

TSYS
Financial Highlights
(unaudited)
(in thousands, except per share data)

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|--|-------------------------------------|----------------|-------------------|------------------------------------|----------------|-------------------|
| | 2014 | 2013 | Percent Change | 2014 | 2013 | Percent Change |
| Total revenues | \$ 616,891 | 570,551 | 8.1 % | \$ 1,811,774 | 1,481,202 | 22.3 % |
| Cost of services | 407,391 | 377,147 | 8.0 | 1,246,763 | 983,143 | 26.8 |
| Selling, general and administrative expenses | 79,303 | 81,643 | (2.9) | 252,866 | 212,408 | 19.0 |
| Merger and acquisition expenses | 790 | 7,282 | (89.2) | 3,278 | 12,009 | (72.7) |
| Operating income | 129,407 | 104,479 | 23.9 | 308,867 | 273,642 | 12.9 |
| Nonoperating income (expenses) | (508) | (499) | (1.8) | (1,731) | (86) | nm |
| Merger and acquisition expenses - bridge loan facility & other financing | (9,489) | (9,789) | 3.1 | (28,464) | (19,466) | (46.2) |
| Income before income taxes, noncontrolling interests and equity in income of equity investments | 119,410 | 94,191 | 26.8 | 278,672 | 254,090 | 9.7 |
| Income taxes | 39,227 | 30,100 | 30.3 | 94,333 | 77,547 | 21.6 |
| Income before noncontrolling interests and equity in income of equity investments | 80,183 | 64,091 | 25.1 | 184,339 | 176,543 | 4.4 |
| Equity in income of equity investments, net of tax | 4,135 | 2,792 | 48.1 | 11,831 | 9,357 | 26.4 |
| Income from continuing operations, net of tax | 84,318 | 66,883 | 26.1 | 196,170 | 185,900 | 5.5 |
| Gain from discontinued operations, net of tax | 880 | 611 | 44.0 | 51,993 | 1,305 | nm |
| Net income | 85,198 | 67,494 | 26.2 | 248,163 | 187,205 | 32.6 |
| Net income attributable to noncontrolling interests | (1,393) | (3,144) | 55.7 | (5,151) | (8,110) | 36.5 |
| Net income attributable to TSYS common shareholders | <u>\$ 83,805</u> | <u>64,350</u> | 30.2 % | <u>\$ 243,012</u> | <u>179,095</u> | 35.7 % |
| Basic earnings per share: | | | | | | |
| Income from continuing operations to TSYS common shareholders* | \$ 0.45 | 0.34 | 30.6 % | \$ 1.03 | 0.96 | 7.0 % |
| Gain (Loss) from discontinued operations to TSYS common shareholders* | 0.00 | (0.00) | nm | 0.27 | (0.01) | nm |
| Basic earnings per share (EPS) | <u>\$ 0.45</u> | <u>0.34</u> | 33.0 % | <u>\$ 1.30</u> | <u>0.95</u> | 36.8 % |
| Diluted earnings per share: | | | | | | |
| Income from continuing operations to TSYS common shareholders* | \$ 0.44 | 0.34 | 30.4 % | \$ 1.02 | 0.95 | 6.6 % |
| Gain (Loss) from discontinued operations to TSYS common shareholders* | 0.00 | (0.00) | nm | 0.27 | (0.01) | nm |
| Diluted EPS | <u>\$ 0.45</u> | <u>0.34</u> | 32.8 % | <u>\$ 1.29</u> | <u>0.94</u> | 36.2 % |
| Dividends declared per share | <u>\$ 0.10</u> | <u>0.10</u> | | <u>\$ 0.30</u> | <u>0.30</u> | |
| Amounts attributable to TSYS common shareholders: | | | | | | |
| Income from continuing operations, net of tax | \$ 82,925 | 64,834 | 27.9 % | \$ 192,018 | 180,835 | 6.2 % |
| Gain (Loss) from discontinued operations, net of tax | 880 | (484) | nm | 50,994 | (1,740) | nm |
| Net income | <u>\$ 83,805</u> | <u>64,350</u> | 30.2 % | <u>\$ 243,012</u> | <u>179,095</u> | 35.7 % |
| <u>Non-GAAP measures:</u> | | | | | | |
| Adjusted EPS from continuing operations | <u>\$ 0.56</u> | <u>0.49</u> | 12.5 % | <u>\$ 1.38</u> | <u>1.25</u> | 10.4 % |
| Adjusted EBITDA | <u>\$ 198,040</u> | <u>179,446</u> | 10.4 % | <u>\$ 518,529</u> | <u>442,996</u> | 17.1 % |

nm = not meaningful

* EPS amounts may not total due to rounding.

