

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 0-27544

OPEN TEXT CORPORATION

(Exact name of registrant as specified in its charter)

CANADA
(State or other jurisdiction of
incorporation or organization)

98-0154400
(IRS Employer
Identification No.)

275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1
(Address of principal executive offices)

(519) 888-7111
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At April 22, 2013, there were 58,607,036 outstanding Common Shares of the registrant.

OPEN TEXT CORPORATION

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

	March 31, 2013	June 30, 2012
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 446,911	\$ 559,747
Accounts receivable trade, net of allowance for doubtful accounts of \$5,858 as of March 31, 2013 and \$5,655 as of June 30, 2012 (note 3)	174,563	163,664
Income taxes recoverable (note 13)	23,977	17,849
Prepaid expenses and other current assets	47,787	44,011
Deferred tax assets (note 13)	15,727	4,003
Total current assets	708,965	789,274
Property and equipment (note 4)	83,776	81,157
Goodwill (note 5)	1,241,960	1,040,234
Acquired intangible assets (note 6)	397,154	312,563
Deferred tax assets (note 13)	141,501	115,128
Other assets (note 7)	21,528	23,739
Deferred charges (note 8)	58,598	68,653
Long-term income taxes recoverable (note 13)	11,840	13,545
Total assets	\$ 2,665,322	\$ 2,444,293
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 199,501	\$ 131,734
Current portion of long-term debt (note 10)	48,475	41,374
Deferred revenues	297,130	273,987
Income taxes payable (note 13)	6,323	27,806
Deferred tax liabilities (note 13)	1,188	1,612
Total current liabilities	552,617	476,513
Long-term liabilities:		
Accrued liabilities (note 9)	19,109	14,247
Deferred credits (note 8)	12,232	10,086
Pension liability (note 11)	24,429	22,074
Long-term debt (note 10)	525,000	555,000
Deferred revenues	10,824	12,653
Long-term income taxes payable (note 13)	151,643	147,623
Deferred tax liabilities (note 13)	71,972	26,705
Total long-term liabilities	815,209	788,388
Shareholders' equity:		
Share capital (note 12)		
58,607,036 and 58,358,990 Common Shares issued and outstanding at March 31, 2013 and June 30, 2012, respectively; Authorized Common Shares: unlimited	643,296	635,321
Additional paid-in capital	96,159	95,026
Accumulated other comprehensive income	38,699	44,364
Retained earnings	548,416	442,068
Treasury stock, at cost (610,878 and 793,494 shares at March 31, 2013 and at June 30, 2012, respectively)	(29,074)	(37,387)
Total shareholders' equity	1,297,496	1,179,392
Total liabilities and shareholders' equity	\$ 2,665,322	\$ 2,444,293

Guarantees and contingencies (note 17)
Related party transactions (note 21)
Subsequent Events (note 22)

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Revenues:				
License	\$ 69,035	\$ 60,957	\$ 200,816	\$ 215,688
Cloud Services	44,437	—	135,472	—
Customer support	166,573	166,057	493,327	493,440
Professional service and other	57,650	65,333	186,454	192,721
Total revenues	337,695	292,347	1,016,069	901,849
Cost of revenues:				
License	3,079	4,549	12,578	13,917
Cloud services	18,891	—	55,435	—
Customer support	27,497	27,987	81,597	82,724
Professional service and other	48,252	52,596	144,498	153,551
Amortization of acquired technology-based intangible assets (note 6)	23,058	21,264	70,031	63,307
Total cost of revenues	120,777	106,396	364,139	313,499
Gross profit	216,918	185,951	651,930	588,350
Operating expenses:				
Research and development	43,003	41,738	121,627	127,848
Sales and marketing	77,327	69,572	209,819	202,903
General and administrative	27,061	21,999	85,199	72,886
Depreciation	6,064	5,427	18,278	16,319
Amortization of acquired customer-based intangible assets (note 6)	17,149	13,462	51,548	39,948
Special charges (note 16)	5,444	6,450	17,267	18,776
Total operating expenses	176,048	158,648	503,738	478,680
Income from operations	40,870	27,303	148,192	109,670
Other income (expense), net	237	(1,804)	1,707	10,145
Interest expense, net	(4,109)	(4,761)	(12,992)	(11,154)
Income before income taxes	36,998	20,738	136,907	108,661
Provision for (recovery of) income taxes (note 13)	11,187	(14,036)	30,559	(8,542)
Net income for the period	\$ 25,811	\$ 34,774	\$ 106,348	\$ 117,203
Earnings per share—basic (note 20)	\$ 0.44	\$ 0.60	\$ 1.82	\$ 2.03
Earnings per share—diluted (note 20)	\$ 0.44	\$ 0.59	\$ 1.80	\$ 2.00
Weighted average number of Common Shares outstanding—basic	58,596	58,038	58,514	57,765
Weighted average number of Common Shares outstanding—diluted	59,077	58,821	59,001	58,697

See accompanying Notes to Condensed Consolidated Financial Statements

OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)
(unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Net income for the period	\$ 25,811	\$ 34,774	\$ 106,348	\$ 117,203
Other comprehensive income—net of tax:				
Net foreign currency translation adjustments	(3,325)	845	(4,790)	(11,127)
Net unrealized gain (loss) on cash flow hedges	(833)	1,738	(342)	(332)
Net actuarial gain (loss) relating to defined benefit pension plans	196	(3,316)	(533)	(3,522)
Total other comprehensive income (loss), net, for the period	\$ (3,962)	\$ (733)	\$ (5,665)	\$ (14,981)
Total comprehensive income	<u>\$ 21,849</u>	<u>\$ 34,041</u>	<u>\$ 100,683</u>	<u>\$ 102,222</u>

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

	Nine Months Ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net income for the period	\$ 106,348	\$ 117,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	139,857	119,574
Share-based compensation expense	10,153	13,406
Excess tax benefits on share-based compensation expense	(612)	(2,710)
Pension expense	692	477
Amortization of debt issuance costs	1,591	1,166
Amortization of deferred charges and credits	8,620	8,457
Loss on sale and write down of property and equipment	24	203
Deferred taxes	(7,362)	(21,092)
Impairment and other non cash charges	—	1,345
Changes in operating assets and liabilities:		
Accounts receivable	15,387	(9,264)
Prepaid expenses and other current assets	(2,061)	(3,107)
Income taxes	(14,907)	(950)
Deferred charges and credits	3,580	(24,078)
Accounts payable and accrued liabilities	(27,176)	(21,352)
Deferred revenue	18,192	8,497
Other assets	959	(1,131)
Net cash provided by operating activities	253,285	186,644
Cash flows from investing activities:		
Additions of property and equipment	(15,792)	(21,381)
Purchase of patents	—	(193)
Purchase of System Solutions Australia Pty Limited, net of cash acquired	(516)	(1,738)
Purchase of Operitel Corporation, net of cash acquired	—	(6,391)
Purchase of Global 360 Holding Corp., net of cash acquired	—	(245,653)
Purchase of EasyLink Services International Corporation, net of cash acquired	(315,331)	—
Purchase of Resonate KT Limited, net of cash acquired	(19,366)	—
Purchase consideration for prior period acquisitions	(653)	(926)
Net cash used in investing activities	(351,658)	(276,282)
Cash flows from financing activities:		
Excess tax benefits on share-based compensation expense	612	2,710
Proceeds from issuance of Common Shares	7,530	18,336
Proceeds from long-term debt and revolver	—	648,500
Repayment of long-term debt and revolver	(23,008)	(341,520)
Debt issuance costs	—	(9,834)
Net cash provided by (used in) financing activities	(14,866)	318,192
Foreign exchange gain (loss) on cash held in foreign currencies	403	(3,788)
Increase (decrease) in cash and cash equivalents during the period	(112,836)	224,766
Cash and cash equivalents at beginning of the period	559,747	284,140
Cash and cash equivalents at end of the period	\$ 446,911	\$ 508,906

Supplementary cash flow disclosures (note 19)

See accompanying Notes to Condensed Consolidated Financial Statements

OPEN TEXT CORPORATION
UNAUDITED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended March 31, 2013
(Tabular amounts in thousands, except share and per share data)

NOTE 1—BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements include the accounts of Open Text Corporation and our wholly-owned subsidiaries, collectively referred to as “OpenText” or the “Company”. All inter-company balances and transactions have been eliminated.

These condensed consolidated financial statements are expressed in U.S. dollars and are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). The information furnished reflects all adjustments necessary for a fair presentation of the results for the periods presented and includes the financial results of EasyLink Services International Corporation (EasyLink), with effect from July 2, 2012, and Resonate KT Limited (RKT), with effect from March 5, 2013 (see note 18).

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in the condensed consolidated financial statements. These estimates, judgments and assumptions are evaluated on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable at that time, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. In particular, significant estimates, judgments and assumptions include those related to: (i) revenue recognition, (ii) allowance for doubtful accounts, (iii) testing of goodwill for impairment, (iv) the valuation of acquired intangible assets, (v) the valuation of long-lived assets, (vi) the recognition of contingencies, (vii) restructuring accruals, (viii) acquisition accruals and pre-acquisition contingencies, (ix) asset retirement obligations, (x) the realization of investment tax credits, (xi) the valuation of stock options granted and liabilities related to share-based payments, including the valuation of our long-term incentive plan, (xii) the valuation of financial instruments, (xiii) the valuation of pension assets and obligations, and (xiv) accounting for income taxes.

Reclassifications

Cloud Services

Starting in the first quarter for the year ended June 30, 2013 (Fiscal 2013), in light of our acquisition of EasyLink on July 2, 2012, we adopted a policy to classify revenues and cost of revenues relating to “Cloud Services” as a separate line item within “Revenues” and “Cost of revenues”, respectively, on the Condensed Consolidated Statements of Income. No prior period comparative figures have been adjusted to conform to current period presentation since such prior period amounts are not material. For a detailed explanation of the products that make up our Cloud Services offerings please see our “Management's Discussion and Analysis of Financial Condition and Results of Operations” included under Part I, Item 2 to this Quarterly Report on Form 10-Q.

Research and Development Tax Credits

Non-refundable research and development tax credits are reflected as a component of “Income tax” expense on the Condensed Consolidated Statements of Income. Certain prior period comparative figures have been adjusted on the Condensed Consolidated Balance Sheets to conform to current period presentation. As of June 30, 2012, long-term “Deferred tax assets” have been increased from previously reported amounts by approximately \$34.9 million, with a corresponding decrease to “Long-term income taxes recoverable”. There was no change to total assets, liabilities, or shareholders' equity as a result of this reclassification. The prior period comparative figures on the Condensed Consolidated Statements of Income have not been adjusted as the amounts are not material.

NOTE 2—NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING POLICY UPDATES

Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2011-05, “Comprehensive Income (Topic 220)—Presentation of Comprehensive Income” (ASU 2011-05), to require an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either

in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of shareholders' equity.

In December 2011, the FASB issued Accounting Standards Update No. 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income (AOCI) in Accounting Standards Update No. 2011-05" (ASU 2011-12), which indefinitely defers the requirement that companies present reclassification adjustments for each component of AOCI in both net income and other comprehensive income (OCI) on the face of the financial statements.

In the first quarter of Fiscal 2013, we adopted ASU 2011-05 and ASU 2011-12. Pursuant to the adoptions, we have presented a separate Condensed Consolidated Statement of Comprehensive Income. There were no other significant or material changes to our reporting as a result of these adoptions.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" (ASU 2013-02), which requires the provision of information about the amounts reclassified out of accumulated other comprehensive income by component, as well as additional disclosure requirements for those amounts reclassified to net income in their entirety in the same reporting period. The pronouncement is effective for us in our first quarter for the year ending June 30, 2014 (Fiscal 2014) with earlier adoption permitted, which should be applied prospectively. We are currently evaluating the impact of our pending adoption of ASU 2013-02 on our Condensed Consolidated Financial Statements.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08, "Intangibles-Goodwill and Other (Topic 350)-Testing Goodwill for Impairment" (ASU 2011-08), to allow entities to use a qualitative approach to test goodwill for impairment. ASU 2011-08 permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. ASU 2011-08 is effective for us in Fiscal 2013 and earlier adoption is permitted. We do not expect the adoption of ASU 2011-08 in Fiscal 2013 to materially impact the carrying value of our recorded goodwill.

NOTE 3—ALLOWANCE FOR DOUBTFUL ACCOUNTS

Balance as of June 30, 2012	\$	5,655
Bad debt expense		2,558
Write-off/adjustments		(2,355)
Balance as of March 31, 2013	\$	5,858

NOTE 4—PROPERTY AND EQUIPMENT

	As of March 31, 2013		
	Cost	Accumulated Depreciation	Net
Furniture and fixtures	\$ 11,607	\$ (6,434)	\$ 5,173
Office equipment	1,127	(704)	423
Computer hardware	56,004	(38,946)	17,058
Computer software	16,401	(9,839)	6,562
Leasehold improvements	30,288	(16,801)	13,487
Buildings	45,459	(4,386)	41,073
Total	\$ 160,886	\$ (77,110)	\$ 83,776

	As of June 30, 2012		
	Cost	Accumulated Depreciation	Net
Furniture and fixtures	\$ 10,828	\$ (4,577)	\$ 6,251
Office equipment	975	(596)	379
Computer hardware	48,834	(34,799)	14,035
Computer software	13,558	(7,404)	6,154
Leasehold improvements	27,643	(13,777)	13,866
Buildings	44,034	(3,562)	40,472
Total	<u>\$ 145,872</u>	<u>\$ (64,715)</u>	<u>\$ 81,157</u>

NOTE 5—GOODWILL

Goodwill is recorded when the consideration paid for an acquisition of a business exceeds the fair value of identifiable net tangible and intangible assets. The following table summarizes the changes in goodwill since June 30, 2012:

Balance as of June 30, 2012	\$ 1,040,234
Acquisition of EasyLink (note 18)	188,581
Acquisition of RKT (note 18)	12,976
Adjustments on account of foreign exchange	169
Balance as of March 31, 2013	<u>\$ 1,241,960</u>

NOTE 6—ACQUIRED INTANGIBLE ASSETS

	As of March 31, 2013		
	Cost	Accumulated Amortization	Net
Technology Assets	\$ 552,508	\$ (379,548)	\$ 172,960
Customer Assets	501,076	(276,882)	224,194
Total	<u>\$ 1,053,584</u>	<u>\$ (656,430)</u>	<u>\$ 397,154</u>

	As of June 30, 2012		
	Cost	Accumulated Amortization	Net
Technology Assets	\$ 473,008	\$ (309,517)	\$ 163,491
Customer Assets	374,396	(225,324)	149,072
Total	<u>\$ 847,404</u>	<u>\$ (534,841)</u>	<u>\$ 312,563</u>

The weighted average amortization period for acquired technology and customer intangible assets is approximately six years and seven years, respectively.

The following table shows the estimated future amortization expense for the fiscal years indicated below. This calculation assumes no future adjustments to acquired intangible assets:

	Fiscal years ending June 30,
2013 (three months ended June 30)	\$ 40,607
2014	105,131
2015	81,433
2016	56,483
2017 and beyond	113,500
Total	\$ 397,154

NOTE 7—OTHER ASSETS

	As of March 31, 2013	As of June 30, 2012
Debt issuance costs	\$ 6,872	\$ 8,463
Deposits and restricted cash	8,611	7,515
Long-term prepaid expenses and other long-term assets	6,045	7,761
Total	\$ 21,528	\$ 23,739

Debt issuance costs relate primarily to costs incurred for the purpose of obtaining our term loan and are being amortized over the term of the loan (see note 10). Deposits and restricted cash relate to security deposits provided to landlords in accordance with facility lease agreements and cash restricted per the terms of contractual-based agreements. Long-term prepaid expenses and other long-term assets primarily relate to advance payments on long-term licenses that are being amortized over the applicable terms of the licenses.

NOTE 8—DEFERRED CHARGES AND CREDITS

Deferred charges and credits relate to cash taxes payable and the elimination of deferred tax balances relating to legal entity consolidations completed as part of an internal reorganization of our international subsidiaries. Deferred charges and credits are amortized to income tax expense over a period of six years.

NOTE 9—ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Current liabilities

Accounts payable and accrued liabilities are comprised of the following:

	As of March 31, 2013	As of June 30, 2012
Accounts payable—trade	\$ 5,688	\$ 7,574
Accrued salaries and commissions	44,343	50,821
Accrued liabilities	142,846	65,557
Amounts payable in respect of restructuring and other Special charges (note 16)	5,766	7,068
Asset retirement obligations	858	714
Total	\$ 199,501	\$ 131,734

The increase in accrued liabilities was primarily due to the acquisition of legacy EasyLink obligations.

Long-term accrued liabilities

	As of March 31, 2013	As of June 30, 2012
Amounts payable in respect of restructuring and other Special charges (note 16)	\$ 3,538	\$ 1,803
Other accrued liabilities*	10,554	8,819
Asset retirement obligations	5,017	3,625
Total	\$ 19,109	\$ 14,247

* Other accrued liabilities consist primarily of tenant allowances, deferred rent and lease fair value adjustments relating to certain facilities acquired through business acquisitions.

Asset retirement obligations

We are required to return certain of our leased facilities to their original state at the conclusion of our lease. We have accounted for such obligations in accordance with ASC Topic 410 "Asset Retirement and Environmental Obligations" (ASC Topic 410). As of March 31, 2013, the present value of this obligation was \$5.9 million (June 30, 2012—\$4.3 million), with an undiscounted value of \$6.3 million (June 30, 2012—\$4.8 million).

NOTE 10—LONG-TERM DEBT

Long-term debt

Long-term debt is comprised of the following:

	As of March 31, 2013	As of June 30, 2012
Long-term debt		
Term Loan	\$ 562,500	\$ 585,000
Mortgage	10,975	11,374
	<u>573,475</u>	<u>596,374</u>
Less:		
Current portion of long-term debt		
Term Loan	37,500	30,000
Mortgage	10,975	11,374
	<u>48,475</u>	<u>41,374</u>
Non current portion of long-term debt	<u>\$ 525,000</u>	<u>\$ 555,000</u>

Term Loan and Revolver

Our credit facility consists of a \$600 million term loan facility (the Term Loan) and a \$100 million committed revolving credit facility (the Revolver). Borrowings under the credit agreement are secured by a first charge over substantially all of our assets. We entered into and borrowed from this credit agreement on November 9, 2011.

The Term Loan has a five year term and repayments made under the Term Loan are equal to 1.25% of the original principal amount at each quarter for the first 2 years, 1.88% for years 3 and 4 and 2.5% for year 5. The Term Loan bears interest at a floating rate of LIBOR plus 2.50%. For the three and nine months ended March 31, 2013, we recorded interest expense of approximately \$3.7 million and \$11.9 million, respectively, relating to the Term Loan (three and nine months ended March 31, 2012—\$4.3 million and \$6.8 million, respectively).

For the three and nine months ended March 31, 2012, we recorded interest expense of nil and \$2.7 million, respectively, relating to our previously outstanding term loan.

The Revolver has a five year term with no fixed repayment date prior to the end of the term. As of March 31, 2013, we have not drawn any amounts on the Revolver.

