

OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share data)

	December 31, 2009	June 30, 2009
	<u>(unaudited)</u>	<u></u>
ASSETS		
Cash and cash equivalents	\$ 247,630	\$ 275,819
Short-term investments.....	8,414	—
Accounts receivable trade, net of allowance for doubtful accounts of \$5,063 as of December 31, 2009 and \$4,208 as of June 30, 2009.....	143,446	115,802
Income taxes recoverable	7,555	4,496
Prepaid expenses and other current assets	26,255	18,172
Deferred tax assets.....	18,940	20,621
Total current assets	<u>452,240</u>	<u>434,910</u>
Investments in marketable securities	—	13,103
Capital assets	55,884	45,165
Goodwill	712,967	576,111
Acquired intangible assets	359,987	315,048
Deferred tax assets.....	68,748	69,877
Other assets.....	17,809	13,064
Long-term income taxes recoverable.....	43,876	39,958
Total assets.....	<u><u>\$ 1,711,511</u></u>	<u><u>\$ 1,507,236</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 122,660	\$ 116,992
Current portion of long-term debt	3,508	3,449
Deferred revenues	191,736	189,397
Income taxes payable	7,023	10,356
Deferred tax liabilities.....	2,216	508
Total current liabilities.....	<u>327,143</u>	<u>320,702</u>
Long-term liabilities:		
Accrued liabilities	19,333	21,099
Pension liability.....	16,188	15,803
Long-term debt.....	298,601	299,234
Deferred revenues	12,132	7,914
Long-term income taxes payable	53,770	47,131
Deferred tax liabilities.....	126,626	108,889
Total long-term liabilities	<u>526,650</u>	<u>500,070</u>
Shareholders' equity:		
Share capital		
56,444,939 and 52,716,751 Common Shares issued and outstanding at December 31, 2009 and June 30, 2009, respectively; Authorized Common Shares: unlimited	590,328	457,982
Additional paid-in capital.....	57,233	52,152
Accumulated other comprehensive income	82,747	71,851
Retained earnings.....	127,410	104,479
Total shareholders' equity	<u>857,718</u>	<u>686,464</u>
Total liabilities and shareholders' equity	<u><u>\$ 1,711,511</u></u>	<u><u>\$ 1,507,236</u></u>

OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands of U.S. dollars, except share and per share data)
(Unaudited)

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
Revenues:				
License.....	\$ 72,691	\$ 64,852	\$ 120,020	\$ 114,926
Customer support.....	130,283	100,438	253,932	198,867
Service and other	44,816	42,361	85,260	76,481
Total revenues.....	<u>247,790</u>	<u>207,651</u>	<u>459,212</u>	<u>390,274</u>
Cost of revenues:				
License.....	4,633	5,281	7,778	8,174
Customer support.....	21,493	17,356	42,432	32,923
Service and other	36,428	31,881	69,722	59,610
Amortization of acquired technology-based intangible assets.....	15,152	11,799	29,294	22,546
Total cost of revenues	<u>77,706</u>	<u>66,317</u>	<u>149,226</u>	<u>123,253</u>
Gross profit	<u>170,084</u>	<u>141,334</u>	<u>309,986</u>	<u>267,021</u>
Operating expenses:				
Research and development	34,347	29,948	65,889	58,526
Sales and marketing.....	53,891	49,347	104,581	94,179
General and administrative.....	22,377	18,280	43,602	36,667
Depreciation	4,398	2,920	8,545	5,618
Amortization of acquired customer-based intangible assets.....	8,735	10,138	17,652	18,353
Special charges	10,423	11,446	29,012	11,446
Total operating expenses.....	<u>134,171</u>	<u>122,079</u>	<u>269,281</u>	<u>224,789</u>
Income from operations	<u>35,913</u>	<u>19,255</u>	<u>40,705</u>	<u>42,232</u>
Other income (expense), net	(1,671)	(12,464)	1,769	(11,854)
Interest expense, net.....	(2,716)	(5,347)	(5,762)	(8,341)
Income before income taxes.....	31,526	1,444	36,712	22,037
Provision for income taxes.....	10,325	683	13,781	6,615
Net income for the period	<u>\$ 21,201</u>	<u>\$ 761</u>	<u>\$ 22,931</u>	<u>\$ 15,422</u>
Net income per share—basic	<u>\$ 0.38</u>	<u>\$ 0.01</u>	<u>\$ 0.41</u>	<u>\$ 0.30</u>
Net income per share—diluted	<u>\$ 0.37</u>	<u>\$ 0.01</u>	<u>\$ 0.40</u>	<u>\$ 0.29</u>
Weighted average number of Common Shares outstanding—basic	<u>56,403</u>	<u>51,873</u>	<u>55,895</u>	<u>51,586</u>
Weighted average number of Common Shares outstanding—diluted	<u>57,448</u>	<u>53,242</u>	<u>56,964</u>	<u>52,955</u>

OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)
(Unaudited)

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
Cash flows from operating activities:				
Net income for the period	\$ 21,201	\$ 761	\$ 22,931	\$ 15,422
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	28,285	24,857	55,491	46,517
In-process research and development	—	121	—	121
Share-based compensation expense	1,943	1,110	5,449	2,533
Employee long-term incentive plan	2,971	1,746	5,646	2,805
Excess tax benefits on share-based compensation expense	(6)	(24)	(697)	(6,653)
Pension expense	218	906	410	906
Amortization of debt issuance costs	468	326	734	550
Unrealized (gain) loss on financial instruments	(1,482)	1,529	(3,872)	807
Loss on sale and write down capital assets	453	269	453	269
Unrealized gain on marketable securities	—	—	(4,353)	—
Deferred taxes	1,657	4,171	(1,300)	3,915
Changes in operating assets and liabilities:				
Accounts receivable	(6,541)	4,844	1,387	32,790
Prepaid expenses and other current assets	(105)	456	(3,323)	(1,470)
Income taxes	(3,217)	1,738	(8,004)	6,469
Accounts payable and accrued liabilities	(2,467)	2,204	(11,810)	(16,046)
Deferred revenue	(11,592)	(6,183)	(24,029)	(25,613)
Other assets	682	1,012	1,857	1,334
Net cash provided by operating activities	32,468	39,843	36,970	64,656
Cash flows from investing activities:				
Additions of capital assets-net	(4,099)	1,793	(11,764)	(2,094)
Purchase of Vignette Corporation, net of cash acquired	—	—	(90,600)	—
Purchase of Captaris Inc., net of cash acquired	—	(101,033)	—	(101,033)
Purchase of eMotion LLC, net of cash acquired	(556)	—	(556)	(3,635)
Purchase of a division of Spicer Corporation	—	—	—	(10,836)
Purchase consideration for prior period acquisitions	(3,439)	(9,073)	(8,240)	(12,366)
Investments in marketable securities	—	—	—	(3,608)
Maturity of short-term investments	11,354	—	38,525	—
Net cash used in investing activities	3,260	(108,313)	(72,635)	(133,572)
Cash flow from financing activities:				
Excess tax benefits on share-based compensation expense	6	24	697	6,653
Proceeds from issuance of Common Shares	1,665	497	6,142	6,039
Repayment of long-term debt	(870)	(854)	(1,734)	(1,721)
Debt issuance costs	—	—	(1,024)	—
Net cash provided by financing activities	801	(333)	4,081	10,971
Foreign exchange gain (loss) on cash held in foreign currencies ..	(1,089)	(8,460)	3,395	(24,101)
Decrease in cash and cash equivalents during the period	35,440	(77,263)	(28,189)	(82,046)
Cash and cash equivalents at beginning of the period	212,190	250,133	275,819	254,916
Cash and cash equivalents at end of the period	\$ 247,630	\$ 172,870	\$ 247,630	\$ 172,870