



**MISYS plc**  
**MISYS ANNOUNCES INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 NOVEMBER 2008**

**MISYS DELIVERED SUCCESSFUL FIRST HALF: FLEXIBLE BUSINESS MODEL DELIVERING RESULTS**

Misys plc (FTSE: MSY.L), the global application software and services company, today (30 January 2009) announces its interim results for the six months ended 30 November 2008.

**KEY HIGHLIGHTS**

Misys delivers a good financial performance within targeted range and continues its positive momentum as it executes its business strategy:

- Revenue growth across all business divisions despite difficult market conditions
- Misys continues to invest in new products, new delivery models and packaging and we are starting to see results
- Strengthened partnerships and new collaborations to enter new and growing markets
- Developed flexible and adaptable business model, with high recurring revenues, diverse product lines and business units, geographic diversity and increased presence in US Healthcare
- Misys BankFusion Universal Banking Solution went live at Standard Bank of South Africa on schedule, with a second customer announced
- Merger of Misys Healthcare Systems business with Allscripts Healthcare Solutions to create Allscripts-Misys Healthcare Solutions, Inc
- AllscriptsMisys integration is on schedule with the benefits of some of the synergies already coming through
- Misys strengthened the Board with the appointment of Philip Rowley as a Non Executive Director. Misys today announced the appointment of Sir James Crosby as a Non Executive Director and Chairman Designate

**FINANCIAL PERFORMANCE**

**As reported results**

- Revenue up 22%: £280m (2007: £230m)
- Operating profit from continuing operations nearly tripled to: £72m (2007: £25m)
- Adjusted operating profit from continuing operations up 3%<sup>1</sup>: £36m (2007: £35m)
- Total gross order intake<sup>2</sup> up 34%: £164m (2007: £121m)
- Basic earnings per share: 14.7p (2007: 19.6p)
- Adjusted basic earnings per share from continuing operations<sup>3</sup>: 3.7p (2007: 5.1p)

**Proforma like for like results<sup>4</sup>**

- Revenue up 6%: £349m (2007: £328m)
- Operating profit up 9%: £51m (2007: £47m)
- Total gross order intake £199m (2007: £198m)

## **MIKE LAWRIE, CHIEF EXECUTIVE COMMENTED:**

“Misys delivered a good financial performance with revenue growth across all business units. These results are another proof point that we are executing our business strategy and the strength of our business model.

The diversity of our products and solutions, business units, and geographic footprint, together with our strong recurring revenue and the fact that 55% of our revenues now come from the Healthcare market in America, is helping to drive growth, despite the difficult economic environment.

We continue to invest in products and services, building strong growth platforms, while reducing and controlling costs to ensure that Misys is positioned to take advantage of future opportunities.

While we are conscious of the difficult environment, we remain optimistic that we will deliver against our full year targets.”

## **ROUNDINGS**

Certain financial data have been rounded within this announcement. As a result of this rounding, the totals of data presented may vary slightly from the actual arithmetic totals of such data.

## **WEBCAST**

A live webcast of the presentation to analysts and investors will be available on the Company’s website at [www.misys.com](http://www.misys.com) from 09.00 today and will be available to view on demand from approximately 14.00

A listen only dial in facility will also be available. To access this please dial UK 020 8609 0582 or USA 1 866 928 6049.

A results interview with Mike Lawrie, Chief Executive will be available from 07.00 on [www.misys.com](http://www.misys.com) and on [www.cantos.com](http://www.cantos.com).

### **ANALYST / INVESTOR ENQUIRIES**

John Kiernan

T: +44 (0) 203 320 5596

M: +1 646 233 9954

Email: [john.kiernan@misys.com](mailto:john.kiernan@misys.com)

### **MEDIA ENQUIRIES**

Carl Gibson

T: +44 (0) 203 320 5526

M: +44 (0) 782 523 6473

Email: [carl.gibson@misys.com](mailto:carl.gibson@misys.com)

## **ABOUT MISYS PLC**

Misys plc (FTSE: MSY.L), provides integrated, comprehensive solutions that deliver significant results to organisations in the financial services and healthcare industries. We maximise value for our customers by combining our deep knowledge of their business with our commitment to their success.

In banking and treasury & capital markets, Misys is a market leader, with over 1,200 customers, including all of the world’s top 50 banks. In healthcare, Misys plc owns a controlling stake in NASDAQ listed Allscripts-Misys Healthcare Solutions, Inc, a clear leader in the provision of healthcare information technology, serving more than 150,000 physicians, 700 hospitals and nearly 7,000 post-acute and homecare organisations. Misys employs 6,000 people who serve customers in more than 120 countries.

We aspire to be the world’s best application software and services company, delivering results for the most important industries in the world.

Misys: Experience, Solutions, Results

## NOTES TO FINANCIAL PERFORMANCE

Appendix I provides a reconciliation from IFRS reported results to pro forma like-for-like results.

- <sup>1</sup> Adjusted operating profit is stated before exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles, the impact of disposals and the impact of translation exchange differences recycled from reserves.
- <sup>2</sup> Total order intake is reported on a gross basis reflecting contracts signed. It represents ILF, Global Services, Transaction Processing and ASP, including hardware in AllscriptsMisys.
- <sup>3</sup> Adjusted basic earnings per share is stated before exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles and the impact of translation exchange differences recycled from reserves and excludes the results from discontinued operations.
- <sup>4</sup> The pro forma, like-for-like financial information assumes AllscriptsMisys Healthcare operations were combined as of 1 June 2007 and is stated at constant exchange rates. The financial information in respect of the former Allscripts Healthcare Solutions Inc ('Allscripts') business is derived from previously reported US GAAP information, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

Given that the Allscripts financial year differed from Misys financial year, the proforma has included the Allscripts' results for the 6 months to 31 December 2007, being the closest reporting period to the Misys interim period, and proforma results from 1 June 2008 to 10 October 2008 based on the Allscripts' results for the quarter from July to September 2008.

The financial information in respect of the former Misys Healthcare business is derived from previously reported US GAAP information included in the "carve-out" financial statements of that business, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

The financial information in respect of the combined AllscriptsMisys Healthcare business after the merger on 10 October 2008 is adjusted to exclude exceptional items, amortisation of acquired intangibles and the impact of fair value purchase accounting entries on deferred revenue.

## SUMMARY RESULTS

	Reported revenues		Pro-forma like for like revenues (note 2)		Pro-forma like for like adjusted operating margin (note 2)	
	H1	H1	H1	H1	H1	H1
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
	£m	£m	£m	£m	%	%
Banking	84	74	84	80	17	12
Treasury & Capital Markets	73	63	73	69	19	21
Allscripts – Misys	123	93	192	179	17	15
Central Services	-	-	-	-	-	-
Continuing operations	280	230	349	328	15	14

	Reported operating profit (loss)		Adjusted operating profit (loss) (note 1)		Pro-forma like for like adjusted operating profit (loss) (note 2)	
	H1	H1	H1	H1	H1	H1
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
	£m	£m	£m	£m	£m	£m
Banking	18	5	14	8	14	9
Treasury & Capital Markets	12	12	14	13	14	14
Allscripts – Misys	62	13	17	17	32	27
Central Services	(20)	(5)	(9)	(3)	(9)	(3)
Continuing operations	72	25	36	35	51	47

	Reported		Adjusted (note 1)	
	H1	H1	H1	H1
	2008/09	2007/08	2008/09	2007/08
	£m	£m	£m	£m
<b>Profit before taxation</b>	67	21	31	31
<b>Profit after taxation</b>	72	16	20	24
<b>Profit for the period for discontinued operations (note 3)</b>	-	79	-	6
<b>Basic earnings per share</b>	14.7p	19.6p	3.7p	6.3p
<b>Proposed interim dividend per share</b>	-	2.96p	-	-
<b>Net (debt) funds (note 4)</b>	(200)	27	-	-

- Adjusted operating profit is stated before exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles and the impact of translation exchange differences recycled from reserves.
  - Exceptional items consist of: cost of restructuring activities and turnaround programme £9.4m (2007: £7.9m), cost of merger of Misys Healthcare with Allscripts Healthcare Solutions £22.1m (2007: £nil), currency swap £4.7m (2007:£nil) and profit on disposal of Misys Healthcare £69.3m (2007:£nil).
  - Gain (loss) on embedded derivatives in Banking £5.1m (2007: (£1.5m)) and Treasury & Capital Markets £0.2m (2007: (£0.2m)).
  - Amortisation of acquired intangibles in Banking £0.4m (2007: £0.7m) and Allscripts-Misys Healthcare: £2.1m (2007: £0.6m).
  - Translation exchange differences recycled from reserves in Central Services £nil (2007: £0.9m).
- The pro forma, like-for-like financial information assumes AllscriptsMisys Healthcare operations were combined as of 1 June 2007 and is stated at constant exchange rates. The financial information in respect of the former Allscripts Healthcare Solutions Inc ('Allscripts') business is derived from previously reported US GAAP information, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

Given that the Allscripts financial year differed from Misys financial year, the proforma has included the Allscripts' results for the 6 months to 31 December 2007, being the closest reporting period to the Misys interim period, and proforma results from 1 June 2008 to 10 October 2008 based on the Allscripts' results for the quarter from July to September 2008.

The financial information in respect of the former Misys Healthcare business is derived from previously reported US GAAP information included in the "carve-out" financial statements of that business, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

The financial information in respect of the combined AllscriptsMisys Healthcare business after the merger on 10 October 2008 is adjusted to exclude exceptional items, amortisation of acquired intangibles and the impact of fair value purchase accounting entries on deferred revenue.

Restating the results for 2007 using the average exchange rates for 2008 has increased 2007 revenues by £30m; operating profit by £5m (see appendix 1). The most significant impacts are from the movement in the US dollar, where the average exchange rate in 2008 was US\$1.83:£1 compared to US\$2.03:£1 in 2007 and from the Euro, where the average exchange rate in 2008 was Euro 1.26:£1m compared to Euro 1.46:£1 in 2007.

3. Included within discontinued operations are: the profit on disposal of Sesame £nil (2007: £0.7m); and the disposal of the CPR and Diagnostics businesses of £nil (2007: £75.8m) completed in the first half of 2007/08 as part of the company's exit from the Hospital Systems segment of the former Healthcare division. These businesses contributed profit after tax: for Sesame £nil (2007: £0.7m); and Hospital Systems £nil (2007: £77.8m).
4. See note 11 to the condensed financial statements for the components included in net debt.