- more -

TSYS
Consolidated Statements of Comprehensive Income
(unaudited)
(in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------|------------------------------------|---------|
| | 2014 | 2013 | 2014 | 2013 |
| Net income | \$ 85,198 | 67,494 | \$ 248,163 | 187,205 |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation adjustments as a result of discontinued operations | - | - | 3,514 | - |
| Foreign currency translation adjustments | (11,329) | 7,222 | (6,121) | (6,489) |
| Postretirement healthcare plan adjustments | 147 | 1,113 | 442 | 1,423 |
| Unrealized (loss) gain on available-for-sale securities | (598) | 1,479 | (640) | 1,479 |
| Other comprehensive income (loss) | (11,780) | 9,814 | (2,805) | (3,587) |
| Comprehensive income | 73,418 | 77,308 | 245,358 | 183,618 |
| Comprehensive income attributable to noncontrolling interests | 1,071 | 3,228 | 5,050 | 6,149 |
| Comprehensive income attributable to TSYS common shareholders | \$ 72,347 | 74,080 | \$ 240,308 | 177,469 |

- more -

TSYS
Earnings Per Share
(unaudited)

(in thousands, except per share data)

| | Three Months Ended September 30, 2014 | | Three Months Ended September 30, 2013 | | Nine Months Ended September 30, 2014 | | Nine Months Ended September 30, 2013 | |
|---|--|-----------------------------|--|-----------------------------|---|-----------------------------|---|-----------------------------|
| | Common Stock | Participating Securities | Common Stock | Participating Securities | Common Stock | Participating Securities | Common Stock | Participating Securities |
| Basic earnings per share: | | | | | | | | |
| Net income attributable to TSYS common shareholders | \$ 83,805 | | 64,350 | | \$ 243,012 | | 179,095 | |
| Less income allocated to nonvested awards | (843) | 843 | (605) | 605 | (2,477) | 2,477 | (968) | 968 |
| Net income allocated to common stock for EPS calculation (a) | \$ 82,962 | 843 | 63,745 | 605 | \$ 240,535 | 2,477 | 178,127 | 968 |
| Average common shares outstanding (b) | 183,692 | 1,885 | 187,726 | 1,799 | 184,641 | 1,918 | 187,001 | 1,034 |
| Average common shares and participating securities | 185,577 | | 189,525 | | 186,559 | | 188,035 | |
| Basic earnings per share (a)/(b) | \$ 0.45 | 0.45 | 0.34 | 0.34 | \$ 1.30 | 1.29 | 0.95 | 0.94 |
| Diluted earnings per share: | | | | | | | | |
| Net income attributable to TSYS common shareholders | \$ 83,805 | | 64,350 | | \$ 243,012 | | 179,095 | |
| Less income allocated to nonvested awards | (836) | 836 | (601) | 601 | (2,454) | 2,454 | (962) | 962 |
| Net income allocated to common stock for EPS calculation (c) | \$ 82,969 | 836 | 63,749 | 601 | \$ 240,558 | 2,454 | 178,133 | 962 |
| Average common shares outstanding | 183,692 | 1,885 | 187,726 | 1,799 | 184,641 | 1,918 | 187,001 | 1,034 |
| Increase due to assumed issuance of shares related to common equivalent shares outstanding | 1,995 | | 1,758 | | 2,277 | | 1,565 | |
| Average common and common equivalent shares outstanding (d) | 185,687 | 1,885 | 189,484 | 1,799 | 186,918 | 1,918 | 188,566 | 1,034 |
| Average common and common equivalent shares and participating securities | 187,572 | | 191,283 | | 188,836 | | 189,600 | |
| Diluted earnings per share (c)/(d) | \$ 0.45 | 0.44 | 0.34 | 0.33 | \$ 1.29 | 1.28 | 0.94 | 0.93 |

- more -

TSYS
Segment Breakdown
(unaudited)
(in thousands)

