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August 30, 2007

Open Text Reports Fourth Quarter and Year-End 2007 Financial Results

Integration of Hummingbird Contributes to Strong Results

Waterloo, ON - 2007-08-30 - Open Text Corporation (NASDAQ:OTEX) (TSX:OTC), a leading provider of Enterprise Content Management (ECM) software, today announced unaudited financial results for its fourth quarter and fiscal year ended June 30, 2007. (1)

Total revenue for the fourth quarter was \$175.2 million, compared to \$105.2 million for the same period in the prior fiscal year. License revenue in the fourth quarter was \$59.2 million, compared to \$32.0 million in the fourth quarter of the prior fiscal year. License revenues grew 38% from \$43.0 million in the previous quarter ended March 31, 2007.

Adjusted net income in the quarter was \$26.6 million or \$0.52 per share on a diluted basis, compared to \$15.4 million or \$0.31 per share on a diluted basis for the same period in the prior fiscal year. Net income in accordance with U.S. generally accepted accounting principles (US GAAP) was \$8.2 million or \$0.16 per share on a diluted basis, compared to \$7.8 million or \$0.16 per share on a diluted basis for the same period in the prior fiscal year. (2)

Total revenue for fiscal year 2007 was \$595.7 million, compared to \$409.6 million for the previous fiscal year. License revenue for fiscal year 2007 was \$182.5 million, compared to \$122.5 million in the previous fiscal year. Adjusted net income for fiscal year 2007 was \$74.3 million, or \$1.46 per share on a diluted basis, compared to adjusted net income for the previous fiscal year of \$50.8 million, or \$1.01 per share on a diluted basis. This represents a growth of 45% of adjusted EPS for the year. Net income for fiscal year 2007 in accordance with US GAAP was \$21.7 million, or \$0.43 per share on a diluted basis, compared to the prior fiscal year's net income of \$5.0 million, or \$0.10 per share on a diluted basis. (2)

Operating cash flow in the fourth quarter of fiscal 2007 was \$28.5 million, compared to \$15.4 million in the fourth quarter of the prior fiscal year. For the full 2007 fiscal year, Open Text generated \$110.9 million in operating cash flow compared to \$60.8 million in fiscal 2006.

The Company plans to make an additional debt repayment of \$30 million. This will reduce our debt from \$390 million at the time of the Hummingbird acquisition to approximately \$327 million this quarter. We are pleased with our accelerated repayment of the debt ahead of schedule and planning for future lump sum debt repayments will continue to be reviewed on a periodic basis, said Paul McFeeters, Chief Financial Officer of Open Text.

The cash, cash equivalents and short-term investments balance as of June 30, 2007 was \$150.0 million. Accounts receivable as of June 30, 2007, totaled \$128.8 million, compared to \$75.0 million as of June 30, 2006, and Days Sales Outstanding (DSO) was 66 days in the fourth quarter of fiscal 2007, compared to 64 days in the fourth quarter of fiscal 2006.

I am very pleased with our performance in the quarter and for the full fiscal year. The integration of Hummingbird has gone well and investments in our partner strategy are paying off, said John Shackleton, President and Chief Executive Officer of Open Text. We will continue to focus on profitability as we now position the Company for growth in fiscal 2008.

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

Teleconference Call

Open Text will host a conference call on August 30, 2007 at 5:00 p.m. ET to discuss the final financial results of its fourth quarter and fiscal year-end 2007.

Date: Thursday, August 30, 2007
Time: 5:00 p.m. ET/2:00 p.m. PT
Length: 60 minutes
Where: 416-640-1907

Please dial-in approximately 10 minutes before the teleconference is scheduled to begin. A replay of the call will be available beginning August 30, 2007 at 7:00 p.m. ET through 11:59 p.m. on September 13, 2007 and can be accessed by dialing 416-640-1917 and using pass code 21238674#.

For more information or to listen to the call via Web cast, please use the following link:

<http://www.opentext.com/events/event.html?id=6633371>

About Open Text

Open Text is the world's largest independent provider of Enterprise Content Management software. The company's solutions manage information for all types of business, compliance and industry requirements in the world's largest companies, government agencies and professional service firms. Open Text supports approximately 46,000 customers and millions of users in 114 countries and 12 languages. For more information about Open Text, visit www.opentext.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements, including statements about the financial conditions, results of operations and earnings and revenue outlook for Open Text Corporation (Open Text or the Company). Forward-looking statements in this press release are not promises or guarantees of future performance and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those anticipated. The Company cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The results included in this press release are unaudited and therefore are deemed to be forward-looking statements. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following: (i) the future performance, financial and otherwise, of Open Text; (ii) the ability of Open Text 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 ECM market; (vi) the Company's competitive position in the ECM 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 ECM 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 forwardlooking 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 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; (ix) demand for the Company's products; and (x) other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 10-K for the year ended June 30, 2006. Forward-looking statements are based on management's beliefs and opinions at the time the statements are made, and the Company does not undertake any obligation to update forwardlooking statements should circumstances or management's beliefs or opinions change.