## CHIEF EXECUTIVE'S STATEMENT

Misys completed the first phase of our three to five year turnaround plan in May 2008. We are now firmly into the second phase, focused on delivering a platform for growth.

We set out our strategy in March 2007 to turn around and improve the financial and operating performance of the Company. One of the key elements of our strategy is to ensure that we provide our customers with mission critical solutions that add value to their businesses. Misys is investing in products, solutions and services that provide our customers with real and lasting value. We have engaged our customers more directly in our product development plans. Our agility and flexibility around investment priorities allow us to develop offerings to take advantage of lower price points in the market, our hosted solutions have been very positively received by our customers.

Misys is also building on our partnerships, relationships and collaborations. We have extended our strategic relationship with HCL, opening up new markets for Misys and driving innovation in high growth economies. We increased our presence and capabilities in the markets where we see growth opportunities including the Middle East, China, India and Eastern Europe. In December in partnership with Finantix we launched a Wealth Management solution.

Misys has developed a flexible business model, which has delivered growth even in this difficult market environment. We have very strong recurring revenues, and we are not dependent upon new name clients for growth. In Banking and Treasury & Capital Markets we had 174 go-lives during the period. We continue to execute our strategy building on our strengths - strong products, an extensive customer base, a global footprint and diversified markets.

We are confident in the stability of our Banking business and the prospects for growth. We remain vigilant to the changes affecting the Treasury & Capital Markets business. Our Global Service business continues to show strength particularly in Treasury & Capital Markets as customers seek to maximise their return on investment in existing products. Misys completed the merger of Misys Healthcare Systems, LLC with a subsidiary of Allscripts Healthcare Solutions, Inc. to form Allscripts-Misys Healthcare Solutions, Inc. The new company is a clear leader in the provision of healthcare information technology for the US Physician market. Our integrated products and services are being well received by our large installed base, and we are seeing new customers adopting Electronic Health Records and ePrescribing as they take advantage of recent proposed Federal subsidies and the Obama administrations' proposed stimulus package.

We are executing our strategy of building a platform for growth, whilst implementing a tighter operating discipline to ensure continued execution in an uncertain environment. Misys is a much stronger company than it was in the last downturn, and we are optimistic that we will be able to continue to strengthen our business and deliver on our full year goals.

## FINANCIAL SUMMARY

*The information in this section is presented on an as reported basis unless otherwise stated.*

In the six months ended 30 November 2008, revenues were £280m, up 22% on the previous year, reflecting the impact of the Allscripts merger, the favourable effect of exchange rate movements, principally against the US dollar and the Euro, and revenue growth in all of our business segments. Operating profit for continuing operations was £72m (2007: £25m) and includes a profit on the partial disposal of the Healthcare business as part of the merger transaction with Allscripts Healthcare. Adjusted operating profit was £36m (2007: £35m). Basic earnings per share were 14.7p (2007: 19.6p). Adjusted earnings per share were 3.7p (2007: 6.3p). The Group was in a net debt position of £200m (2007: Net funds of £27m).

## OUTLOOK

The climate of global economic uncertainty which began to emerge in 2007 has become more widespread, with greater levels of volatility and dislocation. The adverse impact on the global financial sector has been unprecedented in its magnitude. Despite significant unfavourable developments in the financial sector, we were able to sustain consistent levels of revenue and profitability in our Banking and Treasury and Capital Markets businesses in the first half. On the strength of these results, and based upon current buying patterns of our target customers, we remain optimistic that we can achieve results for the full year in line with expectations.

During the first half, we completed the merger of our U.S. healthcare business with Allscripts Healthcare. This transaction significantly increased the proportion of our revenues derived from the U.S. healthcare industry, from approximately 40% to 55%. Whilst segments of this industry may be adversely affected by the weakness of the overall economy, we believe the U.S. healthcare industry to be relatively stable and to have a favourable outlook based upon expected U.S. Federal government initiatives and subsidies intended to increase the adoption of healthcare information technology. Based upon these factors, the strength of our market positions, and the potential synergies arising from this merger, we remain optimistic that we can achieve results for the full year in line with our expectations.

## BUSINESS PERFORMANCE AND FINANCIAL REVIEW

*The information in this section is presented on a proforma like for like basis.*

The proforma like-for-like financial information assumes AllscriptsMisys Healthcare operations were combined as of 1 June 2007 and is stated at constant exchange rates. The financial information in respect of the former Allscripts Healthcare Solutions Inc ('Allscripts') business is derived from previously reported US GAAP information, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

Given that the Allscripts financial year differed from Misys financial year, the proforma has included the Allscripts' results for the 6 months to 31 December 2007, being the closest reporting period to the Misys interim period, and proforma results from 1 June 2008 to 10 October 2008 based on the Allscripts' results for the quarter from July to September 2008.

The financial information in respect of the former Misys Healthcare business is derived from previously reported US GAAP information included in the "carve-out" financial statements of that business, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

The financial information in respect of the combined AllscriptsMisys Healthcare business after the merger on 10 October 2008 is adjusted to exclude exceptional items, amortisation of acquired intangibles and the impact of fair value purchase accounting entries on deferred revenue.

All figures are quoted in sterling using average exchange rates for the six months ended 30 November 2008.

Appendix I shows a reconciliation from IFRS reported results to pro forma like-for-like results.

## OVERVIEW

Revenue from continuing operations for the half year at £349m was 6% above last year with Banking showing a 5% increase, Treasury & Capital Markets a 6% increase and Allscripts-Misys a 7% increase. Operating profit at £51m was 9% above the same period last year with an increase in operating margin from 14% to 15%.

## MISYS BANKING

### Market Conditions

Misys Banking has the largest installed customer base of any banking software provider serving 1,200 banks and financial institutions in 120 countries. With strong recurring revenues and a focus on Tier 2 and Tier 3 banks and financial institutions the Misys business model is proving resilient in the current economic environment.

With a large installed base Misys Banking is not dependent upon new business for growth. Customer decisions on larger contracts are now subject to more detailed reviews involving their senior management. The geographic diversity of Banking's revenue streams, its industry leading installed base and the mission-critical nature of its solutions have enabled this business unit to maintain its strong competitive position during this financial period.

### Trading performance

<i>Continuing operations on a proforma like-for-like basis all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Change
Revenue	<b>84</b>	80	5%
ILF	<b>23</b>	20	14%
Maintenance	<b>38</b>	38	1%
Global Services	<b>23</b>	22	5%
Adjusted operating profit	<b>14</b>	9	52%
Operating margin	<b>17%</b>	12%	

Total revenue at £84m was 5% ahead of last year. Total order intake was £44m, up 4% compared to the same period last year.

Initial Licence Fees ('ILF') revenue was up 14% at £23m, reflecting higher ILF order intake in the current period (up 1% at £21m) and the benefit of recognition criteria having been met for contracts signed in prior periods.

Maintenance revenue at £38m was 1% higher than the same period last year, while Global Services revenue of £23m increased by 5% as a result of our continuing drive to offer our customers solutions and not just applications. Global Services order intake was £23m, up 7% against last year.

Operating profit up 52% at £14m reflects an operating margin of 17%, which increased from 12% in the same period last year, due mainly to the high margin ILF revenue growth, and the continuing focus on cost control.

### Business performance

Misys Banking had a strong first half securing 12 new name wins and implementing 136 go lives demonstrating the mission-critical nature of our products and solutions. Key events and contracts signed during the period included:

**Standard Bank of South Africa** became the first customer to go live with Misys BankFusion, the first Java enabled Services-Oriented Architecture (SOA) Universal banking solution in the market place. The go live was completed on schedule at the Bank's operations in Zimbabwe. Misys BankFusion is set to change the face of customer-centric banking with improved operational efficiency and improved customer retention and satisfaction.

Misys also announced that **CRDB Bank of Tanzania** will be the next customer to implement BankFusion Universal Banking. CRDB will utilise the BankFusion platform for its growth strategy.

**Egyptian Saudi Finance Bank (ESFB)** selected Misys Equation 3.9 for its 11 branches across Egypt to provide better and more innovative Islamic services to its customers. The solution is the latest version of the widely-used retail banking solution from Misys.

**Trade Bank of Iraq**, the government owned commercial bank, selected an integrated solution from Misys to help expand its business aggressively into universal banking.

**AlBaraka Islamic Bank** selected Misys Equation and Misys Trade Innovation for implementation across its 20 branches in Pakistan. The new contract builds on a number of previous contracts with the AlBaraka Banking Group across Africa and the Middle East.

**Conister Trust**, the banking division of the Conister Financial Group, selected Misys Bankmaster to run its banking operations on the Isle of Man.

**Mizuho Corporate Bank**, headquartered in Tokyo, selected Misys Midas Plus with Global Processing to support its ambitious international growth strategy. The implementation of the first site in Europe has been completed with all other operations to move onto the central hub individually. The integrated core banking solution will help Mizuho to deliver improved efficiencies and more informed decision-making within its commercial and investment banking operations and ensure a consistent level of customer service across the bank's global network.

**The Arab Investment Company SAA (TAIC)**, a pan-Arab joint-stock company, has signed for a major upgrade of its systems to Misys Midas Plus.

**Piraeus Bank**, the Athens-based universal bank, successfully upgraded to the latest version, Misys Equation 3.9, and is live with the core banking system in Greece and branches in their Albanian operations.

**Qatar International Islamic Bank**, went live with Misys Equation 3.9 across 10 branches in the region.

**Bank of The West**, went live with Misys' front-to-back solution for trade finance, Misys Trade Portal and TI Plus.

Misys continues to invest in products, solution upgrades and services: launches include Equation, Global Cash Pooling, TI Plus 2.0, Misys Trade Portal for Multi-Bank and BankFusion Universal Banking. Misys achieved a very important milestone with the successful implementation of BankFusion Universal Banking. Accenture described BankFusion as "a very innovative step from Misys", whilst Celent Group remarked that BankFusion was; *"true innovation. A dramatic departure from conventional solutions."* Misys expects to announce more BankFusion customers during 2009.

Misys also strengthened its relationships with strategic partners. With HCL we are building a global resources model for clients development needs, Raiffeisen International became the latest customer to take advantage of the outsourced flexible resource to support its development needs to support growth in its global business.