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|--|----------------------------------|----------|---------|--------|---------------------------------|-----------|----------|--------|
| | 2014 | 2013 | Change | | 2014 | 2013 | Change | |
| | | | \$ | % | | | \$ | % |
| Revenues before reimbursable items | | | | | | | | |
| North America Services | \$ 240,957 | 217,257 | 23,700 | 10.9 % | \$ 698,543 | 637,379 | 61,164 | 9.6 % |
| International Services | 87,385 | 77,876 | 9,509 | 12.2 | 248,890 | 230,889 | 18,001 | 7.8 |
| Merchant Services | 115,012 | 113,650 | 1,362 | 1.2 | 327,972 | 335,903 | (7,931) | (2.4) |
| NetSpend | 114,048 | 103,706 | 10,342 | 10.0 | 363,521 | 103,706 | 259,815 | nm |
| Intersegment revenues | (4,542) | (3,001) | (1,541) | (51.3) | (15,248) | (9,428) | (5,820) | (61.7) |
| Revenues before reimbursable items from external customers | \$ 552,860 | 509,488 | 43,372 | 8.5 % | \$ 1,623,678 | 1,298,449 | 325,229 | 25.0 % |
| Total revenues | | | | | | | | |
| North America Services | \$ 282,833 | 252,577 | 30,256 | 12.0 % | \$ 818,335 | 741,005 | 77,330 | 10.4 % |
| International Services | 91,865 | 83,025 | 8,840 | 10.6 | 264,710 | 245,420 | 19,290 | 7.9 |
| Merchant Services | 134,117 | 135,616 | (1,499) | (1.1) | 384,824 | 404,975 | (20,151) | (5.0) |
| NetSpend | 114,048 | 103,706 | 10,342 | 10.0 | 363,521 | 103,706 | 259,815 | nm |
| Intersegment revenues | (5,972) | (4,373) | (1,599) | (36.6) | (19,616) | (13,904) | (5,712) | (41.1) |
| Revenues from external customers | \$ 616,891 | 570,551 | 46,340 | 8.1 % | \$ 1,811,774 | 1,481,202 | 330,572 | 22.3 % |
| Depreciation and amortization | | | | | | | | |
| North America Services | \$ 22,173 | 18,764 | 3,409 | 18.2 % | \$ 63,377 | 55,060 | 8,317 | 15.1 % |
| International Services | 9,610 | 9,584 | 26 | 0.3 | 29,176 | 29,734 | (558) | (1.9) |
| Merchant Services | 3,624 | 2,890 | 734 | 25.4 | 10,591 | 9,029 | 1,562 | 17.3 |
| NetSpend | 2,155 | 1,471 | 684 | 46.5 | 5,779 | 1,471 | 4,308 | nm |
| Segment depreciation and amortization | 37,562 | 32,709 | 4,853 | 14.8 | 108,923 | 95,294 | 13,629 | 14.3 |
| Acquisition intangible amortization | 24,210 | 24,731 | (521) | (2.1) | 72,805 | 41,142 | 31,663 | 77.0 |
| Corporate admin and other | 662 | 461 | 201 | 43.6 | 1,702 | 1,322 | 380 | 28.7 |
| Total depreciation and amortization | \$ 62,434 | 57,901 | 4,533 | 7.8 % | \$ 183,430 | 137,758 | 45,672 | 33.2 % |
| Adjusted segment operating income | | | | | | | | |
| North America Services | \$ 92,736 | 84,443 | 8,293 | 9.8 % | \$ 251,892 | 234,509 | 17,383 | 7.4 % |
| International Services | 15,976 | 9,528 | 6,448 | 67.7 | 32,274 | 24,082 | 8,192 | 34.0 |
| Merchant Services | 40,409 | 40,753 | (344) | (0.8) | 103,473 | 119,691 | (16,218) | (13.5) |
| NetSpend | 36,123 | 34,616 | 1,507 | 4.4 | 95,543 | 34,616 | 60,927 | nm |
| Total adjusted segment operating income | 185,244 | 169,340 | 15,904 | 9.4 | 483,182 | 412,898 | 70,284 | 17.0 |
| Acquisition intangible amortization | (24,210) | (24,731) | 521 | 2.1 | (72,805) | (41,142) | (31,663) | (77.0) |
| NetSpend M&A operating expenses | (779) | (7,282) | 6,503 | 89.3 | (3,213) | (12,009) | 8,796 | 73.2 |
| Share-based compensation | (5,420) | (9,784) | 4,364 | 44.6 | (23,019) | (19,587) | (3,432) | (17.5) |
| Corporate admin and other | (25,428) | (23,064) | (2,364) | (10.2) | (75,278) | (66,518) | (8,760) | (13.2) |
| Operating income | \$ 129,407 | 104,479 | 24,928 | 23.9 % | \$ 308,867 | 273,642 | 35,225 | 12.9 % |
| Other: | | | | | | | | |
| Reimbursable items: | | | | | | | | |
| North America Services | \$ 41,876 | 35,320 | 6,556 | 18.6 % | \$ 119,792 | 103,626 | 16,166 | 15.6 % |
| International Services | 4,480 | 5,149 | (669) | (13.0) | 15,820 | 14,531 | 1,289 | 8.9 |
| Merchant Services | 19,105 | 21,966 | (2,861) | (13.0) | 56,852 | 69,072 | (12,220) | (17.7) |
| NetSpend | - | - | - | na | - | - | - | na |
| Intersegment revenues | (1,430) | (1,372) | (58) | (4.2) | (4,368) | (4,476) | 108 | 2.4 |
| Reimbursable items | \$ 64,031 | 61,063 | 2,968 | 4.9 % | \$ 188,096 | 182,753 | 5,343 | 2.9 % |

-more-

TSYS
Segment Breakdown
(unaudited)
(in thousands)

