OPENTEXT™

Enabling the Digital World

Quarter Supplemental Investor Presentation

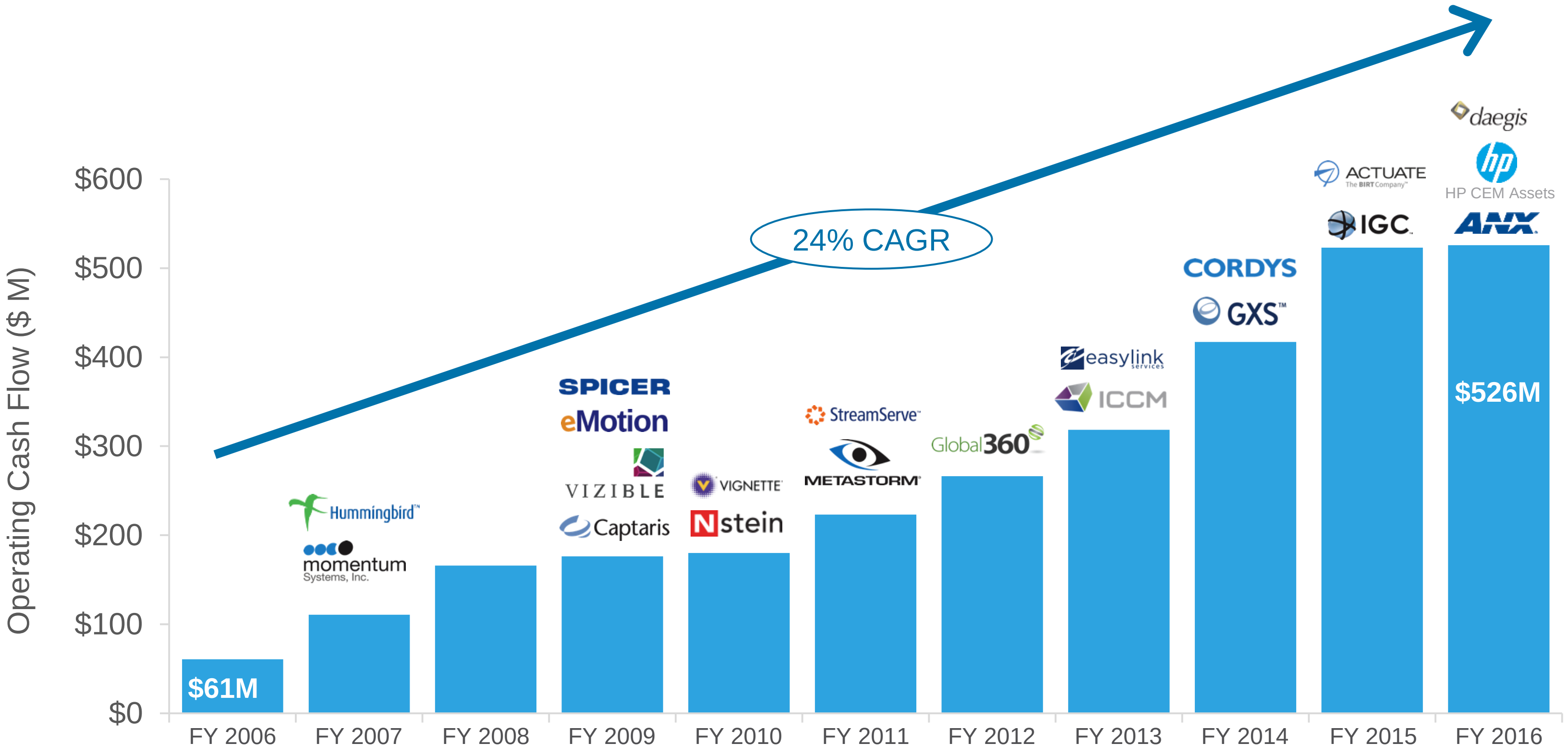
FY16-Q4 | July 27, 2016

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 our fiscal year ending June 30, 2017 (Fiscal 2017) 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, expected growth in our revenue lines, adjusted operating income and cash flow, 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, future tax rates, 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" and other product releases. 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 potential for the incurrence of or assumption of debt in connection with acquisitions and the impact on the ratings or outlooks of rating agencies on the Company’s outstanding debt securities; (iii) the possibility that the Company may be unable to meet its future reporting requirements under the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; (iv) the risks associated with bringing new products and services to market; (v) fluctuations in currency exchange rates; (vi) delays in the purchasing decisions of the Company's customers; (vii) the competition the Company faces in its industry and/or marketplace; (viii) the final determination of litigation, tax audits (including tax examinations in the United States and elsewhere) and other legal proceedings; (ix) potential exposure to greater than anticipated tax liabilities ore expenses, including with respect to changes in Canadian, U.S. or international tax regimes; (x) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (xi) the continuous commitment of the Company's customers; and (xii) demand for the Company's products and services. 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.

