

WEBMD CORP /NEW/
Form DEF 14A
August 16, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

WEBMD CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials:

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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WEBMD CORPORATION

**669 River Drive, Center 2
Elmwood Park, New Jersey 07407-1361**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD SEPTEMBER 23, 2004**

To WebMD Stockholders:

NOTICE IS HEREBY GIVEN that an Annual Meeting of Stockholders of WebMD Corporation will be held at 9:30 a.m., Eastern time, on September 23, 2004 at The Marriott at Glenpointe, 100 Frank W. Burr Boulevard, Teaneck, New Jersey 07666, for the following purposes:

1. To elect two Class III directors of WebMD, each to serve a three-year term, or until his successor has been elected and qualified or until his earlier resignation or removal; and
2. To consider and vote on a proposal to approve amendments to WebMD's Eleventh Amended and Restated Certificate of Incorporation and to the Certificate of Designations of WebMD's Convertible Redeemable Exchangeable Preferred Stock (i) to provide that holders of the Convertible Redeemable Exchangeable Preferred Stock will have the right to vote, together with the holders of WebMD's common stock on an as converted to common stock basis, on matters that are put to a vote of the holders of the common stock, (ii) to provide that WebMD will not, without the prior approval of holders of 75% of the shares of the Convertible Redeemable Exchangeable Preferred Stock then outstanding, voting as a separate class, issue any additional shares of the Convertible Redeemable Exchangeable Preferred Stock, create any other class or series of capital stock that ranks senior to the Convertible Redeemable Exchangeable Preferred Stock or create any class or series of capital stock that ranks on a parity with the Convertible Redeemable Exchangeable Preferred Stock, and (iii) to insert a sentence reciting the total number of shares of capital stock of WebMD that the corporation is authorized to issue; and
3. To consider and vote on a proposal to approve amendments to WebMD's Eleventh Amended and Restated Certificate of Incorporation and to the Certificate of Designations of WebMD's Convertible Redeemable Exchangeable Preferred Stock to reduce the number of authorized shares of the Convertible Redeemable Exchangeable Preferred Stock from 5,000,000 to 10,000; and
4. To consider and vote on a proposal to approve amendments to WebMD's Eleventh Amended and Restated Certificate of Incorporation that clarify the authority of WebMD's Board of Directors to designate and authorize the issuance of one or more new series of preferred stock with voting powers by creating a new class of 4,990,000 shares of preferred stock describing such authority with specificity; and
5. To consider and transact such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

Adoption of the amendments contemplated by Proposals 3 and 4 are conditioned on approval of both of those Proposals and on approval of Proposal 2. Adoption of the amendments contemplated by Proposal 2 are not, however, conditioned on approval of any other Proposal.

If Proposal 2 is approved by our stockholders, or if Proposals 2, 3 and 4 are all approved by our stockholders, we plan to file a Certificate of Amendment to our Eleventh Amended and Restated Certificate of Incorporation. Included as Annex D to the attached Proxy Statement is the form that this Certificate of Amendment would take if Proposal 2 is approved by our stockholders, but either or both of Proposals 3 and 4 are not. Included as Annex E to the attached Proxy Statement is the form that this Certificate of Amendment would take if Proposals 2, 3 and 4 are all approved by our stockholders.

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Only stockholders of record at the close of business on August 6, 2004 will be entitled to vote at this meeting. The stock transfer books will not be closed.

All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to complete, sign, date and return the enclosed proxy card in the enclosed postage-prepaid envelope as promptly as possible.

By Order of the Board of Directors
of WebMD Corporation

Charles A. Mele
Executive Vice President,
General Counsel and Secretary

Elmwood Park, New Jersey
August 13, 2004

YOUR VOTE IS IMPORTANT.

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING,
PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY.**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect management's current expectations concerning future results and events. These forward-looking statements generally can be identified by use of expressions such as believe, expect, anticipate, intend, plan, foresee, likely, will or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals are, or may be deemed to be, forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements. Information about important risks and uncertainties that could affect future results, causing these results to differ materially from those expressed in our forward-looking statements, can be found in our other Securities and Exchange Commission filings. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this Proxy Statement are made only as of the date of this Proxy Statement. We expressly disclaim any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

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WEBMD CORPORATION

**669 River Drive, Center 2
Elmwood Park, New Jersey 07407-1361**

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON SEPTEMBER 23, 2004

This Proxy Statement and the enclosed form of proxy are furnished to stockholders of WebMD Corporation, a Delaware corporation, in connection with the solicitation of proxies by our Board of Directors from holders of outstanding shares of our common stock, par value \$0.0001 per share, for use at our Annual Meeting of Stockholders to be held on September 23, 2004, at 9:30 a.m., Eastern time, at The Marriott at Glenpointe, 100 Frank W. Burr Boulevard, Teaneck, New Jersey 07666, and at any adjournment or postponement thereof. The date of this Proxy Statement is August 13, 2004 and it and a form of proxy are first being mailed or otherwise delivered to stockholders on or about August 18, 2004.

PROPOSALS TO BE CONSIDERED AT THE ANNUAL MEETING

The following proposals will be considered and voted on at the Annual Meeting:

Proposal 1: Election of two Class III directors of WebMD, each to serve a three-year term, or until his successor has been elected and qualified or until his earlier resignation or removal. The two nominees are:

Mark J. Adler, M.D.
Herman Sarkowsky

Proposal 2: A proposal to approve amendments to our Eleventh Amended and Restated Certificate of Incorporation and to the Certificate of Designations of our Convertible Redeemable Exchangeable Preferred Stock (in this Proxy Statement, we refer to those two Certificates as the WebMD Charter), as set forth in Annexes D and E to this Proxy Statement, (a) to provide that holders of the Convertible Redeemable Exchangeable Preferred Stock will have the right to vote, together with the holders of our common stock on an as-converted to common stock basis, on matters that are put to a vote of the holders of the common stock, (b) to provide that we will not, without the prior approval of holders of 75% of the shares of the Convertible Redeemable Exchangeable Preferred Stock then outstanding, voting as a separate class, issue any additional shares of the Convertible Redeemable Exchangeable Preferred Stock, create any other class or series of capital stock that ranks senior to the Convertible Redeemable Exchangeable Preferred Stock or create any class or series of capital stock that ranks on a parity with the Convertible Redeemable Exchangeable Preferred Stock, and (c) to insert a sentence reciting the total number of shares of capital stock of WebMD that the corporation is authorized to issue.

