

Directors' remuneration report

This report from page 48 up to and including 51 is unaudited. The disclosures on pages 52 to 56 have been audited.

This report has been prepared by the Remuneration Committee (the 'Committee') and approved by the Board. It has been drawn up in accordance with the 2003 Combined Code on Corporate Governance, Schedule 7A to the Companies Act 1985 and the UK Listing Authority Listing Rules.

This report will be put to shareholders for approval at the Annual General Meeting on 4 October 2006.

The Committee

The members of the Committee during the year were:

- Sir Dominic Cadbury (Committee Chairman)
- Tony Alexander
- Ian Dyson (retired 13 September 2005)
- George Farr
- Robert Ingram (retired 13 September 2005)
- John King (appointed 2 November 2005)
- John Ormerod (appointed 1 October 2005)
- Al-Noor Ramji
- Dr Jürgen Zech

The Committee is comprised of the Chairman and the non-executive Directors.

The Committee is responsible for determining the policy on remuneration for the executive Directors and other senior executives. It sets the individual remuneration of the executive Directors and approves the grant to them of options and awards under the Company's discretionary share incentive plans. The Committee also sets the broad policy for share incentive grants to less senior executives. Going forward, these will normally be under the Share Award Plan approved by shareholders at the 2004 AGM. Additionally, the Committee is responsible for setting the fees of the Chairman.

The Committee has the flexibility to use different sources of external advice as appropriate. During the year the Committee has consulted New Bridge Street Consultants LLP and Frederic W Cook & Company, Inc, remuneration consultants, for information on market practice and advice on policy. Frederic W Cook provided advice on US market practice. The Committee also consulted Pinsent Masons, legal advisers. New Bridge Street Consultants and Frederick W Cook provide no other type of advice or service to the Company. Pinsent Masons, legal advisers, also advised the Company on share plans and employment matters. In addition, the Committee has also had access to advice from the Group HR Director, the Company Secretary and the Chief Executive. None of these participated in discussions relating to their own remuneration. The Committee Chairman did not participate in discussions relating to the fees to be paid to him either as a non-executive Director or as Chairman.

During the year, the Committee has met on eight occasions and participants attended either in person or by telephone.

Executive remuneration: guiding principles

The Committee meets regularly to determine how best to implement the appropriate compensation strategies for executive Directors and other senior executives, whilst at the same time administering and applying the rules of the various plans. In setting the current policy the Committee continues to be guided by the following principles which aim to ensure a strong link between performance and reward within an appropriate cost framework:

- salaries should be targeted at median for the relevant market;
- reinforcing a pay-for-performance culture, bonuses will carry stretching, measurable performance targets. These may be based on Group, divisional or, where appropriate in specific circumstances, individual performance. The Company conducts a rigorous annual review of its various businesses and markets, resulting in challenging budget targets being set. The Committee then establishes annual bonus performance targets with reference to this budget target;
- a minimum of 50% of executive Directors' net annual bonus will normally be deferred, for up to two years, and satisfied in shares, absent special circumstances;
- operating within a limit restricting dilution to 10% of issued share capital over 10 years, awards over new shares of no more than 2% of issued share capital may be made in any year (barring special circumstances), ensuring phasing of awards smoothly over 10 years;
- although the plans allow option grants of up to 400% of salary, bearing in mind other elements of the compensation package, the Committee believes that, in the current climate, grants of market value options should be more in the region of 100% of salary, with LTIP awards being limited to no more than 100% of salary;
- options are only exercisable if stretching long-term earnings per share ('EPS') growth targets are achieved. These are reviewed annually prior to each grant by the Committee to ensure they remain appropriately stretching. Stretching total shareholder return ('TSR') conditions are attached to LTIP awards, which reward long-term stock market out performance. This approach ensures there is a balance in long-term performance measures between growth in profitability (EPS) and stock market out performance (TSR);
- we do not re-test targets attached to share incentives; the Committee determines the extent to which targets have been met after taking such independent external advice as it considers appropriate and any option or award that fails the relevant performance hurdle will lapse;
- the Committee applies a policy encouraging executive Directors to build and maintain over time a shareholding in the Company equivalent to at least 100% of basic salary. For current executive Directors this is expected to be achieved within three to five years of the policy's introduction in 2004.



Sir Dominic Cadbury
Chairman, Remuneration Committee

Remuneration policy for executive Directors

Misys is one of the world's largest independent applications software product groups. The Committee aims to provide remuneration packages that are appropriate to the needs of a global software business.

