

TYLER TECHNOLOGIES INC  
Form 10-Q  
October 27, 2008

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2008

OR

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

Commission File Number 1-10485

TYLER TECHNOLOGIES, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

75-2303920  
(I.R.S. employer  
identification no.)

5949 SHERRY LANE, SUITE 1400  
DALLAS, TEXAS  
75225  
(Address of principal executive offices)  
(Zip code)

(972) 713-3700  
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a small reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company

Edgar Filing: TYLER TECHNOLOGIES INC - Form 10-Q

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

The number of shares of common stock of registrant outstanding on October 23, 2008 was 36,330,337.

---

## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements

TYLER TECHNOLOGIES, INC.  
CONDENSED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
<b>Revenues:</b>				
Software licenses	\$ 11,372	\$ 8,145	\$ 31,646	\$ 24,431
Subscriptions	3,526	2,559	10,503	7,272
Software services	18,600	15,872	54,973	44,213
Maintenance	28,353	22,132	79,102	62,526
Appraisal services	5,289	4,927	14,249	16,514
Hardware and other	1,497	1,297	5,084	4,420
Total revenues	68,637	54,932	195,557	159,376
<b>Cost of revenues:</b>				
Software licenses	2,071	1,886	6,838	5,818
Acquired software	472	427	1,369	1,248
Software services, maintenance and subscriptions	31,988	26,795	93,555	77,677
Appraisal services	3,098	3,248	9,269	11,340
Hardware and other	1,058	946	3,684	3,304
Total cost of revenues	38,687	33,302	114,715	99,387
Gross profit	29,950	21,630	80,842	59,989
<b>Selling, general and administrative expenses</b>				
Research and development expense	15,985	12,691	46,155	38,448
Amortization of customer and trade name intangibles	1,416	639	5,485	3,266
Non-cash legal settlement related to warrants	612	372	1,770	1,075
	-	-	9,045	-
Operating income	11,937	7,928	18,387	17,200
Other income, net	398	441	1,044	1,252
Income before income taxes	12,335	8,369	19,431	18,452
Income tax provision	5,976	3,209	9,700	7,141
Net income	\$ 6,359	\$ 5,160	\$ 9,731	\$ 11,311
<b>Earnings per common share:</b>				
Basic	\$ 0.17	\$ 0.13	\$ 0.26	\$ 0.29
Diluted	\$ 0.16	\$ 0.12	\$ 0.25	\$ 0.27

Edgar Filing: TYLER TECHNOLOGIES INC - Form 10-Q

Basic weighted average common shares outstanding	38,474	38,688	38,093	38,717
Diluted weighted average common shares outstanding	40,019	41,395		