

8 APRIL 2010

MISYS plc Third Quarter Interim Management Statement

Misys records strong results with 7% growth in revenue and operating profit up 18%¹

Misys plc (LSE: MSY), the global application software and services company, publishes its Interim Management Statement for the third quarter of its 2009/10 financial year, ended 28 February 2010.

Financial information referred to in the statement is unaudited. All comparisons to the prior year are on a pro-forma constant currency basis¹ unless otherwise stated.

Financial and Operational Highlights (3rd quarter)

- Order intake² up 8% (year to date: 9%).
- Revenue up 7% (year to date: 1%).
- Adjusted operating profit³ up 18% (year to date: 13%).
- Recurring revenues were up 7% and represented 60% of total revenue
- Net debt reduced to £59 million from £120 million at the start of the quarter due to strong cash conversion
- 4 new orders in the period from bank customers for our next generation BankFusion solutions.
- Further adoption of Electronic Health Records by large physician groups, notably Catholic Health Initiatives.
- Expectations for the 2nd half re-affirmed: 5-8% revenue growth on a constant currency basis and 19-21% adjusted operating profit margin.

Mike Lawrie, Chief Executive, Misys plc comments

“As expected, we have seen improving revenue momentum in the third quarter with accelerated growth in Allscripts and TCM. Our strong, reliable business model and effective financial discipline are enabling us to continue to increase profits significantly, with 18% growth in adjusted operating profit for the third quarter, and 13% for the year to date. We have continued to introduce new solutions and I am pleased with the progress we are making towards leadership in our markets.

Orders across the Group have increased by 9% in the year so far, with particular strength at Allscripts as physicians in the US adopt Electronic Health Records. Allscripts revenue grew 16% for the third quarter as we continued to win large community-based deals and we successfully implemented orders won in previous quarters.

Treasury & Capital Markets continued its recovery with growth led by maintenance and services, while it continued to win new name customers for its solutions.

In Banking, the market remains difficult for new business but our recurring revenue base continues to grow. We see significant improvements in sales pipelines, most notably in BankFusion, for which we signed 4 new customers in the period.

We are pleased with our performance in the third quarter and believe that our year-to-date results position us to meet the full year targets that we communicated in January 2010.”

Notes

1. Pro-forma constant currency comparisons

Results for this period have been affected by the movement in exchange rates. The most significant impact is from the movement in the US dollar and the Euro, where the average exchange rates against Sterling for the third quarter were US\$1.61 and €1.13 compared to US\$1.47 and €1.11 in the third quarter of 2008/09. For year to date comparisons, the exchange rates applied are US\$1.63 and €1.13 compared to US\$1.71 and €1.21 for the corresponding period in 2008/09.

Results are also impacted by the merger of Misys Healthcare with Allscripts Healthcare, Inc. ('Allscripts') in October 2008.

Pro-forma, constant currency financial information (i) is translated at constant exchange rates; (ii) assumes Misys Healthcare and Allscripts had been combined by the start of the prior 2008/09 financial year, and (iii) is adjusted by the addition of revenue in respect of deferred revenue balances written down upon acquisition of Allscripts. For the third quarter, those deferred revenues were £0.3m (third quarter 2008/9: £1.9m); for the year to date, they were £2.8m (2008/09: £3.2m).

2. Order Intake

Orders are reported on a gross basis reflecting contracts signed and includes Initial Licence Fees, Global Services, Application Service Provider fees and, in Allscripts, Transaction Processing and Hardware.

3. Adjusted operating profit

Results are stated before exceptional items, gains and losses on embedded derivatives, amortisation of acquired intangible assets and translation exchange differences recycled from reserves.

About Misys

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 160,000 physicians, 800 hospitals and nearly 8,000 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.

Conference Call

A conference call for analysts and investors will be held at 9.00am BST today. To access this call dial +44 (0) 1452 569 103.

