

Fidelity National Information Services, Inc.

Form 10-K

February 27, 2009

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-K**

**þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2008**

**or**

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from to  
Commission File No. 001-16427**

**Fidelity National Information Services, Inc.**

*(Exact name of registrant as specified in its charter)*

**Georgia**

*(State or other jurisdiction  
of incorporation or organization)*

**37-1490331**

*(I.R.S. Employer  
Identification No.)*

**601 Riverside Avenue**

**Jacksonville, Florida**

*(Address of principal executive offices)*

**32204**

*(Zip Code)*

**(904) 854-5000**

*(Registrant's telephone number, including area code)*

**Securities registered pursuant to Section 12(b) of the Act:**

**Title of each class:**

**Name of each exchange on which registered:**

Common Stock, par value \$0.01 per share

New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

*(Title of Class)*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller

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reporting company ☐ in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  
Yes ☐ No ☐

As of June 30, 2008, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by nonaffiliates was \$6,785,962,978 based on the closing sale price of \$36.91 on that date as reported by the New York Stock Exchange. For the purposes of the foregoing sentence only, all directors and executive officers of the registrant were assumed to be affiliates. The number of shares outstanding of the registrant's common stock, \$0.01 par value per share, was 190,920,746 as of January 31, 2009.

The information in Part III hereof is incorporated herein by reference to the registrant's Proxy Statement on Schedule 14A for the fiscal year ended December 31, 2008, to be filed within 120 days after the close of the fiscal year that is the subject of this Report.

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**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
2008 FORM 10-K ANNUAL REPORT  
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*Unless stated otherwise or the context otherwise requires all references to FIS, we, the Company or the registrant are to Fidelity National Information Services, Inc., a Georgia corporation formerly known as Certegy Inc. ( Certegy ), which was the surviving legal entity in the Certegy Merger; all references to eFunds are to eFunds Corporation, and its subsidiaries, as acquired by FIS on September 12, 2007; all references to Old FNF are to Fidelity National Financial, Inc., which owned a majority of the Company's shares through November 9, 2006; all references to FNF are to Fidelity National Financial, Inc. (formerly known as Fidelity National Title Group, Inc. ( FNT )), formerly a subsidiary of Old FNF but now an independent company that remains a related entity from an accounting perspective; and all references to LPS are to Lender Processing Services, Inc., a former wholly owned subsidiary of FIS, which was spun-off as a separate publicly traded company on July 2, 2008.*

## **PART I**

### **Item 1. Business.**

#### **General Development of the Business**

Our business operations and organizational structure result from the February 1, 2006, business combination of FIS and Certegy (the Certegy Merger ), pursuant to which FIS was merged into a wholly-owned subsidiary of Certegy. Immediately after the Certegy Merger, the stockholders of FIS, including its then-majority stockholder Old FNF, owned approximately 67.4% of the Company's outstanding common stock. Accordingly, for accounting and financial reporting purposes, the Certegy Merger was treated as a reverse acquisition of Certegy by FIS using the purchase method of accounting pursuant to U.S. generally accepted accounting principles. Under this accounting treatment, although Certegy was the legal entity that survived the merger, FIS was viewed as the acquirer for accounting purposes, and our financial statements and other disclosures for periods prior to the Certegy Merger treat FIS as our predecessor company. Also, as a result of the Certegy Merger, the registrant's name changed from Certegy Inc. to

Fidelity National Information Services, Inc. and our New York Stock Exchange trading symbol from CEY to FIS . On November 9, 2006, Old FNF (after other transactions in which it distributed all of its assets other than its ownership in FIS) merged with and into FIS (the FNF Merger ). Upon completion of the FNF Merger, FIS became an independent publicly traded company, and Old FNF ceased to exist as an independent publicly traded company. The assets distributed by Old FNF prior to the FNF Merger included its ownership in FNT, which following the FNF Merger renamed itself Fidelity National Financial, Inc.

We are incorporated under the laws of the State of Georgia, where Certegy was initially incorporated on March 2, 2001. Although many of these acquisitions added important applications and services to the offerings of FIS, our long-term objectives have been driven primarily by internal growth and the following acquisitions:

The financial services division of ALLTEL Information Services, Inc., a provider of core banking services;

Aurum Technology, a provider of software and outsourcing solutions to community banks and credit unions;

Kordoba, a provider of information technology solutions for the financial services industry with a focus on services and solutions for the German banking market;

Sanchez Computer Associates, Inc., a provider of software and outsourcing solutions to banks and other financial institutions;

InterCept, Inc., a provider of outsourced and in-house core banking solutions, as well as item processing and check imaging services;

Certegy, a provider of card issuer services to financial institutions and check risk management services in the U.S. and internationally; and

eFunds Corporation, a provider of risk management services, EFT services, prepaid/gift card processing, and global outsourcing solutions to financial services companies in the U.S. and internationally.

#### **Financial Information About Operating Segments and Geographic Areas**

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On July 2, 2008, we completed the spin-off of our former lender processing services segment into a separate publicly traded company, Lender Processing Services, Inc., referred to as LPS. The results of operations of the lender processing services segment are reflected as discontinued operations in the Consolidated Statements of Earnings, in accordance with Statement of Financial Accounting Standards ( SFAS ) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ( SFAS 144 ), for all

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periods presented. Subsequent to the LPS spin-off, we reviewed our reporting and management structure, and beginning with this Form 10-K, are reporting the results of our operations in four new reporting segments: 1) Financial Solutions, 2) Payment Solutions, 3) International and 4) Corporate and Other. All periods presented have been conformed to reflect the segment changes.

**Narrative Description of the Business**

FIS is a leading provider of technology solutions, processing services and information-based services to the financial services industry. We offer a diversified service mix and benefit from the opportunity to cross-sell multiple services across our broad customer base. FIS is a member of Standard and Poor's (S&P) 500 Index.

