

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (FSMA) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale was effected.

**Your attention is drawn to the letter from your Chairman which is set out in Part II of this document and which contains a recommendation from your Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**



**MISYS PLC**

*(incorporated under the Companies Act 1985 in England and Wales with registered number 1360027)*

**Proposed Acquisition by Misys plc of the Sophis Group  
Proposed Disposal by Misys plc of its remaining shareholding  
in Allscripts Healthcare Solutions, Inc.  
Notice of General Meeting**

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**A Notice of General Meeting of the Company, to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 9.30 a.m. (London time) on Friday, 11 February 2011, is set out in Part IX of this Circular. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrar, Equiniti, at Aspect House, Spencer Road, Lancing BN99 6GG by not later than 9.30 a.m. (London time) on 9 February 2011 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). You may also submit your proxy electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number on the Form of Proxy. If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 9.30 a.m. (London time) on 9 February 2011 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).**

This document is a circular relating to the Proposed Acquisition and the Proposed Disposal which has been prepared in accordance with the Listing Rules made under section 73A of the FSMA. This Circular has been approved by the Financial Services Authority.

J.P. Morgan Cazenove is authorised and regulated in the UK by the Financial Services Authority and is acting as sole financial adviser to Misys and no-one else in connection with the Proposed Acquisition and is not advising, or acting for any other person and will not be responsible to anyone other than Misys for providing the protections afforded to its clients or for providing advice in relation to the Proposed Acquisition or any matter or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Cazenove by the FSMA or the regulatory regime established thereunder, J.P. Morgan Cazenove accepts no responsibility whatsoever for the contents of this Circular, including its accuracy, completeness or verification, or any statement made or purported to be made in conjunction with Misys or the Proposed Acquisition. J.P. Morgan Cazenove accordingly, disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Circular.

This Circular is dated 25 January 2011.



## **FORWARD-LOOKING STATEMENTS**

The statements contained in this Circular that are not historical facts are “forward-looking” statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Misys’ control and all of which are based on the Directors’ current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, Misys or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of Misys’ authorised executive officers. These forward-looking statements and other statements contained in this Circular regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing Misys and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. See Part III of this Circular (Risk Factors) for further information in this regard. The forward-looking statements contained in this Circular speak only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules of the Financial Services Authority, Misys will not necessarily update any of them in light of new information or future events and undertakes no duty to do so. Shareholders should note that this paragraph is not intended to qualify the statements made as to sufficiency of working capital in Part VII of this Circular.

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**PART I: EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

	<u>2011</u>
Publication of this Circular . . . . .	25 January
Latest time and date for receipt of Forms of Proxy for the General Meeting of Misys . . . . .	9.30 a.m. on 9 February
General Meeting of Misys . . . . .	9.30 a.m. on 11 February
Earliest expected date of Completion of the Proposed Acquisition . . . . .	23 February*

Note:

\* *This is indicative only and is subject to change.*

*All references to time in this Circular are, unless the context otherwise requires, to the time in London, United Kingdom.*

PART II: LETTER FROM THE CHAIRMAN OF MISYS PLC



*(incorporated under the Companies Act 1985 in England and Wales with registered number 1360027)*

*Directors:*

Sir James Crosby Chairman  
Mike Lawrie Chief Executive Officer  
Stephen Wilson Chief Financial Officer  
John King Non-executive Director  
John Ormerod Non-executive Director  
Philip Rowley Non-executive Director  
Jeffrey Ubben Non-executive Director

*Registered Office:*

Misys plc  
One Kingdom Street  
Paddington  
London  
W2 6BL

25 January 2011

Dear Shareholder

**Proposed Acquisition by the Company of the Sophis Group**

**Proposed Disposal by the Company of  
its remaining shareholding in Allscripts**

**Notice of General Meeting**

**1. Introduction**

Misys announced on 12 November 2010 that it had entered into a conditional agreement to acquire the Sophis Group.

Misys has agreed with the owners of the Sophis Group (subject to certain conditions being fulfilled) that:

- (a) MIBS, a wholly owned subsidiary of Misys, will purchase the entire Sophis Group from its principal shareholder Advent and various management shareholders for a purchase price of €273 million and will discharge the Sophis Group's net debt at Completion (net debt was €162 million at 30 September 2010), representing an estimated enterprise value of €435 million;
- (b) of the €273 million purchase price, €267 million will be paid in cash and the balance will be paid to certain management shareholders in Ordinary Shares in an aggregate amount of up to €6 million; and
- (c) an additional €5 million may be payable in cash by MIBS to Advent and the various management sellers in accordance with an earn-out provision which is linked to the financial performance of the Sophis Group in the year ended 31 December 2010.

Further details of the Proposed Acquisition, including the conditions, are set out in this Circular, in particular in paragraphs 2, 4 and 5 of this letter and Part VI of this Circular.

The cash element of the Sophis acquisition consideration and the repayment of the Sophis Group's existing net debt is to be funded by a combination of the proceeds of the sale of shares in Allscripts which completed in November, new credit facilities and the issue of a convertible bond. Further details of the financing arrangements for the Proposed Acquisition are set out in this Circular, in particular in paragraph 5 of this letter and in Part VI of this Circular.

On 12 November 2010 Misys sold 12,500,000 of its aggregate holding of 19,005,621 shares in Allscripts to Barclays Capital for aggregate proceeds of £139 million. Misys now intends to seek shareholder approval for the sale of the remaining 6,505,621 shares in Allscripts.

## **2. Purpose of this Circular**

In view of their respective sizes, as required by the Listing Rules, the Proposed Acquisition and the Proposed Disposal are each conditional upon, among other things, the approval of a simple majority of Shareholders voting in person or by proxy. These approvals will be sought at the General Meeting of Misys to be held at 9.30 a.m. on Friday, 11 February 2011 at which Shareholders will be asked to vote in favour of the Resolutions to be proposed at such meeting. The Proposed Acquisition is not conditional upon the Proposed Disposal being approved by Shareholders. Equally, the Proposed Disposal is not conditional upon the Proposed Acquisition being approved by Shareholders.

The purpose of this Circular is, amongst other things, to provide you with details of the background to and reasons for the Proposed Acquisition and the Proposed Disposal, to explain why your Board believes that each of the Proposed Acquisition and the Proposed Disposal is in the best interests of the Company and its Shareholders as a whole and to seek your approval for the Resolutions to be proposed at the General Meeting. A Notice convening the General Meeting is set out in Part IX of this Circular. The actions you should take to vote on the Resolutions and the recommendation of your Board, are set out in paragraphs 10 and 11 of this letter.

## **3. Background to and reasons for the Proposed Acquisition**

### *Overview*

Within the Treasury & Capital Markets sector, there is a growing demand for software that enables financial institutions to process securities trades from front office to back office in a manner which is both cost effective and enhances risk management capabilities.

Misys has been expanding its leading Treasury & Capital Markets solution portfolio to address these growing requirements. The Treasury & Capital Markets business has shown agility in enhancing its solutions to suit the evolving approach of customers to managing transactions and mitigating risk, with the release of innovative new solutions for securities trading, loan management and risk management.

### *Background to the Proposed Acquisition*

As indicated by Misys in the circular to Shareholders dated 29 July 2010 (relating to the disposal of its majority stake in Allscripts), it is the Board's intention that the Treasury & Capital Markets business continues to focus on further growing its market share by attracting significant numbers of customers in its core securities trading and corporate lending markets, retaining existing customers through high quality customer service and continuing to enhance its existing solutions and introduce new products.

In particular, Misys has sought to expand into new asset classes and beyond its traditional focus on the 'sell-side' (those which focus on the sale of investment services) to address the 'buy-side' (where asset managers and hedge funds purchase securities for investment purposes). The Board believes that the Proposed Acquisition by Misys of the Sophis Group represents an opportunity to further this objective.

Sophis is a leading global provider of cross-asset, front-to-back-office securities trading systems, with particular strength in portfolio and risk management. Sophis' solutions are used by financial institutions on both sell-side and buy-side. The Sophis Group has approximately 130 financial institutions in its customer base, with approximately 80 buy-side customers (including Axa, Fidelity, Nomura and UBS) and approximately 50 sell-side customers (including Barclays, HSBC, Natixis and Royal Bank of Canada). Sophis is headquartered in Dublin with offices in France, China, Europe, New York, South America and Asia and had 360 employees as at 30 June 2010.

### *Transaction rationale*

Traditionally the strength of Misys' Treasury & Capital Markets business has been in the provision of software solutions to 'sell-side' customers. Conversely Sophis has achieved a strong position in providing software solutions to the 'buy-side' market.

With the addition of Sophis, the Directors believe that Misys will have the leading suite of cross-asset solutions for both buy-side and sell-side customers. On the buy-side, Sophis' solutions will accelerate Misys' penetration of this rapidly expanding market giving greater exposure to Sophis customers, including those smaller asset managers and hedge funds which are at early stages in their technology investments. On the sell-side, Misys' current solutions (established in areas such as foreign exchange, fixed income and credit derivatives) will be strengthened by the addition of Sophis' leading functionality in equities and

equity derivatives. Conversely, Sophis products will have greater exposure to non-European markets, in particular the fast-growing Asian market, through leveraging Misys' international footprint and its existing sales and services infrastructure in these regions.

The enlarged group will have over 500 customers using its capital markets solutions. Sophis will increase Misys revenues in Treasury & Capital Markets by over a third. The combined business will have a share of over one-third of the customers in this market (source: IBS Intelligence). Sophis' 40% adjusted operating margin and 15% tax rate will significantly increase Misys's profitability. The Proposed Acquisition, net of its financing costs, is expected to be significantly accretive to Misys' adjusted earnings per share in the first full financial year after acquisition (the year to 31 May 2012).

#### *Synergies and integration strategy*

Software solutions from Misys and Sophis are complementary. Sophis provides leading trading solutions for buy-side customers, with particular strength in portfolio and risk management. The Proposed Acquisition will enable Misys' entry into the fast-growing buy-side market to be accelerated. Sophis' specialisation in sell-side equities and commodities products will complement Misys' Treasury & Capital Markets existing sell-side fixed income, derivatives and FX solutions. The acquisition will further complement Misys' Treasury & Capital Markets business by giving it additional expertise through the Sophis' management team joining Misys and the addition of a further 130 financial institutions to Misys' customer base.

It is the Board's intention that existing Misys and Sophis solutions will continue to be supported. Sophis will initially be operated as a standalone division in Misys, with resources and support functions consolidated on to the common processes and platforms of the Misys Group as appropriate. Misys' proven product development and other processes and platforms will be applied to Sophis operations.

Revenue synergies of £40-50 million are expected to be generated in the three financial years following completion of the Proposed Acquisition, and are expected to be realised in the following ways:

- (a) for existing Misys customers: better functionality from Sophis for equities, equity derivatives, portfolio trading and portfolio analysis;
- (b) for existing Sophis customers: better functionality from Misys for interest rate and credit derivatives, bonds and foreign exchange; and
- (c) for new customers: an integrated cross-asset solution combining the application strengths of both Misys and Sophis marketed through the enlarged Misys global distribution network.

Cost synergies will result from greater scale economies in support and product development functions, partially offset by investment in integrating together the Sophis and Misys applications. Annual operating cost savings by the second financial year after acquisition are expected to be an estimated £4 million. Cumulative integration costs over the three full financial years after acquisition are expected to be approximately £10 million.

#### *Financial information on Sophis*

Sophis is a highly profitable business based on software licence sales, associated services and recurring maintenance fees, of which software licences are the largest revenue source at 48% of total revenues (year to 31 December 2009).

Adjusted operating profit before amortisation of acquired intangibles, interest and tax for the year to 31 December 2009 was €29 million (2008: €30 million), representing a 40% operating margin. Sophis' loss before tax for the same period was €29 million, after an interest charge of €32 million. The normalised tax rate was approximately 15%, which is expected to continue following acquisition.

Revenues for the year to 31 December 2009 were €74 million (2008: €73 million), having in the five years up to then shown compound annual growth of 30%, despite the financial services industry's recent downturn.

The largest proportion of revenues comes from Europe. Sophis also has significant revenues from Asia and North America and is strongly positioned with emerging buy-side businesses in those regions.

In the nine months to 30 September 2010, Sophis' orders grew by 7% compared with the same period in the previous year and its revenues declined by 4%.

Sophis' gross assets at 31 December 2009 were €342 million.

The figures set out above have been extracted without adjustment from the accountant's report on Sophis for the year ended 31 December 2009 and the financial information to 30 September 2010, which are set out in full at Part IV of this Circular. Investors should read the entire document and not rely solely on the summarised financial information.

Details of the expected effect of the Proposed Acquisition on the net assets of the Misys Group is set out in Part V of this Circular.

#### **4. Overview of the Proposed Acquisition**

Misys has agreed with the owners of the Sophis Group (subject to certain conditions being fulfilled) that:

- (a) MIBS, a wholly owned subsidiary of Misys, will purchase the entire Sophis Group (including preferred equity certificates (**PECs**)) from its principal shareholder Advent and various management shareholders for a purchase price of €273 million and will discharge the Sophis Group's net debt at Completion (net debt was €162 million at 30 September 2010), representing an estimated enterprise value of €435 million;
- (b) certain management sellers will receive part of their consideration, in an aggregate amount of up to €6 million, in Ordinary Shares (such number of Ordinary Shares to be determined by dividing the stock consideration amount payable to the relevant management sellers pursuant to the Sale and Purchase Agreement by volume weighted average price of Misys over the twenty business days before Completion); the balance of the consideration (i.e. at least €267 million) will be paid in cash; and
- (c) an additional €5 million may be payable in cash by MIBS to Advent and the various management sellers in accordance with an earn out provision which is linked to the financial performance of the Sophis Group in the year ended 31 December 2010.

The Sale and Purchase Agreement provides for the acquisition by MIBS of the entirety of the Sophis Group's business through a purchase of a mixture of shares of common stock, preferred shares, PECs and warrants in four holding companies Sophis Holding, GP Holding, GP Manco and Sophis Manco. At Completion the Sophis Group will be wholly owned by MIBS.

The directors of Misys have agreed with the sellers to unanimously recommend to Shareholders that they vote in favour of the Proposed Acquisition Resolution. Misys has agreed to pay the sellers a break fee of €3 million in the event that the Directors withdraw their recommendation (other than in certain circumstances) and Shareholders subsequently fail to approve the Proposed Acquisition.

Further information on the Proposed Acquisition is set out in more detail in Part VI of this Circular.

#### **5. Financing the cash component of the Proposed Acquisition**

The cash element of the consideration for the Proposed Acquisition is to be funded by a combination of the proceeds of the completed sale of part of the remaining Misys investment in Allscripts, new credit facilities and the issue of a convertible bond.

##### *Sale of Allscripts shareholding*

On 12 November 2010 Misys sold 12,500,000 of the 19,005,621 shares in Allscripts it held to Barclays Capital for aggregate proceeds of £139 million.

##### *New credit facilities*

On 12 November 2010, Misys agreed new and increased credit facilities of £280 million with five major international banks—Barclays Bank plc, Clydesdale Bank plc (trading as Yorkshire Bank), HSBC Bank plc, the Governor and Company of the Bank of Ireland and the Royal Bank of Scotland plc, with HSBC Bank plc as Agent and as one of the mandated lead arrangers. The facilities comprise a £90 million term loan and a £190 million multicurrency revolving credit facility, both expiring in August 2014.

The new facilities will replace the existing £210 million facility, which is due to expire in May 2012, and incorporate improved terms and lower margins over LIBOR, which will vary according to the group's net debt to adjusted EBITDA ratio.

The new facilities, in addition to part-funding the Proposed Acquisition, are also available for the general corporate purposes of the Group.

The new facilities are conditional upon the Proposed Acquisition taking place. If the Proposed Acquisition does not occur, the Misys Group will continue to use the existing facility.

#### *Convertible bond*

On 22 November 2010 Misys issued £100 million of senior unsecured convertible bonds (the **Convertible Bonds**) due in November 2015. The Convertible Bonds are convertible into Misys shares at a conversion price of £3.6883. The Convertible Bonds carry a coupon of 2.5% per annum payable semi-annually in arrears in equal instalments on 22 May and 22 November in each year in respect of each Convertible Bond. Unless previously purchased or cancelled, redeemed or converted, the Convertible Bonds will be redeemed on 22 November 2015 at their principal amount.

The overall level of debt being taken on to fund the Proposed Acquisition is considered by the Directors to be prudent in view of the highly cash-generative nature of the Combined Group, which is expected to enable net debt to be reduced rapidly.

Further information on the financing for Proposed Acquisition is set out in more detail in Part VI of this Circular.

## **6. Background to and reasons for the Proposed Disposal**

On 12 November 2010 Misys sold 12,500,000 of the 19,005,621 shares in Allscripts it held in a block trade to Barclays Capital for aggregate proceeds of £139 million (the **November Block Trade**). The proceeds of the November Block Trade are expected to be applied to meet the funding requirements of the Proposed Acquisition.

Following the November Block Trade, Misys is no longer entitled to nominate directors to the board of Allscripts and John King and Stephen Wilson, the Misys nominees to the board of Allscripts resigned on 17 November 2010. Following the November Block Trade the Directors regard the remaining stake in Allscripts as a non-core asset that should be realised as soon as practicable.

The November Block Trade did not require shareholder approval and the Proposed Disposal, on its own, would not require shareholder approval. However, the Listing Rules require certain transactions to be aggregated and when the Proposed Disposal is aggregated with the November Block Trade, the Listing Rules require that shareholder approval is obtained for the Proposed Disposal. The Directors are therefore seeking shareholder approval to dispose of the Company's remaining holding of 6,505,621 shares in Allscripts in one or more transactions at such price(s) as the Directors may reasonably determine to be appropriate. As at 30 November 2010, the Allscripts Securities were valued at £73.3 million based on a price of US\$17.55 per Allscripts share.

Share price information in respect of Allscripts shares is set out in paragraph 4 of Part VII of this Circular. Financial information in respect of Allscripts is contained in the circular issued by Misys to Shareholders dated 29 July 2010 (relating to the disposal of its majority stake in Allscripts) and incorporated by reference into this Circular as set out in paragraph 17 of Part VII of this Circular.

Illustrative proceeds of the Proposed Disposal (before legal, tax, accounting and transaction fees) would be in the region of US\$131.7 million, assuming a price of US\$20.24 per Allscripts share (being the closing price of an Allscripts Share as at 24 January 2011 (being the last practicable trading date before the posting of this Circular)). It is expected that initially, all of the proceeds will be used to reduce outstanding amounts drawn under Misys's revolving credit facility. This will provide Misys with increased funds for general corporate purposes, including further investment in the business.

It is proposed that the Allscripts Securities be sold by the Company for a minimum consideration of US\$16.50 and on terms substantially similar to those of the November Block Trade (further details of which are set out in Part VII of this Circular). In determining the appropriate time, price and manner of the Proposed Disposal, the Directors will take into account, without limitation, the historic operating and share price performance of Allscripts and other companies which operate in its sector, previous disposals of Allscripts shares by the Company, the general market conditions at the time of the Proposed Disposal, whether there is an opportunity to solicit competitive bids and Company's exposure to the equity capital markets in general.

The Proposed Disposal is not expected to have any material effect on the net assets or the earnings of the Misys Group.

## **7. Information on Misys**

Misys is one of the world's longest-established providers of industry-specific software and a leader in the global application software and services market. Founded in 1979, Misys provides mission-critical software solutions and services to clients in the banking and the treasury & capital markets industries, combining technological expertise with an in-depth understanding of customers' markets and operational needs.

Misys' shares trade on the London Stock Exchange. Headquartered in London, Misys currently employs approximately 3,500 people worldwide, serving customers in more than 120 countries.

The Company has the following businesses:

- (a) **Banking:** provision of a comprehensive range of software systems to process transactions and other customer and corporate information in order to run banks' operations and key business processes. These create comprehensive, integrated solutions for financial institutions across the globe to achieve improvements in revenue, performance and efficiency across retail, corporate, wholesale and universal banking;
- (b) **Treasury & Capital Markets:** creates integrated, comprehensive solutions for financial institutions and corporate treasury departments across the globe to process trading transactions and the information associated with them, enabling customers to manage their capital market activities across multiple asset classes and provides solutions for a wide range of capital markets domains, including syndicated lending, bilateral lending, OTC derivative trading, risk and compliance, structured trading, Islamic treasury, buy side, treasury and post-trade processing;
- (c) **Global Services:** provides solutions and practical tools to help financial institutions of all sizes from around the globe to solve their complex and strategic business issues. Global Services consultants and customer relationship managers help customers to achieve operational efficiency, risk management, cost reduction and better system utilisation; and
- (d) **Open Source:** develops and delivers open source software solutions to enhance value for customers and grow the Company's market. With a focus on healthcare information exchange and carbon trading, Open Source supports customers through consultancy and technical services and also works in partnership with other Misys divisions to deepen customer relationships and address new opportunities.

In Banking and Treasury & Capital Markets, Misys has over 1,200 customers, including all of the world's top 50 banks.

## **8. Current trading**

### *Misys' current trading*

Misys today reported its results for the six months ended 30 November 2010. Order intake increased over the prior period by 4% to £81 million (3% increase on a constant currency basis) with revenue increasing by 2% to £161 million (flat on a constant currency basis). Adjusted operating profit was £23 million, an increase of 5% on a constant currency basis (down 3% as reported), with adjusted earnings per share from continuing operations up 45%, benefitting from reduced finance costs. Revenues grew in the Treasury and Capital Markets division by 3% on a constant currency basis and, shortly after the period end, most of the deals that had slipped out of the first half were closed. Banking saw BankFusion and other new solutions bringing growth in orders of 9% although revenues were down 3% on a constant currency basis. The services division of Misys also improved.

With the announcement of the acquisition of Sophis, Misys' financial targets were updated. The Company's medium-term revenue growth target range remains at 5-8% (pro-forma, constant currency), however the adjusted operating margin target range moved up to 20-23%.

### *Sophis' current trading*

In the nine-month period to 30 September 2010, Sophis' order intake grew by 7% compared with the same period in 2009 as a result of its continuing success in addressing the buy-side market with its 'Value' product. Despite this, revenues fell by 4% to €52 million due to the delayed effect of orders coming

through to revenue with adjusted operating profit reducing by 29% at €15 million, reflecting in part the continuing recruitment of highly skilled personnel in order to accelerate growth in the buy-side market.

Based on Sophis' draft, unaudited, management accounts for the twelve-month period to 31 December 2010, order intake has continued to grow, particularly in respect of the buy-side market, resulting in solid single digit growth on the prior year. Revenues are expected to have returned to growth for the year, reflecting orders booked in the first half of the year converting into revenue in the latter part of the year, as well as new sales in the final quarter. Major new customers won in the year include Lyxor Asset Management, Dexia Asset Management and Ilmarinen Mutual Pension in Europe, Guggenheim (a major US hedge fund) in North America, BMCE Capital in Morocco, China Re Asset Management in China and QSuper in Australia, reflecting the geographical diversity of Sophis' business. Costs for the full year have followed the pattern seen in the nine-month results. Overall the business has delivered a performance for the year consistent with Misys' expectations.

## **9. Dividend Policy**

The current policy of the Board is not to pay dividends to Shareholders as it believes that Shareholders' interests are best served by re-investing cash flow into the development and future growth of Misys. The Board will continue to keep this dividend policy under regular review.

## **10. General Meeting**

As required by the Listing Rules, the Proposed Acquisition and the Proposed Disposal are conditional, amongst other things, upon the approval of Shareholders. These approvals will be sought at the General Meeting of Misys at which Shareholders will be asked to vote in favour of the Resolutions to be proposed at such meeting. At the end of this Circular, you will find a Notice convening a General Meeting of the Company which is to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 9.30 a.m. on 11 February 2011.

The full text of the resolutions to be proposed at the General Meeting are set out in the Notice in Part IX of this Circular. The Resolutions will be proposed as ordinary resolutions. The passing of the Resolutions require a simple majority of votes in person or by proxy in respect of the Resolutions. Only holders of Ordinary Shares may vote at the General Meeting. The Proposed Acquisition cannot be completed if the Proposed Acquisition Resolution is not passed by the requisite majority and the Proposed Disposal cannot be completed if the Proposed Disposal Resolution is not passed by the requisite majority. Neither the Proposed Acquisition nor the Proposed Disposal is conditional upon the other being approved by Shareholders.

## **11. Action to be taken**

**You will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6GG as soon as possible and, in any event, so as to be received not later than 9.30 a.m. on 9 February 2011. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish and are so entitled.**

You may also submit your proxies electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number on the Form of Proxy. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to ID RA19 so that it is received by no later than 9.30 a.m. on 9 February 2011.

## **12. Further information**

You are advised to read all the information contained in this Circular before deciding on the course of action to take in respect of the General Meeting, having particular regard to the risk factors set out in Part III of this Circular.

The results of the General Meeting will be announced through a Regulatory Information Service and our website as soon as possible once known. It is expected that this will be on 11 February 2011.

### **13. ValueAct**

The ValueAct Capital Master Fund, L.P. (acting by its general partner, VA Partners I, LLC) has given an irrevocable undertaking in favour of Misys, which is enforceable by Advent (acting on behalf of all Sellers) pursuant to which it has been agreed, amongst other things, that the ValueAct Capital Master Fund, L.P. will vote its shares in the Company in favour of the Proposed Acquisition Resolution. Details of the ValueAct Capital Master Fund, L.P.'s shareholding in the Company can be found in Part VI of this Circular.

### **14. Recommendation to Shareholders**

**The Board, which has received financial advice from J.P. Morgan Cazenove, considers the terms of the Proposed Acquisition to be fair and reasonable. In providing its financial advice to the Board, J.P. Morgan Cazenove has taken into account the Board's commercial assessment of the Proposed Acquisition.**

**The Board considers the Proposed Acquisition and the Proposed Disposal to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of those Ordinary Shares beneficially owned by them over which they have voting control in their personal capacity amounting to 1,525,678 Ordinary Shares, which represent approximately 0.40% of Misys' current issued share capital.**

Yours faithfully

Sir James Crosby  
Chairman  
Misys plc

### **PART III: RISK FACTORS**

*All the information set out in this Circular should be carefully considered including those risks described below, when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting. If any of the following risks actually materialise, Misys' business, financial condition, prospects and share price and the business, financial condition and prospects of the Combined Group could be materially and adversely affected to the detriment of the Company, the Combined Group and the Shareholders and you may lose all or part of your investment. All risks which the Directors are aware of at the date of this Circular and which they consider material are set out in this Part III. However, additional risks and uncertainties presently unknown to the Directors or which the Directors consider to be immaterial may also have a material adverse effect on the Company, the Combined Group and/or the Shareholders.*

#### **RISKS RELATING TO THE PROPOSED ACQUISITION**

##### ***The Proposed Acquisition is conditional***

There is no guarantee that the Proposed Acquisition will take place. The Proposed Acquisition is conditional on the approval of Shareholders, no material adverse effect having occurred since the signing of the Sale and Purchase Agreement and certain other conditions as set out in more detail in Part VI of this Circular and will not proceed if these conditions are not satisfied or waived.

##### ***Break Fee***

The directors of Misys have agreed with the sellers of Sophis to unanimously recommend to Shareholders that they vote in favour of the Proposed Acquisition Resolution. Under the Sale and Purchase Agreement MIBS has agreed to pay the Sellers a break fee of €3 million in the event that the Directors withdraw their recommendation (other than in certain circumstances) and Shareholders subsequently fail to approve the Proposed Acquisition as set out in more detail in Part VI of this Circular.

##### ***Risk of Integration of Misys and Sophis***

The success of the Proposed Acquisition will depend, in part, on the ability of the Combined Group to realise the anticipated synergies, cost savings and growth opportunities from integrating the businesses of Misys and Sophis. The Combined Group's success in realising these benefits and the timing of this realisation depend upon the successful integration of certain aspects of the operations of Misys and Sophis. The integration of parts of these two groups is a complex, costly and time-consuming process and may disrupt both companies' businesses if not completed in a timely and efficient manner. The difficulties in combining elements of the operations of the companies include, among others:

- retaining key officers and employees;
- consolidating support, corporate and administrative infrastructures;
- consolidating internal IT systems and networks;
- combining and consolidating technology platforms and system infrastructures;
- integrating research and development and associated processes;
- minimising the diversion of management's time and attention from ongoing business concerns;
- preserving the customer, supplier, research and development, distribution, marketing, promotion and other important relationships of Sophis and Misys; and
- coordinating geographically separate organisations.

There can be no assurance that the integration of the Misys business and the Sophis business will result in the realisation of the full benefits anticipated to result from the Proposed Acquisition.

##### ***Potential destabilising effect of the Proposed Acquisition and potential destabilising effect if the Proposed Acquisition does not proceed***

Uncertainty about the effect of the Proposed Acquisition on employees and customers of Misys and Sophis may have an adverse effect on the respective companies and, consequently, on the Combined Group after Completion.

