



www.euronetworldwide.com

Euronet Worldwide Annual Meeting of Stockholders

May 17, 2007

Hilton Garden Inn Hotel • Overland Park • Kansas

Michael J. Brown, Chairman & CEO

Rick L. Weller, EVP & CFO

Jeffrey B. Newman, EVP & General Counsel

SECURE FINANCIAL TRANSACTIONS - ANY TIME, ANY PLACE

Forward-Looking Statements

Statements contained in this presentation that concern Euronet's or its management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including: technological developments affecting the market for the Company's products and services; foreign exchange fluctuations; and changes in laws and regulations affecting the Company's business. These risks and other risks are described in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of these filings may be obtained by contacting the Company or the SEC. Euronet does not intend to update these forward-looking statements and undertakes no duty to any person to provide any such update under any circumstances.

Defined Terms

Unless specifically noted otherwise within this presentation, the following terms are hereby defined as follows:

Adjusted EBITDA is defined as operating income excluding depreciation, amortization and share-based compensation expense. While depreciation and amortization are considered operating costs under Generally Accepted Accounting Principles (GAAP), these expenses primarily represent a non-cash current period allocation of costs associated with long-lived assets acquired in prior periods. Similarly, the expense recorded for share-based compensation does not represent a current or future period cash cost.

Adjusted earnings per share (EPS) is defined as diluted GAAP earnings per share excluding the impacts of a) foreign exchange gains or losses, b) discontinued operations, c) debt restructuring charges, d) share based compensation and e) other non-operating or unusual items that cannot be accurately projected.*

Cash earnings per share (Cash EPS) is defined as diluted GAAP earnings per share excluding the impacts of a) foreign exchange gains or losses, b) discontinued operations, c) debt restructuring charges, d) share based compensation, e) tax-effected intangible asset amortization and f) other non-operating or unusual items that cannot be accurately projected.

See reconciliation of non-GAAP items in the attached supplemental data.

Michael J. Brown
Chairman & CEO

Today's Agenda

- **Welcome & Introduction**
- **Stockholders' Resolutions Introduction**
- **Euronet Overview**
- **Stockholders' Resolutions Results**

- **Leading international transaction processing company**
 - Prepaid processor in Europe, Asia Pacific, Africa and the U.S. with more than 356,000 points-of-sale across 186,000 retail locations
 - ATM Outsourcing services provider in Europe, Middle East, Africa, India and China with more than 9,000 ATMs under management
 - Third-largest global money transfer company processing \$4.5 billion in money transfers annually
- **Processed 900+ million transactions in 2006**
- **FY2006 Revenue: \$629 million (18% year-over-year growth)**
- **Current market capitalization in excess of \$1 billion on NASDAQ**
- **~2,200 employees across 35 offices worldwide**

- **Operating three significant business lines:**
 - **EFT Processing (includes Software Segment)**
 - **Prepaid Processing**
 - **Money Transfer**
- **Strong position in three dynamic, fast-growing markets:**
 - **Central & Eastern Europe**
 - **China**
 - **India**
- **Access to cost-effective capital for future expansion and growth**

