

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

	<u>December 31, 2015</u>	<u>June 30, 2015</u>
	(unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 725,963	\$ 699,999
Short-term investments	16,271	11,166
Accounts receivable trade, net of allowance for doubtful accounts of \$7,467 as of December 31, 2015 and \$5,987 as of June 30, 2015	278,635	284,131
Income taxes recoverable	15,380	21,151
Prepaid expenses and other current assets	53,020	53,191
Deferred tax assets	33,394	30,711
<b>Total current assets</b>	<u>1,122,663</u>	<u>1,100,349</u>
Property and equipment	161,675	160,419
Goodwill	2,169,637	2,161,592
Acquired intangible assets	604,167	679,479
Deferred tax assets	149,561	155,411
Other assets	74,178	85,576
Deferred charges	30,374	37,265
Long-term income taxes recoverable	8,518	8,404
<b>Total assets</b>	<u>\$ 4,320,773</u>	<u>\$ 4,388,495</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 227,148	\$ 241,370
Current portion of long-term debt	8,000	8,000
Deferred revenues	306,159	358,066
Income taxes payable	17,800	17,001
Deferred tax liabilities	734	997
<b>Total current liabilities</b>	<u>559,841</u>	<u>625,434</u>
Long-term liabilities:		
Accrued liabilities	31,514	34,682
Deferred credits	10,650	12,943
Pension liability	54,842	56,737
Long-term debt	1,576,000	1,580,000
Deferred revenues	33,115	28,223
Long-term income taxes payable	141,205	151,484
Deferred tax liabilities	59,753	69,185
<b>Total long-term liabilities</b>	<u>1,907,079</u>	<u>1,933,254</u>
Shareholders' equity:		
Share capital		
121,094,990 and 122,293,986 Common Shares issued and outstanding at December 31, 2015 and June 30, 2015, respectively; Authorized Common Shares: unlimited	806,143	808,010
Additional paid-in capital	134,470	126,417
Accumulated other comprehensive income	49,376	51,828
Retained earnings	888,775	863,015
Treasury stock, at cost (643,647 shares at December 31, 2015 and 625,725 at June 30, 2015, respectively)	(25,515)	(19,986)
<b>Total OpenText shareholders' equity</b>	<u>1,853,249</u>	<u>1,829,284</u>
Non-controlling interests	604	523
<b>Total shareholders' equity</b>	<u>1,853,853</u>	<u>1,829,807</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 4,320,773</u>	<u>\$ 4,388,495</u>

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

	<u>Three Months Ended December 31,</u>		<u>Six Months Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>				
License	\$ 81,856	\$ 75,381	\$ 133,187	\$ 133,576
Cloud services and subscriptions	149,099	154,776	296,889	308,829
Customer support	184,137	179,466	369,804	363,372
Professional service and other	50,255	58,222	100,002	115,855
Total revenues	<u>465,347</u>	<u>467,845</u>	<u>899,882</u>	<u>921,632</u>
<b>Cost of revenues:</b>				
License	2,029	3,411	4,710	6,408
Cloud services and subscriptions	58,918	58,533	117,834	118,110
Customer support	21,689	23,831	42,197	46,794
Professional service and other	38,375	44,406	76,439	87,603
Amortization of acquired technology-based intangible assets	18,731	18,206	38,614	36,412
Total cost of revenues	<u>139,742</u>	<u>148,387</u>	<u>279,794</u>	<u>295,327</u>
Gross profit	<u>325,605</u>	<u>319,458</u>	<u>620,088</u>	<u>626,305</u>
<b>Operating expenses:</b>				
Research and development	45,710	46,170	92,150	90,912
Sales and marketing	85,875	90,980	163,820	172,021
General and administrative	33,767	39,667	69,336	75,410
Depreciation	13,330	12,465	26,244	24,707
Amortization of acquired customer-based intangible assets	27,793	25,364	55,598	51,248
Special charges (recoveries)	9,088	(5,759)	26,425	(1,590)
Total operating expenses	<u>215,563</u>	<u>208,887</u>	<u>433,573</u>	<u>412,708</u>
Income from operations	<u>110,042</u>	<u>110,571</u>	<u>186,515</u>	<u>213,597</u>
Other income (expense), net	961	(9,314)	(3,952)	(19,187)
Interest and other related expense, net	(19,187)	(8,455)	(38,233)	(19,554)
Income before income taxes	91,816	92,802	144,330	174,856
Provision for income taxes	4,074	18,308	15,276	35,710
Net income for the period	<u>\$ 87,742</u>	<u>\$ 74,494</u>	<u>\$ 129,054</u>	<u>\$ 139,146</u>
Net income attributable to non-controlling interests	(56)	(207)	(82)	(233)
Net income attributable to OpenText	<u>\$ 87,686</u>	<u>\$ 74,287</u>	<u>\$ 128,972</u>	<u>\$ 138,913</u>
Earnings per share—basic attributable to OpenText	<u>\$ 0.72</u>	<u>\$ 0.61</u>	<u>\$ 1.06</u>	<u>\$ 1.14</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 0.72</u>	<u>\$ 0.60</u>	<u>\$ 1.06</u>	<u>\$ 1.13</u>
Weighted average number of Common Shares outstanding—basic	<u>121,246</u>	<u>122,051</u>	<u>121,699</u>	<u>121,984</u>
Weighted average number of Common Shares outstanding—diluted	<u>121,792</u>	<u>122,985</u>	<u>122,216</u>	<u>122,934</u>
Dividends declared per Common Share	<u>\$ 0.2000</u>	<u>\$ 0.1725</u>	<u>\$ 0.4000</u>	<u>\$ 0.3450</u>

