OPENTEXT™

Enabling the Digital World



Strategic Update – Mark J. Barrenechea, CEO & CTO

Updated: May 8, 2017

NASDAQ: OTEX | TSX: OTEX

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, expected ECD Business revenue contributions, adjusted operating income and cash flow, its financial condition, results of operations and earnings, announced acquisitions, ongoing tax matters, the integration of the ECD Business, expected timing, charges and savings related to restructuring activities, declaration of quarterly dividends, future tax rates, new platform and product offerings 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 including expected growth in the Artificial Intelligence 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) downward pressure on our share price and dilutive effect of future sales or issuances of equity securities (including in connection with future acquisitions); (x) the Company's financial condition and capital requirements; and (xi) statements about the impact of 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, or applicable Canadian securities regulation; (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 or 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: OTEX

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 56 acquisitions and have a strong culture of integration
- Disciplined capital allocators
- Outperformed the NASDAQ by more than 3,000 percentage points over the last 20 years(1)
- EIM is an attractive market segment: greater than $35 billion in annual customer spend, growing, and generates high profit
- OpenText Business System creates superior products, customer success and shareholder value

1. Source: NASDAQ (as at March 31, 2017)

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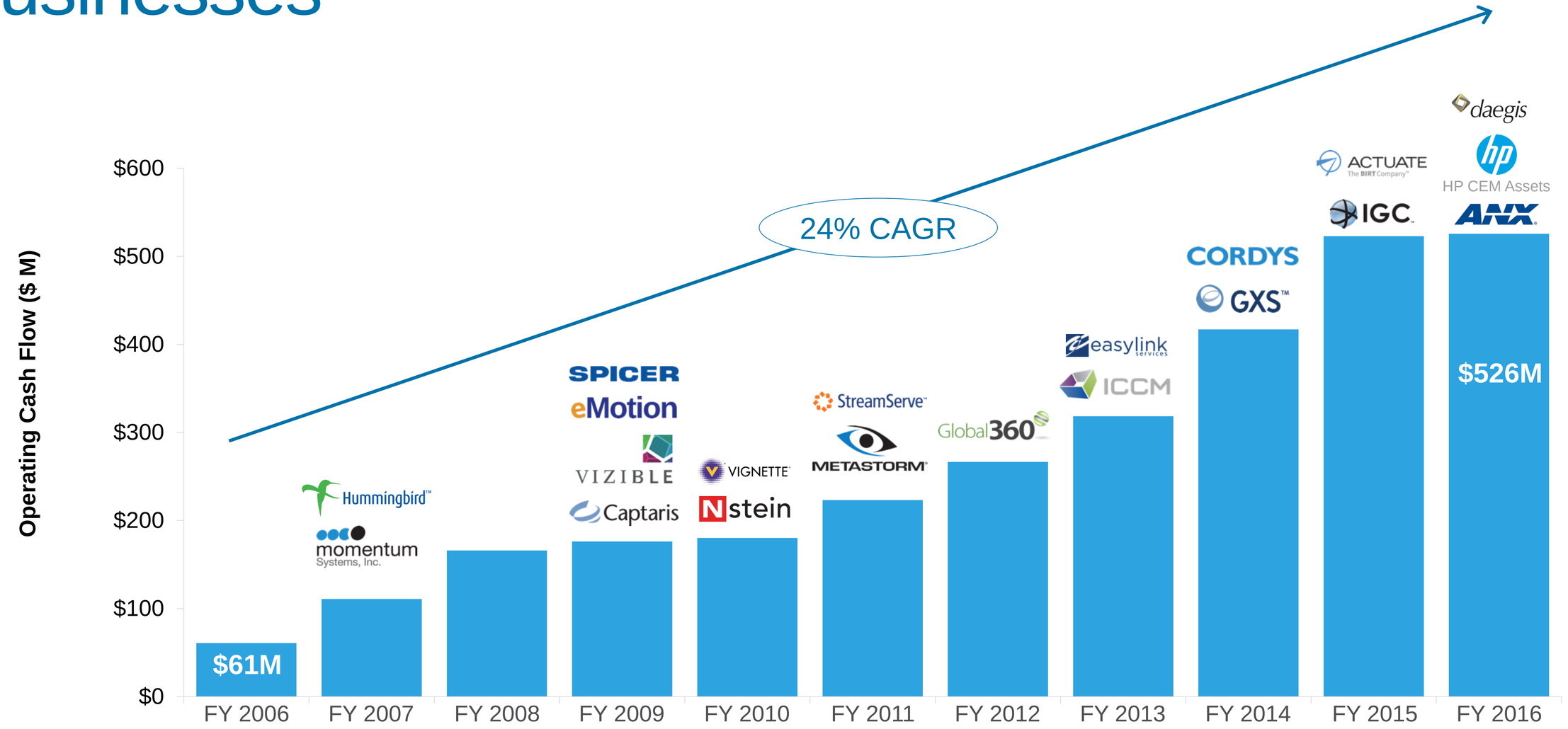
Growing Cash Flow by Acquiring Strong Businesses



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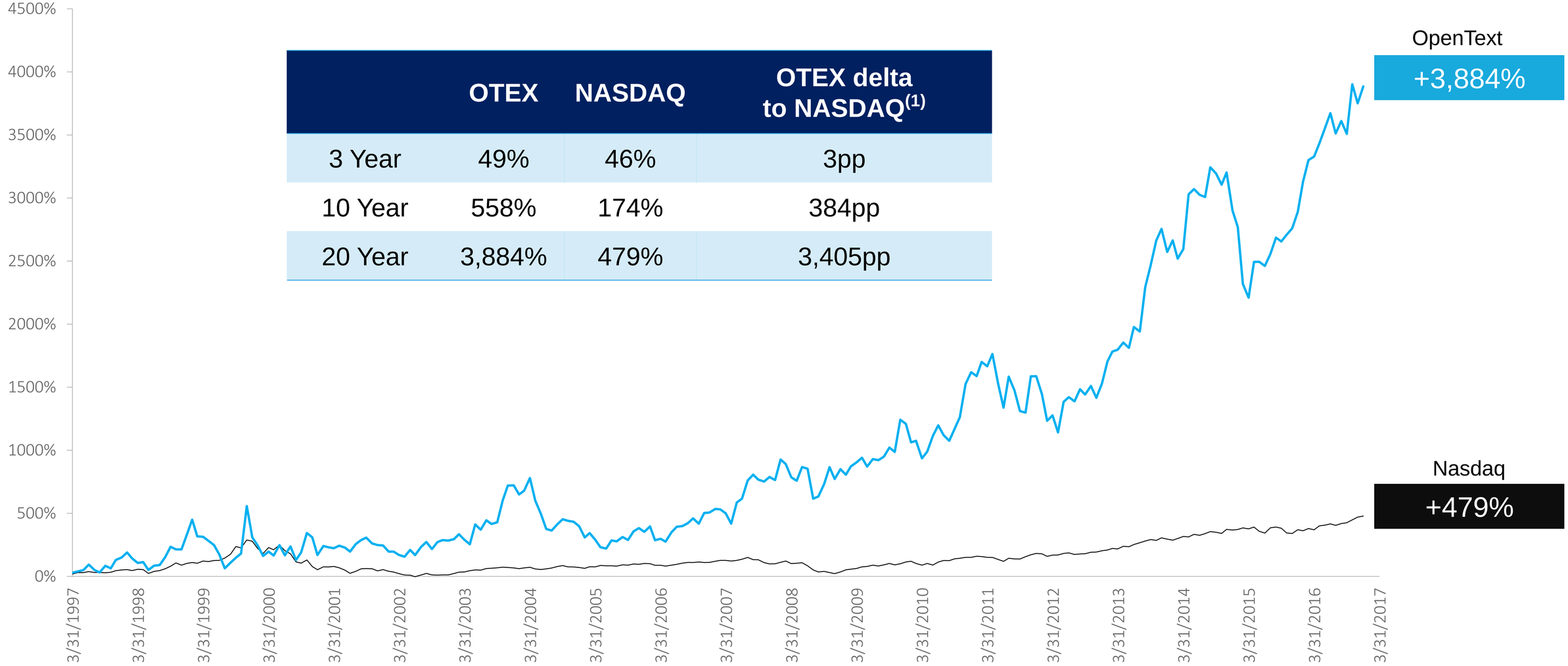
20-Year Total Shareholder Return

OTEX v. NASDAQ

	OTEX	NASDAQ	OTEX delta to NASDAQ(1)
3 Year	49%	46%	3pp
10 Year	558%	174%	384pp
20 Year	3,884%	479%	3,405pp



(1) Source: NASDAQ (March 31, 2017)

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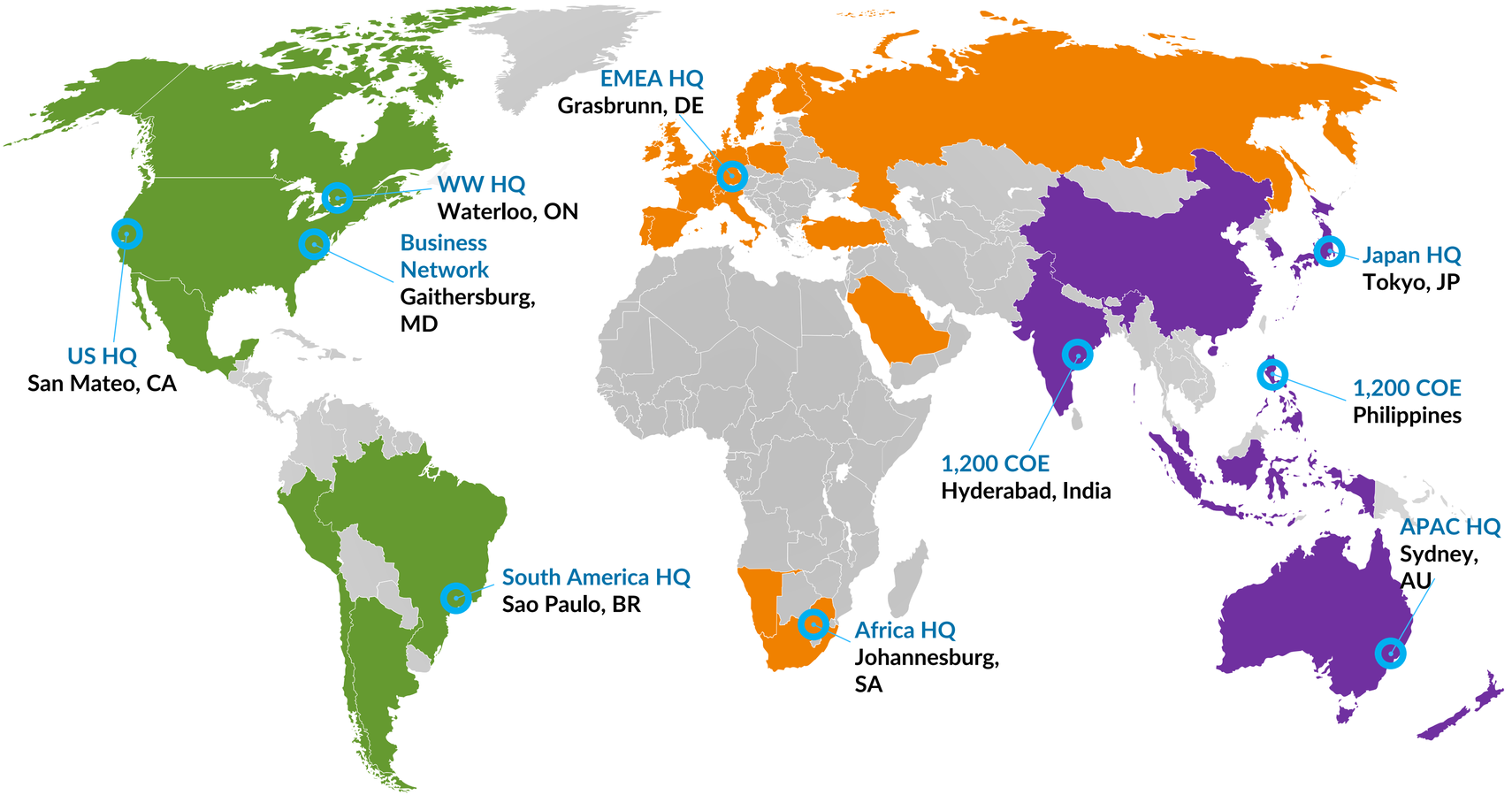
Global Organization



