points depending upon the Company's leverage. In addition, the Company, at its option, can elect to secure up to \$25.0 million of the line with existing cash investments. Advances under the secured portion will be made at a margin of 22.5 basis points. At December 31, 2000 and 1999, there was \$62 million and \$18 million outstanding under this agreement, respectively. The Company is required to comply with certain minimum financial ratios under covenants in connection with the agreement described above, the most restrictive of which requires the Company to maintain a fixed charge coverage ratio of 3 to 1. Under this agreement, the Company

has voluntarily pledged \$15 million of short-term investments at December 31, 2000, which is included in cash and cash equivalents in the accompanying balance sheet, as collateral to reduce the interest rate on short-term borrowings. The Company may at its option, elect to unsecure the borrowings at any time. The agreement requires the Company to maintain, among other restrictions, prescribed financial ratios.

The Company's Canadian subsidiary has available an operating loan of CDN\$2.0 million, which is due on demand and bears interest at the bank's prime rate, which was 7.5% at December 31, 2000. The operating loan is collateralized by a general security agreement, a partial assignment of accounts receivable insurance in the amount of CDN\$500,000, a partial assignment of life insurance on the former majority shareholder in the amount of CDN\$400,000 and an assignment of fire insurance. As of December 31, 2000 and 1999, there was \$42,000 and \$1.3 million, respectively, outstanding under this operating loan.

The Company's Spanish subsidiary has factoring lines of credit under which it may borrow up to ESP\$1,600 million at December 31, 2000 and 1999. As of December 31, 2000 and 1999, there was \$8.3 million and \$2.8 million outstanding under these factoring lines, included in current portion of long-term debt in the accompanying balance sheet.

NOTE 7
INCOME TAXES

The components of income before income taxes are as follows (in thousands):

	2000	1999	1998
	-----	-----	-----
Domestic	\$ 68,368	\$46,619	\$20,315
Foreign	53,935	11,139	10,133
	-----	-----	-----
Total	\$122,303	\$57,758	\$30,448
	=====	=====	=====

The components of the provision for income taxes are as follows (in thousands):

	2000	1999	1998
	-----	-----	-----
Current provision:			
Federal	\$ 24,942	\$ 14,888	\$ 8,297
State	2,838	3,378	1,865
Foreign	21,439	5,131	4,417
	-----	-----	-----
	49,219	23,397	14,579
	-----	-----	-----
Deferred provision:			
Federal	(941)	(1,724)	(834)
State	(132)	(303)	(195)
Foreign	(1,208)	(392)	(206)
	-----	-----	-----
	(2,281)	(2,419)	(1,235)
	-----	-----	-----
	\$ 46,938	\$ 20,978	\$ 13,344
	=====	=====	=====

The following reconciles the Company's effective tax rate to the federal statutory rate for the years ended December 31, 2000, 1999, and 1998 (in thousands):

	2000	1999	1998
	-----	-----	-----
Income tax expense per federal statutory rate	\$42,806	\$18,634	\$10,063
State income taxes, net of federal deduction	3,840	2,181	908
Tax benefit of operating loss carryforward acquired	(1,800)	--	--
Miscellaneous credits	(716)	--	--
Transaction costs	420	--	--
Other	200	(1,706)	966
Foreign income taxed at higher rate	2,188	1,869	1,407
	-----	-----	-----
	\$46,938	\$20,978	\$13,344
	=====	=====	=====

The Company's deferred income tax assets and liabilities are summarized as follows (in thousands):

	2000	1999
	-----	-----
Deferred tax assets:		
Allowance for doubtful accounts	\$ 2,588	\$ 1,417
Vacation accrual	1,672	1,377
Compensation	162	1,025
Insurance reserves	604	796
State tax credits	300	510
Net operating loss carryforward	--	981
Other	532	431
	-----	-----
	5,858	6,537
	-----	-----
Long-term deferred tax assets:		
Depreciation and amortization	1,862	746
	-----	-----
Total	7,720	7,283
Less valuation allowance	--	(1,844)
	-----	-----
Net deferred income tax asset	\$ 7,720	\$ 5,439
	=====	=====

A valuation allowance has been recorded to the extent that the Company expects the deferred tax assets not to be realized in the future.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Leases. The Company has various operating leases for equipment, customer interaction centers and office space. Rent expense under operating leases was approximately \$21.6 million, \$16.6 million and \$13.1 million for the years ended December 31, 2000, 1999 and 1998, respectively.

The future minimum rental payments required under non-cancelable operating leases as of December 31, 2000, are as follows (in thousands):

Year ended December 31,	
2001	\$ 22,257
2002	16,700
2003	15,218
2004	14,275
2005	8,882
Thereafter	25,606

	\$102,938
	=====

Legal Proceedings. In July 1999, the Company reached a settlement with CompuServe Incorporated whereby the Company received \$12.0 million in final settlement in 1999. As a result, the Company recorded a gain of \$6.7 million during 1999, which is included in other income in the accompanying consolidated statements of income.

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.

NOTE 9 EMPLOYEE BENEFIT PLAN

The Company has a 401(k) profit-sharing plan that covers employees who have completed six months of service, as defined, and are 21 or older. Participants may defer up to 15% of their gross pay up to a maximum limit determined by law. Participants are also eligible for a matching contribution by the Company of 50% of the first 6% of compensation a participant contributes to the plan. Participants vest in matching contributions over a four-year period.

NOTE 10 STOCK COMPENSATION PLANS

The Company adopted a stock option plan during 1995 and amended and restated the plan in January 1996 for directors, officers, employees, consultants

and independent contractors. The plan reserves 7.0 million shares of common stock and permits the award of incentive stock options, non-qualified options, stock appreciation rights and restricted stock. Outstanding options vest over a three- to five-year period and are exercisable for 10 years from the date of grant.

In January 1996, the Company adopted a stock option plan for non-employee directors (the "Director Plan"), covering 750,000 shares of common stock. All options were granted at fair market value at the date of grant. Options vested as of the date of the option but were not exercisable until six months after the option date. Options granted are exercisable for 10 years from the date of grant unless a participant is terminated for cause or one year after a participant's death. The Director Plan had options to purchase 510,250, 423,000, and 418,750 shares outstanding at December 31, 2000, 1999, and 1998, respectively. In May 2000, the Company terminated future grants under this plan. From that point on, Directors received options under the Company's 1999 Stock Option and Incentive Plan.

In July 1996, the Company adopted an employee stock purchase plan (the "ESPP"). Pursuant to the ESPP, an aggregate of 400,000 shares of common stock of the Company is available for issuance under the ESPP. Employees are eligible to participate in the ESPP after three months of service. The price per share purchased in any offering period is equal to the lesser of 85% of the fair market value of the common stock on the first day of the offering period or on the purchase date. The offering periods have a term of six months. Stock purchased under the plan for the years ended December 31, 2000, 1999 and 1998 were \$1,895,000, \$131,000 and \$334,000 respectively.

In February 1999, the Company adopted the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "1999 Option Plan"). The purpose of the 1999 Option Plan is to enable the Company to continue to (a) attract and retain high quality directors, officers, employees and potential employees, consultants and independent contractors of the Company or any of its subsidiaries; (b) motivate such persons to promote the long-term success of the business of the Company and its subsidiaries and (c) induce employees of companies that are acquired by TeleTech to accept employment with TeleTech following such an acquisition. The 1999 Option Plan supplements the TeleTech Holdings, Inc. Stock Plan, as amended and restated, which was adopted by the Company in January 1995. An aggregate of 10 million shares of common stock has been reserved for issuance under the 1999 Option Plan, which permits the award of incentive stock options, non-qualified stock options, stock appreciation rights and shares of restricted common stock. As previously discussed, the 1999 Option Plan also provides annual stock option grants to Directors.

In connection with the acquisition of Newgen, which was accounted for under the pooling-of-interests method, the Company has assumed all of the options outstanding under Newgen's 1998 and 1996 Equity Incentive Plans.

The Company has elected to account for its stock-based compensation plans under APB 25; however, the Company has computed, for pro forma disclosure purposes, the value of all options granted using the Black-Scholes option pricing model as prescribed by SFAS 123 and the following weighted average assumptions used for grants:

	2000	1999	1998
	-----	-----	-----
Risk-free interest rate	4.9%	5.9%	5.2%
Expected dividend yield	0%	0%	0%
Expected lives	3.1 years	5.3 years	6.0 years
Expected volatility	81%	79%	70%

If the Company had accounted for these plans in accordance with SFAS 123, the Company's net income and pro forma net income per share would have been reported as follows:

NET INCOME (AMOUNTS IN THOUSANDS)

	2000	1999	1998
	-----	-----	-----
As reported	\$73,806	\$36,780	\$17,104
Pro forma	\$55,680	\$31,024	\$11,733

PER SHARE AMOUNTS

	2000	1999	1998
	-----	-----	-----
As reported:			
Basic	\$1.00	\$0.51	\$0.24
Diluted	\$0.93	\$0.49	\$0.24
Pro forma:			
Basic	\$0.75	\$0.41	\$0.16
Diluted	\$0.70	\$0.41	\$0.16

A summary of the status of the Company's four stock option plans for the three years ended December 31, 2000, together with changes during each of the years then ended, is presented in the following table:

	Shares	Weighted Average Price Per Share
	-----	-----
Outstanding, January 1, 1998	5,443,198	\$ 7.02
Grants	3,496,090	11.37
Exercises	(249,840)	4.02
Forfeitures	(1,669,562)	13.02

Outstanding, December 31, 1998	7,019,886	7.94
Grants	7,246,933	8.70
Exercises	(850,802)	6.40
Forfeitures	(1,853,792)	10.17

Outstanding, December 31, 1999	11,562,225	8.43
Grants	4,827,832	28.04
Exercises	(1,384,022)	6.19
Forfeitures	(1,283,995)	11.41

Outstanding, December 31, 2000	13,722,040	\$15.10
	=====	
Options exercisable at year-end:		
2000	4,545,244	\$ 8.64
1999	2,578,417	\$ 4.71
1998	2,165,742	\$ 5.43
Weighted average fair value of options granted during the year:		
2000		\$15.27
1999		\$ 4.90
1998		\$ 7.93

The following table sets forth the exercise price range, number of shares, weighted average exercise price and remaining contractual lives at December 31, 2000:

Range of Exercise Prices	Number of Shares Outstanding	Outstanding		Exercisable	
		Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Number of Shares Exercisable	Weighted Average Exercise Price
\$ 0.63 - \$1.29	1,011,601	\$ 1.25	5	1,011,601	\$ 1.25
\$ 2.00 - \$6.00	1,416,692	\$ 5.23	7	815,910	\$ 4.84
\$ 6.13 - \$6.13	1,095,079	\$ 6.13	8	258,581	\$ 6.13
\$ 6.19 - \$8.00	1,280,107	\$ 7.07	7	452,948	\$ 7.43
\$ 8.06 - \$9.75	1,062,708	\$ 9.51	8	256,551	\$ 9.50
\$ 9.87 - \$13.06	1,567,304	\$11.93	8	641,720	\$11.45
\$13.13 - \$13.13	1,020,000	\$13.13	9	504,000	\$13.13
\$13.20 - \$20.94	1,065,122	\$16.47	8	337,124	\$15.27
\$21.41 - \$30.81	2,099,710	\$26.32	9	130,883	\$24.75
\$30.88 - \$39.81	2,103,717	\$32.23	9	135,926	\$31.68

NOTE 11
RELATED PARTY TRANSACTIONS

The Company has entered into agreements pursuant to which Avion, LLC and AirMax LLC provide certain aviation flight services to and as requested by the Company. Such services include the use of an aircraft and flight crew. Kenneth D. Tuchman, chairman of the board of the Company, has a direct or indirect beneficial ownership interest in Avion, LLC. During 2000 and 1999 the Company paid an aggregate of \$677,000 and \$35,000 respectively, to Avion, LLC for services provided to the Company. Mr. Tuchman directly or indirectly also purchases services from AirMax LLC and from time to time provides short-term loans to AirMax LLC. During 2000, 1999 and 1998 the Company paid to AirMax LLC an aggregate of \$460,000, \$405,000 and \$480,000 respectively, for services provided to the Company.

During the fourth quarter of 2000, the Company and its enhansiv subsidiary executed a transaction pursuant to which all the common stock of enhansiv was sold to a group of investors. One of the investors, Kenneth Tuchman, also serves as the Chairman of the Company's Board of Directors. Mr. Tuchman purchased approximately 43% of enhansiv's common stock for \$3 million.

During 1998, the Company entered into an employment agreement with Morton H. Meyerson, a director of the Company, pursuant to which Mr. Meyerson has agreed to render certain advisory and consulting services to the Company. As compensation for such services, the Company has granted to Mr. Meyerson an option with an exercise price of \$9.50 per share. The option vests over five years and is subject to accelerated vesting if and to the extent that the closing sales price of the common stock during the term equals or exceeds certain levels. Under the terms of the option, the exercise price is required to be paid by delivery of TeleTech shares to the Company and provides that Mr. Meyerson will receive no more than 200,000 shares of common stock, net of the shares received by the Company for exercise consideration.

The Company utilizes the services of EGI Risk Services, Inc. for reviewing, obtaining and/or renewing various insurance policies. EGI Risk Services, Inc. is a wholly owned subsidiary of Equity Group Investments, Inc. Rod Dammeier, a director of the Company, was until recently the managing partner of Equity Group Investments, Inc., and Samuel Zell, a former director of the Company, was chairman of the board. During the years ended December 31, 2000, 1999 and 1998, the Company incurred \$1,127,000, \$3,521,000 and \$2,288,000, respectively, for such services.

NOTE 12
ACQUISITIONS

On August 31, 2000, the Company and CCH entered into a definitive Share Purchase Agreement, which included the exchange of 3,264,000 shares of the Company's common stock for all of the issued share capital of CCH. The business combination was accounted for as a pooling of interest, and accordingly, the historical financial statements of the Company have been restated to include the financial statements of CCH for all periods presented.

On December 20, 2000, the Company consummated a business combination with Newgen that included the exchange of 8,283,325 shares of the Company's common stock for all of the issued shares of Newgen. The business combination was accounted for as a pooling of interest, and accordingly, the historical financial statements of the Company have been restated to include the financial statements of Newgen for all periods presented.

The consolidated financial statements have been prepared to give retroactive effect to the business combinations with CCH and Newgen.

The table below sets forth the results of operations of the previously separate enterprises for the period prior to the consummation of the August 2000 and December 2000 business combinations during the periods ended December 31, 2000, 1999 and 1998 (in thousands):

	TeleTech -----	CCH -----	Newgen -----	Combined -----
2000 (prior to the consummation of the business combinations)				
Revenues	\$750,782	\$38,540	\$77,468	\$866,790
Net income	64,477	2,259	5,919	72,655
1999				
Revenues	\$509,268	\$39,808	\$55,188	\$604,264
Net income	29,090	2,855	4,835	36,780
1998				
Revenues	\$369,045	\$15,726	\$40,106	\$424,877
Net income	19,202	1,105	(3,203)	17,104

On October 27, 2000, TeleTech acquired iCcare Limited ("iCcare"); a Hong Kong based CRM company, in a transaction accounted for under the purchase method of accounting. The Company purchased iCcare for approximately \$4.0 million consisting of \$2.0 million in cash and \$2.0 million in stock. On the basis of achievement of

predetermined revenue targets, iCcare could also receive additional stock or cash payments over the next two years. The operations of iCcare 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.

