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): August 2, 2018

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-35547**	**36-4392754**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

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

(312) 506-1200
(Registrant's telephone number, including area code)

Not Applicable
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 2.02. Results of Operations and Financial Condition.

On August 2, 2018, Allscripts issued a press release regarding Allscripts' financial results for the three and six months ended June 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information furnished pursuant to this Item shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

The following exhibits are furnished herewith:

Exhibit No.	Description
99.1	Press release issued by Allscripts Healthcare Solutions, Inc. on August 2, 2018

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.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

Date: August 2, 2018

By: /s/ Dennis M. Olis
Name: Dennis M. Olis
Title: Chief Financial Officer

EXHIBIT 99.1

Allscripts announces second quarter 2018 results

- ***Reported second quarter growth of 23% in GAAP revenue to $526 million, 25% in non-GAAP revenue to $536 million***
- ***Second quarter GAAP EPS of $0.36, growth of 20% in non-GAAP EPS to $0.18***
- ***Announces new $250 million stock repurchase authorization***
- ***Closed acquisition of HealthGrid to expand FollowMyHealth® patient engagement platform***
- ***Closed sale of OneContent; recognized gain of $178 million***

CHICAGO, Aug. 02, 2018 (GLOBE NEWSWIRE) -- Allscripts Healthcare Solutions, Inc. (Nasdaq: MDRX) (Allscripts) announced its financial results for the three and six months ended June 30, 2018.

Second Quarter Financial Highlights

Second quarter 2018 GAAP revenue was $526 million, an increase of 23 percent year-over-year. Non-GAAP revenue totaled $536 million, improving 25 percent year-over-year.

Bookings(1) were $278 million in the second quarter of 2018. This result compares with $407 million in the second quarter of 2017. Contract revenue backlog as of June 30, 2018, totaled $4.8 billion, up 16 percent compared to a year ago.

Gross margin in the second quarter of 2018 was 40.5 percent on a GAAP basis and 47.0 percent on a non-GAAP basis, compared with 44.0 and 48.0 percent, respectively, in the second quarter of 2017.

On a GAAP basis in the second quarter of 2018, total operating expenses, consisting of selling, general and administrative and research and development expenses, were $229 million, or a 45 percent increase year-over-year. Non-GAAP operating expenses totaled $189 million, a 34 percent increase year-over-year. The increase year-over-year was primarily due to the acquisition of the Enterprise Information Solutions (EIS) business from McKesson Corporation and the acquisition of Practice Fusion. Additionally, the company recorded $45 million of legal, transaction-related and other costs in the second quarter of 2018. This compares with $9 million of such costs in the second quarter of 2017.

GAAP net income in the second quarter of 2018 totaled $65 million compared with net loss of $154 million in the second quarter of 2017. Non-GAAP net income in the second quarter of 2018 totaled $33 million, up 20 percent when compared with the second quarter of 2017.

GAAP earnings per share in the second quarter of 2018 was $0.36, compared with loss per share of $0.85 in the second quarter of 2017. Non-GAAP earnings per share in the second quarter of 2018 were $0.18, compared with $0.15 in the second quarter of 2017.

Adjusted EBITDA totaled $97 million in the second quarter of 2018, a 9 percent increase compared with the second quarter of 2017.

Cash flow from operations for the second quarter of 2018 totaled $8 million, compared to $34 million the same period of 2017.

“Allscripts continues to deliver double-digit revenue and earnings growth, as we execute against both our plan and the opportunities we’ve created via our clients’ success, our platform investments and our growing payer and life sciences business,” commented Paul M. Black, Chief Executive Officer of Allscripts. “We believe we are well positioned with the breadth and depth of offerings to serve clients and prospects’ needs through innovative solutions and services, while we continue to invest R&D across the global healthcare IT spectrum.”

Stock Repurchase

Stock repurchases totaled $44 million in the second quarter of 2018, for a year-to-date stock repurchase total of $102 million.

Allscripts announces today that its Board of Directors approved a new stock repurchase program under which Allscripts may purchase up to $250 million of its common stock through 2020. The new stock repurchase program replaces the previously existing program.

