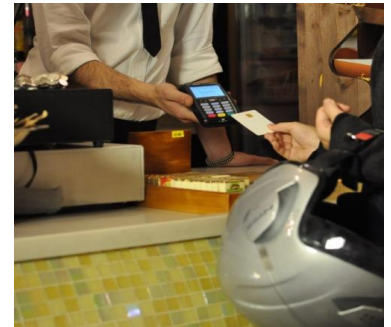


FINANCIAL RESULTS

For the Second Quarter
Ended April 30, 2015



Verifone[®]

FORWARD-LOOKING STATEMENTS

Today's discussion may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements relate to future events and expectations and involve known and unknown risks and uncertainties. Verifone's actual results or actions may differ materially from those projected in the forward-looking statements. For a summary of the specific risk factors that could cause results to differ materially from those expressed in the forward-looking statements, please refer to Verifone's filings with the Securities and Exchange Commission, including its annual report on Form 10-K and quarterly reports on Form 10-Q. Verifone is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

NON-GAAP FINANCIAL MEASURES

With respect to any Non-GAAP financial measures presented in the information, reconciliations of Non-GAAP to GAAP financial measures may be found in Verifone's quarterly earnings release as filed with the Securities and Exchange Commission as well as the Appendix to these slides. Management uses Non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. Management believes that these Non-GAAP financial measures help it to evaluate Verifone's performance and to compare Verifone's current results with those for prior periods as well as with the results of peer companies. These Non-GAAP financial measures contain limitations and should be considered as a supplement to, and not as a substitute for, or superior to, disclosures made in accordance with GAAP.

INTRODUCTION

Paul Galant

Chief Executive Officer

Verifone[®]

Q2 RESULTS: KEY TAKEAWAYS

Earnings growth above guidance; increased YOY earnings per share 19%

Increased operating profit margins by 130 bps YOY

North America: Delivered 54% YOY growth

Europe: Market share gains in U.K., Germany, Italy, Spain and Portugal

Latin America: Carlos Lima named Regional President

Year of Product: Progress on next generation terminals and product platform

China: Establishing as a distinct region under new leadership

EXECUTING ON THE TOP THREE VERIFONE INITIATIVES

What we've accomplished

Product Portfolio Management

- Implemented Global Product Mgmt
- Reducing SKUs by ~60%
- Reduced active platforms from 13 to 8
- Strengthening and broadening portfolio
- Transitioning to next gen platform
- Mobile solution re-design
- Divested non-core businesses

R&D Re-Engineering

- Established Global R&D infrastructure
- Created 10 Centers of Excellence
- Unifying development environment
- Consolidating global gateways
- Implemented R&D planning and resource system
- Consolidated R&D sites from 75 to 61

Cost Optimization

- Initiated 100 cost-savings projects
- Continued headcount efficiency
- Consolidating distribution, repair & warehouse operations
- Refinanced debt with \$1.3B agreement
- Consolidated 11 data centers
- Closed 25 facilities
- Liquidated 21 of 132 legal entities
- 60% of entities covered by shared services

FY15: THE “YEAR OF PRODUCT”

TERMINAL SOLUTIONS



Next Gen Terminals
(Launch in Q4'15)

Mobile Terminals
(e-Series momentum)

SMB Cloud POS
(New Android-based solution)

Brazil
(New portable in market)

MX
(Demand in Europe, Latam)

PAYMENT AS A SERVICE



Driving Upgrades
(Speeding new service delivery)

Geographic Expansion
(Two new markets by end of '15)

Repair and Field Svcs
(Transforming to managed svcs)

White Label PaaS
(Launched solution with Westpac)

COMMERCE ENABLEMENT



Secure Commerce Arch.
(32 merchant wins; 200k devices)

Security
(250 Tier1/Tier 2 retailers)

Media
(60,000 screens; large Lift Retail win; Gilbarco shipments)

Value Added Services
(Key Android Pay partner)

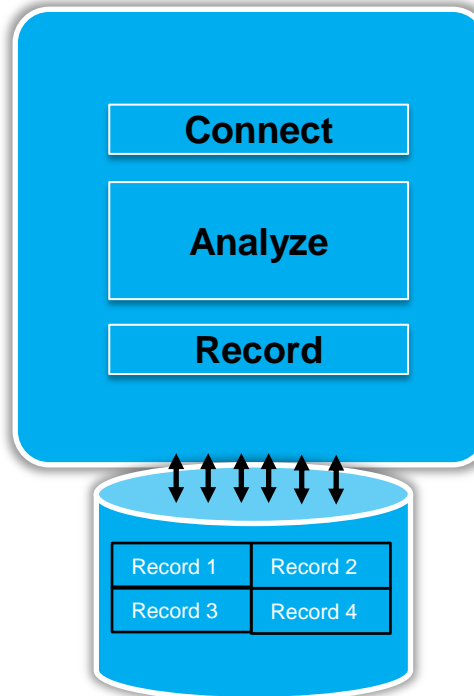
E-Hailing
(Way2ride NYC e-hail pilot)

