

**AUTONOMY CORPORATION PLC ANNOUNCES RESULTS FOR
THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31, 2008**

Record Quarterly and Annual Results Ahead of Expectations with Highest Revenues and Profits in Autonomy's History; Full Year Revenues up 47% to record \$503.2 million; Full Year Profit from Operations (adjusted)* up 91% to record \$207.5 million; Record Operating Margins at 50% in Q4'08

Autonomy's fourth quarter conference call will be available live at www.autonomy.com on January 21, 2009, at 9:00 a.m. BST/4:00 a.m. EST/1:00 a.m. PST.

Cambridge, England – January 21, 2009 – 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, 2008.

Financial Highlights

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Results in US\$ (\$'000s except per share)				
Revenues	145,387	115,110	503,229	343,409
Gross profit (adjusted)*	133,130	100,829	458,191	304,302
Gross profit margin (adjusted)*	92%	88%	91%	89%
Profit from operations (adjusted)*	72,788	41,099	207,482	108,774
Profit before tax (adjusted)*	73,311	41,332	208,892	113,245
Net profit (adjusted)*	53,450	28,483	148,001	77,237
Gross profit (IFRS)	128,706	95,298	438,702	291,347
Gross profit margin (IFRS)	89%	83%	87%	85%
Profit from operations (IFRS)	70,931	33,128	186,493	88,649
Profit before tax (IFRS)	70,492	32,906	185,707	91,447
Net profit (IFRS)	51,395	22,743	131,749	62,465
EPS				
- basic (adjusted)*	0.25	0.13	0.69	0.38
- diluted (adjusted)*	0.25	0.13	0.68	0.38
- basic (IFRS)	0.24	0.11	0.61	0.31
- diluted (IFRS)	0.24	0.11	0.61	0.30

* 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 5.

Twelve Month 2008 Highlights

- Record revenues, up 47% from 2007 including strong organic growth
- Fully diluted EPS (adjusted) of \$0.68 (versus consensus \$0.64), up 81% from 2007
- Record profit from operations (adjusted) at \$207.5 million, up 91% from 2007
- Record profit from operations (IFRS) up 110% from 2007
- Record profit before tax (adjusted) at \$208.9 million, up 84% from 2007
- Record profit before tax (IFRS), up 103% from 2007
- High cash conversion for year, at 99%
- Net profit (IFRS) up 111% from 2007
- Gross margins (adjusted) at 91%
- R&D investment up 26% year-on-year
- Cemented Autonomy's position as the industry leader
- De facto standard in OEM market
- Positive cash flow generated by operations of \$178.8 million (2007: \$83.1 million), up 115%
- Cash balance of \$199.2 million at year end and no net debt; strong cash collection

Fourth quarter 2008 Highlights

- Record quarterly revenue, up 26% from Q4 2007, ahead of analyst consensus estimates
- Fully diluted EPS (adjusted) of \$0.25 (versus consensus \$0.22), up 86% (11% above consensus)
- Operating margin (adjusted) at record levels of 50%
- Strong organic IDOL growth of 29% from Q4 2007
- Licence revenue up 33% from organic growth
- Record profit before tax (IFRS), up 114% from Q4 2007
- High cash conversion Q₄/Q₃ at 95%
- 23rd consecutive quarter of year-on-year growth
- Gross margins (adjusted) at 92%
- Blue chip fourth quarter wins include JP Morgan; Citi; BBC; BAE Systems; Statoil; Société Générale; Symantec; Avaya; CNN; State of Texas; American Automobile Association; Lloyds TSB; McAfee; Bank of Thailand; Deutsche Bank; European Patent Office; Xerox; AT&T; and Clifford Chance, as well as new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. Army and the U.S. DEA, as well as in the U.K., Italy, Singapore, Canada, Hungary, the European Commission, Slovakia and Mexico.
- 12 OEM deals signed including Symantec, Dassault and Tridion
- Record cash collection of \$121 million; positive cash flow generated by operations of \$58.0 million (Q4 2007: \$23.9 million), up 142%
- Average selling price for meaning-based technologies at \$400,000 (Q3 2008: \$395,000)
- DSOs at 84 days for Q4 2008 (Q4 2007: 83 days)
- Deferred revenues up to \$107.2 million (at constant FX) from \$106.2 million in Q3'08
- Change in FX had a negative effect on revenues of 2.1% compared to Q3'08 (-2.5% versus Q4'07)

