Form Unknown document format
ay:inline;font-family:Arial;font-size:9pt;">Fair value hedges
<u> </u>
792
_
792
Total net derivative asset (liability)
\$
\$
(29,817)
\$

\$

(29,817)

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

The following is a summary of the Company's fair value measurements as of September 30, 2015 and December 31, 2014 (in thousands):

As of September 30, 2015

	Fair Value Measurements Using					
	Quoted Prices in	Significant				
	Active Wagherichout Other	Unobservable				
	Identical Obsertsable Inputs	Inputs				
	(Level 1)(Level 2)	(Level 3)				
Assets						
Derivative instruments, net	\$ — \$ — \$ — \$ —	\$ —				
Total assets	\$ — \$ —	\$ —				
Liabilities						
Deferred compensation plan liability	\$ — \$ (9,267)	\$ —				
Derivative instruments, net	— (52,280)					
Contingent consideration		(13,556)				
Total liabilities	\$ — \$ (61,547)	\$ (13,556)				

As of December 31, 2014

	Fair Value Measurements Using					
	Quoted Prices in	Significant				
	Active Maghetic fout Other	Unobservable				
	IdenticalOlossetsable Inputs	Inputs				
	(Level 1)(Level 2)	(Level 3)				
Assets						
Derivative instruments, net	\$ — \$ —	\$ —				
Total assets	\$ — \$ — \$ — \$ —	\$ —				
Liabilities						
Deferred compensation plan liability	\$ — \$ (8,478)	\$ —				
Derivative instruments, net	— (29,817)					
Contingent consideration	_ _	(24,744)				
Total liabilities	\$ — \$ (38,295)	\$ (24,744)				

Deferred Compensation Plan — The Company maintains a non-qualified deferred compensation plan structured as a Rabbi trust for certain eligible employees. Participants in the deferred compensation plan select from a menu of phantom investment options for their deferral dollars offered by the Company each year, which are based upon changes in value of complementary, defined market investments. The deferred compensation liability represents the combined values of market investments against which participant accounts are tracked.

Contingent Consideration — The Company recorded contingent consideration related to the acquisitions of iKnowtion, Guidon, TSG, WebMetro, Sofica and rogenSi. These contingent payables were recognized at fair value using a discounted cash flow approach and a discount rate of 21.0%, 21.0%, 4.6%, 5.3%, 5.0% or 4.6%, respectively. The discount rates vary dependant on the specific risks of each acquisition including the country of operation, the nature of services and complexity of the acquired business, and other similar factors. These measurements were based on significant inputs not observable in the market. The Company will record interest expense each period using the effective interest method until the future value of these contingent payables reaches their expected future value of \$14.0 million. Interest expense related to all recorded contingent payables is included in Interest expense in the Consolidated Statements of Comprehensive Income (Loss).

Table of Contents

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

During the second and fourth quarters of 2014, the Company recorded fair value adjustments of the contingent consideration associated with the TSG reporting unit within the CTS segment based on revised estimates noting achievement of the targeted 2014 and 2015 EBITDA was remote. Accordingly, a \$4.0 million and \$3.9 million, respectively, reductions in the payable were recorded as of September 30, 2014 and December 31, 2014 and were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

During the third and fourth quarters of 2014, the Company recorded fair value adjustments of the contingent consideration associated with the Sofica reporting unit within the CMS segment of \$1.8 million and \$0.6 million, respectively, as the Company's revised estimates reflected Sofica exceeding its EBITDA targets for both 2014 and 2015. Accordingly, the \$1.8 million and \$0.6 million increases in the payable were recorded as of September 30, 2014 and December 31, 2014 and were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

During the third quarter of 2014, the Company recorded a fair value adjustment of the contingent consideration associated with the WebMetro reporting unit within the CGS segment based on revised estimates noting achievement of the targeted 2014 EBITDA was remote. Accordingly, a \$1.7 million reduction in the payable was recorded as of September 30, 2014 and was included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

During the fourth quarter of 2014 and the third quarter of 2015, the Company recorded fair value adjustments of the contingent consideration associated with the rogenSi reporting unit within the CSS segment based on revised estimates reflecting rogenSi exceeding its EBITDA targets for 2014 and 2015. Accordingly a \$0.5 million and a \$0.8 million increase in the payable was recorded as of December 31, 2014 and September 30, 2015, respectively, and were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

During the second quarter of 2015, the Company recorded a fair value adjustment of the contingent consideration associated with the Sofica reporting unit within the CMS segment based on revised estimates reflecting Sofica earnings will be lower than revised estimates for 2015. Accordingly a \$0.5 million decrease in the payable was recorded as of September 30, 2015 and was included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

A rollforward of the activity in the Company's fair value of the contingent consideration payable is as follows (in thousands):

Edgar Filing: - Form

	ecember 31,	Acqu	iisitions	Payments	In	nputed terest / djustments	ptember 30 15	١,
iKnowtion	\$ 2,265	\$		\$ (1,800)	\$	30	\$ 495	
Guidon	1,000			(1,000)				
TSG								
WebMetro	_			_				
Sofica	6,317			(2,838)		(366)	3,113	
rogenSi	15,162			(6,372)		1,158	9,948	
Total	\$ 24,744	\$		\$ (12,010)	\$	822	\$ 13,556	

Table of Contents

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(8)INCOME TAXES

The Company accounts for income taxes in accordance with the accounting literature 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 Consolidated Financial Statements. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates in effect for the year in which the differences are expected to reverse. Quarterly, the Company assesses the likelihood that its net deferred tax assets will be recovered. Based on the weight of all available evidence, both positive and negative, the Company records a valuation allowance against deferred tax assets when it is more-likely-than-not that a future tax benefit will not be realized.

During the first quarter of 2014, a benefit of \$1.2 million was recorded due to the closing of statutes of limitations in Canada.

In accordance with ASC 740, the Company recorded a liability during the second quarter of 2015 of \$1.75 million, inclusive of penalties and interest, for an uncertain tax position. See Note 1.

When there is a judgment concerning the recovery of deferred tax assets in future periods, a valuation allowance is recorded into earnings during the quarter in which the judgment occurred. During the second quarter of 2015, the Company increased its valuation allowance by \$0.8 million. This net increase was related to a \$0.3 million increase in the Netherlands and Israel for deferred tax assets that do not meet the "more likely than not" standard under current accounting guidance, a \$0.3 million increase related to deferred tax assets in the Philippines related to the future utilization of NOL's, and a \$0.2 million increase in various other jurisdictions. During the third quarter of 2015, the Company increased its valuation allowance by \$0.7 million. This net increase was related to deferred tax assets in the Philippines for the future utilization of NOL's.

As of September 30, 2015, the Company had \$51.3 million of gross deferred tax assets (after a \$10.2 million valuation allowance) and net deferred tax assets (after deferred tax liabilities) of \$48.6 million related to the U.S. and international tax jurisdictions whose recoverability is dependent upon future profitability.

The effective tax rate for the three and nine months ended September 30, 2015 was 8.7% and 21.9%, respectively. The effective tax rate for the three and nine months ended September 30, 2014 was 28.2% and 20.6%, respectively.

The Company's U.S. income tax returns filed for the tax years ending December 31, 2012 to present remain open tax years. The Company has been notified of the intent to audit, or is currently under audit, of income taxes in the U.S. specifically for the acquired entity Technology Solutions Group for the tax year 2012 (prior to acquisition), for rogenSi in Hong Kong for the tax year 2014, Canada for tax years 2009 and 2010 and New Zealand for tax year the 2013. Although the outcome of examinations by taxing authorities are always uncertain, it is the opinion of management that the resolution of these audits will not have a material effect on the Company's Consolidated Financial Statements.

(9) RESTRUCTURING CHARGES AND IMPAIRMENT LOSSES

Restructuring Charges

During the three and nine months ended September 30, 2015 and 2014, the Company undertook a number of restructuring activities primarily associated with reductions in the Company's capacity and workforce in several of its segments to better align the capacity and workforce with current business needs.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

A summary of the expenses recorded in Restructuring, net in the accompanying Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2015 and 2014, respectively, is as follows (in thousands):

	Three Months Septemb		Nine Months Ended September 30,			
	2015	2014	2015	2014		
Reduction in force						
Customer Management Services	\$ 516	\$ 358	\$ 1,331	\$ 1,404		
Customer Growth Services	_			37		
Customer Technology Services	13	235	13	309		
Customer Strategy Services	93	_	285	_		
Total	\$ 622	\$ 593	\$ 1,629	\$ 1,750		

A rollforward of the activity in the Company's restructuring accruals is as follows (in thousands):

	Re	duction in Force	Total
Balance as of December 31, 2014 Expense Payments	\$	2,071 1,629 (2,449)	\$ 2,071 1,629 (2,449)
Change in estimates Balance as of September 30, 2015	\$	1.251	\$ 1,251

The remaining restructuring accruals are expected to be paid or extinguished during 2015 and are all classified as current liabilities within Other accrued expenses in the Consolidated Balance Sheets.

