23 September 2015

WANdisco plc

Interim unaudited results for the six months ended 30 June 2015

Big Data customer wins gather further momentum
First Big Data customers go live

Financial highlights

- **Revenue up 13% to $5.7m (2014 H1: $5.0m)**
- **Deferred revenue from booked sales up 16% to $18.0m (30 June 2014: $15.5m)**
- **Sales bookings $4.4m (2014 H1: $7.4m)**
- **Adjusted EBITDA[1] loss reduced to $9.2m (2014 H1: $9.5m loss)**
- **Net cash of $15.2m (30 December 2014: $2.5m) and a currently unused $10.0m HSBC credit facility, making total cash and credit resources of $25.2m**

Operational and strategic highlights

Big Data

- **Revenue $0.8m (2014 H1: $0.1m)**
- **Sales bookings $1.4m (2014 H1: $0.3m)**
- **New WANdisco Fusion ("*Fusion*") product accelerated new customer wins to eight in the second quarter**
- **Customer wins with integrations to both Hadoop distributors and non-Hadoop storage platforms including HP, Teradata and Oracle**
- **First three Big Data customers into live production**

Application Lifecycle Management ("ALM")

- **Revenue $4.9m (2014 H1: $4.9m)**
- **Sales bookings $3.0m (2014 H1: $7.1m)**
- **Nine new ALM subscriptions**
- **24 upgraded or expanded ALM subscriptions**

[1] *EBITDA loss excluding equity-settled share-based payment, capitalised product development costs, acquisition-related items and exceptional items.*

David Richards, WANdisco Chief Executive, comments:

"Our penetration of the Big Data market has taken a big step forward in the first half of this year. We added eight new customers in the second quarter alone and the first three Big Data customers went into live production with our new WANdisco Fusion product.

Our partners increasingly view WANdisco as crucial in enabling their customers to go into live production with new Big Data applications. We are working increasingly closely on go to market activities and product integration with selected partners such as Oracle, IBM and Hortonworks.

In our ALM business, as previously highlighted, the transition in our sales organisation impacted sales during the period. Our offering remains highly relevant to today's increasingly distributed software development operations, and our live customer base of over 200 corporations offers ample sales opportunities. We have increased our focus on our core ALM offering and devoted more sales resource to this business.

With a compelling new Big Data product, increasing engagement of high-quality partners and a well-established ALM product, we expect to build momentum through the rest of this year."

Notes

An audio webcast recording of the analyst presentation will be available on the company website after the event.

All Group announcements and news can be found at http://www.wandisco.com

For further information please contact:

WANdisco plc David Richards Paul Harrison Phil Branston	**via FTI Consulting LLP**
FTI Consulting Matt Dixon / Rob Mindell / Harry Staight	**+44 (0)203 727 1000**
Investec (Joint Broker and Nominated Adviser) Christopher Baird / Dominic Emery	**+44 (0)207 597 4000**
UBS (Joint Broker) Rahul Luthra / Sandip Dhillon	**+44 (0)207 567 8000**

About WANdisco plc

WANdisco (LSE: WAND) is a provider of enterprise-ready, non-stop software that enables globally distributed organisations to meet today's data challenges of secure storage, scalability and continuous availability. WANdisco's products are differentiated by the company's patented, active-active data replication technology, serving crucial continuous availability requirements, including Hadoop Big Data and Application Lifecycle Management ("ALM"), including Apache Subversion and Git. Fortune Global 1000 companies, including Juniper Networks, Motorola, Intel and Halliburton, rely on WANdisco for performance, reliability, security and availability. For additional information, please visit www.wandisco.com.

BUSINESS REVIEW

During the first half we achieved an increase in momentum in our Big Data business, with our highest quarterly volume of contract wins coming in the second quarter.

Our ALM business was impacted, as previously highlighted, by a transition in our sales force as we establish the appropriate balance between our Big Data and ALM sales efforts.

Big Data

The Big Data marketplace has evolved significantly this year. Storage vendors are bringing to market Hadoop-compatible offerings, responding to their customers' requirements to store and process data both on Hadoop and on more traditional platforms, and to move and replicate data between the different platforms.

