OPEN TEXT CORP
Form S-4
May 28, 2009
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As filed with the Securities and Exchange Commission on May 27, 2009

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

OPEN TEXT CORPORATION

(Exact name of registrant as specified in its charter)

Canada	**7373**	**98-0154400**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

OPEN TEXT CORPORATION

275 Frank Tompa Drive

Waterloo, Ontario, Canada N2L0A1

(519) 888-7111

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Open Text, Inc.

100 Tri-State, International Parkway, 3rd Floor

Lincolnshire, IL 60069

(847) 267-9330

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

David Brown	**Brian K. Beard**
McKenna Long & Aldridge LLP	**Michael S. Ringler**
303 Peachtree Street	**Wilson Sonsini Goodrich & Rosati, PC**
Atlanta, Georgia 30308	**900 South Capital of Texas Highway**
(404) 527-4000	**Las Cimas IV, Fifth Floor**
	Austin, Texas 78746
	(512) 338-5400

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the merger agreement described herein.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Unit**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee(3)**
Common shares, without par value	3,552,000	N/A	$109,675,203	$6,120

(1) Based on the maximum number of shares of Open Text Corporation common stock to be issued in connection with the merger agreement described in the enclosed proxy statement/prospectus, calculated as the product obtained by multiplying (i) the exchange ratio of 0.1447 shares of Open Text common stock for each share of Vignette Corporation common stock and (ii) 24,547,339, the estimated maximum aggregate number of shares of Vignette common stock that could be exchanged for shares of Open Text common stock pursuant to the merger described in the enclosed document, including shares of Vignette common stock issuable upon exercise of outstanding options to acquire Vignette common stock.

(2) Estimated solely for the purposes of calculating the registration fee, and calculated pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, the proposed maximum aggregate offering price is equal to the market value of shares of Vignette common stock less the total cash consideration expected to be paid in the merger by Open Text, calculated as follows: (i) $12.27, the average of the high and low prices per share of Vignette common stock on May 21, 2009, as reported on The NASDAQ Global Select Market, multiplied by (ii) 24,547,339, the estimated maximum aggregate number of shares of Vignette common stock computed as described in footnote (1) above, less (iii) $191,520,650, the estimated cash consideration expected to be paid in the merger by Open Text.

(3) Equal to $55.80 per $1,000,000 of the proposed aggregate offering price.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. OPEN TEXT MAY NOT ISSUE THE COMMON STOCK TO BE ISSUED IN CONNECTION WITH THE TRANSACTIONS DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NEITHER AN OFFER TO SELL THESE SECURITIES, NOR A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES, IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUBJECT TO COMPLETION, DATED MAY 27, 2009

VIGNETTE CORPORATION

1301 South MoPac Expressway

Austin, Texas 78746

Dear Stockholder:

We are pleased to deliver the enclosed proxy statement/prospectus relating to the proposed acquisition of Vignette Corporation by Open Text Corporation.

You are cordially invited to attend a special meeting of stockholders of Vignette, which will be held on , 2009, beginning at 9:00 a.m. local time, at the Inter-Continental Stephen F. Austin Hotel, 701 Congress Avenue, Austin, Texas 78701. At the special meeting, Vignette stockholders will be asked to adopt and approve the merger agreement that Vignette has entered into with Open Text and Scenic Merger Corp., an indirect wholly-owned subsidiary of Open Text, and the transactions contemplated thereby. If the merger agreement is adopted and approved and the transactions contemplated thereby are approved, and the other conditions in the merger agreement are satisfied or waived, Open Text will acquire Vignette, and each share of outstanding common stock of Vignette will be converted into the right to receive $8.00 in cash without interest and 0.1447 shares of Open Text common stock.

The shares of Open Text common stock to be issued in the merger are listed on the Nasdaq Global Select Market under the symbol OTEX and on the Toronto Stock Exchange under the symbol OTC. On , 2009, the closing sale price of Open Text common stock was $ per share.

AFTER CAREFUL CONSIDERATION, VIGNETTE S BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE MERGER IS FAIR TO AND IN THE BEST INTERESTS OF VIGNETTE AND ITS STOCKHOLDERS AND RECOMMENDS THAT YOU VOTE FOR ADOPTION AND APPROVAL OF THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY AND VOTE FOR THE ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES IN FAVOR OF THE ADOPTION AND APPROVAL OF THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY.

The accompanying proxy statement/prospectus provides a detailed description of the merger agreement and the proposed merger. We urge you to read the enclosed materials closely. **Please pay particular attention to the Risk Factors beginning on page 27 for a discussion of risks related to the merger.**

Your vote is important. **Because adoption and approval of the merger agreement and the transactions contemplated thereby require the affirmative vote of holders of at least a majority of the outstanding shares of Vignette common stock, a failure to vote will have the same effect as a vote against the merger. WHETHER OR NOT YOU INTEND TO VOTE IN PERSON AT THE SPECIAL MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD, AND RETURN IT IN THE ENCLOSED ENVELOPE OR SUBMIT YOUR PROXY OVER THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE.** Giving your proxy now will not affect your right to vote in person if you wish to attend the special meeting and vote personally.

Sincerely,

Michael A. Aviles

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Open Text common stock to be issued in the merger or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

This document is dated , 2009 and is first being mailed to stockholders on or about , 2009.

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VIGNETTE CORPORATION

1301 South MoPac Expressway

Austin, Texas 78746

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Vignette Corporation:

NOTICE IS HEREBY GIVEN that a special meeting of Vignette stockholders will be held on , 2009, beginning at 9:00 a.m. local time, at the Inter-Continental Stephen F. Austin Hotel, 701 Congress Avenue, Austin, Texas 78701 for the following purpose:

1. To consider and vote upon a proposal to adopt and approve the Agreement and Plan of Merger by and among Open Text Corporation, referred to herein as Open Text, Scenic Merger Corp., an indirect wholly-owned subsidiary of Open Text, and Vignette, dated as of May 5, 2009, and the transactions contemplated thereby;

2. To approve a proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby; and

3. With discretionary authority, upon such other matters as may properly come before the special meeting and any adjournment or postponement of the special meeting.

The proposed merger is described in more detail in the accompanying proxy statement/prospectus, which you should read carefully in its entirety before voting. A copy of the merger agreement is attached as Appendix A to the proxy statement/prospectus.

Only Vignette stockholders of record at the close of business on , 2009 are entitled to notice of and to vote at the special meeting. A majority of the shares of Vignette common stock outstanding on the record date must be voted in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby in order for the merger to be completed. A majority of the shares represented at the meeting in person or by proxy must be voted in favor of any adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

All Vignette stockholders are cordially invited to attend the special meeting. However, we encourage you to vote by proxy so that your shares will be represented and voted at the meeting even if you cannot attend. Of course, voting by proxy will not prevent you from voting in person at the meeting. Your failure to vote your shares is the same as voting against the proposal to adopt and approve the merger agreement and the transactions contemplated thereby. Your failure to vote your shares will not affect the outcome of any proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby, but will reduce the number of votes required to approve such proposal.

After careful consideration, the board of directors of Vignette has unanimously determined that the merger is fair and in the best interests of Vignette and its stockholders and it recommends that you vote FOR the adoption and approval of the merger agreement and the transactions contemplated thereby and to vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

By Order of the Board of Directors:

Bryce M. Johnson, Secretary

Austin, Texas

, 2009

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ADDITIONAL INFORMATION

The accompanying proxy statement/prospectus incorporates important business and financial information about Open Text Corporation, referred to herein as Open Text, and Vignette Corporation, referred to herein as Vignette, from other documents that are not included in, or delivered with, the proxy statement/prospectus.

Open Text will provide you with copies of such documents relating to Open Text (excluding all exhibits unless Open Text has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Open Text Corporation

Attn: Corporate Secretary

275 Frank Tompa Drive

Waterloo, Ontario, Canada N2L0A1

(519) 888-7111

Vignette will provide you with copies of such documents relating to Vignette (excluding all exhibits unless Vignette has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Vignette Corporation

Attn: Corporate Secretary

1301 South MoPac Expressway

Austin, Texas 78746

(512) 741-4300

If you would like to request documents, Open Text or Vignette must receive your request by , 2009 (which is five business days prior to the date of the special meeting) in order to ensure that you receive them prior to the special meeting. See Where You Can Find More Information beginning on page 113.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving this proxy statement/prospectus?

A: Open Text Corporation, referred to herein as Open Text, has agreed to acquire Vignette Corporation, referred to herein as Vignette, under the terms of a merger agreement that is described in this proxy statement/prospectus. Please see The Merger beginning on page 58 and Terms of the Merger Agreement beginning on page 81 of this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A.

To complete the merger, Vignette stockholders must vote to adopt and approve the merger agreement and the transactions contemplated thereby, and all other conditions to the merger must be satisfied or waived. Vignette will hold a special meeting of its stockholders to obtain this approval.

This proxy statement/prospectus contains important information about the merger agreement, the merger and the special meeting of the stockholders of Vignette. You should read this proxy statement/prospectus carefully.

Your vote is very important. We encourage you to vote as soon as possible. The enclosed proxy card allows you to vote your Vignette shares without attending the special meeting. For more specific information on how to vote, please see the questions and answers below.

Q: Why are Open Text and Vignette proposing this transaction? (see pages 64 and 72)

A: The Open Text and Vignette boards of directors have each unanimously approved the merger agreement and have determined that the merger agreement and the merger are advisable and in the best interests of their respective stockholders. In reaching these decisions, the Open Text and Vignette boards of directors considered the terms and conditions of the merger agreement and the ancillary agreements, as well as a number of other factors.

Q: What will happen in the merger? (see page 81)

A: In the merger, Vignette and an indirect wholly-owned subsidiary of Open Text will merge and, as a result, Vignette will become an indirect wholly-owned subsidiary of Open Text.

Q: What will I receive in exchange for my Vignette common stock in the merger? (see page 81)

A: For each outstanding share of Vignette common stock you own, assuming you do not exercise appraisal rights, you will receive the merger consideration of $8.00 in cash without interest (referred to herein as the cash consideration), and 0.1447 shares of Open Text common stock (referred to herein as the stock consideration and together with the cash consideration, the merger consideration). You will receive cash in lieu of any fractional share of Open Text common stock that you would be entitled to receive in the merger.

Q: How will the merger affect stock options to acquire Vignette common stock? (see page 81)

A: As a result of the merger, all outstanding and unexercised stock options under Vignette s stock option plans and agreements, including stock options held by executive officers and directors of Vignette, will fully vest and become exercisable immediately prior to the closing of the merger. Persons who exercise their stock options prior to the effective time of the merger will be entitled to receive the merger consideration, on the same basis as the other Vignette stockholders. Unexercised stock options will be cancelled immediately prior to the effective time of the merger and converted into the right to receive a payment, if any, in cash and/or shares of Open Text common stock, as discussed below.

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If the per share exercise price of an unexercised Vignette stock option is less than $8.00, the stock option will be converted into the right to receive (i) cash consideration equal to the product of (A) $8.00 less the applicable per share exercise price of the Vignette stock option, and (B) the number of shares subject to the unexercised Vignette stock option; and (ii) stock consideration of a number of shares of Open Text common stock equal to the product of (A) 0.1447, and (B) the number of shares subject to the unexercised Vignette stock option. An amount necessary to satisfy the applicable minimum withholding tax obligation will be withheld from the cash consideration to be received pursuant to (i) above and then, if necessary, from the number of shares of Open Text common stock issued pursuant to (ii) above. For this purpose, the value of the stock consideration will be based on the most recent closing price of Open Text common stock prior to the date of the closing of the merger.

If the per share exercise price of a Vignette stock option is less than the value of the per share merger consideration (consisting of the cash consideration and the stock consideration), but greater than or equal to $8.00, such outstanding and unexercised Vignette stock option will be converted into the right to receive in shares of Open Text common stock, an amount equal to the product of (i) the value of the merger consideration less the applicable per share exercise price of the Vignette stock option, and (ii) the number of shares subject to the unexercised Vignette stock option. The number of shares of Open Text common stock to be issued will be reduced by the amount necessary to satisfy the applicable minimum withholding tax obligation. For purposes of calculating the value of the merger consideration, the value of the stock consideration will be based on the most recent closing price of Open Text common stock prior to the date of the closing of the merger.

If the per share exercise price of a Vignette stock option is greater than the value of the per share merger consideration, such options will be cancelled at the closing of the merger and the holders of such options will not receive any merger consideration.

Q: How will the merger affect restricted stock of Vignette? (see page 82)

A: All outstanding shares of Vignette common stock that are unvested or subject to a repurchase option, risk of forfeiture or other condition (e.g., transferability restrictions) under any restricted stock purchase agreement or other agreement or arrangement with Vignette that survives the consummation of the merger (referred to herein as restricted stock), will be converted automatically into the right to receive the merger consideration with respect to such shares. The merger consideration will be payable or distributable in accordance with the original vesting schedule of the restricted stock and will be subject to the same repurchase option and other conditions and/or terms relating to the restricted stock, including any requirement of continued employment through each vesting date.

Q: How will the Merger affect the Vignette Employee Stock Purchase Plans?

A: As a result of the merger, Vignette will terminate its Employee Stock Purchase Plan and International Employee Stock Purchase Plan, referred to herein as the Vignette ESPPs, immediately prior to the closing of the merger. Vignette will take all necessary action to (i) terminate the current offering period and contribution period effective as of immediately prior to the closing of the merger, and (ii) provide that no further offering periods will commence under the Vignette ESPPs on or following the closing of the merger. Each outstanding right to purchase shares of Vignette common stock under the Vignette ESPPs will be exercised to purchase Vignette common stock on the date immediately prior to the closing of the merger in accordance with the terms of the applicable Vignette ESPP.

Q: How much stock will the current stockholders own in the combined company?

A: As of the closing of the merger, based on Open Text s stock price on May 5, 2009, current Vignette stockholders will receive approximately 3,461,000 shares of Open Text common stock, which equates to approximately 6.3% of Open Text s outstanding shares on a fully diluted basis as of May 5, 2009. Current

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Vignette stockholders may, as a group, receive more shares of Open Test common stock as a result of option exercises and conversions. Additionally, Open Text currently beneficially owns approximately 996,000 shares of Vignette common stock that will be cancelled and extinguished pursuant to the terms of the merger agreement.

Q: Am I entitled to appraisal rights? (see page 78)

A: Under the Delaware General Corporation Law, holders of Vignette common stock who do not vote for the adoption and approval of the merger agreement and the transactions contemplated thereby have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement/prospectus. This appraisal amount could be more than, the same as, or less than the amount a Vignette stockholder would be entitled to receive under the merger agreement. Any holder of Vignette common stock intending to exercise appraisal rights, among other things, must submit a written demand for appraisal to Vignette prior to the vote on the adoption and approval of the merger agreement and the transactions contemplated thereby and must not vote or otherwise submit a proxy in favor of adoption and approval of the merger agreement and the transactions contemplated thereby. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights. Because of the complexity of the Delaware law relating to appraisal rights, if you are considering exercising your appraisal right, we encourage you to seek the advice of your own legal counsel.

Q: Will the merger be taxable to me? (see page 75)

A: Generally, yes. For U.S. federal income tax purposes, the merger will be a taxable transaction. Each Vignette stockholder will generally recognize gain or loss measured by the difference between (i) the amount of cash and fair market value of shares of Open Text stock received, and (ii) such stockholder s tax basis in Vignette common stock exchanged. You should read The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 75 for a more detailed discussion of the U.S. federal income tax consequences of the merger. Tax matters are complicated and the tax consequences of the merger to you will depend on your individual circumstances. You should consult your tax advisor to determine the specific tax consequences of the merger to you.

Q: Do persons involved in the merger have interests that may conflict with mine as a Vignette stockholder? (see page 73)

A: Yes. When considering the recommendations of Vignette s board of directors, you should be aware that a number of Vignette s executive officers and directors have interests in the merger that are different from, or are in addition to, yours. These interests include the potential employment of certain of Vignette s executive officers by Open Text after the merger, although no agreements have been entered into and no terms, conditions or understandings have been finalized, the acceleration of restricted stock granted to directors of Vignette, the acceleration of options granted to Vignette s executive officers and directors, and the receipt of indemnification and liability insurance benefits by directors and officers of Vignette from Open Text. Additionally, certain executive officers of Vignette will be entitled to receive additional benefits upon or as a result of the consummation of the merger.

Q: What stockholder approvals are required for the merger? (see page 55)

A: The holders of a majority of the outstanding shares of Vignette common stock on the record date for the Vignette special meeting of stockholders must vote in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby. Abstentions and broker non-votes will have the same effect as voting against the adoption and approval of the merger agreement and the transaction contemplated thereby. Only holders of record of Vignette common stock at the close of business on , 2009, referred to herein as the record date, are entitled to notice of and to vote at the special meeting. As of the record date, there were shares of Vignette common stock outstanding and entitled to vote at the special meeting.

The approval of the stockholders of Open Text is not required to complete the merger.

Q: What stockholder approvals are required for the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby? (see page 55)

A: The holders of a majority of the shares of Vignette common stock represented in person or by proxy at the special meeting of the stockholders must vote in favor of adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby for such proposal to be approved. Abstentions and broker non-votes will have the same effect as voting against any proposal to adjourn the special meeting.

Q: Are there any stockholders already committed to voting in favor of adopting and approving the merger agreement and the transactions contemplated thereby? (see page 96)

A: Yes. In connection with the execution of the merger agreement, the Vignette directors and executive officers, who collectively beneficially own approximately % of the voting power of Vignette common stock as of the record date, entered into voting agreements agreeing to vote for the proposed transaction. If the merger agreement terminates in accordance with its terms, these voting agreements also will terminate.

Q: How does Vignette s board of directors recommend that I vote on the proposals? (see page 54)

A: The board of directors of Vignette unanimously recommends that you vote FOR the adoption and approval of the merger agreement and the transactions contemplated thereby and vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

Q: Are there risks I should consider in deciding whether to vote for the merger? (see page 27)

A: Yes. In evaluating the merger, you should carefully consider, among other matters, the factors discussed in the section titled Risk Factors beginning on page 27.

Q: Do I need to send in my Vignette stock certificates now? (see page 82)

A: No. You should not send in your Vignette stock certificates now. Promptly after the effective time of the merger, the exchange agent will provide stock certificate transmittal materials to the holders of Vignette common stock. The transmittal materials will contain instructions for surrendering Vignette stock certificates to the exchange agent in exchange for the merger consideration.

You bear the risk of delivery and should send your letter of transmittal by courier, by hand or by fax, with stock certificates delivered by courier or by hand, to the appropriate addresses shown on the letter of transmittal.

Q: How many votes do I have? (see page 54)

A: You have one vote for each share of Vignette common stock you own as of the record date for the special meeting.

Q: Will any proxy solicitors be used in connection with the special meeting? (see page 57)

A: Yes. To assist in the solicitation of proxies, Vignette has engaged D.F. King & Co., Inc.

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Q: What do I need to do now?

A: First, carefully read this document in its entirety. Then, we urge you to vote your shares of Vignette common stock by one of the following methods:

marking, signing, dating and returning your proxy card in the enclosed prepaid envelope;

submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card; or

attending the special meeting and submitting a properly executed proxy or ballot. If a broker holds your shares in street name, you will need to get a proxy from your broker to vote your shares in person.

Q: What happens if I do not vote? (see page 55)

A: The failure to vote in person or execute and return your proxy card or to submit a proxy by telephone or over the Internet will have the same effect as voting against the adoption and approval of the merger agreement and the transactions contemplated thereby. The failure to vote in person or execute and return your proxy card or to submit a proxy by telephone or over the Internet will not affect the outcome of any proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby, but will reduce the number of votes required to approve such proposal.

Q: What happens if I abstain? (see page 56)

A: If you execute and return your proxy card or submit a proxy by telephone or over the Internet and vote ABSTAIN or if you vote ABSTAIN at the special meeting, this will have the same effect as voting against the adoption and approval of the merger agreement and the transactions contemplated thereby and against any proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Many Vignette stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and shares beneficially owned.

Stockholder of Record. If your shares are registered directly in your name with Vignette s transfer agent, you are considered the stockholder of record with respect to those shares and this proxy statement/prospectus is being sent directly to you by Vignette. As stockholder of record, you have the right to grant your proxy directly to Vignette or to vote in person at the Vignette special meeting of stockholders. Vignette has enclosed a proxy card for your use.

Beneficial Owner. If your shares are held in a brokerage account, bank account or by another nominee, you are considered the beneficial owner of shares held in street name, and this proxy statement/prospectus is being forwarded to you by your broker, bank or nominee together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote and are also invited to attend the special meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the special meeting unless you obtain a legal proxy from the broker, bank or nominee that holds your shares, giving you the right to vote the shares instead of the broker, bank or nominee holding your shares. Your broker, bank or nominee has enclosed or provided voting instructions for your use in directing your broker, bank or nominee how to vote your shares.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me? (see page 56)

A: No. If you do not provide your broker with instructions on how to vote your shares that are held in street name, your broker will not be permitted to vote them. Therefore, you should be sure to provide your broker with instructions on how to vote these shares.

If you do not give voting instructions to your broker and your broker submits a proxy card but does not vote your shares, you will, in effect, be voting against the adoption and approval of the merger agreement and the transactions contemplated thereby and against the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of approval of the merger agreement and the transactions contemplated thereby.

Q: Can I change my vote? (see page 57)

A: Yes. If you submit a proxy, you may revoke it at any time before the special meeting by:

delivering to the corporate secretary of Vignette a written notice, dated later than the proxy you wish to revoke, stating that the proxy is revoked;

submitting to the corporate secretary of Vignette a new, signed proxy with a date later than the proxy you wish to revoke;

submitting another proxy by telephone or over the Internet (your latest telephone or Internet voting instructions will be followed); or

attending the special meeting and voting in person.

If you hold your shares in street name, you must give new instructions to your broker prior to the special meeting or obtain a signed legal proxy from the broker to revoke your prior instructions and vote in person at the meeting.

Q: When and where will the vote take place? (see page 54)

A: The Vignette special meeting of stockholders will be held at the Inter-Continental Stephen F. Austin Hotel, 701 Congress Avenue, Austin, Texas 78701, on , 2009, starting at 9:00 a.m. local time.

Q: May I vote in person? (see page 57)

A: You may vote in person at the special meeting, rather than signing, dating and returning your proxy card, if you own shares directly in your own name as the shareholder of record. However, even if you plan to attend the special meeting in person, we encourage you to return your signed proxy card, to ensure that your shares are represented and voted at the special meeting. If your shares are held of record in street name by a broker, nominee, fiduciary or other custodian and you wish to vote in person at the special meeting, you must obtain from the record holder a legal proxy issued in your name.

Q: Are there any conditions that must be satisfied prior to the completion of the merger? (see page 92)

A: Yes. There are a number of conditions that must be satisfied before the completion of the merger, some of which are outside the parties control. See Terms of the Merger Agreement Conditions to Completion of the Merger beginning on page 92.

