OPENTEXT™

Enabling the Digital World



Strategic Update – Mark J. Barrenechea, CEO & CTO

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.

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About OpenText

NASDAQ: OTEX | TSX: OTC

OpenText is the global leader in Enterprise Information Management (EIM). We acquire businesses within that market strategy using our proven approach to M&A. We then operate those businesses leveraging the OpenText Business System, creating superior products, customer success and shareholder value.

- 10 year 24% Cash Flow CAGR
- Industry consolidator, completed 53 acquisitions and have a culture of integration
- Disciplined capital allocators
- Outperformed the NASDAQ by more than 1,900 percentage points over the last 20 years
- Enterprise Information Management is an attractive market segment: greater than $30 Billion in annual customer spend, growing, and generates high profits
- OpenText Business System creates superior products, customer success and shareholder value

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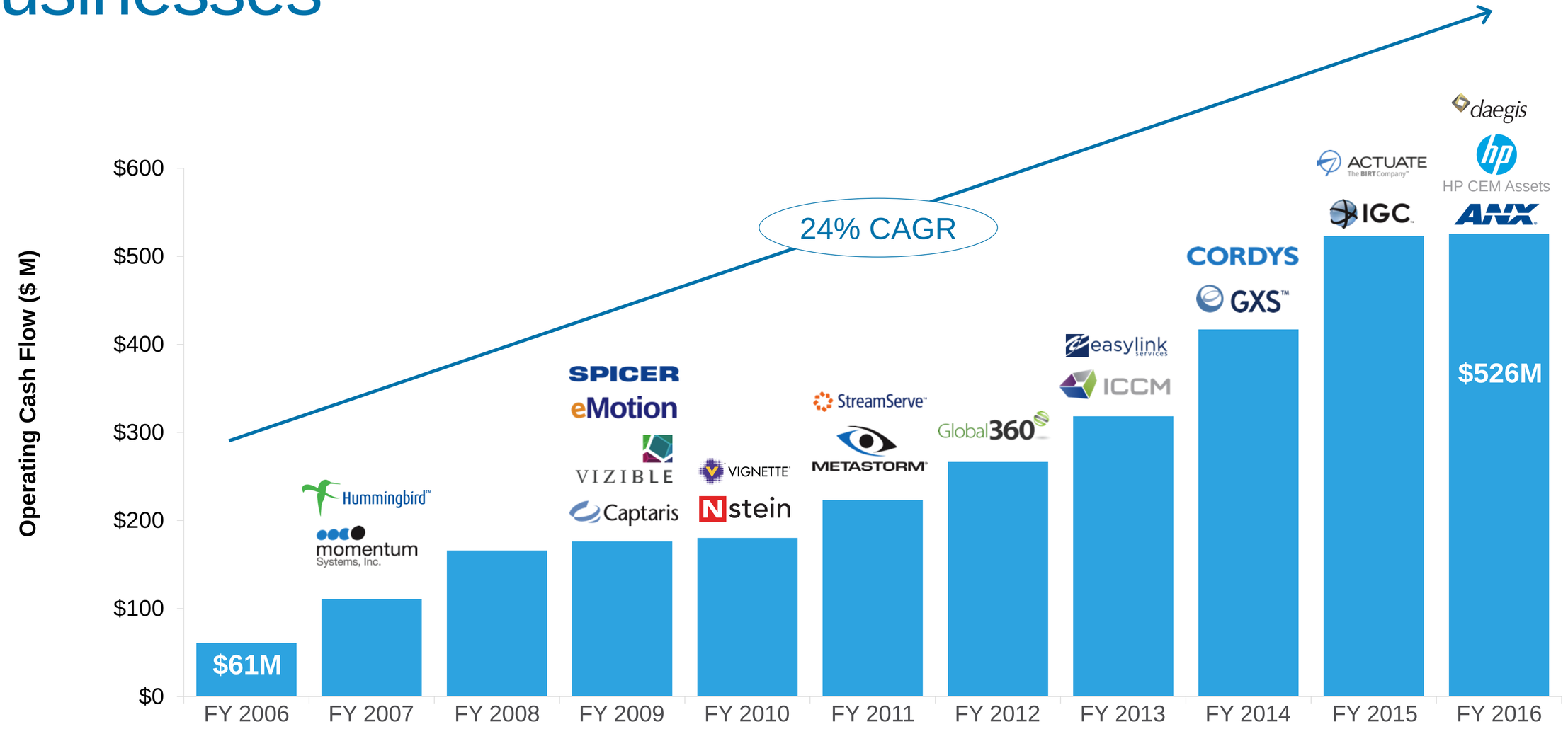
Growing Cash Flow by Acquiring Strong Businesses



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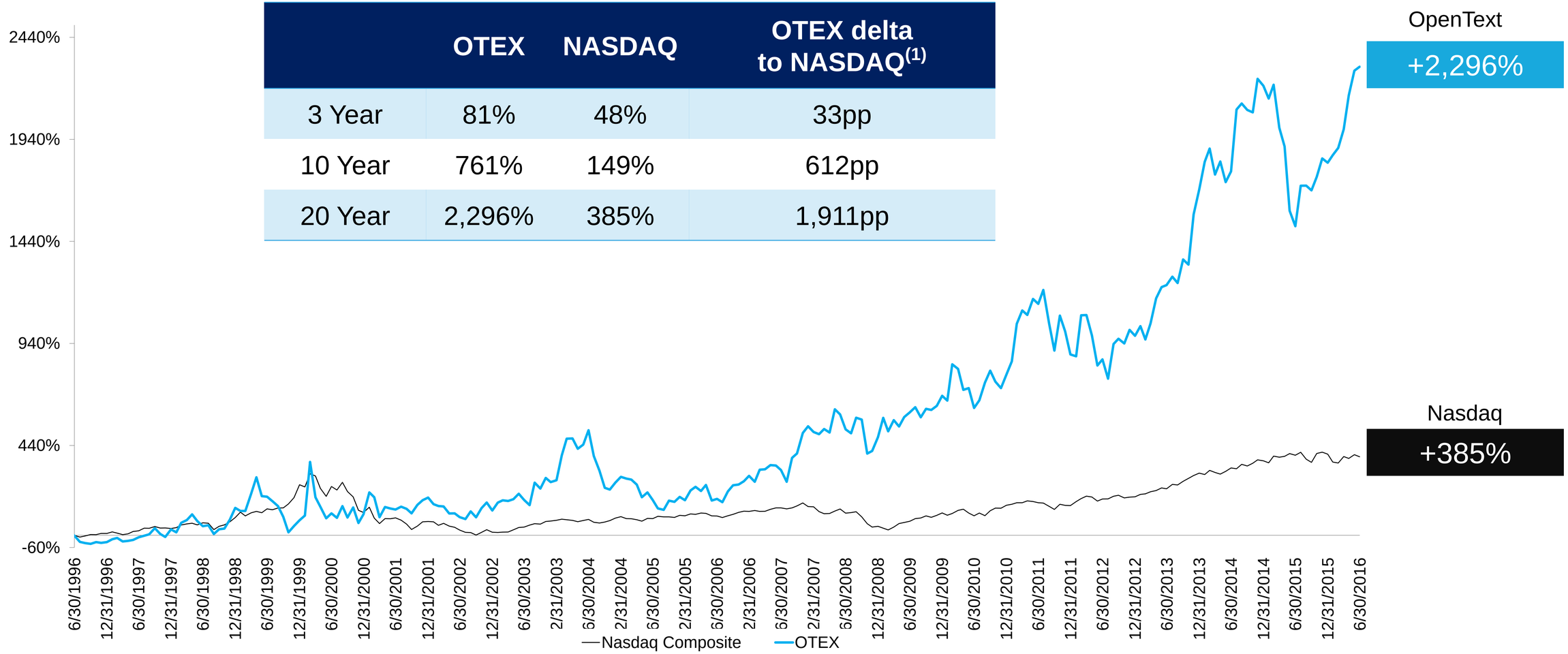
20-Year Total Shareholder Return

OTEX v. NASDAQ

	OTEX	NASDAQ	OTEX delta to NASDAQ(1)
3 Year	81%	48%	33pp
10 Year	761%	149%	612pp
20 Year	2,296%	385%	1,911pp



(1) Source: NASDAQ (June 30, 2016)

