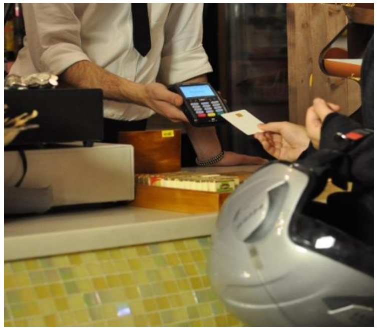
FINANCIAL RESULTS



For the Fourth Quarter Ended October 31, 2014

December 15, 2014

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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.

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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

CEO

WHAT WE ACHIEVED IN FY14

Restored top line growth; improved YOY profitability

Earning back client trust; recapturing share

Progress executing Top Three Verifone Initiatives

Transformed people platform; attracted world class talent

Began transformation into a global product company for
Terminal Solutions, Payment as a Service & Commerce Enablement

Q4 FINANCIAL RESULTS: KEY TAKEAWAYS

CONTINUED STRONG FINANCIAL PERFORMANCE

- 5 consecutive quarters of sequential growth
- 13% year-over-year revenue growth in Q4
- 300+ bps increase in operating profit margins to 13.9%
- Improved balance sheet metrics
- Healthy free cash flow

RECORD RESULTS IN NORTH AMERICA

- 20% year-over-year revenue growth in Q4
- Momentum in all market segments (Tier 1, SMB, Petro and Taxi)

GLOBAL GROWTH ACROSS ALL MARKETS

- 5% growth and improved competitive position in EMEA
- Strong growth in Turkey and Nigeria
- 16% growth in Latin America
- Significant win in Mexico with BBVA
- 24% growth in Asia

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EXECUTING ON THE TOP THREE VERIFONE INITIATIVES

	Where we started	What we've accomplished
Product Portfolio Management	• 1200+ product SKUs • Redundant, one-off customizations • Fragmentation, complexity, slow deployments	• Implemented Global Product Mgmt • Reduced SKUs by 60% to ~500 • Reduced platforms from 13 to 8 • Addressed portfolio gaps • Divested non-core businesses
R&D Re-Engineering	• Legacy products • Too many platforms • 75 global R&D sites	• Consolidating R&D sites from 75 to 34 (incl.10 global centers of excellence) • Unifying development environment • Consolidating gateways • Implemented R&D planning tool
Cost Optimization	• Needed efficiency to self-fund the execution of transformation and next chapter strategy	• Initiated 100 cost-savings projects • Reduced headcount by ~500 • Began 20% data center consolidation • Reduced suppliers by 23% • Closed 19 of 130 facilities • Liquidated 16 of 132 legal entities • Refinanced debt with $1.3B agreement

FY15: THE "YEAR OF PRODUCT"

TERMINAL SOLUTIONS

- Next gen terminal platform
- Next gen mPOS terminals
- Terminal ECR line expansion
- Extension of China portfolio
- Next evolution MX 900 series
- Entry-level PIN Pad update
- Competitive France portfolio

PAYMENT AS A SERVICE

COMMERCE ENABLEMENT

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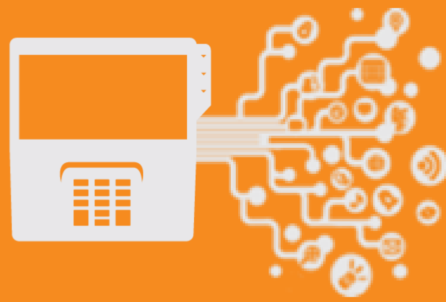
PAYMENT AS A SERVICE

- Enhance infrastructure
- Expand functionality
- Grow in new markets
- Accelerate convergence of e-commerce, m-commerce and brick & mortar solutions
- Invest in global terminal estate management solution
- Expand secure commerce architecture