Westpac – Delivering White-label Payment Services

**NFC & EMV
terminals enable
secure commerce
anywhere**



**Gateway routes
transactions for
authorization &
settlement; provides
real-time reporting &
analytics**



**Helpdesk and field
services keep the
fleet operational**



FY15: THE “YEAR OF PRODUCT”

TERMINAL SOLUTIONS



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E-Hailing
(Way2ride NYC e-hail pilot)

Verifone and Visa: Partnering to Drive Omni-Commerce

VISA + Verifone®

1 Verifone and Visa to create a **leading cross-channel payment solution, with extensive global reach**

2 Visa and Verifone will refer clients to each other to enable **faster gateway connectivity, easy integration across POS & digital commerce channels**

3 Visa and Verifone to jointly promote Verifone's Secure Commerce Architecture to clients wishing to adopt Verifone terminals, for a **more efficient, easier path to EMV**

Q2 FINANCIAL RESULTS AND GUIDANCE

Marc Rothman
Chief Financial Officer

Verifone®

NON-GAAP KEY METRICS*

<i>\$ in millions, except EPS</i>	Q214	Q115	Q215	Q215	
				% SEQ Inc(Dec)	% YoY Inc(Dec)
Net Revenues	467	487	490	1%	5%
Gross Margin	193	206	210	2%	8%
<i>% of Revenue</i>	<i>41.4%</i>	<i>42.4%</i>	<i>42.8%</i>	<i>0.4pts</i>	<i>1.4pts</i>
Operating Income	60	70	69	(1)%	16%
<i>% of Revenue</i>	<i>12.8%</i>	<i>14.4%</i>	<i>14.1%</i>	<i>(0.3)pts</i>	<i>1.3pts</i>
Net Income*	42	51	51	0%	22%
EPS	0.37	0.44	0.44	0%	19%
Operating Cash Flow*	57	41	56	37%	0%
Free Cash Flow	36	22	27	26%	(24)%

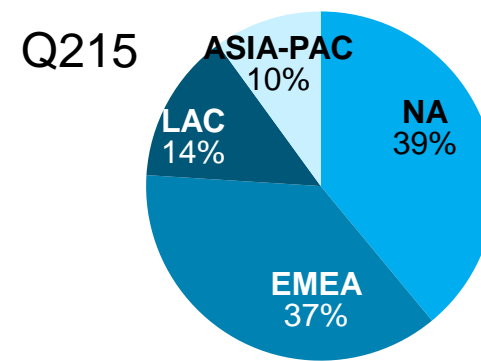
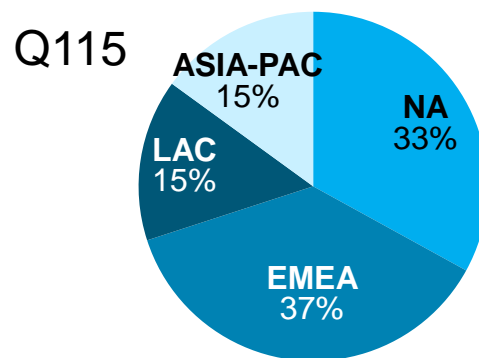
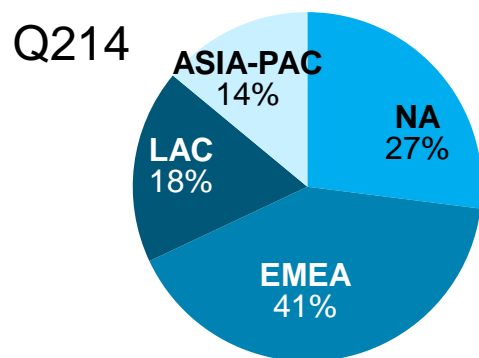
* Net Income = Net Income attributable to VeriFone Systems, Inc. stockholders

* Operating Cash Flow = GAAP net cash provided by operating activities

* A reconciliation of our GAAP to Non-GAAP financial measures, including Free Cash Flow, can be found in the appendix section

NON-GAAP NET REVENUES PROFILE*

\$ in millions	Q214	Q115	Q215	Q215		
				% SEQ Inc(Dec)	% YoY Inc(Dec)	YoY Constant Currency Growth
North America	125	160	193	20%	54%	54%
LAC	83	71	68	(4)%	(18)%	(6)%
EMEA	191	181	180	0%	(6)%	8%
Asia-Pacific	68	75	50	(34)%	(27)%	(21)%
TOTAL	467	487	490	1%	5%	14%



