BRADLEY S JACOBS
Form SC 13G
January 30, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULES 13d-1(b)(c), AND (d) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 6)

UNITED RENTALS, INC.

(Name of Issuer)

Common Stock, par value $.01 per share

(Title of class of securities)

911363 10 9

(CUSIP number)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

¨ Rule 13d-1(b)

¨ Rule 13d-1(c)

x Rule 13d-1(d)

Continued on Following Pages (Page 1 of 5 Pages)

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Bradley S. Jacobs

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ¨

(b) ¨

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

(FOR QUESTIONS 5-8, REPORT THE NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:)	5. SOLE VOTING POWER 9,652,955
	6. SHARED VOTING POWER 0
	7. SOLE DISPOSITIVE POWER 9,652,955
	8. SHARED DISPOSITIVE POWER 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,652,955

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11.37%

12. TYPE OF REPORTING PERSON*

IN

Item 1(a). Name of Issuer:

United Rentals, Inc. (the Company)

Item 1(b). Address of Issuer s Principal Executive Offices:

Five Greenwich Office Park, Greenwich, Connecticut 06830

Item 2(a). Name of Person Filing:

Bradley S. Jacobs

Item 2(b). Address of Principal Business Office or, if None, Residence:

c/o United Rentals, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06830

Item 2(c). Citizenship:

United States of America

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Number:

911363 10 9

Item 3. Identification of Persons filing pursuant to Rules 13d-1(b), or 13d-2(b) or (c):

Not applicable

Item 4. Ownership

(a) Amount Beneficially Owned:

Bradley S. Jacobs beneficially owns (as of December 31, 2003) an aggregate of 9,652,955 shares of Common Stock. These shares are comprised of (i) 1,911,281 outstanding shares held by Mr. Jacobs or by limited liability companies which he controls, (ii) 5,000,000 shares that may be acquired pursuant to currently exercisable warrants held by Mr. Jacobs or by limited liability companies which he controls, (iii) 2,650,000 shares that may be acquired pursuant to currently exercisable options held by Mr. Jacobs and (iv) 91,674 shares that may be acquired upon conversion of 6½% convertible quarterly income preferred securities (Convertible QUIPS) issued by a subsidiary trust of the Company and owned by limited liability companies which Mr. Jacobs controls.

(b) Percent of Class

11.37%

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

9,652,955

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

9,652,955

(iv) Shared power to dispose or to direct the disposition of:

0

Item 5. Ownership of Five Percent or Less of a Class:

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company:

Not applicable.

Item 8. Identification and Classification of Members of the Group:

Not applicable.

Item 9. Notice of Dissolution of Group:

Not applicable.

Item 10. Certifications:

Not applicable.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 30, 2004

/s/ BRADLEY S. JACOBS

Bradley S. Jacobs

E=2> **(In thousands, except per share data)**

2. Summary of Significant Accounting Policies (Continued)

are recognized on a monthly basis, as services are performed and all other elements of revenue recognition have been satisfied.

In addition, in determining whether professional service revenues can be accounted for separately from transaction service revenues, the Company considers the following factors for each professional services agreement: availability of the professional services from other vendors, whether objective and reliable evidence of fair value exists for these services and the undelivered transaction revenues, the nature of the professional services, the timing of when the professional contract was signed in comparison to the transaction service start date and the contractual independence of the transactional service from the professional services.

If a professional service arrangement were not to qualify for separate accounting, the Company would recognize the professional service revenues ratably over the remaining term of the transaction contract.

Software License Arrangements: Software license arrangements represented approximately 1%, 4% and 2% of the Company's revenues for the years ended December 31, 2011, 2010 & 2009, respectively and is primarily related to its Network Address Book Software, a component part of its ConvergenceNow Plus+™ platform which the Company acquired from FusionOne. The Company recognizes revenue when the license is delivered to its customers. When arrangements include multiple elements, the Company allocates the total arrangement consideration among the various elements using the residual method. Under the residual method, revenue is recognized when vendor-specific objective evidence (VSOE) of fair value exists for all of the undelivered elements of the arrangement, but does not exist for one or more of the delivered elements of the arrangement. Judgment is also involved in determining whether VSOE of fair value for the undelivered elements exists. Such judgments can impact the amount of revenue that the Company records in a given period.

On January 1, 2011, the Company prospectively adopted accounting rules that changed the criteria for separating consideration in multiple-deliverable arrangements. The new rules changed the application of the residual method of allocation and require that the arrangement consideration be allocated at the inception of an arrangement to all deliverables using the relative selling price method. The relative selling price method allocates any discount in the arrangement proportionally to each deliverable on the basis of each deliverable's selling price. The selling price used for each deliverable will be based on VSOE if available, third-party evidence ("TPE") if vendor-specific objective evidence is not available, or estimated selling price ("ESP") if neither vendor-specific objective evidence nor third-party evidence is available. The adoption of the amended revenue recognition rules did not change the units of accounting for its revenue transactions. It also did not significantly change how the Company allocated the arrangement consideration to the various units of accounting or the timing of revenue. The impact of the Company's adoption was not material to its consolidated financial statements for the year ended December 31, 2011.

The Company determines VSOE for each element based on historical stand-alone sales to third-parties. When the Company is unable to establish selling prices using VSOE or TPE, it uses ESP in its allocation of arrangement consideration. The objective of ESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. The Company determines ESP by considering multiple factors, including, but not limited to, geographies,

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

market conditions, competitive landscape, internal costs, gross margin objectives, and pricing practices. ESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings.

While the Company follows specific and detailed rules and guidelines related to revenue recognition, it makes and uses management judgments and estimates in connection with the revenue recognized in any reporting period, particularly in the areas described above, as well as collectability. If management made different estimates or judgments, differences in the timing of the recognition of revenue could occur.

Deferred Revenue: Deferred revenues primarily represent billings to customers for services in advance of the performance of the services, with revenues recognized as the services are rendered, and also includes the fair value of deferred revenues recorded as a result of the acquisitions.

Service Level Standards

Pursuant to certain contracts, the Company is subject to service level standards and to corresponding penalties for failure to meet those standards. All performance-related penalties are reflected as a corresponding reduction of the Company's revenues. These penalties, if applicable, are recorded in the month incurred and were insignificant for the years ended December 31, 2011, 2010 and 2009, respectively.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. The Company maintains its cash and cash equivalents at several institutions. The Federal Deposit Insurance Corporation fully insures non-interest bearing bank accounts and interest bearing accounts up to $250 thousand. Although the Company's interest bearing balances exceed $250 thousand, the Company has not experienced any realized losses in such accounts and believes it is not exposed to any significant credit risk related to cash, cash equivalents and securities. The Company's cash equivalents and short-term marketable securities consist primarily of money market funds, certificates of deposit, and municipal and corporate bonds. Concentration of credit risk with respect to accounts receivable is limited because of the creditworthiness of the Company's major customers.

The Company's top five customers accounted for 86%, 83% and 84% of net revenues for 2011, 2010 and 2009, respectively. The Company's top five customers accounted for 80% and 77% of accounts receivable at December 31, 2011 and 2010, respectively. The Company is the primary provider of e-commerce transaction management solutions to the e-commerce channel of AT&T Inc. ("AT&T"), the Company's largest customer, under an agreement which was amended in 2011 to provide that it auto-renews for a twelve month period from January through December of 2012. For the year ended December 31, 2011, AT&T accounted for approximately 51% of the Company's revenues, compared to 62% for the year ended December 31, 2010. The loss of AT&T as a customer would have a material negative impact on the Company. The Company believes that if AT&T terminated its relationship with Synchronoss, AT&T would encounter substantial costs in replacing Synchronoss' transaction

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

management solution. In 2011, both Verizon Wireless and Time Warner Cable represented greater than 10% of the Company's revenue for the year.