Other:

Volumes:

| | At | | Change | |
|------------------------------|-----------|-----------|--------|-------|
| | 9/30/2014 | 9/30/2013 | # | % |
| FTEs (full-time equivalents) | | | | |
| North America Services | 4,654 | 4,370 | 284 | 6.5 % |
| International Services | 2,384 | 2,356 | 28 | 1.2 |
| Merchant Services | 1,608 | 1,617 | (9) | (0.6) |
| NetSpend | 540 | 462 | 78 | 16.9 |
| Corporate Admin and Other | 584 | 536 | 48 | 9.0 |
| FTEs - Continuing Operations | 9,770 | 9,341 | 429 | 4.6 % |
| Discontinued Operations | - | 88 | (88) | na |
| FTEs | 9,770 | 9,429 | 341 | 3.6 % |

Total assets (in thousands)

| | At | | Change | |
|------------------------|--------------|-------------|----------|--------|
| | 9/30/2014 | 12/31/2013 | \$ | % |
| North America Services | \$ 3,324,945 | 3,215,333 | 109,612 | 3.4 % |
| International Services | 351,062 | 417,379 | (66,317) | (15.9) |
| Merchant Services | 696,591 | 676,592 | 19,999 | 3.0 |
| NetSpend | 1,556,253 | 1,596,150 | (39,897) | (2.5) |
| Intersegment assets | (2,208,269) | (2,218,886) | 10,617 | 0.5 |
| Total assets | \$ 3,720,582 | 3,686,568 | 34,014 | 0.9 % |

Three Months Ended September 30,

Nine Months Ended September 30,

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|----------------------------------|-------------|--------------------|---------|---------------------------------|-------------|--------------------|---------|
| | 2014 | 2013 | Change Inc(Dec) | % | 2014 | 2013 | Change Inc(Dec) | % |
| North America Segment: | | | | | | | | |
| Accounts on File (AOF) (in millions) | | | | | 541.4 | 461.4 | 80.0 | 17.4 % |
| Transactions (in millions) | 2,833.6 | 2,395.8 | 437.8 | 18.3 % | 7,857.9 | 6,644.2 | 1,213.7 | 18.3 % |
| International Segment: | | | | | | | | |
| AOF (in millions) | | | | | 64.1 | 59.2 | 4.9 | 8.1 % |
| Transactions (in millions) | 574.3 | 525.5 | 48.8 | 9.3 % | 1,650.3 | 1,451.8 | 198.5 | 13.7 % |
| Merchant Segment: | | | | | | | | |
| Point-of-sale Transactions (in millions) | 1,034.4 | 1,090.0 | (55.6) | (5.1) % | 3,061.7 | 3,325.2 | (263.5) | (7.9) % |
| Dollar sales volume (in millions) | \$ 11,877.5 | \$ 10,963.2 | \$ 914.3 | 8.3 % | \$ 34,453.8 | \$ 32,123.2 | \$ 2,330.6 | 7.3 % |
| NetSpend Segment: | | | | | | | | |
| Gross Dollar Volume (in millions) | \$ 4,409.3 | \$ 3,780.9 | \$ 628.4 | 16.6 % | \$ 15,604.5 | \$ 13,107.6 | \$ 2,496.9 | 19.0 % |
| 90-Day Active Cards (in thousands) | | | | | 3,086.1 | 2,767.3 | 318.8 | 11.5 % |
| Direct Deposit 90-Day Active Cards (in thousands) | | | | | 1,520.7 | 1,261.1 | 259.6 | 20.6 % |
| % of 90-Day Active Cards with Direct Deposit | | | | | 49.3% | 45.6% | | |

