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

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2009

or

o **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 1-12793

StarTek, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**84-1370538** (I.R.S. employer Identification No.)
44 Cook Street, 4th Floor **Denver, Colorado** (Address of principal executive offices)	**80206** (Zip code)

(303) 399-2400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 par value	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:
None

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.
Common Stock, $0.01 Par Value — 14,831,288 shares as of April 15, 2009.

Table of Contents

STARTEK, INC. AND SUBSIDIARIES

FORM 10-Q

INDEX

PART I. **FINANCIAL INFORMATION**

Item 1. Financial Statements (unaudited):

Condensed Consolidated Statements of Operations for the three months ended March 31, 2009 and 2008

Condensed Consolidated Balance Sheets as of March 31, 2009 and December 31, 2008

Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2009 and 2008

Notes to Condensed Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

PART II. **OTHER INFORMATION**

Item 1. Legal Proceedings

Item 1A. Risk Factors

Item 6. Exhibits

SIGNATURES

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including the following:

- certain statements, including possible or assumed future results of operations, in "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- any statements contained herein regarding the prospects for our business or any of our services;
- any statements preceded by, followed by or that include the words "may," "will," "should," "seeks," "believes," "expects," "anticipates," "intends," "continue," "estimate," "plans," "future," "targets," "predicts," "budgeted," "projections," "outlooks," "attempts," "is scheduled," or similar expressions; and
- other statements contained herein regarding matters that are not historical facts.

Our business and results of operations are subject to risks and uncertainties, many of which are beyond our ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date thereof. Important factors that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations, include, but are not limited to those items set forth in Item 1A. "Risk Factors" appearing in our Annual Report on Form 10-K for the year ended December 31, 2008.

Part I. Financial Information

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

STARTEK, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Dollars in thousands, except per share data)
(Unaudited)

Three Months Ended March 31,

	2009	2008
Revenue	$ 70,711	$ 64,583
Cost of services	59,988	55,116
Gross profit	10,723	9,467
Selling, general and administrative expenses	9,692	10,090
Impairment losses and restructuring charges	6,437	108
Operating loss	(5,406)	(731)
Net interest and other (expense) income	(75)	310
Loss from continuing operations before income taxes	(5,481)	(421)
Income tax benefit	(1,493)	(18)
Net loss from continuing operations	(3,988)	(403)
Income from discontinued operations, net of tax (including gain on disposal of $6,937 during the three months ended March 31, 2009)	4,640	72
Net income (loss)	$ 652	$ (331)
Basic and diluted net income (loss) per share from:		
Continuing operations	$ (0.27)	$ (0.03)
Discontinued operations	0.31	0.01
Net income (loss)	$ 0.04	$ (0.02)

See notes to condensed consolidated financial statements.

Table of Contents

STARTEK, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Dollars in thousands, except share and per share data)

	As of March 31, 2009 (Unaudited)	As of December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 26,096	$ 9,580
Investments	1,982	8,437
Trade accounts receivable, less allowance for doubtful accounts of $32 and $32, respectively	49,327	51,510
Income tax receivable	2,410	2,675
Deferred income tax assets	2,124	2,185
Prepaid expenses and other current assets	2,813	3,273
Total current assets	84,752	77,660
Property, plant and equipment, net	54,644	59,608
Long-term deferred income tax assets	8,047	8,946
Other assets	618	650
Total assets	$ 148,061	$ 146,864
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Accounts payable	$ 3,708	$ 6,193
Derivative liability	1,842	2,323
Accrued liabilities:		
Accrued payroll	8,407	9,158
Accrued compensated absences	4,885	4,856
Accrued restructuring costs	1,948	995
Other accrued liabilities	3,022	2,317
Current portion of long-term debt	3,349	3,366
Other current liabilities	852	883
Total current liabilities	28,013	30,091
Long-term debt, less current portion	2,535	3,455
Accrued restructuring costs	4,696	1,714
Deferred rent liability	4,301	4,501
Other liabilities	76	84
Total liabilities	39,621	39,845
Commitments and contingencies		
Stockholders’ equity:		
Common stock, 32,000,000 non-convertible shares, $0.01 par value, authorized; 14,833,288 and 14,813,912 shares issued and outstanding at March 31, 2009 and December 31, 2008, respectively	148	148
Additional paid-in capital	64,959	64,440
Accumulated other comprehensive loss, net of tax	(165)	(415)

Retained earnings	43,498	42,846
Total stockholders' equity	108,440	107,019
Total liabilities and stockholders' equity	$ 148,061	$ 146,864

See notes to condensed consolidated financial statements.

Table of Contents

STARTEK, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
Operating Activities		
Net income (loss)	$ 652	$ (331)
Income from discontinued operations	4,640	72
Loss from continuing operations	(3,988)	(403)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	4,011	4,400
Impairment of property, plant and equipment	1,756	—
Non-cash compensation cost	465	373
Deferred income taxes	746	(453)
Other, net	(3)	16
Changes in operating assets and liabilities:		
Trade accounts receivable, net	2,181	(7,504)
Prepaid expenses and other assets	449	570
Accounts payable	(2,558)	(1,592)
Income taxes, net	276	899
Accrued and other liabilities	3,855	638
Net cash provided by (used in)continuing operating activities	7,190	(3,056)
Cash (used in) provided by discontinued operating activities	(2,335)	72
Net cash provided by (used in) operating activities	4,855	(2,984)
Investing Activities		
Purchases of investments available for sale	—	(5,624)
Proceeds from disposition of investments available for sale	6,530	4,954
Purchases of property, plant and equipment	(1,236)	(3,946)
Net cash provided by (used in) continuing investing activities	5,294	(4,616)
Cash provided by discontinued investing activities	7,075	—
Net cash provided by (used in) investing activities	12,369	(4,616)
Financing Activities		
Principal payments on borrowings	(801)	(1,308)
Principal payments on line of credit	(22,236)	(9,290)
Proceeds from line of credit	22,236	10,962
Proceeds from issuance of common stock	53	—
Principal payments on capital lease obligations	(17)	(11)
Net cash (used in) provided by continuing financing activities	(765)	353
Cash provided by discontinued financing activities	—	—
Net cash (used in) provided by financing activities	(765)	353
Effect of exchange rate changes on cash	57	(430)
Net increase (decrease) in cash and cash equivalents	16,516	(7,677)
Cash and cash equivalents at beginning of period	9,580	23,026
Cash and cash equivalents at end of period	$ 26,096	$ 15,349
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 98	$ 161
Income taxes paid	$ 269	$ 503
Property, plant and equipment acquired or refinanced under long-term debt	$ —	$ 385

See notes to condensed consolidated financial statements.

Table of Contents

STARTEK, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. These financial statements reflect all adjustments (consisting only of normal recurring entries, except as noted) which, in the opinion of management, are necessary for fair presentation. Operating results during the three months ended March 31, 2009, are not necessarily indicative of operating results that may be expected during any other interim period of 2009 or the year ending December 31, 2009.

The consolidated balance sheet as of December 31, 2008, was derived from audited financial statements at that date, but does not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the StarTek, Inc. Annual Report on Form 10-K for the year ended December 31, 2008.

Certain reclassifications have been made to 2008 information to conform to 2009 presentation due to the presentation of discontinued operations (see Note 5).

Unless otherwise noted in this report, any description of "us" refers to StarTek, Inc. and our subsidiaries. The assets and liabilities of our foreign operations that are recorded in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the balance sheet date. Revenues and expenses are translated at the weighted-average exchange rate during the reporting period.

Recently Adopted Accounting Pronouncements

Effective January 1, 2009, we adopted Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("SFAS No. 157") for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value on a recurring basis (at least annually) for which SFAS No. 157 was previously adopted. Refer to Note 9, "Fair Value Measurements," of this Form 10-Q for additional information on the adoption of SFAS No. 157.

Effective January 1, 2009, we adopted FASB No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 requires entities to provide greater transparency through additional disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations and cash flows. Refer to Note 8, "Derivative Instruments," of this Form 10-Q for additional information on the adoption of SFAS No. 161.

We adopted FASB No. 141(R), "Business Combinations" ("SFAS No. 141(R)"), which significantly changed the accounting for and reporting of business combination transactions. This standard was effective for us for business combination transactions for which the acquisition date was on or after January 1, 2009. No business combination transactions occurred during the three months ended March 31, 2009.

2. SEGMENT INFORMATION

We operate within three business segments, U.S., Canada and Offshore. The business segments align with those regions in which our services are rendered. As of March 31, 2009, the U.S. segment included the operations of our thirteen facilities in the U.S., the Canada segment included the operations of our five facilities in Canada and the Offshore segment included the operations of our facility in Makati City, Philippines. We use gross profit as our measure of profit and loss for each business segment and do not allocate selling, general and administrative expenses to our business segments.

Information about our reportable segments, which correspond to the geographic areas in which we operate, is as follows:

	For the Three Months Ended March 31, 2009	2008
Revenue:		
United States	$ 49,364	$ 39,958
Canada	19,181	24,625
Offshore	2,166	—
Total	$ 70,711	$ 64,583
Gross profit:		
United States	$ 8,797	$ 8,006
Canada	1,746	1,461
Offshore	180	—
Total	$ 10,723	$ 9,467

3. NET INCOME (LOSS) PER SHARE

Basic and diluted net income (loss) per common share is computed on the basis of our weighted average number of common shares outstanding, as determined by using the calculations outlined below:

	Three Months Ended March 31, 2009	2008
Loss from continuing operations	$ (3,988)	$ (403)

Income from discontinued operations, net of tax	4,640	72
Net income (loss)	$ 652	$ (331)
Weighted average shares of common stock	14,753	14,705
Dilutive effect of stock options	—	—
Common stock and common stock equivalents	14,753	14,705
Basic net income (loss) per share from:		
Continuing operations	$ (0.27)	$ (0.03)
Discontinued operations	0.31	0.01
Net income (loss)	$ 0.04	$ (0.02)
Diluted net income (loss) per share from:		
Continuing operations	$ (0.27)	$ (0.03)
Discontinued operations	0.31	0.01
Net income (loss)	$ 0.04	$ (0.02)

Diluted earnings per share is computed on the basis of our weighted average number of common shares outstanding plus the effect of dilutive outstanding stock options and non-vested restricted stock using the treasury stock method. Anti-dilutive securities totaling 2,165 and 1,638 in the three months ended March 31, 2009 and 2008, respectively, were not included in our calculation due to our net loss from continuing operations during those periods.

4. IMPAIRMENT LOSSES AND RESTRUCTURING CHARGES

Impairment Losses

During the three months ended March 31, 2009, we incurred $1,756 of impairment losses in our Canadian segment, due to the impairment of certain long-lived assets for which the carrying value of those assets is not recoverable. These assets are located in a facility for which we are uncertain about our ability to generate future cash flows to support the carrying value of these assets. The

Table of Contents

long-lived assets include computer and telephone equipment, furniture and fixtures, leasehold improvements and software. Refer to Note 9, “Fair Value Measurements,” of this Form 10-Q, for additional information on the fair value measurements for all assets and liabilities that are measured at fair value in the Condensed Consolidated Financial Statements.