Fair Value of Financial Instruments and Liabilities

The Company includes disclosures of fair value information about financial instruments and liabilities, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. Due to their short-term nature, the carrying amounts reported in the financial statements approximate the fair value for cash and cash equivalents, marketable securities, accounts receivable and accounts payable.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less at the date of acquisition to be cash equivalents.

Marketable Securities

Marketable securities consist of fixed income investments with a maturity of greater than three months and enhanced money market funds. These investments are classified as available-for-sale and are reported at fair value on the Company's balance sheet. The Company classifies its securities with maturity dates of 12 months or more as long term. Unrealized holding gains and losses are reported within accumulated other comprehensive loss as a separate component of stockholders' equity. If a decline in the fair value of a marketable security below the Company's cost basis is determined to be other than temporary, such marketable security is written down to its estimated fair value as a new cost basis and the amount of the write-down is included in earnings as an impairment charge. The Company has recorded temporary changes in fair value of the marketable securities but has not recorded other-than-temporary charges for the periods presented herein.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of amounts due to the Company from normal business activities. The Company maintains an allowance for estimated losses resulting from the inability of its customers to make required payments. The Company estimates uncollectible amounts based upon historical bad debts, current customer receivable balances, the age of customer receivable balances, the customer's financial condition and current economic trends.

Property and Equipment

Property and equipment and leasehold improvements are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years, or the lesser of the related initial term of the lease or useful life for leasehold improvements. Amortization of property and equipment recorded under a capital lease is included with depreciation expense. Expenditures for routine maintenance and repairs are charged against operations. Major replacements, improvements and additions are capitalized.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

Business Combinations

The Company accounts for business combinations in accordance with the acquisition method. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business acquisition. The Company's consolidated financial statements and results of operations reflect an acquired business from the completion date of an acquisition.

The judgments that the Company makes in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income in periods following a business combination. The Company generally uses either the income, cost or market approach to aid in its conclusions of such fair values and asset lives. The income approach presumes that the value of an asset can be estimated by the net economic benefit to be received over the life of the asset, discounted to present value. The cost approach presumes that an investor would pay no more for an asset than its replacement or reproduction cost. The market approach estimates value based on what other participants in the market have paid for reasonably similar assets. Although each valuation approach is considered in valuing the assets acquired, the approach ultimately selected is based on the characteristics of the asset and the availability of information.

For acquisitions completed after January 1, 2009, the Company records contingent consideration resulting from a business combination at its fair value on the acquisition date. Each reporting period thereafter, the Company revalues these obligations and records increases or decreases in their fair value as an adjustment to net change in contingent consideration obligation within the consolidated statement of income. Changes in the fair value of the contingent consideration obligation can result from updates in the achievement of financial targets and changes to the weighted probability of achieving those future financial targets. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, any change in the assumptions described above, could have a material impact on the amount of the net change in contingent consideration obligation that the Company records in any given period.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired, including other definite-lived intangible assets. Goodwill is not amortized, but reviewed annually for impairment or upon the occurrence of events or changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount. There were no impairment charges recognized during the years ended December 31, 2011, 2010 and 2009.

Impairment of Long-Lived Assets

A review of long-lived assets for impairment is performed when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the estimated undiscounted future cash flows to be generated by the asset to the asset's carrying amount. If the undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment loss equal to the amount by which the asset's carrying amount exceeds its fair value. The fair value is determined based on valuation techniques such

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

as a comparison to fair values of similar assets or using a discounted cash flow analysis. There were no impairment charges recognized during the years ended December 31, 2011, 2010 and 2009.

Cost of Services

Cost of services includes all direct materials, direct labor and those indirect costs related to revenues such as indirect labor, materials and supplies and facilities cost, exclusive of depreciation expense.

Research and Development

Research and development costs are expensed as incurred, unless they meet GAAP criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria, and are expensed as incurred. Amortization of software development costs is computed using the straight-line method over the estimated useful lives of the assets, 3 and 5 years. As of December 31, 2011, the Company had $3.1 million of unamortized software development costs and $567 of amortization expense were recognized during the year 2011. As of December 31, 2010, the Company had $1.8 million of unamortized software development costs and $185 of amortization expense were recognized during the year 2010. Research and development expense consists primarily of costs related to personnel, including salaries and other personnel-related expenses, consulting fees and the cost of facilities, computer and support services used in service technology development. The Company also expenses costs relating to developing modifications and minor enhancements of its existing technology and services.

Income Taxes

The Company accounts for the effects of income taxes that result from its activities during the current and preceding years. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse or be utilized. The realization of deferred tax assets is contingent upon the generation of future taxable income. A valuation allowance is recorded if it is "more likely than not" that a portion or all of a deferred tax asset will not be realized.

As of December 31, 2011, and 2010 the Company had total unrecognized tax benefit reserves of $533 and $600 which includes $31 and $55 for interest related to uncertain positions, respectively. Components of the reserve are classified as either current or long-term in the consolidated balance sheet based on when it is expected that each of the items will be settled. Accordingly, the Company recorded a long-term liability for unrecognized tax benefits of $533 on the balance sheet at December 31, 2011 that would reduce the effective tax rate if recognized. The Company did not have a short term liability on the balance sheet at December 31, 2011. The Company records interest and penalties accrued in relation to uncertain income tax positions below the operating income line as a component of interest expense. Tax returns for years 2008 and thereafter are subject to future examination by tax authorities.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

In 2011, the net decrease in the reserve for unrecognized tax benefits was $43 and the net decrease for interest benefit was $24. The Company expects that the amount of unrecognized tax benefits will change during fiscal year 2012; however, the Company does not expect the change to have a significant impact on its results of operations or financial position.

While the Company believes it has identified all reasonably identifiable exposures and that the reserves it has established for identifiable exposures are appropriate under the circumstances, it is possible that additional exposures exist and that exposures may be settled at amounts different than the amounts reserved. It is also possible that changes in facts and circumstances could cause the Company to either materially increase or reduce the carrying amount of its tax reserves.

Foreign Currency

Assets and liabilities of consolidated foreign subsidiaries, whose functional currency is the local currency, are translated to U.S. dollars at year end exchange rates. Income statement items are translated to U.S. dollars at the average rates of exchange prevailing during the fiscal year. The adjustment resulting from translating the financial statements of such foreign subsidiaries to U.S. dollars is reflected as a cumulative translation adjustment and reported as a component of other comprehensive income.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains or losses, which are reflected within interest and other income and interest and other expense, respectively, in the consolidated statement of income and were not significant for all years presented.

Comprehensive Income

Reporting on comprehensive income requires components of other comprehensive income, including unrealized gains or losses on available-for-sale securities, to be included as part of total comprehensive income. Comprehensive income is comprised of net income, translation adjustments and unrealized gains on available-for-sale securities. The components of comprehensive income are included in the statements of stockholders' equity.