COMMERCE ENABLEMENT



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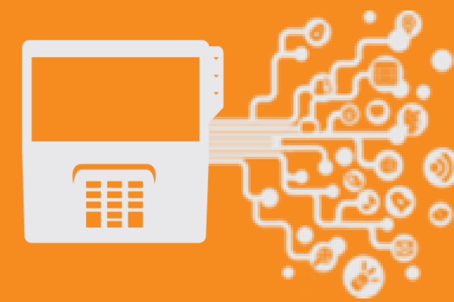
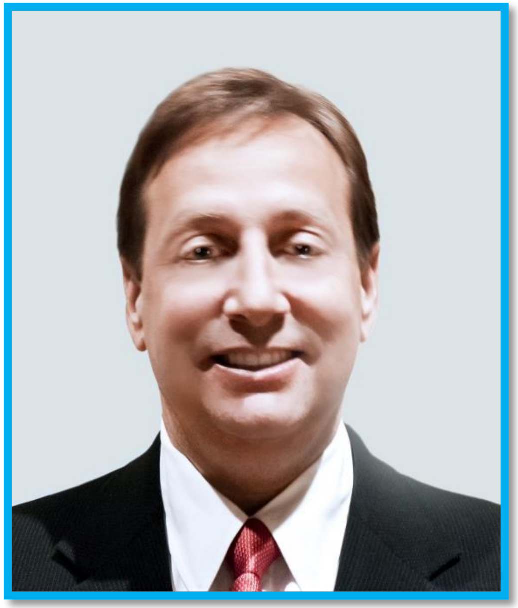


- Extend media platform
- Expand position in value added services
- Replicate online experiences inside the store
- Enable Verifone and 3rd party applications
- Advance cloud POS offerings

Q4 FINANCIAL RESULTS AND GUIDANCE



Marc Rothman

CFO

Verifone®

NON-GAAP KEY METRICS*

	Q413	Q314	Q414	Q414 % SEQ Inc(Dec)	Q414 % YoY Inc(Dec)
Net Revenues	**432**	**476**	**491**	**3%**	**13%**
Gross Margin	**178**	**198**	**207**	**5%**	**16%**
% of Revenue	*41.2%*	*41.6%*	*42.3%*	*0.7pts*	*1.1pts*
Operating Income	**47**	**63**	**68**	**8%**	**45%**
% of Revenue	*10.8%*	*13.2%*	*13.9%*	*0.7pts*	*3.1pts*
Net Income*	**30**	**45**	**50**	**11%**	**65%**
EPS	**0.27**	**0.40**	**0.44**	**10%**	**63%**
Operating Cash Flow*	**55**	**59**	**51**	**(14)%**	**(7)%**
Free Cash Flow	**38**	**38**	**29**	**(24)%**	**(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.

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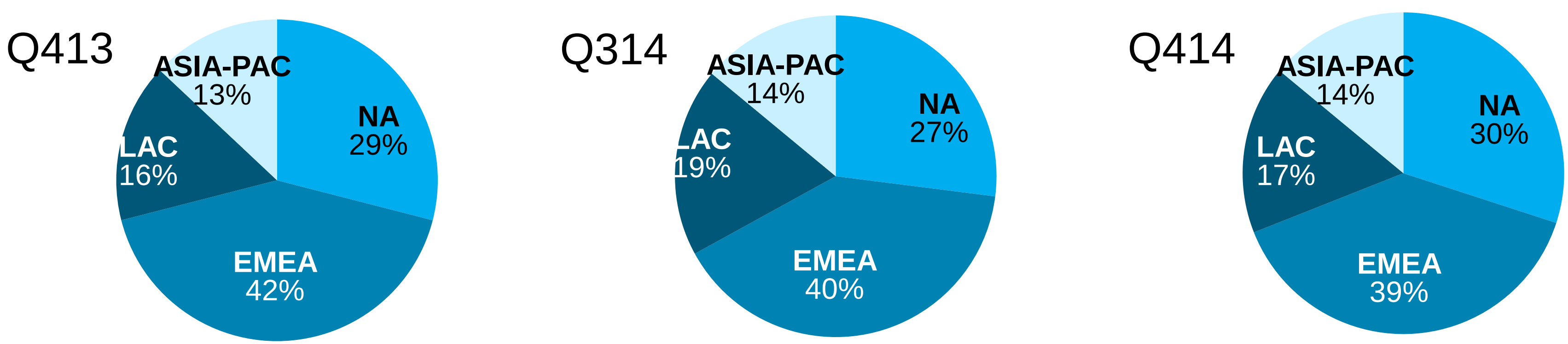
NON-GAAP NET REVENUES PROFILE*

$ in millions	Q413	Q314	Q414	Q414			
				% SEQ Inc(Dec)	% YoY Inc(Dec)	Organic YoY Growth	Organic YoY Constant Currency Growth
North America	124	130	149	15%	20%	20%	20%
LAC	71	89	82	(8)%	16%	16%	20%
EMEA	180	190	189	(1)%	5%	5%	7%
Asia-Pacific	57	67	70	4%	24%	24%	23%
TOTAL	432	476	491	3%	13%	13%	15%



