ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.
Form S-4/A
July 14, 2010

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As filed with the Securities and Exchange Commission on July 14, 2010

Registration No. 333-167846

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Allscripts-Misys Healthcare Solutions, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**5122**	**36-4392754**

(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(IRS Employer Identification Number)**

222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654, (312) 506-1200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Allscripts-Misys Healthcare Solutions, Inc.

Glen E. Tullman

Chief Executive Officer

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

(312) 506-1200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

Frederick C. Lowinger	**Philip M. Pead**	**John D. Capers, Jr.**
Gary D. Gerstman	**President and Chief Executive Officer**	**C. William Baxley**
Sidley Austin LLP	**Eclipsys Corporation**	**King & Spalding LLP**
One South Dearborn	**Three Ravinia Drive**	**1180 Peachtree Street, NE**
Chicago, Illinois 60603	**Atlanta, Georgia 30346**	**Atlanta, GA 30309**
(312) 853-7000	**(404) 847-5000**	**(404) 572-4600**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the merger agreement described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)	¨
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)	¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this joint proxy statement/prospectus/information statement is subject to completion or amendment. Allscripts-Misys Healthcare Solutions, Inc. may not sell these securities until the registration statement relating to these securities filed with the Securities and Exchange Commission, of which this document is a part, is declared effective. This joint proxy statement/prospectus/information statement shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any representation to the contrary is a criminal offense.

PRELIMINARY SUBJECT TO COMPLETION DATED JULY 14, 2010

PROPOSED MERGER

YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Allscripts and Eclipsys,

The boards of directors of Allscripts-Misys Healthcare Solutions, Inc. (Allscripts) and Eclipsys Corporation (Eclipsys) have each approved the merger of a wholly owned subsidiary of Allscripts with and into Eclipsys, with Eclipsys surviving the merger and continuing as a wholly owned subsidiary of Allscripts. Your vote is very important and we ask for your support in approving the merger and the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the merger agreement.

If the merger is completed, Eclipsys stockholders will have the right to receive 1.2 shares of Allscripts common stock for each share of Eclipsys common stock, with cash paid in lieu of fractional shares. Allscripts stockholders will continue to own their existing Allscripts shares. The 1.2 exchange ratio is fixed and will not be adjusted for changes in the stock price of either company before the merger is completed. In the merger, Allscripts expects to issue approximately 69.2 million shares of Allscripts common stock to Eclipsys stockholders, based on Eclipsys shares of common stock outstanding as of July 13, 2010. After the closing of the merger, Eclipsys stockholders are expected to own approximately 37% of the outstanding shares of common stock of the combined company, assuming Misys plc (Misys) elects to exercise its right to require Allscripts to repurchase 5.3 million shares of Allscripts common stock, as contemplated by the Framework Agreement, dated as of June 9, 2010, by and among Allscripts, Misys and Eclipsys, which we refer to as the Framework Agreement.

Shares of Allscripts common stock are currently listed on The NASDAQ Global Select Market under the symbol MDRX, and shares of Eclipsys common stock are currently listed on The NASDAQ Global Select Market under the symbol ECLP . On July 13, 2010, the last trading day before the date of this joint proxy statement/prospectus/information statement, the closing sale price of Allscripts common stock was $[ ] per share and the closing sale price of Eclipsys common stock was $[ ] per share.

Your vote is very important. The merger cannot be completed unless Eclipsys stockholders adopt the merger agreement and Allscripts stockholders approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the merger agreement. Completion of the merger is also subject to the closing of the transactions contemplated by the Framework Agreement and other closing conditions.

Allscripts and Eclipsys are each holding special meetings of their respective stockholders to vote on the proposals necessary to complete the merger. More information about these meetings and the merger is contained in this joint proxy statement/prospectus/information statement. **We encourage you to read this joint proxy statement/prospectus/information statement carefully and in its entirety, including the section entitled Risk Factors beginning on page 23 before voting.**

In addition, pursuant to the terms of the Framework Agreement, Misys has caused its direct and indirect subsidiaries as holders of Allscripts common stock, to approve, by written consent, the issuance of shares of Allscripts common stock to certain subsidiaries of Misys in exchange for 100% of the issued and outstanding shares of an indirect subsidiary of Misys, an amendment to the Allscripts certificate of incorporation to increase the number of authorized shares to permit the issuance of such shares to such subsidiaries of Misys and the issuance of shares of Allscripts common stock to be issued to Eclipsys stockholders pursuant to the merger agreement and certain additional amendments to the Allscripts certificate of incorporation, all of which are described further in this joint proxy statement/prospectus/information statement.

Whether or not you plan to attend your company s special meeting, please take the time to vote by telephone or via the Internet in accordance with the instructions on the enclosed proxy card or by completing and returning the proxy card in the enclosed envelope. If you are either an Allscripts or Eclipsys stockholder and you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the proposals to be voted on.

Eclipsys board of directors recommends that Eclipsys stockholders vote FOR the proposal to adopt the merger agreement and FOR the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies. Allscripts board of directors recommends that Allscripts stockholders vote FOR the proposal to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the merger agreement and FOR the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies. The recommendation of Allscripts board of directors is based, in part, upon the recommendation of the Allscripts audit committee, consisting of independent and disinterested directors of Allscripts.

We enthusiastically support this merger of our companies and join with our respective boards of directors in recommending that you vote in favor of the proposals described in this joint proxy statement/prospectus/information statement.

Sincerely,

Glen E. Tullman	Philip M. Pead
Chief Executive Officer	President and Chief Executive Officer
Allscripts-Misys Healthcare Solutions, Inc.	Eclipsys Corporation

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS/INFORMATION STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this joint proxy statement/prospectus/information statement is [ ], 2010, and this joint proxy statement/prospectus/information statement and the accompanying proxy card are first being mailed to the Allscripts and Eclipsys stockholders on or about [ ], 2010.

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Allscripts-Misys Healthcare Solutions, Inc.

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

Telephone: (312) 506-1200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON AUGUST 13, 2010

Dear Stockholders of Allscripts:

On behalf of the board of directors of Allscripts-Misys Healthcare Solutions, Inc. (Allscripts), we are pleased to deliver this joint proxy statement/prospectus/information statement in connection with the proposed merger between a wholly owned subsidiary of Allscripts and Eclipsys Corporation, a Delaware corporation (Eclipsys), pursuant to which the wholly owned subsidiary of Allscripts will merge with and into Eclipsys, with Eclipsys surviving the merger and continuing as a wholly owned subsidiary of Allscripts.

A special meeting of Allscripts stockholders will be held on August 13, 2010 at 9:00 a.m., local time at the offices of Sidley Austin LLP, located at One South Dearborn, Chicago, Illinois 60603, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Allscripts common stock to Eclipsys stockholders pursuant to the Agreement and Plan of Merger, dated as of June 9, 2010, by and among Allscripts, Eclipsys and Arsenal Merger Corp. (a wholly owned subsidiary of Allscripts formed for the purpose of the merger) (the Merger Agreement), a copy of which is included as Annex A to the joint proxy statement/prospectus/information statement accompanying this notice.

2. To consider and vote upon a proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal described above.

3. To transact such other business as may properly come before the Allscripts special meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on July 13, 2010, the record date for the Allscripts special meeting, are entitled to notice of and to vote at the Allscripts special meeting and any adjournments or postponements thereof.

Approval of proposal 1 is required for completion of the merger and the other transactions contemplated by the Merger Agreement.

In addition, Allscripts majority stockholder, Misys plc (Misys), has approved by written consent the issuance of shares of Allscripts common stock to certain subsidiaries of Misys pursuant to the Framework Agreement in exchange for 100% of the issued and outstanding shares of an indirect subsidiary of Misys, and certain amendments to Allscripts Second Amended and Restated Certificate of Incorporation, copies of which are included as Annex I and Annex J to the joint proxy statement/prospectus/information statement accompanying this notice. This joint proxy statement/prospectus/information statement serves as notice to all Allscripts stockholders of these actions to be taken by written consent.

Your vote is very important. Your failure to vote will make it more difficult to obtain the necessary quorum for purposes of approving the share issuance. Whether or not you plan to attend the Allscripts special meeting, please take the time to vote by completing and mailing the enclosed proxy card or voting instruction card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone.

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You may revoke your proxy at any time before the vote is taken by following the procedures set forth under The Special Meeting of Allscripts Stockholders Revocation of Proxies in the joint proxy statement/prospectus/information statement that accompanies this notice.

This joint proxy statement/prospectus/information statement contains important information about Allscripts, Eclipsys, the proposed merger and related transactions and the special meetings. **We encourage you to read carefully this joint proxy statement/prospectus/information statement before voting, including the section entitled Risk Factors beginning on page 23.**

Allscripts board of directors recommends that Allscripts stockholders vote FOR the proposal to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement and FOR the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies. The recommendation of Allscripts board of directors is based, in part, upon the recommendation of the Allscripts audit committee, consisting of independent and disinterested directors of Allscripts.

By Order of the Board of Directors,

Chief Executive Officer

[ ], 2010

Chicago, Illinois

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Eclipsys Corporation

Three Ravinia Drive

Atlanta, GA 30346

Telephone: 404-847-5000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON AUGUST 13, 2010

Dear Stockholders of Eclipsys:

On behalf of the board of directors of Eclipsys Corporation (Eclipsys), we are pleased to deliver this joint proxy statement/prospectus/information statement in connection with the proposed merger between Eclipsys and a wholly owned subsidiary of Allscripts-Misys Healthcare Solutions, Inc., a Delaware corporation (Allscripts), pursuant to which the wholly owned subsidiary of Allscripts will merge with and into Eclipsys, with Eclipsys surviving the merger and continuing as a wholly owned subsidiary of Allscripts. If we complete the merger, your shares of Eclipsys common stock will be converted into the right to receive shares of Allscripts common stock. In connection with the proposed merger, a special meeting of stockholders will be held on August 13, 2010 at 10:00 a.m., local time at the Eclipsys headquarters, located at Three Ravinia Drive, Atlanta, Georgia 30346, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of June 9, 2010, by and among Allscripts, Eclipsys and Arsenal Merger Corp. (a wholly owned subsidiary of Allscripts formed for the purpose of the merger) (the Merger Agreement), a copy of which is included as Annex A to the joint proxy statement/prospectus/information statement accompanying this notice.

2. To consider and vote upon a proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal described above.

3. To transact such other business as may properly come before the Eclipsys special meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on July 13, 2010, the record date for the Eclipsys special meeting, are entitled to notice of and to vote at the Eclipsys special meeting and any adjournments or postponements thereof.

Approval of proposal 1 is required for completion of the merger and the other transactions contemplated by the Merger Agreement.

Your vote is very important. Your failure to vote will have the same effect as a vote against the adoption of the Merger Agreement and approval of the merger. Whether or not you plan to attend the Eclipsys special meeting, please take the time to vote by completing and mailing the enclosed proxy card or voting instruction card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. You may revoke your proxy at any time before the vote is taken by following the procedures set forth in the section entitled The Special Meeting of Eclipsys Stockholders Revocation of Proxies.

This joint proxy statement/prospectus/information statement contains important information about Allscripts, Eclipsys, the proposed merger and related transactions and the special meetings. **We encourage you to read carefully this joint proxy statement/prospectus/information statement before voting, including the section entitled Risk Factors beginning on page 23.**

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Eclipsys board of directors recommends that Eclipsys stockholders vote FOR the adoption of the Merger Agreement and FOR the adjournment of the Eclipsys meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing.

By Order of the Board of Directors,

President and Chief Executive Officer

[ ], 2010

Atlanta, Georgia

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus/information statement incorporates by reference important business and financial information about Allscripts-Misys Healthcare Solutions, Inc. (Allscripts) and Eclipsys Corporation (Eclipsys) from documents that are not included in or delivered with this joint proxy statement/prospectus/information statement. For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus/information statement and how you may obtain it, see Additional Information Where You Can Find More Information.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus/information statement without charge from Allscripts or Eclipsys, as applicable, or from the Securities and Exchange Commission, which we refer to as the SEC, through the SEC s website at *www.sec.gov*. Allscripts and Eclipsys stockholders may request a copy of such documents in writing or by telephone by contacting:

Allscripts-Misys Healthcare Solutions, Inc.	Eclipsys Corporation
222 Merchandise Mart Plaza, Suite 2024	Three Ravinia Drive
Chicago, Illinois 60654	Atlanta, GA 30346
Attn.: Investor Relations	Attn.: Investor Relations
(312) 506-1213	(404) 847-5965

In addition, you may obtain copies of some of this information by accessing Allscripts website at *www.allscripts.com* under the heading Company, then under the link Investor Relations, and then under the link SEC Filings.

You may also obtain copies of some of this information by accessing Eclipsys website at *www.eclipsys.com* under the link Investors, and then under the link Financial Information.

We are not incorporating the contents of the websites of the SEC, Allscripts, Eclipsys or any other entity into this joint proxy statement/prospectus/information statement. We are providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus/information statement at these websites only for your convenience.

In order for you to receive timely delivery of the documents in advance of the respective Allscripts and Eclipsys special meetings, Allscripts or Eclipsys, as applicable, must receive your request no later than five days prior to the date of your company s special meeting, which is August 13, 2010 for both the Allscripts special meeting and the Eclipsys special meeting.

We have not authorized anyone to give any information or make any representation about the merger and related transactions or our companies that is different from, or in addition to, that contained in this joint proxy statement/prospectus/information statement or in any of the materials that we have incorporated into this joint proxy statement/prospectus/information statement. Therefore, if anyone does give you information of this kind, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this joint proxy statement/prospectus/information statement or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this joint proxy statement/prospectus/information statement does not extend to you. The information contained in this joint proxy statement/prospectus/information statement is accurate only as of the date of this joint proxy statement/prospectus/information statement unless the information specifically indicates that another date applies.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION AND

THE SPECIAL MEETINGS OF ALLSCRIPTS AND ECLIPSYS STOCKHOLDERS

The following are some questions that you, as a stockholder of Allscripts or Eclipsys, may have regarding the special meeting of Allscripts stockholders, which we refer to as the Allscripts special meeting, or the special meeting of Eclipsys stockholders, which we refer to as the Eclipsys special meeting, and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see The Special Meeting of Allscripts Stockholders and The Special Meeting of Eclipsys Stockholders. Allscripts and Eclipsys encourage you to read carefully the remainder of this joint proxy statement/prospectus/information statement because the information in this section does not provide all of the information that might be important to you with respect to the merger and the other matters being considered at the Allscripts special meeting or the Eclipsys special meeting. Additional important information is also contained in the Annexes to and in the documents incorporated by reference into this joint proxy statement/prospectus/information statement.

Q: Why am I receiving this joint proxy statement/prospectus/information statement?

A: Allscripts and Eclipsys have agreed to the combination of Eclipsys and Allscripts under the terms of an Agreement and Plan of Merger, dated as of June 9, 2010, by and among Allscripts, Arsenal Merger Corp. (a wholly owned subsidiary of Allscripts formed for the purpose of the merger) and Eclipsys, which we refer to as the Merger Agreement, and which is described in this joint proxy statement/prospectus/information statement. A copy of the Merger Agreement is included as Annex A to this joint proxy statement/prospectus/information statement. We are delivering this document to you because it serves as (i) a joint proxy statement of Allscripts and Eclipsys, (ii) a prospectus of Allscripts and (iii) an information statement with respect to certain actions taken by written consent of the stockholders of Allscripts. It is a joint proxy statement because it is being used by the Allscripts board of directors and the Eclipsys board of directors to solicit the proxies of Allscripts stockholders and Eclipsys stockholders. It is a prospectus because Allscripts is offering Allscripts common stock in exchange for Eclipsys common stock if the merger is completed. It is an information statement because it serves as notice to the Allscripts stockholders of certain actions taken by written consent by Misys plc, which we refer to as Misys, an Allscripts stockholder that currently holds a majority of the outstanding shares of Allscripts common stock.

In order to complete the merger, among other things, Allscripts stockholders must vote to approve the issuance of Allscripts common stock to the stockholders of Eclipsys pursuant to the Merger Agreement and Eclipsys stockholders must vote to adopt the Merger Agreement.

Allscripts and Eclipsys will hold separate meetings to obtain these approvals.

This joint proxy statement/prospectus/information statement, which you should read carefully in its entirety, contains important information about the merger and related transactions, the Merger Agreement, the meetings of stockholders of Allscripts and Eclipsys and the actions taken by written consent of the Allscripts stockholders.

Q: When and where will the special meetings of the Allscripts and Eclipsys stockholders be held?

A: The Allscripts special meeting will take place at the offices of Sidley Austin LLP, located at One South Dearborn, Chicago, Illinois 60603 on August 13, 2010 at 9:00 a.m. local time.

The Eclipsys special meeting will take place at the Eclipsys headquarters, located at Three Ravinia Drive, Atlanta, Georgia 30346 on August 13, 2010 at 10:00 a.m. local time.

Q: Who can attend and vote at the special meetings?

A: Only holders of record of Allscripts common stock at the close of business on July 13, 2010, which we refer to as the Allscripts record date, are entitled to notice of and to vote at the Allscripts special meeting. As of

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the Allscripts record date, there were 146,518,961 shares of Allscripts common stock outstanding and entitled to vote at the Allscripts special meeting, held by 432 holders of record. Each holder of Allscripts common stock is entitled to one vote for each share of Allscripts common stock owned as of the Allscripts record date.

Only holders of record of Eclipsys common stock at the close of business on July 13, 2010, which we refer to as the Eclipsys record date, are entitled to notice of and to vote at the Eclipsys special meeting. As of the Eclipsys record date, there were 57,662,451 shares of Eclipsys common stock outstanding and entitled to vote at the Eclipsys special meeting, held by 362 holders of record. Each holder of Eclipsys common stock is entitled to one vote for each share of Eclipsys common stock owned as of the Eclipsys record date.

Q: What are Allscripts stockholders being asked to vote upon?

A: The Allscripts special meeting is being called for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus/information statement.

2. To consider and vote upon a proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal described above.

3. To transact such other business as may properly come before the Allscripts special meeting or any adjournments or postponements thereof.

Q: What are Eclipsys stockholders being asked to vote upon?

A: The Eclipsys special meeting is being called for the following purposes:

1. To consider and vote upon a proposal to adopt the Merger Agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus/information statement.

2. To consider and vote upon a proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal described above.

3. To transact such other business as may properly come before the Eclipsys special meeting or any adjournments or postponements thereof.

Q: Do the boards of directors of Allscripts and Eclipsys recommend approval of the merger proposals?

A: Yes. The boards of directors of both companies have approved the merger and recommend approval of the applicable merger proposals by the stockholders of their respective companies. For a more complete description of the recommendations of the respective boards of directors, see the sections entitled The Merger Recommendation of the Allscripts Audit Committee and the Allscripts Board of Directors and Their Reasons for the Merger and the Coniston Transactions beginning on page 102 and The Merger Recommendation of the Eclipsys Board of Directors and Its Reasons for the Merger beginning on page 109.

Q: Have any Allscripts stockholders already agreed to vote for the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement?

A: In connection with the execution of the Merger Agreement, Allscripts and Eclipsys entered into a voting agreement with Misys and certain of Misys subsidiaries, which we refer to as the Misys Voting Agreement, pursuant to which Misys and certain of its subsidiaries agreed to vote 15.5 million shares of Allscripts common stock owned or held by such Misys subsidiaries (approximately 10.58% of the outstanding Allscripts common stock as of July 13, 2010) in favor of the issuance of Allscripts common stock to

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stockholders of Eclipsys pursuant to the Merger Agreement at the Allscripts special meeting. In addition, Eclipsys entered into voting agreements with certain directors of Allscripts, pursuant to which such directors agreed to vote their shares of Allscripts common stock (approximately 0.97% of the outstanding Allscripts common stock as of July 13, 2010) in favor of the issuance of Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement at the Allscripts special meeting.

Q: Have any Eclipsys stockholders already agreed to vote for the adoption of the Merger Agreement?

A: In connection with the execution of the Merger Agreement, Allscripts entered into voting agreements with certain directors of Eclipsys, pursuant to which such directors agreed to vote their shares of Eclipsys common stock (approximately 0.45% of the outstanding Eclipsys common stock as of July 13, 2010) in favor of the adoption of the Merger Agreement.

Q: Are there risks involved in undertaking the merger?

A: Yes. In evaluating the merger, Allscripts and Eclipsys stockholders should carefully consider the factors disclosed in the section of this joint proxy statement/prospectus/information statement entitled Risk Factors beginning on page 23, and other information included in this joint proxy statement/prospectus/information statement and the documents incorporated by reference in this joint proxy statement/prospectus/information statement.

Q: What will happen in the proposed merger?

A: In the proposed merger, a wholly owned subsidiary of Allscripts will merge with and into Eclipsys. After the merger, Eclipsys will be a wholly owned subsidiary of Allscripts and will no longer be a public company. See the sections entitled The Merger Agreement Structure and Completion of the Merger beginning on page 165.

Q: When will the merger be completed?

A: Allscripts currently expects to complete the merger during the second half of 2010. However, it is possible that factors outside Allscripts and Eclipsys control could delay the completion of the merger to a later time or result in the merger not being completed at all. For a discussion of the conditions to the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page 168.

Q: What will Allscripts stockholders receive if the merger occurs?

A: Allscripts stockholders will continue to own their existing Allscripts shares. However, those shares will represent a smaller proportion of the outstanding shares of the combined company due to the issuance of Allscripts common stock to Eclipsys stockholders in connection with the merger.

Q: What will Eclipsys stockholders receive if the merger occurs?

A: If the merger is completed, at the effective time of the merger each share of Eclipsys common stock will convert into the right to receive 1.2 shares of Allscripts common stock, which we refer to as the Exchange Ratio. See the section entitled The Merger Agreement Merger Consideration beginning on page 165.

Q: Will the Exchange Ratio be adjusted if the Allscripts or Eclipsys stock price changes prior to the merger?

A: The Exchange Ratio is fixed and will not be adjusted to reflect changes in the stock price of either company before the merger is completed.

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Q: What will Eclipsys equity award holders receive if the merger occurs?

A: Each outstanding Eclipsys stock option, restricted stock, restricted stock unit, deferred stock unit and performance stock unit award will be converted into an Allscripts option, restricted stock, restricted stock unit, deferred stock unit or performance stock unit award, as the case may be, with appropriate adjustments to the number of shares subject to the award and, if applicable, the per share exercise price to reflect the Exchange Ratio. The substitute awards will become exercisable, vested or payable, as the case may be, upon the same terms that applied to the related Eclipsys award, subject to any acceleration of vesting (and any payment adjustment, in the case of performance stock units) that occurs as a result of the merger or any other subsequent event, as required in the applicable award agreement or employment agreement.

Q: Why is Misys reducing its stake in Allscripts?

A: Allscripts and Eclipsys ability to structure the merger of an Allscripts subsidiary with Eclipsys in a manner which their respective boards believe delivers the best result for their stockholders relies on Allscripts being able to use its shares as currency for the transaction. The Listing Rules of the UK Listing Authority require companies with a premium listing, such as Misys, to control the majority of their assets. Implementing the proposed share for share merger with Eclipsys as a standalone transaction would have the effect of diluting Misys stake in Allscripts to a level where Misys would not control Allscripts but would still retain a very significant portion of the combined company. The Misys board of directors, therefore, determined that the optimum outcome for Misys shareholders is to crystallize the significant value created through the 2008 transactions in which Allscripts acquired Misys Healthcare Systems, LLC by effecting the proposed separation transaction and reducing Misys stake in Allscripts to a level which will enable Misys to continue to hold Allscripts shares in compliance with the requirements of the Listing Rules while at the same time enabling Allscripts to use its shares as currency for the proposed merger with Eclipsys.

Q: What vote of Allscripts stockholders is required to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement and the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies?

A: The proposal to approve the issuance of the Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement and the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies each must be approved by the affirmative vote of the holders of a majority in voting power present in person or represented by proxy at the Allscripts special meeting. See the section entitled The Special Meeting of Allscripts Stockholders Quorum and Vote Required beginning on page 67. Misys and certain of its subsidiaries have agreed to vote 15.5 million of their shares of Allscripts common stock, which represent approximately 10.58% of the outstanding common stock of Allscripts as of July 13, 2010, in favor of these proposals at the Allscripts special meeting.

Q: What vote of Eclipsys stockholders is required to adopt the Merger Agreement and to approve the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies?

The proposal to adopt the Merger Agreement must be approved by the affirmative vote of Eclipsys stockholders representing a majority of the outstanding shares of Eclipsys common stock entitled to vote at the Eclipsys special meeting, represented in person or by proxy. The proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies, requires the affirmative vote of Eclipsys stockholders representing a majority of the shares of common stock present and entitled to vote at the special meeting, represented in person or by proxy. See the section entitled The Special Meeting of Eclipsys Stockholders Quorum and Vote Required beginning on page 73.

Q: What will happen if I abstain from voting, fail to vote or do not direct how to vote on my proxy?

A: The failure of an Allscripts or Eclipsys stockholder to vote or to instruct his or her broker, bank or other nominee to vote if his or her shares are held in street name may have a negative effect on the ability of Allscripts or Eclipsys, as applicable, to obtain the number of votes necessary for approval of the proposals.

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For purposes of the Allscripts stockholder vote, an abstention, which occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as voting against the proposal to approve the issuance of the Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement and against the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies.

The failure of an Allscripts stockholder to instruct his or her broker, bank or other nominee to vote if his or her shares are held in street name will result in a broker non-vote. Broker non-votes will not be considered voting power present for purposes of voting on the Allscripts proposals and therefore will have no effect on whether the proposal to approve the issuance of the Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement or the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies are approved. The failure of an Allscripts stockholder to attend the meeting or to vote his or her shares will be treated in the same manner, and have the same effect, as broker non-votes. All properly signed proxies that are received prior to the Allscripts special meeting and that are not revoked will be voted at the Allscripts special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to approve the issuance of the Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement and **FOR** the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies.

For purposes of the Eclipsys stockholder vote, an abstention will have the same effect as voting against the proposal to adopt the Merger Agreement and the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies. Broker non-votes will have the same effect as voting against the proposal to adopt the Merger Agreement but will have no effect on the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies. All properly signed proxies that are received prior to the Eclipsys special meeting and that are not revoked will be voted at the Eclipsys special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to adopt the Merger Agreement and **FOR** the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies.

Q: How do I instruct my broker, bank or other nominee to vote in connection with the proposals?

A: If your shares are held by a broker, bank or other nominee you must follow the instructions on the form you receive from your broker, bank or other nominee in order for your shares to be voted. Please follow their instructions carefully. Also, please note that if the holder of record of your shares is a broker, bank or other nominee and you wish to vote at the special meeting, you must request a legal proxy from the bank, broker or other nominee that holds your shares and present that proxy and proof of identification at the special meeting to vote your shares. Based on the instructions provided by the broker, bank or other nominee, street name stockholders may generally vote by mail, by methods listed on the voting instruction card or in person with a proxy from the record holder.

Q: If my shares are held in street name, will my broker, bank or other nominee vote my shares for me?

A: If you do not provide your broker, bank or other nominee with instructions on how to vote your street name shares, your broker, bank or other nominee will not be permitted to vote them.

Q: Can I change my vote after I have mailed my signed proxy?

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the corporate secretary of your company at:

Allscripts-Misys Healthcare Solutions, Inc.	Eclipsys Corporation

Lee A. Shapiro	Brian W. Copple
222 Merchandise Mart Plaza, Suite 2024	Three Ravinia Drive
Chicago, Illinois 6065	Atlanta, GA 30346

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delivering a valid, later-dated proxy by mail, or a later-dated proxy by telephone or Internet;

submitting another proxy by telephone or on the Internet (relating to the same shares and bearing a later date); or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held in a street name account, you must contact your broker, bank or other nominee to change your vote.

Q: Should Eclipsys stockholders send in their stock certificates now?

A: No. After the merger is completed, Eclipsys stockholders will be sent written instructions for exchanging their shares of Eclipsys common stock for shares of Allscripts common stock.

Q: What should Allscripts and Eclipsys stockholders do now in order to vote on the proposals being considered at their company s special meeting?

A: Stockholders of record of Allscripts as of the Allscripts record date and stockholders of record of Eclipsys as of the Eclipsys record date may vote now by proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If you hold Allscripts shares or Eclipsys shares in street name, which means your shares are held of record by a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction card used by your broker, bank or other nominee to see if you may submit voting instructions using the Internet or telephone.

Additionally, you may also vote in person by attending your company s special meeting. If you plan to attend your company s special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, and you wish to vote in person at your company s special meeting, you must bring a proxy from the record holder of the shares authorizing you to vote at the special meeting. Whether or not you plan to attend your company s special meeting, you are encouraged to grant your proxy as described in this joint proxy statement/prospectus/information statement.

Q: Can I dissent and require appraisal of my shares?

A: No. Under Delaware law, Allscripts and Eclipsys stockholders have no right to an appraisal of the value of their shares in connection with the merger.

Q: Who can help answer my questions?

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus/information statement, the enclosed proxy card or voting instructions, you should contact:

If you are an Allscripts stockholder:

Allscripts-Misys Healthcare Solutions, Inc.	D.F. King & Co, Inc.

