OPEN TEXT CORP
Form 10-K/A
July 31, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K/A
(Amendment No. 1)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2015.
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number: 0-27544

OPEN TEXT CORPORATION
(Exact name of Registrant as specified in its charter)

Canada	98-0154400
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
275 Frank Tompa Drive, Waterloo, Ontario, Canada	N2L 0A1
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (519) 888-7111
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock without par value	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No ý
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or

information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer ¨ Non-accelerated filer ¨ (Do not check if smaller reporting company) Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Aggregate market value of the Registrant's Common Shares held by non-affiliates, based on the closing price of the Common Shares as reported by the NASDAQ Global Select Market (“NASDAQ”) on December 31, 2014, the end of the registrant's most recently completed second fiscal quarter, was approximately $7.0 billion. The number of the Registrant's Common Shares outstanding as of July 27, 2015 was 122,337,654.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

This Form 10-K/A amends our Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (“Original Form 10-K”) filed with the Securities and Exchange Commission ("SEC") on July 29, 2015. In the Original Form 10-K, we inadvertently omitted “/s/ KPMG LLP” on the signature line in each of the documents titled “Report of Independent Registered Public Accounting Firm” (the "Audit Reports”).

This Form 10-K/A is being filed to include the inadvertently omitted conformed signature of KPMG LLP in the Audit Reports relating to the consolidated financial statements and the effectiveness of internal control over financial reporting. No other changes were made to the Audit Reports. Also, no other changes have been made to the Original Form 10-K. The consolidated financial statements and notes to consolidated financial statements have remained the same as that previously filed in the Original Form 10-K.

This Form 10-K/A reflects information as of the original filing date of our Original Form 10-K, does not reflect events occurring after that date and does not modify or update in any way disclosures made in the Original Form 10-K, except as specifically noted above.

Item 8. Financial Statements and Supplementary Data

The response to this Item 8 is submitted as a separate section of this Annual Report on Form 10-K/A. See Part IV, Item 15.

PART IV

Item 15. Exhibits and Financial Statements Schedules

(a) Financial Statements and Schedules

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(b) The following documents are filed as a part of this report:

1) Consolidated financial statements and Reports of Independent Registered Public Accounting Firm and the related notes thereto are included under Item 8, in Part II.

2) Valuation and Qualifying Accounts; see note 3 "Allowance for Doubtful Accounts" and note 14 "Income Taxes" in the Notes to Consolidated Financial Statements included under Item 8, in Part II.

3) Exhibits: The following exhibits are filed as part of this Annual Report on Form 10-K/A or are incorporated by reference to exhibits previously filed with the SEC.

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger between Open Text Corporation, EPIC Acquisition Sub Inc., a Delaware corporation and an indirect wholly-owned subsidiary of OpenText and EasyLink Services International Corporation dated May 1, 2012. (14)
2.2	Agreement and Plan of Merger, dated as of November 4, 2013, among Open Text Corporation, Ocelot Merger Sub, Inc., GXS Group, Inc. and the stockholders' representative named therein. (20)
2.3	Support Agreement, dated as of November 4, 2013, among GXS Group, Inc., Open Text Corporation, and Global Acquisition LLC. (20)
2.4	Support Agreement, dated as of November 4, 2013, among GXS Group, Inc., Open Text Corporation, CCG Investment Fund, L.P., CCG Associates - QP, LLC, CCG Investment Fund - AI, LP, CCG AV, LLC - Series A, CCG AV, LLC - Series C and CCG CI, LLC. (20)
2.5	Agreement and Plan of Merger, dated as of December 5, 2014, by and among Open Text Corporation, Asteroid Acquisition Corporation and Actuate. (24)
3.1	Articles of Amalgamation of the Company. (1)
3.2	Articles of Amendment of the Company. (1)
3.3	Articles of Amendment of the Company. (1)
3.4	Articles of Amalgamation of the Company. (1)
3.5	Articles of Amalgamation of the Company, dated July 1, 2001. (2)
3.6	Articles of Amalgamation of the Company, dated July 1, 2002. (3)
3.7	Articles of Amalgamation of the Company, dated July 1, 2003. (4)
3.8	Articles of Amalgamation of the Company, dated July 1, 2004. (5)

3.9	Articles of Amalgamation of the Company, dated July 1, 2005. (6)
3.10	Articles of Continuance of the Company, dated December 29, 2005. (7)
3.11	By-Law 1 of Open Text Corporation. (19)
4.1	Form of Common Share Certificate. (1)
4.2	Amended and Restated Shareholder Rights Plan Agreement between Open Text Corporation and Computershare Investor Services, Inc. dated September 26, 2013. (19)
4.3	Registration Rights Agreement, dated as of November 4, 2013, by and among Open Text Corporation and the principal stockholders named therein, and for the benefit of the holders (as defined therein). (20)
4.4	Indenture, dated as of January 15, 2015, among the Company, the subsidiary guarantors party thereto, Citibank, N.A., as U.S. trustee, and Citi Trust Company Canada, as Canadian trustee (including form of 5.625% Senior Notes due 2023). (26)
10.1	1998 Stock Option Plan. (8)
10.2*	Form of Indemnity Agreement between the Company and certain of its officers dated September 7, 2006. (9)
10.3*	Consulting Agreement between Steven Sadler and SJS Advisors Inc. and the Company, dated May 3, 2005. (10)
10.4	Open Text Corporation Directors' Deferred Share Unit Plan effective February 2, 2010. (11)
10.5	Amended and Restated Credit Agreement among Open Text Corporation and certain of its subsidiaries, the Lenders, Barclays Bank PLC, Royal Bank of Canada, Barclays Capital and RBC Capital Markets, dated as of November 9, 2011. (12)
10.6	2004 Stock Option Plan, as amended September 27, 2012. (15)
10.7*	OpenText Corporation Long-Term Incentive Plan 2015 for eligible employees, effective October 3, 2012. (16)
10.8*	Employment Agreement, dated October 30, 2012 between Mark Barrenechea and the Company. (16)
10.9*	Amendment No. 1 to the Employment Agreement between Mark J. Barrenechea and the Company dated January 24, 2013 (amending the Employment Agreement between Mark J. Barrenechea and the Company dated October 30, 2012). (17)
10.10*	Employment Agreement, as of December 19, 2012, between Gordon A. Davies and the Company. (18)
10.11*	Employment Agreement, as of July 30, 2013, between Paul McFeeters and the Company. (18)
10.12	Commitment Letter, dated as of November 4, 2013, by and among Barclays Bank PLC, Royal Bank of Canada and Open Text Corporation. (20)
10.13	First Amendment to Amended and Restated Credit Agreement and Amended and Restated Security and Pledge Agreement, dated as of December 16, 2013, between Open Text ULC, as term borrower, Open Text ULC, Open Text Inc. and Open Text Corporation, as revolving credit borrowers, the domestic guarantors party thereto, each of the lenders party thereto, Barclays Bank PLC, as sole administrative agent and collateral agent, and Royal Bank of Canada, as documentary credit lender. (21)
10.14	Credit Agreement, dated as of January 16, 2014, among Open Text Corporation, as guarantor, Ocelot Merger Sub, Inc., which on January 16, 2014 merged with and into GXS Group, Inc. which survived such merger, as borrower, the other domestic guarantors party thereto, the lenders named therein, as lenders, Barclays Bank PLC, as sole administrative agent and collateral agent, and with Barclays and RBC Capital Markets, as lead arrangers and joint bookrunners. (22)
10.15	Second Amendment to Amended and Restated Credit Agreement, dated as of December 22, 2014, between Open Text ULC, as term borrower, Open Text ULC, Open Text Holdings, Inc. and Open Text Corporation, as revolving credit borrowers, the domestic guarantors party thereto, each of the lenders party thereto, Barclays Bank PLC, as sole administrative agent and collateral agent, and Royal Bank of Canada, as documentary credit lender. (25)
10.16	Tender and Voting Agreement, dated as of December 5, 2014, by and among Open Text Corporation, Asteroid Acquisition Corporation and certain stockholders of Actuate. (24)
10.19*	Employment Agreement, dated November 30, 2012, between Muhi Majzoub and the Company. (23)
10.20*	Employment Agreement, dated August 15, 2013, between Jonathan Hunter and the Company. (23)

10.21*	Employment Agreement, dated July 30, 2014, between John M. Doolittle and the Company. (23)
10.22*	Amendment No. 2 to the Employment Agreement between Mark J. Barrenechea and the Company dated July 30, 2013 (amending the Employment Agreement between Mark J. Barrenechea and the Company dated October 30, 2012). (23)
10.23*	Employment Agreement, dated September 11, 2014, between Lisa Zangari and the Company. (27)
10.24*	Employment Agreement, dated October 13, 2014, between David Jamieson and the Company. (27)
12.1	Statement of Computation of Ratios of Earnings to Combined Fixed Charges and Preferences (27)

18.1	Preferability letter dated February 2, 2012 from the Company's auditors, KPMG LLP, regarding a change in the Company's accounting policy relating to the income statement classification of tax related interest and penalties. (13)
21.1	List of the Company's Subsidiaries. (27)
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL instance document.
101.SCH	XBRL taxonomy extension schema.
101.CAL	XBRL taxonomy extension calculation linkbase.
101.DEF	XBRL taxonomy extension definition linkbase.
101.LAB	XBRL taxonomy extension label linkbase.
101.PRE	XBRL taxonomy extension presentation.

* Indicates management contract relating to compensatory plans or arrangements

(1) Filed as an Exhibit to the Company's Registration Statement on Form F-1 (Registration Number 33-98858) as filed with the Securities and Exchange Commission (the “SEC”) on November 1, 1995 or Amendments 1, 2 or 3 thereto (filed on December 28, 1995, January 22, 1996 and January 23, 1996 respectively), and incorporated herein by reference.

(2) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 28, 2001 and incorporated herein by reference.

(3) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 28, 2002 and incorporated herein by reference.

(4) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 29, 2003 and incorporated herein by reference.

(5) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 13, 2004 and incorporated herein by reference.

(6) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 27, 2005 and incorporated herein by reference.

(7) Filed as an Exhibit to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on February 3, 2006 and incorporated herein by reference.

(8) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on August 20, 1999 and incorporated herein by reference.

(9) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on September 12, 2006 and incorporated herein by reference.

(10) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on August 26, 2008 and incorporated herein by reference.

(11) Filed as an Exhibit to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on April 30, 2010 and incorporated herein by reference.

(12) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on November 9, 2011 and incorporated herein by reference.

(13) Filed as an Exhibit to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on February 2, 2012 and incorporated herein by reference.

(14) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on July 3, 2012 and incorporated herein by reference.

(15) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on October 2, 2012 and incorporated herein by reference.

(16) Filed as an Exhibit to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on November 1, 2012 and incorporated herein by reference.

(17) Filed as an Exhibit to the Company’s Quarterly Report on Form 10-Q, as filed with the SEC on January 25, 2013 and incorporated herein by reference.

(18) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on August 1, 2013 and incorporated herein by reference.

(19) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on September 26, 2013 and incorporated herein by reference.

(20) Filed as an Exhibit to the Company's Current Report on Form 8-K/A, as filed with the SEC on November 6, 2013 and incorporated herein by reference.

(21) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on December 20, 2013 and incorporated herein by reference.

(22) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on January 16, 2014 and incorporated herein by reference.

(23) Filed as an Exhibit to the Company's Annual Report on Form 10-K, as filed with the SEC on July 31, 2014 and incorporated herein by reference.

(24) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on December 5, 2014 and incorporated herein by reference.

(25) Filed as an exhibit to the Company's Current Report on Form 8-K, as fined with the SEC on December 23, 2014 and incorporated herein by reference.

(26) Filed as an Exhibit to the Company's Current Report on Form 8-K, as filed with the SEC on January 15, 2015 and incorporated herein by reference.

(27) Filed as an Exhibit to the Company's Annual Report on Form 10-K (Original Form 10-K), as filed with the SEC on July 29, 2015 and incorporated herein by reference.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Open Text Corporation

We have audited the accompanying consolidated balance sheets of Open Text Corporation as of June 30, 2015 and June 30, 2014, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended June 30, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Open Text Corporation as of June 30, 2015 and June 30, 2014, and its consolidated results of operations and its consolidated cash flows for each of the years in the three-year period ended June 30, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Open Text Corporation's internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated July 28, 2015 expressed an unqualified opinion on the effectiveness of Open Text Corporation's internal control over financial reporting.

/s/ KPMG LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
July 28, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Open Text Corporation
We have audited Open Text Corporation’s internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Open Text Corporation’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Part II, Item 9A of this Annual Report on Form 10-K. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.
A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
In our opinion, Open Text Corporation maintained, in all material respects, effective internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
Open Text Corporation acquired Actuate Corporation during 2015, and management excluded from its assessment of the effectiveness of Open Text Corporation’s internal control over financial reporting as of June 30, 2015, Actuate Corporation’s internal control over financial reporting associated with total assets of $394 million and total revenues of $34 million included in the consolidated financial statements of Open Text Corporation as of and for the year ended June 30, 2015. Our audit of internal control over financial reporting of Open Text Corporation also excluded an evaluation of the internal control over financial reporting of Actuate Corporation.
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Open Text Corporation as of June 30, 2015 and June 30, 2014, and the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for each of the years in the three-year period ended June 30, 2015, and our report dated July 28, 2015 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

July 28, 2015

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OPEN TEXT CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share data)

	June 30, 2015	June 30, 2014
ASSETS		
Cash and cash equivalents	$699,999	$427,890
Short-term investments	11,166	—
Accounts receivable trade, net of allowance for doubtful accounts of $5,987 as of June 30, 2015 and $4,727 as of June 30, 2014 (note 3)	284,131	292,929
Income taxes recoverable (note 14)	21,151	24,648
Prepaid expenses and other current assets	53,191	42,053
Deferred tax assets (note 14)	30,711	28,215
Total current assets	1,100,349	815,735
Property and equipment (note 4)	160,419	142,261
Goodwill (note 5)	2,161,592	1,940,082
Acquired intangible assets (note 6)	679,479	725,318
Deferred tax assets (note 14)	155,411	161,247
Other assets (note 7)	85,576	52,041
Deferred charges (note 8)	37,265	52,376
Long-term income taxes recoverable (note 14)	8,404	10,638
Total assets	$4,388,495	$3,899,698
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	$241,370	$231,954
Current portion of long-term debt (note 10)	8,000	62,582
Deferred revenues	358,066	332,664
Income taxes payable (note 14)	17,001	12,948
Deferred tax liabilities (note 14)	997	1,053
Total current liabilities	625,434	641,201
Long-term liabilities:		
Accrued liabilities (note 9)	34,682	41,999
Deferred credits (note 8)	12,943	17,529
Pension liability (note 11)	56,737	60,300
Long-term debt (note 10)	1,580,000	1,256,750
Deferred revenues	28,223	17,248
Long-term income taxes payable (note 14)	151,484	162,131
Deferred tax liabilities (note 14)	69,185	60,373
Total long-term liabilities	1,933,254	1,616,330
Shareholders' equity:		
Share capital (note 12)		
122,293,986 and 121,758,432 Common Shares issued and outstanding at June 30, 2015 and June 30, 2014, respectively; Authorized Common Shares: unlimited	808,010	792,834
Additional paid-in capital	126,417	112,398
Accumulated other comprehensive income	51,828	39,449
Retained earnings	863,015	716,317
Treasury stock, at cost (625,725 shares at June 30, 2015 and 763,278 at June 30, 2014, respectively)	(19,986)	(19,132)
Total OpenText shareholders' equity	1,829,284	1,641,866

