



**Hewlett Packard**  
Enterprise

# **Spin-Merger of Non-Core Software Assets with Micro Focus**

Investor Presentation  
September 7, 2016

---

# Forward Looking Statements

- Information set forth in this communication, oral statements made by representatives of Hewlett Packard Enterprise or Micro Focus regarding the Transaction, and other information published by Hewlett Packard Enterprise and Micro Focus, including statements as to Hewlett Packard Enterprise’s and Micro Focus’s outlook and financial estimates and statements as to the expected timing, completion and effects of the proposed merger between a wholly-owned subsidiary of Micro Focus and HPE’s non-core software assets, which will immediately follow the proposed spin-off of HPE’s non-core software assets from Hewlett Packard Enterprise (collectively, the “Transaction”), constitute or may be deemed to constitute forward-looking statements (including within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995). These estimates and statements are prospective in nature and are subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.
- These statements are based on various assumptions and the current expectations of the management of Hewlett Packard Enterprise and Micro Focus, and may not be accurate because of risks and uncertainties surrounding these assumptions and expectations. Such forward-looking statements should therefore be construed in light of such factors. Neither Hewlett Packard Enterprise nor Micro Focus, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this communication will actually occur or that if any of the events occur, that the effect on the operations or financial condition of Hewlett Packard Enterprise or Micro Focus will be as expressed or implied in such forward-looking statements. Forward-looking statements included herein are made as of the date hereof, and, other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, EU Market Abuse Regulation, the UK Disclosure and Transparency Rules and federal securities laws, as relevant), Hewlett Packard Enterprise and Micro Focus undertake no obligation, and Hewlett Packard Enterprise and Micro Focus expressly disclaim any intention or obligation, to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on these forward-looking statements.
- Some forward-looking statements discuss Hewlett Packard Enterprise’s or Micro Focus’s plans, strategies and intentions. They use words such as “expects,” “may,” “will,” “believes,” “should,” “would,” “could,” “approximately,” “anticipates,” “estimates,” “targets,” “intends,” “likely,” “projects,” “positioned,” “strategy,” “future” and “plans.” In addition, these words may use the positive or negative or other variations of those terms. Forward-looking statements in this communication include, but are not limited to, statements regarding the expected effects on Hewlett Packard Enterprise, HPE’s non-core software assets and Micro Focus of the proposed Transaction, the anticipated timing and benefits of the Transaction, including future financial and operating results, the tax consequences of the Transaction to Hewlett Packard Enterprise or its stockholders for U.S. federal income tax purposes, and the combined company’s plans, objectives, expectations and intentions. Forward-looking statements also include all other statements in this communication that are not historical facts.
- Important factors that could cause actual results to differ materially from those in the forward-looking statement include, but are not limited to: the satisfaction of the conditions to the Transaction and other risks related to the completion of the Transaction and actions related thereto; Hewlett Packard Enterprise’s and Micro Focus’s ability to complete the Transaction on the anticipated terms and schedule, including the ability to obtain shareholder and regulatory approvals and the anticipated tax treatment of the Transaction and related transactions; risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; Micro Focus’s ability to integrate HPE’s non-core software assets successfully after the closing of the Transaction and to achieve anticipated synergies; the risk that disruptions from the Transaction will harm Hewlett Packard Enterprise’s or Micro Focus’s businesses; and the effect of economic, competitive, legal, governmental and technological factors and other factors described under “Risk Factors” in Hewlett Packard Enterprise’s Annual Report on Form 10-K for the fiscal year ended October 31, 2015 and subsequent Quarterly Reports on Form 10-Q. For a discussion of important factors which could cause actual results to differ from forward looking statements relating to Micro Focus and the Micro Focus Group, please refer to Micro Focus’ Annual Report and Accounts 2016. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties.

---

# Additional Information and Where to Find It

- This communication is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. This communication is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any sale, issuance or transfer of securities of Micro Focus or HPE's non-core software assets in any jurisdiction in contravention of applicable law. Micro Focus will publish a circular and prospectus in connection with the Transaction and any decision in respect of, or other response to, the Transaction should be made on the basis of the information contained in such documents. This communication does not constitute a prospectus or prospectus equivalent document.
- No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the proposed Transaction, Micro Focus will file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 or F-4, which will include a prospectus. In addition, HPE's non-core software assets expects to file a registration statement in connection with its separation from Hewlett Packard Enterprise.
- INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE CIRCULAR, REGISTRATION STATEMENTS/PROSPECTUSES AND ANY OTHER RELEVANT DOCUMENTS, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MICRO FOCUS, HPE'S NON-CORE SOFTWARE ASSETS AND THE TRANSACTION. Investors and security holders will be able to obtain the registration statements (when available) and other documents filed with the SEC free of charge from the SEC's website, [www.sec.gov](http://www.sec.gov). These documents (when available) can also be obtained free of charge from Hewlett Packard Enterprise by directing a written request to Hewlett Packard Enterprise at Hewlett Packard Enterprise Company, 3000 Hanover Street, Palo Alto, California 94304, Attention: Investor Relations, or by calling (650) 857-2246.

