OPENTEXT™

Enabling the Digital World



Quarter Supplemental Investor Presentation

FY16-Q3 | April 27, 2016

NASDAQ: OTEX ⊙ TSX: OTC

Safe Harbor Statement

Certain statements in this presentation, including statements about the focus of Open Text Corporation (“OpenText” or “the Company”) in Fiscal 2016 on growth in earnings and cash flows, creating value through investments in broader Enterprise Information Management (EIM) capabilities, distribution, the Company's presence in the cloud and in growth markets, its financial condition, results of operations and earnings, announced acquisitions, ongoing tax matters, purchases of common shares by OpenText pursuant to the NCIB, declaration of quarterly dividends, and other matters, may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would", "might", "will" and variations of these words or similar expressions 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, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and assumptions that may cause the actual results, performance or achievements to differ materially. Such factors include, but are not limited to: (i) the future performance, financial and otherwise, of OpenText; (ii) the ability of OpenText to bring new products and services to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) the Company's growth and profitability prospects; (v) the estimated size and growth prospects of the EIM market; (vi) the Company's competitive position in the EIM market and its ability to take advantage of future opportunities in this market; (vii) the benefits of the Company's products and services to be realized by customers; (viii) the demand for the Company's products and services and the extent of deployment of the Company's products and services in the EIM marketplace; (ix) the Company's financial condition and capital requirements; and (x) statements about the impact of "Open Text Release 16". The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the possibility that the Company may be unable to meet its future reporting requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; (iii) the risks associated with bringing new products and services to market; (iv) fluctuations in currency exchange rates; (v) delays in the purchasing decisions of the Company's customers; (vi) the competition the Company faces in its industry and/or marketplace; (vii) the final determination of litigation, tax audits and other legal proceedings; (viii) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (ix) the continuous commitment of the Company's customers; and (x) demand for the Company's products. For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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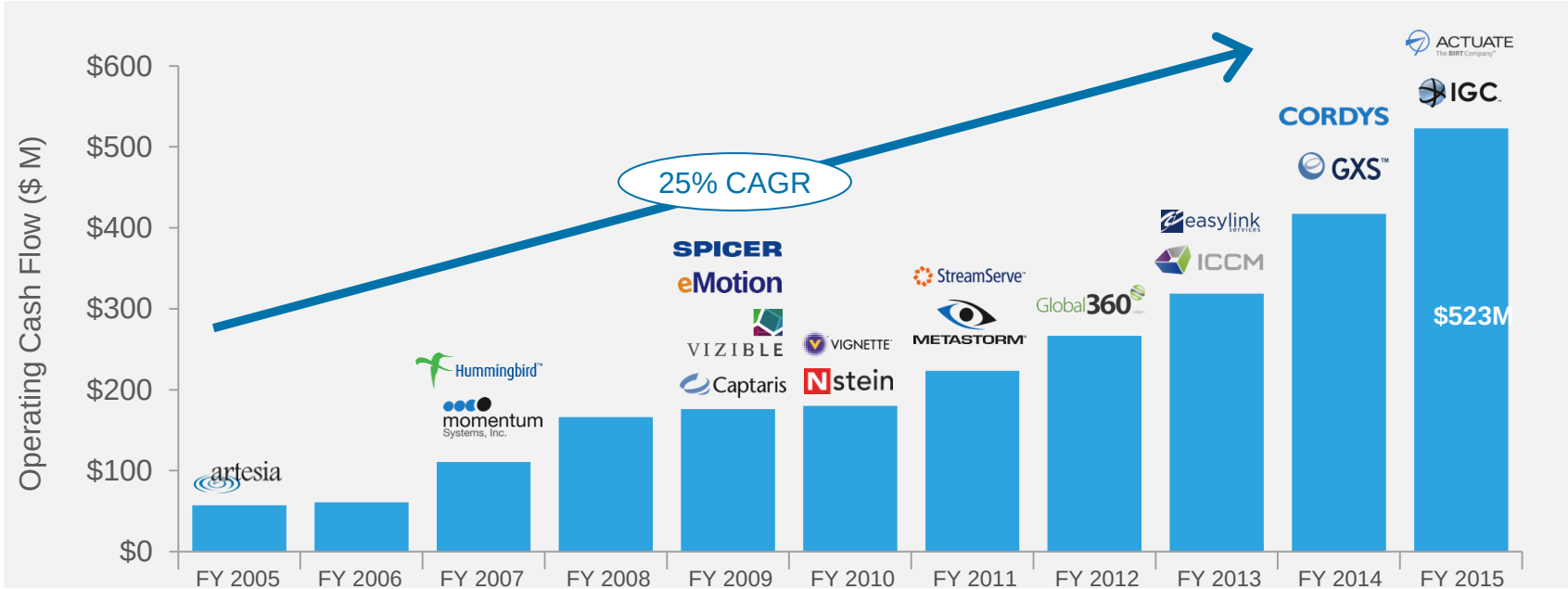
Growing Cash Flow by Acquiring Strong Businesses



