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TECHTEAM GLOBAL INC
Form 8-K/A
July 27, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

DATE OF REPORT: MAY 12, 2004

(DATE OF EARLIEST EVENT REPORTED)

TECHTEAM GLOBAL, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	0-16284	38-2774613
-----	-----	-----
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

27335 WEST 11 MILE ROAD SOUTHFIELD, MICHIGAN	48034
-----	-----
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(248) 357-2866

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

As previously reported in the Current Report on Form 8-K filed on May 14, 2004, on May 13, 2004, TechTeam Global NV/SA, the wholly-owned Belgian subsidiary of the Company, completed the acquisition of all of the outstanding equity of Advanced Network Engineering NV/SA (formerly Advanced Network Engineering CVBA) ("A.N.E.") from A.N.E.'s shareholders, Peter De Gendt, Werner Meynaerts, Pascal Claessens, Wim De Geetere, and Christoph Gesqueire ("Selling Shareholders"). The Company is now submitting the financial statements of the business acquired.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of business acquired.

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(b) Pro forma financial information.

(c) Exhibits.

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(a) Financial statements of business acquired.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders

We have audited the financial statements of Advanced Network Engineering CVBA for the period ended March 31, 2004 with a balance sheet total of E1.126.727,06 and a profit of the year of E50.500,51.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Belgium. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis our opinion.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of Advanced Network Engineering CVBA and the results of their operations in the period started April 1, 2003 and ended March 31, 2004, are in conformity with accounting principles generally accepted in the Belgium.

Brussels, July 7, 2004.

/s/ BVBA VAN CAUTER - SAEYS & CO

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ADVANCED NETWORK ENGINEERING CVBA
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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

1. FINANCIAL STATEMENTS

ADVANCED NETWORK ENGINEERING CVBA

	NOTES	31/03/2004
	-----	-----
		(in Euros)
ASSETS		
FIXED ASSETS		(E) 86.761,00
I. FORMATION EXPENSES		
II. INTANGIBLE ASSETS		
	1	
III. TANGIBLE ASSETS		
	2	65.137,89
A. Land and buildings		
B. Plant, machinery and equipment	2.1.	94,38
C. Furniture and vehicles	2.2.	33.526,63
D. Leasing and other similar rights	2.3.	5.718,02
E. Other tangible assets	2.4.	25.798,86
F. Assets under construction and advance payments		
IV. FINANCIAL FIXED ASSETS		
	3	21.623,11
A. Affiliated companies	3.1.	20.000,00
B. Other enterprises linked		
C. Other financial assets	3.2.	1.623,11
CURRENT ASSETS		1.039.966,06
V. LONG TERM RECEIVABLES		
A. Trade debtors		
B. Other amounts receivable		
VI. INVENTORY		
	4	20.011,54
A. Raw materials		20.011,54
1. Consumables		20.011,54
2. Work in progress		
VII. SHORT TERM RECEIVABLES		
	5	976.379,65
A. Trade accounts receivables	5.1.	974.143,90
B. Other receivables	5.2.	2.235,75
IX. CASH BALANCES		
		31.997,44
X. DEFERRED CHARGES AND ACCRUED INCOME		
	6	11.577,43
TOTAL ASSETS		(E) 1.126.727,06

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

ADVANCED NETWORK ENGINEERING CVBA

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	NOTES	31/03/2004
	-----	-----
		(IN EUROS)
LIABILITIES		
EQUITY		(E) 187.440,79
I. CAPITAL	7	75.000,00
A. Issued capital		75.000,00
B. Uncalled capital		
IV. RESERVES		61.886,91
A. Legal reserve		7.436,81
B. Reserves not available for distribution		13.882,04
C. Untaxed reserves		
D. Reserves available for distribution		40.568,06
V. ACCUMULATED RESULTS		50.553,88
PROVISIONS AND DEFERRED TAXES		
VII. A. PROVISIONS FOR RISKS AND CHARGES		
1. Pensions and similar obligations		
2. Taxation		
3. Repairs and maintenance		
4. Other liabilities and charges		
B. Deferred taxes		
DEBTS		939.286,27
VIII. LONG TERM DEBTS		
A. Financial debts	8	1.661,61
B. Trade debts	8.1.	1.661,61
C. Advances received on contracts in progress		
D. Other debts		
IX. SHORT TERM DEBTS		
A. Current portion of amounts payable after one year	8.1.	67.957,92
B. Financial debts	8.2.	105.066,00
C. Trade debts	8.3.	512.391,48
D. Advances received on contracts in progress		
E. Accrued taxes and social liabilities	9	252.209,26
F. Other debts		
X. ACCRUED CHARGES AND DEFERRED INCOME		
TOTAL LIABILITIES		(E) 1.126.727,06

