Navios Maritime Holdings Inc.
Form 6-K
January 17, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

Dated: January 10, 2007

Commission File No. 000-51047

NAVIOS MARITIME HOLDINGS INC.

85 Akti Miaouli Street, Piraeus, Greece 185 38
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F __X__ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes _____ No __X__

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes _____ No __X__

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No __X

Amendment to Articles of Incorporation and Results of Annual General Meeting

On January 10, 2007, Navios filed an amendment to its Articles of Incorporation to effectuate the increase of its authorized common stock from 120,000,000 to 250,000,000. Upon filing on January 10, 2007, the amendment became effective. The amendment is included as Exhibit 99.1 to this filing and is incorporated herein by reference. Navios filed the amendment after such amendment was approved by its stockholders at its Annual Meeting of Stockholders held on December 19, 2006. All of the matters put forth at the Annual Meeting, at which 77% of Navios' common stock was represented in person or by proxy, were approved by the requisite number of votes to approve all such matters. The matters approved were:

- Approval of the election of three Class A directors, whose term will expire in 2009 (John Stratakis, Rex Harrington, Albun Shaw);
- Approval and adoption of Navios Maritime Holdings Inc. 2006 Stock Plan;
- Approval of the amendment to the Articles of Incorporation to increase the authorized number of shares of common stock from 120,000,000 to 250,000,000; and
- Approval of the ratification of the appointment of PricewaterhouseCooper as Navios' independent public accountants for the fiscal year ending December 31, 2006.

A further discussion of these matters and all related materials were set forth in a proxy sent to stockholders, a copy of which can be found in the Form 6-K filed with the SEC on November 17, 2006. The results of the Annual Meeting have also been posted to Navios' website at www.navios.com.

New Long-Term Time Charter for Ultra-Handymax

On January 16, 2007, Navios issued a press release announcing that it has secured a favorable long-term time charter for its 2000 built ultra-handymax, Navios Ionian. A copy of the press release is furnished as Exhibit 99.2 to this Report and is incorporated herein by reference.

This Report on Form 6-K is hereby incorporated by reference into the Navios Registration Statements on Form F-3, File Nos. 333-136936 and 333-129382.

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, thereunto duly authorized.

NAVIOS MARITIME HOLDINGS INC.
By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
Date: January 17, 2007

EXHIBIT INDEX

Exhibit No.	Exhibit

99.1 Articles of Amendment of Articles of Incorporation.
99.2 Press Release dated January 16, 2007.

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(85
)
Gain on sale, net of tax
11,187

—

—

Income (loss) from discontinued operations, net
$
7,069

$
(1,925
)

$
(126
)

The gain on sale of the FuseSource product line is calculated as follows (in thousands):

Purchase price	$21,300	
Less: net assets sold		
Accounts receivables	2,749	
Goodwill and intangible assets	3,690	
Other assets	167	
Deferred revenue	(5,148	)
Gain on sale	$19,842	
Tax provision	8,655	
Gain on sale, net of tax	$11,187	

Artix, Orbacus and Orbix

In the first quarter of fiscal year 2013, we entered into a definitive purchase and sale agreement to divest our Artix, Orbacus and Orbix product lines to a subsidiary of Micro Focus International plc (Micro Focus). The divestiture of these product lines was part of the Plan. The sale is expected to close in the first quarter of fiscal year 2013, subsequent to our fiscal year end, for total consideration of $15.0 million. As of November 30, 2012, we met the requirements to classify the sale of these product lines as both held for sale and discontinued operations in the consolidated financial statements.

The assets and liabilities being sold to Micro Focus are classified as assets and liabilities held for sale on the consolidated balance sheet as of November 30, 2012 and are recorded at the lower of their carrying values or fair values less costs to sell, and are no longer being depreciated or amortized. The major categories of the assets and liabilities held for sale are as follows (in thousands):

Assets:	
Accounts receivable	$6,046
Goodwill and intangible assets	24,325
Other long-term assets	4
Impairment reserve	(8,601)
Total assets held for sale	$21,774
Liabilities:	
Deferred revenue	$5,287
Total liabilities held for sale	$5,287

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Revenues and direct expenses of these product lines have been reclassified as discontinued operations for all periods presented. The components included in discontinued operations on the consolidated statements of income are as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Revenue	$28,942	$33,983	$38,281
Income before income taxes	6,003	13,237	10,719
Income tax provision	3,562	3,596	2,273
Income from discontinued operations, net	$2,441	$9,641	$8,446

In the fourth quarter of fiscal year 2012, we recorded an impairment loss of $8.6 million related to the assets held for sale of the Artix, Orbacus and Orbix product lines. The impairment loss in included in income (loss) from discontinued operations.

Actional, DataXtend, ObjectStore, Savvion and Sonic

In the fourth quarter of fiscal year 2012, we entered into a definitive purchase and sale agreement to divest our Actional, DataXtend, Savvion and Sonic product lines to the investment arm of Trilogy Enterprises (Trilogy). In December 2012, the agreement was amended to include the sale of our ObjectStore product line. The divestiture of these product lines was part of the Plan. The sale closed in December 2012, subsequent to our fiscal year end, for total consideration of $60.5 million. As of November 30, 2012, we met the requirements to classify the sale of these product lines as both held for sale and discontinued operations in the consolidated financial statements.

The assets and liabilities being sold to Trilogy are classified as assets and liabilities held for sale on the consolidated balance sheet as of November 30, 2012 and are recorded at the lower of their carrying values or fair values less costs to sell, and are no longer being depreciated or amortized. The major categories of the assets and liabilities held for sale are as follows (in thousands):

Assets:	
Accounts receivable	$13,691
Other current assets	412
Goodwill and intangible assets	31,693
Other long-term assets	459
Total assets held for sale	$46,255
Liabilities:	
Deferred revenue	$19,998
Total liabilities held for sale	$19,998

Revenues and direct expenses of these product lines have been reclassified as discontinued operations for all periods presented. The components included in discontinued operations on the consolidated statements of income are as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Revenue	$81,576	$107,821	$111,177
Loss before income taxes	(18,314)	(27,484)	(30,099)

Income tax benefit	(6,234)	(10,067)	(10,077)
Loss from discontinued operations, net	$(12,080)	$(17,417)	$(20,022)

Note 8: Business Combinations

Corticon Acquisition

On October 26, 2011, we acquired all of the equity interests in Corticon, a privately held business enterprise software company based in Redwood City, California, for $23.0 million. Corticon is a business rules management system vendor that enables organizations to make better, faster decisions by automating business rules. The Corticon products became part of our Enterprise Business Solutions segment and are now included in our Core segment. The purpose of the acquisition was to expand the product offerings within the Enterprise Business Solutions segment. The acquisition was accounted for as a purchase, and accordingly, the results of operations of Corticon are included in our operating results from the date of acquisition. We paid the purchase price in cash from available funds.

The allocation of the purchase price is as follows (in thousands):

	Preliminary Allocation	Final Allocation	Life
Accounts receivable	$835	$835	
Property and equipment	112	112	
Other assets	125	125	
Deferred taxes	(1,814)	4,033	
Acquired intangible assets	4,910	4,910	3 to 7 years
Goodwill	24,842	19,427	
Accounts payable and other liabilities	(2,471)	(2,903)	
Deferred revenue	(3,639)	(3,639)	
Net cash paid	$22,900	$22,900	

We recorded the excess of the purchase price over the identified tangible and intangible assets as goodwill. We believe that the investment value of the future enhancement of our product and solution offerings created as a result of this acquisition has principally contributed to a purchase price that resulted in the recognition of $19.4 million of goodwill, which is not deductible for tax purposes. The allocation of the purchase price was completed in the second quarter of fiscal year 2012, upon the finalization of our valuation of acquired deferred tax assets and liabilities.

We have not disclosed the amount of revenues and earnings of Corticon since acquisition, nor pro forma financial information, as those amounts are not significant to our consolidated financial statements.

Savvion Acquisition

On January 8, 2010, we acquired all of the equity interests in Savvion, Inc. (Savvion), a privately-held company, through a merger of Savvion with a wholly-owned subsidiary for an aggregate purchase price of $49.2 million. Savvion is a provider of business process management software. The purpose of the acquisition was to expand the product offerings within our old Enterprise Business Solutions segment. The acquisition was accounted for as a purchase, and accordingly, the results of operations of Savvion are included in our operating results from the date of acquisition. We paid the purchase price in cash from available funds.

