

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

	September 30, 2008	June 30, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 250,133	\$ 254,916
Accounts receivable trade, net of allowance for doubtful accounts of \$3,699 as of September 30, 2008 and \$3,974 as of June 30, 2008 ....	108,301	134,396
Income taxes recoverable .....	10,207	16,763
Prepaid expenses and other current assets.....	12,810	10,544
Deferred tax assets .....	14,042	13,455
Total current assets .....	395,493	430,074
Investments in marketable securities .....	3,349	-
Capital assets .....	43,352	43,582
Goodwill .....	544,701	564,648
Acquired intangible assets .....	267,915	281,824
Deferred tax assets .....	50,379	59,881
Other assets .....	9,982	10,491
Long-term income taxes recoverable .....	42,159	44,176
	\$ 1,357,330	\$ 1,434,676
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities .....	\$ 77,983	\$ 99,035
Current portion of long-term debt .....	3,476	3,486
Deferred revenues .....	158,614	176,967
Income taxes payable .....	5,208	13,499
Deferred tax liabilities .....	3,696	4,876
Total current liabilities.....	248,977	297,863
Long-term liabilities:		
Accrued liabilities .....	17,880	20,513
Long-term debt .....	302,989	304,301
Deferred revenues .....	2,597	2,573
Long-term income taxes payable .....	53,070	54,681
Deferred tax liabilities .....	100,153	109,912
Total long-term liabilities .....	476,689	491,980
Minority interest .....	8,707	8,672
Shareholders' equity:		
Share capital		
51,862,214 and 51,151,666 Common Shares issued and outstanding at September 30, 2008 and June 30, 2008, respectively; Authorized Common Shares: unlimited.....	444,130	438,471
Additional paid-in capital.....	47,320	39,330
Accumulated other comprehensive income.....	69,305	110,819
Retained earnings .....	62,202	47,541
Total shareholders' equity .....	622,957	636,161
	\$ 1,357,330	\$ 1,434,676

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

	Three months ended September 30,	
	2008	2007
Revenues:		
License.....	\$ 50,074	\$ 44,260
Customer support.....	98,429	86,304
Service .....	34,120	33,403
Total revenues .....	<u>182,623</u>	<u>163,967</u>
Cost of revenues:		
License.....	2,893	3,554
Customer support.....	15,567	12,598
Service .....	27,729	27,504
Amortization of acquired technology-based intangible assets ...	10,747	10,152
Total cost of revenues .....	<u>56,936</u>	<u>53,808</u>
Gross profit.....	<u>125,687</u>	<u>110,159</u>
Operating expenses:		
Research and development .....	28,578	23,983
Sales and marketing.....	44,832	37,859
General and administrative .....	18,387	17,010
Depreciation.....	2,698	2,984
Amortization of acquired customer-based intangible assets .....	8,215	7,415
Special charges (recoveries) .....	-	(61)
Total operating expenses.....	<u>102,710</u>	<u>89,190</u>
Income from operations .....	<u>22,977</u>	<u>20,969</u>
Other income (expense), net .....	729	(1,827)
Interest income (expense), net.....	(2,994)	(7,872)
Income before income taxes.....	20,712	11,270
Provision for income taxes .....	5,932	3,343
Net income before minority interest.....	14,780	7,927
Minority interest.....	119	127
Net income for the period.....	<u>\$ 14,661</u>	<u>\$ 7,800</u>
Net income per share—basic .....	<u>\$ 0.29</u>	<u>\$ 0.16</u>
Net income per share—diluted .....	<u>\$ 0.28</u>	<u>\$ 0.15</u>
Weighted average number of Common Shares outstanding—basic ...	<u>51,298</u>	<u>50,285</u>
Weighted average number of Common Shares outstanding—diluted.	52,990	51,618

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

	Three months ended September 30,	
	2008	2007
Cash flows from operating activities:		
Net income for the period .....	\$ 14,661	\$ 7,800
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	21,660	20,551
In-process research and development.....	—	500
Share-based compensation expense .....	1,423	1,063
Employee long-term incentive plan.....	1,059	185
Excess tax benefits from share-based compensation.....	(6,629)	(397)
Undistributed earnings related to minority interest .....	119	127
Amortization of debt issuance costs .....	224	290
Unrealized (gain) loss on financial instruments .....	(722)	1,407
Deferred taxes .....	(256)	(705)
Changes in operating assets and liabilities:		
Accounts receivable .....	27,946	10,502
Prepaid expenses and other current assets .....	(1,926)	(499)
Income taxes.....	4,731	484
Accounts payable and accrued liabilities .....	(18,369)	(5,495)
Deferred revenue .....	(19,430)	(3,773)
Other assets .....	322	174
Net cash provided by operating activities.....	24,813	32,214
Cash flows from investing activities:		
Acquisition of capital assets.....	(3,887)	(1,216)
Purchase of a division of Spicer Corporation .....	(10,836)	—
Purchase of eMotion LLC, net of cash acquired.....	(3,635)	—
Additional purchase consideration for prior period acquisitions .....	(35)	(176)
Purchase of an asset group constituting a business .....	—	(2,209)
Investments in marketable securities .....	(3,608)	—
Acquisition related costs .....	(3,258)	(8,029)
Net cash used in investment activities.....	(25,259)	(11,630)
Cash flow from financing activities:		
Excess tax benefits on share-based compensation expense .....	6,629	397
Proceeds from issuance of Common Shares .....	5,542	5,719
Repayment of long-term debt .....	(867)	(30,933)
Debt issuance costs .....	—	(349)
Net cash provided by (used in) financing activities.....	11,304	(25,166)
Foreign exchange gain (loss) on cash held in foreign currencies .....	(15,641)	4,909
Increase (decrease) in cash and cash equivalents during the period.....	(4,783)	327
Cash and cash equivalents at beginning of the period.....	254,916	149,979
Cash and cash equivalents at end of the period .....	<u>\$ 250,133</u>	<u>\$ 150,306</u>