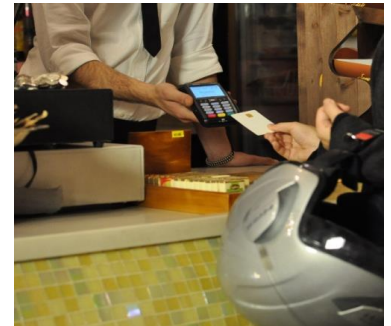


FINANCIAL RESULTS

For the Third Quarter
Ended July 31, 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[®]

Q3 BUSINESS HIGHLIGHTS

Record revenue quarter; first \$500M+ quarter in company history

18% EPS growth over Q3FY14

North America: 3rd consecutive record quarter of \$209M (61% YOY growth)

EMEA: 6 European markets with double-digit constant currency growth

Latin America: Driving services growth; new global gateway in Mexico

Asia: 11% sequential growth; new Asia Pacific, China leaders

Year of Product: Progress on next generation terminals and services platforms

TRANSFORMATION PROGRESS – YEAR TO DATE

	Key Initiatives	
Product Portfolio Management	<ul style="list-style-type: none">• Driving Global Product Mgmt• Reduced SKUs ~60%• Reduced active platforms from 13 to 8• Divested non-core businesses	<ul style="list-style-type: none">• Expanding product portfolio<ul style="list-style-type: none">• Verifone Engage• Developing full China product suite• Complete mPOS and mobile product family
R&D Re-Engineering	<ul style="list-style-type: none">• Established Global R&D infrastructure• Created 10 Centers of Excellence• Unifying development environment• Consolidated R&D sites from 75 to 60	<ul style="list-style-type: none">• Consolidating to next-generation payment gateway• Implemented R&D planning and resource system
Cost Optimization	<ul style="list-style-type: none">• Initiated 100 cost-savings projects• Additional restructuring plans announced in Q3 15• Consolidating distribution, repair & warehouse operations• Refinanced debt with \$1.3B agreement• Consolidated 11 data centers	<ul style="list-style-type: none">• Closed 28 facilities• Liquidated 22 of 134 legal entities• 62% of entities covered by financial shared services

WHAT WILL DRIVE GROWTH IN FY16 AND BEYOND?

U.S. EMV migration	3-year upgrade cycle; ~3% North America revenue growth in FY16
U.S. Mid-Tier/SMB	~7M devices still need to be upgraded (~2M of which are greenfield)
U.S. Hospitality	~1M additional greenfield opportunity
U.S. Petro	~\$50M incremental revenue in FY16 (at-pump, site controller, media)
Verifone Engage	New device platform for interactive commerce; available 1H16
Mobility	e355 available Q415; ~\$35M incremental revenue in FY16
Next Gen Gateways	Successful launch in Mexico; rollout in U.S. next
Estate Management	VHQ scaling globally
Secure Commerce Architecture	Over 25 SCA deals in Q3; pipeline of 220k connected devices
Visa CyberSource	Formal joint marketing begins Q4; client onboarding early 1H16
App Marketplace	App ecosystem to launch in early 2016

Q3 FINANCIAL RESULTS AND GUIDANCE

Marc Rothman
Chief Financial Officer

Verifone®

NON-GAAP KEY METRICS*

<i>\$ in millions, except EPS</i>	Q314	Q215	Q315	Q315	
				% SEQ Inc(Dec)	% YoY Inc(Dec)
Net Revenues	476	490	510	4%	7%
Gross Margin	198	210	213	1%	7%
<i>% of Revenue</i>	<i>41.6%</i>	<i>42.8%</i>	<i>41.7%</i>	<i>(1.1)pts</i>	<i>0.1pts</i>
Operating Income	63	69	72	3%	14%
<i>% of Revenue</i>	<i>13.2%</i>	<i>14.1%</i>	<i>14.0%</i>	<i>(0.1)pts</i>	<i>0.8pts</i>
Net Income*	45	51	54	7%	20%
EPS	0.40	0.44	0.47	7%	18%
Operating Cash Flow*	59	56	71	27%	21%
Free Cash Flow*	38	27	42	55%	10%

