

Regulatory Story

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TIDM WAND
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 WANDisco Plc
 20 March 2014

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WANDisco plc

("WANDisco" or the "Group")

Preliminary unaudited Results for the year ended 31 December 2013

- Established momentum in Big Data -
 - Bookings increased 86%, driven by continued growth in ALM -

WANDisco (LSE: WAND), the provider of continuous availability software for global enterprises to meet the challenges of Big Data, announces its preliminary results for the year ended 31 December 2013.

Summary

Financial Highlights

	Year ended 31 Dec 2013	Year ended 31 Dec 2012	Change
Bookings	\$14.76m	\$7.92m	+86%
Deferred Revenue	\$13.12m	\$6.37m	+106%
Revenue	\$8.01m	\$6.03m	+33% ⁱⁱ
Adjusted EBITDA ⁱ	\$(7.83m)	\$(3.0m)	
Net cash	\$25.67m	\$14.5m	

i. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exceptional items and share based payments

ii. Revenue growth 57% before sale of perpetual licenses in the year ended 31 December 2012

Operational Highlights

- Established momentum in Big Data market**
 - Early Big Data wins with Tier 1 British telecommunications company, NSN and Miaozen in China validating our Big Data technology and offering
 - WANDisco established as the de-facto continuous availability layer in Cloudera and Hortonworks Hadoop distributions - essential for Big Data transaction environments
 - Established pipeline of enterprises evaluating commercial Non-Stop Hadoop deployments
- Post period-end**
 - Early customer wins working with channel partners; British Gas and UCI Health
 - DConE technology extended beyond Name Node to HBase in the Hadoop technology stack
 - Distribution agreement with Carahsoft Technology Corp. to market and sell WANDisco's Non-Stop Hadoop for Cloudera to US federal agencies

- **In Application Lifecycle Management (ALM), significant new customer wins extended market leadership and brought further strong growth**
 - Customers added across multiple industry verticals including; ADP, Blue Cross Blue Shield, Canon, Cisco, Goldman Sachs, H3C Technologies, Manulife Financial Corporation, San Disk, Societe Generale and T. Rowe Price
 - Significant growth from existing customers with many returning to make multi-year commitments, including John Deere, Juniper Networks and NCR
 - Subversion MultiSite Plus and GIT Multisite launched extending the reach of WANDisco's offering into existing and new software development communities
 - Purchase of TortoiseSVN.net in June expands the online market for WANDisco ALM products
- **Patents secured for Distributed Computing Systems**
- **Board changes**
 - Non Executive Director Paul Walker to become Chairman with immediate effect (see separate RNS)
 - Paul Harrison appointed as CFO on 1 September 2013
- **Management team significantly strengthened**
 - Significant appointments in Sales and Engineering functions with former BT and SAP executives joining WANDisco during and following the year end

Commenting on the results, David Richards, Chief Executive Officer, said:

"2013 has been a highly successful year for WANDisco. We have applied our patented technology to the Big Data market launching products that address a key barrier to widespread adoption of Hadoop. We have established partnerships with the two key distributors of Hadoop well ahead of anticipated timeframes and, since the year end, have secured early customer wins through our partner channels. We have strengthened and continue to strengthen our team bringing in sales and engineering talent with the necessary experience to establish WANDisco as an essential component of Hadoop Big Data configurations.

Success in Big Data in 2014 will be defined by the number of enterprise customers deploying Hadoop, underpinned by our non-stop technology. These will be highly strategic deals for WANDisco and over time, as these customers move into full production deployments, we anticipate they will scale into broader enterprise implementations."

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 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

Introduction

I am pleased to report a year of very strong progress against our strategic goals. Our core technology has been successfully applied to two markets; Big Data and Application Lifecycle Management (ALM). The Big Data market continues to develop at an extraordinary pace. The partnerships with key Hadoop distributors announced during the year, together with the associated early customer wins announced since the year end, are testament to the enviable role we play in ensuring Hadoop has the necessary resilience to be deployed across critical transaction processing environments. WANdisco already has a well-established business in the ALM market. During the year, we continued to add several new, blue-chip customers to our ALM base, coupled with strong renewals and an increasing number of customers choosing to sign-up for multi-year deals, which resulted in 84 per cent growth in bookings.