Mortgage

We currently have an "open" mortgage with a bank where we can pay all or a portion of the mortgage on or before August 1, 2013. The original principal amount of the mortgage was Canadian \$15.0 million and interest accrues monthly at a variable rate of Canadian prime plus 0.50%. Principal and interest are payable in monthly installments of Canadian \$0.1 million with a final lump sum principal payment due on maturity. The mortgage is secured by a lien on our headquarters in Waterloo, Ontario, Canada. We first entered into this mortgage in December 2005.

As of March 31, 2013, the carrying value of the mortgage was \$11.0 million (June 30, 2012—\$11.4 million).

As of March 31, 2013, the carrying value of the Waterloo building that secures the mortgage was \$16.0 million (June 30, 2012—\$16.3 million).

For the three and nine months ended March 31, 2013, we recorded interest expense of \$0.1 million and \$0.3 million, respectively, relating to the mortgage (three and nine months ended March 31, 2012—\$0.1 million and \$0.3 million, respectively).

NOTE 11—PENSION PLANS AND OTHER POST RETIREMENT BENEFITS

The following table provides details of our defined benefit pension plans and long-term employee benefit obligations for Open Text Document Technologies GmbH (CDT) and Open Text Software GmbH (IXOS) as of March 31, 2013 and June 30, 2012:

	As of March 31, 2013		
	Total benefit obligation	Current portion of benefit obligation*	Non-current portion of benefit obligation
CDT defined benefit plan	\$ 23,856	\$ 518	\$ 23,338
CDT anniversary plan	457	82	375
CDT early retirement plan	—	—	—
IXOS defined benefit plans	716	—	716
Total	<u>\$ 25,029</u>	<u>\$ 600</u>	<u>\$ 24,429</u>

	As of June 30, 2012		
	Total benefit obligation	Current portion of benefit obligation*	Non-current portion of benefit obligation
CDT defined benefit plan	\$ 21,461	\$ 475	\$ 20,986
CDT anniversary plan	457	67	390
CDT early retirement plan	69	69	—
IXOS defined benefit plans	698	—	698
Total	<u>\$ 22,685</u>	<u>\$ 611</u>	<u>\$ 22,074</u>

* The current portion of the benefit obligation has been included within "Accounts payable and accrued liabilities" in the Condensed Consolidated Balance Sheets.

CDT Defined Benefit Plan

CDT sponsors an unfunded defined benefit pension plan covering substantially all CDT employees (CDT pension plan) which provides for old age, disability and survivors' benefits. Benefits under the CDT pension plan are generally based on age at retirement, years of service and the employee's annual earnings. The net periodic cost of this pension plan is determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and estimated service costs.

The following are the details of the change in the benefit obligation for the CDT pension plan for the periods indicated:

	As of March 31, 2013	As of June 30, 2012
Benefit obligation—as of June 30, 2012	\$ 21,461	\$ 18,231
Service cost	343	326
Interest cost	666	873
Benefits paid	(345)	(441)
Actuarial loss	752	5,179
Foreign exchange (gain) loss	979	(2,707)
Benefit obligation—as of March 31, 2013	<u>23,856</u>	<u>21,461</u>
Less: Current portion	<u>(518)</u>	<u>(475)</u>
Non current portion of benefit obligation	<u>\$ 23,338</u>	<u>\$ 20,986</u>

The following are the details of net pension expense for the CDT pension plan for the periods indicated:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Pension expense:				
Service cost	\$ 113	\$ 82	\$ 343	\$ 248
Interest cost	220	222	666	666
Amortization of actuarial gains and losses	69	—	208	—
Net pension expense	<u>\$ 402</u>	<u>\$ 304</u>	<u>\$ 1,217</u>	<u>\$ 914</u>

The CDT pension plan is an unfunded plan and therefore no contributions have been made since the inception of the plan. Actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation or the market-related value of plan obligations are being amortized and recognized as a component of net periodic benefit costs over the average remaining service period of the plan's active employees. Currently there is approximately \$0.1 million in accumulated other comprehensive income related to the CDT pension plan that is expected to be recognized as a component of net periodic benefit costs over the remaining fiscal year.

In determining the fair value of the CDT pension plan benefit obligations as of March 31, 2013 and June 30, 2012, respectively, we used the following weighted-average key assumptions:

	As of March 31, 2013	As of June 30, 2012
Assumptions:		
Salary increases	2.50%	2.50%
Pension increases	2.00%	2.00%
Discount rate	3.60%	4.00%
Employee fluctuation rate:		
to age 30	1.00%	1.00%
to age 35	0.50%	0.50%
to age 40	—%	—%
to age 45	0.50%	0.50%
to age 50	0.50%	0.50%
from age 51	1.00%	1.00%

Anticipated pension payments under the CDT pension plan for the fiscal years indicated below are as follows:

	Fiscal years ending June 30,
2013 (three months ended June 30)	\$ 130
2014	534
2015	601
2016	672
2017	733
2018 to 2022	5,730
Total	<u>\$ 8,400</u>

CDT Anniversary Plan

CDT's long-term employee benefit obligations arise under CDT's "anniversary plan". The obligation is unfunded and is carried at its fair value.

IXOS Defined Benefit Plans

Included in our pension liability, as of March 31, 2013, is a net amount of \$0.7 million (June 30, 2012—\$0.7 million) that relates to two IXOS defined benefit pensions plans (IXOS pension plans) in connection with certain former members of the

IXOS Board of Directors and certain IXOS employees, respectively. The net periodic pension cost with respect to the IXOS pension plans is determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and the expected return on plan assets.

NOTE 12—SHARE CAPITAL, OPTION PLANS AND SHARE-BASED PAYMENTS

Share Capital

Our authorized share capital includes an unlimited number of Common Shares and an unlimited number of Preference Shares. No Preference Shares have been issued.

Treasury Stock

During the three and nine months ended March 31, 2013 and 2012, we did not repurchase any of our Common Shares for potential future reissuance under our Long Term Incentive Plans (LTIP) or otherwise.

During the three and nine months ended March 31, 2013, we issued nil and 182,616 Common Shares, respectively, from treasury stock in connection with the settlement of awards granted under our Fiscal 2012 LTIP (three and nine months ended March 31, 2012—nil). See below for more details regarding this settlement.

Share-Based Payments

Total share-based compensation expense for the periods indicated below is detailed as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Stock options	\$ 1,553	\$ 1,428	\$ 4,120	\$ 3,200
Performance stock units (issued under LTIP)	1,336	3,460	3,996	9,780
Restricted stock units (issued under LTIP)	509	—	886	—
Restricted stock units (other)	123	93	425	93
Deferred stock units (directors)	356	177	716	306
Restricted stock awards (legacy Vignette employees)	—	7	10	27
Total share-based compensation expense	<u>\$ 3,877</u>	<u>\$ 5,165</u>	<u>\$ 10,153</u>	<u>\$ 13,406</u>

Summary of Outstanding Stock Options

As of March 31, 2013, options to purchase an aggregate of 2,188,491 Common Shares were outstanding and 2,691,000 Common Shares were available for issuance under our stock option plans. Our stock options generally vest over four years and expire between seven and ten years from the date of the grant. The exercise price of the options is set at an amount that is not less than the closing price of our Common Shares on the NASDAQ on the trading day immediately preceding the applicable grant date.

A summary of activity under our stock option plans for the nine months ended March 31, 2013 is as follows:

	Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (\$'000s)
Outstanding at June 30, 2012	2,147,151	\$ 40.07		
Granted	360,045	54.89		
Exercised	(205,455)	28.62		
Forfeited or expired	(113,250)	45.27		
Outstanding at March 31, 2013	<u>2,188,491</u>	<u>\$ 43.32</u>	<u>4.34</u>	<u>\$ 34,957</u>
Exercisable at March 31, 2013	<u>994,071</u>	<u>\$ 30.43</u>	<u>2.27</u>	<u>\$ 28,537</u>

We estimate the fair value of stock options using the Black-Scholes option-pricing model, consistent with the provisions of ASC Topic 718, “Compensation—Stock Compensation” (ASC Topic 718) and SEC Staff Accounting Bulletin No. 107. The option-pricing models require input of subjective assumptions, including the estimated life of the option and the expected volatility of the underlying stock over the estimated life of the option. We use historical volatility as a basis for projecting the expected volatility of the underlying stock and estimate the expected life of our stock options based upon historical data.

We believe that the valuation technique and the approach utilized to develop the underlying assumptions are appropriate in calculating the fair value of our stock option grants. Estimates of fair value are not intended, however, to predict actual future events or the value ultimately realized by employees who receive equity awards.

For the periods indicated, the weighted-average fair value of options and weighted-average assumptions used were as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Weighted-average fair value of options granted	\$ 18.08	\$ 22.38	\$ 17.17	\$ 21.20
Weighted-average assumptions used:				
Expected volatility	36%	42%	37%	42%
Risk-free interest rate	0.76%	0.67%	0.67%	0.70%
Expected dividend yield	—%	—%	—%	—%
Expected life (in years)	4.35	4.97	4.35	4.81
Forfeiture rate (based on historical rates)	5%	5%	5%	5%

As of March 31, 2013, the total compensation cost related to the unvested stock option awards not yet recognized was \$17.8 million, which will be recognized over a weighted-average period of approximately 3.3 years.

No cash was used by us to settle equity instruments granted under share-based compensation arrangements.

We have not capitalized any share-based compensation costs as part of the cost of an asset in any of the periods presented.

For the three and nine months ended March 31, 2013, cash in the amount of \$0.5 million and \$5.9 million, respectively, was received as the result of the exercise of options granted under share-based payment arrangements. The tax benefit realized by us during the three and nine months ended March 31, 2013 from the exercise of options eligible for a tax deduction was nil and \$0.8 million, respectively.

For the three and nine months ended March 31, 2012, cash in the amount of \$6.5 million and \$16.7 million, respectively, was received as the result of the exercise of options granted under share-based payment arrangements. The tax benefit realized by us during the three and nine months ended March 31, 2012 from the exercise of options eligible for a tax deduction was \$2.9 million and \$3.7 million, respectively.

Long-Term Incentive Plans

On September 10, 2007, our Board of Directors (the Board) approved the implementation of an incentive plan called the “Open Text Corporation Long-Term Incentive Plan” (LTIP). The LTIP is a rolling three year program that grants eligible employees a certain number of target Performance Share Units (PSUs) and/or Restricted Stock Units (RSUs). Target PSUs become vested upon the satisfaction of certain financial and/or operational performance criteria (the Performance Conditions) that are determined at the time of the grant. Target RSUs become vested when an eligible employee remains employed throughout the vesting period. LTIP grants that have recently vested, or which are still not vested, are described below. LTIP grants will be referred to in this document based upon the year in which the grants are expected to vest and be settled.

Grants made in Fiscal 2010 under the LTIP (Fiscal 2012 LTIP) took effect in Fiscal 2010 starting on March 31, 2010. Grants made under the Fiscal 2012 LTIP consisted of PSUs and the Performance Conditions for vesting related to these grants were a combination of market and performance based conditions. We met some of the Performance Conditions and settled the Fiscal 2012 LTIP by issuing 182,616 Common Shares from treasury stock in the three months ended December 31, 2012, with a cost of approximately \$8.3 million.

Grants made in Fiscal 2011 under the LTIP (Fiscal 2013 LTIP) took effect in Fiscal 2011 starting on October 29, 2010. Grants made under the Fiscal 2013 LTIP consisted of PSUs and the Performance Conditions for vesting relating to these grants are a combination of market and performance based conditions. We expect to settle the Fiscal 2013 LTIP awards in stock.

Grants made in Fiscal 2012 under the LTIP (Fiscal 2014 LTIP) took effect in Fiscal 2012 starting on February 3, 2012. Grants made under the Fiscal 2014 LTIP consisted of PSUs and the Performance Conditions for vesting relating to these grants are based solely on market conditions. We expect to settle the Fiscal 2014 LTIP awards in stock.

Grants made in Fiscal 2013 under the LTIP (Fiscal 2015 LTIP) took effect in Fiscal 2013 starting on November 2, 2012 for the RSUs and December 3, 2012 for the PSUs. The Performance Conditions for vesting of the PSUs are based solely upon market conditions. RSUs granted are employee service-based awards and vest over the life of the LTIP. We expect to settle the Fiscal 2015 LTIP awards in stock.

PSUs and RSUs granted under the LTIPs have been measured at fair value as of the effective date, consistent with ASC Topic 718, and will be charged to share-based compensation expense over the remaining life of the plan. We estimate the fair value of PSUs using the Monte Carlo pricing model and RSUs have been valued based upon their grant date fair value.

Expected and actual stock compensation expense for each of the above mentioned LTIP plans is as follows:

Grants Made Under LTIP	Equity Instrument	Grant Date	End Date	Expected Total LTIP Expense	Three Months Ended March 31,		Nine Months Ended March 31,	
					2013	2012	2013	2012
Fiscal 2012 LTIP	PSU	3/31/2010	9/15/2012	17,314	—	2,147	579	7,427
Fiscal 2013 LTIP	PSU	10/29/2010	9/15/2013	4,646	272	585	870	1,625
Fiscal 2014 LTIP	PSU	2/3/2012	9/15/2014	8,500	787	728	2,184	728
Fiscal 2015 LTIP	PSU	12/3/2012	9/15/2015	3,132	277	—	363	—
Fiscal 2015 LTIP	RSU	11/2/2012	9/15/2015	6,226	509	—	886	—
				39,818	1,845	3,460	4,882	9,780

Of the total compensation cost of \$39.8 million noted in the table above, \$26.6 million has been recognized to date and the remaining expected total compensation cost of \$13.2 million is expected to be recognized over a weighted average period of 2.1 years.

Employee Share Purchase Plan (ESPP)

During the three and nine months ended March 31, 2013, cash in the amount of approximately \$0.6 million and \$1.6 million, respectively, was received from employees that will be used to purchase Common Shares in future periods (three and nine months ended March 31, 2012— \$0.6 million and \$1.6 million).

NOTE 13—INCOME TAXES

Our effective tax rate represents the net effect of the mix of income earned in various tax jurisdictions that are subject to a wide range of income tax rates.

We recognize interest expense and penalties related to income tax matters in income tax expense.

For the three and nine months ended March 31, 2013 and 2012, we recognized the following amounts as income tax-related interest expense and penalties:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Interest expense	1,777	1,825	1,590	8,284
Penalties expense (recovery)	11	25	47	(7,216)
Total	1,788	1,850	1,637	1,068

As of March 31, 2013 and June 30, 2012, the following amounts have been accrued on account of income tax-related interest expense and penalties:

	As of March 31, 2013	As of June 30, 2012
Interest expense accrued *	\$ 21,332	\$ 19,316
Penalties accrued *	\$ 5,972	\$ 4,040

- * These balances have been included within "Long-term income taxes payable" within the Condensed Consolidated Balance Sheets.

Included in the accrual balances as of March 31, 2013 are accrued interest expense and penalties of \$0.4 million and \$1.9 million, respectively, relating to the acquisition of EasyLink.

We believe that it is reasonably possible that the gross unrecognized tax benefits, as of March 31, 2013, could decrease tax expense in the next 12 months by \$11.4 million, relating primarily to the expiration of competent authority relief and tax years becoming statute barred for purposes of future tax examinations by local taxing jurisdictions.

Our four most significant tax jurisdictions are Canada, the United States, Luxembourg and Germany. Our tax filings remain subject to examination by applicable tax authorities for a certain length of time following the tax year to which those filings relate. Tax years that remain open to examinations by local taxing authorities vary by jurisdiction up to ten years.

We are subject to tax examinations in all major taxing jurisdictions in which we operate and currently have examinations open in Canada, the United States, France, Spain, and India. On a quarterly basis we assess the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for income and other taxes.

We believe that we have adequately provided for any reasonably foreseeable outcomes related to our tax examinations and that any settlement will not have a material adverse effect on our consolidated financial position or results of operations. However, we cannot predict with any level of certainty the exact nature of any future possible settlements.

As at March 31, 2013, we have not provided for additional foreign withholding taxes or deferred income tax liabilities for temporary differences related to the undistributed earnings of our non-Canadian subsidiaries other than certain United States subsidiaries, since such earnings are considered permanently invested in those subsidiaries, or are not subject to withholding taxes. It is not practicable to reasonably estimate the amount of additional deferred income tax liabilities or foreign withholding taxes that may be payable should these earnings be distributed in the future. We do plan to make periodic repatriations that will be subject to withholding taxes from certain United States subsidiaries and have accrued additional tax cost attributable to these distributions in the amount of \$0.5 million.

The net increase in tax expense from a \$8.5 million tax recovery for the nine months ended March 31, 2012 to a tax expense of \$30.6 million for the nine months ended March 31, 2013 was primarily due to the impact of one-time tax benefits realized in Fiscal 2012 relating to the internal reorganization of the acquired international subsidiaries of Metastorm Inc. and Global 360 Holding Corp., in the amount of \$30.8 million, and a Canadian election to file tax returns in U.S. dollar functional currency, in the amount of \$5.9 million. The Fiscal 2013 tax expense includes an increase of \$5.9 million relating to the impact of adjustments in the United States and Australia upon filing of tax returns. The remainder of the differences are due to normal course movements in the tax provision.

NOTE 14—FAIR VALUE MEASUREMENTS

ASC Topic 820 "Fair Value Measurements and Disclosures" (ASC Topic 820) defines fair value, establishes a framework for measuring fair value, and addresses disclosure requirements for fair value measurements. Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value, in this context, should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk, including our own credit risk.

In addition to defining fair value and addressing disclosure requirements, ASC Topic 820 establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1—inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2—inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis:

Our financial assets and liabilities measured at fair value on a recurring basis consisted of the following types of instruments as of March 31, 2013 and June 30, 2012:

	March 31, 2013				June 30, 2012			
	Fair Market Measurements using:				Fair Market Measurements using:			
	Quoted prices in active markets for identical assets/ (liabilities)	Significant other observable inputs	Significant unobservable inputs		Quoted prices in active markets for identical assets/ (liabilities)	Significant other observable inputs	Significant unobservable inputs	
March 31, 2013	(Level 1)	(Level 2)	(Level 3)		June 30, 2012	(Level 1)	(Level 2)	(Level 3)
Financial Assets:								
Derivative financial instrument asset (liability) (note 15)	\$ (185)	n/a	\$ (185)		\$ 283	n/a	\$ 283	n/a
	\$ (185)	n/a	\$ (185)		\$ 283	n/a	\$ 283	n/a

Our valuation techniques used to measure the fair values of the derivative instruments, the counterparty to which has high credit ratings, were derived from pricing models including discounted cash flow techniques, with all significant inputs derived from or corroborated by observable market data, as no quoted market prices exist for the derivative instruments. Our discounted cash flow techniques use observable market inputs, such as foreign currency spot and forward rates.

Our cash and cash equivalents, along with our accounts receivable and accounts payable and accrued liabilities balances, are measured and recognized in our consolidated financial statements at an amount which approximates their fair value (a Level 3 measurement) due to their short maturities.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

We measure certain assets at fair value on a nonrecurring basis. These assets are recognized at fair value when they are deemed to be other-than-temporarily impaired. During the three and nine months ended March 31, 2013 and 2012, no indications of impairment were identified and therefore no fair value measurements were required.

If applicable, we will recognize transfers into and out of levels within the fair value hierarchy at the end of the reporting period in which the actual event or change in circumstance occurs. During the three and nine months ended March 31, 2013 and 2012, we did not have any significant transfers in or out of Level 2 or Level 3.

