

PROGRESS SOFTWARE CORP /MA  
Form 8-K  
January 03, 2013

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): January 3, 2013  
Progress Software Corporation  
(Exact name of registrant as specified in its charter)

Commission file number: 0-19417

|   |   |
|---|---|
| Massachusetts<br>(State or other jurisdiction of<br>incorporation or organization)<br>14 Oak Park<br>Bedford, Massachusetts 01730<br>(Address of principal executive offices, including zip code)<br>(781) 280-4000<br>(Registrant's telephone number, including area code) | 04-2746201<br>(I.R.S. employer<br>identification no.) |
|---|---|

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Section 2 – Financial Information

### Item 2.02 Results of Operations and Financial Condition.

On January 3, 2013, Progress Software Corporation issued a press release announcing its financial results for the fiscal fourth quarter and fiscal year ended November 30, 2012. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not deemed incorporated by reference into any other filing of the company, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

**Non-GAAP Financial Measures** – We disclosed non-GAAP financial measures in the press release. These non-GAAP measures include income from operations, income from continuing operations, net income, earnings per share from continuing operations, earnings per share from net income and operating margin. We provide non-GAAP financial measures to enhance the overall understanding of our current financial performance and prospects for the future as well as to enable investors to evaluate our performance in the same way that management does. We use these non-GAAP measures, and we believe that they assist our investors, to make period-to-period comparisons of our operational performance because they provide a view of our operating results without items that are not, in our view, indicative of our core operating results. Management uses these same non-GAAP financial measures to evaluate performance, allocate resources, and determine compensation. These non-GAAP financial measures are also utilized by analysts to calculate consensus estimates. However, non-GAAP information should not be construed as an alternative to GAAP information as the items excluded from the non-GAAP measures often have a material impact on our financial results. Management uses, and investors should consider, non-GAAP measures in conjunction with our GAAP results.

In the noted fiscal periods, we adjusted for the following items from our GAAP financial results to arrive at our non-GAAP financial measures:

**Amortization of acquired intangibles** – In all periods presented, we excluded amortization of acquired intangibles because such expenses are unrelated to our core operating performance and the intangible assets acquired vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses acquired.

**Stock-based compensation** – In all periods presented, we excluded stock-based compensation to be consistent with the way management and the financial community evaluates our performance and the methods used by analysts to calculate consensus estimates.

**Transition expenses** – In the three months and fiscal year ended November 30, 2011, we excluded incremental costs to transform our cost structure to a more efficient cost model. These expenses were primarily incurred in our product development and general and administrative areas and are not part of our core operating results.

**Restructuring expenses** – In all periods presented, we excluded restructuring expenses incurred because such expenses distort trends and are not part of our core operating results.

**Acquisition-related expenses** – In the three months ended November 30, 2011, and the fiscal years ended November 30, 2012 and 2011, we excluded acquisition-related expenses from our acquisition of Corticon Technologies, Inc. because such expenses distort trends and are not part of our core operating results.

**Litigation settlement** – In the fiscal year ended November 30, 2012, we excluded the cost to settle an existing patent infringement action brought by JuxtaComm because such expense distorts trends and is not part of our core operating results.

**Proxy contest-related costs** – In the fiscal year ended November 30, 2012, we excluded the costs incurred for legal and other advice associated with our 2012 Annual Meeting of Shareholders. We excluded these costs because they are not

part of our core operating results.

Net gains and loss on sales of dispositions and assets held for sale– In the three months and fiscal year ended November 30, 2012, we excluded the net gains recorded from our non-Core products which have been divested or are held for sale, because such net gains distort trends and are not part of our core operating results.

Income tax adjustment – In all periods presented, we adjusted our income tax provision by excluding the tax impact of the non-GAAP adjustments discussed above.

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Constant Currency – Revenue from our international operations has historically represented more than half of our total revenue. As a result, our revenue results have been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, if the local currencies of our foreign subsidiaries weaken, our consolidated results stated in U.S. dollars are negatively impacted.

As exchange rates are an important factor in understanding period to period comparisons, we believe the presentation of revenue growth rates on a constant currency basis helps improve the ability to understand our revenue results and evaluate our performance in comparison to prior periods. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP.

## Section 9 – Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits

#### (d) Exhibits.

| Exhibit No. | Description   |
|-------------|---|
| 99.1        | Press release issued by Progress Software Corporation dated January 3, 2013 |

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**SIGNATURES**

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

Date: January 3, 2013

Progress Software Corporation

By: /s/ Melissa H. Cruz  
Melissa H. Cruz  
Senior Vice President, Finance and  
Administration and Chief Financial Officer