The call will be available for replay from later today for 7 days on +44 (0) 1452 55 00 00 with access number: 66982108#

Analyst / investor inquiries

Phil Branston
T: +44 (0) 203 320 5503
M: +44 (0) 789 906 5115
Email:phil.branston@misys.com

Media inquiries

Carl Gibson
T: +44 (0) 203 320 5526
M: +44 (0) 782 523 6473
Email:carl.gibson@misys.com

Group Results and Financial Position

	3 rd quarter						Year to date					
	As reported			Pro-forma, constant currency			As reported			Pro-forma, constant currency		
	2009/10	2008/09	growth	2009/10	2008/09	growth	2009/10	2008/09	growth	2009/10	2008/09	growth
	£m	£m	%	£m	£m	%	£m	£m	%	£m	£m	%
Order Intake	124	121	3%	124	115	8%	364	283	29%	364	333	9%
<i>of which</i>												
ILF	39	35	11%	39	34	15%	112	90	25%	112	108	4%
ASP	16	27	-42%	16	25	-37%	48	42	15%	48	47	2%
Global Services	40	27	47%	40	27	46%	115	77	50%	115	91	27%
Revenue	192	193	-1%	192	179	7%	552	474	17%	555	547	1%
<i>of which</i>												
ILF	38	35	10%	38	35	10%	103	87	17%	103	107	-4%
ASP	9	9	3%	9	9	3%	25	14	86%	25	22	15%
Maintenance	80	79	2%	80	74	9%	233	196	19%	234	220	7%
Global Services	27	28	-3%	27	28	-1%	83	77	7%	84	93	-10%

We are pleased to report a strong performance in both order intake and revenue. Orders grew 8%, whilst revenue grew 7%. Growth in Initial Licence Fee revenue of 10% has been particularly encouraging, reflecting increasing demand in the period and delivery of orders received in previous quarters. The significant revenue growth we have seen in the third quarter has brought us into revenue growth for the year to date.

The net debt balance at 28 February 2010 was £59 million (£120 million at 30 November 2009). The reduction principally reflects increased revenues, improved underlying cash collection and the benefit of seasonally strong maintenance fee billing. We continue to target a reduction of net debt to between £20 million and £30 million by 31 May 2010.

Allscripts

	3 rd quarter						Year to date					
	As reported			Pro-forma, constant currency			As reported			Pro-forma, constant currency		
	2009/10	2008/09	growth	2009/10	2008/09	growth	2009/10	2008/09	growth	2009/10	2008/09	growth
	£m	£m	%	£m	£m	%	£m	£m	%	£m	£m	%
Order Intake	88	83	6%	88	76	16%	250	169	48%	250	211	19%
<i>of which</i>												
ILF	20	14	43%	20	13	56%	56	31	79%	56	48	16%
ASP	14	26	-46%	14	24	-41%	43	41	7%	43	45	-5%
Global Services	24	11	121%	24	10	142%	62	22	181%	62	30	105%
Revenue	112	110	2%	112	98	16%	315	233	35%	318	298	6%
<i>of which</i>												
ILF	20	13	56%	20	13	52%	49	25	91%	49	44	13%
ASP	8	8	4%	8	8	4%	23	12	103%	23	19	15%
Maintenance	39	38	1%	39	34	14%	112	85	33%	113	104	9%
Global Services	11	11	-3%	11	11	2%	30	21	43%	31	34	-8%

The adoption, by new and existing Allscripts users, of Electronic Health Records is starting to add significant initial licence revenues to Allscripts' strong base of recurring revenues.

Throughout the year we have seen strong interest from all sizes of physician groups but especially larger ones now preparing their systems for stimulus incentives, and those who are starting to use the e-prescribing capability that Allscripts provides.

Amongst orders taken from large groups in the period, Catholic Health Initiatives, a nationwide healthcare provider, selected the Allscripts Electronic Health Record solution for over 1,000 employed physicians and also provided the opportunity for Allscripts to address an additional 7,000 non-employed affiliated physicians. Danbury Office of Physician Services, a multi-speciality physician group, agreed to expand its deployment of the Allscripts Electronic Health Record to a further 200 of its employed physicians.

In addition to underlying demand, our streamlined implementation and upgrade methodologies have improved conversion of orders to revenue.

