Preliminary Results
For Year Ended 30 April 2014

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Mike Phillips

19 June 2014

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Agenda

- Operational Review
- Financial Review
- Q&A
- Appendix

Operational Review

Kevin Loosemore

FY14 Highlights

- Revenue growth of 6.4% to $433.1m*
- Underlying Adjusted EBITDA of $196.4m, representing a margin of 45.3%, up from 44.0% in prior year*
- Cash generated from operations was $206.8m, up from $192.4m
- Shareholder returns in year:
  - Total Dividend per Share for FY14 of 44 cents, up 10%
  - $140.2m Return of Value in November 2013

*** Constant Currency Basis (CCY), FY13 revenues $407.1m**

Making Solid Progress; Executing the Plan

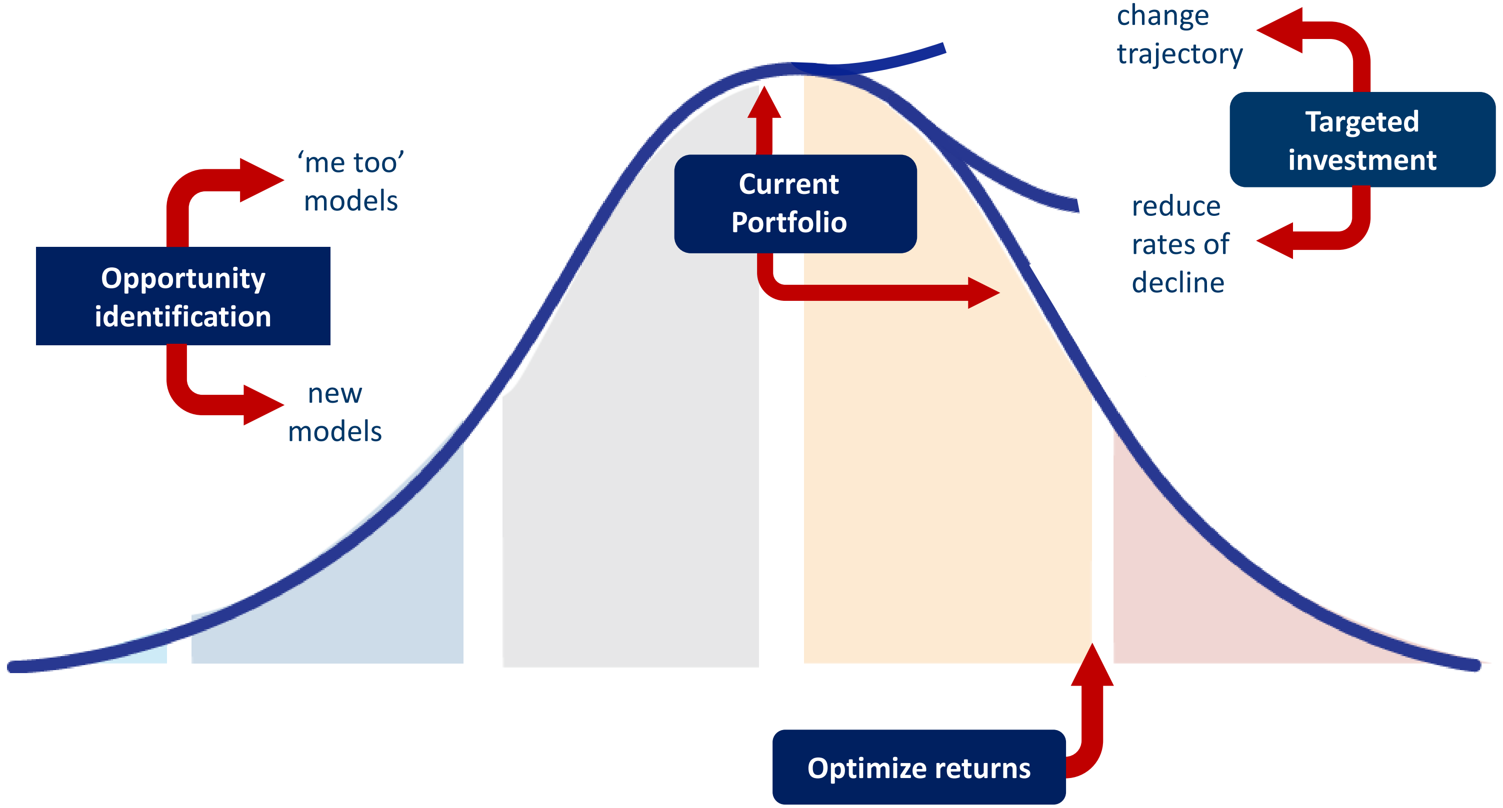
- Strategy
  - Focus on mature infrastructure software assets – pervasive and ‘sticky’ products
  - Be the best in the market at (i) managing these assets to maintain and grow our core business, and (ii) develop product capabilities organically and through M&A
  - Apply appropriate financial model to maximise sustainable returns to shareholders

- Three phased turnaround since April 2011:
  - Invigorated Product Management
    - Stabilised product portfolio, prioritised R&D, improved bench strength of team
  - Enable Sales Force Effectiveness
    - Expanded training programmes, improved marketing, developed tailored product positioning and support materials (playbooks)
  - Improve Sales Force Productivity
    - Sales Academy, age demographics, sales force product knowledge and management structures

All three phases continue to be work in progress with further room for improvement

Micro Focus bridges the old and the new enabling customers to unlock the value in their core business applications

Portfolio Positioning and Approach



Product Management

Managing our business through a structured approach to product

NEW MODELS (subscription, cloud)	**GROWTH DRIVERS** (build the future)
NICHE (optimise returns)	**CORE** (protect)

Selected Licence Fee Growth in FY14 - Shows Strength of Portfolio Approach

	FY13 $m	FY14 $m	Growth
Visual COBOL	8.6	16.4	91%
Enterprise Server	12.4	18.3	48%
Borland*	15.3	17.3	13%

* *Excluding AccuRev*

Product Highlights – Visual COBOL

Visual COBOL 2.2

- Market leading appdev technology for enterprise COBOL applications providing improved productivity and lowered costs while taking core applications into the future.
- New tools for COBOL developers within Eclipse and Visual Studio.
- Faster performance for .NET and the Java Virtual Machine.
- Support for industry leading Java Application Servers.
- 91% LFR growth year on year.

United Life, North America

- Leading US life insurance and annuity plan provider
- A single standardized development environment – Microsoft Visual Studio
- Improved development team collaboration and productivity
- Reuse of existing IP and business rules

Caja de Valores, Argentina

- National Central Securities Depository
- Realized 70% IT cost savings
- ROI applied to application modernization initiatives
- Improved service availability
- 50% performance improvement for batch and on-line transactions
- Improved developer efficiency

Product Highlights – Enterprise Server

Enterprise Server - Flexible, portable enterprise workload deployment

- Fit for Purpose - Proven technology to deploy core COBOL and PL/I application workload across zEnterprise and other leading server environments.
- Flexible - Future proofing business systems by modernizing and deploying to any enterprise-standard environments 50% faster.
- Cost efficient – Achieve between 70% to 90% reduction in operating cost.
- 48% LFR growth in FY14.

John Hancock Financial Services

- A unit of Manulife Financial Corporation, serving millions of customers worldwide
- Key driver - lower IT costs by running mainframe workload on alternate platforms, minimising risk with core business IP remaining intact
- Working with key Partner CSC workload was moved to z/Linux resulting in
  - Annual associated costs reduced by $2.2M
  - Application and business IP intact
  - Greater flexibility for development and testing

Manitoba Public Insurance

- Non-profit Crown corporation based in Manitoba providing public auto insurance
- Looking for ways to lower its IT costs associated with running its older, core business-critical applications
- Results
  - Realized 75% cost savings
  - Expected ROI within 18 months
  - Doubled system performance
  - Simplified ID management

Product Highlights – Silk

Silk Central, Silk Test, Silk Performer, & Silk Mobile

- The Silk family of products is a comprehensive portfolio of testing products and solutions. It includes Silk Test, Silk Central, Silk Performer and Silk Mobile.
- Functional and performance testing across all platforms, including web & mobile applications, eg simulate test loads in the cloud, without huge investment.
- Powerful, open test management for agile and traditional projects.
- 19.1% LFR growth in FY14.

Deakin University, Australia

- Realised cost savings of 50%
- Improved testing script reuse from 90% to 98%
- Displacement of HP Loadrunner
- User-friendly performance testing environment
- Increased testing team productivity

National Trust, UK

- High website performance in peak times
- Early identification and prevention of potential performance issues
- Flexible and intuitive test scripting
- Broad level of protocol coverage to include legacy systems

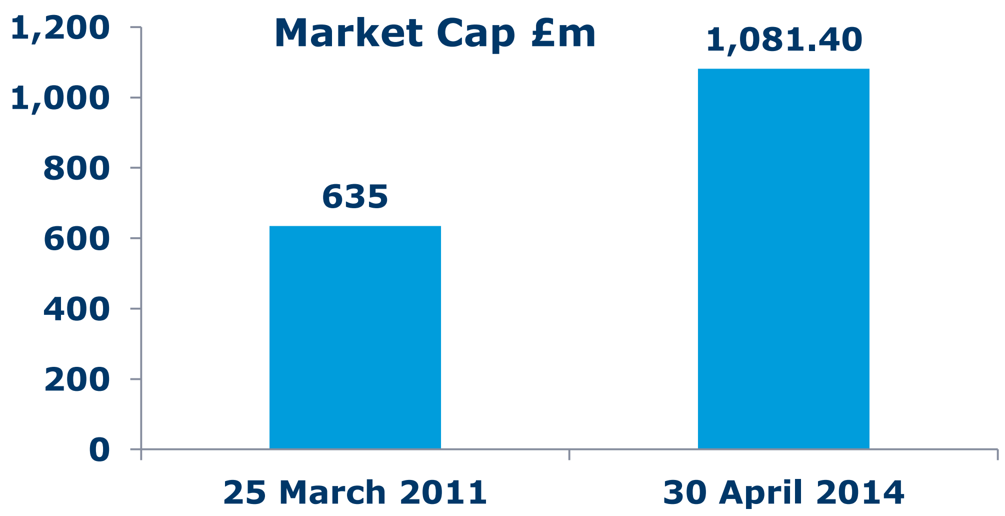
Operational Efficiency

- Adjusted EBITDA increased from $158.7M in FY11 to $192M in FY14
- Number of locations reduced from 104 in Sept 2009 to 35 by April 2014*
- Office rental costs reduced from $18.9M in Sept 2009 to $6.8M by April 2014*
- Operational efficiency enables us to add value through appropriate acquisitions

** Since 2009 and includes acquisitions of Borland, Compuware, Iona, SoforTe, OpenFusion & AccuRev*

Capital Discipline – Focused on Shareholder Returns

- 12 May 2005 – 25 March 2011: 18.5% annual rate of return (the 'growth' years)
- 25 March 2011 – 30 April 2014: 38.1% compound return
  - cash returns to shareholders during this period of £424.3m, consisting of share buy backs £65.0m, ordinary dividends of £103.6m and returns of value of £255.7m



