SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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SOLERA HOLDINGS, INC

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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

OR

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

For the transition period from ______ to ______

Commission File Number 001-33461

Solera Holdings, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**26-1103816**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7 Village Circle, Suite 100 **Westlake, Texas 76262**	**(817) 961-2100**
(Address of Principal Executive Offices, including Zip Code)	**(Registrant' s Telephone Number, Including Area Code)**

(Former name, former address and former fiscal year, if changed since last report.)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐

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Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer' s common stock as of November 1, 2011 was 70,903,672.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

SOLERA HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	September 30, 2011	June 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$378,085	$371,101
Accounts receivable, net of allowance for doubtful accounts of $2,863 and $2,769 at September 30, 2011 and June 30, 2011, respectively	129,695	135,589
Other receivables	17,798	19,037
Other current assets	24,021	24,895
Deferred income tax assets	10,583	10,321
Total current assets	560,182	560,943
Property and equipment, net	58,745	64,485
Goodwill	1,038,355	1,059,749
Intangible assets, net	388,233	416,100
Other noncurrent assets	17,241	19,462
Noncurrent deferred income tax assets	44,359	48,396
Total assets	$2,107,115	$2,169,135
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$24,355	$37,798
Accrued expenses and other current liabilities	123,379	140,270
Income taxes payable	11,876	10,837
Deferred income tax liabilities	2,972	1,187
Current portion of long-term debt	23,391	24,042
Total current liabilities	185,973	214,134
Long-term debt	998,985	1,020,383
Other noncurrent liabilities	23,836	24,127
Noncurrent deferred income tax liabilities	25,872	30,541
Total liabilities	1,234,666	1,289,185
Redeemable noncontrolling interests	90,756	94,841
Stockholders' equity:		
Solera Holdings, Inc. stockholders' equity:		
Common shares, $0.01 par value: 150,000 shares authorized; 70,861 and 70,795 issued and outstanding as of September 30, 2011 and June 30, 2011, respectively	594,957	587,265
Retained earnings	174,329	151,366
Accumulated other comprehensive income	1,628	36,413
Total Solera Holdings, Inc. stockholders' equity	770,914	775,044
Noncontrolling interests	10,779	10,065

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Total stockholders' equity	781,693	785,109
Total liabilities and stockholders' equity	$2,107,115	$2,169,135

See accompanying notes to condensed consolidated financial statements.

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SOLERA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,	
	2011	2010
Revenues	$198,693	$158,908
Cost of revenues:		
Operating expenses	43,618	31,141
Systems development and programming costs	19,045	15,512
Total cost of revenues (excluding depreciation and amortization)	62,663	46,653
Selling, general and administrative expenses	48,421	41,826
Depreciation and amortization	26,008	19,552
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	198	2,490
Acquisition and related costs	1,356	1,203
Interest expense	12,294	7,319
Other (income) expense, net	55	(675)
	150,995	118,368
Income before provision for income taxes	47,698	40,540
Income tax provision	13,252	8,602
Net income	34,446	31,938
Less: Net income attributable to noncontrolling interests	3,207	2,814
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Net income attributable to Solera Holdings, Inc. per common share:		
Basic	$0.44	$0.41
Diluted	$0.44	$0.41
Dividends paid per share	$0.10	$0.08
Weighted-average shares used in the calculation of net income attributable to Solera Holdings, Inc. per common share:		
Basic	70,837	69,985
Diluted	71,250	70,273

See accompanying notes to condensed consolidated financial statements.

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SOLERA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended September 30,	
	2011	2010
Cash flows from operating activities:		
Net income	$34,446	$31,938
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,008	19,552
Provision for doubtful accounts	764	491
Stock-based compensation	3,606	2,069
Deferred income taxes	(211)	(367)
Other	71	(201)
Changes in operating assets and liabilities, net of effects from acquisition of businesses:		
Increase in accounts receivable	(1,876)	(6,498)
Decrease (increase) in other assets	4,331	(895)
(Decrease) increase in accounts payable	(6,171)	2,974
Decrease in accrued expenses and other liabilities	(10,765)	(2,111)
Net cash provided by operating activities	50,203	46,952
Cash flows from investing activities:		
Capital expenditures	(9,567)	(3,428)
Acquisitions and capitalization of intangible assets	(347)	(600)
Proceeds from sale of property and equipment	1,104	–
Acquisitions of and investments in businesses, net of cash acquired	(8,749)	–
Purchases of short-term investments	–	(18,010)
Decrease in restricted cash	917	3,105
Net cash used in investing activities	(16,642)	(18,933)
Cash flows from financing activities:		
Payments of debt issuance costs	(254)	–
Payments of contingent purchase consideration	–	(66)
Principal payments on financed asset acquisitions	(580)	(601)
Repayments of long-term debt	(1,570)	(1,421)
Cash dividends paid on common shares and participating securities	(7,127)	(5,285)
Proceeds from stock purchase plan and exercise of stock options	535	3,501
Net cash used in financing activities	(8,996)	(3,872)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(17,581)	19,765
Net change in cash and cash equivalents	6,984	43,912
Cash and cash equivalents, beginning of period	371,101	240,522
Cash and cash equivalents, end of period	$378,085	$284,434
Supplemental cash flow information:		
Cash paid for interest	$3,990	$8,578
Cash paid for income taxes	$7,714	$7,564
Supplemental disclosure of non-cash investing and financing activities:		

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Capital assets financed	$415	$2,192
Accrued contingent purchase consideration	$1,712	$–
Receivable for proceeds from sale of shares of majority-owned subsidiary	$2,139	$–

See accompanying notes to condensed consolidated financial statements.

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SOLERA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Description of Business

Solera Holdings, Inc. and subsidiaries (the "Company", "Solera", "we", "us" or "our") is a leading global provider of software and services to the automobile insurance claims processing industry. Our software and services help our customers: estimate the costs to repair damaged vehicles; determine pre-collision fair market values for vehicles damaged beyond repair; automate steps of the claims process; outsource steps of the claims process that insurance companies have historically performed internally; and monitor and manage their businesses through data reporting and analysis. We are active in nearly 60 countries and derive most of our revenues from our estimating and workflow software. Through our acquisitions of HPI, Ltd. ("HPI") in December 2008 and AUTOonline GmbH Informationssysteme ("AUTOonline") in October 2009, we also provide used vehicle validation services in the United Kingdom and operate an eSalvage vehicle exchange platform in several European and Latin American countries as well as India. Through our acquisition of Explore Information Services, LLC ("Explore") in June 2011, we also provide data and analytics services used by automotive property and casualty insurers in the United States ("U.S.").

Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), and therefore, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, the accompanying condensed consolidated financial statements for the periods presented reflect all adjustments, consisting of only normal, recurring adjustments, necessary to fairly state our financial position, results of operations and cash flows. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the fiscal year ended June 30, 2011, included in our Annual Report on Form 10-K filed with the SEC on August 29, 2011. Our operating results for the three month period ended September 30, 2011 are not necessarily indicative of the results that may be expected for any future periods.

Principles of Consolidation

The unaudited condensed consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries. Our consolidated, majority-owned subsidiaries include AUTOonline, our subsidiaries located in Belgium, France, Portugal, Spain, and certain of our subsidiaries in Mexico. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying unaudited condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the U.S. requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates. The reported amounts of assets, liabilities, revenues and expenses are affected by estimates and assumptions which are used for, but not limited to, the accounting for sales allowances, allowance for doubtful accounts, fair value of derivatives, valuation of goodwill and intangible assets, amortization of intangibles, restructurings, liabilities under defined benefit plans, stock-based compensation, redeemable noncontrolling interests and income taxes.

New Accounting Pronouncements Not Yet Adopted

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In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Topic No. 2011-08, *Testing Goodwill for Impairment*, which amends current guidance on testing goodwill for impairment to provide entities with the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If it is determined that the fair value of the reporting unit is more likely than not less than the carrying amount based on qualitative factors, the two-step impairment test would be required. The update is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

In June 2011, the FASB issued ASU Topic No. 2011-05, *Comprehensive Income (Topic 220)−Presentation of Comprehensive Income*, which updates the presentation requirements related to comprehensive income. The total of comprehensive income, the components of net income, and the components of other comprehensive income may be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU No. 2011-05 also eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The update is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

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In May 2011, the FASB issued ASU Topic No. 2011-04, *Fair Value Measurement (Topic 820)–Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which expands the disclosure requirements for fair value measurements. More quantitative and qualitative disclosures will be required for fair value measurements using level 3 inputs. ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

2. Net Income Attributable to Solera Holdings, Inc. Per Common Share

Our restricted common shares subject to repurchase and substantially all of our restricted stock units have the right to receive non-forfeitable dividends on an equal basis with common stock and therefore are considered participating securities that must be included in the calculation of net income per share using the two-class method. Under the two-class method, basic and diluted net income per share is determined by calculating net income per share for common stock and participating securities based on the cash dividends paid and participation rights in undistributed earnings. Diluted net income per share also considers the dilutive effect of in-the-money stock options and unvested restricted stock units and performance share units that have the right to forfeitable dividends, calculated using the treasury stock method. Under the treasury stock method, the amount of assumed proceeds from unexercised stock options and unvested restricted stock units includes the amount of compensation cost attributable to future services not yet recognized, proceeds from the exercise of the options, and any excess income tax benefit or liability.

The computation of basic and diluted net income attributable to Solera Holdings, Inc. per common share using the two-class method is as follows for the periods indicated (in thousands, except per share amounts):

	Three Months Ended September 30,	
	2011	2010
Basic net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(166)
Net income attributable to common shares – basic	$31,106	$28,958
Weighted-average number of common shares	70,838	70,083
Less: Weighted-average common shares subject to repurchase	(1)	(98)
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Basic net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41
Diluted net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(165)
Net income attributable to common shares – diluted	$31,106	$28,959
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Diluted effect of options to purchase common stock, restricted stock units and performance share units	413	288
Weighted-average number of common shares used to compute diluted net income attributable to Solera Holdings, Inc. per common share	71,250	70,273
Diluted net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41

The following securities that could potentially dilute earnings per share in the future are not included in the determination of diluted net income attributable to Solera Holdings, Inc. per common share (in thousands):

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	Three Months Ended September 30,	
	2011	2010
Antidilutive options to purchase common stock and restricted stock units	63	25

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3. Contingent Purchase Consideration

In connection with business combinations completed since fiscal year 2009, we may be required to make contingent cash payments through fiscal year 2014 subject to the achievement of certain financial performance and product-related targets. At September 30, 2011, the maximum aggregate amount of remaining contingent cash payments to be paid is $18.1 million, of which $3.4 million would be recognized as additional goodwill when earned, $2.8 million was accrued to goodwill at the acquisition date, and the remaining $11.9 million is charged to acquisition and related costs in the statement of income as earned.

4. Goodwill and Intangible Assets

Intangible Assets

Intangible assets consist of the following (in thousands):

	September 30, 2011			June 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Amortized intangible assets:						
Internally developed software	$21,283	$(7,522)	$13,761	$22,197	$(7,454)	$14,743
Purchased customer relationships	296,237	(133,364)	162,873	304,688	(131,141)	173,547
Purchased tradenames and trademarks	34,870	(20,391)	14,479	36,323	(20,811)	15,512
Purchased software and database technology	418,872	(259,037)	159,835	435,125	(262,358)	172,767
Other	5,960	(2,021)	3,939	6,433	(1,636)	4,797
	$777,222	$(422,335)	$354,887	$804,766	$(423,400)	$381,366
Intangible assets not subject to amortization:						
Purchased tradenames and trademarks with indefinite lives	33,346	–	33,346	34,734	–	34,734
	$810,568	$(422,335)	$388,233	$839,500	$(423,400)	$416,100

Goodwill

The following table summarizes the activity in goodwill for the three months ended September 30, 2011 (in thousands):

	Balance at Beginning of Period	Other (2)	Foreign Currency Translation Effect	Balance at End of Period
EMEA (1)	$615,358	$–	$(32,508)	$582,850
Americas (1)	444,391	7,401	3,713	455,505
Total	$1,059,749	$7,401	$(28,795)	$1,038,355

(1) As described further in Note 12, in the first quarter of fiscal year 2012, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment. The balances presented above reflect the inclusion of our Netherlands operating segment in our EMEA reportable segment for all periods.

(2) Primarily represents contingent cash consideration paid in connection with a business combination consummated in fiscal year 2009.

5. Restructuring Initiatives and Other Exit and Disposal Activities

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The objectives of our restructuring initiatives and other exit and disposal activities have primarily been to eliminate waste and improve operational efficiencies. The liabilities associated with our restructuring initiatives and other exit and disposal activities are included in accrued expenses and other current liabilities and in other noncurrent liabilities in the accompanying consolidated balance sheets. We report all amounts incurred in connection with our restructuring initiatives and other exit and disposal activities in restructuring charges, asset impairments and other costs associated with exit and disposal activities in the accompanying consolidated statements of income.

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The following table summarizes the activity in the liabilities associated with our restructuring initiatives and other exit and disposal activities for the three months ended September 30, 2011 (in thousands):

	Employee Termination Benefits	Leases	Other	Total
Balance at June 30, 2011	$ 1,226	$6,309	$–	$7,535
Restructuring charges	129	30	39	198
Cash payments	(121)	(946)	(39)	(1,106)
Other	(66)	60	–	(6)
Effect of foreign exchange	(48)	–	–	(48)
Balance at September 30, 2011	$ 1,120	$5,453	$–	$6,573

In fiscal year 2011, we announced the relocation of our corporate headquarters and global executive team from San Diego, California to the Dallas-Fort Worth, Texas metroplex (the "Corporate Relocation Plan"). The primary objectives of the Corporate Relocation Plan are to provide us with access to a broader employee recruitment pool; improved labor arbitrage and other cost efficiencies; and improved mobility and access to our markets around the world. The relocation is expected to improve the effectiveness of our senior management team and our operations, and result in long-term cost savings. Under the Corporate Relocation Plan, we anticipate incurring expenses of approximately $2.5 million, primarily consisting of relocation benefits paid to current employees, facility relocation costs and termination benefits for corporate employees that are not relocating. The remaining restructuring charges anticipated to be incurred under the Corporate Relocation Plan of approximately $0.4 million are expected to be paid in fiscal year 2012. During the three months ended September 30, 2011, we incurred restructuring charges of $0.1 million under the Corporate Relocation Plan.

In prior fiscal years, we initiated restructuring plans in our Americas and EMEA segments (the "Prior Restructuring Plans"). Under the Prior Restructuring Plans, as of September 30, 2011, we have a remaining liability for employee termination benefits of $1.1 million, which we will pay through fiscal year 2012, and a remaining lease-related restructuring liability of $5.5 million, which we will pay through July 2013. During the three months ended September 30, 2011, we incurred restructuring charges of $0.1 million under the Prior Restructuring Plans.

The following table summarizes restructuring charges, asset impairments and other costs associated with exit and disposal activities for the periods indicated (in thousands):

	Corporate Relocation Plan	Prior Restructuring Plans	Total
Three Months Ended September 30, 2011:			
Employee termination benefits	$ 86	$ 43	$129
Leases	–	30	30
Other	39	–	39
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 125	$ 73	$198
Three Months Ended September 30, 2010:			
Employee termination benefits	$ 188	$ 303	$491
Leases	–	1,224	1,224
Other	775	–	775
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 963	$ 1,527	$2,490

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6. Stockholders' Equity and Redeemable Noncontrolling Interests

The following table sets forth a reconciliation of stockholders' equity and redeemable noncontrolling interests for the periods indicated (in thousands):

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2011	70,795	$587,265	$151,366	$ 36,413	$ 775,044	$ 10,065	$ 785,109	$ 94,841
Components of comprehensive income:								
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	–	–	31,239	–	31,239	1,285	32,524	1,922
Foreign currency translation adjustments	–	–	–	(34,785)	(34,785)	(673)	(35,458)	(5,782)
Total comprehensive income					(3,546)	612	(2,934)	(3,860)
Stock-based compensation	–	3,606	–	–	3,606	–	3,606	–
Issuance of common shares under stock award plans, net	66	675	–	–	675	–	675	–
Dividends paid on common stock and participating securities	–	–	(7,127)	–	(7,127)	–	(7,127)	–
Sale of shares of majority-owned subsidiary	–	2,037 (1)	–	–	2,037	102 (1)	2,139	–
Revaluation of and additions to noncontrolling interests	–	1,374	(1,149)	–	225	–	225	(225)
Balance at September 30, 2011	70,861	$594,957	$174,329	$ 1,628	$ 770,914	$ 10,779	$ 781,693	$ 90,756

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	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Loss	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2010	70,017	$545,048	$22,550	$ (60,583)	$ 507,015	$ 5,800	$ 512,815	$ 94,431
Components of comprehensive income:								
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	–	–	29,124	–	29,124	917	30,041	1,897
Foreign currency translation adjustments	–	–	–	48,265	48,265	503	48,768	11,029
Unrealized gains on derivative instruments, net of tax	–	–	–	2,346	2,346	–	2,346	–
Total comprehensive income					79,735	1,420	81,155	12,926
Stock-based compensation	–	2,069	–	–	2,069	–	2,069	–
Issuance of common shares under stock award plans, net	175	3,501	–	–	3,501	–	3,501	–
Dividends paid on common stock and participating securities	–	–	(5,285)	–	(5,285)	–	(5,285)	–
Revaluation of and additions to noncontrolling interests	–	(142)	–	–	(142)	612	470	(470)
Balance at September 30, 2010	70,192	$550,476	$46,389	$ (9,972)	$ 586,893	$ 7,832	$ 594,725	$ 106,887

(1) In September 2011, we sold a 2.5% ownership interest in one of our majority-owned subsidiaries for 1.5 million ($2.1 million).

7. Comprehensive Income

Comprehensive income consists of the following for the periods indicated (in thousands):

	Three Months Ended September 30,	
	2011	2010
Net income	$34,446	$31,938
Other comprehensive income:		
Foreign currency translation adjustments	(41,240)	59,797
Unrealized gains on derivative financial instruments, net of tax	–	2,346
Total comprehensive income	(6,794)	94,081
Comprehensive income attributable to noncontrolling interests	(3,248)	14,346
Comprehensive income attributable to Solera Holdings, Inc.	$(3,546)	$79,735

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The majority of our assets and liabilities, including goodwill, intangible assets and long-term debt, are carried in functional currencies other than the U.S. dollar, primarily the Euro, Pound Sterling, and Swiss franc. We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our condensed consolidated statement of income and certain components of stockholders' equity and the exchange rate at the end of that period for the condensed consolidated balance sheet. These translations resulted in a foreign currency translation adjustment of $(34.8) million during the three months ended September 30, 2011, which was caused by a strengthening in the value of the U.S. dollar versus certain foreign currencies, including the Euro, during the period. Generally, the strengthening of the U.S. dollar during the three months ended September 30, 2011 resulted in decreases to the U.S. dollar value of certain of our assets and liabilities from June 30, 2011 to September 30, 2011, as presented in the accompanying condensed consolidated balance sheets, although the corresponding local currency balances may have increased or remain unchanged.

8. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes our assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy (in thousands):

		Fair Value Measurements Using:		
	Fair Value	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value at September 30, 2011:				
Cash and cash equivalents	$378,085	$ 378,085	$ –	$ –
Restricted cash (1)	2,106	2,106	–	–
Accrued contingent purchase consideration (2)	2,716	–	–	2,716
Redeemable noncontrolling interests (3)	67,694	–	–	67,694
Fair value at June 30, 2011:				
Cash and cash equivalents	$371,101	$ 371,101	$ –	$ –
Restricted cash (1)	3,246	3,246	–	–
Accrued contingent purchase consideration (2)	1,189	–	–	1,189
Redeemable noncontrolling interests (3)	71,641	–	–	71,641

(1) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet. The restricted cash primarily relates to funds held in escrow for the benefit of customers and facility lease deposits.

(2) Included in accrued expenses and other current liabilities in the accompanying consolidated balance sheet.

(3) Does not include the redeemable noncontrolling interest of AUTOonline, which is not measured at fair value on a recurring basis.

Cash and cash equivalents and restricted cash. Our cash and cash equivalents and restricted cash, primarily consist of bank deposits, money market funds and bank certificates of deposit. The fair value of our cash and cash equivalents and restricted cash are determined using quoted market prices for identical assets (Level 1 inputs).

Accrued contingent purchase consideration. We accrue contingent future cash payments related to acquisitions completed after June 30, 2009 at fair value as of the acquisition date and re-measure the payments at fair value at each reporting date. We estimate the fair value of future contingent purchase consideration based on the weighted probabilities of potential future payments that would be earned upon achievement by the acquired business of certain financial performance and product-related targets. We determined such probabilities using information as of the reporting date, including recent financial performance of the acquired businesses (Level 3 inputs). The net increase in accrued contingent purchase consideration during the three months ended September 30, 2011 was primarily due to an increase in our estimate of the consideration to be earned and paid, partially offset by the effect of fluctuations in foreign currency exchange rates.

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Redeemable noncontrolling interests. We estimate the fair value of our redeemable noncontrolling interests through an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions, including transactions with the noncontrolling stockholders of our majority-owned subsidiaries.

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Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, fair value is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. For our calculation, we determined the multiples based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

At September 30, 2011 and June 30, 2011, we estimated the fair value of the redeemable noncontrolling interest in one of our majority-owned subsidiaries based on recent stock transactions with the noncontrolling stockholders, a Level 2 input, and a discounted cash flow model, a Level 3 input.

The following table summarizes the activity in redeemable noncontrolling interests which are measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

	Three Months Ended September 30,	
	2011	2010
Balance at beginning of period	$ 71,641	$ 81,641
Net income attributable to redeemable noncontrolling interests	1,441	1,503
Change in fair value	(1,374)	(1,555)
Effect of foreign exchange	(4,014)	9,460
Balance at end of period	$ 67,694	$ 91,049

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

No assets or liabilities were required to be measured at fair value on a nonrecurring basis during the three months ended September 30, 2011.

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Fair Value of Other Financial Instruments

The carrying amounts of certain of our financial instruments, including accounts receivable, accounts payable and accrued expenses, approximate fair value due to their short-term nature. Considering that our senior unsecured notes were issued in June 2011 in an arms-length transaction, we believe the carrying value approximates fair value. The carrying value of our senior secured credit facility approximates fair value due to the facility' s variable interest rate. The estimated fair value of the subordinated note payable issued to the seller in connection with our acquisition of HPI was $21.2 million and $21.5 million at September 30, 2011 and June 30, 2011, respectively, which was determined using a discounted cash flow model.