- 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 12,000(2) employees in 40 countries worldwide
- Over 1,100 sales and distribution partners(2)
- 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 acquisition of Dell EMC's ECD Business
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From Strategy to Value Creation



- $35B plus market, 9.1% growth rate
- Hundreds of acquisition targets
- Marquee customers

- Leading growth driver
- Returns oriented
- Proven methodology

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

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

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From Strategy to Value Creation

EIM Market Strategy

- $35B plus market, 9.1% 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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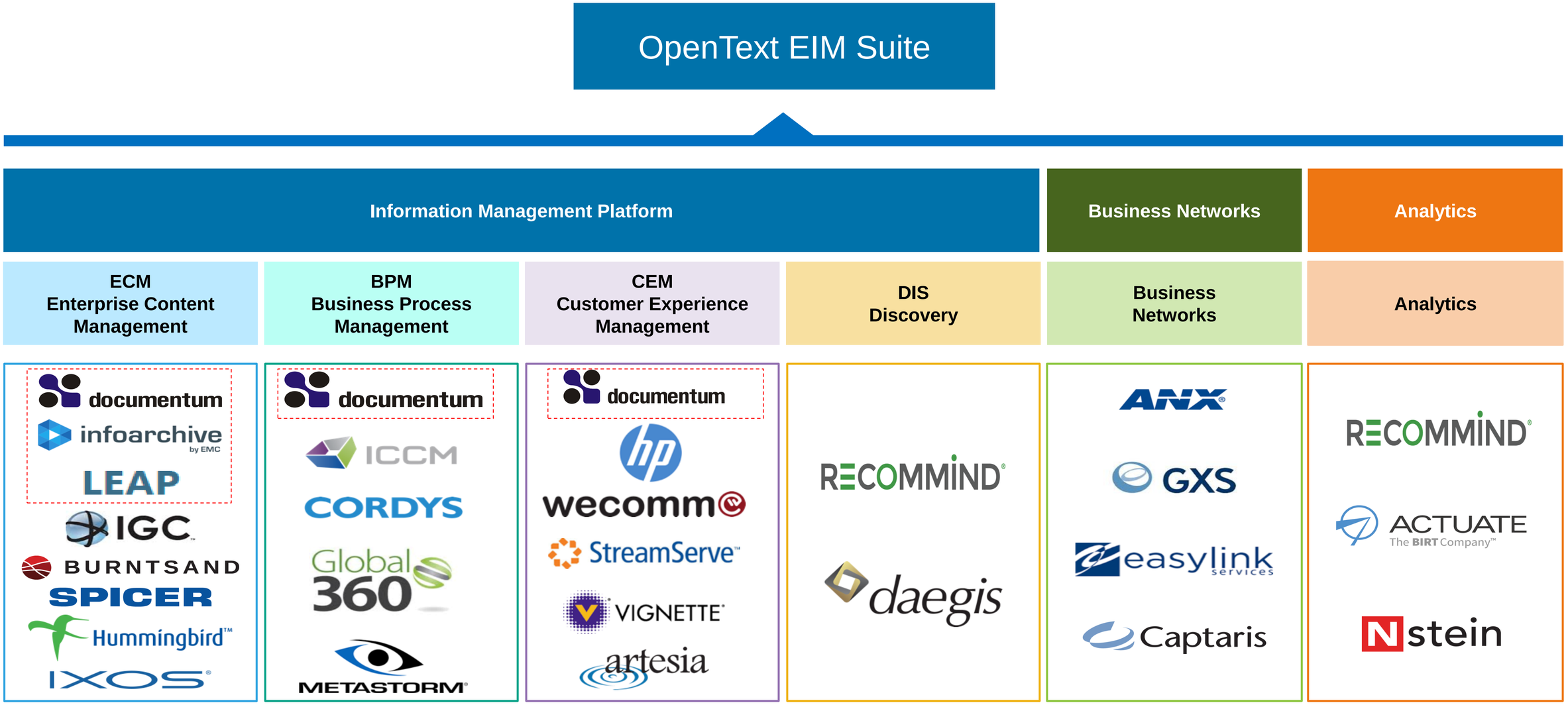
OpenText's EIM Product Suite



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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

belk
Dillard's
macy's
TESCO
NORDSTROM
WH S
Boscov's

Government

ASEAN
Oakland County Michigan
Public Health Agency of Canada
WHISTLER BRITISH COLUMBIA
Alberta
IPAC
IAPC
Western Cape Government
New Brunswick CANADA Natural Resources
Ajuntament de Barcelona

Manufacturing

CNH INDUSTRIAL
esprinet
ArcelorMittal
iTAC SOFTWARE
KUKA
MAN
HUTCHINSON
Givaudan

Automotive

HONDA The Power of Dreams
MICHELIN
MITSUBISHI MOTORS
HELLA
Autoliv

Food/Beverage

DR PEPPER SNAPPLE GROUP
ocado
DAIRY CREST
The co-operative food

Technology

DELL
technicolor
Getronics
NXP
Infineon

Finance/Insurance

CAA AMA
RBC
BANKERS INSURANCE GROUP
The PrivateBank
PACIFIC LIFE
TRANSAMERICA REINSURANCE
esure
BANKERS INSURANCE
PSCU Forward.
ING
JCB

Healthcare

ROTECH HEALTHCARE INC. We Care About Patient Care
ZOLL
B BRAUN SHARING EXPERTISE
surescripts How Healthcare Gets Connected
Quest Diagnostics
ALLONE HEALTH RESOURCES
BSN medical
Quest Diagno
ci
OM Owens&Minor
GENESIS

Transportation

NMBS
DPD
DB SCHENKER
FedEx
MITSUBISHI MOTORS
MTA New York City Transit
GTAA
KNIGHT TRANSPORTATION Delivering More.

Energy

hydro one
British Gas
ALSTOM
Hydro Tasmania
PG&E
CenterPoint Energy
ENERGEN
FMC Technologies

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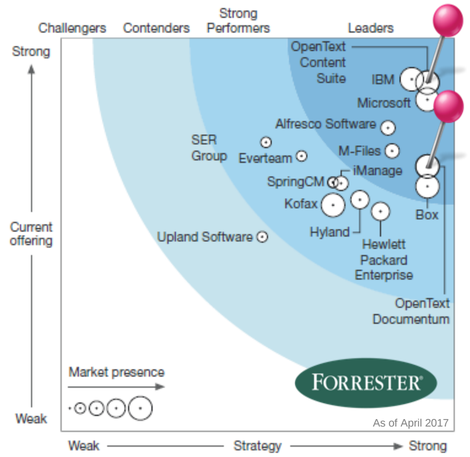
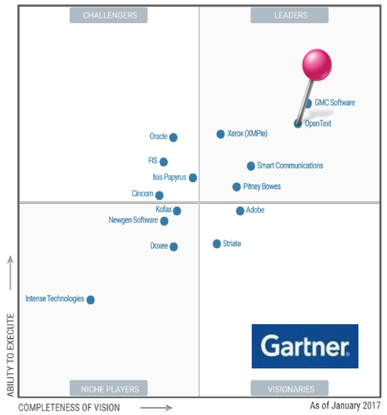
OpenText Leadership Validated by Analysts

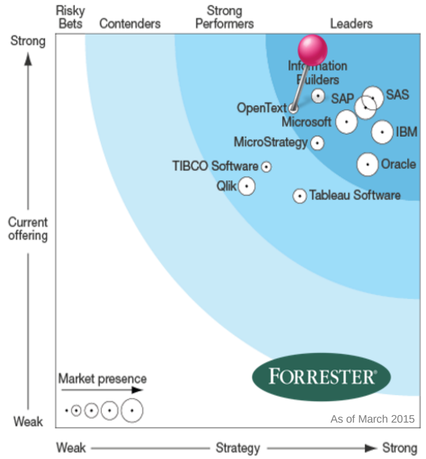
ECM Business Content Services[1]



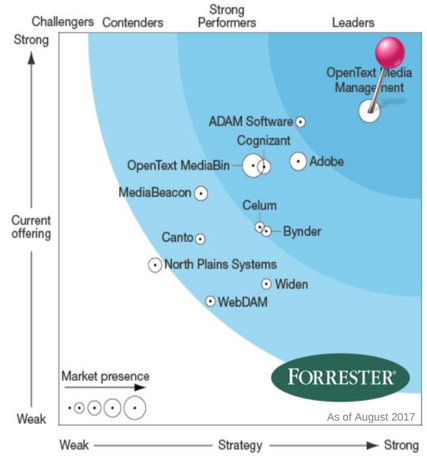
Customer Communications Management[2]



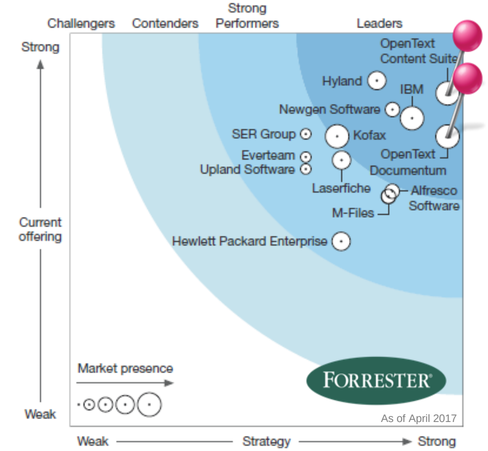
Enterprise Business Intelligence Platforms[1]



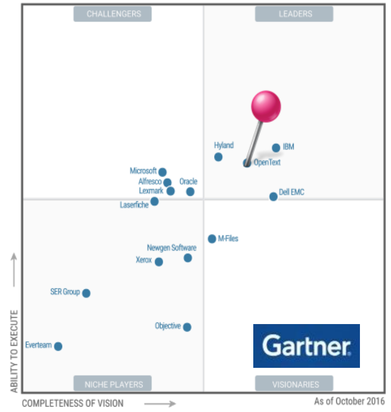
Digital Asset Management[1]



ECM Transactional Content Services[1]



Enterprise Content Management[2]



Customer Communications Management[1]



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From Strategy to Value Creation

EIM Market Strategy

- $35B plus market, 9.1% 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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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 56 completed acquisitions
- Deployed approximately $6.2B in capital
- Value buyer
- Unlock value through the OpenText Business System

Looking Forward

- Expect to close more transactions with more predictability
- The EIM market has ample asset classes and hundreds of businesses available
- 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 EIM 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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OpenText Acquires Documentum

- On January 23, 2017, OpenText completed its acquisition of Dell EMC's ECD division including Documentum™

- Purchase price of approximately US$1.62B funded by:
  - Cash on hand: $650M
  - Equity: Approx. $585M net proceeds from a public offering of OpenText's common shares
  - Debt: $254M net proceeds from the reopening of OpenText's 5.875% senior notes due 2026
  - Existing revolving credit facility funded the remaining balance

- We recorded normal PPA adjustments

- Comprehensive integration strategy for the technology, solutions, vertical markets and key personnel from ECD
  - Target to be on OpenText's operating model within 12 months from closing

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ECD Overview

- The ECD business is expected to contribute strong recurring revenues, adjusted operating income and cash flow to OpenText
- ~74% of ECD’s revenues are recurring with ~50% of their revenues derived from software maintenance
- ECD operates as an integrated business, Day 1
- We expect to align the ECD Business with OpenText's target AOM within 12 months of the completion of the acquisition. Integration cost saving areas include:
  - Elimination of duplicate corporate level costs;
  - Lower marketing and branding costs;
  - Efficiencies from increased scale of operations;
  - Migration of customer support, services, research and development and general and administrative labor to low cost jurisdictions; and
  - Sales channel efficiencies.
- We anticipate the transaction to be immediately accretive to our Adjusted EPS.