Although Misys and Sophis intend to take steps to reduce any adverse effects, these uncertainties may impair their ability to attract, retain and motivate key personnel until the Proposed Acquisition is consummated and for a period of time thereafter, and could cause their customers, suppliers and others that deal with them to seek to change existing business relationships. Employee retention may be particularly challenging in the period before Completion as employees may experience uncertainty about their future roles with their respective companies. If, despite retention efforts, key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain, the respective businesses and therefore the combined business could be seriously harmed.

If the Proposed Acquisition does not complete, this may also have an adverse effect on employees of Misys as key personnel may feel frustrated by the failure to complete the transaction. Such frustration may impair the ability of Misys to attract, retain and motivate key personnel.

### ***Currency Risk***

Misys is to pay the consideration of the Proposed Acquisition in Euros while financing for the Proposed Acquisition is being received in Sterling. Misys has therefore hedged a portion of its exposure to fluctuations in the Sterling/Euro exchange rate for the period prior to Completion by entering into a series of currency options and swaps which should partially limit the impact of such fluctuations.

### ***Risk related to the Convertible Bonds***

Subject to limited exceptions, the Convertible Bonds limit the issuance by certain members of the Misys Group of secured capital markets indebtedness, which is capable of being listed (or to secure any guarantee or indemnity in respect of secured capital markets indebtedness which is capable of being listed) unless the benefit of such security, guarantee or indemnity, or similar security, guarantee or indemnity is extended to the Convertible Bonds or otherwise permitted in accordance with, and subject to, the terms of the Convertible Bonds. Misys is not intending to issue any such capital markets indebtedness in the short term. The Convertible Bonds also contain anti-dilution provisions related to capital distributions and dividends which will require an adjustment to the effective conversion price of the Convertible Bonds on the making or paying of such distributions or dividends by Misys (see the section entitled “Summary of the key terms of the Convertible Bond Documentation” in Part VI of this Circular of this for further information on the Convertible Bonds’ negative pledge and anti-dilution provisions). In the longer term, Misys’ ability to pursue growth opportunities and take advantage of potential investments may be constrained by such covenants.

## **RISKS RELATING TO THE PROPOSED DISPOSAL**

### ***The Proposed Disposal is conditional***

The Proposed Disposal requires the approval of Shareholders and will not proceed if this condition is not satisfied. Any delay in completion could diminish anticipated benefits of the Proposed Disposal or result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the Proposed Disposal.

Misys has not entered into binding contractual documentation in respect of the Proposed Disposal and the transaction will only proceed if Misys can agree terms for such documentation which the Directors regard as acceptable.

### ***Market conditions at the time of the Proposed Disposal and other risks relating to the Proposed Disposal***

The market price of the Allscripts shares which are the subject of the Proposed Disposal could be subject to fluctuations due to a change in sentiment in the market regarding Allscripts. Fluctuations may arise as a result of the market’s perception of the likelihood of completion of the Proposed Disposal and/or may occur in response to various facts or events, including, but not limited to, actual or anticipated fluctuations in the financial performance of Allscripts and its competitors, the operating and share price performance of other companies in the industry and markets in which Allscripts operates, speculation about the Allscripts business in the press, media or the investment community, changes to the Allscripts sales or profit estimates and general market conditions.

Any of these factors could result in a decline in the market price of the Allscripts shares which are the subject of the Proposed Disposal which could reduce the price achievable in the Proposed Disposal. These could result in Misys not proceeding with the Proposed Disposal if the price achievable for the Allscripts

shares to be sold in the Proposed Disposal does not reflect what the Directors regard as the fair value of those shares.

## **RISKS RELATING TO THE COMBINED GROUP**

### **Specific risks relating to the Combined Group**

#### *Global economic and market conditions*

The businesses of the Combined Group are global businesses with revenue generated principally in Western Europe, Asia, the Americas, the Middle East and Africa. The Combined Group would face potential challenges from the economic, political and market conditions generally in its respective regions. Difficult economic and market conditions in these regions may affect the financial position of customers and suppliers and impact their ability to conduct business with the Combined Group. The Combined Group is not immune from the economic slowdown and any further deterioration in the global economy may impact on its financial position.

#### *Tax*

The Combined Group may cease to benefit from the favourable corporate tax rates and credits which it currently enjoys in some of the jurisdictions in which it operates, particularly in France and Ireland. The Combined Group is not in a position to materially influence the fiscal policies of such governments and, in the context of the global economic slowdown, the likelihood of changes to national tax regimes is increased. The Combined Group will continue to manage these risks by regularly reviewing its tax position with the assistance of its professional advisers. Misys also has established policies in place to monitor these risks.

#### *Competition*

The markets in which the Combined Group would operate are highly competitive and characterised by rapidly changing technology, industry standards and customer needs and demands as well as by frequent new software applications and products. If the Combined Group does not respond effectively it may lose market share and the businesses could suffer. In addition, if the Combined Group faces pressures from customers over pricing and commercial terms, resistance to such pressure could result in those customers turning to other suppliers. Some of the competitors of the Combined Group could, in the future, pose a greater competitive threat, particularly if they consolidate or form strategic or commercial relationships among themselves or with larger and well-financed companies. The Combined Group will continue to manage these risks through identifying appropriate partners and agreeing suitable commercial terms which are mutually beneficial.

It is important that the Combined Group is able to market its products effectively. Given the nature of the market in which the Combined Group operates, this includes the ability to effect efficient transitions from legacy systems to new products and to adopt new marketing strategies as quickly as possible. This requires the Combined Group's sales and support teams to be able to adapt to new and often sophisticated products and operating platforms. Failure to do so may lead to the Combined Group losing market share and its business could suffer.

#### *Changes in the industry served by the Combined Group*

Changes in the industries served by the Combined Group, in particular increased regulation in the financial services sector served by the Combined Group and consolidation in the industries served by the Combined Group, may adversely affect the business.

The financial services sector is currently the subject of increased regulatory review, which could result in the sector paying increased taxes or curtailing certain activities and may result in financial services institutions reducing IT expenditure. Reduction in such expenditure could impact the Combined Group's business and revenues. In addition, consolidation in the industries which the Combined Group serves could adversely affect its revenue or the potential for growing revenues. There has been, and continues to be, consolidation in the global financial services industry as a result of general economic difficulties and lack of liquidity in the financial markets. As a result, some of the Combined Group's customers could terminate their contracts and potential customers could break off negotiations, particularly in circumstances where actual or potential merger or acquisition transactions limit potential customers' ability and willingness to make major IT decisions. An existing or potential customer may be acquired by, or merged with, another

financial services institution that uses competing application software products and services or does not desire to continue the relationship with the Combined Group for some other reason. Furthermore, international financial services institutions are increasingly providing services from a single location. A smaller market for the Combined Group's application software products and services created as a result of this trend could have a material adverse impact on its business and results of operations. It is possible that larger financial services institutions that result from mergers or consolidations could develop or perform internally some or all of the services that the Combined Group will provide or could provide. This could have a material adverse impact on the Combined Group's business and results of operations which may result in a smaller market for its products and services.

#### ***Infringement of intellectual property rights***

The Combined Group will own substantial intellectual property rights and will generally protect its proprietary application software products and services by licensing rights to use the application, rather than selling or licensing the computer source code. It will also protect its proprietary software and services by copyright law. Possible infringement of intellectual property rights could cause loss of revenue, adversely affect business operations and/or damage trademarks. Failure to adequately monitor this risk and ensure that its intellectual property rights are protected may increase the risk of possible infringement of the Combined Group's rights.

Furthermore, there is always the risk that the Combined Group will inadvertently infringe the intellectual property rights of a third party. If any such claim against the Combined Group were to be successful, the Combined Group may need to re-design the relevant product which would demand further investment in that product, take a licence on the infringing intellectual property within its product which may not always be possible on acceptable commercial terms, or even cease to sell that product, and accept the consequential impact on revenues. An intellectual property claim made against the Combined Group and any action taken by them to protect their intellectual property rights would also be a drain on management attention and disruptive to the business and could cause delays in product development.

The Combined Group's policy would be to mitigate this risk through their contractual arrangements. Misys has also established internal policies and procedures to manage and control intellectual property risks throughout the Combined Group.

#### ***Implementation of Misys' strategic plan***

Misys is currently in the fourth year of a three to five year turnaround programme announced on 8 March 2007 which intends to deliver increased value to customers and increased returns to Shareholders. The strategic plan includes a focused strategy and a simplified, integrated portfolio for each business. The first phase of this turnaround programme was successfully completed in May 2008, ahead of schedule and Misys announced that it had completed the second stage in June 2010. Misys has now entered the final, leadership phase of this strategy.

Misys' continued roll-out of its next generation BankFusion technology and other new solutions and services, together with the Proposed Acquisition will be critical components of the final leadership phase of the turnaround strategy with the objective of making the Combined Group the technology of choice for solutions across the financial services industry.

The changes required to implement the final stage of the turnaround strategy will take time and their effects may take another two to four years to be fully evident. The deployment of products which integrate the BankFusion technology to customers will also take time and it may be five years before there is widespread adoption of the technology amongst customers. Ongoing implementation and deployment may also result in additional costs. There is no guarantee that the proposed changes, when fully implemented, will result in an improvement to performance and financial position. There is therefore also no guarantee that BankFusion and the other new solutions described above will be successfully received within the market place or that the level of adoption by customers will meet the Combined Group's expectations. There is also no guarantee as to how quickly the Combined Group will be able to deploy its BankFusion products and other new solutions and services to customers or how quickly it will be able to create and bring to market a full portfolio of products and services based on the BankFusion technology.

### *Application Service Provider (ASP)*

Misys' strategic plan includes the delivery of existing products in ASP format, which will be implemented by the Combined Group over time. This is expected to provide a robust and profitable revenue stream in due course. However, it raises the risk of adversely affecting the existing model under which customers pay an initial licence fee and then recurring licence fees. Therefore, this process will require careful market segmentation and the application of restrictions to the product set that a customer is able to purchase in ASP format.

### *Legacy solutions*

A significant part of the Combined Group's revenue will come from relatively high-margin legacy software that was installed by its client base many years ago. Shifts in technology that require significant investments of time and resources by clients to upgrade may erode the Combined Group's advantage as the incumbent vendor and will allow competitors to target these clients. If the Combined Group is not successful in retaining a large portion of these clients by continuing to support legacy software and providing them with an easy path to adopt newer technologies, including those contained in Misys' strategic plan, such as BankFusion, its business and results of operations may be negatively affected.

### *Market strategy*

The markets in which the Combined Group will operate moves quickly. Entering and exiting new segments of these markets, developing new products and discontinuing others can have substantial lead times. To do this successfully, the Combined Group needs to predict future areas of demand and the future capabilities of their competitors. Failure in this area could result in the Combined Group making investments in the wrong product or failing to invest in a product which is successful.

### *Product development*

There are many risks in bringing a product development project to a conclusion on schedule and within budget. The Combined Group's application software products and services are complex and may contain undetected errors, failures, performance problems or defects. The early releases of a product will have been subjected to beta tests but not the more stringent test of widespread use by large numbers of users. Consequently, despite pre-release testing, problems may not become apparent until the system is used in production environments. However, the product development teams in the Combined Group will network extensively amongst themselves and beyond to ensure best practice is followed. Once a product is developed, it is necessary to ensure that quality standards are maintained to ensure continuing customer satisfaction and confidence. Failure to do this may impact on the financial performance of the Combined Group.

In order to remain competitive within its market, it is important that the Combined Group is able to quickly develop and expand new or redesigned products (such as BankFusion) as failure to do so might result in the Combined Group falling behind its competitors. It is therefore important that the sales and support teams of the Combined Group quickly adapt to such products and the research and development teams efficiently respond to any problems which might arise during a new product's roll-out period. If problems occur in the roll-out of a product which are not adequately managed it may become difficult to market the product and the Combined Group's business may suffer as a result.

### *People*

The employees of the Combined Group will be one of its greatest assets and the market for quality technology skills and related management and leadership skills is very competitive. It remains a constant challenge to attract, retain, develop, incentivise, manage and motivate staff. If the Combined Group were to lose members of management or employees who possess specialised market knowledge and technology skills or key institutional knowledge, they may not be able to manage their operations effectively or develop new application software products and services, particularly if such a loss were to take place before the integration of Misys and Sophis had been fully realised. Misys therefore takes talent management very seriously and its people are appraised regularly and are given individual development plans and other incentive packages. Misys carries out external benchmarking of its compensation and benefits package to ensure competitiveness. Misys is also committed to ongoing succession planning. In addition, Misys plans to put in place arrangements to incentivise certain managers to remain with the business following

Completion as set out in more detail under the summary of the terms of the Reinvestment Agreement below.

### ***Contract implementation and service levels***

The Combined Group will seek to position themselves as business partners to their customers and supply them with business critical systems. The process of introducing a system in such an environment may be disruptive to the client in the short term and the implementation may be subject to project management by the client or by others. Consequently, large contracts will have long implementation schedules and their complexity will add to the challenges of project management. This gives an increased risk of delay during the implementation period with consequential risks to expected cash flows and profits. This risk continues after the implementation period under service level agreements. The needs of the client may also change during the implementation period for reasons that are outside the Combined Group's control. In the extreme, the client may no longer need the product for which it has contracted, although such instances are rare and would typically be resolved through negotiation.

### ***Key third party relationships***

Certain of the Combined Group's products will be dependent on inputs from key suppliers.

The Combined Group will be dependent on the performance, service and reliability of operating systems, middleware, databases, programming language compilers and similar software infrastructure, all of which it obtains from a large number of third party providers. Such third party applications may suffer from defects or errors which could adversely affect the performance of the Combined Group's application software products and services. Moreover, if the Combined Group is unable to adapt its application software products and services to function with new releases of such third party applications, or if such third party applications were to be withdrawn or discontinued, the Combined Group may incur significant costs in eliminating these third party components from its products and its ability to deliver new systems and maintain existing customers could be adversely affected.

In addition to third party suppliers, certain areas of the Combined Group's business and aspects of its future strategy will be dependent on key strategic relationships with third parties (such as distributors, software suppliers, system integrators and value added resellers) who own intellectual property or other assets which the Combined Group does not currently own or who provide services to Misys. The Combined Group will continue to seek partnerships, collaborations and strategic alliances with a view to complementing its existing product and services portfolio or streamlining its operations and realising value for its group. Continued implementation of this strategy may give rise to risks of failing to identify appropriate partners, agreeing suitable commercial terms and failing to work together successfully. The Combined Group could also be adversely impacted if it fails to either build on existing relationships or develop new relationships with such parties. Such a failure could also lead to the Combined Group losing access to important assets or clients which were owned by or related to the relevant third parties.

The Combined Group will continue to manage this risk through careful selection of suppliers and partners which have stable strategies that match those of the Combined Group in order to produce a mutually beneficial relationship which is then carefully managed by both parties.

### ***Laws and regulations***

The Combined Group will be subject to the laws and regulations of a number of countries covering a wide variety of areas affecting international transactions, including export controls, anti-corruption legislation and data protection requirements. It can sometimes require extra time and costs to ensure that local laws and regulations are complied with.

Recent reforms to the UK regulatory regime (including but not limited to the Bribery Act 2010) will require the Combined Group to develop new or update existing internal compliance processes, which it is doing. Market practice in this area has yet to be established and it will therefore take time for the Combined Group to develop and implement a new set of working practices and these practices may need to be changed once a market standard has been established. Elements of the new UK regime also have application globally and the risk is raised that an employee or representative of the Combined Group may breach a UK requirement which would otherwise not be illegal in the relevant jurisdiction. This risk is increased in the jurisdictions in which the Combined Group operates where local custom, law and practice is more permissive in this area. The current and future internal compliance processes and working

practices of the Combined Group, which are intended to prevent the occurrence of acts or omissions which would constitute fraud, bribery or corruption under UK law or local laws, may not allow the Combined Group to detect or prevent every instance of fraud, bribery or corruption.

#### ***Attack by IT viruses***

As an IT business, attacks by IT viruses will always be a threat that requires sound IT infrastructure and virus protection software to protect and prevent. In addition, the Banking division of the Combined Group will obtain significant revenues from online activity. If a third party were to misappropriate the Combined Group's users' personal or proprietary information, they could be subject to claims and may be liable for substantial damages. In addition, the reputation of the Combined Group may be damaged and users may be deterred from using their application software products and services. The Combined Group will mitigate these risks by reviewing their systems, security processes and network infrastructure to ensure any such risks are minimised.

#### ***Reliance on key locations and systems failures***

The Combined Group will have a number of key locations that are important to their operations such as key product development centres, helpdesk support, large transaction processing centres and large administrative support centres (including, but not limited to, those which relate to the Combined Group's internal financial and regulatory controls). The Combined Group's systems and operations will be vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures, and similar events. The Combined Group will have disaster recovery plans (overseen by a dedicated business continuity team) and business interruption insurance but these measures may prove inadequate and some disruption may be inevitable. Such damage and interruptions could reduce revenues and profits and could result in claims or product liability litigation. In addition, future revenues and profits could be harmed if customers believe that the Combined Group's systems are unreliable.

The Combined Group will rely on its internal systems to manage, among other things, its financial and regulatory oversight, risk management and customer care processes. Any failure in such systems (whether caused by an event similar to those set out above or otherwise) could lead to the Combined Group's ability to maintain adequate internal management procedures being compromised and, as a result, a decline in the success of the Combined Group's business and/or an increase in the risk of a regulatory breach by the Combined Group.

In addition, the Combined Group maintains significant research and development operations in Bangalore, India, Manila, The Philippines, Beijing, China and Bucharest, Romania and political or social instability in any of those areas could seriously harm its research and development operations despite the business continuity plans which the Combined Group has in place.

#### ***Share price fluctuations***

The market price of shares in Misys could be subject to significant fluctuations caused by a variety of factors such as variations in the Combined Group's operating results, regulatory changes, business development, announcement of new products and services or corporate transactions by the Combined Group or their competitors or their customers, the performance of the shares of other companies in the industries and markets in which the Combined Group operates, stock market analysts' advice and views, stock market speculation, fluctuations in the stock markets or sectors thereof and general economic and political conditions. These factors may affect the share price of Misys irrespective of its performance or prospects. The value of shares may not always reflect the underlying asset value or prospects of the Combined Group.

#### ***Geographic financial risk***

The Combined Group will continue to be subject to complex currency exposure as a result of its inherent geographical diversity. A substantial proportion of the revenue and profit will continue to be earned outside the UK by subsidiaries with differing functional currencies, with the biggest economic exposures to the Euro, the US Dollar, the Indian Rupee and the Philippine Peso. Subsidiaries will also continue to trade in currencies other than the functional currency (most commonly pound sterling or the US dollar), giving rise to transactional exposures. The Combined Group balance sheet will remain exposed to exchange rate fluctuations on the translation of its overseas assets and liabilities. The Combined Group will also be subject to interest rate risk as it borrows at variable rates under its funding facilities. In addition the

activities of the Combined Group are subject to tax at various rates around the world in accordance with local legislation and practice. Action by governments to increase tax rates or impose additional taxes could reduce the profitability of the Combined Group.

All of these currency exposures will continue to be managed through the Combined Group's centralised treasury and in accordance with its existing group-wide foreign exchange policy. The Combined Group's centralised treasury also monitors its potential exposure to interest rate movements and hedges risk in the market as appropriate. Misys also seeks to plan and manage its tax affairs efficiently in the jurisdictions in which it operates in compliance with relevant laws and disclosure requirements. There will be no material change in its Treasury operation following the completion of the transactions contemplated by this Circular.

### *Economic Slowdown*

Over recent years, financial institutions have experienced significant difficulties created by the United States' sub-prime mortgage situation and lack of liquidity in the overall credit and financial markets and the subsequent insolvency of Lehman Brothers. The market demand for the products currently offered by Misys and Sophis are sensitive to an economic downturn. The strength of the Combined Group's revenues will be reliant upon banks and financial institutions continuing to seek competitive advantage and greater efficiencies from technology and being encouraged to make further investments in this area. Such investments are more likely to be made during periods of economic growth. The economic downturn has also increased the incidence of consolidation within the banking sector, the effect of which is to reduce the number of potential clients within the Combined Group's market and therefore increase the risk of the Combined Group's business being adversely impacted. Further details of this risk are set out above under "Changes in the industry served by the Combined Group".

**PART IV: FINANCIAL INFORMATION ON SOPHIS**

*The definitions set out in Part VIII of this Circular do not apply to any of the capitalised terms of this Part IV*

**SECTION A: ACCOUNTANT'S REPORT ON THE SOPHIS GROUP  
HISTORICAL FINANCIAL INFORMATION**



**KPMG**  
**Chartered Accountants**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

The Directors  
Misys plc  
One Kingdom Street  
London W2 6BL  
United Kingdom

25 January 2011

Dear Sirs

**Accountant's report on Sophis Holding (Luxembourg) S.C.A. (the 'Company') together with its subsidiary undertakings (the 'Target Group') for the years ended 31 December 2007, 2008 and 2009**

We report on the financial information set out in Section B of Part IV of the Circular dated 25 January 2011 of Misys plc. This financial information has been prepared for inclusion in the Circular relating to the acquisition of the Target Group dated 25 January 2011 by Misys plc on the basis of the accounting policies set out in Note 3. This report is required by paragraph 13.5.21R of the Listing Rules and is given for the purpose of complying with that paragraph and for no other purpose.

**Responsibilities**

The Directors of Misys plc are responsible for preparing the financial information on the basis of preparation set out in Note 2.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Circular.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion**

In our opinion, the financial information gives, for the purposes of the circular dated 25 January 2011, a true and fair view of the state of affairs of the Target Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 and in accordance with International Financial Reporting Standards and has been prepared in a form that is consistent with the accounting policies adopted in Misys plc's latest annual accounts.

Yours faithfully

KPMG  
*Chartered Accountants*  
*Dublin, Ireland*

## SECTION B: SOPHIS GROUP HISTORICAL FINANCIAL INFORMATION

The consolidated financial information of Sophis Holding (Luxembourg) S.C.A. for the three years ended 31 December 2009, set out below, has been prepared by the directors of the Company on the basis set out in note 2.

### Consolidated statement of total comprehensive income

	<u>Notes</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
		€m	€m	€m
<i>Continuing operations</i>				
<b>Revenue</b> . . . . .	7	69.6	73.1	<b>74.1</b>
Staff costs . . . . .		(20.7)	(24.3)	<b>(26.4)</b>
Other operating costs . . . . .		(11.0)	(16.1)	<b>(13.8)</b>
Depreciation and amortisation* . . . . .		(2.0)	(3.1)	<b>(4.5)</b>
Restructuring costs . . . . .		(1.5)	—	—
<b>Adjusted operating expenses</b> . . . . .		<u>(35.2)</u>	<u>(43.5)</u>	<u><b>(44.7)</b></u>
<b>Adjusted operating profit before:</b> . . . . .	4	34.4	29.6	<b>29.4</b>
Amortisation on acquired intangibles . . . . .	4	(10.7)	(25.5)	<u><b>(25.7)</b></u>
<b>Operating profit</b> . . . . .	4	23.7	4.1	<b>3.7</b>
Finance income . . . . .	8	0.8	1.6	<b>0.1</b>
Finance cost . . . . .	8	(10.1)	(32.0)	<u><b>(32.3)</b></u>
<b>Net finance expense</b> . . . . .		<u>(9.3)</u>	<u>(30.4)</u>	<u><b>(32.2)</b></u>
<b>Profit/(loss) before income tax</b> . . . . .		14.4	(26.3)	<b>(28.5)</b>
Income tax (charge)/credit . . . . .	9, 10	(2.0)	—	<u><b>2.7</b></u>
<b>Profit/(loss) for the year</b> . . . . .		<u>12.4</u>	<u>(26.3)</u>	<u><b>(25.8)</b></u>
<i>Other comprehensive income</i>				
Foreign currency translation differences from foreign operations . . . . .	20	(0.9)	(1.4)	<b>0.2</b>
Net other comprehensive income . . . . .		(0.9)	(1.4)	<b>0.2</b>
<b>Total comprehensive income/(loss) for the year</b> . . . . .		<u>11.5</u>	<u>(27.7)</u>	<u><b>(25.6)</b></u>

\* Includes depreciation of property, plant and equipment and amortisation of internally developed intangible assets only. Amortisation of acquired intangibles has been presented separately in order to present both an adjusted and non-adjusted operating profit as described more fully in Note 4.

The accompanying notes are an integral part of this consolidated financial information.

## Consolidated statement of financial position

	Notes	2006 €m	2007 €m	2008 €m	2009 €m
<b>Non-current assets</b>					
Property, plant and equipment . . . . .	12	1.7	1.9	1.8	<b>1.5</b>
Intangible assets . . . . .	13	2.7	325.8	303.4	<b>278.5</b>
Derivative financial instruments . . . . .	23	—	0.1	—	—
Deferred tax . . . . .	19	—	1.4	2.6	<b>5.1</b>
<b>Total non-current assets . . . . .</b>		<u>4.4</u>	<u>329.2</u>	<u>307.8</u>	<u><b>285.1</b></u>
<b>Current assets</b>					
Trade and other receivables . . . . .	16	25.0	30.7	32.5	<b>29.9</b>
Cash and cash equivalents . . . . .	14	11.2	22.1	32.4	<b>27.2</b>
Other assets . . . . .	15	12.9	—	—	—
<b>Total current assets . . . . .</b>		<u>49.1</u>	<u>52.8</u>	<u>64.9</u>	<u><b>57.1</b></u>
<b>Total assets . . . . .</b>		<u><u>53.5</u></u>	<u><u>382.0</u></u>	<u><u>372.7</u></u>	<u><u><b>342.2</b></u></u>
<b>Current liabilities</b>					
Loans and borrowings . . . . .	17	—	—	10.0	<b>185.0</b>
Trade and other payables . . . . .	18	11.9	85.9	23.9	<b>17.9</b>
Derivative financial instruments . . . . .	23	—	—	1.1	—
<b>Total current liabilities . . . . .</b>		<u>11.9</u>	<u>85.9</u>	<u>35.0</u>	<u><b>202.9</b></u>
<b>Non-current liabilities</b>					
Loans and borrowings . . . . .	17	—	254.0	323.0	<b>150.6</b>
Derivative financial instruments . . . . .	23	—	—	4.4	<b>6.8</b>
Deferred tax . . . . .	19	—	24.6	20.4	<b>17.6</b>
<b>Total non-current liabilities . . . . .</b>		<u>—</u>	<u>278.6</u>	<u>347.8</u>	<u><b>175.0</b></u>
<b>Total liabilities . . . . .</b>		<u>11.9</u>	<u>364.5</u>	<u>382.8</u>	<u><b>377.9</b></u>
<b>Equity</b>					
Share capital and share premium . . . . .	20	1.9	23.2	23.3	<b>23.3</b>
Currency translation reserve . . . . .		0.2	(0.7)	(2.1)	<b>(1.9)</b>
Retained earnings . . . . .		39.5	(5.0)	(31.3)	<b>(57.1)</b>
<b>Total equity attributable to the equity holders of the Company . . . . .</b>		<u>41.6</u>	<u>17.5</u>	<u>(10.1)</u>	<u><b>(35.7)</b></u>
<b>Total equity and liabilities . . . . .</b>		<u><u>53.5</u></u>	<u><u>382.0</u></u>	<u><u>372.7</u></u>	<u><u><b>342.2</b></u></u>

The accompanying notes are an integral part of this consolidated financial information.

