

**AUTONOMY CORPORATION PLC ANNOUNCES RESULTS FOR
THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31, 2007**

Record Quarterly and Annual Results Ahead of Expectations with Highest Revenues and Profits in Autonomy's History; Full Year Revenues up 37% to record \$343 million; Full Year Profit from Operations (adjusted)* up 60% to record \$109 million

Autonomy's fourth quarter conference call will be available live at www.autonomy.com on January 29, 2008, at 9:30 a.m. BST/4:30 a.m. EST/1:30 a.m. PST.

Cambridge, England – January 29, 2008 – Autonomy Corporation plc (LSE: AU. or AU.L), a global leader in infrastructure software, today reported financial results for the fourth quarter and twelve months ended December 31, 2007 ahead of analyst consensus estimates .

Financial Highlights

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000	\$'000	\$'000
Results in US\$ (\$'000s except per share)				
Revenues	115,110	73,352	343,409	250,682
Gross profit (adjusted)*	100,829	66,465	304,302	227,054
Gross profit margin (adjusted)*	88%	91%	89%	91%
Profit from operations (adjusted)*	41,099	24,531	108,774	68,111
Profit before tax (adjusted)*	41,332	25,279	113,245	69,148
Net profit (adjusted)*	28,483	18,392	77,237	47,919
Gross profit (IFRS)	95,298	64,547	291,347	219,093
Gross profit margin (IFRS)	83%	88%	85%	87%
Profit from operations (IFRS)	33,128	21,301	88,649	55,540
Profit before tax (IFRS)	32,906	21,791	91,447	56,319
Net profit (IFRS)	22,743	15,854	62,465	39,085
EPS				
- basic (adjusted)*	0.13	0.10	0.38	0.26
- diluted (adjusted)*	0.13	0.10	0.38	0.26
- basic (IFRS)	0.11	0.08	0.31	0.21
- diluted (IFRS)	0.11	0.08	0.30	0.21

* Adjusted results exclude the share of loss of associates, post-acquisition restructuring costs and non-cash charges, namely the amortization of purchased intangibles, share-based compensation, impairment of investments and non-cash translational foreign exchange gains and losses and associated tax effects. See reconciliations on page 6.

Twelve Month 2007 Highlights

- Record revenues, up 37% from 2006 including strong organic growth and contribution from acquisitions
- Record profit from operations (adjusted) at \$108.8 million, up 60% from 2006
- Record profit from operations (IFRS) up 60% from 2006
- Record profit before tax (adjusted) at \$113.2 million, up 64% from 2006
- Record profit before tax (IFRS), up 62% from 2006
- Record fully diluted EPS (adjusted) at \$0.38, up 47% from 2006
- Net profit (IFRS) up 60% from 2006
- Gross margins (adjusted) at 89%, rising during second half of year following ZANTAZ acquisition as expected
- R&D investment up 21% year-on-year
- Cemented Autonomy's position as the industry leader
- De facto standard in OEM market
- Acquired ZANTAZ, the leader in the archiving, eDiscovery and Proactive Information Risk Management (IRM) markets and completed integration
- Positive cash flow generated by operations of \$83.1 million (2006: \$46.9 million), up 77%

- Cash balance of \$92.6 million at year end and no net debt
- Presented award by EU commissioner for being Europe's best performing software company