Growing Cash Flow by Acquiring Strong Businesses



M&A Drives Revenue Growth

- In the fourth quarter of fiscal 2016 OpenText announced four acquisitions
- Expected to add approximately $300M million in annualized revenues in fiscal 2017

Acquisition	Description	Purchase Price	Expected Annualized Revenue	Timeline to Operating Model	Date of Close
HP Inc.'s CEM Assets	Certain customer experience software assets such as HP TeamSite and HP MediaBin	$160M	$85M to $95M	• Immediately accretive • Be on operating model in first 12 months	April 30 '16
ANXe Business	Cloud-based information exchange services to US Automotive and Healthcare industries	$105M	$30M	• Be both accretive and on operating model, immediately	May 1 '16
Recommind	Leading eDiscovery and analytics including SaaS and managed services solutions	$170M	$70M to $80M	• Immediately accretive • Be on operating model in first 12 months	July 20'16
HP Inc's CCM Assets	Customer communications management assets including HP Extream and HP LIquidOffice	$315M	$110M to $125M	• Immediately accretive • Be on operating model in FQ1'17	Anticipated Q1 F'17
TOTAL		$750M	$295M to $330M		

FY17 Business & IP Reorganization and Anticipated Tax Rates

Reorganization

In FY17, OpenText implemented a reorganization of global subsidiaries with the view to continuing to enhance operational and administrative efficiencies

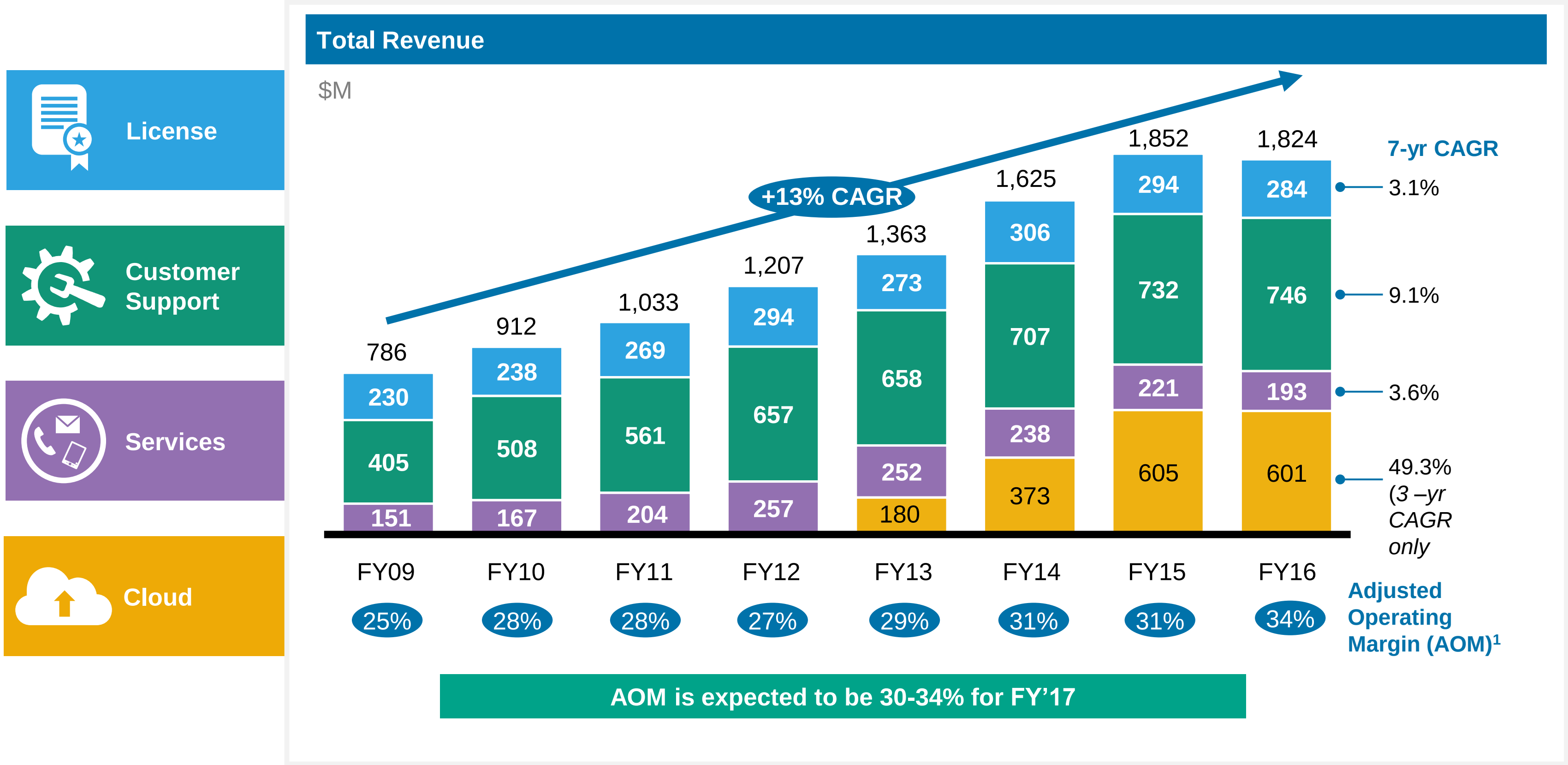
- Consolidated ownership, management, and development of intellectual property (IP) in Canada and exit from Luxembourg
- Continuing to reduce the number of entities in the OpenText group and working towards the objective of having a single operating legal entity in each jurisdiction
- Reduces exposure to global political and tax uncertainties, particularly in Europe
- Simplify legal, accounting and tax compliance
- Improve global cash management

Anticipated FY17 Tax Rates

- GAAP tax rate in FY17 anticipated to be significantly below zero
- Adjusted tax rate in FY17 anticipated to be approximately 15%*
    - Illustration of this Non-GAAP based adjusted tax rate is anticipated to be representative of the actual cash tax burden on adjusted earnings which we believe is more aligned with financial market expectations

*Adjusted tax rate is calculated by dividing anticipated current tax provision for the period by Non-GAAP based adjusted net income before tax. Current tax provision is derived by removal of the deferred income tax component from the annual consolidated income tax provision. Also see reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.