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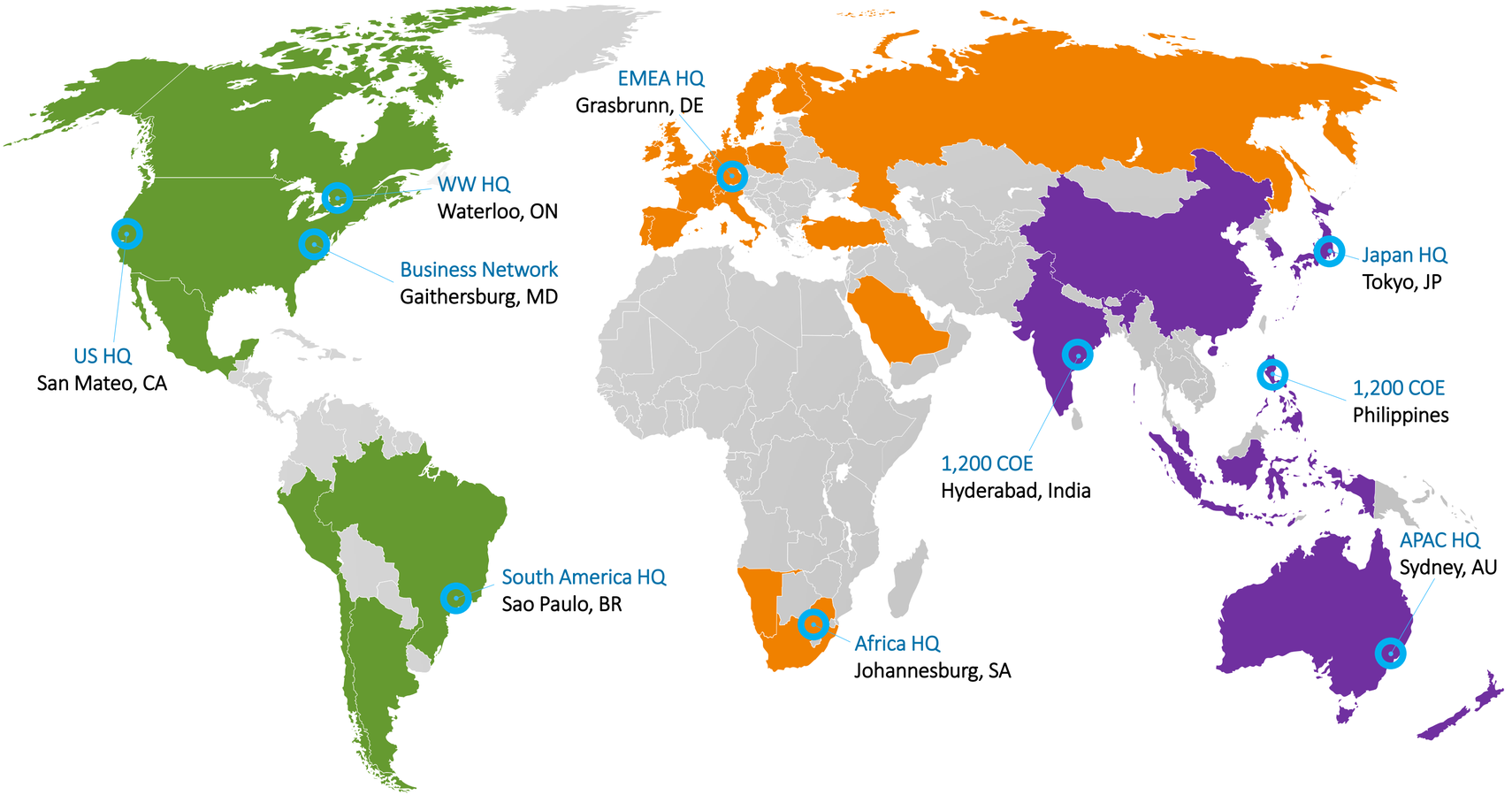
Global Organization



- Annual sales of approximately $2 Billion USD and 84% recurring revenues(1)
- Total Revenues: Americas(1): 58%, EMEA: 33%, APJ: 9%
- Over 100,000 customers, approximately 8,900(2) employees in 40 countries worldwide
- Approximately 2,000 sales and distribution partners
- Leading cloud services provider. FY16 cloud revenue of $601M, 18B transactions, 600,000+ trading partners, 37 data centers

(1) Based on FY16 results.
(2) Includes recent acquisitions of CEM assets and liabilities acquired from HP Inc. (HP CEM Assets) and ANXe Business Corp. (ANX)
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From Strategy to Value Creation

EIM Market Strategy

- $30b plus market, 7.4% growth rate
- Hundreds of acquisition targets
- Marquee customers

M&A

- Leading growth driver
- Returns oriented
- Proven methodology

OpenText Business System

- Proven business system to unlocking value
- Differentiate by means of an integrated sales force, integrated R&D and integrated operations
- Performance centric

Creating Superior Value

- Cash flow growth
- Large recurring revenues
- Disciplined capital allocation

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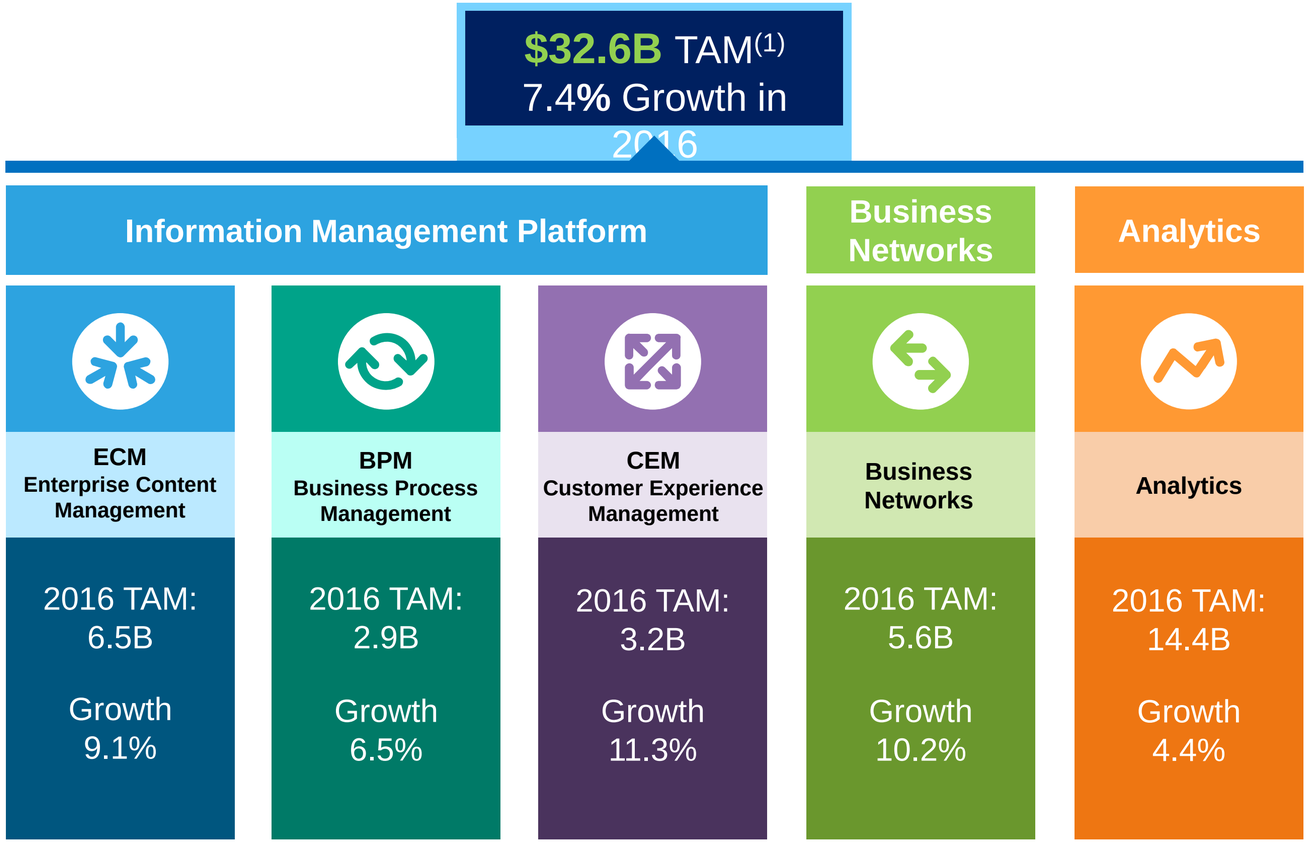
Enterprise Information Management (EIM) Market



- EIM is at the core of key purchasing decisions: Digital, Information Governance, Business Networks, Predictive, Security, Cloud
- A large, fragmented, and growing market with high profits
- Hundreds of acquisition targets
- Marquee customers
- Both enterprise & mid market opportunities

1. Total Addressable Market. Source: Data from various 2014-2015 industry analyst reports including Forrester, Gartner and others

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OpenText Today

Information Management Platform

20,000 Customers
$1B plus Revenues

Content Management

Hummingbird™ IXOS® SPICER IGC BURNTSAND

Process Management

Global 360 METASTORM CORDYS ICCM

Customer Experience Management

VIGNETTE artesia StreamServe™ hp wecomm

Discovery

daegis

Business Network

90,000 Customers
$0.7B plus Revenues

GXS
easylink services
Captaris
ANX®

Analytics

5,000 Customers
$100M plus Revenues

ACTUATE The BIRT Company™
Nstein
RECOMMIND®

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OpenText Leadership Validated by Customers

Information Management Platform

Givaudan

Enterprise Content Management

THE ACADEMY OF MOTION PICTURE ARTS AND SCIENCES

Digitizing History and Culture

PBS

Connects digital media supply chain management

Business Network

MICHELIN

Digital Supply Chain

BMO

Global Cash Management

MITSUBISHI MOTORS

Trading Partner Automation

Analytics

NATIONAL BANK

Transforms documents for online viewing for both retail and commercial customers

Bank of America

Branch Performance Management

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OpenText Leadership Validated by Verticals

Retail



Government



Manufacturing



Automotive



Food/Beverage



Technology



Finance/Insurance



Healthcare



Transportation



Energy



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OpenText Leadership Validated by Analysts

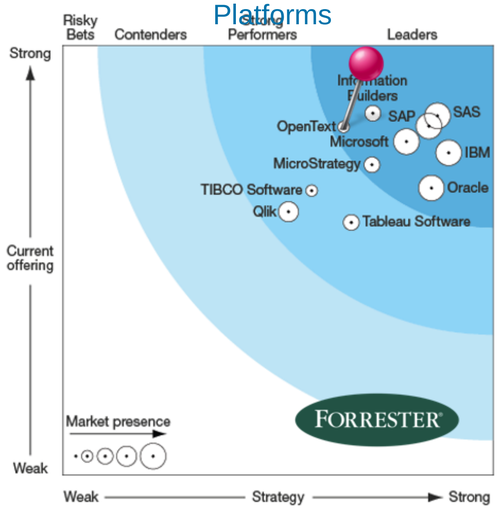
ECM Business Content Services



Customer Communications Management



Enterprise Business Intelligence Platforms



Digital Asset Management



Web Content Management



We participate in 18 Forrester Waves and Gartner Quadrants. We are leaders in 10.

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From Strategy to Value Creation

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M&A is Our Leading Growth Driver

M&A is core to our growth and market leadership. We see a continuum of M&A business models from Platform Operators to Asset Optimizers. Asset Optimizers are those businesses that purchase individual assets and operate them standalone. Platform Operators have a strategic market thesis, purchase assets within that market strategy, and drive deep value through innovation and integration. OpenText is a Platform Operator.