## Consolidated statement of changes in equity

	Share capital and share premium	Currency translation reserve	Retained earnings	Total equity
	€m	€m	€m	€m
Balance at 1 January 2007 . . . . .	1.9	0.2	39.5	41.6
<b>Comprehensive income for the year</b>				
Profit for the year . . . . .	—	—	12.4	12.4
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	(0.9)	—	(0.9)
<b>Total comprehensive income</b> . . . . .	—	(0.9)	12.4	11.5
<b>Changes in reserves as a result of a business combination on 26 July 2007</b>				
Shares issued and cancelled . . . . .	23.1	—	—	23.1
Share premium removed . . . . .	(1.8)	—	—	(1.8)
Adjustment to revise the retained earnings of Sophis Holding (Luxembourg) S.C.A. to reflect acquisition in July 2007 (see note 1) . . . . .	—	—	(56.9)	(56.9)
<b>Total</b> . . . . .	<b>21.3</b>	<b>(0.9)</b>	<b>(44.5)</b>	<b>(24.1)</b>
<b>Balance at 31 December 2007</b> . . . . .	<b>23.2</b>	<b>(0.7)</b>	<b>(5.0)</b>	<b>17.5</b>
Balance at 1 January 2008 . . . . .	23.2	(0.7)	(5.0)	17.5
<b>Comprehensive income for the year</b>				
Loss for the year . . . . .	—	—	(26.3)	(26.3)
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	(1.4)	—	(1.4)
Shares issued . . . . .	0.1	—	—	0.1
<b>Total comprehensive income</b> . . . . .	0.1	(1.4)	(26.3)	(27.6)
<b>Balance at 31 December 2008</b> . . . . .	<b>23.3</b>	<b>(2.1)</b>	<b>(31.3)</b>	<b>(10.1)</b>
<b>Balance at 1 January 2009</b> . . . . .	<b>23.3</b>	<b>(2.1)</b>	<b>(31.3)</b>	<b>(10.1)</b>
<b>Comprehensive income for the year</b>				
Loss for the year . . . . .	—	—	(25.8)	(25.8)
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	0.2	—	0.2
<b>Total comprehensive income</b> . . . . .	—	0.2	(25.8)	(25.6)
<b>Balance at 31 December 2009</b> . . . . .	<b>23.3</b>	<b>(1.9)</b>	<b>(57.1)</b>	<b>(35.7)</b>

## Consolidated statement of cash flows

	2007	2008	2009
	€m	€m	€m
<b>Cash flows from operating activities</b>			
Income/(loss) after taxation . . . . .	12.4	(26.3)	(25.8)
<i>Adjustments for:</i>			
Finance income . . . . .	(0.6)	(1.6)	(0.1)
Unrealised gain/loss on derivatives . . . . .	(0.2)	5.7	1.3
Finance expense . . . . .	11.7	26.5	31.0
Depreciation of tangible assets . . . . .	0.9	1.1	1.1
Amortisation of intangible assets . . . . .	11.8	27.5	29.1
Income tax . . . . .	(2.0)	—	(2.7)
	<u>34.0</u>	<u>33.0</u>	<u>33.9</u>
Changes in working capital . . . . .	(79.6)	0.9	(3.2)
Tax paid . . . . .	(5.9)	(5.2)	(3.5)
<b>Net cash from operating activities</b> . . . . .	<u>(51.5)</u>	<u>28.7</u>	<u>27.2</u>
<b>Cash flows used in investing activities</b>			
Interest received . . . . .	0.6	0.5	0.1
Acquisition of property, plant and equipment . . . . .	(1.2)	(1.2)	(1.0)
Investment in research and development . . . . .	(4.4)	(4.3)	(4.2)
Acquisition of subsidiaries (Note 11) . . . . .	(265.8)	(66.2)	—
Effect on reserves as a result of basis of preparation changes . . . . .	48.5*	—	—
Proceeds from disposal of other assets . . . . .	14.1	—	—
Proceeds from shares of company . . . . .	4.7	—	—
<b>Net cash used in investing activities</b> . . . . .	<u>(203.5)</u>	<u>(71.2)</u>	<u>(5.1)</u>
<b>Cash flows from/(used in) financing activities</b>			
Interest paid . . . . .	(4.4)	(11.5)	(12.5)
Other financing costs . . . . .	(1.5)	—	(1.6)
Repayment of borrowings . . . . .	—	—	(13.2)
Increase in borrowings . . . . .	251.2	64.6	—
Arrangement fees . . . . .	(2.7)	—	—
Share capital issued . . . . .	23.2	—	—
<b>Net cash from/(used in) financing activities</b> . . . . .	<u>265.8</u>	<u>53.1</u>	<u>(27.3)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b> . . . . .	10.8	10.6	(5.2)
Cash and cash equivalents at 1 January . . . . .	11.2	22.1	32.4
Effects of exchange rate fluctuations on cash held . . . . .	0.1	(0.3)	—
<b>Cash and cash equivalents at 31 December</b> . . . . .	<u>22.1</u>	<u>32.4</u>	<u>27.2</u>

\* Effect on reserves as a result of basis of preparation changes as described in note 1 "Reporting entity and general information".

## **Notes to the consolidated financial information**

### **1. Reporting entity and general information**

Sophis Holding (Luxembourg) S.C.A. (the “Company”) is a company incorporated and domiciled in Luxembourg. The Company’s ultimate beneficial owners are funds managed by Advent International Corporation, a company incorporated in the United States of America. The Company and its subsidiaries are together referred to as the “Group” and individually as “Group entities”.

The Company was incorporated on the 26 July 2007 for the purposes of acquiring Sophis Technology (Ireland) Limited and subsidiaries (together the “STIL Group”) by Advent International Corporation (the “Acquisition”). The new legal group that resulted from the Acquisition is headed by Sophis (Luxembourg) Holding S.C.A.

This consolidated financial information comprises the results, cash flows, changes in equity and financial positions of the Group as at and for the years ended 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006.

The Group’s primary business is the development and distribution of specialist software for the financial services sector. All financial information presented in Euro has been rounded to the nearest million.

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all years presented.

The functional currency of the parent entity is Euro.

### **2 Basis of preparation**

The consolidated financial information has been prepared for the purposes of the circular in accordance with the requirements of the Listing Rules and in accordance with this basis of preparation.

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (EU). The Group, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board.

Prior to the Acquisition on 26 July 2007, the Group did not represent a separate reporting entity. For the purposes of this Circular, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2007 comprise the results of the STIL Group for the period prior to the Acquisition and for the Group from 27 July 2007 to 31 December 2007. The statement of financial position presented as at 31 December 2006 comprises the statement of financial position of the STIL Group at that date.

The following interpretations and amendments to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 January 2010 or later periods but the Group has not early adopted them:

- IFRS 3 ‘Business combinations (revised)’ is required to be implemented prospectively to business combinations on or after 1 June 2010.
- Annual improvements to IFRSs (2009) (most amendments effective 1 January 2010) and (2010).
- IFRS 9, ‘Financial instruments’ (not yet endorsed by the EU).
- IFRIC 19, ‘Extinguishing financial liabilities with equity instruments’.
- IAS 24, (revised), ‘Related Party Disclosures’ (effective 1 January 2011).

### **Accounting convention**

The consolidated financial information has been prepared under the historical cost convention, except for certain items which are measured at fair value, as disclosed in the accounting policies below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

### **3 Accounting policies**

#### **Basis of consolidation**

The Group's financial information consolidates the financial information of Sophis Holding (Luxembourg) SCA and its subsidiary undertakings. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition.

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Prior to the adoption of IFRS, goodwill arising on acquisition was taken to reserves in accordance with Irish/UK GAAP. Any deficiency of the cost of acquisition below the fair values of identifiable net assets acquired (i.e. discount on acquisition) is credited to income in the period of acquisition.

Subsidiary undertakings acquired during the period are included in the financial information from the date of acquisition. Subsidiary undertakings disposed of are included in the financial information up to the date of disposal. Accordingly, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement include the results and cash flows for the period of ownership.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

Prior to the Acquisition on 26 July 2007, the Group did not represent a separate reporting entity, as described in more detail in note 2 "Basis of Preparation".

#### **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. The critical judgements that have been made in arriving at the amounts recognised in the Group's financial information and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

##### *Revenue recognition*

The revenue and profit of the Group's typical revenue licensing and related contracts is recognised on a percentage of completion basis when the outcome of a contract can be estimated reliably. Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also makes some estimates in the calculation of future contract costs, fair values of contracts, the value of discounts given, the value of upgrade clauses in contracts which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually revised based on changes in the facts relating to each contract.

##### *Impairment of goodwill and intangible assets*

Goodwill is reviewed annually for impairment and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment review requires an estimate to be made of the 'value in use' or the 'fair value less costs to sell'

### **3 Accounting policies (Continued)**

as appropriate. The value in use calculation includes estimates about the future financial performance of the cash generating units, including management's estimates of long-term operating margins and long-term growth rates.

#### *Capitalisation of development costs*

Expenditure on developed software is capitalised when the Group is able to demonstrate all of the following: the technical feasibility of the resulting asset; the ability (and intention) to complete the development and use or sell it; how the asset will generate probable future economic benefits; and the ability to measure reliably the expenditure attributable to the asset during its development. Management estimates the future sales and long-term operating margins of the asset.

#### *Taxation*

The Group is subject to income taxes in numerous jurisdictions. Management is required to exercise significant judgement in determining the worldwide provision for income taxes. Certain transactions require the use of estimates and judgements to determine the financial effect where the ultimate tax determination is uncertain. When the final outcome of such matters is different, or expected to be different, from previous estimates, such differences will impact income tax in the period in which the determination is made.

The Group recognises deferred tax assets on temporary differences where it is probable that future profits will be available against which the deferred tax asset can be utilised. Where the future results differ from expectations, such differences will impact the deferred tax asset recognised in the period in which the determination is made.

#### **Segmental reporting**

The Group's segmental analysis is by business sector which reflects the basis on which operations are reported to the Chief Operating Decision Maker. The business sectors are defined by distinctly separate product offerings or markets. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group has determined that it has one principal segment which relates to the development, sale and implementation of financial software products, on the basis of the reporting information available to and the performance assessment made by the Chief Operating Decision Maker, which in this case is considered to be a combination of the executive management team and the supervisory board of the Group. This single segment has been determined on the basis of the similarity between and interconnectedness of all of the Group's products and services sold, the underlying development and associated sales processes, and similarity between the Group's end user customers.

#### **Revenue recognition**

The Group's revenues derive from the sale of software licenses, delivery of related professional services and the provision of associated product maintenance and customer support.

Revenue represents the fair value of consideration received or receivable from clients for goods and services provided by the Group, net of discounts and sales taxes. Revenue is recognised when a signed contract exists, delivery to a customer has occurred with no significant vendor obligations remaining and where the collection of the resulting receivable is considered probable.

Where these circumstances exist but no invoice to the customer has been raised, under the terms of the contract, revenue is recognised as normal but the corresponding receivable is shown as 'accrued income' on the balance sheet.

Initial licence fees on sales of bespoke or heavily customised software, together with revenue from the associated services contract, are typically recognised on a percentage of completion basis over the period from the commencement of performance on the contract to customer acceptance.

Revenue from other services, such as implementation, training and consultancy, is recognised as the services are performed. In certain circumstances, the percentage of completion method is used to determine the degree of completion of a contract (including license, service and consulting arrangements).

### **3 Accounting policies (Continued)**

This involves a comparison of the costs incurred on the contract to date with the total expected costs of the contract. Losses on contracts are recognised as soon as a loss is foreseen by reference to the estimated costs of completion.

Maintenance fees are recognised rateably over the period of the contract.

#### **Share incentive schemes**

The Group operates several equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, a revised estimate is made of the number of options that are expected to become exercisable. If the revised estimate differs from the original estimate, the charge to the income statement is adjusted over the remaining vesting period of the options.

#### **Pensions**

The Group operates a number of defined contribution pension schemes covering the majority of its employees. The costs of these pension schemes are charged to the income statement as incurred.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Property, plant and equipment held under finance leases is capitalised in the balance sheet at the lower of cost or present value of the minimum lease payments and is depreciated over its useful life. The capital elements of future obligations under leases are included as liabilities in the balance sheet.

The interest elements of the lease obligations are charged to income on an actuarial basis over the period of the lease.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### **Taxation**

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial information.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Resultant deferred tax assets are recognised only to the extent that it is probable that there will be sufficient taxable profits from which the underlying temporary differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws enacted at the balance sheet date.

Current and deferred tax is recognised in the income statement except when the tax relates to items charged or credited directly to equity, in which case the tax is also recognised in equity.

### **3 Accounting policies (Continued)**

#### **Foreign currencies**

Items included in the financial information of Group companies are measured using the currency of the primary economic environment in which each entity operates (their functional currency). The consolidated financial information is presented in Euro.

Each subsidiary translates foreign currency transactions into their own functional currency at rates ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated at rates ruling at the balance sheet date and currency translation differences are recognised in the income statement.

On consolidation, the results of overseas operations are translated to Euro at the average exchange rate for the period. Assets and liabilities of overseas operations are translated at exchange rates prevailing on the balance sheet date. The currency translation differences arising on both elements are recognised in the translation reserve.

Exchange gains and losses on foreign currency borrowings used to finance an equity investment in an overseas operation are offset in reserves against the exchange differences arising on the retranslation of the net investment, up to the level of the investment. The exchange differences on any ineffective portion are recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When a foreign operation is disposed of, the cumulative translation differences that relate to it, including changes to any long-term intra-group borrowing, are removed from equity and recognised in the income statement as part of the gain or loss on disposal.

The Group economically hedges its exposure to certain foreign exchange risks using derivatives.

Details of the accounting policies in respect of these items are given in the derivative financial instruments and hedge accounting section.

#### **Business combinations**

Goodwill arising on consolidation represents the consideration, including acquisition costs, less the Group's interest in the fair value of the identifiable assets and liabilities acquired.

Goodwill is recognised as an intangible asset. It is not amortised but is reviewed for impairment annually and whenever there is a potential indicator of impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include such items as brand names, customer relationships and complete technology and in process development, to which value is first attributed at the time of acquisition. The capitalisation of these assets and related amortisation charges are based on judgements about the value and economic life of such items. These economic lives for intangible assets are estimated at between three and twenty years for acquisition intangibles.

On the disposal of a previously acquired subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

#### *Transaction costs*

Acquisition costs incurred in respect of acquisition of subsidiaries are included in the cost of investment. Where the disposal of a subsidiary is not considered highly probable at the balance sheet date, related disposal costs are recognised in the income statement as incurred. This will change prospectively with the introduction of IFRS 3 revised.

### **3 Accounting policies (Continued)**

#### *Contingent consideration*

Where part or the entire amount of purchase consideration is contingent on future events, the cost of acquisition initially recorded is a reasonable estimate of the fair value of amounts expected to be payable in the future.

The cost of acquisition is adjusted when revised estimates are made, with corresponding adjustments continuing to be made to goodwill until the ultimate outcome is known. These liabilities are reported under provisions in the balance sheet.

#### **Discontinued operations and assets held for sale**

Where the Group expects to recover the carrying amount of a group of assets through a sale transaction rather than through continuing use, and a sale is considered highly probable at the balance sheet date, the assets are classified as held for sale and measured at lower of cost and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

If the group of assets constitutes a separate major line of business, it is classified as a discontinued operation.

#### **Other intangible assets and research and development expenditure**

Research expenditure, including the cost of in-house software research, is expensed in the period in which it is incurred.

Expenditure on developed software is capitalised when the Group is able to demonstrate all of the following: the technical feasibility of the resulting asset; the ability (and intention) to complete the development and use or sell it; how the asset will generate probable future economic benefits; and the ability to measure reliably the expenditure attributable to the asset during its development. Additionally, tax rebates/credits received in the various jurisdictions in which the Group operates in respect of development expenditure are presented within operating expenses, to the extent that such rebates are directly related to the relevant expenditure. These are recognised when the Group becomes unconditionally entitled to the rebate and receipt is deemed probable. To the extent that the relevant expenditure qualifies for capitalisation, the associated tax rebate/credit is also treated in the same manner (i.e. as an offset to the costs capitalised) and the associated amortisation is also adjusted for these amounts.

Development costs which do not meet these criteria are recognised in the income statement as incurred and are not subsequently capitalised.

Capitalised expenditure on developed software is normally amortised on a straight line basis over the useful economic life, with effect from the date of initial capitalisation.

Intangible assets purchased separately, such as software licences that do not form an integral part of related hardware, are capitalised at cost and amortised over their useful economic lives on a straight line basis. Intangible assets acquired through a business combination are initially measured at fair value and amortised over their useful economic lives.

Estimated useful lives by major class of assets are as follows, with amortisation made on a straight line basis:

Acquired intangibles	3-20 years
Developed software	3-8 years

#### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis so as to write off the cost, less estimated residual value of each asset, over its expected useful life.

The residual values and useful economic lives of property, plant and equipment are reviewed annually.

### 3 Accounting policies (Continued)

The useful lives by major class of asset applied from the date of purchase are:

Office furniture	5-10 years
Computer and other equipment	1-3 years

#### Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill and developed software not yet brought into use are reviewed for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An asset is derecognised upon disposal or when no future economic benefits are expected from its future use or disposal.

Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

#### Financial assets

Financial assets are classified in the following categories: 'at fair value through profit or loss'; 'loans and receivables'; 'available for sale' and 'held to maturity'.

'Financial assets at fair value through profit or loss' are financial assets held for trading. Derivatives are also classified as held for trading unless they are designated as accounting hedges. Gains and losses arising from changes in fair value of 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise. Financial assets at fair value through profit or loss are subsequently held at fair value.

'Loans and receivables' are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are carried at amortised cost.

'Available for sale' financial assets are measured at fair value. Unrealised gains and losses are recognised in equity except for impairment losses, interest and dividends arising from those assets which are recognised in the consolidated income statement.

'Held to maturity' financial assets are non derivative financial assets with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity. These are measured at fair value at inception and at amortised cost thereafter.

#### Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Where there is objective evidence that there is an impairment loss, the amount of loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of loss is recognised in the income statement within 'administrative and other operating charges'. The carrying amount of a receivable is reduced by appropriate allowances for estimated irrecoverable amounts through the use of an allowance account for trade receivables. Amounts charged to the allowance account are written off when there is no expectation of further recovery. Subsequent recoveries of amounts previously written off are credited against 'administrative and other operating charges' in the income statement.

### **3 Accounting policies (Continued)**

#### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

#### **Bank loans and overdrafts**

Bank loans and overdrafts are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. The difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement, within finance costs, over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Group has issued Preferred Equity Certificates (“PECs”), which carry the right to receive a preferred interest coupon and which are repayable on a fixed date. These have been treated as financial liabilities rather than equity as they contain a contractual obligation to deliver cash to the holder of the instrument.

#### **Derivative financial instruments and hedge accounting**

Derivative financial instruments are initially recognised at fair value on the date a derivative is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Changes in the fair value of derivative financial instruments, where they are not designated as hedging instruments, are recognised in the income statement.

#### *Hedge accounting*

The business activities of the Group expose it to financial risks that arise from changes in both foreign exchange rates and interest rates. The Group uses forward currency contracts and interest rate swaps to economically hedge these exposures. The Group does not enter into derivatives for speculative purposes, however in the main, does not designate its derivative transactions entered into as hedging instruments for accounting purposes, although they are generally considered to be economic hedges of underlying interest rate and foreign currency risks.

#### *Embedded derivatives*

Certain software licensing contracts may be priced in currencies (usually US dollars, sterling or Euro) other than those of the functional currencies of the entities entering into the contracts. Under IAS 39, such contracts may contain an embedded foreign currency derivative which must be extracted from the host contract and measured separately at each balance sheet date. Gains or losses on these derivatives are charged or credited to the income statement.

#### **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and if this amount is capable of being reliably estimated. If such an obligation is not capable of being reliably estimated, no provision is recognised and the item is disclosed as a contingent liability where material.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash held at bank and in hand together with short-term highly liquid investments with an original maturity of less than three months that are readily convertible to known amounts of cash and subject to an insignificant change in value.

#### 4 Adjusted operating profit

The Group has presented a measure of adjusted operating profit in addition to operating profit within its statement of comprehensive income. This presents operating profit excluding amortisation of certain acquired intangible assets. The Group presents adjusted operating profit in this manner as it considers that this provides a better indication of the Group's maintainable cash generating capability. A reconciliation from operating profit to adjusted operating profit is set out below:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>€m</u>	<u>€m</u>	<u>€m</u>
Operating profit . . . . .	23.7	4.1	3.7
Add: Amortisation of acquired intangibles . . . . .	10.7	25.5	25.7
Adjusted operating profit . . . . .	<u>34.4</u>	<u>29.6</u>	<u>29.4</u>

#### 5. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### *Intangible assets*

Management, as advised by an independent appraiser, where appropriate, has estimated the fair value of intangibles acquired as part of acquisitions based on discounted projected cash flows expected to be generated.

##### *Derivatives*

Interest rate swap contracts and forward currency contracts held by the Group are designated as financial instruments at fair value through the profit and loss and carried at fair value. Due to the prevailing market conditions, the determination of the fair value of derivatives reflects consideration of probability of non-performance or default by the relevant counterparties, and is based on a discounted cash flow analysis, supplemented by market comparable information.

##### *Revenue*

Revenue derived from customer contracts is allocated to services provided to customers at fair value determined by policies applicable to each type of service provided. Fair value of license fees is determined by deducting the sum of the fair values of individual services provided from the total consideration due under each customer contract.

##### *Share warrants*

Certain senior managers of the Group were granted share warrants which were to vest on the earlier of a completion of an IPO a trade sale or other transaction resulting in a change of control (a "Transaction"). The amounts that will vest are calculated in accordance with a predetermined methodology agreed with the Group's ultimate parent and settled by the subscription for shares in Sophis Holding (Luxemburg) S.C.A. Vesting and exercisability are contingent on the timing and nature of a future Transaction and on the continuing employment of the individuals to which the warrants have been granted. Vesting of the warrants is considered to have occurred in late 2010 only following the announcement of the proposed acquisition of the Group by Misys plc.

The fair value of share warrants is assessed at each reporting date. Given the significant uncertainty surrounding the timing and nature of any future Transaction and the consequent likelihood of vesting at each of the historical period ends, the fair value of the share warrants was deemed to be immaterial for recognition purposes and, consequently no related amount was recognised in this consolidated financial information. This determination was reviewed on annual basis, with regard to the likelihood of any transaction or any other known relevant factors. Refer to note 28 for subsequent events in respect of share warrants.

## 5. Determination of fair values (Continued)

### *Trade payables and trade receivables*

The fair value of receivables and payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Where receivable balances are due within one year no discounting is applied.

## 6. Financial risk management

### Overview

The Group has exposure to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to the above financial risks along with the objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial information, and specifically in notes 23 through 26.

### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and deposit balances and the use of financial derivatives.

The value of trade receivables is dependent upon the financial strength of the Group's customers. Defaults by the Group's major customers could have a material effect on the Group's cash flow and earnings. This risk is managed through credit control procedures. Regular contact is made with customers when debts are overdue with follow up procedures carried out as required. The creditworthiness of each new customer is assessed by examining both qualitative and quantitative factors about the customer such as business activities, financial resources, financial performance and business risks to the extent that this information is publicly available or otherwise disclosed to the Group. See note 16 for age profile of the Group's trade receivables.

The Group holds significant cash balances which are invested on a short-term basis and are classified as cash and cash equivalents. Financial instruments are used to economically hedge interest rate risk and foreign exchange movements. The cash balances together with other financial instruments give rise to credit risk on amounts due from counterparties. Credit risk is managed by (i) using only reputable institutions; (ii) continually assessing and monitoring the creditworthiness of counterparties; and (iii) by limiting the duration of exposure to any one counterparty. For further details on cash and cash equivalents see note 14 and for financial instruments see notes 23 through 26.

### (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group has funded a significant part of its operations with debt financing. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Typically cash is committed for no longer than one month duration.

In July 2007, a group company, Sophis Acquisition (Ireland) Limited ("SAIL") entered into loan agreements with its lending banks, CIBC World Markets plc and CapitalSource Europe Ltd (the "Financiers") to provide debt financing which contained customary obligations. During 2009, certain of these obligations were not met and, as a result, appropriate waivers were issued by the Financiers to provide sufficient time in order to reach agreement on amendments to the loan agreements. Renewed loan

## **6. Financial risk management (Continued)**

agreements were entered into by SAIL and the Financiers on 31 March 2010. Certain of the Group's debt was consequently classified as falling due within one year during 2009 until the renewal of the loan agreements occurred.

### **(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives in order to manage certain market risks principally interest rate risk and foreign currency risk. The Group has entered into derivative contracts for a substantial part of the Group's loan facilities which swapped variable interest rates for fixed interest rates. Therefore any increase or decrease in interest rates on the loan will lead to a decrease or increase in the differential on the swap. See note 23 for further details on the interest rate swap. However, a portion of the Group's third party debt €44.2 million (2008: €57.5 million; 2007: €64.8 million) is not hedged and is subject to floating rate interest. The Company's related party liabilities are fixed and not subject to interest rate risk (note 17). The Group's net exposure to interest rate risk is illustrated by the sensitivity analysis in note 26. The Group seeks to manage its exposure to the US dollar arising from its US operations with the use of forward currency contracts and certain other derivatives from time to time. See note 23 for further information on forward currency contracts and note 26 for the Group's net exposure to foreign currency risk illustrated by the sensitivity analysis.

### **(d) Capital management**

The Group is not subject to external requirements in respect of its capital with the exception of the requirement to comply with certain provisions of Luxembourg Company Law. The capital structure of the Group consists of loans and borrowings as disclosed in note 17 and equity attributable to equity holders as disclosed in note 20.

## **7. Segmental analysis**

The Group's segmental analysis is by business sector which reflects the basis on which operations are reported to the Chief Operating Decision Maker. The business sectors are defined by distinctly separate product offerings or markets. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group has determined that it has one principal segment which relates to the development, sale and implementation of financial software products, on the basis of the reporting information available to and the performance assessment made by the Chief Operating Decision Maker, which in this case is considered to be a combination of the executive management team and the supervisory board of the Group. This single segment has been determined on the basis of the similarity between and interconnectedness of all of the Group's products and services sold, the underlying development and associated sales processes, and similarity between the Group's end user customers.

## 7. Segmental analysis (Continued)

### Revenue, operating income by principal business segment — sale of software and related services

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Revenue . . . . .	69.6	73.1	74.1
Operating profit . . . . .	23.7	4.1	3.7
Net finance expense . . . . .	(9.3)	(30.4)	(32.2)
Profit/(loss) before income tax . . . . .	14.4	(26.3)	(28.5)
Income tax (charge)/credit . . . . .	(2.0)	—	2.7
Profit/(loss) for the year . . . . .	12.4	(26.3)	(25.8)
Foreign currency translation difference from foreign operations . . . . .	(0.9)	(1.4)	0.2
Total comprehensive income/(loss) for the year . . . . .	<u>11.5</u>	<u>(27.7)</u>	<u>(25.6)</u>

### Other segmental information

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
<b>Net assets</b>			
Total Assets . . . . .	382.0	372.7	342.2
Total Liabilities . . . . .	(364.5)	(382.8)	(377.9)
	<u>17.5</u>	<u>(10.1)</u>	<u>(35.7)</u>

### Capital investment

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Developed technology . . . . .	170.5	—	—
In process development . . . . .	4.4	4.3	4.2
Brand . . . . .	13.3	—	—
Customer relationships . . . . .	17.2	—	—
Goodwill . . . . .	129.5	0.8	—
Property, plant and equipment . . . . .	1.2	1.2	0.8
	<u>336.1</u>	<u>6.3</u>	<u>5.0</u>

### Depreciation and amortisation

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Developed technology . . . . .	8.9	21.3	21.3
In process development . . . . .	1.7	3.5	4.9
Brand . . . . .	0.3	0.6	0.7
Customer relationships . . . . .	0.9	2.1	2.2
Property, plant and equipment . . . . .	0.9	1.1	1.1
	<u>12.7</u>	<u>28.6</u>	<u>30.2</u>

## 7. Segmental analysis (Continued)

### Trade receivables and payables

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Trade receivables . . . . .	24.0	23.0	<b>15.8</b>
Trade payables . . . . .	(1.0)	(3.3)	<b>(2.2)</b>
	<u>23.0</u>	<u>19.7</u>	<u><b>13.6</b></u>

### Loans and borrowings

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
<i>Current liabilities</i>			
Loans and borrowings (net of arrangement fees) . . . . .	—	10.0	<b>185.0</b>
<i>Non-current liabilities</i>			
Loans and borrowings (net of arrangement fees) . . . . .	129.4	186.1	—
Related party borrowings . . . . .	124.6	136.9	<b>150.6</b>
	<u>254.0</u>	<u>333.0</u>	<u><b>335.6</b></u>

The Group has three major categories of revenue streams which are largely delivered from the same cost base while operating in different geographical regions. The Group has disclosed below an analysis of its three revenue streams and its revenue by geographical region.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
<i>Revenue by category</i>			
Licence fees . . . . .	42.6	39.1	<b>35.8</b>
Maintenance fees . . . . .	15.9	20.7	<b>25.0</b>
Consulting/development . . . . .	11.1	13.1	<b>13.2</b>
Other . . . . .	—	0.2	<b>0.1</b>
	<u>69.6</u>	<u>73.1</u>	<u><b>74.1</b></u>

### *Revenue attributable to geographic region:*

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Europe . . . . .	51.7	55.9	<b>52.0</b>
North America . . . . .	4.5	8.1	<b>7.3</b>
Asia . . . . .	13.4	9.1	<b>14.8</b>
	<u>69.6</u>	<u>73.1</u>	<u><b>74.1</b></u>

The Group has in the past and may in the future derive a significant portion of its turnover from a relatively limited number of projects or clients. During the years ended 31 December 2007, 2008 and 2009 no single client has contributed more than 10% of turnover.