We Have Four Different Revenue Streams



1 Also see reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.

Summary of Quarterly Results with Constant Currency

	Q4 FY16	Q4 FY15	$ Change	% Change	Q4 FY16 in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$156.6	$149.0	$7.6	5.1 %	$156.8	5.2 %
Customer support	193.0	184.2	8.8	4.7 %	193.0	4.8 %
Professional service and other	48.1	52.4	(4.3)	(8.2) %	48.4	(7.6) %
Total Recurring revenues	**$397.7**	**$385.6**	**$12.1**	**3.1 %**	**$398.2**	**3.3 %**
License	86.1	97.1	(11.0)	(11.3) %	85.6	(11.8) %
Total revenues	**$483.8**	**$482.7**	**$1.1**	**0.2 %**	**$483.8**	**0.2 %**
GAAP-based operating margin	19.3 %	17.1 %	n/a	220 bps		
Non-GAAP-based operating margin(1)	32.7 %	30.8 %	n/a	190 bps	32.1 %	130 bps
GAAP-based EPS, diluted	$0.71	$0.56	$0.15	26.8 %		
Non-GAAP-based EPS, diluted(1)	$0.89	$0.87	$0.02	2.3 %	$0.87	— %
Operating cash flows (in millions)	$119.1	$131.8	($12.7)	(9.6) %		

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation
*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.

Summary of Annual Results with Constant Currency

	FY16	FY15	$ Change	% Change	FY16 in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$601.0	$605.3	($4.3)	(0.7) %	$620.4	2.5 %
Customer support	746.4	731.8	14.6	2.0 %	779.1	6.5 %
Professional service and other	193.1	220.5	(27.4)	(12.4) %	205.6	(6.8) %
Total Recurring revenues	**$1,540.5**	**$1,557.6**	**($17.1)**	**(1.1) %**	**$1,605.1**	**3.0 %**
License	283.7	294.3	(10.6)	(3.6) %	298.8	1.5 %
Total revenues	**$1,824.2**	**$1,851.9**	**($27.7)**	**(1.5) %**	**$1,903.9**	**2.8 %**
GAAP-based operating margin	20.2 %	18.8 %	n/a	140 bps		
Non-GAAP-based operating margin(1)	33.8 %	30.9 %	n/a	290 bps	33.3 %	240 bps
GAAP-based EPS, diluted	$2.33	$1.91	$0.42	22.0 %		
Non-GAAP-based EPS, diluted(1)	$3.54	$3.46	$0.08	2.3 %	$3.66	5.8 %
Operating cash flows (in millions)	$525.7	$523.0	$2.7	0.5 %		

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation

*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.

Summary of Quarterly Results

	Q4 FY16	Q3 FY16	Q4 FY15	% Change (Q4 FY16 vs Q3 FY16)	% Change (Q4 FY16 vs Q4 FY15)
Revenue (million)	$483.8	$440.5	$482.7	9.8 %	0.2 %
GAAP-based gross margin	68.4 %	67.9 %	68.8 %	50 bps	(40) bps
GAAP-based operating margin	19.3 %	20.1 %	17.1 %	(80) bps	220 bps
GAAP-based EPS, diluted	$0.71	$0.57	$0.56	24.6 %	26.8 %
Non-GAAP-based gross margin(1)	72.4 %	72.0 %	73.6 %	40 bps	(120) bps
Non-GAAP-based operating margin(1)	32.7 %	31.4 %	30.8 %	130 bps	190 bps
Non-GAAP-based EPS, diluted(1)	$0.89	$0.80	$0.87	11.3 %	2.3 %

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation

Summary of Annual Results

	FY16	FY15	% Change
Revenue (million)	$1,824.2	$1,851.9	(1.5) %
GAAP-based gross margin	68.5 %	67.7 %	80 bps
GAAP-based operating margin	20.2 %	18.8 %	140 bps
GAAP-based EPS, diluted	$2.33	$1.91	22.0 %
Non-GAAP-based gross margin(1)	72.8 %	72.2 %	60 bps
Non-GAAP-based operating margin(1)	33.8 %	30.9 %	290 bps
Non-GAAP-based EPS, diluted(1)	$3.54	$3.46	2.3 %

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation

Summary of Quarterly Revenue Results

In millions	Q4 FY16	Q3 FY16	Q4 FY15	% Change (Q4 FY16 vs Q3FY16)	% Change (Q4 FY16 vs Q4 FY15)	Q4 FY16 in CC*	% Change in CC* (Q4 FY16 vs Q4 FY15)
License	$86.1	$64.4	$97.1	33.7 %	(11.3) %	$85.6	(11.8) %
Cloud services and subscriptions	156.6	147.5	149.0	6.2 %	5.1 %	156.8	5.2 %
Customer support	193.0	183.6	184.2	5.1 %	4.7 %	193.0	4.8 %
Professional service and other	48.1	45.0	52.4	6.8 %	(8.2) %	48.4	(7.6) %
Total	$483.8	$440.5	$482.7	9.8 %	0.2 %	$483.8	0.2 %

*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.

OPENTEXT™

Summary of Annual Revenue Results

In millions	FY16	FY15	% Change	FY16 YTD in CC*	% Change in CC*
License	$283.7	$294.3	(3.6) %	$298.8	1.5 %
Cloud services and subscriptions	601.0	605.3	(0.7) %	620.4	2.5 %
Customer support	746.4	731.8	2.0 %	779.1	6.5 %
Professional service and other	193.1	220.5	(12.4) %	205.6	(6.8) %
Total	$1,824.2	$1,851.9	(1.5) %	$1,903.9	2.8 %

*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.