Non-controlling interests	523	301
Total shareholders’ equity	1,829,807	1,642,167
Total liabilities and shareholders’ equity	$4,388,495	$3,899,698
Guarantees and contingencies (note 13)		
Related party transactions (note 22)		
Subsequent events (note 23)		

See accompanying Notes to Consolidated Financial Statements

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In thousands of U.S. dollars, except share and per share data)

	Year Ended June 30,		
	2015	2014	2013
Revenues:			
License	$294,266	$305,846	$272,985
Cloud services and subscriptions	605,309	373,400	180,412
Customer support	731,797	707,024	658,216
Professional service and other	220,545	238,429	251,723
Total revenues	1,851,917	1,624,699	1,363,336
Cost of revenues:			
License	12,899	13,161	15,995
Cloud services and subscriptions	239,719	142,666	73,464
Customer support	94,766	95,979	106,172
Professional service and other	173,399	189,947	196,663
Amortization of acquired technology-based intangible assets (note 6)	81,002	69,917	93,610
Total cost of revenues	601,785	511,670	485,904
Gross profit	1,250,132	1,113,029	877,432
Operating expenses:			
Research and development	196,491	176,834	164,010
Sales and marketing	369,920	345,643	289,157
General and administrative	163,042	142,450	109,325
Depreciation	50,906	35,237	24,496
Amortization of acquired customer-based intangible assets (note 6)	108,239	81,023	68,745
Special charges (note 17)	12,823	31,314	24,034
Total operating expenses	901,421	812,501	679,767
Income from operations	348,711	300,528	197,665
Other income (expense), net	(28,047)	3,941	(2,473)
Interest and other related expense, net	(54,620)	(27,934)	(16,982)
Income before income taxes	266,044	276,535	178,210
Provision for income taxes (note 14)	31,638	58,461	29,690
Net income for the period	$234,406	$218,074	$148,520
Net (income) loss attributable to non-controlling interests	(79)	51	—
Net income attributable to OpenText	$234,327	$218,125	$148,520
Earnings per share—basic attributable to OpenText (note 21)	$1.92	$1.82	$1.27
Earnings per share—diluted attributable to OpenText (note 21)	$1.91	$1.81	$1.26
Weighted average number of Common Shares outstanding—basic	122,092	119,674	117,208
Weighted average number of Common Shares outstanding—diluted	122,957	120,576	118,124
Dividends declared per Common Share	$0.7175	$0.6225	$0.1500

See accompanying Notes to Consolidated Financial Statements

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)

	Year Ended June 30,		
	2015	2014	2013
Net income for the period	$ 234,406	$ 218,074	$ 148,520
Other comprehensive income—net of tax:			
Net foreign currency translation adjustments	15,690	(2,779)	(1,879)
Unrealized gain (loss) on cash flow hedges:			
Unrealized loss	(6,064)	(357)	(1,054)
Loss (gain) reclassified into net income	5,710	3,242	(1,482)
Actuarial gain (loss) relating to defined benefit pension plans:			
Actuarial loss	(3,302)	(841)	(351)
Amortization of actuarial loss into net income	357	294	292
Unrealized gain on short-term investments	(12)	—	—
Unrealized gain on marketable securities (Actuate)	1,906	—	—
Release of unrealized gain on marketable securities (Actuate)	(1,906)	—	—
Total other comprehensive income (loss), net, for the period	12,379	(441)	(4,474)
Total comprehensive income	246,785	217,633	144,046
Comprehensive (income) loss attributable to non-controlling interests	(79)	51	—
Total comprehensive income attributable to OpenText	$ 246,706	$ 217,684	$ 144,046

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars and shares)

	Common Shares		Treasury Stock		Additional Paid in Capital	Accumulated Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
	Shares	Amount	Shares	Amount					
Balance as of June 30, 2012	116,718	$635,321	(1,586)	$(37,387)	$95,026	$442,068	$44,364	$ —	$1,179,392
Issuance of Common Shares									
Under employee stock option plans	1,254	14,205	—	—	—	—	—	—	14,205
Under employee stock purchase plans	84	2,095	—	—	—	—	—	—	2,095
In connection with acquisitions	2	21	—	—	(21)	—	—	—	—
Share-based compensation	—	—	—	—	15,575	—	—	—	15,575
Income tax effect related to stock options exercised	—	—	—	—	(402)	—	—	—	(402)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Issuance of treasury stock	—	—	364	8,313	(8,313)	—	—	—	—
Dividends	—	—	—	—	—	(17,703)	—	—	(17,703)
Other comprehensive income (loss) - net	—	—	—	—	—	—	(4,474)	—	(4,474)
Net income for the year	—	—	—	—	—	148,520	—	—	148,520
Balance as of June 30, 2013	118,058	$651,642	(1,222)	$(29,074)	$101,865	$572,885	$39,890	$ —	$1,337,208
Issuance of Common Shares									
Under employee stock option plans	1,043	22,221	—	—	—	—	—	—	22,221
Under employee stock purchase plans	62	2,338	—	—	—	—	—	—	2,338
In connection with acquisitions	2,595	116,777	—	—	—	—	—	—	116,777
Equity issuance costs	—	(144)	—	—	—	—	—	—	(144)
Share-based compensation	—	—	—	—	19,906	—	—	—	19,906
	—	—	—	—	1,844	—	—	—	1,844

Income tax effect related to stock options exercised									
Purchase of treasury stock	—	—	(25)	(1,275)	—	—	—	—	(1,275)
Issuance of treasury stock	—	—	484	11,217	(11,217)	—	—	—	—
Dividends	—	—	—	—	—	(74,693)	—	—	(74,693)
Other comprehensive income (loss) - net	—	—	—	—	—	—	(441)	—	(441)
Non-controlling interest	—	—	—	—	—	—	—	352	352
Net income for the year	—	—	—	—	—	218,125	—	(51)	218,074
Balance as of June 30, 2014	121,758	$792,834	(763)	$(19,132)	$112,398	$716,317	$39,449	$301	$1,642,167
Issuance of Common Shares									
Under employee stock option plans	476	12,159	—	—	—	—	—	—	12,159
Under employee stock purchase plans	59	3,017	—	—	—	—	—	—	3,017
Share-based compensation	—	—	—	—	22,047	—	—	—	22,047
Income tax effect related to stock options exercised	—	—	—	—	1,675	—	—	—	1,675
Purchase of treasury stock	—	—	(240)	(10,557)	—	—	—	—	(10,557)
Issuance of treasury stock	—	—	377	9,703	(9,703)	—	—	—	—
Dividends	—	—	—	—	—	(87,629)	—	—	(87,629)
Other comprehensive income - net	—	—	—	—	—	—	12,379	—	12,379
Non-controlling interest	—	—	—	—	—	—	—	143	143
Net income for the year	—	—	—	—	—	234,327	—	79	234,406
Balance as of June 30, 2015	122,293	$808,010	(626)	$(19,986)	$126,417	$863,015	$51,828	$523	$1,829,807

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended June 30,		
	2015	2014	2013
Cash flows from operating activities:			
Net income for the period	$234,406	$218,074	$148,520
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	240,147	186,177	186,851
Share-based compensation expense	22,047	19,906	15,575
Excess tax benefits on share-based compensation expense	(1,675)	(1,844)	(915)
Pension expense	4,796	3,232	1,448
Amortization of debt issuance costs	4,556	3,191	2,123
Amortization of deferred charges and credits	10,525	11,307	11,815
Loss on sale and write down of property and equipment	1,368	15	24
Deferred taxes	(14,578)	(12,334)	(5,796)
Release of unrealized gain on marketable securities to income	(3,098)	—	—
Write off of unamortized debt issuance costs	2,919	—	—
Changes in operating assets and liabilities:			
Accounts receivable	43,189	(17,186)	17,965
Prepaid expenses and other current assets	(3,534)	11,146	4,242
Income taxes	2,933	11,308	(17,053)
Deferred charges and credits	—	9,870	(9,274)
Accounts payable and accrued liabilities	(22,714)	(36,478)	(41,947)
Deferred revenue	6,775	16,601	5,418
Other assets	(5,031)	(5,858)	(494)
Net cash provided by operating activities	523,031	417,127	318,502
Cash flows from investing activities:			
Additions of property and equipment	(77,046)	(42,268)	(23,107)
Proceeds from maturity of short-term investments	17,017	—	—
Purchase of patents	—	(192)	(192)
Purchase of Actuate Corporation, net of cash acquired	(291,800)	—	—
Purchase of Informative Graphics Corporation, net of cash acquired	(35,180)	—	—
Purchase of GXS Group, Inc., net of cash acquired	—	(1,076,886)	—
Purchase of Cordys Holding B.V., net of cash acquired	—	(30,588)	—
Purchase of EasyLink Services International Corporation, net of cash acquired	—	—	(315,331)
Purchase of Resonate KT Limited, net of cash acquired	—	—	(19,366)
Purchase of ICCM Professional Services Limited, net of cash acquired	—	—	(11,257)
Purchase of System Solutions Australia Pty Limited, net of cash acquired	—	—	(516)
Purchase of a division of Spicer Corporation	(222)	—	—
Purchase consideration for prior period acquisitions	(590)	(887)	(875)
Other investing activities	(10,574)	(2,547)	(3,750)
Net cash used in investing activities	(398,395)	(1,153,368)	(374,394)
Cash flows from financing activities:			
Excess tax benefits on share-based compensation expense	1,675	1,844	915
Proceeds from issuance of Common Shares	15,240	24,808	16,347
Equity issuance costs	—	(144)	—

Purchase of Treasury Stock	(10,126)	(1,275)	—
Proceeds from long-term debt	800,000	800,000	—
Repayment of long-term debt	(530,284)	(45,911)	(30,677)
Debt issuance costs	(18,271)	(16,685)	—
Payments of dividends to shareholders	(87,629)	(74,693)	(17,703)
Net cash used in (provided by) financing activities	170,605	687,944	(31,118)
Foreign exchange gain (loss) on cash held in foreign currencies	(23,132)	5,742	(2,292)
Increase (decrease) in cash and cash equivalents during the period	272,109	(42,555)	(89,302)
Cash and cash equivalents at beginning of the period	427,890	470,445	559,747
Cash and cash equivalents at end of the period	$699,999	$427,890	$470,445

Supplementary cash flow disclosures (note 20)

See accompanying Notes to Consolidated Financial Statements

OPEN TEXT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(Tabular amounts in thousands, except share and per share data)

NOTE 1—BASIS OF PRESENTATION

The accompanying Consolidated Financial Statements include the accounts of Open Text Corporation and our subsidiaries, collectively referred to as "OpenText" or the "Company". We wholly own all our subsidiaries with the exception of Open Text South Africa Proprietary Ltd. (OT South Africa), GXS, Inc. (GXS Korea) and EC1 Pte. Ltd. (GXS Singapore), which as of June 30, 2015, were 90%, 85% and 81% owned, respectively, by OpenText.

These Consolidated Financial Statements are expressed in U.S. dollars and are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). The information furnished reflects all adjustments necessary for a fair presentation of the results for the periods presented and includes the financial results of Informative Graphics Corporation (IGC), with effect from January 2, 2015, and Actuate Corporation (Actuate), with effect from January 16, 2015 (see note 18).

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in the Consolidated Financial Statements. These estimates, judgments and assumptions are evaluated on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable at that time, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. In particular, significant estimates, judgments and assumptions include those related to: (i) revenue recognition, (ii) allowance for doubtful accounts, (iii) testing of goodwill for impairment, (iv) the valuation of acquired intangible assets, (v) the valuation of long-lived assets, (vi) the recognition of contingencies, (vii) restructuring accruals, (viii) acquisition accruals and pre-acquisition contingencies, (ix) asset retirement obligations, (x) the realization of investment tax credits, (xi) the valuation of stock options granted and obligations related to share-based payments, including the valuation of our long-term incentive plan, (xii) the valuation of financial instruments, (xiii) the valuation of pension assets and obligations, and (xiv) accounting for income taxes.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year's presentation.

During the fourth quarter of Fiscal 2015, we combined revenues from cloud services and revenues from subscriptions into one line item named "Cloud services and subscriptions" revenue. In addition, we have reclassified certain license revenue, customer support revenue and professional services revenue to “Cloud services and subscriptions” revenue to better align the nature of revenues that are now depicted under “Cloud services and subscriptions” revenue. As a result, revenue and cost of revenues previously reflected in "License", "Customer support" and "Professional services and other" were reclassified to “Cloud services and subscriptions”. These revenues and expenses have been reclassified in the Consolidated Statements of Income for Fiscal 2014 and Fiscal 2013 to conform with the current period presentation as follows:

	Fiscal year ended June 30,	
	2014	2013
Reclassifications within revenue		
Decrease to License	$(3,371)	$(6,613)
Decrease to Professional services and other	(8,960)	—
Increase to Cloud services and subscriptions	12,331	6,613
Reclassifications within cost of revenue		
Decrease to cost of revenue - License	$(201)	$(112)
Decrease to cost of revenue - Customer support	(1)	(776)
Decrease to cost of revenue - Professional services and other	(6,992)	(211)
Increase to cost of revenue - Cloud services and subscriptions	7,194	1,099

For more details relating to the accounting policy for cloud services and subscriptions, please see note 2.

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NOTE 2—ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include investments that have terms to maturity of three months or less. Cash equivalents are recorded at cost and typically consist of term deposits, commercial paper, certificates of deposit and short-term interest bearing investment-grade securities of major banks in the countries in which we operate.

Short-Term Investments

In accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) Topic 320 "Investments - Debt and Equity Securities" (Topic 320) related to accounting for certain investments in debt and equity securities, and based on our intentions regarding these instruments, we classify our marketable securities as available for sale and account for these investments at fair value. Marketable securities consist primarily of high quality debt securities with original maturities over 90 days, and may include corporate notes, United States government agency notes and municipal notes.

Allowance for doubtful accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make payments. We evaluate the creditworthiness of our customers prior to order fulfillment and based on these evaluations, we adjust our credit limit to the respective customer. In addition to these evaluations, we conduct on-going credit evaluations of our customers' payment history and current creditworthiness. The allowance is maintained for 100% of all accounts deemed to be uncollectible and, for those receivables not specifically identified as uncollectible, an allowance is maintained for a specific percentage of those receivables based upon the aging of accounts, our historical collection experience and current economic expectations. To date, the actual losses have been within our expectations. No single customer accounted for more than 10% of the accounts receivable balance as of June 30, 2015 and 2014.

Property and equipment

Property and equipment are stated at the lower of cost or net realizable value, and shown net of depreciation which is computed on a straight-line basis over the estimated useful lives of the related assets. Gains and losses on asset disposals are taken into income in the year of disposition. Fully depreciated property and equipment are retired from the balance sheet when they are no longer in use. We did not recognize any significant property impairment charges in Fiscal 2015, Fiscal 2014, or Fiscal 2013. The following represents the estimated useful lives of property and equipment:

Furniture and fixtures	5 years
Office equipment	5 years
Computer hardware	3 years
Computer software	3 years
Capitalized software	5 years
Leasehold improvements	Lesser of the lease term or 5 years
Building	40 years

Capitalized Software

We capitalize software development costs in accordance with FASB ASC Topic 350-40 – Accounting for the Costs of Computer Software Developed or Obtained for Internal-Use. We capitalize costs for software to be used internally when we enter the application development stage. This occurs when we complete the preliminary project stage, management authorizes and commits to funding the project, and it is feasible that the project will be completed and the software will perform the intended function. We cease to capitalize costs related to a software project when it enters the post implementation and operation stage. If different determinations are made with respect to the state of development of a software project, then the amount capitalized and the amount charged to expense for that project could differ materially.