As of December 31, 2008 we have over 14,000 customers in over 90 countries spanning all segments of the financial services industry. These customers include 40 of the top 50 world banks, including nine of the top 10, as ranked by Bankalmanac.com as of April 30, 2008, as well as mid-tier and community banks, credit unions, commercial lenders, automotive financial institutions, retailers and international customers. Additionally, we provide services to numerous retailers via our check processing services. No individual customer represents more than 10% of our revenues.

**Revenues by Segment**

The table below summarizes the revenues by our reporting segments (in millions):

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Financial Solutions	\$ 1,158.8	\$ 1,007.6	\$ 882.2
Payment Solutions	1,530.2	1,298.8	1,120.5
International	759.5	618.1	430.3
Corporate & Other	(2.5)	(3.5)	(16.5)
<b>Total Consolidated Revenues</b>	<b>\$ 3,446.0</b>	<b>\$ 2,921.0</b>	<b>\$ 2,416.5</b>

***Financial Solutions***

The primary focus of our Financial Solutions segment is servicing the core and related ancillary processing needs of U.S. banks, credit unions, automotive financial companies, commercial lenders, independent community and savings institutions. Our product and service offerings in this segment include:

*Core Processing Applications.* Our core processing software applications are designed to run critical banking processes for our financial institution clients. These critical processes include deposit and lending systems, customer systems and most other central systems that a financial institution must utilize to manage the products and services it provides to its customers.

*Channel Solutions.* Our comprehensive suite of retail delivery applications enable financial institutions to integrate and streamline customer-facing operations and back-office processes, thereby improving customer interaction across all channels (e.g., branch offices, Internet, ATM, call centers).

*Decision Solutions.* Our decision solutions offer a full spectrum of options that cover the account lifecycle from helping to identify qualified account applicants to managing mature customer accounts and fraud. Our applications include know your customer, new account decisioning, new account opening, account and transaction management, fraud management and collections.

*Syndicated Loan Applications.* Our syndicated loan applications are designed to support wholesale and commercial banking requirements necessary for all aspects of syndicated commercial loan origination and management.

*Automotive Finance Applications.* Our primary automotive finance applications include an application suite that assists automotive finance institutions in evaluating loan applications and credit risk, and allows

automotive finance institutions to manage their loan and lease portfolios. We also offer dealer wholesale finance and other ancillary services to the automotive industry.



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*Commercial Technology.* Our commercial technology includes solutions designed to meet the technology challenges facing any client, large or small. Our technology solutions range in scope from consulting engagements to application development projects and from operations support for a single application to full management of information technology infrastructures.

*Global Solutions.* Our global solutions business provides outsourcing teams, both onshore and offshore, to manage costs, improve operational efficiency, transform processes and deliver world-class customer service all around the world.

*Risk Management.* Our risk management services utilize our proprietary risk management models and data sources to assist in detecting fraud and assessing the risk of opening a new account or accepting a check at either the point-of-sale, a physical branch location, or through the Internet. Our systems utilize a combination of advanced authentication procedures, predictive analytics, artificial intelligence modeling, neural networks and proprietary and shared databases to assess and detect fraud risk for deposit transactions for financial institutions.

*Ancillary Solutions.* We offer a number of services that are ancillary to the primary products and services listed above including branch automation, back office support systems and compliance support.

We employ several business models to provide our solutions to our customers. We typically deliver the highest value to our customers when we combine our software applications and deliver them in one of several types of outsourcing arrangements, such as an application service provider, facilities management processing or an application management arrangement. We are also able to deliver individual applications through a software licensing arrangement. Based upon the expertise gained through the foregoing arrangements, some clients also use us to manage their IT operations without providing any of our proprietary software.

***Payment Solutions***

Our Payment Solutions segment is focused on servicing the payment and electronic funds transfer needs of U.S. banks, credit unions, automotive financial companies, commercial lenders, independent community and savings institutions. Our product and service offerings in this segment include:

*Debit & Electronic Funds Transfer.* Our debit and electronic funds transfer processing options include multiple authorization options, settlement and card management.

*Electronic Banking and Bill Payment.* Our electronic banking services are utilized by more than 1,700 financial institutions to offer Internet banking and bill payment services to their customers. Our bill payment solution is designed to ease online banking by providing a robust bill payment solution including paying bills online, scheduling payments, setting up recurring payments, using various accounts, and viewing payment history.

*Merchant Processing.* Our merchant processing provides everything a financial institution needs to manage its merchant portfolio including point-of-sale equipment, transaction authorization, draft capture, settlement, charge-back processing and reporting.

*Item Processing Services.* Our item processing equip financial institutions with the equipment needed to capture and sort items, process exceptions through keying, balancing, archiving and the production of statements. Our item processing services are utilized by more than 1,400 financial institutions and are performed at one of our 33 item processing centers located throughout the U.S. or on-site at customer locations.

*Credit Card Services.* Over 6,000 financial institutions utilize a combination of our technology and or/services to issue VISA, MasterCard or American Express branded credit and debit cards or other electronic payment cards for use by both consumer and business accounts, from card production and activation to an extensive

range of fraud management services to value-added loyalty programs designed to increase card usage and fee-based revenues. The majority of our programs are full service, including most of the operations and support necessary for an issuer to operate a credit card program. We do not make credit decisions for our card issuing customers, nor do we fund their receivables.

*Prepaid Card Services.* We are one of the largest and most comprehensive provider of prepaid card services, including gift cards and reloadable cards, with end-to-end solutions for development, processing and administration of stored value programs.

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*Check Authorization.* Our check authorization system utilizes artificial intelligence modeling, neural networks and other state-of-the-art technology to deliver accuracy, convenience and simplicity to retailers.

*Ancillary Solutions.* We offer a number of services that are ancillary to the primary products and services listed above, including print and mail capabilities. Our print and mail services offer complete computer output solutions for the creation, management and delivery of print and fulfillment needs.

