

Micro Focus International plc

This document is important and requires your immediate attention. Shareholders who are in any doubt as to what action to take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares of 10 pence each in Micro Focus International plc (the "Ordinary Shares"), please pass this document and the accompanying proxy form to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



12 August 2009

Dear Shareholder

To the holders of Ordinary Shares in Micro Focus International plc (the "Company")

Notice of Annual General Meeting

The Annual General Meeting (the "AGM") of the Company is to be held on Thursday 24 September 2009 at 3pm (UK time) at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire, RG14 1QN. As you will see from the formal Notice of Meeting which follows this letter, there are a number of items of business to be considered and the purpose of each resolution to be proposed at the AGM is set out in the "Explanatory notes" section of this letter.

Voting at the AGM

A Form of Proxy for the AGM is enclosed and, to be valid, should be completed, signed and returned so as to reach Equiniti, the Company's Registrar, by no later than 3pm (UK time) on 22 September 2009. Completion and return of the Form of Proxy will not prevent you from attending and voting at the AGM in person, should you so wish.

Electronic Proxy Appointment is available for this AGM. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by our Registrar, Equiniti, via www.sharevote.co.uk or, for those who hold their shares in CREST, through the CREST electronic proxy appointment service. Further details are set out in the notes to the Form of Proxy.

At the AGM itself, the votes will be taken by poll rather than on a show of hands. The final result is more democratic as the proxy results are added to the votes of shareholders present who vote all their shares (rather than, in the case of a show of hands, one vote per person). The result of the polls will be announced to the London Stock Exchange and will appear on the Company's website www.microfocus.com.

Action required

Following this letter is a Notice of Meeting including resolutions relating to the matters discussed above (the "Resolutions") together with a Form of Proxy. You are requested to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM as soon as possible, and in any event, so as to reach Equiniti, the Company's Registrar by 3pm (UK time) on Tuesday 22 September 2009. Completion and return of the Form of Proxy shall not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

Recommendation

The board believes the Resolutions are in the best interests of the Company and its shareholders as a whole and recommends that shareholders vote in favour of each resolution as each director intends to do in respect of his own beneficial holding.

Yours faithfully

A handwritten signature in black ink, appearing to read "Kevin Loosemore".

Kevin Loosemore
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Micro Focus International plc (the "Company") will be held at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire, RG14 1QN on 24 September 2009 at 3pm (UK time) for the purpose of considering and, if thought fit, passing the following resolutions, in the case of resolutions 1 to 9 inclusive and resolution 13 as ordinary resolutions and in the case of resolutions 10 to 12 inclusive as special resolutions:

As Ordinary Business:

ORDINARY RESOLUTIONS

1. THAT the audited financial statements of the Company for the financial year ended 30 April 2009 together with the reports of the directors and auditors thereon be received and adopted.
2. THAT a final dividend for the year ended 30 April 2009 of 11.1 cents per ordinary share be declared.
3. THAT the directors' remuneration report for the year ended 30 April 2009 be approved.
4. THAT Kevin Loosemore, who retires voluntarily and offers himself for re-election in accordance with the Company's articles of association, be re-elected as a director of the Company.
5. THAT Stephen Kelly, who retires voluntarily and offers himself for re-election in accordance with the Company's articles of association, be re-elected as a director of the Company.
6. THAT Nicholas Bray, who retires voluntarily and offers himself for re-election in accordance with the Company's articles of association, be re-elected as a director of the Company.
7. THAT PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company before which audited financial statements of the Company are laid.
8. THAT the directors be authorised to determine the remuneration of the Company's auditors.

As Special Business:

ORDINARY RESOLUTION

9. THAT the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") (and in substitution for any existing authority to allot relevant securities) to allot relevant securities (within the meaning of section 80(2) of the Act):

(a) up to an aggregate nominal amount of £6,750,227; and

(b) comprising equity securities (within the meaning of section 94 of the Act) up to an aggregate nominal amount of £13,500,454 (after deducting from such limit any relevant securities allotted under sub-paragraph (a) above) in connection with an offer by way of rights issue to holders of ordinary shares of 10 pence each in the capital of the Company ("Ordinary Shares") in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities or, as the directors of the Company otherwise considers necessary but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange,

and such authority shall expire on the date of the Annual General Meeting of the Company to be held in 2010 or, if earlier, 1 November 2010, but so that the Company may, in each case, before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired. This authority shall be in substitution for any previous authorities granted in this regard by the Company.