Acquisition Strategy

- Buy companies or assets that fit our business profile, when available at an appropriate price
  - Infrastructure software
  - ‘Sticky’ assets
- Operate effectively
- Achieve returns in excess of the base case
- 2013/2014 Acquisitions
  - Iona – (15-Feb-13) FY14 revenues of $25.0m
    - CORBA products from Progress Software
    - $15m consideration
  - SoforTe – (9-Oct-13) Technology purchase
    - Mainframe COBOL Development technology
    - $6.6m initial consideration with up to $0.8m deferred
  - OpenFusion – (29-Nov-13) FY14 revenues of $1.1m
    - CORBA assets from PrismTech
    - $6.4m initial consideration up to $1.8m deferred
  - AccuRev Inc. – (31-Dec-13) FY14 revenues $4.9m
    - SCCM products and expertise
    - $22.2m consideration

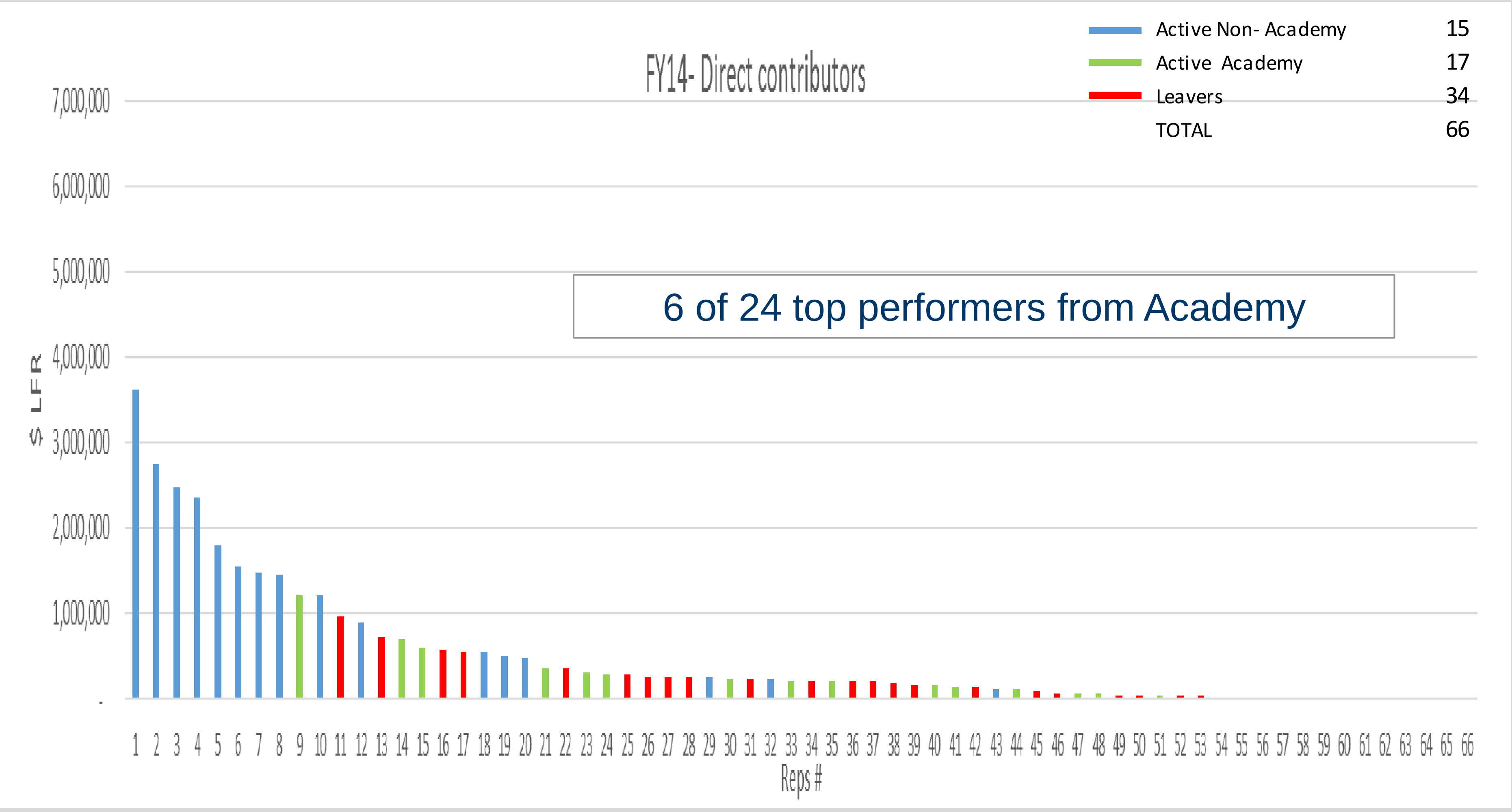
Sales Force Dynamics

	1 May 2013	1 Nov 2013	1 May 2014	Change YOY	Average Cost Base & Commission, 1 May 2014	Average Cost Base & Commission, 1 Nov 2013
No of Direct Reps	126	149	129	2.4%	$187k	$205k
Inside Reps	55	69	67	21.8%	$82k	$92k
TOTAL	**181**	**218**	**196**	**8.2%**		
External Hires		15	15			
Graduate Hires		53	0			

Sales Academy

- Salary and commission costs of $3.5m in FY14
- Revenue contribution in second half of $4.8m
- Average licence revenue of $200k per Sales Academy rep with dedicated territory in second half
- Average cost per Sales Academy employee is $78k per annum
- FY15 Sales Academy already started – 30 recruits to start 30 June 2014
- FY15 Developer Academy initiated – 16 recruits