(10) COMMITMENTS AND CONTINGENCIES

Credit Facility

In the second quarter of 2013, the Company entered into a \$700.0 million, five-year, multi-currency revolving credit facility (the "Credit Agreement") with a syndicate of lenders which includes an accordion feature that permits the Company to request an increase in total commitments up to \$1.0 billion, under certain conditions. Wells Fargo Securities, LLC, KeyBank National Association, Bank of America Merrill Lynch, BBVA Compass and HSBC Bank USA, National Association served as Joint Lead Arrangers. The Credit Agreement amends and restates in its entirety the Company's prior credit facility entered into during 2010 and amended in 2012.

The Credit Agreement provides for a secured revolving credit facility that matures on June 3, 2018 with an initial maximum aggregate commitment of \$700.0 million. At the Company's discretion, direct borrowing options under the Credit Agreement include (i) Eurodollar loans with one, two, three, and six month terms, and/or (ii) overnight base rate loans. The Credit Agreement also provides for a sub-limit for loans or letters of credit in both U.S. dollars and certain foreign currencies, with direct foreign subsidiary borrowing capabilities up to 50% of the total commitment amount. The Company may increase the maximum aggregate commitment under the Credit Agreement to \$1.0 billion if certain conditions are satisfied, including that the Company is not in default under the Credit Agreement at the time of the increase and that the Company obtains the commitment of the lenders participating in the increase.

Table of Contents

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

The Company primarily utilizes its Credit Agreement to fund working capital, general operations, stock repurchases, dividends and other strategic activities, such as the acquisitions described in Note 2. As of September 30, 2015 and December 31, 2014, the Company had borrowings of \$115.0 million and \$100.0 million, respectively, under its Credit Agreement, and its average daily utilization was \$323.0 million and \$291.0 million for the nine months ended September 30, 2015 and 2014, respectively. After consideration for issued letters of credit under the Credit Agreement, totaling \$3.4 million, and current level of availability based on covenant calculations, the Company's remaining borrowing capacity was approximately \$385 million as of September 30, 2015. As of September 30, 2015, the Company was in compliance with all covenants and conditions under its Credit Agreement.

From time-to-time, the Company has unsecured, uncommitted lines of credit to support working capital for a few foreign subsidiaries. As of September 30, 2015, no foreign loans were outstanding.

Letters of Credit

As of September 30, 2015, outstanding letters of credit under the Credit Agreement totaled \$3.4 million and primarily guaranteed workers' compensation and other insurance related obligations. As of September 30, 2015, letters of credit and contract performance guarantees issued outside of the Credit Agreement totaled \$4.5 million.

Legal Proceedings

From time to time, the Company has been involved in legal actions, both as plaintiff and defendant, which arise in the ordinary course of business. The Company accrues for exposures associated with such legal actions to the extent that losses are deemed both probable and estimable. To the extent specific reserves have not been made for certain legal proceedings, their ultimate outcome, and consequently, an estimate of possible loss, if any, cannot reasonably be determined at this time.

Based on currently available information and advice received from counsel, the Company believes that the disposition or ultimate resolution of any current legal proceedings, except as otherwise specifically reserved for in its financial statements, will not have a material adverse effect on the Company's financial position, cash flows or results of

			. •			
Ω	ne	ra	ıtı	α	ne	
v	ν	116	ιι	U.	LIO	٠.

(11)NONCONTROLLING INTEREST

The following table reconciles equity attributable to noncontrolling interest (in thousands):

	Nine Months Ended September 30				
	20)15	2014		
Noncontrolling interest, January 1	\$	7,983	\$	8,081	
Net income attributable to noncontrolling interest		2,766		3,379	
Dividends distributed to noncontrolling interest		(2,925)		(3,150)	
Foreign currency translation adjustments		(323)		(167)	
Equity-based compensation expense		122		12	
Noncontrolling interest, September 30,	\$	7,623	\$	8,155	

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(12)MANDATORILY REDEEMABLE NONCONTROLLING INTEREST

The Company holds an 80% interest in iKnowtion. In the event iKnowtion meets certain EBITDA targets for calendar year 2015, the purchase and sale agreement requires TeleTech to purchase the remaining 20% interest in iKnowtion in 2016 for an amount equal to a multiple of iKnowtion's 2015 EBITDA as defined in the purchase and sale agreement. These terms represent a contingent redemption feature which the Company determined is probable of being achieved.

The Company has recorded the mandatorily redeemable noncontrolling interest at the redemption value based on the corresponding EBITDA multiples as prescribed in the purchase and sale agreement at the end of each reporting period. At the end of each reporting period the changes in the redemption value are recorded in retained earnings. Since the EBITDA multiples as defined in the purchase and sale agreement are below the current market multiple, the Company has determined that there is no preferential treatment to the noncontrolling interest shareholders resulting in no impact to earnings per share.

A rollforward of the mandatorily redeemable noncontrolling interest is included in the table below (in thousands).

	Nine Months Ended September 30				
	20	15	20	14	
Mandatorily redeemable noncontrolling interest, January 1	\$	2,814	\$	2,509	
Net income attributable to mandatorily redeemable noncontrolling interest		537		416	
Working capital distributed to mandatorily redeemable noncontrolling					
interest		(632)		(1,244)	
Change in redemption value		1,201		1,109	
Mandatorily redeemable noncontrolling interest, September 30	\$	3,920	\$	2,790	

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

e

(13)ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents changes in the accumulated balance for each component of other comprehensive income (loss), including current period other comprehensive income (loss) and reclassifications out of accumulated other comprehensive income (loss) (in thousands):

	Foreign Currency Translation Adjustment	Derivative Valuation, Net of Tax	Other, Net of Tax	Totals
Accumulated other comprehensive income (loss) at December 31, 2014	\$ (33,352)	\$ (18,345)	\$ (577)	\$ (52,274)
Other comprehensive income (loss) before reclassifications Amounts reclassified from accumulated other comprehensive income (loss) Net current period other comprehensive income (loss)	(39,019)	(14,070)	(2,819)	(55,908)
	(39,019)	4,601 (9,469)	679 (2,140)	5,280 (50,628)
Accumulated other comprehensive income (loss) at September 30, 2015	\$ (72,371)	\$ (27,814)	\$ (2,717)	\$ (102,902)
Accumulated other comprehensive income (loss) at December 31, 2013	\$ (10,581)	\$ (8,352)	\$ (1,653)	\$ (20,586)
Other comprehensive income (loss) before reclassifications Amounts reclassified from accumulated other comprehensive income (loss) Net current period other comprehensive income (loss)	(11,206)	(4,948)	41	(16,113)
	— (11,206)	2,186 (2,762)	763 804	2,949 (13,164)
Accumulated other comprehensive income (loss) at September 30, 2014	\$ (21,787)	\$ (11,114)	\$ (849)	\$ (33,750)

The following table presents the classification and amount of the reclassifications from Accumulated other comprehensive income (loss) to the statement of comprehensive income (loss) (in thousands):

	T 1				Statement of		
	M	For the Three Months Ended September 30, 2015 2014			Comprehensive Income (Loss) Classification		
Derivative valuation							
Gain (loss) on foreign currency forward exchange							
contracts	\$	(3,987)	\$	248	Revenue		
Loss on interest rate swaps		(264)		(267)	Interest expense		
Tax effect		2,091		7	Provision for income taxes		
	\$	(2,160)	\$	(12)	Net income (loss)		
Other							
Actuarial loss on defined benefit plan	\$	(252)	\$	(270)	Cost of services		
Tax effect		25		16	Provision for income taxes		
	\$	(227)	\$	(254)	Net income (loss)		
24							

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

					Statement of		
	For the Nine Months Ended September 30Comprehensive Income						
	20	15	20	14	(Loss) Classification		
Derivative valuation							
Gain (loss) on foreign currency forward							
exchange contracts	\$	(8,200)	\$	(2,795)	Revenue		
Loss on interest rate swaps		(783)		(790)	Interest expense		
Tax effect		4,382		1,399	Provision for income taxes		
	\$	(4,601)	\$	(2,186)	Net income (loss)		
Other							
Actuarial loss on defined benefit plan	\$	(755)	\$	(811)	Cost of services		
Tax effect		76		48	Provision for income taxes		
	\$	(679)	\$	(763)	Net income (loss)		