Jeff Newman
General Counsel

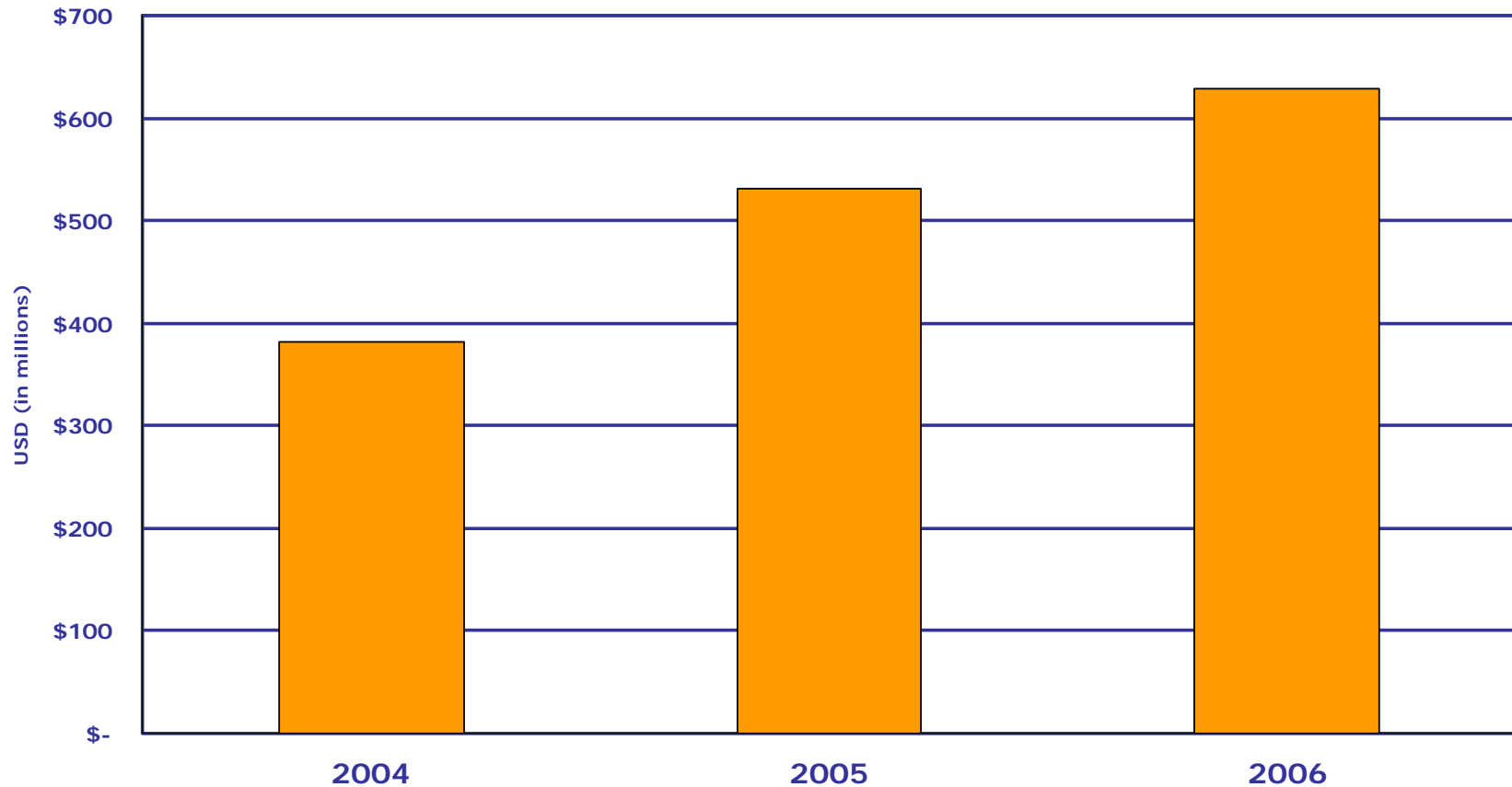
- **To elect three directors, each to serve a three-year term expiring upon the 2010 Annual Meeting of Stockholders or until a successor is duly elected and qualified.**
- **Ratification of the appointment of KPMG as the Company's auditor for the year ending December 31, 2007.**

Rick Weller
