

**AUTONOMY CORPORATION PLC ANNOUNCES RESULTS FOR
THE THIRD QUARTER ENDED SEPTEMBER 30, 2008**

Strong Organic Growth Delivers Record Q3 Results Ahead of Expectations, with Highest Revenues and Profits in Autonomy's History

Autonomy's third quarter conference call will be available live at www.autonomy.com on October 15, 2008, at 9:30 a.m. BST/4:30 a.m. EST/1:30 a.m. PST.

Cambridge, England – October 15, 2008 – Autonomy Corporation plc (LSE: AU. or AU.L), a global leader in infrastructure software, today reported financial results for the third quarter and nine months ended September 30, 2008.

Financial Highlights

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
	\$'000	\$'000	\$'000	\$'000
Results in US\$ (\$'000s except per share)				
Revenues	127,105	89,569	357,842	228,299
Gross profit (adjusted)*	117,310	76,449	325,061	203,473
Gross profit margin (adjusted)*	92%	85%	91%	89%
Profit from operations (adjusted)*	53,243	23,765	134,694	67,675
Profit before tax (adjusted)*	53,667	24,942	135,581	71,913
Net profit (adjusted)*	37,495	16,639	94,551	48,795
Gross profit (IFRS)	112,642	72,761	309,996	196,049
Gross profit margin (IFRS)	89%	81%	87%	86%
Profit from operations (IFRS)	47,459	17,518	115,562	55,521
Profit before tax (IFRS)	47,860	18,282	115,215	58,541
Net profit (IFRS)	33,438	12,196	80,354	39,722
EPS				
- basic (adjusted)*	\$0.17	\$0.08	\$0.44	\$0.25
- diluted (adjusted)*	\$0.17	\$0.08	\$0.44	\$0.24
- basic (IFRS)	\$0.16	\$0.06	\$0.38	\$0.20
- diluted (IFRS)	\$0.15	\$0.06	\$0.37	\$0.20

* 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 and non-cash translational foreign exchange gains and losses and associated tax effects. See reconciliations on page 5.

Third Quarter 2008 Highlights

- Record quarterly revenue at \$127.1 million, up 42% from Q3 2007
- Strong organic IDOL growth of 35%
- Licence revenue up 50% from organic growth
- Operational leverage sees operating margins (adj.) at record 42%, up from 27% in Q3 2007
- Record profit before tax (IFRS), up 162% from Q3 2007
- Record cash collection of \$134 million and conversion of over 100%; positive cash flow generated by operations of \$59.6 million (Q3 2007: \$20.1 million), up 196%
- Gross margins (adjusted) at 92% (Q3 2007: 85%)
- Average selling price for meaning-based technologies at \$395,000 (Q3 2007: \$375,000)
- Blue chip third quarter wins include Cingular, Statoil, GM, Bayer, Groupe Mutuel, Lockheed Martin, AT&T, HBO, Canon, Merrill Lynch, PwC, KPMG, D&T, Norsk Hydro, Thomas Cook, Hartford Insurance, Vodafone, emap, AstraZeneca, Sirius Radio, Aflac, Amtrak, Standard & Poors, Wolters Kluwer, Linklaters and the US Postal Service, as well as new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. SEC, U.S. National Institute of Health, the U.S. Army, as well as in the U.K., Slovakia, European Commission, Netherlands, Chile, Sweden and Mexico.

- 12 OEM deals signed including new deals and extensions with Xerox, HP, Kana, Hyland Software and Tumbleweed
- DSOs at 84 days for Q3 2008 (Q3 2007: 89 days)
- Deferred revenues at \$106.2 million, up from \$104.8 million in Q2 2008
- Minimal FX effect in the quarter

Commenting on the results, Dr. Mike Lynch, Group CEO of Autonomy said today: "We are pleased to announce our record breaking third quarter and nine month 2008 results which are, as previously announced, significantly ahead of consensus estimates and above the top end of the range. The strength in trading was such that the usual Q3 seasonal weakness was not evident, resulting in exceptional quarter-on-quarter revenue, profit and operating margin growth. The business delivered accelerating organic growth during the third quarter, with significant regulatory-driven demand across all sectors, whilst maintaining the backlog at record levels. Financial performance during the quarter was consistently strong with record cash collection from our blue chip customer base and cash conversion over 100%."