The final allocation of the purchase price is as follows (in thousands):

	Total	Life
Accounts receivable	$5,120	
Deferred tax assets	2,927	
Other assets	854	
Acquired intangible assets	28,000	7 to 9 years
Goodwill	19,705	
Accounts payable and other liabilities	(4,413)	
Liabilities assumed, net of other assets	(3,007)	
Net cash paid	$49,186	

We recorded the excess of the purchase price over the identified tangible and intangible assets as goodwill. We believe that the investment value of the future enhancement of our product and solution offerings, has principally contributed to a purchase price that resulted in the recognition of $19.7 million of goodwill, which is not deductible for tax purposes.

We have not included pro forma financial information for Savvion as the historical operations were not significant to our consolidated financial statements. All of the revenues and expenses of Savvion have been included in discontinued operations. In fiscal years 2012, 2011 and 2010, revenues from Savvion were $18.1 million, $26.4 million and $18.5 million, respectively. In fiscal years 2012, 2011 and 2010, the net losses from Savvion included in our earnings were $10.5 million, $12.5 million and $8.6 million, respectively.

Note 9: Line of Credit

On August 15, 2011, we entered into a credit agreement (the "Credit Agreement") for an unsecured credit facility with J.P. Morgan and other lenders that matures on August 15, 2016, at which time all amounts outstanding must be repaid. The credit facility provides for a revolving line of credit in the amount of $150.0 million, with a sublimit for the issuance of standby letters of credit in a face amount up to $25.0 million and swing line loans up to $20.0 million. The credit facility also permits us to increase the revolving line of credit by up to an additional $75.0 million subject to receiving further commitments from lenders and certain other conditions. We intend to utilize the line of credit for general corporate purposes, including acquisitions, stock repurchases and working capital.

Revolving loans accrue interest at a per annum rate based on our choice of either (i) the LIBOR rate plus a margin ranging from 1.25% to 1.75% or (ii) the base rate plus a margin ranging from 0.25% to 0.75%, both depending on our consolidated leverage ratio. The base rate is defined as the highest of (i) the administrative agent's prime rate (ii) the federal funds rate plus 0.50%, and (iii) the LIBOR rate for a one month interest period plus a margin equal to 1.00%. A quarterly commitment fee on the undrawn portion of the revolving credit facility is required, at a per annum rate ranging from 0.25% to 0.35%, depending on our consolidated leverage ratio. The loan origination fee and issuance costs incurred upon consummation of the Credit Agreement are being amortized through interest expense using the effective interest rate method, over the five year term of the facility. Other customary fees and letter of credit fees may be charged and will be expensed as they are incurred.

Accrued interest on the loans is payable quarterly in arrears with respect to base rate loans and at the end of each interest rate period (or at each three month interval in the case of loans with interest periods greater than three months) with respect to LIBOR rate loans. We may prepay, terminate or reduce the loan commitments in whole or in part at any time, without premium or penalty, subject to certain conditions and reimbursement of certain costs in the case of LIBOR rate loans. The Credit Agreement contains customary affirmative and negative covenants. We are also required to maintain compliance with a consolidated leverage ratio of no greater than 3.00 to 1.00 and a consolidated interest coverage ratio of at least 3.00 to 1.00. As of November 30, 2012, there were no amounts outstanding under the revolving line and $0.3 million of letters of credit outstanding.

Note 10: Commitments and Contingencies

Leasing Arrangements

We lease certain facilities and equipment under non-cancelable operating lease arrangements. Future minimum rental payments under these leases are as follows at November 30, 2012 (in thousands):

2013	$8,045
2014	4,771
2015	3,553
2016	1,709
2017	1,153
Thereafter	2,236
Total	$21,467

Our operating lease arrangements are subject to customary renewal and base rental fee escalation clauses. Total rent expense, net of sublease income which is insignificant, under operating lease arrangements was approximately $9.4 million, $10.6 million and $8.9 million in fiscal years 2012, 2011 and 2010, respectively.

Guarantees and Indemnification Obligations

We include standard intellectual property indemnification provisions in our licensing agreements in the ordinary course of business. Pursuant to our product license agreements, we will indemnify, hold harmless, and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally business partners or customers, in connection with certain patent, copyright or other intellectual property infringement claims by third parties with respect to our products. Other agreements with our customers provide indemnification for claims relating to property damage or personal injury resulting from the performance of services by us or our subcontractors. Historically, our costs to defend lawsuits or settle claims relating to such indemnity agreements have been insignificant. Accordingly, the estimated fair value of these indemnification provisions is immaterial.

Legal Proceedings

We are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, management does not believe that the outcome of any of these other legal matters will have a material effect on our financial position, results of operations or cash flows.

On January 21, 2010, JuxtaComm-Texas Software, LLC (JuxtaComm) filed a complaint in the Eastern District of Texas against Progress Software, 2 of our subsidiaries and 19 other defendants, alleging infringement of JuxtaComm's U.S. patent 6,195,662 ("System for Transforming and Exchanging Data Between Distributed Heterogeneous Computer Systems"). In its amended complaint, JuxtaComm alleged that certain of the products within our Sonic, FuseSource, DataDirect Connect and DataServices product sets infringe JuxtaComm's patent. In its complaint, JuxtaComm sought unspecified monetary damages and permanent injunctive relief.

In May 2010, we filed a response to this complaint in which we denied all claims. The discovery phase of this litigation was completed in November 2011 and trial was scheduled to begin on January 9, 2012. However, on December 2, 2011, the court issued a so-called Markman ruling, in which certain disputes were resolved regarding interpretations of the patent. In this ruling, the court agreed with us on a key issue which we believed would severely impair the plaintiff's claims. On December 8, 2011, the court issued an order staying the case until February 1, 2012 and gave JuxtaComm until February 1, 2012 to articulate an alternative theory and postponed the trial to an unspecified future date to fall in the second or third quarter of fiscal year 2012.

In February 2012, we began settlement discussions with JuxtaComm and, in March 2012, the matter was settled upon our payment of $0.9 million. The Company received a release and discharge of any past damages related to potential infringement of the subject patent and a non-exclusive, non-transferable, fully paid, worldwide, perpetual license covering all future uses of the subject patent within our products. We recorded the settlement in the first quarter of fiscal year 2012 as general and administrative expense in the consolidated statement of income.

Note 11: Shareholders' Equity

Preferred Stock

Our Board of Directors is authorized to establish one or more series of preferred stock and to fix and determine the number and conditions of preferred shares, including dividend rates, redemption and/or conversion provisions, if any, preferences and voting rights. As of November 30, 2012, there was no preferred stock issued or outstanding.

Common Stock

We have 200,000,000 shares of authorized common stock, $0.01 par value per share, of which 59,595,000 were issued and outstanding at November 30, 2012.

We issued 31,000 and 24,000 shares of common stock in fiscal years 2011 and 2010, respectively, with a fair value of $0.7 million and $0.5 million, respectively, to members of the Board the Directors as a component of the annual compensation paid to non-employee directors.

Restricted stock totaling 7,500 shares with a fair value of $0.1 million vested during fiscal year 2010. All outstanding restricted stock vested as of November 30, 2010.

There were 74,900 deferred stock units (DSUs) outstanding at November 30, 2012. Each DSU represents one share of our common stock and all DSU grants have been made to non-employee members of our Board of Directors. The DSUs granted prior to fiscal year 2011 were fully vested on the date of grant and do not have voting rights and can only be converted into common stock when the recipient ceases being a member of the Board of Directors. There were 21,700 DSUs granted in fiscal year 2011, of which 7,400 were vested as of November 30, 2012.

Common Stock Repurchases

During the second quarter of fiscal year 2012, in conjunction with the Plan, the Board of Directors authorized a $350.0 million return of capital to shareholders in the form of a share repurchase through fiscal year 2013. In fiscal year 2012, we repurchased and retired 4,494,000 shares of our common stock for $88.4 million.

In fiscal years 2011 and 2010, we repurchased and retired 8,391,000 shares and 1,496,000 shares, respectively, of our common stock for $200.0 million and $29.3 million, respectively. The shares repurchased and retired in fiscal years 2011 and 2010 were repurchased as part of previously announced share repurchase programs, which were completed in fiscal year 2011.

Note 12: Stock-Based Compensation

We currently have one shareholder-approved stock plan from which we can issue stock-based awards, which was approved by our shareholders in fiscal year 2008 (2008 Plan). The 2008 Plan replaced the 1992 Incentive and Nonqualified Stock Option Plan, the 1994 Stock Incentive Plan and the 1997 Stock Incentive Plan (collectively, the "Previous Plans"). The Previous Plans solely exist to satisfy outstanding options previously granted under those plans. The 2008 Plan permits the granting of stock awards to officers, members of the Board of Directors, employees and consultants. Awards under the 2008 Plan may include nonqualified stock options, incentive stock options, grants of conditioned or restricted stock, unrestricted grants of stock, grants of stock contingent upon the attainment of performance goals, deferred stock units and stock appreciation rights. A total of 47,010,000 shares are issuable under these plans, of which 4,600,000 shares were available for grant as of November 30, 2012.