Fourth quarter 2007 Highlights

- Record quarterly revenue, up 57% from Q4 2006, ahead of analyst consensus estimates
- Strong organic IDOL growth of 20% from Q4 2006
- Licence revenue up 34% from Q4 2006
- Record profit before tax (IFRS), up 51% from Q4 2006
- 19th consecutive quarter of year-on-year growth
- Gross margins (adjusted) at 88%, up from 85% (adjusted) in Q3'07
- Blue chip fourth quarter wins include PNC Bank, Costco, KPMG, Sullivan & Cromwell, China Mobile, Lloyds TSB, Ernst & Young, Energy Solutions, AT&T, Morgan Stanley, Telecom Italia, BHP Billiton, Gruppo Santander, Union Pacific, Bayer, Countrywide, Cox Communications, Nordea, Wachovia, T Mobile, Dupont and Mayer Brown, new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. Air Force, NASA and the U.S. House of Representatives, and in Italy, the UK, Spain, Colombia, Singapore, Mexico and Canada, as well as the International Atomic Energy Agency, the World Trade Organization, the Red Cross and NATO.
- 13 OEM deals signed including new deals and extensions with Vignette, Adobe, Oracle, EMC, Tablus, Xerox, Sybase and Symantec
- Positive cash flow generated by operations of \$23.9 million (Q4 2006: \$10.7 million), up 123%
- Average selling price for meaning-based technologies at \$390,000 (Q3 2007: \$375,000)
- Operating margin (adjusted) at record levels of 36%

Commenting on the results, Dr. Mike Lynch, Group CEO of Autonomy said today: "2007 was another amazing year for Autonomy by every measure, driven by our strong organic growth and the ZANTAZ acquisition. Top line revenues, operating profits, bottom line profit before tax and EPS are all up significantly, ahead of analyst consensus expectations, with strong organic growth and the ZANTAZ acquisition performing well. Throughout 2007 we consolidated our industry leadership position, and finished 2007 as the undisputed leader in pan-enterprise search and meaning based computing."

Dr. Lynch continued: "2007 was a transformational year for our markets driven by the fundamental change of the IT world to the usage of unstructured information and the secondary drivers of regulatory changes such as the U.S. Federal Rules of Civil Procedure resulting in a convergence of legal and operational information systems, this factor is key to most commercial sales. The elevation of unstructured information issues to prime-time status also drives growth in our OEM business, where we remain the de facto standard."

Dr. Lynch concluded: "We are seeing continuing strength as the momentum of the revolution towards unstructured information gathers pace. Even the effect of the sub-prime crisis appears now to be a positive for our business, as our recent \$70 million contract with a global bank demonstrated, as organizations accelerate their plans in order to be prepared for the consequences engendered by recent events. Our regulatory, compliance and government-driven prospects, which account for a significant majority of our revenues, are robust as are other areas of the business. While the current economic conditions bring a degree of uncertainty to any business, we have seen no change in trading conditions although we will continue monitor the situation closely as the year unfolds. Our strong fundamental market dynamics together with a record sales pipeline suggest that we have reasons to be confident in the current outlook for the business."

Fourth Quarter and Twelve Month Financial Highlights

Revenues for the fourth quarter of 2007 totalled \$115.1 million, up 57% from \$73.4 million for the fourth quarter of 2006 including strong organic growth and the contribution from ZANTAZ. In the fourth quarter of 2007, Americas revenues of \$70.5 million represented 61% of total revenues, and Rest of World revenues of \$44.6 million represented 39% of total revenues (see note 2). Revenues for the twelve months ended December 31, 2007, totalled \$343.4 million, up 37% from \$250.7 million for the twelve months ended December 31, 2006.

Gross profits (adjusted) for the fourth quarter of 2007 were \$100.8 million, up 52% from \$66.5 million in the fourth quarter of 2006. Gross margins (adjusted) were 88% in the fourth quarter of 2007,

versus 91% in the fourth quarter of 2006. Gross profits (IFRS) for the fourth quarter of 2007 were \$95.3 million, up 48% from \$64.6 million in the fourth quarter of 2006. Gross margins (IFRS) for the fourth quarter of 2007 were 83%, compared to 88% in the fourth quarter of 2006. Gross profits (adjusted) for the twelve months ended December 31, 2007, were \$304.3 million, up 34% from \$227.1 million for the twelve months ended December 31, 2006. Gross margins (adjusted) were 89% in the twelve months ended December 31, 2007, versus 91% for the twelve months ended December 31, 2006. Gross profits (IFRS) for the twelve months ended December 31, 2007 were \$291.3 million, up 33% from \$219.1 million for the twelve months ended December 31, 2006. Gross margins (IFRS) for the twelve months ended December 31, 2007 were 85%, compared to 87% for the twelve months ended December 31, 2006. Gross margins decreased in the third quarter of 2007 following the acquisition of ZANTAZ in July 2007, but increased as planned following the completion of the integration of ZANTAZ and the transition of the core ZANTAZ business to higher margin sales.

