



## Global Payments Reports Fourth Quarter and Year End Earnings

July 27, 2010

Global Payments Reports Fourth Quarter and Year End Earnings

ATLANTA, July 27, 2010 /PRNewswire via COMTEX/ -- Global Payments Inc. (NYSE: GPN) today announced results for its fiscal fourth quarter and year ended May 31, 2010. For the full year, revenues grew 12% to \$1,642.5 million compared to \$1,462.3 million in the prior fiscal year. Normalized diluted earnings per share from continuing operations grew 21% to \$2.54 compared to \$2.10 in the prior year.

(Logo: <http://photos.prnewswire.com/prnh/20010221/ATW031LOGO> )

(Logo: <http://www.newscom.com/cgi-bin/prnh/20010221/ATW031LOGO> )

For the fourth quarter, revenues grew 16% to \$425.1 million compared to \$367.9 million in the prior year. Normalized diluted earnings per share from continuing operations grew 35% to \$0.58 compared to \$0.43 in the prior year quarter.

These results include the favorable impact of foreign currency exchange rates during the quarter and year. On a constant currency basis (See Schedule 7), revenue and normalized diluted earnings per share from continuing operations grew 12% and 21%, respectively for the quarter and 11% and 16%, respectively for the full year.

On a GAAP basis, the company reported full year diluted earnings per share from continuing operations of \$2.52 compared to \$2.10 in the prior year, and for the fourth quarter GAAP basis, diluted earnings per share from continuing operations of \$0.56 compared to \$0.43 in the prior year quarter. The fourth quarter and full year results include a one-time, pretax termination benefit of \$2.6 million (See Schedule 4 for reconciliation details).

Chairman and CEO, [Paul R. Garcia](#), stated, "Despite a challenging macroeconomic environment, I am pleased with our strong execution in all of our regions this past year. We delivered solid results for the quarter which demonstrates steady growth in our U.S. businesses and continued successful execution in our international businesses.

"Based on our current outlook, we are providing fiscal 2011 annual revenue expectations of \$1,735 million to \$1,770 million, or 6% to 8% growth over fiscal 2010, and fiscal 2011 annual diluted EPS expectations of \$2.68 to \$2.77, reflecting 6% to 9% growth over fiscal 2010 normalized EPS from continuing operations. On a constant currency basis, we expect fiscal 2011 annual revenue growth of 7% to 9% and annual diluted earnings per share growth of 7% to 10% growth over fiscal 2010," said Garcia.

Fiscal 2011 diluted earnings per share expectations exclude an estimated \$14 million or \$0.12 of start-up expenses relating to a new Global Service Center in Manila, Philippines which will support customer and operational functions.

### Conference Call

Global Payments will hold a conference call today, July 27, 2010 at 4:30 p.m. ET to discuss financial results and business highlights. Callers may access the conference call via the company's Web site at <http://www.globalpaymentsinc.com/> by clicking the "Webcast" button; or callers in North America may dial 1-800-289-0544 and callers outside North America may dial 1-913-312-0710. The pass code is "GPN." A replay of the call may be accessed through the Global Payments' Web site through August 17, 2010.

[Global Payments Inc.](#) (NYSE: GPN) is a leading provider of electronic transaction processing services for [merchants](#), Independent Sales Organizations (ISOs), financial institutions, government agencies and multi-national corporations located throughout the United States, Canada, Europe, and the Asia-Pacific region. Global Payments offers a comprehensive line of processing solutions for credit and debit cards, business-to-business purchasing cards, gift cards, electronic check conversion and check guarantee, verification and recovery including electronic check services, as well as terminal management. Visit <http://www.globalpaymentsinc.com/> for more information about the company and its services.

*This announcement and comments made by Global Payments' management during the conference call may contain certain forward-looking statements within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including revenue and earnings estimates and management's expectations regarding future events and developments, are forward-looking statements and are subject to significant risks and uncertainties. Important factors that may cause actual events or results to differ materially from those anticipated by such forward-looking statements include the following: foreign currency risks which become increasingly relevant as we expand internationally, the effect of current worldwide economic conditions, including a decline in the value of the U.S. dollar, and future performance and integration of recent acquisitions, and other risks detailed in the company's SEC filings, including the most recently filed Form 10-Q or Form 10-K, as applicable. The company undertakes no obligation to revise any of these statements to reflect future circumstances or the occurrence of unanticipated events.*

SCHEDULE 1  
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME  
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

Three Months Ended May 31, ----- % 2010 2009 Change ----

Revenues \$425,050 \$367,934 16% -----

Operating expenses: Cost of service 152,322 130,224 17% Sales, general and administrative 201,243 174,048 16% -----  
 353,565 304,272 16% -----

