3 August 2016

WANdisco plc

Unaudited results for the six months ended 30 June 2016

Operational and strategic highlights

Big Data

- 5 new customer wins, including our largest ever Big Data contract, bringing cumulative customer wins to 31 (31 December 2015: 26)
- 3 scale-up contract expansions or renewals with existing customers
- Sales bookings up 88% on 2015 H1
- Live customers increased to 14 (31 December 2015: 6)
- New IBM OEM sales partnership and launch of first IBM-branded WANdisco product; initial sales opportunities progressing well

Application Lifecycle Management ("ALM")

- Sales bookings up 12% on 2015 H1
- Several large contracts secured with key new ALM customers, bringing an increase in average contract size
- Increased profit (excluding central overheads)

Financial highlights

- Sales bookings 36% ahead of last year at $5.9m (2015 H1: $4.4m)
- Revenue $5.6m (2015 H1: $5.7m), not yet reflecting recent improvement in sales bookings
- Cash overheads[1] reduced to $12.9m (2015 H1: $18.8m)
- Adjusted EBITDA[2] loss narrowed to $4.5m (2015 H1: $9.2m loss)
- Loss after tax narrowed to $5.4m (2015 H1: $17.8m loss), including $4.4m currency gain
- Net debt $2.8m at 30 June 2016 (31 December 2015: $2.6m net cash)
- New equity funding, after the period end, of $14.3m (net of fees)

[1] *Operating costs, excluding cost of sales and including capitalised product development costs*

[2] *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 product has evolved to enable data in the cloud, and we have seen increasing evidence of our strategic opportunity, with a range of partners, to be a key part of the infrastructure powering cloud and hybrid cloud data platforms. Our ability to access the most advanced global Big Data customers has been significantly advanced by our new IBM OEM sales agreement and IBM's launch of its first embedded WANdisco product.

We have continued to deploy our *Fusion* Big Data product with large and sophisticated customers. We have seen growth in our customer base, accelerating go-lives and more customers scaling up.

In our ALM business, I am pleased that the increase in sales bookings in the second half of last year have been maintained into this year, although I see room for improvement.

With reduced costs and new equity funding secured, we expect during the second half of this year to accelerate our progress towards cash flow break-even."

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

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About WANdisco plc

WANdisco (LSE: WAND) is a provider of enterprise-ready, non-stop software solutions that enable globally distributed organizations to meet today's data challenges of secure storage, scalability and continuous availability across on-premise, cloud and hybrid environments. 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, 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

WANdisco has demonstrated a strengthening market position in Big Data and Cloud Computing, evidenced by further customer wins, more live operational implementations of WANdisco software, and by accelerating partnership activities, most notably with IBM.

In our longer-established ALM business, we have benefited from a balanced mix of sales between new customers, renewing customers and existing customers expanding their contracts. Our sales reflect a mix of industries in which our customers operate, and a mix of software development environments.

We continue to look for opportunities to reduce costs. Having removed significant costs in 2015, enabled both by the simplicity and openness of the *Fusion* product and by focusing more on partner sales channels as opposed to direct sales, we have further reduced costs this year.

Big Data

Data storage and analytics environments are increasingly diversified between open source Hadoop and other new platforms, including cloud infrastructure, provided by leading global technology vendors such as Amazon, IBM, Microsoft, Oracle and Google. We have increased our focus on these key partners, bringing each of them a critical component that completes an enterprise-grade data platform. Our *Fusion* product replicates data to the cloud, meeting customers' requirements to migrate data onto new platforms without interruption to data processing, to back up data, and to synchronise active data between different locations and operations.

We added 5 new customers in financial services, government, consumer products and telecommunications. Our cumulative contract wins have reached a total of 31. Their business requirements combine regulatory compliance, customer analysis and storage cost efficiencies. Sales bookings were 88% higher than the prior year period and included our largest Big Data subscription to date.