Misys also partnered with Dovetail to offer customers packaged payments solutions. HCL is providing skilled resources to deploy the solution.

In December 2008, Misys announced a partnership with Finantix to offer wealth management solutions.

## MISYS TREASURY & CAPITAL MARKETS

### Market conditions

The business serves more than 1,000 customers in 85 countries and is one of the leading providers in our market, helping customers manage their capital market activities across all asset classes.

TCM saw revenue growth during this period but was affected slightly by a decline in ILF, which was unusually high in the prior year. Demand for Global Services by our customers remained robust, and the business made additional investments in professional services resources as customers are beginning to rely more on vendors for services and funded development work.

We have been conscious of the change to the macro-economic environment and consolidation in the market place. Our focus on emerging markets and growth in global services and support has helped the business deliver a strong performance. Our mission-critical solutions, including risk and compliance products, have seen continued strong demand helping Misys to continue to grow, and providing our customers with the latest innovative products helping them manage their businesses more effectively and efficiently.

### Trading performance

<i>Continuing operations on a proforma like-for like basis all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Change
Revenue	<b>73</b>	69	6%
ILF	<b>17</b>	19	(8%)
Maintenance	<b>32</b>	29	9%
Global Services	<b>17</b>	14	17%
Other	<b>7</b>	7	6%
Adjusted operating profit	<b>14</b>	14	(6%)
Operating margin	<b>19%</b>	21%	

Total revenue at £73m was 6% ahead of last year. Total order intake at £33m was up 5% from the comparable period last year.

ILF revenue was down 8% at £17m, relative to a strong year-ago result which benefited from the carry over of contracts signed in previous periods. ILF order intake at £17m was up 11% compared to the same period last year.

Global Services revenue of £17m increased by 17%, reflecting a strong demand for our new service offerings. Global Services order intake was £16m, down 5% on the comparable period.

Maintenance revenue at £32m was 9% higher than the same period last year.

Operating profit at £14m reflects an operating margin of 19%, a reduction of 2% as additional investments are made to position the business for long term growth.

### Business performance

Misys Treasury Capital Markets grew revenue during the period and secured 7 new name wins and implemented 38 go lives, demonstrating the importance of our products and services to our customers. Key events and contracts signed during the period included:

Turkey's **Akbank**, selected Misys Summit FT to replace several legacy systems at its Istanbul headquarters in front, middle and back offices for cross-asset trading. The bank plans to create a more streamlined transaction flow across front, middle and back office operations, strengthen its ability to roll out new products, and improve operational control and risk monitoring.

In China, **Jinan City Commercial Bank** became Misys' first customer win as a result of the previously announced partnership with Digital China. The bank licensed Misys Opics Plus and Misys Risk Vision to underpin its core treasury business and strengthen risk management through improved pre-deal checking and limits monitoring.

China's largest bank, The **Industrial and Commercial Bank of China** also went live on Misys solution to underpin growth in treasury and capital markets business.

**The Bank of China**, China's biggest trader in foreign exchange, went live with Misys Opics Plus an advanced treasury and capital markets solution installed at the bank's head office in Beijing, and also rolled out across its network of offices in Sydney, Tokyo, Macau, Singapore, Frankfurt, London and Paris. The new platform is expected to help the bank increase trading volumes by 50% over the next year.

**Metropolitan Bank and Trust Company**, the largest bank in the Philippines has successfully completed a major revamp of its treasury and capital markets operations by implementing advanced software solutions for cross-asset trading from Misys.

**Woori Bank**, headquartered in Seoul, South Korea, licensed Misys Opics Plus to support a new derivatives services business aimed at attracting more customers. The system is also an essential component in the bank's strategy to obtain a derivative trading license from the CBRC regulator as a proven solution.

**Huishang Bank** in China also licensed Misys Opics Plus to support its derivatives license from the state.

In Italy, Misys closed a strong deal with **MedioBanca**, which licensed Misys Loan IQ to replace its existing bilateral lending systems and implement new loan management processes. Misys is also aiming to help this bank with managing syndicated loan portfolios in the future.

In the USA, Misys had success working with **Wilmington Trust** which licensed Misys Loan IQ to support its agency servicing business within its commercial lending division. The bank had no system in place to manage Agency features making this a good greenfield site where Misys could seek to add value.

Misys continues to invest in products which are proving critical to our customers in the current economic climate. This is reflected with the number of industry accolades awarded to Treasury & Capital Markets. Misys was voted number one solution provider for risk management in the Asia region in the **2008 Asia Risk Technology Survey**.

In addition **Misys Confirmation Matching Service** was awarded "Best Trade Processing product" for the second year in a row for its innovative web-based trade processing solution, at the annual European Banking Technology Readers' Choice Awards. Misys was also awarded the double accolade of winning two **SWIFTReady** Gold labels for its front-office and back-office trade finance solutions.

Misys continues to invest in products, upgrade solutions and services: launches included;

The latest version of its flagship Treasury and Capital Markets solution **Summit FT Version 5.3** for cross asset trading and risk management. The upgrade incorporates several new major modules including a solution for equities trading, a system dedicated to structured bonds, and also a market risk limits offering for extensible business wide risk and compliance monitoring.

Misys **EagleEye**, the latest proactive monitoring solution to help financial institutions to manage risk better in the financial crisis.

**Misys e-Opics Plus, a new online solution for boosting foreign exchange and money market trade automation**  
Misys **Loan IQ**, our proven commercial lending software solution for banks was launched in the Asian market and features support for double-byte characters.

New improved web trading and cash management solution for foreign exchange (FX) trading and foreign currency deposit accounts. Dresdner Kleinwort named as first subscriber of new solution, **Misys Loan Coordinator**.

A number of these products are available as Software-as-a-Service (SaaS) providing our customers with a cost effective method of accessing leading solutions and services, whilst providing Misys with longer term recurring revenue stream.

## ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS INC

### Market conditions

Misys plc owns 56.7% of Allscripts-Misys Healthcare Solutions, Inc.

The merger between Misys Healthcare Systems, LLC, and Allscripts Healthcare Solutions, Inc. was completed on 10 October 2008. Effective upon the merger date, the company adopted a new fiscal reporting year of 31 May to conform with the fiscal year of Misys plc.

The newly integrated company AllscriptsMisys is among the largest providers of Electronic Health Records and Practice Management solutions in the United States, with a client base of nearly one-third of the nation's practising physicians. AllscriptsMisys also provides information and connectivity solutions to more than 150,000 physicians, 700 US hospitals and nearly 7,000 post-acute and homecare organisations.

AllscriptsMisys has a comprehensive suite of innovative products and solutions designed to connect to health. Allowing physicians and medical professionals to provide the highest quality care, whilst controlling costs.

AllscriptsMisys recently welcomed the recent proposed economic stimulus proposal in the US Congress, which includes up to US \$20 billion in grants and other incentives to promote physician adoption of electronic health records – the largest source of the company's revenue. The company is perfectly positioned to capitalise on these expected new Federal subsidies and incentives to widen the adoption of Electronic Health Records. As an example of the power of federal incentives to drive adoption of AllscriptsMisys solutions, the company has seen a five-fold increase in subscribers to its Allscripts ePrescribe electronic prescribing software in the months since the federal government announced cash incentives for the technology's use by physicians.

### Trading performance

<i>Continuing operations on a proforma like-for-like basis all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Change
Revenues	<b>192</b>	179	7%
ILF/ASP	<b>38</b>	37	3%
Maintenance	<b>63</b>	57	11%
Transaction processing	<b>40</b>	37	7%
Global Services	<b>21</b>	16	28%
Hardware	<b>14</b>	13	12%
Other	<b>16</b>	19	(18%)
Adjusted operating profit	<b>32</b>	27	20%
Operating margin	<b>17%</b>	15%	

AllscriptsMisys performed within management expectations during the period and cross-selling efforts have already seen Misys practice management customers purchase Allscripts Electronic Health Records. ePrescribing revenues and subscribers are growing significantly following the US Congressional approval of Medicare payment incentives. Although there has been some slowdown in purchasing decisions for clinical solutions, AllscriptsMisys sees strong ongoing demand for the broad range of industry leading products it sells, due in part, to increased governmental incentives.

### Business performance

The merged company of AllscriptsMisys was launched on 10 October 2008, with an ambitious plan to connect healthcare in order to improve quality, reduce errors and lower costs for the American healthcare system. The combined company has an excellent cross selling opportunity, with Allscripts Electronic Health Records into the Misys Healthcare large Practice Management install base. Approximately 90,000 of legacy Misys Healthcare's 110,000 physicians lack an electronic health record, creating the perfect match between the market leader in practice management for medium-sized physician groups and the electronic health record rated Number 1 in that practice category by the most respected industry rating system, KLAS. During the first seven weeks of trading the company

achieved strong sales of EHR solutions into the install base, deals in excess of \$1 million included US; Physicians Associates LLC and Medical Specialists of Palm Beaches.

AllscriptsMisys has been gaining positive traction in the US healthcare market, capitalising on recent Federal subsidies and initiatives, contracts signed in the period included;

**Kindred Healthcare** the largest post acute healthcare provider selected Allscripts Referral Management and Referral Management Plus to coordinate patient referrals for 82 long-term acute care hospitals and 228 nursing and rehabilitation centres nationwide.

**Tully-Whir**, in an agreement in excess of \$1 million, will resell our EHR via the ASP model to physician practices in Northern California.

**Excelsa Health**, a four-hospital chain outside of Pittsburgh that will deploy Enterprise EHR to the 115 physicians in their owned practice, in an agreement valued at just under \$2 million.

**Integrus Health**, who already uses Allscripts for 74 physicians in their network of employed physicians, and has now expanded our partnership to bring our care management offering to all 13 of their hospitals in an agreement valued at over \$1 million. Integrus also uses our Homecare product in their network of post-acute facilities. This is a great example of clients who like the company and bring us in across their businesses.

