Global Payments Inc.

STANDARD & POOR'S

S&P Recommendation HOLD ★★★★★

Price
$46.85 (as of Nov 11, 2011)

12-Mo. Target Price
$50.00

Investment Style
Mid-Cap Growth

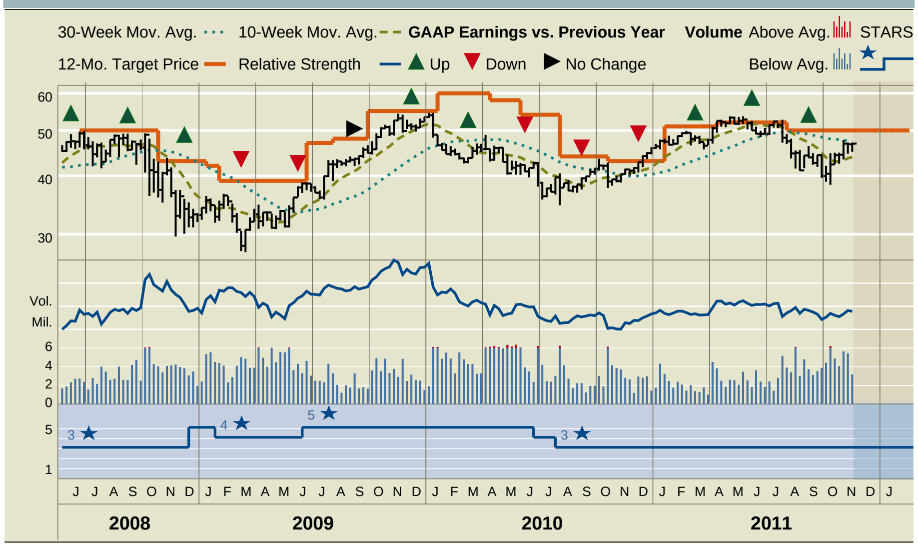
GICS Sector Information Technology
Sub-Industry Data Processing & Outsourced Services

Summary This company provides electronic transaction processing services.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	**$53.67– 38.26**	S&P Oper. EPS 2012**E**	**3.15**	Market Capitalization(B)	**$3.669**	Beta	**0.88**
Trailing 12-Month EPS	**$2.78**	S&P Oper. EPS 2013**E**	**3.53**	Yield (%)	**0.17**	S&P 3-Yr. Proj. EPS CAGR(%)	**13**
Trailing 12-Month P/E	**16.9**	P/E on S&P Oper. EPS 2012**E**	**14.9**	Dividend Rate/Share	**$0.08**	S&P Credit Rating	**NA**
$10K Invested 5 Yrs Ago	**$10,970**	Common Shares Outstg. (M)	**78.3**	Institutional Ownership (%)	**NM**		

Price Performance



Options: ASE, CBOE, Ph

Analysis prepared by Equity Analyst **Dylan Cathers** on Oct 11, 2011, when the stock traded at **$43.70**.

Highlights

- We look for sales to increase 16.0% in FY 12 (May) and 7.0% in FY 13. The gain we see includes $25 million to $30 million of revenues from a joint venture formed in late 2010 with La Caixa, Spain's largest retail bank. We anticipate continued growth in GPN's independent sales organization (ISO) channel and in international regions such as Asia-Pacific, but we expect macroeconomic headwinds to limit growth in Canada. Also aiding growth will be the gaming segment, in our view.
- We expect operating margin improvement in FY 12, as the company benefits from a one-time marketing true up in Spain and better pricing. Looking further ahead, we believe that the company's expenses surrounding the Philippines service center will be a drag, as will increased investments in technology to support growth initiatives and in GPN's sales force. These headwinds should be partially offset as GPN benefits across its global operations from consolidation onto common processing platforms and improving economies of scale.
- After EPS from continuing operations of $2.76 in FY 11, we see EPS rising to $3.15 in FY 12 and $3.53 in FY 13.