On 28 April 2016 WANdisco announced a new OEM sales partnership with IBM, under which *Fusion* will be incorporated into IBM's data and analytics platform, with WANdisco receiving royalties once sales start to flow. IBM has funded our work to integrate with its platform. IBM has since launched *Fusion* as *IBM BigReplicate* and approximately 5,000 IBM sales employees are incentivised on selling the product. Initial sales opportunities, including cloud migration use cases, are progressing well.

All of our Big Data customers have intentions to scale up significantly their WANdisco solutions as they take more data into mission-critical applications. After a number of go-lives in the first half, 14 of our Big Data customers are now in live production, putting us in a position to expand and extend their subscriptions for ongoing and greater data usage. In the first half we secured three scaled-up or renewed contracts with existing customers.

ALM

We continue to see strong potential in the source code management segment of the ALM market on which we focus. Customers continue to adopt open source software for collaborative and co-ordinated software development at scale. As software development continues to become more geographically and organisationally distributed, our replication product helps meet the challenges of control and efficiency, both amongst software vendors and in industry more generally.

We have continued to focus on new customers in a range of industries, as well as up-selling and renewals for our installed base of over 200 customers. We added some large new customers – some of them establishing common software development platforms for the first time, others moving away from legacy vendors' platforms. Our renewing and expanding customers are consolidating their operations, modernising their approaches to resilience and authorisation, and increasing their users and locations.

Sales bookings in this period were 12% higher than the prior year period, but we see room for improvement and we are seeking further growth.

Directorate change

As previously announced on 10 June 2016, Paul Harrison, CFO, is leaving the Company at the end of September 2016. The process for securing Paul's replacement is underway. Further announcements will be made as and when appropriate.

Brexit
The UK's decision to leave the European Union has created economic uncertainty. Whilst the majority of our revenues originate outside of the European Union and there was no discernable impact on our first half results, we continue to evaluate potential future effects on our business.

FINANCIAL REVIEW
Revenue for the six months ended 30 June 2016 was $5.6m (2015 H1: $5.7m). Sales bookings, from initial and expanded contracts, of $5.9m were significantly higher than in the prior year period (2015 H1: $4.4m). This growth will have a positive impact on revenue during the rest of this year, as deferred revenue from the new bookings is released into revenue.

Deferred revenue (including unbilled receivables) from sales booked in the current and prior year periods, and not yet recognised as revenue, was $16.3m at 30 June 2016 (31 December 2015: $16.2m).

Strong cost control, with cash overheads materially below the prior year, resulted in the adjusted EBITDA loss narrowing to $4.5m (2015: $9.2m).

Big Data
Sales bookings were $2.6m, a significant increase on the prior year period (2015 H1: $1.4m). Sales were from a mixture of new, renewing and expanding customers, demonstrating the emergence of a balanced software licence revenue model as our customer base expands and existing customers make greater use of our product.

Sales bookings included the funding from IBM for the completion of integration between *Fusion* and IBM's Big Data products.

Big Data revenues were $1.4m, showing significant growth on the prior year period (2015 H1: $0.8m).

Our implementations have continued to accelerate, with 14 of our Big Data customers now live. Some of these live customers have already expanded their subscription contracts and we expect others to do so over time.

ALM
Sales bookings improved on the prior year period, to $3.3m (2015 H1: $3.0m). ALM revenue was $4.2m (2015 H1: $4.9m), impacted, as previously reported, by the weakness in sales bookings during the middle of last year. Improved sales bookings will benefit revenue during the rest of this year.

New customers during the period came from a range of business sectors including finance, application development, telecommunications networks and manufacturing. Add-ons for existing customers have included a large user expansion at a global bank. Renewals contributed a substantial proportion of sales bookings, including significant renewals from an engineering company and a global IT services business.

With its operating scale, product maturity and revenue base, the business, having made its first profit in 2015 (before central overheads), increased its profit for the first half of 2016.