NON-GAAP NET REVENUES AND GROSS MARGIN*

<i>\$ in millions</i>	Q214	Q115	Q215
System Solutions	291	313	324
Services	176	174	166
Total Net Revenues	467	487	490
Services % of Total Net Revenues	38%	36%	34%
	% of Revenue		
	Q214	Q115	Q215
System Solutions	40.4%	42.4%	43.1%
Services	43.1%	42.4%	42.1%
Total Gross Margin %	41.4%	42.4%	42.8%

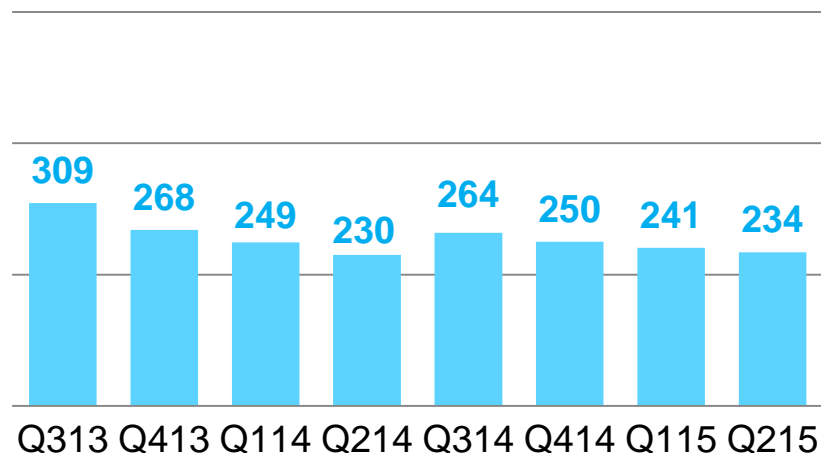
NON-GAAP OPERATING EXPENSES*

<i>\$ in millions</i>	Q214	Q115	Q215
Research and Development	48	46	46
% of Revenue	10%	9%	9%
Sales and Marketing	47	50	51
% of Revenue	10%	10%	10%
General and Administrative	39	40	43
% of Revenue	8%	8%	9%
Total Operating Expenses	133	136	140
% of Revenue	29%	28%	29%

TOTAL CASH, GROSS DEBT AND NET DEBT

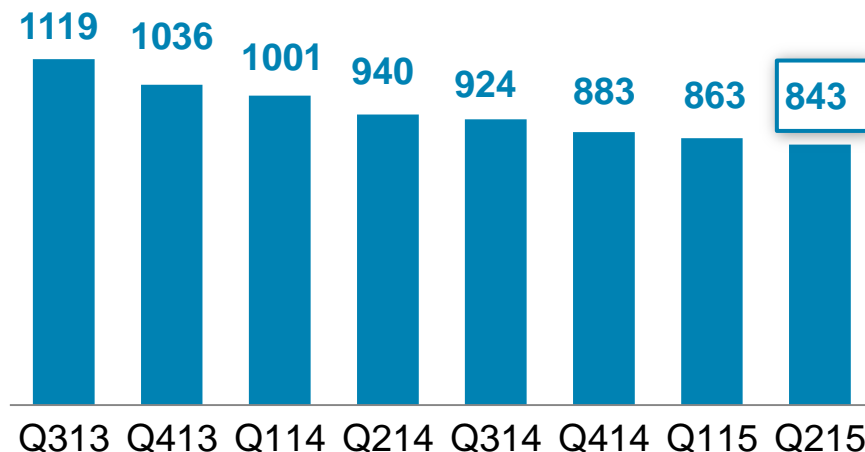
(\$ in millions)

Total Cash



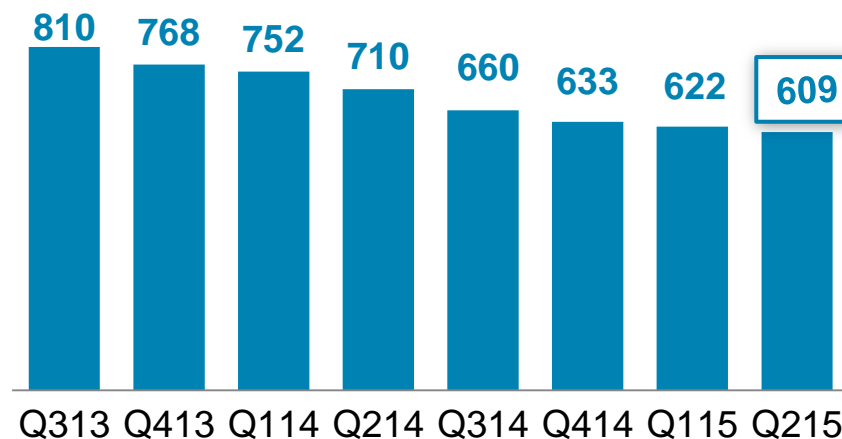
(\$ in millions)