Basic and Diluted Net Income Attributable to Common Stockholders per Common Share

The Company calculates basic and diluted per share amounts based on net earnings adjusted for the effects to earnings that would result if contingently issuable shares related to contingent consideration settleable in the Company's stock were reported as equity for the periods presented. To calculate basic earnings per share, the Company uses the weighted average number of common shares outstanding during the period adjusted for the weighted average number of contingently issuable shares. The weighted average numbers of shares contingently issuable are calculated as if they were outstanding as of the last day of the period. The diluted earnings per share calculation is based on the weighted average number of shares of common stock outstanding adjusted for the number of additional shares that would have been outstanding had all potentially dilutive common shares been issued. Potentially dilutive shares of common stock include stock options, non-vested share awards and

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

contingently issuable shares related to contingent consideration settleable in stock. The dilutive effects of stock options and restricted stock awards are based on the treasury stock method. The dilutive effects of the contingent consideration settleable in stock are calculated as if the contingently issuable shares were outstanding as of the beginning of the period. The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share. Stock options that are anti-dilutive and excluded from the following table totaled 947, 1,918, and 2,608 for the years ended December 31, 2011, 2010 and 2009, respectively.

	Year Ended December 31,		
	2011	**2010**	**2009**
Numerator:			
Net income attributable to common stockholders	$ 15,126	$ 3,874	$ 12,297
Income effect for equity mark-to-market on contingent consideration obligation, net of tax	1,466	(10)	
Net income applicable to shares of common stock for earnings per share	$ 16,592	$ 3,864	$ 12,297
Denominator:			
Weighted average common shares outstanding basic	37,372	31,971	30,813
Dilutive effect of:			
Net issuable common share equivalents		42	
Options and unvested restricted shares	1,247	998	332
Weighted average common shares outstanding diluted	38,619	33,011	31,145

Stock-Based Compensation

As of December 31, 2011, the Company maintains three stock-based compensation plans. Compensation cost is recognized for all share-based payments granted and is based on the grant-date fair value estimated using the weighted-average assumption of the Black-Scholes option pricing models. The equity instrument is not considered to be issued until the instrument vests. As a result, compensation cost is recognized over the requisite service period with an offsetting credit to additional paid-in capital. During the year ended 2009 compensation expense also included the amortization on a straight-line basis over the remaining vesting period of the intrinsic values of the stock options granted prior to 2006.

For the Company's performance restricted stock awards the Company estimates the number of shares by applying a probability of achieving the performance goals. The actual number of shares the recipient receives is determined at the end of the annual performance period based on the results achieved versus goals based on its annual performance measures, such as operating income. Once the number of awards is determined, the compensation cost is fixed and continues to be recognized on a straight line basis over the requisite service period for each vesting tranche. In addition, certain employees from the Company's acquisition of FusionOne are eligible to receive contingent Earn-out payments. The share portion of the Earn-out is recorded as stock based compensation expense and is recorded over the performance period when it is probable that the performance targets will be achieved. This compensation cost was $1.3 million during 2011.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

The Company classifies benefits of tax deductions in excess of the compensation cost recognized (excess tax benefits) as a financing cash inflow with a corresponding operating cash outflow. The Company included $3.6 million, $2.4 million, and $147 of excess tax benefits as a financing cash inflow for the years ended December 31, 2011, 2010 and 2009, respectively.

Impact of Recently Issued Accounting Standards

In May 2011, the FASB issued amendments to disclosure requirements for common fair value measurement. These amendments, effective for the interim and annual periods beginning on or after December 15, 2011 (early adoption is prohibited), result in common definition of fair value and common requirements for measurement of and disclosure requirements between U.S. GAAP and IFRS. Consequently, the amendments change some fair value measurement principles and disclosure requirements. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures.

In June 2011, the FASB issued amendments to disclosure requirements for presentation of comprehensive income. This guidance, effective retrospectively for the interim and annual periods beginning on or after December 15, 2011 (early adoption is permitted), requires presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures, therefore, the Company has elected not to early adopt.

In September 2011, the FASB issued amendments to simplify how entities test goodwill for impairment. These amendments, effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, (early adoption is permitted), permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures, therefore, the Company has elected not to early adopt.

Segment and Geographic Information

The Company currently operates in one business segment providing critical technology services to providers of communication devices and associated subscriber services. The Company is not organized by market and is managed and operated as one business. A single management team reports to the chief operating decision maker who comprehensively manages the entire business. The Company does not operate any separate lines of business or separate business entities with respect to its services. Accordingly, the Company does not accumulate a complete set of discrete financial information with respect to separate service lines and does not have separately reportable segments. Although, the Company operates in North America, Europe and Asia substantially all of the Company's revenue and long lived assets are in the US.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition

***Miyowa S.A.* ("Miyowa")**

On December 30, 2011 the Company acquired 100% of the capital stock of Miyowa, a French company, for cash consideration of $50.1 million. Additionally, the Company potentially may make payments ("Miyowa Earn-Out") totaling up to approximately $13.4 million based on the achievement of certain financial targets and contract milestones for the year ending December 31, 2012. The maximum that could be paid to existing employees of Miyowa is $2.9 million and actual amounts will be recorded as compensation expense over the service period.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price was allocated to the tangible assets acquired and liabilities assumed based upon their fair values at the acquisition date. The excess of the purchase price over the net tangible assets and liabilities, approximately $26.9 million was recorded as goodwill, which is not tax deductible. The Company is in the process of finalizing the purchase allocation, thus the provisional measures of deferred revenue, deferred income taxes, intangibles and goodwill are subject to change. The Company expects the purchase price allocation will be finalized in 2012.

Allocation of Consideration Transferred

Total purchase price is summarized as follows:

	December 30, 2011	
Cash consideration	$	50,091
Estimated fair value of the Earn-out payments		8,432
Total purchase price	$	58,523

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition (Continued)

The following table summarizes the preliminary estimated fair values of the assets and liabilities assumed at the acquisition date:

	December 30, 2011
Cash and cash equivalents	$ 2,235
Accounts receivable	2,781
Prepaid expenses and other assets	4,477
Property and equipment	204
Deferred tax assets, net	8
Intangible assets	32,414
Other assets, non-current	113
Total identifiable assets acquired	42,232
Accounts payable and accrued liabilities	(3,964)
Deferred tax liability	(5,887)
Deferred revenue	(685)
Other liabilities, non-current	(29)
Total liabilities assumed	(10,565)
Net identifiable assets acquired	31,667
Goodwill	26,856
Net assets acquired	$ 58,523

The Company believes that the acquisition of Miyowa augments and expands the Company's cloud computing offerings. In addition, the acquisition will help to expand the existing European penetration strategy and other high growth markets through cross channel marketing into Miyowa's customer accounts.

Sapience Knowledge Systems, Inc. ("SKS")

On March 16, 2011 the Company acquired 100% of the capital stock of SKS for cash consideration of $5.8 million. The Company made an initial cash payment of $2.9 million in March 2011 and the second cash installment in May 2011. During the year ended 2011, the Company made additional payments ("SKS Earn-Out") of $500 related to certain product milestones achieved and potentially may make payments totaling up to $3.5 million for certain product milestones and operational efficiencies achieved.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price was allocated to the tangible assets acquired and liabilities assumed based upon their fair values at the acquisition date. The excess of the purchase price over the net tangible assets and liabilities, $8.2 million, was recorded as goodwill which is not tax deductible. The results of SKS's operations have been included in the consolidated financial statements since the acquisition date.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition (Continued)

The Company believes that SKS will help to accelerate its time to market with its new mobility management solution for the benefit of both enterprises and consumers by enhancing the Company's technological expertise, eliminating redundancies, reducing costs and streamlining faster product introductions.

Strumsoft

On June 29, 2011 the Company acquired certain assets and workforce from Strumsoft, Inc. for the total purchase price of $2.1 million.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price of $2.1 million was recorded as goodwill, which is tax deductible.