Operating costs
We entered 2016 with a substantially reduced operating cost base, following cost actions taken in 2015. Cost reductions have continued to be applied this year. Cash overheads of $12.9m (excluding cost of sales and including capitalised product development costs) were below the prior year period (2015 H1: $18.8m). Reductions were achieved principally from more efficient product development and from an increasing focus on partner sales channels to complement direct sales.

Included in cash overheads is capitalised product development expenditure on new product features, which reduced to $3.2m (2015 H1: $4.3m). A progressive rearchitecting of the *Fusion* product has enabled more efficient product development, delivering frequent product releases using fewer resources. Our headcount was 125 as at 30 June 2016 (31 December 2015: 143). Headcount reductions in the year resulted from efficiencies in sales and marketing, and in product engineering.

Profit and loss
The adjusted EBITDA loss for the period (excluding equity-settled share-based payment, capitalised product development costs, acquisition-related items and exceptional items) was $4.5m (2015 H1: $9.2m loss).

The loss after tax for the period narrowed to $5.4m (2015 H1: $17.8m), as a result of the reduced loss from operations and exceptional finance income of $4.4m arising from the retranslation of intercompany balances at 30 June 2016, reflecting the post-Brexit depreciation of sterling against the US dollar.

Balance sheet and cash flow
Trade and other receivables at 30 June 2016 were $4.3m (31 December 2015: $6.7m). This includes $2.4m of trade receivables (31 December 2015: $3.5m) and $1.9m related to non-trade receivables (31 December 2015: $3.2m). In addition to this, receivables not billed by the end of the period were $7.2m (31 December 2015: $6.5m), the increase reflecting new multi-year contracts.

Net debt was $2.8m at 30 June 2016 (31 December 2015: $2.6m net cash). Our net consumption of cash was lower than in the prior year period, as a result of reductions in cash overheads. We retain a revolving credit facility with HSBC Bank plc, the first drawings on which were made during the first half.

After the period end, we raised $14.3m (net of fees) from an issue of new equity to existing and new shareholders, announced on 10 June 2016, and approved by shareholders in an Extraordinary General Meeting on 5 July 2016. Certain of the newly issued shares are subject to some restrictions on resale to US retail investors, for a 12-month period from issue.

With strong cash collection, benefiting from subscription payments in advance of revenue recognition, and additional cost reductions so far in 2016, we have progressed further towards cash flow break-even.

OUTLOOK

Our product has evolved to enable data in the cloud, and we have seen increasing evidence of our strategic opportunity, with a range of partners, to be a key part of the infrastructure powering cloud and hybrid cloud data platforms. Our ability to access the most advanced global Big Data customers has been significantly advanced by our new IBM OEM sales agreement and IBM's launch of its first embedded WANdisco product.

We have continued to deploy our *Fusion* Big Data product with large and sophisticated customers. We have seen growth in our customer base, accelerating go-lives and more customers scaling up.

In our ALM business, I am pleased that the increase in sales bookings in the second half of last year have been maintained into this year, although I see room for improvement.

With reduced costs and new equity funding secured, we expect during the second half of this year to accelerate our progress towards cash flow break-even.

