

## PRESS RELEASE

### Open Text Reports Fourth Quarter and Fiscal Year 2010 Financial Results

**Waterloo, ON, August 18, 2010** - Open Text(TM) Corporation (NASDAQ:OTEX) (TSX:OTC), today announced financial results for its fourth quarter and fiscal year ended June 30, 2010. (1)

Total revenue for the fourth quarter of fiscal 2010 was \$240.0 million, up 18% compared to \$203.4 million for the same period in the prior fiscal year. License revenue in the fourth quarter of fiscal 2010 was \$68.5 million, up 9% compared to \$63.0 million for the same period in the prior fiscal year.

Adjusted net income in the fourth quarter of fiscal 2010 was \$54.9 million, up 40% compared to \$39.2 million for the same period in the prior fiscal year. Adjusted earnings per share for the fourth quarter of fiscal 2010 was \$0.95 per share on a diluted basis, up 30% compared to \$0.73 per share on a diluted basis, for the same period in the prior fiscal year. Net income in accordance with U.S. generally accepted accounting principles ("US GAAP") was \$51.5 million or \$0.89 per share on a diluted basis, compared to \$19.5 million or \$0.36 per share on a diluted basis for the same period in the prior fiscal year. (2)

Total revenue for fiscal 2010 was \$912.0 million, up 16% compared to \$785.7 million in the prior fiscal year. License revenue for fiscal 2010 was \$238.1 million, up 4% compared to \$229.8 million in the prior fiscal year.

Adjusted net income for fiscal 2010 was \$178.0 million compared to \$132.8 million in the prior fiscal year. Adjusted earnings per share for fiscal 2010 was \$3.10 per share on a diluted basis, up 24% compared to \$2.49 per share on a diluted basis, in the prior fiscal year. Net income for fiscal 2010 in accordance with US GAAP was \$87.6 million, or \$1.53 per share on a diluted basis, compared to \$56.9 million, or \$1.07 per share on a diluted basis, in the prior fiscal year. (2)

Operating cash flow in the fourth quarter of fiscal 2010 was \$65.2 million, compared to \$38.6 million for the same period in prior fiscal year. For the full 2010 fiscal year, Open Text generated \$180.2 million in operating cash flow compared to \$176.2 million in fiscal 2009.

The cash and cash equivalents balance as of June 30, 2010 was \$326.2 million. Accounts receivable as of June 30, 2010, totaled \$132.1 million, compared to \$115.8 million as of June 30, 2009, and Days Sales Outstanding (DSO) was 50 days in the fourth quarter of fiscal 2010, compared to 51 days in the fourth quarter of fiscal 2009.

"Our focus for the year has been on profitability and I am pleased that in this difficult economic environment, we have exceeded our profitability targets with disciplined cost control," said John Shackleton, President and Chief Executive Officer of Open Text. "Demand for vertical solutions, as well as customer need for compliance and back office efficiencies, continue to contribute to our strong pipeline."

Please see note (2) below for a reconciliation of non-US GAAP based financial measures used in this press release, to US GAAP based financial measures.

#### Teleconference Call

Open Text will host a conference call on August 18, 2010 at 5:00 p.m. ET to discuss its final financial results.

**Date:** Wednesday, August 18, 2010  
**Time:** 5:00 p.m. ET/2:00 p.m. PT  
**Length:** 60 minutes  
**Where:** 416-644-3414  
800-814-4859 (Toll Free)

Investors should dial in approximately 10 minutes before the teleconference is scheduled to begin. A replay of the call will be available beginning August 18, 2010 at 7:00 p.m. ET through 11:59 p.m. on September 1, 2010 and can be accessed by dialing 416-640-1917 and using passcode 4325575 followed by the number sign.

For more information or to listen to the call via Web cast, please use the following link:  
[http://www.opentext.com/2/ex\\_event.html?evtype=events&id=70120000003lzHAAQ](http://www.opentext.com/2/ex_event.html?evtype=events&id=70120000003lzHAAQ)

### **About Open Text**

Open Text™ is the world's largest independent provider of Enterprise Content Management (ECM) software. The Company's solutions manage information for all types of business, compliance and industry requirements in the world's largest companies, government agencies and professional service firms. Open Text supports approximately 46,000 customers and millions of users in 114 countries and 12 languages. For more information about Open Text, visit [www.opentext.com](http://www.opentext.com).

