CFO Update

Paul McFeeters, Chief Financial Officer
November 2008

Disclaimer

Certain statements in this presentation constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Open Text, or developments in Open Text’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include any statement relating to future events, conditions or circumstances. Open Text cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, changes in the ECM market; the market focus of Open Text, Open Text’s revenue mix and margin targets; Open Text’s operations priorities; and Open Text’s strategy for its products and solutions. The risks and uncertainties that may affect forward-looking statements include, among others, the completion and integration of acquisitions, the possibility of technical, logistical or planning issues in connection with deployments, the continuous commitment of Open Text's customers, demand for Open Text 's products and other risks detailed from time to time in Open Text's filings with the Securities and Exchange Commission and Canadian provincial securities regulators, including Open Text's Annual Report on Form 10-K for the year ended June 30, 2008 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2008. Forward-looking statements are based on management’s current plans, estimates, projections, beliefs and opinions, and the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

OTC-Analyst Models – FY09 (Average of 10 Published Models)

OPEN TEXT
The Content Experts™

(In millions of U.S. dollars)

		FY09 Average
Revenues:		
License	$	257
Customer support	$	427
Service	$	161
Cost of Sales	$	220
Operating Expenses:		
Research & development	$	129
Sales & marketing	$	214
G & A	$	84
Depreciation	$	13
Adjusted EPS	**$**	**2.30**

OTC Major Currencies as Reported in Q1 FY09 Press Release

Currencies	% of Revenue	% of Expenses
EURO	29%	25%
GBP	11%	12%
CHF	7%	4%
CAD	8%	27%
USD	38%	27%
Others	7%	5%
Total	100%	100%

FX Rates - Post Q1 FY09

OPEN TEXT
The Content Experts™

Major Currencies	FX Rates (Vs USD)		
	12-Nov	30-Sep	Changes
EURO	1.252	1.430	-13%
GBP	1.496	1.810	-17%
CHF	0.843	0.907	-7%
CAD	0.809	0.956	-15%

FX impact on License Revenue - Example

(In millions of U.S. dollars)

Currencies	% of License Revenue	Analyst Model License Revenue	Post Q1 FX Changes	Post Q1 FX impact
EURO	29%	$ 75	-13%	$ (8)
GBP	11%	28	-17%	(4)
CHF	7%	18	-7%	(1)
CAD	8%	21	-15%	(3)
USD	38%	98		-
Others	7%	17	-15%	(2)
Total	**100%**	**$ 257**		**$ (18)**

FX impact on Customer Support Revenue - Example

OPEN TEXT
The Content Experts™

(In millions of U.S. dollars)

Currencies	% of CS Revenue	Analyst Model CS Revenue	Post Q1 FX Changes	Post Q1 FX impact
EURO	29%	$ 124	-13%	$ (12)
GBP	11%	47	-17%	(6)
CHF	7%	30	-7%	(2)
CAD	8%	34	-15%	(4)
USD	38%	162		-
Others	7%	30	-15%	(3)
Total	**100%**	**$ 427**		**$ (27)**

FX impact on Service Revenue - Example

(In millions of U.S. dollars)

Currencies	% of Service Revenue	Analyst Model Service Revenue		Post Q1 FX Changes	Post Q1 FX impact	
EURO	29%	$	47	-13%	$	(5)
GBP	11%		18	-17%		(2)
CHF	7%		11	-7%		(1)
CAD	8%		13	-15%		(2)
USD	38%		61			-
Others	7%		11	-15%		(1)
Total	**100%**	**$**	**161**		**$**	**(11)**

FX impact on Total Expenses - Example

(In millions of U.S. dollars)

Currencies	% of Total Expenses	Analyst Model Total Expenses	Post Q1 FX Changes	Post Q1 FX impact
EURO	25%	$ 165	-13%	$ (16)
GBP	12%	79	-17%	(11)
CHF	4%	26	-7%	(1)
CAD	27%	178	-15%	(22)
USD	27%	178		-
Others	5%	34	-15%	(4)
Total	**100%**	**$ 660**		**$ (54)**