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Q: When do you expect the merger to be completed? (see page 81)

A: Open Text and Vignette are working to complete the merger as quickly as practicable and currently expect that the merger could be completed promptly after the special meeting of Vignette stockholders. However, Open Text and Vignette cannot predict the exact timing of the completion of the merger because it is subject to regulatory approvals and other conditions.

Q: Whom do I call if I have questions about the special meeting or the merger? (see page 57)

A: You should direct any questions regarding the special meeting of stockholders or the merger, including the procedures for voting your shares, to D. F. King & Co., Inc. toll-free at 1-800-967-4617.

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SUMMARY TERM SHEET

This summary highlights selected information included in this proxy statements/prospectus and does not contain all of the information that may be important to you. You should read this entire proxy statements/prospectus and its appendices and the other documents to which we refer you before you decide how to vote with respect to the merger agreement. In addition, we incorporate by reference important business and financial information about Open Text and Vignette into this proxy statements/prospectus. For a description of this information, see Incorporation of Certain Documents by Reference beginning on page 111. You may obtain the information incorporated by reference into this proxy statements/prospectus without charge by following the instructions in Where You Can Find More Information on page 113. Each item in this summary includes a page reference directing you to a more complete description of that item.

Cautionary Statement About Forward-Looking Statements

This proxy statements/prospectus, including information included or incorporated by reference in this proxy statements/prospectus, contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include, but are not limited to, statements about (i) the financial condition, results of operations and business of Open Text and Vignette; (ii) the benefits of the merger between Open Text and Vignette, including future financial and operating results, cost savings and accretion to reported earnings that may be realized from the merger; (iii) the expected tax consequences of the merger; (iv) Open Text s and Vignette s plans, objectives, expectations and intentions and other statements contained in this filing that are not historical facts; and (vi) other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning. These forward statements are based on current beliefs and expectations of Open Text and Vignette and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the parties control. In addition, these forward looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward looking statements. Factors that could cause actual results to differ materially from those expressed in such forward looking statements include those discussed in the Risk Factors section beginning on page 27. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such statements. Vignette stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference.

Information about the Parties

to the Merger -

***Vignette* (see page 103)**	Vignette Corporation Attn: Corporate Secretary 1301 South MoPac Expressway Austin, Texas 78746 (512) 741-4300
	Vignette provides Web content management, intranet solutions, social media, experience optimization, video, rich media and transactional content management solutions. Vignette s solutions give organizations the capability to provide a personalized and highly engaging Web experience. In addition to creating high-value interactions through their Web presence, Vignette customers are also able to integrate systems and information from inside and outside the organization; manage the lifecycle of enterprise information; and collaborate by supporting ad-hoc and process-based information sharing.

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Together, Vignette s products and expertise help companies harness the power of their information and the Web to deliver high-value interactions, build communities online and meet users demands for any content, at anytime, anywhere, on the device of the user s choosing.

Vignette was incorporated in Delaware on December 19, 1995. Vignette currently markets its products and services throughout the Americas, Europe, Asia and Australia. Vignette s common stock is listed and traded on the NASDAQ Global Select Market under the symbol VIGN.

Vignette maintains a site on the Internet at www.vignette.com; however, information found on Vignette s website is not part of this proxy statement/prospectus.

Open Text **(see page** 97)

Open Text Corporation

275 Frank Tompa Drive

Waterloo, Ontario, Canada N2L0A1

(519) 888-7111

Founded in 1991, Open Text is an independent company that provides enterprise content management, or ECM, software solutions that help in the management of critical business content, including version revisions and compliance with regulatory requirements. Open Text s primary ECM solution, Livelink, enables corporations to manage traditional forms of content such as images, office documents, graphics and drawings, as well as to manage electronic content, including web pages, email and video. Open Text s solutions allow users to gain access to view and manage all information related to a transaction or business process, without having to switch applications. Open Text s common stock is listed and traded on the Toronto Stock Exchange under the symbol OTC and the NASDAQ Global Select Market under the symbol OTEX. Open Text maintains a site on the Internet at www.opentext.com; however, information found on Open Text s website is not part of this proxy statement/prospectus.

Scenic Merger Corp. is a direct wholly-owned Subsidiary of Open Text Inc., which in turn is an indirect wholly-owned subsidiary of Open Text.

Special Meeting of Vignette Stockholders (see page 54)

Vignette will hold a special meeting of its stockholders on , 2009, at 9:00 a.m. local time, at the Inter-Continental Stephen F. Austin Hotel, 701 Congress Avenue, Austin, Texas 78701. At the special meeting, you will be asked to vote on a proposal to adopt and approve the merger agreement and the transactions contemplated thereby. You will also be asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

You may vote at the special meeting if you owned shares of Vignette common stock at the close of business on the record date, , 2009. On that date, there were shares of Vignette common stock outstanding and entitled to vote at the special meeting. You may cast one vote for each share of Vignette common stock you owned on the record date.

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Stockholder Vote Required (see page 55)	The proposal to adopt and approve the merger agreement and the transactions contemplated thereby requires the affirmative vote of the holders of a majority of the shares of Vignette common stock outstanding on the record date. A failure to vote your shares or an abstention will have the same effect as a vote against the proposal to adopt and approve the merger agreement and the transactions contemplated thereby.
	The proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby requires the affirmative vote of the holders of a majority of the shares of Vignette common stock represented in person or by proxy at the special meeting of the stockholders. Failure to vote your shares will not affect the outcome of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of adoption and approval of the merger agreement, but will reduce the number of votes required to approve such proposal. If you abstain from voting, either in person or by proxy, it will count as a vote against such proposal to adjourn the special meeting.
The Merger (see page 58 and Appendix A)	The merger agreement is attached to this document as Appendix A. You should read this agreement carefully, as it is the legal document that governs the merger of Scenic Merger Corp., an indirect wholly-owned subsidiary of Open Text referred to herein as Merger Sub, with and into Vignette, which will result in Vignette being an indirect wholly-owned subsidiary of Open Text.
Recommendation of Vignette s Board of Directors (see page 54)	After careful consideration, on May 5, 2009 the Vignette board of directors unanimously determined that the terms of the merger agreement and the transactions contemplated thereby are advisable and in the best interests of Vignette and its stockholders and adopted and approved the merger agreement and the transactions contemplated thereby. The Vignette board of directors recommends that the stockholders of Vignette vote FOR the adoption and approval of the merger agreement and the transactions contemplated thereby and vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.
	In considering the recommendation of the Vignette board of directors with respect to the merger agreement and the transactions contemplated thereby, Vignette stockholders should be aware that some directors and officers of Vignette will receive benefits if the merger is completed that result in those persons having interests in the merger that are different from, or in addition to, the interests of Vignette stockholders.
Fairness Opinion of J.P. Morgan (see page 67)	J.P. Morgan Securities Inc., referred to herein as J.P. Morgan, has acted as exclusive financial advisor to Vignette in connection with the merger. At the May 5, 2009 meeting of the Vignette board of directors, J.P. Morgan delivered its oral opinion, subsequently confirmed in writing as of the same date, to the Vignette board of directors to the effect that, as of the date of such opinion, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by J.P. Morgan, the merger consideration

	of $8.00 in cash without interest per share and 0.1447 shares of Open Text common tock per share was fair, from a financial point of view, to the holders of the outstanding shares of Vignette common stock.
	The full text of J.P. Morgan s written opinion, dated May 5, 2009, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by J.P. Morgan, is attached as Appendix C to this proxy statement/prospectus and is incorporated herein by reference. The J.P. Morgan opinion is not a recommendation as to how any holder of shares of Vignette common stock should vote with respect to the merger or any other matter. Vignette stockholders are urged to read the J.P. Morgan opinion in its entirety.
Interests of Vignette s Executive Officers and Directors in the Merger (see page 73)	A number of Vignette s executive officers and directors have interests in the merger that are different from, or in addition to, your interests.
	All optionholders, including the directors and officers of Vignette that are optionholders, will be entitled to acceleration of all of their stock options immediately prior to the closing of the merger. The directors of Vignette will also be entitled to acceleration of all of their restricted stock immediately prior to the closing of the merger.
	In addition to the foregoing, Vignette officers and directors will also receive indemnification and liability insurance benefits in connection with the merger and certain of Vignette s officers may be offered employment with Open Text, although no agreements have been entered into and no terms, conditions or understandings have been finalized. Additionally, certain executive officers of Vignette will be entitled to receive additional benefits upon or as a result of the consummation of the merger.
Material United States Federal Income Tax Consequences of the Merger (see page 75)	Each Vignette stockholder will generally recognize gain or loss measured by the difference between (i) the amount of cash and fair market value of shares of Open Text stock received, and (ii) such stockholder s tax basis in Vignette common stock exchanged.
Accounting Treatment (see page 77)	Open Text will account for the merger under the acquisition method of accounting for business combinations.
Regulatory Approvals Required for the Merger (see page 77)	The merger is subject to antitrust laws. On May 18, 2009, Open Text and Vignette each made the required filings with the Department of Justice and the Federal Trade Commission pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to herein as the HSR Act, and requested early termination of the required waiting period. However, Open Text and Vignette are not permitted to complete the merger until the applicable waiting periods under the HSR Act have expired or been terminated. The Department of Justice or the Federal Trade Commission, as well as a state or a private person, may challenge the merger at any time before or after its completion. If antitrust authorities request additional information or challenge the merger on antitrust grounds, such approvals may be delayed or may not be obtained.

	In addition, the merger is contingent upon review by the Committee on Foreign Investment in the United States, referred to herein as CFIUS, pursuant to Section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment and National Security Act of 2007, and as implemented by Executive Order 11858, as amended, and 31 C.F.R. Part 800. On May , 2009, Open Text and Vignette made a joint voluntary filing with CFIUS. The parties are not required to consummate the merger until CFIUS, or the President of the United States, issues a letter indicating that there are no unresolved issues that would affect the national security of the United States. As a condition of receiving such a letter the parties may enter into a mitigation agreement to exclude certain assets from the merger and/or assume certain obligations requested by the government to protect national security. In the absence of receiving such a letter or entering into a mitigation agreement the parties may withdraw the CFIUS Notification and/or the merger may be delayed or blocked.
Appraisal Rights (see page 78)	Under Delaware law, Vignette stockholders may have the right to receive an appraisal of the fair value of their shares of Vignette common stock in connection with the merger. To exercise appraisal rights, a Vignette stockholder must not vote for the proposal to adopt and approve the merger agreement and the transactions contemplated thereby, must deliver to Vignette a written appraisal demand before the stockholder vote on the merger agreement is taken at the special meeting, must not submit a letter of transmittal, and must strictly comply with all of the procedures required by Delaware law.
	A copy of Section 262 of the Delaware General Corporation Law, referred to herein as the DGCL, is included as Appendix D to this proxy statement/prospectus.
What Vignette Stockholders Will Receive in the Merger (see page 81)	Upon completion of the merger, each outstanding share of Vignette common stock, excluding any treasury shares and any shares held by Open Text, its subsidiaries, or any dissenting stockholder, will be converted into the right to receive the merger consideration of $8.00 in cash without interest, and 0.1447 shares of Open Text common stock. The total amount of merger consideration you will receive will be the product of the merger consideration per share multiplied by the number of shares of Vignette common stock you hold. No fractional shares of Open Text common stock will be issued in connection with the merger, as discussed below.
What Holders of Vignette Stock Options and Other Equity-Based Awards Will Receive in the Merger (see page 81)	***Vignette Stock Options***
	As a result of the merger, all outstanding and unexercised stock options under Vignette s stock option plans and agreements, including stock options held by executive officers and directors of Vignette, will fully vest and become exercisable immediately prior to the closing of the merger. Persons who exercise their stock options prior to the effective time of the merger will be entitled to receive the merger consideration, just like other Vignette stockholders. If persons holding such stock options choose not to exercise their stock options prior to the effective time of the merger, their stock options shall be cancelled immediately prior to the effective time of the merger and

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converted into the right to receive a payment, if any, in cash and/or shares of Open Text common stock. The applicable payment to which each Vignette optionholder will be entitled to receive, if any, is dependent on the per share exercise price of each Vignette stock option, as discussed below.

If the per share exercise price of a Vignette stock option is less than $8.00, the outstanding and unexercised shares of Vignette common stock subject to the stock option will be converted, as of the effective time of the merger, into the right to receive the following: (A) cash consideration equal to the product of (i) $8.00 less the applicable per share exercise price of the Vignette stock option, and (ii) the number of shares subject to the Vignette stock option as of the effective time of the merger; and (B) stock consideration of a number of shares of Open Text common stock equal to the product of (i) 0.1447, and (ii) the number of shares subject to the Vignette stock option as of the effective time of the merger. An amount necessary to satisfy the applicable minimum withholding tax obligation shall first be reduced from the cash consideration to be received pursuant to (A) above and then, if necessary, from the number of shares of Open Text common stock issued pursuant to (B) above. For this purpose, the value of the stock consideration will be based on the most recent closing price of Open Text common stock prior to the date of the closing of the merger.

If the per share exercise price of a Vignette stock option is less than the value of the per share merger consideration (consisting of the cash consideration and the stock consideration) that Vignette stockholders are entitled to receive, but greater than or equal to $8.00, such outstanding and unexercised Vignette stock option will be converted, as of the effective time of the merger, into the right to receive in shares of Open Text common stock, an amount equal to the product of (i) value of the merger consideration less the applicable per share exercise price of the Vignette stock option, and (ii) the number of shares subject to the Vignette stock option as of the effective time of the merger. The number of shares of Open Text common stock to be issued will be reduced in an amount necessary to satisfy the applicable minimum withholding tax obligation. For purposes of calculating the value of the merger consideration and the withholding, the value of the stock consideration will be based on the most recent closing price of Open Text common stock prior to the date of the closing of the merger.

If the per share exercise price of a Vignette stock option is greater than the value of the per share merger consideration, such options will be cancelled at the closing of the merger and the holders of such options will not receive any merger consideration.

Vignette Restricted Stock

As a result of the merger, all outstanding shares of Vignette common stock that, as of immediately prior to effective time of the merger, are unvested or subject to a repurchase option, risk of forfeiture or other condition (e.g., transferability restrictions) under any restricted stock purchase agreement or other agreement or arrangement with Vignette, in each case that survives the consummation of the merger (referred to herein as restricted stock), will be converted automatically at the effective time of the merger

	into the right to receive the merger consideration with respect to such shares. The merger consideration will be payable or distributable in accordance with the original vesting schedule and will be subject to the same repurchase option and other conditions and/or terms of the agreement, plan or arrangement relating to the restricted stock, including any requirement of continued employment through each vesting date. The right to any cash consideration will vest on the date the converted restricted stock would have otherwise vested pursuant to its original vesting schedule and will be paid at the first regularly scheduled payroll date of Open Text following each vesting date.
Procedures for Exchanging Vignette Common Stock Certificates (see page 82)	Promptly after the effective time of the merger, Mellon Investor Services, LLC, as the exchange agent for the merger, will establish an exchange fund to hold the merger consideration to be paid to Vignette stockholders in connection with the merger. The exchange agent will mail to each record holder of Vignette common stock a letter of transmittal and instructions for surrendering the record holder s stock certificates or book-entry shares in exchange for the cash consideration and shares of Open Text common stock. Upon proper surrender of Vignette stock certificates or book-entry shares in accordance with the exchange agent s instructions, the holder of such Vignette stock certificates or book-entry shares will be entitled to receive book-entry shares representing the number of whole shares of Open Text common stock issuable to such holder pursuant to the merger, the cash portion of the merger consideration issuable to such holder pursuant to the merger and cash in lieu of any fractional share of Open Text common stock issuable to such holder.
Fractional Shares (see page 83)	No fractional shares of Open Text common stock will be issued in connection with the merger. Instead, each holder of shares of Vignette common stock who would otherwise have been entitled to receive a fraction of a share of Open Text common stock will receive an amount of cash (without interest) determined by multiplying the fractional share interest by the average of the last sale prices of Open Text common stock, as reported on the Nasdaq Global Select Market, for the five trading days immediately preceding the closing, rounded to the nearest whole cent.
Representations and Warranties (see page 83)	The merger agreement contains customary representations and warranties made by Open Text and Merger Sub on the one hand, and Vignette on the other, relating to their respective businesses, as well as other facts pertinent to the merger. These representations and warranties are subject to materiality, knowledge and other similar qualifications in many respects and expire at the effective time of the merger or termination of the merger agreement, as further described below. The representations and warranties of each of Open Text, Merger Sub and Vignette have been made solely for the benefit of the other party and those representations and warranties should not be relied on by any other person. In addition, those representations and warranties may be intended not as statements of actual fact, but rather as a way of allocating risk between the parties, may have been modified by the disclosure schedules attached to the merger agreement, are subject to the materiality standard described in the merger agreement, which may differ from what may be viewed as material by you, will not survive consummation of the merger and cannot be the basis for any claims under the merger agreement by the other party after termination of the merger agreement, and were made only as of the date of the merger agreement or another date as is specified in the merger agreement.

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Acquisition Proposals by Third Parties (see page 88)	The merger agreement contains provisions prohibiting Vignette from seeking a competing transaction, subject to certain exceptions described below. Under these no solicitation provisions, Vignette has agreed that neither it nor its subsidiaries, nor any of its officers and directors or its subsidiaries shall, and that it shall not permit or authorize its representatives to, directly or indirectly:
	initiate, solicit or knowingly encourage the submission of an acquisition proposal or acquisition transaction;
	furnish to any person (other than Open Text, Merger Sub or any designees of Open Text or Merger Sub) any materials or information relating to Vignette or any of its subsidiaries, or afford to any person access to the business, properties, assets, books, records or other materials or information, or to the personnel of Vignette or any of its subsidiaries (other than Open Text, Merger Sub or any designees of Open Text or Merger Sub);
	participate or engage in discussions or negotiations with one or more persons with respect to an acquisition proposal or an acquisition transaction;
	approve, endorse or recommend an acquisition proposal;
	enter into any letter of intent, memorandum of understanding or other contract contemplating an acquisition transaction; or
	take any other action that would reasonably be expected to lead to any inquiries or the making of an acquisition proposal.
	However, prior to the adoption and approval of the merger agreement and the transactions contemplated thereby at the special meeting, Vignette may, after providing written notice to Open Text, furnish information to and enter into discussions or negotiations with any person that enters into an acceptable confidentiality agreement with Vignette and makes an unsolicited bona fide acquisition proposal that the Vignette board of directors in good faith, after consultation with its outside counsel and financial advisor, concludes is likely to lead to, or constitutes, a superior proposal if, and only to the extent that, the Vignette board of directors determines in good faith, after consultation with outside counsel, that failing to take such action would be a breach of its fiduciary duties under applicable law. Vignette has agreed to provide Open Text with notice of any superior proposal it receives.

Open Text may terminate the merger agreement if the Vignette board of directors has withdrawn or modified in a manner adverse to Open Text its approval and recommendation to adopt and approve the merger agreement and the transactions contemplated thereby or if the Vignette board of directors approves or recommends another acquisition proposal. Likewise, Vignette may terminate the merger agreement if Vignette s board of directors has authorized Vignette to enter into a definitive agreement to effect a superior proposal. If either Open Text or Vignette terminates the merger agreement in connection with these provisions, or in the additional circumstances described in Terms of the Merger Agreement Termination of the Merger Agreement and Termination Fee beginning on page 93, Vignette has agreed to promptly pay Open Text a fee of approximately $10.9 million.

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Conditions to Completion of the Merger (see page 92)

The respective obligations of Open Text and Vignette to complete the merger and the other transactions contemplated by the merger agreement are subject to the satisfaction or waiver of various conditions that include, in addition to other customary closing conditions, the following:

the merger agreement must be adopted and approved by the requisite affirmation vote of the holders of outstanding shares of Vignette common stock;

the waiting period applicable to the merger under the HSR Act shall have expired or terminated;

no governmental authority shall have enacted a law that renders the merger illegal or formally issued an injunction that is in effect and prohibits the merger;

the SEC shall have declared the registration statement of which this document is a part effective under the Securities Act and no stop order suspending the effectiveness of the registration agreement or this proxy statement/prospectus shall have been issued and no proceedings for such purpose shall have been initiated or threatened by the SEC and no similar proceeding in respect of this proxy statement/prospectus shall have been initiated or threatened by the SEC;

the shares of Open Text common stock to be issued at the effective time of the merger must have been authorized for listing on the Nasdaq Global Select Market and conditionally approved for listing on the Toronto Stock Exchange;

any applicable notification from CFIUS that is required or sought by Open Text must have been obtained;

the representations and warranties of the other party set forth in the merger agreement must be true and correct, except where a failure to be true and correct would not have a material adverse effect on the party making the representations and warranties; and

the other party to the merger agreement must have performed in all material respects all of its obligations, agreements and covenants required by the merger agreement.

The obligations of Open Text and Merger Sub to complete the merger are also subject to various other conditions, including the following conditions:

Vignette s delivery to Open Text of a certificate regarding the performance of Vignette s obligations;

the amendment to the Stockholder Rights Agreement shall be in full force and effect; and

there must not have occurred, since the date of the merger agreement, any material adverse effect on Vignette and its subsidiaries that is continuing.

The obligation of Vignette to complete the merger is also subject to the following conditions:

Open Text s and Merger Sub s delivery to Vignette of a certificate regarding the performance of their obligations; and

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	there must not have occurred, since the date of the merger agreement, any material adverse effect on Open Text and its subsidiaries that is continuing.
	Open Text and Vignette cannot be certain when, or if, the conditions to the merger will be satisfied or waived or whether or not the merger will be completed.
Termination of the Merger Agreement and Termination Fee (see page 93)	The merger agreement may be terminated at any time before the effective time of the merger in the following manner:
	by mutual written consent;
	by either Open Text or Vignette, if Vignette s stockholder approval has not been obtained at the special meeting;
	by either Open Text or Vignette, if the merger has not been consummated by December 31, 2009;
	by either Open Text or Vignette if any governmental authority enacts a law that renders the merger illegal or formally issues a permanent, final and non-appealable injunction or order that prohibits the merger;
	by either Open Text or Vignette, if the other breaches its respective material covenants and such breach is not cured within 30 days;
	by Open Text, if Vignette s board of directors makes a change of recommendation with respect to the merger agreement, fails to issue a public statement reaffirming Vignette s board recommendation of the merger agreement within ten days following the commencement of a tender offer or exchange that constitutes or would constitute an acquisition proposal or ten days following an acquisition proposal becoming public, or if Vignette has intentionally breached its obligations not to solicit an acquisition proposal; or
	by Vignette, if its board of directors approves Vignette entering into a definitive agreement to effect a superior proposal.
	If the merger agreement is terminated under certain circumstances, Vignette will be required to pay Open Text a termination fee equal to approximately $10.9 million.