Condensed consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2016

		Six months ended 30 June 2016 (Unaudited)			Six months ended 30 June 2015 (Unaudited)			Year ended 31 December 2015 (Audited)		
		Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total
Continuing operations	Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	3	**5,637**	**-**	**5,637**	5,669	-	5,669	10,994	-	10,994
Cost of sales		**(411)**	**-**	**(411)**	(387)	-	(387)	(749)	-	(749)
Gross profit		**5,226**	**-**	**5,226**	5,282	-	5,282	10,245	-	10,245
Operating expenses	4	**(14,919)**	**(32)**	**(14,951)**	(22,384)	(711)	(23,095)	(40,160)	(614)	(40,774)
Loss from operations	5	**(9,693)**	**(32)**	**(9,725)**	(17,102)	(711)	(17,813)	(29,915)	(614)	(30,529)
Finance income	6	**1**	**4,412**	**4,413**	519	-	519	59	-	59
Finance costs	6	**(104)**	**-**	**(104)**	(439)	-	(439)	(565)	-	(565)
Net finance income/(costs)	6	**(103)**	**4,412**	**4,309**	80	-	80	(506)	-	(506)
Loss before tax		**(9,796)**	**4,380**	**(5,416)**	(17,022)	(711)	(17,733)	(30,421)	(614)	(31,035)
Income tax	7	**(33)**	**-**	**(33)**	(72)	-	(72)	1,129	-	1,129
Loss for the period		**(9,829)**	**4,380**	**(5,449)**	(17,094)	(711)	(17,805)	(29,292)	(614)	(29,906)
Other comprehensive income										
Items that are or may be reclassified to profit or loss:										
Foreign operations – foreign currency translation differences		**223**	**(4,412)**	**(4,189)**	(111)	-	(111)	55	-	55
Other comprehensive income for the period, net of tax		**223**	**(4,412)**	**(4,189)**	(111)	-	(111)	55	-	55
Total comprehensive income for the period		**(9,606)**	**(32)**	**(9,638)**	(17,205)	(711)	(17,916)	(29,237)	(614)	(29,851)
Loss per share										
Basic and diluted	8			**$0.18**			$0.64			$1.04

The notes on pages 10 to 17 form an integral part of this condensed consolidated half yearly financial report.

Condensed consolidated balance sheet

as at 30 June 2016

	Notes	**30 June 2016 (Unaudited) $'000**	Re-presented (Note 2) 30 June 2015 (Unaudited) $'000	31 December 2015 (Audited) $'000
Assets				
Intangible assets	9	**7,445**	9,338	8,583
Property, plant and equipment		**176**	326	230
Non-current assets		**7,621**	9,664	8,813
Trade and other receivables	10	**4,312**	4,407	6,728
Cash and cash equivalents		**1,054**	15,205	2,555
Current assets		**5,366**	19,612	9,283
Total assets		**12,987**	29,276	18,096
Liabilities				
Borrowings – 3rd party debt	11	**(3,827)**	-	-
Trade and other payables		**(3,241)**	(3,349)	(2,714)
Deferred income	12	**(4,336)**	(5,024)	(6,060)
Deferred government grant		**(25)**	(35)	(28)
Current tax liabilities		**-**	-	-
Current liabilities		**(11,429)**	(8,408)	(8,802)
Deferred income	12	**(4,690)**	(4,359)	(3,697)
Deferred tax liabilities		**(4)**	(5)	(5)
Non-current liabilities		**(4,694)**	(4,364)	(3,702)
Total liabilities		**(16,123)**	(12,772)	(12,504)
Net (liabilities)/assets		**(3,136)**	16,504	5,592
Equity				
Share capital		**4,723**	4,655	4,667
Share premium		**81,823**	81,964	81,974
Translation reserve		**(4,436)**	(413)	(247)
Merger reserve		**1,247**	1,247	1,247
Retained earnings		**(86,493)**	(70,949)	(82,049)
Total equity		**(3,136)**	16,504	5,592

The notes on pages 10 to 17 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 2016

Six months ended 30 June 2016 (Unaudited)	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2016	**4,667**	**81,974**	**(247)**	**1,247**	**(82,049)**	**5,592**
Total comprehensive income for the period						
Loss for the period	**-**	**-**	**-**	**-**	**(5,449)**	**(5,449)**
Other comprehensive income	**-**	**-**	**(4,189)**	**-**	**-**	**(4,189)**
Total comprehensive income for the period	**-**	**-**	**(4,189)**	**-**	**(5,449)**	**(9,638)**
Transactions with owners of the Company						
Contributions and distributions						
Equity-settled share-based payment	**-**	**-**	**-**	**-**	**844**	**844**
Share issue cost reclassification	**-**	**(161)**	**-**	**-**	**161**	**-**
Share options exercised	**56**	**10**	**-**	**-**	**-**	**66**
Total transactions with owners of the Company	**56**	**(151)**	**-**	**-**	**1,005**	**910**
Balance at 30 June 2016	**4,723**	**81,823**	**(4,436)**	**1,247**	**(86,493)**	**(3,136)**