Net profit (adjusted) for the fourth quarter of 2007 was \$28.5 million, or \$0.13 per diluted share, compared to net profit (adjusted) of \$18.4 million, or \$0.10 per diluted share, for the fourth quarter of 2006. Net profit (IFRS) for the fourth quarter of 2007 was \$22.7 million, or \$0.11 per diluted share, compared to net profit (IFRS) of \$15.9 million, or \$0.08 per diluted share, for the fourth quarter of 2006.

Net profit (adjusted) for the twelve months ended December 31, 2007 was \$77.2 million, or \$0.38 per diluted share, compared to net profit (adjusted) of \$47.9 million, or \$0.26 per diluted share, for the twelve months ended December 31, 2006. Net profit (IFRS) for the twelve months ended December 31, 2007 was \$62.5 million, or \$0.30 per diluted share, compared to net profit (IFRS) of \$39.1 million, or \$0.21 per diluted share, for the twelve months ended December 31, 2006.

Cash balances were \$92.6 million at December 31, 2007, a decrease of \$28.5 million from \$121.1 million at December 31, 2006. Movements in cash flow during the twelve months reflect a combination of excellent cash generation from operating activities and proceeds from share placings and exercise of share options, offset by payments for the acquisitions of ZANTAZ and Meridio and quarterly repayments of Autonomy's bank loan. Autonomy has no net debt.

Receivables at December 31, 2007 were \$110.5 million, compared to \$77.3 million at December 31, 2006. Accounts receivable days sales outstanding were 83 days at December 31, 2007, compared to 91 days at December 31, 2006. Deferred revenues were \$97.9 million at December 31, 2007 compared with \$52.5 million at December 31, 2006.

Although IFRS disclosure provides investors and management with an overall view of Autonomy's financial performance, Autonomy believes that it is important for investors to also understand the performance of Autonomy's fundamental business without giving effect to certain specific, non-recurring and non-cash charges. Consequently, the non-IFRS (adjusted) results exclude post-acquisition restructuring costs, share of loss of associates and non-cash charges for the amortization of purchased intangibles, share-based compensation, impairment of investments, foreign exchange gains and losses and associated tax effects. Management uses the adjusted results to assess the financial performance of Autonomy's operational business activities.

Q4 Product Sales

Autonomy's infrastructure technology has been adopted by enterprises to process information across all internal and external data formats and sources. During the fourth quarter of 2007, major customer wins included: PNC Bank, Costco, KPMG, Sullivan & Cromwell, China Mobile, Lloyds TSB, Ernst & Young, Energy Solutions, AT&T, Morgan Stanley, Telecom Italia, BHP Billiton, Gruppo Santander, Union Pacific, Bayer, Countrywide, Cox Communications, Nordea, Wachovia, T Mobile, Dupont and Mayer Brown. Q4 2007 business also included new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. Air Force, NASA and the U.S. House of Representatives, and in Italy, the UK, Spain, Colombia, Singapore, Mexico and Canada, as well as the International Atomic Energy Agency, the World Trade Organization, the Red Cross and NATO. Repeat business from existing customers accounted for approximately 45% of revenue for the quarter.

Strategic Partnerships and OEMs

Autonomy's OEM Program continued to grow during Q4 2007. Agreements were signed with 13 customers during the quarter, including new and extended agreements with Vignette, Adobe, Oracle, EMC Tablus, Xerox, Sybase and Symantec.

Corporate Developments

During the fourth quarter of 2007 Autonomy continued to extend its market leadership with the introduction of key new and upgraded technologies. In October, Autonomy ZANTAZ introduced the newest releases of its industry-leading Enterprise Archive Solution version 6 (EAS 6) and its eDiscovery application Introspect 6, each giving companies the first and only consolidated archive for all information sources in more than 1,000 different data formats, including voice and videos, and across 100 languages stored in more than 400 different content repositories, including business applications such as SAP and Oracle. Autonomy also launched Desktop Legal Hold, the industry's first comprehensive solution that enables corporate legal and IT departments to remotely enforce legal hold across desktops and laptops. During the quarter Autonomy also announced the availability of the Autonomy Business Console, an intuitive and easy-to-use business user application built on the company's award-winning Intelligent Data Operating Layer (IDOL) platform.