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Strategic Rationale

- OpenText becomes the Enterprise Content Management (“ECM”) Market Leader
- Accessing a new base of approximately 5,000 marquee customers from ECD
- Expanding OpenText’s EIM portfolio with product offerings across the entire life cycle information management
- Driving cross-sell of OpenText EIM portfolio across a larger base of customer and verticals
- Opportunity to up-lift ECD customers to OpenText Cloud and Managed Services
- Strengthen geographical coverage including in various emerging markets
- Onboarding of deep industry solutions, intellectual property and expertise

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What OpenText Purchased

- Dell EMC's ECD product offerings of Documentum™, InfoArchive™, and LEAP™ product families can be deployed on-premises, in the Cloud, or as hybrid architectures.

documentum	• Documentum features a set of proven products that enable customers to better-manage content across the enterprise with complete security and compliance. • Expansive portfolio of products, including but not limited to: Documentum D2, ApplicationXtender, Captiva, Documentum xCP, Document Sciences and Documentum Information Rights Management.
infoarchive by EMC	• Enables IT organizations to decommission legacy apps and archive inactive data, dramatically reducing IT costs. It also exposes data from these legacy environments for reuse in 3rd-platform applications and for more complete analysis and insight.
LEAP	• Offers a next-generation SaaS platform for ECM. It is comprised of a set of consumer-grade, end-user productivity apps that enable users to access, share, create and collaborate on content in entirely new ways across any device.
IP / Patents	• Strong IP portfolio.

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Marquee Customers in Key Verticals

- Documentum increases OpenText's presence in key verticals such as Life Sciences, Pharmaceuticals, Energy, Engineering, and Public Sector industries

Life Sciences & Healthcare

SANOFI PASTEUR
CHU NANCY www.chu-nancy.fr
AstraZeneca
EmblemHealth
HEART of ENGLAND NHS Foundation Trust
The Royal Liverpool and Broadgreen University Hospitals NHS Trust
DSM BRIGHT SCIENCE. BRIGHTER LIVING.
University Hospitals Birmingham NHS Foundation Trust

Financial Services & Insurance

GENERALI HELLAS Ανώνυμος Ασφαλιστική Εταιρία
CRÉDIT AGRICOLE
Mutual of Omaha
OMNIASIG VIENNA INSURANCE GROUP
BMO Harris Bank
Dobro došli UniCredit Leasing
Western & Southern Financial Group | One of the strongest life insurance groups in the world
Ameritas fulfilling life.

Energy & Utilities

Eni GROUP Saipem
centrica
SMUD
e·on

Public Sector

THE NOBLEST MOTIVE IS THE PUBLIC GOOD — COUNTY OF SAN DIEGO — MDCCCLI
esa
UAMS UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES
COUNTY OF LOS ANGELES CALIFORNIA
Publix Employees Federal Credit Union
McGill
METROLINK
MINNESOTA · REVENUE
SÉCURITÉ SOCIALE l'Assurance Maladie
transport Department: Transport REPUBLIC OF SOUTH AFRICA

Others (Logistics, Engineering, Consumer etc.)

Agility A New Logistics Leader
LOWE'S
AJC INTERNATIONAL
الإتحاد للقطارات ETIHAD RAIL
MOSSI GHISOLFI GROUP
Postel
Heathrow Making every journey better
Capgemini CONSULTING.TECHNOLOGY.OUTSOURCING
GLOBALTRANZ
Crawford Technologies

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Integration Plan

- OpenText integrated Day 1:
  - Consolidation of accounts and sales force with almost near zero overlap
  - Integrated engineering, professional services, technical support, and all our operations teams
  - Removed layers of management where necessary and picked the best talent

- There are four key growth plays:
  - Capturing new share in key verticals
  - Cross-selling solutions within the ECD install-base
  - Migrating workloads to the OpenText Cloud
  - Information Lifecycle Management opportunity for all OpenText customers

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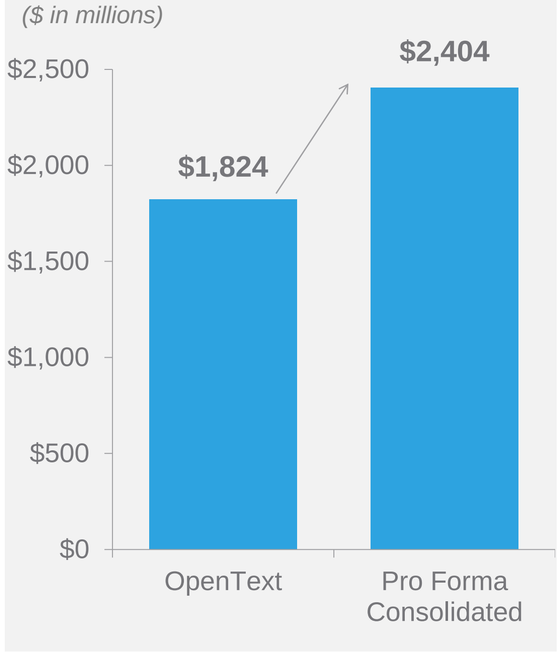
Financial Impact from the Acquisition

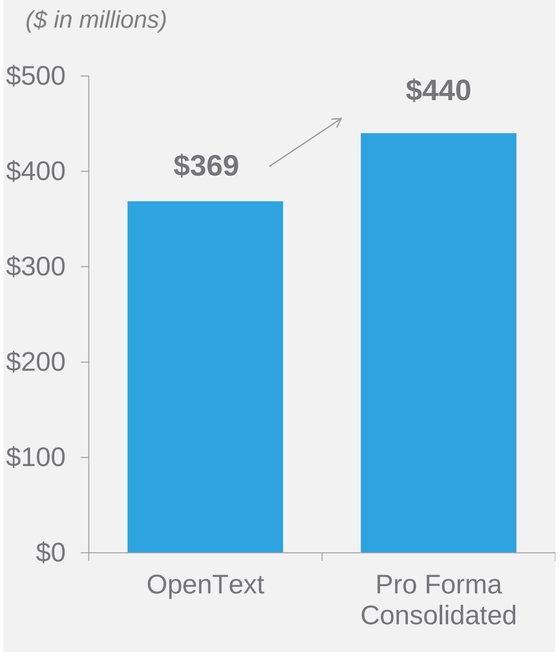
FY'16 Pro Forma GAAP Financial Impact (1)

Total Revenue	Operating Income	Diluted EPS
+32%	+19%	+4%

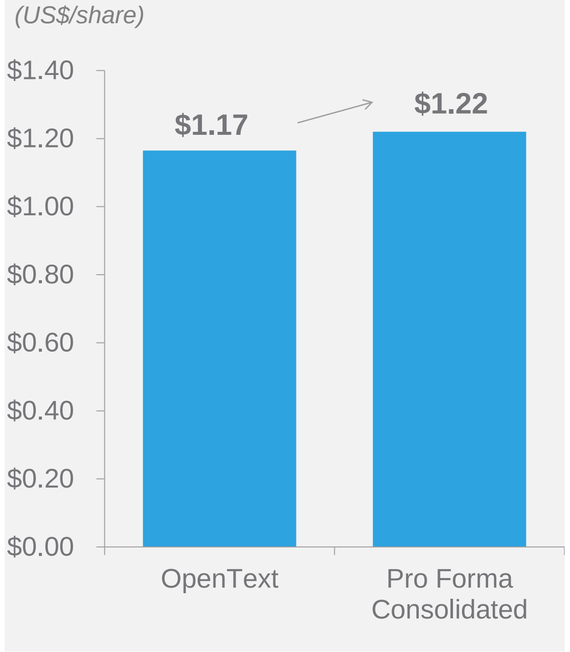
Total Revenue



Operating Income



Diluted EPS(2)



1. Souce: OpenText Form 8K filing, April 3, 2017
2. Adjusted for two for one share split that was effected on January 24, 2017

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OpenText & ECD Financial Overview

Expected Adjustments:

- As OpenText integrates the acquisition, we recorded a one-time deferred revenue adjustment that will result in a reduction in revenue over the next two years of approximately $52M
- The impact on revenues for Q3 was approximately $11 million
- We expect annualized revenue disruption of 5%-10% for the ECD Business, due to normal course integration activities, which is typically higher in the initial periods, and then normalizes to historical levels thereafter
- Expect the ECD Business revenue contribution in Q4 F17 to increase approximately 30% quarter over quarter, performance is expected to scale throughout F18
- We expect the ECD Business to be on the OpenText operating model within 12 months from acquisition date
- OpenText is implementing restructuring activities to streamline our operations
  - The restructuring costs are expected to be approximately $45M, primarily relates to workforce and facility consolidations
  - Costs expected to be incurred during the remainder of F17 and into F18
- Once restructuring activities are completed, OpenText anticipates annualized cost savings of approximately $60M
  - We expect any cost savings from restructuring realized during F17 to be largely offset by one-time ECD integration costs

Adjusted Operating Margin:

- Factoring integration of the ECD Business, we expect our adjusted operating margin for F17 to be close to the midpoint of our published 30% to 34% target margin range
- Maintain 2020 Aspirations and non-GAAP operating margin of 34% to 38%

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The EIM Vendor of Choice

OpenText + ECD

- A strong, more complete EIM portfolio from a single vendor.
- Integration to the OpenText EIM platform and new capabilities spanning the Information Lifecycle.
- Better geographical coverage globally, but in particular in emerging markets.
- Stronger and new vertical solutions in healthcare, life sciences and public sector verticals, while adding to OpenText's already strong presence in financial services, energy and engineering.
- Adds approximately 2,000 talented employees with deep market and industry experience.
- A rich partner network and strong relationships with global systems integrators, resellers, and ecosystem partners.
- OpenText and Dell EMC announced their intention to enter into a strategic commercial partnership to expand customer offerings
- Access to the OpenText Cloud, Managed Services, and SaaS applications.