Allscripts plans to repurchase shares from time to time in the open market or in privately negotiated transactions, subject to market conditions. There is no guarantee as to the exact number of shares or value that will be repurchased under the stock repurchase program, and Allscripts may discontinue purchases at any time. Whether Allscripts makes any repurchases will depend on many factors, including but not limited to its business and financial performance, the business and market conditions at the time, including the price of Allscripts shares, and other factors that management considers relevant.

2018 Financial Outlook

Allscripts affirms the following financial outlook for 2018, published originally on February 15, 2018:

- Non-GAAP revenue of between $2.15 billion and $2.25 billion, up 17% to 22% year over year
- Adjusted EBITDA of between $420 million and $460 million, up 12% to 23% year over year, consisting of:

- Allscripts, excluding Netsmart, Adjusted EBITDA between $310-340 million, and;

- Netsmart Adjusted EBITDA between $110-120 million

- Non-GAAP earnings per share of between $0.72 to $0.82, an increase of 16% to 32% year over year

As of January 1, 2018, Allscripts adopted the new revenue recognition guidance in ASC 606 using the modified retrospective method. Within the body of this earnings release, all amounts for 2018 are reflected under the new revenue recognition standard, and the 2018 financial outlook incorporates the expected impact of the new revenue recognition standard. The overall impact to second quarter results is immaterial from a comparability perspective against historical results. Please refer to Allscripts' Form 10-Q for the quarter ended June 30, 2018, which will be filed with the SEC, for additional information regarding the impact of the new revenue recognition standard on our financial results.

In providing financial guidance, the company does not reconcile non-GAAP revenue, Adjusted EBITDA or non-GAAP earnings per share guidance to the corresponding GAAP financial measures. Allscripts does not provide guidance for the various reconciling items since certain items that impact GAAP revenue and net income are either outside of its control and/or cannot be reasonably predicted.

Please see the "Explanation of Non-GAAP Financial Measures" at the end of this press release for detailed information on calculating non-GAAP measures. For a reconciliation of other non-GAAP items, see the non-GAAP financial reconciliation tables in this release (Tables 4, 5 and 6).

Conference Call

Allscripts will conduct a conference call today, Thursday, August 2, 2018, at 4:30 PM Eastern Time to discuss its earnings release and other information. Participants may access the conference call via webcast at http://investor.allscripts.com. Participants also may access the conference call by dialing +1 (877) 269-7756 or +1 (201) 689-7817 (international) and requesting Conference ID # 13681194.

A replay of the call will be available approximately two hours after the conclusion of the call, for a period of four weeks, on the Allscripts Investor Relations website or by calling +1 (877) 660-6853 or +1 (201) 612-7415 - Conference ID # 13681194.

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

Footnotes

1. Bookings reflect the value of executed contracts for software, hardware, client services, private cloud hosting services, outsourcing and other subscription-based services.

NOTE: All percentage changes described within this press release are calculated from full dollar amounts as illustrated in the accompanying financial statements and Allscripts Supplemental Financial Data Workbook, posted on the Investor Relations website. Rounding differences may occur when individually calculating percentages or totals from rounded amounts included within the press release body compared to full dollar amounts in the tables.

About Allscripts
Allscripts (Nasdaq: MDRX) is a leader in healthcare information technology solutions that advance clinical, financial and operational results. Our innovative solutions connect people, places and data across an Open, Connected Community of Health™. Connectivity empowers caregivers to make better decisions and deliver better care for healthier populations. To learn more, visit www.allscripts.com, Twitter, YouTube **and** It Takes A Community: The Allscripts Blog.

