OPEN TEXT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In US Dollars)
(in thousands, except per share data)

	Three months ended March 31,		Nine months ended March 31,	
	2004	2003	2004	2003
	(unaudited)		(unaudited)	
Revenues:				
License	$ 34,534	$ 19,025	$ 79,294	$ 51,869
Customer support	28,578	16,190	69,926	44,735
Service	17,103	8,744	36,854	28,024
Total revenues	80,215	43,959	186,074	124,628
Cost of revenues:				
License	2,610	1,601	6,451	4,868
Customer support	5,608	2,734	12,843	7,452
Service	11,992	6,606	28,321	20,288
Total cost of revenues	20,210	10,941	47,615	32,608
Gross profit	60,005	33,018	138,459	92,020
Operating expenses:				
Research and development	10,529	7,611	28,484	20,624
Sales and marketing	23,234	13,190	55,541	38,991
General and administrative	6,841	3,592	15,082	10,378
Depreciation	1,808	1,297	4,474	3,741
Amortization of acquired intangible assets	3,062	822	5,884	2,047
Restructuring	10,005	—	10,005	—
Total operating expenses	55,479	26,512	119,470	75,781
Income from operations	4,526	6,506	18,989	16,239
Other income	817	876	1,305	1,991
Interest income	517	239	955	971
Income before income taxes	5,860	7,621	21,249	19,201
Provision for income taxes	1,556	829	5,897	829
Income from continuing operations before minority interest	4,304	6,792	15,352	18,372
Minority interest	1,025	—	1,025	—
Net income for the period	$ 3,279	$ 6,792	$ 14,326	$ 18,372
Deficit, beginning of the period	$ (30,780)	$ (57,937)	$ (41,827)	$ (60,004)
Repurchase of Common Shares	—	—	—	$ (9,513)
Deficit, end of the period	$ (27,501)	$ (51,145)	$ (27,501)	$ (51,145)
Adjusted net income for the period (2)	$12,172	$6,738	$25,553	$18,428
Adjusted diluted net income per share (2)	$ 0.25	$ 0.16	$ 0.57	$ 0.45
Basic earnings per share	$ 0.07	$ 0.17	$ 0.35	$ 0.47
Diluted earnings per share	$ 0.07	$ 0.16	$ 0.32	$ 0.45
Weighted average number of Common Shares outstanding - basic	43,988	38,816	41,385	38,984
Weighted average number of Common Shares outstanding - diluted	47,777	41,334	44,649	41,136

OPEN TEXT CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In US Dollars)

(in thousands, except share data)

	March 31, 2004 (unaudited)	June 30, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 153,344	$ 116,554
Accounts receivable - net of allowance for doubtful accounts of $3,931 as of March 31, 2004 and $1,933 as of June 30, 2003	88,434	35,855
Income taxes recoverable	8,041	484
Prepaid expenses and other assets	9,488	3,541
Deferred tax asset	10,125	7,688
Total current assets	269,432	164,122
Capital assets	23,939	10,011
Goodwill, net of accumulated amortization of $12,807 at March 31, 2004 and June 30, 2003	211,030	32,301
Deferred tax asset	13,794	8,674
Acquired intangibles	120,665	20,517
Other assets	7,786	3,062
	$ 646,646	$ 238,687
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 95,376	$ 31,596
Deferred revenues	66,891	38,086
Deferred tax liability	9,090	-
Total current liabilities	171,357	69,682
Long term liabilities:		
Deferred revenues	1,135	1,696
Deferred tax liability	30,375	-
Accrued liabilities	18,629	4,912
	50,139	6,608
Minority interest	9,913	-
Shareholders' equity:		
Share capital		
50,629,212 and 39,136,518 Common Shares issued and outstanding at March 31, 2004 and June 30, 2003 respectively	417,215	204,343
Warrants	24,313	-
Accumulated other comprehensive income:		
Cumulative translation adjustment	1,210	(119)
Accumulated deficit	(27,501)	(41,827)
Total shareholders' equity	415,237	162,397
	$ 646,646	$ 238,687

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF CASHFLOWS
(In thousands of US Dollars)