FY14 Rep Attainment – ISD

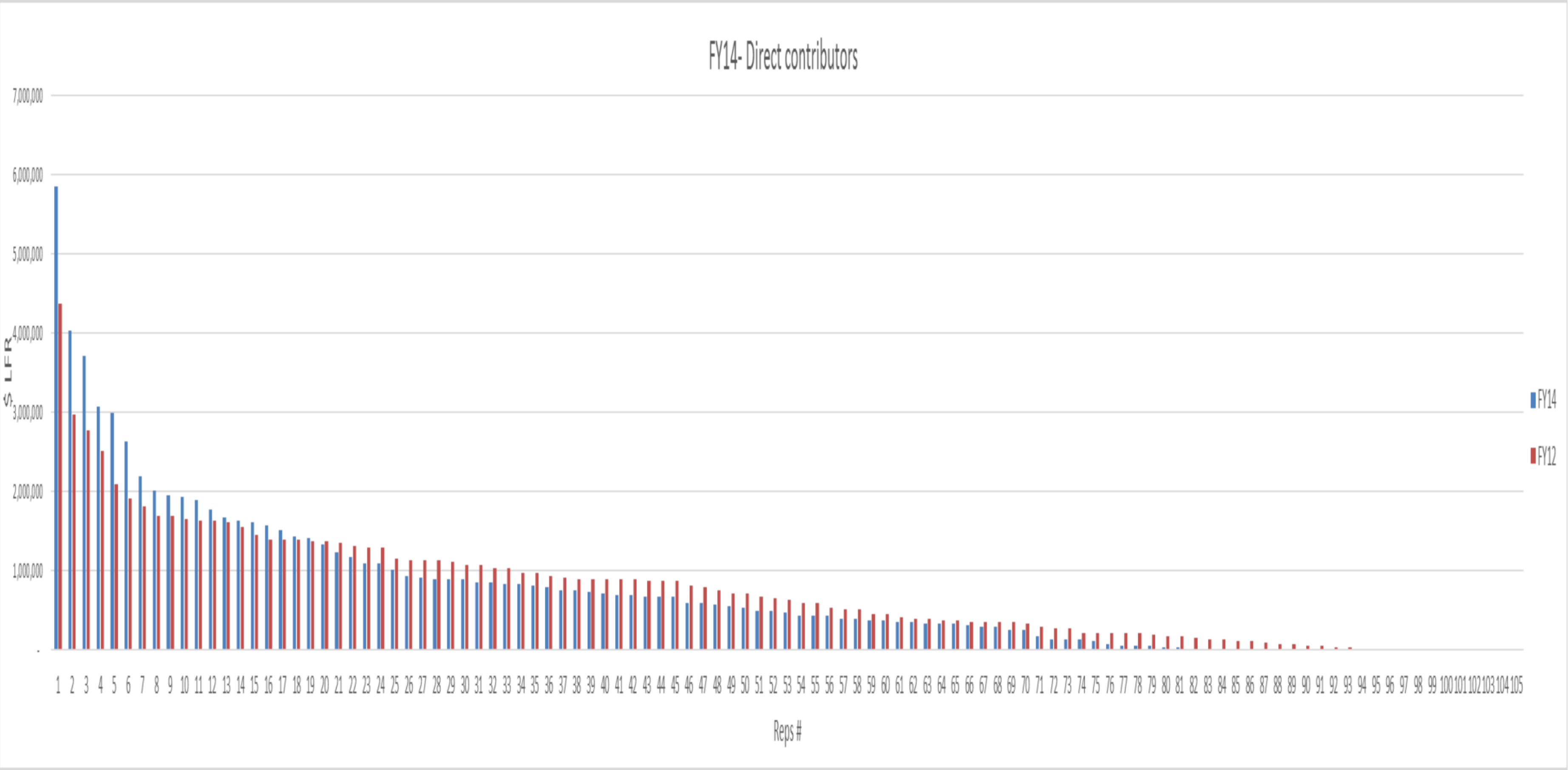


TOP 10 48.9% | NEXT 20 37.7% | NEXT 20 11.8% | LAST 16 1.5%

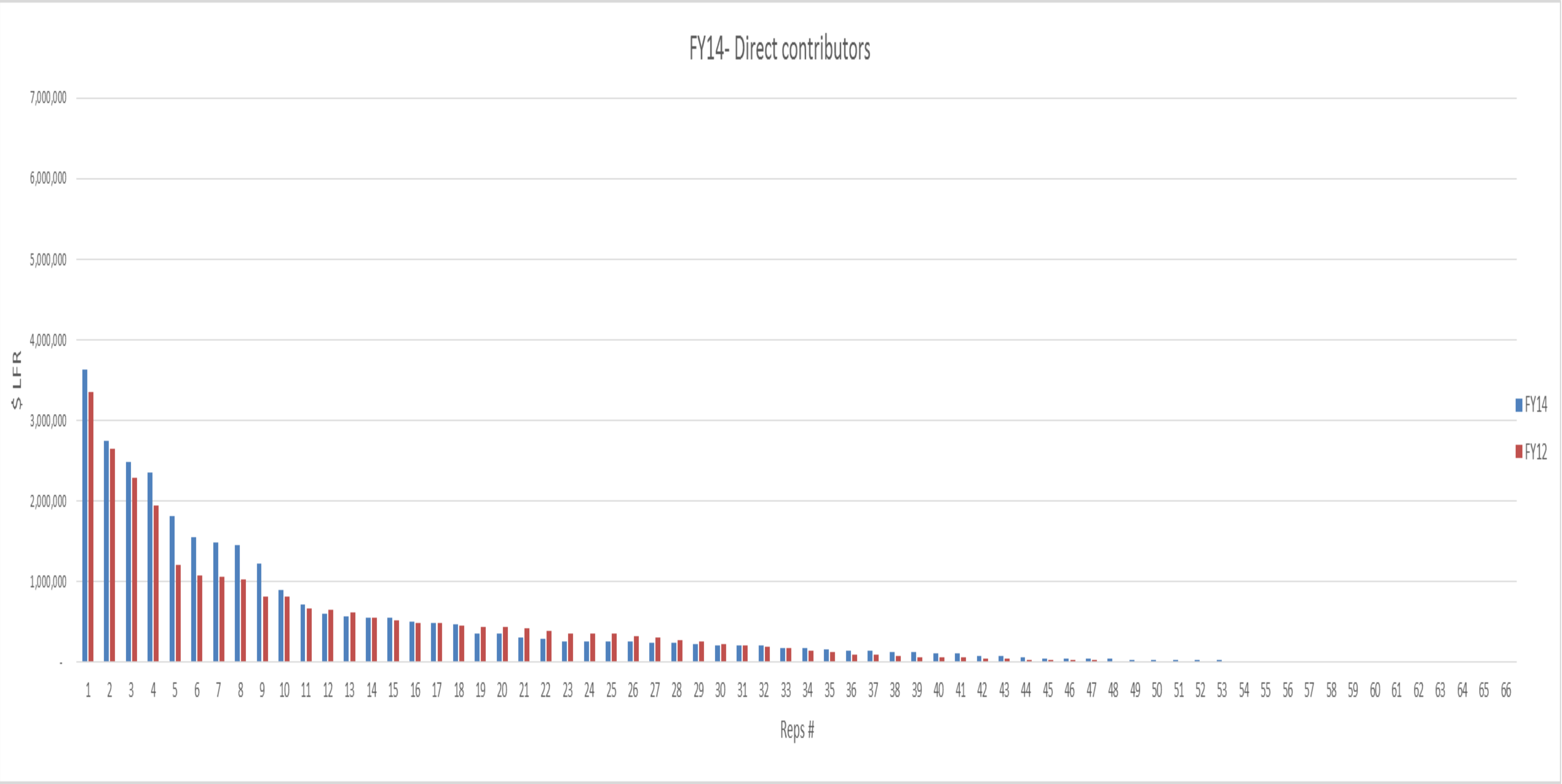
Average Age 33; was 37 in FY12

Rotation = 34/66 = 51.5 %

FY14 vs FY12 Rep Attainment – Field Sales



FY14 vs FY12 Rep Attainment – ISD Sales



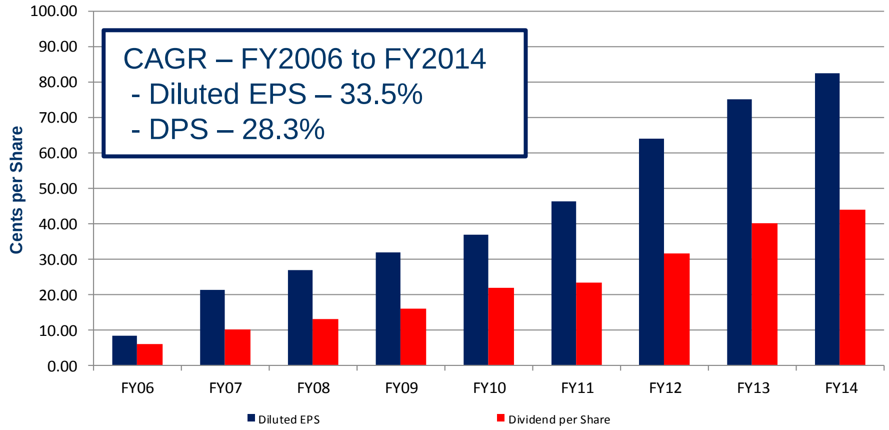
What Next?
Focusing on Sustainable Returns to Shareholders

- Run the model
- Focus on building sustainable organic growth
- Progressive dividend policy
- Efficient capital structure – appropriate balance sheet leverage
- Acquisition criteria will balance returns and growth

Outlook

- Objective: Total Shareholder Returns > Cost of Capital
- Continued operational efficiency
- Appropriate acquisitions
- Group Revenue:
  - Low single digits growth on a constant currency basis in line with our model

Diluted Earnings Per Share and Dividend Per Share



Financial Review

Mike Phillips

Results at a Glance

	FY14 $m	FY13 Restated $m	Change
Total Revenue at Constant Currency	433.1	407.1	6.4%
- Licence	177.9	163.9	8.5%
- Maintenance	243.2	227.7	6.8%
- Consultancy	12.0	15.5	-22.6%
Total Reported Revenue	433.1	412.2	5.1%
NON GAAP MEASURES			
Adjusted EBITDA			
Constant Currency	192.0	181.3	5.9%
Reported	192.0	186.3	3.1%
Underlying Adjusted EBITDA			
Constant Currency	196.4	179.1	9.7%
Reported	196.4	184.1	6.7%
STATUTORY MEASURES			
Pre-tax profit			
Constant Currency	147.8	146.6	0.8%
Reported	147.8	151.5	-2.4%
Net debt	261.0	177.7	46.9%
Earnings per share	Cents	Cents	
Diluted	82.35	75.23	9.5%
Adjusted diluted	97.48	84.87	14.9%
Dividend per share	44.00	40.00	10.0%

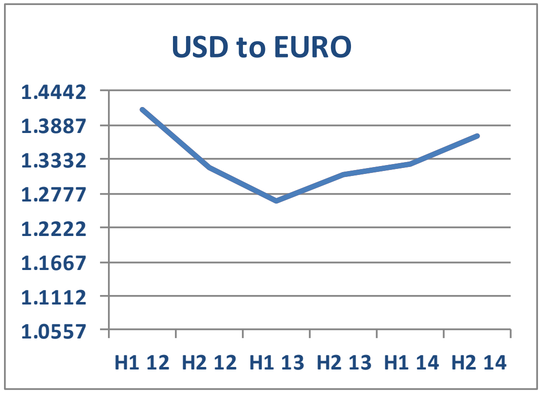
Key Highlights

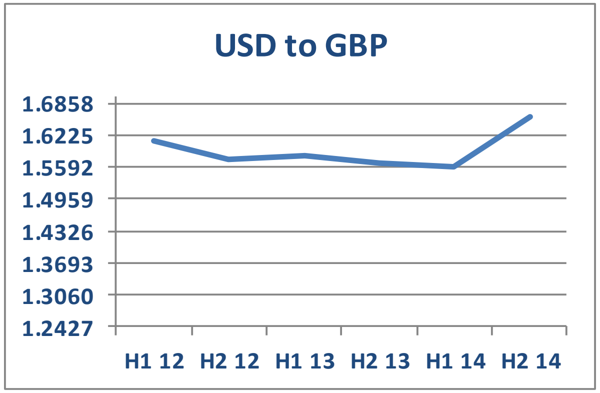
- **Revenue growth of 6.4% at constant currency (CCY) in line with guidance**
  - FY14 Acquisitions delivered revenues of $6.1m
    - CCY Revenue growth of 4.9% without this revenue
  - Iona, acquired in February 2013, performed strongly delivering $25.0m (2013: $3.4m)
  - Like for like revenues declined by 0.4% (2013: decline of 3.4%).
    - H2 14 organic growth of 2.2% compared to a 3.1% decline in H1 14.
    - Licence revenue growth in Visual COBOL, Borland, CORBA and Mainframe Solutions, contributed to like for like licence growth of 2.3%
- **Underlying Adjusted EBITDA growth of 9.7% to $196.4m (CCY 2013: $179.1m)**
  - Growth of 10.7% excluding FY14 acquisitions
- **Cash generated from operations of $206.8m (2013: £192.4m)**
  - Cash conversion ratio of 107.7% (2013: 103.3% restated)
- **FY14 Acquisitions cost $35.2m in cash excluding acquisition costs**
- **Full year dividend increased by 10% to 44.0 cps (FY2103: 40.0 cps)**
  - Final dividend increased by 6.8% to 30.0 cps (2013: 28.1 cps)
- **Return of Value of 60 pps (equivalent to 93.3 cps) total cost of $140.2m**

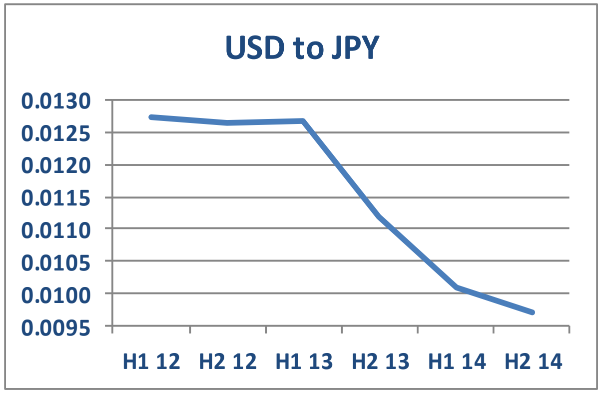
Currency Impact

The revenue and cost profile of the main currencies is:

	FY2014		FY2013	
	Revenue	Cost	Revenue	Cost
US$	53.9%	30.8%	54.1%	30.0%
Euro	23.1%	20.2%	22.2%	19.9%
GBP	5.7%	30.0%	4.4%	27.0%
Yen	8.6%	2.8%	8.6%	3.5%







The exchange loss of $4.4m in the year arose mostly from the revaluation of short-term intercompany balances and Sterling denominated corporation tax payable (2013: gain of $0.5m).