Six months ended 30 June 2015 (Unaudited)	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total Equity $'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

The notes on pages 10 to 17 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 2016

	Six months ended 30 June 2016 (Unaudited) $'000	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Cash flows from operating activities			
Loss for the period	**(5,449)**	(17,805)	(29,906)
Adjustments for:			
- Depreciation of property, plant and equipment	**96**	166	270
- Amortisation of intangible assets	**4,291**	4,759	9,600
- Net finance costs	**102**	23	133
- Income tax	**33**	72	(1,129)
- Foreign exchange	**(4,040)**	(127)	42
- Equity-settled share-based payment	**844**	3,670	4,671
	(4,123)	(9,242)	(16,319)
Changes in:			
- Trade and other receivables	**1,594**	823	275
- Trade and other payables	**557**	154	(432)
- Deferred income	**(731)**	(1,318)	(1,507)
- Deferred government grant	**(1)**	(46)	(49)
Net working capital change	**1,419**	(387)	(1,713)
Cash used in operating activities	**(2,704)**	(9,629)	(18,032)
Interest paid	**(46)**	(13)	(192)
Income tax received	**719**	513	552
Net cash used in operating activities	**(2,031)**	(9,129)	(17,672)
Cash flows from investing activities			
Purchase of property, plant and equipment and computer software	**(42)**	(83)	(95)
Development expenditure	**(3,153)**	(4,282)	(8,369)
Interest received	**1**	73	59
Net cash used in investing activities	**(3,194)**	(4,292)	(8,405)
Cash flows from financing activities			
Net proceeds from share issues	**(95)**	26,153	26,175
Draw-down of 3rd party debt	**3,827**	-	-
Payment of finance lease liabilities	**-**	(8)	(8)
Net cash from financing activities	**3,732**	26,145	26,167
Net (decrease)/increase in cash and cash equivalents	**(1,493)**	12,724	90
Cash and cash equivalents at the start of the period	**2,555**	2,481	2,481
Effect of movements in exchange rates on cash and cash equivalents	**(8)**	-	(16)
Cash and cash equivalents at the end of the period	**1,054**	15,205	2,555

The notes on pages 10 to 17 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 2016

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 2016 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 2015.

These half yearly financial statements were authorised for issue by the Company’s Board of Directors on 22 July 2016.

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 2015. 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 2015.

There are no new standards or amendments to standards that are effective for the first time for the financial year beginning 1 January 2016, that have had a material impact on the half yearly financial statements.

Going concern

As at 30 June 2016 the Group had net liabilities of $3.1m (30 June 2015: net assets $16.5m; 31 December 2015: net assets $5.6m) as set out in the Condensed consolidated balance sheet above. After the period end, the Company raised $14.3m (net of fees) from an issue of new equity to existing and new shareholders, announced on 10 June 2016, and approved by shareholders in an Extraordinary General Meeting on 5 July 2016. Subsequent to this new funding, the Group is in a net cash and net asset position. 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 dollars. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

Use of judgements and estimates

The preparation of financial information in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 2015.

Prior period re-presentation

The Balance sheet at 30 June 2015 has been re-presented to offset unbilled receivables (previously included in trade and other receivables) against the deferred revenue balance. This had $nil impact on net assets. The re-presentation was made to improve the clarity of our statutory reporting. A reconciliation to the gross position is shown in note 10.

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	**Six months ended 30 June 2016 (Unaudited) $'000**	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
North America	**3,720**	4,821	7,255
Europe	**1,529**	648	2,983
Rest of the world	**388**	200	756
	5,637	5,669	10,994

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 (2015: Nil).

