UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1997

OR

[ ] TRANSITION QUARTERLY 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)

ONTARIO	98-0154400
(State of other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

185 Columbia Street West, Waterloo, Ontario, Canada N2L 5Z5

(Address of principal executive offices)

Registrant's telephone number, including area code: (519) 888-7111

Indicate by check mark whether the registrant (1) has filed all reports 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 _X_ No ___

At November 7, 1997 there were 17,617,273 outstanding Common Shares of the registrant.

OPEN TEXT CORPORATION

TABLE OF CONTENTS

Part I: Financial Information
Item 1. Condensed Consolidated Financial Statements

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

	September 30, 1997 (unaudited)	June 30, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 29,930	$ 31,762
Accounts receivable - trade, net of allowance for doubtful accounts of $294 as of September 30, 1997 and $350 as of June 30, 1997	9,574	8,623
Prepaid expenses	1,691	1,852
Other current assets	197	555
Total current assets	41,392	42,792
Furniture and equipment	4,851	5,054
Other investments, at cost (and market value)	1,428	1,591
Other assets	2,742	2,908
Total assets	$ 50,413	$ 52,345
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable - trade, and accrued liabilities (Note 3)	$ 8,666	$ 8,949
Current portion of obligations under capital leases	458	430
Total current liabilities	9,124	9,379
Obligations under capital leases	378	511
Total liabilities	9,502	9,890
Shareholders' equity:		
Share capital		
17,583,436 and 17,204,120 Common Shares issued and outstanding at September 30, 1997 and June 30, 1997 respectively	102,443	101,103
Other shareholders' equity	(61,532)	(58,648)
Total shareholders' equity	40,911	42,455
Total liabilities and shareholders' equity	$ 50,413	$ 52,345

See accompanying notes to condensed consolidated financial statements

OPEN TEXT CORPORATION

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

	Three months ended September 30,	
	1997	1996
	(unaudited)	
Revenues:		
License	$ 4,422	$ 2,148
Service	3,272	1,894
Total revenues	7,694	4,042
Cost of revenues:		
License	232	202
Service	1,925	1,443
Total cost of revenues	2,157	1,645
Gross profit	5,537	2,397
Operating expenses:		
Research and development	1,804	1,484
Sales and marketing	4,382	2,721
General and administrative	1,110	1,248
Amortization	475	406
Restructuring reserve	—	650
Total operating expenses	7,771	6,509
Loss from operations	(2,234)	(4,112)
Other income	517	558
Loss before income taxes	(1,717)	(3,554)
Income tax recovery	250	—
Net loss for the period	$ (1,467)	$ (3,554)
Basic and fully diluted loss per share	$ (0.08)	$ (0.22)
Weighted average number of Common Shares outstanding	17,468	16,346

See accompanying notes to condensed consolidated financial statements

OPEN TEXT CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In US Dollars)
(in thousands)

	Three months ended September 30, 1997	1996
	(unaudited)	
Net cash used in operating activities	$ (2,865)	$ (4,036)
Cash flows used in investing activities:		
Acquisitions of furniture and equipment	(291)	(896)
Purchase of other investments	—	(1,105)
Repayment (additions) to other assets	81	(986)
Net cash used in investing activities	(210)	(2,987)
Cash flow from financing activities:		
Payments of obligations under capital leases, including current portion	(105)	(238)
Proceeds from exercise of Stock Options	1,340	2
Employee share purchase loans	8	(386)
Net cash provided by (used in) financing activities	1,243	(622)
Decrease in cash and cash equivalents during the period	(1,832)	(7,645)
Cash and cash equivalents at beginning of year	31,762	51,139
Cash and cash equivalents at end of period	$ 29,930	$ 43,494

See accompanying notes to condensed consolidated financial statements

OPEN TEXT CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for three months ended September 30, 1997
(unaudited)
(dollar amounts in thousands, except share data)