Big Data

Big Data refers to the capture, curation and analysis of very large pools of structured and unstructured data. The primary platform for Big Data is the open-source Apache Foundation product; Hadoop. Traditional data platforms are unable to capture and analyse data on the scale and of the diversity embraced by Hadoop. The market for Big Data is estimated today by Wikibon to be worth \$16bn and is anticipated to rise to \$50bn by 2016.

The November 2012 acquisition of AltoStor proved to be the critical catalyst for our entry into the Big Data market and for our rapid progress. With AltoStor came two of the original creators of Hadoop enabling the fusion of our active / active replication technology, which permits continuous availability of data over a wide area network, with the Hadoop platform which is increasingly becoming the platform of choice for enterprises looking to make better use of the data they hold.

This expertise and know-how enabled us to release, as early as February 2013, our first Non-Stop Hadoop products deployed by way of a proprietary Hadoop distribution. In turn, this was followed by early customer wins with a large UK telecommunications business and NSN, formerly Nokia Siemens Networks; a provider of 4G technology to mobile operators.

The launch of Hadoop 2.0 in September 2013 was decisive. Hadoop 2.0 marked the elevation of Hadoop from a batch to a real time platform. With it comes the opportunity for enterprises to achieve competitive differentiation through the leverage of vast amounts of structured and unstructured data for live data transaction processing. However, for Hadoop to serve this purpose, it first needs to be fully resilient to data outages, which is where Non Stop Hadoop by WANdisco is essential. Our solution is the only means by which an enterprise can assure continuous availability of Hadoop over a wide area network.

At this time, we were approached by both Cloudera and Hortonworks to provide the continuous availability layer essential to the establishment of Hadoop as a live data transaction processing engine. Their interest in partnering with WANdisco resulted from feedback received from their customers regarding the importance of continuous availability. Accordingly, in Q4 2013, we announced partnerships with Cloudera and Hortonworks to co-sell our product. We therefore discontinued the provision of our own Hadoop distribution.

In March 2014, after the year end, we announced our first Big Data customer under this distribution model. Working with Hortonworks, we secured a contract with University of California, Irvine Health (UCI Health). Under this contract, we will provide UCI Health with continuous availability of data as it deploys Hadoop as a cornerstone of its vision to move from a reactive to proactive patient care model. The model is designed to leverage real-time data from multiple sources - from traditional patient health records to data produced by monitoring machines - to detect and stave off illness before it takes hold. This typifies the sort of innovative vision that Hadoop can address and that traditional platforms are unable to support.

Today we announced that British Gas will deploy WANdisco's Non-Stop Hadoop for Hortonworks. Initially the live production test deployment will cover a 100 node Hadoop cluster. British Gas is looking to replace its legacy enterprise data warehouse software due to its high cost, inflexibility, and inability to handle the large volumes and variety of data required for new big data applications. As a part of this, British Gas has chosen Hadoop for Hortonworks to store and manage its business critical data. This will be supported by WANdisco's Non-Stop Hadoop to ensure that this crucial data, such as customer and operational information, is continuously available, therefore meeting British Gas's strict business continuity and regulatory requirements.

We see a developing pipeline of diverse use cases such as these. Typically, following a period of testing, we see customers deploying Hadoop in a controlled environment such as within a specific division or functional area. Consequently, these initial deployments typically cover relatively modest data pools. However, we believe early success will lead these enterprises to roll out Hadoop more expansively across a greater number of data nodes, resulting in further business for WANdisco.

Application Lifecycle Management

Our core technology has also been applied to the Application Lifecycle Management (ALM) market. This more established market has driven 84 per cent growth in bookings this year. We have added many new, blue-chip customers including ADP, Blue Cross Blue Shield, Canon, Cisco, Goldman Sachs, H3C Technologies, Manulife Financial Corporation, San Disk, Societe Generale and T. Rowe Price. These customer wins were augmented with the renewal of contracts at substantially increased user counts by long-standing customers such as John Deere, Juniper Networks and NCR.

Our product range was enhanced through the release of Subversion MultiSite Plus and GIT MultiSite - both examples of applying our patented active / active replication technology to popular software development version control systems.

Financial Performance

The Group delivered substantial growth in the recurring subscription revenues we generate.

