

OPEN TEXT CORP  
Form 10-Q  
January 23, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 10-Q

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

For the quarterly period ended December 31, 2013.

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

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

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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)

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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 22, 2014, there were 60,473,680 outstanding Common Shares of the registrant.

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

	December 31, 2013 (unaudited)	June 30, 2013
<b>ASSETS</b>		
Cash and cash equivalents	\$515,354	\$470,445
Accounts receivable trade, net of allowance for doubtful accounts of \$3,937 as of December 31, 2013 and \$4,871 as of June 30, 2013 (note 3)	173,347	174,927
Income taxes recoverable (note 14)	14,048	17,173
Prepaid expenses and other current assets	48,348	43,464
Deferred tax assets (note 14)	10,671	11,082
Total current assets	761,768	717,091
Property and equipment (note 4)	96,737	88,364
Goodwill (note 5)	1,267,317	1,246,872
Acquired intangible assets (note 6)	324,185	363,615
Deferred tax assets (note 14)	133,502	135,695
Other assets (note 7)	26,648	25,082
Deferred charges (note 8)	60,005	67,633
Long-term income taxes recoverable (note 14)	10,560	10,465
Total assets	\$2,680,722	\$2,654,817
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$188,896	\$188,443
Current portion of long-term debt (note 10)	54,994	51,742
Deferred revenues	246,738	282,387
Income taxes payable (note 14)	6,494	4,184
Deferred tax liabilities (note 14)	1,150	1,127
Total current liabilities	498,272	527,883
Long-term liabilities:		
Accrued liabilities (note 9)	19,344	17,849
Deferred credits (note 8)	18,401	11,608
Pension liability (note 11)	25,062	24,509
Long-term debt (note 10)	491,250	513,750
Deferred revenues	13,014	11,830
Long-term income taxes payable (note 14)	146,848	140,508
Deferred tax liabilities (note 14)	62,245	69,672
Total long-term liabilities	776,164	789,726
Shareholders' equity:		
Share capital (note 12)		
59,159,544 and 59,028,886 Common Shares issued and outstanding at December 31, 2013 and June 30, 2013, respectively; Authorized Common Shares: unlimited	656,901	651,642
Additional paid-in capital	105,281	101,865
Accumulated other comprehensive income	42,677	39,890
Retained earnings	621,547	572,885
Treasury stock, at cost (416,707 shares at December 31, 2013 and 610,878 at June 30, 2013, respectively)	(20,120	) (29,074

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Total shareholders' equity	1,406,286	1,337,208
Total liabilities and shareholders' equity	\$2,680,722	\$2,654,817
Guarantees and contingencies (note 13)		
Related party transactions (note 21)		
Subsequent events (note 22)		

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		Six Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Revenues:				
License	\$81,164	\$76,125	\$136,470	\$131,781
Cloud services	42,131	44,842	83,778	88,715
Customer support	174,425	164,658	342,865	326,754
Professional service and other	65,787	66,555	124,854	131,124
Total revenues	363,507	352,180	687,967	678,374
Cost of revenues:				
License	3,304	5,331	6,340	9,499
Cloud services	15,963	17,946	30,228	35,928
Customer support	24,409	28,277	46,579	54,100
Professional service and other	51,245	49,242	96,680	99,294
Amortization of acquired technology-based intangible assets (note 6)	13,035	23,191	34,565	46,973
Total cost of revenues	107,956	123,987	214,392	245,794
Gross profit	255,551	228,193	473,575	