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M&A is Core to Our Business Model

M&A Overview

- We operate strategic platforms
- Proven approach to M&A with 53 completed acquisitions
- Deployed approximately $4.1B in capital
- Value buyer
- Unlock value through the OpenText Business System

Looking Forward

- Expect to close more transactions more predictability
- The EIM market has ample asset classes and hundreds of businesses available
- Target $3B available for future acquisitions over several years
- 2020 Target Model Aspirations
  - 50% revenues from the cloud
  - 90% > recurring revenues
  - 34% - 38% adjusted operating margin(1)

1. See “Use of Non-GAAP Financial Measures” at the end of this presentation.

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M&A: What and How We Target

What We Target - Unlocking Value

- Evaluate businesses within the context of our Enterprise Information Management strategy
- Fill functional white spaces, vertical capacities and key geographic expansion opportunities
- Ideal businesses are special situations that would benefit from the OpenText Business System and OpenText scale
- We value recurring revenues, paths to higher margin and strong cash flows
- Strong leadership teams, disciplined engineering and leading distribution models

How We Target - Proven Methodology

- Dedicated in-house Corporate Development team: from sourcing through integration
- Cost synergies and free cash flow drive more value over revenue synergies
- Our internal M&A models have simple and clear cash-based returns
- “On boarding” to the OpenText target model provides consistent value creation
- Immediate day-one integration of acquired businesses

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EasyLink Case Study

Then

- NASDAQ-listed acquired by OpenText on July 2, 2012
- Recognized leader in cloud-based Secure Information Exchange
- $186m TTM revenues, low 20%'s Adjusted EBITDA(1). GDP style growth rates.
- All cash transaction. $315m Enterprise Value, ~1.7x TTM revenues
- 550 employees, headquartered in Atlanta, Georgia
- Leadership and competition created opportunity

OT Business System

- Removed public company expenses
- Merged leadership teams and facilities
- Integrated Sales, Engineering and Operations
- Combined EasyLink, RightFax and Commercial IT
- Day one integration

Now

- Established The OpenText Cloud
- Interjected initial cloud "DNA"
- Provided foundation for GXS and ANX acquisitions
- Margins and cash flows "on boarded" to the OpenText model within the first 12 months

1. Refer to Easylink Public Filings
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Actuate Case Study



Then

- NASDAQ-listed acquired by OpenText on January 16, 2015
- Recognized leader in personalized and embedded analytics
- ~$107m TTM revenues, ~$7m in operating income
- All cash transaction. $300m Enterprise Value, ~2.8x TTM revenues
- 500 employees, Headquartered in San Mateo, California
- Shift to cloud-based pricing created disruption

OT Business System

- Removed public company expenses
- Merged leadership teams and facilities
- Integrated Sales, Engineering and Operations
- Expanded R&D
- Day one integration

Now

- Established a new market area
- Deeply integrated into Release 16
- Embedded Analytics is a key opportunity
- Basis for Cognitive Computing opportunity
- Consolidated Silicon Valley operations into San Mateo
- Margins and cash flows “on boarded” to the OpenText model within the first 12 months

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From Strategy to Value Creation

EIM Market Strategy

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Creating Superior Value

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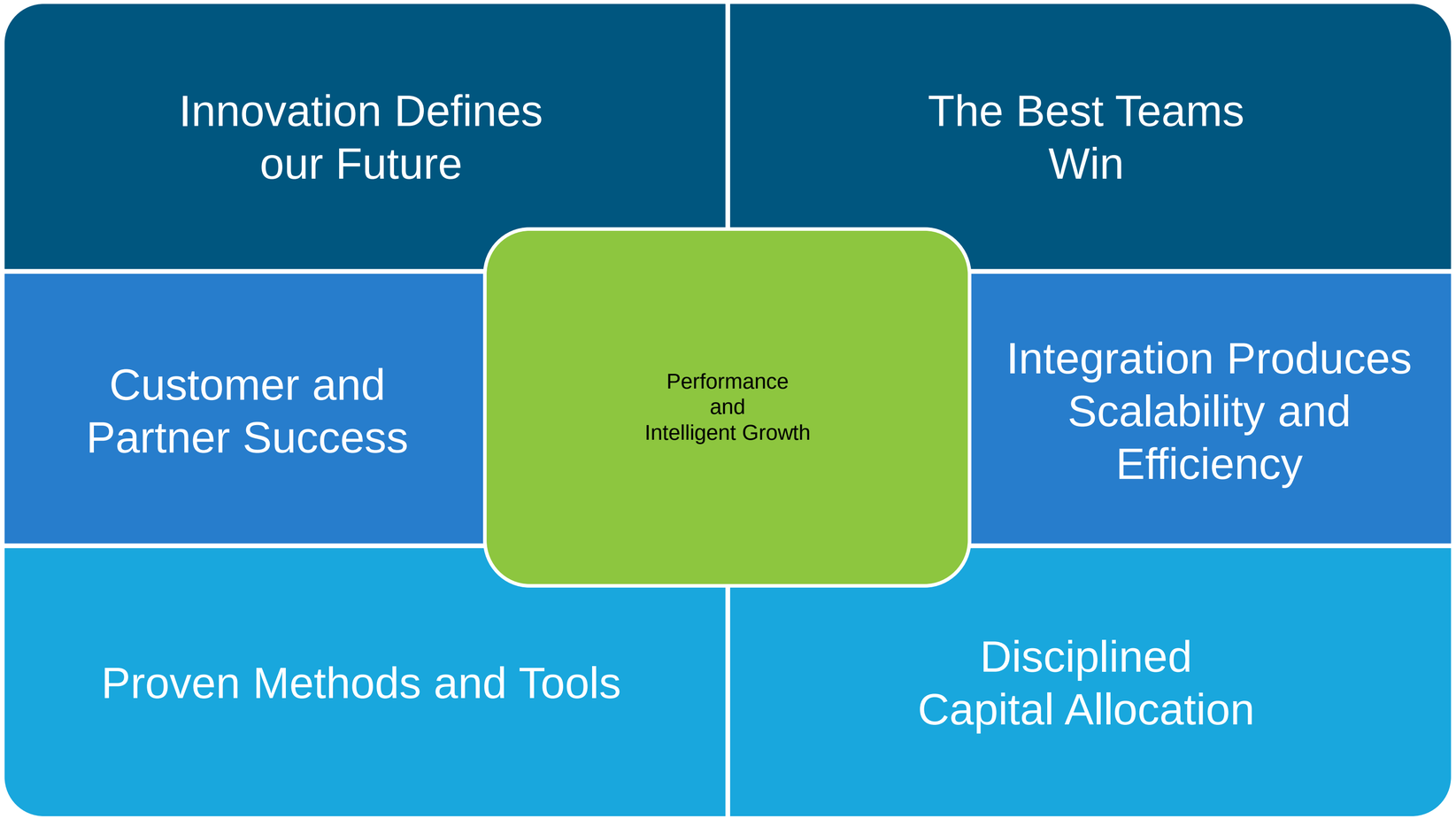
The OpenText Business System

Six Foundational Elements Producing Performance



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The OpenText Business System

Six Foundational Elements

The Best Teams Win

- Attract, retain and motivate the industry's best talent
- Pay to Performance Culture
- Empowerment, Accountability, with defined spans of control

Innovation Defines our Future

- Customer-centric Innovation
- Continuous Innovation
- Best Platform

Customer and Partner Success

- NPI
- Customer Life-time Value
- Partners who bring value: large strategics, GSI's, VARs who bring capabilities

Proven Methods and Tools

- Data and outcome driven organization
- Operating reviews and detail performance analysis
- Lean-six sigma. Maturing our Zero-based budgeting
- Simple performance management

Disciplined Capital Allocation

- Rigorous approach to Capital Allocation generates superior returns
- Acquisitions, Dividends, Share Buy Back
- Capex
- People

Integration Produces Scalability and Efficiency

- Day one integration of acquired businesses
- Integrated: Sales, R&D and Operations
- A corporate structure that scales

Performance:
Operational Excellence, Intelligent Revenue Growth, Cash Flow Growth, Shareholder value

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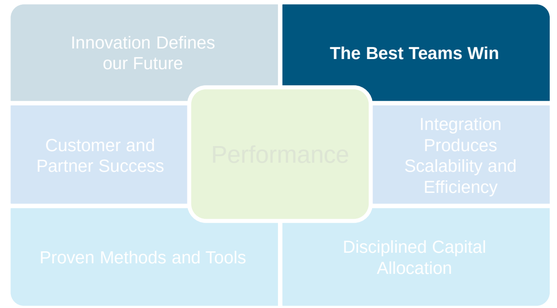
OpenText Executive Leadership Team





Mark J. Barrenechea
CEO and CTO



Stephen Murphy
President



Muhi Majzoub
EVP, Engineering



John Doolittle
EVP, CFO



Gordon Davies
EVP, CLO & Corp Dev.

