

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

	June 30, 2016	June 30, 2015
ASSETS		
Cash and cash equivalents	\$ 1,283,757	\$ 699,999
Short-term investments	11,839	11,166
Accounts receivable trade, net of allowance for doubtful accounts of \$6,740 as of June 30, 2016 and \$5,987 as of June 30, 2015	285,904	284,131
Income taxes recoverable	31,752	21,151
Prepaid expenses and other current assets	59,021	53,191
Total current assets	1,672,273	1,069,638
Property and equipment	183,660	160,419
Goodwill	2,325,586	2,161,592
Acquired intangible assets	646,240	679,479
Deferred tax assets	241,161	181,587
Other assets	53,697	54,946
Deferred charges	22,776	37,265
Long-term income taxes recoverable	8,751	8,404
Total assets	\$ 5,154,144	\$ 4,353,330
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 257,450	\$ 241,370
Current portion of long-term debt	8,000	8,000
Deferred revenues	373,549	358,066
Income taxes payable	32,030	17,001
Total current liabilities	671,029	624,437
Long-term liabilities:		
Accrued liabilities	29,848	34,682
Deferred credits	8,357	12,943
Pension liability	61,993	56,737
Long-term debt	2,137,987	1,549,370
Deferred revenues	37,461	28,223
Long-term income taxes payable	149,041	151,484
Deferred tax liabilities	79,231	65,647
Total long-term liabilities	2,503,918	1,899,086
Shareholders' equity:		
Share capital		
121,404,677 and 122,293,986 Common Shares issued and outstanding at June 30, 2016 and June 30, 2015, respectively; Authorized Common Shares: unlimited	817,788	808,010
Additional paid-in capital	147,280	126,417
Accumulated other comprehensive income	46,310	51,828
Retained earnings	992,546	863,015
Treasury stock, at cost (633,647 shares at June 30, 2016 and 625,725 at June 30, 2015, respectively)	(25,268)	(19,986)
Total OpenText shareholders' equity	1,978,656	1,829,284
Non-controlling interests	541	523
Total shareholders' equity	1,979,197	1,829,807
Total liabilities and shareholders' equity	\$ 5,154,144	\$ 4,353,330

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

	Year Ended June 30,		
	2016	2015	2014
Revenues:			
License	\$ 283,710	\$ 294,266	\$ 305,846
Cloud services and subscriptions	601,018	605,309	373,400
Customer support	746,409	731,797	707,024
Professional service and other	193,091	220,545	238,429
Total revenues	<u>1,824,228</u>	<u>1,851,917</u>	<u>1,624,699</u>
Cost of revenues:			
License	10,296	12,899	13,161
Cloud services and subscriptions	244,021	237,310	142,193
Customer support	89,861	94,456	96,068
Professional service and other	155,584	172,742	189,403
Amortization of acquired technology-based intangible assets	74,238	81,002	69,917
Total cost of revenues	<u>574,000</u>	<u>598,409</u>	<u>510,742</u>
Gross profit	<u>1,250,228</u>	<u>1,253,508</u>	<u>1,113,957</u>
Operating expenses:			
Research and development	194,057	196,491	176,834
Sales and marketing	344,235	373,610	346,941
General and administrative	140,397	162,728	142,080
Depreciation	54,929	50,906	35,237
Amortization of acquired customer-based intangible assets	113,201	108,239	81,023
Special charges	34,846	12,823	31,314
Total operating expenses	<u>881,665</u>	<u>904,797</u>	<u>813,429</u>
Income from operations	<u>368,563</u>	<u>348,711</u>	<u>300,528</u>
Other income (expense), net	(1,423)	(28,047)	3,941
Interest and other related expense, net	(76,363)	(54,620)	(27,934)
Income before income taxes	290,777	266,044	276,535
Provision for income taxes	6,282	31,638	58,461
Net income for the period	<u>\$ 284,495</u>	<u>\$ 234,406</u>	<u>\$ 218,074</u>
Net (income) loss attributable to non-controlling interests	(18)	(79)	51
Net income attributable to OpenText	<u>\$ 284,477</u>	<u>\$ 234,327</u>	<u>\$ 218,125</u>
Earnings per share—basic attributable to OpenText	<u>\$ 2.34</u>	<u>\$ 1.92</u>	<u>\$ 1.82</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 2.33</u>	<u>\$ 1.91</u>	<u>\$ 1.81</u>
Weighted average number of Common Shares outstanding—basic	<u>121,463</u>	<u>122,092</u>	<u>119,674</u>
Weighted average number of Common Shares outstanding—diluted	<u>122,038</u>	<u>122,957</u>	<u>120,576</u>
Dividends declared per Common Share	<u>\$ 0.8300</u>	<u>\$ 0.7175</u>	<u>\$ 0.6225</u>