222 Merchandise Mart Plaza, Suite 2024	48 Wall Street, 22nd Floor
Chicago, Illinois 60654	New York, New York 10005
Attn.: Investor Relations	(800) 848-3416 (toll-free), or
(312) 506-1213	(212) 269-5550 (call collect)

If you are an Eclipsys stockholder:

Eclipsys Corporation	Innisfree M&A, Incorporated
Three Ravinia Drive	501 Madison Avenue, 20th Floor
Atlanta, GA 30346	New York, New York 10022
Attn.: Investor Relations	(888) 750-5834 (toll-free)
(404) 847-5965	(212) 750-5833 (call collect)

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SUMMARY OF THE JOINT PROXY STATEMENT/PROSPECTUS/INFORMATION STATEMENT

This summary highlights selected information contained elsewhere in this document and may not contain all the information that is important to you. You should carefully read this entire joint proxy statement/prospectus/information statement, including the annexes and the other documents to which we refer, for a more complete understanding of the merger and the other matters being considered at the applicable stockholders meeting. For more information, please see the section entitled Additional Information Where You Can Find More Information in this joint proxy statement/prospectus/information statement.

The Companies

Allscripts-Misys Healthcare Solutions, Inc.

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

(312) 506-1213

Allscripts is a leading provider of clinical software, services, information and connectivity solutions that empower physicians and other healthcare providers to deliver best-in-class patient safety, clinical outcomes and financial results. Allscripts businesses provide innovative solutions that inform physicians with just right, just in time information, connect physicians to each other and to the entire community of care, and transform healthcare, improving both the quality and efficiency of care. Allscripts provides various clinical software applications, including electronic health records, practice management, revenue cycle management, clearinghouse services, electronic prescribing, Emergency Department Information System (EDIS), hospital care management and discharge management solutions, document imaging solutions, and a variety of solutions for home care and other post-acute facilities.

Arsenal Merger Corp.

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

(312) 506-1213

Arsenal Merger Corp. is a wholly owned subsidiary of Allscripts and was formed solely for the purpose of completing the merger. Arsenal Merger Corp. has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

Eclipsys Corporation

Three Ravinia Drive

Atlanta, GA 30346

(404) 847-5965

Eclipsys is a provider of advanced integrated clinical, revenue cycle and performance management software and related professional services that help healthcare organizations and physicians improve clinical, financial and operational outcomes. Eclipsys develops and licenses proprietary software and content that is designed for use in connection with many of the key clinical, financial and operational functions that healthcare organizations require. Eclipsys also provides professional services related to its software. These services include software implementation and maintenance, outsourcing of information technology operations, remote hosting of its software and third-party health information technology applications, technical and user training, and consulting.

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The Merger (see page 77)

Allscripts and Eclipsys have agreed to combine under the terms and conditions set forth in the Merger Agreement, which is described in this joint proxy statement/prospectus/information statement. Pursuant to the Merger Agreement, Arsenal Merger Corp., a wholly owned subsidiary of Allscripts, will merge with and into Eclipsys, with Eclipsys surviving the merger and continuing as the surviving corporation and a wholly owned subsidiary of Allscripts. The Merger Agreement is attached as Annex A to this joint proxy statement/prospectus/information statement, and we encourage you to read it in its entirety.

Merger Consideration

Upon completion of the merger, shares of Eclipsys common stock will be converted into the right to receive 1.2 shares of Allscripts common stock, which we refer to as the Exchange Ratio. The Exchange Ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed. Allscripts will not issue fractional shares in the merger. Instead, each holder of shares of Eclipsys common stock who would otherwise be entitled to a fractional share of Allscripts common stock will be entitled to receive a cash payment, without interest, from the exchange agent in lieu of such fractional share. Allscripts stockholders will continue to own their existing Allscripts shares.

Each outstanding Eclipsys stock option, restricted stock, restricted stock unit, deferred stock unit and performance stock unit award will be converted into an Allscripts option, restricted stock, restricted stock unit, deferred stock unit or performance stock unit award, as the case may be, with appropriate adjustments to the number of shares subject to the award and, if applicable, the per share exercise price to reflect the Exchange Ratio. The substitute awards will become exercisable, vested or payable, as the case may be, upon the same terms that applied to the related Eclipsys award, subject to any acceleration of vesting (and any payment adjustment, in the case of performance stock units) that occurs as a result of the merger or any other subsequent event, as required in the applicable award agreement or employment agreement.

The Coniston Transactions (see page 190)

Framework Agreement

On June 9, 2010, Allscripts entered into a Framework Agreement with Misys. Eclipsys also entered into the Framework Agreement solely as third party beneficiary of certain provisions of the Framework Agreement. Pursuant to the Framework Agreement, Allscripts and Misys agreed, among other things and subject to certain conditions, to reduce Misys existing indirect ownership interest in Allscripts. As of June 8, 2010, Misys held indirectly 79,811,511 shares of Allscripts common stock, representing approximately 55% of the aggregate voting power of Allscripts capital stock. Upon completion of the Coniston Transactions described below and if Misys elects to exercise its right to require Allscripts to repurchase shares from Misys after the closing of the merger pursuant to the Contingent Share Repurchase described below, Misys equity stake in Allscripts following the merger is expected to be approximately 8%.

Subject to the terms and conditions of the Framework Agreement, Misys and Allscripts agreed that:

- 100% of the issued and outstanding shares of an indirect subsidiary of Misys, which we refer to as Newco, and which will hold 61,308,295 shares of Allscripts common stock, will be transferred to Allscripts in exchange for 61,308,295 newly issued shares of Allscripts common stock (which shares we refer to as the Exchange Shares, and which transaction we refer to as the Exchange);

- Allscripts will repurchase from indirect subsidiaries of Misys 24,442,083 shares of Allscripts common stock at an aggregate purchase price of $577.4 million (which shares we refer to as the Repurchase Shares, and which transaction we refer to as the Share Repurchase), which includes a payment of a premium of $117.4 million in connection with the sale by Misys of its controlling interest in Allscripts;

Misys, directly or through one or more of its subsidiaries, will sell at least 36 million shares of Allscripts common stock in an underwritten secondary public offering, as described below (which shares we refer to as the Secondary Offering Shares and which transaction we refer to as the Secondary Offering); and

if the merger is completed, Misys will have the right to request that Allscripts repurchase from Misys or from one or more of its indirect subsidiaries 5,313,807 additional shares of Allscripts common stock at an aggregate purchase price of $101.6 million, which includes a payment of a premium of $1.6 million (which shares we refer to as the Contingent Share Repurchase Shares, and which transaction we refer to as the Contingent Share Repurchase), which right may be exercised for up to 10 days after completion of the merger.

We refer to the Exchange, the Share Repurchase and the Secondary Offering as the Coniston Transactions.

The closing of the Coniston Transactions is a condition to completion of the merger.

Allscripts expects to finance the Share Repurchase and the Contingent Share Repurchase, and to pay fees and expenses related to the Coniston Transactions and the Contingent Share Repurchase, with its cash on hand and the proceeds of the debt financing described below.

The Share Repurchase

Upon the terms and subject to the conditions of the Framework Agreement, Allscripts will repurchase 24,442,083 shares of Allscripts common stock held by Misys subsidiaries at a price per share of $18.82, for an aggregate consideration of $460.0 million, plus a payment of a premium of $117.4 million in connection with the sale by Misys of its controlling interest, for a total of $577.4 million. The price per share is based on the volume weighted average price of Allscripts common stock for the ten trading days immediately prior to the signing of the Framework Agreement.

The Secondary Offering

Upon the terms and subject to the conditions of the Framework Agreement and a related Registration Rights Agreement, Misys agreed to cause one or more of its subsidiaries to enter into an underwriting agreement for a secondary public offering of shares of Allscripts common stock pursuant to which one or more underwriters would purchase no fewer than 36 million Secondary Offering Shares at a price to the public of not less than $16.50 per share. Misys also agreed that the aggregate number of Secondary Offering Shares purchased by the underwriters in the Secondary Offering would not, when combined with the Repurchase Shares, result in Misys holding, directly or indirectly, fewer than 15.5 million shares of Allscripts common stock prior to any exercise of the underwriters over-allotment option. If a sale pursuant to the underwriters over-allotment option would result in Misys direct or indirect ownership falling below such threshold, then Allscripts would have a right of first refusal to issue and sell pursuant to the over-allotment option up to such number of shares of Allscripts common stock as is equal to the difference between the number of shares of Allscripts common stock required to satisfy the over-allotment option and the number of shares of Allscripts common stock that Misys may sell without falling below such threshold. For purposes of determining the number of outstanding shares of Allscripts common stock, this joint proxy statement/prospectus/information statement assumes that Allscripts does not exercise its rights under certain circumstances to issue and sell new shares of Allscripts common stock to satisfy the over-allotment option in the Secondary Offering.

Amended and Restated Relationship Agreement

Upon the completion of the Exchange and the Share Repurchase, the Relationship Agreement entered into between Allscripts and Misys on March 17, 2008 (as amended on August 14, 2008 and January 5, 2009) will be amended and restated, which we refer to as the Amended and Restated Relationship Agreement.

Under the existing Relationship Agreement, Misys is entitled to nominate six out of the ten members of the Allscripts board of directors, including the chairman of the board. When Allscripts and Misys enter into the Amended and Restated Relationship Agreement, Misys will be entitled to nominate two directors, which will be permanently reduced to one director if Misys owns less than 15.5 million shares of Allscripts common stock, and which right will be permanently eliminated if Misys owns less than 5.0% of the then outstanding shares of Allscripts common stock or takes certain actions specified in the standstill provision referred to below.

The Amended and Restated Relationship Agreement will also contain a customary standstill provision, which will restrict Misys ability to acquire Allscripts securities for a period of five years after the closing of the Coniston Transactions. In addition, for a period of eighteen months after the closing of the Coniston Transactions, Misys will be obligated, subject to certain exceptions, to not 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 is conducting such operations on the date of the Framework Agreement, or utilize the name Misys or any trade name, trademark, brand name, domain name or logo containing or associated with the name Misys in connection with any health information technology solutions.

Written Consent

Pursuant to the terms of the Framework Agreement, Misys has caused its direct and indirect subsidiaries as holders of Allscripts common stock to act by written consent in lieu of a meeting of stockholders of Allscripts to approve the issuance of the Exchange Shares to certain subsidiaries of Misys in exchange for 100% of the issued and outstanding shares of an indirect subsidiary of Misys and an amendment to the Allscripts certificate of incorporation to increase the number of authorized shares to permit the issuance of the Exchange Shares and the shares of Allscripts common stock to be issued to Eclipsys stockholders pursuant to the Merger Agreement. In addition, pursuant to the Framework Agreement, Misys approved, by written consent, certain additional amendments to the Allscripts certificate of incorporation that will be effective only upon the closing of the Coniston Transactions, which would (i) change the name of Allscripts from Allscripts-Misys Healthcare Solutions, Inc. to Allscripts Healthcare Solutions, Inc. , (ii) eliminate the ability of Allscripts stockholders to act by written consent, (iii) elect that Allscripts be governed by Section 203 of the Delaware General Corporation Law, which we refer to as the DGCL, (iv) establish certain committee structures to implement certain agreements in the Amended and Restated Relationship Agreement related to the Allscripts board of directors, (v) upon the closing of the merger, establish certain committee structures to implement certain agreements in the Merger Agreement related to the directors of Allscripts and (vi) implement certain other additional incidental or clarifying amendments. For a more complete description of the actions taken by written consent in lieu of a meeting of stockholders of Allscripts, see the section entitled The Actions By Written Consent Of Allscripts Stockholders.

Tax Matters

The Framework Agreement also provides that Misys will indemnify Allscripts and its affiliates from, among other taxes, taxes imposed on Newco as a result of the Coniston Transactions and certain related restructuring transactions. Under the Framework Agreement, at or prior to the closing of the Coniston Transactions, Misys is required to obtain a bank guarantee in favor of Allscripts in an amount of $168 million to support this indemnification obligation. Misys is also required under the Framework Agreement to indemnify and hold harmless Allscripts and its affiliates from taxes imposed on Newco for periods on and prior to the closing date of the Coniston Transactions and to obtain, at or prior to the closing of the Coniston Transactions, a bank guarantee in favor of Allscripts in an amount of $45 million to support this indemnification obligation.

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The Debt Financing (see page 200)

Allscripts has signed a commitment letter with JPMorgan Chase Bank, N.A., Barclays Bank PLC, UBS Loan Finance LLC and certain of their affiliates for a $570 million senior secured term loan facility and a $150 million senior secured revolving facility, each of which is expected to close upon the closing of the Coniston Transactions, which we refer to as the Debt Commitment Letter. The facilities will be used to finance the Coniston Transactions and Contingent Share Repurchase, to pay certain fees and expenses in connection with the merger and the transactions contemplated by the Framework Agreement and to finance the working capital needs and general corporate purposes of Allscripts and its subsidiaries. Completion of the financing, which we refer to as the Debt Financing, is a condition to the closing of the Coniston Transactions, and the closing of the Coniston Transactions is a condition to the closing of the merger.

Recommendation of the Allscripts Audit Committee and the Allscripts Board of Directors (see page 102)

On June 8, 2010, the Allscripts audit committee, which is composed of independent members of the Allscripts board of directors, determined that the Merger Agreement and the transactions contemplated thereby are advisable, substantively and procedurally fair to, and in the best interests of, Allscripts and Allscripts stockholders (other than Misys and affiliates of Misys), and recommended that the Allscripts board of directors approve and adopt the Merger Agreement and the transactions contemplated thereby, and that Allscripts stockholders (other than Misys and affiliates of Misys) vote to approve the issuance of the Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement.

On June 8, 2010, the Allscripts board of directors, after hearing and considering the Allscripts audit committee s recommendation, approved the Merger Agreement and recommended that Allscripts stockholders (including the minority stockholders) vote to approve the issuance of the Allscripts common stock pursuant to the Merger Agreement.

In determining whether to adopt the Merger Agreement, the Allscripts audit committee and the Allscripts board of directors consulted with members of Allscripts senior management and with their respective legal and financial advisors. In arriving at their determinations, the Allscripts audit committee and the Allscripts board of directors considered the factors described in the section entitled The Merger Recommendation of the Allscripts Audit Committee and the Allscripts Board of Directors and Their Reasons for the Merger and the Coniston Transactions.

Recommendation of the Eclipsys Board of Directors (see page 109)

On June 8, 2010, the Eclipsys board of directors approved the Merger Agreement and the transactions contemplated thereby and recommended that Eclipsys stockholders vote to adopt the Merger Agreement.

In determining whether to adopt the Merger Agreement, the Eclipsys board of directors consulted with members of Eclipsys senior management and with its legal and financial advisors. In arriving at its determination, the Eclipsys board of directors considered the factors described in the section entitled The Merger Recommendation of the Eclipsys Board of Directors and Its Reasons for the Merger.

Risk Factors (see page 23)

Allscripts and Eclipsys are each subject to various risks associated with their businesses and industries and in connection with the proposed merger. Certain of these risks are discussed in detail in the section entitled Risk Factors, and both Allscripts and Eclipsys urge you to read and consider carefully all of these risks.

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Opinion of Blackstone, Financial Advisor to the Allscripts Audit Committee (see page 116)

Blackstone Advisory Partners LP, which we refer to as Blackstone, rendered its opinion to the Allscripts audit committee and the Allscripts board of directors that, as of June 8, 2010, and based upon and subject to the factors and assumptions set forth therein, the aggregate consideration to be paid by Allscripts in the Share Repurchase was fair from a financial point of view to the Allscripts stockholders (other than Misys and its direct and indirect subsidiaries), which we refer to as the minority stockholders of Allscripts.

The full text of the written opinion of Blackstone, dated June 8, 2010, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus/information statement as Annex D. Blackstone provided its opinion for the information and assistance of the Allscripts audit committee and the Allscripts board of directors in connection with their consideration of the Share Repurchase. The Blackstone opinion was limited to the fairness, from a financial point of view, to the minority stockholders of Allscripts of the aggregate consideration to be paid by Allscripts in the Share Repurchase, and Blackstone expressed no opinion as to the fairness of the Share Repurchase to the holders of any other class of securities, creditors or other constituencies of Allscripts or as to the underlying decision by Allscripts to engage in the Share Repurchase or the merger. The Blackstone opinion is not a recommendation as to how any holder of Allscripts common stock should vote with respect to the transactions contemplated in the Merger Agreement or any other matter. Pursuant to an engagement letter between the Allscripts audit committee and Blackstone, Allscripts has agreed to pay Blackstone a fee, a significant portion of which is contingent upon completion of the Share Repurchase.

Opinions of William Blair, Financial Advisor to the Allscripts Audit Committee (see page 123)

William Blair & Company, L.L.C., which we refer to as William Blair, rendered its oral opinions to the Allscripts audit committee and the Allscripts board of directors, subsequently confirmed in writing, as of June 8, 2010 and based upon and subject to the assumptions, limitations and qualifications set forth in its written opinions, as to the fairness, from a financial point of view, to the holders of Allscripts common stock (other than Misys or its affiliates) of (i) the consideration to be paid by Allscripts in the proposed merger pursuant to the Merger Agreement and in the Share Repurchase and the Contingent Share Repurchase pursuant to the Framework Agreement, and (ii) the consideration to be paid by Allscripts in the Share Repurchase pursuant to the Framework Agreement.

The full text of the written opinions of William Blair, each dated June 8, 2010, which set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each opinion, are attached to this joint proxy statement/prospectus/information statement as Annexes E and F and are incorporated herein by reference. Allscripts encourages its stockholders to read the opinions carefully in their entirety. William Blair provided its opinions for the information and assistance of the Allscripts audit committee and the Allscripts board of directors in connection with their consideration of (i) the proposed merger, Share Repurchase and Contingent Share Repurchase, and (ii) the Share Repurchase. William Blair did not address the merits of the underlying decision by Allscripts to engage in, and William Blair expressed no opinion as to the fairness to the holders of any other class of securities, creditors or other constituencies of Allscripts as to, the proposed merger, Share Repurchase and Contingent Share Repurchase, or any other aspect of such transactions, and its opinions did not constitute a recommendation to the Allscripts board of directors, the Allscripts audit committee or any stockholder as to how to vote or otherwise act with respect to the proposed merger, Share Repurchase or Contingent Share Repurchase, or any other aspect of such transactions, and should not be relied upon by any stockholder as such. For a further discussion of William Blair s opinions, see The Merger Opinions of William Blair, Financial Advisor to the Allscripts Audit Committee.

Opinion of UBS, Financial Advisor to the Allscripts Board of Directors (see page 135)

In connection with the merger, the Allscripts board of directors received a written opinion, dated June 8, 2010, from Allscripts financial advisor, UBS Securities LLC, which we refer to as UBS, as to the fairness, from a financial point of view and as of the date of such opinion, of the Exchange Ratio provided for in the merger. The full text of UBS written opinion, dated June 8, 2010, is attached to this joint proxy statement/prospectus/information statement as Annex G and describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. **UBS opinion was provided for the benefit of the Allscripts board of directors (solely in its capacity as such) in connection with, and for the purpose of, its evaluation of the Exchange Ratio from a financial point of view and does not address any other aspect of the merger. The opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available with respect to Allscripts or Allscripts underlying business decision to effect the merger. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger.**

Opinion of Perella Weinberg, Financial Advisor to the Eclipsys Board of Directors (see page 142)

Perella Weinberg Partners LP, which we refer to as Perella Weinberg, rendered its oral opinion, subsequently confirmed in writing, to the board of directors of Eclipsys that, on June 8, 2010, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in its opinion, the Exchange Ratio of 1.2 shares of Allscripts common stock to be received in respect of each share of Eclipsys common stock in the merger was fair, from a financial point of view, to the holders of Eclipsys common stock, other than Allscripts or any of its affiliates.

The full text of Perella Weinberg s written opinion, dated June 8, 2010, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg, is attached as Annex H and is incorporated by reference herein. Holders of shares of Eclipsys common stock are urged to read the opinion carefully and in its entirety. The opinion does not address Eclipsys underlying business decision to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may be available to Eclipsys. The opinion does not constitute a recommendation to any holder of Eclipsys common stock or holder of Allscripts common stock as to how such holder should vote or otherwise act with respect to the proposed merger or any other matter. In addition, Perella Weinberg expressed no opinion as to the fairness of the merger to, or any consideration received in connection with the merger by, the holders of any other class of securities, creditors or other constituencies of Eclipsys. Perella Weinberg provided its opinion for the information and assistance of the board of directors of Eclipsys in connection with, and for the purposes of its evaluation of, the merger. This summary is qualified in its entirety by reference to the full text of the opinion. Pursuant to an engagement letter between Eclipsys and Perella Weinberg, Eclipsys has agreed to pay Perella Weinberg a fee, a significant portion of which is contingent upon the consummation of the merger.

Interests of Certain Directors and Executive Officers of Allscripts and Eclipsys (see page 152)

Interests of Allscripts Executive Officers

Allscripts executive officers have interests in the merger that are different from, or in addition to, interests of Allscripts stockholders. Pursuant to a retention plan adopted by the Allscripts board of directors on June 8, 2010, certain Allscripts employees, including its executive officers, will be entitled to receive retention payments subject to certain conditions. See The Merger Interests of Allscripts Executive Officers.

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Interests of Eclipsys Directors and Executive Officers

Eclipsys directors and executive officers have interests in the merger that are different from, or in addition to, interests of Eclipsys stockholders, including the following:

- Mr. Pead, currently a director of Eclipsys and Eclipsys president and chief executive officer, will become chairman of the board of directors and a senior executive officer of the combined company upon the completion of the merger;

- Messrs. Fife and Kangas, current non-employee directors of Eclipsys, will become directors of the combined company upon completion of the merger;

- certain of Eclipsys executive officers are parties to employment agreements and equity award agreements which will continue after the merger and provide for enhanced payments and acceleration of certain equity awards upon the termination of employment within a certain period after, or in some cases before and in anticipation of, a change in control of Eclipsys, including the merger;

- certain Eclipsys executive officers are parties to performance stock unit agreements which provide for certain modifications upon completion of the merger;

- Eclipsys directors are parties to deferred stock unit agreements which provide for acceleration of all of their unvested and outstanding deferred stock units upon completion of the merger and issuance of shares of Allscripts common stock in respect thereof;

- certain Eclipsys employees, including its executive officers who will continue to be employed by the combined company after the merger, will be entitled to receive retention payments subject to certain conditions pursuant to a retention plan adopted by the Eclipsys board of directors in connection with the merger; and

- the Merger Agreement provides for indemnification and liability insurance arrangements for each of Eclipsys current and former directors and officers.

See The Merger Interests of Eclipsys Directors and Executive Officers.

Voting Agreements (see page 198)

In connection with the execution of the Merger Agreement, Allscripts and Eclipsys entered into a voting agreement with Misys and certain of Misys subsidiaries, which we refer to as the Misys Voting Agreement, and pursuant to which Misys and certain of its subsidiaries agreed, among other things, to vote in the aggregate 15.5 million shares of Allscripts common stock (approximately 10.58% of the outstanding Allscripts common stock as of July 13, 2010) in favor of the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement and other matters to be approved by the stockholders of Allscripts to facilitate the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement at the Allscripts special meeting.

In addition, Allscripts entered into voting agreements with certain directors of Eclipsys and Eclipsys entered into voting agreements with certain directors of Allscripts, pursuant to which such directors agreed to vote their shares of Eclipsys common stock or Allscripts common stock, as applicable, in favor of the issuance of Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement or the adoption of the Merger Agreement, as applicable.

In connection with the Framework Agreement, Misys entered into a voting agreement, which we refer to as the ValueAct Voting Agreement, with ValueAct Capital Master Fund L.P., which we refer to as ValueAct, and with Allscripts and Eclipsys entering into such agreement solely as third party beneficiaries. Pursuant to the ValueAct Voting Agreement, ValueAct agreed, among other things, to vote its shares of Misys stock (approximately 25.7% of Misys outstanding shares as of June 9, 2010) at the Misys general meeting in favor of the transactions contemplated by the Framework Agreement.

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Termination of the Merger Agreement (see page 182)

The Merger Agreement may be terminated at any time prior to the completion of the merger by the mutual written consent of Allscripts and Eclipsys. Also, either Allscripts or Eclipsys may terminate the Merger Agreement at any time prior to the completion of the merger, subject to certain exceptions, if:

- the merger is not completed on or before December 16, 2010;
- a governmental entity permanently enjoins or otherwise prohibits the completion of the merger;
- the Allscripts or Eclipsys special meetings conclude without the receipt of necessary stockholder approvals; or
- the Framework Agreement is terminated.

Allscripts may terminate the Merger Agreement at any time prior to the completion of the merger if:

- Eclipsys commits a breach of certain of its representations, warranties, covenants or other agreements under the Merger Agreement that would result in applicable closing conditions not being satisfied and such breach is not cured within 30 days after written notice is given by Allscripts to Eclipsys;
- the Eclipsys board of directors takes certain actions inconsistent with an intent to complete the merger; or
- there has been a material adverse effect with respect to Eclipsys that is not curable or, if curable, is not cured within 30 days after written notice is given by Allscripts to Eclipsys.

Eclipsys may terminate the Merger Agreement at any time prior to the completion of the merger if:

- Allscripts commits a breach of certain of its representations, warranties, covenants or other agreements under the Merger Agreement that would result in applicable closing conditions not being satisfied and such breach is not cured within 30 days after written notice is given by Eclipsys to Allscripts;
- the Allscripts board of directors takes certain actions inconsistent with an intent to complete the merger;
- Misys board of directors takes certain actions inconsistent with an intent to complete the Coniston Transactions; or
- there has been a material adverse effect with respect to Allscripts that is not curable or, if curable, is not cured within 30 days after written notice is given by Eclipsys to Allscripts.

Termination Fees May Be Payable Under Some Circumstances (see page 184)

Upon termination of the Merger Agreement under specified circumstances, Allscripts or Eclipsys, as the case may be, may be required to reimburse the other s transaction expenses related to the merger up to $5 million, or pay to the other a termination fee of approximately $17.7 million or $40 million, depending on the date on which the Merger Agreement is terminated and the reasons for termination.

Conditions to Completion of the Merger (see page 168)

The obligations of Allscripts, Arsenal Merger Corp. and Eclipsys to effect the merger are subject to the fulfillment or waiver of certain closing conditions, including:

- approval by Allscripts stockholders of the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement;

- adoption by Eclipsys stockholders of the Merger Agreement;

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authorization for listing on The NASDAQ Global Select Market of the shares of Allscripts common stock issuable in the merger upon official notice of issuance;

expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act;

effectiveness under the Securities Act of the registration statement on Form S-4 of which this joint proxy statement/prospectus/information statement forms a part and the absence of any stop order or proceedings to suspend the effectiveness of the registration statement;

the absence of any laws, statutes, ordinances, regulations, rules, judgments, orders, awards, preliminary or permanent injunctions or decrees issued by any court or other governmental entity of competent jurisdiction that prohibits or makes illegal the completion of the merger and no governmental entity has instituted any proceeding that is pending seeking such an order; and

completion of the Coniston Transactions. See Description of the Coniston Transactions.

In addition, the obligations of Allscripts and Arsenal Merger Corp. to effect the merger are subject to the fulfillment or waiver of certain closing conditions, including:

Eclipsys having performed and complied in all material respects with its covenants in the Merger Agreement;

the accuracy and correctness of Eclipsys representations and warranties, subject to certain qualifications;

the receipt by Allscripts of an opinion from its counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and that Allscripts and Eclipsys will each be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue Code; and

the absence of a material adverse effect with respect to Eclipsys.

Eclipsys obligations to effect the merger are also subject to the fulfillment or waiver of additional closing conditions, including:

Allscripts and Arsenal Merger Corp. having performed and complied in all material respects with their respective covenants in the Merger Agreement;

the accuracy and correctness of Allscripts and Arsenal Merger Corp. s representations and warranties, subject to certain qualifications;

the receipt by Eclipsys of an opinion from its counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and that Allscripts and Eclipsys will each be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue Code; and the absence of a material adverse effect with respect to Allscripts.

Regulatory Approvals (see page 160)

The merger is subject to review under the HSR Act by the United States Federal Trade Commission, which we refer to as the FTC, and the Antitrust Division of the United States Department of Justice, which we refer to as the DOJ. The required notifications were filed on June 25, 2010 by Eclipsys and Allscripts, and the statutory waiting period under the HSR Act will expire on July 26, 2010 at 11:59 p.m., eastern time, unless it is terminated earlier by the FTC and the DOJ or is extended if the FTC or the DOJ requests additional information or documentary material. No other regulatory approvals are a condition to the completion of the merger.

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Appraisal Rights and Dissenters Rights (see page 161)

Under the General Corporation Law of the State of Delaware, or the DGCL, neither holders of Eclipsys common stock nor Allscripts common stock will be entitled to appraisal rights in connection with the merger.

Accounting Treatment of the Merger (see page 161)

In accordance with accounting principles generally accepted in the United States, or GAAP, Allscripts will account for the acquisition of shares of Eclipsys common stock through the merger under the acquisition method of accounting for business combinations. In determining the acquirer for accounting purposes, Allscripts considered the factors required under the business combination accounting guidance, and determined that Allscripts will be considered the acquirer of Eclipsys for accounting purposes.