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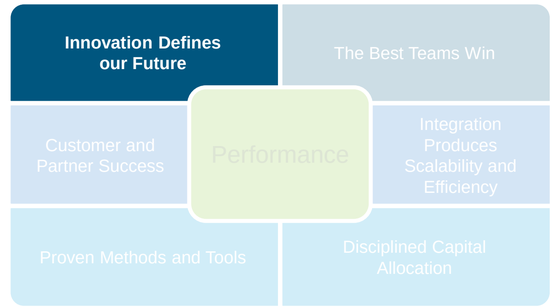
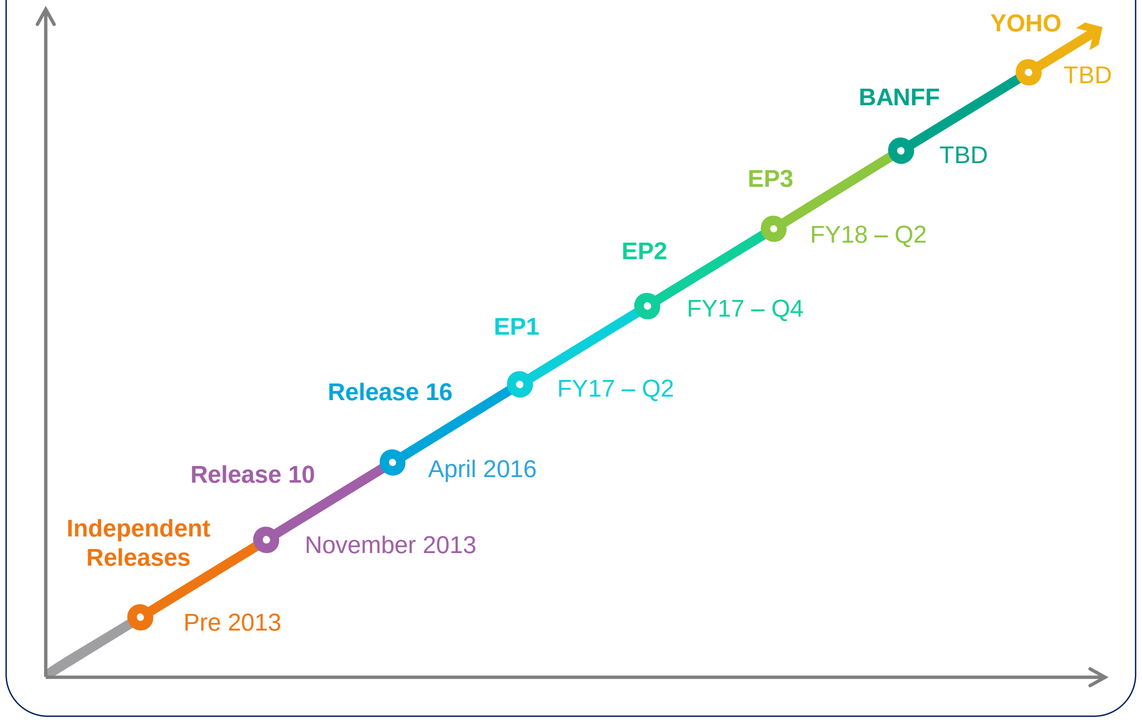
Innovation Defines Our Future



Recent Innovation Highlights

- Over the last three fiscal years, we've invested approximately $2.0B in M&A and $567M in R&D
- We target between 10% and 12% of revenues for annual investment in R&D
- Approximately 2,200 employees in R&D and support
- We are able to scale globally, cost effectively with large-scale development centers in Waterloo, Hyderabad, Bangalore, Manila, San Mateo and Grasbrunn.
- Customer-centric driven requirements
- Compelling multi-year road map

Continuous Innovation



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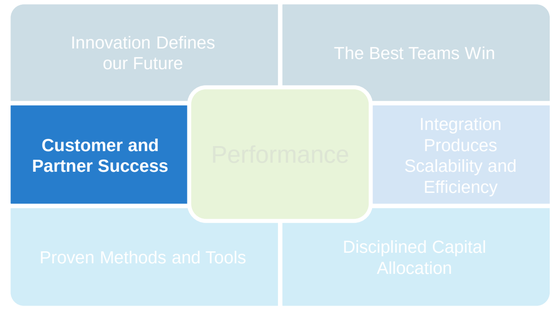
Customer and Partner Success



Customer Success

- CS Renewal Rate in the low 90%’s and Best in Class
- Cloud Renewal Rate in the mid 90%’s and Best in Class
- Net Promoter Score as a benchmark for action and improvement

Partner Success

Strategic Alliances	SAP
System Integrators	accenture, CGI, Deloitte., EY, Capgemini
VARs	ADVANTAGE TECHNOLOGIES, contesto, at&t, ANX, CenturyLink
Distributors	INGRAM MICRO, Tech Data, shi, CDW
OEM	ICCM Solutions, IBM, hp, xerox, Adobe, RICOH, KOFAX, KONICA MINOLTA
Technology Alliances	Microsoft, ORACLE, cadence, cisco

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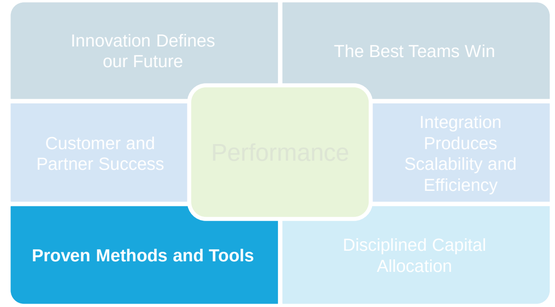
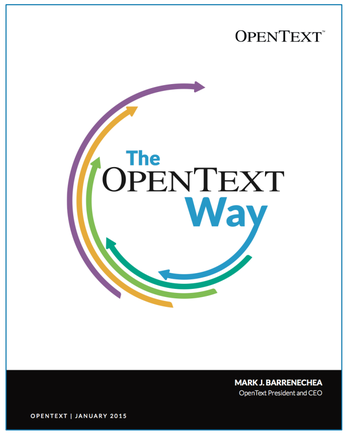
Proven Methods and Tools



The OpenText Way



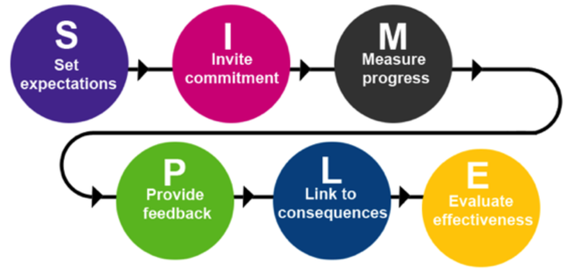
Lean Six Sigma



Zero Based Budgeting

ZBB
ZERO BASED BUDGETING

Simple Performance Management



Data and process driven. Outcome focused accountable with KPIs. Continuous Improvement.

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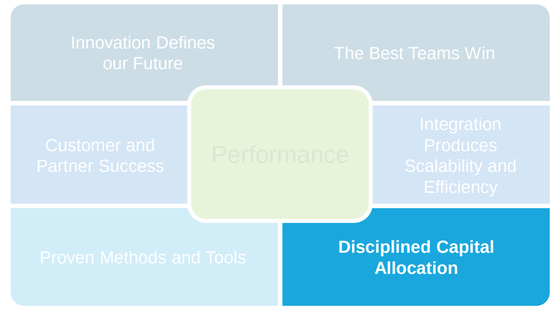
Disciplined Capital Allocation



Capacity	• Strong balance sheet • Cash position of $1,284M as of June 30, 2016	• $300M undrawn credit facility • Leverage ratio of 1.28:1, well within debt covenant of 4.0:1
Dividend History	• 53% increase since 2013(1) • Approximately 20% of operating cash flow for Fiscal 2016	• Dividend provides consistent value to shareholders while maintaining our strategic flexibility
Share Buy back	• Repurchase stock on opportunistic basis. It is a value and capital allocation question	• Authorization of a new $200M NCIB program for FY2017
Capital Expenditures	• Low CAPEX intensity • FY'16 CAPEX of $70M, or approximately 20% of cash flow from investing activities for Fiscal 2016	• Continued investments in capital to support organic and Cloud customer growth

1. Increase on a per share basis

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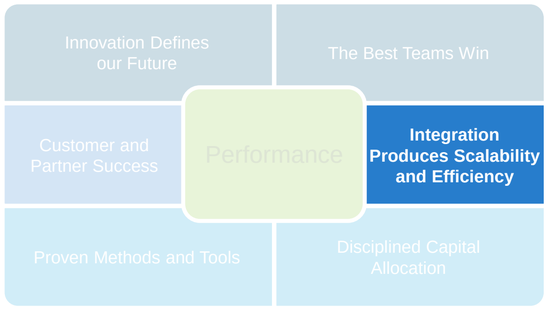
Integration Produces Scalability and Efficiency



Operations

- Finance
- IT
- Facilities
- HR
- … and more

Engineering

- Integrated engineering organization
- Unified road map
- Technology stack consolidation over time

Sales

- Integrated sales force
- Integrated sales operations and practices
- Unified partner and alliance programs

Process

- Systems
- Planning
- Tools and Methods
- Total Rewards
- Program and performance management

Synergies / Efficiency

Integrated OpenText

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From Strategy to Value Creation

EIM Market Strategy

- $30b plus market, 7.4% growth rate
- Hundreds of acquisition targets
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M&A