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

	Three Months Ended June 30,	
	2016	2015
Revenues:		
License	\$ 86,126	\$ 97,129
Cloud services and subscriptions	156,624	148,967
Customer support	192,969	184,221
Professional service and other	48,084	52,391
Total revenues	<u>483,803</u>	<u>482,708</u>
Cost of revenues:		
License	3,106	3,511
Cloud services and subscriptions	64,889	58,424
Customer support	25,237	23,578
Professional service and other	41,546	42,743
Amortization of acquired technology-based intangible assets	17,994	22,454
Total cost of revenues	<u>152,772</u>	<u>150,710</u>
Gross profit	<u>331,031</u>	<u>331,998</u>
Operating expenses:		
Research and development	53,747	52,357
Sales and marketing	95,815	104,443
General and administrative	33,330	41,766
Depreciation	14,931	13,390
Amortization of acquired customer-based intangible assets	29,637	28,741
Special charges	10,092	8,791
Total operating expenses	<u>237,552</u>	<u>249,488</u>
Income from operations	<u>93,479</u>	<u>82,510</u>
Other income (expense), net	409	690
Interest and other related expense, net	<u>(21,902)</u>	<u>(18,194)</u>
Income before income taxes	71,986	65,006
Recovery of income taxes	<u>(14,347)</u>	<u>(3,763)</u>
Net income for the period	<u>\$ 86,333</u>	<u>\$ 68,769</u>
Net loss attributable to non-controlling interests	57	35
Net income attributable to OpenText	<u>\$ 86,390</u>	<u>\$ 68,804</u>
Earnings per share—basic attributable to OpenText	<u>\$ 0.71</u>	<u>\$ 0.56</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 0.71</u>	<u>\$ 0.56</u>
Weighted average number of Common Shares outstanding—basic	<u>121,324</u>	<u>122,245</u>
Weighted average number of Common Shares outstanding—diluted	<u>122,020</u>	<u>122,888</u>
Dividends declared per Common Share	<u>\$ 0.2300</u>	<u>\$ 0.2000</u>

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

	Year Ended June 30,		
	2016	2015	2014
Net income for the period	\$ 284,495	\$ 234,406	\$ 218,074
Other comprehensive income—net of tax:			
Net foreign currency translation adjustments	(3,318)	15,690	(2,779)
Unrealized gain (loss) on cash flow hedges:			
Unrealized (loss)	(2,574)	(6,064)	(357)
Loss reclassified into net income	2,956	5,710	3,242
Actuarial gain (loss) relating to defined benefit pension plans:			
Actuarial loss	(3,374)	(3,302)	(841)
Amortization of actuarial loss into net income	347	357	294
Unrealized net gain (loss) on short-term investments	445	(12)	—
Unrealized gain on marketable securities (Actuate)	—	1,906	—
Release of unrealized gain on marketable securities (Actuate)	—	(1,906)	—
Total other comprehensive income (loss), net, for the period	(5,518)	12,379	(441)
Total comprehensive income	278,977	246,785	217,633
Comprehensive (income) loss attributable to non-controlling interests	(18)	(79)	51
Total comprehensive income attributable to OpenText	\$ 278,959	\$ 246,706	\$ 217,684