During the fourth quarter Autonomy was recognized in multiple ways for its market leadership and unmatched technology. Recognition during the quarter included:

- Receiving award from EU Commissioner as the Best Performing Software Company in Europe within the Truffle 100, a ranking of the top 100 European software leaders, based on the company's outstanding financial growth and profitability from 2005 to 2006
- Autonomy etalk's Qfiniti Enterprise receiving a 2007 Product of the Year Award from Technology Marketing Corporation (TMC) Customer Interaction Solutions magazine
- Ranking as the growth leader among companies in the \$100 million to \$1 billion revenue range in Software Magazine's 25th Annual Software 500 ranking of the world's largest software and service providers
- Being named one of the top 100 companies in the digital content industry by EContent Magazine
- Autonomy etalk's Qfiniti Enterprise solution platform receiving a Best of Show award at the 2007 Annual Call Center Exhibition (ACCE) in San Diego, CA
- Autonomy's Virage division being named the winner of LogicaCMG's "2007 Partners in Innovation" award
- Autonomy ZANTAZ being ranked 89 on Deloitte's 2007 Technology Fast 500, a ranking of the 500 fastest growing technology, media, telecommunications and life sciences companies in North America
- Recognized as 85th of the top 500 "growth champions in Europe" by Entrepreneurs for Growth
- Receiving the "Best Government Solution" and the "Best Government Technology Provider" Awards at the Gartner Government IT Channel Vision: Government Edition

About Autonomy Corporation plc

Autonomy Corporation plc (LSE: AU. or AU.L) is a global leader in infrastructure software for the enterprise and is spearheading the meaning-based computing movement. Autonomy's technology forms a conceptual and contextual understanding of any piece of electronic data including unstructured information, be it text, email, voice or video. Autonomy's software powers the full spectrum of mission-critical enterprise applications including information access technology, BI, CRM, KM, call center solutions, rich media management, information risk management solutions and security applications, and is recognized by industry analysts as the clear leader in enterprise search.

Autonomy's customer base comprises of more than 17,000 global companies and organizations including: 3, ABN AMRO, AOL, BAE Systems, BBC, Bloomberg, Boeing, Citigroup, Coca Cola, Daimler Chrysler, Deutsche Bank, Ericsson, Ford, GlaxoSmithKline, Lloyd TSB, NASA, Nestle, the New York Stock Exchange, Reuters, Shell, T-Mobile, the U.S. Department of Energy, the U.S. Department of Homeland Security and the U.S. Securities and Exchange Commission. Autonomy also has over 300 OEM partners and more than 400 VARs and Integrators, numbering among them

leading companies such as BEA, Business Objects, Citrix, EDS, IBM Global Services, Novell, Satyam, Sybase, Symantec, TIBCO, Vignette and Wipro. The company has offices worldwide.

The Autonomy Group includes: ZANTAZ, the leader in the archiving, e-Discovery and Proactive Information Risk Management (IRM) markets; Cardiff, a leading provider of Intelligent Document solutions; etalk, award-winning provider of enterprise-class contact center products, Virage, a visionary in rich media management and security and surveillance technology and Meridio, a leading provider of records management software.