The Committee has once again reviewed executive remuneration policy and is satisfied that it continues to be appropriate. The key points are:

- the packages must be competitive within the software industry and in the markets in which Misys recruits;
- a significant proportion of total remuneration will be performance-related and therefore 'at risk';
- basic salaries and benefits will continue to be targeted at the market median for executive Directors for the country in which the executive Director is based;
- annual bonus will be targeted to the annual growth plans of the relevant business and part will normally be deferred to aid retention;
- 'on target' bonus will be payable for budgeted performance levels agreed as part of the strict budget-setting process. Maximum payment is only achievable for performance in excess of budget;
- long-term share incentive plans will be subject to challenging sliding-scale targets designed to encourage higher levels of performance. Performance will be measured over a three year period with no re-testing;
- share and cash incentives will be designed to align the interests of executive Directors with those of shareholders;
- performance criteria will be reviewed annually to reflect the executive Director's role and the current business expectations.

In implementing its policy, and following a review undertaken by New Bridge Street Consultants and Frederic W Cook & Company, the Committee made changes to Tom Skelton's base salary and annual bonus arrangements during 2005/06. These changes are designed to ensure that Mr Skelton's total remuneration package is in line with that for the most senior executives in comparable healthcare software businesses in the USA, where Mr Skelton is based. The changes involved increasing Mr Skelton's base salary from \$511,680 to \$612,000. This increase was backdated to 1 June 2005. The maximum bonus potential for Mr Skelton for 2005/06 was increased from 150% of base salary to 200% of base salary. The maximum bonus potential for other executive Directors remains unchanged at 150% of base salary.

Although Mr Skelton's potential maximum bonus has been increased, there is no increase in the actual amount of bonus that may be paid to him immediately as cash (75% of salary maximum) and any amounts of annual bonus earned above 150% of base salary will be deferred under the Misys Senior Executive Bonus Plan (deferral for a two year period, normally in shares).

Approximate expected value of future annual remuneration package

The intended relative proportions of fixed and variable remuneration are set out below.

Kevin Lomax, Howard Evans, Jasper McMahon

Fixed	Performance-related	
Salary 40%	Annual bonus 30%	Long-term share incentives 30%

Tom Skelton

Fixed	Performance-related	
Salary 36.5%	Annual bonus 36.5%	Long-term share incentives 27%

For this purpose, provision for pensions and benefits in kind have been ignored. The value placed on annual bonus is for 'on-target' bonus and on long-term incentives is an estimate of the expected value.

Remuneration of Chairman

On Sir Dominic Cadbury's appointment as Chairman on an interim basis with effect from 3 November 2005 (later confirmed as permanent with effect from 22 March 2006), the Committee sought advice from New Bridge Street Consultants on the market rate applicable and his annual fee was fixed at £160,000. He continues to receive an additional annual fee of £10,000 for chairing the Remuneration Committee.

Policy on non-executive Directors

Non-executive Directors have letters of appointment. Appointments are for a three year term, which may be extended by mutual agreement. Non-executive Directors are paid a basic annual fee (£35,000) and additional fees for chairing Board committees (Remuneration Committee and Audit Committee: each £10,000; Nomination Committee: £5,000). There is also flexibility to pay additional fees for special duties. Sir Dominic Cadbury received an additional fee at the rate of £20,000 p.a. for his duties as senior independent Director prior to his appointment as interim Chairman on 3 November 2005. John Ormerod succeeded Sir Dominic Cadbury as senior independent Director and the additional annual fee paid for this role was reduced to £10,000 with effect from 1 December 2005 in recognition of the fact that the duties of the role are reduced with a non-executive Chairman in position.

Non-executive Directors are entitled to reimbursement of travel and accommodation costs in connection with the performance of their duties. They are not eligible for pensions or incentives, or for compensation for early termination of their appointment period.

Components of remuneration packages

The main components of executive Directors' remuneration are:

Base salary

Having taken independent advice and following the annual review of base salaries in accordance with the remuneration policy, the executive Directors' annual base salaries with effect from 1 June 2006 are shown in the table below. As noted above, Tom Skelton's base salary was increased during the year.

	From 1 June 2006	From 1 June 2005
J K Lomax	£479,980	£466,000
H Evans	£342,784	£332,800
J P McMahon	£307,434	£298,480
T K Skelton	£630,360	£612,000

Base salary is the only element of the remuneration package which is pensionable. Base salary increases below Board level were broadly in line with inflation in the relevant markets.

Annual bonus

The Misys Senior Executive Bonus Plan was operated in 2005/06.

In respect of annual bonuses earned for 2005/06, the Committee exercised its discretion to require deferral of at least 50% of the bonus amount for two years, subject to continuing employment. The Committee would normally direct that the deferred element be satisfied in shares rather than cash. However, at the date of this report the Company is in an offer period under the City Code on Takeovers and Mergers and is subject to certain restrictions on the award of shares. Accordingly the Committee may exercise its discretion to direct that the deferred element be satisfied in cash rather than shares.