NOTE 15—DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Foreign Currency Forward Contracts

We are engaged in a hedging program with a Canadian chartered bank to limit the potential foreign exchange fluctuations incurred on future cash flows related to a portion of our Canadian dollar payroll expenses. We operate internationally and are therefore exposed to foreign currency exchange rate fluctuations in the normal course of our business, in particular to changes in the Canadian dollar on account of large costs that are incurred from our centralized Canadian operations, which are denominated in Canadian dollars. As part of our risk management strategy, we use derivative instruments to hedge portions of our payroll exposure. We do not use these forward contracts for trading or speculative purposes. These forward contracts typically mature between one and twelve months.

We have designated these transactions as cash flow hedges of forecasted transactions under ASC Topic 815 “Derivatives and Hedging” (ASC Topic 815). As the critical terms of the hedging instrument, and of the entire hedged forecasted transaction, are the same, in accordance with ASC Topic 815 we have been able to conclude that changes in fair value or cash flows attributable to the risk being hedged are expected to completely offset at inception and on an ongoing basis. Accordingly, quarterly unrealized gains or losses on the effective portion of these forward contracts have been included within other comprehensive income. The fair value of the contracts, as of March 31, 2013, is recorded within “Accounts payable and accrued liabilities”.

As of March 31, 2013, the notional amount of forward contracts we held to sell U.S. dollars in exchange for Canadian dollars was \$49.8 million (June 30, 2012—\$99.6 million).

In addition, in April 2013 we purchased additional forward contracts to sell U.S. dollars in exchange for Canadian dollars in the amount of \$49.8 million.

Fair Value of Derivative Instruments and Effect of Derivative Instruments on Financial Performance

The effect of these derivative instruments on our consolidated financial statements for the periods indicated below were as follows (amounts presented do not include any income tax effects).

Fair Value of Derivative Instruments in the Consolidated Balance Sheets (see note 14)

Derivatives	Balance Sheet Location	As of March 31, 2013	As of June 30, 2012
		Fair Value Asset (Liability)	Fair Value Asset (Liability)
Foreign currency forward contracts designated as cash flow hedges	Prepaid expenses and other current assets (Accounts payable and accrued liabilities)	\$ (185)	\$ 283

Effects of Derivative Instruments on Income and Other Comprehensive Income (OCI)

Three and Nine Months Ended March 31, 2013							
Derivatives in Cash Flow Hedging Relationship	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
	Three months ended March 31, 2013	Nine months ended March 31, 2013		Three months ended March 31, 2013	Nine months ended March 31, 2013		
Foreign currency forward contracts	\$ (1,235)	\$ 1,490	Operating expenses	\$ (102)	\$ 1,958	N/A	—
Three and Nine Months Ended March 31, 2012							
Derivatives in Cash Flow Hedging Relationship	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
	Three months ended March 31, 2012	Nine months ended March 31, 2012		Three months ended March 31, 2012	Nine months ended March 31, 2012		
Foreign currency forward contracts	\$ 1,964	\$ (288)	Operating expenses	\$ (426)	\$ 217	N/A	—

NOTE 16—SPECIAL CHARGES

Special charges include costs that relate to certain restructuring initiatives that we have undertaken from time to time under our various restructuring plans, as well as acquisition related costs and other similar charges.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Fiscal 2013 Restructuring Plan	\$ 3,076	\$ —	\$ 11,338	\$ —
Fiscal 2012 Restructuring Plan	237	4,813	1,224	12,938
Fiscal 2011 Restructuring Plan	—	183	(384)	1,157
Fiscal 2010 Restructuring Plan	—	15	(2)	1
Acquisition-related costs	1,148	1,439	2,760	3,335
Other charges	983	—	2,331	1,345
Total	<u>\$ 5,444</u>	<u>\$ 6,450</u>	<u>\$ 17,267</u>	<u>\$ 18,776</u>

Reconciliations of the liability relating to each of our materially outstanding restructuring plans are provided below:

Fiscal 2013 Restructuring Plan

In the first quarter of Fiscal 2013, we began to implement restructuring activities to streamline our operations (Fiscal 2013 Restructuring Plan). These charges relate to workforce reductions and facility consolidations. We expect to incur more charges under the Fiscal 2013 Restructuring Plan, as we execute the remaining restructuring actions. As of March 31, 2013, we expect total costs to be incurred in conjunction with the Fiscal 2013 Restructuring Plan to be approximately \$13.3 million, of which \$11.3 million has already been recorded within Special charges to date.

The recognition of these charges requires management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. Our estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. On a quarterly basis, we will conduct an evaluation of the related liabilities and expenses and revise our assumptions and estimates as appropriate.

A reconciliation of the beginning and ending liability for the nine months ended March 31, 2013 is shown below.

Fiscal 2013 Restructuring Plan	Workforce reduction	Facility costs	Total
Balance as of June 30, 2012	\$ —	\$ —	\$ —
Accruals and adjustments	6,421	4,917	11,338
Cash payments	(4,559)	(901)	(5,460)
Foreign exchange	14	22	36
Balance as of March 31, 2013	<u>\$ 1,876</u>	<u>\$ 4,038</u>	<u>\$ 5,914</u>

Fiscal 2012 Restructuring Plan

In the first quarter of Fiscal 2012, we began to implement restructuring activities to streamline our operations (Fiscal 2012 Restructuring Plan). These charges relate to workforce reductions and facility consolidations. The recognition of these charges requires management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. On a quarterly basis, we will conduct an evaluation of the related liabilities and expenses and revise our assumptions and estimates as appropriate.

Since the inception of the Fiscal 2012 restructuring plan, \$18.1 million of costs have been recorded within Special charges. We do not expect to incur any further significant charges related to the Fiscal 2012 Restructuring Plan.

A reconciliation of the beginning and ending liability for the nine months ended March 31, 2013 is shown below.

Fiscal 2012 Restructuring Plan	Workforce reduction	Facility costs	Total
Balance as of June 30, 2012	\$ 4,422	\$ 3,355	\$ 7,777
Accruals and adjustments	1,242	(18)	1,224
Cash payments	(4,839)	(979)	(5,818)
Foreign exchange	(61)	59	(2)
Balance as of March 31, 2013	\$ 764	\$ 2,417	\$ 3,181

Acquisition-related costs

Included within Special charges for the three and nine months ended March 31, 2013 are costs incurred directly in relation to acquisitions in the amount of \$0.6 million and \$1.8 million, respectively (three and nine months ended March 31, 2012—nil and \$1.1 million, respectively). Additionally, we incurred costs relating to financial advisory, legal, valuation and audit services and other miscellaneous costs necessary to integrate acquired companies into our organization, for the three and nine months ended March 31, 2013, in the amount of \$0.6 million and \$1.0 million, respectively (three and nine months ended March 31, 2012—\$1.4 million and \$2.2 million, respectively).

Other charges

Included within Special charges are certain “other charges” detailed as follows: For the three months ended March 31, 2013 “other charges” include approximately \$0.6 million relating to interest accrued on certain pre-acquisition sales tax liabilities and an additional charge of \$0.4 million relating to an allocated portion of a litigation settlement, reached in relation to a legacy acquisition litigation matter. For the nine months ended March 31, 2013 “other charges” include \$1.9 million relating to interest accrued on certain pre-acquisition sales tax liabilities and the additional charge of \$0.4 million referred to above.

Included within Special charges for the three and nine months ended March 31, 2012 are a recovery of nil and \$0.8 million, respectively, relating to a reduction in an asset retirement obligation associated with a leased facility, a recovery of nil and \$0.6 million, respectively, relating to a new sublease on a restructured facility acquired in a prior period, and nil and \$2.7 million, respectively, related to the write-off of debt issuance costs, associated with our old term loan, that was repaid after we entered into our current credit facility on November 9, 2011.

NOTE 17—GUARANTEES AND CONTINGENCIES

We have entered into the following contractual obligations with minimum payments for the indicated fiscal periods as follows:

	Payments due between				
	Total	April 1, 2013— June 30, 2013	July 1, 2013— June 30, 2015	July 1, 2015— June 30, 2017	July 1, 2017 and beyond
Long-term debt obligations	\$ 620,719	\$ 11,652	\$ 124,937	\$ 484,130	\$ —
Operating lease obligations*	152,543	8,632	59,276	38,883	45,752
Purchase obligations	8,488	1,869	5,686	933	—
	<u>\$ 781,750</u>	<u>\$ 22,153</u>	<u>\$ 189,899</u>	<u>\$ 523,946</u>	<u>\$ 45,752</u>

*Net of \$2.1 million of sublease income to be received from properties which we have subleased to third parties.

Guarantees and Indemnifications

We have entered into agreements with customers which may include provisions for indemnifying our customers for legal claims that our software products infringe certain third party intellectual property rights and for liabilities related to breaches of our confidentiality obligations. We have not made any material payments in relation to such indemnification provisions and have not accrued any liabilities related to these indemnification provisions in our Condensed Consolidated Financial Statements.

Litigation

J2 Litigation

j2 Global, Inc. and its wholly-owned subsidiary Advanced Messaging Technologies, Inc. (collectively “j2”) had filed several patent infringement lawsuits alleging that OpenText and its subsidiaries and predecessors-in-interest, Captaris, Inc. (Captaris) and EasyLink Services International Corporation and Xpedite Services LLC (collectively “EasyLink”), were infringing U.S. Patent Nos. 6,208,638, 6,597,688, 7,020,132, 6,350,066, and 6,020,980 by offering fax-related products. j2 had sought injunctions, royalties and damages in this matter.

Through the recent acquisition of EasyLink, OpenText inherited complete carriage of the defense of these cases, which were pending in the United States District Court for the Central District of California. In each of the cases, OpenText and its subsidiaries or predecessors-in-interest had asserted defenses and counterclaims contending that the patents are invalid and not infringed.

OpenText and j2 entered, on April 23, 2013, into a settlement in relation to these disputes, the terms of which include a one-time fee payable by OpenText to j2 of \$27.0 million (\$16.4 million net of taxation impacts to Open Text), and dismissal of all the lawsuits between the parties with prejudice.

Other Litigation

We are currently involved in various claims and legal proceedings.

Quarterly, we review the status of each significant legal matter and evaluate such matters to determine how they should be treated for accounting and disclosure purposes in accordance with the requirements of ASC Topic 450-20 "Loss Contingencies" (ASC Topic 450-20). Specifically, this evaluation process includes the centralized tracking and itemization of the status of all our disputes and litigation items, discussing the nature of any litigation and claim, including any dispute or claim that is reasonably likely to result in litigation, with relevant internal and external counsel, and assessing the progress of each matter in light of its merits and our experience with similar proceedings under similar circumstances.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss in accordance with ASC Topic 450-20. As of the date of this filing on Form 10-Q for the quarter ended March 31, 2013, we do not believe that the outcomes of any of these matters, individually or in the aggregate, will result in losses that are materially in excess of amounts already recognized.

Contingencies

EasyLink is currently being assessed by the New York State Department of Taxation and Finance (the Department) for the potential applicability of telecommunications excise and franchise taxes to its New York State revenues for the calendar year ended December 31, 2000 through to calendar year ended December 31, 2009. The potential exposure under this assessment, based upon the notice issued by the Department, is approximately \$10.5 million.

In addition, in July 2009 EasyLink was assessed approximately \$0.5 million in tax, interest and penalties for sales tax in New York State for the period between March 2001 and May 2004. EasyLink has posted a bond in this amount and is pursuing a judicial appeal of the July 2009 decision with New York State Court of Appeals. New York State sales tax audits are also currently underway for subsequent periods from June 2004 through to February 2011. The results of these audits for subsequent periods, and the potential sales tax exposure for EasyLink, are in significant part contingent upon the outcome of the above referenced sales tax appeal.

OpenText intends to vigorously defend against these claims.

NOTE 18—ACQUISITIONS

Resonate KT Limited

On March 5, 2013, we acquired Resonate KT Limited (RKT), based in Cardiff, United Kingdom. RKT is a leading provider of software that enables organizations to visualize unstructured data, create new user experiences for Enterprise Content Management (ECM) and xECM for SAP, as well as build industry based applications that maximize unstructured data residing within Content Server, a key component of the OpenText ECM suite. Total consideration for RKT was \$20.0 million (\$19.4 million - net of cash acquired), paid in cash. In accordance with ASC Topic 805 "Business Combinations" (ASC Topic 805), this acquisition was accounted for as a business combination.

Acquisition related costs for RKT included in Special charges in the Condensed Consolidated Statements of Income for the three months ended March 31, 2013 were \$0.2 million.

The results of operations of RKT have been consolidated with those of OpenText beginning March 5, 2013.

EasyLink Services International Corporation

On July 2, 2012, we acquired EasyLink Services International Corporation (EasyLink), a global provider of cloud-based electronic messaging and business integration services, based in Atlanta, Georgia. The acquisition extends our product offerings as we continue to evolve in the Enterprise Information Management market category. Total consideration for EasyLink was \$342.3 million, paid in cash. In accordance with ASC Topic 805, this acquisition was accounted for as a business combination.

The results of operations of EasyLink have been consolidated with those of OpenText beginning July 2, 2012.

The following tables summarize the consideration paid for EasyLink and the amount of the assets acquired and liabilities assumed, as well as the goodwill recorded as of the acquisition date:

Cash consideration paid	\$	342,272
Acquisition related costs (included in Special charges in the Condensed Consolidated Statements of Income):		
for the three months ended March 31, 2013	\$	351
for the nine months ended March 31, 2013	\$	1,566
The recognized amounts of identifiable assets acquired and liabilities assumed, based upon their fair values as of July 2, 2012, are set forth below:		
Current assets (inclusive of cash acquired of \$26,941)	\$	64,319
Non-current assets		37,537
Intangible customer assets		126,600
Intangible technology assets		70,500
Total liabilities assumed		(145,265)
Total identifiable net assets		153,691
Goodwill		188,581
	\$	342,272

The finalization of the above purchase price allocation is pending the determination of certain potential unrecorded liabilities relating to onerous contracts and sales tax-related matters. We expect to finalize this determination on or before June 30, 2013.

As indicated earlier in note 17 "Guarantees and Contingencies", OpenText and j2 recently entered into a settlement agreement, the terms of which included the settlement of legacy EasyLink litigation with j2. As this matter related to facts and circumstances that existed at the date of acquisition and based on the fact that the measurement period has been kept open for this and other disclosed matters, we recorded \$16.4 million to the purchase price allocation as an accretion to goodwill with a corresponding increase in liabilities. This amount represents the gross value of the settlement, net of a recovery for taxes expected to be deductible as a result of the payment of the settlement.

No portion of the goodwill recorded upon the acquisition of EasyLink is expected to be deductible for tax purposes.

The fair value of current assets acquired includes accounts receivable with a fair value of \$26.2 million. The gross amount receivable was \$27.5 million of which \$1.3 million of this receivable was expected to be uncollectible.

The amount of EasyLink's revenues and net income included in our Condensed Consolidated Statements of Income for the three and nine months ended March 31, 2013, and the unaudited pro forma revenues and net income of the combined entity, had the acquisition been consummated as of July 1, 2011, are set forth below:

	January 1, 2013— March 31, 2013	July 2, 2012— March 31, 2013
Revenues	42,517	130,134
Net Income	3,265	7,310

	Three Months Ended March 31,	Nine Months Ended March 31,
	2012	2012
<i>Supplemental Unaudited Pro forma Information</i>		
Total revenues	\$ 337,686	\$ 1,039,210
Net income*	\$ 34,561	\$ 132,162

*Included in pro forma net income are estimated amortization charges relating to the allocated values of intangible assets. In addition, for the nine months ended March 31, 2012, pro forma net income includes a \$13.2 million tax recovery relating to certain one-time tax benefits recognized by EasyLink during the period.

The results of operations of EasyLink were combined with OpenText as of July 2, 2012 and hence there is no "reportable" pro forma impact on revenues and net income for the three and nine months ended March 31, 2013.

The unaudited pro forma financial information in the table above is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the period presented or the results that may be realized in the future.

NOTE 19—SUPPLEMENTAL CASH FLOW DISCLOSURES

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Cash paid during the period for interest	\$ 3,931	\$ 7,296	\$ 12,473	\$ 11,017
Cash received during the period for interest	\$ 340	\$ 519	\$ 1,071	\$ 961
Cash paid during the period for income taxes	\$ 9,129	\$ 6,401	\$ 46,690	\$ 15,058

Cash paid for taxes for the three and nine months ended March 31, 2013 include payments of nil and \$24.2 million, respectively, relating to taxes exigible on internal reorganizations of our international subsidiaries.

NOTE 20—EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share are computed by dividing net income by the shares used in the calculation of basic earnings per share plus the dilutive effect of Common Share equivalents, such as stock options, using the treasury stock method. Common Share equivalents are excluded from the computation of diluted net income per share if their effect is anti-dilutive.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Basic earnings per share				
Net income	\$ 25,811	\$ 34,774	\$ 106,348	\$ 117,203
Basic earnings per share	\$ 0.44	\$ 0.60	\$ 1.82	\$ 2.03
Diluted earnings per share				
Net income	\$ 25,811	\$ 34,774	\$ 106,348	\$ 117,203
Diluted earnings per share	\$ 0.44	\$ 0.59	\$ 1.80	\$ 2.00
Weighted-average number of shares outstanding				
Basic	58,596	58,038	58,514	57,765
Effect of dilutive securities	481	783	487	932
Diluted	59,077	58,821	59,001	58,697
Excluded as anti-dilutive*	1,213	448	1,108	239

* Represents options to purchase Common Shares excluded from the calculation of diluted net income per share because the exercise price of the stock options was greater than or equal to the average price of the Common Shares during the period.

NOTE 21—RELATED PARTY TRANSACTIONS

Our procedure regarding the approval of any related party transaction requires that the material facts of such transaction be reviewed by the independent members of our Board and the transaction approved by a majority of the independent members of the Board. The Board reviews all transactions in which we are, or will be, a participant and any related party has or will have a direct or indirect interest. In determining whether to approve a related party transaction, the Board generally takes into account, among other facts it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; the extent and nature of the related person's interest in the transaction; the benefits to the Company of the proposed transaction; if applicable, the effects on a director's independence; and if applicable, the availability of other sources of comparable services or products.

During the nine months ended March 31, 2013, Mr. Stephen Sadler, a director, earned approximately \$0.5 million (nine months ended March 31, 2012—\$0.7 million) in consulting fees from OpenText for assistance with acquisition-related business activities. Mr. Sadler abstained from voting on all transactions from which he would potentially derive consulting fees.

NOTE 22—SUBSEQUENT EVENTS

On April 24, 2013 we announced we have adopted a policy to declare non-cumulative quarterly dividends to holders of our Common Shares and that our Board of Directors has declared an initial dividend of \$0.30 per share, payable on June 21, 2013, to the shareholders of record on May 31, 2013.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), contains forward-looking statements regarding future events and our future results that are subject to the safe harbors within the meaning of the Private Securities Litigation Reform Act of 1995, and created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking statements.

Certain statements in this report may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would" and other similar language and are considered forward-looking statements or information under applicable securities laws. In addition, any information or statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and based on our current expectations, estimates, forecasts and projections about the operating environment, economies and markets in which we operate. Such forward-looking information or statements are subject to important assumptions, risks and uncertainties that are difficult to predict, and the actual outcome may be materially different. Our assumptions, although considered reasonable by us at the date of this report, may prove to be inaccurate and consequently our actual results could differ materially from the expectations set out herein.

