

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

	June 30, 2010	June 30, 2009
ASSETS		
Cash and cash equivalents	\$ 326,192	\$ 275,819
Accounts receivable trade, net of allowance for doubtful accounts of \$4,868 as of June 30, 2010 and \$4,208 as of June 30, 2009.....	132,143	115,802
Income taxes recoverable.....	44,509	4,496
Prepaid expenses and other current assets	21,086	18,172
Deferred tax assets	15,714	20,621
Total current assets	539,644	434,910
Investments in marketable securities	—	13,103
Capital assets	54,286	45,165
Goodwill	671,624	576,111
Acquired intangible assets	328,193	315,048
Deferred tax assets	27,405	69,877
Other assets	44,454	13,064
Long-term income taxes recoverable	48,418	39,958
Total assets	\$ 1,714,024	\$ 1,507,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 119,604	\$ 116,992
Current portion of long-term debt	15,486	3,449
Deferred revenues.....	219,752	189,397
Income taxes payable	39,666	10,356
Deferred tax liabilities	28,384	508
Total current liabilities	422,892	320,702
Long-term liabilities:		
Accrued liabilities	15,755	21,099
Pension liability	15,888	15,803
Long-term debt	285,026	299,234
Deferred revenues.....	10,085	7,914
Long-term income taxes payable.....	64,699	47,131
Deferred tax liabilities	13,459	108,889
Total long-term liabilities	404,912	500,070
Shareholders' equity:		
Share capital		
56,825,995 and 52,716,751 Common Shares issued and outstanding at June 30, 2010 and June 30, 2009, respectively; Authorized Common Shares: unlimited.....	602,868	457,982
Additional paid-in capital	61,298	52,152
Accumulated other comprehensive income.....	44,021	71,851
Retained earnings	192,033	104,479
Treasury stock, at cost (307,579 and nil shares, respectively at June 30, 2010 and June 30, 2009) ..	(14,000)	-
Total shareholders' equity.....	886,220	686,464
Total liabilities and shareholders' equity	\$ 1,714,024	\$ 1,507,236

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

	Year ended June 30,		
	2010	2009	2008
Revenues:			
License	\$ 238,074	\$ 229,818	\$ 219,103
Customer support	507,452	405,310	363,580
Service and other	166,497	150,537	142,849
Total revenues	<u>912,023</u>	<u>785,665</u>	<u>725,532</u>
Cost of revenues:			
License	16,922	16,204	15,415
Customer support	83,741	68,902	58,764
Service and other	135,396	118,998	117,037
Amortization of acquired technology-based intangible assets.....	60,472	47,733	41,515
Total cost of revenues	<u>296,531</u>	<u>251,837</u>	<u>232,731</u>
Gross profit	<u>615,492</u>	<u>533,828</u>	<u>492,801</u>
Operating expenses:			
Research and development.....	129,378	116,164	107,206
Sales and marketing.....	198,208	186,533	172,873
General and administrative.....	83,295	73,842	69,985
Depreciation	17,425	12,012	12,017
Amortization of acquired customer-based intangible assets.....	35,940	33,259	30,759
Special charges (recoveries)	43,666	14,434	(418)
Total operating expenses.....	<u>507,912</u>	<u>436,244</u>	<u>392,422</u>
Income from operations	<u>107,580</u>	<u>97,584</u>	<u>100,379</u>
Other income (expense), net	(8,349)	(3,238)	(1,521)
Interest expense, net.....	(10,366)	(13,620)	(22,859)
Income before income taxes	88,865	80,726	75,999
Provision for income taxes	1,311	23,788	22,993
Net income for the year.....	<u>\$ 87,554</u>	<u>\$ 56,938</u>	<u>\$ 53,006</u>
Net income per share—basic	<u>\$ 1.56</u>	<u>\$ 1.09</u>	<u>\$ 1.04</u>
Net income per share—diluted	<u>\$ 1.53</u>	<u>\$ 1.07</u>	<u>\$ 1.01</u>
Weighted average number of Common Shares outstanding—basic	<u>56,280</u>	<u>52,030</u>	<u>50,780</u>
Weighted average number of Common Shares outstanding—diluted	<u>57,385</u>	<u>53,271</u>	<u>52,604</u>

