OPENTEXT™

Enabling the Digital World



Quarter Supplemental Investor Presentation

FY16-Q2 | February 9, 2016

NASDAQ: OTEX ⊙ TSX: OTC

Safe Harbor Statement

Certain statements in this presentation, including statements about the focus of Open Text Corporation ("OpenText" or "the Company") in Fiscal 2016 on growth in earnings and cash flows, creating value through investments in broader Enterprise Information Management (EIM) capabilities, distribution, the Company's presence in the cloud and in growth markets, its financial conditions, results of operations and earnings, declaration of quarterly dividends, and other matters, may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would", and other similar language and are considered forward-looking statements or information under applicable securities laws. In addition, any information or statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and based on our current expectations, 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; and (ix) the Company's financial condition and capital requirements. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the possibility that the Company may be unable to meet its future reporting requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; (iii) the risks associated with bringing new products and services to market; (iv) fluctuations in currency exchange rates; (v) delays in the purchasing decisions of the Company's customers; (vi) the competition the Company faces in its industry and/or marketplace; (vii) the final determination of litigation, tax audits and other legal proceedings; (viii) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (ix) the continuous commitment of the Company's customers; and (x) demand for the Company's products. For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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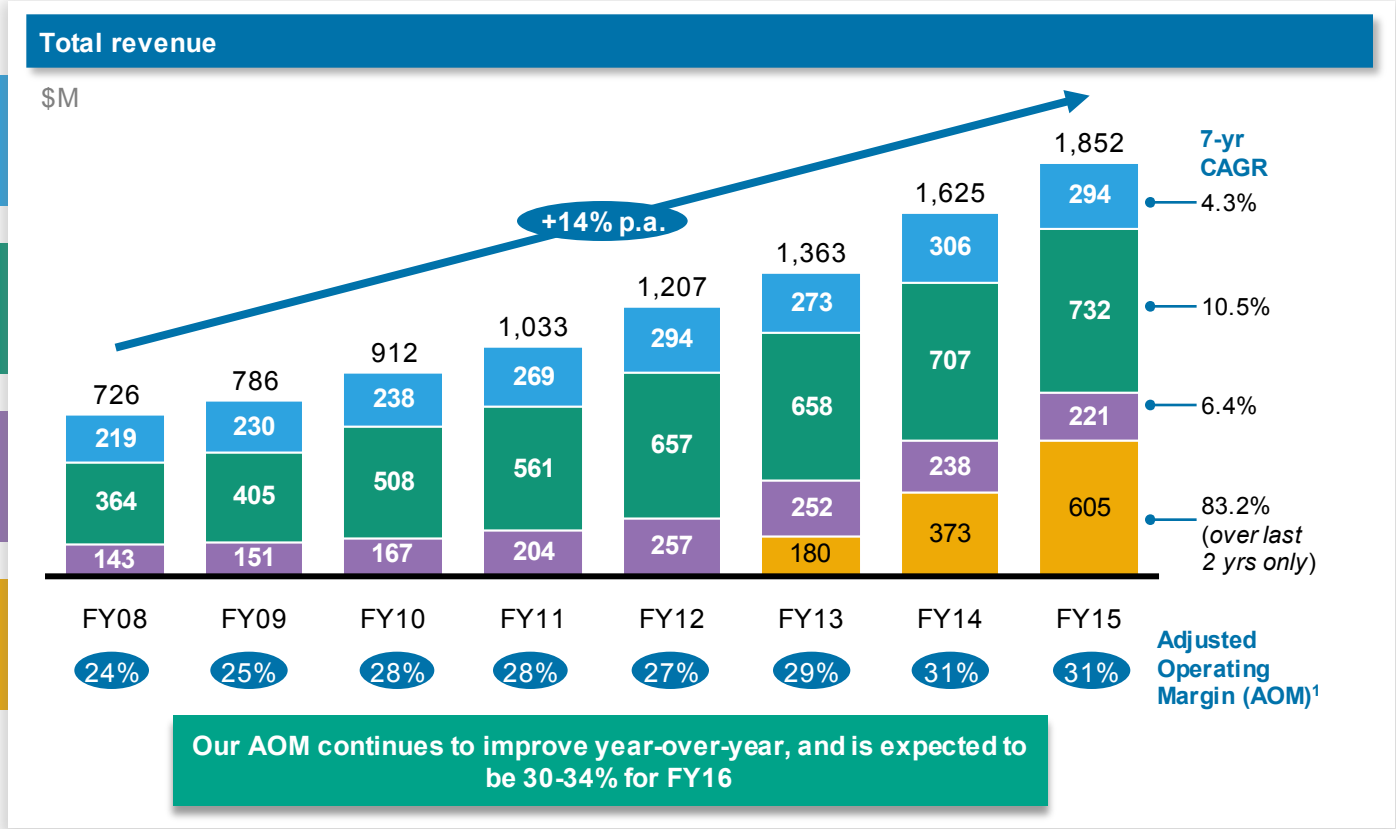
We Have Four Different Revenue Streams