FY16 Q4 Business and Financial Highlights

- 20 customer transactions over $1 million, 10 OpenText Cloud contract signings and 10 on-premises
- Financial, services, technology and consumer goods industries saw the most demand
- New customers in the quarter included Red Hat Inc., s.Oliver, Nevada State Controller's Office, Schwan Cosmetics, Kamehameha Schools, eMeter Corporation, APA Group, State Of Iowa, KUKA, Miller Insurance Services LLP, Kno2, Delta RM, Sanofi, Mount Sinai Health System, Inland Revenue Department, HKSAR and Constellation Brands
- OpenText signs definitive agreement to acquire Customer Communications Management assets from HP Inc.
- OpenText signs definitive agreement to acquire Recommind, Inc.
- OpenText signs definitive agreement to acquire, and closes acquisition of, ANXe Business Corp.
- OpenText signs definitive agreement to acquire, and closes acquisition of, certain Customer Experience Software assets from HP Inc.
- OpenText receives 2016 SAP® Pinnacle Award: Application Innovation Partner of the Year
- Thousands attend OpenText Enterprise World 2016

Cloud Revenue Up 5% Y/Y

- Total revenue $483.8 million up 0.2% Y/Y
- Cloud Revenue $156.6M up 5% Y/Y
- 10 Cloud MCV transactions over $1 million
- License Revenue $86.1 million down 11% Y/Y
- 10 License transactions over $1 million
- License revenue from new accounts: 21%
- Partners contributed 30% of license revenue
- Average Cloud MCV deal size: $587K
- Average License deal size : $323K

Non-GAAP Operating Margin 33%*

- GAAP–based EPS was $0.71 compared to $0.56 Y/Y
- Non-GAAP-based EPS was $0.89 compared to $0.87 Y/Y*
- GAAP-based operating margin 19%
- Non-GAAP-based operating margin 33%*
- Non-GAAP tax rate: 20%

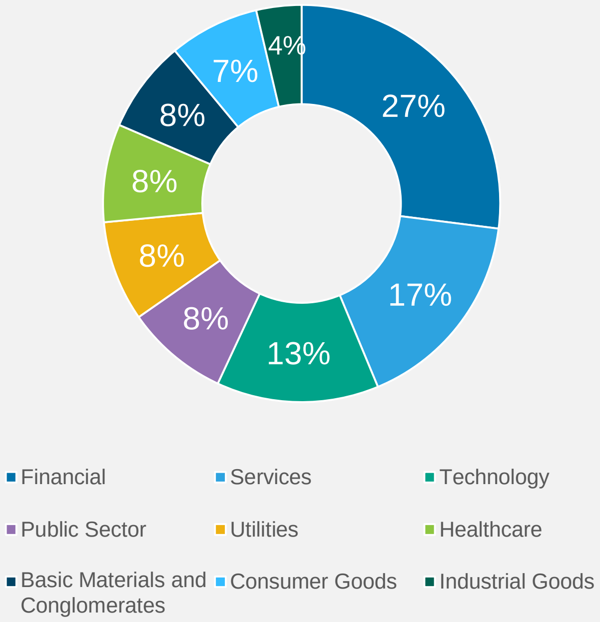
Operating Cash Flow $119 million

- $119.1 million in operating cash flow, compared to $131.8 million Y/Y
- Cash and cash equivalents $1283.8 million
- Total debt $2,180.0 million as of June 30, 2016

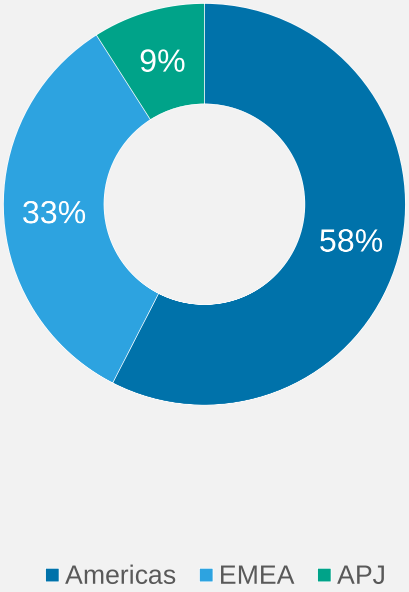
* See reconciliation of GAAP to Non-GAAP measures at the end of this presentation

FY16 Q4 Revenue Breakdown

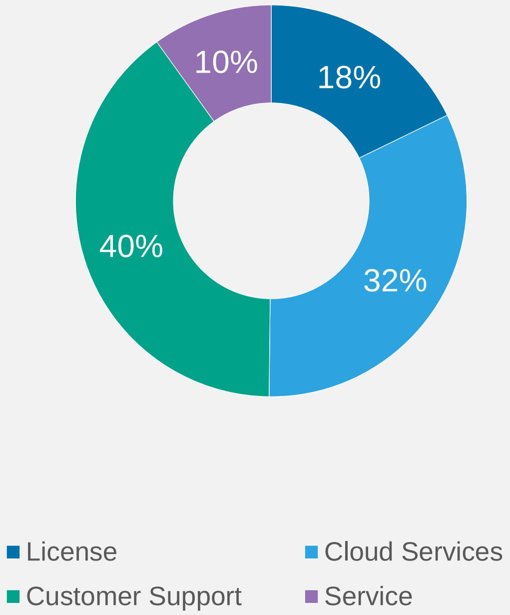
Q4 F16
License Revenue by Industry



Q4 F16
Total Revenue by Geography



Q4 F16
Total Revenue Mix



FY16 Business and Financial Highlights

Total Cloud Revenue up

2% Y/Y in CC***

- Total revenue $1824.2 million down 2% Y/Y
- Cloud Revenue $601.0M down 1% Y/Y
- 31 Cloud MCV transactions over $1 million
- License Revenue $283.7 million down 4% Y/Y
- 34 License transactions over $1 million
- License revenue from new accounts: 24%