Commenting on the results, Dr. Mike Lynch, Group CEO of Autonomy said today: "2008 was another momentous year for Autonomy, with exceptional results in all areas including strong organic growth. Top line revenues, operating profits, bottom line profit before tax and EPS are all up significantly, well ahead of consensus expectations from the beginning of the year and far-and-away records for the company, despite the negative effects of foreign exchange on revenues. These strong results occurred despite an unfavourable and unexpected change in FX. During the quarter our backlog also remained stable. Throughout 2008 we received accolades and top ratings in multiple new areas, whilst being declared the winner of the enterprise search wars."

Dr. Lynch continued: "The fundamental driver for Autonomy is the explosion of unstructured information. This change for the IT industry affects all areas and Autonomy's unique ability to understand meaning gives it a unique driver. Whilst this switch to unstructured information may take ten to fifteen years, in 2008 we saw two particular aspects of this bigger picture come to the fore. The first and most important of these which affects all industry sectors are regulatory changes such as the amendments to the U.S. Federal Rules of Civil Procedure. The second of these effects was the increase in regulation and litigation in the financial markets as a result of recent turmoil. As regulators across the world have realized that most of their issues are found in the unstructured information we saw a raft of new regulations come in during 2008 and the announcement of new regulations which will become operative in 2009 and 2010."

Dr. Lynch continued: "2008 saw a series of significant technical developments in the company, including a new architecture for Autonomy ZANTAZ Digital Safe, increasing efficiency by a factor of eight and introducing new functionality; the integration of IDOL and Meridio to produce a significant advance in the field of manage-in-place; and continuing demands for Autonomy's industry-leading voice archiving, critical for the emergence of audio EDD."

Dr. Lynch concluded: "We continue to monitor the market situation closely and the incoming evidence confirms our previous assumptions leading us to be conservatively optimistic for the remainder of 2009."

Fourth Quarter and Twelve Month Financial Highlights

Revenues for the fourth quarter of 2008 totalled \$145.4 million, up 26% from \$115.1 million for the fourth quarter of 2007 driven by strong organic growth. In the fourth quarter of 2008, Americas revenues of \$95.7 million represented 66% of total revenues, and Rest of World revenues of \$49.7 million represented 34% of total revenues. Revenues for the twelve months ended December 31, 2008, totalled \$503.2 million, up 47% from \$343.4 million for the twelve months ended December 31, 2007.

Organic growth for the fourth quarter of 2008 was strong at 29%. Calculation of organic growth takes into account the pre-acquisition stub period for Meridio (completed on November 8, 2007). Meridio revenues for the period from October 1 to November 8, 2007 were \$0.5 million. There were no other acquisitions in the period. Organic license growth was 33%, and increase in IDOL sales over the year was 26%.

Gross profits (adjusted) for the fourth quarter of 2008 were \$133.1 million, up 32% from \$100.8 million in the fourth quarter of 2007. Gross margins (adjusted) were 92% in the fourth quarter of 2008, versus 88% in the fourth quarter of 2007. Gross profits (IFRS) for the fourth quarter of 2008 were \$128.7 million, up 35% from \$95.3 million in the fourth quarter of 2007. Gross margins (IFRS) for the fourth quarter of 2008 were 89%, compared to 83% in the fourth quarter of 2007. Gross profits (adjusted) for the twelve months ended December 31, 2008, were \$458.2 million, up 51% from \$304.3 million for the twelve months ended December 31, 2007. Gross margins (adjusted) were 91% in the twelve months ended December 31, 2008, versus 89% for the twelve months ended December 31, 2007. Gross profits (IFRS) for the twelve months ended December 31, 2008 were \$438.7 million, up 51% from \$291.3 million for the twelve months ended December 31, 2007. Gross margins (IFRS) for the twelve months ended December 31, 2008 were 87%, compared to 85% for the twelve months ended December 31, 2007. Gross margins increased in 2008 as compared to 2007, as planned following the acquisition of ZANTAZ in July 2007 and the completion of integration and transition of the core ZANTAZ business to higher margin sales.