Costs capitalized during the application development stage consist of payroll and related costs for employees who are directly associated with, and who devote time directly to, a project to develop software for internal use. We also capitalize the direct costs of materials and services, which generally includes outside contractors, and interest. We do not capitalize any general and administrative or overhead costs or costs incurred during the application development

stage related to training or data conversion costs. Costs related to upgrades and enhancements to internal-use software, if those upgrades and

enhancements result in additional functionality, are capitalized. If upgrades and enhancements do not result in additional functionality, those costs are expensed as incurred. If different determinations are made with respect to whether upgrades or enhancements to software projects would result in additional functionality, then the amount capitalized and the amount charged to expense for that project could differ materially.

We amortize capitalized costs with respect to development projects for internal-use software when the software is ready for use. The capitalized software development costs are generally amortized using the straight-line method over a 5-year period. In determining and reassessing the estimated useful life over which the cost incurred for the software should be amortized, we consider the effects of obsolescence, technology, competition and other economic factors. If different determinations are made with respect to the estimated useful life of the software, the amount of amortization charged in a particular period could differ materially.

As of June 30, 2015 and 2014 our capitalized software development costs were $38.6 million and $20.0 million, respectively. Our additions, relating to capitalized software development costs, incurred during Fiscal 2015 and Fiscal 2014 were $18.6 million and $20.0 million, respectively.

Acquired intangibles

Acquired intangibles consist of acquired technology and customer relationships associated with various acquisitions. Acquired technology is initially recorded at fair value based on the present value of the estimated net future income-producing capabilities of software products acquired on acquisitions. We amortize acquired technology over its estimated useful life on a straight-line basis.

Customer relationships represent relationships that we have with customers of the acquired companies and are either based upon contractual or legal rights or are considered separable; that is, capable of being separated from the acquired entity and being sold, transferred, licensed, rented or exchanged. These customer relationships are initially recorded at their fair value based on the present value of expected future cash flows. We amortize customer relationships on a straight-line basis over their estimated useful lives.

We continually evaluate the remaining estimated useful life of our intangible assets being amortized to determine whether events and circumstances warrant a revision to the remaining period of amortization.

Impairment of long-lived assets

We account for the impairment and disposition of long-lived assets in accordance with ASC Topic 360, “Property, Plant, and Equipment” (Topic 360). We test long-lived assets or asset groups, such as property and equipment and definite lived intangible assets, for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant adverse changes in the business climate or legal factors; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and a current expectation that the asset will more likely than not be sold or disposed of before the end of its estimated useful life.

Recoverability is assessed based on comparing the carrying amount of the asset to the aggregate pre-tax undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group. Impairment is recognized when the carrying amount is not recoverable and exceeds the fair value of the asset or asset group. The impairment loss, if any, is measured as the amount by which the carrying amount exceeds fair value, which for this purpose is based upon the discounted projected future cash flows of the asset or asset group.

We have not recorded any impairment charges for long-lived assets during Fiscal 2015, Fiscal 2014 and Fiscal 2013.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. The carrying amount of goodwill is periodically reviewed for impairment (at a minimum annually) and whenever events or changes in circumstances indicate that the carrying value of this asset may not be recoverable.

Our operations are analyzed by management and our chief operating decision maker (CODM) as being part of a single industry segment: the design, development, marketing and sales of Enterprise Information Management software and solutions. Therefore, our goodwill impairment assessment is based on the allocation of goodwill to a single reporting unit.

We perform a qualitative assessment to test our reporting unit's goodwill for impairment. Based on our qualitative assessment, if we determine that the fair value of our reporting unit is more likely than not (i.e., a likelihood of more

than 50 percent) to be less than its carrying amount, the two step impairment test is performed. In the first step, we compare the fair value of our reporting unit to its carrying value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not

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considered impaired and we are not required to perform further testing. If the carrying value of the net assets of our reporting unit exceeds its fair value, then we must perform the second step of the two step impairment test in order to determine the implied fair value of our reporting unit's goodwill. If the carrying value our reporting unit's goodwill exceeds its implied fair value, then an impairment loss equal to the difference would be recorded.

Our annual impairment analysis of goodwill was performed as of April 1, 2015. Our qualitative assessment indicated that there were no indications of impairment and therefore there was no impairment of goodwill required to be recorded for Fiscal 2015 (no impairments were recorded for Fiscal 2014 and Fiscal 2013).

Derivative financial instruments

We use derivative financial instruments to manage foreign currency rate risk. We account for these instruments in accordance with ASC Topic 815, “Derivatives and Hedging” (Topic 815), which requires that every derivative instrument be recorded on the balance sheet as either an asset or liability measured at its fair value as of the reporting date. Topic 815 also requires that changes in our derivative financial instruments' fair values be recognized in earnings; unless specific hedge accounting and documentation criteria are met (i.e. the instruments are accounted for as hedges). We recorded the effective portions of the gain or loss on derivative financial instruments that were designated as cash flow hedges in accumulated other comprehensive income in our accompanying Consolidated Balance Sheets. Any ineffective or excluded portion of a designated cash flow hedge, if applicable, was recognized in our Consolidated Statements of Income.

Asset retirement obligations

We account for asset retirement obligations in accordance with ASC Topic 410, “Asset Retirement and Environmental Obligations” (Topic 410), which applies to certain obligations associated with “leasehold improvements” within our leased office facilities. Topic 410 requires that a liability be initially recognized for the estimated fair value of the obligation when it is incurred. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset and depreciated over the remaining life of the underlying asset and the associated liability is accreted to the estimated fair value of the obligation at the settlement date through periodic accretion charges recorded within general and administrative expenses. When the obligation is settled, any difference between the final cost and the recorded amount is recognized as income or loss on settlement in our Consolidated Statements of Income.

Business combinations

We apply the provisions of ASC Topic 805, “Business Combinations” (Topic 805), in the accounting for our acquisitions. It requires us to recognize separately from goodwill, the assets acquired and the liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments would be recorded to our Consolidated Statements of Income.

Costs to exit or restructure certain activities of an acquired company or our internal operations are accounted for as one-time termination and exit costs pursuant to ASC Topic 420, “Exit or Disposal Cost Obligations” (Topic 420) and are accounted for separately from the business combination.

For a given acquisition, we generally identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the purchase price allocation and, if so, to determine the estimated amounts.

If we determine that a pre-acquisition contingency (non-income tax related) is probable in nature and estimable as of the acquisition date, we record our best estimate for such a contingency as a part of the preliminary purchase price allocation. We often continue to gather information and evaluate our pre-acquisition contingencies throughout the measurement period and if we make changes to the amounts recorded or if we identify additional pre-acquisition contingencies during the measurement period, such amounts will be included in the purchase price allocation during the measurement period and, subsequently, in our results of operations.

Uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We review these items during the measurement period as we continue to actively seek and collect information relating to facts and circumstances that existed at the acquisition date. Changes to these uncertain

tax positions and tax related valuation allowances made subsequent to the measurement period, or if they relate to facts and circumstances that did not exist at the acquisition date, are recorded in our provision for income taxes in our Consolidated Statements of Income.

Revenue recognition

License revenues

We recognize revenues in accordance with ASC Topic 985-605, "Software Revenue Recognition" (Topic 985-605). We record product revenues from software licenses and products when persuasive evidence of an arrangement exists, the software product has been shipped, there are no significant uncertainties surrounding product acceptance by the customer, the fees are fixed and determinable, and collection is considered probable. We use the residual method to recognize revenues on delivered elements when a license agreement includes one or more elements to be delivered at a future date if evidence of the fair value of all undelivered elements exists. If an undelivered element for the arrangement exists under the license arrangement, revenues related to the undelivered element is deferred based on vendor-specific objective evidence (VSOE) of the fair value of the undelivered element.

Our multiple-element sales arrangements include arrangements where software licenses and the associated post contract customer support (PCS) are sold together. We have established VSOE of the fair value of the undelivered PCS element based on the contracted price for renewal PCS included in the original multiple element sales arrangement, as substantiated by contractual terms and our significant PCS renewal experience, from our existing worldwide base. Our multiple element sales arrangements generally include irrevocable rights for the customer to renew PCS after the bundled term ends. The customer is not subject to any economic or other penalty for failure to renew. Further, the renewal PCS options are for services comparable to the bundled PCS and cover similar terms. It is our experience that customers generally exercise their renewal PCS option. In the renewal transaction, PCS is sold on a stand-alone basis to the licensees one year or more after the original multiple element sales arrangement. The exercised renewal PCS price is consistent with the renewal price in the original multiple element sales arrangement, although an adjustment to reflect consumer price changes is common.

If VSOE of fair value does not exist for all undelivered elements, all revenues are deferred until sufficient evidence exists or all elements have been delivered.

We assess whether payment terms are customary or extended in accordance with normal practice relative to the market in which the sale is occurring. Our sales arrangements generally include standard payment terms. These terms effectively relate to all customers, products, and arrangements regardless of customer type, product mix or arrangement size. Exceptions are only made to these standard terms for certain sales in parts of the world where local practice differs. In these jurisdictions, our customary payment terms are in line with local practice.

Cloud services and subscriptions revenues

Cloud services and subscription revenues consist of (i) software as a service offerings (ii) managed service arrangements and (iii) subscription revenues relating to on premise offerings. The customer contracts for each of these three offerings are long term contracts (greater than twelve months) and are based on the customer's usage over the contract period. The revenue associated with such contracts is recognized once usage has been measured, the fee fixed and determinable and collection is probable.

In certain managed services arrangements, we sell transaction processing along with implementation and start-up services. The implementation and start-up services do not have stand-alone value and, therefore, they do not qualify as separate units of accounting and are not separated. We believe these services do not have stand-alone value as the customer only receives value from these services in conjunction with the use of the related transaction processing service, we do not sell such services separately, and the output of such services cannot be re-sold by the customer. Revenues related to implementation and start-up services are recognized over the longer of the contract term or the estimated customer life. In some arrangements, we also sell professional services which do have stand-alone value and can be separated from other elements in the arrangement. The revenue related to these services is recognized as the service is performed. In some arrangements, we also sell professional services as a separate single element arrangement. The revenue related to these services is recognized as the service is performed.

We defer all direct and relevant costs associated with implementation of long-term customer contracts to the extent such costs can be recovered through guaranteed contract revenues.

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Service revenues

Service revenues consist of revenues from consulting, implementation, training and integration services. These services are set forth separately in the contractual arrangements such that the total price of the customer arrangement is expected to vary as a result of the inclusion or exclusion of these services. For those contracts where the services are not essential to the functionality of any other element of the transaction, we determine VSOE of fair value for these services based upon normal pricing and discounting practices for these services when sold separately. These consulting and implementation services contracts are primarily time and materials based contracts that are, on average, less than six months in length. Revenues from these services are recognized at the time such services are performed. We also enter into contracts that are primarily fixed fee arrangements wherein the services are not essential to the functionality of a software element. In such cases, the proportional performance method is applied to recognize revenues.

Revenues from training and integration services are recognized in the period in which these services are performed.

Customer support revenues

Customer support revenues consist of revenues derived from contracts to provide PCS to license holders. These revenues are recognized ratably over the term of the contract. Advance billings of PCS are not recorded to the extent that the term of the PCS has not commenced and payment has not been received.

Deferred revenues

Deferred revenues primarily relate to support agreements which have been paid for by customers prior to the performance of those services. Generally, the services will be provided in the twelve months after the signing of the agreement.

Long-term sales contracts

We entered into certain long-term sales contracts involving the sale of integrated solutions that include the modification and customization of software and the provision of services that are essential to the functionality of the other elements in this arrangement. As prescribed by ASC Topic 985-605, we recognize revenues from such arrangements in accordance with the contract accounting guidelines in ASC Topic 605-35, “Construction-Type and Production-Type Contracts” (Topic 605-35), after evaluating for separation of any non-Topic 605-35 elements in accordance with the provisions of ASC Topic 605-25, “Multiple-Element Arrangements” (Topic 605-25).

When circumstances exist that allow us to make reasonably dependable estimates of contract revenues, contract costs and the progress of the contract to completion, we account for sales under such long-term contracts using the percentage-of-completion (POC) method of accounting. Under the POC method, progress towards completion of the contract is measured based upon either input measures or output measures. We measure progress towards completion based upon an input measure and calculate this as the proportion of the actual hours incurred compared to the total estimated hours. For training and integration services rendered under such contracts, revenues are recognized as the services are rendered. We will review, on a quarterly basis, the total estimated remaining costs to completion for each of these contracts and apply the impact of any changes on the POC prospectively. If at any time we anticipate that the estimated remaining costs to completion will exceed the value of the contract, the resulting loss will be recognized immediately.

When circumstances exist that prevent us from making reasonably dependable estimates of contract revenues, we account for sales under such long-term contracts using the completed contract method.

Sales to resellers and channel partners

We execute certain sales contracts through resellers and distributors (collectively, resellers) and also large, well-capitalized partners such as SAP AG and Accenture Inc. (collectively, channel partners).

We recognize revenues relating to sales through resellers and channel partners when all the recognition criteria have been met, in other words, persuasive evidence of an arrangement exists, delivery has occurred in the reporting period, the fee is fixed and determinable, and collectability is probable. In addition we assess the creditworthiness of each reseller and if the reseller is newly formed, undercapitalized or in financial difficulty any revenues expected to emanate from such resellers are deferred and recognized only when cash is received and all other revenue recognition criteria are met.

Rights of return and other incentives

We do not generally offer rights of return or any other incentives such as concessions, product rotation, or price protection and, therefore, do not provide for or make estimates of rights of return and similar incentives.

Research and development costs

Research and development costs internally incurred in creating computer software to be sold, licensed or otherwise marketed are expensed as incurred unless they meet the criteria for deferral and amortization, as described in ASC Topic 985-20, “Costs of Software to be Sold, Leased, or Marketed” (Topic 985-20). In accordance with Topic 985-20, costs related to research, design and development of products are charged to expenses as incurred and capitalized between the dates that the product is considered to be technologically feasible and is considered to be ready for general release to customers. In our historical experience, the dates relating to the achievement of technological feasibility and general release of the product have substantially coincided. In addition, no significant costs are incurred subsequent to the establishment of technological feasibility. As a result, we do not capitalize any research and development costs relating to internally developed software to be sold, licensed or otherwise marketed.

Income taxes

We account for income taxes in accordance with ASC Topic 740, “Income Taxes” (Topic 740). Deferred tax assets and liabilities arise from temporary differences between the tax bases of assets and liabilities and their reported amounts in the Consolidated Financial Statements that will result in taxable or deductible amounts in future years. These temporary differences are measured using enacted tax rates. A valuation allowance is recorded to reduce deferred tax assets to the extent that we consider it is more likely than not that a deferred tax asset will not be realized. In determining the valuation allowance, we consider factors such as the reversal of deferred income tax liabilities, projected taxable income, and the character of income tax assets and tax planning strategies. A change to these factors could impact the estimated valuation allowance and income tax expense.

We account for our uncertain tax provisions by using a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the appropriate amount of the benefit to recognize. The amount of benefit to recognize is measured as the maximum amount which is more likely than not to be realized. The tax position is derecognized when it is no longer more likely than not that the position will be sustained on audit. On subsequent recognition and measurement the maximum amount which is more likely than not to be recognized at each reporting date will represent the Company's best estimate, given the information available at the reporting date, although the outcome of the tax position is not absolute or final. We recognize both accrued interest and penalties related to liabilities for income taxes within the "Provision for Income Taxes" line of our Consolidated Statements of Income (see note 14 for more details).

Fair value of financial instruments

Carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable and accounts payable (trade and accrued liabilities) approximate their fair value due to the relatively short period of time between origination of the instruments and their expected realization.

The fair value of our total long-term debt approximates its carrying value.

We apply the provisions of ASC 820, “Fair Value Measurements and Disclosures”, to our derivative financial instruments that we are required to carry at fair value pursuant to other accounting standards (see note 15 for more details).

Foreign currency

Our Consolidated Financial Statements are presented in U.S. dollars. In general, the functional currency of our subsidiaries is the local currency. For each subsidiary, assets and liabilities denominated in foreign currencies are translated into U.S dollars at the exchange rates in effect at the balance sheet dates and revenues and expenses are translated at the average exchange rates prevailing during the month of the transaction. The effect of foreign currency translation adjustments not affecting net income are included in Shareholders' equity under the “Cumulative translation adjustment” account as a component of “Accumulated other comprehensive income”. Transactional foreign currency gains (losses) included in the Consolidated Statements of Income under the line item “Other income (expense) net” for Fiscal 2015, Fiscal 2014 and Fiscal 2013 were $(31.0) million, $4.0 million and $(2.6) million, respectively.

Restructuring charges

We record restructuring charges relating to contractual lease obligations and other exit costs in accordance with ASC Topic 420, “Exit or Disposal Cost Obligations” (Topic 420). Topic 420 requires that a liability for a cost associated with

an exit or disposal activity be recognized and measured initially at its fair value in the period in which the liability is incurred. In order to incur a liability pursuant to Topic 420, our management must have established and approved a plan of restructuring in

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sufficient detail. A liability for a cost associated with involuntary termination benefits is recorded when benefits have been communicated and a liability for a cost to terminate an operating lease or other contract is incurred, when the contract has been terminated in accordance with the contract terms or we have ceased using the right conveyed by the contract, such as vacating a leased facility.

The recognition of restructuring charges requires us to make certain judgments regarding the nature, timing and amount associated with the planned restructuring activities, including estimating sub-lease income and the net recoverable amount of equipment to be disposed of. At the end of each reporting period, we evaluate the appropriateness of the remaining accrued balances (see note 17 for more details).

Litigation

We are currently involved in various claims and legal proceedings. Quarterly, we review the status of each significant legal matter and evaluate such matters to determine how they should be treated for accounting and disclosure purposes in accordance with the requirements of ASC Topic 450-20 "Loss Contingencies" (Topic 450-20). Specifically, this evaluation process includes the centralized tracking and itemization of the status of all our disputes and litigation items, discussing the nature of any litigation and claim, including any dispute or claim that is reasonably likely to result in litigation, with relevant internal and external counsel, and assessing the progress of each matter in light of its merits and our experience with similar proceedings under similar circumstances.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss in accordance with Topic 450-20. As of the date of this filing on Form 10-K for the year ended June 30, 2015, we do not believe that the outcomes of any of these matters, individually or in the aggregate, will result in losses that are materially in excess of amounts already recognized (see note 13 for more details).

Net income per share

Basic net income per share is computed using the weighted average number of Common Shares outstanding including contingently issuable shares where the contingency has been resolved. Diluted net income per share is computed using the weighted average number of Common Shares and stock equivalents outstanding using the treasury stock method during the year (see note 21 for more details).

Share-based payment

We measure share-based compensation costs, in accordance with ASC Topic 718, “Compensation - Stock Compensation” (Topic 718) on the grant date, based on the calculated fair value of the award. We have elected to treat awards with graded vesting as a single award when estimating fair value. Compensation cost is recognized on a straight-line basis over the employee requisite service period, which in our circumstances is the stated vesting period of the award, provided that total compensation cost recognized at least equals the pro rata value of the award that has vested. Compensation cost is initially based on the estimated number of options for which the requisite service is expected to be rendered. This estimate is adjusted in the period once actual forfeitures are known (see note 12 for more details).

Accounting for Pensions, post-retirement and post-employment benefits

Pension expense is accounted for in accordance with ASC Topic 715, “Compensation-Retirement Benefits” (Topic 715). Pension expense consists of: actuarially computed costs of pension benefits in respect of the current year of service, imputed returns on plan assets (for funded plans) and imputed interest on pension obligations. The expected costs of post retirement benefits, other than pensions, are accrued in the Consolidated Financial Statements based upon actuarial methods and assumptions. The over-funded or under-funded status of defined benefit pension and other post retirement plans are recognized as an asset or a liability (with the offset to “Accumulated Other Comprehensive Income” within “Shareholders' equity”), respectively, on the Consolidated Balance Sheets (see note 11 for more details).

Recent Accounting Pronouncements

Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03 "Simplifying the Presentation of Debt Issuance Costs" (ASU 2015-03). This update amended the ASC Subtopic 835-30, "Interest - Imputation of Interest" to simplify the presentation of debt issuance costs by requiring that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments

in this update. ASU 2015-03 is effective for our fiscal year ending June 30, 2017, with early adoption permitted. The adoption of ASU 2015-03 is not expected to have a material impact

on our Consolidated Financial Statements.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers: Topic 606” (ASU 2014-09). This update supersedes the revenue recognition requirements in ASC Topic 605, "Revenue Recognition" and nearly all other existing revenue recognition guidance under U.S. GAAP. The core principal of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 identifies five steps to be followed to achieve this core principal, which includes (i) identifying contract(s) with customers, (ii) identifying performance obligations in the contract(s), (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations in the contract(s) and (v) recognizing revenue when (or as) the entity satisfies a performance obligation. On April 1, 2015 the FASB voted to defer the effective date of ASU 2014-09 for one year. If finalized, as proposed, the new guidance will be effective for us in the first quarter of our fiscal year ending June 30, 2019. Early adoption, prior to the original effective date, is not permitted. When applying ASU 2014-09 we can either apply the amendments: (i) retrospectively to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09 or (ii) retrospectively with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined within ASU 2014-09. We are currently evaluating the impact of the pending adoption of ASU 2014-09 on our Consolidated Financial Statements.

NOTE 3—ALLOWANCE FOR DOUBTFUL ACCOUNTS

Balance as of June 30, 2012	$5,655	
Bad debt expense	2,431	
Write-off /adjustments	(3,215	)
Balance as of June 30, 2013	4,871	
Bad debt expense	3,081	
Write-off /adjustments	(3,225	)
Balance as of June 30, 2014	4,727	
Bad debt expense	5,346	
Write-off /adjustments	(4,086	)
Balance as of June 30, 2015	$5,987	

Included in accounts receivable are unbilled receivables in the amount of $26.7 million as of June 30, 2015 (June 30, 2014—$41.7 million).

NOTE 4—PROPERTY AND EQUIPMENT

	As of June 30, 2015			
	Cost	Accumulated Depreciation		Net
Furniture and fixtures	$17,571	$(11,334	)	$6,237
Office equipment	1,532	(879	)	653
Computer hardware	110,076	(72,479	)	37,597
Computer software	37,981	(17,525	)	20,456
Capitalized software development costs	38,576	(7,353	)	31,223
Leasehold improvements	53,391	(29,458	)	23,933
Land and buildings	47,525	(7,205	)	40,320
Total	$306,652	$(146,233	)	$160,419

	As of June 30, 2014		
	Cost	Accumulated Depreciation	Net
Furniture and fixtures	$16,089	$(8,856)	$7,233
Office equipment	1,573	(869)	704
Computer hardware	90,469	(55,433)	35,036
Computer software	28,556	(10,656)	17,900
Capitalized software development costs	19,965	(1,542)	18,423
Leasehold improvements	45,934	(24,251)	21,683
Land and buildings	47,149	(5,867)	41,282
Total	$249,735	$(107,474)	$142,261

NOTE 5—GOODWILL

Goodwill is recorded when the consideration paid for an acquisition of a business exceeds the fair value of identifiable net tangible and intangible assets. The following table summarizes the changes in goodwill since June 30, 2013:

Balance as of June 30, 2013	$1,246,872
Acquisition of Cordys Holding BV (note 18)	18,589
Acquisition of GXS Group, Inc. (note 18)	672,765
Adjustments relating to prior acquisitions	1,856
Balance as of June 30, 2014	$1,940,082
Acquisition of Informative Graphics Corporation (note 18)	23,936
Acquisition of Actuate Corporation (note 18)	197,352
Adjustments relating to prior acquisitions	222
Balance as of June 30, 2015	$2,161,592

NOTE 6—ACQUIRED INTANGIBLE ASSETS

	As of June 30, 2015		
	Cost	Accumulated Amortization	Net
Technology Assets	$428,724	$(210,862)	$217,862
Customer Assets	716,525	(254,908)	461,617
Total	$1,145,249	$(465,770)	$679,479

	As of June 30, 2014		
	Cost	Accumulated Amortization	Net
Technology Assets	$369,376	$(143,213)	$226,163
Customer Assets	668,825	(169,670)	499,155
Total	$1,038,201	$(312,883)	$725,318

The above balances for Fiscal 2015 have been adjusted to reflect the impact of intangible assets relating to acquisitions where the gross cost has been fully amortized. The impact of this resulted in a reduction of $13.4 million related to Technology Assets and $23.0 million related to Customer Assets.

The above balances for Fiscal 2014 have been adjusted to reflect the impact of intangible assets relating to acquisitions where the gross cost has been fully amortized. The impact of this resulted in a reduction of $329.8 million related to Technology Assets and $205.4 million related to Customer Assets.

The weighted average amortization periods for acquired technology and customer intangible assets are approximately five years and six years, respectively.

The following table shows the estimated future amortization expense for the fiscal years indicated below. This calculation assumes no future adjustments to acquired intangible assets:

	Fiscal years ending June 30,
2016	$181,453
2017	164,266
2018	151,573
2019	124,404
2020 and beyond	57,783
Total	$679,479

NOTE 7—OTHER ASSETS

	As of June 30, 2015	As of June 30, 2014
Debt issuance costs	$30,630	$19,834
Deposits and restricted cash	12,137	14,251
Deferred implementation costs	13,736	5,409
Cost basis investments	11,386	7,276
Marketable securities	9,108	—
Long-term prepaid expenses and other long-term assets	8,579	5,271
Total	$85,576	$52,041

Debt issuance costs relate primarily to costs incurred for the purpose of obtaining our credit facilities and the Senior Notes (as defined in note 10 below), and are being amortized over the respective terms of the Credit Agreement and the Indenture. During the year ended June 30, 2015 we wrote off $2.9 million of unamortized debt issuance costs associated with the repayment of Term Loan A (see note 10).

Deposits and restricted cash relate to security deposits provided to landlords in accordance with facility lease agreements and cash restricted per the terms of contractual-based agreements.

Deferred implementation costs relate to deferred direct and relevant costs on implementation of long-term contracts, to the extent such costs can be recovered through guaranteed contract revenues.

Marketable securities are classified as available for sale securities and are recorded on our Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a separate component of Accumulated Other Comprehensive Income.

Cost basis investments relate to investments for which the Company holds less than a 20% interest, is a limited partner and does not exert significant influence over operational or investment decisions.

Long-term prepaid expenses and other long-term assets primarily relate to advance payments on long-term licenses that are being amortized over the applicable terms of the licenses.

NOTE 8—DEFERRED CHARGES AND CREDITS

Deferred charges and credits relate to cash taxes payable and the elimination of deferred tax balances relating to legal entity consolidations completed as part of internal reorganizations of our international subsidiaries. Deferred charges and credits are amortized to income tax expense over a period of 6 to 15 years.

NOTE 9—ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Current liabilities

Accounts payable and accrued liabilities are comprised of the following:

	As of June 30, 2015	As of June 30, 2014
Accounts payable—trade	$15,558	$16,025
Accrued salaries and commissions	83,888	80,991
Accrued liabilities	107,870	121,558
Accrued interest on Senior Notes	20,625	—
Amounts payable in respect of restructuring and other Special charges (note 17)	12,065	11,694
Asset retirement obligations	1,364	1,686
Total	$241,370	$231,954

Long-term accrued liabilities

	As of June 30, 2015	As of June 30, 2014
Amounts payable in respect of restructuring and other Special charges (note 17)	$2,034	$4,531
Other accrued liabilities*	24,826	29,331
Asset retirement obligations	7,822	8,137
Total	$34,682	$41,999

* Other accrued liabilities consist primarily of tenant allowances, deferred rent and lease fair value adjustments relating to certain facilities acquired through business acquisitions.

Asset retirement obligations

We are required to return certain of our leased facilities to their original state at the conclusion of our lease. We have accounted for such obligations in accordance with ASC Topic 410 “Asset Retirement and Environmental Obligations” (Topic 410). As of June 30, 2015, the present value of this obligation was $9.2 million (June 30, 2014—$9.8 million), with an undiscounted value of $9.8 million (June 30, 2014—$10.4 million).

NOTE 10—LONG-TERM DEBT

Long-term debt

Long-term debt is comprised of the following:

	As of June 30, 2015	As of June 30, 2014
Total debt		
Senior Notes	$800,000	$—
Term Loan A	—	513,750
Term Loan B	788,000	796,000
Mortgage	—	9,582
	1,588,000	1,319,332
Less:		
Current portion of long-term debt		
Term Loan A	—	45,000
Term Loan B	8,000	8,000
Mortgage	—	9,582
	8,000	62,582
Non-current portion of long-term debt	$1,580,000	$1,256,750

Senior Unsecured Fixed Rate Notes

On January 15, 2015, we issued $800 million in aggregate principal amount of our 5.625% Senior Notes due 2023 (Senior Notes) in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (Securities Act), and to certain persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Notes bear interest at a rate of 5.625% per annum, payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2015. Senior Notes will mature on January 15, 2023, unless earlier redeemed, in accordance with their terms, or repurchased.

For the year ended June 30, 2015, we recorded interest expense of $20.6 million relating to Senior Notes.

Term Loan A and Revolver

Prior to January 15, 2015, one of our credit facilities consisted of a $600 million term loan facility (Term Loan A) and a $300 million committed revolving credit facility (the Revolver and, together with Term Loan A, defined as the 2011 Credit Agreement).

On January 15, 2015, concurrently with the closing of the offering of Senior Notes, we used a portion of the net proceeds from the offering of Senior Notes to repay in full, the outstanding balance of Term Loan A.

Term Loan A had a five year term and repayments made under Term Loan A were equal to 1.25% of the original principal amount at each quarter for the first 2 years, approximately 1.88% for years 3 and 4 and 2.5% for year 5. Term Loan A bore interest at a floating rate of LIBOR plus a fixed amount, depending on our consolidated leverage ratio. Prior to the repayment of Term Loan A, the fixed amount was 2.5%.

For the year ended June 30, 2015, we recorded interest expense of $7.7 million relating to Term Loan A (June 30, 2014—$13.7 million, June 30, 2013—$15.5 million).

