



FY12-Q2

INVESTOR PRESENTATION

February 1, 2012

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NASDAQ: OTEX; TSX: OTC
Employees: approximately 4,600
Countries: 31
FY11 Revenues: \$1,033.3 million
HQ: Waterloo, Ontario, Canada

OPENTEXT
THE CONTENT EXPERTS

The World's Leading Independent Provider of Content Management



Why OpenText

- Largest independent provider of Enterprise Content Management (ECM)
- Investing in new markets: Business Process Management (BPM)
- Strategic growth opportunities: geographies, verticals and partners
- Market share gains over IBM and EMC
- Global scale: products, people and process
- Demonstrated earnings power and operational discipline
- TTM cash flow of \$224.3* million and large recurring maintenance revenues
- \$413.9 million in cash*
- Proven acquirer

* As of December 31, 2011

Why Customers Buy. Paths to Growth.

Why Customers Buy

- Compliance and Regulations
- Unstructured Data
- Information Security
- Mobility
- Cloud
- Standardization and Best Practices

Paths To Growth

- Core ECM Share Gains
- Business Process Management
- SAP and Microsoft
- New Verticals
- Public Sector
- Emerging Markets

Key Markets

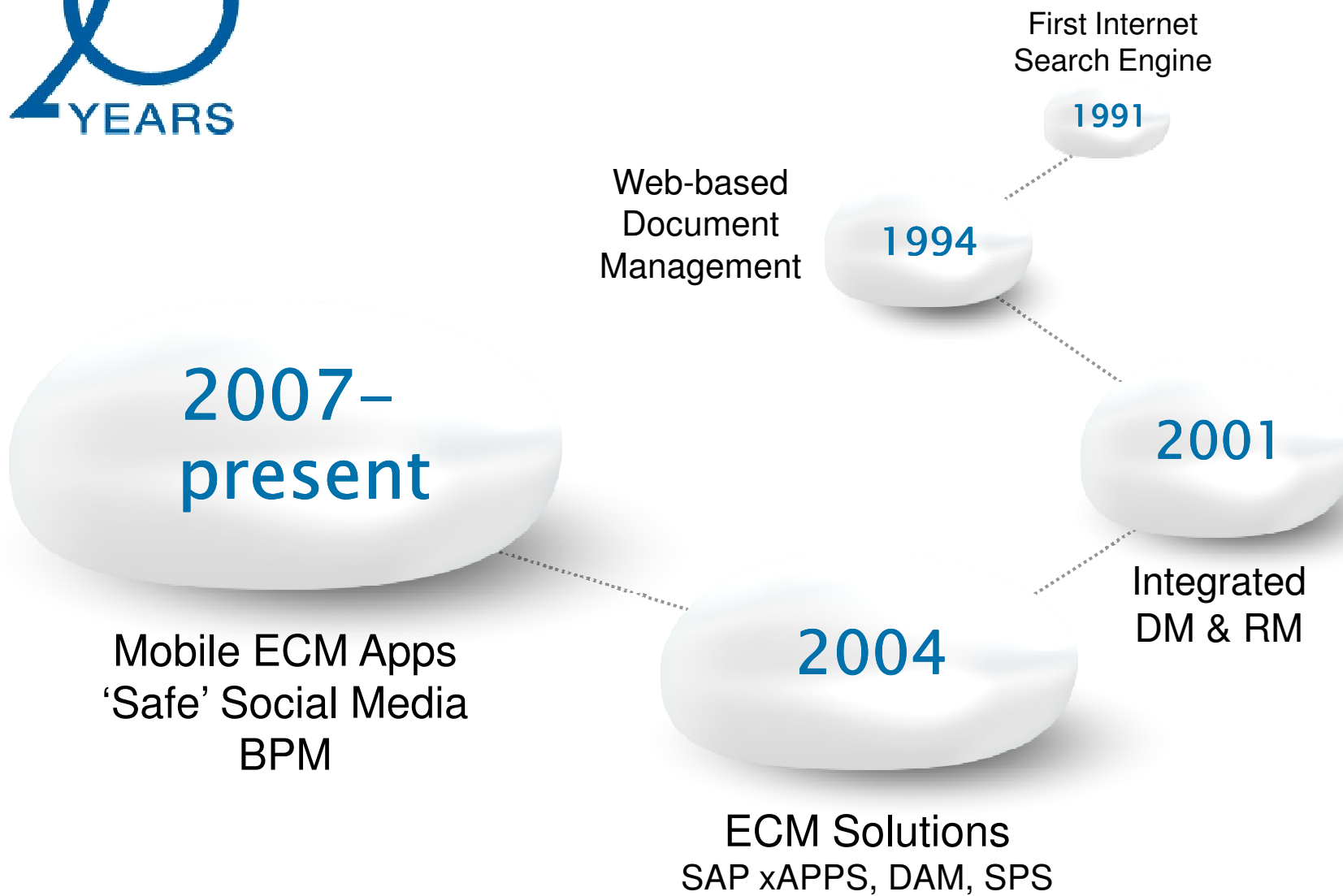
Enterprise Content Management (ECM)