For more information contact:

Investors:
Stephen Shulstein
312-386-6735
stephen.shulstein@allscripts.com

Media:
Concetta Rasiarmos
312-447-2466
concetta.rasiarmos@allscripts.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including the statements under "2018 Financial Outlook". These forward-looking statements are based on the current beliefs and expectations of Allscripts management, only speak as of the date that they are made, and are subject to significant risks and uncertainties. Such statements can be identified by the use of words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Actual results could differ from those set forth in the forward-looking statements and reported results should not be considered an indication of future performance. Certain factors that could cause Allscripts actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the expected financial contribution and results of the Netsmart joint business entity, including consolidation for financial reporting purposes, and other businesses recently acquired by us, including the EIS business, the NantHealth provider/patient solutions business, Practice Fusion and HealthGrid; the successful integration of businesses recently acquired by us; the anticipated and unanticipated expenses and liabilities related to the EIS business, the provider/patient solutions business, Practice Fusion and HealthGrid; security breaches resulting in unauthorized access to our or our clients' computer systems or data, including denial-of-services, ransomware or other Internet-based attacks; Allscripts failure to compete successfully; consolidation in Allscripts industry; current and future laws, regulations and industry initiatives; increased government involvement in Allscripts industry; the failure of markets in which Allscripts operates to develop as quickly as expected; Allscripts or its customers' failure to see the benefits of government programs; changes in interoperability or other regulatory standards; the effects of the realignment of Allscripts sales, services and support organizations; market acceptance of Allscripts products and services; the unpredictability of the sales and implementation cycles for Allscripts products and services; Allscripts ability to manage future growth; Allscripts ability to introduce new products and services; Allscripts ability to establish and maintain strategic relationships; risks related to the acquisition of new businesses or technologies; the performance of Allscripts products; Allscripts ability to protect its intellectual property rights; the outcome of legal proceedings involving Allscripts; Allscripts ability to hire, retain and motivate key personnel; performance by Allscripts content and service providers; liability for use of content; price reductions; Allscripts ability to license and integrate third party technologies; Allscripts ability to maintain or expand its business with existing customers; risks related to international operations; changes in tax rates or laws; business disruptions; Allscripts ability to maintain proper and effective internal controls; and asset and long-term investment impairment charges. Additional information about these and other risks, uncertainties, and factors affecting Allscripts business is contained in Allscripts filings with the Securities and Exchange Commission, including under the caption "Risk Factors" in the most recent Allscripts Annual Report on Form 10-K and subsequent Form 10-Qs. Allscripts does not undertake to update forward-looking statements to reflect changed assumptions, the impact of circumstances or events that may arise after the date of the forward-looking statements, or other changes in its business, financial condition or operating results over time.

Table 1
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 135.9	$ 155.8
Restricted cash	4.9	6.7
Accounts receivable, net	522.1	567.9
Contract asset	64.4	0.0
Prepaid expenses and other current assets	128.3	115.5
Total current assets	855.6	845.9
Fixed assets, net	160.6	165.6
Software development costs, net	225.2	222.2
Intangible assets, net	839.2	826.9
Goodwill	2,107.8	2,005.0
Deferred taxes, net	4.5	4.6
Contract asset - long-term	46.2	0.0
Other assets	114.6	148.7
Assets attributable to discontinued operations	0.0	11.3
Total assets	$ 4,353.7	$ 4,230.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 121.6	$ 97.6
Accrued expenses	113.1	85.9
Accrued compensation and benefits	109.1	99.6
Deferred revenue	531.2	546.8
Current maturities of long-term debt	19.5	27.7

Non-recourse current maturities of long-term debt - Netsmart	2.8	2.8
Current maturities of capital lease obligations	9.9	7.9
Total current liabilities	907.2	868.3
Long-term debt	983.1	906.7
Non-recourse long-term debt - Netsmart	624.5	625.2
Long-term capital lease obligations	6.7	7.1
Deferred revenue	20.7	24.0
Deferred taxes, net	129.4	93.6
Other liabilities	80.3	92.3
Liabilities attributable to discontinued operations	4.4	21.4
Total liabilities	2,756.3	2,638.6
Redeemable convertible non-controlling interest - Netsmart	455.8	431.5
Total Allscripts Healthcare Solutions, Inc.'s stockholders' equity	1,112.4	1,120.9
Non-controlling interest	29.2	39.2
Total stockholders’ equity	1,141.6	1,160.1
Total liabilities and stockholders’ equity	$ 4,353.7	$ 4,230.2

