

Financial Highlights

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
(dollars in millions, except earnings per share data)	2007	2006	Percent Change	2007	2006	Percent Change
Revenues Before Reimbursables	\$364.1	342.8	6.2%	\$707.7	672.3	5.3%
Total Revenues	460.2	429.2	7.2%	889.8	841.5	5.7%
Operating Income	95.9	84.7	13.2%	181.6	156.6	16.0%
Net Income	65.7	57.4	14.4%	123.0	107.8	14.1%
Basic EPS	0.33	0.29	14.7%	0.63	0.55	14.4%
Diluted EPS	0.33	0.29	14.5%	0.62	0.55	14.2%

Recent Highlights

- TSYS successfully completed the pilot program for the Wal-Mart MoneyCard, issued by GE and reloaded through Green Dot's national reloading network. The Visa-branded prepaid product was first piloted in November of 2006 with TSYS, and will be available in 2,600 Wal-Mart stores by the end of July 2007.
- TSYS renewed merchant acquiring service agreements with Merchant Management Systems, as well as signed new agreements with mPay Gateway and The Bancorp Bank.
- TSYS introduced Chip and PIN Secure Payments in Cyprus with the introduction of EMV cards through partnerships with three Cyprus-based banks, Marfin Popular Bank (formerly Laiki Bank, Cyprus), Hellenic Bank and Universal Bank. The Commercial Bank of Qatar also issued its first EMV card program utilizing TSYS' card-management solution, PRIME.
- TSYS launched the Rewards card pilot program in the United Kingdom with Norwich Union (NU), which is now the second program that NU has live on the TSYS Prepaid platform.
- TSYS continued its focus on the healthcare industry with the appointment of Duane White, a 24-year veteran of the financial services and healthcare industries, to lead TSYS' healthcare initiatives.
- TSYS announced that CUP Data, TSYS' joint venture with China UnionPay, has recently begun providing processing services for Huaxia Bank Co., Ltd, one of China's largest nationwide banks. CUP Data now provides processing services for three of the four largest issuing banks in China that use outsourced services to support their payment programs.

Projected Outlook for 2007

Excluding the one time Bank of America contract termination fee in 2006 of approximately \$68.9 million and the acceleration of amortization of Bank of America contract acquisition costs of approximately \$6 million, net income is expected to increase between 20%-22% in 2007 compared to 2006. Based on GAAP, TSYS' estimated 2007 net income is expected to increase between 0%-2% as compared to 2006.

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

1. Including the Bank of America contract termination fee of approximately \$68.9 million in 2006 and an acceleration of amortization of contract acquisition costs of approximately \$6 million, estimated total revenues will decline 3%-2% in 2007. Excluding the termination fee and reimbursable items, revenues will increase by 3%-5% over 2006.
2. J.P. Morgan Chase & Co. will discontinue its processing agreement according to the original schedule and will license TSYS' processing software in the third quarter of 2007.
3. Expense reductions in employment, equipment, leases and other areas that are included in 2007 estimates will be accomplished.
4. TSYS will not incur significant expenses associated with the conversion of new large clients and/or acquisitions, or any significant impairment of goodwill or other intangibles.

Presentation of revenues and net income excluding the Bank of America termination fee, acceleration of amortization of contract acquisition costs and reimbursable items are non-GAAP financial measures. The following table reconciles the range of changes from 2006 to 2007, comparing non-GAAP financial measures to GAAP financial measures.

	Range of Guidance (\$ in millions)		
	2007 Forecast	2006 Actual	Percent Change
Net income	\$250 to \$255	\$ 249	0% to 2%
Less: termination fee, net of acceleration of amortization of contract acquisition costs, net of tax		(\$41)	
Net income, excluding impact of termination fee, net of acceleration of amortization of contract acquisition costs	\$250 to \$255	\$ 208	20% to 22%
Total revenues	\$1,742 to \$1,760	\$ 1,787	(3%) to (2%)
Less: reimbursable items	(\$329)	(\$353)	
Less: termination fee, net of related contract acquisition cost amortization(a)		(\$65)	
Revenues, excluding reimbursable items and net termination fee	\$1,413 to \$1,431	\$ 1,369	3% to 5%

