

A view of our market

# Legacy applications run the world

At a time when IT innovation is driving change at a tremendous pace through every aspect of modern life, it is sometimes easy to forget that the majority of large businesses still rely on computer systems first developed more than 20 years ago. Journey through an average business day; you'll find that these systems which support your business represent a collective investment running into trillions of dollars.

## 1

### Our markets

It is more than 40 years since the IBM mainframe was first introduced and claimed its place at the heart of the data centre. Despite enormous advances in the technological landscape ever since, it remains for many the cornerstone of the corporate world; responsible for approximately 70% of all business operations, and carrying some 200 billion lines of COBOL code.

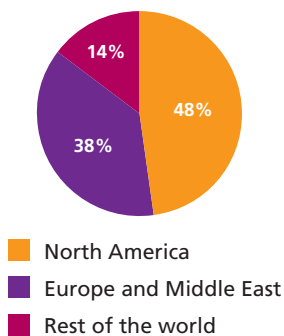
Analysts estimate there are currently some 16,000 IBM mainframes throughout the world, and agree this number will fall steadily by as much as a third over the course of the next five years as low-end users turn toward more contemporary platforms which run Windows, Unix or Linux.

Despite this move away from mainframes at the low end, it is expected that in the same period, overall mainframe workload will rise by up to 20%, through an increase in the number of high-end user sites and the size of deployments at each of these locations.

Both these trends represent a beneficial market dynamic for Micro Focus, driving a growing demand for greater agility and reduced costs in mainframe development and testing, as larger mainframe organisations look to modernise and service-enable their legacy applications.



Revenue by geographic sector



## 2

### Our global business model

Micro Focus operates globally, with North America continuing to represent our largest market. Internally we are organised around our principal markets of North America, Europe and Middle East, and the rest of the world.

**“Micro Focus has modernised our COBOL time and time again, and turned it into a high-tech solution, giving us the right tools to face the future.”**

Roger Engel, Vice President and Head of IT Development, Deutsche Bank Luxembourg



## 3 Our products and solutions



For 30 years, Micro Focus' products and solutions have been consistent in delivering technical excellence for the COBOL community, helping organisations realise the full value of their IT assets and ensuring their continued relevance to the businesses they serve. Through core technology and partnerships, Micro Focus has set about delivering on the promise of easing the process of application modernisation through innovation in areas of application understanding, development and deployment. Specifically, we are able to:

- ▶ improve development infrastructure for current applications and platforms by increasing developer productivity and reducing developer costs;
- ▶ extend critical legacy applications and services in current platforms to new internal and external users by using the Internet and contemporary architectures;

- ▶ transfer legacy applications from high-cost or end-of-life platforms to more open and flexible platforms, such as Windows, Unix and Linux; and
- ▶ replace legacy applications on mainframes with new packages or custom-built applications which run on platforms such as Windows, Unix and Linux.

With the industry united in its scepticism over the wisdom of rewriting legacy applications, three decades of experience in supporting the evolution and ongoing development of COBOL applications has resulted in sales to more than 90% of the Fortune 100 and continues to ensure our customers' ability to support and enhance the applications that have shaped their businesses and helped define their competitive edge.

**“Because of Micro Focus Mainframe Express, we can deliver more system capability to our clients because we have saved money and improved our own productivity. We estimate our overall cost savings from improved productivity to be 40%.”**

Jay White, Director, CSC Financial Services Group,  
Life Services Division