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

	Year Ended June 30,		
	2016	2015	2014
Cash flows from operating activities:			
Net income for the period	\$ 284,495	\$ 234,406	\$ 218,074
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	242,368	240,147	186,177
Share-based compensation expense	25,978	22,047	19,906
Excess tax benefits on share-based compensation expense	(230)	(1,675)	(1,844)
Pension expense	4,577	4,796	3,232
Amortization of debt issuance costs	4,678	4,556	3,191
Amortization of deferred charges and credits	9,903	10,525	11,307
Loss on sale and write down of property and equipment	1,108	1,368	15
Release of unrealized gain on marketable securities to income	—	(3,098)	—
Write off of unamortized debt issuance costs	—	2,919	—
Deferred Taxes	(54,461)	(14,578)	(12,334)
Changes in operating assets and liabilities:			
Accounts receivable	8,985	43,189	(17,186)
Prepaid expenses and other current assets	316	(3,534)	11,146
Income taxes	6,294	2,933	11,308
Deferred charges and credits	—	—	9,870
Accounts payable and accrued liabilities	(5,671)	(22,714)	(36,478)
Deferred revenue	(4,781)	6,775	16,601
Other assets	2,163	(5,031)	(5,858)
Net cash provided by operating activities	<u>525,722</u>	<u>523,031</u>	<u>417,127</u>
Cash flows from investing activities:			
Additions of property and equipment	(70,009)	(77,046)	(42,268)
Proceeds from maturity of short-term investments	11,297	17,017	—
Purchase of CEM Business	(152,711)	—	—
Purchase of ANXe Business Corporation	(104,570)	—	—
Purchase of Daegis Inc., net of cash acquired	(22,146)	—	—
Purchase of Actuate Corporation, net of cash acquired	(8,153)	(291,800)	—
Purchase of Informative Graphics Corporation, net of cash acquired	(3,464)	(35,180)	—
Purchase of GXS Group, Inc., net of cash acquired	—	—	(1,076,886)
Purchase of Cordys Holding B.V., net of cash acquired	—	—	(30,588)
Purchase of ICCM Professional Services Limited, net of cash acquired	(2,027)	—	—
Purchase of a division of Spicer Corporation	—	(222)	—
Purchase of Patents	—	—	(192)
Purchase consideration for prior period acquisitions	—	(590)	(887)
Other investing activities	(9,393)	(10,574)	(2,547)
Net cash used in investing activities	<u>(361,176)</u>	<u>(398,395)</u>	<u>(1,153,368)</u>
Cash flows from financing activities:			
Excess tax benefits on share-based compensation expense	230	1,675	1,844
Proceeds from issuance of Common Shares	20,097	15,240	24,808
Proceeds from long-term debt	600,000	800,000	800,000
Repayment of long-term debt and revolver	(8,000)	(530,284)	(45,911)
Debt issuance costs	(6,765)	(18,271)	(16,685)
Equity issuance costs	—	—	(144)
Common Shares repurchased	(65,509)	—	—
Purchase of Treasury Stock	(10,627)	(10,126)	(1,275)
Payments of dividends to shareholders	(99,262)	(87,629)	(74,693)
Net cash provided by financing activities	<u>430,164</u>	<u>170,605</u>	<u>687,944</u>
Foreign exchange gain (loss) on cash held in foreign currencies	(10,952)	(23,132)	5,742
Increase (decrease) in cash and cash equivalents during the period	583,758	272,109	(42,555)
Cash and cash equivalents at beginning of the period	699,999	427,890	470,445
Cash and cash equivalents at end of the period	<u>\$ 1,283,757</u>	<u>\$ 699,999</u>	<u>\$ 427,890</u>

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

	Three Months Ended June 30,	
	2016	2015
Cash flows from operating activities:		
Net income for the period	\$ 86,333	\$ 68,769
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	62,562	64,585
Share-based compensation expense	6,898	6,107
Excess tax expense (benefits) on share-based compensation expense	27	(64)
Pension expense	1,118	1,194
Amortization of debt issuance costs	1,208	1,146
Amortization of deferred charges and credits	2,653	2,632
Loss on sale and write down of property and equipment	—	1,250
Deferred taxes	(38,769)	(10,541)
Changes in operating assets and liabilities:		
Accounts receivable	(13,167)	(33,371)
Prepaid expenses and other current assets	2,905	467
Income taxes	3,004	1,579
Deferred charges and credits	—	—
Accounts payable and accrued liabilities	21,763	31,033
Deferred revenue	(17,345)	70
Other assets	(70)	(3,039)
Net cash provided by operating activities	119,120	131,817
Cash flows from investing activities:		
Additions of property and equipment	(21,112)	(16,460)
Proceeds from maturity of short-term investments	2,058	9,925
Purchase of CEM Business	(152,711)	—
Purchase of ANXe Business Corporation	(104,570)	—
Purchase of Actuate Corporation, net of cash acquired	—	(32)
Other investing activities	(3,269)	(1,659)
Net cash used in investing activities	(279,604)	(8,226)
Cash flows from financing activities:		
Excess tax (expense) benefits on share-based compensation expense	(27)	64
Proceeds from issuance of Common Shares	8,269	2,413
Proceeds from long-term debt	600,000	—
Repayment of long-term debt and revolver	(2,000)	(9,799)
Debt issuance costs	(6,765)	(195)
Purchase of Treasury stock	—	(8,875)
Payments of dividends to shareholders	(27,635)	(24,455)
Net cash provided by (used in) financing activities	571,842	(40,847)
Foreign exchange gain (loss) on cash held in foreign currencies	(5,006)	4,078
Increase in cash and cash equivalents during the period	406,352	86,822
Cash and cash equivalents at beginning of the period	877,405	613,177
Cash and cash equivalents at end of the period	\$ 1,283,757	\$ 699,999