SPECIAL RESOLUTIONS

10. THAT, subject to the passing of resolution 9 in the Notice of Annual General Meeting, the directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) of the Company for cash pursuant to the general authority conferred by resolution 9 above as if section 89(1) of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of section 94 of that Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in section 162A of that Act) ("treasury shares") for cash as if section 89(1) of that Act did not apply to such sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

(a) in connection with an offer of such securities (but in the case of the authority granted under sub-paragraph (b) of resolution 9, by way of a rights issue only) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings of such shares and to holders of other equity securities, as required by the rights of those securities or, as the directors of the Company otherwise consider necessary, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

(b) (other than pursuant to sub-paragraph 10(a) above) up to an aggregate nominal amount of £1,012,534

and such power shall expire on the date of the Annual General Meeting of the Company to be held in 2010 or, if earlier, 1 November 2010 but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold (as the case may be) after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. This power shall be in substitution for any previous powers granted in this regard by the Company.

11. THAT, subject to, and in accordance with the Company's Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make market purchases (as defined by section 163(3) of the Act) on the London Stock Exchange of Ordinary Shares provided that:

(a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 20,250,682 Ordinary Shares;

(b) the minimum price which shall be paid for the Ordinary Shares is 10 pence for each Ordinary Share, and the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5% above the average of the middle market quotations of such Ordinary Shares derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made;

(c) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or 1 November 2010 (whichever is the earlier); and

(d) the Company may, before such expiry, make a contract to purchase its own shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of such a contract.

12. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice from the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company to be held in 2010 or 1 November 2010 (whichever is the earlier).

ORDINARY RESOLUTION

13. THAT the deletion of Rule 7.2 (the "5% in 10 years" share dilution limit) from the rules of the Micro Focus International plc Incentive Plan 2005 (the "Plan") be and is hereby approved and the directors be authorised to do all such acts and things as they may consider appropriate to effect such amendment to the Plan. Following deletion of this Rule, awards will remain subject to a "10% in 10 years" share dilution limit.

By order of the board



Jane Smithard

Company Secretary

Registered in England Number: 05134647

Registered office

Micro Focus International plc

The Lawn

22-30 Old Bath Road

Newbury

Berkshire RG14 1QN

United Kingdom

12 August 2009

Notes to the Notice of Annual General Meeting

1. A shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this circular. In order to be valid an appointment of proxy must be returned by post, by courier or by hand to the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, United Kingdom, and must be received by 3pm (UK time) on 22 September 2009, or if the AGM is adjourned, 48 hours prior to the adjourned meeting. A proxy may also be appointed electronically and further details are set out at Note 2 and Note 7. Appointment of a proxy does not preclude a shareholder from attending the AGM and voting in person. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Equiniti, on 0871 384 2734.
2. To appoint a proxy electronically log on to the Company's Registrars' website www.sharevote.co.uk. Shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk and clicking on Company Meetings. Instructions are given on the website. If you are a member of CREST, you may use the CREST electronic appointment service, details of which are set out at Note 7. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
3. The statement of the rights of shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
4. A shareholder has a right to put, to the directors, any questions relating to the business to be dealt with at the AGM and subject to the exemptions under section 319A of the 2006 Act the Company must answer any such questions.
5. The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those shareholders on the Register of Members as at 6pm (UK time) on 22 September 2009 shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the ordinary register after 6pm (UK time) on Tuesday 22 September 2009 shall be disregarded in determining the right of any person to attend or vote at the AGM.
6. As at 12 August 2009 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 202,506,829 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 August 2009 are 202,506,829.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this AGM by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid, the appropriate CREST Proxy Instruction must be transmitted so as to be received by the Company's agent (ID RA19) by 3pm (UK time) on 22 September 2009.
8. If any shares have been sold or transferred by the addressee, this notice and any other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
9. A copy of this circular including the Notice of Annual General Meeting can be found on the Company's website, www.microfocus.com, free of charge.
10. Copies of the executive directors' service contracts and non-executive directors' letters of appointment with the Company, will be available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the date of the AGM and also at the place of the AGM for at least 15 minutes prior to, and until the conclusion of the AGM.
11. A copy of the rules of the Micro Focus International plc Incentive Plan 2005 (as marked with the proposed amendments) will be available for inspection at Hewitt New Bridge Street, 6 More London Place, London SE1 2DA during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) until the close of the AGM and at the place of the AGM for at least 15 minutes prior to and during the AGM.