Chief Financial Officer

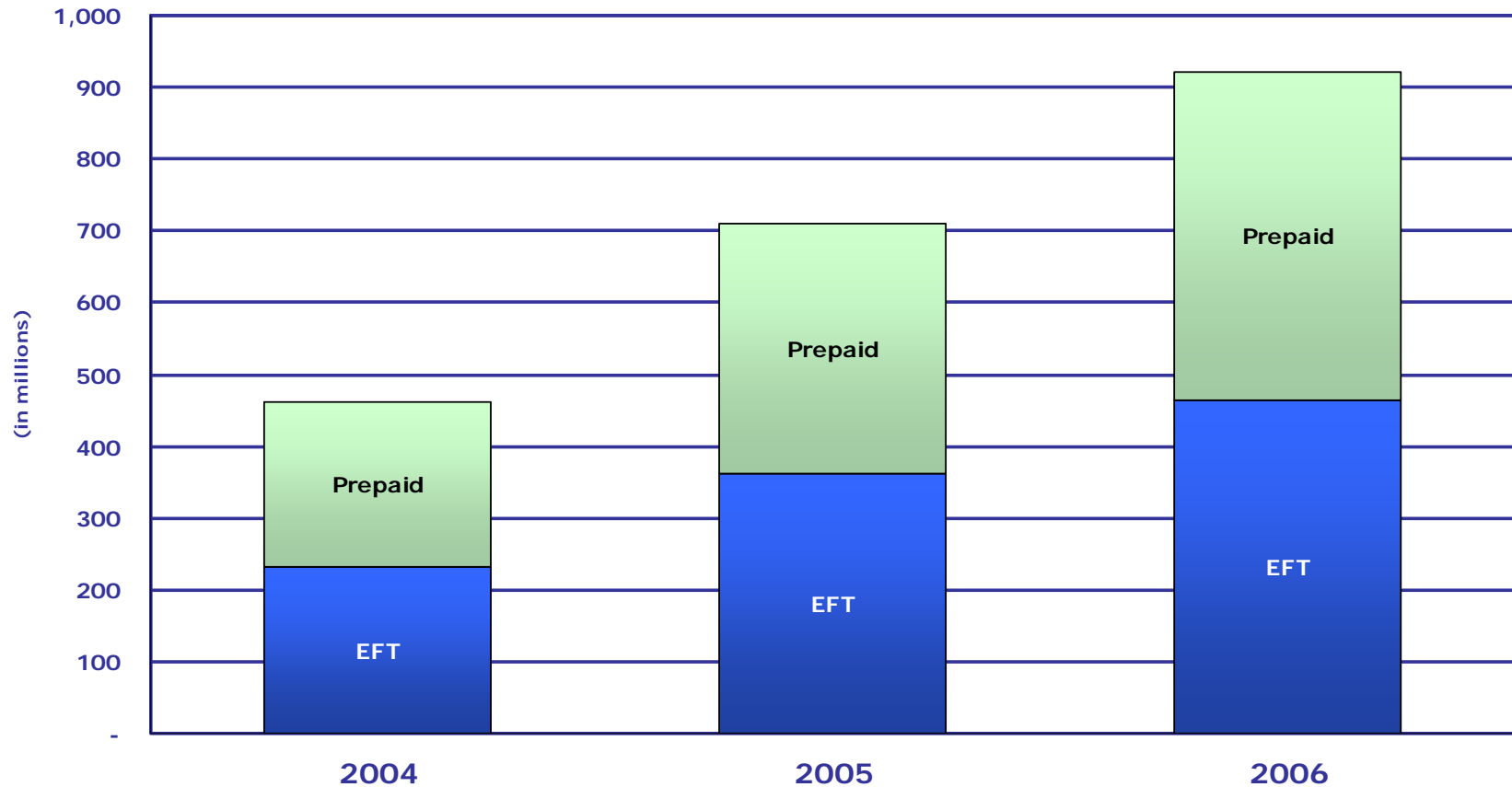
- **Revenue – \$629.2 million**
 - ▶ 18% increase over \$531.2 million in 2005
- **Operating Income – \$52.3 million**
 - ▶ 9% increase over \$47.8 million in 2005
- **Adjusted EBITDA – \$88.8 million**
 - ▶ 17% increase over \$75.8 million in 2005
- **EPS* – \$1.07**
 - ▶ 11% increase over \$0.96 in 2005