NOTE 1—NATURE OF OPERATIONS

Open Text Corporation (the "Company") develops, markets, licenses and supports collaborative knowledge management application software for use on intranets, extranets and the Internet that enables users to find electronically stored information, work together in creative and collaborative processes and distribute or make available to users across networks or the Internet the resulting work product and other information. The Company markets and sells its software to commercial end-users across many industries mainly through direct sales efforts and to a lesser extent OEM's and VAR's. The Company's shares trade publicly on the Nasdaq Stock Market - National Market, under the symbol OTEXF.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Open Text Corporation and its wholly owned subsidiaries, collectively referred to as the "Company". All intercompany balances and transactions have been eliminated.

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared pursuant to the Securities and Exchange Commission rules and regulations for Form 10-Q. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes in the Company's 1997 annual report on Form 10-K.

The information furnished reflects, in the opinion of the management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

These consolidated financial statements are expressed in US dollars and are prepared in accordance with US generally accepted accounting principles.

Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

All liquid investments with an original maturity of three months or less at the date of acquisition are classified as cash equivalents.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture and equipment

Furniture and equipment are stated at cost and are depreciated on a declining balance basis over the estimated useful lives of the related assets, generally two to five years. Leased assets are amortized on a declining balance basis over the lesser of the estimated useful life or the lease term. Gains and losses upon asset disposal are taken into income in the year of disposition.

Revenue recognition

a) License revenues

License revenues consist primarily of revenues from software license agreements. Revenues from the sale of software products are recognized upon delivery of the product if remaining vendor obligations are insignificant and collection of the resulting receivable is probable.

b) Service revenues

Service revenues consist of revenues from consulting contracts, customer support agreements and training and integration services contracts. Contract revenues are derived from contracts to develop applications, conduct research and provide consulting services. Contract revenues are recognized under the percentage of completion method, using a methodology that accounts for costs incurred in relationship to total revenues under the contract after providing for any anticipated losses under the contract. Software maintenance revenues are deferred and recognized ratably over the life of the service contract. Revenues from training and integration services are recognized in the period in which the services are performed.

Both license revenues and service revenues are recognized in accordance with the American Institute of Certified Public Accountants Statement of Position 91-1, “Software Revenue Recognition”.

Research and development costs

Costs related to research, design and development of products are charged to research and development expense as incurred. Software development costs are capitalized beginning when a product’s technological feasibility has been established and ending when a product is available for general release to customers. To date, completing a working model of the Company’s products and general release have substantially coincided. As a result, the Company has not capitalized any software development costs since such costs have not been significant.

Income taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities, measured at tax rates that will be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of credit risk

The Company maintains the majority of its cash and cash equivalents in US dollar denominated Canadian federal government securities or short-term, interest-bearing, investment-grade securities and demand accounts of a major Canadian chartered bank.

The Company performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral. The Company maintains allowances for potential losses, and such losses have been within management's expectations. Two customers accounted for 12% and 10% respectively of the accounts receivable balance at September 30, 1997 and one customer accounted for 14% of the accounts receivable balance as at June 30, 1997.

Fair value of financial instruments

Carrying amounts of certain of the Company's financial instruments including cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other liabilities approximate fair value due to their short maturities. Based upon borrowing rates currently available to the Company for loans with similar terms, the carrying value of capital lease obligations and amounts payable approximate fair value.

Foreign currency translation

Assets and liabilities of certain foreign subsidiaries, whose functional currency is the local currency, are translated from their respective functional currencies to US dollars at period exchange rates. Income and expense items are translated at the average rates of exchange prevailing during the period. The adjustment resulting from translating the financial statements of such foreign subsidiaries, when material is reflected as a separate component of shareholders' equity.

Employee stock option plans

The compensation cost associated with the Company's employee share-based compensation plans are determined using the Fair Value measurement basis.