9. Share-Based Compensation

Share-Based Award Activity

The following table summarizes restricted common shares subject to repurchase, restricted stock unit, and performance share unit activity during the three months ended September 30, 2011:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Share
Nonvested at June 30, 2011	356	$ 44.21
Granted	152	$ 57.77
Vested	(45)	$ 34.13
Forfeited	(8)	$ 34.53
Nonvested at September 30, 2011	455	$ 49.91

Each performance share unit represents the right to receive one share of our common stock based on our total stockholder return ("TSR") and/or the achievement of certain financial performance targets during applicable performance periods. The number of shares reflected in the table above assumes the target number of performance share units will be earned. For the performance share units granted during the three months ended September 30, 2011, approximately 70% of the value of the awards is subject to financial performance targets and approximately 30% of the value of the awards is subject to relative TSR targets.

The following table summarizes stock option activity during the three months ended September 30, 2011:

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2011	1,533	$ 33.78		
Granted	420	$ 58.42		
Exercised	(21)	$ 23.17		
Canceled	(12)	$ 30.30		
Outstanding at September 30, 2011	1,920	$ 39.32	6.0	$ 25,143
Exercisable at September 30, 2011	572	$ 29.05	5.7	$ 12,269

Of the stock options outstanding at September 30, 2011, approximately 1.8 million are vested or expected to vest.

Cash received from the exercise of stock options was $0.5 million during the three months ended September 30, 2011. The intrinsic value of stock options exercised during the three months ended September 30, 2011 and 2010 totaled $0.7 million and $2.6 million, respectively.

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Valuation of Share-Based Awards

We utilized the Black-Scholes option pricing model for estimating the grant date fair value of stock options with the following assumptions:

	Risk-Free Interest Rate	Expected Term (in years)	Weighted Average Expected Stock Price Volatility	Expected Dividend Yield	Weighted Average Per Share Grant Date Fair Value
Three Months Ended September 30, 2011	1.1 %	4.6	33 %	0.7 %	$ 16.15
Three Months Ended September 30, 2010	1.4 %	4.6	33 %	0.8 %	$ 10.95

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We based the risk-free interest rates on the implied yield available on U.S. Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the options. Because we have a limited history of stock option exercises, we calculated the expected award life as the average of the contractual term and the vesting period. We determined the expected volatility based on a combination of implied market volatilities, our historical stock price volatility and other factors. The dividend yield is based on our quarterly dividend of $0.10 and $0.075 per share declared and paid during the three months ended September 30, 2011 and 2010, respectively.

The weighted average grant date fair value of restricted stock units and performance share units granted during the three months ended September 30, 2011 and 2010, excluding performance share units that are earned based on our relative TSR, was $57.77 and $39.43, respectively, determined based on the market price of our common stock on the date of grant, which approximates the intrinsic value.

To estimate the grant date fair value of performance share units that are earned based on our relative TSR, we utilized a Monte-Carlo simulation model which simulates a range of our possible future stock prices and certain peer companies and assumes that the performance share units will be earned at target. Based on the Monte-Carlo simulation model, the grant date fair value of performance share units granted during the three months ended September 30, 2011 that are earned based on our relative TSR was $54.61 per share.

Share-Based Compensation Expense

Share-based compensation expense, which is included in selling, general and administrative expenses in the accompanying condensed consolidated statements of income, was $3.6 million and $2.1 million for the three months ended September 30, 2011 and 2010, respectively. At September 30, 2011, the estimated total remaining unamortized share-based compensation expense, net of forfeitures, was $37.3 million, which we expect to recognize over a weighted-average period of 3.1 years.

10. Defined Benefit Pension Plans

Our foreign subsidiaries sponsor various defined benefit pension plans and individual defined benefit arrangements covering certain eligible employees. We base the benefits under these pension plans on years of service and compensation levels. Funding is limited to statutory requirements.

The components of net pension expense were as follows for the periods indicated (in thousands):

	Three Months Ended September 30,	
	2011	**2010**
Service cost − benefits earned during the period	$1,064	$757
Interest cost on projected benefits	964	880
Expected return on plan assets	(678)	(608)
Amortization of gain	25	−
Net pension expense	$1,375	$1,029

11. Provision For Income Taxes

We recorded an income tax provision of $13.3 million and $8.6 million for the three months ended September 30, 2011 and 2010, respectively. The expected tax provision derived from applying the U.S. federal statutory rate to our income before income tax provision for the three months ended September 30, 2011 differed from our recorded income tax provision primarily due to higher earnings in jurisdictions with lower income tax rates which are indefinitely reinvested.

Gross unrecognized tax benefits as of September 30, 2011 and June 30, 2011 were $6.5 million and $6.2 million, respectively. No significant interest and penalties have been accrued during fiscal year 2011. Pursuant to the terms of the acquisition agreements, the sellers in our business combinations have indemnified us for all tax liabilities related to the pre-acquisition periods. We are liable for any

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tax assessments for the post-acquisition periods for our U.S. and foreign jurisdictions. We do not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next twelve months.

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12. Segment and Geographic Information

We have aggregated our operating segments into two reportable segments: EMEA and Americas. In the first quarter of fiscal year 2012, we announced the formation of the Netherlands, Germany, Austria and Switzerland (“NGAS”) Region to leverage the operational and technological achievements and investments we made in the Highly Established Markets Initiative (“HEMI”) Region across our markets.

As a result of the creation of the NGAS Region, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment in the first quarter of fiscal year 2012. Accordingly, our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia, while our Americas reportable segment encompasses our operations in North, Central and South America. All prior period segment information has been restated to conform to the current presentation.

Our chief operating decision maker is our Chief Executive Officer. We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-GAAP financial measure that represents GAAP net income excluding interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, and other (income) expense, net. We do not allocate certain costs to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments. Instead, we manage these costs at the Corporate level.

(in thousands)	EMEA	Americas	Corporate	Total
Three Months Ended September 30, 2011:				
Revenues	$118,556	$80,137	$–	$198,693
Income (loss) before provision for income taxes	44,938	28,639	(25,879)	47,698
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,066	12,942	–	26,008
Interest expense	381	12	11,901	12,294
Other (income) expense, net	(207)	159	103	55
Total assets at end of period	1,158,470	798,875	149,770	2,107,115
Capital expenditures	7,485	2,082	–	9,567
Three Months Ended September 30, 2010:				
Revenues	$103,985	$54,923	$–	$158,908
Income (loss) before provision for income taxes	36,407	19,931	(15,798)	40,540
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,402	6,150	–	19,552
Interest expense	357	13	6,949	7,319
Other (income) expense, net	(279)	(244)	(152)	(675)
Total assets at end of period	1,187,113	267,694	45,370	1,500,177
Capital expenditures	2,371	1,057	–	3,428

Geographic revenue information is based on the location of the customer and was as follows for the periods presented (in thousands):

	Europe *	United States	United Kingdom	Germany	All Other	Total
Three Months Ended September 30, 2011	$67,443	$57,294	$25,287	$22,341	$26,328	$198,693
Three Months Ended September 30, 2010	58,436	35,459	23,898	18,709	22,406	158,908

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* Excludes the United Kingdom and Germany.

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13. Subsequent Events

On November 3, 2011, we announced that the Audit Committee of our Board of Directors approved the payment of a quarterly cash dividend of $0.10 per outstanding share of common stock and per outstanding restricted stock unit. The Audit Committee also approved a quarterly stock dividend equivalent of $0.10 per outstanding restricted stock unit granted to certain of our executive officers during fiscal years 2011 and 2012 in lieu of the cash dividend, which dividend equivalent will be paid to the restricted stock unit holders as the restricted stock unit vests. The dividends are payable on December 5, 2011 to stockholders and restricted stock unit holders of record at the close of business on November 17, 2011.

CAUTIONARY STATEMENT FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are identified by the use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies and include, but are not limited to, statements about: benefits of our Corporate Relocation Plan; increase in customer demand for our software and services; growth rates for the automobile insurance claims industry; growth rates for vehicle purchases and car parcs; customer adoption rates for automated claims processing software and services; increases in customer spending on automated claims processing software and services; efficiencies resulting from automated claims processing; performance and benefits of our products and services; development or acquisition of claims processing products and services in areas other than automobile insurance; our relationship with insurance company customers as they continue global expansion; revenue growth resulting from the launch of new software and services; improvements in operating margins resulting from operational efficiency initiatives; increased utilization of our software and services resulting from increased severity; our expectations regarding the growth rates for vehicle insurance; changes in the amount of our existing unrecognized tax benefits; our revenue mix; our income taxes; restructuring plans, potential restructuring charges and their impact on our revenues; our operating expense growth and operating expenses as a percentage of our revenues; stability of our development and programming costs; growth of our selling, general and administrative expenses; increase in total depreciation and amortization expense; increase in interest expense and possible impact of future foreign currency fluctuations; growth of our acquisition and related costs; our ability to realize our U.S. deferred tax assets during the respective carryforward and reversal periods; our use of cash and liquidity position going forward; cash needs to service our debt; and our ability to grow in all types of markets.

Actual results could differ materially from those projected, implied or anticipated by our forward-looking statements. Some of the factors that could cause actual results to differ include: those set forth in the sections titled "Risk Factors", "Management' s Discussion and Analysis of Financial Condition and Results of Operations", and elsewhere as described in this Quarterly Report on Form 10-Q. These factors include, but are not limited to: our reliance on a limited number of customers for a substantial portion of our revenues; effects of competition on our software and service pricing and our business; unpredictability and volatility of our operating results, which include the volatility associated with foreign currency exchange risks, our sales cycle, seasonality, changes in the amount of our income tax provision (benefit) or other factors; effects of the global economic downturn on demand for or utilization of our products and services; risks associated with and possible negative consequences of acquisitions, joint ventures, divestitures and similar transactions, including risks related to our ability to successfully integrate our acquired businesses; our ability to increase market share, successfully introduce new software and services and expand our operations to new geographic locations; time and expenses associated with customers switching from competitive software and services to our software and services; rapid technology changes in our industry; effects of changes in or violations by us or our customers of government regulations; costs and possible future losses or impairments relating to our acquisitions; use of cash to service our debt; country-specific risks associated with operating in multiple countries; damage to our business or reputation resulting from system failures, delays and other problems; and other factors that are described from time to time in our periodic filings with the Securities and Exchange Commission ("SEC").

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All forward-looking statements are qualified in their entirety by this cautionary statement, and we undertake no obligation to revise or update this Quarterly Report on Form 10-Q to reflect events or circumstances after the date hereof.

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ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended June 30, 2011 filed with the SEC on August 29, 2011. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

All percentage amounts and ratios were calculated using the underlying data in whole dollars and may reflect rounding adjustments. Operating results for the three months ended September 30, 2011 are not necessarily indicative of the results that may be expected for any future period. We describe the effects on our results that are attributed to the change in foreign currency exchange rates by measuring the incremental difference between translating the current and prior period results at the monthly average rates for the same period from the prior year.

Overview of the Business

We are the leading global provider of software and services to the automobile insurance claims processing industry. At the core of our software and services are our proprietary databases, each of which has been adapted to our local markets. We also provide products and services that complement our insurance claims processing software and services and extend beyond our core offerings. These products and services include used vehicle validation, fraud detection software and services, disposition of salvage vehicles and data and analytics services used by automotive property and casualty insurers in the U.S. Our automobile insurance claims processing customers include insurance companies, collision repair facilities, independent assessors and automotive recyclers. We help our customers:

- estimate the costs to repair damaged vehicles and determine pre-collision fair market values for damaged vehicles for which the repair costs exceed the vehicles' value;
- automate and outsource steps of the claims process that insurance companies have historically performed internally; and
- improve their ability to monitor and manage their businesses through data reporting and analysis.

We serve over 75,000 customers and are active in nearly 60 countries across six continents with approximately 2,300 employees. Our customers include more than 1,500 automobile insurance companies, 36,500 collision repair facilities, 7,000 independent assessors and 30,000 automotive recyclers, auto dealers and others. We derive revenues from many of the world' s largest automobile insurance companies, including the ten largest automobile insurance companies in Europe and nine of the ten largest automobile insurance companies in North America.

At the core of our software and services are our proprietary databases, which are localized to each geographical market we serve. Our insurance claims processing software and services are typically integrated into our customers' systems, operations and processes, making it costly and time consuming to switch to another provider. This customer integration, along with our long-standing customer relationships, has contributed to our successful customer retention rate.

Segments

We have aggregated our operating segments into two reportable segments: EMEA and Americas. In the first quarter of fiscal year 2012, we announced the formation of the Netherlands, Germany, Austria and Switzerland ("NGAS") Region to leverage the operational and technological achievements and investments we made in the Highly Established Markets Initiative ("HEMI") Region across our markets. As a result of the creation of the NGAS Region, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment in the first quarter of fiscal year 2012. Accordingly, our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia, while our Americas reportable segment encompasses our operations in North, Central and South America. All prior period segment information has been restated to conform to the current presentation.

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We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-GAAP financial measure that represents GAAP net income excluding interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, and other (income) expense. We do not allocate certain costs to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments. Instead, we manage these costs at the Corporate level.

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The table below sets forth our revenues by reportable segment and as a percentage of our total revenues for the periods indicated (dollars in millions):

	Three Months Ended September 30,			
	2011		2010	
EMEA	$118.6	59.7 %	$104.0	65.4 %
Americas	80.1	40.3	54.9	34.6
Total	$198.7	100.0%	$158.9	100.0%

The increase in the revenues of our Americas reportable segment is primarily due to revenue contributions from Explore, acquired in June 2011.

Set forth below is our revenues from each of our principal customer categories and as a percentage of revenues for the periods indicated (dollars in millions):

	Three Months Ended September 30,			
	2011		2010	
Insurance companies	$90.1	45.4 %	$64.1	40.3 %
Collision repair facilities	64.6	32.5	55.7	35.0
Independent assessors	19.2	9.7	16.6	10.5
Automotive recyclers and others	24.8	12.4	22.5	14.2
Total	$198.7	100.0%	$158.9	100.0%

The increase in the revenues from insurance companies is primarily due to revenue contributions from Explore, acquired in June 2011.

During the three months ended September 30, 2011, the United States, the United Kingdom and Germany were the only countries that individually represented more than 10% of total revenues.

Components of Revenues and Expenses

Revenues

We generate revenues from the sale of software and services to our customers pursuant to negotiated contracts or pricing agreements. Pricing for our software and services is set forth in these agreements and negotiated with each customer. We generally bill our customers monthly under one or more of the following bases:

- price per transaction;
- fixed monthly amount for a prescribed number of transactions;
- fixed monthly subscription rate;
- price per set of services rendered; and
- price per system delivered.

Our software and services are often sold as packages, without individual pricing for each component. Our revenues are reflected net of customer sales allowances, which we estimate based on both our examination of a subset of customer accounts and historical experience.

Our core offering is our estimating and workflow software, which is used by our insurance company, collision repair facility and independent assessor customers, representing the majority of our revenues. Our salvage and recycling software, business intelligence and consulting services, vehicle data validation, salvage disposition, driver violation reporting services and other offerings represent in

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the aggregate a smaller portion of our revenues. We believe that our estimating and workflow software will continue to represent the majority of our revenue for the foreseeable future.

Cost of revenues (excluding depreciation and amortization)

Our costs and expenses applicable to revenues represent the total of operating expenses and systems development and programming costs, which are discussed below.

Operating expenses

Our operating expenses include: compensation and benefit costs for our operations, database development and customer service personnel; other costs related to operations, database development and customer support functions; third-party data and royalty costs; costs related to computer software and hardware used in the delivery of our software and services; and, as a result of our acquisition of Explore, the costs of purchased data from state departments of motor vehicles.

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Systems development and programming costs

Systems development and programming costs include: compensation and benefit costs for our product development and product management personnel; other costs related to our product development and product management functions; and costs related to external software consultants involved in systems development and programming activities.

Selling, general and administrative expenses

Our selling, general and administrative expenses include: compensation and benefit costs for our sales, marketing, administration and corporate personnel; costs related to our facilities; and professional and legal fees.

Depreciation and amortization

Depreciation includes depreciation attributable to buildings, leasehold improvements, data processing and computer equipment, furniture and fixtures. Amortization includes amortization attributable to software purchases and software developed or obtained for internal use and intangible assets acquired in business combinations, particularly our acquisition of the Claims Services Group from Automated Data Processing, Inc. in 2006 (the "CSG Acquisition") and our acquisition of Explore.

Restructuring charges, asset impairments and other costs associated with exit and disposal activities

Restructuring charges, asset impairments and other costs associated with exit and disposal activities primarily represent costs incurred in relation to our restructuring initiatives. Restructuring charges primarily include employee termination benefits charges and charges related to the lease and vendor contract liabilities that we do not expect to provide future economic benefits due to the implementation of our restructuring initiatives.

Acquisition and related costs

Acquisition and related costs include legal and other professional fees and other transaction costs associated with completed and contemplated business combinations and asset acquisitions, costs associated with integrating acquired businesses, including costs incurred to eliminate workforce redundancies and for product rebranding, and other charges incurred as a direct result of our acquisition efforts. These other charges include changes to the fair value of contingent purchase consideration, acquired assets and assumed liabilities subsequent to the completion of the purchase price allocation purchase consideration that is deemed to be compensatory in nature, incentive compensation arrangements with continuing employees of acquired companies and gains and losses resulting from the settlement of a pre-existing contractual relationship with an acquiree as a result of the applicable acquisition.

Interest expense

Interest expense consists primarily of payments of interest on our debt and amortization of related debt issuance costs.

Other (income) expense, net

Other (income) expense, net consists of foreign exchange gains and losses on notes receivable and notes payable to affiliates, interest income and other miscellaneous income and expense.

Income tax provision

Income taxes have been provided for all items included in the statements of income included herein, regardless of when such items were reported for tax purposes or when the taxes were actually paid or refunded.

Net income attributable to noncontrolling interests

Several of our customers and other entities own noncontrolling interests in six of our operating subsidiaries. Net income attributable to noncontrolling interests reflect such owners' proportionate interest in the earnings of such operating subsidiaries.

Factors Affecting Our Operating Results

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Below is a summary description of several external factors that have or may have an effect on our operating results.

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Foreign currency. During the three months ended September 30, 2011 and 2010, we generated approximately 71% and 78%, respectively, of our revenues and incurred a majority of our costs, in currencies other than the U.S. dollar, primarily the Euro. We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our statement of income and certain components of stockholders' equity and the exchange rate at the end of that period for the balance sheet. These translations resulted in a net foreign currency translation adjustment of $(34.8) million and $48.3 million for the three months ended September 30, 2011 and 2010, respectively, which are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains (losses) recognized in our consolidated statements of income were $(0.1) million and $0.3 million during the three months ended September 30, 2011 and 2010, respectively.

Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate during fiscal year 2012. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other international currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2011:

Period	Average Euro-to-U.S. Dollar Exchange Rate	Average Pound Sterling-to-U.S. Dollar Exchange Rate
Quarter ended September 30, 2010	$ 1.29	$ 1.55
Quarter ended December 31, 2010	1.36	1.58
Quarter ended March 31, 2011	1.37	1.60
Quarter ended June 30, 2011	1.44	1.63
Quarter ended September 30, 2011	1.42	1.61

During the three months ended September 30, 2011 as compared to the three months ended September 30, 2010, the U.S. dollar weakened against most major foreign currencies we use to transact our business. The average U.S. dollar weakened versus the Euro by 9.7% and the Pound Sterling by 4.0%, which increased our revenues and expenses for the three months ended September 30, 2011. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $7.1 million during the three months ended September 30, 2011.

Factors that affect business volume. The following external factors have or may have an effect on the number of claims that are submitted and/or our volume of transactions, any of which can affect our revenues:

Number of insurance claims made. In fiscal year 2010, the number of insurance claims made increased slightly versus fiscal year 2009. In fiscal year 2009, the number of insurance claims for vehicle damage submitted by owners to their insurance carriers declined slightly in several of our markets, including some of our large western European markets. The number of insurance claims made can be influenced by factors such as unemployment levels, the number of miles driven, rising gasoline prices, the number of uninsured drivers, rising insurance premiums and insured opting for lower coverage or higher deductible levels, among other things. Fewer claims made can reduce the transaction-based fees that we generate.

Sales of new and used vehicles. According to industry sources, new vehicle sales fell in 2008, 2009 and 2010 in markets wherein automobile insurance is generally government-mandated and claims processing is automated ("advanced markets"). Sales in these markets are projected to grow at a 1% compound annual growth rate through 2020. At the same time, in other markets, sales continued to grow from 2008 through 2010, and are projected to grow at a 5.8% compound annual growth rate through 2020. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.

Damaged vehicle repair costs. The cost to repair damaged vehicles, also known as severity, includes labor, parts and other related costs. Severity has steadily risen for a number of years. According to the Insurance Information Institute, from 2001 through 2010, the price index for body work has increased by 30.5% compared with a 23.2% increase in the general cost of living index. Insurance companies purchase our products and services to help standardize the cost of repair. Should the cost

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of labor, parts and other related items continue to increase over time, insurance companies may seek to purchase and utilize an increasing number of our products and services to help improve the standardization of the cost of repair.

Penetration Rate of Vehicle Insurance. An increasing rate of procuring vehicle insurance will result in an increase in the number of insurance claims made for damaged vehicles. An increasing number of insurance claims submitted can increase the transaction-based fees that we generate for partial-loss and total-loss estimates. This is due in part to both increased regulation and increased use of financing in the purchase of new and used vehicles. We expect that the rate of vehicle insurance in our less mature international markets will continue to increase during the next eighteen months.

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Automobile usage–number of miles driven. Several factors can influence miles driven including gasoline prices and economic conditions. For the first five months of calendar year 2011, cumulative miles driven in the United States declined by 1% compared to the same period in the prior year. Fewer miles driven can result in fewer automobile accidents, which can reduce the transaction-based fees that we generate.

Seasonality. Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the second quarter and third quarter versus the first quarter and fourth quarter during each fiscal year. This seasonality is caused primarily by more days of inclement weather during the second quarter and third quarter in most of our markets, which contributes to a greater number of vehicle accidents and damage during these periods. In addition, our business is subject to fluctuations caused by other factors, including the occurrence of extraordinary weather events and the timing of certain public holidays. For example, the Easter holiday occurs during the third quarter in certain fiscal years and occurs during the fourth quarter in other fiscal years, resulting in a change in the number of business days during the quarter in which the holiday occurs.

Share-based compensation expense. We incurred pre-tax, non-cash share-based compensation charges of $3.6 million and $2.1 million during the three months ended September 30, 2011 and 2010, respectively. We expect to recognize additional pre-tax, non-cash share-based compensation charges related to share-based awards outstanding at September 30, 2011 of approximately $37.3 million ratably over the remaining weighted-average vesting period of 3.1 years.

