

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 22, 2012

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-32085

(Commission File Number)

36-4392754

(IRS Employer Identification No.)

222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (312) 506-1200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On April 26, 2012, Allscripts Healthcare Solutions, Inc. (the “Company”) announced its results for the three months ended March 31, 2012. Further details are described in the press release issued by the registrant on April 26, 2012 and furnished as Exhibit 99.1 hereto and incorporated herein by reference. The historical financial information contained therein is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(a) As described below in Item 5.02(e), Philip M. Pead’s service as Chairman of the Board, a director and officer of the Company terminated yesterday. Prior to this action, the Board engaged in extensive deliberations regarding the leadership of the Company. Following the deliberations, those who concurred with the consensus regarding such leadership expressed their intention to continue as directors, and those who did not concur (Catherine M. Burzik, Eugene V. Fife and Edward A. Kangas) informed the Company that they were resigning as directors effective as of April 25, 2012 in the case of Messrs. Fife and Kangas and as of April 26, 2012 in the case of Ms. Burzik. Ms. Burzik served as a member of the Compensation Committee, Mr. Fife served as a member of the Nominating and Governance Committee, and Mr. Kangas served as a member of the Audit and Compensation Committees.

(b) On April 22, 2012, William J. Davis, the Company’s Chief Financial Officer, notified the Company that he will be resigning as Chief Financial Officer of the Company, effective May 18, 2012.

(c) On April 26, 2012, the Company announced that W. David Morgan was appointed Interim Chief Financial Officer of the Company, effective May 18, 2012. Mr. Morgan has served as the Company’s Senior Vice President of Finance since the closing of the merger with Eclipsys Corporation (“Eclipsys”) in August 2010. He was Senior Vice President of Finance, Chief Accounting Officer and Treasurer of Eclipsys from August 2009 until the closing of the merger. Mr. Morgan served as Interim Chief Financial Officer and Treasurer of Eclipsys from January 2009 to August 2009, and Vice President of Finance and Assistant Treasurer from August 2008 to August 2009. Prior to joining Eclipsys, he served as Vice President and Controller of Worldspan LLP, a computerized travel reservation system company. From 2002 to 2005, Mr. Morgan was Controller and interim Chief Financial Officer of MAPICS, Inc., a provider of enterprise software for midsized manufacturers and divisions of large corporations. Mr. Morgan began his career with Arthur Andersen LLP. In connection with his appointment, the Company expects to enter into an employment agreement with Mr. Morgan that will provide for an annual salary of \$350,000, a retention payment of \$500,000 payable after twelve months, a \$250,000 equity award (with full vesting in the case of a termination of employment after twelve months) and customary twelve-month severance.

(e) The separation agreement for Philip Pead provides severance pay and benefits in exchange for a full release and requires that Mr. Pead be subject to comprehensive restrictive covenants for 18-months in place of his current 12-month restrictive-covenant obligation. The restrictions include a non-compete, non-solicit of employees and clients, non-interference in business relationships and a stand-still agreement. In addition Mr. Pead has an obligation to protect confidential information and promptly return company property. The level of severance pay and benefits tracks the severance package for a termination without cause under Mr. Pead’s employment agreement, which provides for a cash severance payment of two times the sum of salary and current target bonus, medical benefit continuation for twelve months and accelerated vesting of outstanding equity awards so that the executive receives vesting credit of an additional year plus pro-rata credit for the vesting period in which the termination occurs. Per the terms of Mr. Pead’s outstanding award under the legacy Eclipsys Incentive Retention Plan, Mr. Pead will also receive full vesting of the outstanding cash and restricted stock award under such plan. Finally, the separation agreement provides for an additional cash payment of \$145,000 and reimbursement of fees for legal services rendered in connection with the separation, up to a maximum of \$25,000. Expenses related to the separation agreement will be reflected in the Company’s statement of operations for the three months ending June 30, 2012.

The foregoing summary of the Separation Agreement contained in this Item 5.02(e) does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Separation Agreement, a copy of which is attached as Exhibit 10.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On April 26, 2012, the Company announced forward-looking financial information for the fiscal year ending December 31, 2012. Further details are described in the press release issued by the registrant on April 26, 2012, which is furnished as Exhibit 99.1 hereto. The forward-looking financial information contained therein is incorporated herein by reference.

The information contained in, or incorporated into, Item 2.02 and Item 7.01, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Separation Agreement dated as of April 25, 2012 between the Company and Philip M. Pead
99.1	Press Release dated April 26, 2012

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 26, 2012

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

By: /s/ William J. Davis
William J. Davis
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Separation Agreement dated as of April 25, 2012 between the Company and Philip M. Pead
99.1	Press Release dated April 26, 2012

SEPARATION AGREEMENT

This Separation Agreement (this “**Agreement**”) is effective as of the 25th day of April, 2012 (the “**Effective Date**”), by and between Philip M. Pead (“**Executive**”) and Allscripts Healthcare Solutions, Inc., a corporation organized and existing under the laws of the State of Delaware (formerly known as Allscripts-Misys Healthcare Solutions, Inc., “**Company**”), concerning the termination of Executive’s employment with Company. Terms used in this Agreement but not specifically defined herein shall have the same meaning as in the Employment Agreement (defined below).

WHEREAS, Company and Executive entered into an Employment Agreement dated June 9, 2010 (the “**Employment Agreement**”), attached hereto as Exhibit A; and

WHEREAS, Company and Executive desire to set forth the terms of Executive’s termination of employment, severance benefits, and other matters related thereto.

NOW, THEREFORE, in consideration of the foregoing premises, of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Termination Date. As of the close of business on April 25, 2012 (the “**Termination Date**”), Executive’s service as an officer and employment with Company is terminated and Executive irrevocably resigns from all other positions with, and boards of directors of, any subsidiaries and affiliated companies of Company, including but not limited to Executive’s position as Chairman of the Board of Directors of Company (the “**Board**”) and as a member of the Board.

2. Severance Pay and Benefits. Executive’s termination of employment shall be pursuant to Section 4.3 of the Employment Agreement (“**Termination without Cause**”). Subject to Executive’s compliance with the terms of this Agreement and the expiration of the revocation period of the Release required per Section 4, Executive shall receive:

(a) All Accrued Amounts pursuant to Section 4.5.1 of the Employment Agreement.

(b) The other payments and benefits set forth in Section 4.5.1 of the Employment Agreement, which are described and shall be paid or provided in accordance with the terms of Schedule 1 attached to this Agreement.

(c) In addition to the equity award vesting described in clause (iii) of Section 4.5.1 of the Employment Agreement, vesting and delivery of additional restricted stock units (“**RSUs**”) as described on Schedule 1 and extension of the period in which Executive may exercise any stock options vested as of the Termination Date to April 24, 2013 as described on Schedule 1.

(d) In accordance with the terms of the Eclipsys Corporation Incentive Retention Plan (the “**Retention Plan**”) and Executive’s Retention Plan Participation Agreement dated August 20, 2010, Executive’s cash and performance share awards granted pursuant to the Retention Plan shall fully vest and be paid or delivered as set forth on Schedule 1.

(e) A lump sum cash payment of \$145,000, to be paid to Executive within fourteen (14) days of the expiration of the revocation period of the Release.

(f) Reimbursement of reasonable attorneys fees incurred by Executive in regard to his separation from Company, subject to a maximum of \$25,000, to be paid (i) within fourteen (14) days after Company receives documentation of such expenses and (ii) in accordance with the last paragraph of Section 10.14 of the Employment Agreement.