Dr. Lynch concluded, "Despite conservative analysis of the current macro environment, the fact that our fundamental market dynamics and our pipeline going into the remainder of the year remain strong leads us to be comfortable with the outlook. Although still maintaining a cautious approach and monitoring the situation closely, we see a number of business opportunities moving into 2009 which give us confidence in the outlook."

Third Quarter and Nine Month Financial Highlights

Revenues for the third quarter of 2008 totalled \$127.1 million, up 42% from \$89.6 million for the third quarter of 2007 driven by strong organic growth. In the third quarter of 2008, Americas revenues of \$83.1 million represented 65% of total revenues, and Rest of World revenues of \$44.0 million represented 35% of total revenues. Revenues for the nine months ended September 30, 2008, totalled \$357.8 million, up 57% from \$228.3 million for the nine months ended September 30, 2007.

Organic growth for the period accelerated to 35%. Calculation of organic growth takes into account the pre-acquisition stub period for ZANTAZ (completed on July 20, 2007). ZANTAZ revenues for the period from July 1 to July 20, 2007 were \$4.4 million. The calculation also takes into account the acquisition of Meridio (completed on November 8, 2007). Prior to acquisition revenues for Meridio in Q3 2007 were \$3.0 million, of which \$0.6m related to licence. There were no other acquisitions in the period. Organic license growth was 50%, and increase in IDOL sales over the year was 35%.

Gross profits (adjusted) for the third quarter of 2008 were \$117.3 million, up 53% from \$76.4 million in the third quarter of 2007. Gross margins (adjusted) were 92% in the third quarter of 2008, versus 85% in the third quarter of 2007. Gross profits (IFRS) for the third quarter of 2008 were \$112.6 million, up 55% from \$72.8 million in the third quarter of 2007. Gross margins (IFRS) for the third quarter of 2008 were 89%, compared to 81% in the third quarter of 2007. Gross profits (adjusted) for the nine months ended September 30, 2008, were \$325.1 million, up 60% from \$203.5 million for the nine months ended September 30, 2007. Gross margins (adjusted) were 91% in the nine months ended September 30, 2008, versus 89% for the nine months ended September 30, 2007. Gross profits (IFRS) for the nine months ended September 30, 2008 were \$310.0 million, up 58% from \$196.0 million for the nine months ended September 30, 2007. Gross margins (IFRS) for the nine months ended September 30, 2008 were 87%, compared to 86% for the nine months ended September 30, 2007.

Under IAS 38 the company is required to capitalize certain aspects of its research and development activities. The amount of R&D that was capitalized in third quarter of 2008 was \$3.0 million. Q3 2008 R&D capitalization is offset by amortisation charges of \$1.4 million arising from historical R&D capitalization. This results in a net credit in the quarter of \$1.6 million, and a net margin impact of 1%.

Net profit (adjusted) for the third quarter of 2008 was \$37.5 million, or \$0.17 per diluted share, compared to net profit (adjusted) of \$16.6 million, or \$0.08 per diluted share, for the third quarter of 2007. Net profit (IFRS) for the third quarter of 2008 was \$33.4 million, or \$0.15 per diluted share, compared to net profit (IFRS) of \$12.2 million, or \$0.06 per diluted share, for the third quarter of 2007.

Net profit (adjusted) for the nine months ended September 30, 2008 was \$94.6 million, or \$0.44 per diluted share, compared to net profit (adjusted) of \$48.8 million, or \$0.24 per diluted share, for the nine months ended September 30, 2007. Net profit (IFRS) for the nine months ended September 30, 2008 was \$80.4 million, or \$0.37 per diluted share, compared to net profit (IFRS) of \$39.7 million, or \$0.20 per diluted share, for the nine months ended September 30, 2007.