- Partners contributed 40% of license revenue
- Average Cloud MCV deal size: $438K
- Average License deal size : $332K

Non-GAAP Operating Margin

34%*

- GAAP–based EPS was $2.33 compared to $1.91 Y/Y
- Non-GAAP-based EPS was $3.54 compared to $3.46 Y/Y*
- GAAP-based operating margin 20%
- Non-GAAP-based operating margin 34%*
- Non-GAAP tax rate: 20%

Operating Cash Flow Up

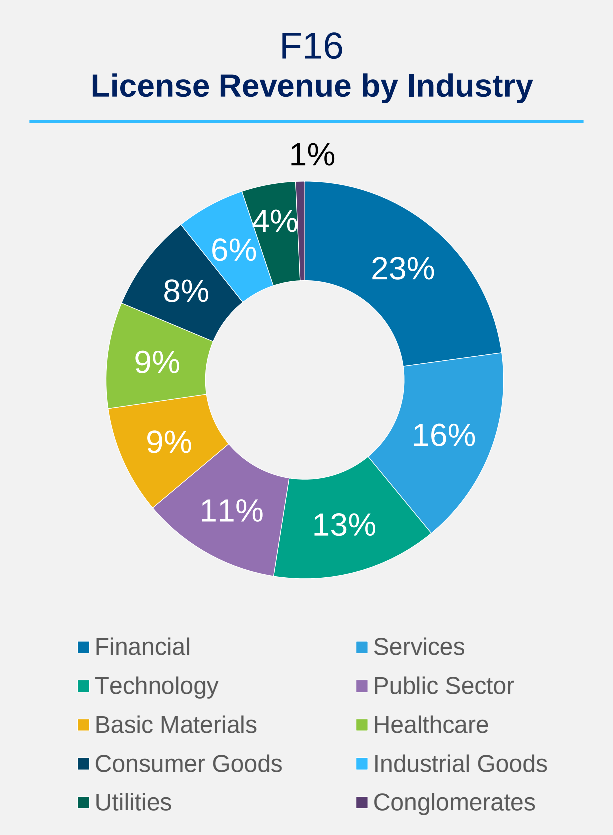
1% Y/Y

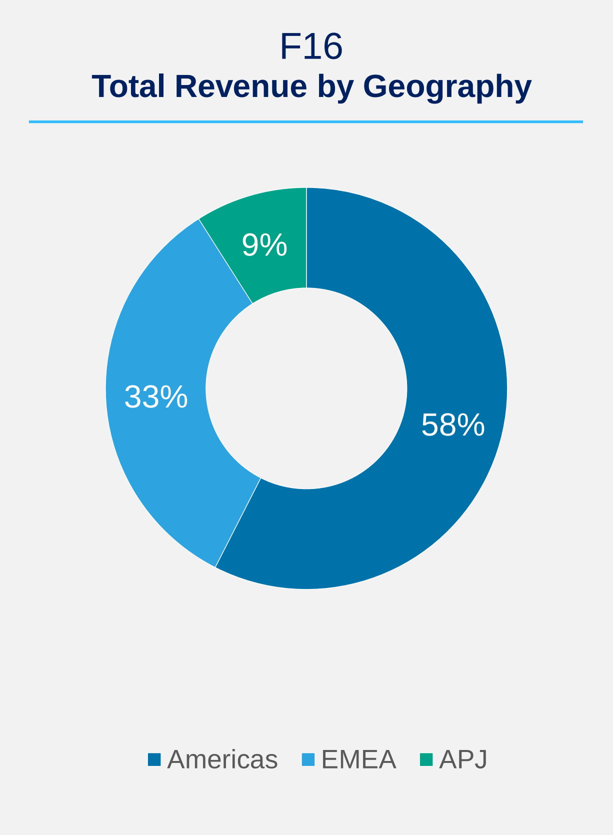
- $525.7 million in operating cash flow, compared to $523.0 million Y/Y
- Cash and cash equivalents $1,283.8 million
- Total debt $2,180.0 million as of June 30, 2016

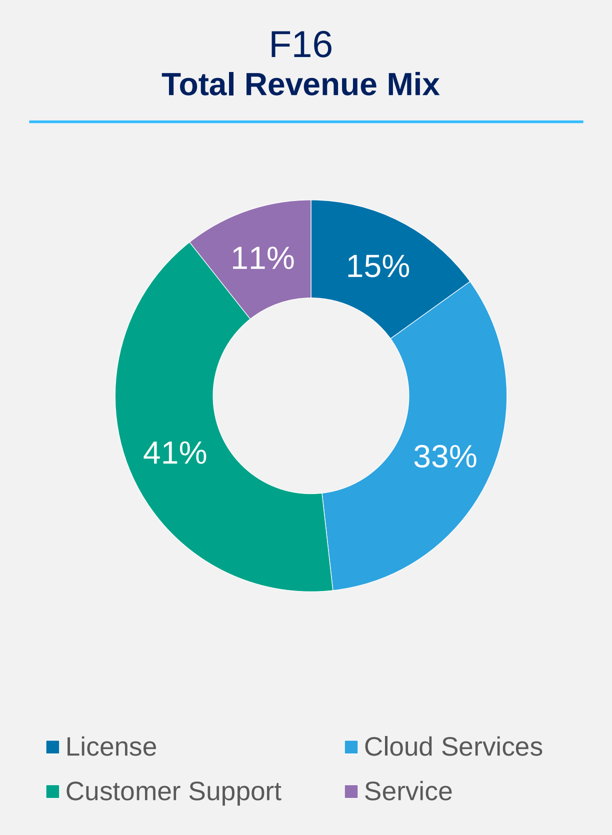
***CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

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

FY16 Revenue Breakdown







Customer Wins

KUKA

KUKA automates contract management with OpenText Extended ECM for SAP® Solutions. This quarter they extended their investment in OpenText to optimize their sales processes.