### ***International***

We provide core banking applications, item processing, card services and check risk management solutions to financial institutions, card issuers, and retailers in over 90 countries outside the United States. Our international operations leverage existing domestic applications and provide services for the specific business needs of our customers in targeted international markets. Our product and service offering includes a comprehensive range of financial and payment processing software and services. Our payment solutions services include fully outsourced card issuer services and customer support, item processing and retail point-of-sale check authorization services. Our financial solutions services include fully outsourced core bank processing arrangements, application management, software licensing and maintenance, facilities management and consulting services.

### ***Corporate and Other Segment***

The Corporate and Other segment consists of the corporate overhead costs that are not allocated to any operating segments. These include costs related to human resources, finance, accounting, domestic sales and marketing and amortization of acquisition related intangibles and other costs that are not considered when management evaluates segment performance.

### ***Sales and Marketing***

We have teams of experienced sales personnel with expertise in particular services or the needs of particular types of customers. We target the majority of our potential customers via direct and/or indirect field sales, as well as inbound and outbound telemarketing efforts. Marketing activities include direct marketing, print advertising, media relations, public relations, tradeshow and convention activities, seminars and other targeted activities. Our sales force also targets existing customers to promote the cross-selling of additional products and services to our existing client base. Our strategy is to use the most efficient delivery system available to successfully acquire clients and build awareness of our products and services.

### ***Patents, Trademarks and Other Intellectual Property***

We rely on a combination of contractual restrictions, internal security practices, and applicable law to establish and protect our software, technology and expertise worldwide. Further, we have developed a number of brands that have accumulated substantial goodwill in the marketplace, and we rely on trademark law to protect our rights in those brands. While we intend to continue taking appropriate measures to protect our intellectual property rights, these legal protections and arrangements afford only limited protection, and there is no assurance that our competitors will not independently develop or license products, services, or capabilities that are substantially equivalent or superior to ours. In general, we own the proprietary rights necessary for the conduct of our business, although we do license certain items from third parties under arms-length agreements for varying terms.

### ***Competition***

Our primary competitors include internal technology departments within financial institutions and retailers, data processing or software development departments of large companies or large computer manufacturers, third-party payment processors, independent computer services firms, companies that develop and deploy software applications, companies that provide customized development, implementation and support services and companies that market software for the financial services industry. Some of these competitors possess substantially greater financial, sales and marketing resources than we do. Competitive factors impacting the success of our products and services include the quality of the technology-based application or service, application features and functions, ease of delivery and integration, ability of the provider to maintain, enhance, and support the applications or services, and price. We believe that we compete favorably in each of these categories. In addition, we believe that our financial institution industry expertise, combined with our ability to offer multiple applications, services and integrated solutions to individual customers, enhances our competitiveness against companies with more limited offerings. Specific

competitors for both financial and payment solutions include:

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Fiserv, Inc., Jack Henry and Associates, Inc. and Metavante Corporation. In the core processing market, we also compete with Open Solutions, Inc., International Business Machines Corporation (IBM), Accenture Ltd., and in certain non-U.S. markets, Alnova Technologies Corporation, I-Flex Solutions Limited n/k/a Oracle Financial Services Software Limited and Temenos Group AG. Our competitors in the card services market include third-party credit and debit card processors such as First Data Corporation, Total System Services, Inc., Electronic Data Systems Corporation (EDS) and Payment Systems for Credit Unions (PSCU). Competitors in the check risk management services market include First Data Corporation's TeleCheck Services division, and Global Payments, Inc.

### **Research and Development**

Our research and development activities have related primarily to the design and development of processing systems and related software applications and risk management platforms. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our proprietary systems and existing software applications, to develop new and innovative software applications and systems in response to the needs of our customers, and to enhance the capabilities surrounding our outsourcing infrastructure. In addition, we intend to offer services that are compatible with new and emerging delivery channels.

As part of our research and development process, we evaluate current and emerging technology for compatibility with our existing and future software platforms. To this end, we engage with various hardware and software vendors in evaluation of various infrastructure components. Where appropriate, we use third-party technology components in the development of our software applications and service offerings. Third-party software may be used for highly specialized business functions, which we may not be able to develop internally within time and budget constraints. Additionally, third-party software may be used for commodity type functions within a technology platform environment. In the case of nearly all of our third-party software, enterprise license agreements exist for the third-party component and either alternative suppliers exist or transfer rights exist to ensure the continuity of supply. As a result, we are not materially dependent upon any third-party technology components. We work with our customers to determine the appropriate timing and approach to introducing technology or infrastructure changes to our applications and services. In the years ended December 31, 2008, 2007 and 2006 we recorded expense of approximately \$84.8 million, \$70.4 million, and \$70.9 million, respectively, on research and development efforts (excluding amounts capitalized).

### **Government Regulation**

Our products and services are subject to a broad range of complex federal, state, and foreign regulation, including federal truth-in-lending and truth-in-savings rules, Regulation AA (Unfair or Deceptive Acts or Practices), privacy laws, usury laws, the Equal Credit Opportunity Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Bank Secrecy Act, the USA Patriot Act, the Internal Revenue Code, the Employee Retirement Income Security Act, the Health Insurance Portability and Accountability Act and the Community Reinvestment Act. The compliance of our products and services with these and other applicable laws and regulations depends on a variety of factors, including the manner in which our clients use them. Our clients are contractually responsible for determining what is required of them under applicable laws and regulations so that we can assist them in their compliance efforts. The failure of our products and services to comply with applicable laws and regulations could result in restrictions on our ability to provide them, as well as the imposition of civil fines and/or criminal penalties. The four principal areas of regulation impacting our business are:

*Privacy.* Our financial institution clients are required to comply with privacy regulations imposed under the Gramm-Leach-Bliley Act. These regulations place restrictions on the use of non-public personal information. All financial institutions must disclose detailed privacy policies to their customers and offer them the opportunity to direct the financial institution not to share information with third parties. The new regulations, however, permit financial institutions to share information with non-affiliated parties who perform services for the financial institutions. As a provider of services to financial institutions, we are required to comply with the privacy regulations and are bound by the same limitations on disclosure of the information received from our customers as apply to the financial institutions themselves.