On January 15, 2015, concurrently with the closing of the offering of the Senior Notes and effective upon the repayment in full of Term Loan A with a portion of the net proceeds of the offering, the 2011 Credit Agreement was amended and restated as described in the second amendment to the 2011 Credit Agreement to, among other things, remove the provisions related to Term Loan A and modify certain provisions related to the incurrence of debt and liens and the making of acquisitions, investments and restricted payments, replace the covenants to maintain a "consolidated leverage" ratio of no more than 3:1 and a "consolidated interest coverage" ratio of 3:1 or more with a covenant to maintain a "consolidated net leverage" ratio of no more than 4:1, and make other changes, in each case, generally to conform with Term Loan B, as further described below.

Borrowings under the Revolver are secured by a first charge over substantially all of our assets, and as of January 16, 2014, on a pari passu basis with Term Loan B (as defined below). As part of the second amendment to the 2011 Credit Agreement, the commitments available under the Revolver was increased to $300 million from $100 million. The Revolver will mature on December 22, 2019 with no fixed repayment date prior to the end of the term. As of June 30, 2015, we have not drawn any amounts on the Revolver.

Term Loan B

In connection with the acquisition of GXS Group, Inc. (GXS), on January 16, 2014, we entered into a credit facility, which provides for a $800 million term loan facility (Term Loan B).

Borrowings under Term Loan B are secured by a first charge over substantially all of our assets on a pari passu basis with the Revolver. We entered into Term Loan B and borrowed the full amount on January 16, 2014.

Term Loan B has a seven year term and repayments made under Term Loan B are equal to 0.25% of the original principal amount in equal quarterly installments for the life of Term Loan B, with the remainder due at maturity. Borrowings under Term Loan B currently bear a floating rate of interest at a rate per annum equal to 2.5% plus the higher of LIBOR or 0.75%.

For the year ended June 30, 2015, we recorded interest expense of $26.1 million relating to Term Loan B (June 30, 2014—$11.9 million).

Mortgage

During the fourth quarter of Fiscal 2015, we repaid in full the outstanding balance of our mortgage of $7.8 million. The original principal amount of the mortgage was Canadian $15.0 million and interest accrued monthly at a variable rate of Canadian prime plus 0.50%.

For the year ended June 30, 2015, we recorded interest expense of approximately $0.3 million relating to the mortgage (June 30, 2014—$0.3 million, June 30, 2013—$0.4 million).

NOTE 11—PENSION PLANS AND OTHER POST RETIREMENT BENEFITS

The following table provides details of our defined benefit pension plans and long-term employee benefit obligations for Open Text Document Technologies GmbH (CDT), GXS GmbH (GXS GER) and GXS Philippines, Inc. (GXS PHP) as of June 30, 2015 and June 30, 2014:

	As of June 30, 2015		
	Total benefit obligation	Current portion of benefit obligation*	Non-current portion of benefit obligation
CDT defined benefit plan	$26,091	$575	$ 25,516
GXS Germany defined benefit plan	22,420	774	21,646
GXS Philippines defined benefit plan	7,025	26	6,999
Other plans	2,751	175	2,576
Total	$58,287	$1,550	$ 56,737

	As of June 30, 2014		
	Total benefit obligation	Current portion of benefit obligation*	Non-current portion of benefit obligation
CDT defined benefit plan	$29,344	$634	$ 28,710
GXS Germany defined benefit plan	24,182	917	23,265
GXS Philippines defined benefit plan	5,276	—	5,276
Other plans	3,148	99	3,049
Total	$61,950	$1,650	$ 60,300

* The current portion of the benefit obligation has been included within "Accounts payable and accrued liabilities" in the Consolidated Balance Sheets.

Defined Benefit Plans

CDT Plan

CDT sponsors an unfunded defined benefit pension plan covering substantially all CDT employees (CDT pension plan) which provides for old age, disability and survivors’ benefits. Benefits under the CDT pension plan are generally based on age at retirement, years of service and the employee’s annual earnings. The net periodic cost of this pension plan is determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and estimated service costs. No contributions have been made since the inception of the plan. Actuarial gains or losses in excess of 10% of the projected benefit obligation are being amortized and recognized as a component of net periodic benefit costs over the average remaining service period of the plan's active employees. There is approximately $0.4 million in accumulated other comprehensive income related to the CDT pension plan that is expected to be recognized as a component of net periodic benefit costs over the next fiscal year.

GXS Germany Plan

As part of our acquisition of GXS, we acquired an unfunded defined benefit pension plan covering certain German employees which provides for old age, disability and survivors' benefits. The GXS GER plan has been closed to new participants since 2006. Benefits under the GXS GER plan are generally based on a participant’s remuneration, date of hire, years of eligible service and age at retirement. The net periodic cost of this pension plan is determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and estimated service costs. No contributions have been made since the inception of the plan. If actuarial gains or losses are in excess of 10% of the projected benefit obligation, such gains or losses will be amortized and recognized as a component of net periodic benefit costs over the average remaining service period of the plan’s active employees. All information presented below for the GXS GER plan is presented for the period indicated, starting on January 16, 2014, when such plan was assumed by us with the acquisition of GXS.

GXS Philippines Plan

As part of our acquisition of GXS, we acquired a primarily unfunded defined benefit pension plan covering substantially all of the GXS Philippines employees which provides for retirement, disability and survivors' benefits. Benefits under the GXS

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PHP plan are generally based on a participant's remuneration, years of eligible service and age at retirement. The net periodic cost of this pension plan is determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and estimated service costs. Aside from an initial contribution which had a fair value of approximately $33.0 thousand as of June 30, 2015, no additional contributions have been made since the inception of the plan. If actuarial gains or losses are in excess of 10% of the projected benefit obligation, such gains or losses will be amortized and recognized as a component of net periodic benefit costs over the average remaining service period of the plan's active employees. All information presented below for the GXS PHP plan is presented for the period indicated, starting on January 16, 2014, when such plan was assumed by us with the acquisition of GXS.

The following are the details of the change in the benefit obligation for each of the above mentioned pension plans for the periods indicated:

	As of June 30, 2015				As of June 30, 2014			
	CDT	GXS GER	GXS PHP	Total	CDT	GXS GER	GXS PHP	Total
Benefit obligation—beginning of period	$29,344	$24,182	$5,276	$58,802	$23,871	$23,637 *	$5,182 *	$52,690
Service cost	452	360	1,518	2,330	458	173	724	1,355
Interest cost	735	625	289	1,649	877	408	125	1,410
Benefits paid	(495)	(793)	(78)	(1,366)	(522)	(461)	(66)	(1,049)
Actuarial (gain) loss	1,676	2,701	201	4,578	3,595	452	(818)	3,229
Foreign exchange (gain) loss	(5,621)	(4,655)	(181)	(10,457)	1,065	(27)	129	1,167
Benefit obligation—end of period	26,091	22,420	7,025	55,536	29,344	24,182	5,276	58,802
Less: Current portion	(575)	(774)	(26)	(1,375)	(634)	(917)	—	(1,551)
Non-current portion of benefit obligation	$25,516	$21,646	$6,999	$54,161	$28,710	$23,265	$5,276	$57,251

* Beginning benefit obligation as of January 16, 2014.

The following are details of net pension expense relating to the following pension plans:

	Year Ended June 30, 2015				2014				2013			
	CDT	GXS GER	GXS PHP	Total	CDT	GXS GER	GXS PHP	Total	CDT	GXS GER	GXS PHP	Total
Pension expense:												
Service cost	$452	$360	$1,518	$2,330	$458	$173	$724	$1,355	$457	$—	$—	$457
Interest cost	735	625	289	1,649	877	408	125	1,410	888	—	—	888
Amortization of actuarial gains and losses	403	—	—	403	278	—	—	278	277	—	—	277
Net pension expense	$1,590	$985	$1,807	$4,382	$1,613	$581	$849	$3,043	$1,622	$—	$—	$1,622

In determining the fair value of the pension plan benefit obligations as of June 30, 2015 and June 30, 2014, respectively, we used the following weighted-average key assumptions:

	As of June 30, 2015			As of June 30, 2014		
	CDT	GXS GER	GXS PHP	CDT	GXS GER	GXS PHP
Assumptions:						
Salary increases	2.00%	2.00%	7.00%	2.50%	2.00%	7.00%
Pension increases	1.75%	2.00%	3.50%	2.00%	2.00%	6.00%
Discount rate	2.36%	2.54%	4.75%	2.90%	3.00%	5.15%
Normal retirement age	N/A	65-67	60	N/A	65-67	60
Employee fluctuation rate:						
to age 30	1.00%	N/A	N/A	1.00%	N/A	N/A
to age 35	0.50%	N/A	N/A	0.50%	N/A	N/A
to age 40	—%	N/A	N/A	—%	N/A	N/A
to age 45	0.50%	N/A	N/A	0.50%	N/A	N/A
to age 50	0.50%	N/A	N/A	0.50%	N/A	N/A
from age 51	1.00%	N/A	N/A	1.00%	N/A	N/A

Anticipated pension payments under the pension plans for the fiscal years indicated below are as follows:

	Fiscal years ending June 30,		
	CDT	GXS GER	GXS PHP
2016	$575	$774	$26
2017	629	788	35
2018	672	877	43
2019	754	937	105
2020	821	989	69
2021 to 2025	5,039	5,373	1,203
Total	$8,490	$9,738	$1,481

Other Plans

Other plans include defined benefit pension plans that are offered by certain of our foreign subsidiaries. Many of these plans were assumed through our acquisitions or are required by local regulatory requirements. These other plans are primarily unfunded, with the aggregate projected benefit obligation included in our pension liability. The net periodic cost of these plans are determined using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and estimated service costs.

NOTE 12—SHARE CAPITAL, OPTION PLANS AND SHARE-BASED PAYMENTS

Cash Dividends

For the year ended June 30, 2015, pursuant to the Company's dividend policy, we declared total non-cumulative dividends of $0.7175 per Common Share, in the aggregate amount of $87.6 million, which we paid during the same period.

For the year ended June 30, 2014, pursuant to the Company's dividend policy, we paid total non-cumulative dividends of $0.6225 per Common Share, in the aggregate amount of $74.7 million.

For the year ended June 30, 2013, pursuant to the Company's dividend policy, we paid total non-cumulative dividends of $0.15 per Common Share, in the aggregate amount of $17.7 million.

Share Capital

Our authorized share capital includes an unlimited number of Common Shares and an unlimited number of Preference Shares. No Preference Shares have been issued.

Treasury Stock

Repurchase

During the year ended June 30, 2015, we repurchased 240,222 of our Common Shares, in the amount of $10.6 million for potential reissuance under our Long Term Incentive Plans (LTIP) or otherwise. (June 30, 2014—repurchased 25,760 Common Shares for $1.3 million, June 30, 2013—nil).

Reissuance

During the year ended June 30, 2015, we reissued 377,775 Common Shares, respectively, from treasury stock in connection with the settlement of awards granted under our LTIPs and other awards (June 30, 2014—484,238, June 30, 2013—365,232 Common Shares). For more details on this, see "Long Term Incentive Plans" below.

Option Plans

A summary of stock options outstanding under our various stock option plans is set forth below. All numbers shown in the chart below have been adjusted, where applicable, to account for the two-for-one stock splits that occurred on October 22, 2003 and February 18, 2014.

	1998 Stock Option Plan	2004 Stock Option Plan
Date of inception	Jun-98	Oct-04
Eligibility	Eligible employees and directors, as determined by the Board of Directors	Eligible employees and directors, as determined by the Board of Directors
Options granted to date	15,828,580	12,725,742
Options exercised to date	(10,694,360)	(5,710,107)
Options cancelled to date	(5,110,220)	(2,664,270)
Options outstanding	24,000	4,351,365
Termination grace periods	Immediately “for cause”; 90 days for any other reason; 180 days due to death	Immediately “for cause”; 90 days for any other reason; 180 days due to death
Vesting schedule	25% per year, unless other-wise specified	25% per year, unless other-wise specified
Exercise price range	$10.00 - $10.00	$13.85 - $57.29
Expiration dates	2/3/2016	11/5/2015 to 4/30/2022

The following table summarizes information regarding stock options outstanding at June 30, 2015:

Range of Exercise Prices			Options Outstanding			Options Exercisable	
			Number of options Outstanding as of June 30, 2015	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number of options Exercisable as of June 30, 2015	Weighted Average Exercise Price
$10.00	-	$26.22	560,550	2.59	$22.57	449,300	$21.83
26.37	-	29.64	256,773	4.41	27.88	90,979	28.01
30.18	-	30.18	665,123	3.60	30.18	345,123	30.18
31.76	-	49.04	440,079	4.50	37.65	144,832	38.40
50.08	-	50.08	1,123,000	5.46	50.08	279,250	50.08
51.16	-	55.65	1,166,010	6.50	53.88	—	—
57.29	-	57.29	163,830	6.19	57.29	—	—
$10.00		$57.29	4,375,365	4.96	$42.26	1,309,484	$32.32

Share-Based Payments

Total share-based compensation expense for the periods indicated below is detailed as follows:

	Year Ended June 30,		
	2015	2014	2013
Stock options	$12,193	$7,883	$5,751
Performance Share Units (issued under LTIP)	2,287	4,643	6,998
Restricted Share Units (issued under LTIP)	4,574	2,062	1,283
Restricted Share Units (fully vested)	—	3,300	—
Restricted Share Units (other)	955	470	549
Deferred Share Units (directors)	2,038	1,548	985
Restricted stock units (legacy Vignette employees)	—	—	9
Total share-based compensation expense	$22,047	$19,906	$15,575

Summary of Outstanding Stock Options

As of June 30, 2015, options to purchase an aggregate of 4,375,365 Common Shares were outstanding and 3,020,168 Common Shares were available for issuance under our stock option plans. Our stock options generally vest over four years and expire between seven and ten years from the date of the grant. Currently we also have options outstanding that vest over five years, as well as options outstanding that vest based on meeting certain market conditions. The exercise price of all our options is set at an amount that is not less than the closing price of our Common Shares on the NASDAQ on the trading day immediately preceding the applicable grant date.

A summary of activity under our stock option plans for year ended June 30, 2015 and 2014 is as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value ($'000s)
Outstanding at June 30, 2014	4,273,226	$36.35		
Granted	1,368,410	54.33		
Exercised	(476,103)	25.54		
Forfeited or expired	(790,168)	41.25		
Outstanding at June 30, 2015	4,375,365	$42.26	4.96	$ 22,153
Exercisable at June 30, 2015	1,309,484	$32.32	3.48	$ 13,635

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value ($'000s)
Outstanding at June 30, 2013	3,610,782	$24.72		
Granted	2,206,442	46.52		
Exercised	(1,043,646)	21.29		
Forfeited or expired	(500,352)	28.72		
Outstanding at June 30, 2014	4,273,226	$36.35	5.33	$ 52,698
Exercisable at June 30, 2014	912,375	$23.14	3.47	$ 22,624

We estimate the fair value of stock options using the Black-Scholes option-pricing model or, where appropriate, the Monte Carlo Valuation Method, consistent with the provisions of ASC Topic 718, "Compensation—Stock Compensation" (Topic 718) and SEC Staff Accounting Bulletin No. 107. The option-pricing models require input of subjective assumptions, including the estimated life of the option and the expected volatility of the underlying stock over the estimated life of the option. We use historical volatility as a basis for projecting the expected volatility of the underlying stock and estimate the expected life of our stock options based upon historical data.