Explanatory notes

The purpose of each of the resolutions proposed at the AGM is as follows:

Resolution 1 – Financial statements

The first item of business is the requirement for shareholders to receive the financial statements for the financial year which ended on 30 April 2009, together with the reports of the directors and the auditors.

Resolution 2 – Final dividend

This resolution seeks shareholder approval of the final ordinary dividend recommended by the directors. The directors are proposing a final dividend of 11.1 cents per Ordinary Share. An interim dividend of 4.5 cents per Ordinary Share was paid in January 2009, making a total dividend for the year of 15.6 cents per Ordinary Share. If approved, the dividend will be paid on 28 September 2009 to shareholders of Ordinary Shares as shown on the Company's Register of Members as of 4 September 2009. Dividends will be paid in sterling based on an exchange rate of US\$1.65 / £1, equivalent to 6.73 pence per share, being the rate applicable on 24 June 2009, the date of recommendation of the dividend by the board.

Resolution 3 – Remuneration report

In accordance with the Directors' Remuneration Report Regulations 2002 (the "Regulations"), the board submits the remuneration report to a vote of shareholders. In accordance with these Regulations, the approval of the remuneration report is proposed as an ordinary resolution.

Resolutions 4, 5 and 6 – Retirement and re-election of directors

Under the Articles of Association of the Company, all directors are required to retire and submit themselves for election at the first AGM following their appointment and every three years following their election or re-election. Accordingly each of Kevin Loosemore, Stephen Kelly and Nicholas Bray has resolved to retire voluntarily and submit himself for re-election by the shareholders. Biographical details of the directors recommended for re-election are set out in the Company's annual report.

Resolutions 7 and 8 – Auditors

The Company is required to appoint auditors at each AGM at which accounts are presented, to hold office until the end of the next AGM. Resolution 7, which is recommended by the audit committee, proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP. Resolution 8 follows best practice in corporate governance by separately seeking authority for the directors to determine their remuneration.

Resolution 9 – Authority to allot shares

Under Section 80 of the Companies Act 1985 (the "Act"), the directors are, with certain exceptions, unable to allot relevant securities (as that term is defined in the Act, and which includes the Company's Ordinary Shares) without the authority of the shareholders in general meeting.

In December 2008, the Association of British Insurers (the "ABI") revised its guidelines on directors' general authority to allot shares. The ABI's guidelines previously stated that directors' general authority to allot shares should be limited to an amount equal to one-third of a company's issued share capital. The new guidelines state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of a company's issued share capital. The guidelines provide that the extra routine authority (that is the authority to allot shares representing the additional one-third of a company's issued share capital) can only be used to allot shares pursuant to a fully pre-emptive rights issue.

Accordingly sub-paragraph (a) of resolution 9 authorises the directors to allot Ordinary Shares up to an aggregate nominal amount of £6,750,227. This authority represents approximately one-third of the Ordinary Share capital in issue as at the last practicable business day prior to the publication of this Notice. Sub-paragraph (b) of resolution 9 authorises the directors to allot Ordinary Shares in connection with an offer by way of a rights issue to holders of Ordinary Shares up to an aggregate nominal amount of £13,500,454, as reduced by the nominal amount of any Ordinary Shares issued under sub-paragraph (a) of resolution 9. This amount (before any reduction) represents approximately two-thirds of the Ordinary Share capital in issue as at the last practicable business day prior to the publication of this Notice.

If approved, the authorities granted under sub-paragraphs (a) and (b) of this resolution will expire either on the date of the Company's AGM in 2010 or 1 November 2010, whichever is the earlier. The directors have no immediate plans to make use of this authority, other than to fulfil the Company's obligations under its employee share plans.