Restructuring charges. We have incurred restructuring charges in each period presented and also expect to incur additional restructuring charges, primarily relating to severance costs, over the next several quarters as we work to improve efficiencies in our business. We do not expect reduced revenues or an increase in other expenses as a result of continued implementation of our restructuring initiatives.

Other factors. Other factors that have or may have an effect on our operating results include:

- gain and loss of customers;
- pricing pressures;
- acquisitions, joint ventures or similar transactions;
- expenses to develop new software or services; and
- expenses and restrictions related to indebtedness.

We do not believe inflation has had a material effect on our financial condition or results of operations in recent years.

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Results of Operations

Our results of operations include the results of operations of acquired companies from the date of the respective acquisitions.

The table below sets forth statement of income data, including the amount and percentage changes for the periods indicated (dollars in thousands):

	Three Months Ended September 30,		Change	
	2011	2010	$	%
Revenues	$198,693	$158,908	$39,785	25.0 %
Cost of revenues:				
Operating expenses	43,618	31,141	12,477	40.1
Systems development and programming costs	19,045	15,512	3,533	22.8
Total cost of revenues (excluding depreciation and amortization)	62,663	46,653	16,010	34.3
Selling, general and administrative expenses	48,421	41,826	6,595	15.8
Depreciation and amortization	26,008	19,552	6,456	33.0
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	198	2,490	(2,292)	(92.1)
Acquisition and related costs	1,356	1,203	153	12.7
Interest expense	12,294	7,319	4,975	68.0
Other (income) expense, net	55	(675)	730	(108.2)
Income before provision for income taxes	47,698	40,540	7,158	17.7
Income tax provision	13,252	8,602	4,650	54.1
Net income	34,446	31,938	2,508	7.9
Less: Net income attributable to noncontrolling interests	3,207	2,814	393	14.0
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124	$2,115	7.3 %

The table below sets forth our statement of income data expressed as a percentage of revenues for the periods indicated:

	Three Months Ended September 30,	
	2011	2010
Revenues	100.0 %	100.0 %
Cost of revenues:		
Operating expenses	22.0	19.6
Systems development and programming costs	9.6	9.8
Total cost of revenues (excluding depreciation and amortization)	31.5	29.4
Selling, general & administrative expenses	24.4	26.3
Depreciation and amortization	13.1	12.3
Restructuring charges, asset impairments and other costs associated with exit and disposal activities	0.1	1.6
Acquisition and related costs	0.7	0.8
Interest expense	6.2	4.6
Other (income) expense, net	0.0	(0.4)
Income before provision for income taxes	24.0	25.5
Income tax provision	6.7	5.4
Net income	17.3	20.1

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Less: Net income attributable to noncontrolling interests	1.6	1.8
Net income attributable to Solera Holdings, Inc.	15.7 %	18.3 %

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Revenues

During the three months ended September 30, 2011, revenues increased $39.8 million, or 25.0%, and include revenues from Explore of $21.2 million. After adjusting for changes in foreign currency exchange rates and excluding revenues from Explore, revenues increased $8.2 million, or 5.1%, during the three months ended September 30, 2011 resulting from growth in transaction and subscription revenues in several countries from sales to new customers and increased transaction volume from and sales of new software and services to existing customers.

Our EMEA revenues increased $14.6 million, or 14.0%, to $118.6 million. After adjusting for changes in foreign currency exchange rates, EMEA revenues increased $5.6 million, or 5.3%, during the three months ended September 30, 2011 resulting from transaction and subscription revenues in several countries from sales to new customers and increased transaction volume from and sales of new software and services to existing customers.

Our Americas revenues increased $25.2 million, or 45.9%, to $80.1 million and include revenues from Explore of $21.2 million. After adjusting for changes in foreign currency exchange rates and excluding revenues from Explore, Americas revenues increased $2.6 million, or 4.8%, during the three months ended September 30, 2011 resulting from growth in transaction and subscription revenues in several countries from sales to new customers and increased transaction volume from and sales of new software and services to existing customers.

Revenue growth for each of our customer categories was as follows:

	Three Months Ended September 30, 2011	
Dollars in millions	**Revenue Growth**	**Percentage Change**
Insurance companies	$ 26.0	40.6 %
Collision repair facilities	8.9	16.0
Independent assessors	2.6	15.8
Automotive recyclers and other	2.3	9.8
Total	$ 39.8	25.0 %

Revenue growth for each of our customer categories after adjusting for changes in foreign currency exchange rates was as follows:

	Three Months Ended September 30, 2011	
Dollars in millions	**Revenue Growth**	**Percentage Change**
Insurance companies	$ 22.0	34.4 %
Collision repair facilities	5.2	9.3
Independent assessors	1.0	6.1
Automotive recyclers and other	1.2	5.3
Total	$ 29.4	18.5 %

The increase in the revenues from insurance companies is primarily due to revenue contributions from Explore, acquired in June 2011.

Operating expenses

During the three months ended September 30, 2011, operating expenses increased $12.5 million, or 40.1%, and include operating expenses from Explore of $9.4 million. After adjusting for changes in foreign currency exchange rates and excluding operating

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expenses of Explore, operating expenses increased $0.5 million, or 1.5%, during the three months ended September 30, 2011 primarily due to increased third party license fees in our EMEA segment.

Our EMEA operating expenses increased $3.2 million, or 15.9%. After adjusting for changes in foreign currency exchange rates, EMEA operating expenses increased $0.8 million, or 3.9%, during the three months ended September 30, 2011 primarily due to increased revenue which caused increases in third party license fees of $0.5 million and equipment expenses of $0.3 million.

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Our Americas operating expenses increased $9.3 million, or 84.3%, and include operating expenses from Explore of $9.4 million. After adjusting for changes in foreign currency exchange rates and excluding the operating expenses of Explore, Americas operating expenses decreased $0.3 million, or 2.3%, during the three months ended September 30, 2011 due principally to cost savings initiatives implemented in fiscal year 2011.

Systems development and programming costs

During the three months ended September 30, 2011, systems development and programming costs ("SD&P") increased $3.5 million, or 22.8%, and include SD&P from Explore of $0.7 million. After adjusting for changes in foreign currency exchange rates and excluding SD&P of Explore, SD&P increased $1.1 million, or 7.2%, during the three months ended September 30, 2011 primarily due to increases in personnel expenses in our EMEA segment.

Our EMEA SD&P increased $3.1 million, or 31.1%. After adjusting for changes in foreign currency exchange rates, EMEA SD&P increased $1.4 million, or 13.8%, during the three months ended September 30, 2011 primarily due to an increase in personnel costs of $1.1 million and external development costs of $0.3 million related to geographic expansion.

Our Americas SD&P increased $0.4 million, or 7.5%, and include SD&P from Explore of $0.7 million. After adjusting for changes in foreign currency exchange rates and excluding SD&P of Explore, Americas SD&P decreased $0.3 million, or 5.0%, during the three months ended September 30, 2011 primarily due to cost savings initiatives implemented in fiscal year 2011.

Selling, general and administrative expenses

During the three months ended September 30, 2011, selling, general and administrative expenses ("SG&A") increased $6.6 million, or 15.8%, and include SG&A from Explore of $1.0 million. After adjusting for changes in foreign currency exchange rates and excluding SG&A of Explore, SG&A increased $3.1 million, or 7.4%, primarily due to a $1.5 million increase in stock-based compensation expense, a $1.1 million increase in personnel, facilities, and administrative expenses resulting from the expansion of our corporate function, and a $0.5 million increase in corporate audit and tax-related professional fees.

Notwithstanding the impact of fluctuations in the value of the U.S. dollar versus certain foreign currencies in which we transact business, we expect SG&A to continue to increase in the future in absolute dollars as we continue to expand our business into new markets, incur costs related to acquisitions and continue to incur costs associated with being a public company.

Depreciation and amortization

During the three months ended September 30, 2011, depreciation and amortization increased by $6.5 million, or 33.0%, and include depreciation and amortization contributions from Explore of $7.1 million. After adjusting for changes in foreign currency exchange rates and excluding depreciation and amortization of Explore, depreciation and amortization decreased $2.4 million, or 12.1%, for the three months ended September 30, 2011 primarily due to the continued decrease in amortization expense related to the intangible assets acquired in the CSG Acquisition since these intangible assets are being amortized on an accelerated basis.

We generally amortize intangible assets on an accelerated basis to reflect the pattern in which the economic benefits of the intangible assets are realized. Notwithstanding the impact of fluctuations in the value of the U.S. dollar versus certain foreign currencies in which we transact business, we anticipate that our annual depreciation and amortization expense will increase in fiscal year 2012, as compared to fiscal year 2011, as a result of the amortization of the intangible assets acquired in our acquisition of Explore.

Restructuring charges, asset impairments and other costs associated with exit and disposal activities

During the three months ended September 30, 2011 and 2010, we incurred restructuring charges, asset impairments and other costs associated with exit and disposal activities of $0.2 million and $2.5 million, respectively. The restructuring charges, asset impairments and other costs associated with exit and disposal activities incurred in the three months ended September 30, 2011 consist primarily of charges related to the relocation of our corporate headquarters and global executive team to the Dallas-Fort Worth, Texas metroplex.

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The restructuring charges, asset impairments and other costs associated with exit or disposal activities incurred in the three months ended September 30, 2010 consist of $1.2 million in charges resulting from vacating our office facility in San Ramon, California, $1.0 million in charges related to the relocation of our corporate headquarters and global executive team to the Dallas-Fort Worth, Texas metroplex and $0.3 million in other charges primarily relating to employee termination benefits associated with other restructuring initiatives.

We expect to incur additional restructuring charges in future years as we continue to undertake additional efforts to improve efficiencies in our business.

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Acquisition and related costs

During the three months ended September 30, 2011 and 2010, we incurred acquisition and related costs of $1.4 million and $1.2 million, respectively. Acquisition and related costs incurred in the three months ended September 30, 2011 and 2010 primarily consists of contingent purchase consideration that is deemed compensatory in nature.

We expect to incur additional acquisition and related costs in future years related to compensatory contingent purchase consideration from completed acquisitions and as we continue to pursue potential business combinations and asset acquisitions as part of our plan to grow our business.

Interest expense

During the three months ended September 30, 2011, interest expense increased $5.0 million due primarily to accrued interest expense related to the Senior Notes issued in June 2011, partially offset by a decrease in interest expense resulting from the expiration of our interest rate swaps in June 2011.

Notwithstanding fluctuations in the value of the U.S. dollar versus the Euro, we expect that our annual interest expense will increase in fiscal year 2012, as compared to fiscal year 2011, as a result of the interest on the Senior Notes.

Other (income) expense, net

During the three months ended September 30, 2011, other (income) expense, net increased by $0.7 million primarily due to net foreign currency transaction losses on transactions denominated in a currency other than the functional currency of the local company.

Income tax provision

During the three months ended September 30, 2011 and 2010, we recorded an income tax provision of $13.3 million and $8.6 million, respectively, which resulted in an effective tax rate of 27.8% and 21.2%, respectively. The increase in the effective tax rate during the three months ended September 30, 2011 was primarily attributable to discrete tax benefits during the three months ended September 30, 2010 related to changes in tax rates in certain foreign jurisdictions and the release of a portion of the foreign valuation allowance.

Factors that impact our income tax provision include, but are not limited to, the mix of jurisdictional earnings, establishment of valuation allowances in certain jurisdictions, and varying jurisdictional income tax rates. Future changes in tax laws or tax rulings may have a significantly adverse impact on our effective tax rate.

Liquidity and Capital Resources

Our principal sources of cash have included cash generated from operations, proceeds from our May 2007 initial public offering and our November 2008 secondary public stock offering, borrowings under our senior secured credit facilities and the proceeds from our June 2011 issuance of the Senior Notes. Our principal uses of cash have been, and we expect them to continue to be, for business combinations, debt service, dividends, capital expenditures and working capital.

In June 2011, we issued the Senior Notes in the aggregate principal amount of $450.0 million, resulting in net proceeds of $444.3 million. The Senior Notes accrue interest at 6.75% per annum, payable semi-annually, and become due and payable in full on June 15, 2018.

The Senior Notes include redemption provisions that allow us, at our option, to redeem all or a portion of the aggregate principal amount of the Senior Notes as follows:

> At any time prior to June 15, 2014, we may redeem up to 35% of the aggregate principal amount of the Senior Notes at a redemption price equal to 106.75% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the date of redemption, using the net cash proceeds from a public offering of our common stock.

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At any time prior to June 15, 2014, we may redeem the Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium as of, and accrued and unpaid interest to, the redemption date. The amount of the premium is the greater of (i) 1.0% of the then outstanding principal amount of the notes redeemed or (ii) the excess of (a) the present value at the redemption date of the sum of the redemption price of the notes redeemed at June 15, 2014 plus all required interest payments due on the notes redeemed through June 15, 2014 (excluding accrued but unpaid interest to the redemption date), calculated using a discount rate equal to the yield maturity on the redemption date of U.S. Treasury Securities with a constant maturity most nearly equal to the period from the redemption date to June 15, 2014 plus 50 basis points, over (b) the principal amount of the notes.

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At any time on or after June 15, 2014, we may redeem the Senior Notes at the following redemption prices, plus accrued and unpaid interest, if any, through the date of redemption: (i) if the redemption occurs on or after June 15, 2014 but prior to June 15, 2015, the redemption price is 103.375% of the principal amount of the notes redeemed; (ii) if the redemption occurs on or after June 15, 2015 but prior to June 15, 2016, the redemption price is 101.688% of the principal amount of the notes redeemed; and (iii) if the redemption occurs on or after June 15, 2016, the redemption price is 100.000% of the principal amount of the notes redeemed.

Upon the occurrence of a change of control, we are required to offer to redeem the Senior Notes at a redemption price equal to 101% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, through the redemption date.

The Senior Notes contain certain covenants including, among others, restrictions related to dividends, distributions, repurchases of equity, prepayments of debt or additional indebtedness, investments, liens on assets, mergers with another company, dispositions of assets, and transactions with affiliates. We are in compliance with the specified financial covenants of the Senior Notes at September 30, 2011.

In May 2007, we entered into an amended and restated senior secured credit facility, which provides us with the following borrowing commitments: a $50.0 million revolving credit facility that expires on April 13, 2012; a $230.0 million U.S. term loan; and a 280.0 million European term loan. As of September 30, 2011, we had $211.5 million and $343.3 million (252.5 million) in outstanding loans under the U.S. term loan and European term loan, respectively, with interest rates of 2.1% and 3.3%, respectively. The U.S. term loan and European term loan mature in May 2014. No borrowings were outstanding under the revolving credit facility at September 30, 2011.

The amended and restated senior secured credit facility contains a leverage ratio, which is applicable only if specified minimum borrowings are outstanding during a quarter. In addition, the amended and restated senior secured credit facility contains covenants restricting us from undertaking specified corporate actions, including but not limited to asset dispositions, acquisitions, payment of dividends and other specified payments, changes of control, incurrence of indebtedness, capital expenditures, creation of liens, making loans and investments and transactions with affiliates. We are in compliance with the specified financial covenants of the amended and restated senior secured credit facility at September 30, 2011.

Pursuant to agreements entered into prior to the CSG Acquisition, the noncontrolling stockholders of certain of our majority-owned subsidiaries have the right to require us to redeem their shares at the then fair market value. We do not have any indication that the exercise of the redemption rights is probable within the next twelve months. Further, we do not believe the occurrence of conditions precedent to the exercise of certain of these redemption rights is probable within the next twelve months. If the stockholders exercised their redemption rights, we believe that we have sufficient liquidity to fund such redemptions but such redemptions may require a waiver under our senior secured credit facility. Obtaining such a waiver would be subject to conditions prevalent in the capital markets at that time, and could involve changes to the terms of our senior secured credit facility, including changes that could result in our incurring additional interest expense. If we were not able to obtain such a waiver, we could be in breach of our senior secured credit facility or in breach of our agreements with the noncontrolling stockholders.

The remaining 14% noncontrolling ownership interest in our majority-owned AUTOonline subsidiary is subject to a put-call option. We will purchase approximately 7% of the noncontrolling ownership interest in AUTOonline in the second quarter of fiscal year 2012 for 7.2 million. The put-call option on the remaining noncontrolling ownership interest may be exercised by any party beginning in fiscal year 2013 at a redemption value equal to ten times AUTOonline' s consolidated EBITDA for the fiscal year ended prior to the exercise date, subject to adjustment under certain circumstances.

In December 2010, we acquired a minority ownership interest in Digidentity B.V., a Dutch company that is a leading provider of next-generation E-identification certificates for authentication of online identities. Pursuant to the terms of the acquisition, the majority owners of Digidentity may put their shares to us through fiscal year 2013 if Digidentity achieves certain financial performance targets. The purchase price of the shares is calculated based on a multiple of Digidentity' s actual versus target earnings before interest expense, income tax expense, depreciation and amortization for the twelve-month period ended prior to the exercise date.

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On September 20, 2011, we paid a quarterly cash dividend with a value of $0.10 per outstanding share of common stock and per outstanding restricted stock unit to our stockholders and restricted stock unit holders of record on September 8, 2011. The aggregate dividend payment for the three months ended September 30, 2011 was $7.1 million. On November 3, 2011, we announced that the Audit Committee of our Board of Directors approved the payment of a quarterly cash dividend of $0.10 per outstanding share of common stock and per outstanding restricted stock unit. The Audit Committee of our Board of Directors also approved a quarterly stock dividend equivalent of $0.10 per outstanding restricted stock unit granted to certain of our executive officers during fiscal years 2011 and 2012 in lieu of the cash dividend, which dividend equivalent will be paid to the restricted stock unit holders as the restricted stock unit vests. The dividends are payable on December 5, 2011 to stockholders and restricted stock unit holders of record at the close of business on November 17, 2011. Any determination to pay dividends in future periods will be at the discretion of our Board of Directors. The indenture governing the Senior Notes and our amended and restated senior secured credit facility include restrictions on our ability to pay dividends on our common stock.

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As of September 30, 2011 and June 30, 2011, we had cash and cash equivalents of $378.1 million and $371.1 million, respectively. We believe that our existing cash on hand and cash flow from operations will be sufficient to fund currently anticipated working capital, capital spending and debt service requirements, as well as acquisition and strategic opportunities currently under review, for at least the next twelve months. Our acquisition of assets from Inventory Technology Systems, Inc. closed in October 2011 and was funded with existing cash on hand, and we currently do not have any pending agreements with respect to any acquisition or strategic opportunity. We regularly review acquisition and other strategic opportunities, which may require additional debt or equity financing. If we raise additional funds by issuing equity securities, further dilution to our then-existing stockholders may result. Additional debt financing may include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any equity or debt financing may contain terms, such as liquidation and other preferences that are not favorable to us or our stockholders.

At September 30, 2011, our total current and long-term debt obligations were $1.0 billion, consisting of $450.0 million related to the Senior Notes due in June 2018, $554.8 million related to the amended and restated senior secured credit facility due in May 2014, and $17.6 million related to the subordinated note payable to the sellers of HPI due in December 2011. The subordinated note payable to the sellers of HPI will be paid with existing cash on hand. Our management believes that our cash is best utilized by investing in the future growth of our business, either through penetration of new geographic markets or acquisitions and other strategic opportunities. Accordingly, we intend to pursue the refinancing of our amended and restated senior secured credit facility to, among other things, create additional operational flexibility given the size of our company today versus 2006 (when the credit facility was put in place) and to extend the maturity date. We do not currently intend to redeem the Senior Notes prior to the June 2018 maturity date.

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The following summarizes our primary sources and uses of cash in the periods presented (in millions):

	Three Months Ended September 30,		
	2011	2010	Change
Operating activities	$ 50.2	$ 47.0	$ 3.2
Investing activities	(16.6)	(18.9)	2.3
Financing activities	(9.0)	(3.9)	(5.1)

Operating activities. The $3.2 million increase in cash provided by operating activities was primarily the result of an increase in net income, after considering non-cash adjustments, of $10.9 million and by changes in working capital.

Investing activities. The $2.3 million decrease in cash used in investing activities was primarily attributable to purchases of short-term investments of $18.0 million in the prior year period, offset by an increase in acquisitions of and investments in businesses of $8.7 million, an increase in capital expenditures of $5.0 million (net of proceeds from sales of property and equipment), and the change in restricted cash of $2.2 million.

Financing activities. The $5.1 million increase in cash used in financing activities was primarily attributable to a $3.0 million decrease in proceeds from our employee stock purchase plan and exercises of stock options and a $1.8 million increase in dividends paid on common shares and participating securities.

Off-Balance Sheet Arrangements and Related Party Transactions

As of September 30, 2011, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Certain minority stockholders of our international subsidiaries are also commercial purchasers and users of our software and services. Revenue transactions with all of the individual minority stockholders in the aggregate were less than 10% of our consolidated revenue for the three months ended September 30, 2011 and 2010, and aggregate accounts receivable from the minority stockholders represent less than 10% of consolidated accounts receivable at September 30, 2011 and June 30, 2011.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in our consolidated financial statements. On an ongoing basis, we evaluate estimates. We base our estimates on historical experiences and assumptions which we believe to be reasonable under the circumstances. These estimates form the basis for our judgments that affect the amounts reported in the consolidated financial statements. Actual results could differ from our estimates under different assumptions or conditions. Our significant accounting policies, which may be affected by our estimates and assumptions, are more fully described in Note 2 to our audited consolidated financial statements for the year ended June 30, 2011 and our critical accounting policies are more fully described in Part II, Item 7 "Management' s Discussion and Analysis of Financial Condition and Results of Operations," each of which are included in our Annual Report on Form 10-K for the year ended June 30, 2011 filed with the SEC on August 29, 2011. There were no significant changes in our critical accounting policies and estimates during the three months ended September 30, 2011.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Foreign Currency Risk

We conduct operations in many countries around the world. Our results of operations are subject to both currency transaction risk and currency translation risk. We incur currency transaction risk when we enter into either a purchase or sale transaction using a currency other than the local functional currency. With respect to currency translation risk, our financial condition and results of

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operations are measured and recorded in the relevant local functional currency and then translated into U.S. dollars for inclusion in our consolidated financial statements.

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Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other foreign currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2011:

Period	Average Euro-to-U.S. Dollar Exchange Rate	Average Pound Sterling-to-U.S. Dollar Exchange Rate
Quarter ended September 30, 2010	$ 1.29	$ 1.55
Quarter ended December 31, 2010	1.36	1.58
Quarter ended March 31, 2011	1.37	1.60
Quarter ended June 30, 2011	1.44	1.63
Quarter ended September 30, 2011	1.42	1.61

During the three months ended September 30, 2011 as compared to the three months ended September 30, 2010, the U.S. dollar weakened against most major foreign currencies we use to transact our business. The average U.S. dollar weakened versus the Euro by 9.7% and the Pound Sterling by 4.0%, which increased our revenues and expenses for the three months ended September 30, 2011. A hypothetical 5% increase or decrease in the U.S. dollar versus other currencies in which we transact our business would have resulted in an increase or decrease, as the case may be, to our revenues of $7.1 million during the three months ended September 30, 2011.