- Leading growth driver
- Returns oriented
- Proven methodology

OpenText Business System

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Creating Shareholder Value

Strategy

Enterprise Information Management

- Grow market share
- Large recurring revenues
- High profit market

OpenText Business System

- M&A. Unlock Value.
- Organic Growth
- Integrated: Sales, R&D, Operations

Disciplined Capital Allocation

- Acquisitions
- Organic Growth
- R&D, Dividends, Share Buyback

Results

Significant Growth Platforms

- Leadership in important markets
- Diverse markets
- Large customer base

Outstanding Cash Flow

- Strong and sustainable margins
- Superior operating income

Capital Deployment

- Return of capital
- Share price growth

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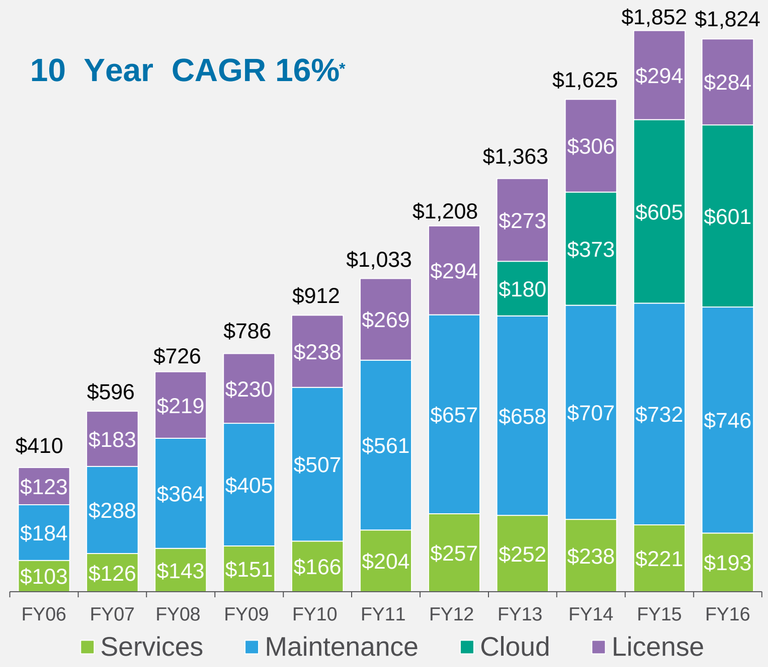
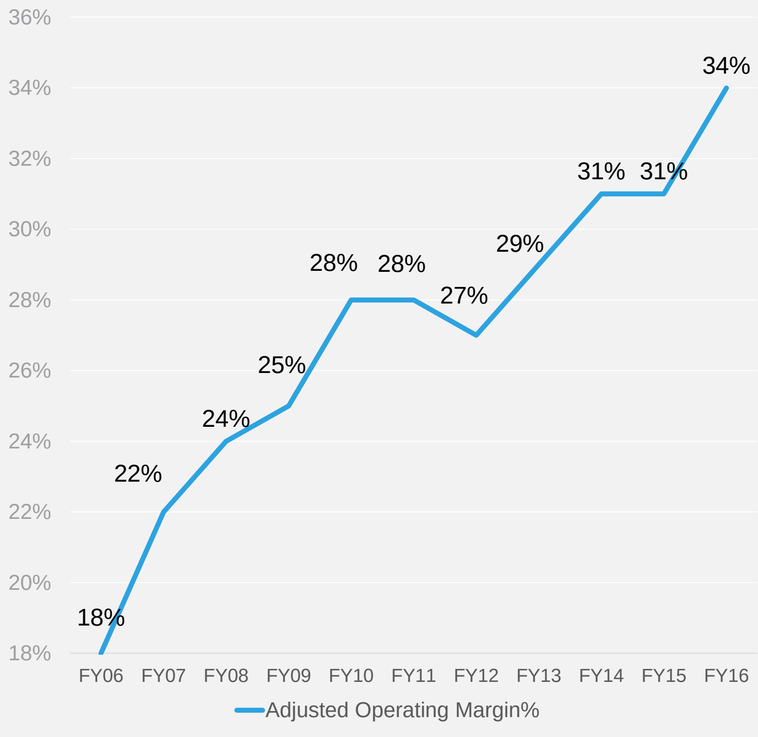
Compelling Performance

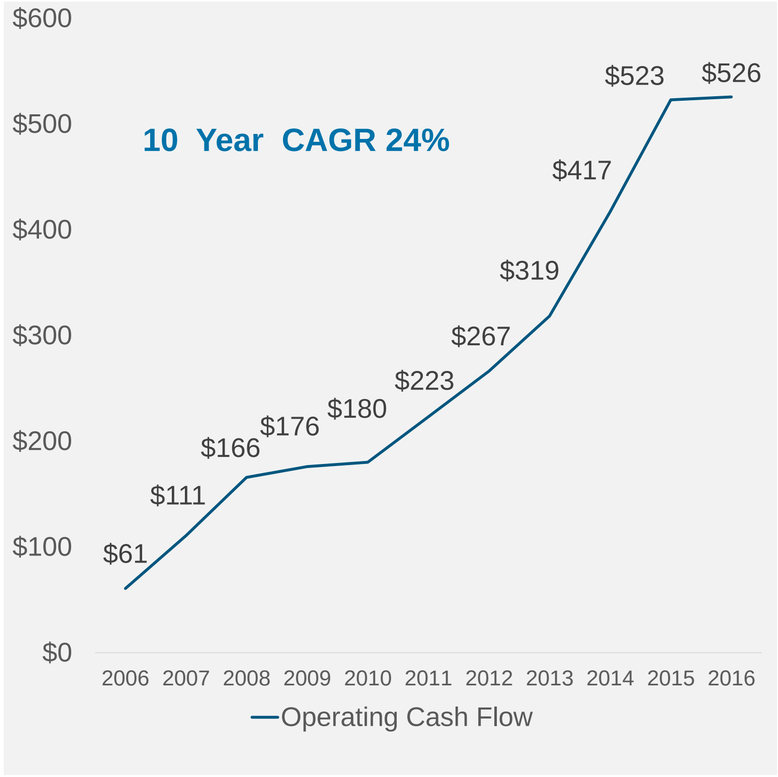
Total Revenue



Adjusted Operating Margin[(1)]



Operating Cash Flow



1. See “Use of Non-GAAP Financial Measures” at the end of this presentation.

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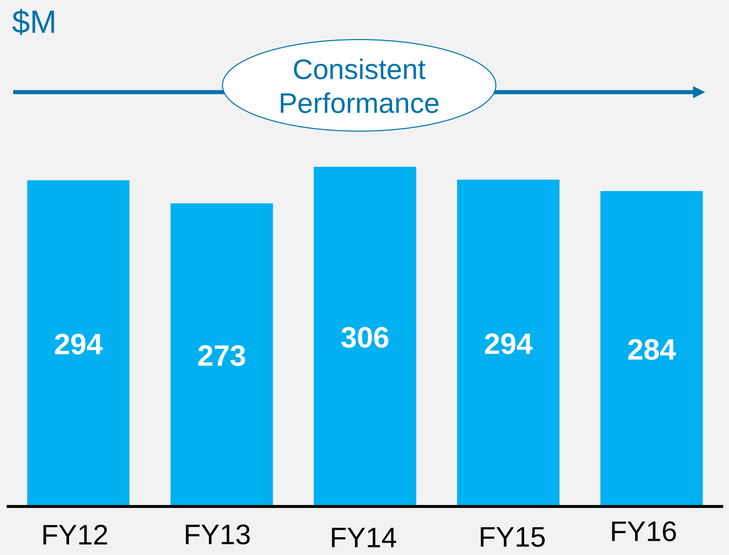
Our Hybrid Strategy Is Working

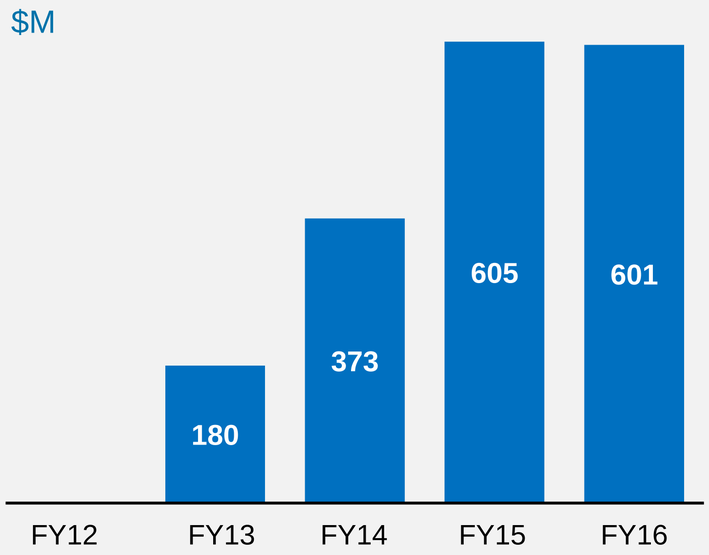
License revenue



27% 29% 31% 31% 34%

Adjusted Operating Margin[1]

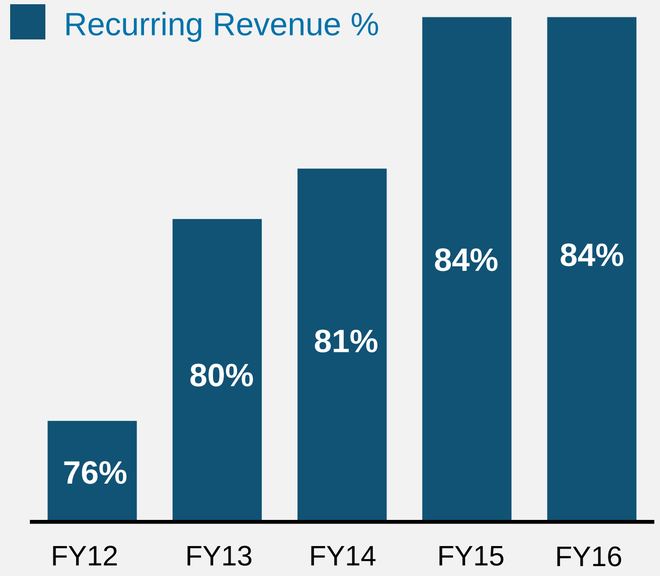
Cloud Services & Subscriptions



27% 29% 31% 31% 34%

Adjusted Operating Margin[1]

Recurring revenue trend (includes Cloud Services & Subscriptions, Professional Services and Customer Support)



27% 29% 31% 31% 34%

Adjusted Operating Margin[1]

1. Represents company-wide adjusted operating margin. See “Use of Non-GAAP Financial Measures” at the end of this presentation.

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Well Positioned for Future Growth

1

Growth and significant value creation from superior M&A model

- Active and growing pipeline of target companies
- Strong balance sheet to support our acquisition focus. Expect to allocate $3B over several years.