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

	Year ended June 30,		
	2010	2009	2008
Cash flows from operating activities:			
Net income for the year	\$ 87,554	\$ 56,938	\$ 53,006
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	113,837	93,004	84,291
In-process research and development	—	121	500
Share-based compensation expense	9,765	5,032	3,789
Excess tax benefits from share-based compensation	(1,143)	(8,631)	(1,079)
Pension expense	211	1,377	—
Amortization of debt issuance costs.....	1,390	1,099	1,220
Unrealized (gain) loss on financial instruments	(878)	(1,682)	3,178
Loss on sale and write down of capital assets.....	136	130	—
Release of unrealized gain on marketable securities to income	(4,353)	—	—
Deferred taxes	(24,219)	(9,914)	(24,326)
Impairment and Other non cash charges	577	223	—
Changes in operating assets and liabilities:			
Accounts receivable	24,521	43,761	(5,626)
Prepaid expenses and other current assets	(814)	(3,080)	(168)
Income taxes	5,066	23,274	12,600
Accounts payable and accrued liabilities	(11,340)	(15,999)	3,566
Deferred revenue.....	3,077	(6,861)	33,751
Other assets	(23,196)	(2,622)	1,274
Net cash provided by operating activities	180,191	176,170	165,976
Cash flows from investing activities:			
Additions of capital assets-net.....	(19,314)	(12,150)	(6,895)
Purchase of Burnsand Inc., net of cash acquired	(8,163)	—	—
Purchase of Nstein Technologies Inc., net of cash acquired	(20,370)	—	—
Purchase of New Generation Consulting Inc.....	(3,500)	—	—
Purchase of Vignette Corporation, net of cash acquired	(90,600)	—	—
Purchase of Vizible Corporation	—	(850)	—
Purchase of Captaris Inc., net of cash acquired	—	(101,033)	—
Purchase of eMotion LLC, net of cash acquired	(556)	(3,635)	—
Purchase of a division of Spicer Corporation	—	(11,437)	—
Purchase consideration for prior period acquisitions.....	(12,843)	(22,794)	(21,522)
Investments in marketable securities	—	(8,930)	—
Maturity of short-term investments	45,525	—	—
Net cash used in investing activities	(109,821)	(160,829)	(28,417)
Cash flow from financing activities:			
Excess tax benefits on share-based compensation expense.....	1,143	8,631	1,079
Proceeds from issuance of Common Shares.....	9,971	19,593	12,272
Purchase of Treasury Stock.....	(14,000)	—	—
Repayment of long-term debt.....	(3,485)	(3,426)	(63,616)
Debt issuance costs.....	(1,024)	—	(349)
Net cash provided by (used in) financing activities	(7,395)	24,798	(50,614)
Foreign exchange gain (loss) on cash held in foreign currencies.....	(12,602)	(19,236)	17,992
Increase in cash and cash equivalents during the year	50,373	20,903	104,937
Cash and cash equivalents at beginning of the year	275,819	254,916	149,979
Cash and cash equivalents at end of the year	<u>\$ 326,192</u>	<u>\$ 275,819</u>	<u>\$ 254,916</u>

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

	Three months ended June 30,	
	2010	2009
Revenues:		
License	\$ 68,527	\$ 62,973
Customer support	129,077	104,494
Service and other	42,430	35,889
Total revenues	<u>240,034</u>	<u>203,356</u>
Cost of revenues:		
License	5,400	3,534
Customer support	20,532	18,675
Service and other	34,360	29,100
Amortization of acquired technology-based intangible assets	16,134	13,562
Total cost of revenues	<u>76,426</u>	<u>64,871</u>
Gross profit	<u>163,608</u>	<u>138,485</u>
Operating expenses:		
Research and development	31,835	28,829
Sales and marketing	47,644	47,928
General and administrative	21,288	19,238
Depreciation	4,443	3,165
Amortization of acquired customer-based intangible assets	9,378	3,730
Special charges	8,571	1,200
Total operating expenses	<u>123,159</u>	<u>104,090</u>
Income from operations	<u>40,449</u>	<u>34,395</u>
Other expense, net	(4,564)	(3,039)
Interest expense, net	(1,979)	(2,848)
Income before income taxes	33,906	28,508
Provision for (recovery of) income taxes	(17,603)	9,027
Net income for the period	<u>\$ 51,509</u>	<u>\$ 19,481</u>
Net income per share—basic	<u>\$ 0.91</u>	<u>\$ 0.37</u>
Net income per share—diluted	<u>\$ 0.89</u>	<u>\$ 0.36</u>
Weighted average number of Common Shares outstanding—basic	<u>56,802</u>	<u>52,648</u>
Weighted average number of Common Shares outstanding—diluted	<u>57,897</u>	<u>53,670</u>

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

	Three months ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net income for the period.....	\$ 51,509	\$ 19,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	29,955	20,457
Share-based compensation expense	2,611	1,075
Excess tax benefits from share-based compensation	(239)	(249)
Pension expense	(351)	253
Amortization of debt issuance costs.....	326	268
Unrealized (gain) loss on financial instruments	—	(1,548)
Deferred taxes	(20,505)	(6,337)
Impairment and Other non cash charges	(253)	—
Changes in operating assets and liabilities:		
Accounts receivable	568	(4,136)
Prepaid expenses and other current assets	492	665
Income taxes	23,304	13,618
Accounts payable and accrued liabilities	126	2,731
Deferred revenue.....	4,106	(5,557)
Other assets	(26,429)	(2,094)
Net cash provided by operating activities	65,220	38,627
Cash flows from investing activities:		
Additions of capital assets-net.....	(4,045)	(5,842)
Purchase of Burntsand Inc., net of cash acquired	(8,163)	—
Purchase of Nstein Technologies Inc., net of cash acquired.....	(20,370)	—
Purchase of New Generation Consulting Inc.....	(3,500)	—
Purchase of Vizible Corporation	—	(850)
Purchase consideration for prior period acquisitions.....	(1,436)	(5,604)
Net cash used in investing activities	(37,514)	(12,296)
Cash flow from financing activities:		
Excess tax benefits on share-based compensation expense	239	249
Proceeds from issuance of Common Shares.....	1,034	1,919
Purchase of Treasury Stock	(14,000)	—
Repayment of long-term debt	(878)	(856)
Net cash provided by (used in) financing activities	(13,605)	1,312
Foreign exchange gain (loss) on cash held in foreign currencies.....	(9,237)	11,128
Increase in cash and cash equivalents during the period.....	4,864	38,771
Cash and cash equivalents at beginning of the period.....	321,328	237,048
Cash and cash equivalents at end of the period.....	\$ 326,192	\$ 275,819