We have adopted two stock plans for which the approval of shareholders was not required: the 2002 Nonqualified Stock Plan (2002 Plan) and the 2004 Inducement Stock Plan (2004 Plan). The 2002 Plan permits the granting of stock awards to non-executive officer employees and consultants. Executive officers and members of the Board of Directors are not eligible for awards under the 2002 Plan. Awards under the 2002 Plan may include nonqualified stock options, grants of conditioned or restricted stock, unrestricted grants of stock, grants of stock contingent upon the attainment of performance goals and stock appreciation rights. A total of 9,750,000 shares are issuable under the 2002 Plan, of which 510,000 shares were available for grant as of November 30, 2012.

The 2004 Plan is reserved for persons to whom we may issue securities as an inducement to become employed by us pursuant to the rules and regulations of the NASDAQ Stock Market. Awards under the 2004 Plan may include nonqualified stock options, grants of conditioned or restricted stock, unrestricted grants of stock, grants of stock contingent upon the attainment of performance goals and stock appreciation rights. A total of 1,500,000 shares are issuable under the 2004 Plan, of which 578,000 shares were available for grant as of November 30, 2012.

Under all of our plans, the options granted prior to fiscal year 2005 generally vest over five years and have terms of ten years. The options granted from fiscal year 2005 through fiscal year 2010 generally vest over five years and have terms of seven years, and the options granted in fiscal year 2011 and 2012 vest over four years and have a term of seven years.

A summary of stock option activity under all the plans is as follows:

	Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value [1] (in thousands)
Options outstanding, December 1, 2011	7,743	$19.77		
Granted	1,026	20.87		
Exercised	(1,488)	15.75		
Canceled	(2,077)	22.63		
Options outstanding, November 30, 2012	5,204	$19.99	2.38	$8,975
Exercisable, November 30, 2012	4,123	$19.47	1.88	$7,866
Vested or expected to vest, November 30, 2012	5,204	$19.99	2.38	$8,975

(1) The aggregate intrinsic value was calculated based on the difference between the closing price of our stock on November 30, 2012 of $20.11 and the exercise prices for all in-the-money options outstanding.

A summary of the status of our restricted stock units as of November 30, 2012 is as follows (in thousands, except per share data):

	Number of Shares	Weighted Average Grant Date Fair Value
Restricted stock units outstanding, December 1, 2011	786	$23.51
Granted	1,120	19.90
Issued	(625)	21.89
Canceled	(297)	22.94
Restricted stock units outstanding, November 30, 2012	984	$20.60

Each restricted stock unit represents one share of common stock. The restricted stock units generally vest semi-annually over a three year period.

The fair value of outright stock awards, restricted stock awards, restricted stock units and DSUs is equal to the closing price of our common stock on the date of grant.

The 1991 Employee Stock Purchase Plan (ESPP) permits eligible employees to purchase up to an aggregate of 8,650,000 shares of our common stock through accumulated payroll deductions. The ESPP has a 27 month offering period comprised of nine three month purchase periods. The purchase price of the stock is equal to 85% of the lesser of the market value of such shares at the beginning of a 27 month offering period or the end of each three month segment within such offering period. If the market price at any of the nine purchase periods is less than the market price on the first date of the 27 month offering period, subsequent to the purchase, the offering period is canceled and the employee is entered into a new 27 month offering period with the then current market price as the new base price. We issued 376,000 shares, 594,000 shares and 604,000 shares with weighted average purchase prices of $15.04, $11.52 and $10.28 per share, respectively, in fiscal years 2012, 2011 and 2010, respectively. At November 30, 2012, approximately 1,211,000 shares were available and reserved for issuance under the ESPP.

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We estimated the fair value of stock options and ESPP awards granted in fiscal years 2012, 2011 and 2010 on the measurement dates using the Black-Scholes option valuation model with the following weighted average assumptions:

	Fiscal Year Ended					
	November 30, 2012		November 30, 2011		November 30, 2010	
Stock options:						
Expected volatility	30.0	%	27.3	%	27.2	%
Risk-free interest rate	0.8	%	1.7	%	2.2	%
Expected life (in years)	4.8		4.8		4.8	
Expected dividend yield	—		—		—	
Employee stock purchase plan:						
Expected volatility	34.1	%	25.8	%	27.7	%
Risk-free interest rate	0.2	%	0.4	%	0.6	%
Expected life (in years)	1.5		1.6		1.5	
Expected dividend yield	—		—		—	

For each stock option award, the expected life in years is based on historical exercise patterns and post-vesting termination behavior. Expected volatility is based on historical volatility of our stock, and the risk-free interest rate is based on the U.S. Treasury yield curve for the period that is commensurate with the expected life at the time of grant. We currently do not pay cash dividends on our common stock and do not anticipate doing so for the foreseeable future. Accordingly, our expected dividend yield is zero.

For each ESPP award, the expected life in years is based on the period of time between the beginning of the offering period and the date of purchase, plus an additional holding period of three months. Expected volatility is based on historical volatility of the our stock, and the risk-free interest rate is based on the U.S. Treasury yield curve in effect at each purchase period.

Based on the above assumptions, the weighted average estimated fair value of stock options granted in fiscal years 2012, 2011 and 2010 was $5.66, $7.31 and $5.84 per share, respectively. We amortize the estimated fair value of stock options to expense over the vesting period using the straight-line method. The weighted average estimated fair value for shares issued under our ESPP in fiscal years 2012, 2011 and 2010 was $6.53, $6.44 and $5.97 per share, respectively. We amortize the estimated fair value of shares issued under the ESPP to expense over the vesting period using a graded vesting model.

Other reasonable assumptions about these factors could provide different estimates of fair value. Future changes in stock price volatility, life of options, interest rates and dividend practices, if any, may require changes in our assumptions, which could materially affect the calculation of fair value.

Total unrecognized stock-based compensation expense, net of expected forfeitures, related to unvested stock options and unvested restricted stock awards amounted to $20.4 million at November 30, 2012. These costs are expected to be recognized over a weighted average period of 2.2 years.

The following additional activity occurred under our plans (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Total intrinsic value of stock options on date exercised	$9,601	$31,566	$47,395

Total fair value of deferred stock units on date vested	114	40	—
Total fair value of restricted stock awards on date vested	—	—	131
Total fair value of restricted stock units on date vested	13,772	9,120	6,202

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The following table provides the classification of stock-based compensation as reflected in our consolidated statements of income (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Cost of software licenses	$9	$9	$16
Cost of maintenance and services	889	751	507
Sales and marketing	4,280	3,258	2,909
Product development	3,950	3,202	2,341
General and administrative	10,983	12,888	6,948
Restructuring	—	—	535
Stock-based compensation from continuing operations	20,111	20,108	13,256
Loss from discontinued operations	8,122	5,891	4,865
Total stock-based compensation	$28,233	$25,999	$18,121
Income tax benefit included in the provision for income taxes from continuing operations	$5,309	$5,319	$3,560

Separation and Divestiture Arrangements

During fiscal year 2011, we entered into an amendment to the existing severance agreement with Richard D. Reidy, our former President and Chief Executive Officer. The amendment was entered into in connection with the announcement that Mr. Reidy would terminate employment when his successor was named. Mr. Reidy continued as our President and Chief Executive Officer until his successor commenced employment on December 5, 2011.

The amendment entitled Mr. Reidy to severance and acceleration of vesting of Mr. Reidy's unvested equity to the extent such equity would have vested during the twenty-four months following termination of employment. The amendment also provided for an extension of the period of time during which Mr. Reidy may exercise his vested stock options following his termination from three months to a total of fifteen months.

We recognized $4.6 million of stock-based compensation expense in fiscal year 2011 as a result of this arrangement. The expense was recorded in general and administrative expense on the consolidated statement of income.

During fiscal year 2012, the employment of three of our executives terminated, including our former Chief Financial Officer, Charles F. Wagner, Jr. As part of the separation agreements, the executives were entitled to accelerated vesting of certain stock-based awards. Due to the separation and accelerated vesting, we recognized additional stock-based compensation of $1.8 million, of which $0.9 million was recorded as general and administrative expense and $0.9 million was recorded as sales and marketing expense, in the consolidated statement of income.