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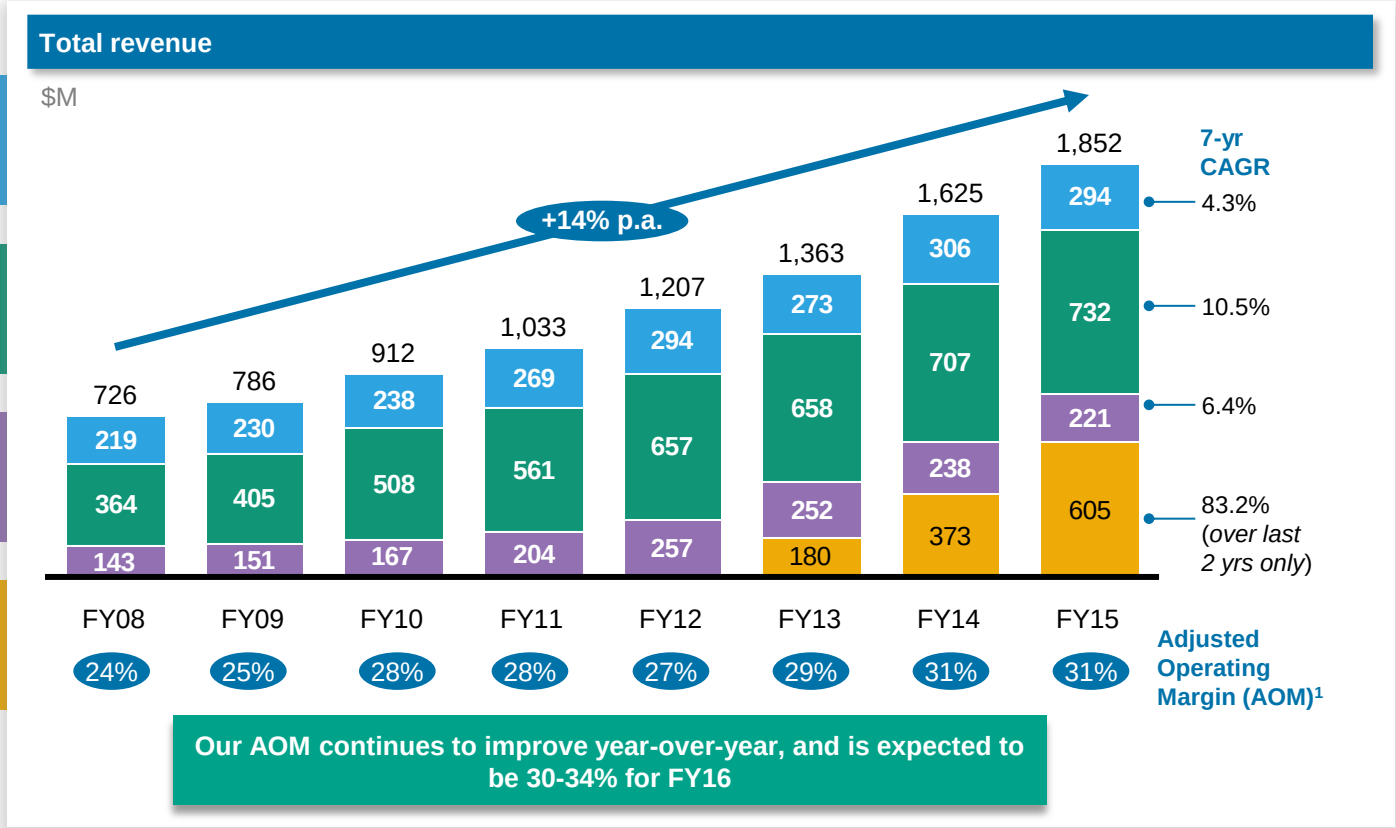
We Have Four Different Revenue Streams

License

Maintenance

Services

Cloud



1 Before taxes and interest expense. See historical filings for reconciliations of Non-GAAP measures to GAAP measures.

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Summary of Quarterly Results with Constant Currency

	Q3 FY16	Q3 FY15	$ Change	% Change	Q3 FY16 in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$147.5	$147.5	$—	— %	$151.2	2.5 %
Customer support	183.6	184.2	(0.6)	(0.3) %	189.2	2.7 %
Professional service and other	45.0	52.3	(7.3)	(13.9) %	47.3	(9.6) %
Total Recurring revenues	**$376.1**	**$384.0**	**($7.9)**	**(2.0) %**	**$387.7**	**1.0 %**
License	64.4	63.6	0.8	1.3 %	67.4	6.0 %
Total revenues	**$440.5**	**$447.6**	**($7.1)**	**(1.6) %**	**$455.1**	**1.7 %**
Non-GAAP-based operating margin[1][2]	31.4 %	25.7 %	n/a	570 bps	30.5 %	
GAAP-based operating margin	20.1 %	11.8 %	n/a	830 bps		
Non-GAAP-based EPS, diluted[1]	$0.80	$0.66	$0.14	21.2 %	$0.81	22.7 %
GAAP-based EPS, diluted	$0.57	$0.22	$0.35	159.1 %		
Operating cash flows (in millions)	$189.9	$143.1	$46.8	32.7 %		

(1) See reconciliation of Non-GAAP-based measures to GAAP-based measures at the end of this presentation
(2) Before taxes and interest expense
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

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FY16 Q3 Business and Financial Highlights