The integration of Allscripts and Misys products is progressing on track and successful interfaces;

Allscripts Professional EHR: is now interfaced with Misys Tiger practice management and PayerPath

Allscripts Professional PM: is now interfaced with Misys EMR, MyWay EMR and PayerPath

Allscripts Enterprise EHR: is now interfaced with Misys Tiger and Vision practice management, and PayerPath

Allscripts MyWay EHR: is interfaced with Tiger PM

Misys EMR: is integrated with Allscripts ePrescribing

Allscripts Misys continues to invest in new innovative products that lead the way in connecting health to healthcare, during the period we went live with Allscripts ePrescribe integration with Google Health, and in December 2008 Allscripts Prenatal was launched. We are currently working on applications for the iPhone and our Kiosk which will be announced soon.

## **MISYS GLOBAL SERVICES**

Total Global Services revenue, which is included in the results of the business units above, was £61m up 16%.

Global Services continued to perform well in a challenging market environment. The solutions we offer to our customers continue to help them control costs and mitigate risks, resulting in strong growth across all business units.

During the period, we have seen increased demand for our newer service offerings, such as premium support and managed services, as well as greater demand for customer-specific development services as customers continue to further leverage our solutions for strategic benefit. At AllscriptsMisys we are also defining new service offerings for the combined services businesses.

Misys expanded its strategic partnership with HCL Technologies. The original partnership was announced on 30 October 2007 to open new markets and drive innovation in high growth economies in India, Singapore and Malaysia. Misys has built a flexible, global sourcing model for the development needs of its clients, combining its domain knowledge with the expertise and capabilities of HCL. Raiffeisen International is a recent Misys customer to benefit from the Misys/HCL partnership. The outsourced development capability will enable Raiffeisen International to accelerate the delivery of new products and more efficiently maintain its existing products. The company has developed into one of the region's leading banking groups, and for over a decade its international branch banking network has been supported by the services and solutions from Misys, including Misys Midas and Midas Plus.

Misys also partnered with Dovetail to offer customers packaged payments solutions that are pre-integrated with their banking systems. The first such packaged solution is for SEPA Direct Debit. HCL, one of Misys' strategic partners, is providing its highly skilled resources to roll out Misys' solutions to modernise legacy payments and messaging infrastructure systems.

## **MISYS OPEN SOURCE SOLUTIONS**

Misys Open Source Solutions was created in July 2007 to drive innovation in the marketplace and move toward open standards using open source technology. The team is focused on creating innovative solutions to help solve global problems associated with both healthcare and the environment.

In the Autumn of 2008, OpenCarbonWorld.com was launched at the Corporate Climate Response Conference in Chicago as an open-access community portal dedicated to the reduction of greenhouse gas emissions. Phase Two of the project is the carbon trading platform, scheduled to be released in April 2009.

The team continues to work with the open source and healthcare communities to develop, contribute, and promote the value of open source technology in improving the quality and efficiency of healthcare delivery, specifically as it relates to the creation of interoperability assets and solutions. The beta version of this application is expected to be released in February 2009.

## **OTHER FINANCIAL INFORMATION**

*Unless otherwise stated, the information in this section is presented on an as reported basis.*

### **Acquisitions and disposals**

In the half year ended 30 November 2008, Misys completed the merger of its Misys Healthcare Systems business with Allscripts Healthcare Solutions to create Allscripts-Misys Healthcare Solutions, Inc. The accounting for this merger entailed recording the disposal of 43.2% of the legacy Misys Healthcare business (generating a profit on disposal of £69.3m) and the acquisition of 56.8% of Allscripts Healthcare Solutions. As Misys controls Allscripts-Misys Healthcare, the entity has been consolidated in full. The acquisition balance sheet for Allscripts Healthcare Solutions includes preliminary fair value adjustments which will be finalised within the 12 month period allowed under IFRS.

### **Cash flow, interest charges and borrowings**

Net cash flow from operating activities, which includes taxes and net interest paid, saw an outflow of £34m, compared with a cash outflow of £26m in the prior period.

Cash outflow from investing activities was £175m primarily due to the merger transaction with Allscripts Healthcare, compared to a cash inflow of £163m in the prior period, primarily due to the disposal of businesses.

Capitalised development costs at £11m were £6m higher than last year reflecting the continued investment in our strategic product offering.

Net debt at 30 November 2008 was £200m, compared with net funds of £27m at 30 November 2007 and £26m at 31 May 2008 (see note 11 in condensed financial statements). The net interest expense at £5m was £2m higher than last year, reflecting higher average borrowings. Interest cover, as calculated at the period end, comfortably meets the covenants within our loan agreements.

### **Profit before tax and earnings per share**

Profit before tax from continuing operations was £67m compared to £21m last year.

The taxation credit on ordinary activities of £5m is £11m less than the prior year charge. The annual effective tax rate on the adjusted profit before tax for continuing operations (adjusted to exclude exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles and the impact of translation exchange differences recycled from reserves) has increased from 21% to 34% as an increased proportion of the group's profits are earned in higher-tax jurisdictions.

There were no profits from discontinued operations in the current year, whilst in the prior year they were £79m after tax, including £73m profit on disposal of businesses. Total profit attributable to shareholders at £73m compared to £95m last year.

Basic earnings per share ('EPS') are 14.7p, compared to 19.6p in the previous year. Adjusted basic EPS from continuing operations (adjusted to exclude exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles and the impact of translation exchange differences recycled from reserves) are

3.7p, compared to 5.1p last year. A detailed reconciliation of basic to adjusted basic EPS is set out in note 4. In the opinion of the Directors, the adjusted basic EPS from continuing operations provides more comparable and representative information on the continuing and established trading activities of the Company.

### **Seasonality**

There is some seasonality within Group's activities. For revenue, there is a small historical bias towards the second half of the year with a much stronger bias towards the second half for cash collection. Misys invoices many of its customers for recurring licence fees at the beginning of the calendar year. Accordingly, the fiscal second half is a period of high cash collection compared to the fiscal first half.

### **Principal risks and uncertainties**

In the half year ended 30 November 2008, Misys completed the merger of its Misys Healthcare Systems business with Allscripts Healthcare Solutions to create Allscripts-Misys Healthcare Solutions Inc.

Following the merger, the Group reassessed its principal risks and uncertainties and concluded that they remain as stated on pages 30 to 33 of our 2008 Annual Report which is available on our website at [www.misys.com](http://www.misys.com). These comprise:

- Implementation of new strategic plan
- Economic cycle
- Market strategy
- Competition
- Product development
- Changes in the industries which Misys serves
- People
- Contract implementation
- Key suppliers
- Infringement of intellectual property rights
- Government regulation
- Attack by IT viruses
- Reliance on key locations and systems failures
- Terrorist attacks
- Software as a server (SaaS)
- Tax risks
- Fluctuations in exchange rates

Other areas to note for the remainder of the financial year are the following:

#### Banking crisis and economic downturn

During the half year the global banking crisis has continued with increasing signs of a negative impact on global economies. As a consequence some of our customers, suppliers and partners are experiencing difficult trading and financing conditions with potential impacts on their trading with Misys. The group's resilient strategy with a wide spread of customers in different geographies and market segments mitigates these risks. There are no significant dependencies on any single customer and in addition customer contracts are typically long term in nature, nevertheless the Group continues to monitor these risks carefully with increased attention to contract terms, credit and collections and counterparty risk.

#### Credit markets

During the half year the availability of debt funding to the corporate sector has been much reduced compared with recent preceding periods. This was most clearly illustrated by the collapse of Lehman as a result of which the Group had to secure alternative and more expensive funding in order to continue with its planned acquisition of Allscripts. The Group is now more highly leveraged with greater exposure to interest rate risk and with a portion of the financing for the Allscripts transaction due for repayment or refinancing in 2010. While there is no short term requirement to

refinance or increase the Group's borrowing facilities, work is progressing to plan for the refinancing and at the same time the Group has strengthened its working capital and cash management procedures to increase its flexibility.

### Volatile foreign exchange markets

Over recent months foreign exchange markets have been exceptionally volatile. The Group has operations in and trades around the world and is therefore exposed to the effects of these movements. The Group is strengthening its procedures for monitoring exposures and reviewing its foreign currency hedging strategy to mitigate this risk.

### **Appendix 1**

The analysis below shows the adjustments necessary to the Group results presented on a statutory basis ('as reported') to arrive at a proforma like-for-like basis. These are:

1. The exclusion of exceptional items.
2. Adjustments in respect of the gains and losses on embedded derivatives, amortisation of acquired intangibles and the impact of translation exchange differences recycled from reserves (shown below in "other").
3. Foreign exchange adjustments to present the 2007/08 figures at the same exchange rates applied to the 2008/09 figures (thereby stating at constant exchange rates).
4. The proforma, like-for-like financial information assumes AllscriptsMisys Healthcare operations were combined as of 1 June 2007 and is stated at constant exchange rates. The financial information in respect of the former Allscripts Healthcare Solutions Inc ('Allscripts') business is derived from previously reported US GAAP information, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

Given that the Allscripts financial year differed from Misys financial year, the proforma has included the Allscripts' results for the 6 months to 31 December 2007, being the closest reporting period to the Misys interim period, and proforma results from 1 June 2008 to 10 October 2008 based on the Allscripts' results for the quarter from July to September 2008

The financial information in respect of the former Misys Healthcare business is derived from previously reported US GAAP information included in the "carve-out" financial statements of that business, restated under IFRS and adjusted to exclude the results from discontinued operations, exceptional items and amortisation of acquired intangibles.

The financial information in respect of the combined AllscriptsMisys Healthcare business after the merger on 10 October 2008 is adjusted to exclude exceptional items, amortisation of acquired intangibles and the impact of fair value purchase accounting entries on deferred revenue.