License

Maintenance

Services

Cloud



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

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FY16 Q2 Business and Financial Highlights

- CEO assumes additional role of Chief Technology Officer
- Executive promotions of Muhi Majzoub, John Doolittle and Gordon Davies
- Appointment of Steven Murphy as President
- 16 customer transactions over $1 million, 7 cloud contract signings in the OpenText Cloud and 9 on-premises
- Financial, services and technology industries saw the most demand
- Cloud customer successes in the quarter include O.C. Tanner, Schneider Electric, Elcom, Ayuntamiento de Barcelona (Barcelona City Council), Engie E&P, Shiseido Europe and The Greater Toronto Airports Authority
- Creates secure, dedicated European data zone for cloud operations
- On-premises customer successes in the quarter include Hy Cite Enterprises, City of San Diego, Elmu, B. Braun, National Commercial Bank, Mobis Parts Australia Pty (Mobis), Alberta Energy Regulator, Pirelli Tyre S.P.A., Banque de France, ERGO Insurance AG Austria, Region Skane and Stadtwerke Munchen
- Buys Daegis Inc.
- Named a leader in Gartner's Magic Quadrant for Enterprise Content Management and for Customer Communications Management Software
- Named one of Canada's Top 100 Employers for the fifth consecutive year

License Revenue Up 9% Y/Y

- Total revenue $465.3 million down 0.5% Y/Y
- Cloud Revenue $149.1M down 4% Y/Y
- 7 Cloud MCV transactions over $1 million
- License Revenue $81.9 million up 9% Y/Y
- 9 License transactions over $1 million
- License revenue from new accounts: 30%
- Partners contributed 48% of license revenue
- Average Cloud MCV deal size: $381K
- Average License deal size : $338K

Non-GAAP Operating Margin 37%**

- Non-GAAP-based EPS was $1.01 compared to $0.97 Y/Y*
- GAAP–based EPS was $0.72 compared to $0.60 Y/Y
- Non-GAAP-based operating margin 37%**
- GAAP-based operating margin 24%**
- Non-GAAP tax rate: 20%

Operating Cash Flow up 13% Y/Y

- $123.9 million in operating cash flow, compared to $109.6 million Y/Y
- Cash and cash equivalents $726.0 million
- Total debt $1,584.0 million as of December 31, 2015

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

**before taxes and interest expense

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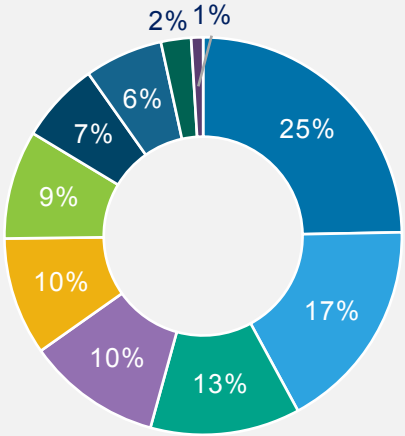
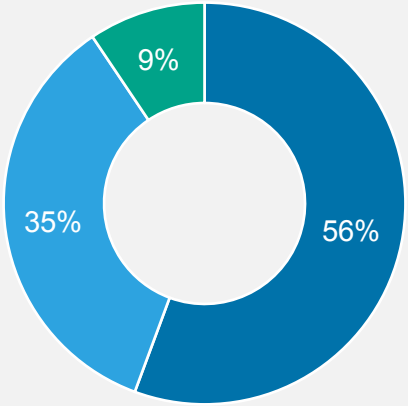
FY16 Q2 Revenue Breakdown

