

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

	<u>September 30, 2015</u>	<u>June 30, 2015</u>
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 690,785	\$ 699,999
Short-term investments	18,022	11,166
Accounts receivable trade, net of allowance for doubtful accounts of \$5,437 as of September 30, 2015 and \$5,987 as of June 30, 2015	233,947	284,131
Income taxes recoverable	20,000	21,151
Prepaid expenses and other current assets	47,099	53,191
Deferred tax assets	31,250	30,711
Total current assets	1,041,103	1,100,349
Property and equipment	163,179	160,419
Goodwill	2,161,592	2,161,592
Acquired intangible assets	631,791	679,479
Deferred tax assets	150,861	155,411
Other assets	74,570	85,576
Deferred charges	33,501	37,265
Long-term income taxes recoverable	8,393	8,404
Total assets	\$ 4,264,990	\$ 4,388,495
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 189,329	\$ 241,370
Current portion of long-term debt	8,000	8,000
Deferred revenues	323,470	358,066
Income taxes payable	15,996	17,001
Deferred tax liabilities	71	997
Total current liabilities	536,866	625,434
Long-term liabilities:		
Accrued liabilities	29,579	34,682
Deferred credits	11,796	12,943
Pension liability	55,737	56,737
Long-term debt	1,578,000	1,580,000
Deferred revenues	27,542	28,223
Long-term income taxes payable	151,306	151,484
Deferred tax liabilities	64,066	69,185
Total long-term liabilities	1,918,026	1,933,254
Shareholders' equity:		
Share capital		
121,351,776 and 122,293,986 Common Shares issued and outstanding at September 30, 2015 and June 30, 2015, respectively; Authorized Common Shares: unlimited	806,424	808,010
Additional paid-in capital	132,733	126,417
Accumulated other comprehensive income	51,884	51,828
Retained earnings	838,494	863,015
Treasury stock, at cost (625,725 shares at September 30, 2015 and 625,725 at June 30, 2015, respectively)	(19,986)	(19,986)
Total OpenText shareholders' equity	1,809,549	1,829,284
Non-controlling interests	549	523
Total shareholders' equity	1,810,098	1,829,807
Total liabilities and shareholders' equity	\$ 4,264,990	\$ 4,388,495

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,	
	2015	2014
Revenues:		
License	\$ 51,331	\$ 58,195
Cloud services and subscriptions	147,790	154,053
Customer support	185,667	183,906
Professional service and other	49,747	57,633
Total revenues	434,535	453,787
Cost of revenues:		
License	2,681	2,997
Cloud services and subscriptions	58,916	59,577
Customer support	20,508	22,963
Professional service and other	38,064	43,197
Amortization of acquired technology-based intangible assets	19,883	18,206
Total cost of revenues	140,052	146,940
Gross profit	294,483	306,847
Operating expenses:		
Research and development	46,440	44,742
Sales and marketing	77,945	81,041
General and administrative	35,569	35,743
Depreciation	12,914	12,242
Amortization of acquired customer-based intangible assets	27,805	25,884
Special charges	17,337	4,169
Total operating expenses	218,010	203,821
Income from operations	76,473	103,026
Other expense, net	(4,913)	(9,873)
Interest and other related expense, net	(19,046)	(11,099)
Income before income taxes	52,514	82,054
Provision for income taxes	11,202	17,402
Net income for the period	\$ 41,312	\$ 64,652
Net income attributable to non-controlling interests	(26)	(26)
Net income attributable to OpenText	\$ 41,286	\$ 64,626
Earnings per share—basic attributable to OpenText	\$ 0.34	\$ 0.53
Earnings per share—diluted attributable to OpenText	\$ 0.34	\$ 0.53
Weighted average number of Common Shares outstanding—basic	122,160	121,918
Weighted average number of Common Shares outstanding—diluted	122,640	122,861
Dividends declared per Common Share	\$ 0.2000	\$ 0.1725

OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)
(unaudited)

	Three Months Ended September 30,	
	2015	2014
Net income for the period	\$ 41,312	\$ 64,652
Other comprehensive income—net of tax:		
Net foreign currency translation adjustments	1,723	3,105
Unrealized gain (loss) on cash flow hedges:		
Unrealized loss	(3,390)	(2,900)
Loss reclassified into net income	512	53
Actuarial gain (loss) relating to defined benefit pension plans:		
Actuarial gain (loss)	1,113	(3,118)
Amortization of actuarial loss into net income	83	121
Unrealized gain on short-term investments	15	—
Unrealized loss on marketable securities (Actuate)	—	(494)
Total other comprehensive income (loss), net, for the period	56	(3,233)
Total comprehensive income	41,368	61,419
Comprehensive income attributable to non-controlling interests	(26)	(26)
Total comprehensive income attributable to OpenText	\$ 41,342	\$ 61,393

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

	Three Months Ended September 30,	
	2015	2014
Cash flows from operating activities:		
Net income for the period	\$ 41,312	\$ 64,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	60,602	56,332
Share-based compensation expense	6,533	4,449
Excess tax expense (benefits) on share-based compensation expense	216	(395)
Pension expense	1,167	1,220
Amortization of debt issuance costs	1,156	1,143
Amortization of deferred charges and credits	2,617	2,631
Deferred taxes	(4,184)	(1,545)
Changes in operating assets and liabilities:		
Accounts receivable	52,106	55,543
Prepaid expenses and other current assets	5,834	(149)
Income taxes	3,797	17,806
Accounts payable and accrued liabilities	(48,322)	(34,139)
Deferred revenue	(32,393)	(26,755)
Other assets	2,281	(2,262)
Net cash provided by operating activities	92,722	138,531
Cash flows from investing activities:		
Additions of property and equipment	(17,197)	(30,235)
Proceeds from maturity of short-term investments	2,255	—
Purchase of Actuate Corporation, net of cash acquired	(7,701)	—
Purchase of Informative Graphics Corporation Corporation, net of cash acquired	(88)	—
Purchase of ICCM Professional Services Limited, net of cash acquired	(2,027)	—
Purchase consideration for prior period acquisitions	—	(222)
Other investing activities	(926)	(7,374)
Net cash used in investing activities	(25,684)	(37,831)
Cash flows from financing activities:		
Excess tax (expense) benefits on share-based compensation expense	(216)	395
Proceeds from issuance of Common Shares	5,252	7,099
Common Shares repurchased	(50,026)	—
Repayment of long-term debt	(2,000)	(13,417)
Debt issuance costs	—	(183)
Payments of dividends to shareholders	(23,312)	(21,045)
Net cash used in financing activities	(70,302)	(27,151)
Foreign exchange loss on cash held in foreign currencies	(5,950)	(8,953)
Increase (decrease) in cash and cash equivalents during the period	(9,214)	64,596
Cash and cash equivalents at beginning of the period	699,999	427,890
Cash and cash equivalents at end of the period	\$ 690,785	\$ 492,486