## 8. Finance income and (expense)

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Interest income on cash deposits . . . . .	0.6	0.5	<b>0.1</b>
Net foreign exchange gain . . . . .	—	1.1	—
Unrealised gain on financial liabilities . . . . .	0.2	—	—
<b>Total finance income . . . . .</b>	<u>0.8</u>	<u>1.6</u>	<u><b>0.1</b></u>
Net foreign exchange loss . . . . .	—	—	<b>(1.0)</b>
Interest expense on financial liabilities . . . . .	(4.8)	(14.2)	<b>(14.5)</b>
Interest expense on related party liabilities . . . . .	(5.2)	(12.3)	<b>(13.7)</b>
Other financing costs . . . . .	(0.2)	—	<b>(1.6)</b>
Unrealised loss on interest rate swap contracts . . . . .	—	(5.7)	<b>(1.3)</b>
Other . . . . .	0.1	0.2	<b>(0.2)</b>
<b>Total finance expense . . . . .</b>	<u>(10.1)</u>	<u>(32.0)</u>	<u><b>(32.3)</b></u>

## 9. Tax on profit/(loss)

### *Income tax recognised in the consolidated statement of total comprehensive income*

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
<b>Current tax expense</b>			
Current period . . . . .	4.6	5.4	<b>2.6</b>
<b>Total current tax . . . . .</b>	4.6	5.4	<b>2.6</b>
<b>Deferred income tax</b>			
Origination and reversal of temporary differences (note 19) . . . . .	(2.6)	(5.4)	<b>(5.3)</b>
<b>Total income tax credit/(charge) in income statement . . . . .</b>	<u>2.0</u>	<u>—</u>	<u><b>(2.7)</b></u>

See note 10 for the reconciliation of the effective tax rate.

## 10. Reconciliation of effective tax rate

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Profit/(loss) before income tax . . . . .	14.4	(26.3)	<b>(28.5)</b>
Income tax credit using the Irish domestic tax rate (12.5%)* . . . . .	1.8	(3.2)	<b>(3.5)</b>
Tax exempt income . . . . .	—	(0.3)	<b>(0.6)</b>
Expenses not deductible for tax purposes . . . . .	—	0.2	<b>0.1</b>
Interest at higher rate of tax . . . . .	0.1	0.1	<b>0.1</b>
Other differences . . . . .	(0.2)	0.7	<b>0.3</b>
Foreign taxes . . . . .	0.3	2.5	<b>0.9</b>
Income tax (credit) . . . . .	<u>2.0</u>	<u>—</u>	<u><b>(2.7)</b></u>

The domestic tax rate shown above represents the Irish income tax rate as the Group's principal revenues are taxable in Ireland.

## 11. Acquisitions of subsidiaries and minority interests

On 26 July 2007 Sophis Technology Ireland Limited together with its subsidiaries ("Sophis") was acquired by funds controlled by Advent International Corporation for €331.5 million consideration (the "Acquisition") through Sophis Holding (Luxembourg) S.C.A. Sophis's primary business at the date of acquisition was the development and distribution of specialist software for the financial services sector. The consideration paid exceeded total value of acquired assets and €129.5 million was recognised as goodwill arising on the acquisition.

## 11. Acquisitions of subsidiaries and minority interests (Continued)

The sources and use of funds in connection with the acquisition are summarized below:

	<u>€m</u>
<b>Source</b>	
Proceeds from secured third party loans . . . . .	*197.7
Proceeds from unsecured preferred equity certificates . . . . .	119.2
Proceeds from issue of shares (see note 20) . . . . .	22.2
Cash acquired on acquisition . . . . .	8.9
	<u>348.0</u>

\* Includes undrawn facility of €65.7million as at 26 July 2007 with respect to deferred consideration.

	<u>€m</u>
<b>Use</b>	
Payment to vendor . . . . .	265.8
Deferred consideration . . . . .	65.7
	<u>331.5</u>
Acquisition costs (settled by related undertaking outside group) . . . . .	7.1
Debt arrangement fee . . . . .	2.7
Remaining cash . . . . .	6.7
	<u>348.0</u>

Below summarises the fair value of assets and liabilities acquired as at 26 July 2007.

	<u>€m</u>
<b>Assets</b>	
Property, plant and equipment . . . . .	1.7
Intangible assets (recognised on acquisition) . . . . .	205.4
Cash and cash equivalents . . . . .	8.9
Trade and other receivables . . . . .	26.1
	<u>242.1</u>
<b>Liabilities</b>	
Trade and other payables . . . . .	(14.3)
Deferred tax arising on intangibles (recognised on acquisition) . . . . .	(25.8)
Net assets acquired . . . . .	202.0
Cost of acquisition . . . . .	<u>(331.5)</u>
Goodwill . . . . .	<u>*129.5</u>

\* Refer to note 13 for an explanation of goodwill arising on the Acquisition.

The Acquisition was effected through an all cash payment of €265.8 million in consideration for Sophis. Advent International Corporation (“AIC”) incurred transaction costs of €7.1 million in connection with the acquisition which have been considered as part of the total costs of acquiring Sophis. Of the total consideration paid by “AIC” €197.7 million was funded through third party facilities with Capital Source and CIBC, €119.2 million from the proceeds of preferred equity certificates issued by the Sophis Holding (Luxembourg) SCA and €8.9 million utilising cash acquired on acquisition. At the time of the acquisition the Sophis Holding (Luxembourg) S.C.A. issued 0.3 million new shares of €1 each with a share premium of €22.2 million. All of the new issued shares were subscribed by Advent Cayman Co (a wholly owned fund of Advent Internal Corporation).

Loss after tax attributable to the acquired group from date of acquisition in July 2007 to 31 December 2007 was €4.2 million. Revenue and profit for the combined entity for 2007 was €69.6 million and €12.4 million respectively.

## 12. Property, plant and equipment

<u>2007</u>	<u>Computer and other equipment</u> €m	<u>Office furniture</u> €m	<u>Total</u> €m
<b>Cost</b>			
At 1 January 2007 . . . . .	1.8	1.6	3.4
Additions during year . . . . .	1.0	0.2	1.2
Disposals . . . . .	(0.3)	—	(0.3)
Impact of the acquisition . . . . .	(1.1)	(0.9)	(2.0)
At 31 December 2007 . . . . .	<u>1.4</u>	<u>0.9</u>	<u>2.3</u>
<b>Depreciation</b>			
At 1 January 2007 . . . . .	1.0	0.7	1.7
Charged in year . . . . .	0.7	0.2	0.9
Disposals . . . . .	(0.2)	—	(0.2)
Impact of the acquisition . . . . .	(1.2)	(0.8)	(2.0)
At 31 December 2007 . . . . .	<u>0.3</u>	<u>0.1</u>	<u>0.4</u>
<b>Net book value:</b>			
As at 31 December 2007 . . . . .	<u>1.1</u>	<u>0.8</u>	<u>1.9</u>

The fair value of the property, plant and equipment of €1.7 million disclosed in note 11 is already in the opening balance and movement noted above arising from the manner in which the Acquisition of STIL has been presented. See basis of preparation note for details.

<u>2008</u>	<u>Computer and other equipment</u> €m	<u>Office furniture</u> €m	<u>Total</u> €m
<b>Cost</b>			
At 1 January 2008 . . . . .	1.4	0.9	2.3
Additions during year . . . . .	0.8	0.4	1.2
Disposals . . . . .	—	(0.1)	(0.1)
Effect of the movement in foreign exchange rates . . . . .	—	(0.1)	(0.1)
At 31 December 2008 . . . . .	<u>2.2</u>	<u>1.1</u>	<u>3.3</u>
<b>Depreciation</b>			
At 1 January 2008 . . . . .	0.3	0.1	0.4
Charged in year . . . . .	0.9	0.2	1.1
Effect of the movement in foreign exchange rates . . . . .	—	—	—
At 31 December 2008 . . . . .	<u>1.2</u>	<u>0.3</u>	<u>1.5</u>
<b>Net book value:</b>			
As at 31 December 2008 . . . . .	<u>1.0</u>	<u>0.8</u>	<u>1.8</u>

<u>2009</u>	<u>Computer and other equipment</u> €m	<u>Office furniture</u> €m	<u>Total</u> €m
<b>Cost:</b>			
At 1 January 2009 . . . . .	2.2	1.1	3.3
Additions during year . . . . .	0.7	0.1	0.8
<b>At 31 December 2009 . . . . .</b>	<b><u>2.9</u></b>	<b><u>1.2</u></b>	<b><u>4.1</u></b>
<b>Depreciation:</b>			
At 1 January 2009 . . . . .	1.2	0.3	1.5
Charged in year . . . . .	0.9	0.2	1.1
<b>At 31 December 2009 . . . . .</b>	<b><u>2.1</u></b>	<b><u>0.5</u></b>	<b><u>2.6</u></b>
<b>Net book value:</b>			
<b>At 31 December 2009 . . . . .</b>	<b><u>0.8</u></b>	<b><u>0.7</u></b>	<b><u>1.5</u></b>

### 13. Intangible assets

#### Group

	Developed technology	In process development	Brand	Customer relationships	Goodwill	Total
	€m	€m	€m	€m	€m	€m
<b>Cost</b>						
Balance at 1 January 2007 . . . . .	—	2.7	—	—	—	2.7
Acquisition of Sophis . . . . .	170.5	4.4	13.3	17.2	129.5	334.9
Balance at 31 December 2007 . . . . .	170.5	7.1	13.3	17.2	129.5	337.6
<b>Amortisation</b>						
Balance at 1 January 2007 . . . . .	—	—	—	—	—	—
Amortisation for the year . . . . .	8.9	1.7	0.3	0.9	—	11.8
Balance at 31 December 2007 . . . . .	8.9	1.7	0.3	0.9	—	11.8
<b>Carrying amounts</b>						
At 31 December 2007 . . . . .	161.6	5.4	13.0	16.3	129.5	325.8

#### Group

	Developed technology	In process development	Brand	Customer relationships	Goodwill	Total
	€m	€m	€m	€m	€m	€m
<b>Cost</b>						
Balance at 1 January 2008 . . . . .	170.5	7.1	13.3	17.2	129.5	337.6
Capitalisation of development costs . . . .	—	4.3	—	—	—	4.3
Other additions . . . . .	—	—	—	—	0.8	0.8
Balance at 31 December 2008 . . . . .	170.5	11.4	13.3	17.2	130.3	342.7
<b>Amortisation</b>						
Balance at 1 January 2008 . . . . .	8.9	1.7	0.3	0.9	—	11.8
Amortisation for the year . . . . .	21.3	3.5	0.6	2.1	—	27.5
Balance at 31 December 2008 . . . . .	30.2	5.2	0.9	3.0	—	39.3
<b>Carrying amounts</b>						
At 31 December 2008 . . . . .	140.3	6.2	12.4	14.2	130.3	303.4

#### Group

	Developed technology	In process development	Brand	Customer relationships	Goodwill	Total
	€m	€m	€m	€m	€m	€m
<b>Cost</b>						
Balance at 1 January 2009 . . . . .	170.5	11.4	13.3	17.2	130.3	342.7
Capitalisation of development costs . . . .	—	4.2	—	—	—	4.2
Balance at 31 December 2009 . . . . .	170.5	15.6	13.3	17.2	130.3	346.9
<b>Amortisation</b>						
Balance at 1 January 2009 . . . . .	30.2	5.2	0.9	3.0	—	39.3
Amortisation for the year . . . . .	21.3	4.9	0.7	2.2	—	29.1
Balance at 31 December 2009 . . . . .	51.5	10.1	1.6	5.2	—	68.4
<b>Carrying amounts</b>						
At 31 December 2009 . . . . .	119.0	5.5	11.7	12.0	130.3	278.5

Goodwill arose on the acquisition of the STIL Group in July 2007 and reflects the future economic benefits arising from the entirety of the business assets acquired including anticipated future profitability and the ability to leverage client relationships, assembled workforce and know how. Goodwill relates to the entire business acquired in July 2007.

### 13. Intangible assets (Continued)

In assessing impairment, goodwill is allocated to cash generating units (CGU's). Management deem that the Group represents one CGU which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and, as such, all goodwill is allocated on this basis. This is because goodwill relates to the entirety of the Group's business, rather than any particular component of its geographic location or individual revenue streams. Accordingly the smallest group of assets generating independent cash flows related to the goodwill is considered to be the entire acquired business of Sophis Technology (Ireland) Limited and subsidiaries (the Group's principal trading unit).

Goodwill is assessed annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of goodwill is determined from value in use calculations using discounted projected cash flow with a growth rate factor. Management has estimated a discount rate that reflects a current market assessment of the time value of money and risks specific to the CGU. Growth rates are estimated based on management's knowledge of the market and by reference to past performance. The approximate growth rates used in the Group's projected cash flows is 10-20%. The discount rates used to discount these cash flows are in a range of 18-22% reflecting the perceived high growth potential of the business. The Group considers that goodwill and intangible assets are not impaired at the most recent balance sheet date.

Subsequent to the period end, the Company entered into an agreement with a third party to dispose of the entire issued share capital of the Company. The proposed offer price for the Group is in excess of the carrying value of the Group's intangible assets.

### 14. Cash and cash equivalents

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
Cash at bank . . . . .	<u>11.2</u>	<u>22.1</u>	<u>32.4</u>	<u>27.2</u>

All cash is held on demand or short term deposit at the balance sheet date for all years presented. The credit ratings of the relevant financial institutions assigned by international credit rating agencies are 'AAA' and 'AA' at balance sheet date (2007 and 2008: AA).

### 15. Other assets

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
Held-to-maturity assets carried at amortised cost . . . . .	<u>12.9</u>	<u>—</u>	<u>—</u>	<u>—</u>

### 16. Trade and other receivables

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
Trade receivables . . . . .	19.7	24.0	23.0	<b>15.8</b>
Due from related parties (note 29) . . . . .	—	0.1	0.1	<b>0.1</b>
Other receivables . . . . .	1.3	1.4	0.9	<b>0.7</b>
Prepayments and accrued income . . . . .	2.0	1.3	1.2	<b>3.3</b>
Research and development incentives recoverable . . . . .	1.4	3.1	5.4	<b>8.2</b>
VAT recoverable . . . . .	0.2	0.3	1.1	<b>0.7</b>
Corporate income tax recoverable . . . . .	0.4	0.5	0.8	<b>1.1</b>
<b>Total trade and other receivables . . . . .</b>	<u>25.0</u>	<u>30.7</u>	<u>32.5</u>	<u>29.9</u>

At 31 December 2009 trade receivables are shown net of an allowance for doubtful debts of €1.3 million (2008: €0.8 million; 2007: Nil). At the balance sheet date 60% (2008: 72%; 2007: 86%) of trade receivables were less than one month past due, 12% (2008: 19%; 2007: 8%) were between one and three months past due, 2% (2008: 4%; 2007: 2%) were between 4 and 6 months past due and 26% (2008: 5%; 2007: 4%) were over 6 months past due.

## 17. Loans and borrowings

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
<b><i>Current liabilities</i></b>				
Bank loans and borrowings . . . . .	—	—	10.0	<b>187.2</b>
Less: Capital arrangement fee . . . . .	—	—	—	<b>(2.2)</b>
Total current . . . . .	<u>—</u>	<u>—</u>	<u>10.0</u>	<u><b>185.0</b></u>
<b><i>Non-current liabilities</i></b>				
Bank loans and borrowings . . . . .	—	132.0	188.6	—
Less: Capital arrangement fee . . . . .	—	(2.6)	(2.5)	—
Related party borrowings . . . . .	—	124.6	136.9	<b>150.6</b>
Total non-current . . . . .	<u>—</u>	<u>254.0</u>	<u>323.0</u>	<u><b>150.6</b></u>
Total loans and borrowings . . . . .	<u>—</u>	<u>254.0</u>	<u>333.0</u>	<u><b>335.6</b></u>

The Group had the following loan facilities with Canadian Imperial Bank Corporation, “Facility 1”, CapitalSource, “Facility 2” (together the “Facilities”) and related parties at the end of the year as follows:

	Currency	Nominal Interest rate	Year of maturity	31 December 2009		31 December 2008		31 December 2007	
				Principal value	Carrying amount	Principal value	Carrying amount	Principal value	Carrying amount
				€m	€m	€m	€m	€m	€m
Facility 1 . . . . .	EUR	(Euribor+2.375%)	2015	<b>146.8</b>	<b>144.4</b>	150.0	147.4	132.0	129.4
Facility 2 . . . . .	EUR	(Euribor+7.750%)	2014	<b>37.0</b>	<b>40.6</b>	37.0	38.7	—	—
Revolver . . . . .	EUR	(Euribor+2.00%)	2015	—	—	10.0	10.0	—	—
Related party liabilities* . . . . .	EUR	(Fixed 10%)	2037	<b>119.2</b>	<b>150.6</b>	119.2	136.9	119.2	124.6
<b>Total loans and borrowings . . . . .</b>				<u><b>303.0</b></u>	<u><b>335.6</b></u>	<u>316.2</u>	<u>333.0</u>	<u>251.2</u>	<u>254.0</u>

\* On 26 July 2007, the Company issued 119.4 million Preferred Equity Certificates (“PEC”) for an aggregate amount of €119.2 million. The PECs carry the right to receive 10% per annum on the sum of the par value of the PECs together with any accrued and unpaid interest. The yield may be compounded on the request of the holder. The PECs shall be subordinated to all other present and future obligations of the Company, whether privileged, secured or unsecured. The PECs are repayable in aggregate in 2037 and the interest yield payable each year on 26 July. The repayment of the PECs is expected to occur prior to the contractual maturity in 2037 or on a change in control of Sophis Technology (Ireland) Limited. However, for the purposes of disclosure in note 25 the maturity of related party borrowings is expected to coincide with the repayment of the senior facilities provided to Sophis Acquisition (Ireland) Limited.

Included in loans and borrowings (Facility 2) is accrued and unpaid interest of €3.4 million (2008: €1.7 million). The margins paid under the credit agreements on the Company’s facilities are based on certain performance metrics of the Group. The Facilities are repayable in aggregate on maturity and may become repayable earlier if certain obligations under the Company’s credit agreements are not met. Certain debt facilities were accordingly classified as current at the 2009 year end, as explained more fully in note 25.

The Group has secured its guarantee obligations in respect of credit agreements entered into by granting a mortgage debenture in favour of its Financiers containing fixed and floating charges over certain assets of the Group. The Group has also made share pledges in respect of its investments in Sophis SA, Sophis Technology France, Sophis Corporate Services France and Sophis UK Limited.

## 18. Trade and other payables

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
Trade payables . . . . .	1.3	1.0	3.3	<b>2.2</b>
Foreign tax . . . . .	—	2.0	2.3	<b>1.1</b>
Deferred revenue . . . . .	2.5	5.2	7.6	<b>3.6</b>
Accruals . . . . .	—	75.7*	8.3	<b>9.4</b>
Payroll tax and social security . . . . .	1.3	1.9	1.3	<b>0.5</b>
VAT . . . . .	0.1	0.1	1.1	<b>1.1</b>
Other creditors . . . . .	5.2	—	—	—
Corporation tax . . . . .	1.5	—	—	—
	<u>11.9</u>	<u>85.9</u>	<u>23.9</u>	<u>17.9</u>

\* Accruals at 31 December 2007 include an amount of €65.7 million for deferred consideration in relation to the acquisition on 26 July 2007.

## 19. Deferred taxation

### Group

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities			Net		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Deferred revenue . . . . .	1.1	1.1	<b>1.3</b>	—	—	—	1.1	1.1	<b>1.3</b>
Development costs . . . . .	—	—	—	(0.3)	(0.6)	<b>(0.8)</b>	(0.3)	(0.6)	<b>(0.8)</b>
Fair value movement on derivatives . . . . .	—	0.7	<b>0.8</b>	—	—	—	—	0.7	<b>0.8</b>
Loans and borrowings . . . . .	0.7	2.4	<b>4.4</b>	—	—	—	0.7	2.4	<b>4.4</b>
Other payables . . . . .	—	0.2	<b>0.1</b>	(0.4)	(0.4)	<b>(0.4)</b>	(0.4)	(0.2)	<b>(0.3)</b>
Acquired intangibles . . . . .	—	—	—	(24.3)	(21.2)	<b>(17.9)</b>	(24.3)	(21.2)	<b>(17.9)</b>
	<u>1.8</u>	<u>4.4</u>	<u>6.6</u>	<u>(25.0)</u>	<u>(22.2)</u>	<u>(19.1)</u>	<u>(23.2)</u>	<u>(17.8)</u>	<u>(12.5)</u>
Offset . . . . .	<u>(0.4)</u>	<u>(1.8)</u>	<u>(1.5)</u>	<u>0.4</u>	<u>1.8</u>	<u>1.5</u>	—	—	—
<b>Total</b> . . . . .	<u>1.4</u>	<u>2.6</u>	<u>5.1</u>	<u>(24.6)</u>	<u>(20.4)</u>	<u>(17.6)</u>	<u>(23.2)</u>	<u>(17.8)</u>	<u>(12.5)</u>

There is no unprovided deferred tax nor are there any unrecognised deferred tax assets. The aggregate deferred tax credited to the consolidated statement of total comprehensive income for the year amounted to €5.3 million (2008: €5.4 million) (2007: €2.6 million). No deferred tax items were recognised in equity for the current or previous year. Management have assessed the recoverability of the Group's deferred tax assets based on the Group's ability to generate future profits and consider that these are fully recoverable.

## 20. Share capital and other reserves

### Share capital and share premium

The fully paid subscribed capital amounts to €0.2 million, represented by 1 Management share, 138,805 ordinary shares, 55,549 Class A ordinary shares, 93,926 Class B ordinary shares, 10,000 Class C shares, 10,000 Class D shares, 10,000 Class E shares and 22,982 Non-voting Preference Shares all of a nominal value of EUR 1.00 per share.

A share premium of €23.0 million has been recognised following the different contributions of the shareholders in 2007 and 2008.

Further to the Extraordinary General Meeting of the Shareholders held on 21 March 2008 50,165 Class Top Share Warrants and 29,405 Class Key Share Warrants for €1,663 and €11,959 respectively were issued. The cash received for the Class Top Share Warrants and Class Key Share Warrants issued is presented under the caption "share premium account".

The Class Top Share Warrants and Class Key Share Warrants were issued at a price of €0.3976 and €0.4066 respectively and expire on 26 July 2027.

## 20. Share capital and other reserves (Continued)

Therefore, as of 31 December 2009, the Company has issued 50,165 Class Top Share Warrants and 29,405 Class Key Share Warrants for an aggregate amount of €31,904.

### Currency translation reserve

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m	€m
Opening balance . . . . .	0.2	0.2	(0.7)	(2.1)
Net gain/(loss) on translation of foreign subsidiary . . . . .	—	(0.9)	(1.4)	0.2
Closing balance . . . . .	<u>0.2</u>	<u>(0.7)</u>	<u>(2.1)</u>	<u>(1.9)</u>

## 21. Capital and other commitments

There are no capital commitments requiring disclosure in any of the periods presented herein.

## 22. Leasing commitments

Payments under non-cancellable operating lease agreements on rental premises are as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	€m	€m	€m
Less than one year . . . . .	0.9	1.8	0.7
Between two and five years . . . . .	0.4	0.1	0.7
More than five years . . . . .	0.7	0.7	1.5
Closing balance . . . . .	<u>2.0</u>	<u>2.6</u>	<u>2.9</u>

## 23. Derivative financial instruments

The Group utilises financial instruments to reduce exposures to market risks throughout its business. Derivative financial instruments are contractual agreements with a value which reflects price movements in an underlying asset. The Group uses derivative financial instruments to economically hedge cash flow risks, however, hedge accounting is not applied. The Group's derivatives are accordingly designated as held for trading and fair valued through the consolidated statement of total comprehensive income based on level 2 fair value measurements required by IFRS 7 meaning they are based on observable market inputs as more fully explained in note 5.

### *Interest rate swaps*

The objective of the Group's hedging policy is to adopt a risk averse position with respect to changes in interest rates. Accordingly, the Group has entered into interest rate swap contracts to hedge a substantial proportion of current and expected future interest rate payments on the Group's variable rate debt. Interest rate swaps are agreements in which a series of interest rate flows are exchanged with a third party over a prescribed period.

The notional amount on a swap is not exchanged. Under the swap transactions the Group makes fixed rate payments and receives floating rate payments to convert the floating rate borrowings to fixed rate obligations. The counterparties to these agreements are highly rated financial institutions. In the unlikely event that the counterparties fail to meet the terms of the interest rate swap contracts, the Group's exposure is limited to the interest rate differential on the notional amount at each settlement period over the life of the agreements. The Group does not anticipate any non-performance by the counterparties.

As at 31 December 2009 the Group entered into two swaps with a total notional amount of €143.0 million (2008: €141.0 million) for which the Group pays a fixed rate of 4.01% and receives a floating rate based on three months EURIBOR. The swaps mature on 30 November 2011. During the year ended 31 December 2009 the change in the fair value of the swaps recorded as a finance expense was €1.3 million (2008: €5.54 million; 2007: finance income of €0.2 million). The fair value liability (current and non-current) of

### 23. Derivative financial instruments (Continued)

the interest rate swaps at 31 December 2009 was based on observable market prices and amounted to a liability of €6.8 million (2008: €5.5 million; 2007: asset of €0.1 million).

Interest rate swaps are classified as current or non-current with regard to the ultimate maturity date of the swap, rather than when the contractual cash flows will arise.

#### *Forward currency contracts*

The Group operates internationally and is exposed to foreign exchange risk as a result. It is the policy of the Group to enter into forward foreign exchange contracts to manage exposure to exchange rate movements in respect of receipts in currencies other than the Euro. At the balance sheet date the Group held USD10.0 million (2008: nil) of open forward contract positions due to mature within one year of the balance sheet date. The fair value liability of these contracts at the balance sheet date was €0.04 million (2008: nil; 2007: nil) and was based on observable market prices. An unrealised loss for €0.04 million (2008: nil; 2007: nil) is recorded in the consolidated statement of total comprehensive income in respect of these positions and included as part of finance costs for the year.

The Group's exposure on these contracts is limited to the foreign exchange rate differential on the contract amount at each settlement period over the life of the agreements. The Group does not anticipate any non-performance by the counterparties. The Group's net exposure to foreign currency risk is disclosed in note 26.

### 24. Financial instruments

#### *Group*

The fair values of financial assets and liabilities by class and category, together with their carrying amounts shown in the balance sheets, are as follows:

#### 2006

	Instruments at fair value through profit and loss	Loans and receivables	Carrying amount	Fair value
	€m	€m	€m	€m
<b>Financial assets</b>				
Trade and other receivables . . . . .	—	25.0	25.0	25.0
Cash and cash equivalents . . . . .	—	11.2	11.2	11.2
Investments . . . . .	—	12.9	12.9	12.9
	<u>—</u>	<u>49.1</u>	<u>49.1</u>	<u>49.1</u>
<b>Financial liabilities</b>				
Trade and other payables . . . . .	—	11.9	11.9	11.9

## 24. Financial instruments (Continued)

2007

	Instruments at fair value through profit and loss	Loans and receivables	Carrying amount	Fair value
	€m	€m	€m	€m
<b>Financial assets</b>				
Trade and other receivables . . . . .	—	30.7	30.7	30.7
Cash and cash equivalents . . . . .	—	22.1	22.1	22.1
Derivative financial instruments . . . . .	0.1	—	0.1	0.1
	<u>0.1</u>	<u>52.8</u>	<u>52.9</u>	<u>52.9</u>
<b>Financial liabilities</b>				
Loans and borrowings . . . . .	—	129.4	129.4	129.4
Related party liabilities . . . . .	—	124.6	124.6	124.6
Trade and other payables . . . . .	—	85.9	85.9	85.9
	<u>—</u>	<u>339.9</u>	<u>339.9</u>	<u>339.9</u>

2008

	Instruments at fair value through profit and loss	Loans and receivables	Carrying amount	Fair value
	€m	€m	€m	€m
<b>Financial assets</b>				
Trade and other receivables . . . . .	—	32.5	32.5	32.5
Cash and cash equivalents . . . . .	—	32.4	32.4	32.4
	<u>—</u>	<u>64.9</u>	<u>64.9</u>	<u>64.9</u>
<b>Financial liabilities</b>				
Loans and borrowings . . . . .	—	196.1	196.1	196.1
Related party liabilities . . . . .	—	136.9	136.9	124.5
Derivative financial instruments . . . . .	5.5	—	5.5	5.5
Trade and other payables . . . . .	—	23.9	23.9	23.9
	<u>5.5</u>	<u>356.9</u>	<u>362.4</u>	<u>350.0</u>

2009

	Instruments at fair value through profit and loss	Loans and receivables	Carrying amount	Fair value
	€m	€m	€m	€m
<b>Financial assets</b>				
Trade and other receivables . . . . .	—	29.9	29.9	29.9
Cash and cash equivalents . . . . .	—	27.2	27.2	27.2
	<u>—</u>	<u>57.1</u>	<u>57.1</u>	<u>57.1</u>
<b>Financial liabilities</b>				
Loans and borrowings . . . . .		185.0	185.0	185.0
Related party liabilities . . . . .	—	150.6	150.6	150.9
Derivative financial instruments . . . . .	6.8	—	6.8	6.8
Trade and other payables . . . . .	—	17.9	17.9	17.9
	<u>6.8</u>	<u>353.5</u>	<u>360.3</u>	<u>360.6</u>

## 25. Liquidity risk

The following tables set out the contractual cash flows of the Group's financial liabilities:

### 31 December 2006

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	more than 5 years
	€m	€m	€m	€m	€m	€m	€m
Trade and other payables . . . . .	<u>11.9</u>	<u>11.9</u>	<u>11.9</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

### 31 December 2007

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	more than 5 years
	€m	€m	€m	€m	€m	€m	€m
Loans and borrowings (including derivatives) . . . . .	129.4	259.2	5.3	5.4	10.8	32.8	204.9
Related party liabilities (note 17) . . . . .	124.6	267.1	—	—	—	—	267.1
Trade and other payables . . . . .	<u>85.9</u>	<u>85.9</u>	<u>85.9</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>339.9</u>	<u>612.2</u>	<u>91.2</u>	<u>5.4</u>	<u>10.8</u>	<u>32.8</u>	<u>472.0</u>

### 31 December 2008

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	more than 5 years
	€m	€m	€m	€m	€m	€m	€m
Loans and borrowings (including derivatives) . . . . .	196.1	277.9	15.6	5.6	10.9	32.2	213.6
Related party liabilities (note 17) . . . . .	136.9	268.2	—	—	—	—	268.2
Trade and other payables . . . . .	<u>23.9</u>	<u>23.9</u>	<u>23.9</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>356.9</u>	<u>570.0</u>	<u>39.5</u>	<u>5.6</u>	<u>10.9</u>	<u>32.2</u>	<u>481.8</u>

### 31 December 2009

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	more than 5 years
	€m	€m	€m	€m	€m	€m	€m
Loans and borrowings (including derivatives) . . . . .	185.0	187.2	187.2	—	—	—	—
Related party liabilities (note 17) . . . . .	150.6	268.2	—	—	—	—	268.2
Trade and other payables . . . . .	<u>17.9</u>	<u>17.9</u>	<u>17.9</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>353.5</u>	<u>473.3</u>	<u>205.1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>268.2</u>

The above contracted cash flows include interest on secured bank loans the terms of which are set out in note 17.