Q2 F16
License Revenue by Industry



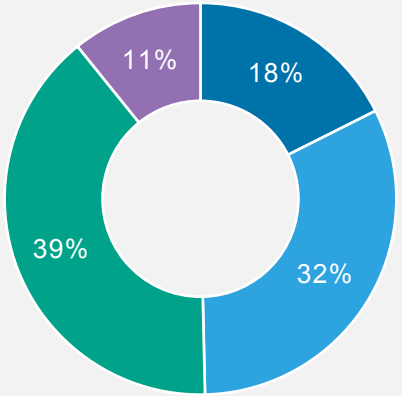
- Financial
- Services
- Technology
- Public Sector
- Healthcare
- Basic Materials
- Consumer Goods
- Industrial Goods
- Utilities
- Conglomerates

Q2 F16
Total Revenue by Geography



- Americas
- EMEA
- APJ

Q2 F16
Total Revenue Mix



- License
- Cloud Services
- Customer Support
- Service

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Customer Wins

Elcom extended its term for licensing OpenText™ Analytics to embed in PECOS, its procurement management solution. PECOS Procure to Pay helps customers gain better control of their procurement process. OpenText's robust reporting and analytics functionality provides Elcom's customers with a direct and interactive window into data and more visibility into transactional information.

With OpenText Vendor Invoice Management for SAP® Solutions B. Braun expects to improve significantly processing times and increase the efficicieny of managing 1 million invoices.

NCB is a Cordys customer since 2011 and is using Cordys BOP as the main ESB that links between all its front channels (IVR, Internet banking etc.) and the backend systems. NCB has decided to upgrade its license to the Process Suite to build a framework for process-enabled business applications such as credit card issuance and re-issuance, limit set-up, PIN issuance, loyalty management and payment.

OpenText B2B Managed Services will enable Shiseido to quickly implement new business connections with their trading partners, reduce costs and win more business with strategic customers. In addition, Shiseido will benefit from OpenText Active Documents, a dashboard to monitor B2B transactions in real-time which will ensure faster response time to day-to-day activities, as well as OpenText Active Invoice with Compliance to support Shiseido fiscal e-Invoicing requirements for all over Europe.

With OpenText PowerDocs, Elmü expects to ensure high-quality customer communication, to increase efficiency in their Call Centers as well as to mitigate risks and to maintain brand integrity.

The Greater Toronto Airports Authority (GTAA), who oversees the management, operation and maintenance of Toronto Pearson, Canada's largest and busiest airport, recently purchased a Cloud Subscription for the OpenText Content Suite Platform. In addition to the subscription, OpenText will provide Cloud Managed Services to the GTAA for a period of up to five years. This decision by the GTAA is just one of many steps toward its goal to transform its digital strategies to increase operational efficiency and improve the passenger experience.

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Customer Wins

The City of San Diego purchased several products from the OpenText Suite for SAP® including OpenText Extended ECM for SAP® Solutions, OpenText Vendor Invoice Management for SAP® Solutions and OpenText Archiving for SAP® Solutions. The City looked to the partnership of SAP and OpenText to deliver the technology and best practices to consolidate their Information Management infrastructure and provide integration and collaboration across all business units for a complete enterprise solution and improved business processes.

HY CITE ENTERPRISES/LLC

Hy Cite purchased a 3-year ECM Enterprises License Agreement for multiple products in the OpenText ECM Suite. They plan to utilize OpenText technology as a platform to address a wide array of business needs relating to Information Governance, enhanced customer communications and streamlining internal business processes.

Schneider Electric is extending the usage of its OpenText iX Managed Services and Cordys software to build a Global Supply-Chain Backbone within Schneider Electric Group to support and facilitate electronic transactions between its entities and its logistic and transportation suppliers. These strategic initiatives will increase productivity in the entire Schneider Electric organization value chain.

ENGIE E&P (part of the ENGIE Group) has been using ECM solutions from OpenText for its activities all over the world. The company is now moving to OpenText Cloud for about 1400 people.With OpenText ECM technology in the cloud, ENGIE E&P would like to reduce TCO. The new solution also supports ENGIE's strategy of Digital Transformation.