Interest Rate Risk

We are exposed to interest rate risks primarily through variable interest rate borrowings under our amended and restated senior secured credit facility. Our weighted-average borrowings outstanding under our amended and restated senior secured credit facility during the three months ended September 30, 2011 were $556.2 million. The weighted average interest rate on our term loans during the three months ended September 30, 2011 was 2.8%. A hypothetical 1% increase or decrease in interest rates would have resulted in an approximately $1.4 million change to our interest expense for the three months ended September 30, 2011.

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ITEM 4. CONTROLS AND PROCEDURES.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosures. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures and, based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2011.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures will prevent all error or all fraud. A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Solera have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Controls

We did not identify any changes in our internal control over financial reporting that occurred during the first quarter of fiscal year 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II–OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, various claims, charges and litigation are asserted or commenced against us, including:

- We have been the subject of allegations that our repair estimating and total loss software and services produced results that favored our insurance company customers.
- We are subject to assertions by our customers and strategic partners that we have not complied with the terms of our agreements with them or our agreements with them are not enforceable.

We have and will continue to vigorously defend ourselves against these claims. We believe that final judgments, if any, which may be rendered against us in current litigation, are adequately reserved for, covered by insurance or would not have a material adverse effect on our financial position.

ITEM 1A. RISK FACTORS

In addition to the cautionary statement regarding forward-looking statements included above in this Quarterly Report on Form 10-Q, we also provide the following cautionary discussion of risks and uncertainties relevant to our business. These risks and uncertainties, as well as other factors that we may not be aware of, could cause our actual results to differ materially from expected and historical results and could cause assumptions that underlie our business plans, expectations and statements in this Quarterly Report on Form 10-Q to be inaccurate.

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We depend on a limited number of customers for a substantial portion of our revenues, and the loss of, or a significant reduction in volume from, any of these customers would harm our financial results.

We derive a substantial portion of our revenues from sales to large insurance companies and collision repair facilities that have relationships with these insurance companies. During the three months ended September 30, 2011, we derived 12.7% of our revenues from our ten largest insurance company customers. The largest three of these customers accounted for 2.0%, 2.0%, and 1.6%, respectively, of our revenues during the three months ended September 30, 2011. A loss of one or more of these customers would result in a significant decrease in our revenues, including the business generated by collision repair facilities associated with those customers. Furthermore, many of our arrangements with European customers are terminable by them on short notice or at any time. In addition, disputes with customers may lead to delays in payments to us, terminations of agreements or litigation. Additional terminations or non-renewals of customer contracts or reductions in business from our large customers would harm our business, financial condition and results of operations.

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Our industry is highly competitive, and our failure to compete effectively could result in a loss of customers and market share, which could harm our revenues and operating results.

The markets for our automobile insurance claims processing software and services are highly competitive. In the U.S., our principal competitors are CCC Information Services Group Inc. and Mitchell International Inc. In Europe, our principal competitors are EurotaxGlass' s Group, DAT, GmbH and GT Motive Einsa Group. We also encounter regional or country-specific competition in the markets for automobile insurance claims processing software and services and our other products and services. For example Experian® is our principal competitor in the United Kingdom in the vehicle validation market, car.tv is our principal competitor in Germany in the online salvage vehicle disposition market and, as a result of our acquisition of Explore, ChoicePoint is our principal competitor in the U.S. in the automobile re-underwriting solutions market. If one or more of our competitors develop software or services that are superior to ours or are more effective in marketing their software or services, our market share could decrease, thereby reducing our revenues. In addition, if one or more of our competitors retain existing or attract new customers for which we have developed new software or services, we may not realize expected revenues from these new offerings, thereby reducing our profitability.

Some of our current or future competitors may have or develop closer customer relationships, develop stronger brands, have greater access to capital, lower cost structures and/or more attractive system design and operational capabilities than we have. Consolidation within our industry could result in the formation of competitors with substantially greater financial, management or marketing resources than we have, and such competitors could utilize their substantially greater resources and economies of scale in a manner that affects our ability to compete in the relevant market or markets. As a result of consolidation, our competitors may be able to adapt more quickly to new technologies and customer needs, devote greater resources to promoting or selling their products and services, initiate and withstand substantial price competition, expand into new markets, hire away our key employees, change or limit access to key information and systems, take advantage of acquisition or other strategic opportunities more readily and develop and expand their product and service offerings more quickly than we can. In addition, our competitors may form strategic or exclusive relationships with each other and with other companies in attempts to compete more successfully against us. These relationships may increase our competitors' ability, relative to ours, to address customer needs with their software and service offerings, which may enable them to rapidly increase their market share.

Moreover, many insurance companies have historically entered into agreements with automobile insurance claims processing service providers like us and our competitors whereby the insurance company agrees to use that provider on an exclusive or preferred basis for particular products and services and agrees to require collision repair facilities, independent assessors and other vendors to use that provider. If our competitors are more successful than we are at negotiating these exclusive or preferential arrangements, we may lose market share even in markets where we retain other competitive advantages.

In addition, our insurance company customers have varying degrees of in-house development capabilities, and one or more of them have expanded and may seek to further expand their capabilities in the areas in which we operate. Many of our customers are larger and have greater financial and other resources than we do and could commit significant resources to product development. Our software and services have been, and may in the future be, replicated by our insurance company customers in-house, which could result in our loss of those customers and their associated repair facilities, independent assessors and other vendors, resulting in decreased revenues and net income.

The time and expense associated with switching from our competitors' software and services to ours may limit our growth.

The costs for an insurance company to switch providers of claims processing software and services can be significant and the process can sometimes take 12 to 18 months to complete. As a result, potential customers may decide that it is not worth the time and expense to begin using our software and services, even if we offer competitive and economic advantages. If we are unable to convince these customers to switch to our software and services, our ability to increase market share will be limited and could harm our revenues and operating results.

Our operating results may be subject to volatility as a result of exposure to foreign currency exchange risks.

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We derive most of our revenues, and incur most of our costs, including a portion of our debt service costs, in currencies other than the U.S. dollar, mainly the Euro. In our historical financial statements, we translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our consolidated statement of income and certain components of stockholders' equity or the exchange rate at the end of that period for the consolidated balance sheet. These translations resulted in a net foreign currency translation adjustment of $(34.8) million and $48.3 million for the three months ended September 30, 2011 and 2010, respectively. Ongoing global economic conditions have impacted currency exchange rates.

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Exchange rates between most of the major foreign currencies we use to transact our business and the U.S. dollar have fluctuated significantly over the last few years and we expect that they will continue to fluctuate. The majority of our revenues and costs are denominated in Euros, Pound Sterling, Swiss francs, Canadian dollars and other foreign currencies. The following table provides the average quarterly exchange rates for the Euro and Pound Sterling since the beginning of fiscal year 2011:

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We currently do not hedge our exposure to foreign currency risks. During the three months ended September 30, 2011 and 2010, we recognized net foreign currency transaction gains (losses) in our consolidated statements of operations of $(0.1) million and $0.3 million, respectively.

Further fluctuations in exchange rates against the U.S. dollar could decrease our revenues and associated profits and, therefore, harm our future operating results.

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Current uncertainty in global economic conditions makes it particularly difficult to predict product demand, utilization and other related matters and makes it more likely that our actual results could differ materially from expectations.

Our operations and performance depend on worldwide economic conditions, which have deteriorated significantly in many countries where our products and services are sold, and may remain depressed for the foreseeable future. These conditions make it difficult for our customers and potential customers to accurately forecast and plan future business activities, and could cause our customers and potential customers to slow, reduce or refrain from spending on our products. In addition, external factors that affect our business have been and may continue to be impacted by the global economic slowdown. Examples include:

Number of Insurance Claims Made: In fiscal year 2010, the number of insurance claims made increased slightly versus fiscal year 2009. In fiscal year 2009, the number of insurance claims for vehicle damage submitted by owners to their insurance carriers declined slightly in several of our markets, including some of our large western European markets. The number of insurance claims made can be influenced by factors such as unemployment levels, the number of miles driven, rising gasoline prices, the number of uninsured drivers, rising insurance premiums and insured opting for lower coverage or higher deductible levels, among other things. Fewer claims made can reduce the transaction-based fees that we generate.

Sales of New and Used Vehicles: According to industry sources, new vehicle sales fell in 2008, 2009 and 2010 in markets wherein automobile insurance is generally government-mandated and claims processing is automated (“advanced markets”). Sales in these markets are projected to grow at a 1% compound annual growth rate through 2020. At the same time, sales in other markets continued to grow through the period from 2008 through 2010 and are projected to grow at a 5.8% compound annual growth rate through 2020. Fewer new light vehicle sales can result in fewer insured vehicles on the road and fewer automobile accidents, which can reduce the transaction-based fees that we generate.

Used Vehicle Retail and Wholesale Values: Declines in retail and wholesale used vehicle values can impact vehicle owner and insurance carrier decisions about which damaged vehicles should be repaired and which should be declared a total loss. The lower the retail and wholesale used vehicle values, the more likely it is that a greater percentage of automobiles are declared a total loss versus a partial loss. The fewer number of vehicles that owners and insurance carriers decide to repair can reduce the transaction-based fees that we generate for partial-loss estimates, but may have a beneficial impact on the transaction-based fees that we generate for total-loss estimates.

Automobile Usage–Number of Miles Driven: Several factors can influence miles driven, including gasoline prices and economic conditions. For the first five months of calendar year 2011, cumulative miles driven in the United States declined by 1% compared to the same period in the prior year. In calendar year 2010, the number of miles driven in the United States increased compared to calendar years 2009 and 2008. In calendar year 2009, the number of miles driven in the United States and several of our large western European markets declined due to higher gasoline prices and difficult economic conditions. Fewer miles driven can result in fewer automobile accidents, which can reduce the transaction-based fees that we generate.

While we believe that results from operating in certain of our markets have shown signs of economic improvement since the end of fiscal year 2010, many of our markets around the world continue to experience or have recently experienced volatility. Accordingly, we cannot predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, worldwide or in particular economic markets. These and other economic factors could have a material adverse effect on demand for or utilization of our products and on our financial condition and operating results.

We may engage in acquisitions, joint ventures, dispositions or similar transactions that could disrupt our operations, cause us to incur substantial expenses, result in dilution to our stockholders and harm our business or results of operations.

Our growth is dependent upon market growth and our ability to enhance our existing products and introduce new products on a timely basis. We have addressed and will continue to address the need to introduce new products both through internal development and through acquisitions of other companies and technologies that would complement or extend our business or enhance our technological capability. In fiscal year 2011, we acquired two businesses, including Explore. The acquisition of Explore is our largest acquisition to date. In fiscal year 2012 to date, we have acquired one business and substantially all of the assets of another business.

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Our ability to realize the anticipated benefits of the Explore acquisition will depend, to a large extent, on our ability to continue to expand Explore' s products and services and integrate them with our products and services. Our management will be required to devote significant attention and resources to these efforts, which may disrupt the business of either or both of the companies and, if executed ineffectively, could preclude realization of the full benefits we expect. Failure to realize the anticipated benefits of the acquisition could cause an interruption of, or a loss of momentum in, the operations of Explore. In addition, the efforts required to realize the benefits of the acquisition may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and the diversion of management' s attention, and may cause our stock price to decline. The risks associated with the Explore acquisition and our other past or future acquisitions include:

- adverse effects on existing customer or supplier relationships, such as cancellation of orders or the loss of key customers or suppliers;

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- difficulties in integrating or retaining key employees of the acquired company;
- difficulties in integrating the operations of the acquired company, such as information technology resources, and financial and operational data;
- entering geographic or product markets in which we have no or limited prior experience;
- difficulties in assimilating product lines or integrating technologies of the acquired company into our products;
- disruptions to our operations;
- diversion of our management' s attention;
- potential incompatibility of business cultures;
- potential dilution to existing stockholders if we issue shares of common stock or other securities as consideration in an acquisition or if we issue any such securities to finance acquisitions;
- limitations on the use of net operating losses or tax benefits;
- negative market perception, which could negatively affect our stock price;
- the assumption of debt and other liabilities, both known and unknown; and
- additional expenses associated with the amortization of intangible assets or impairment charges related to purchased intangibles and goodwill, or write-offs, if any, recorded as a result of the acquisition.

Many of these factors will be outside of our control, and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management' s time and energy.

We participate in joint ventures in some countries, and we may participate in future joint ventures. Our partners in these ventures may have interests and goals that are inconsistent with or different from ours, which could result in the joint venture taking actions that negatively impact our growth in the local market and consequently harm our business or financial condition. If we are unable to find suitable partners or if suitable partners are unwilling to enter into joint ventures with us, our growth into new geographic markets may slow, which would harm our results of operations.

Additionally, we may finance future acquisitions and/or joint ventures with cash from operations, additional indebtedness and/or the issuance of additional securities, any of which may impair the operation of our business or present additional risks, such as reduced liquidity or increased interest expense. For example, we financed the purchase price for the Explore acquisition with a private offering of $450.0 million aggregate principal amount of senior notes, which resulted in a decrease of our ratio of earnings to fixed charges and adversely affected the leverage measures in our senior secured credit facility. We may also seek to restructure our business in the future by disposing of certain of our assets, which may harm our future operating results, divert significant managerial attention from our operations and/or require us to accept non-cash consideration, the market value of which may fluctuate.

Failure to implement our acquisition strategy, including successfully integrating acquired businesses, could have an adverse effect on our business, financial condition and results of operations.

Our operating results may vary widely from period to period due to the sales cycle, seasonal fluctuations and other factors.

Our contracts with insurance companies generally require time-consuming authorization procedures by the customer, which can result in additional delays between when we incur development costs and when we begin generating revenues from those software or service offerings. In addition, we incur significant operating expenses while we are researching and designing new software and related services, and we typically do not receive corresponding payments in those same periods. As a result, the number of new software and service offerings that we are able to implement, successfully or otherwise, can cause significant variations in our cash flow from operations, and we may experience a decrease in our net income as we incur the expenses necessary to develop and design new software and services. Accordingly, our quarterly and annual revenues and operating results may fluctuate significantly from period to period.

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Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the second quarter and third quarter versus the first quarter and fourth quarter during each fiscal year. This seasonality is caused primarily by more days of inclement weather during the second quarter and third quarter in most of our markets, which contributes to a greater number of vehicle accidents and damage during these periods. In addition, our business is subject to fluctuations caused by other factors, including the occurrence of extraordinary weather events and the timing of certain public holidays. For example, the Easter holiday occurs during the third quarter in certain fiscal years and occurs during the fourth quarter in other fiscal years, resulting in a change in the number of business days during the quarter in which the holiday occurs.

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We anticipate that our revenues will continue to be subject to seasonality and therefore our financial results will vary from period to period. However, actual results from operations may or may not follow these normal seasonal patterns in a given year leading to performance that is not in alignment with expectations.

We also may experience variations in our earnings due to other factors beyond our control, such as:

- the introduction of new software or services by our competitors;
- customer acceptance of new software or services;
- the volume of usage of our offerings by existing customers;
- variations of vehicle accident rates due to factors such as changes in fuel prices, number of miles driven or new vehicle purchases and their impact on vehicle usage;
- competitive conditions, or changes in competitive conditions, in our industry generally;
- prolonged system failures during which time customers cannot submit or process transactions; or
- prolonged interruptions in our access to third-party data incorporated in our software and services.

We may also incur significant or unanticipated expenses when contracts expire, are terminated or are not renewed. Any of these events could harm our financial condition and results of operations and cause our stock price to decline.

Our industry is subject to rapid technological changes, and if we fail to keep pace with these changes, our market share and revenues will decline.

Our industry is characterized by rapidly changing technology, evolving industry standards and frequent introductions of, and enhancements to, existing software and services, all with an underlying pressure to reduce cost. Industry changes could render our offerings less attractive or obsolete, and we may be unable to make the necessary adjustments to our offerings at a competitive cost, or at all. We also incur substantial expenses in researching, developing, designing, purchasing, licensing and marketing new software and services. The development or adaptation of these new technologies may result in unanticipated expenditures and capital costs that would not be recovered in the event that our new software or services are unsuccessful. The research, development, production and marketing of new software and services are also subject to changing market requirements, access to and rights to use third-party data, the satisfaction of applicable regulatory requirements and customers' approval procedures and other factors, each of which could prevent us from successfully marketing any new software and services or responding to competing technologies. The success of new software in our industry also often depends on the ability to be first to market, and our failure to be first to market with any particular software project could limit our ability to recover the development expenses associated with that project. If we cannot develop or acquire new technologies, software and services or any of our existing software or services are rendered obsolete, our revenues and income could decline and we may lose market share to our competitors, which would impact our future operations and financial results.

Changes in or violations by us or our customers of applicable government regulations could reduce demand for or limit our ability to provide our software and services in those jurisdictions.

Our insurance company customers are subject to extensive government regulations, mainly at the state level in the U.S. and at the country level in our non-U.S. markets. Some of these regulations relate directly to our software and services, including regulations governing the use of total loss and estimating software. If our insurance company customers fail to comply with new or existing insurance regulations, including those applicable to our software and services, they could lose their certifications to provide insurance and/or reduce their usage of our software and services, either of which would reduce our revenues. Also, we are subject to direct regulation in some markets, and our failure to comply with these regulations could significantly reduce our revenues or subject us to government sanctions. In addition, future regulations could force us to implement costly changes to our software and/or databases or have the effect of prohibiting or rendering less valuable one or more of our offerings. Moreover, some states in the U.S. have changed and are contemplating changes to their regulations to permit insurance companies to use book valuations or public source valuations for total loss calculations, making our total loss software potentially less valuable to insurance companies in those states. Some states have

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adopted total loss regulations, that, among other things, require insurers use a methodology deemed acceptable to the respective government agency.

We submit our methodology to such agencies, and if they do not approve our methodology, we will not be able to perform total loss valuations in their respective states. Other states are considering legislation that would limit the data that our software can provide to our insurance company customers. In the event that demand for or our ability to provide our software and services decreases in particular jurisdictions due to regulatory changes, our revenues and margins may decrease.

There is momentum to create a U.S. federal government oversight mechanism for the insurance industry. There is also legislation under consideration by the U.S. legislature relating to the vehicle repair industry. Federal regulatory oversight of or legislation relating to the insurance industry in the U.S. could result in a broader impact on our business versus similar oversight or legislation at the U.S. state level.

Regulatory developments could negatively impact our business.

We acquire and distribute personal, public and non-public information, store it in our some of our databases and provide it in various forms to certain of our customers in accordance with applicable law and contracts. We are subject to government regulation and, from time to time, companies in similar lines of business to us are subject to adverse publicity concerning the use of such data. We provide many types of data and services that are subject to regulation under the Fair Credit Reporting Act, Gramm-Leach-Bliley Act, Driver' s Privacy Protection Act, Health Insurance Portability and Accountability Act, the European Union' s Data Protection Directive and, to a lesser extent, various other international, federal, state and local laws and regulations. These laws and regulations are designed to protect the privacy of the public and to prevent the misuse of personal information. Our suppliers that provide us with protected and regulated data face similar regulatory requirements and, consequently, they may cease to be able to provide data to us or may substantially increase the fees they charge us for this data which may make it financially burdensome or impossible for us to acquire data that is necessary to offer our certain of our products and services. Additionally, many consumer advocates, privacy advocates, and government regulators believe that the existing laws and regulations do not adequately protect privacy of personal information. They have become increasingly concerned with the use of personal information, particularly social security numbers, department of motor vehicle data and dates of birth. As a result, they are lobbying for further restrictions on the dissemination or commercial use of personal information to the public and private sectors. The following legal and regulatory developments also could have a material adverse affect on our business, financial position, results of operations or cash flows:

amendment, enactment, or interpretation of laws and regulations which restrict the access, use and distribution of personal information and limit the supply of data available to customers;

changes in cultural and consumer attitudes to favor further restrictions on information collection and sharing, which may lead to regulations that prevent full utilization of our services;

failure of our services to comply with current or amended laws and regulations; and

failure of our services to adapt to changes in the regulatory environment in an operational effective, efficient, cost-effective manner.

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We require a significant amount of cash to service our indebtedness, which reduces the cash available to finance our organic growth, make strategic acquisitions and enter into alliances and joint ventures; our amended and restated senior credit facility contains restrictive covenants that limit our ability to engage in certain activities.

We have a significant amount of indebtedness. As of September 30, 2011, our indebtedness, including current maturities, was $1.0 billion, of which $554.8 million matures in May 2014 and $450.0 million matures in June 2018. We have the ability to borrow an additional $50.0 million under our amended and restated senior credit facility, which borrowing capacity expires in April 2012. During the three months ended September 30, 2011, our aggregate interest expense was $12.3 million and cash paid for interest was $4.0 million. As a result of our issuance of $450 million in senior unsecured notes to finance the purchase price of the Explore acquisition, we expect our interest expense and cash interest expense to significantly increase in fiscal year 2012 as compared to fiscal year 2011.

Our indebtedness could:

- make us more vulnerable to unfavorable economic conditions and reduce our revenues;
- make it more difficult to obtain additional financing in the future for working capital, capital expenditures or other general corporate purposes;
- require us to dedicate or reserve a large portion of our cash flow from operations for making payments on our indebtedness which would prevent us from using it for other purposes including software development;
- make us susceptible to fluctuations in market interest rates that affect the cost of our borrowings to the extent that our variable rate debt is not covered by interest rate derivative agreements; and
- make it more difficult to pursue strategic acquisitions, joint ventures, alliances and collaborations.

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Some of these factors are beyond our control. If we cannot generate sufficient cash flow from operations to service our indebtedness and to meet our other obligations and commitments, we may be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that debt refinancings or asset dispositions could be completed on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of our debt instruments.

In connection with the acquisition of Explore in June 2011, we completed a private offering of $450.0 million aggregate principal amount of senior unsecured notes. The senior unsecured notes, in addition to our amended and restated senior credit facility, contain covenants that restrict our and our subsidiaries' ability to make certain distributions with respect to our capital stock, prepay other debt, encumber our assets, incur additional indebtedness, make capital expenditures above specified levels, engage in business combinations, redeem shares in our operating subsidiaries held by noncontrolling owners or undertake various other corporate activities. These covenants may also require us also to maintain certain specified financial ratios, including those relating to total leverage and interest coverage.