*Consumer Reporting.* Our retail check authorization services (Certegy Check Services) and account opening services (ChexSystems) maintain databases of consumer information and, as a consequence, are subject to the Federal Fair Credit Reporting Act and similar state laws. Among other things, the Fair Credit Reporting Act imposes requirements on us concerning data accuracy, and provides that consumers have the right to know the contents of their files, to dispute their accuracy, and to require verification or removal of disputed information. In furtherance of our objectives of data accuracy, fair treatment of consumers, protection of consumers personal information, and compliance with these laws, we maintain a high level of security for our computer systems in which consumer data resides, and we maintain consumer relations call

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centers to facilitate efficient handling of consumer requests for information and handling disputes.

*Debt Collection.* Our collection services are subject to the Federal Fair Debt Collection Practices Act and various state collection laws and licensing requirements. The Federal Trade Commission, as well as state attorneys general and other agencies, have enforcement responsibility over the collection laws, as well as the various credit reporting laws.

*Money Transfer.* Elements of our cash access and money transmission businesses are registered as a Money Services Business and are subject to the USA Patriot Act and reporting requirements of the Bank Secrecy Act and U.S. Treasury Regulations. This business is also subject to various state, local and tribal licensing requirements. The Financial Crimes Enforcement Network, state attorneys general, and other agencies have enforcement responsibility over laws relating to money laundering, currency transmission, and licensing. In addition, most states have enacted statutes that require entities engaged in money transmission and the sale of stored value cards to register as a money transmitter with that jurisdiction's banking department.

As a provider of electronic data processing and back-office services to financial institutions we are also subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council, an interagency body of the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the National Credit Union Administration and various state regulatory authorities. In addition, independent auditors annually review several of our operations to provide reports on internal controls for our customers' auditors and regulators. We are also subject to review by state and foreign laws and rules that regulate many of the same activities that are described above, including electronic data processing and back-office services for financial institutions and use of consumer information.

The foregoing list of laws and regulations to which our company is subject is not exhaustive, and the regulatory framework governing our operations changes continuously. Although we do not believe that compliance with future laws and regulations related to our businesses will have a material adverse effect on our company, enactment of new laws and regulations may increasingly affect the operations of our business, directly and indirectly, which could result in substantial regulatory compliance costs, litigation expense, adverse publicity, and/or loss of revenue.

### **Employees**

As of December 31, 2008, we had approximately 26,000 employees, including approximately 15,000 employees principally employed outside of the U.S. None of our U.S. workforce currently is unionized. We have not experienced any work stoppages, and we consider our relations with employees to be good.

### **Available Information**

Our Internet website address is [www.fidelityinfoservices.com](http://www.fidelityinfoservices.com). We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and amendments to those reports, available, free of charge, on that website as soon as reasonably practicable after we file or furnish them to the Securities and Exchange Commission. Our Corporate Governance Policy and Code of Business Conduct and Ethics are also available on our website and are available in print, free of charge, to any shareholder who mails a request to the Corporate Secretary, Fidelity National Information Services, Inc., 601 Riverside Avenue, Jacksonville, FL 32204 USA. Other corporate governance-related documents can be found at our website as well. However, the information found on our website is not a part of this or any other report.

### **Item 1A. Risk Factors.**

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and others described elsewhere in this Annual Report on Form 10-K. Any of the risks described herein could result in a significant adverse effect on our results of operation and financial condition.

*If we fail to adapt our services to changes in technology or in the marketplace, or if our ongoing efforts to upgrade our technology are not successful, we could lose customers and have difficulty attracting new customers for our services.*

The markets for our services are characterized by constant technological changes, frequent introductions of new services and evolving industry standards. Our future success will be significantly affected by our ability to enhance

our current services, and develop and introduce new services that address the increasingly sophisticated needs of our customers and their clients. These



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initiatives carry the risks associated with any new service development effort, including cost overruns, delays in delivery, and performance issues. There can be no assurance that we will be successful in developing, marketing and selling new services that meet these changing demands, that we will not experience difficulties that could delay or prevent the successful development, introduction, and marketing of these services, or that our new services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance.

***We may experience defects, development delays, installation difficulties and system failures with respect to our technology solutions, which would harm our business and reputation and expose us to potential liability.***

Many of our services are based on sophisticated software and computing systems, and we may encounter delays when developing new technology solutions and services. Further, the technology solutions underlying our services have occasionally contained and may in the future contain undetected errors or defects when first introduced or when new versions are released. In addition, we may experience difficulties in installing or integrating our technologies on platforms used by our customers. Finally, our systems and operations could be exposed to damage or interruption from fire, natural disaster, power loss, telecommunications failure, unauthorized entry and computer viruses. Defects in our technology solutions, errors or delays in the processing of electronic transactions, or other difficulties could result in: (i) interruption of business operations; (ii) delay in market acceptance; (iii) additional development and remediation costs; (iv) diversion of technical and other resources; (v) loss of customers; and (vi) negative publicity; or exposure to liability claims.

Any one or more of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Although we attempt to limit our potential liability through disclaimers and limitation-of-liability provisions in our license and customer agreements, we cannot be certain that these measures will always be successful in limiting our liability.

***We operate in a competitive business environment, and if we are unable to compete effectively our results of operations and financial condition may be adversely affected.***

The market for our services is intensely competitive. Our competitors vary in size and in the scope and breadth of the services they offer. Some of our competitors have substantial resources. We face direct competition from third parties, and since many of our larger potential customers have historically developed their key applications in-house and therefore view their system requirements from a make-versus-buy perspective, we often compete against our potential customers' in-house capacities. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies. There can be no assurance that we will be able to compete successfully against current or future competitors or that competitive pressures we face in the markets in which we operate will not materially adversely affect our business, financial condition, and results of operations.