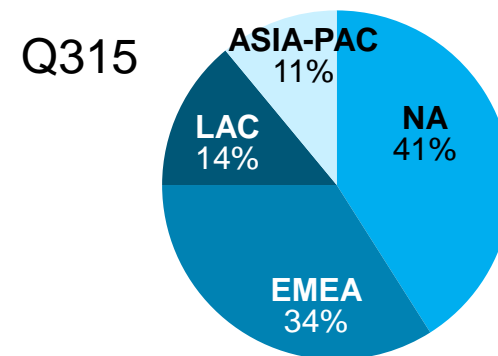
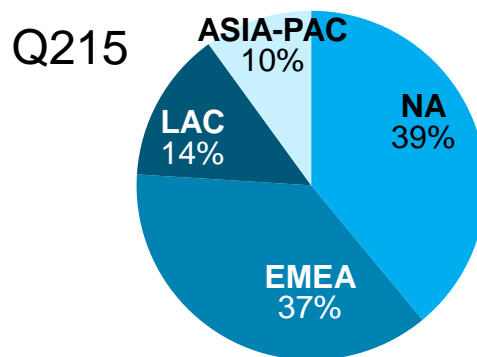
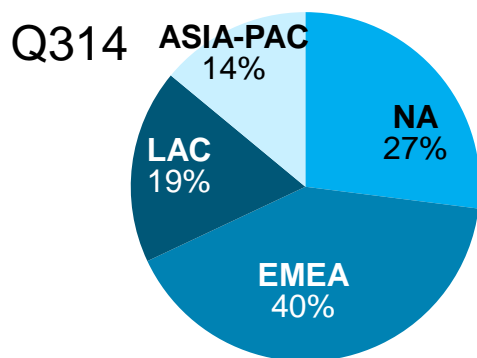
* Net Income = Net Income attributable to VeriFone Systems, Inc. stockholders

* 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	Q314	Q215	Q315	Q315		
				% SEQ Inc(Dec)	% YoY Inc(Dec)	YoY Constant Currency Growth
North America	130	193	209	8%	61%	61%
Latin America	89	68	74	8%	(17)%	0%
EMEA	190	180	173	(4)%	(9)%	5%
Asia-Pacific	67	50	55	11%	(18)%	(8)%
TOTAL	476	490	510	4%	7%	18%