The Group's core patented technology, Distributed Co-ordinated Engine "DConE", enables the replication of data. The Group has developed software based on this technology which is applied into two key markets being the Big Data and Source Code Management ("ALM") markets:

Revenue	**Six months ended 30 June 2016 (Unaudited) $'000**	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
ALM	**4,231**	4,859	9,158
Big Data	**1,406**	810	1,836
	5,637	5,669	10,994

4. Exceptional items

Exceptional items comprise the following:	Notes	**Six months ended 30 June 2016 (Unaudited) $'000**	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Exchange gain on intercompany balances	6	**4,412**	-	-
Equity-settled share-based payment charge in relation to acquisitions				
- OhmData, Inc.	13	**-**	(474)	(241)
- AltoStor, Inc.	13	**-**	(150)	(249)
- TortoiseSVN.net	13	**(32)**	(87)	(124)
		(32)	(711)	(614)
Total exceptional items		**4,380**	(711)	(614)

The exceptional gain arose on Sterling denominated intercompany balances. These balances were retranslated at the closing exchange rate at 30 June 2016 which was 1.34 a 10% reduction compared to the rate of 1.48 at 31 December 2015. Sterling to US$ exchange rates declined following the Brexit vote on 23 June 2016. Due to the size and nature of the exchange gain, it has been included as an exceptional item.

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:	Notes	**Six months ended 30 June 2016 (Unaudited) $'000**	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Loss from operations		**(9,725)**	(17,813)	(30,529)
Adjusted for:				
Amortisation and depreciation		**4,387**	4,925	9,870
Exceptional items within operating expenses	4	**32**	711	614
EBITDA before exceptional items		**(5,306)**	(12,177)	(20,045)
Equity-settled share-based payment (excluding exceptional item)	13	**812**	2,959	4,057
Adjusted EBITDA before exceptional items		**(4,494)**	(9,218)	(15,988)
Development expenditure capitalised	9	**(3,153)**	(4,282)	(8,369)
Adjusted EBITDA before exceptional items including development expenditure		**(7,647)**	(13,500)	(24,357)

6. Net finance income/(costs)

	Notes	**Six months ended 30 June 2016 (Unaudited) $'000**	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Interest receivable – bank		**1**	73	59
Exchange gain on intercompany balances	4	**4,412**	446	-
Finance income		**4,413**	519	59
Unwind of discount on pledged shares		**-**	(16)	(16)
Exchange loss on intercompany balances		**(1)**	(343)	(373)
Interest payable on bank borrowings		**(46)**	(12)	(48)
Bank charges		**-**	(1)	-
Loan amortisation costs		**(57)**	(67)	(128)
Finance costs		**(104)**	(439)	(565)
Net finance income/(costs)		**4,309**	80	(506)

7. Income tax

	Six months ended 30 June 2016 (Unaudited) $'000	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Current tax expense			
Current period	**-**	-	739
Adjustment for prior years	**(33)**	(72)	390
Total tax (charge)/credit	**(33)**	(72)	1,129

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 2016 (Unaudited) $'000	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Loss for the period attributable to ordinary shareholders	**5,449**	17,805	29,906
Weighted average number of ordinary shares	**Number of shares '000**	Number of shares '000	Number of shares '000
At the start of the period	**28,783**	24,435	24,018
Effect of shares issued in the period	**996**	3,604	4,765
Weighted average number of ordinary shares during the period	**29,779**	28,039	28,783
Basic loss per share	**$0.18**	$0.64	$1.04

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:	Notes	Six months ended 30 June 2016 (Unaudited) $'000	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
Loss for the period attributable to ordinary shareholders		**5,449**	17,805	29,906
Add back:				
Exceptional items	4	**4,380**	(711)	(614)
Acquisition-related items		**-**	-	(16)
Equity-settled share-based payment (excluding exceptional item)	13	**(812)**	(2,959)	(4,057)
Adjusted basic loss for the period		**9,017**	14,135	25,219
Adjusted loss per share		**$0.30**	$0.50	$0.88