During fiscal year 2012, we entered into transition agreements with certain employees of our non-Core product lines. As part of the transition agreements, the employees are entitled to accelerated vesting of stock-based awards if the employees remain employees of the company through the date their non-Core product line is divested. We recognized additional stock-based compensation of $1.3 million in the consolidated statement of income as a result of these agreements.

Note 13: Retirement Plan

We maintain a retirement plan covering all U.S. employees under Section 401(k) of the Internal Revenue Code. Company contributions to the plan are at the discretion of the Board of Directors and totaled approximately $2.9

million, $2.4 million and $4.6 million for fiscal years 2012, 2011 and 2010, respectively.

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Note 14: Restructuring

2012 Restructuring

In the second quarter of fiscal 2012, as part of the Plan, our management approved, committed to and initiated certain operational restructuring initiatives to reduce annual costs, including the simplification of our organizational structure and the consolidation of facilities. In addition, as part of the Plan, we are divesting our non-Core product lines. Our restructuring actions include both our cost reduction efforts and qualifying costs associated with our divestitures.

Restructuring expenses primarily relate to employee costs, including severance, health benefits, outplacement services and transition divestiture incentives, but excluding stock-based compensation. Facilities costs include fees to terminate lease agreements and costs for unused space, net of sublease assumptions. Other costs include costs to terminate automobile leases of employees included in the workforce reduction, asset impairment charges for assets no longer deployed as part of cost reduction strategies, costs for unused software licenses as part of the workforce reduction and other costs directly associated with the restructuring actions taken.

As part of the 2012 restructuring, we incurred expenses in the fiscal year 2012 totaling $19.0 million, of which $2.6 million represents excess facilities and other costs and $16.4 million represents employee severances and related benefits. We have recorded $8.1 million as restructuring expenses and $10.9 million as income (loss) from discontinued operations in the consolidated statement of income. We expect to incur additional costs through the first half of fiscal year 2013. The total cost of the 2012 restructuring is expected to be approximately $5.1 million for excess facilities and other costs and approximately $16.8 million for employee severance and related benefits.

A summary of activity for the 2012 restructuring actions is as follows (in thousands):

	Excess Facilities and Other Costs	Employee Severance and Related Benefits	Total
Balance, December 1, 2011	$—	$—	$—
Costs incurred	2,644	16,367	19,011
Cash disbursements	(1,136)	(9,997)	(11,133)
Asset impairment	(898)	—	(898)
Translation adjustments and other	(7)	59	52
Balance, November 30, 2012	$603	$6,429	$7,032

Cash disbursements under the 2012 restructuring are expected to be made through the first three quarters of fiscal year 2013. The short-term portion of the restructuring reserve of $6.9 million is included in other accrued liabilities and the long-term portion of $0.1 million is included in other noncurrent liabilities on the consolidated balance sheet at November 30, 2012.

2010 Restructuring

During the first and third quarters of fiscal year 2010, our management approved, committed to and initiated plans to restructure and improve efficiencies in our operations as a result of certain management and organizational changes and acquisitions. We reduced our global workforce primarily within the development, sales and administrative organizations. This workforce reduction was conducted across all geographies and also resulted in a consolidation of offices in certain locations. The total costs of the fiscal year 2010 restructurings primarily relate to employee severance and excess facilities expenses. The excess facilities and other costs represent facilities costs for unused space and termination costs for automobile leases of employees included in the workforce reduction.

As part of the 2010 restructuring activities, we recorded cumulative expenses totaling $43.3 million, of which $8.0 million represents excess facilities and other costs and $35.3 million represents employee severances and related benefits. We do not expect to incur additional expenses related to these activities. The expenses are recorded as restructuring expense in the consolidated statements of income, with the exception of those costs related to our discontinued operations, which are included in income (loss) from discontinued operations.

A summary of activity for the 2010 restructuring actions is as follows (in thousands):

	Excess Facilities and Other Costs	Employee Severance and Related Benefits	Total
Balance, December 1, 2011	$4,913	$698	$5,611
Costs incurred	(1,269)	—	(1,269)
Cash disbursements	(3,878)	(412)	(4,290)
Translation adjustments and other	234	(11)	223
Balance, November 30, 2012	$—	$275	$275

Cash disbursements for excess facilities costs are presented net of proceeds received from sublease agreements. In fiscal year 2012, we entered into an agreement with the landlord to terminate a lease we had restructured. The termination payment was less than our estimated costs of future rent, less our sublease assumptions, and resulted in a reversal of restructuring expenses of $1.3 million, which is included in income (loss) from discontinued operations.

The balance of the employee severance and related benefits is expected to be paid over a period of time ending in June 2013. The restructuring reserve of $0.3 million is included in other accrued liabilities on the consolidated balance sheet at November 30, 2012.

Note 15: Income Taxes

The components of income from continuing operations before income taxes are as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
U.S.	$31,469	$84,218	$82,575
Foreign	18,167	16,504	12,659
Total	$49,636	$100,722	$95,234

The provision for income taxes from continuing operations is comprised of the following (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Current:			
Federal	$5,779	$20,283	$17,080
State	883	2,017	2,452
Foreign	5,970	5,131	5,392
Total current	12,632	27,431	24,924
Deferred:			
Federal	5,047	6,116	8,329
State	45	277	274
Foreign	(692)	556	(861)
Total deferred	4,400	6,949	7,742
Total	$17,032	$34,380	$32,666

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A reconciliation of the U.S. Federal statutory rate to the effective tax rate from continuing operations is as follows:

	Fiscal Year Ended November 30, 2012		November 30, 2011		November 30, 2010	
Tax at U.S. Federal statutory rate	35.0	%	35.0	%	35.0	%
Foreign rate differences	(1.3	)	1.1		(0.7	)
State income taxes, net	(0.2	)	1.6		2.5	
Research credits	(0.1	)	(1.4	)	(0.2	)
Domestic production activities deduction	(2.1	)	(2.0	)	(1.5	)
Tax-exempt interest	(0.4	)	(0.2	)	(0.2	)
Nondeductible stock-based compensation	4.5		1.7		1.8	
Nonrecurring benefit from change in estimate from earnings and profits	—		—		(3.5	)
Other	(1.1	)	(1.6	)	1.0	
Total	34.3	%	34.2	%	34.2	%

The components of deferred tax assets and liabilities are as follows (in thousands):

	November 30, 2012		November 30, 2011	
Deferred tax assets:				
Accounts receivable	$768		$1,230	
Other current assets	786		780	
Capitalized research costs	231		1,360	
Accrued compensation	4,657		3,258	
Accrued liabilities and other	10,527		9,018	
Deferred revenue	129		1,540	
Stock-based compensation	8,122		8,908	
Depreciation and amortization	5,533		—	
Tax credit and loss carryforwards	39,216		54,350	
Gross deferred tax assets	69,969		80,444	
Valuation allowance	(14,316	)	(23,734	)
Total deferred tax assets	55,653		56,710	
Deferred tax liabilities:				
Goodwill	(13,819	)	(10,629	)
Depreciation and amortization	—		(3,795	)
Total deferred tax liabilities	(13,819	)	(14,424	)
Total	$41,834		$42,286	

The valuation allowance primarily applies to net operating loss carryforwards and unutilized tax credits in jurisdictions or under conditions where realization is not assured. The $9.4 million decrease in the valuation allowance during fiscal year 2012 primarily relates to the partial release of valuation allowances on state credit carryforwards, which will be utilized to offset certain gains on our dispositions.

At November 30, 2012, we have net operating loss carryforwards of $75.1 million expiring on various dates through 2029 and $16.2 million that may be carried forward indefinitely. At November 30, 2012, we have tax credit carryforwards of approximately $12.5 million expiring on various dates through 2031 and $0.2 million that may be carried forward indefinitely.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize and record potential tax liabilities for anticipated tax audit issues in various tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. We adjust these reserves in light of changing facts and circumstances; however, due to the complexity of some of these

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uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in income tax benefits being recognized in the period when we determine the liabilities are no longer necessary.

