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**FIRST DATA CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Note 13: Segment Information**

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by a company's chief operating decision maker (CODM), or decision-making group, in deciding how to allocate resources and in assessing performance. First Data's CODM is its Chief Executive Officer. The Company is organized into three segments: Global Business Solutions, Global Financial Solutions, and Network & Security Solutions.

The presentation of the 2014, 2013 and 2012 consolidated statements of operations have been revised to classify \$81 million, \$91 million, and \$88 million of Independent Sales Organization (ISO) commissions expenses, respectively, as Selling, general, and administrative expense. Previously, these costs were included in Cost of services and Cost of products sold. The impact of these revisions was not considered to be material to previously issued consolidated financial statements and had no effect on net loss, equity, or cash flows in any previously issued consolidated financial statements.

The business segment measurements provided to and evaluated by the CODM are computed in accordance with the principles listed below.

- The accounting policies of the operating segments are the same as those described in Note 1 "Summary of Significant Accounting Policies."
- Intersegment revenues are eliminated in the segment that sells directly to the end market.
- Segment revenue excludes reimbursable debit network fees, postage, and other revenue.
- Segment earnings before net interest expense, income taxes, depreciation and amortization (EBITDA) includes equity earnings in affiliates and excludes depreciation and amortization expense, net income attributable to noncontrolling interests, other operating expenses, and other income (expense). Additionally, segment EBITDA is adjusted for items similar to certain of those used in calculating the Company's compliance with debt covenants. The additional items that are adjusted to determine segment EBITDA are:
  - stock based compensation and related expense is excluded;
  - official check and money order businesses' EBITDA are excluded as these are winding down;
  - certain costs directly associated with the termination of the Chase Paymentech Solutions alliance, and expenses related to the conversion of certain BAMS alliance merchant clients onto the Company's platforms (excludes costs accrued in purchase accounting). Effective October 1, 2011, First Data and Bank of America N.A. (the Bank) jointly decided to have First Data operate the Bank's legacy settlement platform. Transition costs associated with the revised strategy are also excluded from segment EBITDA;
  - debt issuance costs are excluded and represent costs associated with issuing debt and modifying the Company's debt structure; and
  - KKR related items include annual sponsor and other fees for management, consulting, financial, and other advisory services are excluded.
- For significant affiliates, segment revenue and EBITDA are reflected based on the Company's proportionate share of the results of its investments in businesses accounted for under the equity method and consolidated subsidiaries with noncontrolling ownership interests. For other affiliates, the Company includes equity earnings in affiliates, excluding amortization expense, in segment revenue and EBITDA. In addition, the Company's Global Business Solutions segment measures reflect