(a) Note: TSYS accelerated the amortization of approximately \$6 million 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 financial estimates for changes in total revenues and net income 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 fee, 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 June 30,		
	2007	2006	Percentage Change
Revenues			
Electronic payment processing services	\$244,840	232,301	5.4 %
Merchant acquiring services	64,277	65,820	(2.3)
Other services	54,977	44,670	23.1
Revenues before reimbursables	364,094	342,791	6.2
Reimbursable items	96,061	86,374	11.2
Total revenues	460,155	429,165	7.2
Expenses			
Salaries & other personnel expense	145,532	120,433	20.8
Net occupancy & equipment expense	67,953	75,703	(10.2)
Other operating expenses	54,693	61,924	(11.7)
Expenses before reimbursable items	268,178	258,060	3.9
Reimbursable items	96,061	86,374	11.2
Total operating expenses	364,239	344,434	5.8
Operating income	95,916	84,731	13.2
Other income:			
Interest income	6,159	3,425	79.8
Interest expense	(366)	(85)	nm
Loss on foreign currency translation, net	(845)	(363)	(132.8)

Dividend income	44	-	nm
Other income	4,992	2,977	67.7
Income before income taxes, minority interest and equity in income of equity investments	100,908	87,708	15.0
Income taxes	35,603	31,148	14.3
Income before minority interest and equity in income of equity investments	65,305	56,560	15.5
Minority interest	(602)	(173)	nm
Equity in income of equity investments	985	1,019	(3.3)
Net income	\$ 65,688	57,406	14.4 %
Basic earnings per share	\$ 0.33	0.29	14.7 %
Diluted earnings per share	\$ 0.33	0.29	14.5 %
Dividend declared per share	\$ 0.07	0.07	
Average common shares outstanding	196,693	197,093	
Average common and common equivalent shares outstanding	197,147	197,330	

nm = not meaningful

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

	Six Months Ended June 30,		
	2007	2006	Percentage Change
Revenues			
Electronic payment processing services	\$475,004	453,362	4.8 %
Merchant acquiring services	124,957	129,769	(3.7)
Other services	107,744	89,212	20.8
Revenues before reimbursables	707,705	672,343	5.3
Reimbursable items	182,053	169,112	7.7
Total revenues	889,758	841,455	5.7
Expenses			
Salaries & other personnel expense	285,974	241,763	18.3
Net occupancy & equipment expense	134,089	151,053	(11.2)
Other operating expenses	106,047	122,939	(13.7)
Expenses before reimbursable			

items	526,110	515,755	2.0
Reimbursable items	182,053	169,112	7.7
	-----	-----	
Total operating expenses	708,163	684,867	3.4
	-----	-----	
Operating income	181,595	156,588	16.0
	-----	-----	
Other income:			
Interest income	11,647	5,933	96.3
Interest expense	(576)	(129)	nm
Loss on foreign currency translation, net	(162)	(87)	(86.2)
Dividend income	58	-	nm
	-----	-----	
Other income	10,967	5,717	91.8
	-----	-----	
Income before income taxes, minority interest and equity in income of equity investments	192,562	162,305	18.6
Income taxes	70,495	56,113	25.6
	-----	-----	
Income before minority interest and equity in income of equity investments	122,067	106,192	14.9
Minority interest	(952)	(264)	nm
Equity in income of equity investments	1,845	1,871	(1.4)
	-----	-----	
Net income	\$122,960	107,799	14.1 %
	=====	=====	
Basic earnings per share	\$ 0.63	0.55	14.4 %
	=====	=====	
Diluted earnings per share	\$ 0.62	0.55	14.2 %
	=====	=====	
Dividend declared per share	\$ 0.14	0.13	
	=====	=====	
Average common shares outstanding	196,591	197,089	
	=====	=====	
Average common and common equivalent shares outstanding	197,081	197,334	
	=====	=====	

nm = not meaningful

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

Three Months Ended June 30, 2007

	Domestic- based support services	International- based support services	Merchant acquiring services	Consolidated
	-----	-----	-----	-----
Revenues before				

reimbursables	\$ 254,340	58,043	58,234	370,617
Intersegment revenues	(5,754)	(372)	(397)	(6,523)
Revenues before reimbursables from external customers	\$ 248,586	57,671	57,837	364,094
Total revenues	\$ 333,872	60,733	74,114	468,719
Intersegment revenues	(7,795)	(372)	(397)	(8,564)
Revenues from external customers	\$ 326,077	60,361	73,717	460,155
Depreciation and amortization	\$ 25,748	5,507	6,755	38,010
Intersegment expenses	\$ 2,982	(3,727)	(7,821)	(8,566)
Segment operating income	\$ 68,860	10,872	16,184	95,916
Income before income taxes, minority interest and equity income of equity investments	75,275	9,053	16,580	100,908
Income tax expense	\$ 27,404	2,235	5,964	35,603
Equity in income of equity investments	\$ -	985	-	985
Net Income	\$ 48,172	6,900	10,616	65,688
	1,582,154	337,571	182,751	2,102,476
	(396,490)	(1,302)	(185)	(397,977)
	1,185,664	336,269	182,566	1,704,499