Bookings for the year were \$14.7m (2012: \$7.9m) representing 86 per cent year on year growth. We report bookings as this is a key forward indicator of activity in a subscription business where revenue - recognised rateably over the life of the contract - is primarily a reflection of historic performance. Looking at our two markets, bookings remain heavily weighted toward the well-established ALM market. Here bookings were \$14.5m (2012: \$7.9m) representing 84 per cent growth. In the Big Data market, bookings were \$0.2m (2012: \$0m) reflecting the nascent nature of this market.

Customer loyalty is a strong characteristic of our business. We find that once our software is adopted, it is highly likely that annual contracts will be renewed. Consequently, we are pleased to report that all customers whose contract was due for renewal actually renewed in the year. Several of those customers renewed on a multi-year basis making a strong statement of

confidence in our product. As a consequence, we are now disclosing the Annualised Value of Bookings (AVB) as a means of ensuring a consistent comparison of results. The year ended 31 December 2013 saw strong growth of 45 per cent in AVB.

The successful strategy of securing multi-year forward revenue saw deferred revenue grow 106 per cent to \$13.1m (2012: \$6.4m). Revenue for the year grew by 33 per cent to \$8.0m (2012:\$6.0m) or by 57 per cent if perpetual licences sold in the year ended 31 December 2012 are excluded. No perpetual licences were sold in the year ended 31 December 2013.

The adjusted EBITDA loss for the year of \$7.8m (2012: \$3.0m) resulted from the significant investment required to take advantage of the high growth markets we address. In particular, we invested and continue to invest in attracting talented sales executives and engineers. At 31 December 2013, our headcount stood at 147 heads (2012: 90 heads). We will increase our investment in 2014 consistent with the need to recruit the necessary talent to drive the expansion of the business.

Net cash stood at \$25.7m at 31 December 2013 (2012: \$14.5m). This reflects both the investment referred to above and the successful equity placing in September 2013 which raised a further \$29.7m (net) to support future growth.

People

The progress we made in 2013 would not have been possible without establishing the right team. In addition to developing a strong enterprise sales force, we have significantly enhanced our software engineering teams adding highly talented developers attracted to WANDisco by our exciting market proposition and by the opportunity to work alongside some of the most talented engineers in their field.

At a senior management level, in September 2013, Paul Harrison joined as CFO. Paul was, for 13 years, CFO of The Sage Group plc; a FTSE 100 member and one of the largest software businesses in the world. Paul brings a wealth of experience of developing fast growing businesses and in the capital markets. Paul replaced Nick Parker who left the business in June following its successful transition to a public company.

Today, we are pleased to announce that Paul Walker, a non-executive director, will assume the role of Chairman in line with best corporate governance practice. Paul has a wealth of experience having served on a variety of Boards currently including Experian plc, Halma plc and Perform Group plc. I am delighted that Paul has agreed to step up to this role.

It is our people who have driven our considerable progress this year and, on behalf of the Board, I would like to thank all of them for their dedication to our business.

Conclusion and Outlook

2013 has been a highly successful year for WANDisco. We have applied our patented technology to the Big Data market launching products that significantly broaden the opportunity to deploy Hadoop. We have established partnerships with the two key distributors of Hadoop well ahead of anticipated timeframes and, since the year end, have secured early customer wins through our partner channels. We have strengthened and continue to strengthen our team bringing in sales and engineering talent with the necessary experience to establish WANDisco as an essential component of Hadoop Big Data configurations.

Success in Big Data in 2014 will be defined by the number of enterprise customers deploying Hadoop, underpinned by our non-stop technology, for the first time. These will be highly strategic deals for WANDisco and over time, as these customers move into full production deployments, we anticipate they will scale into broader enterprise implementations.