2006 Financial Report:

Annual Consolidated Revenue

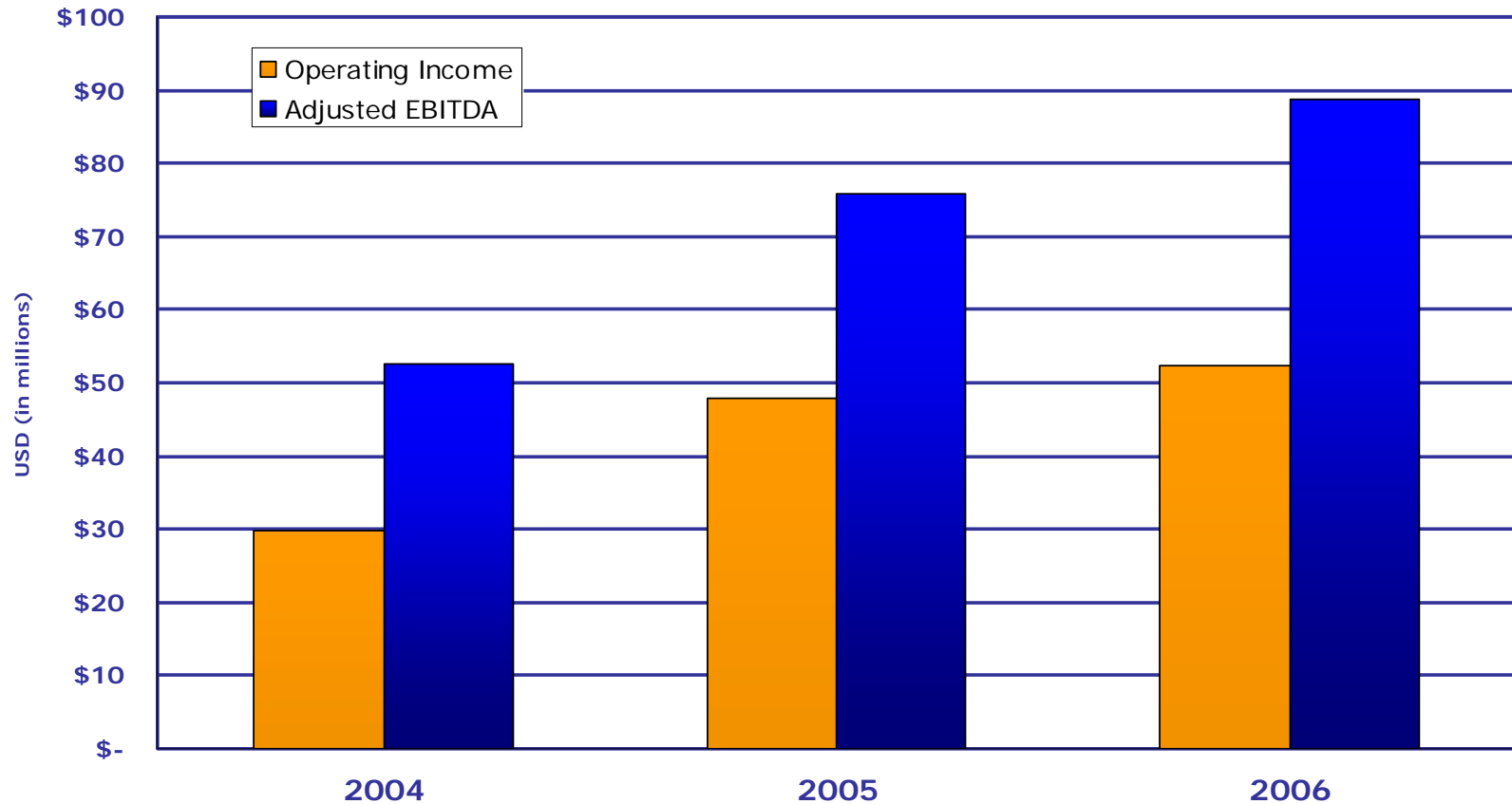


Annual Transaction Growth: EFT & Prepaid Processing Combined

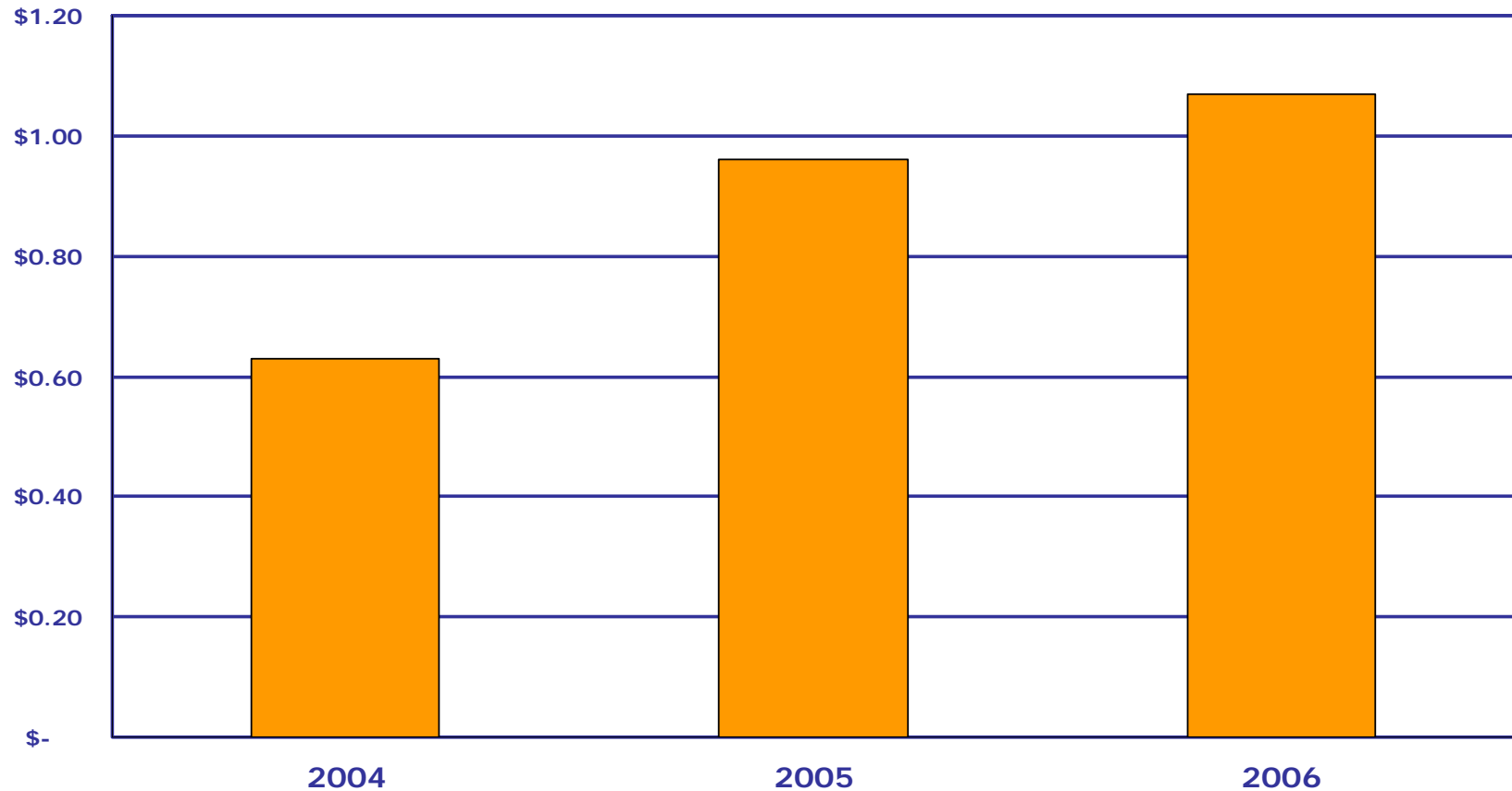


2006 Financial Report:

Annual Consolidated Op Income & Adjusted EBITDA



2006 EPS*: Consistent Annual Improvement



2006 Financial Report:

Balance Sheet & Financial Position

USD in Millions	2005	2006
Unrestricted Cash:	\$ 219.9	\$ 321.1
Total Assets	894.4	1,108.1
Total Assets (excluding trust accounts)	750.7	917.7
Total Debt	355.6	373.5
Stockholders' Equity	206.4	288.3
<hr/>		
Total Debt to Quarterly Annualized Adjusted EBITDA Multiple	4.2x	3.9x
Net Debt to Quarterly Annualized Adjusted EBITDA Multiple	1.6x	0.5x
<u>Proforma, assuming Ria Envia Acquisition</u>		
Total Debt to Quarterly Annualized Adjusted EBITDA Multiple		4.5x
Net Debt to Quarterly Annualized Adjusted EBITDA Multiple		1.9x

- **Revenue – \$170.4 million**
 - ▶ 16% increase over \$147.0 million in Q1 2006
- **Operating Income – \$12.1 million**
 - ▶ 2% decrease from \$12.3 million in Q1 2006
- **Adjusted EBITDA – \$21.9 million**
 - ▶ 4% increase over \$21.0 million in Q1 2006
- **EPS* – \$0.28**
 - ▶ 17% increase over \$0.24 in Q1 2006



Michael J. Brown **Chairman & CEO**

EFT Processing Segment

- **A leading payment and electronic financial transaction processor**
- **The largest pan-European ATM processor**
- **The largest nationwide shared ATM network in India**
- **15 countries – processing across borders**
- **~80 host-to-host bank & card connections**
- **~44,000 POS terminals live**
- **9,182 ATMs live and 1,012 additional ATMs under contract**

- **Revenue – \$130.7 million**
 - ▶ 24% increase over \$105.6 million in 2005
- **Operating Income – \$31.8 million**
 - ▶ 24% increase over \$25.6 million in 2005
- **Adjusted EBITDA – \$44.6 million**
 - ▶ 26% increase over \$35.3 million in 2005

■ Consistent Transaction Growth

- 464 million transactions in 2006: 28% increase over 2005
- 131 million transactions in Q1 2007: 27% increase over Q1 2006

■ Europe

- Launched EFT operations in Bulgaria and Ukraine
- Signed first SEPA compliant cross-border transaction processing agreement in Central and Eastern Europe with OMV
- Expanded product portfolio: enhanced card processing capabilities with the acquisition of Essentis

■ Asia, Middle East & Africa