Our failure to comply with any of these covenants could result in the acceleration of our outstanding indebtedness under the amended and restated senior credit facility. If acceleration occurs, we would not be able to repay our debt and it is unlikely that we would be able to borrow sufficient additional funds to refinance our debt. Even if new financing is made available to us, it may not be available on acceptable or reasonable terms. An acceleration of our indebtedness would impair our ability to operate as a going concern.

Pursuant to agreements entered into prior to the CSG Acquisition, the noncontrolling stockholders of certain of our majority-owned subsidiaries have the right to require us to redeem their shares at the then fair market value. For financial statement reporting purposes, the estimated fair market value of these redeemable noncontrolling interests was $67.7 million at June 30, 2011. If the redemption rights were exercised, such redemptions may require a waiver under our amended and restated senior credit facility. Obtaining such a waiver would be subject to conditions prevalent in the capital markets at that time, and could involve changes to the terms of our amended and restated senior credit facility, including changes that could result in our incurring additional interest expense.

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If we were not able to obtain such a waiver, we could be in breach of our amended and restated senior credit facility or in breach of our agreements with the noncontrolling stockholders.

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We are active in nearly 60 countries, where we are subject to country-specific risks that could adversely impact our business and results of operations.

During the three months ended September 30, 2011, we generated approximately 71% of our revenues outside the U.S. and we expect revenues from non-U.S. markets to continue to represent a majority of our total revenues. Business and operations in individual countries are subject to changes in local government regulations and policies, including those related to tariffs and trade barriers, investments, taxation, currency exchange controls and repatriation of earnings. Our results are also subject to the difficulties of coordinating our activities across nearly 60 different countries. Furthermore, our business strategy includes expansion of our operations into new and developing markets, which will require even greater international coordination, expose us to additional local government regulations and involve markets in which we do not have experience or established operations. In addition, our operations in each country are vulnerable to changes in socio-economic conditions and monetary and fiscal policies, intellectual property protection disputes, the settlement of legal disputes through foreign legal systems, the collection of receivables through foreign legal systems, exposure to possible expropriation or other governmental actions, unsettled political conditions, possible terrorist attacks and pandemic disease. These and other factors may harm our operations in those countries and therefore our business and results of operations.

We have a large amount of goodwill and other intangible assets as a result of acquisitions. Our earnings will be harmed if we suffer an impairment of our goodwill or other intangible assets.

We have a large amount of goodwill and other intangible assets and are required to perform an annual, or in certain situations a more frequent, assessment for possible impairment for accounting purposes. At September 30, 2011, we had goodwill and other intangible assets of $1.4 billion, or approximately 68% of our total assets. If we do not achieve our planned operating results or other factors impair these assets, we may be required to incur a non-cash impairment charge. Any impairment charges in the future will adversely affect our results of operations.

We may incur significant restructuring and severance charges in future periods, which would harm our operating results and cash position or increase debt.

We incurred restructuring charges of $0.2 million and $2.5 million during the three months ended September 30, 2011 and 2010, respectively. These charges consist primarily of relocation and termination benefits paid or to be paid to employees, lease obligations associated with vacated facilities and other costs incurred related to our restructuring initiatives. As of September 30, 2011, our remaining restructuring and severance obligations associated with these restructuring initiatives were $6.6 million.

We regularly evaluate our existing operations and capacity, and we expect to incur additional restructuring charges as a result of future personnel reductions, related restructuring, and productivity and technology enhancements, which could exceed the levels of our historical charges. In addition, we may incur certain unforeseen costs as existing or future restructuring activities are implemented. Any of these potential charges could harm our operating results and significantly reduce our cash position.

Our software and services rely on information generated by third parties and any interruption of our access to such information could materially harm our operating results.

We believe that our success depends significantly on our ability to provide our customers access to data from many different sources. For example, a substantial portion of the data used in our repair estimating software is derived from parts and repair data provided by, among others, original equipment manufacturers, or OEMs, aftermarket parts suppliers, data aggregators, automobile dealerships, government organizations and vehicle repair facilities. We obtain much of our data about vehicle parts and components and collision repair labor and costs through license agreements with OEMs, automobile dealers, and other providers; and we obtain much of our data in our vehicle validation database and motor violation database from government organizations. EurotaxGlass' s Group, one of our primary competitors in Europe, provides us with valuation and paint data for use in our European markets pursuant to a similar arrangement, and Mitchell International, one of our primary competitors in the U.S., provides us with vehicle glass data for use in our U.S. markets pursuant to a similar arrangement. In some cases, the data included in our products and services is licensed from sole-source suppliers. Many of the license agreements through which we obtain data are for terms of one year and may be terminated without cost to the provider on short notice.

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If one or more of our licenses are terminated or if we are unable to renew one or more of these licenses on favorable terms or at all, we may be unable to access the information (in the case of information licensed from sole-service suppliers) or unable to access alternative data sources that would provide comparable information without incurring substantial additional costs. Some OEM sources have indicated to us that they intend to materially increase the licensing costs for their data. While we do not believe that our access to many of the individual sources of data is material to our operations, prolonged industry-wide price increases or reductions in data availability could make receiving certain data more difficult and could result in significant cost increases, which would materially harm our operating results.

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System failures, delays and other problems could harm our reputation and business, cause us to lose customers and expose us to customer liability.

Our success depends on our ability to provide accurate, consistent and reliable services and information to our customers on a timely basis. Our operations could be interrupted by any damage to or failure of:

- our computer software or hardware or our customers' or third-party service providers' computer software or hardware;
- our networks, our customers' networks or our third-party service providers' networks; and
- our connections to and outsourced service arrangements with third parties, such as Acxiom, which hosts data and applications for us and our customers.

Our systems and operations are also vulnerable to damage or interruption from:

- power loss or other telecommunications failures;
- earthquakes, fires, floods, hurricanes and other natural disasters;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events; and
- errors by our employees or third-party service providers.

As part of our ongoing process improvements efforts, we have and will continue to migrate product and system platforms to next generation platforms and we may increase data and applications that we host ourselves, and the risks noted above will be exacerbated by these efforts. Because many of our services play a mission-critical role for our customers, any damage to or failure of the infrastructure we rely on (even if temporary), including those of our customers and vendors, could disrupt our ability to deliver information to and provide services for our customers in a timely manner, which could harm our reputation and result in the loss of current and/or potential customers or reduced business from current customers. In addition, we generally indemnify our customers to a limited extent for damages they sustain related to the unavailability of, or errors in, the software and services we provide; therefore, a significant interruption of, or errors in, our software and services could expose us to significant customer liability.

Fraudulent data access and other security breaches may negatively impact our business and harm our reputation.

Security breaches in our facilities, computer networks, and databases may cause harm to our business and reputation and result in a loss of customers and data suppliers. Our systems may be vulnerable to physical break-ins, computer viruses, attacks by hackers and similar disruptive problems. If users gain improper access to our databases, they may be able to steal, publish, delete or modify confidential third-party information that is stored or transmitted on our networks.

In addition, customers' misuse of our information services could cause harm to our business and reputation and result in loss of customers. Any such misappropriation and/or misuse of our information could result in us, among other things, being in breach of certain data protection and related legislation.

A security or privacy breach may affect us in the following ways:

- deterring customers from using our solutions;
- deterring data suppliers from supplying data to us;
- harming our reputation;
- exposing us to liability;
- increasing operating expenses to correct problems caused by the breach;
- affecting our ability to meet customers' expectations; or
- causing inquiry from governmental authorities.

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We may detect incidents in which consumer data has been fraudulently or improperly acquired. The number of potentially affected consumers identified by any future incidents is obviously unknown. Any such incident could materially and adversely affect our business, reputation, financial condition, operating results and cash flows.

Privacy concerns could require us to exclude data from our software and services, which may reduce the value of our offerings to our customers, damage our reputation and deter current and potential users from using our software and services.

In the United States, European Union and other jurisdictions, there are significant restrictions on the use of personal and consumer data. Our violations of these laws could harm our business. In addition, these restrictions may place limits on the information that we can collect from and provide to our customers. Furthermore, concerns about our collection, use or sharing of automobile insurance claims information, moving violation information or other privacy-related matters, even if unfounded, could damage our reputation and operating results.

We depend on a limited number of key personnel who would be difficult to replace. If we lose the services of these individuals, or are unable to attract new talent, our business will be adversely affected.

We depend upon the ability and experience of our key personnel, who have substantial experience with our operations, the rapidly changing automobile insurance claims processing industry and the markets in which we offer our software and services. The loss of the services of one or more of our senior executives or key employees, particularly our Chairman of the Board, Chief Executive Officer and President, Tony Aquila, could harm our business and operations.

Our success depends on our ability to continue to attract, manage and retain other qualified management, sales and technical personnel as we grow. We may not be able to continue to attract or retain such personnel in the future.

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We may require additional capital in the future, which may not be available on favorable terms, or at all.

Our future capital requirements depend on many factors, including our ability to develop and market new software and services and to generate revenues at levels sufficient to cover ongoing expenses or possible acquisition or similar transactions. If we need to raise additional capital, equity or debt financing may not be available at all or may be available only on terms that are not favorable to us. In the case of equity financings, dilution to our stockholders could result, and in any case such securities may have rights, preferences and privileges that are senior to our outstanding common stock. In the case of debt financings, we may have to grant additional security interests in our assets to lenders and agree to restrictive business and operating covenants. If we cannot obtain adequate capital on favorable terms or at all, we may be unable to support future growth or operating requirements and, accordingly, our business, financial condition and results of operations could be harmed.

Our business depends on our brands, and if we are not able to maintain and enhance our brands, our business and operating results could be harmed.

We believe that the brand identity we have developed and acquired has significantly contributed to the success of our business. We also believe that maintaining and enhancing our brands, such as Audatex, ABZ, Hollander, Informex, Sidexa, HPI, AUTOonline, Market Scan, IMS and Explore, are critical to the expansion of our software and services to new customers in both existing and new markets. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain our brands or if we incur excessive expenses in this effort, our business, operating results and financial condition will be harmed. We anticipate that, as our markets become increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to be a technology innovator, to continue to provide high quality software and services and protect and defend our brand names and trademarks, which we may not do successfully. To date, we have not engaged in extensive direct brand promotion activities, and we may not successfully implement brand enhancement efforts in the future.

Third parties may claim that we are infringing upon their intellectual property rights, and we could be prevented from selling our software or suffer significant litigation expense even if these claims have no merit.

Our competitive position is driven in part by our intellectual property and other proprietary rights. Third parties, however, may claim that our software, products or technology, including claims data or other data, which we obtain from other parties, are infringing or otherwise violating their intellectual property rights. We may also develop software, products or technology, unaware of pending patent applications of others, which software products or technology may infringe a third party patent once that patent is issued. Any claims of intellectual property infringement or other violation, even claims without merit, could be costly and time-consuming to defend and could divert our management and key personnel from operating our business. In addition, if any third party has a meritorious or successful claim that we are infringing or violating its intellectual property rights, we may be forced to change our software or enter into licensing arrangements with third parties, which may be costly or impractical. These claims may also require us to stop selling our software and/or services as currently designed, which could harm our competitive position. We also may be subject to significant damages or injunctions that prevent the further development and sale of certain of our software or services and may result in a material loss in revenue. Currently, one of our trademarks is subject to a nullification proceeding in front of the Brazil trademark authority.

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We may be unable to protect our intellectual property and property rights, either without incurring significant costs or at all, which would harm our business.

We rely on a combination of trade secrets, copyrights, know-how, trademarks, patents, license agreements and contractual provisions, as well as internal procedures, to establish and protect our intellectual property rights. The steps we have taken and will take to protect our intellectual property rights may not deter infringement, duplication, misappropriation or violation of our intellectual property by third parties. In addition, any of the intellectual property we own or license from third parties may be challenged, invalidated, circumvented or rendered unenforceable, or may not be of sufficient scope or strength to provide us with any meaningful information. Furthermore, because of the differences in foreign patent, trademark and other laws concerning proprietary rights, our software and other intellectual property rights may not receive the same degree of protection in foreign countries as they would in the U.S., if at all. We may be unable to protect our rights in trade secrets and unpatented proprietary technology in these countries. We may also be unable to prevent the unauthorized disclosure or use of our technical knowledge, trade secrets or other proprietary information by consultants, vendors, former employees or current employees, despite the existence of nondisclosure and confidentiality agreements, intellectual property assignments and other contractual restrictions. It is also possible that others will independently develop the technology that is the same or similar to ours. If our trade secrets and other proprietary information become known or we are unable to maintain the proprietary nature of our intellectual property, we may not receive any return on the resources expended to create the intellectual property or generate any competitive advantage based on it.

We rely on our brands to distinguish our products and services from the products and services of our competitors, and have registered or applied to register trademarks covering many of these brands. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources advertising and marketing new brands.

Third parties, including competitors, may infringe our intellectual property right and we may not have adequate resources to enforce our intellectual property rights. Pursuing infringers of our intellectual property could result in significant monetary costs and diversion of management resources, and any failure to pursue or successfully litigate claims against infringers or otherwise enforce our intellectual property rights could result in competitors using our technology and offering similar products and services, potentially resulting in loss of our competitive advantage and decreased revenues.

Currently, we believe that one or more of our customers in our EMEA segment may be infringing our intellectual property by making and distributing unauthorized copies of our software. We have also filed a trademark revocation application with the European Union trademark authority seeking revocation of a registered trademark held by a company in the United Kingdom that is similar to one of the trademarks we use. Enforcement of our intellectual property rights may be difficult and may require considerable resources.

Current or future litigation could have a material adverse impact on us.

We have been and continue to be involved in legal proceedings, claims and other litigation that arise in the ordinary course of business. For example, we have been involved in disputes with collision repair facilities, acting individually and as a group in some situations that claim that we have colluded with our insurance company customers to depress the repair time estimates generated by our repair estimating software. We have also been involved in litigation alleging that we have colluded with our insurance company customers to cause the estimates of vehicle fair market value generated by our total loss estimation software to be unfairly low. Furthermore, we are also subject to assertions by our customers and strategic partners that we have not complied with the terms of our agreements with them or that the agreements are not enforceable against them, some of which are the subject of pending litigation and any of which could in the future lead to arbitration or litigation. While we do not expect the outcome of any such pending or threatened litigation to have a material adverse effect on our financial position, litigation is unpredictable and excessive verdicts, both in the form of monetary damages and injunction, could occur. In the future, we could incur judgments or enter into settlements of claims that could harm our financial position and results of operations.

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We are subject to periodic changes in the amount of our income tax provision (benefit) and these changes could adversely affect our operating results; we may not be able to utilize all of our tax benefits before they expire.

Our effective tax rate could be adversely affected by our mix of earnings in countries with high versus low tax rates; by changes in the valuation of our deferred tax assets and liabilities; upon the distribution of earnings from our foreign subsidiaries in the form of dividends or otherwise; by the outcomes of examinations, audits or disputes by or with relevant tax authorities, or by changes in tax laws and regulations. There have been several U.S. domestic and international laws recently enacted which could impact our current or future effective tax rate and we are in the process of evaluating this impact.

Significant judgment is required to determine the recognition and measurement attributes prescribed in ASC Topic No. 740-10, *Income Taxes*. In addition, ASC Topic No. 740-10 applies to all income tax positions, including the potential recovery of previously paid taxes, which if settled unfavorably could adversely impact our provision for income taxes or additional paid-in capital.

The structure of the Explore acquisition resulted in us recording approximately $515 million of tax deductible intangible assets and goodwill. The amortization of these tax deductible intangible assets and goodwill will generate cash tax savings over the 15-year amortization period with a present value of approximately $120 million. The actual amount of cash tax savings will depend on a number of factors, including U.S. corporate income tax rates and our profitability in the U.S. during the amortization period. Many of the factors are outside of our control and are subject to a number of risks and uncertainties.

We began paying dividends in fiscal year 2010 and we may not be able to pay dividends on our common stock and restricted stock units in the future; as a result, your only opportunity to achieve a return on your investment may be if the price of our common stock appreciates.

We began paying quarterly cash dividends to holders of our outstanding of common stock and restricted stock units in the quarter ended September 30, 2009. On November 3, 2011, we announced that the Audit Committee of our Board of Directors approved the payment of a quarterly cash dividend of $0.10 per outstanding share of common stock and per outstanding restricted stock unit. The Audit Committee also approved a quarterly stock dividend equivalent of $0.10 per outstanding restricted stock unit granted to certain of our executive officers during fiscal years 2011 and 2012 in lieu of the cash dividend, which dividend equivalent will be paid to the restricted stock unit holders as the restricted stock unit vests. The dividends are payable on December 5, 2011 to stockholders and restricted stock unit holders of record at the close of business on November 17, 2011. Any determination to pay dividends in future periods will be at the discretion of our Board of Directors. Our ability to pay dividends to holders of our common stock and restricted stock units in future periods may be limited by restrictive covenants under our amended and restated senior credit facility and the indenture for the Senior Notes. As a result, your only opportunity to achieve a return on your investment in us could be if the market price of our common stock appreciates and you sell your shares at a profit. We cannot assure you that the market price for our common stock will ever exceed the price that you pay.

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Requirements associated with being a public company increase our costs significantly, as well as divert significant company resources and management attention.

Prior to our initial public offering in May 2007, we were not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or the other rules and regulations of the SEC or any securities exchange relating to public companies. We continue to work with our legal, independent accounting and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. These areas include corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas. In addition, we are taking steps to address new U.S. federal legislation relating to corporate governance matters and are monitoring other proposed and recently-enacted U.S. federal and state legislation relating to corporate governance and other regulatory matters and how the legislation could affect our obligations as a public company.

The expenses that are required as a result of being a public company are and will likely continue to be material. Compliance with the various reporting and other requirements applicable to public companies also require considerable time and attention of management. In addition, any changes we make may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis.

In addition, being a public company could make it more difficult or more costly for us to obtain certain types of insurance, including directors' and officers' liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Our certificate of incorporation and by-laws contain provisions that could discourage another company from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

Some provisions of our certificate of incorporation and by-laws may have the effect of delaying, discouraging or preventing a merger or acquisition that our stockholders may consider favorable, including transactions in which stockholders may receive a premium for their shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our board of directors. These provisions include:

- authorization of the issuance of "blank check" preferred stock without the need for action by stockholders;
- the removal of directors only by the affirmative vote of the holders of two-thirds of the shares of our capital stock entitled to vote;
- any vacancy on the board of directors, however occurring, including a vacancy resulting from an enlargement of the board, may only be filled by vote of the directors then in office;
- inability of stockholders to call special meetings of stockholders and limited ability of stockholders to take action by written consent; and
- advance notice requirements for board nominations and proposing matters to be acted on by stockholders at stockholder meetings.

We are monitoring proposed U.S. federal and state legislation relating to stockholder rights and related regulatory matters and how the legislation could affect, among other things, the nomination and election of directors and our charter documents.

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ITEM 6. EXHIBITS.

Exhibit No.	Description
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Tony Aquila, Chief Executive Officer.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Renato Giger, Chief Financial Officer and Treasurer.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* These exhibits are not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such exhibits will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we incorporate them by reference.

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SIGNATURES

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

SOLERA HOLDINGS, INC.

/S/ TONY AQUILA

Tony Aquila
Chief Executive Officer and President
(Principal Executive Officer)

/S/ RENATO GIGER

Renato Giger
Chief Financial Officer
(Principal Financial Officer)

November 4, 2011

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Exhibit 31.1

Certification

I, Tony Aquila, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Solera Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: November 4, 2011

/s/ Tony Aquila

Tony Aquila
Chief Executive Officer

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Exhibit 31.2

Certification

I, Renato Giger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Solera Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: November 4, 2011

/s/ Renato Giger

Renato Giger
Chief Financial Officer

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Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Solera Holdings, Inc. (the "Company") for the quarter ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned chief executive officer of the Company, certifies, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best knowledge and belief of the signatory that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tony Aquila

Tony Aquila
Chief Executive Officer
(principal executive officer)

Date: November 4, 2011

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Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Solera Holdings, Inc. (the "Company") for the quarter ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned chief financial officer of the Company, certifies, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best knowledge and belief of the signatory that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Renato Giger

Renato Giger
Chief Financial Officer
(principal financial officer)

Date: November 4, 2011

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Subsequent Events (Details) (USD $)	3 Months Ended Sep. 30, 2011
Subsequent Events [Abstract]	
Dividends payable, date declared	Nov. 03, 2011
Dividends payable, date to be paid	Dec. 05, 2011
Dividends payable, date of record	Nov. 17, 2011
Cash dividend declared	$ 0.10

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Consolidated Balance Sheets (Parenthetical) (USD $) In Thousands, except Per Share data	Sep. 30, 2011	Jun. 30, 2011
Consolidated Balance Sheets		
Allowance for doubtful accounts receivable	$ 2,863	$ 2,769
Common shares, par value	$ 0.01	$ 0.01
Common shares, shares authorized	150,000	150,000
Common shares, shares issued	70,861	70,795
Common shares, shares outstanding	70,861	70,795

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Consolidated Statements Of Income (USD $) In Thousands, except Per Share data	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Consolidated Statements Of Income		
Revenues	$ 198,693	$ 158,908
Cost of revenues:		
Operating expenses	43,618	31,141
Systems development and programming costs	19,045	15,512
Total cost of revenues (excluding depreciation and amortization)	62,663	46,653
Selling, general and administrative expenses	48,421	41,826
Depreciation and amortization	26,008	19,552
Restructuring charges, asset impairments, and other costs associated with exit and disposal activities	198	2,490
Acquisition and related costs	1,356	1,203
Interest expense	12,294	7,319
Other (income) expense, net	55	(675)
Total expenses	150,995	118,368
Income before provision for income taxes	47,698	40,540
Income tax provision	13,252	8,602
Net income	34,446	31,938
Less: Net income attributable to noncontrolling interests	3,207	2,814
Net income attributable to Solera Holdings, Inc.	$ 31,239	$ 29,124
Net income attributable to Solera Holdings, Inc. per common share:		
Basic	$ 0.44	$ 0.41
Diluted	$ 0.44	$ 0.41
Dividends paid per share	$ 0.10	$ 0.08
Weighted-average shares used in the calculation of net income attributable to Solera Holdings, Inc. per common share:		
Basic	70,837	69,985
Diluted	71,250	70,273

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Stockholders' Equity And Redeemable Noncontrolling Interests (Tables)

3 Months Ended Sep. 30, 2010

Stockholders' Equity And Redeemable Noncontrolling Interests [Abstract]

Schedule Of Stockholders' Equity And Redeemable Noncontrolling Interests

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2011	70,795	$587,265	$151,366	$ 36,413	$ 775,044	$ 10,065	$ 785,109	$ 94,841
Components of comprehensive income:								
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	31,239	—	31,239	1,285	32,524	1,922
Foreign currency translation adjustments	—	—	—	(34,785)	(34,785)	(673)	(35,458)	(5,782)
Total comprehensive income					(3,546)	612	(2,934)	(3,860)
Stock-based compensation	—	3,606	—	—	3,606	—	3,606	—
Issuance of common shares under stock award plans, net	66	675	—	—	675	—	675	—
Dividends paid on common stock and participating securities	—	—	(7,127)	—	(7,127)	—	(7,127)	—
Sale of shares of majority-owned subsidiary	—	2,037 (1)	—	—	2,037	102 (1)	2,139	—
Revaluation of and additions to noncontrolling interests	—	1,374	(1,149)	—	225	—	225	(225)
Balance at September 30, 2011	70,861	$594,957	$174,329	$ 1,628	$ 770,914	$ 10,779	$ 781,693	$ 90,756

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares							
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Loss	Total Solera Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2010	70,017	$545,048	$22,550	$ (60,583)	$ 507,015	$ 5,800	$ 512,815	$ 94,431
Components of comprehensive income:								

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Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	29,124	—	29,124	917	30,041	1,897
Foreign currency translation adjustments	—	—	—	48,265	48,265	503	48,768	11,029
Unrealized gains on derivative instruments, net of tax	—	—	—	2,346	2,346	—	2,346	—
Total comprehensive income					79,735	1,420	81,155	12,926
Stock-based compensation	—	2,069	—	—	2,069	—	2,069	—
Issuance of common shares under stock award plans, net	175	3,501	—	—	3,501	—	3,501	—
Dividends paid on common stock and participating securities	—	—	(5,285)	—	(5,285)	—	(5,285)	—
Revaluation of and additions to noncontrolling interests	—	(142)	—	—	(142)	612	470	(470)
Balance at September 30, 2010	70,192	$550,476	$46,389	$ (9,972)	$ 586,893	$ 7,832	$ 594,725	$ 106,887

(1) In September 2011, we sold a 2.5% ownership interest in one of our majority-owned subsidiaries for 1.5 million ($2.1 million).