Treasury & Capital Markets ('TCM')

	3rd quarter						Year to date					
	As reported			Pro-forma, constant currency			As reported			Pro-forma, constant currency		
	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %
Order Intake	20	20	1%	20	20	2%	60	53	14%	60	55	11%
<i>of which</i>												
ILF	11	11	-1%	11	11	2%	30	28	10%	30	28	8%
ASP	2	1	102%	2	1	88%	4	1	179%	4	2	164%
Global Services	8	8	-7%	8	8	-5%	26	24	8%	26	25	4%
Revenue	43	42	3%	43	40	7%	122	115	6%	122	119	3%
<i>of which</i>												
ILF	11	11	-4%	11	11	-2%	29	29	0%	29	29	-2%
ASP	1	1	-11%	1	1	-10%	2	2	5%	2	3	3%
Maintenance	20	20	2%	20	19	7%	58	51	12%	58	54	8%
Global Services	9	8	18%	9	8	22%	26	24	7%	26	25	3%

The Treasury & Capital Markets business ('TCM') has continued its recovery with growth accelerating in the third quarter, and we are encouraged by our pipeline of opportunities for the fourth quarter.

Maintenance and global services fees led the revenue growth as recent initial licence sales yielded both ongoing maintenance fees and implementation projects.

TCM's capital markets and lending solutions continue to elicit interest from new and existing customers, underlining our agility in enhancing these solutions to suit the evolving approach of customers to managing transactions and mitigating risk. During the third quarter, new customers included, Daiwa Security Net Bank with our Summit securities trading solution, and Credit Suisse in Mexico, adopting Opics for processing derivatives in its wealth management division.

Banking

	3rd quarter						Year to date					
	As reported			Pro-forma, constant currency			As reported			Pro-form, constant currency		
	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %	2009/10 £m	2008/09 £m	growth %
Order Intake	16	18	-11%	16	19	-17%	54	61	-13%	54	67	-20%
<i>of which</i>												
ILF	8	10	-21%	8	10	-21%	26	31	-17%	26	32	-18%
ASP	0	0	-	0	0	-	1	0	-	1	0	-
Global Services	8	8	1%	8	9	-14%	27	31	-12%	27	36	-25%
Revenue	37	41	-12%	37	41	-12%	115	126	-8%	115	130	-11%
<i>of which</i>												
ILF	7	11	-31%	7	11	-30%	25	33	-25%	25	34	-26%
ASP	0	0	-	0	0	-	0	0	-	0	0	-
Maintenance	21	21	1%	21	21	2%	63	60	6%	63	62	2%
Global Services	7	9	-21%	7	9	-22%	27	32	-16%	27	34	-20%

Banks in our marketplace continue to be reluctant to commit funds to new IT projects, focussing instead principally on rebuilding their capital bases and cutting costs. Consequently, revenues continue to be affected by the weakness in orders that was evident in the first half of the financial year and which has continued into the third quarter.

Maintenance fees, the largest single revenue source, continue to show some growth, consistent with the first half of the year.

Despite constrained budgets, those of our customers with a need to become more responsive in their marketplaces are showing increasing interest in our new products, principally in the BankFusion suite of flexible solutions for banking processes. Our customers' focus on transaction fee-based income is creating interest in new solutions for Trade Services, Payments, Mobile Banking and Business Intelligence.

During the quarter we received orders from four new customers for BankFusion. Two of these, Time Bank in Zimbabwe and Actinver in Mexico, were competitive new business wins, adopting our BankFusion Universal Banking application for developing banks. The other two, Amsterdam Trade Bank in The Netherlands and QNB in Qatar, are existing Misys customers adopting our 'renovation' solution, BankFusion Equation, to enhance their Equation system. In April we successfully took live our second BankFusion Universal Bank customer, CRDB in Tanzania, in a project that took less than a year to implement and included integrating BankFusion with other Misys and third-party products, demonstrating the strength of its open flexible architecture.

Amongst other new product adoptions, Calyon, the corporate and investment banking arm of Crédit Agricole Group, has gone live with the innovative purchase order and invoice management capabilities of Misys Trade Portal, enabling it to include open account-based scenarios in support of advanced trade payables and receivables financing.