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M&A Drives Revenue Growth

- Over the last year OpenText put $2.4B of capital to work on five acquisitions which are expected to add up to approximately $850M in annualized revenues
- Factoring the integration of the ECD Business, we expect our adjusted operating margin for F17 to be close to the midpoint of our published 30% to 34% target margin range

Acquisition	Description	Purchase Price	Expected Annualized Revenue	Expected Timeline to Operating Model	Date of Close
Dell EMC's ECD	Enterprise Content Management solutions, including Documentum, InfoArchive, and LEAP	$1,620M	--	• Immediately accretive • Be on operating model in first 12 months	January 23, 2017
HP Inc's CCM Assets	Customer communications management assets including HP Extream and HP LiquidOffice	$315M	$110M to $125M	• Immediately accretive • Be on operating model in first 12 months of ownership	July 31, 2016
Recommind	Leading eDiscovery and analytics including SaaS and managed services solutions	$170M	$70M to $80M	• Immediately accretive • Be on operating model in first 12 months	July 20, 2016
ANXe Business	Cloud-based information exchange services to US Automotive and Healthcare industries	$105M	$30M	• Be both accretive and on operating model, immediately	May 1, 2016
HP Inc.'s CEM Assets	Certain customer experience software assets such as HP TeamSite and HP MediaBin	$160M	$85M to $95M	• Immediately accretive • Be on operating model in first 12 months	April 30, 2016

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From Strategy to Value Creation

EIM Market Strategy

- $35B plus market, 9.1% 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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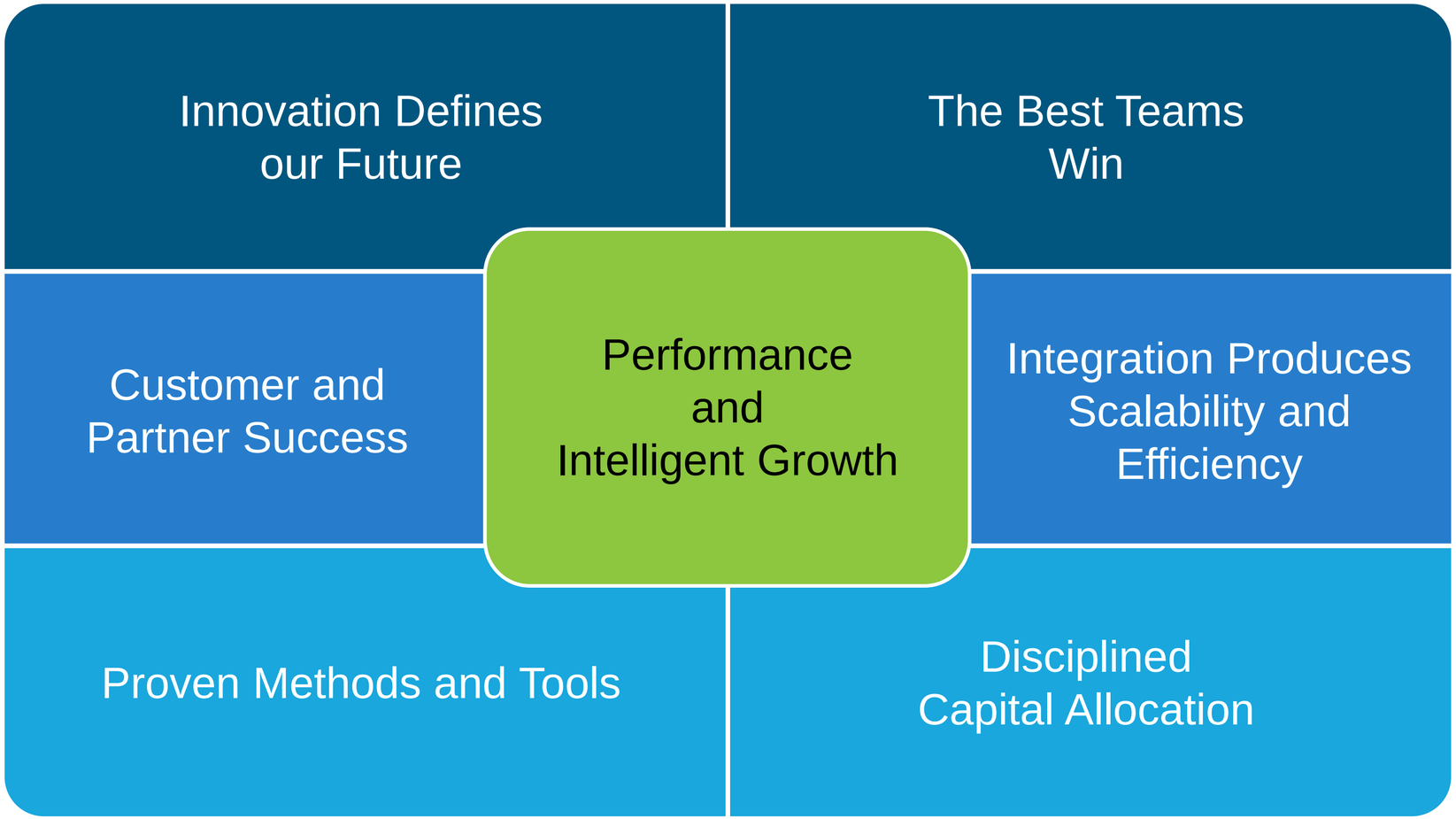
The OpenText Business System

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

- Net Promoter Score
- Customer Life-time Value
- Partners who bring value: large strategics, GSI's, VARs(1) 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

1. GSI – Global System Integrator, VAR – Value Added Reseller

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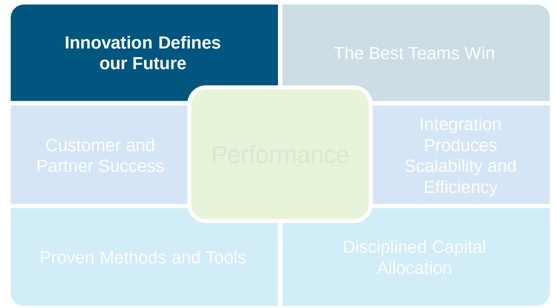
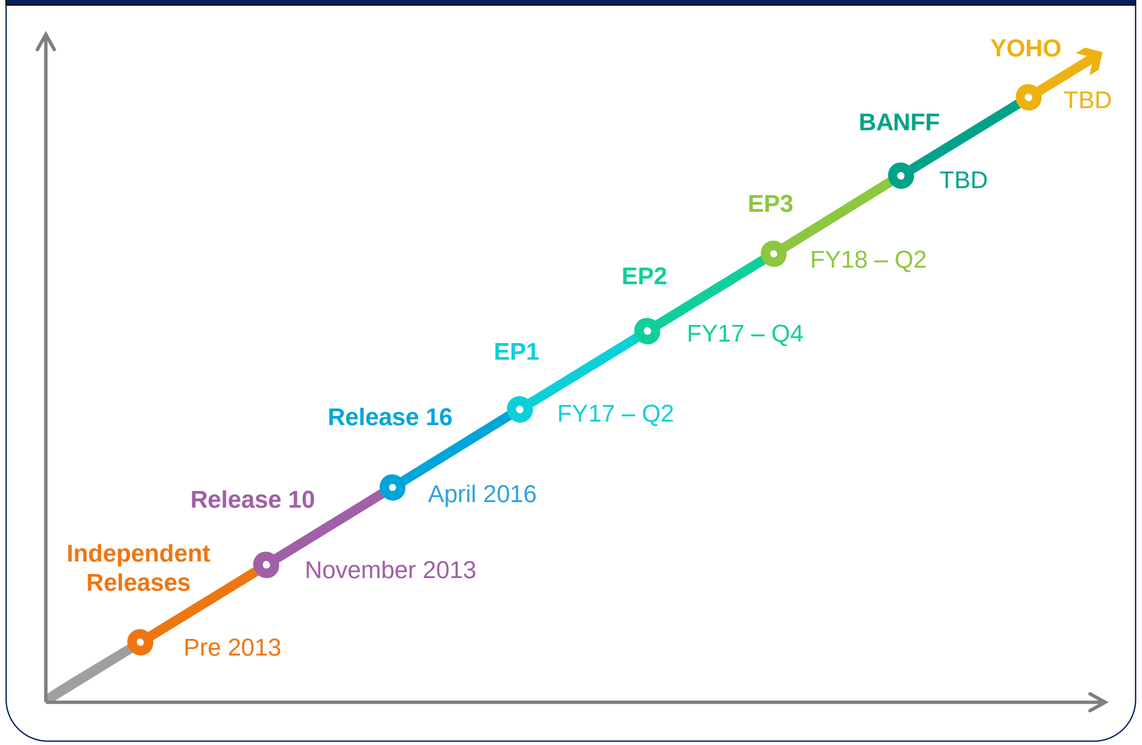
Innovation Defines Our Future



Recent Innovation Highlights

- Over the last five years, we've invested approximately $4.7B in M&A and $973M in R&D(1)
- We target between 10% and 12% of revenues for annual investment in R&D
- Approximately 2,800 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



1. Represents the last 5 years, going back from March 31, 2017

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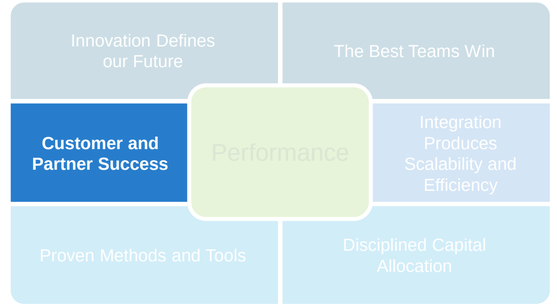
Customer and Partner Success



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

System Integrators

VARs

Distributors

OEM

Technology Alliances

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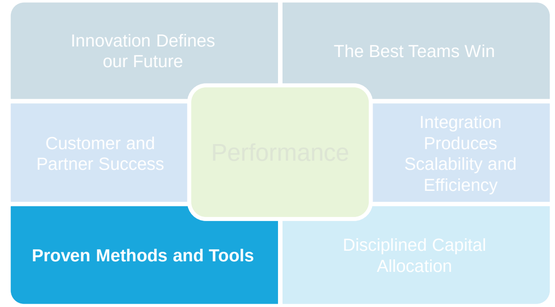
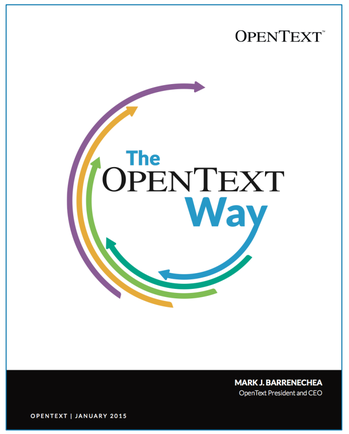
Proven Methods and Tools



The OpenText Way



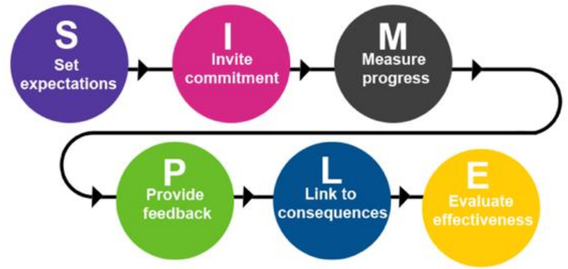
Lean Six Sigma



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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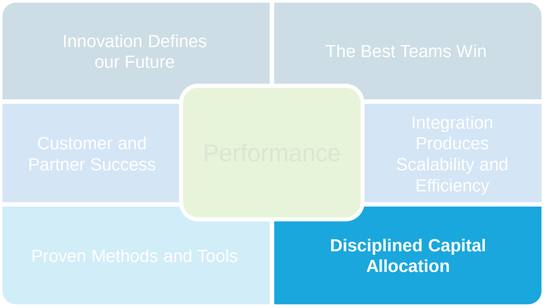
Disciplined Capital Allocation



