

ECLIPSYS CORP
Form 425
June 09, 2010

Filed by ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: Eclipsys Corporation
Commission
File
No.:
000-24539

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One Network. One Platform. One Patient.

Important Information for Investors and Stockholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication is being made in respect of the proposed merger transaction involving Allscripts-Misys Healthcare Solutions, Inc. (Allscripts) and Eclipsys Corporation (Eclipsys). In connection with the proposed transaction, Allscripts

will file with the SEC a registration statement on Form S-4 and Allscripts and Eclipsys will mail a joint

proxy statement/prospectus/information statement to their respective stockholders. BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND STOCKHOLDERS ARE URGED TO READ CAREFULLY IN THEIR ENTIRETY THE JOINT PROXY STATEMENT/PROSPECTUS/INFORMATION STATEMENT REGARDING THE PROPOSED TRANSACTION AND ALL RELEVANT DOCUMENTS FILED BY EITHER ALLSCRIPTS OR ECLIPSYS WITH THE SEC WHEN THEY BECOME AVAILABLE. BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The final proxy statement/prospectus/information statement will be mailed to Allscripts

and Eclipsys

stockholders. Investors and

stockholders of Allscripts

and Eclipsys will be able to obtain a free copy of the joint proxy statement/prospectus/information

statement, as well as other filings containing information about

Allscripts

and Eclipsys, without charge, at the website

maintained by the SEC (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus/information statement and the

filings with the SEC that will be incorporated by reference in the joint proxy statement/prospectus/information statement can

also be obtained, without charge, on the investor relations portion of Allscripts

website (www.allscripts.com) or the investor

relations portion of Eclipsys

website (www.eclipsys.com) or by directing a request to Allscripts

Investor Relations Department

at

222

Merchandise

Mart

Plaza,

Suite

2024,

Chicago,

Illinois

60654,

or

to

Eclipsys

Investor

Relations

Department

at

Three

Ravinia

Drive, Atlanta, Georgia 30346.

Allscripts

and its directors and executive officers and other persons may be deemed to be participants in the solicitation of

proxies in respect of the proposed transaction. Information regarding Allscripts

directors and executive officers is available in

Allscripts

proxy statement for its 2009 annual meeting of stockholders and

Allscripts

Annual Report on Form 10-K for the year

ended May 31, 2009, which were filed with the SEC on August 27, 2009 and July 30, 2009, respectively. Eclipsys and its

directors and executive officers and other persons may be deemed

to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Eclipsys directors and executive officers is available in Eclipsys proxy statement for its 2010 annual meeting of stockholders and Eclipsys Annual Report on Form 10-K for the year ended December 31, 2009, which were filed with the SEC on March 26, 2010 and February 25, 2010, respectively. Investors and stockholders can obtain free copies of these documents from Allscripts and Eclipsys using the contact information above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus/information statement and other relevant materials to be filed with the SEC when they become available.

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Forward Looking Statements

This communication contains forward-looking statements within the meaning of the federal securities laws. Statements regarding the proposed transaction, including future financial and operating results, the combined company's plans, objectives, expectations and product integration, the connection and movement of data among hospitals, physicians, patients and others, merger synergies, client attainment of meaningful use and accessibility of federal stimulus payments, enhanced competitiveness and accessing market evolution, the benefits of the combined companies' products and services, the availability of financing, future events, performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future are

statements within the meaning of these laws. These forward-looking statements are subject to a number of risks and uncertainties outlined below. As a result, no assurances can be given that any of the events anticipated by the forward-looking statements will or any of them do so, what impact they will have on the results of operations or financial condition of Allscripts, Eclipsys or the proposed transaction.