Table 2
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Revenue:				
Software delivery, support and maintenance*	$ 336.4	$ 275.0	$ 666.2	$ 543.2
Client services*	189.1	151.1	373.3	296.4
Total revenue	525.5	426.1	1,039.5	839.6
Cost of revenue:				
Software delivery, support and maintenance	114.4	89.1	218.8	172.5
Client services	165.8	122.3	320.6	247.2
Amortization of software development and acquisition-related assets (a)	32.7	27.3	66.5	53.8
Total cost of revenue	312.9	238.7	605.9	473.5
Gross profit	212.6	187.4	433.6	366.1
Selling, general and administrative expenses	149.1	112.0	292.2	222.9
Research and development	80.3	46.5	150.3	95.7
Asset impairment charges	30.1	0.0	30.1	0.0
Amortization of intangible and acquisition-related assets	12.0	7.9	24.2	15.2
(Loss) income from operations	(58.9)	21.0	(63.2)	32.3
Interest expense and other, net (b)	(26.6)	(20.4)	(51.6)	(40.4)
Gain on sale of business, net	173.2	0.0	172.3	0.0
Impairment of and losses on long-term investments	(10.0)	(144.6)	(15.5)	(144.6)
Equity in net income of unconsolidated investments	0.9	0.0	0.8	0.3
Income (loss) before income taxes	78.6	(144.0)	42.8	(152.4)
Income tax (provision) benefit	(3.7)	1.0	(0.8)	0.8
Income (loss) from continuing operations, net of tax	74.9	(143.0)	42.0	(151.6)
(Loss) Income from discontinued operations, net of tax	(0.7)	0.0	3.7	0.0
Net income (loss)	74.2	(143.0)	45.7	(151.6)
Net loss (income) attributable to non-controlling interest	2.7	0.2	3.5	(0.2)
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(12.2)	(10.9)	(24.3)	(21.9)
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64.7	$ (153.7)	$ 24.9	$ (173.7)
Income (loss) from continuing operations per share - basic	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Income from discontinued operations per share - basic	$ 0.00	$ 0.00	$ 0.03	$ 0.00

Earnings (loss) per share - basic	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)
Income (loss) from continuing operations per share - diluted	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Income from discontinued operations per share - diluted	$ 0.00	$ 0.00	$ 0.03	$ 0.00
Earnings (loss) per share - diluted	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)
Weighted average common shares outstanding:				
Basic	176.4	181.2	178.1	181.0
Diluted	179.3	181.2	181.4	181.0
(a) Amortization of software development and acquisition-related assets includes:				
Amortization of capitalized software development costs	$ 17.3	$ 13.1	$ 34.9	$ 25.6
Amortization of acquisition-related intangible assets	15.4	14.2	31.6	28.2
	$ 32.7	$ 27.3	$ 66.5	$ 53.8

(b) Interest expense and other, net are comprised of the following for the periods presented:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Non-cash amortization of 1.25% Cash Convertible Notes original issue discount	$ 3.2	$ 2.9	$ 6.3	$ 5.9
Non-cash write-off of unamortized deferred debt issuance costs	0.0	0.0	0.0	0.0
Non-cash charges to interest expense and other, net	3.2	2.9	6.3	5.9
Interest expense	21.7	15.8	42.1	31.6
Amortization of discounts and debt issuance costs	1.6	1.6	3.1	3.0
Other income, net	0.1	0.1	0.1	(0.1)
Total interest expense and other, net	$ 26.6	$ 20.4	$ 51.6	$ 40.4

* During the first quarter of 2018, we changed the presentation of certain bundled revenue streams. Such revenue was previously included as part of software delivery, support and maintenance revenue. Under the new presentation, such revenue is included as part of client services revenue. The revenue previously reported for 2017 has been recast to match the new presentation by reducing software delivery, support and maintenance and increasing client services by the same amount.