Ajuntament de Barcelona

OpenText won a Public Tender (with Accenture) to provide a corporate Document Management solution in the OpenText Cloud. For compliance reasons the datacenter will be located in Barcelona. The business goal of the City of Barcelona is to centralize all document management processes and to enable the citizens to access all available information electronically. The City also intends to simplify processes as well as costs and to accelerate services for their citizens.

SWM Stadtwerke München

OpenText Analytics delivers timely, comprehensive and accurate data for the scope of SWM's operations. With this capabilities different management levels have the possibility for their business needs to be measured across a wide spectrum of KPI's, reporting stages and deliverables. This supports Stadtwerke München to effectively manage their complex supply chain utilisation internally and externally together against its strategic goals. With help of OpenText Analytics Stadtwerke München delivers management reports to up to 7.000 users across their enterprise.

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Customer Wins

Pirelli

Pirelli selected OpenText Extended ECM for SAP Solution and Application Governance & Archiving for Microsoft Sharepoint to implement a Global Document & Record Management System supporting business processes across the Enterprise. Pirelli is developing their digital transformation strategy with a special focus on Information Governance. As a foundation, they will deploy Extended ECM, embracing their leading applications like SAP, SharePoint, and other legacy systems.

REGION SKÅNE

Region Skåne decided to invest in OpenText for a number of reasons. The main scope is document management but with OpenText's broad product portfolio and EIM message, the company has also expanded on use cases with other solutions. This first initial purchase covers one department (500 users) and, if successful, will open up possibilities for further expansion within Region Skåne.

ERGO

ERGO Insurance AG Austria has purchased "OpenText™ Document Access for SAP Solutions" licenses for their Portal Solution to provide access to insurance documents for their business partner. The several business partners of ERGO receive comprehensive information of their customers and thus offer an excellent service.

HYUNDAI MOBIS

Mobis purchased OpenText Information Hub (iHub) to monitor sales performance of its distributors and pricing offers from its vendors. The OpenText platform will enable Mobis to gain valuable insights from their operational data and facilitate actionable decisions to achieve KPI measures and drive efficiency in the business.

BANQUE DE FRANCE
EUROSYSTÈME

Banque de France selected OpenText Customer Communications Management to manage their regulatory and end-user documents. With the new solution, the bank expects to increase their operational efficiency and to receive more flexibility to handle the upcoming regulations.

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Summary of Quarterly Results with Constant Currency

	Q2 FY16	Q2 FY15	$ Change	% Change	Q2 FY16 in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$149.1	$154.8	($5.7)	(3.7) %	$156.1	0.8 %
Customer support	184.1	179.5	4.6	2.6 %	196.2	9.3 %
Professional service and other	50.3	58.2	(7.9)	(13.7) %	54.8	(5.8) %
Total Recurring revenues	**$383.5**	**$392.5**	**($9.0)**	**(2.3) %**	**$407.1**	**3.7 %**
License	81.9	75.4	6.5	8.6 %	89.8	19.1 %
Total revenues	**$465.3**	**$467.8**	**($2.5)**	**(0.5) %**	**$496.9**	**6.2 %**
Non-GAAP-based operating margin(1)(2)	37.0 %	32.8 %	n/a	420 bps	36.9 %	
GAAP-based operating margin	23.6 %	23.6 %	n/a	0 bps		
Non-GAAP-based EPS, diluted(1)	$1.01	$0.97	$0.04	4.1 %	$1.08	11.3 %
GAAP-based EPS, diluted	$0.72	$0.60	$0.12	20.0 %		
Operating cash flows (in millions)	$123.9	$109.6	$14.3	13.1 %		

(1) See reconciliation of Non-GAAP-based measures to GAAP-based measures at the end of this presentation
(2) Before taxes and interest expense
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
Note: Individual line items in tables may be adjusted by non-material amounts to enable totals to align to published financial statements

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Summary of Year To Date Results with Constant Currency

