

# EXHIBIT E

# Autonomy Corporation plc

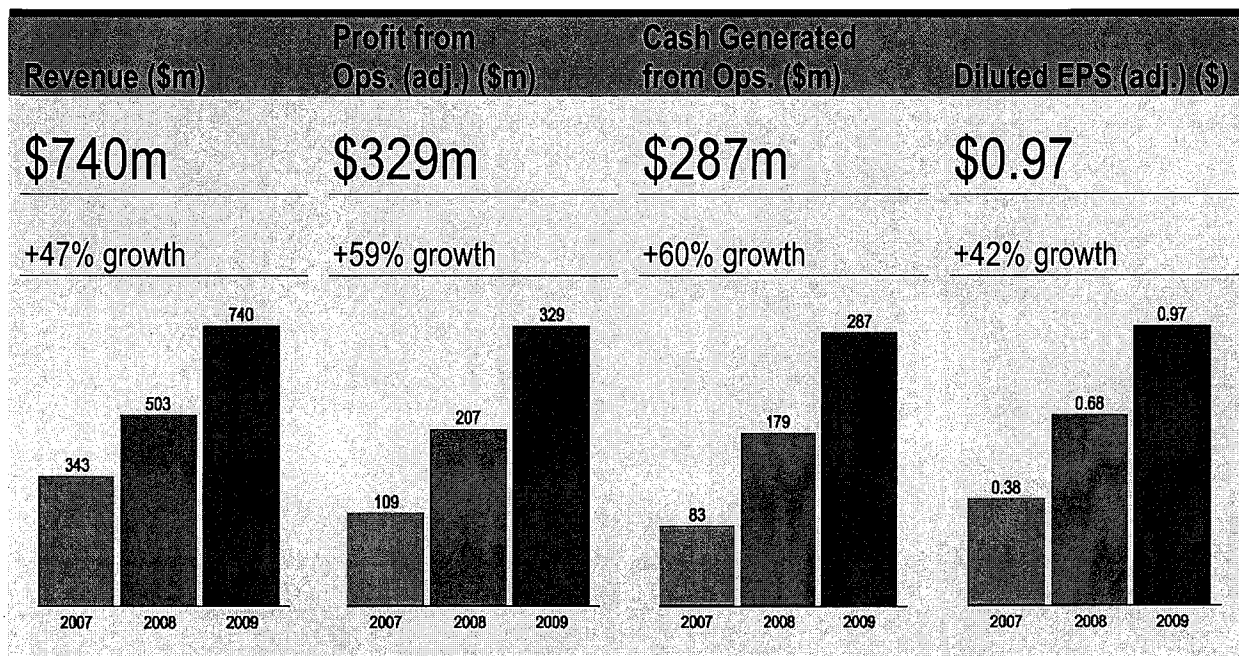
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**Annual Report and Accounts**  
For the year ended 31 December 2009

Registered Number: 03175909



# Performance at a Glance



2009 Highlights	Recent Operating Highlights
<ul style="list-style-type: none"> <li>Revenue growth of 47%</li> </ul>	<ul style="list-style-type: none"> <li>Revenue CAGR of 63% over last five years</li> </ul>
<ul style="list-style-type: none"> <li>Operating profit (adj.) growth of 59%</li> </ul>	<ul style="list-style-type: none"> <li>Share price at five year high</li> </ul>
<ul style="list-style-type: none"> <li>Net profit (adj.) growth of 57%</li> </ul>	<ul style="list-style-type: none"> <li>Fully diluted EPS (adj.) CAGR of 73% over 5 years</li> </ul>
<ul style="list-style-type: none"> <li>Launch of IDOL SPE, Arcpliance, ICE, IDOL Social Media and Interwoven product range built on IDOL</li> </ul>	<ul style="list-style-type: none"> <li>"Biggest Contribution to Business Technology," UK IT Industry Awards 2009</li> </ul>
<ul style="list-style-type: none"> <li>Fully-diluted EPS (adj.) growth of 42% (IFRS: 31%)</li> </ul>	<ul style="list-style-type: none"> <li>Amongst Highest Operating Margins in the FTSE100 at c. 45%</li> </ul>
<ul style="list-style-type: none"> <li>R&amp;D investment up 26%</li> </ul>	<ul style="list-style-type: none"> <li>900% share price growth over last five years</li> </ul>
<ul style="list-style-type: none"> <li>Cash generated from operations of \$287 million (2008: \$179 million)</li> </ul>	<ul style="list-style-type: none"> <li>Acknowledged as "the leader in cloud computing" and the "hottest enterprise software company"</li> </ul>
<ul style="list-style-type: none"> <li>Cash balance of \$243 million at year end and no net debt</li> </ul>	<ul style="list-style-type: none"> <li>27 consecutive quarters of year-on-year revenue growth</li> </ul>
<ul style="list-style-type: none"> <li>Record full year operating margins (adj.) at 44%</li> </ul>	<ul style="list-style-type: none"> <li>Best performing FTSE 100 stock since 2004</li> </ul>
<ul style="list-style-type: none"> <li>Acquired Interwoven, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Britain's Most Admired Software Company Award</li> </ul>
<ul style="list-style-type: none"> <li>Winner of Her Majesty the Queen's Award for Enterprise 2009</li> </ul>	<ul style="list-style-type: none"> <li>Cemented position as industry leader, with the largest market share and fastest growth</li> </ul>