-more-

| | | TSYS Balance Sheet (unaudited) (in thousands) | |
|---|----|--|-------------------------|
| | | Sep 30, 2014 | Dec 31, 2013 |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ | 266,041 | 247,700 |
| Accounts receivable, net | | 308,671 | 255,773 |
| Deferred income tax assets | | 13,239 | 14,158 |
| Prepaid expenses and other current assets | | 96,747 | 95,109 |
| Current assets of discontinued operations | | 4,003 | 41,193 |
| Total current assets | | <u>688,701</u> | <u>653,933</u> |
| Goodwill | | 1,549,227 | 1,541,574 |
| Other intangible assets, net | | 423,356 | 481,419 |
| Computer software, net | | 365,004 | 363,880 |
| Property and equipment, net | | 274,571 | 259,968 |
| Contract acquisition costs, net | | 226,182 | 184,828 |
| Equity investments, net | | 96,114 | 94,133 |
| Deferred income tax assets, net | | 3,871 | 3,972 |
| Other assets | | 93,556 | 87,146 |
| Long-term assets of discontinued operations | | - | 15,715 |
| Total assets | \$ | <u><u>3,720,582</u></u> | <u><u>3,686,568</u></u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ | 54,507 | 33,651 |
| Current portion of borrowings | | 40,684 | 34,257 |
| Accrued salaries and employee benefits | | 29,479 | 38,339 |
| Current portion of obligations under capital leases | | 6,359 | 22,662 |
| Other current liabilities | | 166,362 | 159,170 |
| Current liabilities of discontinued operations | | 4,003 | 9,136 |
| Total current liabilities | | <u>301,394</u> | <u>297,215</u> |
| Long-term borrowings, excluding current portion | | 1,409,999 | 1,428,251 |
| Deferred income tax liabilities | | 191,873 | 228,727 |
| Obligations under capital leases, excluding current portion | | 6,196 | 7,500 |
| Other long-term liabilities | | 99,463 | 81,600 |
| Long-term liabilities of discontinued operations | | - | 1,197 |
| Total liabilities | | <u>2,008,925</u> | <u>2,044,490</u> |
| Redeemable noncontrolling interest | | <u>22,197</u> | <u>39,652</u> |
| Equity | | | |
| Shareholders' equity: | | | |
| Common stock | | 20,278 | 20,279 |
| Additional paid-in capital | | 165,161 | 165,841 |
| Accumulated other comprehensive income, net | | 1,046 | 3,749 |
| Treasury stock | | (409,053) | (326,996) |
| Retained earnings | | 1,905,112 | 1,718,204 |
| Total shareholders' equity | | <u>1,682,544</u> | <u>1,581,077</u> |
| Noncontrolling interests in consolidated subsidiaries | | 6,916 | 21,349 |
| Total equity | | <u>1,689,460</u> | <u>1,602,426</u> |
| Total liabilities and equity | \$ | <u><u>3,720,582</u></u> | <u><u>3,686,568</u></u> |

| | TSYS Cash Flow (unaudited) (in thousands) | |
|---|--|--------------------|
| | Nine Months Ended September 30, | |
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 248,163 | 187,205 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Equity in income of equity investments | (11,831) | (9,357) |
| Dividends received from equity investments | 9,189 | 8,595 |
| Loss on foreign currency | 1,715 | 612 |
| Depreciation and amortization | 184,827 | 142,490 |
| Amortization of debt issuance costs | 1,361 | 6,775 |
| Amortization of bond discount | 286 | 131 |
| Changes in fair value of private equity investments | (239) | (1,227) |
| Share-based compensation | 23,019 | 19,587 |
| Excess tax benefit from share-based compensation | (6,538) | (2,727) |
| Provisions for bad debt expense and billing adjustments | 1,982 | 2,193 |
| Charges for transaction processing provisions | 5,081 | 8,545 |
| Provision for fraud and other losses | 29,923 | 6,398 |
| Deferred income tax expense | (15,989) | 25,784 |
| Loss on disposal of equipment, net | 27 | 78 |
| Gain on disposal of subsidiaries | (87,013) | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (50,450) | (6,721) |
| Prepaid expenses, other current assets and other long-term assets | (10,784) | (12,610) |
| Accounts payable | 10,655 | (41,055) |
| Accrued salaries and employee benefits | (8,462) | (9,552) |
| Other current liabilities and other long-term liabilities | 65,192 | (17,659) |
| Net cash provided by operating activities | 390,114 | 307,485 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment, net | (55,356) | (24,896) |
| Additions to licensed computer software from vendors | (14,497) | (34,412) |
| Additions to internally developed computer software | (31,263) | (22,519) |
| Proceeds from dispositions, net of expenses paid and cash disposed | 45,002 | - |
| Cash used in acquisitions, net of cash acquired | (38,584) | (1,314,660) |
| Purchase of private equity investments | (3,290) | (1,146) |
| Additions to contract acquisition costs | (66,540) | (36,824) |
| Net cash used in investing activities | (164,528) | (1,434,457) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on long-term borrowings and capital lease obligations | (48,682) | (82,644) |
| Proceeds from borrowings of long-term borrowings | - | 1,395,661 |
| Proceeds from exercise of stock options | 26,877 | 27,488 |
| Excess tax benefit from share-based compensation | 6,538 | 2,727 |
| Repurchase of common stock under plans and tax withholding | (120,894) | (6,267) |
| Debt issuance costs | - | (13,471) |
| Purchase of noncontrolling interests | (37,500) | - |
| Subsidiary dividends paid to noncontrolling shareholders | (6,369) | (5,897) |
| Dividends paid on common stock | (56,159) | (37,514) |
| Net cash (used in) provided by financing activities | (236,189) | 1,280,083 |
| CASH AND CASH EQUIVALENTS: | | |
| Effect of exchange rate changes on cash and cash equivalents | (1,586) | (3,863) |
| Net (decrease) increase in cash and cash equivalents | (12,189) | 149,248 |
| Cash and cash equivalents at beginning of period | 278,230 | 247,612 |
| Cash and cash equivalents at end of period | 266,041 | 396,860 |
| Less cash and cash equivalents of discontinued operations at end of period | - | 27,667 |
| Cash and cash equivalents of continuing operations at end of period | \$ 266,041 | 369,193 |