Resolution 10 – Disapplication of pre-emption rights

Section 89 of the Act imposes restrictions on the issue of equity securities (as that term is defined in the Act and which includes the Company's Ordinary Shares) which are, or are to be, paid up wholly in cash and not first offered to existing shareholders.

Resolution 10 will give the directors authority to allot Ordinary Shares for cash without the need to comply with the statutory provisions in certain circumstances. Resolution 10 is conditional upon resolution 9 having been passed and will be proposed as a special resolution. In light of the new ABI guidelines described in resolution 9 above, the authority granted under sub-paragraph (a) of resolution 10 will permit the directors to allot shares up to a nominal amount of £13,500,454 (representing approximately two-thirds of the Ordinary Share capital in issue as at the last practicable business day prior to the publication of this Notice) on an offer to existing shareholders on a pre-emptive basis. However, unless the shares are allotted pursuant to a rights issue (rather than an open offer), the directors may only allot shares up to a nominal amount of £6,750,227 (representing approximately one-third of the Company's issued Ordinary Share capital) (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the directors see fit). Sub-paragraph (b) of resolution 10 will authorise the directors to allot Ordinary Shares for cash up to an aggregate nominal amount of £1,012,534 without first being required to offer them to existing shareholders. This authority shall include the sale by the Company of any Ordinary Shares held in treasury. This authority represents approximately 5% of the Ordinary Share capital in issue as at the last practicable business day prior to the publication of this Notice.

If approved, the authorities granted under sub-paragraphs (a) and (b) of this resolution will expire either on the date of the Company's AGM in 2010 or 1 November 2010, whichever is the earlier. The directors have no immediate plans to make use of this authority, other than to fulfil the Company's obligations under its employee share plans.

Resolution 11 – Approval of market purchases of Ordinary Shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares. The directors have no present intention of making such purchases but believe it is prudent to have this authority so as to be able to act at short notice if circumstances change. The authority would however only be exercised if the directors believe that to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally. Resolution 11, which will be proposed as a special resolution, approves the purchase of up to 20,250,682 Ordinary Shares at a price not exceeding 5% above the average middle market quotations for such shares as derived from the Official List of the Financial Services Authority for the five business days immediately preceding the day on which such shares are contracted to be purchased. The resolution also specifies the minimum price at which such shares may be bought. When shares are purchased by the Company, they are held in treasury in accordance with Section 162(A) of the Act. No dividends are paid on, and no voting rights attach to, treasury shares. The number of shares that may be held in treasury in accordance with Section 162(8) of the Act is limited to 10% of the issued share capital of the Company. To the extent the number of shares purchased exceeds this limit, the shares over the limit will be cancelled. At the last practicable date prior to the publication of this notice the total number of options to subscribe for equity shares that were outstanding were 7,905,895 representing 3.90% of the issued share capital and 4.34% of the issued share capital if the full authority to buy back shares (existing and being sought) is used.

Resolution 12 – Notice period for general meetings

Resolution 12 will be proposed as a resolution to approve the holding of general meetings, other than AGMs, on 14 clear days' notice. Although the Company's Articles of Association currently permit this, regulations came into force on 3 August 2009 implementing the Shareholders Rights Directive in the UK, which, as currently drafted, will require the passing of a shareholder resolution to authorise such notice. Without the passing of resolution 12, the minimum notice period under the regulations would be 21 clear days.

Resolution 13 – Amendment to the Micro Focus International plc Incentive Plan 2005 (the "Plan")

The Plan provides a flexible framework that allows the Company to make awards of free shares in the form of nil cost options, conditional awards or forfeitable shares, or to grant market value options.

The Plan currently contains a "5% in 10 years" dilution limit. However, the current dilution in respect of existing awards under the Plan is already close to reaching this limit. This resolution seeks approval to remove this limit from the Plan. Following the removal of this limit, awards under the Plan will remain subject to a "10% in 10 years" dilution limit.

The removal of the "5% in 10 years" dilution limit will increase the Company's headroom to make competitive awards of share options under the Plan. The remuneration committee of the board of the Company feels that the removal is appropriate given the broad-based nature of the Plan and the Company's practice of using cash to make acquisitions rather than issuing shares which favours shareholders but adversely impacts the share plan dilution calculation.