Notes

(1) Based on comparison of historic revenue figures publicly disseminated by companies in the Enterprise Content Management (ECM) sector. All dollar amounts in this press release are in US Dollars unless otherwise indicated.

(2) In addition to these GAAP and adjusted results the Company has provided financial information that adds-back maintenance revenue eliminated due to the impact of purchase accounting entries on deferred revenue and the impact of interest expense. Management believes that the furnishing of these adjustments provide a consistent basis for comparison between quarters and help to more accurately reflect Open Text s underlying operating results.

Three months ended June 30, 2007

GAAP Revenue	\$ 175.2
Maintenance revenue adjustment for purchase accounting	2.5
Non-GAAP revenue	<u>\$ 177.7</u>
Adjusted Income	\$ 26.6
Maintenance revenue adjustment for purchase accounting	2.5

Net Interest Expense	5.6
Income tax effect	(2.6)
Non-GAAP net income	<u>\$ 32.1</u>
Adjusted EPS - Diluted	0.52
Non GAAP Adjustments (net of tax)	
- Maintenance	0.03
- Interest	0.08
Non-US GAAP EPS	<u>\$ 0.63</u>

Twelve months ended June 30, 2007

GAAP Revenue	\$ 595.7
Maintenance revenue adjustment for purchase accounting	11.1
Non-GAAP revenue	<u>\$ 606.8</u>
Adjusted Income	\$ 74.3
Maintenance revenue adjustment for purchase accounting	11.1
Net Interest Expense	20.3
Income tax effect	(10.0)
Non-GAAP net income	<u>\$ 95.7</u>
Adjusted EPS - Diluted	\$ 1.46
Non GAAP Adjustments (net of tax)	
- Maintenance	0.15
- Interest	0.27
Non-US GAAP EPS	<u>\$ 1.88</u>

(3) Use of US Non-GAAP financial measures

of making operating decisions, the Company's management excludes certain items from its analysis, such as amortization of acquired intangibles, restructuring costs, 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 reconciliation (unaudited) of US GAAP based financial measures to non-US GAAP based financial measures referred to in this press release:

Reconciliation (unaudited) of US GAAP based Net Income to Adjusted Net Income (in millions of US dollars) for the quarters ended June 30, 2007 and 2006:

	Three months ended June 30, 2007	Three months ended June 30, 2006
GAAP based "Net Income"	\$8.2	\$7.8

Special Charges/(recovery)	7.7	(0.2)
Amortization of intangibles	18.0	7.3
Other (Income)/Expense	(1.1)	1.5
Share-based compensation	1.5	1.3
Tax Impact on Above	(7.7)	(2.3)
Non-US GAAP based "Adjusted Net Income"	\$26.6	\$15.4

Reconciliation (unaudited) of US GAAP based EPS to non-US GAAP based EPS (calculated on a diluted basis) for the quarters ended June 30, 2007 and 2006:

	Three months ended June 30, 2007	Three months ended June 30, 2006
GAAP based "Net Income"	\$0.16	\$0.16
Special Charges/(recovery)	0.15	0.00
Amortization of intangibles	0.35	0.14
Other (Income)/Expense	(0.02)	0.03
Share-based compensation	0.03	0.03
Tax Impact on Above	(0.15)	(0.05)
Non-GAAP based "Adjusted Net Income"	\$0.52	\$0.31

Reconciliation (unaudited) of US GAAP based Net Income to Adjusted Net Income (in millions of US dollars) for the fiscal years ended June 30, 2007 and 2006:

	Twelve months ended June 30, 2007	Twelve months ended June 30, 2006
GAAP based "Net Income"	\$21.7	\$5.0
Special Charges/(recovery)	12.9	26.2
Amortization of intangibles	60.8	28.1
Other (Income)/Expense	(1.7)	4.8
Share-based compensation	5.4	5.2
Tax Impact on Above	(24.8)	(18.5)
Non-GAAP based "Adjusted Net Income"	\$74.3	\$50.8

Reconciliation (unaudited) of US GAAP based EPS to non-US GAAP based EPS (calculated on a diluted basis) for the fiscal years ended June 30, 2007 and 2006:

	Twelve months ended June 30, 2007	Twelve months ended June 30, 2006
GAAP based "Net Income"	\$0.43	\$0.10
Special Charges/(recovery)	0.25	0.52
Amortization of intangibles	1.19	0.56
Other (Income)/Expense	(0.03)	0.10
Share-based compensation	0.11	0.10
Tax Impact on Above	(0.49)	(0.37)

Non-GAAP based "Adjusted Net Income"

\$1.46

\$1.01

For more information, please contact

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