- ECM is a collection of software applications that help organizations to manage the volume of enterprise content and allow organizations to unite structured and unstructured Information
- WEM allowing customers to manage content inside and outside the firewall
- Mobility-enabled across devices

Business Process Management (BPM)

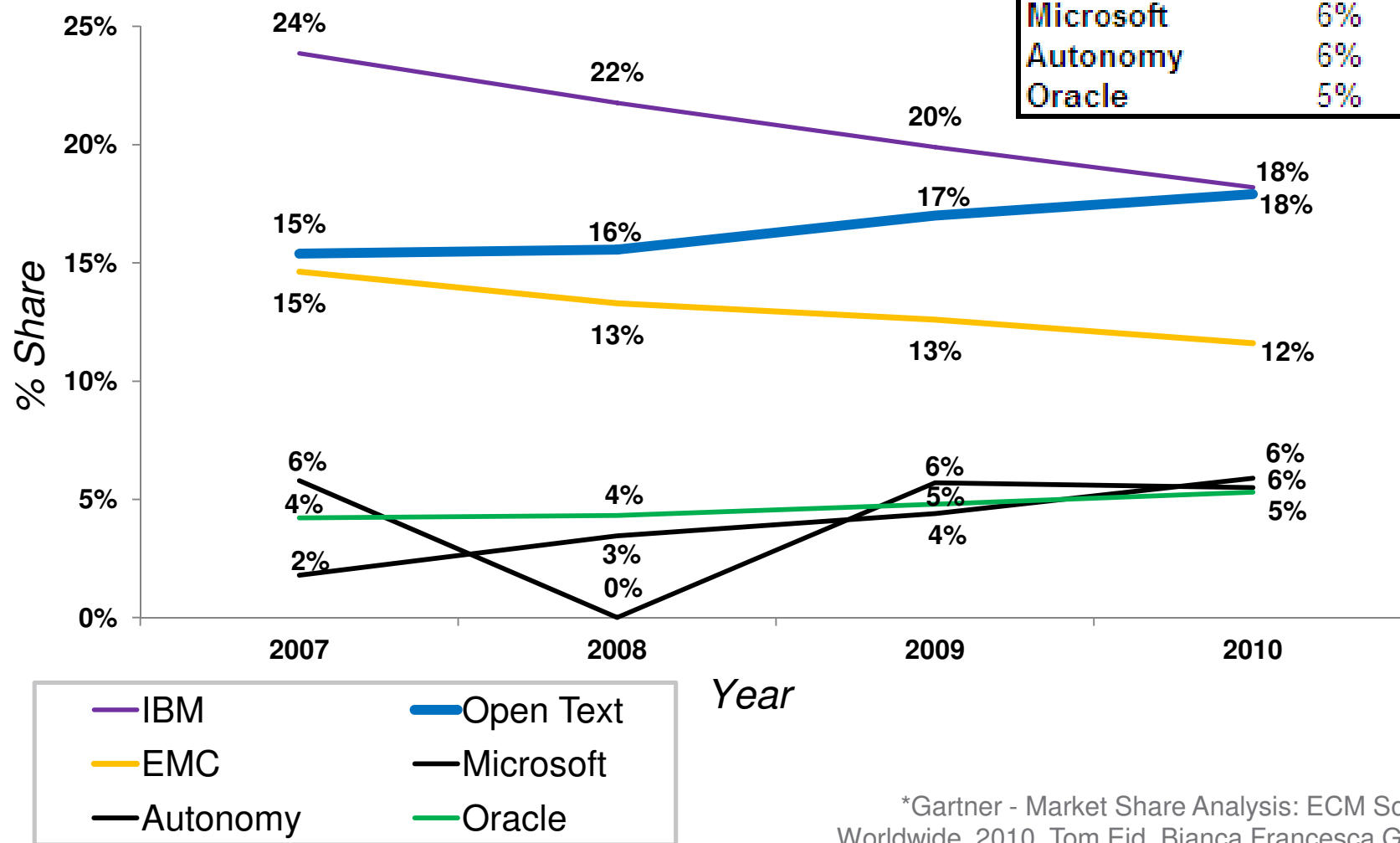
- Dynamic case management solutions
- Acquired Global 360 and Metastorm to extend base of expertise to BPM
- Further reach in key verticals such as financial services, energy, government, life sciences and other industries
- BPM solutions for Microsoft customers
- Azure-integrated cloud offering