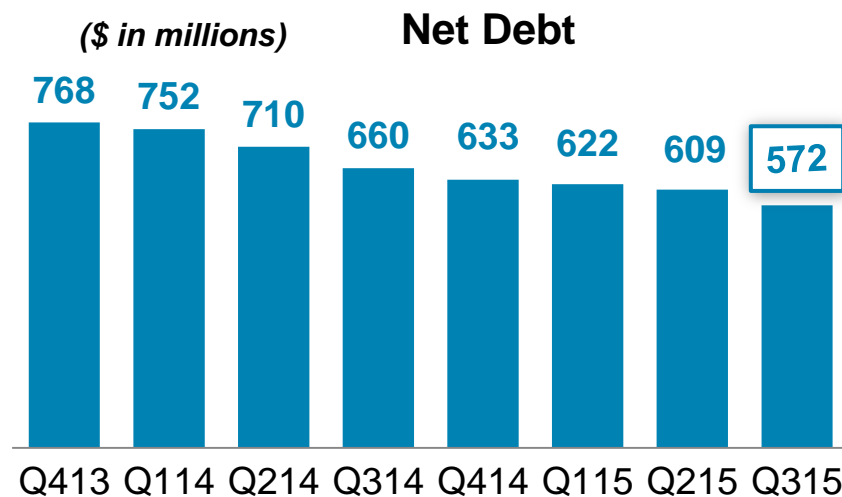
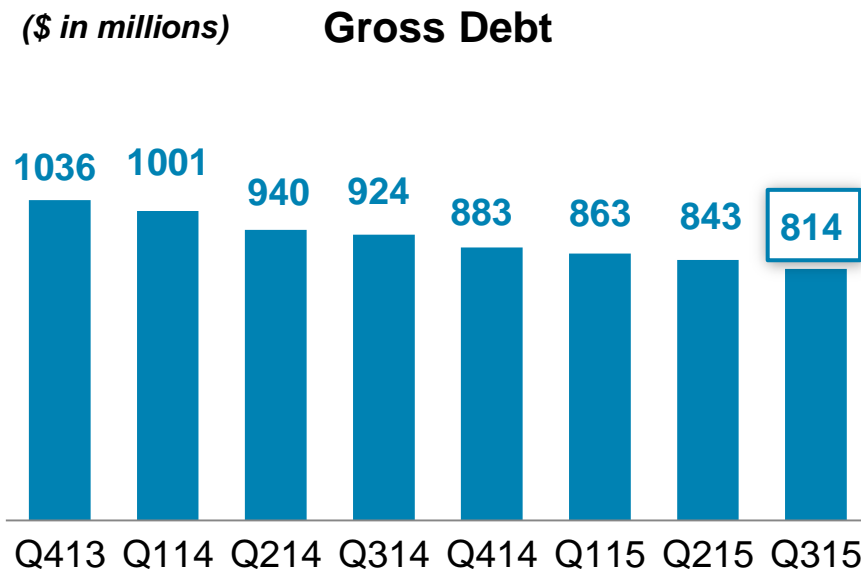
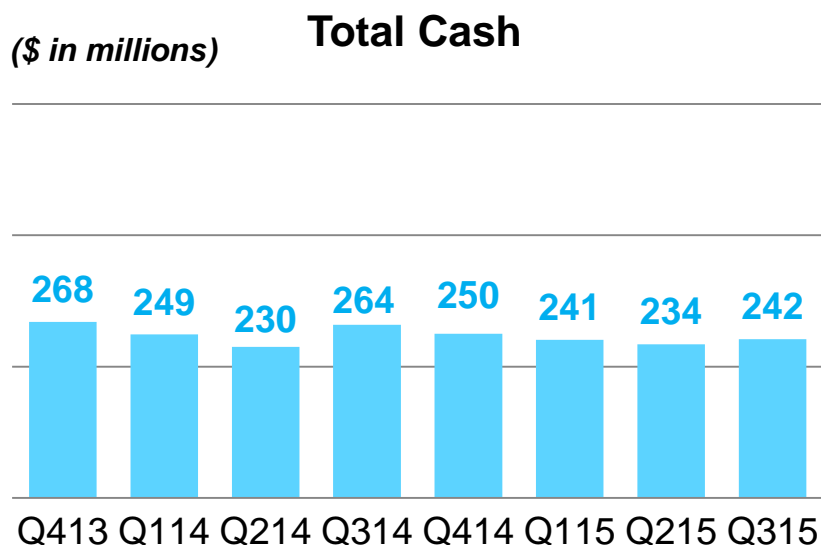
NON-GAAP NET REVENUES AND GROSS MARGIN*

<i>\$ in millions</i>	Q314	Q215	Q315
System Solutions	299	324	333
Services	177	166	177
Total Net Revenues	476	490	510
Services % of Total Net Revenues	37%	34%	35%
	% of Revenue		
	Q314	Q215	Q315
System Solutions	41.3%	43.1%	41.1%
Services	42.1%	42.1%	42.9%
Total Gross Margin %	41.6%	42.8%	41.7%

NON-GAAP OPERATING EXPENSES*

<i>\$ in millions</i>	Q314	Q215	Q315
Research and Development	46	46	49
% of Revenue	10%	9%	10%
Sales and Marketing	47	51	50
% of Revenue	10%	10%	10%
General and Administrative	42	43	42
% of Revenue	9%	9%	8%
Total Operating Expenses	135	140	141
% of Revenue	28%	29%	28%