A reconciliation of the balance of our unrecognized tax benefits is as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Balance, beginning of year	$2,631	$2,294	$3,914
Tax positions related to current year	79	445	442
Settlements with tax authorities	—	—	(1,736)
Tax positions acquired	—	—	200
Lapses due to expiration of the statute of limitations	(518)	(108)	(526)
Balance, end of year	$2,192	$2,631	$2,294

We recognize interest and penalties related to uncertain tax positions as a component of our provision for income taxes. In fiscal year 2012 there was no estimated interest and penalties recorded in the provision for income taxes. In fiscal years 2011 and 2010 there was $0.1 million and $0.1 million, respectively, of estimated interest and penalties in the provision for income taxes. We have accrued $0.3 million of estimated interest and penalties at November 30, 2012 and 2011. We expect unrecognized tax benefits to change over the next 12 months if certain tax matters ultimately settle with the applicable taxing jurisdiction during this time frame, or if the applicable statute of limitations lapses. The impact to our previously recorded unrecognized tax benefits could range from $0.2 million to $1.3 million as a result of these matters.

We have not provided for U.S. income taxes on the undistributed earnings of non-U.S. subsidiaries, as these earnings have been permanently reinvested. The cumulative undistributed foreign earnings were approximately $33.2 million at November 30, 2012. There is no unrecognized deferred tax liability for temporary differences related to these earnings at November 30, 2012 due to foreign tax credits available to offset the liability.

The Internal Revenue Service is currently examining our U.S. Federal income tax returns for fiscal years 2009 and 2010. Our U.S. Federal income tax returns have been examined or are closed by statute for all years prior to fiscal year 2009, and we are no longer subject to audit for those periods. State taxing authorities are currently examining our income tax returns for years through fiscal year 2010. Our state income tax returns have been examined or are closed by statute for all years prior to fiscal year 2005, and we are no longer subject to audit for those periods.

Tax authorities for certain non-U.S. jurisdictions are also examining returns affecting unrecognized tax benefits, none of which are material to our consolidated balance sheets, cash flows or statements of income. With some exceptions, we are generally no longer subject to tax examinations in non-U.S. jurisdictions for years prior to fiscal year 2007.

Note 16: Earnings Per Share

We compute basic earnings per share using the weighted average number of common shares outstanding. We compute diluted earnings per share using the weighted average number of common shares outstanding plus the effect of outstanding dilutive stock options, restricted stock units and deferred stock units, using the treasury stock method. The following table sets forth the calculation of basic and diluted earnings per share from continuing operations (in thousands, expect per share data):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Income from continuing operations	$32,604	$66,342	$62,568
Weighted average shares outstanding	62,881	65,705	63,957
Dilutive impact from common stock equivalents	860	1,835	2,255
Diluted weighted average shares outstanding	63,741	67,540	66,212
Basic earnings per share from continuing operations	$0.52	$1.01	$0.98
Diluted earnings per share from continuing operations	$0.51	$0.98	$0.94

We excluded stock awards representing approximately 4,115,000 shares, 2,208,000 shares, and 3,870,000 shares of common stock from the calculation of diluted earnings per share in the fiscal years ended November 30, 2012, 2011 and 2010, respectively, because these awards were anti-dilutive.

Note 17: Business Segments and International Operations

Operating segments, as defined under GAAP, are components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and assess performance. We internally report results to our chief operating decision maker on both a product group basis and a functional basis. Our product groups represent our reportable segments for financial reporting purposes. We assign dedicated costs and expenses directly to each segment and utilize an allocation methodology to assign all other costs and expenses, primarily general and administrative, to each segment. We do not manage our assets or capital expenditures by segment or assign other income and income taxes to segments. We manage and report such items on a consolidated company basis. Our chief operating decision maker is our Chief Executive Officer.

In the third quarter of fiscal year 2012, as part of the Plan, we changed the structure of our internal organization and the way we manage our business. As a result of the change, our internal reporting was organized into the following segments, each of which meet the criteria of a reportable segment: (1) the Core segment, which includes the OpenEdge, DataDirect Connect and Decision Analytics (comprised of Apama, Corticon and the Progress Control Tower) product lines; and (2) the non-Core segment, which includes the Actional, Artix, DataXtend, FuseSource, ObjectStore, Orbacus, Orbix, Savvion, Shadow and Sonic product lines. The segment information for the prior periods presented has been restated to reflect the change in our reportable segments.

As of November 30, 2012, all of the non-Core product lines are included in discontinued operations (Note 7). As a result, the revenue and direct expenses of the non-Core product lines have been presented in income (loss) from discontinued operations and excluded from our segment results presented in the tables below. The indirect expenses required to operate the non-Core segment, which are not directly related to any of the product lines within the non-Core segment and therefore would not qualify for discontinued operations classification, continue to be presented in the non-Core segment. The indirect expenses of the non-Core segment will be absorbed by the Core segment or otherwise reduced as we complete our divestitures.

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The following table provides revenue and income from operations for our reportable segments (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Revenue:			
Core segment	$335,205	$360,704	$351,610
Non-Core segment	—	—	—
Total revenue	$335,205	$360,704	$351,610
Income (loss) from operations:			
Core segment	$111,276	$161,900	$173,662
Non-Core segment	(27,030)	(32,306)	(39,149)
Unallocated items:			
Amortization of acquired intangibles	(2,221)	(3,566)	(8,583)
Stock-based compensation	(20,111)	(20,108)	(12,721)
Transition expenses	—	(760)	(352)
Restructuring expenses	(8,100)	(3,383)	(22,711)
Acquisition-related expenses	(215)	(536)	—
Stock option investigation expense	—	—	1,330
Litigation settlement	(900)	—	—
Proxy contest-related costs	(3,259)	—	—
Total income from operations	$49,440	$101,241	$91,476

Unallocated items are excluded from segment income from operations, as such amounts are not deducted from internal measurements of income from operations and are not allocated to our reportable segments.

Our revenues are derived from licensing our products, and from related services, which consist of maintenance and consulting and education. Information relating to revenue from external customers by revenue type is as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
Software licenses	$113,270	$125,966	$125,680
Maintenance	208,846	217,372	209,073
Professional services	13,089	17,366	16,857
Total	$335,205	$360,704	$351,610

In the following table, revenue attributed to North America includes sales to customers in the U.S. and Canada and licensing to certain multinational organizations, substantially all of which is invoiced from the U.S. Revenue from Europe, the Middle East and Africa (EMEA), Latin America and the Asia Pacific region includes shipments to customers in each region, not including certain multinational organizations, plus export shipments into each region that are billed from the U.S. Information relating to revenue from external customers from different geographical areas is as follows (in thousands):

	Fiscal Year Ended		
	November 30, 2012	November 30, 2011	November 30, 2010
North America	$146,374	$146,572	$142,046

EMEA	131,151	153,206	146,643
Latin America	31,407	34,349	36,302
Asia Pacific	26,273	26,577	26,619
Total	$335,205	$360,704	$351,610

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Revenue from the United Kingdom totaled $35.7 million, $43.4 million and $39.7 million for fiscal years 2012, 2011 and 2010, respectively. No other country outside of the U.S. accounted for more than 10% of our consolidated revenue in any year presented. Long-lived assets totaled $57.9 million, $59.6 million and $54.7 million in the U.S. and $5.2 million, $6.6 million and $7.8 million outside of the U.S. at the end of fiscal years 2012, 2011 and 2010, respectively. No individual country outside of the U.S. accounted for more than 10% of our consolidated long-lived assets.

Note 18: Selected Quarterly Financial Data (unaudited)

(in thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal year 2012:				
Revenue	$87,213	$78,404	$78,317	$91,271
Gross profit	76,562	67,804	67,092	80,184
Income from operations	19,221	6,122	8,405	15,692
Income from continuing operations	11,949	4,527	5,353	10,775
Net income (loss)	7,489	(1,908)	5,838	36,025
Basic earnings per share from continuing operations	0.19	0.07	0.08	0.17
Diluted earnings per share from continuing operations	0.19	0.07	0.08	0.17
Fiscal year 2011:				
Revenue	$87,524	$90,955	$88,681	$93,544
Gross profit	76,656	79,207	77,037	82,536
Income from operations	23,823	27,566	21,430	28,422
Income from continuing operations	16,263	18,432	14,426	17,221
Net income	20,476	17,919	9,059	12,175
Basic earnings per share from continuing operations	0.24	0.28	0.22	0.27
Diluted earnings per share from continuing operations	0.23	0.27	0.21	0.27

In the third quarter of fiscal 2012, in connection with the filing of our Federal income tax return, we undertook a review of our income taxes payable. As part of the review, we identified errors relating to prior fiscal year financial statements. The errors relate to improper entries to income taxes payable as part of accounting for uncertain tax positions, purchase accounting, accounting for deferred tax assets and return to provision adjustments and had the cumulative impact of overstating income taxes payable, goodwill, deferred tax assets and the provision for income taxes in prior periods.

