

Projected Outlook for 2008

TSYS' 2008 earnings forecast is based on the following assumptions:

1. Expenses associated with the spin-off are expected to be in the amounts set forth below which are \$2 million higher in 2008 than previously announced. In 2008, expenses associated with the spin-off are classified under GAAP as operating expenses and income taxes. These estimates are subject to change as operating expenses include estimates of services being provided on an ongoing basis during the transition period after the spin-off. These items are summarized as follows with, for the sake of clarity, a comparison to 2007:

	2008E	2007
Conversion of Synovus stock options to TSYS stock options	\$ 7	6
Other operating expenses	9	8
Total operating expenses	\$ 16	14
Tax impact(a)	(6)	(2)
Other operating expenses, net of tax impact	\$ 10	12
Income taxes related to deconsolidation	-	11
Total	\$ 10	23

(a)Note: Certain expenses in a re-organization, such as the spin-off, are not deductible for tax purposes. A majority of the expenses in 2007 are not deductible. A smaller amount of non-deductible expenses is expected in 2008.

2. TSYS does not expect any significant movements in LIBOR, and does not expect significant draws on the revolving credit facility. TSYS closed a \$420 million credit facility during the month of December 2007. At closing, the company received \$168 million under the five year term portion of the facility. An additional \$252 million will be available under a revolver that includes an annual undrawn fee of 10 basis points for the right to access those funds at anytime during the 5-year term of the facility.

3. Estimated total revenues will increase 7% to 9% in 2008. Excluding the revenues associated with deconverted portfolios and reimbursable items, estimated pro forma total revenues will increase in the range of 12% to 14% over 2007 levels.

4. Anticipated growth levels in employment, equipment and other expenses, which are included in 2008 estimates, will be accomplished.

5. No significant movement in foreign currency exchange rates related to TSYS' business.

6. 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 spin-related costs, revenues associated with deconverted portfolios, termination fee and reimbursable items are non-GAAP financial measures. The following table is a reconciliation of the range of changes from 2006 to 2007 and 2007 to 2008, comparing non-GAAP financial measures to GAAP financial measures for 2006 and 2007 and estimated financial measures for 2008.

	Range of Guidance (\$ in millions)				
	2008 Forecast	2007 Actual	08 vs. 07 Percent Change	2006 Actual	07 vs. 06 Percent Change
(Amounts in millions of dollars; certain amounts have been adjusted due to rounding)					
TOTAL REVENUES	\$1,928 to \$1,964	\$ 1,806	7% to 9%	\$ 1,787	1 %

Less: termination fee, net of related contract acquisition cost amortization(a)

Revenues excluding termination fee

Less: reimbursable items

Revenues excluding reimbursable items and termination fee

Less: revenues associated with deconverted portfolios

Revenues excluding reimbursable items, termination fee and revenues associated with deconverted portfolios

NET INCOME

Add: interest, taxes and other nonoperating items

OPERATING INCOME

Add: operating spin-related costs

Less: termination fee, net of amortization of contract acquisition costs(a)

Operating income, excluding spin-related expenses

Add: depreciation and amortization

EBITDA - earnings before interest, taxes, depreciation and amortization, excluding spin-related costs

-	-		(\$65)		
\$1,928 to \$1,964	\$ 1,806	7% to 9%	\$ 1,722	5	%
(\$391 to \$399)	(\$378)		(\$353)		
\$1,537 to \$1,565	\$ 1,428	8% to 10%	\$ 1,369	4	%
-	(\$55)		(\$243)		
\$1,537 to \$1,565	\$ 1,373	12% to 14%	\$ 1,126	22	%
\$254 to \$259	\$ 237	7% to 9%	\$ 249	(5	%)
\$142 to \$144	\$ 117		\$ 108		
\$396 to \$403	\$ 354	12% to 14%	\$ 357	(1	%)
\$ 16	\$ 14		-		
-	-		(\$63)		
\$412 to \$419	\$ 368	12% to 14%	\$ 294	25	%
\$ 151	\$ 152		\$ 185		
\$563 to \$570	\$ 520	8% to 10%	\$ 479	9	%

Range of Guidance
(\$ in millions)

(Amounts in millions of dollars; certain amounts have been adjusted due to rounding)

2008	2007	08 vs. 07 Percent Change	2006	07 vs. 06 Percent Change
Forecast	Actual		Actual	

