

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Revenues:				
License	\$ 64,397	\$ 63,561	\$ 197,584	\$ 197,137
Cloud services and subscriptions	147,505	147,513	444,394	456,342
Customer support	183,636	184,204	553,440	547,576
Professional service and other	45,005	52,299	145,007	168,154
Total revenues	440,543	447,577	1,340,425	1,369,209
Cost of revenues:				
License	2,480	2,980	7,190	9,388
Cloud services and subscriptions	61,298	60,776	179,132	178,886
Customer support	22,427	24,084	64,624	70,878
Professional service and other	37,599	42,396	114,038	129,999
Amortization of acquired technology-based intangible assets	17,630	22,136	56,244	58,548
Total cost of revenues	141,434	152,372	421,228	447,699
Gross profit	299,109	295,205	919,197	921,510
Operating expenses:				
Research and development	48,160	53,222	140,310	144,134
Sales and marketing	84,600	97,146	248,420	269,167
General and administrative	37,731	45,552	107,067	120,962
Depreciation	13,754	12,809	39,998	37,516
Amortization of acquired customer-based intangible assets	27,966	28,250	83,564	79,498
Special charges (recoveries)	(1,671)	5,622	24,754	4,032
Total operating expenses	210,540	242,601	644,113	655,309
Income from operations	88,569	52,604	275,084	266,201
Other income (expense), net	2,120	(9,550)	(1,832)	(28,737)
Interest and other related expense, net	(16,228)	(16,872)	(54,461)	(36,426)
Income before income taxes	74,461	26,182	218,791	201,038
Provision for (recovery of) income taxes	5,353	(309)	20,629	35,401
Net income for the period	\$ 69,108	\$ 26,491	\$ 198,162	\$ 165,637
Net (income) loss attributable to non-controlling interests	7	119	(75)	(114)
Net income attributable to OpenText	\$ 69,115	\$ 26,610	\$ 198,087	\$ 165,523
Earnings per share—basic attributable to OpenText	\$ 0.57	\$ 0.22	\$ 1.63	\$ 1.36
Earnings per share—diluted attributable to OpenText	\$ 0.57	\$ 0.22	\$ 1.62	\$ 1.35
Weighted average number of Common Shares outstanding—basic	121,159	122,158	121,514	122,042
Weighted average number of Common Shares outstanding—diluted	121,706	123,054	122,044	122,980
Dividends declared per Common Share	\$ 0.2000	\$ 0.1725	\$ 0.6000	\$ 0.5175

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Net income for the period	\$ 69,108	\$ 26,491	\$ 198,162	\$ 165,637
Other comprehensive income—net of tax:				
Net foreign currency translation adjustments	988	9,280	(40)	17,626
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss)	2,115	(2,801)	(2,704)	(7,017)
Loss reclassified into net income	1,086	2,488	2,412	3,485
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial loss	(1,848)	(3,052)	(87)	(10,107)
Amortization of actuarial loss into net income	88	75	261	280
Unrealized net gain (loss) on short-term investments	(557)	4	(422)	4
Unrealized gain on marketable securities (Actuate)	—	—	—	1,906
Release of unrealized gain on marketable securities (Actuate)	—	(1,906)	—	(1,906)
Total other comprehensive income (loss), net, for the period	1,872	4,088	(580)	4,271
Total comprehensive income	70,980	30,579	197,582	169,908
Comprehensive (income) loss attributable to non-controlling interests	7	119	(75)	(114)
Total comprehensive income attributable to OpenText	<u>\$ 70,987</u>	<u>\$ 30,698</u>	<u>\$ 197,507</u>	<u>\$ 169,794</u>

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Cash flows from operating activities:				
Net income for the period	\$ 69,108	\$ 26,491	\$ 198,162	\$ 165,637
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	59,350	63,195	179,806	175,562
Share-based compensation expense	5,966	6,562	19,080	15,940
Excess tax expense (benefits) on share-based compensation expense	(217)	16	(257)	(1,611)
Pension expense	1,134	1,180	3,459	3,602
Amortization of debt issuance costs	1,158	1,135	3,470	3,410
Amortization of deferred charges and credits	2,652	2,630	7,250	7,893
Loss on sale and write down of property and equipment	218	118	1,108	118
Release of unrealized gain on marketable securities to income	—	(3,098)	—	(3,098)
Write off of unamortized debt issuance costs	—	2,919	—	2,919
Deferred taxes	(7,823)	(5,256)	(15,692)	(4,037)
Changes in operating assets and liabilities:				
Accounts receivable	11,272	36,311	22,152	76,560
Prepaid expenses and other current assets	(3,202)	(3,304)	(2,589)	(4,001)
Income taxes	2,996	(10,245)	3,290	1,354
Accounts payable and accrued liabilities	(12,615)	(16,421)	(27,434)	(53,747)
Deferred revenue	61,237	39,450	12,564	6,705
Other assets	(1,290)	1,428	2,233	(1,992)
Net cash provided by operating activities	<u>189,944</u>	<u>143,111</u>	<u>406,602</u>	<u>391,214</u>
Cash flows from investing activities:				
Additions of property and equipment	(18,998)	(12,325)	(48,897)	(60,586)
Proceeds from maturity of short-term investments	3,915	7,092	9,239	7,092
Purchase of Daegis Inc., net of cash acquired	—	—	(22,146)	—
Purchase of Actuate Corporation, net of cash acquired	(409)	(291,768)	(8,153)	(291,768)
Purchase of a division of Spicer Corporation	—	—	—	(222)
Purchase of Informative Graphics Corporation, net of cash acquired	(3,376)	(35,180)	(3,464)	(35,180)
Purchase of ICCM Professional Services Limited, net of cash acquired	—	—	(2,027)	—
Purchase consideration for prior period acquisitions	—	(147)	—	(590)
Other investing activities	(2,444)	(482)	(6,124)	(8,915)
Net cash used in investing activities	<u>(21,312)</u>	<u>(332,810)</u>	<u>(81,572)</u>	<u>(390,169)</u>
Cash flows from financing activities:				
Excess tax (expense) benefits on share-based compensation expense	217	(16)	257	1,611
Proceeds from issuance of Common Shares	3,840	3,689	11,828	12,827
Purchase of Treasury Stock	—	(1,251)	(10,627)	(1,251)
Common Shares repurchased	—	—	(65,509)	—
Proceeds from long-term debt	—	800,000	—	800,000
Repayment of long-term debt	(2,000)	(493,655)	(6,000)	(520,485)
Debt issuance costs	—	(16,673)	—	(18,076)
Payments of dividends to shareholders	(24,099)	(21,075)	(71,627)	(63,174)
Net cash provided by (used in) financing activities	<u>(22,042)</u>	<u>271,019</u>	<u>(141,678)</u>	<u>211,452</u>
Foreign exchange gain (loss) on cash held in foreign currencies	4,852	(10,953)	(5,946)	(27,210)
Increase in cash and cash equivalents during the period	151,442	70,367	177,406	185,287
Cash and cash equivalents at beginning of the period	725,963	542,810	699,999	427,890
Cash and cash equivalents at end of the period	<u>\$ 877,405</u>	<u>\$ 613,177</u>	<u>\$ 877,405</u>	<u>\$ 613,177</u>