TOTAL CASH, GROSS DEBT AND NET DEBT



As of July 31, 2015:

- **\$814M Outstanding Debt:**
 - Short-term of \$32M
 - Long-term of \$782M
- **Credit Ratings:**
 - S&P . . . BB
 - Moody's . . . Ba3

BALANCE SHEET SELECT DATA

<i>\$ in millions</i>	Q314		Q215		Q315	
	\$	Days	\$	Days	\$	Days
Accounts Receivables, net	299	57	328	60	322	57
Inventories	113	37	129	43	122	38
Accounts Payable	143	46	171	55	150	45
Cash Conversion Cycle		47		48		49

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 divided by Non-GAAP Total Cost of Net Revenues * 90 days

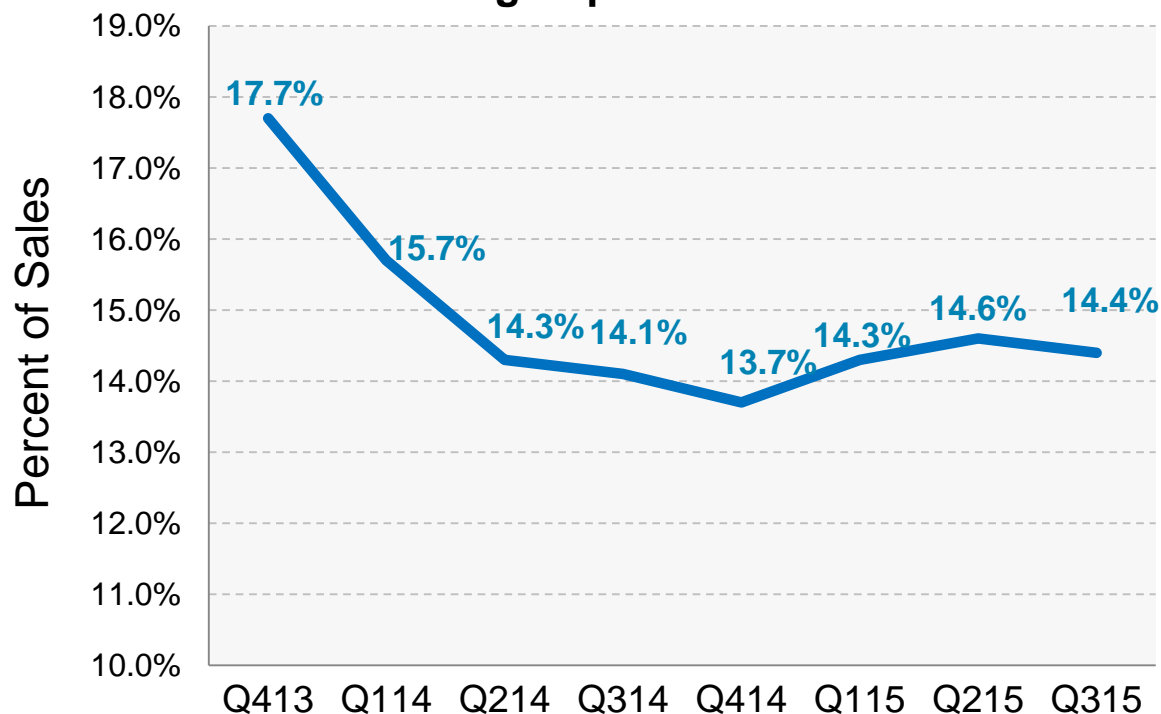
Accounts Payable Days is calculated as Accounts Payable divided by Non-GAAP Total Cost of Net Revenues * 90 days