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AUTONOMY CORPORATION plc
CONSOLIDATED INCOME STATEMENT
(in thousands, except per share amounts)

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000	\$'000	\$'000
Revenues	115,110	73,352	343,409	250,682
Cost of revenues (excl. amortisation)	(14,281)	(6,887)	(39,107)	(23,628)
Amortization of purchased intangibles	(5,531)	(1,918)	(12,955)	(7,961)
Total cost of revenues	(19,812)	(8,805)	(52,062)	(31,589)
Gross profit	95,298	64,547	291,347	219,093
Operating expenses:				
Research and development	(18,447)	(13,498)	(62,341)	(51,680)
Sales and marketing	(31,459)	(23,257)	(104,437)	(86,417)
General and administrative	(10,958)	(6,030)	(32,536)	(24,707)
Other costs				
Post-acquisition restructuring costs	(625)	—	(1,757)	—
Impairment of investments	(1,026)	(300)	(1,026)	(300)
Gain (loss) on foreign exchange	345	(161)	(601)	(449)
Total operating expenses	(62,170)	(43,246)	(202,698)	(163,553)
Profit from operations	33,128	21,301	88,649	55,540
Share of loss of associate	(455)	(258)	(1,673)	(258)
Interest receivable	971	1,346	6,914	3,651
Interest payable	(738)	(598)	(2,443)	(2,614)
Profit before income taxes	32,906	21,791	91,447	56,319
Income taxes	(10,163)	(5,937)	(28,982)	(17,234)
Net profit	22,743	15,854	62,465	39,085
Basic earnings per share	0.11	0.08	0.31	0.21
Diluted earnings per share	0.11	0.08	0.30	0.21
Weighted average number of ordinary shares outstanding ..	212,059	186,948	201,252	184,409
Weighted average number of ordinary shares outstanding, assuming dilution	216,575	189,935	205,225	186,976

Reconciliation of Adjusted Financial Measures

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000	\$'000	\$'000
Gross profit	95,298	64,547	291,347	219,093
Amortization of purchased intangibles	5,531	1,918	12,955	7,961
Gross profit (adjusted)	100,829	66,465	304,302	227,054
Profit before income taxes	32,906	21,791	91,447	56,319
(Gain) loss on foreign exchange	(345)	161	601	449
Amortization of purchased intangibles	5,531	1,918	12,955	7,961
Impairment of investments	1,026	300	1,026	300
Share of loss of associate	455	258	1,673	258
Share-based compensation (see note 4)	1,134	851	3,786	3,861
Post-acquisition restructuring costs	625	—	1,757	—
Profit before tax (adjusted)	41,332	25,279	113,245	69,148
Provision for income taxes at effective rate	(12,849)	(6,887)	(36,008)	(21,229)
Net profit (adjusted)	28,483	18,392	77,237	47,919
Profit from operations	33,128	21,301	88,649	55,540
Amortization of purchased intangibles	5,531	1,918	12,955	7,961
Share-based compensation (see note 4)	1,134	851	3,786	3,861
Post-acquisition restructuring costs	625	—	1,757	—
Impairment of investments	1,026	300	1,026	300
(Gain) loss on foreign exchange	(345)	161	601	449
Profit from operations (adjusted)	41,099	24,531	108,774	68,111

The accompanying notes are an integral part of these consolidated financial statements

AUTONOMY CORPORATION plc
CONSOLIDATED BALANCE SHEET
(in thousands, except share data)

	As at	
	(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000
ASSETS		
Non-current assets:		
Goodwill	820,147	415,758
Other intangible assets	113,956	44,832
Property and equipment, net	28,788	6,226
Equity and other investments	20,010	3,810
Deferred tax asset	8,862	7,155
Total non-current assets	991,763	477,781
Current assets:		
Trade receivables, net	110,468	77,252
Other receivables	21,019	8,454
Total trade and other receivables	131,487	85,706
Inventory	583	605
Cash and cash equivalents	92,571	121,059
Total current assets	224,641	207,370
TOTAL ASSETS	1,216,404	685,151
CURRENT LIABILITIES		
Trade payable	(11,595)	(7,008)
Other payables	(29,374)	(14,596)
Total trade and other payables	(40,969)	(21,604)
Bank loan	(10,638)	(16,283)
Tax liabilities	(20,118)	(2,400)
Deferred revenue	(77,491)	(52,452)
Provisions	(1,099)	(2,953)
Total current liabilities	(150,315)	(95,692)
<i>Net current assets</i>	<i>74,326</i>	<i>111,678</i>
NON-CURRENT LIABILITIES		
Bank loan	(37,231)	(16,283)
Deferred revenue	(20,389)	—
Other payables	(9,899)	(311)
Provisions	(257)	(1,243)
Total non-current liabilities	(67,776)	(17,837)
Total liabilities	(218,091)	(113,529)
NET ASSETS	998,313	571,622
Shareholders' equity:		
Ordinary shares (1)	1,196	1,027
Share premium account	780,888	474,645
Capital redemption reserve	135	135
Own shares	(981)	(1,017)
Merger reserve	27,589	—
Stock compensation reserve	9,438	5,688
Revaluation reserve	10,163	—
Translation reserve	23,801	19,956
Retained earnings	146,084	71,188
TOTAL EQUITY	998,313	571,622