Iowa – Fields of Opportunities

The State of Iowa is creating a digital Platform as a service (PaaS) for the Office of the Chief Information Officer to support its agency clients. The initial project is to implement OpenText Enterprise Content Management (ECM) for the Department of Administrative Services (DAS) combined with their ERP. The goals are to extend ECM in PaaS Cloud to State agencies. The solutions will help the State of Iowa take full advantage of the opportunities offered through digital transformation.

apa

APA Group purchased OpenText Content Suite and Enterprise Content Management applications including Content Intelligence, Engineering Document Management, ECM Everywhere and Shinydrive™ for Content Server by Shinydocs, as the platform for their new Enterprise Information Management (EIM) Solution.

Kamehameha Schools

Kamehameha Schools use Content Suite to manage and store their extensive unstructured documents, including leases and historical documents, in a single repository to help reduce risk, ensure compliance and increase productivity and efficiency. The workflow functions of Content Suite will allow for better management of the financial/lease documents.

The Nevada State Controller's Office purchased OpenText Information Hub (iHub) for its reporting needs. iHub conforms with the other data management products deployed by the State of Nevada Controller's Office and offers many ways to share analytic content securely with their teams.

cosmetics – inspiration engineered

Schwan Cosmetics bought OpenText Extended ECM for SAP® Solutions and OpenText Engagement Bundle (Web Experience Management, Portal, Social). The company implements Extended ECM as a platform for customer data and product information files. The Product Information File collects documentation stored by R&D, production and quality control in Business Workspaces. It helps Schwan Cosmetics to ensure compliance of external (EU) regulations.

s.Oliver

s.Oliver are poised to complete the project completely paperless from creating contracts to sending, editing, signing and finally archiving them at the end of the process chain while cutting costs and increasing ROI by eliminating manual with OpenText CCM CRM (PowerDocs), and DocuSign eSignature in the Cloud, mistake-prone processes and avoiding delays in the project completion.

Customer Wins

Red Hat has selected OpenText B2B Managed Services as part of Red Hat's strategic B2B initiative to support company growth and provide a great experience for their customers. Red Hat and OpenText will expand the existing B2B program around the globe as well as implement additional transactions in support of order to cash.

As healthcare moves aggressively forward with interoperability, fax is still a reality. Through Kno2's disruptive technology platform, Kno2 is revolutionizing fax in healthcare by embedding OpenText's Fax2Mail solution as part of a broader interoperability framework, allowing healthcare providers to manage all forms of heathcare exchange, including fax, in a single solution, streamlining workflows and integration to electronic health records.

Sanofi bought OpenText Invoice Management for SAP® Solutions and OpenText Capture Center. With the new solution, Sanofi will be able to govern its information to control the financial process and to align the subsidiaries with one core solution fully integrated with SAP.

Miller decided to host the OpenText Archive Server in the OpenText Cloud. By outsourcing their archive to OpenText and integrating it with their on-premises Content Suite, Miller has ensured that they can focus their attention on core IT projects and initiatives supporting their key corporate objectives of growth and digital transformation.

The Digital Media group at Mount Sinai Health System selected OpenText Web Experience Management for their external engagement platform. All employees, partners and consumers will find services and education offerings via this new face of Mount Sinai.

With 20 years experience in the sector, Delta RM think that risk management tools should be accessible to all, quickly and seamlessly, and decided in 2016 to enhance the value of our Business Intelligence with OpenText Information Hub (iHub) for its embedded analytics and data visualization platform.

The Inland Revenue Department (IRD) from the Government of the Hong Kong Special Administrative Region (HKSAR) is using OpenText StreamServe as their Enterprise Printing System (EPS), a centralized printing system to be developed to serve the printing requirements of the IRD Tax Administration Application System II (TAAS II).

Constellation Brands purchased OpenText licenses for Engineering Document Management (EDM) to manage engineering content and processes for the expansion of the Nava Mexico brewery. Cbrands is utilizing OpenText Content Suite Platform, including Blazon to read engineering documents and also to streamline new product design review and approvals process in their Quality and Procurement groups.

Key Financial Metrics

1. Foreign currency movements:

- Approximately 33% of total revenues are derived from EMEA in both Q4 F16 and F16.
- Non material FX impact on total revenue in Q4 F16 when compared to Q4 F15; however, favourable FX impact of $0.02 on adjusted EPS
- $79.7M unfavourable F16 FX impact on total revenue when compared to F15, and unfavourable $0.12 on adjusted EPS.

2. Fiscal 2016 growth rate on a constant currency basis*:

- Total revenue decreased 1.5%; increased 2.8% on a constant currency basis
- Recurring revenue decreased 1.1%; increased 3.0% on a constant currency basis
- Cloud services and subscription revenue decreased 0.7%; increased 2.5% on a constant currency basis
- Customer support revenue growing at 2.0%; 6.5% on a constant currency basis
- Professional services revenue decreased 12.4%; 6.8% on a constant currency basis
- License revenue decreased 3.6%; increased 1.5% on a constant currency basis

3. Additional metrics:

- Adjusted tax rate for F16 is 20%
- Interest expense is $21.9M for Q4 F16 and $76.4M for F16.