Gross Debt



(\$ in millions)

Net Debt



As of April 30, 2015:

- **\$843M Outstanding Debt:**
 - Short-term of \$32M
 - Long-term of \$811M
- **Credit Ratings:**
 - S&P . . . BB-
 - Moody's . . . Ba3

BALANCE SHEET SELECT DATA

<i>\$ in millions</i>	Q214		Q115		Q215	
	\$	Days	\$	Days	\$	Days
Accounts Receivables, net	301	58	287	53	328	60
Inventories, net	113	39	138	42	129	43
Accounts Payable	147	48	146	47	171	55
Cash Conversion Cycle		49		48		48

Notes: Accounts Receivable Days is calculated as Accounts Receivable, net divided by Non-GAAP Total Net Revenues * 90 days

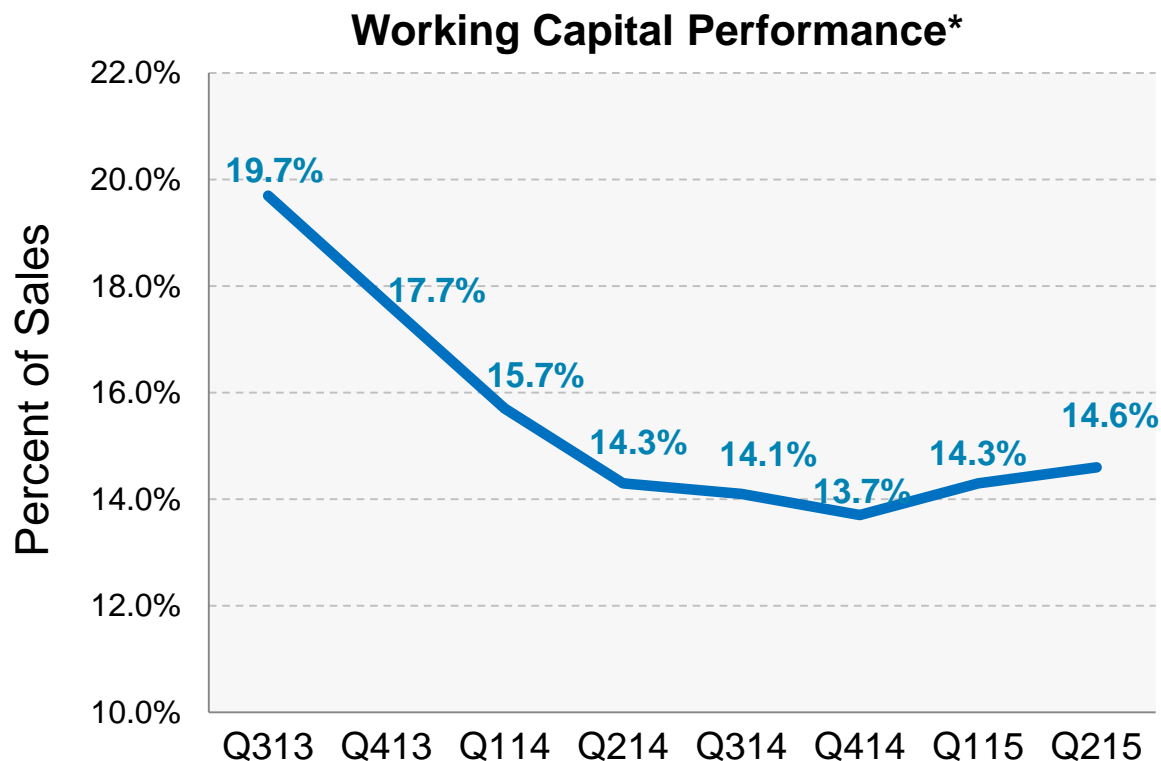
Inventory Days is calculated as Average Inventory, net divided by Non-GAAP Total Cost of Net Revenues * 90 days

Accounts Payable Days is calculated as Accounts Payable divided by Non-GAAP Total Cost of Net Revenues * 90 days

Cash Conversion Cycle is calculated as Accounts Receivable Days plus Inventory Days less Accounts Payable Days

A reconciliation of our GAAP to Non-GAAP total net revenues and GAAP to Non-GAAP total cost of net revenues can be found in the appendix section