NET INCOME

Add: spin related costs, net of tax

Net income, excluding spin related expenses

Less: termination fee, net of amortization of contract acquisition costs, net of tax

Net income, excluding impact of termination fee, net of acceleration of amortization of contract acquisition costs

\$254 to \$259	\$ 237	7% to 9%	\$ 249	(5 %)
\$ 10	\$ 23		-	
\$264 to \$269	\$ 260	1% to 3%	\$ 249	4 %
-	-		(\$41)	
\$264 to \$269	\$ 260	1% to 3%	\$ 208	25 %

EARNINGS PER SHARE (EPS) - BASIC

Add: spin related costs, net of tax per share

EPS, excluding spin related expenses

\$1.29 to \$1.31	\$ 1.21	7% to 9%	\$ 1.27	(5 %)
\$ 0.05	\$ 0.11		-	
\$1.34 to \$1.36	\$ 1.32	1% to 3%	\$ 1.27	5 %

Less: termination fee, net of amortization of contract acquisition costs, net of tax - - (\$0.21)

EPS, excluding impact of termination fee, net of acceleration of amortization of contract acquisition costs **\$1.34 to \$1.36** **\$ 1.32** **1% to 3%** **\$ 1.06** **25 %**

Common shares outstanding **197.405** **196.759** **196.744**

(a)Note: TSYS accelerated the amortization of approximately \$6million in contract acquisition costs (comprised of \$4 million of amortization related to payments for processing rights, which was recorded as a reduction of revenues, and \$2 million of amortization expense related to conversion costs).

TSYS believes the table above presents meaningful information to assist investors in understanding the company's changes in total revenues and net income from 2006 to 2007 and estimates in changes from 2007 to 2008 as a result of the Bank of America consumer portfolio deconversion and spin-related costs 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 fee, acceleration of amortization of contract acquisition costs and reimbursable items and spin-related costs; 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 December 31,				Twelve Months Ended December 31,		
	2007	2006	Percentage Change		2007	2006	Percentage Change
Revenues							
Electronic payment processing services(a)	\$ 240,509	303,525	(20.8) %	\$	955,926	989,062	(3.4) %
Merchant acquiring services	63,950	64,957	(1.6)		254,069	260,275	(2.4)
Other services(a)	56,938	51,269	11.1		218,128	185,096	17.8
Revenues before reimbursables	361,397	419,751	(13.9)		1,428,123	1,434,433	(0.4)
Reimbursable items	97,116	84,149	15.4		377,713	352,738	7.1
Total revenues	458,513	503,900	(9.0)		1,805,836	1,787,171	1.0
Expenses							
Salaries & other personnel expense(a)	145,689	141,312	3.1		576,655	522,256	10.4
Net occupancy & equipment expense(a)	67,813	92,802	(26.9)		273,154	317,916	(14.1)
Spin related expenses(a)	11,834	-	nm		13,526	-	nm
Other operating expenses(a)	55,364	57,401	(3.5)		211,277	237,179	(10.9)
Expenses before reimbursable items	280,700	291,515	(3.7)		1,074,612	1,077,351	(0.3)
Reimbursable items	97,116	84,149	15.4		377,713	352,738	7.1
Total operating expenses	377,816	375,664	0.6		1,452,325	1,430,089	1.6
Operating income	80,697	128,236	(37.1)		353,511	357,082	(1.0)

Other income:							
Interest income	8,295	4,817	72.2		26,925	14,113	90.8
Interest expense	(1,641)	(209)	nm		(3,133)	(573)	(446.8)
(Loss) gain on foreign currency translation, net	(703)	1,037	(167.8)		41	1,232	(96.7)
Dividend income	268	-	nm		347	-	nm
Other income	6,219	5,645	10.2		24,180	14,772	63.7
Income before income taxes, minority interest and equity in income of equity investments	86,916	133,881	(35.1)		377,691	371,854	1.6
Income taxes	42,226	47,689	(11.5)		143,668	126,182	13.9
Income before minority interest and equity in income of equity investments	44,690	86,192	(48.2)		234,023	245,672	(4.7)
Minority interest	(541)	(304)	(78.0)		(1,976)	(752)	(162.8)
Equity in income of equity investments	1,531	1,169	31.0		5,396	4,243	27.2
Net income	\$ 45,680	87,057	(47.5)	%	\$ 237,443	249,163	(4.7) %
Basic earnings per share	\$ 0.23	0.44	(47.7)	%	\$ 1.21	1.27	(4.7) %
Diluted earnings per share	\$ 0.23	0.44	(47.7)	%	\$ 1.20	1.26	(4.8) %
Dividend declared per share	\$ 3.10	0.07			\$ 3.31	0.27	
Average common shares outstanding	197,109	196,307			196,759	196,744	
Average common and common equivalent shares outstanding	197,379	196,663			197,165	197,077	