* A reconciliation of our GAAP to Non-GAAP Net Revenues can be found in the appendix section

NON-GAAP NET REVENUES AND GROSS MARGIN*

$ in millions	Q413	Q314	Q414
System Solutions	259	299	311
Services	173	177	180
Total Net Revenues	432	476	491
Services % of Total Net Revenues	**40%**	**37%**	37%

	% of Revenue		
	Q413	Q314	Q414
System Solutions	38.3%	41.3%	41.5%
Services	45.5%	42.1%	43.6%
Total Gross Margin %	41.2%	41.6%	42.3%

* A reconciliation of our GAAP to Non-GAAP Net revenues and gross margin can be found in the appendix section

NON-GAAP OPERATING EXPENSES*

$ in millions	Q413	Q314	Q414
Research and Development	**44**	**46**	**47**
% of Revenue	10%	10%	10%
Sales and Marketing	**48**	**47**	**50**
% of Revenue	11%	10%	10%
General and Administrative	**39**	**42**	**42**
% of Revenue	9%	9%	9%
Total Operating Expenses	**131**	**135**	**139**
% of Revenue	30%	28%	28%

* A reconciliation of our GAAP to Non-GAAP operating expenses can be found in the appendix section

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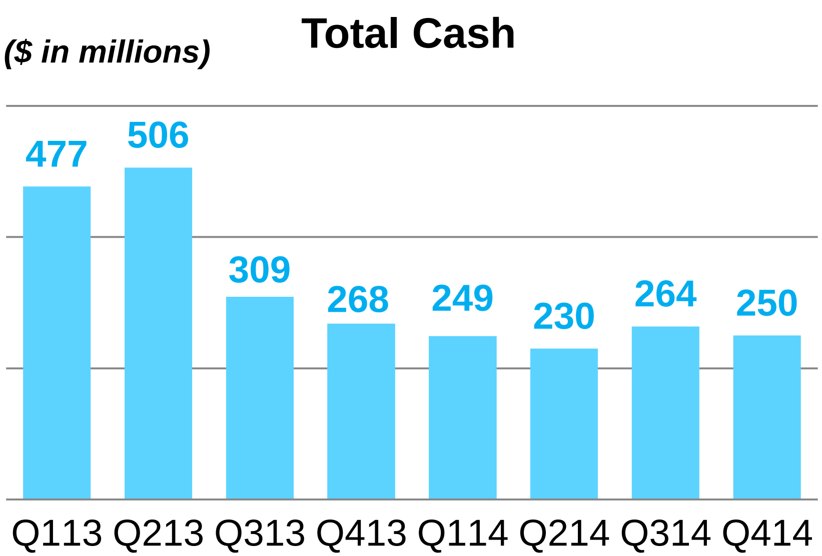
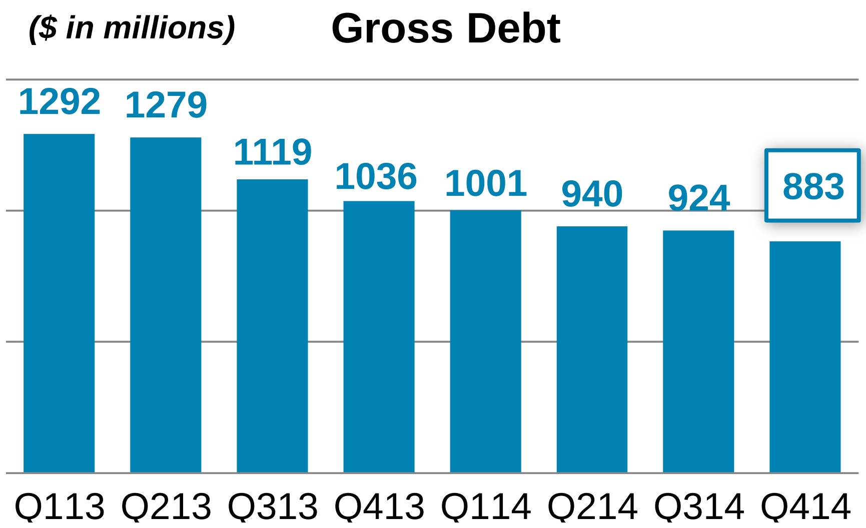
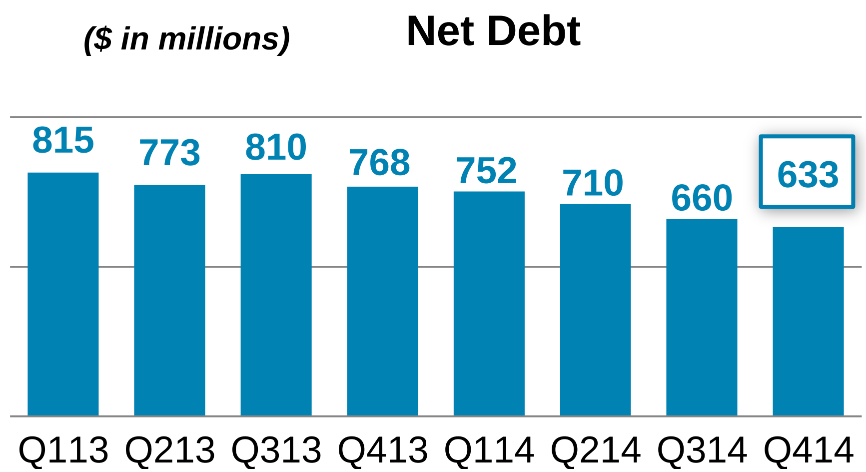
TOTAL CASH, GROSS DEBT AND NET DEBT







