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

The primary components of assets and liabilities are settlement-related accounts similar to those described in Note 4 "Settlement Assets and Obligations" of these consolidated financial statements.

(in millions)	Year ended December 31,		
	2014	2013	2012
Net operating revenues	\$ 1,357	\$ 1,369	\$ 1,278
Operating expenses	638	675	630
Operating income	<u>\$ 719</u>	<u>\$ 694</u>	<u>\$ 648</u>
Net income	\$ 696	\$ 664	\$ 639
FDC equity earnings	220	188	158

The formation of a merchant alliance accounted for under the equity method of accounting generally involves the Company and/or a financial institution contributing merchant contracts to the alliance and a cash payment from one owner to the other to achieve the desired ownership percentages. The asset amounts reflected above are owned by the alliances and other equity method investees and do not include any of such payments made by the Company. The amount by which the total of the Company's investments in affiliates exceeded its proportionate share of the investees' net assets was approximately \$1.1 billion and \$1.2 billion as of December 31, 2014 and 2013, respectively.

The non-goodwill portion of this amount is considered an identifiable intangible asset that is amortized. The estimated future amortization expense for these intangible assets as of December 31, 2014 is as follows:

Year ended December 31, (in millions)	Amount
2015	\$ 57
2016	51
2017	47
2018	29
2019	5
Thereafter	—

These amounts assume that these alliances continue as they currently exist. Much of the difference between FDC's proportionate share of the investees' net income and FDC's equity earnings noted above relates to this amortization.

**Note 17: Supplemental Guarantor Condensed Consolidating Financial Statements**

As described in Note 6 "Borrowings" of these consolidated financial statements, FDC's 12.625% senior notes, 11.25% senior notes, 10.625% senior notes, and 11.75% senior subordinated notes are guaranteed by most of the existing and future, direct and indirect, wholly owned, domestic subsidiaries of FDC (Guarantors). The Guarantors guarantee the senior secured revolving credit facility, senior secured term loan facility, the 8.875% senior secured notes, the 7.375% senior secured notes, and the 6.75% senior secured notes, which rank senior in right of payment to all existing and future unsecured and second lien indebtedness of FDC's guarantor subsidiaries to the extent of the value of the collateral. The Guarantors guarantee the 8.25% and 8.75% senior second lien notes which rank senior in right of payment to all existing and future unsecured indebtedness of FDC's guarantor subsidiaries to the extent of the value of the collateral. The 12.625% senior note, 10.625% senior note, and 11.25% senior note guarantees are unsecured and rank equally in right of payment with all existing and future senior indebtedness of the guarantor subsidiaries but senior in right of payment to all existing