Operating income 71,485 63,662 12% -----

Other income (expense): Interest and other income 1,930 651 196% Interest and other expense (4,814) (925) 420% -----  
 (2,884) (274) 953% -----

Income from continuing operations before income taxes 68,601 63,388 8% Provision for income taxes (17,890) (19,223) (7%)  
 ----- Income from continuing operations 50,711 44,165 15% (Loss) income from discontinued operations, net of tax (11,679)  
 2,637 NM ----- Net income including noncontrolling interests 39,032 46,802 (17%) Less: Net income attributable to noncontrolling  
 interests, net of tax (4,842) (9,243) (48%) ----- Net income attributable to Global Payments \$34,190 \$37,559 (9%) =====  
 =====

Amounts attributable to Global Payments: Income from continuing operations \$45,869 \$34,922 31% (Loss) income from  
 discontinued operations, net of tax (11,679) 2,637 NM ----- Net income attributable to Global Payments \$34,190 \$37,559 NM  
 =====

Basic earnings per share attributable to Global Payments: Income from continuing operations \$0.56 \$0.43 30% (Loss) income  
 from discontinued operations, net of tax (0.14) 0.04 NM ----- Net income \$0.42 \$0.47 (11%) =====

Diluted earnings per share attributable to Global Payments: Income from continuing operations \$0.56 \$0.43 30% (Loss) income  
 from discontinued operations, net of tax (0.14) 0.03 NM ----- Net income \$0.42 \$0.46 (9%) =====

Weighted average shares outstanding(1): Basic 81,203 80,399 Diluted 82,142 80,920

	Year Ended May 31,		
	2010	2009	% Change
	-----	-----	-----
Revenues	\$1,642,468	\$1,462,306	12%
-----	-----	-----	---
Operating expenses:			
Cost of service	584,609	504,855	16%
Sales, general and administrative	734,580	664,905	10%
-----	-----	-----	-----
	1,319,189	1,169,760	13%
-----	-----	-----	-----
Operating income	323,279	292,546	11%
-----	-----	-----	---
Other income (expense):			
Interest and other income	4,629	7,005	(34%)
Interest and other expense	(17,519)	(7,282)	141%
-----	-----	-----	-----
	(12,890)	(277)	NM
-----	-----	-----	-----
Income from continuing operations before			

income taxes	310,389	292,269	6%
Provision for income taxes	(87,379)	(85,252)	2%
	-----	-----	
Income from continuing operations	223,010	207,017	8%
(Loss) income from discontinued operations, net of tax	(3,901)	(132,839)	NM
	-----	-----	
Net income including noncontrolling interests	219,109	74,178	195%
Less: Net income attributable to noncontrolling interests, net of tax	(15,792)	(36,961)	(57%)
	-----	-----	
Net income attributable to Global Payments	\$203,317	\$37,217	446%
	=====	=====	

Amounts attributable to Global Payments:

Income from continuing operations	\$207,218	\$170,056	22%
(Loss) income from discontinued operations, net of tax	(3,901)	(132,839)	(97%)
	-----	-----	
Net income attributable to Global Payments	\$203,317	\$37,217	446%
	=====	=====	

Basic earnings per share attributable to Global Payments:

Income from continuing operations	\$2.56	\$2.12	21%
(Loss) income from discontinued operations, net of tax	(0.05)	(1.66)	(97%)
	-----	-----	
Net income	\$2.51	\$0.46	446%
	=====	=====	

Diluted earnings per share attributable to Global Payments:

Income from continuing operations	\$2.52	\$2.10	20%
(Loss) income from discontinued operations, net of tax	(0.04)	(1.64)	(98%)
	-----	-----	
Net income	\$2.48	\$0.46	439%
	=====	=====	

Weighted average shares outstanding(1):

Basic	81,075	80,160
Diluted	82,120	81,049

(1) Pursuant to the retrospective adoption of FASB guidance on participating securities (ASC 260-10-45-40), basic and diluted weighted average shares outstanding have been increased by 493 and 54, respectively for the three months ended May 31, 2009, and 442 and 57, respectively for the year ended May 31, 2009.