Table 3
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Cash flows from operating activities:				
Net income (loss)	$ 74.2	$ (143.0)	$ 45.7	$ (151.6)
Non-cash adjustments to net income (loss):				
Depreciation and amortization	66.3	51.6	132.2	101.3
Stock-based compensation expense	8.0	10.6	20.0	18.5
Asset impairment charges	30.1	0.0	30.1	0.0
Impairment of long-term investments	10.0	144.6	15.5	144.6
Gain on sale of businesses, net	(173.2)	0.0	(172.3)	0.0
Other, net	5.4	(2.1)	(0.5)	(2.6)
Total non-cash adjustments to income	(53.4)	204.7	25.0	261.8
Cash impact of changes in operating assets and liabilities	(12.6)	(27.8)	(4.2)	(0.8)
Net cash provided by operating activities	8.2	33.9	66.5	109.4
Cash flows from investing activities:				
Capital expenditures	(8.0)	(10.5)	(16.6)	(25.0)
Capitalized software	(36.8)	(37.6)	(69.0)	(71.6)

Purchases of equity securities in partner entities, business acquisitions, net of cash acquired and other investments	174.1	(1.3)	65.1	(5.3)
Net cash used in investing activities	129.3	(49.4)	(20.5)	(101.9)
Cash flows from financing activities:				
Repurchase of common stock	(44.3)	(12.1)	(101.9)	(12.1)
Proceeds from sale or issuance of common stock	0.0	0.0	0.2	0.0
Stock-based compensation-related payments, net	(0.1)	(0.7)	(8.6)	(6.6)
Credit facilities and capital lease payments, net	(88.8)	12.8	53.0	3.1
Other payments	(7.0)	0.0	(10.2)	0.0
Net cash used by financing activities	(140.2)	0.0	(67.5)	(15.6)
Effect of exchange rate changes on cash and cash equivalents	(0.3)	0.2	(0.2)	0.6
Net decrease in cash and cash equivalents	(3.0)	(15.3)	(21.7)	(7.5)
Cash and cash equivalents, beginning of period	143.8	104.4	162.5	96.6
Cash and cash equivalents, end of period	$ 140.8	$ 89.1	$ 140.8	$ 89.1

Table 4
Allscripts Healthcare Solutions, Inc.
Condensed Non-GAAP Financial Information
(In millions, except per share amounts and percentages)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Total revenue, as reported	$ 525.5	$ 426.1	$ 1,039.5	$ 839.6
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Total non-GAAP revenue	$ 535.8	$ 427.7	$ 1,054.4	$ 842.8
Gross profit, as reported	$ 212.6	$ 187.4	$ 433.6	$ 366.1
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Acquisition-related amortization	15.4	14.2	31.6	28.2
Stock-based compensation expense	1.6	2.0	3.6	4.7
Transaction-related and other costs (a)	11.8	0.1	13.5	0.2
Total non-GAAP gross profit	$ 251.7	$ 205.3	$ 497.2	$ 402.4
(Loss) income from operations, as reported	$ (58.9)	$ 21.0	$ (63.2)	$ 32.3
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Acquisition-related amortization	27.3	22.1	55.7	43.4
Stock-based compensation expense	10.2	11.2	22.3	20.0
Asset impairment charges	30.1	0.0	30.1	0.0
Transaction-related and other costs (a)	44.2	8.6	66.8	21.4
Total non-GAAP operating income	$ 63.2	$ 64.5	$ 126.6	$ 120.3
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders, as reported	$ 64.7	$ (153.7)	$ 24.9	$ (173.7)
Net (loss) income attributable to non-controlling interest	(2.7)	(0.2)	(3.5)	0.2
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	12.2	10.9	24.3	21.9
Loss (Income) from discontinued operations, net of tax	0.7	0.0	(3.7)	0.0
Income (loss) from continuing operations, net of tax	$ 74.9	$ (143.0)	$ 42.0	$ (151.6)
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Acquisition-related amortization	27.3	22.1	55.7	43.4
Stock-based compensation expense	10.2	11.2	22.3	20.0
Transaction-related and other costs (a)	44.7	8.6	67.7	21.4