Certain statements in this press release, including statements about the financial conditions, and results of operations and earnings for Open Text Corporation ("Open Text" or "the Company"), may contain words such as "could", "expects", "may", "should", "will", "anticipates", "believes", "intends", "estimates", "targets", "plans", "envisions", "seeks" and other similar language and are considered forward-looking statements or information under applicable securities laws. These statements are based on the Company's current expectations, estimates, forecasts and projections about the operating environment, economies and markets in which the Company operates. These statements are subject to important assumptions, risks and uncertainties that are difficult to predict, and the actual outcome may be materially different. The Company's assumptions, although considered reasonable by the Company at the date of this press release, may provide to be inaccurate and consequently the Company's actual results could differ materially from the expectations set out herein.

Actual results or events could differ materially from those contemplated in forward-looking statements as a result of the following: (i) the future performance, financial and otherwise, of Open Text; (ii) the ability of Open Text to bring new products to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) the Company's growth and profitability prospects; (v) the estimated size and growth prospects of the ECM market; (vi) the Company's competitive position in the ECM market and its ability to take advantage of future opportunities in this market; (vii) the benefits of the Company's products to be realized by customers; and (viii) the demand for the Company's product and the extent of deployment of the company's products in the ECM marketplace. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the possibility that the Company may be unable to meet its future reporting requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated there under; (iii) the risks associated with bringing new products to market; (iv) fluctuations in currency exchange rates; (v) delays in the purchasing decisions of the Company's customers; (vi) the competition the Company faces in its industry and/or marketplace; (vii) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (viii) the continuous commitment of the Company's customers; and (ix) demand for the Company's products.

For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the SEC and other securities regulators. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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## Notes

(1) All dollar amounts in this press release are in US dollars unless otherwise indicated.

### (2) Use of US Non-GAAP financial measures

In addition to reporting financial results in accordance with US GAAP, the Company provides certain non-US GAAP financial measures that are not in accordance with US GAAP. These non-US GAAP financial measures have certain limitations in that they do not have a standardized meaning and thus the Company's definition may be different from similar non-US GAAP financial measures used by other companies and/or analysts and may differ from period to period. Thus it may be more difficult to compare the Company's financial performance to that of other companies. However, the Company's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of adjusted net income and adjusted EPS both in its reconciliation to the US GAAP financial measures of net income and EPS and its consolidated financial statements, all of which should be considered when evaluating the Company's results. The Company uses the financial measures adjusted EPS and adjusted net income to supplement the information provided in its consolidated financial statements, which are presented in accordance with US GAAP. The presentation of adjusted net income and adjusted EPS is not meant to be a substitute for net income or net income per share presented in accordance with US GAAP, but rather should be evaluated in conjunction with and as a supplement to such US GAAP measures. Open Text strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure. The Company therefore believes that despite these limitations, it is appropriate to supplement the disclosure of the US GAAP measures with certain non-US GAAP measures for the reasons set forth below. Adjusted net income and adjusted EPS are calculated as net income or net income per share on a diluted basis, excluding, where applicable, the amortization of acquired intangible assets, other income (expense), share-based compensation, and special charges, all net of tax. The Company's management believes that the presentation of adjusted net income and adjusted EPS provides useful information to investors because it excludes non-operational charges. The use of the term "non-operational charge" is defined by the Company as those that do not impact operating decisions taken by the Company's management and is based upon the way the Company's management evaluates the performance of the Company's business for use in the Company's internal reports. In the course of such evaluation and for the purpose of making operating decisions, the Company's management excludes certain items from its analysis, such as amortization of acquired intangibles, special charges, share-based compensation, other income (expense) and the taxation impact of these items. These items are excluded based upon the manner in which management evaluates the business of the Company and are not excluded in the sense that they may be used under US GAAP. The Company believes the provision of supplemental non-US GAAP measures allows investors to evaluate the operational and financial performance of the Company's core business using the same evaluation measures that management uses, and is therefore a useful indication of Open Text's performance or expected performance of recurring operations and facilitates period-to-period comparison of operating performance. As a result, the Company considers it appropriate and reasonable to provide, in addition to US GAAP measures, supplementary non-US GAAP financial measures that exclude certain items from the presentation of its financial results in this press release. The following charts provide a reconciliation of (unaudited) US GAAP based financial measures to non-US GAAP based financial measures referred to in this press release:

The following tables present non GAAP-based measures, and their reconciliation to GAAP, for the three months and year ended June 30, 2010:

**Non GAAP-based Adjusted Operating Margin and Adjusted Net income\*:**

<b>In millions USD</b>	<b>Three months ended June 30, 2010</b>	<b>Percent age</b>	<b>Year ended June 30, 2010</b>	<b>Percen tage</b>	<b>Open Text Fiscal 2010 Target Model</b>
<b>Revenue:</b>					
License.....	\$ 68.5	28.5%	\$ 238.1	26.1%	25-30%
Customer Support.....	129.1	53.8%	507.4	55.6%	50-55%
Service and Other.....	42.4	17.7%	166.5	18.3%	20-25%
<b>Total Revenue.....</b>	<b>240.0</b>		<b>912.0</b>		
<b>Cost of revenues (excluding amortization of acquired technology-based intangible assets).....</b>	<b>60.3</b>		<b>236.0</b>		
<b>Gross profit excluding amortization of acquired technology -based intangible assets.....</b>	<b>179.7</b>	<b>74.9%</b>	<b>676.0</b>	<b>74.1%</b>	<b>72-75%</b>
<b>Operating expenses:</b>					
Development.....	31.8	13.3%	129.4	14.2%	14-16%
Sales & Marketing.....	47.6	19.8%	198.2	21.7%	24-26%
General & Administration.....	21.3	8.9%	83.3	9.1%	9-10%
Depreciation.....	4.4	1.8%	17.4	1.9%	2%
	105.1		428.3		
<b>Gross margin less operating expenses....</b>	<b>74.6</b>		<b>247.7</b>		
<i>Add:</i> Share -based compensation expense...	2.6		6.6		
<b>Non GAAP-based Adjusted Operating Margin.....</b>	<b>77.2</b>	<b>32.2%</b>	<b>254.3</b>	<b>27.9%</b>	<b>22-27%</b>
<i>Less:</i> Interest expense.....	2.0		10.4		
Sub-total.....	75.2		243.9		
<i>Less:</i> tax @ 27% .....	20.3		65.9		
<b>Non GAAP-based Adjusted Net Income..</b>	<b>\$ 54.9</b>		<b>\$ 178.0</b>		
<b>Non GAAP-based Adjusted Net Income per share.....</b>	<b>\$ 0.95</b>		<b>\$ 3.10</b>		

*Reconciliation of Non GAAP-based Adjusted Operating Margin to GAAP-based Net Income:*

<b>Non GAAP-based Adjusted Operating Margin</b> .....	\$	77.2		\$	254.3
Less:					
Amortization.....		25.5			96.4
Share-based compensation expense.....		2.6			6.6**
Special charges.....		8.6			43.7
Other expense, net.....		4.6			8.3
Interest expense, net.....		2.0			10.4
GAAP-based provision for (recovery of) income taxes.....		(17.6)			1.3
GAAP-based net income for the period.....	\$	<u>51.5</u>		\$	<u>87.6</u>

*Reconciliation of Non GAAP based Adjusted Net income to GAAP-based Net Income:*

			<b>per share</b>		<b>per share</b>	
<b>Non GAAP-based Adjusted Net Income</b>	\$	54.9	<b>\$ 0.95</b>	\$	178.0	<b>\$ 3.10</b>
Less:						
Amortization.....		25.5	<b>0.44</b>		96.4	<b>1.68</b>
Share-based compensation expense.....		2.6	<b>0.04</b>		6.6 **	<b>0.11</b>
Special charges.....		8.6	<b>0.15</b>		43.7	<b>0.76</b>
Other expense, net.....		4.6	<b>0.08</b>		8.3	<b>0.14</b>
GAAP-based provision for (recovery of) income taxes.....		(17.6)	<b>(0.30)</b>		1.3	<b>0.02</b>
Tax on non GAAP-based adjusted net income (per above) .....		(20.3)	<b>(0.35)</b>		(65.9)	<b>(1.14)</b>
GAAP-based net income for the period.....	\$	<u>51.5</u>	<b>\$ 0.89</b>	\$	<u>87.6</u>	<b>\$1.53</b>

\*Amounts may differ from those shown on the face of the financial statements due to non-material rounding adjustments.

\*\* In addition \$3.2 million of share-based compensation is included within Special charges.