Capacity	• Strong balance sheet • Cash position of $449M as of March 31, 2017	• Revolving credit facility recently increased to $450M Consolidated net leverage ratio of 2.50, as of March 31, 2017, well within debt covenant of 4.0:1
Dividend History	• 53% increase since 2013(1) • Target approximately 20% of TTM operating cash flow	• Dividend provides consistent value to shareholders while maintaining our strategic flexibility
Share Buy back	• Flexibility to repurchase stock on an opportunistic basis.	• $200M NCIB program authorized for FY2017
Capital Expenditures	• Low CAPEX intensity • Q3’17 CAPEX of $18M	• Continued investments in capital to support organic and Cloud customer growth

1. Increase on a per share basis

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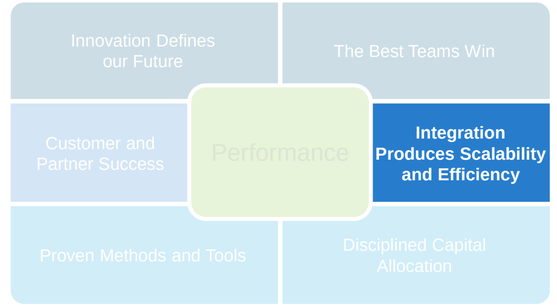
Integration Produces Scalability and Efficiency



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

- $35B plus market, 9.1% 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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Creating Shareholder Value

	Enterprise Information Management	OpenText Business System	Disciplined Capital Allocation
Strategy	• Grow market share • Large recurring revenues • High profit market	• M&A. Unlock Value. • Organic Growth • Integrated: Sales, R&D, Operations	• Acquisitions • Organic Growth • R&D, Dividends, Share Buyback
Results	Significant Growth Platforms	Outstanding Cash Flow	Capital Deployment
	• Leadership in important markets • Diverse markets • Large customer base	• Strong and sustainable margins • Superior operating income	• Return of capital • Share price growth

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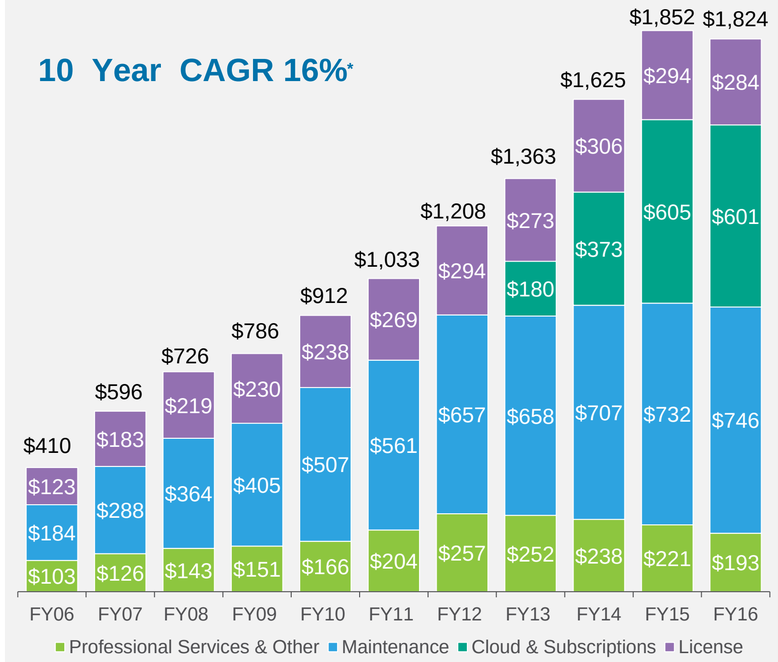
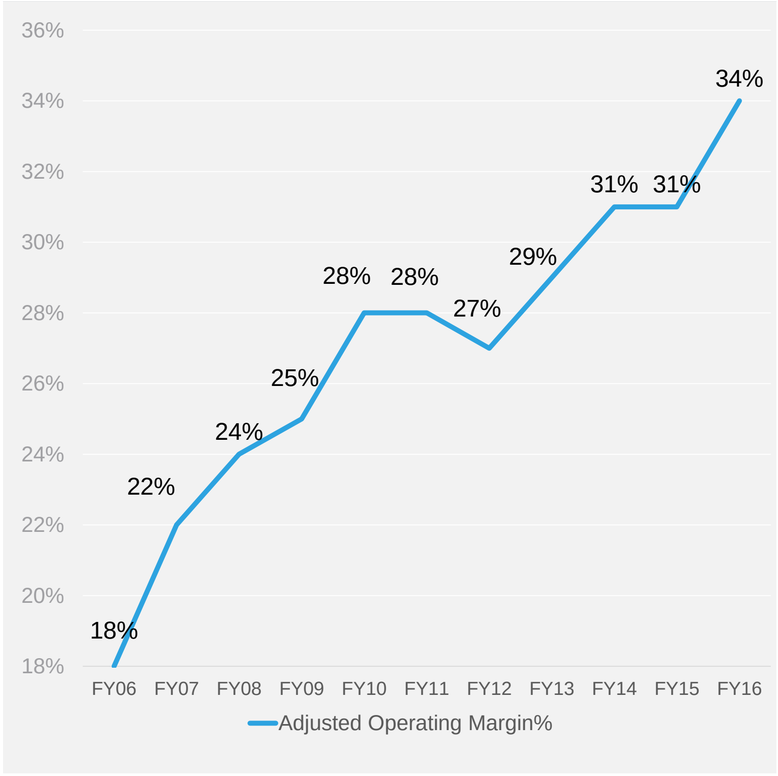
Compelling Performance

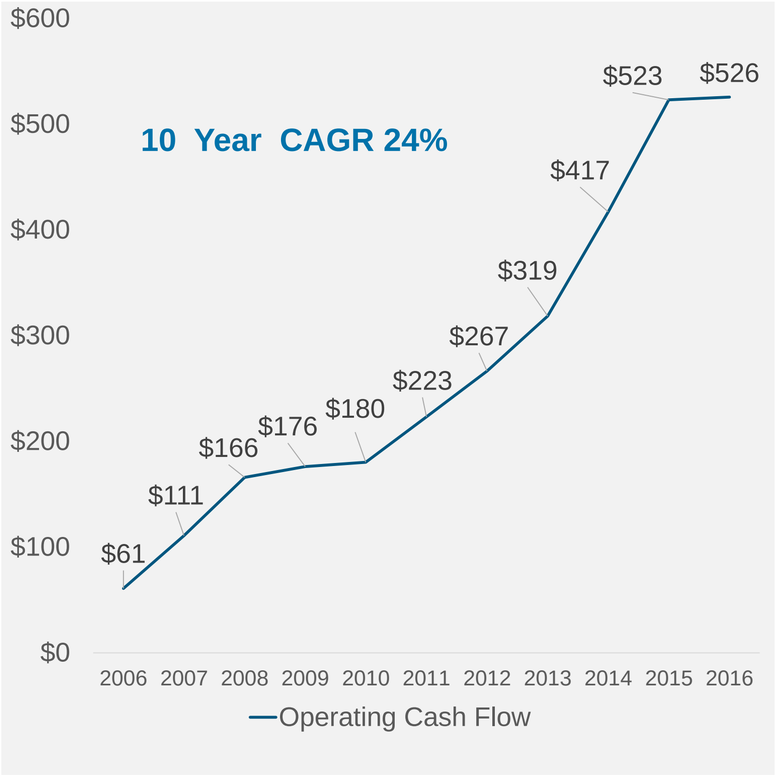
Total Revenue



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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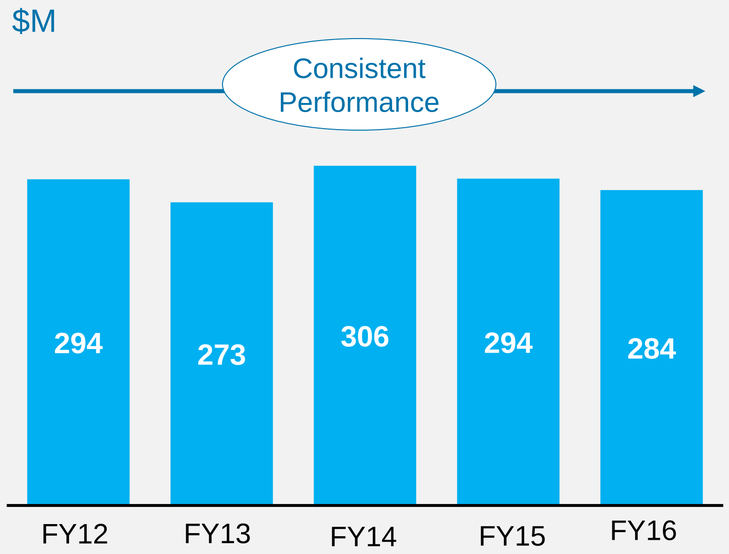
Our Hybrid Strategy Is Working

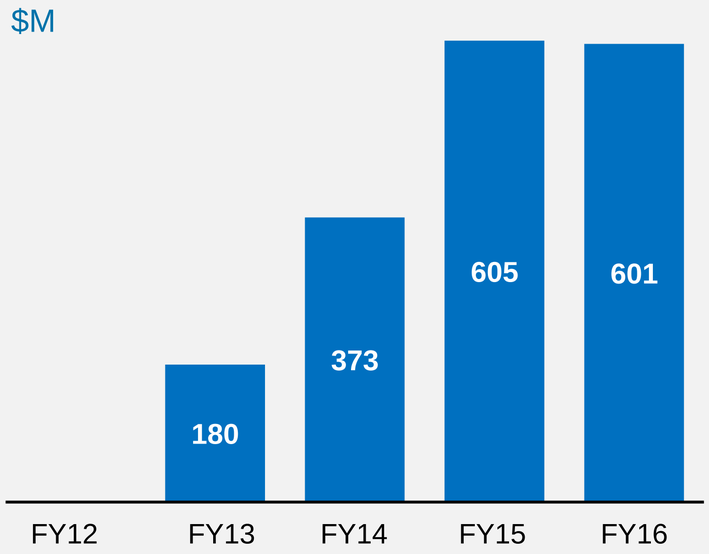
License revenue



27% 29% 31% 31% 34%

Adjusted Operating Margin[1]

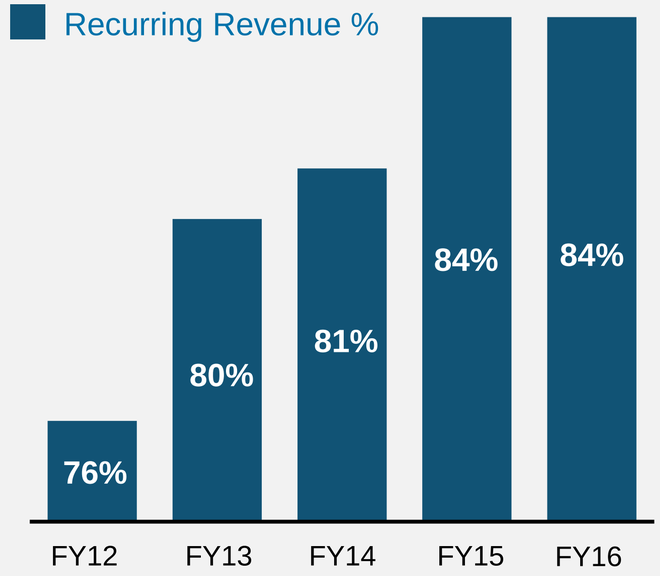
Cloud Services & Subscriptions



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.

