OPENTEXT

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Open Text Corporation Posts Strong Financial Results for First Quarter 2002

Q1 Adjusted EPS of $0.15, Revenue of $35.3M

Waterloo, ON - 2001-10-24 - Open Text Corporation (Nasdaq: OTEX) (TSE: OTC), a worldwide leader in delivering collaborative commerce solutions, today announced financial results for its first quarter September 30, 2001. (1)

Financial Highlights

Open Text reported adjusted net income for the first quarter of $3.1 million.(2) Earnings per share (EPS) was $0.15 (diluted), up 7% from $0.14 in the previous year. Cash flow from operations for the quarter was $3.9 million, marking the 9th consecutive quarter of positive operating cash flow. Driven by demand for Livelink, Open Text's collaborative commerce software, total revenue for the quarter was $35.3 million up 18% over Q1 fiscal 2001. "Our collaboration solution continues to drive strong results for Open Text. We are pleased with our financial performance in a difficult market. This performance is due to the continued recognition of Livelink as a productivity tool that demonstrates a rapid return on investment for our customers," said Tom Jenkins, CEO of Open Text.

Accounts receivable as of September 30, 2001 was $28.0 million, resulting in days sales outstanding (DSO) of 71 days. As of September 30, 2001, cash was $84.1 million or $4.27 per share.

1. Return on Investment and Continued Customer Satisfaction Drives Repeat Business Worldwide

Livelink continues to enjoy strong momentum as Global 2000 companies implement collaborative commerce to reduce costs through more efficient utilization of their knowledge workers. During the first quarter, 69% of license revenue was from the existing install base of 5 million users. Open Text's largest customers drove the financial results by continued enterprise-wide adoptions. Revenue results were broadly based across North America, Europe and Asia. For the quarter, 62% of the Company's revenue originated from North America, 35% from Europe & the Middle East, and the remaining 3% from Asia.

2. Major clients continue to achieve rapid ROI with Livelink

During the quarter, Open Text announced that Dexia Bank realized 437% ROI through deployment of Open Text's Livelink, according to an independent IDC Study. (3) This return is representative of the cost savings Livelink customers are experiencing.

3. New Internet Meeting Product Shipped This Quarter: Livelink MeetingZone

Open Text considers MeetingZone to be the first practical meeting software to allow corporate users to meet over the Internet using low bandwidth connections. The product provides high quality interactions through the use of whiteboards, sharing of spreadsheets, live editing and authoring of documents within a group. It enables users to further leverage an organization's investment in Livelink by conducting meetings on demand and in real-time from their existing Web browser and integrating real-time collaboration with other Livelink functions, such as document management, records management and automated workflow tools. MeetingZone becomes a very powerful tool for companies that want to collaborate with live meetings over the Web in order to reduce travel and improve efficiency. MeetingZone is easy to use and only requires a Web browser. Users are invited to meetings by an email message and join by clicking on the internet connection in the email -- no other software is required. The product will be highlighted at LiveLinkUp2001 to the Open Text user install base.

4. Global Marketing Event with Livelink users: LiveLinkUp 2001 User Conference

The Company will be hosting LiveLinkUp, its Annual User Conference at the Bellagio in Las Vegas from November 5th to 9th. The LiveLinkUp 2001 Conference Agenda is three times as large as last year's, with over 200 breakout sessions, keynotes, demonstrations and solution spotlights.

Open Text will be conducting a teleconference call to discuss the financial results for September 2001 (first quarter fiscal 2002) on Thursday, October 25, 2001 at 8:30 A.M., EST. The public is invited to listen to the call by dialing 416-641-6652. Details for playback of the call are available at www.opentext.com.

(1) Reported under U.S. Generally Accepted Accounting Principles (GAAP). All amounts are in US Dollars.
(2) Adjusted net income: net income excluding amortization of acquired intangible assets, restructuring, other income (expense), gain (loss) on investments and income tax on equity gain.
(3) Refer to IDC Study.

About Open Text

Open Text makes collaborative commerce products that provide organizations with the ability to extend their current CRM, SCM and ERP applications to allow users to work together inside and outside their organization. Open Text has pioneered the development of innovative intranet and extranet ebusiness applications. Since creating one of the first search engines to index the World Wide Web, the Company has remained at the forefront of Internet-based technologies. Its product family called Livelink enables individuals, teams, organizations, and global trading communities to collaborate on e-business applications that facilitate e-commerce and other transactions among Global 2000 organizations. For more information, visit www.opentext.com.

Trademark

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Release Disclaimer

This news release may contain forward-looking statements relating to the deployment of Livelink and Livelink MeetingZone by customers, and future performance of Open Text Corporation. Forward-looking statements are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties include, among others, risks involved in the completion and integration of acquisitions, the possibility of technical, logistical or planning issues in connection with deployments, the continuous commitment of the Company's customers and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission (SEC), including the final prospectus for the Company's initial public offering of common stock in January 1996, Form 10-K for the years ended June 30, 1997, June 30, 1998, June 30, 1999, June 30, 2000, and June 30, 2001 and Form 10-Q for the quarters ended September 30, 2000, December 31, 2000 and March 31, 2001. 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 obligations to update forward-looking statements should circumstances or management's beliefs or opinions change.

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