2

Current portfolio is well positioned for organic growth

- Strong portfolio of businesses with leadership positions in key markets
- Global sales force and strengthening partner distribution
- New product cycle with Release 16 and The OpenText Cloud

3

Net Income and Cash Flow Expansion

- Cash flow expansion is the top metric
- Expanded Adjusted Net Income and Operating Cash Flows by a cumulative growth rate of 24% in 10 years
- Expected annual incremental improvements to operating margin

4

Our 2020 Aspirations

- > 90% recurring revenues. 50% revenues from Cloud Services and Subscriptions. 34% - 38% AOM(1)

1. See “Use of Non-GAAP Financial Measures” at the end of this presentation.

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OPENTEXT™

Enabling the Digital World

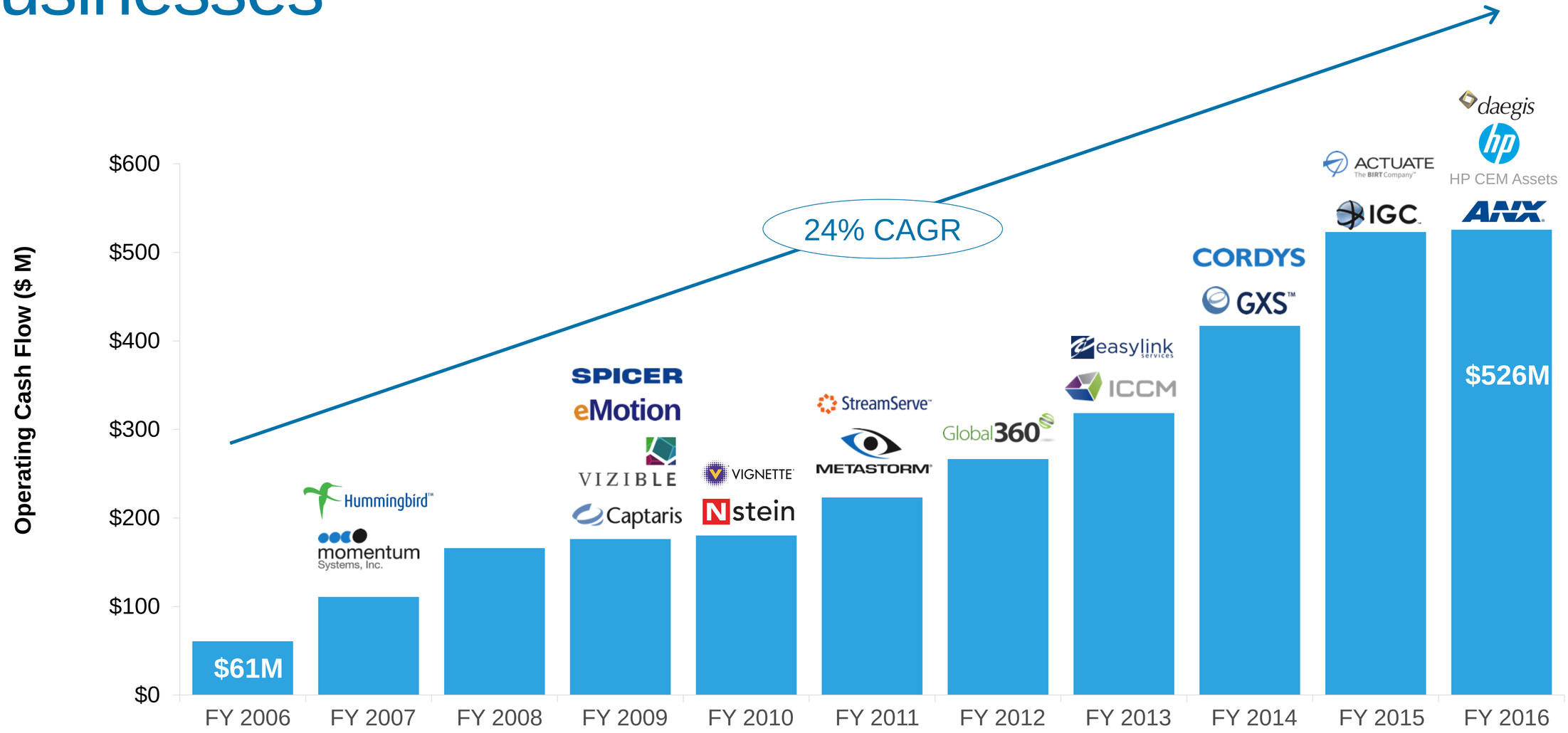


Financial Update – John Doolittle, EVP & CFO

July 27, 2016

NASDAQ: OTEX | TSX: OTC

Growing Cash Flow by Acquiring Strong Businesses



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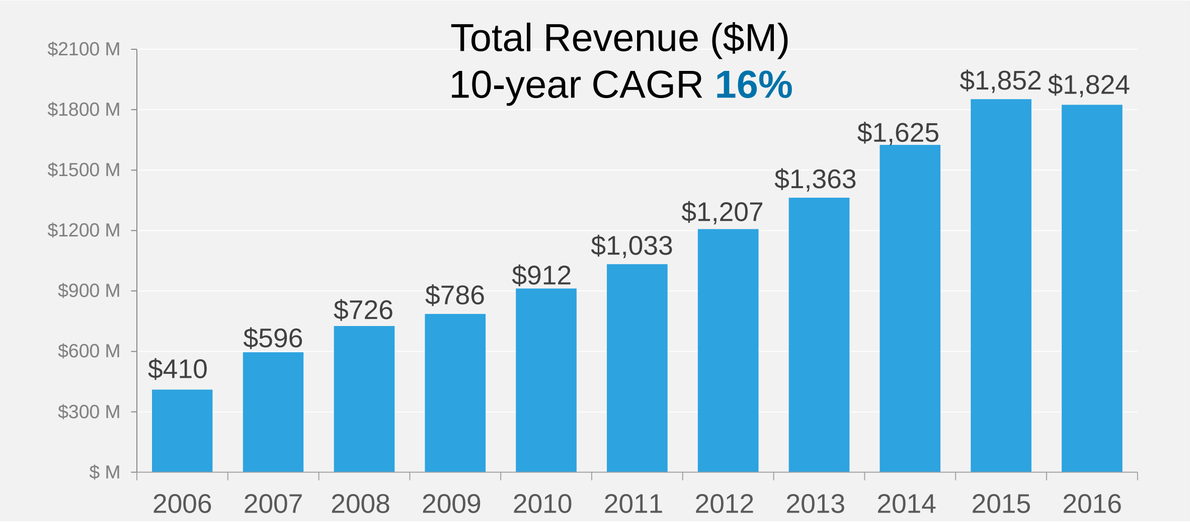
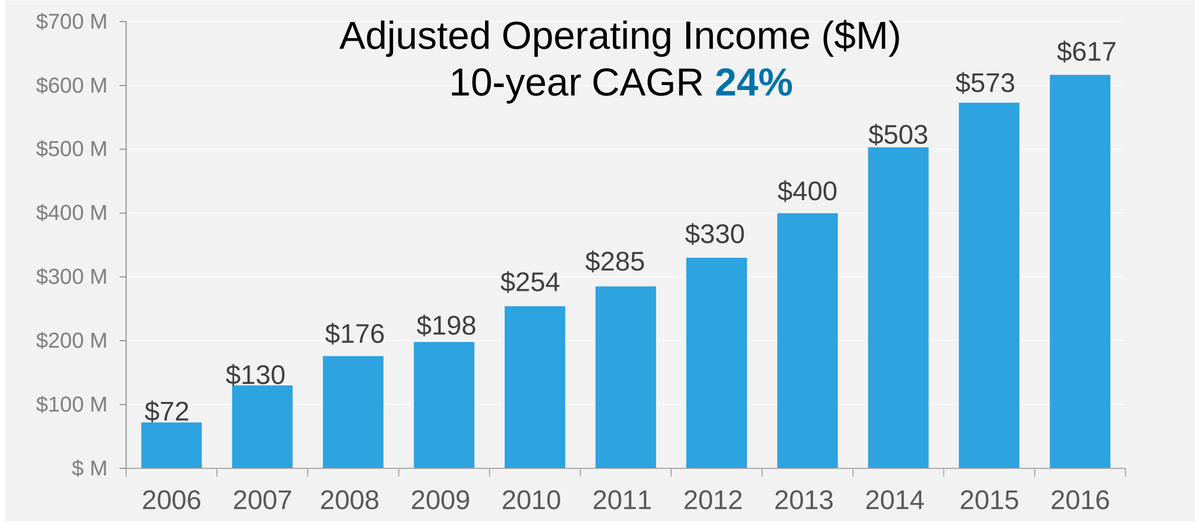
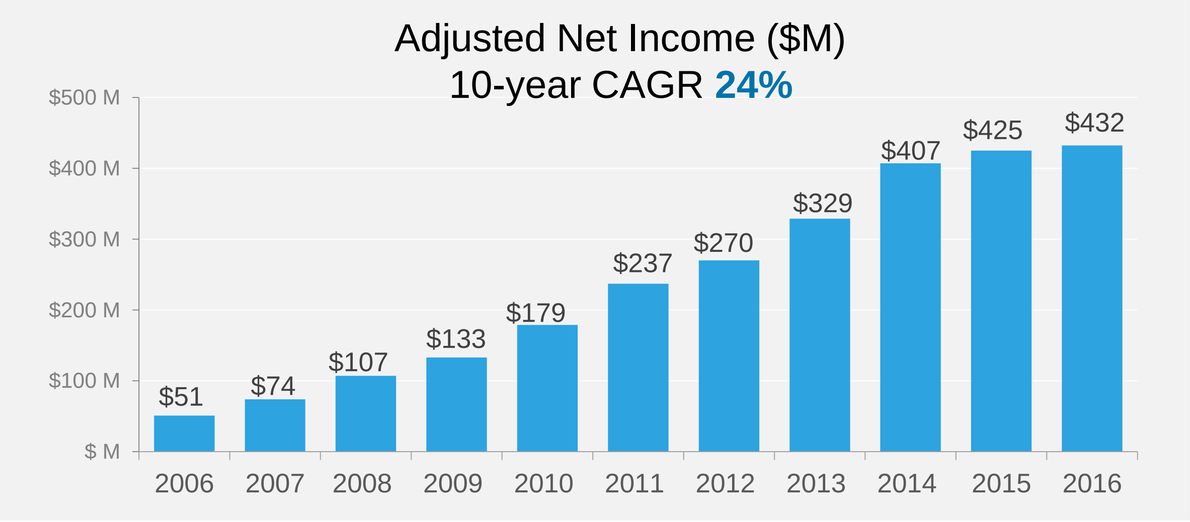
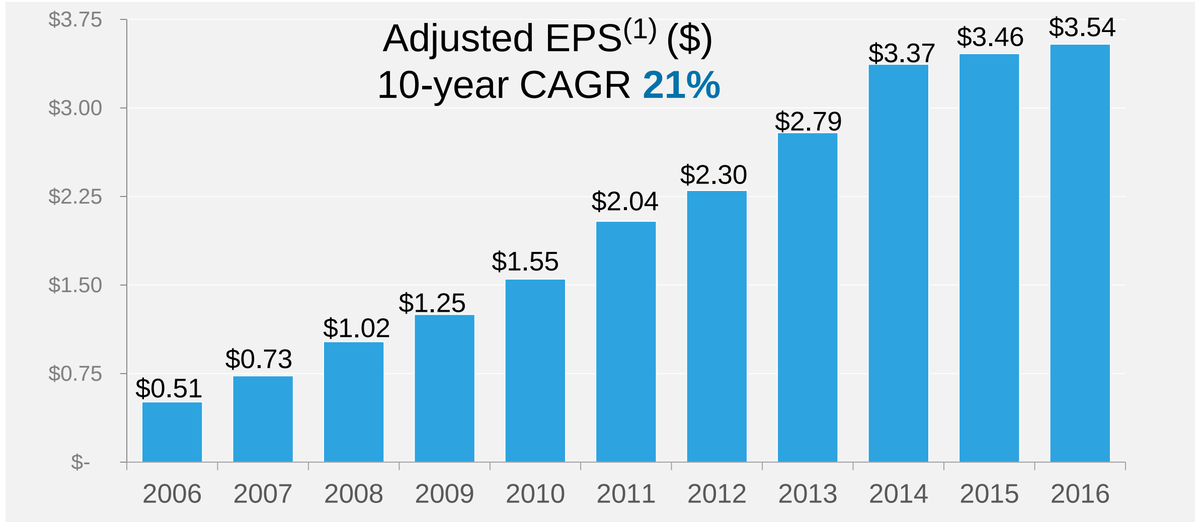
Creating Superior Value