	Additionally, if the merger agreement is terminated under certain circumstances, Vignette will be required to pay Open Text all reasonable out-of-pocket expenses Open Text incurs in connection with the merger agreement and the transactions contemplated thereby, up to a maximum of $2 million.
Voting Agreements (see page 96)	Concurrently with the execution and delivery of the merger agreement, on May 5, 2009, Open Text entered into voting agreements with each of Thomas P. Kelly, Bryce Johnson, Somesh Singh, Gayle Wiley, each of whom is an executive officer of Vignette, and the members of the Vignette board of directors, including Michael A. Aviles, with respect to approximately 555,124 shares of Vignette common stock or approximately % of the shares of Vignette common stock outstanding on the record date, and stock options to purchase an aggregate of 894,190 shares of common stock of Vignette.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF OPEN TEXT

The selected historical consolidated financial data of Open Text as of and for each of the five fiscal years in the period ended June 30, 2008 are derived from Open Text s historical consolidated financial statements prepared using accounting principles generally accepted in the United States referred to as GAAP. The selected historical consolidated financial data for the nine months ended March 31, 2009 and 2008 are derived from unaudited historical consolidated financial statements for Open Text. The data below is only a summary and should be read in conjunction with Open Text s consolidated financial statements and accompanying notes, as well as management s discussion and analysis of financial condition and results of operations, all of which can be found in publicly available documents, including those incorporated by reference into this proxy statement/prospectus. For a complete list of the documents incorporated by reference into this proxy statement/prospectus, please see Where You Can Find More Information beginning on page 113 of this proxy statement/prospectus.

	Nine months ended March 31,		Fiscal Year Ended June 30,				
	2009 (unaudited)	2008 (unaudited)	2008	2007	2006	2005	2004
(in thousands of U.S. Dollars, except per share data)							
Statement of Income data:							
Revenues:							
License	$ 166,845	$ 150,952	$ 219,103	$ 182,507	$ 122,520	$ 136,522	$ 121,642
Customer support	300,816	268,524	363,580	287,570	183,878	179,178	108,812
Service and other	114,648	105,787	142,849	125,587	103,164	99,128	60,604
Total revenues	582,309	525,263	725,532	595,664	409,562	414,828	291,058
Cost of revenues:							
License	12,670	11,296	15,415	13,652	11,196	11,540	10,784
Customer support	50,227	41,081	58,764	46,433	28,908	33,086	20,299
Service and other	89,898	86,552	117,037	105,955	83,469	81,367	47,319
Amortization of acquired technology-based intangible assets	34,171	30,900	41,515	36,206	18,900	16,175	7,211
Total cost of revenues	186,966	169,829	232,731	202,246	142,473	142,168	85,613
Gross profit	395,343	355,434	492,801	393,418	267,089	272,660	205,445
Operating expenses:							
Research and development	87,335	78,120	107,206	79,102	58,469	65,139	43,616
Sales and marketing	138,605	121,466	172,873	150,958	104,225	114,553	87,362
General and administrative	54,604	52,233	69,985	61,092	44,960	46,110	22,795
Depreciation	8,847	9,645	12,017	13,846	11,103	11,040	7,103
Amortization of acquired customer-based intangible assets	29,529	23,006	30,759	24,586	9,199	8,234	4,095
Special charges (recoveries)	13,234	(122)	(418)	12,908	26,182	(1,724)	10,005
Total operating expenses	332,154	284,348	392,422	342,492	254,138	243,352	174,976
Income from operations	63,189	71,086	100,379	50,926	12,951	29,308	30,469
Other expense, net	(148)	(12,341)	(1,023)	1,742	(4,788)	(3,116)	217
Interest expense, net	(10,772)	(22,123)	(22,859)	(20,282)	1,487	1,377	1,210
Income before income taxes	52,269	36,622	76,497	32,386	9,650	27,569	31,896
Provision for (recovery of) income taxes	14,761	10,448	22,993	10,334	4,093	6,958	7,270

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(in thousands of U.S. Dollars, except per share data)	Nine months ended March 31, 2009 (unaudited)	Nine months ended March 31, 2008 (unaudited)	Fiscal Year Ended June 30, 2008	2007	2006	2005	2004
Net income before minority interest	37,508	26,174	53,504	22,052	5,557	20,611	24,626
Minority interest	51	422	498	392	579	252	1,328
Net income for the period	$ 37,457	$ 25,752	$ 53,006	21,660	4,978	20,359	23,298
Net income per share basic	$ 0.72	$ 0.51	$ 1.04	$ 0.44	$ 0.10	$ 0.41	$ 0.53
Net income per share diluted	$ 0.71	$ 0.49	$ 1.01	$ 0.43	$ 0.10	$ 0.39	$ 0.49
Weighted average number of Common Shares outstanding basic	51,825	50,666	50,780	49,393	48,666	49,919	43,744
Weighted average number of Common Shares outstanding diluted	53,122	52,424	52,604	50,908	49,950	52,092	47,272
Balance Sheet Data:							
Cash and cash equivalents	$ 237,048	$ 215,762	$ 254,916	$ 149,979	$ 107,354	$ 79,898	$ 156,987
Working capital	$ 70,377	$ 128,467	$ 132,211	$ 67,774	$ 73,138	$ 28,928	$ 104,722
Total assets	$ 1,467,128	$ 1,394,375	$ 1,434,676	$ 1,326,845	$ 678,035	$ 640,936	$ 668,655
Long term liabilities	$ 530,501	$ 469,573	$ 491,980	$ 513,140	$ 57,108	$ 57,781	$ 57,971
Total Shareholders equity	$ 618,152	$ 634,903	$ 636,161	$ 524,068	$ 458,371	$ 415,755	$ 433,005

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VIGNETTE

The selected historical consolidated financial data of Vignette as of and for each of the five fiscal years in the period ended December 31, 2008 is derived from Vignette s audited historical consolidated financial statements prepared using accounting principles generally accepted in the United States, referred to as GAAP. The selected historical financial data for the three months ended March 31, 2009 and 2008 is derived from unaudited historical consolidated financial statements for Vignette. The data below is only a summary and should be read in conjunction with Vignette s consolidated financial statements and accompanying notes, as well as management s discussion and analysis of financial condition and results of operations, all of which can be found in publicly available documents, including those incorporated by reference into this proxy statement/prospectus. For a complete list of the documents incorporated by reference into this proxy statement/prospectus, please see Where You Can Find More Information beginning on page 113 of this proxy statement/prospectus.

(in thousands of U.S. Dollars, except per share data)	For the three months ended March 31, 2009 (unaudited)	2008 (unaudited)	Year Ended December 31, 2008	2007	2006	2005	2004
Revenue:							
Product license	$ 6,923	$ 9,741	$ 34,564	$ 56,059	$ 66,368	$ 70,316	$ 63,152
Services	26,996	35,011	139,982	133,735	131,206	120,359	114,775
Total revenue	33,919	44,752	169,546	191,814	197,574	190,675	177,927
Cost of Revenue							
Product license	332	474	1,914	1,731	2,548	2,911	5,036
Amortization of acquired technology	1,310	1,254	5,166	5,016	5,017	6,267	10,115
Services	10,279	15,852	58,960	61,879	60,399	55,427	53,281
Total cost of revenue	11,921	17,580	66,040	68,626	67,964	64,605	68,432
Gross profit	21,998	27,172	103,506	123,188	129,610	126,070	109,495
Operating expenses:							
Research and development	7,293	8,399	32,834	30,990	34,013	33,312	40,140
Sales and Marketing	11,313	15,373	57,202	62,041	70,192	68,080	74,441
General and administrative	4,518	4,790	18,394	19,564	17,941	20,291	18,571
Purchased in-process research and development, acquisition-related and other charges						270	7,609
Business restructuring (benefit) charges	131	(2)	3,720	(80)	150	(2,899)	18,083
Amortization of intangible assets	869	817	3,387	3,384	3,720	5,003	4,919
Total operating expenses	24,124	29,377	115,537	115,899	126,016	123,957	163,763
Income (loss) from operations	(2,126)	(2,205)	(12,031)	7,289	3,594	2,113	(54,268)
Other income, net	292	1,821	7,188	11,845	10,613	20,710	2,895
Income (loss) before provision for income taxes	(1,834)	(384)	(4,843)	19,134	14,207	22,823	(51,373)
Provision for (benefit from) income taxes	(56)	455	1,433	(5,691)	1,888	2,429	1,482
Net income (loss)	$ (1,778)	$ (839)	$ (6,276)	$ 24,825	$ 12,319	$ 20,394	$ (52,855)
Basic net income (loss) per share	$ (0.08)	$ (0.03)	$ (0.27)	$ 0.90	$ 0.42	$ 0.70	$ (1.86)
Diluted net income (loss) per share	$ (0.08)	$ (0.03)	$ (0.27)	$ 0.89	$ 0.41	$ 0.68	$ (1.86)
Shares used in computing basic net income (loss) per share	23,103	24,372	23,587	27,501	29,658	29,181	28,381
Shares used in computing diluted net income (loss) per share	23,103	24,372	23,587	27,783	29,878	29,807	28,381
Balance Sheet Data:							
Cash and cash equivalents	104,561	98,818	120,348	94,201	98,832	124,104	63,781
Working capital	112,898	119,508	111,617	112,142	169,268	165,319	126,406

Total assets	323,822	355,191	324,443	378,133	421,152	417,161	405,456
Long term liabilities	1,804	2,447	2,076	2,701	5,316	8,876	13,688
Total Shareholders equity	264,136	281,020	264,352	296,832	337,787	330,109	306,818

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SUMMARY OF UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following summary unaudited pro forma condensed consolidated financial data reflects the proposed acquisition of Vignette by Open Text. This information is derived from and should be read in conjunction with unaudited pro forma condensed consolidated financial statements and related notes thereto included in this proxy statement/prospectus, see Unaudited Pro Forma Condensed Consolidated Financial Statements on page 114, and the historical financial statements and notes thereto of Vignette and Open Text that are incorporated by reference in this proxy statement/prospectus.

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2009 is presented as if the acquisition of Vignette occurred on March 31, 2009. The unaudited pro forma condensed consolidated statements of income for the nine months ended March 31, 2009 and the fiscal year ended June 30, 2008 are presented as if the acquisition of Vignette had taken place on July 1, 2007 and was carried forward through to March 31, 2009 and June 30, 2008, respectively.

As Open Text has a fiscal year ending on June 30 and Vignette has a fiscal year ending on December 31, the pro forma condensed consolidated balance sheet combines the historical balances of Open Text as of March 31, 2009 with the historical balances of Vignette as of March 31, 2009, plus pro forma adjustments, and the pro forma condensed consolidated statements of income combine the historical results of Open Text for the year ended June 30, 2008 and for the nine months ending March 31, 2009 with the historical results of Vignette for the twelve months ending June 30, 2008 and the nine months ending March 31, 2009, respectively, plus pro forma adjustments. Vignette s data has been calculated by combining its reported interim data for each quarter within the respective period.

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The summary unaudited pro forma condensed combined financial data is presented for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during this period.

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2009: **(In thousands of U.S. Dollars)**	**Pro Forma Combined**
ASSETS	
Current assets:	
Cash and cash equivalents	$ 157,968
Short-term investments	38,562
Accounts receivable net of allowance for doubtful accounts	134,030
Inventory	1,939
Income taxes recoverable	6,895
Prepaid expenses and other current assets	19,430
Deferred tax assets	17,167
Total current assets	375,991
Capital assets	45,862
Goodwill	665,056
Acquired intangible assets	468,465
Deferred tax assets	70,557
Other assets	18,859
Long-term income taxes recoverable	41,073
Total assets	$ 1,685,863
LIABILITIES AND SHAREHOLDERS EQUITY	
Current liabilities:	
Accounts payable and accrued liabilities	$ 137,617
Current portion of long-term debt	3,407
Deferred revenues	226,918
Income taxes payable	5,100
Deferred tax liabilities	3,315
Total current liabilities	376,357
Long-term liabilities:	
Accrued liabilities	20,549
Pension liability	15,790
Long-term debt	299,174
Deferred revenues	8,544
Long-term income taxes payable	51,472
Deferred tax liabilities	176,579
Total long-term liabilities	572,108
Share capital	575,524
Additional paid in capital	50,991
Accumulated other comprehensive income	28,159
Retained earnings (accumulated deficit)	82,724
Shareholders equity:	737,398
Total liabilities and shareholders equity	$ 1,685,863

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Unaudited Pro Forma Condensed Consolidated Statements of Income: (In thousands of U.S. Dollars, except per share data)	Pro Forma Combined Nine months ended March 31, 2009	Year ended June 30, 2008
Revenues:		
License	$ 188,651	$ 264,867
Customer support	359,410	447,909
Service and other	147,199	199,477
Total revenues	695,260	912,253
Cost of revenues:		
License	14,021	18,039
Customer support	59,843	72,193
Service and other	117,967	164,843
Amortization of acquired technology-based intangible assets	42,044	52,012
Total cost of revenues	233,875	307,087
Gross profit	461,385	605,166
Operating expenses:		
Research and development	108,620	136,014
Sales and marketing	175,364	236,589
General and administrative	66,971	88,719
Depreciation	11,911	15,929
Amortization of acquired customer-based intangible assets	38,714	43,006
Special charges	17,324	(577)
Total operating expenses	418,904	519,680
Income (loss) from operations	42,481	85,486
Other income (expense)	1,675	736
Interest income (expense), net	(8,518)	(14,887)
Income (loss) before income taxes	35,638	71,335
Provision for (recovery of) income taxes	11,321	12,859
Income (loss) before minority interest	24,317	58,476
Minority interest	51	498
Net income (loss) for the year	$ 24,266	$ 57,978
Net income per share basic	$ 0.44	$ 1.07
Net income per share diluted	$ 0.43	$ 1.03
Weighted average number of Common Shares outstanding:		
Basic	55,287	54,242
Diluted	56,584	56,066

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COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA

PER SHARE INFORMATION

The following tables set forth information derived from Open Text s and Vignette s audited, unaudited and pro forma combined results.

Historical Open Text data includes(i) audited historical basic and diluted earnings per share for the year ended June 30, 2008, (ii) unaudited historical basic and diluted earnings per share for the nine months ended March 31, 2009, and (iii) unaudited historical book value per share of Open Text common stock as of March 31, 2009 and June 30, 2008.

Historical Vignette data includes (i) audited historical basic and diluted earnings per share for the year ended December 31, 2008, (ii) unaudited historical basic and diluted earnings per share for the three months ended March 31, 2009, and (iii) unaudited historical book value per share of Vignette common stock as of March 31, 2009 and December 31, 2008.

For the nine months ended March 31, 2009 and the twelve months ended June 30, 2008, unaudited pro forma combined and combined equivalent data includes (i) unaudited pro forma combined basic and diluted earnings per share, and (ii) unaudited pro forma combined book value per share of Open Text common stock (after giving effect to the merger) as of March 31, 2009 and June 30, 2008.

Open Text and Vignette have not paid any cash dividends for any of the periods presented. The unaudited pro forma combined equivalent for Vignette is derived based on the exchange ratio of 0.1447 shares of Open Text common stock for each share of Vignette common stock.

The information in the tables should be read in conjunction with the audited and unaudited consolidated financial statements of Open Text and Vignette, and the notes thereto, which are incorporated by reference in this proxy statement/prospectus, and the unaudited pro forma combined financial information and notes thereto included elsewhere herein. The unaudited pro forma condensed combined financial information is not necessarily indicative of the earnings, dividends or book value per share that would have been achieved had the merger been consummated as of the beginning of the period presented and should not be construed as representative of such amounts for any future dates or periods.

	Nine months ended March 31, 2009	Year ended June 30, 2008
Historical Open Text		
Basic earnings per share	$ 0.72	$ 1.04
Diluted earnings per share	$ 0.71	$ 1.01
Book value per share (at end of period)	$ 11.93	$ 12.53

	Three months ended March 31, 2009	Year ended December 31, 2008
Historical Vignette		
Basic earnings per share	$ (0.08)	$ (0.27)
Diluted earnings per share	$ (0.08)	$ (0.27)
Book value per share (at end of period)	$ 11.43	$ 11.21

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	Nine months ended March 31, 2009	Year ended June 30, 2008
Unaudited Pro Forma Combined		
Basic earnings per share	$ 0.44	$ 1.07
Diluted earnings per share	$ 0.43	$ 1.03
Book value per share (at end of period)	$ 13.34	N/A

	Nine months ended March 31, 2009	Year ended June 30, 2008
Unaudited Pro Forma Combined Equivalent Vignette		
Basic earnings per share	$ 0.06	$ 0.15
Diluted earnings per share	$ 0.06	$ 0.15
Book value per share (at end of period)	$ 1.93	N/A

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COMPARATIVE MARKET PRICE INFORMATION

Vignette s common stock currently trades on the Nasdaq Global Select Market under the symbol VIGN. As of the record date, , 2009, Vignette had approximately stockholders of record. Open Text s common stock currently trades on the Nasdaq Global Select Market under the symbol OTEX and on the Toronto Stock Exchange under the symbol OTC. The following table sets forth the closing sale prices of the common stock of Open Text and the common stock of Vignette on May 5, 2009, the last trading day before the public announcement of the execution and delivery of the merger agreement, and , 2009, the most recent date for which prices were practicably available prior to the date of this proxy statement/prospectus:

	Open Text	Vignette
Closing Price on May 5, 2009	$ 32.50	$ 9.02
Closing Price on , 2009	$	$

The above tables show only historical comparisons. These comparisons may not provide meaningful information to Vignette stockholders in determining whether to approve the principal terms of the merger agreement and to approve the merger. Vignette stockholders are urged to obtain current market quotations for Open Text and Vignette common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus, when considering whether to adopt and approve the merger agreement and the transactions contemplated thereby. See Where You Can Find More Information on page 113.

Open Text has historically not paid cash dividends on its capital stock. Open Text currently intends to retain earnings, if any, for use in its business and it does not anticipate paying any cash dividends in the foreseeable future.

RISK FACTORS

IN ADDITION TO THE OTHER INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN DECIDING WHETHER TO PARTICIPATE IN THE MERGER OR VOTE IN FAVOR OF THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY. YOU SHOULD ALSO READ AND CONSIDER THE RISKS ASSOCIATED WITH EACH OF THE BUSINESSES OF OPEN TEXT AND VIGNETTE BECAUSE THESE RISKS WILL ALSO AFFECT THE COMBINED COMPANY.

General Risks Relating to the Proposed Merger

Open Text may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, Open Text s ability to realize anticipated cost savings and to combine the businesses of Open Text and Vignette in a manner that does not materially disrupt Vignette s existing customer relationships nor otherwise result in decreased revenues and that allows Open Text to capitalize on Vignette s growth opportunities. If Open Text is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Open Text and Vignette have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of Open Text s or Vignette s ongoing businesses or inconsistencies in standards, controls, procedures and policies that could adversely affect Open Text s ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. For instance, Open Text s employee compensation policies may differ from Vignette s employee compensation policies. To realize the benefits of the merger, Open Text must retain Vignette s key employees.

The Open Text common stock Vignette stockholders will receive in the merger is not adjustable based upon the market price of Open Text common stock, and the value of the stock could be much lower upon consummation of the merger.

The merger agreement has fixed the amount of Open Text common stock Vignette stockholders will receive in the merger and this amount is not adjustable based on the market price of Open Text common stock or any change in the financial condition or prospects of Open Text. Accordingly, any decrease in the market price of Open Text common stock or any adverse change in the financial condition or prospects of Open Text will not affect the number of shares that Vignette stockholders will be entitled to receive pursuant to the merger but may have a negative impact on the value of such Open Text stock.

The market price of the shares of Open Text common stock may be affected by factors different from those affecting the shares of Vignette common stock.

Upon completion of the merger, holders of Vignette common stock will become holders of Open Text common stock. Some of Open Text s current businesses and markets differ from those of Vignette and, accordingly, the results of operations of Open Text after the merger may be affected by factors different from those currently affecting the results of operations of Vignette. For a discussion of each of the businesses of Open Text and Vignette and of factors to consider in connection with their businesses, see the documents incorporated by reference into this document and referred to under Where You Can Find More Information beginning on page 113.

The failure of Open Text to operate and manage the combined company effectively could have a material adverse effect on Open Text s business, financial condition and operating results.

Open Text will need to meet significant challenges to realize the expected benefits and synergies of the merger. These challenges include:

- integrating the management teams, strategies, cultures and operations of the two companies;

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- retaining and assimilating the key personnel of each company;
- integrating sales and business development operations;
- retaining existing customers of each company;
- developing new products and services that utilize the technologies and resources of both companies; and
- creating uniform standards, controls, procedures, policies and information systems.

The accomplishment of these post-merger objectives will involve considerable risk, including:

- the potential disruption of each company s ongoing business and distraction of their respective management teams;
- the difficulty of incorporating acquired technology and rights into Open Text s products and services;
- unanticipated expenses related to technology integration; and
- potential unknown liabilities associated with the merger.

If Open Text does not succeed in addressing these challenges or any other problems encountered in connection with the merger, its operating results and financial condition could be adversely affected.

The market price of Open Text s common stock may decline as a result of the merger.

The market price of Open Text s common stock may decline as a result of the merger for a number of reasons, including:

- the integration of Vignette by Open Text may be unsuccessful;
- Open Text may not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts; or
- the effect of the merger on Open Text s financial results may not be consistent with the expectations of financial or industry analysts.

These factors are, to some extent, beyond Open Text s control. In addition, for Vignette stockholders who hold their shares in certificated form, there will be a time period between the effective time of the merger and the time when Vignette stockholders actually receive book-entry shares evidencing Open Text common stock. Until book-entry shares are received, Vignette stockholders will not be able to sell their shares of Open Text common stock in the open market and, thus, will not be able to avoid losses resulting from any decline in the market price of Open Text common stock during this period.

Vignette s officers and directors may have conflicts of interest that may influence them to support or approve the merger.

Certain directors and officers of Vignette may become employees and participate in employment arrangements that become effective upon consummation of the merger that provide them with interests in the merger that are different from, or in addition to, those of Vignette s stockholders, although no agreements have been entered into and no terms, conditions or understandings have been finalized. In addition, all directors and officers of Vignette will receive indemnification and liability insurance benefits from Open Text as a result of the merger. These interests include the following:

Open Text has agreed to honor Vignette s obligations as provided in Vignette s organizational documents and indemnification agreements with respect to indemnification of each present and former Vignette officer and director against liabilities arising out of such person s services as an officer or director of Vignette prior to consummation of the merger. In addition, all directors and officers of Vignette will receive liability insurance benefits from Open Text as a result of the merger; and

stock options held by Vignette s directors and officers will become fully vested immediately prior to the closing of the merger.

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These directors and officers could be more likely to recommend the adoption and approval of the merger agreement and the transactions contemplated thereby than if they did not hold these interests. Vignette s directors and executive officers have also entered into voting agreements whereby they have agreed to vote their shares in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

Vignette stockholders should consider whether these interests might have influenced these directors and officers to support or recommend the adoption and approval of the merger agreement and the transactions contemplated thereby.

Failure to complete the merger could negatively affect Vignette s stock price and its future business and operations.