TSYS
Segment Breakdown
(Unaudited)
(In thousands)

Three Months Ended June 30, 2006

	Domestic- based support services	International- based support services	Merchant acquiring services	Consolidated
Revenues before reimbursables	253,313	34,145	60,144	347,602
Intersegment revenues	(4,778)	-	(33)	(4,811)
Revenues before reimbursables from external				

customers	248,535	34,145	60,111	342,791
	=====	=====	=====	=====
Total revenues	325,106	40,326	70,736	436,168
Intersegment				
revenues	(6,970)	-	(33)	(7,003)
	-----	-----	-----	-----
Revenues from				
external				
customers	318,136	40,326	70,703	429,165
	=====	=====	=====	=====
Depreciation and				
amortization	31,692	4,795	6,499	42,986
	=====	=====	=====	=====
Intersegment				
expenses	6,591	(5,531)	(8,046)	(6,986)
	=====	=====	=====	=====
Segment operating				
income	66,780	3,204	14,747	84,731
	=====	=====	=====	=====
Income before income				
taxes, minority				
interest and equity				
income of equity				
investments	70,001	2,389	15,318	87,708
	=====	=====	=====	=====
Income tax expense	23,443	1,926	5,779	31,148
	=====	=====	=====	=====
Equity in income of				
equity investments	-	1,019	-	1,019
	=====	=====	=====	=====
Net Income	46,712	1,155	9,539	57,406
	=====	=====	=====	=====

Six Months Ended June 30, 2007

	Domestic- based support services	International- based support services	Merchant acquiring services	Consolidated
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Revenues before				
reimbursables	\$ 495,309	111,006	113,052	719,367
Intersegment				
revenues	(10,535)	(595)	(532)	(11,662)
	-----	-----	-----	-----
Revenues				
before				
reimbursables				
from external				
customers	\$ 484,774	110,411	112,520	707,705
	=====	=====	=====	=====
Total revenues	\$ 648,329	116,134	140,998	905,461
Intersegment				
revenues	(14,576)	(595)	(532)	(15,703)
	-----	-----	-----	-----
Revenues from				
external				
customers	\$ 633,753	115,539	140,466	889,758
	=====	=====	=====	=====
Depreciation and				
amortization	\$ 51,715	11,307	13,585	76,607
	=====	=====	=====	=====

Intersegment expenses	\$ 6,389	(6,965)	(15,123)	(15,699)
	=====	=====	=====	=====
Segment operating income	\$ 130,447	23,001	28,147	181,595
	=====	=====	=====	=====
Income before income taxes, minority interest and equity income of equity investments	142,967	20,530	29,065	192,562
	=====	=====	=====	=====
Income tax expense	\$ 53,653	6,407	10,435	70,495
	=====	=====	=====	=====
Equity in income of equity investments	\$ -	1,845	-	1,845
	=====	=====	=====	=====
Net Income	\$ 89,734	14,596	18,630	122,960
	=====	=====	=====	=====

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.

Six Months Ended June 30, 2006

	Domestic-based support services	International-based support services	Merchant acquiring services	Consolidated
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Revenues before reimbursables	497,756	64,858	119,006	681,620
Intersegment revenues	(9,212)	-	(65)	(9,277)
	-----	-----	-----	-----
Revenues before reimbursables from external customers	488,544	64,858	118,941	672,343
	=====	=====	=====	=====
Total revenues	637,936	76,572	141,068	855,576
Intersegment revenues	(14,056)	-	(65)	(14,121)
	-----	-----	-----	-----
Revenues from external customers	623,880	76,572	141,003	841,455
	=====	=====	=====	=====
Depreciation and amortization	63,603	8,773	13,772	86,148
	=====	=====	=====	=====
Intersegment expenses	15,282	(13,105)	(16,265)	(14,088)
	=====	=====	=====	=====
Segment operating income	127,745	4,083	24,760	156,588
	=====	=====	=====	=====