Restructuring Charges

In August 2007, August 2008, December 2008 and February 2009, we closed facilities in Hawkesbury, Ontario, Big Spring, Texas, Petersburg, Virginia and Regina, Saskatchewan, respectively. We have recorded restructuring charges related to lease costs and other expenses related to the facility closures. In accordance with Statement of Financial Accounting Standards No. 146, “Accounting for Costs Associated with Exit or Disposal Activities” (“SFAS No. 146”), we recognized the liability when it was incurred, instead of upon commitment to a plan. A significant assumption used in determining the amount of estimated liability incurred in closing a facility is the estimated liability for future lease payments on vacant facilities. If the assumptions regarding early termination and the timing and amounts of sublease payments prove to be inaccurate, we may be required to record additional losses, or conversely, a future gain, in our Condensed Consolidated Statements of Operations.

We expect to incur total restructuring charges related to our Canada segment of approximately $6,796 ($2,360 and $4,436 related to the Hawkesbury and Regina closures, respectively). We expect to incur total restructuring charges related to our U.S. segment of approximately $2,192 ($434 and $1,758 related to the Big Spring and Petersburg closures, respectively). The cumulative amount paid as of March 31, 2009 related to the closure of Hawkesbury, Regina, Big Spring and Petersburg is $1,020, $156, $424 and $456, respectively. We expect completion of the Hawkesbury, Petersburg and Regina restructuring plans no later than 2012, 2013 and 2013 respectively; however, it may be earlier depending on our ability to sublease the respective facility or buy-out the applicable lease. During February 2009, we bought out the remainder of the lease at the Big Spring facility for approximately $184 and expect to pay the remainder of the restructuring costs during the second quarter of 2009. Refer to Note 9, “Fair Value Measurements,” of this Form 10-Q, for additional information on the fair value measurements for all assets and liabilities, including restructuring charges, that are measured at fair value in the Condensed Consolidated Financial Statements.

A summary of the activity under the restructuring plans as of March 31, 2009, and changes during the three months ended March 31, 2009 is presented below:

	Facility-Related Costs						
	Hawkesbury	Regina	Canada Total	Big Spring	Petersburg	U.S. Total	Company Total
Balance as of January 1, 2009	$ 1,099	$ —	$ 1,099	$ 208	$ 1,402	$ 1,610	$ 2,709
Expense	16	4,436	4,452	31	198	229	4,681
Payments	(115)	(156)	(271)	(229)	(298)	(527)	(798)
Reclassification of long-term liability	—	136	136	—	(25)	(25)	111
Foreign currency translation adjustment	(35)	(24)	(59)	—	—	—	(59)
Balance as of March 31, 2009	$ 965	$ 4,392	$ 5,357	$ 10	$ 1,277	$ 1,287	$ 6,644

5. DISCONTINUED OPERATIONS

On February 25, 2009, we entered into an agreement to sell the assets of Domain.com, our wholly owned subsidiary, to A. Emmet Stephenson, Jr., Inc. (“Mr. Stephenson”) in exchange for cash of $7,075. The assets of Domain.com consist of domain names, trademarks and corporation names. We conducted an auction for the assets and received bids from multiple parties, including Mr. Stephenson. Mr. Stephenson presented the highest bid, which represented the

selling price, of $7,075 and the sale was completed effective February 25, 2009. Mr. Stephenson is one of our co-founders, has managed the Domain.com subsidiary since 2006 and owns approximately 20% of our common shares outstanding. Because the transaction involves a related party, the Audit Committee of our Board of Directors considered and approved the transaction.

The results of operations and cash flows of Domain.com have been reported in the Condensed Consolidated Statements of Operations as discontinued operations. The following table summarizes the results of discontinued operations:

Table of Contents

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Operating income from discontinued operations before income taxes	$ 27	$ 116
Gain on the sale of discontinued operations	6,937	—
Income tax expense	(2,324)	(44)
Income from discontinued operations, net of tax	$ 4,640	$ 72

6. PRINCIPAL CLIENTS

The following table represents revenue concentration of our principal clients.

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
AT&T, Inc.	64.7%	49.4%
T-Mobile, a subsidiary of Deutsche Telekom	20.8%	27.8%

Our work for AT&T Inc. (AT&T) is covered by several contracts for a variety of different lines of AT&T business. Our contract covering certain business care services with AT&T is currently being re-negotiated and has been extended through June 30, 2009, while the parties re-negotiate the agreement. These services represent approximately 35.2% of our revenue from AT&T for the three months ended March 31, 2009.

The loss of a principal client and/or changes in timing or termination of a principal client's product launch, volume delivery or service offering would have a material adverse effect on our business, revenue, operating results, and financial condition. To limit our credit risk, management from time to time will perform credit evaluations of our clients. Although we are directly impacted by the economic conditions in which our clients operate, management does not believe substantial credit risk existed as of March 31, 2009.

7. INVESTMENTS

Investments available for sale consisted of:

	Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
As of March 31, 2009:				
Corporate debt securities	$ 1,988	$ 6	$ (12)	$ 1,982
As of December 31, 2008:				
Corporate debt securities	$ 8,513	$ 9	$ (85)	$ 8,437

As of March 31, 2009, the investments in our portfolio have remaining contractual maturities within one year. There are two investments as of March 31, 2009 that have carried unrealized losses for longer than twelve months. However, we do not consider our investments to be other-than-temporarily impaired because we have the ability and intent to hold these investments until a market price recovery or maturity. Refer to Note 9, "Fair Value Measurements," of this Form 10-Q, for additional information on the fair value measurements for all assets and liabilities, including investments, that are measured at fair value in the Condensed Consolidated Financial Statements.

8. DERIVATIVE INSTRUMENTS

We use derivatives to partially offset our business exposure to foreign currency exchange risk. We enter into foreign currency exchange contracts to hedge our anticipated operating commitments that are denominated in foreign currencies. The contracts cover periods commensurate with expected exposure, generally within six months, and are principally unsecured foreign exchange contracts. The market risk exposure is essentially limited to risk related to currency rate movements. Our Canadian and Philippine subsidiaries' functional currencies are the Canadian dollar and the Philippine peso, respectively, which are used to pay labor and other operating costs in those countries. However, our client contracts primarily generate revenues which are paid to us in U.S. dollars. We have elected to follow cash flow hedge accounting under SFAS No. 133 in order to associate the results of the hedges with forecasted future expenses. The current mark-to-market gain or loss is recorded in accumulated other

Table of Contents

comprehensive income ("AOCI") as a component of stockholders' equity and will be re-classified to operations as the forecasted expenses are incurred, typically within one year. During the three months ended March 31, 2009 and 2008, our cash flow hedges were highly effective and there were no amounts charged to the Condensed Consolidated Statements of Operations for hedge ineffectiveness.

During the three months ended March 31, 2009 and 2008, these hedging commitments resulted in unrealized gains (losses), net of tax, of $294 and ($112), respectively. We realized losses of $1,652 and $208 during the three months ended March 31, 2009 and 2008, respectively. The realized gains and losses

were recognized in cost of services in our Condensed Consolidated Statements of Operations. During the first quarter of 2009, we entered into Canadian dollar forward contracts with Wells Fargo Bank for a notional amount of $13,500 Canadian dollars to hedge our foreign currency risk with respect to labor costs in Canada. As of March 31, 2009, we have not entered into any arrangements to hedge our exposure to fluctuations in the Philippine peso relative to the U.S. dollar.

The following table shows the notional principal of our derivative instruments as of March 31, 2009:

	Currency	Notional Principal
Instruments qualifying as accounting hedges:		
Foreign exchange contracts	Canadian dollar	CDN $45,000

The above foreign exchange contracts are to be delivered periodically through December 2009 at a purchase price which is no more than $37,846 and no less than $37,529. The estimates of fair value are based on applicable and commonly used pricing models and prevailing financial market information as of March 31, 2009. Refer to Note 9, "Fair Value Measurements," of this Form 10-Q, for additional information on the fair value measurements for all assets and liabilities, including derivative assets and derivative liabilities, that are measured at fair value in the Condensed Consolidated Financial Statements.

The following table shows our derivative instruments measured at gross fair value as reflected in the Condensed Consolidated Balance Sheet as of March 31, 2009:

	Fair value of derivatives designated as hedge instruments
Derivative assets:	
Foreign exchange contracts	$ 92
Derivative liabilities:	
Foreign exchange contracts	$ (1,934)

The following table shows the effect of our derivative instruments designated as cash flow hedges in the Condensed Consolidated Statement of Operations for the three months ended March 31, 2009:

	Three Months Ended March 31, 2009		
	Gain or (Loss) Recognized in AOCI	Gain (Loss) Reclassified from AOCI into Income	Location of Gain (Loss) Reclassified from AOCI into Income
Cash flow hedges:			
Foreign exchange contracts	$ 294	$ (1,652)	Cost of services

9. FAIR VALUE MEASUREMENTS

In the first quarter of 2009, we adopted SFAS No. 157 for all non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements. We had previously adopted SFAS No. 157 for all financial assets and liabilities. SFAS No. 157 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which

are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The levels of the fair value hierarchy under SFAS No. 157 are described below:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Investments

As of March 31, 2009 and December 31, 2008, our investments consisted entirely of corporate debt securities. Our corporate debt securities are valued using third-party broker statements. The value of the majority of our corporate debt securities is derived from quoted market information. The inputs to the valuation are generally classified as Level 1 given the active market for these securities, however, if an active market does not exist, the inputs are recorded at a lower level in the fair value hierarchy.

Derivative Instruments and Hedging Activities

Our derivative instruments are valued using third-party broker or counterparty statements. The value is derived from pricing models using inputs based upon market information, including contractual terms, market prices and yield curves. The inputs to the valuation pricing models are observable in the market, and as such are generally classified as Level 2 in the fair value hierarchy.

Restructuring Charges

SFAS No. 146 specifies that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, instead of upon commitment to an exit plan. On an ongoing basis, management assesses the profitability and utilization of our facilities and in some cases management has chosen to close facilities. Accrued restructuring costs were valued using a discounted cash flow model. Significant assumptions used in determining the amount of the estimated liability for closing a facility are the estimated liability for future lease payments on vacant facilities, which we determine based on a third-party broker's assessment of our ability to successfully negotiate early termination agreements with landlords and/or to sublease the facility, and the discount rate utilized to determine the present value of the future expected cash flows. If the assumptions regarding early termination and the timing and amounts of sublease payments prove to be inaccurate, we may be required to record additional losses, or conversely, a future gain, in the Condensed Consolidated Statements of Operations.