## Group results H1 2008/09

<i>all figures in £ millions</i>	<b>As reported</b>	Exceptional items	Other	Adjusted results	Proforma adjustment	Proforma like-for-like
Revenue						
Banking	<b>84</b>	-	-	84	-	84
Treasury & Capital Markets	<b>73</b>	-	-	73	-	73
AllscriptsMisys	<b>123</b>	-	-	123	69	192
Continuing	<b>280</b>	-	-	280	69	349
Operating profit						
Banking	<b>18</b>	1	(5)	14	-	14
Treasury & Capital Markets	<b>12</b>	2	-	14	-	14
AllscriptsMisys	<b>62</b>	(47)	2	17	15	32
Central Services	<b>(20)</b>	11	-	(9)	-	(9)
Continuing	<b>72</b>	(33)	(3)	36	15	51
Net finance costs	<b>(5)</b>	-	-	(5)	(1)	(6)
Profit before taxation	<b>67</b>	(33)	(3)	31	14	45
Taxation	<b>5</b>	(16)	-	(11)	(3)	(14)
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	<b>72</b>	(49)	(3)	20	11	31

## Group results H1 2007/08

<i>all figures in £ millions</i>	<b>As reported</b>	Exceptional items	Other	Adjusted results	Proforma adjustments	FX	Proforma like-for-like
Revenue							
Banking	<b>74</b>	-	-	74	-	6	80
Treasury & Capital Markets	<b>63</b>	-	-	63	-	6	69
AllscriptsMisys	<b>93</b>	-	-	93	68	18	179
Continuing	<b>230</b>	-	-	230	68	30	328
Operating profit							
Banking	<b>5</b>	-	3	8	-	1	9
Treasury & Capital Markets	<b>12</b>	1	-	13	-	1	14
AllscriptsMisys	<b>13</b>	4	-	17	7	3	27
Central Services	<b>(5)</b>	3	(1)	(3)	-	-	(3)
Continuing	<b>25</b>	8	2	35	7	5	47
Net finance costs	<b>(4)</b>	-	-	(4)	-	1	(3)
Profit before taxation	<b>21</b>	8	2	31	7	6	44
Taxation	<b>(5)</b>	(2)	-	(7)	(2)	1	(8)
Profit from discontinued operations	<b>79</b>	(72)	-	7	-	1	8
Profit for the period	<b>95</b>	(66)	2	31	5	8	44

## Consolidated income statement for the six months to 30 November 2008

	Unaudited	Unaudited	Audited
<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Continuing operations			
Revenue (note 2)	<b>280.2</b>	229.9	492.3
Operating profit before exceptional items	<b>38.7</b>	32.7	77.8
Exceptional items (note 3)	<b>33.1</b>	(7.9)	(25.4)
Operating profit (note 2)	<b>71.8</b>	24.8	52.4
Finance costs	<b>(5.2)</b>	(4.4)	(5.0)
Finance income	<b>0.4</b>	1.0	1.5
Net finance costs (note 6)	<b>(4.8)</b>	(3.4)	(3.5)
Profit before taxation	<b>67.0</b>	21.4	48.9
Taxation (note 7)	<b>5.3</b>	(5.3)	(13.8)
Profit after taxation from continuing operations	<b>72.3</b>	16.1	35.1
Discontinued operations			
Profit after taxation and before exceptional items	-	5.7	6.9
Exceptional items after taxation	-	72.8	71.3
Profit after taxation from discontinued operations (note 5)	-	78.5	78.2
Profit for the period	<b>72.3</b>	94.6	113.3
Minority interest loss	<b>0.5</b>	-	-
Profit for the period and attributable to shareholders of Misys plc	<b>72.8</b>	94.6	113.3
	<b>Pence</b>	Pence	Pence
Basic earnings per share (note 4)	<b>14.7p</b>	19.6	23.5
Diluted earnings per share (note 4)	<b>14.7p</b>	19.5	23.3

## Statement of recognised income and expenditure for the six months to 30 November 2008

	Unaudited	Unaudited	Audited
<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Exchange differences on translation of foreign operations	<b>26.7</b>	(1.8)	1.4
Actuarial losses recognised	<b>(0.1)</b>	(0.5)	(0.6)
Net income (expense) recognised directly in equity	<b>26.6</b>	(2.3)	0.8
Profit for the period	<b>72.3</b>	94.6	113.3
Total income recognised in the period	<b>98.9</b>	92.3	114.1
Total income recognised in the period attributable to:			
Equity shareholders of Misys plc	<b>90.8</b>	92.3	114.1
Minority interest	<b>8.1</b>	-	-
Total income recognised in the period	<b>98.9</b>	92.3	114.1

## Consolidated statement of cash flows for the six months to 30 November 2008

	Unaudited	Unaudited	Audited
<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Operating activities			
Net cash flow generated from operations	<b>(28.0)</b>	(13.2)	33.7
Net interest paid	<b>(1.5)</b>	(4.3)	(3.5)
Taxation paid	<b>(4.4)</b>	(8.6)	(24.3)
Net cash flow from operating activities	<b>(33.9)</b>	(26.1)	5.9
Investing activities			
Acquisitions and disposals of businesses (note 9)	<b>(151.2)</b>	179.8	177.1
Expenditure on developed software	<b>(11.0)</b>	(6.2)	(14.2)
Other capital expenditure and financial investment	<b>(13.7)</b>	(10.3)	(20.4)
Net cash flow from investing activities	<b>(175.9)</b>	163.3	142.5
Net cash flow from financing activities (note 10)	<b>249.2</b>	(194.3)	(210.1)
Net cash flow from operating, investing and financing activities	<b>39.4</b>	(57.1)	(61.7)
Differences on exchange	<b>0.5</b>	(1.2)	1.5
Increase (decrease) in cash and cash equivalents in the period	<b>39.9</b>	(58.3)	(60.2)
Net cash and cash equivalents at the start of the period	<b>27.1</b>	87.3	87.3
Net cash and cash equivalents at the end of the period (note 11)	<b>67.0</b>	29.0	27.1
<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Continuing operations			
Profit after taxation	72.3	16.1	35.1
Net finance costs	4.8	3.4	3.5
Taxation (credit) charge	(5.3)	5.3	13.8
Amortisation and impairment charge net of loss on disposal of other intangible assets	14.1	3.4	9.0
Adjustment to goodwill in prior year	-	-	1.3
Depreciation charge net of loss on disposal of property, plant and equipment	3.5	2.6	5.4
Share-based payment charge	4.0	2.2	5.1
Differences between pension charge and cash contributions	0.3	-	0.6
Net profit on disposal of businesses	(69.3)	-	-
Increase in inventories	(0.2)	(0.1)	(0.4)
Decrease (increase) in trade and other receivables	4.1	(7.2)	(48.4)
(Decrease) increase in payables and provisions	(16.1)	(16.2)	1.7
Decrease in deferred income	(38.9)	(34.4)	(2.2)
Other non-cash movements	(1.3)	2.6	1.2
Net cash flow generated from continuing operations	<b>(28.0)</b>	(22.3)	25.7
Discontinued operations			
Profit after taxation	-	78.5	78.2
Net finance income	-	-	-
Taxation charge	-	7.2	4.6
Amortisation and impairment net of (profit) loss on disposal of intangible assets	-	0.1	0.1
Depreciation charge net of (profit) loss on disposal of property, plant and equipment	-	0.3	0.3
Share-based payment charge	-	0.2	0.2
Net profit on disposal of businesses	-	(76.5)	(73.6)
Decrease in trade and other receivables	-	3.2	3.0
Decrease in payables and provisions	-	(2.1)	(2.8)
Decrease in deferred income	-	(1.8)	(1.8)
Other non cash movements	-	-	(0.2)
Net cash flow generated from discontinued operations	-	9.1	8.0
Net cash flow generated from operations	<b>(28.0)</b>	(13.2)	33.7

## Consolidated balance sheet as at 30 November 2008

	Unaudited	Unaudited	Audited
<i>all figures in £ millions</i>	<b>November 2008</b>	November 2007	May 2008
Non current assets			
Goodwill (note 12)	<b>316.0</b>	63.0	64.9
Other intangible assets (note 13)	<b>215.8</b>	36.8	42.6
Property, plant and equipment (note 14)	<b>32.5</b>	12.2	17.6
Investments	<b>8.1</b>	6.4	7.1
Trade and other receivables	<b>4.2</b>	3.7	4.5
Derivative financial instruments	<b>4.4</b>	0.5	0.9
Deferred tax assets	<b>35.8</b>	21.5	21.4
	<b>616.8</b>	144.1	159.0
Current assets			
Inventories	<b>3.9</b>	0.7	1.0
Trade and other receivables	<b>230.4</b>	103.6	147.4
Derivative financial instruments	<b>4.4</b>	0.9	0.9
Current tax assets	<b>2.4</b>	2.6	3.4
Cash and cash equivalents (note 11)	<b>77.8</b>	31.1	32.0
	<b>318.9</b>	138.9	184.7
Current liabilities			
Trade and other payables	<b>(147.1)</b>	(85.7)	(106.2)
Loans and overdrafts (note 15)	<b>(13.6)</b>	(2.7)	(5.5)
Derivative financial instruments	<b>(3.6)</b>	(2.4)	(1.8)
Current tax liabilities	<b>(33.4)</b>	(42.3)	(32.3)
Provisions (note 16)	<b>(10.4)</b>	(5.7)	(10.6)
Deferred income	<b>(88.7)</b>	(53.3)	(92.8)
	<b>(296.8)</b>	(192.1)	(249.2)
Net current assets (liabilities)	<b>22.1</b>	(53.2)	(64.5)
Total assets less current liabilities	<b>638.9</b>	90.9	94.5
Non current liabilities			
Trade and other payables	<b>(1.1)</b>	(4.4)	(3.0)
Loans and overdrafts (note 15)	<b>(263.7)</b>	(0.6)	(0.5)
Derivative financial instruments	<b>(2.8)</b>	(3.7)	(3.2)
Deferred tax liabilities	<b>(33.2)</b>	(0.7)	(0.2)
Provisions (note 16)	<b>(10.7)</b>	(9.4)	(7.7)
Deferred income	<b>(0.5)</b>	(2.5)	(0.1)
Retirement benefit obligations	<b>(5.3)</b>	(1.3)	(1.5)
	<b>(317.3)</b>	(22.6)	(16.2)
Net assets	<b>321.6</b>	68.3	78.3
Equity			
Share capital (note 19)	<b>5.9</b>	5.5	5.5
Share premium account (note 19)	<b>151.9</b>	67.3	67.3
Capital redemption reserve (note 19)	<b>0.3</b>	0.3	0.3
Other reserves (note 19)	<b>75.1</b>	(4.8)	5.2
Minority interest (note 19)	<b>88.4</b>	-	-
Equity shareholders' funds	<b>321.6</b>	68.3	78.3

## NOTES TO THE ACCOUNTS

### 1. Basis of preparation

The condensed consolidated financial statements for the half year ended 30 November 2008 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS 34 'Interim Financial Reporting' as adopted by the European Union. The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 May 2008, as described in those annual financial statements. The IFRIC interpretations, amendments to existing standards and new standards which became mandatory for accounting periods beginning on or after 1 January 2008 have been adopted in the current financial year, but since this interim report only contains a condensed set of financial statements, full disclosure will be given in the annual financial statements for the year ending 31 May 2009 where the impact is considered material. This half yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 31 May 2008 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial information contained in this interim report does not comprise statutory accounts within the meaning of Section 240 of the UK Companies Act 1985. Statutory accounts for the year ended 31 May 2008 were approved by the Board of Directors on 24 July 2008 and delivered to the Registrar of Companies. The auditors' report on those statutory accounts was unqualified and did not contain a statement under section 272 (2) or (3) of the Companies Act 1985.