You should not rely too heavily on the forward-looking statements contained in this Quarterly Report on Form 10-Q because these forward-looking statements are relevant only as of the date they were made. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking information or statements. You should carefully review Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q and other documents we file from time to time with the Securities and Exchange Commission and other applicable securities regulators. A number of factors may materially affect our business, financial condition, operating results and prospects. These factors include but are not limited to those set forth in Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q and elsewhere in this report and in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K and elsewhere in such Annual Report. Any one of these factors, and other factors that we are unaware of, or currently deem immaterial, may cause our actual results to differ materially from recent results or from our anticipated future results.

The following MD&A is intended to help readers understand our results of operations and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Condensed Consolidated Financial Statements and the accompanying Notes to our Condensed Consolidated Financial Statements (the Notes) under Part I, Item 1 of this Quarterly Report on Form 10-Q.

All comparisons made herein generally refer to the three and nine months ended March 31, 2013 compared with the three and nine months ended March 31, 2012, unless otherwise noted.

Where we say “we”, “us”, “our”, “OpenText” or “the Company”, we mean Open Text Corporation or Open Text Corporation and its subsidiaries, as applicable.

EXECUTIVE OVERVIEW

We are an independent company providing a comprehensive suite of information management software products that help people in organizations work, interact, and innovate in a secure, engaging, and productive way. We build software that allows companies to organize and manage their content, operate more efficiently and effectively, increase engagement with customers, collaborate with business partners, and address regulatory and business requirements associated with information management. Our products incorporate social and mobile experiences and are delivered for on-premise implementation as well as through cloud and managed hosted services.

Our initial public offering was on the NASDAQ in 1996 and we were subsequently listed on the Toronto Stock Exchange in 1998. We are a multinational company and currently employ approximately 5,000 people worldwide.

Quarterly Summary:

During the quarter we saw the following activity:

- Total revenue was \$337.7 million, up 15.5% over the same period in the prior fiscal year.
- License revenue was \$69.0 million, up 13.3% over the same period in the prior fiscal year.
- GAAP-based EPS, diluted, was \$0.44 compared to \$0.59 in the same period of the prior fiscal year.
- Non-GAAP-based EPS, diluted, was \$1.26 compared to \$1.01 in the same period of the prior fiscal year.
- GAAP-based operating income margin was 12.1% compared to 9.3% in the same period of the prior fiscal year.
- Non-GAAP-based operating income margin was 26.8% compared to 25.2% in the same period of the prior fiscal year.
- Operating cash flow was \$116.8 million, up 20.9% over the same period in the prior fiscal year, and has exceeded \$100.0 million for the first time in OpenText history.
- Cash and cash equivalents was \$446.9 million as of March 31, 2013, compared to \$559.7 million as of June 30, 2012.

See "Use of Non-GAAP Financial Measures" below for a reconciliation of non-GAAP-based measures to GAAP-based measures.

Acquisitions

Our competitive position in the marketplace requires us to maintain a complex and evolving array of technologies, products, services and capabilities. In light of the continually evolving marketplace in which we operate, we regularly evaluate various acquisition opportunities within our traditional Enterprise Content Management (ECM) market and also in the broader Enterprise Information Management (EIM) market. For the fiscal year ending June 30, 2013 (Fiscal 2013), we have made the following acquisitions to date:

- On July 2, 2012, we acquired EasyLink Services International Corporation (EasyLink), a company based in Georgia, USA and a global provider of cloud-based electronic messaging and business integration services for \$342.3 million.
- On March 5, 2013, we acquired Resonate KT Limited (RKT), a company based in Cardiff, United Kingdom, for \$20.0 million. RKT is a leading provider of software that enables organizations to visualize unstructured data, create new user experiences for ECM and xECM for SAP, as well as build industry based applications that maximize unstructured data residing within Content Server, a key component of the OpenText ECM suite.

We believe our acquisitions support our long-term strategic direction, strengthen our competitive position, expand our customer base, provide greater scale to accelerate innovation, grow our earnings and increase shareholder value. We expect to continue to strategically acquire companies, products, services and technologies to augment our existing business. See note 18 “Acquisitions” to our Condensed Consolidated Financial Statements for more details.

Outlook for the Remainder of Fiscal 2013

We believe we have a strong position in the EIM market. We continue to have approximately 50% of our revenues from customer support revenues, which are generally a recurring source of income, and we expect this trend will continue. We also believe that our diversified geographic profile helps strengthen our position and helps to reduce our impact from a downturn in the economy that may occur in any one specific region. Our goal is to build on our leadership in ECM, Business Process Management (BPM) and Customer Experience Management (CEM) and to expand our position in Information Exchange (iX) and Discovery, to emerge as the leading vendor in EIM.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements. These estimates, judgments and assumptions are evaluated on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable at that time, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- (i) Revenue recognition,
- (ii) Goodwill,
- (iii) Acquired intangibles,
- (iv) Restructuring charges,
- (v) Business combinations,
- (vi) Foreign currency translation, and
- (vii) Income taxes.

During the first nine months of Fiscal 2013, there were no significant changes to our critical accounting policies and estimates. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for our fiscal year ended June 30, 2012 provides a more complete discussion of our critical accounting policies and estimates.

RESULTS OF OPERATIONS

The following tables provide a detailed analysis of our results of operations and financial condition. For each of the periods indicated below, we present our revenues by product, revenues by major geography, cost of revenues by product, total gross margin, total operating margin, gross margin by product, and their corresponding percentage of total revenue. In addition, we provide non-GAAP measures for the periods discussed in order to provide additional information to investors that we believe will be useful as this presentation is in line with how our management assesses our Company's performance. See "Use of Non-GAAP Financial Measures" below for a reconciliation of non-GAAP-based measures to GAAP-based measures.

Summary of Results of Operations

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
<u>Total Revenues by Product Type:</u>						
License	\$ 69,035	\$ 8,078	\$ 60,957	\$ 200,816	\$ (14,872)	\$ 215,688
Cloud Services	44,437	44,437	—	135,472	135,472	—
Customer support	166,573	516	166,057	493,327	(113)	493,440
Professional service and other	57,650	(7,683)	65,333	186,454	(6,267)	192,721
Total revenues	337,695	45,348	292,347	1,016,069	114,220	901,849
Total Cost of Revenues	120,777	14,381	106,396	364,139	50,640	313,499
Total GAAP-based Gross Margin	216,918	30,967	185,951	651,930	63,580	588,350
Total GAAP-based Gross Margin %	64.2%		63.6%	64.2%		65.2%
Total GAAP-based Operating Expenses	176,048	17,400	158,648	503,738	25,058	478,680
Total GAAP-based Income from Operations	\$ 40,870	\$ 13,567	\$ 27,303	\$ 148,192	\$ 38,522	\$ 109,670
<u>% Revenues by Product Type:</u>						
License	20.4%		20.9%	19.8%		23.9%
Cloud Services	13.2%		—%	13.3%		—%
Customer support	49.3%		56.8%	48.6%		54.7%
Professional service and other	17.1%		22.3%	18.3%		21.4%
<u>Total Cost of Revenues by Product Type:</u>						
License	\$ 3,079	\$ (1,470)	\$ 4,549	\$ 12,578	\$ (1,339)	\$ 13,917
Cloud Services	18,891	18,891	—	55,435	55,435	—
Customer support	27,497	(490)	27,987	81,597	(1,127)	82,724
Professional service and other	48,252	(4,344)	52,596	144,498	(9,053)	153,551
Amortization of acquired technology-based intangible assets	23,058	1,794	21,264	70,031	6,724	63,307
Total cost of revenues	\$ 120,777	\$ 14,381	\$ 106,396	\$ 364,139	\$ 50,640	\$ 313,499
<u>% GAAP-based Gross Margin by Product Type:</u>						
License	95.5%		92.5%	93.7%		93.5%
Cloud Services	57.5%		N/A	59.1%		N/A
Customer support	83.5%		83.1%	83.5%		83.2%
Professional service and other	16.3%		19.5%	22.5%		20.3%
<u>Total Revenues by Geography:</u>						
Americas*	\$ 179,437	\$ 25,277	\$ 154,160	\$ 545,744	\$ 73,363	\$ 472,381
EMEA**	125,981	13,803	112,178	368,113	10,140	357,973
Asia Pacific***	32,277	6,268	26,009	102,212	30,717	71,495
Total revenues	\$ 337,695	\$ 45,348	\$ 292,347	\$ 1,016,069	\$ 114,220	\$ 901,849
<u>% Revenues by Geography:</u>						
Americas*	53.1%		52.7%	53.7%		52.4%
EMEA**	37.3%		38.4%	36.2%		39.7%
Asia Pacific***	9.6%		8.9%	10.1%		7.9%

(In thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
GAAP-based gross margin	64.2%	63.6%	64.2%	65.2%
GAAP-based operating margin	12.1%	9.3%	14.6%	12.2%
GAAP-based EPS, diluted	\$ 0.44	\$ 0.59	\$ 1.80	\$ 2.00
Non-GAAP-based gross margin ****	71.2%	71.0%	71.2%	72.3%
Non-GAAP-based operating margin ****	26.8%	25.2%	29.2%	27.2%
Non-GAAP-based EPS, diluted ****	\$ 1.26	\$ 1.01	\$ 4.14	\$ 3.43

* Americas primarily consists of countries in North, Central and South America.

** EMEA primarily consists of countries in Europe, Africa and the United Arab Emirates.

*** Asia Pacific primarily consists of the countries Japan, Australia, Hong Kong, Singapore and New Zealand

**** See "Use of Non-GAAP Financial Measures" below for a reconciliation of Non-GAAP based measures to GAAP based measures

Revenues, Cost of Revenues and Gross Margin by Product Type

1) License Revenues:

License Revenues consist of fees earned from the licensing of software products to customers. Our license revenues are impacted by the strength of general economic and industry conditions, the competitive strength of our software products, and our acquisitions. Cost of license revenues consists primarily of royalties payable to third parties.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
<u>License Revenues:</u>						
Americas	\$ 31,776	3,104	\$28,672	\$ 94,565	\$ (11,899)	\$ 106,464
EMEA	30,530	5,569	24,961	84,959	(4,646)	89,605
Asia Pacific	6,729	(595)	7,324	21,292	1,673	19,619
Total License Revenues	69,035	8,078	60,957	200,816	(14,872)	215,688
Cost of License Revenues	3,079	(1,470)	4,549	12,578	(1,339)	13,917
GAAP-based License Margin	\$ 65,956	9,548	\$56,408	\$ 188,238	\$ (13,533)	\$ 201,771
GAAP-based License Margin %	95.5%		92.5%	93.7%		93.5%

% License Revenues by Geography:

Americas	46.0%	47.0%	47.1%	49.4%
EMEA	44.2%	41.0%	42.3%	41.5%
Asia Pacific	9.8%	12.0%	10.6%	9.1%

License revenues increased by \$8.1 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This is geographically attributable to an increase in Americas of \$3.1 million, and an increase in EMEA of \$5.6 million, partially offset by a decrease of \$0.6 million in Asia Pacific. Additionally, the increase in license revenues was attributable to a higher number of deals greater than \$0.5 million that closed in the third quarter of Fiscal 2013 compared to the same period in the prior fiscal year (21 deals compared to 12).

License revenues decreased by \$14.9 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This is geographically attributable to a decrease in Americas of \$11.9 million, and a decrease of \$4.6 million in EMEA, partially offset by an increase of \$1.7 million in Asia Pacific. Additionally, the decrease in license revenues was attributable to a lower number of deals greater than \$0.5 million that closed during the period compared to the same period in the prior fiscal year (48 deals compared to 63).

Cost of license revenues decreased during the three and nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This is primarily due to lower third party technology costs.

2) Cloud Services:

Cloud services revenues consist of “managed hosting” services arrangements (through dedicated servers) primarily attributable to our acquisition of EasyLink. These arrangements allow our customers to make use of legacy EasyLink and OpenText software, services and content over Internet enabled networks supported by OpenText data centers. The hosted web applications allow customers to transmit a variety of content between various mediums and to securely manage enterprise information without the commitment of investing in related hardware infrastructure. Revenues are generated on several transactional usage-based models, are typically billed monthly in arrears, and can therefore fluctuate from period to period. Certain service fees are occasionally charged to customize hosted software for some customers and are either amortized over the expected economic life of the contract, in the case of setup fees, or recognized in the period they are provided. Cost of cloud services revenues is comprised primarily of third party network usage fees, maintenance of an in-house data hardware center, technical support personnel-related costs and some third party royalty costs.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Cloud Services:						
Americas	\$ 29,169	29,169	N/A	\$ 87,630	87,630	N/A
EMEA	6,761	6,761	N/A	20,356	20,356	N/A
Asia Pacific	8,507	8,507	N/A	27,486	27,486	N/A
Total Cloud Services Revenues	44,437	44,437	—	135,472	135,472	—
Cost of Cloud Services Revenues	18,891	18,891	—	55,435	55,435	—
GAAP-based Cloud Services Revenues Margin	\$ 25,546	25,546	\$ —	\$ 80,037	80,037	\$ —
GAAP-based Cloud Services Revenues Margin %	57.5%		N/A	59.1%		N/A

% Cloud Services Revenues by Geography:

Americas	65.6%	N/A	64.7%	N/A
EMEA	15.3%	N/A	15.0%	N/A
Asia Pacific	19.1%	N/A	20.3%	N/A

As a result of our EasyLink acquisition on July 2, 2012, during the first quarter of Fiscal 2013 we adopted a policy to classify revenues and cost of revenues relating to "Cloud Services" as separate line items within "Revenues" and "Cost of Revenues", respectively, in our Condensed Consolidated Statements of Income. No prior period comparative figures have been adjusted to conform to current period presentation since such prior period amounts were not material.

3) Customer Support Revenues:

Customer support revenues consist of revenues from our customer support and maintenance agreements. These agreements allow our customers to receive technical support, enhancements and upgrades to new versions of our software products when and if available. Customer support revenues are generated from support and maintenance relating to current year sales of software products and from the renewal of existing maintenance agreements for software licenses sold in prior periods. Therefore, changes in customer support revenues do not always correlate directly to the changes in license revenues from period to period. The terms of support and maintenance agreements are typically twelve months, with customer renewal options. Cost of customer support revenues is comprised primarily of technical support personnel and related costs, as well as third party royalty costs.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Customer Support Revenues:						
Americas	\$ 89,108	(2,269)	\$ 91,377	\$265,809	2,043	\$263,766
EMEA	64,156	2,192	61,964	188,691	(4,408)	193,099
Asia Pacific	13,309	593	12,716	38,827	2,252	36,575
Total customer support revenues	166,573	516	166,057	493,327	(113)	493,440
Cost of Customer Support Revenues	27,497	(490)	27,987	81,597	(1,127)	82,724
GAAP-based Customer Support Margin	\$139,076	1,006	\$138,070	\$411,730	1,014	\$410,716
GAAP-based Customer Support Margin %	83.5%		83.1%	83.5%		83.2%

% Customer Support Revenues by Geography:						
Americas	53.5%		55.0%	53.9%		53.5%
EMEA	38.5%		37.3%	38.2%		39.1%
Asia Pacific	8.0%		7.7%	7.9%		7.4%

Customer support revenues increased by \$0.5 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was geographically attributable to an increase in EMEA of \$2.2 million, and an increase in Asia Pacific of \$0.6 million, partially offset by a decrease in the Americas of \$2.3 million.

Customer support revenues decreased by \$0.1 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was geographically attributable to an increase in the Americas of \$2.0 million, and an increase in Asia Pacific of \$2.3 million, partially offset by a decrease in EMEA of \$4.4 million.

Cost of customer support revenues was relatively stable, with margins remaining at approximately 83% during the three and nine months ended March 31, 2013, as compared to the same period in the prior fiscal year.

4) Professional Service and Other Revenues:

Professional service and other revenues consist of revenues from consulting contracts and contracts to provide implementation, training and integration services (Professional services). "Other" revenues consist of hardware revenues. These revenues are grouped within the "Professional service and other" category because they are relatively immaterial to our service revenues. Professional services are typically performed after the purchase of new software licenses. Cost of professional service and other revenues consists primarily of the costs of providing integration, configuration and training with respect to our various software products. The most significant components of these costs are personnel-related expenses, travel costs and third party subcontracting.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Professional Service and Other Revenues:						
Americas	\$ 29,384	(4,727)	\$ 34,111	\$ 97,739	(4,412)	\$102,151
EMEA	24,534	(718)	25,252	74,108	(1,160)	75,268
Asia Pacific	3,732	(2,238)	5,970	14,607	(695)	15,302
Total Professional Service and Other Revenues	57,650	(7,683)	65,333	186,454	(6,267)	192,721
Cost of Professional Service and Other Revenues	48,252	(4,344)	52,596	144,498	(9,053)	153,551
GAAP-based Professional Service and Other Revenues Margin	\$ 9,398	(3,339)	\$ 12,737	\$ 41,956	2,786	\$ 39,170
GAAP-based Professional Service and Other Revenues Margin %	16.3%		19.5%	22.5%		20.3%

% Professional Service and Other Revenues by Geography:						
Americas	51.0%		52.2%	52.4%		53.0%
EMEA	42.5%		38.7%	39.8%		39.1%
Asia Pacific	6.5%		9.1%	7.8%		7.9%

Professional service and other revenues decreased by \$7.7 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was geographically attributable to a decrease in Americas of \$4.7 million, a decrease in EMEA of \$0.7 million, and a decrease in Asia Pacific of \$2.2 million.

Professional service and other revenues decreased by \$6.3 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was geographically attributable to a decrease in Americas of \$4.4 million, a decrease of \$1.2 million in EMEA, and a decrease of \$0.7 million in Asia Pacific.

Cost of professional service and other revenues decreased during the three and nine months ended March 31, 2013 by \$4.3 million and \$9.1 million, respectively, as compared to the same period in the prior fiscal year. This is primarily due to lower professional service and other revenues, as well as the reduction in the use of subcontractors.

As a result of efficiencies achieved and improved utilization, we have experienced increased margins in professional services during the nine months ended March 31, 2013. However, we experienced lower margins during the three months ended March 31, 2013 due to lower professional service and other revenues as compared to the same period in the prior fiscal year.

Amortization of Acquired Technology-based Intangible Assets

Amortization of acquired technology-based intangible assets increased during the three and nine months ended March 31, 2013 by approximately \$1.8 million and \$6.7 million, respectively, as compared to the same period in the prior fiscal year. This is due to the acquisition of EasyLink during Fiscal 2013.