***Our revenues from the sale of services to members of VISA, MasterCard, American Express and other similar organizations are dependent upon our continued certification and sponsorship, and the loss or suspension of certification or sponsorship could adversely affect our business.***

In order to provide our card processing services, we must be certified by Visa, MasterCard, American Express and other similar organizations. These certifications are dependent upon our continued adherence to the standards of the issuing bodies. The member financial institutions, some of which are our competitors, set the standards with which we must comply. If we fail to comply with these standards, our certifications could be suspended or terminated. The termination of our certifications, or any changes in the rules and regulations governing VISA, MasterCard, American Express or other similar organizations could prevent our registration or otherwise limit our ability to provide services, which could result in a reduction in revenue or increased costs of operation, which in turn could have a material adverse effect on our business.

***Potential customers may be reluctant to switch to a new vendor, which may adversely affect our growth, both in the U.S. and internationally.***

For banks and other potential customers of our financial information software and services, switching from one vendor of bank core processing or related software and services (or from an internally-developed system) to a new vendor is a significant undertaking. Many potential customers worry about potential disadvantages such as loss of accustomed functionality, increased costs and business disruption. As a result, potential customers, both in the U.S. and internationally, often resist change. We seek to overcome this resistance through strategies such as making

investments to enhance the functionality of our software. However, there can be no assurance that our strategies for overcoming potential customers' reluctance to change vendors will be successful, and this resistance may adversely affect our growth, both in the U.S. and internationally.

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***Demand for many of our services is sensitive to the level of consumer transactions generated by our customers, and accordingly, our revenues could be impacted negatively by the current recession or any other event causing a material slowing of consumer spending.***

A significant portion of our revenue is derived from transaction processing fees. Any changes in economic factors, such as the current recession, that adversely affect consumer spending and related consumer debt, or lead to a reduction in check writing or credit and debit card usage, could reduce the volume of transactions that we process, and have an adverse effect on our business, financial condition and results of operations.

***We have a long sales cycle for many of our applications and if we fail to close sales after expending significant time and resources to do so, our business, financial condition, and results of operations may be adversely affected.***

The implementation of many of our applications often involves significant capital commitments by our customers, particularly those with smaller operational scale. Potential customers generally commit significant resources to an evaluation of available software and require us to expend substantial time, effort, and money educating them as to the value of our software and services. We incur substantial costs in order to obtain each new customer. We may expend significant funds and management resources during the sales cycle and ultimately fail to close the sale. Our sales cycle may be extended due to our customers' budgetary constraints or for other reasons. If we are unsuccessful in closing sales after expending significant funds and management resources or we experience delays, it could have a material adverse effect on our business, financial condition, and results of operations.

***Many of our customers are subject to a regulatory environment and to industry standards that may change in a manner that reduces the number of transactions in which our customers engage and therefore reduces our revenues.***

Our customers are subject to a number of government regulations and industry standards with which our services must comply. For example, our services are affected by VISA, MasterCard, American Express and electronic payment standards that are generally updated twice annually. In addition, action by regulatory authorities relating to credit availability, data usage, privacy, or other related regulatory developments could have an adverse effect on our customers and therefore could have a material adverse effect on our business, financial condition, and results of operations.

***Security breaches or our own failure to comply with privacy regulations imposed on providers of services to financial institutions could harm our business by disrupting our delivery of services and damaging our reputation.***

As part of our business, we electronically receive, process, store and transmit sensitive business information of our customers. In addition, we collect personal consumer data, such as names and addresses, social security numbers, driver's license numbers and payment history records. Unauthorized access to our computer systems or databases could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in our operations. These concerns about security are increased when we transmit information over the Internet.

Additionally, as a provider of services to financial institutions, we are bound by the same limitations on disclosure of the information we receive from our customers as apply to the financial institutions themselves. If we fail to comply with these regulations, we could be exposed to suits for breach of contract or to governmental proceedings. In addition, if more restrictive privacy laws or rules are adopted in the future on the federal or state level, that could have an adverse impact on us. Any inability to prevent security or privacy breaches could cause our existing customers to lose confidence in our systems and terminate their agreements with us, and could inhibit our ability to attract new customers and/or adversely impact our relationship with administrative agencies.

***Misappropriation of our intellectual property and proprietary rights could impair our competitive position.***

Our ability to compete depends upon proprietary systems and technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our services or to obtain and use information that we regard as proprietary. Policing unauthorized use of our proprietary rights is difficult. We cannot make any assurances that the steps we have taken will prevent misappropriation of technology or that the agreements entered into for that purpose will be enforceable. Effective trademark, service mark, copyright, and trade secret protection may not be available in every country in which our applications and services are made available online. Misappropriation of our intellectual property or potential litigation concerning such matters could have a material adverse effect on our

results of operations or financial condition.

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***We face liability to our merchant customers if checks that we have guaranteed are dishonored by the check writer's bank.***

If a check that we have guaranteed is dishonored by the check writer's bank, we must reimburse our merchant customer for the check's face value and pursue collection of the amount from the check writer. In some cases, we recognize a liability to our merchant customers for estimated check returns and a receivable for amounts we estimate we will recover from the check writers, based on historical experience and other relevant factors. The estimated check returns and recovery amounts are subject to the risk that actual amounts returned may exceed our estimates and actual amounts recovered may be less than our estimates.

***If our applications or services are found to infringe the proprietary rights of others, we may be required to change our business practices and may also become subject to significant costs and monetary penalties.***

As our information technology applications and services develop, we may become increasingly subject to infringement claims. Any claims, whether with or without merit, could: (i) be expensive and time-consuming to defend; (ii) cause us to cease making, licensing or using applications that incorporate the challenged intellectual property; (iii) require us to redesign our applications, if feasible; (iv) divert management's attention and resources; and (v) require us to enter into royalty or licensing agreements in order to obtain the right to use necessary technologies.

***Our business is subject to the risks of international operations, including movements in foreign currency exchange rates.***

We derive a significant portion of our revenue and earnings from international operations. As a result, our financial condition and operating results could be significantly affected by risks associated with international activities, including economic and labor conditions, political instability, tax laws (including U.S. taxes on foreign subsidiaries), and changes in the value of the U.S. Dollar versus local currencies. In addition, we are less well-known internationally than in the United States, have less experience with local business conditions and will face challenges in successfully managing small operations located far from our headquarters, because of the greater difficulty in overseeing and guiding operations from a distance.