(1) At December 31, 2007, 600,000,000 ordinary shares of nominal value 1/3 pence each authorized, 213,066,320 issued and outstanding; as of December 31, 2006, 600,000,000 ordinary shares of nominal value 1/3 pence each authorized, 187,836,204 issued and outstanding.

The accompanying notes are an integral part of these consolidated financial statements

AUTONOMY CORPORATION plc
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended		Twelve Months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Profit from operations.....	33,128	21,301	88,649	55,540
Adjustments for:				
Depreciation and amortization.....	9,745	2,847	24,011	12,838
Loss on disposal of fixed assets	185	—	202	—
Impairment of investments	1,026	300	1,026	300
Share based compensation	1,134	851	3,786	3,861
Foreign currency movements.....	(345)	161	601	449
Operating cash flows before movements in working capital.....	44,873	25,460	118,275	72,988
Changes in operating assets and liabilities (net of impact of acquisitions):				
Receivables	(18,460)	(17,496)	(23,247)	(20,152)
Inventories	300	(426)	368	(408)
Payables	(2,767)	3,187	(12,288)	(5,480)
Cash generated by operations	23,946	10,725	83,108	46,948
Income taxes paid.....	(106)	(4,032)	(649)	(7,473)
Net cash provided by operating activities.....	23,840	6,693	82,459	39,475
Cash flows from investment activities:				
Interest received.....	971	1,346	6,914	3,651
Proceeds on disposal of property, plant and equipment	—	—	366	—
Purchase of property, plant and equipment	(4,313)	(100)	(11,329)	(1,534)
Purchase of investments.....	—	(1,786)	(6,820)	(2,474)
Purchase of intangible assets	—	(148)	—	(170)
Expenditure on product development.....	(2,686)	(519)	(6,942)	(3,172)
Acquisition of subsidiaries, net of cash acquired.....	(12,239)	(1,140)	(380,760)	(22,709)
Net cash used in investing activities.....	(18,267)	(2,347)	(398,571)	(26,408)
Cash flows from financing activities:				
Proceeds from issuance of shares, net of issuance costs.....	5,377	11,713	307,133	50,222
Interest on bank loan.....	(738)	(599)	(2,442)	(2,614)
Drawdown of bank loan.....	—	—	28,762	—
Repayment of bank loan	(2,675)	(4,071)	(48,683)	(16,284)
Net cash provided by financing activities	1,964	7,043	284,770	31,324
Net increase (decrease) in cash and cash equivalents	7,537	11,389	(31,342)	44,391
Beginning cash and cash equivalents	87,572	107,043	121,059	68,565
Effect of foreign exchange on cash and cash equivalents	(2,538)	2,627	2,854	8,103
Ending cash and cash equivalents.....	92,571	121,059	92,571	121,059

The accompanying notes are an integral part of these consolidated financial statements

AUTONOMY CORPORATION plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in thousands)