- Completed pilot ATM project and signed two new ATM outsourcing customers in China within a year of launching operations
- Signed a significant regional Master Services Agreement with Standard Chartered Bank (SCB) in Asia, Africa and the Middle East
- Established agreements with all six multinational banks with retail presence in India
- Significant progress with Bahrain joint venture: signed five ATM outsourcing customers to date

■ Continued growth in ATM Network

- 8,885 ATMs at December 31, 2006: 23% increase over 2005
- 9,182 ATMs in Q1 2007: 21% increase over Q1 2006

Prepaid Processing Segment

Euronet Prepaid Processing Today

- **The largest international prepaid processor**
- **Prepaid Processing in 12 countries**
- **80+ mobile operator partnerships**
- **Pre-eminent cash collection network: 356,000 POS devices**
- **Worldwide retail network: 186,000 locations**
- **Extensive prepaid product portfolio: wireless and non-wireless products such as prepaid debit card, gift card, bill pay and prepaid music among others**

- **Revenue – \$470.9 million**
 - ▶ 14% increase over \$411.3 million in 2005
 - ▶ 17% increase from 2005, excluding Spain and MT
- **Operating Income – \$34.8 million**
 - ▶ 0% increase over \$34.7 million in 2005
 - ▶ 21% increase from 2005, excluding Spain and MT
- **Adjusted EBITDA – \$48.9 million**
 - ▶ 5% increase over \$46.5 million in 2005
 - ▶ 21% increase from 2005, excluding Spain and MT

■ Significant transaction growth

- 458 million transactions in 2006 – a 32% increase over 2004
- 140 million transactions in Q1 2006 – a 45% increase over Q1 2005

■ Expanded pre-eminent cash collection network

- 296,000+ POS terminals across 161,000+ retail locations as of December 2006
- 356,000+ POS terminals across 186,000+ retail locations as of end of Q1 2007

■ Acquired leading prepaid companies

- Launched 12th prepaid market with the acquisition of Brodos SRL in Romania
- Strengthened position in the U.K., our largest prepaid market with the acquisition of Omega Logic

Prepaid Processing: Business Highlights (Cont'd)

- **Expanded retailer cash collection locations in our primary prepaid markets**
 - Germany, U.S., Poland and Australia , among others
- **Strengthened prepaid product offerings**
 - Pay TV, gift cards, cross-border bill payment, prepaid music among others
- **Completed the acquisition of RIA Envia Inc., the third-largest global money transfer company**