Directors' remuneration report

continued

The plan will operate again in 2006/07. Maximum bonus potentials for executive Directors are as described above. The bonus targets for 2006/07 will relate to Group operating profit targets and, where appropriate, divisional operating profit targets drawn from the management accounts. As in previous years, the targets will be set so that the performance level required to achieve maximum bonus is stretching.

Discretionary share options

For 2006/07, the Committee has decided that the normal value of options granted to executive Directors will not exceed 100% of basic salary. This policy remains unchanged from 2005/06.

The Committee reviews each year whether the performance targets continue to be appropriate. The targets to be applied to executive Directors' share options granted in financial year 2006/07 will be based on a compound annual growth in adjusted earnings per share over a fixed three year period on a tiered basis.

Tier of grant by reference to basic salary	Annual compound growth for tier to vest
Up to 50%	RPI + 3%
51% to 100% (pro-rata on a straight-line basis)	RPI + 3% to 6%

Options normally lapse upon cessation of employment. In circumstances specified in the rules, leavers may retain their options until the performance target is determined; exercise will normally be permitted on a time apportioned basis within a specified period.

Long-term Share Incentive Plan

Executive Directors may be granted the right to acquire shares, free of charge, if performance targets are met. The policy continues to be that the normal grant level will not exceed 100% of basic salary.

Performance criteria are reviewed each year by the Committee to ensure they remain appropriately stretching. Following this review it is not proposed to change the targets for 2006/07 awards from previous years. The performance criteria applied to long-term incentive awards to executive Directors in financial year 2006/07 will be based on Total Shareholder Return ('TSR') over a fixed three year period. The Company's TSR performance will be measured relative to that of the top 30 FTSE Techmark companies, ranked by market capitalisation. Awards will only vest if the Committee is satisfied that the Company's TSR over the performance period is a genuine reflection of the Company's underlying financial performance.

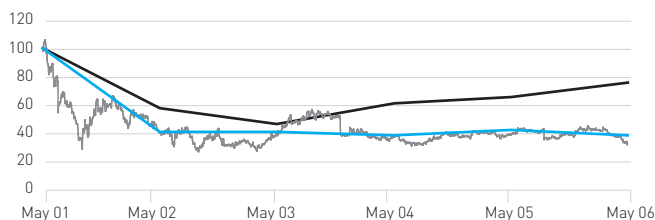
TSR performance ranking	% of award receivable
Top quartile	100%
Between median and top quartile	pro rata between 30% and 100%
Median	30%
Below median	zero

Performance graph

The graph below measures the Company's TSR performance over a five year period as required by the Companies Act. This is compared against the TSR performance of the FTSE Techmark All-Share Index. The Directors believe this is the most appropriate broad equity market index against which TSR should be measured because it is made up of companies in similar markets and geographic locations to Misys.

In view of the volatility of the sector, an additional graph is provided to illustrate the Company's relative longer term performance.

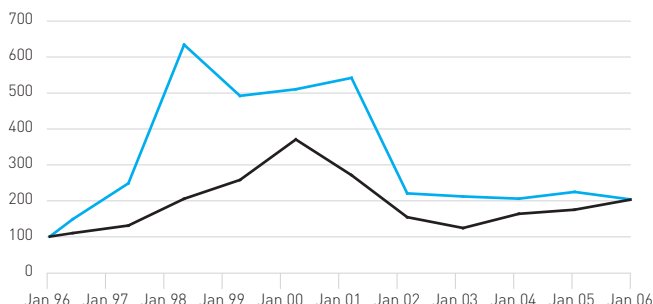
TSR over the last five years (£)



This graph looks at the value, by the end of May 2006, of £100 invested in Misys over the last five financial years compared with the value of £100 invested in the FTSE Techmark All-Share Index. To produce a 'fair value', each point is an average of the return index over a 30 day period around the year end.

— Misys Return Index — FTSE Techmark All-Share Index — Misys Share Price
Source: Thomson Financial

TSR: 1996 onwards (£)



This graph shows the value, by the end of May 2006, of £100 invested in Misys compared with the value of £100 invested in the FTSE Techmark All-Share Index since 1 January 1996 (the earliest date for which published data for the Techmark Index exists). To produce a 'fair value', each point after the initial point is an average of the return index over a 30 day period around the year end.