As described in Note 4, "Impairment Losses and Restructuring Charges," during the three months ended March 31, 2009, we closed our facility in Regina, Saskatchewan, which resulted in $4,436 of accrued restructuring costs. These costs were valued using a discounted cash flow model. The cash flows consist of the future lease payment obligations required under the lease agreement. We assumed that we would not sublease the vacant facility for the remainder of the lease term based on our knowledge of the Regina marketplace, as well as our historical inability to sublease our facilities in other locations in which we operate. In the future, if we are able to sublease the facility, we may be required to record a gain in the Condensed Consolidated Statements of Operations. Future cash flows also include estimated property taxes through the remainder of the lease term, which are valued based upon historical tax payments. The future cash flows were discounted using a rate of 3%. Given that the restructuring charges were valued using our internal estimates using a discounted cash flow model, we have classified the accrued restructuring costs as Level 3 in the fair value hierarchy.

Impairment of Long-Lived Assets

As described in Note 4, "Impairment Losses and Restructuring Charges," during the three months ended March 31, 2009, we recorded approximately $1,756 of impairment losses in our Canadian segment, due to the impairment of certain long-lived assets for which the

carrying value of those assets is not recoverable. These assets are located in a facility for which we do not have current customer commitments and therefore, we are uncertain about our ability to generate future cash flows to support the carrying value of these assets. The long-lived assets include computer and telephone equipment, furniture and fixtures, leasehold improvements and software. For assets which were not recoverable through future cash flows or could be used in another facility, we reduced the carrying value to fair value. The fair value of these long-lived assets after the impairment charge was $228 as of March 31, 2009. Given that the impairment losses were valued using internal estimates, we have classified the remaining fair value of long-lived assets as Level 3 in the fair value hierarchy.

Fair Value Hierarchy

The following tables set forth our assets and liabilities measured at fair value on a recurring basis and a non-recurring basis by level within the fair value hierarchy. As required by SFAS No. 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets and Liabilities Measured at Fair Value on a Recurring Basis as of March 31, 2009			
	Level 1	Level 2	Level 3	Total
Assets:				
Corporate debt securities	$ 1,982	$ —	$ —	$ 1,982
Total fair value of assets measured on a recurring basis	$ 1,982	$ —	$ —	$ 1,982
Liabilities:				
Derivative instruments	$ —	$ 1,842	$ —	$ 1,842
Total fair value of liabilities measured on a recurring basis	$ —	$ 1,842	$ —	$ 1,842

	Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis			
	Level 1	Level 2	Level 3	Total
Assets:				
Property, plant and equipment, net	$ —	$ —	$ 228	$ 228
Total fair value of assets measured on a non-recurring basis	$ —	$ —	$ 228	$ 228
Liabilities:				
Accrued restructuring costs	$ —	$ —	$ 4,436	$ 4,436
Total fair value of liabilities measured on a non-recurring basis	$ —	$ —	$ 4,436	$ 4,436

10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," establishes standards for reporting and display of comprehensive income. Comprehensive income is defined essentially as all changes in stockholders' equity, exclusive of transactions with owners. The following represents the components of other comprehensive income (loss):

	Three Months Ended March 31,	
	2009	2008
Net income (loss)	$ 652	$ (331)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax	(88)	(373)
Unrealized gain (loss) on available for sale securities, net of tax	44	(220)
Change in fair value of derivative instruments, net of tax	294	(112)
Comprehensive income (loss)	$ 902	$ (1,036)

Accumulated other comprehensive income (loss) consisted of the following items:

	Three Months Ended March 31,	
	2009	2008
Accumulated foreign currency translation adjustments:		
Beginning balance	$ 1,090	$ 2,553
Translation adjustments, net of tax	(88)	(373)
Ending balance	$ 1,002	$ 2,180
Accumulated unrealized derivative (losses) gains:		
Beginning balance	$ (1,444)	$ 20
Loss reclassified to earnings, net of tax	(1,033)	(140)
Change in fair value of cash flow hedges, net of tax	1,327	28
Ending balance	$ (1,150)	$ (92)
Accumulated unrealized losses on available for sale securities:		
Beginning balance	$ (61)	$ (29)
Loss reclassified to earnings, net of tax	(3)	—
Change in fair value of available for sale securities, net of tax	47	(220)
Ending balance	$ (17)	$ (249)

11. SHARE-BASED COMPENSATION

Compensation cost that has been charged against income related to share-based compensation for the three months ended March 31, 2009 and 2008, was $465 and $373, respectively, and is included in selling, general and administrative expense. The total income tax benefit recognized in our Condensed Consolidated Statements of Operations related to share-based compensation arrangements was $174 and $140 for the three months ended March 31, 2009 and 2008, respectively. A summary of activity during the three months ended March 31, 2009 related to our equity awards is presented below.

Stock Options

A summary of option activity as of March 31, 2009, and changes during the three months then ended is presented below:

	Shares	Weighted Average Exercise Price
Outstanding as of January 1, 2009	1,628,702	$ 11.45
Granted	527,500	4.05
Exercised	—	—
Forfeited	(30,383)	9.83
Expired	(19,184)	15.67
Outstanding as of March 31, 2009	2,106,635	$ 9.59
Exercisable as of March 31, 2009	659,392	$ 14.37

Restricted Shares

Restricted share activity during the three months ended March 31, 2009 was as follows:

	Restricted Shares	Grant Date Fair Value
Nonvested balance as of January 1, 2009	62,067	$ 10.45
Granted	—	—
Vested	(2,700)	9.01
Forfeited	(1,000)	9.01
Nonvested balance as of March 31, 2009	58,367	$ 10.54

12. INCOME TAXES

The year-to-date effective tax rate for continuing operations increased from 4.3% during the three months ended March 31, 2008 to 27.2% during the three months ended March 31, 2009. The primary difference between the periods is a smaller impact from the change in the Canadian statutory tax rates in 2009 compared to 2008. Effective January 1, 2008, the Canadian statutory rate was reduced from 22.1% to 19.5% for fiscal year 2008 and to 19.0% for fiscal year 2009. The rate will continue to decrease each year until it is 15.0% by 2012.

Differences between U.S. statutory income tax rates and our effective tax rates for continuing operations for the three months ended March 31, 2009 and 2008 were:

	Three Months Ended March 31,	
	2009	2008
U.S. statutory tax rate	35.0%	35.0%
Effect of state taxes (net of Federal benefit)	3.2%	0.2%
Work opportunity credits	(7.0)%	(8.4)%
Effect of change in Canadian tax rate	(9.5)%	(23.9)%
Other, net	5.5%	1.4%
Total	27.2%	4.3%

13. LITIGATION

In our Annual Report on Form 10-K filed March 3, 2009, we described two material pending litigation matters: West Palm Beach Firefighters' Pension Fund v. StarTek, Inc., et al. (U.S. District Court, District of Colorado) filed on July 8, 2005, and John Alden v. StarTek, Inc., et al. (U.S. District Court, District of Colorado) filed on July 20, 2005. There have been no significant changes in these legal proceedings since our previous report.

We are involved from time to time in other litigation arising in the normal course of business, none of which is expected by management to have a material adverse effect on our business, financial condition or results of operations.

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

The following discussion and analysis should be read in conjunction with our Unaudited Consolidated Financial Statements and related Notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2008, and with the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2008.

Unless otherwise noted in this report, any description of "us" or "we" refers to StarTek, Inc. and our subsidiaries. Financial information in this report is presented in U.S. dollars.

BUSINESS DESCRIPTION AND OVERVIEW

StarTek is a provider of business process outsourcing services to the communications industry. We partner with our clients to meet their business objectives and improve customer retention, increase revenues and reduce costs through an improved customer experience. Our solutions leverage industry knowledge, best business practices, skilled agents, proven operational excellence and flexible technology. The StarTek comprehensive service suite includes customer care, sales support, complex order processing, accounts receivable management, technical support and other industry-specific processes. We operate our business within three

Table of Contents

reportable segments, based on the geographic regions in which our services are rendered: (1) the U.S., (2) Canada and (3) the Philippines ("Offshore"). As of March 31, 2009, our U.S. segment included the operations of our thirteen facilities in the U.S.; our Canada segment included the operations of our five facilities in Canada; and our Offshore segment included the operations of our facility in Makati City, Philippines. As of March 31, 2008, there were fourteen, six and zero operating centers in the U.S., Canada and Offshore, respectively. We use gross profit as our measure of profit and loss for each business segment and do not allocate selling, general and administrative expenses to our business segments.

We endeavor to achieve site optimization at all of our locations by routinely evaluating site performance. If local economic conditions, prevailing wage rates, or other factors, negatively impact the long-term financial viability of a location, management will from time to time make the decision to close a facility. As a result, we may incur impairment losses or restructuring charges in connection with the closure. Likewise, management is continually in pursuit of opportunities to open new locations in economically viable geographic markets in order to improve profitability and grow the business.

SIGNIFICANT DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2009

In February 2009, we closed our facility in Regina, Saskatchewan. The closure of our Regina facility was driven by market conditions, namely recruiting challenges in this location, which impacted the profitability of the site and management determined it was in our long-term interest to close the location. This closure resulted in approximately $2.3 million less revenue and $0.1 million less gross profit during the three months ended March 31, 2009 compared to March 31, 2008. We also incurred restructuring charges of approximately $4.4 million related to the closure, which is discussed in further detail below within Item 2, "Results of Operations — Three Months ended March 31, 2009 and March 31, 2008".

On February 25, 2009, we entered into an agreement to sell the assets of Domain.com, our wholly owned subsidiary, to A. Emmet Stephenson, Jr., Inc. ("Mr. Stephenson") in exchange for cash of $7.075 million. The assets of Domain.com consist of domain names, trademarks and corporation names. We conducted an auction for the assets and received bids from multiple parties, including Mr. Stephenson. Mr. Stephenson presented the highest bid, which represented the selling price, of $7.075 million and the sale was completed effective February 25, 2009. Mr. Stephenson is one of our co-founders, has managed the Domain.com subsidiary since 2006 and owns approximately 20% of our common shares outstanding. Because the transaction involves a related party, the Audit Committee of our Board of Directors considered and approved the transaction.

The results of operations and cash flows of Domain.com have been reported as discontinued operations.