\* During 2009, certain obligations under the Group's loan agreements with its Financiers were not met as described in note 6 (b) and appropriate waivers were issued by the Financiers to provide sufficient time to agree amendments to the loan agreements. On 31 March 2010, the Group reached agreement with its Financiers to amend the terms of its loan agreements including financial covenants at which point the Group's obligations were no longer considered payable on demand.

## 26. Currency risk and interest rate risk

### *Exposure to currency risk*

The table below shows the Group's currency exposure. Such exposure comprises the monetary assets and monetary liabilities that are not denominated in the functional currency of the operating unit involved. The Group's exposure to currency risk principally arises on cash and trade receivable balances denominated in currencies other than Euro. These exposures were as follows:

Currency	31 December 2007		31 December 2008		31 December 2009	
	Trade receivables	Cash	Trade receivables	Cash	Trade receivables	Cash
	€m	€m	€m	€m	€m	€m
GBP	1.0	0.3	1.4	—	0.4	0.1
USD	3.7	0.2	1.9	—	3.0	1.7
AUD	—	—	—	—	—	2.0
	<u>4.7</u>	<u>0.5</u>	<u>3.3</u>	<u>—</u>	<u>3.4</u>	<u>3.8</u>

The following significant Euro exchange rates applied during the year:

Currency	Average Rate			Reporting date spot rate		
	2007	2008	2009	2007	2008	2009
	USD	1.37	1.47	1.39	1.47	1.39
GBP	0.68	0.80	0.89	0.73	0.95	0.89
AUD	—	—	1.77	—	—	1.60

### *Foreign currency sensitivity analysis*

A 10% strengthening of the Euro against the above currencies at year end would have resulted in an increase in the Group's reported loss for the year and a decrease in the Group's reported equity by approximately €0.7 million (2008: €0.3 million) before the effect of currency derivatives. A 10% weakening of the Euro against the above currencies at year end would reduce the Group's reported loss for the year and increase the Group's reported equity by approximately €0.8 million (2008: €0.4 million).

The above foreign exchange rate movements are offset by fair value movements on forward currency contracts held by the Group as follows:

	2007	2008	2009
	€m	€m	€m
<b>10% strengthening of Euro</b>			
Foreign exchange loss on monetary assets/liabilities	(0.4)	(0.3)	(0.7)
Foreign exchange gain on forward contracts	—	—	0.6
Net foreign currency exposure	<u>(0.4)</u>	<u>(0.3)</u>	<u>(0.1)</u>
<b>10% weakening of Euro</b>			
Foreign exchange gain on monetary assets/liabilities	0.5	0.4	0.8
Foreign exchange loss on forward contracts	—	—	(0.8)
Net foreign currency exposure	<u>0.5</u>	<u>0.4</u>	<u>—</u>

The above analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity rate of 10% represents managements' assessment of a reasonably possible change.

### *Interest rate sensitivity analysis*

At 31 December 2009, 2008 and 2007, the Group is exposed to changes in market interest rates on floating rate borrowings that are not hedged using interest rate swaps being as described in note 6(c). Loans and borrowings exposed to interest rate movements amount to €44.2 million (2008: €57.5 million; 2007: €64.8 million) being the difference between the carrying amount of the Group's third party loans and borrowings and the notional value of the Groups interest rate swaps at balance sheet date. The Company's

## **26. Currency risk and interest rate risk (Continued)**

related party borrowings are fixed and not subject to interest rate risk. A 0.5% increase in interest rates would result in an additional finance expense of €0.2 million (2008: €0.3 million; 2007: €0.1 million) in the consolidated statement of total comprehensive income. A 0.5% decrease in the interest rates would result in reduction of finance expense in the consolidated statement of total comprehensive income of €0.2 million (2008: €0.3 million; 2007: €0.1 million). This analysis assumes that all other variables remain the same. The sensitivity rate of 0.5% represents managements' assessment of a reasonably possible change.

## **27. Guarantees and financial commitments**

The Group has secured its guarantee obligations in respect of credit agreements entered into by granting a mortgage debenture in favour of CIBC World Markets plc and CapitalSource containing fixed and floating charges over certain of the assets of the Group. The Group has also made share pledges in respect of its investments in Sophis SA, Sophis Technology France, Sophis Corporate Services France and Sophis UK Limited.

## **28. Subsequent events**

During 2009, certain obligations under the Group's loan agreements with its Financiers were not met as described in note 6 (b) and appropriate waivers were issued by the Financiers to provide sufficient time to agree amendments to the loan agreements. On 31 March 2010, the Group reached agreement with its Financiers to amend the terms of its loan agreements including financial covenants at which point the Group's obligations were no longer payable on demand.

On 11 November 2010, the shareholders of the Company entered into an agreement to divest the entire share capital of the Company to a subsidiary of Misys plc for an approximate consideration of €273 million (the "Misys Transaction"), subject only to approval of the terms of the Misys Transaction by the shareholders of Misys plc. The Misys Transaction is expected to complete in early 2011.

### ***Share warrants***

Certain senior managers of the Group have been granted share warrants which will vest on the earlier of a completion of an IPO, or on a trade sale or other transaction resulting in a change of control (a "Transaction"). The amounts that will vest are calculated in accordance with a predetermined methodology agreed with the Group's ultimate parent and settled by the subscription for shares in Sophis Holding (Luxembourg) S.C.A. Vesting and exercisability are contingent on the timing and nature of a future Transaction and on the continuing employment of the individuals to which the warrants have been granted.

The share warrants have been determined to be equity settled share based payment plans and consequently the fair value is assessed at the grant date. Given the significant uncertainty surrounding the timing and nature of a future Transaction and the consequent likelihood of vesting, the fair value of the share warrants was deemed to be immaterial for recognition purposes in each of the years to 31 December 2007, 2008 and 2009 and, consequently no related amount was recognised in this consolidated financial information. This determination was reviewed on annual basis, with regard to the likelihood of any transaction or any other known relevant factors. The following parameters and assumptions were used for the computation of the fair value at grant date.

There were 79,570 warrants outstanding as at 31 December 2009. No warrants were granted, exercised, lapsed or forfeited during the year ended 31 December 2009 or subsequent to the year end. The exercise price of the shares of the Company subject to the warrants was €1. On 11 November 2010 the Company entered into agreements to sell its entire share capital to Misys Plc at a price which results in the approximate fair value of each exercisable warrant being equal to €200. The number of warrants exercisable on completion of the Misys Transaction is approximately 40,000. Because of the immediate vesting, the fair value of the warrants was considered to be approximately equal to the purchase price.

## 29. Related party transactions

The Group considers key management and its ultimate beneficial owner as defined in note 1 as being related parties. Key management personnel are Pascal Xatart (CEO), Arnaud Vinciguerra (COO) and Paul Bosson (CFO).

Transactions with key management personnel are as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>€m</u>	<u>€m</u>	<u>€m</u>
Key management compensation			
Wages and salaries . . . . .	(0.9)	(1.0)	<b>(1.4)</b>
Total key management compensation . . . . .	<u>(0.9)</u>	<u>(1.0)</u>	<u><b>(1.4)</b></u>

The key management's shareholdings in Sophis Holding (Luxembourg) SCA at 31 December 2009 was: 15,769 ordinary shares, 16,984 A shares, 1,136 C shares, 1,136 D shares, 1,136 E shares, 15,964 P shares and 35,248 warrants. Key management also had an interest in €206,000 of the company's PEC's. Key management also had an interest of 37,231 (5.25%) of the ordinary shares of Sophis Management (Luxembourg) II SCA, a group entity, which in turn holds an interest of 659 ordinary shares, 710 B shares, 48 C shares, 48 D shares, 48 E shares, 29,405 warrants and €676,000 PEC's of Sophis Holding (Luxembourg) SCA.

The equivalent key management shareholdings at 30 December 2008 and 2007 were: 15,724 ordinary shares, 16,936 A shares, 1,133 C shares, 1,133 D shares, 1,133 E shares, 15,922 P shares, 35,248 warrants and €206,000 PEC's in Sophis Holding (Luxembourg) SCA.

No other members of management are considered key.

Unless otherwise stated all transactions between related parties are undertaken on an arm's length basis. Amounts due to and due from related parties are outlined below:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>€m</u>		
Due to related parties (note 17) . . . . .	(124.6)	(136.9)	<b>(150.6)</b>
Due from related parties (note 16) . . . . .	0.1	0.1	<b>0.1</b>
	<u>(124.5)</u>	<u>(136.8)</u>	<u><b>(150.5)</b></u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>€m</u>		
Interest expense on related party liabilities . . . . .	(5.2)	(12.3)	<b>(13.7)</b>

Related party transactions during the year primarily related to advancement of funding and accruing of interest on that funding. Applicable interest rates and associated terms are as set out in Note 17.

## SECTION C: SOPHIS GROUP UNAUDITED INTERIM RESULTS

### Condensed consolidated statement of comprehensive income

For the period ended 30 September 2010

	Notes	Unaudited 9 months ended 30 September 2010 €m	Unaudited 9 months ended 30 September 2009 €m	Audited Year ended 31 December 2009 €m
<b>Continuing operations</b>				
Revenue . . . . .	4	51.9	54.3	74.1
Staff costs . . . . .		(21.5)	(18.8)	(26.4)
Other operating costs . . . . .		(11.2)	(10.5)	(13.8)
Depreciation and amortisation* . . . . .	6	(4.0)	(3.5)	(4.5)
<b>Adjusted operating expenses . . . . .</b>		<b>(36.7)</b>	<b>(32.8)</b>	<b>(44.7)</b>
<b>Adjusted operating profit before: . . . . .</b>	6	<b>15.2</b>	21.5	29.4
Amortisation of acquired intangibles . . . . .	6	(18.9)	(19.2)	(25.7)
<b>Operating (loss)/profit . . . . .</b>	6	<b>(3.7)</b>	2.3	3.7
Finance income . . . . .		0.3	0.1	0.1
Finance expense . . . . .	7	(22.2)	(24.9)	(32.3)
<b>Net finance expense . . . . .</b>		<b>(21.9)</b>	<b>(24.8)</b>	<b>(32.2)</b>
<b>Loss before income tax . . . . .</b>		<b>(25.6)</b>	(22.5)	(28.5)
Income tax credit . . . . .	8	1.3	1.5	2.7
<b>Loss for the period/year . . . . .</b>		<b>(24.3)</b>	<b>(21.0)</b>	<b>(25.8)</b>
<b>Other comprehensive income</b>				
Foreign currency translation differences from foreign operations . . . . .		1.1	0.2	0.2
Other comprehensive income for the period/year . . . . .		1.1	0.2	0.2
<b>Total comprehensive loss for the period/year . . . . .</b>		<b>(23.2)</b>	<b>(20.8)</b>	<b>(25.6)</b>

\* Includes depreciation of property, plant and equipment and internally developed intangible assets only. Amortisation of acquired intangibles has been presented separately in order to present both an adjusted and non-adjusted operating profit as described more fully in Note 6.

The accompanying notes are an integral part of the condensed consolidated interim financial information.

## Condensed consolidated statement of financial position

For the period ended 30 September 2010

	Notes	Unaudited 30 September 2010 €m	Audited 31 December 2009 €m
<b>Non-current assets</b>			
Property, plant and equipment . . . . .		1.4	1.5
Intangible assets . . . . .	9	259.4	278.5
Deferred tax . . . . .		5.0	5.1
<b>Total non-current assets</b> . . . . .		<u>265.8</u>	<u>285.1</u>
<b>Current assets</b>			
Trade and other receivables . . . . .	10	29.8	29.9
Cash and cash equivalents . . . . .		31.8	27.2
<b>Total current assets</b> . . . . .		<u>61.6</u>	<u>57.1</u>
<b>Total assets</b> . . . . .		<u>327.4</u>	<u>342.2</u>
<b>Current liabilities</b>			
Loans and borrowings . . . . .	11	—	185.0
Trade and other payables . . . . .	12	18.5	17.9
<b>Total current liabilities</b> . . . . .		<u>18.5</u>	<u>202.9</u>
<b>Non-current liabilities</b>			
Loans and borrowings . . . . .	11	347.1	150.6
Derivative financial instruments . . . . .		5.2	6.8
Deferred tax . . . . .		15.5	17.6
<b>Total non-current liabilities</b> . . . . .		<u>367.8</u>	<u>175.0</u>
<b>Total liabilities</b> . . . . .		<u>386.3</u>	<u>377.9</u>
<b>Equity</b>			
Share capital and share premium . . . . .	13	23.3	23.3
Currency translation reserve . . . . .		(0.8)	(1.9)
Retained earnings . . . . .		(81.4)	(57.1)
<b>Total equity attributable to the equity holders of the Company</b> . . . . .		<u>(58.9)</u>	<u>(35.7)</u>
<b>Total equity and liabilities</b> . . . . .		<u>327.4</u>	<u>342.2</u>

**Condensed consolidated statement of changes in equity (Unaudited)**

*For the period ended 30 September 2010*

	<u>Share Capital and share premium</u>	<u>Currency translation reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	€m	€m	€m	€m
Balance at 1 January 2009 . . . . .	23.3	(2.1)	(31.3)	(10.1)
<b>Comprehensive income for the period</b>				
Loss for the period . . . . .	—	—	(21.0)	(21.0)
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	0.2	—	0.2
<b>Total comprehensive income</b> . . . . .	—	0.2	(21.0)	(20.8)
Balance at 30 September 2009 . . . . .	<u>23.3</u>	<u>(1.9)</u>	<u>(52.3)</u>	<u>(30.9)</u>
<b>Comprehensive income for the period</b>				
Loss for the period . . . . .	—	—	(4.8)	(4.8)
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	—	—	—
<b>Total</b> . . . . .	—	—	(4.8)	(4.8)
Balance at 31 December 2009 . . . . .	<u>23.3</u>	<u>(1.9)</u>	<u>(57.1)</u>	<u>(35.7)</u>
Balance at 1 January 2010 . . . . .	23.3	(1.9)	(57.1)	(35.7)
<b>Comprehensive income for the period</b>				
Loss for the period . . . . .	—	—	(24.3)	(24.3)
<b>Other comprehensive income</b>				
Foreign currency translation differences . . . . .	—	1.1	—	1.1
<b>Total</b> . . . . .	—	1.1	(24.3)	(23.2)
<b>Balance at 30 September 2010</b> . . . . .	<u><b>23.3</b></u>	<u><b>(0.8)</b></u>	<u><b>(81.4)</b></u>	<u><b>(58.9)</b></u>

## Condensed consolidated statement of cash flows

For the nine month period ended 30 September 2010

	Unaudited 30 September 2010	Unaudited 30 September 2009
	<u>€m</u>	<u>€m</u>
<b>Cash flows from operating activities</b>		
Loss after taxation . . . . .	(24.3)	(21.0)
<i>Adjustments for:</i>		
Finance income . . . . .	(0.3)	(0.1)
Unrealised loss on derivatives . . . . .	(1.7)	2.3
Finance expense . . . . .	23.9	22.6
Depreciation of tangible assets . . . . .	0.9	0.9
Amortisation of intangible assets . . . . .	22.0	21.8
Income tax . . . . .	<u>(1.3)</u>	<u>(1.5)</u>
	19.2	25.0
Changes in working capital . . . . .	0.7	(2.3)
Tax paid . . . . .	<u>(0.6)</u>	<u>(2.5)</u>
<b>Net cash from operating activities</b> . . . . .	<u>19.3</u>	<u>20.2</u>
<b>Cash flows used in investing activities</b>		
Interest received . . . . .	0.3	0.1
Acquisition of property, plant and equipment . . . . .	(0.8)	(0.8)
Investment in research and development . . . . .	<u>(2.9)</u>	<u>(3.2)</u>
<b>Net cash used in investing activities</b> . . . . .	<u>(3.4)</u>	<u>(3.9)</u>
<b>Cash flows used in financing activities</b>		
Interest paid . . . . .	(10.2)	(9.3)
Other financing costs . . . . .	—	(1.2)
Repayment of borrowings . . . . .	<u>(1.6)</u>	<u>(13.2)</u>
<b>Net cash used in financing activities</b> . . . . .	<u>(11.8)</u>	<u>(23.7)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b> . . . . .	4.1	(7.4)
Cash and cash equivalents at 1 January . . . . .	27.2	32.4
Effects of exchange rate fluctuations on cash held . . . . .	<u>0.5</u>	<u>(0.1)</u>
<b>Cash and cash equivalents at 30 September</b> . . . . .	<u><u>31.8</u></u>	<u><u>24.9</u></u>

## Notes to the condensed consolidated financial information

### 1. Reporting entity and general information

Sophis Holdings (Luxembourg) S.C.A. (the “Company”) is a company incorporated and domiciled in Luxembourg. The Company’s ultimate beneficial owners are funds managed by Advent International Corporation, a company incorporated in the United States of America. The Company and its subsidiaries are together referred to as the “Group” and individually as “Group entities”.

The Company was incorporated on 26 July 2007 for the purposes of acquiring Sophis Technology (Ireland) Limited and subsidiaries (together the “STIL Group”) by Advent International Corporation (the “Acquisition”). The new legal group that resulted from the Acquisition is headed by Sophis (Luxembourg) Holding S.C.A.

This condensed consolidated financial information comprises the statements of comprehensive income, cash-flows and changes in equity of the Group for the 9 month periods ended 30 September 2010 and 30 September 2009 and the financial positions of the Group as of 30 September 2010 and 31 December 2009.

The Group’s primary business is the development and distribution of specialist software for the financial services sector. All financial information presented in Euro has been rounded to the nearest million. The functional currency of the parent entity is Euro.

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all periods presented.

### 2. Basis of preparation

The financial information presented herein does not amount to statutory financial statements that are required by Section 7 of the Irish Companies (Amendment) Act, 1986.

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial information of the group set out in Section B of this Part IV of the Circular.

#### *New accounting pronouncements*

The International Accounting Standards Board and the International Financial Reporting Interpretations Committee (‘IFRIC’) have issued the following standards which are effective for the Group’s financial statements for the year ending 31 December 2010:

- IFRS 3 “Business Combinations” became applicable to the Group from 1 January 2010. This standard has no immediate impact on the Group, but it will apply the revised standard on a prospective basis, as appropriate.
- IAS 27 “Consolidated and Separate Financial Statements” became applicable to the Group from 1 January 2010. This standard has no immediate impact on the Group, but it will apply the revised standard on a prospective basis, as appropriate.

Certain other new accounting pronouncements have been issued which will be effective for the Group in the near term. However none of these are expected to have a material effect on the Group’s activities, as follows:

- IFRIC 19 “Extinguishing financial liabilities with equity instruments” provides guidance on the accounting for debt for equity swaps. This standard has no immediate impact on the Group. However, this will be applied on a prospective basis.
- IAS 24 “Related Party Disclosures” amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The Group will apply the new definition on a prospective basis as applicable.
- Amendments to IFRIC 12 IAS 19 “The limit on a defined benefit assets, minimum funding requirements and their interaction” removes unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. As the Group does not operate a defined benefit scheme this will have no impact on the Group.

## 2. Basis of preparation (Continued)

- IFRS 9 “Financial Instruments” is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The Group will apply the new standard on a prospective basis, as applicable.

## 3. Significant accounting policies

The significant accounting policies used in the preparation of this interim financial information are consistent with those set out in Note 3 of Section B of Part IV of this Circular other than as set out under Note 2 above. This unaudited financial information has been produced for inclusion in the circular in a form that is consistent with the accounting policies adopted in Misys’ latest annual accounts. The financial information of the Group for the period to 30 September 2010 has been extracted from the unaudited interim financial statements of the Group for the same period, which were prepared in accordance with the requirements of IAS 34.

## 4. Revenue

The Group has three major categories of revenue streams which are largely delivered from the same cost base while operating in different geographical regions. The Group has disclosed below an analysis of its three revenue streams and its revenue by geographical region.

	Unaudited 30 September 2010	Unaudited 30 September 2009	Audited 31 December 2009
	€m	€m	€m
<i>Revenue by category</i>			
Licence fees . . . . .	23.1	25.1	35.8
Maintenance fees . . . . .	20.6	19.0	25.0
Consulting/development . . . . .	8.2	10.1	13.2
Other revenue . . . . .	—	0.1	0.1
	<u>51.9</u>	<u>54.3</u>	<u>74.1</u>
	Unaudited 30 September 2010	Unaudited 30 September 2009	Audited 31 December 2009
	€m	€m	€m
<i>Revenue attributable to geographic region</i>			
Europe . . . . .	36.7	36.8	52.0
North America . . . . .	7.5	5.7	7.3
Asia . . . . .	7.7	11.8	14.8
	<u>51.9</u>	<u>54.3</u>	<u>74.1</u>

## 5. Depreciation and amortisation

Included in total operating expenses are the following amounts in relation to depreciation and amortisation:

	Unaudited 30 September 2010	Unaudited 30 September 2009	Audited 31 December 2009
	€m	€m	€m
Depreciation of tangible fixed assets . . . . .	0.9	0.9	1.1
Amortisation of intangible assets . . . . .	22.0	21.8	29.1
	<u>22.9</u>	<u>22.7</u>	<u>30.2</u>

## 6. Adjusted operating profit

The Group has presented a measure of adjusted operating profit in addition to operating profit within its statement of comprehensive income. This presents operating profit excluding amortisation of certain

## 6. Adjusted operating profit (Continued)

acquired intangible assets. The Group presents adjusted operating profit in this manner as it considers that this provides a better indication of the Group's maintainable cash generating capability. A reconciliation from operating profit to adjusted operating profit is set out below:

	Unaudited 9 months ended 30 September 2010	Unaudited 9 months ended 30 September 2009	Audited Year ended 31 December 2009
	€m	€m	€m
Operating (loss)/profit . . . . .	(3.7)	2.3	3.7
Amortisation of acquired intangibles . . . . .	<u>18.9</u>	<u>19.2</u>	<u>25.7</u>
Adjusted operating profit . . . . .	<u>15.2</u>	<u>21.5</u>	<u>29.4</u>

## 7. Finance expense

	Unaudited 30 September 2010	Unaudited 30 September 2009	Audited 31 December 2009
	€m	€m	€m
Net foreign exchange loss . . . . .	0.5	1.0	1.0
Interest expense on financial liabilities . . . . .	12.3	10.5	14.5
Interest expense on related party liabilities . . . . .	11.1	10.3	13.7
Other financing costs . . . . .	—	0.8	1.6
Unrealised (gain)/loss on interest rate swap contracts at fair value through the income statement . . . . .	(1.9)	2.3	1.3
Unrealised loss on forward currency contracts . . . . .	0.2	—	—
Other finance expense . . . . .	—	—	0.2
	<u>22.2</u>	<u>24.9</u>	<u>32.3</u>

## 8. Income tax

### *Income tax recognised in the consolidated statement of total comprehensive income*

	Unaudited 30 September 2010	Unaudited 30 September 2009	Audited 31 December 2009
	€m	€m	€m
<b>Current tax expense</b>			
Current period . . . . .	1.2	0.8	2.5
Adjustment for prior periods . . . . .	<u>(0.6)</u>	<u>—</u>	<u>0.1</u>
<b>Total current tax</b> . . . . .	<u>0.6</u>	<u>0.8</u>	<u>2.6</u>
<b>Deferred income tax</b>			
Origination and reversal of temporary differences . . . . .	<u>(1.9)</u>	<u>(2.3)</u>	<u>(5.3)</u>
<b>Total income tax credit in income statement</b> . . . . .	<u>(1.3)</u>	<u>(1.5)</u>	<u>(2.7)</u>

There is no unprovided deferred tax nor are there any unrecognised deferred tax assets. No deferred tax items were recognised in equity for the current or previous year. Management have assessed the recoverability of the Group's deferred tax assets based on the Group's ability to generate future profits and consider that these are fully recoverable.

## 9. Intangible assets

### Group—Unaudited

	Developed technology	In process development	Brand	Customer relationships	Goodwill	Total
	€m	€m	€m	€m	€m	€m
<i>Cost</i>						
Balance at 1 January 2010 . . . . .	170.5	15.6	13.3	17.2	130.3	346.9
Capitalisation of development costs . . . . .	—	2.9	—	—	—	2.9
<b>Balance at 30 September 2010 . . . . .</b>	<b><u>170.5</u></b>	<b><u>18.5</u></b>	<b><u>13.3</u></b>	<b><u>17.2</u></b>	<b><u>130.3</u></b>	<b><u>349.8</u></b>
<i>Amortisation</i>						
Balance at 1 January 2010 . . . . .	51.5	10.1	1.6	5.2	—	68.4
Amortisation for the year . . . . .	16.0	3.9	0.5	1.6	—	22.0
<b>Balance at 30 September 2010 . . . . .</b>	<b><u>67.5</u></b>	<b><u>14.0</u></b>	<b><u>2.1</u></b>	<b><u>6.8</u></b>	<b><u>—</u></b>	<b><u>90.4</u></b>
<i>Carrying amounts</i>						
<b>At 30 September 2010 . . . . .</b>	<b><u>103.0</u></b>	<b><u>4.5</u></b>	<b><u>11.2</u></b>	<b><u>10.4</u></b>	<b><u>130.3</u></b>	<b><u>259.4</u></b>

### Group

	Developed technology	In process development	Brand	Customer relationships	Goodwill	Total
	€m	€m	€m	€m	€m	€m
<i>Cost</i>						
Balance at 1 January 2009 . . . . .	170.5	11.4	13.3	17.2	130.3	342.7
Capitalisation of development costs . . . . .	—	4.2	—	—	—	4.2
Balance at 31 December 2009 . . . . .	<u>170.5</u>	<u>15.6</u>	<u>13.3</u>	<u>17.2</u>	<u>130.3</u>	<u>346.9</u>
<i>Amortisation</i>						
Balance at 1 January 2009 . . . . .	30.2	5.2	0.9	3.0	—	39.3
Amortisation for the year . . . . .	21.3	4.9	0.7	2.2	—	29.1
Balance at 31 December 2009 . . . . .	<u>51.5</u>	<u>10.1</u>	<u>1.6</u>	<u>5.2</u>	<u>—</u>	<u>68.4</u>
<i>Carrying amounts</i>						
<b>At 31 December 2009 . . . . .</b>	<b><u>119.0</u></b>	<b><u>5.5</u></b>	<b><u>11.7</u></b>	<b><u>12.0</u></b>	<b><u>130.3</u></b>	<b><u>278.5</u></b>

Goodwill arose on the acquisition of the Group in July 2007 and reflects the future economic benefits arising from the entirety of the business assets acquired including anticipated future profitability and the ability to leverage client relationships, assembled workforce and know how.

In assessing impairment, goodwill is allocated to cash generating units (CGU's). Management deem that the Group represents one CGU which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and, as such, all goodwill is allocated on this basis. This is because goodwill relates to the entirety of the Group's business, rather than any particular component of its geographic location or individual revenue streams. Accordingly the smallest group of assets generating independent cash flows related to the goodwill is considered to be the entire acquired business of Sophis Technology (Ireland) Limited and subsidiaries (the Group's principal trading unit).