On November 7, 2000, the Company acquired the customer care division of Boston Communications Group ("BCG") in an asset purchase transaction accounted for under the purchase method of accounting. BCG's customer care division provides 24x7 inbound customer care solutions for the wireless industry. The Company purchased the customer care division in a cash transaction valued at \$15 million, including a \$13 million cash payment and assumption of approximately \$2 million of liabilities. Under the terms of the agreement, BCG could receive additional cash payments, totaling up to an additional \$20 million over four years, based upon achievement of certain predetermined revenue targets. The operations of the customer care division of Boston Communications Group 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.

On March 18, 1999, the Company acquired 100% of the common stock of Pamet River, Inc. ("Pamet") for approximately \$1.8 million in cash and 285,711 shares of common stock in the Company. Pamet was a global marketing company offering end-to-end marketing solutions by leveraging Internet and database technologies. The transaction was accounted for as a purchase and goodwill was amortized using the straight-line method over 20 years. The operations of Pamet 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. In September 2000, the Company closed Pamet. See note 14 for further discussion.

On March 31, 1999, the Company acquired 100% of the common stock of Smart Call S.A. ("Smart Call") for approximately \$2.4 million in cash including costs related to the acquisition. Smart Call is based in Buenos Aires, Argentina, and provides a wide range of customer management solutions to Latin American and multinational companies. The transaction was accounted for as a purchase and goodwill is amortized using the straight-line method over 20 years. The operations of Smart Call 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.

On October 12, 1999, the Company acquired 100% of the common stock of Connect for approximately \$2.3 million in cash including costs related to the acquisition. The former owners of Connect are entitled to an earn-out premium based on the results of the Company's consolidated operations in Argentina in 2000. This earn-out premium will be calculated in the first quarter of 2001 and the Company anticipates it to be between \$3.5 and \$4.0 million. Connect is located in Buenos Aires, Argentina, and provides customer relationship management solutions to Latin American and multinational companies in a variety of industries. The transaction was accounted for as a purchase and goodwill is amortized using the straight-line method over 20 years. The operations of Connect 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.

The previous owners of Smart Call and Connect have the ability to earn a contingent payment of between \$250,000 and \$2.5 million during 2001. The contingent payment is based on reaching revenue and profitability targets.

On November 30, 1999, the Company's subsidiary Newgen acquired the partnership interest, including certain net assets and liabilities of Computer Care, a New York general partnership and wholly owned operation of Automatic Data Processing, Inc ("ADP") in a transaction accounted for under the purchase method of accounting. Per the terms of the partnership agreement Newgen acquired a 100 percent interest in Computer Care for a purchase price of approximately \$11.0 million in cash, excluding transaction costs, and up to an additional \$9.0 million earn-out which may be paid based upon certain earn-out criteria. In February 2001, the Company paid \$4.4 million to ADP in full satisfaction of the earn-out provision. The operations of Computer Care 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.

On December 15, 1999, the Company invested \$2.5 million in a customer relationship management software company. On January 27, 2000, an additional investment of \$8.0 million was made in the same customer relationship management software company. In

May 2000, this software company merged with E.piphany, Inc., a publicly traded customer relationship management company. As a result of the merger, TeleTech received 1,238,400 shares of E.piphany common stock. During the year ended December 31, 2000 the Company sold approximately 909,300 shares of E.piphany for total proceeds of \$64.9 million, which resulted in a realized gain of \$57.0 million. The remaining 329,100 shares of E.piphany, of which approximately 116,000 shares are held in escrow, has a cost basis of \$2.2 million. These shares are reflected in the accompanying balance sheet as an available-for-sale security, at their fair market value of \$16.8 million at December 31, 2000. The unrealized gain of \$9.5 million is shown net of tax of \$5.1 million, as a component of other comprehensive income in the accompanying consolidated statements of stockholders' equity.

On February 17, 1998, the Company acquired the assets of Intellisystems, Inc. ("Intellisystems") for \$2.0 million in cash and 344,487 shares of common stock, which included 98,810 shares of treasury stock. Intellisystems was a leading developer of patented automated product support systems. The acquisition was accounted for as a purchase. The operations of Intellisystems 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. The assets of Intellisystems have since been transferred to enhansiv, the common stock of which the Company sold to a group of investors during the fourth quarter of 2000.

On June 8, 1998, and June 17, 1998, the Company consummated business combinations with Digital Creators, Inc. (Digital), which included the issuance of 1,069,000 shares of Company common stock, and Electronic Direct Marketing, Ltd. (EDM), which included the issuance of 1,783,444 shares of Company common stock. These business combinations were accounted for as poolings-of-interests, and accordingly the historical financial statements of the Company have been restated to include the financial statements of Digital and EDM for all periods presented. Subsequent to year-end, certain operations and personnel of Digital were absorbed by other groups within the Company.

The consolidated balance sheet of the Company as of December 31, 1997, includes the balance sheet of EDM for the fiscal year ended February 28, 1998. Accordingly, the Company's retained earnings have been adjusted during the quarter ended March 31, 1998, for the effect of utilizing different fiscal year-ends for this period. During 1998, the fiscal year-end of EDM has been changed from February to December to conform to the Company's year-end.

The consolidated financial statements have been prepared to give retroactive effect to the business combinations with Digital and EDM.

The table below sets forth the results of operations of the previously separate enterprises for the period prior to the consummation of the June 1998 business combinations during the period ended December 31, 1998 (in thousands):

	TeleTech	Digital	EDM	Adjustments	Combined
1998 (prior to the business combinations)					
Revenues	\$136,244	\$2,038	\$10,258	\$(1,171)	\$147,369
Net income	6,972	136	654	--	7,762

On August 26, 1998, the Company consummated a business combination with Outsource Informatica Ltda. ("Outsource"), a leading Brazilian customer management provider, which included the issuance of 606,343 shares of Company common stock. This business combination was accounted for as a pooling of interests. The operations of Outsource 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.

On December 31, 1998, the Company acquired 100% of the common stock of Cygnus Computer Associates Ltd. ("Cygnus") for approximately \$660,000 in cash and 324,744 shares of common stock in the Company. Cygnus is a Canadian provider of systems integration and call center solutions. The transaction was accounted for as a purchase and goodwill is amortized using the straight-line method over 10 years. The Company will pay approximately \$1.6 million in contingent consideration based on certain levels of operating income achieved by

Cygnus in 1999 and 2000. This amount will be determined and paid in the first quarter of 2001. The operations of Cygnus 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. The shares of Cygnus have since been transferred to enhansiv, the common stock of which the Company sold to a group of investors during the fourth quarter of 2000.

NOTE 13
FORD JOINT VENTURE

During the first quarter of 2000, the Company and Ford Motor Company ("Ford") formed Percepta. In connection with this formation, the Company issued stock purchase warrants to Ford entitling Ford to purchase 750,000 shares of TeleTech common stock. These warrants were valued at \$5.1 million using the Black-Scholes Option model.

Ford has the right to earn additional warrants based upon Percepta's achievement of certain revenue thresholds through 2004. Such threshold was not achieved for 2000. The value of the warrants to be issued is subject to a formula based upon the profitability of Percepta, among other factors. The exercise price of any warrants issued under the agreement will be a 5% premium over the Company's stock price at the date the warrants are issued.

NOTE 14
ASSET ACQUISITIONS AND DISPOSITIONS

In the fourth quarter of 2000, the Company and its enhansiv subsidiary executed a transaction, whereby the Company transferred all of its shares of common stock of enhansiv, inc., a Colorado corporation ("enhansiv"), to enhansiv holdings, inc., a Delaware corporation ("EHI") in exchange for 100 shares of Series A Preferred Stock of EHI. enhansiv's holdings at the time of the transfer included a technology-oriented subsidiary of enhansiv (formerly known as Cygnus Computer Associates Ltd.) and two divisions (Intellisystems and the Freefire assets the Company acquired from Information Management Associates). As a part of the transaction, EHI sold 2,333,333 shares of common stock to a group of investors. These shares represent 100% of the existing common shares of EHI, which in turn owns 100% of the common shares of enhansiv. The Company's Preferred Stock is convertible into 1,000,000 shares of EHI common stock. In addition, the Company has an option to reacquire approximately 95% of the common stock of EHI. Prior to November 18, 2002 the option can be exercised only under certain circumstances. The Company has also agreed to make available to enhansiv a \$7.0 million line of credit and \$2.3 million per year to purchase enhansiv services over a four-year period commencing in 2001. The Company's investment in EHI is accounted for under the equity method and is included in other assets in the accompanying consolidated balance sheets. One of the investors in EHI is a related party to TeleTech. See Note 11 for additional information.

The Company accounts for its investment in EHI under the equity method of accounting. Under the equity method, the investor records its pro rata share of earnings or loss of the investee. The Company has invested in the preferred stock of EHI. As a result, the Company has the option of either recording its pro forma share (on an as converted basis) of EHI's losses commencing from the date of investment or, waiting until the cumulative EHI losses exceed the value of all subordinate equity investments in EHI (common stock). The Company has elected to record EHI's losses cumulatively once the losses exceed the value of the subordinate equity. However, in the event that the Company has to begin recording the losses of EHI in its consolidated statements of operations, it would record 100 percent of such losses until the losses exceeded the value of its preferred investment (\$18.0 million) plus any other amounts advanced under the line of credit. During 2000, the Company did not record any losses from EHI, subsequent to the sale of the common stock, in the accompanying consolidated statements of income.

In March 2000, the Company and State Street Bank and Trust Company ("State Street") entered into a lease agreement whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for the purpose of constructing a new corporate headquarters for the Company ("the planned headquarters building"). Subsequently, management of the Company decided it would likely terminate the lease agreement as it was determined that the planned headquarters building would be unable

to accommodate the Company's anticipated growth. The Company has recorded a \$9 million loss on the termination of the lease, which is included in the accompanying consolidated statements of income.

In December 2000, the Company and State Street consummated a lease transaction for the Company's new corporate headquarters, whereby State Street acquired the property at 9197 South Peoria, Street, Englewood, Colorado (the "Property"). Simultaneously, State Street leased the property to TeleTech Services Corporation ("TSC"), a wholly owned subsidiary of the Company, and TSC subleased the Property to an affiliate of the seller, pursuant to a short-term sublease, prior to occupancy by the Company. The rent expense and corresponding sublease payments are reflected in the lease commitments.

In July 2000, the Company sold a division of its Australian subsidiary, which provides services in the healthcare industry, for cash of approximately \$4.9 million. This sale resulted in a gain recognized in the third quarter of 2000 of approximately \$4.0 million, which is included in other income in the accompanying consolidated statements of income. The operating results, assets and liabilities of this division were not material to the consolidated operating results, assets and liabilities of the Company.

In September 2000, the Company closed its Pamet River subsidiary, which provided marketing solutions by leveraging Internet and database technologies. The Company closed the subsidiary because of weak operating performance and incompatibility with the Company's key strategic initiatives. It was more cost effective to close the operation than to seek a buyer. The disposal resulted in a \$3.4 million loss, which is included as an operating expense in the accompanying consolidated statements of income.

In December 2000, the Company identified three customer interaction centers in California, which were older and under-performing and decided to consolidate them into one new center. As a result, the Company accrued a \$4.7 million loss on the closure of these sites consisting of future rent and occupancy costs and loss on the disposal of assets, which is included as an operating expense in the accompanying consolidated statements of income. No amounts have been paid through year-end.

NOTE 15 SUBSEQUENT EVENTS

In March 2001, the Company agreed to acquire the planned headquarters building being constructed on its behalf in lieu of terminating the lease. The building will be acquired on March 31, 2001 if not sold before that date. The Company anticipates that the purchase price will be approximately \$15 million. In addition, to complete construction of the building the Company will incur approximately \$11 million in additional capital expenditures. The Company plans to sell the building upon completion. The estimated fair value of the building, less costs to sell, will approximate the Company's cost of the building less the \$9 million accrued loss on termination of the lease.

NOTE 16
 QUARTERLY FINANCIAL DATA (UNAUDITED)

(Amounts in thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year ended December 31, 2000:				
Revenues	\$192,326	\$217,375	\$231,806	\$243,842
Income from operations	17,679	20,609	19,604	15,025
Net income	11,246	21,635	32,382	8,543
Net income per common share:				
Basic	\$ 0.15	\$ 0.29	\$ 0.44	\$ 0.11
Diluted	\$ 0.14	\$ 0.27	\$ 0.41	\$ 0.11
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year ended December 31, 1999:				
Revenues	\$131,579	\$142,994	\$148,862	\$180,829
Income from operations	9,989	11,720	12,931	15,557
Net income	6,301	7,557	12,943	9,979
Net income per common share:				
Basic	\$ 0.09	\$ 0.11	\$ 0.18	\$ 0.14
Diluted	\$ 0.09	\$ 0.10	\$ 0.17	\$ 0.13

FIRST AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT AND WAIVER

This First Amendment to Amended and Restated Revolving Credit Agreement and Waiver (this "AMENDMENT") is entered into as of December 14, 2000, among TeleTech Holdings, Inc., a Delaware corporation (the "COMPANY"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "LENDERS"; individually, a "LENDER"), and Bank of America, N.A., as agent for the Lenders (in such capacity, the "ADMINISTRATIVE AGENT").

RECITALS:

WHEREAS, the Company, the Lenders, the Administrative Agent and the Co-Agents named therein have entered into that certain Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 (as heretofore amended and as the same may be further amended or modified from time to time, the "CREDIT AGREEMENT");

WHEREAS, the Company, the Lenders and the Administrative Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties; and

WHEREAS, the Company has requested a waiver of, and the undersigned Lenders wish to waive, certain provisions of the Credit Agreement on the terms and conditions set forth below;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. DEFINITIONS. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. AMENDMENTS TO CREDIT AGREEMENT. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with SECTION 4 hereof, as follows:

(a) The definition of "Tranche A Loan Limit" set forth in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

"TRANCHE A LOAN LIMIT" means \$0.

(b) Subsection 8.05(e) of the Credit Agreement is amended and restated in its entirety to read as follows:

(e) Indebtedness consisting of Synthetic Lease Obligations incurred by Services (i) pursuant to that certain Participation Agreement dated as of March 1, 2000, among the Company, Services, State Street Bank and Trust Company of Connecticut, First Security Bank, National Association, and the Persons named as certificate holders and lenders in the schedules attached thereto, as amended,

supplemented or modified from time to time in an amount not to exceed \$30,000,000 at any time on or prior to April 30, 2001, and (ii) pursuant to a transaction satisfactory to the required lenders in an amount not to exceed \$50,000,000 at any time on or after May 1, 2001.