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

ADVANCED NETWORK ENGINEERING CVBA

PROFIT AND LOSS ACCOUNT

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	NOTES	31/03/2004

		(in Euros)
- Turnover	10	4.598.768,54
- Stock variation (work-in-process, finished goods)		
- Raw materials and consumables	11	2.429.074,01
- Fixed assets - own construction		
- Miscellaneous operating income	10	36.885,07
GROSS MARGIN		2.206.579,60
- Services and other goods		1.234.419,72
- Remunerations and social charges	12	740.729,46
- Depreciations and write offs on Fixed assets		45.587,36
- Write offs on current assets	13	3.257,86
- Provisions for other liabilities and charges		
- Depreciation on consolidation differences		
- Miscellaneous operating charges	14	19.943,77
- operating charges capitalised		
OPERATING RESULT	15	162.641,43
- Financial income		4.372,50
- Financial charges		48.406,80
CURRENT RESULT BEFORE TAXES		118.607,13
- Exceptional income		4.621,13
- Exceptional charges		2.828,47
RESULT BEFORE TAXES		120.399,79
- Transfer to/from deferred taxes		
- Corporate taxes	16	(69.899,28)
RESULT OF THE YEAR		50.500,51
- Transfer to/from untaxed reserves		
- Share on consolidated companies (equity method)		
RESULT TO BE ALLOCATED		(E) 50.500,51

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS
(amounts are in Euro's)

NOTE 1 - INTANGIBLE ASSETS

Acquisition cost

At the end of the preceding period 8.143,30

Depreciation and amounts written down

At the end of the preceding period 5.428,88

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Movements during the period	2.714,42	

Depreciation at the end of the period		(8.143,30)

NET BOOK VALUE		0,00
NOTES 2 - TANGIBLE ASSETS		
2.1 Plant, machinery and equipment		
Acquisition cost		
At the end of the preceding period	1.744,63	
Movements during the period	0,00	

Acquisition cost at the end of the period		1.744,63
Depreciation and amounts written down		
At the end of the preceding period	1.532,28	
Movements during the period	117,97	

Depreciation at the end of the period		(1.650,25)

NET BOOK VALUE		94,38

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS (amounts are in Euro's)

2.2 Furniture and vehicles

Acquisition cost

At the end of the preceding period	237.131,14	
Movements during the period	26.013,89	

Acquisition cost at the end of the period		263.145,03
Depreciation and amounts written down		
At the end of the preceding period	198.452,11	
Movements during the period	31.166,29	

Depreciation cost at the end of the period		(229.618,40)

NET BOOK VALUE		33.526,63

2.3 Leasing and other similar rights

Acquisition cost

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At the end of preceding period	47.333,37	
Movements during the period	0,00	

Acquisition cost at the end of the period		47.333,37
Depreciation and amounts written down		
At the end of the preceding period	32.523,88	
Movements during the period	9.091,47	

Depreciation at the end of the period		(41.615,35)

NET BOOK VALUE		5.718,02

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS (amounts are in Euro's)

2.4 Other tangible assets

Acquisition cost

At the end of preceding period	48.937,01	
Movements during the period	14.929,95	

Acquisition cost at the end of the period		63.866,96
Depreciation and amounts written down		
At the end of the preceding period	35.570,89	
Movements during the period	2.497,21	

Depreciation at the end of the period		(38.068,10)

NET BOOK VALUE		25.798,86

TOTAL TANGIBLE FIXED ASSETS

65.137,89

NOTE 3 - FINANCIAL FIXED ASSETS

3.1 Affiliated companies

Acquisition cost at the end of preceding period	51.457,86	
Movements during the period	0,00	
Less value		(31.457,86)

NET BOOK VALUE		20.000,00

It concerns 100% of the shares of
Innec NV, Casinoplein 16 9000 Gent.

Net equity as per 31/12/03: 30.309,95 (E)

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Result as per 31/12/03: 4.320,01 (E)

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ADVANCED NETWORK ENGINEERING CVBA ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS
(amounts are in Euro's)

3.2 Other financial assets

Net book value at the end of the preceding period	4.309,16
Reimbursements during the accounting year	(2.686,05)

NET BOOK VALUE	1.623,11
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It concerns paid guarantees.