RESULTS OF OPERATIONS — THREE MONTHS ENDED MARCH 31, 2009 AND MARCH 31, 2008

The following table presents selected items from our Condensed Consolidated Statements of Operations in thousands of dollars and as a percentage of revenue for the periods indicated:

Table of Contents

	Three Months Ended March 31, 2009	% of Revenue	Three Months Ended March 31, 2008	% of Revenue	% change Q1 2008 to Q1 2009
Revenue	$ 70,711	100.0%	$ 64,583	100.0%	9.5%
Cost of services	59,988	84.8%	55,116	85.2%	8.8%
Gross profit	10,723	15.2%	9,467	14.8%	13.3%
Selling, general and administrative expenses	9,692	13.7%	10,090	15.6%	-3.9%
Impairment losses and restructuring charges	6,437	9.1%	108	0.2%	5860.2%
Operating loss	(5,406)	-7.6%	(731)	-1.0%	639.5%
Net interest and other (expense) income	(75)	-0.1%	310	0.5%	-124.2%
Loss from continuing operations before income taxes	(5,481)	-7.7%	(421)	-0.5%	1201.9%
Income tax benefit	(1,493)	-2.1%	(18)	0.0%	8194.4%
Net loss from continuing operations	(3,988)	-5.6%	(403)	-0.5%	889.6%
Income from discontinued operations, net of tax	4,640	6.5%	72	0.1%	6344.4%
Net income (loss)	$ 652	0.9%	$ (331)	-0.4%	297.0%

The following table summarizes our revenues and gross profit for the periods indicated, by reporting segment:

	For the Three Months Ended March 31,			
	2009		2008	
	(in 000s)	(% of Total)	(in 000s)	(% of Total)
United States:				
Revenue	$ 49,364	69.8%	$ 39,958	61.9%
Cost of services	40,567	67.6%	31,952	58.0%
Gross profit	$ 8,797	82.0%	$ 8,006	84.6%
Gross profit %	*17.8%*		*20.0%*	
Canada:				
Revenue	$ 19,181	27.1%	$ 24,625	38.1%
Cost of services	17,435	29.1%	23,164	42.0%
Gross profit	$ 1,746	16.3%	$ 1,461	15.4%
Gross profit %	*9.1%*		*5.9%*	
Offshore:				
Revenue	$ 2,166	3.1%	$ —	0.0%
Cost of services	1,986	3.3%	—	0.0%
Gross profit	$ 180	1.7%	$ —	0.0%
Gross profit %	*8.3%*			

Revenue

Revenue increased by $6.1 million, or 9.5%, from $64.6 million in the first quarter of 2008 to $70.7 million in the first quarter of 2009. The increase was driven by the U.S. segment and the Offshore segment which increased by $9.4 million and $2.2 million, respectively. The increase in U.S. revenue was due to three new U.S. facilities added in 2008, offset by the closure of two U.S. facilities. The net impact of these openings and closings was $6.3 million in additional revenue. The remaining increase of $3.1 million at the remaining U.S. facilities was driven by an increase in the number of average full-time equivalent agents, which increased approximately 10.5% from the first quarter of 2008 to the first quarter of 2009. The offshore facility in Makati City, Philippines opened in September 2008, and as such did not contribute revenue during the first quarter of 2008. Of the $2.2 million of revenue generated from the Philippines during the first quarter of 2009, approximately $0.4 million related to one-time training revenue. Revenue from Canada decreased by $5.4 million in the first quarter of 2009 compared to 2008 due primarily to the closure of our Regina, Saskatchewan facility in February 2009 which had approximately $2.3 million less revenue in 2009 compared to 2008. In addition, revenue decreased by approximately $0.3 million due to changes in the foreign exchange rate between the U.S. dollar and Canadian dollar. The remainder of the decrease in the Canadian segment was due to a decrease in the number of average full-time equivalent agents, which decreased by approximately 15.2% in the first quarter of 2009 from the first quarter of 2008.

Table of Contents

Cost of Services and Gross Profit

Cost of services increased by $4.9 million, or 8.8%, from $55.1 million in the first quarter of 2008 to $60.0 million in the first quarter of 2009. Cost of services in the U.S. increased by approximately $8.6 million, of which $6.1 million related to the net addition of new sites year over year, as discussed above. Cost of services at our other U.S. facilities also increased during the first quarter of 2009 compared to the first quarter of 2008 due to a greater number of agents, as described above. In addition, cost of services increased by approximately $2.0 million due to the Makati City, Philippines location. These increases to cost of services were offset by lower cost of services in Canada due in part to the closure of the Regina location, which accounted for $2.2 million of the decrease. Additionally, gross margin improved in Canada from the stronger U.S. to Canadian dollar exchange rate. Our effective exchange rate of Canadian to U.S. dollars, net of hedges, improved from 1.00 in the first quarter of 2008 to 1.11 in the first quarter of 2009 lowering our cost of services by approximately $2.0 million. The remaining decrease in the Canadian segment was due to fewer agents, as described above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by $0.4 million, or 3.9%, from $10.1 million in the first quarter of 2008 to $9.7 million in the first quarter of 2009. The decline was due primarily to decreases in hiring and other personnel expense of approximately $0.3 million, decreased salaries of $0.3 million, lower commission expense of $0.2 million and less depreciation expense of $0.2 million. These decreases were partially offset by increases in legal expenses of approximately $0.2 million related to the negotiation of new customer contracts and greater bonus expense of $0.4 million.

Impairment Losses and Restructuring Charges

Impairment losses and restructuring charges were $6.4 million and $0.1 million for the three months ended March 31, 2009 and 2008, respectively. Restructuring charges were $4.7 million during the three months ended March 31, 2009, related primarily to the closure of our Regina, Saskatchewan facility in February 2009 for which we incurred approximately $4.4 million of charges. The costs relate primarily to the building lease costs through the remainder of the lease term, or July 2013. Accrued restructuring costs were valued using a discounted cash flow model and the cash flows consist of the future lease payment obligations required under the lease agreements and property taxes through the remainder of the lease term. We assumed that we would not sublease the vacant facilities for the remainder of the lease term. In the future, if we are able to sublease the facilities, we may be required to record a gain in the Condensed Consolidated Statements of Operations. The remainder of the restructuring charges during the first quarter of 2009 were due to adjustments in our estimated liability for our other restructuring plans. The restructuring charges in the first quarter of 2008 related to the closure of our Hawkesbury, Ontario facility in 2007.

We recorded approximately $1.7 million in impairment losses during the first quarter of 2009 due to the impairment of certain long-lived assets for which the carrying value of those assets is not recoverable. These assets are located in a facility for which we are uncertain about our ability to generate future cash flows to support the carrying value of these assets. The long-lived assets include computer and telephone equipment, furniture and fixtures, leasehold improvements and software.

Operating Loss

We incurred operating losses of approximately $5.4 million and $0.7 million for the three months ended March 31, 2009 and 2008, respectively. Operating loss as a percentage of revenue was (7.6%) for the three months ended March 31, 2009 compared to (1.0%) for the three months ended March 31, 2008. The decline was driven by increased impairment and restructuring charges and cost of services, partially offset by an increase in revenue and a decrease in selling, general and administrative costs, as discussed previously.

Net Interest and Other Income

Net interest and other expense was approximately $0.1 million during the first quarter of 2009, compared to net interest and other income of approximately $0.3 million in the first quarter of 2008. The change was due primarily to a decrease in interest income of approximately $0.5 million in the first quarter of 2009 compared to the first quarter of 2008 due to a decline in our investment balances, partially offset by less interest expense, which declined by approximately $0.1 million in the first quarter of 2009 compared to the first quarter of 2008.

Income Tax

The year-to-date effective tax rate for continuing operations increased from 4.3% during the three months ended March 31, 2008 to 27.2% during the three months ended March 31, 2009. The primary difference between the periods is a smaller impact from the change in the Canadian statutory tax rates in 2009 compared to 2008. Effective January 1, 2008, the Canadian statutory rate was

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reduced from 22.1% to 19.5% for fiscal year 2008 and to 19.0% for fiscal year 2009. The rate will continue to decrease each year until it is 15.0% by 2012.

Income from Discontinued Operations

Income from discontinued operations was approximately $4.6 million during the first quarter of 2009 and approximately $0.1 million during the first quarter of 2008. In February 2009, we sold Domain.com, a wholly-owned subsidiary, for cash of approximately $7.1 million. We had a gain on the sale of approximately $6.9 million, less taxes of approximately $2.3 million.

Net Income (Loss)

Net income was $0.7 million during the first quarter of 2009 and net loss was approximately $0.3 million during the first quarter of 2008. The increase in net income was primarily due to income from discontinued operations and higher revenue, partially offset by impairment and restructuring charges and income taxes, as discussed previously.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2009, working capital totaled $56.7 million and our current ratio was 3.03:1, compared to working capital of $47.6 million and a current ratio of 2.58:1 at December 31, 2008. We have historically financed our operations, liquidity requirements, capital expenditures, and capacity expansion primarily through cash flows from operations, and to a lesser degree, through various forms of debt and leasing arrangements. In addition to funding basic operations, our primary uses of cash typically relate to capital expenditures to upgrade our existing information technologies and service offerings, investments in our facilities and, prior to 2007, the payment of dividends. We believe that cash flows from operations and cash provided by short-term borrowings, when necessary, will adequately meet our ongoing operating requirements and scheduled principle and interest payments on existing debt. Any significant future expansion of our business may require us to secure additional cash resources. Our liquidity could be significantly impacted by large cash requirements to expand our business or a decrease in demand for our services, particularly from any of our principal clients, which could arise from a number of factors, including, but not limited to, competitive pressures, adverse trends in the business process outsourcing market, industry consolidation, adverse circumstances with respect to the industries we service, and any of the other factors we describe more fully in the “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2008.

	Three Months Ended March 31,	
	2009	2008
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 4,855	$ (2,984)
Investing activities	12,369	(4,616)
Financing activities	(765)	353
Effect of foreign exchange rates on cash	57	(430)
Net increase (decrease) in cash and cash equivalents	$ 16,516	$ (7,677)

Our balance of cash and cash equivalents was $26.1 million at March 31, 2009, compared to a balance of $9.6 million at December 31, 2008.

Operating Activities. Net cash provided by operating activities was $4.9 million for the three months ended March 31, 2009, an increase of approximately $7.9 million from cash used in operations of $3.0 million for the three months ended March 31, 2008. Net cash provided by operating activities from continuing operations was $7.2 million, or an increase of $10.2 million. Cash provided by operating activities increased by approximately $9.7 million for the three months ended March 31, 2009 compared to the same period in 2008 due to greater collections of accounts receivable. Our accounts receivable balance can change significantly period to period because the majority of our billings occur monthly with large customers, whereby, the timing of collections on those receivables can result in significant fluctuations in our accounts receivable balance. In addition, cash provided by operating activities increased by $3.2 million from larger accrued liabilities (primarily due to increased accrued restructuring costs). Refer to "Results from Operations – Three Months Ended March 31, 2009 and March 31, 2008" above for further information on the impairment losses and restructuring charges. These increases to cash provided by operating activities were partially offset by a $3.6 million increase in net loss from continuing operations, which included a $1.8 million non-cash impairment loss, and a decrease of $1.0 million in accounts payable due to the timing of purchases and payments.