Autonomy, a global leader in infrastructure software for the enterprise, 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, such as text, email, web pages, voice or video. Autonomy's software powers the full spectrum of mission-critical enterprise applications including pan-enterprise search, customer interaction solutions, information governance, end-to-end eDiscovery, records management, archiving, business process management, web content management, web optimization, rich media management and video and audio analysis.

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## Chairman's Statement

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"Autonomy takes nothing for granted, but its management team is knowledgeable and has strength in depth; the employees are motivated and the product is world class. It is on this footing that we approach 2010."



"Autonomy was founded in Cambridge in 1996, and is a real success story. Its core Intelligent Data Operating Layer (IDOL) technology continues to be the software solution of choice for more than 20,000 valuable customers in nearly every country in the world.

As the company share price has risen (more than 900% over the last five years) and as its profits have grown, so has the attention paid to it by a world outside the software realm. This is only to be expected for a company which has been the best performing FTSE stock since 2004, and one with gross profit margins of about 90% and operating profit margins of about 45%.

When I became Chairman a few months ago in May 2009, it was in recognition by the Board of the need to conserve such a successful formula but also to make some changes to reflect the high profile which such success must rightly attract. The Board is in the course of appointing two new, independent non-executive directors, one with extensive financial and management expertise and the other with the academic background necessary to understand, and enjoy, the mathematical formulae on which the success of Autonomy's IDOL infrastructure and its satellite brands are based. The Board has also altered the Remuneration Policy. Autonomy operates in the realm of pure software, where precise UK-based comparators are difficult to find. Although only two executives are materially affected, the company has the lowest paid management team in the FTSE 100, despite the top level performance. At the same time we are putting great efforts into increasing, as this Annual Report will itself demonstrate, the level of narrative and general disclosure given by the company.

The business model is essentially simple, as is the structure of the company. It generates, partly because of that simplicity, higher levels of profitability and cash conversion than many of the world's largest technology companies.

Autonomy is a young company, and the young face the future with confidence. Dr. Mike Lynch, the CEO, was named 'Entrepreneur of the Year' in 2009. He and the management team are to be congratulated on 27 consecutive quarters of year-on-year revenue growth, an unbroken history of profitability going back to the turn of the millennium, and on the success of the company to date.

Autonomy takes nothing for granted, but its management team is knowledgeable and has strength in depth; the employees are motivated and the product is world class. It is on this footing that we approach 2010.

On behalf of the Board, I would like to thank everyone at Autonomy for their tremendous efforts during the past year. The strength of Autonomy's success can be seen in its people, all of whom have had to deal with difficult markets and new challenges over the past year, and have delivered very well on behalf of our shareholders."

A handwritten signature in black ink, which appears to read "Robert Webb". The signature is fluid and cursive.

Robert S. Webb QC  
Chairman  
22 February 2010

# Chief Executive's Review

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“Once again in 2009 Autonomy stood amongst the proud few as having excelled in an otherwise tumultuous year for the global economy and the software industry. We begin 2010 with the strongest Meaning Based Computing portfolio in the industry and an ever-expanding understanding in the market of the challenges associated with unstructured information. With our unmatched product portfolio, scale and vision, we look forward to the challenges to be presented in 2010 regardless of the environment.”



## Dear Autonomy Investor,

“Once again in 2009 Autonomy stood amongst the proud few as having excelled in an otherwise tumultuous year for the global economy and the software industry. Whilst always keeping a close eye on the market situation, we continued to move boldly to consolidate our acknowledged industry leadership, enhance our customer offerings and invest in key technologies for the future. As in years past, I take great pleasure in presenting to you these results from a remarkable year during which your company has reached new heights.