(c) Section 8.19 of the Credit Agreement is amended and restated in its entirety to read as follows:

8.19 MAXIMUM COMBINATION OF CASH CAPITAL EXPENDITURES AND PERMITTED ACQUISITIONS. The Company shall not permit the total amount of the sum of (a) Capital Expenditures PLUS (b) expenditures incurred to effect Permitted Acquisitions, in each case made or committed to be made by the Company and its Subsidiaries and paid for with consideration consisting of cash and other property, to exceed \$100,000,000 in any calendar year; PROVIDED, that to the extent such sum in any calendar year is less than \$100,000,000, the \$100,000,000 limit for the following calendar year shall be increased by the amount of such shortfall; PROVIDED, FURTHER, the Company shall first use the initial amount permitted for the current year (without regard to the amount carried over from the previous calendar year, if any) and then the amount carried over from the previous calendar year to meet the requirements of this SECTION 8.19 and any carried over amount not so utilized shall expire; and PROVIDED, FURTHER, that the Company may utilize in calendar year 2000 an additional amount equal to \$7,032,000 carried forward from calendar year 1999 in accordance with the Prior Credit Agreement.

(d) Schedule 2.01 to the Credit Agreement is deleted in its entirety and SCHEDULE 2.01 attached hereto and made a part hereof is substituted in its place.

3. WAIVERS.

(a) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.05(e) of the Credit Agreement for the period beginning on the Effective Date and ending on April 30, 2001; PROVIDED, HOWEVER, that during such period indebtedness consisting of Synthetic Lease Obligations shall not exceed \$72,000,000 at any time outstanding.

(b) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.05(f) of the Credit Agreement for the period beginning on the Effective Date and ending on April 30, 2001; PROVIDED, HOWEVER, that during such period the aggregate amount of Indebtedness (other than Indebtedness permitted under Sections 8.05(a) through (e) of the Credit Agreement) shall not exceed \$32,000,000 at any time outstanding.

4. CONDITIONS TO EFFECTIVENESS OF THIS AMENDMENT. This Amendment shall become effective upon the satisfaction of the following conditions (the "EFFECTIVE DATE"):

(a) EXECUTED AMENDMENT. Receipt by the Administrative Agent of duly executed counterparts of this Amendment from the Company and all of the Lenders;

(b) MISCELLANEOUS. Receipt by the Administrative Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

5. CERTAIN REPRESENTATIONS AND WARRANTIES BY THE COMPANY. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Company represents and warrants to the Lenders and the Administrative Agent that:

(a) AUTHORITY. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

(b) VALIDITY. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

(c) NO CONFLICTS. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

(d) APPROVALS. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

(e) INCORPORATED REPRESENTATIONS AND WARRANTIES. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

(f) NO DEFAULTS. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

6. ASSUMPTION AGREEMENT OF NEW LENDER.

(a) ASSUMPTION AND ACCEPTANCE. The Northern Trust Company (the "NEW LENDER") hereby (i) agrees that, from and after the Effective Date, it shall become a "Lender" under the Credit Agreement and shall be obligated to perform all of the

obligations of a Lender under the Credit Agreement (including without limitation under Article II thereof), including the requirements concerning confidentiality and the payment of indemnification and (ii) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

(b) INDEPENDENT CREDIT DECISION. The New Lender (i) acknowledges that it has received a copy of the Credit Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements referred to in Section 7.01 of the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Amendment and (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement.

(c) ADMINISTRATIVE AGENT. The New Lender appoints and authorizes the Administrative Agent to take such action as the Administrative Agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms of the Credit Agreement.

(d) WITHHOLDING TAX. The New Lender (i) represents and warrants to the Administrative Agent and the Company that under applicable law and treaties no tax will be required to be withheld by the New Lender with respect to any payments to be made to the New Lender hereunder, (ii) agrees to furnish (if it is organized under the laws of any jurisdiction other than the United States or any State thereof) to the Administrative Agent and the Company prior to the time that the Administrative Agent or Company is required to make any payment of principal, interest or fees hereunder, duplicate executed originals of (A) either U.S. Internal Revenue Service Form W-8ECI or U.S. Internal Revenue Service Form W-8BEN (wherein the New Lender claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) or (B) if such New Lender is claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN or any subsequent versions thereof or successors thereto and a certificate representing that such New Lender is not a "bank" for purposes of Section 881(c) of the Code, and agrees to provide a new Form W-8BEN or W-8ECI upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by the New Lender, and (iii) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

7. REALLOCATION OF PRO RATA SHARES; ASSIGNMENTS.

(a) PRO RATA SHARES. Pursuant to the terms of this Amendment, the New Lender will enter into the Credit Agreement with Commitments in an aggregate amount not to exceed \$12,500,000, while the Commitments of the other Lenders (individually, an

"ORIGINAL LENDER" and collectively, the "ORIGINAL LENDERS") will not be increased. As a result thereof, the Pro Rata Share of the New Lender will be the amount set forth on SCHEDULE 2.01, and the Pro Rata Shares of each of the Original Lenders will be decreased to the amounts set forth on SCHEDULE 2.01.

(b) ASSIGNMENT AND ASSUMPTION. In connection with the changes in Pro Rata Shares, it is necessary for the Original Lenders to assign to the New Lender and for the New Lender to assume certain of the outstanding Loans of the Original Lenders necessary to provide that the outstanding Loans of each Lender will be equal to such Lender's Pro Rata Share of all Loans. On the Effective Date and upon receipt of the payments provided for herein, each of the Original Lenders hereby sells, transfers and assigns to the New Lender, without recourse and without representation or warranty (except as provided herein), all of such Original Lender's rights, title and interest arising under the Credit Agreement relating to all rights and obligations with respect to such Original Lender's portion of the Loans as set forth on ANNEX 1 attached hereto and made a part hereof (the "ASSIGNED LOANS"). Effective on the Effective Date, the New Lender hereby irrevocably purchases, assumes and takes from each Original Lender, and each Original Lender is hereby expressly and absolutely released from, all of such Original Lender's obligations arising under the Credit Agreement relating to the Assigned Loans.

(c) PAYMENT. In consideration of the assignment by each Original Lender to the New Lender as set forth above, (i) the New Lender agrees to pay to each Original Lender the principal amount of the Assigned Loans to be transferred by such Original Lender to the New Lender hereunder, in immediately available funds, at the Effective Date, and (b) the Company agrees to pay to Original Lenders the accrued interest and any accrued commitment fees under the Credit Agreement to the Effective Date on the Assigned Loans, in immediately available funds, at the Effective Date. The Company hereby acknowledges and agrees that pursuant to the provisions of Section 4.04 of the Credit Agreement it will compensate each Original Lender for any losses, expenses and liabilities of the type described in Section 4.04 of the Credit Agreement resulting from the transactions contemplated hereby. Amounts payable under the first two sentences of this SECTION 7(c) shall be paid to the Administrative Agent for distribution to the Original Lenders.

(d) EFFECTIVENESS. This Agreement shall become effective on the Effective Date. No party hereto shall have any obligation hereunder prior to the Effective Date. The New Lender recognizes and agrees that notwithstanding anything to the contrary in this Agreement, the Original Lenders shall retain all of their rights under the Credit Agreement for periods prior to the Effective Date. The Company, by its execution hereof, acknowledges the assignments and assumptions described above.

(e) REPRESENTATIONS AND WARRANTIES.

(i) Each Original Lender represents and warrants that (A) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Lien or other adverse claim; (B) it is duly organized and existing and it has the full power and authority to take, and has

taken, all action necessary to execute and deliver this Amendment and any other documents required or permitted to be executed or delivered by it in connection with this Amendment and to fulfill its obligations hereunder; (C) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Amendment, and apart from any agreements or undertakings or filings required by the Credit Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; and (D) this Amendment has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of such Original Lender, enforceable against such Original Lender in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles.

(ii) No Original Lender makes any representation or warranty and assumes any responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto. No Original Lender makes any representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of the Company, or the performance or observance by the Company, of any of its respective obligations under the Credit Agreement or any other instrument or document furnished in connection therewith.

(iii) The New Lender represents and warrants that (A) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Amendment and any other documents required or permitted to be executed or delivered by it in connection with this Amendment, and to fulfill its obligations hereunder; (B) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Amendment; and apart from any agreements or undertakings or filings required by the Credit Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; (C) this Amendment has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the New Lender, enforceable against the New Lender in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles; and (D) it is an Eligible Assignee.

(f) ASSIGNMENT PERMITTED. To the extent necessary, Section 11.08 of the Credit Agreement is hereby amended to permit the transactions contemplated hereby.

8. MISCELLANEOUS. The parties hereto hereby further agree as follows:

(a) FEES. The Company shall pay such fees to the Administrative Agent, the Arranger and the Lenders as are required by the letter agreement among the Company, the Administrative Agent and the Arranger dated December ____, 2000.

(b) FURTHER ASSURANCES. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

(c) COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

(d) HEADINGS. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

(e) INTEGRATION. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

(f) GOVERNING LAW. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(g) BINDING EFFECT. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; PROVIDED, HOWEVER, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Administrative Agent and all of the Lenders. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

(h) AMENDMENT; WAIVER; REAFFIRMATION OF LOAN DOCUMENTS. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Lender or the Administrative Agent in exercising any of their

respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

(i) REFERENCE TO AND EFFECT ON THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

TELETECH HOLDINGS, INC.

By: _____
Title: _____

BANK OF AMERICA, N.A., as Administrative Agent

By: _____
Title: _____

BANK OF AMERICA N.A., as a Lender

By: _____
Title: _____

FIRST UNION NATIONAL BANK, as a Lender

By: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: _____
Title: _____

WELLS FARGO BANK, as a Lender

By: _____
Title: _____

S-1

[TO FIRST AMENDMENT]

THE NORTHERN TRUST COMPANY, as a Lender

By: -----
Title: -----

S-2

[TO FIRST AMENDMENT]

SCHEDULE 2.01

COMMITMENTS AND PRO RATA SHARES

Lender -----	Commitment -----	Pro Rata Share -----
Bank of America, N.A.	\$21,000,000.00	24.00000000%
First Union National Bank	\$18,000,000.00	20.57142857%
U.S. Bank National Association	\$18,000,000.00	20.57142857%
Wells Fargo Bank N.A.	\$18,000,000.00	20.57142857%
The Northern Trust Company	\$12,500,000.00	14.28571429%
 TOTAL	 \$87,500,000.00 =====	 100% =====

ANNEX 1
ASSIGNED LOANS

Original Lender -----	New Lender -----	Percentage Interest Assigned -----
Bank of America, N.A.	The Northern Trust Company	16.66666667%
First Union National Bank	The Northern Trust Company	16.66666667%
U.S. Bank National Association	The Northern Trust Company	16.66666667%
Wells Fargo Bank N.A.	The Northern Trust Company	16.66666667%

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and Margot O'Dell ("Employee"), and shall be effective as of February 8, 2001 ("Effective Date").

1. APPOINTMENT.

A. TeleTech hereby employs Employee as Chief Financial Officer and Executive Vice President, Human Resources, and Employee hereby accepts such employment with TeleTech.

B. Employee shall devote her full-time and best efforts to the performance of all duties as shall be assigned to her from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

C. Employee acknowledges that, as part of her employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. COMPENSATION.

A. SALARY AND SALARY REVIEW. Employee's base salary shall be \$250,000.00 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

B. ANNUAL BONUS. For each full calendar year hereunder, Employee shall be entitled to an annual bonus targeted at 100 percent of her then current base salary; provided, however, that the actual amount paid to Employee may be higher or lower than the targeted amount at the Company's sole discretion. The precise amount of the bonus shall be determined based on the achievement of a combination of Company performance goals and Employee's personal performance goals. Such goals and their respective weightings shall be reasonably established by the Company in its sole discretion. Any and all bonuses hereunder shall be payable in a lump sum, less legally required withholdings, the year following the calendar year in which the bonus is earned.

For the Year 2000 bonus, Company shall pay employee 100 percent of her base salary (less legally required withholdings), prorated from Employee's first day of employment with Company.

3. STOCK OPTIONS.

a. Employee shall be eligible to participate in a management stock option program ("MSOP") designed to grant stock options to specified executives at the end of each year based on personal achievements and business objectives. If awarded, options granted under the MSOP will vest in equal annual installments over four years unless the Company elects a different vesting schedule generally applicable to Company executives. Grants of options in connection with the MSOP shall be made when and in an amount determined by TeleTech in its sole discretion, and shall be subject to the terms and conditions of a separate stock option agreement to be executed by Employee and TeleTech, and to any terms or conditions of TeleTech's MSOP that may be established, modified or amended from time to time.

b. On the Effective Date, the Company shall grant Employee a non-qualified option to purchase 70,000 shares of the Company's common stock, at an exercise price equal to the closing price, on the date of the grant, of TeleTech common stock as reported by the NASDAQ national stock market. This grant shall be made pursuant to and subject to the terms and conditions of TeleTech's 1999 Non-Qualified Stock Option and Incentive Plan (the "Plan") and a stock option agreement that shall provide, among other things, that this option shall vest in equal annual installments over a four year period and Employee shall have one year from the termination of her employment to exercise options vested as of the termination date, provided that Employee's employment is not terminated for "cause" as defined in the Plan, as amended.

c. In addition, on the Second Grant Date, as defined below, the Company shall grant Employee a non-qualified option to purchase 50,000 shares of the Company's common stock, at an exercise price equal to the closing price, on the date of the grant, of TeleTech common stock as reported by the NASDAQ national stock market. This grant shall be made pursuant to and subject to the terms and conditions of the Plan, as amended (or pursuant to any successor to the Plan) and a stock option agreement that shall provide, among other things, that this option shall vest in equal annual installments over a four year period and Employee shall have one year from the termination of her employment to exercise options vested as of the termination date, provided that Employee's employment is not terminated for "cause" as defined in the Plan, as amended (or pursuant to any successor to the Plan). For purposes of this paragraph 3(c), the "Second Grant Date" shall be no later than the third business day following the first of the following events to occur: (i) the delivery to the Company of an irrevocable written waiver by Employee of her rights under paragraph 7(g)(ii), below; or (ii) the day after the one-year anniversary of the Effective Date, if at that time Employee remains employed by the Company. If neither of the conditions precedent specified in the preceding sentence occurs, then the Company shall not be required to issue the stock option grant specified in this paragraph 3(c).

4. FRINGE BENEFITS.

A. EXECUTIVE MEDICAL AND DENTAL INSURANCE. Employee and her dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and her dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

B. LIFE INSURANCE. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a \$4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the owner of such policy and shall have the right to designate the beneficiary or beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by her payment of future premiums due under the policy.

C. DISABILITY INSURANCE. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy that shall provide Employee 50 percent of Employee's then current base salary and annual bonus (calculated at 80 percent) on the 91st day of a qualifying disability.

D. MISCELLANEOUS BENEFITS. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

5. PAID LEAVE.

A. VACATION. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

B. SICK LEAVE AND HOLIDAYS. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. RELATIONSHIP BETWEEN THIS AGREEMENT AND OTHER TELETECH PUBLICATIONS.

In the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement.