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2015	2014	2015	2014
Net income for the period	\$ 87,742	\$ 74,494	\$ 129,054	\$ 139,146
Other comprehensive income—net of tax:				
Net foreign currency translation adjustments	(2,751)	5,241	(1,028)	8,346
Unrealized gain (loss) on cash flow hedges:				
Unrealized loss	(1,429)	(1,316)	(4,819)	(4,216)
Loss reclassified into net income	814	944	1,326	997
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss)	648	(3,937)	1,761	(7,055)
Amortization of actuarial loss into net income	90	84	173	205
Unrealized net gain on short-term investments	120	—	135	—
Unrealized gain on marketable securities (Actuate)	—	2,400	—	1,906
Total other comprehensive income (loss), net, for the period	(2,508)	3,416	(2,452)	183
Total comprehensive income	85,234	77,910	126,602	139,329
Comprehensive income attributable to non-controlling interests	(56)	(207)	(82)	(233)
Total comprehensive income attributable to OpenText	<u>\$ 85,178</u>	<u>\$ 77,703</u>	<u>\$ 126,520</u>	<u>\$ 139,096</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,	
	2015	2014	2015	2014
<b>Cash flows from operating activities:</b>				
Net income for the period	\$ 87,742	\$ 74,494	\$ 129,054	\$ 139,146
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization of intangible assets	59,854	56,035	120,456	112,367
Share-based compensation expense	6,581	4,929	13,114	9,378
Excess tax benefits on share-based compensation expense	(256)	(1,232)	(40)	(1,627)
Pension expense	1,158	1,202	2,325	2,422
Amortization of debt issuance costs	1,156	1,132	2,312	2,275
Amortization of deferred charges and credits	1,981	2,632	4,598	5,263
Loss on sale and write down of property and equipment	890	—	890	—
Deferred taxes	(3,685)	2,764	(7,869)	1,219
<b>Changes in operating assets and liabilities:</b>				
Accounts receivable	(41,226)	(15,294)	10,880	40,249
Prepaid expenses and other current assets	(5,221)	(548)	613	(697)
Income taxes	(3,503)	(6,207)	294	11,599
Accounts payable and accrued liabilities	33,503	(3,187)	(14,819)	(37,326)
Deferred revenue	(16,280)	(5,990)	(48,673)	(32,745)
Other assets	1,242	(1,158)	3,523	(3,420)
<b>Net cash provided by operating activities</b>	<b>123,936</b>	<b>109,572</b>	<b>216,658</b>	<b>248,103</b>
<b>Cash flows from investing activities:</b>				
Additions of property and equipment	(12,702)	(18,026)	(29,899)	(48,261)
Proceeds from maturity of short-term investments	3,069	—	5,324	—
Purchase of Daegis Inc., net of cash acquired	(22,146)	—	(22,146)	—
Purchase of Actuate Corporation, net of cash acquired	(43)	—	(7,744)	—
Purchase of a division of Spicer Corporation	—	(222)	—	(222)
Purchase of Informative Graphics Corporation, net of cash acquired	—	—	(88)	—
Purchase of ICCM Professional Services Limited, net of cash acquired	—	—	(2,027)	—
Purchase consideration for prior period acquisitions	—	(221)	—	(443)
Other investing activities	(2,754)	(1,059)	(3,680)	(8,433)
<b>Net cash used in investing activities</b>	<b>(34,576)</b>	<b>(19,528)</b>	<b>(60,260)</b>	<b>(57,359)</b>
<b>Cash flows from financing activities:</b>				
Excess tax benefits on share-based compensation expense	256	1,232	40	1,627
Proceeds from issuance of Common Shares	2,736	2,039	7,988	9,138
Purchase of Treasury Stock	(10,627)	—	(10,627)	—
Common Shares repurchased	(15,483)	—	(65,509)	—
Repayment of long-term debt	(2,000)	(13,413)	(4,000)	(26,830)
Debt issuance costs	—	(1,220)	—	(1,403)
Payments of dividends to shareholders	(24,216)	(21,054)	(47,528)	(42,099)
<b>Net cash used in financing activities</b>	<b>(49,334)</b>	<b>(32,416)</b>	<b>(119,636)</b>	<b>(59,567)</b>
Foreign exchange loss on cash held in foreign currencies	(4,848)	(7,304)	(10,798)	(16,257)
<b>Increase in cash and cash equivalents during the period</b>	<b>35,178</b>	<b>50,324</b>	<b>25,964</b>	<b>114,920</b>
Cash and cash equivalents at beginning of the period	690,785	492,486	699,999	427,890
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 725,963</b>	<b>\$ 542,810</b>	<b>\$ 725,963</b>	<b>\$ 542,810</b>