Goodwill is assessed annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of Goodwill is determined from value in use calculations using discounted projected cash flows with a growth rate factor. Management has estimated a discount rate that reflects a current market assessment of the time value of money and risks specific to the CGU. Growth rates are estimated based on management's knowledge of the market and by reference to past performance. A full impairment review was conducted by management at 31 December 2009. The approximate growth rates used in the Group's projected cash flows was between 10-20%. The discount rates used to discount these cash flows was in a range of 18-22% reflecting the perceived high growth potential of the business. The Group concluded that that goodwill and intangible assets were not impaired at balance sheet date. Subsequent to the period end, the company entered into an agreement with a third party to dispose of the entire issued share capital of the company. The proposed offer price for the group is

## 9. Intangible assets (Continued)

in excess of the carrying value of the Group's intangible assets and as a result management have concluded that there is no evidence of impairment at 30 September 2010.

## 10. Trade and other receivables

	Unaudited 30 September 2010	Audited 31 December 2009
	€m	€m
Trade receivables . . . . .	11.0	15.8
Due from related parties . . . . .	—	0.1
Other receivables . . . . .	0.8	0.7
Prepayments and accrued income . . . . .	13.0	3.3
Research and development incentives recoverable . . . . .	3.8	8.2
VAT recoverable . . . . .	0.8	0.7
Corporate income tax recoverable . . . . .	0.4	1.1
<b>Total trade and other receivables . . . . .</b>	<b>29.8</b>	<b>29.9</b>

At 30 September 2010, trade receivables are shown net of an allowance for doubtful debts of €0.1 million (31 December 2009: €1.3 million). At balance sheet date 59% (31 December 2009: 60%) of trade receivables were less than one month past due, 12% (31 December 2009: 12%) were between one and three months past due, 6% (31 December 2009: 2%) were between 4 and 6 months past due and 23% (31 December 2009: 26%) were over 6 months past due.

## 11. Loans and borrowings

	Unaudited 30 September 2010	Audited 31 December 2009
	€m	€m
<i>Current liabilities</i>		
Bank loans and borrowings . . . . .	—	187.2
Less: Capital arrangement fee . . . . .	—	(2.2)
Total current . . . . .	—	185.0
<i>Non-current liabilities</i>		
Bank loans and borrowings . . . . .	187.4	—
Less: Capital arrangement fee . . . . .	(2.0)	—
Related party borrowings . . . . .	161.7	150.6
Total non-current . . . . .	347.1	150.6
Total loans and borrowings . . . . .	347.1	335.6

## 11. Loans and borrowings (Continued)

The Group had the following loan facilities with Canadian Imperial Bank Corporation, “Facility 1”, CapitalSource, “Facility 2” (together the “Facilities”) and related parties at the end of the period as follows:

	Currency	Nominal	Year of interest rate maturity	30 September 2010		31 December 2009	
				Principal value	Carrying amount	Principal value	Carrying amount
				€m	€m	€m	€m
Facility 1 . . . . .	EUR	(Euribor + 2.375%)	2015	145.2	143.2	146.8	144.4
Facility 2 . . . . .	EUR	(Euribor + 7.750%)	2014	37.0	42.2	37.0	40.6
Revolver . . . . .	EUR	(Euribor + 2.00%)	2015	—	—	—	—
Related party liabilities* . . . . .	EUR	(Fixed 10%)	2037	119.2	161.7	119.2	150.6
<b>Total loans and borrowings . . . . .</b>				<b>301.4</b>	<b>347.1</b>	<b>303.0</b>	<b>335.6</b>

\* On 26 July 2007, the Company issued 119.37m Preferred Equity Certificates (“PEC”) for an aggregate amount of €119.37 million. The PEC’s carry the right to receive 10% per annum on the sum of the par value of the PEC’s together with any accrued and unpaid interest. The yield may be compounded on the request of the holder. The PECs shall be subordinated to all other present and future obligations of the Company, whether privileged, secured or unsecured. The PEC’s are repayable in aggregate in 2037 and interest yield repayable each year on the 26 July. The repayment of the PECs is expected to occur prior to the contractual maturity in 2037 or on a change in control of Sophis Technology (Ireland) Limited.

Included in loans and borrowings (Facility 2) is accrued and unpaid interest of €5.2 million (31 December 2009: €3.6 million). The margins paid under the credit agreements on the Company’s Facilities are based on certain performance metrics of the Group. In July 2007, a group company, Sophis Acquisition (Ireland) Limited (“SAIL”) entered into loan agreements with its lending banks, CIBC World Markets plc and CapitalSource Europe Ltd (the “Financiers”) to provide debt financing which contained customary obligations. During 2009, certain of these obligations were not met and, as a result, appropriate waivers were issued by the Financiers to provide sufficient time in order to reach agreement on amendments to the loan agreements. Debt facilities were accordingly classified as current at 31 December 2009. On 31 March 2010, new loan agreements were entered into by SAIL and the Financiers. The Facilities are repayable now in aggregate on maturity and may become repayable earlier if certain obligations under the Company’s credit agreements are not met. As a result the debt has been reclassified as greater than one year in line with the terms of the loan facilities.

## 12. Trade and other payables

	Unaudited	Audited
	30 September 2010	31 December 2009
	€m	€m
Trade payables . . . . .	1.9	2.2
Foreign tax . . . . .	—	1.1
Deferred revenue . . . . .	8.7	3.6
Accruals . . . . .	6.7	9.4
Payroll tax and social security . . . . .	0.4	0.5
VAT . . . . .	0.8	1.1
	<b>18.5</b>	<b>17.9</b>

## 13. Share capital and share premium

As at the balance sheet date the fully paid subscribed capital amounts to €0.3 million, represented by 1 Management share, 138,805 ordinary shares, 55,549 Class A ordinary shares, 93,926 Class B ordinary shares, 10,000 Class C shares, 10,000 Class D shares, 10,000 Class E shares and 22,982 Non-voting Preference Shares all of a nominal value of EUR 1.00 per share.

A share premium of €23.0 million has been recognised following the different contributions of the shareholders in 2007 and 2008. There were no movements during the period under review.

#### 14. Share warrants

Certain senior managers of the Group have been granted share warrants which will vest on the earlier of a completion of an IPO, or on a trade sale or other transaction resulting in a change of control (a "Transaction"). The amounts that will vest are calculated in accordance with a predetermined methodology agreed with the Group's ultimate parent and settled by the subscription for shares in Sophis Holding (Luxemburg) S.C.A. Vesting and exercisability are contingent on the timing and nature of a future Transaction and on the continuing employment of the individuals to which the warrants have been granted.

The share warrants have been determined to be equity settled share based payment plans and consequently the fair value is assessed at the grant date. Given the significant uncertainty surrounding the timing and nature of a future Transaction and the consequent likelihood of vesting, the fair value of the share warrants was deemed to be immaterial for recognition purposes in each of the periods to 30 September 2010 and, consequently no related amount was recognised in these consolidated financial statements. This determination was reviewed on annual basis, with regard to the likelihood of any transaction or any other known relevant factors.

There were 79,570 warrants outstanding as at 31 December 2009. No warrants were granted, exercised, lapsed or forfeited during the period to 30 September 2010. The exercise price of the shares of the Company subject to the warrants was €1. On 11 November 2010 the Company entered into agreements to sell its entire share capital to Misys Plc at a price which results in the approximate fair value of each exercisable warrant being equal to €200. The number of warrants exercisable on completion of the Misys Transaction is approximately 40,000. Because of the immediate vesting, the fair value of the warrants was considered to be approximately equal to the purchase price.

#### 15. Commitments and guarantees

##### *Capital commitments:*

There are no capital commitments at the current period or prior period end.

##### *Leasing commitments*

Payments under non-cancellable operating lease agreements on rental premises are as follows:

	Unaudited 30 September 2010	Audited 31 December 2009
	€m	€m
Less than one year . . . . .	0.7	0.7
Between two and five years . . . . .	0.7	0.7
More than five years . . . . .	<u>1.5</u>	<u>1.5</u>
Closing balance . . . . .	<u>2.9</u>	<u>2.9</u>

##### *Guarantees and financial commitments*

The Group has secured its guarantee obligations in respect of credit agreements entered into by granting a mortgage debenture in favour of CIBC World Markets plc and CapitalSource containing fixed and floating charges over certain of the assets of the Group. The Group has also made share pledges in respect of its investments in Sophis SA, Sophis Technology France, Sophis Corporate Services France and Sophis UK Limited.

#### 16. Related party transactions

The Group considers key management and its ultimate beneficial owner (as defined in note 1) as being related parties. Key management are Pascal Xatart (CEO), Arnaud Vinciguerra (COO) and Paul Bosson (CFO).

## 16. Related party transactions (Continued)

Transactions with management personnel are as follows:

	Unaudited 30 September 2010	Audited 31 December 2009
	€m	€m
Key management compensation		
Wages and salaries . . . . .	(0.8)	(1.4)
Total key management compensation . . . . .	<u>(0.8)</u>	<u>(1.4)</u>

The key management's shareholdings in Sophis Holding (Luxembourg) SCA at 30 September 2010 and 30 September 2009 were: 15,769 ordinary shares, 16,984 A shares, 1,136 C shares, 1,136 D shares, 1,136 E shares, 15,964 P shares and 35,248 warrants. Key management also had an interest in €206,000 of the company's PEC's. Key management also had an interest of 37,231 (5.25%) of the ordinary shares of Sophis Management (Luxembourg) II SCA, a group entity, which in turn holds an interest of 659 ordinary shares, 710 B shares, 48 C shares, 48 D shares, 48 E shares, 29,405 warrants and €676,000 of the PEC's of Sophis Holding (Luxembourg) SCA.

No other members of management are considered key. Unless otherwise stated all transactions between related parties are undertaken on an arm's length basis. Amounts due to and from related parties are outlined below:

	Unaudited 30 September 2010	Audited 31 December 2009
	€m	€m
Due to related parties (note 11) . . . . .	(161.7)	(150.6)
Due from related parties . . . . .	—	0.1
	<u>(161.7)</u>	<u>(150.5)</u>
Interest expense on related party liability . . . . .	<u>(€11.1)</u>	<u>(€13.7)</u>

The amounts due to related parties at 31 December 2010 relate to the Preferred Equity Certificates. Full details in respect of these borrowings are set out in note 11.

## 17. Ultimate controlling party

The Company's ultimate controlling party are funds managed by Advent International Corporation a company incorporated in the United States of America.

The largest group in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Sophis Holding (Luxembourg) S.C.A. The consolidated financial statements of Sophis Holding (Luxembourg) S.C.A. are available at the Luxembourg trade register.

The smallest group in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Sophis Holdings (Ireland) Limited incorporated in the Republic of Ireland. The consolidated financial statements of Sophis Holdings (Ireland) Limited are available and may be obtained from Companies Registration Office.

## 18. Subsequent events

During 2009, certain obligations under the Group's loan agreements with its Financiers were not met as described in note 11 and appropriate waivers were issued by the Financiers to provide sufficient time to agree amendments to the loan agreements. On 31 March 2010, the Group reached agreement with its Financiers to amend the terms of its loan agreements including financial covenants at which point the Group's obligations were no longer payable on demand.

**18. Subsequent events (Continued)**

On 11 November 2010, the shareholders of the Company entered into an agreement to divest the entire share capital of the Company to a subsidiary of Misys plc for an approximate consideration of €273 million (the “Misys Transaction”), subject to approval of the terms of the Misys Transaction by the shareholders of Misys plc. The Misys Transaction is expected to complete in early 2011.

Share warrants have also vested post period end as described more fully in note 14.

**19. Seasonality**

A significant portion of the group’s license contracts in respect of both new and existing clients are usually concluded in the final quarter of each calendar year which is not untypical of companies operating in the software sector. This gives rise to seasonal bias resulting in higher bookings, revenue and EBITDA in the second half of the calendar year compared with the first half.

## PART V: UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE COMBINED GROUP

### (A) Unaudited Pro Forma Net Assets Statement

The unaudited consolidated pro forma statement of net assets set out below has been prepared to illustrate the effect of the Proposed Acquisition and the Proposed Disposal to the Company's shareholders on the consolidated net assets of Misys plc as if these had taken place on 30 November 2010. The unaudited consolidated pro forma financial information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the actual financial position of Misys plc. The unaudited pro forma financial information is compiled on the basis set out in the notes below from the unaudited consolidated balance sheet of Misys plc as at 30 November 2010 and from the unaudited financial information from Sophis as at 30 September 2010 and in accordance with the requirements of Listing Rules 13.3.3R.

All figures are in £ millions	Adjustments							Unaudited Pro-Forma as at 30-Nov-10
	Unaudited Misys Group 30-Nov-2010	Unaudited Sophis net assets as at 30-Sep-2010	Sophis Acquisition	New debt facilities	Return of value—Tender offer	Return of value—Pro rata return of capital	Sale of remaining Allscripts shareholding	
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 5	Note 6	
<b>Non-current assets</b>								
Goodwill . . . . .	56.3	110.9	149.6					316.8
Other intangible assets . . . . .	57.6	109.9	—					167.5
Property, plant and equipment . . . . .	12.8	1.2	—					14.0
Investments . . . . .	4.9	—	—					4.9
Trade and other receivables . . . . .	3.2	—	—					3.2
Derivative financial instruments . . . . .	3.8	—	—					3.8
Deferred tax assets . . . . .	19.6	5.0	—					24.6
	<b>158.2</b>	<b>227.0</b>	<b>149.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>534.8</b>
<b>Current assets</b>								
Trade and other receivables . . . . .	101.4	25.0	—					126.4
Derivative financial instruments . . . . .	9.8	—	—					9.8
Available for sale investments . . . . .	73.3	—	—				(73.3)	—
Cash and cash equivalents . . . . .	871.9	27.1	(377.1)	120.5	(530.0)	(145.7)	73.3	40.0
	<b>1,056.4</b>	<b>52.1</b>	<b>(377.1)</b>	<b>120.5</b>	<b>(530.0)</b>	<b>(145.7)</b>	<b>—</b>	<b>176.2</b>
<b>Current liabilities</b>								
Trade and other payables . . . . .	(62.9)	(8.3)	—					(71.2)
Loans and overdrafts . . . . .	(2.2)	—	—					(2.2)
Derivative financial instruments . . . . .	(10.0)	—	—					(10.0)
Current tax liabilities . . . . .	(23.4)	(0.7)	—					(24.1)
Provisions . . . . .	(7.7)	—	—					(7.7)
Deferred income . . . . .	(47.6)	(7.4)	—					(55.0)
	<b>(153.8)</b>	<b>(16.4)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(170.2)</b>
<b>Net current assets</b> . . . . .	<b>902.6</b>	<b>35.7</b>	<b>(377.1)</b>	<b>120.5</b>	<b>(530.0)</b>	<b>(145.7)</b>	<b>—</b>	<b>6.0</b>
<b>Total assets less current liabilities</b> . . . . .	<b>1,060.8</b>	<b>262.7</b>	<b>(227.5)</b>	<b>120.5</b>	<b>(530.0)</b>	<b>(145.7)</b>	<b>—</b>	<b>540.8</b>
<b>Non-current liabilities</b>								
Trade and other payables . . . . .	(4.3)	—	—					(4.3)
Non-current loans & borrowings . . . . .	—	(295.4)	270.8	(120.5)				(145.1)
Convertible debt . . . . .	(81.9)	—	—					(81.9)
Derivative financial instruments . . . . .	(2.0)	(4.4)	4.4					(2.0)
Deferred tax liabilities . . . . .	(1.0)	(13.2)	—					(14.2)
Provisions . . . . .	(11.2)	—	—					(11.2)
Deferred income . . . . .	(5.9)	—	—					(5.9)
Retirement obligations . . . . .	(3.9)	—	—					(3.9)
	<b>(110.2)</b>	<b>(313.0)</b>	<b>275.2</b>	<b>(120.5)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(268.5)</b>
<b>Net assets / (liabilities)</b> . . . . .	<b>950.6</b>	<b>(50.3)</b>	<b>47.7</b>	<b>—</b>	<b>(530.0)</b>	<b>(145.7)</b>	<b>—</b>	<b>272.3</b>

#### Notes

- The financial information has been extracted, without material adjustment, from the unaudited interim financial statements of Misys plc for the six months ended 30 November 2010.
- The unaudited financial information of Sophis has been extracted, without material adjustment, from Part IV of this document and translated from euros to sterling at £1: euro 1.175.

3. Estimated amounts payable and goodwill arising has been calculated based upon:

i) total Sophis consideration

<b>Sophis Consideration</b>	<b>£m</b>	<b>€m</b>
Fixed cash consideration . . . . .	365.1	429.0
Cash earn-out . . . . .	4.3	5.0
<b>Total cash consideration . . . . .</b>	<b>369.4</b>	<b>434.0</b>
Misys equity consideration . . . . .	5.1	6.0
<b>Total consideration . . . . .</b>	<b>374.5</b>	<b>440.0</b>

As of 30 September 2010, Sophis net debt is as follows

<b>Sophis Net Debt</b>	<b>£m</b>	<b>€m</b>
Bank debt gross of arrangement fee . . . . .	159.5	187.4
Derivative financial instruments . . . . .	4.4	5.2
Other . . . . .	0.8	0.9
<b>Gross debt . . . . .</b>	<b>164.7</b>	<b>193.5</b>
Cash and cash equivalents . . . . .	(27.1)	(31.8)
<b>Sophis net debt . . . . .</b>	<b>137.6</b>	<b>161.7</b>

ii) the excess of consideration over the book value of the residual net assets acquired has been reflected in goodwill.

No account has been taken of any fair value adjustments which may arise on the acquisition or the consequential impact of amortisation.

Incremental goodwill generated is calculated as follows

<b>Goodwill Acquired</b>	<b>£m</b>	<b>€m</b>
<b>Total consideration . . . . .</b>	<b>374.5</b>	<b>440.0</b>
Sophis net debt . . . . .	(137.6)	(161.7)
PECs * . . . . .	(137.6)	(161.7)
<b>Consideration less payments to settle net debt and PECs . . . . .</b>	<b>99.3</b>	<b>116.6</b>
Sophis net liabilities . . . . .	(50.3)	(59.1)
<b>Net goodwill increase . . . . .</b>	<b>149.6</b>	<b>175.7</b>

\* As part of the acquisition, the Company will also settle the preferred equity certificates (“PECs”) issued by Sophis, which are reported within non-current loans & borrowings. The PECs are explained in further detail in Part IV, section C, note 10 of this document.

iii) the cash and cash equivalents adjustment of £377.1m comprises the total cash consideration as set out in (i) above of £369.4m, plus advisor costs of £5.0m and arrangement fees of £2.7m which fall due when the new financing facility is first utilised.

iv) the adjustment to the non-current loans & borrowings of £270.8m comprises £137.6m Sophis net debt, together with the PECs of £137.6m, less the Derivative financial instrument balance (separately identified) of £4.4m.

4. The financing of the acquisition is to be made out of existing cash arising from the issue of a convertible debt in November 2010 which is reflected in the Misys Group November balance sheet and the new facilities agreed in November 2010 which make available a £90m term loan and a £190m revolving credit facility, of which 120.5m reflected above represents the required draw down after all other cash flows set out in the pro forma, and recognizing the need for a minimum cash balance of £40m. Further details are contained in Part VI of this document.

5. Adjustment to reflect the return of capital to shareholders by way of tender offer using proceeds from the sale of the majority of the Allscripts shareholding completed on 20 August 2010 which was subject to the circular issued by Misys to shareholders dated 29 July 2010. 169.3m Ordinary Shares were tendered and were purchased for cancellation at a ‘strike price’ of 310p per Ordinary Share for a total cost of approximately £525m. Advisor costs and stamp duty totalling £5m were also incurred, making a total of £530m. Misys is committed to return to the Company’s shareholders £670m allocated from the proceeds of its disposal and accordingly announced on 15 December 2010 that the Company intends to return approximately £145m by way of a pro rata return of capital to all shareholders together with an accompanying share consolidation to reflect this return of capital. This will entail the issue of ‘B’ shares to holders of Ordinary Shares and a distribution to all holders of ‘B’ shares, followed by the cancellation of ‘B’ shares. Ordinary Shares in issue will then be reduced broadly in proportion to the £145.7m paid out. This further return of capital is the subject of a circular issued today and as such has been reflected in the table above.

6. Sale of the remaining 3.5% shareholding in Allscripts to help finance the acquisition. The carrying value of £73.3m is based on a share price of \$17.55 at 30 November 2010 translated at a rate of £1:US1.5568

7. No account has been taken of the trading activity or transactions of the Misys Group for the period since 30 November 2010 nor Sophis for the period since 30 September 2010 in the pro forma net assets statement except as noted above.

(B) Accountant's report in relation to pro forma statement of net assets



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25 January 2011

Dear Sirs

**Misys plc (the “Company”)**

We report on the unaudited pro forma net assets statement (the “**Pro forma financial information**”) set out in Section A of Part V of the Company’s circular dated 25 January 2011 (the “**Circular**”) which has been prepared on the basis described in the notes to the Pro forma financial information, for illustrative purposes only, to provide information about how the proposed acquisition of Sophis Holding (Luxembourg) SCA, Sophis Holding GP (Luxembourg) S.à r.l., Sophis Management GP (Luxembourg) S.à r.l. and Sophis Management (Luxembourg) II SCA, facility refinancing, tender offer, pro rata return of capital, and proposed disposal of the Company’s remaining shareholding in Allscripts Healthcare Solutions, Inc. might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the unaudited interim financial statements for the period ended 30 November 2010. This report is required by item 13.3.3R of the Listing Rules of the Financial Services Authority (the “**Listing Rules**”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

**Responsibilities**

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules, as to the proper compilation of the Pro forma financial information and to report our opinion to you.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

**Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

**Opinion**

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP  
Chartered Accountants

## PART VI: PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

The following is a summary of the principal terms of the Proposed Acquisition.

### 1. Overview of the Proposed Acquisition

Please refer to paragraphs 3 and 4 of the Chairman's letter in Part II of this Circular for an overview of the Proposed Acquisition.

### 2. Summary of the key terms of the Sale and Purchase Agreement

#### *The Acquisition*

The Sale and Purchase Agreement provides for the Proposed Acquisition by MIBS of the Sophis business through a purchase of all of the equity interests in four holding entities in the Sophis Group namely Sophis Holding, GP Holding, GP Manco and Sophis Manco. At Completion the Sophis Group will be wholly owned by MIBS.

The purchase price for the Sophis Securities, payable in cash (subject to the reinvestment provision, further details of which are set out at paragraph 3 of Part VI below), is €273 million and may be reduced by an amount equivalent to certain fees which are paid by a member of the Sophis Group to any third party in connection with the Proposed Acquisition and increased or decreased (as the case may be) by the cash held by GP Holding, GP Manco and Sophis Manco eight business days before Completion (subject to a cap on such increase of €60,000).

On Completion, MIBS shall repay the aggregate existing indebtedness of the Sophis Group at the time of Completion in accordance with the terms of the Sophis Group's existing debt facilities.

Pursuant to the terms of the Reinvestment Agreement, MIBS shall pay a portion of the consideration payable to each manager who is a party to the Reinvestment Agreement in new shares of common stock of the Company, to be issued by Misys instead of cash.

Completion shall take place at 9 a.m. (London time), at the offices of Allen & Overy LLP, One Bishops Square London, E1 6AD United Kingdom, eight business days after the date on which the conditions precedent (further details of which are set out below) have been satisfied, or such other date as Advent and MIBS agree.

#### *Earn Out*

After Completion additional consideration may be payable by MIBS in accordance with an earn out provision in the Sale and Purchase Agreement. MIBS will pay the Sellers up to €5 million dependent on the extent to which the customer bookings of Sophis in the year to December 2010 meet a target of €52,200,000. The potential earn out payment (EOP) will be paid as follows:

- (a) if 2010 bookings are less than €50 million, the EOP shall be zero;
- (b) if 2010 bookings are equal to €50 million, the EOP shall be €2,500,000;
- (c) if 2010 bookings are greater than €50 million but less than €52,200,000, the EOP shall be calculated in accordance with the following formula:

$$\text{EOP} = 2,500,000 + [((B - 50,000,000) / 2.2) \times 2.5]$$

where "B" means the 2010 bookings; and

- (d) if 2010 bookings are equal or greater than €52,200,000, the EOP shall be €5 million.

#### *Conditionality*

The obligations of each of MIBS and the Sellers to complete the Proposed Acquisition are subject to the fulfilment of certain conditions precedent before Completion.

Conditions precedent which relate to the obligations of MIBS at Completion include, but are not limited to:

- (a) the Proposed Acquisition Resolution being passed by the Shareholders;

- (b) representations and warranties given by the Sellers still being true at Completion, except that, where such representations and warranties fail to be true, such failure has not had a material adverse effect on the business of the Sophis Group (provided that the representations and warranties regarding ownership of the Sophis Securities must be true and correct in all material respects);
- (c) the Sellers having performed and complied in all material respects with all obligations, covenants and agreements required by the Sale and Purchase Agreement to be performed or complied with by them at or prior to Completion;
- (d) no order of a competent jurisdiction being in effect or pending, and no law having been enacted, adopted or pending, that restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Proposed Acquisition and there being no pending legal proceedings with respect to the Proposed Acquisition that seek to enjoin, restrain, make illegal or otherwise prohibit the Proposed Acquisition; and
- (e) no fact, event or circumstance having occurred or arisen since the date of the Sale and Purchase Agreement that has had a material adverse effect on the business of the Sophis Group.

Conditions precedent which relate to the obligations of the Sellers at Completion include:

- (a) the representations and warranties of MIBS and Misys still being true and correct in all material respects;
- (b) MIBS and Misys having performed and complied in all material respects with all obligations, covenants and agreements required by the Sale and Purchase Agreement to be performed or complied with by them at or prior to Completion; and
- (c) no order of competent jurisdiction being in effect or pending, and no law having been enacted, adopted or pending, that restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Proposed Acquisition and there being no pending legal proceedings with respect to the Proposed Acquisition that seek to enjoin, restrain, make illegal or otherwise prohibit the Proposed Acquisition.

If the Proposed Acquisition Resolution has not been passed by 28 February 2011 the provisions of the Sale and Purchase Agreement shall lapse and cease to have effect.

#### *Guarantee by Misys*

Misys has entered into the Sale and Purchase Agreement as guarantor of the obligations of MIBS under the Sale and Purchase Agreement.

#### *Representations and warranties*

The parties to the Sale and Purchase Agreement have made certain representations and warranties which are of a usual nature for a transaction of this kind, including, amongst others, representations and warranties concerning incorporation, authority and capacity to enter into the agreements and the absence of any third party rights which might prevent performance of the agreements.

The Sellers have made additional representations and warranties regarding the Sophis Group's business including, amongst others, warranties in relation to ownership of the Sophis Securities, capitalisation, accounts, subsidiaries, taxes, employee benefit plans, litigation, accounts and material contracts. The Sellers have also warranted and represented that all intellectual property used for the carrying on of the business of the Sophis Group is either owned by the members of the Sophis Group or used pursuant to valid license agreement, that to the Sellers' knowledge the operation of the business does not infringe the intellectual property rights of any person and that there is no known pending litigation or claims relating to infringement of intellectual property.

The Sophis Manco sellers, GP Holding sellers and the GP Manco sellers have made additional representations and warranties regarding the Sophis Group's holding entities which are of a usual nature for a transaction of this kind.

The Sellers have also undertaken to indemnify MIBS against any losses as a result of any breach or inaccuracy of any representations and warranties up to a cap of 10% of the "aggregate purchase price", which is the purchase price plus the any EOP (details of which are set out above) paid to the Sellers.

MIBS has also given representations that it has secured all financing necessary to ensure that all amounts payable under the Sale and Purchase Agreement can be paid on the date they are due.

#### *Covenants*

During the period between the signing of the Sale and Purchase Agreement and Completion, the Sellers have agreed not to undertake certain material actions and decisions regarding the Sophis Group's business without the prior consent of MIBS and to procure that the Sophis Group operates and conducts its activities in the ordinary course of business.

#### *Break fee*

The Directors of Misys have agreed with the Sellers to unanimously recommend to Shareholders that they approve the Proposed Acquisition. MIBS has agreed to pay the Sellers a break fee of €3 million in the event that: (i) the Directors withdraw their recommendation (other than where an "Intervening Event" occurs which the directors determine, having regard to any applicable law, requires them to amend or withdraw their recommendation); and (ii) Shareholders subsequently do not approve the Proposed Acquisition. For the purpose of the Sale and Purchase Agreement, an "Intervening Event" is an event or circumstance relating to the Misys Group or the Sophis Group which occurs or arises after the date of the Sale and Purchase Agreement that was not known to the Directors at the date of the Sale and Purchase Agreement.