## Overseas Jurisdictions

- The release, publication or distribution of this communication in jurisdictions other than the United States or the United Kingdom, and the ability of shareholders located outside of these jurisdictions to participate in the Transaction, may be restricted by law and therefore any persons who are subject to the laws of any other jurisdiction should inform themselves about, and observe any applicable legal or regulatory requirements.

# Realizing Our Vision

## HPE Vision

Be the industry's leading provider of hybrid IT, built on the secure, next-generation, software-defined infrastructure that will run customers' data centers today, bridge them to multi-cloud environments tomorrow, and enable the emerging intelligent edge that will power campus, branch and IoT applications for decades to come.

### Strategic Partnerships

- Microsoft Azure
- Docker
- Mesosphere
- Chef
- GE Digital
- National Instruments



### Targeted Acquisitions

- Aruba Networks - \$2.7B
- SGI\* - \$275M



### Focused Investments

- HPE Synergy
- Hyper Converged 380 solution
- Edgeline
- OneView
- Helion Cloud Platform



### Portfolio Optimization

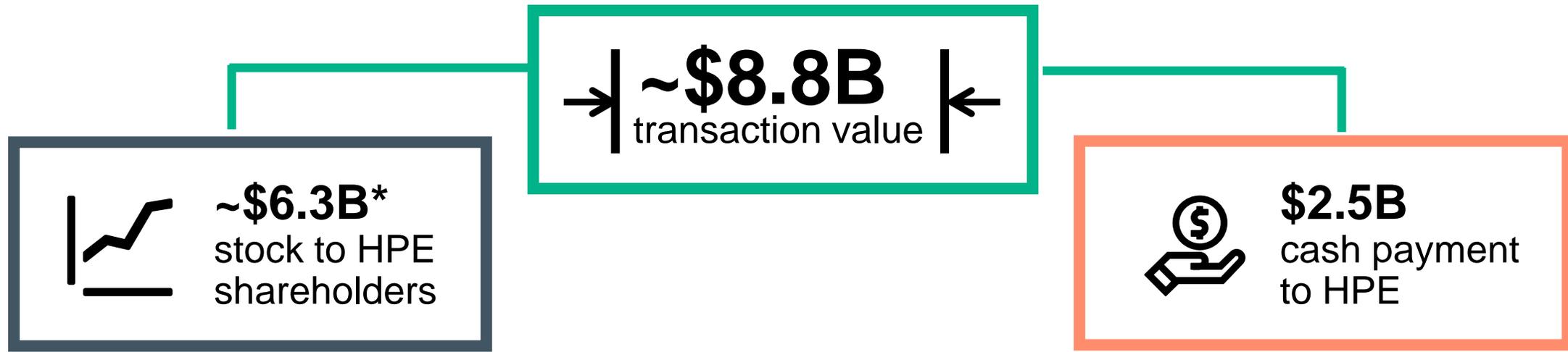
- TippingPoint sale - \$300M
- H3C deal in China - \$2.6B
- Spin-merge of Enterprise Services business with CSC\* - \$8.5B
- Spin-merge of non-core software assets with Micro Focus\* - \$8.8B



\*Pending

# Transaction by the Numbers

## HPE announces plans for spin-merge of non-core software assets with Micro Focus



Transaction expected to be tax-free for HPE

HPE shareholders expected to own ~50.1% of the combined company

One-time after-tax costs to separate non-core software assets from HPE expected to be approximately \$700 million

Opportunity for 20 percentage point margin improvement in HPE's software assets by end of the third full financial year following the close