Proposal 3: A proposal to approve amendments to the WebMD Charter to reduce the number of authorized shares of the Convertible Redeemable Exchangeable Preferred Stock from 5,000,000 to 10,000, as set forth in Annex E to this Proxy Statement.

Proposal 4: A proposal to approve amendments to the WebMD Charter to clarify the authority of WebMD's Board of Directors to designate and authorize the issuance of one or more new series of preferred stock with voting powers by creating a new class of

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4,990,000 shares of preferred stock describing such authority with specificity, as set forth in Annex E to this Proxy Statement. Proposals 2, 3 and 4 are sometimes referred to in this Proxy Statement as the Charter Amendment Proposals.

Our Board of Directors recommends a vote FOR the election of each the nominees for director listed in Proposal 1 and FOR each of Proposals 2, 3 and 4.

As more fully described in Proposals 2, 3 and 4 The Charter Amendment Proposals Background of and Reasons for the Charter Amendment Proposals below, we are seeking the approval of our stockholders of the amendments to the WebMD Charter contemplated by Proposal 2 because we agreed, in the purchase agreement between WebMD and the purchaser of the Convertible Redeemable Exchangeable Preferred Stock, to use our reasonable best efforts to amend the WebMD Charter to provide the voting powers contemplated by Proposal 2. The effects of the amendments in Proposal 2, which are described more fully in Proposals 2, 3 and 4 The Charter Amendment Proposals Effects of the Charter Amendment Proposals, are that holders of the 10,000 shares of Convertible Redeemable Exchangeable Preferred Stock will have the right to cast an aggregate of 10,638,297 votes on matters that are put to a vote of holders of WebMD common stock and have the class voting rights described above. Also as described more fully in Proposals 2, 3 and 4 The Charter Amendment Proposals, the intent of the changes to the language of the WebMD Charter contemplated by Proposals 3 and 4 is to make explicit the authority that our Board of Directors was intended to have, under the existing language of the WebMD Charter, with respect to the issuance of preferred stock. However, our Board of Directors has determined not to exercise such authority except: (1) if Proposals 3 and 4 are approved or (2) based on an opinion of counsel that, with respect to any particular authorization of preferred stock, the Board may validly take such action. If approved, Proposals 3 and 4:

would **not** result in any change in the total number of authorized shares of capital stock of WebMD from what is currently authorized,

would **not** result in any change in the number of outstanding shares of the Convertible Redeemable Exchangeable Preferred Stock, and

would **not** result in any change in the total number of authorized shares of all classes of preferred stock from what is currently authorized.

We have no plans, proposals or arrangements, written or otherwise, at this time to issue for any corporate purpose any of the shares of preferred stock that will be available for issuance if Proposals 3 and 4 are approved by our stockholders.

The Charter Amendment Proposals are separated into Proposal 2, Proposal 3 and Proposal 4 to allow our stockholders to focus on each proposed change to the language of the WebMD Charter. However, adoption of the amendments to the WebMD Charter proposed by each of Proposals 3 and 4 is conditioned on approval of both of those Proposals and upon approval of Proposal 2. Proposal 2 is not, however, conditioned upon approval of any other Proposal. This means that:

if our stockholders fail to approve any one of Proposals 2, 3 and 4, then none of the amendments to the WebMD Charter contemplated by Proposals 3 and 4 will become effective, even if our stockholders approve the other Proposals; and

the amendments to the WebMD Charter contemplated by Proposal 2 will, if Proposal 2 is approved, become effective even if one or both of Proposals 3 and 4 are not approved.

VOTING RIGHTS AND RELATED MATTERS

Please complete, date and sign the accompanying proxy and promptly return it in the enclosed envelope or otherwise mail it to us. All properly signed proxies that we receive prior to the vote at the Annual Meeting and that are not revoked will be voted (or withheld from voting, as the case may be) at

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the Annual Meeting according to the instructions indicated on the proxies or, if no direction is indicated, as follows:

FOR the election of each of the nominees for director listed below in Proposal 1;

FOR the amendments to the WebMD Charter to provide voting powers to holders of the Convertible Redeemable Exchangeable Preferred Stock and to insert a sentence reciting the total number of shares of capital stock authorized for issuance under the WebMD Charter, as set forth in Annexes D and E to this Proxy Statement;

FOR the amendments to the WebMD Charter to reduce the number of authorized shares of the Convertible Redeemable Exchangeable Preferred Stock from 5,000,000 to 10,000, as set forth in Annex E to this Proxy Statement; and

FOR the amendments to the WebMD Charter to clarify the authority of WebMD's Board of Directors to designate and authorize the issuance of new series of preferred stock with voting powers by creating a new class of 4,990,000 shares of preferred stock describing such authority with specificity, as set forth in Annex E to this Proxy Statement.

As described under Proposals to Be Considered at the Annual Meeting above, Proposals 3 and 4 also require the approval of each other and of Proposal 2 to become effective.

A stockholder may revoke a proxy at any time before it is exercised at the Annual Meeting by taking any of the following actions:

delivering to the Secretary of WebMD, at the address set forth above, prior to the vote at the Annual Meeting, a written notice, bearing a date later than the date of the proxy, stating that the proxy is revoked,

signing and so delivering a proxy relating to the same shares and bearing a later date prior to the vote at the Annual Meeting, or

attending the Annual Meeting and voting in person, although attendance at the meeting will not, by itself, revoke a proxy.

Please note, however, that if a stockholder's shares are held of record by a broker, bank or other nominee and that stockholder wishes to vote at the Annual Meeting, the stockholder must bring to the meeting a letter from the broker, bank or other nominee confirming the stockholder's beneficial ownership of the shares.