— Misys — FTSE Techmark All-Share Index
Source: Thomson Financial

Pensions

UK based executive Directors benefit from Company contributions ranging from 20% to 40% of basic salary. Contributions are either paid to the Company's defined contribution pension plan or as an allowance for use in their personal pension arrangements. Tom Skelton receives a Company contribution of 20% of basic salary. Additionally the Company continues to contribute to the existing employee pension arrangements for Tom Skelton under the Group's retirement savings plan in the United States. As a consequence of the changes to pensions legislation, Kevin Lomax has ceased to participate in the Company's defined contribution pension plan from 1 April 2006. From that date, Mr Lomax will receive an additional payment that will replace the benefit of the contributions previously made by the Company to the Company's pension plan. To ensure that the overall cost to the Company has not been increased, the replacement payment made to Mr Lomax has been set at a level that is lower than the previous pension contributions paid for Mr Lomax [40% of base salary] to reflect the payment of employers' National Insurance Contributions by the Company.

Other benefits

Executive Directors are entitled to a car allowance. They benefit from private health insurance and life insurance cover. They are also eligible to participate in the savings related share option schemes operated in the United Kingdom and overseas, on the same terms as other employees.

Executive Directors' service contracts

The contract for each of the executive Directors provides that either the Director or the Company may terminate the employment by giving 12 months' written notice. There is no contractual obligation to pay any sum in lieu of notice or by way of compensation or damages. Any severance payment would normally be based on net pay and benefits for any unexpired notice period, in the expectation that the Director will make reasonable attempts to mitigate his loss.

Directors' contracts

The contractual arrangements with each executive and non-executive Director who served in the year are summarised below.

	Date of current contract/letter of appointment	Notice period/unexpired term of appointment
J K Lomax	26 July 2002	12 months; re-elected for a further three year term at 2003 AGM
H Evans	17 July 2002	12 months; re-elected for a further three year term at 2004 AGM
J P McMahon	17 July 2002	12 months; re-elected for a further three year term at 2005 AGM
T K Skelton	18 July 2002	12 months; re-elected for a further three year term at 2005 AGM
Sir Dominic Cadbury	13 March 2000	⁽ⁱ⁾ Appointed as Chairman for an initial three year term, expiring 22 March 2009
A G L Alexander	1 May 1996	⁽ⁱ⁾ Re-elected for a further one year term at 2005 AGM
G L Farr	17 June 1998	⁽ⁱ⁾ Re-elected for a further three year term at 2003 AGM
J G King	2 November 2005	1 month
J Ormerod	21 September 2005	1 month
A Ramji	25 January 2005	1 month; elected for a three year term at 2005 AGM
Dr J Zech	19 September 2002	⁽ⁱ⁾ Re-elected for a further three year term at 2003 AGM

⁽ⁱ⁾ Non-executive Directors appointed before 2005 do not have a formal notice period within their letters of appointment. From 2005, terms of appointment for non-executive Directors include a notice period of one month.

Ivan Martin's contract with the Company as CEO of Misys Banking Systems was terminated, with immediate effect, by mutual agreement on 31 December 2005.

In lieu of the payments that Mr Martin could have received during a period of 12 months' notice, Mr Martin received the following amounts:

- a termination payment of £317,876;
- a compensatory payment of £45,000 for loss of his statutory rights;
- continued private health cover until 31 May 2006 and £9,043 in lieu of life assurance and private health insurance cover to 31 December 2006;
- £100,000 as compensation for loss of participation in annual bonus arrangements for the financial year 2006/07. This amount was paid on 30 June 2006 following fulfilment of agreed post-termination obligations;
- £150,000 additional pension contribution as compensation for loss of pension benefits; and
- £80,000 as compensation for loss of use of the rental accommodation previously provided in connection with his duties, including settlement of liabilities related to use of this property in previous years.

The duty of Ivan Martin to mitigate his losses was considered by the Committee but the Committee (acting on legal advice) was unable to materially reduce the agreed payments because of the commercial importance of ensuring the enforceability of Mr Martin's contractual non-compete covenants for a period of 12 months from his departure. Additionally, Mr Martin's age and length of service affected Mr Martin's ability to mitigate.

The Remuneration Committee additionally applied the following policy in relation to Mr Martin's share-based incentives:

- all share awards subject to performance conditions (Long-term Share Incentive Plan awards and Discretionary Share options) could be retained by Mr Martin but these may only be exercised if the original performance conditions are fulfilled. The maximum number of shares available has been reduced on a time pro-rata basis;
- retention-based awards made to Mr Martin before he joined the Board that have vested were allowed to be retained by him;
- Mr Martin's outstanding awards under the Company's share plans linked to deferral of annual bonus (the Misys Annual Award Plan until 2004 and the Misys Senior Executive Bonus Plan in 2005) that had not fulfilled the two year deferral period by 31 December 2005 will be treated as vested from 30 July 2006.

Under the rules of the Annual Award Plan, Mr Martin may retain all unexercised awards that had vested at the date of his termination of employment.