The errors are immaterial to all annual and quarterly periods previously presented. However, because the cumulative impact of the errors would have been significant to the current period consolidated statement of income if corrected in the current period, we have corrected the prior period financial statements to reflect the corrections in the periods they occurred (see "Adjustment" in the tables below).

The effect of the corrections on the selected quarterly financial data for the year ended November 30, 2011, is as follows (in thousands, except per share data; per share data may not foot due to rounding):

	Income from continuing operations	Net income	Basic earnings per shares from continuing operations	Diluted earnings per share from continuing operations
First quarter:				
As previously reported	$—	$20,521	$—	$—
Impact of discontinued operations	16,308	—	0.24	0.23
Adjustment	(45)	(45)	—	—
As corrected	$16,263	$20,476	$0.24	$0.23
Second quarter:				
As previously reported	$—	$17,960	$—	$—
Impact of discontinued operations	18,473	—	0.28	0.27
Adjustment	(41)	(41)	—	—
As corrected	$18,432	$17,919	$0.28	$0.27
Third quarter:				
As previously reported	$—	$8,601	$—	$—
Impact of discontinued operations	13,968	—	0.21	0.21
Adjustment	458	458	0.01	0.01
As corrected	$14,426	$9,059	$0.22	$0.21
Fourth quarter:				
As previously reported	$—	$11,679	$—	$—
Impact of discontinued operations	16,725	—	0.27	0.26
Adjustment	496	496	0.01	0.01
As corrected	$17,221	$12,175	$0.27	$0.27

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Our management maintains disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), as appropriate, to allow for timely decisions regarding required disclosure.

Our management, including the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective to ensure that the information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 was recorded, processed, summarized and reported within the requisite time periods and that such information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure. As discussed below, we determined we had a material weakness in our internal control over financial reporting because we failed to maintain effective controls necessary to ensure all terms and conditions being agreed to by our sales personnel with our customers and partners were properly documented within our contractual arrangements with such customers and partners.

(b) Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of November 30, 2012. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Based on our assessment we believe that as of November 30, 2012, our internal control over financial reporting was not effective based on those criteria.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. Based on this definition, management concluded that the following material weakness existed:

At November 30, 2012, we determined that we had not designed and implemented the controls necessary to ensure that all terms and conditions being agreed to by our sales personnel with our customers and partners were properly documented within our contractual arrangements with such customers and partners, resulting in improper recognition of revenue. Specifically, our sales organizations in our Asia Pacific and Central EMEA regions did not take sufficient steps to ensure that all details of agreements with our customers and partners were provided to those individuals making revenue recognition decisions. We determined that as a result of this deficiency, the timing of revenue recognized was improper on certain transactions that were immaterial to our financial statements. We believe the foregoing deficiency has resulted in more than a reasonable possibility that a material misstatement of our interim or annual financial statements would not have been prevented or detected.

Specific remediation actions taken by management in fiscal year 2012 regarding the foregoing material weakness in internal control over financial reporting include the following:

- The employment with the company of the sales representatives and the former regional sales directors involved in the above described transactions has terminated; and
- The implementation of a formalized and centralized deal review process in Asia Pacific and EMEA to which individuals within our sales, finance, revenue operations, credit and collections and legal functions participate.

Deloitte & Touche LLP, our independent registered public accounting firm, which audited our consolidated financial statements, has issued an attestation report on our internal control over financial reporting, which is included in this Item 9A below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Progress Software Corporation
Bedford, Massachusetts

We have audited Progress Software Corporation's and subsidiaries' (the "Company's") internal control over financial reporting as of November 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on that risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment:

The Company did not design and implement the controls necessary to ensure that all terms and conditions being agreed to by sales personnel with customers and partners were properly documented within the contractual arrangements with such customers and partners, resulting in the improper recognition of revenue.

This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended November 30, 2012, of the Company and this report does not affect our report on such financial statements.

In our opinion, because of the effect of the material weakness identified above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of November 30, 2012, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended November 30, 2012, of the Company and our report dated January 29, 2013 expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding discontinued operations.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
January 29, 2013

(c) Changes in internal control over financial reporting

Except as noted above, there were no changes in our internal control over financial reporting during the quarter ended November 30, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) Planned remediation efforts

Planned remediation efforts regarding the material weakness described above include the following:

- Expansion of the existing sales employee certification process and the withholding of commission payments to sales employees until all certifications have been received;
- Deal-specific certifications from sales employees;
- Directed and more frequent communication from senior management regarding inappropriate business arrangements and grounds for termination;
- Improved training for sales and other employees, with a focus on revenue recognition; and
- Improved communication within the sales organization to reinforce adherence to our policies and procedures.

Management is committed to the remediation efforts identified above, and will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate. The results of the remediation activities and new controls will be tested as part of our review of internal control over financial reporting for fiscal year 2013.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 with respect to our directors and executive officers, including the qualifications of the members of the Audit Committee of our Board of Directors, may be found in the sections captioned, “Proposal 1—Election of Directors,” “Committees of the Board,” “Certain Relationships” and “Section 16(a) Beneficial Ownership Reporting Compliance” appearing in our definitive Proxy Statement for the 2013 Annual Meeting of Shareholders. This information is incorporated herein by reference.

Executive and Other Key Officers of the Registrant

The following table sets forth certain information regarding our executive and other key officers.

Name	Age	Position
Joseph A. Andrews	56	Senior Vice President, Human Resources
Antonio J. Aquilina	45	Senior Vice President, Strategy and Corporate Development
John Bates	42	Chief Technology Officer and Decision Analytics Business Line Leader
Michael Benedict	40	Vice President, Data Connectivity Business Line Leader
David A. Benson	53	Executive Vice President and Chief Information Officer
Melissa H. Cruz*	50	Senior Vice President, Finance and Administration and Chief Financial Officer
Stephen H. Faberman	43	Vice President, General Counsel
John P. Goodson	48	Senior Vice President, Product Engineering
Karen Padir	44	Senior Vice President, Application Development Business Line Leader
Philip M. Pead*	60	President and Chief Executive Officer
Jennifer Smith	37	Vice President, Chief Marketing Officer
Andy Zupsic*	50	Senior Vice President, Global Field Operations

* Denotes Executive Officer

Mr. Andrews became Senior Vice President, Human Resources in April 2010. Prior to that time, Mr. Andrews was Vice President, Human Resources, a position he held since he joined us in February 1997.

Mr. Aquilina became Senior Vice President, Strategy and Corporate Development in January 2012. Prior to that time, from February 2011 until January 2012, Mr. Aquilina was Vice President of Corporate Development at Autodesk, Inc., where he was employed beginning in 2005. From 2005 until February 2011, Mr. Aquilina was Director of Business Development within the Architecture, Engineering and Construction Services Division at Autodesk, Inc.

Dr. Bates became the Decision Analytics Business Line Leader in May 2012, as well as retaining the position of Executive Vice President and Chief Technology Officer. Dr. Bates became Chief Technology Officer and Head of Corporate Development in December 2009. Prior to that time, Dr. Bates was Vice President and General Manager, Apama Division from July 2007 to November 2009. Prior to that time, he was Vice President, Apama Products. Dr. Bates co-founded Apama Limited, a predecessor company acquired by Progress, in 1995.

Mr. Benedict became Vice President, Data Connectivity Business Line Leader in May 2012. From March 2011 to May 2012, Mr. Benedict was Vice President of Product Management. Prior to that time, Mr. Benedict held several Senior Director and Director positions in the Products and Sales organizations, since joining Progress upon the acquisition of DataDirect in 2003.

Mr. Benson became Executive Vice President and Chief Information Officer in April 2010. Mr. Benson joined us in June 2009 as Senior Vice President and Chief Information Officer. Prior to joining us, Mr. Benson served as Senior Vice President, Chief Information Officer for News Corporation, a diversified media and entertainment company, from May 2003 to August 2008.

Ms. Cruz became Senior Vice President, Finance and Administration and Chief Financial Officer in July 2012. Prior to joining us, from January 2007 to August 2010, Ms. Cruz was Executive Vice President and Chief Financial Officer of Picis, Inc., which was acquired by United Health Group. Ms. Cruz remained with United Heath Group as the Chief Financial Officer of the Picis business unit until July 2011. From September 2005 to January 2007, Ms. Cruz was Senior Vice President and Chief Financial Officer of BladeLogic, Inc. In December 2012, Ms. Cruz informed us that she intended to retire as Senior Vice President, Finance and Administration and Chief Financial Officer in 2013, upon the appointment of her successor. In January 2013, we announced that Chris Perkins would be appointed Senior Vice President, Finance and Administration and Chief Financial Officer in February 2013.