Euronet Money Transfer Segment: RIA Facts

- Third-largest global money transfer business based on market share with 19-year history
- Processes \$4.5 billion in money transfers annually
- Licensed to operate in 48 U.S. states and 13 countries
- Originates money transfers in 13 countries: U.S., U.K., Ireland, Spain, Italy, France, Germany, Australia, Sweden, Puerto Rico, Canada, Dominican Republic and Switzerland
- Licenses pending in Belgium and Greece
- Sends remittances to 82 countries
- Offers money transfer, bill payment, money order, check cashing and foreign currency exchange services
- 10,000+ sending agents, 98 company-owned stores and payer network of 32,000+ locations
- Operates under the following highly recognizable brands: Ria Money Transfer, RIA Envía, AFEX Money Express and Kim Phu Money Transfer



Company-Owned Stores



Madrid



Berlin

Global Branding

WYŚLIJ PIENIĄDZE DO POLSKI

Odwiedź nasze biura lub zadzwoń, aby dowiedzieć się o najbliższym punkcie RIA. Jeśli chciałbyś zostać naszym agentem, zadzwoń do nas.

Ria PRZEKAZY PIENIĘŻNE

Free Station Street, London W1U 6RE
Telephone number 0800-183-0940
No Financial Services Limited is registered in England 448142

3 High Street North 1st floor East Ham - London E6 9HS

Money Transfers to the PHILIPPINES

EASY Napakadali
FAST Napakabili
CONVENIENT Walang Hassle
SECURE Sigurong Makakarating

LOW FEES Mabisang Presyo
COMPETITIVE RATES Mabisang Presyo

SAME DAY PICK UP
DOOR TO DOOR SERVICES
BANK DEPOSITS AVAILABLE IN USD OR PESOS

Ria PERA PADALA

For an agent near you please call: U.S.A. 1 800 331 9714 - Australia 1 800 701 488

Money Transfer
Envío de Dinero
Przekazy Pieniężne
Transfer de Bani
Envio de Dinheiro
Transfert D'Argent
ДЕНЕЖНЫЕ ПЕРЕВОДЫ
Invio di Denaro
Pinigų Pervedimas
منی ٹرانسفر
মনি ট্রান্সফার

Ria MONEY TRANSFER
freephone number 0800-183-0940

منی ٹرانسفر
پاکستان
آسان بھروسہ مند تیز

Ria MONEY TRANSFER
No Financial Services Limited is registered in England 448142

Agent Locations



- **Third-largest global money transfer company based on market share**
- **Significant global market growth opportunity**
- **Very strong cash flow generation**
- **Strong alignment of Euronet and RIA markets**
- **Strong consumer overlap of prepaid products, bill payment and money transfer services**
- **Leverage RIA's 10,000+ agents and 98 stores to sell prepaid products**
- **Expansion of RIA's 10,000+ agents by leveraging Euronet's 186,000 prepaid top-up retail locations**
- **Leverage Euronet's patent and banking relationships in Central and Eastern Europe, India and China to expand RIA payout network**
- **High quality management team with deep industry experience**

RIA Acquisition: Strategic Fit (cont'd)

- It is a powerful combination of a leading multi-national agent network having strong consumer brands with a leading international-based secure transaction processor having extensive global banking and retailer relationships
- Leverage world-class compliance capabilities in a tightening worldwide regulatory environment
- Market leading position with global footprint
- Scalable multi-language/multi-currency transaction processing platform
- Exceptional industry momentum with sustainable long-term double-digit growth opportunities
- Very complementary fit with Euronet operating countries, products, customers and people

■ What to look for in 2007:

- Integrate RIA and initiate mutual RIA/Euronet opportunities regarding retailers, bank relationships, and prepaid products
- Build on our success in card-processing with the first SEPA agreement
- Keep pushing east – both in Europe and Asia Pacific
- Paydown debt with excess cash flows
- Acquire where it makes sense

Jeff Newman
General Counsel

Questions

Supplemental Data:

The following schedules provided a full reconciliation of Non-GAAP Financial Measures. Management believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund capital expenditures, acquisitions and operations and to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent non-cash current period allocation of costs associated with long-lived assets acquired in prior periods. Similarly, the expense recorded for share-based compensation does not represent a current or future period cash cost. Adjusted EBITDA, defined as operating income excluding the costs of depreciation, amortization and share-based compensation, is a calculation commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the payment processing industry.

Additionally, management analyzes historical results adjusted for certain items that are incremental to the baseline of the business. Generally these items include gains or losses associated with the sale of the business assets or operations, market development costs, foreign exchange translations, discontinued operations and other similar items. Management believes the exclusion of these items provides a better basis for evaluating the underlying business unit performance.