Our Board of Directors does not know of any matter that is not referred to herein to be presented for action at the Annual Meeting. If any other matters are properly brought before the meeting, the persons named in the proxies will have discretion to vote on these matters in accordance with their judgment.

Record Date and Outstanding Shares

Our Board of Directors has fixed the close of business on August 6, 2004 as the record date for the determination of our stockholders entitled to notice of and to vote at our Annual Meeting. Only holders of record of our stock at the close of business on the record date are entitled to notice of and to vote at the meeting.

As of the close of business on the record date, there were 312,548,771 shares of our common stock outstanding and entitled to vote held of record by approximately 4,400 stockholders, although we believe that there are approximately 90,000 beneficial owners of our common stock.

As of the close of business on the record date, there were 10,000 shares of the Convertible Redeemable Exchangeable Preferred Stock outstanding, all of which are owned by CalPERS/PCG Corporate Partners, LLC. As more fully described under Vote and Quorum Required below, the Convertible Redeemable Exchangeable Preferred Stock has separate class votes on Proposal 2 and Proposal 3, requiring approval from a majority of the outstanding shares of the Convertible Redeemable

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Exchangeable Preferred Stock, voting as a separate class. CalPERS/PCG Corporate Partners has agreed to vote all of the outstanding shares of the Convertible Redeemable Exchangeable Preferred Stock in favor of Proposals 2 and 3. The Convertible Redeemable Exchangeable Preferred Stock does not have any right to vote, at the Annual Meeting, on any other Proposal and does not have any right to vote, at the Annual Meeting, together with the common stock on Proposal 2 or Proposal 3.

No other voting securities of WebMD are outstanding.

Vote and Quorum Required

Holders of our common stock are entitled to one vote for each share held as of the record date. Votes may be cast either in person or by properly executed proxy.

The presence, in person or by properly executed proxy, of the holders of a majority of the shares entitled to vote at the Annual Meeting is necessary to constitute a quorum at the meeting. Abstentions will be counted as shares that are present and entitled to vote for purposes of determining whether a quorum is present. Shares held by nominees for beneficial owners will also be counted for purposes of determining whether a quorum is present if the nominee has the discretion to vote on at least one of the matters presented and even though the nominee may not exercise discretionary voting power with respect to other matters and voting instructions have not been received from the beneficial owner (sometimes referred to as a broker non-vote). If a quorum is not present, the Annual Meeting may be adjourned from time to time until a quorum is obtained.

Proposal 1 Election of Directors. Election of directors is by a plurality of the votes cast at the Annual Meeting with respect to such election. Accordingly, the two nominees receiving the greatest number of votes for their election will be elected. Abstentions, broker non-votes and instructions on the accompanying proxy card to withhold authority to vote for a nominee will result in that nominee receiving fewer votes for election.

Proposals 2, 3 and 4 Charter Amendment Proposals. With respect to each of Proposals 2, 3 and 4, the affirmative vote of the holders of a majority of the shares of common stock outstanding as of the record date is required to approve the Proposals. An abstention or broker non-vote with respect to any of these Proposals will have the same effect as a vote against such Proposal because it is one less vote for approval. As described under Proposals to Be Considered at the Annual Meeting above, Proposals 3 and 4 also require the approval of each other and of Proposal 2 to become effective.

Although a separate class vote of the Convertible Redeemable Exchangeable Preferred Stock is not required with respect to Proposal 2 pursuant to Delaware law or the terms of the WebMD Charter, we have agreed with CalPERS/PCG Corporate Partners, LLC, the purchaser of the Convertible Redeemable Exchangeable Preferred Stock, to a contractual requirement for approval from a majority of the outstanding shares of the Convertible Redeemable Exchangeable Preferred Stock, voting as a separate class. Accordingly, we are seeking that approval at the Annual Meeting, in addition to seeking the approval of Proposal 2 by the holders of a majority of the outstanding shares of our common stock. In addition, with respect to Proposal 3, the affirmative vote of the holders of a majority of the outstanding shares of the Convertible Redeemable Exchangeable Preferred Stock outstanding as of the record date, voting separately as a class, is required under Delaware law. As of the close of business on the record date, all outstanding shares of the Convertible Redeemable Exchangeable Preferred Stock were held by CalPERS/PCG Corporate Partners. CalPERS/PCG Corporate Partners has agreed to vote all of the outstanding shares of Convertible Redeemable Exchangeable Preferred Stock in favor of Proposals 2 and 3. The Convertible Redeemable Exchangeable Preferred Stock does not have any right to vote, at the Annual Meeting, on any other Proposal and does not have any right to vote, at the Annual Meeting, together with the common stock on Proposal 2 or Proposal 3.

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Expenses of Proxy Solicitation

We will pay the expenses of soliciting proxies from our stockholders to be voted at the Annual Meeting and the cost of preparing and mailing this Proxy Statement to our stockholders. Following the original mailing of this Proxy Statement and other soliciting materials, we and our agents also may solicit proxies by mail, telephone, facsimile or in person. In addition, proxies may be solicited from our stockholders by our directors, officers and employees in person or by telephone, facsimile or other means of communication. These officers, directors and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with the solicitation. Following the original mailing of this Proxy Statement and other soliciting materials, we will request brokers, custodians, nominees and other record holders of our common stock to forward copies of this Proxy Statement and other soliciting materials to persons for whom they hold shares of our common stock and to request authority for the exercise of proxies. In these cases, we will, upon the request of the record holders, reimburse these holders for their reasonable expenses. We have retained Innisfree M&A Incorporated, a proxy solicitation firm, for assistance in connection with the solicitation of proxies for our Annual Meeting at a cost of approximately \$6,500 plus reimbursement of out-of-pocket expenses.

No Appraisal Rights

Holders of our common stock are not entitled to appraisal rights with respect to the proposals to be considered at the Annual Meeting.

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The following table sets forth information with respect to the beneficial ownership of WebMD common stock, as of August 6, 2004 (except where otherwise indicated), by each person or entity known by us to beneficially own more than 5% of our common stock, by each of our directors, by each of our named executive officers, as described below under Executive Compensation, and by all of our directors and executive officers as a group. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons listed in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Unless otherwise indicated, the address of each of the beneficial owners identified is c/o WebMD Corporation, 669 River Drive, Center 2, Elmwood Park, New Jersey 07407-1361.

