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Adjusted Net Income excludes the results of decisions that are outside the control of operating management. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these presentations of Adjusted Net Income may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments.

Adjusted Net Income is calculated as follows and reflects items net of taxes as applicable to the periods presented:

<b>(in millions after-tax)</b>	<b>Year Ended December 31,</b>			<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
Net loss attributable to First Data	\$ (736)	\$ (952)	\$ (458)	\$ (235)	\$ (138)
Stock-based compensation(a)	8	38	50	34	19
Loss on debt extinguishment	36	79	274	3	—
Mark-to-market adjustment for derivatives and euro-denominated debt(b)	64	53	(82)	1	(33)
Amortization of acquisition intangibles(c)	532	721	657	332	275
Restructuring, impairment, litigation and other(d)	123	208	47	(22)	92
<b>Adjusted Net Income</b>	<b>\$ 27</b>	<b>\$ 147</b>	<b>\$ 488</b>	<b>\$ 113</b>	<b>\$ 215</b>

- (a) Stock-based compensation expense recognized as selling, general, and administrative expense in the consolidated statements of operations included elsewhere in this prospectus.
- (b) Represents mark-to-market activity related to our undesignated hedges, ineffectiveness of our designated hedges, and mark-to-market activity on our euro-denominated debt held in the United States.
- (c) Represents amortization of intangibles established in connection with the 2007 Merger and acquisitions we have made since 2007.
- (d) Includes net restructuring, impairments, litigation and regulatory settlements, investment gains and losses, net divestitures, amortization of deferred financing costs, and integration costs, as applicable to the periods presented.
- (10) North America merchant transactions in our GBS segment include acquired Visa and MasterCard credit and signature debit, American Express and Discover, PIN-debit, electronic benefits transactions, processed-only, and gateway customer transactions at the POS. North America merchant transactions reflect 100% of alliance transactions.
- (11) International merchant transactions in our GBS segment include Visa, MasterCard, and other payment network merchant acquiring transactions for clients outside the United States and Canada. Transactions include credit, POS, POS gateway, and ATM transactions.
- (12) North America card accounts on file in our GFS segment reflect the average number of bankcard and retail accounts during the periods presented.
- (13) International card accounts on file in our GFS segment reflect bankcard and retail accounts outside the United States and Canada as of the end of the periods presented.
- (14) Network transactions include the debit issuer processing transactions, *STAR Network* issuer transactions, and closed loop and open loop POS transactions.