(a) Certain amounts have been previously reclassified to conform with the presentation adopted in 2007.

nm = not meaningful

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

	Three Months Ended December 31, 2007					Three Months Ended December 31, 2006				
	Domestic-based support services	International-based support services	Merchant acquiring services	Spin- Related Costs	Consolidated	Domestic-based support services	International-based support services	Merchant acquiring services	Spin- Related Costs	Consolidated
Revenues before reimbursables	\$ 243,041	68,072	56,916	-	368,029	316,918	49,430	59,056	-	425,404
Intersegment revenues	(5,983)	(486)	(163)	-	(6,632)	(4,660)	(956)	(37)	-	(5,653)
Revenues before reimbursables from external customers	\$ 237,058	67,586	56,753	-	361,397	312,258	48,474	59,019	-	419,751
Total revenues	\$ 324,302	70,585	72,426	-	467,313	385,941	55,263	70,448	-	511,652
Intersegment revenues	(8,151)	(486)	(163)	-	(8,800)	(6,759)	(956)	(37)	-	(7,752)
Revenues from external customers	\$ 316,151	70,099	72,263	-	458,513	379,182	54,307	70,411	-	503,900
Depreciation and amortization	\$ 25,305	6,451	6,498	-	38,254	41,334	6,388	6,866	-	54,588
Intersegment expenses	\$ 3,068	(4,203)	(7,665)	-	(8,800)	3,526	(3,336)	(7,927)	-	(7,737)
Segment operating income	\$ 63,972	11,381	17,203	(11,859)	80,697	104,515	6,676	17,045	-	128,236
Income before income taxes, minority interest and equity income of equity investments	70,933	10,284	17,558	(11,859)	86,916	109,133	7,240	17,508	-	133,881
Income tax expense	\$ 23,560	3,696	5,870	9,100	42,226	38,860	3,357	5,472	-	47,689
Equity in income of equity investments	\$ (120)	1,651	-	-	1,531	-	1,169	-	-	1,169
Net Income	\$ 46,816	8,134	11,688	(20,958)	45,680	70,342	4,679	12,036	-	87,057
Identifiable assets	1,320,055	319,279	192,454	-	1,831,788					
Intersegment eliminations	(305,847)	(1,526)	(1,245)	-	(308,618)					
Total assets	1,014,208	317,753	191,209	-	1,523,170					
	Twelve Months Ended December 31, 2007					Twelve Months Ended December 31, 2006				
	Domestic-based support services	International-based support services	Merchant acquiring services	Spin- Related Costs	Consolidated	Domestic-based support services	International-based support services	Merchant acquiring services	Spin- Related Costs	Consolidated

Revenues before reimbursables	\$ 981,754	243,226	228,609	-	1,453,589	1,057,257	158,608	237,786	1,453,651
Intersegment revenues	(23,479)	(1,187)	(800)	-	(25,466)	(18,130)	(956)	(132)	(19,218)
Revenues before reimbursables from external customers	\$ 958,275	242,039	227,809	-	1,428,123	1,039,127	157,652	237,654	1,434,433
Total revenues	\$ 1,297,434	253,498	288,780	-	1,839,712	1,349,797	183,425	282,108	1,815,330
Intersegment revenues	(31,889)	(1,187)	(800)	-	(33,876)	(27,071)	(956)	(132)	(28,159)
Revenues from external customers	\$ 1,265,545	252,311	287,980	-	1,805,836	1,322,726	182,469	281,976	1,787,171
Depreciation and amortization	\$ 101,611	24,213	26,644	-	152,468	137,093	20,489	27,312	184,894
Intersegment expenses	\$ 12,965	(16,163)	(30,673)	-	(33,871)	22,476	(18,784)	(31,791)	(28,099)
Segment operating income	\$ 258,769	44,181	64,112	(13,551)	353,511	283,396	16,236	57,450	357,082
Income before income taxes, minority interest and equity income of equity investments	282,653	42,944	65,645	(13,551)	377,691	295,303	16,958	59,593	371,854
Income tax expense	\$ 97,297	14,137	23,134	9,100	143,668	97,497	5,818	22,867	126,182
Equity in income of equity investments	\$ (120)	5,516	-	-	5,396	-	4,243	-	4,243
Net Income	\$ 187,133	30,449	42,511	(22,650)	237,443	198,694	13,743	36,726	249,163

Note: Revenues from 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 TSYS Acquiring's merchant acquiring and related services.