Computation of basic and fully diluted loss per share

Basic and fully diluted loss per share is computed using the weighted average number of shares of common and common stock equivalents outstanding as prescribed under SFAS No. 128, "Earnings per Share". Common equivalent shares from share options are excluded from the computation when their effect is antidilutive.

Recent accounting pronouncements

In June 1997, the Financial Accounting Standards Board issued SFAS No. 130 "Reporting Comprehensive Income." SFAS No. 130 is effective for fiscal years beginning after December 15, 1997 and will require the Company to report all components of comprehensive income as well as a total amount of comprehensive income. The Company will adopt the provisions of SFAS No. 130 as they become effective on a comparative basis.

(dollar amounts in thousands, except share data)

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 is effective for fiscal years beginning after December 15, 1997 and requires the Company to disclose information based on operating segments. The Company will adopt SFAS No. 131 as it becomes effective and the provisions of this statement would not significantly change currently reported segment information.

NOTE 3 - ACCOUNTS PAYABLE - TRADE AND ACCRUED LIABILITIES

Accounts payable - trade and accrued liabilities are as follows*:*

	September 30, 1997	June 30, 1997
Accounts payable - trade	$ 805	$ 1,234
Accrued trade liabilities	1,734	575
Amounts payable for acquisitions	287	1,037
Sales tax payable	856	662
Accrued salaries and commissions	2,319	1,237
Deferred revenue	1,977	1,857
Other liabilities	688	2,347
	$ 8,666	$ 8,949

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for three months ended September 30, 1997
(unaudited)
(dollar amounts in thousands, except share data)

NOTE 4—OPTION PLANS

As of September 30, 1997, options to purchase an aggregate of 4,987,093 Common Shares were outstanding under all of the Company's stock option plans out of an allowable pool of options totaling 6,683,152. Options to purchase 722,008 Common Shares were fully vested, and the remaining options vest over the next five years.

A summary of option activity since June 30, 1995 is set forth below:

	Options	
	Number	**Price**
Options outstanding at June 30, 1995	2,299,833	$0.0001 - $ 4.38
Granted during fiscal 1996	1,292,446	$0.0005 - $14.00
Canceled and expired	—	
Exercised	(1,797,523)	$0.0001 - $ 3.87
Options outstanding at June 30, 1996	1,794,756	$0.0005 - $14.00
Granted during fiscal 1997	3,902,514	$4.2500 - $10.25
Granted under the Program	475,830	$4.25
Canceled and expired	(260,931)	$4.2500 - $14.00
Exercised	(700,833)	$0.0005 - $ 6.27
Exchanged	(475,830)	$4.2500 - $10.25
Options outstanding at June 30, 1997	4,735,506	$0.0005 - $14.00
Granted during fiscal 1998	531,000	$9.25 - $14.25
Canceled and expired	(47,937)	$4.25 - $11.00
Exercised	(231,476)	$0.15 - $5.10
Options outstanding at September 30, 1997	4,987,093	$0.0005 - $14.938

NOTE 5 - SETTLEMENT OF INFODESIGN

In June 1996, the Company acquired all of the issued and outstanding shares of InfoDesign Corporation, a Virginia corporation ("InfoDesign US") and all of the issued and outstanding shares of InfoDesign Corporation, an Ontario corporation, ("InfoDesign Canada") pursuant to a share purchase agreement between the Company and the holders of the aforementioned shares. InfoDesign US and Canada are systems integrators and had developed and marketed an SGML document management and workflow software product.

The Company has reached final settlement with the vendors of InfoDesign US and InfoDesign Canada on the payment of the second tranche of the purchase price payable on December 31, 1996 and payment of $856 was made. No Common Shares of the Company were issued under the final settlement as contemplated under the original share purchase agreement. In the quarter, the Company has recognized $102 as a recovery of purchased research and development and the recovery was netted against general and administrative expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

"Forward Looking Statements". This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain forward-looking statements are identified by a cross reference to this section. Any statement concerning future results of operations or other future events is subject to a variety of risks and uncertainties and other factors which could cause actual results or events to differ materially from those anticipated by the Company. Such risks uncertainties and other factors include those described in connection with such forward-looking statements and in the second and third paragraphs under "Overview" as well as those set forth in the Company's Annual Report on Form 10-K for the year ended June 30, 1997 under the heading "Business - Risk Factors".