The Committee believes that the application of these treatments to Mr Martin's share incentives was an appropriate use of the discretions reserved to it under the Company's share plans in the context of Mr Martin's departure. In accordance with its stated policy, performance conditions are applied to all performance linked awards over the original performance period, and time pro-rating is applied.

The Committee permitted Mr Martin to retain those share awards linked to deferral of annual bonus as these would have been expected to vest if the Company had not restructured its executive director team.

Directors' remuneration report

continued

Directors' emoluments

The amounts payable by the Company to each Director for financial year 2005/06 are set out below. These figures exclude share benefits, which are shown separately. No Director has waived any emoluments.

all figures in £	Base salary/ fee (i)	Bonus (ii)	Benefits in kind (iii)	Car allowances (iv)	Other payments (v)	Total 2006 (or from date of appointment)	Total 2005	Pension contributions	
								2006 (vi)	2005
J K Lomax	466,000	307,560	7,926	21,600	–	803,086	1,004,984	177,188	174,400
H Evans	332,800	219,648	7,648	14,500	–	574,596	735,319	133,120	128,000
I Martin (retired 31 December 2005)	204,334	–	27,419	8,458	701,919	942,130	615,685	50,475	83,200
J P McMahon	298,480	196,996	4,460	14,500	–	514,436	659,698	59,696	57,400
T K Skelton ^(vii)	344,596	489,324	446	6,757	6,627	847,750	575,963	73,873	61,623
Sir Dominic Cadbury	108,750	–	–	–	–	108,750	65,000	–	–
A G L Alexander	35,000	–	–	–	–	35,000	38,333	–	–
I Dyson (retired 13 September 2005)	11,250	–	–	–	–	11,250	41,666	–	–
G L Farr ^(viii)	40,000	–	–	–	–	40,000	40,000	–	–
R A Ingram (retired 13 September 2005) ^(viii)	8,750	–	–	–	–	8,750	35,000	–	–
J G King (appointed 2 November 2005) ^(viii)	20,417	–	–	–	–	20,417	–	–	–
J Ormerod (appointed 1 October 2005)	36,513	–	–	–	–	36,513	–	–	–
A Ramji	35,000	–	–	–	–	35,000	11,666	–	–
Dr J Zech ^(viii)	35,000	–	–	–	–	35,000	35,000	–	–
Total	1,976,890	1,213,528	47,899	65,815	708,546	4,012,678	3,858,314	494,352	504,623

- (i) I Dyson received an additional fee at the rate of £10,000 p.a. for the period 1 June 2005 to 13 September 2005 in respect of his chairmanship of the Audit Committee: J Ormerod took over the chairmanship of the Audit Committee with effect from 1 October 2005 and received that additional fee for the period commencing on that date. J Ormerod became senior independent Director from 3 November 2005 and his additional fee for this position has been paid at the rate of £10,000 p.a. for the period 1 December 2005 to 31 May 2006. For the period from 3 November 2005 to 1 December 2005, the fee was paid on the basis of £20,000 p.a.
- (ii) Half of the bonus is payable in cash and half is deferred for two years to be satisfied in cash or shares. The performance conditions for the 2005/06 Annual Bonus Plan for J K Lomax, H Evans and J P McMahon were based on a range of Group operating profit targets set at the beginning of the financial year. The targets required to be achieved in 2005/06 were a range of 1.5% to 12.5% above the comparable performance achieved the prior year. The Annual Bonus Plan for T K Skelton was based on the comparable operating profit for Healthcare.
- (iii) Benefits in kind include all taxable benefits arising from employment by the Company, namely car fuel provision, private healthcare and use of home telephone and the cost of providing additional lump sum life cover. I Martin's total includes costs associated with the provision of rented accommodation in connection with his duties.
- (iv) Car allowances are the only expense allowances.
- (v) The figure for I Martin comprises those payments detailed on page 51. T Skelton received cash for unused holiday entitlement under arrangements that apply for all US employees.
- (vi) The total for J K Lomax represented contributions to the Company's pension plan until 31 March 2006. From 1 April 2006, Mr Lomax began receiving an allowance that replaces contributions to the Company's pension plan. This allowance will be reduced to reflect the cost to the Company of employer's National Insurance Contributions so that the overall cost to the Company is not increased. The total for H Evans is an allowance to enable him to contribute to personal pension arrangements. The total for I Martin includes an allowance equivalent to 6% of base salary to enable him to make personal pension arrangements in addition to the Company's pension plan. The amount for T K Skelton comprises an allowance equivalent to 20% of base salary to enable him to contribute to personal pension arrangements (£68,918) and to a 401k plan (£4,955). These pension allowances form part of the Directors' total emoluments for the purpose of disclosure under the Companies Act 1985. Therefore, the total of such emoluments is £4,253,454 (2005: £4,011,357).
- (vii) Payments made to T K Skelton were made in US dollars and have been converted using the rate US\$1.776 = £1.
- (viii) Fees paid to G L Farr, R A Ingram, and J G King were converted to US dollars on payment and those to Dr J Zech were converted to euros on payment.