Such risks, uncertainties and other factors include, among other things: the ability to obtain governmental approvals of the merger and schedule contemplated by the parties; the failure of Eclipsys stockholders to approve the Merger Agreement; the failure of Allscripts to approve the issuance of shares in the merger; the possibility that the proposed transaction does not close, including due to the failure to meet closing conditions; the possibility that the expected synergies, efficiencies and cost savings of the proposed transaction will not be realized within the expected time period; potential difficulties or delays in achieving platform and product integration and the exchange of data among hospitals, physicians, patients and others; the risk that the contemplated financing is unavailable; the risk that the Allscripts and Eclipsys businesses will not be integrated successfully; disruption from the proposed transaction making it more difficult to maintain business relationships; competition within the industries in which Allscripts and Eclipsys operate; failure to achieve certification under the Health Information Technology for Economic and Clinical Health Act could result in increased development costs, a breach of some customer obligations, placing Allscripts and Eclipsys at a competitive disadvantage in the marketplace; unexpected requirements to achieve interoperability certification from the Certification Commission for Healthcare Information Technology could result in increased development and other costs for Allscripts and Eclipsys; volume and timing of systems sales and installations, the length of sales cycles and the installation process and the possibility that Eclipsys products will not achieve or sustain market acceptance; the timing, cost and success or failure of new product and service development and product upgrade releases; competitive pressures including product offerings, pricing and promotional activities; the ability to establish and maintain strategic relationships; undetected errors or similar problems in Allscripts and Eclipsys software; the possibility of any legal proceeding that has been or may be instituted against Allscripts, Misys plc or Eclipsys and others; compliance with current and industry initiatives and future changes in laws or regulations in the healthcare industry, including possible regulation of Allscripts software by the U.S. Food and Drug Administration; the possibility of product-related liabilities; Allscripts and Eclipsys ability to attract and retain personnel; the implementation and speed of acceptance of the electronic record provisions of the American Recovery and Reinvestment Act of 2009; maintaining Allscripts and Eclipsys intellectual property rights and litigation involving intellectual property rights; risks related to Allscripts and Eclipsys ability to obtain, use or successfully integrate third-party licensed technology; and breach of Allscripts and Eclipsys contracts with third parties. See Allscripts and Eclipsys Annual Reports on Form 10-K and Annual Reports to Stockholders for the fiscal years ended December 31, 2009, respectively, and other public filings with the SEC for a further discussion of these and other risks and uncertainties facing Allscripts and Eclipsys respective businesses. The statements herein speak only as of their date and neither Allscripts nor Eclipsys intend to update any forward-looking statement whether as a result of new information, future events or changes in their respective expectations. This presentation includes certain financial information not derived in accordance with generally accepted accounting principles. Allscripts believes that the presentation of this non-GAAP financial information may be useful to investors as it provides general information about the business to be acquired and operated by Allscripts, assuming that the stockholders of Allscripts approve the merger transaction.

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One Network. One Platform. One Patient.
Agenda
>
Bill Davis, CFO of Allscripts
>
CFO designate
One Network. One Platform. One Patient.
>

Mike Lawrie, CEO of Misys and Current
Chairman of Allscripts

>

Glen Tullman, CEO of Allscripts

>

CEO designate

>

Phil Pead, CEO of Eclipsys

>

Chairman designate

Financial Overview

Transaction and Historical Overview

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One Network. One Platform. One Patient.

What We are Announcing

>

Simplified governance structure

>

Merger of Allscripts and Eclipsys

Creates a market leader in end to end Healthcare IT for physician

practices and hospitals in the US

>

Misys exits controlling interest in Allscripts by selling the majority of its shares

>

Misys retains a non-controlling stake in newly combined company

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One Network. One Platform. One Patient.

Key Messages

Merger creates leader in end to end solutions for hospitals & physicians

Allscripts

&

Eclipsys

shareholders

benefit:

earnings
accretion
(1)
in
year 1
Healthcare
IT
leaders:
Allscripts
-
ambulatory;
Eclipsys
-

acute
Stimulus driving changes in the US healthcare IT industry
Different capital & control structure required for continued leadership
Compelling, pure play propositions in Healthcare & Financial Services
(1) Accretive to CY2011E Non-GAAP EPS.

