

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

	<b>December 31, 2010</b>	<b>June 30, 2010</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 340,783	\$ 326,192
Accounts receivable trade, net of allowance for doubtful accounts of \$5,097 as of December 31, 2010 and \$4,868 as of June 30, 2010.....	135,310	132,143
Income taxes recoverable.....	23,705	44,509
Prepaid expenses and other current assets.....	30,533	21,086
Deferred tax assets.....	14,448	20,242
Total current assets.....	544,779	544,172
Capital assets.....	65,652	54,286
Goodwill.....	705,208	666,055
Acquired intangible assets.....	321,313	328,193
Deferred tax assets.....	27,631	30,420
Other assets.....	19,734	16,896
Deferred charges.....	57,948	27,558
Long-term income taxes recoverable.....	43,386	48,102
<b>Total assets.....</b>	<b>\$ 1,785,651</b>	<b>\$ 1,715,682</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 114,356	\$ 119,604
Current portion of long-term debt.....	15,450	15,486
Deferred revenues.....	202,852	219,752
Income taxes payable.....	42,120	39,666
Deferred tax liabilities.....	4,752	28,384
Total current liabilities.....	379,530	422,892
Long-term liabilities:		
Accrued liabilities.....	10,362	15,755
Deferred credits.....	5,561	—
Pension liability.....	17,125	15,888
Long-term debt.....	283,529	285,026
Deferred revenues.....	10,704	10,085
Long-term income taxes payable.....	96,030	64,699
Deferred tax liabilities.....	28,057	13,459
Total long-term liabilities.....	451,368	404,912
Shareholders' equity:		
Share capital		
57,041,399 and 56,825,995 Common Shares issued and outstanding at December 31, 2010 and June 30, 2010, respectively; Authorized Common Shares: unlimited.....	607,414	602,868
Additional paid-in capital.....	67,110	61,298
Accumulated other comprehensive income.....	54,256	44,021
Retained earnings.....	252,472	193,691
Treasury stock, at cost (572,413 and 307,579 shares, respectively at December 31, 2010 and June 30, 2010).....	(26,499)	(14,000)
Total shareholders' equity.....	954,753	887,878
<b>Total liabilities and shareholders' equity.....</b>	<b>\$ 1,785,651</b>	<b>\$ 1,715,682</b>