To address this emerging market for mixed storage, we evolved our product from *Non-Stop Hadoop*, which replicated data within single Hadoop distributions, to *Fusion*, which replicates data across multiple storage platforms. Fusion performs this mixed replication without the need for invasive access to the host platforms, making it easy for customers to install. We have integrated *Fusion* with our partners' Big Data offerings and have now achieved certification on both the Oracle Big Data Appliance and the IBM BigInsights appliance, for managing and analyzing big data.

Fusion ensures continuous data availability, high levels of processing performance to meet demanding service level requirements, and above all, cost savings from high utilisation of computing resource. Amongst our *Fusion* customers, the majority were taking Big Data into live production rather than running trial projects or non-critical operations. New enterprise features in *Fusion* include two features that were granted new US patents, relating to addition and removal of servers, without downtime, from replicated data networks. This enables hardware and software upgrades, addition of new locations, data migrations and rollouts of new applications – all without interruption of service.

In the short time since the release of *Fusion*, we secured eight new customers, all during the second quarter. Our new *Fusion* customers were drawn from all regions – EMEA, Americas and Asia-Pacific. They are all large organisations in our key industry segments of financial services, government agencies, consumer products and telecommunications. Their business requirements combined regulatory compliance, customer analysis and storage cost efficiencies – typified by Compare The Market in the UK insurance sector and by other new customers in financial services. Our first-half sales included collaborations with Oracle, Teradata, Hortonworks and HP, and also integrations with Cloudera and Amazon data platforms.

At the end of the first half we had 20 Big Data customers, all of which have intentions to scale up significantly their WANdisco solutions, once their implementations are in live production, as they take more data into their mission-critical applications. The first three of our Big Data customers went into live production after the end of the first half.

Application Lifecycle Management ("ALM")

The ALM business, as previously highlighted, was impacted during the period by our transition to a greater sales focus as we establish the appropriate balance of sales resources between Big Data and ALM.

We continue to see strong potential in the source code management segment of the ALM market that we focus on. Software development continues to become more geographically and organisationally distributed, bringing greater challenges in control and efficiency, both amongst software publishers and in industry more generally.

Our core ALM product *Subversion Multisite Plus* has been upgraded to include support for the new version 1.9 of the open source Subversion code management system that most of our customers use. Our new August release incorporated improvements in performance, resource utilisation and administration.

Our assessment of the ALM market confirms that we have the right products for the market at this stage in its evolution. The devotion of new sales and marketing resource to ALM prospecting in traditional industry segments where open source adoption is strong, and a renewed focus on up-selling to our installed base of 200 customers, both under senior direction, are starting to bring momentum back into our sales pipeline.

FINANCE REVIEW

Sales bookings were $4.4m (2014 H1: $7.4m). Sales bookings are total subscription contract values, subsequently recognised as revenue over the life of the contract. During this period of rapid evolution in our products, partnerships and sales organisation we continue to expect volatility in quarterly bookings.

Revenue grew 13% to $5.7m (2014 H1: $5.0m). This growth includes revenue deferred from previous periods.

Deferred revenue from sales booked during the first half and in previous periods (and not yet recognised as revenue) was $18.0m at 30 June 2015 (30 June 2014: $15.5m), reflecting future revenue from new and renewed contracts, many of them spanning multiple years.

Revenue growth and strong cost control, with cash costs held at approximately the same level as in the prior year period, resulted in the adjusted EBITDA loss narrowing to $9.2m (2014 H1: $9.5m).

Quarterly sales results are largely unrepresentative of our underlying commercial progress. Therefore, we intend to cease publishing quarterly sales updates, whilst continuing, though Regulatory News Statements, to provide updates on our business performance, key customer wins and other relevant developments.

Big Data

Sales bookings were $1.4m (2014 H1: $0.3m). Revenues were $0.8m (2014 H1: $0.1m). Both bookings and revenues showed significant growth on last year's first half as we saw for the first time a consistent revenue stream from our contract wins.

Contract pricing was encouragingly strong, particularly in those cases where we combined with global established storage vendors such as Oracle, demonstrating added value as part of pre-engineered stack.

ALM

$3.0m of sales bookings in the period came from our ALM products, (2014 H1: $7.1m). Sales to new customers are taking time to regain momentum after the steps taken to sharpen our focus on the ALM market and increase the productivity of our sales operations. Growth in renewals confirmed that our products continue to meet the needs of today's distributed software development teams.