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One Network. One Platform. One Patient.
\$0
\$5
\$10
\$15
\$20
\$25
\$0

\$5

\$10

\$15

\$20

\$25

Oct-08

Jan-09

Apr-09

Aug-09

Nov-09

Feb-10

Allscripts

Nasdaq composite (indexed to Allscripts share price as of 10 Oct 2008)

A Proven Track Record

Allscripts-Misys has become a leader in the ambulatory market

Misys Healthcare -

Allscripts merger

completed

Share Sale

announced

>

Allscripts-Misys Healthcare merger

proved very successful

>

Misys physician customer base combined with Allscripts Electronic Health Record

>

Cost, product development and revenue synergies realized

>

Benefitted from US government stimulus

>

Significant increase in Allscripts valuation

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Capital Structure for Continued Industry Leadership

>

Reduced Misys holding in Allscripts creates flexibility to finance the merger

Allscripts shares issued to Eclipsys shareholders

>

Long-term flexibility for the business

>

Simplified governance structure

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Opportunity to Create Value in Two Pure Play Businesses

>

Clear objectives: taking to market innovative new products
meeting evolving customer requirements

>

Compelling, pure play investment propositions in Healthcare
and Financial Services

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One Network. One Platform. One Patient.

Significant value for all shareholders

Allscripts & Eclipsys

>

Merger creates leader in end to end solutions for US hospitals & physicians

>

Participation in growth of end to end clinical solutions, which are

required by 35% of the market

>

Earnings accretion

(1)

in first year

Misys

>

Value created since the Misys Healthcare-Allscripts merger crystallized
and returned to shareholders

>

Return of cash to shareholders via planned share buyback

>

Exposure to US healthcare IT market through retained stake in newly
combined company

(1) Accretive to CY2011E Non-GAAP EPS.

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Agenda

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CFO designate

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Mike Lawrie, CEO of Misys and Current
Chairman of Allscripts

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Glen Tullman, CEO of Allscripts

>

CEO designate

>

Phil Pead, CEO of Eclipsys

>

Chairman designate

Financial Overview

Transaction and Historical Overview

Allscripts and Eclipsys are merging to form one company
with the industry's largest network of clients
on the most advanced product platform
resulting in a single patient record

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Key Highlights

Financial

Strategic

>

Combines Ambulatory and Acute HCIT

Utilization Leaders

>

Addresses the Market Demand for a
True End-to-End Integrated Solution

>

Expands Company's Ability to Address
\$16BB Integrated Market

>

Expands Client Footprint to Connect
Communities

>

Sets
Foundation

for

Next

Wave

of

Information and Connectivity Products

>

Transaction Valued at \$1.3BB

>

Significant Cost and Revenue Synergy
Opportunities

>

Accretive

(1)

to Earnings Starting in

Calendar 2011

>

Strong Free Cash Flow Generation with
~ 60% Recurring Revenue

>

Flexible Capital Structure from
Reduction of Misys Ownership

(1) Accretive to CY2011E Non-GAAP EPS

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One Network. One Platform. One Patient.
The Time is NOW
>
Quality Issues

98,000 Deaths/Year from

Preventable Medical Errors

>

Rising Cost:

Healthcare spending
projected to rise from \$2.5
trillion to \$4.5 trillion

(1)

by

2019

>

Significant Waste

Estimated 30% of spend is
waste due to misuse,
overuse, etc.

A National

Problem

>

HCIT is Core to the Fix

All stakeholders agree

>

Large Market

>\$40BB HCIT market

>

Low Penetration

~12% of physician practices

~11% of hospitals using an EHR

>

Shift in Ambulatory

Over 50% of ambulatory physicians
now employed vs. independent

>

Hospitals Driving the Market

Stark Safe Harbor driving EHR
adoption

>

Significant Funding:

ARRA provides >\$30BB of incentives

70% of funding slated for next 3 yrs.

A Market that

is Ready

(1)

According to CMS.

ARRA = American Recovery and Reinvestment Act

We are at the

expect will be the single

fastest transformation

of any industry in US

history

A Significant

Opportunity

beginning

of what we

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The
Value
Proposition:
Two
Leaders
Become
One

One Patient.
One Network.
One Platform.