WORKING CAPITAL TREND



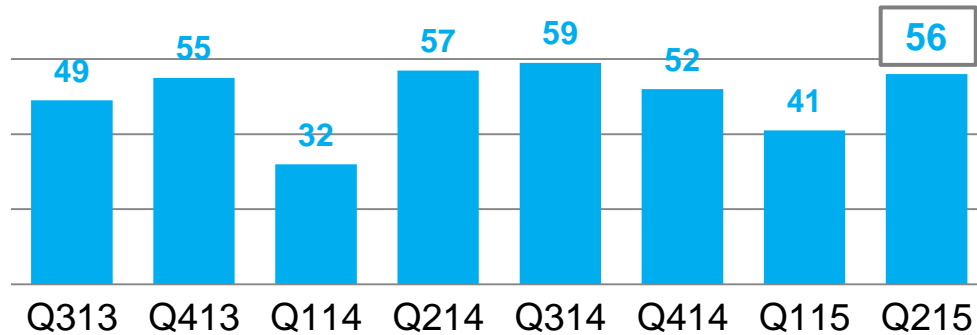
Y/Y changes

- AR increased \$27M
- Inventory increased \$16M
- AP increased \$24M

- * Working Capital Performance, as % of Non-GAAP Total Net Revenues = working capital / quarterly non-GAAP Total Net Revenues annualized
- Working Capital = AR + Inventory – AP
- A reconciliation of our GAAP to Non-GAAP total net revenues can be found in the appendix section

CASH FLOW

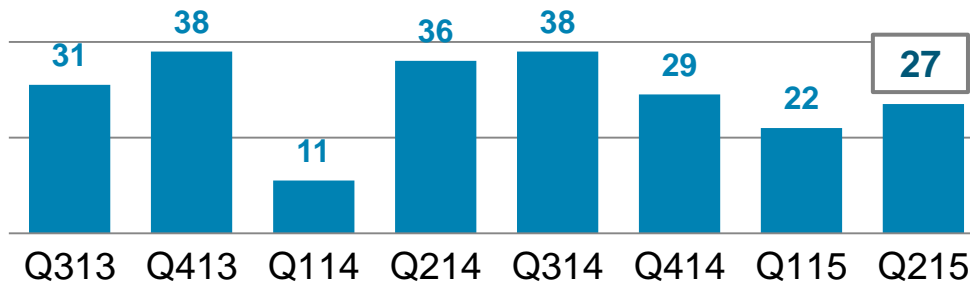
(\$ in millions) **Operating Cash Flow***



← Operating Cash Flow: **\$56M**

CapEx: **\$29M**

(\$ in millions) **Free Cash Flow***



← Free Cash Flow: **\$27M**

* Operating Cash Flow = GAAP net cash provided by operating activities. Free Cash Flow is a non-GAAP financial measure

* A reconciliation of our GAAP net cash provided by operating activities to Free Cash Flow can be found in the appendix section

GUIDANCE*

Guidance	Q315	Full Year FY15
Non-GAAP Net Revenues	\$495M – 500M	\$1.995B - 2.000B
Non-GAAP EPS	\$0.44 – 0.46	\$1.81 - 1.84
Free Cash Flow	~\$40M	\$140M – 150M

Other Items	Q315	Full Year FY15
Non-GAAP Operating Expenses	\$140M - \$142M	~\$560M
Non-GAAP Effective Tax Rate	~14.5%	~14.5%
Capital Expenditures	~\$35M	~\$125M
Non-GAAP Fully Diluted Shares	~116M	~116M

* Reconciliations to GAAP of these forward-looking Non-GAAP financial measures, to the extent available without unreasonable effort, can be found in the appendix section.

CONCLUSION

Paul Galant
Chief Executive Officer

Verifone[®]

Q&A SESSION

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q215

(In millions, except per share data and percentages)

	Note	Net revenues	Gross margin	Gross margin percentage	Operating income	Income tax provision	Net income attributable to VeriFone Systems, Inc. stockholders
Three Months Ended April 30, 2015							
GAAP		\$ 490.1	\$ 203.9	41.6%	\$ 29.7	\$ 1.4	\$ 17.6
Adjustments:							
Amortization of step-down in deferred services net revenues at acquisition	A	0.2	0.2		0.2	—	0.2
Amortization of purchased intangible assets	C	—	4.6		25.2	—	25.2
Other merger and acquisition related expenses	C	—	0.4		0.5	—	1.5
Stock based compensation	D	—	0.4		8.9	—	8.9
Restructuring charges	E	—	—		0.2	—	0.2
Other charges and income	E	—	0.2		4.6	—	4.6
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	E	—	—		—	7.3	(7.3)
Non-GAAP		\$ 490.3	\$ 209.7	42.8%	\$ 69.3	\$ 8.7	\$ 50.9
		Weighted average number of shares used in computing net income per share:				Net income per share attributable to VeriFone Systems, Inc. stockholders (1)	
		Basic	Diluted			Basic	Diluted
GAAP		113.9	115.9			\$ 0.15	\$ 0.15
Non-GAAP		113.9	115.9			\$ 0.45	\$ 0.44

(1) Net income (loss) per share is calculated by dividing the Net income (loss) attributable to VeriFone Systems, Inc. stockholders by the Weighted average number of shares.