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

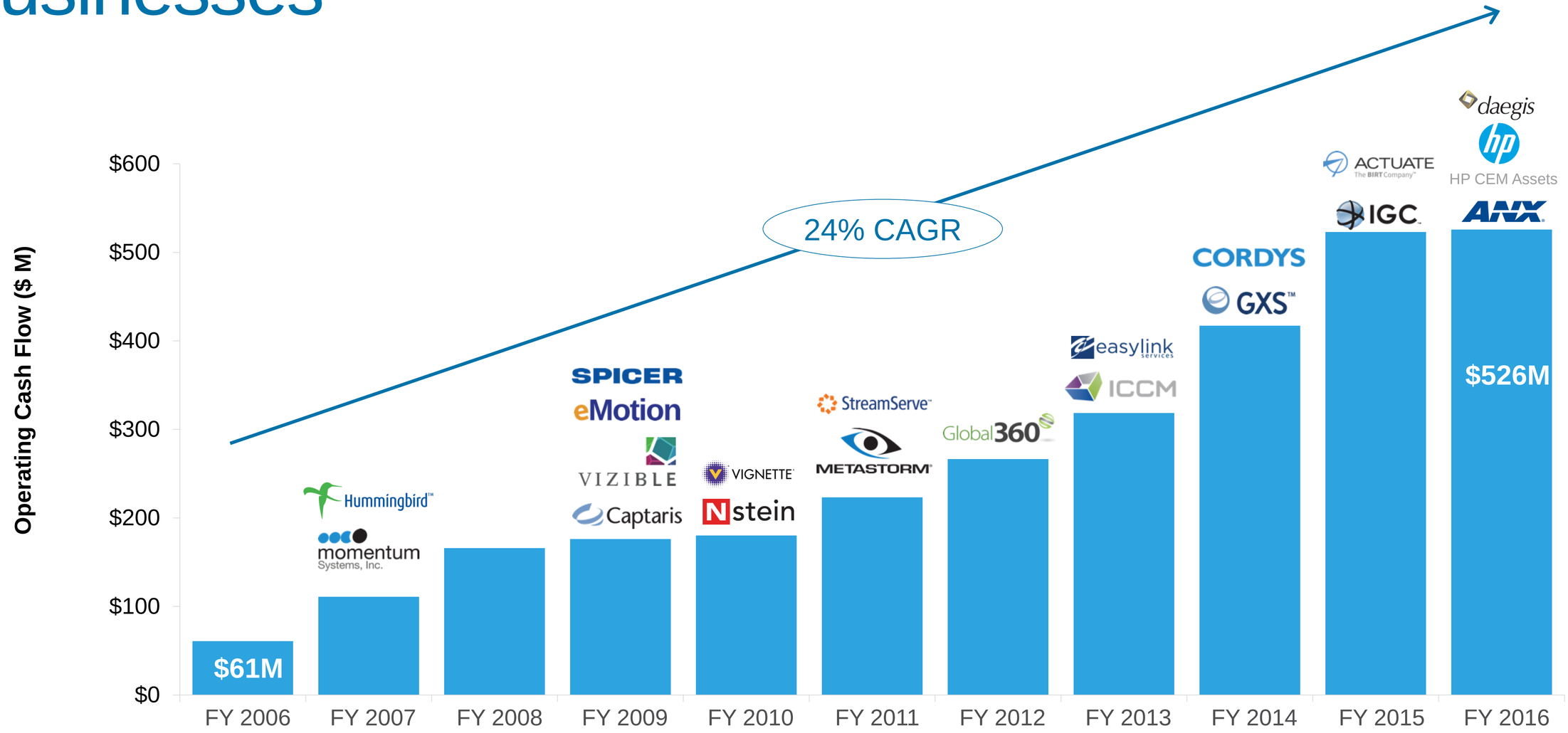


Financial Update – John Doolittle, EVP & CFO

Updated: May 8, 2017

NASDAQ: OTEX | TSX: OTEX

Growing Cash Flow by Acquiring Strong Businesses



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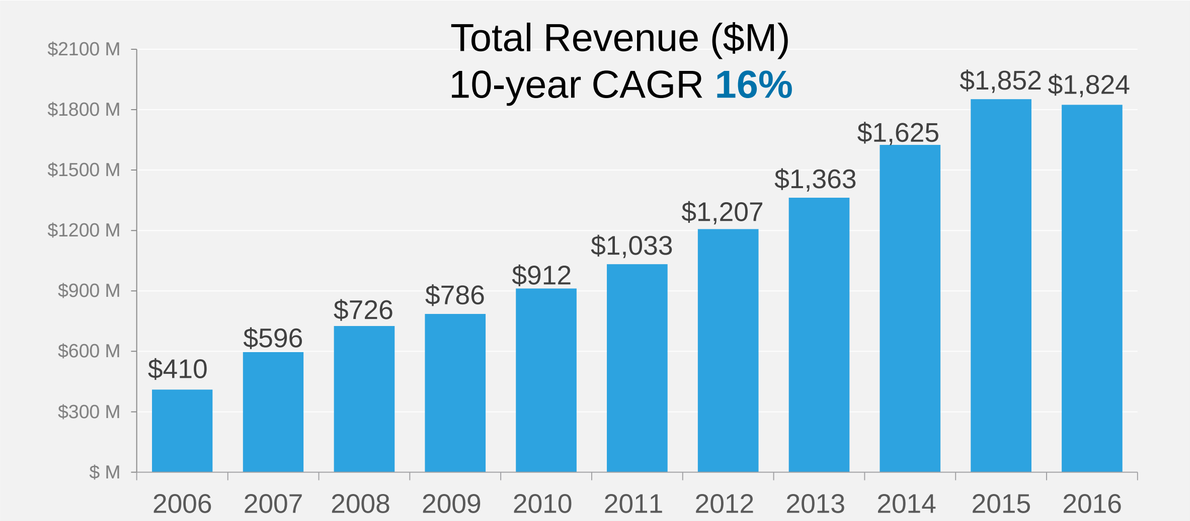
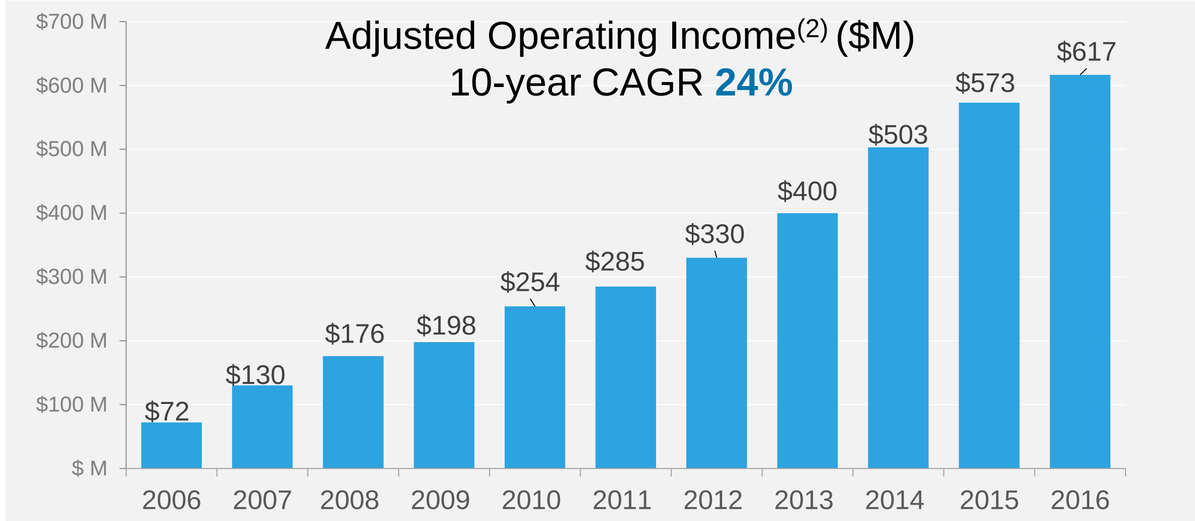
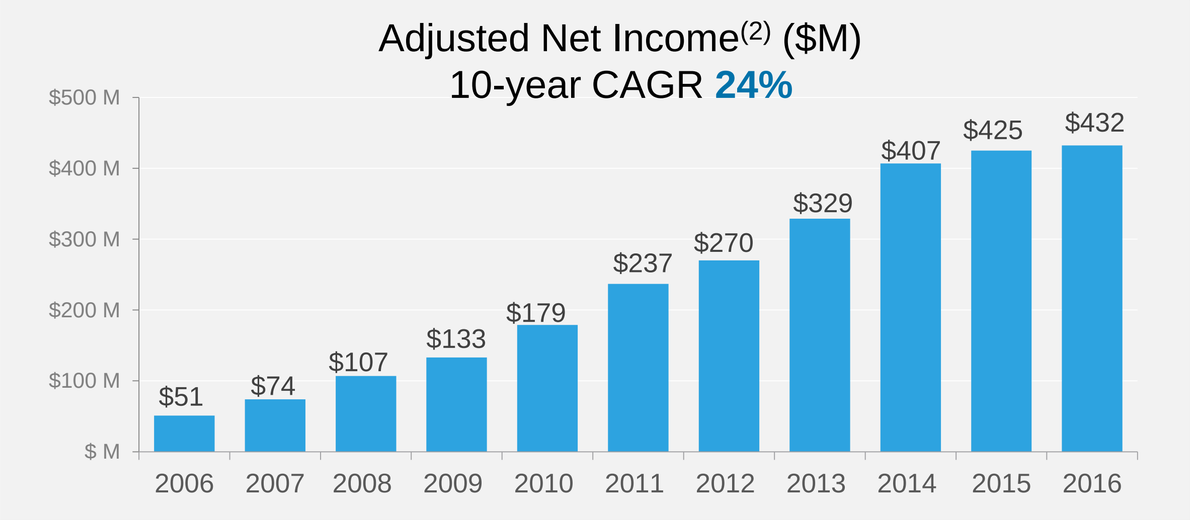
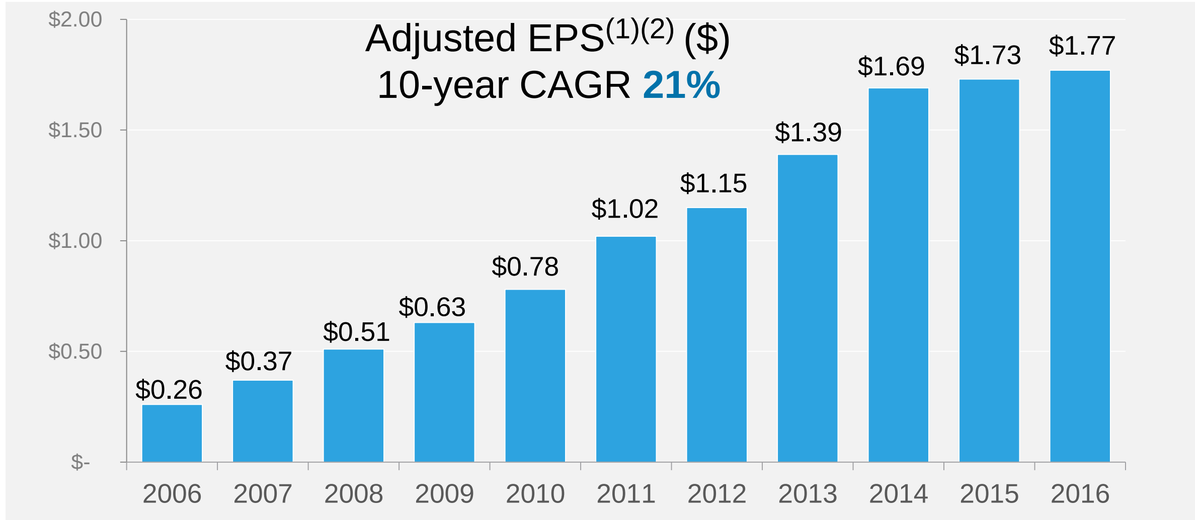
Creating Superior Value