As we expand our international operations, more of our customers may pay us in foreign currencies. Conducting business in currencies other than U.S. Dollars subjects us to fluctuations in currency exchange rates. Our primary exposure to movements in foreign currency exchange rates relate to foreign currencies in Brazil, Europe, Australia and parts of Asia. The U.S. Dollar value of our net investments in foreign operations, the periodic conversion of foreign-denominated earnings to the U.S. Dollar (our reporting currency), our results of operations and, in some cases, cash flows, could be adversely affected in a material manner by movements in foreign currency exchange rates. During the twelve months ended December 31, 2008, approximately 17% of our revenues were denominated in currencies other than the U.S. Dollar, including the Brazilian Real, British pound and Euro. These risks could cause a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

***Our existing levels of leverage and debt service requirements may adversely affect our financial and operational flexibility.***

As of December 31, 2008, we had total debt of approximately \$2.5 billion. This level of debt could have important consequences to us, including the following: (i) the debt level may cause us to have difficulty borrowing money in the future for working capital, capital expenditures, acquisitions or other purposes and limits our ability to pursue other business opportunities and implement certain business strategies; (ii) we use a large portion of the money we earn to pay principal and interest on our senior credit facilities, which reduces the amount of money available to finance operations, acquisitions and other business activities, repay other indebtedness and pay shareholder dividends; (iii) some of our debt has a variable rate of interest, which exposes us to the risk of increased interest rates; and (iv) we have a higher level of debt than some of our competitors, which may cause a competitive disadvantage and may reduce flexibility in responding to changing business and economic conditions, including increased competition.

In addition, the terms of our senior credit facilities may restrict us from taking actions, such as making significant acquisitions or dispositions or entering into certain agreements, which we might believe to be advantageous to us.

***If we are unable to successfully consummate and integrate acquisitions, our results of operations may be adversely affected.***

We have made numerous acquisitions in recent years as a part of our growth strategy. We anticipate that we will continue to seek to acquire complementary businesses and services. This strategy will depend on the ability to find suitable acquisitions and finance them

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on acceptable terms. We may require additional debt or equity financing for future acquisitions, and doing so will be made more difficult by our existing debt. If we are unable to acquire suitable acquisition candidates, we may experience slower growth. Further, after successfully completing acquisitions, we face challenges in integrating acquired businesses. These challenges include eliminating redundant operations, facilities and systems, coordinating management and personnel, retaining key employees, managing different corporate cultures, and achieving cost reductions and cross-selling opportunities. There can be no assurance that we will be able to fully integrate all aspects of acquired businesses successfully or fully realize the potential benefits of bringing them together, and the process of integrating these acquisitions may disrupt our business and divert our resources.

### ***We may be unable to achieve some or all of the benefits that we expect from the LPS spin-off.***

We may not be able to achieve the strategic and financial benefits we expected to result from the LPS spin-off or such benefits may be delayed. These outcomes may occur due to, among other things, the loss of synergies, excess costs the two companies will incur as stand-alone entities, or the obligations imposed on us to avoid certain transactions in respect of our capital stock in order to preserve the planned tax-free nature of the transactions.

### ***If any part of the LPS spin-off is determined to be a taxable transaction, then additional taxes could be imposed on us and our shareholders.***

On June 20, 2008, we received a favorable private letter ruling from the Internal Revenue Service ( IRS ) regarding the contribution of our interest in the assets, liabilities, businesses and employees related to our lender processing services operations in exchange for the receipt by us of LPS common stock and LPS debt obligations, which we refer to as the contribution, the exchange by us of LPS debt obligations for certain outstanding FIS debt, which we refer to as the debt exchange, and the distribution of LPS common stock to our shareholders, which we refer to as the spin-off. The IRS ruling was to the effect that: (i) the contribution taking into account the spin-off will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, in which neither we nor LPS will recognize any gain or loss; (ii) no gain or loss will be recognized by us in the debt exchange, pursuant to Section 361 of the Code; and (iii) no gain or loss will be recognized by us or our shareholders on the spin-off, pursuant to Section 355 and related provisions of the Code (including Section 361(c) of the Code), except that any gain that our shareholders realize on cash received in lieu of any fractional shares of our common stock to which such shareholders may be entitled in the spin-off generally will be taxable to our shareholders.

Notwithstanding our receipt of the IRS private letter ruling, the IRS could determine that the contribution, debt exchange and/or spin-off constitute taxable transactions if it determines that there was a misstatement or omission of any of the facts, representations, or undertakings that were included in the request for the private letter ruling, or if it disagrees with our conclusions reached regarding certain factual requirements that, consistent with the IRS standard ruling policy, were not covered by the IRS ruling.

If one or more of the contribution, debt exchange or spin-off transactions ultimately were determined to be subject to tax, we would recognize gain and the amount of that gain would be up to the excess of the fair market value of the LPS stock and debt obligations we received in the contribution over our basis in the assets we contributed to LPS in the contribution. The amount of such gain could be substantial. Further, if the spin-off transaction were subject to tax, in addition to tax imposed on us, our shareholders generally would be treated as if they received a taxable distribution equal to the full fair market value of LPS stock on the distribution date. In addition, we could be subject to tax on certain of the preliminary asset transfers that were made in connection with the contribution transaction.

Notwithstanding the favorable IRS ruling that the spin-off qualified for tax-free treatment, it would become taxable to us, pursuant to Section 355(e) of the Code, if 50% or more of the shares of either our common stock or LPS common stock were acquired, directly or indirectly, as part of a plan or series of related transactions that included the spin-off. If the IRS were to determine that acquisitions of our common stock or of LPS common stock, either before or after the spin-off, were part of a plan or series of related transactions that included the spin-off, this determination could result in the recognition of substantial gain by us under Section 355(e).