7. TERM AND TERMINATION.

a. TERM. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. TERMINATION BY CONSENT. This Agreement may be terminated at any time by the parties' written agreement.

c. TERMINATION BY TELETECH WITHOUT CAUSE. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form satisfactory to TeleTech, as severance compensation TeleTech shall: (i) pay Employee the sum of eighteen months of Employee's then-current base salary plus eighteen months of Employee's on-target annual bonus (100% of base salary), both payable in eighteen equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date; and (ii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination, and (iii) all stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of no less than 12 months following the effective date of the termination. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation and accelerated option vesting in the amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support herself in the event of Employee's loss of employment under certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock

or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. TERMINATION BY TELETECH FOR CAUSE. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendere to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination); illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local law; willful misconduct in connection with Employee's activities under this Agreement; making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. TERMINATION UPON EMPLOYEE'S DEATH. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. TERMINATION FOLLOWING DISABILITY. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of her position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive her base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability insurance plan (the "LTD Plan"), then she shall remain on leave for as long as she continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of her position then

TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. TERMINATION BY EMPLOYEE FOR GOOD CAUSE.

i. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon thirty days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior to such change, that causes Employee to be of materially reduced stature or responsibility; or (iii) the occurrence of circumstances establishing constructive discharge under the common law of the State of Colorado, including Company's conduct that makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this Agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), Company shall provide Employee the severance compensation and benefits specified in paragraph 7(c), and TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement.

ii. Transitional Period Rights.

(A) Before the first anniversary of the Effective Date (but not thereafter), Employee shall have the right to terminate this Agreement for Good Cause if the Company or any Company executive officer so materially impedes her ability to perform the essential functions of her job that she is unable to discharge the duties for which she is responsible; or materially violates any provision of the Company's written business ethics policies and procedures or any other material written Company policy; provided that Employee shall have the right to terminate this Agreement for Good Cause under this paragraph 7(g)(ii) only if the dispute resolution processes specified in the following subparagraph have been completed, and if the

Company, by the end of the Cure Period (as defined below) has not cured the circumstances giving rise to Employee's right to terminate under this paragraph 7(g)(ii), as determined by the Neutral (as defined below) in his sole discretion.

(B) If Employee believes in good faith that circumstances constituting Good Cause under paragraph 7(g)(ii)(A), above, have arisen, then she shall provide to the Company (c/o its General Counsel) and to Rod Dammeyer (the "Neutral") written notice (the "Notice") of the facts and circumstances that she believes give rise to such Good Cause, together with copies of any records supporting or otherwise bearing upon her belief. Within 7 days after receiving the Notice, the Neutral shall convene a meeting (the "Meeting") between the Neutral, a Company representative and Employee, in an effort to collect and discuss relevant information and mediate a solution to the circumstances identified by Employee in the Notice. If the parties are unable, during or as a consequence of the Meeting, to reach agreement upon a resolution of the circumstances underlying the Notice that is reasonably satisfactory to the Company and Employee, the Neutral shall, within 3 days after the Meeting, provide the Company (c/o its General Counsel) and Employee a written notification (the "Notification") stating whether in the Neutral's sole discretion Good Cause as defined in paragraph 7(g)(ii)(A) exists, which Notification shall for all purposes be final and binding upon the Company and Employee as to the matters addressed therein. If the Neutral determines that the circumstances described in the Notice, and the information provided by Employee at the Meeting, do not establish the existence of Good Cause as defined in paragraph 7(g)(ii)(A), then Employee shall execute a release in the form attached hereto as Exh. A (in exchange for \$500) and may thereafter, in her sole discretion, remain employed by the Company under the terms and conditions set forth in this Agreement, or she may resign, but if she resigns she shall be entitled only to the benefits set forth in paragraph 7(h) of this Agreement, and shall have no other or further severance or like entitlement of any kind. If the Neutral determines that the circumstances described in the Notice, and the information provided by Employee at the Meeting, do establish the existence of Good Cause as defined in paragraph 7(g)(ii), then the Company shall have 30 days following its receipt of the Notification (the "Cure Period") within which to cure such circumstances. If the Company fails to do so, then Employee may terminate this Agreement for Good Cause, and if Employee thus terminates this Agreement and thereafter executes a separation agreement and legal release in the form prescribed in paragraph 7(c), the Company shall provide Employee the severance compensation and benefits specified in paragraph 7(c).

h. TERMINATION BY EMPLOYEE. This Agreement may be terminated by Employee upon three weeks written notice to TeleTech. If Employee terminates this Agreement under this paragraph she shall be entitled to all earned but unpaid compensation for services rendered (but not severance compensation), and payment for any earned but unused vacation time. Employee shall be entitled to no other benefits or compensation other than those provided under any written Company stock option agreement or benefit plan.

i. POST-TERMINATION STATEMENTS. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

x. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame or disparage Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be \$200,000.

y. Employee shall not defame or disparage TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning her separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be \$200,000.

8. SUCCESSORS AND ASSIGNS.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

9. DISPUTE RESOLUTION.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of any confidentiality covenant or to protect Confidential Information and/or Confidential Records; (4) claims brought under the Colorado Wage Act, C.R.S. ss.ss. 8-4-101, ET SEQ.; and (5) disputes subject to paragraph 7(g)(ii)(B), above (which shall be fully and finally resolved as specified in that paragraph), all controversies and claims arising from or

relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbitrator Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 9 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortious interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, ET SEQ.

c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is

TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or her expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 9 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or her discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 9(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or her decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that

substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 9 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 9 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement.

10. MISCELLANEOUS.

a. GOVERNING LAW. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. SEVERABILITY. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. INTEGRATION. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 9(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. WAIVER. Except for a limitation of Employee's rights under paragraph 7(g)(ii), no provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as

to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. CONSTRUCTION. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. COUNTERPARTS AND TELECOPIES. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

EMPLOYEE ACKNOWLEDGES AND AGREES: THAT SHE UNDERSTANDS THIS AGREEMENT; THAT SHE ENTERS INTO IT FREELY, KNOWINGLY, AND MINDFUL OF THE FACT THAT IT CREATES IMPORTANT LEGAL OBLIGATIONS AND AFFECTS HER LEGAL RIGHTS; AND THAT SHE UNDERSTANDS THE NEED TO CONSULT CONCERNING THIS AGREEMENT WITH LEGAL COUNSEL OF HER OWN CHOOSING, AND HAS HAD A FULL AND FAIR OPPORTUNITY TO DO SO.

[SIGNATURES FOLLOW]

Margot O'Dell

TeleTech Holdings, Inc.

/s/ Margot O'Dell

Date: 2/8/01

By: /s/ James B. Kaufman

As its: Executive Vice President

Date: 2/8/01

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Margot O'Dell ("OPTIONEE"), as of February 8, 2001 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 70,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$16.1875 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date twelve months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date twelve months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

VESTING DATE -----	CUMULATIVE PERCENTAGE OF OPTION VESTED -----
February 8, 2002	25%
February 8, 2003	50%
February 8, 2004	75%
February 8, 2005	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ James B. Kaufman

James B. Kaufman,
Executive Vice President, General
Counsel and Secretary

/s/ Margot O'Dell

Signature of Margot O'Dell ("Optionee")

Optionee's Social Security Number

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TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Margot O'Dell ("OPTIONEE"), as of March 21, 2001 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 50,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$8.1875 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date twelve months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date twelve months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

VESTING DATE -----	CUMULATIVE PERCENTAGE OF OPTION VESTED -----
March 21, 2002	25%
March 21, 2003	50%
March 21, 2004	75%
March 21, 2005	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ James B. Kaufman

James B. Kaufman,
Executive Vice President, General
Counsel and Secretary

/s/ Margot O'Dell

Signature of Margot O'Dell ("Optionee")

Optionee's Social Security Number

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TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Michael Foss ("OPTIONEE"), as of December 6, 2000 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 50,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$21.5625 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date six months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
December 6, 2001	25%
December 6, 2002	50%
December 6, 2003	75%
December 6, 2004	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Margot O'Dell

Margot O'Dell,
Chief Financial Officer

/s/ Michael Foss

Signature of Michael Foss ("Optionee")

Optionee's Social Security Number

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Sean Erickson ("OPTIONEE"), as of August 16, 2000 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 50,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$29.625 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date six months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
August 16, 2001	25%
August 16, 2002	50%
August 16, 2003	75%
August 16, 2004	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE" means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Michael Foss

Michael Foss,
Chief Financial Officer

/s/ Sean Erickson

Signature of Sean Erickson ("Optionee")

Optionee's Social Security Number

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and James B. Kaufman ("OPTIONEE"), as of August 16, 2000 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 50,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$29.625 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date six months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
August 16, 2001	25%
August 16, 2002	50%
August 16, 2003	75%
August 16, 2004	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Michael Foss

Michael Foss,
Chief Financial Officer

/s/ James B. Kaufman

Signature of James B. Kaufman ("Optionee")

Optionee's Social Security Number

January 11, 2001

Chris Batson
5920 S. Akron Cr.
Englewood, CO 80111

Dear Chris:

We are pleased to extend to you an offer of employment as Vice President Treasurer with TeleTech in our Denver office. You will start no later than January 29, 2001 and will report to Margot O'Dell, CFO and EVP of Human Resources. Your annual base salary will be \$145,000 with a target annual bonus opportunity of 25% of your base. Your bonus will be based upon both TeleTech performance and your individual achievement of MBO goals to be set jointly by yourself and Margot.

You will receive vacation as per TeleTech's policy, which is accrued each pay period to a maximum of three (3) weeks per year. You will be eligible for TeleTech's medical and dental insurance, on your start date. Eligibility for the 401(k) plan begins during the enrollment period following six (6) months of service. Eligibility for participation in the Employee Stock Purchase Plan also starts at the beginning of the first offering period following 90 days of employment.

Upon commencement of your employment, you will be granted a new hire stock option grant of 20,000 shares at an exercise price equal to the closing price of TeleTech's stock on the first day of your employment, subject to the approval of the compensation committee of the Board of Directors. This new hire grant will vest in equal annual installments over a four (4) year period, subject to your continued employment with the Company.

You will be eligible to participate in a Management Stock Option Program, which is designed to grant options at the end of each year. This is a discretionary plan which awards options based upon personal achievements of business objectives. If awarded, these options will vest over a four-year period.

In addition TeleTech will pay you a sum equal to the amount of your required reimbursement to your current employer (NCR), for previously paid bonus and moving costs up to \$28,500. If you voluntarily leave TeleTech or are terminated for cause within the first two (2) years of employment this sum will be repayable to TeleTech on a pro-rata monthly basis.

TeleTech requires all employees to acknowledge the terms and conditions of their employment by signing agreements regarding at-will employment, arbitration, confidentiality, non-competition, non-disclosure, trade secrets, and invention protection. These agreements will be provided by TeleTech and must be signed at or before the start of your employment.

Chris Batson
January 11, 2001
Page 2 of 3

This offer is in effect until 5 PM MST January 12, 2001 and is contingent upon your successful clearance of TeleTech's reference, background and drug screens.

I'd like to personally welcome you to TeleTech. We look forward to working with you.

Sincerely,

/s/ David Gilbert
David Gilbert
Vice President, Corporate Human Resources

DG/maf

Please execute two copies of this Agreement, return the original to me and retain one for your files. Please fax me a signed copy to (303) 839-4731.

I agree to the terms and conditions of this offer of employment and will begin working as VP Treasurer with TeleTech on January 29, 2001.

* "CAUSE" means, as determined in the sole discretion of the Board, a Participant's (a) commission of a felony or the commission of any crime involving moral turpitude, theft, embezzlement, fraud, misappropriation of funds, breach of fiduciary duty, abuse of trust or the violation of any other law or ethical rule relating to the Company; (b) material or repeated dishonesty or misrepresentation involving the Company or any Subsidiary; (c) material or repeated misconduct in the performance or non-performance of Participant's responsibilities as an employee, officer, Director, consultant or independent contractor; (d) violation of a material condition of employment; (e) unauthorized use of trade secrets or confidential information (or the Company's reasonable belief that a Participant has or has attempted to do so); or (f) aiding a competitor of the Company or any Subsidiary.

Signed: /s/ Chris Batson

Date: 1/12/01

This offer is extended dependent upon reference checking, passing a drug test, presentation of appropriate documentation to meet current Immigration and Naturalization requirements, and the receipt of a signed Non-Disclosure/Non-Compete Agreement. UPON YOUR ARRIVAL, A SOCIAL SECURITY CARD AND ONE OF THE FOLLOWING DOCUMENTS IS REQUIRED: A VALID DRIVER'S LICENSE, ID CARD, ORIGINAL OR CERTIFIED COPY OF BIRTH CERTIFICATE, CURRENT INS EMPLOYMENT AUTHORIZATION, VALID U.S. PASSPORT, OR CERTIFICATE OF NATURALIZATION.

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Chris Batson ("OPTIONEE"), as of January 29, 2001 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 20,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$17.1875 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date six months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
January 29, 2002	25%
January 29, 2003	50%
January 29, 2004	75%
January 29, 2005	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, however, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Margot O'Dell

Margot O'Dell,
Chief Financial Officer

/s/ Chris Batson

Signature of Chris Batson ("Optionee")

Optionee's Social Security Number

January 26, 2001

Jeffrey Sperber
10621 Bramblecrest Drive
Austin, TX 78726

Dear Jeff:

We are pleased to extend to you an offer of employment as Vice President, Controller with TeleTech in our Denver office. You will start no later than March 5, 2001 and will report to Margot O'Dell, CFO and EVP of Human Resources. Your annual base salary will be \$145,000 with a target annual bonus opportunity of 25% of your base. Your bonus will be based upon both TeleTech performance and your individual achievement of MBO goals to be set jointly by yourself and Margot.

You will receive vacation as per TeleTech's policy, which is accrued each pay period to a maximum of three (3) weeks per year. You will be eligible for TeleTech's medical and dental insurance, on your start date. Eligibility for the 401(k) plan begins during the enrollment period following six (6) months of service. Eligibility for participation in the Employee Stock Purchase Plan also starts at the beginning of the first offering period following 90 days of employment.

Upon commencement of your employment, you will be granted a new hire stock option grant of 30,000 shares at an exercise price equal to the closing price of TeleTech's stock on the first day of your employment, subject to the approval of the compensation committee of the Board of Directors. This new hire grant will vest in equal annual installments over a four (4) year period, subject to your continued employment with the Company.

You will be eligible to participate in a Management Stock Option Program, which is designed to grant options at the end of each year. This is a discretionary plan which awards options based upon personal achievements of business objectives. If awarded, these options will vest over a four-year period.

TeleTech will reimburse necessary and reasonable relocation expenses up to \$40,000. This will include temporary living, residential closing and commission costs on the sale of your home, closing costs on your new home, and expenses incurred travelling between Austin, TX and Denver, CO for you and your family. Temporary living expenses are not to exceed 90 days. All relocation expenses will need to be approved. If you voluntarily leave TeleTech or are terminated for cause within the first two (2) years of employment this sum will be repayable to TeleTech on a pro-rata basis.

TeleTech requires all employees to acknowledge the terms and conditions of their employment by signing agreements regarding at-will employment, arbitration, confidentiality, non-competition, non-disclosure, trade secrets, and invention protection. These agreements will be provided by TeleTech and must be signed at or before the start of your employment.