Investment Rationale/Risk

- We expect opportunistic acquisitions, consistent execution and geographic expansion to broaden GPN's market presence. While consumer spending remains moderate, we think GPN's card transaction volumes will benefit from strength in its ISO channel. GPN's presence in less discretionary channels, such as education, government, utilities, grocery and health care, will underpin growth, in our view, but the company has exposure to discretionary spending as well, and is not immune to the economies in the regions where it operates. We see some headwinds ahead until macroeconomic conditions stabilize in certain key markets.
- Risks to our recommendation and target price include lower debit card usage, pricing pressure, unfavorable currency fluctuations, widespread bankruptcies among GPN's merchants, customer losses, and turnover within the ISO channel.
- We derive our 12-month target price of $50 by applying a roughly peer-average multiple of 15X our calendar 2012 EPS estimate of $3.34.

Qualitative Risk Assessment

LOW | **MEDIUM** | HIGH

Our risk assessment reflects our view of the company's exposure to fluctuations in consumer spending and debit card usage, offset by our outlook for increasing card transactions, the company's disciplined expansion strategy, focus on cost synergies, and consistent execution.

Quantitative Evaluations

S&P Quality Ranking **A**

D | C | B- | B | B+ | A- | **A** | A+

Relative Strength Rank **STRONG**

81

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2012	542.8	--	--	--	--
2011	440.1	443.5	456.4	519.8	1,860
2010	409.9	409.0	398.5	425.1	1,642
2009	405.8	401.1	392.7	402.0	1,602
2008	311.0	308.8	310.6	343.8	1,274
2007	260.3	260.7	260.4	280.1	1,062

Earnings Per Share ($)

2012	0.79	**E**0.79	**E**0.75	**E**0.82	**E**3.15
2011	0.61	0.67	0.60	0.72	2.61
2010	0.71	0.71	0.58	0.42	2.52
2009	0.71	0.60	-1.34	0.46	0.46
2008	0.53	0.48	0.50	0.51	2.01
2007	0.51	0.42	0.42	0.40	1.75

Fiscal year ended May 31. Next earnings report expected: Early January. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.020	02/01	02/10	02/14	02/28/11
0.020	05/03	05/13	05/17	05/31/11
0.020	08/03	08/15	08/17	08/31/11
0.020	11/02	11/14	11/16	11/30/11

Dividends have been paid since 2001. Source: Company reports.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Global Payments Inc.

STANDARD &POOR'S

Business Summary October 11, 2011

CORPORATE OVERVIEW. Global Payments is a high volume processor of electronic transactions and payments. The company acts as a merchant acquirer, an intermediary between the merchant, the card associations and card issuers whose products and services enable merchants to accept card-based payments. Through its merchant services offering, GPN provides credit and debit card transaction-processing services as well as check guarantee and verification, and recovery solutions. The company's money transfer operations, which accounted for 9% of FY 09 sales, were sold in May 2010 for $85 million. We have a favorable view of this decision, since growth for the business waned as the economy weakened. In addition, as a cost leader in the money transfer market, margins for the business were well below those for GPN's core merchant services business.

The company sells its merchant services offering under two models, "direct" and "indirect." Under the direct model, GPN sells a full-service offering (front-end and back-end processing and customer and other related support services) to merchants through its internal sales force or through ISOs or other sales channels. In either case, the end customer is the merchant. Pricing under the direct model is based on a percentage of the transaction value. Direct sales through ISOs are charged a fee per transaction. The majority of GPN's merchant services sales are direct. Indirect sales are to financial institutions and a few ISOs that in turn resell GPN's services to merchants on an a la carte basis with pricing on a specified amount per transaction. Under both models, GPN also charges other fees not related to the number of transactions or the dollar value of transactions.

MARKET PROFILE. We believe GPN's merchant acquiring business is benefiting from the rising global usage of card-based payment methods and the ongoing shift from traditional paper-based forms of payment to card-based and electronic payments. The Nilson Report (April 2010) estimated that worldwide purchase volume using general purpose cards rose 8% in 2009, to $7.6 trillion. In the U.S., more than $3 trillion of consumer spending was charged using these cards in 2009, down 3% from the prior year, according to the Nilson Report (February 2010). GPN primarily competes in the mid-market for merchant acquiring, a segment we consider to be attractive as it is less penetrated than the market for large national clients. Also, mid-tier merchants have less pricing power, in our view.

CORPORATE STRATEGY. GPN seeks to increase its penetration in existing markets and expand into new geographic regions and new payment areas. Acquisitions and joint ventures have played an important role in its strategy. In February and May 2004, GPN acquired an aggregate of 98.3% of MUZO, which GPN said was the largest indirect payment processor in the Czech Republic. In April 2009, the company completed its purchase of ZAO United Card Service (UCS), a leading Russian merchant acquirer, for $75 million.