Over the last five years, Autonomy has been one of the best performing software companies in the world, despite the turbulent economy. During that time we have seen a five year adjusted EPS CAGR of 73% and Autonomy has grown to become one of Europe's largest software companies.

## 2009 and Into the Future

Looking back on 2009, despite an economic environment that can be described at best as difficult, Autonomy produced outstanding results with adjusted profit from operations growing by 59% at a time when most of our software peers have seen small or negative growth. We delivered this strong growth on top of an exceptionally strong performance in Q4 2008.

During 2009 Autonomy did a lot of work to prepare for a possible upturn in 2010, including significant new IDOL product developments, launches and expansion of our IDOL hosted capabilities. The driver for our business is the need for computers to understand and process human friendly information automatically. But although Autonomy has benefited from increased regulation in the market, this is only one of our pillars of growth. Our business model and growth opportunity is based on three very

different, and possibly out-of-phase, cycles: the need to protect, promote and power the enterprise. Over time we would expect these to collapse into a single driver, but at present they should be thought of as separate.

**Protect** - Following the 2006 amendments to the U.S. Federal Rules of Civil Procedure (FRCP) organisations are required to make all relevant Electronically Stored Information (ESI) accessible to the courts as part of legal proceedings within a period of 99 days. The sanctions for failure to comply include crippling fines and incarceration for executives. This has incredibly far reaching consequences for organisations that formerly relied on manual discovery processes, which took years to complete. Following the FRCP, around fifty new regulations have been proposed in an attempt to tighten up credit markets and promote sound corporate governance.

**Promote** - Promote is focused around our Meaning Based Marketing (MBM) solutions suite. Much of the retail value chain that has disappeared from the high street is likely to come back online, as organisations look to extend their cost savings and switch to more efficient business models following the economic downturn. Consequently, this area will benefit from the increase in spend as organisations leverage their on-line business model.

**Power** - Power is what has traditionally been our core business and is the critical infrastructure that enables any type of organisation to manage and process all of its data, independently of where it is stored or created (structured, unstructured and semi-structured). This shift is on a 15 year cycle, and we would expect the other two pillars of growth eventually to be subsumed into this category, as CIOs realise that there is a fundamental challenge behind all their information infrastructure: the need to process information automatically.

These are the strengths that have driven our business throughout 2009, and will carry the company into the future. We believe the fundamental

# Chief Executive's Review

drivers will continue to accelerate, and as customers find discretionary budgets again we expect to see good growth in the Meaning Based Marketing ('Promote') applications of our technology alongside our resilient Information Governance ('Protect') applications.

Our growth and expansion has always been driven by the goal of establishing Autonomy as the key infrastructure for the automated handling of all forms of unstructured information such as text, audio and video. Following this unwavering goal we have achieved sales success and proven our profitable business model, and have created a special software company which is leading the market.

## Financial Highlights

In 2009 we again produced record results in every area, which enabled us to grow, invest and acquire for the future. In 2009, all key financial metrics again rose from our previous records in 2008. 2009 financial achievements included:

- Record revenues of \$740 million, up 47% from 2008 including strong organic growth of 16% (see page 13) and the successful integration of Interwoven
- Gross profits (adj.) at \$652 million, up 42% from 2008; gross margins (adj.) at 88%
- Record full year operating margins (adj.) at 44% (2008: 41%)
- Record fully diluted EPS (adj.) of \$0.97, up 42% from 2008 (IFRS: \$0.80, up 31%)
- One of the highest revenue to cash conversion ratios in the industry
- Record profit from operations (adj.) at \$329 million, up 59%
- Record profit before tax (adj.) at \$323 million, up 55% from 2008
- R&D investment up 26% year-on-year
- Positive cash flow generated by operations of \$287 million, up 60%
- Cash balances at \$243 million and net cash of \$45 million

Once again, 2009 saw an unprecedented number of multi-million dollar contracts and continued year-on-year growth, and some of the largest deals in the company's history.

## Operational Highlights

Our strong R&D investment, including an increase in R&D spend in 2009 of 26%, continues to bear fruit.

We have extended our technologies from the unstructured world to the structured. 2009 saw the launch of Autonomy's revolutionary IDOL SPE, bringing the power of IDOL to structured data and ushering the \$18 billion database market into the era of Meaning Based Computing. At the end of the year we saw validation of this endeavour with the first IDOL SPE customers signed and first showcase events.