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

FY17 External Target Model*

- Expect to start in the low end of the non-GAAP operating margin range in Q1'17 and gradually increase toward the upper range by the end of the fiscal year

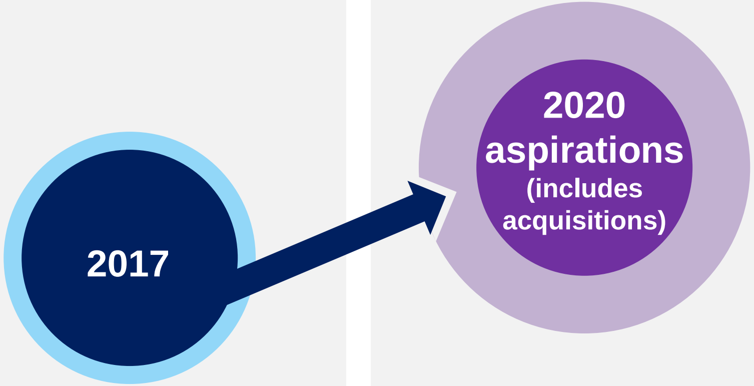
Revenue Type	Fiscal 2016 Target Model	Fiscal 2016 Actuals	Fiscal 2017 Target Model
Annual Recurring Revenue (ARR)	82 - 86%	84%	82 - 86%
License	14 - 18%	16%	14 - 18%
Cloud Services and Subscriptions	31 - 36%	33%	31 - 36%
Customer Support	39 - 42%	41%	39 - 42%
Professional Services and Other	8 - 13%	11%	8 - 13%
Non-GAAP Gross Margin			
Product License	95 - 97%	96%	95 - 97%
Cloud Services	58 - 60%	60%	58 - 60%
Product Maintenance	86 - 88%	88%	86 - 88%
Professional Services	21 - 23%	20%	18 - 21%
Non-GAAP Gross Margin	**70 - 72%**	**73%**	**71 - 73%**
Non-GAAP Operating Expenses			
Development	10 - 12%	10%	10 - 12%
Sales & Marketing	17 - 19%	18%	19 - 21%
General & Admin	7 - 8%	7%	7 - 8%
Depreciation	2 - 4%	3%	2 - 4%
Non-GAAP Operating Margin	**30 - 34%**	**34%**	**30 - 34%**
Interest Expense USD million	NA	$ 76	$105 - $115
Adjusted Tax Rate**	20%	20%	15%

*This target model is not guidance.

OPENTEXT™

*Please see reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.
**Please refer to historical filings, including our form 10-K, regarding the Fiscal 2016 adjusted tax rate. Please also refer to the "FY17 Business & IP Reorganization and Anticipated Tax Rates" slide in this presentation regarding our fiscal 2017 targeted adjusted tax rate.

Path to 2020 with Target Model



31 -36%
Revenues from the Cloud

Acquisitions & profitable organic growth

30 - 34%
Adjusted Operating Margin[1]

50%
Revenues from the Cloud

>90%
Recurring revenue

34 - 38%
Adjusted Operating Margin[1]

- Continued focus on growing recurring revenue profile
- Unwavering focus on margin improvement to maximize value
- Ten year revenue growth CAGR of 16%
- Revenue growth lead by acquisitions and augmented by profitable organic growth
- Accelerating growth through acquisitions

1 See reconciliation of Non-GAAP measures to GAAP measures at the end of the presentation.

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 total 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 total 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.

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 Non-GAAP Measures | Q4 F16

(in '000s USD)	Three Months Ended June 30, 2016					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 64,889		$ (312)	(1)	$ 64,577	
Customer support	25,237		(269)	(1)	24,968	
Professional service and other	41,546		(540)	(1)	41,006	
Amortization of acquired technology-based intangible assets	17,994		(17,994)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	331,031	68.4%	19,115	(3)	350,146	72.4%
Operating expenses						
Research and development	53,747		(836)	(1)	52,911	
Sales and marketing	95,815		(3,026)	(1)	92,789	
General and administrative	33,330		(1,915)	(1)	31,415	
Amortization of acquired customer-based intangible assets	29,637		(29,637)	(2)	—	
Special charges (recoveries)	10,092		(10,092)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	93,479	19.3%	64,621	(5)	158,100	32.7%
Other income (expense), net	409		(409)	(6)	—	
Provision for (recovery of) income taxes	(14,347)		41,644	(7)	27,297	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	86,390		22,568	(8)	108,958	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.71		$ 0.18	(8)	$ 0.89	

Reconciliation of Selected Non-GAAP Measures | Q4 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 total 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, include one-time non-recurring charges or recoveries, 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 total 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 20% 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 GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2016	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 86,390	$ 0.71
Add:		
Amortization	47,631	0.39
Share-based compensation	6,898	0.06
Special charges (recoveries)	10,092	0.08
Other (income) expense, net	(409)	—
GAAP-based provision for (recovery of) income taxes	(14,347)	(0.12)
Non-GAAP based provision for income taxes	(27,297)	(0.23)
Non-GAAP-based net income, attributable to OpenText	$ 108,958	$ 0.89