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Document And Entity Information	3 Months Ended Sep. 30, 2011	Nov. 01, 2011
Document And Entity Information [Abstract]		
Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	Sep. 30, 2011	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	Q1	
Entity Registrant Name	SOLERA HOLDINGS, INC	
Entity Central Index Key	0001324245	
Current Fiscal Year End Date	--06-30	
Entity Filer Category	Large Accelerated Filer	
Entity Common Stock, Shares Outstanding		70,903,672

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Segment And Geographic Information (Performance Of Reportable Segments) (Details) (USD $) In Thousands	3 Months Ended		
	Sep. 30, 2011	Sep. 30, 2010	Jun. 30, 2011
Segment Reporting Information [Line Items]			
Revenues	$ 198,693	$ 158,908	
Income (loss) before provision for income taxes	47,698	40,540	
Depreciation and amortization	26,008	19,552	
Interest expense	12,294	7,319	
Other (income) expense, net	55	(675)	
Total assets at end of period	2,107,115	1,500,177	2,169,135
Capital expenditures	9,567	3,428	
EMEA [Member]			
Segment Reporting Information [Line Items]			
Revenues	118,556	103,985	
Income (loss) before provision for income taxes	44,938	36,407	
Depreciation and amortization	13,066	13,402	
Interest expense	381	357	
Other (income) expense, net	(207)	(279)	
Total assets at end of period	1,158,470	1,187,113	
Capital expenditures	7,485	2,371	
Americas [Member]			
Segment Reporting Information [Line Items]			
Revenues	80,137	54,923	
Income (loss) before provision for income taxes	28,639	19,931	
Depreciation and amortization	12,942	6,150	
Interest expense	12	13	
Other (income) expense, net	159	(244)	
Total assets at end of period	798,875	267,694	
Capital expenditures	2,082	1,057	
Corporate [Member]			
Segment Reporting Information [Line Items]			
Revenues			
Income (loss) before provision for income taxes	(25,879)	(15,798)	
Depreciation and amortization			
Interest expense	11,901	6,949	
Other (income) expense, net	103	(152)	
Total assets at end of period	149,770	45,370	
Capital expenditures			

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Share-Based Compensation (Tables)

3 Months Ended Sep. 30, 2011

Share-Based Compensation [Abstract]

Summary Of Restricted Stock Unit Activity

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Share
Nonvested at June 30, 2011	356	$ 44.21
Granted	152	$ 57.77
Vested	(45)	$ 34.13
Forfeited	(8)	$ 34.53
Nonvested at September 30, 2011	455	$ 49.91

Summary Of Stock Option Activity

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2011	1,533	$ 33.78		
Granted	420	$ 58.42		
Exercised	(21)	$ 23.17		
Canceled	(12)	$ 30.30		
Outstanding at September 30, 2011	1,920	$ 39.32	6.0	$ 25,143
Exercisable at September 30, 2011	572	$ 29.05	5.7	$ 12,269

Estimated Grant Date Fair Value Of Stock Options

	Risk-Free Interest Rate	Expected Term (in years)	Weighted Average Expected Stock Price Volatility	Expected Dividend Yield	Weighted Average Per Share Grant Date Fair Value
Three Months Ended September 30, 2011	1.1 %	4.6	33 %	0.7 %	$ 16.15
Three Months Ended September 30, 2010	1.4 %	4.6	33 %	0.8 %	$ 10.95

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Provision For Income Taxes (Details) (USD $)	3 Months Ended		12 Months Ended
	Sep. 30, 2011	Sep. 30, 2010	Jun. 30, 2011
Provision For Income Taxes [Abstract]			
Income tax provision	$ 13,252,000	$ 8,602,000	
Unrecognized tax benefits	6,500,000		6,200,000
Income tax interest accrued			0
Income Tax Examination, Penalties Expense			$ 0

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Comprehensive Income	3 Months Ended Sep. 30, 2011

Comprehensive Income [Abstract]

Comprehensive Income

7. Comprehensive Income

Comprehensive income consists of the following for the periods indicated (in thousands):

	Three Months Ended September 30,	
	2011	2010
Net income	$34,446	$31,938
Other comprehensive income:		
Foreign currency translation adjustments	(41,240)	59,797
Unrealized gains on derivative financial instruments, net of tax	—	2,346
Total comprehensive income	(6,794)	94,081
Comprehensive income attributable to noncontrolling interests	(3,248)	14,346
Comprehensive income attributable to Solera Holdings, Inc.	$(3,546)	$79,735

The majority of our assets and liabilities, including goodwill, intangible assets and long-term debt, are carried in functional currencies other than the U.S. dollar, primarily the Euro, Pound Sterling, and Swiss franc. We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period for our condensed consolidated statement of income and certain components of stockholders' equity and the exchange rate at the end of that period for the condensed consolidated balance sheet. These translations resulted in a foreign currency translation adjustment of $(34.8) million during the three months ended September 30, 2011, which was caused by a strengthening in the value of the U.S. dollar versus certain foreign currencies, including the Euro, during the period. Generally, the strengthening of the U.S. dollar during the three months ended September 30, 2011 resulted in decreases to the U.S. dollar value of certain of our assets and liabilities from June 30, 2011 to September 30, 2011, as presented in the accompanying condensed consolidated balance sheets, although the corresponding local currency balances may have increased or remain unchanged.

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Defined Benefit Pension Plans (Tables)	3 Months Ended Sep. 30, 2011
Defined Benefit Pension Plans [Abstract]	
Components Of Net Pension Expense	

	Three Months Ended September 30,	
	2011	2010
Service cost — benefits earned during the period	$1,064	$757
Interest cost on projected benefits	964	880
Expected return on plan assets	(678)	(608)
Amortization of gain	25	—
Net pension expense	$1,375	$1,029

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Share-Based Compensation (Summary Of Restricted Stock Unit Activity) (Details) (USD $) In Thousands, except Per Share data	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Share-Based Compensation [Abstract]		
Number of Shares, Nonvested at June, 30 2011	356	
Number of Shares, Granted	152	
Number of Shares, Vested	(45)	
Number of Shares, Forfeited	(8)	
Number of Shares, Nonvested at September 30, 2011	455	
Weighted Average Grant Date Fair Value per Share, Nonvested at June 30, 2011	$ 44.21	
Weighted Average Grant Date Fair Value per Share, Granted	$ 57.77	$ 39.43
Weighted Average Grant Date Fair Value per Share, Vested	$ 34.13	
Weighted Average Grant Date Fair Value per Share, Forfeited	$ 34.53	
Weighted Average Grant Date Fair Value per Share, Nonvested at September 30, 2011	$ 49.91	

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Comprehensive Income (Details) (USD $)	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Comprehensive Income [Abstract]		
Net income	$ 34,446,000	$ 31,938,000
Foreign currency translation adjustments	(41,240,000)	59,797,000
Unrealized gains on derivative financial instruments, net of tax		2,346,000
Total comprehensive income	(6,794,000)	94,081,000
Comprehensive income attributable to noncontrolling interests	(3,248,000)	14,346,000
Comprehensive income attributable to Solera Holdings, Inc.	(3,546,000)	79,735,000
Foreign currency translation adjustment	$ (34,800,000)	

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Fair Value Measurements (Tables)

3 Months Ended Sep. 30, 2011

Fair Value Measurements [Abstract]

Summary Of Assets And Liabilities That Require Fair Value Measurements On Recurring Basis

		Fair Value Measurements Using:		
	Fair Value	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value at September 30, 2011:				
Cash and cash equivalents	$378,085	$ 378,085	$ —	$ —
Restricted cash (1)	2,106	2,106	—	—
Accrued contingent purchase consideration (2)	2,716	—	—	2,716
Redeemable noncontrolling interests (3)	67,694	—	—	67,694
Fair value at June 30, 2011:				
Cash and cash equivalents	$371,101	$ 371,101	$ —	$ —
Restricted cash (1)	3,246	3,246	—	—
Accrued contingent purchase consideration (2)	1,189	—	—	1,189
Redeemable noncontrolling interests (3)	71,641	—	—	71,641

(1) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet. The restricted cash primarily relates to funds held in escrow for the benefit of customers and facility lease deposits.

(2) Included in accrued expenses and other current liabilities in the accompanying consolidated balance sheet.

(3) Does not include the redeemable noncontrolling interest of AUTOonline, which is not measured at fair value on a recurring basis.

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Summary Of Activity In Redeemable Noncontrolling Interest Measured At Fair Value On A Recurring Basis

	Three Months Ended September 30,	
	2011	2010
Balance at beginning of period	$ 71,641	$ 81,641
Net income attributable to redeemable noncontrolling interests	1,441	1,503
Change in fair value	(1,374)	(1,555)
Effect of foreign exchange	(4,014)	9,460
Balance at end of period	$ 67,694	$ 91,049

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Segment And Geographic Information	3 Months Ended Sep. 30, 2011
Segment And Geographic Information [Abstract]	
Segment And Geographic Information	

12. Segment and Geographic Information

We have aggregated our operating segments into two reportable segments: EMEA and Americas. In the first quarter of fiscal year 2012, we announced the formation of the Netherlands, Germany, Austria and Switzerland ("NGAS") Region to leverage the operational and technological achievements and investments we made in the Highly Established Markets Initiative ("HEMI") Region across our markets.

As a result of the creation of the NGAS Region, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment in the first quarter of fiscal year 2012. Accordingly, our EMEA reportable segment encompasses our operations in Europe, the Middle East, Africa, Asia and Australia, while our Americas reportable segment encompasses our operations in North, Central and South America. All prior period segment information has been restated to conform to the current presentation.

Our chief operating decision maker is our Chief Executive Officer. We evaluate the performance of our reportable segments based on revenues, income before provision for income taxes and adjusted EBITDA, a non-GAAP financial measure that represents GAAP net income excluding interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairments and other costs associated with exit and disposal activities, acquisition and related costs, and other (income) expense, net. We do not allocate certain costs to reportable segments, including costs related to our financing activities, business development and oversight, and tax, audit and other professional fees, to our reportable segments. Instead, we manage these costs at the Corporate level.

(in thousands)	EMEA	Americas	Corporate	Total
Three Months Ended September 30, 2011:				
Revenues	$118,556	$80,137	$—	$198,693
Income (loss) before provision for income taxes	44,938	28,639	(25,879)	47,698
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,066	12,942	—	26,008
Interest expense	381	12	11,901	12,294
Other (income) expense, net	(207)	159	103	55
Total assets at end of period	1,158,470	798,875	149,770	2,107,115
Capital expenditures	7,485	2,082	—	9,567
Three Months Ended September 30, 2010:				
Revenues	$103,985	$54,923	$—	$158,908

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Income (loss) before provision for income taxes	36,407	19,931	(15,798)	40,540
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,402	6,150	—	19,552
Interest expense	357	13	6,949	7,319
Other (income) expense, net	(279)	(244)	(152)	(675)
Total assets at end of period	1,187,113	267,694	45,370	1,500,177
Capital expenditures	2,371	1,057	—	3,428

Geographic revenue information is based on the location of the customer and was as follows for the periods presented (in thousands):

	Europe *	United States	United Kingdom	Germany	All Other	Total
Three Months Ended September 30, 2011	$67,443	$57,294	$25,287	$22,341	$26,328	$198,693
Three Months Ended September 30, 2010	58,436	35,459	23,898	18,709	22,406	158,908

* Excludes the United Kingdom and Germany.

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Contingent Purchase Consideration	3 Months Ended Sep. 30, 2011
Contingent Purchase Consideration [Abstract]	
Contingent Purchase Consideration	**3. Contingent Purchase Consideration** In connection with business combinations completed since fiscal year 2009, we may be required to make contingent cash payments through fiscal year 2014 subject to the achievement of certain financial performance and product-related targets. At September 30, 2011, the maximum aggregate amount of remaining contingent cash payments to be paid is $18.1 million, of which $3.4 million would be recognized as additional goodwill when earned, $2.8 million was accrued to goodwill at the acquisition date, and the remaining $11.9 million is charged to acquisition and related costs in the statement of income as earned.

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Restructuring Initiatives And Other Exit And Disposal Activities (Schedule Of Restructuring And Related Costs) (Details) (USD $) In Thousands	3 Months Ended Sep. 30, 2011
Restructuring Cost and Reserve [Line Items]	
Balance, beginning	$ 7,535
Restructuring charges	198
Cash payments	(1,106)
Other	(6)
Effect of foreign exchange	(48)
Balance, ending	6,573
Employee Termination Benefits [Member]	
Restructuring Cost and Reserve [Line Items]	
Balance, beginning	1,226
Restructuring charges	129
Cash payments	(121)
Other	(66)
Effect of foreign exchange	(48)
Balance, ending	1,120
Leases [Member]	
Restructuring Cost and Reserve [Line Items]	
Balance, beginning	6,309
Restructuring charges	30
Cash payments	(946)
Other	60
Balance, ending	5,453
Other Charges [Member]	
Restructuring Cost and Reserve [Line Items]	
Restructuring charges	39
Cash payments	$ (39)

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Share-Based Compensation	3 Months Ended Sep. 30, 2011

Share-Based Compensation [Abstract]

Share-Based Compensation

9. Share-Based Compensation

Share-Based Award Activity

The following table summarizes restricted common shares subject to repurchase, restricted stock unit, and performance share unit activity during the three months ended September 30, 2011:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Share
Nonvested at June 30, 2011	356	$ 44.21
Granted	152	$ 57.77
Vested	(45)	$ 34.13
Forfeited	(8)	$ 34.53
Nonvested at September 30, 2011	455	$ 49.91

Each performance share unit represents the right to receive one share of our common stock based on our total stockholder return ("TSR") and/or the achievement of certain financial performance targets during applicable performance periods. The number of shares reflected in the table above assumes the target number of performance share units will be earned. For the performance share units granted during the three months ended September 30, 2011, approximately 70% of the value of the awards is subject to financial performance targets and approximately 30% of the value of the awards is subject to relative TSR targets.

The following table summarizes stock option activity during the three months ended September 30, 2011:

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at June 30, 2011	1,533	$ 33.78		
Granted	420	$ 58.42		
Exercised	(21)	$ 23.17		
Canceled	(12)	$ 30.30		
Outstanding at September 30, 2011	1,920	$ 39.32	6.0	$ 25,143
Exercisable at September 30, 2011	572	$ 29.05	5.7	$ 12,269

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Of the stock options outstanding at September 30, 2011, approximately 1.8 million are vested or expected to vest.

Cash received from the exercise of stock options was $0.5 million during the three months ended September 30, 2011. The intrinsic value of stock options exercised during the three months ended September 30, 2011 and 2010 totaled $0.7 million and $2.6 million, respectively.

Valuation of Share-Based Awards

We utilized the Black-Scholes option pricing model for estimating the grant date fair value of stock options with the following assumptions:

	Risk-Free Interest Rate	Expected Term (in years)	Weighted Average Expected Stock Price Volatility	Expected Dividend Yield	Weighted Average Per Share Grant Date Fair Value
Three Months Ended September 30, 2011	1.1 %	4.6	33 %	0.7 %	$ 16.15
Three Months Ended September 30, 2010	1.4 %	4.6	33 %	0.8 %	$ 10.95

We based the risk-free interest rates on the implied yield available on U.S. Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the options. Because we have a limited history of stock option exercises, we calculated the expected award life as the average of the contractual term and the vesting period. We determined the expected volatility based on a combination of implied market volatilities, our historical stock price volatility and other factors. The dividend yield is based on our quarterly dividend of $0.10 and $0.075 per share declared and paid during the three months ended September 30, 2011 and 2010, respectively.

The weighted average grant date fair value of restricted stock units and performance share units granted during the three months ended September 30, 2011 and 2010, excluding performance share units that are earned based on our relative TSR, was $57.77 and $39.43, respectively, determined based on the market price of our common stock on the date of grant, which approximates the intrinsic value.

To estimate the grant date fair value of performance share units that are earned based on our relative TSR, we utilized a Monte-Carlo simulation model which simulates a range of our possible future stock prices and certain peer companies and assumes that the performance share units will be earned at target. Based on the Monte-Carlo simulation model, the grant date fair value of performance share units granted during the three months ended September 30, 2011 that are earned based on our relative TSR was $54.61 per share.

Share-Based Compensation Expense

Share-based compensation expense, which is included in selling, general and administrative expenses in the accompanying condensed consolidated statements of income, was $3.6 million and $2.1 million for the three months ended September 30, 2011 and 2010, respectively. At September 30, 2011, the estimated total remaining unamortized share-based compensation expense, net of

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forfeitures, was $37.3 million, which we expect to recognize over a weighted-average period of 3.1 years.

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Basis Of Presentation And Significant Accounting Policies (Policy)	3 Months Ended
	Sep. 30, 2011
Basis Of Presentation And Significant Accounting Policies [Abstract]	
Description Of Business	***Description of Business*** Solera Holdings, Inc. and subsidiaries (the "Company", "Solera", "we", "us" or "our") is a leading global provider of software and services to the automobile insurance claims processing industry. Our software and services help our customers: estimate the costs to repair damaged vehicles; determine pre-collision fair market values for vehicles damaged beyond repair; automate steps of the claims process; outsource steps of the claims process that insurance companies have historically performed internally; and monitor and manage their businesses through data reporting and analysis. We are active in nearly 60 countries and derive most of our revenues from our estimating and workflow software. Through our acquisitions of HPI, Ltd. ("HPI") in December 2008 and AUTOonline GmbH In-formationssysteme ("AUTOonline") in October 2009, we also provide used vehicle validation services in the United Kingdom and operate an eSalvage vehicle exchange platform in several European and Latin American countries as well as India. Through our acquisition of Explore Information Services, LLC ("Explore") in June 2011, we also provide data and analytics services used by automotive property and casualty insurers in the United States ("U.S.").
Financial Statement Preparation	***Financial Statement Preparation*** The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), and therefore, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, the accompanying condensed consolidated financial statements for the periods presented reflect all adjustments, consisting of only normal, recurring adjustments, necessary to fairly state our financial position, results of operations and cash flows. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the fiscal year ended June 30, 2011, included in our Annual Report on Form 10-K filed with the SEC on August 29, 2011. Our operating results for the three month period ended September 30, 2011 are not necessarily indicative of the results that may be expected for any future periods.
Principles Of Consolidation	***Principles of Consolidation*** The unaudited condensed consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries. Our consolidated, majority-owned subsidiaries include AUTOonline, our subsidiaries located in Belgium, France, Portugal, Spain, and certain of our subsidiaries in Mexico. All intercompany accounts and transactions have been eliminated in consolidation.
Use Of Estimates	***Use of Estimates*** The preparation of the accompanying unaudited condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in

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the U.S. requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates. The reported amounts of assets, liabilities, revenues and expenses are affected by estimates and assumptions which are used for, but not limited to, the accounting for sales allowances, allowance for doubtful accounts, fair value of derivatives, valuation of goodwill and intangible assets, amortization of intangibles, restructurings, liabilities under defined benefit plans, stock-based compensation, redeemable noncontrolling interests and income taxes.

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Defined Benefit Pension Plans	3 Months Ended Sep. 30, 2011
Defined Benefit Pension Plans [Abstract]	
Defined Benefit Pension Plans	

10. Defined Benefit Pension Plans

Our foreign subsidiaries sponsor various defined benefit pension plans and individual defined benefit arrangements covering certain eligible employees. We base the benefits under these pension plans on years of service and compensation levels. Funding is limited to statutory requirements.