As of October 31, 2014:

- **$883M Outstanding Debt:**
  - **Short-term of $32M**
  - **Long-term of $851M**
- **Credit Ratings:**
  - **S&P . . . BB-**
  - **Moody's . . . Ba3**

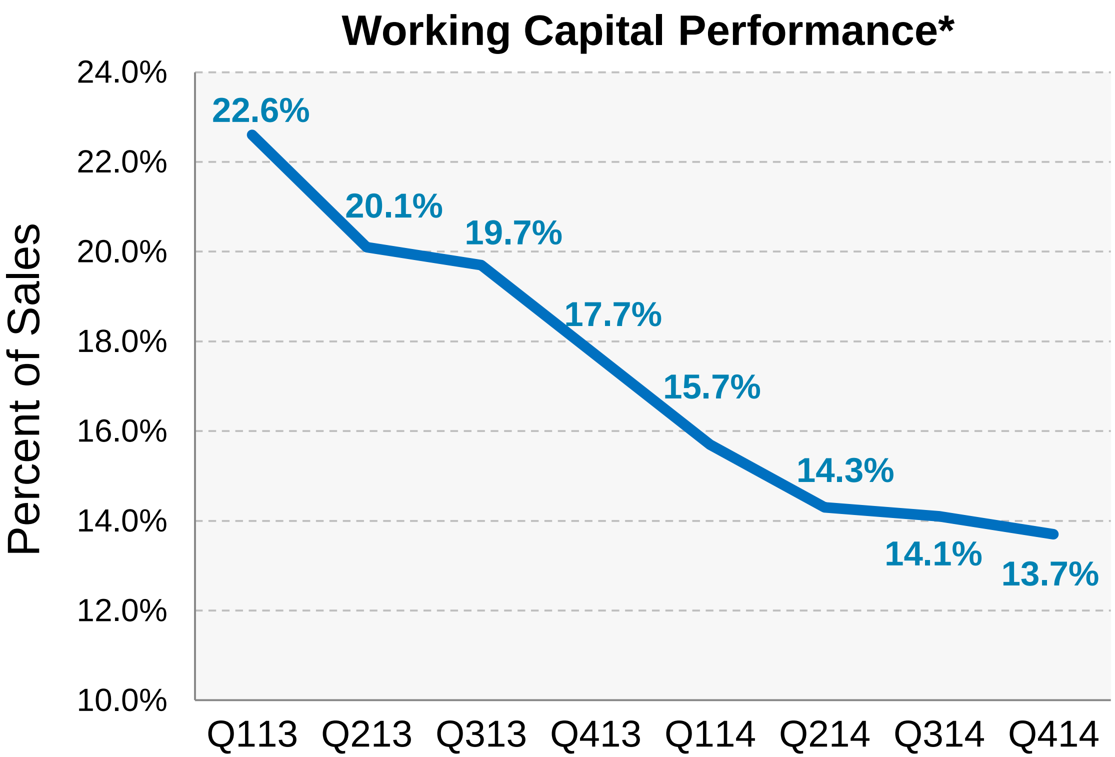
BALANCE SHEET SELECT DATA

$ in millions, except days	Q413		Q314		Q414	
	$	Days	$	Days	$	Days
Accounts Receivables, net	284	59	299	57	306	56
Inventories, net	139	55	113	37	124	38
Accounts Payable	117	41	143	46	161	51
Cash Conversion Cycle		73		48		43