The USD to Euro exchange rate has moved by 5.9% from 30 April 13 ($1.307) to 30 April 14 ($1.384)

The USD to GBP exchange rate has moved by 8.5% from 30 April 13 ($1.551) to 30 April 14 ($1.682)

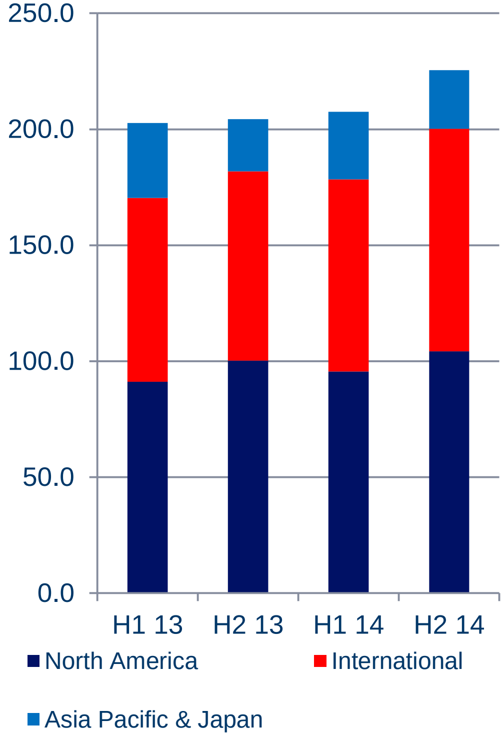
The USD to Yen exchange rate has moved by 4.6% from 30 April 13 ($0.01022) to 30 April 14 ($0.00975)

Revenues: Year ended 30 April 2014

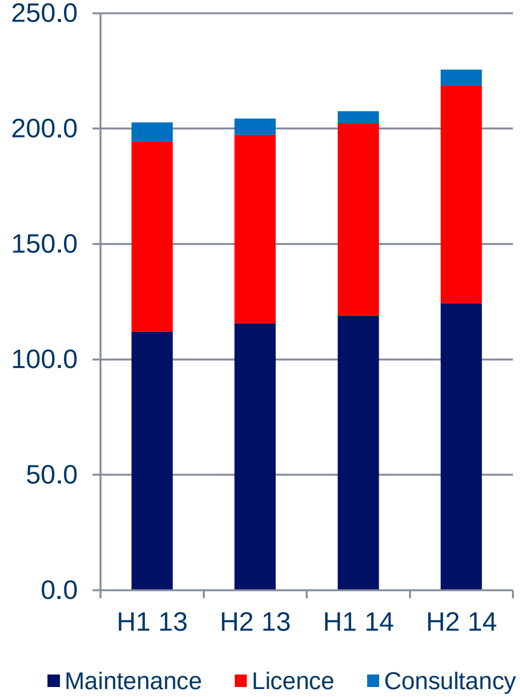
- **Total Revenues**
  - CCY revenues increased by 6.4% to $433.1m (2013: $407.1m restated)
  - FY14 Acquisitions delivered revenues of $6.1m
    - CCY Revenue growth of 4.9% without this revenue
  - Revenues of $25.0m from acquisition of Iona CORBA assets from Progress Software (2013: $3.4m)
  - Like for like revenues declined by 0.4% to $402.0m (2013: decline of 3.4%)
    - H2 14 organic growth of 2.2% compared to a 3.1% decline in H1 14
    - Licence revenue growth on like for like basis of 2.3%
- **Revenue by type at CCY**
  - Licence fee revenues increased by 8.5% to $177.9m (2013: $163.9m restated)
  - Maintenance revenues increased by 6.8% to $243.2m (2013: $227.7m restated)
    - Represents 56.2% of total revenues (2013: 55.9%)
  - Consulting revenues declined by 22.6% to $12.0m (2013: $15.5m)
- **Revenue by geography at CCY**
  - North America increased by 4.5% to $199.9m (46.2% of Group) – like for like decline of 5.2%
  - International increased by 11.0% to $178.6m (41.2% of Group) – like for like growth of 7.4%
  - Asia Pacific and Japan declined by 0.5% to $54.6m (12.6% of Group) – like for like decline of 6.8%

Revenue at Constant Currency by Half Year

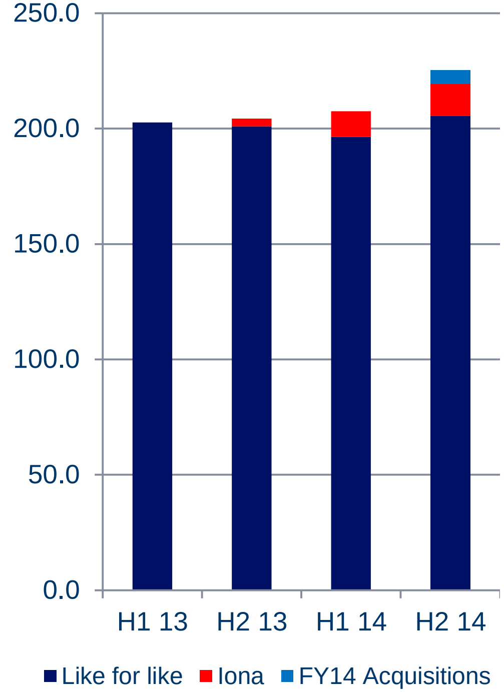
Revenue by region ($m)



Revenue by type ($m)



Revenue by like for like and acquisitions ($m)



Profitability by Region - Reported

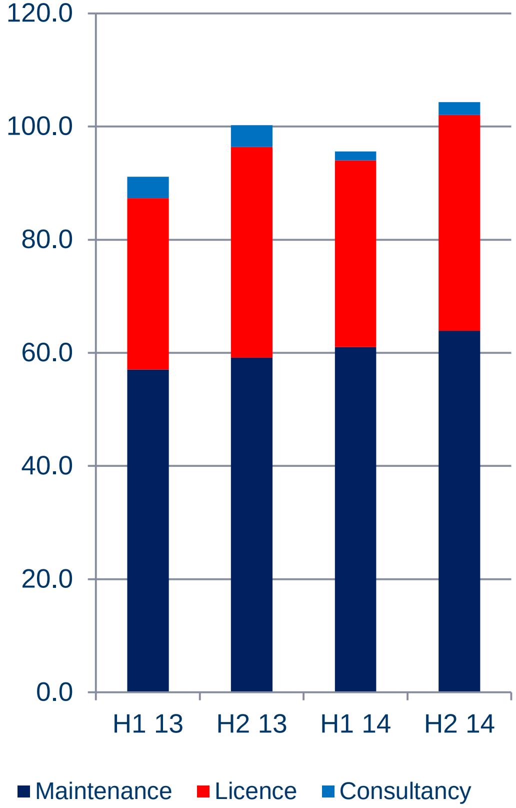
FY14	North America	International	Asia Pacific & Japan	Total
	$m	$m	$m	$m
Segment revenue	**199.9**	**178.6**	**54.5**	**433.1**
Directly managed costs	(35.8)	(59.8)	(14.7)	(110.3)
Allocation of centrally managed costs	(65.9)	(51.3)	(18.1)	(135.3)
Total segment costs	**(101.7)**	**(111.1)**	**(32.8)**	**(245.6)**
Adjusted operating profit	**98.2**	**67.5**	**21.8**	**187.5**
Share based compensation charge				(12.9)
Amortization of purchased intangibles				(18.9)
OPERATING PROFIT				**155.7**

FY13	North America	International	Asia Pacific & Japan	Total
Restated	$m	$m	$m	$m
Segment revenue	**191.8**	**157.8**	**62.6**	**412.2**
Directly managed costs	(41.5)	(53.4)	(17.6)	(112.5)
Allocation of centrally managed costs	(57.3)	(45.0)	(15.2)	(117.5)
Total segment costs	**(98.8)**	**(98.4)**	**(32.8)**	**(230.0)**
Adjusted operating profit	**93.0**	**59.4**	**29.8**	**182.2**
Share based compensation charge				(6.7)
Amortization of purchased intangibles				(16.1)
OPERATING PROFIT				**159.4**

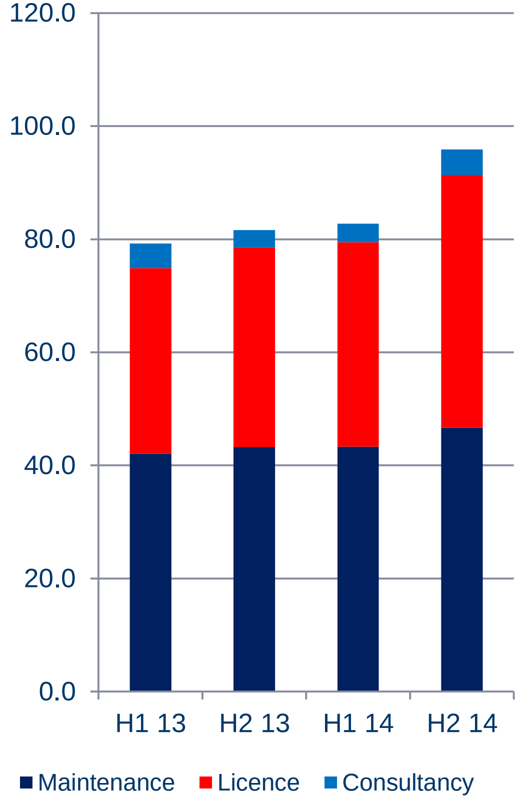
- **Regional Profit & Loss Accounts**
  - Directly managed costs under control of Regional Presidents
  - Centrally managed costs allocated to regions

Revenue at Constant Currency by Half Year
Region Revenue by type

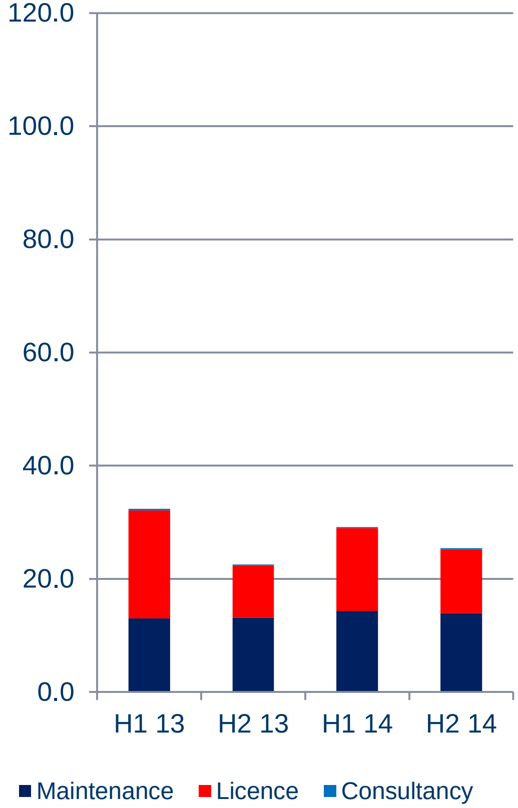
North America ($m)



International ($m)

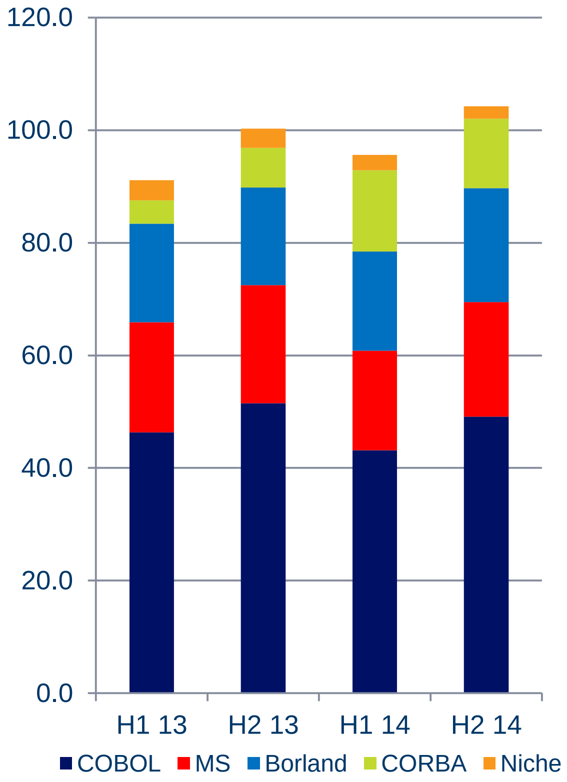


Asia-Pacific ($m)