Material United States Federal Income Tax Consequences of the Merger (see page 162)

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Assuming the merger so qualifies, a holder of Eclipsys common stock will not recognize gain or loss upon receipt solely of Allscripts common stock in exchange for Eclipsys common stock, except with respect to cash received in lieu of fractional shares of Allscripts common stock. It is a condition to the completion of the merger that Allscripts and Eclipsys each receives a written opinion from its counsel, dated as of the date of completion of the merger, to the effect that (i) the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and (ii) Eclipsys and Allscripts will each be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code.

Tax matters are complicated, and the tax consequences of the merger to each Eclipsys stockholder will depend on such stockholder s particular facts and circumstances.

Eclipsys stockholders should consult their tax advisors with respect to the federal, state and other tax consequences to them of the merger.

Fees and Expenses (see page 188)

Generally, all fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated by the Merger Agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus/information statement.

Management and Board of Directors of Allscripts After the Merger (see page 180)

Allscripts has agreed, upon completion of the merger, to establish a nine-member board of directors (if, at the effective time of the merger, Misys has the right to nominate one director of Allscripts pursuant to the Amended and Restated Relationship Agreement), or a ten-member board of directors (if, at the effective time of the merger, Misys has the right to nominate two directors of Allscripts pursuant to the Amended and Restated Relationship Agreement). The Allscripts board of directors will consist of four current Allscripts directors designated by Allscripts, three current Eclipsys directors designated by Eclipsys, the directors that Misys is entitled to nominate pursuant to the Amended and Restated Relationship Agreement and one independent director designated by Allscripts and Eclipsys. In addition, Allscripts will cause the Audit, Compensation and Nominating and Governance Committees of the Allscripts board of directors to include a majority of Allscripts-designated directors and at least one Eclipsys-designated director.

Allscripts and Eclipsys agreed that Philip M. Pead, the current president and chief executive officer of Eclipsys, will serve as chairman of the board of Allscripts for a period of three years following completion of the merger (subject to his election as a director by Allscripts stockholders), and that Glen E. Tullman will remain as the chief executive officer of Allscripts. Allscripts further agreed to use its commercially reasonable efforts to cause the election of Messrs. Tullman and Pead as directors of Allscripts at each of the next three annual meetings of stockholders of Allscripts.

At the effective time of the merger, a majority of Allscripts directors will be independent.

Listing of Allscripts Common Stock (see page 164)

Allscripts will apply to have the shares of Allscripts common stock to be issued to Eclipsys stockholders pursuant to the Merger Agreement approved for listing on The NASDAQ Global Select Market, where Allscripts common stock currently is traded under the symbol MDRX . If the merger is completed, Eclipsys common stock will no longer be listed on The NASDAQ Global Select Market and will be deregistered under the Exchange Act, and Eclipsys will no longer file periodic reports with the SEC.

Comparison of Stockholders Rights (see page 214)

Both Allscripts and Eclipsys are incorporated under the laws of the State of Delaware and, accordingly, the rights of the stockholders of each are currently, and will continue to be, governed by the DGCL. If the merger is completed, Eclipsys stockholders will become stockholders of Allscripts and their rights will be governed by the by-laws of Allscripts and the Fourth Amended and Restated Certificate of Incorporation of Allscripts. The rights of Allscripts stockholders contained in the Fourth Amended and Restated Certificate of Incorporation and by-laws of Allscripts differ from the rights of Eclipsys stockholders under the Third Amended and Restated Certificate of Incorporation and the by-laws of Eclipsys, as more fully described under Comparison of Rights of Allscripts Stockholders and Eclipsys Stockholders. The form of the Fourth Amended and Restated Certificate of Incorporation of Allscripts is attached as Annex J to this joint proxy statement/prospectus/information statement, and we encourage you to read it carefully and in its entirety.

SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF ALLSCRIPTS

The following tables set forth the selected historical consolidated financial data for Allscripts, as adjusted for the retrospective application of the accounting guidance described below. The selected consolidated financial data as of and for the fiscal years ended May 31, 2009, 2008, 2007, 2006 and 2005 have been derived from Allscripts consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus/information statement. The selected consolidated financial data as of and for the nine months ended February 28, 2010 and 2009 have been derived from Allscripts unaudited condensed consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus/information statement. The results for the nine months ended February 28, 2010 and 2009 are not necessarily indicative of the results that may be expected for the entire fiscal year. Allscripts unaudited interim financial statements reflect all adjustments that management of Allscripts considers necessary for fair statement of the financial position and results of operations for such periods in accordance with GAAP. Historical results are not necessarily indicative of the results that may be expected for any future period.

Effective June 1, 2009, Allscripts adopted accounting guidance which states that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are considered participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that would otherwise have been available to common stockholders. The provisions of this guidance are retrospective. Restricted stock units awards granted by Allscripts to certain management-level employees participate in dividends on the same basis as common shares and are nonforfeitable by the holder. As a result, these restricted stock unit awards meet the definition of a participating security.

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This selected consolidated financial data should be read in conjunction with Allscripts Annual Report on Form 10-K for the fiscal year ended May 31, 2009 and Allscripts Quarterly Report on Form 10-Q for the quarterly period ended February 28, 2010. See Additional Information Where You Can Find More Information.

	Year Ended May 31,					Nine Months Ended February 28,	
	2005(1)(2)	2006(1)(2)	2007(1)(2)	2008(1)(2)	2009(1)	2009	2010
	(in thousands, except per share amounts)						
Statements of Operations Data:							
Revenue	$ 362,515	$ 381,736	$ 379,693	$ 383,771	$ 548,439	$ 382,105	$ 514,174
Cost of revenue	194,043	196,763	189,128	176,870	256,288	182,067	227,886
Gross profit	168,472	184,973	190,565	206,901	292,151	200,038	286,288
Operating expenses:							
Selling, general and administrative expenses	105,825	112,135	121,101	117,566	199,902	144,721	163,250
Research and development	27,313	29,592	40,880	37,784	39,431	28,798	35,347
Amortization of intangibles	23,998	23,039	22,392	11,320	6,884	4,315	7,572
Income from operations	11,336	20,207	6,192	40,231	45,934	22,204	80,119
Interest expense	(114)	(184)	(272)	(296)	(2,162)	(1,650)	(1,699)
Interest and other income, net	818	32	94	219	626	376	303
Income before taxes	12,040	20,055	6,014	40,154	44,398	20,930	78,723
Income tax expense	(4,891)	(7,519)	(2,160)	(14,755)	(18,376)	(8,269)	(31,542)
Net income	$ 7,149	$ 12,536	$ 3,854	$ 25,399	$ 26,022	12,661	47,181
Net income per share basic, as adjusted(4)	$ 0.09	$ 0.15	$ 0.05	$ 0.31	$ 0.21	$ 0.11	$ 0.32
Net income per share diluted, as adjusted(4)	$ 0.09	$ 0.15	$ 0.05	$ 0.31	$ 0.21	$ 0.11	$ 0.31
Weighted-average shares used in computing basic net income per share(4)	82,886	82,886	82,886	82,886	122,591	115,741	144,782
Weighted-average shares used in computing diluted net income per share(4)	82,886	82,886	82,886	82,886	127,012	117,689	147,158
Other Operating Data:							
System sales	$ 96,772	$ 93,487	$ 71,368	$ 64,627	$ 98,469	$ 61,166	$ 111,138
Professional services	31,773	36,957	33,422	30,943	51,827	35,116	51,691
Maintenance	111,445	122,584	133,440	141,531	196,165	139,468	182,841
Transaction processing and other	122,525	128,708	141,463	146,670	187,557	133,201	168,504
Total software and services revenue	362,515	381,736	379,693	383,771	534,018	368,951	514,174
Prepackaged medications(3)					14,421	13,154	
Total revenue	$ 362,515	$ 381,736	$ 379,693	$ 383,771	$ 548,439	$ 382,105	$ 514,174

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	As of May 31,					As of February 28,
	2005	2006	2007	2008	2009	2010
			(in thousands)			
Balance Sheet Data:						
Cash, cash equivalents and marketable securities	$ 19,702	$ 12,449	$ 1,370	$ 325	$ 73,426	$ 115,757
Working capital	(13,332)	(27,060)	(33,875)	(6,776)	96,849	156,403
Goodwill and intangible assets, net	108,861	128,331	103,976	91,043	646,197	625,286
Total assets	186,880	199,148	171,247	179,268	952,656	1,029,816
Long-term debt and long-term capital lease obligation	922	1,448	944	548	63,699	13,995
Total stockholders equity	85,565	107,645	81,169	110,649	700,370	787,227

(1) On October 10, 2008, Allscripts completed the transactions contemplated by the Agreement and Plan of Merger dated as of March 17, 2008 by and among Misys, Allscripts, Misys Healthcare Systems, LLC (MHS) and Patriot Merger Company, LLC (Patriot) which consisted of (i) the cash payment to Allscripts by an affiliate of Misys of approximately $330,000 and (ii) the merger of Patriot with and into MHS, with MHS being the surviving company. We refer to these transactions as the 2008 Misys Transactions. Results of operations for the year ended May 31, 2009 include the results of operations of legacy MHS for the full year ended May 31, 2009 and the results of operations of legacy Allscripts are included from the completion of the 2008 Misys Transactions on October 10, 2008 through May 31, 2009. Since the 2008 Misys Transactions constitute a reverse acquisition for accounting purposes, the pre-acquisition combined financial statements of MHS are treated as the historical financial statements of Allscripts. Results of operations for the years ended May 31, 2008, 2007, 2006, and 2005 are the results of operations of legacy MHS only.

(2) For the years ended May 31, 2008, 2007, 2006, and 2005, the basic and diluted share count includes only the shares issued to Misys in connection with the October 10, 2008 transactions. MHS did not have any shares outstanding prior to the merger with Patriot, and therefore, the basic and diluted share count is comprised of the Allscripts shares issued on the October 10, 2008 acquisition date for all periods prior to the acquisition date as this reflects the Allscripts shares equivalent of MHS equity prior to the acquisition.

(3) On March 16, 2009, Allscripts closed on the sale of its prepackaged medications business to A-S Medication Solutions LLC (A-S). Under terms of the sale, Allscripts received a total of $8,000 in cash consideration during its fourth quarter of fiscal 2009. In addition, Allscripts entered into a Marketing Agreement with A-S on March 16, 2009, which provides that Allscripts will earn annual fees for providing various marketing services of $3,600 per year over the five year term for an expected total of approximately $18,000, subject to reduction in certain circumstances. The results of operations for fiscal 2009 include the prepackaged medications business from the completion of the 2008 Misys Transactions on October 10, 2008 through the March 16, 2009 closing of its sale to A-S. The prepackaged medications business has not been disclosed as discontinued operations due to Allscripts continued involvement with A-S through the Marketing Agreement.

(4) Revised as a result of the retrospective application of accounting guidance related to participating securities as follows:

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	Year Ended May 31,				
	2009 As adjusted	2008	2007	2006	2005
	(In thousands, except per-share data)				
Basic Earnings per Common Share:					
Net income	$ 26,022	$ 25,399	$ 3,854	$ 12,536	$ 7,149
Less: Income allocated to participating securities	(439)				
Net income available to common shareholders	$ 25,583	$ 25,399	$ 3,854	$ 12,536	$ 7,149
Average common shares outstanding	122,591	82,886	82,886	82,886	82,886
	$ 0.21	$ 0.31	$ 0.05	$ 0.15	$ 0.09
Earnings per Common Share Assuming Dilution:					
Net income	$ 26,022	$ 25,399	$ 3,854	$ 12,536	$ 7,149
Less: Income allocated to participating securities after consideration of dilutive effect of stock options and restricted stock unit awards and debentures	(432)				
Add: Interest expense on debentures, net of tax	457				
Net income available to common stockholders	$ 26,047	$ 25,399	$ 3,854	$ 12,536	$ 7,149
Average common shares outstanding	122,591	82,886	82,886	82,886	82,886
Dilutive effect of stock options and restricted stock units awards (including participating securities)	1,970				
Dilutive effect of debentures	2,451				
Average common shares outstanding assuming dilution	127,012	82,886	82,886	82,886	82,886
	$ 0.21	$ 0.31	$ 0.05	$ 0.15	$ 0.09

The predecessor company, MHS, did not have any shares outstanding prior to the merger with Patriot, and therefore, the basic and diluted share count is comprised of the Allscripts shares issued on the October 10, 2008 acquisition date for all periods prior to the acquisition date. The predecessor company also had no such participating securities prior to the acquisition date. Based on these facts, there was no impact for the retroactive adoption of the accounting guidance for periods prior to the acquisition date.

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SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF ECLIPSYS

The following tables set forth the selected historical consolidated financial data for Eclipsys. The selected consolidated financial data as of and for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005 have been derived from Eclipsys consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus/information statement. The selected consolidated financial data as of and for the three months ended March 31, 2010 and 2009 have been derived from Eclipsys unaudited condensed consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus/information statement. The results for the three months ended March 31, 2010 and 2009 are not necessarily indicative of the results that may be expected for the entire fiscal year. Eclipsys unaudited interim financial statements reflect all adjustments that management of Eclipsys considers necessary for fair statement of the financial position and results of operations for such periods in accordance with GAAP. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial data should be read in conjunction with Eclipsys Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and Eclipsys Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010. See Additional Information Where You Can Find More Information.

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
	(in thousands, except per share amounts)						
Statements of Operations Data:							
Revenues:							
Systems and services	$ 370,380	$ 409,450	$ 460,853	$ 495,643	$ 509,060	$ 128,137	$ 125,557
Hardware	12,962	18,092	16,680	20,119	10,124	2,029	2,803
Total revenues	383,342	427,542	477,533	515,762	519,184	130,166	128,360
Costs and expenses:							
Cost of systems and services (excluding depreciation and amortization shown below)	225,131	237,617	263,557	280,694	271,400	66,874	65,199
Cost of hardware	11,055	14,592	12,230	16,945	8,543	1,656	2,452
Sales and marketing	64,080	63,391	76,172	85,911	91,493	22,751	19,748
Research and development	51,771	57,768	56,480	61,435	55,610	13,493	13,461
General and administrative	19,479	24,972	32,677	38,457	45,095	12,021	8,567
Depreciation and amortization	14,659	15,736	17,924	22,098	32,180	8,034	8,226
In-process research and development				850			
Restructuring charges		14,670	1,175		5,434	5,434	
Total costs and expenses	386,175	428,746	460,215	506,390	509,755	130,263	117,653
Income (loss) from operations	(2,833)	(1,204)	17,318	9,372	9,429	(97)	10,707
Gain on sale of assets			12,761	4,370	2,549	400	
Loss on investments, net				(609)	(205)	(158)	(226)
Interest expense				(2,117)	(3,368)	(1,143)	(344)
Interest income	3,102	5,335	7,070	6,074	2,136	847	417
Income before income taxes	269	4,131	37,149	17,090	10,541	(151)	10,554
Provision for (benefit from) income taxes(1)		38	(3,992)	(82,416)	7,833	714	5,128
Net income	$ 269	$ 4,093	$ 41,141	$ 99,506	$ 2,708	$ (865)	$ 5,426
Basic earnings per share	$ 0.01	$ 0.08	$ 0.77	$ 1.82	$ 0.05	$ (0.02)	$ 0.09
Diluted earnings per share	$ 0.01	$ 0.08	$ 0.76	$ 1.79	$ 0.05	$ (0.02)	$ 0.09

(1) As of September 30, 2008, Eclipsys reversed substantially all of its valuation allowance recorded against its net deferred tax assets, which resulted in a non-cash income tax benefit in the third quarter of 2008 totaling $79.3 million.

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	As of December 31,					As of March 31,
	2005	2006	2007	2008	2009	2010
			(in thousands)			
Balance Sheet Data:						
Cash and cash equivalents	$ 76,693	$ 41,264	$ 22,510	$ 108,304	$ 123,160	$ 118,668
Marketable securities	37,455	89,549	168,925	154		
Working capital	52,245	89,597	163,763	79,004	54,956	59,826
Long-term investments				107,215	85,988	81,395
Total assets	328,671	363,278	436,721	708,875	697,064	686,359
Long-term debt and capital lease obligations				105,000	29,727	15,676
Stockholders equity	145,529	190,656	258,014	397,997	435,827	448,668

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following selected unaudited pro forma condensed combined statement of operations data for the nine months ended February 28, 2010 and year ended May 31, 2009 reflect the merger and related transactions as if they had occurred on June 1, 2008. The following unaudited pro forma condensed combined balance sheet data as of February 28, 2010 reflect the merger and related transactions as if they had occurred on February 28, 2010.

Such unaudited pro forma condensed combined financial data is based on the historical financial statements of Allscripts and Eclipsys and on publicly available information and certain assumptions and adjustments as discussed in the section entitled Unaudited Pro Forma Condensed Combined Financial Statements, including assumptions relating to the allocation of the consideration paid for the assets and liabilities of Eclipsys based on preliminary estimates of their fair value. This unaudited pro forma condensed combined financial data is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of the combined company would have been had the merger and related transactions been completed on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. Allscripts and Eclipsys may have performed differently had they been combined during the periods presented. The following should be read in connection with the section of this joint proxy statement/prospectus/information statement entitled Unaudited Pro Forma Condensed Combined Financial Statements and other information included in or incorporated by reference into this joint proxy statement/prospectus/information statement.

	Twelve-Months Ended May 31, 2009	Nine-Months Ended February 28, 2010
	(In thousands, except per share data)	
Statement of Operations Data:		
Total revenue	$ 1,067,693	$ 901,704
Total cost of revenue	572,122	456,617
Gross profit	495,571	445,088
Net income	85,207	40,431
Net income per share basic	$ 0.50	$ 0.21
Net income per share diluted	$ 0.49	$ 0.21
Share and Per Share Data:		
Weighted-average shares outstanding used in computing basic net income per share	169,897	192,089
Weighted-average shares outstanding used in computing diluted net income per share	174,318	194,464

	As of February 28, 2010 (Dollars in thousands)
Balance Sheet Data	
Total current assets	$ 517,405
Other assets	45,910
Total assets	2,558,306
Total current liabilities	370,126
Long-term debt	570,000
Total liabilities	1,054,207
Total stockholders equity and net parent investment	1,504,098
Total liabilities and stockholders equity and net parent investment	2,558,306

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UNAUDITED PRO FORMA COMBINED PER SHARE INFORMATION

The following selected unaudited pro forma combined per share information for the nine months ended February 28, 2010 and the year ended May 31, 2009 reflects the merger and related transactions as if they had occurred on June 1, 2008. The unaudited pro forma combined book value per common share outstanding reflects the merger and related transactions as if they had occurred on February 28, 2010. The Eclipsys equivalent per share data presented below is calculated by multiplying the pro forma combined amounts by the Exchange Ratio of 1.2 shares of Allscripts common stock for each share of Eclipsys common stock.

Such unaudited pro forma combined per share information is based on the historical financial statements of Allscripts and Eclipsys and on publicly available information and certain assumptions and adjustments as discussed in the section entitled Unaudited Pro Forma Condensed Combined Financial Information, including assumptions relating to the allocation of the consideration paid for the assets and liabilities of Eclipsys based on preliminary estimates of their fair value. This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of Allscripts or Eclipsys would have been had the merger and related transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. Allscripts and Eclipsys may have performed differently had they been combined during the periods presented. The following should be read in connection with the section entitled Unaudited Pro Forma Condensed Combined Financial Information, and other information included in or incorporated by reference into this joint proxy statement/prospectus/information statement.

	Year ended May 31, 2009	Nine months ended February 28, 2010
Net income per share basic		
Allscripts	$ 0.21	$ 0.32
Eclipsys	1.57	0.23
Pro forma combined	0.50	0.21
Eclipsys equivalent	0.60	0.25
Net income per share diluted:		
Allscripts	$ 0.21	$ 0.31
Eclipsys	1.54	0.23
Pro forma combined	0.49	0.21
Eclipsys equivalent	0.59	0.25
Book value per share:(1)		
Allscripts		$ 5.35
Eclipsys		7.74
Pro forma combined		7.73
Eclipsys equivalent		9.28

(1) The historical book value per share is computed by dividing stockholders equity and net parent investment by the weighted average number of diluted shares outstanding for each period. The unaudited pro forma combined book value per share is computed by dividing the pro forma condensed combined consolidated stockholders equity and net parent investment by the pro forma combined weighted average diluted number of shares outstanding for the nine months ended February 28, 2010.

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COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Allscripts common stock trades on The NASDAQ Global Select Market under the symbol MDRX . Eclipsys common stock trades on The NASDAQ Global Select Market under the symbol ECLP . The table below sets forth the range of high and low per share sales prices for Allscripts and Eclipsys common stock for the periods indicated, as reported on The NASDAQ Global Select Market. For current price information, you should consult publicly available sources.

	Allscripts Common Stock	
	High	Low
Fiscal year ended May 31, 2009		
Second quarter (beginning October 11, 2008)	$ 8.32	$ 4.20
Third quarter	$ 10.20	$ 6.21
Fourth quarter	$ 13.52	$ 7.61
Fiscal year ended May 31, 2010		
First quarter	$ 17.48	$ 12.69
Second quarter	$ 22.21	$ 14.32
Third quarter	$ 20.73	$ 16.38
Fourth quarter	$ 22.55	$ 17.51
Fiscal year ending May 31, 2011		
First quarter (through July 13, 2010)	$ 19.93	$ 15.65

	Eclipsys Common Stock	
	High	Low
Fiscal year ended December 31, 2008		
First quarter	$ 26.34	$ 19.22
Second quarter	$ 22.81	$ 18.17
Third quarter	$ 23.48	$ 17.07
Fourth quarter	$ 21.47	$ 11.52
Fiscal year ended December 31, 2009		
First quarter	$ 14.84	$ 7.39
Second quarter	$ 18.62	$ 9.41
Third quarter	$ 20.80	$ 15.91
Fourth quarter	$ 21.15	$ 18.01
Fiscal year ending December 31, 2010		
First quarter	$ 21.36	$ 15.72
Second quarter	$ 21.50	$ 17.31
Third quarter (through July 13, 2010)	$ 19.93	$ 17.40

On October 17, 2008, Allscripts paid a special cash dividend of $5.23 per share in connection with its acquisition by Misys Healthcare Systems. Other than this special cash dividend, neither Allscripts nor Eclipsys has ever declared or paid cash dividends on its common stock. For more information on Allscripts and Eclipsys payment of dividends, see Dividend Policies.

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The following table presents the last reported sale price of a share of Allscripts common stock, as reported on The NASDAQ Global Select Market, the last reported sale price of a share of Eclipsys common stock, as reported on The NASDAQ Global Select Market, and the equivalent value of the merger consideration per share of Eclipsys common stock, in each case, on June 8, 2010, the last full trading day prior to the public announcement of the proposed merger, and on July 13, 2010, the last trading day prior to the printing of this joint proxy statement/prospectus/information statement for which it was practicable to include this information.

Date	**Allscripts Common Stock**	**Eclipsys Common Stock**	**Equivalent Value of Merger Consideration per Share of Eclipsys Common Stock**
June 8, 2010	$ 18.42	$ 18.51	$ 22.10
July 13, 2010	$ 17.25	$ 19.76	$ 20.70

The market value of the shares of Allscripts common stock to be issued in exchange for shares of Eclipsys common stock upon the completion of the merger will not be known at the time Eclipsys stockholders vote on the proposal to adopt the Merger Agreement or at the time Allscripts stockholders vote on the proposal to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement because the merger cannot be completed until after the respective stockholder votes. The Exchange Ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed.

The above tables show only historical comparisons. Because the market prices of Allscripts common stock and Eclipsys common stock will likely fluctuate prior to the completion of the merger, these comparisons may not provide meaningful information to Allscripts stockholders in determining whether to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement, or to Eclipsys stockholders in determining whether to adopt the Merger Agreement. Allscripts and Eclipsys stockholders are encouraged to obtain current market quotations for Allscripts and Eclipsys common stock and to review carefully the other information contained in this joint proxy statement/prospectus/information statement or incorporated by reference into this joint proxy statement/prospectus/information statement in considering whether to approve the respective proposals before them. See Additional Information Where You Can Find More Information.

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RISK FACTORS

If the merger is completed, Allscripts and Eclipsys will operate as a combined company in a market environment that is difficult to predict and that involves significant risks, many of which are beyond the combined company s control. In addition to information regarding Allscripts and Eclipsys contained elsewhere in this joint proxy statement/prospectus/information statement, you should carefully consider the risks described below before voting your shares. Additional risks and uncertainties not presently known to us or that we do not currently believe are important to an investor, if they materialize, also may adversely affect the transaction, Allscripts, Eclipsys and the combined company.

Risks Related to the Merger

The companies may be unable to integrate successfully and realize the anticipated benefits of the merger.

The success of the merger will depend, in part, on the ability to realize the anticipated synergies, growth opportunities and cost savings from integrating Eclipsys business with Allscripts business. The integration of two independent companies is a complex, costly and time-consuming process and involves numerous risks, including difficulties in the assimilation of operations, services, products and personnel, the diversion of management s attention from other business concerns, the entry into markets in which Allscripts or Eclipsys have little or no direct prior experience, the potential loss of key employees of Eclipsys or Allscripts, and the potential inability to maintain the goodwill of existing clients. The difficulties of combining the operations of the companies include, among other factors:

- managing a significantly larger company;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- integrating two unique business cultures, which may prove to be incompatible;
- creating uniform standards, controls, procedures, policies and information systems and minimizing the costs associated with such matters;
- integrating information, purchasing, accounting, finance, sales, billing, payroll and regulatory compliance systems;
- preserving customer, supplier, research and development, distribution, marketing, promotion and other important relationships;
- commercializing products under development and increasing revenues from existing marketed products;
- coordinating geographically separated organizations, systems and facilities, including complexities associated with managing the combined businesses with separate locations;
- combining the sales force territories and competencies associated with the sale of products and services presently sold or provided by Allscripts or Eclipsys;
- integrating personnel from different companies while maintaining focus on providing consistent, high-quality products and customer service and attractive to prospective customers;

integrating complex technologies, solutions and products from different companies in a manner that is seamless to customers;

unforeseen expenses or delays associated with the merger; and

performance shortfalls at one or both of the companies as a result of the diversion of management s attention to the merger.

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If management is unable to combine successfully the businesses of Allscripts and Eclipsys in a manner that permits the combined company to achieve the cost savings and operating synergies anticipated to result from the merger, such anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. Any of the above difficulties could adversely affect the combined company s ability to maintain relationships with customers, partners, suppliers and employees or the combined company s ability to achieve the anticipated benefits of the merger, or could reduce the combined company s earnings or otherwise adversely affect the business and financial results of the combined company.

The price of Allscripts common stock might decline prior to the completion of the merger, which would decrease the value of the merger consideration to be received by Eclipsys stockholders in the merger. Further, at the Eclipsys special meeting, Eclipsys stockholders will not know the exact value of Allscripts common stock that will be issued in the merger.

The market price of Allscripts common stock at the time the merger is completed may vary significantly from the price on the date of the Merger Agreement or from the price on the date of the Allscripts special meeting and Eclipsys special meeting. Allscripts common stock has historically experienced volatility. On June 8, 2010, the last full trading day prior to the public announcement of the proposed merger, Allscripts common stock closed at $18.42 per share as reported on The NASDAQ Global Select Market. From June 8, 2010, through July 13, 2010, the trading price of Allscripts common stock ranged from a closing high of $18.42 per share to a closing low of $15.77 per share.

Under the Merger Agreement, each outstanding share of Eclipsys common stock (other than those shares held by Allscripts or its merger subsidiary Arsenal Merger Corp., and other than treasury shares) will be converted into the right to receive, upon completion of the merger, the merger consideration. The Exchange Ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed. As a result, any changes in the market price of Allscripts common stock will have a corresponding effect on the market value of the merger consideration. Changes in the market price of Eclipsys common stock, on the other hand, will not affect the market value of the merger consideration. Neither party, however, has a right to terminate the Merger Agreement based solely upon changes in the market price of Allscripts or Eclipsys common stock.

Allscripts and Eclipsys are working to complete the transaction as quickly as possible. Allscripts currently expects that the merger will be completed during the second half of 2010. Because the date when the transaction is completed will likely occur after the date of the special meetings, Allscripts stockholders and Eclipsys stockholders will not know the exact value of the Allscripts common stock that will be issued in the merger at the time they vote on the proposal to adopt the Merger Agreement. As a result, if the market price of Allscripts common stock upon the completion of the merger is lower than the market price on the date of the Eclipsys special meeting, the market value of the merger consideration received by Eclipsys stockholders in the merger will be lower than the market value of the merger consideration at the time of vote by the Eclipsys stockholders. Moreover, during this interim period, events, conditions or circumstances could arise that could have a material impact or effect on Allscripts, Eclipsys or the industries in which they operate.

If Eclipsys former stockholders immediately sell Allscripts common stock received in the merger, they could cause Allscripts common stock price to decline.

The Allscripts common stock to be issued to stockholders of Eclipsys pursuant to the Merger Agreement will be registered under the federal securities laws. As a result, those shares will be immediately available for resale in the public market. The number of shares of Allscripts common stock to be issued to Eclipsys former stockholders pursuant to the Merger Agreement, and immediately available for resale, will equal approximately 37% of the total number of shares of Allscripts common stock outstanding, after giving effect to the closing of the transactions contemplated by the Framework Agreement, including the Share Repurchase, the Secondary Offering and the Contingent Share Repurchase. Eclipsys former stockholders may sell any or all of the stock they receive immediately after the merger. If Eclipsys former stockholders or the other holders of Allscripts common stock sell significant amounts of Allscripts common stock immediately after the merger is completed, the market price of Allscripts common stock could decline. These sales may also make it more difficult for Allscripts to sell equity securities in the future at a time and at a price that Allscripts deems appropriate to raise funds through future offerings of common stock.

