

OPEN TEXT CORP
Form 10-Q
January 25, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2012.

OR

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

For the transition period from _____ to _____

Commission file number: 0-27544

OPEN TEXT CORPORATION
(Exact name of registrant as specified in its charter)

CANADA
(State or other jurisdiction of
incorporation or organization)

98-0154400
(IRS Employer
Identification No.)

275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1

(Address of principal executive offices)

(519) 888-7111

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

At January 21, 2013, there were 58,570,575 outstanding Common Shares of the registrant.

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 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands of U.S. dollars, except share data)

	December 31, 2012 (unaudited)	June 30, 2012
ASSETS		
Cash and cash equivalents	\$367,258	\$559,747
Accounts receivable trade, net of allowance for doubtful accounts of \$6,031 as of December 31, 2012 and \$5,655 as of June 30, 2012 (note 3)	168,073	163,664
Income taxes recoverable (note 13)	19,845	17,849
Prepaid expenses and other current assets	45,157	44,011
Deferred tax assets (note 13)	14,101	4,003
Total current assets	614,434	789,274
Property and equipment (note 4)	83,135	81,157
Goodwill (note 5)	1,212,657	1,040,234
Acquired intangible assets (note 6)	428,361	312,563
Deferred tax assets (note 13)	141,736	115,128
Other assets (note 7)	22,659	23,739
Deferred charges (note 8)	62,095	68,653
Long-term income taxes recoverable (note 13)	12,128	13,545
Total assets	\$2,577,205	\$2,444,293
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$177,979	\$131,734
Current portion of long-term debt (note 10)	45,136	41,374
Deferred revenues	240,347	273,987
Income taxes payable (note 13)	13,037	27,806
Deferred tax liabilities (note 13)	1,203	1,612
Total current liabilities	477,702	476,513
Long-term liabilities:		
Accrued liabilities (note 9)	19,144	14,247
Deferred credits (note 8)	8,950	10,086
Pension liability (note 11)	25,042	22,074
Long-term debt (note 10)	536,250	555,000
Deferred revenues	12,218	12,653
Long-term income taxes payable (note 13)	151,888	147,623
Deferred tax liabilities (note 13)	75,672	26,705
Total long-term liabilities	829,164	788,388
Shareholders' equity:		
Share capital (note 12)		
58,570,575 and 58,358,990 Common Shares issued and outstanding at December 31, 2012 and June 30, 2012, respectively; Authorized Common Shares: unlimited	641,684	635,321
Additional paid-in capital	92,463	95,026
Accumulated other comprehensive income	42,661	44,364
Retained earnings	522,605	442,068
Treasury stock, at cost (610,878 and 793,494 shares at December 31, 2012 and at June 30, 2012, respectively)	(29,074) (37,387

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Total shareholders' equity	1,270,339	1,179,392
Total liabilities and shareholders' equity	\$2,577,205	\$2,444,293
Guarantees and contingencies (note 18)		
Related party transactions (note 21)		

See accompanying Notes to Condensed Consolidated Financial Statements

OPEN TEXT CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (In thousands of U.S. dollars, except share and per share data)
 (unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2012	2011	2012	2011
Revenues:				
License	\$76,125	\$89,703	\$131,781	\$154,731
Cloud services	46,151	—	91,035	—
Customer support	164,658	165,386	326,754	327,383
Professional service and other	65,246	66,367	128,804	127,388
Total revenues	352,180	321,456	678,374	609,502
Cost of revenues:				
License	5,331	5,370	9,499	9,368
Cloud services	18,261	—	36,544	—
Customer support	28,277	28,468	54,100	54,737
Professional service and other	47,664	50,604	96,246	100,955
Amortization of acquired technology-based intangible assets (note 6)	23,191	21,253	46,973	42,043
Total cost of revenues	122,724	105,695	243,362	207,103
Gross profit	229,456	215,761		