External directorships

The Company recognises that executive Directors may broaden their experience by serving as non-executive Directors of other companies and they are permitted to accept such appointments by prior agreement with the Board. It is normal practice for executive Directors to retain fees received for non-executive appointments. Kevin Lomax served as a non-executive Director of Marks and Spencer Group plc and Chairman of its Audit Committee during the financial year for which he received a fee of £61,667.

Share Options and Long-term Share Incentive Plan

The executive Directors hold options granted under Misy's current share plans and under the share plans which were operated previously. Jasper McMahon and Tom Skelton each also hold options granted before their appointment to the Board.

The performance criteria that applied to options granted and Long-term Share Incentive Plan awards made in 2005/06 are the same as those proposed for grants in 2006/07, described on page 50 above.

The options held by each executive Director over shares in the Company are summarised below.

	(i)	Plan name	At 1 June 2005		At 31 May 2006		Exercisable	
			Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	From	To
J K Lomax	a	1998 Unapproved TI ⁽ⁱⁱ⁾	–	–	198,297	235.00	28-Jul-08	28-Jul-15
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	402,000	264.00	402,000	264.00	24-Jul-06	24-Jul-13
	b	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	656,142	193.61	249,142	175.00	29-Jul-07	29-Jul-14
	b	AAP ⁽ⁱⁱⁱ⁾	77,082	0.00	77,082	0.00	24-Jul-05	24-Jul-10
	b	LTIP ^(iv)	–	–	198,297	0.00	27-Jul-08	28-Jul-13
	b	LTIP ^(iv)	608,663	0.00	410,126	0.00	24-Jul-06	29-Jul-12
	b	MSEBP ^(vi)	–	–	115,319	0.00	01-Sept-07	01-Sept-10
	b	Savings related	5,062	140.00	6,024	147.82	01-Oct-07	31-Mar-09
H Evans	a	89 ESOP	6,660	450.16	6,660	450.16	12-Feb-01	12-Feb-08
	a	91 ESOS	93,340	450.16	93,340	450.16	12-Feb-03	12-Feb-08
	a	1998 Unapproved TI ⁽ⁱⁱ⁾	–	–	141,617	235.00	28-Jul-08	28-Jul-15
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	295,000	264.00	295,000	264.00	24-Jul-06	24-Jul-13
	b	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	532,857	194.71	182,857	175.00	29-Jul-07	29-Jul-14
	b	AAP ⁽ⁱⁱⁱ⁾	49,318	0.00	–	–	–	–
	b	LTIP ^(iv)	–	–	141,617	0.00	28-Jul-08	28-Jul-13
	b	LTIP ^(iv)	426,892	0.00	301,038	0.00	24-Jul-06	29-Jul-12
	b	MSEBP ^(vi)	–	–	84,681	0.00	01-Sept-07	01-Sept-10
b	Savings related	5,062	140.00	6,024	147.82	01-Oct-07	31-Mar-09	
I Martin	a	1998 Approved TII	16,666	180.00	16,666	180.00	03-Feb-06	30-Oct-06
	a	1998 Unapproved TI ⁽ⁱⁱ⁾	–	–	47,464	235.00	28-Jul-08	28-Jul-09
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	295,000	264.00	295,000	264.00	24-Jul-06	30-Jul-07
	b	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	407,857	191.55	122,072	175.00	29-Jul-07	29-Jul-08
	b	1998 Unapproved TII	433,334	180.00	–	–	–	–
	a	Retention Option ^(v)	104,100	317.00	104,100	317.00	23-Nov-04	30-Jan-07
	b	AAP ⁽ⁱⁱⁱ⁾	182,674	0.00	110,770	0.00	9-Oct-03	30-Jan-07
	b	LTIP ^(iv)	–	–	47,464	0.00	28-Jul-08	28-Oct-08
	b	LTIP ^(iv)	422,989	0.00	240,253	0.00	24-Jul-06	29-Oct-07
	b	MSEBP ^(vi)	–	–	54,468	0.00	30-Jul-06	30-Jul-07
	a	Savings related	4,438	193.34	–	–	–	–

Directors' remuneration report

continued

The options held by each executive Director (continued)