**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,	
	2010	2009	2010	2009
Revenues:				
License.....	\$ 79,204	\$ 72,691	\$ 121,850	\$ 120,020
Customer support.....	136,702	130,283	266,459	253,932
Service and other .....	51,582	44,816	96,584	85,260
Total revenues .....	<u>267,488</u>	<u>247,790</u>	<u>484,893</u>	<u>459,212</u>
Cost of revenues:				
License.....	5,463	4,633	8,965	7,778
Customer support.....	21,542	21,493	40,898	42,432
Service and other .....	41,158	36,428	76,271	69,722
Amortization of acquired technology-based intangible assets .....	16,420	15,152	31,847	29,294
Total cost of revenues .....	<u>84,583</u>	<u>77,706</u>	<u>157,981</u>	<u>149,226</u>
Gross profit .....	<u>182,905</u>	<u>170,084</u>	<u>326,912</u>	<u>309,986</u>
Operating expenses:				
Research and development .....	34,268	34,347	65,231	65,889
Sales and marketing.....	58,603	53,891	102,783	104,581
General and administrative.....	19,478	22,377	39,288	43,602
Depreciation .....	5,258	4,398	10,133	8,545
Amortization of acquired customer-based intangible assets.....	9,256	8,735	18,057	17,652
Special charges .....	3,461	10,423	6,656	29,012
Total operating expenses.....	<u>130,324</u>	<u>134,171</u>	<u>242,148</u>	<u>269,281</u>
Income from operations .....	<u>52,581</u>	<u>35,913</u>	<u>84,764</u>	<u>40,705</u>
Other income (expense), net.....	(6,003)	(1,671)	(3,523)	1,769
Interest expense, net.....	(2,473)	(2,716)	(6,608)	(5,762)
Income before income taxes.....	44,105	31,526	74,633	36,712
Provision for income taxes .....	6,995	10,325	15,852	13,781
Net income for the period .....	<u>\$ 37,110</u>	<u>\$ 21,201</u>	<u>\$ 58,781</u>	<u>\$ 22,931</u>
Net income per share—basic.....	<u>\$ 0.65</u>	<u>\$ 0.38</u>	<u>\$ 1.03</u>	<u>\$ 0.41</u>
Net income per share—diluted.....	<u>\$ 0.64</u>	<u>\$ 0.37</u>	<u>\$ 1.01</u>	<u>\$ 0.40</u>
Weighted average number of Common Shares outstanding—basic .....	<u>57,019</u>	<u>56,403</u>	<u>56,950</u>	<u>55,895</u>
Weighted average number of Common Shares outstanding—diluted ....	<u>58,088</u>	<u>57,448</u>	<u>58,007</u>	<u>56,964</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,	
	2010	2009	2010	2009
Cash flows from operating activities:				
Net income for the period .....	\$ 37,110	\$ 21,201	\$ 58,781	\$ 22,931
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets .....	30,934	28,285	60,037	55,491
Share-based compensation expense .....	2,737	2,130	5,337	5,820
Excess tax benefits on share-based compensation expense .....	(130)	(6)	(562)	(697)
Pension expense .....	108	218	231	410
Amortization of debt issuance costs .....	334	468	667	734
Unrealized gain on financial instruments .....	—	(1,482)	—	(3,872)
Unrealized gain on marketable securities .....	—	—	—	(4,353)
Deferred taxes .....	(3,650)	1,657	(3,831)	(1,300)
Impairment charges .....	—	452	—	452
Changes in operating assets and liabilities:				
Accounts receivable .....	(18,208)	(6,541)	9,670	1,387
Prepaid expenses and other current assets .....	1,839	(105)	(689)	(3,323)
Income taxes .....	3,997	(3,217)	36,859	(8,004)
Deferred charges and credits .....	(1,542)	—	(29,267)	—
Accounts payable and accrued liabilities .....	4,679	318	(21,312)	(6,534)
Deferred revenue .....	(17,538)	(11,592)	(24,772)	(24,029)
Other assets .....	(667)	682	(2,212)	1,857
Net cash provided by operating activities .....	40,003	32,468	88,937	36,970
Cash flows from investing activities:				
Additions of capital assets-net .....	(7,639)	(4,099)	(14,582)	(11,764)
Purchase of StreamServe Inc., net of cash acquired .....	(57,221)	—	(57,221)	—
Purchase of Vignette Corporation, net of cash acquired .....	—	—	—	(90,600)
Purchase of eMotion LLC, net of cash acquired .....	—	(556)	—	(556)
Purchase consideration for prior period acquisitions .....	(1,408)	(3,439)	(2,814)	(8,240)
Investments in marketable securities .....	—	—	(668)	—
Maturity of short-term investments .....	—	11,354	—	38,525
Net cash (used in) provided by investing activities .....	(66,268)	3,260	(75,285)	(72,635)
Cash flow from financing activities:				
Excess tax benefits on share-based compensation expense .....	130	6	562	697
Proceeds from issuance of Common Shares .....	1,307	1,665	4,553	6,142
Purchase of Treasury Stock .....	(12,499)	—	(12,499)	—
Repayment of long-term debt .....	(882)	(870)	(1,760)	(1,734)
Debt issuance costs .....	(29)	—	(29)	(1,024)
Net cash (used in) provided by financing activities .....	(11,973)	801	(9,173)	4,081
Foreign exchange gain (loss) on cash held in foreign currencies .....	(5,671)	(1,089)	10,112	3,395
Increase (decrease) in cash and cash equivalents during the period ...	(43,909)	35,440	14,591	(28,189)
Cash and cash equivalents at beginning of the period .....	384,692	212,190	326,192	275,819
Cash and cash equivalents at end of the period .....	\$ 340,783	\$ 247,630	\$ 340,783	\$ 247,630