See explanatory notes for A, C-E at the end of the appendix.

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q115

(In millions, except per share data and percentages)

Note

		Net revenues	Gross margin	Gross margin percentage	Operating income	Income tax provision	Net income attributable to VeriFone Systems, Inc. stockholders
Three Months Ended January 31, 2015							
GAAP		\$ 486.2	\$ 199.2	41.0%	\$ 23.2	\$ 1.4	\$ 13.8
Adjustments:							
Amortization of step-down in deferred services net revenues at acquisition	A	0.7	0.7		0.7	—	0.7
Amortization of purchased intangible assets	C	—	4.7		27.0	—	27.0
Other merger and acquisition related expenses	C	—	0.3		0.7	—	(1.9)
Stock based compensation	D	—	0.7		12.2	—	12.2
Restructuring charges	E	—	—		1.4	—	1.4
Other charges and income	E	—	0.8		4.9	—	4.9
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	E	—	—		—	7.3	(7.3)
Non-GAAP		\$ 486.9	\$ 206.4	42.4%	\$ 70.1	\$ 8.7	\$ 50.8
		Weighted average number of shares used in computing net income per share:				Net income per share attributable to VeriFone Systems, Inc. stockholders (1)	
		Basic	Diluted		Basic	Diluted	
GAAP		113.4	115.5		\$ 0.12	\$ 0.12	
Non-GAAP		113.4	115.5		\$ 0.45	\$ 0.44	

(1) Net income (loss) per share is calculated by dividing the Net income (loss) attributable to VeriFone Systems, Inc. stockholders by the Weighted average number of shares.

See explanatory notes for A, C-E at the end of the appendix.

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q214

<i>(In millions, except per share data and percentages)</i>								
<i>Note</i>		Net revenues	Gross margin	Gross margin percentage	Operating income (loss)	Income tax provision (benefit)	Net income (loss) attributable to VeriFone Systems, Inc. stockholders	
Three Months Ended April 30, 2014								
GAAP		\$ 466.4	\$ 175.3	37.6%	\$ (13.5)	\$ (0.7)	\$ (23.9)	
Adjustments:								
Amortization of step-down in deferred services net revenues at acquisition	A	0.4	0.4		0.4	—	0.4	
Amortization of purchased intangible assets	C	—	11.1		35.7	—	35.7	
Other merger and acquisition related expenses	C	—	1.7		2.9	—	2.5	
Stock based compensation	D	—	0.2		11.9	—	11.9	
Restructuring charges	E	—	0.9		5.7	—	5.7	
Other charges and income	E	—	3.7		16.9	—	17.0	
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	E	—	—		—	7.7	(7.7)	
Non-GAAP		\$ 466.8	\$ 193.3	41.4%	\$ 60.0	\$ 7.0	\$ 41.6	
Weighted average number of shares used in computing net income (loss) per share:						Net income (loss) per share attributable to VeriFone Systems, Inc. stockholders (1)		
		Basic	Diluted			Basic	Diluted	
GAAP		111.1	111.1			\$ (0.22)	\$ (0.22)	
Adjustment for diluted shares	F	—	2.4					
Non-GAAP		111.1	113.5			\$ 0.37	\$ 0.37	

(1) Net income (loss) per share is calculated by dividing the Net income (loss) attributable to VeriFone Systems, Inc. stockholders by the Weighted average number of shares.

See explanatory notes for A, C-F at the end of the appendix.

RECONCILIATION OF GAAP TO NON-GAAP GROSS MARGIN

(In millions, except percentages)