David Richards
Chief Executive
20 March 2014

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

<i>Unaudited</i>				<i>Audited</i>			
<i>Year ended 31 December 2013</i>				<i>Year ended 31 December 2012</i>			
		<i>Before exceptional items</i>	<i>Exceptional items</i>	<i>Total</i>	<i>Before exceptional items</i>	<i>Exceptional items</i>	<i>Total</i>
	<i>Note</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Revenue		8,012	-	8,012	6,031	-	6,031
Cost of sales		(1,579)	-	(1,579)	(497)	-	(497)
Gross Profit		6,433	-	6,433	5,534	-	5,534
Operating expenses	3,4	(23,425)	(2,276)	(25,701)	(11,419)	(2,656)	(14,075)
Loss from operations		(16,992)	(2,276)	(19,268)	(5,885)	(2,656)	(8,541)
Finance income	4,5	52	-	52	79	776	855
Finance expense	4,5	(294)	(484)	(778)	(295)	-	(295)
Loss before tax		(17,234)	(2,760)	(19,994)	(6,101)	(1,880)	(7,981)
Taxation		263	-	263	-	-	-
Loss for the year		(16,971)	(2,760)	(19,731)	(6,101)	(1,880)	(7,981)
Other comprehensive income							
<i>Items that are or may in the future be reclassified to the Income Statement:</i>							
Foreign currency translation differences -foreign operations		136	-	136	16	-	16
Other comprehensive income for the period net of tax		136	-	136	16	-	16
Total comprehensive income for the period		(16,835)	(2,760)	(19,595)	(6,085)	(1,880)	(7,965)
Loss per share							
Basic and diluted	6			\$0.90			\$0.49

Consolidated Statement of Financial Position
As at 31 December 2013

	<i>Unaudited</i> 2013 <i>\$000</i>	<i>Audited</i> 2012 <i>\$000</i>
Assets		
Intangible asset	8,092	5,541
Property, plant and equipment	311	129
Total non-current assets	8,403	5,670
Trade and other receivables	10,511	2,486
Cash and cash equivalents	25,673	14,545
Total current assets	36,184	17,031
Total assets	44,587	22,701
Liabilities		
Trade and other payables	(2,543)	(3,665)
Deferred income	(13,124)	(6,368)
Deferred government grant	(242)	(36)
Provisions	-	(393)
Current liabilities	(15,909)	(10,462)
Deferred tax	(5)	(5)
Non-current liabilities	(5)	(5)
Total liabilities	(15,914)	(10,467)
Net assets	28,673	12,234
Equity		
Share capital	3,755	3,388
Share premium	53,882	23,332
Translation reserve	142	6
Merger reserve	1,247	1,247
Retained earnings	(30,353)	(15,739)
Total equity	28,673	12,234

Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	<i>Unaudited</i> <i>Year to</i> <i>31 December</i> <i>2013</i> <i>\$000</i>	<i>Audited</i> <i>Year to</i> <i>31 December</i> <i>2012</i> <i>\$000</i>
Note		
Cash flows from operating activities		
Loss before tax for the period	(19,994)	(7,981)
Adjustments for:		
Depreciation	138	52
Amortisation of intangible assets	4,918	2,017
Finance costs	242	216
Foreign exchange	484	(776)
Change in trade and other receivables	(8,060)	(1,394)
Change in trade and other payables	(1,122)	1,093
Change in deferred income	6,756	1,902
Grant income received	109	139
Grant income released	(447)	(105)
Change in provisions	(393)	(21)
Share based payments charge	5,799	813
Interest received/(paid)	17	(101)
Net cash generated from operating activities	(11,553)	(4,146)
Cash flows from investing activities		
Purchase of property, plant and equipment	(320)	(138)
Purchase of intangible assets	-	(1,000)
Acquisition of subsidiary	-	(1,500)
Development expenditure in respect of intangible assets	(7,443)	(2,912)
Net cash used in investing activities	(7,763)	(5,550)
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital net of transaction costs	30,235	24,161
Proceeds from loans	-	-
Repayment of borrowings	-	(770)
Net cash from financing activities	30,235	23,391
Net increase in cash and cash equivalents	10,919	13,695
Effect of exchange rate fluctuations on cash and cash equivalents	209	776
Cash and cash equivalents at start of period	14,545	74
Cash and cash equivalents at end of period	25,673	14,545