Improved Cash Conversion Cycle by 5 **days**

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



Q/Q changes

- Improved metrics in AR

Y/Y changes

- AR increased $22M
- Inventory decreased $14M
- AP increased $45M

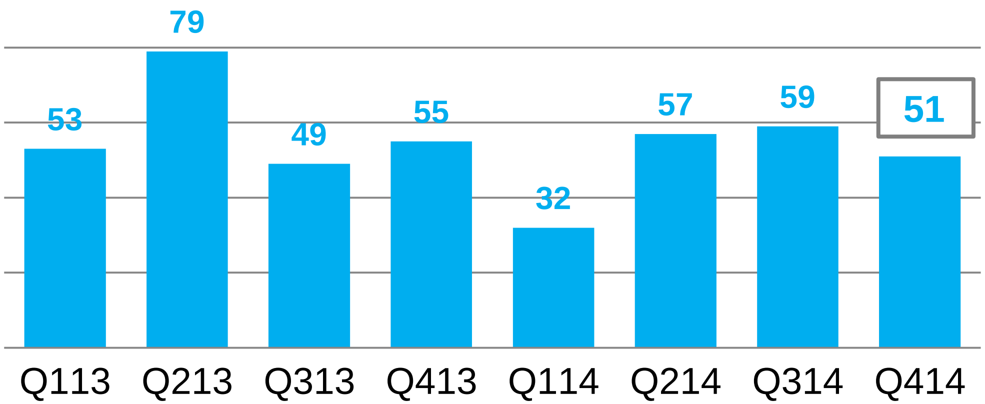
* Working Capital Performance, as % of Non-GAAP Total Net Revenues = working capital / quarterly non-GAAP Total Net Revenues annualized

* 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

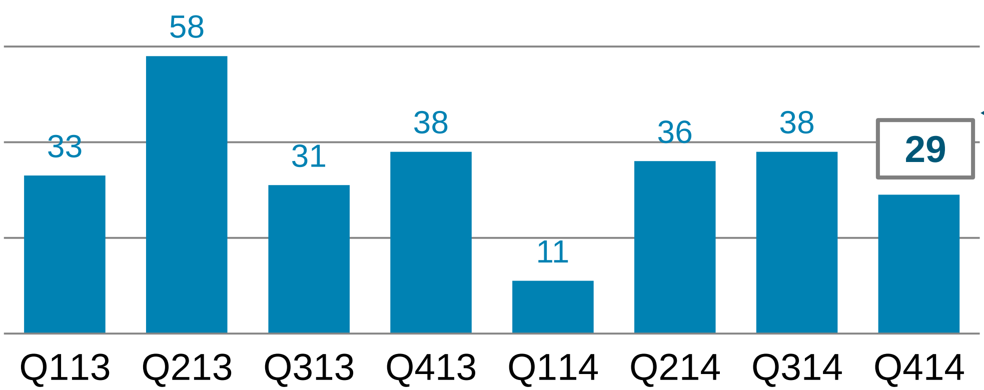
($ in millions) **Operating Cash Flow***



Operating Cash Flow: **$51M**

CapEx: **$22M**

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



Free Cash Flow: **$29M**

* 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	Q115	Full Year FY15
Non-GAAP Net Revenues	$480M - 485M	$2.020B - 2.040B
Non-GAAP EPS	$0.40	$1.85 - 1.90
Free Cash Flow	~$25M	~$150M

Other Items	Q115	Full Year FY15
Non-GAAP Operating Expenses	~$139M	~$565M
Non-GAAP Effective Tax Rate	~14.5%	~14.5%
Capital Expenditures	~$27M	~$125M
Non-GAAP Fully Diluted Shares	~116M	~117M

* 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.