This interim report was approved by the Board of Directors on 29 January 2009. It is unaudited but has been reviewed by the auditors and their report is attached to this document

### 2. Segmental analysis

The Group's primary segment reporting is by business sector. The business sectors with continuing operations consist of Banking, Treasury & Capital Markets (TCM), Allscripts-Misys Healthcare (Allscripts-Misys) and Central Services. Allscripts-Misys incorporates the Healthcare segment as reported in 2007/08.

Discontinued operations consist of Hospital Systems and Sesame in 2007/08.

#### Revenue, operating profit (loss) by business

<i>Continuing operations all figures in £ millions</i>	Banking	TCM	Allscripts- Misys	Central Services	<b>First half 2008/09</b>
Revenue	83.9	73.3	123.0	-	280.2
Operating profit (loss) before exceptional items	18.8	14.0	14.8	(8.9)	38.7
Exceptional items	(0.8)	(2.3)	47.7	(11.5)	33.1
Operating profit	18.0	11.7	62.5	(20.4)	71.8
Net finance costs					(4.8)
Profit before taxation					67.0
Taxation before exceptional items					(10.5)
Exceptional taxation items					15.8
Taxation					5.3
Profit for the period from continuing operations					72.3
Profit for the period from discontinued operations					-
Profit for the period					72.3
Amortisation of acquired intangibles	(0.4)	-	(2.1)	-	(2.5)
Gains on embedded derivatives	5.1	0.2	-	-	5.3

<i>Continuing operations</i> <i>all figures in £ millions</i>	Banking	TCM	Allscripts- Misys	Central Services	First half 2007/08
Revenue	74.3	62.9	92.7	-	229.9
Operating profit before exceptional items	5.5	12.7	17.0	(2.5)	32.7
Exceptional items	(0.5)	(0.4)	(4.3)	(2.7)	(7.9)
Operating profit	5.0	12.3	12.7	(5.2)	24.8
Net finance costs					(3.4)
Profit before taxation					21.4
Taxation before exceptional items					(6.6)
Exceptional taxation items					1.3
Taxation					(5.3)
Profit for the period from continuing operations					16.1
Profit for the period from discontinued operations					78.5
Profit for the period					94.6
Amortisation of acquired intangibles	(0.7)	-	(0.6)	-	(1.3)
Losses on embedded derivatives	(1.5)	(0.2)	-	-	(1.7)
Translation exchange differences recycled from reserves	-	-	-	0.9	0.9

<i>Continuing operations</i> <i>all figures in £ millions</i>	Banking	TCM	Allscripts- Misys	Central Services	Year 2007/08
Revenue	159.8	141.7	190.8	-	492.3
Operating profit before exceptional items	17.2	32.1	37.6	(9.1)	77.8
Exceptional items	(6.8)	(0.6)	(7.1)	(10.9)	(25.4)
Operating profit	10.4	31.5	30.5	(20.0)	52.4
Net finance costs					(3.5)
Profit before taxation					48.9
Taxation before exceptional items					(16.9)
Exceptional taxation items					3.1
Taxation					(13.8)
Profit for the period from continuing operations					35.1
Profit for the period from discontinued operations					78.2
Profit for the period					113.3
Amortisation of acquired intangibles	(1.4)	-	(1.2)	-	(2.6)
Losses on embedded derivatives	(0.6)	(0.1)	-	-	(0.7)

Excluded from the above are the following items relating to discontinued operations: revenue £nil (First half 2007/08: £30.7m; Year 2007/08: £30.7m); operating profit before exceptional items £nil (First half 2007/08: £9.2m; Year 2007/08: £9.2m) and operating profit £nil (First half 2007/08: £85.7m; Year 2007/08: £82.8m).

## Revenue

<i>Continuing operations</i> <i>all figures in £ millions</i>	Banking	TCM	Allscripts- Misys	First half 2008/09
Initial Licence Fees	22.7	17.4	12.4	52.5
Maintenance	38.5	32.4	46.3	117.2
Transaction processing	-	7.0	47.3	54.3
Global services	22.7	16.5	10.0	49.2
Hardware	-	-	7.0	7.0
	83.9	73.3	123.0	280.2

<i>Continuing operations</i> <i>all figures in £ millions</i>	Banking	TCM	Allscripts- Misys	First half 2007/08
Initial Licence Fees	18.7	17.3	11.6	47.6
Maintenance	36.4	26.7	34.7	97.8
Transaction processing	-	6.1	35.6	41.7
Global services	19.1	12.8	6.5	38.4
Hardware	0.1	-	4.3	4.4
	74.3	62.9	92.7	229.9

### 3. Exceptional items

<i>all figures in £ millions</i>	First half 2008/09	First half 2007/08	Year 2007/08
Restructuring activities and turnaround programme	(9.4)	(7.9)	(24.1)
Adjustment to goodwill	-	-	(1.3)
Merger of Misys Healthcare with Allscripts Healthcare Solutions	(22.1)	-	-
Currency swap	(4.7)	-	-
Profit on disposal of businesses	69.3	-	-
Exceptional items within continuing operations	33.1	(7.9)	(25.4)
Taxation on exceptional items within continuing operations	8.5	1.3	3.1
Exceptional tax credit within continuing operations	7.3	-	-
Exceptional items after taxation within continuing operations	48.9	(6.6)	(22.3)
Profit on disposal of businesses (note 5)	-	76.5	73.6
Exceptional taxation items within discontinued operations	-	(3.7)	(2.3)
Exceptional items within discontinued operations	-	72.8	71.3
Total exceptional items after taxation	48.9	66.2	49.0

#### Restructuring activities and turnaround programme

A charge of £9.4m (First half 2007/08: £7.9m; Year 2007/08: £24.1m) has been recognised relating to costs incurred in the Group-wide turnaround programme. These costs primarily relate to severance, property costs associated with the closure of offices and establishing a new headquarters in London and impairment of assets, together with, in the current period, creating a Customer Support service centre and in prior periods, consultancy services and recruitment. There was a related cash outflow of £11.3m in respect of this item (First half 2007/08: £9.9m; Year 2007/08: £16.3m).

#### Adjustment of goodwill

A total charge of £nil (First half 2007/08: £nil; Year 2007/08: £1.3m) has been recognised in respect of goodwill. The charge arises principally as a result of recognition of deferred tax assets on acquisitions in prior periods.

#### Merger of Misys Healthcare with Allscripts Healthcare Solutions

A charge of £22.1m has been recognised in relation to costs incurred in the merger of the Misys Healthcare Systems business with Allscripts Healthcare Solutions to create AllscriptsMisys Healthcare solutions Inc.

These costs include a write down in Allscripts-Misys of investments and intangible assets relating to that part of the business addressing smaller physician practices (£16.0m), integration costs and onerous property costs. There was a related cash outflow of £2.9m.

#### Currency swap

As part of the Allscripts-Misys merger, an intercompany balance with Healthcare was repaid. This balance was previously hedged by a US dollar swap which closed one month beyond the merger transaction. During this period the foreign exchange rate changed significantly, generating a loss of £4.7m with an associated cash outflow of £3.9m.

## Profit on disposal

A credit of £69.3m has been recognised in relation to the profit on partial disposal of the Healthcare business, as part of the merger transaction with Allscripts Healthcare.

## Taxation

Included within current taxation is a credit of £0.6m (First half 2007/08: £1.3m; Year 2007/08: £3.1m) in continuing operations and a deferred tax credit of £7.9m (First half 2007/08 and Year 2007/08: £nil) in respect of taxation on exceptional items. There is a charge of £nil (First half 2007/08: £3.7m; Year 2007/08 £2.3m) in discontinued operations in respect of taxation on exceptional items.

The exceptional tax credit of £7.3m reflects the benefit of an internal finance restructuring in an earlier period. This is recognised as a £2.6m credit within current taxation and a £4.7m credit within deferred tax.

## 4. Earnings per share

Earnings per share ('EPS') have been calculated by dividing profit attributable to shareholders by the weighted average number of shares in issue during the period.

Adjusted basic and adjusted diluted EPS are presented to provide more comparable and representative information on continuing and established trading activities. Accordingly, the adjusted basic and adjusted diluted EPS figures exclude exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangibles and translation exchange differences recycled from reserves. Adjusted basic and adjusted diluted EPS for continuing operations excludes the adjusted profit attributable to shareholders derived from discontinued operations.

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Profit attributable to shareholders	<b>72.8</b>	94.6	113.3
Minority Interest	<b>(0.5)</b>	-	-
Profit after tax for the period	<b>72.3</b>	94.6	113.3
Exceptional items after taxation	<b>(48.9)</b>	(66.2)	(49.0)
(Gains) losses on embedded derivatives	<b>(5.3)</b>	1.7	0.7
Amortisation of acquired intangibles	<b>2.5</b>	1.3	2.6
Translation exchange differences recycled from reserves	-	(0.9)	0.1
Adjusted minority interest	<b>(2.1)</b>	-	-
Adjusted profit attributable to shareholders	<b>18.5</b>	30.5	67.7
Profit for the year from discontinued operations	-	78.5	78.2

  

	<b>pence</b>	pence	pence
Basic earnings per share	<b>14.7</b>	19.6	23.5
Diluted earnings per share	<b>14.7</b>	19.5	23.3
Basic earnings per share from discontinued operations	-	16.3	16.2
Diluted earnings per share from discontinued operations	-	16.1	16.1
Adjusted basic and diluted earnings per share	<b>3.7</b>	6.3	14.0
Adjusted basic and diluted earnings per share from continuing operations	<b>3.7</b>	5.1	12.6

The weighted average number of basic and diluted shares in issue during the period were 495.5m and 497.1m respectively (First half 2007/08: 482.5m and 486.3m; Year 2007/08: 482.7m and 485.3m). Dilution principally arises as a result of outstanding share options.

