

(In millions, except per share data and percentages)

Non-GAAP Financial Measures (Unaudited) *See Reconciliations of GAAP To Non-GAAP Financial Measures on Page 2	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
	Jan-14	Apr-14	Jul-14	Oct-14	2014	Jan-15	Apr-15	Jul-15	Oct-15	2015	Jan-16	Apr-16	Jul-16	Oct-16	2016	Jan-17	
Non-GAAP Net revenues:																	
Systems	\$ 261.2	\$ 290.7	\$ 299.4	\$ 310.9	\$1,162.2	\$ 313.4	\$ 324.3	\$ 333.0	\$ 338.9	\$ 1,309.6	\$ 337.6	\$ 342.5	\$ 292.1	\$ 264.3	\$ 1,236.3	\$ 265.4	
Services	176.0	176.1	177.0	179.8	708.8	173.5	166.0	177.0	175.3	691.9	176.0	189.9	200.5	203.3	769.8	191.2	
Total Non-GAAP net revenues	\$ 437.2	\$ 466.8	\$ 476.4	\$ 490.7	\$1,871.0	\$ 486.9	\$ 490.3	\$ 510.0	\$ 514.2	\$ 2,001.5	\$ 513.6	\$ 532.4	\$ 492.6	\$ 467.6	\$ 2,006.1	\$ 456.6	
Non-GAAP Gross margins:																	
Systems	\$ 104.8	\$ 117.4	\$ 123.6	\$ 129.0	\$ 474.9	\$ 132.9	\$ 139.8	\$ 136.7	\$ 146.3	\$ 555.7	\$ 146.4	\$ 145.0	\$ 120.8	\$ 92.9	\$ 504.9	\$ 100.6	
As % of Systems revenues	40.1 %	40.4 %	41.3 %	41.5 %	40.9 %	42.4 %	43.1 %	41.1 %	43.2 %	42.4 %	43.4 %	42.3 %	41.4 %	35.1 %	40.8 %	37.9 %	
Services	80.4	75.9	74.6	78.4	309.3	73.5	69.9	76.0	76.9	296.2	73.6	81.0	87.2	91.8	333.8	77.2	
As % of Services revenues	45.7 %	43.1 %	42.1 %	43.6 %	43.6 %	42.4 %	42.1 %	42.9 %	43.9 %	42.8 %	41.8 %	42.7 %	43.5 %	45.2 %	43.4 %	40.4 %	
Total Non-GAAP Gross margins	\$ 185.2	\$ 193.3	\$ 198.2	\$ 207.4	\$ 784.2	\$ 206.4	\$ 209.7	\$ 212.7	\$ 223.2	\$ 851.9	\$ 220.0	\$ 226.0	\$ 208.0	\$ 184.7	\$ 838.7	\$ 177.8	
As % of Non-GAAP revenues	42.4 %	41.4 %	41.6 %	42.3 %	41.9 %	42.4 %	42.8 %	41.7 %	43.4 %	42.6 %	42.8 %	42.4 %	42.2 %	39.5 %	41.8 %	38.9 %	
Non-GAAP Operating income	53.2	\$ 60.0	\$ 62.9	\$ 68.1	\$ 244.3	\$ 70.1	\$ 69.3	\$ 71.5	\$ 76.0	\$ 287.0	\$ 72.2	\$ 72.2	\$ 64.9	\$ 48.7	\$ 258.1	\$ 38.1	
Non-GAAP Operating income as % of Non-GAAP net revenues	12.2 %	12.9 %	13.2 %	13.9 %	13.1 %	14.4 %	14.1 %	14.0 %	14.8 %	14.3 %	14.1 %	13.6 %	13.2 %	10.4 %	12.9 %	8.3 %	
Non-GAAP Interest and Other income (expense), net	\$ (11.9)	\$ (10.4)	\$ (8.8)	\$ (8.8)	\$ (39.9)	\$ (9.8)	\$ (9.2)	\$ (7.2)	\$ (9.5)	\$ (35.6)	\$ (8.6)	\$ (10.6)	\$ (9.5)	\$ (9.8)	\$ (38.5)	\$ (10.5)	
Non-GAAP Income tax provision	\$ 5.9	\$ 7.1	\$ 7.7	\$ 8.5	\$ 29.2	\$ 8.7	\$ 8.7	\$ 9.3	\$ 9.6	\$ 36.4	\$ 9.2	\$ 8.9	\$ 8.0	\$ 5.7	\$ 31.8	\$ 4.0	
Non-GAAP Tax rate	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	
Non-GAAP Net income attributable to VeriFone Systems, Inc. stockholders	\$ 34.8	\$ 41.6	\$ 45.3	\$ 50.1	\$ 171.8	\$ 50.8	\$ 50.9	\$ 54.3	\$ 56.2	\$ 212.1	\$ 53.7	\$ 51.9	\$ 46.3	\$ 33.1	\$ 185.0	\$ 23.2	
Non-GAAP Net Income income attributable to VeriFone Systems, Inc. stockholders as % of Non-GAAP net revenues	8.0 %	8.9 %	9.5 %	10.2 %	9.2 %	10.4 %	10.4 %	10.6 %	10.9 %	10.6 %	10.5 %	9.7 %	9.4 %	7.1 %	9.2 %	5.1 %	
Non-GAAP Net income per share attributable to VeriFone Systems, Inc. stockholders																	
Basic	\$ 0.32	\$ 0.37	\$ 0.40	\$ 0.44	\$ 1.54	\$ 0.45	\$ 0.45	\$ 0.47	\$ 0.49	\$ 1.86	\$ 0.48	\$ 0.47	\$ 0.42	\$ 0.30	\$ 1.67	\$ 0.21	
Diluted	\$ 0.31	\$ 0.37	\$ 0.40	\$ 0.44	\$ 1.51	\$ 0.44	\$ 0.44	\$ 0.47	\$ 0.49	\$ 1.83	\$ 0.48	\$ 0.47	\$ 0.42	\$ 0.30	\$ 1.66	\$ 0.21	
Year over Year Growth - Diluted EPS	(39.2)%	(11.9)%	66.7%	63.0%	4.9%	41.9 %	18.9 %	17.5%	11.4 %	21.2 %	9.1%	6.8%	(10.6)%	(38.8)%	(9.3)%	(56.3)%	
Shares used in computing net income per share:																	
Basic	110.3	111.1	112.0	113.1	111.6	113.4	113.9	114.4	114.4	114.0	111.3	110.3	110.7	111.1	110.8	111.4	
Diluted	112.4	113.5	114.3	115.1	113.8	115.5	115.9	116.4	115.6	115.9	112.4	111.3	111.4	111.4	111.6	111.7	
Year over Year Growth - Net Revenue	1.8 %	8.6 %	14.1%	13.4%	9.5%	11.4 %	5.0 %	7.1%	4.8 %	7.0 %	5.5%	8.6%	(3.4)%	(9.1)%	0.2 %	(11.1)%	
Year over Year Growth - Systems Revenue	(7.3)%	4.1 %	19.4%	19.9%	8.5%	20.0 %	11.6 %	11.2%	9.0 %	12.7 %	7.7%	5.6%	(12.3)%	(22.0)%	(5.6)%	(21.4)%	
Year over Year Growth - Services Revenue	19.1 %	16.9 %	6.2%	4.0%	11.1%	(1.4)%	(5.7)%	—	(2.5)%	(2.4)%	1.4%	14.4%	13.3 %	16.0 %	11.3 %	8.6 %	

* See Reconciliations of GAAP To Non-GAAP Financial Measures on Page 2.

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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.

With respect to any non-GAAP financial measures presented in the information, reconciliations of non-GAAP to GAAP financial measures may be found on page 2 hereof as well as in VeriFone's quarterly earnings release as filed with the SEC. 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.

(In millions)

Reconciliations of GAAP to Non-GAAP Financial Measures	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-14	Apr-14	Jul-14	Oct-14	2014	Jan-15	Apr-15	Jul-15	Oct-15	2015	Jan-16	Apr-16	Jul-16	Oct-16	2016	Jan-17
GAAP Net revenues - Systems	\$ 261.2	\$ 290.7	\$ 299.4	\$ 310.9	\$ 1,162.2	\$ 313.4	\$ 324.3	\$ 333.0	\$ 338.9	\$ 1,309.6	\$ 337.6	\$ 342.4	\$ 292.1	\$ 264.3	\$ 1,236.3	\$ 265.4
Acquisition, divestiture & restructure related	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other charges and income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP Net revenues - Systems	261.2	290.7	299.4	310.9	1,162.2	313.4	324.3	333.0	338.9	1,309.6	337.6	342.5	292.1	264.3	1,236.3	265.4
GAAP Net revenues - Services	174.9	175.7	176.5	179.6	706.7	172.8	165.8	177.0	175.2	690.9	175.9	183.8	196.1	199.9	755.8	188.5
Acquisition, divestiture & restructure related	1.1	0.4	0.5	0.2	2.1	0.7	0.2	0.1	0.1	1.1	0.1	6.1	4.5	3.4	14.0	2.7
Non-GAAP Net revenues - Services	176.0	176.1	177.0	179.8	708.8	173.5	166.0	177.0	175.3	691.9	176.0	189.9	200.5	203.3	769.8	191.2
GAAP Gross margins - Systems	93.7	103.2	112.6	119.8	429.2	127.8	135.3	131.8	141.0	535.8	142.8	142.0	116.4	91.0	492.0	99.0
Acquisition, divestiture & restructure related	10.7	10.8	10.2	9.5	41.4	4.6	4.2	4.4	4.0	17.2	3.1	2.2	3.5	1.4	10.2	1.0
Stock based compensation	0.3	0.1	0.3	0.5	1.3	0.5	0.3	0.3	0.5	1.6	0.5	0.5	0.6	0.5	2.1	0.6
Other charges and income	—	3.3	0.5	(0.8)	3.1	—	—	0.3	0.8	1.1	—	0.3	0.3	—	0.6	—
Non-GAAP Gross margins - Systems	104.8	117.4	123.6	129.0	474.9	132.9	139.8	136.7	146.3	555.7	146.4	145.0	120.8	92.9	504.9	100.6
GAAP Gross margins - Services	76.5	72.1	70.2	76.7	295.5	71.4	68.6	74.7	75.4	290.2	72.5	68.4	74.7	86.5	302.3	72.4
Acquisition, divestiture & restructure related	3.7	3.3	2.8	1.5	11.3	1.1	1.0	0.9	1.0	4.0	0.8	6.0	8.7	4.4	19.9	4.5
Stock based compensation	0.2	0.1	0.2	0.2	0.7	0.2	0.1	0.1	0.5	0.9	0.3	0.3	0.3	0.3	1.2	0.3
Other charges and income	—	0.4	1.4	—	1.8	0.8	0.2	0.2	—	1.2	—	6.3	3.5	0.6	10.4	—
Non-GAAP Gross margins - Services	80.4	75.9	74.6	78.4	309.3	73.5	69.9	76.0	76.9	296.2	73.6	81.0	87.2	91.8	333.8	77.2
GAAP Operating Income (loss)	(6.5)	(13.5)	(7.5)	33.5	5.9	23.2	29.7	20.3	33.8	107.0	36.2	19.8	(22.3)	(0.9)	32.8	(4.4)
Acquisition, divestiture & restructure related	40.4	44.7	47.2	36.5	168.7	29.8	26.1	32.3	26.5	114.7	25.5	32.4	71.2	38.3	167.6	32.9
Stock based compensation	15.7	11.9	13.2	13.0	53.9	12.2	8.9	11.2	10.1	42.4	10.5	11.5	10.8	9.4	42.3	9.6
Other charges and income	3.6	16.9	10.0	(14.9)	15.8	4.9	4.6	7.8	5.7	23.0	—	8.4	5.2	1.9	15.4	—
Non-GAAP Operating Income	53.2	60.0	62.9	68.1	244.3	70.1	69.3	71.5	76.0	287.0	72.2	72.2	64.9	48.7	258.1	38.1
GAAP Interest and Other income (expense), net	(16.5)	(10.7)	(14.8)	(3.7)	(45.7)	(7.6)	(10.6)	(8.8)	(7.0)	(34.1)	(10.5)	(13.4)	(8.9)	1.8	(31.0)	(10.4)
Acquisition, divestiture & restructure related	3.1	0.2	0.8	(4.1)	(0.1)	(2.2)	1.4	1.5	(2.4)	(1.7)	(0.7)	1.7	(0.6)	(11.6)	(11.2)	(0.1)
Other charges and income	1.7	0.1	5.2	(1.0)	6.0	—	—	—	—	—	2.6	1.1	—	—	3.7	—
Non-GAAP Interest and Other income (expense), net	(11.9)	(10.4)	(8.8)	(8.8)	(39.9)	(9.8)	(9.2)	(7.2)	(9.4)	(35.6)	(8.6)	(10.6)	(9.5)	(9.8)	(38.5)	(10.5)
GAAP Income tax provision (benefit)	(6.9)	(0.7)	5.7	(1.6)	(3.4)	1.4	1.4	1.5	(11.7)	(7.5)	2.0	3.1	0.3	6.2	11.5	2.9
Income tax effect of non-GAAP exclusion and adjustment to cash basis tax rate	12.8	7.8	2.0	10.1	32.6	7.3	7.3	7.9	21.3	43.8	7.2	5.8	7.7	(0.5)	20.3	1.1
Non-GAAP Income tax provision	5.9	7.1	7.7	8.5	29.2	8.7	8.7	9.3	9.6	36.4	9.2	8.9	8.0	5.7	31.8	4.0
GAAP Net income (loss) attributable to VeriFone Systems, Inc. stockholders	(16.2)	(23.9)	(29.0)	31.1	(38.1)	13.8	17.6	9.5	38.2	79.1	23.5	2.9	(31.1)	(4.5)	(9.3)	(16.6)
Acquisition, divestiture & restructure related	43.4	44.8	48.0	32.3	168.7	27.7	27.5	33.9	24.0	113.1	24.8	34.1	70.6	26.7	156.0	32.8
Stock based compensation	15.7	11.9	13.2	13.0	53.9	12.2	8.9	11.2	10.0	42.3	10.5	11.6	10.8	9.4	42.3	9.6
Other charges and income	5.2	17.0	15.2	(15.9)	21.5	4.9	4.6	7.7	5.7	22.9	2.5	9.5	5.2	1.9	19.4	—
Income tax effect of non-GAAP exclusions and adjustments to cash basis tax rate	(12.8)	(7.7)	(2.0)	(10.1)	(32.6)	(7.3)	(7.3)	(7.9)	(21.3)	(43.8)	(7.2)	(5.8)	(7.7)	0.5	(20.3)	(1.1)
Net Income (loss) attributable to noncontrolling interest	(0.6)	(0.6)	(0.1)	(0.3)	(1.6)	(0.5)	(0.4)	(0.1)	(0.4)	(1.4)	(0.4)	(0.4)	(1.5)	(0.9)	(3.2)	(1.5)
Non-GAAP Net income (loss) attributable to VeriFone Systems, Inc. stockholders	\$ 34.8	\$ 41.6	\$ 45.3	\$ 50.1	\$ 171.8	\$ 50.8	\$ 50.9	\$ 54.3	\$ 56.2	\$ 212.1	\$ 53.7	\$ 51.9	\$ 46.3	\$ 33.1	\$ 185.0	\$ 23.2