The Company believes that the assets and workforce acquired from Strumsoft will help to expand the Company's expertise and development in the back office management systems of the Company's customers.

FusionOne Inc.

On July 19, 2010, the Company acquired 100% of FusionOne, Inc., a leader in mobile content transfer and synchronization software. The acquisition of FusionOne accelerates the Company's overall connected device growth strategy and customer diversification efforts. Pursuant to the Agreement and Plan of Merger and Reorganization dated July 6, 2010 (the "Merger Agreement"), the Company paid approximately $32 million in cash and issued approximately 400 common shares of the Company's Common Stock valued at approximately $7.1 million based on the Company's July 19, 2010 closing stock price per share. On April 29, 2011 the Company executed a settlement and amendment agreement with the FusionOne equity holders, including existing employees, which includes a determination of the aggregate Earn-out amount and the Earn-out payment dates. Refer to Footnote 4. *Fair Value Measurements of Assets and Liabilities* for additional details of the payments made associated with this settlement.

Allocation of Consideration Transferred

Total purchase price is summarized as follows:

	July 19, 2010
Cash consideration	$ 32,172
Value of Synchronoss common stock issued	7,136
Estimated fair value of the Earn-out payments	12,120
Working Capital Deficiency	(107)
Total purchase price	$ 51,321

The Company accounted for this business combination by applying the acquisition method, and accordingly, the estimated purchase price was allocated to the tangible assets and identifiable intangible assets acquired and liabilities assumed based upon their relative fair values. The excess of the purchase price over the net tangible and identifiable intangible assets and liabilities was recorded as goodwill.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition (Continued)

Goodwill associated with the acquisition of FusionOne is not tax deductible. The results of FusionOne's operations have been included in the consolidated financial statements since the acquisition date.

The following table summarizes the estimated fair values of the assets and liabilities assumed at the acquisition date:

	July 19, 2010
Cash and cash equivalents	$ 1,286
Accounts receivable	261
Prepaid expenses and other assets	297
Property and equipment	609
Deferred tax assets, net	10,956
Intangible assets	32,700
Total identifiable assets acquired	46,109
Accounts payable and accrued liabilities	(1,750)
Capital lease	(153)
Deferred revenue	(3,400)
Total liabilities assumed	(5,303)
Net identifiable assets acquired	40,806
Goodwill	10,515
Net assets acquired	$ 51,321

Deferred Revenues

In connection with the purchase price allocation, the Company estimated the fair value of the service obligations assumed from FusionOne as a consequence of the acquisition. The estimated fair value of the service obligations was determined using a cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the obligations plus a normal profit margin of a market participant. The estimated costs to fulfill the service obligations were based on the historical direct costs and indirect costs related to FusionOne's service agreements with its customers. The Company recorded $3.4 million of deferred revenue to reflect the estimate of the fair value of FusionOne's service obligations assumed.

4. Fair Value Measurements of Assets and Liabilities

The Company classifies marketable securities as available-for-sale. The fair value hierarchy established in the guidance adopted by the Company prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 Observable inputs quoted prices in active markets for identical assets and liabilities;

Level 2 Observable inputs other than the quoted prices in active markets for identical assets and liabilities includes quoted prices for similar instruments, quoted prices for identical or

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and

Level 3 Unobservable inputs includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The following is a summary of assets and liabilities held by the Company and their related classifications under the fair value hierarchy:

	December 31, 2011	December 31, 2010
Level 1(A)	$ 99,315	$ 180,367
Level 2(B)	53,261	9,268
Level 3(C)	(13,167)	(16,915)
Total	$ 139,409	$ 172,720

(A) Level 1 assets include money market funds which are classified as cash equivalents and marketable securities.

(B) Level 2 assets include certificates of deposit, municipal bonds and corporate bonds which are classified as marketable securities.

(C) Level 3 liabilities include the contingent consideration obligation.

The Company utilizes the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The Company's marketable securities investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy occurred during the year ended December 31, 2011.

The aggregate fair value of available for sale securities and aggregate amount of unrealized gains and losses for available for sale securities at December 31, 2011 were as follows:

	Aggregate Fair Value	Aggregate Amount of Unrealized Gains	Aggregate Amount of Unrealized Losses
Due in one year or less	$ 51,504	$ 59	$ (315)
Due after one year, less than five years	31,642	76	(48)
	$ 83,146	$ 135	$ (363)

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

The aggregate fair value of available for sale securities and aggregate amount of unrealized gains and losses for available for sale securities at December 31, 2010 were as follows:

	Aggregate Fair Value	Aggregate Amount of Unrealized Gains	Aggregate Amount of Unrealized Losses
Due in one year or less	$ 1,766	$ 26	$
Due after one year, less than five years	7,502	93	(7)
	$ 9,268	$ 119	$ (7)

Unrealized gains and losses are reported as a component of accumulated other comprehensive loss in stockholders' equity. The net unrealized (loss) gain net of tax was $(207) and $17 as of December 31, 2011 and 2010, respectively. The cost of securities sold is based on specific identification method. The Company evaluates investments with unrealized losses to determine if the losses are other than temporary. The Company has determined that the gross unrealized losses at December 31, 2011 and 2010 are temporary. In making this determination, the Company considered the financial condition, credit ratings and near-term prospects of the issuers, the underlying collateral of the investments, and the magnitude of the losses as compared to the cost and the length of time the investments have been in an unrealized loss position. Additionally, while the Company classifies the securities as available for sale, the Company does not currently intend to sell such investments and it is more likely than not to recover the carrying value prior to being required to sell such investments.

The Company determined the fair value of the contingent consideration obligation based on a probability-weighted income approach derived from quarterly revenue estimates and a probability assessment with respect to the likelihood of achieving the various performance criteria. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement. No changes in valuation techniques occurred during the year ended December 31, 2011. The compensation due to the employees is recognized over the service period for the year ending December 31, 2011. On April 29, 2011 the Company executed a settlement and amendment agreement with the FusionOne equity holders, including existing employees, which includes a determination of the aggregate Earn-out amount and the Earn-out payment dates. As a result of this agreement the Company paid approximately $11.1 million in cash and issued approximately 330 shares of stock (valued at the closing market price at the date of settlement) during 2011. The Company will pay approximately $2.3 million during Q1 2012. The decrease in the contingent consideration obligation was offset by the addition of the contingent considerations for the Sapience Knowledge Systems, Inc. ("SKS") Earn-out and the Miyowa Earn-out.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

The changes in fair value of the Company's Level 3 contingent consideration obligation during the year ended December 31, 2011 were as follows:

	Level 3
Balance at December 31, 2010	$ 16,915
Fair value adjustment to contingent consideration included in net income	2,954
FusionOne Earn-out payment	(19,656)
Earn-out compensation due to employees	2,259
Addition of SKS Earn-out	2,763
SKS Earn-out payment	(500)
Addition of Miyowa Earn-out	8,432
Balance at December 31, 2011	$ 13,167

5. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2011	2010
Computer hardware	$ 37,012	$ 22,393
Computer software	19,846	18,526
Construction in-progress	483	5,886
Furniture and fixtures	1,614	1,302
Building	8,808	8,808
Leasehold improvements	7,940	6,141
	75,703	63,056
Less: Accumulated depreciation	(40,734)	(30,434)
	$ 34,969	$ 32,622

Depreciation expense was approximately $10.5 million, $7.0 million, and $7.6 million for 2011, 2010, and 2009, respectively. Amortization of property and equipment recorded under a capital lease is included with depreciation expense.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

6. Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2011	December 31, 2010
Accrued compensation and benefits	$ 13,520	$ 8,742
Accrued third party processing fees	1,369	1,052
Accrued accounting fees	692	729
Accrued other	7,672	1,900
Accrued income tax payable	900	576
	$ 24,153	$ 12,999

The increases in accrued other are primarily related to the accrued acquisition costs and the addition of the liabilities acquired through the acquisition of Miyowa.