Income before income taxes, minority interest and equity income of equity investments	133,481	3,116	25,708	162,305
	=====	=====	=====	=====
Income tax expense	43,914	2,493	9,706	56,113
	=====	=====	=====	=====
Equity in income of equity investments	-	1,871	-	1,871
	=====	=====	=====	=====
Net Income	89,531	2,266	16,002	107,799
	=====	=====	=====	=====

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
Balance Sheet
(In thousands)

	June 30, 2007 (unaudited)	Dec 31, 2006 (audited)
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 452,194	389,123
Restricted cash	41,744	31,568
Accounts receivable, net	253,640	246,637
Deferred income tax assets	26,853	21,556
Prepaid expenses and other current assets	58,520	55,832
	-----	-----
Total current assets	832,951	744,716
Property and equipment, net	272,560	271,321
Computer software, net	198,193	216,450
Contract acquisition costs, net	159,829	167,449
Goodwill, net	141,973	133,337
Equity investments, net	62,795	62,064
Other intangible assets, net	14,456	21,314
Other assets	21,742	17,590
	-----	-----
Total assets	\$ 1,704,499	1,634,241
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 31,024	31,589
Accrued salaries and employee benefits	48,819	80,697
Current portion of notes payable and obligations under capital leases	6,008	3,156
Other current liabilities	160,818	180,345
	-----	-----
Total current liabilities	246,669	295,787
Deferred income tax liabilities	75,468	75,019
Obligations under notes payable and capital leases excluding current portion	9,634	3,625

Other long-term liabilities	36,706	36,221
Total liabilities	368,477	410,652
Minority interest in consolidated subsidiary	7,022	6,229
Shareholders' Equity:		
Common stock	19,920	19,868
Additional paid-in capital	81,317	66,677
Treasury stock	(34,312)	(35,233)
Accumulated other comprehensive income	23,317	20,641
Retained earnings	1,238,758	1,145,407
Total shareholders' equity	1,329,000	1,217,360
Total liabilities and shareholders' equity	\$ 1,704,499	1,634,241

TSYS
Cash Flow
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2007	2006
Cash flows from operating activities:		
Net income	\$122,960	107,799
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests in consolidated subsidiaries' net income	952	264
Equity in income of equity investments	(1,845)	(1,871)
Dividends received from equity investments	2,994	2,371
Loss on currency translation adjustments, net	162	87
Depreciation and amortization	76,607	86,148
Share-based compensation	6,596	4,445
Impairment of developed software/contract acquisition costs	620	-
Provisions for (recoveries of) bad debt expense and billing adjustments	148	224
Charges for transaction processing provisions	437	7,501
Deferred income tax benefit	(2,760)	(17,041)
Loss on disposal of equipment, net	23	105
(Increase) decrease in:		
Accounts receivable	(6,150)	(4,442)
Prepaid expenses, other current assets and other long-term assets	(8,921)	3,830
Increase (decrease) in:		
Accounts payable	(814)	451
Accrued salaries and employee benefits	(31,870)	(41,590)
Excess tax benefit from share-based payment arrangements	(3,869)	-
Other current liabilities and other long-term liabilities	(35,764)	(17,338)
Net cash provided by operating activities	119,506	130,943

Cash flows from investing activities:		
Purchases of property and equipment, net	(21,438)	(14,306)
Additions to licensed computer software from vendors	(4,810)	(4,437)
Additions to internally developed computer software	(7,458)	(8,999)
Cash used in acquisitions	(472)	-
Additions to contract acquisition costs	(9,542)	(22,339)
	-----	-----
Net cash used in investing activities	(43,720)	(50,081)
	-----	-----
Cash flows from financing activities:		
Proceeds from borrowings of long-term debt	6,805	-
Principal payments on long-term debt borrowings and capital lease obligations	(1,744)	(1,060)
Proceeds from exercise of stock options	5,112	-
Excess tax benefit from share-based payment arrangements	3,869	-
Dividends paid on common stock	(27,598)	(23,683)
	-----	-----
Net cash used in financing activities	(13,556)	(24,743)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	841	1,795
	-----	-----
Net increase in cash and cash equivalents	63,071	57,914
Cash and cash equivalents at beginning of year	389,123	237,569
	-----	-----
Cash and cash equivalents at end of period	\$452,194	295,483
	=====	=====

Geographic Area Data:

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

Three Months Ended June 30,						
(dollars in millions):	2007	%	2006	%	% Chg	
United States	\$362.5	78.8%	\$ 360.3	83.9%	0.6 %	
Europe	49.0	10.7	36.2	8.4	35.6	
Canada	30.8	6.7	24.0	5.6	28.3	
Japan	6.1	1.3	4.5	1.1	35.0	
Mexico	3.3	0.7	2.9	0.7	13.7	
Other	8.5	1.8	1.3	0.3	nm	
	-----	-----	-----	-----	-----	
	\$460.2	100.0%	\$ 429.2	100.0%	7.2 %	
	=====	=====	=====	=====	=====	

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

Six Months Ended June 30,						
(dollars in millions):	2007	%	2006	%	% Chg	
United States	\$700.3	78.7%	\$ 710.2	84.4%	(1.4)%	
Europe	95.0	10.7	68.9	8.2	37.9	
Canada	60.8	6.8	46.1	5.5	31.9	
Japan	11.4	1.3	8.4	1.0	35.9	
Mexico	6.5	0.7	5.4	0.6	21.6	
Other	15.8	1.8	2.5	0.3	nm	
	-----	-----	-----	-----	-----	
	\$889.8	100.0%	\$ 841.5	100.0%	5.7 %	
	=====	=====	=====	=====	=====	

Geographic Area Revenue by Operating Segment:

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

Three Months Ended June 30,						

	Domestic- based support services		International- based support services		Merchant acquiring services	
	-----		-----		-----	
(dollars in millions):	2007	2006	2007	2006	2007	2006
	-----		-----		-----	
United States	\$289.1	289.9	-	-	73.4	70.4
Europe	0.4	0.3	48.6	35.9	-	-
Canada	30.7	23.9	-	-	0.1	0.1
Japan	-	-	6.1	4.5	-	-
Mexico	3.3	2.9	-	-	-	-
Other	2.6	1.1	5.7	-	0.2	0.2
	-----		-----		-----	
	\$326.1	318.1	60.4	40.4	73.7	70.7
	=====	=====	=====	=====	=====	=====

The following table reconciles segment revenues to revenues by reporting segment for the six months ended June 30:

Six Months Ended June 30,						

	Domestic- based support services		International- based support services		Merchant processing services	
	-----		-----		-----	
(dollars in millions):	2007	2006	2007	2006	2007	2006
	-----		-----		-----	
United States	\$560.5	569.8	-	-	139.8	140.4
Europe	0.9	0.7	94.1	68.2	-	-
Canada	60.5	45.8	-	-	0.3	0.3
Japan	-	-	11.4	8.4	-	-
Mexico	6.5	5.4	-	-	-	-
Other	5.4	2.2	10.0	-	0.4	0.3
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	\$633.8	623.9	115.5	76.6	140.5	141.0
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nm = not meaningful

Supplemental Information:

Accounts on File at June 30,						

(in millions)	2007	%	2006	%	% Change	
	-----		-----		-----	
Consumer	277.0	63.1%	241.2	65.8%	14.9 %	
Retail	57.3	13.0	36.8	10.1	55.6	
Commercial	35.0	8.0	31.4	8.6	11.3	
Government services/EBT	21.9	5.0	19.6	5.3	12.1	
Stored Value	42.9	9.8	29.3	8.0	46.5	
Debit	5.1	1.1	8.2	2.2	(38.3)	
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	439.2	100.0%	366.5	100.0%	19.8 %	
	=====		=====		=====	

(in millions)	June 30, 2007	June 30, 2006	% Change
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QTD Average Accounts on File	433.6	415.8	4.3 %
YTD Average Accounts on File	426.0	427.5	(0.4)

Accounts on File at June 30,					
(in millions)	2007	%	2006	%	% Change
Domestic	368.0	83.8%	308.5	84.2%	19.3 %
International	71.2	16.2	58.0	15.8	22.7
	439.2	100.0%	366.5	100.0%	19.8 %
	=====		=====		

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):

	June 2006 to June 2007	June 2005 to June 2006
Beginning balance	366.5	388.6
Change in accounts on file due to:		
Internal growth of existing clients	33.1	36.5
New clients	105.5	40.0
Purges/Sales	(14.0)	(12.3)
Deconversions	(51.9)	(86.3)
Ending balance	439.2	366.5
	=====	=====

Number of Employees (FTEs):	2007	2006
At June 30,	6,773	6,542
Quarterly average for period ended June 30,	6,783	6,540
YTD average for period ended June 30,	6,755	6,592