Cash balances were \$165.7 million at September 30, 2008, an increase of \$73.1 million from \$92.6 million at December 31, 2007. Movements in cash flow during the nine months reflect a combination of good cash generation from operating activities and exercise of share options, offset by the quarterly repayments of Autonomy's bank loan, capital expenditure and instalment tax payments. Autonomy has no net debt.

Receivables for the third quarter of 2008 were \$123.8 million, compared to \$110.5 million at December 31, 2007. Accounts receivable days sales outstanding were 84 days for the third quarter of 2008, compared to 83 days at December 31, 2007. Deferred revenues were \$106.2 million at September 30, 2008 compared with \$97.9 million at December 31, 2007.

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 share of loss of associates, post-acquisition restructuring costs and non-cash charges for the amortization of purchased intangibles, share-based compensation, 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.

Q3 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 third quarter of 2008, major customer wins included: Cingular, Statoil, GM, Bayer, Groupe Mutuel, Lockheed Martin, AT&T, HBO, Canon, Merrill Lynch, PwC, KPMG, D&T, Norsk Hydro, Thomas Cook, Hartford Insurance, Vodafone, emap, AstraZeneca, Sirius Radio, Aflac, Amtrak, Standard & Poors, Wolters Kluwer, Linklaters and the US Postal Service. Q3 2008 business also included new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. SEC, U.S. National Institute of Health, the U.S. Army, as well as in the U.K., Slovakia, European Commission, Netherlands, Chile, Sweden and Mexico. Repeat business from existing customers accounted for approximately 44% of revenue for the quarter.

Strategic Partnerships and OEMs

Autonomy's OEM Program continued to grow during Q3 2008. Agreements were signed with 12 customers during the quarter, including new and extended agreements with Xerox, HP, Kana, Hyland Software and Tumbleweed.

Q3 2008 Corporate Developments

During the third quarter of 2008 Autonomy continued to extend its market leadership with the introduction of key new and upgraded technologies, including:

- Enterprise-class extensions for Microsoft Office Sharepoint Server for large global customers;
- The industry's first support for FRCP-compliant messaging on Blackberry Pin-to-Pin and SMS networks;
- Business process compliance for the growing number of corporate iPhone users;
- Enabled compliance with FSA regulations through combined recording and conceptual search; and
- Meaning Based Computing technology integrated into Adobe Creative Suite 4.

During the third quarter Autonomy was recognized in multiple ways for its market leadership and unmatched technology, including:

- Winner of the "Badenoch and Clark Business of the Year" award dubbed the "Business Oscars" by Gordon Brown;

- Rejoined the FTSE 100.
- Selected as preferred partner for speech analytics by CapGemini Telecom Media Defense SAS;
- Autonomy's FRCP-compliant pan-enterprise search selected "2008 Trendsetter" by KMWorld Magazine; and
- Received highest Socha Gelbman ranking for both eDiscovery software and service.

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 allows computers to harness the full richness of human information, forming 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, pan-enterprise search, information governance, end-to-end eDiscovery and archiving, records management, business process management, customer interaction solutions, and video and audio analysis, 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. More than 350 companies OEM Autonomy technology, including BEA, Citrix, EDS, H-P, Novell, Oracle, Sybase and TIBCO, and the company has over 400 VARs and Systems Integrators. The company has offices worldwide.