Supplemental Information:

| <i>(in millions)</i> | Accounts on File | | |
|----------------------------|-------------------|-------------------|-------------|
| | Total | | |
| | September 2014 | September 2013 | % Change |
| Consumer Credit | 263.9 | 224.1 | 17.8 |
| Retail | 28.4 | 26.8 | 5.8 |
| Total Consumer | 292.3 | 250.9 | 16.5 |
| Commercial | 41.5 | 38.8 | 6.9 |
| Other | 21.2 | 16.9 | 25.3 |
| Subtotal | 355.0 | 306.6 | 15.8 |
| Prepaid/Stored Value | 125.1 | 110.7 | 13.0 |
| Government Services | 66.7 | 61.6 | 8.1 |
| Commercial Card Single Use | 58.7 | 41.7 | 41.0 |
| Total AOF | 605.5 | 520.6 | 16.3 |

Growth in Accounts on File *(in millions)*:

| | September 2013 to September 2014 | September 2012 to September 2013 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Beginning balance | 520.6 | 466.3 |
| Change in accounts on file due to: | | |
| Internal growth of existing clients | 39.6 | 36.5 |
| New clients | 76.0 | 63.8 |
| Purges/Sales | (30.3) | (45.4) |
| Deconversions | (0.4) | (0.6) |
| Ending balance | 605.5 | 520.6 |

- more -

Reconciliation of GAAP to Non-GAAP Financial Measures

Non-GAAP Measures

The schedule below provides a reconciliation of revenues and operating results on a constant currency basis to reported revenues and operating income. This non-GAAP measure presents third quarter 2014 financial results using the previous year's foreign currency exchange rates. On a full year constant currency basis, TSYS' total revenues grew 21.1% as compared to a reported GAAP increase of 22.3%.

The schedule below also provides a reconciliation of basic EPS, adjusted for the after-tax impact of acquisition intangible amortization, share-based compensation and merger and acquisition costs, to adjusted EPS.

The tax rate used in the calculation of adjusted EPS for the quarter and year is equal to an estimate of our annual pre-discrete effective tax rate on GAAP income. This effective rate is estimated annually and may be adjusted during the year to take into account events or trends that materially impact the effective tax rate including, but not limited to, significant changes resulting from tax legislation, material changes in the mix of revenues and expenses by entity and other significant events.

The schedule also provides a reconciliation of net income, adjusted for income from discontinued operations, equity in income of equity investments, income taxes, nonoperating expense, depreciation and amortization, share-based compensation, and merger and acquisition expenses, to adjusted EBITDA.

TSYS believes that non-GAAP financial measures are important to enable investors to understand and evaluate its ongoing operating results. Accordingly, TSYS includes non-GAAP financial measures when reporting its financial results to shareholders and potential investors in order to provide them with an additional tool to evaluate TSYS' ongoing business operations. TSYS believes that the non-GAAP financial measures are representative of comparative financial performance that reflects the economic substance of TSYS' current and ongoing business operations.

Although non-GAAP financial measures are often used to measure TSYS' operating results and assess its financial performance, they are not necessarily comparable to similarly titled captions of other companies due to potential inconsistencies in the method of calculation.

TSYS believes that its use of non-GAAP financial measures provides investors with the same key financial performance indicators that are utilized by management to assess TSYS' operating results, evaluate the business and make operational decisions on a prospective, going-forward basis. Hence, management provides disclosure of non-GAAP financial measures to give shareholders and potential investors an opportunity to see TSYS as viewed by management, to assess TSYS with some of the same tools that management utilizes internally and to be able to compare such information with prior periods. TSYS believes that the presentation of GAAP financial measures alone would not provide its shareholders and potential investors with the ability to appropriately analyze its ongoing operational results, and therefore expected future results. TSYS therefore believes that inclusion of non-GAAP financial measures provides investors with additional information to help them better understand its financial statements just as management utilizes these non-GAAP financial measures to better understand the business, manage budgets and allocate resources.