(14)NET INCOME PER SHARE

The following table sets forth the computation of basic and diluted shares for the periods indicated (in thousands):

	Three Months Ended September 30, 2015 2014		Nine Months Ended September 30, 2015 2014		
Shares used in basic earnings per share					
calculation	48,345	49,093	48,346	49,493	
Effect of dilutive securities:					
Stock options	278	420	355	420	
Restricted stock units	291	427	332	425	
Performance-based restricted stock units	22		19	_	
Total effects of dilutive securities	591	847	706	845	
Shares used in dilutive earnings per share					
calculation	48,936	49,940	49,052	50,338	

For the three months ended September 30, 2015 and 2014, options to purchase 0.1 million and 0.1 million shares of common stock, respectively, were outstanding, but not included in the computation of diluted net income per share because the exercise price exceeded the value of the shares and the effect would have been anti-dilutive. For the nine months ended September 30, 2015 and 2014, options to purchase 0.1 million and 0.1 million shares of common stock, respectively, were outstanding, but not included in the computation of diluted net income per share because the exercise price exceeded the value of the shares and the effect would have been anti-dilutive. For the three months ended September 30, 2015 and 2014, restricted stock units ("RSUs") of 0.2 million and 0.4 million, respectively, were outstanding, but not included in the computation of diluted net income per share because the effect would have been anti-dilutive. For the nine months ended September 30, 2015 and 2014, RSUs of 0.4 million and 0.2 million, respectively, were outstanding, but not included in the computation of diluted net income per share because the effect would have been anti-dilutive.

Table of Contents

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(15) EQUITY-BASED COMPENSATION PLANS

All equity-based awards to employees are recognized in the Consolidated Statements of Comprehensive Income (Loss) at the fair value of the award on the grant date. During the three and nine months ended September 30, 2015 and 2014, the Company recognized total compensation expense of \$3.3 million and \$8.6 million and \$3.2 million and \$9.0 million, respectively. Of the total compensation expense, \$0.9 million and \$2.0 million was recognized in Cost of services and \$2.4 million and \$6.6 million was recognized in Selling, general and administrative during the three and nine months ended September 30, 2015. During the three and nine months ended September 30, 2014, the Company recognized compensation expense of \$0.5 million and \$1.7 million in Cost of Services and \$2.2 million and \$7.3 million, in Selling, general and administrative, respectively.

Restricted Stock Unit Grants

During the nine months ended September 30, 2015 and 2014, the Company granted 744,800 and 583,333 RSUs, respectively, to new and existing employees, which vest in equal installments over four or five years. The Company recognized compensation expense related to RSUs of \$3.2 million and \$8.3 million for the three and nine months ended September 30, 2015, respectively. The Company recognized compensation expense related to RSUs of \$3.0 million and \$8.6 million for the three and nine months ended September 30, 2014, respectively. As of September 30, 2015, there was approximately \$31.8 million of total unrecognized compensation cost (including the impact of expected forfeitures) related to RSUs granted under the Company's equity plans.

Stock Options

During the third quarter of 2015, Mr. Kenneth D. Tuchman, the Chairman and Chief Executive Officer of TeleTech, exercised the option he received from the company in 2005 to purchase 800,000 shares of TeleTech stock at the strike price of \$11.35 per share. To effectuate a "cashless exercise" of the option, on August 24, 2015, Mr. Tuchman entered into a Stock Purchase Agreement with TeleTech, under the terms of which he exercised the option at the end of business on August 31, 2015 and, upon issuance of the option shares, sold to TeleTech, in a simultaneous transaction, a number of shares necessary to pay the option exercise price plus any tax withholding obligations. The option shares were valued a the market price as of the close of business on that date. Mr. Tuchman's option, granted under TeleTech's 1999 Stock Option and Incentive Plan, was fully vested and set to expire in November, 2015. The Stock Purchase Agreement was approved by the independent members of TeleTech's Board of Directors who deemed it to be in the best interest of the company and all its shareholders.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("Litigation Reform Act"), relating to our future operations, expected financial condition and prospects, results of operation, continuation of client relationships, and other business matters that are based on our current expectations, assumptions, business strategy, and projections with respect to the future, and are not a guarantee of performance. Forward-looking statements may appear throughout this report, including without limitation, the following sections: Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A, "Risk Factors." Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will be," "will contilizely result," and similar expressions. When we discuss our strategy, plans, goals, initiatives, or objectives, we are making forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Litigation Reform Act.

We caution you not to rely unduly on any forward-looking statements. Actual results may differ materially from what is expressed in the forward-looking statements, and you should review and consider carefully the risks, uncertainties and other factors that affect our business and may cause such differences, as outlined but are not limited to factors discussed in the "Risk Factors" section of our 2014 Annual Report on Form 10-K. The risk factors we wish for you to be aware of in particular include but are not limited to the risk inherent in the volatile and uncertain economic conditions, the fact that a large portion of our revenue is generated from a limited number of clients and the loss of one or more of these clients or a large portion of one client's business could have adversely effect on our results of operations, the risk of client consolidation, the possibility that the current trend among clients to outsource their customer care may not continue, the competitiveness of our markets, the risk of information systems breach and related impact on our clients and their data, our geographic concentration, the risk inherent in the terms of our contracts that we do not always have the opportunity to negotiate, the risk related to our international footprint, how our foreign currency exchange risk can adversely impact our results of operations, the risk of changes in law that impact our business and our ability to comply with all the laws that relate to our operations, the risk related to the reliability of the information infrastructure that we use and our ability to deliver uninterrupted service to our clients, the risk of not being able to forecast demand for services accurately and the related impact on capacity utilization, our inability to attract and retain qualified and skilled personnel, impact of changing technologies on our services and solutions, the restrictive covenants contained in our credit facility that may impact our ability to execute our strategy and operate our business, the supply chain disruption related risk, the risk to innovation due to unforeseen intellectual property infringement, the risk related to our M&A activity and our ability to identify, acquire and properly integrate acquired businesses in accordance with our strategy, the controlling shareholder risk, and the volatility of our stock price that may result in loss of investment.

The forward-looking statements are based on information available as of the date that this Form 10-Q is filed with the United States Securities and Exchange Commission ("SEC") and we undertake no obligation to update them, except as may be required by applicable laws. They are based on numerous assumptions and developments that are not within our control. Although we believe these forward-looking statements are reasonable, we cannot assure you they will turn out to be correct.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

Executive Summary

TeleTech Holdings, Inc. ("TeleTech", "the Company", "we", "our" or "us") is a customer engagement management service provider that delivers integrated consulting, technology, growth and customer care solutions on a global scale. Our suite of product and service capabilities allows us to design and deliver enhanced, value-driven customer experiences across numerous communication channels. Our solutions are supported by 41,000 employees delivering services in 24 countries from 65 delivery centers on six continents. Our revenue for the quarter ended September 30, 2015 was \$309 million.

Since our establishment in 1982, we have helped clients strengthen their customer relationships, brand recognition and loyalty through customer engagement solutions. We deliver thought leadership, technology and innovation that create customer strategies designed to differentiate our clients from their competition; data analytics that personalize interactions and increase customer value; and integration services that connect clients' customer relationship management ("CRM") system to a cloud-based collaboration platform, leading to customer interactions that are seamless and relevant.

Our services are value-oriented, outcome-based, and delivered on a global scale across all of our business segments: Customer Management Services ("CMS"), Customer Growth Services ("CGS"), Customer Technology Services ("CTS") and Customer Strategy Services ("CSS"). Our integrated customer experience platform differentiates the Company by combining strategic consulting, data analytics, process optimization, system design and integration, operational excellence, and technology solutions and services.

We have developed tailored expertise in the automotive, communications, financial services, government, healthcare, logistics, media and entertainment, retail, technology, travel and transportation industries. We target customer-focused industry leaders in the Global 1000 and serve more than 270 global clients.

To improve our competitive position in a rapidly changing market and stay strategically relevant to our clients, we continue to invest in innovation and growth businesses, diversifying our traditional business process outsourcing services of our CMS segment into higher-value consulting, data analytics, digital marketing and technology-enabled services. Of the \$309.2 million in revenue we reported in the current period, approximately 31% or \$96.5 million came from the CGS, CTS and CSS segments (our "Emerging Segments"), focused on customer-centric strategy, growth

or technology-based services, with the remainder of our revenue coming from the traditional business process outsourcing focused CMS segment.