NOTE 4 - INVENTORY

It concerns inventory as per 31/03/2004 valued by identifying individually the price of each element

NOTE 5 - SHORT TERM RECEIVABLES

5.1 Trade accounts receivable	974.143,90

Clients	973.299,58
Invoices to establish	700,00
Doubtful debtors	831,56
Less value on doubtful debtors	(687,24)

5.2 Other receivables	2.235,75

Loan	2.235,75
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NOTE 6 - DEFERRED CHARGES AND ACCRUED INCOME

Deferred charges	11.577,43
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ADVANCED NETWORK ENGINEERING CVBA ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS
(amounts are in Euro's)

NOTE 7 - CAPITAL

March 31, 2004

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Issued capital	75.000,00
Issued capital at the end of preceding period	75.000,00
Incorporation of reserves	0,00

Issued capital at the end of the period	75.000,00

The capital of (E)75.000,00 is represented by 5.000 nominative shares.

NOTE 8 - LONG TERM DEBTS

	Less than 1 year	Between 1 and 5 years
	-----	-----
8.1 Credit institutions		
Credit institutions	67.957,92	1.661,61

These amounts are guaranteed by real guarantees given or irrevocably promised by the enterprise on its own assets for an amount of (E)65.812,00.

8.2 Financial debts	105.066,00

Loan	35.615,47
Loan	50.513,49
Innec NV	18.937,04
8.3 Trade debts	512.391,48

Suppliers	497.055,18
Invoices to receive	15.336,30
Credit notes to establish	0,00

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS
(amounts are in Euro's)

NOTE 9 - ACCRUED TAXES AND SOCIAL LIABILITIES

Taxes	102.589,58

VAT payable	18.353,51
Income tax to pay	29.432,61

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Withholding tax on interests	1.511,74
Withholding taxes	8.791,72
Estimated taxes payable	44.500,00
Remuneration and social security	149.619,68

Amounts due to National Office of Social Security	2.020,61
Other amounts payable relating to remuneration and social security	147.599,07

This item includes the provision for holiday pay and the provision for the year end bonus which amounts respectively to (E)87.825,84 and (E)12.523,23.

NOTE 10 - TURNOVER

Turnover consulting	701.290,94
Turnover support	1.054.486,54
Turnover goods	2.732.714,13
Turnover training	21.837,72
Turnover website hosting	33.182,35
Turnover commissions	47.167,77
Turnover other	8.089,09

	4.598.768,54
Other operating income	36.885,07

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS
(amounts are in Euro's)

NOTE 11 - RAW MATERIALS AND CONSUMABLES

Purchase goods for resale	2.440.907,49
Subcontracting	180,00
Purchase other	(1.853,63)
Increase, decrease of stock	(10.159,85)

	2.429.074,01

NOTE 12 - PAYROLL CHARGES

Remuneration and direct social benefits	580.630,91
Employers' contribution social security	153.904,04
Other personnel charges	6.194,51

NOTE 13 - AMOUNTS WRITTEN OFF

Stocks and contracts in progress	3.257,86
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Due to some old stock a depreciation has been taken into account.

NOTE 14 - OTHER OPERATING CHARGES

Taxes related to operations		19.943,77
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NOTE 15 - FINANCIAL RESULTS

Financial income		4.372,50
Interests	500,00	
Other	3.872,50	
Financial charges		(48.406,80)
Interests	(13.510,90)	
Depreciation on financial fixed assets	(31.457,86)	
Other	(3.438,04)	

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

2. NOTES TO THE FINANCIAL STATEMENTS (amounts are in Euro's)

NOTE 16 - INCOME TAXES

Corporate taxes

Income taxes of the current period		
Withholding taxes		36,52
Advance payment of income taxes		25.000,00
Estimated additional income taxes		44.500,00
Income taxes of previous periods		
Income taxes		362,74

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

3. ADDITIONAL INFORMATION

CONTINGENCIES

We note that a depreciation of E31.457,86 has been taken into account on the participation INNEC NV. The participation is evaluated at E20.000,00 on March 31st, 2004. Further, the participation has been sold on May 13th, 2004 for an amount of E20.000,00.

LEGAL DISCUSSIONS

No provisions have to be taken into account concerning legal discussions.

DIFFERENCES BETWEEN U.S. GAAP AND BELGIUM GAAP

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1. General Presentation of the Financial Statements

Belgium GAAP differs from U.S. GAAP in that the financial statements do not require a presentation of the statement of cash flows.