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One Network. One Platform. One Patient.
One
Network:
Connecting
the
Community
of
Hospitals,

Physicians
and
Post
Acute
Care
Organizations
Eclipsys Hospital
Allscripts Hospital
Allscripts/Eclipsys Physician
Practice
Allscripts Post Acute

>
The
Hub :

Over
1,500
Hospitals
including
40%
of

America s
Best
Hospitals
are
Clients

>
The Spokes :
Over 180,000 MDs and 10,000 Post Acute Care Organizations are Connected
to other Practices, Patients, Pharmacies, Payors, Labs, Hospitals, etc.

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One Network. One Platform. One Patient.
One
Platform:
A
Fresh
Approach
>
CLOSED:

Won't Connect and
Can't Connect

>

OUR WAY OR NO WAY:

Single

Company for Everything

>

MONOLITHIC:

Old Platforms of
the Last 25 Years

>

FLEXIBLE:

End to End System or
Best of Breed

>

OPEN:

A

Simple Approach to
Connect to 3rd Party Applications

>

MODERN:

Advanced Platform
for the Next 25 Years

Ambulatory
Electronic Health Record
Practice Management
Revenue Cycle
Claims Processing
E-Prescribing
Acute
Clinical Solutions

Computerized Physician Order Entry
Departmental
Revenue Cycle
Care Management
Decision Support/Analytics
Outsourcing/Consulting
Post Acute
Discharge Planning
Homecare
Access/Connectivity
One
Patient:
Delivering
a
Single
Patient
Record
One Network. One Platform. One Patient.

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Allscripts Solution Set
Enterprise
Professional
MyWay
ePrescribe
ePrescribe

Payerpath
Care Mgt
Emergency Dept
Clinical
Financial/RCM
Administrative/
Transactions
Intelligence/
Analytics
Stand-Alone
Services
CQS
Optimization
Academy
Homecare
Post-Acute

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Sunrise Critical Care
Sunrise Acute
PeakPractice
HealthXchange
Sunrise Radiology
Sunrise Pharmacy

Sunrise Emergency
Sunrise Surgery
Sunrise Cardiology
Sunrise Laboratory
Sunrise PACs
Patient Financials
EPSi
Registration
Outsourcing
Scheduling
Remote Hosting
Analytics
Access
Consulting
Decision Support
Enterprise Person ID
Network/Desktop
Clinical
Financial/RCM
Administrative/
Transactions
Intelligence/
Analytics
Services
Eclipsys Solution Set
Patient Flow
KBMA
KBC

22
Enterprise
Professional
MyWay
Sunrise Critical Care
Sunrise Acute
ePrescribe

ePrescribe
Payerpath
PeakPractice
HealthXchange
Care Mgmt.
Emergency Dept
Sunrise Radiology
Sunrise Pharmacy
Sunrise Emergency
Sunrise Surgery
Sunrise Cardiology
Sunrise Laboratory
Sunrise PACs
Patient Financials
EPSi
Registration
Outsourcing
Scheduling
Remote Hosting
Analytics
Access
Consulting
Decision Support
Enterprise Person ID
Network/Desktop
Homecare
Post-Acute
A true end-to-end, integrated solution for the entire community of care
Clinical
Financial/RCM
Administrative/
Transactions
Intelligence/
Analytics
Services
CQS
Our Combined Solution Set
Optimization
Academy
Patient Flow
KBMA
KBC

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Combination Dramatically Expands Addressable Market

Acute/Ambulatory EHR Opportunity 2010-2014 = ~\$43BB

Source: McKinsey & Company

Well positioned to differentiate ourselves to

compete in the \$16BB (~35%) integrated market

Current Opportunity

(Ambulatory Stand-Alone)

Current Opportunity
(Acute Stand-Alone)
Currently
Addressable Market:
Stand-Alone
New
Addressable Market:
Integrated
Market Segment Seeking an
Integrated/End-to-End
Solution Across Hospitals
and Physician Practices
\$16BB
\$10BB
\$17BB

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Delivering a Formula to Change Healthcare

ADOPTION

UTILIZATION

CONNECTION

INFORMATION

OUTCOMES

>

Largest client footprint in market

>

Highest rates of CPOE and EHR utilization

>

Rapid Implementation Approach to Attain Meaningful Use

>

Connected to all major pharmacies, labs, payors, clinical research organizations, etc.