We believe that the valuation techniques and the approach utilized to develop the underlying assumptions are appropriate in calculating the fair value of our stock option grants. Estimates of fair value are not intended, however, to predict actual future events or the value ultimately realized by employees who receive equity awards.

For the periods indicated, the weighted-average fair value of options and weighted-average assumptions were as follows:

	Year Ended June 30,					
	2015		2014		2013	
Weighted–average fair value of options granted	$13.46		$11.55		$8.39	
Weighted-average assumptions used:						
Expected volatility	32	%	32	%	37	%
Risk–free interest rate	1.41	%	1.34	%	0.66	%
Expected dividend yield	1.23	%	1.32	%	0.31	%
Expected life (in years)	4.33		4.36		4.35	
Forfeiture rate (based on historical rates)	5	%	5	%	5	%
Average exercise share price	$54.33		$46.52		$28.15	
Derived service period (in years)*	2.07		N/A		N/A	

*Options valued using Monte Carlo Valuation Method

As of June 30, 2015, the total compensation cost related to the unvested stock option awards not yet recognized was approximately $34.5 million, which will be recognized over a weighted-average period of approximately 2.5 years.

No cash was used by us to settle equity instruments granted under share-based compensation arrangements.

We have not capitalized any share-based compensation costs as part of the cost of an asset in any of the periods presented.

For the year ended June 30, 2015, cash in the amount of $12.2 million was received as the result of the exercise of options granted under share-based payment arrangements. The tax benefit realized by us during the year ended June 30, 2015 from the exercise of options eligible for a tax deduction was $1.0 million.

For the year ended June 30, 2014, cash in the amount of $22.2 million was received as the result of the exercise of options granted under share-based payment arrangements. The tax benefit realized by us during the year ended June 30, 2014 from the exercise of options eligible for a tax deduction was $1.8 million.

For the year ended June 30, 2013, cash in the amount of $14.2 million was received as the result of the exercise of options granted under share-based payment arrangements. The tax benefit realized by us during the year ended June 30, 2013 from the exercise of options eligible for a tax deduction was $1.3 million.

Long-Term Incentive Plans

We incentivize our executive officers, in part, with long term compensation pursuant to our LTIP. The LTIP is a rolling three year program that grants eligible employees a certain number of target Performance Share Units (PSUs) and/or Restricted Share Units (RSUs). Target PSUs become vested upon the satisfaction of certain financial and/or operational performance criteria (the Performance Conditions) that are determined at the time of the grant. Target RSUs become vested when an eligible employee remains employed throughout the vesting period. LTIP grants that have recently vested, or have yet to vest, are described below. LTIP grants will be referred to in this Annual Report on Form 10-K/A based upon the year in which the grants are expected to vest.

Fiscal 2014 LTIP

Grants made in Fiscal 2012 under the LTIP (collectively referred to as Fiscal 2014 LTIP) took effect in Fiscal 2012 starting on February 3, 2012. Grants made under the Fiscal 2014 LTIP consisted of PSUs and the Performance Conditions for vesting relating to grants were based solely on market conditions. We met these performance

conditions and settled Fiscal 2014

LTIP by issuing 355,553 Common Shares from our treasury stock in the three months ended December 31, 2014, with a cost of approximately $8.5 million.

Fiscal 2015 LTIP

Grants made in Fiscal 2013 under the LTIP (collectively referred to as Fiscal 2015 LTIP), took effect in Fiscal 2013 starting on November 2, 2012 for the RSUs and December 3, 2012 for the PSUs. The Performance Conditions for vesting of the PSUs are based solely upon market conditions. RSUs granted are employee service-based awards and vest over the life of the Fiscal 2015 LTIP. We expect to settle the Fiscal 2015 LTIP awards in stock.

Fiscal 2016 LTIP

Grants made in Fiscal 2014 under the LTIP (collectively referred to as Fiscal 2016 LTIP) consisting of PSUs and RSUs, took effect in Fiscal 2014 starting on November 1, 2013. The Performance Conditions for vesting of the PSUs are based solely upon market conditions. RSUs granted are employee service-based awards and vest over the life of the Fiscal 2016 LTIP. We expect to settle the Fiscal 2016 LTIP awards in stock.

Fiscal 2017 LTIP

Grants made in Fiscal 2015 under the LTIP (collectively referred to as Fiscal 2017 LTIP), consisting of PSUs and RSUs, took effect in Fiscal 2015 starting on September 4, 2014. The Performance Conditions for vesting of the PSUs are based solely upon market conditions. The RSUs are employee service-based awards and vest over the life of the Fiscal 2017 LTIP. We expect to settle the Fiscal 2017 LTIP awards in stock.

PSUs and RSUs granted under the LTIPs have been measured at fair value as of the effective date, consistent with Topic 718, and will be charged to share-based compensation expense over the remaining life of the plan. Stock options granted under the LTIPs have been measured using the Black-Scholes option-pricing model, consistent with Topic 718. We estimate the fair value of PSUs using the Monte Carlo pricing model and RSUs have been valued based upon their grant date fair value.

As of June 30, 2015, the total expected compensation cost related to the unvested LTIP awards not yet recognized was $10.7 million, which is expected to be recognized over a weighted average period of 1.8 years.

Restricted Share Units (RSUs)

During the year ended June 30, 2015, we granted 45,000 RSUs to certain employees in accordance with their employment agreements. The RSUs will vest equally over three years from the respective date of grants. We expect to settle the awards in stock.

Deferred Stock Units (DSUs)

During the year ended June 30, 2015, we granted 38,052 DSUs to certain non-employee directors (June 30, 2014—42,298, June 30, 2013—40,048). The DSUs were issued under our Deferred Share Unit Plan. DSUs granted as compensation for directors fees vest immediately, whereas all other DSUs granted vest at our next annual general meeting following the granting of the DSUs. No DSUs are payable by us until the director ceases to be a member of the Board.

Employee Share Purchase Plan (ESPP)

During the year ended June 30, 2015, cash in the amount of approximately $3.1 million, was received from employees that will be used to purchase Common Shares in future periods (June 30, 2014—$2.6 million, June 30, 2013—$2.1 million).

NOTE 13—GUARANTEES AND CONTINGENCIES

We have entered into the following contractual obligations with minimum payments for the indicated fiscal periods as follows:

	Payments due between				
	Total	July 1, 2015— June 30, 2016	July 1, 2016— June 30, 2018	July 1, 2018— June 30, 2020	July 1, 2020 and beyond
Long-term debt obligations*	$2,088,255	$78,938	$156,944	$155,957	$1,696,416
Operating lease obligations**	200,984	47,642	69,155	44,253	39,934
Purchase obligations	15,457	9,707	5,505	245	—
	$2,304,696	$136,287	$231,604	$200,455	$1,736,350

*Long-term debt obligations include our Senior Notes issued on January 15, 2015. For more details relating to the Senior Notes and the repayments of our Term Loan A and our mortgage, see note 10.
**Net of $2.8 million of sublease income to be received from properties which we have subleased to third parties.

Guarantees and Indemnifications

We have entered into customer agreements which may include provisions to indemnify our customers against third party claims that our software products or services infringe certain third party intellectual property rights and for liabilities related to a breach of our confidentiality obligations. We have not made any material payments in relation to such indemnification provisions and have not accrued any liabilities related to these indemnification provisions in our Consolidated Financial Statements.

Litigation

We are currently involved in various claims and legal proceedings.

Quarterly, we review the status of each significant legal matter and evaluate such matters to determine how they should be treated for accounting and disclosure purposes in accordance with the requirements of ASC Topic 450-20 "Loss Contingencies" (Topic 450-20). Specifically, this evaluation process includes the centralized tracking and itemization of the status of all our disputes and litigation items, discussing the nature of any litigation and claim, including any dispute or claim that is reasonably likely to result in litigation, with relevant internal and external counsel, and assessing the progress of each matter in light of its merits and our experience with similar proceedings under similar circumstances.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss in accordance with Topic 450-20. As of the date of this Annual Report on Form 10-K/A, such aggregated losses were not material to our consolidated financial position or result of operations and we do not believe as of the date of this filing that it is reasonably possible that a loss exceeding the amounts already recognized will be incurred that would be material to our consolidated financial position or results of operations.

Contingencies

As we have previously disclosed, the IRS is examining certain of our tax returns for Fiscal 2010 through Fiscal 2012, and in connection with those examinations is reviewing our internal reorganization in Fiscal 2010 to consolidate certain intellectual property ownership in Luxembourg and Canada and our integration of certain acquisitions into the resulting structure. We also previously disclosed that the examinations may lead to proposed adjustments to our taxes that may be material, individually or in the aggregate, and that we have not recorded any material accruals for any such potential adjustments in our Consolidated Financial Statements.

As part of these examinations, on July 17, 2015 we received from the IRS a Notice of Proposed Adjustment (“NOPA”) in draft form proposing a one-time approximately $280 million increase to our U.S. federal taxes arising from the reorganization in Fiscal 2010 and proposing penalties equal to 20% of the additional taxes, plus interest at the applicable statutory rate (which will continue to accrue until the matter is resolved and may be substantial). A NOPA is an IRS position and does not impose an obligation to pay tax. The draft NOPA may be changed before the final NOPA is issued, including because the IRS reserved the right in the draft NOPA to increase the adjustment. Based on our discussions with the IRS, we expect we will receive an additional NOPA proposing an approximately $80 million increase to our U.S. federal taxes for Fiscal 2012 arising from the integration of Global 360 into the structure that resulted from the reorganization, accompanied by proposed penalties and interest (although there can be no assurance that this will be the amount reflected in the NOPA when received). Depending upon the outcome of these matters, additional state income taxes plus penalties and interest may be due.

We strongly disagree with the IRS’ position and intend to vigorously contest the proposed adjustments to our taxable income. We are examining various alternatives available to taxpayers to contest the proposed adjustments. Any such alternatives could involve a lengthy process and result in the incurrence of significant expenses. As of the date of this Annual Report on Form 10-K, we have not recorded any material accruals in respect of these examinations in our Consolidated Financial Statements. An adverse outcome of these tax examinations could have a material adverse effect on our financial position and results of operations.

As part of our acquisition of GXS, we have inherited a tax dispute in Brazil between the Company’s subsidiary, GXS Tecnologia da Informação (Brasil) Ltda. (GXS Brazil), and the municipality of São Paulo, in connection with GXS

Brazil's judicial appeal of a tax claim in the amount of $2.3 million as of June 30, 2015. We currently have in place a bank guarantee in the amount of $3.6 million in recognition of this dispute. However, we believe that the position of the São Paulo tax authorities is not consistent with the relevant facts and based on information available on the case and other similar matters provided by local counsel, we believe that we can defend our position and that no tax is owed. Although we believe that the facts support

our position, the ultimate outcome of this matter could result in a loss of up to the claim amount discussed above, plus future interest or penalties that may accrue.

Historically, prior to our acquisition of GXS, GXS would charge certain costs to its subsidiaries, including GXS Brazil, primarily based on historical transfer pricing studies that were intended to reflect the costs incurred by subsidiaries in relation to services provided by the parent company to the subject subsidiary. GXS recorded taxes on amounts billed, that were considered to be due based on the intercompany charges. GXS subsequently re-evaluated its intercompany charges to GXS Brazil and related taxes and, upon taking into consideration the current environment and judicial proceedings in Brazil, concluded that it was probable that certain indirect taxes would be assessable and payable based upon the accrual of such intercompany charges and has approximately $6.1 million accrued for the probable amount of a settlement related to the indirect taxes, interest and penalties.

Our Indian subsidiary, GXS India Technology Centre Private Limited (GXS India), is subject to potential assessments by Indian tax authorities in the city of Bangalore. GXS India has received assessment orders from the Indian tax authorities alleging that the transfer price applied to intercompany transactions was not appropriate. Based on advice from our tax advisors, we believe that the facts that the Indian tax authorities are using to support their assessment are incorrect. We have filed appeals and anticipate an eventual settlement with the Indian tax authorities. We have accrued $1.4 million to cover our anticipated financial exposure in this matter.

Please also see "Risk Factors" included in the Original Form 10-K as filed with the SEC on July 29, 2015.

NOTE 14—INCOME TAXES

Our effective tax rate represents the net effect of the mix of income earned in various tax jurisdictions that are subject to a wide range of income tax rates.

The following is a geographical breakdown of income before the provision for income taxes:

	Year Ended June 30,		
	2015	2014	2013
Domestic income	$(26,927)	$(11,623)	$(20,525)
Foreign income	292,971	288,158	198,735
Income before income taxes	$266,044	$276,535	$178,210

The provision for income taxes consisted of the following:

	Year Ended June 30,		
	2015	2014	2013
Current income taxes:			
Domestic	$(839)	$1,424	$747
Foreign	47,055	69,371	34,739
	46,216	70,795	35,486
Deferred income taxes (recoveries):			
Domestic	3,390	5,901	3,126
Foreign	(17,968)	(18,235)	(8,922)
	(14,578)	(12,334)	(5,796)
Provision for income taxes	$31,638	$58,461	$29,690

A reconciliation of the combined Canadian federal and provincial income tax rate with our effective income tax rate is as follows:

	Year Ended June 30,		
	2015	2014	2013
Expected statutory rate	26.5 %	26.5 %	26.5 %
Expected provision for income taxes	$70,501	$73,282	$47,226
Effect of foreign tax rate differences	(57,017)	(52,577)	(27,026)
Change in valuation allowance	6,617	3,281	2,082
Amortization of deferred charges	10,525	11,307	10,922
Effect of permanent differences	1,321	7,643	6,008
Effect of changes in unrecognized tax benefits	(1,800)	13,214	(13,076)
Effect of withholding taxes	3,045	2,234	2,847
Other items	(1,554)	68	8,136
Impact of internal reorganization of subsidiaries and integration of acquisitions	—	9	(7,429)
	$31,638	$58,461	$29,690

Substantially all the tax rate differential for international jurisdictions was driven by earnings in Luxembourg.

The effective GAAP tax rate (which is the provision for taxes expressed as a percentage of net income before taxes) decreased to 11.9% for Fiscal 2015, from 21.1% for Fiscal 2014. The net change is primarily due to a decrease in the net expense of unrecognized tax benefits with related interest and penalties in the amount of $15.0 million, a decrease of $6.3 million in expenses not deductible for tax purposes in Fiscal 2015 compared to Fiscal 2014 and lower net income, having an impact of $7.2 million. The remainder of the differences are due to normal course movements and non-material items.

We have approximately $46.2 million of domestic non-capital loss carryforwards. In addition, we have $648.4 million of foreign non-capital loss carryforwards of which $66.8 million have no expiry date. The remainder of the domestic and foreign losses expires between 2016 and 2035. In addition, investment tax credits of $44.7 million will expire between 2018 and 2035.

