

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

	December 31, 2011	June 30, 2011
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 413,911	\$ 284,140
Accounts receivable trade, net of allowance for doubtful accounts of \$5,630 as of December 31, 2011 and \$5,424 as of June 30, 2011	166,675	154,568
Income taxes recoverable.....	13,665	18,911
Prepaid expenses and other current assets	32,983	29,678
Deferred tax assets	30,729	27,861
Total current assets	657,963	515,158
Capital assets	83,537	77,825
Goodwill	1,040,143	832,481
Acquired intangible assets	381,922	344,995
Deferred tax assets	74,141	42,737
Other assets	28,460	19,359
Deferred charges	63,583	54,989
Long-term income taxes recoverable	51,831	44,819
Total assets	\$ 2,381,580	\$ 1,932,363
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 138,437	\$ 126,249
Current portion of long-term debt	41,665	15,545
Deferred revenues	225,743	254,531
Income taxes payable	20,501	18,424
Deferred tax liabilities	2,068	624
Total current liabilities	428,414	415,373
Long-term liabilities:		
Accrued liabilities	13,433	13,727
Deferred credits	6,197	6,878
Pension liability	17,180	18,478
Long-term debt	570,000	282,033
Deferred revenues	11,644	11,466
Long-term income taxes payable	153,424	101,434
Deferred tax liabilities	53,877	43,529
Total long-term liabilities	825,755	477,545
Shareholders' equity:		
Share capital		
57,879,063 and 57,301,812 Common Shares issued and outstanding at December 31, 2011 and June 30, 2011, respectively; Authorized Common Shares: unlimited	625,357	614,279
Additional paid-in capital.....	83,008	74,301
Accumulated other comprehensive income	46,222	60,470
Retained earnings	399,323	316,894
Treasury stock, at cost (572,413 shares at December 31, 2011 and 572,413 shares at June 30, 2011, respectively)	(26,499)	(26,499)
Total shareholders' equity	1,127,411	1,039,445
Total liabilities and shareholders' equity	\$ 2,381,580	\$ 1,932,363

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,	
	2011	2010	2011	2010
Revenues:				
License	\$ 89,703	\$ 79,204	\$ 154,731	\$ 121,850
Customer support	165,386	136,702	327,383	266,459
Service and other	66,367	51,582	127,388	96,584
Total revenues	<u>321,456</u>	<u>267,488</u>	<u>609,502</u>	<u>484,893</u>
Cost of revenues:				
License	5,370	5,463	9,368	8,965
Customer support	28,468	21,542	54,737	40,898
Service and other	50,604	41,158	100,955	76,271
Amortization of acquired technology-based intangible assets	21,253	16,420	42,043	31,847
Total cost of revenues	<u>105,695</u>	<u>84,583</u>	<u>207,103</u>	<u>157,981</u>
Gross profit	<u>215,761</u>	<u>182,905</u>	<u>402,399</u>	<u>326,912</u>
Operating expenses:				
Research and development	42,652	34,268	86,110	65,231
Sales and marketing	68,451	58,603	133,331	102,783
General and administrative	25,126	19,478	50,887	39,288
Depreciation	5,634	5,258	10,892	10,133
Amortization of acquired customer-based intangible assets	13,445	9,256	26,486	18,057
Special charges	5,221	3,461	12,326	6,656
Total operating expenses	<u>160,529</u>	<u>130,324</u>	<u>320,032</u>	<u>242,148</u>
Income from operations	<u>55,232</u>	<u>52,581</u>	<u>82,367</u>	<u>84,764</u>
Other income (expense), net	2,637	(6,321)	11,949	(3,738)
Interest expense, net	(3,607)	(2,136)	(6,393)	(4,375)
Income before income taxes	54,262	44,124	87,923	76,651
Provision for income taxes	6,819	7,014	5,494	17,870
Net income for the period	<u>\$ 47,443</u>	<u>\$ 37,110</u>	<u>\$ 82,429</u>	<u>\$ 58,781</u>
Net income per share—basic	<u>\$ 0.82</u>	<u>\$ 0.65</u>	<u>\$ 1.43</u>	<u>\$ 1.03</u>
Net income per share—diluted	<u>\$ 0.81</u>	<u>\$ 0.64</u>	<u>\$ 1.41</u>	<u>\$ 1.01</u>
Weighted average number of Common Shares outstanding—basic	<u>57,846</u>	<u>57,019</u>	<u>57,642</u>	<u>56,950</u>
Weighted average number of Common Shares outstanding—diluted	<u>58,672</u>	<u>58,088</u>	<u>58,647</u>	<u>58,007</u>

