

Micro Focus International plc

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Autonomy boss Mike Lynch submits to arrest as US attempts extradition

Autonomy founder Mike Lynch, who sold his company to Hewlett Packard for US\$11.1bn (£8.4bn), has been arrested in London as the US government attempted to extradite him over a multibillion-dollar damages lawsuit.

The former Cambridge academic appeared at a hearing at Westminster magistrates court on Wednesday morning before being released on bail.

Hewlett Packard has alleged that Autonomy, Lynch and finance chief Sushovan Hussain misrepresented the big data software company's financials to inflate the value of the 2011 acquisition, with its HPEnterprises arm taking a US\$8.8bn write-down within a year of the deal.

In a related case, a US court last year sentenced Hussain for five years for fraud in relation to the acquisition.

Lynch, who is reported to have made US\$815mln from the sale and possess a net worth of around £469mln, is **being sued in a civil fraud trial in London**, while the Department of Justice is trying to have him extradited to the US to face criminal charges.

Lynch "vigorously rejects all the allegations against him and is determined to continue to fight these charges", his lawyers said Chris Morvillo and Reid Weingarten said.

They added: "The US Department of Justice should not have commenced extradition proceedings prior to the judgment of the English High Court."

The saga also continued this week for FTSE 250-listed Micro Focus International PLC (LON:MCRO), which took on the software assets from HP as part of an US\$8.8bn 'spin-merger' with HPEnterprises Software.

Alongside the retirement of its own founder and current chairman, Kevin Loosemore, **Micro Focus on Tuesday proposed splitting itself into two separate companies**, one focusing on security and the other on big data, with the changes to its portfolio costing between US\$70mln and US\$80mln over the next two financial years.

Price: 430.6

Market Cap: £1.44 billion

1 Year Share Price Graph



Share Information

Code: MCRO

Listing: LSE

52 week High Low
1148 205.8

Sector: Software & services

Website: www.microfocus.com

Company Synopsis:

Micro Focus provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization and Management software enables customers' business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.

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