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

Three Months Ended March 31, 2007

Three Months Ended June 30, 2007

	Domestic- based support services	International- based support services	Merchant acquiring services	Spin- Related Costs	Consolidated	Domestic- based support services	International- based support services	Merchant acquiring services	Spin- Related Costs	Consolidated
Revenues before reimbursables	\$ 240,969	52,963	54,818	-	348,750	254,340	58,044	58,234	-	370,618
Intersegment revenues	(4,781)	(223)	(135)	-	(5,139)	(5,754)	(372)	(397)	-	(6,523)
Revenues before reimbursables from external customers	\$ 236,188	52,740	54,683	-	343,611	248,586	57,672	57,837	-	364,095
Total revenues	\$ 314,458	55,400	66,884	-	436,742	333,872	60,734	74,114	-	468,720
Intersegment revenues	(6,781)	(223)	(135)	-	(7,139)	(7,795)	(372)	(397)	-	(8,564)
Revenues from external customers	\$ 307,677	55,177	66,749	-	429,603	326,077	60,362	73,717	-	460,156
Depreciation and amortization	\$ 25,966	5,800	6,830	-	38,596	25,748	5,507	6,755	-	38,010
Intersegment expenses	\$ 3,407	(3,239)	(7,301)	-	(7,133)	2,984	(3,727)	(7,821)	-	(8,564)
Segment operating income	\$ 62,505	11,211	11,963		85,679	69,684	10,048	16,184		95,916
Income before income taxes, minority interest and equity income of equity investments	67,693	11,478	12,485		91,656	75,275	9,053	16,580		100,908
Income tax expense	\$ 26,249	4,172	4,471		34,892	27,404	2,235	5,964		35,603
Equity in income of equity investments	\$ -	860	-	-	860	-	985	-	-	985
Net Income	\$ 41,564	7,696	8,014		57,274	48,172	6,900	10,616		65,688

Three Months Ended September 30, 2007

Three Months Ended December 31, 2007

	Domestic- based support services	International- based support services	Merchant acquiring services	Spin- Related Costs	Consolidated	Domestic- based support services	International- based support services	Merchant acquiring services	Spin- Related Costs	Consolidated
Revenues before reimbursables	\$ 243,403	64,148	58,641	-	366,192	243,041	68,072	56,916	-	368,029
Intersegment revenues	(6,961)	(106)	(105)	-	(7,172)	(5,983)	(486)	(163)	-	(6,632)
Revenues before reimbursables from external customers	\$ 236,442	64,042	58,536	-	359,020	237,058	67,586	56,753	-	361,397

Total revenues	\$ 324,802	66,779	75,356	-	466,937	324,302	70,585	72,426	-	467,313
Intersegment revenues	(9,162)	(106)	(105)	-	(9,373)	(8,151)	(486)	(163)	-	(8,800)
Revenues from external customers	\$ 315,640	66,673	75,251	-	457,564	316,151	70,099	72,263	-	458,513
Depreciation and amortization	\$ 24,592	6,455	6,561	-	37,608	25,305	6,451	6,498	-	38,254
Intersegment expenses	\$ 3,505	(4,995)	(7,884)	-	(9,374)	3,068	(4,203)	(7,665)	-	(8,800)
Segment operating income	\$ 62,608	11,542	18,761	(1,692)	91,219	63,972	11,381	17,203	(11,859)	80,697
Income before income taxes, minority interest and equity income of equity investments	68,751	12,130	19,022	(1,692)	98,211	70,933	10,284	17,558	(11,859)	86,916
Income tax expense	\$ 20,084	4,033	6,830		30,947	23,560	3,696	5,870	9,100	42,226
Equity in income of equity investments	\$ -	2,020	-	-	2,020	(120)	1,651	-	-	1,531
Net Income	\$ 50,580	7,720	12,193	(1,692)	68,801	46,816	8,134	11,688	(20,958)	45,680

Note: With the spin-off by Synovus, TSYS has created a separate segment to track spin-related costs. Certain items have also been reclassified between segments. The amounts for previous periods have been restated to reflect the change.