The following tables present non GAAP-based measures, and their reconciliation to GAAP, for the three months and year ended June 30, 2009:

**Non GAAP-based Adjusted Operating Margin and Adjusted Net income\*:**

In millions USD	Three months ended June 30, 2009	Percent age	Year ended June 30, 2009	Percent tage	Open Text Fiscal 2009 Target Model
<b>Revenue:</b>					
License.....	\$ 63.0	31.0%	\$ 229.8	29.3%	25-30%
Customer Support.....	104.5	51.4%	405.4	51.6%	50-55%
Service and Other.....	35.9	17.6%	150.5	19.2%	20-25%
<b>Total Revenue.....</b>	<b>203.4</b>		<b>785.7</b>		
<b>Cost of revenues (excluding amortization of acquired technology-based intangible assets).....</b>	<b>51.3</b>		<b>204.2</b>		
<b>Gross profit excluding amortization of acquired technology -based intangible assets.....</b>	<b>152.1</b>	<b>74.8%</b>	<b>581.5</b>	<b>74.0%</b>	<b>72-75%</b>
<b>Operating expenses:</b>					
Development.....	28.8	14.2%	116.2	14.8%	14-16%
Sales & Marketing.....	47.9	23.5%	186.5	23.7%	24-26%
General & Administration.....	19.2	9.4%	73.8	9.4%	9-10%
Depreciation.....	3.2	1.6%	12.0	1.5%	2%
	99.1		388.5		
<b>Gross margin less operating expenses.....</b>	<b>53.0</b>		<b>193.0</b>		
<i>Add: Share -based compensation expense....</i>	1.1		5.0		
<b>Non GAAP-based Adjusted Operating Margin.....</b>	<b>54.1</b>	<b>26.6%</b>	<b>198.0</b>	<b>25.2%</b>	<b>22-27%</b>
<i>Less: Interest expense.....</i>	2.8		13.6		
Sub-total.....	51.3		184.4		
<i>Less: tax @ 23.5% and 28%, respectively..</i>	12.1		51.6		
<b>Non GAAP-based Adjusted Net Income</b>	<b>\$ 39.2</b>		<b>\$ 132.8</b>		
<b>Non GAAP-based Adjusted Net Income per share.....</b>	<b>\$ 0.73</b>		<b>\$ 2.49</b>		

*Reconciliation of Non GAAP-based Adjusted Operating Margin to GAAP-based Net Income:*

<b>Non GAAP-based Adjusted Operating Margin</b> .....	\$	54.1		\$	198.0
Less:					
Amortization.....		17.3			81.0
Share-based compensation expense.....		1.1			5.0
Special charges.....		1.2			14.4
Other expense, net.....		3.0			3.2
Interest expense, net.....		2.8			13.6
GAAP-based provision for income taxes		9.2			23.9
GAAP-based net income for the period...	\$	<u>19.5</u>		\$	<u>56.9</u>

*Reconciliation of Non GAAP based Adjusted Net income to GAAP-based Net Income:*

			<b>per share</b>		<b>per share</b>
<b>Non GAAP-based Adjusted Net Income</b>	\$	39.2	<b>\$ 0.73</b>	\$	132.8
<b>\$ 2.49</b>					
Less:					
Amortization.....		17.3	<b>0.32</b>		81.0
Share-based compensation expense.....		1.1	<b>0.02</b>		5.0
Special charges.....		1.2	<b>0.02</b>		14.4
Other expense, net.....		3.0	<b>0.06</b>		3.2
GAAP-based provision for income taxes		9.2	<b>0.17</b>		23.9
Tax on non GAAP-based adjusted net income (per above).....		(12.1)	<b>(0.22)</b>		(51.6)
GAAP-based net income for the period	\$	<u>19.5</u>	<b>\$ 0.36</b>	\$	<u>56.9</u>
					<b>\$1.07</b>

\*Amounts may differ from those shown on the face of the financial statements due to non-material rounding adjustments.

- (3) The following table provides a composition of our major currencies for revenue under U.S. GAAP and expenses, expressed as a percentage, for the fourth quarter and fiscal year ended June 30, 2010:

Currencies	Fourth quarter of fiscal 2010	
	% of Revenue	% of Expenses*
EURO.....	25%	20%
GBP.....	9%	8%
CHF.....	5%	2%
CAD.....	10%	31%
USD.....	44%	31%
Others.....	7%	8%
Total.....	<u>100%</u>	<u>100%</u>

Fiscal 2010

Currencies	% of Revenue	% of Expenses*
EURO.....	25%	22%
GBP.....	10%	8%
CHF.....	5%	3%
CAD.....	8%	26%
USD.....	44%	33%
Others.....	8%	8%
<b>Total.....</b>	<b>100%</b>	<b>100%</b>

\* Expenses include all cost of revenues and operating expenses included within the Consolidated Statements of Income, except for amortization of intangible assets, share-based compensation expense and special charges.

**For further information:**

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