Investing Activities. Net cash provided by investing activities was $12.4 million in the first quarter of 2009 compared to cash used in investing activities of $4.6 million in the first quarter of 2008. The increase was due to 1) proceeds from the sale of Domain.com of $7.1 million, 2) $2.7 million less purchases of property, plant and equipment because of no new site openings in the first quarter of

2009 compared to two in the first quarter of 2008 and 3) an increase in net proceeds from the sale of investments, net of purchases, of $7.2 million which was a result of a shift towards more conservative holdings of cash and cash equivalents.

Financing Activities. Net cash used in financing activities was $0.8 million in the first quarter of 2009, compared to net cash provided by financing activities of $0.4 million in the first quarter of 2008. The cash used in financing activities during the first quarter of 2009 was due primarily to payments on our borrowings. In 2008, we had net cash provided by financing activities due to net proceeds on our line of credit of $1.7 million, offset by $1.3 million of payments on our borrowings.

Contractual Obligations. Other than operating and capital leases for certain equipment, real estate and leases and commitments to purchase goods and services in the future, we have no off-balance sheet transactions, unconditional purchase obligations or similar instruments and we are not a guarantor of any other entities' debt or other financial obligations, other than our Canadian Dollar Secured Equipment Loan and the Secured Promissory Note, as described in our Annual Report on Form 10-K for the year ended December 31, 2008. We maintain a $10.0 million secured line of credit with Wells Fargo Bank, N.A. which we use to finance regular, short-term operating expenses. The line of credit expires June 30, 2009. We expect to renew the line of credit or replace it with other financing when this line of credit expires. There was no balance outstanding on this line of credit as of March 31, 2009. As of March 31, 2009, we were in compliance with our debt covenants.

During the three months ended March 31, 2009, there were no material changes in our contractual obligations. For a complete discussion of our contractual obligations as of December 31, 2008, see Item 7 "Contractual Obligations" in our Annual Report on Form 10-K for the year ended December 31, 2008.

Other Factors Impacting Liquidity. Effective November 4, 2004, our board of directors authorized purchases of up to $25.0 million of our common stock. The repurchase program will remain in effect until terminated by the board of directors and allows us to repurchase shares of our common stock from time to time on the open market, in block trades and in privately-negotiated transactions. Repurchases will be implemented by the Chief Financial Officer consistent with the guidelines adopted by the board of directors and will depend on market conditions and other factors. Any repurchases of shares will be made in accordance with Securities and Exchange Commission rules. We have not yet repurchased any shares pursuant to this board authorization.

Our business currently has a high concentration of a few principal clients. The loss of a principal client and/or changes in timing or termination of a principal client's product launch or service offering would have a material adverse effect on our business, liquidity, operating results, and financial condition. These client relationships are further discussed in Note 6 "Principal Clients," to our Condensed Consolidated Financial Statements, which are included at Item 1, "Financial Statements," of this Form 10-Q. To limit our credit risk, management from time to time will perform credit evaluations of our clients. Although we are directly impacted by the economic conditions in which our clients operate, management does not believe substantial credit risk existed as of March 31, 2009. Refer to Item 1A. "Risk Factors" appearing in our Annual Report on Form 10-K for the year ended December 31, 2008 for further information regarding these risks.

As of March 31, 2009, we had approximately $2.0 million invested in corporate debt securities. There is a risk that if those companies in which we are invested suffer due to economic conditions or other reasons, we could realize losses on these investments which could impact our liquidity. We do not currently consider any declines in fair value to be other-than-temporary that have not been recognized in our Condensed Consolidated Statements of Operations.

There is a risk that the counterparties to our hedging instruments could suffer financial difficulties due to economic conditions or other reasons and we could realize losses on these arrangements which could impact our liquidity. However, we do not believe we are exposed to more than a nominal amount of credit risk in our derivative hedging activities, as the counterparties are established, well-capitalized financial institutions.

Although management cannot accurately anticipate the effects of domestic and foreign inflation on our operations, management does not believe inflation has had, or is likely in the foreseeable future to have, a material adverse effect on our results of operations or financial condition.

Variability of Operating Results. Our business has been seasonal only to the extent that our clients' marketing programs and product launches are geared toward the winter holiday buying season. We have experienced and expect to continue to experience some quarterly variations in revenue and operating results due to a variety of factors, many of which are outside our control, including: (i) timing and amount of costs incurred to expand capacity in order to provide for volume growth from existing and future clients; (ii) changes in the volume of services provided to principal clients; (iii) expiration or termination of client projects or contracts; (iv) timing of existing and future client product launches or service offerings; (v) seasonal nature of certain clients' businesses; and (vi) cyclical nature of certain clients' businesses.

Because we service relatively few, large clients, the availability of cash is highly dependent on the timing of cash receipts from accounts receivable. As a result, from time to time, we borrow cash from our line of credit to cover short-term cash needs. These borrowings are typically outstanding for a short period of time before they are repaid. However, our debt balance can fluctuate significantly during any given quarter as part of our ordinary course of business. Accordingly, our debt balance at the end of any given quarter is not necessarily indicative of the debt balance at any other time during that period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management must undertake decisions that impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and assumptions upon which accounting estimates are based. Management applies its best judgment based on its understanding and analysis of the relevant circumstances to reach these decisions. By their nature, these judgments are subject to an inherent degree of uncertainty. Accordingly, actual results may vary significantly from the estimates we have applied.

Our critical accounting policies and estimates are consistent with those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008. Please refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report on Form 10-K for the year ended December 31, 2008, for a complete description of our Critical Accounting Policies and Estimates.

Recently Adopted Accounting Pronouncements

Effective January 1, 2009, we adopted Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("SFAS No. 157") for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value on a recurring basis (at least annually). Refer to Note 9, "Fair Value Measurements," of Item 1 of this Form 10-Q for additional information on the adoption of SFAS No. 157.

Effective January 1, 2009, we adopted FASB No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 requires entities to provide greater transparency through additional disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133) and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations and cash flows. Refer to Note 8, "Derivative Instruments," of Item 1 of this Form 10-Q for additional information on the adoption of SFAS No. 161.

We adopted FASB No. 141(R), "Business Combinations" ("SFAS No. 141(R)"), which significantly changed the accounting for and reporting of business combination transactions. This standard was effective for us for business combination transactions for which the acquisition date was on or after January 1, 2009. No business combination transactions occurred during the three months ended March 31, 2009.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to certain market risks related to changes in interest rates and other general market risks, and foreign currency exchange rates. This information should be read in conjunction with information set forth in Part II, Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2008, in addition to the interim unaudited consolidated financial statements, accompanying notes and management's discussion and analysis of financial condition and results of operations presented in Items 1 and 2 of this Quarterly Report on Form 10-Q.

Interest Rate Risk

We are exposed to interest rate risk with respect to our cash and cash equivalents, investments and debt obligations. Cash and cash equivalents are not restricted. We consider cash equivalents to be short-term, highly liquid investments readily convertible to known amounts of cash, and so near their maturity they present insignificant risk of changes in value because of changes in interest rates. At March 31, 2009, investments available for sale consisted of corporate debt securities. Our investment portfolio is subject to interest and inflation rate risks and will fall in value if market interest and/or inflation rates or market expectations relating to these rates increase. Management believes we have the ability to hold the foregoing investments until maturity, and therefore, if held to maturity, we would not expect the future proceeds from these investments to be affected, to any significant degree, by any sudden changes in market interest rates. Declines in interest rates over time will, however, reduce our interest income derived from future investments. In addition, our investments in corporate debt securities could be adversely affected by declines in the economic condition of those companies in which we are invested.

Foreign Currency Exchange Risks

We enter into foreign currency exchange contracts to hedge our anticipated operating commitments that are denominated in foreign currencies. The contracts cover periods commensurate with expected exposure, generally within six months, and are principally unsecured foreign exchange contracts. The market risk exposure is essentially limited to risk related to currency rate movements. Our Canadian and Philippine subsidiaries' functional currencies are the Canadian dollar and the Philippine peso, respectively, which are used to pay labor and other operating costs in those countries. However, our client contracts generate

revenues which are paid to us in U.S. dollars. During the first quarter of 2009, we entered into Canadian dollar forward contracts with Wells Fargo Bank for $13.5 million Canadian dollars to hedge our foreign currency risk with respect to labor costs in Canada. As of March 31, 2009, we have not entered into any arrangements to hedge our exposure to fluctuations in the Philippine peso relative to the U.S. dollar.

During the three months ended March 31, 2009 and 2008, we recorded losses of approximately $1,652 and $208, respectively, for the settled Canadian dollar forward contracts included as a component of cost of services in the accompanying Condensed Consolidated Statements of Operations. As of March 31, 2009, we had contracted to purchase $45.0 million Canadian dollars to be delivered periodically through December 2009 at a purchase price which is no more than $37.8 million and no less than $37.5 million.

During the three months ended March 31, 2009, there were no other material changes in our market risk exposure. For a complete discussion of our market risk associated with foreign currency and interest rate risk as of December 31, 2008, see Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2008. Also, refer to Item 1A. "Risk Factors" appearing in our Annual Report on Form 10-K for the year ended December 31, 2008 for further information regarding these risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. As of March 31, 2009, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2009, our disclosure controls and procedures were effective and were designed to ensure that all information required to be disclosed by us in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in internal controls over financial reporting. There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2009, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS

In our Annual Report on Form 10-K filed March 3, 2009, we described two material pending litigation matters: West Palm Beach Firefighters' Pension Fund v. StarTek, Inc., et al. (U.S. District Court, District of Colorado) filed on July 8, 2005, and John Alden v. StarTek, Inc., et al. (U.S. District Court, District of Colorado) filed on July 20, 2005. There have been no significant changes in these legal proceedings since our previous report.

We are involved from time to time in other litigation arising in the normal course of business, none of which is expected by management to have a material adverse effect on our business, financial condition or results of operations.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in our 2008 Annual Report on Form 10-K.

ITEM 6. EXHIBITS

An *Index of Exhibits* follows the signature page of this Form 10-Q.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

STARTEK, INC.
(REGISTRANT)

By: /s/A. LAURENCE JONES — Date: May 8, 2009
A. Laurence Jones
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ DAVID G. DURHAM — Date: May 8, 2009
David G. Durham
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Table of Contents

EXHIBIT INDEX

Exhibit	Description	Incorporated Herein by Reference		
		Form	Exhibit	Filing Date
3.1	Restated Certificate of Incorporation of the Company.	S-1	3.1	1/29/1997
3.2	Restated Bylaws of the Company.	8-K	3.2	8/2/2007
3.3	Certificate of Amendment to the Certificate of Incorporation of StarTek, Inc. filed with the Delaware Secretary of State on May 21, 1999.	10-K	3.3	3/8/2000
3.4	Certificate of Amendment to the Certificate of Incorporation of StarTek, Inc. filed with the Delaware Secretary of State on May 23, 2000.	10-Q	3.4	8/14/2000
4.1	Specimen Common Stock certificate.	10-Q	4.2	11/6/2007
10.1*	Asset Purchase Agreement between StarTek, Inc. and A. Emmet Stephenson Jr., Inc effective February 25, 2009. The schedules have been omitted from this filing pursuant to Item 601(b(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.			
10.2*	Amendment GASOW-STAR100606-00.A.005 effective April 1, 2009 between StarTek, Inc. and AT&T Mobility LLC.			
31.1*	Certification of A. Laurence Jones pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification of David G. Durham pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1*	Written Statement of the Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			

* Filed with this Form 10-Q.