Reconciliation of Selected Non-GAAP Measures | Fiscal 2016

(in '000s USD)	Year Ended June 30, 2016								
		GAAP	GAAP % of Total Revenue		Adjustments	FN		Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES									
Cloud services and subscriptions	$	244,021		$	(953)	(1)	$	243,068	
Customer support		89,861			(900)	(1)		88,961	
Professional service and other		155,584			(1,626)	(1)		153,958	
Amortization of acquired technology-based intangible assets		74,238			(74,238)	(2)		—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)		1,250,228	68.5%		77,717	(3)		1,327,945	72.8%
Operating expenses									
Research and development		194,057			(2,824)	(1)		191,233	
Sales and marketing		344,235			(12,069)	(1)		332,166	
General and administrative		140,397			(7,606)	(1)		132,791	
Amortization of acquired customer-based intangible assets		113,201			(113,201)	(2)		—	
Special charges (recoveries)		34,846			(34,846)	(4)		—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)		368,563	20.2%		248,263	(5)		616,826	33.8%
Other income (expense), net		(1,423)			1,423	(6)		—	
Provision for (recovery of) income taxes		6,282			101,793	(7)		108,075	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText		284,477			147,893	(8)		432,370	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$	2.33		$	1.21	(8)	$	3.54	

Reconciliation of Selected Non-GAAP Measures | Fiscal 2016

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 total 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, include one-time non-recurring charges or recoveries, 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 total 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 2% 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 GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2016	Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 284,477	$ 2.33
Add:		
Amortization	187,439	1.54
Share-based compensation	25,978	0.21
Special charges (recoveries)	34,846	0.29
Other (income) expense, net	1,423	0.01
GAAP-based provision for (recovery of) income taxes	6,282	0.05
Non-GAAP based provision for income taxes	(108,075)	(0.89)
Non-GAAP-based net income, attributable to OpenText	$ 432,370	$ 3.54

Reconciliation of Selected Non-GAAP Measures | Q3 F16

(in '000s USD)		Three Months Ended March 31, 2016								
		GAAP	GAAP % of Total Revenue		Adjustments	FN		Non- GAAP	Non-GAAP % of Total Revenue	
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		

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 total 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, include one-time non-recurring charges or recoveries, 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 total 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 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 GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended March 31, 2016	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 69,115	$ 0.57
Add:		
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)
Non-GAAP-based net income, attributable to OpenText	$ 97,786	$ 0.80

Reconciliation of Selected Non-GAAP Measures | Q4 F15

(in '000s USD)	Three Months Ended June 30, 2015							
		GAAP	GAAP % of Total Revenue		Adjustments	FN		Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES									
Cloud services and subscriptions	$	58,424		$	(252)	(1)	$	58,172	
Customer support		23,578			(200)	(1)		23,378	
Professional service and other		42,743			(421)	(1)		42,322	
Amortization of acquired technology-based intangible assets		22,454			(22,454)	(2)		—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)		331,998	68.8%		23,327	(3)		355,325	73.6 %
Operating expenses									
Research and development		52,357			(665)	(1)		51,692	
Sales and marketing		104,443			(2,508)	(1)		101,935	
General and administrative		41,766			(2,061)	(1)		39,705	
Amortization of acquired customer-based intangible assets		28,741			(28,741)	(2)		—	
Special charges (recoveries)		8,791			(8,791)	(4)		—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)		82,510	17.1%		66,093	(5)		148,603	30.8 %
Other income (expense), net		690			(690)	(6)		—	
Provision for (recovery of) income taxes		(3,763)			27,272	(7)		23,509	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText		68,804			38,131	(8)		106,935	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$	0.56		$	0.31	(8)	$	0.87	

Reconciliation of Selected Non-GAAP Measures | Q4 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 total 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, one time non-recurring charges or recoveries, 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 total 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 6% 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 GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2015	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 68,804	$ 0.56
Add:		
Amortization	51,195	0.42
Share-based compensation	6,107	0.05
Special charges (recoveries)	8,791	0.07
Other (income) expense, net	(690)	(0.01)
GAAP-based provision for (recovery of) income taxes	(3,763)	(0.03)
Non-GAAP based provision for income taxes	(23,509)	(0.19)
Non-GAAP-based net income, attributable to OpenText	$ 106,935	$ 0.87

Reconciliation of Selected Non-GAAP Measures | Fiscal 2015

(in '000s USD)	Year Ended June 30, 2015								
		GAAP	GAAP % of Total Revenue		Adjustments	FN		Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES									
Cloud services and subscriptions	$	237,310		$	(833)	(1)	$	236,477	
Customer support		94,456			(832)	(1)		93,624	
Professional service and other		172,742			(1,335)	(1)		171,407	
Amortization of acquired technology-based intangible assets		81,002			(81,002)	(2)		—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)		1,253,508	67.7%		84,002	(3)		1,337,510	72.2 %
Operating expenses									
Research and development		196,491			(2,496)	(1)		193,995	
Sales and marketing		373,610			(9,095)	(1)		364,515	
General and administrative		162,728			(7,456)	(1)		155,272	
Amortization of acquired customer-based intangible assets		108,239			(108,239)	(2)		—	
Special charges (recoveries)		12,823			(12,823)	(4)		—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)		348,711	18.8%		224,111	(5)		572,822	30.9 %
Other income (expense), net		(28,047)			28,047	(6)		—	
Provision for (recovery of) income taxes		31,638			61,559	(7)		93,197	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText		234,327			190,599	(8)		424,926	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$	1.91		$	1.55	(8)	$	3.46	

Reconciliation of Selected Non-GAAP Measures | Fiscal 2015

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 total 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, include one-time non-recurring charges or recoveries, 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 total 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 12% 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 GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2015	Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 234,327	$ 1.91
Add:		
Amortization	189,241	1.54
Share-based compensation	22,047	0.18
Special charges (recoveries)	12,823	0.10
Other (income) expense, net	28,047	0.23
GAAP-based provision for (recovery of) income taxes	31,638	0.26
Non-GAAP based provision for income taxes	(93,197)	(0.76)
Non-GAAP-based net income, attributable to OpenText	$ 424,926	$ 3.46