Reconciliation of GAAP to Non-GAAP

| Constant Currency Comparison (unaudited) (in thousands) | | | | | | |
|---|----------------------------------|----------------|----------------|---------------------------------|------------------|----------------|
| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
| | 2014 | 2013 | Percent Change | 2014 | 2013 | Percent Change |
| Consolidated | | | | | | |
| Constant currency (1) | \$ 610,554 | 570,551 | 7.0 % | \$ 1,793,838 | 1,481,202 | 21.1 % |
| Foreign currency (2) | 6,337 | - | | 17,936 | - | |
| Total revenues | <u>\$ 616,891</u> | <u>570,551</u> | 8.1 % | <u>\$ 1,811,774</u> | <u>1,481,202</u> | 22.3 % |
| Constant currency (1) | \$ 546,782 | 509,488 | 7.3 % | \$ 1,606,786 | 1,298,449 | 23.7 % |
| Foreign currency (2) | 6,078 | - | | 16,892 | - | |
| Total revenues before reimbursable items | <u>\$ 552,860</u> | <u>509,488</u> | 8.5 % | <u>\$ 1,623,678</u> | <u>1,298,449</u> | 25.0 % |
| Constant currency (1) | \$ 126,327 | 104,479 | 20.9 % | \$ 299,860 | 273,642 | 9.6 % |
| Foreign currency (2) | 3,080 | - | | 9,007 | - | |
| Operating income | <u>\$ 129,407</u> | <u>104,479</u> | 23.9 % | <u>\$ 308,867</u> | <u>273,642</u> | 12.9 % |
| International Services | | | | | | |
| Constant currency (1) | \$ 85,506 | 83,025 | 3.0 % | \$ 246,940 | 245,420 | 0.6 % |
| Foreign currency (2) | 6,359 | - | | 17,770 | - | |
| Total revenues | <u>\$ 91,865</u> | <u>83,025</u> | 10.6 % | <u>\$ 264,710</u> | <u>245,420</u> | 7.9 % |

(1) Reflects current period results on a non-GAAP basis as if foreign currency rates did not change from the comparable prior year period.

(2) Reflects the impact of calculated changes in foreign currency rates from the comparable period.

| Revenues Before Reimbursable Items (unaudited) (in thousands) | | | | | | |
|---|----------------------------------|----------------|----------------|---------------------------------|------------------|----------------|
| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
| | 2014 | 2013 | Percent Change | 2014 | 2013 | Percent Change |
| Total revenues | \$ 616,891 | 570,551 | 8.1 % | \$ 1,811,774 | 1,481,202 | 22.3 % |
| Reimbursable items | 64,031 | 61,063 | 4.9 | 188,096 | 182,753 | 2.9 |
| Revenues before reimbursable items | <u>\$ 552,860</u> | <u>509,488</u> | 8.5 % | <u>\$ 1,623,678</u> | <u>1,298,449</u> | 25.0 % |

- more -

Reconciliation of GAAP to Non-GAAP

| Adjusted Earnings per Share (unaudited) (in thousands, except per share data) | | | | | | |
|---|----------------------------------|---------|----------------|---------------------------------|---------|----------------|
| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
| | 2014 | 2013 | Percent Change | 2014 | 2013 | Percent Change |
| Income from continuing operations attributable to TSYS common shareholders | \$ 82,925 | 64,834 | 27.9 % | \$ 192,018 | 180,835 | 6.2 % |
| Adjust for amounts attributable to TSYS common shareholders: | | | | | | |
| Add: Acquisition intangible amortization, net of taxes | \$ 15,762 | 16,595 | (5.0) % | 47,374 | 27,134 | 74.6 % |
| Add: Share-based compensation, net of taxes | 3,573 | 6,706 | (46.7) | 15,174 | 13,425 | 13.0 |
| Add: NetSpend M&A expenses, net of taxes* | 786 | 5,424 | (85.5) | 3,111 | 13,934 | (77.7) |
| Adjusted earnings | \$ 103,046 | 93,559 | 10.1 % | \$ 257,677 | 235,328 | 9.5 % |
| Basic EPS - Income from continuing operations attributable to TSYS common shareholders | | | | | | |
| As reported (GAAP) | \$ 0.45 | 0.34 | 30.6 % | \$ 1.03 | 0.96 | 7.0 % |
| Adjust for amounts attributable to TSYS common shareholders: | | | | | | |
| Add: Acquisition intangible amortization, net of taxes | 0.08 | 0.09 | (3.1) | 0.25 | 0.14 | 76.0 |
| Add: Share-based compensation, net of taxes | 0.02 | 0.04 | (45.5) | 0.08 | 0.07 | 13.9 |
| Add: NetSpend M&A expenses, net of taxes* | 0.00 | 0.03 | (85.3) | 0.02 | 0.07 | (77.5) |
| Adjusted EPS ** | \$ 0.56 | 0.49 | 12.5 % | \$ 1.38 | 1.25 | 10.4 % |
| Average common shares and participating securities | 185,577 | 189,525 | | 186,559 | 188,035 | |