Current Allscripts and Eclipsys stockholders will have a reduced ownership and voting interest after the merger.

In the merger, Allscripts expects to issue approximately 69.2 million shares of Allscripts common stock to Eclipsys stockholders, based on Eclipsys shares of common stock outstanding as of July 13, 2010. As a result of these issuances, Allscripts and Eclipsys stockholders are expected to hold approximately 63% and 37%, respectively, of the combined company s outstanding common stock immediately following completion of the merger, after giving effect to the closing of the transactions, including if Misys elects to exercise its right to require Allscripts to repurchase 5.3 million shares of Allscripts common stock owned by Misys and its subsidiaries in the Contingent Share Repurchase, pursuant to the Framework Agreement.

When the merger occurs, each Eclipsys stockholder that receives shares of Allscripts common stock will become a stockholder of Allscripts with a percentage ownership of the combined company that will be smaller than the stockholder s current percentage ownership of Eclipsys. Correspondingly, each Allscripts stockholder will remain a stockholder of Allscripts with a percentage ownership of the combined company that will be smaller than the stockholder s percentage of Allscripts prior to the merger. As a result of these reduced ownership percentages, Allscripts stockholders will have less voting power in the combined company than they now have with respect to Allscripts, and former Eclipsys stockholders will have less voting power in the combined company than they now have with respect to Eclipsys. Additionally, these reduced ownership percentages will cause a corresponding reduction in the relative percentages of the current Allscripts and Eclipsys stockholders in earnings, liquidation value and book and market value. See Summary The Merger.

To be successful, the combined company must retain and motivate key employees, and failure to do so could seriously harm the combined company.

To be successful, the combined company must retain and motivate executives and other key employees. Employees of Allscripts and Eclipsys may experience uncertainty about their future roles with the combined company until or after strategies for the combined company are announced or executed. These circumstances may adversely affect the combined company s ability to retain key personnel. Allscripts and Eclipsys have implemented retention plans to retain and motivate executives and other key employees which will increase the cost of the merger. The combined company also must continue to motivate employees and keep them focused on the strategies and goals of the combined company, which effort may be adversely affected as a result of the uncertainty and difficulties with integrating the businesses of Allscripts and Eclipsys. If the combined company is unable to retain executives and other key employees, the roles and responsibilities of such executive officers and employees will need to be filled either by existing or new officers and employees, which may require the combined company to devote time and resources to identifying, hiring and integrating replacements for the departed executives that could otherwise be used to integrate the businesses of Allscripts and Eclipsys or otherwise pursue business opportunities.

If the combined company is unable to manage its growth, its business and financial results could suffer.

The combined company s future financial results will depend in part on its ability to profitably manage its core businesses, including any growth that the combined company may be able to achieve. Over the past several years, each of Allscripts and Eclipsys has engaged in the identification of, and competition for, growth and expansion opportunities. In order to achieve those initiatives, the combined company will need to, among other things, recruit, train, retain and effectively manage employees and expand its operations and financial control systems. If the combined company is unable to manage its businesses effectively and profitably, its business and financial results could suffer.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of the combined company s financial condition or results of operations following the transaction.

The pro forma financial statements contained in this joint proxy statement/prospectus/information statement are presented for illustrative purposes only and may not be an indication of the combined company s financial condition or results of operations following the merger for several reasons. For example, the pro forma financial statements have been derived from the historical financial statements of Allscripts and Eclipsys and certain adjustments and assumptions have been made regarding the combined company after giving effect to the Coniston Transactions, the Contingent Share Repurchase and the merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the combined company in connection with the merger. For example, the impact of any incremental costs incurred in integrating the businesses of the two companies is not reflected in the pro forma financial statements. As a result, the actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these pro forma financial statements.

In addition, the assumptions used in preparing the pro forma financial data may not prove to be accurate, and other factors may affect the combined company s financial condition or results of operations following the merger. Any potential decline in the combined company s financial condition or results of operations may cause significant variations in the stock price of the combined company. See the section entitled Unaudited Pro Forma Combined Consolidated Financial Statements.

Some of the conditions to the merger may be waived by Allscripts or Eclipsys without resoliciting the approval of stockholders.

Some of the conditions set forth in the Merger Agreement may be waived by Allscripts or Eclipsys, subject to the agreement of the other party in specific cases. See The Merger Agreement Conditions to Completion of the Merger beginning on page 168. If any conditions are waived, Allscripts and Eclipsys will evaluate whether amendment of this joint proxy statement/prospectus/information statement and resolicitation of proxies are warranted. If the board of directors of Allscripts or Eclipsys determines that resolicitation of their respective stockholders is not warranted, the applicable company will have the discretion to complete the merger without seeking further approval from its stockholders.

Provisions of the Merger Agreement may deter alternative business combinations and could negatively impact the stock prices of Allscripts and Eclipsys if the Merger Agreement is terminated in certain circumstances.

Restrictions in the Merger Agreement prohibit each party from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to the stockholders of a party when compared to the terms and conditions of the merger.

In addition, if the Merger Agreement is terminated, Eclipsys may be required in specified circumstances to pay the transaction expenses of Allscripts up to $5 million or to pay a termination fee of approximately $17.7 million or $40 million to Allscripts, and Allscripts may be required in specified circumstances to pay the transaction expenses of Eclipsys up to $5 million or to pay a termination fee of $17.7 million or $40 million to Eclipsys. If the merger is terminated by Allscripts or Eclipsys in circumstances that obligate either party to pay the transaction expenses of the other party or to pay the termination fee to the other party, the trading price of Allscripts and/or Eclipsys stock may decline.

These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to Eclipsys stockholders than the merger with Allscripts.

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Executive officers of Allscripts have interests in the transaction that are different from, or in addition to, the interests of Allscripts stockholders.

Allscripts executive officers have interests in the merger that are different from, or in addition to, interests of Allscripts stockholders. Pursuant to a retention plan adopted by the Allscripts board of directors on June 8, 2010, certain Allscripts employees, including its executive officers, will be entitled to receive retention payments subject to certain conditions. See The Merger Interests of Allscripts Executive Officers.

Directors and executive officers of Eclipsys have interests in the transaction that are different from, or in addition to, the interests of Eclipsys stockholders.

When considering the recommendation of Eclipsys board of directors that Eclipsys stockholders vote in favor of the adoption of the Merger Agreement, Eclipsys stockholders should be aware that Eclipsys directors and executive officers have interests in the merger that are different from, or in addition to, interests of Eclipsys stockholders, including the following:

- Mr. Pead, currently a director of Eclipsys and Eclipsys president and chief executive officer, will become chairman of the board of directors and a senior executive officer of the combined company upon the completion of the merger;

- Messrs. Fife and Kangas, current non-employee directors of Eclipsys, will become directors of the combined company upon completion of the merger;

- certain of Eclipsys executive officers are parties to employment agreements and equity award agreements which provide for enhanced payments and acceleration of certain equity awards upon the termination of employment within a certain period after a change in control of Eclipsys, including the merger;

- certain Eclipsys executive officers are parties to performance stock unit agreements which provide for certain modifications upon completion of the merger;

- Eclipsys directors are parties to deferred stock unit agreements which provide for acceleration of all of their unvested and outstanding deferred stock units upon completion of the merger;

- certain Eclipsys employees, including its executive officers, will be entitled to receive retention payments subject to certain conditions pursuant to a retention plan adopted by the Eclipsys board of directors in connection with the merger; and

- the Merger Agreement provides for indemnification and liability insurance arrangements for each of Eclipsys current and former directors and officers.

These interests may present Eclipsys directors and executive officers with actual or potential conflicts of interest. The Eclipsys board of directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement and making its recommendations that the Eclipsys stockholders approve the Merger Agreement. See The Merger Interests of Eclipsys Directors and Executive Officers.

The merger may result in substantial goodwill for the combined company. If the combined company s goodwill becomes impaired, then the profits of the combined company may be significantly reduced or eliminated and stockholders equity may be reduced.

The unaudited pro forma financial statements reflect preliminary estimates of goodwill of approximately $734 million as a result of the merger. This approximate amount of goodwill assumes that the Allscripts common stock received by the Eclipsys stockholders in the merger has a market value of $18.42 per share (the closing price of Allscripts common stock on The NASDAQ Global Select Market on June 8, 2010). The actual amount of goodwill recorded may be materially different and will depend in part on the market value of Allscripts common stock as of the date on which the merger is completed and the appropriate allocation of purchase price, which may be impacted by a number of factors, including changes in the net assets acquired and changes in the fair

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values of the net assets acquired. On at least an annual basis, Allscripts assesses whether there has been an impairment in the value of goodwill. If the carrying value of goodwill exceeds its estimated fair value, impairment is deemed to have occurred and the carrying value of goodwill is written down to fair value. Under GAAP, this would result in a charge to the combined company s operating earnings. Accordingly, any determination requiring the write-off of a significant portion of goodwill recorded in connection with the merger would negatively affect the combined company s results of operations.

Allscripts and Eclipsys expect to incur significant costs whether or not the merger is completed.

Allscripts and Eclipsys will incur substantial expenses related to the Coniston Transactions and the merger whether or not the merger is completed. Allscripts currently expects to incur approximately $55.6 million in transactional expenses, approximately $32.7 million of which are not contingent on the completion of the merger. Eclipsys currently expects to incur approximately $13.4 million in transactional expenses, approximately $4.4 million of which are not contingent on the completion of the merger. Moreover, if the Merger Agreement is terminated, Allscripts or Eclipsys may, under certain circumstances, be required to pay the other a termination fee of approximately $17.7 million or $40 million or reimburse the other for transaction expenses of up to $5 million, depending on the circumstances of the termination. Also, should the Merger Agreement be terminated due to a willful breach of the Merger Agreement by one of the parties, such party could owe significant damages to the other. See the section entitled The Merger Agreement Termination Fees; Reimbursement of Expenses.

If the Coniston Transactions are not completed, then the merger will not be completed.

Allscripts and Eclipsys obligation to complete the merger is subject to the satisfaction of certain conditions, including the completion of the Coniston Transactions. Completion of the Coniston Transactions, in turn, is subject to certain conditions, including (i) approval of the Coniston Transactions by the shareholders of Misys, (ii) the sale of no fewer than 36 million shares of Allscripts common stock in the Secondary Offering at a price to the public of no less than $16.50 per share, and (iii) completion of the Share Repurchase, which is contingent upon completion of the financing contemplated by the Debt Commitment Letter. Accordingly, if any of these conditions is not satisfied or waived, the Coniston Transactions will not be completed and, as a result, the merger will not be completed. In addition, the Framework Agreement provides for certain termination rights for both Allscripts and Misys, including the right of either party to terminate the Framework Agreement if the closing of the Coniston Transactions has not been completed on or prior to December 9, 2010. If the Framework Agreement is terminated prior to the completion of the Coniston Transactions, the merger will not be completed.

If the merger is completed, Allscripts will incur significant additional expenses in connection with the integration of the two businesses.

If the merger is completed, Allscripts expects to incur significant additional expenses in connection with the integration of the two businesses, including integrating personnel, geographically diverse operations, information technology systems, accounting systems, customers, and strategic partners of each company and implementing consistent standards, policies, and procedures, and may be subject to possibly material write downs in assets and charges to earnings, which are expected to include severance pay and other costs.

Allscripts and Eclipsys will be subject to various uncertainties and contractual restrictions while the merger is pending that could adversely affect their financial results.

Uncertainty about the effect of the merger on employees, customers, potential customers, partners and suppliers may have an adverse effect on Allscripts and/or Eclipsys. These uncertainties may impair Allscripts and/or Eclipsys ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause existing customers, partners and suppliers and others that currently have business relationships with Allscripts or Eclipsys to seek to change their business relationships with Allscripts or Eclipsys. Additionally, these uncertainties could cause potential clients of Allscripts or Eclipsys to defer decisions or purchases, or to seek products and services from competitors of Allscripts or Eclipsys.

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Employee retention and recruitment may be particularly challenging prior to completion of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect Allscripts or Eclipsys financial results.

In addition, the merger agreement restricts each of Allscripts and Eclipsys, without the other s consent, from making certain acquisitions and dispositions and taking other specified actions related to the operation of their businesses while the merger is pending. These restrictions may prevent Allscripts and/or Eclipsys from pursuing attractive business opportunities and making other changes to their respective businesses prior to completion of the merger or termination of the Merger Agreement. See The Merger Agreement Conduct of Business Pending the Merger beginning on page 177.

Failure to complete the merger could negatively impact the stock prices and the future business and financial results of Allscripts and Eclipsys.

If the merger is not completed, the ongoing businesses of Allscripts or Eclipsys may be adversely affected and Allscripts and Eclipsys will be subject to several risks, including the following:

- being required, under certain circumstances under the Merger Agreement, to pay a termination fee of approximately $17.7 million or $40 million to the other party or reimburse the other party s out-of-pocket transaction expenses of up to $5 million depending on the timing and reasons for termination (see The Merger Agreement Termination of the Merger Agreement beginning on page 182);

- having to pay costs and expenses relating to the merger and related transactions;

- the attention of management of Allscripts and Eclipsys will have been diverted to the merger instead of on such company s own operations and pursuit of other opportunities that could have been beneficial to such company; and

- customer perception may be negatively impacted which could affect the ability of Allscripts and Eclipsys to compete for, or to win, new and renewal business in the marketplace.

Pending litigation against Allscripts and Eclipsys could result in an injunction preventing completion of the merger, the payment of damages if the merger is completed and/or may adversely affect the combined company s business, financial condition or results of operations following the merger.

In connection with the merger, purported stockholders of Eclipsys have filed putative stockholder class action lawsuits against Eclipsys and its directors, Allscripts and Arsenal Merger Corp. Among other remedies, the plaintiffs seek to enjoin the merger. The outcome of any such litigation is inherently uncertain. Each company may incur substantial costs and expenses to defend the company and, in the case of Eclipsys, to defend its directors in the lawsuits. If a dismissal is not granted or a settlement is not reached, these lawsuits could prevent or delay completion of the merger. The outcome may adversely affect the combined company s business, financial condition or results of operations. See The Merger Litigation beginning on page 160.

The combined company will have to develop and rely on its own resources and personnel to operate the business.

Misys and Allscripts are currently parties to a Shared Services Agreement pursuant to which Misys provides Allscripts with certain services and personnel to support Allscripts business. Upon the consummation of the Coniston Transactions, the Shared Services Agreement will be terminated and Allscripts and Misys will enter into a Transition Services Agreement pursuant to which Misys will continue to provide certain services and personnel to the combined company to support its business. Beginning approximately six months after the date of

the Transition Services Agreement with respect to certain services, the services formerly provided by Misys will need to be continued by either existing or new employees of Allscripts, which may require the combined company to devote time and resources to identifying, hiring and integrating individuals to perform the services formerly provided by Misys pursuant to the Transition Services Agreement.

The combined company s common stock may be affected by factors different from those affecting the price of Allscripts common stock or Eclipsys common stock.

On completion of the merger, holders of Eclipsys common stock will become holders of common stock in Allscripts and, although holders of Allscripts common stock will continue to hold Allscripts common stock, Allscripts business will be different as a result of the completion of the merger. As the business of Allscripts and the business of Eclipsys are different, the results of operations as well as the price of the combined company s common stock may be affected by factors different than those factors affecting Allscripts and Eclipsys as independent stand-alone entities. The combined company will face additional risks and uncertainties not otherwise facing each independent company in the merger. For a discussion of Allscripts and Eclipsys businesses and certain factors to consider in connection with their respective businesses, see Risks Related to Allscripts beginning on page 32 and Risks Related to Eclipsys beginning on page 49.

If the merger is completed, provisions of the combined company s charter documents and Delaware law may delay or inhibit potential acquisition bids that stockholders may believe are desirable, and the market price of Allscripts common stock may be lower as a result.

If the merger is completed, the Additional Amendment will provide that Allscripts board of directors will have the authority to issue up to 1 million shares of preferred stock. Allscripts board of directors will be able fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by Allscripts stockholders, and the issuance of shares of preferred stock may discourage, delay or prevent a merger or acquisition of Allscripts.

The Additional Amendment will include an election to be governed by Section 203 of the DGCL, which will prohibit Allscripts from engaging in any business combination with an interested stockholder for a period of three years from the date the person became an interested stockholder, unless certain conditions are met. These provisions will make it more difficult for stockholders or potential acquirers to acquire Allscripts without negotiation and may apply even if some of Allscripts stockholders consider the proposed transaction beneficial to them. These provisions could also limit the price that investors are willing to pay in the future for shares of Allscripts common stock.

The Additional Amendment will contain provisions that may delay or inhibit potential acquisition bids, including provisions that:

- Allscripts stockholders are not allowed to act by written consent; and

- Allscripts stockholders are not allowed to call a special meeting of stockholders.

Risks Related to the Coniston Transactions

The sale of Allscripts common stock by Misys could cause Allscripts common stock price to decline.

Allscripts has agreed to facilitate the sale of at least 36 million shares of Allscripts common stock held by one or more subsidiaries of Misys in connection with the transactions contemplated by the Framework Agreement. The number of shares to be offered by such subsidiaries of Misys will equal approximately 24.6% of outstanding Allscripts common stock at the time of such sale. As a result of such offering, the market price for Allscripts common stock could decline and it may make it more difficult for Allscripts to sell equity securities at a time and at a price Allscripts deems appropriate. In addition, any shares of Allscripts common stock held by Misys and its subsidiaries after the completion of the Coniston Transactions may be sold following the expiration of the lock-up agreements entered into in connection with the Secondary Offering, which could result in further declines of the

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market price for Allscripts common stock. Under the Registration Rights Agreement entered into in connection with the Framework Agreement, Misys will have certain rights to require Allscripts to file a registration statement under the federal securities laws registering the sale of all or a portion of Misys shares of Allscripts common stock, or to participate in any registration statement proposed to be effected by Allscripts, subject to certain limitations.

The additional indebtedness incurred in connection with the transactions contemplated by the Framework Agreement will decrease business flexibility and increase borrowing costs.

In connection with the transactions contemplated by the Framework Agreement, Allscripts will increase its indebtedness by approximately $570 million, and will have indebtedness that will be substantially greater than its indebtedness prior to the closing of the transactions contemplated by the Framework Agreement. The covenants in such indebtedness and the increased indebtedness and higher debt-to-equity ratio of Allscripts in comparison to that of Allscripts on a recent historical basis could have the effect, among other things, of:

- requiring a substantial portion of its cash flow from operations to payments on Allscripts debt, reducing the availability of cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increasing vulnerability to adverse general economic and industry conditions;
- limiting flexibility in planning for, or reacting to, changes in business and the industry in which Allscripts operates;
- placing Allscripts at a competitive disadvantage compared to competitors that have less debt; and
- limiting the ability to borrow additional funds on terms that are satisfactory or at all.

Newco may be liable for significant potential contingent tax liabilities arising out of the Coniston Transactions and certain related transactions, or out of prior activities of Newco unrelated to those transactions.

Newco might be subject to significant taxes, which we refer to as Transaction Taxes, arising out of the Coniston Transactions and certain related restructuring transactions, which we refer to collectively as the Misys Transactions. In particular, the Exchange or other Misys Transactions might result in recognition of the built-in gain inherent in the shares of Allscripts common stock held by Newco, which is significant. At the time of the Exchange, Newco will hold 61,308,295 shares of Allscripts common stock. Pursuant to the Framework Agreement, Misys has indemnified Allscripts against any Transaction Taxes imposed on Newco, and Misys is required to provide a bank guarantee in the amount of $168 million, which we refer to as the PLR Bank Guarantee, to support that indemnification obligation.

Misys is seeking a letter ruling from the Internal Revenue Service, which we refer to as the IRS, which, if obtained, is expected to confirm that the Misys Transactions will not result in the recognition of the built-in gain inherent in the shares of Allscripts common stock held by Newco, and may address other tax issues related to the Misys Transactions. If a favorable letter ruling is received, the PLR Bank Guarantee will be terminated. No assurances can be given that a favorable letter ruling will be received, as the IRS might decline to issue a favorable letter ruling. At the time of the closing of the Coniston Transactions it likely will not be known whether a favorable letter ruling will be issued. If a favorable letter ruling were not issued, in a subsequent IRS audit of the Misys Transactions the IRS might successfully assert that significant taxes, penalties and interest are payable by Newco. The amount of the PLR Bank Guarantee might be insufficient to fully cover Misys resulting indemnification obligation. Furthermore, although not expected, there could be circumstances in which the PLR Bank Guarantee would be reduced or terminated prior to the extinguishment of the resulting tax liabilities. The ability to rely on any favorable letter ruling depends on the accuracy and completeness of the information submitted to the IRS, which will be primarily determined by Misys. As a result, no assurances can be given that Allscripts ability to rely on a favorable letter ruling could not be challenged, in which case Allscripts would be required to rely on Misys indemnification obligation without the benefit of the PLR Bank Guarantee.

Additionally, while the letter ruling is expected to address the material tax issues related to the Misys Transactions, all issues may not be addressed.

KPMG LLP, Allscripts tax advisor, has delivered an opinion to Allscripts concluding, among other things, that, based on relevant representations and assumptions, the transactions contemplated by the Framework Agreement, including the Exchange and the other Misys Transactions, will not result in the recognition of the built-in gain inherent in the Allscripts stock held by Newco. If the representations or assumptions on which such opinion is based are inaccurate or incomplete, the conclusions reached in the opinion may be incorrect. Furthermore, such opinion is not binding on the IRS or any court, and the IRS or the courts may not agree with the conclusions reached in the opinion. The opinion will not preclude the IRS from declining to issue a favorable letter ruling nor will it preclude the IRS from successfully asserting that significant taxes, penalties and interest are payable by Newco as a result of the Misys Transactions or otherwise.

Pursuant to the Framework Agreement, Misys has also indemnified Allscripts against any contingent tax liability of Newco other than Transaction Taxes, such as taxes imposed as a result of prior activities of Newco, which we refer to as Historic Taxes, and Misys is required to provide an additional bank guarantee in the amount of $45 million, which we refer to as the Historic Bank Guarantee, to support that indemnification obligation. The amount of the Historic Bank Guarantee might be insufficient to fully cover Historic Taxes that might be imposed. Furthermore, although not expected, there could be circumstances in which the Historic Bank Guarantee is reduced or terminated prior to the extinguishment of the resulting tax liabilities.

Misys also has indemnified Allscripts from taxes imposed on Allscripts as a result of the Exchange and from taxes imposed on Allscripts relating to certain withholding taxes, including any liability for failing to withhold certain taxes. Those indemnification obligations are not supported by any bank guarantees.

If Allscripts is unable to finance the repurchase of shares from Misys, the merger will not be completed.

Allscripts intends to finance the transactions contemplated by the Framework Agreement with debt financing, existing cash balances and cash flow from operations. To this end, and to provide for ongoing working capital for general corporate purposes after the merger, Allscripts has received commitments from JPMorgan Chase Bank, N.A., Barclays Bank PLC, UBS Loan Finance LLC and certain of their affiliates for a $570 million senior secured term loan facility and a $150 million senior secured revolving facility, each of which is expected to close upon the closing of the Coniston Transactions. The Debt Commitment Letter includes customary conditions to funding, including the completion of definitive documentation, the absence of a material adverse change in Allscripts and its subsidiaries business, assets, liabilities (contingent or otherwise), financial condition or results of operations consistent with the definition in the Merger Agreement, the absence of material modification to the Framework Agreement and related documentation unless approved by the initial arrangers of the financing, the delivery of financial information and other customary closing deliveries, the receipt of corporate credit ratings from Moody s and S&P, the perfection of liens, the solvency of Allscripts and its subsidiaries after giving effect to the Coniston Transactions (other than the merger) and a pro forma ratio of total indebtedness to EBITDA of Allscripts and its subsidiaries not in excess of 4.0 to 1.0 (giving effect to the merger on a pro forma basis to the extent the merger will close substantially simultaneously with the Coniston Transactions). If the financing described in the Debt Commitment Letter is not available on the terms set forth in the Debt Commitment Letter, other financing may not be available on acceptable terms, in a timely manner or at all. If other financing becomes necessary and Allscripts is unable to secure such additional financing, the Coniston Transactions will not be completed and, as a result, the merger will not be completed.

Risks Related to Allscripts

Risks Related to Allscripts Business

If physicians and hospitals do not accept Allscripts products and services, or delay in deciding whether to purchase Allscripts products and services, Allscripts business, financial condition and results of operations will be adversely affected.

Allscripts business model depends on its ability to sell its products and services. Acceptance of Allscripts products and services requires physicians and hospitals to adopt different behavior patterns and new methods of conducting business and exchanging information. Allscripts cannot assure you that physicians and hospitals will integrate Allscripts products and services into their workflow or that participants in the healthcare market will accept Allscripts products and services as a replacement for traditional methods of conducting healthcare transactions. Achieving market acceptance for Allscripts products and services will require substantial sales and marketing efforts and the expenditure of significant financial and other resources to create awareness and demand by participants in the healthcare industry.

If Allscripts fails to achieve broad acceptance of its products and services by physicians, hospitals and other healthcare industry participants or if Allscripts fails to position its services as a preferred method for information management and healthcare delivery, Allscripts business, financial condition and results of operations will be adversely affected.

Allscripts may not see the benefits of government programs initiated to accelerate the adoption and utilization of health information technology and to counter the effects of the current economic situation.

While government programs initiated to improve the efficiency within the health care sector and counter the effects of the current economic situation include expenditures to stimulate business and accelerate the adoption and utilization of health care technology, Allscripts cannot assure you that it will receive any of those funds. For example, the passage of the Health Information Technology for Economic and Clinical Health Act (HITECH) under the American Recovery and Reinvestment Act of 2009 (ARRA) authorizes approximately $30 billion in expenditures, including discretionary funding, to further adoption of electronic health records. Although Allscripts believes that its service offerings will meet the requirements of HITECH in order for Allscripts clients to qualify for financial incentives for implementing and using Allscripts services, there can be no certainty that any of the planned financial incentives, if made, will be made in regard to Allscripts services. Allscripts also cannot predict the speed at which physicians will adopt electronic health record systems in response to such government incentives, whether physicians will select Allscripts products and services or whether physicians will implement an electronic health record system at all. Any delay in the purchase and implementation of electronic health records systems by physicians in response to government programs, or the failure of physicians to purchase an electronic health record system, could have an adverse effect on Allscripts business, financial condition and results of operations.

Allscripts failure to compete successfully could cause its revenue or market share to decline.

The market for Allscripts products and services is intensely competitive and is characterized by rapidly evolving technology and product standards, technology and user needs and the frequent introduction of new products and services. Some of Allscripts competitors may be more established, benefit from greater name recognition and have substantially greater financial, technical and marketing resources than Allscripts. Moreover, Allscripts expects that competition will continue to increase as a result of consolidation in both the information technology and healthcare industries. If one or more of Allscripts competitors or potential competitors were to merge or partner with another of Allscripts competitors, the change in the competitive landscape could adversely affect Allscripts ability to compete effectively. Allscripts competes on the basis of several factors, including:

- breadth and depth of services;
- reputation;
- reliability, accuracy and security;
- client service;
- price; and
- industry expertise and experience.

Allscripts clinical solutions business unit s principal competitors include Athenahealth Inc., Cerner Corporation, eClinicalWorks Inc., Epic Systems Corporation, Emdeon Business Services LLC, GE, Aprima

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Medical Software (formerly iMedica Corporation), McKesson Corporation, Quality Systems, Inc., Sage Software, Inc., The Trizetto Group, Inc., and Wellsoft Corporation.

Allscripts key competitors in the EDIS market include MedHost, Meditech, Picis and WellSoft. In the care management market, primary competitors include eDischarge, Maxsys Ltd., Meditech, Midas+ and ProviderLink.

There can be no assurance that Allscripts will be able to compete successfully against current and future competitors or that the competitive pressures that Allscripts faces will not materially adversely affect its business, financial condition and results of operations.

It is difficult to predict the sales cycle and implementation schedule for Allscripts software solutions.

The duration of the sales cycle and implementation schedule for Allscripts software solutions depends on a number of factors, including the nature and size of the potential customer and the extent of the commitment being made by the potential customer, which is difficult to predict. Allscripts sales and marketing efforts with respect to hospitals and large health organizations generally involve a lengthy sales cycle due to these organizations complex decision-making processes. Additionally, in light of increased government involvement in healthcare, and related changes in the operating environment for healthcare organizations, Allscripts current and potential customers may react by curtailing or deferring investments, including those for Allscripts services. If potential customers take longer than Allscripts expects to decide whether to purchase Allscripts solutions, Allscripts selling expenses could increase and its revenues could decrease, which could harm Allscripts business, financial condition and results of operations. If customers take longer than Allscripts expects to implement Allscripts solutions, Allscripts recognition of related revenue would be delayed, which would adversely affect Allscripts business, financial condition and results of operations.

Allscripts future success depends upon its ability to grow, and if Allscripts is unable to manage its growth effectively, it may incur unexpected expenses and be unable to meet its customers requirements.