	Three Months 2018	Three Months 2017	Six Months 2018	Six Months 2017
Non-cash charges to interest expense and other	3.2	2.9	6.3	5.9
Asset impairment charges	30.1	0.0	30.1	0.0
Impairment of and losses on long-term investments	10.0	144.6	15.5	144.6
Gain on sale of business, net	(173.2)	0.0	(172.3)	0.0
Equity in net income of unconsolidated investments	(0.9)	0.0	(0.8)	(0.3)
Tax effect of adjustments to reconcile GAAP to non-GAAP net income	10.4	(66.8)	(10.6)	(83.3)
Tax rate alignment	(17.5)	49.4	(10.7)	52.5
Total Non-GAAP net income	$ 29.5	$ 30.6	$ 60.1	$ 55.8
Less: Non-GAAP net income attributable to non-controlling interest	3.2	(3.4)	2.4	(5.5)
Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc.	$ 32.7	$ 27.2	$ 62.5	$ 50.3
Non-GAAP effective tax rate	27%	35%	27%	35%
Weighted shares outstanding - diluted	179.3	183.8	181.4	182.9
GAAP earnings per share - diluted, as reported	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)
Non-GAAP earnings per share attributable to Allscripts Healthcare Solutions, Inc. - diluted	$ 0.18	$ 0.15	$ 0.34	$ 0.28

Note: Adjustments to reconcile GAAP to non-GAAP net income are presented gross of tax, with net tax effects included in row titled "Tax effect of adjustments to reconcile GAAP to non-GAAP net income".
(a) Transaction-related and other costs included in cost of revenue, operating expenses and non-operating expenses are comprised of the following for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Legal and other costs	$ 32.7	$ 4.4	45.2	13.4
Transaction-related costs	12.0	4.2	22.5	8.0
Total transaction-related and other costs	$ 44.7	$ 8.6	$ 67.7	$ 21.4

Table 5
Allscripts Healthcare Solutions, Inc.
Non-GAAP Financial Information - Adjusted EBITDA
(In millions, except percentages)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Total revenue, as reported	$ 525.5	$ 426.1	$ 1,039.5	$ 839.6
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Total non-GAAP revenue	**$ 535.8**	**$ 427.7**	**$ 1,054.4**	**$ 842.8**
Net income (loss) from continuing operations, as reported	$ 74.9	$ (143.0)	42.0	$ (151.6)
Acquisition-related deferred revenue adjustments	10.3	1.6	14.9	3.2
Depreciation and amortization	66.3	51.6	132.2	101.3
Stock-based compensation expense	10.2	11.2	22.3	20.0
Transaction-related and other costs (a)	44.2	8.6	66.5	21.4
Interest expense and other, net (b)	21.8	15.9	42.2	31.5
Asset impairment charges	30.1	0.0	30.1	0.0
Impairment of and losses on long-term investments	10.0	144.6	15.5	144.6
Gain on sale of business, net	(173.2)	0.0	(172.3)	0.0
Equity in net income of unconsolidated investments	(0.9)	0.0	(0.8)	(0.3)
Tax (benefit)/provision	3.7	(1.0)	0.8	(0.8)

Adjusted EBITDA	**$ 97.4**	**$ 89.5**	**$ 193.4**	**$ 169.3**
Adjusted EBITDA margin (c)	*18%*	*21%*	*18%*	*20%*

(a) Transaction-related and other costs has been adjusted from the amounts presented in the reconciliation of GAAP and non-GAAP income from operations, as shown in Table 4, in order to remove the accelerated amortization of assets to be disposed from transaction-related and other costs since such amortization is also included in depreciation and amortization.

(b) Interest expense and other, net has been adjusted from the amounts presented in the statements of operations in order to remove the amortization of the fair value of the cash conversion option embedded in the 1.25% Cash Convertible Notes and deferred debt issuance costs from interest expense since such amortization is also included in depreciation and amortization.

(c) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by non-GAAP revenue.