Other developments of Autonomy's industry-leading IDOL technology during 2009 included:

- Successful launch of ICE, IDOL Social Media and Interwoven product range built on IDOL
- The industry's first "Collection to the Cloud" service for eDiscovery and compliance
- New archiving appliance Autonomy's Arcpliance, for organizations seeking a simplified yet scalable solution to regulatory challenges
- New capabilities in Autonomy iManage to cater for updated Federal Data Privacy requirements under the HIPAA
- Autonomy Records Management solutions achieving renewed US DoD 5015.2 certification

2009 brought continued enterprise-wide adoption and broader understanding of the Meaning Based Computing approach, with sustained demand from customers despite the wider economic turmoil. The fundamental shift to unstructured information continues apace, and there is growing recognition that automation and processing are the only viable business strategy. During the year, the three distinct and compelling drivers for our business discussed above became evident as customers deployed Autonomy's technology across applications to protect, promote and power the enterprise.

While many enterprise software vendors suffered from the deteriorating macroeconomic environment, Autonomy's strong financial performance demonstrated the benefits of our unique software-driven business model. This was also a year of investment as we laid the ground for major new IDOL-based products and began to equip the company for the eventual upturn to the global economy.

We saw growth across the globe during the year, in virtually every geographic and vertical market we serve. We continue to win marquee customers in emerging economies across Asia, Eastern Europe and Latin America.



Throughout 2009 Autonomy was recognized by industry analysts as the unmatched market leader. Accolades included:

- Forrester ranked Autonomy No. 1 for ECM strategy and product direction, and leader in records management
- Gartner ranked Autonomy as leader in its 2009 Information Access Magic Quadrant
- IDC identified Autonomy as the fastest growing of the top three Search and Discovery software vendors with the largest market share by far
- Awarded highest possible rating in the December 2009 Gartner MarketScope for eDiscovery
- Ovum hailed IDOL SPE as exactly the sort of disruptive technology organisations need to overcome the recession
- Autonomy was ranked "Top Player" in the Radicati hosted email archiving Market Quadrant, 2009

Other industry awards during 2009 included:

- Presented with Her Majesty the Queen's Award for Enterprise 2009
- Voted Britain's Most Admired Software Company Award 2009
- Acknowledged as having the world's largest private cloud infrastructure
- Described by Information Week as: "the world's hottest enterprise software company"
- Received 2009 Editor's Choice Award from Intelligent Enterprise
- Named "Technology Provider of the Year" at the British Legal Awards
- Lauded as the "Biggest Contribution to Business Technology" at the UK IT Industry Awards 2009

The business value of Autonomy's infrastructure technology and its demonstrable ROI are ultimately borne out by our average selling price for meaning-based technologies, which remained stable throughout 2009 at approximately \$403,000.

# Chief Executive's Review

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## Acquisitions

We executed successfully on the acquisition of Interwoven, with a rapid and successful integration, resulting in a step-change in the industry with the advent of both Meaning Based Marketing and Information Governance driven by meaning. Autonomy Interwoven has been recognized with multiple awards for its new technological accomplishments including:

- Receiving the "Best Innovation Award" for Autonomy's ground-breaking Meaning Based Marketing solutions portfolio
- Gartner rated Autonomy Interwoven fastest growing out of top four electronic content management vendors
- Forrester ranked Autonomy Interwoven number one for electronic content management strategy and product direction

## Shareholder Return

2009's record results were reflected in Autonomy's share price, up 58% during 2009, and up nearly 900% during the past five years. Our performance during this period, whilst retaining one of the most dedicated and modestly compensated management teams, has delivered significant returns for shareholders.

## Trends

2009 was a year of tremendous upheaval and change, coupled with optimism building at year end. As in 2008, global events laid bare the fundamental change of the IT world to the usage of unstructured information, the very essence of what drives Autonomy. The net result is the continuing convergence of legal and operational information systems

and the continued understanding of the need to manage based on "meaning".

In terms of broader industry trends, we continue to see our strongest growth in the new models of the software industry such as OEM and cloud computing. Whilst it may still take a little time for people to understand how these models differ from traditional software businesses, we believe the momentum in these areas is accelerating.

We began 2010 with the strongest Meaning Based Computing portfolio in the industry and an ever-expanding understanding in the market of the challenges associated with unstructured information. With our unmatched product portfolio, scale and vision, we look forward to the challenges to be presented in 2010 regardless of the environment. At the very end of Q4 2009 we began to see some indicators of an initial improvement in the macro environment, which gives us confidence in the outlook for 2010, and accordingly we are adjusting our business plan.

I take this opportunity to thank once again our customers, shareholders, employees and partners for their continued support."