EURONET WORLDWIDE, INC.
Reconciliation of Operating Income to Adjusted EBITDA by Segment
(unaudited - in millions)

	Year Ended December 31, 2006			
	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Consolidated</u>
Operating Income	\$ 31.8	\$ 34.8	\$ 4.0	\$ 52.3
Add: Depreciation and amortization	12.8	14.0	2.0	29.1
Add: Share-based compensation	-	0.1	-	7.4
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 44.6</u>	<u>\$ 48.9</u>	<u>\$ 6.0</u>	<u>\$ 88.8</u>

EURONET WORLDWIDE, INC.
Reconciliation of Operating Income to Adjusted EBITDA by Segment
(unaudited - in millions)

	Year Ended December 31, 2005 *			
	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Consolidated</u>
Operating Income	\$ 25.6	\$ 34.7	\$ 3.5	\$ 47.8
Add: Depreciation and amortization	9.5	11.7	1.1	22.4
Add: Share-based compensation	<u>0.2</u>	<u>0.1</u>	<u>-</u>	<u>5.6</u>
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 35.3</u>	<u>\$ 46.5</u>	<u>\$ 4.6</u>	<u>\$ 75.8</u>

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

EURONET WORLDWIDE, INC.
Reconciliation of Operating Income to Adjusted EBITDA by Segment
(unaudited - in millions)

	Year Ended December 31, 2004 *			
	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Consolidated</u>
Operating Income	\$ 15.0	\$ 28.3	\$ 1.8	\$ 29.7
Add: Depreciation and amortization	8.3	6.3	1.0	15.8
Add: Share-based compensation	<u>0.2</u>	<u>0.1</u>	<u>-</u>	<u>7.0</u>
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 23.5</u>	<u>\$ 34.7</u>	<u>\$ 2.8</u>	<u>\$ 52.5</u>

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

EURONET WORLDWIDE, INC.
Reconciliation of Operating Income to Adjusted EBITDA by Segment
(unaudited - in millions)

	Three Months Ended December 31, 2006			
	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Consolidated</u>
Operating Income	\$ 8.2	\$ 8.8	\$ 1.3	\$ 14.6
Add: Depreciation and amortization	3.6	3.6	0.6	7.8
Add: Share-based compensation	-	-	-	1.6
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 11.8</u>	<u>\$ 12.4</u>	<u>\$ 1.9</u>	<u>\$ 24.0</u>

EURONET WORLDWIDE, INC.
Reconciliation of Operating Income to Adjusted EBITDA by Segment
(unaudited - in millions)

	Three Months Ended December 31, 2005 *			
	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Consolidated</u>
Operating Income	\$ 7.2	\$ 9.3	\$ 0.9	\$ 13.5
Add: Depreciation and amortization	2.4	3.3	0.3	5.9
Add: Share-based compensation	-	-	-	1.6
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 9.6</u>	<u>\$ 12.6</u>	<u>\$ 1.2</u>	<u>\$ 21.0</u>

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

EURONET WORLDWIDE, INC.
Reconciliation of Total Debt to Proforma Total Debt
including acquisition indebtedness related to Ria Envía, inc.
(unaudited - in millions)

	As of December 31, 2006
Euronet Worldwide, Inc. Total Debt	\$ 373.5
Add: Indebtedness related to the acquisition of Ria Envía, Inc.	<u>180.0</u>
Proforma Total Debt including acquisition indebtedness related to Ria Envía, Inc.	<u><u>\$ 553.5</u></u>

EURONET WORLDWIDE, INC.
Reconciliation of Adjusted EBITDA to Proforma Adjusted EBITDA including Ria Envía, Inc.
(unaudited - in millions)

	Three Months Ended December 31, 2006
Euronet Worldwide, Inc. Adjusted EBITDA	\$ 24.0
Add: Adjusted EBITDA of Ria Envía, Inc.	<u>6.9</u>
Proforma Adjusted EBITDA including Ria Envía, Inc.	<u><u>\$ 30.9</u></u>

EURONET WORLDWIDE, INC.
Reconciliation of Prepaid Processing Segment Results
to Prepaid Processing Segment Results excluding Spanish prepaid and money transfer businesses
(unaudited - in millions)

	Year Ended December 31,					
	2006			2005 *		
	Total Revenues	Adjusted EBITDA	Operating Income	Total Revenues	Adjusted EBITDA	Operating Income
Prepaid Processing Segment	\$ 470.9	\$ 48.9	\$ 34.8	\$ 411.3	\$ 46.5	\$ 34.7
Less: Spanish prepaid and money transfer businesses	(45.0)	(0.4)	2.7	(46.9)	(6.4)	(3.7)
Prepaid Processing Segment excluding Spanish prepaid and money transfer businesses	<u>\$ 425.9</u>	<u>\$ 48.5</u>	<u>\$ 37.5</u>	<u>\$ 364.4</u>	<u>\$ 40.1</u>	<u>\$ 31.0</u>

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

EURONET WORLDWIDE, INC.
Reconciliation of Net Income Excluding Foreign Exchange and Share-Based Compensation
(unaudited - in millions, except share and per share data)