- OpenText launches Release 16, delivering the most comprehensive digital platform for enterprise digital transformation
- OpenText signs definitive agreement to acquire certain customer experience software assets of HP Inc.
- OpenText signs definitive agreement to acquire ANXeBusiness Corp.
- 18 customer transactions over $1 million, 8 cloud contract signings in the OpenText Cloud and 10 on-premises
- Financial, services and consumer goods industries saw the most demand in cloud
- Financial, public and technology industries saw the most demand in license
- Cloud customer successes in the quarter include Standard Insurance Company, Cooperation Manufacturing Plant Aguascalientes, MDR a Dun & Bradstreet Company, SAP, Stokke, 7PSolutions, SharkNinja Operating LLC, DC Comics and BRF
- On-premises customer successes in the quarter include Public Broadcasting Service (PBS), Bosch, Diebold, Cancer Treatment Centers of America, Public Works and Government Services Canada, Government of the Northwest Territories, National Bank of Canada, Carl Zeiss Meditec AG, Mainova, SMC Corporation of America, Cameron LNG, Cooper Tire and Rubber Company, Linde AG, Applied Informatics and Research Inc, Department of International Affairs, Arvato Bertelsmann, Bank of Montreal, Nielsen, DnB Finans, Tillväxtverket and Sampension
- OpenText announces SAP® Hybris® Digital Documents by OpenText, offering a unified platform for engaging digital content and communications
- OpenText Innovation Tour 2016 events in over 10 countries and 5,000 customers

License Revenue Up 6% Y/Y in CC***

- Total revenue $440.5 million down 2% Y/Y
- Cloud Revenue $147.5M stable Y/Y
- 8 Cloud MCV transactions over $1 million
- License Revenue $64.4 million up 1% Y/Y
- 10 License transactions over $1 million
- License revenue from new accounts: 20%
- Partners contributed 42% of license revenue
- Average Cloud MCV deal size: $426K
- Average License deal size : $363K

Non-GAAP Operating Margin 31.4%**

- Non-GAAP-based EPS was $0.80 compared to $0.66 Y/Y*
- GAAP–based EPS was $0.57 compared to $0.22 Y/Y
- Non-GAAP-based operating margin 31.4%**
- GAAP-based operating margin 20.1%**
- Non-GAAP tax rate: 20%

Operating Cash Flow up 33% Y/Y

- $189.9 million in operating cash flow, compared to $143.1 million Y/Y
- Cash and cash equivalents $877.4 million
- Total debt $1,582.0 million as of March 31, 2016

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

**before taxes and interest expense

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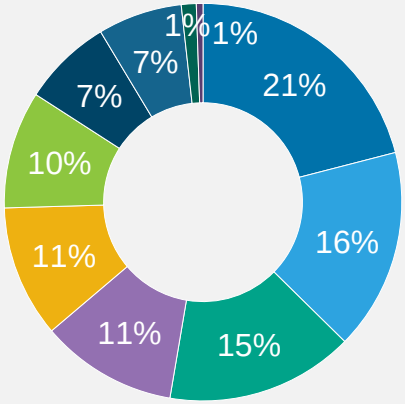
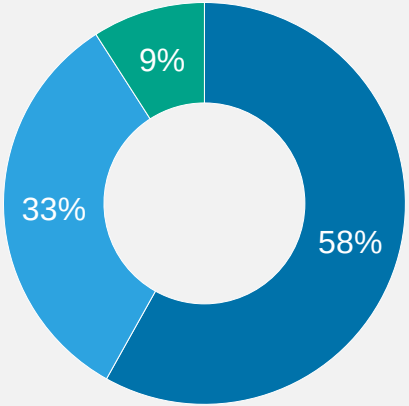
FY16 Q3 Revenue Breakdown

Q3 F16
License Revenue by Industry



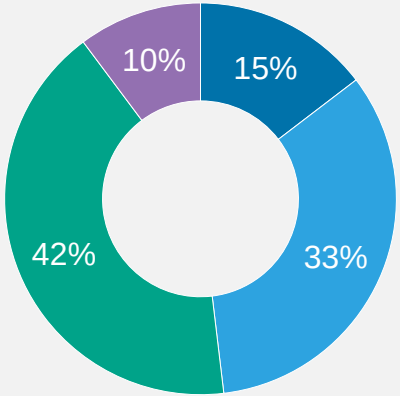
- Financial
- Technology
- Public Sector
- Services
- Consumer Goods
- Industrial Goods
- Basic Materials
- Healthcare
- Utilities
- Conglomerates

Q3 F16
Total Revenue by Geography



- Americas
- EMEA
- APJ

Q3 F16
Total Revenue Mix



- License
- Cloud Services
- Customer Support
- Service

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Customer Wins

PBS	The Public Broadcasting Service (PBS) has expanded its use of OpenText Media Management by upgrading to the Enterprise Server of Media Management. This will provide PBS the flexibility to support its broad user base of 354 independently owned and operated local member stations with its Digital Supply Chain to match content with supply and have a secure platform for a complete media asset lifecycle solution.
NATIONAL BANK	The National Bank of Canada uses OpenText Output Transformation suite to produce PDF documents for online presentation for both retail and commercial customers. Other projects such as the transformation of credit card statements to PDF for online viewing and year-end production of consumer tax slips extended the use of the software and increase the in-house processing capabilities.
COOPERTIRES	Cooper Tire & Rubber Company has signed an Enterprise License Agreement (ELA) with OpenText covering OpenText's Enterprise Content Management Suite of products. The ELA will enhance Cooper's integrated content and records management platform to help support its comprehensive information governance program.
Linde	Linde has selected OpenText's Electronic File manager (EFM) product. The solution will digitalise the physical process of storing and administering paper records, enabling Linde to better use their shared service centres, streamline and standardise business processes and drive efficiencies. The program is Global in scope and will roll out in Germany initially followed by other large markets in the USA, UK, Australia, South Africa.
SAP	SAP selected OpenText to support the provisioning of a global, scalable email notification service that would provide a common “On Demand” multi-channel notification capability for SAP’s Mobile Services business to aggregate SAP notification traffic. The solution seamlessly can scale to support a throughput of 1 million email notifications per hour with flexible API for handling job submission and responses.
COMPAS	COMPAS needed to deploy a scalable B2B program which would help them digitize their supply chain. With critical go-live dates, a large customer and supplier community, and a new infrastructure, they leveraged the best in class OpenText B2B Managed Services to accomplish their objectives.
MDR A D&B Company Grow with us	MDR a Dun & Bradstreet Company, selected the OpenText Notifications email solution which offers a cloud-based, highly available platform through which outbound broadcast email messages can be delivered. The company will send over 11 million email notifications monthly.