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

	Three Months Ended March 31, 2006					Three Months Ended June 30, 2006				
	Domestic-based support services	International-based support services	Merchant acquiring services	Spin-Related Costs	Consolidated	Domestic-based support services	International-based support services	Merchant acquiring services	Spin-Related Costs	Consolidated
Revenues before reimbursables	\$ 244,443	30,713	58,862	-	334,018	253,313	34,145	60,144	-	347,602
Intersegment revenues	(4,434)	-	(32)	-	(4,466)	(4,778)	-	(33)	-	(4,811)
Revenues before reimbursables from external customers	\$ 240,009	30,713	58,830	-	329,552	248,535	34,145	60,111	-	342,791
Total revenues	\$ 312,830	36,246	70,332	-	419,408	325,106	40,326	70,736	-	436,168

Intersegment revenues	(7,086	) -	(32	) -	(7,118	) (6,970	) -	(33	) -	(7,003)
Revenues from external customers	\$ 305,744	36,246	70,300	-	412,290	318,136	40,326	70,703	-	429,165	
Depreciation and amortization	\$ 31,910	3,978	7,273	-	43,161	31,692	4,795	6,499	-	42,986	
Intersegment expenses	\$ 8,690	(7,575	) (8,219	) -	(7,104	) 6,591	(5,531	) (8,046	) -	(6,986)
Segment operating income	\$ 61,759	86	10,012	-	71,857	67,599	2,385	14,747	-	84,731	
Income before income taxes, minority interest and equity income of equity investments	63,479	728	10,390	-	74,597	70,001	2,389	15,318	-	87,708	
Income tax expense	\$ 20,471	567	3,927	-	24,965	23,443	1,926	5,779	-	31,148	
Equity in income of equity investments	\$ -	852	-	-	852	-	1,019	-	-	1,019	
Net Income	\$ 42,819	1,111	6,463	-	50,393	46,712	1,155	9,539	-	57,406	

Three Months Ended September 30, 2006

Three Months Ended December 31, 2006

	Domestic-based support services	International-based support services	Merchant acquiring services	Spin-Related Costs	Consolidated	Domestic-based support services	International-based support services	Merchant acquiring services	Spin-Related Costs	Consolidated	
Revenues before reimbursables	\$ 242,584	44,320	59,723	-	346,627	316,918	49,430	59,056	-	425,404	
Intersegment revenues	(4,257) -	(31) -	(4,288) (4,660) (956) (37) -	(5,653)
Revenues before reimbursables from external customers	\$ 238,327	44,320	59,692	-	342,339	312,258	48,474	59,019	-	419,751	
Total revenues	\$ 325,919	51,591	70,592	-	448,102	385,941	55,263	70,448	-	511,652	
Intersegment revenues	(6,255) -	(31) -	(6,286) (6,759) (956) (37) -	(7,752)
Revenues from external customers	\$ 319,664	51,591	70,561	-	441,816	379,182	54,307	70,411	-	503,900	
Depreciation and amortization	\$ 32,157	5,328	6,674	-	44,159	41,334	6,388	6,866	-	54,588	
Intersegment expenses	\$ 3,670	(2,343) (7,599) -	(6,272) 3,526	(3,336) (7,927) -	(7,737)
Segment operating income	\$ 49,523	7,089	15,645	-	72,257	104,515	6,676	17,046	-	128,237	

Income before income taxes, minority interest and equity income of equity investments	52,689	6,602	16,377	-	75,668	109,133	7,240	17,508	-	133,881
Income tax expense	\$ 14,722	(31	) 7,689	-	22,380	38,860	3,357	5,472	-	47,689
Equity in income of equity investments	\$ -	1,203	-	-	1,203	-	1,169	-	-	1,169
Net Income	\$ 38,822	6,797	8,688	-	54,307	70,342	4,679	12,036	-	87,057

Note: With the spin-off by Synovus, TSYS has created a separate segment to track spin-related costs. Certain items have also been reclassified between segments. The amounts for previous periods have been restated to reflect the change.