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 2016 (Unaudited)	Other intangible assets $'000	Development costs $'000	Computer software $'000	Total $'000
Cost				
At 1 January 2016	**3,154**	**31,156**	**189**	**34,499**
Additions – own work capitalised	**-**	**3,153**	**-**	**3,153**
At 30 June 2016	**3,154**	**34,309**	**189**	**37,652**
Amortisation				
At 1 January 2016	**(2,804)**	**(22,923)**	**(189)**	**(25,916)**
Amortisation charge for the period	**(169)**	**(4,122)**	**-**	**(4,291)**
At 30 June 2016	**(2,973)**	**(27,045)**	**(189)**	**(30,207)**
Net book value - At 30 June 2016	**181**	**7,264**	**-**	**7,445**

At 30 June 2015 (Unaudited)				
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

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 2016 the Group had one CGU, the DConE CGU, which represents the Group's patented DConE replication technology, forming the basis of products for both the ALM and Big Data markets, including the new *Fusion* platform that was launched during 2015.

Other intangible assets arose as part of the acquisitions of OhmData, Inc. in June 2014 and AltoStor, Inc. in November 2012. The intangibles arising as part of these acquisitions are allocated to the DConE CGU. The recoverable amount of the DConE CGU has been calculated on a VIU basis at both 30 June 2016 and 31 December 2015. These calculations use cash flow projections based on financial forecasts, which anticipate growth in the Group's installed base along with new customer growth along with stable cost base, and appropriate long-term growth rates. To prepare VIU calculations, the cash flow forecasts are discounted back to present value using a pre-tax discount rate of 10% (2015: 10%) and a terminal value growth rate of 2% from 2021. The Directors have reviewed the recoverable amount of the CGU and do not consider there to be any indication of impairment.

Development costs are predominantly capitalised staff costs associated with new products and services. Development costs are allocated to the DConE CGU, the recoverable amount of which has been determined on a VIU basis as described above.

In February 2015 WANdisco International Limited sold software to SyntevoGmbH for consideration of €1. This software became fully amortised during the year ended 31 December 2014 so there was no material profit/(loss) on disposal.

The amortisation charge on intangible assets is included in operating expenses in the Condensed consolidated statement of profit and loss and other comprehensive income.

10. Trade and other receivables

Due within a year:	Notes	**30 June 2016 (Unaudited) $'000**	Re-presented (Note 2) 30 June 2015 (Unaudited) $'000	31 December 2015 (Audited) $'000
Trade receivables		**2,392**	2,714	3,538
Other receivables				
- Unbilled receivables ($3.0m is due in more than one year (2015: $2.8m))		**7,247**	8,568	6,482
- Other receivables		**565**	526	1,061
Less: Unbilled receivables deferred ($3.0m is due in more than one year (2015: $2.8m))	12	**(7,247)**	(8,568)	(6,482)
Total other receivables		**565**	526	1,061
Corporation tax		**879**	469	1,631
Prepayments		**476**	698	498
Total trade and other receivables		**4,312**	4,407	6,728

11. Borrowings

	30 June 2016 (Unaudited) $'000	30 June 2015 (Unaudited) $'000	31 December 2015 (Audited) $'000
Bank loans – unsecured	**3,827**	-	-
Total borrowings	**3,827**	-	-

The bank loans are drawings under the multi-currency revolving credit facility of $10m (2015: $10m), expiring on 30 June 2017, which consists both of $750,000 (2015: nil) and $3,077,000 (£2,300,000) (2015: nil) tranches.

Following the equity raise announced on 10 June 2016 all drawings under the revolving credit facility were repaid.