7. Capital Structure

As of December 31, 2011, the Company's authorized capital stock was 110,000 shares of stock with a par value of $0.0001, of which 100,000 shares were designated common stock and 10,000 shares were designated preferred stock.

Common Stock

Each holder of common stock is entitled to vote on all matters and is entitled to one vote for each share held. Dividends on common stock will be paid when, as and if declared by the Company's board of directors. No dividends have ever been declared or paid by the Company. As of December 31, 2011, there were 38,394 shares of common stock issued, 5,097 shares of common stock reserved for issuance under the Company's 2000 Stock Plan (the "2000 Plan"), 10,000 shares of common stock reserved for issuance under the Company's 2006 Equity Incentive Plan (the "2006 Plan"), and 0 shares of common stock reserved for issuance under the Company's 2010 New Hire Equity Incentive Plan (the "2010 Plan").

Preferred Stock

There are no shares of preferred stock outstanding as of December 31, 2011 or 2010. The board of directors is authorized to issue preferred shares and has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of preferred stock.

Registration Rights

Holders of shares of common stock which were issued upon conversion of the Company's Series A preferred stock are entitled to have their shares registered under the Securities Act of 1933, as amended (the "Securities Act"). Under the terms of an agreement between the Company and the holders of these registrable securities, if the Company proposes to register any of its securities under the Securities Act, either for its own account or for the account of others, these stockholders are entitled to notice of such registration and are entitled to include their shares in such registration.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

8. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	Year Ended December 31,		
	2011	**2010**	**2009**
Translation adjustments	$ (563)	$ (253)	$ (61)
Unrealized gain (loss) on securities, (net of tax)	(136)	71	54
Accumulated Other Comprehensive (Loss) Income	$ (699)	$ (182)	$ (7)

9. Stock Plans

As of December 31, 2011, the Company maintains three stock incentive plans, the 2000 Plan, the 2006 Plan and the 2010 Plan. The Company's board of directors administers the 2000 Plan, the 2006 Plan, and the 2010 Plan and is responsible for determining the individuals to be granted options or shares, the number of options or shares each individual will receive, the price per share and the exercise period of each option.

Under the 2000 Plan, the Company has the ability to provide employees, outside directors and consultants an opportunity to acquire a proprietary interest in the success of the Company or to increase such interest by receiving options or purchasing shares of the Company's stock at a price not less than the fair market value at the date of grant for incentive stock options and a price not less than 30% of the fair market value at the date of grant for non-qualified options. Under the 2006 Plan and 2010 Plan, the Company may grant to its employees, outside directors and consultants awards in the form of incentive stock options, non-qualified stock options, shares of restricted stock and stock units or stock appreciation rights. During the year ended December 31, 2011, options to purchase 630 shares of common stock were granted under the 2006 Plan. Under the Company's Plans, options may be exercised in whole or in part for 100% of the shares subject to vesting at any time after the date of grant. Options under the Company's 2000 and 2006 Plans generally vest 25% on the first year anniversary of the date of grant plus an additional $^{1}/_{48}$ for each month of continuous service thereafter. Options under the Company's 2010 plan generally vest the first 50% on the second year anniversary from July 19, 2010 and an additional $^{1}/_{48}$th for each month of continuous service thereafter.

During 2011, the Company issued approximately 118 shares of restricted stock related to the 2009 performance share grant and reserved for grant an additional 104 shares of restricted stock. The actual number of shares to be issued, which could range from 0 to 587, is dependent upon the Company's revenue and operating income. The additional shares, if any, will be issued in early 2011 and 2012. As of December 31, 2011, there were 2,995 shares available for grant or award under the Company's Plans.

On August 3, 2010, the Company's board of directors granted equity awards made to one hundred three newly hired employees and one newly appointed executive officer of the Company. Pursuant to NASDAQ Listing Rule 5635(c)(4), the equity awards were granted under the 2010 Plan, which the board of directors adopted to facilitate the granting of equity awards as an inducement to new employees to join Synchronoss. In accordance with NASDAQ rules, these grants were made under a stock incentive plan without stockholder approval.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

9. Stock Plans (Continued)

The Company utilizes the Black-Scholes option pricing model for determining the estimated fair value for stock option awards. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on a weighted-average of the Company's historical stock information. The average expected life was determined using the Companies historical data. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant. The Company has never declared or paid cash dividends on its common or preferred equity and does not anticipate paying any cash dividends in the foreseeable future. Forfeitures are estimated based on voluntary termination behavior, as well as a historical analysis of actual option forfeitures. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	For the Year Ended December 31,		
	2011	**2010**	**2009**
Expected stock price volatility	69%	62%	62%
Risk-free interest rate	1.12%	2.45%	2.81%
Expected life of options (in years)	4.7	4.9	4.9
Expected dividend yield	0%	0%	0%

The weighted-average fair value (as of the date of grant) of the options granted during the year ended December 31, 2011, 2010 and 2009 was $17.04, $11.18 and $6.67, respectively. During the years ended December 31, 2011, 2010 and 2009, the Company recorded total pre-tax stock-based compensation expense of $22.1 million ($14.1 million after tax or $0.37 per diluted share), $13.6 million ($6.9 million after tax or $0.21 per diluted share), and $8.3 million ($6.1 million after tax or $0.20 per diluted share), respectively, which includes the fair value for equity awards issued after January 1, 2006. The total stock-based compensation cost related to non-vested equity awards not yet recognized as an expense as of December 31, 2011 was approximately $34.7 million. That cost is expected to be recognized over a weighted-average period of approximately 2.85 years.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

9. Stock Plans (Continued)

Stock Options

The following table summarizes information about shares available for grant and stock options outstanding.

	Shares Available for Grant	Options Outstanding Number of Shares		Option Exercise Price per Share Range		Weighted-Average Exercise Price
Balance at December 31, 2008	1,654	3,683	$	0.29 - 38.62	$	13.60
Options granted	(1,376)	1,376	$	8.67 - 14.00	$	12.55
Options exercised		(222)	$	0.29 - 12.68	$	6.74
Options forfeited	214	(214)	$	6.95 - 38.62	$	17.20
Net Restricted stock granted and forfeited	(4)				$	
Restricted stock reserved for grant	(178)				$	
Balance at December 31, 2009	310	4,623	$	0.29 - 38.62	$	13.44
Options granted	(1,852)	1,852	$	15.89 - 27.55	$	21.69
Options exercised		(731)	$	0.29 - 28.59	$	11.07
Options forfeited	103	(183)	$	10.27 - 38.62	$	17.52
Expansion of pool	3,428					
Net Restricted stock granted and forfeited	(172)				$	
Restricted stock reserved for grant	(600)				$	
Balance at December 31, 2010	1,217	5,561	$	0.29 - 38.62	$	16.36
Options granted	(630)	630	$	26.83 - 30.50	$	30.17
Options exercised		(1,444)	$	0.29 - 28.59	$	12.26
Options forfeited	248	(449)	$	8.99 - 38.62	$	20.21
Expansion of pool	3,000					
Net restricted stock granted and forfeited	(736)					
Restricted stock reserved for grant	(104)					
Balance at December 31, 2011	2,995	4,298	$	0.29 - 38.62	$	19.36
Expected to vest at December 31, 2011		1,933	$	6.04 - 30.50	$	21.31
Vested and exercisable at December 31, 2011		2,086				