Operating Expenses

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Research and development	\$ 43,003	1,265	\$ 41,738	\$ 121,627	(6,221)	\$ 127,848
Sales and marketing	77,327	7,755	69,572	209,819	6,916	202,903
General and administrative	27,061	5,062	21,999	85,199	12,313	72,886
Depreciation	6,064	637	5,427	18,278	1,959	16,319
Amortization of acquired customer-based intangible assets	17,149	3,687	13,462	51,548	11,600	39,948
Special charges	5,444	(1,006)	6,450	17,267	(1,509)	18,776
Total operating expenses	\$ 176,048	17,400	\$ 158,648	\$ 503,738	25,058	\$ 478,680

In % of Total Revenues:

Research and development	12.7%	14.3%	12.0%	14.2%
Sales and marketing	22.9%	23.8%	20.7%	22.5%
General and administrative	8.0%	7.5%	8.4%	8.1%
Depreciation	1.8%	1.9%	1.8%	1.8%
Amortization of acquired customer-based intangible assets	5.1%	4.6%	5.1%	4.4%
Special charges	1.6%	2.2%	1.7%	2.1%

Research and development expenses consist primarily of personnel expenses, contracted research and development expenses, and facility costs. Research and development assists with organic growth, improves product stability and functionality, and as such we dedicate extensive efforts to update and upgrade our product offering. The primary driver is typically budgeted software upgrades and software development.

(In thousands)	Quarter-over-quarter Change between Fiscal	YTD-over-YTD Change between Fiscal
	2013 and 2012	2013 and 2012
Payroll and payroll-related benefits	\$ 1,512	\$ (1,585)
Contract labour and consulting	(901)	(3,820)
Share based compensation	(565)	(1,580)
Travel and communication	(375)	(1,558)
Facilities	(292)	(2,300)
Other miscellaneous	1,886	4,622
Total year-over-year change in research and development expenses	\$ 1,265	\$ (6,221)

Research and development expenses increased by \$1.3 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was primarily due to a \$1.5 million increase in payroll and payroll-related benefits as a result of growth in the development employee base, partially offset by a \$0.9 million decrease in fees related to contract labour and consulting services.

Research and development expenses decreased by \$6.2 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was primarily due to a decrease in fees related to contract labour and consulting services of \$3.8 million, and a decrease in payroll and payroll-related benefits of \$1.6 million, which was the result of a redeployment of development employees to foster continued expansion in the EIM market. Correspondingly, the change in labour resources resulted in a decrease in travel and communication, in the amount of \$1.5 million, and the use of facility and related resources, in the amount of \$2.3 million.

Sales and marketing expenses consist primarily of personnel expenses and costs associated with advertising, marketing and trade shows.

(In thousands)	Quarter-over-quarter Change between Fiscal	YTD-over-YTD Change between Fiscal
	2013 and 2012	2013 and 2012
Payroll and payroll-related benefits	\$ 5,677	\$ 10,451
Commissions	(2,237)	(12,083)
Contract labour and consulting	(570)	(1,255)
Share based compensation	73	(54)
Travel and communication	1,270	889
Marketing expenses	2,804	7,752
Facilities	1,211	2,227
Other miscellaneous	(473)	(1,011)
Total year-over-year change in sales and marketing expenses	\$ 7,755	\$ 6,916

Sales and marketing expenses increased by \$7.8 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This is due to an increase in payroll and payroll-related benefits of \$5.7 million and an increase in marketing expenses of \$2.8 million. This increase was partially offset by a decrease in commission benefits of \$2.2 million, which was largely the result of lower year to date license revenues.

Sales and marketing expenses increased by \$6.9 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This is primarily due to a \$10.4 million increase in payroll and payroll-related benefits and an increase of \$7.8 million in marketing expenses. This increase was partially offset by a \$12.1 million decrease in commission benefits resulting from lower year to date license revenues.

General and administrative expenses consist primarily of personnel expenses, related overhead, audit fees, other professional fees, consulting expenses and public company costs.

(In thousands)	Quarter-over-quarter Change between Fiscal	YTD-over-YTD Change between Fiscal
	2013 and 2012	2013 and 2012
Payroll and payroll-related benefits	\$ 2,268	\$ 4,318
Contract labour and consulting	(177)	(712)
Share based compensation	(1,017)	(1,994)
Travel and communication	1,712	2,712
Facilities and Information Technology (IT) costs	(991)	(1,370)
Other miscellaneous	3,267	9,359
Total year-over-year change in general and administrative expenses	\$ 5,062	\$ 12,313

General and administrative expenses increased during the three and nine months ended March 31, 2013 by \$5.1 million and \$12.3 million, respectively, as compared to the same period in the prior fiscal year. This is due to an increase in other miscellaneous expenses, and payroll and payroll-related benefits, which was primarily due to the short-term impact of the acquisition of EasyLink. General and administrative expenses as a percentage of revenue remained relatively stable at approximately 8% for each of the relevant periods.

Depreciation expenses:

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Depreciation	\$ 6,064	\$ 637	\$ 5,427	18,278	1,959	16,319

Depreciation expenses increased during the three and nine months ended March 31, 2013 by \$0.6 million and \$2.0 million, respectively, as compared to the same period in the prior fiscal year. This is primarily due to the acquisition of EasyLink during Fiscal 2013.

Amortization of acquired customer-based intangible assets:

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Amortization of acquired customer-based intangible assets	\$ 17,149	\$ 3,687	\$ 13,462	51,548	11,600	39,948

Acquired customer-based intangible assets amortization expense increased during the three and nine months ended March 31, 2013 by \$3.7 million and \$11.6 million, respectively, as compared to the same period in the prior fiscal year. This is due to the acquisition of EasyLink during Fiscal 2013.

Special charges:

Special charges typically relate to amounts that we expect to pay in connection with restructuring plans relating to employee workforce reduction and abandonment of excess facilities, acquisition related costs and other similar charges. Generally, we implement such plans in the context of integrating existing OpenText operations with that of acquired entities. Actions related to such restructuring plans are typically completed within a period of one year. In certain limited situations, if the planned activity does not need to be implemented, or an expense lower than anticipated is paid out, we record a recovery of the originally recorded expense to Special charges.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Special charges	\$ 5,444	\$ (1,006)	\$ 6,450	17,267	(1,509)	18,776

Special charges decreased by \$1.0 million during the three months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was primarily due to the substantial completion of our Fiscal 2012 restructuring activities, offset by an increase in other charges.

Special charges decreased by \$1.5 million during the nine months ended March 31, 2013, as compared to the same period in the prior fiscal year. This was primarily due to a reduction in restructuring activity costs of \$1.9 million.

For more details on Special charges, see note 16 "Special Charges" to our Condensed Consolidated Financial Statements.

Net Other Income (Expense)

Net other income (expense) relates to certain non-operational charges consisting primarily of transactional foreign exchange gains (losses). These income (expenses) are dependent upon the change in foreign currency exchange rates vis-à-vis the functional currency of the legal entity and we are unable to predict the impact of these income (expenses) on our net income.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change	2012	2013	Change	2012
Other income (expense), net	\$ 237	\$ 2,041	\$ (1,804)	1,707	(8,438)	10,145

Net Interest Expense

Net interest expense is primarily comprised of cash interest paid and accrued on our debt facilities, offset by interest income earned on our cash and cash equivalents.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change	2012	2013	Change	2012
Interest expense, net	\$ (4,109)	652	\$ (4,761)	(12,992)	(1,838)	(11,154)

Net interest expense decreased during the three months ended March 31, 2013 by \$0.7 million as compared to the same period in the prior fiscal year. This was primarily due to less interest paid on the Term Loan resulting from the reduced principal amount and lower interest rates.

Net interest expense increased during the nine months ended March 31, 2013 by \$1.8 million as compared to the same period in the prior fiscal year. This increase is primarily due to interest incurred on a new credit facility we entered into on November 9, 2011, which resulted in additional borrowings, as compared to our outstanding debt during the nine months ended March 31, 2012. For more details see note 10 "Long-Term Debt" to our Condensed Consolidated Financial Statements.

Provision for Income Taxes

We initiated an internal reorganization of our international subsidiaries in Fiscal 2010 and we continue to integrate acquisitions into this new organizational structure for the following reasons: 1) to consolidate our intellectual property within certain jurisdictions, 2) to effect an operational reduction of our global subsidiaries with a view to, eventually, having a single operating legal entity in each jurisdiction, 3) to better safeguard our intellectual property in jurisdictions with well established legal regimes and protections and 4) to simplify the management of our intellectual property ownership.

We operate in several tax jurisdictions and are exposed to various foreign tax rates. We also note that we are subject to tax rate discrepancies between our domestic tax rate and foreign tax rates that are significant and these discrepancies are primarily related to the United States, Luxembourg and Germany.

(In thousands)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012	2013	Change increase (decrease)	2012
Provision for income taxes	\$ 11,187	\$ 25,223	\$ (14,036)	30,559	39,101	(8,542)

The net increase from a \$14.0 million tax recovery for the three months ended March 31, 2012 to a tax expense of \$11.2 million for the three months ended March 31, 2013 was primarily due to the one-time impact of tax benefits realized in Fiscal 2012 relating to the internal reorganization of the acquired international subsidiaries of Global 360 Holding Corp.

The net increase from a \$8.5 million tax recovery for the nine months ended March 31, 2012 to a tax expense of \$30.6 million for the nine months ended March 31, 2013 was primarily due to the one-time impact of tax benefits realized in Fiscal 2012 relating to the internal reorganization of the acquired international subsidiaries of Metastorm Inc. and Global 360 Holding Corp., in the amount of \$30.8 million, and a Canadian election to file tax returns in U.S. dollar functional currency, in the amount of \$5.9 million. The Fiscal 2013 tax expense includes an increase of \$5.9 million relating to the impact of adjustments in the United States and Australia upon filing of tax returns. The remainder of the differences is due to normal course movements and non-material items.

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. GAAP, the Company provides certain financial measures that are not in accordance with U.S. GAAP. These non-U.S. 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-U.S. 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 these non-U.S. GAAP financial measures both in its reconciliation to the U.S. GAAP financial measures and its consolidated financial statements, all of which should be considered when evaluating the Company's results. The Company uses these non-U.S. GAAP financial measures to supplement the information provided in its consolidated financial statements, which are presented in accordance with U.S. GAAP. The presentation of non-U.S. GAAP financial measures are not meant to be a substitute for financial measures presented in accordance with U.S. GAAP, but rather should be evaluated in conjunction with and as a supplement to such U.S. GAAP measures. OpenText 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 U.S. GAAP measures with certain non-U.S. GAAP measures. Non-U.S. GAAP net income and non-U.S. GAAP 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 restructuring, all net of tax. The Company's management believes that the presentation of non-U.S. GAAP net income and non-U.S. GAAP 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 intangible assets, restructuring costs, 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 U.S. GAAP. The Company believes the provision of supplemental non-U.S. 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 OpenText's performance or expected performance of future 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 U.S. GAAP measures, supplementary non-U.S. GAAP financial measures that exclude certain items from the presentation of its financial results.

The following charts provide unaudited reconciliations of U.S. GAAP based financial measures to non-U.S. GAAP based financial measures for the following periods presented:

Reconciliation of selected GAAP-based measures to Non-GAAP based measures for the three months ended March 31, 2013 and 2012, respectively.
(in thousands except for per share data)

	Three Months Ended March 31,							
	2013				2012			
	GAAP-based Measures	Adjust- ments	Note	Non- GAAP- based	GAAP-based Measures	Adjust- ments	Note	Non- GAAP- based
Cost of revenues								
Cloud Services	18,891	(50)	(1)	18,841	—	—		—
Customer Support	27,497	(130)	(1)	27,367	27,987	(53)	(1)	27,934
Professional Service and Other	48,252	(295)	(1)	47,957	52,596	(203)	(1)	52,393
Amortization of acquired technology-based intangible assets	23,058	(23,058)	(2)	—	21,264	(21,264)	(2)	—
GAAP-based gross profit/ Non-GAAP-based gross profit	216,918	23,533		240,451	185,951	21,520		207,471
Operating Expenses								
Research and development	43,003	(498)	(1)	42,505	41,738	(1,028)	(1)	40,710
Sales and marketing	77,327	(2,634)	(1)	74,693	69,572	(2,594)	(1)	66,978
General and administrative	27,061	(270)	(1)	26,791	21,999	(1,287)	(1)	20,712
Amortization of acquired customer-based intangible assets	17,149	(17,149)	(2)	—	13,462	(13,462)	(2)	—
Special charges	5,444	(5,444)	(3)	—	6,450	(6,450)	(3)	—
GAAP-based income from operations/ Non-GAAP-based income from operations	40,870	49,528		90,398	27,303	46,341		73,644
Other income (expense), net	237	(237)	(4)	—	(1,804)	1,804	(4)	—
Provision for (recovery of) income taxes	11,187	893	(5)	12,080	(14,036)	23,680	(5)	9,644
GAAP-based net income/ Non-GAAP-based net income	25,811	48,398	(6)	74,209	34,774	24,465	(6)	59,239
GAAP-based earnings per share/ Non GAAP-based earnings per share-diluted	\$ 0.44	\$ 0.82	(6)	\$ 1.26	\$ 0.59	\$ 0.42	(6)	\$ 1.01

- (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 periods following the acquisitions and are not indicative or related to continuing operations and are therefore 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 is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
- (5) Adjustment relates to differences between the GAAP-based tax provision (recovery) and a non-GAAP-based tax rate; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating non-GAAP-based adjusted net income.
- (6) Reconciliation of non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended March 31,			
	2013		2012	
	Per share diluted		Per share diluted	
Non-GAAP-based net income	\$ 74,209	\$ 1.26	\$ 59,239	\$ 1.01
Less:				
Amortization	40,207	0.68	34,726	0.59
Share-based compensation	3,877	0.07	5,165	0.09
Special charges	5,444	0.09	6,450	0.11
Other (income) expense, net	(237)	—	1,804	0.03
GAAP-based provision for (recovery of) income taxes	11,187	0.19	(14,036)	(0.24)
Non-GAAP based provision for income taxes	(12,080)	(0.21)	(9,644)	(0.16)
GAAP-based net income	\$ 25,811	\$ 0.44	\$ 34,774	\$ 0.59

Reconciliation of selected GAAP-based measures to Non-GAAP based measures for the nine months ended March 31, 2013 and 2012, respectively.
(in thousands except for per share data)

	Nine Months Ended March 31,							
	2013				2012			
	GAAP-based Measures	Adjust- ments	Note	Non- GAAP- based	GAAP-based Measures	Adjust- ments	Note	Non- GAAP- based
Cost of revenues								
Cloud Services	55,435	(80)	(1)	55,355	—	—		—
Customer Support	81,597	(275)	(1)	81,322	82,724	(112)	(1)	82,612
Professional Service and Other	144,498	(660)	(1)	143,838	153,551	(408)	(1)	153,143
Amortization of acquired technology-based intangible assets	70,031	(70,031)	(2)	—	63,307	(63,307)	(2)	—
GAAP-based gross profit/ Non-GAAP-based gross profit	651,930	71,046		722,976	588,350	63,827		652,177
Operating Expenses								
Research and development	121,627	(1,167)	(1)	120,460	127,848	(2,872)	(1)	124,976
Sales and marketing	209,819	(5,953)	(1)	203,866	202,903	(6,040)	(1)	196,863
General and administrative	85,199	(2,018)	(1)	83,181	72,886	(3,974)	(1)	68,912
Amortization of acquired customer-based intangible assets	51,548	(51,548)	(2)	—	39,948	(39,948)	(2)	—
Special charges	17,267	(17,267)	(3)	—	18,776	(18,776)	(3)	—
GAAP-based income from operations/ Non-GAAP-based income from operations	148,192	148,999		297,191	109,670	135,437		245,107
Other income (expense), net	1,707	(1,707)	(4)	—	10,145	(10,145)	(4)	—
Provision for (recovery of) income taxes	30,559	9,229	(5)	39,788	(8,542)	41,295	(5)	32,753
GAAP-based net income/ Non-GAAP-based net income	106,348	138,063		244,411	117,203	83,997		201,200
GAAP-based earnings per share/ Non GAAP-based earnings per share-diluted	\$ 1.80	\$ 2.34		\$ 4.14	\$ 2.00	\$ 1.43		\$ 3.43

- (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 periods following the acquisitions and are not indicative or related to continuing operations and are therefore 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 is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
- (5) Adjustment relates to differences between the GAAP-based tax provision (recovery) and a non-GAAP-based tax rate; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating non-GAAP-based adjusted net income.
- (6) Reconciliation of non-GAAP-based adjusted net income to GAAP-based net income:

	Nine Months Ended March 31,			
	2013		2012	
	Per share diluted		Per share diluted	
Non-GAAP-based net income	\$ 244,411	\$ 4.14	\$ 201,200	\$ 3.43
Less:				
Amortization	121,579	2.06	103,255	1.76
Share-based compensation	10,153	0.17	13,406	0.23
Special charges	17,267	0.29	18,776	0.32
Other (income) expense, net	(1,707)	(0.03)	(10,145)	(0.17)
GAAP-based provision for (recovery of) income taxes	30,559	0.52	(8,542)	(0.15)
Non-GAAP based provision for income taxes	(39,788)	(0.67)	(32,753)	(0.56)
GAAP-based net income	\$ 106,348	\$ 1.80	\$ 117,203	\$ 2.00

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth changes in cash flow from operating, investing and financing activities for the periods indicated:

(In thousands)	Nine Months Ended March 31,		
	2013	Change increase (decrease)	2012
Cash and cash equivalents	\$ 446,911	\$ (61,995)	\$ 508,906
Cash provided by operating activities	\$ 253,285	\$ 66,641	\$ 186,644
Cash used in investing activities	\$ (351,658)	\$ (75,376)	\$ (276,282)
Cash provided by (used in) financing activities	\$ (14,866)	\$ (333,058)	\$ 318,192

Cash and cash equivalents

Cash and cash equivalents primarily consist of deposits held at major banks with original maturities of 90 days or less. We do not hold any securities or other investments at this time.

We anticipate that our cash and cash equivalents, as well as available credit facilities, will be sufficient to fund our anticipated cash requirements for working capital, contractual commitments, capital expenditures, and operating needs for the next 12 months. However, any material or further acquisition-related activities may require additional sources of financing.

We do not have any restrictions on repatriation of cash from foreign subsidiaries nor do we expect taxes on repatriation of cash held in foreign subsidiaries to have a material effect on our overall liquidity, financial condition or results of operations.

Cash flows provided by operating activities

Cash flows from operating activities increased by \$66.6 million during the nine months ended March 31, 2013 as compared to the same period in the prior fiscal year due to an increase in net income before the impact of non-cash items of \$21.3 million and increased working capital changes of \$45.3 million.

Cash used in investing activities

Our cash used in investing activities is primarily on account of acquisitions.

Cash flows used in investing activities increased by \$75.4 million during the nine months ended March 31, 2013 as compared to the same period in the prior fiscal year. This was the result of an increase in acquisition related spending of \$81.0 million, partially offset by a \$5.6 million decrease in additions of property and equipment.

Cash flows from financing activities

Our cash flows from financing activities consist of long-term debt financing and amounts received from stock options exercised by our employees. These inflows are typically offset by scheduled and non-scheduled repayments of our long-term debt financing and, when applicable, the repurchases of our Common Shares.

Cash flows provided by financing activities decreased by \$333.1 million during the nine months ended March 31, 2013 as compared to the same period in the prior fiscal year. In Fiscal 2012 we borrowed \$600 million under our new Term Loan and used a portion of the proceeds to repay all of our previously outstanding credit facility debt in the amount of \$284.6 million. The remaining difference was due to principal payments of \$23.0 million on our debt facilities and less cash collected from the issuance of Common Shares in Fiscal 2013.