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

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Revenues (note 2).....	127,105	89,569	357,842	228,299
Cost of revenues (excl. amortisation).....	(9,795)	(13,120)	(32,781)	(24,826)
Amortization of purchased intangibles	(4,668)	(3,688)	(15,065)	(7,424)
Total cost of revenues	<u>(14,463)</u>	<u>(16,808)</u>	<u>(47,846)</u>	<u>(32,250)</u>
Gross profit	<u>112,642</u>	<u>72,761</u>	<u>309,996</u>	<u>196,049</u>
Operating expenses:				
Research and development	(19,985)	(17,221)	(59,551)	(43,894)
Sales and marketing	(35,390)	(27,218)	(102,940)	(72,978)
General and administrative	(10,080)	(9,264)	(32,228)	(21,578)
Other costs.....				
Post-acquisition restructuring costs	(256)	(1,132)	(1,157)	(1,132)
Gain (loss) on foreign exchange.....	528	(408)	1,442	(946)
Total operating expenses	<u>(65,183)</u>	<u>(55,243)</u>	<u>(194,434)</u>	<u>(140,528)</u>
Profit from operations	<u>47,459</u>	<u>17,518</u>	<u>115,562</u>	<u>55,521</u>
Share of loss of associate	(23)	(413)	(1,234)	(1,218)
Interest receivable.....	794	1,896	2,289	5,943
Interest payable.....	(370)	(719)	(1,402)	(1,705)
Profit before income taxes	<u>47,860</u>	<u>18,282</u>	<u>115,215</u>	<u>58,541</u>
Income taxes (note 3)	(14,422)	(6,086)	(34,861)	(18,819)
Net profit	<u>33,438</u>	<u>12,196</u>	<u>80,354</u>	<u>39,722</u>
Basic earnings per share (note 5)	<u>\$ 0.16</u>	<u>\$ 0.06</u>	<u>\$ 0.38</u>	<u>\$ 0.20</u>
Diluted earnings per share (note 5).....	<u>\$ 0.15</u>	<u>\$ 0.06</u>	<u>\$ 0.37</u>	<u>\$ 0.20</u>
Weighted average number of ordinary shares outstanding..	215,052	209,665	214,152	197,610
Weighted average number of ordinary shares outstanding, assuming dilution	218,357	212,933	217,118	200,603

Reconciliation of Adjusted Financial Measures

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
	\$'000	\$'000	\$'000	\$'000
Gross profit	112,642	72,761	309,996	196,049
Amortization of purchased intangibles	4,668	3,688	15,065	7,424
Gross profit (adjusted).....	<u>117,310</u>	<u>76,449</u>	<u>325,061</u>	<u>203,473</u>
Profit before income taxes	47,860	18,282	115,215	58,541
(Gain) loss on foreign exchange	(528)	408	(1,442)	946
Amortization of purchased intangibles	4,668	3,688	15,065	7,424
Share of loss of associate	23	413	1,234	1,218
Share-based compensation (see note 4)	1,388	1,019	4,352	2,652
Post-acquisition restructuring costs.....	256	1,132	1,157	1,132
Profit before tax (adjusted)	<u>53,667</u>	<u>24,942</u>	<u>135,581</u>	<u>71,913</u>
Provision for income taxes	(16,172)	(8,303)	(41,030)	(23,118)
Net profit (adjusted).....	<u>37,495</u>	<u>16,639</u>	<u>94,551</u>	<u>48,795</u>
Profit from operations	47,459	17,518	115,562	55,521
(Gain) loss on foreign exchange	(528)	408	(1,442)	946
Amortization of purchased intangibles	4,668	3,688	15,065	7,424
Share-based compensation (see note 4)	1,388	1,019	4,352	2,652
Post-acquisition restructuring costs.....	256	1,132	1,157	1,132
Profit from operations (adjusted).....	<u>53,243</u>	<u>23,765</u>	<u>134,694</u>	<u>67,675</u>