As of December 31, 2011 and 2010, the weighted-average remaining contractual life of outstanding options was approximately 5.0 and 5.7 years, respectively. As of December 31, 2011 and 2010, the weighted-average remaining contractual life of exercisable options was approximately 4.4 and 5.2 years, respectively. Options vested as of December 31, 2011 have an aggregate intrinsic value of approximately $28.9 million. Options outstanding as of December 31, 2011 have an aggregate intrinsic value of approximately $48.5 million. The total intrinsic value (the excess of the market price over the exercise price) for stock options exercised in 2011 was approximately $28.4 million and $9.2 million for 2010 and $1.4 million for 2009. The amount of cash received from the exercise of stock options was approximately $17.7 million in 2011. For the years ended December 31, 2011 and 2010, the total fair

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

9. Stock Plans (Continued)

value of vested options was approximately $11.1 million and $19.2 million, respectively. As of December 31, 2011 and 2010 the weighted-average fair value (as of the date of grant) of the non-vested options was $11.52 and $9.40, respectively. During the year ended December 31, 2011 the weighted-average fair value (as of the date of grant) of options granted, vested and forfeited was $17.04, $9.37 and $9.86, respectively.

The following table summarizes stock options outstanding and exercisable at December 31, 2011:

	Outstanding			Exercisable	
Range of Exercise Price	**Number of Options**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Life (in years)**	**Number of Options**	**Weighted Average Exercise Price**
$0.29 - $5.50	14	$ 0.48	2.62	14	$ 0.48
$5.51 - $11.00	877	$ 8.95	4.04	680	$ 8.88
$11.01 - $16.50	1,172	$ 13.09	4.65	641	$ 13.06
$16.51 - $22.00	732	$ 20.40	5.48	187	$ 20.55
$22.01 - $27.50	163	$ 24.61	5.22	119	$ 23.76
$27.51 - $33.00	1,061	$ 29.16	6.29	166	$ 27.71
$33.01 - $38.50	249	$ 36.13	3.04	249	$ 36.13
$38.51 - $44.00	30	$ 38.62	5.84	30	$ 38.62
	4,298			2,086	

A summary of the Company's non-vested restricted stock at December 31, 2011, and changes during the year ended December 31, 2011, is presented below:

Non-Vested Restricted Stock	**Number of Awards**	**Weighted-Average Grant Date Fair Value**
Non-vested at January 1, 2010	187	$ 20.01
Granted	530	$ 27.48
Vested	(186)	$ 20.66
Forfeited	(20)	$ 28.50
Non-vested at December 31, 2011	511	$ 27.72

Treasury Stock

On May 2, 2011, the Company's board of directors authorized a stock repurchase program to purchase up to $20 million of the Company's outstanding common stock. The duration of the repurchase program is twelve months. Under the program, the Company may purchase shares of its common stock in the open market, through block trades or otherwise at prices deemed appropriate by the Company. The timing and amount of repurchase transactions under the program will depend on market conditions and corporate and regulatory considerations. The purchases will be funded from available working capital. As of December 31, 2011, the Company completed the stock repurchase program and a total of 669 shares were repurchased for an aggregate purchase price of $20.0 million. The Company classifies common stock repurchased as treasury stock on its balance sheet.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

10. 401(k) Plan

The Company has a 401(k) plan (the "Plan") covering all eligible employees. The Plan allows for a discretionary employer match. The Company incurred and expensed $1.1 million, $782, and $580 for the years ended December 31, 2011, 2010 and 2009, respectively, in Plan match contributions.

11. Income Taxes

The Company's effective tax rate was approximately 17.6%, 57.4% and 34.7% during 2011, 2010 and 2009, respectively.

A reconciliation of the statutory tax rates and the effective tax rates for the years ended December 31, 2011, 2010 and 2009 are as follows:

	Year Ended December 31,		
	2011	2010	2009
Statutory rate	34%	35%	35%
State taxes, net of federal benefit		7%	2%
Effect of Rates Different than Statutory	(6)%	(2)%	(2)%
Non-deductible stock based compensation	(1)%	6%	4%
Other permanent adjustments	1%	1%	(3)%
Fair market value adjustment on FusionOne Earn-out	5%	18%	
Research and development credit	(8)%	(5)%	(1)%
Federal net operating losses	(9)%		
Other	2%	(3)%	
Net	18%	57%	35%

The increase in the research and development credit was primarily due the expansion of the Company's research and development costs and qualified activities through acquisition and internal growth.

Income tax expense consisted of the following components:

	Year Ended December 31,		
	2011	2010	2009
Current:			
Federal	(2,328)	(2,672)	(6,898)
State	(718)	(1,733)	(725)
Foreign	(829)	(742)	(88)
Deferred:			
Federal	29	(713)	1,052
State	562	510	123
Foreign	51	127	
Income tax expense	(3,233)	(5,223)	(6,536)

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

The geographic components of income from operations before income taxes are as follows:

	For the year ended December 31,		
	2011	**2010**	**2009**
United States	$ 11,584	$ 7,198	$ 17,731
India	1,722	1,002	677
Ireland	4,932	1,228	
United Kingdom	152	59	425
Estonia	(44)	(390)	
Germany	13		
Total	$ 18,359	$ 9,097	$ 18,833

For the years ended December 31, 2011, 2010 and 2009 the taxable income attributed to its foreign entities was primarily derived from intercompany transfer pricing agreements.

At December 31, 2011, the Company had approximately $66.9 million of federal net operating losses and approximately $73.4 million of state net operating losses. These net operating loss carryforwards will begin to expire in 2012 and are subject to certain limitations under Internal Revenue Code Section 382 due to the changes in ownership of the acquired companies. In addition, the Company had approximately $14.7 million of foreign net operating losses which do not expire.

During 2010, the Income Tax Department of India began income tax examinations for the Company's wholly owned subsidiary, Wisor Telecom India, for the fiscal year 2009. The Company believes the result of these current or any prospective audits will not have a material effect on its financial position or results of operations.

During 2011, the Internal Revenue Service began a tax examination of the Company's 2009 federal tax return. The Company believes that the result of this exam will not have a material effect on its financial position or results of operations.