	(i)	Plan name	At 1 June 2005		At 31 May 2006		Exercisable	
			Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	From	To
J P McMahon	a	89 ESOP	13,710	218.71	13,710	218.71	29-Jan-00	29-Jan-07
	a	91 ESOS	88,275	218.71	88,275	218.71	29-Jan-02	29-Jan-07
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	-	-	127,012	235.00	28-Jul-08	28-Jul-15
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	265,000	264.00	265,000	264.00	24-Jul-06	24-Jul-13
	b	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	369,000	191.67	164,000	175.00	29-Jul-07	29-Jul-14
	a	1998 Unapproved TII	28,790	434.17	28,790	434.17	27-Nov-01	27-Nov-08
	b	1998 Unapproved TII	450,000	180.00	-	-	-	-
	a	Retention Option ^(v)	94,637	317.00	94,637	317.00	23-Nov-04	23-Nov-11
	b	AAP ⁽ⁱⁱⁱ⁾	44,386	0.00	-	-	-	-
	b	LTIP ^(iv)	-	-	127,012	0.00	28-Jul-08	28-Jul-13
	b	LTIP ^(iv)	379,816	0.00	270,060	0.00	24-Jul-06	29-Jul-12
	b	MSEBP ^(vi)	-	-	75,915	0.00	01-Sept-07	01-Sept-10
	a	Savings Related	-	-	962	189.00	01-Oct-08	31-Mar-09
T K Skelton	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	-	-	125,013	235.00	28-Jul-08	28-Jul-15
	a	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	282,000	264.00	282,000	264.00	24-Jul-06	24-Jul-13
	b	1998 Unapproved TI ⁽ⁱⁱⁱ⁾	574,270	196.94	154,270	175.00	29-Jul-07	29-Jul-14
	a	1998 Unapproved TII	47,959	475.64	47,959	475.64	27-Nov-01	02-Aug-09
	b	1998 Unapproved TII	450,000	180.00	-	-	-	-
	a	2000 Unapproved TIII	163,697	343.00	163,697	343.00	26-Jul-02	26-Jul-08
	a	Retention Option ^(v)	132,545	317.00	132,545	317.00	23-Nov-04	23-Nov-11
	b	AAP ⁽ⁱⁱⁱ⁾	106,680	0.00	52,676	0.00	29-Jul-06	29-Jul-11
	b	LTIP ^(iv)	-	-	125,013	0.00	28-Jul-08	28-Jul-13
	b	LTIP ^(iv)	409,256	0.00	266,976	0.00	24-Jul-06	29-Jul-12
	b	MSEBP ^(vi)	-	-	69,058	0.00	1-Sept-07	01-Sept-10

- (i) The market price on 31 May 2006 was 179.75p per share with a range during the year from 252.50p to 177.00p. The exercise price per share is above market price at year end in cases marked (a) and below in cases marked (b).
- (ii) Options marked "TI" are classed by Misys as "Type I". The Committee has set performance conditions for Type I options, based on adjusted earnings per share growth above growth in RPI over a fixed three year period, with targets ranging from 3% to 12% per annum.
- (iii) Nil cost options under the Misys Annual Award Plan are not subject to any performance criteria, only employment conditions.
- (iv) Nil cost options under the LTIP vested in 2001 at 31.22% of their maximum potential and became exercisable in three equal annual tranches three, four and five years after grant. Until 2002 nil cost options under the LTIP were subject to performance targets based on compound growth in adjusted earnings per share. LTIP awards granted in 2003 were subject to targets based on comparative total shareholder return against a comparator group. LTIP awards granted in 2004 and 2005 are subject to performance conditions as described on page 50.
- (v) On 23 November 2001, prior to their appointment to the Board, market value options were granted which vested on 23 November 2004.
- (vi) Nil cost options under the Misys Senior Executive Bonus Plan are not subject to any performance conditions, only employment conditions.

Under arrangements existing prior to the adoption of the current plans, executive Directors participated in a number of market value approved and unapproved share option schemes, and in the Misys Share Incentive Programme. All options granted under these prior arrangements have now vested in full. Executive Directors have also participated in the Company's savings related share option schemes or US stock purchase plan on the same basis as other employees.

The options set out above were granted under the Misys share plans current at the time of grant. The options shown with a zero exercise price were granted as nil-cost options under the Misys 1998 Long-term Share Incentive Plan, Misys Annual Award Plan and the Misys Senior Executive Bonus Plan. All other options were granted at market value.

Movements in the executive Directors' share options during the year are summarised below.