## 5. Discontinued operations

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Revenue	-	30.7	30.7
Operating costs	-	(21.5)	(21.5)
Profit on disposal of businesses	-	76.5	73.6
Operating profit for the period	-	85.7	82.8
Net finance income	-	-	-
Profit before tax from discontinued operations	-	85.7	82.8
Tax	-	(7.2)	(4.6)
Profit after tax from discontinued operations	-	78.5	78.2

### Cash flows from discontinued operations

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Net cash flows from operating activities	-	9.7	2.0
Net cash flows from investing activities	-	179.7	177.0
Net cash flows from financing activities	-	-	-
Operating profit for the period	-	189.4	179.0

The disposal of CPR was completed on 24 September 2007 for a total cash consideration of £16.3m, realising a profit on disposal of £11.7m. The disposal of the Diagnostic Information business was completed on 11 October 2007 for a total cash consideration of £182.4m, realising a profit on disposal of £61.2m. A tax charge of £2.3m was recognised in respect of this item. On 8 June 2007 the Group completed its sale of its IFA business, Sesame, for a total cash consideration of £84.3m and a profit on disposal of £0.7m was recognised.

## 6. Finance costs

<i>Continuing operations all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Bank loans and overdraft interest payable	<b>(3.1)</b>	(4.2)	(4.5)
Amortisation of financing facility costs	<b>(1.6)</b>	(0.2)	(0.5)
Other interest payable	<b>(0.5)</b>	-	(0.3)
Expected return on pension scheme assets	<b>1.3</b>	1.4	3.0
Interest on pension scheme liabilities	<b>(1.2)</b>	(1.0)	(2.1)
Unwinding of discount on provisions	<b>(0.1)</b>	(0.4)	(0.6)
Finance costs	<b>(5.2)</b>	(4.4)	(5.0)
Interest receivable	<b>0.4</b>	1.0	1.5
Net finance costs	<b>(4.8)</b>	(3.4)	(3.5)

## 7. Taxation

### Taxation on ordinary activities

<i>Continuing operations all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Current taxation			
UK corporation tax at 28% (First half 2007/08: 30%; Year 2007/08: 29.7%)	<b>0.2</b>	0.4	0.7
UK prior year items	-	-	(2.2)
Overseas taxation	<b>2.8</b>	2.5	13.4
Overseas prior year items	<b>(2.6)</b>	-	(1.1)
Irrecoverable withholding taxes	-	-	0.2
Current taxation	<b>0.4</b>	2.9	11.0
Deferred taxation	<b>(5.7)</b>	2.4	2.8
	<b>(5.3)</b>	5.3	13.8

Included within current taxation is a credit of £3.2m (First half 2007/08: £1.3m; Year 2007/08: £3.1m) and a deferred tax credit of £12.6m (First half 2007/08 and year 2007/08: £nil), relating to taxation on exceptional items and exceptional tax credit as described in note 3.

## 8. Equity dividends

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Amounts recognised as distributions to equity holders in the period			
Final dividend for the year ended 31 May 2008 of 4.95p per share	<b>23.9</b>	-	-
Interim dividend for the year ended 31 May 2008 of 2.96p per share	-	-	14.3
Final dividend for the year ended 31 May 2007 of 4.71p per share	-	22.7	22.7
	<b>23.9</b>	22.7	37.0

Following the acquisition of Allscripts Healthcare Solutions, Inc. the Group dividend policy has been amended. The Group will retain funds that would otherwise have been issued as dividends to shareholders and reinvest these funds in the Group.

## 9. Acquisitions and disposals of businesses

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Cash consideration paid in respect of current year acquisitions (including expenses)	<b>(195.7)</b>	-	-
Cash consideration (paid) received in respect of current year disposals (net of expenses)	<b>(0.9)</b>	275.3	272.6
Cash at bank and in hand disposed of	-	(95.5)	(95.5)
Cash at bank and in hand acquired	<b>45.4</b>	-	-
Net cashflow from acquisitions and disposals	<b>(151.2)</b>	179.8	177.1

## 10. Financing activities

<i>all figures in £ millions</i>	<b>First half 2008/09</b>	First half 2007/08	Year 2007/08
Dividends paid (note 8)	<b>(23.9)</b>	(22.7)	(37.0)
Increase (decrease) in borrowings	<b>187.9</b>	(171.3)	(172.2)
Capital element of finance leases	-	(0.7)	(0.9)
Payments for purchase of own shares	-	(2.4)	(2.9)
Share options exercised	-	2.8	2.9
Shares issued	<b>85.2</b>	-	-
Net cashflow from financing activities	<b>249.2</b>	(194.3)	(210.1)

## 11. Analysis of net funds (debt)

<i>all figures in £ millions</i>	At 1 June 2008	Cash flow	Acquisitions	Non cash movements	Differences on exchange	<b>At 30 Nov 2008</b>	At 30 Nov 2007
Cash and cash equivalents	32.0	(0.1)	45.4	-	0.5	<b>77.8</b>	31.1
Overdraft	(4.9)	(5.9)	-	-	-	<b>(10.8)</b>	(2.1)
	27.1	(6.0)	45.4	-	0.5	<b>67.0</b>	29.0
Bank loans	-	(82.7)	(1.6)	(0.6)	(11.4)	<b>(96.3)</b>	-
Other loans	-	(105.2)	(29.3)	(0.9)	(14.0)	<b>(149.4)</b>	-
Debentures	-	-	(16.4)	-	(1.7)	<b>(18.1)</b>	-
Interest bearing consideration	(0.5)	-	-	-	(0.2)	<b>(0.7)</b>	(0.5)
Finance leases	(1.1)	-	(1.3)	-	(0.3)	<b>(2.7)</b>	(1.2)
Net funds (debt)	25.5	(193.9)	(3.2)	(1.5)	(27.1)	<b>(200.2)</b>	27.3

## 12. Goodwill

<i>all figures in £ millions</i>	Total goodwill
Cost and net book value at 1 June 2008	64.9
Differences on exchange	34.9
Acquisitions	216.2
Cost and net book value at 30 November 2008	316.0
Cost and net book value at 30 November 2007	63.0

### Acquisition of Allscripts Healthcare Solutions, Inc

On 10 October 2008 the Group acquired 56.8% of the issued share capital of Allscripts Healthcare Solutions Inc for a cash consideration, including expenses, both paid and accrued, of £201.3m (\$330m plus related expenses). As part of the acquisition, 100% ownership of Misys Healthcare Systems was transferred to Allscripts.

An analysis of the net assets acquired is shown below:

all figures in £ millions	Book Value	Provisional fair value adjustment	Provisional Fair value
Intangible assets	70.1	71.0	141.1
Property, plant and equipment	11.1	0.4	11.5
Deferred tax assets	1.4	(26.4)	(25.0)
Cash	45.4	-	45.4
Other assets	67.1	(0.3)	66.8
Other liabilities	(111.2)	6.2	(105.0)
<b>Net assets acquired</b>	<b>83.9</b>	<b>50.9</b>	<b>134.8</b>
Minority interest			58.3
<b>Misys shareholders' interest</b>			<b>76.5</b>
Goodwill			216.2
<b>Total consideration</b>			<b>292.7</b>

Total consideration of £292.7m includes the cash consideration of £201.3m (including directly attributable expenses of £7.6m) and the fair value attributed to the 43.2% net disposal of Misys Healthcare of £91.4m. The fair value adjustments contain provisional amounts which will be finalised within 12 months of acquisition.

The goodwill arising on the acquisition of Allscripts Healthcare Solutions is principally attributable to the anticipated profitability achieved through perceived cost and revenue synergies.

Allscripts Healthcare contributed £23.9m revenue and £0.3m to the Group's operating profit for the period between the date of acquisition and 30 November 2008.

If the acquisition of Allscripts-Misys Healthcare had been completed on the first day of the period, the Group revenues for the period would have been £349.4m and Group operating profit would have been £60.7m.

### 13. Other intangible assets

<i>all figures in £ millions</i>	Complete technology	Customer relationships	Trade names and brands	Total acquired intangibles	Developed software	Third party software	Total intangibles
<b>Cost</b>							
At 1 June 2008	20.1	4.0	0.3	24.4	49.1	16.0	89.5
Differences on exchange	7.2	7.2	3.4	17.8	8.8	2.6	29.2
On acquisition of subsidiary undertakings	49.9	59.5	31.1	140.5	-	0.6	141.1
Disposals	-	-	-	-	(7.7)	(0.1)	(7.8)
Additions	-	-	-	-	10.9	14.4	25.3
At 30 November 2008	77.2	70.7	34.8	182.7	61.1	33.5	277.3
At 30 November 2007	18.3	3.8	0.3	22.4	39.7	13.6	75.7
<b>Amortisation and impairment</b>							
At 1 June 2008	(14.9)	(1.3)	(0.2)	(16.4)	(21.9)	(8.6)	(46.9)
Differences on exchange	(1.3)	(0.3)	-	(1.6)	(4.9)	(1.7)	(8.2)
Charge for the period	(1.6)	(0.9)	-	(2.5)	(2.3)	(0.7)	(5.5)
Impairment	-	-	-	-	(7.7)	(0.9)	(8.6)
Disposals	-	-	-	-	7.7	-	7.7
At 30 November 2008	(17.8)	(2.5)	(0.2)	(20.5)	(29.1)	(11.9)	(61.5)
At 30 November 2007	(10.9)	(1.0)	(0.1)	(12.0)	(19.4)	(7.5)	(38.9)
<b>Net book value</b>							
At 30 November 2008	59.4	68.2	34.6	162.2	32.0	21.6	215.8
At 31 May 2008	5.2	2.7	0.1	8.0	27.2	7.4	42.6
At 30 November 2007	7.4	2.8	0.2	10.4	20.3	6.1	36.8

Impairment of developed software and third party software arises from the merger of Misys Healthcare Systems with Allscripts Healthcare Solutions. These costs were treated as exceptional in the period (see note 3 for details).