Although the taxes resulting from the contribution, debt exchange or spin-off not qualifying for tax-free treatment for United States Federal income tax purposes generally would be imposed on us and our shareholders, under the tax disaffiliation agreement entered into by us and LPS in connection with the distribution, LPS would be required to

indemnify us and our affiliates against all tax related liabilities caused by the failure of any of those transactions to qualify for tax-free treatment for United States Federal income tax purposes (including as a result of Section 355(e) of the Code) to the extent these liabilities arise as a result of any action taken by LPS or any of LPS affiliates following the spin-off or otherwise result from any breach of any representation, covenant or obligation of LPS or any of LPS affiliates under the tax disaffiliation agreement.



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There is no guaranty that LPS will have financial resources to satisfy any such indemnification obligation described above.

***The executive chairman of our board of directors and other officers and directors have interests and positions that could present potential conflicts.***

We and certain of our subsidiaries are parties to a variety of related party agreements with FNF and LPS. William P. Foley, II, who is our Executive Chairman, is currently the Chairman of the board of directors of both FNF and LPS. Lee A. Kennedy, who serves as President and Chief Executive Officer of our company, is also a director of LPS. Brent B. Bickett, who is an officer of FIS, is also an officer of FNF and LPS. William P. Foley, II and Brent B. Bickett also own or hold substantial amounts of LPS and FNF stock and stock options. Thomas M. Hagerty and Richard N. Massey, who are both directors of FIS, are also directors of FNF. As a result of the foregoing, there may be circumstances where certain of our executive officers and directors may be subject to conflicts of interest with respect to, among other things: (i) our past and ongoing relationships with FNF and LPS, including related party agreements and other arrangements with respect to the administration of tax matters, employee benefits and indemnification; (ii) the quality, pricing and other terms associated with services that we provide to FNF and LPS, or that they provide to us, under related party agreements; (iii) business opportunities arising for either us, FNF or LPS, that could be pursued by either us, or by FNF or LPS; and (iv) conflicts of time with respect to matters potentially or actually involving or affecting FIS.

We seek to manage these potential conflicts through, abstention, oversight by independent members of our board of directors and provisions in our agreements with FNF and LPS. However, there can be no assurance that such measures will be effective or that we will be able to resolve all potential conflicts with FNF and LPS, or that the resolution of any such conflicts will be no less favorable to us than if we were dealing with an unaffiliated third party.

***We have substantial investments in recorded goodwill and other intangible assets as a result of prior acquisitions, and a further more severe or continued economic downturn could cause these investments to become impaired, requiring write-downs that would reduce our operating income.***

As of December 31, 2008, goodwill aggregated to approximately \$4,194.0 million, 55.8% of total assets, and other indefinite lived intangible assets aggregated to approximately \$152.0 million, 2.0% of total assets. Current accounting rules require goodwill and other indefinite lived intangible assets to be assessed for impairment at least annually or whenever changes in circumstances indicate potential impairment. Factors that may be considered a change in circumstance include significant underperformance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization, and negative industry or economic trends. The results of our fiscal year 2008 annual assessment of the recoverability of goodwill indicated that the fair value of the Company's reporting units were in excess of the carrying value of those reporting units, and thus no goodwill impairment existed as of December 31, 2008. Additionally, other than with respect to our Certegy Check business, where we recorded an impairment charge of \$52.0 million in the fourth quarter of 2008, the fair value of indefinite lived intangible assets was in excess of the carry value of those assets. However, if the current worldwide economic downturn continues, the carrying amount of our goodwill and other indefinite lived intangible assets may no longer be recoverable, and we may be required to record an impairment charge, which would have a negative impact on our results of operations and financial condition. We will continue to monitor the fair value of our other indefinite lived intangible assets as well as our market capitalization and the impact of the current economic downturn on our business to determine if there is an impairment in future periods.

***Consolidations and failures in the banking and financial services industry could adversely affect our business by eliminating some of our existing and potential customers and making us more dependent on a more limited number of customers.***

There has been and continues to be substantial consolidation activity in the banking and financial services industry. In addition, many financial institutions that experienced negative operating results, including some of our customers, have failed.

The failures and consolidations reduce the number of our customers and potential customers, which could adversely affect our revenues even if the events do not reduce the aggregate activities of the consolidated entities. Further, if our customers fail and/or merge with or are acquired by other entities that are not our customers, or that use

fewer of our services, they may discontinue or reduce use of our services. It is also possible that larger financial institutions resulting from consolidations would have greater leverage in negotiating terms or could decide to perform in-house some or all of the services which we currently provide or could provide. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

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***Losses, consolidations and failures in the financial services industry may impact our ability to borrow funds or the ability of our lenders to fulfill their obligations under our interest rate swap agreements.***

Many financial institutions are currently experiencing negative operating results. In some cases, these negative operating results have led to financial institution failures and/or consolidations, including, in some cases, lenders that are parties to our Credit Agreement and interest rate swap agreements. As a result, lenders may become insolvent or tighten lending standards, which could in turn make it more difficult or impossible for lenders to perform their obligations under our interest rate swap agreements or for us to borrow under our Credit Agreement, obtain financing on favorable terms, or obtain financing or interest rate swap agreements at all. Our financial condition and results of operations could be adversely affected if a financial institution fails to fulfill its obligations under our interest rate swap agreements or we are unable to draw funds under our Credit Agreement or obtain other cost-effective financing.