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Customer Wins

Cameron LNG	Cameron LNG purchased OpenText Content Suite, Engineering Document Management, and Brava! annotation software for their new centralized Enterprise Content Management infrastructure. The OpenText ECM solution will help to ensure that Cameron business processes and information sources are accurate, current, and readily accessible for governance and security requirements.
TheStandard	The Standard needed to address challenges with on-boarding an increase in customers as a result of introducing new Voluntary Insurance Products to their marketplace. By leveraging OpenText B2B Managed Services, the company will have the ability to effectively grow its B2B customer community and enhance customer service, which is its expressed competitive advantage.
Carl Zeiss Meditec AG	Carl Zeiss Meditec AG will run their leading FDA compliant DMS Solution based on Microsoft SharePoint. Based on the archiving capabilities from OpenText Application Governance & Archiving for Microsoft® SharePoint® they will secure compliance and performance of documents in their whole lifecycle.
Government of Northwest Territories	The Government of the Northwest Territories purchased OpenText Content Intelligence (CI), an add-on component to OpenText Content Suite that enables customized views for users and reporting to get the most out of its ECM investment. Content Intelligence will provide the GNWT with the ability to build an enhanced user interface, automation of document upload and move processes. CI also helps to monitor and report on the use of the system, including storage space savings by moving all content to Content Suite.
Public Works and Government Services	The Government of Canada (GC) purchased ECM Everywhere (mobility), with the OpenText solutions installed, the Government of Canada expects increased user adoption of the GCDOCS Managed Service, leading to increased productivity and management insight. The Government of Canada will also be able to optimize access to content securely through various mobile platforms.
BOSCH Invented for life	The Bosch Group purchased OpenText Document Access for SAP® Solutions to provide all divisions with a globally standardized ECM Solution to cover all needs related to SAP Document and Data Archiving in one centralized archive.
DIEBOLD	To provide state-of-the-art hardware and software products Diebold selected OpenText Capture Recognition Engine. With the new solution Diebold expects to achieve the highest customer satisfaction rate for self-service terminals in Switzerland.

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Customer Wins

By leveraging OpenText Trading Grid Messaging Service, 7PSolutions will have the ability to grow their B2B trading community quickly.

The Bank of Montreal (BMO) is using OpenText Analytics and Reporting solutions in BMO details Online®, its spend and payment management system for corporate clients. The corporate credit card website offers clients fund balances, cash management, data extracts, and information objects via query and reports. This quarter, BMO extended its investment in the OpenText technology for its mission-critical application.

STOKKE decided to go with OpenText B2B Managed Services with BizLink for AS2 connection to Managed Services. The scope of the project consists of OpenText implementing all their warehouse integrations flows and migrating two existing EDI customers in the U.S. The new solution enables STOKKE to have more scalability when integrating potentially new warehouses or changing existing 3rd party warehouses.

Using OpenText within the Department for International Development (DFID) will enable the organisation to fully meet its compliance and transparency commitments, whilst in parallel facilitating knowledge sharing and future streamlining of business processes globally throughout the organisation. DFID will continue to invest in OpenText and have increased the number of licences to enable adoption for every employee.

An OpenText Portal customer for their intranet, Nielsen expanded its investment in OpenText with the purchase of Web Experience Management (WEM). Nielsen will use the robust, enterprise-grade solution as its global platform for creating and managing web content. All existing and future sites will be built on OpenText WEM.

DC Entertainment selected OpenText to help modernize and automate their comic book publishing processes with time to market being a priority and DC adopting a philosophy of Digital First vs. Print. OpenText is providing DC a managed cloud service offering based on the OpenText Media Management (OTMM) and Process Suite platforms.

OpenText Information Hub supports Applied Informatics and Research's Flight Data Monitoring (FDM) Services. Allowing customers to monitor their operation, verify standards and training programs and validate corrective actions taken as a result of other SMS inputs. iHub provides customized reports, dashboards and data visualizations.