NM - Not Meaningful

SCHEDULE 2  
 INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO GLOBAL PAYMENTS  
 GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

Three Months Ended May 31, ----- % 2010 2009 Change ---- -

Revenues \$425,050 \$367,934 16% -----

Operating expenses: Cost of service 152,322 130,224 17% Sales, general and administrative 201,243 174,048 16% 353,565  
 304,272 16% -----

Operating income 71,485 63,662 12% -----

Other income (expense): Interest and other income 1,930 651 196% Interest and other expense (4,814) (925) 420% -----  
 (2,884) (274) 953% -----

Income from continuing operations before income taxes 68,601 63,388 8% Provision for income taxes (17,890) (19,223) (7%)  
 ----- Income from continuing operations including noncontrolling interests 50,711 44,165 15% Less: Net income attributable  
 to noncontrolling interests, net of tax (4,842) (9,243) (48%) ----- Net income from continuing operations attributable to Global  
 Payments \$45,869 \$34,922 31% =====

Basic earnings per share \$0.56 \$0.43 30% =====

Diluted earnings per share \$0.56 \$0.43 30% =====

Weighted average shares outstanding: Basic 81,203 80,399 Diluted 82,142 80,920

NM - Not Meaningful

	Year Ended May 31,			
	2010	2009	% Change	
	-----	-----	-----	
Revenues	\$1,642,468	\$1,462,306	12%	
-----	-----	-----	---	
Operating expenses:				
Cost of service	584,609	504,855	16%	
Sales, general and administrative	734,580	664,905	10%	
	1,319,189	1,169,760	13%	
-----	-----	-----		
Operating income	323,279	292,546	11%	
-----	-----	-----	---	
Other income (expense):				
Interest and other income	4,629	7,005	(34%)	

Interest and other expense	(17,519)	(7,282)	141%
	-----	-----	
	(12,890)	(277)	NM
	-----	-----	
Income from continuing operations before income taxes	310,389	292,269	6%
Provision for income taxes	(87,379)	(85,252)	2%
	-----	-----	
Income from continuing operations including noncontrolling interests	223,010	207,017	8%
Less: Net income attributable to noncontrolling interests, net of tax	(15,792)	(36,961)	(57%)
	-----	-----	
Net income from continuing operations attributable to Global Payments	\$207,218	\$170,056	22%
	=====	=====	
Basic earnings per share	\$2.56	\$2.12	21%
	=====	=====	
Diluted earnings per share	\$2.52	\$2.10	20%
	=====	=====	
Weighted average shares outstanding:			
Basic	81,075	80,160	
Diluted	82,120	81,049	

NM - Not Meaningful

### SCHEDULE 3 SEGMENT INFORMATION CONTINUING OPERATIONS GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands) -----

	Three Months Ended May 31,		
	2010	2009	% Change
	---	-----	
Revenues:			
-----			
United States	\$242,975	\$206,475	18%
Canada	80,720	68,515	18%
	-----	-----	
North America Merchant Services	323,695	274,990	18%
Europe	72,238	70,240	3%
Asia-Pacific	29,117	22,704	28%
	-----	-----	
International Merchant Services	101,355	92,944	9%
	\$425,050	\$367,934	16%
	=====	=====	
Operating Income:			
-----			
North America Merchant Services	\$64,966	\$59,563	9%

International Merchant Services	25,346	20,627	23%
Corporate	(18,827)	(16,528)	(14%)
-----	-----		
Operating Income	\$71,485	\$63,662	12%
=====	=====		

Year Ended May 31, ----- 2010 2009 % Change --- -- -----

Revenues: ----- United States \$902,844 \$805,557 12% Canada 317,272 301,294 5% ----- ----- North America Merchant Services 1,220,116 1,106,851 10%

Europe 315,023 265,121 19% Asia-Pacific 107,329 90,334 19% ----- ----- International Merchant Services 422,352 355,455 19% \$1,642,468 \$1,462,306 12% =====

Operating Income: ----- North America Merchant Services \$275,386 \$272,972 1% International Merchant Services 113,699 82,763 37% Corporate (65,806) (63,189) (4%) ----- ----- Operating Income \$323,279 \$292,546 11% =====

SCHEDULE 4  
INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO GLOBAL PAYMENTS  
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

Reconciliation to Exclude Termination Benefits from Normalized Results

(In thousands, except per share data)

Three Months Ended May 31, ----- 2010 2009 --- -- Termination Normalized Benefits(1) GAAP GAAP -----

Revenues \$425,050 \$- \$425,050 \$367,934 -----

Operating expenses: Cost of service 152,322 - 152,322 130,224 Sales, general and administrative 198,660 2,583 201,243 174,048 350,982 2,583 353,565 304,272 -----

Operating income 74,068 (2,583) 71,485 63,662 -----

Other income (expense): Interest and other income 1,930 - 1,930 651 Interest and other expense (4,814) - (4,814) (925) --- ----- (2,884) - (2,884) (274) -----