Consolidated Statement of Changes in Equity
For the year ended 31 December 2013

	<i>Share capital \$000</i>	<i>Share Premium \$000</i>	<i>Translation reserve \$000</i>	<i>Merger reserve \$000</i>	<i>Retained earnings \$000</i>	<i>Total equity \$000</i>
Audited						
Balance at 1 January 2012	448	-	(10)	-	(6,011)	(5,573)
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(7,981)	(7,981)
Other comprehensive income	-	-	16	-	-	16
Total comprehensive income for the period	-	-	16	-	(7,981)	(7,965)
Transactions with owners recorded directly in equity						
Issue of shares by WANDisco Inc	2,761	-	-	-	-	2,761
Shares issued by WANDisco plc in exchange for WANDisco inc shares	(1,247)	-	-	1,247	-	-
Shares issued by WANDisco plc	1,289	21,908	-	-	-	23,197
Share issue costs	-	(1,946)	-	-	-	(1,946)
Shares allotted under share option scheme	54	95	-	-	-	149
Shares issued as part of Altostor acquisition	83	3,275	-	-	(2,560)	798
Share based payments charge	-	-	-	-	813	813
Total contributions by and distributions to owners	2,940	23,332	-	1,247	(1,747)	25,772
Balance at 31 December 2012	3,388	23,332	6	1,247	(15,739)	12,234
Unaudited						
Balance at 1 January 2013	3,388	23,332	6	1,247	(15,739)	12,234
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(19,731)	(19,731)
Other comprehensive income	-	-	136	-	-	136
Total comprehensive income for the period	-	-	136	-	(19,731)	(19,595)
Transactions with owners recorded directly in equity						
Shares issued by WANDisco plc	323	30,381	-	-	-	30,704
Share issue costs	-	(1,034)	-	-	-	(1,034)
Shares issued as part of TortoiseSVN.net IP purchase	8	674	-	-	(682)	-
Shares allotted under share option scheme	36	529	-	-	-	565
Share based payments charge	-	-	-	-	5,799	5,799
Total contributions by and distributions to owners	367	30,550	-	-	5,117	36,034
Balance at 31 December 2013	3,755	53,882	142	1,247	(30,353)	28,673

Notes to the Consolidated Financial Statements**1. Basis of preparation****a) Statement of compliance**

Whilst the Financial Information included in this Preliminary Announcement has been prepared on the basis of the requirements of International Financial Reporting Standards (IFRSs) in issue, as adopted by the European Union and effective at 31 December 2013, this announcement does not itself contain sufficient information to comply with IFRS.

The Group expects to publish full Consolidated Financial Statements in April 2014. The Financial Information set out in this Preliminary Announcement does not constitute the Group's Consolidated Financial Statements for the years ended 31 December 2013 or 31 December 2012.

The financial information for 2012 is derived from the consolidated accounts for the year ended 31 December 2012 which has been delivered to the registrar of companies with the Jersey Financial Services Commission (JFSC). The auditor has reported on the year ended 31 December 2012 consolidated accounts; their report was unqualified. It did not contain statements under section 113B (3) or (6) of the Companies (Jersey) law 1991.

The consolidated accounts for the year ended 31 December 2013 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies with the JFSC in due course.

The Consolidated Financial Statements have been prepared in accordance with IFRSs as adopted for use in the EU. The Group has applied all accounting standards and interpretations issued by the IASB and International Financial Reporting Committee relevant to its operations and which are effective in respect of these Financial Statements.

The accounting policies have been applied consistently to all periods presented in the Group financial statements.

b) Going concern

As at 31 December 2013 the Group had net assets of \$28,673,000 (31 December 2012: \$12,234,000) as set out in the Consolidated Statement of Financial Position. The Directors have prepared detailed forecasts of the Group's performance over the coming years. As a consequence, the Directors believe that WANDisco plc and the Group are well placed to manage its 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 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Group Financial Statements.

c) Functional and presentational currency

The consolidated financial statements are presented in US dollars, which is the presentational currency of the Group. Billings to the Group's customers during the year were all in US dollars by WANDisco, Inc. with certain costs being incurred by WANDisco International Limited in Sterling. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

d) Use of estimates and judgments

The preparation of financial information in conformity with Adopted IFRSs requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policy descriptions set out the areas where judgment needs exercising, the most significant of which are revenue recognition, research and development and intangible assets. These accounting policies are set out in the Group's annual report.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial information is included in the Group's annual report.

2. Segmental analysis**Operating segments**

The Directors consider there to be one operating segment, being the development and provision of global collaboration software.