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Q&A SESSION

CONCLUSION

Paul Galant

CEO

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q414

(In millions, except per share data and percentages)	*Note*	Net revenues	Gross margin	Gross margin percentage	Operating income (loss)	Net income (loss) attributable to VeriFone Systems, Inc. stockholders
Three Months Ended October 31, 2014						
GAAP		$ 490.5	$ 196.5	40.1%	$ 33.5	$ 31.1
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	D	—	10.0		33.8	33.8
Other merger, acquisition and divestiture related expenses	D	—	0.6		1.0	(3.5)
Stock based compensation	E	—	0.7		13.0	13.0
Restructuring charges	F	—	0.2		1.5	1.5
Other charges and income	F	—	(0.8)		(14.9)	(15.9)
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	F	—	—		—	(10.1)
Non-GAAP		$ 490.7	$ 207.4	42.3 %	$ 68.1	$ 50.1

		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		113.1	115.1	$ 0.27	$ 0.27
Adjustment for diluted shares	G	—	—		
Non-GAAP		113.1	115.1	$ 0.44	$ 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, D-G at the end of the appendix.

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RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q314

(In millions, except per share data and percentages)	*Note*	Net revenues	Gross margin	Gross margin percentage	Operating income (loss)	Net income (loss) attributable to VeriFone Systems, Inc. stockholders
Three Months Ended July 31, 2014						
GAAP		**$ 475.9**	**$ 182.8**	**38.4%**	**$ (7.5)**	**$ (29.0)**
Adjustments:						
Amortization of step-down in deferred services net revenues at acquisition	A	0.5	0.5		0.5	0.5
Amortization of purchased intangible assets	D	—	10.1		34.6	34.6
Other merger, acquisition and divestiture related expenses	D	—	0.6		1.2	1.9
Stock based compensation	E	—	0.5		13.2	13.2
Restructuring charges	F	—	1.8		10.9	10.9
Cost of debt refinancing	F	—	—		4.1	9.3
Other charges and income	F	—	1.9		5.9	5.9
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	F	—	—		—	(2.0)
Non-GAAP		$ 476.4	$ 198.2	41.6%	$ 62.9	$ 45.3

		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		**112.0**	**112.0**	**$ (0.26)**	**$ (0.26)**
Adjustment for diluted shares	G	—	2.3		
Non-GAAP		112.0	114.3	$ 0.40	$ 0.40

(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, D-G at the end of the appendix.

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q413

(In millions, except per share data and percentages)	*Note*	Net revenues	Gross margin	Gross margin percentage	Operating income (loss)	Net income (loss) attributable to VeriFone Systems, Inc. stockholders
Three Months Ended October 31, 2013						
GAAP		**$ 431.2**	**$ 164.0**	**38.0%**	**$ (15.8)**	**$ (247.7)**
Adjustments:						
Amortization of step-down in deferred services net revenues at acquisition	A	1.1	1.1		1.1	1.1
Amortization of purchased intangible assets	D	—	11.4		35.9	35.9
Other merger, acquisition and divestiture related expenses	D	—	0.7		3.5	4.2
Stock based compensation	E	—	0.8		16.9	16.9
Other charges and income	F	—	—		5.0	4.9
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	F	—	—		—	215.0
Non-GAAP		$ 432.3	$ 178.0	41.2%	$ 46.6	$ 30.3

		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		**109.5**	**109.5**	**$ (2.26)**	**$ (2.26)**
Adjustment for diluted shares	G	—	2.2		
Non-GAAP		109.5	111.7	$ 0.28	$ 0.27

(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, D-G 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 October 31, 2014								
GAAP		**$ 310.9**	**$ 179.6**	**$ 490.5**	**$ 294.0**	**$ 119.8**	**$ 76.7**	**$ 196.5**
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.2	0.2	—	—	0.2	0.2
Other acquisition, divestiture and restructure related, net	D	—	—	—	(10.8)	9.5	1.3	10.8
Stock based compensation	E	—	—	—	(0.7)	0.5	0.2	0.7
Other charges and income	F	—	—	—	0.8	(0.8)	—	(0.8)
Non-GAAP		$ 310.9	$ 179.8	$ 490.7	$ 283.3	$ 129.0	$ 78.4	$ 207.4
Percentage of total net revenues		63.4%	36.6%		57.7%	41.5%	43.6%	42.3%
Three Months Ended July 31, 2014								
GAAP		**$ 299.4**	**$ 176.5**	**$ 475.9**	**$ 293.1**	**$ 112.6**	**$ 70.2**	**$ 182.8**
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.5	0.5	—	—	0.5	0.5
Other acquisition, divestiture and restructure related, net	D	—	—	—	(12.5)	10.2	2.3	12.5
Stock based compensation	E	—	—	—	(0.5)	0.3	0.2	0.5
Other charges and income	F	—	—	—	(1.9)	0.5	1.4	1.9
Non-GAAP		$ 299.4	$ 177.0	$ 476.4	$ 278.2	$ 123.6	$ 74.6	$ 198.2
Percentage of total net revenues		62.8%	37.2%		58.4%	41.3%	42.1%	41.6%
Three Months Ended October 31, 2013								
GAAP		**$ 259.4**	**$ 171.8**	**$ 431.2**	**$ 267.2**	**$ 88.2**	**$ 75.8**	**$ 164.0**
Amortization of step-down in deferred services net revenues at acquisition	A	—	1.1	1.1	—	—	1.1	1.1
Other acquisition, divestiture and restructure related, net	D	—	—	—	(12.1)	10.6	1.5	12.1
Stock based compensation	E	—	—	—	(0.8)	0.5	0.3	0.8
Non-GAAP		$ 259.4	$ 172.9	$ 432.3	$ 254.3	$ 99.3	$ 78.7	$ 178.0
Percentage of total net revenues		60.0%	40.0%		58.8%	38.3%	45.5%	41.2%