1. Adjusted for two for one stock split that occurred on February 18, 2014

Before taxes and interest expense. See “Use of Non-GAAP Financial Measures” at the end of this presentation.

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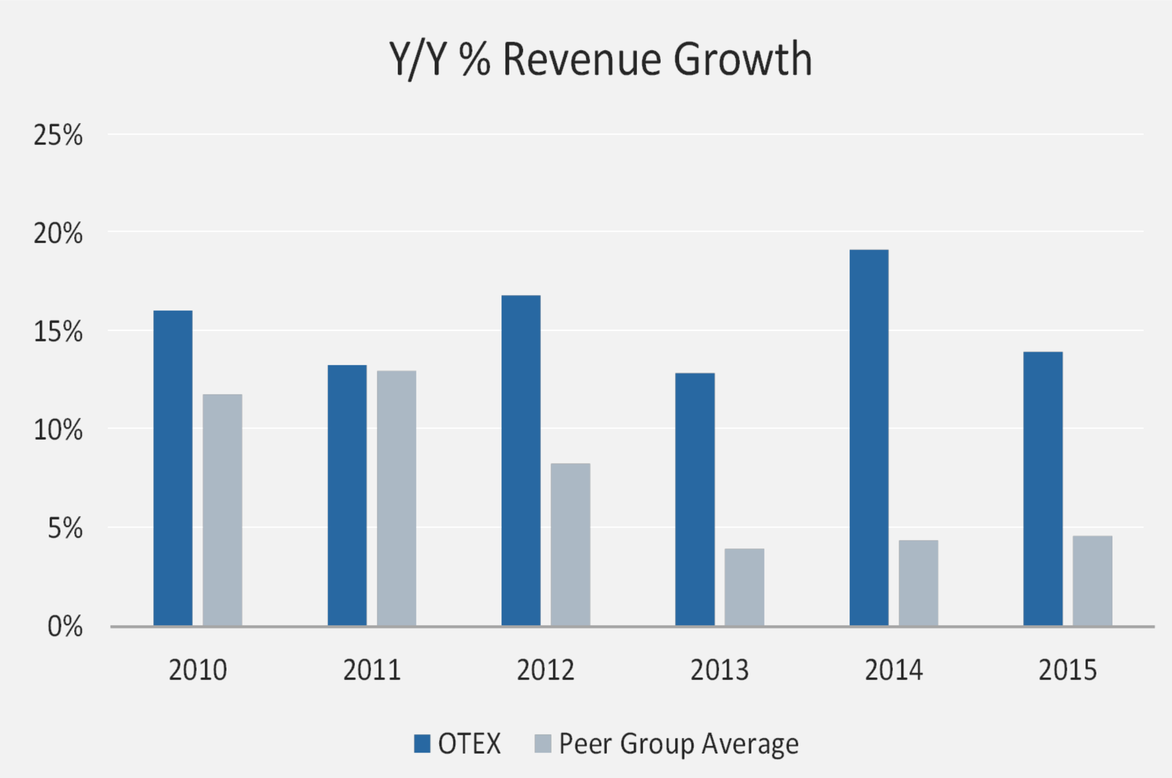
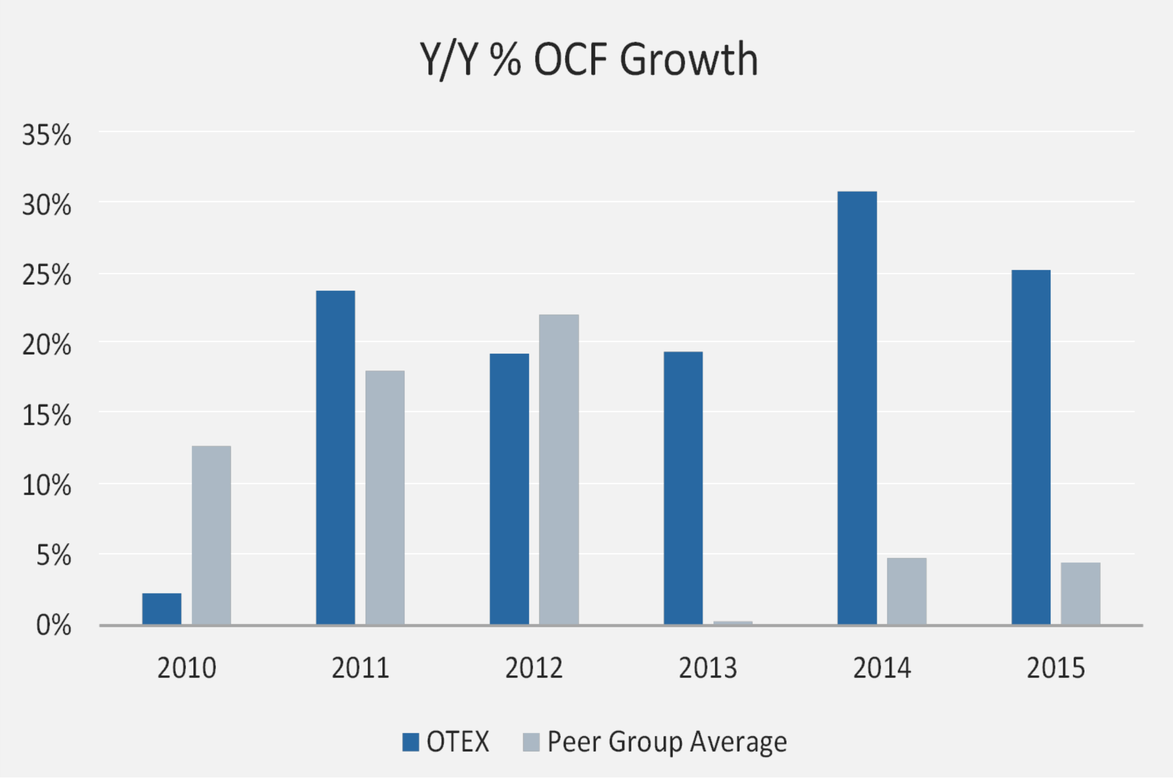
We Outperform our Peers[1]





Source: Bloomberg – Based on Dec. 31 reported calendar year

(1) Peers include: Oracle, Adobe, Red Hat, Microsoft, CA Inc., Software AG, IBM, Constellation Software, Symantec, PTC, SAP, Autodesk

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Liquidity Profile & Balance Sheet

Liquidity

- Significant operating cash flow generation reflects high margins, superior earnings quality, and efficient working capital management

Balance Sheet

- Well diversified and solid liquidity profile
- Next major principal debt repayment in 2021
- Leverage ratio of 1.28:1, which is well within our covenant of 4.0:1
- Favorable credit ratings and investment grade-like covenants provide flexibility

As of June 30, 2016	
Cash & Short-term Investments	$ 1,296M
Revolver	$ 300M
Total Available & Committed Liquidity	$ 1,596M
Long-term Debt	$2,180M

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Capital Allocation Priorities

FY'16 Cash Flow from Operations **$526M**

Acquisitions

- Strong cash flow plus excess cash combined with good access to capital markets supports acquisition strategy

Invest Back into the Business

- Support business objectives in a responsible and disciplined manner
- Investments in capital and initiatives to support organic growth

Dividends and Share Buybacks

- Approximately 20% of FY'16 of operating cash flow
- Repurchase stock on opportunistic basis

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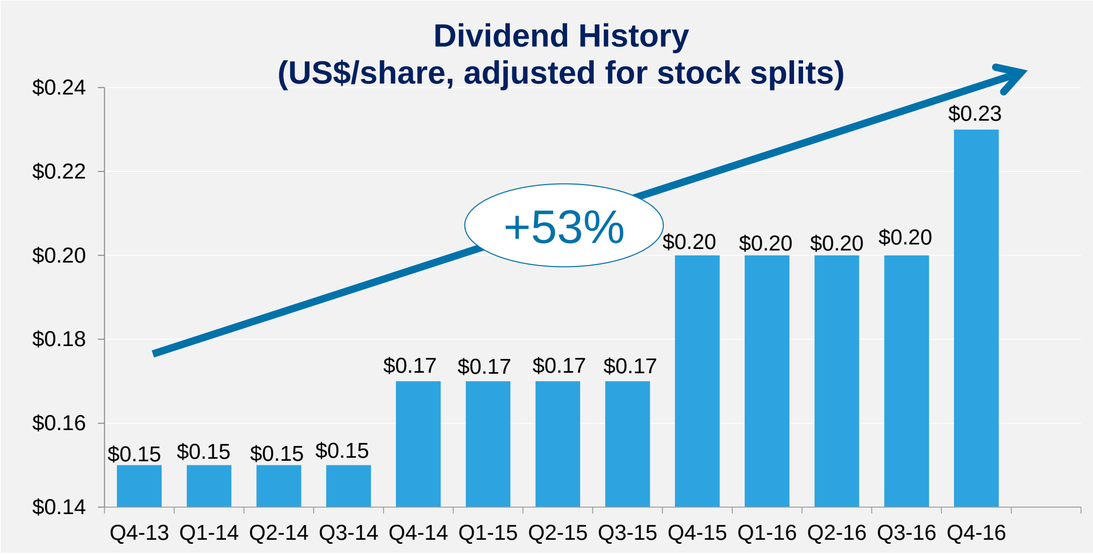
Capital Allocation