TSYS
Balance Sheet
(In thousands)

	Dec 31, 2007 (unaudited)	Dec 31, 2006 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 210,518	389,123
Restricted cash	29,688	31,568
Accounts receivable, net	256,970	246,637
Deferred income tax assets	45,245	21,556
Prepaid expenses and other current assets	89,050	55,832
Total current assets	631,471	744,716
Property and equipment, net	283,138	271,321
Computer software, net	205,830	216,450
Contract acquisition costs, net	151,599	167,449
Goodwill, net	142,545	133,337
Equity investments, net	80,162	62,064
Other intangible assets, net	13,462	21,314
Other assets	14,963	17,590
Total assets	\$ 1,523,170	1,634,241
Liabilities and Shareholders' Equity		
Current liabilities:		
Accrued salaries and employee benefits	\$ 85,142	80,697
Accounts payable	41,817	31,589
Current portion of notes payable	8,648	-
Current portion of obligations under capital leases	3,080	3,156

Other current liabilities	149,797	180,345
Total current liabilities	288,484	295,787
Notes payable, excluding current portion	252,659	-
Deferred income tax liabilities	97,631	75,019
Obligations under capital leases, excluding current portion	3,934	3,625
Other long-term liabilities	28,152	36,221
Total liabilities	670,860	410,652
Minority interests in consolidated subsidiaries	8,580	6,229
Shareholders' Equity:		
Common stock	19,966	19,868
Additional paid-in capital	104,019	66,677
Accumulated other comprehensive income, net	28,322	20,641
Treasury stock	(34,138)	(35,233)
Retained earnings	725,561	1,145,407
Total shareholders' equity	843,730	1,217,360
Total liabilities and shareholders' equity	\$ 1,523,170	1,634,241

TSYS

Cash Flow

(Unaudited)

(In thousands)

Twelve Months Ended
December 31,
2007 2006

Cash flows from operating activities:

Net income	\$ 237,443	249,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests in consolidated subsidiaries' net income	1,976	752
Equity in income of equity investments	(5,396)	(4,243)
Dividends received from equity investments	2,994	2,371
Gain on currency translation adjustments, net	(41)	(1,232)
Depreciation and amortization	152,468	184,894
Share-based compensation	18,620	9,157
Asset impairments	1,158	-
Provisions for bad debt expense and billing adjustments	(568)	1,614
Charges for transaction processing provisions	35	10,981
Deferred income tax benefit	7,399	(23,288)
Loss on disposal of equipment, net	500	147

(Increase) decrease in:		
Accounts receivable	(8,997)	(47,056)
Prepaid expenses, other current assets and other long-term assets	(32,437)	12,342
Increase (decrease) in:		
Accounts payable	10,080	673
Accrued salaries and employee benefits	4,445	(5,416)
Excess tax benefit from share-based payment arrangements	(8,526)	(2,984)
Other current liabilities and other long-term liabilities	(47,077)	(2,116)
Net cash provided by operating activities	334,076	385,759

Cash flows from investing activities:		
Purchases of property and equipment, net	(55,274)	(26,506)
Additions to licensed computer software from vendors	(33,382)	(11,858)
Additions to internally developed computer software	(17,785)	(13,972)
Cash acquired in acquisitions	-	8,150
Cash used in acquisitions and equity investments	(12,552)	(77,541)
Additions to contract acquisition costs	(22,740)	(42,452)
Net cash used in investing activities	(141,733)	(164,179)

Cash flows from financing activities:		
Proceeds from borrowings of long-term debt	263,946	-
Principal payments on long-term debt borrowings and capital lease obligations	(4,816)	(2,691)
Proceeds from exercise of stock options	11,672	4,253
Excess tax benefit from share-based payment arrangements	8,526	2,984
Repurchase of common stock	-	(22,874)
Dividends paid on common stock	(655,246)	(51,269)
Net cash used in financing activities	(375,918)	(69,597)
Effect of exchange rate changes on cash and cash equivalents	4,970	(429)
Net (decrease) increase in cash and cash equivalents	(178,605)	151,554
Cash and cash equivalents at beginning of year	389,123	237,569
Cash and cash equivalents at end of period	\$ 210,518	389,123

Geographic Area Data:

The following geographic area data represents revenues for the three months ended December 31 based on where the client is domiciled:

(dollars in millions):	Three Months Ended December 31,					
	2007	%		2006	%	% Chg
United States	\$ 347.8	75.8	%	\$ 412.4	81.8	% (15.7)
Europe	60.7	13.2		46.2	9.2	31.4
Canada	33.6	7.3		30.5	6.1	10.1