### 14. Property, plant and equipment

	Freehold properties	Leasehold properties	Computer and other equipment	Total
<b>Cost</b>				
At 1 June 2008	1.7	11.3	36.9	49.9
Differences on exchange	0.1	1.8	6.6	8.5
On acquisition of subsidiary undertakings	4.3	0.5	6.8	11.6
Additions	-	3.5	4.6	8.1
Disposals	(4.3)	(0.7)	(5.8)	(10.8)
At 30 November 2008	1.8	16.4	49.1	67.3
At 30 November 2007	1.7	6.4	34.3	42.4
<b>Depreciation</b>				
At 1 June 2008	(0.5)	(3.5)	(28.3)	(32.3)
Differences on exchange	-	(0.6)	(4.8)	(5.4)
Charge for the period	-	(0.6)	(2.5)	(3.1)
Impairment	(0.4)	-	-	(0.4)
Disposals	-	0.6	5.8	6.4
At 30 November 2008	(0.9)	(4.1)	(29.8)	(34.8)
At 30 November 2007	(0.4)	(3.1)	(26.7)	(30.2)
<b>Net book value</b>				
At 30 November 2008	0.9	12.3	19.3	32.5
At 31 May 2008	1.2	7.8	8.6	17.6
At 30 November 2007	1.3	3.3	7.6	12.2

## 15. Loans and overdrafts

<i>all figures in £ millions</i>	<b>30 November 2008</b>	30 November 2007	31 May 2008
Bank overdrafts	<b>10.8</b>	2.1	4.9
Bank loans	<b>1.9</b>	-	-
Finance leases	<b>0.9</b>	0.6	0.6
Current loans and overdrafts	<b>13.6</b>	2.7	5.5
Bank loans	<b>94.4</b>	-	-
Other loans	<b>149.4</b>	-	-
3.5% senior convertible debentures	<b>18.1</b>	-	-
Finance leases	<b>1.8</b>	0.6	0.5
Non current loans and overdrafts	<b>263.7</b>	0.6	0.5
Total loans and overdrafts	<b>277.3</b>	3.3	6.0

### Group Credit Facility

During the period the Group entered into a revolving credit facility with a syndicate of banks. At 30 November 2008 the facility comprised one tranche of \$150.0m, maturing not later than April 2010 on which interest was payable at LIBOR plus a margin of 3%.

Arrangement fees in respect of this facility are included in the carrying value of the loan. These costs are amortised over the expected term of the facility. The amount of unamortised facility arrangement fees at 30 November 2008 was £3.0m. The facility is guaranteed by certain companies within the Group.

### Bridge Facility Agreement

During the period the Group entered into a bridge facility agreement with ValueAct Capital Master Fund LP, the Company's largest shareholder. This facility consists of one tranche of \$190.0m. The ValueAct bridge facility has a maturity date in May 2010 and may be converted to a 5 year term loan at that time. The interest rate applicable to this facility at 30 November was LIBOR plus a margin of 6.50% and from January 2009 this will increase.

Arrangement fees in respect of this facility are included in the carrying value of the loan. These costs are amortised over the expected term of the facility. The amount of unamortised facility arrangement fees at 30 November 2008 was £6.5m. The facility is guaranteed by certain companies within the Group.

The Group is subject to certain financial covenants under the revolving credit facility and the bridge facility agreement: these include a minimum ratio of operating profit, before depreciation and amortisation to net interest paid and a maximum ratio of net debt to operating profit, before depreciation and amortisation. These covenants have not been breached during the period.

### Credit Facility

Allscripts-Misys Healthcare has a \$75.0m credit facility with a bank. At 30 November 2008 \$50.0m of this facility was drawn down, maturing not later than August 2012 and bore interest at LIBOR plus 1.625%.

Arrangement fees in respect of this facility are included in the carrying value of the loan. These costs are amortised over the expected term of the facility. The amount of unamortised facility arrangement fees at 30 November 2008 was £0.5m.

### 3.5% Senior Convertible Debentures

In July 2004, Allscripts completed a private placement of \$82.5m of 3.5% Senior Convertible Debentures due 2024 ("Notes"). The Notes can be converted, in certain circumstances, into approximately 7,300 shares of common stock based upon a conversion price of approximately \$11.26 per share, subject to adjustment for certain events.

The Notes are only convertible under specific circumstances. Allscripts-Misys Healthcare has the right to deliver common stock, cash or a combination of cash and shares of common stock. At 30 November there were \$27.9m of senior convertible debentures remaining.

## 16. Provisions for liabilities and charges

<i>all figures in £ millions</i>	30 November 2008	30 November 2007	31 May 2008
Property	18.4	14.1	14.9
Contingent consideration	0.8	0.6	0.6
Other	1.9	0.4	2.8
	21.1	15.1	18.3
Included in current liabilities	10.4	5.7	10.6
Included in non current liabilities	10.7	9.4	7.7
	21.1	15.1	18.3

The property provisions comprise the net present value of the estimated future costs of vacant and sublet properties and the excess over market value for occupied properties of subsidiaries acquired in previous years. The provision relating to vacant and sublet properties is expected to be utilised on average over the next seven years, and the excess over market value provision over the next two years.

Included in other provisions are amounts primarily in respect of professional fees, maintenance costs and restructuring costs.

## 17. Contingent liabilities

Contingent liabilities that are quantifiable arise from property rental guarantees that have been issued in the normal course of business, letters of credit and also from bonds that have been issued in support of tenders submitted to prospective customers. These amount to £18.8m (Year 2007/08: £14.4m).

The Group's subsidiaries and the Company can be parties to legal actions and claims arising in the ordinary course of business. Whilst the outcome of current outstanding actions and claims remains uncertain, it is expected that they will be resolved without a material impact to the Group's financial position.

## 18. Related party transactions

Transactions between Misys plc and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The key management personnel of the Group comprise the Company Directors and Executive Vice Presidents. Their remuneration is disclosed in the year-end Group financial statements.

ValueAct Capital has a holding of approximately 25.7 per cent in the Company on an aggregated basis. Mr. Ubben, who is a non-executive Director of the Company is Chief Executive Officer and Chief Investment Officer of ValueAct Capital. Accordingly Mr. Ubben was interested in the placing and underwriting agreement (the 'Placing Agreement') entered into on 17 March 2008 between the Company, ValueAct Capital Master Fund, L.P acting through its general partner, VA Partners I, LLC ('ValueAct') and JPMorgan Cazenove Limited by virtue of him being one of the principal investors in ValueAct.

On 10 October 2008 in connection with the Allscripts merger, ValueAct Capital Master Fund L.P. (acting through "ValueAct") acquired all of the Placing Shares pursuant to the underwriting commitment provided by it at the time of the Placing. Upon acquisition of the Placing Shares, the percentage of the issued voting share capital of the Company controlled by affiliates within ValueAct's group increased to approximately 25.7 per cent.

On 29 September 2008 the Company entered into a US\$175.0m bridge facility (subsequently increased to US\$190.0m) with a subsidiary of ValueAct Capital. Details of this facility and amounts drawn under it are given in Note 15.

## 19. Share capital and reserves

<i>all figures in £ millions</i>	Share capital	Share premium	Capital redemption reserve	Other reserves	Minority interests	Equity shareholders' funds
At 1 June 2008	5.5	67.3	0.3	5.2	-	78.3
Total recognised income and expense for the period	-	-	-	90.8	8.1	98.9
Shares issued in the period (net of expenses)	0.4	84.6	-	-	-	85.0
Dividends paid	-	-	-	(23.9)	-	(23.9)
Share options settled from own shares	-	-	-	-	-	-
Purchase of and other movements in own shares	-	-	-	-	-	-
Acquisition	-	-	-	-	80.8	80.8
Share-based payments	-	-	-	3.9	0.1	4.0
Deferred tax on share-based payments	-	-	-	(0.9)	(0.6)	(1.5)
At 30 November 2008	5.9	151.9	0.3	75.1	88.4	321.6

On 18 March 2008, Misys launched a conditional placing of 42,857,143 new Ordinary Shares, with a nominal value of 1 penny per share (the Placing Shares) at a price of 175 pence per Placing Share. During the period, all of the Placing Shares were acquired by ValueAct Capital (acting through its general partner VA Partners I, LLC), pursuant to the underwriting commitment provided by it at the time of the placing. Proceeds of the issue generated share premium of £84.6m net of issue expenses of £3.0m.

During the period, no shares were purchased by the Company. (First half 2007/08: 1,050,000 shares; Year 2007/08: 1,300,000 shares with cost including expenses (First half 2007/08: £2.1m; Year 2007/08: £2.5m).

During the period 9,975 (First half 2007/08: 151,259; Year 2007/08: 173,034) ordinary shares were purchased by the Misys Employees' Share Trust at a negligible cost (First half 2007/08: £0.3m; Year 2007/08: £0.4m).

<i>all figures in £ millions</i>	Share Capital	Share premium	Capital redemption reserve	Other reserves	Equity shareholders' funds
At 1 June 2007	5.5	67.3	0.3	(76.5)	(3.4)
Total recognised income and expense for the period	-	-	-	92.3	92.3
Shares issued in the period	-	-	-	-	-
Dividends paid	-	-	-	(22.7)	(22.7)
Share options settled from own shares	-	-	-	2.8	2.8
Purchase of and other movements in own shares	-	-	-	(2.4)	(2.4)
Share-based payments	-	-	-	2.4	2.4
Deferred tax on share-based payments	-	-	-	(0.7)	(0.7)
At 30 November 2007	5.5	67.3	0.3	(4.8)	68.3

## 20. Post balance sheet events

On 9 January 2009 Misys announced that Jim Malone resigned, by mutual consent, as Chief Financial Officer and resigned from the Boards of Misys plc and Allscripts-Misys Healthcare with immediate effect. James Gelly was appointed Acting Chief Financial Officer.

## **Independent review report to Misys plc**

### **Introduction**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2008, which comprises the Consolidated income statement, Consolidated balance sheet, Consolidated statement of recognised income and expenditure, Consolidated statement of cash flows and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

### **Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
29 January 2009

### **Notes:**

The maintenance and integrity of the Misys Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Directors of Misys plc are listed in the Misys plc Annual Report and Accounts for 31 May 2008, with the exception of the following changes that took place during the six period 1 June 2008 to 29 January 2009:

Philip Rowley was appointed a director on 5 November 2008.

James Malone resigned from the Board on 9 January 2009.

By order of the Board

Mike Lawrie  
Chief Executive Officer  
29 January 2009

James Gelly  
Acting Chief Financial Officer  
29 January 2009