- Maintain financial flexibility – strong balance sheet, access to capital, preserve ratings, reasonable cost
- Completed several acquisitions in 2016

- Dividend per share has increased by ~53% since 2013(1)
- Take a balanced approach in capital allocation while considering all stakeholders





1. Increase on a per share basis

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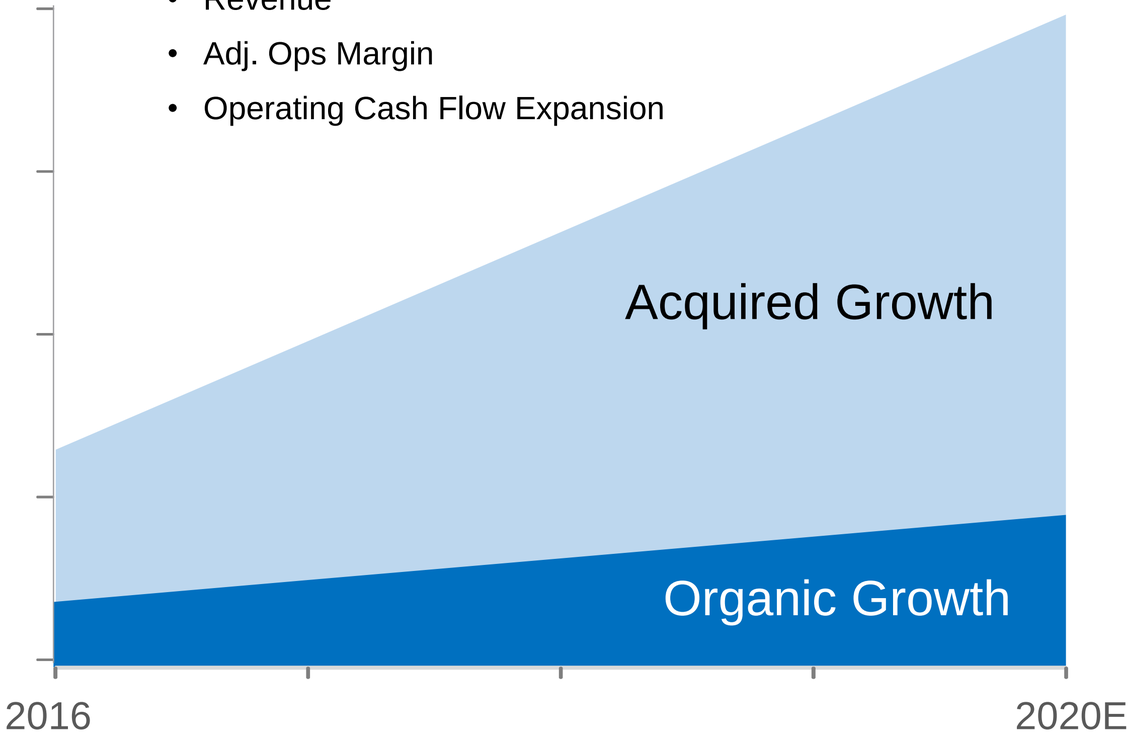
Path to 2020 with Target Model

Acquisition Capacity Fuelled by OCF Generation

- Expect to deploy ~$3B of capital over several years
- Cash Balance & Short-term investments of $1,296M(1)
- Operating cash flow for Fiscal 2016 of $526M with an adjusted operating margin of 33.8%
  - Net leverage of 1.28 to 1
  - Adj. Gross Leverage (Pro Forma) 3.42 to 1
  - Bond ratings of BB+ (S&P), Ba1 (Moody's)

Hypothetical Illustration

- Revenue
- Adj. Ops Margin
- Operating Cash Flow Expansion



1. Cash & Cash Equivalents plus Short-term investments as of June 30, 2016

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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.

*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 Quarter Supplemental Investor Presentation, July 27, 2016, slide titled “FY17 Business & IP Reorganization and Anticipated Tax Rates” regarding our Fiscal 2017 targeted adjusted tax rate.

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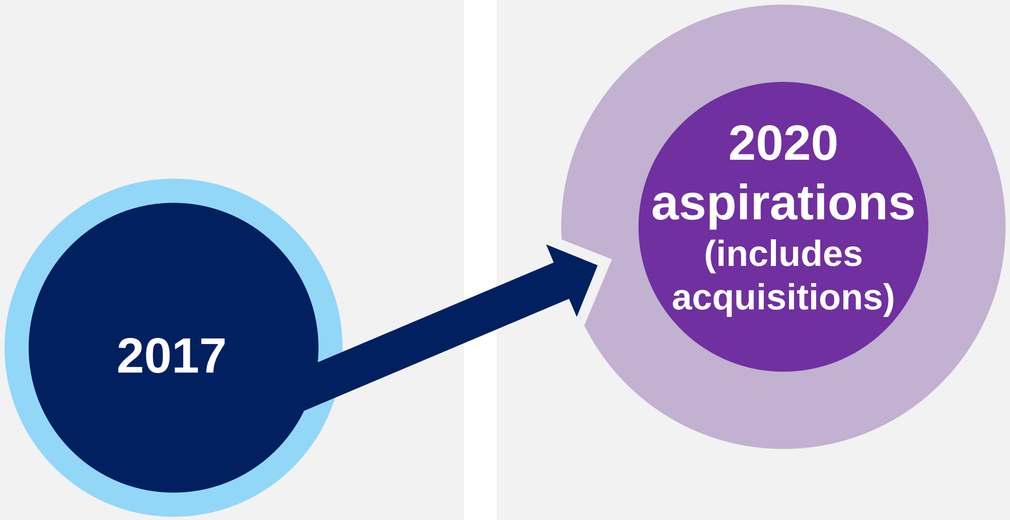
Path to 2020 with Target Model



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

1See “Use of Non-GAAP Financial Measures” at the end of this 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.

See historical filings, including the Company’s Annual Reports on Form 10-K, for reconciliations of certain Non-GAAP measures to GAAP measures. The following charts provide certain (unaudited) reconciliations of U.S. GAAP-based financial measures to Non-U.S. GAAP-based financial measures for the periods presented:

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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	

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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

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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	

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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

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2014

(in '000s USD)	Year Ended June 30, 2014					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 142,193		$ (342)	(1)	$ 141,851	
Customer support	96,068		(754)	(1)	95,314	
Professional service and other	189,403		(855)	(1)	188,548	
Amortization of acquired technology-based intangible assets	69,917		(69,917)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,113,957	68.6%	71,868	(3)	1,185,825	73.0%
Operating expenses						
Research and development	176,834		(2,356)	(1)	174,478	
Sales and marketing	346,941		(7,312)	(1)	339,629	
General and administrative	142,080		(8,287)	(1)	133,793	
Amortization of acquired customer-based intangible assets	81,023		(81,023)	(2)	—	
Special charges (recoveries)	31,314		(31,314)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	300,528	18.5%	202,160	(5)	502,688	30.9%
Other income (expense), net	3,941		(3,941)	(6)	—	
Provision for (recovery of) income taxes	58,461		9,569	(7)	68,030	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	218,125		188,650	(8)	406,775	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.81		$ 1.56	(8)	$ 3.37	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2014

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 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 21% and a Non-GAAP-based tax rate of 14.3%; 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 14.3%, 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 adjusted net income to Non-GAAP-based net income:

	Year Ended June 30, 2014	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 218,125	$ 1.81
Add:		
Amortization	150,940	1.25
Share-based compensation	19,906	0.17
Special charges (recoveries)	31,314	0.26
Other (income) expense, net	(3,941)	(0.03)
GAAP-based provision for (recovery of) income taxes	58,461	0.48
Non-GAAP based provision for income taxes	(68,030)	(0.57)
Non-GAAP-based net income, attributable to OpenText	$ 406,775	$ 3.37

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2013

(in '000s USD)	Year Ended June 30, 2013					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 73,026		$ (128)	(1)	$ 72,898	
Customer support	105,387		(434)	(1)	104,953	
Professional service and other	196,601		(915)	(1)	195,686	
Amortization of acquired technology-based intangible assets	93,610		(93,610)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	878,717	64.5%	95,087	(3)	973,804	71.4%
Operating expenses						
Research and development	164,010		(1,693)	(1)	162,317	
Sales and marketing	290,521		(8,429)	(1)	282,092	
General and administrative	109,246		(3,976)	(1)	105,270	
Amortization of acquired customer-based intangible assets	68,745		(68,745)	(2)	—	
Special charges (recoveries)	24,034		(24,034)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	197,665	14.5%	201,964	(5)	399,629	29.3%
Other income (expense), net	(2,473)		2,473	(6)	—	
Provision for (recovery of) income taxes	29,690		23,881	(7)	53,571	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	148,520		180,556	(8)	329,076	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.26		$ 1.53	(8)	$ 2.79	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2013

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 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 17% and a Non-GAAP-based tax rate of 14%; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating Non-GAAP-based 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 14%, 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 adjusted net income to Non-GAAP-based net income:

	Year Ended June 30, 2013	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 148,520	$ 1.26
Add:		
Amortization	162,355	1.37
Share-based compensation	15,575	0.13
Special charges (recoveries)	24,034	0.20
Other (income) expense, net	2,473	0.02
GAAP-based provision for (recovery of) income taxes	29,690	0.25
Non-GAAP based provision for income taxes	(53,571)	(0.44)
Non-GAAP-based net income, attributable to OpenText	$ 329,076	$ 2.79

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