Consistent with our growth and diversification strategy, we continue to invest in technology differentiation, analytics, cloud computing and digital marketing. We also invest in businesses that accelerate our strategy: in 2014, we acquired Sofica Group, a Bulgarian customer management services company which provides our clients with the capabilities of 18 additional languages while contributing to the geographic and time zone diversity of our footprint; and rogenSi, a global leadership, change management and sales consulting company that further diversifies our consulting offerings.

Our strong balance sheet, cash flows from operations and access to debt and capital markets have historically provided us the financial flexibility to effectively fund our organic growth, capital expenditures, strategic acquisitions and incremental investments. Additionally, we continue to return capital to our shareholders via an ongoing stock repurchase program. As of September 30, 2015, our cumulative authorized repurchase allowance was \$662.3 million, of which we repurchased 42.7 million shares for \$642.1 million. For the period from September 30, 2015 through November 2, 2015, we repurchased 23 thousand additional shares. The stock repurchase program does not have an expiration date.

On February 24, 2015, our Board of Directors adopted a dividend policy, with the intent to distribute a periodic cash dividend to stockholders of our common stock, after consideration of, among other things, TeleTech's performance, cash flows, capital needs and liquidity factors. Given our cash flow generation and balance sheet strength, we believe cash dividends and early returns to shareholders through share repurchases, in balance with our investments in innovation and strategic acquisitions, align shareholder interests with the needs of the Company. The initial dividend of \$0.18 per common share was paid on March 16, 2015 to shareholders of record as of March 6, 2015. An additional dividend of \$0.18 per common share was paid on October 14, 2015 to shareholders of record as of September 30, 2015.

Our Integrated Service Offerings and Business Segments

We operate our business utilizing four operating and reportable segments, which provide an integrated set of services offering through design, technology enablement, management and growth:

Customer Strategy Services

We typically begin by engaging our clients at a strategic level. Through our strategy, change management and analytics-driven consulting expertise, we help our clients design, build and execute their customer engagement strategies. We help our clients to better understand and predict their customers' behaviors and preferences along with their current and future economic value. Using proprietary analytic models, we provide the insight clients need to build the business case for customer centricity, to better optimize their marketing spend and then work alongside them to help implement our recommendations. A key component of this segment involves instilling a high performance culture through management and leadership alignment and process optimization.

Customer Technology Services

Once the design of the customer engagement is completed, our ability to architect, deploy and host or manage the client's customer management environment becomes a key enabler to achieving and sustaining the client's customer engagement vision. Given the proliferation of mobile communication technologies and devices, we enable our clients' operations to interact with their customers across the growing array of channels including email, social networks, mobile, web, SMS text, voice and chat. We design, implement and manage cloud, on-premise or hybrid customer management environments to deliver a consistent and superior experience across all touch points on a global scale that we believe result in higher quality, lower costs and reduced risk for our clients. Through our proprietary HumanifyTM technology, we also provide data-driven context aware SaaS-based solutions that link customers seamlessly and directly to appropriate resources, any time and across any channel.

Customer Management Services

We design and manage clients' front-to-back office processes to deliver just-in-time, personalized, multi-channel interactions. Our front-office solutions seamlessly integrate voice, chat, email, e-commerce and social media to optimize the customer experience for our clients. In addition, we manage certain client back-office processes to enhance their customer-centric view of relationships and maximize operating efficiencies. Our delivery of integrated business processes via our onshore, offshore or work-from-home associates reduces operating costs and allows customer needs to be met more quickly and efficiently, resulting in higher satisfaction, brand loyalty and a stronger competitive position for our clients.

Customer Growth Services

We offer integrated sales and marketing solutions to help our clients boost revenue in new, fragmented or underpenetrated business-to-consumer or business-to-business markets. We deliver approximately \$1 billion in client revenue annually via the acquisition, growth and retention of customers through a combination of our highly trained, client-dedicated sales professionals and our proprietary Revana Analytic Multichannel PlatformTM. This platform continuously aggregates individual customer information across all channels into one holistic view so as to ensure more relevant and personalized communications. As a result of our acquisition of the digital agency Web Metro, we have developed an integrated marketing-to-sales platform that links online

searches to live sales through a closed loop, multichannel interface. This platform uses proprietary tools and methodology to capture and use more than 400 marketing and sales data points to engage with customers in relevant conversations.

Based on our clients' requirements, we provide our services on an integrated cross-business segment and on a discrete basis.

We are currently providing services to clients in the following verticals for each segment:

CMS	CGS	CTS	CSS	
Automotive	Automotive	Communication	Automotive	
Communication	Communication	Financial Services	Communication	
Financial Services	Financial Services	Government	Financial Services	
Government	Healthcare	Healthcare	Healthcare	
Healthcare	Logistics	Media and Entertainment	Media and Entertainment	
Media and Entertainment	Media and Entertainment	Retail	Technology	
Retail	Technology	Technology		
Travel and Transportation				
Technology				

In the third quarter of 2015, our revenue increased 1.1% to \$309.2 million over the same period in 2014 despite a decrease of 6.7% or \$20.4 million due to foreign currency fluctuations, primarily the Australian dollar and the Brazilian Real. This increase in revenue is comprised of growth in the CGS, CTS and CSS segments offset by a decrease in the CMS segment due to the foreign currency fluctuations. Revenue, adjusted for the \$20.4 million decrease related to foreign exchange, increased by \$23.7 million, or 7.8%, over the prior year.

Our third quarter 2015 income from operations decreased 26.7% to \$15.6 million or 5.1% of revenue, from \$21.3 million or 7.0% of revenue in the third quarter of 2014. This decrease is due to a goodwill impairment of \$3.1 million for our WebMetro reporting unit (see Part 1. Item I. Financial Statements, Note 5 to the Consolidated Financial Statements), the adverse impact of foreign currency fluctuations, additional investment in sales, research and development and lower capacity utilization due to the build out of a super site for one of our largest clients as well as the initial ramp of several centers in anticipation of the seasonal volumes in the fourth and first quarters. These were partially offset by organic revenue growth and income from the recent acquisitions. Income from operations in the third quarter of 2015 and 2014 included \$3.7 million and \$0.6 million of restructuring charges and asset impairments, respectively.

Our offshore delivery centers serve clients based in the U.S. and in other countries and spans five countries with 22,000 workstations and representing 64% of our global delivery capability. Revenue for our CMS and CGS segments that is provided in these offshore locations was \$110 million and represented 44% of our revenue for the third quarter of 2015, as compared to \$115 million and 45% of our revenue for 2014.

Our cash flow from operations and available credit allowed us to finance a significant portion of our capital needs and stock repurchases through internally generated cash flows. At September 30, 2015, we had \$86.2 million of cash and cash equivalents, total debt of \$122.9 million, and a total debt to total capitalization ratio of 22.6%.

We internally target capacity utilization in our delivery centers at 80% to 90% of our available workstations. As of September 30, 2015, the overall capacity utilization in our multi-client centers was 69%. The table below presents workstation data for our multi-client centers as of September 30, 2015 and 2014. Dedicated and Managed Centers (7,876 and 5,401 workstations, at September 30, 2015 and 2014, respectively) are excluded from the workstation data as unused workstations in these facilities are not available for sale. Our utilization percentage is defined as the total number of utilized production workstations compared to the total number of

available production workstations. We may change the designation of shared or dedicated centers based on the normal changes in our business environment and client needs.

	September 30, 2015 Total Production Workstations In Use		% In Use		September 30, 2 Total Production Workstations	In Use	% In Use Use	
Multi-client centers								
Sites open >1 year	25,539	17,389	68	%	24,099	19,622	81	%
Sites open <1 year	1,153	1,004	87	%	441	394	89	%
Total multi-client centers	26,692	18,393	69	%	24,540	20,016	82	%

The reduction in utilization in the third quarter of 2015 compared to the third quarter of 2014 is due to the build out of a new supersite for one of our largest clients which should be complete by year-end. We are also seeing a reduction in utilization due to the ramp of several centers in anticipation of seasonal volumes.

While we continue to see demand from all geographic regions to utilize our offshore delivery capabilities and expect this trend to continue with our clients, some of our clients have regulatory pressures to bring the services onshore to the United States. In light of these trends we plan to continue to selectively retain and grow capacity and expand into new offshore markets, while maintaining appropriate capacity in the United States. As we grow our offshore delivery capabilities and our exposure to foreign currency fluctuations increases, we continue to actively manage this risk via a multi-currency hedging program designed to minimize operating margin volatility.