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Customer Wins

arvato BERTELSMANN	arvato Systems invested in a strategic partnership with OpenText to offer tailored solutions precisely to fit the digital transformation demands of the media industry. arvato Systems calls these demands “Connecting Content & People”. Based on the OpenText Process Suite and Content Suite platforms, arvato Systems will support media customers in managing the challenge of digital transformation.
brf	BRF selected OpenText B2B Managed Services to improve transaction visibility through the integration of their clients, suppliers and carriers. Managed Services will provide a robust program management and expert onboarding for their European market.
Shark NINJA	Through OpenText B2B Managed Services, Shark/Ninja will realize the benefits of standardizing on the market leading hosted B2B solution, enabling a platform to support future growth and the ability to easily accommodate the requests of their new and existing customer and partners.
mainova	Mainova is a long time OpenText customer, already streamlining all customer communication through our software. Mainova will now enhance their output management capabilities with the implementation of OpenText Document Presentment for SAP® Solutoins to further optimize their internal processes.
sampension mere værd	SAMPENSION has selected OpenText Analytics as a solution to support the daily workflow of information and KPI calculation throughout the investment management division, controlling and the customer facing divisions. OpenText Analytics is highly business critical solution for SAMPENSION.
DNB	DnB Finans has selected OpenText Analytics to be fluently embedded in its car-lease application. It is highly intuitive for the user with colorful visual representations of the data, including individual dashboards for all users and a number of logical controls for fraud detection and easy administration of the car fleets. The solution has risen customer satisfaction from 4.4 to 5.1 on a scale of 1-6 for “quality of reporting solution”.
SMC	SMC Corporation of America purchased licenses for OpenText Process Suite, Archive Center and Capture Center to create more transparent processes and improve efficiencies across all business units, streamline operations, and help ensure compliance to government mandates and internal governance.

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Summary of Year To Date Results with Constant Currency

	Q3 FY16 YTD	Q3 FY15 YTD	$ Change	% Change	Q3 FY16 YTD in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$444.4	$456.3	($11.9)	(2.6) %	$463.6	1.6 %
Customer support	553.4	547.6	5.8	1.1 %	586.2	7.0 %
Professional service and other	145.0	168.2	(23.2)	(13.8) %	157.2	(6.5) %
Total Recurring revenues	**$1,142.8**	**$1,172.1**	**($29.3)**	**(2.5) %**	**$1,206.9**	**3.0 %**
License	197.6	197.1	0.5	0.2 %	213.2	8.1 %
Total revenues	**$1,340.4**	**$1,369.2**	**($28.8)**	**(2.1) %**	**$1,420.1**	**3.7 %**
Non-GAAP-based operating margin(1)(2)	34.2 %	31.0 %	n/a	320 bps	33.8 %	
GAAP-based operating margin	20.5 %	19.4 %	n/a	110 bps		
Non-GAAP-based EPS, diluted(1)	$2.65	$2.59	$0.06	2.3 %	$2.79	7.7 %
GAAP-based EPS, diluted	$1.62	$1.35	$0.27	20.0 %		
Operating cash flows (in millions)	$406.6	$391.2	$15.4	3.9 %		

(1) See reconciliation of Non-GAAP-based measures to GAAP-based measures at the end of this presentation
(2) Before taxes and interest expense
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

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Summary of Quarterly Results

	Q3 FY16	Q2 FY16	Q3 FY15	% Change (Q3 FY16 vs Q2 FY16)	% Change (Q3 FY16 vs Q3 FY15)
Revenue (million)	$440.5	$465.3	$447.6	(5.3) %	(1.6) %
GAAP-based gross margin	67.9 %	70.0 %	66.0 %	(210) bps	190 bps
GAAP-based operating margin	20.1 %	23.6 %	11.8 %	(350) bps	830 bps
GAAP-based EPS, diluted	$0.57	$0.72	$0.22	(20.8) %	159.1 %
Non-GAAP-based gross margin(1)	72.0 %	74.2 %	71.1 %	(220) bps	90 bps
Non-GAAP-based operating margin(1)(2)	31.4 %	37.0 %	25.7 %	(560) bps	570 bps
Non-GAAP-based EPS, diluted(1)	$0.80	$1.01	$0.66	(20.8) %	21.2 %

(1) See reconciliation of Non-GAAP-based measures to GAAP-based measures at the end of this presentation
(2) Before taxes and interest expense

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Summary of Year To Date Results

	Q3 FY16 YTD	Q3 FY15 YTD	% Change
Revenue (million)	$1,340.4	$1,369.2	(2.1) %
GAAP-based gross margin	68.6 %	67.3 %	130 bps
GAAP-based operating margin	20.5 %	19.4 %	110 bps
GAAP-based EPS, diluted	$1.62	$1.35	20.0 %
Non-GAAP-based gross margin(1)	72.9 %	71.7 %	120 bps
Non-GAAP-based operating margin(1)(2)	34.2 %	31.0 %	320 bps
Non-GAAP-based EPS, diluted(1)	$2.65	$2.59	2.3 %

(1) See reconciliation of Non-GAAP-based measures to GAAP-based measures at the end of this presentation
(2) Before taxes and interest expense

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Summary of Quarterly Revenue Results

In millions	Q3 FY16	Q2 FY16	Q3 FY15	% Change (Q3 FY16 vs Q2 FY16)	% Change (Q3 FY16 vs Q3 FY15)	Q3 FY16 in CC*	% Change in CC* (Q3 FY16 vs Q3 FY15)
License	$64.4	$81.9	$63.6	(21.3) %	1.3 %	$67.4	6.0 %
Cloud services and subscriptions	147.5	149.1	147.5	(1.1) %	— %	151.2	2.5 %
Customer support	183.6	184.1	184.2	(0.3) %	(0.3) %	189.2	2.7 %
Professional service and other	45.0	50.3	52.3	(10.4) %	(13.9) %	47.3	(9.6) %
Total	$440.5	$465.3	$447.6	(5.3) %	(1.6) %	$455.1	1.7 %