If the merger is not completed for any reason, Vignette may be subject to a number of material risks, including the following:

- Vignette may be required under certain circumstances to pay Open Text a termination fee of approximately $10.9 million;

- the price of Vignette s common stock may decline; and

- costs related to the merger, such as financial advisory, legal, accounting and printing fees, must be paid even if the merger is not completed.

Finally, if the merger agreement is terminated, Vignette may be unable to find another business willing to engage in a similar transaction on terms as favorable as those set forth in the merger agreement, or at all. This could limit Vignette s ability to pursue its strategic goals.

Uncertainty regarding the merger may cause customers and suppliers to delay or defer decisions concerning Open Text and Vignette and adversely affect each company s ability to attract and retain key employees.

The merger will happen only if stated conditions are met, including the adoption and approval of the merger agreement and the transactions contemplated thereby by Vignette s stockholders, clearance of the merger under United States antitrust laws and CFIUS, and the absence of any material adverse effect in the business of Vignette or Open Text. Many of the conditions are outside the control of Vignette and Open Text, and both parties also have stated rights to terminate the merger agreement. Accordingly, there may be uncertainty regarding the completion of the merger. This uncertainty may cause customers and suppliers to delay or defer decisions concerning Vignette or Open Text, which could negatively affect their respective businesses. Customers and suppliers may also seek to change existing agreements with Vignette or Open Text as a result of the merger. Similarly, uncertainty regarding the completion of the merger may cause resellers to delay or defer decisions concerning, or seek to change existing agreements with, Vignette, which could negatively affect its business. Any delay or deferral of those decisions or changes in existing agreements could have a material adverse effect on the respective businesses of Vignette and Open Text, regardless of whether the merger is ultimately completed. Moreover, diversion of management focus and resources from the day-to-day operations of the business to matters relating to the merger could have a material adverse effect on each company s business, regardless of whether the merger is completed. Current and prospective employees of each company may experience uncertainty about their future roles with the combined company. This may adversely affect each company s ability to attract and retain key management, sales, marketing and technical personnel. Furthermore, under several third party contracts that are important to Vignette s business, the third parties may have the right to terminate their agreements with Vignette as a result of the merger, unless their consent to the merger is obtained. If Vignette is unable to obtain requisite third party consents, operation of its business after the closing could be adversely affected.

Failure to retain key employees could diminish the anticipated benefits of the merger.

The success of the merger will depend in part on the retention of personnel critical to the business and operations of the combined company due to, for example, their technical skills or management expertise.

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Employees may experience uncertainty about their future role with Vignette and Open Text until strategies with regard to these employees are announced or executed. If Vignette and Open Text are unable to retain personnel that are critical to the successful integration and future operations of the companies, Vignette and Open Text could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the merger.

The merger may go forward in certain circumstances even if Open Text or Vignette suffers a material adverse effect.

In general, either party can refuse to complete the merger if a material adverse effect occurs with regard to the other party before the closing. However, neither party may refuse to complete the merger on that basis as a result of any change, event, circumstance or condition resulting from:

general economic or political conditions (or changes in such conditions) in the United States or any other country or region in the world in which the party or any of its subsidiaries operate or conduct business, the industries therein or conditions in the global economy generally (in any case only to the extent such effect has not had a disproportionate impact on the party relative to other companies in the industries in which the party and its subsidiaries operate or conduct business);

conditions (or changes in such conditions) in the industries in which the party or any of its subsidiaries operate or conduct business, including conditions (or changes in such conditions) in the software industry generally (in any case only to the extent such effect has not had a disproportionate impact on the party relative to other companies in the industries in which the party and its subsidiaries operate or conduct business);

any failure of the party to meet internal or analysts estimates, projections or forecasts of revenues, earnings or other financial or business metrics, in and of itself (it being understood that, the underlying cause(s) of any such failure, as well as the business and financial performance of the party, may be taken into consideration when determining whether a material adverse effect has occurred or may, would or could occur);

acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region in the world in which the party or any of its subsidiaries operate or conduct business, and any other force majeure events in the United States or any other country or region in which the party or any of its subsidiaries operate or conduct business;

the public announcement or pendency of the transactions contemplated by the merger agreement;

compliance with the terms of, or the taking of any action expressly required or contemplated by the merger agreement, or the failure to take any action expressly prohibited by the merger agreement;

changes in law applicable to the party or any of its subsidiaries;

changes in GAAP (or the interpretation thereof);

in and of itself, any decrease in the market price or change in the trading volume of the party s publicly traded stock (it being understood that the factors and circumstances giving rise to such decrease or change may be deemed to constitute, and may be taken into consideration when determining whether a material adverse effect has occurred or may, would or could occur);

any legal proceedings made or brought by any of the current or former stockholders of the party (on its own behalf or on behalf of the party) against the party arising out of the merger or in connection with any other transactions contemplated thereby; and

any facts expressly set forth in the schedules to the merger agreement relating to matters as of or prior to the date of the merger agreement, but only to the extent any such fact is readily apparent from the text setting forth such fact in the disclosure schedules to the merger agreement.

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If adverse changes occur but Open Text and Vignette must still complete the merger, Open Text s stock price may suffer. This in turn may reduce the value of the merger to Vignette stockholders.

The termination fee and restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire Vignette.

Until the completion of the merger, with limited exceptions, the merger agreement prohibits Vignette from entering into or soliciting any acquisition proposal or offer for a merger or other business combination with a party other than Open Text. However, Vignette may engage in discussions with certain third parties making unsolicited offers to acquire the company in compliance with the provisions of the merger agreement. Vignette has agreed to pay Open Text a termination fee of approximately $10.9 million in specified circumstances, including where Vignette s board of directors withdraws its support of the merger with Open Text to support a business combination with a third party. These provisions could discourage other companies from trying to acquire Vignette even though those other companies might be willing to offer greater value to Vignette stockholders than Open Text has offered pursuant to the merger agreement.

The rights of holders of Vignette common stock will change as a result of the merger.

After the merger, the rights of those stockholders of Vignette who will become stockholders of Open Text will be governed by Open Text s organizational documents, which are different from Vignette s certificate of incorporation and by-laws. As a result of these differences, Vignette stockholders may have less control over corporate actions proposed to be taken by Open Text than they would have had over corporate actions proposed to be taken by Vignette. For more information, see Comparison of Rights of Holders of Open Text Common Stock and Vignette Common Stock, beginning on page 105.

Risks Relating to Open Text s Business

Open Text s success depends on Open Text s relationships with strategic partners and distributors and any reduction in the sales efforts by distributors, or cooperative efforts from Open Text s partners, could materially impact Open Text s revenues.

Open Text relies on close cooperation with partners for sales and product development as well as for the optimization of opportunities which arise in Open Text s competitive environment. As well, a significant portion of Open Text s revenue is derived from the license of Open Text s products through third parties. Open Text s success will depend, in part, upon Open Text s ability to maintain access to existing channels of distribution and to gain access to new channels if and when they develop. Open Text may not be able to retain a sufficient number of Open Text s existing distributors or develop a sufficient number of future distributors. Distributors may also give higher priority to the sale of products other than Open Text s (which could include competitors products) or may not devote sufficient resources to marketing Open Text s products. The performance of third party distributors is largely outside of Open Text s control and Open Text is unable to predict the extent to which these distributors will be successful in marketing and licensing Open Text s products. A reduction in partner cooperation, sales efforts, a decline in the number of distributors, or a decision by Open Text s distributors to discontinue the sale of Open Text s products could materially reduce revenue.

If Open Text does not continue to develop new technologically advanced products that successfully integrate with the software products and enhancements used by Open Text s customers, then future revenues will be negatively affected.

Open Text s success depends upon Open Text s ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, new software products and enhancements must remain compatible with standard platforms and file formats. Open Text must continue to enhance the capability of Open Text s Livelink software to enable users to form workgroups and collaborate on private intranets as well as on the

Internet. Often, Open Text must integrate software licensed or acquired from third parties with Open Text s proprietary software to create or improve Open Text s products. These products are important to the success of Open Text s strategy. If Open Text is unable to achieve a successful integration with third party software, Open Text may not be successful in developing and marketing Open Text s new software products and enhancements. If Open Text is unable to successfully integrate the technologies to develop new software products and enhancements to existing products, or to complete products currently under development which Open Text licenses or acquires from third parties, Open Text s operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, Open Text s operating results will materially suffer. Also, if new industry standards emerge that Open Text does not anticipate or adapt to, Open Text s software products could be rendered obsolete and, as a result, Open Text s business, as well as Open Text s ability to compete in the marketplace, would be materially harmed.

Open Text s investment in current research and development efforts may not provide a sufficient, timely return.

The development of Enterprise Content Management, or ECM, software products is a costly, complex and time-consuming process, and the investment in ECM software product development often involves a long gestation period until a return is achieved on such an investment. Open Text makes and will continue to make significant investments in software research and development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors including the degree of innovation of the products developed through Open Text s research and development efforts, sufficient support from Open Text s strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development. These expenditures may adversely affect Open Text s operating results if they are not offset by revenue increases. Open Text believes that it must continue to dedicate a significant amount of resources to Open Text s research and development efforts in order to maintain Open Text s competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and businesses may not be as high as the margins Open Text has experienced for its current or historical products and services.

If Open Text s products and services do not gain market acceptance, Open Text may not be able to increase its revenues.

Open Text intends to pursue its strategy of growing the capabilities of Open Text s ECM software offerings through Open Text s proprietary research and the development of new product offerings. In response to customer requests, Open Text continues: (i) to enhance its software and many of its optional components; and (ii) to strive to set the standard for ECM capabilities. The primary market for Open Text s software and services is rapidly evolving which means that the level of acceptance of products and services that have been released recently or that are planned for future release by the marketplace is not certain. If the markets for Open Text s products and services fail to develop, develop more slowly than expected or become subject to intense competition, Open Text s business will suffer. As a result, Open Text may be unable to: (i) successfully market Open Text s current products and services, (ii) develop new software products, services and enhancements to current products and services, (iii) complete customer installations on a timely basis, or (iv) complete products and services currently under development. If Open Text s products and services are not accepted by Open Text s customers or by other businesses in the marketplace, Open Text s business and operating results will be materially affected.

Current and future competitors could have a significant impact on Open Text s ability to generate future revenue and profits.

The markets for Open Text s products are intensely competitive, and are subject to rapid technological change and other pressures created by changes in Open Text s industry. Open Text expects competition to increase and intensify in the future as the pace of technological change and adaptation quickens and as additional companies enter into each of Open Text s markets. Numerous releases of competitive products have occurred in recent history and may be expected to continue in the near future. Open Text may not be able to compete effectively with current competitors and potential entrants into Open Text s marketplace. Open Text could lose market share if Open Text s current or prospective competitors introduce new competitive products, add new functionality to existing products, acquire competitive products, reduce prices or form strategic alliances with other companies. If other businesses were to engage in aggressive pricing policies with respect to competing products, or if the dynamics in Open Text s marketplace resulted in increasing bargaining power by the consumers of Open Text s products and services, Open Text would need to lower the prices Open Text charges for the products it offers. This could result in lower revenues or reduced margins, either of which may materially and adversely affect Open Text s business and operating results.

Consolidation in the industry, particularly by large, well capitalized companies, could hurt Open Text s ability to deliver goods and services at a competitive price, which could negatively impact Open Text s financial results of operations.

Recent acquisitions by some large, well-capitalized technology companies have materially altered the competitive landscape that Open Text faces. Acquisitions in the market have changed the marketplace for Open Text s goods and services by replacing competitors which are comparable in size to Open Text with larger and better capitalized companies. In addition, other large corporations with considerable financial resources either have products that compete with the products Open Text offers, or have the ability to encroach on Open Text s competitive position within Open Text s marketplace. These companies have considerable financial resources; thus, they can engage in competition with Open Text s products and services on the basis of marketing, services or support. They also have the ability to introduce items that compete with Open Text s maturing products and services. The threat posed by larger competitors and the goods and services that these companies may be able to produce to Open Text s target customers at a lower cost may materially increase Open Text s expenses and reduce Open Text s revenues. Any material adverse effect on Open Text s revenue or cost structure may materially reduce the price of Open Text s Common Shares.

Acquisitions, investments, joint ventures and other business initiatives may negatively affect Open Text s operating results.

Open Text continues to seek out opportunities to acquire or invest in businesses, products and technologies that expand, complement or otherwise relate to Open Text s current business. Open Text also considers, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. These activities create risks such as the need to integrate and manage the businesses and products acquired with Open Text s own business and products, additional demands on Open Text s management, resources, systems, procedures and controls, disruption of Open Text s ongoing business, and diversion of management s attention from other business concerns. Moreover, these transactions could involve: (i) substantial investment of funds; (ii) substantial investment with respect to technology transfers; and (iii) the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the assumption of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of financial and other resources of Open Text. Any such activity may not be successful in generating revenue, income or other returns to Open Text, and the resources committed to such activities will not be available to Open Text for other purposes. Open Text s inability to address limited growth opportunities for products, as well as Open Text s inability to address other risks associated with other acquisitions or investments in businesses, may negatively affect Open Text s operating results. Impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce Open Text s earnings which, in turn, may have an adverse material affect on the price of Open Text s Common Shares. In addition, if Open Text assumes debt in response to an acquisition or investment opportunity, the interest costs generated by the incremental debt obligation may materially increase Open Text s operating expenses which may materially and adversely affect Open Text s profitability as well as the price of Open Text s Common Shares.

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Businesses Open Text acquires may have disclosure controls and procedures and internal controls over financial reporting that are weaker than or otherwise not in conformity with Open Text s.

Open Text has a history of acquiring businesses with varying levels of organizational size and complexity. Upon consummating an acquisition, Open Text seeks to implement Open Text s disclosure controls and procedures as well as Open Text s internal controls over financial reporting at the acquired company as promptly as possible. Depending upon the size and complexity of the business acquired, the implementation of Open Text s disclosure controls and procedures as well as the implementation of Open Text s internal controls over financial reporting at an acquired company may be a lengthy process. Typically, Open Text conducts due diligence prior to consummating an acquisition; however, Open Text s integration efforts may periodically expose deficiencies in the disclosure controls and procedures as well as in internal controls over financial reporting of an acquired company. Open Text expects that the process involved in completing the integration of Open Text s own disclosure controls and procedures as well as Open Text s own internal controls over financial reporting at an acquired business will sufficiently correct any identified deficiencies. However, if such deficiencies exist, Open Text may not be in a position to comply with Open Text s periodic reporting requirements and, as a result, Open Text s business and financial condition may be materially harmed.

Open Text must continue to manage Open Text s internal resources during periods of company growth and increasing regulatory requirements or Open Text s operating results could be adversely affected.

Open Text s markets have continued to evolve at a rapid pace. Moreover, Open Text has grown significantly through acquisitions in the past and continues to review acquisition opportunities as a means of increasing the size and scope of Open Text s business. Open Text s growth, coupled with the rapid evolution of Open Text s markets and more stringent regulations, has placed, and will continue to place, significant strains on Open Text s administrative and operational resources and increased demands on Open Text s internal systems, procedures and controls. Open Text s administrative infrastructure, systems, procedures and controls may not adequately support Open Text s operations or compliance with such regulations. In addition, Open Text s management may not be able to achieve the rapid, effective execution of the product and business initiatives necessary to successfully implement Open Text s operational and competitive strategy and to comply with all regulations. If Open Text is unable to manage growth effectively, or comply with such new regulations, Open Text s operating results will likely suffer. Open Text s inability to manage growth or adapt to regulatory changes may also adversely affect Open Text s compliance with Open Text s periodic reporting requirements or listing standards, which could result in the delisting of Open Text s Common Shares from the NASDAQ stock market or in Open Text s failure to comply with the rules and the regulations of the SEC.

Changes in accounting rules and pronouncements may affect Open Text s reported earnings and operating income.

Generally accepted accounting principles and accompanying accounting pronouncements, implementation guidelines, and interpretations for many aspects of Open Text s business, such as revenue recognition for Open Text s products and services, accounting for investments, and treatment of goodwill or amortizable intangible assets, are highly complex and involve subjective judgments. Changes in these rules or their interpretation could significantly change Open Text s reported earnings and could add significant volatility to those measures, but may have no effect on Open Text s generation of cash flow from operations. In addition, recently legislated requirements mandating the compulsory use of the International Financial Reporting Standards in Canada could materially impact Open Text s future reported earnings and recognized values of assets and liabilities.

If Open Text is not able to attract and retain top employees, Open Text s ability to compete may be harmed.

Open Text s performance is substantially dependent on the performance of Open Text executive officers and key employees. The loss of the services of any of Open Text s executive officers or other key employees could significantly harm Open Text s business. Open Text does not maintain key person life insurance policies on any of Open Text s employees. Open Text s success is also highly dependent on its continuing ability to identify, hire, train, retain and motivate highly qualified management, technical, sales and marketing personnel. In particular, the recruitment of top research developers and experienced salespeople remains critical to Open Text s success. Competition for such people is intense, substantial and continuous, and Open Text may not be able to attract, integrate or retain highly qualified technical, sales or managerial personnel in the future. In addition, in Open Text s effort to attract and retain critical personnel, Open Text may experience increased compensation costs that are not offset by either improved productivity or higher prices for Open Text s products or services.

Open Text s awards of stock options to employees may have an adverse impact on Open Text operations.

A portion of Open Text s total compensation program for its executive officers and key personnel has historically included the award of options to buy Open Text s Common Shares. If the price of Open Text s Common Shares performs poorly, such performance may adversely affect Open Text s ability to retain or attract critical personnel. In addition, any changes made to Open Text s stock option policies, or to any other of Open Text s compensation practices, which are made necessary by governmental regulations or competitive pressures could affect Open Text s ability to retain and motivate existing personnel and recruit new personnel. Additionally, payments under Open Text s long-term incentive plan (instituted September 2007) to retain key executives are dependent to a significant extent upon the future price of Open Text s Common Shares and the growth of the future share price relative to certain peer companies. Any failure to achieve the expected future share price or growth relative to Open Text s peers could significantly reduce payments under the long-term incentive plan and materially impact Open Text s ability to retain these key executives.

The length of Open Text s sales cycle can fluctuate significantly which could result in significant fluctuations in license revenue being recognized from quarter to quarter.

The decision by a customer to purchase Open Text s products often involves a comprehensive implementation process across Open Text s customers network or networks. As a result, licenses of these products may entail a significant commitment of resources by prospective customers, accompanied by the attendant risks and delays frequently associated with significant expenditures and lengthy sales cycle and implementation procedures. Given the significant investment and commitment of resources required by an organization to implement its software, Open Text s sales cycle may be longer compared to companies in other industries. Over the past several fiscal years, Open Text has experienced a lengthening of its sales cycle as customers include more personnel in their decisions and focus on more enterprise-wide licensing deals. In an economic environment of reduced information technology spending, it may take several months, or even several quarters, for marketing opportunities to materialize. If a customer s decision to license Open Text s software is delayed or if the installation of Open Text s products takes longer than originally anticipated, the date on which Open Text may recognize revenue from these licenses would be delayed. Such delays could cause its revenues to be lower than expected in a particular period.

Open Text s international operations expose it to business risks that could cause Open Text s operating results to suffer.

Open Text intends to continue to make efforts to increase Open Text s international operations and anticipate that international sales will continue to account for a significant portion of Open Text s revenue. These international operations are subject to certain risks and costs, including the difficulty and expense of administering business and compliance abroad, compliance with domestic and foreign laws (including without limitation domestic and international import and export laws and regulations), costs related to localizing products for foreign markets, and costs related to translating and distributing products in a timely manner. International operations also tend to be subject to a longer sales and collection cycle. In addition, regulatory limitations regarding the repatriation of earnings may adversely affect the transfer of cash earned from foreign operations. Significant international sales may also expose Open Text to greater risk from political and economic instability, unexpected changes in Canadian, United States or other governmental policies concerning import and export of

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goods and technology, regulatory requirements, tariffs and other trade barriers. Additionally, international earnings may be subject to taxation by more than one jurisdiction, which may materially adversely affect Open Text s effective tax rate. Also, international expansion may be more difficult, time consuming, and costly. As a result, if revenues from international operations do not offset the expenses of establishing and maintaining foreign operations, Open Text s operating results will suffer. Moreover, in any given quarter, foreign exchange rates may adversely affect Open Text s revenue, earnings or other financial measures.

Unexpected operational restructuring or other events causing delays in sales transactions, or disruption of any of Open Text s critical business or information technology systems, may adversely affect Open Text s operations and may cause Open Text to experience increased expenses or to generate expenses prior to the time Open Text is able to recognize the revenue associated with the expenses incurred.

Open Text s business and operations are highly automated and a disruption or failure of Open Text s system may delay Open Text s ability to complete sales and to provide services. As well, Open Text incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses are relatively fixed, a delay in recognizing revenue from transactions related to these expenses could cause significant variations in operating results from quarter to quarter and, as a result, such a delay could materially reduce operating income. If these expenses are not subsequently followed by revenues, Open Text s business, financial condition, or results of operations could be materially and adversely affected. In addition, Open Text often undertakes initiatives to restructure or streamline its operations. In such instances, Open Text could incur costs associated with implementing the restructuring initiative beyond the amount contemplated when it first developed the initiative, and these increased costs may be substantial. Some of these restructuring costs may have to be treated as expenses which would decrease Open Text s net income and earnings per share for the periods in which those adjustments are made. Open Text will continue to evaluate its operations, and may propose future restructuring actions as a result of changes in the marketplace, including the exit from less profitable operations or the decision to terminate services which are not valued by Open Text s customers. Any failure to successfully execute these initiatives on a timely basis may have a material adverse impact on Open Text s operations.

Open Text s products may contain defects that could harm Open Text s reputation, be costly to correct, delay revenues, and expose Open Text to litigation.

Open Text s products are highly complex and sophisticated and, from time to time, may contain design defects or software errors that are difficult to detect and correct. Errors may be found in new software products or improvements to existing products after commencement of shipments to Open Text s customers. If these defects are discovered, Open Text may not be able to successfully correct such errors in a timely manner. In addition, despite the extensive tests Open Text conducts on all of its products, Open Text may not be able to fully simulate the environment in which Open Text s products will operate and, as a result, Open Text may be unable to adequately detect the design defects or software errors which may become apparent only after the products are installed in an end-user s network. The occurrence of errors and failures in Open Text s products could result in the delay or the denial of market acceptance of Open Text s products; alleviating such errors and failures may require it to make significant expenditure of Open Text s resources. The harm to Open Text s reputation resulting from product errors and failures may be materially damaging. Since Open Text regularly provides a warranty with its products, the financial impact of fulfilling warranty obligations may be significant in the future. Open Text s agreements with its strategic partners and end-users typically contain provisions designed to limit Open Text s exposure to claims. These agreements usually contain terms such as the exclusion of all implied warranties and the limitation of the availability of consequential or incidental damages. However, such provisions may not effectively protect Open Text against claims and the attendant liabilities and costs associated with such claims. Although Open Text maintains errors and omissions insurance coverage and comprehensive liability insurance coverage, such coverage may not be adequate to cover all such claims. Accordingly, any such claim could negatively affect Open Text s financial condition.