12. Deferred income

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

Deferred income which falls due:	Notes	**30 June 2016 (Unaudited) $'000**	Re-presented (Note 2) 30 June 2015 (Unaudited) $'000	31 December 2015 (Audited) $'000
Within a year		**4,336**	5,024	6,060
In more than a year		**4,690**	4,359	3,697
Unbilled receivables deferred ($3.0m is due in more than one year (2015: $2.8m))		**7,247**	8,568	6,482
Deferred income (including unbilled receivables)		**16,273**	17,951	16,239
Less: Unbilled receivables deferred	10	**(7,247)**	(8,568)	(6,482)
Total deferred income		**9,026**	9,383	9,757

13. 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 2015.

Analysis of equity-settled share-based payment charge:	Notes	Six months ended 30 June 2016 (Unaudited) $'000	Six months ended 30 June 2015 (Unaudited) $'000	Year ended 31 December 2015 (Audited) $'000
OhmData, Inc.		-	474	241
AltoStor, Inc.		-	150	249
TortoiseSVN.net		**32**	87	124
Total equity-settled share-based payment charge in relation to acquisitions	4	**32**	711	614
Non-exceptional equity-settled share-based payment charge	5	**812**	2,959	4,057
Total equity-settled share-based payment charge		**844**	3,670	4,671

	Six months ended 30 June 2016 (Unaudited)	Six months ended 30 June 2015 (Unaudited)	Year ended 31 December 2015 (Audited)
Number of restricted shares	-	273,729	41,990

As part of the acquisitions of OhmData, Inc. in June 2014, AltoStor, Inc. in November 2012 and TortoiseSVN.net community website in June 2013, restricted shares were issued to the former owners of the business for OhmData, Inc. and AltoStor, Inc. and the lead developer of the website for TortoiseSVN.net community website. These shares were treated as contingent payments and have been accounted for under IFRS 2 "Share-based Payment" rather than as part of the acquisition consideration under IFRS 3 "Business Combinations".

Summary of share options outstanding

Number of share options outstanding:	Six months ended 30 June 2016 (Unaudited) Number	Six months ended 30 June 2015 (Unaudited) Number	Year ended 31 December 2015 (Audited) Number
Balance at the start of the period	**4,437,995**	4,301,667	4,301,667
Granted	**460,000**	690,555	1,550,927
Forfeited	**(362,782)**	(486,773)	(1,086,309)
Exercised	**(408,139)**	(247,905)	(328,290)
Balance at the end of the period	**4,127,074**	4,257,544	4,437,995
Exercisable at the end of the period	**2,182,796**	1,502,271	1,435,100
Vested at the end of the period	**2,182,796**	1,645,074	1,856,870

Weighted average exercise price for:	$	$	$
Shares granted	**0.65**	0.93	0.69
Shares forfeited	**5.30**	7.90	6.75
Options exercised	**0.16**	0.19	0.19
Exercise price in the range:			
From	**0.14**	0.16	0.15
To	**20.39**	18.48	18.19

	Years	Years	Years
Weighted average contractual life remaining	**6.2**	6.1	6.2

13. 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 2016 (Unaudited)**	Six months ended 30 June 2015 (Unaudited)	Year ended 31 December 2015 (Audited)
Dividend yield	**0.00%**	0.00%	0.00%
Risk-free interest rate	**1.16%**	1.71%	1.53%
Stock price volatility	**30%**	30%	30%
Expected life (years)	**3.5**	3.5	3.8
Weighted average fair value of options granted during the period	**$1.88**	$3.73	$2.76

- 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.

14. Contingent liabilities

The Group had no contingent liabilities at 30 June 2016 (30 June 2015: None, 31 December 2015: None).

15. Post-balance sheet events

After the period end, the Company raised $14.3m (net of fees) from an issue of new equity to existing and new shareholders, announced on 10 June 2016, and approved by shareholders in an Extraordinary General Meeting on 5 July 2016. Subsequent to this new funding, the Group is in a net cash and net asset position.