

24th May 2016

Micro Focus International plc

Pre-Close Statement for the year ended 30 April 2016

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 year ended 30 April 2016, which reflects a strong finish to the financial year.

Revenues and Underlying Adjusted EBITDA at top end of management expectations

Micro Focus expects to report revenues at the top of the range of management guidance of minus 2% to minus 4% on a pro-forma constant currency basis. Total revenues for the year ended 30 April 2016 are expected to be approximately \$1,245 million with Underlying Adjusted EBITDA of at least \$530 million. Facility EBITDA is expected to be at least \$560 million.

Taking into account the impact of Exchange Rate movements in the second half of the financial year, pro-forma constant currency comparatives for the year ended 30 April 2015 are \$1,271 million of revenue and \$487 million of Underlying Adjusted EBITDA.

Net Debt

The net debt for the Group as at 30 April 2016 was \$1,078 million including the net proceeds of the March share placing of \$223 million. Excluding the placing proceeds net debt would have been \$1,301 million, which is better than the forecast range of \$1,310 million to \$1,330 million provided on 22 March 2016, due to good cash collection in the final six weeks of the financial year (31 January 2016: \$1,393.7 million).

On 2 May 2016 the Company completed the acquisition of Serena Software Inc, and pro-forma net debt for the enlarged group increased to approximately \$1,625 million, with pro-forma Underlying Adjusted EBITDA (based on Serena's trading results for its financial year ended 31 January 2016) increasing to at least \$605 million and Facility EBITDA to at least \$640 million. This implies a pro-forma net debt to Facility EBITDA multiple of approximately 2.54 times.

Cash conversion** on the Company's measure was approximately 90% for the year ended 30 April 2016.

Preliminary Results date

Micro Focus will issue its preliminary results for the year ended 30 April 2016 on Thursday 14 July 2016.

Enquiries:

Micro Focus
Kevin Loosemore, Executive Chairman
Mike Phillips, Chief Financial Officer
Tim Brill, IR Director

Tel: +44 (0) 1635 32646

Powerscourt
Peter Ogden
Sophie Moate

Tel: +44 (0) 20 7250 1446

About Micro Focus

Micro Focus (LSE: MCRO.L) is a global enterprise software Company supporting the technology needs and challenges of the Global 2000. Our solutions help organizations leverage existing IT investments, enterprise applications and emerging technologies to address complex, rapidly evolving business requirements while protecting corporate information at all times. Our Product Portfolios are Micro Focus and SUSE. Within Micro Focus our solution portfolios are COBOL Development and Mainframe Solutions, Host Connectivity, Identity and Access Security, IT Development and Operations Management Tools, and Collaboration and Networking. For more information, visit: www.microfocus.com. SUSE, a pioneer in open source software, provides reliable, interoperable Linux, cloud infrastructure and storage solutions that give enterprises greater control and flexibility. For more information, visit www.suse.com.

* 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.

** the Company's measure of cash conversion is Cash generated by operations divided by (Adjusted EBITDA less exceptional items).