In July 2006, the company entered into a joint venture with The Hongkong and Shanghai Banking Corp. Limited (HSBC), broadly expanding its presence in the Asia-Pacific region. More recently, acquisitions have continued to play an important role in expanding GPN's global reach. In June 2008, GPN acquired a majority interest in HSBC Merchant Services LLP, which expanded its presence in the United Kingdom, for $439 million; in June 2009, the company purchased the 49% stake in its U.K.-based joint venture with HSBC that it did not previously own, for $308 million. In late December 2010, the company finalized a joint venture with La Caixa, Spain's largest retail bank, paying 125 million euros (about $170 million) for a 51% stake. La Caixa, which held a 21% share of the Spanish merchant acquiring market at the time, contributed this business to the joint venture and entered a 20-year marketing and customer referral agreement with the joint venture.

IMPACT OF MAJOR DEVELOPMENTS. In June 2010, the company disclosed that Canadian Imperial Bank of Commerce (CIBC) would not be renewing its Visa sponsorship agreement with the company after its 10-year term expires in March 2011. GPN needs bank sponsorship to process Visa transactions in Canada. GPN applied some time ago to become a loan company in Canada so third-party sponsorship would not be needed once the application is accepted and the loan company formed. Negotiations with CIBC regarding marketing referrals recently concluded favorably with a new multi-year referral agreement, but GPN did not stand to lose its existing business if no agreement had been reached, since it owns the underlying contracts.

FINANCIAL TRENDS. The company's revenues rose at a compound annual growth rate (CAGR) of about 18% from FY 01 to FY 11, aided by acquisitions. Operating income posted a 27% CAGR from FY 01 to FY 11. We see modest near-term margin contraction due to headwinds in certain operating regions, a delay in the implementation of a unified front end in the U.S., and ongoing investment and geographic expansion. Longer term, we project an expansion in operating margins arising from the consolidation of facilities and technology platforms.

Corporate Information

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P.R. Garcia

Pres
J.S. Sloan

EVP & Chief Admin Officer
M.M. Schuessler, Jr.

EVP, Secy & General Counsel
S.P. Tornay

SVP & Chief Acctg Officer
D.C. O'Keefe

Board Members
E. H. Burba, Jr.
P. R. Garcia
A. W. Hart
W. I. Jacobs
R. L. Killian, Jr.
R. A. Marshall
A. M. Silberstein
M. W. Trapp
G. J. Wilkins

Domicile
Georgia

Founded
2000

Employees
3,753

Stockholders
2,476

Global Payments Inc.

STANDARD &POOR'S

Quantitative Evaluations

S&P Fair Value Rank 4+

1	2	3	4	5

LOWEST — HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation $47.30 — Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that GPN is fairly valued

Investability Quotient Percentile 97

LOWEST = 1 — HIGHEST = 100

GPN scored higher than 97% of all companies for which an S&P Report is available.

Volatility LOW | AVERAGE | HIGH

Technical Evaluation BULLISH — Since October, 2011, the technical indicators for GPN have been BULLISH.

Insider Activity UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	2.03	2.31	2.72	2.08
Price/EBITDA	8.79	9.62	11.62	8.95
Price/Pretax Income	11.63	12.23	27.02	10.16
P/E Ratio	16.46	18.31	NM	16.32
Avg. Diluted Shares Outstg (M)	80.5	82.1	81.0	81.0

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	13.23	12.30	15.76	17.71
Net Income	10.57	31.56	7.86	15.99
Ratio Analysis (Annual Avg.)				
Net Margin (%)	12.32	9.09	10.70	11.05
% LT Debt to Capitalization	12.69	14.98	8.99	5.36
Return on Equity (%)	22.40	15.85	15.94	16.42