Open Text Corporation (the "Company") develops, markets, licenses and supports collaborative knowledge management application software for use on intranets, extranets and the Internet that enables users to find electronically stored information, work together in creative and collaborative processes and distribute or make available to users across networks or the Internet the resulting work product and other information. The Company's principal product line, *Livelink Intranet*, is a scaleable collaborative network application that integrates several modular engines including, but not limited to, search, collaboration, workflow and document management. The Company's search engine enables users to transparently search vast amounts of data stored in a wide variety of formats and in disparate locations, including World Wide Web sites. The Company's collaboration, workflow and document management engines enable users to establish and manage knowledge and document-oriented collaborative work processes that involve a diversity of workers, computing platforms and data. In addition, the Company's products enable organizations to flexibly manage the distribution and availability of information. The Company has focused its efforts on its intranet-related software and services, and its objective is to be the leading provider of collaborative knowledge management solutions for use on intranets. The Company's strategy is to offer information search, document management, workflow management and virtual team collaboration products that collectively represent an application suite to fill a broad range of knowledge management needs across a company's intranet and extranet.

The Company has only a limited operating history upon which an evaluation of the Company and its prospects can be based. The Company's prospects must be considered in the light of the risks, expenses and difficulties frequently encountered by companies seeking to introduce new products into new and rapidly evolving markets. To address these risks and uncertainties, the Company must, among other things, successfully market its existing products and technologies and complete and introduce products and product enhancements under development in a timely manner, continue to upgrade and commercialize its technologies, and attract, retain and motivate highly qualified personnel and manage rapid growth. There can be no assurance that the Company will successfully address these challenges. The Company has incurred losses in each of its last five fiscal years and as at September 30, 1997, had an accumulated deficit in other shareholders' equity of $62 million. The Company is presently incurring operating losses, and there can be no assurance that the Company will be able to achieve or sustain profitability.

The primary market for the Company's software and services has only recently begun to develop, is highly competitive and is rapidly evolving. There can be no assurance that the Company can successfully complete current or future development initiative to improve its product. Demand for and market acceptance of products and services that have been released recently or that are planned for future release are subject to a high level of uncertainty. If the markets for the Company's products and services fail to develop, develop more slowly than expected or become saturated with competitors, or if the Company's products and services do not achieve market acceptance, or fails to compete successfully with new products or services introduced by competitors, the Company's business, operating results and financial condition will be materially adversely affected.

The Company's financial statements are prepared in accordance with generally accepted accounting principles in the United States ("US GAAP") and are presented in United States dollars unless otherwise indicated. All references in this report to financial information concerning the Company refer to such information in accordance with US GAAP and all dollar amounts in this report are in United States dollars.

Results of Operations

Revenues. The Company increased total revenues by 90% from $4.0 million in the quarter ended September 30, 1996 to $7.7 million in the quarter ended September 30, 1997. License revenue increased 106% from $2.1 million in the quarter ended September 30, 1996 to $4.4 million in the quarter ended September 30, 1997. *Livelink Intranet* products accounted for 95% of license revenues in the quarter ended September 30, 1996 compared with 100% of license revenues in the quarter ended September 30, 1997. In the quarter ended September 30, 1996, 22% of license revenues were from the Company's search product compared to 33% in the quarter ended September 30, 1997. During the quarter ended September 30, 1997, the Company continued to expand its reseller programs by announcing the Affinity Solution Provider program and launched a new comprehensive web site called the Knowledge Centre for all major customers, developers and systems integrators using the *Livelink* technology. License revenues from resellers accounted for 29% of the total license revenue for the quarter ended September 30, 1997 compared with nil for the quarter ended September 30, 1996.