Name and Address of Beneficial Owner	Common Stock(1)	Other(2)	Total Shares	Percent of Outstanding(2)
FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	45,738,086(3)	226,708(3)	45,964,794	14.7%
Mark J. Adler, M.D.	32,600(4)	125,583	158,183	*
Thomas P. Apker	16,500(5)	520,000	536,500	*
Paul A. Brooke	371,667(6)	99,583	471,250	*
Neil F. Dimick		17,500	17,500	*
K. Robert Draughon	37,700(7)	1,050,001	1,087,701	*
Wayne T. Gattinella	37,830(7)	450,000	487,830	*
Roger C. Holstein	124,893(8)	2,987,200	3,112,093	*
Kirk G. Layman	45,281(9)	1,678,000	1,723,281	*
James V. Manning	859,047(10)	137,583	996,630	*
Charles A. Mele	232,281(11)	2,456,900	2,689,181	*
Herman Sarkowsky	533,494(12)	399,583	933,077	*
Michael A. Singer	9,270,325(13)	3,250,000	12,520,325	4.0%
Joseph E. Smith	29,250	125,583	154,833	*
Anthony Vuolo	64,729(14)	1,996,000	2,060,729	*
Martin J. Wygod	7,864,659(15)	4,612,000	12,476,659	3.9%
All executive officers and directors as a group (19 persons)	19,466,375	20,696,416	40,162,791	12.1%

* Less than 1%.

- (1) The amounts set forth below for Messrs. Apker, Draughon, Gattinella, Holstein, Layman, Mele, Singer, Vuolo and Wygod include 200 shares allocated to each of them pursuant to the WebMD Corporation Performance Incentive Plan, a retirement plan intended to be qualified under Section 401(a) of the Internal Revenue Code (which we refer to in this table as PIP Shares). The amount set forth below for All executive officers and directors as a group includes an aggregate of 1,800 PIP Shares. Performance Incentive Plan participants do not have dispositive power with respect to PIP Shares (including vested PIP Shares) until the shares are distributed in accordance with the terms of the Plan. Participants will forfeit all rights with respect to unvested PIP Shares if they leave WebMD for any reason other than death or disability. Generally, one-third of the number of PIP Shares allocated to each participant vests on each December 31 following the allocation. Messrs. Draughon, Gattinella, Holstein, Layman, Mele, Singer and Vuolo are beneficial owners of shares of common stock of WebMD subject to vesting requirements based on continued employment by WebMD (which we refer to as Restricted Stock) in the respective amounts stated in the footnotes below. One-third of the shares of Restricted Stock vest on March 17 of each of 2005, 2006

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and 2007. Holders of Restricted Stock have voting power, but not dispositive power, with respect to unvested shares of Restricted Stock.

- (2) Beneficial ownership is determined under the rules and regulations of the SEC, which provide that shares of common stock that a person has the right to acquire within 60 days are deemed to be outstanding and beneficially owned by that person for the purpose of computing the total number of shares beneficially owned by that person and the percentage ownership of that person. However, those shares are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Accordingly, we have set forth, in the column entitled "Other," (a) with respect to FMR Corp., the number of shares of WebMD common stock that it has the right to acquire upon conversion of \$2,100,000 principal amount of WebMD's 3 1/4% Convertible Subordinated Notes due 2007 and (b) with respect to each other person listed, the number of shares of WebMD common stock that such person has the right to acquire pursuant to options that are currently exercisable or that will be exercisable within 60 days of August 6, 2004. We have calculated the percentages set forth in the column entitled "Percent of Outstanding" based on the number of shares outstanding as of August 6, 2004 (which was 312,548,771) plus, for each listed person or group, the number of additional shares deemed outstanding, as set forth in the column entitled "Other."
- (3) The information shown is as of December 31, 2003 and is based upon information disclosed by FMR Corp., Fidelity Management and Research Company, Fidelity Growth Company Fund, Abigail P. Johnson and Edward C. Johnson, 3d in a Schedule 13G filed with the SEC. Such persons reported that FMR Corp. and the other members of the filing group have sole power to dispose or to direct the disposition of 45,964,794 shares of WebMD common stock and sole power to vote or to direct the vote of 544,100 shares of WebMD common stock. Sole power to vote the other shares of WebMD common stock beneficially owned by the filing group resides in the respective boards of trustees of the funds that have invested in the shares. The interest of Fidelity Growth Company Fund, an investment company registered under the Investment Company Act of 1940, amounted to 25,929,200 shares of WebMD common stock as of December 31, 2003.
- (4) Represents 10,000 shares held by Dr. Adler, 22,000 shares held by the Adler Family Trust and 600 shares held by Dr. Adler's son.
- (5) Includes 200 PIP Shares.
- (6) Represents 170,000 shares held by Mr. Brooke and 201,667 shares held by PMSV Holdings LLC, of which Mr. Brooke is the managing member.
- (7) Includes 200 PIP Shares and 37,500 shares of Restricted Stock.
- (8) Represents 40,436 shares held by Mr. Holstein, 957 shares allocated to Mr. Holstein's account under a 401(k) Plan, 200 PIP Shares and 83,300 shares of Restricted Stock.
- (9) Represents 6,500 shares held by Mr. Layman, 1,081 shares allocated to Mr. Layman's account under a 401(k) Plan, 200 PIP Shares and 37,500 shares of Restricted Stock.
- (10) Represents 787,800 shares held by Mr. Manning and 71,247 shares held by Synetic Foundation, Inc. (d/b/a WebMD Charitable Fund), a charitable foundation of which Messrs. Manning and Wygod are trustees and share voting and dispositive power.
- (11) Represents 90,975 shares held by Mr. Mele, 1,622 shares allocated to Mr. Mele's account under a 401(k) Plan, 200 PIP Shares, 37,500 shares of Restricted Stock and 101,984 shares held by the Rose Foundation, a private charitable foundation of which Messrs. Mele and Wygod are trustees and share voting and dispositive power.
- (12) Represents 437,662 shares held by Mr. Sarkowsky and 95,832 shares held by Sarkowsky Family L.P.
- (13) Represents 10,000 shares held by Mr. Singer, 9,171,875 shares held by MAS 1997 Family Limited Partners, the general partner of which is a company controlled by Mr. Singer and the sole limited partner of which is Mr. Singer, 50,750 shares held by MDDS Partnership Limited, the general partner of which is controlled by Mr. Singer and the limited partners of which are Mr. Singer and certain of his family members, 200 PIP Shares and 37,500 shares of Restricted Stock.