The components of net pension expense were as follows for the periods indicated (in thousands):

	Three Months Ended September 30,	
	2011	2010
Service cost — benefits earned during the period	$1,064	$757
Interest cost on projected benefits	964	880
Expected return on plan assets	(678)	(608)
Amortization of gain	25	—
Net pension expense	$1,375	$1,029

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Goodwill And Intangible Assets (Intangible Assets) (Details) (USD $) In Thousands	3 Months Ended Sep. 30, 2011	12 Months Ended Jun. 30, 2011
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	$ 777,222	$ 804,766
Amortized intangible assets, accumulated amortization	(422,335)	(423,400)
Amortized intangible assets, intangible assets, net	354,887	381,366
Total indefinite and finite lived intangible assets, gross	810,568	839,500
Intangible Assets Net Excluding Goodwill	388,233	416,100
Internally Developed Software [Member]		
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	21,283	22,197
Amortized intangible assets, accumulated amortization	(7,522)	(7,454)
Amortized intangible assets, intangible assets, net	13,761	14,743
Purchased Customer Relationships [Member]		
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	296,237	304,688
Amortized intangible assets, accumulated amortization	(133,364)	(131,141)
Amortized intangible assets, intangible assets, net	162,873	173,547
Purchased Tradenames And Trademarks [Member]		
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	34,870	36,323
Amortized intangible assets, accumulated amortization	(20,391)	(20,811)
Amortized intangible assets, intangible assets, net	14,479	15,512
Purchased Software And Database Technology [Member]		
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	418,872	435,125
Amortized intangible assets, accumulated amortization	(259,037)	(262,358)
Amortized intangible assets, intangible assets, net	159,835	172,767
Other [Member]		
Goodwill [Line Items]		
Amortized intangible assets, gross carrying amount	5,960	6,433
Amortized intangible assets, accumulated amortization	(2,021)	(1,636)
Amortized intangible assets, intangible assets, net	3,939	4,797
Purchased Tradenames And Trademarks With Indefinite Lives [Member]		
Goodwill [Line Items]		
Intangible assets not subject to amortization, intangible assets, net	$ 33,346	$ 34,734

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Fair Value Measurements	3 Months Ended Sep. 30, 2011

Fair Value Measurements [Abstract]

Fair Value Measurements

8. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes our assets and liabilities that require fair value measurements on a recurring basis and their respective input levels based on the fair value hierarchy (in thousands):

		Fair Value Measurements Using:		
	Fair Value	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value at September 30, 2011:				
Cash and cash equivalents	$378,085	$ 378,085	$ —	$ —
Restricted cash (1)	2,106	2,106	—	—
Accrued contingent purchase consideration (2)	2,716	—	—	2,716
Redeemable noncontrolling interests (3)	67,694	—	—	67,694
Fair value at June 30, 2011:				
Cash and cash equivalents	$371,101	$ 371,101	$ —	$ —
Restricted cash (1)	3,246	3,246	—	—
Accrued contingent purchase consideration (2)	1,189	—	—	1,189
Redeemable noncontrolling interests (3)	71,641	—	—	71,641

(1) Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet. The restricted cash primarily relates to funds held in escrow for the benefit of customers and facility lease deposits.

(2) Included in accrued expenses and other current liabilities in the accompanying consolidated balance sheet.

(3) Does not include the redeemable noncontrolling interest of AUTOonline, which is not measured at fair value on a recurring basis.

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Cash and cash equivalents and restricted cash. Our cash and cash equivalents and restricted cash, primarily consist of bank deposits, money market funds and bank certificates of deposit. The fair value of our cash and cash equivalents and restricted cash are determined using quoted market prices for identical assets (Level 1 inputs).

Accrued contingent purchase consideration. We accrue contingent future cash payments related to acquisitions completed after June 30, 2009 at fair value as of the acquisition date and re-measure the payments at fair value at each reporting date. We estimate the fair value of future contingent purchase consideration based on the weighted probabilities of potential future payments that would be earned upon achievement by the acquired business of certain financial performance and product-related targets. We determined such probabilities using information as of the reporting date, including recent financial performance of the acquired businesses (Level 3 inputs). The net increase in accrued contingent purchase consideration during the three months ended September 30, 2011 was primarily due to an increase in our estimate of the consideration to be earned and paid, partially offset by the effect of fluctuations in foreign currency exchange rates.

Redeemable noncontrolling interests. We estimate the fair value of our redeemable noncontrolling interests through an income approach, utilizing a discounted cash flow model, and a market approach, which considers comparable companies and transactions, including transactions with the noncontrolling stockholders of our majority-owned subsidiaries.

Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specific projection period and a residual value related to future cash flows beyond the projection period. Both values are discounted to reflect the degree of risk inherent in an investment in the reporting unit and achieving the projected cash flows. A weighted average cost of capital of a market participant is used as the discount rate. The residual value is generally determined by applying a constant terminal growth rate to the estimated net cash flows at the end of the projection period. Alternatively, the present value of the residual value may be determined by applying a market multiple at the end of the projection period.

Under the market approach, fair value is determined based on multiples of revenues and earnings before interest, taxes, depreciation and amortization for each reporting unit. For our calculation, we determined the multiples based on a selection of comparable companies and acquisition transactions, discounted for each reporting unit to reflect the relative size, diversification and risk of the reporting unit in comparison to the indexed companies and transactions.

At September 30, 2011 and June 30, 2011, we estimated the fair value of the redeemable noncontrolling interest in one of our majority-owned subsidiaries based on recent stock transactions with the noncontrolling stockholders, a Level 2 input, and a discounted cash flow model, a Level 3 input.

The following table summarizes the activity in redeemable noncontrolling interests which are measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

	Three Months Ended September 30,	
	2011	**2010**

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Balance at beginning of period	$ 71,641	$ 81,641
Net income attributable to redeemable noncontrolling interests	1,441	1,503
Change in fair value	(1,374)	(1,555)
Effect of foreign exchange	(4,014)	9,460
Balance at end of period	$ 67,694	$ 91,049

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

No assets or liabilities were required to be measured at fair value on a nonrecurring basis during the three months ended September 30, 2011.

Fair Value of Other Financial Instruments

The carrying amounts of certain of our financial instruments, including accounts receivable, accounts payable and accrued expenses, approximate fair value due to their short-term nature. Considering that our senior unsecured notes were issued in June 2011 in an arms-length transaction, we believe the carrying value approximates fair value. The carrying value of our senior secured credit facility approximates fair value due to the facility's variable interest rate. The estimated fair value of the subordinated note payable issued to the seller in connection with our acquisition of HPI was $21.2 million and $21.5 million at September 30, 2011 and June 30, 2011, respectively, which was determined using a discounted cash flow model.

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Basis Of Presentation And Significant Accounting Policies	3 Months Ended Sep. 30, 2011
Basis Of Presentation And Significant Accounting Policies [Abstract]	
Basis Of Presentation And Significant Accounting Policies	

1. Basis of Presentation and Significant Accounting Policies

Description of Business

Solera Holdings, Inc. and subsidiaries (the "Company", "Solera", "we", "us" or "our") is a leading global provider of software and services to the automobile insurance claims processing industry. Our software and services help our customers: estimate the costs to repair damaged vehicles; determine pre-collision fair market values for vehicles damaged beyond repair; automate steps of the claims process; outsource steps of the claims process that insurance companies have historically performed internally; and monitor and manage their businesses through data reporting and analysis. We are active in nearly 60 countries and derive most of our revenues from our estimating and workflow software. Through our acquisitions of HPI, Ltd. ("HPI") in December 2008 and AUTOonline GmbH In-formationssysteme ("AUTOonline") in October 2009, we also provide used vehicle validation services in the United Kingdom and operate an eSalvage vehicle exchange platform in several European and Latin American countries as well as India. Through our acquisition of Explore Information Services, LLC ("Explore") in June 2011, we also provide data and analytics services used by automotive property and casualty insurers in the United States ("U.S.").

Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), and therefore, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, the accompanying condensed consolidated financial statements for the periods presented reflect all adjustments, consisting of only normal, recurring adjustments, necessary to fairly state our financial position, results of operations and cash flows. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the fiscal year ended June 30, 2011, included in our Annual Report on Form 10-K filed with the SEC on August 29, 2011. Our operating results for the three month period ended September 30, 2011 are not necessarily indicative of the results that may be expected for any future periods.

Principles of Consolidation

The unaudited condensed consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries. Our consolidated, majority-owned subsidiaries include AUTOonline, our subsidiaries located in Belgium, France, Portugal, Spain, and certain of our subsidiaries in Mexico. All intercompany accounts and transactions have been eliminated in consolidation.

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Use of Estimates

The preparation of the accompanying unaudited condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the U.S. requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates. The reported amounts of assets, liabilities, revenues and expenses are affected by estimates and assumptions which are used for, but not limited to, the accounting for sales allowances, allowance for doubtful accounts, fair value of derivatives, valuation of goodwill and intangible assets, amortization of intangibles, restructurings, liabilities under defined benefit plans, stock-based compensation, redeemable noncontrolling interests and income taxes.

New Accounting Pronouncements Not Yet Adopted

In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Topic No. 2011-08, *Testing Goodwill for Impairment*, which amends current guidance on testing goodwill for impairment to provide entities with the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If it is determined that the fair value of the reporting unit is more likely than not less than the carrying amount based on qualitative factors, the two-step impairment test would be required. The update is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

In June 2011, the FASB issued ASU Topic No. 2011-05, *Comprehensive Income (Topic 220)—Presentation of Comprehensive Income*, which updates the presentation requirements related to comprehensive income. The total of comprehensive income, the components of net income, and the components of other comprehensive income may be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU No. 2011-05 also eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The update is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

In May 2011, the FASB issued ASU Topic No. 2011-04, *Fair Value Measurement (Topic 820)—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which expands the disclosure requirements for fair value measurements. More quantitative and qualitative disclosures will be required for fair value measurements using level 3 inputs. ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the impact that the adoption of this pronouncement will have on our consolidated financial statements.

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Goodwill And Intangible Assets	3 Months Ended Sep. 30, 2011
Goodwill And Intangible Assets [Abstract]	
Goodwill And Intangible Assets	4. Goodwill and Intangible Assets

Intangible Assets

Intangible assets consist of the following (in thousands):

	September 30, 2011			June 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Amortized intangible assets:						
Internally developed software	$21,283	$(7,522)	$13,761	$22,197	$(7,454)	$14,743
Purchased customer relationships	296,237	(133,364)	162,873	304,688	(131,141)	173,547
Purchased tradenames and trademarks	34,870	(20,391)	14,479	36,323	(20,811)	15,512
Purchased software and database technology	418,872	(259,037)	159,835	435,125	(262,358)	172,767
Other	5,960	(2,021)	3,939	6,433	(1,636)	4,797
	$777,222	$(422,335)	$354,887	$804,766	$(423,400)	$381,366
Intangible assets not subject to amortization:						
Purchased tradenames and trademarks with indefinite lives	33,346	—	33,346	34,734	—	34,734
	$810,568	$(422,335)	$388,233	$839,500	$(423,400)	$416,100

Goodwill

The following table summarizes the activity in goodwill for the three months ended September 30, 2011 (in thousands):

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	Balance at Beginning of Period	Other (2)	Foreign Currency Translation Effect	Balance at End of Period
EMEA (1)	$615,358	$—	$(32,508)	$582,850
Americas (1)	444,391	7,401	3,713	455,505
Total	$1,059,749	$7,401	$(28,795)	$1,038,355

(1) As described further in Note 12, in the first quarter of fiscal year 2012, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment. The balances presented above reflect the inclusion of our Netherlands operating segment in our EMEA reportable segment for all periods.

(2) Primarily represents contingent cash consideration paid in connection with a business combination consummated in fiscal year 2009.

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Fair Value Measurements (Summary Of Assets And Liabilities That Require Fair Value Measurements On Recurring Basis) (Details) (USD $) In Thousands	Sep. 30, 2011		Jun. 30, 2011	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Cash and cash equivalents	$ 378,085		$ 371,101	
Restricted cash	2,106	[1]	3,246	[1]
Accrued contingent purchase consideration	2,716	[2]	1,189	[2]
Redeemable noncontrolling interests	67,694	[3]	71,641	[3]
Quoted Market Prices For Identical Assets (Level 1) [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Cash and cash equivalents	378,085		371,101	
Restricted cash	2,106	[1]	3,246	[1]
Accrued contingent purchase consideration		[2]		[2]
Redeemable noncontrolling interests		[3]		[3]
Significant Other Observable Inputs (Level 2) [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Cash and cash equivalents				
Restricted cash		[1]		[1]
Accrued contingent purchase consideration		[2]		[2]
Redeemable noncontrolling interests		[3]		[3]
Significant Unobservable Inputs (Level 3) [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Cash and cash equivalents				
Restricted cash		[1]		[1]
Accrued contingent purchase consideration	2,716	[2]	1,189	[2]
Redeemable noncontrolling interests	$ 67,694	[3]	$ 71,641	[3]

[1] Included in other current assets and other noncurrent assets in the accompanying consolidated balance sheet. The restricted cash primarily relates to funds held in escrow for the benefit of customers and facility lease deposits.

[2] Included in accrued expenses and other current liabilities in the accompanying consolidated balance sheet.

[3] Does not include the redeemable noncontrolling interest of AUTOonline, which is not measured at fair value on a recurring basis.

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Contingent Purchase Consideration (Details) (USD $) In Millions	Sep. 30, 2011
Contingent Purchase Consideration [Abstract]	
Aggregate amount of contingent future cash payments	$ 18.1
Contingent future cash payments to be recognized as goodwill	3.4
Contingent future cash payments accrued to goodwill	2.8
Contingent future cash payments charged to net income	$ 11.9

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Restructuring Initiatives And Other Exit And Disposal Activities	3 Months Ended Sep. 30, 2011
Restructuring Initiatives And Other Exit And Disposal Activities [Abstract]	
Restructuring Initiatives And Other Exit And Disposal Activities	**5. Restructuring Initiatives and Other Exit and Disposal Activities**

The objectives of our restructuring initiatives and other exit and disposal activities have primarily been to eliminate waste and improve operational efficiencies. The liabilities associated with our restructuring initiatives and other exit and disposal activities are included in accrued expenses and other current liabilities and in other noncurrent liabilities in the accompanying consolidated balance sheets. We report all amounts incurred in connection with our restructuring initiatives and other exit and disposal activities in restructuring charges, asset impairments and other costs associated with exit and disposal activities in the accompanying consolidated statements of income.

The following table summarizes the activity in the liabilities associated with our restructuring initiatives and other exit and disposal activities for the three months ended September 30, 2011 (in thousands):

	Employee Termination Benefits	Leases	Other	Total
Balance at June 30, 2011	$ 1,226	$6,309	$—	$7,535
Restructuring charges	129	30	39	198
Cash payments	(121)	(946)	(39)	(1,106)
Other	(66)	60	—	(6)
Effect of foreign exchange	(48)	—	—	(48)
Balance at September 30, 2011	$ 1,120	$5,453	$—	$6,573

In fiscal year 2011, we announced the relocation of our corporate headquarters and global executive team from San Diego, California to the Dallas-Fort Worth, Texas metroplex (the "Corporate Relocation Plan"). The primary objectives of the Corporate Relocation Plan are to provide us with access to a broader employee recruitment pool; improved labor arbitrage and other cost efficiencies; and improved mobility and access to our markets around the world. The relocation is expected to improve the effectiveness of our senior management team and our operations, and result in long-term cost savings. Under the Corporate Relocation Plan, we anticipate incurring expenses of approximately $2.5 million, primarily consisting of relocation benefits paid to current employees, facility relocation costs and termination benefits for corporate employees that are not relocating. The remaining restructuring charges anticipated to be incurred under the Corporate Relocation Plan of approximately $0.4 million are expected to be paid in fiscal year 2012. During the three months ended September 30, 2011, we incurred restructuring charges of $0.1 million under the Corporate Relocation Plan.

In prior fiscal years, we initiated restructuring plans in our Americas and EMEA segments (the "Prior Restructuring Plans"). Under the Prior Restructuring Plans, as of September 30, 2011, we have a remaining liability for employee termination benefits of $1.1 million, which we will

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pay through fiscal year 2012, and a remaining lease-related restructuring liability of $5.5 million, which we will pay through July 2013. During the three months ended September 30, 2011, we incurred restructuring charges of $0.1 million under the Prior Restructuring Plans.

The following table summarizes restructuring charges, asset impairments and other costs associated with exit and disposal activities for the periods indicated (in thousands):

	Corporate Relocation Plan	Prior Restructuring Plans	Total
Three Months Ended September 30, 2011:			
Employee termination benefits	$ 86	$ 43	$129
Leases	—	30	30
Other	39	—	39
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 125	$ 73	$198
Three Months Ended September 30, 2010:			
Employee termination benefits	$ 188	$ 303	$491
Leases	—	1,224	1,224
Other	775	—	775
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 963	$ 1,527	$2,490

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Share-Based Compensation (Narrative) (Details) (USD $) Share data in Millions, except Per Share data, unless otherwise specified	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Share-Based Compensation [Abstract]		
Performance share units to be earned based on financial targets, percentage	70.00%	
Performance share units to be earned based on total shareholder return, percentage	30.00%	
Stock options vested and expected to vest, approximate number of shares	1.8	
Dividends declared per share		$ 0.075
Cash received from exercise of stock options	$ 500,000	
Intrinsic value of stock options exercised	700,000	2,600,000
Quarterly dividend declared, per share	$ 0.10	
Grant-date fair value of performance share units granted	$ 54.61	
Weighted average grant date fair value of restricted stock units granted	$ 57.77	$ 39.43
Stock-based compensation	3,606,000	2,069,000
Unamortized share-based compensation expense, net of forfeitures	$ 37,300,000	
Estimated weighted-average period (in years)	3.1	

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Segment And Geographic Information (Tables)	3 Months Ended Sep. 30, 2011
Segment And Geographic Information [Abstract]	
Performance Of Reportable Segments	

(in thousands)	EMEA	Americas	Corporate	Total
Three Months Ended September 30, 2011:				
Revenues	$118,556	$80,137	$—	$198,693
Income (loss) before provision for income taxes	44,938	28,639	(25,879)	47,698
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,066	12,942	—	26,008
Interest expense	381	12	11,901	12,294
Other (income) expense, net	(207)	159	103	55
Total assets at end of period	1,158,470	798,875	149,770	2,107,115
Capital expenditures	7,485	2,082	—	9,567
Three Months Ended September 30, 2010:				
Revenues	$103,985	$54,923	$—	$158,908
Income (loss) before provision for income taxes	36,407	19,931	(15,798)	40,540
Significant items included in income (loss) before provision for income taxes:				
Depreciation and amortization	13,402	6,150	—	19,552
Interest expense	357	13	6,949	7,319
Other (income) expense, net	(279)	(244)	(152)	(675)
Total assets at end of period	1,187,113	267,694	45,370	1,500,177
Capital expenditures	2,371	1,057	—	3,428

Geographic Consolidated Revenue

	Europe *	United States	United Kingdom	Germany	All Other	Total
Three Months Ended September 30, 2011	$67,443	$57,294	$25,287	$22,341	$26,328	$198,693
Three Months Ended September 30, 2010	58,436	35,459	23,898	18,709	22,406	158,908

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* Excludes the United Kingdom and Germany.

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Goodwill And Intangible Assets (Summary Of The Goodwill) (Details) (USD $) In Thousands	3 Months Ended Sep. 30, 2011	
Goodwill [Line Items]		
Balance at beginning of period	$ 1,059,749	
Other	7,401	[1]
Foreign currency translation effect	(28,795)	
Balance at end of period	1,038,355	
EMEA [Member]		
Goodwill [Line Items]		
Balance at beginning of period	615,358	[2]
Foreign currency translation effect	(32,508)	[2]
Balance at end of period	582,850	[2]
Americas [Member]		
Goodwill [Line Items]		
Balance at beginning of period	444,391	[2]
Other	7,401	[1],[2]
Foreign currency translation effect	3,713	[2]
Balance at end of period	$ 455,505	[2]

[1] Primarily represents contingent cash consideration paid in connection with a business combination consummated in fiscal year 2009.

[2] As described further in Note 12, in the first quarter of fiscal year 2012, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA reportable segment. The balances presented above reflect the inclusion of our Netherlands operating segment in our EMEA reportable segment for all periods.

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Fair Value Measurements (Summary Of Activity In Redeemable Noncontrolling Interest Measured At Fair Value On A Recurring Basis) (Details) (Significant Unobservable Inputs (Level 3) [Member], USD $) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Significant Unobservable Inputs (Level 3) [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Balance at beginning of period	$ 71,641	$ 81,641
Net income attributable to redeemable noncontrolling interests	1,441	1,503
Change in fair value	(1,374)	(1,555)
Effect of foreign exchange	(4,014)	9,460
Balance at end of period	$ 67,694	$ 91,049

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Net Income Attributable To Solera Holdings, Inc. Per Common Share (Determination Of Antidilutive Securities Excluded In Calculation Of Diluted Net Income (Loss) Per Common Share) (Details) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Net Income Attributable To Solera Holdings, Inc. Per Common Share [Abstract]		
Antidilutive options to purchase common stock and restricted stock units	63	25

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Subsequent Events	3 Months Ended Sep. 30, 2011
Subsequent Events [Abstract]	
Subsequent Events	**13. Subsequent Events** On November 3, 2011, we announced that the Audit Committee of our Board of Directors approved the payment of a quarterly cash dividend of $0.10 per outstanding share of common stock and per outstanding restricted stock unit. The Audit Committee also approved a quarterly stock dividend equivalent of $0.10 per outstanding restricted stock unit granted to certain of our executive officers during fiscal years 2011 and 2012 in lieu of the cash dividend, which dividend equivalent will be paid to the restricted stock unit holders as the restricted stock unit vests. The dividends are payable on December 5, 2011 to stockholders and restricted stock unit holders of record at the close of business on November 17, 2011.

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Stockholders' Equity And Redeemable Noncontrolling Interests

Stockholders' Equity And Redeemable Noncontrolling Interests [Abstract]

Stockholders' Equity And Redeemable Noncontrolling Interests

3 Months Ended

Sep. 30, 2011

6. Stockholders' Equity and Redeemable Noncontrolling Interests

The following table sets forth a reconciliation of stockholders' equity and redeemable noncontrolling interests for the periods indicated (in thousands):

	Stockholders' Equity Attributable to Solera Holdings, Inc.							
	Common Shares			Accumulated Other	Total Solera Holdings, Inc.		Total	Redeemable
	Shares	Amount	Retained Earnings	Comprehensive Income	Stockholders' Equity	Noncontrolling Interests	Stockholders' Equity	Noncontrolling Interests
Balance at June 30, 2011	70,795	$587,265	$151,366	$ 36,413	$ 775,044	$ 10,065	$ 785,109	$ 94,841
Components of comprehensive income:								
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	31,239	—	31,239	1,285	32,524	1,922
Foreign currency translation adjustments	—	—	—	(34,785)	(34,785)	(673)	(35,458)	(5,782)
Total comprehensive income					(3,546)	612	(2,934)	(3,860)
Stock-based compensation	—	3,606	—	—	3,606	—	3,606	—
Issuance of common shares under stock award plans, net	66	675	—	—	675	—	675	—
Dividends paid on common stock and participating securities	—	—	(7,127)	—	(7,127)	—	(7,127)	—
Sale of shares of majority-owned subsidiary	—	2,037 (1)	—	—	2,037	102 (1)	2,139	—
Revaluation of and additions to noncontrolling interests	—	1,374	(1,149)	—	225	—	225	(225)
Balance at September 30, 2011	70,861	$594,957	$174,329	$ 1,628	$ 770,914	$ 10,779	$ 781,693	$ 90,756

Stockholders' Equity Attributable to Solera Holdings, Inc.							
Common Shares						Total	Redeemable
		Retained	Accumulated	Total Solera	Noncontrolling	Stockholders'	Noncontrolling
Shares	Amount	Earnings	Other	Holdings, Inc.	Interests	Equity	Interests

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				Comprehensive Loss	Stockholders' Equity			
Balance at June 30, 2010	70,017	$545,048	$22,550	$ (60,583)	$ 507,015	$ 5,800	$ 512,815	$ 94,431
Components of comprehensive income:								
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	—	—	29,124	—	29,124	917	30,041	1,897
Foreign currency translation adjustments	—	—	—	48,265	48,265	503	48,768	11,029
Unrealized gains on derivative instruments, net of tax	—	—	—	2,346	2,346	—	2,346	—
Total comprehensive income					79,735	1,420	81,155	12,926
Stock-based compensation	—	2,069	—	—	2,069	—	2,069	—
Issuance of common shares under stock award plans, net	175	3,501	—	—	3,501	—	3,501	—
Dividends paid on common stock and participating securities	—	—	(5,285)	—	(5,285)	—	(5,285)	—
Revaluation of and additions to noncontrolling interests	—	(142)	—	—	(142)	612	470	(470)
Balance at September 30, 2010	70,192	$550,476	$46,389	$ (9,972)	$ 586,893	$ 7,832	$ 594,725	$ 106,887

(1) In September 2011, we sold a 2.5% ownership interest in one of our majority-owned subsidiaries for 1.5 million ($2.1 million).

