

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

	<u>December 31, 2013</u>	<u>June 30, 2013</u>
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 515,354	\$ 470,445
Accounts receivable trade, net of allowance for doubtful accounts of \$3,937 as of December 31, 2013 and \$4,871 as of June 30, 2013	173,347	174,927
Income taxes recoverable	14,048	17,173
Prepaid expenses and other current assets	48,348	43,464
Deferred tax assets	10,671	11,082
Total current assets	<u>761,768</u>	<u>717,091</u>
Property and equipment	96,737	88,364
Goodwill	1,267,317	1,246,872
Acquired intangible assets	324,185	363,615
Deferred tax assets	133,502	135,695
Other assets	26,648	25,082
Deferred charges	60,005	67,633
Long-term income taxes recoverable	10,560	10,465
Total assets	<u><u>\$ 2,680,722</u></u>	<u><u>\$ 2,654,817</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 188,896	\$ 188,443
Current portion of long-term debt	54,994	51,742
Deferred revenues	246,738	282,387
Income taxes payable	6,494	4,184
Deferred tax liabilities	1,150	1,127
Total current liabilities	<u>498,272</u>	<u>527,883</u>
Long-term liabilities:		
Accrued liabilities	19,344	17,849
Deferred credits	18,401	11,608
Pension liability	25,062	24,509
Long-term debt	491,250	513,750
Deferred revenues	13,014	11,830
Long-term income taxes payable	146,848	140,508
Deferred tax liabilities	62,245	69,672
Total long-term liabilities	<u>776,164</u>	<u>789,726</u>
Shareholders' equity:		
Share capital		
59,159,544 and 59,028,886 Common Shares issued and outstanding at December 31, 2013 and June 30, 2013, respectively; Authorized Common Shares: unlimited	656,901	651,642
Additional paid-in capital	105,281	101,865
Accumulated other comprehensive income	42,677	39,890
Retained earnings	621,547	572,885
Treasury stock, at cost (416,707 shares at December 31, 2013 and 610,878 at June 30, 2013, respectively)	(20,120)	(29,074)
Total shareholders' equity	<u>1,406,286</u>	<u>1,337,208</u>
Total liabilities and shareholders' equity	<u><u>\$ 2,680,722</u></u>	<u><u>\$ 2,654,817</u></u>