#### *Escrow*

At Completion, 10% of the purchase price (plus 10% of any subsequent EOP (if any)) (the **escrow sum**) must be deposited into an escrow account and jointly held by Advent and MIBS for a period of 12 months pending any claims. Six months after Completion, the escrow sum will be reduced to an amount equal to the higher of 5% and the amount of any outstanding claims by a member of the Misys Group against the Sellers.

If there are no outstanding claims on the date falling 12 months after Completion, the balance of the escrow account shall be transferred to the Sellers' Agent.

If there are any outstanding claims by a member of the Misys Group 12 months after Completion:

- (a) a sum equal to the lower of (i) the aggregate amount of the outstanding claims and (ii) the escrow sum shall be retained in the escrow account;
- (b) the balance (if any) of the escrow sum shall be released to the Sellers by way of a payment to the Sellers' Agent; and
- (c) any sum retained in the escrow account after the release date in respect of any such claim shall be released to the Purchaser or the Sellers (or in part to MIBS with the balance to the Sellers), as appropriate, as soon as practicable after that claim is finally determined.

#### *Governing law*

The Sale and Purchase Agreement is governed by Luxembourg Law.

### **3. Summary of the key terms of the Reinvestment Agreement**

#### *Reinvestment*

Up to €6 million of the aggregate consideration to be paid by MIBS under the Proposed Acquisition shall be satisfied by way of an issue of Ordinary Shares in the capital of the Company to certain management sellers (the **Consideration Shares**). The reinvestment agreement governs the terms upon which such management sellers will receive their Consideration Shares.

The number of Consideration Shares to be issued to each management seller is determined by dividing the stock consideration amount payable to the relevant manager by the volume weighted average price of Misys over the twenty business days before Completion, subject to the terms of the Reinvestment Agreement.

The stock consideration amount is a pre-determined amount, is unique to each management seller and is set out in the Reinvestment Agreement. The stock consideration amount for any manager who

subsequently adheres to the Reinvestment Agreement and who is selling his shares in Sophis Manco will be as agreed between MIBS, Misys, Pascal Xatart and the relevant selling manager.

#### *Lock up*

Subject to certain exceptions, each management seller has agreed not to sell or charge any of the Consideration Shares for 24 months following Completion.

#### *Retention of the management sellers*

In addition to the purchase price payable by MIBS under the Sale and Purchase Agreement, and subject to Completion, each of the management sellers will be entitled to participate in certain arrangements designed to incentivise them to remain within the Combined Group.

Certain specified management sellers are entitled to a specified cash amount (the **cash retention amount**). The sum of the total cash retention amount of all management sellers will not exceed €5 million and will be paid to the relevant management sellers as follows:

- (a) if a management seller is an employee, director or an officer of any company in the Combined Group for a continuous period of 12 months from Completion, they shall be entitled to one third of the total cash retention amount;
- (b) if a management seller is an employee, director or an officer of any company in the Combined Group for a continuous period of 24 months from Completion, they shall be entitled to the remaining two thirds of his total cash retention amount; and
- (c) if a management seller is an employee, director or an officer of any company in the Combined Group for a continuous period from Completion until such time as Misys sells Sophis Technology (Ireland) Limited, they shall be entitled to the whole of his total cash retention amount (less the amounts already paid).

If a relevant management seller ceases to be an employee of the Combined Group then any cash retention amount payable to him shall be dependent upon whether such management seller is a “good leaver” or a “bad leaver”.

- (a) Good leavers—a good leaver is any leaver other than a bad leaver. If a management seller is a good leaver on any date during the period from Completion to the first anniversary of Completion, MIBS will pay, or procure that the relevant management seller is paid, the proportion of one third of his cash retention amount reduced pro rata to the number of months between Completion and the date on which that management seller leaves the Combined Group. If a management seller is a good leaver on any date during the period after the first anniversary from Completion to the date which is 24 months after Completion, MIBS will pay, or procure that the relevant management seller is paid (in addition to the one third of the total cash retention amount paid after a continuous period of 12 months’ employment), two thirds of his cash retention amount reduced pro rata to the number of months between the first anniversary of Completion and the date on which that management seller leaves the Combined Group.
- (b) Bad leavers—a bad leaver is any person who ceases to be an employee director or officer of a company of the Combined Group as a result of voluntary resignation or dismissal for reasons of “*faute lourde*” or “*faute grave*” (as such terms are construed by the French *Chambre Sociale de la Cour de cassation* with respect to employees). If a management seller becomes a bad leaver during the period from Completion to the first anniversary of Completion then he shall not be entitled to receive any of his cash retention amount. If a management seller becomes a bad leaver in the period after the first anniversary of Completion to the date which is 24 months after Completion then he shall not be entitled to receive the balance of his cash retention amount.

Each management seller shall also be granted options (in accordance with Part E of the Misys Omnibus Share Plan) to acquire such number of shares in Misys as determined by reference to the closing mid-market share price of Misys shares on the last business day before Completion. These options, following vesting, will be exercisable at a strike price of the closing mid-market share price of Misys on the last business day before Completion. The sum of the total share option retention amount of all management sellers will not exceed €5 million.

If a management seller is an employee, director or officer of a company in the Combined Group 36 months following Completion then, subject to an earnings per share performance condition, his or her options shall vest and become exercisable.

In the event that there is a change of control of Sophis Technology Ireland Limited and such management seller is still employed in a company in the Combined Group then, subject to an earnings per share performance condition, a proportion of the options shall vest and become exercisable.

#### *Representations and warranties*

MIBS, Misys and each of the management sellers have given certain representations and warranties which are of a usual nature for a transaction of this kind, including, amongst others, representations and warranties concerning its incorporation, authority and capacity, absence of violation and governmental consents. In addition, MIBS and Misys have given representations to the effect that the tender offer announced by Misys on 12 November 2010 shall close, and the corresponding shares be repurchased by Misys, no later than 31 December 2010.

#### **4. Summary of the key terms of the Facilities Agreement**

On 12 November 2010 Misys entered into syndicated term and revolving credit facilities agreement of £280 million which expires on 31 August 2014. The banks in the syndicate are Barclays Bank plc, Clydesdale Bank plc (trading as Yorkshire Bank), HSBC Bank plc, The Governor and Company of the Bank of Ireland and The Royal Bank of Scotland plc. HSBC Bank plc is acting as Agent and Co-ordinator. The facilities comprise a £90 million term loan and a £190 million revolving credit facility. Advances drawn under the facilities bear interest at a margin over LIBOR or EURIBOR. The availability and utilisation of the facilities are dependent on the Proposed Acquisition occurring. The availability period ends on 28 February 2011 or such later date as may be agreed between Misys and the Sellers pursuant to the terms of the Sale and Purchase Agreement and which is notified to HSBC Bank plc as agent. The facilities agreement contains customary covenants, representations and events of default, including restrictions on disposals and the creation of security.

In particular:

- (a) the financial covenants stipulate that Misys must not exceed a maximum level of net borrowings with reference to the EBITDA and that the EBITDA must be above a minimum level with reference to interest payments;
- (b) the representations, which are made at various times during the life of the facilities agreement, include, but are not limited to, representations in respect of no filings being required or stamp taxes having to be paid, no default continuing or resulting from utilisation and no misleading information having been given;
- (c) the covenants include, but are not limited to, compliance with laws, prohibitions on certain acquisitions and procuring that certain subsidiaries of Misys and Sophis accede as guarantors within set times; and
- (d) the events of default include, but are not limited to, non-payment, misrepresentations, cross-default, insolvency, material adverse change and acceleration.

Misys is both a borrower and a guarantor under the Facilities Agreement.

#### **5. Summary of the key terms of the Convertible Bond Documentation**

On 22 November 2010, Misys plc (the **Issuer**) issued £100 million convertible bonds due 2015 (the **Convertible Bonds**).

The Convertible Bonds are senior debt obligations of the Issuer and are convertible into fully paid ordinary shares of the Issuer.

The Convertible Bonds carry a coupon from and including 22 November 2010 of 2.5% per annum payable semi-annually in arrear in equal instalments on 22 May and 22 November in each year, in respect of each Convertible Bond. The conversion price is £3.6883 per ordinary share and is subject to adjustment from the issue date of the Convertible Bonds. Unless previously purchased or cancelled, redeemed or converted, the Convertible Bonds will be redeemed on 22 November 2015 at their principal amount.

The Convertible Bonds contain a negative pledge which provides that, so long as any of the Convertible Bonds remain outstanding, the Issuer will not, and will procure that none of its principal subsidiaries will, create or permit to subsist security upon their respective assets to secure, guarantee or indemnify any other debt instruments which are listed or capable of being listed. The negative pledge also contains certain customary exemptions for the benefit of the Issuer.

Failures to pay all or any part of the principal or interest due in respect of the Convertible Bonds, cross default or certain other events (linked, inter alia, to insolvency) may constitute events of default under the Convertible Bonds, subject to customary thresholds and exceptions and, in certain cases, a material prejudice certification being given by the bond trustee. Such events of default may lead to the acceleration of the repayment of principal and accrued (but unpaid) interest under the Convertible Bonds.

The Issuer may, subject to certain conditions, redeem all but not some only of the Convertible Bonds at their principal amount, together with accrued (but unpaid) interest: (a) at any time on or after 7 December 2013, if the value of the ordinary shares deliverable on conversion of a Convertible Bond exceeds 130% of the principal amount of a Convertible Bond for a prescribed period; or (b) at any time if prior to redemption being made in accordance with (a) above, once 85% or more of the principal amount of the Convertible Bonds has been purchased and cancelled, converted or redeemed.

Payments in respect of the Convertible Bonds are subject to a customary gross-up provision with relevant carve-outs applying from the date that the Convertible Bonds are listed. From such listing date, the Issuer will benefit from a right to redeem the Convertible Bonds on the occurrence of certain changes in the tax laws or regulations of the United Kingdom.

For a period of 60 calendar days following a change of control of the Issuer (or, if later, notice thereof), the conversion price will be adjusted downwards in accordance with a formula resulting in straight line amortisation of the conversion premium of the Convertible Bonds. In addition, on a change of control of the Issuer, each holder of Convertible Bonds may exercise their conversion rights or, instead, require the Issuer to redeem any Convertible Bond held by such holder at its principal amount, together with accrued and unpaid interest to such date.

The Convertible Bonds contain customary anti-dilution adjustment provisions dealing with, among other things, share consolidations, share splits, capital distributions, dividends, rights issues and bonus issues and customary undertakings to protect the conversion rights of the Convertible Bonds.

The Convertible Bonds and the trust deed are governed by English law.

An application will be made by the Issuer for the Convertible Bonds to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the Professional Securities Market of the London Stock Exchange by no later than 22 May 2011.

## **6. Summary of the key terms of the ValueAct Irrevocable Undertaking**

In connection with the Proposed Acquisition, ValueAct Capital Master Fund L.P. (acting by its general partner VA Partners I, LLC), Misys' majority shareholder, has given an irrevocable undertaking in favour of Misys and Advent (solely as third party beneficiary and acting on behalf of the Sellers) dated 12 November 2010 pursuant to which ValueAct Capital Master Fund L.P. agreed, among other things, to vote its shares of Misys (approximately 20.21% of Misys' outstanding shares) at the General Meeting in support of the Proposed Acquisition Resolution. Further details of ValueAct Capital Master Fund, L.P.'s shareholding in the Company are set out in Part VII of this Circular.

## PART VII: ADDITIONAL INFORMATION

### 1. Responsibility

The Directors, whose names appear in paragraph 5 of this Part VII, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Registered office

Misys is a company registered in England and Wales (registered number 1360027) and its registered office is at One Kingdom Street, Paddington, London W2 6BL.

### 3. Share capital

The total issued and fully paid share capital of the Company as at 24 January 2011 (being the latest practicable date before the date of publication of this Circular) is as follows:

<u>Issued Number of Ordinary Shares (nominal value of £0.01)</u>	<u>Amount (£)</u>
412,433,570 . . . . .	£4,124,336

There are 28,854,556 treasury shares held by the Company as at 24 January 2011 (being the latest practicable date prior to the publication of this Circular).

### 4. Allscripts shares

Allscripts is listed on NASDAQ. The high and low monthly trading prices together with the closing price on the last trading day of each of the 8 months preceding the date of this Circular is set out below:

<u>Date:</u>	<u>Jun-10</u>	<u>July-10</u>	<u>Aug-10</u>	<u>Sept-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>To 24 Jan-11</u>
<b>Monthly Closing Price (US\$):</b> . . . . .	16.10	16.69	16.66	18.47	19.10	17.55	19.27	20.24
<b>Monthly High:</b> . . . . .	19.93	17.54	17.75	18.70	19.69	19.97	19.76	20.68
<b>Monthly Low:</b> . . . . .	15.65	15.65	16.42	16.75	17.87	17.23	17.60	18.14

### 5. Directors

The Directors and their functions are as follows:

<u>Name</u>	<u>Position</u>
James Crosby . . . . .	Non-Executive Director Chairman Chairman of the Nomination Committee
Mike Lawrie . . . . .	Executive Director Chief Executive Officer
Stephen Wilson . . . . .	Executive Director Chief Financial Officer
John King . . . . .	Independent Non-Executive Director Chairman of the Remuneration Committee
John Ormerod . . . . .	Independent Non-Executive Director Senior Independent Director Chairman of the Audit Committee
Philip Rowley . . . . .	Independent Non-Executive Director
Jeffrey Ubben . . . . .	Non-Executive Director

## 6. Directors' interests in the Company

6.1 As at 24 January 2011 (being the latest practicable date prior to the publication of this Circular), the interests of the Directors and the persons connected with them (within the meaning of section 96B(2) and schedule 11B of the FSMA), as notified to the Company, all of which are beneficial unless otherwise stated, in the issued share capital of the Company are set out in the table below:

Name	Number of Ordinary Shares as at 24 January 2011	Percentage of Ordinary Shares as at 24 January 2011*
<b>Executive Directors</b>		
Mike Lawrie <sup>(1)</sup> . . . . .	6,471,533	1.69
Stephen Wilson . . . . .	465,526	0.12
<b>Non-Executive Directors</b>		
James Crosby . . . . .	53,912	0.01
John King . . . . .	150,000	0.04
John Ormerod . . . . .	50,000	0.01
Philip Rowley . . . . .	27,305	0.01
Jeffrey Ubben <sup>(1)(2)</sup> . . . . .	77,500,319	20.20

(1) Mr Lawrie and Mr Ubben are investors in ValueAct Capital Partners, L.P., which has an interest in ValueAct Capital Master Fund, L.P. and as such have an interest in respectively 128,957 and 3,390,775 Ordinary Shares being their proportionate interest in the total number of Ordinary Shares held by ValueAct Capital Master Fund, L.P. These Ordinary Shares are shown in their interests in the table above.

(2) 77,500,319 shares are owned directly by ValueAct Capital Master Fund, L.P. and may be deemed to be beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC, and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. Mr Ubben disclaims beneficial ownership of the reported stock except to the extent of his pecuniary interest therein.

\* excluding treasury shares

## 6.2 Misys share plans, options and awards

### Misys Share Options and Long Term Incentive Plans for Mike Lawrie

Name of Plan	Grant Date	Exercised Date	Option Price	Options granted	Number exercised	Number lapsed	Balance Outstanding	Expiry Date
Misys Transformation Incentive Plan Share Option contract . . . . .	03.11.2006	—	£2.08	1,013,069	0	0	1,013,069	03.11.2016
Misys 1998 Unapproved Share Option Plan Type 1 . . . . .	10.08.2007	—	£2.41	485,451	0	0	485,451	10.08.2017
Savings-related 2007 . . . . .	03.09.2007	19-Nov-10	£1.91	989	989	0	0	31.03.2011
Savings-related 2008 . . . . .	29.08.2008	—	£1.37	1,372	0	0	1,372	31.03.2012
Misys Omnibus Share Plan Share Options . . . . .	02.10.2008	—	£1.23	696,538	0	0	696,538	02.10.2018
Misys Omnibus Share Plan Share Options . . . . .	13.08.2009	—	£1.84	464,673	0	0	464,673	13.08.2019
Savings-related 2009 . . . . .	27.08.2009	—	£1.43	1,269	0	0	1,269	31.03.2013
Misys Omnibus Share Plan Share Options . . . . .	18.08.2010	—	£2.68	414,044	0	0	414,044	18.08.2020
Savings-related 2010 . . . . .	26.08.2010	—	£2.04	882	0	0	882	31.03.2014
<b>Total</b> . . . . .				3,078,287	989	0	3,077,298	

### Misys Share Awards for Mike Lawrie

Name of Plan	Grant Date	Exercise Date	Market Price at date of granted	Awards granted	Number exercised	Number lapsed	Balance Outstanding	Expiry Date
Misys Transformation Incentive Plan Exec Team Award . . . . .	03.11.2006	10.11.2009 & 18.11.2010	Nil	1,013,069	451,828	0	561,241	03.11.2011
1998 Long term Incentive Plan—								
Unapproved . . . . .	10.08.2007	—	Nil	242,725	0	242,725	0	10.08.2010
Misys Senior Executive Bonus Plan . . . . .	10.08.2007	01.10.2009	Nil	136,622	136,622	0	0	10.08.2009
Misys Senior Executive Bonus Plan . . . . .	12.08.2008	01.10.2009	Nil	296,531	296,531	0	0	12.08.2009
Misys Omnibus Share Plan								
Performance Shares . . . . .	02.10.2008	—	Nil	348,269	0	0	348,269	02.10.2011
Misys Senior Executive Bonus Plan . . . . .	13.08.2009	20.08.2010	Nil	309,782	309,782	0	0	13.08.2010
Misys Omnibus Share Plan								
Performance Shares . . . . .	13.08.2009		Nil	232,336	0	0	232,336	13.08.2012
Misys Omnibus Share Plan								
Matching Shares** . . . . .	13.08.2009	20.08.2010	Nil	309,782	68,880	86,011	154,891	13.08.2010 13.08.2011
Misys Senior Executive Bonus Plan . . . . .	18.08.2010	—	Nil	276,029	0	0	276,029	18.08.2011
Misys Omnibus Share Plan								
Matching Shares** . . . . .	18.08.2010	—	Nil	276,029	0	0	276,029	18.08.2011
Misys Omnibus Share Plan								
Performance Shares . . . . .	18.08.2010	—	Nil	207,022	0	0	207,022	18.08.2013
<b>Total . . . . .</b>				<u>3,648,196</u>	<u>1,263,643</u>	<u>328,736</u>	<u>2,055,817</u>	
Total options and awards outstanding . . . . .							<u>5,133,115</u>	

\*\* The maturity dates for these awards are on the first and second anniversaries of the award date and half of the total award matures on each of these dates.

### Misys plc—Directors Interest Schedule

Name of Director : Stephen Wilson

#### Direct Holding

Date of Transaction	Acquired	Disposal	Registered Holder	As an investor in Value Act	Broker Account number if applicable	Notes
8/5/2010 . . . . .	35,000					
<b>Sub Total direct holdings . . . . .</b>	<u>35,000</u>					

### Misys Share Options and Long Term Incentive Plans for Stephen Wilson

Name of Plan	Grant Date	Exercised Date	Option Price	Options granted	Number exercised	Number lapsed	Balance Outstanding	Expiry Date
Misys Omnibus Share Plan								
Share Options . . . . .	12.05.2009	—	£1.55	64,412	0	0	64,412	12.05.2019
Misys Omnibus Share Plan								
Share Options . . . . .	18.08.2010	—	£2.68	90,815	0	0	90,815	18.08.2020
Savings-related 2010 . . . . .	26.08.2010	—	£2.04	882	0	0	882	31.03.2014
<b>Total . . . . .</b>				<u>156,109</u>	<u>0</u>	<u>0</u>	<u>156,109</u>	

## Misys Share Awards for Stephen Wilson

Name of Plan	Grant Date	Exercise Date	Market Price at date of granted	Awards granted	Number exercised	Number lapsed	Balance Outstanding	Expiry Date
Misys Omnibus Share Plan Performance Shares . . . . .	20.08.2009	—	Nil	28,161	0	0	28,161	20.08.2019
Misys Omnibus Share Plan Performance . . . . .	13.08.2009	—	Nil	144,927	0	0	144,927	18.10.2019
Misys Omnibus Share Plan Performance . . . . .	20.11.2009	—	Nil	10,514	0	0	10,514	20.11.2019
Misys Omnibus Share Plan Performance Shares . . . . .	18.08.2010	—	Nil	90,815	0	0	90,815	18.08.2020
<b>Total . . . . .</b>				<u>274,417</u>	<u>0</u>	<u>0</u>	<u>274,417</u>	
Total options and awards outstanding . . . . .							<u>430,526</u>	

## 7. Warrants and Options

As at 24 January 2011 (being the latest practicable date prior to the publication of this Circular), the total number of outstanding options to subscribe for Ordinary Shares, and the proportions of issued Ordinary Shares (excluding treasury shares) that they currently represent and that they will represent are set out in the table below:

Number of Options	Percentage of Issued Ordinary Share Capital (excluding treasury shares)
19,032,354 . . . . .	4.96

As at 24 January 2011 (being the latest practicable date prior to the publication of this Circular), there were no outstanding warrants to subscribe for Ordinary Shares.

## 8. Significant shareholdings

8.1 As at 24 January 2011 (being the latest practicable date prior to the publication of this Circular), the following voting interests in the issued share capital of the Company (including those disclosable under the Disclosure and Transparency Rules) had been notified to the Company:

Holder	% issued share capital	No. of ordinary shares	Nature of holding
ValueAct Capital Master Fund, L.P. . . . .	20.21%	77,500,319	Direct
VA Partners I, LLC, ValueAct Capital Management, L.P., ValueAct Capital Management LLC, ValueAct Holdings, L.P., and ValueAct Holdings GP, LLC <sup>(1)</sup>	20.21%	77,500,319	Indirect
Schroders plc on behalf of Schroder Investment Management Ltd, Schroder Investment Management North America Ltd and Schroder & Co Ltd . . . . .	11.94%	45,783,197	Indirect
FMR LLC and its Group . . . . .	5.14%	25,890,800	Indirect
Threadneedle Asset Management Ltd. . . . .	5.06%	27,677,470	See below
Threadneedle Asset Management Ltd. . . . .	4.81%	26,298,748	Indirect
Threadneedle Asset Management Ltd. . . . .	0.14%	745,317	Direct
Threadneedle Asset Management Ltd. . . . .	0.11%	633,405	CFDs
Highside Capital Management L.P. . . . .	4.59%	25,269,730	Indirect
Standard Life Investments Ltd . . . . .	4.99%	19,140,585	See below
Vidacos Nominees . . . . .	2.81%	10,784,422	Direct
Vidacos Nominees . . . . .	2.18%	8,356,163	Indirect
Lloyds TSB Group plc . . . . .	3.02%	16,492,181	Indirect

(1) 77,500,319 shares are owned by ValueAct Capital Master Fund, L.P. tendered 63,264,323 ordinary shares to the Company on 15 December 2010. As a result of the tender, 77,500,319 ordinary shares are held by ValueAct Capital Master Fund, L.P. VA Partners I, LLC is the general partner of ValueAct Capital Master Fund, L.P. ValueAct Capital Management, L.P. is the manager of ValueAct Capital Master Fund, L.P. ValueAct Capital Management, LLC is the general partner of ValueAct Capital Management, L.P. ValueAct Holdings, L.P. is the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC, and is the majority owner of the membership interests of VA Partners I, LLC. ValueAct Holdings GP, LLC is the General Partner of ValueAct Holdings, L.P.

8.2 Save as disclosed above, the Directors are not aware of any interest (within the meaning of the Disclosure and Transparency Rules) which will represent 3% or more of the issued share capital of the Company following Completion.

## **9. Related party transactions**

9.1 Misys has not entered into any related party transactions during the period covered by the historical financial information incorporated by reference in accordance with paragraph 17 Part VII of this Circular and in the current financial year to 24 January 2011 (being the latest practicable date prior to publication of this Circular) save as described in paragraph 9.2 below (related party transactions for these purposes being those set out in the standards adopted according to Regulation (EC) No 1606/2002).

9.2 The Company has entered into the ValueAct Voting Agreement with the ValueAct Fund, one of the Company's largest shareholders. Details of the ValueAct Voting Agreement are contained at paragraph 11 below under the heading "Material Contracts".

## **10. Benefits on termination of employment of Directors**

### **10.1 Executive Directors**

#### *Mike Lawrie*

Mike Lawrie's service contract with Misys International Banking Systems Limited provides that he may terminate his employment by giving three months' written notice and Misys International Banking Systems Limited may terminate his employment by giving 12 months' written notice save that Misys International Banking Systems Limited will not give notice during the first six months of employment. On termination Misys International Banking Systems Limited has a contractual obligation to make a payment in lieu of at least six months of the notice period other than in the case of summary dismissal. In the event of a change of control, if the contract is terminated, either directly or indirectly as a result of a change of control, within the following 12-month period, Mr Lawrie will be entitled to receive a sum equal to 12 months' salary, on-target bonus, pension contribution and health insurance.

#### *Stephen Wilson*

Stephen Wilson's service contract with Misys International Banking Systems Limited provides that he may terminate his employment by giving six months' written notice and Misys International Banking Systems Limited may terminate his employment by giving six months' written notice. On termination Misys International Banking Systems Limited has an absolute discretion to make a payment in lieu of notice for the six month notice period other than in the case of summary dismissal. In the event of a change of control, if the contract is terminated, either directly or indirectly as a result of a change of control, within the following 12 month period, Mr Wilson will be entitled to receive a sum equal to 12 months' salary and on target bonus.

### **10.2 Non-executive Directors**

None of the letters of appointment of the non-executive Directors contain any provisions relating to benefits on termination of employment.

## **11. Material contracts**

### **11.1 The Misys Group**

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) (i) to which Misys or any member of the Misys Group is or has been a party within the two years immediately preceding the date of this Circular which is, or may be, material or (ii) that has been entered into by Misys or any member of the Misys Group and which contains any provision

under which any member of the Misys Group has any obligation or entitlement which is material to the Misys Group as at the date of this Circular:

#### *Settlement Agreement and Claim Purchase Agreement*

On 17 September 2009, Misys filed suit against Lehman Commercial Paper Inc (in liquidation) (the **Lehman Debtor**) in the US Bankruptcy Court, Southern District of New York, claiming approximately US\$31,084,566 for failure to complete the funding of the acquisition of the Merger (the **Claim**). On 24 May 2010, Misys and the Lehman Debtor entered into a settlement agreement (the **Settlement Agreement**), pursuant to which the Lehman Debtor agreed, on the terms and subject to the conditions set forth in the Settlement Agreement, that the Claim was allowed in the amount of US\$15 million. On 26 May 2010, Misys entered into a transfer of claim agreement with Barclays Capital pursuant to which Misys sold its claim against the Lehman Debtor to Barclays Capital for US\$6 million.

#### *Term and Multicurrency Revolving Credit Facilities Agreement dated 26 May 2009*

A £210 million term and revolving credit facilities agreement dated 26 May 2009 (as amended on 23 June 2009, amended and restated on 5 March 2010 and further amended on 29 April 2010 and 22 July 2010) with a panel of five international banks. This facility, which was granted on the strength of the Banking and Treasury & Capital Markets businesses (not including the business) was used to repay, in full, all financial indebtedness incurred under both a multicurrency revolving credit agreement dated 29 September 2008 (as amended) between Misys and certain financial institutions and a senior subordinated credit agreement between Misys and, amongst others, ValueAct Capital Management, L.P. dated 29 September 2008 (as amended), both of which were entered into in connection with the Merger, and is also available for general corporate purposes of the Banking and Treasury & Capital Markets businesses. This agreement will be terminated upon Completion and will be replaced with a new facility, further details of which are set out at paragraph 4 of Part VI of this Circular.

#### *Misys participation in Allscripts stock repurchase programme*

On 10 February 2009, Allscripts announced a stock repurchase programme pursuant to which Allscripts may purchase up to US\$150 million of its common stock over the two years following such date. On 10 February 2009, Misys entered into a Stock Repurchase Agreement (the **Stock Repurchase Agreement**) with Allscripts, Patriot Limited and Patriot US Holdings LLC (together, the **Misys Holders**). Pursuant to the Stock Repurchase Agreement and during the two-year term of Allscripts' open market purchase programme, Allscripts agreed to purchase from the Misys Holders such number of their Allscripts shares needed to keep the Misys Holders' ownership percentage in Allscripts-Misys unaffected by the open market repurchases being made by Allscripts. The Stock Repurchase Agreement stipulated that the repurchase price for Allscripts shares of the Misys Holders would be made at the weighted average purchase price paid by Allscripts for all other Allscripts share repurchases made by Allscripts under the open market plan. Between February 2009 and May 2009, Allscripts purchased 3,074,506 of Allscripts shares under the Stock Repurchase Agreement for an aggregate consideration of approximately US\$29,188,112. The Stock Repurchase Agreement was terminated on or about 20 August 2010.