Jeffrey Sperber
January 26, 2001
Page 2 of 3

This offer is in effect until 5 PM MST January 29, 2001 and is contingent upon your successful clearance of TeleTech's reference, background and drug screens.

I'd like to personally welcome you to TeleTech. We look forward to working with you.

Sincerely,

/s/ David Gilbert
David Gilbert
Vice President, Corporate Human Resources

DG/maf

Jeffrey Sperber
January 26, 2001
Page 3 of 3

Please execute two copies of this Agreement, return the original to me and retain one for your files. Please fax me a signed copy to (303) 839-4731.

I agree to the terms and conditions of this offer of employment and will begin working as VP, Controller with TeleTech on March 5, 2001.

Signed: /s/ Jeffrey Sperber

Date: 1/29/01

This offer is extended dependent upon reference checking, passing a drug test, presentation of appropriate documentation to meet current Immigration and Naturalization requirements, and the receipt of a signed Non-Disclosure/Non-Compete Agreement. UPON YOUR ARRIVAL, A SOCIAL SECURITY CARD AND ONE OF THE FOLLOWING DOCUMENTS IS REQUIRED: A VALID DRIVER'S LICENSE, ID CARD, ORIGINAL OR CERTIFIED COPY OF BIRTH CERTIFICATE, CURRENT INS EMPLOYMENT AUTHORIZATION, VALID U.S. PASSPORT, OR CERTIFICATE OF NATURALIZATION.

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Jeffrey Sperber ("OPTIONEE"), as of March 5, 2001 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 30,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$14.4375 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the

date six months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
March 5, 2002	25%
March 5, 2003	50%
March 5, 2004	75%
March 5, 2005	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 2000 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2001, a Change of Control is consummated. As of June 5, 2001, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2001, plus an additional 4,000 shares that vested on June 5, 2001 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2002 (2,000 shares) and June 2, 2003 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's

responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and

Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Margot O'Dell

Margot O'Dell,
Chief Financial Officer

/s/ Jeffrey Sperber

Signature of Jeffrey Sperber ("Optionee")

Optionee's Social Security Number

SEPARATION AGREEMENT AND MUTUAL GENERAL RELEASE

THIS SEPARATION AGREEMENT AND MUTUAL GENERAL RELEASE (the "Agreement") is made March 13, 2001 ("Effective Date") by and between Scott Thompson ("Employee") and TeleTech Holdings, Inc., its parents, subsidiaries, affiliates and each of their successors, assigns, directors and officers (collectively "the Company").

- A. For a period until the Effective Date Employee has been employed by Company as Chief Executive Officer, President, and member of the Board Of Directors (the "Employment").
- B. Company and Employee wish to resolve any disputes and settle all claims between them. Therefore, except as otherwise provided in this Agreement, and without admission of any liability, fact, claim or defense by either party, the purpose of this Agreement is to bring any controversies between them to an end and to fully settle and release any claims arising from the Employment or Employee's separation therefrom, and any other matters between Employee and Company.

For all of these reasons, the parties enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth below, the parties agree as follows:

- 1. Conditioned upon the delivery of this Agreement, executed by Employee and Company:
 - (a) On the Effective Date, Employee voluntarily resigns from the Employment and therefore the Employment shall terminate on that date. Moreover, the Employment Agreement dated October 1999 between Employee and Company shall terminate by mutual consent on the Effective Date.
 - (b) Company acknowledges its obligation to pay Employee all regular wages, unused vacation pay, if any, and benefits accrued as of the Effective Date in accordance with the Company's practice. Participation in any pension plan shall terminate on the Effective Date. The terms of each respective insurance program and/or pension plan shall govern Employee's rights thereunder after termination of employment.
 - (c) As severance:
 - (i) On September 12, 2002, and conditioned upon Employee's compliance with all terms of this Agreement and the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation, dated October 2, 1999 between Employee and Company ("Confidentiality Agreement") (x)

Company shall cancel and forgive the entire unpaid principal balance, interest, charges, and fees on that certain Promissory Note held by Company, made by Employee, dated January 15, 2001, in the original principal amount of \$500,000; and (y) Company shall cancel and forgive Employee's indebtedness to Company of approximately \$300,000.00, inclusive of any interest, fees or charges representing Employee's tax liability paid by Company and resulting from Company's forgiveness of that certain Promissory Note held by Company, made by Employee, dated October 18, 1999, in the original principal amount of \$900,000. However, Employee shall remain liable for any tax consequences resulting from Company's forgiveness, pursuant to this Agreement, of the amounts in subparagraphs (x) and (y), above. Employee agrees that TeleTech's forgiveness of the indebtedness in subparagraphs (x) and (y), above ("indebtedness") gives rise to a tax withholding obligation on the part of Company, and that any bonus to which Employee might otherwise be entitled for the Year 2000 shall be deemed offset by the indebtedness and no bonus will be paid to Employee;

- (ii) Company will provide to Employee the medical and insurance benefits he was receiving during his employment, for a period of 12 months following the Effective Date, at which time Employee shall become eligible for COBRA benefits;
- (iii) Company shall pay Employee his salary, subject to applicable taxes and withholding, for a period of nine months from the Effective Date. Employee shall not be entitled to any bonus associated with such salary.
- (d) On the Effective Date, all of Employee's options to purchase Company stock, whether vested or unvested, shall forfeit to Company.
- (e) Within seven (7) days of the Effective Date, Employee shall pay Company \$18,000.00 and return any Company documents in his possession.
- (f) Employee acknowledges and agrees that he shall not be eligible for, or entitled to receive and therefore releases and waives any claim for, compensation from Company (including but not limited to base pay, salary, commissions, bonuses, stock or stock options, employment benefits (including medical or insurance benefits), unemployment benefits or vacation pay except as set forth in paragraph 1 of this Agreement and all of its subparagraphs.

2. (a) Excluding only compliance with this Agreement, and excluding Employee's rights to indemnity as an officer and director of Company under the Articles of Incorporation or Bylaws of Company, in consideration of the mutual promises in this Agreement, Employee, on behalf of himself, his spouse, and any dependents, heirs, executors, administrators and assigns, hereby releases and discharges Company, its shareholders, officers, directors, partners, employees, agents, predecessors, successors and assigns (collectively, "Releasees") from any rights, claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Employee ever had or now has against Releasees by reason of any actual or alleged act, omission, practice or other matter from the beginning of time through the Effective Date, including, but not limited to, claims arising from or relating to the Employment or separation therefrom. Moreover, excluding only compliance with this Agreement, Company hereby releases and discharges Employee from any rights, claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Company ever had or now has against Employee by reason of any actual or alleged act, omission, practice or other matter from the beginning of time through the Effective Date, including, but not limited to, claims arising from or relating to the Employment or separation therefrom. Notwithstanding anything to the contrary herein, Company shall not assert any claim against Employee for gross negligence, willful misconduct or criminal conduct of Employee, except in such instance and to the extent such claims are first asserted against Company by a third party. The matters that are the subject of the release contained in this paragraph 2 are referred to collectively as the "Released Matters."
- (b) Without limiting the generality of the foregoing, and subject to paragraph 2(a) above, this Agreement is intended to and shall release Releasees and Employee from claims arising from or relating to: (1) any state, local/municipal, or federal labor or employment laws, regulations or orders, including, but not limited to the Civil Rights Act of 1870, 42 U.S.C. Section 1981; the Civil Right Act of 1871, as amended, 42 U.S.C. Section 1983; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, ET SEQ.; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990, 42 U.S.C. Section 12101, ET SEQ.; the Family and Medical Leave Act of 1993, 29 U.S.C. Section 2612, ET SEQ.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. Section 1001, ET SEQ.; and the Age Discrimination in Employment Act, as amended (2) any state, local/municipal or federal wage and hour laws, regulations or orders, including but not limited to, all claims for wages, commissions, bonuses, stock options, vacation, severance, unemployment compensation benefits, fees, benefits or other

sum of money or thing of value; (3) all common law claims based on tort or breach of contract or other theory of recovery (however Company shall not release Employee for claims of gross negligence, willful misconduct or criminal conduct by Employee in such instance and to the extent such claims are first asserted against Company by a third party), and (4) any claims for attorneys' fees (whether based on contract, statute or common law).

(c) The parties agree that because they wish to resolve their disputes, and to forever settle any claims that they may have between them, this release is to be broadly construed, and any exceptions to the release are to be narrowly construed.

(d) Employee and Company expressly agree that he or it has not and shall not institute, commence, prosecute or otherwise pursue any lawsuit, administrative charge, or other proceeding, action, complaint, claim, or grievance against Employee or Company, as the case may be, with any administrative, state, local/municipal, federal or governmental entity, agency, board or court, with respect to any facts, events or incidents that occurred or allegedly may have occurred up to and including the Effective Date in connection with matters released by this Agreement. Employee and Company further agree that he or it will cause to be withdrawn or dismissed with prejudice any lawsuit, administrative charge, or other proceeding, action, complaint or grievance that has been filed prior to the Effective Date.

3. IMPORTANT NOTICE: EMPLOYEE'S FURTHER RELEASE AND WAIVER OF AGE DISCRIMINATION IN EMPLOYMENT ACT CLAIMS. Employee understands and acknowledges that:

(a) In signing this Agreement, the parties also intend that Employee, on behalf of himself, his spouse, and any dependents, heirs, executors, administrators and assigns, waive and release any claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Employee ever had or now has against Releasees under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 ET SEQ. ("ADEA"). Thus, in signing this Agreement, Employee is releasing and waiving all rights to sue the Company under the ADEA for claims relating to, or arising from, events before the execution of this Agreement, including claims related to the Employment and its separation.

(b) Employee is advised and understands that he may consult with an attorney of his choice prior to executing this Agreement;

- (c) Employee has at least 45 days to consider release of ADEA claims. In the event that Employee should decide to execute this Agreement in fewer than 45 days, he has done so after the opportunity to consult with his attorney of choice, and understanding that he has been given and declined the opportunity to consider this Agreement for a full 45 days;
 - (d) Employee may revoke his release of ADEA claims at any time during the 7 days following the date this Agreement is executed (the "Revocation Effective Period"). Employee's release of ADEA claims shall not be effective or enforceable until the first day following the Revocation Effective Period. In the event that Employee exercises his right to revoke the release of ADEA claims, his waiver and release of ADEA claims shall be void, AND THIS AGREEMENT AT COMPANY'S OPTION MAY BE CANCELLED; and
 - (e) Unless Employee delivers to Company written notice of revocation within the Revocation Effective Period, no revocation shall have occurred and the release of ADEA claims shall be conclusively final, binding and irrevocable for all purposes whatsoever.
4. Employee and Company acknowledge that there may be a risk that subsequent to the execution of this Agreement he or it may incur or suffer damage, loss or injury to person or property which in some way may allegedly arise out of or relate to the Released Matters, but which is or are unknown or unanticipated at the time of the execution of this Agreement. Employee and Company specifically assume such risk and agree that this Agreement and the releases contained herein shall and do apply to all unknown or unanticipated results of any and all Released Matters, as well as those currently known or anticipated.
5. Employee agrees that as part consideration for this Agreement, he will provide all reasonable assistance requested by the General Counsel's office with legacy litigation involving Company matters, if any, on which Employee was or has been involved, including but not limited to the dispute between Company and Motorola. Company will reimburse Employee's reasonable and actual out-of-pocket expenses associated with this assistance.
6. (a) Employee further represents and warrants that he has no personal knowledge or information regarding:
- (i) any negligently or intentionally wrongful or illegal act of or taken by the Releasees or any of them;
 - (ii) any negligently or intentionally wrongful or illegal omission by the Releasees or any of them;

(iii) any act, omission or conduct which could give rise to breach of contract by the Releasees or any of them;

(iv) the unenforceability of any agreement to which the Releasees or any of them is a party; or

(v) any improper, wrongful or unfair discrimination or harassment against any person or entity by the Releasees or any of them.

(b) Company represents and warrants that other than the indebtedness referenced in paragraph 1(c)(i) and 1(e) herein, it has no knowledge or information that Employee has any other indebtedness to Company in the form of loans evidenced by promissory notes.

7. Employee and Company agree that this Agreement shall not in any way be construed as an admission of wrongdoing by any party hereto, but to the contrary, represents a compromise of potential disputed claims.
8. Employee further agrees that he will continue to be bound by and will comply with all of the provisions of this Agreement and the Confidentiality Agreement. For the avoidance of doubt, litigation of any dispute arising from this Agreement shall be governed by paragraph 17 of this Agreement. Litigation of any dispute arising from the Confidentiality Agreement shall be governed by paragraph 9 of the Confidentiality Agreement.
9. Employee further acknowledges and agrees that should he breach any terms of this Agreement or the Confidentiality Agreement, Employee shall forfeit any and all rights he has or may have to loan or debt forgiveness, salary, benefits or other consideration as set forth in paragraph 1 of this Agreement.
10. Without limiting the foregoing, and in addition thereto, neither Employee nor any representative of Employee will reveal any information relating to the terms of this Agreement or any confidential or proprietary matters disclosed to him during the Employment.
11. (i) Company agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors shall defame or disparage Employee. In any press release issued to the public concerning the termination of Employee's employment with Company, Company shall state substantially as follows: "Scott Thompson, former CEO of TeleTech, has resigned his positions with TeleTech effective March 13, 2001." Upon receiving reference requests directed to Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise

requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for each violation of this paragraph by TeleTech will be \$200,000. (ii) Employee agrees that he shall not defame or disparage Company, its Directors, Officers or employees. Additionally, Employee shall not make or issue public or private comment concerning his separation from the Employment, including but not limited to comments to securities or industry analysts, shareholders or employees of Company, the press, other employers or potential employers. If asked to comment on his separation from TeleTech, Employee shall confine his response, except as may be required by law, to a statement that Employee "resigned or stepped down from his position at TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for each violation of this paragraph by Employee will be \$200,000 and Employee shall forfeit any and all rights he has or may have to loan or debt forgiveness, as set forth in paragraph 1 of this Agreement.

12. In making and executing this Agreement, Employee and Company each have made such investigation of the facts and the law pertaining to the matters described in this Agreement as he or it deems necessary, and neither party has relied upon any statement or representation, oral or written, made by any other party, or such party's legal counsel, with regard to any of the facts involved in any dispute or possible dispute between the parties hereto, or with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement.
13. Employee and Company hereby each expressly assume the risk of any mistake of fact or that the facts ultimately might be other than or different from the facts now known or believed to exist. It is the express intention of both parties to forever settle, adjust and compromise any and all disputes between and among the parties, finally and forever, and without regard to who may or may not have been correct in their respective understandings of the facts or the law related thereto.
14. Company and Employee each warrants and represents that it or he has the authority to enter into this Agreement as a binding and enforceable obligation. Employee further represents and agrees that he has carefully read and fully understands all of the provisions of this Agreement, that he has been given the opportunity to discuss fully the contents of this Agreement with independent counsel of his choice and that he is voluntarily entering into this Agreement.
15. In addition to the acts described in the Agreement to be performed by each of the parties, Company and Employee each agrees to perform or cause to be

performed all further acts and to execute or cause to be executed promptly all documents and instruments necessary to give effect to each term of this Agreement.