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Failure to protect Open Text s intellectual property could harm Open Text s ability to compete effectively.

Open Text is highly dependent on its ability to protect its proprietary technology. Open Text relies on a combination of copyright, patent, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain Open Text s proprietary rights. Open Text intends to protect its rights vigorously; however, there can be no assurance that these measures will, in all cases, be successful. Enforcement of Open Text s intellectual property rights may be difficult, particularly in some nations outside of North America in which Open Text seeks to market its products. While U.S. and Canadian copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent respect for Open Text s proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of Open Text s products represents a loss of revenue to Open Text. Despite the precautions Open Text has taken, unauthorized third parties, including Open Text s competitors, may be able to: (i) copy certain portions of Open Text s products; or (ii) reverse engineer or obtain and use information that Open Text regards as proprietary. Also, Open Text s competitors could independently develop technologies that are perceived to be substantially equivalent or superior to Open Text s technologies. Open Text s competitive position may be adversely affected by Open Text s possible inability to effectively protect Open Text s intellectual property.

Other companies may claim that Open Text infringes their intellectual property, which could materially increase costs and materially harm Open Text s ability to generate future revenue and profits.

Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although Open Text does not believe that its products infringe on the rights of third-parties, third-parties may assert infringement claims against Open Text in the future. Although most of Open Text s technology is proprietary in nature, Open Text does include certain third party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although Open Text believes that it has secured proper licenses for all third-party software that is integrated into Open Text s products, third- parties may assert infringement claims against Open Text in the future. Any such assertion may result in litigation or may require Open Text to obtain a license for the intellectual property rights of third-parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to Open Text s ability to generate revenue and may result in significantly increased costs as a result of Open Text s defense against those claims or Open Text s attempt to license the patents or rework Open Text s products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on Open Text s ability to generate future revenue and profits.

The loss of licenses to use third- party software or the lack of support or enhancement of such software could adversely affect Open Text s business.

Open Text currently depends upon a limited number of third-party software products. If such software products were not available, Open Text may experience delays or increased costs in the development of licenses for Open Text s products. For a limited number of product modules, Open Text relies on software products that Open Text licenses from third-parties, including software that is integrated with internally developed software and which is used in Open Text s products to perform key functions. These third-party software licenses may not continue to be available to Open Text on commercially reasonable terms, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors. The loss by Open Text of the

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license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could adversely affect Open Text s business.

Open Text s products rely on the stability of infrastructure software that, if not stable, could negatively impact the effectiveness of Open Text s products, resulting in harm to Open Text s reputation and business.

Open Text s developments of Internet and intranet applications depend and will depend on the stability, functionality and scalability of the infrastructure software of the underlying intranet, such as the infrastructure software produced by Sun Microsystems, Inc., Hewlett-Packard Company, Oracle, Microsoft and others. If weaknesses in such infrastructure software exist, Open Text may not be able to correct or compensate for such weaknesses. If Open Text is unable to address weaknesses resulting from problems in the infrastructure software such that Open Text s products do not meet customer needs or expectations, Open Text s reputation, and consequently, Open Text s business may be significantly harmed.

Open Text s revenues and operating results are likely to fluctuate which could materially impact the price of Open Text s Common Shares.

Open Text experiences, and is likely to continue to experience, significant fluctuations in revenues and operating results caused by many factors, including:

- Changes in the demand for Open Text s products and for the products of its competitors;
- The introduction or enhancement of products by Open Text and by its competitors;
- Market acceptance of enhancements or products;
- Delays in the introduction of products or enhancements by Open Text or its competitors;
- Customer order deferrals in anticipation of upgrades and new products;
- Changes in the lengths of sales cycles;
- Changes in Open Text s pricing policies or those of its competitors;
- Delays in product installation with customers;
- Change in the mix of distribution channels through which products are licensed;
- Change in the mix of products and services sold;
- Change in the mix of international and North American revenues;

- Changes in foreign currency exchange rates and LIBOR rates;
- Acquisitions;
- Restructuring charges taken in connection with any completed acquisition;
- Changes in general economic and business conditions; and
- Changes in general political developments, such as international trade policies.

A general weakening of the global economy, or economic or business uncertainty created by North American or international political developments, could cancel or delay customer purchases. A cancellation or deferral of even a small number of licenses or delays in the installation of Open Text s products could have a material adverse effect on Open Text s operations in any particular quarter. As a result of the timing of product introductions and the rapid evolution of Open Text s business as well as of the markets Open Text serves, Open

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Text cannot predict whether patterns or trends experienced in the past will continue. For these reasons, you should not rely upon period-to-period comparisons of Open Text s financial results to forecast future performance. Open Text s revenue and operating results may vary significantly and this possible variance could materially reduce the market price of Open Text s Common Shares.

The volatility of Open Text s stock price could lead to losses by shareholders.

The market price of Open Text s Common Shares has been subject to wide fluctuations. Such fluctuations in market price may continue in response to: (i) quarterly and annual variations in operating results; (ii) announcements of technological innovations or new products that are relevant to Open Text s industry; (iii) changes in financial estimates by securities analysts; or (iv) other events or factors. In addition, financial markets experience significant price and volume fluctuations that particularly affect the market prices of equity securities of many technology companies. These fluctuations have often resulted from the failure of such companies to meet market expectations in a particular quarter, and thus such fluctuations may or may not be related to the underlying operating performance of such companies. Broad market fluctuations or any failure of Open Text s operating results in a particular quarter to meet market expectations may adversely affect the market price of Open Text s Common Shares. Occasionally, periods of volatility in the market price of a company s securities may lead to the institution of securities class action litigation against a company. Due to the volatility of Open Text s stock price, Open Text may be the target of such securities litigation in the future. Such legal action could result in substantial costs to defend Open Text s interests and a diversion of management s attention and resources, each of which would have a material adverse effect on Open Text s business and operating results.

Open Text may become involved in litigation that may materially adversely affect Open Text.

From time to time in the ordinary course of Open Text s business, Open Text may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management s attention and resources and cause Open Text to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on Open Text s business, operations or financial condition.

Open Text may have exposure to greater than anticipated tax liabilities.

Open Text is subject to income and other taxes in a variety of jurisdictions and Open Text s tax structure is subject to review by both domestic and foreign taxation authorities. The determination of Open Text s worldwide provision for income taxes and of other tax liabilities requires significant judgment. Although Open Text believes its estimates are reasonable, the ultimate outcome with respect to the taxes Open Text occurs may differ from the amounts recorded in Open Text s financial statements, and this difference may materially affect Open Text s financial results in the period or periods for which such determination is made.

Stress in the global financial system may adversely affect Open Text s finances and operations in ways that may be hard to predict or to defend against.

Recent events have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, events seemingly unrelated to Open Text or to Open Text s industry may adversely affect Open Text over the course of time. For example, rapid changes to the foreign currency exchange regime may adversely affect Open Text s financial results. Credit contraction in financial markets may hurt Open Text s ability to access credit in the event that Open Text identifies an acquisition opportunity or some other opportunity that would require a significant investment in resources. Finally, a reduction in credit, combined with reduced economic activity, may adversely affect businesses and industries that collectively constitute a significant portion of Open Text s customer base. As a result, these customers may need to reduce their purchases of Open Text s products or services, or Open Text may experience greater difficulty in receiving

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payment for the products or services that these customers purchase from Open Text. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on Open Text s business, operating results, and financial condition.

In connection with Open Text s acquisition of Captaris Inc., Open Text assumed certain unfunded pension liabilities. Open Text has no assurance that it will generate sufficient cash flow to satisfy these obligations.

In October 2008, Open Text acquired Captaris Inc. and, as a part of the transaction, assumed its unfunded pension plan liabilities. Open Text will be required to fund these obligations through current and future cash flows. Going forward, Open Text s net pension liability and cost may be materially affected by the discount rate used to measure these pension obligations and the longevity and actuarial profile of the relevant workforce. A change in the discount rate would result in a significant increase or decrease in the valuation of these pension obligations, affecting the net periodic pension cost in the year the change is made and following years. Open Text has no assurance that it will generate cash flow sufficient to satisfy these obligations. This could have a material adverse effect on Open Text s business and results of operations.

Open Text s acquisition of Captaris may adversely affect Open Text s operations in the short term.

On October 31, 2008 Open Text acquired all of the issued and outstanding common shares of Captaris. The Captaris acquisition represents a significant opportunity for Open Text s business. However, certain inevitable integration challenges may result from the acquisition and may divert management s attention from the normal daily operations of Open Text s existing businesses, products and services. Open Text cannot ensure that it will be successful in retaining key Captaris employees. In addition, Open Text s operations may be disrupted if Open Text fails to adequately retain and motivate all of the employees of the newly merged entity.

Risks Relating to Vignette s Business

Vignette s Profitability Has Been Inconsistent.

Although Vignette was profitable in 2005, 2006 and 2007, it was not profitable in 2008. Vignette cannot be certain that it will generate sufficient revenues to achieve profitability. If Vignette does achieve profitability, it cannot be certain that it can sustain or increase profitability on a quarterly or annual basis in the future. To achieve and sustain profitable operations and positive cash flows, Vignette must increase its license and support services revenues. If Vignette s revenues do not grow at a rate greater than expenses required to fund its continuing operations, Vignette will not be able to achieve profitability, which could cause the price of its common stock to decline.

Vignette Expects Its Quarterly Revenues and Operating Results to Fluctuate.

Vignette bases its forecast for expenses in part on future revenue projections (as opposed to historical data) due to the continued changes in its business. Many of these expenses are fixed in the short-term and Vignette may not be able to quickly reduce spending if revenues are lower than Vignette has projected. Vignette s ability to accurately forecast its quarterly revenue is limited due to the long sales cycle of its software products, which makes it difficult to predict the quarter in which product implementation will occur and the variability of customer demand for professional services. Vignette would expect its business, operating results and financial condition to be materially adversely affected if revenues do not meet projections and that net losses in a given quarter would be even greater than expected.

Vignette s revenues and operating results have varied significantly from quarter to quarter in the past and Vignette expects that its operating results will continue to vary significantly from quarter to quarter. A number of factors are likely to cause these variations, including:

- demand for Vignette s products and services;
- the timing of sales of Vignette s products and services;

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- the timing of customer orders and product implementations;
- seasonal fluctuations in information technology purchasing;
- the general economic climate including a prolonged economic recession;
- unexpected delays in introducing new products and services;
- increased expenses, whether related to sales and marketing, product development, product migration and customer support, or administration;
- changes in the rapidly evolving market for Web-based applications;
- the mix of product license and services revenue, as well as the mix of products licensed;
- the mix of services provided and whether services are provided by Vignette s own staff or third-party contractors;
- the mix of domestic and international sales;
- attrition of key sales, professional services and other customer facing personnel;
- difficulties in collecting accounts receivable;
- costs related to possible acquisitions of technology or businesses;
- global events, including terrorist activities, military operations and widespread epidemics;
- changes to Vignette s licensing and pricing model; and
- difficulty in developing and maintaining an indirect sales channel.

Accordingly, Vignette believes that quarter-to-quarter comparisons of its operating results are not necessarily meaningful. Investors should not rely on the results of one quarter as an indication of future performance.

Adverse Changes in General Economic or Political Conditions Could Adversely Affect Vignette s Operating Results.

Vignette s business is affected by a number of factors that are beyond its control such as general geopolitical and economic conditions, conditions in the financial markets and the overall demand for enterprise software and services. Unfavorable changes in economic conditions, including inflation, recession or other changes in economic conditions may result in lower corporate technology spending and adversely affect Vignette s revenue. In 2008, the weakening economy had a negative effect on demand for Vignette s products and services and this trend could well continue through 2009 or longer. Such unfavorable economic conditions could also result in longer sales cycles, slower adoption of new technologies and increased price competition. Challenging economic conditions may also impair the ability of Vignette s customers to pay for products and services they have already purchased. As a result, reserves for doubtful accounts and write-offs of accounts receivable may increase. In addition, Vignette maintains an investment portfolio of various holdings, types and maturities (consistent with its investment policy) that are subject to general credit, liquidity, market and interest rate risks which too may be exacerbated by unusual events that have affected global financial markets. If the global credit market continues to deteriorate, Vignette s investment portfolio may be impacted and it could determine that some of its investments have experienced a decline in fair value, requiring an impairment charge that could adversely impact its financial results. Any of these events would likely harm Vignette s business, results of operations and financial condition.

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Vignette s Revenue for a Particular Period Is Difficult to Forecast and a Shortfall in Revenue Would Harm Its Operating Results.

Due to the nature of the market in which Vignette competes, its revenue and earnings are difficult to forecast. Vignette plans its operating expenses based on its historical results and, in part, on future revenue projections. Most of Vignette s expenses are fixed in the short term and Vignette may not be able to quickly reduce spending if its revenues are lower than it had forecasted. Vignette s ability to accurately forecast its quarterly revenue is limited because its software products have a long sales cycle that makes it difficult to predict the quarter in which sales will occur. Vignette would expect its business, operating results and financial condition to be materially adversely affected if its revenues do not meet projections.

If Vignette Is Unable to Manage the Transition of Its Significant Research and Development Operations in India from an Outsourced Third-Party Service Provider to a Direct model, Vignette s Business Could Be Adversely Affected.

Vignette is currently using a third-party service provider in India to supply approximately half of its research and development operations. During the quarter ended September 30, 2008, Vignette decided to establish a development center in India and entered into an amended vendor agreement (refer to the 8-K filed on August 28, 2008) to phase out its primary third-party service provider over a twelve month period. Vignette began the transition to using its own employees in India in the first quarter of 2009. Vignette believes a direct presence in India will achieve significant efficiencies and reduced operational costs. However, for the new development center to achieve its anticipated benefits, Vignette must successfully expand its operations in India and integrate this operation into its existing global organization. Common risks Vignette faces with this transition include:

- the possibility that the transition of this work from the current third party vendor will be more difficult and more expensive than anticipated;
- the possibility that the business cultures will not be compatible;
- unanticipated expenses related to integration of operations;
- the impairment of relationships with employees as a result of any integration of new personnel;
- costs and delays in implementing common systems and procedures, including financial accounting systems and customer information systems;
- potential inability to retain, integrate and motivate personnel; and
- risks related to remote development operations.

Establishing a development center in India can be a complex, time-consuming and expensive process and may result in revenue disruption and operational difficulties if not completed in a timely and efficient manner. Vignette may be required to spend additional time or money on integration that would otherwise be spent on developing its business or on other matters. If Vignette does not integrate its operations and technology smoothly or if management spends too much time on integration issues, it could harm Vignette s business, financial condition and results of operations and diminish the benefits of bringing the operation in-house.

Once established, Vignette must operate as a combined organization, utilizing common information communication systems, operating procedures, financial controls and human resource practices, including benefits, training and professional development programs. There may be substantial difficulties, costs and delays involved in the integration. There can be no assurance that Vignette will succeed in addressing these risks or any other problems encountered in connection with the integration.

To date, the dispute between India and Pakistan involving the Kashmir region and the incidents of terrorism in India have not adversely affected Vignette s ability to operate in India. Should Vignette be unable to operate in India for a portion of its research and development in the future, Vignette believes that its business could be adversely affected.

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Vignette s Business May Become Increasingly Susceptible to Numerous Risks Associated with International Operations

International operations are generally subject to a number of risks, including:

- expenses associated with customizing and localizing products for foreign countries;
- protectionist laws and business practices that favor local competition;
- changes in jurisdictional tax laws including laws regulating intercompany transactions;
- difficulties in developing and maintaining relationships with international vendors;
- multiple, conflicting and changing governmental laws and regulations;
- longer sales cycles;
- difficulties in collecting accounts receivable;
- seasonality of operations;
- difficulties in staffing and managing foreign operations;
- licenses, tariffs and other trade barriers;
- loss of proprietary information due to piracy, misappropriation or weaker laws regarding intellectual property protection;
- foreign currency exchange rate fluctuations;
- political and economic instability; and
- difficulties in communication of and monitoring compliance with Company controls and policy.

A significant percentage of Vignette s total revenues are generated through licenses and services sold to customers located outside of the United States. Vignette expects international revenue to remain a large percentage of total revenue and Vignette believes that it must continue to expand its international sales activities to be successful. Vignette s international sales growth will be limited if it is unable to establish appropriate foreign operations, expand international sales channel management and support organizations, hire additional personnel, customize products for local markets, develop relationships with international service providers and establish relationships with additional distributors and third-party integrators. In that case, Vignette s business, operating results and financial condition could be materially adversely affected. Even if Vignette is able to successfully expand international operations, Vignette cannot be certain that it will be able to maintain or increase international market demand for its products.

Historically, a majority of Vignette s international revenues and costs have been denominated in foreign currencies and Vignette expects future international revenues and costs will be denominated in foreign currencies. Vignette utilizes foreign currency forward contracts to hedge foreign currency-denominated payables and receivables. To date, Vignette has not hedged forecasted transactions or firm commitments denominated in foreign currencies and therefore, financial reporting of its foreign operations is subject to foreign currency risk. Gains and losses on hedging contracts are reflected currently in other income, net. Under Vignette s policy, it may enter into foreign currency forward contracts for a term of up to one year. Vignette does not invest in contracts for speculative purposes. Its foreign exchange exposures are monitored regularly to ensure the overall effectiveness of its foreign currency hedge positions. Vignette s program is not designed to hedge all currency risk, but is designed to mitigate large foreign currency exposures recorded on its balance sheet. As part of this monitoring program and in order to evaluate the effectiveness of its hedging practices, in the second quarter of 2007, Vignette did not replace foreign currency hedge positions which expired and re-engaged Vignette s foreign currency hedge program in the fourth quarter of 2008. For the year ended December 31, 2008, 2007 and 2006,

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Vignette realized a loss on foreign currency contracts of $0.2 million, $0.3 million and $13,000, respectively. At December 31, 2008, the notional value of open foreign currency contracts was $1.3 million and, based on the applicable exchange rates, the fair value of derivative financial instruments was a liability of $99,000. At December 31, 2007 Vignette had no foreign currency contracts outstanding.

Vignette Must Overcome Significant Challenges in Integrating Businesses Operations and Product Offerings to Realize the Benefits of Its Business Combinations.

As part of Vignette s overall strategy, it has acquired or invested in, complementary companies, products and technologies. Risks commonly associated with such transactions include:

- the potential difficulties of integrating international and domestic operations;
- the potential disruption of Vignette s ongoing business and diversion of management resources;
- the possibility that the business cultures will not be compatible;
- the difficulty of incorporating acquired technology and rights into Vignette s products and services;
- unanticipated expenses related to integration of operations;
- the impairment of relationships with employees and customers as a result of any integration of new personnel;
- potential unknown liabilities associated with the acquired business and technology;
- costs and delays in implementing common systems and procedures, including financial accounting systems and customer information systems;
- potential inability to retain, integrate and motivate key management, marketing, technical sales and customer support personnel;
- risks related to remote development operations; and
- risks related to adoption of new business models such as software as a service (SAAS), pricing and licensing methods.

For such transactions to achieve their anticipated benefits, Vignette must successfully combine and integrate products in a timely manner. Integrating can be a complex, time-consuming and expensive process and may result in revenue disruption and operational difficulties if not completed in a timely and efficient manner. Vignette may be required to spend additional time or money on integration that would otherwise be spent on developing its business or on other matters. If Vignette does not integrate its operations and technology smoothly or if management spends too much time on integration issues, it could harm Vignette s business, financial condition and results of operations and diminish the benefits of the acquisition as well as harm its content management business.

Prior to an acquisition, the acquired company operates independently, with its own business, culture, markets, clients, employees and systems. Following an acquisition, Vignette and the acquired company must operate as a combined organization, utilizing common information communication systems, operating procedures, financial controls and human resource practices, including benefits, training and professional development programs. There may be substantial difficulties, costs and delays involved in the integration. There can be no assurance that Vignette will succeed in addressing these risks or any other problems encountered in connection with any acquisition.

Vignette Must Succeed in the Portal, Collaboration and Content Management Market as Well as the Document and Records Management Market if It Is to Realize the Expected Benefits of Its Product Strategy and Business Combinations.

Vignette s long-term strategic plan depends upon the successful development and introduction of products and solutions that address the needs of the portal, collaboration and content management market as well as the

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enterprise content management and the document and records management markets. For Vignette to succeed in these markets, it must align strategies and objectives and diversify the focus of its resources to succeed in these various markets.

Vignette s success in these new markets will depend on several factors, many of which are outside Vignette s control, including:

- continued growth of the portal, collaboration and content management market;
- continued growth of the enterprise content management and document and records management markets;
- deployment of the combined company s products by enterprises;
- barriers to entry for the emergence of substitute technologies and products; and
- ability to adapt to different sales and marketing techniques required for the various markets.

If Vignette is unable to succeed in these markets, its business may be harmed and Vignette may be prevented from realizing the anticipated benefits of its business strategy and its acquisitions.

Vignette s Quarterly Results May Depend on a Small Number of Large Orders.

In previous quarters, Vignette derived a significant portion of its software license revenues from a small number of relatively large orders. Vignette s operating results could be materially adversely affected if it is unable to complete a significant order that it expected to complete in a specific quarter.

If Vignette Experiences a Product Liability Claim, It Could Incur Substantial Litigation Costs.

Since Vignette s customers use its products for mission-critical applications, errors, defects or other performance problems could result in financial or other damages to its customers. They could seek damages for losses from Vignette, which, if successful, could have a material adverse effect on Vignette s business, operating results and financial condition. Although Vignette s license agreements typically contain provisions designed to help limit its exposure to product liability claims, existing or future laws or unfavorable judicial decisions could negate or alter such limitation of liability provisions. Such claims, if brought against Vignette, even if not successful, would likely be time consuming and costly.

Vignette s Ability to Use Net Operating Losses to Offset Future Taxable Income may be Subject to Certain Limitations.

In general, under Section 382 of the Internal Revenue Code, a corporation that undergoes an ownership change is subject to limitations on its ability to utilize its pre-change net operating losses (NOLs) and other tax attributes to offset future taxable income. Based upon a review of historical stock ownership, Vignette does not believe it has undergone an ownership change as of December 2008 that will limit its ability to utilize these tax attributes prior to their expiration. However, recent volatility in the stock market as well as increased trading volume following the announcement of the execution of the merger agreement has resulted in significant changes in ownership positions of large shareholders, putting Vignette at a meaningful risk of triggering this limitation. If a limitation is triggered from an ownership change it will significantly impact Vignette s ability to realize the benefit from its deferred tax asset, potentially resulting in impairment of substantially Vignette s entire domestic deferred tax asset of $9.0 million at December 31, 2008 and increasing its income tax expense and taxes payable in future periods.

Changes in Vignette s Tax Rates Could Affect Its Future Results.