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)	
	Sept. 30, 2008	Dec. 31, 2007
	\$'000	\$'000
ASSETS		
Non-current assets:		
Goodwill	815,530	820,147
Other intangible assets	103,739	113,956
Property and equipment, net	28,707	28,788
Equity and other investments	16,573	20,010
Deferred tax asset	12,211	8,862
Total non-current assets	<u>976,760</u>	<u>991,763</u>
Current assets:		
Trade receivables, net	123,814	110,468
Other receivables	33,072	21,019
Total trade and other receivables	<u>156,886</u>	<u>131,487</u>
Inventory	781	583
Cash and cash equivalents	165,695	92,571
Total current assets	<u>323,362</u>	<u>224,641</u>
TOTAL ASSETS	<u>1,300,122</u>	<u>1,216,404</u>
CURRENT LIABILITIES		
Trade payable	(9,088)	(11,595)
Other payables	(17,240)	(29,374)
Total trade and other payables	<u>(26,328)</u>	<u>(40,969)</u>
Bank loan	(10,638)	(10,638)
Tax liabilities	(21,122)	(20,118)
Deferred revenue	(99,833)	(77,491)
Provisions	(596)	(1,099)
Total current liabilities	<u>(158,517)</u>	<u>(150,315)</u>
<i>Net current assets</i>	<u>164,845</u>	<u>74,326</u>
NON-CURRENT LIABILITIES		
Bank loan	(29,253)	(37,231)
Deferred revenue	(6,322)	(20,389)
Other payables	(10,160)	(9,899)
Provisions	—	(257)
Total non-current liabilities	<u>(45,735)</u>	<u>(67,776)</u>
Total liabilities	<u>(204,252)</u>	<u>(218,091)</u>
NET ASSETS	<u>1,095,870</u>	<u>998,313</u>
Shareholders' equity:		
Ordinary shares (1)	1,212	1,196
Share premium account	796,250	780,888
Capital redemption reserve	135	135
Own shares	(911)	(981)
Merger reserve	27,589	27,589
Stock compensation reserve	13,720	9,438
Revaluation reserve	7,143	10,163
Translation reserve	10,992	23,801
Retained earnings	<u>239,740</u>	<u>146,084</u>
TOTAL EQUITY	<u>1,095,870</u>	<u>998,313</u>

(1) At September 30, 2008, 600,000,000 ordinary shares of nominal value 1/3 pence each authorized, 215,484,260 issued and outstanding; as of December 31, 2007, 600,000,000 ordinary shares of nominal value 1/3 pence each authorized, 213,066,320 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		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Profit from operations.....	47,459	17,518	115,562	55,521
Adjustments for:				
Depreciation and amortization.....	9,642	7,381	28,832	14,283
Share based compensation	1,388	1,019	4,352	2,652
Foreign currency movements.....	(528)	408	(1,442)	946
Operating cash flows before movements in working capital.....	57,961	26,326	147,304	73,402
Changes in operating assets and liabilities (net of impact of acquisitions):				
Receivables	4,600	5,487	(28,892)	(4,787)
Inventories	175	27	(205)	68
Payables	(3,146)	(11,693)	2,619	(9,516)
Cash generated by operations	59,590	20,147	120,826	59,167
Income taxes paid.....	(8,212)	(314)	(23,928)	(543)
Net cash provided by operating activities.....	51,378	19,833	96,898	58,624
Cash flows from investment activities:				
Interest received.....	794	1,896	2,257	5,943
Proceeds on disposal of property, plant and equipment	—	—	—	366
Purchase of property, plant and equipment	(1,988)	(4,752)	(10,805)	(7,016)
Purchase of investments	(989)	(1,500)	(2,327)	(6,820)
Expenditure on product development.....	(2,993)	(2,057)	(8,744)	(4,256)
Acquisition of subsidiaries, net of cash acquired.....	(354)	(366,318)	(6,059)	(368,521)
Net cash used in investing activities.....	(5,530)	(372,731)	(25,678)	(380,304)
Cash flows from financing activities:				
Proceeds from issuance of shares, net of issuance costs.....	6,854	185,092	15,491	301,756
Interest on bank loan.....	(370)	(718)	(1,402)	(1,704)
Drawdown of bank loan.....	—	28,762	—	28,762
Repayment of bank loan	(2,675)	(37,854)	(8,025)	(46,008)
Net cash provided by financing activities	3,809	175,282	6,064	282,806
Net increase (decrease) in cash and cash equivalents	49,657	(177,616)	77,284	(38,874)
Beginning cash and cash equivalents	121,401	262,082	92,571	121,059
Effect of foreign exchange on cash and cash equivalents	(5,363)	3,106	(4,160)	5,387
Ending cash and cash equivalents.....	165,695	87,572	165,695	87,572