Dr. Michael R. Lynch  
Chief Executive Officer and Co-Founder  
22 February 2010



# Notes to the Consolidated Financial Statements

## 22. Share Capital (continued)

The company has one class of ordinary shares which carry no right to fixed income. The movement in 2009 consists of the issuance of 21,560,260 shares in relation to a share placing in January 2009. The balance of 3,196,847 shares relates to employee stock option exercises. The movement in issued share capital during 2008 consists solely of the issuance of 2,750,877 shares in relation to employee stock option exercises.

## 23. Own Shares

	Own Shares \$'000
Balance at 1 January 2008.....	981
Disposed of on exercise of options .....	(76)
Balance at 1 January 2009.....	905
Disposed of on exercise of options .....	(60)
Balance at 31 December 2009.....	845

The own shares reserve represents the cost of shares the company purchased in the market and are held by the Autonomy Corporation plc Employee Benefit Trust to satisfy options under the group's UK share options scheme (see note 27). At 31 December 2009 the Trust held 417,969 shares (2008: 447,594).

## 24. Acquisition of Interwoven, Inc.

On 17 March 2009 the group acquired 100% of the issued share capital of Interwoven Inc., a global leader in content management software. The acquisition has been accounted for using the purchase method of accounting.

	Interwoven book value \$'000	Provisional fair value adjustments \$'000	Provisional fair value \$'000
Net assets acquired:			
Purchased intangibles (see note 13).....	—	311,300	311,300
Other assets .....	26,942	—	26,942
Cash and cash equivalents .....	184,349	—	184,349
Trade and other payables .....	(104,596)	—	(104,596)
Provisions .....	(11,414)	—	(11,414)
Net deferred tax liability (see note 21) .....	—	(88,074)	(88,074)
	<u>95,281</u>	<u>223,226</u>	<u>318,507</u>
Goodwill .....			485,728
Total consideration .....			<u>804,235</u>
Satisfied by:			
Cash .....			790,589
Directly attributable costs .....			13,646
			<u>804,235</u>
Net cash outflow arising on acquisition .....			
Cash consideration, including costs of acquisition.....			804,235
Cash and cash equivalents acquired .....			(184,349)
			<u>619,886</u>

The difference between the net cash costs set forth above and the amount of \$630.0 million set forth on the Consolidated Cash Flow Statement is a combination of foreign exchange movements between acquisition date and settlement date and payments related to acquired provisions.

The goodwill arising on the acquisition of Interwoven is attributed to future operating synergies from the combination. These operational synergies are expected to arise through the following:

- cost synergies through elimination of duplicative general and administrative costs, marketing programs and other redundant costs;
- acceleration of the delivery of the next generation of unstructured information management software;
- provision of broader and more comprehensive offerings to customers; and
- additional scale and cross-selling opportunities.

# Notes to the Consolidated Financial Statements

## 24. Acquisition of Interwoven, Inc. (continued)

Had the results of Interwoven for the period from 1 January 2009 to 17 March 2009 been included in the group's results for the year ended 31 December 2009 then group net profit (adjusted) would have theoretically been decreased by \$18 million.

It is not practicable to determine the effect of the Interwoven acquisition for the period from acquisition to the end of the financial period. The group's core products and those of the acquired entity have been integrated and the operations merged such that it is not practicable to determine the portion of the result that specifically relates to Interwoven on a stand-alone basis.

During the year the group used a third party specialist valuation team to determine the purchased intangibles allocation to the interwoven, Inc acquisition of \$311.3 million. These assets are set out in note 13.

## 25. Notes to the Cash Flow Statement

	2009	2008
	\$'000	\$'000
Profit from operations .....	272,178	186,493
Adjustments for:		
Depreciation of property, plant and equipment .....	16,200	14,095
Amortization of intangible assets .....	64,883	24,313
Share based compensation .....	7,173	5,484
Foreign currency movements .....	(942)	(5,141)
Post acquisition restructuring costs .....	846	—
Other non-cash items .....	128	353
Operating cash flows before movements in working capital .....	360,466	225,597
Increase in receivables .....	(78,396)	(54,870)
Decrease (increase) in inventories .....	235	(154)
Increase in payables .....	4,267	8,210
Cash generated by operations .....	286,572	178,783
Income taxes paid .....	(36,551)	(32,447)
Net cash from operating activities .....	250,021	146,336

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

## 26. Operating Lease Arrangements

	2009	2008
	\$'000	\$'000
Minimum lease payments under operating leases recognised in the income statement for the year .....	17,013	12,192

At 31 December the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	2009	2008
	\$'000	\$'000
Within one year .....	16,111	11,506
In the second to fifth years, inclusive .....	32,915	29,033
After five years .....	6,198	7,015
	55,224	47,554

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years.