Vignette s future effective tax rates could be favorably or unfavorably affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of Vignette s deferred tax assets and liabilities, or by changes in tax laws or their interpretation. In addition, Vignette is routinely subject to the

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examination of its income tax returns. Vignette regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of its provision for income taxes. There can be no assurance the outcomes from these continuous examinations will not have an adverse effect on Vignette s results of operations and financial condition.

Vignette Faces Intense Competition from Other Software Companies, Which Could Make it Difficult to Compete Successfully.

Vignette s market is intensely competitive. Its customers requirements and the technology available to satisfy those requirements continually change. Vignette expects competition to persist and intensify in the future, including competition resulting from consolidations in the software industry.

Vignette s principal competitors include: in-house development efforts by potential customers or partners; other vendors of software that directly address elements of Web-based applications; and developers of software that address only certain technology components of Web-based applications (e.g., content management, portal management, document management, process, collaboration, integration or analytics). In addition, Vignette faces increased competition from large companies with capabilities similar to its software in larger integrated product offerings.

Many of these companies have longer operating histories and significantly greater financial, technical, marketing and other resources than Vignette does. Many of these companies can also leverage extensive customer bases and adopt aggressive pricing policies to gain market share. Potential competitors may bundle or license their products in a manner that may discourage users from purchasing Vignette s products. It is possible that new competitors or alliances among competitors may emerge and rapidly acquire significant market share. In addition, this competition may impact existing revenue generating partners which could result in reductions in Vignette s ability to generate future revenue from these companies.

Competitive pressures may make it difficult for Vignette to acquire and retain customers and may require Vignette to reduce the price of its software. Vignette cannot be certain that it will be able to compete successfully with existing or new competitors. If Vignette fails to compete successfully against current or future competitors, its business, operating results and financial condition would be materially adversely affected.

Vignette Depends on Increased Business from Its Current and New Customers and, if Vignette Fails to Grow Its Customer Base or Generate Repeat Business, Its Operating Results Could Be Harmed.

If Vignette fails to grow its customer base or generate repeat and expanded business from its current and new customers, Vignette s business and operating results would be seriously harmed. Many of Vignette s customers initially make a limited purchase of its products and services. Some of these customers may not choose to purchase additional licenses to expand their use of Vignette s products. Some of these customers have not yet developed or deployed initial applications based on Vignette s products. If these customers do not successfully develop and deploy such initial applications, they may choose not to purchase deployment licenses or additional development licenses. Vignette s business model depends on the expanded use of its products within its customers organizations.

In addition, as Vignette introduces new versions of its products or new products, Vignette s current customers may not require the functionality of its new products and may not ultimately license these products. Because the total amount of maintenance and support fees Vignette receives in any period depends in large part on the size and number of licenses that it has previously sold, any downturn in Vignette s software license revenue would negatively impact its future services revenue. In addition, if customers elect not to renew their maintenance agreements, Vignette s services revenue could be significantly adversely affected.

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Vignette s Future Revenue is Dependent Upon Its Ability to Successfully Market Its Existing and Future Products and Solutions.

Vignette expects that its future financial performance will depend significantly on revenue from existing and future software products and the related tools that Vignette plans to develop. There are significant risks inherent in a product introduction. Market acceptance of Vignette s products will depend on continued market development for Web applications and services and the continued commercial adoption of its existing and future products. Vignette cannot be certain this will occur. Vignette cannot be certain that its existing or future products will meet customer performance needs or expectations when released or that they will be free of significant software defects or bugs. If Vignette s products do not meet customer needs or expectations, for whatever reason, upgrading or enhancing the product could be costly and time-consuming.

Vignette s Operating Results May Be Adversely Affected by Small Delays in Customer Orders or Product Implementations.

Small delays in customer orders or product implementations can cause significant variability in Vignette s license revenues and operating results for any particular period. Vignette derives a substantial portion of its revenue from the sale of products with related services. In certain cases, Vignette s revenue recognition policy requires it to substantially complete the implementation of Vignette s product before it can recognize all revenues in a contract and any end-of-quarter delays in product implementation could materially adversely affect operating results for that quarter.

To Increase Market Awareness of Vignette s Products and Generate Increased Revenue, Vignette Needs to Continue to Strengthen Its Sales and Distribution Capabilities.

Vignette s direct and indirect sales operations must increase market awareness of Vignette s products to generate increased revenue. In 2009, Vignette plans to implement, among other things, new territory assignments, an enhanced reseller model, a new sales force automation system, a new lead management system, and a shift in marketing spend towards more online marketing. It is Vignette s intention that these changes will lead to more effective distribution, but there are many changes being implemented at the same time and they may not be successful or could be successful in the long term but lead to weaker performance in the short term.

Vignette s products and services require a sophisticated sales effort targeted at the senior management of Vignette s prospective customers. The market for talented sales resources is very competitive. Vignette has experienced attrition in its sales force. To continue to strengthen sales and distribution, Vignette must continue to hire a significant number of sales personnel. All new hires will require training and will take time to achieve full productivity. Vignette cannot be certain that its new hires will become as productive as necessary or that it will be able to hire enough qualified individuals or retain existing employees in the future. Vignette plans to expand its relationships with systems integrators and certain third-party resellers to build an indirect influence and sales channel. In addition, Vignette will need to manage potential conflicts between its direct sales force and any third-party reselling efforts.

Failure to Maintain the Support of Third-Party Systems Integrators May Limit Vignette s Ability to Penetrate Its Markets.

A significant portion of Vignette s sales are influenced by the recommendations of its products made by systems integrators, consulting firms and other third parties that help develop and deploy Web-based applications for Vignette s customers. Losing the support of these third parties may limit Vignette s ability to penetrate Vignette s markets. These third parties are under no obligation to recommend or support Vignette s products. These companies could recommend or give higher priority to the products of other companies or to their own products. A significant shift by these companies toward favoring competing products could negatively affect Vignette s license and services revenue. Additionally, these organizations may acquire or distribute software products that compete with Vignette s products in future periods. If they become Vignette s competitors, this could negatively affect Vignette s license and services revenue.

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Vignette s Lengthy Sales Cycle and Product Implementation Makes It Difficult to Predict Vignette s Quarterly Results.

Vignette has a long sales cycle because it generally needs to educate potential customers regarding the use and benefits of Web-based applications. Vignette s long sales cycle makes it difficult to predict the quarter in which sales may fall. In addition, since Vignette recognizes some of its revenue from product sales upon implementation of its product, the timing of product implementation could cause significant variability in Vignette s license revenues and operating results for any particular period. The implementation of Vignette s products requires a significant commitment of resources by Vignette s customers, third-party professional services organizations or Vignette s professional services organization, which makes it difficult to predict the quarter when implementation will be completed.

Vignette May Be Unable to Adequately Sustain a Profitable Professional Services Organization, Which Could Affect Both Vignette s Operating Results and Vignette s Ability to Assist Its Customers with the Implementation of Its Products.

Customers that license Vignette s software often engage Vignette s professional services organization to assist with support, training, consulting and implementation of their Web solutions. Vignette believes that growth in its product sales depends in part on its continuing ability to provide its customers with these services and to educate third-party resellers on how to use its products.

Historically, services costs related to professional services have frequently exceeded, or had been substantially equal to, professional services-related revenue. In this current economic climate, Vignette makes periodic capacity decisions based on estimates of future sales, anticipated existing customer needs and general market conditions. Although Vignette expects that its professional services-related revenue will continue to exceed professional services-related costs in future periods, it cannot be certain that this will occur.

Vignette s services organization depends on highly skilled technical resources and managers. Vignette s ability to maintain its revenue and margins for this organization could be adversely impacted if it is unable to retain such resources or if it experiences difficulties in hiring such resources in the future.

Vignette generally bills its customers for its services on a time-and-materials basis. However, from time to time Vignette enters into fixed-price contracts for services, which may include terms and conditions that may extend the recognition of revenue for work performed into subsequent quarters. On occasion, the costs of providing the services have exceeded Vignette s fixed price from these contracts and such contracts have negatively impacted Vignette s operating results.

Vignette May Be Unable to Attract or Retain Necessary Third-Party Service Providers, Which Could Affect Vignette s Ability to Provide Sufficient Support, Consulting and Implementation Services for Its Products.

Vignette is actively supplementing the capabilities of its services organization by contracting with and educating third-party service providers and consultants to also provide these services to Vignette s customers. Vignette may not be successful in attracting additional third-party providers or in educating or maintaining the interest of current third-party providers. In addition, these third parties may not devote sufficient resources to these activities to meet customers demands to adequately supplement Vignette s services. Additionally, these organizations may acquire or distribute software products that compete with Vignette s products in future periods. If they become Vignette s competitors, this could negatively affect Vignette s revenue.

To Properly Manage Future Growth, Vignette Needs to Continue to Improve Its Operational Systems on a Timely Basis.

Vignette has experienced periods of rapid expansion and contraction. It has multiple locations in dispersed geographies around the world. Rapid fluctuations and distributed operations place a significant demand on management and operational resources. To manage such fluctuations effectively, Vignette must continue to

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improve its operational systems, procedures and controls on a timely basis. If Vignette fails to continue to improve these systems, its business, operating results and financial condition will be materially adversely affected.

Vignette May Be Adversely Affected if It Loses Key Personnel.

Vignette s success depends largely on the skills, experience and performance of some key technical, sales, managerial and executive personnel throughout all areas of Vignette s business. If Vignette loses one or more of its key employees, Vignette s business, operating results and financial condition could be materially adversely affected. As Vignette continues to manage with an offshore research and development operations model, it is particularly important that Vignette s intellectual property is protected and retained during this transfer. In addition, Vignette s future success will depend largely on its ability to continue to attract and retain highly skilled personnel. In particular, hiring and retaining qualified engineers, skilled solutions providers and qualified sales representatives are critical to Vignette s future. Like other software companies, Vignette faces competition for qualified personnel. If Vignette is unable to continue to attract and retain skilled and experienced personnel, Vignette s growth may be limited.

If Vignette Is Unable to Meet the Rapid Changes in Software Technology, Vignette s Existing Products Could Become Obsolete.

The market for Vignette s products is marked by rapid technological change, frequent new product introductions and Internet-related technology enhancements, uncertain product life cycles, changes in customer demands, changes in packaging and combinations of existing products and evolving industry standards. Vignette cannot be certain that it will successfully develop and market new products, new product enhancements or new products compliant with present or emerging Internet technology standards. New products based on new technologies, new industry standards or new combinations of existing products as bundled products can render existing products obsolete and unmarketable. To succeed, Vignette will need to enhance its current products and develop new products on a timely basis to keep pace with developments related to Internet technology and to satisfy the increasingly sophisticated requirements of its customers. Internet commerce technology, particularly Web-based applications technology, is complex and new products and product enhancements can require long development and testing periods. Any delays in developing and releasing enhanced or new products could have a material adverse effect on Vignette s business, operating results and financial condition.

Vignette Develops Complex Software Products Susceptible to Software Errors or Defects that Could Result in Lost Revenues, or Delayed or Limited Market Acceptance.

Complex software products such as Vignette s often contain errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal testing and testing by current and potential customers, Vignette s current and future products may contain serious defects. Serious defects or errors could result in lost revenues or a delay in market acceptance, which would have a material adverse effect on Vignette s business, operating results and financial condition.

Vignette Is Subject to Risks Associated with the Availability and Coverage of Insurance.

Although Vignette maintains insurance for certain risks, such coverage does not cover all risks and is limited in coverage amounts and is subject to various policy terms. Because of these limits and because Vignette does not maintain insurance coverage for certain risks, unforeseen or catastrophic losses in excess of insured limits may have a material adverse effect on Vignette s results of operations and financial position.

Vignette s Business Is Based on Its Intellectual Property and Vignette Could Incur Substantial Costs Defending Its Intellectual Property from Infringement or a Claim of Infringement.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. Vignette could incur substantial costs to prosecute or defend any such litigation.

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Future litigation to either protects Vignette s intellectual property or as a result of an alleged infringement of other s intellectual property may require Vignette to do one or more of the following:

- cease selling, incorporating or using products or services that incorporate the challenged intellectual property;
- obtain from the holder of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms;
- redesign those products or services that incorporate such technology; and
- refund a pro-rata portion of the original license consideration paid by the customer.

Vignette relies on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect its technology. These legal protections provide only limited protection. If Vignette litigated to enforce its rights, it would be expensive, divert management resources and may not be adequate to protect Vignette s business.

Vignette Product Shipments Could Be Delayed if Third-Party Software Incorporated in Vignette s Products Is No Longer Available.

Vignette integrates third-party software as a component of Vignette s software. The third-party software may not continue to be available to Vignette on commercially reasonable terms. If Vignette cannot maintain positive relationships and licenses to key third-party software, shipments of Vignette s products could be delayed or disrupted until equivalent software could be developed or licensed and integrated into Vignette s products, which could materially adversely affect Vignette s business, operating results and financial condition.

Terrorist Activities and Resulting Military and Other Actions Could Adversely Affect Vignette s Business.

The continued threat of terrorism within the United States and abroad, military action in other countries and heightened security measures may cause significant disruption to commerce throughout the world. To the extent that such disruptions result in delays or cancellations of customer orders, a general decrease in corporate spending on information technology, or Vignette s inability to effectively market, sell and deploy Vignette s software and services, Vignette s business and results of operations could be materially and adversely affected. Vignette is unable to predict whether the threat of terrorism or the responses thereto will result in any long-term commercial disruptions or if such activities or responses will have a long-term material adverse effect on Vignette s business, results of operations or financial condition.

Changes in Accounting Rules Could Affect Vignette s Future Operating Results.

Vignette s financial statements are prepared in accordance with U.S. generally accepted accounting principles. A change from current accounting standards could have a significant effect on Vignette s results of operations. For example, in December 2007, the Financial Accounting Standards Board issued Statement 141 (revised 2007), Business Combinations (Statement 141R) to change how an entity accounts for the acquisition of a business. That statement, which became effective for Vignette in January 2009, changes how an entity accounts for the acquisition of a business.

Through fiscal year December 2008, Vignette recorded all changes to a valuation allowance for acquired deferred tax assets or the effect of changes in an acquired tax position that occur after the acquisition date by initially reducing the related goodwill to zero, next by reducing other noncurrent intangible assets related to the acquisition to zero and lastly by reducing income tax expense. However, Statement 141R amends Statement 109 and Interpretation 48 to require Vignette to recognize changes to the valuation allowance for an acquired deferred tax asset or the effect of changes to an acquired tax position as adjustments to income tax expense or contributed capital, as appropriate, and not as adjustments to goodwill. This change in accounting applies to valuation allowances and tax positions related to acquisitions accounted for originally under Statement 141 as well as those

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accounted for under Statement 141R. Vignette had a $21.0 million valuation allowance at December 31, 2008 related to deferred tax assets acquired in business combinations. Any change in the valuation allowance subsequent to December 31, 2008 will be recorded as an adjustment to income tax expense rather than as an adjustment to goodwill or other noncurrent intangible assets.

Statement 141R also amends the goodwill impairment test requirements in Statement 142. For a goodwill impairment test as of a date after the effective date of Statement 141R, the value of the reporting unit and the amount of implied goodwill, calculated in the second step of the test, will be determined in accordance with the measurement and recognition guidance on accounting for business combinations under Statement 141R. This change could affect the determination of what amount, if any, should be recognized as an impairment loss for goodwill recorded before the effective date of Statement 141R.

Finally, Statement 141R also amends the accounting of transaction costs associated with acquisitions, requiring immediate expensing rather than capitalizing as part of the purchase accounting adjustments. This could result in an adverse impact on Vignette s future operating results.

Vignette s Financial Statements Could be Impacted by Unauthorized and Improper Actions of Vignette s Personnel.

Vignette s financial statements could be adversely impacted by its employees errant or improper actions. For instance, revenue recognition depends on, among other criteria, the terms negotiated in Vignette s contracts with its customers. Vignette s personnel may act outside of their authority and negotiate additional terms without Vignette s knowledge. Vignette has implemented policies to prevent and discourage such conduct, but there can be no assurance that such policies will be followed. For instance, in the event that Vignette s sales personnel have negotiated terms that do not appear in the contract and of which Vignette is unaware, whether the additional terms are written or oral, Vignette could be prevented from recognizing revenue in accordance with its plans.

Furthermore, depending on when Vignette learns of unauthorized actions and the size of transactions involved, Vignette may have to restate its financial statements for a previously reported period, which would seriously harm Vignette s business, operating results and financial condition.

Vignette Has Incurred Significant Costs in Response to Ongoing Laws and Regulations.

Laws and regulations affecting public companies, including but not limited to the Sarbanes-Oxley Act of 2002, have caused Vignette to incur costs as it evaluates and respond to the resulting requirements. The rules could make it more difficult for Vignette to obtain certain types of insurance and it may incur higher costs to obtain coverage similar to its existing policies. Additionally, Vignette has incurred and expects to incur on an ongoing basis increased accounting, audit and legal fees to assist Vignette assess, implement and comply with such rules. The ongoing and proposed rules could also make it more difficult for Vignette to attract and retain qualified persons to serve on its board of directors.

Charges to Earnings Resulting from Asset Impairments May Adversely Affect the Market Value of Vignette s Common Stock.

In accordance with Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets (SFAS 142) , Vignette assesses its goodwill for impairment on October 1 of each year or more frequently if events or changes in circumstances indicate that goodwill might be impaired. As required by SFAS 142, the impairment test is accomplished using a two-stepped approach. The first step screens for impairment by comparing the fair value of Vignette with its carrying amount, including goodwill. To determine Vignette s fair value, Vignette employs a market capitalization approach, comparing the net book value of Vignette to its market capitalization, adjusted to reflect market observed control premiums. If, under the first step, an, impairment is indicated, a second step is performed which applies additional valuation techniques to determine if there is an impairment and how much the impairment would be. This second step compares the implied fair value of the

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goodwill with the carrying amount of the goodwill. The implied fair value of goodwill is determined based on a variety of valuation techniques including discounted cash flows and earnings or revenue multiples. As of October 1, 2008, Vignette determined the market capitalization, after considering market observed control premiums, exceeded net book value and that the remaining net goodwill balance of $121.1 million at October 1, 2008 was not considered to be impaired.

In accordance with SFAS 142, goodwill of a reporting unit shall be tested for impairment on an annual basis and between annual tests in certain circumstances. Driven by the significant decline in the market capitalization of public companies in its peer group in the fourth quarter of 2008, Vignette concluded that it should again test its goodwill for impairment on December 31, 2008. In accordance with paragraph 25 of SFAS 142, Vignette considered a variety of industry standard revenue multiples, probability weighted, and its available cash balances and market capitalization, after considering market observed control premiums. Using these reference points, Vignette has determined that the remaining net goodwill balance of $121.1 million at December 31, 2008 was not considered to be impaired. The market value of the merger consideration to be paid by Open Text in connection with its acquisition of Vignette tends to support this position as well.

In addition, Vignette periodically reviews the estimated useful lives of Vignette s identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value or revised useful life. The events and circumstances include significant changes in the business climate, legal factors, operating performance indicators and competition. Any impairment or revised useful life could have a material impact on Vignette s consolidated operating results and financial position, and could harm the trading price of Vignette s common stock. Based on this assessment, no such impairment charges were recorded in 2008, 2007 or 2006.

Vignette s Business Is Sensitive to the Overall Economic Environment; a Slowdown in Information Technology Spending Could Harm Vignette s Operating Results

The primary customers for Vignette s products are enterprises seeking to launch or expand Web-based initiatives. Due to the current economic environment, a significant downturn in Vignette s customers markets and in general economic conditions has resulted in reduced information technology spending budgets, thus resulting in a decreased demand for Vignette s products and services and harm to Vignette s business. This significant downturn could continue or even get worse in 2009 or beyond. Industry downturns like these have been, and may continue to be, characterized by diminished product demand, erosion of average selling prices, lower than expected revenues and difficulty making collections from existing customers.

Vignette s Performance Will Depend on the Market for Web Based Application Software

The market for Web-based applications software is rapidly evolving. Vignette expects that it will continue to need intensive marketing and sales efforts to educate prospective customers about the uses and benefits of Vignette s products and services. Accordingly, Vignette cannot be certain that a viable market for its products will emerge or be sustainable or that market campaigns will result in increased demand for Vignette s products and services. Enterprises that have already invested substantial resources in other methods of conducting business may be reluctant or slow to adopt a new approach that may replace, limit or compete with their existing systems. Similarly, individuals have established patterns of purchasing goods and services. They may be reluctant to alter those patterns. They may also resist providing the personal data necessary to support Vignette s existing and potential product uses. Any of these factors could inhibit the growth of online business generally and the market s acceptance of Vignette s products and services in particular.

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There is Substantial Risk that Future Regulations Could Be Enacted that Either Directly Restrict Vignette s Business or Indirectly Impact Vignette s Business by Limiting the Growth of Internet Commerce.

As Internet commerce evolves, Vignette expects that federal, state or foreign agencies will adopt regulations covering issues such as user privacy, pricing, content and quality of products and services. If enacted, such laws, rules or regulations could limit the market for Vignette s products and services, which could materially adversely affect Vignette s business, financial condition and operating results. Although many of these regulations may not apply to Vignette s business directly, Vignette expects that laws regulating the solicitation, collection or processing of personal and consumer information could indirectly affect Vignette s business. The Telecommunications Act of 1996 prohibits certain types of information and content from being transmitted over the Internet. The prohibition s scope and the liability associated with a Telecommunications Act violation are currently unsettled. In addition, although substantial portions of the Communications Decency Act were held to be unconstitutional, Vignette cannot be certain that similar legislation will not be enacted and upheld in the future. It is possible that such legislation could expose companies involved in Internet commerce to liability, which could limit the growth of Internet commerce generally. Legislation like the Telecommunications Act and the Communications Decency Act could dampen the growth in Web usage and decrease its acceptance as a communications and commercial medium.

The United States government also regulates the export of encryption technology, which Vignette s products incorporate. If Vignette s export authority is revoked or modified, if Vignette s software is unlawfully exported or if the United States government adopts new legislation or regulation restricting export of software and encryption technology, Vignette s business, operating results and financial condition could be materially adversely affected. Current or future export regulations may limit Vignette s ability to distribute Vignette s software outside the United States. Although Vignette takes precautions against unlawful export of its software, Vignette cannot effectively control the unauthorized distribution of software across the Internet.

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VIGNETTE SPECIAL MEETING

This proxy statement/prospectus is being sent to you as a Vignette stockholder in order to provide you with important information regarding the proposed merger in connection with the solicitation of proxies by Vignette s board of directors for use at the special meeting of its stockholders and at any adjournment or postponement of the special meeting.

Date, Time and Place of the Special Meeting

Vignette will hold a special meeting of its stockholders on , 2009, at 9:00 a.m. local time, at the Inter-Continental Stephen F. Austin Hotel, 701 Congress Avenue, Austin, Texas 78701.