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
	\$'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	21	17,380	—	—	—	17,401
Share placing.....	131	283,625	—	—	—	283,756
EBT options exercised.....	—	—	—	36	—	36
Deferred tax on stock options	—	—	—	—	—	—
Revaluation of equity investment ..	—	—	—	—	—	—
Translation of overseas operations	—	—	—	—	—	—
At September 30, 2007	<u>1,179</u>	<u>775,650</u>	<u>135</u>	<u>(981)</u>	<u>—</u>	<u>775,983</u>

	Sub-total Forwarded	Stock comp'n reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2007	474,790	5,688	—	19,956	71,188	571,622
Retained profit.....	—	—	—	—	39,722	39,722
Stock compensation.....	—	2,652	—	—	—	2,652
Share options exercised	17,401	—	—	—	—	17,401
Share placing.....	283,756	—	—	—	—	283,756
EBT options exercised.....	36	(36)	—	—	—	—
Deferred tax on stock options	—	—	—	—	8,967	8,967
Revaluation of equity investment ..	—	—	10,898	—	—	10,898
Translation of overseas operations	—	—	—	7,746	—	7,746
At September 30, 2007	<u>775,983</u>	<u>8,304</u>	<u>10,898</u>	<u>27,702</u>	<u>119,877</u>	<u>942,764</u>

	Ordinary shares	Share premium	Capital redemption reserve	Own shares	Merger reserve	Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2008.....	1,196	780,888	135	(981)	27,589	808,827
Retained profit.....	—	—	—	—	—	—
Stock compensation.....	—	—	—	—	—	—
Share options exercised	16	15,362	—	—	—	15,378
EBT options exercised.....	—	—	—	70	—	70
Deferred tax on stock options	—	—	—	—	—	—
Revaluation of equity investment ..	—	—	—	—	—	—
Translation of overseas operations	—	—	—	—	—	—
At September 30, 2008	<u>1,212</u>	<u>796,250</u>	<u>135</u>	<u>(911)</u>	<u>27,589</u>	<u>824,275</u>

	Sub-total Forwarded	Stock comp'n reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2008.....	808,827	9,438	10,163	23,801	146,084	998,313
Retained profit.....	—	—	—	—	80,354	80,354
Stock compensation.....	—	4,352	—	—	—	4,352
Share options exercised	15,378	—	—	—	—	15,378
EBT options exercised.....	70	(70)	—	—	—	—
Deferred tax on stock options	—	—	—	—	13,302	13,302
Revaluation of equity investment ..	—	—	(3,020)	—	—	(3,020)
Translation of overseas operations	—	—	—	(12,809)	—	(12,809)
At September 30, 2008	<u>824,275</u>	<u>13,720</u>	<u>7,143</u>	<u>10,992</u>	<u>239,740</u>	<u>1,095,870</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 consolidated financial statements of Autonomy Corporation plc have been prepared in conformity with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the EU. The accounting policies applied are consistent in all material respects with those applied in the Company's Annual Report for the year ended December 31, 2007. Whilst the financial information included in this quarterly announcement has been computed in accordance with International Financial Reporting Standards (IFRSs) and IAS 34 *Interim financial reporting*, this announcement does not itself contain all of the disclosures required by IFRSs and IAS 34.

Quarterly 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 and nine months ended September 30, 2008, are not necessarily indicative of the operating results for future operating periods. The quarterly 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, 2007. These have been delivered to the Registrar of Companies and the auditor's report thereon was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s237(2) or (3) Companies Act 1985.

These financial statements for the three and nine months ended September 30, 2008, 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 October 15, 2008. The financial information for the year ended December 31, 2007 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.

2. Segmental information

Whilst the group currently operates under a number of different divisions, the group's core technology, types of revenue and associated costs and returns are comparable. Each of these divisions is founded on the group's unique Intelligent Data Operating Layer, the group's core infrastructure for automating the handling of all forms of unstructured information. As a result, the group maintains only one reportable business segment. The group's operations are located primarily in the United Kingdom, the US and Canada. The company also has a significant presence in a number of other European countries as well as China, Japan, Singapore and Australia.

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.