Company Financials Fiscal Year Ended May 31

Per Share Data ($)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	0.79	1.09	2.04	5.70	4.09	2.70	0.39	NM	0.91	0.05
Cash Flow	3.87	3.36	1.28	2.55	2.09	1.84	1.73	1.29	1.15	0.90
Earnings	2.61	2.52	0.46	2.01	1.75	1.53	1.17	0.80	0.71	0.52
S&P Core Earnings	2.61	2.52	1.55	2.01	1.75	1.40	1.07	0.77	0.66	0.48
Dividends	NA	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.02
Payout Ratio	NA	3%	17%	4%	5%	5%	7%	10%	11%	4%
Calendar Year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Prices:High	54.50	54.52	49.87	49.13	54.78	48.49	30.30	24.12	19.85	18.65
Prices:Low	34.61	27.48	29.67	30.00	36.48	27.40	20.71	13.00	10.50	7.50
P/E Ratio:High	21	22	NM	24	31	32	26	30	28	36
P/E Ratio:Low	13	11	NM	15	21	18	18	16	15	14
Income Statement Analysis (Million $)										
Revenue	1,860	1,642	1,602	1,274	1,062	908	784	629	516	463
Operating Income	429	395	375	297	247	229	209	158	127	111
Depreciation	82.2	68.7	66.3	44.0	25.9	25.6	45.3	35.5	32.1	28.6
Interest Expense	18.2	17.5	7.27	8.17	8.46	7.14	8.38	6.53	4.30	4.07
Pretax Income	324	310	161	261	226	202	154	109	90.2	68.9
Effective Tax Rate	NA	NA	54.1%	34.7%	32.4%	33.5%	34.7%	34.3%	35.3%	35.7%
Net Income	229	207	37.2	163	143	126	92.9	62.4	53.3	39.8
S&P Core Earnings	210	207	126	163	143	114	84.8	59.0	49.6	36.6
Balance Sheet & Other Financial Data (Million $)										
Cash	1,354	770	427	456	309	218	49.0	34.5	38.0	19.2
Current Assets	1,848	968	595	617	444	348	190	203	128	79.5
Total Assets	3,351	2,039	1,677	1,446	1,201	1,019	854	833	484	431
Current Liabilities	1,444	672	336	218	143	150	183	286	62.9	97.0
Long Term Debt	268	273	168	Nil	Nil	Nil	0.75	12.9	3.25	4.71
Common Equity	1,185	861	1,047	1,127	958	770	578	449	366	296
Total Capital	2,113	1,395	1,322	1,142	1,043	852	654	532	412	328
Capital Expenditures	98.5	56.1	40.9	45.0	35.4	25.0	34.3	24.6	17.9	22.4
Cash Flow	311	276	104	207	169	151	138	98.0	85.4	68.4
Current Ratio	1.3	1.4	1.8	2.8	3.1	2.3	1.0	0.7	2.0	0.8
% Long Term Debt of Capitalization	12.7	19.6	12.7	Nil	Nil	Nil	0.1	2.4	0.8	1.4
% Net Income of Revenue	12.3	12.6	2.3	12.8	13.5	13.8	11.8	9.9	10.3	8.6
% Return on Assets	8.5	11.2	2.4	12.3	12.9	13.4	10.8	9.2	11.6	9.0
% Return on Equity	22.4	21.7	3.4	15.6	16.5	18.6	18.1	15.3	16.1	14.0

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Global Payments Inc.

STANDARD & POOR'S

Sub-Industry Outlook

Our fundamental outlook for the data processing & outsourced services sub-industry is neutral. We expect providers of these services to post earnings growth in 2011, benefiting from growth of outsourcing, the prevalence of electronic transactions, and entry into international markets. However, we remain concerned that consolidation, increased regulation and anticipated revenue loss for clients in major end markets like financial services could result in business delay, or price erosion.

As economic conditions recover, we see transaction volumes for credit and debit cards and other payment methods dependent on consumer spending improving. We see this aided by favorable year-ago comparisons, which we expect will become less favorable as 2011 progresses. Persistent unemployment may dampen growth for payroll processors.

We view diversification into overseas regions favorably, particularly as an offset to the slower growth in the mature domestic market. Our enthusiasm for international growth is tempered somewhat by rising competition that we see, particularly as companies compete for acquisitions and other means of entry.

We believe that many data processors garner recurring revenues, generate free cash flow, and generally have healthy balance sheets. We also think these stocks provide an opportunity to participate in the IT sector without the risk associated with unproven business models. There remains potential for consolidation among market participants, in our view, as we have seen interest in the sub-industry from buyout firms in the past.

