

## Verifone Credit Agreement as Amended 07/08/2014: Financial Covenant Calculations

\$ millions

	Q2 FY16 Apr. 30, 2016	Q3 FY16 July 31, 2016	Q4 FY16 Oct 31, 2016	Q1 FY17 Jan. 31, 2017
<b>Measures Utilized in Calculating Financial Covenant Ratios</b>				
<b>Consolidated Funded Indebtedness less Cash on Hand</b>				
Term Loan A	\$548	\$540	\$525	\$510
Term Loan B	197	196	196	195
Revolving Credit Facility	218	239	205	193
Other	5	8	12	16
Consolidated Funded Indebtedness [1]	968	983	937	914
less:				
Cash and cash equivalents	157	157	148	147
Less \$100M	(100)	(100)	(100)	(100)
Cash on Hand (not to exceed \$175M)	57	57	48	47
Consolidated Funded Indebtedness Less Cash on Hand	911	927	888	867
<b>Consolidated EBITDA</b>				
Net income (loss) attributable to VeriFone Systems, Inc. stockholders	3	(31)	(5)	(17)
Interest, net [2]	8	9	9	8
Provision for (benefit from) income taxes	3	0	6	3
Depreciation and amortization, net	18	18	16	16
Stock based compensation	12	11	9	10
Amortization of purchased intangibles and step-down in deferred revenue at acquisition	32	33	31	24
Other [3]	24	49	(3)	9
Pro-Forma Adjustments to EBITDA	0	0	0	0
Consolidated EBITDA [3]	99	89	64	53
<b>Consolidated EBITDA for Last 4 Quarters including Pro Forma Adjustments</b>	<b>397</b>	<b>394</b>	<b>355</b>	<b>305</b>
<b>Non-GAAP Consolidated Cash Interest Expense</b>				
Interest Expense	9.1	9.7	9.4	8.7
less:				
Amortization of debt discount and debt issuance fees	1.0	1.1	1.1	1.3
Annual agency fees, unused line fees and letter of credit fees and expenses paid	0.1	0.1	0.1	0.2
Non-GAAP Consolidated Cash Interest Expense	8.0	8.4	8.2	7.2
Non-GAAP Consolidated Cash Interest Expense for Last 4 Quarters	<b>29.7</b>	<b>30.8</b>	<b>32.0</b>	<b>31.8</b>
<b>Financial Covenant Ratios</b>				
<b>Total Leverage Ratio</b>				
Consolidated Funded Indebtedness Less Cash on Hand	911	927	888	867
Consolidated EBITDA for Last 4 Quarters	397	394	355	305
<b>Total Leverage Ratio</b>				<b>2.84</b>
Maximum Level for Compliance	4.00	4.00	4.00	4.00
Compliant?	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Interest Coverage Ratio</b>				
Consolidated EBITDA for Last 4 Quarters	397	394	355	305
Non-GAAP Consolidated Cash Interest Expense for Last 4 Quarters	30	31	32	32
<b>Interest Coverage Ratio</b>				<b>9.59</b>
Minimum Level for Compliance	3.00	3.00	3.00	3.00
Compliant?	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Notes:

[1] Consolidated Funded Indebtedness is defined in the credit agreement as the total of debt and capital l

[2] Interest expense includes amortization of debt issuance costs.

[3] Consolidated EBITDA is defined in the credit agreement to also include certain other adjustments. These adjustments include: extraordinary, unusual or non-recurring items of gain or loss; any gain or loss from discontinued operations; the cumulative effect of a change in accounting principles; certain financial advisory, accounting, legal, consulting and other professional fees; income or loss attributable to the early extinguishment of indebtedness, hedging agreements or other derivative instruments; non-cash charges, write-downs, expenses and losses; certain "run rate" cost savings, operating expenses reductions and cost-saving synergies subject to maximum amounts specified in the credit agreement; and pro forma additions or subtractions to EBITDA for acquisitions or divestitures prior to the applicable acquisition/divestiture date. EBITDA, Consolidated EBITDA and Non-GAAP Consolidated Cash Interest Expense are non-GAAP measures. 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 strategic decisions regarding its capital structure, assess its ability to service its debt and assess its ability to maintain compliance with covenants under its 2011 Credit Agreement. Management also believes that the inclusion of supplementary adjustments to Consolidated EBITDA and Non-GAAP Consolidated Cash Interest Expense are appropriate to provide additional information to investors about items that will impact the calculations of Consolidated EBITDA and Non-GAAP Consolidated Cash Interest Expense that are used to determine covenant compliance under our credit agreement. Since not all companies use identical calculations, this presentation of Consolidated EBITDA and Non-GAAP Consolidated Cash Interest Expense may not be comparable to other similarly titled measures of other 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. Further, these non-GAAP measures do not purport to be an alternative to net income (loss) attributable to VeriFone Systems, Inc. as a measure of operating performance or to cash flows from operating activities as a measure of liquidity, and is not intended to be a measure of free cash flow available for management's discretionary use. Investors are strongly encouraged to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. VeriFone's quarterly earnings releases as filed with the Securities and Exchange Commission ("SEC") as well as its quarterly reports on Form 10-Q and annual reports on Form 10-K are available on the SEC's website at [www.sec.gov](http://www.sec.gov).