Recently Issued Accounting Pronouncements

Refer to Part I, Item I, Financial Statements, Note 1 to the Consolidated Financial Statements for a discussion of recently issued accounting pronouncements.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. We regularly review our

estimates and assumptions. These estimates and assumptions, which are based upon historical experience and on various other factors believed to be reasonable under the circumstances, form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Reported amounts and disclosures may have been different had management used different estimates and assumptions or if different conditions had occurred in the periods presented. For further information, please refer to the discussion of all critical accounting policies in Note 1 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2014.

Results of Operations

Three months ended September 30, 2015 compared to three months ended September 30, 2014

The tables included in the following sections are presented to facilitate an understanding of Management's Discussion and Analysis of Financial Condition and Results of Operations and present certain information by segment for the three months ended September 30, 2015 and 2014 (amounts in thousands). All inter-company transactions between the reported segments for the periods presented have been eliminated.

Customer Management Services

	Three			
	Months Ended	September 30,		
	2015	2014	\$ Change	% Change
Revenue	\$ 212,690	\$ 226,814	\$ (14,124)	(6.2) %
Operating Income	8,930	18,625	(9,695)	(52.1) %
Operating Margin	4.2 %	8.2 %		

The decrease in revenue for the Customer Management Services segment was attributable to a \$9.4 million net increase in client programs offset by program completions of \$6.4 million. Revenue was further impacted by a \$17.1 million reduction due to foreign currency fluctuations, primarily the Australian dollar and the Brazilian Real.

The operating income as a percentage of revenue decreased to 4.2% in the third quarter of 2015 as compared to 8.2% in the prior period. The operating margin, as with revenue, was negatively impacted by foreign currency fluctuations and decreased as a result of a number of growth related investments in CMS including increased spend in sales, marketing and research and development. The decrease is also attributable to the build out of a super site for one of our largest clients and the ramp of several centers in anticipation of the higher seasonal volumes. Included in the operating income was amortization related to acquired intangibles of \$0.1 million and \$0.2 million for the quarters ended September 30, 2015 and 2014, respectively.

Customer Growth Services

	Three			
	Months Ended	September 30,		
	2015	2014	\$ Change	% Change
Revenue	\$ 33,853	\$ 28,765	\$ 5,088	17.7 %
Operating Income (Loss)	(257)	1,800	(2,057)	(114.3) %
Operating Margin	(0.8) %	6.3		

The increase in revenue for the Customer Growth Services segment was due to a \$8.6 million increase in client programs offset by program completions of \$1.6 million and a \$1.9 million reduction due to foreign currency fluctuations.

The operating loss as a percentage of revenue was (0.8)% in the third quarter of 2015 as compared to income of 6.3% in the prior period. This decrease was primarily driven by a \$3.1 million goodwill impairment for the WebMetro reporting unit (see Part 1. Item I. Financial Statements, Note 5 to the Consolidated Financial Statements). This was partially offset by increased profits from additional business booked during 2015. Included in the operating income was amortization related to acquired intangibles of \$0.7 million and \$0.7 million for the quarters ended September 30, 2015 and 2014, respectively.

Customer Technology Services

	Three			
	Months Ended	September 30,		
	2015	2014	\$ Change	% Change
Revenue	\$ 42,134	\$ 35,194	\$ 6,940	19.7 %
Operating Income (Loss)	3,774	(286)	4,060	(1,419.6) %
Operating Margin	9.0 %	(0.8) %		

The increase in revenue for the Customer Technology Services segment was related to increases in the Cisco product offerings including a 20% increase in recurring revenue for the cloud and managed services solutions.

The operating income as a percentage of revenue increased to 9.0% in the third quarter of 2015 as compared to a loss of 0.8% in the prior period. The improvement in operating income margin is attributable to increased revenue in combination with lower selling, general and administrative expenses. Also as the revenue grows for

the cloud and managed services solutions, the margins increase due to higher utilization of fixed expenses. Included in the operating income was amortization related to acquired intangibles of \$1.1 million and \$1.1 million for the quarters ended September 30, 2015 and 2014, respectively.

Customer Strategy Services

	Three			
	Months Ended	d September 30,		
	2015	2014	\$ Change	% Change
Revenue	\$ 20,518	\$ 15,127	\$ 5,391	35.6 %
Operating Income	3,178	1,184	1,994	168.4 %
Operating Margin	15.5 %	7.8 %		

The increase in revenue for the Customer Strategy Services segment was primarily related to the acquisition of rogenSi in August 2014, as well as organic growth across several of our geographies and practices including our analytics and operations and technology practices offset by a \$1.2 million reduction due to foreign exchange fluctuations.

The operating income as a percentage of revenue increased to 15.5% in the third quarter of 2015 as compared to 7.8% in the prior period. The operating income increase was related to organic revenue growth of our analytics and operations and technology practices and the acquisition of rogenSi. Included in the operating income was amortization expense of \$0.5 million and \$0.5 million for the quarters ended September 30, 2015 and 2014, respectively.

Interest Income (Expense)

For the three months ended September 30, 2015 interest income decreased to \$0.2 million from \$0.5 million in the same period in 2014. Interest expense increased to \$2.3 million during 2015 from \$1.6 million during 2014 primarily due to interest on tax filings.

Other Income (Expense), Net

Included in the three months ended September 30, 2015 was a \$0.8 million expense related to a fair value adjustment of contingent consideration for one of our acquisitions (see Part I. Item 1. Financial Statements, Note 7 to the

Consolidated Financial Statements).

Included in the three months ended September 30, 2014 was a \$1.8 million expense offset by a \$1.7 million benefit related to fair value adjustments of contingent consideration for two of our acquisitions (see Part 1, Item 1. Financial Statements, Note 7 to the Consolidated Financial Statements).

Income Taxes

The effective tax rate for the three months ended September 30, 2015 was 8.7%. This compares to an effective tax rate of 28.2% for the comparable period of 2014. The effective tax rate for the three months ended September 30, 2015 was influenced by earnings in international jurisdictions currently under an income tax holiday and the distribution of income between the U.S. and international tax jurisdictions. Without \$0.2 million of expense related to return to provision adjustments, \$0.2 million of benefit related to restructuring charges, \$0.2 million benefit related to adjustments for contingent payments, and a \$1.3 million of benefit related to the impairment of goodwill, the Company's effective tax rate for the third quarter would have been 15.3%.

Results of Operations

Nine months ended September 30, 2015 compared to nine months ended September 30, 2014

The tables included in the following sections are presented to facilitate an understanding of Management's Discussion and Analysis of Financial Condition and Results of Operations and present certain information by

segment for the nine months ended September 30, 2015 and 2014 (in thousands). All inter-company transactions between the reported segments for the periods presented have been eliminated.

Customer Management Services

	Nine Months I	Ended Se	ptember 30	,			
	2015	20	014		\$ Change	% Change	•
Revenue	\$ 675,015	\$	673,421		\$ 1,594	0.2	%
Operating Income	43,956		55,941		(11,985)	(21.4)	%
Operating Margin	6.5	%	8.3	%			

The increase in revenue for the Customer Management Services segment was attributable to a \$62.6 million net increase in client programs offset by program completions of \$20.0 million. Revenue was further impacted by a \$41.0 million reduction due to foreign currency fluctuations, primarily the Australian dollar and the Brazilian Real.

The operating income as a percentage of revenue decreased to 6.5% in the nine months ended September 30, 2015 as compared to 8.3% in the prior period. The operating margin, as with revenue, was negatively impacted by foreign currency fluctuations and decreased as a result of a number of growth related investments in CMS including increased spend in sales, marketing and research and development. The decrease is also attributable to the build out of a super site for one of our largest clients and the ramp of several centers in anticipation of the higher seasonal volumes. Included in the operating income was amortization related to acquired intangibles of \$0.6 million and \$0.5 million for the nine months ended September 30, 2015 and 2014, respectively.

Customer Growth Services

	Ni	ine Month	s Ende	d Se _l	ptember 30),			
	20)15		20)14		\$ Change	% Chang	ge
Revenue	\$	90,379		\$	86,545		\$ 3,834	4.4	%
Operating Income		1,891			5,401		(3,510)	(65.0)	%
Operating Margin		2.1	%		6.2	%			

The increase in revenue for the Customer Growth Services segment was due to a \$15.5 million increase in client programs offset by program completions of \$7.7 million and a \$4.0 million reduction due to foreign currency fluctuations.