We think companies will continue to outsource to third parties to focus on core competencies and to seek greater profitability. Globally, companies spent an estimated $147.2 billion on business outsourcing in 2010, and IDC, a market research firm, forecasts that this will rise to $191 billion by 2015. Also, we expect the proportion of electronic payments to rise at the expense of paper-based payments. We believe these trends bode well for data processors, although we think regulatory changes remain a concern.

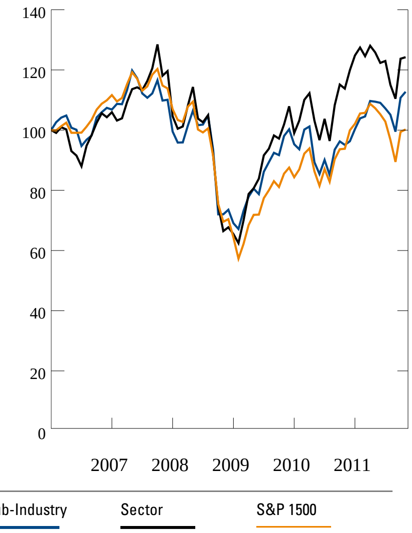
The S&P Data Processing & Outsourced Services Index rose 12.9% year to date through October 14, while the S&P 1500 was down 3.0%. This follows a 4.4% drop for the subindustry in 2010, while the S&P 1500 rose 14.2%. We think the decline in 2010 stemmed from concerns about the economy and a lack of clarity about the impact of regulatory changes on the financial sector. We think these concerns remain. We note that recurring revenues, long-term contracts, and cash flows that many in the group have offer support in turbulent times.

--Dylan Cathers

Stock Performance

GICS Sector: Information Technology
Sub-Industry: Data Processing & Outsourced Services

Based on S&P 1500 Indexes
Month-end Price Performance as of 10/31/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Data Processing & Outsourced Services Peer Group*: Payment Processors & Services

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Global Payments	**GPN**	**3,669**	**46.85**	**53.67/38.26**	**0.88**	**0.2**	**17**	**47.30**	**A**	**97**	**12.3**	**12.7**
Alliance Data Systems	ADS	5,094	101.95	107.18/60.89	1.58	Nil	20	121.70	B	30	7.0	99.6
Cass Information Systems	CASS	363	38.58	41.88/29.76	0.44	1.9	16	NA	A	85	21.1	NA
Euronet Worldwide	EEFT	927	18.42	20.56/13.55	1.60	Nil	NM	18.00	C	21	NA	35.3
MasterCard Inc'A'	MA	44,911	370.15	370.37/215.00	0.98	0.2	21	429.00	NR	97	33.4	NA
MoneyGram Intl	MGI	1,144	2.87	4.14/1.99	1.41	Nil	NM	NA	C	82	3.8	91.8
Total System Svcs	TSS	4,080	20.26	20.50/14.97	0.95	2.0	19	18.30	B+	97	11.5	13.4
Western Union	WU	10,711	17.30	22.03/14.55	1.45	1.8	12	17.40	NR	86	17.5	85.0

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Source: S&P.

S&P Analyst Research Notes and other Company News

October 5, 2011
GPN posts $0.79 vs. $0.61 Q1 GAAP EPS on 23% revenue rise. S&P Capital IQ consensus forecast was $0.74. Sees $3.13-$3.20 FY 12 GAAP EPS on revenue of $2.10B-$2.15B.

October 5, 2011
09:49 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 42.69***): Shares are up this morning after GPN posts Aug-Q EPS of $0.79, vs. normalized EPS of $0.67, which is $0.04 above our estimate. We see revenue growth of 16% in FY 12 (Aug.), aided by modest transaction growth and strong gains in the gaming segment. We see some operating margin improvement this fiscal year on better pricing and a marketing true-up in Spain. We lift our FY 12 EPS forecast to $3.15 from $3.06 and introduce our FY 13 projection of $3.53. We keep our 12-month target price of $50, which is based on a roughly peer-average P/E of 15.0X our CY 2012 EPS estimate of $3.34. /D. Cathers