Income from continuing operations before income taxes 71,184 (2,583) 68,601 63,388 Provision for income taxes (18,836) 946 (17,890) (19,223) ----- Income from continuing operations 52,348 (1,637) 50,711 44,165 Less: Net income attributable to noncontrolling interests, net of tax (4,842) - (4,842) (9,243) ----- Net income from continuing operations attributable to Global Payments \$47,506 \$(1,637) \$45,869 \$34,922 =====

Diluted shares 82,142 - 82,142 80,920 Diluted earnings (loss) per share \$0.58 \$(0.02) \$0.56 \$0.43 =====

Year Ended May 31,

-----  
2010

----

Termination  
Normalized Benefits(1)

-----

Revenues	\$1,642,468	\$-
-----	-----	---
Operating expenses:		
Cost of service	584,609	-
Sales, general and administrative	731,997	2,583
	1,316,606	2,583
-----	-----	---
Operating income	325,862	(2,583)
-----	-----	---
Other income (expense):		
Interest and other income	4,629	-
Interest and other expense	(17,519)	-
	---	---
	(12,890)	-
-----	-----	---
Income from continuing operations before income taxes	312,972	(2,583)
Provision for income taxes	(88,325)	946
-----	---	---
Income from continuing operations	224,647	(1,637)
Less: Net income attributable to noncontrolling interests, net of tax	(15,792)	-
-----	---	---
Net income from continuing operations attributable to Global Payments	\$208,855	\$(1,637)
=====	=====	-----
Diluted shares	82,120	-
Diluted earnings (loss) per share	\$2.54	\$(0.02)
=====	=====	-----

Year Ended May 31, ----- 2010 2009 ---- ---- GAAP GAAP ---- ----

Revenues \$1,642,468 \$1,462,306 -----

Operating expenses: Cost of service 584,609 504,855 Sales, general and administrative 734,580 664,905 1,319,189 1,169,760  
-----

Operating income 323,279 292,546 -----

Other income (expense): Interest and other income 4,629 7,005 Interest and other expense (17,519) (7,282) ----- (12,890) (277)  
-----

Income from continuing operations before income taxes 310,389 292,269 Provision for income taxes (87,379) (85,252) -----

Income from continuing operations 223,010 207,017 Less: Net income attributable to noncontrolling interests, net of tax (15,792)

(36,961) ----- Net income from continuing operations attributable to Global Payments \$207,218 \$170,056 =====

=====

Diluted shares 82,120 81,049 Diluted earnings (loss) per share \$2.52 \$2.10 =====

We supplemented our reporting of income from continuing operations



Payables to money transfer beneficiaries	-	12,343
Accounts payable and accrued liabilities	173,575	167,700
Settlement processing obligations	265,110	106,934
Income taxes payable	6,430	9,633
Total current liabilities	672,471	336,177

Notes payable	272,965	167,610
Deferred income taxes	88,265	76,405
Other long-term liabilities	31,436	19,009
Total liabilities	1,065,137	599,201

Commitments and contingencies

Redeemable noncontrolling interest	102,672	399,377
------------------------------------	---------	---------

Shareholders' equity:

Preferred stock, no par value; 5,000,000 shares authorized and none issued	-	-
Common stock, no par value; 200,000,000 shares authorized; 82,028,945 issued and 79,646,055 outstanding at May 31, 2010 and 80,445,009 issued and outstanding at May 31, 2009	-	-
Paid-in capital	460,747	405,241
Retained earnings	544,772	273,090
Treasury stock; 2,383,890 shares at May 31, 2010	(100,000)	-
Accumulated other comprehensive loss	(44,255)	(10,901)
Total Global Payments Inc. shareholders' equity	861,264	667,430

Noncontrolling interest	10,253	10,813
Total equity	871,517	678,243

Total liabilities and equity	\$2,039,326	\$1,676,821
------------------------------	-------------	-------------

Presentation of prior year amounts have been adjusted to retrospectively conform with FASB guidance on noncontrolling interests.

SCHEDULE 6  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands)

Year Ended May 31, ----- 2010 2009 ---- ----

Cash flows from operating activities: Net income including noncontrolling interests \$219,109 \$74,178 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization of property and equipment 35,864 35,434 Amortization of acquired intangibles 32,803 30,854 Share-based compensation expense 18,072 14,570 Provision for operating losses and bad debts 25,025 25,595 Deferred income taxes 2,722 5,457 Loss on disposal of discontinued operations 24,310 - Impairment of goodwill and identified intangible assets - 147,664 Other, net 2,443 4,036 Changes in operating assets and liabilities, net of the effects of acquisitions: Accounts receivable (11,689) (25,077) Claims receivable (14,936) (17,201) Settlement processing assets and obligations, net 140,962 60,700 Inventory (4,727) (1,653) Prepaid expenses and other assets (13,710)