Table 6
Allscripts Healthcare Solutions, Inc.
Non-GAAP Financial Information - Free Cash Flow
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 8.2	$ 33.9	$ 66.5	$ 109.4
Cash flows from investing activities:				
Capital expenditures	(8.0)	(10.5)	(16.6)	(25.0)
Capitalized software	(36.8)	(37.6)	(69.0)	(71.6)
Free cash flow	$ (36.6)	$ (14.2)	$ (19.1)	$ 12.8

Explanation of Non-GAAP Financial Measures

Allscripts reports its financial results in accordance with U.S. generally accepted accounting principles, or GAAP. To supplement this information, Allscripts presents in this release non-GAAP revenue, gross profit, gross margin, operating expense, Adjusted EBITDA, effective income tax rate, net income and earnings per share, which are considered non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. The definitions of non-GAAP financial measures used throughout this document are presented below:

- Non-GAAP revenue consists of GAAP revenue, as reported, and adds back recognized deferred revenue from the EIS business, Practice Fusion, HealthGrid, Netsmart, NantHealth’s provider/patient engagement business and non-material consolidated affiliates that are eliminated for GAAP purposes due to purchase accounting adjustments.

- Non-GAAP gross profit consists of GAAP gross profit, as reported, and excludes acquisition-related deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense and transaction-related and other costs. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of non-GAAP revenue in the applicable period. For the second quarter of 2018, non-GAAP gross margin totaled 47.0 percent, consisting of non-GAAP gross profit of $251.7 million divided by non-GAAP revenue of $535.8 million. For the second quarter of 2017, non-GAAP gross margin totaled 48.0 percent, consisting of non-GAAP gross profit of $205.3 million divided by non-GAAP revenue of $427.7 million. Reconciliations to GAAP gross profit are found in Table 4 within this press release.

- Non-GAAP operating expense consists of GAAP selling, general and administrative expenses (SG&A) and research and development expense (R&D), as reported, and excludes transaction-related and other costs and stock-based compensation expense recorded to SG&A and R&D. For the second quarter of 2018, non-GAAP operating expense totaled $188.5 million, consisting of $149.1 million of GAAP SG&A and $80.3 million of GAAP R&D expense and excluding $32.4 million of total transaction-related and other costs and $8.6 million of stock-based compensation expense recorded to SG&A and R&D. For the second quarter of 2017, non-GAAP operating expense totaled $140.8 million consisting of $112.0 million of GAAP SG&A and $46.5 million of GAAP R&D expense and excluding $8.6 million of transaction-related and other costs and $9.2 million of stock-based compensation expense recorded to SG&A and R&D. Please note operating expense totals may not sum due to rounding.

- Adjusted EBITDA is a non-GAAP measure and consists of GAAP net income/(loss), as reported, and adjusts for: acquisition-related deferred revenue adjustments; depreciation and amortization; stock-based compensation expense; transaction-related and other costs; asset impairment charges; non-cash asset and long-term investment impairment charges; gain on sale of business, net; interest expense and other, net; equity in net earnings of unconsolidated investments; and tax provision (benefit).

- Non-GAAP effective income tax rate is based on non-GAAP pre-tax earnings and consists of the statutory federal income tax rate, Allscripts effective state income tax rate and adjustments for permanent differences.

- Non-GAAP net income consists of GAAP net income/(loss), as reported, and adds back acquisition-related deferred revenue adjustments, acquisition-related amortization, stock-based compensation expense, transaction-related and other costs, non-cash asset and long-term investment impairment charges, non-cash charges to interest expense and other, asset impairment charges, gain on sale of business, net, and equity in net earnings of unconsolidated investments and the related tax effect of the aforementioned adjustments. Non-GAAP net income also includes a tax rate alignment adjustment.

- Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc. is a non-GAAP measure and consists of non-GAAP net income, as described above, with an adjustment to reduce non-GAAP net income for the percentage of non-controlling interest outside Allscripts ownership position. For this presentation, Netsmart preferred stock is treated as if it was converted to common stock. There can be no assurance that the holders of Netsmart preferred stock will elect to convert their holdings to common stock.

- Non-GAAP earnings per share consist of non-GAAP net income, as defined above, divided by weighted shares outstanding – diluted in the applicable period.

- Free cash flow consists of GAAP cash flows provided by operating activities in the applicable period, net of capital expenditures and capitalized software costs.