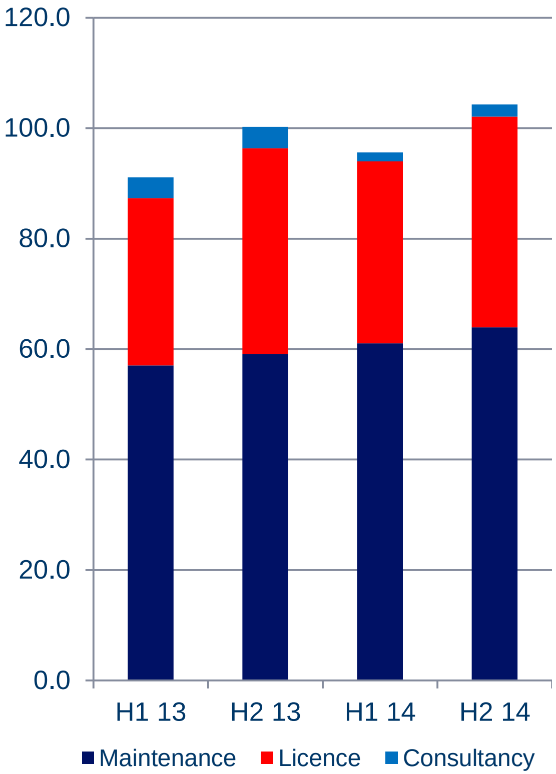


Revenue at Constant Currency by Half Year
North America

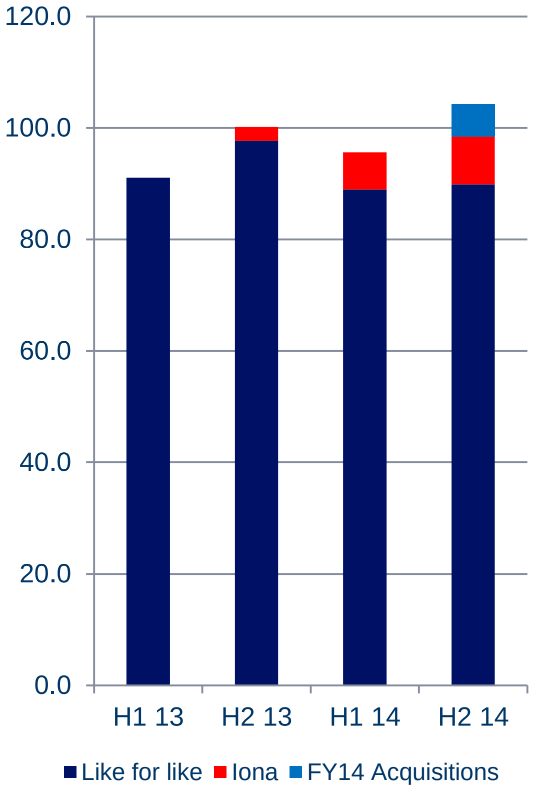
Revenue by product ($m)



Revenue by type ($m)

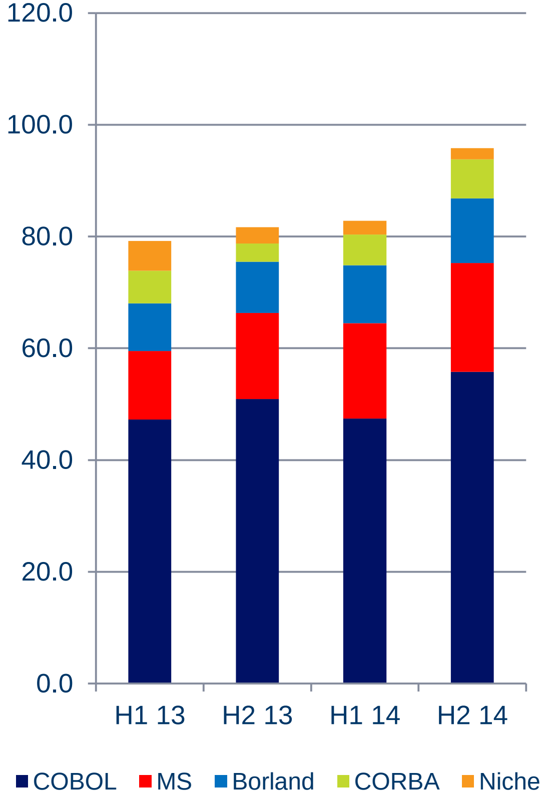


Revenue by like for like and acquisitions ($m)

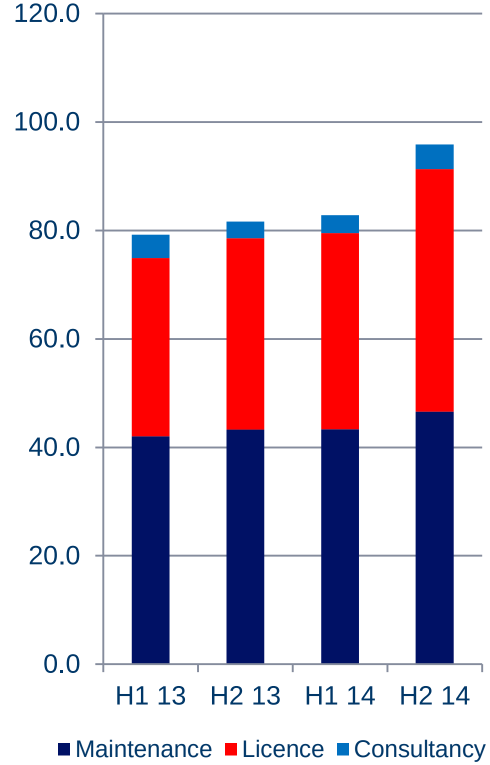


Revenue at Constant Currency by Half Year International

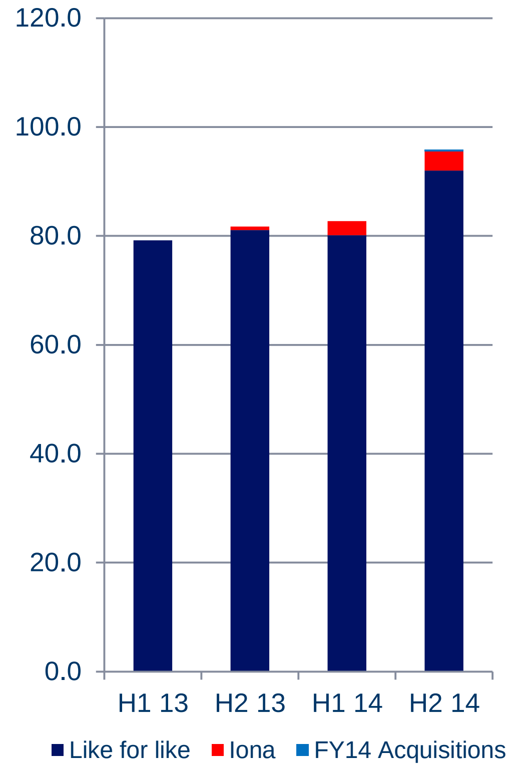
Revenue by product ($m)



Revenue by type ($m)

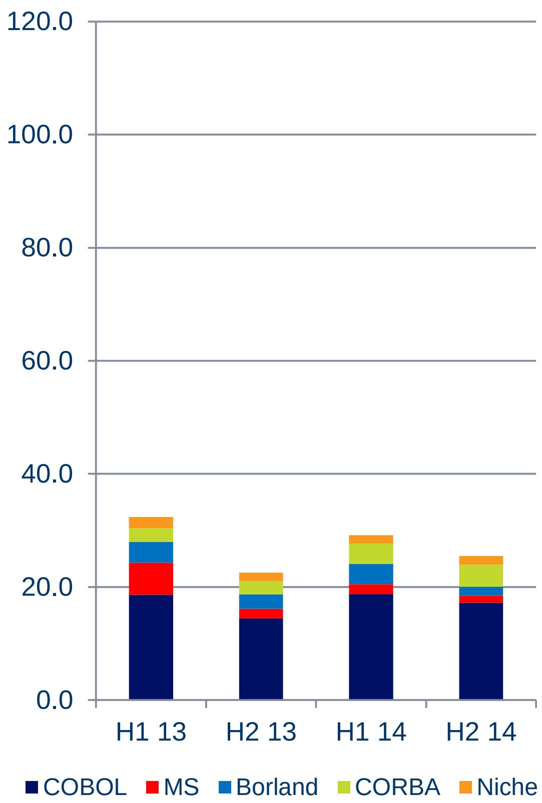


Revenue by like for like and acquisitions ($m)

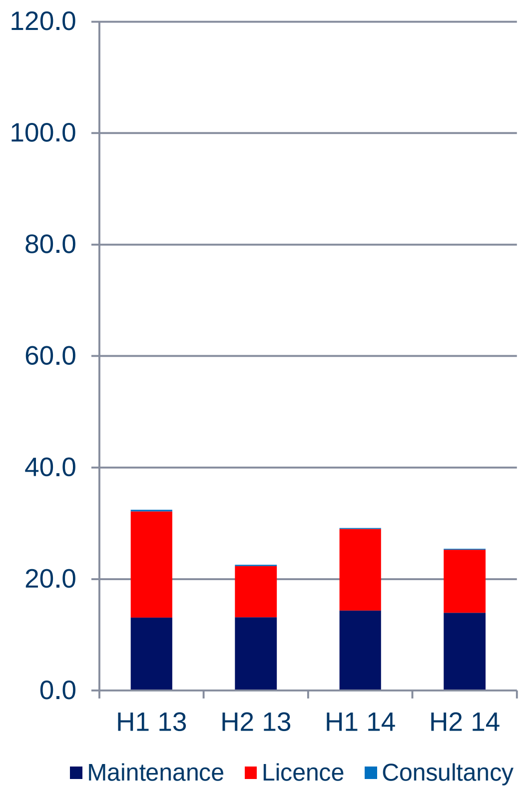


Revenue at Constant Currency by Half Year
Asia Pacific and Japan

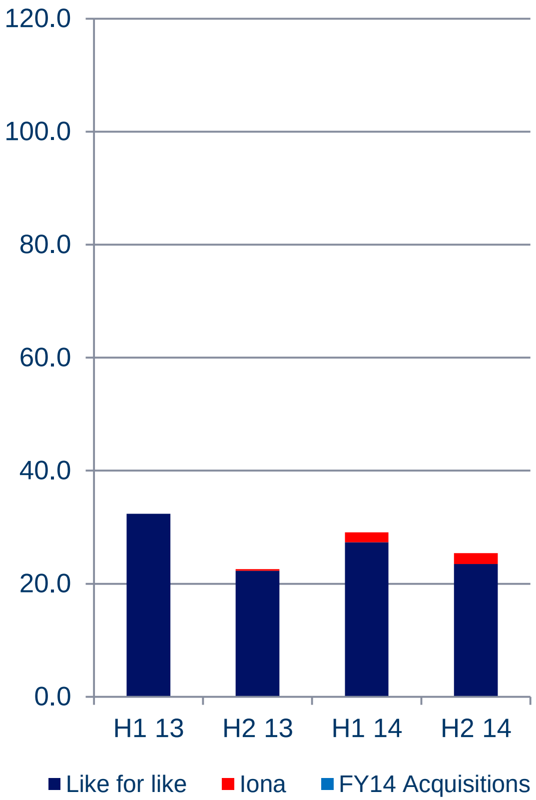
Revenue by product ($m)