4,438 Payables to money transfer beneficiaries (6,107) 3,067 Accounts payable and accrued liabilities 18,803 23,251 Income taxes payable (3,183) (2,342) ----- Net cash provided by operating activities 465,761 382,971 -----

Cash flows from investing activities: Business and intangible asset acquisitions (29,513) (525,205) Net proceeds from disposition of business 60,231 - Capital expenditures (56,054) (40,940) Net increase in financing receivables (179) - Proceeds from sale of investment and contractual rights 311 6,888 --- ----- Net cash used in investing activities (25,204) (559,257) -----

Cash flows from financing activities: Net borrowings on lines of credit 69,013 8,647 Proceeds from issuance of notes payable 305,744 200,000 Principal payments under notes payable (75,205) (16,734) Acquisition of redeemable noncontrolling interests (307,675) - Proceeds from stock issued under share-based compensation plans 30,248 9,050 Tax benefit from share-based compensation plans 7,186 880 Repurchase of common stock (98,080) Dividends paid (6,497) (6,417) Contribution from noncontrolling interest holder - 358 Distribution to noncontrolling interests (20,484) (34,299) ----- Net cash (used in) provided by financing activities (95,750) 161,485 -----

Effect of exchange rate changes on cash (1,796) (14,324) -----

Increase (decrease) in cash and cash equivalents 343,011 (29,125) Cash and cash equivalents, beginning of period 426,935 456,060 Cash and cash equivalents, end of period \$769,946 \$426,935 -----

Presentation of prior year amounts have been adjusted to retrospectively conform with FASB guidance on noncontrolling interests.

#### SCHEDULE 7 CONSTANT CURRENCY SUMMARY GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In millions, except per share data) -----

	Q4 FY10	% change	YTD FY10
Actual	Q4 FY09	Actual	Actual

#### Revenues

Constant currency(1)	\$411	12%	\$1,625
Foreign currency impact(2)	14	4%	17
	---	---	---
Revenues from continuing operations	\$425	16%	\$1,642
	====	===	=====

#### Diluted Earnings Per Share

Constant currency(1)	\$0.52	21%	\$2.44
Foreign currency impact(2)	0.06	14%	0.10
	---	---	---
Normalized diluted EPS from continuing operations	0.58	35%	2.54
Termination benefits(3)	(0.02)	(5%)	(0.02)
	----	----	----
Diluted EPS from continuing operations	\$0.56	30%	\$2.52
	=====	===	=====

% % change Fiscal 2011 Change YTD FY09 Outlook FY10 -----

Revenues ----- 7% to Constant currency(1) 11% \$1,740 to \$1,775 9% Foreign currency impact(2) 1% --- --- --- --- --- 6% to  
Revenues from continuing operations 12% \$1,735 to \$1,770 8% === =====

Diluted Earnings Per Share ----- 7% to Constant currency(1) 16% \$2.71 to \$2.79 10% Foreign currency impact(2)  
5% --- --- --- --- Normalized diluted EPS from 6% to continuing operations 21% \$2.68 to \$2.77 9% Termination benefits(3) (1%)  
--- --- --- --- Diluted EPS from continuing 6% to operations 20% \$2.68 to \$2.77 10% === =====

We supplemented our reporting of total revenues and earnings per share information determined in accordance with GAAP by reporting revenues and earnings per share for fiscal 2010 on a "constant currency" basis in this earnings release as a measure to help evaluate performance. We calculated revenues and earnings per share on a constant currency basis by converting our fiscal 2010 actual revenues and expenses at fiscal 2009 exchange rates. We exclude the impact of exchange rate fluctuations in order to more clearly focus on the factors we believe are pertinent to the daily management of our operations, and our management uses constant currency measures to evaluate the impact of operational business decisions. Our revenues and earnings per share reported on a constant currency basis should be considered in addition to, and not as a substitute for, revenues and earnings per share determined in accordance with GAAP. Our measures of revenues and earnings per share on a constant currency basis reflect management's judgment of particular items, and may not be comparable to similarly titled measures reported by other companies.

(1) Reflects current period results on a pro forma basis as if foreign currency rates did not change from the comparable prior year period.

(2) Reflects the impact of changes in foreign currency rates from the comparable prior year period.

(3) Termination benefits represent amounts due to our former President and Chief Operating Officer pursuant to his termination agreement dated April 21, 2010. Also reflects the related income tax benefit.

Contact: Jane M. Elliott 770-829-8234 Voice 770-829-8267 Fax investor.relations@globalpay.com

SOURCE Global Payments Inc.