>

Open architecture approach to connecting to third parties (e.g. Helios)

>

Robust clinical and financial analytics engines

>

Demonstrated ability

to

drive

clinical

and

financial

outcomes

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Agenda

>

Bill Davis, CFO of Allscripts

>

CFO designate

One Network. One Platform. One Patient.

>

Mike Lawrie, CEO of Misys and Current
Chairman of Allscripts

>

Glen Tullman, CEO of Allscripts

>

CEO designate

>

Phil Pead, CEO of Eclipsys

>

Chairman designate

Financial Overview

Transaction and Historical Overview

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Allscripts Exceeds Fourth Quarter Bookings Expectations -
Affirms High End of Guidance for FY2010

>

Affirming high-end of full year financial guidance:

Revenue in a range of \$700-\$705MM for fiscal year 2010

Net
income
guidance
in
a
range
of
\$67.0-\$68.5MM,
equating
to
non-GAAP
(1)
net
income guidance to a range of \$97.0-\$98.5MM

Diluted
earnings
per
share
of
\$0.44-\$0.45,
equating
to
non-GAAP

(1)
diluted earnings
per share of \$0.64-\$0.65 cents

(1) Allscripts non-GAAP net income guidance assumes the following adjustments from GAAP net income: approximately \$22MM in stock-based compensation expense; \$16.5MM in related amortization; \$16.5MM in stock-based compensation expense; \$4.9MM in deferred revenue adjustments; and \$11.0MM in stock-based compensation expense; all on a pre-tax basis. Allscripts 2010 non-GAAP net income and diluted earnings per share guidance assumes a 39%

>
Fiscal fourth quarter bookings ~\$117MM

Compares to fourth quarter guidance of between \$105-\$112MM

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Transaction Structure Overview

>

Consideration of 1.2 shares of Allscripts for each share of Eclipsys

>

Represents a 19% premium to Eclipsys shareholders based on the closing price on June 8, 2010

>

Subject to
Allscripts
and
Eclipsys
shareholder
votes,
regulatory
approval
and other

customary conditions and the successful reduction of Misys' ownership stake in
Allscripts through a combination of an equity placement and a share buyback

>
Total cost of the buyback is \$577.4MM, including a \$117.4MM premium paid to
Misys and the placement of a minimum of 36MM shares of Misys' Allscripts shares
in the
public
markets

this
fall.
Debt
funded
by
fully
committed
financing
package.

>
In addition, Misys has an option to sell additional shares to Allscripts at a cost of
\$101.6MM,
including

a
1.6MM
premium
that
can
be
exercised
within
10-days
following the closing of the Eclipsys transaction

>
Both the share buyback and the Misys \$100MM buyback option are conditioned on
the completion of the equity placement

>
Stake reduction keeps Misys in conformity with UK Listing Authority (UKLA)
requirements

>
Pro forma Misys will retain approximately ~8% ownership in Allscripts following the
Eclipsys merger
Misys Stake

Reduction
Proposed Merger
with Eclipsys

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>

24.4MM share buyback for
\$577MM from Misys via fully
committed credit
facilities and
cash reserves

>

Placement of a minimum
36MM Allscripts shares
currently owned by Misys via
marketed secondary offering

>

All stock merger with Eclipsys

1.2 shares of Allscripts for
each share of Eclipsys

>

Misys option to sell 5.3MM
shares for \$102MM to
Allscripts after the close of the
Eclipsys transaction

Misys Stake Reduction/
Eclipsys Merger

Current Structure

Pro Forma Structure

Eclipsys

Shareholders

~37%

Ownership

Eclipsys/Allscripts

Combined

Misys

~8%

Ownership

1

1 Assumes 24.4MM share buyback, minimum 36MM
share placement, and 5.3MM put of shares by Misys

2

Includes shareholders who purchased Allscripts
shares via marketed secondary offering