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Goodwill And Intangible Assets (Tables)

3 Months Ended Sep. 30, 2011

Goodwill And Intangible Assets [Abstract]

Intangible Assets

	September 30, 2011			June 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Amortized intangible assets:						
Internally developed software	$21,283	$(7,522)	$13,761	$22,197	$(7,454)	$14,743
Purchased customer relationships	296,237	(133,364)	162,873	304,688	(131,141)	173,547
Purchased tradenames and trademarks	34,870	(20,391)	14,479	36,323	(20,811)	15,512
Purchased software and database technology	418,872	(259,037)	159,835	435,125	(262,358)	172,767
Other	5,960	(2,021)	3,939	6,433	(1,636)	4,797
	$777,222	$(422,335)	$354,887	$804,766	$(423,400)	$381,366
Intangible assets not subject to amortization:						
Purchased tradenames and trademarks with indefinite lives	33,346	—	33,346	34,734	—	34,734
	$810,568	$(422,335)	$388,233	$839,500	$(423,400)	$416,100

Summary Of The Goodwill

	Balance at Beginning of Period	Other (2)	Foreign Currency Translation Effect	Balance at End of Period
EMEA (1)	$615,358	$—	$(32,508)	$582,850
Americas (1)	444,391	7,401	3,713	455,505
Total	$1,059,749	$7,401	$(28,795)	$1,038,355

(1) As described further in Note 12, in the first quarter of fiscal year 2012, we transferred our Netherlands operating segment from our Americas reportable segment to our EMEA

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reportable segment. The balances presented above reflect the inclusion of our Netherlands operating segment in our EMEA reportable segment for all periods.

(2) Primarily represents contingent cash consideration paid in connection with a business combination consummated in fiscal year 2009.

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Fair Value Measurements (Narrative) (Details) (USD $)	3 Months Ended		
	Sep. 30, 2011	Sep. 30, 2011 HPI [Member]	Jun. 30, 2011 HPI [Member]
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]			
Assets required to be measured at fair value on a non-recurring basis	$ 0		
Liabilities fair value disclosure nonrecurring	0		
Estimated fair value of note issued to seller		$ 21,200,000	$ 21,500,000

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Net Income Attributable To Solera Holdings, Inc. Per Common Share (Schedule Of Computation Of Basic And Diluted Net Income Per Common Share) (Details) (USD $) In Thousands, except Per Share data	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Net Income Attributable To Solera Holdings, Inc. Per Common Share [Abstract]		
Net income attributable to Solera Holdings, Inc.	$ 31,239	$ 29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(166)
Net income attributable to common shares-basic	31,106	28,958
Weighted-average number of common shares	70,838	70,083
Less: Weighted-average common shares subject to repurchase	(1)	(98)
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Basic net income attributable to Solera Holdings, Inc. per common share	$ 0.44	$ 0.41
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(165)
Net income attributable to common shares-diluted	$ 31,106	$ 28,959
Diluted effect of options to purchase common stock, restricted stock units and performance share units	413	288
Weighted-average number of common shares used to compute diluted net income attributable to Solera Holdings, Inc. per common share	71,250	70,273
Diluted net income attributable to Solera Holdings, Inc. per common share	$ 0.44	$ 0.41

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Consolidated Statements Of Cash Flows (USD $) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Cash flows from operating activities:		
Net income	$ 34,446	$ 31,938
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,008	19,552
Provision for doubtful accounts	764	491
Stock-based compensation	3,606	2,069
Deferred income taxes	(211)	(367)
Other	71	(201)
Changes in operating assets and liabilities, net of effects from acquisition of businesses:		
Increase in accounts receivable	(1,876)	(6,498)
Decrease (increase) in other assets	4,331	(895)
Decrease (increase) in accounts payable	(6,171)	2,974
Decrease in accrued expenses and other liabilities	(10,765)	(2,111)
Net cash provided by operating activities	50,203	46,952
Cash flows from investing activities:		
Capital expenditures	(9,567)	(3,428)
Acquisitions and capitalization of intangible assets	(347)	(600)
Proceeds from sale of property and equipment	1,104	
Acquisitions of and investments in businesses, net of cash acquired	(8,749)	
Purchases of short-term investments		(18,010)
Decrease in restricted cash	917	3,105
Net cash used in investing activities	(16,642)	(18,933)
Cash flows from financing activities:		
Payments of debt issuance costs	(254)	
Payments of contingent purchase consideration		(66)
Principal payments on financed asset acquisitions	(580)	(601)
Repayments of long-term debt	(1,570)	(1,421)
Cash dividends paid on common shares and participating securities	(7,127)	(5,285)
Proceeds from stock purchase plan and exercise of stock options	535	3,501
Net cash used in financing activities	(8,996)	(3,872)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(17,581)	19,765
Net change in cash and cash equivalents	6,984	43,912
Cash and cash equivalents, beginning of period	371,101	240,522
Cash and cash equivalents, end of period	378,085	284,434
Supplemental cash flow information:		
Cash paid for interest	3,990	8,578
Cash paid for income taxes	7,714	7,564
Supplemental disclosure of non-cash investing and financing activities:		
Capital assets financed	415	2,192

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Accrued contingent purchase consideration	1,712
Receivable for proceeds from sale of shares of majority-owned subsidiary	$ 2,139

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Restructuring Initiatives And Other Exit And Disposal Activities (Tables)	3 Months Ended Sep. 30, 2011
Restructuring Initiatives And Other Exit And Disposal Activities [Abstract]	
Schedule Of Restructuring And Related Costs	

	Employee Termination Benefits	Leases	Other	Total
Balance at June 30, 2011	$ 1,226	$6,309	$—	$7,535
Restructuring charges	129	30	39	198
Cash payments	(121)	(946)	(39)	(1,106)
Other	(66)	60	—	(6)
Effect of foreign exchange	(48)	—	—	(48)
Balance at September 30, 2011	$ 1,120	$5,453	$—	$6,573

Summary Of Restructuring Charges, Asset Impairments And Other Costs Associated with Exit And Disposal Activities

	Corporate Relocation Plan	Prior Restructuring Plans	Total
Three Months Ended September 30, 2011:			
Employee termination benefits	$ 86	$ 43	$129
Leases	—	30	30
Other	39	—	39
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 125	$ 73	$198
Three Months Ended September 30, 2010:			
Employee termination benefits	$ 188	$ 303	$491
Leases	—	1,224	1,224
Other	775	—	775
Total restructuring charges, asset impairments, and other costs associated with exit	$ 963	$ 1,527	$2,490

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and disposal
activities

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Share-Based Compensation (Summary Of Stock Option Activity) (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended
	Sep. 30, 2011
Share-Based Compensation [Abstract]	
Number of Shares, Outstanding at June 30, 2011	1,533
Number of Shares, Granted	420
Number of Shares, Exercised	(21)
Number of Shares, Canceled	(12)
Number of Shares, Outstanding at September 30, 2011	1,920
Number of Shares, Exercisable at September 30, 2011	572
Weighted Average Exercise Price per Share, Outstanding at June 30, 2011	$ 33.78
Weighted Average Exercise Price per Share, Granted	$ 58.42
Weighted Average Exercise Price per Share, Exercised	$ 23.17
Weighted Average Exercise Price per Share, Canceled	$ 30.30
Weighted Average Exercise Price per Share, Outstanding at September 30, 2011	$ 39.32
Weighted Average Exercise Price per Share, Exercisable at September 30, 2011	$ 29.05
Weighted Average Remaining Contractual Term (in years), Outstanding at September 30, 2011	6.00
Weighted Average Remaining Contractual Term (in years), Exercisable at September 30, 2011	5.70
Aggregate Intrinsic Value, Outstanding at September 30, 2011	$ 25,143
Aggregate Intrinsic Value, Exercisable at September 30, 2011	$ 12,269

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Comprehensive Income (Tables)	3 Months Ended Sep. 30, 2011
Comprehensive Income [Abstract]	
Summary Of Comprehensive Income	

	Three Months Ended September 30,	
	2011	2010
Net income	$34,446	$31,938
Other comprehensive income:		
Foreign currency translation adjustments	(41,240)	59,797
Unrealized gains on derivative financial instruments, net of tax	—	2,346
Total comprehensive income	(6,794)	94,081
Comprehensive income attributable to noncontrolling interests	(3,248)	14,346
Comprehensive income attributable to Solera Holdings, Inc.	$(3,546)	$79,735

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Net Income Attributable To Solera Holdings, Inc. Per Common Share	3 Months Ended Sep. 30, 2011
Net Income Attributable To Solera Holdings, Inc. Per Common Share [Abstract]	
Net Income Attributable To Solera Holdings, Inc. Per Common Share	(see below)

2. Net Income Attributable to Solera Holdings, Inc. Per Common Share

Our restricted common shares subject to repurchase and substantially all of our restricted stock units have the right to receive non-forfeitable dividends on an equal basis with common stock and therefore are considered participating securities that must be included in the calculation of net income per share using the two-class method. Under the two-class method, basic and diluted net income per share is determined by calculating net income per share for common stock and participating securities based on the cash dividends paid and participation rights in undistributed earnings. Diluted net income per share also considers the dilutive effect of in-the-money stock options and unvested restricted stock units and performance share units that have the right to forfeitable dividends, calculated using the treasury stock method. Under the treasury stock method, the amount of assumed proceeds from unexercised stock options and unvested restricted stock units includes the amount of compensation cost attributable to future services not yet recognized, proceeds from the exercise of the options, and any excess income tax benefit or liability.

The computation of basic and diluted net income attributable to Solera Holdings, Inc. per common share using the two-class method is as follows for the periods indicated (in thousands, except per share amounts):

	Three Months Ended September 30,	
	2011	**2010**
Basic net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(166)
Net income attributable to common shares – basic	$31,106	$28,958
Weighted-average number of common shares	70,838	70,083
Less: Weighted-average common shares subject to repurchase	(1)	(98)
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Basic net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41
Diluted net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(165)
Net income attributable to common shares – diluted	$31,106	$28,959
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985

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Diluted effect of options to purchase common stock, restricted stock units and performance share units	413	288
Weighted-average number of common shares used to compute diluted net income attributable to Solera Holdings, Inc. per common share	71,250	70,273
Diluted net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41

The following securities that could potentially dilute earnings per share in the future are not included in the determination of diluted net income attributable to Solera Holdings, Inc. per common share (in thousands):

	Three Months Ended September 30,	
	2011	**2010**
Antidilutive options to purchase common stock and restricted stock units	63	25

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Provision For Income Taxes	3 Months Ended Sep. 30, 2011
Provision For Income Taxes [Abstract]	
Provision For Income Taxes	**11. Provision For Income Taxes** We recorded an income tax provision of $13.3 million and $8.6 million for the three months ended September 30, 2011 and 2010, respectively. The expected tax provision derived from applying the U.S. federal statutory rate to our income before income tax provision for the three months ended September 30, 2011 differed from our recorded income tax provision primarily due to higher earnings in jurisdictions with lower income tax rates which are indefinitely reinvested. Gross unrecognized tax benefits as of September 30, 2011 and June 30, 2011 were $6.5 million and $6.2 million, respectively. No significant interest and penalties have been accrued during fiscal year 2011. Pursuant to the terms of the acquisition agreements, the sellers in our business combinations have indemnified us for all tax liabilities related to the pre-acquisition periods. We are liable for any tax assessments for the post-acquisition periods for our U.S. and foreign jurisdictions. We do not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next twelve months.

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Restructuring Initiatives And Other Exit And Disposal Activities (Narrative) (Details) (USD $) In Millions	3 Months Ended Sep. 30, 2011
Corporate Relocation Plan [Member]	
Restructuring Cost and Reserve [Line Items]	
Anticipated expenses under plan	$ 2.5
Restructuring charges incurred	0.1
Remaining restructuring charges anticipated to be incurred	0.4
Prior Restructuring Plans [Member]	
Restructuring Cost and Reserve [Line Items]	
Restructuring charges incurred	0.1
Liability for employee termination benefits	1.1
Lease related restructuring liability	$ 5.5

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Net Income Attributable To Solera Holdings, Inc. Per Common Share (Tables)	3 Months Ended Sep. 30, 2011
Net Income Attributable To Solera Holdings, Inc. Per Common Share [Abstract]	
Schedule Of Computation Of Basic And Diluted Net Income Per Common Share	

	Three Months Ended September 30,	
	2011	2010
Basic net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(166)
Net income attributable to common shares – basic	$31,106	$28,958
Weighted-average number of common shares	70,838	70,083
Less: Weighted-average common shares subject to repurchase	(1)	(98)
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Basic net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41
Diluted net income attributable to Solera Holdings, Inc. per common share:		
Net income attributable to Solera Holdings, Inc.	$31,239	$29,124
Less: Dividends paid and undistributed earnings allocated to participating securities	(133)	(165)
Net income attributable to common shares – diluted	$31,106	$28,959
Weighted-average number of common shares used to compute basic net income attributable to Solera Holdings, Inc. per common share	70,837	69,985
Diluted effect of options to purchase common stock, restricted stock units and performance share units	413	288
Weighted-average number of common shares used to compute diluted net income attributable to Solera Holdings, Inc. per common share	71,250	70,273
Diluted net income attributable to Solera Holdings, Inc. per common share	$0.44	$0.41

Determination Of Antidilutive Securities Excluded In Calculation Of Diluted Net Income (Loss) Per Common Share

Three Months Ended September 30,	
2011	2010

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Antidilutive options to purchase common stock and restricted stock units	63	25

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Consolidated Balance Sheets (USD $) In Thousands	Sep. 30, 2011	Jun. 30, 2011
ASSETS		
Cash and cash equivalents	$ 378,085	$ 371,101
Accounts receivable, net of allowance for doubtful accounts of $2,863 and $2,769 at September 30, 2011 and June 30, 2011, respectively	129,695	135,589
Other receivables	17,798	19,037
Other current assets	24,021	24,895
Deferred income tax assets	10,583	10,321
Total current assets	560,182	560,943
Property and equipment, net	58,745	64,485
Goodwill	1,038,355	1,059,749
Intangible assets, net	388,233	416,100
Other noncurrent assets	17,241	19,462
Noncurrent deferred income tax assets	44,359	48,396
Total assets	2,107,115	2,169,135
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	24,355	37,798
Accrued expenses and other current liabilities	123,379	140,270
Income taxes payable	11,876	10,837
Deferred income tax liabilities	2,972	1,187
Current portion of long-term debt	23,391	24,042
Total current liabilities	185,973	214,134
Long-term debt	998,985	1,020,383
Other noncurrent liabilities	23,836	24,127
Noncurrent deferred income tax liabilities	25,872	30,541
Total liabilities	1,234,666	1,289,185
Redeemable noncontrolling interests	90,756	94,841
Stockholders' equity:		
Common shares, $0.01 par value: 150,000 shares authorized; 70,861 and 70,795 issued and outstanding as of September 30, 2011 and June 30, 2011, respectively	594,957	587,265
Retained earnings	174,329	151,366
Accumulated other comprehensive income	1,628	36,413
Total Solera Holdings, Inc. stockholders' equity	770,914	775,044
Noncontrolling interests	10,779	10,065
Total stockholders' equity	781,693	785,109
Total liabilities and stockholders' equity	$ 2,107,115	$ 2,169,135

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Restructuring Initiatives And Other Exit And Disposal Activities (Summary Of Restructuring Charges, Asset Impairments And Other Costs Associated With Exit And Disposal Activities) (Details) (USD $) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Restructuring Cost and Reserve [Line Items]		
Employee termination benefits	$ 129	$ 491
Leases	30	1,224
Other	39	775
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	198	2,490
Corporate Relocation Plan [Member]		
Restructuring Cost and Reserve [Line Items]		
Employee termination benefits	86	188
Leases		
Other	39	775
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	125	963
Prior Restructuring Plans [Member]		
Restructuring Cost and Reserve [Line Items]		
Employee termination benefits	43	303
Leases	30	1,224
Other		
Total restructuring charges, asset impairments, and other costs associated with exit and disposal activities	$ 73	$ 1,527

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Segment And Geographic Information (Geographic Consolidated Revenue) (Details) (USD $) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Segment Reporting Information [Line Items]		
Revenues	$ 198,693	$ 158,908
Europe [Member]		
Segment Reporting Information [Line Items]		
Revenues	67,443 [1]	58,436 [1]
United States [Member]		
Segment Reporting Information [Line Items]		
Revenues	57,294	35,459
United Kingdom [Member]		
Segment Reporting Information [Line Items]		
Revenues	25,287	23,898
Germany [Member]		
Segment Reporting Information [Line Items]		
Revenues	22,341	18,709
All Other [Member]		
Segment Reporting Information [Line Items]		
Revenues	$ 26,328	$ 22,406

[1] Excludes the United Kingdom and Germany.

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Share-Based Compensation (Estimated Grant Date Fair Value Of Stock Options) (Details) (USD $)	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Share-Based Compensation [Abstract]		
Risk-Free Interest Rate	1.10%	1.40%
Expected Term (in years)	4.6	4.6
Weighted Average Expected Stock Price Volatility	33.00%	33.00%
Expected Dividend Yield	0.70%	0.80%
Weighted Average Per Share Grant Date Fair Value	$ 16.15	$ 10.95

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Defined Benefit Pension Plans (Components Of Net Pension Expense) (Details) (USD $) In Thousands	3 Months Ended	
	Sep. 30, 2011	Sep. 30, 2010
Defined Benefit Pension Plans [Abstract]		
Service cost-benefits earned during the period	$ 1,064	$ 757
Interest cost on projected benefits	964	880
Expected return on plan assets	(678)	(608)
Amortization of gain	25	
Net pension expense	$ 1,375	$ 1,029

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Stockholders' Equity And Redeemable Noncontrolling Interests (Schedule Of Stockholders' Equity And Redeemable Noncontrolling Interests) (Details) Share data in Thousands, unless otherwise specified	Sep. 30, 2011 USD ($)	Sep. 30, 2011 EUR (€)	Sep. 30, 2010 USD ($)	3 Months Ended Sep. 30, 2011 Common Shares [Member] USD ($)	Sep. 30, 2010 Common Shares [Member] USD ($)	Sep. 30, 2011 Retained Earnings [Member] USD ($)	Sep. 30, 2010 Retained Earnings [Member] USD ($)	Sep. 30, 2011 Accumulated Other Comprehensive Income (Loss) [Member] USD ($)	Sep. 30, 2010 Accumulated Other Comprehensive Income (Loss) [Member] USD ($)	Sep. 30, 2011 Total Solera Holdings, Inc. Stockholders' Equity [Member] USD ($)	Sep. 30, 2010 Total Solera Holdings, Inc. Stockholders' Equity [Member] USD ($)	Sep. 30, 2011 Noncontrolling Interests [Member] USD ($)	Sep. 30, 2010 Noncontrolling Interests [Member] USD ($)	Sep. 30, 2011 Redeemable Noncontrolling Interests [Member] USD ($)	Sep. 30, 2010 Redeemable Noncontrolling Interests [Member] USD ($)
Stockholders Equity And Redeemable Noncontrolling Interests [Line Items]															
Beginning Balance, value	$ 785,109,000		$ 512,815,000	$ 587,265,000	$ 545,048,000	$ 151,366,000	$ 22,550,000	$ 36,413,000	$ (60,583,000)	$ 775,044,000	$ 507,015,000	$ 10,065,000	$ 5,800,000	$ 94,841,000	$ 94,431,000
Beginning Balance, shares	70,795	70,795		70,795	70,017										
Net income attributable to Solera Holdings, Inc. and noncontrolling interests	32,524,000		30,041,000			31,239,000	29,124,000			31,239,000	29,124,000	1,285,000	917,000	1,922,000	1,897,000
Foreign currency translation adjustments	(35,458,000)		48,768,000					(34,785,000)	48,265,000	(34,785,000)	48,265,000	(673,000)	503,000	(5,782,000)	11,029,000
Unrealized gains on derivative financial instruments, net of tax			2,346,000						2,346,000		2,346,000				
Total comprehensive income	(2,934,000)		81,155,000							(3,546,000)	79,735,000	612,000	1,420,000	(3,860,000)	12,926,000
Stock-based compensation	3,606,000		2,069,000	3,606,000	2,069,000					3,606,000	2,069,000				
Issuance of common shares under stock award plans, net	675,000		3,501,000	675,000	3,501,000					675,000	3,501,000				
Issuance of common shares under stock award plans, net, shares				66	175										
Dividends paid on common stock and participating securities	(7,127,000)		(5,285,000)			(7,127,000)	(5,285,000)			(7,127,000)	(5,285,000)				
Sale of shares of majority-owned	2,139,000			2,037,000 [1]						2,037,000		102,000 [1]			
Revaluation of and additions to noncontrolling interests	225,000		470,000	1,374,000	(142,000)	(1,149,000)				225,000	(142,000)		612,000	(225,000)	(470,000)
Ending Balance, value	781,693,000		594,725,000	594,957,000	550,476,000	174,329,000	46,389,000	1,628,000	(9,972,000)	770,914,000	586,893,000	10,779,000	7,832,000	90,756,000	106,887,000
Ending Balance, shares	70,861	70,861		70,861	70,192										
Sale of ownership interest	2.50%	2.50%													
Sale price for noncontrolling ownership interest	$ 2,100,000	€ 1,500,000													

[1] In September 2011, we sold a 2.5% ownership interest in one of our majority-owned subsidiaries for €1.5 million ($2.1 million).

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