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- (14) Represents 24,833 shares held by Mr. Vuolo, 1,610 shares allocated to Mr. Vuolo's account under a 401(k) Plan, 200 PIP Shares, 37,500 shares of Restricted Stock and 586 shares held by Mr. Vuolo's spouse.
- (15) Represents 7,522,296 shares held by Mr. Wygod, 200 PIP Shares, 5,000 shares held by Mr. Wygod's spouse, 2,600 shares held by a trust for which Mr. Wygod's spouse is the trustee, 161,332 shares held by SYNC, Inc., which is controlled by Mr. Wygod, 71,247 shares held by Synetic Foundation, Inc. (d/b/a WebMD Charitable Fund), a charitable foundation of which Messrs. Wygod and Manning are trustees and share voting and dispositive power, and 101,984 shares held by the Rose Foundation, a private charitable foundation of which Messrs. Wygod and Mele are trustees and share voting and dispositive power.

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PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board of Directors currently has nine members. Three of the members are also employees of WebMD: Mr. Holstein, Chief Executive Officer of WebMD; Mr. Singer, Executive Vice President, Physician Software Strategies; and Mr. Wygod, Chairman of the Board. Six of the members are non-employee directors: Dr. Adler and Messrs. Brooke, Dimick, Manning, Sarkowsky and Smith. Our Board of Directors has determined that each of the non-employee directors is also an independent director under applicable SEC rules and NASDAQ Stock Market listing standards. The non-employee directors meet regularly without any employee directors or other WebMD employees present.

Our Board of Directors is divided into three classes, each of which currently has three directors. At each Annual Meeting, the term of one of the classes of directors expires and WebMD stockholders vote to elect nominees for the directorships in that class for a new three-year term.

At this year's Annual Meeting, the terms of the three Class III directors, Mark J. Adler, M.D., Herman Sarkowsky and Michael A. Singer, will expire. The Board of Directors, based on the recommendation of the Nominating Committee of the Board, has nominated Dr. Adler and Mr. Sarkowsky for re-election at the Annual Meeting, to serve for a three-year term expiring at our Annual Meeting in 2007 and until his successor is elected and has qualified or until his earlier resignation or removal. Mr. Singer has decided not to stand for re-election as a director. Effective upon the completion of his term, the authorized number of directors shall be eight.

The persons named in the enclosed proxy intend to vote for the election of Dr. Adler and Mr. Sarkowsky, unless you indicate on the proxy card that your vote should be withheld.

Our Board of Directors recommends a vote FOR the election of these nominees as directors.

We have inquired of each nominee and have determined that each will serve if elected. While our Board of Directors does not anticipate that any of the nominees will be unable to serve, if any nominee is not able to serve, proxies will be voted for a substitute nominee unless the Board of Directors chooses to reduce the number of directors serving on the Board.

Information Regarding the Nominees and Continuing Directors

Biographical information regarding the nominees for election as Class III directors at the Annual Meeting and the incumbent Class I and Class II directors is included below.

Nominees for election as Class III directors for a term expiring 2007:

Mark J. Adler, M.D.

47 Mark J. Adler, M.D., has been a director of WebMD since September 2000. He served as a director of CareInsite, Inc. from 1999 until its acquisition by WebMD in September 2000. Dr. Adler is an oncologist and has been Medical Director of the San Diego Cancer Center since he founded it in 1991 and is a director of the San Diego Cancer Research Institute. He is also President and Chief Executive Officer of the internal medicine and oncology group of Medical Group of North County, which is based in San Diego, California.

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Herman Sarkowsky	79	Herman Sarkowsky has been a director of WebMD since November 2000. Mr. Sarkowsky has been President of Sarkowsky Investment Corporation, a private investment company, for more than five years. From 1989 until its merger with WebMD in September 2000, Mr. Sarkowsky also served as a director of Synetic, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name.
<i>Incumbent Class I directors with a term expiring 2005:</i>		
Neil F. Dimick	55	Neil F. Dimick has been a director of WebMD since December 2002. Mr. Dimick served as Executive Vice President and Chief Financial Officer of AmerisourceBergen Corporation, a wholesale distributor of pharmaceuticals, from 2001 to 2002 and as Senior Executive Vice President and Chief Financial Officer and a director of Bergen Brunswig Corporation, a wholesale distributor of pharmaceuticals, for more than five years prior to its merger in 2001 with AmeriSource Health Corporation to form AmerisourceBergen. He also serves as a member of the Boards of Directors of the following companies: Alliance Imaging Inc., a provider of outsourced diagnostic imaging services to hospitals and other health care companies; Thoratec Corporation, a developer of products to treat cardiovascular disease; and Resources Connection, Inc., an international professional services firm that provides outsourced services to companies on a project basis.
Roger C. Holstein	51	Roger C. Holstein has been our Chief Executive Officer since May 2003 and a director since December 2002 and has served in senior executive positions at WebMD and its predecessors since 1997. Mr. Holstein was President of WebMD from October 2002 to May 2003. He served as Chief Executive Officer of WebMD Health, our Portal Services segment, from June 2001 to October 2002 and as a member of WebMD's Office of the President from September 2001 until October 2002. From October 2000 until June 2001, Mr. Holstein was Executive Vice President, Marketing and Strategic Planning of WebMD. He served as Executive Vice President - Sales & Marketing and a director of CareInsite, Inc. from March 1999 until its acquisition by WebMD in September 2000 and was Executive Vice President - Marketing and Sales of Synetic, Inc. from 1997 to July 1999. From 1991 to 1996, Mr. Holstein was Senior Executive Vice President, Marketing and Sales of Merck-Medco Managed Care, L.L.C., a pharmacy benefits manager, and its predecessors and from 1996 to 1998, he was a special consultant to Merck-Medco.