1. Adjusted for two for one share split that was effected on January 24, 2017
2. See “Use of Non-GAAP Financial Measures” at the end of this presentation

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Liquidity Profile & Balance Sheet

Liquidity

- Strong operating cash flow 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
- Consolidated net leverage ratio of 2.5:1, which is well within our covenant of 4.0:1
- Favorable credit ratings and investment grade-like covenants provide flexibility

As of March 31, 2017	
Cash & Short-term Investments	$ 452M
Revolver – Undrawn Commitment	$ 225M(1)
Total Available & Committed Liquidity	$ 677M
Long-term Debt (2)	$2,649M

1. Total revolver commitment before $225M drawdown is $450M
2. Includes $233M current portion of long-term debt and excludes related premium and debt issuance costs

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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

- Target approximately 20% of TTM operating cash flow
- Flexibility to repurchase stock on an opportunistic basis

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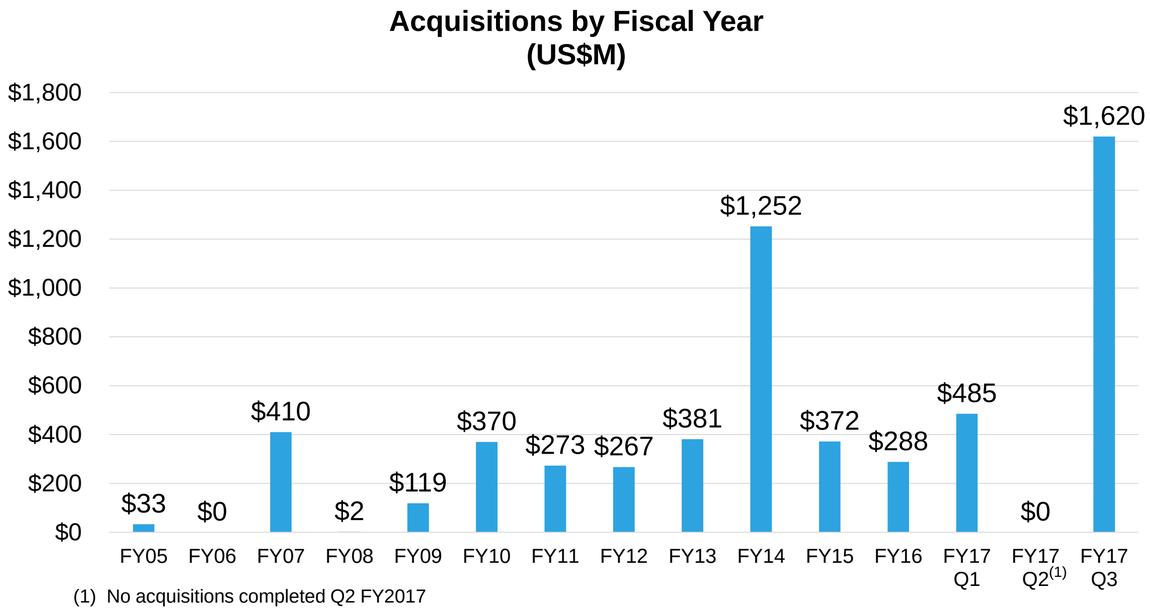
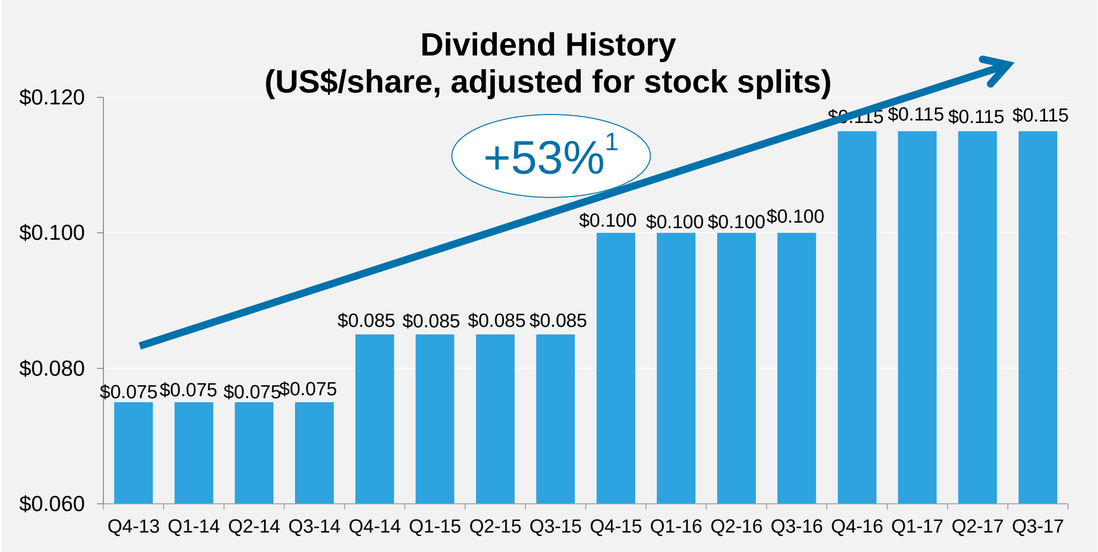
Capital Allocation

- Maintain financial flexibility – strong balance sheet, access to capital, preserve ratings, reasonable cost
- Dividend per share has increased by ~53% since 2013(1)
- On May 5, 2017, Board declared a 15% increase to quarterly dividend to $0.132 per share
- Take a balanced approach in capital allocation while considering all stakeholders



(1) No acquisitions completed Q2 FY2017



(1) Increase on a per share basis

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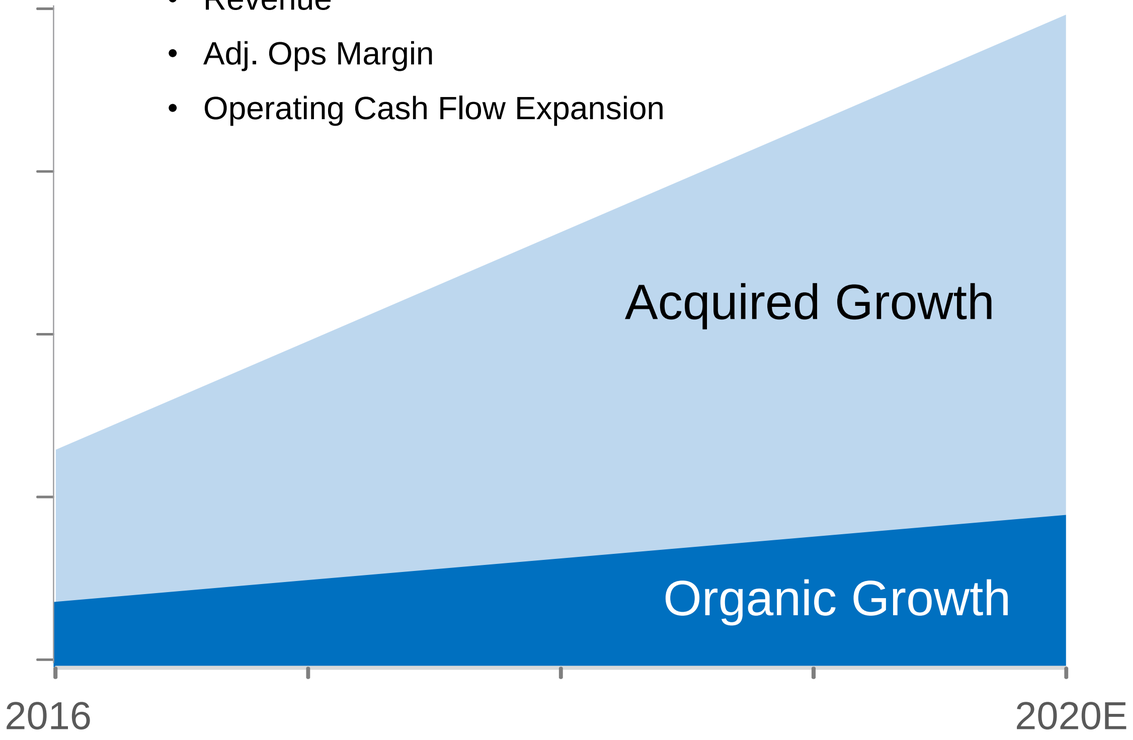
Path to 2020 with Target Model

Acquisition Capacity Fuelled by OCF Generation

- Cash Balance & Short-term investments of $452M(1)
- Operating cash flow for Q3 of $156M with an adjusted operating margin of 29.1%(2)
  - Net leverage of 2.50:1
  - Credit ratings: S&P - BB+ (Stable), Moody's - Ba1 (Stable)

Hypothetical Illustration

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



1. Cash & Cash Equivalents plus Short-term investments as of March 31, 2017
2. Please see reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.

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FY17 External Target Model*

- Factoring the integration of the ECD Business, we expect our adjusted operating margin for Fiscal 2017 to be close to the midpoint of our published 30% to 34% target margin range

	Fiscal 2016 Target Model	Fiscal 2016 Actuals	Fiscal 2017 Target Model
Revenue Type:			
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	$115 - $120
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 and form 10-Q, regarding the Company's adjusted tax rate.

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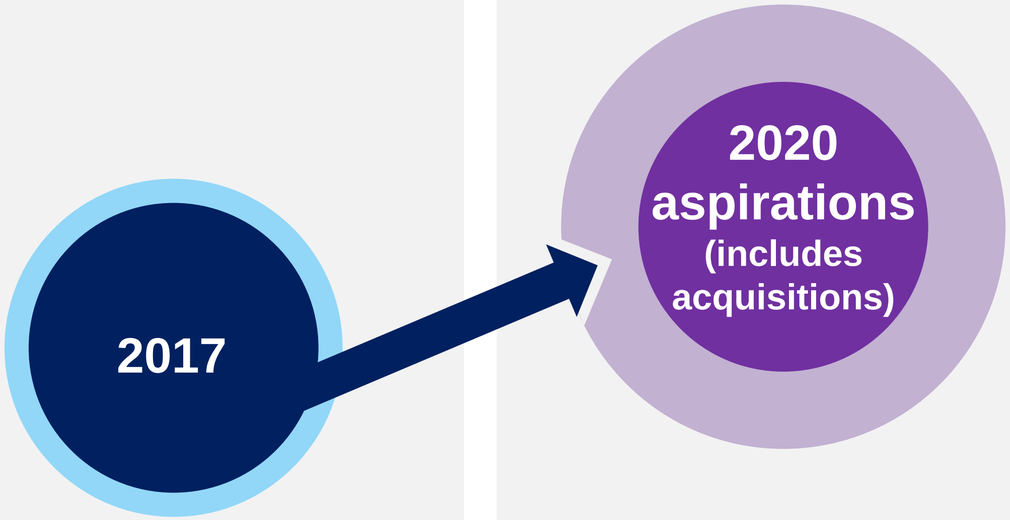
Path to 2020 with Target Model



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 led by acquisitions and augmented by profitable organic growth
- Accelerating growth through acquisitions

1. See “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, after giving effect to the amortization of acquired intangible assets, other income (expense), share-based compensation, and Special charges (recoveries), all net of tax and any tax benefits/expense items unrelated to current period income, as further described in the tables below. Non-GAAP-based gross profit is the arithmetical sum of GAAP-based gross profit and the amortization of acquired technology-based intangible assets and share-based compensation within cost of sales. Non-GAAP-based gross margin is calculated as Non-GAAP-based gross profit expressed as a percentage of total revenue. Non-GAAP-based income from operations is calculated as income from operations, excluding the amortization of acquired intangible assets, Special charges (recoveries), and share-based compensation expense. Non-GAAP-based operating margin is calculated as Non-GAAP-based income from operations expressed as a percentage of total revenue.