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

Working Capital Performance*



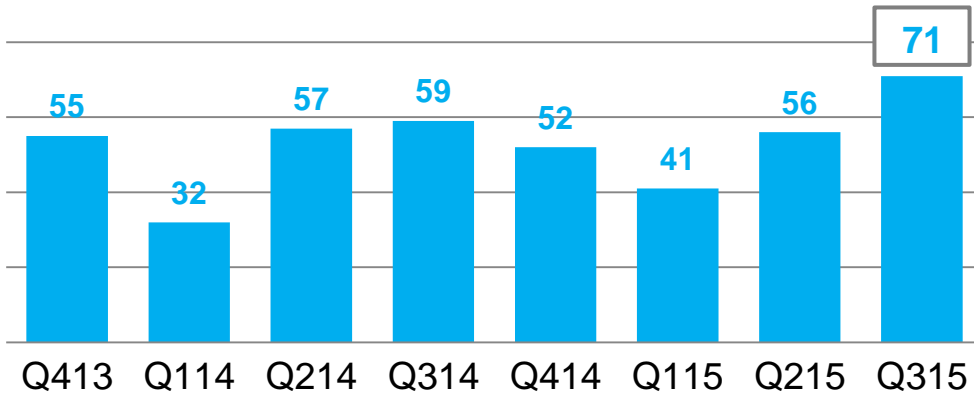
Y/Y changes

- AR increased \$23M
- Inventory increased \$9M
- AP increased \$7M

* 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

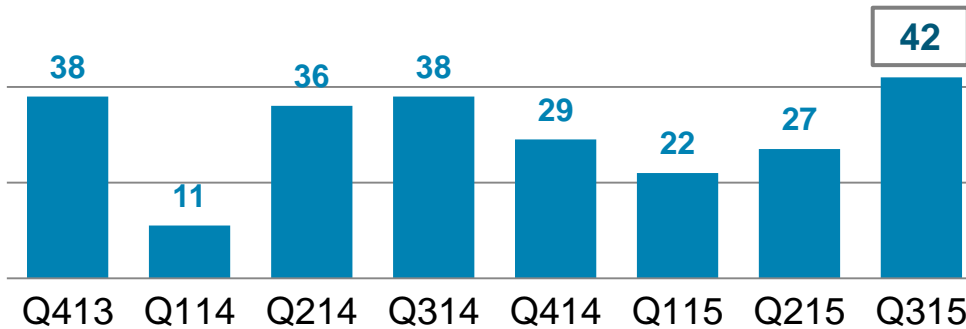
(\$ in millions) **Operating Cash Flow***



← Operating Cash Flow: **\$71M**

CapEx: ~\$30M

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



← Free Cash Flow: **\$42M**

* 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	Q415	Full Year FY15
Non-GAAP Net Revenues	\$510M – 513M	\$1.997B - 2.000B
Non-GAAP EPS	\$0.47 – 0.48	\$1.82 - 1.83
Free Cash Flow	~\$50M	~\$140M

Other Items	Q415	Full Year FY15
Non-GAAP Operating Expenses	~\$144M	~\$562M
Non-GAAP Effective Tax Rate	~14.5%	~14.5%
Capital Expenditures	~\$35M	~\$114M
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.

Q&A SESSION

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP KEY METRICS Q315

<i>(In millions, except per share data and percentages)</i>							
<i>Note</i>		Net revenues	Gross margin	Gross margin percentage	Operating income	Income tax provision	Net income attributable to VeriFone Systems, Inc. stockholders
Three Months Ended July 31, 2015							
GAAP		\$ 509.9	\$ 206.5	40.5%	\$ 20.3	\$ 1.4	\$ 9.5
Adjustments:							
Amortization of step-down in deferred services net revenues at acquisition	A	0.1	0.1		0.1	—	0.1
Amortization of purchased intangible assets	C	—	4.5		24.5	—	24.5
Other merger and acquisition related expenses	C	—	0.5		1.7	—	3.2
Stock based compensation	D	—	0.4		11.2	—	11.2
Restructuring charges	E	—	0.2		6.0	—	6.0
Other charges and income	E	—	0.5		7.7	—	7.7
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	E	—	—		—	7.9	(7.9)
Non-GAAP		\$ 510.0	\$ 212.7	41.7%	\$ 71.5	\$ 9.3	\$ 54.3
		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		114.4	116.4			\$ 0.08	\$ 0.08
Non-GAAP		114.4	116.4			\$ 0.47	\$ 0.47

(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 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 Q314

<i>(In millions, except per share data and percentages)</i>							Net income (loss) attributable to VeriFone Systems, Inc. stockholders
<i>Note</i>		Net revenues	Gross margin	Gross margin percentage	Operating income (loss)	Income tax provision	
Three Months Ended July 31, 2014							
GAAP		\$ 475.9	\$ 182.8	38.4%	\$ (7.5)	\$ 5.8	\$ (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	C	—	10.1		34.6	—	34.6
Other merger, acquisition and divestiture related expenses	C	—	0.6		1.2	—	1.9
Stock based compensation	D	—	0.5		13.2	—	13.2
Restructuring charges	E	—	1.8		10.9	—	10.9
Cost of debt refinancing	E	—	—		4.1	—	9.3
Other charges and income	E	—	1.9		5.9	—	5.9
Income tax effect of non-GAAP exclusions and adjustment to cash basis tax rate	E	—	—		—	2.0	(2.0)
Non-GAAP		\$ 476.4	\$ 198.2	41.6%	\$ 62.9	\$ 7.8	\$ 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	F	—	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, 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 July 31, 2015								
GAAP		\$ 333.0	\$ 176.9	\$ 509.9	\$ 303.4	\$ 131.8	\$ 74.7	\$ 206.5
Amortization of step-down in deferred services net revenues at acquisition	A	—	0.1	0.1	—	—	0.1	0.1
Other acquisition and restructure related, net	C	—	—	—	(5.2)	4.4	0.8	5.2
Stock based compensation	D	—	—	—	(0.4)	0.3	0.1	0.4
Other charges and income	E	—	—	—	(0.5)	0.2	0.3	0.5
Non-GAAP		<u>\$ 333.0</u>	<u>\$ 177.0</u>	<u>\$ 510.0</u>	<u>\$ 297.3</u>	<u>\$ 136.7</u>	<u>\$ 76.0</u>	<u>\$ 212.7</u>
Percentage of Non-GAAP net revenues		65.3%	34.7%		58.3%	41.1%	42.9%	41.7%
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		<u>\$ 324.3</u>	<u>\$ 166.0</u>	<u>\$ 490.3</u>	<u>\$ 280.6</u>	<u>\$ 139.8</u>	<u>\$ 69.9</u>	<u>\$ 209.7</u>
Percentage of Non-GAAP net revenues		66.1%	33.9%		57.2%	43.1%	42.1%	42.8%
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 and restructure related, net	C	—	—	—	(12.5)	10.2	2.3	12.5
Stock based compensation	D	—	—	—	(0.5)	0.3	0.2	0.5
Other charges and income	E	—	—	—	(1.9)	0.5	1.4	1.9
Non-GAAP		<u>\$ 299.4</u>	<u>\$ 177.0</u>	<u>\$ 476.4</u>	<u>\$ 278.2</u>	<u>\$ 123.6</u>	<u>\$ 74.6</u>	<u>\$ 198.2</u>
Percentage of Non-GAAP net revenues		62.8%	37.2%		58.4%	41.3%	42.1%	41.6%

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 July 31, 2015					
GAAP		\$ 54.2	\$ 56.6	\$ 55.4	\$ 166.2
Other acquisition and restructure related, net	C, E	(3.4)	(1.1)	(2.6)	(7.1)
Stock based compensation	D	(1.7)	(4.7)	(4.4)	(10.8)
Other charges and income	E	—	(0.9)	(6.3)	(7.2)
Non-GAAP		\$ 49.1	\$ 49.9	\$ 42.1	\$ 141.1
As a percentage of total Non-GAAP net revenues		10%	10%	8%	28%
Three Months Ended April 30, 2015					
GAAP		\$ 47.6	\$ 55.3	\$ 49.5	\$ 152.4
Other acquisition and restructure related, net	C, E	—	(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 total Non-GAAP net revenues		9%	10%	9%	29%
Three Months Ended July 31, 2014					
GAAP		\$ 53.2	\$ 54.1	\$ 58.5	\$ 165.8
Other acquisition and restructure related, net	C, E	(4.8)	(2.0)	(2.7)	(9.5)
Stock based compensation	D	(2.1)	(5.6)	(5.0)	(12.7)
Cost of debt refinancing	E	—	—	(4.1)	(4.1)
Other charges and income	E	—	0.7	(4.9)	(4.2)
Non-GAAP		\$ 46.3	\$ 47.2	\$ 41.8	\$ 135.3
As a percentage of total Non-GAAP net revenues		10%	10%	9%	28%

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 July 31, 2015					
North America	\$ 208.6	\$ —	\$ 208.6	\$ 1.2	\$ 209.8
Latin America	73.7	—	73.7	15.1	88.8
EMEA	172.6	0.1	172.7	27.2	199.9
Asia-Pacific	55.0	—	55.0	6.5	61.5
Total	\$ 509.9	\$ 0.1	\$ 510.0	\$ 50.0	\$ 560.0
Three Months Ended April 30, 2015					
North America	\$ 193.0	\$ —	\$ 193.0		
Latin America	68.1	—	68.1		
EMEA	179.4	0.2	179.6		
Asia-Pacific	49.6	—	49.6		
Total	\$ 490.1	\$ 0.2	\$ 490.3		
Three Months Ended July 31, 2014					
North America	\$ 129.8	\$ —	\$ 129.8		
Latin America	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		

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

		Three Months Ended			
		July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
		<i>\$ in millions</i>			
	<i>Note</i>				
Free Cash Flow					
GAAP net cash provided by operating activities	G	\$ 71.4	\$ 56.3	\$ 41.1	\$ 51.6
Less: GAAP capital expenditures	G	(29.6)	(29.3)	(19.6)	(22.2)
Free cash flow	G	\$ 41.8	\$ 27.0	\$ 21.5	\$ 29.4
Three Months Ended					
		July 31, 2014	April 30, 2014	January 31, 2014	October 31, 2013
Free Cash Flow					
GAAP net cash provided by operating activities	G	\$ 58.9	\$ 56.5	\$ 31.9	\$ 54.9
Less: GAAP capital expenditures	G	(20.9)	(21.0)	(20.9)	(17.2)
Free cash flow	G	\$ 38.0	\$ 35.5	\$ 11.0	\$ 37.7

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

RECONCILIATION OF NET REVENUES GUIDANCE

		Three Months Ending October 31, 2015		Year Ending October 31, 2015	
		Range of Guidance		Range of Guidance	
GAAP net revenues		\$ 510	\$ 513	\$ 1,996	\$ 1,999
Adjustments to net revenues	A	—	—	1	1
Non-GAAP net revenues		\$ 510	\$ 513	\$ 1,997	\$ 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 and gain or loss on financial transactions, such as the accelerated amortization of capitalized debt issuance costs due to the early repayment of debt. 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 12.6% for the fiscal quarter ended July 31, 2015, 7.6% for the fiscal quarter ended April 30, 2015, (25.5)% for the fiscal quarter ended July 31, 2014, 9.3% for the nine months ended July 31, 2015 and 2.7% for the nine months ended July 31, 2014. For non-GAAP purposes, we used a 14.5% rate for the fiscal quarters ended July 31, 2015, April 30, 2015 and July 31, 2014 and the nine months ended July 31, 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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