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Joseph E. Smith 65 Joseph E. Smith has been a director of WebMD since September 2000. Mr. Smith was a director of CareInsite, Inc. from 1999 until September 2000. Mr. Smith served in various positions with Warner-Lambert Company, a pharmaceutical company, from March 1989 to September 1997, most recently as Corporate Vice President and a member of the Office of the Chairman and the firm's Management Committee. Mr. Smith serves on the Board of Directors of Par Pharmaceutical Companies, Inc. a manufacturer and distributor of generic and branded pharmaceuticals, and on the Board of Trustees of the International Longevity Center, a non-profit organization.

Incumbent Class II directors with a term expiring 2006:

Paul A. Brooke 58 Paul A. Brooke has been a director of WebMD since November 2000. Mr. Brooke has been the managing member of PMSV Holdings LLC, a private investment firm, since 1993 and a venture partner of MPM Capital, a venture capital firm specializing in the healthcare industry, since 1997. Mr. Brooke has also been an advisory director to each of Morgan Stanley and Skyline Partners since April 2000. From 1983 until April 1999, Mr. Brooke was a Managing Director and the Global Head of Healthcare Research and Strategy at Morgan Stanley. From April 1999 until May 2000, he was a Managing Director at Tiger Management LLC.

James V. Manning 57 James V. Manning has been a director of WebMD since September 2000. He served as a director of CareInsite, Inc. from 1999 until its acquisition by WebMD in September 2000. From 1989 until its merger with WebMD in September 2000, Mr. Manning was a member of the Board of Synetic, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name. In addition, he was Vice Chairman of the Board of Synetic from March 1998 to July 1999, was its Chief Executive Officer from January 1995 to March 1998, was its President from July 1996 to March 1998 and, until March 1998, was an executive officer for more than five years. Until December 1994, Mr. Manning had been an executive officer of Merck-Medco Managed Care, L.L.C., a pharmacy benefits manager, and its predecessors for more than five years.

Martin J. Wygod 64 Martin J. Wygod has served as Chairman of the Board of Directors of WebMD since March 2001 and as a director since September 2000. From October 2000 until May 2003, he also served as our Chief Executive Officer. From September 2000 until October 2000, Mr. Wygod served as Co-Chief Executive Officer of WebMD. For more than five years prior to its merger with WebMD in September 2000, Mr. Wygod was Chairman of the Board and a director of Synetic, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name. He also served as Chairman of the Board of CareInsite, Inc. from 1999 until its acquisition by WebMD in September 2000. He is also engaged in the business of racing, boarding and breeding thoroughbred horses, and is President of River Edge Farm, Inc.

No family relationship exists among any of our directors or executive officers. No arrangement or understanding exists between any director or executive officer of WebMD and any other person pursuant to which any of them were selected as a director or executive officer, except that Messrs. Manning, Singer,

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Smith and Wygod and Dr. Adler were originally appointed as directors in connection with the merger transactions in September 2000 involving WebMD, Medical Manager and CareInsite.

Meetings and Committees of the Board of Directors

Our Board of Directors met 15 times during 2003. In addition to meetings, our Board and its committees reviewed and acted upon matters by unanimous written consent. During 2003, each of our current directors attended 75% or more of the meetings held by our Board and the Board committees on which he served.

Our Board of Directors currently has four standing committees: an Executive Committee, a Compensation Committee, an Audit Committee, and a Nominating Committee. The Compensation Committee, the Audit Committee and the Nominating Committee each have the authority to retain such outside advisors as they may determine to be appropriate.

WebMD's Board of Directors encourages its members to attend our Annual Meetings of Stockholders. All three WebMD directors who are also employees attended the 2003 Annual Meeting and four of our six non-employee directors attended the 2003 Annual Meeting. Our Board of Directors encourages our security holders to communicate in writing to our directors. Security holders may send written communications to our Board of Directors or to specified individual directors by sending such communications care of the Corporate Secretary's Office, WebMD Corporation, 669 River Drive, Center 2, Elmwood Park, New Jersey 07407-1361. Such communications will be reviewed by our Legal Department and, depending on the content, will be:

forwarded to the addressees or distributed at the next scheduled Board meeting; or

if they relate to financial or accounting matters, forwarded to the Audit Committee or discussed at the next scheduled Audit Committee meeting; or

if they relate to the recommendation of the nomination of an individual, forwarded to the Nominating Committee or discussed at the next scheduled Nominating Committee meeting; or

if they relate to the operations of WebMD, forwarded to the appropriate officers of WebMD, and the response or other handling reported to the Board at the next scheduled Board meeting.

Executive Committee. The Executive Committee, which met five times during 2003, is currently comprised of Messrs. Brooke, Holstein, Manning, Smith and Wygod. The Executive Committee has the power to exercise, to the fullest extent permitted by law, the powers of the entire Board.

Audit Committee. The Audit Committee, which met 14 times during 2003, is currently comprised of Messrs. Brooke, Manning and Smith and Mr. Manning is its Chairman. Each of the members of the Audit Committee meets the standards of independence applicable to audit committee members under applicable SEC rules and NASDAQ Stock Market listing standards. In addition, the Board of Directors of WebMD has determined that Mr. Manning qualifies as an audit committee financial expert, as that term is used in applicable SEC regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002, based on his training and experience as a certified public accountant, including as a partner of a major accounting firm, and his services as a senior executive and Chief Financial Officer of public companies.

The Audit Committee operates under a written charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Audit Committee. A copy of the charter, as amended, is included as Annex A to this Proxy Statement. The Audit Committee's responsibilities are summarized below in Report of the Audit Committee and include oversight of the administration of WebMD's Code of Business Conduct. A copy of WebMD's Code of Business Conduct, as amended, was filed as Exhibit 14.1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2003. WebMD's Code of Business Conduct applies to all directors and employees of WebMD. Any waiver of applicable requirements in the Code of Business Conduct that is granted to any of our directors, to our principal executive officer, to any of our senior financial officers (including our principal financial officer, principal accounting officer or controller) or to any other person who is an

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executive officer of WebMD requires the approval of the Audit Committee and waivers will be disclosed on our corporate website, www.webmd.com, in the About WebMD section, or in a Form 8-K.