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

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RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(In millions, except percentages)	Note	Research and development	Sales and marketing	General and administrative	Total
Three Months Ended October 31, 2014					
GAAP		**$ 50.0**	**$ 56.3**	**$ 50.6**	**$ 156.9**
Other acquisition, divestiture and restructure related, net	D	(0.3)	(0.2)	(1.3)	(1.8)
Stock based compensation	E	(2.8)	(4.9)	(4.6)	(12.3)
Cost of debt refinancing	F	—	—	—	—
Other charges and income	F	—	(0.8)	(2.8)	(3.6)
Non-GAAP		$ 46.9	$ 50.4	$ 41.9	$ 139.2
As a percentage of Non-GAAP Net Revenues		10%	10%	9%	28%
Three Months Ended July 31, 2014					
GAAP		**$ 53.2**	**$ 54.1**	**$ 58.5**	**$ 165.8**
Other acquisition, divestiture and restructure related, net	D	(4.8)	(2.0)	(2.7)	(9.5)
Stock based compensation	E	(2.1)	(5.6)	(5.0)	(12.7)
Cost of debt refinancing	F	—	—	(4.1)	(4.1)
Other charges and income	F	—	0.7	(4.9)	(4.2)
Non-GAAP		$ 46.3	$ 47.2	$ 41.8	$ 135.3
As a percentage of Non-GAAP Net Revenues		10%	10%	9%	28%
Three Months Ended October 31, 2013					
GAAP		**$ 45.8**	**$ 54.8**	**$ 54.3**	**$ 154.9**
Other acquisition, divestiture and restructure related, net	D	(0.4)	(0.1)	(2.3)	(2.8)
Stock based compensation	E	(1.1)	(5.7)	(9.3)	(16.1)
Other charges and income	F	—	(0.5)	(4.1)	(4.6)
Non-GAAP		$ 44.3	$ 48.5	$ 38.6	$ 131.4
As a percentage of Non-GAAP Net Revenues		10%	11%	9%	30%

See explanatory notes for D-F at the end of the appendix

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RECONCILIATION OF GAAP TO NON-GAAP NET REVENUES

$ in millions	GAAP net revenues	Amortization of step-down in deferred revenue at acquisition	Non-GAAP net revenues	Net revenues from businesses acquired in the past 12 months	Non-GAAP organic net revenues	Constant currency adjustment	Non-GAAP organic net revenues at constant currency
Note		(A)	(A)	(B)	(B)	(C)	(C)
Three Months Ended October 31, 2014							
North America	$ 149.1	$ (0.1)	$ 149.0	$ —	$ 149.0	$ 0.2	$ 149.2
LAC	82.1	—	82.1	—	82.1	2.8	84.9
EMEA	189.2	0.2	189.4	—	189.4	2.7	192.1
Asia-Pacific	70.1	0.1	70.2	—	70.2	(0.1)	70.1
Total	$ 490.5	$ 0.2	$ 490.7	$ —	$ 490.7	$ 5.6	$ 496.3
Three Months Ended July 31, 2014							
North America	$ 129.8	$ —	$ 129.8				
LAC	89.2	—	89.2				
EMEA	190.0	0.2	190.2				
Asia-Pacific	66.9	0.3	67.2				
Total	$ 475.9	$ 0.5	$ 476.4				
Three Months Ended October 31, 2013							
North America	$ 124.5	$ 0.1	$ 124.6	$ —	$ 124.6		
LAC	70.8	—	70.8	—	70.8		
EMEA	179.2	0.9	180.1	—	180.1		
Asia-Pacific	56.7	0.1	56.8	—	56.8		
Total	$ 431.2	$ 1.1	$ 432.3	$ —	$ 432.3		

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

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RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

$ in millions	*Note*	Three Months Ended October 31, 2014	Three Months Ended July 31, 2014	Three Months Ended April 30, 2014	Three Months Ended January 31, 2014
Free Cash Flow					
GAAP net cash provided by operating activities	H	$ 51.6	$ 58.9	$ 56.5	$ 31.9
Less: GAAP capital expenditures	H	(22.2)	(20.9)	(21.0)	(20.9)
Free cash flow	H	$ 29.4	$ 38.0	$ 35.5	$ 11.0

		Three Months Ended October 31, 2013	Three Months Ended July 31, 2013	Three Months Ended April 30, 2013	Three Months Ended January 31, 2013
Free Cash Flow					
GAAP net cash provided by operating activities	H	$ 54.9	$ 49.0	$ 79.2	$ 53.4
Less: GAAP capital expenditures	H	(17.2)	(18.1)	(21.4)	(20.8)
Free cash flow	H	$ 37.7	$ 30.9	$ 57.8	$ 32.6

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

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RECONCILIATION OF NET REVENUES GUIDANCE

		Three Months Ending January 31, 2015				Year Ending October 31, 2015			
		Range of Guidance				Range of Guidance			
GAAP net revenues		**$**	**480**	**$**	**485**	**$**	**2,019**	**$**	**2,039**
Adjustments to net revenues	A		—		—		1		1
Non-GAAP net revenues		$	480	$	485	$	2,020	$	2,040

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 organic net revenues. Verifone determines non-GAAP organic net revenues by deducting net revenues from businesses acquired in the past 12 months from non-GAAP net revenues.

Net revenues from businesses acquired in the past 12 months consists of net revenues derived from the sales channels of acquired resellers and distributors, and net revenues from System solutions and Services attributable to businesses acquired in the 12 months preceding the respective financial quarter(s). For acquisitions of small businesses that are integrated within a relatively short time after the close of the acquisition, we assume quarterly net revenues attributable to such acquired businesses during the 12 months following acquisition remain at the same level as in the first full quarter after the acquisition closed.

Note C: Non-GAAP organic net revenues at constant currency. Verifone determines non-GAAP organic net revenues at constant currency by recomputing non-GAAP organic 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 D: Merger, Acquisition and Divestiture Related. Verifone adjusts certain revenues and expenses for items that are the result of merger, acquisitions and divestitures. Acquisition related adjustments include the amortization of purchased intangible assets, fixed asset fair value adjustments, contingent consideration adjustments, incremental costs associated with acquisitions, acquisition integration expenses, loss on financial instruments entered into to fix the acquisition purchase price in U.S. dollars when it is payable in foreign currencies and fair value increase (step-up) of inventory on acquisition, changes in estimate on contingencies that existed at the time of acquisition or collectability of associated notes receivable and gains on divestitures, as well as the net revenues, cost of net revenues and operating expenses for the three months ended January 31, 2013, that are attributable to divested assets and business operations.

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

Note F: 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, restructure and impairment charges related to certain exit activities initiated as part of our global transformation initiatives and gain or loss on financial transactions, such as the accelerated amortization of capitalized debt issuance costs due to the early repayment of debt and penalties due to customers related to the July 2012 fire that occurred in one of our repair and staging facilities in Brazil. 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 (5.3)% for the fiscal quarter ended October 31, 2014, (25.5)% for the fiscal quarter ended July 31, 2014, (790.2)% for the fiscal quarter ended October 31, 2013, 8.6% for the year ended October 31, 2014 and 175.8% for the year ended October 31, 2013. For non-GAAP purposes, we used a 14.5% rate for the fiscal quarters ended October 31, 2014 and July 31, 2014, as well as the year period ended October 31, 2014, and we used a 14.0% rate for the fiscal quarter and year ended October 31, 2013. These non-GAAP tax rates reflect our estimate of cash tax payments as a percentage of Income (loss) before income taxes for the corresponding periods.

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

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