	Q2 FY16 YTD	Q2 FY15 YTD	$ Change	% Change	Q2 FY16 YTD in CC*	% Change in CC*
Revenues (in millions):						
Cloud services and subscriptions	$296.9	$308.8	($11.9)	(3.9) %	$312.4	1.2 %
Customer support	369.8	363.4	6.4	1.8 %	396.9	9.2 %
Professional service and other	100.0	115.9	(15.9)	(13.7) %	109.9	(5.2) %
Total Recurring revenues	**$766.7**	**$788.1**	**($21.4)**	**(2.7) %**	**$819.2**	**3.9 %**
License	133.2	133.6	(0.4)	(0.3) %	145.8	9.1 %
Total revenues	**$899.9**	**$921.6**	**($21.7)**	**(2.4) %**	**$965.0**	**4.7 %**
Non-GAAP-based operating margin(1)(2)	35.6 %	33.5 %	n/a	210 bps	35.3 %	
GAAP-based operating margin	20.7 %	23.2 %	n/a	(250) bps		
Non-GAAP-based EPS, diluted(1)	$1.85	$1.93	($0.08)	(4.1) %	$1.98	2.6 %
GAAP-based EPS, diluted	$1.06	$1.13	($0.07)	(6.2) %		
Operating cash flows (in millions)	$216.7	$248.1	($31.4)	(12.7) %		

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

	Q2 FY16	Q1 FY16	Q2 FY15	% Change (Q2 FY16 vs Q1 FY16)	% Change (Q2 FY16 vs Q2 FY15)
Revenue (million)	$465.3	$434.5	$467.8	7.1 %	(0.5) %
GAAP-based gross margin	70.0 %	67.8 %	68.3 %	220 bps	170 bps
GAAP-based operating margin	23.6 %	17.6 %	23.6 %	600 bps	0 bps
GAAP-based EPS, diluted	$0.72	$0.34	$0.60	111.8 %	20.0 %
Non-GAAP-based gross margin(1)	74.2 %	72.6 %	72.3 %	160 bps	190 bps
Non-GAAP-based operating margin(1)(2)	37.0 %	34.1 %	32.8 %	290 bps	420 bps
Non-GAAP-based EPS, diluted*	$1.01	$0.84	$0.97	20.2 %	4.1 %

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

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Summary of Year To Date Results

	Q2 FY16 YTD	Q2 FY15 YTD	% Change
Revenue (million)	$899.9	$921.6	(2.4) %
GAAP-based gross margin	68.9 %	68.0 %	90 bps
GAAP-based operating margin	20.7 %	23.2 %	(250) bps
GAAP-based EPS, diluted	$1.06	$1.13	(6.2) %
Non-GAAP-based gross margin(1)	73.4 %	72.1 %	130 bps
Non-GAAP-based operating margin(1)(2)	35.6 %	33.5 %	210 bps
Non-GAAP-based EPS, diluted*	$1.85	$1.93	(4.1) %

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

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Summary of Quarterly Revenue Results

In millions	Q2 FY16	Q1 FY16	Q2 FY15	% Change (Q2 FY16 vs Q1 FY16)	% Change (Q2 FY16 vs Q2 FY15)	Q2 FY16 in CC*	% Change in CC* (Q2 FY16 vs Q2 FY15)
License	$81.9	$51.3	$75.4	59.5 %	8.6 %	$89.8	19.1 %
Cloud services and subscriptions	149.1	147.8	154.8	0.9 %	(3.7) %	156.1	0.8 %
Customer support	184.1	185.7	179.5	(0.8) %	2.6 %	196.2	9.3 %
Professional service and other	50.3	49.7	58.2	1.0 %	(13.7) %	54.8	(5.8) %
Total	$465.3	$434.5	$467.8	7.1 %	(0.5) %	$496.9	6.2 %

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Summary of Year To Date Revenue Results

In millions	Q2 FY16 YTD	Q2 FY15 YTD	% Change	Q2 FY16 YTD in CC*	% Change in CC*
License	$133.2	$133.6	(0.3) %	$145.8	9.1 %
Cloud services and subscriptions	296.9	308.8	(3.9) %	312.4	1.2 %
Customer support	369.8	363.4	1.8 %	396.9	9.2 %
Professional service and other	100.0	115.9	(13.7) %	109.9	(5.2) %
Total	$899.9	$921.6	(2.4) %	$965.0	4.7 %

*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 rates.