Other Allscripts

Shareholders

2

~55%

Ownership

Transaction Structure Overview

Eclipsys

Allscripts

Other Allscripts

Shareholders

45% Ownership

Misys

55% Ownership

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Pro Forma Capitalization and Credit Statistics
Overview of Revolver and Term Loan

>

Attractive financing package resulting in
a strong pro forma balance sheet

Strong free cash flow generation for

the pro forma company available to
service debt going forward

>

\$150MM undrawn 5-year revolver

Priced at L+300bps

>

\$570MM of Term Facilities

Priced at L+350bps

>

Fully committed financing package
provided by JPMorgan, Barclays Capital
and UBS

>

Pro forma leverage of 2.1x LTM EBITDA
Pro Forma Capitalization 2/28/10

1

Allscripts balance sheet and EBITDA for the period ended and last twelve months ending 2/28/10,
respectively.

2

Eclipsys balance sheet and EBITDA for the period ended and last twelve months ending 3/31/10,
respectively. Cash excludes \$81MM of Auction Rate Securities.

3

Cash adjustment includes a) \$64MM of one-time banking, legal, and other professional fees and
expenses related to the merger with Eclipsys, b) \$30MM of debt repayments, c) \$100MM payment
associated with Misys's put option, d) \$9MM of \$119MM premiums paid to Misys out of combined
cash. Cash adjustments exclude \$5mm future retention payments and \$23MM of synergy

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Existing Allscripts and Eclipsys debt was repaid subsequent to respective quarter ends.

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Pro forma equity adjusted for a) \$94MM of upfront fees & expenses and one-time costs, b)
\$577MM share repurchase, c) merger with Eclipsys reflecting 57.6MM Eclipsys shares at a \$22.10
implied offer price based on closing prices on 6/8/10 and a 1.2 exchange ratio, d) Misys's
\$100MM put and \$2MM additional premium.

Capitalization

Allscripts

Eclipsys

Adj.

Pro

Forma

Cash on Balance Sheet

\$116

\$119

(\$203)

\$32

New Revolver (\$150mm)

--

--

--

--
 Existing Long
 Term
 Debt
 4
 14
 16
 (30)
 --
 New Term Loan
 --
 --
 570
 570
 Total Debt
 \$14
 \$16
 \$540
 \$570
 Equity
 5
 787
 449
 100
 1,336
 Total Capitalization
 \$801
 \$464
 \$641
 \$1,906
 Credit Statistics
 LTM EBITDA
 1,2
 \$173
 \$93
 \$266
 Total Debt / LTM EBITDA
 1,2
 0.1x
 0.2x
 2.1x
 Debt / Capitalization
 1.7%
 3.4%
 29.9%
 1
 2
 3

realization costs expected to be incurred over the first 2 years post-closing.

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Significant Key Cost Synergies

Projected Cost Synergies of

~\$100MM over Three Years

>

Duplicate management structure

>

Duplicate public company costs

>

Duplicate backend office and
system integration

>

Marketing

>

Management team with strong track
record of integrating mergers and
delivering and proven ability to realize
synergies

Key Cost Synergy Drivers

~\$25MM

~\$35MM

Calendar

2011

Calendar

2012

~\$40MM

Calendar

2013 & Beyond

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One Network. One Platform. One Patient.
Revenue Synergy Opportunity of \$1.25 Billion
Sunrise Clinical
Manager, Patient
Flow, EPSi
Sell Eclipsys Solutions to
Allscripts Acute Care Base
~\$430MM

Sell Allscripts Solutions to
Eclipsys Acute Care Base
Care Management,
Emergency Department,
Homecare, Ambulatory
Solutions

~\$820MM

Incremental Revenue Opportunity

Total: ~\$1,250MM

\$16BB Integrated Market Provides Additional Opportunity

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One Network. One Platform. One Patient.
\$151
\$212
\$0
\$50
\$100
\$150
\$200

\$250

CY2008

CY2009

Pro Forma Performance

Combined Non-GAAP Operating Income

(\$ millions)

Combined Non-GAAP Operating Income

(\$ millions)

40% Growth

40% Growth

Allscripts

56%

Eclipsys

44%

Combined Non-GAAP Revenue

CY 2009

(1)

Non-GAAP Revenue: \$1,188MM

Combined Non-GAAP Revenue

CY 2009

(1)

Non-GAAP Revenue: \$1,188MM

(1) Allscripts calendar year assumes a November year end.