The primary components of the deferred tax assets and liabilities are as follows, for the periods indicated below:

	June 30, 2015	2014
Deferred tax assets		
Non-capital loss carryforwards	$223,812	$205,576
Capital loss carryforwards	3,470	3,452
Undeducted scientific research and development expenses	80,804	76,743
Depreciation and amortization	25,974	16,441
Restructuring costs and other reserves	17,271	20,889
Deferred revenue	75,067	75,515
Other	47,581	33,993
Total deferred tax asset	$473,979	$432,609
Valuation allowance	$(133,459)	$(108,734)
Deferred tax liabilities		
Scientific research and development tax credits	$(6,831)	$(6,848)
Acquired intangibles	(180,457)	(165,858)
Other	(37,292)	(23,133)
Deferred tax liabilities	$(224,580)	$(195,839)
Net deferred tax asset	$115,940	$128,036
Comprised of:		
Current assets	$30,711	$28,215
Long-term assets	155,411	161,247
Current liabilities	(997)	(1,053)
Long-term liabilities	(69,185)	(60,373)
	$115,940	$128,036

We believe that sufficient uncertainty exists regarding the realization of certain deferred tax assets that a valuation allowance is required. We continue to evaluate our taxable position quarterly and consider factors by taxing jurisdiction, including but not limited to factors such as estimated taxable income, any historical experience of losses for tax purposes and the future growth of OpenText.

The aggregate changes in the balance of our gross unrecognized tax benefits (including interest and penalties) were as follows:

Unrecognized tax benefits as of July 1, 2013	$148,903
Increases on account of current year positions	5,037
Increases on account of prior year positions*	45,266
Decreases due to settlements with tax authorities	(2,321)
Decreases due to lapses of statutes of limitations	(6,666)
Unrecognized tax benefits as of July 1, 2014	$190,219
Increases on account of current year positions	5,881
Increases on account of prior year positions	1,376
Decreases due to settlements with tax authorities	(3,084)
Decreases due to lapses of statutes of limitations	(14,143)
Unrecognized tax benefits as of June 30, 2015	$180,249

* Included in these balances as of June 30, 2014 are acquired balances of $17.4 million relating to the acquisition of GXS.

Included in the above tabular reconciliation are unrecognized tax benefits of $25.1 million relating to deferred tax assets in jurisdictions in which these deferred tax assets are offset with valuation allowances. The net unrecognized tax benefit excluding these deferred tax assets is $155.1 million as of June 30, 2015 ($162.6 million as of June 30, 2014).

We recognize interest expense and penalties related to income tax matters in income tax expense.

For the years ended June 30, 2015, 2014 and 2013, we recognized the following amounts as income tax-related interest expense and penalties:

	Year Ended June 30,		
	2015	2014	2013
Interest expense (income)	$4,451	$6,969	$(736)
Penalties expense (recoveries)	(2,032)	287	65
Total	$2,419	$7,256	$(671)

As of June 30, 2015 and June 30, 2014, the following amounts have been accrued on account of income tax-related interest expense and penalties:

	As of June 30, 2015	As of June 30, 2014
Interest expense accrued *	$28,827	$26,235
Penalties accrued *	$5,040	$7,858

* These balances have been included within "Long-term income taxes payable" within the Consolidated Balance Sheets.

We believe that it is reasonably possible that the gross unrecognized tax benefits, as of June 30, 2015, could decrease tax expense in the next 12 months by $15.6 million, relating primarily to the expiration of competent authority relief and tax years becoming statute barred for purposes of future tax examinations by local taxing jurisdictions.

Our four most significant tax jurisdictions are Canada, the United States, Luxembourg and Germany. Our tax filings remain subject to audits by applicable tax authorities for a certain length of time following the tax year to which those filings relate. For Canada, the United States, Luxembourg and Germany, the earliest fiscal years open for examination are 2008, 2010, 2011 and 2008, respectively.

We are subject to tax audits in all major taxing jurisdictions in which we operate and currently have tax audits open in Canada, the United States, France, Spain, Germany, India, and the Netherlands. On a quarterly basis we assess the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for income and other taxes.

The timing of the resolution of income tax audits is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ from the amounts accrued. It is reasonably possible that within the next 12 months we will receive additional assessments by various tax authorities or possibly reach resolution of income tax audits in one or more jurisdictions. These assessments or settlements may or may not result in changes to our contingencies related to positions on tax filings. The actual amount of any change could vary significantly depending on the ultimate timing and nature of any settlements. We cannot currently provide an estimate of the range of possible outcomes. For more information relating to certain tax audits, please refer to note 13.

As at June 30, 2015, we have provided $12.1 million (June 30, 2014—$7.6 million) in respect of both additional foreign withholding taxes or deferred income tax liabilities for temporary differences related to the undistributed earnings of certain non-United States subsidiaries, and planned periodic repatriations from certain United States and Luxembourg subsidiaries, that will be subject to withholding taxes upon distribution. We have not provided for additional foreign withholding taxes or deferred income tax liabilities related to undistributed earnings of all other non-Canadian subsidiaries, since such earnings are considered permanently invested in those subsidiaries, or are not subject to withholding taxes. It is not practicable to reasonably estimate the amount of additional deferred income tax liabilities or foreign withholding taxes that may be payable should these earnings be distributed in the future.

NOTE 15—FAIR VALUE MEASUREMENTS

ASC Topic 820 “Fair Value Measurements and Disclosures” (Topic 820) defines fair value, establishes a framework for measuring fair value, and addresses disclosure requirements for fair value measurements. Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value, in this context, should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk, including our own credit risk.

In addition to defining fair value and addressing disclosure requirements, Topic 820 establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1—inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2—inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis:

Our financial assets and liabilities measured at fair value on a recurring basis consisted of the following types of instruments as of June 30, 2015 and June 30, 2014:

	June 30, 2015				June 30, 2014			
		Fair Market Measurements using:				Fair Market Measurements using:		
	June 30, 2015	Quoted prices in active markets for identical assets/ (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	June 30, 2014	Quoted prices in active markets for identical assets/ (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets:								
Corporate bonds*	20,274	n/a	20,274	n/a	—	n/a	—	n/a
Derivative financial instrument asset (note 16)	273	n/a	273	n/a	756	n/a	756	n/a
	$ 20,547	n/a	$ 20,547	n/a	$ 756	n/a	$ 756	n/a

*These assets in the table above are classified as Level 2 as certain specific assets included within may not have quoted prices that are readily accessible in an active market or we may have relied on alternative pricing methods that do not rely exclusively on quoted prices to determine the fair value of the investments.

Our valuation techniques used to measure the fair values of the derivative instruments, the counterparty to which has high credit ratings, were derived from pricing models including discounted cash flow techniques, with all significant inputs derived from or corroborated by observable market data, as no quoted market prices exist for these instruments. Our discounted cash flow techniques use observable market inputs, such as, where applicable, foreign currency spot and forward rates.

Our cash and cash equivalents, along with our accounts receivable and accounts payable and accrued liabilities balances, are measured and recognized in our Consolidated Financial Statements at an amount that approximates their

fair value (a Level 2 measurement) due to their short maturities.

A summary of our marketable securities outstanding as of June 30, 2015 is as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Corporate bonds	$ 20,286	$ 2	$ (14)	$ 20,274

The long-term portion of the marketable securities are included within "Other Assets" in the Consolidated Balance Sheets.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

We measure certain assets at fair value on a nonrecurring basis. These assets are recognized at fair value when they are deemed to be other-than-temporarily impaired. During the years ended June 30, 2015 and 2014, no indications of impairment were identified and therefore no fair value measurements were required.

If applicable, we will recognize transfers between levels within the fair value hierarchy at the end of the reporting period in which the actual event or change in circumstance occurs. During the years ended June 30, 2015 and 2014, we did not have any transfers between Level 1, Level 2 or Level 3.

Marketable Securities

Marketable Securities are classified as available for sale securities and are recorded on our Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a separate component of Accumulated Other Comprehensive Income.

NOTE 16—DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Foreign Currency Forward Contracts

We are engaged in hedging programs with relationship banks to limit the potential foreign exchange fluctuations incurred on future cash flows relating to a portion of our Canadian dollar payroll expenses. We operate internationally and are therefore exposed to foreign currency exchange rate fluctuations in the normal course of our business, in particular to changes in the Canadian dollar on account of large costs that are incurred from our centralized Canadian operations, which are denominated in Canadian dollars. As part of our risk management strategy, we use foreign currency forward contracts to hedge portions of our payroll exposure with typical maturities of between one and twelve months. We do not use derivatives for speculative purposes.

We have designated these transactions as cash flow hedges of forecasted transactions under ASC Topic 815 “Derivatives and Hedging” (Topic 815). As the critical terms of the hedging instrument, and of the entire hedged forecasted transaction, are the same, in accordance with Topic 815 we have been able to conclude that changes in fair value or cash flows attributable to the risk being hedged are expected to completely offset at inception and on an ongoing basis. Accordingly, quarterly unrealized gains or losses on the effective portion of these forward contracts have been included within other comprehensive income. The fair value of the contracts, as of June 30, 2015, is recorded within “Prepaid expenses and other current assets”.

As of June 30, 2015, the notional amount of forward contracts we held to sell U.S. dollars in exchange for Canadian dollars was $76.4 million (June 30, 2014—$99.6 million).

Fair Value of Derivative Instruments and Effect of Derivative Instruments on Financial Performance

The effect of these derivative instruments on our Consolidated Financial Statements for the periods indicated below were as follows (amounts presented do not include any income tax effects).

Fair Value of Derivative Instruments in the Consolidated Balance Sheets (see note 15)

Derivatives	Balance Sheet Location	As of June 30, 2015 Fair Value Asset (Liability)	As of June 30, 2014 Fair Value Asset (Liability)
Foreign currency forward contracts designated as cash flow hedges	Prepaid expenses and other current assets	$ 273	$ 756

Effects of Derivative Instruments on Income and Other Comprehensive Income (OCI)
Year Ended June 30, 2015

Derivatives in Cash Flow Hedging Relationship	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency forward contracts	$(8,252)	Operating expenses	$(7,769)	N/A	—

Year Ended June 30, 2014

Derivatives in Cash Flow Hedging Relationship	Amount of Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency forward contracts	$(485)	Operating expenses	$(4,411)	N/A	—

NOTE 17—SPECIAL CHARGES (RECOVERIES)

Special charges include costs that relate to certain restructuring initiatives that we have undertaken from time to time under our various restructuring plans, as well as acquisition-related costs and other similar charges.

	Year Ended June 30,		
	2015	2014	2013
Fiscal 2015 Restructuring Plan	$8,218	$—	$—
OpenText/GXS Restructuring Plan	8,163	19,306	—
Restructuring Plans prior to OpenText/GXS Restructuring Plan	(1,809)	7,492	16,339
Acquisition-related costs	4,462	10,074	4,925
Other charges (recoveries)	(6,211)	(5,558)	2,770
Total	$12,823	$31,314	$24,034

Fiscal 2015 Restructuring Plan

In the third quarter of Fiscal 2015 and in the context of the acquisition of Actuate, we began to implement restructuring activities to streamline our operations (OpenText/Actuate Restructuring Plan). We subsequently announced, on May 20, 2015 that we were initiating a restructuring program in conjunction with organizational changes to support our cloud strategy and drive further operational efficiencies. These charges are combined with the

OpenText/Actuate Restructuring Plan (collectively referred to as the Fiscal 2015 Restructuring Plan) and are presented below. The Fiscal 2015 Restructuring Plan charges relate to workforce reductions and facility consolidations. These charges require management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. Our estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. On a quarterly basis, we conduct an evaluation of the related liabilities and expenses and revise our assumptions and estimates as appropriate.

As of June 30, 2015, we expect total costs to be incurred in conjunction with the Fiscal 2015 Restructuring Plan to be approximately $32.0 to $35.0 million, of which $8.0 million has already been recorded within Special charges to date. We expect the Fiscal 2015 Restructuring Plan to be substantially completed by the end of our fiscal year ended June 30, 2016.

A reconciliation of the beginning and ending liability for the year ended June 30, 2015 is shown below.

Fiscal 2015 Restructuring Plan	Workforce reduction	Facility costs	Total
Balance as of June 30, 2014	$—	$—	$—
Accruals and adjustments	6,015	2,203	8,218
Cash payments	(2,135)	(61)	(2,196)
Foreign exchange	(38)	(16)	(54)
Balance as of June 30, 2015	$3,842	$2,126	$5,968

OpenText/GXS Restructuring Plan

In the third quarter of Fiscal 2014 and in the context of the acquisition of GXS, we began to implement restructuring activities to streamline our operations (OpenText/GXS Restructuring Plan). These charges relate to workforce reductions, facility consolidations and other miscellaneous direct costs. These charges require management to make certain judgments and estimates regarding the amount and timing of restructuring charges or recoveries. Our estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. On a quarterly basis, we conduct an evaluation of the related liabilities and expenses and revise our assumptions and estimates as appropriate.

Since the inception of the plan $27.5 million has been recorded within Special charges. We do not expect to incur any further significant charges related to this plan.

A reconciliation of the beginning and ending liability for the years ended June 30, 2015 and 2014 are shown below.

OpenText/GXS Restructuring Plan	Workforce reduction	Facility costs	Other	Total
Balance as of June 30, 2014	$5,051	$6,028	$—	$11,079
Accruals and adjustments	5,244	1,159	1,760	8,163
Cash payments	(6,848)	(2,914)	(1,760)	(11,522)
Foreign exchange	(601)	163	—	(438)
Balance as of June 30, 2015	$2,846	$4,436	$—	$7,282

OpenText/GXS Restructuring Plan	Workforce reduction	Facility costs	Total
Balance as of June 30, 2013	$—	$—	$—
Accruals and adjustments	13,017	6,289	19,306
Cash payments	(7,739)	(415)	(8,154)
Foreign exchange	(227)	154	(73)
Balance as of June 30, 2014	$5,051	$6,028	$11,079

Acquisition-related costs

Included within Special charges for the year ended June 30, 2015 are costs incurred directly in relation to acquisitions in the amount of $4.0 million (June 30, 2014—$8.6 million, June 30, 2013—$2.9 million). Additionally, we incurred costs relating to financial advisory, legal, valuation and audit services and other miscellaneous costs necessary to integrate acquired companies into our organization for the year ended June 30, 2015 in the amount of $0.5 million (June 30, 2014—$1.5 million, June 30, 2013—$2.0 million).

Other charges (recoveries)

For the year ended ended June 30, 2015, "Other charges (recoveries)" primarily includes (i) a recovery of $8.8 million relating to certain pre-acquisition tax liabilities being released based upon settlement, (ii) a recovery of $2.7 million relating to certain pre-acquisition tax liabilities becoming statute barred and (iii) a recovery of $1.4 million relating to interest released on certain pre-acquisition liabilities. These recoveries were offset by charges of $2.9 million relating to the write-off of unamortized debt issuance costs associated with the repayment of Term Loan A, $2.1 million

relating to post-business

combination compensation obligations associated with the acquisition of Actuate and $1.2 million relating to a reduction in leasehold improvements associated with a restructured facility. The remaining amounts relate to miscellaneous other charges.

Included within "Other charges (recoveries)" for the year ended June 30, 2014 is a net recovery of $7.0 million relating to a reduction of certain pre-acquisition tax liabilities, along with the associated interest accrual. This recovery was offset by a charge of $1.4 million relating to a settlement agreement reached in connection with the acquisition of IXOS Software AG in February 2004.

Included within "Other charges (recoveries)" for the year ended June 30, 2013 are charges of $1.9 million relating to interest accrued on certain pre-acquisition sales tax liabilities, a charge of $0.4 million relating to an allocated portion of a litigation settlement reached in relation to a legacy acquisition litigation matter, and a charge of $0.5 million relating to miscellaneous other charges.

NOTE 18—ACQUISITIONS

Acquisition of Actuate Corporation

On January 16, 2015, we acquired Actuate Corporation (Actuate), based in San Francisco, California, United States. Actuate was a leader in personalized analytics and insights and we believe the acquisition complements our OpenText EIM Suite. In accordance with Topic 805 "Business Combinations" (Topic 805), this acquisition was accounted for as a business combination.