Long-term Debt and Credit Facilities

Term loan and Revolver

Our credit facility consists of a \$600 million term loan facility (the Term Loan) and a \$100 million committed revolving credit facility (the Revolver). Borrowings under the credit agreement are secured by a first charge over substantially all of our assets. We entered into and borrowed from this credit agreement on November 9, 2011.

The Term Loan has a five year term and repayments made under the Term Loan are equal to 1.25% of the original principal amount at each quarter for the first 2 years, 1.88% for years 3 and 4 and 2.5% for year 5. The Term Loan bears interest at a floating rate of LIBOR plus 2.50%.

The Revolver has a five year term with no fixed repayment date prior to the end of the term. As of March 31, 2013, we have not drawn any amounts on the Revolver.

The material financial covenants under the credit facility are that:

- We must maintain a "consolidated leverage" ratio of no more than 3:1 at the end of each financial quarter. Consolidated leverage ratio is defined for this purpose as the proportion of our total debt, including guarantees and letters of credit, over our trailing twelve months net income before interest, taxes, depreciation, amortization, restructuring, share-based compensation and other miscellaneous charges, all defined as "EBITDA" as per the credit agreement; and
- We must maintain a "consolidated interest coverage" ratio of 3:1 or more at the end of each financial quarter. Consolidated interest coverage ratio is defined for this purpose as our consolidated EBITDA over our consolidated interest expense, as defined in the credit agreement.

As of March 31, 2013, we were in compliance with all covenants relating to this credit facility. For more details relating to our Term Loan, see note 10 "Long-Term Debt" to our Condensed Consolidated Financial Statements.

Mortgage

We currently have an "open" mortgage with a bank where we can pay all or a portion of the mortgage on or before August 1, 2013. The original principal amount of the mortgage was Canadian \$15.0 million and interest accrues monthly at a variable rate of Canadian prime plus 0.50%. Principal and interest are payable in monthly installments of Canadian \$0.1 million with a final lump sum principal payment due on maturity. The mortgage is secured by a lien on our headquarters in Waterloo, Ontario, Canada. We first entered into this mortgage in December 2005. As of March 31, 2013, the carrying value of the mortgage was \$11.0 million.

Pensions

As of March 31, 2013, our total unfunded pension plan obligation was \$25.0 million, of which \$0.6 million is payable within the next 12 months. We expect to be able to make the long-term and short-term payments related to this obligation in the normal course of operations. For a detailed discussion, see note 11 "Pension Plans and Other Post Retirement Benefits" to our Condensed Consolidated Financial Statements.

Commitments and Contractual Obligations

We have entered into the following contractual obligations with minimum annual payments for the indicated fiscal periods as follows:

	Payments due between				
	Total	April 1, 2013— June 30, 2013	July 1, 2013— June 30, 2015	July 1, 2015— June 30, 2017	July 1, 2017 and beyond
Long-term debt obligations	\$ 620,719	\$ 11,652	\$ 124,937	\$ 484,130	\$ —
Operating lease obligations*	152,543	8,632	59,276	38,883	45,752
Purchase obligations	8,488	1,869	5,686	933	—
	<u>\$ 781,750</u>	<u>\$ 22,153</u>	<u>\$ 189,899</u>	<u>\$ 523,946</u>	<u>\$ 45,752</u>

*Net of \$2.1 million of sublease income to be received from properties which we have subleased to third parties.

The long-term debt obligations are comprised of interest and principal payments on our Term Loan and a mortgage on our headquarters in Waterloo, Ontario, Canada. See note 10 "Long-Term Debt" to our Condensed Consolidated Financial Statements.

Guarantees and Indemnifications

We have entered into agreements with customers which may include provisions for indemnifying our customers for legal claims that our software products infringe certain third party intellectual property rights and for liabilities related to breaches of our confidentiality obligations. We have not made any material payments in relation to such indemnification provisions and have not accrued any liabilities related to these indemnification provisions in our Condensed Consolidated Financial Statements.

Litigation

J2 Litigation

j2 Global, Inc. and its wholly-owned subsidiary Advanced Messaging Technologies, Inc. (collectively “j2”) had filed several patent infringement lawsuits alleging that OpenText and its subsidiaries and predecessors-in-interest, Captaris, Inc. (Captaris) and EasyLink Services International Corporation and Xpedite Services LLC (collectively “EasyLink”), were infringing U.S. Patent Nos. 6,208,638, 6,597,688, 7,020,132, 6,350,066, and 6,020,980 by offering fax-related products. j2 had sought injunctions, royalties and damages in this matter.

Through the recent acquisition of EasyLink, OpenText inherited complete carriage of the defense of these cases, which were pending in the United States District Court for the Central District of California. In each of the cases, OpenText and its subsidiaries or predecessors-in-interest had asserted defenses and counterclaims contending that the patents are invalid and not infringed.

OpenText and j2 entered, on April 23, 2013, into a settlement in relation to these disputes, the terms of which include a one-time fee payable by OpenText to j2 of \$27.0 million (\$16.4 million net of taxation impacts to OpenText), and dismissal of all the lawsuits between the parties with prejudice.

Other Litigation

We are currently involved in various claims and legal proceedings.

Quarterly, we review the status of each significant legal matter and evaluate such matters to determine how they should be treated for accounting and disclosure purposes in accordance with the requirements of ASC Topic 450-20 "Loss Contingencies" (ASC Topic 450-20). Specifically, this evaluation process includes the centralized tracking and itemization of the status of all our disputes and litigation items, discussing the nature of any litigation and claim, including any dispute or claim that is reasonably likely to result in litigation, with relevant internal and external counsel, and assessing the progress of each matter in light of its merits and our experience with similar proceedings under similar circumstances.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss in accordance with ASC Topic 450-20. As of the date of this filing on Form 10-Q for the quarter ended March 31, 2013, we do not believe that the outcomes of any of these matters, individually or in the aggregate, will result in losses that are materially in excess of amounts already recognized.

Contingencies

EasyLink is currently being assessed by the New York State Department of Taxation and Finance (the Department) for the potential applicability of telecommunications excise and franchise taxes to its New York State revenues for the calendar year ended December 31, 2000 through to calendar year ended December 31, 2009. The potential exposure under this assessment, based upon the notice issued by the Department, is approximately \$10.5 million.

In addition, in July 2009 EasyLink was assessed approximately \$0.5 million in tax, interest and penalties for sales tax in New York State for the period between March 2001 and May 2004. EasyLink has posted a bond in this amount and is pursuing a judicial appeal of the July 2009 decision with New York State Court of Appeals. New York State sales tax audits are also currently underway for subsequent periods from June 2004 through to February 2011. The results of these audits for subsequent periods, and the potential sales tax exposure for EasyLink, are in significant part contingent upon the outcome of the above referenced sales tax appeal.

OpenText intends to vigorously defend against these claims.

Off-Balance Sheet Arrangements

We do not enter into off-balance sheet financing as a matter of practice except for the use of operating leases for office space, computer equipment, and vehicles. None of the operating leases described in the previous sentence has, and we currently do not believe that they potentially may have, a material effect on our financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources. In accordance with U.S. GAAP, neither the lease liability nor the underlying asset is carried on the balance sheet, as the terms of the leases do not meet the criteria for capitalization.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to market risks associated with fluctuations in interest rates on our Term Loan and foreign currency exchange rates.

Interest rate risk

Our exposure to interest rate fluctuations relate primarily to our Term Loan. As of March 31, 2013, we had an outstanding balance of \$562.5 million on the Term Loan. The Term Loan bears a floating interest rate of LIBOR plus a fixed rate of 2.5%. As of March 31, 2013, an adverse change in LIBOR of 100 basis points (1.0%) would have the effect of increasing our annual interest payment on the Term Loan by approximately \$5.6 million, assuming that the loan balance as of March 31, 2013 is outstanding for the entire period.

Foreign currency risk

Our reporting currency is the U.S. dollar. On account of our international operations, a substantial portion of our cash and cash equivalents is held in currencies other than the U.S. dollar. As of March 31, 2013, this balance represented approximately 40% of our total cash and cash equivalents. A 10% adverse change in foreign exchange rates versus the U.S. dollar would have decreased our reported cash and cash equivalents by approximately 4%. Additionally, we have hedged certain of our Canadian dollar foreign currency exposures relating to our payroll expenses in Canada. Based on the foreign exchange forward contracts outstanding as at March 31, 2013, a one cent change in the Canadian dollar to U.S. dollar exchange rates would cause a change of approximately \$0.5 million in fair value of our existing foreign exchange forward contracts.

Our international operations expose us to foreign currency fluctuations. Revenues and related expenses generated from subsidiaries, other than those located in the U.S., are generally denominated in the functional currencies of the local countries. These functional currencies include Euros, Canadian dollars, Australian dollars and British pounds. The income statements of our international operations are translated into U.S. dollars at the average exchange rates in each applicable period. To the extent the U.S. dollar strengthens against foreign currencies, the foreign currency conversion of these foreign currency denominated transactions into U.S. dollars results in reduced revenues, operating expenses and net income (loss) for our international operations. Similarly, our revenues, operating expenses and net income (loss) will increase for our international operations if the U.S. dollar weakens against foreign currencies. We cannot predict the effect foreign exchange fluctuations will have on our results of operations going forward. However, if there is a change in foreign exchange rates versus the U.S. dollar, it could have a material effect on our results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, with the participation of the Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2013, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act were recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that information required to be disclosed by us in the reports we file under the Exchange Act (according to Rule 13(a)-15(e)) is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Based on the evaluation completed by our management, in which our Chief Executive Officer and Chief Financial Officer participated, our management has concluded that there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1A. Risk Factors

Risk Factors

In addition to the information set forth below, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for our fiscal year ended June 30, 2012. These are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies.

We may have exposure to greater than anticipated state tax liabilities in the United States, as a result of our acquisition of EasyLink

Certain EasyLink cloud service offerings may be subject to telecommunications excise, franchise and sales taxes in states where EasyLink may not have collected and remitted such taxes from customers. We believe that the delivery of such cloud services are not "telecommunication services", and therefore, we believe that such cloud service offerings are not subject to various telecommunication taxes, including telecommunications excise, franchise and sales tax. However, certain state taxing authorities may disagree with this position and may continue to audit our cloud service offerings and may subject us to payments (including interest and penalties) on account of such taxes. In the event that actual results differ from our reserves set up in this regard, we may need to record additional expense that could have a material impact on our financial condition and results of operations.

The declaration, payment and amount of dividends will be made in the discretion of our Board of Directors and will depend on a number of factors.

We have adopted a policy to declare non-cumulative quarterly dividends on our Common Shares. The declaration, payment and amount of any dividends will be made pursuant to our dividend policy and is subject to final determination each quarter by our Board of Directors in its discretion based on a number of factors that it deems relevant, including our financial position, results of operations, available cash resources, cash requirements and alternative uses of cash that our Board of Directors may conclude would be in the best interest of our shareholders. Payment of dividends is also subject to relevant contractual limitations, including those in our existing credit agreement. Accordingly, there can be no assurance that any future dividends will be equal or similar in amount to any dividends previously paid or that our Board of Directors will not decide to reduce, suspend or discontinue the payment of dividends in the future.

Item 5. Other Information

Revised Employment Agreement

On April 23, 2013 the Company entered into a revised employment agreement with Mr. Tom Jenkins, the Company's Chief Strategy Officer. A copy of the employment agreement between Mr. Jenkins and the Company is attached as an exhibit to this Quarterly Report on Form 10-Q.

Item 6. Exhibits and Financial Statement Schedules

The following documents are filed as a part of this report:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1*	Employment Agreement, dated April 23, 2013 between Tom Jenkins and the Company
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL instance document
101.SCH	XBRL taxonomy extension schema
101.CAL	XBRL taxonomy extension calculation linkbase
101.DEF	XBRL taxonomy extension definition linkbase
101.LAB	XBRL taxonomy extension label linkbase
101.PRE	XBRL taxonomy extension presentation

* Indicates management contract relating to compensatory plans or arrangements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OPEN TEXT CORPORATION

Date: April 25, 2013

By: /s/ MARK BARRENECHEA
Mark Barrenechea
President and Chief Executive Officer
(Principal Executive Officer)

/s/ PAUL MCFEETERS
Paul McFeeters
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)

/s/ SUJEET KINI
Sujeet Kini
Chief Accounting Officer
(Principal Accounting Officer)

EMPLOYMENT AGREEMENT

AGREEMENT, effective as of December 1, 2012 (including any schedules hereto the "Agreement"), between Open Text Corporation, a corporation incorporated under the laws of Canada (the "Corporation"), and Tom Jenkins (the "Executive").

WHEREAS, the Executive has been serving the Corporation as Executive Chairman and Chief Strategy Officer;

WHEREAS, the Corporation has determined to enter into a new employment agreement with the Executive; and

WHEREAS, the Corporation and the Executive mutually desire that the Executive continue to serve the Corporation as Chief Strategy Officer of the Corporation on the terms and conditions set forth herein and the parties hereto shall contemporaneously execute the Restrictive Covenants Agreement (as defined below) set forth in Schedule "C".

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Position and Duties

(a) The Corporation hereby agrees to continue to employ the Executive as its Chief Strategy Officer, and the Executive hereby accepts such position and agrees to serve the Corporation in such capacity during the Term, as defined in Section 3 hereof. The Executive shall have such duties and responsibilities as are consistent with the Executive's position as set forth herein and as may be assigned by the Corporation from time to time in accordance with the terms hereof. The Executive shall be subject to, and shall act in accordance with, all reasonable instructions and directions of the Board of Directors of the Corporation (the "Board") and all policies and rules of the Corporation applicable to executive officers.

(b) During the Term, excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full working time, energy and attention to the performance of his duties and responsibilities hereunder and shall diligently endeavor to promote the business and best interests of the Corporation. Notwithstanding the foregoing, to the extent that it does not interfere with the performance of Executive's duties hereunder, Executive may (i) with the prior consent of the Board, serve on the board of directors or equivalent body of up to one other company that is not a competitor of the Corporation; (ii) serve on the boards of directors or equivalent bodies of trade associations and/or charitable organizations; (iii) engage in charitable activities and community affairs; and (iv) manage his personal, financial and legal affairs.

2. Compensation

(a) Base Salary

As compensation for the agreements made by the Executive herein and the performance by the Executive of his obligations hereunder, during the Term, the Corporation shall pay the Executive a base salary at the rate of CAN\$500,000 per annum (the “Base Salary”), payable in accordance with the Corporation's payroll practice as in effect from time to time, except to the extent that the Executive has previously elected to defer the receipt of such Base Salary pursuant to any arrangement. While the Base Salary may be increased, it may not be decreased during the Term.

(b) Variable Compensation

In addition to the Base Salary, with respect to each fiscal year of the Corporation during the Term, the Executive shall be eligible to earn an annual bonus (the “Variable Compensation”), with a target amount of CAN\$625,000 (the “Target Bonus”), based on the achievement of annual individual and Corporation performance objectives established by the Board, subject to the Executive's employment with the Corporation through the applicable payment date for any such Variable Compensation. Notwithstanding anything to the contrary herein, the Variable Compensation shall be paid no later than the 15th day of the third month following the close of the fiscal year to which the Variable Compensation relates, except to the extent that the Executive has previously elected to defer the receipt of such Variable Compensation pursuant to any arrangement.

(c) Long Term Compensation

During the Term, the Executive will be eligible to participate in all Long Term Incentive Programs (“LTIP”) as and when approved by the Compensation Committee of the Board (the “Compensation Committee”). The value of LTIP is generally determined at the beginning of the LTIP term (typically three years) in relation to the Executive's On-Target-Earnings (“OTE”). OTE equals the Base Salary plus Target Bonus. The value target to be used for the three (3) year term of each LTIP shall be determined by the Board.

(d) Equity Plans

The Corporation shall permit the Executive to participate in any share option plan, share purchase plan or similar plan offered by the Corporation from time to time to its similarly situated executive officers in the manner and to the extent authorized by the Compensation Committee.

(e) Stock Ownership

The Executive agrees to comply with the Equity Ownership Guidelines as set out in accordance with Schedule “A.”

(f) Reimbursement of Expenses

During the Term, the Corporation shall reimburse the Executive for all business expenses incurred by the Executive in performing his duties and responsibilities under this Agreement (“Business Expenses”), in accordance and to the extent consistent with the Corporation's policies or practices for reimbursement of business expenses incurred by other Corporation executive officers.

(g) Other Benefits

During the Term, for so long as the Executive meets the eligibility requirements of the applicable plan, practice, policy or program, and except as specifically provided herein: (i) the

Executive shall be entitled to participate in all savings and retirement plans, practices, policies and programs of the Corporation which are made available generally to similar situated executive officers of the Corporation; (ii) the Executive and/or the Executive's family, as the case may be, shall be entitled to participate in, and shall receive all benefits under, all perquisite and welfare benefit plans, practices, policies and programs (including the Corporation's health insurance and disability plans) provided by the Corporation which are made available to similarly situated executive officers of the Corporation (for the avoidance of doubt, such plans, practices, policies or programs shall not include any plan, practice, policy or program which provides benefits in the nature of severance or continuation pay), including those benefits set forth in Schedule "B", as amended from time to time; and (iii) the Executive shall be entitled to 30 days paid vacation per fiscal year of the Corporation at a time approved in advance by the Chair of the Board, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Corporation and the need for the timely performance of the Executive's responsibilities, subject to the Corporation's policy respecting same in effect from time to time.

(h) Annual Compensation Review

Other than as herein provided, there shall be no cost-of-living increase or merit increase in the Base Salary or increases in any bonuses payable to the Executive unless approved by the Board or the Compensation Committee. The Board and Compensation Committee shall review annually the Base Salary and all other compensation to be received by the Executive under this Agreement.

3. Term

The Executive shall serve, pursuant to this Agreement, as Executive Chairman and Chief Strategy Officer commencing on the date of this Agreement (the "Effective Date") and expiring on the first anniversary of the Effective Date (such period, the "Term"); provided that, on the first anniversary of the Effective Date and on each anniversary thereafter, the Term shall be extended automatically for an additional one-year period unless either party provides the other party with notice of non-renewal at least three (3) months before any such anniversary. Notwithstanding the foregoing, the Executive's employment hereunder may be terminated prior to the end of the Term upon his "Separation from Service" with the Corporation (as hereinafter defined) in connection with the earliest to occur of any of the events described in Section 4 hereof, in which case the Term shall be terminated as of the date of the Executive's Separation from Service. For purposes of this Agreement, the Executive's Separation from Service shall be deemed to occur when the level of services performed by the Executive for the Corporation decreases to a level equal to 20% or less of the average level of services performed by the Executive for the Corporation during the immediately preceding 36-month period (or, if shorter, during the period from the Effective Date to the date of the relevant determination) and Executive's employment with the Corporation terminates, and the date of the Executive's Separation from Service (the "Date of Separation from Service") shall be the date determined in accordance with Sections 5(b) and (as applicable) 5(c) hereof.

4. Separation from Service

(a) Death

The Executive shall separate from service with the Corporation, and the Term shall terminate, upon the Executive's death.

(b) Disability

The Corporation shall be entitled to terminate the Executive's employment for "Disability," and the Executive shall separate from service with the Corporation, if, as a result of the Executive's incapacity due to physical or mental illness or injury, the Executive (i) shall become eligible to receive a benefit under the Corporation's long-term disability plan applicable to the Executive, or (ii) has been unable, due to physical or mental illness or incapacity, to perform the essential duties of his employment with reasonable accommodation for a continuous period of one hundred twenty (120) days or, during any period of twelve (12) consecutive months during the Term, an aggregate of one hundred-eighty (180) days, whether consecutive or not.