(g) All expenses incurred by Executive prior to the Termination Date that are reimbursable pursuant to Section 3.4 of the Employment Agreement. Such expenses shall be paid (i) within fourteen (14) days after Company receives documentation of such expenses and (ii) in accordance with the last paragraph of Section 10.14 of the Employment Agreement.

3. No Other Payments. Executive expressly acknowledges and agrees that, other than as specifically provided for in this Agreement and on Schedule 1, no additional payments or benefits are due from Company on any basis whatsoever, including but not limited to no payment under Company's 2012 bonus program, and that Executive's outstanding, unvested equity awards are forfeited as of the Termination Date, other than as described on Schedule 1.

Because Executive will not be an employee of Company after the Termination Date, Executive acknowledges and agrees to retain separate counsel and/or advice regarding whether he holds "material non-public information" regarding Company and whether it is legal, permissible or in Executive's best interest to exercise his stock options and sell Company stock under the applicable laws, rules or regulations of the Securities and Exchange Commission or any other applicable Federal or state laws. Company is not, nor will be, responsible for any decisions that Executive makes with respect to the exercise of stock options.

4. Release.

(a) The benefits and payments to Executive provided under this Agreement are subject to Executive's execution of (without revocation) and delivery to Company by the twenty-third (23rd) day following the Termination Date of a release and waiver (the "**Release**") in the form attached hereto as Exhibit B.

(b) Subject to the expiration of the revocation period under the Release and in exchange for Executive's obligations under this Agreement, Company and its predecessors, parents, subsidiaries, divisions, related or affiliated companies, benefit plans, plan administrators and other plan fiduciaries, officers, directors, stockholders, successors, assigns, representatives, agents and counsel hereby agree to waive any and all rights in connection with, and to fully release and forever discharge Executive from any and all torts, contracts, claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, attorneys' fees, and compensation in any form whatsoever, whether now known or unknown, in law or in equity, which Company has or ever had (from the beginning of time through and including the Effective Date) against Executive, including without limitation on account of or in any way arising out of, relating to or in connection with Executive's employment by or separation of employment from Company, and any and all claims for damages or injury to any entity, person, property or reputation arising therefrom, and any claim under any federal, state or local law, statute, ordinance, guideline, regulation, order or common-law principle of any state; provided, however, nothing herein precludes Company from enforcing its rights under this Agreement or its rights to recover taxes, advances or reimbursement of expenses if such taxes, advances or expense reimbursements were provided to Executive in violation of law or then-current Company policy.

5. Restrictive Covenants. Executive expressly acknowledges and agrees that Section 5 (“**Noncompetition and Confidentiality**”) of the Employment Agreement is replaced in its entirety by this Section 5. The growth and development of Company and its affiliates and subsidiaries (collectively, the “**Company Group**”) depends to a significant degree on the possession and protection of its customer lists, customer information and other confidential and proprietary information relating to the Company Group’s products, production methods, research and development and marketing. All Company Group employees and others engaged to perform services for the Company Group have a common interest and responsibility in seeing that such customer information and other confidential information is not disclosed to any unauthorized persons or used other than for the Company Group’s benefit. Therefore, in consideration for the payments and benefits provided under Section 2 and on Schedule 1 and other mutual promises contained herein:

(a) Non-Solicitation; No-Hire. Executive acknowledges that the identity and particular needs of the Company Group’s customers are not generally known in the health care information technology and consulting industry; that the Company Group has near permanent relationships with, and a proprietary interest in the identity of, its customers and their particular needs and requirements; and that documents and information regarding the Company Group’s pricing, sales, costs and specialized requirements of the Company Group’s customers are highly confidential and constitute trade secrets. Accordingly, Executive covenants and agrees, which covenant and agreement is the essence of this Section 5 and the benefits and mutual promises provided under this Agreement, that for a period of eighteen (18) months after the Termination Date, Executive will not, except on behalf of the Company Group, directly or indirectly: (i) call on or solicit any Prospects or any accounts or customers of the Company Group which Executive called upon, solicited or sold to while employed by the Company Group, for the purpose of soliciting, selling and/or providing, to any such Prospect, account or customer, any products or services in competition with any products or services then-being sold by the Company Group; and (ii) solicit, or accept if offered to Executive, with or without solicitation, the services of any person who is an employee of the Company Group, nor solicit any employee of the Company Group to terminate employment with the Company Group, nor agree to hire any employee of the Company Group into employment with Executive or any other person or entity; provided, however, specifically excluded from this clause (ii) is Executive’s hiring or solicitation for hire of his administrative assistant, Cheryl Simmons. Executive agrees not to solicit in violation of clause (i) above such Prospects, accounts, customers or employees for Executive or for any other person, corporation, partnership or other business entity. “**Prospects**” means entities or individuals which have had direct contact with Executive for the purpose of having such entity or individual enter into a relationship with a member of the Company Group for the purpose of providing products or services to such entity or individual.

(b) Non-Interference with Business Relationships. For a period of eighteen (18) months after the Termination Date, Executive will not interact with any person or entity with which the Company Group has a business relationship as of the Termination Date, if such interaction is with the intent of affecting such relationship or potential relationship in a manner adverse to the Company Group.

(c) Non-Competition. In consideration of Executive's access to and entrustment of Confidential Information (as defined below) and trade secrets, the benefits provided hereunder and other mutual promises contained herein, and as a condition precedent to such benefits provided hereunder, Executive agrees that for a period of eighteen (18) months after the Termination Date, Executive shall not, directly or indirectly, for Executive's own benefit or for the benefit of others, render services for a Competing Organization in connection with Competing Products or Services anywhere within the Restricted Territory; provided, however, that notwithstanding anything to the contrary contained in this Agreement, (A) following a period of six (6) months after the Termination Date, Executive may serve as a director on the board of directors or advisory board of a Competing Organization and (B) this Section 5(c) shall not apply to Executive's service following the Termination Date on the board of directors of the two companies disclosed to the Company in writing on the date hereof. The prohibitions in this Section 5(c) apply regardless of where such services physically are rendered.

For purposes of this Agreement, "**Competing Products or Services**" means products, processes, or services of any person or organization other than the Company Group, in existence or under development, which are substantially the same, may be substituted for, or applied to substantially the same end use as the products, processes, or services of the Company Group with which Executive worked during the time of Executive's employment with the Company Group or about which Executive acquired Confidential Information through Executive's work with the Company Group.

For purposes of this Agreement, "**Competing Organization**" means persons or organizations, including Executive, engaged in or, to Executive's knowledge, about to be engaged in, research or development, production, distribution, marketing, providing or selling of a Competing Product or Service.

For purposes of this Agreement, "**Restricted Territory**" means (i) within the United States and within each country in which the Company Group has conducted business in the prior twenty-four (24) month period, but if such area is determined by judicial action to be too broad, then it shall mean (ii) within the continental United States, but if such area is determined by judicial action to be too broad, then it shall mean (iii) within any geographic region in which Executive has performed services for the Company Group during the last two (2) years of Executive's employment with the Company Group. Executive agrees that in the event a court determines the length of time or the geographic area or activities prohibited under this Section 5 are too restrictive to be enforceable, the court may reduce the scope of the restriction to the extent necessary to make the restriction enforceable.