	Three months ended March 31,		Nine months ended March 31,	
	2004	**2003**	**2004**	**2003**
	(unaudited)		(unaudited)	
Cash flows from operating activities:				
Net income for the period	$ 3,279	$ 6,792	$ 14,326	$ 18,372
Non-cash items:				
Depreciation and amortization of acquired intangible assets	4,851	2,119	10,339	5,788
Gain on sale of investments	-	(77)	—	(77)
Undistributed earnings related to minority interest	1,025	—	1,025	—
Restructuring	10,005	—	10,005	—
Other	(28)	—	(20)	—
Changes in operating assets and liabilities net of assets acquired:				
Accounts receivable	(3,799)	1,167	(3,828)	7,291
Prepaid and other assets	(559)	238	(328)	1,574
Deferred Tax Asset	(2,494)	—	(2,394)	—
Accounts payable and accrued liabilities	(1,889)	(2,191)	(5,946)	(3,444)
Income taxes recoverable	(1,249)	(569)	(1,249)	(569)
Deferred revenue	7,176	4,195	1,136	4,591
Unrealized foreign exchange gain (loss)	(922)	(1,020)	(2,431)	(1,601)
Net cash provided by operating activities	15,396	10,654	20,635	31,925
Cash flows used in investing activities:				
Acquisitions of capital assets	(1,530)	(1,223)	(3,472)	(2,671)
Purchase of Centrinity Inc., net of cash acquired	—	—	—	(11,369)
Purchase of Corechange Inc., net of cash acquired	—	(2,695)	—	(2,695)
Purchase of Eloquent, net of cash acquired	—	(2,674)	—	(2,674)
Purchase of Gauss, net of cash acquired	—	—	(9,764)	—
Purchase of SER, net of cash acquired	—	—	(3,403)	—
Purchase of IXOS, net of cash acquired	24,637	—	24,637	—
Cash restricted for acquisitions	46,837	—	—	—
Business acquisition costs	(4,841)	—	(6,642)	—
Purchase of patent	—	—	—	(1,246)
Proceeds on sale of investment	—	149	—	149
Other Acquisitions	(38)	—	(1,987)	—
Other	(281)	(782)	(281)	(914)
Net cash provided by (used in) investing activities	64,784	(7,225)	(912)	(21,420)
Cash flow from financing activities:				
Payments of obligations under capital leases	(74)	—	(224)	—
Deferred costs	—	—	(668)	—
Other	(56)	—	(56)	—
Proceeds from issuance of Common Shares	6,938	2,361	16,325	4,847
Proceeds from warrants	1,120	—	1,120	—
Repurchase of Common Shares	—	—	—	(17,302)
Net cash provided by (used in) financing activities	7,928	2,361	16,497	(12,455)
Foreign exchange gain (loss) on cash held in foreign currency	(184)	(33)	570	153
Increase (decrease) in cash and cash equivalents during the period	87,924	5,757	36,790	(1,797)
Cash and cash equivalents at beginning of period	65,420	102,341	116,554	109,895
Cash and cash equivalents at end of period	$ 153,344	$ 108,098	$ 153,344	$ 108,098

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PROFORMA SUPPLEMENTAL INFORMATION - RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME

For the three and nine month periods ended March 31, 2004 and 2003

(in thousands of US dollars, except per share data)

	Three month period ended March 31		Nine month period ended March 31,	
	2004	**2003**	**2004**	**2003**
Net income	$3,279	$6,792	$14,326	$18,372
Adjustments:				
Restructuring	10,005	0	10,005	0
Amortization of acquired intangible assets	3,062	822	5,884	2,047
Other income	(817)	(876)	(1,305)	(1,991)
Tax impact of the restructuring and amortization	(3,357)	—	(3,357)	—
Total adjustments	8,893	(54)	11,227	56
Adjusted net income (2)	**$12,172**	**$6,738**	**$25,553**	**$18,428**
Addback income tax expense	$4,913	$829	$9,255	$829
Adjusted net income excluding income tax	$17,085	$7,567	$34,808	$19,257
Adjusted diluted net income per share	**$0.25**	**$0.16**	**$0.57**	**$0.45**
Adjusted diluted net income per share excluding income tax	$0.36	$0.18	$0.78	$0.47
Shares used to compute earnings per share				
Diluted	47,777	41,334	44,649	41,136