(c) Cause

The Corporation may terminate the Executive's employment for Cause, and upon such termination the Executive shall separate from service with the Corporation. For purposes of this Agreement, the term "Cause" shall mean, when used in connection with the Executive's Separation from Service with the Corporation: (i) the Executive's failure to attempt in good faith to perform his duties (other than as a result of physical or mental illness or injury); (ii) the Executive's willful misconduct or gross negligence of a material nature in connection with the performance of his duties as an employee, which is or could reasonably be expected to be injurious to the Corporation, or any of its affiliates (whether financially, reputationally or otherwise); (iii) a breach by the Executive of the Executive's fiduciary duty or duty of loyalty to the Corporation or its affiliates; (iv) except in connection with the Executive's good faith performance of duties, the Executive's intentional and unauthorized removal, use or disclosure of the Corporation's or any affiliate's document (in any medium or form) relating to the Corporation or an affiliate, or the customers of the Corporation or an affiliate thereof and which may be injurious to the Corporation, its customers or their respective affiliates; (v) the willful performance by the Executive of any act or acts of dishonesty in connection with or relating to the Corporation's or its affiliates' business or the willful misappropriation (or willful attempted misappropriation) of any of the Corporation's or any of its affiliates' funds or property; (vi) the indictment of the Executive or a plea of guilty or nolo contendere by the Executive to any felony or other serious crime involving moral turpitude; (vii) a material breach of any of the Executive's obligations under any agreement entered into between the Executive and the Corporation or any of its affiliates that is material to the employment relationship between Corporation or any of its affiliates and the Executive, including without limitation, this Agreement; or (viii) a material breach of the Corporation's policies or procedures, which breach causes or could reasonably be expected to cause harm to the Corporation or its business reputation; provided that, with respect to the events in clauses (i), (ii), (iv) or (vii) herein, the Corporation shall have delivered written notice to the Executive of its intention to terminate the Executive's employment for Cause, which notice specifies in reasonable detail the circumstances claimed to give rise to the Corporation's right to terminate the Executive's employment for Cause and the Executive shall not have cured such circumstances as determined by the Board in good faith, to the extent such circumstances are reasonably susceptible to cure as determined by the Board in good faith, within thirty (30) days following the Corporation's delivery of such notice.

(d) Corporation Termination Other than for Cause and Executive Voluntary Termination (Other Than for Good Reason)

The Corporation may terminate the employment of the Executive for any reason other than for Cause, notwithstanding any other provision of this Agreement, upon compliance with the terms of Section 6(a) hereof. The Executive may voluntarily terminate his employment, other than

for Good Reason, provided that the Executive provides the Corporation with notice of his intent to terminate his employment at least ninety (90) days in advance of the Date of Separation from Service (as defined below). Upon such termination, in each case, the Executive shall separate from service with the Corporation. In the event of non-renewal of this Agreement by the Corporation in accordance with Section 3 hereof, the Corporation shall comply with the terms of Section 6(a) hereof.

(e) Good Reason

The Executive may terminate his employment and separate from service with the Corporation for Good Reason. For purposes of this Agreement, the term “Good Reason” shall mean, when used in connection with the Executive's Separation from Service with the Corporation, unless the Executive shall have consented in writing thereto, (i) a material diminution in the Executive's duties and responsibilities other than a change in such Executive's duties and responsibilities that arises solely out of (a) the Corporation becoming part of a larger organization following a Change in Control or any change in the reporting hierarchy incident thereto or (b) a reorganization of the Corporation resulting in a similar change to similarly situated executive officers' duties and responsibilities; (ii) a material reduction in the Executive's Base Salary or Target Bonus, unless a proportional reduction in base salary or target bonus, as applicable, is also applicable to similarly situated executive officers; (iii) a relocation of the Executive's primary work location more than fifty (50) miles from the Executive's work location on the Effective Date; or (iv) a reduction in the Executive's title or position with the Corporation other than a change in such Executive's title or position that arises solely out of (a) the Corporation becoming part of a larger organization following a Change in Control or any change in the reporting hierarchy incident thereto or (b) a reorganization of the Corporation resulting in a similar change to similarly situated executive officers' title or position; provided, that in each case, within thirty (30) days following the occurrence of any of the events set forth herein, the Executive shall have delivered written notice to the Corporation of his intention to terminate his employment for Good Reason, which notice specifies in reasonable detail the circumstances claimed to give rise to the Executive's right to terminate employment for Good Reason, the Corporation shall not have cured such circumstances within thirty (30) days following the Corporation's receipt of such notice, and the Executive's Separation from Service with the Corporation shall have occurred within sixty (60) days following such failure to cure.

5. Procedure for Separation from Service

(a) Notice of Separation from Service. Any separation of the Executive from service with the Corporation (other than a separation from service on account of the death of Executive) shall be communicated by written “Notice of Separation from Service” to the other party hereto in accordance with Section 14(a) hereof.

(b) Date of Separation from Service. The Date of Separation from Service shall mean: (i) if the Separation from Service occurs due to the Executive's death, the date of the Executive's death; (ii) if the Separation from Service occurs due to a termination by the Corporation pursuant to Section 4(b), the date on which the Executive receives a Notice of Separation from Service from the Corporation; (iii) if the Separation from Service occurs due to the Executive's voluntary termination without Good Reason, the date specified in the notice given pursuant to Section 4(d) hereof, which shall not be less than ninety (90) days after the Notice of Separation from Service; (iv) if the Separation from Service occurs due to the Executive's termination with Good Reason, the date of his termination in accordance with Section 4(e) hereof; and (v) if the Separation from Service occurs for any other reason, the date on which a Notice of Separation from Service is given or any later date (within thirty

(30) days, or any alternative time period agreed upon by the parties, after the giving of such notice) set forth in such Notice of Separation from Service.

6. Separation Payments

(a) Other than for Cause or for Good Reason

In the event of the Executive's Separation from Service due to termination by the Corporation other than for Cause (including a Separation from Service as a result of Disability but not death) or by the Executive for Good Reason, subject to (in respect of clauses (ii) through (iv)) the Executive's continued compliance with Section 6(g) below, Section 20 below and the Restrictive Covenants Agreement described in Section 10 below, the Corporation shall pay to the Executive the amounts described below at the times specified below, and, except for (x) the Executive's rights of indemnification and insurance provided in Section 9 hereof and (y) any vested benefits under any tax-qualified pension plans of the Corporation, the Corporation shall have no additional obligations under this Agreement:

(i) *Accrued Payments*. Within thirty (30) days following the Date of Separation from Service, (w) any Base Salary earned by the Executive but not paid through the Date of Separation from Service (reduced by any amounts that the Executive received in connection with benefits paid or payable as a result of Disability, if applicable); (x) any Variable Compensation earned by the Executive for the fiscal year prior to the year in which the Date of Separation from Service has occurred but not yet paid prior to the Date of Separation from Service (except that, with respect to (w) and (x), to the extent that the Executive has previously elected to defer the receipt of such Base Salary or Variable Compensation pursuant to any arrangement, the timing of the payment of such Base Salary or Variable Compensation shall be in accordance with the terms of such arrangement); (y) the Executive's accrued but unused vacation pay through the Date of Separation from Service; and (z) any Business Expenses not reimbursed as of the Date of Separation from Service (the amounts described in (w) through (z), together, the "Accrued Payments");

(ii) *Separation Payments*. In respect of each month during the 24-month period measured from the day of the Executive's Date of Separation from Service (the "Severance Period"), (x) an amount equal to one-twelfth of the Base Salary as in effect for the year in which the Date of Separation from Service occurs shall be paid in equal installments in accordance with the Corporation's standard payroll practices (reduced by any amounts received by and/or payable to Executive in connection with benefits paid or payable as a result of Disability, if applicable) (the "Salary Continuation Payments"); and (y) an amount equal to one-twelfth of the Target Bonus as in effect for the year in which the Date of Separation from Service occurs shall be paid once a month (together with the Salary Continuation Payments, the "Separation Payments");

(iii) *Pro Rata Bonus*. At the time that Variable Compensation for the Corporation's fiscal year in which the Date of Separation from Service occurred would otherwise be paid (but in no event later than the 15th day of the third month following the close of such fiscal year), an amount equal to the product of (i) the Target Bonus for such fiscal year that the Executive would have received had the Executive remained employed with the Corporation and (ii) a fraction, the numerator of which is the number of full weeks the Executive was employed with the Corporation in such fiscal year and the denominator of which is fifty-

two (the “Pro Rata Bonus”); provided that, to the extent that the Executive has previously elected to defer the receipt of such bonus pursuant to any arrangement, the timing of the payment of the Pro Rata Bonus shall be in accordance with the terms of such arrangement; and

(iv) *Continued Group Medical Benefits.* For the Severance Period, subject to applicable law, the Corporation shall permit the Executive to continue to participate in the medical plan provided generally to executive officers of the Corporation (including all required contributions or premiums made by such executive officers) as if the Executive's employment had not been terminated (the “Group Benefits”); provided, however, that if the Executive is eligible to receive comparable medical or other welfare benefits under another employer-provided plan, the corresponding Group Benefits described herein shall be terminated. The Executive shall promptly notify the Corporation of any changes in his medical benefits coverage.

(b) Cause or Voluntarily (other than for Good Reason)

In the event of the Executive's Separation from Service with the Corporation due to termination by the Corporation for Cause or voluntarily by the Executive other than for Good Reason, the Corporation shall pay the Executive, within thirty (30) days following the Date of Separation from Service, any Accrued Payments. In the event of the Executive's Separation from Service with the Corporation due to termination voluntarily by the Executive other than for Good Reason, the Board of Directors, in their sole and absolute discretion, may waive the notice period required by Section 4(d) above, in which case the Executive's employment shall be deemed to terminate immediately, provided the Executive shall still be entitled to compensation due on account of Annual Base Salary and benefits earned up to the last date of the 3 month advance written notice period given by the Executive and any Variable Compensation earned and prorated during such 3 month notice period. Except as provided in this Section 6(c), and except for the Executive's rights of indemnification and insurance provided in Section 9 hereof and any vested benefits under any tax qualified pension or equity incentive compensation plans of the Corporation, and continuation of health insurance benefits on the terms and to the extent required by statute as may be applicable to the Executive, the Corporation shall have no additional obligations under this Agreement.

(c) Death

In the event of the Executive's Separation from Service with the Corporation as a result of the Executive's death, the Corporation shall pay the Executive's estate within thirty (30) days following the Date of Separation from Service, the Accrued Payments. Except as provided in this Section 6(c), and except for the Executive's rights of indemnification and insurance provided in Section 9 hereof and any vested benefits under any tax qualified pension or equity incentive compensation plans of the Corporation, the Corporation shall have no additional obligations under this Agreement.

(d) Options

Except as expressly stipulated in Section 7 hereof, any options which have not vested as of the Date of Separation from Service shall terminate and be of no further force and effect as of the Date of Separation from Service and neither any period of notice nor any payment in lieu thereof upon Separation from Service hereunder shall be considered as extending the period of employment for the purposes of vesting of options notwithstanding anything to the contrary in any other agreement between the Corporation and the Executive. In the event of a Separation from Service other than by the Corporation for Cause, the Executive shall have the right to exercise any options which are vested

as at the Date of Separation from Service for ninety (90) days following such date at which time such unexercised options will expire. In the event of a Separation from Service by the Corporation for Cause, all options, vested and unvested, shall terminate and be of no further force and effect as of Date of Separation from Service and neither any period of notice nor any payment in lieu thereof upon Separation from Service hereunder shall be considered as extending the period of employment for the purposes of vesting of options notwithstanding anything to the contrary in any other agreement between the Corporation and the Executive. In addition, notwithstanding anything contained in this Section 6 or elsewhere in this Agreement, in the event of Separation from Service due to death of the Executive, the estate of the Executive shall be entitled to exercise any options which have vested as at the date of death of the Executive, at any time during the period which is twelve (12) months following the date of death of the Executive at the end of which period such options will expire.

(e) Long Term Compensation

Except as expressly provided in Section 7 below, in the event of the Executive's Separation from Service for any reason, all outstanding awards granted under any LTIP shall continue to be governed by the terms set forth in such LTIP.

(f) No Further Entitlements

Except as expressly provided in this Section 6 and Section 7 below, in the event of the Executive's Separation from Service for any reason, the Executive will not be entitled to receive any further payments, in lieu of notice or as damages for any reason whatsoever. Except as to any entitlement as expressly provided in this Agreement, the Executive hereby waives any claims the Executive may have against the Corporation for or in respect of termination pay, severance pay, or notice in lieu thereof on account of loss of office or employment.

(g) Release

Notwithstanding anything to the contrary in this Agreement, the payments and benefits described in Section 6(a) above, other than the Accrued Payments, shall commence being made to the Executive, subject to the condition that Executive has delivered to the Corporation an executed copy of a release substantially in the form attached as Schedule "D" and that such release has become effective, enforceable and irrevocable in accordance with its terms, on the date that is 30 days after the Date of Separation from Service or, to the extent required, on the date specified in Section 6(b) above.

7. Change in Control

(a) Definition

For purposes of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events: (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation on a consolidated basis to any person or group of related persons for purposes of Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act" and a "Group," respectively); (ii) the approval by the holders of the outstanding voting power of the Corporation of any plan or proposal for the liquidation or dissolution of the Corporation; (iii) any person or Group shall become the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of shares representing more than 50% of the aggregate outstanding voting power of the Corporation and such person or Group actually has

the power to vote such shares in any such election; (iv) the replacement of a majority of the Board over a twelve-month period from the directors who constituted the Board at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board then still in office who were members of such Board at the beginning of such period; or (v) consummation of a reorganization, merger, consolidation or similar transaction involving the Corporation and/or any entity controlled by the Corporation, or a sale or other disposition of substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any entity controlled by the Corporation (each, a “Business Combination”) unless following such Business Combination the shareholders of the Corporation immediately prior to the Business Combination own at least 50% of the then-outstanding equity securities and of the combined voting power of the corporation or other entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such Business Combination, owns the Corporation or substantially all of the Corporation's assets either directly or through one or more subsidiaries).

(b) Change-in-Control Benefits and Payments

In the event of the Executive's Separation from Service due to termination by the Corporation other than for Cause or by the Executive for Good Reason within the one (1) year period following a Change in Control, then the Executive shall be entitled to the following, notwithstanding any else in this Agreement to the contrary:

(i) payments under Section 6(a) of this Agreement at the time and in the manner set forth therein except that for purposes of clause (ii) of Section 6(a), the Severance Period shall be 24 months;

(ii) all options which have not vested as of the Date of Separation from Service shall vest immediately upon such Date and the Executive shall have the right to exercise all of such options for 90 days following such Date at which time any unexercised options will expire; and

(iii) all outstanding awards granted under any LTIP shall vest 100% and any payments under Section 6.2(b) of the LTIP shall be made as set forth therein except that the Target Bonus (as defined in the LTIP) shall vest 100%;

8. No Mitigation

Except as expressly provided herein, the Executive shall not be required to seek other employment or otherwise mitigate the amount of any payments to be made by the Corporation pursuant to this Agreement. Except as otherwise provided herein, the payments provided pursuant to this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer after the termination of the Executive's employment or otherwise. The Corporation's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Corporation may have against the Executive or others.

9. Legal Fees; Indemnification; Liability Insurance

(a) In the event of any contest or dispute between the Corporation and the Executive with respect to this Agreement or the Executive's employment hereunder, each of the parties shall be responsible for its respective legal fees and expenses.

(b) During the Term and for so long as there exists liability thereafter with regard to the Executive's activities during the Term on behalf of the Corporation, the Corporation shall indemnify the Executive to the fullest extent permitted by applicable law (and in no event in connection with the Executive's gross negligence or willful misconduct), and shall at the Corporation's election provide the Executive with legal representation or shall advance to the Executive reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Executive to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Executive was not entitled to the reimbursement of such fees and expenses).

(c) During the Term and for six years thereafter, the Executive shall be entitled to the same directors' and officers' liability insurance coverage that the Corporation provides generally to its other directors and officers, as may be amended from time to time for such directors and officers.

10. Restrictive Covenants

The Executive agrees to execute contemporaneously with his execution of this Agreement the confidentiality and non-solicitation agreement annexed hereto as Schedule "C" (the "Restrictive Covenants Agreement").

11. Injunctive Relief

It is impossible to measure in money the damages that will accrue to the Corporation or any of its affiliates in the event that the Executive breaches any of the Restrictive Covenants. In the event that the Executive breaches any such Restrictive Covenant, the Corporation or any of its affiliates shall be entitled to an injunction restraining the Executive from violating such Restrictive Covenant (without posting any bond). If the Corporation or any of its affiliates shall institute any action or proceeding to enforce any such Restrictive Covenant, the Executive hereby waives the claim or defense that the Corporation or any of its affiliates has an adequate remedy at law and agrees not to assert in any such action or proceeding the claim or defense that the Corporation or any of its affiliates has an adequate remedy at law. The foregoing shall not prejudice the Corporation's or any of its affiliates' right to require the Executive to account for and pay over to the Corporation or any of its affiliates, and the Executive hereby agrees to account for and pay over, the compensation, profits, monies, accruals or other benefits derived or received by the Executive as a result of any transaction constituting a breach of any of the Restrictive Covenants.

12. Arbitration; Forum Selection.

(a) Arbitration

If there is a disagreement or dispute between the parties with respect to this Agreement or the interpretation thereof, such disagreement or dispute will be referred to binding arbitration to be conducted by a single arbitrator, if Executive and the Corporation agree upon one, otherwise by three arbitrators appointed as hereinafter set out, pursuant to the provisions of the *Arbitrations Act* 1991 (Ontario) and any amendments thereto. A party who wishes to arbitrate shall give written notice of such intention to the other party (a "Notice of Intention"). The arbitrator shall be appointed by agreement by agreement of Executive and the Corporation or, in default of agreement within ten (10) Business Days of service of the Notice of Intention, each of Executive and the Corporation shall within five (5) Business Days of the expiry of the aforesaid ten (10) Business Day period, select one

arbitrator and notify the other of its selection, with the third arbitrator to be chosen by the first two named arbitrators within five (5) Business Days of the expiry of the aforesaid five (5) Business Day period. If one of the parties does not so notify the other of its selection within the prescribed time, then the arbitrator selected by the other party in accordance with the above procedure shall be the sole arbitrator. The arbitration shall be held in the City of Toronto. The procedure to be followed shall be as agreed by the parties or, in default of agreement, determined by the arbitrator(s), provided, however, that depositions or examinations for discovery will not be allowed but information may be exchanged by other means. The parties will use their best efforts to ensure that the arbitration hearing is conducted no later than sixty (60) days after the arbitrator is, or arbitrators are, selected. The final decision of the arbitrator or arbitrators or any two of the three arbitrators will be furnished to the parties in writing and will constitute a conclusive determination of the issue in question, binding upon the parties, without right of appeal. The fees and expenses of the arbitration shall be in the discretion of the arbitrator(s). Judgment upon the award may be entered in any court of competent jurisdiction.