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Summary of Year To Date Revenue Results

In millions	Q3 FY16 YTD	Q3 FY15 YTD	% Change	Q3 FY16 YTD in CC*	% Change in CC*
License	$197.6	$197.1	0.2 %	$213.2	8.1 %
Cloud services and subscriptions	444.4	456.3	(2.6) %	463.6	1.6 %
Customer support	553.4	547.6	1.1 %	586.2	7.0 %
Professional service and other	145.0	168.2	(13.8) %	157.2	(6.5) %
Total	$1,340.4	$1,369.2	(2.1) %	$1,420.1	3.7 %

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Key Financial Metrics

1. Foreign currency movements:

- Approximately 32.8% of total revenues are derived from EMEA in Q3 F16
- Q3 F16 unfavourable FX impact of $14.6M for total revenue when compared to Q3 F15, and unfavourable $0.01 for adjusted EPS

2. Trailing twelve months growth rate on a constant currency basis*:

- Total revenue decreased 2.1%; increased 4.5% on a constant currency basis
- Recurring revenue decreased 2.5%; increased 3.7% on a constant currency basis
- Cloud revenue decreased 2.4%; increased 2.2% on a constant currency basis
- Maintenance revenue increased 0.8%; 7.7% on a constant currency basis
- PS revenue decreased 13.2%; 5.3% on a constant currency basis
- License revenue decreased 0.4%; increased 8.9% on a constant currency basis

3. Additional metrics:

- Adjusted tax rate for F16 is 20%
- Interest expense, net is $16.2M for Q3 F16

*Calculated using trailing twelve month reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rates.

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FY16 External Target Model*

Revenue Type	2015 Target Model	Fiscal 2015 Actuals	Fiscal 2016 Target Model*
Annual Recurring Revenue (ARR)	80 - 84%	84%	82 - 86%
Product License	15 - 20 %	16%	14 - 18%
Cloud Services	28 - 33%	33%	31 - 36%
Product Maintenance	35 - 40%	40%	38 - 42%
Professional Services	10 - 15%	12%	8 - 13%
Non-GAAP Gross Margin			
Product License	94 - 96%	96%	95 - 97%
Cloud Services	58 - 60%	61%	58 - 60%
Product Maintenance	85 - 87%	87%	86 - 88%
Professional Services	21 - 23%	22%	21 - 23%
Non-GAAP Gross Margin	**69 - 72%**	**72%**	**70 - 72%**
Non-GAAP Operating Expenses			
Development	10 - 12%	10%	10 - 12%
Sales and Marketing	18 - 20%	19%	17 - 19%
General and Admin	7 - 8%	8%	7 - 8%
Depreciation	2 - 4%	3%	2 - 4%
Non-GAAP Ops Margin	**28 - 32%**	**31%**	**30 - 34%**

*This target model is not guidance.

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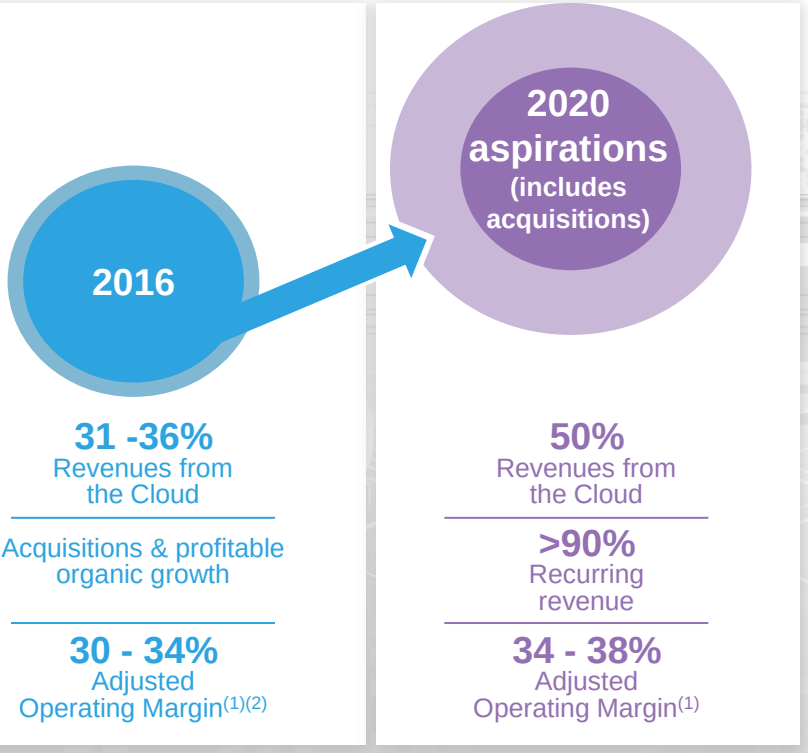
Path to 2020 with Target Model

Intelligent Cloud growth yields top-line and operating margin growth

- Continued focus on growing recurring revenue profile
- Unwavering focus on margin improvement to maximize value
- Seven year revenue growth CAGR of 14%
- Revenue growth lead by acquisitions and augmented by profitable organic growth
- Accelerating growth through acquisitions



1 Before taxes and interest expense.
2. See reconciliation of Non-GAAP measures to GAAP measures at the end of the presentation

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Appendix A

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 (Non-GAAP).These Non-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-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-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-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-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-GAAP measures defined below.