Furthermore, Belgian accounting legislation establishes standard charts of accounts, as subscribed in law of January 30, 2001 and based on formats set forth in the European Union's 4th Directive. These charts of accounts prescribe the details that must be disclosed in the balance sheet and the profit and loss statement. The format of the presentation of the balance sheet differs from U.S. GAAP format in that the different items on the balance sheet are represented in ascending degree of liquidity (from long term to short term), i.e. on the Assets statement starting with Fixed Assets and ending with Cash and short-term Deferred Charges and Accrued Income and on the Liabilities statement starting with Owners' Equity and ending with short-term Accrued Charges and Deferred Income.

The total balance sheet amount is equal.

2. Statements of Operations

The presentation of the profit and loss statement differs from U.S. GAAP in the sense that the Belgium accounting legislation does not require any allocation of costs other than the cost of Purchased Goods, Raw Materials, or Purchased Subcontracting to the Cost of Sales or Cost of Revenue.

This means for instance that, in the case of revenues obtained from IT Services, the expenses of the billable staff are not included in the Gross Margin but are presented below the Gross Margin within the normal salary cost in the Operating Result.

Other general costs concerning sales are represented as general costs and not allocated to cost of services sold.

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ADVANCED NETWORK ENGINEERING CVBA

ACCOUNTS AS PER 31/03/2004

3. ADDITIONAL INFORMATION

3. Evaluation Rules

Taking into account the type of the contracts and sales business of Advanced Network Engineering CVBA, there was no need to apply other evaluation rule f.i. revenue recognition or work in process.

The result for the year is equal.

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(b) Pro forma financial information.

PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information for TechTeam Global, Inc. ("TechTeam") set forth below gives effect to the acquisition of Advanced Network Engineering NV/SA (formerly Advanced Network Engineering CVBA) ("A.N.E.") using the purchase method of accounting, after giving effect to the adjustments described in the accompanying notes. The unaudited pro forma condensed combined statements of operations includes only the results of ongoing

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operations and excludes such impacts as nonrecurring items related to the acquisition and synergies and related cost savings associated with the integration of the acquisition.

The unaudited pro forma condensed combined statement of financial position as of March 31, 2004 gives effect to the acquisition of A.N.E. as if it occurred on that date. The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2004 and the year ended December 31, 2003 give effect to the acquisition as if it occurred on the first day of each of those periods by combining the results for the three months ended March 31, 2004 of TechTeam with the results for the same period of A.N.E., and combining the results for the year ended December 31, 2003 of TechTeam with the results for the year ended March 31, 2004 of A.N.E.. The unaudited pro forma condensed combined financial information reflects certain adjustments.

The results of A.N.E. for the three months ended March 31, 2004 and the year ended December 31, 2003 are presented in accordance with accounting principals generally accepted in the United States ("US GAAP") and were translated into U.S. dollars at the average exchange rate during each respective period. The financial position of A.N.E. as of March 31, 2004 was translated into U.S. dollars at the exchange rate at that date. Adjustments to A.N.E.'s financial statements to conform to US GAAP related to classifying expenses in the statement of operations by their functional classification rather than their natural classification. Belgian GAAP does not require any allocation of costs other than the cost of purchased goods, raw materials, or purchased subcontracting to cost of revenue. There was no impact on net income.

The pro forma condensed combined financial information is for informational purposes only and does not purport to represent what the consolidated financial position or results of operations of TechTeam would actually have been if the ANE acquisition, in fact, had occurred on March 31, 2004, or at the beginning of the periods presented, or to project the consolidated financial position or results of operations as of any future date or any future period. The unaudited pro forma financial information should be read together with (i) the TechTeam Global, Inc. consolidated financial statements as of December 31, 2003 and 2002, and for each of the three years in the period ended December 31, 2003, including the notes thereto, included in TechTeam's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, and (ii) the TechTeam Global, Inc. unaudited condensed consolidated financial statements as of March 31, 2004 and for the three-month periods ended March 31, 2004 and 2003, including the notes thereto, included in TechTeam's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004

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TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2004
(UNAUDITED)

	TECHTEAM GLOBAL -----	ADVANCED NETWORK ENGINEERING -----		PRO FO ADJUSTM -----
(In thousands and in US d				
ASSETS				
Current assets				
Cash and cash equivalents.....	\$36,145	\$ 39		\$(1,10