Matters for Consideration

At the special meeting, you will be asked to vote on a proposal to adopt and approve the merger agreement and the transactions contemplated thereby. You will also be asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

Vignette stockholders may also be asked to consider and vote upon such other business as may properly come before the special meeting, or any adjournment or postponement of the special meeting. Vignette is not aware of any business to be acted upon at the special meeting, other than the proposals set forth in this proxy statement/prospectus. If, however, other matters are properly brought before the special meeting or any adjournment or postponement of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters. If you vote AGAINST both proposals, the proxies are not authorized to vote for any adjournment, postponement, continuation or rescheduling of the meeting, including for the purpose of soliciting additional proxies, unless you so indicate on the proxy card.

Board of Directors Recommendation

After careful consideration, the Vignette board of directors has unanimously approved and declared advisable the merger agreement and the merger. The Vignette board of directors believes that the merger agreement and the merger are fair to and in the best interests of Vignette and its stockholders. **The Vignette board of directors unanimously recommends that the Vignette stockholders vote FOR the proposal to adopt and approve the merger agreement and the transactions contemplated thereby and vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.**

Record Date

The record date for determining the Vignette stockholders entitled to vote at the special meeting is , 2009. Only holders of record of Vignette common stock as of the close of business on that date are entitled to vote at the special meeting. As of the record date, there were shares of Vignette common stock issued and outstanding, held by approximately stockholders of record. Each share of Vignette common stock issued and outstanding as of the record date entitles its holder to cast one vote at the special meeting.

Shares Beneficially Owned by Directors and Executive Officers

As of the record date, the directors and executive officers of Vignette beneficially owned approximately % of the total outstanding shares of Vignette common stock. Concurrently with the execution and delivery of the merger agreement, on May 5, 2009, Open Text entered into voting agreements with each of Thomas P. Kelly, Bryce Johnson, Somesh Singh, Gayle Wiley, each an executive officer of Vignette, and the members of the

Vignette board of directors, including Michael A. Aviles, with respect to approximately 555,124 shares of Vignette common stock or approximately % of the shares of Vignette common stock outstanding on the record date, and stock options to purchase an aggregate of 894,190 shares of common stock of Vignette. For more information, see Voting Agreements on page 96 of this proxy statement/prospectus.

Quorum and Vote Required

In order to conduct business at the special meeting, a quorum must be present. The holders of a majority of the shares of common stock outstanding on the record date for the special meeting present in person or represented by proxy at the special meeting constitute a quorum under Vignette s by-laws. Vignette will treat shares of common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the meeting for purposes of determining the existence of a quorum. In the event that a quorum is not present at the special meeting, Vignette currently expects that it will adjourn or postpone the special meeting to solicit additional proxies.

The affirmative vote of the holders of a majority of the shares of Vignette s common stock outstanding on the record date in favor of the proposal to adopt and approve the merger agreement and the transactions contemplated thereby is required in order for this proposal to pass. If a Vignette stockholder abstains from voting or does not vote, either in person or by proxy, it will count as a vote against the adoption and approval of the merger agreement.

The approval of a proposal to adjourn the special meeting to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby would require the affirmative vote of the holders of a majority of the outstanding shares of Vignette common stock represented in person or by proxy at the special meeting of the stockholders, as further described under Adjournment and Postponement below.

Adjournment and Postponement

Vignette is submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to approve the merger agreement at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that Vignette may not have received sufficient votes to approve the merger agreement by the time of the special meeting. In that event, Vignette would determine to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite stockholder approval to approve the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy.

The approval of a proposal to adjourn the special meeting to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby would require the affirmative vote of the holders of a majority of the outstanding shares of Vignette common stock represented in person or by proxy at the special meeting of the stockholders. If a Vignette stockholder fails to vote his, her or its shares, either in person or by proxy, it will not affect the outcome of the proposal to adjourn the special meeting, if necessary, but will reduce the number of votes required to approve such proposal. If a Vignette stockholder abstains from voting for this proposal, either in person or by proxy, it will count as a vote against any such proposal to adjourn the special meeting. Broker non-votes will also count as votes against any such proposal to adjourn the special meeting.

The Vignette board of directors recommends that you vote FOR the adjournment proposal so that proxies may be used for that purpose, should it become necessary. Properly executed proxies will be voted FOR the adjournment proposal, unless otherwise noted on the proxies. If the special meeting is adjourned, Vignette is not required to give notice of the time and place of the adjourned meeting unless its board of directors fixes a new record date for the special meeting or the special meeting is adjourned for more than thirty (30) days.

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The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for the approval of the merger agreement proposal in the event that there are insufficient votes to approve that proposal. If a quorum is not present or represented at the meeting, Vignette s by-laws permit a majority of the outstanding shares of Vignette common stock represented in person or by proxy at the special meeting to adjourn the meeting without notice, other than announcement at the meeting, until a quorum is present or represented.

Voting of Proxies

The Vignette proxy accompanying this proxy statement/prospectus is solicited on behalf of the Vignette board of directors for use at the Vignette special meeting.

Proxies Generally

Shares represented by a properly signed and dated proxy that are returned prior to the special meeting or properly voted by Internet or telephone will be voted at the special meeting in accordance with the instructions indicated on the proxy. Proxies that are properly signed and dated but that do not contain voting instructions will be voted FOR the proposal to adopt and approve the merger agreement and the transactions contemplated thereby and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby. The proxy holder may vote the proxy in its discretion as to any other matter that may properly come before the Vignette special meeting.

Abstentions

Vignette will count a properly executed proxy marked ABSTAIN as present for purposes of determining whether a quorum is present, but the shares represented by that proxy will not be voted at the special meeting. Because the affirmative vote of the holders of a majority of the outstanding shares of Vignette common stock is required to adopt and approve the merger agreement and the transactions contemplated thereby, if you mark your proxy ABSTAIN, it will have the effect of a vote against the proposal to adopt and approve the merger agreement and the transactions contemplated thereby. The proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby requires the affirmative vote of the holders of a majority of shares represented at the special meeting in person or by proxy, so if you mark your proxy ABSTAIN, it will have the effect of a vote against the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of approval of the merger agreement.

Broker Non-Votes

If your shares are held in street name, your broker will vote your shares for you only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your broker cannot vote your shares of Vignette common stock without specific instructions from you. Because the affirmative vote of the holders of a majority of the outstanding shares of Vignette common stock is required to adopt and approve the merger agreement and the transactions contemplated thereby, if you do not instruct your broker how to vote and your broker submits a proxy but does not vote your shares, it will have the effect of a vote against the proposal to adopt and approve the merger agreement and the transactions contemplated thereby. The proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby requires the affirmative vote of the holders of the majority of shares represented at the special meeting in person or by proxy, so if you do not instruct your broker how to vote and your broker submits a proxy but does not vote your shares, it will have the effect of a vote against the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of approval of the merger agreement.

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Voting by Attending the Special Meeting

A stockholder may also vote his, her or its shares in person at the special meeting. If a stockholder attends the special meeting, he or she may submit his, her or its vote in person, and any previous votes that were submitted by such stockholder will be superseded by the vote that such stockholder casts at the special meeting.

If your shares are held in street name and you wish to vote those shares in person at the special meeting, you must obtain from your broker holding your Vignette common stock a properly executed legal proxy identifying you as a Vignette stockholder, authorizing you to act on behalf of the nominee at the special meeting and identifying the number of shares with respect to which the authorization is granted.

How to Revoke a Proxy

If you submit a proxy, you may revoke it at any time before the special meeting by:

- delivering to the corporate secretary of Vignette a written notice, dated later than the proxy you wish to revoke, stating that the proxy is revoked;
- submitting to the corporate secretary of Vignette a new, signed proxy with a date later than the proxy you wish to revoke;
- re-voting electronically by telephone or the Internet; or
- attending the special meeting and voting in person.

Notices to the corporate secretary of Vignette should be addressed to Corporate Secretary, Vignette Corporation, 1301 South MoPac Expressway, Austin, Texas 78746.

If you hold your shares in street name, you must give new instructions to your broker prior to the special meeting or obtain a signed legal proxy from the broker to revoke your prior instructions and vote in person at the meeting.

Solicitation of Proxies and Expenses

Vignette is soliciting proxies for the special meeting from the Vignette stockholders and will bear the related expenses in connection with the solicitation of proxies. Vignette expects that the expenses of this special solicitation will be nominal. Following the mailing of this proxy statement/prospectus, Vignette will request brokers, custodians, nominees and other record holders to forward copies of this proxy statement/prospectus to persons for whom they hold shares of common stock and to request authority for the exercise of proxies. In such cases, Vignette, upon the request of the record holder, will reimburse such holder for their reasonable expenses. D. F. King & Co., Inc. has been retained by Vignette to assist it in soliciting proxies, using the means described above, and will receive fees of $12,000, plus customary fees for services requested by Vignette to be performed, in addition to reimbursement of any out-of-pocket expenses. In addition, certain directors, officers and employees of Vignette may solicit proxies, without additional remuneration, by telephone, facsimile, electronic mail, telegraph and in person.

Vignette Stock Certificates

Stockholders should not send stock certificates with their proxies. A letter of transmittal with instructions for the surrender of Vignette common stock certificates will be mailed to Vignette stockholders shortly after completion of the merger.

Assistance

If you need assistance in completing your proxy card or have questions regarding the special meeting, please contact Vignette s proxy solicitor, D. F. King & Co., Inc. toll-free at 1-800-967-4617.

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THE MERGER

Background of the Merger

Vignette s management and board of directors routinely assess strategic opportunities, at times with the assistance of legal and financial advisers, as part of their evaluation of changes in the industry in which Vignette operates and review opportunities to strengthen Vignette s business and maximize stockholder value. In addition, because Vignette and Open Text operate in the software industry, management of both companies have become aware of the other. Prior to 2009, Open Text and Vignette as well as Vignette and other companies have held discussions with each other which did not result in meaningful negotiations regarding a business combination.

In early 2009, Vignette received various unsolicited offers for strategic transactions involving Vignette. In February 2009, Vignette s management requested that representatives of J.P. Morgan prepare materials to assist Vignette s management and board of directors in the evaluation of these offers and potentially other offers. Representatives of J.P. Morgan prepared and delivered materials to Vignette s management which were subsequently distributed to the Vignette board of directors for its review and included an overview of current mergers and acquisitions trends, Vignette s valuation (including market conditions and valuations of comparable companies), and a discussion of a potential sale of Vignette. The Vignette board of directors expressed an interest in having discussions with potential strategic partners to explore these and other opportunities and authorized J.P. Morgan to have discussions with potential interested parties. J.P. Morgan s engagement was documented in an April 30, 2009 engagement letter.

On February 25, 2009, Mr. Aviles and Mr. Kelly met with representatives of a strategic industry participant, referred to herein as Party A, to discuss Party A s potential interest in an acquisition of Vignette.

On March 3, 2009, Mr. Aviles, Jeff Hawn, a non-employee member of the Vignette board of directors, and representatives from J.P. Morgan met with Thomas Jenkins, Executive Chairman and Chief Strategy Officer of Open Text, and Stephen Sadler, a non-employee member of the Open Text board of directors, and discussed a potential combination of Vignette and Open Text. At that meeting Messrs. Jenkins and Sadler indicated that Open Text would respond with a proposal following a board of directors meeting scheduled two weeks later.

On March 12, 2009, the Vignette board of directors met and discussed recent meetings between Vignette s management and representatives of each of Open Text and Party A regarding their potential interests in acquiring Vignette, neither of which had resulted in discussion of any specific transaction terms. Additionally, the Vignette board of directors considered the potential benefits and risks of an acquisition by Vignette of another strategic industry participant and other strategic transactions generally.

On March 24, 2009, Messrs. Aviles, Kelly and Singh met with representatives of Party A to discuss further Party A s potential interest in an acquisition of Vignette. Following this discussion, representatives of Party A gave a verbal indication of a specific price range at which Party A may be willing to acquire Vignette to Mr. Aviles.

On March 30, 2009, the Vignette board of directors met and discussed Party A s recent verbal indication of interest to acquire Vignette and the terms on which Party A would be willing to proceed toward finalizing a letter of intent. Additionally, the Vignette board of directors further considered a potential transaction with Open Text as well as the potential benefits and risks of other strategic transactions generally.

On March 31, 2009, Party A submitted a letter of intent to acquire Vignette for a specified all cash price.

On April 1, 2009, Mr. Aviles met with Party A s chairman of the board at which time Party A s chairman indicated that Party A would be interested in acquiring Vignette in a price range higher than the price indicated in its recent letter of intent.

On the morning of April 3, 2009, the Vignette board of directors met to review the letter of intent recently received from Party A and Mr. Aviles s subsequent meeting with Party A s chairman of the board as well as the current status of the auction process.

Later in the day on April 3, 2009, Open Text submitted to Vignette the material pricing terms on which a transaction might be structured, which included consideration consisting of cash and shares of Open Text common stock.

On April 6, 2009, representatives of J.P. Morgan reviewed and compared the two indications of interest from Open Text and Party A with the Vignette board of directors. In their review, representatives of J.P. Morgan discussed various valuations and methods for evaluating such indications of interest. The Vignette board of directors authorized J.P. Morgan to invite both Party A and Open Text to perform further due diligence of Vignette, but such invitation was extended with the condition of an expected significant increase in any offer price for a proposed strategic transaction as had been expressed by the Vignette board of directors. The Vignette board of directors also discussed with representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, Vignette s legal counsel, referred to herein as WSGR, the practical and legal implications of negotiating with two potential purchasers, including its fiduciary duties in this context. The Vignette board of directors discussed its desire to contact other potential acquirers or targets and tentatively determined that it could be appropriate to engage in such communications.

From April 8 to April 30, 2009, Vignette set up an electronic data room to facilitate the due diligence process, to which the bidders and potential bidders were given access. Due diligence information was uploaded to the data room throughout the course of the process.

On April 13, 2009, at the request of the Vignette board of directors, representatives of J.P. Morgan prepared a prospective bidder list and reviewed such list with a small group of members of the Vignette board of directors at a telephonic meeting and such directors authorized representatives of J.P. Morgan to contact eight strategic parties from such list to inquire about their potential interest in a strategic transaction with Vignette. Subsequently on April 15, 2009, the Vignette board of directors authorized representatives of J.P. Morgan to contact two private equity firms to inquire about their potential interest in a strategic transaction with Vignette.

From April 13 to April 30, 2009, representatives of J.P. Morgan contacted ten potential bidders (other than Open Text and Party A) to gauge interest in a potential acquisition of Vignette. In addition to these ten potential bidders, three potential bidders contacted Vignette directly expressing interest in a potential acquisition of Vignette. Two of these thirteen companies, referred to herein as Party B and Party C, ultimately signed confidentiality agreements and subsequently received confidential information via the electronic data room.

On April 14, 2009, representatives of each of Vignette and Open Text held management meetings and due diligence sessions. The topics discussed at such meetings included a company overview, sales and marketing, engineering and product development, customer support, services, finance and accounting, and legal. During that week, Vignette management and representatives of J.P. Morgan also spoke by telephone and corresponded by email with representatives of Open Text on numerous occasions to discuss business issues, due diligence status, and the timetable of the process, and these communications continued throughout the remainder of the month.

On April 15, 2009, representatives of J.P. Morgan reviewed with a small group of members of the Vignette board of directors an update of the auction process including the status of Open Text and Party A due diligence, the status of outbound calls to other potential bidders and the expectation regarding the next steps in the process.

From April 15 to April 16, 2009, representatives of Vignette and Party A held management meetings and due diligence sessions. The topics discussed at such meetings included sales and marketing, engineering and product development, customer support, services, finance and accounting, and legal. During the week, Vignette management and representatives of J.P. Morgan also spoke by telephone and corresponded by email with representatives of Party A on numerous occasions to discuss business issues, due diligence status and the timetable of the process, and these communications continued throughout the remainder of the month.

On April 15, 2009, representatives of J.P. Morgan sent each of Open Text and Party A a proposed draft of a definitive merger agreement for review and comment.

On April 16, 2009, Mr. Jenkins and Mr. McFeeters, Chief Financial Officer of Open Text, spoke with representatives of J.P. Morgan indicating that Open Text was challenged to improve its most recent offer since

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Open Text had been unable to glean any potential material valuation upside benefit as a result of their due diligence. Mr. Jenkins and Mr. McFeeters requested that representatives of Vignette provide more detail around selected remaining diligence items (revenue concentration, renewal rate and license revenue trends) to more fully inform the Open Text team.

On April 17, 2009, at a meeting of the Vignette board of directors, representatives of J.P. Morgan reviewed with the Vignette board of directors the current status of the auction process including discussions with potential buyers that representatives of J.P. Morgan had contacted on behalf of Vignette and noted that most of the potential buyers were still in the process of evaluating a potential transaction with Vignette. At the meeting, the Vignette board of directors also discussed with representatives of J.P. Morgan various considerations with regard to a potential combination with another strategic industry participant, referred to herein as Party D. Representatives of J.P. Morgan presented an extensive public market overview of Party D and Vignette, including a comparison of various valuation metrics. The Vignette board of directors instructed representatives of J.P. Morgan to communicate a willingness to enter into discussions regarding a transaction with Party D only at implied valuations within a specific range and authorized a smaller group of the members of the board of directors to further evaluate proposed bids and valuation with Vignette s management and advisers and to report back to the full board.

On the evening of April 17, 2009, Party A s legal advisers sent a draft of a definitive agreement to acquire Vignette to WSGR as a counterproposal to the definitive draft merger agreement provided by representatives of J.P. Morgan to representatives of Party A on April 15, 2009.

On April 20, 2009, representatives of J.P. Morgan called representatives of Party D and communicated that Party D would be invited to participate in a due diligence process if Party D could construct a proposal to acquire Vignette within a specific price range.

Later in the day on April 20, 2009, representatives of the financial advisers to another strategic industry participant, referred to herein as Party E, called representatives of J.P. Morgan and indicated Party E s interest in an acquisition of Vignette with the financial assistance of financial sponsors. Representatives of Party E s financial advisers indicated that Party E was in active dialogue with financial sponsors and would expect to be in a position to give Vignette a more definitive indication in three to four weeks.

On April 21, 2009, representatives of Party B held telephonic meetings with Vignette management. The topics discussed included a company overview, sales and marketing, products, customer support, and finance and accounting.

Also on April 21, 2009, representatives of Party A contacted Mr. Aviles and representatives of J.P. Morgan indicating an interest in acquiring Vignette at a price higher than Party A s most recent proposal.

On April 22, 2009, representatives of Party E s financial advisors called representatives of J.P. Morgan and inquired about the current status of the process and representatives of J.P. Morgan communicated to representatives of Party E s financial advisers that Party E would need to provide an indication of price, financing capability and certainty and proposed timing before further process or diligence information would be provided.

Also on April 22, 2009, Party D s chief executive officer contacted Mr. Aviles to communicate that it would not provide a proposal to acquire Vignette at that time.

On April 23, 2009, representatives of J.P. Morgan reviewed with a small group of members of the Vignette board of directors an update on the current status of the auction process and presented and discussed various valuation materials provided to such group.

Later in the day on April 23, 2009, representatives of Party A contacted Mr. Aviles and verbally indicated an increased all cash bid.

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On April 24, 2009 representatives of J.P. Morgan communicated to representatives of Party B that there was a likely bid deadline of early to mid week of the following week. Later that day, representatives of Party B held a telephonic meeting with Vignette management to discuss technical product information and product development.

On April 24, 2009, after representatives of J.P. Morgan communicated with representatives of Party B, representatives of J.P. Morgan reviewed with the Vignette board of directors an update on the current status of the process including Party A s revised proposal and the status of discussions with several other potential acquirers. Representatives of J.P. Morgan gave a detailed presentation on Vignette s valuation, including valuations based on public trading multiples, comparable transaction multiples, and discounted cash flow analysis. The Vignette board of directors and representatives of J.P. Morgan discussed the adequacy of the revised bid from Party A and the various valuation materials prepared by J.P. Morgan.

Later in the day of April 24, 2009, after representatives of J.P. Morgan reviewed the status of the process with the Vignette board of directors, representatives of J.P. Morgan communicated to representatives of Party A a deadline of April 30, 2009 for a final binding offer and comments to the draft of the definitive merger agreement provided on April 15, 2009.

On the evening of April 24, 2009, representatives of Party A notified Mr. Aviles that Party A was exiting the formal auction process citing its opposition to participating in an auction process.

On April 27, Open Text submitted to Mr. Aviles and representatives of J.P. Morgan a proposed letter of intent with a request for exclusivity and a mark-up of the merger agreement.

On April 27, 2009, representatives of J.P. Morgan reviewed with a small group of the members of the Vignette board of directors an update on the current status of the process and various valuation materials prepared by J.P. Morgan.

On April 27, 2009, after representatives of J.P. Morgan met with a small group of the members of the Vignette board of directors, representatives of J.P. Morgan communicated to representatives of Party B and Open Text a deadline of April 30, 2009 for a final binding offer. Additionally, Mr. Lindelow, a non-employee member of Vignette s board of directors, contacted the Chief Executive Officer of Party B in an effort to determine whether Party B would be interested in submitting a proposal.

On April 27, 2009, after both Party B and Open Text had responded to Vignette, representatives of J.P. Morgan reviewed with the Vignette board of directors an update on the current status of the process including Open Text s revised proposal and Party A s announced exit from the formal process. Representatives of J.P. Morgan presented a detailed analysis of the current Open Text and Party A offers, including the implied price and premium represented by each offer. The Vignette board of directors discussed with representatives of J.P. Morgan various strategies Vignette could use to obtain a higher bid from Open Text. Representatives of J.P. Morgan also presented valuation materials to the Vignette board of directors including analysis of public trading multiples, analysis of comparable transaction multiples, and discounted cash flow analysis. Also included in the presentation were two case studies of comparable transactions that focused on key deal terms such as offer price, premium, and enterprise value multiples with revenue and EBITDA. The Vignette board of directors and representatives of J.P. Morgan then discussed alternative responses and the board of directors authorized Mr. Hawn to contact representatives of Open Text and suggest that in order for the Vignette board of directors to consider accepting an acquisition proposal from Open Text that Open Text would need to propose an offer with a value in excess of a specified price per share and authorized Mr. Aviles to contact Party A to encourage Party A to reengage in the formal auction process. Mr. Hawn communicated this specific request for a revised offer from Open Text to Mr. Sadler. Mr. Aviles contacted representatives of Party A and encouraged Party A to continue its participation in the process.

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On the morning of April 28, 2009, a small group of the members of the Vignette board of directors, and later in the day the Vignette board of directors, reviewed and discussed the current status of the process and various valuation materials prepared by J.P. Morgan and Vignette s management.

On April 28, 2009, representatives of Party C informed representatives of J.P. Morgan that Party C declined to move forward in the bidding process at the current valuation levels.

Later in the day on April 28, 2009, Party B s Chief Executive Officer contacted Mr. Lindelow and indicated that Party B was likely not interested in proceeding further in the process.

On April 29, 2009, representatives of Open Text contacted representatives of J.P. Morgan and Mr. Hawn and communicated that Open Text had raised its bid and submitted a letter of intent with request for exclusivity and a revised markup to the merger agreement.

