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*FOR IMMEDIATE RELEASE*

**OPEN TEXT CORPORATION POSTS RECORD RESULTS  
COMPANY CONTINUES TO EXECUTE ON PROFITABLE GROWTH STRATEGY**

**WATERLOO, Ontario, Canada** – October 26, 1998 -- Open Text Corporation (NASDAQ:OTEXF, TSE:OTC), the worldwide leader of intranet-based collaborative knowledge management application software, today announced record revenues for its first quarter ended September 30, 1998.<sup>1</sup>

Net income for the first quarter was US\$2.3 million, which is \$0.11 per share (diluted) compared to a net loss of \$1.5 million, or a loss of \$0.08 per share, for the year-earlier quarter.

For the eleventh consecutive quarter, Open Text reported the highest quarterly total revenues in the company's history. Total revenues for the quarter were US\$17.3 million up 124 percent from \$7.7 million for the year-earlier period. License revenues for the quarter ended September 30, 1998 were \$9.5 million, up 115% compared to \$4.4 million for the first quarter of fiscal 1998.

"We continue to execute on our profitable growth strategy resulting in another quarter of strong financial performance," said Tom Jenkins, Chief Executive Officer of Open Text Corporation. "We have moved into a solid, profitable growth position, today reporting our fourth consecutive quarter of profits while maintaining strong growth momentum."

"We continue to enjoy a leadership position in the enterprise knowledge management market, with customer adoption of Livelink at its all time high," added Jenkins. "We are also proceeding well with the acquisition of Information Dimensions Inc., which is now our Livelink BASIS division, and are pleased with the addition of this group to the overall performance of the company."

New accounts contributing to Open Text's first-quarter revenues included Eastman Chemical, AT&T Canada, Textron, Diebold, and the Ford Foundation. Existing accounts contributing to revenues included

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<sup>1</sup> Reported under U.S. Generally Accepted Accounting Principles (GAAP).

Molson Breweries, Caterpillar, Boeing, US Post Office, Philip Morris, the US Navy and many others. Open Text also signed its second major subscription service licensing agreement for Livelink, adding General Electric Information Services this quarter. Similar to Hewlett Packard's agreement with Open Text that was announced last quarter, General Electric Information Services will host and sell Livelink to their existing customer base.

“The addition of new enterprise accounts, expanded use of Livelink within current customer locations and maturation of the subscription service, further reinforces the value Livelink delivers in providing enterprise-wide knowledge management solutions that help the world's largest corporations get their work done,” added Jenkins.

#### *ABOUT OPEN TEXT*

Open Text Corporation's software and services enable the world's largest companies to leverage the global reach and openness of intranets, truly "Putting the Web to Work"™. Open Text has a worldwide installed base of 2.5 million users in 3,500 corporations. Open Text's dramatic growth has been fuelled by the rapid market acceptance of its innovative collaborative knowledge management system, Livelink. The company has been named the growth leader by the Delphi Group and the market share leader by International Data Corporation. Further information about the company, its products and services, and its partners and customers can be found at <http://www.opentext.com>.

Note: Open Text, Livelink and Livelink BASIS are trademarks of Open Text Corporation. All other trademarks are the property of their respective companies.

This news release may contain forward-looking statements relating to the future performance of Open Text Corporation. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties are 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 and June 30, 1998, and Form 10-Q for the quarters ended September 30, 1997, December 31, 1997, and March 31, 1998.

**OPEN TEXT CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In US Dollars)  
(in thousands, except share data)

	<b>September 30,</b>	<b>June 30,</b>
	<b>1998</b>	<b>1998</b>
	(unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 36,043	\$ 40,390
Accounts receivable - trade, net of allowance for doubtful accounts of \$1,630 as of September 30, 1998 and \$1,635 as of June 30, 1998	24,151	22,924
Prepaid and other assets	<u>2,477</u>	<u>2,834</u>
Total current assets	62,671	66,148
Furniture and equipment	8,690	8,710
Other investments, at cost (approximates market value)	3,977	3,977
Other assets	4,043	4,553
Total assets	<u>\$ 79,381</u>	<u>\$ 83,388</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable - trade, and accrued liabilities	\$ 10,573	\$ 17,052
Deferred revenue	9,052	10,112
Obligations under capital leases	<u>237</u>	<u>344</u>
Total current liabilities	19,862	27,508
Shareholders' equity:		
Share capital		
20,032,077 and 18,087,069 Common Shares issued and outstanding at September 30, 1998 and June 30, 1998 respectively	141,273	105,108
Nil and 1,750,000 Special Warrants issued and outstanding at September 30, 1998 and June 30, 1998 respectively	-	34,800
Other shareholders' equity	<u>(81,754)</u>	<u>(84,028)</u>
Total shareholders' equity	59,519	55,880
Total liabilities and shareholders' equity	<u>\$ 79,381</u>	<u>\$ 83,388</u>

See accompanying notes to condensed consolidated financial statements

## OPEN TEXT CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In US Dollars)

(in thousands, except per share data)

	Three months ended September 30,	
	<u>1998</u>	<u>1997</u>
	(unaudited)	
Revenues:		
License	\$ 9,501	\$ 4,422
Service	<u>7,772</u>	<u>3,272</u>
Total Revenues	17,273	7,694
Cost of revenues:		
License	912	232
Service	<u>2,733</u>	<u>1,925</u>
Total cost of revenues	<u>3,645</u>	<u>2,157</u>
Gross profit	13,628	5,537
Operating expenses:		
Research and development	2,204	1,804
Sales and marketing	7,658	4,382
General and administrative	1,009	1,110
Amortization	<u>951</u>	<u>475</u>
Total operating expenses	<u>11,822</u>	<u>7,771</u>
Income (loss) from operations	1,806	(2,234)
Other income	<u>532</u>	<u>517</u>
Income (loss) before income taxes	2,338	(1,717)
Income tax recovery	<u>-</u>	<u>250</u>
Income (loss) for the period	<u>\$ 2,338</u>	<u>\$ (1,467)</u>
Basic earnings (loss) per share	<u>\$ 0.12</u>	<u>\$ (0.08)</u>
Diluted earnings (loss) per share	<u>\$ 0.11</u>	<u>\$ (0.08)</u>
Weighted average number of Common Shares outstanding - basic	<u>19,658</u>	<u>17,468</u>
Weighted average number of Common Shares outstanding - diluted	<u>22,024</u>	<u>17,468</u>

See accompanying notes to condensed consolidated financial statements