Captaris Purchase Price Accounting – US GAAP

- Determine fair value the net assets acquired
- Value IP and Customer intangibles
- Excess of PP over Net Assets and Intangibles = Goodwill
- Accounting rules do contemplate and permit a one year allocation period to determine the fair values for items for which further analysis is required (for instance : deferred revenues, intangible assets and valuation of Exit plans)

Captaris - Deferred Revenues

- Deferred revenue acquired represents a legal obligation to perform (i.e. to provide future services).
- Software companies take a “haircut” and reduce acquired deferred revenue OR values it as cost to perform services plus a reasonable profit.
- So (for instance) Captaris’s (“CAPA”) deferred revenue of $25 million (as of September 30, 2008) could be potentially valued est. = $18-$20 million.

Captaris - Intangible Assets and Goodwill

- Typically, we have recognized (in the context of our acquisitions) customer-related intangibles and technology based intangibles and these are then amortized over the estimated useful life.
- Goodwill not amortized but tested annually for impairment

Captaris Exit Costs

- As indicated in our September 30, 2008 10Q (see Note 19 – Subsequent Events) we expect to make reductions to Capa's legacy headcount and facilities i.e. implement a Capa restructuring plan.
- These plans are covered under US GAAP by guidance known as "EITF 95-3" which deals with the accounting for costs to exit an activity of the acquired company.
- Such costs are booked as part of the Purchase Price Accounting and do not impact the P&L

Captaris Exit costs (continued)

- We expect the ***approximate*** costs of the Capa restructuring plan estimated from $15-$18 million (consisting of $8-$9 million of employee costs; $7-$9 million of facility abandonment costs; and $1 million of miscellaneous contract termination costs).

- Does not increase the overall cash cost of the acquisition since Capa has approximately $20 million of net cash ($29 million of cash less a $9 million bank loan)

NOTE 19—SUBSEQUENT EVENTS

- *Acquisition of Captaris*
- On October 31, 2008 we announced the acquisition of Captaris, Inc. (Captaris) a provider of software products that automate "document-centric" processes. As a result of this acquisition Open Text acquired all of Captaris's outstanding shares for a total amount of approximately US $131 million in cash. Captaris is based in Seattle, Washington. Shares of Captaris's common stock, which prior to the acquisition traded on the Nasdaq Global Market under the symbol "CAPA," are in the process of being delisted from trading.

NOTE 19—SUBSEQUENT EVENTS

- *Acquisition of Captaris*
- *The Fiscal 2009 Restructuring Plan and the Captaris Restructuring Plan*
- On November 3, 2008 we announced the implementation of a plan to restructure our operations and consolidate our excess facilities (Fiscal 2009 restructuring plan). **Total costs in connection with this plan are expected to be approximately $20 million and significant actions expected to take place, are as follows:**
  - Employee reductions of approximately 10 percent of our workforce.
  - Closure of office facilities.
  - Other costs.

NOTE 19—SUBSEQUENT EVENTS continued:

- These are preliminary estimates and may change upon the finalization of the complete details of the Fiscal 2009 restructuring plan; we expect to finalize these details during November 2008. In accordance with SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* expenditures relating to the Fiscal 2009 restructuring plan will be charged to income from continuing operations and recorded under "Special Charges" within the Consolidated Statements of Income. We expect to complete, substantially, all significant actions related to the Fiscal 2009 restructuring plan by December 31, 2009.

NOTE 19—SUBSEQUENT EVENTS

- *Acquisition of Captaris*
- In addition, we also expect to make certain reductions in the legacy employee head count and office facilities of Captaris (Captaris restructuring plan) and are, at the moment, in the process of finalizing the significant actions and costs relating to this initiative. In accordance with EITF 95-3 the expenditures relating to the Captaris restructuring plan will be included as part of the cost of the acquisition of Captaris.

Questions?