20 YEARS of Proven Innovation



Global ECM Market Share*

Vendor	2010 Share %	2010 Growth %
IBM	18%	-2%
Open Text	18%	13%
EMC	12%	-1%
Microsoft	6%	43%
Autonomy	6%	4%
Oracle	5%	21%



*Gartner - Market Share Analysis: ECM Software, Worldwide, 2010, Tom Eid, Bianca Francesca Granetto

Diverse Global Customer Base

Government	Energy	Pharmaceutical	Financial	Transportation
Manufacturing	Legal	Media	Food	Insurance

OpenText Partner Ecosystem



FY12 - Q2 Business Highlights

- Mark J. Barrenechea appointed President and CEO of OpenText effective January 2, 2012; John Shackleton retires
- Americas contributed 53% of total revenue, while EMEA contributed 40% and Asia Pacific 7%
- License was approximately 27.9% of revenue, customer support contributed 51.4% and services and other was approximately 20.7% of revenue
- Partners contributed 44% of license
- Technology, services and public sector verticals saw the most demand
- Completion of financing; 5-year term loan of \$600 million replaces previous loan; repaid previous credit facility of approximately \$332.9 million
- Now shipping: OpenText Tempo, fast, easy, secure document sharing solution that allows enterprise users to share and manage content in secure folders on smartphones, tablets, PCs or laptops

Summary of Results

	Q2 FY12	Q1 FY12	Q2 FY11	% Change (Q/Q)	% Change (Y/Y)
Revenue (million)	\$321.5	\$288.0	\$267.5	11.6%	20.2%
GAAP gross margin	67.1%	64.8%	68.4%	230 bps	(130) bps
GAAP operating income margin	17.2%	9.4%	19.7%	780 bps	(250) bps
GAAP EPS	\$0.81	\$0.60	\$0.64	35.0%	26.6%
Non-GAAP gross margin *	73.8%	72.1%	74.6%	170 bps	(80) bps
Non-GAAP operating margin**	30.7%	25.3%	31.6%	540 bps	(90) bps
Non-GAAP EPS*	\$1.39	\$1.03	\$1.22	35.0%	13.9%

* See reconciliation of Non-GAAP measures to GAAP measures at the end of this presentation

**before taxes and interest expense

Summary of Revenue Results

In millions	Q2 FY12	Q1 FY12	Q2 FY11	% Change (Q/Q)	% Change (Y/Y)
License	\$89.7	\$65.0	\$79.2	38.0%	13.3%
Customer support	165.4	162.0	136.7	2.1%	21.0%
Service and other	66.4	61.0	51.6	8.9%	28.7%
Total	\$321.5	\$288.0	\$267.5	11.6%	20.2%

FY12 - Q2 Financial Highlights

- Total revenue for the period was \$321.5 million, up 20.2% Y/Y
- License revenue was \$89.7 million, up 13.3% Y/Y
- GAAP-based EPS was \$0.81 compared to \$0.64 Y/Y
- Non-GAAP-based EPS was \$1.39 compared to \$1.22 Y/Y*
- GAAP-based operating margin was 17.2%
- Non-GAAP-based operating margin was 30.7%**
- Gross Margin 67.1%
- Operating cash flow \$44.7 million
- Cash and cash equivalents \$413.9 million

* See reconciliation of Non-GAAP measures to GAAP measures at the end of this presentation

