

## Media Release from Micro Focus

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### Recommended cash offer by Micro Focus International plc for NetManage, Inc.

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The Board of Micro Focus International plc ("Micro Focus" or "the Group") is pleased to announce it has reached agreement on a recommended cash offer (the "Offer") of US\$7.20 per share for the entire issued and to be issued share capital of NetManage, Inc. ("NetManage"), the NASDAQ-listed software provider of technologies to transform core applications into new Web-based business solutions, and has entered into a merger agreement with NetManage which contains certain assurances in relation to the implementation of the Merger.

The price represents a premium of approximately 73% per share based on the closing price of US\$4.15 per NetManage share at the close of business on 30 April 2008, which is the last day of trading prior to this announcement. The Offer values the existing issued share capital of NetManage at approximately US\$73.3 million including the value of all outstanding options. The transaction is conditional upon NetManage's minimum cash balance, immediately prior to closing, being at least \$25 million.

The Board of Micro Focus believes that combining the businesses of Micro Focus and NetManage will further strengthen Micro Focus's position as a leading player in the fast growing, highly fragmented Application Modernisation market.

The Board of Micro Focus believes that the acquisition will be earnings enhancing in the year ended 30 April 2009 (before amortisation of intangible assets and one-off integration and restructuring costs)[1].

The Directors of NetManage have unanimously approved the terms of the Offer. The Offer is subject to approval by NetManage's shareholders and customary closing conditions and is expected to close in June 2008.

Following the acquisition, Micro Focus plans to increase the margins of the NetManage business over time to a level consistent with Micro Focus's existing business. The consequent restructuring charge is expected to be approximately US\$10.0 million in the financial year to 30 April 2009.

#### About NetManage

NetManage, which specialises in Application Modernisation software, is highly complementary to Micro Focus's core business.

For the year to 31 December 2007, NetManage's net revenues were US\$36.0 million. Maintenance revenues for the year to 31 December 2007 accounted for approximately 62% of total revenues and have stabilised over the last two financial years at approximately US\$22.0 million.

Loss before tax for the 2007 financial year was US\$1.7 million on a US GAAP basis. NetManage's gross assets at 31 December 2007 were valued at US\$42.7 million of which US\$25.4 million was held in cash, cash equivalents and short term investments. As a minimum at closing of the transaction, NetManage's cash balance will be US\$25 million, representing a minimum of US\$2.6 per common share.

Commenting on the Offer, Stephen Kelly, Chief Executive Officer of Micro Focus International plc, said:

"The recommended offer for NetManage is consistent with Micro Focus's strategy of acquiring companies complementary to our core areas of expertise, where significant synergies and benefits can be derived. The combination of Micro Focus and NetManage will enhance Micro Focus's position as a leading player in the Application Modernisation market and provide the enlarged Group with further opportunities for growth through a more comprehensive and broader product offering. Due to the complementary nature of the two businesses from a market, product and financial

perspective, we are well placed to deliver value from this acquisition. It is intended that the NetManage business will be fully integrated into the Micro Focus Group following completion of the Offer.”

In a separate announcement today, Micro Focus provided a pre-close update on trading for the twelve months to 30 April 2008.

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