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, dated as of February 25, 2009 (this "**Agreement**"), is made by and between StarTek, Inc., a Delaware corporation ("**Parent**"), Domain.com, Inc., a Delaware corporation (**"Seller"**), and A. Emmet Stephenson Jr., Inc., a Colorado corporation ("**Purchaser**").

RECITALS:

WHEREAS, Parent is a provider of business process outsourcing services to the communications industry and is the owner of all of the issued and outstanding capital stock of Seller;

WHEREAS, Seller owns registrations of domain names and provides related services (the "**Business**"); and

WHEREAS, Seller has decided to sell the Business, and in accordance therewith, Purchaser desires to purchase, and Seller desires to sell and transfer, certain assets used or held for use in the Business upon the terms and subject to the conditions specified in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants, promises, and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, agree as follows.

ARTICLE I
PURCHASE AND SALE OF ASSETS

Section 1.1 Purchase and Sale of Assets; Purchase Price. On the date hereof and upon the terms and subject to the conditions provided below, Seller shall convey, assign, transfer and deliver to Purchaser all of Seller's right, title and interest in, to and under, if any, consistent with Section 3.3, the assets listed on **Schedule 1.1** hereto, (the **"Assets"**). In exchange for the Assets, Purchaser shall pay to Seller cash in the aggregate amount of $7,075,000 (the "**Purchase Price**"). Seller shall be entitled to retain all revenues that are received with respect to the Assets through the Closing (as defined below), and Purchaser shall be entitled to retain all revenues that are received with respect to the Assets after the Closing (determined in both cases by using a cash basis method of accounting).

Section 1.2 Assumed Liabilities. Purchaser assumes from Seller, and Seller assigns to Purchaser, all liabilities and obligations of Seller listed on **Schedule 1.2** (collectively, the **"Assumed Liabilities"**), which shall be the sole responsibility of Purchaser after the Closing. Purchaser agrees to pay, perform and discharge the Assumed Liabilities as and when they become due and to indemnify Seller against all claims, losses and expenses relating to the Assumed Liabilities. Notwithstanding anything to the contrary in this Agreement, (a) all Assumed Liabilities that are not transferable without consent from any other party or parties thereto shall be deemed to have been assigned and assumed as of the date hereof, irrespective of any failure to obtain such consent, and (b) all liabilities of Seller that are not Assumed Liabilities will remain the obligation of Seller.

Section 1.3 Closing. The closing of the sale and purchase of the Assets under this Agreement (the **"Closing"**) shall take place on the date hereof. The effective time of the transactions contemplated hereby shall be at 12:01 a.m., Mountain Time, on the date hereof (the "**Effective Time**"). At the Closing, Seller shall deliver or cause to be delivered to Purchaser the fully executed Bill of Sale,

Assignment, and Assumption Agreement (the **"Bill of Sale"**), in the form attached hereto as **Schedule 1.3**, under which Seller shall assign, and Purchaser shall assume, the Assets and Assumed Liabilities. At the Closing, Purchaser shall deliver or cause to be delivered to Seller the Purchase Price in cash and the Bill of Sale, duly executed by Purchaser.

Section 1.4 Allocation of Purchase Price. The Purchase Price will be allocated for tax purposes in accordance with the allocation schedule attached to be prepared by Purchaser and to be delivered to Seller and Parent not later than ten business days after the Closing. Purchaser will ensure that the allocation schedule is prepared in accordance with Section 1060 of the Internal Revenue Code. After the Closing, the parties will make consistent use of the allocation, fair market value and useful lives specified in such schedule for all tax purposes and in all filings, declarations and reports with the Internal Revenue Service (**"IRS"**) in respect to the transactions contemplated by this Agreement, including the reports required to be filed under Section 1060 of the Internal Revenue Code. Purchaser will prepare and deliver the IRS Forms 8594 to Seller within forty-five (45) days after the Closing Date to be filed with the IRS. In any proceeding or investigation related to the determination of any tax, none of Purchaser, Seller or Parent shall contend or represent that such allocation is not a correct allocation.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller that, as of the Closing:

Section 2.1 Capacity and Enforceability. Purchaser has the legal capacity to execute and deliver this Agreement and the documents to be executed and delivered by Purchaser pursuant to the transactions contemplated hereby. This Agreement and the documents to be executed and delivered by Purchaser pursuant to the transactions contemplated hereby have been duly executed and delivered by Purchaser and, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitutes the valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with their terms.

Section 2.2 Absence of Restrictions and Conflicts. The execution and delivery by Purchaser of this Agreement and the documents to be executed and delivered by Purchaser pursuant to the transactions contemplated hereby do not, and the performance of each of Purchaser's obligations hereunder and thereunder will not, (a) conflict with or violate any law applicable to Purchaser or by which any property or asset of Purchaser is bound, or (b) violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel, (i) any contract, will, agreement, permit, franchise, license or other instrument applicable to Purchaser (ii) any judgment, decree or order of any governmental entity to which Purchaser is a party or by which any of its properties are bound or (iii) arbitration award applicable to Purchaser.

Section 2.3 Compliance with Laws. To the knowledge of Purchaser (and Purchaser acknowledges that an affiliate of Purchaser is Seller's sole employee), Seller is in compliance with all laws applicable to its Business except where the failure to do so has not had, and would not reasonably be expected to have a material adverse effect on either the assets, business, operations, personnel or condition (financial or otherwise) of Seller.

Section 2.4 Formation and Transfer of Corporations. Purchaser (a) acknowledges and agrees that Seller has formed certain corporations under the laws of the state of Delaware under the direction of an affiliate of Purchaser (the "**Corporate Names**"), (b) waives any right to seek indemnification from Seller and Parent under this Agreement with respect to any Loss (as defined below) to the extent that such Loss arises in connection with the incorporation of any Corporate Names and (c) shall indemnify and hold harmless the Seller and its affiliates from any and all Losses (regardless of whether the liability, cost or expense relates to the period before or after the date of this Agreement) relating in any way to the formation or filing or payment of state franchise tax obligations related to the Corporate Names.

Section 2.5 As Is, Where Is. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT, BASED ON PURCHASER'S INDEPENDENT INVESTIGATION OF THE ASSETS AND THE BUSINESS, SELLER IS SELLING AND PURCHASER IS PURCHASING THE ASSETS ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE ASSETS OR THE BUSINESS, INCLUDING INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE ASSETS, THE PHYSICAL CONDITION OF ANY OF THE ASSETS, THE VALUE OF THE ASSETS (OR ANY PORTION THEREOF), THE MERCHANTABILITY OR FITNESS OF THE ASSETS FOR ANY PARTICULAR PURPOSE, EXCEPT AS SUCH MATTERS MAY BE AFFECTED BY THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE III OF THIS AGREEMENT.

Section 2.6 No Broker. Purchaser has not entered into any contract, arrangement or understanding with any Person that may result in the obligation of Parent, Seller or Purchaser to pay any finder's fees, brokerage or agent's commissions or other like payments to any finder, broker or sales agent in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER AND PARENT

Seller and Parent jointly and severally represent and warrant to Purchaser that, as of the Closing:

Section 3.1 Incorporation and Good Standing; Authority and Enforceability. Seller is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware. Seller has all necessary corporate power and authority to execute and deliver this Agreement and the documents to be executed pursuant to the transactions contemplated hereby, to perform their obligations hereunder and thereunder, and to consummate the transactions contemplated hereby. This Agreement and the documents to be executed and delivered by Seller pursuant to the transactions contemplated hereby have been duly approved by all requisite corporate action of Seller, including approval by the board of directors of Seller, and have been executed and delivered by Seller and, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and

thereto, constitutes the valid and binding agreement of Seller, enforceable against Seller in accordance with their terms.

Section 3.2 Absence of Restrictions and Conflicts. The execution and delivery by Seller of this Agreement and the documents to be executed and delivered by Seller pursuant to the transactions contemplated hereby does not, and the performance of each of Seller's obligations hereunder and thereunder will not, (a) conflict with or violate any provision of the certificate of incorporation or bylaws of Seller, (b) conflict with or violate any law applicable to Seller or by which any property or asset of Seller is bound, or (c) violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel, (i) any contract, will, agreement, permit, franchise, license or other instrument applicable to Seller, (ii) any judgment, decree or order of any governmental entity to which Seller is a party or by which any of its properties are bound or (iii) any arbitration award applicable to Seller.

Section 3.3 Title to Assets. The Assets are free and clear of all liens and encumbrances; provided, however, that Purchaser acknowledges and agrees that the Assets are subject to the terms of the contracts that constitute a portion of the Assets. Seller has not sold, transferred, leased, licensed, pledged, exchanged, mortgaged, or otherwise disposed of any right to any of the Corporate Names, each of which was formed by the filing of a certificate of incorporation with the Delaware Secretary of State. Seller has exclusive ownership of the registration rights to each of the domain names listed on **Schedule 1.1**, and all rights to renew the registration of each such domain name. Upon execution and delivery of the Bill of Sale to Purchaser, (i) exclusive ownership of the registration rights to each of the domain names listed on **Schedule 1.1** (including but not limited to the passwords and authorization codes for the domain names and all rights to renew the domain names) will be conveyed to Purchaser and (ii) Seller's right, title and interest in all other Assets will be conveyed to Purchaser, subject only to Purchaser's waiver of rights in Section 2.4(b).

Section 3.4 Absence of Undisclosed Liabilities. Seller has no liability, debt, obligation or liability of any type, contingent or otherwise, liquidated or unliquidated, known or unknown, of any nature or in any amount (a "**Liability**"), and there is no basis for any such Liability, that would affect the transfer to Purchaser of Seller's title to the Assets or the use and enjoyment of the Assets by Purchaser, except for any such Liability as to which Purchaser has knowledge prior to the Closing. For clarity, except for Liabilities known to Purchaser prior to the Closing and not disclosed to Seller prior to the Closing, the parties intend that Seller and Parent shall be responsible under Section 5.1 for any Liability that is based on facts, circumstances, or conditions prior to the Closing, and that Purchaser shall be responsible for any Liability that is based on facts, circumstances, or conditions after the Closing.