16. All parties have cooperated in the drafting and preparation of this Agreement and it shall not be construed more favorably for or against any party.
17. Employee and Company agree that in the event of any controversy or claim arising out of or relating to this Agreement, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.
 - (a) Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; and (4) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, ET SEQ., all controversies and claims arising from or relating to this Agreement that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 17 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortious interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, ET SEQ.
 - (b) Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or one year from the Effective Date, whichever is

greater. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

- (c) To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of Company or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference, if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.
- (d) Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or her expertise with respect to the subject matter of the Arbitrable Dispute.
- (e) Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. The Commercial Arbitration Duties of the American Arbitration Association shall not be applied to any arbitration commenced hereunder.

- (f) Before the arbitration hearing, Company shall be entitled to take a discovery deposition of Employee and Employee shall be entitled to take a discovery deposition of one Company representative with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 17 or ordered by the arbitrator.
- (g) Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or her discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law; and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.
- (h) Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or her decision and the reasons therefor. The arbitrator shall not award either party an award of its litigation expenses or attorneys' fees on any type of claim, regardless of whether or not it is the prevailing party. The arbitrator's fees and expenses shall be borne equally by the parties. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.
- (i) The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 17 is void or voidable, the parties understand and agree that the court shall

reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

(j) The parties further agree that any dispute brought under the Confidentiality Agreement is governed by paragraph 9 of the Confidentiality Agreement.

18. This Agreement is intended to and shall be binding on an inure to the benefit of the parties and their successors and assigns.
19. This Agreement (including its Attachments, if any) constitutes the entire agreement between and among the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement, and may not be amended, mediated or changed in any way other than by a written instrument signed by both parties.
20. This Agreement may be executed in one or more counterparts, including by facsimile, all of which taken together shall constitute one agreement.
21. This Agreement shall be governed by, and construed in accordance with, Colorado law, exclusive of its choice of law rules.
22. No waiver of breach of any of the provisions of this Agreement shall be a waiver of any preceding or succeeding breach hereof.
23. In the event that any clause, provision or paragraph of this Agreement is found to be void, invalid or unenforceable, such finding shall have no effect on the remainder of this Agreement, which shall continue to be in full force and effect. Each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

EMPLOYEE:

/s/ Scott Thompson

Scott Thompson

COMPANY:

By: /s/ John Simon

Its: Vice President

SEPARATION AGREEMENT AND MUTUAL GENERAL RELEASE

THIS SEPARATION AGREEMENT AND MUTUAL GENERAL RELEASE (the "Agreement") is made March 12, 2001 ("Effective Date") by and between Larry Kessler ("Employee") and TeleTech Holdings, Inc., its parents, subsidiaries, affiliates and each of their successors, assigns, directors and officers (collectively "the Company").

- A. For a period until the Effective Date Employee has been employed by Company as Chief Operating Officer (the "Employment").
- B. Company and Employee wish to resolve any disputes and settle all claims between them. Therefore, except as otherwise provided in this Agreement, and without admission of any liability, fact, claim or defense by either party, the purpose of this Agreement is to bring any controversies between them to an end and to fully settle and release any claims arising from the Employment or Employee's separation therefrom, and any other matters between Employee and Company.

For all of these reasons, the parties enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth below, the parties agree as follows:

1. Conditioned upon the delivery of this Agreement, executed by Employee and Company:
 - (a) On the Effective Date, Employee voluntarily resigns from the Employment and therefore the Employment shall terminate.
 - (b) Company acknowledges its obligation to pay Employee all regular wages, accrued, unused vacation pay, if any, and benefits in accordance with the Company's practice, through and including the Effective Date, less offsets, draws, commission payments or advances owed by or previously received by Employee. Participation in any pension plan shall terminate on the Effective Date. The terms of each respective insurance program and/or pension plan shall govern Employee's rights thereunder.
 - (c) In exchange for Employee's execution of this Agreement, Company agrees to provide other consideration as severance, to which Employee otherwise would not be entitled. Specifically: (i) a payment of \$300,000.00, less ordinary and applicable withholdings, paid in equal bi-weekly installments over a twelve (12) month period beginning on the Effective Date, PROVIDED, HOWEVER, that if Employee is over 40 years old, no payments shall be made under subparagraph (i) above, until the 7 day revocation period shall have expired as provided in Section 3(d) of this Agreement; (ii) Company shall cancel the entire unpaid principal balance, interest, charges and fees on that certain Promissory Note

held by Company, made by Employee, dated April 3, 2000, in the original principal amount of \$100,000 (the "Note") and the Company acknowledges having withheld all amounts related to cancellation of the Note; (iii) for a twelve (12) month period beginning on the Effective Date, Company shall provide Employee with all medical benefits Company provided Employee before the Effective Date (Employee's eligibility for COBRA benefits on the Effective Date shall be determined by applicable law); (iv) Company shall leave in effect all life insurance policies purchased for Employee by Company through the date(s) upon which the next premium payment(s) become due, at which time Employee shall have the option to continue such policies by paying applicable premiums or such policies will expire; and (v) Employee shall retain the mobile telephone and personal computer previously provided him by Company. However, Employee remains solely responsible for, and Company shall not provide, connectivity or other services for use of such equipment.

(d) Employee acknowledges and agrees that he shall not be eligible for, or entitled to receive and therefore releases and waives any claim for, compensation from Company (including but not limited to base pay, salary, commissions, bonuses, stock or stock options, employment benefits (including medical or insurance benefits), unemployment benefits or vacation pay except as set forth in paragraph 1 of this Agreement and all of its subparagraphs.

2. (a) In consideration of the mutual promises in this Agreement, Employee, on behalf of himself, his spouse, and any dependents, heirs, executors, administrators and assigns, hereby releases and discharges Company, its shareholders, officers, directors, partners, employees, agents, predecessors, successors and assigns (collectively, "Releasees") from any rights, claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Employee ever had or now has against Releasees by reason of any actual or alleged act, omission, practice or other matter from the beginning of time through the Effective Date, including, but not limited to, claims arising from or relating to the Employment or separation therefrom. Moreover, Company hereby releases and discharges Employee from any rights, claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Company ever had or now has against Employee by reason of any actual or alleged act, omission, practice or other matter from the beginning of time through the Effective Date, including, but not limited to, claims arising from or relating to the Employment or separation therefrom. However, Company shall not release Employee from, and this release does not include, claims of criminal conduct by Employee, or conduct that constitutes at a minimum gross negligence. The matters that are the subject of the release contained in this paragraph 2 are referred to collectively as the "Released Matters."

- (b) Without limiting the generality of the foregoing, and subject to paragraph 2(a) above, this Agreement is intended to and shall release Releasees and Employee from claims arising from or relating to: (1) any state, local/municipal, or federal labor or employment laws, regulations or orders, including, but not limited to the Civil Rights Act of 1870, 42 U.S.C. Section 1981; the Civil Right Act of 1871, as amended, 42 U.S.C. Section 1983; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000, ET SEQ.; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990, 42 U.S.C. 12101, ET SEQ.; the Family and Medical Leave Act of 1993, 29 U.S.C. 2612, ET SEQ.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. Section 1001, ET SEQ. ; and the Age Discrimination in Employment Act, as amended (2) any state, local/municipal or federal wage and hour laws, regulations or orders, including but not limited to, all claims for wages, commissions, bonuses, stock options, vacation, severance, unemployment compensation benefits, fees, benefits or other sum of money or thing of value; (3) all common law claims based on tort or breach of contract or other theory of recovery (however Company shall not release Employee for claims of criminal conduct by Employee, or conduct that constitutes at a minimum gross negligence), and (4) any claims for attorneys' fees (whether based on contract, statute or common law).
- (c) The parties agree that because they wish to resolve their disputes, and to forever settle any claims that they may have between them, this release is to be broadly construed, and any exceptions to the release are to be narrowly construed.
- (d) Employee and Company expressly agree that he or it has not and shall not institute, commence, prosecute or otherwise pursue any lawsuit, administrative charge, or other proceeding, action, complaint, claim, or grievance against Employee or Company, as the case may be, with any administrative, state, local/municipal, federal or governmental entity, agency, board or court, with respect to any facts, events or incidents that occurred or allegedly may have occurred up to and including the Effective Date in connection with matters released by this Agreement. Employee and Company further agree that he or it will cause to be withdrawn or dismissed with prejudice any lawsuit, administrative charge, or other proceeding, action, complaint or grievance that has been filed prior to the Effective Date.
- (e) Company's obligation to pay Employee the final installment pursuant to subparagraph 1(c)(i) above shall be conditioned on Employee's delivery to Company a further legal release, in a form satisfactory to Company, releasing Company from all claims relating to the Employment or separation therefrom that legally can be released.

3. IMPORTANT NOTICE: EMPLOYEE'S FURTHER RELEASE AND WAIVER OF AGE DISCRIMINATION IN EMPLOYMENT ACT CLAIMS. Employee understands and acknowledges that:
- (a) In signing this Agreement, the parties also intend that Employee, on behalf of himself, his spouse, and any dependents, heirs, executors, administrators and assigns, waive and release any claims, damages, attorneys' fees and costs, of any kind or nature, whether known or unknown, which Employee ever had or now has against Releasees under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 ET SEQ. ("ADEA"). Thus, in signing this Agreement, Employee is releasing and waiving all rights to sue the Company under the ADEA for claims relating to, or arising from, events before the execution of this Agreement, including claims related to the Employment and its separation.
 - (b) Employee is advised and understands that he may consult with an attorney of his choice prior to executing this Agreement;
 - (c) Employee has at least 45 days to consider release of ADEA claims. In the event that Employee should decide to execute this Agreement in fewer than 45 days, he has done so after the opportunity to consult with his attorney of choice, and understanding that he has been given and declined the opportunity to consider this Agreement for a full 45 days;
 - (d) Employee may revoke his release of ADEA claims at any time during the 7 days following the date this Agreement is executed (the "Revocation Effective Period"). Employee's release of ADEA claims shall not be effective or enforceable until the first day following the Revocation Effective Period. In the event that Employee exercises his right to revoke the release of ADEA claims, his waiver and release of ADEA claims shall be void, AND THIS AGREEMENT AT COMPANY'S OPTION MAY BE CANCELLED; and
 - (e) Unless Employee delivers to Company written notice of revocation within the Revocation Effective Period, no revocation shall have occurred and the release of ADEA claims shall be conclusively final, binding and irrevocable for all purposes whatsoever.
4. Employee and Company acknowledge that there may be a risk that subsequent to the execution of this Agreement he or it may incur or suffer damage, loss or injury to person or property which in some way may allegedly arise out of or relate to the Released Matters, but which is or are unknown or unanticipated at the time of the execution of this Agreement. Employee and Company specifically assume such risk and agree that this Agreement and the releases contained herein shall and do apply

to all unknown or unanticipated results of any and all Released Matters, as well as those currently known or anticipated.

5. Employee further represents and warrants that:
 - (a) he has no personal knowledge or information regarding:
 - (i) any negligently or intentionally wrongful or illegal act of or taken by the Releasees or any of them;
 - (ii) any negligently or intentionally wrongful or illegal omission by the Releasees or any of them;
 - (iii) any act, omission or conduct which could give rise to breach of contract by the Releasees or any of them;
 - (iv) the unenforceability of any agreement to which the Releasees or any of them is a party; or
 - (v) any improper, wrongful or unfair discrimination or harassment against any person or entity by the Releasees or any of them.
6. Employee and Company agree that this Agreement shall not in any way be construed as an admission of wrongdoing by any party hereto, but to the contrary, represents a compromise of potential disputed claims.
7. Employee further agrees that he will continue to be bound by and will comply with all of the provisions of this Agreement and any of the pre-existing agreements executed by Employee at the commencement of and/or during his employment, which should reasonably survive and are hereby incorporated by reference as though fully set forth herein, except as to those terms that the parties have amended, as further set forth in paragraphs 8 and 16 of this Agreement. Without limiting the foregoing, and in addition thereto, neither Employee nor any representative of Employee will reveal any information relating to the terms of this Agreement or any confidential or proprietary matters disclosed to him during the Employment.
8. Employee further acknowledges and agrees that should he breach any terms of this Agreement, or any of the pre-existing agreements executed by Employee with the Company (except the Arbitration Agreement, which is canceled and superseded by paragraph 16 of this Agreement), including but not limited to, Repayment Agreement and the Confidentiality Agreement (except that the parties agree to modify paragraph 2 of the Confidentiality Agreement to agree that any dispute thereunder will be governed by paragraph 16 of this Agreement in accordance with Colorado

Law), and Proprietary Information, Invention, And Non-Compete Agreement (excluding only paragraph 13 of that Agreement on arbitration, which is canceled and superseded by paragraph 16 of this Agreement. Subject to that change with respect to paragraph 13, the Proprietary Information, Invention, And Non-Compete Agreement remains in full force and effect); employee shall forfeit any and all rights he has or may have to compensation or loan forgiveness under this Agreement.

9. (i) Company agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors shall defame or disparage Employee. Upon receiving reference requests directed to Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. Upon receiving reference requests directed to a member of the Board of Directors, Company shall not state that Employee was fired or terminated by Company. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for each violation of this paragraph by TeleTech will be \$200,000. (ii) Employee agrees that he shall not defame or disparage Company, its Directors, Officers or employees. Additionally, Employee shall not make or issue public or private comment concerning his separation from the Employment, including but not limited to comments to securities or industry analysts, shareholders or employees of Company, the press, other employers or potential employers. If asked to comment on his separation from TeleTech, Employee shall confine his response, except as may be required by law, to a statement that Employee "resigned or stepped down from his position at TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for each violation of this paragraph by Employee will be \$200,000 and Employee shall forfeit any and all rights he has or may have to compensation or loan forgiveness under this Agreement.
10. In making and executing this Agreement, Employee and Company each have not relied upon any statement or representation, oral or written, made by any other party to this Agreement with regard to any of the facts involved in any dispute or possible dispute between the parties hereto, or with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement.
11. Employee and Company hereby each expressly assume the risk of any mistake of fact or that the facts ultimately might be other than or different from the facts now known or believed to exist. It is the express intention of both parties to forever settle, adjust and compromise any and all disputes between and among the parties, finally and forever, and without regard to who may or may not have been correct in their respective understandings of the facts or the law related thereto.

12. Employee and Company each have made such investigation of the facts and the law pertaining to the matters described in this Agreement as he or it deems necessary, and have not relied and do not rely on any promise or representation made by any other party with respect to any such matters.
13. Company and Employee each warrant and represent that it or he has the authority to enter into this Agreement as a binding and enforceable obligation. Employee further represents and agrees that he has carefully read and fully understands all of the provisions of this Agreement, that he has been given the opportunity to discuss fully the contents of this Agreement with independent counsel of his choice and that he is voluntarily entering into this Agreement.
14. In addition to the acts described in the Agreement to be performed by each of the parties, Company and Employee each agree to perform or cause to be performed all further acts and to execute or cause to be executed promptly all documents and instruments necessary to give effect to each term of this Agreement.
15. All parties have cooperated in the drafting and preparation of this Agreement and it shall not be construed more favorably for or against any party. The use of the term "Employee" herein is for convenience only and shall not infer any other status except as specifically provided herein.
16. Employee and Company agree that in the event of any controversy or claim arising out of or relating to this Agreement, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.
 - (a) Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, ET SEQ., all controversies and claims arising from or relating to this Agreement that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 16 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortious interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the

Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, ET SEQ.