October 5, 2011
09:19 am ET ... GLOBAL PAYMENTS INC. (GPN 40.85) UNCHANGED, GLOBAL PAYMENTS (GPN) POSTS SOLID Q1. STIFEL NICOLAUS RAISES ESTS, KEEPS BUY... Analyst Chris Brendler tells salesforce GPN posted $0.88 Q1 cash EPS, above his $0.83 est. Says beat mainly driven by FX ($0.05 benefit), resulting in higher-than-expected rev., margins in the int'l segment. Although economic outlook has become more worrisome, notes GPN processing biz showing no signs of slowing down even in Europe. While macro pressure likely to increase, expects it to be largely offset by GPN's int'l growth initiatives, Durbin regulations tailwind. Raises $3.45 FY 12 (May) cash EPS est. to $3.55, $3.81 FY 13 to $3.85. Has $50 price target. M.Morrow

July 22, 2011
DOWN 4.39 to 47.81... GPN posts $0.76 vs. $0.58 Q4 normalized EPS on 22% higher revenue. Capital IQ consensus forecast was $0.73. S&P cuts estimate on belief co. will experience a number of headwinds that will adversely affect operating margins, maintains hold. Stephens reportedly downgrades to equal-weight.

July 22, 2011
12:00 pm ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 47.39***): EPS from continuing operations of $0.76, vs. $0.56, is $0.03 above our estimate. For FY 12 (May), we see revenue growth of 14%, aided by the La Caixa joint venture and robust overseas gains. However, we believe the company will experience a number of headwinds that will adversely affect operating margins, including investments in the sales force and technology infrastructure, and increased corporate expenses. Also, we see higher interest expense and share count. We are cutting our FY 12 EPS estimate to $3.06 from $3.25 and our P/E-based 12-month target price by $2 to $50. /D. Cathers

June 22, 2011
10:10 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 50.41***): We expect GPN to report May-Q results on July 21, and we look for EPS of $0.73, vs. $0.56 from continuing operations, on revenues of $480M. When the company reports, we will be watching to see how its joint venture with La Caixa (Spain's largest retail bank) is progressing, which we believe will bolster revenue growth in FY 12 (May). We think operating margins narrowed in FY 11, but we expect to see some widening this fiscal year as GPN improves its global operations. We keep our FY 12 EPS estimate of $3.25 as well as our P/E-based 12-month target price of $52. /D. Cathers

April 1, 2011
GPN posts $0.63 vs. $0.58 Q3 normalized EPS on 15% revenue rise. Street was looking for EPS of $0.64. For FY 12, co. sees revenue of $1.8B-$1.82B, compared to previous range of $1.78B-$1.82B; sees EPS from cont. ops on a cash basis of $2.99-$3.06, compared to previous expectation of $2.95-$3.06. Normalized EPS from cont. ops is expected at $2.70-$2.77, compared to previous range of $2.66-$2.77. Street view is for EPS of $2.73.

April 1, 2011
09:28 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 48.92***): Feb-Q EPS from continuing operations of $0.60 vs. $0.58 is $0.01 below our estimate. Sales rose 15% to $456M, $14M above our view, aided by the La Caixa joint venture. Operating margins narrowed, impacted by investment and JV-related costs, but we see improvement in May-Q amid modest growth in Canada. We see modestly wider FY 12 (May) operating margins, aided by a recently completed back-end consolidation in the UK. We trim our FY 11 EPS estimate $0.03 to $2.74, but lift FY 12's by $0.08 to $3.25. We up our target price by $1 to $52, 16X our FY 12 view, near three-year average. /Z. Bokhari

February 15, 2011
Global Payments Inc. announced the appointment of James R. Hicks as President of Global Payments Asia Pacific, responsible for its activities in the region.

January 7, 2011
08:43 am ET ... S&P KEEPS HOLD RECOMMENDATION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 45.92***): Nov-Q EPS (continuing operations) of $0.70, vs. $0.71, is $0.03 above our estimate. Sales rose 8.5% to $443.5M, $6M above our view. North American transaction trends were strong but margins narrowed; international margins widened. La Caixa, a joint venture in Spain has margins well above GPN overall and we see modest benefit to margins, after a period of investment. Upcoming platform consolidations should also yield benefit. We lift our '11 (May) EPS estimate $0.07 to $2.77 and '12's by $0.05 to $3.17. We up our target price by $8 to $51, 16X our FY 12 view, in historical range. /Z. Bokhari