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2013	2012	2013	2012
Revenues:				
License	\$ 81,164	\$ 76,125	\$ 136,470	\$ 131,781
Cloud services	42,131	44,842	83,778	88,715
Customer support	174,425	164,658	342,865	326,754
Professional service and other	65,787	66,555	124,854	131,124
Total revenues	<u>363,507</u>	<u>352,180</u>	<u>687,967</u>	<u>678,374</u>
Cost of revenues:				
License	3,304	5,331	6,340	9,499
Cloud services	15,963	17,946	30,228	35,928
Customer support	24,409	28,277	46,579	54,100
Professional service and other	51,245	49,242	96,680	99,294
Amortization of acquired technology-based intangible assets	13,035	23,191	34,565	46,973
Total cost of revenues	<u>107,956</u>	<u>123,987</u>	<u>214,392</u>	<u>245,794</u>
Gross profit	<u>255,551</u>	<u>228,193</u>	<u>473,575</u>	<u>432,580</u>
Operating expenses:				
Research and development	41,917	38,718	82,133	78,624
Sales and marketing	81,290	67,977	150,703	132,492
General and administrative	32,815	28,742	61,701	55,706
Depreciation	6,898	6,105	13,356	12,214
Amortization of acquired customer-based intangible assets	12,432	17,147	29,709	34,399
Special charges	6,268	2,269	9,999	11,823
Total operating expenses	<u>181,620</u>	<u>160,958</u>	<u>347,601</u>	<u>325,258</u>
Income from operations	<u>73,931</u>	<u>67,235</u>	<u>125,974</u>	<u>107,322</u>
Other income (expense), net	(740)	1,541	1,186	1,470
Interest and other related expense, net	(3,040)	(4,515)	(7,425)	(8,883)
Income before income taxes	70,151	64,261	119,735	99,909
Provision for income taxes	16,651	3,153	35,605	19,372
Net income for the period	<u>\$ 53,500</u>	<u>\$ 61,108</u>	<u>\$ 84,130</u>	<u>\$ 80,537</u>
Earnings per share—basic	<u>\$ 0.90</u>	<u>\$ 1.04</u>	<u>\$ 1.42</u>	<u>\$ 1.38</u>
Earnings per share—diluted	<u>\$ 0.90</u>	<u>\$ 1.04</u>	<u>\$ 1.41</u>	<u>\$ 1.37</u>
Weighted average number of Common Shares outstanding—basic	<u>59,136</u>	<u>58,503</u>	<u>59,100</u>	<u>58,473</u>
Weighted average number of Common Shares outstanding—diluted	<u>59,593</u>	<u>58,983</u>	<u>59,475</u>	<u>58,961</u>
Dividends declared per Common Share	<u>\$ 0.30</u>	<u>\$ —</u>	<u>\$ 0.60</u>	<u>\$ —</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,	
	2013	2012	2013	2012
Cash flows from operating activities:				
Net income for the period	\$ 53,500	\$ 61,108	\$ 84,130	\$ 80,537
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	32,365	46,443	77,630	93,586
Share-based compensation expense	6,677	3,174	11,289	6,276
Excess tax benefits on share-based compensation expense	(1,008)	(259)	(1,081)	(611)
Pension expense	309	228	539	470
Amortization of debt issuance costs	519	535	1,044	1,072
Amortization of deferred charges and credits	2,967	2,929	5,934	5,858
Loss on sale and write down of property and equipment	(6)	22	15	24
Deferred taxes	(1,329)	(2,013)	(3,198)	(1,152)
Changes in operating assets and liabilities:				
Accounts receivable	(19,602)	964	9,176	20,406
Prepaid expenses and other current assets	(729)	(1,640)	(4,161)	1,384
Income taxes	(5,093)	(18,261)	2,409	(13,888)
Deferred charges and credits	5,788	—	8,488	(436)
Accounts payable and accrued liabilities	7,375	(365)	(10,595)	(20,620)
Deferred revenue	(21,574)	(18,668)	(40,134)	(36,738)
Other assets	716	497	(686)	289
Net cash provided by operating activities	<u>60,875</u>	<u>74,694</u>	<u>140,799</u>	<u>136,457</u>
Cash flows from investing activities:				
Additions of property and equipment	(11,913)	(4,879)	(20,228)	(9,917)
Purchase of patents	(192)	—	(192)	—
Purchase of EasyLink Services International Corporation, net of cash acquired	—	—	—	(315,331)
Purchase of System Solutions Australia Pty Limited (MessageManager), net of cash acquired	—	(516)	—	(516)
Purchase of Cordys Holding B.V., net of cash acquired	—	—	(30,588)	—
Purchase consideration for prior period acquisitions	(221)	(214)	(443)	(431)
Other investing activities	526	—	(974)	—
Net cash used in investing activities	<u>(11,800)</u>	<u>(5,609)</u>	<u>(52,425)</u>	<u>(326,195)</u>
Cash flows from financing activities:				
Excess tax benefits on share-based compensation expense	1,008	259	1,081	611
Proceeds from issuance of Common Shares	3,606	2,409	5,429	6,402
Repayment of long-term debt	(11,419)	(7,671)	(19,087)	(15,338)
Debt issuance costs	(273)	—	(273)	—
Payments of dividends to shareholders	(17,747)	—	(35,468)	—
Net cash used in financing activities	<u>(24,825)</u>	<u>(5,003)</u>	<u>(48,318)</u>	<u>(8,325)</u>
Foreign exchange gain on cash held in foreign currencies	(43)	941	4,853	5,574
Increase (decrease) in cash and cash equivalents during the period	24,207	65,023	44,909	(192,489)
Cash and cash equivalents at beginning of the period	491,147	302,235	470,445	559,747
Cash and cash equivalents at end of the period	<u>\$ 515,354</u>	<u>\$ 367,258</u>	<u>\$ 515,354</u>	<u>\$ 367,258</u>