	Note	System solutions net revenues	Services net revenues	Total net revenues	Total cost of net revenues	System solutions gross margin	Services gross margin	Total gross margin
Three Months Ended April 30, 2015								
GAAP		\$ 324.3	\$ 165.8	\$ 490.1	\$ 286.2	\$ 135.3	\$ 68.6	\$ 203.9
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.2	0.2	—	—	0.2	0.2
Other acquisition and restructure related, net	C	—	—	—	(5.0)	4.2	0.8	5.0
Stock based compensation	D	—	—	—	(0.4)	0.3	0.1	0.4
Other charges and income	E	—	—	—	(0.2)	—	0.2	0.2
Non-GAAP		\$ 324.3	\$ 166.0	\$ 490.3	\$ 280.6	\$ 139.8	\$ 69.9	\$ 209.7
Percentage of total net revenues		66.1%	33.9%		57.2%	43.1%	42.1%	42.8%
Three Months Ended January 31, 2015								
GAAP		\$ 313.4	\$ 172.8	\$ 486.2	\$ 287.0	\$ 127.8	\$ 71.4	\$ 199.2
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.7	0.7	—	—	0.7	0.7
Other acquisition and restructure related, net	C	—	—	—	(5.0)	4.6	0.4	5.0
Stock based compensation	D	—	—	—	(0.7)	0.5	0.2	0.7
Other charges and income	E	—	—	—	(0.8)	—	0.8	0.8
Non-GAAP		\$ 313.4	\$ 173.5	\$ 486.9	\$ 280.5	\$ 132.9	\$ 73.5	\$ 206.4
Percentage of total net revenues		64.4%	35.6%		57.6%	42.4%	42.4%	42.4%
Three Months Ended April 30, 2014								
GAAP		\$ 290.7	\$ 175.7	\$ 466.4	\$ 291.1	\$ 103.2	\$ 72.1	\$ 175.3
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.4	0.4	—	—	0.4	0.4
Other acquisition and restructure related, net	C	—	—	—	(13.7)	10.8	2.9	13.7
Stock based compensation	D	—	—	—	(0.2)	0.1	0.1	0.2
Other charges and income	E	—	—	—	(3.7)	3.3	0.4	3.7
Non-GAAP		\$ 290.7	\$ 176.1	\$ 466.8	\$ 273.5	\$ 117.4	\$ 75.9	\$ 193.3
Percentage of total net revenues		62.3%	37.7%		58.6%	40.4%	43.1%	41.4%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

<i>(In millions, except percentages)</i>		Note	Research and development	Sales and marketing	General and administrative	Total
Three Months Ended April 30, 2015						
GAAP			\$ 47.6	\$ 55.3	\$ 49.5	\$ 152.4
Other acquisition and restructure related, net		C	—	(0.1)	(0.2)	(0.3)
Stock based compensation		D	(1.2)	(3.5)	(3.8)	(8.5)
Other charges and income		E	(0.1)	(0.3)	(2.9)	(3.3)
Non-GAAP			\$ 46.3	\$ 51.4	\$ 42.6	\$ 140.3
As a percentage of Non-GAAP Net Revenues			9%	10%	9%	29%
Three Months Ended January 31, 2015						
GAAP			\$ 48.9	\$ 57.4	\$ 47.4	\$ 153.7
Other acquisition and restructure related, net		C	(0.1)	(0.7)	(1.0)	(1.8)
Stock based compensation		D	(2.7)	(4.1)	(4.6)	(11.4)
Other charges and income		E	(0.5)	(2.2)	(1.5)	(4.2)
Non-GAAP			\$ 45.6	\$ 50.4	\$ 40.3	\$ 136.3
As a percentage of Non-GAAP Net Revenues			9%	10%	8%	28%
Three Months Ended April 30, 2014						
GAAP			\$ 50.0	\$ 56.4	\$ 48.7	\$ 155.1
Other acquisition and restructure related, net		C	(0.7)	(2.6)	(2.7)	(6.0)
Stock based compensation		D	(1.7)	(5.9)	(4.1)	(11.7)
Other charges and income		E	(0.1)	(0.5)	(3.4)	(4.0)
Non-GAAP			\$ 47.5	\$ 47.4	\$ 38.5	\$ 133.4
As a percentage of Non-GAAP Net Revenues			10%	10%	8%	29%

See explanatory notes for C-E at the end of the appendix

RECONCILIATION OF GAAP TO NON-GAAP NET REVENUES

<i>\$ in millions</i>	GAAP net revenues	Amortization of step-down in deferred revenue at acquisition	Non-GAAP net revenues	Constant currency adjustment	Non-GAAP net revenues at constant currency
<i>Note</i>	(A)	(A)	(B)	(B)	
Three Months Ended April 30, 2015					
North America	\$ 193.0	\$ —	\$ 193.0	\$ 0.4	\$ 193.4
LAC	68.1	—	68.1	10.2	78.3
EMEA	179.4	0.2	179.6	25.5	205.1
Asia-Pacific	49.6	—	49.6	3.6	53.2
Total	<u>\$ 490.1</u>	<u>\$ 0.2</u>	<u>\$ 490.3</u>	<u>\$ 39.7</u>	<u>\$ 530.0</u>
Three Months Ended January 31, 2015					
North America	\$ 160.3	\$ 0.1	\$ 160.4		
LAC	71.1	—	71.1		
EMEA	180.0	0.5	180.5		
Asia-Pacific	74.8	0.1	74.9		
Total	<u>\$ 486.2</u>	<u>\$ 0.7</u>	<u>\$ 486.9</u>		
Three Months Ended April 30, 2014					
North America	\$ 125.3	\$ —	\$ 125.3		
LAC	83.3	—	83.3		
EMEA	190.2	0.4	190.6		
Asia-Pacific	67.6	—	67.6		
Total	<u>\$ 466.4</u>	<u>\$ 0.4</u>	<u>\$ 466.8</u>		