	Ordinary shares	Share premium	Capital redemption reserve	Own shares	Merger reserve	Sub-total
	(unaudited)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2007	1,027	474,645	135	(1,017)	—	474,790
Retained profit.....	—	—	—	—	—	—
Stock compensation.....	—	—	—	—	—	—
Share options exercised.....	29	22,618	—	—	—	22,647
Share placing	140	283,625	—	—	27,589	311,354
EBT options exercised	—	—	—	36	—	36
Deferred tax on share options.	—	—	—	—	—	—
Translation of overseas operations	—	—	—	—	—	—
Revaluation of equity investment.....	—	—	—	—	—	—
At December 31, 2007	<u>1,196</u>	<u>780,888</u>	<u>135</u>	<u>(981)</u>	<u>27,589</u>	<u>808,827</u>

	Sub-total forwarded	Stock compensation reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	(unaudited)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2007	474,790	5,688	—	19,956	71,188	571,622
Retained profit.....	—	—	—	—	62,465	62,465
Stock compensation.....	—	3,786	—	—	—	3,786
Share options exercised.....	22,647	—	—	—	—	22,647
Share placing	311,354	—	—	—	—	311,354
EBT options exercised	36	(36)	—	—	—	—
Deferred tax on share options.	—	—	—	—	12,431	12,431
Translation of overseas operations	—	—	—	3,845	—	3,845
Revaluation of equity investment.....	—	—	10,163	—	—	10,163
At December 31, 2007	<u>808,827</u>	<u>9,438</u>	<u>10,163</u>	<u>23,801</u>	<u>146,084</u>	<u>998,313</u>

The accompanying notes are an integral part of these consolidated financial statements

AUTONOMY CORPORATION plc
NOTES TO QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

1. Basis of presentation

The accompanying quarterly and twelve month consolidated financial statements of Autonomy Corporation plc have been prepared in conformity with International Financial Reporting Standards ("IFRS") as adopted by the EU. The quarterly and twelve month consolidated financial statements have been prepared using accounting policies consistent in all material respects with those applied in the Company's Annual Report for the year ended December 31, 2006 (except as noted in note 2 below). Whilst the financial information included in this interim announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs.

Quarterly and twelve month information is unaudited, but reflects all normal adjustments which are, in the opinion of management, necessary to provide a fair statement of results and the company's financial position for and as at the periods presented. The results of operations for the three months and twelve months ended December 31, 2007, are not necessarily indicative of the operating results for future operating periods. The information for the year ended 31 December 2006 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The quarterly and twelve month financial statements should be read in connection with the company's audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2006. These have been delivered to the Registrar of Companies, contained an unqualified audit report and did not contain statements under s237(2) or (3) Companies Act 1985.

These financial statements for the three and twelve months ended December 31, 2007, are unaudited and do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. This announcement was approved by the Board of Directors on January 28, 2008. The financial information for the year ended 31 December 2006 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985. The statutory accounts for the year ended 31 December 2007 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the company's annual general meeting.

2. Geographical information

The following table provides an analysis of the group's sales by geographical market based upon the location of the Group's customers for all periods. Previously, the information has been provided based upon the location of the Group's assets. The directors consider that the revised presentation is more appropriate under IAS 14.

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Revenue by region:	\$'000	\$'000 (restated)	\$'000	\$'000 (restated)
Americas	70,542	41,768	211,119	150,748
Rest of World	44,568	31,584	132,290	99,934
Total	<u>115,110</u>	<u>73,352</u>	<u>343,409</u>	<u>250,682</u>

The financial impact of this restatement has been to reallocate approximately \$3m of revenues from Americas to the Rest of World for the quarter ended Dec 31, 2006 (year ended Dec 31,2006: approximately \$13m).

3. Income taxes

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Tax charge by region:	\$'000	\$'000	\$'000	\$'000
UK	10,592	4,738	23,987	12,420
Foreign	(429)	1,199	4,995	4,814
Total	<u>10,163</u>	<u>5,937</u>	<u>28,982</u>	<u>17,234</u>

4. Share based compensation

Share based compensation charges have been charged in the consolidated income statement within the following functional areas:

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
	\$'000	\$'000	\$'000	\$'000
Research and development	374	274	1,248	1,266
Sales and marketing	612	458	2,044	1,914
General and administrative	148	119	494	681
Total share based compensation charge	<u>1,134</u>	<u>851</u>	<u>3,786</u>	<u>3,861</u>