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008	Sept 30, 2007
	\$'000	\$'000 (restated)	\$'000	\$'000 (restated)
Revenue by region:				
Americas	83,146	56,406	228,565	140,577
Rest of World	43,959	33,163	129,277	87,722
Total	<u>127,105</u>	<u>89,569</u>	<u>357,842</u>	<u>228,299</u>

The quarterly report in Q3 2007 presented the above on the basis of the location of the Group's assets. As noted in the 2007 annual report, the directors have changed the presentation as they believe the revised presentation to be more appropriate under IAS 14. The financial impact of this restatement has been to reallocate approximately \$9 million and \$15 million of revenues from Americas to the Rest of World for the three and nine months ended September 30, 2007, respectively.

2. Segmental information (continued)

Segment information about these geographical segments is presented below:

	Three Months Ended					
	September 30, 2008			September 30, 2007		
	Americas	ROW	Total	Americas	ROW	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment result.....	37,374	9,813	47,187	15,876	3,182	19,058
Post-acq'n restruct. costs.....			(256)			(1,132)
Gain (loss) on foreign exch.			528			(408)
Operating profit.....			47,459			17,518
Share of loss of associate.....			(23)			(413)
Interest receivable			794			1,896
Interest payable			(370)			(719)
Profit before tax			47,860			18,282
Tax.....			(14,422)			(6,086)
Profit for the period			33,438			12,196

	Nine Months Ended					
	September 30, 2008			September 30, 2007		
	Americas	ROW	Total	Americas	ROW	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment result.....	90,122	25,155	115,277	42,274	15,325	57,599
Post-acq'n restruct. costs.....			(1,157)			(1,132)
Gain (loss) on foreign exch.			1,442			(946)
Operating profit.....			115,562			55,521
Share of loss of associate.....			(1,234)			(1,218)
Interest receivable			2,289			5,943
Interest payable			(1,402)			(1,705)
Profit before tax			115,215			58,541
Tax.....			(34,861)			(18,819)
Profit for the period			80,354			39,722

3. Income taxes

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008	Sept 30, 2007
	\$'000	\$'000	\$'000	\$'000
Tax charge by region:				
UK.....	9,226	3,718	24,338	13,395
Foreign.....	5,196	2,368	10,523	5,424
Total.....	14,422	6,086	34,861	18,819

4. Share based compensation

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

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008	Sept 30, 2007
	\$'000	\$'000	\$'000	\$'000
Research and development	399	336	1,350	874
Sales and marketing	676	550	2,184	1,432
General and administrative	313	133	818	346
Total share based compensation charge	1,388	1,019	4,352	2,652

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Three Months Ended		Nine Months Ended	
	(unaudited)		(unaudited)	
	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008	Sept 30, 2007
	\$'000	\$'000	\$'000	\$'000
Earnings for the purposes of basic and diluted earnings per share being net profit	<u>33,438</u>	<u>12,196</u>	<u>80,354</u>	<u>39,722</u>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings per share	215,052	209,665	214,152	197,610
Effect of dilutive potential ordinary shares:				
Share options	<u>3,305</u>	<u>3,268</u>	<u>2,966</u>	<u>2,993</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>218,357</u>	<u>212,933</u>	<u>217,118</u>	<u>200,603</u>

Earnings per share (adjusted) is calculated by dividing the net profit (adjusted) amounts shown on page 5 by the share denominators shown above.

INDEPENDENT REVIEW REPORT TO AUTONOMY CORPORATION PLC

We have been engaged by the company to review the condensed set of financial statements in the quarterly financial report for the three and nine month periods ended September 30, 2008, which comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 5. We have read the other information contained in the quarterly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The quarterly financial report is the responsibility of, and has been approved by, the directors.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with the recognition and measurement criteria of IFRSs as adopted by the European Union. The condensed set of financial statements included in this quarterly financial report has been prepared in accordance with the accounting policies the group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the quarterly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of quarterly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly financial information is not prepared, in all material respects, in accordance with the recognition and measurement criteria of IFRSs as adopted for use in the EU and the basis set out in note 1.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditor
October 15, 2008
Cambridge, UK