The operating income as a percentage of revenue decreased to 2.1% in the September 30, 2015 as compared to 6.2% in the prior period. This decrease was primarily driven by a \$3.1 million goodwill impairment for the WebMetro reporting unit (see Part 1, Item 1. Financial Statements, Note 5 to the Consolidated Financial Statements), the completion of established programs and decreases due to foreign currency fluctuations. These were partially offset by increased profits from additional business booked during 2015. Included in the operating income was amortization related to acquired intangibles of \$2.0 million and \$2.0 million for the nine months ended September 30, 2015 and 2014, respectively.

Customer Technology Services

	Nine Month	s Ended S	eptember 30),	
	2015		2014	\$ Change	% Change
Revenue	\$ 115,935	9	5 103,707	\$ 12,228	11.8 %
Operating Income	9,033		1,641	7,392	450.5 %
Operating Margin	7.8	%	1.6	%	

The increase in revenue for the Customer Technology Services segment was related to increases in both the Cisco and Avaya product offerings including recurring revenue for the cloud and managed services solutions.

The operating income as a percentage of revenue increased to 7.8% in the nine months ended September 30, 2015 as compared to 1.6% in the prior period. The improvement in operating income margin is attributable to increased revenue in combination with lower selling, general and administrative expenses. Also as the revenue grows for the cloud and managed services solutions, the margins increase due to higher utilization of fixed expenses. Included in the operating income was amortization related to acquired intangibles of \$3.1 million and \$3.4 million for the nine months ended September 30, 2015 and 2014, respectively.

Customer Strategy Services

	Nine Mon	ths Ended Se	ptember 30),			
	2015	20)14	\$ Ch	ange	% Change	•
Revenue	\$ 63,610	\$	39,938	\$ 23	,672	59.3	%
Operating Income	10,225	5	3,364	6,8	861	204.0	%
Operating Margin	16.1	%	8.4	%			

The increase in revenue for the Customer Strategy Services segment was primarily related to the acquisition of rogenSi in August 2014, as well as organic growth across several of our geographies and practices including our analytics and operations and technology practices offset by a \$3.1 million reduction due to foreign exchange fluctuations.

The operating income as a percentage of revenue increased to 16.1% in the nine months ended September 30, 2015 as compared to 8.4% in the prior period. The operating margin increase related to the organic revenue growth of our analytics and operations and technology practices and the acquisition of rogenSi. Included in the operating income was amortization expense of \$2.1 million and \$1.3 million for the nine months ended September 30, 2015 and 2014, respectively.

Interest Income (Expense)

For the nine months ended September 30, 2015 interest income decreased to \$0.9 million from \$1.5 million in the same period in 2014. Interest expense increased to \$5.7 million during 2015 from \$5.2 million during 2014 primarily related to interest on tax filings.

Other Income (Expense), Net

Included in the nine months ended September 30, 2015 was a \$0.5 million benefit and a \$0.8 million expense related to fair value adjustments of the contingent consideration for two of our acquisitions (see Part 1, Item 1. Financial Statements, Note 7 to the Consolidated Financial Statements for further details).

Included in the nine months ended September 30, 2014 was a \$4.0 million benefit, a \$1.7 million benefit and a \$1.8 million expense related to fair value adjustments of the contingent consideration for three of our acquisitions (see Part 1, Item 1. Financial Statements, Note 7 to the Consolidated Financial Statements for further details).

Income Taxes

The effective tax rate for the nine months ended September 30, 2015 was 21.9%. This compares to an effective tax rate of 20.6% for the comparable period of 2014. The effective tax rate for the nine months ended September 30, 2015 was influenced by earnings in international jurisdictions currently under an income tax holiday and the distribution of income between the U.S. and international tax jurisdictions. Without \$1.5 million of expense related to a reserve for uncertain tax positions, a \$0.6 million benefit related to restructuring charges, \$0.8 million of expense related to return to provision, \$0.5 million of benefit related to tax rate changes, a \$1.3 million benefit related to the impairment of goodwill, and \$0.2 million of benefit related to other discrete items recognized during the year, the Company's effective tax rate for the nine months ended September 30, 2015 would have been 20.7%.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash generated from operations, our cash and cash equivalents, and borrowings under our Credit Agreement, dated June 3, 2013 (the "Credit Agreement"). During the quarter ended September 30, 2015, we generated positive operating cash flows of \$116.2 million. We believe that our cash generated from operations, existing cash and cash equivalents, and available credit will be sufficient to meet expected operating and capital expenditure requirements for the next 12 months.

We manage a centralized global treasury function in the United States with a focus on concentrating and safeguarding our global cash and cash equivalents. While the majority of our cash is held outside the U.S., we prefer to hold U.S. Dollars in addition to the local currencies of our foreign subsidiaries. We expect to use our offshore cash to support working capital and growth of our foreign operations. While there are no assurances, we believe our global cash is protected given our cash management practices, banking partners and utilization of diversified, high quality investments.

We have global operations that expose us to foreign currency exchange rate fluctuations that may positively or negatively impact our liquidity. We are also exposed to higher interest rates associated with our variable rate debt. To mitigate these risks, we enter into foreign exchange forward and option contracts and interest rate swaps through our cash flow hedging program. Please refer to Item 3. Quantitative and Qualitative Disclosures About Market Risk, Foreign Currency Risk, for further discussion.

The following discussion highlights our cash flow activities during the nine months ended September 30, 2015 and 2014.

Cash and Cash Equivalents

We consider all liquid investments purchased within 90 days of their original maturity to be cash equivalents. Our cash and cash equivalents totaled \$86.2 million and \$77.3 million as of September 30, 2015 and December 31, 2014, respectively. We diversify the holdings of such cash and cash equivalents considering the financial condition and stability of the counterparty institutions.

We reinvest our cash flows to grow our client base, expand our infrastructure, for investment in research and development, for strategic acquisitions and the purchase of our outstanding stock.

Cash Flows from Operating Activities

For the nine months ended September 30, 2015 and 2014, net cash flows provided by operating activities was \$116.2 million and \$61.9 million, respectively. The increase was primarily due to an \$28.9 million increase in cash collected from accounts receivable, a \$14.3 million decrease in payments made for operating expenses, and a \$9.3 million increase in prepaid assets.

Cash Flows from Investing Activities

For the nine months ended September 30, 2015 and 2014, we reported net cash flows used in investing activities of \$59.8 million and \$76.0 million, respectively. The decrease was due to a decreased spending on acquisitions of \$22.1 million along with a \$3.1 million decrease in capital expenditures offset by a \$9.0 million investment made during the first three months of 2015.

Cash Flows from Financing Activities

For the nine months ended September 30, 2015 and 2014, we reported net cash flows used in financing activities of \$27.5 million and \$48.0 million, respectively. The change in net cash flows from 2014 to 2015 was primarily due to a \$30.7 million decrease in purchases of our outstanding common stock offset by \$8.7 million of dividends paid during the first three months of 2015 and a \$3.3 million increase for contingent consideration payments.

Free Cash Flow

Free cash flow (see "Presentation of Non-GAAP Measurements" below for the definition of free cash flow) increased for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 due to the increase in cash flows provided by operating activities and by a decrease in capital expenditures. Free cash flow was \$67.0 million and \$9.7 million for the nine months ended September 30, 2015 and 2014, respectively.

Presentation of Non-GAAP Measurements

Free Cash Flow

Free cash flow is a non-GAAP liquidity measurement. We believe that free cash flow is useful to our investors because it measures, during a given period, the amount of cash generated that is available for debt obligations and investments other than purchases of property, plant and equipment. Free cash flow is not a measure determined by GAAP and should not be considered a substitute for "income from operations," "net income," "net cash provided by operating activities," or any other measure determined in accordance with GAAP. We believe this non-GAAP liquidity measure is useful, in addition to the most directly comparable GAAP measure of "net cash provided by operating activities," because free cash flow includes investments in operational assets. Free cash flow does not represent residual cash available for discretionary expenditures, since it includes cash required for debt service. Free cash flow also includes cash that may be necessary for acquisitions, investments and other needs that may arise.