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

	Three months ended December 31, 2011		Six months ended December 31, 2011	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net income for the period.....	\$ 47,443	\$ 37,110	\$ 82,429	\$ 58,781
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets.....	40,332	30,934	79,421	60,037
Share-based compensation expense	3,397	2,737	8,241	5,337
Excess tax benefits on share-based compensation expense.....	(163)	(130)	(495)	(562)
Pension expense	169	108	306	231
Amortization of debt issuance costs.....	248	334	578	667
Loss on sale and write down of capital assets	34	—	203	—
Deferred taxes	7,891	(3,650)	(6,958)	(3,831)
Impairment and other non cash charges	2,700	—	1,345	—
Changes in operating assets and liabilities:				
Accounts receivable	(21,681)	(18,208)	(27)	9,670
Prepaid expenses and other current assets.....	2,199	1,839	8,041	(689)
Income taxes	(6,760)	3,997	10,936	36,859
Deferred charges and credits.....	(8,281)	(1,542)	(17,327)	(29,267)
Accounts payable and accrued liabilities	4,608	4,679	(16,799)	(21,312)
Deferred revenue.....	(24,808)	(17,538)	(57,806)	(24,772)
Other assets	(2,630)	(667)	(2,042)	(2,212)
Net cash provided by operating activities	44,698	40,003	90,046	88,937
Cash flows from investing activities:				
Additions of capital assets-net	(8,785)	(7,639)	(16,687)	(14,582)
Purchase of Patents	(193)	—	(193)	—
Purchase of System Solutions Australia Pty Limited (Message Manager), net of cash acquired.....	(1,524)	—	(1,524)	—
Purchase of Operitel Corporation, net of cash acquired.....	—	—	(6,260)	—
Purchase of Global 360 Holding Corp., net of cash acquired	2,058	—	(245,653)	—
Purchase of Stream Serve Inc., net of cash acquired.....	—	(57,221)	—	(57,221)
Purchase consideration for prior period acquisitions	(335)	(1,408)	(609)	(2,814)
Investments in marketable securities.....	—	—	—	(668)
Net cash used in investing activities	(8,779)	(66,268)	(270,926)	(75,285)
Cash flow from financing activities:				
Excess tax benefits on share-based compensation expense.....	163	130	495	562
Proceeds from issuance of Common Shares	3,424	1,307	11,261	4,553
Purchase of Treasury Stock.....	—	(12,499)	—	(12,499)
Proceeds from long-term debt and revolver	600,000	—	648,500	—
Repayment of long term debt and revolver	(332,940)	(882)	(333,856)	(1,760)
Debt issuance costs	(9,309)	(29)	(9,309)	(29)
Net cash provided by (used in) financing activities	261,338	(11,973)	317,091	(9,173)
Foreign exchange gain (loss) on cash held in foreign currencies.....	(2,640)	(5,671)	(6,440)	10,112
Increase (decrease) in cash and cash equivalents during the period.....	294,617	(43,909)	129,771	14,591
Cash and cash equivalents at beginning of the period.....	119,294	384,692	284,140	326,192
and cash equivalents at end of the period.....	\$ 413,911	\$ 340,783	\$ 413,911	\$ 340,783