Allscripts will need to expand its operations if it successfully achieves market acceptance for its products and services. Allscripts cannot be certain that its systems, procedures, controls and existing space will be adequate to support expansion of its operations. Allscripts future operating results will depend on the ability of its officers and key employees to manage changing business conditions and to implement and improve Allscripts technical, administrative, financial control and reporting systems. Allscripts may not be able to expand and upgrade its systems and infrastructure to accommodate these increases. Difficulties in managing any future growth, including as a result of the proposed merger with Eclipsys, could have a significant negative impact on Allscripts business, financial condition and results of operations because Allscripts may incur unexpected expenses and be unable to meet its customers requirements.

Competition for Allscripts employees is intense, and Allscripts may not be able to attract and retain the highly skilled employees Allscripts needs to support its business.

Allscripts ability to provide high-quality services to its clients depends in large part upon Allscripts employees experience and expertise. Allscripts must attract and retain highly qualified personnel with a deep understanding of the healthcare and health information technology industries. Allscripts competes with a number of companies for experienced personnel and many of these companies, including clients and competitors, have greater resources than Allscripts has and may be able to offer more attractive terms of employment. In addition, Allscripts invests significant time and expense in training its employees, which increases their value to clients and competitors who may seek to recruit them and increases the costs of replacing them. If Allscripts fails to retain its employees, the quality of Allscripts services could diminish and this could have a material adverse effect on Allscripts business, financial condition and results of operations.

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If Allscripts loses the services of its key personnel, it may be unable to replace them, and Allscripts business, financial condition and results of operations could be adversely affected.

Allscripts success largely depends on the continued skills, experience, efforts and policies of Allscripts management and other key personnel and Allscripts ability to continue to attract, motivate and retain highly qualified employees. In particular, the services of Glen Tullman, Allscripts Chief Executive Officer, are integral to the execution of Allscripts business strategy. If one or more of Allscripts key employees leaves Allscripts employment, Allscripts will have to find a replacement with the combination of skills and attributes necessary to execute Allscripts strategy. Because competition for skilled employees is intense, and the process of finding qualified individuals can be lengthy and expensive, Allscripts believes that the loss of the services of key personnel could adversely affect Allscripts business, financial condition and results of operations. Allscripts cannot assure you that it will continue to retain such personnel. Allscripts does not maintain keyman insurance for any of its key employees.

If Allscripts is unable to successfully introduce new products or services or fail to keep pace with advances in technology, its business, financial condition and results of operations will be adversely affected.

The successful implementation of Allscripts business model depends on Allscripts ability to adapt to evolving technologies and industry standards and introduce new products and services. Allscripts cannot assure you that it will be able to introduce new products on schedule, or at all, or that such products will achieve market acceptance. Moreover, competitors may develop competitive products that could adversely affect Allscripts results of operations. A failure by Allscripts to introduce planned products or other new products or to introduce these products on schedule could have an adverse effect on Allscripts business, financial condition and results of operations.

If Allscripts cannot adapt to changing technologies, its products and services may become obsolete, and its business could suffer. Because the health information technology market is characterized by rapid technological change, Allscripts may be unable to anticipate changes in its current and potential customers requirements that could make Allscripts existing technology obsolete. Allscripts success will depend, in part, on its ability to continue to enhance its existing products and services, develop new technology that addresses the increasingly sophisticated and varied needs of Allscripts prospective customers, license leading technologies and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of Allscripts proprietary technology entails significant technical and business risks. Allscripts may not be successful in using new technologies effectively or adapting Allscripts proprietary technology to evolving customer requirements or emerging industry standards, and, as a result, Allscripts business could suffer.

Allscripts business depends in part on and will continue to depend in part on Allscripts ability to establish and maintain additional strategic relationships.

To be successful, Allscripts must continue to maintain its existing strategic relationships and establish additional strategic relationships with leaders in a number of healthcare and health information technology industry segments. This is critical to Allscripts success because Allscripts believes that these relationships contribute towards Allscripts ability to:

- extend the reach of Allscripts products and services to a larger number of physicians and hospitals and to other participants in the healthcare industry;
- develop and deploy new products and services;
- further enhance the Allscripts brand; and
- generate additional revenue and cash flows.

Entering into strategic relationships is complicated because strategic partners may decide to compete with Allscripts in some or all of Allscripts markets. In addition, Allscripts may not be able to maintain or establish

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relationships with key participants in the healthcare industry if Allscripts conducts business with their competitors. Allscripts depends, in part, on its strategic partners ability to generate increased acceptance and use of Allscripts products and services. If Allscripts loses any of these strategic relationships or fails to establish additional relationships, or if Allscripts strategic relationships fail to benefit Allscripts as expected, Allscripts may not be able to execute its business plan, and its business, financial condition and results of operations may suffer.

Future acquisitions may result in potentially dilutive issuances of equity securities, the incurrence of indebtedness and increased amortization expense.

Future acquisitions may result in potentially dilutive issuances of equity securities. In addition, future acquisitions may result in the incurrence of debt, the assumption of known and unknown liabilities, the write off of software development costs and the amortization of expenses related to intangible assets, all of which could have an adverse effect on Allscripts business, financial condition and results of operations. Allscripts has taken, and, if an impairment occurs, could take, charges against earnings in connection with acquisitions.

If Allscripts products fail to perform properly due to errors or similar problems, Allscripts business could suffer.

Complex software such as Allscripts often contains defects or errors, some of which may remain undetected for a period of time. It is possible that such errors may be found after introduction of new software or enhancements to existing software. Allscripts continually introduces new solutions and enhancements to its solutions, and, despite testing by Allscripts, it is possible that errors might occur in Allscripts software. If Allscripts detects any errors before Allscripts introduces a solution, Allscripts might have to delay deployment for an extended period of time while it addresses the problem. If Allscripts does not discover software errors that affect its new or current solutions or enhancements until after they are deployed, Allscripts would need to provide enhancements to correct such errors. Errors in Allscripts software could result in:

- harm to Allscripts reputation;
- lost sales;
- delays in commercial release;
- product liability claims;
- delays in or loss of market acceptance of Allscripts solutions;
- license terminations or renegotiations; and
- unexpected expenses and diversion of resources to remedy errors.

Furthermore, Allscripts customers might use Allscripts software together with products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when Allscripts software does not cause these problems, the existence of these errors might cause Allscripts to incur significant costs, divert the attention of its technical personnel from its solution development efforts, impact its reputation and cause significant customer relations problems.

Allscripts business depends on its intellectual property rights, and if Allscripts is unable to protect them, Allscripts competitive position may suffer.

Allscripts business plan is predicated on its proprietary systems and technology products. Accordingly, protecting Allscripts intellectual property rights is critical to its continued success and its ability to maintain its competitive position. Allscripts protects its proprietary rights through a combination of trademark, trade secret and copyright law, confidentiality agreements and technical measures. Allscripts generally does not have any

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patents on its technology. Allscripts generally enters into non-disclosure agreements with its employees and consultants and limits access to its trade secrets and technology. Allscripts cannot assure you that the steps it has taken will prevent misappropriation of its technology. Misappropriation of Allscripts intellectual property would have an adverse effect on Allscripts competitive position. In addition, Allscripts may have to engage in litigation in the future to enforce or protect its intellectual property rights or to defend against claims of invalidity, and Allscripts may incur substantial costs and the diversion of management s time and attention as a result.

If Allscripts is deemed to infringe on the proprietary rights of third parties, it could incur unanticipated expense and be prevented from providing its products and services.

Allscripts is and may continue to be subject to intellectual property infringement claims as Allscripts applications functionality overlaps with competitive products. Allscripts does not believe that it has infringed or is infringing on any proprietary rights of third parties. However, claims are occasionally asserted against Allscripts, and Allscripts cannot assure you that infringement claims will not be asserted against it in the future. Also, Allscripts cannot assure you that any such claims will be unsuccessful. Allscripts could incur substantial costs and diversion of management resources defending any infringement claims. Furthermore, a party making a claim against Allscripts could secure a judgment awarding substantial damages, as well as injunctive or other equitable relief that could effectively block Allscripts ability to provide products or services. In addition, Allscripts cannot assure you that licenses for any intellectual property of third parties that might be required for Allscripts products or services will be available on commercially reasonable terms, or at all.

If Allscripts content and service providers fail to perform adequately, or to comply with laws, regulations or contractual covenants, Allscripts reputation and its business, financial condition and results of operations could be adversely affected.

Allscripts depends on independent content and service providers for communications and information services and for many of the benefits it provides through its software applications and services, including the maintenance of managed care pharmacy guidelines, drug interaction reviews, the routing of transaction data to third-party payers and the hosting of Allscripts applications. Allscripts ability to rely on these services could be impaired as a result of the failure of such providers to comply with applicable laws, regulations and contractual covenants, or as a result of events affecting such providers, such as power loss, telecommunication failures, software or hardware errors, computer viruses and similar disruptive problems, fire, flood and natural disasters. Any such failure or event could adversely affect Allscripts relationships with its customers and damage Allscripts reputation. This would adversely affect Allscripts business, financial condition and results of operations. In addition, Allscripts may have no means of replacing content or services on a timely basis or at all if they are inadequate or in the event of a service interruption or failure.

Allscripts may be liable for use of content it provides.

Allscripts provides content for use by healthcare providers in treating patients. Third-party contractors provide Allscripts with most of this content. If this content is incorrect or incomplete, adverse consequences, including death, may occur and give rise to product liability and other claims against Allscripts. In addition, certain of Allscripts solutions provide applications that relate to patient clinical information, and a court or government agency may take the position that Allscripts delivery of health information directly, including through licensed practitioners, or delivery of information by a third party site that a consumer accesses through Allscripts websites, exposes Allscripts to personal injury liability, or other liability for wrongful delivery or handling of healthcare services or erroneous health information. While Allscripts maintains product liability insurance coverage in an amount that Allscripts believes is sufficient for its business, it cannot assure you that this coverage will prove to be adequate or will continue to be available on acceptable terms, if at all. A claim brought against Allscripts that is uninsured or under-insured could harm its business, financial condition and results of operations. Even unsuccessful claims could result in substantial costs and diversion of management resources.

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If Allscripts security is breached, Allscripts could be subject to liability and customers could be deterred from using Allscripts services.

Allscripts business relies on electronic transmission of confidential patient and other information. Allscripts believes that any well-publicized compromise of its network security or a misappropriation of patient information or other data would adversely affect its reputation and would require Allscripts to devote significant financial and other resources to alleviate such problems. In addition, existing or potential customers of Allscripts could be deterred from using Allscripts products and services, and Allscripts could be subject to possible liability and regulatory action. Allscripts could face financial loss, litigation and other liabilities to the extent that its activities or the activities of third-party contractors involve the storage and transmission of confidential information like patient records or credit information.

If Allscripts is unable to obtain additional financing for its future needs, its ability to respond to competitive pressures may be impaired and its business, financial condition and results of operations could be adversely affected.

Allscripts cannot be certain that additional financing will be available to it on favorable terms, or at all. If adequate financing is not available or is not available on acceptable terms, Allscripts ability to fund its expansion, take advantage of potential acquisition opportunities, develop or enhance services or products, or respond to competitive pressures would be significantly limited.

Allscripts also relies on independent content providers for the majority of the clinical, educational and other healthcare information that Allscripts provides. In addition, Allscripts depends on its content providers to deliver high quality content from reliable sources and to continually upgrade their content in response to demand and evolving healthcare industry trends. If these parties fail to develop and maintain high quality, attractive content, the value of Allscripts brand and its business, financial condition and results of operations could be impaired.

If Allscripts is forced to reduce its prices, its business, financial condition and results of operations could suffer.

Allscripts may be subject to pricing pressures with respect to its future sales arising from various sources, including practices of managed care organizations, and government action affecting reimbursement under Medicare, Medicaid and other government health programs. Allscripts customers and the other entities with which Allscripts has a business relationship are affected by changes in statutes, regulations and limitations in governmental spending for Medicare, Medicaid and other programs. Recent government actions and future legislative and administrative changes could limit government spending for the Medicare and Medicaid programs, limit payments to hospitals and other providers, increase emphasis on competition, impose price controls and create other programs that potentially could have an adverse effect on Allscripts customers and the other entities with which it has a business relationship. If Allscripts pricing experiences significant downward pressure, its business will be less profitable and its results of operations would be adversely affected. In addition, because cash from sales funds some of Allscripts working capital requirements, reduced profitability could require it to raise additional capital sooner than it would otherwise need.

If Allscripts incurs costs exceeding its insurance coverage in lawsuits pending against it or that are brought against it in the future, it could adversely affect Allscripts business, financial condition and results of operations.

Allscripts is a defendant in lawsuits arising in the ordinary course of business. In the event Allscripts is found liable in any lawsuits filed against it, and if its insurance coverage were not available or inadequate to satisfy these liabilities, it could have an adverse effect on Allscripts business, financial condition and results of operations.

Allscripts failure to license and integrate third-party technologies could harm its business.

Allscripts depends upon licenses for some of the technology used in its solutions from third-party vendors, and intends to continue licensing technologies from third parties. These technologies might not continue to be available to Allscripts on commercially reasonable terms or at all.

Most of these licenses can be renewed only by mutual consent and may be terminated if Allscripts breaches the terms of the license and fails to cure the breach within a specified period of time. Allscripts inability to obtain any of these licenses could delay development until equivalent technology can be identified, licensed and integrated, which would harm Allscripts business, financial condition and results of operations.

Most of Allscripts third-party licenses are non-exclusive and its competitors may obtain the right to use any of the technology covered by these licenses and use the technology to compete directly with Allscripts. Allscripts use of third-party technologies exposes it to increased risks, including, but not limited to, risks associated with the integration of new technology into Allscripts solutions, the diversion of its resources from development of its own proprietary technology and its inability to generate revenue from licensed technology sufficient to offset associated acquisition and maintenance costs. In addition, if Allscripts vendors choose to discontinue support of the licensed technology in the future or are unsuccessful in their continued research and development efforts, Allscripts might not be able to modify or adapt its own solutions.

If Allscripts fails to maintain and expand its business with its existing customers, or to effectively transition its customers to newer products, its business, financial condition and results of operations could be adversely affected.

Allscripts business model depends on the success of its efforts to sell additional products and services to its existing customers, including the sale of its electronic health record products to legacy MHS practice management customer base. Additionally, certain of Allscripts clinical solutions business unit customers initially purchase one or a limited number of Allscripts products and services. These customers might choose not to expand their use of or purchase additional modules. Also, as Allscripts deploys new applications and features for its existing solutions or introduces new solutions and services, its current customers could choose not to purchase these new offerings. If Allscripts fails to generate additional business from its current customers, its revenue could grow at a slower rate or even decrease.

In addition, the transition of Allscripts existing customers to current versions of its products presents certain risks, including the risk of data loss or corruption, or delays in completion. If such events occur, its client relationships and reputation could be damaged, which could adversely affect its business and results of operations.

Potential subsidy of services similar to Allscripts may reduce client demand.

Federal regulations have been changed to permit such subsidy from additional sources subject to certain limitations, and HITECH provides federal support for certain electronic medical record initiatives. To the extent that Allscripts does not qualify or participate in such subsidy programs, demand for Allscripts services may be reduced, which may decrease its revenues.

Allscripts relies on Misys for the provision of certain corporate services.

Pursuant to Allscripts Shared Services Agreement with Misys, as amended, Misys provides Allscripts with services including: (1) human resource functions such as administration, selection of benefit plans and designing employee survey and training programs, (2) management services, (3) procurement services such as travel arrangements, disaster recovery and vendor management, (4) research and development services such as software development, (5) access to information technology, telephony, facilities and other related services at Misys customer support center located in Manila, The Philippines; and (6) information system services such as planning, support and database administration. Prior to the closing of the 2008 Misys Transactions, Allscripts did not rely on a third party for such services. If Misys fails to provide these services as required under the Shared

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Services Agreement or if the Shared Services Agreement were terminated for any reason, Allscripts might incur significant costs to obtain replacement.

HITECH is resulting in new business imperatives, and failure to provide Allscripts clients with health information technology systems that are certified under HITECH could result in breach of some client obligations and put Allscripts at a competitive disadvantage.

HITECH, which is a part of ARRA, provides financial incentives for hospitals and doctors that are meaningful electronic health record users, and mandates use of health information technology systems that are certified according to technical standards developed under the supervision of the Secretary of the Department of Health and Human Services. HITECH also imposes certain requirements upon governmental agencies to use, and requires health care providers, health plans, and insurers contracting with such agencies to use, systems that are certified according to such standards. HITECH can adversely affect Allscripts business in at least three ways. First, Allscripts has invested and continues to invest in conforming its applicable clinical software to these standards and further significant investment will be required as certification standards evolve. Second, recently signed customers and new client prospects are requiring Allscripts to agree that its software will be certified according to applicable HITECH technical standards so that, assuming clients properly use the electronic health record software and satisfy the meaningful use and other requirements of HITECH, they will qualify for available incentive payments. Allscripts plans to meet these requirements as part of its normal software maintenance obligations, and failure to comply could result in costly contract breach and jeopardize Allscripts relationships with clients who are relying upon it to provide certified software. Third, if for some reason Allscripts is not able to comply with these HITECH standards in a timely fashion after their issuance, Allscripts offerings will be at a severe competitive disadvantage in the market to the offerings of other electronic health record vendors who have complied.

Changes in interoperability standards applicable to Allscripts software could require it to incur substantial additional development costs.

Allscripts clients are concerned with and often require that Allscripts software solutions and healthcare devices be interoperable with other third party HIT suppliers. Market forces or governmental/regulatory authorities could create software interoperability standards that would apply to Allscripts solutions, and if Allscripts software solutions and/or healthcare devices are not consistent with those standards, Allscripts could be forced to incur substantial additional development costs. The Certification Commission for Health Information Technology (CCHIT) has developed a comprehensive set of criteria for the functionality, interoperability and security of various software modules in the HIT industry. CCHIT, however, continues to modify and refine those standards. Achieving CCHIT certification is becoming a competitive requirement, resulting in increased software development and administrative expense to conform to these requirements. These standards and specifications, once finalized, will be subject to interpretation by the entities designated to certify such technology. Allscripts will incur increased development costs in delivering solutions if it needs to upgrade its software and healthcare devices to be in compliance with these varying and evolving standards, and delays may result in connection therewith. If Allscripts software solutions and healthcare devices are not consistent with these evolving standards, its market position and sales could be impaired and it may have to invest significantly in changes to its software solutions and healthcare devices, although Allscripts does not expect such costs to be significant in relation to the overall development costs for its solutions.

Risks Related to Allscripts Industry

Allscripts is subject to a number of existing laws, regulations and industry initiatives, non-compliance with certain of which could materially adversely affect Allscripts operations or otherwise adversely affect its business, financial condition and results of operations, and Allscripts is susceptible to a changing regulatory environment.

As a participant in the healthcare industry, Allscripts operations and relationships, and those of Allscripts customers, are regulated by a number of federal, state and local governmental entities. The impact of this regulation on Allscripts is direct, to the extent it is itself subject to these laws and regulations, and is also indirect in that, in a number of situations, even though Allscripts may not be directly regulated by specific healthcare laws and regulations, its products must be capable of being used by its customers in a manner that complies with those laws and regulations. Inability of Allscripts customers to do so could affect the marketability of Allscripts products or its compliance with its customer contracts, or even expose it to direct liability on a theory that Allscripts had assisted its customers in a violation of healthcare laws or regulations. Because Allscripts business relationships with physicians are unique, and the healthcare technology industry as a whole is relatively young, the application of many state and federal regulations to Allscripts business operations and to its customers is uncertain. Indeed, there are federal and state fraud and abuse laws, including anti-kickback laws and limitations on physician referrals, and laws related to distribution and marketing, including off-label promotion of prescription drugs that may be directly or indirectly applicable to Allscripts operations and relationships or the business practices of its customers. It is possible that a review of Allscripts business practices or those of its customers by courts or regulatory authorities could result in a determination that could adversely affect Allscripts. In addition, the healthcare regulatory environment may change in a way that restricts Allscripts existing operations or its growth. The healthcare industry is expected to continue to undergo significant changes for the foreseeable future, which could have an adverse effect on Allscripts business, financial condition and results of operations. Allscripts cannot predict the effect of possible future legislation and regulation.

Specific risks include, but are not limited to, risks relating to:

Patient Information. As part of the operation of Allscripts business, its customers provide to it patient-identifiable medical information related to the prescription drugs that they prescribe and other aspects of patient treatment. Government and industry legislation and rulemaking, especially the Health Insurance Portability and Accountability Act of 1996 (HIPAA), HITECH and standards and requirements published by industry groups such as the Joint Commission on Accreditation of Healthcare Organizations, require the use of standard transactions, standard identifiers, security and other standards and requirements for the transmission of certain electronic health information. National standards and procedures under HIPAA include the Standards for Electronic Transactions and Code Sets (the Transaction Standards); the Security Standards (the Security Standards); and the Standards for Privacy of Individually Identifiable Health Information (the Privacy Standards). The Transaction Standards require the use of specified data coding, formatting and content in all specified Health Care Transactions conducted electronically.
The Security Standards require the adoption of specified types of security for certain patient identifiable health information (called Protected Health Information). The Privacy Standards grant a number of rights to individuals as to their Protected Health Information and restrict the use and disclosure of Protected Health Information by Covered Entities, defined as health plans, health care providers and health care clearinghouses. Allscripts has reviewed its activities and believes that it is a Covered Entity to the extent that it maintains a group health plan for the benefit of its employees. Allscripts has taken steps it believes to be appropriate and required to bring its group health plan into compliance with HIPAA and HITECH. For Allscripts operating functions, it believes that it is a hybrid entity, with both covered and non-covered functions under HIPAA. The Payerpath portion of Allscripts business qualifies as a health care clearinghouse when it files electronic health care claims on behalf of health care providers that are subject to HIPAA and HITECH, and Allscripts has instituted policies and procedures to comply with HIPAA and HITECH in that role. With respect to Allscripts other business functions, it does not believe it is a Covered Entity as a health care provider or as a health care clearinghouse; however, the definition of a health care clearinghouse is broad and Allscripts cannot offer any assurance that it could not be considered a health care clearinghouse under HIPAA or that, if Allscripts is determined to be a healthcare clearinghouse, the consequences would not be adverse to its business, financial condition and results of operations.

In addition, certain provisions of the Privacy and Security Standards apply to third parties that create, access, or receive Protected Health Information in order to perform a function or activity on behalf of a

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Covered Entity. Such third parties are called Business Associates. Covered Entities must have a written Business Associate Agreement with such third parties, containing specified written satisfactory assurances, consistent with the Privacy and Security Standards and HITECH and its implementing regulations, that the third party will safeguard Protected Health Information that it creates or accesses and will fulfill other material obligations. Most of Allscripts customers are Covered Entities, and Allscripts functions in many of its relationships as a Business Associate of those customers. Allscripts would face liability under its Business Associate Agreements, HIPAA and HITECH if it does not comply with its Business Associate obligations and applicable provisions of the Privacy and Security Standards and HITECH and its implementing regulations. The penalties for a violation of HIPAA or HITECH are significant and could have an adverse impact upon Allscripts business, financial condition and results of operations, if such penalties ever were imposed. Additionally, Covered Entities that are providers are required to adopt a unique standard National Provider Identifier (NPI) for use in filing and processing health care claims and other transactions. Subject to the discussion set forth above, Allscripts believes that the principal effects of HIPAA are, first, to require that Allscripts systems be capable of being operated by Allscripts and its customers in a manner that is compliant with the various HIPAA standards and, second, to require Allscripts to enter into and comply with Business Associate Agreements with Allscripts Covered Entity customers. For most Covered Entities, the deadlines for compliance with the Privacy Standards and the Transaction Standards occurred in 2003. Covered Entities, with the exception of small health plans (as that term is defined by the Privacy Standards), were required to be in compliance with the Security Standards by April 20, 2005 and to use NPIs in standard transactions no later than the compliance dates, which was May 23, 2007, for all but small health plans, and May 23, 2008, for small health plans. Allscripts has policies and procedures that it believes comply with all federal and state confidentiality requirements for the handling of Protected Health Information that Allscripts receives and with its obligations under Business Associate Agreements. In particular, Allscripts believes that its systems and products are capable of being used by or for Allscripts customers in compliance with the Transaction Standards and Security Standards and are capable of being used by or for Allscripts customers in compliance with the NPI requirements. If, however, Allscripts does not follow those procedures and policies, or they are not sufficient to prevent the unauthorized disclosure of Protected Health Information, Allscripts could be subject to civil and/or criminal liability, fines and lawsuits, termination of Allscripts customer contracts or its operations could be shut down. Moreover, because all HIPAA Standards and HITECH implementing regulations and guidance are subject to change or interpretation, Allscripts cannot predict the full future impact of HIPAA and HITECH on its business and operations. In the event that HIPAA or HITECH s standards and compliance requirements change or are interpreted in a way that requires any material change to the way in which Allscripts does business, its business, financial condition and results of operations could be adversely affected.

Additionally, certain state laws are not preempted by HIPAA and HITECH and may impose independent obligations upon Allscripts customers or Allscripts. Additional legislation governing the acquisition, storage and transmission or other dissemination of health record information and other personal information, including social security numbers, has been proposed at the state level. There can be no assurance that changes to state or federal laws will not materially restrict the ability of providers to submit information from patient records using Allscripts products and services.

Electronic Prescribing. The use of Allscripts software by physicians to perform a variety of functions, including electronic prescribing, electronic routing of prescriptions to pharmacies and dispensing, is governed by state and federal law, including fraud and abuse laws. States have differing prescription format requirements, which Allscripts has programmed into its software. Many existing laws and regulations, when enacted, did not anticipate methods of e-commerce now being developed. While federal law and the laws of many states permit the electronic transmission of certain prescription orders, the laws of several states neither specifically permit nor specifically prohibit the practice. Restrictions exist, however, on the use of e-prescribing for controlled substances and certain other drugs. Given the rapid growth of electronic transactions in healthcare, and particularly the growth of

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the Internet, Allscripts expects the remaining states to directly address these areas with regulation in the near future. In addition, on November 7, 2005, the Department of Health and Human Services published its final E-Prescribing and the Prescription Drug Program regulations (E-Prescribing Regulations). These regulations are required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) and became effective beginning on January 1, 2006. The E-Prescribing Regulations consist of detailed standards and requirements, in addition to the HIPAA Standards discussed above, for prescription and other information transmitted electronically in connection with a drug benefit covered by the MMA s Prescription Drug Benefit. These standards cover not only transactions between prescribers and dispensers for prescriptions but also electronic eligibility and benefits inquiries and drug formulary and benefit coverage information. The standards apply to prescription drug plans participating in the MMA s Prescription Drug Benefit. Other rules governing e-prescribing apply to other areas of Medicare and to Medicaid. The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorized a new and separate incentive program for individual eligible professionals who are successful electronic prescribers as defined by MIPPA. This new incentive is separate from and is in addition to the quality reporting incentive program authorized by Division B of the Tax Relief and Health Care Act of 2006 Medicare Improvements and Extension Act of 2006 and known as the Physician Quality Reporting Initiative (PQRI). Eligible professionals do not need to participate in PQRI to participate in the E-Prescribing Incentive Program. For the 2009 e-prescribing reporting year, to be a successful e-prescriber and to receive an incentive payment, an individual eligible professional must report one e- prescribing measure in at least 50% of the cases in which the measure is reportable by the eligible professional during 2009. There is no sign-up or pre- registration to participate in the E-Prescribing Incentive Program. However, there are certain limitations for participation. To the extent that these new initiatives and regulations foster the accelerated adoption of e-prescribing, Allscripts business could benefit. But, as noted below, there is no assurance that these government-sponsored efforts will succeed in spurring greater adoption of e-prescribing. Moreover, regulations in this area impose certain requirements which can be burdensome and they are evolving and subject to change at any moment, meaning that any potential benefits may be reversed by a newly-promulgated regulation that adversely affects Allscripts business model. Aspects of Allscripts clinical products are affected by such regulation because of the need of Allscripts customers to comply, as discussed above. Compliance with these regulations could be burdensome, time-consuming and expensive. Allscripts also could become subject to future legislation and regulations concerning the development and marketing of healthcare software systems. For example, regulatory authorities such as the U.S. Department of Health and Human Services Center for Medicare and Medicaid Services may impose functionality standards with regard to electronic prescribing and electronic health record technologies. These could increase the cost and time necessary to market new services and could affect Allscripts in other respects not presently foreseeable.

Electronic Health Records. A number of important federal and state laws govern the use and content of electronic health record systems, including fraud and abuse laws that may affect the donation of such technology. As a company that provides electronic health record systems to a variety of providers of healthcare, Allscripts systems and services must be designed in a manner that facilitates its customers compliance with these laws. Because this is a topic of increasing state and federal regulation, Allscripts must continue to monitor legislative and regulatory developments that might affect its business practices as they relate to electronic health record systems. Allscripts cannot predict the content or effect of possible future regulation on its business practices. Also, as described above, Allscripts Enterprise EHR, Allscripts Professional EHR and Allscripts MyWay electronic health record are each certified by CCHIT as meeting CCHIT s certification standards for functionality, interoperability and security. Allscripts failure to maintain CCHIT certification or otherwise meet industry standards would adversely impact its business.