Revenue by type ($m)



Revenue by like for like and acquisitions ($m)

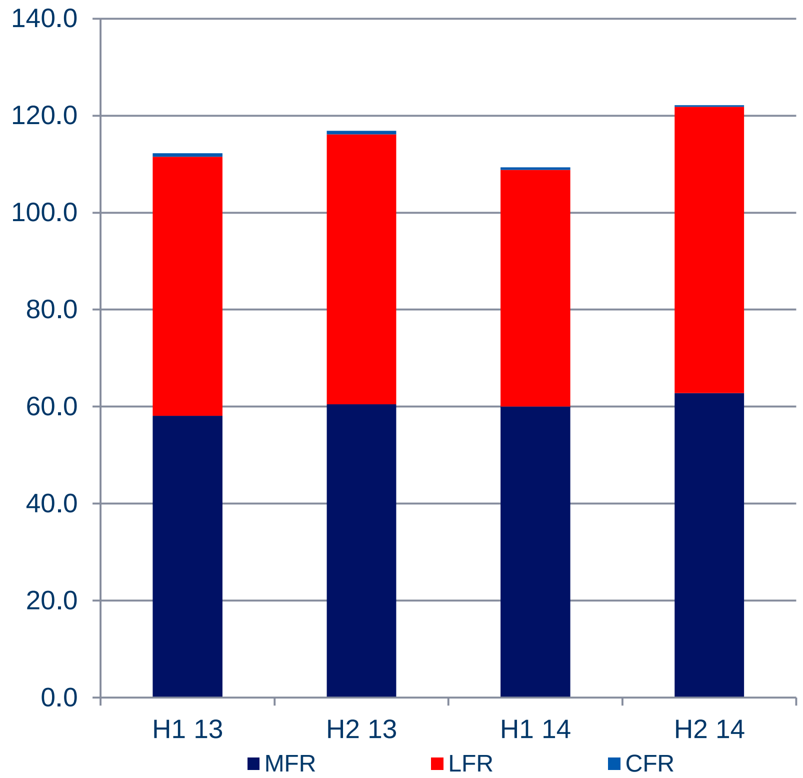


Revenue by Product at CCY: Year ended 30 April 2014

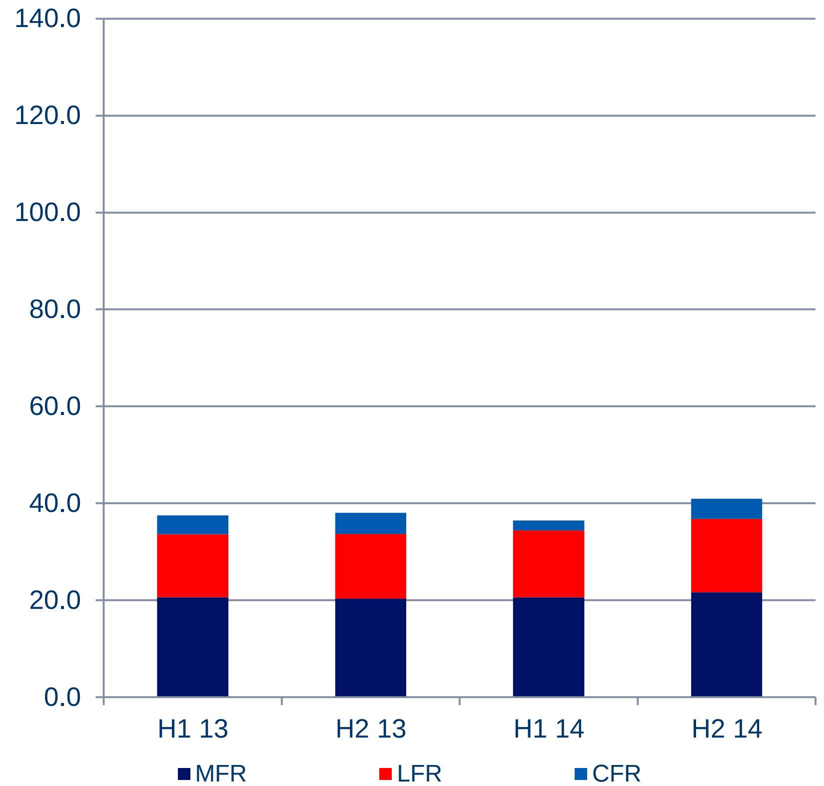
- **Excluding Niche revenues increased by 8.3% to $420.8m (2013: $388.4m)**
  - Growth in Licence and Maintenance partially offset by planned reduction in Consultancy
- **COBOL grew by 1.0% to $231.5m (2013: $229.1m)**
  - Growth in Maintenance partially offset by declines in Licence and Consultancy
  - Maintenance renewal rate of 90%
- **MS grew by 2.6% to $77.5m (2013: $75.5m)**
  - Growth in Licence and Maintenance offset by planned reduction in Consultancy
  - Maintenance renewal rate of 90%
- **Borland (Test) increased by 10.7% to $65.0m (2013: 58.7m)**
  - Increase in Licence, Maintenance and Consultancy
  - AccuRev revenue of $4.9m
  - Maintenance renewal rate of 83%
- **CORBA increased by 82.1% to $46.8m (2013: $25.1m)**
  - Iona products generated $25.0m, ahead of expectations
  - OpenFusion generated $1.1m
  - Growth in Licence, Maintenance and Consultancy
  - Maintenance renewal rate of 81%
- **Niche declined by 34.2% to $12.3m (2013: $18.7m)**
  - Licence flat and decline in Maintenance and Consultancy
  - Maintenance renewal rate of 66%

Revenue Performance by Product Portfolio

COBOL Development ($m)



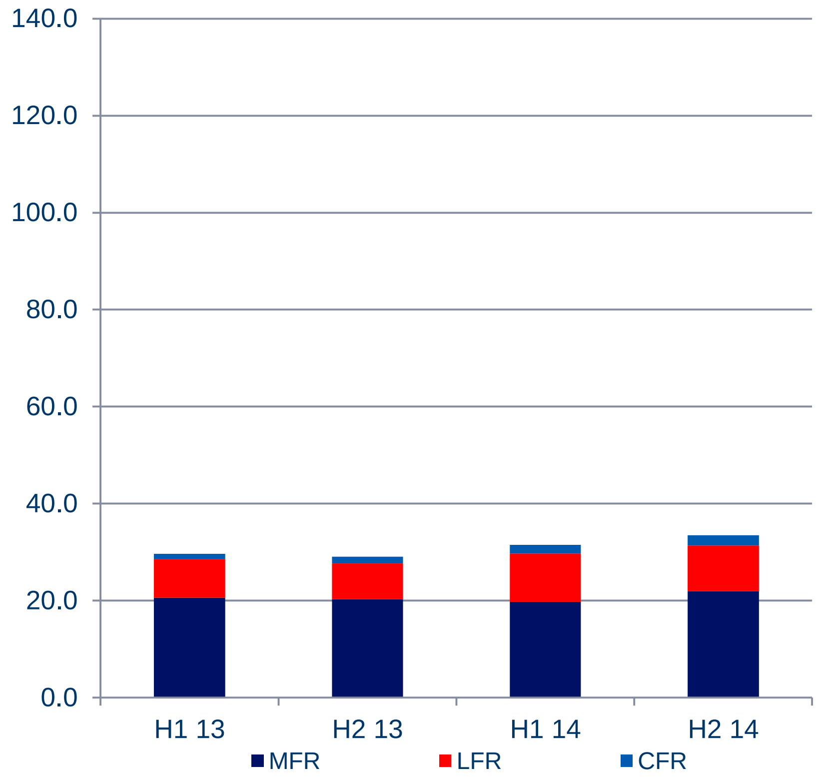
Mainframe Solution ($m)



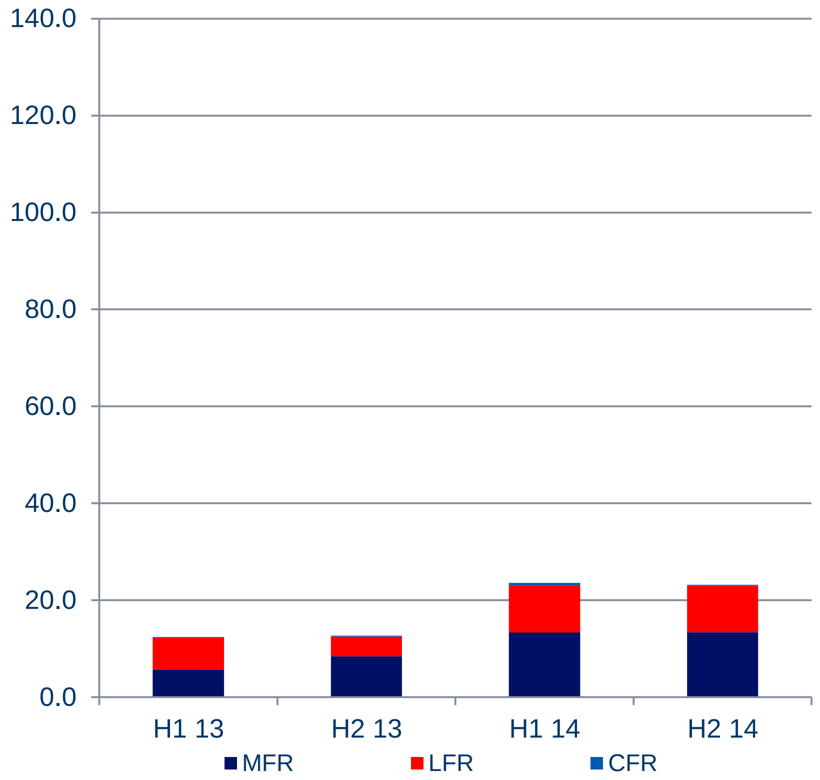
Constant currency revenues by half year in $m by product portfolio

Revenue Performance by Product Portfolio

Borland ($m)



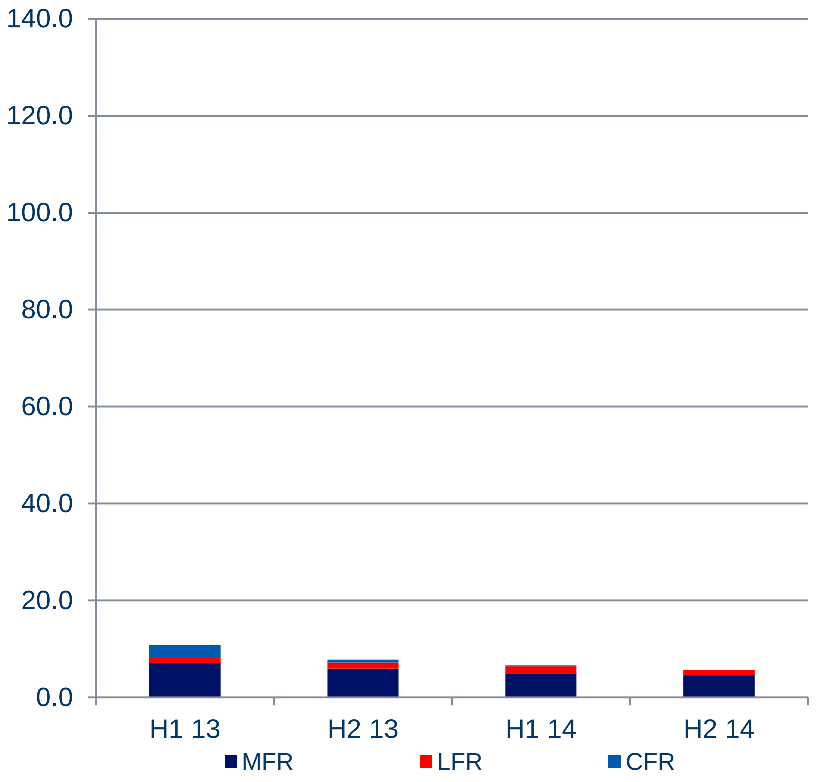
CORBA ($m)