The results of operations of Actuate have been consolidated with those of OpenText beginning January 16, 2015.

The following tables summarize the preliminary consideration paid for Actuate and the amount of the assets acquired and liabilities assumed, as well as the goodwill recorded as of the acquisition date:

Cash consideration*	$322,417
Fair value, at date of acquisition, on shares of Actuate already owned through open market purchases	9,539
Preliminary purchase consideration	$331,956
Acquisition-related costs (included in Special charges in the Consolidated Statements of Income) for the year ended June 30, 2015	$3,340

*Inclusive of $8.2 million accrued for but unpaid as of June 30, 2015.

Preliminary Purchase Price Allocation

The recognized amounts of identifiable assets acquired and liabilities assumed, based upon their fair values as of January 16, 2015, are set forth below:

Current assets (inclusive of cash acquired of $22,463)	$78,150	
Non-current tangible assets	13,540	
Intangible customer assets	62,600	
Intangible technology assets	60,000	
Liabilities assumed	(79,686	)
Total identifiable net assets	134,604	
Goodwill	197,352	
Net assets acquired	$331,956	

The finalization of the purchase price allocation is pending the determination of the finalization of the fair value for taxation-related balances and for potential unrecorded liabilities. We expect to finalize this determination on or before December 31, 2015.

No portion of the goodwill recorded upon the acquisition of Actuate is expected to be deductible for tax purposes.

The fair value of current assets acquired includes accounts receivable with a fair value of $23.4 million. The gross amount receivable was $23.6 million of which $0.2 million of this receivable was expected to be uncollectible.

We recognized a gain of $3.1 million as a result of remeasuring to fair value our investment in Actuate held before the date of acquisition. The gain is included in "Other income" in our Consolidated Financial Statements.

The amount of Actuate's revenues and net income included in our Consolidated Statements of Income for the year ended June 30, 2015 is set forth below:

	January 16, 2015— June 30, 2015
Revenues	$ 34,093
Net loss *	$ (14,242)

* Net loss includes one-time fees of approximately $6.2 million on account of special charges, and $12.7 million of amortization charges relating to intangible assets. These losses were offset by a tax recovery of $6.0 million.
The unaudited pro forma revenues and net income of the combined entity for the year ended June 30, 2015 and 2014, respectively, had the acquisition been consummated as of July 1, 2013, are set forth below:

	Year Ended June 30,	
	2015	2014
Supplemental Unaudited Pro forma Information		
Total revenues	$ 1,907,532	$ 1,739,995
Net income (1) (2)	$ 210,054	$ 196,879

(1) Included in pro forma net income for the year ended June 30, 2015 are approximately $12.8 million of one-time expenses incurred by Actuate on account of the acquisition. These one-time expenses include i) approximately $3.4 million in employee change in control payments, ii) approximately $3.9 million of post-business combination compensation obligations associated with the acquisition, and iii) approximately $5.5 million of transaction fees triggered by the closing of the acquisition.
(2) Included in pro forma net income are estimated amortization charges relating to the allocated values of intangible assets.
The unaudited pro forma financial information in the table above is presented for information purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the periods presented or the results that may be realized in the future.
Informative Graphics Corporation
On January 2, 2015, we acquired Informative Graphics Corporation (IGC), based in Scottsdale, Arizona, United States. IGC was a leading developer of viewing, annotation, redaction and publishing commercial software. Total consideration for IGC was $40.0 million ($38.7 million - net of cash acquired), of which $36.5 million was paid in cash, and $3.5 million is currently held back and unpaid in accordance with the purchase agreement. In accordance with Topic 805, this acquisition was accounted for as a business combination. We believe this acquisition will enable OpenText to engineer solutions that further increase a user's experience within our OpenText EIM Suite.
The finalization of the purchase price allocation is pending the determination of the finalization of the fair value for taxation-related balances and for potential unrecorded liabilities. We expect to finalize this determination on or before December 31, 2015.
Acquisition related costs for IGC included in Special charges in the Consolidated Statements of Income for the year ended June 30, 2015 were $0.4 million.
The results of operations of IGC have been consolidated with those of OpenText beginning January 2, 2015.
The acquisition had no significant impact on revenues and net earnings for the year ended June 30, 2015. There was also no significant impact on the Company's revenues and net income on a pro forma basis for all periods presented.
Fiscal 2014
GXS Group, Inc.
On January 16, 2014, we acquired GXS, a Delaware corporation and leader in cloud-based, business-to-business (B2B) integration. The acquisition combined OpenText's Information Exchange portfolio with GXS' portfolio of B2B integration services and managed services. Total consideration for GXS was $1.2 billion, inclusive of the issuance of 2,595,042 OpenText Common Shares. In accordance with Topic 805, this acquisition was accounted for as a business combination.
The results of operations of GXS have been consolidated with those of OpenText beginning January 16, 2014.
The following tables summarize the consideration paid for GXS and the amount of the assets acquired and liabilities assumed, as well as the goodwill recorded as of the acquisition date:

Cash consideration paid	$1,101,874
Equity consideration paid	116,777
Purchase consideration	$1,218,651

As set forth in the purchase agreement, $60.0 million of the total cash consideration paid was provided to an escrow agent for indemnification purposes. During the three months ended December 31, 2014, $30.0 million of the total amount that was held in escrow was released. The remaining $30.0 million will remain in escrow, for indemnification purposes, until January 2016, pursuant to the purchase agreement.

Purchase Price Allocation

The purchase price of GXS has been allocated to GXS' tangible and identifiable intangible assets acquired and liabilities assumed, based on their estimated fair values as of the acquisition date. For certain assets and liabilities, the book values as of the balance sheet date have been determined to reflect fair values. The excess of the purchase price over the net tangible and identifiable intangible assets has been recorded as goodwill.

Our purchase price allocation for GXS is as follows:

Current assets (inclusive of cash acquired of $24,382)	$127,406
Non-current tangible assets	36,139
Intangible customer assets	364,600
Intangible technology assets	123,200
Liabilities and non-controlling interest assumed	(105,459)
Total identifiable net assets	545,886
Goodwill	672,765
Net assets acquired	$1,218,651

During Fiscal 2015, we reduced the carrying value of certain tax liabilities and goodwill by $23.5 million, which, in accordance with Topic 805, has been accounted for retrospectively in the consolidated financial statements.

No portion of the goodwill recorded upon the acquisition of GXS is expected to be deductible for tax purposes.

The fair value of current assets acquired includes accounts receivable with a fair value of $94.3 million. The gross amount receivable was $108.2 million of which $13.9 million of this receivable was expected to be uncollectible.

Cordys Holding B.V.

On August 15, 2013, we acquired Cordys Holding B.V. (Cordys), a leading provider of Business Process Management (BPM) and case management solutions, offered on one platform with cloud, mobile, and social capabilities, based in Putten, the Netherlands. Total consideration for Cordys was $33.2 million paid in cash ($30.6 million - net of cash acquired). In accordance with Topic 805, this acquisition was accounted for as a business combination.

The results of operations of Cordys have been consolidated with those of OpenText beginning August 15, 2013. The acquisition had no significant impact on revenues and net income for the year ended June 30, 2014. There was also no significant impact on the Company's revenues and net income on a pro forma basis for all periods presented.

Fiscal 2013

EasyLink Services International Corporation

On July 2, 2012, we acquired EasyLink Services International Corporation (EasyLink), a global provider of cloud-based electronic messaging and business integration services, based in Atlanta, Georgia. The acquisition extended our product offerings as we continue to evolve in the Enterprise Information Management market category. Total consideration for EasyLink was $342.3 million, paid in cash. In accordance with Topic 805, this acquisition was accounted for as a business combination.

The results of operations of EasyLink have been consolidated with those of OpenText beginning July 2, 2012.

The following tables summarize the consideration paid for EasyLink and the amount of the assets acquired and liabilities assumed, as well as the goodwill recorded as of the acquisition date:

Cash consideration paid	$342,272

The recognized amounts of identifiable assets acquired and liabilities assumed, based upon their fair values as of July 2, 2012, are set forth below:

Current assets (inclusive of cash acquired of $26,941)	$74,560
Non-current assets	35,024
Intangible customer assets	126,600
Intangible technology assets	70,500
Total liabilities assumed	(148,028)
Total identifiable net assets	158,656
Goodwill	183,616
	$342,272

No portion of the goodwill recorded upon the acquisition of EasyLink is expected to be deductible for tax purposes. Included within current assets were accounts receivable of $26.2 million at July 2, 2012. This amount was substantially collected as of June 30, 2013.

Other Fiscal 2013 Acquisitions

During Fiscal 2013, we acquired certain other companies and purchased certain technology and customer assets to expand our product and service offerings. These acquisitions were not significant individually or in the aggregate.

NOTE 19—SEGMENT INFORMATION

ASC Topic 280, “Segment Reporting” (Topic 280), establishes standards for reporting, by public business enterprises, information about operating segments, products and services, geographic areas, and major customers. The method of determining what information, under Topic 280, to report is based on the way that an entity organizes operating segments for making operational decisions and how the entity’s management and chief operating decision maker (CODM) assess an entity’s financial performance. Our operations are analyzed by management and our CODM as being part of a single industry segment: the design, development, marketing and sales of Enterprise Information Management software and solutions.

The following table sets forth the distribution of revenues, by significant geographic area, for the periods indicated:

	Year Ended June 30,		
	2015	2014	2013
Revenues:			
Canada	$113,780	$117,225	$103,076
United States	887,895	725,852	611,902
United Kingdom	194,131	169,511	131,745
Germany	167,427	162,966	138,073
Rest of Europe	276,742	255,419	223,444
All other countries	211,942	193,726	155,096
Total revenues	$1,851,917	$1,624,699	$1,363,336

The following table sets forth the distribution of long-lived assets, representing property and equipment and intangible assets, by significant geographic area, as of the periods indicated below.

	As of June 30, 2015	As of June 30, 2014
Long-lived assets:		
Canada	$64,622	$68,189
United States	653,576	644,051
United Kingdom	10,988	14,132
Germany	5,320	5,534
Rest of Europe	73,905	119,686
All other countries	31,487	15,987
Total	$839,898	$867,579

NOTE 20—SUPPLEMENTAL CASH FLOW DISCLOSURES

	Year Ended June 30,				
	2015		2014	2013	
Cash paid during the period for interest	$34,658	*	$26,697	$16,299	
Cash received during the period for interest	$3,905		$2,463	$1,439	
Cash paid during the period for income taxes	$25,870		$39,834	$52,827	**

*We entered into Term Loan B on January 16, 2014 (see note 10). For the year ended June 30, 2015, this amount includes $26.1 million, of interest related to this new credit facility.

**Cash paid for taxes for the year ended June 30, 2013 include payments of $24.2 million related to taxes exigible on internal reorganizations of our international subsidiaries.

We issued the Senior Notes on January 16, 2015. Interest owing on the Senior Notes is payable semi-annually starting on July 15, 2015 (see note 10).

NOTE 21—EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income, attributable to OpenText, by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share are computed by dividing net income, attributable to OpenText, by the shares used in the calculation of basic earnings per share plus the dilutive effect of Common Share equivalents, such as stock options, using the treasury stock method. Common Share equivalents are excluded from the computation of diluted earnings per share if their effect is anti-dilutive.

	Year Ended June 30,		
	2015	2014	2013
Basic earnings per share			
Net income attributable to OpenText	$234,327	$218,125	$148,520
Basic earnings per share attributable to OpenText	$1.92	$1.82	$1.27
Diluted earnings per share			
Net income attributable to OpenText	$234,327	$218,125	$148,520
Diluted earnings per share attributable to OpenText	$1.91	$1.81	$1.26
Weighted-average number of shares outstanding			
Basic	122,092	119,674	117,208
Effect of dilutive securities	865	902	916
Diluted	122,957	120,576	118,124
Excluded as anti-dilutive*	1,859	880	2,262

* Represents options to purchase Common Shares excluded from the calculation of diluted earnings per share because the exercise price of the stock options was greater than or equal to the average price of the Common Shares during the period.

NOTE 22—RELATED PARTY TRANSACTIONS

Our procedure regarding the approval of any related party transaction requires that the material facts of such transaction be reviewed by the independent members of our Board and the transaction be approved by a majority of the independent members of the Board. The Board reviews all transactions in which we are, or will be, a participant and any related party has or will have a direct or indirect interest. In determining whether to approve a related party transaction, the Board generally takes into account, among other facts it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; the extent and nature of the related person's interest in the transaction; the benefits to the Company of the proposed transaction; if applicable, the effects on a director's independence; and if applicable, the availability of other sources of comparable services or products.

During the year ended June 30, 2015, Mr. Stephen Sadler, a director, earned $0.5 million (June 30, 2014—$0.7 million, June 30, 2013—$0.6 million) in consulting fees from OpenText primarily for services rendered relating to the acquisitions of Actuate and IGC. Mr. Sadler abstained from voting on all transactions from which he would potentially derive consulting fees.

NOTE 23—SUBSEQUENT EVENTS

Normal Course Issuer Bid

On July 28, 2015, our board of directors authorized the repurchase of up to $200 million of our Common Shares. Shares may be repurchased from time to time in the open market, private purchases through forward, derivative, accelerated repurchase or automatic repurchase transactions or otherwise. Certain of our share repurchases may from time to time be effected through repurchase plans. The timing of any repurchases will depend on market conditions, our financial condition, results of operations, liquidity and other factors.

Cash Dividends

As part of our quarterly, non-cumulative cash dividend program, we declared, on July 28, 2015, a dividend of $0.20 per Common Share. The record date for this dividend is August 28, 2015 and the payment date is September 18, 2015. Future declarations of dividends and the establishment of future record and payment dates are subject to the final determination and discretion of our Board of Directors.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OPEN TEXT CORPORATION

Date: July 31, 2015

By: /s/ MARK J. BARRENECHEA
Mark J. Barrenechea
President and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

OPEN TEXT CORPORATION

Date: July 31, 2015

By: /s/ MARK J. BARRENECHEA
Mark J. Barrenechea
President and Chief Executive Officer
(Principal Executive Officer)
/s/ JOHN M. DOOLITTLE
John M. Doolittle
Chief Financial Officer
(Principal Financial Officer)
/s/ SUJEET KINI
Sujeet Kini
Chief Accounting Officer
(Principal Accounting Officer)

DIRECTORS

Signature	Title	Date
/s/ MARK J. BARRENECHEA Mark J. Barrenechea	Director, President and Chief Executive Officer (Principal Executive Officer)	July 31, 2015
/S/ P. THOMAS JENKINS P. Thomas Jenkins	Chairman of the Board	July 31, 2015
/S/ RANDY FOWLIE Randy Fowlie	Director	July 31, 2015
/S/ GAIL E. HAMILTON Gail E. Hamilton	Director	July 31, 2015
/S/ BRIAN J. JACKMAN Brian J. Jackman	Director	July 31, 2015
/S/ DEBORAH WEINSTEIN Deborah Weinstein	Director	July 31, 2015
/S/ STEPHEN J. SADLER Stephen J. Sadler	Director	July 31, 2015
/S/ MICHAEL SLAUNWHITE Michael Slaunwhite	Director	July 31, 2015
/S/ KATHARINE B. STEVENSON Katharine B. Stevenson	Director	July 31, 2015