The Company has not provided taxes for undistributed earnings of its foreign subsidiaries except to the extent that the Company does not plan to reinvest such earnings indefinitely outside the United States. If the cumulative foreign earnings exceed the amount the Company intends to reinvest in foreign countries in the future, the Company would provide for taxes on such excess amount. The undistributed earnings of the foreign subsidiaries which the Company plans to reinvest indefinitely outside the United States is approximately $10.6 million.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

	December 31,	
	2011	**2010**
Deferred tax assets:		
Accrued liabilities	$ 507	$ 204
Deferred revenue	303	401
Bad debts reserve	142	265
State net operating loss carry forwards	3,585	2,819
Deferred compensation	11,196	7,200
Federal net operating loss carry forwards	23,404	24,339
Foreign net operating loss carry forwards	4,908	
Deferred rent	127	226
Other	211	
Total deferred tax assets	$ 44,383	$ 35,454
Deferred tax liabilities:		
Intangible assets	$ (21,395)	$ (13,007)
Fixed assets	(6,191)	(2,376)
Other		(88)
Total deferred tax liabilities	(27,586)	(15,471)
Valuation allowance	(253)	(279)
Net Deferred Income Tax Assets	$ 16,544	$ 19,704

The following table indicates where net deferred income taxes have been classified in the Balance Sheet:

	December 31,	
	2011	**2010**
Current deferred tax assets	$ 3,959	$ 3,295
Less: Valuation allowance	(21)	(23)
Net current deferred tax assets	3,938	3,272
Non-current deferred tax assets	12,837	16,688
Less: Valuation allowance	(231)	(256)
Net non-current deferred tax assets	12,606	16,432
Net Deferred Tax Assets	$ 16,544	$ 19,704

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefits excluding interest is as follows:

	December 31,	
	2011	2010
Unrecognized tax benefit (beginning balance)	$ 546	$ 875
Increases for tax positions taken during prior year	17	22
Decreases for tax positions taken during prior year	(78)	(44)
Reduction due to lapse of applicable statue of limitations	(169)	(460)
Increases for tax positions of current period	187	153
Unrecognized tax benefits (ending balance)	$ 503	$ 546

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. The liability for unrecognized tax benefits includes accrued interest of $31 and $55 at December 31, 2011 and 2010, respectively.

12. Commitments and Contingencies

Leases

The Company leases office space, automobiles and office equipment under non-cancellable lease agreements, which expire through April 2023. Aggregate annual future minimum lease payments under these non-cancellable leases are as follows:

Period ended December 31:	
2012	5,029
2013	5,277
2014	5,039
2015	4,518
2016 and thereafter	26,053
	$ 45,916

Rent expense for the years ended December 31, 2011, 2010 and 2009 was $2.9 million, $2.2 million, and $2.2 million, respectively.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles

Goodwill

Goodwill changed during 2011 and 2010 as follows:

Balance at December 31, 2010	$	19,063
Acquired goodwill		37,191
Reclassifications, adjustments and other		(1,637)
Balance at December 31, 2011	$	54,617
Balance at December 31, 2009	$	6,911
Acquired goodwill		12,152
Balance at December 31, 2010	$	19,063

The reclassifications, adjustment and other of $1.6 million for the year 2011 is primarily related to the Company's deferred taxes as a result of changes to the apportionment used related to its state effective tax rate.

The Company performs an impairment study of the Company's goodwill annually. There were no impairment charges recognized during the years ended December 31, 2011 and 2010.

Other Intangible Assets

Our intangible assets with definite lives consist primarily of trade names, technology, and customer lists and relationships. These intangible assets are being amortized on the straight-line method over the estimated useful lives of the assets ranging from 4-16 years. Amortization expense related to currently existing intangible assets for the years ended December 31, 2011, 2010 and 2009 was $3.6 million, $2.2 million, and $853, respectively.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles (Continued)

The Company's intangible assets consist of the following:

		December 31, 2011
Intangible assets:		
Trade name	$	591
Accumulated amortization		(90)
Trade name, net		501
Technology		30,858
Accumulated amortization		(2,835)
Technology, net		28,023
Customer lists and relationships		37,714
Accumulated amortization		(4,243)
Customer lists and relationships, net		33,471
Capitalized software and patents		1,974
Accumulated amortization		
Capitalized software and patents, net		1,974
Intangibles assets, net	$	63,969

		December 31, 2010
Intangible assets:		
Trade name	$	500
Accumulated amortization		(28)
Trade name, net		472
Technology		15,800
Accumulated amortization		(1,134)
Technology, net		14,666
Customer lists and relationships		20,449
Accumulated amortization		(2,356)
Customer lists and relationships, net		18,093
Intangibles assets, net3	$	33,231

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles (Continued)

Estimated annual amortization expense of its intangible assets for the next five years is as follows:

Period ended December 31:	
2012	$ 6,601
2013	$ 5,898
2014	$ 5,898
2015	$ 5,868
2016	$ 5,868

14. Legal Matters

On September 5, 2008, September 18, 2008, and September 23, 2008, three complaints were filed against the Company and certain of its officers and directors in the United States District Court for the District of New Jersey purportedly on behalf of a class of shareholders who purchased the Company's common stock between February 4, 2008 and June 9, 2008 (the "Securities Law Actions"). The complaints were consolidated and an amended complaint was filed by the plaintiffs on March 13, 2009. The plaintiffs in each complaint asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. They alleged that certain of the Company's public disclosures regarding its financial prospects during the proposed class period were false and/or misleading. The principal allegation set forth in each complaint was that the Company issued misleading statements concerning its business prospects relating to the activation of Apple Inc.'s iPhone product. On April 7, 2010, the Court granted the Company's Motion to Dismiss all of the claims against all of the defendants without prejudice. On August 9, 2010, the parties filed a notice of voluntary dismissal with prejudice, noting that the plaintiff was dismissing the case without receiving payment of any kind.

On October 23, 2008 and November 3, 2008, complaints were filed in the state court of New Jersey (the "State Derivative Suit") and the United States District Court for the District of New Jersey (the "Federal Derivative Suit") against certain of the Company's officers and directors, purportedly derivatively on behalf of the Company (collectively, the "Derivative Suits"). The Complaints in the Derivative Suits assert that the named officers and directors breached their fiduciary duties and other obligations in connection with the disclosures that also are the subject of the Securities Law Actions described above. The Company is also named as a nominal defendant in the Derivative Suits, although the lawsuits are derivative in nature and purportedly asserted on the Company's behalf. On October 20, 2010, the parties to the Federal Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety and with prejudice as to the named plaintiff. On November 17, 2010, the parties to the State Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety with prejudice as to the named plaintiff.

On January 4, 2011, the Company filed a complaint in the United States District Court for the District of Wisconsin (Civ Act. No. 11-CV-02) against Dashwire, Inc. ("Dashwire"), claiming that Dashwire has infringed, and continues to infringe, several of the Company's patents. The Company filed an Amended Complaint against Dashwire on April 22, 2011. As a result of these claims, Dashwire filed a complaint against the Company in the same court asserting that the Company is infringing two of the Dashwire patents which it recently acquired from Intellectual Venture Partners. On July 29, 2011, the Company and Dashwire entered into a patent license and settlement agreement whereby

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

14. Legal Matters (Continued)

Dashwire will take a limited license to specific Synchronoss cloud management patents. Under the agreement, Synchronoss will receive a lump-sum payment and future royalties from Dashwire and the parties will each move the court to dismiss the above complaints.

Except for the above claims, the Company is not currently subject to any legal proceedings that could have a material adverse effect on its operations; however, it may from time to time become a party to various legal proceedings arising in the ordinary course of its business. For instance, On August 26, 2011, the Company filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 11-4947 (FLW/LHG) against NewBay Software, Inc. and Newbay Software, Ltd. (collectively, "Newbay"), claiming that Newbay has infringed, and continues to infringe, several of the Company's patents. On November 28, 2011, Newbay filed an answer to the Company's complaint and asserted certain counterclaims that the Company's patents at issue are invalid. In addition, on October 4, 2011, the Company filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 3:11-cv-05811 FLW-TJB) against Assurion, Inc. ("Assurion"), claiming that Assurion has infringed, and continues to infringe, several of the Company's patents. On February 3, 2012, Assurion filed an answer to the Company's complaint and asserted certain counterclaims that the Company's patents at issue are invalid. The Company believes that both the Newbay and Assurion claims are without merit, and the Company intends to defend all of such claims. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the actions at this time.

15. Subsequent Events Review

The Company has evaluated all subsequent events and transactions through the filing date.

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ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

Not applicable.