The Company's management believes that the presentation of the above defined Non-GAAP financial measures provides useful information to investors because they portray the financial results of the Company before the impact of certain non-operational charges. The use of the term “non-operational charge” is defined for this purpose as an expense that does not impact the ongoing operating decisions taken by the Company's management and is based upon the way the Company's management evaluates the performance of the Company's business for use in the Company's internal reports. In the course of such evaluation and for the purpose of making operating decisions, the Company's management excludes certain items from its analysis, including amortization of acquired intangible assets, Special charges (recoveries), share-based compensation, other income (expense), and the taxation impact of these items. These items are excluded based upon the manner in which management evaluates the business of the Company and are not excluded in the sense that they may be used under U.S. GAAP.

The Company believes the provision of supplemental Non-GAAP measures allow investors to evaluate the operational and financial performance of the Company's core business using the same evaluation measures that management uses, and is therefore a useful indication of OpenText's performance or expected performance of future operations and facilitates period-to-period comparison of operating performance (although prior performance is not necessarily indicative of future performance). As a result, the Company considers it appropriate and reasonable to provide, in addition to U.S. GAAP measures, supplementary Non-GAAP financial measures that exclude certain items from the presentation of its financial results.

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 (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 | Q3 F17

(in '000s USD)	Three Months Ended March 31, 2017					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 77,225		$ (268)	(1)	$ 76,957	
Customer support	34,442		(261)	(1)	34,181	
Professional service and other	55,529		(89)	(1)	55,440	
Amortization of acquired technology-based intangible assets	39,285		(39,285)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	382,641	64.5%	39,903	(3)	422,544	71.2%
Operating expenses						
Research and development	77,086		(1,634)	(1)	75,452	
Sales and marketing	117,498		(2,081)	(1)	115,417	
General and administrative	44,828		(2,328)	(1)	42,500	
Amortization of acquired customer-based intangible assets	40,825		(40,825)	(2)	—	
Special charges (recoveries)	20,586		(20,586)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	65,261	11.0%	107,357	(5)	172,618	29.1%
Other income (expense), net	1,424		(1,424)	(6)	—	
Provision for (recovery of) income taxes	13,239		7,798	(7)	21,037	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	21,616		98,135	(8)	119,751	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.08		$ 0.37	(8)	$ 0.45	

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Reconciliation of Selected Non-GAAP Measures | Q3 F17

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 relevant to an acquisition and include one-time, non-recurring charges or recoveries that 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. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 38% and a Non-GAAP-based tax rate of approximately 15%; 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 benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 15%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended March 31, 2017	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 21,616	$ 0.08
Add:		
Amortization	80,110	0.30
Share-based compensation	6,661	0.03
Special charges (recoveries)	20,586	0.08
Other (income) expense, net	(1,424)	(0.01)
GAAP-based provision for (recovery of) income taxes	13,239	0.05
Non-GAAP based provision for income taxes	(21,037)	(0.08)
Non-GAAP-based net income, attributable to OpenText	$ 119,751	$ 0.45

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2017 YTD

(in '000s USD)	Nine Months Ended March 31, 2017					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 220,667		$ (839)	(1)	$ 219,828	
Customer support	87,529		(766)	(1)	86,763	
Professional service and other	137,167		(1,002)	(1)	136,165	
Amortization of acquired technology-based intangible assets	87,268		(87,268)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,084,628	66.6%	89,875	(3)	1,174,503	72.2%
Operating expenses						
Research and development	200,379		(5,372)	(1)	195,007	
Sales and marketing	315,297		(7,230)	(1)	308,067	
General and administrative	122,939		(7,164)	(1)	115,775	
Amortization of acquired customer-based intangible assets	108,248		(108,248)	(2)	—	
Special charges (recoveries)	44,157		(44,157)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	246,480	15.1%	262,046	(5)	508,526	31.2%
Other income (expense), net	4,565		(4,565)	(6)	—	
Provision for (recovery of) income taxes	(815,364)		878,495	(7)	63,131	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	979,522		(621,014)	(8)	358,508	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 3.88		$ (2.46)	(8)	$ 1.42	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2017 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 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 relevant to an acquisition and include one-time, non-recurring charges or recoveries that 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. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax recovery rate of approximately 496% and a Non-GAAP-based tax rate of approximately 15%; 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 benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 15%, 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:

	Nine Months Ended March 31, 2017	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 979,522	$ 3.88
Add:		
Amortization	195,516	0.77
Share-based compensation	22,373	0.09
Special charges (recoveries)	44,157	0.17
Other (income) expense, net	(4,565)	(0.02)
GAAP-based provision for (recovery of) income taxes	(815,364)	(3.23)
Non-GAAP based provision for income taxes	(63,131)	(0.24)
Non-GAAP-based net income, attributable to OpenText	$ 358,508	$ 1.42

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Reconciliation of Selected Non-GAAP Measures | Q2 F17

(in '000s USD)	Three Months Ended December 31, 2016					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 73,150		$ (211)	(1)	$ 72,939	
Customer support	27,349		(270)	(1)	27,079	
Professional service and other	40,295		(468)	(1)	39,827	
Amortization of acquired technology-based intangible assets	24,848		(24,848)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	374,676	69.0%	25,797	(3)	400,473	73.8%
Operating expenses						
Research and development	64,721		(1,995)	(1)	62,726	
Sales and marketing	102,651		(2,329)	(1)	100,322	
General and administrative	39,914		(2,299)	(1)	37,615	
Amortization of acquired customer-based intangible assets	33,815		(33,815)	(2)	—	
Special charges (recoveries)	11,117		(11,117)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	107,157	19.7%	77,352	(5)	184,509	34.0%
Other income (expense), net	(3,558)		3,558	(6)	—	
Provision for (recovery of) income taxes	30,822		(7,319)	(7)	23,503	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	45,022		88,229	(8)	133,251	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.18		$ 0.36	(8)	$ 0.54	

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Reconciliation of Selected Non-GAAP Measures | Q2 F17

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 relevant to an acquisition and include one-time non-recurring charges or recoveries that 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. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 41% and a Non-GAAP-based tax rate of approximately 15%; 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 benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 15%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended December 31, 2016	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 45,022	$ 0.18
Add:		
Amortization	58,663	0.24
Share-based compensation	7,572	0.03
Special charges (recoveries)	11,117	0.04
Other (income) expense, net	3,558	0.01
GAAP-based provision for (recovery of) income taxes	30,822	0.12
Non-GAAP based provision for income taxes	(23,503)	(0.08)
Non-GAAP-based net income, attributable to OpenText	$ 133,251	$ 0.54

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Reconciliation of Selected Non-GAAP Measures | Q3 F16

(in '000s USD)	Three Months Ended March 31, 2016					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 61,298		$ (202)	(1)	$ 61,096	
Customer support	22,427		(215)	(1)	22,212	
Professional service and other	37,599		(247)	(1)	37,352	
Amortization of acquired technology-based intangible assets	17,630		(17,630)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	299,109	67.9%	18,294	(3)	317,403	72.0%
Operating expenses						
Research and development	48,160		(500)	(1)	47,660	
Sales and marketing	84,600		(3,213)	(1)	81,387	
General and administrative	37,731		(1,589)	(1)	36,142	
Amortization of acquired customer-based intangible assets	27,966		(27,966)	(2)	—	
Special charges (recoveries)	(1,671)		1,671	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	88,569	20.1%	49,891	(5)	138,460	31.4%
Other income (expense), net	2,120		(2,120)	(6)	—	
Provision for (recovery of) income taxes	5,353		19,100	(7)	24,453	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	69,115		28,671	(8)	97,786	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.28		$ 0.12	(8)	$ 0.40	

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Reconciliation of Selected Non-GAAP Measures | Q3 F16

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of 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 relevant to an acquisition and include one-time non-recurring charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) relates primarily to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 7% and a Non-GAAP-based tax rate of approximately 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 and “book to return” adjustments for tax return filings and tax assessments. In arriving at our Non-GAAP-based tax rate of approximately 20%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended March 31, 2016	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 69,115	$ 0.28
Add:		
Amortization	45,596	0.19
Share-based compensation	5,966	0.03
Special charges (recoveries)	(1,671)	(0.01)
Other (income) expense, net	(2,120)	(0.01)
GAAP-based provision for (recovery of) income taxes	5,353	0.02
Non-GAAP based provision for income taxes	(24,453)	(0.10)
Non-GAAP-based net income, attributable to OpenText	$ 97,786	$ 0.40

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2016 YTD

(in '000s USD)	Nine Months Ended March 31, 2016					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 179,132		$ (641)	(1)	$ 178,491	
Customer support	64,624		(631)	(1)	63,993	
Professional service and other	114,038		(1,086)	(1)	112,952	
Amortization of acquired technology-based intangible assets	56,244		(56,244)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	919,197	68.6%	58,602	(3)	977,799	72.9%
Operating expenses						
Research and development	140,310		(1,988)	(1)	138,322	
Sales and marketing	248,420		(9,043)	(1)	239,377	
General and administrative	107,067		(5,691)	(1)	101,376	
Amortization of acquired customer-based intangible assets	83,564		(83,564)	(2)	—	
Special charges (recoveries)	24,754		(24,754)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	275,084	20.5%	183,642	(5)	458,726	34.2%
Other income (expense), net	(1,832)		1,832	(6)	—	
Provision for (recovery of) income taxes	20,629		60,149	(7)	80,778	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	198,087		125,325	(8)	323,412	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.81		$ 0.51	(8)	$ 1.32	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2016 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 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 relevant to an acquisition and include one-time non-recurring charges or recoveries that 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 9% and a Non-GAAP-based tax rate of 20%; these rate differences are due to the income tax effects of expenses that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded expenses include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. 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:

	Nine Months Ended March 31, 2016	
		Per Share Diluted
GAAP-based net income, attributable to OpenText	$ 198,087	$ 0.81
Add:		
Amortization	139,808	0.57
Share-based compensation	19,080	0.08
Special charges (recoveries)	24,754	0.10
Other (income) expense, net	1,832	0.01
GAAP-based provision for (recovery of) income taxes	20,629	0.08
Non-GAAP based provision for income taxes	(80,778)	(0.33)
Non-GAAP-based net income, attributable to OpenText	$ 323,412	$ 1.32

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