

26th May 2015

Micro Focus International plc

Pre-Close Statement for the year ended 30 April 2015

Micro Focus International plc ("Micro Focus", "the Company" or "the Group", LSE: MCRO.L), the international software product group, provides an update on the trading performance for the Enlarged Group for the year ended 30 April 2015, which reflects a strong finish to the financial year just ended.

Pro-forma Full Year guidance

At the Interim results presentation in December 2014, management provided guidance of combined pro-forma full year* revenues of c. \$1,330 million and combined pro-forma full year* Underlying Adjusted EBITDA** of c. \$500 million, based on the exchange rates then prevailing. The Board is pleased to reconfirm that the Group expects to report revenues and Underlying Adjusted EBITDA comfortably in line with this guidance on a constant currency basis.

Reported revenues and Underlying Adjusted EBITDA

The TAG merger was completed on 20 November 2014 and so Micro Focus's reported results will include the operating performance of TAG for the period from 20 November 2014 to 30 April 2015. The Group expects to report revenues of c. \$835m and at least \$345m of Underlying Adjusted EBITDA.

Net Debt

The net debt for the Group as at 30 April 2015 was \$1,404m reflecting good cash collection in the final quarter of the financial year (31 January 2015:\$1,510m). Not all of the cash flows relating to the exceptional charge for the year had been paid out prior to the year end.

Future Updates

Micro Focus will issue its preliminary results for the year ending 30 April 2015 on Wednesday 8 July 2015. A Capital Markets Day for Equity and Debt Investors together with Analysts will take place on 11 June 2015 between 8:45am to 1:30pm at the London Stock Exchange.

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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

- * Pro-forma full year refers to the aggregation of revenues and Underlying Adjusted EBITDA* for Micro Focus for the year ending 30 April 2015 and for TAG for the year ending 31 March 2015. It includes the fair value adjustments for the period from completion on 20 November 2014 being (a) the deduction of the deferred revenue haircut of \$16 million and (b) a credit of \$4 million of costs in relation to onerous lease provisions.
- ** In assessing the performance of the business, the directors use non GAAP measures "Adjusted operating profit" and "Adjusted earnings per share", being the relevant statutory measures, prior to exceptional items, amortization of purchased intangibles and share based compensation. "Adjusted EBITDA" is the Adjusted Operating Profit prior to depreciation and amortization of purchased software. Underlying Adjusted EBITDA removes the impact of net capitalization/amortization of development costs and foreign currency gains and losses from Adjusted EBITDA, whilst Facility EBITDA is Adjusted EBITDA before amortization of capitalized development costs.