**Statement Regarding Forward-Looking Information**

The statements contained in this Form 10-K or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, our future financial and operating results. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expect, plan, anticipate, believe, estimate, predict, continue, or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to:

- general political, economic, and business conditions, including the possibility of intensified international hostilities, acts of terrorism, and general volatility in the capital markets;

- failures to adapt our services to changes in technology or in the marketplace;

- consolidation or failures in the banking industry;

- consolidation or failures in the retail industry;

- security breaches of our systems and computer viruses affecting our software;

- the impact of competitive services and pricing;

- the ability to identify suitable acquisition candidates and the ability to finance such acquisitions, which depends upon the availability of adequate cash reserves from operations or of acceptable financing terms and the variability of our stock price;

- our ability to integrate any acquired business operations, services, clients, and personnel;

- the effect of our substantial leverage, which may limit the funds available to make acquisitions and invest in our business;

- changes in, or the failure to comply with, government regulations, including privacy regulations; and

- other risks detailed elsewhere in this Risk Factors section and in our other filings with the Securities and Exchange Commission.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. *Properties.***

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FIS corporate headquarters is located at 601 Riverside Avenue, Jacksonville, Florida in a facility leased from LPS. In addition, FIS owns or leases support centers, data processing facilities and other facilities at over 190 locations. We believe our facilities and equipment are generally well maintained and are in good operating condition. We believe that the computer equipment that we own and our various facilities are adequate for our present and foreseeable business needs. We maintain our own, and contract with multiple service providers to provide, processing back-up in the event of a disaster.

**Item 3. Legal Proceedings.**

See discussion of Litigation in Note 17 to the Consolidated Financial Statements included in Item 8 of Part II of this Report, which is incorporated by reference into this Part I, Item 3.

**Item 4. Submission of Matters to a Vote of Security Holders.**

None.

**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Our common stock trades on the New York Stock Exchange under the ticker symbol FIS. The table set forth below provides the high and low sales prices of the common stock and the cash dividends declared per share of common stock for each quarter of 2008 and 2007. On July 2, 2008 (the spin-off date), all of the shares of the common stock, par value \$0.0001 per share of LPS, previously a wholly-owned subsidiary of FIS, were distributed to FIS shareholders through a stock dividend (the spin-off). In the spin-off, FIS contributed to LPS all of FIS interest in the assets, liabilities, businesses and employees related to FIS Lender Processing Services segment in exchange for shares of LPS common stock and \$1,585.0 million aggregate principal amount of LPS debt obligations, which we exchanged with the holders of our \$1,585.0 Term Loan B and retired the latter debt. Upon the distribution, FIS shareholders received one-half share of LPS common stock for every share of FIS common stock held as of the close of business on June 24, 2008. FIS shareholders collectively received 100% of the LPS Common Stock, which became a separate public company trading under the symbol LPS on the New York Stock Exchange.

	<b>High</b>	<b>Low</b>	<b>Dividend</b>
<b>2008</b>			
First Quarter	\$ 43.50	\$ 36.31	\$ 0.05
Second Quarter	\$ 42.16	\$ 34.90	\$ 0.05
Third Quarter (a)	\$ 37.25	\$ 18.09	\$ 0.05
Fourth Quarter (a)	\$ 18.18	\$ 12.47	\$ 0.05
<b>2007</b>			
First Quarter	\$ 47.55	\$ 40.34	\$ 0.05
Second Quarter	\$ 55.09	\$ 47.35	\$ 0.05
Third Quarter	\$ 57.67	\$ 44.28	\$ 0.05
Fourth Quarter	\$ 47.86	\$ 41.50	\$ 0.05

- (a) The sales prices of our common stock for the third and fourth quarter of 2008 reflect the LPS spin-off. As of January 31, 2009, there were approximately 8,947

shareholders of  
record of our  
common stock.

We currently pay a \$0.05 dividend on a quarterly basis, and expect to continue to do so in the future. The declaration and payment of future dividends is at the discretion of our Board of Directors, and depends on, among other things, our investment policy and opportunities, results of operations, financial condition, cash requirements, future prospects, and other factors that may be considered relevant by our Board of Directors, including legal and contractual restrictions. Additionally, the payment of cash dividends may be limited by covenants in our debt agreements. A regular quarterly dividend of \$0.05 per common share is payable March 30, 2009 to shareholders of record as of the close of business on March 16, 2009.

Item 12 of Part III contains information concerning securities authorized for issuance under our equity compensation plans.

On October 25, 2006, our Board of Directors approved a plan authorizing repurchases of up to \$200.0 million worth of our common stock (the "Old Plan"). On April 17, 2008, our Board of Directors approved a plan authorizing repurchases of up to an additional

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\$250.0 million worth of our common stock (the New Plan ). Under the New Plan we repurchased 5.8 million shares of our common stock for \$226.2 million, at an average price of \$38.97, for the year ended December 31, 2008. There were no stock repurchases during the 2008 fourth quarter. During the year ended December 31, 2008, we also repurchased an additional 0.2 million shares of our common stock for \$10.0 million at an average price of \$40.56 under the Old Plan. Total shares repurchased during the year ended December 31, 2008 were 6.0 million shares for \$236.2 million at an average price of \$39.04.

**Table of Contents****Item 6. Selected Financial Data.**

The selected financial data set forth below constitutes historical financial data of FIS and should be read in conjunction with Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 8, Financial Statements and Supplementary Data, included elsewhere in this report.

On February 1, 2006, we completed the Certegy merger. For accounting and financial reporting purposes, the merger was treated as a reverse acquisition of Certegy by FIS under the purchase method of accounting pursuant to generally accepted accounting principles. Accordingly, our historical financial information for periods prior to the Certegy Merger is the historical financial information of FIS.

On July 2, 2008, we completed the LPS spin-off. For accounting purposes the results of LPS are presented as discontinued operations. Accordingly all prior periods have been restated to present the results of FIS on a stand alone basis and include the results of LPS up to July 1, 2008 as discontinued operations.

	<b>Year Ended December 31,</b>				
	<b>2008(1)(2)</b>	<b>2007(1)(2)</b>	<b>2006(2)</b>	<b>2005</b>	<b>2004</b>
	<b>(In millions, except per share data)</b>				
<b>Statement of Earnings Data:</b>					
Processing and services revenues	\$ 3,446.0	\$ 2,921.0	\$ 2,416.5	\$ 1,258.8	\$ 981.8
Cost of revenues	2,636.9	2,265.8	1,872.2	939.0	733.1
Gross profit	809.1	655.2	544.3	319.8	248.7
Selling, general and administrative expenses	389.4	302.9	279.8	179.9	186.3