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Pro Forma Financial Outlook

Revenue

Growth

Comment

Non-GAAP

Operating

Margin

(1)
Non-GAAP
EPS
Growth
(1)
8-10%+
20%+
15-18%+
>
Similar to Allscripts standalone revenue
growth outlook
>
Eclipsys margins historically lower than
Allscripts margins
>
Cost synergies improve combined margins
back towards near Allscripts historical
margins
>
Accretive to CY2011E Non-GAAP EPS
>
Incorporates new capital structure
>
Incorporates only cost synergies
(1) Excludes stock-based compensation and deal-related amortization.

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Background to Misys Stake Reduction

>

Enables Allscripts to acquire Eclipsys with stock as consideration

>

Misys's stake is reduced so it is not a majority of Misys's total assets. This keeps Misys in conformity with the UK Listing Authority (UKLA) requirements that restrict companies from holding a non-controlling stake in a significant

asset

Facilitates Eclipsys Merger

>

Misys stake reduction results in a simplified public company ownership structure

Benefits Allscripts Shareholders

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One Network. One Platform. One Patient.
Illustration of Share Reduction by Misys
Number
of shares
>
Marketed offering in the fall
Placing of Allscripts shares
36.0MM

(1)

Shares bought-back

by Allscripts

>

Funded by new, attractively priced term loan

and cash on hand

24.4MM

Allscripts put option available

to Misys

>

Shares bought back by Allscripts if Misys option

exercised

(2)

>

Exercisability of option subject to satisfaction of

conditions precedent to Eclipsys closing

>

Funded by combined cash on hand

5.3MM

Total shares sold by Misys

65.7MM

Misys' s remaining

stake in Allscripts

14.1MM

(1) Illustrative only. Shares sold and proceeds per share will depend on market conditions.

(2) Illustrative only. Exercise of Misys option at the sole discretion of Misys.

>

Represents approximately 8% pro forma

ownership

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One Network. One Platform. One Patient.

>

We become a simplified, fully independent public company

>

New Board will consist of 10 members, 5 designated by Allscripts,
3 designated by Eclipsys, up to 2 designated by Misys

>

Misys control rights cease upon the closing of the transactions

Allscripts Governance: Management & Board

Simplified public company .simplified governance structure

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One Network. One Platform. One Patient.
Expected Near-Term Timetable

>

Posting of final
documentation

>

Allscripts/Eclipsys/
Misys shareholder

meetings

>

Placing of Allscripts
shares

September/October

June/July

August/September

>

Filing and review
of documentation
by the SEC

>

Obtain regulatory
approvals

>

Closing of Misys
\$577MM share buy-
back and potential
\$102MM additional
share buyback

>

Closing of Eclipsys
acquisition by
Allscripts

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One Network. One Platform. One Patient.

Key Highlights

Financial

Strategic

>

Combines Ambulatory and Acute HCIT

Utilization Leaders

>

Addresses the Market Demand for a
True End-to-End Integrated Solution

>

Expands Company's Ability to Address
\$16BB Integrated Market

>

Expands Client Footprint to Connect
Communities

>

Sets

Foundation

for

Next

Wave

of

Information

and

Connectivity

Products

>

Transaction Valued at \$1.3BB

>

Significant Cost and Revenue Synergy
Opportunities

>

Accretive

(1)

to Earnings Starting in

Calendar 2011

>

Strong Free Cash Flow Generation with
~ 60% Recurring Revenue

>

Flexible Capital Structure from

Reduction of Misys Ownership

(1) Accretive to CY2011E Non-GAAP EPS.

