

SYNOPSIS INC  
Form 10-Q  
March 09, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-Q**

(MARK ONE)

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

**FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 2009**

**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: 0-19807**

**SYNOPSIS, INC.**

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(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**56-1546236**  
(I.R.S. Employer  
Identification Number)

**700 EAST MIDDLEFIELD ROAD  
MOUNTAIN VIEW, CA 94043**

(Address of principal executive offices, including zip code)

**(650) 584-5000**

(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 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. (Check one):

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

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

As of March 6, 2009, there were 143,436,108 shares of the registrant's common stock outstanding.



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SYNOPSIS, INC.  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE FISCAL QUARTER ENDED JANUARY 31, 2009

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	January 31, 2009	October 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 470,165	\$ 577,632
Short-term investments	372,116	373,669
Total cash, cash equivalents and short-term investments	842,281	951,301
Accounts receivable, net	150,083	147,365
Deferred income taxes	136,533	133,609
Income taxes receivable	49,534	49,859
Other current assets	42,936	40,156
Total current assets	1,221,367	1,322,290
Property and equipment, net	141,152	145,087
Goodwill	917,794	899,640
Intangible assets, net	109,870	114,760
Long-term deferred income taxes	168,070	177,386
Other long-term assets	78,405	83,315
Total assets	\$ 2,636,658	\$ 2,742,478
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 182,608	\$ 289,769
Accrued income taxes	9,395	14,496
Deferred revenue	547,343	604,718
Total current liabilities	739,346	908,983
Long-term accrued income taxes	154,679	152,745
Deferred compensation and other liabilities	76,882	76,970
Long-term deferred revenue	61,636	75,409
Total liabilities	1,032,543	1,214,107
Stockholders' equity:		
Preferred Stock, \$0.01 par value: 2,000 shares authorized; none outstanding		
Common Stock, \$0.01 par value: 400,000 shares authorized; 142,010 and 141,786 shares outstanding, respectively	1,420	1,418
Capital in excess of par value	1,482,555	1,471,031
Retained earnings	485,175	434,057
Treasury stock, at cost: 15,261 and 15,485 shares, respectively	(337,892)	(342,856)
Accumulated other comprehensive loss	(27,143)	(35,279)
Total stockholders' equity	1,604,115	1,528,371
Total liabilities and stockholders' equity	\$ 2,636,658	\$ 2,742,478

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See accompanying notes to unaudited condensed consolidated financial statements.

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## SYNOPSIS, INC.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

*(in thousands, except per share amounts)*

	Three Months Ended January 31,	
	2009	2008
Revenue:		
Time-based license	\$ 285,052	\$ 267,860
Upfront license	18,327	12,521
Maintenance and service	36,376	35,084
Total revenue	339,755	315,465
Cost of revenue:		
License	41,823	40,398
Maintenance and service	15,579	15,879
Amortization of intangible assets	8,022	5,033
Total cost of revenue	65,424	61,310
Gross margin	274,331	254,155
Operating expenses:		
Research and development	97,807	92,514
Sales and marketing	77,384	77,370
General and administrative	27,182	23,841
In-process research and development	600	