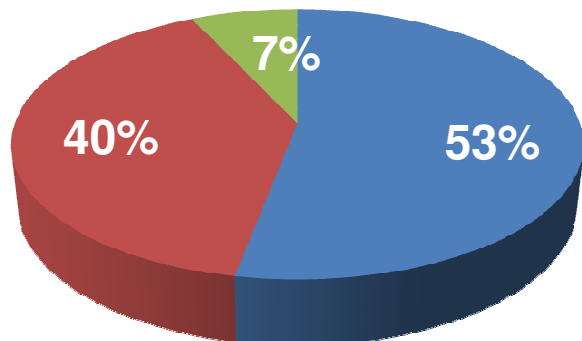
**before taxes and interest expense

FY12 - Q2 Financial Stats

- Average deal size: \$268,000
- Deals over \$1 million: 7 (+1 Y/Y)
- Deals over \$500K: 22 (+9 Y/Y)
- License revenue from new accounts: 50%
- SAP contributed over 10% of license sales
- Total employees: approximately 4600
- Quota carrying sales reps: approximately 436
- Maintenance renewal rate: 92%
- Days sales outstanding: 47
- Shares outstanding 58.672M
- Non-GAAP tax rate: 14%

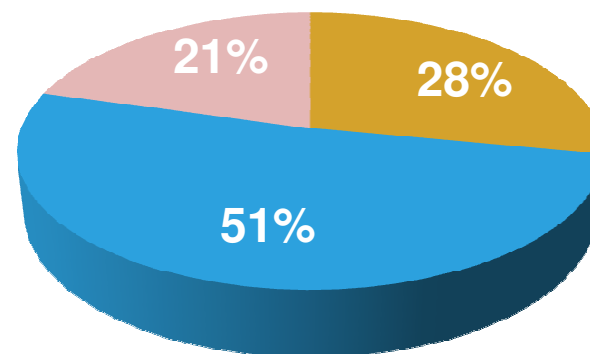
FY12 - Q2 Revenue Breakdown

Global Revenue by Geography



■ Americas ■ EMEA ■ Asia Pac

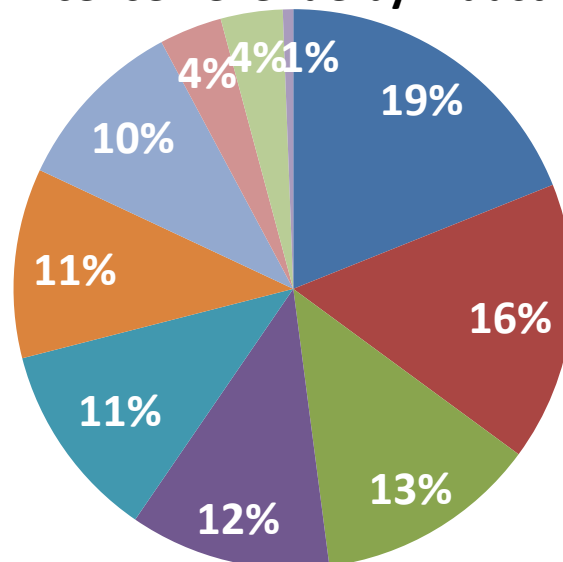
Global Revenue Mix



■ License ■ Customer Support ■ Service*

*Includes just under 1% of hardware revenue

License Revenue by Industry



■ Services
 ■ Financial
 ■ Technology
 ■ Basic Materials
 ■ Public Sector
 ■ Healthcare
 ■ Consumer Goods
 ■ Utilities
 ■ Industrial Goods
 ■ Conglomerates

Why OpenText Will Lead the Market

1. ECM is far from mature
2. OpenText is best positioned to continue to gain market share over competitors and to expand its relationship with Microsoft/SharePoint
3. Surrounding core ECM with processes - namely BPM – driven by two strategic acquisitions in this space
4. Delivering packaged applications that are content-centric not transaction-centric
5. Longer term, as categories evolve, the market will include ECM, BPM and BI

Previously Announced Revenue Mix & Margin Internal Target Model*

Revenue Type	Fiscal 2012 Target Model	Three months ended Dec 31, 2011 (Actual)	Six months ended Dec 31, 2011 (Actual)
Product License	25-30%	27.9%	25.4%
Product Maintenance	52-57%	51.5%	53.7%
Professional Services	18-23%	20.6%	20.9%
Non-GAAP Gross Margin	73-75%	73.7%	72.9%
Non-GAAP Operating Expenses			
Development	14-16%	13.0%	13.8%
Sales & Marketing	21-23%	20.8%	21.3%
General & Admin	8-10%	7.6%	7.9%
Depreciation	2%	1.8%	1.8%
Non-GAAP Ops Margin	25-30%	30.7%	28.1%