Mr. Faberman became Vice President, General Counsel in December 2012. Prior to that, from October 2012 to December 2012, Mr. Faberman was Vice President, Acting General Counsel, and from January 2012 to October 2012, Mr. Faberman was Vice President, Deputy General Counsel. Mr. Faberman joined us in May 2008 as Associate General Counsel and was promoted to Deputy General Counsel in September 2010. Prior to joining us, from November 2007 to May 2008, Mr.

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Faberman was Of Counsel at Greenberg Traurig. From October 2003 to March 2007, Mr. Faberman was Vice President, Corporate Counsel at Heritage Property Investment Trust.

Mr. Goodson became Senior Vice President, Product Engineering in May 2012. Prior to that time, Mr. Goodson was Senior Vice President, Products and acted as our Interim Chief Product Officer since October 2010. Prior to that time, from June 2010 until October 2010, Mr. Goodson was Senior Vice President and General Manager, Enterprise Data Solutions and Enterprise Business Solutions. In April 2009, Mr. Goodson became a Senior Vice President. Mr. Goodson had been a Vice President and General Manager, DataDirect Technologies Division since December 2007. Prior to December 2007, Mr. Goodson was Vice President, Product Operations, for DataDirect Technologies Division. Mr. Goodson joined DataDirect Technologies Limited, a predecessor company acquired by Progress, in 1992.

Ms. Padir became Senior Vice President, Application Development Business Line Leader in September 2012. Prior to joining us, from March 2010 to September 2012, Ms. Padir was Executive Vice President, Products and Engineering at EnterpriseDB. From October 2005 to February 2010, Ms. Padir was Vice President, Engineering at Sun Microsystems, and from October 2004 to September 2005, she was Vice President, Engineering at Red Hat.

Mr. Pead became President and Chief Executive Officer in December 2012. Prior to that, from November 2012 to December 2012, Mr. Pead was Executive Chairman and Interim Chief Executive Officer. Prior to that, Mr. Pead had been a director since July 2011. Mr. Pead was formerly the Chairman of the Board of Directors of Allscripts Heath Solutions, which merged with Eclipsys Corporation in August 2010, where Mr. Pead was the President and Chief Executive Officer. From March 2007 to May 2009, Mr. Pead served as the Managing Partner of Beacon Point Partners LLC. Mr. Pead served as President and Chief Executive Officer of Per-Se Technologies Inc. from November 2000 until its acquisition by McKesson Corporation in January 2007.

Ms. Smith became Vice President, Chief Marketing Officer in January 2013. Prior to that, from April 2012 to January 2013, Ms. Smith was Vice President, Corporate Marketing, and from January 2010 to April 2012, Ms. Smith was Vice President, Worldwide Field Marketing. Prior to that, Ms. Smith held several Director positions in the marketing organization since joining Progress in October 2007.

Mr. Zupsic became Senior Vice President, Global Field Operations in April 2012. Prior to joining us, from September 2009 to April 2012, Mr. Zupsic was Senior Vice President of Americas Enterprise Sales as Juniper Networks, Inc. From July 2007 to September 2009, Mr. Zupsic was Vice President, Sales, Marketing and Services, Latin America, at Microsoft. Prior to July 2007, Mr. Zupsic held several Director and Manager positions at Microsoft, where he was employed since 1993.

Board of Directors

The following information is provided with respect to the members of our Board of Directors:

Barry N. Bycoff
Former Executive Chairman
Progress Software Corporation

John R. Egan
Non-Executive Chairman
Managing Partner
Egan-Managed Capital

Ram Gupta
Former President and Chief Executive Officer
CAST Iron Systems, Inc.

Charles F. Kane
Strategic Advisor and Director
One Laptop per Child

David A. Krall
Former President and Chief Executive Officer
Avid Technology, Inc.

Michael L. Mark
Director
Progress Software Corporation

Philip M. Pead
President and Chief Executive Officer
Progress Software Corporation

Code of Conduct

We have adopted a Code of Conduct that applies to all employees and directors. A copy of the Code of Conduct is publicly available on our website at www.progress.com. If we make any substantive amendments to the Code of Conduct or grant any waiver, including any implicit waiver, from the Code of Conduct to our executive officers or directors, we will disclose the nature of such amendment or waiver in a Current Report on Form 8-K.

Item 11. Executive Compensation

The information required by this Item 11 with respect to director and executive compensation may be found under the headings captioned “Director Compensation,” “Compensation Discussion and Analysis” and “Executive Compensation” in our definitive Proxy Statement for the 2013 Annual Meeting of Shareholders. This information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 with respect to security ownership and our equity compensation plans may be found under the headings captioned “Information About Progress Software Common Stock Ownership” and “Equity Compensation Plan Information” in our definitive Proxy Statement for the 2013 Annual Meeting of Shareholders. This information is incorporated herein by reference.

Information related to securities authorized for issuance under equity compensation plans as of November 30, 2012 is as follows (in thousands, except per share data):

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights		Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available For Future Issuance	
Equity compensation plans approved by shareholders (1)	3,908	(2)	$19.57	5,811	(3)
Equity compensation plans not approved by shareholders (4)	1,296		21.26	1,088	
Total	5,204		$19.99	6,899	

(1) Consists of the 1992 Incentive and Nonqualified Stock Option Plan, 1994 Stock Incentive Plan, 1997 Stock Incentive Plan, 2008 Stock Option and Incentive Plan and 1991 Employee Stock Purchase Plan (ESPP).

(2) Does not include purchase rights accruing under the ESPP because the purchase price (and therefore the number of shares to be purchased) will not be determined until the end of the purchase period.

(3) Includes 1,211,000 shares available for future issuance under the ESPP.
(4) Consists of the 2002 Nonqualified Stock Plan and the 2004 Inducement Plan described below.

We have adopted two equity compensation plans, the 2002 Nonqualified Stock Plan (2002 Plan) and the 2004 Inducement Stock Plan (2004 Plan), for which the approval of shareholders was not required. We intend that the 2004 Plan be reserved for persons to whom we may issue securities as an inducement to become employed by us pursuant to the rules and regulations of NASDAQ. Executive officers and members of the Board of Directors are not eligible for awards under the 2002 Plan. An executive officer would be eligible to receive an award under the 2004 Plan only as an inducement to join us. Awards under the 2002 Plan and the 2004 Plan may include nonqualified stock options, grants of conditioned stock, unrestricted grants of stock, grants of stock contingent upon the attainment of performance goals and stock appreciation rights. A total of 11,250,000 shares are issuable under the two plans, of which, 1,088,000 shares are available for future issuance.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 may be found under the headings "Independence," "Review of Transactions with Related Persons" and "Transactions with Related Persons" in our definitive Proxy Statement for the 2013 Annual Meeting of Shareholders. This information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 may be found under the heading "Information About Our Independent Registered Public Accounting Firm" in our definitive Proxy Statement for the 2013 Annual Meeting of Shareholders. This information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents Filed as Part of this Annual Report on Form 10-K

1. Financial Statements (included in Item 8 of this Annual Report on Form 10-K):

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of November 30, 2012 and 2011
- Consolidated Statements of Income for the years ended November 30, 2012, 2011 and 2010
- Consolidated Statements of Shareholders' Equity for the years ended November 30, 2012, 2011 and 2010
- Consolidated Statements of Cash Flows for the years ended November 30, 2012, 2011 and 2010
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules

Financial statement schedules are omitted as they are either not required or the information is otherwise included in the consolidated financial statements.

(b) Exhibits

Documents listed below, except for documents followed by parenthetical numbers, are being filed as exhibits. Documents followed by parenthetical numbers are not being filed herewith and, pursuant to Rule 12b-32 of the General Rules and Regulations promulgated by the SEC under the Securities Exchange Act of 1934 (the Act), reference is made to such documents as previously filed as exhibits with the SEC. Our file number under the Act is 0-19417.