Acquisition-Related Deferred Revenue Adjustments. Deferred revenue adjustments include acquisition-related deferred revenue adjustments, which reflect the fair value adjustments to deferred revenue acquired in a business acquisition. The fair value of acquired 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 acquisition-related deferred revenue adjustments for its non-GAAP financial measures because it believes the inclusion of this amount directly correlates to the underlying performance of Allscripts operations.

Acquisition-Related Amortization. Acquisition-related amortization expense is a non-cash expense arising primarily from the acquisition of intangible assets in connection with acquisitions or investments. Allscripts excludes acquisition-related amortization expense from non-GAAP gross profit, 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 because of new acquisitions and full amortization of previously acquired intangible assets. 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-based awards. Allscripts excludes stock-based compensation expense from non-GAAP gross profit, non-GAAP operating income, non-GAAP operating expense, non-GAAP net income and Adjusted EBITDA 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 and valuation 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 and Other Costs. Transaction-related and other costs relate to certain legal proceedings, consulting, severance, incentive compensation and other charges incurred in connection with activities that are considered one-time. For the second quarter of 2018, Allscripts incurred $45 million of transaction-related and other expenses, which included $29 million allocated to fund the Allscripts annual incentive cash bonus plan that was contingent on the consummation of the sale of the OneContent business.

Allscripts excludes transaction-related and other costs, in whole or in part, from non-GAAP gross profit, non-GAAP operating income, non-GAAP operating expense, non-GAAP net income and Adjusted EBITDA 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.

Non-Cash Charges to Interest Expense and Other. Non-cash charges to interest expense include the amortization of the fair value of the cash conversion option embedded in the 1.25 percent Cash Convertible Notes issued by Allscripts during the second quarter of 2013.

Asset impairment charges. Asset impairment charges include the write-off of purchased third-party software as a result of our decision to discontinue several software development projects.

Impairment of and Losses on Long-Term Investments. Impairment of and losses on long-term investments relates to other-than-temporary non-cash impairment charges associated with such investments based on management’s assessment of the likelihood of near-term recovery of the investments’ value. The amounts recorded during the three and six months ended June 30, 2018 relate to a non-cash impairment charge related to two of our cost-method equity investments and a related note receivable.

Gain on sale of business, net. Gain on sale of businesses, net for the quarter ended June 30, 2018 consists of $177.9 million gain, partly offset by $4.7 million loss, from the divestitures of our OneContent and Strategic Sourcing businesses, respectively, both of which were acquired as part of the EIS transaction during the fourth quarter of 2017. Gain on sale of business, net for the six months ended June 30, 2018, includes $0.9 million of divesture-related loss previously reported as part of transaction-related and other costs during the quarter ended March 31, 2018.

Equity in Net Income of Unconsolidated Investments. Equity in net income of unconsolidated investments represents Allscripts share of the equity earnings of our investments in third parties accounted for under the equity method, including the amortization of cost basis adjustments.

Tax Rate Alignment. Tax rate alignment aligns the applicable period's effective tax rate to the expected annual non-GAAP effective tax rate.

Management also believes that non-GAAP revenue, gross profit, gross margin, operating expense, effective income tax rate, net income, earnings per share, Adjusted EBITDA, and free cash flow provide useful supplemental information to management and investors regarding the underlying performance of Allscripts business operations. 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 provided and discussed herein.

Management also uses this information internally for forecasting and budgeting, as it believes that these measures are indicative of core operating results. In addition, management may use non-GAAP gross profit, operating expense, operating income, net income, earnings per share and/or Adjusted EBITDA to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP gross profit, operating income, net income earnings per share and Adjusted EBITDA are performance measures only, and they do not provide any measure of cash flow or liquidity. Allscripts considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after capital expenditures and capitalized software costs. Free cash flow provides management and investors a valuable measure to determine the quantity of capital generated that can be deployed to create additional shareholder value by a variety of means. 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 definitions and reconciliations of non-GAAP financial measures with GAAP financial measures contained within the attached condensed consolidated financial statements.