Non-GAAP-based net income and Non-GAAP-based EPS are calculated as net income or earnings per share on a diluted basis, excluding, the amortization of acquired intangible assets, other income (expense), share-based compensation, and Special charges (recoveries), all net of tax. Non-GAAP-based gross profit is the arithmetical sum of GAAP-based gross profit and the amortization of acquired technology-based intangible assets and share-based compensation within cost of sales. Non-GAAP-based gross margin is calculated as Non-GAAP-based gross profit expressed as a percentage of revenue. Non-GAAP-based income from operations is calculated as income from operations, excluding, the amortization of acquired intangible assets, Special charges (recoveries), and share-based compensation expense. Non-GAAP-based operating margin is calculated as Non-GAAP-based income from operations expressed as a percentage of revenue.

The Company's management believes that the presentation, of the above defined Non-GAAP financial measures, provides useful information to investors because they portray the financial results of the Company before the impact of certain non-operational charges. The use of the term “non-operational charge” is defined for this purpose as an expense that does not impact the ongoing 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, including amortization of acquired intangible assets, Special charges (recoveries), 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-GAAP measures allow 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 (although prior performance is not necessarily indicative of future performance). As a result, the Company considers it appropriate and reasonable to provide, in addition to U.S. GAAP measures, supplementary Non-GAAP financial measures that exclude certain items from the presentation of its financial results in this presentation.

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Reconciliation of Selected Non-GAAP Measures | Q3 F16

(in '000s USD)	Three Months Ended March 31, 2016					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 61,298		$ (202)	(1)	$ 61,096	
Customer support	22,427		(215)	(1)	22,212	
Professional service and other	37,599		(247)	(1)	37,352	
Amortization of acquired technology-based intangible assets	17,630		(17,630)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	299,109	67.9%	18,294	(3)	317,403	72.0%
Operating expenses						
Research and development	48,160		(500)	(1)	47,660	
Sales and marketing	84,600		(3,213)	(1)	81,387	
General and administrative	37,731		(1,589)	(1)	36,142	
Amortization of acquired customer-based intangible assets	27,966		(27,966)	(2)	—	
Special charges (recoveries)	(1,671)		1,671	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	88,569	20.1%	49,891	(5)	138,460	31.4%
Other income (expense), net	2,120		(2,120)	(6)	—	
Provision for (recovery of) income taxes	5,353		19,100	(7)	24,453	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	69,115		28,671	(8)	97,786	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.57		$ 0.23	(8)	$ 0.80	

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Reconciliation of Selected Non-GAAP Measures | Q3 F16

FOOTNOTES

1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	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.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 7% and a Non-GAAP-based tax rate of 20%; 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. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and “book to return” adjustments for tax return filings and tax assessments (in total “adjusted expenses”). In arriving at our Non-GAAP-based tax rate of 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended March 31, 2016	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 97,786	$ 0.80
Less:		
Amortization	45,596	0.37
Share-based compensation	5,966	0.05
Special charges (recoveries)	(1,671)	(0.01)
Other (income) expense, net	(2,120)	(0.02)
GAAP-based provision for (recovery of) income taxes	5,353	0.04
Non-GAAP based provision for income taxes	(24,453)	(0.20)
GAAP-based net income, attributable to OpenText	$ 69,115	$ 0.57

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Reconciliation of Selected Non-GAAP Measures | Q3 F16 YTD

(in '000s USD)	Nine Months Ended March 31, 2016					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 179,132		$ (641)	(1)	$ 178,491	
Customer support	64,624		(631)	(1)	63,993	
Professional service and other	114,038		(1,086)	(1)	112,952	
Amortization of acquired technology-based intangible assets	56,244		(56,244)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	919,197	68.6%	58,602	(3)	977,799	72.9%
Operating expenses						
Research and development	140,310		(1,988)	(1)	138,322	
Sales and marketing	248,420		(9,043)	(1)	239,377	
General and administrative	107,067		(5,691)	(1)	101,376	
Amortization of acquired customer-based intangible assets	83,564		(83,564)	(2)	—	
Special charges (recoveries)	24,754		(24,754)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	275,084	20.5%	183,642	(5)	458,726	34.2%
Other income (expense), net	(1,832)		1,832	(6)	—	
Provision for (recovery of) income taxes	20,629		60,149	(7)	80,778	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	198,087		125,325	(8)	323,412	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.62		$ 1.03	(8)	$ 2.65	

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Reconciliation of Selected Non-GAAP Measures | Q3 F16 YTD

FOOTNOTES

1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	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.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 9% and a Non-GAAP-based tax rate of 20%; 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. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and “book to return” adjustments for tax return filings and tax assessments (in total “adjusted expenses”). In arriving at our Non-GAAP-based tax rate of 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Nine Months Ended March 31, 2016	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 323,412	$ 2.65
Less:		
Amortization	139,808	1.15
Share-based compensation	19,080	0.16
Special charges (recoveries)	24,754	0.20
Other (income) expense, net	1,832	0.02
GAAP-based provision for (recovery of) income taxes	20,629	0.17
Non-GAAP based provision for income taxes	(80,778)	(0.67)
GAAP-based net income, attributable to OpenText	$ 198,087	$ 1.62

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Reconciliation of Selected Non-GAAP Measures | Q2 F16