Japan	6.8	1.5	5.2	1.0	31.8			
Mexico	3.9	0.8	3.7	0.7	3.7			
Other	5.7	1.4	5.9	1.2	(2.1))		
	\$ 458.5	100.0	% \$ 503.9	100.0	% (9.0)	%	

The following geographic area data represents revenues for the twelve months ended December 31 based on where the client is domiciled:

	Twelve Months Ended December 31,							
(dollars in millions):	2007	%		2006	%	% Chg		
United States	\$ 1,400.3	77.5	%	\$ 1,482.1	82.9	% (5.5)	%
Europe	211.8	11.7		158.8	8.9	33.4		
Canada	126.7	7.0		102.0	5.7	24.2		
Japan	24.5	1.4		18.6	1.0	31.9		
Mexico	14.0	0.8		12.3	0.7	14.3		
Other	28.5	1.6		13.4	0.8	113.3		
	\$ 1,805.8	100.0	%	\$ 1,787.2	100.0	% 1.0		%

Geographic Area Revenue by Operating Segment:

The following table reconciles segment revenues to revenues by reporting segment for the three months ended December 31:

	Three Months Ended December 31,							
	Domestic-based support services			International-based support services			Merchant acquiring services	
(dollars in millions):	2007	2006		2007	2006		2007	2006
United States	\$ 275.9	342.2		(0.1	-	)	71.9	70.1
Europe	0.4	0.4		60.3	45.8		-	-
Canada	33.4	30.4		-	-		0.2	0.1
Japan	-	-		6.8	5.2		-	-
Mexico	3.9	3.7		-	-		-	-
Other	2.5	2.5		3.1	3.3		0.2	0.2
	\$ 316.1	379.2		70.1	54.3		72.3	70.4

The following table reconciles segment revenues to revenues by reporting segment for the twelve months ended December 31:

	Twelve Months Ended December 31,							
	Domestic-based support services			International-based support services			Merchant acquiring services	
(dollars in millions):	2007	2006		2007	2006		2007	2006
United States	\$ 1,113.1	1,201.3		0.5	-		286.6	280.8
Europe	1.7	1.5		210.1	157.3		-	-
Canada	126.2	101.5		-	-		0.6	0.5
Japan	-	-		24.5	18.6		-	-

Mexico	14.0	12.3	-	-	-	-
Other	10.5	6.1	17.2	6.6	0.8	0.7
	\$ 1,265.5	1,322.7	252.3	182.5	288.0	282.0

Supplemental Information:

	Accounts on File at December 31,					
(in millions)	2007	%	2006	%	% Change	
Consumer	201.5	53.7 %	262.7	63.0	(23.3) %
Retail	56.8	15.1	55.3	13.3	2.7	
Commercial	39.0	10.4	32.1	7.7	21.6	
Government services/EBT	23.7	6.3	21.2	5.1	11.8	
Stored Value	49.2	13.1	40.7	9.8	20.8	
Debit	5.3	1.4	4.4	1.1	19.3	
	375.5	100.0 %	416.4	100.0	(9.8) %

(in millions)	December 31, 2007	December 31, 2006	% Change
QTD Average Accounts on File	368.6	421.7	(12.6) %
YTD Average Accounts on File	401.2	415.6	(3.5)

	Accounts on File at December 31,					
(in millions)	2007	%	2006	%	% Change	
Domestic	301.3	80.2 %	348.5	83.7	(13.6) %
International	74.2	19.8	67.9	16.3	9.3	
	375.5	100.0 %	416.4	100.0	(9.8) %

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):

	December 2006 to December 2007	December 2005 to December 2006
Beginning balance	416.4	437.9
Change in accounts on file due to:		
Internal growth of existing clients	40.3	36.6
New clients	24.2	91.2
Purges/Sales	(11.8)	(16.4)
Deconversions	(93.6)	(132.9)
Ending balance	375.5	416.4

Number of Employees (FTEs):	2007	2006
At December 31,	6,921	6,749
Quarterly average for period ended December 31,	6,910	6,743
YTD average for period ended December 31,	6,799	6,642

RECONCILIATION OF GAAP TO NON-GAAP

	Three Months Ended December 31,		
	2007	2006	% Change
EARNINGS PER SHARE (EPS) - Basic			
Basic earnings per share	\$ 0.23	0.44	(47.7) %
Add: spin-related costs, net of tax per share	0.11	-	
Basic EPS, excluding spin related expenses	\$ 0.34	\$ 0.44	(23.8) %
Common Shares outstanding	197.109	196.307	