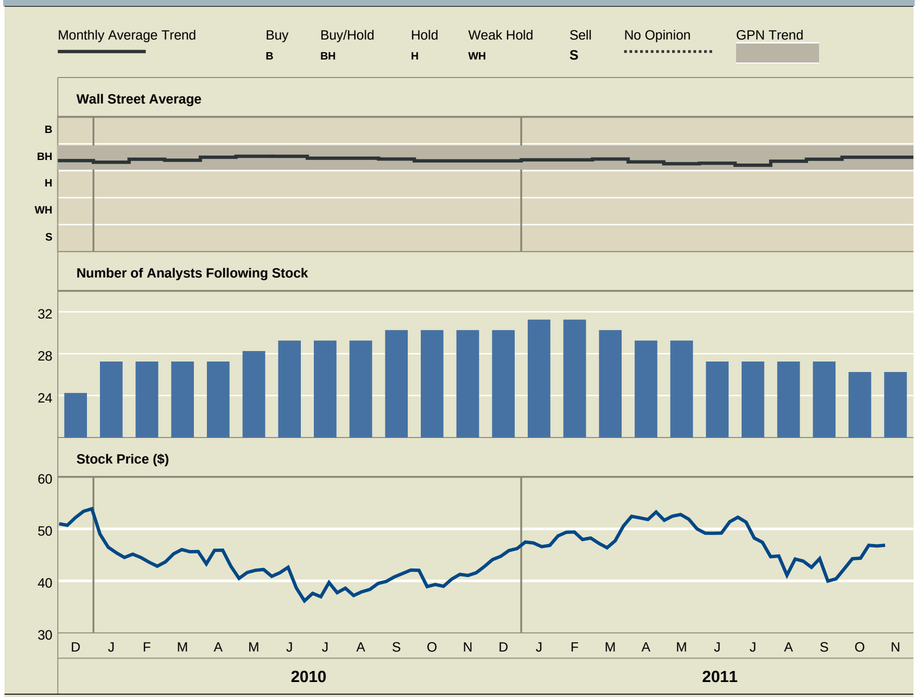
December 16, 2010
04:22 pm ET ... S&P KEEPS NEUTRAL FUNDAMENTAL VIEW ON DATA PROC AND OUTSOURCED SVC SUB-INDUSTRY (GPN 43.9***): The Federal Reserve put out for comment two proposals governing debit interchange, both with a cap of $0.12/transaction. As compared to its calculation of the average cost per debit transaction of $0.44 in '09, the cap is a sharp cut, somewhat worse, we think than consensus views. We are concerned that limited clarity was provided on whether network exclusivity requirements could be met by one signature and one pin network per card, or if two of each would be required. We think there are related structural and technological issues that could weigh on the card networks. /Z. Bokhari

November 18, 2010
10:26 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF GLOBAL PAYMENTS INC. (GPN 40.92***): GPN enters merchant acquiring and payment processing joint venture with La Caixa, Spain's largest retail bank, subject to conditions and approvals. GPN will acquire a 51% share in the JV for 125M Euro ($170M at recent forex rates) or about 2.1X projected '10 revenues. The agreement includes a 20-year marketing alliance and is expected to close in Feb-Q. While the JV should be modestly dilutive to FY 11 (May) GAAP EPS, we note GPN's past successes in establishing market presence through JVs in the U.K. and Asia. GPN has also seen international margins expand notably over time. /Z. Bokhari

October 12, 2010
GPN posts $0.67 vs. $0.68 Q1 normalized EPS from cont. ops as higher operating expenses offset 7% revenue rise. Street was looking for EPS of $0.69. Still expects FY 11 revenue of $1.735B-$1.77B, or 6%-8% growth over FY 10, and EPS of $2.68-$2.77 (vs. $2.70 Street view), reflecting 6%-9% growth.

Global Payments Inc.