(b) Forum Selection

The parties hereby agree that all demands, claims, actions, causes of action, suits, proceedings and litigation between or among the parties or arising out of the employment relationship between the Executive and the Corporation not subject to the Arbitration provision in Section 12(a) hereof shall be filed, tried and litigated only in a federal or provincial court located in Ontario, Canada. In connection with the foregoing, the parties hereto irrevocably consent to the jurisdiction and venue of such court and expressly waive any claims or defenses of lack of jurisdiction of or proper venue by such court.

13. Miscellaneous

(a) Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to be given when delivered personally or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested or one day after it is sent by a reputable overnight courier service and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the parties):

If to the Corporation:

c/o Open Text Corporation
275 Frank Tompa Drive
Waterloo, Ontario
Canada N2L 0A1

If to the Executive:

Tom Jenkins
Address on file.

or to such other address as any party hereto may designate by notice to the others.

(b) This Agreement shall constitute the entire agreement among the parties hereto with respect to the Executive's employment hereunder, and supersedes and is in full substitution for any and all prior understandings or agreements with respect to the Executive's employment, including

without limitation the employment agreement dated as of July 1, 2009 between the Corporation and the Executive.

(c) This Agreement may be amended only by an instrument in writing signed by the parties hereto, and any provision hereof may be waived only by an instrument in writing signed by the party or parties against whom or which enforcement of such waiver is sought. The failure of any party hereto at any time to require the performance by any other party hereto of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by any party hereto of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement.

(d) The parties hereto acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party.

(e) The parties hereto hereby represent that they each have the authority to enter into this Agreement, and the Executive hereby represents to the Corporation that the execution of, and performance of duties under, this Agreement shall not constitute a breach of or otherwise violate any other agreement to which the Executive is a party. The Executive hereby further represents to the Corporation that he will not utilize or disclose any confidential information obtained by the Executive in connection with any former employment with respect to his duties and responsibilities hereunder.

(f) This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, assigns, heirs, executors, administrators and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be assigned by the Executive.

(g) The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation to assume this Agreement in the same manner and to the same extent that the Corporation would have been required to perform it if no such succession had taken place. As used in the Agreement, "the Corporation" shall mean both the Corporation as defined above and any such successor that assumes this Agreement, by operation of law or otherwise.

(h) Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13(h), be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable. No waiver of any provision or violation of this Agreement by the Corporation shall be implied by the Corporation's forbearance or failure to take action.

(i) The Corporation may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that the Corporation may reasonably determine are

required to be withheld pursuant to any applicable law or regulation, (it being understood that the Executive shall be responsible for payment of all taxes in respect of the payments and benefits provided herein).

(j) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario without reference to its principles of conflicts of law.

(k) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A facsimile of a signature shall be deemed to be and have the effect of an original signature.

(l) The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

14. Disclosure

During the Term, the Executive shall promptly disclose to the Board of Directors full information concerning any interest, direct or indirect, of the Executive (as owner, shareholder, partner, lender or other investor, director, officer, employee, consultant or otherwise) or any member of his family in any business that is reasonably known to the Executive to purchase or otherwise obtain services or products from, or to sell or otherwise provide services or products to, the Corporation or to any of its suppliers or customers.

15. Return of Materials

All files, forms, brochures, books, materials, written correspondence, memoranda, documents, manuals, computer disks, software products and lists (including lists of customers, suppliers, products and prices) pertaining to the business of the Corporation or any of its subsidiaries, Affiliates, and Associates that may come into the possession or control of the Executive shall at all times remain the property of the Corporation or such subsidiary, Affiliate or Associate, as the case may be. On termination of the Executive's employment for any reason, the Executive agrees to deliver promptly to the Corporation all such property of the Corporation in the possession of the Executive or directly or indirectly under the control of the Executive. The Executive agrees not to make for his personal or business use or that of any other party, reproductions or copies of any such property or other property of the Corporation.

16. Resignation of Directorships, etc.

The Executive agrees that after Separation from Service, he will, at the request of the Board, tender his resignation from any position he may hold as an officer or director of the Corporation or any of its subsidiaries, Affiliates or Associates, and the Executive further covenants and agrees, if so requested by the Board, not to stand for re-election to any office of the Corporation or any of its subsidiaries, Affiliates or Associates at any time following termination of the Executive's employment hereunder.

17. No Derogation

Nothing herein derogates from any rights the Executive may have under applicable

law, except as set out in this section. The parties agree that the rights, entitlements and benefits set out in this Agreement to be paid to the Executive are in full satisfaction of any rights or entitlements the Executive may have as against the subsidiaries, Affiliates and Associates of the Corporation as a result of the termination of his employment with such subsidiaries, Affiliates or Associates.

18. Currency

All dollars referenced herein are in Canadian dollars unless expressly provided to the contrary.

19. Non-Disparagement

Each of the parties to this Agreement covenants and agrees not to engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the other party, which for the purposes of the Corporation, includes its subsidiaries, Affiliates or Associates or its and their management. For the sake of clarity, nothing in this Section 19 shall prohibit statements or remarks made in the good faith performance of the Corporation or Executive's obligations under this Agreement or in accordance with applicable law.

20. No Set-Off

The existence of any claim, demand, action or cause of action of the Executive against the Corporation, whether or not based upon this Agreement, will not constitute a defense to the enforcement by the Corporation of any covenant or agreement of the Executive contained herein.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement on April 23, 2013 with effect as of the date first written above.

Tom Jenkins

/s/ Tom Jenkins

Tom Jenkins

Open Text Corporation

/s/ Gordon Davies

Name: Gordon Davies

Title: Chief Legal Officer and Corporate Secretary

Schedule A

Equity Ownership Guidelines

EQUITY OWNERSHIP GUIDELINES

In a continuing effort to align the interests of the Executives of Open Text Corporation, with the interest of Open Text's shareholders, the Board of Directors (the "Board") hereby establishes the following recommended Open Text Equity Ownership guidelines (the "Guidelines").

COVERED EXECUTIVES

These Guidelines cover Open Text's Executive Chairman/CSO, CEO/President, all NEO's (Named Executive Officers), and the Executive Leadership Team (the "Covered Executives").

OWNERSHIP GUIDELINES

The Board recommends that the Covered Executives (i) achieve the equity ownership levels within five (5) years of the date of the establishment of these Guidelines (i.e., by October 1, 2014) or, for an executive who becomes a Covered Executive after the date of these Guidelines were adopted, within five (5) years after the date of his/her qualifications as a Covered Executive, and (ii) hold the number of Open Text shares or share equivalents recommended for so long as they are Covered Executives.

Executive Title	Required Equity Ownership
Executive Chairman*	4x base salary
CEO/President*	4x base salary
Executive Leadership Team	1x base salary

** The share ownership level for new incumbents to the Executive Chairman and CEO/President roles will be reviewed and approved by the Compensation Committee at that time.*

Covered Executives may achieve these Guidelines through the exercise of stock option awards, purchases under the Open Text Employee Stock Purchase Plan (ESPP), through an open market purchase made in compliance with applicable securities laws or through any equity plan(s) Open Text may adopt from time to time providing for the acquisition of Open Text shares. Until the Guideline is met, it is recommended that a Covered Executive retains a portion of any stock option exercise or LTIP award in shares of Open Text stock to contribute to these Guidelines.

For compliance guidance purposes, the shares will be valued at the greater of their book value (i.e., purchase price) or the current market value, whichever is greater. The Compensation Committee of the Board will review the recommended executive ownership guideline achievement levels on an annual basis.

Schedule B

Benefits

Benefits to be enjoyed by the Executive during the term of this Agreement shall include:

- (i) reimbursement of reasonable cell-phone or Blackberry expenses consistent with corporate policy;
- (ii) each fiscal year you will be entitled to a **USD\$5,000** perquisite allowance which may be used for reimbursement of the following types of services or fees:

Financial planning

Tax planning

Estate planning

Athletic/Health Club

- (iii) the services of Medisys Health Group Inc. or a provider of your choice (Medcam) shall be retained to provide annual mandatory and regular Health Examinations to our senior executive team.
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Schedule C

Restrictive Covenants Agreement

EMPLOYEE CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT

As an employee of Open Text Corporation or any related or affiliated company (the “Company”):

- A. I understand and agree that I have a responsibility to protect and avoid the unauthorized use or disclosure of confidential information of the Company; and
- B. I have a responsibility not to solicit or entice away from the Company any customer of the Company or any employee of the Company.

I. Confidential Information. For purposes of this Agreement, the term “confidential information” means all information that is not generally known and which I obtained from the Company, or learn, discover, develop, conceive or create during the term of my employment with the Company, and which relates directly to the business or to assets of the Company. Confidential information includes, but is not limited to: inventions, discoveries, know-how, ideas, computer programs, designs, algorithms, processes and structures, product information, research and development information, lists of clients and other information related thereto, financial data and information, business plans and processes, and any other information of the Company that the Company informs me, or which I should know by virtue of my position or the circumstances in which I learned it, is to be kept confidential. Confidential information also includes information obtained by the Company in confidence from its vendors or its clients. Confidential information may or may not be labeled as “confidential”. If I am unsure as to whether information is “confidential”, I will ask my manager for assistance.

Confidential information does not include any information that has been made generally available to the public. It also does not include any general technical skills or general experience gained by me during my employment with the Company. I understand that the Company has no objection to my using these skills and experience in any new business venture or employment following the cessation of my employment with the Company.

I recognize and acknowledge that in the course of my employment with the Company I may obtain knowledge of confidential and proprietary information of a special and unique nature and value and I may become familiar with trade secrets of the Company relating to the conduct and details of the Company's business. While I am employed by the Company and for a period of three years following the cessation of my employment I agree:

- A. to keep confidential and hold in secrecy and not disclose, divulge, publish, reveal or otherwise make known, directly or indirectly, or suffer or permit to be disclosed, divulged, published, revealed or otherwise made known to any person whatsoever, or used (except for the benefit and proper purposes of the Company), and shall faithfully do all in my power to assist the Company in holding in secrecy all of the Company's confidential information as defined above.
 - B. to keep confidential and hold in secrecy and not disclose, divulge, publish, reveal or otherwise
-

make known, directly or indirectly, or suffer or permit to be disclosed, divulged, published, revealed or otherwise made known to any person whatsoever, or used (except for the benefit and proper purposes of the Company) any and all secrets or confidential information related to the Company's activities or affairs which I now know or which are hereafter disclosed or made known to me or otherwise learned or acquired by me, including information respecting the business affairs, prospects, operations or strategic plans respecting the Company, which knowledge I gain in my capacity as an employee of the Company and which knowledge is not publicly available or disclosed.

II. Agreement Not to Solicit. I agree that while I am an employee of the Company and for six (6) months thereafter that I will:

A. not solicit or entice or attempt to solicit or entice away from the Company any of the employees of the Company to enter into employment or service with any person, business, firm or corporation other than the Company;

B. not solicit or entice or attempt to solicit or entice away from the Company any customer or any other person, firm or corporation dealing with the Company.

III. Return of Documents. Upon the cessation of my employment with the Company for any reason, I agree to return to the Company all records, documents, memoranda, or other papers, copies or recordings, tapes, disks containing software, computer source code listings, routines, file layouts, record layouts, system design information, models, manuals, documentation and notes as are in my possession or control. I acknowledge and agree that all such items are strictly confidential and are the sole and exclusive property of the Company.

IV. General.

A. I further represent and warrant that I have not entered into any Agreement with any previous or present employer which would prevent me from accepting employment with the Company or which would prevent me from lawfully executing this Agreement.

B. I understand that the obligations outlined in this Agreement are the concern and responsibility of all employees of the Company. I agree to report in writing any violations of these policies to my manager or to the Vice-President of Human Resources.

C. All the provisions of this Agreement will be deemed severable, and if any part of any provision is held illegal, void or invalid under applicable law, such provision may be changed to the extent reasonably necessary to make the provision, as so changed, legal, valid and binding. If any provision of this Agreement is held illegal, void or invalid in its entirety, the remaining provisions of this Agreement will not in any way be affected or impaired, but will remain binding in accordance with its terms.

D. This Agreement and all the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of Ontario and in the courts of the Province of Ontario there shall be exclusive jurisdiction to determine all disputes relating to this Agreement and all the rights and obligations created hereby. I hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

E. I acknowledge that my employment with the Company is contingent on my acceptance and

my observance of this Agreement, and that such employment is adequate and sufficient consideration to bind me to all of the covenants and agreements made by me under this Agreement.

Donna Pearson Tom Jenkins
Print Name of Witness Print Name of Employee

/s/ Donna Pearson /s/ Tom Jenkins
Signature of Witness Signature of Employee

Date: April 23, 2013

Schedule D

GENERAL RELEASE

1. Release of Claims and Waiver of Rights.

(a) In consideration of any payments and benefits being provided to me under Section 6(a) of the employment agreement (the "Employment Agreement") dated [•], 2012, as it may have been amended to the date hereof, between me and Open Text Corporation (the "Company"), those payments and benefits being good and valuable consideration, the adequacy and sufficiency of which are acknowledged by me (the "Payments"), I, [•], hereby release, remise and acquit Company, its present and past parents, subsidiaries and affiliates, their successors, assigns, benefit plans and/or committees, and their respective present or past officers, directors, managers, supervisors, employees, shareholders, attorneys, advisors, agents and representatives in their individual and corporate capacity, and their successors and assigns (the "Releasees"), from, and hold them harmless against, any and all claims, obligations, or liabilities (including attorneys fees and expenses), asserted or unasserted, known or unknown, that I, my heirs, successors or assigns have or might have, which have arisen by reason of any matter, cause or thing whatsoever related to my employment (or termination of my employment) with the Company on or prior to the date on which this General Release is signed, and more particularly, but without limitation, all claims and demands arising in or out of or in any way connected with my employment by the Company, the termination of such employment or the obligations, statutory, contractual or otherwise, of the Company to me in respect thereof, including, without limitation, any and all claims under or pursuant to the Ontario *Human Rights Code*, as amended, any claims, complaints or statutory entitlement to wages, termination pay, severance pay, vacation pay or any other payments under the *Employment Standards Act, 2000*, as amended, and any claims or complaints under or pursuant to the *Pay Equity Act*, as amended, the *Workplace Safety and Insurance Act*, as amended, the *Occupational Health and Safety Act*, as amended, or under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act*, as amended.

(b) The terms "claims, obligations, or liabilities" (whether denominated claims, demands, causes of action, obligations, damages or liabilities) include, but are not limited to, any and all claims under any contract with the Company, claims of age, disability, race, religion, national origin, sex, retaliation, and/or other forms of employment discrimination, breach of express or implied contract, breach of employee handbook, practices or procedures, libel, slander, intentional tort or wrongful dismissal, claims for reinstatement or reemployment, arising under any federal, provincial, or local common or statutory law; claims for unpaid salary, commission or fringe benefits; or any other statutory claim before any provincial or federal court, tribunal or administrative agency, arising out of or in any way related to my employment relationship with the Company and its affiliates and the termination of that relationship. I will not file or permit to be filed on my behalf any such claim.

(c) I further acknowledge and agree that I am aware of my rights under the *Human Rights Code*, as amended, and I confirm that I have accepted the Payments in full and final satisfaction of all claims and demands that I have under the *Human Rights Code* (particularly but not limited to all claims in respect of disability) and that I am not asserting any additional rights nor will I hereafter assert such rights or advance a human rights claim or complaint against the Company for or by reason of any cause, matter or thing whatsoever existing up to the present time.

(d) I expressly declare that I have no claim of any nature or kind to any entitlement whatsoever arising under or from any short-term disability or long-term disability plans, insurance or coverage maintained by the Company, and that I shall have no claim of any nature or kind to any entitlement

whatsoever arising under or from any group health, welfare, life or other insurance policy maintained by the Company for the benefit of its Executives.

(e) This General release is for any relief, no matter how denominated, including, but not limited to, injunctive relief, wages, back pay, front pay, compensatory damages, or punitive damages. I agree not to make any claim or take any proceeding against any person or corporation who might claim, pursuant to the provisions of any applicable statute or otherwise, contribution or indemnity from the Company.

(f) This General Release shall not apply to any rights in the nature of indemnification or payments under applicable directors and officers insurance policies which I may have with respect to claims against me relating to or arising out of my employment with the Company and its affiliates or my service on their respective boards of directors, or any vested benefit to which I am entitled under any pension plan of the Company or its affiliates. Notwithstanding anything to the contrary contained in this Section 1, I do not release any of the Releasees from the Company's obligation to timely provide me with all payments and benefits to which I am entitled pursuant to the terms of the Employment Agreement, or any other obligations of the Company under the Employment Agreement.

2. Representations and Covenants. I hereby represent and agree to all of the following:

(a) I have carefully read this General Release.

(b) I understand it fully.

(c) I am freely, voluntarily and knowingly releasing the Releasees in accordance with the terms contained above.

(d) The period of time I had to consider my rights and obligations under this General Release was reasonable.

(e) Before signing this General Release, I was advised to consult with an attorney and given a reasonable period of time to do so and in executing this General Release have not relied on any representation or statement not set forth herein.

(f) Execution of this General Release and the General Release is a condition to the Payments (to the extent that the Payments exceed my statutory entitlements).

(g) There are no pending lawsuits, charges, employee dispute resolution proceedings, administrative proceedings or other claims of any nature whatsoever, that I have brought (and which are pending) against any Releasee, in any provincial or federal court, before any agency or other administrative body or in any other forum.

(h) I am not aware of any material violation of any laws or Company policies or procedures by a Company employee or officer that has not been reported to Company officials.

(i) If I violate my obligations under the Employment Agreement and such violation causes material harm to the Company, I understand that, in addition to other relief to which the Company may be entitled, the Company shall be entitled to cease providing the Payments and benefits provided to me pursuant to Section 1 above unless such violation is cured (if capable of being cured) within 30 days of notification by the Company to me of such violation (and, following such cure, all suspended payments shall be made in a single lump sum), and this General Release will remain in full force and effect.

(j) If I should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Releasees with respect to any matter, cause or thing which

is the subject of the release under Section 1 of this General Release, this General Release may be raised as a complete bar to any such action, claim or proceeding, and the applicable Releasee may recover from me all costs incurred in connection with such action, claim or proceeding, including attorneys' fees.

(k) If any provision of this General Release is declared illegal, invalid, or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provisions will immediately become null and void, leaving the remainder of this General Release in full force and effect.

(l) This General Release shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard to conflicts of laws principles.

3. Declaration. I declare and by my signature below confirm that the foregoing is true and correct.

_____ Date: _____

[Name of Executive]

[Name of Witness]

CERTIFICATIONS

I, Mark Barrenechea, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Open Text Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ MARK BARRENECHEA
Mark Barrenechea
President and Chief Executive Officer

Date: April 25, 2013

CERTIFICATIONS

I, Paul McFeeters, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Open Text Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ PAUL McFEETERS
Paul McFeeters
Chief Financial Officer and
Chief Administrative Officer

Date: April 25, 2013

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Open Text Corporation (the “Company”) for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark Barrenechea, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MARK BARRENECHEA

Mark Barrenechea
President and Chief Executive Officer

Date: April 25, 2013

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Open Text Corporation (the “Company”) for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul McFeeters, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PAUL McFEETERS

Paul McFeeters
Chief Financial Officer and Chief
Administrative Officer

Date: April 25, 2013