Constant currency revenues by half year in $m by product portfolio

Revenue Performance by Product Portfolio

Niche ($m)



Constant currency revenues by half year in $m by product portfolio

Income Statement: For the year ended 30 April 2014

- **Underlying Adjusted Operating Costs at CCY increased to $236.7m (2013: $228.0m)**
  - Includes acquisition costs ($1.4m) and trading costs ($7.0m) of three acquisitions in the year of $8.4m

Investments	$m	Main savings:	$m
Sales Academy	5.0	Staff costs due to restructuring	12.5
CRM system	0.6	Costs related to lower Consulting revenue	2.7
Patent applications	0.5	Temporary staff costs	0.9
Product Playbooks	0.2	Sales overhead costs	1.3
Restructuring (mostly Sales)	4.7	External marketing costs	2.0
Abortive acquisition costs	1.9	R&D Credit	1.9
Total Investments	**12.9**		
Increased Costs			
Provision for India invalid orders	0.9		
Higher staff bonuses	2.7		
Higher commission on higher revenues	4.1		
Others	1.0		
Total Increased Costs	**8.7**		
Total Investments and Increased costs	**21.6**	**Total Main savings**	**21.3**

- **Underlying Adjusted EBITDA increased by 9.7% to $196.4m (2013: $179.1m CCY)**
  - Excluding FY14 Acquisitions Underlying Adjusted EBITDA increased by 10.7%
  - Underlying Adjusted EBITDA margin of 45.3% (2013: 44.0% CCY)
- **Adjusted EBITDA increased by 5.9% to $192.0m (2013: $181.3m CCY)**
  - Adjusted EBITDA margin of 44.3% (2013: 44.5% CCY)
  - FX loss of $4.4m (2013: gain $0.5m)
  - Net amortization of development costs of $Nil m (2013: Net capitalization of $1.7m)
- **EPS and dividend**
  - Diluted EPS increased by 9.5% to 82.35 cents (2013: 75.23 cents)
  - Adjusted diluted EPS increased by 14.9% to 97.48 cents (2013: 84.87 cents)
  - Full year proposed dividend of 44.0 cents, a growth of 10.0%, Proposed final dividend per share up by 6.8% to 30.0 cents (2013: 28.1 cents)

Underlying Adjusted EBITDA

	FY14	FY13 restated	FY13 restated CCY
	$m	$m	$m
Revenue	433.1	412.2	407.1
Adjusted EBITDA	192.0	186.3	181.3
Foreign Exchange loss / (credit)	4.4	(0.5)	(0.5)
Net Amortization/(Capitalization) of Development Costs	0.0	(1.7)	(1.7)
Underlying Adjusted EBITDA	**196.4**	**184.1**	**179.1**
Underlying Adjusted EBITDA Margin	**45.3%**	**44.7%**	**44.0%**

Underlying Adjusted EBITDA introduced alongside Adjusted EBITDA to augment understanding for Investors and Analysts.

Unfortunately, this has created some confusion and so in future Underlying Adjusted EBITDA will be the primary guidance number.

Summary Balance Sheet

	30-Apr-14	30-Apr-13 Restated
	$m	$m
Non-current assets	**465.0**	437.6
Inventories	**0.1**	0.1
Trade and other receivables	**107.1**	92.5
Cash and cash equivalents	**32.8**	37.9
Total assets	**605.0**	**568.1**
Liabilities		
Current liabilities		
Trade and other payables	**77.9**	57.0
Borrowings	**293.8**	215.6
Provisions	**4.4**	9.0
Current tax liabilities	**42.2**	41.8
Deferred income	**150.2**	138.3
Non-current liabilities		
Deferred income	**12.6**	9.6
Long-term provisions	**4.9**	2.0
Deferred tax liabilities	**35.3**	37.0
Total Liabilities	**621.3**	**510.3**
Net (liabilities)/assets	**(16.3)**	**57.8**

Balance Sheet & Cash Flow

- **Balance Sheet**
  - Net Debt at 30 April 2013 of $261.0m up from $177.7m at 30 April 2013
  - 2013 Final Dividend and Interim paid $62.6m
  - Acquisition of SoforTe CORBA assets from PrismTech and AccuRev of $35.2m
  - Return of Value in November 2013 of $140.2m

- **Cash Flow**
  - Net cash generated from operating activities of $206.8m (2013: $192.4m)
  - Cash flow conversion of Adjusted EBITDA less exceptional items is 107.7% (2013: 103.3% restated)

Taxation

- **Effective tax rate in the period is 17.4% (2013: 19.7%)**
  - The Group's medium term tax rate is now expected to be between 17% and 19%
- **Ongoing HMRC claim**
  - Ongoing claim which is being challenged by HMRC
  - No income statement benefit taken
  - Cash benefit to date is $25.9m
  - Maximum interest exposure of $2.1m and no penalties anticipated
- **UK Government Patent Box Legislation introduced 1 April 2013**
  - Reduced rate of tax on profits arising from qualifying IP rights
  - Potentially significant tax benefit opportunity linked to Micro Focus patents
  - Cost of $0.5m incurred in FY2014 and estimate of $0.3m incurred in FY15
  - Group has now been granted patents which are expected to result in qualifying IP rights
  - In the process of quantifying the expected benefit. Any benefit accruing in respect of FY 14 will be recognised in the financial statements for the year ended 30 April 2015
- **UK "Above the Line" R&D tax credit regime**
  - Impact of this is that R&D tax credits previously reported within the corporation tax expense, will now be recorded directly against the relevant R&D expense as a grant.
  - This has resulted in the period in an increase of
    - $1.9m to Underlying Adjusted EBITDA
    - $0.7m to Adjusted EBITDA
    - $1.3m to corporation tax expense

Return of Value

- **The board is confident in the ability of the business to support borrowings**
- **Return of Value approved by shareholders in H1 14**
  - $140.2m in cash, paid on 12 November 2013
  - 60 pence per share, equivalent to 93.3 cents per share
  - D share scheme accompanied by a 12 for 13 share consolidation
- **Target Net Debt to RCF EBITDA multiple of 2.5 times**
  - At 30 April 14 it was 1.3 times
- **Intention to make Further Returns of Value in November 2014**
  - Subject to absence of significant acquisition, share buy-back opportunity or unforeseen circumstances
  - Similar level of Return of Value

Restatement of Revenues: Due to invalid orders in India

	FY13	H2 13	H1 13	FY12	H2 12	H1 12
Total revenue – as reported	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Licence	**168.6**	83.3	85.3	**176.6**	89.0	87.6
Maintenance	**229.7**	116.2	113.5	**230.9**	114.0	116.9
Consultancy	**15.7**	7.2	8.5	**27.3**	12.7	14.6
	414.0	206.7	207.3	**434.8**	215.7	219.1
Adjustment for Invalid Orders						
Licence	**(1.6)**	(1.0)	(0.6)	**(0.7)**	--	(0.7)
Maintenance	**(0.2)**	(0.1)	(0.1)	**(0.0)**	(0.0)	--
Total adjustment	**(1.8)**	(1.1)	(0.7)	**(0.7)**	(0.0)	(0.7)
Total revenue – as restated						
Licence	**167.0**	82.3	84.7	**175.9**	89.0	86.9
Maintenance	**229.5**	116.1	113.4	**230.9**	114.0	116.9
Consultancy	**15.7**	7.2	8.5	**27.3**	12.7	14.6
	412.2	205.6	206.6	**434.1**	215.7	218.4
Total revenue – at CCY (restated)	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Licence	**163.9**	81.7	82.2	**169.1**	86.6	82.5
Maintenance	**227.7**	115.6	112.1	**223.7**	111.6	112.1
Consultancy	**15.5**	7.1	8.4	**25.1**	12.0	13.1
	407.1	204.4	202.7	**417.9**	210.2	207.7

Key Highlights

- **Revenue growth of 6.4% at constant currency (CCY) in line with guidance**
  - FY14 Acquisitions delivered revenues of $6.1m
    - CCY Revenue growth of 4.9% without this revenue
  - Iona, acquired in February 2013, performed strongly delivering $25.0m (2013: $3.4m)
  - Like for like revenues declined by 0.4% (2013: decline of 3.4%)
    - H2 14 organic growth of 2.2% compared to a 3.1% decline in H1 14
    - Licence revenue growth on like for like basis of 2.3%
- **Underlying Adjusted EBITDA growth of 9.7% to $196.4m (CCY 2013: $179.1m)**
  - Growth of 10.7% excluding FY14 acquisitions
- **Cash generated from operations of $206.8m (2013: £192.4m)**
  - Cash conversion ratio of 107.7% (2013: 103.3% restated)
- **FY14 Acquisitions cost $35.2m in cash excluding acquisition costs.**
- **Full year dividend increased by 10% to 44.0 cps (FY2103: 40.0 cps)**
  - Final dividend increased by 6.8% to 30.0 cps (2013: 28.1 cps)
- **Return of Value of 60 pps (equivalent to 93.3 cps) total cost of $140.2m**

Financial Review

APPENDIX

Consolidated Income Statement

	Year ended 30 April 2014 (audited) $'000	Year ended 30 April 2013 (audited) restated $'000
Revenue	**433,058**	412,167
Cost of sales	**(29,912)**	(34,069)
Gross profit	**403,146**	378,098
Selling and distribution costs	**(120,669)**	(117,558)
Research and development expenses	**(57,833)**	(52,599)
Administrative expenses	**(68,924)**	(48,503)
Operating profit	**155,720**	159,438
Finance costs	**(8,197)**	(8,307)
Finance income	**318**	413
Profit before tax	**147,841**	151,544
Taxation	**(25,759)**	(29,767)
Profit for the year	**122,082**	121,777
Other comprehensive income*		
Currency translation differences	**2,176**	(2,458)
Other comprehensive income for the period	**2,176**	(2,458)
Total comprehensive income for the period	**124,258**	119,319
Profit attributable to:		
Owners of the parent	**124,258**	119,319
Earnings per share expressed in cents per share	**Cents**	cents
- basic	**84.75**	77.83
- diluted	**82.35**	75.23
Earnings per share expressed in pence per share	**Pence**	pence
- basic	**52.92**	49.43
- diluted	**51.43**	47.78