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Key Financial Metrics

1. Foreign currency movements:

- Approximately 34.9% of total revenues are derived from EMEA in Q2 fiscal 2016
- Q2 F16 unfavorable FX impact of $31.6M for total revenue when compared to Q2 F15, and unfavorable $0.07 for adjusted EPS

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

- Total revenue decreased 1.5%; increased 5.9% on a constant currency basis
- Recurring revenue decreased 1.1%; increased 5.8% on a constant currency basis
- Cloud revenue increased at 0.2%, 5.4% on a constant currency basis
- Customer support revenue increased at 1.5%, 9.3% on a constant currency basis
- PS revenue decreased 12.4%, 3.7% on a constant currency basis
- License revenue decreased 3.6%; increased 6.3% on a constant currency basis

3. Additional metrics:

- Adjusted tax rate for F16 is 20%
- Interest expense is $19M for Q2 F16



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

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Deferred Revenue Waterfall

Below is the estimated impact of a deferred revenue adjustment, arising as part of the Actuate acquisition on January 16, 2015. The total deferred revenue acquired as part of the acquisition was $43.9M. As such, after the adjustment below, the revenue that OpenText will be able to recognize arising from this deferred revenue is $35.4M.

Deferred revenue hair cut (in '000s USD)	Opening balance	Hair cut %	Hair cut adj	Ending balance
License revenue	390	100%	(390)	-
Subscription licenses (term licenses)	2,144	100%	(2,144)	-
Maintenance revenue	41,017	14%	(5,948)	35,069
Professional services	350	15%	(52)	298
Total revenue	43,901	19%	(8,534)	35,367

Waterfall impact	Q315	Q415	Q116	Q216	YR 2	YR 3	YR 4	Total
License revenue	780	789	469	223	188	85	-	2,534
Maintenance	2,059	1,704	1,271	768	134	11	1	5,948
Professional services	26	23	2	1	-	-	-	52
Total revenue	2,865	2,516	1,742	992	322	96	1	8,534

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FY16 External Target Model*

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

*This target model is not guidance.

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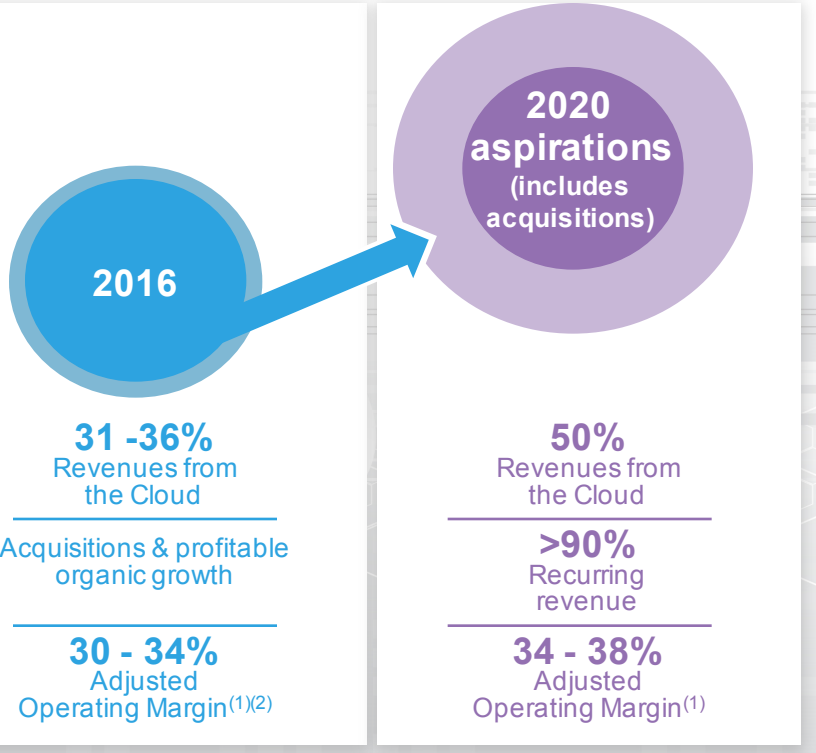
Path to 2020 with Target Model

Intelligent Cloud growth yields top-line and operating margin growth

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



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

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Appendix A

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. GAAP, the Company provides certain financial measures that are not in accordance with U.S. GAAP (non-GAAP).These non-GAAP financial measures have certain limitations in that they do not have a standardized meaning and thus the Company's definition may be different from similar non-GAAP financial measures used by other companies and/or analysts and may differ from period to period. Thus it may be more difficult to compare the Company's financial performance to that of other companies. However, the Company's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of these non-GAAP financial measures both in its reconciliation to the U.S. GAAP financial measures and its consolidated financial statements, all of which should be considered when evaluating the Company's results.