#### *Shared Services Agreement*

On 1 March 2009 Allscripts and Misys entered into a shared services agreement dated as of 1 March 2009 and effective as of 10 October 2008 (the **Shared Services Agreement**) pursuant to which certain services were provided between Misys and Allscripts.

The Shared Services Agreement had an initial one-year term from 10 October 2008 and could be renewed at the mutual agreement of Misys and Allscripts. Subject to certain exceptions, a recipient of services had the right to terminate services provided under the Shared Services Agreement upon at least 45 days' prior written notice. On 9 October 2009, Allscripts and Misys executed a 30-day extension to the Shared Services Agreement. On 9 June 2010, Misys and Allscripts executed an extension to the Shared Services Agreement which extended the term of the Shared Services Agreement until the earlier of 10 October 2010 and 20 August 2010. On 20 August 2010 the Shared Services Agreement was terminated and replaced with the Transitional Services Agreement.

## *Material contracts relating to the sale of Allscripts stock in August 2010 (the Original Disposal)*

### *Framework Agreement*

On 9 June 2010 the Company entered into a framework agreement with Allscripts and Eclipsys Corporation (**Eclipsys**) (solely as third party beneficiary of certain provisions of the Framework Agreement) as amended on 26 July 2010 (the **Framework Agreement**). The Framework Agreement governed the terms and conditions upon which Misys and Allscripts agreed, among other things, to reduce Misys' then existing 54.6 percent indirect ownership interest in Allscripts by way of (i) a share buyback by Allscripts of 24,442,083 Allscripts shares from Misys for an aggregate consideration of US\$577.4 million, (ii) an on-market disposal by Misys of 31,050,000 Allscripts shares for an aggregate consideration of US\$508,742,163 and (iii) subject to the completion of Allscripts merger with Eclipsys, an additional buyback by of 5,313,807 Allscripts shares from Misys for an aggregate consideration of US\$101.6 million.

The Framework Agreement contains customary representations and warranties of Misys and Allscripts relating to the transactions contemplated thereby. Misys has agreed to indemnify Allscripts and its affiliates from, among other taxes (i) transaction taxes which would not have been imposed but for the disposal; and (ii) certain historical taxes. The Framework Agreement is governed by the laws of the State of Delaware.

### *Registration Rights Agreement*

On 9 June 2010, Misys, Allscripts and certain of Misys' subsidiaries entered into a registration rights agreement (the **Registration Rights Agreement**) which set out the terms and conditions upon which Misys has the right to require Allscripts to file a registration statement under the US Securities Act of 1933, as amended, to register the sale of all or a portion of the shares of Allscripts owned by Misys that are not otherwise freely tradable. The Registration Rights Agreement is governed by the laws of the State of Delaware.

### *Misys Voting Agreement*

In connection with the execution of the Allscripts-Eclipsys Merger Agreement, Misys, certain of Misys' subsidiaries, Allscripts and Eclipsys entered into a voting agreement dated 9 June 2010 pursuant to which Misys and certain of its subsidiaries agreed, amongst other things, to vote 15.5 million of their shares in Allscripts in favour of the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Allscripts-Eclipsys Merger Agreement and other matters to be approved by the stockholders of Allscripts to facilitate the issuance of Allscripts shares in connection with Allscripts merger with Eclipsys. The Misys Voting Agreement is governed by the laws of the State of Delaware.

### *Amended and Restated Relationship Agreement*

On 20 August 2010 Misys and Allscripts entered into an amended and restated relationship agreement (amending the relationship agreement entered into between Misys and Allscripts on 17 March 2008 (as subsequently amended on 14 August 2008 and 5 January 2009)) (the **Amended and Restated Relationship Agreement**). The agreement sets out, amongst other things, the agreement between them with respect to certain governance and other matters in relation to Allscripts following the completion of the Original Disposal. The Amended and Restated Relationship Agreement also contains a restriction on Misys and its subsidiaries from acquiring Allscripts securities for a period of five years from the date of the Amended and Restated Relationship Agreement in certain circumstances. Misys also agreed that for a period of 18 months after the date of the Amended and Restated Relationship Agreement, neither Misys nor any of its controlled affiliates would, subject to certain exceptions, deploy, sell, license or market any electronic medical health record or physician practice management software, related applications or solutions in any country in the world where Allscripts was conducting such activities on the date of the Amended and Restated Relationship Agreement, or utilise the name "Misys" or any of its trade marks in connection with any healthcare information technology solutions anywhere in the world. In addition, Misys would not grant to any third party the right or licence to use the Misys name or trademarks in connection with any healthcare information technology solutions anywhere in the world.

The Amended and Restated Relationship Agreement is governed by the laws of the State of Delaware.

#### *ValueAct Voting Agreement*

In connection with the Original Disposal, ValueAct Capital Master Fund L.P. (acting by its general partner VA Partners I, LLC), Misys' majority shareholder, entered into a voting agreement dated 9 June 2010 with Misys, Allscripts (solely as third party beneficiary) and Eclipsys (solely as third party beneficiary) pursuant to which ValueAct Capital Master Fund L.P. agreed, among other things, to vote its shares of Misys at the Misys general meeting for the Original Disposal in support of the transactions contemplated by the Framework Agreement.

#### *Transitional Services Agreement*

On 20 August 2010 Misys and Allscripts entered into an agreement relating to certain transitional services that each company agreed to provide to the other (the **Transitional Services Agreement**). Pursuant to the Transitional Services Agreement, (i) Allscripts has agreed to provide Misys with certain financial services, tax services and information systems services, and (ii) Misys has agreed to provide Allscripts with certain support services, research and development services and information systems services. The services are to be provided for varying lengths of time at fully arm's-length commercially agreed rates, in each case as set out in the schedules to the Transitional Services Agreement. The Transitional Services Agreement is governed by the laws of the State of Delaware.

#### *Underwriting Agreement*

In order to conduct the SEC registered public offering as part of the Original Disposal, on 16 August 2010 Misys entered into an underwriting agreement with Credit Suisse Securities (USA) LLC, Barclays Capital, J.P. Morgan Securities Inc and UBS Securities LLC, acting as joint bookrunners, (the **Underwriters**) (the **Underwriting Agreement**). Pursuant to the Underwriting Agreement, Misys agreed to sell an aggregate of 27,000,000 Allscripts shares to the Underwriters and granted an option to the Underwriters to purchase an aggregate of 4,050,000 additional Allscripts shares. The Underwriting Agreement contained customary representations and warranties. On 20 August 2010 the placing completed and the Underwriters exercised the over allotment option in full. On 27 August 2010 the over allotment was completed.

#### *Material contracts relating to the tender offer*

##### *Repurchase Agreement*

On 12 November 2010, Misys entered into a repurchase agreement with J.P. Morgan Securities Ltd relating to the Tender Offer (the **Repurchase Agreement**). Pursuant to the terms of the Repurchase Agreement, and conditional on the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, Misys granted a put option to J.P. Morgan Securities Ltd which, on exercise, obliges Misys to purchase from J.P. Morgan Securities Ltd at the strike price, the Ordinary Shares purchased by J.P. Morgan Securities Ltd pursuant to the Tender Offer. The put option was exercised and the Tender Offer closed on 15 December 2010. The Repurchase Agreement is governed by English law.

#### *Material contracts relating to the November Block Trade*

##### *November Underwriting Agreement*

On 11 November 2010, Misys entered into an underwriting agreement with Barclays Capital as bookrunner to sell 12,500,000 Allscripts shares by way of an SEC registered public offering (the **November Underwriting Agreement**). The November Underwriting Agreement contained customary representations and warranties and included a restriction on Misys in selling its remaining Allscripts shares for a period of 45 days from the date of the agreement. The November Block Trade completed on 17 November 2010. The November Underwriting Agreement is governed by New York law.

***Material contracts relating to the Proposed Acquisition***

*Sale and Purchase Agreement*

Details of the Sale and Purchase Agreement are set out in Part VI of this Circular.

*Reinvestment Agreement*

Details of the Reinvestment Agreement are set out in Part VI of this Circular.

*Facilities Agreement*

Details of the Facilities Agreement are set out in Part VI of this Circular.

*Convertible Bond Documentation*

Details of the Convertible Bond Documentation are set out in Part VI of this Circular.

*ValueAct Irrevocable Undertaking*

Details of the ValueAct Irrevocable Undertaking are set out in Part VI of this Circular.

***Material contracts relating to the Proposed Disposal***

*Registration Rights Agreement*

Details of the Registration Rights Agreement are set out in this paragraph 11.1 of this Part VII.

*November Underwriting Agreement*

Details of the November Underwriting Agreement are set out in this paragraph 11.1 of this Part VII.

*Amended and Restated Relationship Agreement*

Details of the Amended and Restated Relationship Agreement are set out in this paragraph 11.1 of this Part VII.

11.2 The Sophis Group

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) (i) to which Sophis or any member of the Sophis Group is or has been a party within the two years immediately preceding the date of this Circular which is, or may be, material or (ii) that has been entered into by Sophis or any member of the Sophis Group and which contains any provision under which any member of the Sophis Group has any obligation or entitlement which is material to the Misys Group as at the date of this Circular:

*CIBC Senior and Revolving Facility—Supplemental Agreement*

On 31 March 2010, Sophis Holdings (Luxembourg) SCA, entered into a supplemental agreement in respect of its €165 million senior term and revolving facilities agreement with Canadian Imperial Bank of Commerce and CIBC World Markets PLC dated 26 July 2007, as amended and restated by a supplemental agreement dated 20 November 2007. The effect of the supplemental agreement was to amend the senior term and revolving facilities agreement including, among other things, the establishment of revised financial covenants and the terms governing the facilities. This agreement will be terminated upon Completion.

*Capitalsource Mezzanine Facility—Supplemental Agreement*

On 31 March 2010, Sophis Holdings (Luxembourg) SCA, entered into a supplemental agreement in respect of its €37 million mezzanine facility agreement with Capitalsource Europe Limited and CIBC World Markets PLC dated 26 July 2007, as amended and restated by a supplemental agreement dated 29 April 2008. The effect of the supplemental agreement was to amend the mezzanine facility agreement including, among other things, the establishment of revised financial covenants and the terms governing the facility. This agreement will be terminated upon Completion.

## **12. Details of key individuals at Sophis**

Sophis is led by Chief Executive Officer, Pascal Xatart and a highly experienced senior management team, with Arnaud Vinciguerra, an original co-founder of Sophis, as Chief Technology Officer. Pascal Xatart and Arnaud Vinciguerra, together with their senior management colleagues will be joining the Combined Group.

## **13. Legal and arbitration proceedings**

### **13.1 Legal and arbitration proceedings relating to the Proposed Acquisition**

#### Misys Group

There are no governmental, legal or arbitration proceedings occurring during the 12 months preceding the date of this Circular, and there are no such proceedings pending or threatened of which Misys is aware, which may have, or have had in the recent past, significant effects on the Misys Group's financial position or profitability.

#### Sophis Group

There are no governmental, legal or arbitration proceedings occurring during the 12 months preceding the date of this Circular, and there are no such proceedings pending or threatened of which Misys is aware, which may have, or have had in the recent past, significant effects on the financial position or profitability of Sophis.

### **13.1 Legal and arbitration proceedings relating to the Proposed Disposal**

#### Allscripts Securities

There are no governmental, legal or arbitration proceedings occurring during the 12 months preceding the date of this Circular, and there are no such proceedings pending or threatened of which Misys is aware, which may have, or have had in the recent past, significant effects on the Allscripts Securities.

#### Post Disposal Misys Group

There are no governmental, legal or arbitration proceedings occurring during the 12 months preceding the date of this Circular, and there are no such proceedings pending or threatened of which Misys is aware, which may have, or have had in the recent past, significant effects on the Post Disposal Misys Group's financial position or profitability.

## **14. Working capital**

- (a) The Company is of the opinion that, taking into account committed bank facilities available to the Combined Group, the working capital available to the Combined Group is sufficient for the Combined Group's present requirements, that is, for at least the next 12 months from the date of this Circular.
- (b) The Company is of the opinion that, taking into account committed bank facilities available to the Post Disposal Misys Group, the working capital available to the Post Disposal Misys Group is sufficient for the Post Disposal Misys Group's present requirements, that is, for at least the next 12 months from the date of this Circular.
- (c) The Company is of the opinion that, taking into account committed bank facilities available to the Post Disposal Combined Group, the working capital available to the Post Disposal Combined Group is sufficient for the Post Disposal Combined Group's present requirements, that is, for at least the next 12 months from the date of this Circular.

## **15. Significant change**

### **15.1 Significant change relating to the Proposed Acquisition**

#### Misys Group

There has been no significant change in the financial or trading position of the Misys Group since 30 November 2010, being the date to which the latest unaudited financial information of the Misys Group was published.

#### Sophis Group

There has been no significant change in the financial or trading position of the Sophis Group since 30 September 2010, being the date to which the unaudited financial information on the Sophis Group set out in Part IV of this Circular was prepared.

### **15.2 Significant change relating to the Proposed Disposal**

#### Allscripts Securities

As at 24 January 2011 (being the last practicable trading date before the posting of this Circular) the value of the Allscripts Securities had increased to US\$20.24. There has been no other significant change in the financial or trading position of the Allscripts Securities since 30 November 2010, being the date to which financial information on the Allscripts Securities set out in paragraph 4 of this Part VII of this Circular was prepared.

#### Post Disposal Misys Group

There has been no significant change in the financial or trading position of the Post Disposal Misys Group since 30 November 2010, being the date to which the unaudited financial information on the Misys Group was published.

## **16. Consents**

- 16.1 J.P. Morgan Cazenove has given and has not withdrawn its written consent to the inclusion in this Circular of its name and the references to it in the form and context in which they are included or referenced.
- 16.2 PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion in Part V of this Circular of its report on the pro forma financial information in the form and context in which it is included.
- 16.3 KPMG has given and has not withdrawn its written consent to the inclusion in Part IV of this Circular of its report on the historical financial information of Sophis in the form and context in which it is included.

## **17. Incorporation by reference**

The following documents (or parts of documents) are incorporated by reference in, and form part of, this Circular:

- (a) the consolidated statutory accounts for the Misys Group for the financial year, as published in the Company's annual report for the year ended 31 May 2010 at pages 72 to 75;
- (b) the Directors' remuneration reports for the periods ended 31 May 2006, 31 May 2007, 31 May 2008, 31 May 2009 and 31 May 2010, as published in the Company's annual reports drawn up for these periods at pages 48 to 51, 49 to 58, 44 to 52, 54 to 62 and 61 to 69 respectively; and
- (c) the Class 1 circular in relation to the disposal by Misys of the majority of its shareholding in Allscripts, dated 29 July 2010,

(together the **Documents Incorporated by Reference**).

## **18. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at One Kingdom Street, Paddington, London W2 6BL and at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD up to and including the conclusion of the General Meeting:

- (a) the Articles of Association of the Company;
- (b) the report on the Sophis Group historical financial information as set out in Section B of Part IV of this Circular;
- (c) the report on the unaudited pro forma statement of net assets of the Combined Group from PwC as set out in Part V of this Circular;
- (d) the consent letters referred to in paragraph 16 above;
- (e) the Documents Incorporated by Reference; and
- (f) this Circular and the Form of Proxy.

## PART VIII: DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Circular, unless the context requires otherwise:

<b>Advent</b> . . . . .	Advent Sophis (Cayman) Limited;
<b>Allscripts</b> . . . . .	Allscripts Healthcare Solutions, Inc.;
<b>Allscripts-Eclipsys Merger Agreement</b> . . . . .	the agreement and plan of merger dated 9 June 2010 entered into, amongst others, by Allscripts and Eclipsys Corporation;
<b>Allscripts Securities</b> . . . . .	the 6,505,621 shares in Allscripts held by Misys as at the date of this Circular;
<b>Banking</b> . . . . .	the banking division of Misys;
<b>Banking and Treasury &amp; Capital Markets</b> . . . . .	the banking and treasury & capital markets business of Misys;
<b>Barclays Capital</b> . . . . .	Barclays Capital, Inc.;
<b>Board</b> . . . . .	the board of directors of Misys;
<b>Circular</b> . . . . .	this document;
<b>Company or Misys</b> . . . . .	Misys plc, a company incorporated in England and Wales with registered number 01360027 and having its registered office at One Kingdom Street, Paddington, London W2 6BL;
<b>Completion</b> . . . . .	the completion of the Proposed Acquisition;
<b>Combined Group</b> . . . . .	the Misys Group including Sophis;
<b>Convertible Bond</b> . . . . .	the £100 million convertible bonds due 2015 issued by the Company on 22 November 2010;
<b>CREST</b> . . . . .	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK is the Operator (as defined in the CREST Regulations);
<b>CREST Manual</b> . . . . .	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrar's Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated on 15 July 1996 and as amended since);
<b>CREST Proxy Instruction</b> . . . . .	an order for a proxy appointment or instruction made using CREST;
<b>CREST Regulations</b> . . . . .	the Uncertificated Securities Regulations 2001;
<b>CREST Sponsor</b> . . . . .	a CREST participant admitted to CREST as a sponsor;
<b>Directors</b> . . . . .	the directors of the Company as at the date of this Circular;
<b>Disclosure and Transparency Rules</b> . . . . .	the Disclosure and Transparency Rules of the FSA;
<b>Documents Incorporated by Reference</b> . . . . .	those documents incorporated by reference into this Circular in accordance with paragraph 14 of Part VII of this Circular;
<b>Euroclear UK</b> . . . . .	Euroclear UK & Ireland Limited, the operator of CREST;
<b>Form of Proxy</b> . . . . .	the form of proxy relating to the General Meeting;
<b>FSA</b> . . . . .	the Financial Services Authority;

<b>FSMA</b> . . . . .	the Financial Services and Markets Act 2000, as amended;
<b>General Meeting</b> . . . . .	the general meeting of the Company convened for 9.30 a.m. on Friday, 11 February 2011, notice of which is set out in Part IX of this Circular (or any adjournment thereof);
<b>GP Holding</b> . . . . .	Sophis Holding GP (Luxembourg) S.à.r.l.;
<b>GP Holding Shares</b> . . . . .	all of the shares of GP Holding;
<b>GP Manco</b> . . . . .	Sophis Management GP (Luxembourg) S.à.r.l.;
<b>GP Manco Shares</b> . . . . .	all of the shares of GP Manco;
<b>IFRS</b> . . . . .	International Financial Reporting Standards;
<b>J.P. Morgan Cazenove</b> . . . . .	J.P. Morgan plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove;
<b>Listing Rules</b> . . . . .	the Listing Rules of the FSA;
<b>London Stock Exchange</b> . . . . .	London Stock Exchange plc;
<b>Merger</b> . . . . .	the merger of Misys Healthcare Systems, LLC with a wholly-owned subsidiary of Allscripts in October 2008 and simultaneous purchase by Misys indirectly of a controlling stake in Allscripts;
<b>MIBS</b> . . . . .	MIBS Holdings Limited (a wholly owned subsidiary of Misys);
<b>Misys Group</b> . . . . .	the Company and its subsidiary undertakings immediately before Completion;
<b>Notice</b> . . . . .	notice of the General Meeting contained in Part IX of this Circular;
<b>Open Source</b> . . . . .	the open source division of Misys;
<b>Ordinary Shares</b> . . . . .	the ordinary shares of 1 penny each in the capital of Misys;
<b>PECs</b> . . . . .	has the meaning given in paragraph 4 of Part II of this Circular;
<b>Post Disposal Combined Group</b> . . . . .	the Combined Group following completion of the Proposed Disposal;
<b>Post Disposal Misys Group</b> . . . . .	the Misys Group following completion of the Proposed Disposal (but prior to Completion);
<b>Proposed Acquisition</b> . . . . .	the proposed purchase by MIBS of the Sophis Securities;
<b>Proposed Acquisition Resolution</b> . . . . .	the ordinary resolution to be proposed at the General Meeting in relation to the Proposed Acquisition;
<b>Proposed Disposal</b> . . . . .	the proposed disposal by Misys of the Allscripts Securities prior to 30 November 2011;
<b>Proposed Disposal Resolution</b> . . . . .	the ordinary resolution to be proposed at the General Meeting in relation to the Proposed Disposal;
<b>PwC</b> . . . . .	PricewaterhouseCoopers LLP;
<b>Registrar</b> . . . . .	Equiniti;
<b>Registration Rights Agreement</b> . . . . .	has the meaning given in paragraph 8 of Part VII of this Circular;
<b>Regulatory Information Service or RIS</b> . . . . .	any of the services set out in Schedule 12 of the Listing Rules;
<b>Resolutions</b> . . . . .	the Proposed Acquisition Resolution and the Proposed Disposal Resolution;
<b>Sale and Purchase Agreement</b> . . . . .	the sale and purchase agreement dated 12 November 2010 between, amongst others, Advent and MIBS in respect of the Proposed Acquisition;

<b>Sellers</b> . . . . .	Advent and the other sellers named in the Sale and Purchase Agreement;
<b>Seller's Agent</b> . . . . .	Advent;
<b>Sophis Securities</b> . . . . .	the Sophis Holding Securities (save for those held by Sophis Manco), the GP Holding Shares, the Sophis Manco Shares and the GP Manco Shares;
<b>Shareholders</b> . . . . .	the holders of any issued shares in the share capital of the Company from time to time;
<b>Sophis Group</b> . . . . .	Sophis Holding, GP Holding, GP Manco and Sophis Manco;
<b>Sophis Holding</b> . . . . .	Sophis Holding (Luxembourg) SCA;
<b>Sophis Holding Equity Securities</b> . . . . .	the Sophis Holding Securities, the Sophis Holding Class Top Share Warrants and the Sophis Holding Class Key Share Warrants;
<b>Sophis Holding Securities</b> . . . . .	the Sophis Holding Equity Securities, the Sophis Holding Class P Shares and the Sophis Holding PECs;
<b>Sophis Manco</b> . . . . .	Sophis Management (Luxembourg) II SCA;
<b>Sophis Manco Shares</b> . . . . .	all of the shares of Sophis Manco (save for the management shares owned by GP Manco);
<b>Tender Offer</b> . . . . .	the invitation by J.P. Morgan Securities Ltd. to the Shareholders (other than Shareholders who are resident in Australia, Canada or Japan) to tender Ordinary Shares on the terms and subject to the conditions set out in the tender offer circular posted to Shareholders on 15 November 2010;
<b>Transaction Announcement</b> . . . . .	the RIS announcement released by the Company on 12 November 2010 in relation to, amongst other things, the Proposed Disposal and the Proposed Acquisition;
<b>Transaction Documents</b> . . . . .	the SPA, Reinvestment Agreement and the Value Act Irrevocable Undertaking;
<b>Treasury &amp; Capital Markets</b> . . . . .	the treasury and capital markets division of Misys;
<b>UK or United Kingdom</b> . . . . .	the United Kingdom of Great Britain and Northern Ireland;
<b>US or United States</b> . . . . .	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;
<b>US GAAP</b> . . . . .	generally accepted accounting practices as applied in the United States;
<b>ValueAct Fund</b> . . . . .	ValueAct Capital Master Fund, L.P. acting through its general partner, VA Partners I, LLC; and
<b>ValueAct Irrevocable Undertaking</b> . . . . .	the undertaking dated 12 November 2010 entered into between ValueAct Capital Master Fund, L.P. (acting by its general partner, VA Partners I, LLC) and Misys, as more particularly described in paragraph 6 of Part VI of this Circular.

**The definitions set out above do not apply to Part IV of this Circular.**

All references to “pounds”, “pound sterling”, “sterling”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

All references to “euros”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

All references to “USD”, “US\$”, “\$”, “US dollars” and “United States dollars” are to the lawful currency of the United States.

Throughout this Circular an exchange rate of £1/US\$1.5537 is assumed.

Throughout this Circular an exchange rate of £1/€1.175 is assumed.

All references to time in this Circular are, unless the context otherwise requires, to the time in London, United Kingdom.

## PART IX: NOTICE OF GENERAL MEETING

### MISYS PLC

*(incorporated under the Companies Act 1985 in England and Wales with registered number 1360027)*

**NOTICE IS HEREBY GIVEN** that a general meeting of Misys plc (the **Company**) will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 9.30 a.m. Friday, 11 February 2011 for the purpose of considering and, if thought fit, passing the following resolutions.

#### Ordinary Resolution

1. THAT the purchase by the Company of the securities in each of Sophis Holding (Luxembourg) SCA, Sophis Holding GP (Luxembourg) S.à r.l., Sophis Management GP (Luxembourg) S.à r.l. and Sophis Management (Luxembourg) II SCA pursuant to and on the terms and conditions of a conditional share purchase agreement dated 12 November 2010 between, amongst others, the Company and Advent Sophis (Cayman) Limited and the Reinvestment Agreement dated 12 November 2010 between, amongst others, the Company and the Senior Management Sellers (as defined therein) (the **Acquisition**), which is described in summary terms in the circular to the Company's shareholders dated 25 January 2011 (the **Circular**), and all agreements or documents which the Board of Directors of the Company or any duly authorised committee thereof may determine are required or are expedient to give effect to the Acquisition, be and are hereby approved, and that the Board of Directors of the Company or any duly authorised committee thereof be and is hereby authorised to make such modifications, variations, waivers and extensions of any of the terms or conditions of the Acquisition and of any such agreements or documents (provided such modifications, variations, waivers or extensions are not of a material nature) as, in their absolute discretion, they think necessary or desirable and to do all such things as, in their absolute discretion, may be necessary or desirable to complete and give effect to, or otherwise in connection with, the Acquisition and any matters incidental to the Acquisition.
2. THAT a proposed disposal by the Company by one or more transactions of up to 6,505,621 shares in Allscripts Healthcare Solutions, Inc. by such methods as the Board of Directors of the Company shall determine and for such prices or aggregate price as the Board of Directors of the Company shall determine as described in summary terms in the Circular (the **Proposed Disposal**), and all agreements or documents which the Board of Directors of the Company or any duly authorised committee thereof may determine are required or are expedient to give effect to the Proposed Disposal, be and are hereby approved, and that the Board of Directors of the Company or any duly authorised committee thereof be and is hereby authorised to make such modifications, variations, waivers and extensions of any of the terms or conditions of the Proposed Disposal and of any such agreements or documents (provided such modifications, variations, waivers or extensions are not of a material nature) as, in their absolute discretion, they think necessary or desirable and to do all such things as, in their absolute discretion, may be necessary or desirable to complete and give effect to, or otherwise in connection with, the Proposed Disposal and any matters incidental to the Proposed Disposal.

*By order of the Board*

Registered office:  
One Kingdom Street  
Paddington London  
W2 6BL

Tom Kilroy  
Company Secretary

25 January 2011

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Notes:

- (1) Only holders of Ordinary Shares are entitled to attend and vote at the meeting. A member entitled to attend and vote is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend and to speak and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this document and instructions for completion are shown on the form. Forms of Proxy need to be deposited with the Registrar Equiniti at Aspect House, Spencer Road, Lancing BN99 6GG not less than 48 hours before the start of the meeting or any adjournment thereof.
- (2) Completing and returning a Form of Proxy will not preclude a Shareholder from attending the General Meeting in person and voting should he or she wish to do so and is so entitled. A vote withheld option is provided on the Form of Proxy to enable you

to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a “vote” in law and will not be counted in the calculation of the proportion of the votes “For” and “Against” a resolution.

- (3) As an alternative to completing and returning the Form of Proxy, you may submit your proxy electronically by logging onto [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number given on the Form of Proxy. Shareholders are advised to read the terms and conditions shown on the website relating to this facility before appointing a proxy. To be valid, any electronic appointment of proxy must be received by the Registrar not less than 48 hours before the meeting. The facilities to appoint proxies electronically are available to all Shareholders, and those who use them instead of returning a Form of Proxy will not be disadvantaged in any way.
- (4) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only persons entered on the register of members of the Company at 6.00 p.m. on the date which is two days prior to the meeting or any adjournment of it will be entitled to attend and vote at the meeting or adjourned meeting. Changes to entries on the register after this time will be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.
- (5) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 9.30 a.m. (London time) on Friday, 11 February 2011 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (6) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or any amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent ID RA19 by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (7) CREST members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as will be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST manual can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).
- (8) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (9) A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraphs (1), (2) and (3) above does not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
- (10) As at 24 January 2011 (being the latest practicable date prior to publication of this notice) the Company’s issued share capital consists of 412,433,570 ordinary shares carrying one vote each, of which 28,854,556 ordinary shares are held by the Company in treasury. Therefore, the total exercisable voting rights in the Company as at 24 January 2011 are 383,579,014.
- (11) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (12) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (13) A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found at [www.misys.com](http://www.misys.com).
- (14) As soon as practicable after the General Meeting the results of the poll and other information required by section 341 of the Companies Act 2006 will be announced via a regulated information service and made available at [www.misys.com](http://www.misys.com).
- (15) You may not use any electronic address provided either in this notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



