



Press Release

24 January 2013

**EMIS Group plc
("EMIS Group" or "the Group")**

Trading Update

Notice of Final Results

EMIS Group plc (AIM: EMIS), the UK's leading supplier of clinical software and related services to GP practices and other healthcare practitioners and a major software supplier to high street pharmacies, today announces a trading update for the year ended 31 December 2012.

Overview

Group revenues for 2012 are expected to be not less than £86 million (2011: £73.2 million) with the accelerated roll out of EMIS Web proceeding to plan and RX Systems, the Group's community pharmacy division, delivering a strong performance. This was partially offset by lower than planned revenues from the Australian defence contract, training and integrated care services. Group adjusted* operating profit is expected to be marginally below analysts' expectations, largely as a result of the accelerated staff and recruitment costs associated with the EMIS Web roll out and the slight revenue shortfalls highlighted above.

* excludes capitalised development costs and adds back all amortisation.

Divisional review

During the year, the roll out of EMIS Web for GPs transitioned from controlled to accelerated status. By the end of the year 1,676 EMIS Web GP installations had been completed of which 901 were in the second half of 2012 (2012 H1: 406). After taking into account practice mergers and closures, there were 1,635 live by the end of 2012. 38% of the EMIS English GP estate is now live with EMIS Web compared with just 8% at the start of 2012. At the year end there were also 1,252 unfulfilled orders for EMIS Web GP (2012 H1: 1,385) and 2,564 GP practices in the Familiarisation Service (2012 H1: 2,753).

Preliminary discussions about the renewal of the English GPSoC Framework continue. Although these remain at a relatively early stage, indications have already been given that continuity of service is vital and the NHS is looking at an extension which will allow time for the procurement of a new framework. The withdrawal of iSoft from the UK Primary Care market led to considerable sales activity combined with a particular focus on Wales after EMIS was awarded one of only two Framework Agreements for the supply of a managed EMIS Web GP service solution.

RX Systems had another successful year in which it continued to grow its market share and successfully rolled out EPSR2 in England (which enables prescribers, primarily GPs, to send prescriptions electronically to pharmacists) into the majority of its estate. During the second half of 2012, negotiations took place with Multepos Computer Systems Limited, the pharmacy retail systems supplier in which RX Systems already held a 25% share holding, and, on 14 January 2013, the remaining shares were acquired for a cash consideration of £0.8 million.

The Group has continued to invest in staff and infrastructure. Total headcount increased from 1,112 as at 30 June 2012 to 1,236 as at 31 December 2012, reflecting recruitment in support of the accelerated roll out of EMIS Web and additional resources aimed at capitalising on the announced withdrawal of iSoft from the primary care market. Capital expenditure doubled to £13.0 million, relating primarily to investment in hosting assets, computer equipment and the Group's new head office. The Group also incurred one-off professional costs of approximately £0.4 million in the second half investigating the acquisition of complementary businesses. With the exception of Multepos, these transactions did not proceed beyond the due diligence stage.

Financial position

EMIS Group continues to maintain a strong balance sheet with net cash of £7.7 million at 31 December 2012 (2011 net cash: £8.0 million). In addition to the normal seasonality of the cash flow profile, the reduction since the half year reflects a £2.4m share purchase for the Group Employee Benefit Trust and some temporary year end working capital expansion, as well as the capital expenditure and transaction costs mentioned above.

Notice of final results

The Group intends to release its final results for the financial year ended 31 December 2012 on Thursday 21 March 2013.

Sean Riddell, EMIS Group CEO, said:

"2012 was a very busy year for EMIS Group. We accelerated the roll-out to GPs of EMIS Web, our transformational healthcare system, and RX Systems continued to grow its estate. EMIS enables an increasing number of healthcare professionals to use and share patient data in a secure, time efficient and cost-effective manner and we are excellently placed to play an integral part in delivering the IT strategy of the NHS."

There will be a conference call for analysts at 08.30 this morning. Please contact MHP Communications for more information, e-mail emis@mhpc.com or call 020 3128 8788.

For further information, contact:

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Notes to Editors

The Group's core activities include software development, software licensing and support, hardware support and maintenance services, hardware sales, third party software sales and training services.

The Group's software includes all of the functionality specified in NHS accreditation standards for GPs, including holding the patient's cradle to grave electronic healthcare record, practice appointment booking systems and consultation and intelligent prescribing modules as well as a full range of high street pharmacy software products and related services.

EMIS Web represents the next generation of clinical software systems and the Directors believe it has the potential to transform the delivery of healthcare by enabling GPs and other healthcare practitioners to connect with each other and securely share access to a patient's cradle to grave electronic health record.

Established in 1987, EMIS Group' shares were listed on AIM under the trading symbol EMIS.L following a successful fundraising in March 2010.