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8 October 2014

Micro Focus International plc

**Proposed Merger with The Attachmate Group, Inc**

**Update regarding syndication of the New Facilities**

Further to the announcements by Micro Focus International plc ("Micro Focus" or the "Company") on 15 and 17 September 2014, regarding the Company's proposed Merger with The Attachmate Group Inc., and the syndication of New Facilities in connection with the Merger, Micro Focus provides the following update in relation to the New Facilities.

The syndication period in respect of the New Facilities has now been completed and the terms and structure of the New Facilities have accordingly been finalised. As a result of a recent imbalance between supply and demand in the syndicated debt market, the interest rates payable and the upfront fees ("original issue discount") to be borne by Micro Focus have been set at the upper end of the parameters agreed between the Company and the Commitment Parties. In addition, Micro Focus has received indications from three members of its existing bank syndicate of their willingness to provide (in aggregate and subject to certain conditions) up to \$100 million of additional funding under the senior secured revolving credit facility, and consequently, Micro Focus and the Commitment Parties have agreed to reduce the senior secured term loan B by \$75 million from \$1,350 million to \$1,275 million, and to increase the revolving credit facility by up to \$75 million. Micro Focus has made this decision in order to take advantage of the lower funding cost and greater flexibility afforded by the revolving credit facility. The terms of the New Facilities are therefore as follows:

- (a) in relation to the senior secured term loan B of \$1,275 million: an interest rate of 4.25% above LIBOR (subject to a LIBOR floor of 1.00%), amortising at 1.0% per annum, with an original issue discount of 1.0% and a 7 year term;
- (b) in relation to the senior secured term loan C of \$500 million: an interest rate of 3.75% above LIBOR (subject to a LIBOR floor of 0.75%), amortising at 10.0% per annum, with an original issue discount of 1.5% and a 5 year term; and
- (c) in relation to the senior secured revolving credit facility of between \$150 million and \$225 million: an initial interest rate of 3.50% above LIBOR, and an original issue discount of 0.5%.

Micro Focus expects shortly to publish a prospectus and circular relating to the Merger and the Return of Value and convening a General Meeting of Micro Focus Shareholders to approve the Merger, the Return of Value, and related proposals.

Terms used in this announcement, but not defined, have the same meaning as those set out in the Company's announcement of the Merger on 15 September 2014.

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