Geographical segments

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

	<i>Unaudited</i>	<i>Audited</i>
	<i>2013</i>	<i>2012</i>
	<i>\$000</i>	<i>\$000</i>
North America	7,069	5,257
Europe	660	589

Rest of the world	283	185
Total	8,012	6,031

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 (2012: two) customers representing individually over 10 per cent of revenue.

3. Operating expenses

Loss for the year has been arrived at after charging:

	Unaudited 2013 \$'000	Audited 2012 \$'000
Staff costs	12,133	5,911
Research and development - amortisation charge	3,670	1,801
Amortisation of intangibles	1,248	216
Depreciation of fixed assets	138	52
Auditors remuneration	262	1,178

4. Exceptional Costs

	Unaudited 2013 \$'000	Audited 2012 \$'000
Exceptional items comprise the following:		
Expenses related to admission to AIM	-	2,656
Share based payment charge in relation to acquisitions	1,695	-
Group re-organisation costs	581	-
Currency exchange loss / (gain)	484	(776)
	2,760	1,880

The Group incurred one-off legal and professional fees in the year ended 31 December 2012 in relation to the placing of ordinary shares and admission to AIM.

The share based payment charges recognized in the year in relation to the acquisition of Altostor (\$1,459,000) and the purchase of the intellectual property of TortoiseSVN.net (\$236,000) have been classified as exceptional.

Reorganisation costs relate to certain specific organisational change activities in both the UK and the US.

The exchange loss (2012: gain) is a result of certain Group cash balances being held in GBP denominated accounts.

5. Net finance income / (costs) (pre-exceptional)

	Unaudited 2013 \$'000	Audited 2012 \$'000
Interest receivable - bank	52	79
Interest receivable - promissory notes	-	1
Exchange losses	(259)	(215)
Interest payable on bank borrowings	(12)	(44)
Bank charges	(23)	(37)
	(242)	(216)

6. Loss per share**Basic loss per share:**

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

	Unaudited 2013 \$'000	Audited 2012 \$'000
Loss for the year attributable to ordinary shareholders	<u>19,731</u>	<u>7,981</u>
	2013 000's of shares	2012 000's of shares
Weighted average number of ordinary shares		
At start of year	21,421	4,549
Effect of shares issued in the year	586	11,831
Weighted average number of ordinary shares during the year	<u>22,007</u>	<u>16,380</u>
	\$	\$
Basic loss per share	<u>0.90</u>	<u>0.49</u>

Adjusted loss per share:

Adjusted loss per share is based on the result attributable to ordinary shareholders before exceptional items and the cost of share based payments and a weighted average number of ordinary shares outstanding:

	Unaudited 2013 \$000	Audited 2012 \$000
Loss for the period attributable to ordinary shareholders	19,731	7,981
Add back:		
Exceptional items	(2,760)	(1,880)
Share based payments	(4,104)	(813)
Adjusted basic loss	<u>12,867</u>	<u>5,288</u>
	\$	\$
Adjusted loss per share	<u>0.58</u>	<u>0.33</u>

Diluted earnings per share:

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

7. Adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA)

	<i>Unaudited</i> 2013 <i>\$000</i>	<i>Audited</i> 2012 <i>\$000</i>
Operating loss	(19,268)	(8,541)
Adjust for:		
Amortisation and depreciation	5,056	2,070
Exceptional items within operating items	2,276	2,656
EBITDA before exceptional items	(11,936)	(3,815)
Adjust for share based payments	4,104	813
Adjusted EBITDA before exceptional items	(7,832)	(3,002)

8. Annual General Meeting

It is intended that the Annual General Meeting ("AGM") will take place at the offices of DLA Piper UK LLP in Sheffield at 12.00 noon on 4 June 2014. Notice of the AGM will be sent to the shareholders with the financial statements.

The Board

The Directors serving during the year ended 31 December 2013 were as follows:

- David Richards - Chairman and Chief Executive Officer
- James Campigli - Chief Operating Officer
- Nick Parker - Chief Financial Officer (Resigned 1 September 2013)
- Paul Harrison - Chief Financial Officer (Appointed 1 September 2013)
- Ian Duncan - Non-executive Director
- Paul Walker - Non-executive Director

Cautionary Statement

This Report contains certain forward looking statements with respect to the financial condition, results, operations and business of WANDisco plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this Report should be construed as a profit forecast.

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