Section 3.5 Litigation. Except as set forth on **Schedule 3.5**, there is no suit, claim, action, arbitration, audit, hearing or other legal proceeding (whether civil, criminal, administrative or judicial, whether formal or informal, whether public or private, or whether before a governmental body or arbitrator), pending or to the knowledge of Seller, threatened, against or relating to the Assets, or that challenges, or would reasonably be expected to have the effect of preventing, delaying, making illegal or otherwise interfering with, the transfer to Purchaser of Seller's title to the Assets or the use and enjoyment of the Assets by Purchaser, except for any such matters as to which Purchaser has knowledge.

Section 3.6 No Broker. Neither Parent nor Seller has entered into any contract, arrangement or understanding with any Person that may result in the obligation of Parent, Seller or Purchaser to pay any finder's fees, brokerage or agent's commissions or other like payments to any finder, broker or sales agent in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE IV
CERTAIN COVENANTS AND AGREEMENTS

Section 4.1 Further Assurances; Cooperation. Subject to the other provisions hereof, Seller, Parent, and Purchaser agree to use commercially reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement. If at any time after the date hereof any further action is necessary or desirable to carry out the purposes of this Agreement, the parties to this Agreement shall take all such necessary action. Without limiting the foregoing, the parties shall execute, acknowledge and deliver any further deeds, assignments, conveyances, and other assurances, documents and instruments of transfer, reasonably requested by the other party hereto, and will take, or cause to be taken, any other action consistent with the terms of this Agreement that may reasonably be requested by the other parties, for the purpose of assigning, transferring, granting, conveying, and confirming to Purchaser, or reducing to possession, any or all interests in the Assets to be conveyed and transferred by this Agreement. Seller, Parent, and Purchaser shall each use their best efforts to forward promptly to the other party all notices, claims, correspondence and other materials which are received and determined to pertain to the other party.

Section 4.2 Public Announcements; Confidentiality.

(a) Subject to its legal obligations, each party shall consult with the other parties with respect to the timing and content of all announcements regarding this Agreement or the transactions contemplated hereby to the financial community, employees, customers, suppliers or the general public and shall use reasonable efforts to agree upon the text of any such announcement prior to its release.

(b) Seller, Parent, and Purchaser and their respective employees and agents shall each hold in strict confidence all records, books, contracts, instruments, computer data and other data and information (collectively, "**Information**") concerning the other party or the Assets in their possession or furnished by the other or the other's representative pursuant to this Agreement with the same degree of care as such party utilizes as to such party's own confidential information (except to the extent that such Information is (i) in the public domain through no fault of such party or (ii) later lawfully acquired from any other source by such party), and each party shall not release or disclose such Information to any other person, except such party's auditors, attorneys, financial advisors, bankers, other consultants and advisors or persons with whom such party has a valid obligation to disclose such Information, unless compelled to disclose such Information by judicial or administrative process or, as advised by its counsel, by other requirements of law (in which event the party that is required to make such disclosure shall promptly inform the other party of such requirement).

Section 4.3 Name Change. Promptly after the Closing Date, and in any event not later than three business days after the Closing Date, Parent and Seller (a) will take all action necessary to change the name of Seller to a name other than Domain.com, Inc., which name shall not contain any expansions,

contractions or derivations thereof, nor any other name, trade name, trade dress or domain name confusingly or apparently similar thereto, (b) will notify CT Corporation and any other agents that its name has been so changed, and (c) will cease using any such name for any purpose. Parent and Seller will promptly take such reasonable further steps to confirm Seller's change of name as Purchaser reasonably requests. From and after the Closing, neither Parent nor Seller shall use the name "Domain.com, Inc." nor any expansions, contractions or derivations thereof, nor any other name, trade name, trade dress or domain name confusingly or apparently similar thereto. In order to comply with the requirements of this Section 4.3, Seller and Parent shall use commercially reasonable efforts to obtain any necessary third party consents and approvals, and shall, promptly after obtaining such consent or approval, if at all, and to the extent assignable, assign to Purchaser the name, or licenses to use the name, if applicable, of Seller that is used by Seller as of the Closing in the operation of the Business.

Section 4.4 Reimbursed Expenses. During the period from the Closing until the five (5) year anniversary of the date hereof, Parent and Seller covenant and agree to reimburse Purchaser, promptly (and in any event not later than five business days) after Purchaser provides to Seller supporting documentation for such expenses, for any out-of-pocket costs incurred by Purchaser in the furtherance, perfection, improvement, defense or prosecution of any rights with respect to title to, or the use and enjoyment of, any of the Assets, including personal costs and expenses incurred by A. Emmet Stephenson in connection with such matters, costs of third party service providers, filing and similar fees and costs, and reasonable attorneys' fees and costs, but excluding any expenses incurred in connection with any dispute between Purchaser, on the one hand, and Parent and Seller (or either of them), on the other hand, under this Agreement; provided, however, that the maximum aggregate amount that shall be reimbursed by Parent and Seller pursuant to this Section 4.4 shall in no event exceed $100,000 (the "**Maximum Reimbursement Amount**"); provided, further, that upon any change of control of Parent prior to the five (5) year anniversary of the date hereof, Parent and Seller covenant and agree to pay to Purchaser an aggregate amount, if any, equal to (i) the Maximum Reimbursement Amount minus (ii) all amounts previously reimbursed to Purchaser pursuant to this Section 4.4. For purposes of this Agreement "change of control of Parent" shall mean (i) the sale of all or substantially all of the assets of Parent; (ii) a sale of equity of Parent resulting in more than 50% of the voting stock of Parent being held by an unaffiliated person; or (iii) a merger or consolidation of Parent with or into an unaffiliated person.

ARTICLE V
INDEMNIFICATION

Section 5.1 Indemnification; Generally. Purchaser covenants and agrees to indemnify, defend, protect and hold harmless Seller, and Seller's officers, directors, employees, stockholders, agents, representatives and affiliates (each, a "**Seller Indemnitee**") at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation) (collectively, "**Losses**") incurred by any Seller Indemnitee as a result of or arising from (a) Purchaser's breach of its representations and warranties set forth herein, (b) Purchaser's breach or non-fulfillment of any covenant or agreement under this Agreement, or (c) Purchaser's failure to assume any Liability with respect to the operation of the Business or the use

of the Assets after the Closing. Parent and Seller covenant and agree to jointly and severally indemnify, defend, protect and hold harmless Purchaser, and Purchaser's officers, directors, employees,

stockholders, agents, representatives and affiliates (each, a "**Purchaser Indemnitee**") at all times from and after the date of this Agreement from and against all Losses incurred by any Purchaser Indemnitee as a result of or arising from (a) any breach of Parent's or Seller's representations and warranties set forth herein, (b) Parent's or Seller's breach or non-fulfillment of any covenant or agreement under this Agreement, (c) any Liability remaining with Seller with respect to the Business or the use of the Assets prior to the Closing if such Liability is asserted against Purchaser, except with respect to any Liability as to which Purchaser had knowledge and did not disclose to Seller or Parent and as to which neither Seller nor Parent had knowledge independently of Purchaser, or (d) the auction process conducted by Parent and Seller related to the potential sale of the Assets or the equity of Seller, including without limitation any claim brought by any shareholder of Parent, invitee, participant, or bidder in connection with such auction process.

Section 5.2 Survival. The representations and warranties of each party shall survive until the date that is five (5) years from the date hereof. The covenants made by each party in this Agreement and any claim with respect to fraud or willful misrepresentation shall survive indefinitely. Notwithstanding the foregoing, if, prior to the close of business on the applicable expiration date, an Indemnitee (either Purchaser Indemnitee or Seller Indemnitee) shall have been notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date, such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms hereof.

Section 5.3 Indemnification Procedures. Whenever any claim arises which is subject to indemnification pursuant to the provisions of this Article 5, (an **"Indemnification Claim"**), the party seeking indemnification (the **"Indemnified Party"**) shall promptly, and in any event within twenty-five (25) days, notify the party or parties from which indemnification is sought (both singly and collectively, the "**Indemnifying Party**") in writing of the nature of the Indemnification Claim (the **"Notice of Claim"**). The Notice of Claim shall specify the material facts known to the Indemnified Party concerning the Indemnification Claim. The failure of an Indemnified Party to so notify the Indemnifying Party of an Indemnification Claim shall not relieve the Indemnifying Party of any obligation to indemnify except to the extent the Indemnifying Party is prejudiced by such failure in the event the Notice of Claim is not received by the Indemnifying Party within the time period described above. Within thirty (30) days after receipt of a Notice of Claim, the Indemnifying Party shall notify the Indemnified Party in writing whether it accepts and assumes the obligation to indemnify in whole or in part, and stating the reasons for a rejection, or any limitation on assumption or reservation of rights. To the extent that the Indemnifying Party denies, or fails to accept and assume its obligation to indemnify and assume the defense of the Indemnified Party (provided that the parties acknowledge that the reservation of rights shall not be deemed a failure to accept and assume its obligations), the Indemnified Party may proceed to take such actions, including retaining legal counsel, to defend or otherwise represent it in connection with the Indemnification Claim. The Indemnified Party shall be entitled, at its expense, to participate in any proceeding or investigation, the defense of which has been assumed by the Indemnifying Party. To the extent that the Indemnifying Party acknowledges the Indemnified Party's right to indemnification with respect to such Indemnification Claim, the Indemnifying Party shall assume the defense of such Indemnification Claim with counsel reasonably satisfactory to the Indemnified Party, and the Indemnified Party shall cooperate to the extent reasonably requested by the Indemnifying Party in the defense or prosecution of such Indemnification Claim, but the Indemnified Party shall be reimbursed by the Indemnifying Party for its reasonable out-of-pocket

costs in connection with such cooperation. To the extent that the Indemnifying Party acknowledges the Indemnified Party's right to indemnification and elects to assume the defense of such Indemnification Claim, the Indemnified Party shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the sole expense of the Indemnified Party, unless there is, under applicable standards of professional conduct, a material ethical conflict on any significant issue between the Indemnifying Party and the Indemnified Party that makes it improper for one counsel (as determined by such counsel in writing) to represent both parties, in which case the reasonable fees and expenses of such counsel shall be at the expense of the Indemnifying Party. To the extent that the Indemnifying Party has assumed the defense of any Indemnification Claim against the Indemnified Party, the Indemnifying Party shall have the right to settle any Indemnification Claim, but, to the extent that such settlement requires, or purports to obligate, the Indemnified Party to take, or prohibits, or purports to prohibit, the Indemnified Party from taking, any action, then the Indemnifying Party shall not settle such Indemnification Claim without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed. To the extent that the Indemnifying Party does not assume the defense of a third-party Indemnification Claim and disputes the Indemnified Party's right to indemnification, the Indemnifying Party shall have the right to participate in the defense of such Indemnification Claim through counsel of its choice, at the Indemnifying Party's expense, and the Indemnified Party shall have control over the litigation and authority to resolve such Indemnification Claim, subject to the terms of this Section. Notwithstanding anything to the contrary in this Section, to the extent that an Indemnification Claim is covered by insurance and the carrier has accepted the Indemnification Claim, the parties agree, with respect to selection of counsel, to comply with the terms of the insurance policy.

