

# OPENTEXT

August 9, 2012

## OpenText Reports Fourth Quarter and Fiscal Year 2012 Financial Results

Waterloo, Ontario - 2012-08-09 - Open Text™ Corporation (NASDAQ:OTEX) (TSX: OTC), announced today its financial result for the fourth quarter and year ended June 30, 2012.

### Financial Highlights for Q4 FY12

- Total revenue for the period was \$305.6 million up 7% Y/Y
- License revenue was \$78.0 million, down 2% Y/Y
- GAAP-based EPS, diluted was \$0.14 compared to \$0.49 Y/Y; Non-GAAP-based EPS, diluted was \$1.17 compared to \$1.05 Y/Y up 11% Y/Y (2)
- GAAP-based income from operations was \$39.7 million and 13.0% of revenues; Non-GAAP-based operating income was \$84.8 million and 27.7% of revenues(2)
- Operating cash flow was \$79.8 million compared to \$52.0 million up 53% Y/Y, with an ending cash balance of \$559.7 million.

### Financial Highlights for FY12

- Total revenue for the period was \$1,207.5 million up 17% Y/Y
- License revenue was \$293.7 million, up 9% Y/Y
- GAAP-based EPS, diluted was \$2.13 compared to \$2.11 Y/Y; Non-GAAP-based EPS, diluted was \$4.60 compared to \$4.07 Y/Y up 13% Y/Y (2)
- GAAP-based income from operations was \$149.4 million and 12.4% of revenues; Non-GAAP-based operating income was \$329.9 million and 27.3% of revenues(2)
- Operating cash flow was \$266.5 million compared to \$223.2 million up 19% Y/Y

"In fiscal year 2012 OpenText delivered its best revenue and non-GAAP earnings in our 20 year history. With revenue up 17% and non-GAAP earnings up 13%, we have consistently grown revenue and non-GAAP earnings year-over-year for the last 7 fiscal years," said OpenText CEO Mark J. Barrenechea.

Mr. Barrenechea continued, "During the fiscal year, we rebuilt the leadership team, better organized the company and positioned ourselves to grow market share in the \$13 billion Enterprise Information Management (EIM) market. We see increasing demand for our EIM solutions as customers are turning their attention to a single source of truth for all of their unstructured information."(5)

### Business Highlights

- EIM expanded market opportunity
- EasyLink acquisition closed July 2, 2012
- Announcement of OpenText Cloud
- Technology, services, financial and public sector industries saw the most demand
- Organizational changes complete
- 8 deals over \$1 million and 12 deals between \$500K and \$1 million in the fourth quarter
- Customer successes in the fourth quarter include McCain Foods Limited, Capricorn Investment Holdings, Bendigo Bank of Australia, The Polytechnic University of Hong Kong, News International Limited, Mosaic, JP Morgan, U.S. Department of the Interior and the National Olympic Photo Pool.
- OpenText solutions help UK national press photographers showcase visual story of the Olympics:<http://www.opentext.com/2/global/press-release-details.html?id=FD0360263C1A42748753AE2D358038EA>
- U.S. Department of the Interior deploys OpenText cloud-based ECM solution <http://www.opentext.com/2/global/press-release-details.html?id=D7D55237959549F89FA6445E7898C9A4>



### Conference Call Information

The public is invited to listen to the earnings conference call at 5:00 p.m. ET (2:00 p.m. PT) by dialing 877-974-0446 (toll-free)

or 416-644-3417 (international). Please dial-in 15 minutes ahead of time to ensure proper connection. Alternatively, a live webcast of the earnings conference call will be available on the Investor Relations section of the Company's website at [http://www.opentext.com/2/global/ex\\_event.html?evtype=events&id=701D000000VS0qIAG](http://www.opentext.com/2/global/ex_event.html?evtype=events&id=701D000000VS0qIAG).

An audio replay of the conference call will also be made available approximately two hours after the conclusion of the call. The audio replay will remain available until 11:59 p.m. on August 23, 2012 and can be accessed by dialing 877-289-8525 (toll-free) or 416-640-1917 (international) and entering the confirmation code: 4549967 followed by the number sign.

Please see below note (2) for a reconciliation of non-US GAAP based financial measures used in this press release, to US GAAP based financial measures.

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## **About OpenText**

OpenText is the largest independent software provider of Enterprise Information Management (EIM). For more information please visit [www.opentext.com](http://www.opentext.com).

## **Cautionary Statement Regarding Forward Looking Statements**

Certain statements in this press release, including statements about the financial conditions, and results of operations and earnings for Open Text Corporation ("OpenText" or "the Company"), may contain words such as "could", "expects", "may", "should", "will", "anticipates", "believes", "intends", "estimates", "targets", "plans", "envisions", "seeks" and other similar language and are considered forward-looking statements or information under applicable securities laws. These statements are based on the Company's current expectations, estimates, forecasts and projections about the operating environment, economies and markets in which the Company operates. These statements are subject to important assumptions, risks and uncertainties that are difficult to predict, and the actual outcome may be materially different. The Company's assumptions, although considered reasonable by the Company at the date of this press release, may provide to be inaccurate and consequently the Company's actual results could differ materially from the expectations set out herein.

Actual results or events could differ materially from those contemplated in forward-looking statements as a result of the following: (i) the future performance, financial and otherwise, of OpenText; (ii) the ability of OpenText to bring new products 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 to be realized by customers; and (viii) the demand for the Company's product and the extent of deployment of the company's products in the EIM marketplace. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. 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 there under; (iii) the risks associated with bringing new products 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 possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (viii) the continuous commitment of the Company's customers; and (ix) 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 SEC and other securities regulators. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## **Notes**

(1) All dollar amounts in this press release are in U.S. Dollars unless otherwise indicated.

(2) Use of Non-GAAP Financial Measures: In addition to reporting financial results in accordance with US GAAP, the Company provides certain non-US GAAP financial measures that are not in accordance with US GAAP. These non-US 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-US 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 non-US GAAP net income and non-US GAAP EPS both in its reconciliation to the US GAAP financial measures of net income and EPS and its consolidated financial statements, all of which should be considered when evaluating the Company's results. The Company uses the financial measures non-US GAAP EPS and non-US GAAP net income to

supplement the information provided in its consolidated financial statements, which are presented in accordance with US GAAP. The presentation of non-US GAAP net income and non-US GAAP EPS is not meant to be a substitute for net income or net income per share presented in accordance with US GAAP, but rather should be evaluated in conjunction with and as a supplement to such US 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 US GAAP measures with certain non-US GAAP measures for the reasons set forth below. Non-US GAAP net income and non-US GAAP EPS are calculated as net income or net income per share on a diluted basis, excluding, where applicable, the amortization of acquired intangible assets, other income (expense), share-based compensation, and restructuring, all net of tax. The Company's management believes that the presentation of non-US GAAP net income and non-US GAAP EPS provides useful information to investors because it excludes non-operational charges. The use of the term non-operational charge is defined by the Company as those that do not impact 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, such as amortization of acquired intangible assets, restructuring costs, 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 US GAAP. The Company believes the provision of supplemental non-US GAAP measures allows 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 Open Text's performance or expected performance of recurring operations and facilitates period-to-period comparison of operating performance. As a result, the Company considers it appropriate and reasonable to provide, in addition to US GAAP measures, supplementary non-US GAAP financial measures that exclude certain items from the presentation of its financial results in this press release.

The following charts provide (unaudited) reconciliations of US GAAP based financial measures to non-US GAAP based financial measures for the following periods presented:

