

(dollars in millions, except earnings per share data)	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2006	2005	Percent Change	2006	2005	Percent Change
Revenues Before Reimbursables	\$342.3	342.1	0.1%	\$1,014.7	953.5	6.4%
Total Revenues	441.8	422.0	4.7%	1,283.3	1,182.2	8.5%
Operating Income	72.3	72.3	(0.1)%	228.8	215.0	6.4%
Net Income	54.3	48.1	13.0%	162.1	144.8	11.9%
Basic EPS	0.28	0.24	13.4%	0.82	0.73	12.0%
Diluted EPS	0.28	0.24	13.3%	0.82	0.73	12.0%

Recent Highlights

Domestic

- TSYS recently converted more than 42 million Capital One accounts onto its TS2 platform. In a related transaction, Capital One became the first client on the new TSYS Loyalty Platform, and is currently processing loyalty transactions on this industry-leading platform.
- TSYS also converted approximately 6 million accounts for The Toronto-Dominion Bank, known as TD Bank Financial Group, and is providing a range of processing and support services for its consumer and commercial credit card accounts.

International

- Toyota Finance Corporation was announced as TSYS' first processing relationship in Japan. TSYS now supports a new co-branded Visa offered by Toyota Finance and Nikko Cordial Securities. Through this relationship, TSYS provides multi-currency and multi-function support for cardholders with domestic and overseas transactions, making it the first product of its kind in Japan.
- TSYS also announced a new relationship in Japan with United Cinemas Co. to process its new Cinema Gift Card, a prepaid product.
- Also in the Asia-Pacific region, TSYS increased its equity interest in China UnionPay Data Services Co., Ltd ("CUP Data"), to 44.56%. The partnership is further strengthened by continued technology and service expertise offered by TSYS.

Merchant

- TSYS Acquiring Solutions announced plans with Discover Financial Services LLC to integrate Discover Network card acceptance into its offering for merchant acquirers and independent sales organizations.

Projected Outlook for 2006

TSYS' new guidance raises earnings growth estimates to 26%-28% from 21%-23% based on the following assumptions:

1. Total revenues will increase 9%-11%.
2. Accounts on file at the end of 2006 will be approximately 395 million to 405 million.
3. Deconversion of Bank of America's consumer portfolio will occur as scheduled in October 2006, with a one-time contract-termination payment of approximately \$69 million and an acceleration of amortization of contract-acquisition costs of approximately \$6 million (comprised of \$4 million of amortization related to payments for processing rights, which is recorded as a reduction of revenues, and \$2 million of amortization expense related to conversion costs).
4. Recognition of revenues and expenses associated with the Capital One agreement beginning in the fourth quarter of 2006.
5. International corporate restructuring resulting in a lower effective tax rate.

Projected Outlook for 2007

Excluding the one-time Bank of America contract-termination payment in 2006 of approximately \$69 million and the acceleration of amortization of Bank of America contract acquisition costs of approximately \$6 million, earnings are expected to increase between 8%-10% in 2007 compared to estimated 2006 earnings. Based on generally accepted

accounting principles (GAAP), TSYS' estimated 2007 earnings are expected to decline between 9%-7% as compared to estimated 2006 earnings, versus previous guidance of a decline between 16%-14%.

TSYS' 2007 earnings forecast is based on the following assumptions:

1. Estimated 2006 earnings growth will be 26%-28%.
2. The deconversion of Bank of America's consumer portfolio will occur as scheduled in October 2006, with a one-time contract-termination payment of approximately \$69 million and an acceleration of amortization of contract-acquisition costs of approximately \$6 million.
3. Including the Bank of America termination payment, estimated total revenues will decline 5%-3% in 2007. Excluding the termination fee and reimbursable items, estimated revenues will be 0% to 2% over 2006.
4. The conversion of the Capital One portfolio, which was substantially completed in the fourth quarter of 2006, will be fully completed in 2007.
5. J.P. Morgan Chase & Co. will discontinue its processing agreement according to the original schedule and will license TSYS' processing software in 2007.
6. Expense reductions in employment, equipment, leases and other areas that are included in 2007 estimates will be accomplished.
7. TSYS will not incur significant expenses associated with the conversion of new large clients or acquisitions, or any significant impairment of goodwill or other intangibles.

Presentation of revenues and earnings excluding the Bank of America termination payment, acceleration of amortization of contract acquisition costs and reimbursable items are non-GAAP financial measures. The following table is a reconciliation of the range of changes from 2006 to 2007, comparing non-GAAP estimated financial measures to GAAP estimated financial measures:

	Range of Guidance (\$ in millions)		
	2007	2006	% change
Forecasted net income	\$226 to \$230	\$249	(9%) to (7%)
Less: estimated termination payment and acceleration of amortization of contract acquisition costs, net of tax		(\$42)	
Forecasted net income, excluding impact of termination payment and acceleration of amortization of contract acquisition cost	\$226 to \$230	\$207	8% to 10%
Forecasted total revenues	\$1,684 to \$1,713	\$1,773	(5%) to (3%)
Less: forecasted total reimbursable items	(\$318)	(\$346)	
Less: estimated termination payment net of related contract acquisition cost amortization		(\$65)	
Forecasted revenues, excluding reimbursable items and estimated termination payment	\$1,366 to \$1,395	\$1,362	0% to 2%

TSYS believes the table above presents meaningful information to assist investors in understanding the company's financial estimates for changes in total revenues and earnings from 2006 to 2007 as a result of the Bank of America consumer portfolio deconversion as the non-GAAP financial measures exclude amounts that the company does not consider part of ongoing operating results. The non-GAAP financial percentage changes should not be considered by themselves or as a substitute for the GAAP percentage changes year over year. The non-GAAP measures should be considered as an additional view of the way TSYS' financial measures are affected by the one-time Bank of America contract termination payment, acceleration of amortization of contract acquisition costs and reimbursable items and should be used in conjunction with all publicly filed financial statements and reports.

TSYS
Financial Highlights
(Unaudited)
(In thousands, except per share data)

	----- Three months ended September 30, -----		
	2006	2005	Percentage Change

Revenues			
Electronic payment processing services	\$232,171	224,394	3.5 %
Merchant services	65,548	74,207	(11.7)
Other services	44,619	43,499	2.6

Revenues before reimbursables	342,338	342,100	0.1
Reimbursable items	99,477	79,869	24.6

Total revenues	441,815	421,969	4.7

Expenses			
Employment expenses	139,182	121,389	14.7
Net occupancy & equipment expenses	75,811	77,134	(1.7)
Other operating expense	55,088	71,245	(22.7)

Expenses before reimbursables	270,081	269,768	0.1
Reimbursable items	99,477	79,869	24.6

Total operating expenses	369,558	349,637	5.7

Operating Income	72,257	72,332	(0.1)

Other Income:			
Interest income	3,363	1,592	111.2
Interest expense	(235)	(84)	(179.8)
Gain (loss) on foreign currency translation, net	282	66	327.3

Other Income	3,410	1,574	116.6

Income before Income Taxes, Minority Interest and Equity in Income of Equity Investments			
Income Taxes	75,667	73,906	2.4
	22,380	26,777	(16.4)

Income before Minority Interest and Equity in Income of Equity Investments	53,287	47,129	13.1
Minority Interest	(183)	(64)	(185.9)
Equity in Income of Equity Investments	1,202	991	21.3

Net Income	\$ 54,306	48,056	13.0 %
	=====		
Basic Earnings Per Share	\$ 0.28	0.24	13.4 %
	=====		
Diluted Earnings Per Share	\$ 0.28	0.24	13.3 %
	=====		
Dividend Declared Per Share	\$ 0.07	0.06	
	=====		
Average Common Shares Outstanding	196,500	197,198	
	=====		

Basic Earnings Per Share	\$	0.82	0.73	12.0 %
		=====		
Diluted Earnings Per Share	\$	0.82	0.73	12.0 %
		=====		
Dividend Declared Per Share	\$	0.20	0.16	
		=====		
Average Common Shares Outstanding		196,891	197,100	
		=====		
Average Common and Common Equivalent Shares Outstanding		197,193	197,324	
		=====		

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

Three Months Ended September 30, 2006

	Domestic- based support services	International- based support services	Merchant processing services	Consolidated

Revenues before reimbursables	\$ 242,584	44,320	59,723	346,627
Intersegment revenues	(4,258)	-	(31)	(4,289)

Revenues before reimbursables from external customers	\$ 238,326	44,320	59,692	342,338
	=====			
Total revenues	\$ 325,919	51,591	70,592	448,102
Intersegment revenues	(6,256)	-	(31)	(6,287)

Revenues from external customers	\$ 319,663	51,591	70,561	441,815
	=====			
Depreciation and amortization	\$ 32,156	5,328	6,674	44,158

Intersegment expenses	\$ 3,668	2,343	7,599	13,610
	=====			
Segment operating income	\$ 48,666	7,946	15,645	72,257
	=====			
Income before income taxes, minority interest and equity income of equity investments	52,688	6,602	16,377	75,667
	=====			
Income tax expense	\$ 14,722	(31)	7,689	22,380
	=====			
Equity in income of equity investments	\$ -	1,202	-	1,202

Net Income	\$ 38,821	6,797	8,688	54,306
Identifiable assets	1,410,363	285,917	240,979	1,937,259
Intersegment eliminations	(416,964)	(195)	(143)	(417,302)
Total assets	993,399	285,722	240,836	1,519,957

 Nine Months Ended September 30, 2006

	Domestic- based support services	International- based support services	Merchant processing services	Consolidated
Revenues before reimbursables	\$ 740,341	109,178	178,729	1,028,248
Intersegment revenues	(13,471)	-	(96)	(13,567)
Revenues before reimbursables from external customers	\$ 726,870	109,178	178,633	1,014,681
Total revenues	\$ 963,855	128,163	211,659	1,303,677
Intersegment revenues	(20,311)	-	(96)	(20,407)
Revenues from external customers	\$ 943,544	128,163	211,563	1,283,270
Depreciation and amortization	\$ 95,759	14,101	20,446	130,306
Intersegment expenses	\$ 18,949	(15,448)	(23,864)	(20,363)
Segment operating income	\$ 176,412	12,029	40,404	228,845
Income before income taxes, minority interest and equity income of equity investments	186,170	9,718	42,085	237,973
Income tax expense	\$ 58,636	2,461	17,395	78,492
Equity in income of equity investments	\$ -	3,073	-	3,073
Net Income	\$ 128,352	9,064	24,690	162,106

Note: Revenues for domestic-based services include electronic payment processing services and other services provided from the United States to clients domiciled in the United States or other countries. Revenues from international-based services include electronic payment processing services and other services provided from outside the United States to clients based mainly outside the United States. Revenues from merchant processing services include Vital's merchant processing and related services.

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

Three Months Ended September 30, 2005

	Domestic- based support services	International- based support services	Merchant processing services	Consolidated
Revenues before reimbursables	244,302	31,389	70,333	346,024
Intersegment revenues	(3,867)	-	(57)	(3,924)
Revenues before reimbursables from external customers	240,435	31,389	70,276	342,100
Total revenues	308,889	37,862	81,948	428,699
Intersegment revenues	(6,673)	-	(57)	(6,730)
Revenues from external customers	302,216	37,862	81,891	421,969
Depreciation and amortization	29,503	4,399	7,587	41,489
Intersegment expenses	5,627	(4,294)	(8,064)	(6,731)
Segment operating income	52,834	6,137	13,361	72,332
Income before income taxes, minority interest and equity income of equity investments	54,823	5,483	13,600	73,906
Income tax expense	18,381	3,227	5,169	26,777
Equity in income of equity investments	-	991	-	991
Net Income	36,238	3,353	8,465	48,056
Identifiable assets				
Intersegment eliminations				
Total assets				

Nine Months Ended September 30, 2005

	Domestic- based support services	International- based support services	Merchant processing services	Consolidated
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Revenues before reimbursables	713,390	92,717	156,486	962,593
Intersegment revenues	(8,946)	-	(103)	(9,049)
Revenues before reimbursables from external customers	704,444	92,717	156,383	953,544
Total revenues	904,700	109,604	182,877	1,197,181
Intersegment revenues	(14,882)	-	(103)	(14,985)
Revenues from external customers	889,818	109,604	182,774	1,182,196
Depreciation and amortization	84,209	12,416	12,073	108,698
Intersegment expenses	24,861	(21,833)	(18,022)	(14,994)
Segment operating income	176,346	8,143	30,495	214,984
Income before income taxes, minority interest and equity income of equity investments	180,558	6,345	30,950	217,853
Income tax expense	61,003	4,294	12,889	78,186
Equity in income of equity investments	-	2,090	3,241	5,331
Net Income	118,692	4,773	21,357	144,822

Note: Revenues for domestic-based services include electronic payment processing services and other services provided from the United States to clients domiciled in the United States or other countries. Revenues from international-based services include electronic payment processing services and other services provided from outside the United States to clients based mainly outside the United States. Revenues from merchant processing services include Vital's merchant processing and related services.

TSYS
Balance Sheet
(Unaudited)
(In thousands)

	Sept 30, 2006	Dec 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,722	237,569
Restricted cash	38,069	29,688
Accounts receivable, net	233,359	184,532
Deferred income tax assets	20,147	15,264
Prepaid expenses and other current assets	45,365	45,236
Total current assets	592,662	512,289
Computer software, net	230,715	267,988

Property and equipment, net	266,993	267,979
Contract acquisition costs, net	172,988	163,861
Goodwill, net	143,595	112,865
Equity investments, net	60,410	42,731
Other intangible assets, net	26,349	13,580
Other assets	26,245	29,604

Total assets	\$1,519,957	1,410,897
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Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable	\$ 44,673	29,464
Accrued salaries and employee benefits	65,451	84,348
Current portion of obligations under capital leases	2,337	2,078
Other current liabilities	163,557	161,122

Total current liabilities	276,018	277,012
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Deferred income tax liabilities	72,145	89,478
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Obligations under capital leases excluding current portion	1,740	3,555
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Other long-term liabilities	30,636	24,398
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Total liabilities	380,539	394,443
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Minority interest in consolidated subsidiary	4,114	3,682
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Shareholders' Equity:

Common stock	19,840	19,797
Additional paid-in capital	62,635	50,666
Treasury stock	(34,601)	(12,841)
Accumulated other comprehensive income	15,305	5,685
Retained earnings	1,072,125	949,465

Total shareholders' equity	1,135,304	1,012,772
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Total liabilities and shareholders' equity	\$1,519,957	1,410,897
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TSYS
Cash Flow
(Unaudited)
(In thousands)

Nine Months Ended
September 30,

2006 2005

Cash flows from operating activities:

Net income	\$ 162,106	144,822
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Adjustments to reconcile net income to net cash provided by operating activities:

Minority interests in consolidated subsidiaries' net income	448	176
Equity in income of equity investments	(3,073)	(5,331)
(Gain) loss on currency translation adjustments, net	(195)	761
Depreciation and amortization	130,306	108,698
Share-based compensation	6,574	849
Excess tax benefit from share-based payment arrangements	1,800	-
Impairment of developed software	-	3,619
Charges for (recoveries of) bad debt expense		

and billing adjustments	948	5,451
Charges for transaction processing provisions	7,914	7,634
Deferred income tax (benefit) expense	(24,150)	6,574
Loss on disposal of equipment, net	105	1,802
(Increase) decrease in:		
Accounts receivable	(40,765)	(40,072)
Prepaid expenses and other assets	8,923	6,962
Increase (decrease) in:		
Accounts payable	14,323	(59,241)
Accrued salaries and employee benefits	(18,936)	4,408
Other liabilities	(14,849)	(63,175)
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Net cash provided by operating activities	231,479	123,937
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Cash flows from investing activities:		
Purchase of property and equipment, net	(21,203)	(33,540)
Additions to licensed computer software from vendors	(9,650)	(10,049)
Additions to internally developed computer software	(13,699)	(17,435)
Cash acquired in acquisition	4,341	38,798
Cash used in acquisitions	(74,919)	(95,796)
Dividends received from equity investments	2,371	1,658
Contract acquisition costs	(39,578)	(11,756)
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Net cash used in investing activities	(152,337)	(128,120)
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Cash flows from financing activities:		
Proceeds from borrowings of long-term debt	-	48,143
Principal payments on long-term debt borrowings and capital lease obligations	(1,561)	(49,360)
Proceeds from exercise of stock options	3,725	2,920
Repurchase of common stock	(21,843)	-
Excess tax benefit from share-based payment arrangements	(1,800)	-
Dividends paid on common stock	(37,504)	(27,582)
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Net cash used in financing activities	(58,983)	(25,879)
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Effect of foreign currency translation on cash and cash equivalents	(2,006)	(2,388)
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Net increase in cash and cash equivalents	18,153	(32,450)
Cash and cash equivalents at beginning of year	237,569	231,806
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Cash and cash equivalents at end of period	\$ 255,722	199,356
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Geographic Area Data:

The following geographic area data represents revenues for the three months ended September 30 based on where the client is domiciled:

(dollars in millions):	Three Months Ended September 30,					
	2006	%	2005	%	% Chg	
United States\$	359.6	81.4	\$ 358.1	84.9	% 0.4	
Europe(a)	43.7	9.9	34.2	8.1	27.6	
Canada	25.4	5.8	23.2	5.5	9.5	
Japan	5.0	1.1	4.0	0.9	26.8	
Mexico	3.2	0.7	1.9	0.5	63.2	
Other(a)	4.9	1.1	0.6	0.1	nm	

\$ 441.8 100.0 % \$ 422.0 100.0 % 4.7 %
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The following geographic area data represents revenues for the nine months ended September 30 based on where the client is domiciled:

Nine Months Ended September 30,						
(dollars in millions):	2006	%	2005	%	%	Chg
United States	\$1,069.8	83.3	\$ 998.0	84.4	7.2	%
Europe (a)	112.6	8.8	98.9	8.4	14.5	
Canada	71.5	5.6	66.6	5.6	7.3	
Japan	13.4	1.0	11.6	1.0	15.5	
Mexico	8.5	0.7	5.3	0.4	60.9	
Other (a)	7.5	0.6	1.8	0.2	nm	
	\$1,283.3	100.0	\$1,182.2	100.0	8.5	%

Geographic Area Revenue by Operating Segment:

The following table reconciles segment revenues to revenues by reporting segment for the three months ended September 30:

Three Months Ended September 30,						
(dollars in millions):	Domestic- based support services		International- based support services		Merchant processing services	
	2006	2005	2006	2005	2006	2005
United States	\$ 289.4	276.4	-	-	70.3	81.7
Europe (a)	0.4	0.4	43.3	33.9	-	-
Canada	25.2	23.0	-	-	0.1	0.1
Japan	-	-	5.0	4.0	-	-
Mexico	3.2	1.9	-	-	-	-
Other (a)	4.7	0.5	-	-	0.2	0.1
	\$ 322.9	302.2	48.3	37.9	70.6	81.9

The following table reconciles segment revenues to revenues by reporting segment for the nine months ended September 30:

Nine Months Ended September 30,						
(dollars in millions):	Domestic- based support services		International- based support services		Merchant processing services	
	2006	2005	2006	2005	2006	2005
United States	\$ 859.0	815.7	-	-	210.8	182.1
Europe (a)	1.1	1.0	111.5	98.0	-	-
Canada	71.1	66.4	-	-	0.4	0.3
Japan	-	-	13.4	11.6	-	-
Mexico	8.5	5.3	-	-	-	-
Other (a)	7.0	1.4	-	-	0.5	0.4
	\$ 946.7	889.8	124.9	109.6	211.7	182.8

(a) Geographic area revenue by operating segment has been restated in 2005 to reflect the changes in operating segment.

nm = not meaningful

Supplemental
Information:

Accounts on File at September 30,						
(in millions)	2006	%	2005	%	%	Change
Consumer	259.3	64.8 %	264.1	61.4 %		(1.8)%
Retail (a)	51.5	12.9	85.4	19.9		(39.7)
Commercial	32.5	8.1	30.1	7.0		7.9
Government						
services/EBT	20.7	5.2	18.3	4.3		13.3
Stored Value (a)	31.7	7.9	24.7	5.7		28.3
Debit	4.3	1.1	7.5	1.7		(41.7)
	400.0	100.0 %	430.1	100.0 %		(7.0)%

(a) Certain accounts previously classified as Retail have been reclassified as Stored Value to conform with the presentation adopted in the second quarter of 2006.

(in millions)	Sept. 30, 2006	Sept. 30, 2005	%	Change
QTD Average Accounts on File	385.8	424.6		(9.2)%
YTD Average Accounts on File	413.6	389.4		6.2

Accounts on File at September 30,						
(in millions)	2006	%	2005	%	%	Change
Domestic	334.8	83.7 %	375.3	87.3 %		(10.8)%
International	65.2	16.3	54.8	12.7		19.0
	400.0	100.0 %	430.1	100.0 %		(7.0)%

Note: The accounts on file between domestic and international is based on the geographic domicile of processing clients.

Growth in Accounts on File (in millions):

	September 2005 to September 2006	September 2004 to September 2005
Beginning balance	430.1	315.3
Change in accounts on file due to:		
Internal growth of existing clients	38.0	44.5
New clients	33.1	79.3
Purges/Sales	(13.9)	(7.9)
Deconversions	(87.3)	(1.1)
Ending balance	400.0	430.1

Number of Employees (FTEs):	2006	2005
At September 30,	6,779	6,522

Quarterly average for period ended September 30,	6,639	6,483
YTD average for period ended September 30,	6,616	6,223