ALM revenue was $4.9m (2014 H1: $4.9m), benefitting from the rollout of deferred revenue from prior period sales bookings.

Based on its operating scale and revenue potential, it remains our intention to advance the ALM business towards profitability in 2015.

Profit and loss

Our headcount was 162 as at 30 June 2015 (31 December 2014: 182). Headcount reductions in the period resulted from efficiencies in IT administration and in ALM product engineering and testing.

The adjusted EBITDA loss for the period (excluding equity-settled share-based payment, capitalised product development, acquisition-related items and exceptional items) was $9.2m (2014 H1: $9.5m loss). We continued to invest significantly in products and in go-to-market activities, while at the same time making cost savings across a number of functions.

Product development expenditure for the period was $4.3m (2014 H1: $4.2m). All of this expenditure was devoted to new product features and was capitalised.

Total cash costs of $19.2m were approximately in line with the prior year period (2014 H1: $18.7m) and also with the preceding half (2014 H2: $19.4m). Cost control will continue to be a focus.

Balance sheet and cash flow

Trade and other receivables at 30 June 2015 were $13.0m (31 December 2014: $14.5m). $2.7m of receivables was billed by the period end (31 December 2014: $4.4m), $8.6m comprised contractual payments not yet billed (31 December 2014: $8.0m), largely from multi-year contracts, and $1.7m related to non-trade receivables (31 December 2014: $2.1m).

Net cash stood at $15.2m at 30 June 2015 (31 December 2014: $2.5m). This includes the benefit of $26.1m of new equity funds (net of fees) raised from UK and US investors and announced on 23 January 2015. In addition, we retain a revolving credit facility with HSBC Bank plc, announced on 5 August 2014, which remained undrawn at 30 June 2015. The funds available will be used to finance continued expansion in the Big Data market, including product development and go-to-market activities.

OUTLOOK

We now have 20 Big Data customers, all of them large or global organisations with intentions to scale up their Big Data operations once in live production. With our first three *Fusion* customers having gone live, we expect to expand progressively the solutions of many of our existing customers.

It is encouraging that many of our sales in the first half resulted from collaborations with global storage and data management partners such as Oracle, HP and Teradata. We are deepening these relationships and expect growth in the sales we achieve with these and other Big Data partners.

In our ALM business, we have restored our focus on our core product, in use by over 200 customers. We have made changes in sales and marketing, continuing after the end of the first half, which we believe will bring a greater focus to our sales to both new and existing customers.

As we continue our investment in our markets, we have at the same time exerted strong cost discipline, and will continue to do so.

At this stage in the company's growth we are experiencing variability in quarterly sales bookings, and expect that to continue as we progress through a period of rapid change in our operations and in the Big Data market. Nevertheless, with a compelling new Big Data product, increasing engagement of high-quality partners, and a well-established ALM product, we expect to build momentum through the rest of this year.

Condensed consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2015

		Six months ended 30 June 2015 (Unaudited)			Six months ended 30 June 2014 (Unaudited)			Year ended 31 December 2014 (Audited)		
		Pre-exceptional	**Exceptional items**	**Total**	Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total
Continuing operations	Note	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	3	**5,669**	**-**	**5,669**	5,013	-	5,013	11,218	-	11,218
Cost of sales		**(387)**	**-**	**(387)**	(1,029)	-	(1,029)	(2,165)	-	(2,165)
Gross profit		**5,282**	**-**	**5,282**	3,984	-	3,984	9,053	-	9,053
Operating expenses	4	**(22,384)**	**(711)**	**(23,095)**	(21,991)	(536)	(22,527)	(47,529)	(1,441)	(48,970)
Loss from operations	5	**(17,102)**	**(711)**	**(17,813)**	(18,007)	(536)	(18,543)	(38,476)	(1,441)	(39,917)
Finance income		**519**	**-**	**519**	34	-	34	584	-	584
Finance costs		**(439)**	**-**	**(439)**	(36)	-	(36)	(27)	-	(27)
Net finance income/ (costs)	6	**80**	**-**	**80**	(2)	-	(2)	557	-	557
Loss before tax		**(17,022)**	**(711)**	**(17,733)**	(18,009)	(536)	(18,545)	(37,919)	(1,441)	(39,360)
Income tax	7	**(72)**	**-**	**(72)**	-	-	-	1,053	-	1,053
Loss for the period		**(17,094)**	**(711)**	**(17,805)**	(18,009)	(536)	(18,545)	(36,866)	(1,441)	(38,307)

Other comprehensive income

Items that are or may be reclassified to profit or loss:

Foreign operations – foreign currency translation differences		**(111)**	**-**	**(111)**	543	-	543	(444)	-	(444)
Other comprehensive income for the period, net of tax		**(111)**	**-**	**(111)**	543	-	543	(444)	-	(444)
Total comprehensive income for the period		**(17,205)**	**(711)**	**(17,916)**	(17,466)	(536)	(18,002)	(37,310)	(1,441)	(38,751)

Loss per share

Basic and diluted loss per share	8	**$0.64**	$0.78	$1.59

The notes on pages 10 to 16 form an integral part of this condensed consolidated half yearly financial report.

Condensed consolidated balance sheet

as at 30 June 2015

	Note	**30 June 2015 (Unaudited) $'000**	30 June 2014 (Unaudited) $'000	31 December 2014 (Audited) $'000
Assets				
Intangible assets	9	**9,338**	9,682	9,814
Property, plant and equipment		**326**	382	410
Trade and other receivables	10	**5,150**	5,089	4,895
Non-current assets		**14,814**	15,153	15,119
Trade and other receivables	10	**7,825**	5,334	9,557
Cash and cash equivalents		**15,205**	14,994	2,481
Current assets		**23,030**	20,328	12,038
Total assets		**37,844**	35,481	27,157
Liabilities				
Borrowings – finance lease liabilities		**-**	(19)	(8)
Trade and other payables		**(3,349)**	(2,664)	(3,195)
Deferred income	11	**(8,442)**	(7,141)	(8,477)
Deferred government grant		**(35)**	(119)	(81)
Current tax liabilities		**-**	-	(2)
Current liabilities		**(11,826)**	(9,943)	(11,763)
Deferred income	11	**(9,509)**	(8,362)	(10,792)
Deferred income tax liabilities		**(5)**	(5)	(5)
Non-current liabilities		**(9,514)**	(8,367)	(10,797)
Total liabilities		**(21,340)**	(18,310)	(22,560)
Net assets		**16,504**	17,171	4,597
Equity				
Share capital		**4,655**	3,767	3,879
Share premium		**81,964**	54,201	56,587
Shares to be issued		**-**	2,364	-
Translation reserve		**(413)**	685	(302)
Merger reserve		**1,247**	1,247	1,247
Retained earnings		**(70,949)**	(45,093)	(56,814)
Total equity		**16,504**	17,171	4,597

The notes on pages 10 to 16 form an integral part of this condensed consolidated half yearly financial report.

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2015

Six months ended 30 June 2015 (unaudited)	Share capital $'000	Share premium $'000	Shares to be issued $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2015	**3,879**	**56,587**	**-**	**(302)**	**1,247**	**(56,814)**	**4,597**
Total comprehensive income for the period							
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(17,805)**	**(17,805)**
Other comprehensive income	**-**	**-**	**-**	**(111)**	**-**	**-**	**(111)**
Total comprehensive income for the period	**-**	**-**	**-**	**(111)**	**-**	**(17,805)**	**(17,916)**
Transactions with owners of the Company							
Contributions and distributions							
Equity-settled share-based payment	**-**	**-**	**-**	**-**	**-**	**3,670**	**3,670**
Proceeds from share placing	**737**	**25,341**	**-**	**-**	**-**	**-**	**26,078**
Share options exercised	**39**	**36**	**-**	**-**	**-**	**-**	**75**
Total transactions with owners of the Company	**776**	**25,377**	**-**	**-**	**-**	**3,670**	**29,823**
Balance at 30 June 2015	**4,655**	**81,964**	**-**	**(413)**	**1,247**	**(70,949)**	**16,504**

Six months ended 30 June 2014 (unaudited)	Share capital $'000	Share premium $'000	Shares to be issued $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2014	3,755	53,882	-	142	1,247	(30,353)	28,673
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(18,545)	(18,545)
Other comprehensive income	-	-	-	543	-	-	543
Total comprehensive income for the period	-	-	-	543	-	(18,545)	(18,002)
Transactions with owners of the Company							
Contributions and distributions							
Shares to be issued as part of OhmData, Inc. acquisition	-	-	2,364	-	-	(1,518)	846
Equity-settled share-based payment	-	-	-	-	-	5,323	5,323
Share options exercised	12	319	-	-	-	-	331
Total transactions with owners of the Company	12	319	2,364	-	-	3,805	6,500
Balance at 30 June 2014	3,767	54,201	2,364	685	1,247	(45,093)	17,171

The notes on pages 10 to 16 form an integral part of this condensed consolidated half yearly financial report.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2015

	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Cash flows from operating activities			
Loss for the period	**(17,805)**	(18,545)	(38,307)
Adjustments for:			
- Depreciation of property, plant and equipment	**166**	134	267
- Amortisation of intangible assets	**4,759**	3,573	8,283
- Net finance costs/(income)	**23**	(19)	(31)
- Income tax	**72**	-	(1,053)
- Foreign exchange	**(127)**	184	156
- Equity-settled share-based payment	**3,670**	5,323	13,348
	(9,242)	(9,350)	(17,337)
Change in:			
- Trade and other receivables	**823**	118	(2,938)
- Trade and other payables	**154**	128	737
- Deferred income	**(1,318)**	2,378	6,145
- Deferred government grant	**(46)**	(130)	(147)
Net working capital change	**(387)**	2,494	3,797
Cash used in operating activities	**(9,629)**	(6,856)	(13,540)
Interest paid	**(13)**	(15)	(11)
Income tax received/(paid)	**513**	-	(3)
Net cash used in operating activities	**(9,129)**	(6,871)	(13,554)
Cash flows from investing activities			
Purchase of property, plant and equipment and computer software	**(83)**	(300)	(475)
Development expenditure	**(4,282)**	(4,206)	(9,040)
Interest received	**73**	34	58
Net cash used in investing activities	**(4,292)**	(4,472)	(9,457)
Cash flows from financing activities			
Net proceeds from share issues	**26,153**	331	465
Payment of finance lease liabilities	**(8)**	(16)	(27)
Net cash from financing activities	**26,145**	315	438
Net increase/(decrease) in cash and cash equivalents	**12,724**	(11,028)	(22,573)
Cash and cash equivalents at the start of the period	**2,481**	25,673	25,673
Effect of movements in exchange rates on cash and cash equivalents	**-**	349	(619)
Cash and cash equivalents at the end of the period	**15,205**	14,994	2,481

The notes on pages 10 to 16 form an integral part of this condensed consolidated half yearly financial report.

Notes to the condensed consolidated half yearly financial statements

for the six months ended 30 June 2015

1. Reporting entity

WANdisco plc (the "Company") is a public limited company incorporated and domiciled in Jersey. The Company's ordinary shares are traded on AIM. These condensed consolidated half yearly financial statements ("Half yearly financial statements") as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the development and provision of global collaboration software.

2. Basis of preparation

Basis of accounting

These half yearly financial statements have been prepared in accordance with AIM rules for Companies and IAS 34 "Half yearly Financial Reporting" as adopted by the European Union ("EU"). They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

These half yearly financial statements were authorised for issue by the Company's Board of Directors on 14 September 2015.

The annual financial statements of the Group are prepared in accordance with IFRSs as endorsed by the EU, IFRIC ("IFRS Interpretations Committee) interpretations, under the historical cost accounting convention, and with those parts of Jersey Law (1991) applicable to companies under IFRS. The half yearly financial statements have, other than in respect of the matters referred to below, been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published Consolidated financial statements for the year ended 31 December 2014. Accordingly, these half yearly financial statements should be used in conjunction with the Group's published annual financial statements for the year ended 31 December 2014.

There are no new standards or amendments to standards that are effective for the first time for the financial year beginning 1 January 2015, that have had a material impact on the half yearly financial statements.

Going concern

As at 30 June 2015 the Group had net assets of $16,504,000 (30 June 2014: $17,171,000; 31 December 2014: $4,597,000) as set out in the Condensed consolidated balance sheet above. The Directors have prepared detailed forecasts of the Group's performance. As a consequence, the Directors believe that WANdisco plc and the Group are well placed to manage their business risks successfully despite the current uncertain economic outlook. After making enquiries the Directors have a reasonable expectation that WANdisco plc and the Group have sufficient working capital available for its present requirements that is for the next twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the half yearly financial statements.

Functional and presentational currency

The half yearly financial statements are presented in US dollars, which is also the presentational currency of the Group. Billings to the Group's customers during the period were all made in US dollars by WANdisco, Inc. with certain costs being incurred by WANdisco International Limited in sterling and WANdisco, Pty Ltd in Australian dollar. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

Use of judgements and estimates

In preparing these half yearly financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements as at and for the year ended 31 December 2014.

3. Segmental analysis

Operating segments

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance.

Geographical segments

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

Revenue by segment:	**Six months ended 30 June 2015 (Unaudited) $'000**	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
North America	**4,821**	4,592	9,414
Europe	**648**	288	1,376
Rest of the world	**200**	133	428
Total revenue	**5,669**	5,013	11,218

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

The Group has no customers representing individually over 10% of revenue (2014: Nil).

4. Exceptional items

Exceptional items comprise the following:	**Six months ended 30 June 2015 (Unaudited) $'000**	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Equity-settled share-based payment charge in relation to acquisitions			
- OhmData, Inc.	**474**	11	492
- AltoStor, Inc.	**150**	329	659
- TortoiseSVN.net	**87**	196	290
Exceptional items	**711**	536	1,441

5. Reconciliation of loss from operations to adjusted earnings before interest, taxation, depreciation and amortisation ("Adjusted EBITDA")

Reconciliation of loss from operations to Adjusted EBITDA:	**Six months ended 30 June 2015 (Unaudited) $'000**	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Loss from operations	**(17,813)**	(18,543)	(39,917)
Adjusted for:			
Amortisation and depreciation	**4,925**	3,707	8,550
Acquisition-related items	**-**	-	145
Exceptional items within operating expenses (see Note 4)	**711**	536	1,441
EBITDA before exceptional items	**(12,177)**	(14,300)	(29,781)
Equity-settled share-based payment (excluding exceptional item)	**2,959**	4,787	11,907
Adjusted EBITDA before exceptional items	**(9,218)**	(9,513)	(17,874)
Development expenditure capitalised	**(4,282)**	(4,206)	(9,040)

Adjusted EBITDA before exceptional items including development expenditure	**(13,500)**	(13,719)	(26,914)

6. Net finance income/(costs)

	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Interest receivable – bank	**73**	34	58
Exchange gain	**446**	-	526
Finance income	**519**	34	584
Unwind of discount on pledged shares	**(16)**	-	(16)
Exchange loss	**(343)**	(21)	-
Interest payable on bank borrowings	**(12)**	-	(2)
Bank charges	**(1)**	(15)	(9)
Amortisation of loan costs	**(67)**	-	-
Finance costs	**(439)**	(36)	(27)
Net finance income/(costs)	**80**	(2)	557

7. Taxation

	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Current tax expense			
Current period	**-**	-	478
Adjustment for prior years	**(72)**	-	575
Income tax	**(72)**	-	1,053

8. Loss per share

Basic loss per share

Basic loss per share is calculated based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Loss for the period attributable to ordinary shareholders	**17,805**	18,545	38,307

Weighted average number of ordinary shares	**Number of shares '000**	Number of shares '000	Number of shares '000
At the start of the period	**24,435**	23,693	23,693
Effect of shares issued in the period	**3,604**	48	325
Weighted average number of ordinary shares during the period	**28,039**	23,741	24,018

Basic loss per share	**$0.64**	$0.78	$1.59

8. Loss per share (continued)

Adjusted loss per share

Adjusted loss per share is calculated based on the loss attributable to ordinary shareholders before exceptional items, acquisition-related items and the cost of equity-settled share-based payment, and the weighted average number of ordinary shares outstanding:

Adjusted loss for the period:	**Six months ended 30 June 2015 (Unaudited) $'000**	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Loss for the period attributable to ordinary shareholders	**17,805**	18,545	38,307
Add back:			
Exceptional items	**(711)**	(536)	(1,441)
Acquisition-related items	**-**	-	(161)
Equity-settled share-based payment (excluding exceptional item)	**(2,959)**	(4,787)	(11,907)
Adjusted basic loss for the period	**14,135**	13,222	24,798
Adjusted loss per share	**$0.50**	$0.56	$1.03

Diluted loss per share

Due to the Group having losses in all periods presented, the fully diluted loss per share for disclosure purposes, as shown in the Condensed consolidated statement of profit and loss and other comprehensive income, is the same as for the basic loss per share.

9. Intangible assets

At 30 June 2015 (unaudited)	**Other Intangible assets $'000**	**Development costs $'000**	**Computer software $'000**	**Total $'000**
Cost				
At 1 January 2015	**3,154**	**22,787**	**1,189**	**27,130**
Additions – own work capitalised	**-**	**4,282**	**-**	**4,282**
Disposals	**-**	**-**	**(1,000)**	**(1,000)**
Effect of movement in exchange rates	**-**	**-**	**(20)**	**(20)**
At 30 June 2015	**3,154**	**27,069**	**169**	**30,392**
Amortisation				
At 1 January 2015	**(1,795)**	**(14,375)**	**(1,146)**	**(17,316)**
Amortisation charge for the period	**(549)**	**(4,199)**	**(11)**	**(4,759)**
Disposals	**-**	**-**	**1,000**	**1,000**
Effect of movement in exchange rates	**-**	**-**	**21**	**21**
At 30 June 2015	**(2,344)**	**(18,574)**	**(136)**	**(21,054)**
Net book value - At 30 June 2015	**810**	**8,495**	**33**	**9,338**

At 30 June 2014 (unaudited)				
Cost				
At 1 January 2014	2,308	13,747	1,030	17,085
Acquisitions through business combinations	846	-	-	846
Additions – externally purchased	-	-	98	98
Additions – own work capitalised	-	4,206	-	4,206
Effect of movement in exchange rates	-	-	(21)	(21)
At 30 June 2014	3,154	17,953	1,107	22,214
At 1 January 2014	(860)	(7,520)	(613)	(8,993)
Amortisation charge for the period	(383)	(2,932)	(258)	(3,573)

Effect of movement in exchange rates	-	-	34	34
At 30 June 2014	(1,243)	(10,452)	(837)	(12,532)
Net book value - At 30 June 2014	1,911	7,501	270	9,682

9. Intangible assets (continued)

The carrying amount of the intangible assets is allocated across cash-generating units ("CGUs"). A CGU is defined as the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The recoverable amount of the CGUs are determined using value in use ("VIU") calculations. As at 30 June 2015 the Group had one CGU, the DConE CGU. The Group's patented DConE replication technology forms the basis of the Group's products for the ALM market. This technology also underpins the enterprise-ready Apache-Hadoop products the Group has developed for the Big Data market.

Development costs are predominantly capitalised staff costs associated with new products and services. Development costs are allocated to the DConE CGU. There was no indication of impairment at either 30 June 2015, 30 June 2014 or 31 December 2014.

Other intangibles arose as part of the acquisitions of AltoStor, Inc. in November 2012 and OhmData, Inc. in June 2014. The intangibles arising as part of these acquisitions are allocated to the DConE CGU. The recoverable amount of which has been determined on a VIU basis as described above.

Software primarily relates to an item of software purchased from Syntevo GmBH for consideration of $1 million in September 2012. This software was fully amortised at 31 December 2014 and was disposed of on 20 February 2015 to SmartSVN GmbH for consideration of €1.

The above amortisation charge forms part of operating expenses in the Condensed consolidated statement of profit or loss.

10. Trade and other receivables

Due in more than a year:	**30 June 2015 (Unaudited) $'000**	30 June 2014 (Unaudited) $'000	31 December 2014 (Audited) $'000
Other receivables			
- Unbilled receivables	**5,150**	5,089	4,895
	5,150	5,089	4,895

Due within a year:	**30 June 2015 (Unaudited) $'000**	30 June 2014 (Unaudited) $'000	31 December 2014 (Audited) $'000
Trade receivables	**2,714**	2,340	4,440
Other receivables			
- Unbilled receivables	**3,418**	2,060	3,110
- Other receivables	**526**	348	556
Total other receivables	**3,944**	2,408	3,666
Corporation tax	**469**	-	1,056
Prepayments	**698**	586	395
	7,825	5,334	9,557

11. Deferred income

Deferred income represents contracted sales for which services to customers will be provided in future periods.

The movement on the deferred income balance is as follows:	**30 June 2015 (Unaudited) $'000**	30 June 2014 (Unaudited) $'000	31 December 2014 (Audited) $'000
At 1 January	**19,269**	13,124	13,124
Customer bookings	**4,351**	7,392	17,363
Released to revenue	**(5,669)**	(5,013)	(11,218)
At end of period	**17,951**	15,503	19,269

	30 June 2015	30 June 2014	31 December 2014

Deferred income which falls due:	(Unaudited) $'000	(Unaudited) $'000	(Audited) $'000
Within a year	**8,442**	7,141	8,477
In more than a year	**9,509**	8,362	10,792
	17,951	15,503	19,269

12. Share-based payment

WANdisco plc operates share option plans for qualifying employees of the Group. Options in the plans are settled in equity in the Company and are normally subject to a vesting schedule but not conditional on any performance criteria being achieved.

The terms and conditions of the share option grants are detailed in the Group annual financial statements for the year ended 31 December 2014.

Analysis of equity-settled share-based payment charge:	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
Total equity-settled share-based payment charge in relation to acquisitions (see Note 4)	**711**	536	1,441
Non-exceptional equity-settled share-based payment charge (see Note 5)	**2,959**	4,787	11,907
Total equity-settled share-based payment charge	**3,670**	5,323	13,348

Exceptional equity-settled share-based payment charge in relation to acquisitions:	Six months ended 30 June 2015 (Unaudited) $'000	Six months ended 30 June 2014 (Unaudited) $'000	Year ended 31 December 2014 (Audited) $'000
OhmData, Inc.	**474**	11	492
AltoStor, Inc.	**150**	329	659
TortoiseSVN.net	**87**	196	290
Total share-based payment charge	**711**	536	1,441
Number of restricted shares	**273,729**	456,790	331,483

As part of the acquisitions of OhmData, Inc. on 27 June 2014, AltoStor, Inc. in November 2012 and TortoiseSVN.net community website in June 2013 restricted shares in WANdisco plc were issued to former owners. These shares have been treated as contingent payments and have been accounted for under IFRS 2 "Share-based Payments" as employee benefit expenses.

Summary of share options outstanding

Number of share options outstanding:	Six months ended 30 June 2015 (Unaudited) Number	Six months ended 30 June 2014 (Unaudited) Number	Year ended 31 December 2014 (Audited) Number
Balance at the start of the period	**4,301,667**	3,305,201	3,305,201
Granted	**690,555**	655,000	1,878,561
Forfeited	**(486,773)**	(153,521)	(414,100)
Exercised	**(247,905)**	(281,165)	(467,995)
Balance at the end of the period	**4,257,544**	3,525,515	4,301,667
Exercisable at the end of the period	**1,502,271**	268,031	675,631
Vested at the end of the period	**1,645,074**	1,151,369	1,081,844

Weighted average exercise price for:	$	$	$
Shares granted	**0.93**	4.62	**3.25**
Shares forfeited	**7.90**	12.30	**11.06**

Options exercised	**0.19**	1.30	**0.99**
Exercise price in the range:			
From	**0.16**	0.16	**0.16**
To	**18.48**	22.37	**20.96**

	Years	Years	Years
Weighted average contractual life remaining	**6.1**	7.2	6.5

12. Share-based payment (continued)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Fair value assumptions:	**Six months ended 30 June 2015 (Unaudited)**	Six months ended 30 June 2014 (Unaudited)	Year ended 31 December 2014 (Audited)
Dividend yield	**0.00%**	0.00%	0.00%
Risk-free interest rate	**1.71%**	2.19%	2.28%
Stock price volatility	**30%**	30%	30%
Expected life (years)	**3.5**	3.6	4.9
Weighted average fair value of options granted during the period	**$3.73**	$7.09	$7.61

- The dividend yield is based on the Company's forecast dividend rate and the current market price of the underlying common stock at the date of grant.
- Expected life in years is determined from the average of the time between the date of grant and the date on which the options lapse.
- Expected volatility is based on the historical volatility of shares of listed companies with a similar profile to the Company.
- The risk-free interest rate is based on the treasury bond rates for the expected life of the option.

13. Contingent liabilities

The Group had no contingent liabilities at 30 June 2015 (30 June 2014: None, 31 December 2014: None).

14. Post-balance sheet events

There are no significant or disclosable post-balance sheet events.