	Year Ended December 31,			Three Months Ended December 31,		
	2006	2005 *	2004 *	2006	2005 *	2004 *
Net income	\$ 46.3	\$ 22.4	\$ 12.9	\$ 15.4	\$ 7.2	\$ 3.4
Convertible debt issuance costs (1)	0.9	-	-	0.2	0.2	-
Interest on convertible debt (1)	2.3	-	-	0.6	0.6	-
Earnings applicable for common shareholders	49.5	22.4	12.9	16.2	8.0	3.4
Loss from discontinued operations	-	0.6	-	-	0.6	-
Loss on early debt retirement	-	-	0.9	-	-	0.8
Foreign exchange loss (gain)	(10.2)	7.5	0.4	(4.7)	0.8	1.3
Share-based compensation	7.4	5.6	7.0	1.6	1.6	2.7
Earnings applicable for common shareholders before foreign exchange gains/losses and share-based compensation	\$ 46.7	\$ 36.1	\$ 21.2	\$ 13.1	\$ 11.0	\$ 8.2
Adjusted earnings per share - diluted (2)	\$ 1.07	\$ 0.96	\$ 0.63	\$ 0.30	\$ 0.26	\$ 0.23
Diluted weighted average shares outstanding (1)	42,456,137	36,831,320	33,351,648	42,705,488	41,660,550	34,766,836
Effect of unrecognized share-based compensation on diluted shares outstanding	1,079,105	690,347	463,778	1,032,380	688,354	389,139
Adjusted diluted weighted average shares outstanding	43,535,242	37,521,667	33,815,426	43,737,868	42,348,904	35,155,975

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

(1) As required by GAAP, convertible debt issuance and interest costs are excluded from income for the purpose of calculating diluted earnings per share for any period when the convertible debentures, if converted, would be dilutive to earnings per share. Further, the convertible shares are treated as if all were outstanding for the period.

(2) Adjusted income per share is a non-GAAP measure that should be considered in addition to, and not as a substitute for, earnings per share computed in accordance with GAAP.

EURONET WORLDWIDE, INC.

Reconciliation of Operating Income to Adjusted EBITDA by Segment (unaudited - in millions)

	Three Months Ended March 31, 2007		
	EFT Processing	Prepaid Processing	Consolidated
Operating Income	\$ 6.9	\$ 8.8	\$ 12.1
Add: Depreciation and amortization	4.1	3.8	7.9
Add: Share-based compensation	-	0.1	1.9
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 11.0</u>	<u>\$ 12.7</u>	<u>\$ 21.9</u>

EURONET WORLDWIDE, INC.

Reconciliation of Operating Income to Adjusted EBITDA by Segment (unaudited - in millions)

	Three Months Ended March 31, 2006		
	EFT Processing	Prepaid Processing	Consolidated
Operating Income	\$ 7.8	\$ 9.0	\$ 12.3
Add: Depreciation and amortization	3.4	3.3	6.8
Add: Share-based compensation	-	-	1.9
Earnings before interest, taxes, depreciation, amortization and share-based compensation (Adjusted EBITDA)	<u>\$ 11.2</u>	<u>\$ 12.3</u>	<u>\$ 21.0</u>

EURONET WORLDWIDE, INC.
Reconciliation of Adjusted Earnings per Share
(unaudited - in millions, except share and per share data)

	Three Months Ended March 31,		
	2007	2006	2005 *
Net income	\$ 9.6	\$ 9.4	\$ 3.6
Convertible debt issuance costs (1)	0.1	0.2	-
Interest on convertible debt (1)	0.6	0.6	-
Earnings applicable for common shareholders	10.3	10.2	3.6
Gain from discontinued operations	(0.4)	-	-
Arbitration loss, net of tax	0.9	-	-
Foreign exchange loss (gain)	(0.4)	(1.6)	2.8
Share-based compensation	1.9	1.9	1.3
Rounding	-	-	0.1
Earnings applicable for common shareholders before foreign exchange gains/losses and share-based compensation	\$ 12.3	\$ 10.5	\$ 7.8
Adjusted earnings per share - diluted (2)	\$ 0.28	\$ 0.24	\$ 0.21
Diluted weighted average shares outstanding (1)	43,688,014	42,263,210	36,099,360
Effect of unrecognized share-based compensation on diluted shares outstanding	1,028,710	663,389	429,382
Adjusted diluted weighted average shares outstanding	44,716,724	42,926,599	36,528,742

* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

(1) As required by GAAP, convertible debt issuance and interest costs are excluded from income for the purpose of calculating diluted earnings per share for any period when the convertible debentures, if converted, would be dilutive to earnings per share. Further, the convertible shares are treated as if all were outstanding for the period.

(2) Adjusted earnings per share is a non-GAAP measure that should be considered in addition to, and not as a substitute for, earnings per share computed in accordance with GAAP.