The Company uses these non-GAAP financial measures to supplement the information provided in its consolidated financial statements, which are presented in accordance with U.S. GAAP. The presentation of non-GAAP financial measures are not meant to be a substitute for financial measures presented in accordance with U.S. GAAP, but rather should be evaluated in conjunction with and as a supplement to such U.S. GAAP measures. OpenText strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure. The Company therefore believes that despite these limitations, it is appropriate to supplement the disclosure of the U.S. GAAP measures with certain non-GAAP measures defined below.

Non-GAAP-based net income and non-GAAP-based EPS are calculated as net income or net income 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. 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, and share-based compensation. 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.

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:

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Reconciliation of Selected Non-GAAP Measures | Q2 F16

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

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Reconciliation of Selected Non-GAAP Measures | Q2 F16

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

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

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Reconciliation of Selected Non-GAAP Measures | Q2 F16 YTD

(in '000s USD)	Six Months Ended December 31, 2015					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 117,834		$ (439)	(1)	$ 117,395	
Customer support	42,197		(416)	(1)	41,781	
Professional service and other	76,439		(839)	(1)	75,600	
Amortization of acquired technology-based intangible assets	38,614		(38,614)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	620,088	68.9%	40,308	(3)	660,396	73.4%
Operating expenses						
Research and development	92,150		(1,488)	(1)	90,662	
Sales and marketing	163,820		(5,830)	(1)	157,990	
General and administrative	69,336		(4,102)	(1)	65,234	
Amortization of acquired customer-based intangible assets	55,598		(55,598)	(2)	—	
Special charges (recoveries)	26,425		(26,425)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	186,515	20.7%	133,751	(5)	320,266	35.6%
Other income (expense), net	(3,952)		3,952	(6)	—	
Provision for (recovery of) income taxes	15,276		41,049	(7)	56,325	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	128,972		96,654	(8)	225,626	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.06		$ 0.79	(8)	$ 1.85	

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Reconciliation of Selected Non-GAAP Measures | Q2 F16 YTD

FOOTNOTES

1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 11% 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 and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and "book to return" adjustments for tax return filings and tax assessments (in total "adjusted expenses"). In arriving at our non-GAAP-based tax rate of 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Six Months Ended December 31, 2015	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 225,626	$ 1.85
Less:		
Amortization	94,212	0.77
Share-based compensation	13,114	0.11
Special charges (recoveries)	26,425	0.22
Other (income) expense, net	3,952	0.03
GAAP-based provision for (recovery of) income taxes	15,276	0.12
Non-GAAP based provision for income taxes	(56,325)	(0.46)
GAAP-based net income, attributable to OpenText	$ 128,972	$ 1.06

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Reconciliation of Selected Non-GAAP Measures | Q1 F16

(in '000s USD)	Three Months Ended September 30, 2015					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 58,916		$ (281)	(1)	$ 58,635	
Customer support	20,508		(158)	(1)	20,350	
Professional service and other	38,064		(453)	(1)	37,611	
Amortization of acquired technology-based intangible assets	19,883		(19,883)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	294,483	67.8%	20,775	(3)	315,258	72.6%
Operating expenses						
Research and development	46,440		(752)	(1)	45,688	
Sales and marketing	77,945		(3,115)	(1)	74,830	
General and administrative	35,569		(1,774)	(1)	33,795	
Amortization of acquired customer-based intangible assets	27,805		(27,805)	(2)	—	
Special charges (recoveries)	17,337		(17,337)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	76,473	17.6%	71,558	(5)	148,031	34.1%
Other income (expense), net	(4,913)		4,913	(6)	—	
Provision for (recovery of) income taxes	11,202		14,569	(7)	25,771	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	41,286		61,902	(8)	103,188	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.34		$ 0.50	(8)	$ 0.84	

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Reconciliation of Selected Non-GAAP Measures | Q1 F16

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 21% 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 and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and "book to return" adjustments for tax return filings and tax assessments (in total "adjusted expenses"). In arriving at our non-GAAP-based tax rate of 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended September 30, 2015	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 103,188	$ 0.84
Less:		
Amortization	47,688	0.39
Share-based compensation	6,533	0.05
Special charges (recoveries)	17,337	0.14
Other (income) expense, net	4,913	0.04
GAAP-based provision for (recovery of) income taxes	11,202	0.09
Non-GAAP based provision for income taxes	(25,771)	(0.21)
GAAP-based net income, attributable to OpenText	$ 41,286	$ 0.34