* Items that may be subsequently reclassified to profit or loss

Consolidated Balance Statement

	As at 30 April 2014 (audited) $'000	As at 30 April 2013 (audited) restated $'000
ASSETS		
Non-current assets		
Goodwill	**308,182**	284,661
Other intangible assets	**92.533**	93,644
Property, plant and equipment	**21,599**	21,157
Deferred tax assets	**42,631**	38,134
	464,945	437,596
Current assets		
Inventories	**133**	144
Trade and other receivables	**107,139**	92,496
Cash and cash equivalents	**32,800**	37,943
	140,072	130,583
TOTAL ASSETS	**605,017**	568,179
Liabilities		
Current liabilities		
Trade and other payables	**77,876**	56,939
Borrowings	**293,830**	215,634
Provisions	**4,382**	8,992
Current tax liabilities	**42,177**	41,795
Deferred income	**150,168**	138,306
	568,433	461,666
Non-current liabilities		
Non-current deferred income	**12,629**	9,646
Long-term provisions	**4,920**	2,009
Deferred tax liabilities	**35,286**	37,042
	52,835	48,697
TOTAL LIABILITIES	**621,628**	510,363
NET (LIABILITIES) / ASSETS	**(16,251)**	57,816
EQUITY		
Ordinary shares	**37,802**	37,797
Share premium account	**14,546**	13,523
Retained earnings	**(140,324)**	(63,053)
Foreign currency translation reserve (deficit)	**(5,173)**	(7,349)
Other reserves (deficit)	**76,898**	76,898
TOTAL (DEFICIT) / EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**(16,251)**	57,816

Group Income Statement: Key Ratios

As reported	Year ended 30 April 2014		Year ended 30 April 2013 restated	
	$'000	% of revenue	$'000	% of revenue
Revenue	**433,058**		412,167	
Cost of sales	**(29,912)**	**6.9%**	(34,069)	8.3%
Selling and distribution costs	**(120,669)**	**27.9%**	(117,558)	28.5%
Research and development expenses	**(57,833)**	**13.4%**	(52,599)	12.8%
Administrative expenses	**(68,924)**	**15.9%**	(48,503)	11.8%
Total costs	**(277,338)**		(252,729)	
Operating profit	**155,720**		159,438	

EBITDA Reconciliation

	Year ended 30 April 2014	Year ended 30 April 2013 restated
	$'000	**$'000**
Operating profit	**155,720**	159,438
Share-based compensation charges	**12,837**	6,639
Amortization of purchased intangibles	**18,923**	16,123
Adjusted operating profit	**187,480**	182,200
Depreciation	**3,846**	3,483
Amortization of software	**640**	643
Adjusted EBITDA	**191,966**	186,326
EBITDA	**197,613**	198,043
Amortization of capitalized development costs	**(18,484)**	(18,356)
Share-based compensation charges	**12,837**	6,639
Adjusted EBITDA	**191,966**	186,326
Adjusted EBITDA less Exceptional items	**191,966**	186,326
Cash generated from continuing operations	**206,775**	192,440
Cash conversion ratio = Cash generated from continuing operations / Adjusted EBITDA less Exceptional items	**107.7%**	103.3%

Cash Generated from Operating Activities

	Year ended 30 April 2014	Year ended 30 April 2013 restated
	$'000	**$'000**
Cash flows from operating activities		
Net profit for the period	**122,082**	121,777
Adjustments for net interest payable	**7,879**	7,894
Taxation	**25,759**	29,767
Depreciation	**3,846**	3,483
(Gain)/Loss on disposal of property, plant and equipment	**123**	370
Amortization of intangibles	**38,047**	35,122
Share-based compensation	**12,837**	6,639
Provisions	**1,699**	(780)
Exchange movements	**712**	50
Changes in working capital:		
Inventories	**11**	316
Trade and other receivables	**(13,175)**	2,379
Payables and other non-current liabilities	**6,955**	(14,577)
Cash generated from operating activities	**206,775**	192,440

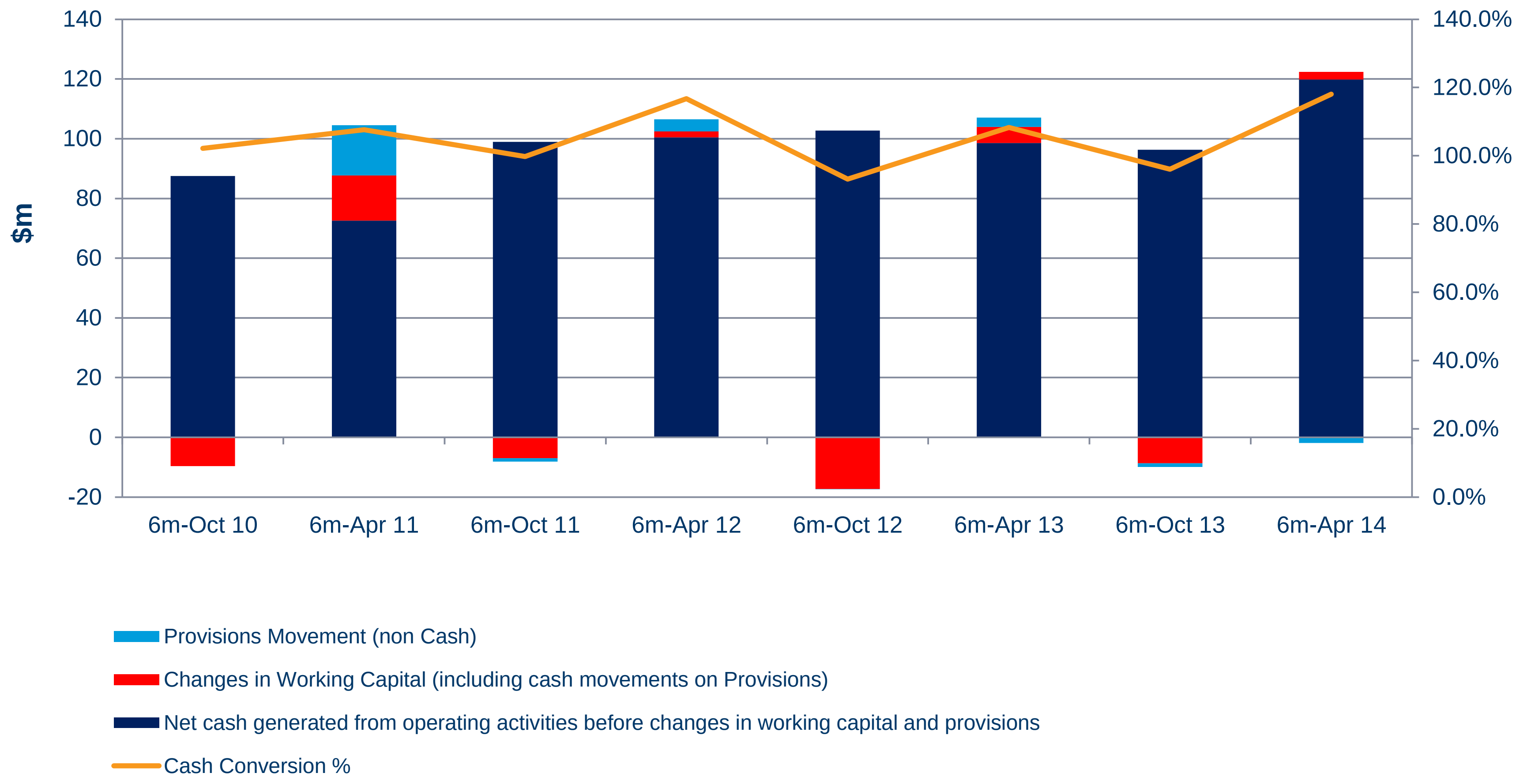
Consolidated Cash Flow and Net Debt Position

	Year ended 30 April 2014	Year ended 30 April 2013 restated
	$'000	$'000
Cash generated from operating activities	**206,775**	192,440
Interest paid	**(5,572)**	(5,076)
Tax paid	**(26,049)**	(22,072)
Net cash generated from operating activities	**174,974**	165,292
Cash flows from investing activities		
Payments of intangible assets	**(19,055)**	(20,327)
Purchase of property, plant and equipment	**(2,908)**	(3,312)
Interest received	**317**	413
Payments for the acquisition of business	**(35,195)**	(15,000)
Net cash acquired with acquisitions	**3,261**	-
Net cash used in investing activities	**(53,580)**	(38,226)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	**1,028**	730
Proceeds from bank borrowings	**215,000**	212,307
Repayment of bank borrowings	**(134,000)**	(142,307)
Foreign exchange gain on hedging contracts	**4,470**	2,393
Bank loan costs	**(5,248)**	(1,210)
Return of value paid to shareholders	**(144,664)**	(131,171)
Costs associated with Return of Value	**(536)**	(491)
Proceeds from sales of fractional shares	**-**	3
Dividends paid to owners	**(62,633)**	(57,160)
Net cash used in financing activities	**(126,583)**	(116,906)
Effects of exchange rate changes	**46**	(2,627)
Net increase in cash and cash equivalents	**(5,143)**	7,533
Cash and cash equivalents at beginning of period	**37,943**	30,410
Cash and cash equivalents at end of period	**32,800**	37,943
Debt outstanding at end of period	**(293,830)**	(215,634)
Net debt at end of period	**(261,030)**	(177,691)

Revenues by Geography at Constant Currency

Geographic Analysis Revenue (at constant currency)	Year ended 30 April 2014 (unaudited)		Year ended 30 April 2013	
	$m	%	$m	%
COBOL Development				
North America	**92.3**	**39.9%**	97.8	42.7%
International	**103.1**	**44.5%**	98.2	42.9%
Asia Pacific	**36.1**	**15.6%**	33.0	14.4%
COBOL Development	**231.5**	**100.0%**	229.1	100.0%
Mainframe Solution				
North America	**37.9**	**48.9%**	40.4	53.5%
International*	**36.7**	**47.4%**	27.7	36.7%
Asia Pacific	**2.9**	**3.7%**	7.4	9.9%
Mainframe Solution	**77.5**	**100.0%**	75.5	100.0%
Test				
North America	**38.0**	**58.5%**	34.8	59.4%
International	**21.9**	**33.7%**	17.6	30.0%
Asia Pacific	**5.1**	**7.8%**	6.2	10.6%
Test	**65.0**	**100.0%**	58.6	100.0%
CORBA				
North America	**26.8**	**57.3%**	11.2	44.6%
International	**12.5**	**26.7%**	9.1	36.3%
Asia Pacific	**7.5**	**16.0%**	4.8	19.1%
CORBA	**46.8**	**100.0%**	25.1	100.0%
Niche				
North America	**4.9**	**39.8%**	7.0	37.4%
International	**4.5**	**36.6%**	8.2	43.9%
Asia Pacific	**2.9**	**23.6%**	3.5	18.7%
Niche	**12.3**	**100.0%**	18.7	100.0%
TOTAL				
North America	**199.9**	**46.2%**	191.3	47.0%
International	**178.6**	**41.2%**	160.9	39.5%
Asia Pacific	**54.6**	**12.6%**	54.9	13.5%
TOTAL	**433.1**	**100.0%**	407.1	100.0%

Cash Conversion



- **Strong H2 14 performance**

Changes in Working Capital