

# OPENTEXT

August 19, 2008

## Open Text Reports Fourth Quarter and Fiscal Year-End 2008 Financial Results

Waterloo, ON - 2008-08-19 - 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, 2008. (1)

Total revenue for the fourth quarter was \$200.3 million, up 14% compared to \$175.2 million for the same period in the prior fiscal year. License revenue in the fourth quarter was \$68.2 million, up 15% compared to \$59.2 million in the fourth quarter of the prior fiscal year.

Adjusted net income in the quarter was \$33.3 million or \$0.63 per share on a diluted basis, up 25% compared to \$26.7 million or \$0.52 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 \$27.3 million or \$0.51 per share on a diluted basis, compared to \$8.2 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 2008 was \$725.5 million, up 22% compared to \$595.7 million for the previous fiscal year. License revenue for fiscal year 2008 was \$219.1 million, up 20% compared to \$182.5 million in the previous fiscal year.

Adjusted net income for fiscal year 2008 was \$107.0 million, or \$2.03 per share on a diluted basis, up 44% compared to adjusted net income for the previous fiscal year of \$74.3 million, or \$1.46 per share on a diluted basis. Net income for fiscal year 2008 in accordance with US GAAP was \$53.0 million, or \$1.01 per share on a diluted basis, compared to the prior fiscal year's net income of \$21.7 million, or \$0.43 per share on a diluted basis. (2)

Operating cash flow in the fourth quarter of fiscal 2008 was \$44.6 million, compared to \$28.5 million in the fourth quarter of the prior fiscal year. For the full 2008 fiscal year, Open Text generated \$166.0 million in operating cash flow compared to \$110.9 million in fiscal 2007.

The cash, cash equivalents and short-term investments balance as of June 30, 2008 was \$254.9 million. Accounts receivable as of June 30, 2008, totaled \$134.4 million, compared to \$128.8 million as of June 30, 2007, and Days Sales Outstanding (DSO) was 60 days in the fourth quarter of fiscal 2008, compared to 66 days in the fourth quarter of fiscal 2007.

"I am very pleased with our performance in the quarter and for the full fiscal year," said John Shackleton, President and Chief Executive Officer of Open Text. "We have achieved our goal of strong license growth, record profitability and exemplary cash flow accumulation. As we enter into fiscal 2009, we remain confident in our momentum and look forward to continued growth in the coming year."

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 19, 2008 at 5:00 p.m. ET to discuss the final financial results of its fourth quarter and fiscal year-end 2008.

Date: Tuesday, August 19, 2008

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 19, 2008 at 7:00 p.m. ET through 11:59 p.m. on September 2, 2008 and can be accessed by dialing 416-640-1917 and using pass code 21276674 followed by the number sign.

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

<http://www.opentext.com/events/wa-event.html?id=6789650>

## 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 large companies, government agencies and professional service firms. Open Text supports approximately 46,000 customers in 114 countries and 12 languages. For more information about Open Text, visit [www.opentext.com](http://www.opentext.com).

## Safe Harbor Statement under the Private Securities Litigation Reform Act

This press release contains forward-looking statements, including statements about the financial conditions, and results of operations and earnings 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 forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the possibility that the Company may be unable to meet its future reporting requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; (iii) the risks associated with bringing new products 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 (10) 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, 2007. 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 forward-looking statements should circumstances or management's beliefs or opinions change.

### Notes

(1) Based on comparison of historical revenue figures publicly disseminated by companies in the ECM sector. All dollar amounts in this press release are expressed in U.S. Dollars unless otherwise indicated.

(2) Use of U.S. Non-GAAP financial measures

In addition to reporting financial results in accordance with U.S. GAAP, the Company provides adjusted net income and adjusted earnings per share (EPS), which are non U.S. GAAP financial measures. The Company uses adjusted EPS and adjusted net income to supplement the information provided in its consolidated financial statements, which are presented in accordance with U.S. GAAP. The Company believes the provision of these non U.S. 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 for period-to-period comparison of operating performance.

The presentation of adjusted net income and adjusted EPS is not meant to be a substitute for net income or EPS 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. These non U.S. 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 U.S. 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 attempts to compensate for these limitations by providing the relevant disclosure of the items excluded in the calculation of adjusted net income and adjusted EPS both in its reconciliation to the U.S. 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. Open Text strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure.

Adjusted net income and adjusted 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 special charges (recoveries), all net of tax. The Company's management believes that the presentation of adjusted net income and adjusted EPS provides useful information to investors because it excludes nonoperational charges and is based on the way the Company's management evaluates the performance of the Company's business for use in the Company's internal reports and makes operating decisions. The term non-operational charge is defined by the Company as a charge that does not impact operating decisions taken by the Company's management and excludes certain items, such as amortization of acquired intangibles, other income (expense), share-based compensation expense, special charges (recoveries), and the taxation impact of these items.

The following unaudited charts provide a reconciliation of U.S. GAAP based financial measures to non U.S. GAAP based financial measures referred to in this press release:

*Reconciliation of (unaudited) U.S. GAAP based Net Income to Adjusted Net Income (in millions of U.S. dollars) for the three months ended September 30, 2008 and 2007:*

	Three months ended September 30, 2008	Three months ended September 30, 2007
GAAP based "Net Income"	\$14.7	\$7.8
Special Charges/(recovery)	0.0	0.0
Amortization of intangibles	19.0	17.6
Other (Income)/Expense	(0.7)	1.8
Share-based compensation	1.4	1.1
Tax Impact on Above	(6.2)	(6.2)
Non-GAAP based "Adjusted Net Income"	\$28.2	\$22.1

*Reconciliation of (unaudited) US GAAP based EPS to non-U.S. GAAP based EPS (calculated on a diluted basis) for the three months ended September 30, 2008 and 2007:*

	Three months ended September 30, 2008	Three months ended September 30, 2007
GAAP based "Net Income"	\$0.28	\$0.15
Special Charges/(recovery)	0.00	0.00
Amortization of intangibles	0.36	0.34
Other (Income)/Expense	(0.01)	0.04
Share-based compensation	0.03	0.02
Tax Impact of Above	(0.13)	(0.12)
Non-GAAP based "Adjusted Net Income"	\$0.53	\$0.43

(3) The following table provides a composition of our major currencies for revenue and expenses, expressed as a percentage, for the first quarter of Fiscal 2009:

Currencies	% of Revenue	% of Expenses*
EURO	29%	25%
GBP	11%	12%
CHF	7%	4%
CAD	8%	27%
USD	38%	27%
Others	7%	5%
Total	100%	100%

\*Expenses include all cost of revenues and operating expenses included within the Condensed Consolidated Statements of Income, except for amortization of intangible assets and share-based payments.

### **For more information, please contact**

Paul McFeeters  
Chief Financial Officer  
Open Text Corporation  
+1-905-762-6121  
[pmcfeeters@opentext.com](mailto:pmcfeeters@opentext.com)

Greg Secord  
Director, Investor Relations  
Open Text Corporation  
+1-519-888-7111 ext.2408  
[gsecord@opentext.com](mailto:gsecord@opentext.com)