Claims Transmission. Allscripts system electronically transmits claims for prescription medications dispensed by physicians to patients payers for immediate approval and reimbursement. Federal law

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provides that it is both a civil and a criminal violation for any person to submit, or cause to be submitted, a claim to any payer, including, without limitation, Medicare, Medicaid and all private health plans and managed care plans, seeking payment for any services or products that overbills or bills for items that have not been provided to the patient. Allscripts has in place policies and procedures that Allscripts believes assure that all claims that are transmitted by Allscripts system are accurate and complete, provided that the information given to Allscripts by its customers is also accurate and complete. If, however, Allscripts does not follow those procedures and policies, or they are not sufficient to prevent inaccurate claims from being submitted, Allscripts could be subject to liability. As discussed above, the HIPAA Transaction Standards and the HIPAA Security Standards also affect Allscripts claims transmission services, since those services must be structured and provided in a way that supports Allscripts customers HIPAA and HITECH compliance obligations. Furthermore, to the extent that there is some type of security breach, it could have a material adverse effect on Allscripts business.

Medical Devices. Certain computer software products are regulated as medical devices under the Federal Food, Drug, and Cosmetic Act. The U.S. Food and Drug Administration (FDA) has issued a draft policy for the regulation of computer software products as medical devices. The draft policy is not binding on the industry or the FDA. To the extent that computer software is a medical device under the Federal Food, Drug and Cosmetic Act, Allscripts, as a manufacturer of such products, could be required, depending on the product, to register and list its products with the FDA; notify the FDA and demonstrate substantial equivalence to other products on the market before marketing such products; or obtain FDA approval by demonstrating safety and effectiveness before marketing a product. Depending on the intended use of a device, the FDA could require Allscripts to obtain extensive data from clinical studies to demonstrate safety or effectiveness or substantial equivalence. If the FDA requires this data, Allscripts could be required to obtain approval of an investigational device exemption before undertaking clinical trials. Clinical trials can take extended periods of time to complete. Allscripts cannot provide assurances that the FDA will approve or clear a device after the completion of such trials. In addition, these products would be subject to the Federal Food, Drug and Cosmetic Act s general controls, including those relating to good manufacturing practices and adverse experience reporting. Allscripts expects that the FDA is likely to become increasingly active in regulating computer software intended for use in healthcare settings regardless of whether the draft policy is ever revised or finalized. The FDA can impose extensive requirements governing pre- and post-market conditions like approval, labeling and manufacturing. In addition, the FDA can impose extensive requirements governing product design controls and quality assurance processes. Failure to comply with FDA requirements can result in criminal and civil fines and penalties, product seizure, injunction, and civil monetary policies each of which could have an adverse affect on Allscripts business.

Red Flag Rules. As of November 1, 2009, medical practices that act as creditors to their patients were required to comply with new Federal Trade Commission (FTC) rules promulgated under the Fair and Accurate Credit Transactions Act of 2003 that are aimed at reducing the risk of identity theft. These rules require creditors to adopt policies and procedures that identify patterns, practices, or activities that indicate possible identity theft (called red flags); detect those red flags; and respond appropriately to those red flags to prevent or mitigate any theft. The rules also require creditors to update their policies and procedures on a regular basis. Because most practices treat their patients without receiving full payment at the time of service, Allscripts clients are generally considered creditors for purposes of these rules and are required to comply with them. Although Allscripts is not directly subject to these rules since Allscripts does not extend credit to customers Allscripts does handle patient data that, if improperly disclosed, could be used in identity theft. On May 28, 2010, the FTC announced that it would delay enforcement of the Red Flag Rule until January 1, 2011.

Additionally, recently enacted public laws reforming the U.S. healthcare system may have an impact on our business. The Patient Protection and Affordable Care Act (H.R. 3590; Public Law 111-148) (PPACA) and The Health Care and Education Reconciliation Act of 2010 (H.R. 4872) (the Reconciliation Act), which amends the

PPACA (collectively the Health Reform Laws), were signed into law in March 2010. The Health Reform Laws contain various provisions which may impact Allscripts and its customers. Some of these provisions may have a positive impact, by expanding the use of electronic health records in certain federal programs, for example, while others, such as reductions in reimbursement for certain types of providers, may have a negative impact due to fewer available resources. Increases in fraud and abuse penalties may also adversely affect participants in the health care sector, including Allscripts.

Increased government involvement in healthcare could adversely affect Allscripts business.

U.S. healthcare system reform at both the federal and state level, could increase government involvement in healthcare, lower reimbursement rates and otherwise change the business environment of Allscripts customers and the other entities with which Allscripts has a business relationship. Allscripts cannot predict whether or when future healthcare reform initiatives at the federal or state level or other initiatives affecting its business will be proposed, enacted or implemented or what impact those initiatives may have on its business, financial condition or results of operations. Allscripts customers and the other entities with which it has a business relationship could react to these initiatives and the uncertainty surrounding these proposals by curtailing or deferring investments, including those for Allscripts products and services. Additionally, the government has signaled increased enforcement activity targeting healthcare fraud and abuse, which could adversely impact Allscripts business, either directly or indirectly. To the extent that Allscripts customers, most of whom are providers, may be affected by this increased enforcement environment, Allscripts business could correspondingly be affected. Additionally, government regulation could alter the clinical workflow of physicians, hospitals and other healthcare participants, thereby limiting the utility of Allscripts products and services to existing and potential customers and curtailing broad acceptance of Allscripts products and services. Further examples of government involvement could include requiring the standardization of technology relating to electronic health records, providing customers with incentives to adopt electronic health record solutions or developing a low-cost government sponsored electronic health record solution, such as VistA-Office electronic health record. Additionally, certain safe harbors to the federal Anti-Kickback Statute and corresponding exceptions to the federal Stark law may alter the competitive landscape. These safe harbors and exceptions are intended to accelerate the adoption of electronic prescription systems and electronic health records systems, and therefore provide new and attractive opportunities for Allscripts to work with hospitals and other donors who wish to provide Allscripts solutions to physicians. At the same time, such safe harbors and exceptions may result in increased competition from providers of acute electronic health record solutions, whose hospital customers may seek to donate their existing acute electronic health record solutions to physicians for use in ambulatory settings.

If the electronic healthcare information market fails to develop as quickly as expected, Allscripts business, financial condition and results of operations will be adversely affected.

The electronic healthcare information market is in the early stages of development and is rapidly evolving. A number of market entrants have introduced or developed products and services that are competitive with one or more components of the solutions Allscripts offers. Allscripts expects that additional companies will continue to enter this market, especially in response to recent government subsidies. In new and rapidly evolving industries, there is significant uncertainty and risk as to the demand for, and market acceptance of, recently introduced products and services. Because the markets for Allscripts products and services are new and evolving, Allscripts is not able to predict the size and growth rate of the markets with any certainty. Allscripts cannot assure you that markets for its products and services will develop or that, if they do, they will be strong and continue to grow at a sufficient pace. If markets fail to develop, develop more slowly than expected or become saturated with competitors, Allscripts business, financial condition and results of operations will be adversely affected.

Consolidation in the healthcare industry could adversely affect Allscripts business, financial condition and results of operations.

Many healthcare industry participants are consolidating to create integrated healthcare delivery systems with greater market power. As provider networks and managed care organizations consolidate, thus decreasing the

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number of market participants, competition to provide products and services like those of Allscripts will become more intense, and the importance of establishing relationships with key industry participants will become greater. These industry participants may try to use their market power to negotiate price reductions for Allscripts products and services. Further, consolidation of management and billing services through integrated delivery systems may decrease demand for Allscripts products and services. If Allscripts were forced to reduce its prices, its business would become less profitable unless Allscripts were able to achieve corresponding reductions in its expenses.

Risks Related to Allscripts Common Stock

Misys has the voting power to block Allscripts future business combinations.

Under Allscripts amended and restated charter and by-laws, approval of actions by stockholders requires a majority of the shares of common stock present in person and entitled to vote on the matter except as otherwise required by Delaware law. Because of the size of Misys interest in Allscripts, Misys has the ability to control or significantly influence the outcome of all matters submitted to a stockholder vote, subject to the voting agreements contained in the Relationship Agreement. The interests of Misys may differ from those of other holders of Allscripts common stock in material respects. For example, Misys may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to other holders of Allscripts common stock, or vice versa. Additionally, Misys may determine that the disposition of some or all of its interests in Allscripts would be beneficial to Misys at a time when such disposition could be detrimental to the other holders of Allscripts common stock. In addition, it will likely be impracticable (as long as Misys retains a majority ownership stake) for a third party to acquire Allscripts through a merger or similar business combination without Misys approval.

Misys has the right to appoint a majority of Allscripts directors.

Until the completion of the Exchange and the Share Repurchase, Misys is entitled, under the Relationship Agreement, to nominate six of Allscripts ten directors, as well as the Chairman of the Board. Misys rights to nominate a specific number of directors set forth in the Relationship Agreement will continue so long as it owns specified percentages of Allscripts common stock as follows:

- If, at any time, Misys owns less than 50.0% but more than or equal to 45.0% of the then outstanding shares of Allscripts common stock, Misys will have the right to nominate five directors;

- If, at any time, Misys owns less than 45.0% but more than or equal to 35.0% of the then outstanding shares of Allscripts common stock, Misys will have the right to nominate four directors;

- If, at any time, Misys owns less than 35.0% but more than or equal to 25.0% of the then outstanding shares of Allscripts common stock, Misys will have the right to nominate three directors;

- If, at any time, Misys owns less than 25.0% but more than or equal to 15.0% of the then outstanding shares of Allscripts common stock, Misys will have the right to nominate two directors;

- If, at any time, Misys owns less than 15.0% but more than or equal to 5.0% of the then outstanding shares of Allscripts common stock, Misys will have the right to nominate one director; and

- If, at any time, Misys owns less than 5.0% of the number of then outstanding shares of Allscripts common stock, Misys will have no right to nominate any directors.

As a result, Misys nominated directors will control or significantly influence matters submitted to a vote of Allscripts directors and have the ability to remove and replace Allscripts executive officers and Misys nominated directors would retain influence even if Misys were to sell significant portions of Allscripts common stock as detailed above.

Upon completion of the Exchange and the Share Repurchase, Allscripts and Misys will enter into the Amended and Restated Relationship Agreement. Under the Amended and Restated Relationship Agreement, Misys will be entitled to nominate two directors, which will be permanently reduced to one director if Misys

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owns less than 15.5 million shares of Allscripts common stock, and which right will be permanently eliminated if Misys owns less than 5.0% of the then outstanding shares of Allscripts common stock or violates certain items of the standstill provision set forth in the Framework Agreement.

Future sales of Allscripts common stock in the public market could adversely affect the trading price of Allscripts common stock that it may issue and its ability to raise funds in new securities offerings.

Future sales of substantial amounts of Allscripts common stock in the public market (including the Secondary Offering), or the perception that such sales could occur, could adversely affect prevailing trading prices of Allscripts common stock and could impair its ability to raise capital through future offerings of equity or equity-related securities. As of July 13, 2010, Allscripts had approximately:

- 146,518,961 shares of common stock outstanding;
- 3,114,164 shares of common stock reserved and available for issuance pursuant to outstanding stock options (at a weighted average exercise price of $3.34 per share); and
- 3,493,098 shares of common stock reserved and available for issuance to settle outstanding restricted stock units.

In connection with Allscripts acquisition strategy, Allscripts may issue shares of its common stock as consideration in other acquisition transactions. Allscripts cannot predict the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale will have on the trading price of Allscripts common stock.

Allscripts issuance of preferred stock could adversely affect holders of its common stock and discourage a takeover.

Allscripts Board of Directors is authorized to issue up to 1,000,000 shares of preferred stock without any action on the part of Allscripts stockholders. Allscripts Board of Directors also has the power, without stockholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights (except that shares of preferred stock may not have more than one vote per share), dividend rights, preferences over Allscripts common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that Allscripts issues preferred stock in the future that has preference over Allscripts common stock with respect to payment of dividends or upon Allscripts liquidation, dissolution or winding up, or if Allscripts issues preferred stock that is convertible into its common stock at greater than a one-to-one ratio, the voting and other rights of the holders of its common stock or the market price of its common stock could be adversely affected. In addition, the ability of Allscripts Board of Directors to issue shares of preferred stock without any action on the part of Allscripts stockholders may impede a takeover of Allscripts and prevent a transaction favorable to the holders of its common stock.

Allscripts goodwill, which increased as a result of the 2008 Misys Transactions, could become impaired and adversely affect Allscripts net worth and the market value of its common stock.

Under the purchase method of accounting, Allscripts assets and liabilities were recorded, as of completion of the 2008 Misys Transactions, at their respective fair values and added to those of Misys, which are carried at their book values. The purchase price for the 2008 Misys Transactions was allocated to legacy Allscripts tangible assets and liabilities and identifiable intangible assets, based on their fair values as of the date of completion of the merger. The excess of $336,025,000 of such price over those fair values has been recorded as goodwill. Goodwill and other acquired intangibles expected to contribute indefinitely to Allscripts cash flows are not amortized, but must be evaluated by management at least annually for impairment. To the extent the value of goodwill or intangibles becomes impaired, Allscripts may be required to incur material charges relating to such impairment. Such a potential impairment charge could have a material impact on Allscripts operating results.

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Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have an adverse effect on Allscripts business and the trading price of its common stock.

Commencing in the fiscal year ended May 31, 2010, Allscripts must include legacy Misys in its system and process evaluation and testing of internal control over financial reporting to allow management and Allscripts independent registered certified public accounting firm to report on the effectiveness of Allscripts internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. The Securities and Exchange Commission granted Allscripts relief from including legacy Misys in such evaluation and testing for Allscripts fiscal year ended May 31, 2009. Prior to the completion of the 2008 Misys Transactions, Misys had not performed the system and process evaluation and testing of its internal control over financial reporting. This testing, or the subsequent testing by Allscripts independent registered certified public accounting firm, may reveal deficiencies in the combined entity s internal control over financial reporting that are deemed to be material weaknesses. Moreover, if the combined entity is not able to comply with the requirements of Section 404 in a timely manner, or if it or its independent registered certified public accounting firm identifies deficiencies in the combined Allscripts-Misys internal control over financial reporting that are deemed to be material weaknesses, the market price of Allscripts stock could decline and Allscripts could be subject to sanctions or investigations by The NASDAQ Global Select Market, the SEC or other regulatory authorities, which would require additional financial and management resources.

The market price of Allscripts common stock has been and may continue to be volatile.

The market price of Allscripts common stock is volatile and could fluctuate significantly in response to the factors described above and other factors, many of which are beyond Allscripts control, including:

- actual or anticipated variations in Allscripts quarterly operating results;
- announcements of technological innovations or new services or products by Allscripts competitors or Allscripts;
- changes in financial estimates by securities analysts;
- conditions and trends in the electronic healthcare information, Internet, e-commerce and pharmaceutical markets; and
- general market conditions and other factors.

In addition, the stock markets, especially The NASDAQ Global Select Market, have experienced extreme price and volume fluctuations that have affected the market prices of equity securities of many technology companies and Internet-related companies in particular. These fluctuations have often been unrelated or disproportionate to operating performance. These broad market factors may materially affect the trading price of Allscripts common stock. General economic, political and market conditions such as recessions and interest rate fluctuations may also have an adverse effect on the market price of Allscripts common stock. Volatility in the market price for Allscripts common stock may result in the filing of securities class action litigation.

Allscripts quarterly operating results may vary.

Allscripts quarterly operating results have varied in the past, and Allscripts expects that its quarterly operating results will continue to vary in future periods depending on a number of factors, some of which Allscripts has no control over, including customers budgetary constraints and internal acceptance procedures, seasonal variances in demand for Allscripts products and services, the sales, service and implementation cycles for Allscripts software products, potential downturns in the healthcare market and in economic conditions generally, and other factors described in this Risk Factors section.

Allscripts bases its expense levels in part upon its expectations concerning future revenue, and these expense levels are relatively fixed in the short term. If Allscripts has lower revenue than expected, it may not be able to reduce its spending in the short term in response. Any shortfall in revenue would have a direct impact on Allscripts results of operations. In addition, Allscripts product sales cycle for larger sales is lengthy and

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unpredictable, making it difficult to estimate Allscripts future bookings for any given period. If Allscripts does not achieve projected booking targets for a given period, securities analysts may change their recommendations on Allscripts common stock. For these and other reasons, Allscripts may not meet the earnings estimates of securities analysts or investors, and its stock price could suffer.

If Allscripts fails to comply with financial covenants under its credit facility, its results of operation and financial condition could be adversely affected.

Allscripts Second Amended and Restated Credit Agreement contains certain financial covenants, including interest coverage and total leverage ratios. If Allscripts fails to comply with these covenants, an event of default may occur, resulting in, among other things, the requirement to immediately repay all outstanding amounts owed thereunder, which could have an adverse effect on Allscripts results of operation, financial condition or the price of its common stock.

Allscripts is a controlled company within the meaning of NASDAQ rules and, as a result, is exempt from certain corporate governance and other requirements under the rules of NASDAQ

For so long as Misys or any other entity or group owns more than 50% of the total voting power of Allscripts common stock, Allscripts will be a controlled company within the meaning of NASDAQ rules and, as a result, qualifies for exceptions from certain corporate governance and other requirements of the rules of NASDAQ. Pursuant to these exceptions, Allscripts has elected not to comply with certain corporate governance requirements of NASDAQ, including the requirements (i) that a majority of Allscripts board of directors consist of independent directors, (ii) that Allscripts have a nominating/corporate governance committee that is composed entirely of independent directors and (iii) that Allscripts have a compensation committee that is composed entirely of independent directors. Accordingly, Allscripts stockholders do not have the same protections afforded to equityholders of entities that are subject to all of the corporate governance requirements of NASDAQ. As a result of the Coniston Transactions, Misys will cease to own more than 50% of the total voting power of Allscripts common stock, and Allscripts exemption from the applicable NASDAQ corporate governance and other requirements will terminate.

Sales of Allscripts common stock by Misys may negatively affect the market price of Allscripts common stock.

While the shares of Allscripts common stock owned by Misys are not registered and are subject to transfer restrictions, sales of a large number of such shares, or even the perception that these sales may occur, could cause a decline in the market price of Allscripts common stock. Allscripts entered into a registration rights agreement with Misys and two of its wholly owned subsidiaries on June 9, 2010. Under the registration rights agreement, for as long as Misys owns at least 5% of the outstanding shares of Allscripts common stock, Misys may require Allscripts to file a registration statement under the federal securities laws registering the sale of all or a portion of the shares of Allscripts common stock owned by Misys that are not otherwise freely tradable, and Misys may, for a period of three years, participate in any registration statement proposed to be effected by Allscripts, subject to certain limitations. See Description of the Coniston Transactions Registration Rights Agreement.

Risks Related to Eclipsys

Risks Related to Development and Operation of Eclipsys Software

Eclipsys software may not operate properly, which could damage its reputation and impair its sales.

Software development is time consuming, expensive and complex. Unforeseen difficulties can arise. Eclipsys may encounter technical obstacles and additional problems that prevent its software from operating properly. Client environments and practice patterns are widely divergent; consequently, there is significant variability in the configuration of Eclipsys software from client to client, and Eclipsys is not able to identify, test for, and resolve in advance all issues that may be encountered by clients. These risks are generally higher for newer software, until Eclipsys has enough experience with the software to have addressed issues that are discovered in disparate client circumstances and environments, and for new installations, until potential issues

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associated with each new client s particular environment and configurability are identified and addressed. Due to Eclipsys ongoing development efforts, at any point in time, it generally has significant software that could be considered relatively new and therefore more vulnerable to these risks. It is also possible that future releases of Eclipsys software, which would typically include additional features, may be delayed or may require additional work to address issues that may be discovered as the software is introduced into Eclipsys client base. If Eclipsys software contains errors or does not function consistent with software specifications or client expectations, Eclipsys could be subject to significant contractual damages or contract terminations and face serious harm to its reputation, and its sales could be negatively affected.

Eclipsys software development efforts may be inefficient or ineffective, which could adversely affect its results of operations.

Eclipsys faces intense competition in the marketplace and is confronted by rapidly changing technology, evolving industry standards and user needs and the frequent introduction of new software and enhancements by its competitors. Eclipsys future success will depend in part upon its ability to enhance its existing software and services, and to timely develop and introduce competing new software and services with features and pricing that meet changing client and market requirements. Eclipsys schedules and prioritizes these development efforts according to a variety of factors, including Eclipsys perceptions of market trends, client requirements, and resource availability. Eclipsys software solutions are complex and require a significant investment of time and resources to develop, test, introduce into use, and enhance. These activities can take longer than Eclipsys expects. Eclipsys may encounter unanticipated difficulties that require it to re-direct or scale-back its efforts and it may need to modify its plans in response to changes in client requirements, market demands, resource availability, regulatory requirements, or other factors. These factors place significant demands upon Eclipsys software development organization, require complex planning and decision making, and can result in acceleration of some initiatives and delay of others. If Eclipsys does not manage its development efforts efficiently and effectively, it may fail to produce, or timely produce, software that responds appropriately to its clients needs, or Eclipsys may fail to meet client expectations regarding new or enhanced features and functionality.

Market changes could decrease the demand for Eclipsys software or increase its development costs.

The health information technology market is characterized by rapidly changing technologies, evolving industry standards and new software introductions and enhancements that may render existing software obsolete or less competitive. Eclipsys position in the market could erode rapidly due to the development of regulatory or industry standards that its software may not fully meet or due to changes in the features and functions of competing software, as well as the pricing models for such software. If software development for the health information technology market becomes significantly more expensive due to changes in regulatory requirements or healthcare industry practices, or other factors, Eclipsys may find itself at a disadvantage to larger competitors with more financial resources to devote to development. If Eclipsys is unable to enhance its existing software and services, and to timely develop and introduce competing new software and services with features and pricing that meet changing client and market requirements, demand for Eclipsys software will suffer and it will be more difficult for Eclipsys to recover the cost of product development.

Any failure by Eclipsys to protect its intellectual property, or any misappropriation of it, could enable Eclipsys competitors to market software with similar features, which could reduce demand for Eclipsys software.

Eclipsys is dependent upon its proprietary information and technology. Eclipsys means of protecting its proprietary rights may not be adequate to prevent misappropriation. In addition, the laws of some foreign countries may not enable Eclipsys to protect its proprietary rights in those jurisdictions. Also, despite the steps Eclipsys has taken to protect its proprietary rights, it may be possible for unauthorized third parties to copy aspects of Eclipsys software, reverse engineer Eclipsys software or otherwise obtain and use information that Eclipsys regards as proprietary. In some limited instances, clients can access source-code versions of Eclipsys software, subject to contractual limitations on the permitted use of the source code. Furthermore, it may be possible for Eclipsys competitors to copy or gain access to Eclipsys software. Although Eclipsys license agreements with clients attempt to prevent misuse of Eclipsys source code and other trade secrets, the possession of Eclipsys source code or trade secrets by third parties increases the ease and likelihood of potential misappropriation of Eclipsys software. Furthermore, others could independently develop technologies similar or superior to Eclipsys technology or design around Eclipsys proprietary rights.

Failure of security features of Eclipsys software could expose it to significant liabilities.

Clients use Eclipsys systems to store and transmit highly confidential patient health information. Because of the sensitivity of this information, security features of Eclipsys software are very important. If, notwithstanding Eclipsys efforts, its software security features do not function properly, or client systems using its software are compromised, Eclipsys could face claims for contract breach, fines, penalties and other liabilities for violation of applicable laws or regulations, and significant costs for remediation and re-engineering to prevent future occurrences.

Risks Related to Sales and Implementation of Eclipsys Software

Eclipsys sales process can be long and expensive and may not result in revenues, and the length of Eclipsys sales and implementation cycles may adversely affect Eclipsys operating results.

The sales cycle for Eclipsys hospital software ranges from 6 to 18 months or more from initial contact to contract execution. Eclipsys hospital implementation cycle has generally ranged from 6 to 36 months from contract execution to completion of implementation. During the sales and implementation cycles, Eclipsys expends substantial time, effort and resources preparing contract proposals, negotiating the contract and implementing the software. Eclipsys sales efforts may not result in a sale, in which case Eclipsys will not realize any revenues to offset these expenditures. If Eclipsys does complete a sale, revenue recognition can be delayed or fall below expectations if accounting principles do not allow Eclipsys to recognize revenues in the same periods in which corresponding sales and implementation expenses were incurred, or clients decide to delay purchasing or implementing Eclipsys software or reduce the scope of products purchased.

Eclipsys may experience implementation delays that could harm Eclipsys reputation and violate contractual commitments.

Some of Eclipsys software, particularly its hospital enterprise software, is complex, requires a lengthy and expensive implementation process, and requires Eclipsys clients to make a substantial commitment of their own time and resources and to make significant organizational and process changes. If Eclipsys clients are unable to fulfill their implementation responsibilities in a timely fashion, Eclipsys projects may be delayed or become less profitable. Each client s situation is different, and unanticipated difficulties and delays may arise as a result of failures by Eclipsys or the client to meet their respective implementation responsibilities or other factors. Because of the complexity of the implementation process, delays are sometimes difficult to attribute solely to Eclipsys or the client. Implementation delays could motivate clients to delay payments or attempt to cancel their contracts with Eclipsys or seek other remedies from Eclipsys. Any inability or perceived inability to implement Eclipsys software consistent with a client s schedule could harm Eclipsys reputation and be a competitive disadvantage for Eclipsys as it pursues new business. Eclipsys ability to improve sales depends upon many factors, including successful and timely completion of implementation and successful use of Eclipsys software in live environments by clients who are willing to become reference sites for Eclipsys.

Implementation costs may exceed Eclipsys expectations, which can negatively affect Eclipsys operating results.

Each client s circumstances may include unforeseen issues that make it more difficult or costly than anticipated to implement Eclipsys software. As a result, Eclipsys may fail to project, price or manage its implementation services correctly. If Eclipsys does not have sufficient qualified personnel to fulfill its implementation commitments in a timely fashion, or if its personnel take longer than budgeted to implement

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Eclipsys solutions, its operating results will be negatively affected. Similarly, if Eclipsys must supplement its capabilities with third-party consultants, who are generally more expensive, Eclipsys costs will increase.

Risks Related to Eclipsys Information Technology (IT) or Technology Services

Various risks could interrupt clients access to their data residing in Eclipsys service center, exposing Eclipsys to significant costs and other liabilities.

Eclipsys provides remote hosting services that involve running Eclipsys software and third-party vendors software for clients in Eclipsys Technology Solutions Center. The ability to access the systems and the data that the Technology Solution Center hosts and supports on demand is critical to Eclipsys clients. Eclipsys operations are vulnerable to interruption and/or damage from a number of sources, many of which are beyond its control, including, without limitation: (i) power loss and telecommunications failures; (ii) fire, flood, hurricane and other natural disasters; (iii) software and hardware errors, failures or crashes; and (iv) computer viruses, hacking and similar disruptive problems. Eclipsys attempts to mitigate these risks through various means including redundant infrastructure, disaster recovery plans, separate test systems and change control and system security measures, but Eclipsys precautions may not protect against all problems. In addition, Eclipsys disaster recovery and business continuity plans rely upon third-party providers of related services, and if those vendors fail Eclipsys at a time that Eclipsys center is not operating correctly, Eclipsys could be unable to fulfill its contractual service commitments notwithstanding its attempts to mitigate the risks. If clients access is interrupted because of problems in the operation of Eclipsys Technology Solutions Center, Eclipsys could be exposed to significant claims by clients or their patients. Furthermore, interruption of access to data could result in a loss of revenue and liability under Eclipsys client contracts, and any significant instances of system downtime could negatively affect Eclipsys reputation and ability to sell its remote hosting services.

Any breach of confidentiality of client or patient data in Eclipsys possession could expose Eclipsys to significant expense and harm its reputation.

Eclipsys must maintain facility and systems security measures to preserve the confidentiality of data belonging to its clients and their patients that resides on computer equipment in Eclipsys Technology Solution Center, that it handles in its outsourcing operations, or that is otherwise in its possession. Notwithstanding the efforts Eclipsys undertakes to protect data, Eclipsys measures can be vulnerable to infiltration as well as unintentional lapse, and if confidential information is compromised, Eclipsys could face claims for contract breach, penalties and other liabilities for violation of applicable laws or regulations, significant costs for remediation and re-engineering to prevent future occurrences, and serious harm to Eclipsys reputation.

Recruiting challenges and higher than anticipated costs in outsourcing Eclipsys clients IT operations may adversely affect Eclipsys profitability.

Eclipsys provides outsourcing services that involve operating clients IT departments using Eclipsys employees. At the initiation of these relationships, clients often require Eclipsys to hire, at substantially the same compensation, the IT staff that had been performing the services Eclipsys takes on. In these circumstances, Eclipsys costs may be higher than it targets unless and until it is able to transition the workforce, methods and systems to a more scalable model. Various factors can make this transition difficult, including geographic dispersion of client facilities and variation in client needs, IT environments, and system configurations. Also, under some circumstances, Eclipsys may incur significant costs as a successor employer by inheriting obligations of that client for which Eclipsys may not be indemnified. Further, facilities management contracts require Eclipsys to provide the IT services specified by contract, and in some places or at some times it can be difficult to recruit qualified IT personnel, which cause Eclipsys to incur higher costs by raising salaries or relocating personnel.

Inability to obtain consents needed from third party software providers could impair Eclipsys ability to provide remote IT or technology services.

Eclipsys and its clients need consent from some third-party software providers as a condition to running the providers software in its service center, or to allow its employees who work in client locations under facilities

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management arrangements to have access to their software. Vendors refusal to give such consents, or insistence upon unreasonable conditions to such consents, could reduce Eclipsys revenue opportunities and make its IT or technology services less viable for some clients.

Risks Related to the Healthcare IT Industry and Market

Eclipsys operates in an intensely competitive market that includes companies that have greater financial, technical and marketing resources than Eclipsys does.

Eclipsys faces intense competition in the marketplace. Eclipsys is confronted by rapidly changing technology, evolving user needs and the frequent introduction by Eclipsys competitors of new and enhanced software. Eclipsys principal competitors in its software business include Cerner Corporation, Epic Systems Corporation, GE Healthcare, Medical Information Technology, Inc., McKesson Corporation, and Siemens AG. Other software competitors include providers of practice management, general decision support and database systems, as well as segment-specific applications and healthcare technology consultants. Eclipsys services business competes with large consulting firms, as well as independent providers of technology implementation and other services. Eclipsys outsourcing business competes with large national providers of technology solutions such as Computer Sciences Corporation, Dell Perot Systems, and IBM Corporation, as well as smaller firms. Several of Eclipsys existing and potential competitors are better established, benefit from greater name recognition and have significantly more financial, technical and marketing resources than Eclipsys does. In addition, some competitors, particularly those with a more diversified revenue base or that are privately held, may have greater flexibility than Eclipsys does to compete aggressively on the basis of price and to provide favorable financing terms to clients. Vigorous and evolving competition could lead to a loss of Eclipsys market share or pressure on Eclipsys prices and could make it more difficult to grow its business profitably.

The principal factors that affect competition within Eclipsys market include software functionality, performance, flexibility and features, use of open industry standards, compliance with industry standards, speed and quality of implementation and client service and support, company reputation, price and total cost of ownership. Eclipsys anticipates continued consolidation in both the information technology and healthcare industries and large integrated technology companies may become more active in Eclipsys markets, both through acquisition and internal investment. There is a finite number of hospitals and other healthcare providers in Eclipsys target market. As costs fall, technology improves, and market factors continue to compel investment by healthcare organizations in software and services like Eclipsys , market saturation may change the competitive landscape in favor of larger competitors with greater scale.

Clients that use Eclipsys legacy software are vulnerable to sales efforts of Eclipsys competitors.

A significant part of Eclipsys revenue comes from relatively high-margin legacy software that was installed by its clients many years ago. As the marketplace becomes more saturated and technology advances, there will be increased competition to retain existing clients, particularly those using older generation products, and loss of this business would adversely affect Eclipsys results of operations. Eclipsys attempts to convert clients using legacy software to its newer generation software, but such conversions may require significant investments of time and resources by clients.

The healthcare industry faces financial constraints that could adversely affect the demand for Eclipsys software and services.

Acquisition and implementation of Eclipsys software often involves a significant financial commitment by Eclipsys clients. Eclipsys ability to grow its business is largely dependent on its clients information technology budgets, which in part depend on Eclipsys clients cash generation and access to other sources of liquidity. Recent financial market disruptions have adversely affected the availability of external financing, and led to tighter lending standards and interest rate concerns. In addition, the healthcare industry faces significant financial constraints specific to the industry. Managed healthcare puts pressure on healthcare organizations to reduce costs, and regulatory changes and payor requirements have reduced reimbursements to healthcare organizations. For example, the Inpatient Prospective Payment System rules, published by the Centers for Medicare & Medicaid in the U.S., identified several hospital-acquired conditions for which treatment will no longer be reimbursed by Medicare. Federal, state and local governments and private payors are imposing other requirements that may have the effect of reducing payments to healthcare organizations.

These factors can reduce access to cash for Eclipsys clients and potential clients. In addition, many of Eclipsys clients budgets rely in part on investment earnings, which decrease when portfolio investment values decline. Economic factors are causing many clients to take a conservative approach to investments, including the purchase of systems like those Eclipsys sells, and to seek pricing and financing concessions from vendors like Eclipsys. If health information technology spending declines or increases more slowly than Eclipsys anticipates, or if Eclipsys is not able to offer competitive pricing or financing terms, demand for Eclipsys software could be adversely affected and Eclipsys revenue could fall short of its expectations. Challenging economic conditions also may impair the ability of Eclipsys clients to pay for its software and services for which they have contracted. As a result, reserves for doubtful accounts and write-offs of accounts receivable may increase, resulting in increased bad debt expense.

Healthcare industry consolidation could put pressure on Eclipsys software prices, reduce its potential client base and reduce demand for its software.

Many healthcare organizations have consolidated to create larger healthcare enterprises. If this consolidation trend continues, it could reduce Eclipsys potential client base and give the resulting enterprises greater bargaining power, each of which may lead to erosion of the prices for Eclipsys software. In addition, when healthcare organizations combine they often consolidate infrastructure including IT systems, and acquisitions of Eclipsys clients could erode its revenue base.

Changes in standards applicable to Eclipsys software could require it to incur substantial additional development costs.

Integration and interoperability of the software and systems provided by various vendors are important issues in the healthcare industry. Market forces, regulatory authorities and industry organizations are causing the emergence of standards for software features and performance that are applicable to Eclipsys products. Healthcare standards and ultimately the functionality demands of the electronic health record, or electronic health record, are now expanding to support community health, public health, public policy and population health initiatives. In addition, interoperability and health information exchange features that support emerging and enabling technologies are becoming increasingly important to Eclipsys clients and require Eclipsys to undertake large scale product enhancements and redesign.

For example, the Certification Commission for Health Information Technology, or CCHIT, maintains comprehensive and growing sets of criteria for the functionality, interoperability, and security of healthcare software in the U.S. Achieving CCHIT certification is evolving as a de facto competitive requirement, resulting in increased research and development expense to conform to these requirements. Similar dynamics are evolving in international markets. CCHIT requirements may diverge from Eclipsys software s characteristics and Eclipsys development direction. Eclipsys may choose not to apply for CCHIT certification of certain modules of its software or to delay applying for certification. The CCHIT application process requires conformity with 100% of all criteria applicable to each module in order to achieve certification and there is no assurance that Eclipsys will receive or retain certification for any particular module notwithstanding application. Certification for a software module lasts for two years and must then be re-secured, and certification requirements evolve, so even certifications Eclipsys receives may be lost. In addition, U.S. government initiatives, such as HITECH described below, and related industry trends are resulting in comprehensive and evolving standards related to interoperability, privacy, and other features that are becoming mandatory for systems purchased by governmental healthcare providers and other providers receiving governmental payments, including Medicare and Medicaid reimbursement. Various state and foreign governments are also developing similar standards, which may be different and even more demanding.

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Eclipsys software does not conform to all of these standards, and conforming to these standards is expected to consume a substantial and increasing portion of Eclipsys development resources. If Eclipsys software is not consistent with emerging standards, Eclipsys market position and sales could be impaired and Eclipsys will have to upgrade its software to remain competitive in the market. Eclipsys expects compliance with these kinds of standards to become increasingly important to clients and therefore to Eclipsys ability to sell its software. If Eclipsys makes the wrong decisions about compliance with these standards, or is late in conforming its software to these standards, or if despite its efforts its software fails standards compliance testing, Eclipsys offerings will be at a disadvantage in the market to the offerings of competitors who have complied.

HITECH is resulting in new business imperatives, and failure to provide Eclipsys clients with health information technology systems that are certified under HITECH could result in breach of some client obligations and put Eclipsys at a competitive disadvantage.

HITECH, which is a part of the American Recovery and Reinvestment Act of 2009, provides financial incentives for hospitals and doctors that are meaningful electronic health record users, and mandates use of health information technology systems that are certified according to technical standards developed under the supervision of the Secretary of Health and Human Services. HITECH also imposes certain requirements upon governmental agencies to use, and require health care providers, health plans, and insurers contracting with such agencies to use, systems that are certified according to such standards. This has at least four important implications for Eclipsys. First, Eclipsys has invested and continues to invest in conforming its applicable clinical software to these standards and further significant investment will be required as certification standards evolve. Second, recently signed customers and new client prospects are requiring Eclipsys to agree that its software will be certified according to applicable HITECH technical standards so that, assuming clients properly use the electronic health record software and satisfy the meaningful use and other requirements of HITECH, they will qualify for available incentive payments. Eclipsys plans to meet these requirements as part of its normal software maintenance obligations, and failure to comply could result in costly contract breach and jeopardize Eclipsys relationships with clients who are relying upon it to provide certified software. Third, if for some reason Eclipsys is not able to comply with these HITECH standards in a timely fashion after their issuance, Eclipsys offerings will be at a severe competitive disadvantage in the market to the offerings of other electronic health record vendors who have complied. Fourth, if for some reason Eclipsys is not able to comply with these standards in a timely fashion after their issuance, its offerings will be at a severe competitive disadvantage in the market to the offerings of vendors who have complied.

If Eclipsys fails to attract, motivate and retain highly qualified technical, marketing, sales and management personnel, Eclipsys ability to execute its business strategy could be impaired.

Eclipsys success depends, in significant part, upon the continued services of its key technical, marketing, sales and management personnel, and on Eclipsys ability to continue to attract, motivate and retain highly qualified employees. Competition for employees with experience in Eclipsys industry can be intense and Eclipsys maintains at-will employment terms with its employees. In addition, the process of recruiting personnel with the combination of skills and attributes required to execute Eclipsys business strategy can be difficult, time-consuming and expensive. Eclipsys believes that its ability to implement its strategic goals depends to a considerable degree on its senior management team. The loss of any member of that team could hurt Eclipsys business.

Risks Related to Eclipsys International Business Strategy

Eclipsys growing operations in India expose it to risks that could have an adverse effect on its results of operations.

Eclipsys has a significant workforce employed in India engaged in a broad range of development, support and corporate infrastructure activities that are integral to Eclipsys business and critical to its profitability. Further, while there are certain cost advantages to operating in India, significant growth in the technology sector in India has increased competition to attract and retain skilled employees with commensurate increases in

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compensation costs. In the future, Eclipsys may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Many of the companies with which Eclipsys competes for hiring experienced employees have greater resources than Eclipsys has and may be able to offer more attractive terms of employment. In addition, Eclipsys operations in India require ongoing capital investments and expose it to foreign currency fluctuations, which may significantly reduce or negate any cost benefit anticipated from such expansion.

In addition, Eclipsys reliance on a workforce in India exposes it to disruptions in the business, political and economic environment in that region. Maintenance of a stable political environment is important to Eclipsys operations, and terrorist attacks and acts of violence or war may directly affect Eclipsys physical facilities and workforce or contribute to general instability. Eclipsys operations in India may also be affected by trade restrictions, such as tariffs or other trade controls, as well as other factors that may adversely affect its operations.

Eclipsys business strategy includes expansion into markets outside North America, which will require increased expenditures, and if Eclipsys international operations are not successfully implemented, such expansion may cause its operating results and reputation to suffer.

Eclipsys is working to expand operations in markets outside North America. There is no assurance that these efforts will be successful. Eclipsys has limited experience in marketing, selling, implementing and supporting its software abroad. Expansion of Eclipsys international sales and operations will require a significant amount of attention from Eclipsys management, establishment of service delivery and support capabilities to handle that business and commensurate financial resources, and will subject Eclipsys to risks and challenges that it would not face if it conducted its business only in the United States. Eclipsys may not generate sufficient revenues from international business to cover these expenses.

The risks and challenges associated with operations outside the United States may include: the need to modify Eclipsys software to satisfy local requirements and standards, including associated expenses and time delays; laws and business practices favoring local competitors; compliance with multiple, conflicting and changing governmental laws and regulations, including healthcare, employment, tax, privacy, health information technology, and data and intellectual property protection laws and regulations; laws regulating exports of technology products from the United States; fluctuations in foreign currency exchange rates; difficulties in setting up foreign operations, including recruiting staff and management; and longer accounts receivable payment cycles and other collection difficulties. One or more of these requirements and risks may preclude Eclipsys from operating in some markets.

Foreign operations subject Eclipsys to numerous stringent U.S. and foreign laws, including the Foreign Corrupt Practices Act, or FCPA, and comparable foreign laws and regulations that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. As Eclipsys expands its international operations, there is some risk of unauthorized payments or offers of payments by one of its employees, consultants, sales agents or distributors, which could constitute a violation by Eclipsys of various laws including the FCPA, even though such parties are not always subject to Eclipsys control. Safeguards Eclipsys implements to discourage these practices may prove to be less than effective and violations of the FCPA and other laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against Eclipsys, including class action law suits and enforcement actions from the SEC, Department of Justice and overseas regulators.

Risks Related to Eclipsys Operating Results, Accounting Controls and Finances

Eclipsys operating results may fluctuate significantly depending upon periodic software revenues and other factors.

Eclipsys has experienced significant variations in revenues and operating results from quarter to quarter. Eclipsys operating results may continue to fluctuate due to a number of factors, including:

- The performance of its software and its ability to promptly and efficiently address software performance shortcomings or warranty issues;

- The cost, timeliness and outcomes of its software development and implementation efforts, including expansion of its presence in India;
- The timing, size and complexity of its software sales and implementations;
- Healthcare industry conditions and the overall demand for health information technology;
- Variations in periodic software license revenues (as discussed more fully below);
- The financial condition of its clients and potential clients;
- Market acceptance of new services, software and software enhancements introduced by Eclipsys or its competitors;
- Client decisions regarding renewal or termination of their contracts;
- Software and price competition;
- Investment required to support Eclipsys international expansion efforts;
- Personnel changes and other organizational changes and related expenses;
- Significant judgments and estimates made by management in the application of generally accepted accounting principles;
- Healthcare reform measures and healthcare regulation in general;
- Lower investment returns due to disruptions in U.S. and international financial markets;
- Fluctuations in costs related to litigation, strategic initiatives, and acquisitions; and
- Fluctuations in general economic and financial market conditions, including interest rates.

It is difficult to predict the timing of revenues that Eclipsys receives from software sales, because the sales cycle can vary depending upon several factors. These include the size and terms of the transaction, the changing business plans of the client, the effectiveness of the client s management, general economic conditions and the regulatory environment. The periodic software revenues Eclipsys recognizes in any financial reporting period include traditional license fees associated with sales made in that period, as well as revenues from contract backlog that had not previously been recognized pending contract performance that occurred or was completed during the period, and certain other activities during the period associated with existing client relationships. Although these periodic software revenues represent a relatively small portion of Eclipsys overall revenue in any period, they generally have high margins and are therefore an important element of Eclipsys earnings. The type and amount of these periodic revenues can fluctuate significantly from period to period for various reasons including economic conditions, market factors, and client-specific situations. These variations make it difficult to predict the nature and amount of these periodic revenues. Eclipsys offers clients a subscription pricing model that allows them to pay software license fees over time, and Eclipsys believes economic conditions and cash conservation by clients, attempts by clients to match their software costs more closely to funds they anticipate receiving in the future under HITECH, and other factors are likely to motivate many clients in 2010 to prefer subscription pricing. While this is beneficial to Eclipsys backlog and long-term revenue visibility, it may adversely affect Eclipsys periodic software revenues in 2010, which will adversely affect earnings if Eclipsys is not able to compensate through other revenue sources or expense controls.

Because a significant percentage of Eclipsys expenses are relatively fixed, variation in the timing of sales and implementations could cause significant variations in operating results and resulting stock price volatility from quarter to quarter. Eclipsys believes that period-to-period comparisons of its historical results of operations are not necessarily meaningful. Investors should not rely on these comparisons as indicators of future performance.

In addition, prices for Eclipsys common stock may be influenced by investor perception of Eclipsys and its industry in general, research analyst recommendations, and Eclipsys ability to meet or exceed quarterly performance expectations of investors or analysts.

Early termination of client contracts or contract penalties could adversely affect Eclipsys results of operations.

Client contracts can change or terminate early for a variety of reasons. Change of control, financial issues, declining general economic conditions or other changes in client circumstances may cause Eclipsys or the client to seek to modify or terminate a contract. Further, either Eclipsys or the client may generally terminate a contract for material uncured breach by the other. If Eclipsys breaches a contract or fails to perform in accordance with contractual service levels, Eclipsys may be required to refund money previously paid to it by the client, or to pay penalties or other damages. Even if Eclipsys has not breached, it may deal with various situations from time to time for the reasons described above which may result in the amendment or termination of a contract. These steps can result in significant current period charges and/or reductions in current or future revenue.

Because in many cases Eclipsys recognizes revenues for its software monthly over the term of a client contract, downturns or upturns in sales may not be fully reflected in Eclipsys operating results until future periods.

Eclipsys recognizes a significant portion of its revenues from clients monthly over the terms of their agreements, which are generally for periods of 5 to 7 years and can be up to 10 years. As a result, much of the revenue that Eclipsys reports each quarter is attributable to agreements executed during prior quarters. Consequently, a decline in sales, client renewals, or market acceptance of Eclipsys software in one quarter may negatively affect its revenues and profitability in future quarters. In addition, Eclipsys may be unable to rapidly adjust its cost structure to compensate for reduced revenues. This monthly revenue recognition also makes it more difficult for Eclipsys to rapidly increase its revenues through additional sales in any period, as a significant portion of revenues from new clients or new sales may be recognized over the applicable agreement term.

Loss of revenue from large clients could have significant negative impact on Eclipsys results of operations and overall financial condition.

During the fiscal year ended December 31, 2009, approximately 42% of Eclipsys revenues were attributable to its 20 largest clients and one client represented 13.2% of its revenues. In addition, approximately 49% of Eclipsys accounts receivable as of December 31, 2009 were attributable to 20 clients. Loss of revenue from significant clients or failure to collect accounts receivable, whether as a result of client payment default, contract termination, or other factors could have a significant negative impact on Eclipsys results of operation and overall financial condition.

Impairment of intangible assets could increase Eclipsys expenses.

A significant portion of Eclipsys assets consists of intangible assets, including capitalized software development costs and goodwill and other intangibles acquired in connection with acquisitions. Current accounting standards require Eclipsys to evaluate goodwill on an annual basis and other intangibles if certain triggering events occur, and adjust the carrying value of these assets to net realizable value when such testing reveals impairment of the assets. Various factors, including regulatory or competitive changes, could affect the value of Eclipsys intangible assets. If Eclipsys is required to write-down the value of its intangible assets due to impairment, its reported expenses will increase, resulting in a corresponding decrease in its reported profit.

Failure to maintain effective internal controls could cause Eclipsys investors to lose confidence and adversely affect the market price of its common stock.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that Eclipsys maintain internal control over financial reporting that meets applicable standards. Eclipsys may err in the design or operation of its controls, and all internal control systems, no matter how well designed and operated, can provide only reasonable assurance that the objectives of the control system are met. Because there are inherent limitations in all control systems, there can be no absolute assurance that all control issues have been or will be detected. If Eclipsys is

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unable, or is perceived as unable, to produce reliable financial reports due to internal control deficiencies, investors could lose confidence in its reported financial information and operating results, which could result in a negative market reaction.

Funds invested in auction rate securities may not be liquid or accessible for in excess of 12 months, and Eclipsys auction rate securities may experience further fair value adjustments or other-than-temporary declines in value, which would adversely affect its financial condition, cash flow and reported earnings.

Eclipsys long-term investment portfolio is invested in auction rate securities, or ARS. Beginning in February 2008, negative conditions in the credit and capital markets resulted in failed auctions of Eclipsys ARS. The ratings on some of the ARS in Eclipsys portfolio have been downgraded, and there may be further deterioration in creditworthiness in the future. Eclipsys reevaluates the fair value of these securities on a quarterly basis. See Note E Long-Term Investments in Notes to the Consolidated Financial Statements of Eclipsys for further information. If uncertainties in the credit and capital markets continue, these markets deteriorate further or Eclipsys experiences further deterioration in creditworthiness on any investments in its portfolio, funds associated with these securities may not be liquid or available to fund current operations for in excess of 12 months. This could result in further fair value adjustments or other-than-temporary impairments in the carrying value of Eclipsys investments, which would negatively affect Eclipsys financial condition, cash flow and reported earnings.

Eclipsys commercial credit facility subjects it to operating restrictions and risks of default.

On August 26, 2008, Eclipsys entered into a credit agreement with certain lenders and Wachovia Bank, as Administrative Agent, providing for a senior secured revolving credit facility in the aggregate principal amount of $125 million. This credit facility is subject to certain financial ratio and other covenants that could restrict Eclipsys ability to conduct business as Eclipsys might otherwise deem to be in its best interests, and breach of these covenants could cause the debt to become immediately due. Depending on borrowing levels, Eclipsys liquid assets might not be sufficient to repay in full the debt outstanding under the credit facility. Such an acceleration also would expose Eclipsys to the risk of liquidation of collateral assets at unfavorable prices.

Inability to obtain other financing could limit Eclipsys ability to conduct necessary development activities and make strategic investments.

Although Eclipsys believes at this time that its available cash and cash equivalents, the cash it anticipates generating from operations, and its available line of credit under its credit facility will be adequate to meet its foreseeable needs, it could incur significant expenses or shortfalls in anticipated cash generated as a result of unanticipated events in its business or competitive, regulatory, or other changes in its market. As a result, Eclipsys may in the future need to obtain other financing. The availability of such financing may be limited by the tightening of the global credit markets. In addition, the commitment under Eclipsys credit facility expires on August 26, 2011. Eclipsys ability to renew such credit facility or to enter into a new credit facility to replace the existing facility could be impaired if market conditions experienced in 2008 and 2009 continue or worsen. In addition, if credit is available, lenders may seek more restrictive lending provisions and higher interest rates that may reduce Eclipsys borrowing capacity and increase its costs.

If other financing is not available on acceptable terms, or at all, Eclipsys may not be able to respond adequately to these changes or maintain its business, which could adversely affect its operating results and the market price of its common stock. Alternatively, it may be forced to obtain additional financing by selling equity, and this could be dilutive to Eclipsys existing stockholders.

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Risks of Liability to Third Parties

Eclipsys software and content are used by clinicians in the course of treating patients. If Eclipsys software fails to provide accurate and timely information or is associated with faulty clinical decisions or treatment, clients, clinicians or their patients could assert claims against Eclipsys that could result in substantial cost to Eclipsys, harm its reputation in the industry and cause demand for its software to decline.

Eclipsys provides software and content that provides information and tools for use in clinical decision-making, provides access to patient medical histories and assists in creating patient treatment plans. If Eclipsys software fails to provide accurate and timely information, or if Eclipsys content or any other element of its software is associated with faulty clinical decisions or treatment, Eclipsys could have exposure to claims by clients, clinicians or their patients. The assertion of such claims, whether or not valid, and ensuing litigation, regardless of its outcome, could result in substantial cost to Eclipsys, divert management s attention from operations and decrease market acceptance of Eclipsys software. Eclipsys attempts to limit by contract its liability for damages and to require that its clients assume responsibility for medical care and approve all system rules and protocols. Despite these precautions, the allocations of responsibility and limitations of liability set forth in Eclipsys contracts may not be enforceable, may not be binding upon Eclipsys client s patients, or may not otherwise protect Eclipsys from liability for damages. Eclipsys maintains general liability and errors and omissions insurance coverage, but this coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims against Eclipsys. In addition, the insurer might disclaim coverage as to any future claim. One or more large claims could exceed Eclipsys available insurance coverage.

Complex software such as Eclipsys may contain errors or failures that are not detected until after the software is introduced or updates and new versions are released. It is challenging for Eclipsys to envision and test its software for all potential problems because it is difficult to simulate the wide variety of computing environments, medical circumstances or treatment methodologies that its clients may deploy or rely upon. Despite extensive testing by Eclipsys and clients, from time to time Eclipsys has discovered defects or errors in its software, and additional defects or errors can be expected to appear in the future.

Defects and errors that are not timely detected and remedied could expose Eclipsys to risk of liability to clients, clinicians and their patients and cause delays in software introductions and shipments, result in increased costs and diversion of development resources, require design modifications or decrease market acceptance or client satisfaction with Eclipsys software.

Eclipsys software and software provided by third parties that Eclipsys includes in its offering could infringe third-party intellectual property rights, exposing Eclipsys to costs that could be significant.

Infringement or invalidity claims or claims for indemnification resulting from infringement claims could be asserted or prosecuted against Eclipsys based upon design or use of software Eclipsys provides to clients, including software it develops as well as software provided to it by third parties. Regardless of the validity of any claims, defending against these claims could result in significant costs and diversion of Eclipsys resources, and vendor indemnity might not be available. The assertion of infringement claims could result in injunctions preventing Eclipsys from distributing its software, or require it to obtain a license to the disputed intellectual property rights, which might not be available on reasonable terms or at all. Eclipsys might also be required to indemnify its clients at significant expense.

Risks Related to Eclipsys Strategic Relationships and Initiatives

Eclipsys software strategy is dependent on the continued development and support by Microsoft of its .NET Framework and other technologies.

Eclipsys software strategy is substantially dependent upon Microsoft s .NET Framework and other Microsoft technologies. If Microsoft were to cease actively supporting .NET or other technologies that Eclipsys

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uses, fail to update and enhance them to keep pace with changing industry standards, encounter technical difficulties in the continuing development of these technologies or make them unavailable to Eclipsys, Eclipsys could be required to invest significant resources in re-engineering its software. This could lead to lost or delayed sales, loss of functionality, increased client costs associated with platform changes, and unanticipated development expenses.

Eclipsys depends on licenses from third parties for rights to some of the technology it uses, and if it is unable to continue these relationships and maintain its rights to this technology, its business could suffer.

Eclipsys depends upon licenses for some of the technology used in its software from a number of third-party vendors. Most of these licenses expire within one to five years, can be renewed only by mutual consent and may be terminated if Eclipsys breaches the terms of the license and fails to cure the breach within a specified period of time. Eclipsys may not be able to continue using the technology made available to it under these licenses on commercially reasonable terms or at all. As a result, Eclipsys may have to discontinue, delay or reduce software sales until it obtains equivalent technology, which could hurt its business. Most of its third-party licenses are non-exclusive. Its competitors may obtain the right to use any of the technology covered by these licenses and use the technology to compete directly with Eclipsys. In addition, if Eclipsys vendors choose to discontinue support of the licensed technology in the future or are unsuccessful in their continued research and development efforts, particularly with regard to Microsoft, Eclipsys may not be able to modify or adapt its own software.

Eclipsys software offering often includes modules provided by third parties, and if these third parties do not meet their commitments, Eclipsys relationships with its clients could be impaired.

Some of the software modules Eclipsys offers to clients are provided by third parties. Eclipsys often relies upon these third parties to produce software that meets its clients needs and to implement and maintain that software. If these third parties are unable or unwilling to fulfill their responsibilities, Eclipsys relationships with affected clients could be impaired, and Eclipsys could be responsible to clients for the failures. Eclipsys might not be able to recover from these third parties for any or all of the costs it incurs as a result of their failures.

Any acquisitions Eclipsys undertakes may be disruptive to its business and could have an adverse effect on its future operations and the market price of its common stock.

An important element of Eclipsys business strategy has been expansion through acquisitions and while there is no assurance that Eclipsys will identify and complete any future acquisitions, any acquisitions would involve a number of risks, including the following:

- The anticipated benefits from the acquisition may not be achieved, including as a result of loss of customers or personnel of the target.

- The identification, acquisition and integration of acquired businesses require substantial attention from management. The diversion of management s attention and any difficulties encountered in the transition process could hurt Eclipsys business.

- The identification, acquisition and integration of acquired businesses requires significant investment, including to harmonize product and service offerings, expand management capabilities and market presence, and improve or increase development efforts and software features and functions.

- In future acquisitions, Eclipsys could issue additional shares of its common stock, incur additional indebtedness or pay consideration in excess of book value, which could dilute future earnings.

- Acquisitions also expose Eclipsys to the risk of assumed known and unknown liabilities.

New business acquisitions generate significant intangible assets that result in substantial related amortization charges and possible impairments.

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Risks Related to Industry Regulation

Potential regulation by the U.S. Food and Drug Administration of Eclipsys software and content as medical devices could impose increased costs, delay the introduction of new software and hurt Eclipsys business.

The U.S. Food and Drug Administration, or FDA, may become increasingly active in regulating computer software or content intended for use in the healthcare setting. The FDA has increasingly focused on the regulation of computer software and computer-assisted products as medical devices under the Food, Drug, and Cosmetic Act, or the FDC Act. If the FDA chooses to regulate any of Eclipsys software, or third party software that Eclipsys resells, as medical devices, it could impose extensive requirements upon Eclipsys, including requiring it to:

- Seek FDA clearance of pre-market notification submission demonstrating substantial equivalence to a device already legally marketed, or to obtain FDA approval of a pre-market approval application establishing the safety and effectiveness of the software;

- Comply with rigorous regulations governing the pre-clinical and clinical testing, manufacture, distribution, labeling and promotion of medical devices; and/or

- Comply with the FDC Act regarding general controls, including establishment registration, device listing, compliance with good manufacturing practices, reporting of specified device malfunctions and adverse device events.

Other countries in which Eclipsys does business have agencies similar to the FDA that may also impose regulations affecting Eclipsys software. If Eclipsys fails to comply with applicable requirements, the FDA or foreign agencies could respond by imposing fines, injunctions or civil penalties, requiring recalls or software corrections, suspending production, refusing to grant pre-market clearance or approval of software, withdrawing clearances and approvals, and initiating criminal prosecution. Any FDA or foreign agency policy governing computer products or content may increase the cost and time to market of new or existing software or may prevent Eclipsys from marketing its software.

Changes in federal and state regulations relating to patient data could increase Eclipsys compliance costs, depress the demand for its software and impose significant software redesign costs on Eclipsys.

Clients use Eclipsys systems to store and transmit highly confidential patient health information and data. State and federal laws and regulations and their foreign equivalents govern the collection, security, use, transmission and other disclosures of health information. These laws and regulations may change rapidly and may be unclear, or difficult or costly to apply.

Federal regulations under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and related laws and regulations, impose national health data standards on healthcare providers that conduct electronic health transactions, healthcare clearinghouses that convert health data between HIPAA-compliant and non-compliant formats, and health plans and entities providing certain services to these organizations. The American Recovery and Reinvestment Act of 2009, or ARRA, includes provisions specifying additional HIPAA requirements for such organizations, including more detailed penalty and enforcement provisions and provisions specifying additional data restrictions, and disclosure and reporting requirements. The HIPAA standards, as modified by ARRA, require, among other things, transaction formats and code sets for electronic health transactions; protect individual privacy by limiting the uses and disclosures of individually identifiable health information; require covered entities to implement administrative, physical and technological safeguards to ensure the confidentiality, integrity, availability and security of individually identifiable health information in electronic form; and require notification to individuals in the event of a security breach with respect to unsecured protected health information. Most of Eclipsys clients are covered by these regulations and require that Eclipsys software and services adhere to HIPAA standards. In addition, ARRA includes provisions that apply several of HIPAA s security and privacy requirements to Eclipsys in its role as a business associate to certain of the organizations mentioned above, and business associates will now also be subject to certain penalties and

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enforcement proceedings for violations of applicable HIPAA standards. Any failure or perception of failure of Eclipsys software or services to meet HIPAA standards and related regulations could expose it to certain notification, penalty and/or enforcement risks and could adversely affect demand for Eclipsys software and services and force it to expend significant capital, research and development and other resources to modify its software or services to address the privacy and security requirements of its clients.

States and foreign jurisdictions in which Eclipsys or its clients operate have adopted, or may adopt, privacy standards that are similar to or more stringent than the federal HIPAA privacy standards. This may lead to different restrictions for handling individually identifiable health information. As a result, Eclipsys clients may demand, and Eclipsys may be required to provide information technology solutions and services that are adaptable to reflect different and changing regulatory requirements, which could increase Eclipsys development costs. In the future, federal, state or foreign governmental or regulatory authorities or industry bodies may impose new data security standards or additional restrictions on the collection, use, transmission and other disclosures of health information. Eclipsys cannot predict the potential impact that these future rules may have on its business. However, the demand for its software and services may decrease if it is not able to develop and offer software and services that can address the regulatory challenges and compliance obligations facing Eclipsys and Eclipsys clients.

Risks Related to Eclipsys Equity Structure

Provisions of Eclipsys charter documents and Delaware law may inhibit potential acquisition bids that stockholders may believe are desirable, and the market price of Eclipsys common stock may be lower as a result.

Eclipsys board of directors has the authority to issue up to 5,000,000 shares of preferred stock. Eclipsys board of directors can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by Eclipsys stockholders. The issuance of shares of preferred stock may discourage, delay or prevent a merger or acquisition of Eclipsys. The issuance of preferred stock may result in the loss of voting control to other stockholders. Eclipsys has no current plans to issue any shares of preferred stock but in the future it could implement a stockholder rights plan or make other uses of preferred stock that could inhibit a potential acquisition of the company.

Eclipsys charter documents contain additional anti-takeover devices, including:

- only one of the three classes of directors is elected each year;
- the ability of Eclipsys stockholders to remove directors without cause is limited;
- Eclipsys stockholders are not allowed to act by written consent;
- Eclipsys stockholders are not allowed to call a special meeting of stockholders; and
- advance notice must be given to nominate directors or submit proposals for consideration at stockholders meetings.

Eclipsys is also subject to provisions of Section 203 of the DGCL, which prohibits Eclipsys from engaging in any business combination with an interested stockholder for a period of three years from the date the person became an interested stockholder, unless certain conditions are met. These provisions make it more difficult for stockholders or potential acquirers to acquire Eclipsys without negotiation and may apply even if some of Eclipsys stockholders consider the proposed transaction beneficial to them. For example, these provisions might discourage a potential acquisition proposal or tender offer, even if the acquisition proposal or tender offer is at a premium over the then current market price for Eclipsys common stock. These provisions could also limit the price that investors are willing to pay in the future for shares of Eclipsys common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus/information statement includes forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Such statements may include, but are not limited to, statements about the benefits of the proposed merger and related transactions, including future financial and operating results, the combined company s plans, objectives, expectations and intentions. These statements are subject to a number of risks, uncertainties and other factors that could cause Allscripts and Eclipsys actual results, performance, prospects or opportunities, as well as those of the markets they serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words believe, expect, anticipate, intend, contemplate, seek, plan, estimate, project, may, can, could, might, wil identify forward-looking statements, including statements related to expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which Allscripts and Eclipsys participate and other trends, developments and uncertainties that may affect Allscripts and Eclipsys business in the future.

Such risks, uncertainties and other factors include, among other things:

- the ability to obtain governmental approvals of the merger on the proposed terms and schedule contemplated by the parties;
- the failure of Eclipsys stockholders to adopt the Merger Agreement;
- the failure of Allscripts stockholders to approve the issuance of shares to Eclipsys stockholders pursuant to the Merger Agreement;
- the failure of Misys shareholders to approve the Coniston Transactions;
- the possibility that the proposed transaction does not close, including due to the failure to satisfy the closing conditions;
- the possibility that the proposed transactions do not close due to the failure to close the Coniston Transactions, including by reason of the failure of the Secondary Offering to be completed or the failure to secure the debt financing contemplated by the Debt Commitment Letter;
- the risk that Allscripts and Eclipsys will not achieve the strategic benefits of the proposed merger;
- the possibility that the expected synergies and cost savings of the proposed transaction will not be realized, or will not be realized within the expected time period;
- the risk that the Allscripts and Eclipsys businesses will not be integrated successfully;
- disruption from the proposed merger and related transactions making it more difficult to maintain business relationships with customers, partners and others;
- 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, which could result in increased development costs, a breach of some customer obligations and could put Allscripts and Eclipsys at a competitive disadvantage in the marketplace;

unexpected requirements to achieve interoperability certification pursuant to The Certification Commission for Health Information Technology, which could result in increased development and other costs for Allscripts and Eclipsys;

the volume and timing of systems sales and installations, the length of sales cycles and the installation process and the possibility that Allscripts and Eclipsys combined products will not achieve or sustain market acceptance;

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- the timing, cost and success or failure of new product and service introductions, development and product upgrade releases;
- competitive pressures including product offerings, pricing and promotional activities;
- Allscripts and Eclipsys ability to establish and maintain strategic relationships;
- undetected errors or similar problems in Allscripts and Eclipsys software products;
- the outcome of any legal proceeding that has been or may be instituted against Allscripts, Misys or Eclipsys, and others;
- compliance with existing laws, regulations and industry initiatives and future changes in laws or regulations in the healthcare industry, including possible regulation of Allscripts and Eclipsys software by the U.S. Food and Drug Administration;
- the possibility of product-related liabilities;
- Allscripts and Eclipsys ability to attract and retain qualified 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;
- legislative, regulatory and economic developments;
- risks related to third-party suppliers and Allscripts and Eclipsys ability to obtain, use or successfully integrate third-party licensed technology; and
- breach of Allscripts or Eclipsys security by third parties.

Additional risks, uncertainties and other factors include those discussed under Risk Factors and in documents incorporated by reference in this joint proxy statement/prospectus/information statement. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus/information statement or, in the case of documents incorporated by reference, as of the date of those documents. Allscripts and Eclipsys disclaim any intent or obligation to update any forward-looking statements contained herein.

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THE SPECIAL MEETING OF ALLSCRIPTS STOCKHOLDERS

Allscripts is furnishing this joint proxy statement/prospectus/information statement to Allscripts stockholders in connection with the solicitation of proxies by the Allscripts board of directors for use at the special meeting of Allscripts stockholders, including any adjournment or postponement of the Allscripts special meeting. This document is first being mailed to Allscripts stockholders on or about [ ], 2010.

Date, Time and Place of the Allscripts Special Meeting

The special meeting of Allscripts stockholders will be held on August 13, 2010, at the offices of Sidley Austin LLP, located at One South Dearborn, Chicago, Illinois 60603 commencing at 9:00 a.m. local time.

Purpose of the Allscripts Special Meeting

The Allscripts special meeting is being called for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement.
2. To consider and vote upon a proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of proposal 1.
3. To transact such other business as may properly come before the Allscripts special meeting or any adjournments or postponements thereof.

Recommendation of the Allscripts Audit Committee and the Allscripts Board of Directors

After careful consideration, the Allscripts audit committee, which is composed of independent members of the Allscripts board of directors, has determined that the Merger Agreement and the transactions contemplated thereby are advisable, substantively and procedurally fair to, and in the best interests of, Allscripts and Allscripts stockholders (other than Misys and affiliates of Misys), and recommends that Allscripts stockholders vote **FOR** the proposal to approve the issuance of the Allscripts common stock pursuant to the Merger Agreement.

After carefully considering the Allscripts audit committee s recommendation, the Allscripts board of directors has determined that the proposed merger is advisable and in the best interests of Allscripts and its stockholders, and recommends that Allscripts stockholders vote **FOR** the proposal to approve the issuance of the Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement and **FOR** the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies. See The Merger Recommendation of the Allscripts Audit Committee and the Allscripts Board of Directors and Their Reasons for the Merger and the Coniston Transactions.

Record Date; Shares Outstanding; Shares Entitled to Vote

Only holders of record of Allscripts common stock at the close of business on the record date, July 13, 2010, are entitled to notice of, and to vote at, the Allscripts special meeting. As of July 13, 2010, there were 146,518,961 shares of Allscripts common stock outstanding and entitled to vote at the special meeting, held by 432 holders of record. Each holder of Allscripts common stock is entitled to one vote for each share of Allscripts common stock owned as of the Allscripts record date.

A complete list of the Allscripts stockholders entitled to vote at the Allscripts special meeting will be available for review at the Allscripts special meeting and at the executive offices of Allscripts during regular business hours for a period of ten days prior to the Allscripts special meeting.

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Quorum and Vote Required

At least one-third of the shares of Allscripts common stock issued and outstanding and entitled to vote as of the Allscripts record date must be present in person or represented by proxy at the Allscripts special meeting to constitute a quorum. A quorum must be present before a vote can be taken on the proposal to approve the issuance of Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement or any other matter except adjournment or postponement of the Allscripts special meeting due to the absence of a quorum. Abstentions, if any, will be counted as present for purposes of determining the presence of a quorum at the Allscripts special meeting and will have the same effect as voting against the proposals. Broker non-votes will not be counted as voting power present and therefore will have no effect on whether the proposals are approved. If a quorum is not present or if there are not sufficient votes in favor of the proposal to approve the issuance of the Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement, Allscripts expects that the special meeting will be adjourned to solicit additional proxies, subject to approval of the proposal to adjourn the Allscripts special meeting by the affirmative vote of the holders of a majority in voting power present in person or represented by proxy at the Allscripts special meeting. At any subsequent reconvening of the Allscripts special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Allscripts special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

In accordance with NASDAQ listing requirements, the proposal to approve the issuance of the Allscripts common stock to Eclipsys stockholders pursuant to the Merger Agreement must be approved by the affirmative vote of the holders of a majority in voting power present in person or represented by proxy (provided that a quorum is present in person or by proxy). The proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies, requires the affirmative vote of the holders of a majority in voting power present in person or represented by proxy at the Allscripts special meeting.

Voting by Allscripts Directors and Executive Officers

As of July 13, 2010, the record date for the Allscripts special meeting, the directors and executive officers of Allscripts as a group owned and were entitled to vote 2,933,424 shares of Allscripts common stock, or approximately 2.00% of the outstanding shares of Allscripts on that date. In connection with the execution of the Merger Agreement, certain directors of Allscripts entered into voting agreements with Eclipsys, pursuant to which such directors agreed to vote their shares of Allscripts common stock (approximately 0.97% of the outstanding Allscripts common stock as of July 13, 2010) in favor of the proposal to issue shares of Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement and the proposal to adjourn the Allscripts special meeting, if necessary. Based solely on its discussions with its board of directors and executive officers, Allscripts expects that all of Allscripts directors that have not entered into voting agreements with Eclipsys and all of Allscripts executive officers entitled to vote at the Allscripts special meeting will vote their shares of Allscripts common stock in favor of these proposals.

Voting by Misys

In connection with the execution of the Merger Agreement, Allscripts and Eclipsys entered into a voting agreement with Misys and certain of Misys subsidiaries, which we refer to as the Misys Voting Agreement, pursuant to which Misys and certain of its subsidiaries agreed to cause 15.5 million shares of Allscripts common stock owned or held by such Misys subsidiaries in the aggregate (approximately 10.58% of the outstanding Allscripts common stock as of July 13, 2010) to be present at the Allscripts special meeting and voted in favor of the proposal to issue shares of Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement and other matters to be approved by the stockholders of Allscripts to facilitate that issuance. Further, Misys and certain of its subsidiaries agreed to cause their other remaining shares of Allscripts common stock not to appear or be present or otherwise counted as present for the purpose of establishing a quorum at the Allscripts special meeting, except to the extent that at least 35% of the outstanding shares of Allscripts common stock would not be present at the Allscripts special meeting, Misys and certain of its subsidiaries agreed under the Misys Voting Agreement to cause an additional number of Allscripts common stock owned or held by such Misys subsidiaries to be present at the Allscripts special meeting in order to cause 35% of the outstanding shares of Allscripts common stock to be present at such meeting. The Misys Voting Agreement provides that such additional shares of Allscripts common stock are to be voted for and against, abstained from voting or not voted, with respect to the proposal to issue shares of Allscripts common stock to stockholders of Eclipsys pursuant to the Merger Agreement, and other matters to be approved by the stockholders of Allscripts to facilitate that share issuance, in the same proportion as the shares of Allscripts common stock not held by Misys and its affiliates are voted for and against, abstained from voting or not voted, respectively. Additionally, Misys has made covenants in the Misys Voting Agreement to not (i) solicit or knowingly encourage inquiries or proposals relating to any transaction that is an alternative to the merger or the Coniston Transactions, (ii) enter into any agreement, discussions or negotiations with respect to any transaction that is an alternative to the merger or the Coniston Transactions, (iii) approve or recommend any transaction that is an alternative to the merger or the Coniston Transactions or (iv) provide any non-public information in connection with any transaction that is an alternative to the merger or the Coniston Transactions, subject to certain exceptions. The Misys Voting Agreement is attached as Annex C to this joint proxy statement/prospectus/information statement, and we encourage you to read it carefully and in its entirety.

How to Vote

Allscripts stockholders can vote in person by completing a ballot at the Allscripts special meeting, or Allscripts stockholders can transmit their voting instructions before the Allscripts special meeting by proxy. Even if Allscripts stockholders plan to attend the special meeting, Allscripts encourages its stockholders to transmit their voting instructions as soon as possible by proxy. Allscripts stockholders can transmit their voting instructions by proxy using the Internet, by telephone, or by mail, as discussed below.

Submit a Proxy by Internet: Allscripts stockholders can submit their proxy using the Internet. With the enclosed proxy card in hand, go to the web site indicated on the proxy card and follow the instructions. Internet voting is available twenty-four hours a day, seven days a week until 11:59 p.m. Eastern time on August 12, 2010. Allscripts stockholders will be given the opportunity to confirm that their instructions have been properly recorded. If Allscripts stockholders transmit their voting instructions on the Internet, they do NOT need to return the proxy card.

Submit a Proxy by Telephone: Allscripts stockholders can submit their proxy by telephone if they have a touch-tone telephone. With the enclosed proxy card in hand, call the toll-free number shown on the proxy card and follow the instructions. Telephone voting is available twenty-four hours a day, seven days a week until 11:59 p.m. Eastern time on August 12, 2010. Easy-to-follow voice prompts allow Allscripts stockholders to have their shares voted and confirm that their instructions have been properly recorded. If Allscripts stockholders transmit their voting instructions by telephone, they do NOT need to return their proxy card.

Submit a Proxy by Mail: If Allscripts stockholders prefer to submit their proxy by mail, mark the proxy card, date and sign it, and return it in the postage-paid envelope provided. If Allscripts stockholders sign the proxy card but do not specify how they want their shares to be voted, their shares will be voted in accordance with the directors recommendation on the proposals. All properly executed proxy cards received before the polls are closed at the Allscripts annual meeting, and not revoked or superseded, will be voted at the Allscripts annual meeting in accordance with the instructions indicated by those proxy cards.

Registered Owners: If an Allscripts stockholder s shares of common stock are registered directly in his or her name with Allscripts transfer agent, BNY Mellon, the Allscripts stockholder is considered a registered stockholder with respect to those shares. If this is the case, the proxy materials have been sent or provided directly to the Allscripts stockholder by Allscripts.

Beneficial Owners: If Allscripts stockholders hold shares of Allscripts common stock in street name through a broker, bank or other nominee, the proxy materials have been forwarded to the Allscripts stockholders

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by their brokerage firm, bank or other nominee, or their agent which is considered the stockholder of record with respect to these shares. As the beneficial holder, Allscripts stockholders have the right to direct their broker, bank or other nominee as to how to vote their shares by using the voting instruction form or proxy card included in the proxy materials, or by transmitting their voting instructions via the Internet or by telephone, but the scope of their rights depends upon the voting processes of the broker, bank or other nominee. Please follow the voting instructions provided by the brokerage firm, bank or other nominee, or their agent carefully.

If Allscripts stockholders sign their proxy card without indicating their vote, their shares will be voted **FOR** the proposal to approve the issuance of Allscripts common stock pursuant to the Merger Agreement and **FOR** the proposal to adjourn the Allscripts special meeting, if necessary, to solicit additional proxies, and in accordance with the recommendations of the Allscripts board of directors on any other matters properly brought before the special meeting for a vote or any adjourned or postponed session of the special meeting.

Revocation of Proxies

An Allscripts stockholder may revoke his or her proxy at any time before it is voted at the Allscripts special meeting by taking any of the following actions:

- delivering to the corporate secretary of Allscripts a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;
- delivering a valid, later-dated proxy by mail relating to the same shares and bearing a later date;
- submitting another proxy by telephone or on the Internet (your latest telephone or Internet voting instructions will be followed); or
- attending the Allscripts special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If an Allscripts stockholder s shares are held in street name, he or she may change his or her vote by submitting new voting instructions to his or her broker, bank or other nominee. Allscripts stockholders must contact their broker, bank or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of Allscripts proxies should be addressed to:

Allscripts-Misys Healthcare Solutions, Inc.

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

Attn.: Corporate Secretary

Abstentions and Broker Non-Votes

For purposes of the proposal to approve the issuance of the Allscripts common stock pursuant to the Merger Agreement and the proposal to adjourn the special meeting, if necessary, to solicit additional proxies, broker non-votes will not be counted as voting power present and therefore will have no effect on whether the proposals are approved and abstentions will have the same effect as voting against the proposals. Brokers, banks and other nominees will not have discretionary authority to vote shares in the absence of specific voting instructions from the beneficial owners of those shares.

Proxy Solicitation

Allscripts is soliciting proxies for the Allscripts special meeting from Allscripts stockholders. Allscripts will bear the entire cost of soliciting proxies from Allscripts stockholders, except that Allscripts and Eclipsys have each agreed to share equally all expenses incurred in connection with the printing of this joint proxy statement/prospectus/information statement and related proxy materials. In addition to the solicitation of proxies by mail,

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Allscripts will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of Allscripts common stock held by them and secure their voting instructions, if necessary. Allscripts will reimburse those record holders for their reasonable expenses. Allscripts has also made arrangements with D. F. King & Co., Inc. to assist it in soliciting proxies, and has agreed to pay a fee estimated at $15,000, plus expenses for those services. Allscripts also may use several of its regular employees, who will not be specially compensated, to solicit proxies from Allscripts stockholders, either personally or by telephone or electronic mail.

Other Matters

Allscripts does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus/information statement will be brought before the Allscripts special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters. An adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting.

Stockholders Sharing an Address

Allscripts stockholders sharing an address with another stockholder may receive only one set of proxy materials at that address unless they have provided contrary instructions. Any such stockholder who wishes to receive a separate set of proxy materials now or in the future may write or call Allscripts to request a separate copy of these materials in writing or by telephone at the following address:

Allscripts-Misys Healthcare Solutions, Inc.

222 Merchandise Mart Plaza, Suite 2024

Chicago, Illinois 60654

Attn.: Corporate Secretary

(312) 506-1201

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THE ACTIONS BY WRITTEN CONSENT OF MISYS

This joint proxy statement/prospectus/information statement is first being mailed to Allscripts stockholders on or about [ ], 2010.

Purpose of the Written Consent and Reasons for Amendments to the Certificate of Incorporation of Allscripts

Pursuant to the terms of the Framework Agreement and in order to complete the transactions contemplated by the Framework Agreement and the Merger Agreement, Misys approved on July 13, 2010, by written consent, an amendment to Allscripts Second Amended and Restated Certificate of Incorporation, which we refer to as the Allscripts Charter, which will become effective as of August 2, 2010 and which will increase the total number of shares of stock of all classes that Allscripts is authorized to issue from 200,000,000 to 350,000,000 and make certain additional incidental or clarifying amendments, which we refer to as the Initial Amendment, and approve the issuance of the Exchange Shares to certain subsidiaries of Misys pursuant to the Framework Agreement in exchange for 100% of the issued and outstanding shares of an indirect subsidiary of Misys. The form of the Third Amended and Restated Certificate of Incorporation of Allscripts, which reflects the Initial Amendment, is attached as Annex I to this joint proxy statement/prospectus/information statement, and we encourage you to read it carefully and in its entirety.

In addition, pursuant to the Framework Agreement, Misys approved on July 13, 2010, by written consent, certain additional amendments to the Allscripts Charter that will be effective only upon the closing of the Coniston Transactions, which would:

- change the name of Allscripts from Allscripts-Misys Healthcare Solutions, Inc. to Allscripts Healthcare Solutions, Inc. ,
- eliminate the ability of Allscripts stockholders to act by written consent,
- elect that Allscripts be governed by Section 203 of the DGCL,
- establish certain committee structures to implement certain agreements in the Amended and Restated Relationship Agreement related to the Allscripts board of directors,
- upon the closing of the merger, establish certain committee structures (described below) to implement certain agreements in the Merger Agreement related to the directors of Allscripts, and
- implement certain other additional incidental or clarifying amendments.

We refer to the amendment implementing these changes as the Additional Amendment. The form of the Fourth Amended and Restated Certificate of Incorporation of Allscripts, which reflects the Additional Amendment, is attached as Annex J to this joint proxy statement/prospectus/information statement, and we encourage you to read it carefully and in its entirety.

The committee structure set forth in the Additional Amendment includes:

- upon the closing of the Coniston Transactions, a Misys Nominating Committee that has the sole authority to nominate up to two directors in accordance with the Amended and Restated Relationship Agreement until the Misys Nominating Committee no longer has the ability to nominate directors in accordance with the Amended and Restated Relationship Agreement, upon the closing of the merger, an Eclipsys Nominating Committee that has the sole authority to nominate up to three directors in accordance with the Merger Agreement until the 2011 annual meeting of the Allscripts stockholders, and

upon the closing of the merger, an Allscripts Nominating Committee that has the sole authority to nominate up to four directors in accordance with the Merger Agreement until the 2011 annual meeting of the Allscripts stockholders.

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In addition, the Additional Amendment provides that the number of directors of Allscripts shall be fixed from time to time exclusively by the affirmative vote of a majority of the members of the Allscripts board of directors, except that for the three-year period commencing on the completion of the merger, the number of directors of Allscripts shall be fixed during such three-year period solely by the affirmative vote of no less than a two-thirds majority of the entire Allscripts board of directors unless during such three-year period, the number of directors that Misys has the authority to nominate in accordance with the Amended and Restated Relationship Agreement is permanently reduced to one or zero, then the number of directors of Allscripts shall be fixed at nine during such three-year period unless a different number is approved by a two-thirds majority of the entire Allscripts board of directors.

Notice of Actions Taken

On July 13, 2010, Allscripts received completed and executed actions by written consent from stockholders holding 79,811,511 shares of Allscripts common stock.

Record Date

The Allscripts board of directors has fixed the close of business on July 13, 2010 as the record date for the determination of stockholders entitled to receive notice of the actions taken by written consent. As of July 13, there were issued and outstanding 146,518,961 shares of Allscripts common stock.

Approval of the Allscripts Board Of Directors

The Allscripts board of directors has determined that each of the actions to be taken by written consent is advisable and in the best interests of the Allscripts stockholders.

Action by Written Consent; No Vote Required

No consent is required from you and such consent is not being solicited in connection with the actions to be taken by written consent. Pursuant to Section 228(a) of the DGCL, unless otherwise provided in a corporation s certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and properly delivered to the corporation. On July 13, 2010, Misys, Allscripts majority stockholder, acted by written consent and authorized each of the actions to be taken by written consent. Accordingly, the action by written consent of Allscripts majority stockholder is sufficient, without the concurring consent of any of our other stockholders, to approve and adopt each of the actions to be taken by written consent.

Notice of Action by Written Consent

Pursuant to Section 228(e) of the DGCL, Allscripts is required to provide prompt notice of the taking of corporate action without a meeting by less than unanimous written consent to those stockholders who have not consented in writing to such action. This information statement serves as the notice required by Section 228(e) of the DGCL.

Dissenter s Rights of Appraisal

The DGCL does not provide for dissenters rights of appraisal in connection with any of the actions to be taken by written consent.

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THE SPECIAL MEETING OF ECLIPSYS STOCKHOLDERS

Eclipsys is furnishing this joint proxy statement/prospectus/information statement to Eclipsys stockholders in connection with the solicitation of proxies by the Eclipsys board of directors for use at the special meeting of Eclipsys stockholders, including any adjournment or postponement of the special meeting. This document is first being mailed to Eclipsys stockholders on or about [ ], 2010.

Date, Time and Place of the Eclipsys Special Meeting

The special meeting of Eclipsys stockholders will be held on August 13, 2010, at the Eclipsys headquarters, located at Three Ravinia Drive, Atlanta, Georgia 30346 commencing at 10:00 am local time.

Purpose of the Eclipsys Special Meeting

The purpose of the Eclipsys special meeting is to consider and vote on the following proposals:

1. To adopt the Merger Agreement, pursuant to which Arsenal Merger Corp. will merge with and into Eclipsys, with Eclipsys surviving the merger and continuing as a wholly owned subsidiary of Allscripts.

2. To approve a proposal to adjourn the Eclipsys special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Eclipsys special meeting in favor of the proposal to adopt the Merger Agreement.

3. To transact such other business as may properly come before the Eclipsys special meeting or any adjournments or postponements thereof.

Recommendation of the Eclipsys Board of Directors

After careful consideration, the Eclipsys board of directors has determined that the proposed merger is advisable and in the best interests of Eclipsys and its stockholders, and recommends that Eclipsys stockholders vote **FOR** the proposal to adopt the Merger Agreement and **FOR** the proposal to adjourn the Eclipsys special meeting, if necessary. See The Merger Recommendation of the Eclipsys Board of Directors and Its Reasons for the Merger.

Record Date; Shares Outstanding; Shares Entitled to Vote

Only holders of record of Eclipsys common stock at the close of business on the record date, July 13, 2010, are entitled to notice of, and to vote at, the Eclipsys special meeting. As of the Eclipsys record date, there were 57,662,451 shares of Eclipsys common stock outstanding and entitled to vote at the special meeting, held by 362 holders of record. Each holder of Eclipsys common stock is entitled to one vote for each share of Eclipsys common stock owned as of the Eclipsys record date.

A complete list of the Eclipsys stockholders entitled to vote at the special meeting will be available for review at the Eclipsys special meeting and at the executive offices of Eclipsys during regular business hours for a period of ten days prior to the Eclipsys special meeting.

Quorum and Vote Required

A majority of the shares of Eclipsys common stock issued and outstanding and entitled to vote as of the Eclipsys record date must be present in person or represented by proxy at the Eclipsys special meeting to constitute a quorum. A quorum must be present before a vote can be taken on the proposal to adopt the Merger Agreement or any other matter except adjournment or postponement of the Eclipsys special meeting due to the absence of a quorum. Abstentions, if any, will be counted as present for purposes of determining the presence of a quorum at the Eclipsys special meeting. Broker non-votes will not be counted as for purposes of determining

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the presence of a quorum at the Eclipsys special meeting. If a quorum is not present or if there are not sufficient votes in favor of the proposal to adopt the Merger Agreement, Eclipsys expects that the special meeting will be adjourned to solicit additional proxies, subject to approval of the proposal to adjourn the Eclipsys special meeting, if necessary, to solicit additional proxies by the affirmative vote of Eclipsys stockholders representing a majority of the outstanding shares of Eclipsys common stock present and entitled to vote at the Eclipsys special meeting, represented in person or by proxy. At any subsequent reconvening of the Eclipsys special meeting, all pro