3.1	Restated Articles of Organization, as amended (1)
3.2	By-Laws, as amended and restated (2)
4.1	Specimen certificate for the Common Stock (3)
10.1*	1992 Incentive and Nonqualified Stock Option Plan (4)
10.2*	1994 Stock Incentive Plan (5)
10.3*	1997 Stock Incentive Plan, as amended and restated
10.4*	Employee Retention and Motivation Agreement as amended and restated, executed by each of the Executive Officers (other than the Chief Executive Officer) (6)
10.5*	2002 Nonqualified Stock Plan, as amended and restated (7)

10.6*	2004 Inducement Stock Plan, as amended and restated (8)
10.7*	Progress Software Corporation 1991 Employee Stock Purchase Plan, as amended and restated (9)
10.8*	Progress Software Corporation 2008 Stock Option and Incentive Plan, as amended and restated (10)
10.9*	Form of Notice of Grant of Stock Options and Grant Agreement under the Progress Software Corporation 2008 Stock Option and Incentive Plan (11)
10.10*	Progress Software Corporation Corporate Executive Bonus Plan
10.11*	Progress Software Corporation 2012 Fiscal Year Non-Employee Directors Compensation Program

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10.12*	Form of Deferred Stock Unit Agreement under the Progress Software Corporation 2008 Stock Option and Incentive Plan (12)
10.13*	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the Progress Software Corporation 2008 Stock Option and Incentive Plan (Initial Grant) (13)
10.14*	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the Progress Software Corporation 2008 Stock Option and Incentive Plan (Annual Grant) (14)
10.15.1*	Employment Letter Agreement, dated May 12, 2009, by and between Progress Software Corporation and Barry N. Bycoff regarding the terms of Mr. Bycoff's employment as Executive Chairman of the Board of Directors of Progress Software Corporation (15)
10.15.2*	Letter Agreement, dated January 15, 2010, by and between Progress Software Corporation and Barry N. Bycoff regarding the extension of Mr. Bycoff's employment as Executive Chairman of the Board of Directors of Progress Software Corporation (16)
10.16*	Employment Letter, dated as of May 12, 2009, between Progress Software Corporation and Richard D. Reidy (17)
10.17*	Amended and Restated Employee Retention and Motivation Agreement, dated as of October 13, 2009, by and between Progress Software Corporation and Richard D. Reidy (18)
10.18*	Severance Agreement, dated as of October 13, 2009, between Progress Software Corporation and Richard D. Reidy (19)
10.18.1*	Letter Agreement, dated July 31, 2011, amending Separation Agreement, dated as of October 13, 2009, between Progress Software Corporation and Richard D. Reidy (20)
10.19*	Separation Agreement, dated as of June 30, 2009, between Progress Software Corporation and Joseph W. Alsop (21)
10.20*	Form of Restricted Stock Unit Agreement under the Progress Software Corporation 2008 Stock Option and Incentive Plan (22)
10.21*	Separation Agreement, dated as of March 31, 2010, between Progress Software Corporation and Jeffrey Stamen (23)
10.22*	Employment Letter, dated as of October 15, 2010, by and between Progress Software Corporation and Charles F. Wagner, Jr. (24)
10.23*	Letter Agreement, dated November 12, 2010, by and between Progress Software Corporation and Norman R. Robertson (25)
10.24*	Employment Agreement, dated as of December 5, 2011, by and between Progress Software Corporation and Jay H. Bhatt (26)
10.25*	Employee Retention and Motivation Agreement, dated as of December 5, 2011, by and between Progress Software Corporation and Jay H. Bhatt (27)
10.26*	Form of Executive Severance Agreement, executed by each of the Executive Officers other than the Chief Executive Officer (28)
10.27*	Credit Agreement, dated as of August 15, 2011, by and among Progress Software Corporation, each of the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, N.A. and RBS Citizens, N.A., as Syndication Agents, and J.P. Morgan Securities LLC, as Sole Bookrunner and Sole Lead Arranger (29)
10.28*	Separation Agreement, dated March 22, 2012, between Progress Software Corporation and Charles F. Wagner, Jr. (30)
10.29*	Employment Agreement, dated July 10, 2012, by and between Progress Software Corporation and Melissa H. Cruz (31)
10.30*	Employment Agreement, dated December 7, 2012, by and between Progress Software Corporation and Philip M. Pead (32)
10.31*	Employee Retention and Motivation Agreement, dated as of December 7, 2012, by and between Progress Software Corporation and Philip M. Pead (33)
10.32*	

	Employment Agreement, dated January 1, 2013, by and between Progress Software Corporation and Chris E. Perkins (34)
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Philip M. Pead
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Melissa H. Cruz
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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101**	The following materials from Progress Software Corporation's Annual Report on Form 10-K for the year ended November 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of November 30, 2012 and 2011, (ii) Consolidated Statements of Income for the years ended November 30, 2012, 2011 and 2010, (iii) Consolidated Statements of Shareholders' Equity for the years ended November 30, 2012, 2011 and 2010, and (iv) Consolidated Statements of Cash Flows for the years ended November 30, 2012, 2011 and 2010.

(1) Incorporated by reference to Exhibit 3.1 of our Annual Report on Form 10-K for the year ended November 30, 2011.
(2) Incorporated by reference to Exhibit 3.1 of Form 8-K filed September 22, 2008.
(3) Incorporated by reference to Exhibit 4.1 of our Annual Report on Form 10-K for the year ended November 30, 2011.
(4) Incorporated by reference to Exhibit 10.1 of our Annual Report on Form 10-K for the year ended November 30, 2009.
(5) Incorporated by reference to Exhibit 10.2 of our Annual Report on Form 10-K for the year ended November 30, 2009.
(6) Incorporated by reference to Exhibit 10.1 of Form 8-K filed January 6, 2009.
(7) Incorporated by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q for the quarter ended February 28, 2010.
(8) Incorporated by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q for the quarter ended February 28, 2010.
(9) Incorporated by reference to Annex B to our definitive Proxy Statement filed April 20, 2012.
(10) Incorporated by reference to Annex A to our definitive Proxy Statement filed March 26, 2010.
(11) Incorporated by reference to Exhibit 10.2 of Form 8-K filed on April 28, 2008.
(12) Incorporated by reference to Exhibit 10.5 of Form 8-K filed on April 28, 2008
(13) Incorporated by reference to Exhibit 10.3 of Form 8-K filed on April 28, 2008.
(14) Incorporated by reference to Exhibit 10.4 of Form 8-K filed on April 28, 2008.
(15) Incorporated by reference to Exhibit 10.21 to our Quarterly Report on Form 10-Q for the quarter ended May 31, 2009.
(16) Incorporated by reference to Exhibit 10.16.2 to our Annual Report on Form 10-K for the year ended November 30, 2009.
(17) Incorporated by reference to Exhibit 10.22 to our Quarterly Report on Form 10-Q for the quarter ended May 31, 2009.
(18) Incorporated by reference to Exhibit 10.2 of Form 8-K/A filed on October 19, 2009.
(19) Incorporated by reference to Exhibit 10.1 of Form 8-K/A filed on October 19, 2009.
(20) Incorporated by reference to Exhibit 10.2 of Form 8-K filed on August 1, 2011.
(21) Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended August 30, 2009.
(22) Incorporated by reference to Exhibit 10.21 to our Annual Report on Form 10-K for the year ended November 30, 2009
(23) Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended February 28, 2010.
(24) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 12, 2010.
(25) Incorporated by reference to Exhibit 10.3 to Form 8-K filed on November 12, 2010.
(26) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 28, 2011.
(27)

Incorporated by reference to Exhibit 10.2 to Form 8-K filed on November 28, 2011.

(28) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 8, 2011.
(29) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 18, 2011.
(30) Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended February 29, 2012.
(31) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 20, 2012.
(32) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 13, 2012.
(33) Incorporate by reference to Exhibit 10.2 to Form 8-K filed on December 13, 2012
(34) Incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 8, 2013.

* Management contract or compensatory plan or arrangement in which an executive officer or director of Progress Software participates.

** Pursuant to Rule 406T of Regulations S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

(c) Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is shown on the financial statements or notes hereto.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 29th day of January, 2013.

PROGRESS SOFTWARE CORPORATION

By: /s/ PHILIP M. PEAD
Philip M. Pead
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PHILIP M. PEAD Philip M. Pead	President and Chief Executive Officer (Principal Executive Officer)	January 29, 2013
/s/ MELISSA H. CRUZ Melissa H. Cruz	Senior Vice President, Finance and Administration and Chief Financial Officer (Principal Financial Officer)	January 29, 2013
/s/ PAUL A. JALBERT Paul A. Jalbert	Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)	January 29, 2013
/s/ BARRY N. BYCOFF Barry N. Bycoff	Director	January 29, 2013
/s/ JOHN R. EGAN John R. Egan	Non-Executive Chairman	January 29, 2013
/s/ RAM GUPTA Ram Gupta	Director	January 29, 2013
/s/ CHARLES F. KANE Charles F. Kane	Director	January 29, 2013
/s/ DAVID A. KRALL David A. Krall	Director	January 29, 2013
/s/ MICHAEL L. MARK Michael L. Mark	Director	January 29, 2013

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