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2011. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were effective as of December 31, 2011, to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

To assist management, the Company has established procedures to verify and monitor its internal controls. Because of its inherent limitations, however, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of its internal control over financial reporting as of December 31, 2011. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control Integrated Framework*.

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Based on the Company's assessment, management concluded that, as of December 31, 2011, its internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by Ernst & Young LLP, its independent registered public accounting firm, as stated in their report which is included in Item 9 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that was conducted during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

The Company's management, including its Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls or its internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, 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 the Company's operations have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a 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 controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Synchronoss Technologies, Inc.

We have audited Synchronoss Technologies, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Synchronoss Technologies, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

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

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Synchronoss Technologies, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Synchronoss Technologies, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011 of Synchronoss Technologies, Inc. and our report dated February 27, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

MetroPark, New Jersey
February 27, 2012

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ITEM 9B. ***OTHER INFORMATION***

None.

PART III

ITEM 10. ***DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT***

(a) Identification of Directors. Information concerning the directors of Synchronoss is set forth under the heading "Election of Directors" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(b) Audit Committee Financial Expert. Information concerning Synchronoss' audit committee financial expert is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(c) Identification of the Audit Committee. Information concerning the audit committee of Synchronoss is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(d) Section 16(a) Beneficial Ownership Reporting Compliance. Information concerning compliance with beneficial ownership reporting requirements is set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(e) Code of Ethics. Information concerning the Synchronoss Code of Business Conduct is set forth under the caption "Code of Business Conduct" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference. The Code of Business Conduct can also be found on our website, www.synchronoss.com.

ITEM 11. ***EXECUTIVE COMPENSATION***

Information concerning executive compensation is set forth under the headings "Compensation of Executive Officers" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

Information concerning shares of Synchronoss equity securities beneficially owned by certain beneficial owners and by management is set forth under the heading "Equity Security Ownership of Certain Beneficial Owners and Management" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS***

Information concerning certain relationships and related transactions is set forth under the heading "Certain Related Party Transactions" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Information concerning fees and services of the Company's principal accountants is set forth under the heading "Report of the Audit Committee" and "Independent Registered Public Accounting Firm's Fees" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

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PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a)

(1) Financial Statements:

(a)

(2) Schedule for the years ended December 31, 2011, 2010, 2009:

II Valuation and Qualifying Accounts

All other Schedules have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(a)

(3) Exhibits:

Exhibit No.	Description
3.1*	Restated Certificate of Incorporation of the Registrant.
3.2*	Amended and Restated Bylaws of the Registrant.
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2*	Amended and Restated Investors Rights Agreement, dated December 22, 2000, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.3*	Amendment No. 1 to Synchronoss Technologies, Inc. Amended and Restated Investors Rights Agreement, dated April 27, 2001, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.4*	Registration Rights Agreement, dated November 13, 2000, by and among the Registrant and the investors listed on the signature pages thereto.
4.5*	Amendment No. 1 to Synchronoss Technologies, Inc. Registration Rights Agreement, dated May 21, 2001, by and among the Registrant, certain stockholders listed on the signature pages thereto and Silicon Valley Bank.
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2*	Synchronoss Technologies, Inc. 2000 Stock Plan and forms of agreements thereunder.
10.3*	Amendment No. 1 to Synchronoss Technologies, Inc. 2000 Stock Plan.
10.4****	2006 Equity Incentive Plan, as amended and restated.
10.4.1*****	2010 New Hire Equity Incentive Plan.
10.5	Employee Stock Purchase Plan.

10.6*	Lease Agreement between the Registrant and BTCT Associates, L.L.C. for the premises located at 750 Route 202 South, Bridgewater, New Jersey, dated as of May 11, 2004.

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Exhibit No.	Description
10.7*	First Amendment dated December 23, 2003 to the Lease Agreement between the Registrant and BTCT Associates, L.L.C. for the premises located at 750 Route 202 South, Bridgewater, New Jersey, dated as of May 11, 2004.
10.8**	Second Amendment dated August 21, 2006 to the Lease Agreement between the Registrant and BTCT Associates, L.L.C. for the premises located at 750 Route 202 South, Bridgewater, New Jersey, dated as of May 11, 2004.
10.9*	Lease Agreement between the Registrant and Triple Net Investments XXV, L.P. for the premises located at Lehigh Valley Industrial Park VII, Bethlehem, Pennsylvania, dated as of May 16, 2008, as amended.
10.10	Lease Agreement between the Registrant and Wells Reit Bridgewater NJ, LLC for the premises located at 200 Crossing Boulevard, Bridgewater, New Jersey, dated as of October 27, 2011.
10.11*	Loan & Security Agreement between the Registrant and Silicon Valley Bank, dated as of May 21, 2001.
10.12***	Cingular Master Services Agreement, effective September 1, 2005 by and between the Registrant and Cingular Wireless LLC.
10.13	Employment Agreement dated as of December 31, 2011 between the Registrant and Stephen G. Waldis.
10.14	Employment Agreement dated as of December 31, 2011 between the Registrant and Lawrence R. Irving.
10.15	Employment Agreement dated as of December 31, 2011 between the Registrant and Robert Garcia.
10.16	Employment Agreement dated as of December 31, 2011 between the Registrant and Chris Putnam.
10.17	Employment Agreement dated as of December 31, 2011 between the Registrant and Biju Nair.
21.1	List of subsidiaries.
23.1	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm.
24	Power of Attorney (see page 79).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 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 Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit No.	Description
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

Compensation Arrangement.

*
Incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080).

**
Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2007.

***
Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008.

****
Incorporated by reference to Registrant's Schedule 14A dated April 8, 2010.

*****
Incorporated by reference to Registrant's Registration Statement on Form S-8 (Commission File No. 333-168745).

XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Confidential treatment has been requested for portions of this document. The omitted portions of this document have been filed with the Securities and Exchange Commission.

(b)
Exhibits.

See (a)(3) above.

(c)
Financial Statement Schedule.

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SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS
December 31, 2011, 2010, and 2009

	Beginning Balance	Additions	Reductions	Ending Balance
	(In thousands)			
Allowance for doubtful receivables				
2011	$ 558	$ (202)	$	$ 356
2010	$ 830	$ 324	$ (596)	$ 558
2009	$ 193	$ 640	$ (3)	$ 830

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYNCHRONOSS TECHNOLOGIES, INC.
(Registrant)

By /s/ STEPHEN G. WALDIS

Stephen G. Waldis
Chairman of the Board, Chief Executive Officer and President

February 27, 2012

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ronald J. Prague or Lawrence R. Irving, or either of them, each with the power of substitution, their attorney-in-fact, to sign any amendments to this Form 10-K (including post-effective amendments), and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ STEPHEN G. WALDIS Stephen G. Waldis	Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2012
/s/ LAWRENCE R. IRVING Lawrence R. Irving	Chief Financial Officer (Principal Financial Officer)	February 27, 2012
/s/ KAREN L. ROSENBERGER Karen L. Rosenberger	Chief Accounting Officer (Principal Accounting Officer)	February 27, 2012
/s/ WILLIAM J. CADOGAN William J. Cadogan	Director	February 27, 2012

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Signature	Title	Date
/s/ CHARLES E. HOFFMAN Charles E. Hoffman	Director	February 27, 2012
/s/ THOMAS J. HOPKINS Thomas J. Hopkins	Director	February 27, 2012
/s/ JAMES M. MCCORMICK James M. McCormick	Director	February 27, 2012
/s/ DONNIE M. MOORE Donnie M. Moore	Director	February 27, 2012