- (b) Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or one year from the Effective Date, whichever is greater. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.
- (c) To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of Company or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference, if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.
- (d) Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or her expertise with respect to the subject matter of the Arbitrable Dispute.

- (e) Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine.
- (f) Before the arbitration hearing, Company shall be entitled to take a discovery deposition of Employee and Employee shall be entitled to take a discovery deposition of one Company representative with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 16 or ordered by the arbitrator.
- (g) Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or her discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law; and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.
- (h) Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or her decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.
- (i) The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they

recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 16 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

- (j) The parties further agree that the Arbitration Agreement between Employee and Company is canceled in its entirety, and superseded by this paragraph 16.
- (k) The parties further agree that paragraph 2 of the Confidentiality Agreement between Employee and Company, is modified only to the extent that any dispute thereunder is governed by this paragraph 16, including but not limited to venue, choice of law, and procedure. All other paragraphs and provisions of the parties' Confidentiality Agreement shall remain in effect.
- (l) The parties further agree that paragraph 13 of the Proprietary Information, Invention, And Non-Compete Agreement between Employee and Company, is canceled and superseded by this paragraph 16. All other paragraphs of the parties' Proprietary Information, Invention, And Non-Compete Agreement shall remain in effect.

- 17. This Agreement (including its Attachments, if any) constitutes the entire agreement between and among the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement.
- 18. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one agreement.
- 19. This Agreement shall be governed by, and construed in accordance with, Colorado law, exclusive of its choice of law rules.
- 20. No waiver of breach of any of the provisions of this Agreement shall be a waiver of any preceding or succeeding breach hereof.
- 21. In the event that any clause, provision or paragraph of this Agreement is found to be void, invalid or unenforceable, such finding shall have no effect on the remainder of this Agreement, which shall continue to be in full force and effect. Each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

EMPLOYEE:

/s/ Larry Kessler

COMPANY:

By: /s/ John Simon

Its: Vice President

PROMISSORY NOTE

\$500,000.00

January 15, 2001

FOR VALUE RECEIVED, SCOTT THOMPSON, an individual resident of Douglas County, Colorado ("Maker"), PROMISES TO PAY TO THE ORDER OF TELETECH HOLDINGS, INC., a Delaware corporation ("Holder"), at Holder's office at 1700 Lincoln Street, 14th Floor, Denver, Colorado 80203 or at such other place as Holder may designate in writing, the principal sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) or so much thereof as shall be advanced, with interest thereon at the rate or rates described below, as follows:

1. DEFINITIONS. When used herein, the following terms shall have the respective meanings assigned to them:

a. "EVENT OF DEFAULT" shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following:

i. PAYMENT OF INDEBTEDNESS. If Maker shall fail to pay, in full, all of the indebtedness evidenced by this Note on the Maturity Date hereof or any installment or portion of the indebtedness evidenced by this Note as and when the same shall become due and payable, whether at the due date stipulated in this Note or at a date fixed for prepayment or by acceleration or otherwise and such failure continues for a period of five (5) days following written notice of such failure by Holder to Maker.

ii. PERFORMANCE OF OBLIGATIONS. If Maker shall fail, refuse or neglect to perform and discharge fully and timely any of the covenants and other obligations (other than to repay the indebtedness evidenced by this Note) made or undertaken by Maker as set forth in this Note or any of the other Security Instruments as and when required and such failure continues for a period of ten (10) days following notice of such failure by Holder to Maker.

iii. OTHER DEFAULTS. The occurrence of an Event of Default under the Loan Agreement.

b. "LOAN AGREEMENT" shall mean that certain Loan and Security Agreement dated of even date herewith by and between Maker, as Borrower, and Holder, as Lender, relating to the loan evidenced by this Note.

c. "MATURITY DATE" shall mean the first to occur of (i) July 15, 2001, or (ii) the date of any acceleration of payment permitted hereby.

d. "MAXIMUM RATE" shall mean the highest lawful rate of interest applicable to this Note. In determining the Maximum Rate, due regard shall be given to all payments, fees, charges, deposits, balances and agreements which may constitute interest or be deducted from principal when calculating interest.

e. "SECURITY INSTRUMENTS" shall mean this Note and the Loan Agreement and all other instruments executed and delivered to Holder by Maker from time to time evidencing, securing or otherwise pertaining to the indebtedness evidenced by this Note and secured by the Loan Agreement, as such instruments may from time to time be renewed, extended, amended or modified, in whole or in part.

f. "STATED RATE" shall mean the lesser of (i) the Maximum Rate or (ii) eight (8%) per annum.

2. PAYMENTS; PREPAYMENT.

a. INTEREST PAYMENTS. Interest at the Stated Rate on the outstanding principal balance of this Note shall be due and payable on the Maturity Date.

b. PRINCIPAL PAYMENTS. The entire outstanding principal balance of this Note shall be due and payable on the Maturity Date.

c. OTHER REQUIRED PAYMENTS. In addition to and cumulative of any payments of interest and principal required to be made by Maker to Holder pursuant to the provisions of this Paragraph 2, Maker shall pay to Holder, as and when due and payable, all other sums required to be paid by Maker to Holder pursuant to any of the other terms and provisions of this Note or any of the other Security Instruments.

d. PREPAYMENT. Maker may prepay this Note in whole or in part at any time without penalty or premium. Any prepayment shall be applied first to accrued, unpaid interest and second, to reduce the outstanding principal balance of this Note.

e. DUE DATES. If any payment provided for in this Note shall become due and payable on a day other than a day when Holder is open for business, such payment may be made on the next succeeding day when Holder is open for business (unless the result of such extension of time would be to extend the date for such payment beyond the Maturity Date, in which event such payment shall be made on the first day immediately preceding the day on which such payment would otherwise have been due and on which Holder is open for business), and such extension of time shall in each such case be included in the computation of interest due on this Note.

3. COMPUTATION OF INTEREST. All interest on this Note shall be computed on the basis of the actual number of days elapsed in the applicable calendar year in which accrued.

4. DEFAULT; REMEDIES. If an Event of Default occurs, the entire outstanding principal balance of this Note, together with all accrued interest owing hereon, shall at once become due and payable without notice, at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same upon the occurrence of any subsequent Event of Default.

5. INTEREST AFTER DEFAULT OR MATURITY. If an Event of Default occurs, or after the Maturity Date, all unpaid amounts of this Note, including principal and accrued, unpaid interest, shall bear interest at the Maximum Rate, or if no Maximum Rate is established by applicable law, then at the Stated Rate plus four percent (4%).

6. WAIVER. Maker and all other makers, signers, sureties, guarantors and endorsers of this Note waive demand, presentment, notice of dishonor, notice of intent to demand or accelerate payment hereof, diligence in the collecting, grace, notice and protest and agree to one or more extensions for any period or periods of time and partial payments, before or after maturity, without prejudice to the Holder.

7. COSTS OF COLLECTION AND ATTORNEY'S FEES. If collection procedures are ever commenced, by any means, including legal proceedings or through a bankruptcy or probate court, or if this Note is placed in the hands of an attorney for collection after default or maturity, Maker agrees to pay all costs of collection or attempted collection, including but not limited to attorneys' fees.

8. SECURITY. This Note is secured by the Loan Agreement and the other Security Instruments. Reference is hereby made to the Security Instruments for a description of the security for this Note and the rights of Maker and Holder with respect to such security.

9. CONTROLLING AGREEMENT. All agreements between Maker and Holder, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to Holder exceed interest computed at the Maximum Rate. If, from any circumstance whatsoever, interest would otherwise be payable to Holder in excess of interest computed at the Maximum Rate, the interest payable to Holder shall be reduced to interest computed at the Maximum Rate and if from any circumstance Holder shall ever receive anything of value deemed interest by applicable law in excess of interest computed at the Maximum Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to Maker. All interest paid or agreed to be paid to Holder shall, to the extent permitted by

applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period shall not exceed interest computed at the Maximum Rate. This paragraph shall control all agreements between Maker and Holder.

10. GOVERNING LAW. THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO WITHOUT REFERENCE TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

11. NO WAIVER BY HOLDER. No delay on the part of Holder in the exercise of any power or right under this Note or the other Security Instruments shall operate as a waiver thereof, nor shall a single or partial exercise of any power or right preclude other or further exercise thereof or exercise of any other power or right. Enforcement by Holder of any security for the payment hereof shall not constitute an election by Holder of remedies so as to preclude the exercise of any other remedy available to Holder.

12. SUCCESSORS AND ASSIGNS. The term "Holder" as used in this Note shall include not only the Holder named herein but also all of Holder's successors and assigns to whom the benefits of this Note shall inure.

13. NOTICES. All notices and other communications required or otherwise given hereunder shall be given in accordance with the provisions governing the giving of notices set forth in the Loan Agreement.

14. SEVERABILITY. Any provision in this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability (but construed and given effect to the extent possible), without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction or the application thereof to any person or circumstance, and neither the remainder of this Note nor the application of such provision to other persons or circumstances shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted by law.

MAKER

/s/ Scott Thompson

SCOTT THOMPSON

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is entered into as of January 15, 2001, by and between SCOTT THOMPSON, an individual resident of Douglas County, Colorado ("Borrower"), having his office address at 1700 Lincoln Street, 14th Floor, Denver, Colorado 80203, and TELETECH HOLDINGS, INC., a Delaware corporation ("Lender"), having its offices at 1700 Lincoln Street, 14th Floor, Denver, Colorado 80203.

R E C I T A L S

Borrower desires to borrow the principal sum of Five Hundred Thousand and No/100 Dollars (\$500,000) from Lender, and Lender has agreed to lend such sum to Borrower, upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

ARTICLE 1
The Loan

1.1 THE LOAN. Subject to the terms and conditions of this Agreement, Lender agrees to lend to borrow the principal sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Loan"). The Loan shall be evidenced by a Promissory Note (the "Note") in the principal sum of \$500,000.00, executed by Borrower and payable to the order of Lender, bearing interest prior to default or maturity at the rate of eight percent (8%) per annum, and being due and payable in full on or before July 15, 2001 or such earlier date as shall be provided for in the Note (the "Maturity Date"). The Note shall also contain such other terms and conditions as Lender may reasonably require, consistent with the terms of this Agreement.

1.2 ADVANCE AND REPAYMENT. The entire principal amount of the Note shall be advanced to Borrower on the date the Note is executed and delivered to Lender and together with all accrued and unpaid interest thereon, shall be due and payable without demand, on the Maturity Date. The Note may be repaid in whole or in part at any time without penalty or premium. No portion of the principal amount of the Note which is advanced and repaid may be re-borrowed.

ARTICLE 2
Security

2.1 PLEDGE OF COLLATERAL. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Note, including all interest thereon and all other liabilities of Borrower arising thereunder or under this Agreement (collectively, the "Secured Obligations"), Borrower hereby pledges, collaterally assigns and hypothecates to Lender, and hereby grants to Lender, a first priority lien on and security interest in, all of Borrower's right, title and interest in, to and under the following, whether now owned by Borrower or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as "Collateral"):

(a) all bonus payments payable by Lender or any of its affiliates to Borrower (collectively "Bonus Payments");

(b) all proceeds from the exercise of stock options granted by Lender or any affiliate of Lender to Borrower, including without limitation the stock options granted to Borrower under and pursuant to (i) that certain Non-Qualified Stock Option Agreement dated October 18, 1999, by and between Lender and Borrower, as amended by that certain Amendment to Non-Qualified Stock Option Agreement (1999 Stock Option and Incentive Plan) dated March 8, 2000, (ii) that certain Non-Qualified Stock Option Agreement dated October 18, 1999, by and between Lender and Borrower, as amended by that certain Amendment to Non-Qualified Stock Option Agreement (1995 Stock Option and Incentive Plan) dated

March 8, 2000, and (iii) that certain Non-Qualified Stock Option Agreement dated December 7, 2000 (collectively, "Lender Stock Options"), including proceeds, net of applicable taxes and the exercise price therefor, from the sale of shares underlying such Lender Stock Options (collectively, "Stock Option Proceeds");

(c) any severance compensation payable by Lender or any of its affiliates to Borrower pursuant to an employment agreement or otherwise ("Severance Payments"); and

(d) to the extent not included in the foregoing, all proceeds, products, revenues, distributions, issues, profits, royalties, income, benefits, accessions, additions, substitutions and replacements of and to any and all of the foregoing.

2.2 EXCLUSION. Notwithstanding the provisions of Section 2.1 above, Borrower and Lender agree that the annual bonus payable by Lender to Borrower for calendar year 2000 shall not be a part of the Collateral and shall be free and clear of the liens and security interests created by this Agreement.

2.3 SECURITY AGREEMENT. This Agreement shall constitute a "security agreement" within the meaning of the Uniform Commercial Code, as in effect in the State of Colorado. For purposes of such security agreement and the Uniform Commercial Code, Borrower shall be the debtor, Lender shall be the secured party, and the addresses for such parties shall be the respective addresses set forth in the opening paragraph hereof.

ARTICLE 3 Covenants and Negative Covenants of Borrower

3.1 PAYMENT OF LOAN. Borrower agrees to pay, when due, all amounts owing by Borrower under this Agreement and the Note in accordance with the terms hereof and thereof and to perform each of his obligations hereunder and thereunder as and when required.

3.2 DIRECT APPLICATION OF COLLATERAL TO LOAN. Borrower agrees that, subject to any mandatory limitations imposed by applicable law, Lender shall, and is hereby directed to, apply all payments to be made by Lender to Borrower with respect to any portion of the Collateral to payment of the Secured Obligations.

3.3 BROKER DIRECTIONS. In furtherance of the liens and security interests provided for hereunder, Borrower agrees to provide irrevocable written directions to each stock broker with whom Borrower does business with respect to Lender Stock Options instructing such broker(s) that until such time as they receive written directions from Lender confirming that the Secured Obligations have been paid in full, such broker(s) shall direct all Stock Option Proceeds directly to Lender for application to the Secured Obligations. Borrower further agrees that until such time as Lender receives satisfactory evidence that such directions have been delivered, Borrower shall not be entitled to exercise any Lender Stock Options, notwithstanding the terms of such Lender Stock Options, and the Lender Stock Options shall be deemed amended hereby.

3.4 TAXES. Subject to Borrower's right to contest taxes in good faith, Borrower shall pay and discharge all taxes now or hereafter imposed relating to, or imposed or assessed upon the Collateral.

3.5 DEFENSE OF TITLE TO COLLATERAL. Borrower shall defend any proceeding which may affect Lender's security interest in the Collateral, or the first priority of such security interest, and shall indemnify, defend, protect and hold Lender harmless from and against any and all liability, damages, causes of action or other costs or expenses, including reasonable attorneys' fees, arising out of or incurred in connection with or on account of any such proceeding.