Net profit (adjusted) for the fourth quarter of 2008 was \$53.5 million, or \$0.25 per diluted share, compared to net profit (adjusted) of \$28.5 million, or \$0.13 per diluted share, for the fourth quarter of 2007. Net profit (IFRS) for the fourth quarter of 2008 was \$51.4 million, or \$0.24 per diluted share, compared to net profit (IFRS) of \$22.7 million, or \$0.11 per diluted share, for the fourth quarter of 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 fourth quarter of 2008 was \$2.4 million. Q4 2008 R&D capitalization is offset by amortisation charges of \$1.5 million arising from historical R&D capitalization. This results in a net credit (before tax) in the quarter of \$0.9 million, and a net margin impact of less than 1%.

Net profit (adjusted) for the twelve months ended December 31, 2008 was \$148.0 million, or \$0.68 per diluted share, compared to net profit (adjusted) of \$77.2 million, or \$0.38 per diluted share, for the twelve months ended December 31, 2007. Net profit (IFRS) for the twelve months ended December 31, 2008 was \$131.7 million, or \$0.61 per diluted share, compared to net profit (IFRS) of \$62.5 million, or \$0.30 per diluted share, for the twelve months ended December 31, 2007.

Cash balances were \$199.2 million at December 31, 2008, an increase of \$106.6 million from \$92.6 million at December 31, 2007, despite adverse foreign exchange movements of some \$13.8 million. Movements in cash flow during the twelve months reflect a combination of excellent cash generation from operating activities and proceeds from exercise of share options, offset by quarterly repayments of Autonomy's bank loan, capital expenditure and instalment tax payments. Autonomy has no net debt.

Trade receivables at December 31, 2008 were \$141.3 million, compared to \$110.5 million at December 31, 2007. Accounts receivable days sales outstanding were 84 days at December 31, 2008, compared to 83 days at December 31, 2007. Deferred revenues were \$99.2 million at December 31, 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, impairment of investments 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 2008, major customer wins included: JP Morgan; Citi; BBC; BAE Systems; Statoil; Société Générale; Symantec; Avaya; CNN; State of Texas; American Automobile Association; Lloyds TSB; McAfee; Bank of Thailand; Deutsche Bank; European Patent Office; Xerox; AT&T; and Clifford Chance. Q4 2008 business also included new and repeat licenses with multiple government, defence and intelligence agencies around the globe such as the U.S. Army and the U.S. DEA, as well as in the U.K., Italy, Singapore, Canada, Hungary, the European Commission, Slovakia and Mexico. Repeat business from existing customers accounted for approximately 50% of revenue for the quarter.

Strategic Partnerships and OEMs

Autonomy's OEM Program continued to grow during Q4 2008. Agreements were signed with 12 customers during the quarter, including Symantec, Dassault and Tridion.

Q4 2008 Corporate Developments

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

- Autonomy ControlPoint, which brings comprehensive information governance capabilities to Microsoft SharePoint;
- The inauguration of the world's largest managed data archive;
- The next generation of our Investigator and Early Case Assessment technology;
- A new Situational Awareness Web Portal to revolutionise the security control centre; and
- Advanced Legal Hold with automated identification, notification, preservation and collection

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

- Recognition by Computer Business Review as having "won the enterprise search wars";
- Heralded as at the cutting edge of a new multi-trillion dollar industry sector by Gartner's head of worldwide research;
- Winner of the LSE's 2008 techMARK company of the year award;
- Ranked as the fastest growing full-service EDD provider among the AM LAW 200; and
- Awarded "Records Management Product of the Year" by Document Manager

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		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Revenues	145,387	115,110	503,229	343,409
Cost of revenues (excl. amortisation)	(12,257)	(14,281)	(45,038)	(39,107)
Amortization of purchased intangibles	(4,424)	(5,531)	(19,489)	(12,955)
Total cost of revenues	(16,681)	(19,812)	(64,527)	(52,062)
Gross profit	128,706	95,298	438,702	291,347
Operating expenses:				
Research and development	(18,859)	(18,447)	(78,410)	(62,341)
Sales and marketing	(32,219)	(31,459)	(135,159)	(104,437)
General and administrative	(10,396)	(10,958)	(42,624)	(32,536)
Other costs				
Post-acquisition restructuring costs	-	(625)	(1,157)	(1,757)
Impairment of investments	-	(1,026)	-	(1,026)
Gain (loss) on foreign exchange	3,699	345	5,141	(601)
Total operating expenses	(57,775)	(62,170)	(252,209)	(202,698)
Profit from operations	70,931	33,128	186,493	88,649
Share of loss of associate	(962)	(455)	(2,196)	(1,673)
Interest receivable	1,064	971	3,353	6,914
Interest payable	(541)	(738)	(1,943)	(2,443)
Profit before income taxes	70,492	32,906	185,707	91,447
Income taxes (note 3)	(19,097)	(10,163)	(53,958)	(28,982)
Net profit	51,395	22,743	131,749	62,465
Basic earnings per share (note 5)	0.24	0.11	0.61	0.31
Diluted earnings per share (note 5)	0.24	0.11	0.61	0.30
Weighted average number of ordinary shares outstanding ..	215,628	212,059	214,523	201,252
Weighted average number of ordinary shares outstanding, assuming dilution	218,048	216,575	217,158	205,225

Reconciliation of Adjusted Financial Measures

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Gross profit	128,706	95,298	438,702	291,347
Amortization of purchased intangibles	4,424	5,531	19,489	12,955
Gross profit (adjusted)	133,130	100,829	458,191	304,302
Profit before income taxes	70,492	32,906	185,707	91,447
(Gain) loss on foreign exchange	(3,699)	(345)	(5,141)	601
Amortization of purchased intangibles	4,424	5,531	19,489	12,955
Impairment of investments	—	1,026	—	1,026
Share of loss of associate	962	455	2,196	1,673
Share-based compensation (see note 4)	1,132	1,134	5,484	3,786
Post-acquisition restructuring costs	—	625	1,157	1,757
Profit before tax (adjusted)	73,311	41,332	208,892	113,245
Provision for income taxes	(19,861)	(12,849)	(60,891)	(36,008)
Net profit (adjusted)	53,450	28,483	148,001	77,237
Profit from operations	70,931	33,128	186,493	88,649
(Gain) loss on foreign exchange	(3,699)	(345)	(5,141)	601
Amortization of purchased intangibles	4,424	5,531	19,489	12,955
Share-based compensation (see note 4)	1,132	1,134	5,484	3,786
Post-acquisition restructuring costs	—	625	1,157	1,757
Impairment of investments	—	1,026	—	1,026
Profit from operations (adjusted)	72,788	41,099	207,482	108,774

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, 2008	Dec. 31, 2007
	\$'000	\$'000
ASSETS		
Non-current assets:		
Goodwill	796,632	820,147
Other intangible assets	98,694	113,956
Property and equipment, net	27,350	28,788
Equity and other investments	7,441	20,010
Deferred tax asset	13,467	8,862
Total non-current assets	<u>943,584</u>	<u>991,763</u>
Current assets:		
Trade receivables, net	141,252	110,468
Other receivables	35,554	21,019
Total trade and other receivables	<u>176,806</u>	<u>131,487</u>
Inventory	715	583
Cash and cash equivalents	199,218	92,571
Total current assets	<u>376,739</u>	<u>224,641</u>
TOTAL ASSETS	<u>1,320,323</u>	<u>1,216,404</u>
CURRENT LIABILITIES		
Trade payable	(12,434)	(11,595)
Other payables	(19,511)	(29,374)
Total trade and other payables	<u>(31,945)</u>	<u>(40,969)</u>
Bank loan	(10,637)	(10,638)
Tax liabilities	(27,905)	(20,118)
Deferred revenue	(89,794)	(77,491)
Provisions	(426)	(1,099)
Total current liabilities	<u>(160,707)</u>	<u>(150,315)</u>
<i>Net current assets</i>	<u>216,032</u>	<u>74,326</u>
NON-CURRENT LIABILITIES		
Bank loan	(26,594)	(37,231)
Deferred tax liability	(2,537)	—
Deferred revenue	(9,414)	(20,389)
Other payables	(1,171)	(9,899)
Provisions	—	(257)
Total non-current liabilities	<u>(39,716)</u>	<u>(67,776)</u>
Total liabilities	<u>(200,423)</u>	<u>(218,091)</u>
NET ASSETS	<u>1,119,900</u>	<u>998,313</u>
Shareholders' equity:		
Ordinary shares (1)	1,214	1,196
Share premium account	798,279	780,888
Capital redemption reserve	135	135
Own shares	(905)	(981)
Merger reserve	27,589	27,589
Stock compensation reserve	14,846	9,438
Revaluation reserve	2,987	10,163
Translation reserve	(18,261)	23,801
Retained earnings	294,016	146,084
TOTAL EQUITY	<u>1,119,900</u>	<u>998,313</u>

(1) At December 31, 2008, 600,000,000 ordinary shares of nominal value 1/3 pence each authorized, 215,821,022 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		Twelve Months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Profit from operations.....	70,931	33,128	186,493	88,649
Adjustments for:				
Depreciation and amortization.....	9,576	9,745	38,408	24,011
Loss on disposal of fixed assets	353	185	353	202
Impairment of investments	—	1,026	—	1,026
Share based compensation	1,132	1,134	5,484	3,786
Foreign currency movements.....	(3,699)	(345)	(5,141)	601
Operating cash flows before movements in working capital.....	78,293	44,873	225,597	118,275
Changes in operating assets and liabilities (net of impact of acquisitions):				
Receivables	(25,978)	(18,460)	(54,870)	(23,247)
Inventories	51	300	(154)	368
Payables	5,591	(2,767)	8,210	(12,288)
Cash generated by operations	57,957	23,946	178,783	83,108
Income taxes paid	(8,519)	(106)	(32,447)	(649)
Net cash provided by operating activities.....	49,438	23,840	146,336	82,459
Cash flows from investment activities:				
Interest received.....	1,064	971	3,321	6,914
Proceeds on disposal of property, plant and equipment	—	—	—	366
Purchase of property, plant and equipment	(3,480)	(4,313)	(14,285)	(11,329)
Purchase of investments	—	—	(2,327)	(6,820)
Expenditure on product development.....	(2,415)	(2,686)	(11,159)	(6,942)
Acquisition of subsidiaries, net of cash acquired.....	(167)	(12,239)	(6,226)	(380,760)
Net cash used in investing activities.....	(4,998)	(18,267)	(30,676)	(398,571)
Cash flows from financing activities:				
Proceeds from issuance of shares, net of issuance costs.....	1,918	5,377	17,409	307,133
Interest on bank loan.....	(541)	(738)	(1,943)	(2,442)
Drawdown of bank loan.....	—	—	—	28,762
Repayment of bank loan	(2,675)	(2,675)	(10,700)	(48,683)
Net cash (used in) provided by financing activities.....	(1,298)	1,964	4,766	284,770
Net increase (decrease) in cash and cash equivalents	43,142	7,537	120,426	(31,342)
Beginning cash and cash equivalents	165,695	87,572	92,571	121,059
Effect of foreign exchange on cash and cash equivalents	(9,619)	(2,538)	(13,779)	2,854
Ending cash and cash equivalents.....	199,218	92,571	199,218	92,571

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 ops.....	—	—	—	—	—	—
Revaluation of equity investm't..	—	—	—	—	—	—
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 comp'n 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 ops.....	—	—	—	3,845	—	3,845
Revaluation of equity investm't..	—	—	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>

	Ordinary shares	Share premium	Capital redemption reserve	Own shares	Merger reserve	Sub-total
	(unaudited)					
	\$'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	18	17,391	—	—	—	17,409
EBT options exercised.....	—	—	—	76	—	76
Deferred tax on share options ...	—	—	—	—	—	—
Translation of overseas ops.....	—	—	—	—	—	—
Revaluation of equity investm't..	—	—	—	—	—	—
At December 31, 2008.....	<u>1,214</u>	<u>798,279</u>	<u>135</u>	<u>(905)</u>	<u>27,589</u>	<u>826,312</u>

	Sub-total forwarded	Stock comp'n reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	(unaudited)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2008	808,827	9,438	10,163	23,801	146,084	998,313
Retained profit	—	—	—	—	131,749	131,749
Stock compensation	—	5,484	—	—	—	5,484
Share options exercised	17,409	—	—	—	—	17,409
EBT options exercised.....	76	(76)	—	—	—	—
Deferred tax on share options ...	—	—	—	—	16,183	16,183
Translation of overseas ops.....	—	—	—	(42,062)	—	(42,062)
Revaluation of equity investm't..	—	—	(7,176)	—	—	(7,176)
At December 31, 2008.....	<u>826,312</u>	<u>14,846</u>	<u>2,987</u>	<u>(18,261)</u>	<u>294,016</u>	<u>1,119,900</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 are based on the company's financial statements which are prepared in accordance with International Financial Reporting Standards as adopted for use in 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, 2008.

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, 2008, are not necessarily indicative of the operating results for future operating periods. The information for the year ended December 31, 2007 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, 2007. 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, 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 January 21, 2009. 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. The statutory accounts for the year ended December 31, 2008 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.

The group has considerable financial resources together with contracts with a number of customers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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.

	<u>Three Months Ended</u>		<u>Twelve months Ended</u>	
	(unaudited)		(unaudited)	
	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Revenue by region:				
Americas	95,722	70,542	324,287	211,119
Rest of World	49,665	44,568	178,942	132,290
Total	<u>145,387</u>	<u>115,110</u>	<u>503,229</u>	<u>343,409</u>

2. Segmental information (continued)

Segment information about these geographical segments is presented below:

	Twelve Months Ended					
	December 31, 2008			December 31, 2007		
	Americas	ROW	Total	Americas	ROW	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment result.....	139,104	43,405	182,509	66,006	26,027	92,033
Post-acq'n restruct. costs.....			(1,157)			(1,757)
Impairment of investments.....			—			(1,026)
Gain (loss) on foreign exch. ...			5,141			(601)
Operating profit			186,493			88,649
Share of loss of associate.....			(2,196)			(1,673)
Interest receivable			3,353			6,914
Interest payable			(1,943)			(2,443)
Profit before tax			185,707			91,447
Tax.....			(53,958)			(28,982)
Profit for the period			131,749			62,465

	Three Months Ended					
	December 31, 2008			December 31, 2007		
	Americas	ROW	Total	Americas	ROW	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment result.....	48,982	18,250	67,232	23,732	10,702	34,434
Post-acq'n restruct. costs.....			—			(625)
Impairment of investments.....			—			(1,026)
Gain (loss) on foreign exch. ...			3,699			345
Operating profit			70,931			33,128
Share of loss of associate.....			(962)			(455)
Interest receivable			1,064			971
Interest payable			(541)			(738)
Profit before tax			70,492			32,906
Tax.....			(19,097)			(10,163)
Profit for the period			51,395			22,743

3. Income taxes

	Three Months Ended		Twelve months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Tax charge by region:				
UK.....	16,810	10,592	41,148	23,987
Foreign.....	2,287	(429)	12,810	4,995
Total.....	19,097	10,163	53,958	28,982

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, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Research and development	304	374	1,654	1,248
Sales and marketing	555	612	2,739	2,044
General and administrative	273	148	1,091	494
Total share based compensation charge	<u>1,132</u>	<u>1,134</u>	<u>5,484</u>	<u>3,786</u>

5. Earnings per share

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

	Three Months Ended		Twelve Months Ended	
	(unaudited)		(unaudited)	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	\$'000	\$'000	\$'000	\$'000
Earnings for the purposes of basic and diluted earnings per share being net profit	<u>51,395</u>	<u>22,743</u>	<u>131,749</u>	<u>62,465</u>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings per share	215,628	212,059	214,523	201,252
Effect of dilutive potential ordinary shares:				
Share options	<u>2,420</u>	<u>4,516</u>	<u>2,635</u>	<u>3,973</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>218,048</u>	<u>216,575</u>	<u>217,158</u>	<u>205,225</u>

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