(d) Standstill. Except for securities acquired pursuant to or as contemplated by this Agreement, neither Executive nor any affiliates or representative of Executive (acting on behalf of or in concert with Executive, any of Executive's affiliates or any of Executive's other representatives) will, at any time during the eighteen (18)-month period commencing on the Termination Date (or, at any time during such period, assist, advise, act in concert or participate with or encourage others to), directly or indirectly: (i) acquire or agree, offer, seek or propose to acquire, by purchase, tender offer, exchange offer, agreement or business combination or in any other manner, any ownership, including, but not limited to, beneficial ownership, as defined in Rule 13d-3 under the Securities Exchange Act of 1934, of any of the assets, businesses or securities of Company or any direct or indirect subsidiary thereof, or any rights or options to acquire such ownership (including from any third party); (ii) offer to enter into or propose any merger, business combination, recapitalization, restructuring or other extraordinary transaction with Company or any direct or indirect subsidiary thereof; (iii) initiate any stockholder proposal or the convening of a stockholders' meeting of or involving Company or any direct or indirect subsidiary thereof; (iv) solicit proxies (as such terms are defined in Rule 14a-1 under the Exchange Act), whether or not such solicitation is exempt pursuant to Rule 14a-2 under the Exchange Act, with respect to any matter from, or otherwise seek to influence, advise or direct the vote of, holders of any shares of capital stock of Company or any securities convertible into, exchangeable for or exercisable for (in each case, whether currently or upon the occurrence of any contingency) such capital stock, or make any communication exempted from the definition of solicitation by Rule 14a-1(l)(2)(iv) under the Exchange Act; (v) otherwise seek or propose to influence, advise, change or control the management, board of directors, governing instruments, affairs or policies of Company or any direct or indirect subsidiary thereof; (vi) enter into any discussions, negotiations, agreements, arrangements or understandings with any other person with respect to any matter described in the foregoing clauses (i) through (vi); (vii) request that Company (or any of its representatives) amend or waive any provision of this subsection (d); or (viii) other than as required by law, make any public disclosure, or take any action that could reasonably be expected to require Executive or Company to make a public disclosure, with respect to any of the matters set forth in this subsection (d).

(e) Reasonableness of Restriction.

(i) Executive acknowledges that the foregoing non-solicitation, non-competition and standstill restrictions placed upon Executive are necessary and reasonable, and that it has been made clear to Executive that Executive's compliance with Section 5 of this Agreement is a material condition to the benefits provided to Executive pursuant to Section 2 and Schedule 1 of this Agreement. Executive further acknowledges and agrees that, if Executive breaches any of the requirements of subsections (a), (b) and (c) of this Section 5, the restricted periods set forth therein shall be tolled during the time of such breach.

(ii) Executive further acknowledges and agrees that the Company Group has attempted to impose the restrictions contained hereunder only to the extent necessary to protect the Company Group from unfair competition. However, should the scope or enforceability of the restrictive covenant be disputed at any time, Executive specifically agrees that a court may modify or enforce the covenant to the full extent it believes to be reasonable under the circumstances existing at the time.

(f) Non-Disclosure. Executive further agrees that after the Termination Date Executive will not use for himself or for others or divulge or convey to any other person (except those persons designated by the Company Group) any Confidential Information (as defined below) obtained by Executive during the period of Executive's employment or consulting with the Company Group. Executive agrees to observe all Company policies and procedures that are in effect as of the Termination Date concerning such Confidential Information. Executive agrees that, except as may be permitted by written Company policies, Executive will not remove from Company's premises any of such Confidential Information without the written authorization of the Company Group. Executive further agrees not to disclose or use after the Termination Date any Confidential Information unless hereafter specifically authorized to do so by the Company Group in writing, except that Executive may disclose and use such information when necessary in the performance of Executive's duties for the Company Group. Executive's obligations under this Agreement will continue with respect to Confidential Information until such information becomes generally available from public sources through no fault of Executive's. After the Termination Date Executive shall not disclose to any person the terms and conditions of Executive's employment by the Company Group, except to close family members and to legal and accounting professionals who require the information to provide a service to Executive, or as required by law. Notwithstanding the foregoing, Executive may disclose Confidential Information if Executive is legally compelled by subpoena or otherwise, or is required by a regulatory body to make any disclosure that is otherwise prohibited by this subsection (f), in which case Executive will promptly notify the Company Group so that the Company Group may seek a protective order or other appropriate remedy if the Company Group deems such protection or remedy necessary under the circumstances. Subject to the foregoing, Executive may furnish only that portion of Confidential Information that Executive is legally compelled or required to disclose.

(g) Definition of Confidential Information. As used herein, "**Confidential Information**" shall include, but is not limited to, the following categories of information, knowledge, or data currently known relating to the Company Group's business which is not in the public domain or otherwise publicly available (other than as result of a wrongful act of an agent or employee of the Company Group):

(i) Any information concerning the Company Group's development methodologies or processes, products, suppliers or vendors, services, research and development, new product development, inventions, technological and engineering data, formulas, production plans and methods, and any related technical or manufacturing information;

(ii) Any information concerning the Company Group's financial or profit data, pricing and cost formulas, marketing information, sales representative or distributor lists, and any information relating to corporate developments (including possible acquisitions and divestitures);

(iii) Any information concerning the Company Group's current or prospective customer lists and arrangements, equipment and methods used or preferred by the Company Group's customers;

(iv) Any information concerning the Company Group's use of computer software, source code, object code, or algorithms retained in the Company Group's computer or computer systems;

(v) Any information supplied to or acquired by the Company Group under an obligation to keep such information confidential, including without limitation Protected Health Information (PHI) as that term is defined by the Health Insurance Portability and Accountability Act (HIPAA); and

(vi) Any information known by Executive to (x) have value to the Company and (y) not be generally available to the public.

Executive hereby acknowledges that some of this information may not be a “trade secret” under applicable law. Nevertheless, Executive agrees not to disclose it except as otherwise permitted under this Agreement.

(h) Injunctive Relief. Executive further expressly acknowledges and agrees that any breach or threatened breach of the provisions of this Section 5 shall entitle any member of the Company Group, in addition to any other legal remedies available to it, to seek injunctive relief, to prevent any violation of this Section 5 without the necessity of any member of the Company Group posting bond or furnishing other security and without proving special damages or irreparable injury. Executive recognizes, acknowledges and agrees that the Company Group’s right to seek such injunctive relief is necessary to protect the Company Group’s interest.

6. Severability. If any provision or provisions of this Section 5 shall be void, unlawful or unenforceable in whole or in part, such provision or provisions shall be deemed stricken from this Agreement, but this Section 5 and Agreement shall not otherwise be affected and the remaining provisions shall continue in full force and effect.

7. Return of Company Property. Executive represents and warrants that, on or before the third day following the Termination Date (the “**Return Date**”), Executive will return to Company or leave behind in Executive’s office in Atlanta all Company property in his possession or control, including all keys, files, records (whether, paper, electronic media or otherwise), equipment (including, but not limited to, computer hardware, software and printers, wireless handheld devices, cellular phones, pagers, etc.), Company identification, Company vehicles and any other Company-owned property in his possession or control. Executive also represents and warrants that Executive shall not retain copies of any such property or information (excluding, however, information relating solely to Executive’s own employment, compensation and benefits). Executive shall have access to his office in Atlanta until the second day after the Termination Date and may take his personal property from his office or have the Company deliver such property to his home, at Executive’s election. Executive represents and warrants that he has left, and will continue to leave, intact all electronic Company documents, including but not limited to those Executive developed or helped develop during his employment and that Executive has canceled by the Return Date all accounts for his benefit, if any, in Company’s name, including but not limited to, credit cards, telephone charge cards, cellular phone and/or pager accounts and computer accounts. On the day following the Termination Date, Executive shall provide the Company his Company-provided laptop computer; the Company shall cause all Company information to be removed from such computer and shall promptly return it to Executive for him to retain as his personal property. On or before the day following the Termination Date, Executive shall provide Company in writing any password needed to access programs and files on his computer.