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

		<i>\$ in millions</i>	<i>Note</i>	Three Months Ended					
				April 30, 2015	January 31, 2015	October 31, 2014	July 31, 2014		
				Free Cash Flow					
GAAP net cash provided by operating activities	G	\$	56.3	\$	41.1	\$	51.6	\$	58.9
Less: GAAP capital expenditures	G		(29.3)		(19.6)		(22.2)		(20.9)
Free cash flow	G	\$	27.0	\$	21.5	\$	29.4	\$	38.0
				Three Months Ended					
				April 30, 2014	January 31, 2014	October 31, 2013	July 31, 2013		
Free Cash Flow									
GAAP net cash provided by operating activities	G	\$	56.5	\$	31.9	\$	54.9	\$	49.0
Less: GAAP capital expenditures	G		(21.0)		(20.9)		(17.2)		(18.1)
Free cash flow	G	\$	35.5	\$	11.0	\$	37.7	\$	30.9

See explanatory notes for G at the end of the appendix.

RECONCILIATION OF NET REVENUES GUIDANCE

	Three Months Ending July 31, 2015		Year Ending October 31, 2015	
	Range of Guidance		Range of Guidance	
GAAP net revenues	\$ 495	\$ 500	\$ 1,994	\$ 1,999
Adjustments to net revenues	—	—	1	1
Non-GAAP net revenues	\$ 495	\$ 500	\$ 1,995	\$ 2,000

See explanatory notes for A at the end of the appendix.

EXPLANATORY NOTES TO RECONCILIATIONS OF GAAP TO NON-GAAP ITEMS

Note A: Non-GAAP net revenues. Non-GAAP net revenues exclude the fair value decrease (step-down) in deferred revenue at acquisition.

Note B: Non-GAAP net revenues at constant currency. Verifone determines non-GAAP net revenues at constant currency by recomputing non-GAAP net revenues denominated in currencies other than U.S. Dollars in the current fiscal period using average exchange rates for that particular currency during the corresponding financial period of the prior year. Verifone uses this non-GAAP measure to evaluate performance on a comparable basis excluding the impact of foreign currency fluctuations.

Note C: Merger and Acquisition Related. Verifone adjusts certain revenues and expenses for items that are the result of merger and acquisitions. Acquisition related adjustments include the amortization of intangible assets, fixed asset fair value adjustments, contingent consideration adjustments, incremental costs associated with acquisitions, acquisition integration expenses and changes in estimate on contingencies that existed at the time of acquisition.

Note D: Stock-Based Compensation. Our non-GAAP financial measures eliminate the effect of expense for stock-based compensation.

Note E: Other Charges and Income. Verifone excludes certain revenue, expenses and other income (expense) that are the result of unique or unplanned events, such as litigation settlement and loss contingency expense, certain costs incurred in connection with senior executive management changes, certain personnel and outside professional service fees incurred on initiatives to transform, streamline and centralize our global operations, and restructure and impairment charges related to certain exit activities initiated as part of our global transformation initiatives. In addition, income taxes are adjusted for the tax effect of the adjusting items related to our non-GAAP financial measures and to reflect our estimate of cash taxes on a non-GAAP basis. Under GAAP our Income tax provision (benefit) as a percentage of Income (loss) before income taxes was 7.6% for the fiscal quarter ended April 30, 2015, 9.0% for the fiscal quarter ended January 31, 2015, 2.7% for the fiscal quarter ended April 30, 2014, 8.2% for the six months ended April 30, 2015 and 15.9% for the six months ended April 30, 2014. For non-GAAP purposes, we used a 14.5% rate for the fiscal quarters ended April 30, 2015, January 31, 2015 and April 30, 2014 and the six months ended April 30, 2015 and 2014.

Note F: Non-GAAP diluted shares. Diluted non-GAAP weighted average shares include additional shares that are dilutive for non-GAAP computations of earnings per share in periods when we have a non-GAAP net income and a GAAP basis net loss.

Note G: Free Cash Flow. Verifone determines free cash flow as net cash provided by operating activities less capital expenditures.

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