

14 August 2014

Micro Focus International plc
Interim Management Statement for the period from 30 April 2014
and proposed cash return to shareholders of 60 pence per share

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 30 April 2014 to the date of this statement and announces a proposed return of value to shareholders of 60 pence per share, totalling approximately £84m (\$140m) in cash.

Trading update

Total revenues in the period to 31 July 2014 on a constant currency basis were in line with the same period last year whilst Underlying Adjusted EBITDA was ahead of the comparable period. Growth in Maintenance revenues was balanced by a decline in Licence revenues. After a strong close to FY14, Licence revenues in International remained strong, whilst there was a small decline in Asia Pacific & Japan against a strong comparative period and the sales force restructuring in North America caused a drag in the quarter.

Management's outlook remains unchanged from that given in the preliminary results for the year ended 30 April 2014 issued on 19 June 2014. We believe we have a strong operational and financial model that can continue to provide strong returns to shareholders. The model requires low single digit revenue growth in the medium-term and we remain confident that this can be delivered.

If the exchange rates experienced in the year to date were to continue for the remainder of the year, the comparative revenues for the year ended 30 April 2014 would increase from the reported \$433.1m to \$435.2m on a constant currency basis.

Net Debt Position

The Group's net debt position at 31 July 2014 was \$232.9m (30 April 2014: \$261.0m) demonstrating further good operational cash generation during the period. In the preliminary results we announced an increase in the Board's target Net Debt ratio to 2.5x to the RCF EBITDA.

Proposed cash return of value to shareholders

Consistent with the Board's policy of delivering value to shareholders, Micro Focus proposes, subject to shareholder approval, to return a further 60 pence per share, totalling approximately £84m (\$140m) in cash. The return of value uses a similar share scheme mechanism to previous returns of value and

will be accompanied by a proportional share consolidation to maintain broad comparability of the share price and return per share of the ordinary shares before and after the return of value. The share scheme will give shareholders (with the exception of Overseas Shareholders resident, or with a registered address, in a Restricted Territory[†]) a choice between receiving the cash in the form of either income or capital.

In order to facilitate the return of value, Micro Focus intends to utilise the accordion within its existing \$420 million Revolving Credit Facility that enables the Group to increase the RCF to \$520 million. Initial conversations with the six banks in the RCF have been very positive and it is anticipated that the \$100 million accordion will be oversubscribed. Once negotiations on the RCF accordion are completed a further announcement will be made and then a Circular will be sent to shareholders, outlining the terms of the return of value and requesting shareholder approval at a General Meeting. Subject to these items it is anticipated that the return of value will be completed in November.

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† - Restricted Territory is any one of the United States, Canada, Australia, Japan, the Republic of South Africa and New Zealand.

Notes to editors:

About Micro Focus:

Micro Focus, a member of the FTSE 250, is an Enterprise Application Modernisation and Testing software company that provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Management and Testing 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