Service revenue increased 73% from $1.9 million in the quarter ended September 30, 1996 to $3.3 million in the quarter ended September 30, 1997. The increase in revenues is attributable to a significant contract that was secured in the quarter ended June 30, 1997 and is expected to continue throughout the current fiscal year. See "Forward-Looking Statements". Professional services continued to account for a significant portion of the service revenue comprising 62% of the service revenues in the quarter ended September 30, 1996 and 63% of the service revenue in the quarter ended September 30, 1997.

Two customers accounted for 12% and 11% of revenues, respectively, in the quarter ended September 30, 1996 compared with two different customers in the quarter ended September 30, 1997 which accounted for 14% and 13% of revenues respectively. For the quarter ended September 30, 1997, 72% of revenues were from customers resident in the North America, 13% of revenues were from customers in Europe and 15% of revenues were from customers in Asia and other compared with 86%, 11% and 3% respectively for North America, Europe and Asia and other for the quarter ended September 30, 1996.

Cost of revenues. Cost of license revenues increased from $202,000 in the quarter ended September 30, 1996 to $232,000 in the quarter ended September 30, 1997. As a percent of license revenues, cost of revenues decreased from 9% in the quarter ended September 30, 1996 to 5% in the quarter ended September 30, 1997 primarily due to the decrease in royalties payable to companies whose software is bundled in the Company's products and because the Company has phased out the sale of unprofitable retail Internet products.

Cost of service revenues increased from $1.4 million in the quarter ended September 30, 1996 to $1.9 million in the quarter ended September 30, 1997. As a percent of service revenues, the cost of service revenues decreased from 76% in the quarter ended September 30, 1996 to 59% in the quarter ended September 30, 1997. The decrease in the cost of service as a percent of service revenue was a result of increases in the utilization rates of professional services employees as well as a higher percentage of higher margin revenue.

Research and development. Research and development costs increased by 22% from $1.5 million in the quarter ending September 30, 1996 to $1.8 million in the quarter ending September 30, 1997. Research and development costs consist primarily of personnel expenses, and the related facilities and equipment. The increase in research and development expenses was caused by increased compensation expenses resulting from additional personnel and the development work continuing on the Company's *Livelink Intranet*. As a percentage of revenues, research and development cost decreased from 37% in the quarter ended September 30, 1996 to 23% in the quarter ended September 30, 1997.

Sales and marketing. Sales and marketing expense increased 61% from $2.7 million in the quarter ended September 30, 1996 to $4.4 million in the quarter ended September 30, 1997. As a percentage of revenues, sales and marketing expense decreased from 67% in the quarter ending September 30, 1996 to 57% in the quarter ended September 30, 1997. The increase in sales and marketing expense was due principally to an increase in the number of sales personnel.

General and administrative. General and administrative expense decreased 11% from $1.2 million in the quarter ended September 30, 1996 to $1.1 million in the quarter ended September 30, 1997. The decrease is attributable to a one time reversal of purchased research and development expense of $102,000 on the settlement of InfoDesign acquisition. As a percent of revenues, general and administration expense decreased from 31% in the quarter ended September 30, 1996 to 14% in the quarter ended September 30, 1997. Management believes general and administrative expenses will continue to decrease as a percentage of total revenue as total revenue increases. See “Forward-Looking Statements”.

Amortization. Amortization was $406,000 in the quarter ended September 30, 1996 and increased by 17% to $475,000 in the quarter ended September 30, 1997. This increase was primarily attributable to amortization on additional furniture and equipment purchased to support ongoing operations. As a percent of total revenue, amortization decreased from 10% for the quarter ended September 30, 1996 to 6% for the quarter ended September 30, 1997.