# Strategic Rationale

## Hewlett Packard Enterprise

## The Combined Company

	<b>Enhance Focus</b>	<ul style="list-style-type: none"><li>Hybrid IT solutions built on secure, software-defined infrastructure, and IoT and campus mobility solutions for the edge</li></ul>	<ul style="list-style-type: none"><li>One of the world's largest pure-play enterprise software companies</li></ul>
	<b>Improve Financial Performance</b>	<ul style="list-style-type: none"><li>Strengthened revenue outlook</li></ul>	<ul style="list-style-type: none"><li>Opportunity for 20 percentage point margin improvement on HPE's non-core software assets by end of the 3rd full financial year following the close</li></ul>
	<b>Strengthen Operations</b>	<ul style="list-style-type: none"><li>More focused and agile company</li><li>Targeted investments</li><li>Complementary portfolio offerings</li></ul>	<ul style="list-style-type: none"><li>Stronger go-to-market capability</li><li>Deep R&amp;D resources</li><li>Synergies from scale</li></ul>
	<b>Maximize Shareholder Value</b>	<ul style="list-style-type: none"><li>Transaction valued at \$8.8 billion, including a 50.1% ownership of the new combined company by HPE shareholders and a \$2.5B cash dividend to HPE</li></ul>	

# Micro Focus (LSE: MCRO)



Micro Focus is a global software company with 40 years' experience empowering organizations to innovate safely and meet complex business demands. They unify emerging technologies and the IT investments that customers rely on every day.

**+700% market capitalization increase**

In 5 years through acquisitions and operational improvements



**Kevin Loosemore**  
Executive Chairman



**~\$1.4 billion\***  
in annual revenue

- Headquarters: Newbury, UK
- 20,000+ Customers
  - 91 of the Fortune Global 100 companies
- 4,000+ employees

## Micro Focus Portfolio

Identity-based access governance, security, COBOL development, mainframe solutions, application development and testing, IT operations management, host connectivity, collaboration/networking



## SUSE Portfolio

Enterprise Linux, OpenStack private cloud, software-defined storage, other IT infrastructure management and optimization solutions

\*Trailing twelve months as of April 30, 2016 for Micro Focus including Serena Software for the full year

# The Combined Company

One of the world's largest pure-play software companies, with solutions designed to address the challenges customers are facing across key areas such as IT operations, security, information management, big data analytics, cloud, open source and development.



**Kevin Loosemore**  
Executive Chairman



**Mike Phillips**  
Chief Financial Officer



**~\$4.5 billion**  
in annual revenue\*\*

- Over 50,000 customers
- Global reach
- Over 60% of revenue from recurring streams

## Board of Directors\*

- An HPE senior executive will serve on the board
- HPE will nominate 50% of independent directors

## Select non-core HPE Software assets include:

Big Data

IDOL



**HPE Haven**  
OnDemand

IT Operations  
Management

Service Anywhere

Cloud Orchestration

Data Center Automation

Application  
Delivery  
Management

ALM

AppPulse

Enterprise  
Security



ATALLA



Information  
Management &  
Governance

Digital Safe

Data Protector

\*After transaction closes

\*\* Trailing twelve months as of April 30, 2016 for HPE's Software segment and Micro Focus including Serena Software for the full year

# Future HPE – Industry’s Leading Provider of Hybrid IT



**Meg Whitman**  
President & Chief  
Executive Officer



**\$28B**  
Revenue\*



Trusted hybrid IT partner with leadership across data center hardware, software and private cloud

**#1 in private cloud build<sup>1</sup>**

**#1 in servers<sup>2</sup>**

**#2 in storage<sup>3</sup>**

**#2 in networking<sup>4</sup>**



Leading campus mobility and IoT offerings that are redefining IT at the edge



Technology Services and new consumption models to help customers transform their IT environment and take advantage of emerging areas



Software-defined capabilities power and differentiate infrastructure solutions and are critical in a cloud environment

\*Represents annualized revenue based on Q316 combined segment net revenue for the Enterprise Group and Financial Services, including inter-company revenue eliminations

1) Synergy CQ1'16 WW Cloud Build Tracker; 2) CQ1'16 IDC WW Server Tracker; 3) CQ1'16 IDC WW Disk Storage Tracker; 4) Dell'Oro CQ2'16 WW Networking Tracker

# Transaction details

## Transaction Structure

- Spin-off expected to be tax-free to HPE
- HPE's shareholders to receive approx. 50.1% interest in the new combined company
- Micro Focus American Depository Shares (ADSs) to be received by HPE shareholders in the merger will be listed on the NYSE

## Timing

- Transaction is targeted to be complete by the end of the second half of HPE's fiscal year 2017, subject to market, regulatory and certain other conditions

## Financial Implications

- Expect to incur approximately \$700 million in one-time GAAP-only charges related to the transaction
- Transaction does not impact HPE fiscal year 2016 non-GAAP outlook

## Principal Closing Conditions

- Approval of Micro Focus shareholders
- Effectiveness of registration statements
- Completion of spin-off
- HSR and foreign anti-trust approvals