Exercise	Plan name	Grant in year (i)		Exercised in year (ii)		Lapsed in year (iii)	
		Number	Exercise price (pence)	Number	Exercise price (pence)	Number	Weighted average exercise price (pence)
J K Lomax	MSEBP	115,319	0.00	-	-	-	-
	1998 Unapproved Plan - 'TI'	198,297	235.00	-	-	407,000	205.00
	1998 LTIP	198,297	0.00	-	-	198,537	0.00
	Savings related	962	189.00	-	-	-	-
H Evans	MSEBP	84,681	0.00	-	-	-	-
	1998 Unapproved Plan - 'TI'	141,617	235.00	-	-	350,000	205.00
	1998 LTIP	141,617	0.00	-	-	125,854	0.00
	AAP	-	-	49,318 ^b	0.00	-	-
	Savings related	962	189.00	-	-	-	-
I Martin	MSEBP	54,468	0.00	-	-	-	-
	1998 Unapproved Plan - 'TI'	141,617	235.00	-	-	379,938	207.63
	1998 Unapproved Plan - 'TII'	-	-	-	-	433,334	180.00
	1998 LTIP	141,617	0.00	-	-	276,889	0.00
	AAP	-	-	21,925 ^e	0.00	-	-
	AAP	-	-	25,320 ^e	0.00	-	-
	AAP	-	-	24,659 ^e	0.00	-	-
	Share Award Contract	-	-	71,661 ^f	0.00	-	-
	Savings related	-	-	1,668 ^d	164.00	2,770	211.00
J P McMahon	MSEBP	75,915	0.00	-	-	-	-
	1998 Unapproved Plan - 'TI'	127,012	235.00	-	-	205,000	205.00
	1998 LTIP	127,012	0.00	-	-	109,756	0.00
	1998 Unapproved Plan - 'TII'	-	-	-	-	450,000	180.00
	AAP	-	-	44,386 ^c	0.00	-	-
	Savings related	962	189.00	-	-	-	-
T K Skelton	MSEBP	69,058	0.00	-	-	-	-
	1998 Unapproved Plan - 'TI'	125,013	235.00	-	-	420,000	205.00
	1998 LTIP	125,013	0.00	-	-	142,280	0.00
	1998 Unapproved Plan - 'TII'	-	-	-	-	450,000	180.00
	AAP	-	-	54,004 ^a	0.00	-	-

(i) Grants under the MSEBP were made on 1 September 2005 and grants under the 1998 Unapproved Plan - T1 and the 1998 LTIP were made on 2 August 2005 at 100% of basic salary, with performance targets where relevant are described on page 50.

(ii) The following information provides the dates on which options were exercised and the market price of the Company's shares on those dates:

a	01/08/2005	229.75p
b	03/08/2005	235.00p
c	14/11/2005	217.00p
d	29/03/2006	234.50p
e	10/05/2006	207.25p
f	19/05/2006	187.00p

(iii) Market price options granted to executive Directors in 2002 failed to satisfy the minimum performance criteria required of compound annual growth in adjusted EPS exceeding RPI by a rate of 7% and hence lapsed on 25 July 2005. 1998 LTIP awards granted in 2002 also failed to satisfy the minimum performance criteria required of compound annual growth rate in adjusted EPS of 10% and hence lapsed on 25 July 2005.

The aggregate gain on options exercised by executive Directors during the year was £620,999 (2005: £191,773).

There have been no changes in executive Directors' share options between 31 May 2006 and 27 July 2006.

Directors' remuneration report

continued

Directors' interests in shares

	At 31 May 2006	At 1 June 2005 (or date of appointment, if later)
Number of shares		
J K Lomax ⁽ⁱ⁾	7,462,545	7,461,403
H Evans	123,647	97,230
J P McMahon	219,484	175,098
T K Skelton	227,500	196,720
Sir Dominic Cadbury	150,000	150,000
A G L Alexander	64,285	64,285
G L Farr	30,140	30,140
J G King	57,000	–
J Ormerod	5,000	5,000
A Ramji	23,436	20,596
Dr J Zech	15,000	15,000

(i) Included within the total for J K Lomax are 55,358 shares (2005: 55,358) held in the Lomax Charitable Trust.

Awards under Misys share plans may be satisfied using shares held in the Misys Employees' Share Trust. As potential beneficiaries of this Trust, the Directors are deemed to have a beneficial interest in the Trust's shares which at 31 May 2006 amounted to 22,366,638 shares.

Options under the Misys ESOP 1989 Share Option Scheme are satisfied using shares held in the Misys Employees' Share Ownership Plan Trust. As the Directors are potential beneficiaries of this Trust, the Directors are deemed to have a beneficial interest in the Trust's shares which at 31 May 2006 amounted to 129,482 shares.

There have been no changes in Directors' interests in the shares of the Company between 31 May 2006 and 27 July 2006.

Approved by the Board

Sir Dominic Cadbury
Chairman, Remuneration Committee
 27 July 2006