Thank You

Reconciliation of Selected Non-GAAP Measures – Q2 FY12

(in '000s USD)	Three months ended December 31, 2011			
	GAAP	Adjustments	FN	Non- GAAP
Cost of Revenues:				
Customer support	\$ 28,468	\$ (34)	1	\$ 28,434
Service and other	50,604	(106)	1	50,498
Amortization of acquired technology-based intangibles	21,253	(21,253)	2	—
Gross profit	215,761	21,393		237,154
Operating expenses:				
Research and development	42,652	(768)	1	41,884
Sales and marketing	68,451	(1,676)	1	66,775
General and administrative	25,126	(813)	1	24,313
Amortization – customer based intangibles	13,445	(13,445)	2	—
Special charges	5,221	(5,221)	3	—
GAAP income from operations/ Non-GAAP operating income	55,232	43,316		98,548
Other income, net	2,637	(2,637)	4	—
Provision for income taxes	6,819	6,472	5	13,291
GAAP net income/ Non GAAP net income	\$ 47,443	\$ 34,207	6	\$ 81,650
GAAP EPS/ Non GAAP EPS - diluted	\$ 0.81	\$ 0.58	6	\$ 1.39

Reconciliation of Selected Non-GAAP Measures – Q2 FY12

Footnotes		
1	Adjustment relates to the exclusion of share based compensation expense from our non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results	
2	Adjustment relates to the exclusion of amortization expense from our non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.	
3	Adjustment relates to the exclusion of Special charges from our non-GAAP-based operating expenses as Special charges are generally incurred in the aftermath of acquisitions and are not indicative or related to continuing operations and are hence excluded from our internal analysis of operating results.	
4	Adjustment relates to the exclusion of Other income (expense) from our non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and are generally not indicative or related to continuing operations and are hence excluded from our internal analysis of operating results.	
5	Adjustment relates to differences between the GAAP-based tax rate of approximately 13% and a non-GAAP-based tax rate of 14%; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating non-GAAP-based net income.	
6	Reconciliation of non-GAAP-based adjusted net income to GAAP-based net income:	
	Three months ended December 31, 2011	
	Per share	
Non GAAP net income	81,650	1.39
Less:		
Amortization	34,698	0.59
Share-based compensation	3,397	0.06
Special charges	5,221	0.09
Other (income) expenses	(2,637)	(0.04)
GAAP based provision for income taxes	6,819	0.12
Tax on Non-GAAP based provision	(13,291)	(0.24)
GAAP net income	47,443	0.81

Reconciliation of Selected Non-GAAP Measures – Q2 FY11

(in '000s USD)	Three months ended December 31, 2010			
	GAAP	Adjustments	FN	Non- GAAP
Cost of Revenues:				
Customer support	\$ 21,542	\$ (9)	1	\$ 21,533
Service and other	41,158	(172)	1	40,986
Amortization of acquired technology-based intangibles	16,420	(16,420)	2	—
Gross profit	182,905	16,601		199,506
Operating expenses:				
Research and development	34,268	(832)	1	33,436
Sales and marketing	58,603	(2,299)	1	56,304
General and administrative	19,478	575	1	20,053
Amortization – customer based intangibles	9,256	(9,256)	2	—
Special charges	3,461	(3,461)	3	—
GAAP income from operations/ Non-GAAP operating income	52,581	31,874		84,455
Other expenses, net	(6,321)	6,321	4	—
Provision for income taxes	7,014	4,511	5	11,525
GAAP net income/ Non GAAP net income	\$ 37,110	\$ 33,684	6	\$ 70,794
GAAP EPS/ Non GAAP EPS - diluted	\$ 0.64	\$ 0.58	6	\$ 1.22

Reconciliation of Selected Non-GAAP Measures – Q2 FY11

Footnotes	
1	Adjustment relates to the exclusion of share based compensation expense from our non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results
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5	Adjustment relates to differences between the GAAP-based tax rate of approximately 16% and a non-GAAP-based tax rate of 14%; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating non-GAAP-based net income.
6	Reconciliation of non-GAAP-based adjusted net income to GAAP-based net income:
	Three months ended December 31, 2010
	Per share
	Non GAAP net income 70,794 1.22
	Less:
	Amortization 25,676 0.44
	Share-based compensation 2,737 0.05
	Special charges 3,461 0.06
	Other (income) expenses 6,321 0.11
	GAAP based provision for income taxes 7,014 0.12
	Tax on Non-GAAP based provision (11,525) (0.20)
	GAAP net income 37,110 0.64