* Certain merger and acquisition costs are nondeductible for income tax purposes

** Adjusted EPS amounts may not total due to rounding.

| Adjusted EBITDA (unaudited) (in thousands) | | | | | | |
|--|----------------------------------|---------|----------------|---------------------------------|---------|----------------|
| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
| | 2014 | 2013 | Percent Change | 2014 | 2013 | Percent Change |
| Net income | \$ 85,198 | 67,494 | 26.2 % | \$ 248,163 | 187,205 | 32.6 % |
| Adjust for: | | | | | | |
| Deduct: Income from discontinued operations | (880) | (611) | (44.0) | (51,993) | (1,305) | nm |
| Deduct: Equity in income of equity investments | (4,135) | (2,792) | (48.1) | (11,831) | (9,357) | (26.4) |
| Add: Income taxes | 39,227 | 30,100 | 30.3 | 94,333 | 77,547 | 21.6 |
| Add: Nonoperating expense | 9,997 | 10,288 | (2.8) | 30,195 | 19,552 | 54.4 |
| Add: Depreciation and amortization | 62,434 | 57,901 | 7.8 | 183,430 | 137,758 | 33.2 |
| EBITDA | \$ 191,841 | 162,380 | 18.1 % | \$ 492,297 | 411,400 | 19.7 % |
| Adjust for: | | | | | | |
| Add: Share-based compensation | 5,420 | 9,784 | (44.6) | 23,019 | 19,587 | 17.5 |
| Add: NetSpend M&A operating expenses* | 779 | 7,282 | (89.3) | 3,213 | 12,009 | (73.2) |
| Adjusted EBITDA | \$ 198,040 | 179,446 | 10.4 % | \$ 518,529 | 442,996 | 17.1 % |

nm = not meaningful

* Excludes share-based compensation

Reconciliation of GAAP to Non-GAAP

Segment Operating Margin and Consolidated Adjusted Operating Margin
(unaudited)
(in thousands)

| | Three Months Ended September 30, 2014 | | | Three Months Ended September 30, 2013 | | |
|---|---------------------------------------|------------------------------------|---------------------------|---------------------------------------|------------------------------------|---------------------------|
| | Adjusted Segment Operating Income | Revenues before Reimbursable Items | Adjusted Operating Margin | Adjusted Segment Operating Income | Revenues before Reimbursable Items | Adjusted Operating Margin |
| North America Services | \$ 92,736 | 240,957 | 38.49 % | \$ 84,443 | 217,257 | 38.87 % |
| International Services | 15,976 | 87,385 | 18.28 | 9,528 | 77,876 | 12.23 |
| Merchant Services | 40,409 | 115,012 | 35.13 | 40,753 | 113,650 | 35.86 |
| NetSpend | 36,123 | 114,048 | 31.67 | 34,616 | 103,706 | 33.38 |
| Intersegment | - | (4,542) | | - | (3,001) | |
| Corporate admin and other | (25,428) | - | | (23,064) | - | |
| Adjusted operating margin | \$ 159,816 | 552,860 | 28.91 % | \$ 146,276 | 509,488 | 28.71 % |
| Acquisition intangible amortization | (24,210) | | | (24,731) | | |
| NetSpend M&A operating expenses | (779) | | | (7,282) | | |
| Share-based compensation | (5,420) | | | (9,784) | | |
| Operating income and margin - (US GAAP) | \$ 129,407 | 552,860 | 23.41 % | \$ 104,479 | 509,488 | 20.51 % |

| | Nine Months Ended September 30, 2014 | | | Nine Months Ended September 30, 2013 | | |
|---|--------------------------------------|------------------------------------|---------------------------|--------------------------------------|------------------------------------|---------------------------|
| | Adjusted Segment Operating Income | Revenues before Reimbursable Items | Adjusted Operating Margin | Adjusted Segment Operating Income | Revenues before Reimbursable Items | Adjusted Operating Margin |
| North America Services | \$ 251,892 | 698,543 | 36.06 % | \$ 234,509 | 637,379 | 36.79 % |
| International Services | 32,274 | 248,890 | 12.97 | 24,082 | 230,889 | 10.43 |
| Merchant Services | 103,473 | 327,972 | 31.55 | 119,691 | 335,903 | 35.63 |
| NetSpend | 95,543 | 363,521 | 26.28 | 34,616 | 103,706 | 33.38 |
| Intersegment | - | (15,248) | | - | (9,428) | |
| Corporate admin and other | (75,278) | - | | (66,518) | - | |
| Adjusted operating margin | \$ 407,904 | 1,623,678 | 25.12 % | \$ 346,380 | 1,298,449 | 26.68 % |
| Acquisition intangible amortization | (72,805) | | | (41,142) | | |
| NetSpend M&A operating expenses | (3,213) | | | (12,009) | | |
| Share-based compensation | (23,019) | | | (19,587) | | |
| Operating income and margin - (US GAAP) | \$ 308,867 | 1,623,678 | 19.02 % | \$ 273,642 | 1,298,449 | 21.07 % |

- ### -