8. Non-Disparagement. Executive agrees not to make any adverse or disparaging comments (oral or written, including but not limited to, via any form of electronic media) about Company, its affiliates, or any of their respective officers, directors, managers or employees which may tend to impugn or injure their reputation, goodwill and relationships with their past, present and future customers, employees, vendors, investors and with the business community generally. Company agrees that its executive officers and directors shall not make any adverse or disparaging comments about Executive which may tend to impugn or injure Executive's reputation and, upon Company having knowledge that an officer of the Company is making adverse or disparaging comments about Executive which may tend to impugn or injure Executive's reputation, the Company shall promptly instruct such officer to cease making such comments. Nothing in this Section 8 is intended to prohibit, limit or prevent Executive or Company's officers or directors from providing truthful testimony in a court of law, to a regulatory or law enforcement agency or pursuant to a properly issued subpoena, and such testimony would not be deemed to be a violation of this Section 8 or Section 9.

9. Agreed Statement. Executive and Company mutually agree that any public statement either makes regarding the cessation of Executive's service to Company shall track the following: "Philip M. Pead's][my] service as the chairman of the board, a director and officer of the Company terminated on April 25, 2012, after the Board engaged in extensive deliberations regarding the leadership of the Company. [We][I] wish [Mr. Pead][the Company] the best of luck in the future."

10. Cooperation. Executive agrees to cooperate, subject to reimbursement by Company of reasonable out-of-pocket costs and expenses, with all reasonable requests of Company and its counsel with respect to any matter (including any litigation, investigation or governmental proceeding) which relates to matters with which Executive was directly and substantially involved during his employment with Company. Such to the foregoing, such cooperation shall include appearing from time to time at the offices of Company or Company's counsel in Chicago, Illinois, for conferences and interviews and in generally providing the officers of Company and its counsel with the full benefit of Executive's knowledge with respect to any such matter. Executive agrees to render such cooperation in a timely fashion and at such times as may be mutually agreeable to the parties.

11. Waiver of Any Re-Employment Right. Executive waives all interest in and right to reinstatement or re-employment with Company and any of its affiliates and agrees that any application for re-employment may be rejected without explanation or liability pursuant to this provision.

12. Miscellaneous.

(a) Binding Effect. This Agreement shall be binding upon each of the parties and upon their respective heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of each party and to their respective heirs, administrators, representatives, executors, successors and assigns.

(b) Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Delaware, without regard to the conflict of law provisions of any jurisdiction.

(c) Dispute Resolution. Executive expressly acknowledges and agrees that Section 10.9 (“Dispute Resolution and Arbitration”) of the Employment Agreement remains in full force and effect.

(d) Scope of Agreement. This Agreement and, as indicated, the Employment Agreement reflect the entire agreement between Executive and Company with respect to the terms and conditions of Executive’s employment relationship with Company and the termination of such employment relationship and, except as specifically provided herein, supersede all prior agreements and understandings, written or oral relating to the subject matter hereof.

(e) Notices. Any notice pertaining to this Agreement shall be in writing and shall be given in accordance with Section 10.6 of the Employment Agreement.

(f) Waiver of Breach. The waiver by either party to this Agreement of a breach of any provision of this Agreement shall not operate as or be deemed a waiver of any subsequent breach by such party. Continuation of benefits hereunder by Company following a breach by Executive of any provision of this Agreement shall not preclude Company from thereafter exercising any right that it may otherwise independently have to terminate said benefits based upon the same violation.

(g) Amendment. This Agreement may not be modified or amended except by a writing signed by the parties to this Agreement.

(h) Counterparts. This Agreement may be signed manually or via electronic signature and in multiple counterparts, each of which shall be deemed an original. Any executed counterpart returned by facsimile or PDF shall be deemed an original executed counterpart.

(i) No Third Party Beneficiaries. Unless specifically provided herein, the provisions of this Agreement are for the sole benefit of the parties to this Agreement and are not intended to confer upon any person not a party to this Agreement any rights hereunder.

(j) Terms and Construction. Each party has cooperated in the drafting and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases construed according to its fair meaning and not strictly for or against either party.

(k) Admissions. Nothing in this Agreement is intended to be, or will be deemed to be, an admission of liability by Executive or Company to each other, or an admission that they or any of their agents, affiliates, or employees have violated any state, federal or local statute, regulation or ordinance or any principle of common law of any jurisdiction, or that they have engaged in any wrongdoing towards each other.

(l) Withholding. Company may withhold from any amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to applicable laws or regulations.

(m) Calculations. The terms of Schedule 1 are intended to provide Executive the payments and benefits due per the terms of Section 4.5.1 of the Employment Agreement and other applicable compensation-related documents per terms applicable to a termination without Cause. In the event of manifest error in any calculation reflected on Schedule 1, Company and Executive agree that the calculation shall be corrected and Executive provided the correct payment or benefit.

(n) Section 409A of the Code. Executive expressly acknowledges and agrees that Section 10.14 (“**Section 409A of the Code**”) of the Employment Agreement remains in full force and effect and shall apply to this Agreement. Executive is a “specified employee” of Company and its affiliates (as defined in Treasury Regulation Section 1.409A-1(i)), and Executive is therefore subject to a delay in payment until the first day of the seventh month following the date of Executive’s separation from service from Company (pursuant to Treasury Regulation Section 1.409A-3(i)(2)(ii)) to receive payments provided hereunder to the extent such amounts are subject to Section 409A (“**Section 409A**”) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

Signature page is the next page.

Signature Page to Separation Agreement

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties as of the Effective Date.

EXECUTIVE:

/s/ Philip M. Pead

Philip M. Pead

ALLSCRIPTS HEALTHCARE SOLUTIONS,
INC.

/s/ Lee Shapiro

By: Lee Shapiro

Title: President

SCHEDULE 1

CASH PAYMENTS

Amount Payable	Dates Payable	Comments
\$490,000	Paid within fourteen (14) days of the expiration of the revocation period of the Release.	
\$185,000	Because Executive is a Specified Employee under Section 409A, paid in a lump sum on the first day of the seventh month after Executive's Termination Date (payment date of December 1, 2012).	Constituting the balance of the first six months of payments required by Section 4.5.1(i) of the Employment Agreement, which are deferred in compliance with Section 409A of the Internal Revenue Code.
\$675,000	Paid in substantially equal bi-weekly installments beginning after the first day of the seventh month after Executive's Termination Date.	Constituting the second six months of the payments required by Section 4.5.1(i) of the Employment Agreement.
\$140,625	Paid within fourteen (14) days of the expiration of the revocation period of the Release.	Constituting the unpaid portion of Executive's cash award of the Retention Plan.
\$145,000	Paid within fourteen (14) days of the expiration of the revocation period of the Release.	Per Section 2(d) of the Agreement

BENEFITS CONTINUATION

Benefits Description	Continuation Period
Subject to this Agreement and Section 4.5.1(ii) of the Employment Agreement, continuation of Executive's enrollment in health and/or dental insurance benefits immediately prior to the Termination Date, with Executive contributing to such benefits as if he were employed by Company.	Until the earlier of: (i) the end of the 12-month period following the Termination Date (<i>i.e.</i> , through April 24, 2013); or (ii) Executive's failure to make a required contribution within 10 days of written notice; or (iii) the date on which Executive becomes eligible to receive comparable benefits from a subsequent employer.

EQUITY VESTING AND EXERCISE PERIOD FOR OPTIONS

	Award	Vesting Per Sec. 4.5.1(iii) of Employment Agreement or Award	Timing of Vesting/Delivery of Shares	Notes
A.	5/14/09 Restricted Stock Award (66,700 ECLP; 80,040 MDRX)	28,014 shares (all remaining shares under this award)	within 14 days of the expiration of the revocation period of the release	
B.	5/14/09 Stock Option Award (450,000 ECLP; 540,000 MDRX @ \$12.32 exer. price)	already fully vested	N/A	Remain exercisable through April 24, 2013
C.	3/15/10 ECLP Performance RSUs (35,915 MDRX total eligible for vesting)	35,915 RSUs (all RSUs under this award)	within 14 days of the expiration of the revocation period of the release	Performance metric under this award already fully satisfied; agreement provides for one cliff-vest date of 3/15/2013
D.	2/25/11 RSU (53,789 granted)	15,688 RSUs 1 year plus pro rata (i.e. one full tranche (13,447) plus 2/12 of a tranche (2,241))	within 14 days of the expiration of the revocation period of the release	Vesting schedule of four equal tranches on first 4 anniversaries of grant date, with any vesting contingent upon meeting a performance metric for 2011, which was satisfied in full.

	Award	Vesting Per Sec. 4.5.1(iii) of Employment Agreement or Award	Timing of Vesting/Delivery of Shares	Notes
E.	2/25/11 PBR SU - Revenue and Adjusted Operating Income (35,859 at target; based on below-target performance only 25,661 RSUs vesting eligible)	9,979 RSUs 1 year plus pro rata (i.e. one full tranche (8,553) plus 2/12 of a tranche (1,426))	within 14 days of the expiration of the revocation period of the release	Performance hurdle was 2011-based and came up below target so that only 25,661 RSUs of possible 35,859 were eligible for vesting.
F.	2/25/11 PBR SU – Relative TSR (17,930 granted at target)	performance for period ending 2/25/2013 will determine vesting on such date based on target RSUs of 6,973 (sum of 1/3 of total target award (5,977) plus 2/12 of 5,977 (996))	February 25, 2013	Based on performance for 1-year ending 2/25/2012, no vesting on 2/25/2012.
G.	8/20/2010 - Performance Shares under Eclipsys Incentive Retention Plan (65,027 shares granted)	32,514 - full vest of remainder of shares	within 14 days of the expiration of the revocation period of the release	One-half of shares potentially vesting based on performance for year ending 9/30/11; one half potentially vesting based on performance for year ending 9/30/2012

EXHIBIT A
EMPLOYMENT AGREEMENT
(Dated June 9, 2010)

EXHIBIT B

GENERAL RELEASE

WHEREAS, this General Release (this "**Release**") is given by Philip M. Pead ("**Executive**") on the date indicated below at Executive's signature, pursuant to the Separation Agreement between Allscripts Healthcare Solutions, Inc. (the "**Company**") and Executive dated as of April 25, 2012 (the "**Agreement**"); and

WHEREAS, in consideration for the payments and benefits provided by Company to Executive under the Agreement, which are conditioned upon his execution of a release and waiver of claims for the benefit of Company, Executive agrees to execute this Release.

NOW THEREFORE, in consideration of the mutual covenants contained under the Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Executive agrees as follows:

1. In exchange for the benefits described in the Agreement, Executive hereby agrees to WAIVE any and all rights in connection with, and to fully RELEASE and forever discharge Company and its predecessors, parents, subsidiaries, divisions, related or affiliated companies, benefit plans, plan administrators and other plan fiduciaries, officers, directors, stockholders, members, employees, heirs, successors, assigns, representatives, agents and counsel (the "Released Parties") from any and all torts, contracts, claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, attorneys' fees, and compensation in any form whatsoever, whether now known or unknown, in law or in equity, which Executive has or ever had (from the beginning of time through and including the date hereof) against any of the Released Parties, including without limitation on account of or in any way arising out of, relating to or in connection with Executive's employment by or separation of employment from any of the Released Parties, and any and all claims for damages or injury to any entity, person, property or reputation arising therefrom, claims for wages, employment benefits, tort claims and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Fair Labor Standards Act, the Rehabilitation Act of 1973, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act of 1990 and any other federal, state or local law, statute, ordinance, guideline, regulation, order or common-law principle of any state relating to employment, employment contracts, wrongful discharge or any other matter; provided, however, that the foregoing waiver and release shall not apply to (1) Executive's rights to indemnification and advancement or reimbursement of expenses under Section 9 of the Employment Agreement or Company's certificate of incorporation or bylaws or applicable insurance policies, (2) Executive's rights in respect of any benefit or claim to which Executive is entitled under employee pension or welfare benefit plans and programs of the Released Parties in which Executive is a participant prior to the date below, (3) Executive's rights under Section 5.10 of the Agreement and Plan of Merger dated as of June 9, 2010, among Company, Arsenal Merger Corp and Eclipsys Corporation, or (4) Executive's rights to enforce the Agreement.

2. **Release of Age Discrimination Claims.** In further consideration of the promises made by Company in the Agreement, Executive specifically WAIVES any and all rights in connection with, and fully RELEASES and forever discharges the Released Parties from, any and all torts, contracts, claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, attorneys' fees, and compensation in any form whatsoever, whether now known or unknown, in law or in equity, which Executive has or ever had (from the beginning of time through and including the date hereof) against any of the Released Parties, arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. Sec. 621, *et seq.* ("ADEA"). Executive further agrees that:

Act of 1990;

(a) Executive's waiver of rights under this Release is knowing and voluntary and in compliance with the Older Workers Benefit Protection

(b) Executive understands the terms of this Release;

(c) the consideration provided in the Agreement represents consideration over and above that to which Executive otherwise would be entitled, that the consideration would not have been provided had Executive not signed this Release, and that the consideration is in exchange for the signing of this Release;

(d) Company is hereby advising Executive in writing to consult with Executive's attorney prior to executing this Release;

(e) Company is giving Executive a period of at least twenty-one (21) days within which to consider this Release;

(f) following the execution of this Release Executive has seven (7) days in which to revoke this Release by written notice. To be effective, the revocation must be made in writing and delivered to and received by the President, Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654, no later than 5:00 p.m. Central Time on the seventh day after Executive executes this Release. An attempted revocation not actually received by the President before the revocation deadline will not be effective; and

(g) this entire Release shall be void and of no force and effect if Executive chooses to so revoke, and, if Executive chooses not to so revoke, this Release shall then become fully effective and enforceable.

This Section 2 does not waive rights or claims that may arise under the ADEA after the date Executive signs this Release.

3. Proceedings; No Admissions.

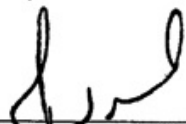
(a) Executive hereby represents and warrants that he has no pending claims against any of the Released Parties with any municipal, state, federal or other governmental or nongovernmental entity. Notwithstanding anything to the contrary, this Release shall not prevent Executive from (A) initiating or causing to be initiated on Executive's behalf any complaint, charge, claim or proceeding against any of the Released Parties before any local, state or federal agency, court or other body challenging the validity of the waiver of Executive's claims under the ADEA contained in this Release (but no other portions of the waivers and releases described in Sections 1 or 2); or (B) initiating or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission with respect to the ADEA.

(b) Both parties acknowledge and agree that this Release does not constitute, is not intended to be, and shall not be construed, interpreted or treated in any respect as, and shall not be admissible in any proceeding as, an admission of liability, error, violation, omission or wrongdoing by either party for any purpose whatsoever. Further, both parties acknowledge and agree that there has been no determination that either party has violated any federal, state or local law, statute, ordinance, guideline, regulation, order or common-law principle. Executive further acknowledges that no precedent, practice, policy or usage shall be established by this Release or the offer to Executive of compensation and benefits in the Agreement.

4. **Effect of Claim.** Executive also understands and agrees that in the event Executive, by himself, or in conjunction with Executive's heirs, spouse, family members, executors, or administrators attempt to institute or do institute any charge, claim, suit or action against any of the Released Parties in violation of this Release, Executive shall be obligated, as an express condition of bringing such action, to tender back to Company the full amount of the compensation and benefits that Executive has received under the Agreement; and Executive further agrees that Executive will pay all of the Released Parties' costs, expenses and fees of defending against such action, including, among other things, reasonable attorneys' fees. The immediately prior sentence does not apply to claims under ADEA or to challenge the release of ADEA claims under this Release; provided, however, nothing in this Release is intended to reflect any party's belief that Executive's waiver of claims under ADEA is invalid or unenforceable under this Release, it being the intent of Executive and Company that such claims are waived. This Section 4 does not grant Executive an option to return the money and institute an action. Instead this paragraph merely creates an additional term and condition precedent to bringing an action regardless of the fact that such action is expressly barred by this Release, and is without merit.

IN WITNESS WHEREOF, Executive has executed and delivered this Release on the date set forth below.

Date: April 25, 2012



Philip M. Pead

Allscripts Announces First Quarter 2012 Results

Bookings Total \$194.6 Million; Quarterly Revenue of \$364.7 Million

Revises 2012 Financial Guidance

Bill Davis to Leave Company in May; Dave Morgan to Become Interim CFO

Four Directors Depart from Board

CHICAGO, April 26, 2012 /PRNewswire/ -- Allscripts Healthcare Solutions, Inc. (Allscripts – NASDAQ: MDRX) today announced that it expects to report the following financial results for the three months ended March 31, 2012.

First Quarter Results:

- Bookings of approximately \$194.6 million. This compares to bookings of \$212.4 million in the first quarter of 2011.
- GAAP revenue of \$364.7 million and non-GAAP revenue of \$365.5 million. This compares to GAAP and non-GAAP revenue of \$335.3 and \$346.1 million, respectively, in the first quarter of 2011.
- GAAP operating income of \$13.0 million; non-GAAP operating income of \$40.9. This compares to \$24.5 million and \$72.1 million, respectively, in the first quarter of 2011.
- GAAP net income(1) of \$5.8 million; diluted earnings per share of \$0.03. This compares to \$12.6 million and \$0.07, respectively, in the first quarter of 2011.
- Non-GAAP diluted earnings per share of \$0.12, compared to \$0.21 in the first quarter of 2011.
- \$74.6 million in cash flow from operations; reduced debt by another \$24.5 million, decreasing total outstanding debt to approximately \$343.0 million as of March 31, 2012.

"Our overall results were primarily affected by lower than expected sales and an unfavorable sales mix, which directly impacted revenue and profit," said Glen Tullman, Chief Executive Officer of Allscripts. "In addition, our investments in improving client experience and accelerating product development, as well as higher than expected software development expense, also put pressure on our bottom line.

"While Allscripts continued to win important new clients, including three new Sunrise Clinical Manager contracts in the quarter, a number of our clients and prospects delayed commitments as they wait for us to introduce new releases and demonstrate more robust integration. This dynamic, combined with the recent reorganization of our sales and service teams, were the primary factors that caused sales to be lower than our expectations.

"We believe our revised full-year guidance for the remainder of 2012 gives us flexibility to further invest as necessary to improve client experience and focus on key product requirements and innovation, which will be our highest priority."

First Quarter Results

GAAP revenue for the three months ended March 31, 2012 was \$364.7 million. Non-GAAP revenue(2) for the three months ended March 31, 2012 was \$365.5 million, compared to non-GAAP revenue of \$346.1 million for the three months ended March 31, 2011, a 6 percent increase.

GAAP gross profit for the three months ended March 31, 2012 was \$155.7 million. Non-GAAP gross profit(3) was \$156.5 million for the three months ended March 31, 2012, compared to \$170.6 million for the three months ended March 31, 2011.

GAAP operating income for the three months ended March 31, 2012 was \$13.0 million. Non-GAAP operating income(4) was \$40.9 million for three months ended March 31, 2012, or 11.2 percent of total non-GAAP revenue. This compares to \$72.1 million or 20.8 percent of non-GAAP revenue for the prior year.

GAAP net income for the three months ended March 31, 2012 was \$5.8 million. Non-GAAP net income(5) was \$23.5 million, after giving effect to deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense and transaction-related expenses totaling \$17.7 million, net of tax for the three months ended March 31, 2012. This result compares to \$40.6 million of non-GAAP net income for the prior year period.

Diluted earnings per share for the three months ended March 31, 2012 was \$0.03. Non-GAAP diluted earnings per share for the three months ended March 31, 2012 was \$0.12, after giving effect to deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense and transaction-related expenses totaling \$0.09 per share, net of tax for the three months ended March 31, 2012. This result compares to \$0.21 of non-GAAP diluted earnings per share for the prior year period.

Allscripts' tax rate on a non-GAAP basis was 36.8 percent for the three months ended March 31, 2012.

For the first quarter of 2012, cash flow from operations totaled \$74.6 million. During the first quarter of 2012, Allscripts had repaid approximately \$24.5 million of borrowings under its secured term loan and senior secured revolving facilities. As of March 31, 2012, the Company had \$343.0 million of borrowings outstanding and cash and marketable securities of approximately \$177.4 million.

CFO Transition

Allscripts also announced that Bill Davis, Chief Financial Officer, has decided to leave the Company, effective May 18, 2012, to pursue another opportunity with a private company outside of the healthcare industry.

Tullman commented, "We are grateful to Bill for the key role he has played in the company's growth from revenues of nearly \$80 million when Bill joined Allscripts to over \$1.4 billion last year, and leading several strategic transactions over the past nine years. We thank him for his contributions and wish him the best in his new endeavors."

Dave Morgan, Senior Vice President Finance, will become the Interim Chief Financial Officer while the Company conducts a formal search for Mr. Davis's successor. Mr. Morgan previously served as SVP Finance and Chief Accounting Officer of Eclipsys.

Tullman continued: "I am confident that Dave, who has deep experience in our organization and industry, will ensure a smooth transition."

Departures from Board of Directors

The Company also announced that Phil Pead's service as Chairman of the Board, director and officer of the Company terminated yesterday. Prior to this action, the Board engaged in extensive deliberations regarding the leadership of the Company. Following the deliberations, those who concurred with the consensus regarding such leadership expressed their intention to continue as directors, and those who did not concur (Catherine M. Burzik, Eugene V. Fife and Edward A. Kangas) informed the Company that they have resigned as directors. The Company expects that several additional directors will be appointed shortly.

Revised Annual Guidance

Allscripts has revised its financial guidance for 2012 as detailed below. Please see the footnotes at the end of this release for a reconciliation of GAAP and non-GAAP financial presentations and other information.

2012 Revised Guidance⁽⁶⁾

Non-GAAP Revenue	\$1,480.0 to \$1,520.0 million
Non-GAAP Operating Margin	16.0 to 17.0 percent
Effective Tax Rate	36.5 to 37.0 percent
Non-GAAP Diluted EPS	\$0.74 to \$0.80
Diluted Shares	194.0 million

Conference Call

Allscripts will conduct a conference call today, Thursday April 26, 2012, at 5:30 PM Eastern Time to discuss the Company's earnings and other information. Allscripts will no longer conduct its previously announced conference call scheduled for Monday, May 7, 2012. The conference call can be accessed via the Internet at <http://investor.allscripts.com>. Participants also may access the conference call by dialing (877) 303-0543 (toll free in the U.S.) or (973) 935-8787 (international) and requesting Conference ID #69582190.

A replay of the call will be available two hours after the conclusion of the call, for a period of two weeks, at <http://www.allscripts.com/> or by calling (855) 859-2056 or (404) 537-3406 - Conference ID #69582190.

Supplemental and non-GAAP financial information is also available at <http://investor.allscripts.com>.

Footnotes

Please refer to the discussion below under *Explanation of Non-GAAP Financial Measures* as you review the following footnotes.

(1) GAAP net income and diluted earnings per share for the three months ended March 31, 2012 includes approximately \$17.7 million, or \$0.09 per share, associated with acquisition-related deferred revenue and amortization adjustments, stock-based compensation, transaction-related expenses and non-recurring expenses, all net of tax.

(2) Non-GAAP revenue for the three months ended March 31, 2012 and 2011 gives effect to the add-back of an acquisition-related deferred revenue adjustment of \$0.8 million and \$10.8 million, respectively.

(3) Non-GAAP gross profit for the three months ended March 31, 2012 and 2011 gives effect to the add-back of an acquisition-related deferred revenue adjustment of \$0.8 million and \$10.8 million, respectively.

(4) Non-GAAP operating income for the three months ended March 31, 2012 and 2011 gives effect to the add-back of an acquisition-related deferred revenue adjustment of \$0.8 million and \$10.8 million, respectively; acquisition-related amortization of \$16.4 million and \$16.7 million, respectively; stock-based compensation expense of \$7.7 million and \$7.0 million, respectively; transaction-related expenses of \$3.0 million and \$13.1 million, respectively.

(5) Non-GAAP net income for the three months ended March 31, 2012 and 2011 gives effect to the following, each on a net-of-tax basis: add-back of an acquisition-related deferred revenue adjustment of \$0.5 million and \$6.6 million, respectively; acquisition-related amortization of \$10.4 million and \$10.2 million, respectively; stock-based compensation expense of \$4.9 million and \$4.3 million, respectively; transaction-related expenses of \$1.9 million and \$9.2 million, respectively. Lastly, tax rate alignment of (\$2.3) million is included for the three months ended March 31, 2011.

(6) Allscripts non-GAAP guidance for calendar year 2012 assumes the following adjustments to GAAP revenue, operating and net income: an acquisition-related deferred revenue adjustment of approximately \$2.1 million; approximately \$63.0 million of acquisition-related amortization; approximately \$44.0 million in stock-based compensation expense; approximately \$4.0 million in transaction-related expenses, all on a pre-tax basis.

Explanation of Non-GAAP Financial Measures

Allscripts reports its financial results in accordance with generally accepted accounting principles, or GAAP. To supplement this information, Allscripts presents in this release non-GAAP revenue, gross profit, operating income and net income, including non-GAAP net income on a per share basis, which are non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. Non-GAAP revenue consists of GAAP revenue as reported and adds back the acquisition-related deferred revenue adjustment booked for GAAP

purposes. Non-GAAP gross profit consists of GAAP gross profit as reported and adds back the acquisition-related deferred revenue adjustment booked for GAAP purposes. Non-GAAP operating income consists of GAAP operating income as reported and adds back the acquisition-related deferred revenue adjustment booked for GAAP purposes and excludes acquisition-related amortization, stock-based compensation expense, transaction-related and non-recurring expenses. Non-GAAP net income consists of GAAP net income as reported, excludes acquisition-related amortization, stock-based compensation expense and transaction-related and non-recurring expenses, and adds back the acquisition-related deferred revenue, in each case net of any related tax effects. Non-GAAP net income also includes a tax rate alignment adjustment.

Acquisition-Related Deferred Revenue. Acquisition-related deferred revenue adjustment reflects the fair value adjustment to deferred revenues acquired in business combinations. The fair value of deferred revenue represents an amount equivalent to the estimated cost plus an appropriate profit margin, to perform services related to the acquiree's software and product support, which assumes a legal obligation to do so, based on the deferred revenue balances as of the acquisition date. Allscripts adds back this deferred revenue for its non-GAAP financial measures because it believes the inclusion of this amount directly correlates to the underlying performance of Allscripts operations and facilitates comparisons of the separate 2010 pre-merger results of legacy Allscripts and Eclipsys to that of the Company's post-merger results.

Acquisition-Related Amortization. Acquisition-related amortization expense is a non-cash expense arising from the acquisition of intangible assets in connection with acquisitions or investments. Allscripts excludes acquisition-related amortization expense from non-GAAP operating income and non-GAAP net income because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization of previously acquired intangible assets. Management believes that this adjustment facilitates comparisons of the 2010 pre-merger results of legacy Allscripts and Eclipsys to that of the Company's post-merger results. Investors should note that the use of these intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation and the related amortization expense will recur in future periods.

Stock-Based Compensation Expense. Stock-based compensation expense is a non-cash expense arising from the grant of stock awards to employees. Allscripts excludes stock-based compensation expense from non-GAAP operating income and non-GAAP net income because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods and such expense will recur in future periods.

Transaction-Related Expenses. Transaction-related expenses are fees and expenses, including legal and accounting fees and other integration-related expenses, incurred in connection with announced transactions. Allscripts excludes transaction-related expenses from non-GAAP operating income and non-GAAP net income because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods.

Tax Rate Alignment. Tax adjustment to align the current fiscal quarter's effective tax rate to the expected annual effective tax rate.

Management also believes that non-GAAP revenue, gross profit, operating income and net income and non-GAAP net income on a per share basis provide useful supplemental information to management and investors regarding the underlying performance of the Company's business operations and facilitates comparisons of the separate 2010 pre-merger results of legacy Allscripts and legacy Eclipsys to that of the Company's 2010 post-merger results. Acquisition accounting adjustments made in accordance with GAAP can make it difficult to make meaningful comparisons of the underlying operations of the business without considering the non-GAAP adjustments that we have provided and discussed herein. Management also uses this information internally for forecasting and budgeting as it believes that these measures are indicative of the Company's core operating results. In addition, the Company uses non-GAAP revenue, operating income and/or net income to measure achievement under the Company's stock and cash incentive compensation plans. Note, however, that non-GAAP revenue, gross profit, operating income and net income and non-GAAP net income on a per share basis are performance measures only, and they do not provide any measure of the Company's cash flow or liquidity. Non-GAAP financial measures are not in accordance with, or an alternative for, measures of financial performance prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Allscripts results of operations as determined in accordance with GAAP. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures with GAAP financial measures contained within the attached condensed consolidated financial statements.

About Allscripts

Allscripts (NASDAQ: MDRX) delivers the insights that healthcare providers require to generate world-class outcomes. The company's Electronic Health Record, practice management and other clinical, revenue cycle, connectivity and information solutions create a *Connected Community of Health™* for physicians, hospitals and post-acute organizations. To learn more about Allscripts, please visit www.allscripts.com, Twitter, YouTube and It Takes A Community: The Allscripts Blog.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Statements regarding future events or developments, our future performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future are forward-looking statements with the meaning of these laws. These forward-looking statements are subject to a number of risks and uncertainties, some of which are outlined below. As a result, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on our results of operations or financial condition. Such risks, uncertainties and other factors include, among other things: the possibility that the expected synergies, efficiencies and cost savings of the merger with Eclipsys Corporation ("Eclipsys") will not be realized, or will not be realized within the expected time period; potential difficulties or delays in achieving platform and product integration and the connection and movement of data among hospitals, physicians, patients and others; the risk that the Allscripts and Eclipsys businesses will not be integrated successfully; competition within the industries in which we operate, including the risk that existing clients will switch to products of competitors; failure to achieve certification under the Health Information Technology for Economic and Clinical Health Act could result in increased development costs, a breach of some customer obligations and could put us at a competitive disadvantage in the marketplace; the volume and timing of systems sales and installations, the length of sales cycles and the installation process and the possibility that our products will not achieve or sustain market acceptance; 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; our ability to establish and maintain strategic relationships; undetected errors or similar problems in our software products or other product quality issues; the outcome of any legal proceeding that has been or may be instituted against us; compliance with

existing laws, regulations and industry initiatives and future changes in laws or regulations in the healthcare industry, including possible regulation of our software by the U.S. Food and Drug Administration; the possibility of product-related liabilities; our 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 our intellectual property rights and litigation involving intellectual property rights; risks related to third-party suppliers and our ability to obtain, use or successfully integrate third-party licensed technology; and breach of our security by third parties. See our Annual Report on Form 10-K for 2011 and other public filings with the SEC for a further discussion of these and other risks and uncertainties applicable to our business. The statements herein speak only as of their date and we undertake no duty to update any forward-looking statement whether as a result of new information, future events or changes in expectations.

Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	<u>March 31,</u>	<u>December 31,</u>
	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$175.7	\$157.8
Accounts receivable, net	370.0	362.8
Deferred taxes, net	40.6	40.6
Inventories	2.7	2.0
Prepaid expenses and other current assets	129.4	117.4
Total current assets	718.4	680.6
Long-term marketable securities	1.7	1.7
Fixed assets, net	134.3	122.6
Software development costs, net	103.9	98.4
Intangible assets, net	473.8	489.8
Goodwill	1,039.4	1,039.4
Deferred taxes, net	5.0	5.0
Other assets	75.1	79.8
Total assets	<u>\$2,551.6</u>	<u>\$2,517.3</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$60.1	\$41.2
Accrued expenses	100.9	103.4
Accrued compensation and benefits	27.7	31.8
Deferred revenue	317.6	288.9
Current maturities of long-term debt and capital lease obligations	48.4	45.5
Total current liabilities	554.7	510.8
Long-term debt	295.2	322.7
Deferred revenue	18.9	18.9
Deferred taxes, net	124.1	119.7
Other liabilities	69.2	68.5
Total liabilities	1,062.1	1,040.6
Total stockholders' equity	1,489.5	1,476.7
Total liabilities and stockholders' equity	<u>\$2,551.6</u>	<u>\$2,517.3</u>

Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Operations
(In millions, except per-share amounts)
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
Revenue:		
System sales	\$40.7	\$54.5
Professional services	71.5	55.6
Maintenance	114.8	100.3
Transaction processing and other	137.7	124.9
Total revenue	364.7	335.3
Cost of revenue: (a)		
System sales	31.6	34.9
Professional services	61.7	45.6

Maintenance	36.0	33.1
Transaction processing and other	79.7	61.9
Total cost of revenue	<u>209.0</u>	<u>175.5</u>
Gross profit	155.7	159.8
Selling, general and administrative expenses	97.3	104.1
Research and development	36.1	22.0
Amortization of intangible assets	9.3	9.2
Income from operations	13.0	24.5
Interest expense	(3.9)	(8.0)
Interest income and other, net	0.4	0.4
Income before income taxes	9.5	16.9
Provision for income taxes	(3.7)	(4.3)
Net income	<u>\$5.8</u>	<u>\$12.6</u>
Earnings per share - basic and diluted	<u>\$0.03</u>	<u>\$0.07</u>
Weighted average common shares outstanding:		
Basic	<u>190.6</u>	<u>189.4</u>
Diluted	<u>192.9</u>	<u>192.6</u>

(a) Includes pre-tax amortization of intangibles \$7.2 \$7.4

Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net income	\$5.8	\$12.6
Non-cash adjustments to net income	51.4	42.4
Cash impact of changes in operating assets and liabilities	17.4	11.9
Net cash provided by operating activities	<u>74.6</u>	<u>66.9</u>
Cash flows from investing activities:		
Capital expenditures	(19.4)	(11.8)
Capitalized software	(13.3)	(16.3)
Net (purchases) sales and maturities of marketable securities and other investments	0.0	(4.2)
Change in restricted cash	0.0	2.2
Net cash used in investing activities	<u>(32.7)</u>	<u>(30.1)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	2.0	16.9
Excess tax benefits from stock-based compensation	0.1	4.2
Taxes paid related to net share settlement of equity awards	(2.3)	0.0
Net debt (payments) borrowings and refinancing costs	(24.8)	(42.5)
Repurchase of common stock	(0.5)	0.0
Net cash used in financing activities	<u>(25.5)</u>	<u>(21.4)</u>
Effect of exchange rates on cash and cash equivalents	1.5	0.6
Net increase in cash and cash equivalents	17.9	16.0
Cash and cash equivalents, beginning of period	157.8	129.4
Cash and cash equivalents, end of period	<u>\$175.7</u>	<u>\$145.4</u>

Allscripts Healthcare Solutions, Inc.
Condensed Non-GAAP Financial Information
(In millions, except per-share amounts)
(Unaudited)

	<u>Three Months Ended</u>	<u>Three Months Ended</u>
	<u>3/31/12</u>	<u>3/31/11</u>
Total revenue, as reported	\$364.7	\$335.3
Deferred revenue adjustment	0.8	10.8

Total non-GAAP revenue	<u>\$365.5</u>	<u>\$346.1</u>
Gross profit, as reported	\$155.7	\$159.8
Deferred revenue adjustment	<u>0.8</u>	<u>10.8</u>
Total non-GAAP gross profit	<u>\$156.5</u>	<u>\$170.6</u>
Operating income, as reported	\$13.0	\$24.5
Deferred revenue adjustment	0.8	10.8
Acquisition-related amortization	16.4	16.7
Stock-based compensation expense	7.7	7.0
Transaction-related expenses (a)	<u>3.0</u>	<u>13.1</u>
Total non-GAAP operating income	<u>\$40.9</u>	<u>\$72.1</u>
Net income, as reported	\$5.8	\$12.6
Deferred revenue adjustment	0.5	6.6
Acquisition-related amortization	10.4	10.2
Stock-based compensation expense	4.9	4.3
Transaction-related expenses (a)	1.9	9.2
Tax rate alignment	<u>0.0</u>	<u>(2.3)</u>
Non-GAAP net income	<u>\$23.5</u>	<u>\$40.6</u>
Tax Rate	37%	39%
Weighted shares outstanding - diluted	192.9	192.6
Earnings per share - diluted, as reported	\$0.03	\$0.07
Non-GAAP earnings per share - diluted	<u>\$0.12</u>	<u>\$0.21</u>

Note: all adjustments to reconcile GAAP to non-GAAP net income are net of tax

(a) Transaction-related expenses are fees and expenses, including legal and accounting fees and other integration-related expenses, incurred in connection with announced transactions.

(Logo: <http://photos.prnewswire.com/prnh/20100901/CG58147LOGO>)

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