3.6 MAINTENANCE OF LENDER'S LIENS AND SECURITY INTERESTS. Borrower shall do all such acts and things as may be necessary or appropriate, or which Lender may from time to time or at any time request as necessary in the opinion of Lender to establish and maintain a first priority perfected security interest in the Collateral, subject to no other liens or encumbrances; and Debtor shall pay the cost of all filings or recordings of any documents or instruments in all public offices whenever it is deemed by Lender to be necessary or desirable to establish and

maintain such security interest. Borrower irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower to execute, deliver and, if appropriate file and/or record with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to establish, perfect or continue the perfection of the lien or security interests created hereby.

3.7 PROMPT PAYMENT OF EXPENSES. Borrower shall pay to Lender no later than five (5) days following demand therefor all expenses (including reasonable attorneys fees, other legal expenses and costs and the cost of filing financing statements and any renewals or extensions thereof) incurred by Lender under or in connection with this Agreement. Any amounts not so paid shall accrue interest at the past due rate provided for in the Note or the maximum rate allowed by applicable law, whichever is less, from the date such expenses became due (i.e., 5 business days following demand).

3.8 NO TRANSFER OF COLLATERAL. Borrower shall not voluntarily, involuntarily, or by operation of law, sell, assign, transfer or otherwise dispose of any right or interest of Borrower in or to the Collateral or permit any of the foregoing to occur, and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security for the Loan.

3.9 NO FURTHER LIENS. Borrower shall not create, incur, assume or suffer to exist any lien or security interest upon any of the Collateral, except as provided for in this Agreement, and shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which Lender is not named as the sole secured party.

ARTICLE 4 Default and Remedies

4.1 EVENTS OF DEFAULT. The occurrence or happening, at any time and from time to time, of any one or more of the following, shall constitute an "Event of Default":

(a) If Borrower shall fail to pay, in full, all or any portion of the Secured Obligations as and when the same becomes due and payable, and such failure continues for a period of five (5) days; or

(b) If Borrower shall fail, refuse or neglect to perform and discharge fully and timely any of the covenants or other obligations (other than to repay the indebtedness arising under this Agreement) made or undertaken by Borrower under this Agreement or the Note as and when required, and such failure continues for a period of 10 days following notice of such failure by Lender to Borrower; or

(c) If Borrower's employment with Lender or any affiliate of Lender is terminated for any reason, with or without cause; or

(d) The death of Borrower; or

(e) The occurrence of an "Event of Default" under the Note.

4.2 REMEDIES. Upon the occurrence of an Event of Default, Lender may, at its option and without notice to Borrower, declare the Secured Obligations immediately due and payable and shall, in addition, have all of the rights and remedies of a Lender under the Uniform Commercial Code as in effect in the State of Colorado, including, without limitation, the right and power to sell, or otherwise dispose of, the Collateral, or any part thereof, at any one or more public or private sales as permitted by applicable law and the terms of the Collateral, at such location or locations as Lender may elect.

4.3 LENDER'S RIGHTS TO COLLATERAL. In addition to the remedies afforded Lender pursuant to Section 4.2, upon the occurrence of an Event of Default, Lender may maintain, preserve and prepare the Collateral for sale; control and manage the Collateral; collect all income from the Collateral and apply the same in any order of priority to reimburse Lender for any costs or expenses incurred hereunder and to the payment and performance of Borrower's obligations hereunder and apply the balance to interest and principal of the Secured Obligations; or

secure the appointment of a receiver of the Collateral. Borrower expressly waives any right or requirement for election of remedy by Lender existing after an Event of Default, except that Borrower shall be entitled to notice of sale or other disposition of the Collateral, and Borrower agrees that if such notice is served on Borrower a minimum of five (5) days before the time of sale or disposition in accordance with the provisions for the giving of notice set forth herein, such notice shall be deemed commercially reasonable and shall fully satisfy any requirement for giving of such notice. Any person, including Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at any sale or disposition.

4.4 APPLICATION OF PROCEEDS. The proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the like, and reasonable attorneys' fees, expenses and costs incurred by Lender, shall be applied in satisfaction of the Secured Obligations in such order of priority as Lender may elect, and any excess remaining after payment of the Secured Obligations shall be paid to Borrower or the person or persons legally entitled thereto.

4.5 ASSUMPTION OF EXPENSES AND PAYMENTS. In connection with any Event of Default, Lender may incur expenses, including reasonable attorneys' fees, expenses and costs, appropriate to the exercise of any right or power under this Agreement, make any payment agreed to be made by Borrower hereunder, without, however, any obligation to do so. Any monies expended hereunder by Lender, including reasonable attorneys' fees, shall be chargeable, with interest at the past due rate provided in the Note or the highest rate allowed by law, whichever is less, to Debtor and become part of the Secured Obligations.

4.6 REMEDIES CUMULATIVE. The remedies of Lender hereunder are cumulative and are not exclusive of any remedies provided by law and the exercise of any one or more the remedies provided for herein, or under the Uniform Commercial Code, shall not be construed as a waiver of any of the other remedies of the Lender, so long as any part of the Secured Obligations remains outstanding. The acceptance by Lender of this Agreement shall not waive or impair any other security Lender may have or hereafter acquire for the payment of the Secured Obligations, nor shall the taking of any such additional security waive or impair this Agreement, or any term, covenant or condition herein contained, but Lender may resort to any security it may have in such order it may deem proper. Release of the security interest hereunder in any or all of the Collateral shall not affect the liability of any persons on the Secured Obligations.

4.7 ACKNOWLEDGMENTS. Borrower recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, Lender may be compelled, with respect to any sale of all or any part of the Collateral which constitutes a "security" under the Securities Act, to limit purchasers to those who will agree, among other things, to acquire such Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Borrower acknowledges that any such private sale may be at prices and on terms less favorable to Lender than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner and that Lender shall not have any obligation to engage in public sales or to delay the sale of any such Collateral for the period of time necessary to permit the respective issuer thereof to register it for public sale.

4.8 TERMINATION. When all of the Secured Obligations shall have been paid in full, this Agreement shall terminate and at Borrower's expense, Lender shall cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of Borrower.

ARTICLE 5 Miscellaneous

5.1 NO WAIVER. No failure on the part of Lender or any of its agents to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise by Lender or any of its agents of any right, power or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

5.2 NOTICES. All notices, requests and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing delivered to the intended recipient at its address set forth in the opening paragraph of this Agreement or at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

5.3 WAIVERS, ETC. This Agreement may be amended or modified only by an instrument in writing signed by Borrower and Lender, and any provision of this Agreement which is for the benefit of Lender may be waived by Lender. Any waiver shall be effective only in the specific instance and for the specified purpose for which it was given.

5.4 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and shall inure to the benefit of the respective heirs, executors, successors and assigns of, Borrower and Lender; PROVIDED, HOWEVER, that Borrower shall not assign or transfer its rights and obligations hereunder without the prior written consent of Lender.

5.5 COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

5.6 AGENTS. Lender may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

5.7 SEVERABILITY. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability (but construed and given effect to the extent possible), without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction or the application thereof to any person or circumstance, and neither the remainder of this Agreement nor the application of such provision to other persons or circumstances shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted by law.

5.8 HEADINGS. Headings appearing herein are used solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

5.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO WITHOUT REFERENCE TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

IN WITNESS WHEREOF, the undersigned have executed this Loan Agreement as of the 15th day of January, 2001.

TELETECH HOLDINGS, INC.

By: /s/ James B. Kaufman

Name: James B. Kaufman

Title: Executive Vice President

/s/ Scott Thompson

SCOTT THOMPSON

PROMISSORY NOTE

\$150,000
Denver, Colorado

November 28, 2000

FOR VALUE RECEIVED, the undersigned (the "Borrower") hereby promises to pay to the order of TeleTech Holdings, Inc. (the "Holder") the principal sum of \$150,000, together with interest on the unpaid balance accruing at a rate of 6% per annum.

Principal and interest shall be payable at TeleTech Holdings, Inc., 1700 Lincoln Street, 14th Floor, Denver, Colorado 80203, or such other place as the Holder may designate, in twelve payments of \$12,500, due on the 1st day of each month (each a "Payment Date"), beginning April 1, 2001. Borrower agrees to execute any further documents necessary or desirable to evidence this debt or perfect Holder's security interest, as may be requested by Holder from time to time. Payments will be applied first to interest and taxes, and then to the principal balance.

Any bonus payments payable by Holder or any of its affiliates to Borrower (collectively "Bonus Payments") and all proceeds from the exercise of stock options granted by Holder or any affiliate of Holder, including proceeds from the sale of shares underlying such stock options ("Stock Option Proceeds"), shall be applied toward repayment of the loan evidenced by this Note. In furtherance of such application, Borrower hereby assigns to Holder any and all Bonus Payments and Stock Option Proceeds until this Note is paid in full, and Borrower agrees to provide his broker with irrevocable instructions to pay Holder all proceeds from any option exercise prior to payment in full of all amounts evidenced by this Note. Furthermore, Holder shall be entitled to withhold from Borrower payment of any Bonus Payments and to redirect any such Bonus Payments towards repayment of the loan evidenced by this Note.

Borrower's payment obligations hereunder shall continue until the entire indebtedness evidenced by this Note is fully paid; provided, however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon, shall be due and payable on March 1, 2002 (the "Maturity Date"); provided, however, that if the principal balance shall be paid in full prior to the Maturity Date, Holder shall forgive the interest accrued thereon. Borrower understands that such forgiveness of the accrued interest may give rise to a tax withholding obligation on the part of Holder, and Borrower agrees to pay Holder the amount Borrower's share of any such tax withholdings.

If Borrower's employment with Holder or any affiliate of Holder is terminated for any reason, with or without cause, prior to the Maturity Date, all remaining unpaid principal, and all remaining accrued interest shall immediately be due and payable.

In case the Note is not paid in full on or before the Maturity Date, interest will be charged on the unpaid balance, from the effective date of the Original Note at a rate of 6% per annum. If the Note is not paid in full on or before the Maturity Date, Holder shall also have the right to offset all amounts payable by Holder or its affiliates to Borrower, including, without limitation, compensation for services rendered in the form of salary, bonuses or otherwise, until this Note is paid in full.

Borrower agrees to pay all costs and expenses of collection, including reasonable attorneys' fees.

This Note may be prepaid by Borrower at any time without premium or penalty.

No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right of such Holder, nor shall any such delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

Borrower and all endorsers and guarantors of this Note hereby waive presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement of this Note.

All rights and obligations hereunder shall be governed by the laws of the State of Colorado.

This Note is subject to the approval and ratification of the Compensation Committee of the Board of Directors of TeleTech Holdings, Inc. In the event that the Compensation Committee does not ratify this Note at their regularly scheduled meeting to be held on December 7, 2000, the entire amount of this Note shall immediately be due and payable on or before December 31, 2000.

IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first written above.

BORROWER:

/s/ Sean Erickson

Sean Erickson

LIST OF SUBSIDIARIES OF TELETECH HOLDINGS, INC.

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION
TeleTech Services Corporation	Colorado
TeleTech Customer Care Management (West Virginia), Inc.	West Virginia
TeleTech Customer Care Management (Colorado), Inc. (f/k/a TeleTech Teleservices, Inc.)	Colorado
TeleTech Customer Care Management (New York), Inc.	New York
TeleTech Facilities Management (Parcel Customer Support), Inc.	Delaware
TeleTech Facilities Management (Postal Customer Support), Inc.	Delaware
TeleTech Customer Care Management (California), Inc. (f/k/a TeleTech Telecommunications, Inc.)	California
TeleTech Financial Services Management, Inc.	Delaware
TeleTech Financial Services Management, LLC	Delaware
T-TEC LABS, INC. (f/k/a TeleTech Technology Development and Integration, Inc.)	Delaware
TeleTech Customer Care Management (Telecommunications), Inc.	Delaware
TeleTech Health Services Management, Inc.	Delaware
Digital Creators, Inc.	Colorado
TeleTech Customer Care Management (Pennsylvania), Inc.	Pennsylvania
TeleTech Customer Care Management (Pennsylvania), LLC	Pennsylvania
TeleTech Customer Care Management, Inc.	Delaware
TeleTech Financial Services Management (WV), Inc.	Delaware
TeleTech Customer Care Management (South America), Inc.	Delaware
TeleTech Customer Care Management (Texas), Inc.	Texas
TeleTech Customer Care Management (General), Inc. (f/k/a Maxwell Leasing Company)	Delaware
TeleTech Customer Care Management (GS), Inc.	Delaware
Customer Care Life Insurance Agency Limited	Canada
Customer Care General Insurance Agency Limited	Canada
Holdco (3472680 Canada, Inc.)	Canada
TeleTech International Pty Ltd. f/k/a Access 24 (Service Corporation) Pty Ltd	Australia
TeleTech (UK) Limited	UK
High Performance Health Pty Ltd. - Queensland	Australia
TeleTech Argentina S.A.	Argentina
TeleTech Customer Care Management (Japan), Inc.	Delaware
TeleTech Canada. Inc f/k/a EDM Electronic Direct Marketing, Ltd.	Canada
TeleTech Limited New Zealand	New Zealand
TeleTech Customer Care Management (Ireland) Limited	Ireland
TeleTech Brasil Servicos de Informatica Ltda. f/k/a Outsource Informatica Ltda.	Brazil

TeleTech Brasil, Ltda	Brazil
TeleTech South America Holdings, Inc.	Delaware
Pamet River, Inc. (f/k/a TeleTech Acquisition Corporation)	Delaware
TeleTech Mexico S.A. de C.V. f/k/a Telemercadeo Integral S.A. de C.V.	Mexico
TTEC Nevada, Inc.	Nevada
TeleTech Customer Services, Inc.	Nevada
TeleTech Customer Management Pte. Ltd.	Singapore
Connect, S.A.	Argentina
Comlink	Argentina
Apoyo Empresarial de Servicios S. de R.L. de C.V.	Mexico
Servicios y Administraciones de Bajio S. de R.L. de C.V.	Mexico
Percepta, LLC (f/k/a Ford Tel II, LLC f/k/a FWAC Management LLC f/k/a FWAC LLC)	Delaware
Percepta, UK Limited	UK
Ford Tel I	Canada
TeleTech Germany GmbH	Germany
Inversiones Caspio, SL	Spain
Contact Center Holdings, S.L.	Spain
Difusio Telemarketing Grup, SA	Spain
ZigZag 2000, SL	Spain
TeleTech International Holdings, Inc	Delaware
GFD Belfast Ltd	N. Ireland
Newgen Results Corporation	Delaware
Newgen Dealer Pricing Center, Inc.	California
Newgen Results Canada, Ltd.	Quebec
Newgen Management Services, Inc.	Delaware
Carabunga.com, Inc.	Delaware

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report included in this Form 10-K, into TeleTech Holdings, Inc.'s previously filed Registration Statement File Nos. 333-17569, 333-60001, 333-64575, 333-78477, 333-82405, 333-47142, 333-48190, 333-51550 and 333-52352.

/s/ Arthur Andersen LLP

Denver, Colorado
March 29, 2001