The following table reconciles net cash provided by operating activities to free cash flow for our consolidated results (in thousands):

	Three Months Ended September 30,		Nine Months Ended	
			September 3	30,
	2015	2014	2015	2014
Net cash provided by operating activities	\$ 30,651	\$ 30,276	\$ 116,164	\$ 61,907
Less: Purchases of property, plant and equipment	19,679	17,751	49,184	52,234
Free cash flow	\$ 10.972	\$ 12.525	\$ 66.980	\$ 9.673

Obligations and Future Capital Requirements

Future maturities of our outstanding debt and contractual obligations as of September 30, 2015 are summarized as follows (in thousands):

	Less than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
Credit Facility(1)	\$ 2,600	\$ 119,082	\$ —	\$ —	\$ 121,682
Contingent consideration	9,498	4,058	_	_	13,556
Purchase obligations	3,585	3,303	1,239	_	8,127
Operating lease commitments	37,070	54,793	23,328	3,378	118,569
Other debt	2,494	3,798	1,346	_	7,638
Total	\$ 55,247	\$ 185,034	\$ 25,913	\$ 3,378	\$ 269,572

Includes estimated interest payments based on the weighted-average interest rate, unused commitment fees, current interest rate swap arrangements, and outstanding debt as of September 30, 2015.

[·] Contractual obligations to be paid in a foreign currency are translated at the period end exchange rate.

[·] Purchase obligations primarily consist of outstanding purchase orders for goods or services not yet received, which are not recognized as liabilities in our Consolidated Balance Sheets until such goods and/or services are received.

• The contractual obligation table excludes our liabilities of \$3.6 million related to uncertain tax positions because we cannot reliably estimate the timing of cash payments.

Our outstanding debt is primarily associated with the use of funds under our Credit Agreement to fund working capital, repurchase our common stock, dividends, and other cash flow needs across our global operations.

Future Capital Requirements

We expect total capital expenditures in 2015 to be within the range of \$65 to \$70 million. Approximately 70% of these expected capital expenditures are to support growth in our business and 30% relates to the maintenance for existing assets. The anticipated level of 2015 capital expenditures is primarily driven by new client contracts and the corresponding requirements for additional delivery center capacity as well as enhancements to our technological infrastructure.

The amount of capital required over the next 12 months will depend on our levels of investment in infrastructure necessary to maintain, upgrade or replace existing assets. Our working capital and capital expenditure requirements could also increase materially in the event of acquisitions or joint ventures, among other factors. These factors could require that we raise additional capital through future debt or equity financing. We can provide no assurance that we will be able to raise additional capital upon commercially reasonable terms acceptable to us.

Client Concentration

During the nine months ended September 30, 2015, one of our clients represented 10.8% of our total revenue. Our five largest clients accounted for 37.0% and 39.3% of our consolidated revenue for the three months ended September 30, 2015 and 2014, respectively. Our five largest clients accounted for 35.8% and 38.3% of our consolidated revenue for the nine months ended September 30, 2015 and 2014, respectively. We have experienced long-term relationships with our top five clients, ranging from two to 19 years, with the majority of these clients having completed multiple contract renewals with us. The relative contribution of any single client to consolidated earnings is not always proportional to the relative revenue contribution on a consolidated basis and varies greatly based upon specific contract terms. In addition, clients may adjust business volumes served by us based on their business requirements. We believe the risk of this concentration is mitigated, in part, by the long-term contracts we have with our largest clients. Although certain client contracts may be terminated for convenience by either party, we believe this risk is mitigated, in part, by the service level disruptions and transition/migration costs that would arise for our clients.

The contracts with our five largest clients expire between 2016 and 2017. Several contracts expiring in 2016 are currently under renewal negotiations or are subject to evergreen provisions, pursuant to which the contract renews automatically unless notice is provided to the contrary. Additionally, a particular client may have multiple contracts with different expiration dates. We have historically renewed most of our contracts with our largest clients. However, there is no assurance that future contracts will be renewed, or if renewed, will be on terms as favorable as the existing contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our consolidated financial position, consolidated results of operations, or consolidated cash flows due to adverse changes in financial and commodity market prices and rates. Market risk also includes credit and non-performance risk by counterparties to our various financial instruments. We are exposed to market risk due to changes in interest rates and foreign currency exchange rates (as measured against the U.S. dollar); as well as credit risk associated with potential non-performance of our counterparty banks. These exposures are directly related to our normal operating and funding activities. We enter into derivative instruments to manage and reduce the impact of currency exchange rate changes, primarily between the U.S. dollar/Canadian dollar, the U.S. dollar/Philippine peso, the U.S. dollar/Mexican peso, and the Australian dollar/Philippine peso. We enter into interest rate derivative instruments to reduce our

exposure to interest rate fluctuations associated with our variable rate debt. To mitigate against credit and non-performance risk, it is our policy to only enter into derivative contracts and other financial instruments with investment grade counterparty financial institutions and, correspondingly, our derivative valuations reflect the creditworthiness of our counterparties. As of the date of this report, we have not experienced, nor do we anticipate, any issues related to derivative counterparty defaults.

Interest Rate Risk

We entered into interest rate derivative instruments to reduce our exposure to interest rate fluctuations associated with our variable rate debt. The interest rate on our Credit Agreement is variable based upon the Prime Rate and LIBOR and, therefore, is affected by changes in market interest rates. As of September 30, 2015, we had \$115.0 million of outstanding borrowings under the Credit Agreement. Based upon average outstanding borrowings during the three and nine months ended September 30, 2015, interest accrued at a rate of approximately 1.2% and 1.2% per annum, respectively. If the Prime Rate or LIBOR increased by 100 basis points during the quarter, there would not have been a material impact to our consolidated financial position or results of operations.

The Company's interest rate swap arrangements as of September 30, 2015 and December 31, 2014 were as follows:

				Contract	Contract
	Notional	Variable Rate	Fixed Rate	Commencement	Maturity
	Amount	Received	Paid	Date	Date
Swap 1	\$ 25 million	1 - month LIBOR	2.55 %	April 2012	April 2016
Swap 2	15 million	1 - month LIBOR	3.14 %	May 2012	May 2017
-	\$ 40 million			•	-

Foreign Currency Risk

Our subsidiaries in Bulgaria, Canada, Costa Rica, Mexico, and the Philippines use the local currency as their functional currency for paying labor and other operating costs. Conversely, revenue for these foreign subsidiaries is derived principally from client contracts that are invoiced and collected in U.S. dollars or other foreign currencies. As a result, we may experience foreign currency gains or losses, which may positively or negatively affect our results of operations attributed to these subsidiaries. For the nine months ended September 30, 2015 and 2014, revenue associated with this foreign exchange risk was 31% and 32% of our consolidated revenue, respectively.

In order to mitigate the risk of these non-functional foreign currencies weakening against the functional currencies of the servicing subsidiaries, which thereby decreases the economic benefit of performing work in these countries, we may hedge a portion, though not 100%, of the projected foreign currency exposure related to client programs served from these foreign countries through our cash flow hedging program. While our hedging strategy can protect us from adverse changes in foreign currency rates in the short term, an overall weakening of the non-functional foreign currencies would adversely impact margins in the segments of the servicing subsidiary over the long term.

Cash Flow Hedging Program

To reduce our exposure to foreign currency exchange rate fluctuations associated with forecasted revenue in non-functional currencies, we purchase forward and/or option contracts to acquire the functional currency of the foreign subsidiary at a fixed exchange rate at specific dates in the future. We have designated and account for these derivative instruments as cash flow hedges for forecasted revenue in non-functional currencies.

While we have implemented certain strategies to mitigate risks related to the impact of fluctuations in currency exchange rates, we cannot ensure that we will not recognize gains or losses from international transactions, as this is part of transacting business in an international environment. Not every exposure is or can be hedged

and, where hedges are put in place based on expected foreign exchange exposure, they are based on forecasts for which actual results may differ from the original estimate. Failure to successfully hedge or anticipate currency risks properly could adversely affect our consolidated operating results.

Our cash flow hedging instruments as of September 30, 2015 and December 31, 2014 are summarized as follows (amounts in thousands). All hedging instruments are forward contracts, except as noted.

As of September 30, 2015 Philippine Peso Mexican Peso	Local Currency Notional Amount 14,363,000 2,650,000	U.S. Dollar Notional Amount 321,071 (177,512 \$ 498,583	% Maturing in the next 12 months 1) 41.0 28.5	% %	Contracts Maturing Through February 2020 July 2020
As of Decemb Canadian Doll Philippine Pes Mexican Peso New Zealand	ar o	Local Currency Notional Amount 1,500 17,428,000 2,532,000 490	U.S. Dollar Notional Amount \$ 1,441 398,046 (1) 179,089 381 \$ 578,957		

⁽¹⁾ Includes contracts to purchase Philippine pesos in exchange for New Zealand dollars and Australian dollars, which are translated into equivalent U.S. dollars on September 30, 2015 and December 31, 2014.