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Accounts receivable, net.....	23,995	1,189	—
Prepaid expenses and other.....	1,697	14	—
Deferred income taxes.....	562	--	—
	-----	-----	-----
Total current assets.....	62,399	1,242	(1,10)
Property, equipment, and purchased software, net.....	9,470	72	—
Goodwill and other intangible assets, net.....	5,733	24	87
Other assets.....	1,361	34	—
	-----	-----	-----
Total assets.....	\$78,963	\$ 1,372	\$ (22)
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities			
Current portion of notes payable.....	\$ 173	\$ 211	\$ —
Accounts payable.....	4,767	605	—
Accrued payroll, related taxes and withholdings.....	6,025	182	—
Accrued expenses and other.....	3,919	144	—
	-----	-----	-----
Total current liabilities.....	14,884	1,142	—
Long-term liabilities.....	348	2	—
Redeemable convertible preferred stock.....	5,000	--	—
Shareholders' equity			
Common stock.....	85	91	(9)
Additional paid-in capital.....	57,409	--	—
Retained earnings.....	692	137	(13)
Accumulated other comprehensive income.....	545	--	—
	-----	-----	-----
Total shareholders' equity.....	58,731	228	(22)
	-----	-----	-----
Total liabilities and shareholders' equity.....	\$78,963	\$ 1,372	\$ (22)
	=====	=====	=====

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TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2004
(UNAUDITED)

	TECHTEAM GLOBAL	ADVANCED NETWORK ENGINEERING	PRO FORMA ADJUSTMENTS	PRO F TECHT GLOB
	-----	-----	-----	-----
	(In thousands and in US dollars, except per share)			
Revenue.....	\$ 30,270	\$ 1,454	\$ --	\$ 31,
Cost of services delivered.....	23,117	1,187	--	24,
	-----	-----	-----	-----
Gross profit.....	7,153	267	--	7,
Selling, general, and administrative expense..	5,963	194	19(B)	6,

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Operating income.....	1,190	73	(19)	1,
Other expense.....	(34)	(6)	(7) (c)	
Income (loss) before income taxes.....	1,156	67	(26)	1,
Income tax provision.....	532	55	(9) (D)	
Net income.....	\$ 624	\$ 12	\$ (17)	\$
Basic earnings per share.....	\$ 0.07			\$ 0
Diluted earnings per share.....	\$ 0.07			\$ 0
Weighted average number of common shares and common share equivalents outstanding				
Basic.....	8,735			8,
Diluted.....	9,580			9,

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TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003
(UNAUDITED)

	TECHTEAM GLOBAL	ADVANCED NETWORK ENGINEERING	PRO FOR ADJUSTME
	(In thousands and in US dollars, except		
Revenue.....	\$ 88,089	\$ 5,407	\$
Cost of services delivered.....	72,073	4,470	
Gross profit.....	16,016	937	
Selling, general, and administrative expense.....	18,695	744	
Operating income (loss).....	(2,679)	193	
Other income (expense).....	2,043	(15)	
Income before income taxes.....	(636)	178	(
Income tax provision.....	410	82	
Net income.....	\$ (1,046)	\$ 96	\$
Basic and diluted loss per share.....	\$ (0.10)		
Weighted average number of common shares and common share equivalents outstanding			
Basic.....	10,066		

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Diluted..... 10,066
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TECHTEAM GLOBAL, INC. AND SUBSIDIARIES
NOTES TO PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

NOTE 1 -- PRO FORMA ADJUSTMENTS

Pro forma adjustments for the unaudited pro forma condensed combined statement of financial position as of March 31, 2004, and the condensed combined statements of operations for the three months ended March 31, 2004 and the year ended December 31, 2003 are as follows:

- (A) To reflect the payment of the initial purchase price of E850,000 plus acquisition costs of E58,000 (\$1,106,000 at March 31, 2004), for the acquisition of all of the outstanding stock of A.N.E., to reflect the fair value of identifiable intangible assets in excess of the carrying amount acquired, and to reflect goodwill as the excess of the purchase price paid over the estimated fair value of the identified net assets acquired.
- (B) To reflect the amortization of identifiable intangible assets resulting from the acquisition, which are amortized on a straight-line basis over a period of six years.
- (C) To reduce interest income for the cash used in the acquisition of A.N.E.
- (D) To record the related tax effects of the pro forma adjustments to the condensed combined statements of operations. The adjustments assume no utilization of existing net operating loss carryforwards at TechTeam Global NV/SA to reduce taxable income at A.N.E.

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- (c) Exhibits
23.1 Consent of Independent Accountants

SIGNATURE

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

TECHTEAM GLOBAL, INC.

By: /s/ Michael A. Sosin

Michael A. Sosin, Vice President, Secretary

Date: July 27, 2004

Exhibit Index

No.

23.1

Description

Consent of Independent Accountants