Restructuring reserve. In the quarter ended September 30, 1996, the Company accrued a restructuring reserve for involuntary employee termination costs as a result of the restructuring activities announced in June of 1996. Management identified 36 employees from the areas of technical support, customer service and administrative areas whose positions were related to the above exited activities and whose positions were no longer required as a result of combination of the entities it acquired in fiscal 1996. The affected employees received their notices of termination on September 12, 1996. The total severance and outplacement costs accrued in the quarter ended September 30, 1996 was $650,000. The Company has completed all restructuring and all amounts were paid out as of June 30, 1997.

Other income. Other income was $558,000 for the quarter ended September 30, 1996 and decreased to $517,000 for the quarter ended September 30, 1997. Other income is comprised mainly of interest earned on the balances of cash and cash equivalents net of interest expense. Interest expense totaled $21,000 in the quarter ended September 30, 1996 as compared to $32,000 in the quarter ended September 30, 1997 and related primarily to interest on capital equipment leases.

Income taxes. The Company continues to have a net deferred tax asset. A 100% valuation allowance continues to be recorded against the net deferred tax asset by the Company because of the lack of profitability in the past, the significant risk that taxable income will not be generated in the future and the nontransferable nature of the deferred tax asset in certain situations.

The Company has recorded a $250,000 income tax recovery in the quarter ended September 30, 1997 which relates to Canadian research and development tax credits..

Liquidity and Capital Resources

To date, license and service revenues have been insufficient to satisfy the Company’s cash requirements. The Company has financed its cash needs primarily through issuance of the Company’s Common Shares.

At September 30, 1997, the Company had current assets of $41.4 million and current liabilities of $9.1 million. The Company has a $7.5 million line of credit with a Canadian chartered bank, under which minimal borrowings were outstanding at September 30, 1997. The line of credit bears interest at the lender’s prime rate plus 0.5% and is secured by all of the Company’s assets, including an assignment of accounts receivable.

Cash used by operations during the three months ending September 30, 1997 was $2.9 million. The Company also invested $291,000 in furniture and equipment and paid $105,000 on capital lease obligations. Proceeds of issuance of Common Shares was $1.3 million upon exercise of shares options.

The Company had liabilities with respect to capital leases of $836,000 at September 30, 1997, with a current portion of $458,000. The Company anticipates additional capital expenditures for equipment as technology advances. The Company settled the InfoDesign Corporation acquisition and paid $856,000 in cash.

The Company believes that existing cash and cash from operations, will be sufficient to satisfy the Company's cash requirements through June 1998. See "Forward-Looking Statements". The Company regularly evaluates acquisitions, investments, joint ventures and other business initiatives, and cash expenditures for acquisitions, investments, joint ventures of other business initiatives or unanticipated expenses could create a need for additional financing. In addition, if the Company's operations do not begin to generate cash sufficient to satisfy its needs, the Company could require additional financing. There can be no assurance that such financing would be available if required.

PART II Other Information

Item 1. Legal Proceedings - None

Item 2. Changes in Securities - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following exhibit is filed herewith:

Exhibit Number	Exhibit Title
11.01-	Statement regarding computation of per share earnings

(b) Reports on Form 8-K

The Company did not file a report on Form 8-K during the period ended September 30, 1997.

SIGNATURES

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

OPEN TEXT CORPORATION
(Registrant)

Date: November 11, 1997

____
P Thomas Jenkins
Chief Executive Officer

____
Thomas J Hearne
Chief Financial Officer
(Principal Financial
and Accounting Officer)

Exhibit 11.01

OPEN TEXT CORPORATION

COMPUTATION OF BASIC AND FULLY DILUTED LOSS PER SHARE

(In thousands, except per share data)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996
Net Loss	$ (1,467)	$ (3,554)
Weighted average number of common shares outstanding	17,468	16,346
Number of common share equivalents as a result of stock options outstanding	—	—
Total	17,468	16,346
Basic and fully diluted loss per common share and common share equivalents	$ (0.08)	$ (0.22)