(in '000s USD)	Three Months Ended December 31, 2015					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 58,918		$ (158)	(1)	$ 58,760	
Customer support	21,689		(258)	(1)	21,431	
Professional service and other	38,375		(386)	(1)	37,989	
Amortization of acquired technology-based intangible assets	18,731		(18,731)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	325,605	70.0%	19,533	(3)	345,138	74.2%
Operating expenses						
Research and development	45,710		(736)	(1)	44,974	
Sales and marketing	85,875		(2,715)	(1)	83,160	
General and administrative	33,767		(2,328)	(1)	31,439	
Amortization of acquired customer-based intangible assets	27,793		(27,793)	(2)	—	
Special charges (recoveries)	9,088		(9,088)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	110,042	23.6%	62,193	(5)	172,235	37.0%
Other income (expense), net	961		(961)	(6)	—	
Provision for (recovery of) income taxes	4,074		26,480	(7)	30,554	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	87,686		34,752	(8)	122,438	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.72		$ 0.29	(8)	$ 1.01	

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Reconciliation of Selected Non-GAAP Measures | Q2 F16

FOOTNOTES

1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	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.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 4% and a Non-GAAP-based tax provision rate of 20%; 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. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and “book to return” adjustments for tax return filings and tax assessments (in total “adjusted expenses”). In arriving at our Non-GAAP-based tax rate of 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended December 31, 2015	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 122,438	$ 1.01
Less:		
Amortization	46,524	0.38
Share-based compensation	6,581	0.05
Special charges (recoveries)	9,088	0.07
Other (income) expense, net	(961)	(0.01)
GAAP-based provision for (recovery of) income taxes	4,074	0.03
Non-GAAP based provision for income taxes	(30,554)	(0.23)
GAAP-based net income, attributable to OpenText	$ 87,686	$ 0.72

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Reconciliation of Selected Non-GAAP Measures | Q3 F15

(in '000s USD)	Three Months Ended March 31, 2015					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 60,776		$ (182)	(1)	$ 60,594	
Customer support	24,084		(224)	(1)	23,860	
Professional service and other	42,396		(316)	(1)	42,080	
Amortization of acquired technology-based intangible assets	22,136		(22,136)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	295,205	66.0%	22,858	(3)	318,063	71.1%
Operating expenses						
Research and development	53,222		(654)	(1)	52,568	
Sales and marketing	97,146		(1,919)	(1)	95,227	
General and administrative	45,552		(3,267)	(1)	42,285	
Amortization of acquired customer-based intangible assets	28,250		(28,250)	(2)	—	
Special charges (recoveries)	5,622		(5,622)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	52,604	11.8%	62,570	(5)	115,174	25.7%
Other income (expense), net	(9,550)		9,550	(6)	—	
Provision for (recovery of) income taxes	(309)		18,122	(7)	17,813	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	26,610		53,998	(8)	80,608	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.22		$ 0.44	(8)	$ 0.66	

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Reconciliation of Selected Non-GAAP Measures | Q3 F15

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	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.
7	Adjustment relates to differences between the GAAP-based tax recovery rate of approximately 1% and a Non-GAAP-based tax rate of 18%; 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. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and “book to return” adjustments for tax return filings and tax assessments (in total “adjusted expenses”). In arriving at our Non-GAAP-based tax rate of 18%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended March 31, 2015	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 80,608	$ 0.66
Less:		
Amortization	50,386	0.41
Share-based compensation	6,562	0.05
Special charges (recoveries)	5,622	0.05
Other (income) expense, net	9,550	0.08
GAAP-based provision for (recovery of) income taxes	(309)	—
Non-GAAP based provision for income taxes	(17,813)	(0.15)
GAAP-based net income, attributable to OpenText	$ 26,610	$ 0.22

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Reconciliation of Selected Non-GAAP Measures | Q3 F15 YTD

(in '000s USD)	Nine Months Ended March 31, 2015					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 178,886		$ (581)	(1)	$ 178,305	
Customer support	70,878		(632)	(1)	70,246	
Professional service and other	129,999		(914)	(1)	129,085	
Amortization of acquired technology-based intangible assets	58,548		(58,548)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	921,510	67.3%	60,675	(3)	982,185	71.7%
Operating expenses						
Research and development	144,134		(1,831)	(1)	142,303	
Sales and marketing	269,167		(6,587)	(1)	262,580	
General and administrative	120,962		(5,395)	(1)	115,567	
Amortization of acquired customer-based intangible assets	79,498		(79,498)	(2)	—	
Special charges (recoveries)	4,032		(4,032)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	266,201	19.4%	158,018	(5)	424,219	31.0%
Other income (expense), net	(28,737)		28,737	(6)	—	
Provision for (recovery of) income taxes	35,401		34,288	(7)	69,689	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	165,523		152,467	(8)	317,990	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.35		$ 1.24	(8)	$ 2.59	

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Reconciliation of Selected Non-GAAP Measures | Q3 F15 YTD

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	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.
7	Adjustment relates to the income tax effects of expenses that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and “book to return” adjustments for tax return filings and tax assessments (in total “adjusted expenses”). In arriving at our Non-GAAP-based tax rate of 18%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Nine Months Ended March 31, 2015	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 317,990	$ 2.59
Less:		
Amortization	138,046	1.12
Share-based compensation	15,940	0.13
Special charges (recoveries)	4,032	0.03
Other (income) expense, net	28,737	0.23
GAAP-based provision for (recovery of) income taxes	35,401	0.29
Non-GAAP based provision for income taxes	(69,689)	(0.56)
GAAP-based net income, attributable to OpenText	$ 165,523	$ 1.35

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