

**20 February 2014**

**Micro Focus International plc**  
**Interim Management Statement for the period from 31 October 2013**

Micro Focus International plc ("Micro Focus" or "the Group", LSE: MCRO.L), the international software product group, provides its Interim Management Statement for the period from 31 October 2013 to the date of this statement. Interim Results for the six months ended 31 October 2013 were announced on 3 December 2013.

**Trading update and outlook**

Trading in the three months to 31 January 2014 was in line with management expectations at the time of the Interim Results. Organic revenues at constant currency showed modest growth on the same period last year. Licence fees grew while maintenance was flat and consultancy declined. Revenues from the acquisitions of Iona, Soforte, OpenFusion and AccuRev Inc. were in line with our expectations. Management's expectations for the year ending 30 April 2014 remain that on a constant currency basis revenues will show growth of between 3% and 6% and that Underlying Adjusted EBITDA will be in line with current market expectations.

Underlying Adjusted EBITDA was ahead of the same period last year. There was an adverse movement in currency rates in the period such that the year to date currency impact is US\$3.3m adverse compared to broadly neutral in the comparative period last year. Net amortisation of development costs in the year to date is now US\$1.5m compared to net capitalisation of development costs of US\$1.9m last year. These two items have a US\$4.8m impact on Adjusted EBITDA for the year to date and a US\$6.7m impact year on year.

**Net Debt Position**

Since 31 October 2013 the company has completed a Return of Value to shareholders of 60 pence per share at a cost of US\$140.2m, completed the acquisitions of OpenFusion assets from PrismTech and of Accurev Inc. for a total net cash cost of US\$25.9m, and paid an Interim Dividend of 7.65 pence per share at a cost of US\$19.6m. Despite these cash outflows of US\$185.7m in the period, the Group's net debt position at 31 January 2014 was US\$307.4m, an increase of only US\$142.9m over the US\$164.5m net debt position at 31 October 2013, demonstrating further good operational cash generation during the period.

### **Update on misstatement of revenue in comparative figures**

The investigation into the misstatement of revenue caused by invalid orders within our sales channel network in India detailed in the Interim Results has been completed and concluded that no further adjustment to revenues is required. Settlement has been reached with the partners from whom cash had been received directly or indirectly and the cash received has now been returned.

### **Enquiries:**

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### **About Micro Focus**

Micro Focus, a member of the FTSE 250, provides innovative software that helps companies to improve dramatically the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Testing and Management software enables customers' business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk. For additional information please visit [www.microfocus.com](http://www.microfocus.com)