Non-GAAP Measures

Non-GAAP Financial Measures

“Adjusted Earnings per Share” (EPS): To better understand the trends in our business, we believe it is necessary to adjust reported EPS determined in accordance with GAAP to exclude the impact from the amortization of intangible assets as well as the related income tax effect. The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. Accordingly, due to the incomparability of acquisition activity among companies and from period to period, we believe exclusion of the amortization associated with intangible assets acquired through our acquisitions allows investors to better compare and understand our results. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

“Constant Currency”: To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as “constant currency.” Currencies for developing market countries (Latin America, Brazil, Middle East, India, Eurasia and Central-Eastern Europe) that we operate in are reported at actual exchange rates for both actual and constant revenue growth rates because (1) these countries historically have had volatile currency and inflationary environments and (2) our subsidiaries in these countries have historically taken pricing actions to mitigate the impact of inflation and devaluation. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

“Pro-forma Basis”: Reported Services segment constant currency revenue growth was 12% in 2011. However, to better understand the trends in our business, we discuss our 2011 services revenue growth by comparing revenue in that year against an adjusted 2010 revenue amount which includes ACS historical revenue for the comparable period. We acquired ACS on February 5, 2010 and ACS’s results subsequent that date are included in our reported results. Accordingly, for comparison of our 2011 revenues to 2010, we added ACS’s 2010 estimated revenues for the period January 1 through February 5, 2010 to our reported 2010 results. We refer to the comparison against this adjusted 2010 revenue amount as “pro-forma” based comparisons. Pro-forma Services segment revenue growth was 6% in 2011. We believe the pro-forma comparison provides investors with a better understanding and additional perspective of the expected post-acquisition revenue trends as well as the impact of the ACS acquisition.

Non-GAAP Financial Measures

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“Free Cash Flow”: To better understand the trends in our business, we believe that it is helpful to adjust cash flows from operations to exclude amounts for capital expenditures including internal use software. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase. It also is used to measure our yield on market capitalization.

Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods’ results against the corresponding prior periods’ results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company’s reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

GAAP EPS to Adjusted EPS Guidance Track

	FY 2014
GAAP EPS from Continuing Operations	**$0.93 - $0.99**
<u>Adjustments:</u>	
Amortization of intangible assets	0.17
Adjusted EPS	**$1.10 - $1.16**

Note: GAAP and Adjusted EPS guidance includes anticipated restructuring

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