Later in the day on April 29, 2009, Party B s Chief Executive Officer contacted Mr. Lindelow and indicated that Party B may in fact still be interested in proceeding further in the bidding process.

Also on April 29, 2009, Mr. Aviles had conversations with representatives of Party A and reiterated that the Vignette board of directors expected a proposed acquisition of Vignette to occur at the higher end of a price range that was specified to Party A.

On April 30, 2009, representatives of J.P. Morgan gave an update on the current status of the auction process and discussed with the Vignette board of directors that Open Text had submitted a revised written offer that represented a higher value to Vignette. The Vignette board of directors discussed valuation considerations with representatives of J.P. Morgan and decided on a price range and negotiation strategy that the Vignette board of directors could use in an effort to receive another offer from Party A.

Later in the day on April 30, 2009, representatives of J.P. Morgan had discussions with representatives of Party B to discuss process and timing and subsequently sent a proposed draft of a definitive merger agreement for review and comment.

Also on April 30, 2009, representatives of Party A contacted representatives of J.P. Morgan and verbally indicated a revised increased bid valued as of the date of this revised bid consisting of cash and shares of Party A common stock, but did not submit a written offer or any comments to the originally proposed draft of the definitive merger agreement although such representatives did verbally convey revisions to Party A s draft of a definitive agreement that it had previously sent as a counterproposal. Representatives of Party B indicated to representatives of J.P. Morgan Party B s interest in conducting further due diligence but declined to submit any proposal or provide any indication as to timing of a written proposal, if any.

On the evening of April 30, 2009, representatives of J.P. Morgan reviewed with the Vignette board of directors an update on the current status of the process including Party A s revised proposal. The Vignette board of directors and representatives of J.P. Morgan discussed the adequacy of the preliminary bids from both bidders and alternative responses to the bids. Representatives of J.P. Morgan presented a side-by-side analysis of the current Open Text and Party A offers comparing the cash and stock portions of each offer, the premium of each offer, the exclusivity provisions, and the break-up fee. As part of this analysis, the Vignette board of directors reviewed with representatives of WSGR the initial legal provisions proposed by each party in their respective drafts of the merger agreement. The Vignette board of directors noted that the legal provisions proposed by Party A contained more contingencies than Open Text s draft, and as a result Open Text s draft was more favorable to Vignette. The Vignette board of directors authorized representatives of J.P. Morgan to contact representatives of Party A and suggest to them that Party A revise its bid to at least a specified increased price per share and to request a written proposal and a full markup of the proposed definitive merger agreement by the morning of May 1, 2009.

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On the morning of May 1, 2009, representatives of Party A responded to representatives of J.P. Morgan with an increased verbal offer valued as of May 1, 2009 consisting of cash and shares of Party A common stock. Representatives of Party A did not provide a revised written proposal or a markup to the proposed definitive merger agreement, but did communicate additional detail on a few limited material transaction terms. Party A s representatives indicated that this bid was their best and final offer and asked for a response by 12 p.m. Pacific time.

On May 1, 2009 around midday, the Vignette board of directors discussed Party A s verbal proposal and noted that there was no written proposal or markup to the merger document submitted. Representatives of J.P. Morgan presented an updated side-by-side comparison of the current Open Text and Party A offers, including among other things, a comparison of the total offer amounts, premium of each offer, target announcement dates, exclusivity periods, exclusivity damages and break-up fees. Representatives of J.P. Morgan and WSGR also presented an analysis of Open Text s and Party A s respective markups of the merger agreement including conditions to closing. Following this discussion, the Vignette board of directors authorized representatives of J.P. Morgan to contact representatives of Open Text and suggest that Open Text revise its bid to at least a specified increased price per share comprising cash and shares of Open Text common stock. During the telephonic meeting of the Vignette board of directors, representatives of Party B contacted representatives of J.P. Morgan and formally declined to move forward in the process.

Later in the day on May 1, 2009, representatives of J.P. Morgan called representatives of Open Text and suggested that Open Text revise its bid to at least a specified increased price per share. Representatives of Open Text subsequently called representatives of J.P. Morgan and verbally accepted the revised pricing terms.

In the early afternoon of May 1, 2009, the Vignette board of directors discussed Open Text s proposal to acquire Vignette at the price proposed by the Vignette board of directors. Representatives of J.P. Morgan reviewed with the Vignette board of directors the merits of Open Text s offer. The Vignette board of directors discussed with themselves and representatives of J.P. Morgan their respective view on the offers. The Vignette board of directors determined that it was in the best interest of Vignette and its stockholders for Vignette to proceed with the negotiations of the proposed sale of Vignette with Open Text and to enter into a letter of intent with Open Text.

Later in the evening of May 1, 2009, Vignette and Open Text executed a letter of intent evidencing an offer to acquire Vignette at a price of approximately $12.75 per share comprising $8.00 in cash and $4.75 in Open Text common stock based on the previous day s closing stock price of Open Text common stock and included an exclusivity agreement with an expiration date of May 7, 2009.

From May 1 to May 5, 2009, representatives of Vignette and Open Text completed their reciprocal due diligence.

On May 2, 2009, Vignette s legal counsel, WSGR, submitted to Open Text s legal counsel, McKenna Long & Aldridge, a revised merger agreement.

From May 2 to May 5, 2009, representatives of Vignette and Open Text negotiated the merger agreement and ancillary documents, and held meetings and conference calls to resolve open items. These items primarily related to conditions to closing, termination fees/expense reimbursement, and Vignette s right to pursue superior proposals.

On May 5, 2009, Open Text s board of directors held a meeting and approved the transaction.

On the evening of May 5, 2009, the Vignette board of directors held a board meeting to evaluate the potential merger. Prior to the meeting, each director was provided with various materials including a draft of the merger agreement. In addition to the Vignette directors, present at the meeting were representatives of J.P. Morgan and representatives of WSGR. At the meeting, the board was apprised of the interests of Vignette s executive officers and directors in the merger. Representatives of WSGR then reviewed with the Vignette board of directors the proposed transaction and reviewed the material terms and conditions contained in the merger agreement including the deal structure, consideration, potential tax treatment, termination triggers and fees, and closing conditions. Representatives of J.P. Morgan then presented a review and analysis of the key financial terms of the proposed merger including the consideration mix of cash and stock, the equity and enterprise value of the transaction, deal protections including break-up fees and fiduciary outs, conditions based on regulatory approval, and exclusivity provisions. Also included was a comparison of Open Text s proposed purchase price with estimates of Vignette s valuation using various calculation methods. Representatives of J.P. Morgan then delivered an oral opinion (subsequently confirmed in writing in an opinion dated May 5, 2009) to the Vignette board of directors that, as of such date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by J.P. Morgan, the consideration to be received for each share of Vignette common stock was fair, from a financial point of view, to the holders of Vignette common stock. After further review and discussion, the Vignette board of directors unanimously determined that the merger transaction was fair to, and in the best interests of, Vignette and its stockholders and voted unanimously to approve and adopt the merger agreement and related agreements and approve the merger and other transactions contemplated by the merger agreement and resolved to recommend that Vignette stockholders adopt the merger agreement and approve the merger and related matters.

On the evening of May 5, 2009, the parties executed the merger agreement. Before the opening of trading on the NASDAQ Stock Market on May 6, 2009, Open Text and Vignette issued a joint press release announcing the execution of the merger agreement.

Vignette s Reasons for the Merger

In evaluating the merger, the Vignette board of directors consulted with Vignette s management, as well as with Vignette s legal and financial advisors, and, in reaching its decision to approve the merger and enter into the merger agreement, considered a number of factors, including the following factors that the Vignette board of directors viewed as generally supporting its decision to approve the merger and enter into the merger agreement.

Financial Considerations. The Vignette board of directors considered a number of financial factors pertaining to the merger as support for its decision to enter into the merger agreement, including the following:

- the financial performance and condition, business operations and prospects of each of Vignette, Open Text and the combined company, and Open Text s historical financial and stock performance;

- that Vignette stockholders will own approximately 6.3% of Open Text s outstanding shares immediately after the effective time of the merger, which will allow Vignette stockholders to participate in all of the benefits of Open Text, including future growth and expected synergies of the combined company while retaining the flexibility of selling all or a portion of those shares for cash into a very liquid market at any time;

- the financial terms of the transaction, including the fixed exchange rate of 0.1447 shares of Open Text common stock for each share of Vignette common stock and the payment of $8.00 in cash without interest per share of Vignette common stock to be paid in connection with the merger;

- based upon the 30-day trailing average closing price of Open Text common stock as of May 5, 2009 (the last trading day before the merger agreement was announced), the transaction represented a purchase price of $12.70 per share of Vignette common stock, or an approximate 74% premium to the Vignette common stock closing price on May 5, 2009; and

- the opportunity for Vignette stockholders to benefit from any increase in the trading of Open Text common stock between signing and closing of the transaction.

Strategic Alternatives. The Vignette board of directors considered the strategic alternatives to the merger available to Vignette, including remaining a standalone entity and pursuing acquisitions of complementary

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products, assets, technologies or businesses. The Vignette board of directors also considered the efforts and advice of J.P. Morgan, as well as its own experience, regarding the availability of other potential acquirers willing and able to acquire the company on terms more favorable to Vignette s stockholders than the transaction with Open Text. After consideration of these alternatives, the Vignette board of directors determined that a combination with Open Text is expected to yield greater value to stockholders than other reasonably likely alternatives.

Opinion of Financial Advisor. The Vignette board of directors considered J.P. Morgan s opinion, dated May 5, 2009, to the Vignette board of directors as to the fairness, from a financial point of view, as of the date of the opinion and based upon and subject to various factors, assumptions, limitations and qualifications described in the opinion, of the merger consideration to be received by the Vignette stockholders (other than Open Text and its affiliates) pursuant to the merger agreement, as more fully described in The Merger Opinion of Vignette s Financial Advisor beginning on page 67.

Terms of the Merger Agreement. The Vignette board of directors considered the terms of the merger agreement, including:

- that Open Text s obligations to close the merger are not subject to a financing condition;

- that under certain circumstances, the merger agreement permits Vignette to provide material non-public information to, and engage in negotiations with, a third party that makes an acquisition proposal that is or is reasonably likely to lead to a superior proposal (as described in Terms of the Merger Agreement Acquisition Proposals By Third Parties beginning on page 88), on the terms and subject to the conditions of the merger agreement;

- the merger agreement permits the Vignette board of directors, under certain circumstances, to change its recommendation with respect to the merger in response to an alternative transaction or to terminate the merger agreement with Open Text and enter into a new agreement with respect to an alternative transaction;

- in the view of the Vignette board of directors, the circumstances under which termination fees are payable by Vignette to Open Text under the merger agreement should not preclude a bona fide alternative proposal involving Vignette;

- the termination fee provisions are the product of negotiations;

- the size of the termination fee is reasonable in light of the size and benefits of the merger; and

- the representations, warranties and covenants and closing conditions of Vignette and Open Text are generally reciprocal.

Regulatory Approvals. The Vignette board of directors considered the regulatory approvals required to complete the merger, including expiration or termination of any waiting period or extension thereof under the HSR Act and review by CFIUS, and the belief of Vignette s management that the merger would be approved by the requisite authorities, without the imposition of conditions sufficiently material to preclude or materially diminish the benefits expected from the merger, and would otherwise be completed in accordance with the terms of the merger agreement.

Due Diligence. The Vignette board of directors considered the results of Vignette s financial, legal, tax and accounting due diligence review of Open Text.

The Vignette board of directors weighed the aforementioned material factors against a number of other factors identified in its deliberations that weighted negatively against the merger, including, without limitation, the following material factors:

the challenges inherent in the combination of two businesses of the size and scope of Vignette and Open Text and the possible diversion of management s attention for an extended period of time;

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the risk of not capturing all of the anticipated synergies between Vignette and Open Text and the risk that other anticipated benefits of the merger might not be realized;

because the exchange ratio is fixed, in the event of a decrease in the price of Open Text common stock between the date of execution of the merger agreement and the closing of the merger, the risk that Vignette stockholders may receive less value for their shares upon the closing of the merger than calculated pursuant to the exchange ratio on the date of execution of the merger agreement and on the date of the Vignette special meeting;

certain provisions of the merger agreement that could have the effect of discouraging proposals for alternative transactions involving Vignette, including:

the restrictions on Vignette s ability to solicit proposals for alternative transactions involving Vignette; and

that under certain circumstances, Vignette may be required to pay to Open Text a termination fee of approximately $10.9 million;

the requirement that certain directors and executive officers of Vignette enter into voting agreements for the purposes of adopting the merger agreement and approving the merger;

current financial market conditions and historical market price, volatility and trading information with respect to Vignette s and Open Text s stock;

the fees and expenses associated with completing the merger;

the risk that the merger may not be completed despite the parties efforts or that the closing may be unduly delayed and the effects on Vignette as a standalone company because of such failure or delay; and

the other risks described in Risk Factors beginning on page 27.

After consideration of these factors, the Vignette board of directors determined that these risks could be mitigated or managed by Vignette or Open Text or by the combined company following the merger, were reasonably acceptable under the circumstances or, in light of the anticipated benefits, were unlikely to have a materially adverse impact on the merger or on the combined company following the merger, and that, overall, these risks were significantly outweighed by the potential benefits of the merger.

Although this discussion of the information and factors considered by the Vignette board of directors is believed to include the material factors considered by the Vignette board of directors, it is not intended to be exhaustive and may not include all of the factors considered by the Vignette board of directors. In reaching its determination to approve and recommend the merger and the merger agreement, the Vignette board of directors did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination that the merger and the merger agreement are advisable and in best interests of Vignette and its stockholders. Rather, the Vignette board of directors based its position and recommendation on the totality of the information presented to and factors considered by it. In addition, individual members of the Vignette board of directors may have given differing weights to different factors.

Recommendation of the Vignette Board of Directors

The Vignette board of directors has determined that the merger agreement and the transactions contemplated thereby are advisable and in the best interests of Vignette and the Vignette stockholders and recommends that the Vignette stockholders vote FOR the proposal to adopt and approve the merger agreement and the transactions contemplated thereby, and FOR the proposal to adjourn the Vignette special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby.

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Opinion of Vignette s Financial Advisor

Pursuant to an engagement letter dated April 30, 2009, Vignette retained J.P. Morgan as its financial advisor in connection with any potential sale or other change of control of Vignette.

At the meeting of the Vignette board of directors on May 5, 2009, J.P. Morgan rendered its oral opinion, subsequently confirmed in writing that day, to the Vignette board of directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid to Vignette s common stockholders in the merger was fair, from a financial point of view, to Vignette s common stockholders. No limitations were imposed by Vignette s board of directors upon J.P. Morgan with respect to the investigations made or procedures followed by it in rendering its opinion.

The full text of the written opinion of J.P. Morgan dated May 5, 2009, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Appendix C to this proxy statement/prospectus and is incorporated herein by reference. Vignette s stockholders are urged to read the opinion in its entirety. J.P. Morgan s written opinion is addressed to the Vignette board of directors, is directed only to the consideration to be paid in the merger to holders of Vignette common stock and does not constitute a recommendation to any stockholder of Vignette as to how such stockholder should vote at the Vignette special meeting. The summary of the opinion of J.P. Morgan set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinion, J.P. Morgan, among other things:

- reviewed a draft dated May 5, 2009, of the merger agreement;
- reviewed certain publicly available business and financial information concerning Vignette and Open Text and the industries in which they operate;
- compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration received for such companies;
- compared the financial and operating performance of Vignette with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of Vignette common stock and certain publicly traded securities of such other companies;
- reviewed certain internal financial analyses and forecasts prepared by the management of Vignette relating to its business; and
- performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

J.P. Morgan also held discussions with certain members of the management of Vignette with respect to certain aspects of the merger, and the past and current business operations of Vignette, the financial condition and future prospects and operations of Vignette, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In rendering its opinion, J.P. Morgan relied upon and assumed, without independently verifying or assuming responsibility or liability for independent verification, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Vignette and Open Text or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Vignette or Open Text under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it or derived therefrom, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected

future results of operations and financial condition of Vignette to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan also assumed the merger and the other transactions contemplated by the merger agreement would be consummated as described in the merger agreement, and that the definitive merger agreement would not differ in any material respect from the draft thereof provided to J.P. Morgan. J.P. Morgan also assumed that the representations and warranties made by Vignette and Open Text in the merger agreement and the related agreements were, are and will be true and correct in all ways material to its analysis. J.P. Morgan is not a legal, regulatory or tax expert and has relied as to all legal, regulatory or tax matters relevant to the rendering of its opinion upon the assessments of advisors to Vignette with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Vignette or Open Text or on the contemplated benefits of the merger.

The projections furnished to J.P. Morgan by Vignette were prepared by the management of Vignette. Vignette does not publicly disclose internal management projections of the type provided to J.P. Morgan in connection with J.P. Morgan s analysis of the merger, and such projections were not prepared with a view toward public disclosure. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections.

J.P. Morgan s opinion is based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. Subsequent developments may affect or may have affected J.P. Morgan s opinion and J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan s opinion is limited to the fairness, from a financial point of view, of the consideration to be paid to Vignette common stockholders in the merger, and J.P. Morgan has expressed no opinion as to the fairness of the merger to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of Vignette or the underlying decision by Vignette to engage in the merger. J.P. Morgan expressed no opinion as to the price at which Vignette s common stock or Open Text s common stock will trade at any future time, whether before or after the closing of the merger.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with providing its opinion. Some of the summaries of the financial analyses include information presented in tabular format. To fully understand the financial analyses, the tables should be read together with the text of each summary. Considering the data set forth in the tables without considering the narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses.

Public Trading Multiples. Using publicly available information, J.P. Morgan compared selected financial data of Vignette with similar data for 12 publicly traded companies engaged in businesses which J.P. Morgan judged to be analogous to Vignette.

- Art Technology Group, Inc.;
- Borland Software Corporation;
- EPIQ Systems, Inc.;
- IDS Scheer AG;
- Informatica Corporation;
- iPass Inc.;

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- i2 Technologies, Inc.;
- Keynote Systems, Inc.;
- Open Text Corporation;
- QAD Inc.;
- Software AG;
- TIBCO Software Inc.

These companies were selected, among other reasons, because they have a business model or certain operating characteristics, including size, revenue growth or earnings before interest, taxes, depreciation and amortization (EBITDA) margins, similar to that of Vignette.

In all instances, multiples were based on closing stock prices on May 1, 2009. For each of the following analyses performed by J.P. Morgan, estimated financial data for the selected companies other than Vignette were based on the selected companies filings with the Securities and Exchange Commission and publicly available Wall Street research analysts estimates and estimated financial data for Vignette were based on (1) a street case (based on Wall Street consensus) and (2) a management case (based on management guidance).

In conducting its analysis, publicly available estimates of financial performance, including revenue growth and EBITDA margin, through the twelve months ended December 31, 2009 were reviewed. J.P. Morgan reviewed the selected companies trading multiples based on enterprise value (calculated as diluted market value, plus total debt, less cash and cash equivalents) to estimated revenues for calendar year 2009 and enterprise value to estimated EBITDA for calendar years 2009. J.P. Morgan applied a reference range of selected multiples of estimated revenue and estimated EBITDA for calendar year 2009 derived from the selected companies to Vignette s corresponding financial data. Specifically, the reference range was 0.2x to 0.7x for calendar year 2009 estimated revenues and 5.5x to 13.0x for calendar year 2009 estimated EBITDA.

A summary of the range of the implied valuations of Vignette s common stock that J.P. Morgan derived is set forth below:

Trading Multiple	**Implied Valuation Range for Vignette Common Stock (1)**
Street Case	
CY2009 Estimated Revenue	$7.20 $10.10
CY2009 Estimated EBITDA	$8.30 $11.30
Management Case	
CY2009 Estimated Revenue	$7.30 $10.30
CY2009 Estimated EBITDA	$7.40 $9.40

(1) All values presented on per share basis, rounded to nearest $0.10

J.P. Morgan also reviewed the selected companies trading multiples based on adjusted stock price to estimated adjusted earnings per share (EPS), as defined below, referred to herein as the adjusted price earnings multiple for calendar year 2009. Adjusted stock price is defined as stock price less cash per share. Adjusted EPS is defined as EPS less assumed interest income per share which is calculated by applying a 35.0% tax rate and 1.0% interest income rate to existing cash balance. J.P. Morgan applied a reference range of selected multiples of estimated adjusted EPS for calendar year 2009 derived from the selected companies to Vignette s corresponding financial data and added cash per share. Specifically, the reference range was 10.0x to 21.0x for calendar year 2009 estimated adjusted earnings per share.

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A summary of the implied valuation ranges of Vignette s common stock that J.P. Morgan derived is set forth below:

Trading Multiple	Implied Valuation Range for Vignette Common Stock (1)
Street Case	
CY2009 Estimated Adjusted EPS	$8.60 $11.50
Management Case	
CY2009 Estimated Adjusted EPS	$6.80 $7.80

(1) All values presented on per share basis, rounded to nearest $0.10

Discounted Cash Flow Analysis. J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity value per share for Vignette s common stock. J.P. Morgan calculated the unlevered free cash flows that Vignette is expected to generate during fiscal years 2009 (second half) through 2018 based upon management s estimates for a base case, upside case and downside case. J.P. Morgan also calculated a range of terminal asset values of Vignette at the end of the 10-year period ending 2018 by applying a perpetual growth rate of 1.5% to 2.5% to the unlevered free cash flow of Vignette during the final year of the 10-year period. J.P. Morgan then calculated Vignette s future net operating loss benefits at the end of the 10-year period ending 2018 by applying a perpetual growth rate of 1.5% to 2.5% and assuming expiration of net operating loss benefits between 2009 and 2027. The unlevered free cash flows, the range of terminal asset values, and the future net operating loss benefits were then discounted to present values using a range of discount rates from 14.0% to 16.0%, which were chosen by J.P. Morgan based upon an analysis of Vignette s weighted average cost of capital. The present value of the unlevered free cash flows, the range of terminal asset values and the future net operating loss benefits were then adjusted for Vignette s cash and cash equivalents as of March 31, 2009. The discounted cash flow analysis indicated a range of equity values between $7.70 and $8.20 for the base case, $10.90 and $12.20 for the upside case and $6.00 and $6.10 for the downside case, each per share of Vignette s common stock, rounded to the nearest $0.10.

Selected Transaction Analysis. Using publicly available information, J.P. Morgan performed a selected transaction analysis, which provides an implied range of per share values for Vignette derived from an analysis of a range of selected transactions deemed by J.P. Morgan to be comparable to the merger. Specifically, J.P. Morgan reviewed the following transactions:

Date announced	Target	Acquirer
01/22/09	Interwoven, Inc.	Autonomy Corporation plc
09/04/08	Captaris, Inc.	Open Text Corporation
07/28/08	ILOG S.A.	International Business Machines Corporation
06/25/08	IONA Technologies plc	