The fair value of our cash flow hedges at September 30, 2015 was assets/(liabilities) (in thousands):

		Maturing in
		the
	September 30,	Next 12
	2015	Months
Philippine Peso	(19,984)	(8,544)
Mexican Peso	(27,440)	(9,831)
	\$ (47,424)	\$ (18,375)

Our cash flow hedges are valued using models based on market observable inputs, including both forward and spot foreign exchange rates, implied volatility, and counterparty credit risk. The decrease in fair value from September 30, 2015 largely reflects a broad strengthening in the U.S. dollar.

We recorded net losses of approximately \$8.2 million and \$2.8 million for settled cash flow hedge contracts and the related premiums for the nine months ended September 30, 2015 and 2014, respectively. These losses were reflected in Revenue in the accompanying Consolidated Statements of Comprehensive Income (Loss). If the exchange rates between our various currency pairs were to increase or decrease by 10% from current period-end levels, we would incur a material gain or loss on the contracts. However, any gain or loss would be mitigated by corresponding increases or decreases in our underlying exposures.

Other than the transactions hedged as discussed above and in Part I, Item 1. Financial Statements, Note 6 to the Consolidated Financial Statements, the majority of the transactions of our U.S. and foreign operations are denominated in their respective local currency. However, transactions are denominated in other currencies from time-to-time. We do not currently engage in hedging activities related to these types of foreign currency risks because we believe them to be insignificant as we endeavor to settle these accounts on a timely basis. For the nine months ended September 30, 2015 and 2014, approximately 23% and 24%, respectively, of revenue was

derived from contracts denominated in currencies other than the U.S. Dollar. Our results from operations and revenue could be adversely affected if the U.S. Dollar strengthens significantly against foreign currencies.

Fair Value of Debt and Equity Securities

We did not have any investments in debt or equity securities as of September 30, 2015 or December 31, 2014.

ITEM 4. CONTROLS AND PROCEDURES

This Report includes the certifications of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") required by Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Our management, including the CEO and CFO, believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must consider the benefits of controls relative to their costs. Inherent limitations within a control system include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. While the design of any system of controls is to provide reasonable assurance of the effectiveness of controls, such design is also based in part upon certain assumptions about the likelihood of future events, and such assumptions, while reasonable, may not take into account all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and may not be prevented or detected.

In connection with the preparation of this Quarterly Report on Form 10-Q, our management, with the participation of our CEO and our CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2015. Based on their evaluation, as of the end of the period covered by this Form 10-Q, our CEO and CFO have concluded that our disclosure controls and procedures were not effective because of the material weaknesses in our internal control over financial reporting described below. Based on this evaluation, our CEO and CFO also determined that these material weaknesses existed at March 31, 2015 and June 30, 2015, and therefore, they also concluded that we did not maintain effective disclosure controls and procedures as of those dates. Notwithstanding such material weaknesses in internal control over financial reporting, our CEO and CFO have concluded that the unaudited condensed consolidated financial statements included in this Form 10-Q and in the Form

10-Q filings for reporting periods ended March 31, 2015 and June 30, 2015 present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States and Article 10 of Regulation S-X of under the Exchange Act.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

During the quarter ended September 30, 2015, we identified three material weaknesses in our internal control over financial reporting as described below.

Table of Contents

Control Environment: We did not maintain an effective control environment as we did not have a sufficient complement of qualified personnel commensurate with our financial reporting requirements. The material weakness resulted from employee turnover and organizational changes experienced subsequent to the filing of our Form 10-K for the year ended December 31, 2014. This material weakness contributed to the following control deficiencies, each of which is considered to be a material weakness.

Account Reconciliations: We did not maintain effective controls over account reconciliations, including the failure to reconcile certain accounts and to review underlying financial information in the correct reporting period. As a result of this material weakness, we failed to identify errors in the accuracy and completeness of the preparation and review of account reconciliations associated with unbilled revenue, accrued expenses and telecommunications expense. This material weakness resulted in errors that were not material to the condensed consolidated financial statements for the quarters ended March 31, 2015, June 30, 2015, and September 30, 2015.

Journal Entries: We also did not maintain effective controls over the appropriate review and approval of journal entries at certain of our acquired entities, including maintaining appropriate supporting documentation. This material weakness did not result in the identification of any adjustments to the condensed consolidated financial statements.

Additionally, while the material weaknesses as of September 30, 2015, June 30, 2015, and March 31, 2015 did not result in errors that were material to our financial statements these material weaknesses could result in misstatements of the accounts and disclosures that would result in material misstatements of our consolidated financial statements which would not be prevented or detected.

Remediation Plan

In response to the identified material weaknesses, our management, with oversight from our audit committee, has dedicated appropriate resources and efforts to improve our control environment and to remedy the identified material weaknesses. To remediate the material weaknesses described above, we are in the process of implementing compensating controls and are enhancing the design of our existing disclosure controls and procedures to ensure proper review, accuracy and completeness of staff accounting reconciliations. We are also instituting training programs for accounting staff in jurisdictions where such additional training is needed, and reassessing our organizational structure to properly align roles and responsibilities in order to ensure that we have an adequate complement of properly trained personnel with appropriate skills and experience.

The material weaknesses will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control

The remediation activities related to implementing compensating controls, specifically balance sheet and income statement fluctuation analyses are changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Part I, Item 1. Financial Statements, Note 10 to the Consolidated Financial Statements of this Form 10-Q is hereby incorporated by reference.

ITEM 1A. RISK FACTORS

There were no material changes to the risk factors described in Item 1A. Risk Factors described in our Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Following is the detail of the issuer purchases made during the quarter ended September 30, 2015:

				Total Number of Shares	Va	proximate Dollar lue of Shares that
				Purchased as	Ma	ıy Yet Be
				Part of Publicly	Pu	rchased Under
	Total Number			Announced	the	Plans or
	of Shares	A۱	verage Price	Plans or	Pro	ograms (In
Period	Purchased	Pa	id per Share	Programs	tho	ousands)
June 30, 2015					\$	24,570
July 1, 2015 - July 31, 2015		\$			\$	24,570
August 1, 2015 - August 31, 2015	20,000	\$	26.18	20,000	\$	24,046
September 1, 2015 - September 30,						
2015	141,600	\$	27.02	141,600	\$	20,220
Total	161,600			161,600		

⁽¹⁾ In November 2001, our Board of Directors ("Board") authorized a stock repurchase program with the objective of increasing stockholder returns. The Board periodically authorizes additional increases to the program. The most recent Board authorization to purchase additional common stock occurred in February 2015, whereby the Board increased the program allowance by \$25.0 million. Since inception of the program through September 30, 2015, the Board has authorized the repurchase of shares up to a total value of \$662.3 million, of which we have purchased 42.7 million shares on the open market for \$642.1 million. As of September 30, 2015 the remaining amount authorized for repurchases under the program was approximately \$20.2 million. The stock repurchase program does not have an expiration date.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description
10.1	Stock Purchase Agreement by and between TeleTech Holdings, Inc. and Kenneth D. Tuchman, dated August 24, 2015 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on August 24, 2015 and incorporated herein by reference).
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Notes to the Consolidated Financial Statements, (ii) Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014 (unaudited), (iii) Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2015 and 2014 (unaudited), (iv) Consolidated Statements of Stockholders' Equity as of and for the nine months ended September 30, 2015 (unaudited), and (v) Consolidated Statements of Cash Flows for

the nine months ended September 30, 2015 and 2014 (unaudited).

SIGNATURES

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

TELETECH HOLDINGS, INC.

(Registrant)

Date: November 9, 2015 By: /s/ Kenneth D. Tuchman

Kenneth D. Tuchman

Chairman and Chief Executive Officer

Date: November 9, 2015 By: /s/ Regina M. Paolillo

Regina M. Paolillo Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Exhibit Description
10.1	Stock Purchase Agreement by and between TeleTech Holdings, Inc. and Kenneth D. Tuchman, dated August 24, 2015 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on August 24, 2015 and incorporated herein by reference).
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
*	Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Notes to the Consolidated Financial Statements, (ii) Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014 (unaudited), (iii) Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2015

and 2014 (unaudited), (iv) Consolidated Statements of Stockholders' Equity as of and for the nine months ended September 30, 2015 (unaudited), and (v) Consolidated Statements of Cash Flows for

the nine months ended September 30, 2015 and 2014 (unaudited).