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Reconciliation of Selected Non-GAAP Measures | Q2 F15

(in '000s USD)	Three Months Ended December 31, 2014					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 58,533		$ (186)	(1)	$ 58,347	
Customer support	23,831		(234)	(1)	23,597	
Professional service and other	44,406		(335)	(1)	44,071	
Amortization of acquired technology-based intangible assets	18,206		(18,206)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	319,458	68.3%	18,961	(3)	338,419	72.3%
Operating expenses						
Research and development	46,170		(614)	(1)	45,556	
Sales and marketing	90,980		(2,594)	(1)	88,386	
General and administrative	39,667		(966)	(1)	38,701	
Amortization of acquired customer-based intangible assets	25,364		(25,364)	(2)	—	
Special charges (recoveries)	(5,759)		5,759	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	110,571	23.6%	42,740	(5)	153,311	32.8%
Other income (expense), net	(9,314)		9,314	(6)	—	
Provision for (recovery of) income taxes	18,308		7,559	(7)	25,867	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	74,287		44,495	(8)	118,782	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.60		$ 0.37	(8)	$ 0.97	

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Reconciliation of Selected Non-GAAP Measures | Q2 F15

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 20% 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 and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and "book to return" adjustments for tax return filings and tax assessments (in total "adjusted expenses"). In arriving at our non-GAAP-based tax rate of 18%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Three Months Ended December 31, 2014	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 118,782	$ 0.97
Less:		
Amortization	43,570	0.35
Share-based compensation	4,929	0.04
Special charges (recoveries)	(5,759)	(0.05)
Other (income) expense, net	9,314	0.08
GAAP-based provision for (recovery of) income taxes	18,308	0.15
Non-GAAP based provision for income taxes	(25,867)	(0.20)
GAAP-based net income, attributable to OpenText	$ 74,287	$ 0.60

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Reconciliation of Selected Non-GAAP Measures | Q2 F15 YTD

(in '000s USD)	Six Months Ended December 31, 2014					
	GAAP	GAAP % of Rev	Adjustments	FN	Non- GAAP	Non-GAAP % of Rev
COST OF REVENUES						
Cloud services and subscriptions	$ 118,110		$ (399)	(1)	$ 117,711	
Customer support	46,794		(408)	(1)	46,386	
Professional service and other	87,603		(598)	(1)	87,005	
Amortization of acquired technology-based intangible assets	36,412		(36,412)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	626,305	68.0%	37,817	(3)	664,122	72.1%
Operating expenses						
Research and development	90,912		(1,177)	(1)	89,735	
Sales and marketing	172,021		(4,668)	(1)	167,353	
General and administrative	75,410		(2,128)	(1)	73,282	
Amortization of acquired customer-based intangible assets	51,248		(51,248)	(2)	—	
Special charges (recoveries)	(1,590)		1,590	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	213,597	23.2%	95,448	(5)	309,045	33.5%
Other income (expense), net	(19,187)		19,187	(6)	—	
Provision for (recovery of) income taxes	35,710		16,165	(7)	51,875	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	138,913		98,470	(8)	237,383	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.13		$ 0.80	(8)	$ 1.93	

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Reconciliation of Selected Non-GAAP Measures | Q2 F15 YTD

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges are generally incurred in the periods following the relevant acquisitions and are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 20% 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 and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, tax arising on internal reorganizations, and "book to return" adjustments for tax return filings and tax assessments (in total "adjusted expenses"). In arriving at our non-GAAP-based tax rate of 18%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of Non-GAAP-based adjusted net income to GAAP-based net income:

	Six Months Ended December 31, 2014	
		Per Share Diluted
Non-GAAP-based net income, attributable to OpenText	$ 237,383	$ 1.93
Less:		
Amortization	87,660	0.71
Share-based compensation	9,378	0.08
Special charges (recoveries)	(1,590)	(0.01)
Other (income) expense, net	19,187	0.16
GAAP-based provision for (recovery of) income taxes	35,710	0.29
Non-GAAP based provision for income taxes	(51,875)	(0.43)
GAAP-based net income, attributable to OpenText	$ 138,913	$ 1.13

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