Compensation Committee. The Compensation Committee, which met eight times during 2003, is currently comprised of Dr. Adler and Messrs. Sarkowsky and Smith and Dr. Adler is its Chairman. Each of these directors is a non-employee director within the meaning of Section 16 of the Securities Exchange Act, an outside director within the meaning of Section 162(m) of the Internal Revenue Code and an independent director under applicable NASDAQ Stock Market listing standards.

The Compensation Committee operates under a written charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Compensation Committee. A copy of the charter, as amended, is included as Annex B to this Proxy Statement. The Compensation Committee's responsibilities are summarized below in Report of the Compensation Committee.

Nominating Committee. The Nominating Committee, which met once during 2003, is currently comprised of Dr. Adler and Messrs. Sarkowsky and Manning and Mr. Sarkowsky is its Chairman. Each of these directors is an independent director under applicable NASDAQ Stock Market listing standards. The Nominating Committee responsibilities include:

identifying individuals qualified to become Board members;

recommending to the Board the director nominees for each Annual Meeting of Stockholders; and

recommending to the Board candidates for filling vacancies that may occur between Annual Meetings.

The Nominating Committee operates pursuant to a charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Nominating Committee. A copy of the charter, as amended, is included as Annex C to this Proxy Statement. The Nominating Committee has not adopted specific objective requirements for service on the WebMD Board. Instead, the Nominating Committee will consider various factors in determining whether to recommend to the Board potential new Board members, or the continued service of existing members, including:

the amount and type of the potential nominee's managerial and policy-making experience in complex organizations and whether any such experience is particularly relevant to WebMD;

any specialized skills or experience that the potential nominee has and whether such skills or experience are particularly relevant to WebMD;

in the case of non-employee directors, whether the potential nominee has sufficient time to devote to service on the WebMD Board and the nature of any conflicts of interest or potential conflicts of interest arising from the nominee's existing relationships;

in the case of non-employee directors, whether the nominee would be an independent director and would be considered a financial expert or financially literate under applicable listing standards of The NASDAQ Stock Market and applicable law;

in the case of potential new members, whether the nominee assists in achieving a mix of Board members that represents a diversity of background and experience, including with respect to age, gender, race, areas of expertise and skills; and

in the case of existing members, the nominee's contributions as a member of the Board during his or her prior service.

The Nominating Committee will consider candidates recommended by stockholders in the same manner as described above. Any such recommendation should be sent in writing to the Nominating Committee, care of Secretary, WebMD Corporation, 669 River Drive, Center 2, Elmwood Park, New Jersey 07407-1361. To facilitate consideration by the Nominating Committee, the recommendation should be accompanied by a full statement of the qualifications of the recommended nominee, the consent of the recommended nominee to serve as a director of WebMD if nominated and to be identified in WebMD's

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proxy materials and the consent of the recommending stockholder to be named in WebMD's proxy materials. The recommendation and related materials will be provided to the Nominating Committee for consideration at its next regular meeting.

Compensation of Non-Employee Directors

Our non-employee directors each receive an annual retainer of \$25,000. Members of the Audit Committee receive an additional annual retainer of \$15,000. Directors do not receive per meeting fees, but they are entitled to reimbursement for all reasonable out-of-pocket expenses incurred in connection with their attendance at Board and Board committee meetings. In addition, Messrs. Brooke, Manning, Sarkowsky and Smith and Dr. Adler each received \$30,000 for their service during the fourth quarter of 2003 and \$15,000 for their service during each of the first two quarters of 2004, as members of a Special Committee of the Board to oversee matters relating to pending investigations by the United States Attorney for the District of South Carolina and the SEC. Members of the Special Committee will continue to receive compensation for their service on that committee.

Our non-employee directors are eligible to receive stock options under our 2000 Long-Term Incentive Plan and our 1996 Stock Plan. All non-employee directors receive stock options pursuant to automatic grants of stock options under our 2000 Long-Term Incentive Plan annually on January 1. Messrs. Brooke, Dimick, Manning, Sarkowsky and Smith and Dr. Adler each received automatic annual grants of options to purchase 20,000 shares of WebMD common stock in January 2003 (with an exercise price of \$8.55 per share) and January 2004 (with an exercise price of \$8.99 per share).

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Name	Age	Positions
Martin J. Wygod	64	Chairman of the Board
Roger C. Holstein	51	Chief Executive Officer
Andrew C. Corbin	41	Executive Vice President and Chief Financial Officer
Wayne T. Gattinella	52	President, WebMD Health
Tony G. Holcombe	48	President, WebMD Envoy
William G. Midgette	48	Chief Executive Officer, Porex
Thomas Stampiglia	48	President, WebMD Practice Services
K. Robert Draughon	44	Executive Vice President, Business Development
Kirk G. Layman	45	Executive Vice President, Administration
Charles A. Mele	48	Executive Vice President, General Counsel and Secretary
Michael A. Singer	57	Executive Vice President, Physician Software Strategies; and Head of Research and Development and Chief Software Architect, WebMD Practice Services
Anthony Vuolo	46	Executive Vice President, Business Development
Steven Zatz, M.D.	47	Executive Vice President, Professional Information Services and Chief Medical Officer

Biographical information regarding our executive officers who are not also nominees or continuing directors is set forth below:

Andrew C. Corbin has served as Executive Vice President and Chief Financial Officer of WebMD since October 2003. For the seven years prior to that, Mr. Corbin served in senior financial positions at The Bisys Group, Inc., a provider of business process outsourcing services to the financial services industry, most recently as its Executive Vice President and Chief Financial Officer. Prior to October 1996, Mr. Corbin held various financial positions with the following: The Limited, Inc., a retailer; General Motors Corporation, an automobile manufacturer; and Ernst & Young, an accounting firm.