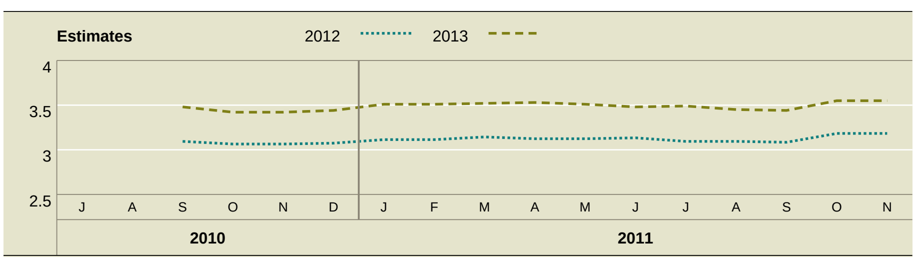
Analysts' Recommendations



Of the total 33 companies following GPN, 26 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	12	46	12	10
Buy/Hold	2	8	2	3
Hold	12	46	12	14
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	1
Total	**26**	**100**	**26**	**28**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	3.56	3.68	3.40	24	13.2
2012	3.19	3.46	3.12	25	14.7
2013 vs. 2012	▲ 12%	▲ 6%	▲ 9%	▼ -4%	▼ -10%
Q2'13	0.88	0.92	0.85	16	53.2
Q2'12	0.80	0.89	0.77	25	58.6
Q2'13 vs. Q2'12	▲ 10%	▲ 3%	▲ 10%	▼ -36%	▼ -9%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.
B. Riley & Co., LLC
Barclays Capital
Barrington Research Associates, Inc.
BofA Merrill Lynch
Cowen and Company, LLC
Credit Suisse
Deutsche Bank
Duncan-Williams, Inc.
First Analysis Securities Corporation
Goldman Sachs
JP Morgan
Janney Montgomery Scott LLC
Jefferies & Company, Inc.
Keefe, Bruyette, & Woods, Inc.
Lazard Capital Markets
Macquarie Research
Morgan Keegan & Company
Morgan Stanley
Northcoast Research
Oppenheimer & Co. Inc.
Piper Jaffray Companies
RBC Capital Markets
Raymond James & Associates
Robert W. Baird & Co.
Signal Hill Capital Group LLC
Stephens, Inc.
Sterne Agee & Leach Inc.
Stifel, Nicolaus & Co., Inc.
SunTrust Robinson Humphrey, Inc.
Susquehanna Financial Group, LLLP

Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that GPN will earn $3.19. For the 1st quarter of fiscal year 2012, GPN announced earnings per share of $0.79, representing 25% of the total annual estimate. For fiscal year 2013, analysts estimate that GPN's earnings per share will grow by 12% to $3.56.

Global Payments Inc.

Glossary

S&P STARS
Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price
The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates
Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking
Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank
Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:
Global Payments

	Raw Score	Max Value
Proprietary S&P Measures	30	115
Technical Indicators	24	40
Liquidity/Volatility Measures	17	20
Quantitative Measures	61	75
IQ Total	**132**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank
Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)
An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type
ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services
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Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 42.2% of issuers with buy recommendations, 54.2% with hold recommendations and 3.6% with sell recommendations.

In Europe: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 34.4% of issuers with buy recommendations, 49.4% with hold recommendations and 16.2% with sell recommendations.

In Asia: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 48.4% of issuers with buy recommendations, 45.7% with hold recommendations and 5.9% with sell recommendations.

Globally: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 41.5% of issuers with buy recommendations, 52.6% with hold recommendations and 5.9% with sell recommendations.

★★★★★ **5-STARS (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell)**: Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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S&P Global Quantitative Recommendations Distribution

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In Asia: As of September 30, 2011, Standard & Poor's Quantitative Services Asia recommended 48.4% of issuers with buy recommendations, 22.0% with hold recommendations and 30.0% with sell recommendations.

Globally: As of September 30, 2011, Standard & Poor's Quantitative Services globally recommended 45.0% of issuers with buy recommendations, 20.0% with hold recommendations and 34.0% with sell recommendations.

Additional information is available upon request.

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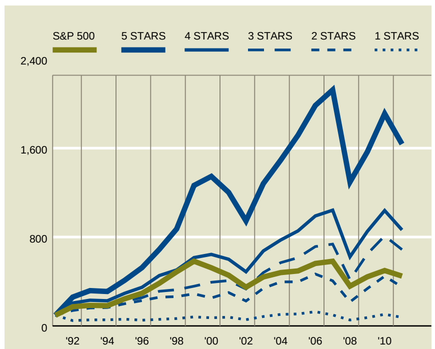
U.S. STARS Cumulative Model Performance

Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 10/31/2011



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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