Section 5.4 Limitation on Indemnity. Regardless of any other provision of this Agreement and absent fraud, the maximum amount that Seller and Parent will be required to pay to Purchaser under the provisions of this Article 5 is $2,000,000. Regardless of any other provision of this Agreement and absent fraud, the maximum amount that Purchaser will be required to pay to Seller under the provisions of this Article 5 is $750,000.

Section 5.5 Exclusive Remedy. Absent fraud, the remedies provided by this Article 5 constitute the exclusive remedy for a breach of this Agreement by any party, except for injunctive relief.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Notices. All notices and communications required or permitted hereunder shall be in writing and deemed given when received by means of the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, or personal delivery, or overnight courier, as follows:

If to Parent or
Seller, to: StarTek, Inc.
44 Cook Street, 4th Floor

Denver, Colorado 80206
Attention: David G. Durham
Phone: (303) 262-4149
Fax: (303) 316-4812
Email: david.durham@startek.com

With a copy to: StarTek, Inc.
44 Cook Street, 4th Floor
Denver, Colorado 80206
Attention: General Counsel

and

Hogan & Hartson
1200 17th Street, Suite 1500
Denver, CO 80202
Attention: Paul Hilton
Phone: (303) 454-2414
Fax: (303) 899-7333
E-mail: philton@hhlaw.com

If to Purchaser, to: A. Emmet Stephenson, Jr., Inc.
400 Nevada Way
Boulder City, NV 89005
Phone: 702-302-1400
Fax: 702-441-1800
Email: emmet@great.net

With copy to: Al Leraaen
513 Annet Street
Henderson, NV 89052
Phone: 702-677-1400
Fax: 702-441-1800
Email: al@great.net

and

Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, CO 80202
Attention: James F. Wood
Phone: 303-299-8154
Fax: 303-298-0940
Email: jwood@sah.com

Section 6.2 No Waiver. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default

occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

Section 6.3 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties, and if such modification is not possible, such provision shall be severed from this Agreement, and in either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 6.4 Entire Agreement; Amendment. This Agreement contains the entire understanding of the parties relating to the subject matter contained herein. This Agreement cannot be amended or changed except through a written instrument signed by all of the parties hereto.

Section 6.5 Assignment. No party may assign his or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other parties.

Section 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts or choice of laws thereof.

Section 6.7 Counterparts. This Agreement may be executed in one or more counterparts, with the same effect as if all parties had signed the same document. Each such counterpart shall be an original, but all such counterparts taken together shall constitute a single agreement. In the event that any

signature is delivered by electronic scanning or facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page was an original thereof.

Section 6.8 Section Headings and Gender. The Section headings used herein are inserted for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

Section 6.9 Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local, or foreign law will be deemed also to refer to law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "include," "includes," and "including" will be deemed to be followed by "without limitation." The words "this Agreement," "herein," "hereof," "hereby," "hereunder," and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties hereto intend that each representation, warranty, and covenant contained herein will have independent significance. If any party hereto has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which that party has not breached will not

detract from or mitigate the fact that such party is in breach of the first representation, warranty, or covenant. The terms "knowledge of Seller" or "known by Seller" shall exclude any matter that is known by A. Emmet Stephenson Jr. if no other employee of Seller or Parent knows of such matter. The terms "knowledge of Purchaser" or "Purchaser has knowledge" shall include the knowledge of A. Emmet Stephenson Jr.

Section 6.10 Arbitration. The parties shall resolve any dispute that arises under or in connection with this Agreement through final and binding arbitration (without appeal or review) in Denver, Colorado, administered by The Judicial Arbiter Group, Inc. (or, if it is unwilling or unable to serve, then by an independent arbitration tribunal pursuant to the Commercial Arbitration Rules of the American Arbitration Association) (in either such case, the **"Arbitration Tribunal"**). Whenever a dispute arises under or in connection with this Agreement, the party desiring to initiate such proceedings (**"requesting party"**) shall give notice thereof to the other party (**"responding party"**), stating that the requesting party desires to have such controversy reviewed by an Arbitration Tribunal and setting forth the name and address of the person whom such party has designated to act as an arbitrator. If the parties can agree upon an arbitrator, the dispute will be arbitrated by the single arbitrator chosen by them. If, within 15 days after receipt of such notice, the parties have not been able to agree upon an arbitrator then the responding party shall designate a person to act as arbitrator by a notice to the requesting party setting forth the name and address of the person so designated. The two arbitrators designated as aforesaid shall meet within ten days after the second arbitrator shall be appointed and if within such ten day period they shall not have resolved the question in dispute, they shall promptly select a third arbitrator; if they shall not be able to agree on such third arbitrator within 15 days after the second arbitrator shall be appointed, then either arbitrator on five days' notice in writing to the other, or both arbitrators, shall apply to the office of the Arbitration Tribunal in Denver, Colorado, to designate and appoint such third arbitrator. In the event of the failure, refusal or inability of any arbitrator to act, a new arbitrator will be appointed in his or her stead, such appointment to be made in the same manner as hereinbefore provided for the appointment of such arbitrator so failing, refusing or unable to act. Subject to the right of the prevailing party to seek reimbursement from the other party as described below, the parties agree to share equally the costs, including fees, of the Arbitration Tribunal selected or appointed under this Section. As soon as practicable after selection of the Arbitration Tribunal, the Arbitration Tribunal or its designated representative shall determine a reasonable estimate of the anticipated fees and costs, and send a statement to each party setting forth that party's equal share of the fees and costs. Within ten days after receipt of the statement, each party shall deposit the required sum with the Arbitration Tribunal, as applicable. Notwithstanding the foregoing, the prevailing party in any arbitration, suit or other action arising out of or related to this Agreement shall be entitled to recover from the other party all reasonable fees, costs and expenses incurred by the prevailing party in connection with the arbitration, suit or other action, including reasonable judicial and extra-judicial attorneys' fees, expenses and disbursements and fees, costs and expenses relating to any arbitration or appeal. **"Prevailing party"** within the meaning of this Section shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action. If any party secures a judgment in any proceeding brought to enforce or interpret this Agreement, then any costs or expenses (including reasonable attorneys' fees) incurred in enforcing, or in appealing from, such judgment shall be payable by the party against whom such judgment or determination on appeal has been rendered and shall be recoverable separately from and in addition to any other amount included in such judgment. The decision of arbitrator(s) selected in the manner

hereinbefore provided shall be given within a period of 30 days (i) after the appointment of the third arbitrator or (ii) in the case of sole arbitrator, within 30 days after the date when it is first established that he or she is the sole arbitrator. The decision of such Arbitration Tribunal shall be final and binding upon the parties and shall be enforceable in any court of competent jurisdiction. The Arbitration Tribunal shall have the right only to interpret and apply the terms of this Agreement and shall not change any such terms or deprive any party to this Agreement of any rights provided in this Agreement. Further, the authority of the Arbitration Tribunal shall be limited to deciding the matter submitted to it. THE ARBITRATION TRIBUNAL SHALL HAVE NO AUTHORITY TO AWARD ANY PUNITIVE, EXEMPLARY, STATUTORY OR TREBLE DAMAGES OR TO VARY OR IGNORE THE TERMS OF THIS AGREEMENT, AND SHALL BE BOUND BY CONTROLLING LAW. ALL PROCEEDINGS, AWARDS AND DECISIONS UNDER ANY MEDIATION OR ARBITRATION PROCEEDING SHALL BE STRICTLY PRIVATE AND CONFIDENTIAL, EXCEPT TO THE EXTENT REQUIRED BY LAW. Notwithstanding anything in this Section to the contrary, the parties shall have the right to commence litigation or other legal proceedings with respect to any claims solely relating to: (i) injunctive relief, (ii) enforcement of the dispute resolution provisions of this Agreement, and (iii) enforcement of any arbitration award.

[The remainder of this page is intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

A. EMMET STEPHENSON JR., INC.

By: /s/ A. Emmet Stephenson Jr.
Name: A. Emmet Stephenson, Jr.
Title: President

DOMAIN.COM, INC.

By: /s/ David G. Durham
Name: David G. Durham
Title: Treasurer

STARTEK, INC.

By: /s/ David G. Durham
Name: David G. Durham
Title: Executive Vice President / Chief Financial Officer

Exhibit 10.2

AMENDMENT to WORK ORDER

This Amendment GASOW-STAR100606-00.A.005 to Work Order ("WO"), GASOW-STAR100606-00 effective as of April 1, 2009 ("Effective Date"), between StarTek USA Inc. ("StarTek"), a Delaware corporation, and AT&T Mobility LLC, ("AT&T") a Delaware limited liability company, on behalf of itself and its Affiliates, amends the work order described below.

RECITALS

WHEREAS, AT&T and StarTek entered into a Master Service Agreement on October 1, 2006 (the "MSA");

WHEREAS AT&T and StarTek executed Work Order GASOW-STAR100606-00 dated November 30, 2006 ("WO") pursuant to the MSA to provide services to AT&T Mobility LLC;

WHEREAS AT&T and StarTek desire to amend the term of the WO;

NOW THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants contained herein, the parties agree to amend the WO as follows:

1. Section 3. "Term" of the WO is hereby deleted in its entirety and it is replaced by the following:

   "3. 'The Term of this SOW shall commence on November 30, 2006 ("Effective Date"), and shall continue until midnight on June 30, 2009 (the "Initial Term). The SOW may be terminated as allowed in the Agreement or in this SOW."

2. Except as amended by this Amendment, the WO is not otherwise modified, revoked or superseded and remains in full force and effect.

3. This amendment maintains services pending approval of new work order.

IN WITNESS WHEREOF, the parties execute this Amendment as of the Effective Date.

StarTek USA Inc.		**AT&T Mobility LLC by its authorized Representative AT&T Services, Inc.**	
By:	/s/ A.L. Jones	By:	/s/ Jay Bishop
Printed Name:	A.L. Jones	Printed Name:	Jay Bishop
Title:	CEO	Title:	AVP — Contracting/Sourcing Operations
Date:	4-7-2009	Date:	31 Mar 2009

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, StarTek, their affiliated companies and their third party representatives, except under written Agreement by the contracting Parties.

EXHIBIT 31.1

CERTIFICATIONS

I, A. Laurence Jones, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StarTek, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

/s/A. LAURENCE JONES
A. Laurence Jones
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, David G. Durham, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StarTek, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

/s/ DAVID G. DURHAM
David G. Durham
Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATIONS

In connection with the Quarterly Report of StarTek, Inc. on Form 10-Q for the quarter ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned individual, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained the Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date: May 8, 2009

/s/A. LAURENCE JONES
A. Laurence Jones
President and Chief Executive Officer

Date: May 8, 2009

/s/ DAVID G. DURHAM
David G. Durham
Executive Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.