K. Robert Draughon has served as WebMD's Executive Vice President, Business Development since November 1999. From February 1998 until November 1999, he served as Chief Financial Officer of WebMD, Inc., prior to its acquisition by Healthcon Corporation. From January 1988 to February 1998, he served as Chief Investment Officer for Fuqua Capital Corporation, a private investment firm based in Atlanta, Georgia.

Wayne T. Gattinella has served as President of WebMD Health, our Portal Services segment, since August 2001 and as an Executive Vice President of WebMD since November 2002. Previously, Mr. Gattinella was Executive Vice President and Chief Marketing Officer for PeoplePC, an Internet service provider, from April 2000 to August 2001. From February 1998 to March 2000, Mr. Gattinella was President of North America for MemberWorks, Inc., a marketing services company. From January 1992 to February 1998, Mr. Gattinella was Executive Vice President of Marketing for Merck-Medco Managed Care, L.L.C., a pharmacy benefits manager, and its predecessors.

Tony G. Holcombe has served as President of WebMD Envoy, our Transaction Services segment, and an Executive Vice President of WebMD since December 2003. From September 2002 to December 2003, Mr. Holcombe was Chairman and Chief Executive Officer of Valutec Card Solutions, Inc., a privately held provider of financial services products to a variety of industries. From May 1999 to September 2002, Mr. Holcombe was President of the Employer/Employee Services division of Ceridian Corporation, an information services company, and from May 1997 to May 1999, he served as President of the Comdata subsidiary of Ceridian. Prior to May 1997, Mr. Holcombe served in senior management positions with

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National City Corporation, a bank holding company, the last of which was President and CEO of its National Processing Company subsidiary, a provider of merchant credit card processing services and corporate outsourcing solutions.

Kirk G. Layman has been Executive Vice President, Administration of WebMD since April 2002 and, from May 2003 to October 2003, also served as Acting Chief Financial Officer of WebMD. Mr. Layman has held senior executive positions at WebMD and its predecessors since 1997. From September 2000 to April 2002, Mr. Layman served as Senior Vice President, Finance of WebMD. From March 1999 until its merger with WebMD in September 2000, Mr. Layman served as Senior Vice President Finance and Chief Accounting Officer of Syntec, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name. Prior to that, he served as Vice President Financial Analysis of Syntec from May 1997 to March 1999. Prior to joining Syntec, Mr. Layman was with the accounting firm of Arthur Andersen, where he was a partner since 1995.

Charles A. Mele has been Executive Vice President, General Counsel and Secretary of WebMD since January 2001. Mr. Mele has served in senior executive positions for WebMD and its predecessors since 1995. Mr. Mele was Executive Vice President and Co-General Counsel of WebMD from September 2000 until January 2001. He served as a director of CareInsite, Inc. from 1998 until its acquisition by WebMD in September 2000. From March 1998 until its merger with WebMD in September 2000, Mr. Mele was Executive Vice President General Counsel of Syntec, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name. In addition, he was Vice President General Counsel of Syntec from July 1995 to March 1998.

William G. Midgette has been Chief Executive Officer of Porex, our Plastic Technologies segment, since August 2002 and has been an Executive Vice President of WebMD since March 2003. For more than five years prior to that, Mr. Midgette served in senior management positions at C. R. Bard, Inc., a healthcare products company, most recently as President, Bard International.

Michael A. Singer has been Executive Vice President, Physician Software Strategies and Head of Research and Development and Chief Software Architect of WebMD Practice Services since July 2004 and has served as a director of WebMD since September 2000. Mr. Singer also served as Chief Executive Officer of WebMD Practice Services from September 2000 to July 2004 and as a Member of WebMD's Office of the President from September 2001 until October 2002. Mr. Singer was Vice Chairman and Co-Chief Executive Officer of Medical Manager from July 1999 until its merger with WebMD in September 2000. Mr. Singer was Chairman of the Board and Chief Executive Officer of Medical Manager Health Systems, Inc., a public company known as Medical Manager Corporation prior to its acquisition by Syntec, Inc. in July 1999, and its predecessors for more than five years prior to July 1999. Mr. Singer served as a director of CareInsite, Inc. from 1999 until its acquisition by WebMD in September 2000.

Thomas Stampiglia has served as President of WebMD Practice Services, our Physician Services segment, since April 2003 and has also been an Executive Vice President of WebMD since July 2004. From January 2000 to April 2003, Mr. Stampiglia served as an Executive Vice President of Checkfree Corporation, a provider of financial electronic commerce services and products. From October 1998 to December 1999, Mr. Stampiglia was Vice President of International Operations of Lanier Worldwide, a provider of copiers, printers and document management solutions; and, from September 1996 to October 1998, he was Vice President and General Manager of the Healthcare Division of Lanier Worldwide.

Anthony Vuolo has been Executive Vice President, Business Development of WebMD since May 2003. Mr. Vuolo has served in several executive positions at WebMD and its predecessors since 1994. From September 2000 to May 2003, Mr. Vuolo was Executive Vice President and Chief Financial Officer of WebMD. From March 1999 until its merger with WebMD in September 2000, Mr. Vuolo was Senior Vice President Business Development and Treasurer of Syntec, Inc., which changed its name to Medical Manager in July 1999 when it acquired the company of that name. Prior to that, he was Executive Vice President Finance and Administration and Chief Financial Officer of Syntec from March 1998 until March 1999.

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Steven Zatz, M.D. has been Executive Vice President, Professional Information Services of WebMD since January 2002 and has served as Chief Medical Officer of WebMD since September 2001. Dr. Zatz served as Executive Vice President, Internet Portals and Applications Services of WebMD from October 2000 to January 2002. Dr. Zatz was Senior Vice President, Medical Director of CareInsite, Inc. from June 1999 until its acquisition by WebMD in September 2000. Prior to joining CareInsite, Dr. Zatz was senior vice president of RR Donnelley Financial in charge of its healthcare business from October 1998 to May 1999. From August 1995 to May 1998, Dr. Zatz was President of Physicians Online, an online portal for physicians.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE