



First Data[™]

beyond the transaction

2010 Fourth Quarter Financial Results

February 2, 2011

Safe Harbor

Statements in this presentation regarding First Data Corporation's business which are not historical facts are "forward-looking statements." All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Please refer to the company's meaningful cautionary statements contained in the appendix of this presentation for a more detailed list of risks and uncertainties.

Reconciliation to Non-GAAP measures are provided in the Appendix of this presentation or as part of our Financial Results Press Release accompanying this presentation which can be found at <http://investor.firstdata.com>.



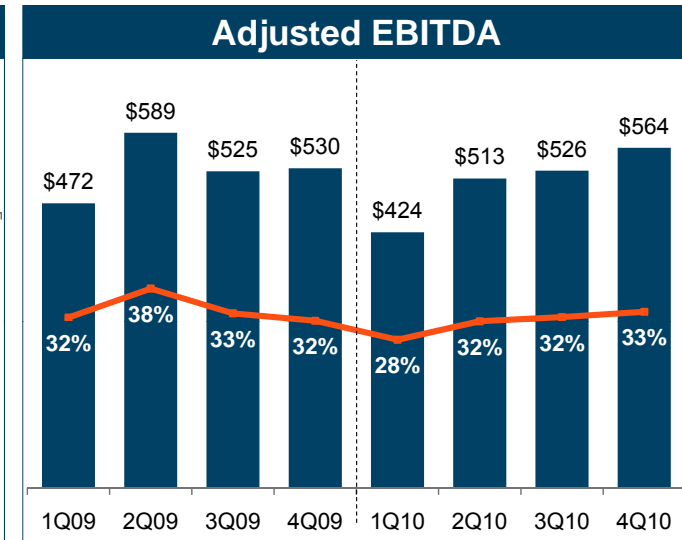
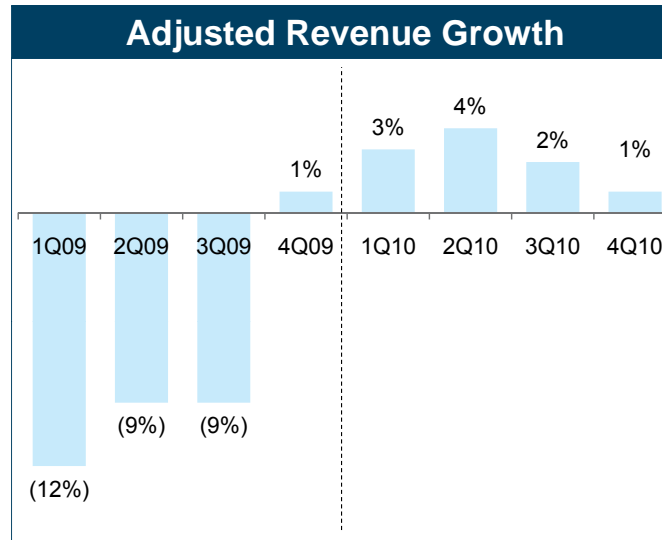
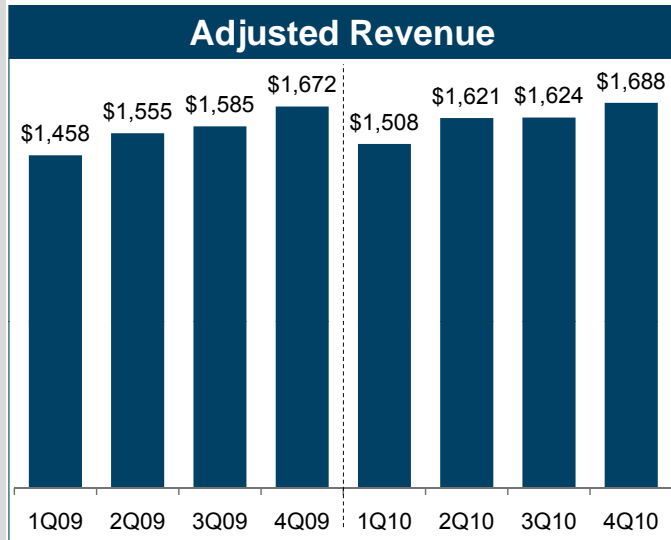
Ray Winborne

Chief Financial Officer

Consolidated Operating Results

- ▶ Fourth quarter consolidated revenue of \$2.7 billion, up 6%; full year consolidated revenue of \$10.4 billion, up 11%
- ▶ Net loss attributable to First Data of \$1.0 billion for full year 2010, \$65 million improvement over prior year
- ▶ Adjusted revenue up 1% in fourth quarter; up 3% for full year
 - Volume growth and new business in Retail and Alliance Services
 - Signs of stabilization continue in Financial Services
- ▶ Adjusted EBITDA \$564 million, up \$34 million or 6%

(\$ in millions)



Year-over-Year Change in Adjusted EBITDA

(\$ in millions)



(1) Project expenses associated with productivity and efficiency initiatives

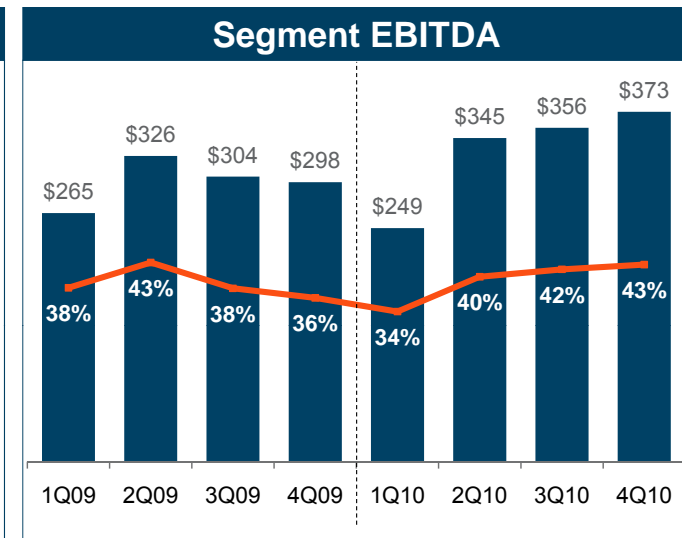
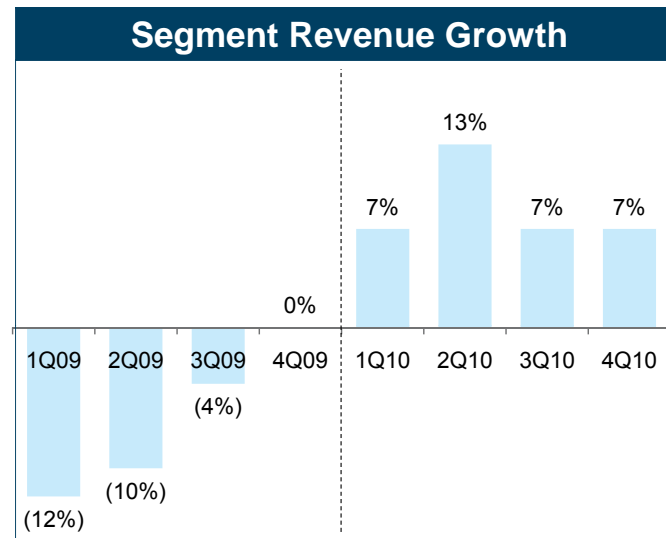
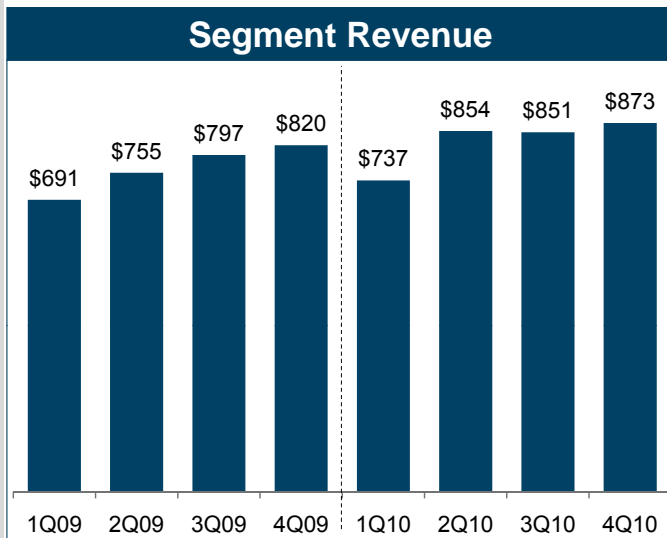
(2) Timing benefit of card association fees

(3) \$20 million in asset write-offs in International segment and \$6 million in billing adjustments in Financial Services segment

4Q10 Retail and Alliance Services Results

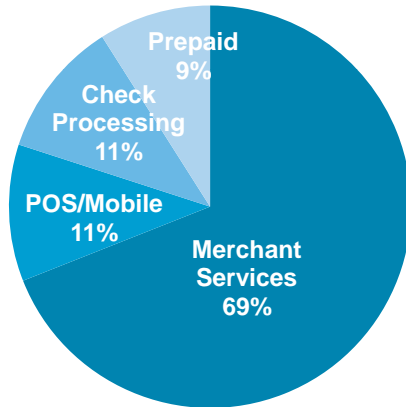
- ▶ Top line growth of 7%
- ▶ Core merchant acquiring growth driven by:
 - Transaction and volume growth; improved credit mix
 - Solid equity alliance, bank partner, and indirect channel results
 - Net of 3% decline in regional average ticket, channel mix impacts and price compression
- ▶ Continued growth in product portfolio
- ▶ Segment EBITDA up \$74 million or 25%

(\$ in millions)



4Q10 Retail & Alliance Services Drivers

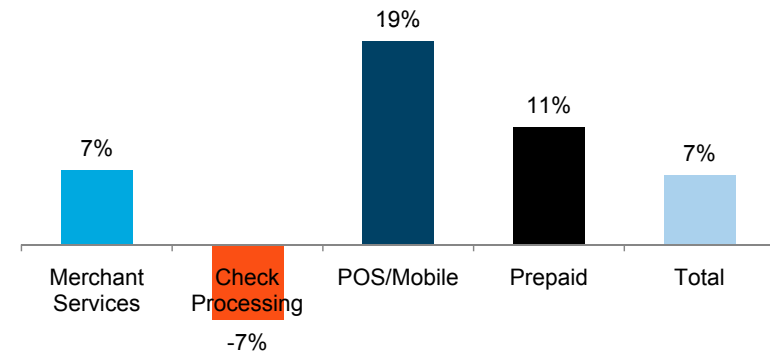
Segment Revenue Mix



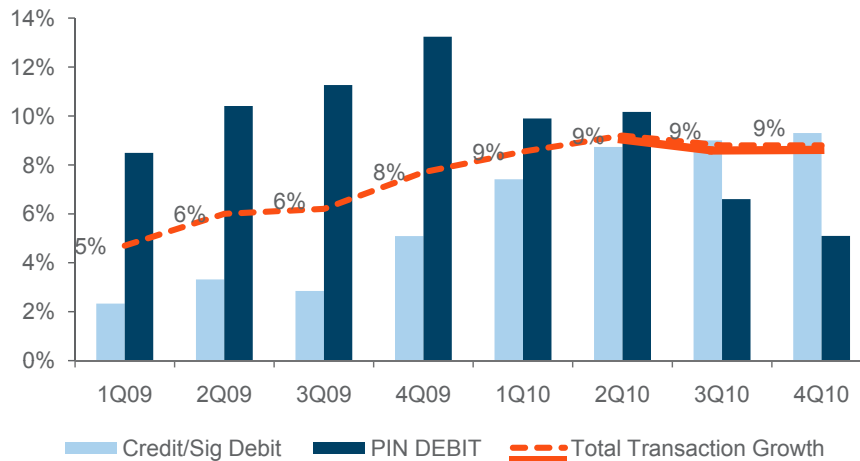
Merchant Composition

Alliances	38%
RSA	27%
Indirect	20%
Other	15%

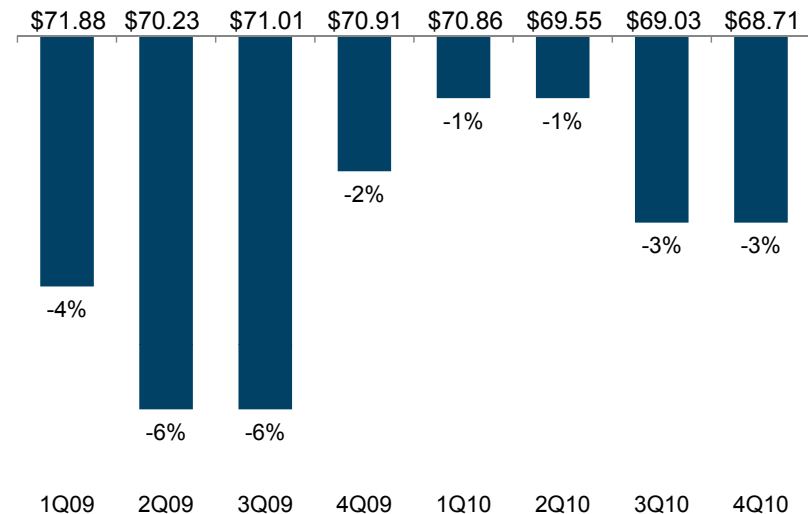
Segment Revenue Mix Growth vs. prior year



Transaction Growth by Card Type⁽¹⁾



Average Ticket Price Change



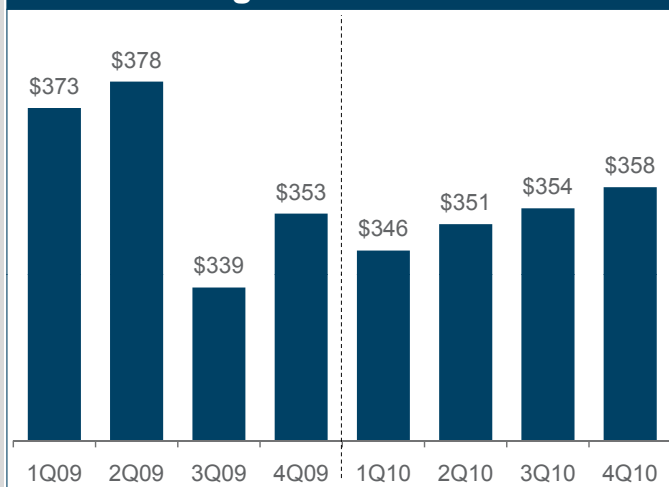
⁽¹⁾ Periods prior to 3Q10 normalized to exclude the effects of the Chase dissolution in the fourth quarter of 2008 and the formation of the Bank of America Merchant Services alliance in June 2009. Beginning in 3Q10 includes all reported transactions.

4Q10 Financial Services Results

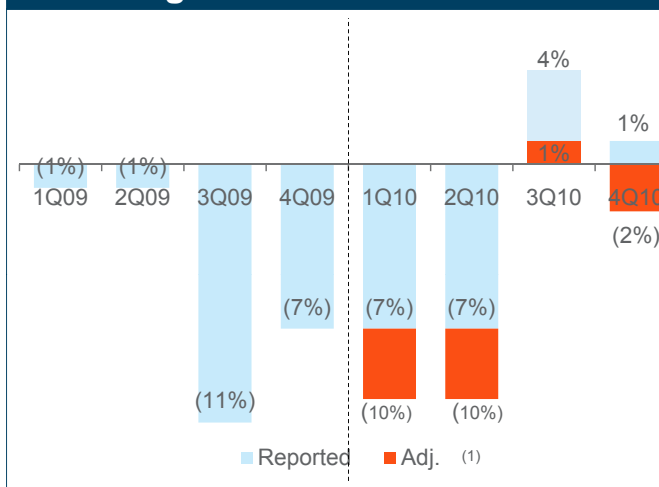
- ▶ Segment revenue up \$5 million in fourth quarter; down 2% adjusted for prospective inclusion of Information Services business
 - New business gains and volumes offset by pricing and lost business
 - 4Q09 includes benefit of minimum fees/rebate adjustments
 - WaMu deconversion completed in 4Q10, recognized \$9 million termination fees
- ▶ Segment EBITDA down \$7 million or 5%

(\$ in millions)

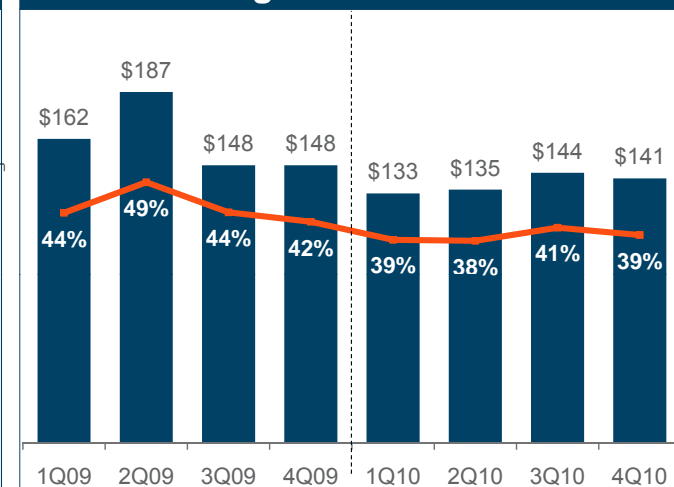
Segment Revenue



Segment Revenue Growth



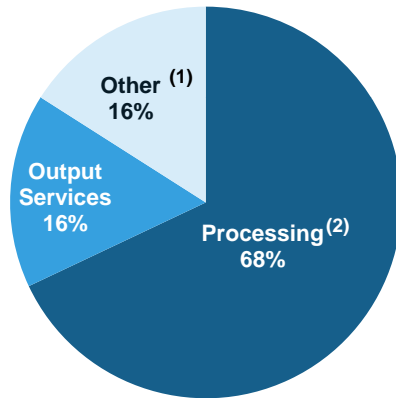
Segment EBITDA



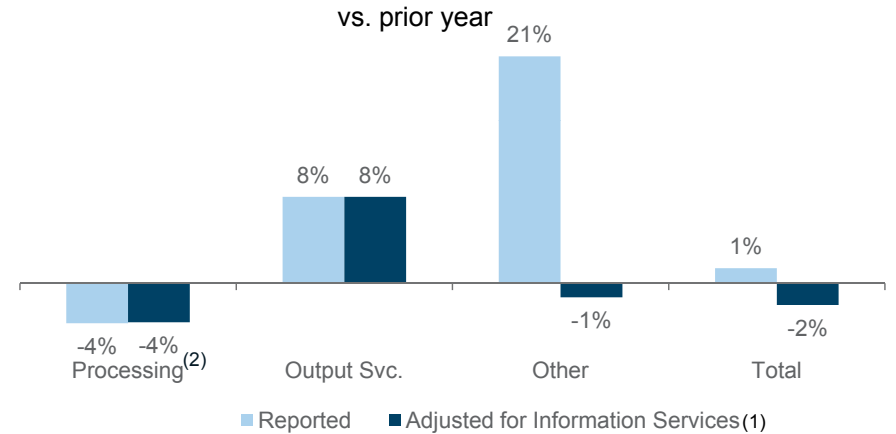
(1) Adjusted for the prospective inclusion of Information Services
See Appendix

4Q10 Financial Services Drivers

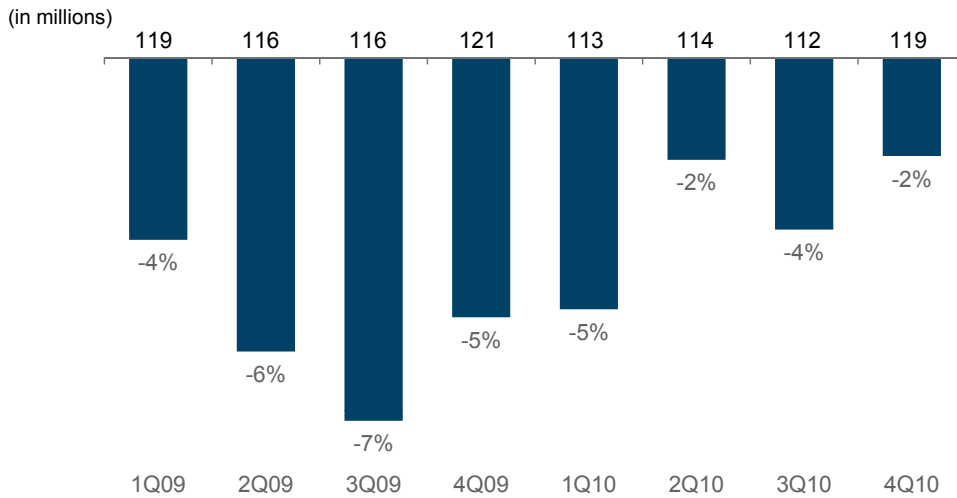
Segment Revenue Mix



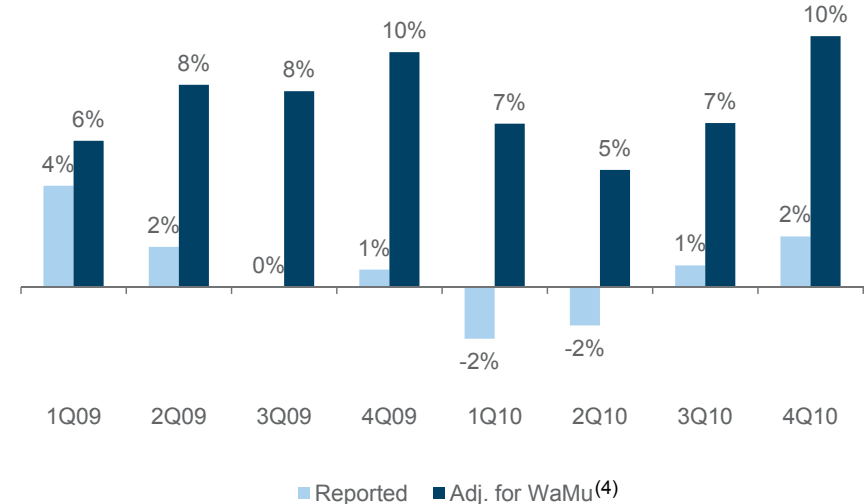
Segment Revenue Mix Growth vs. prior year



Active Card Accounts on File (3)



Debit Issuer Transaction Growth



(1) Includes Information Services (IS) which is included in Other Revenue beginning 1Q10, adjustment to show revenue in both periods

(2) Includes credit and retail card and debit processing and network services

(3) Active Card Accounts on File include bank card and retail accounts that had a balance or any activity during the last month of the quarter

(4) Excludes transactions related to WaMu

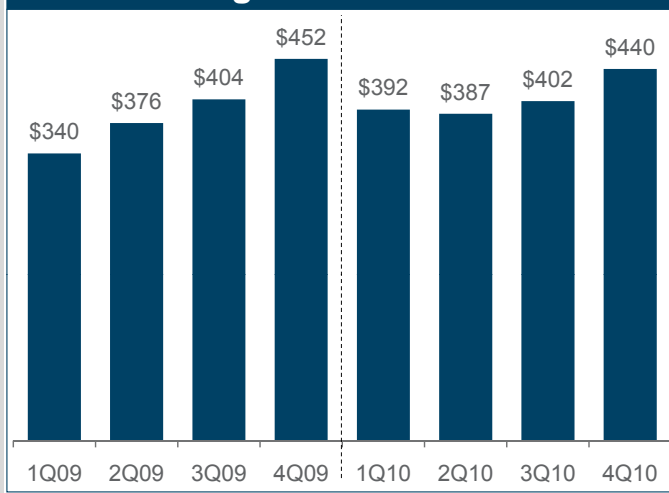
See Appendix

4Q10 International Results

- ▶ Segment revenue of \$440 million, flat year-over-year on a constant currency basis
 - Growth in merchant acquiring outpaced by declines in issuing business
 - Solid volume increases in European alliances and Latin America
 - ICICI Merchant Services in India
 - 4Q09 includes \$9 million in termination fees and software licensing revenue
- ▶ Segment EBITDA of \$96 million, down \$26 million year-over-year

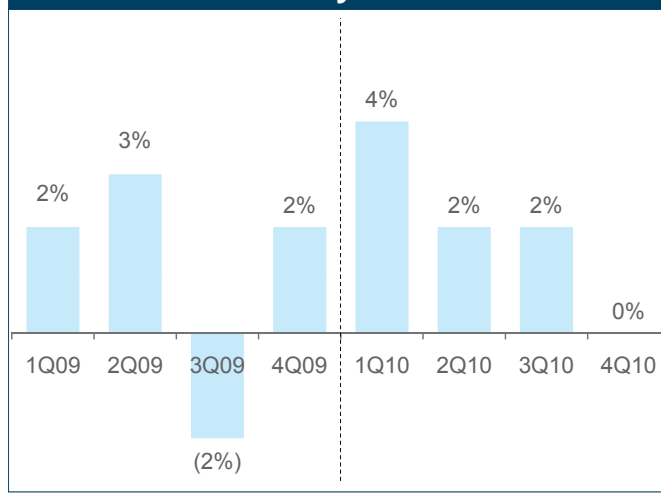
(\$ in millions)

Segment Revenue

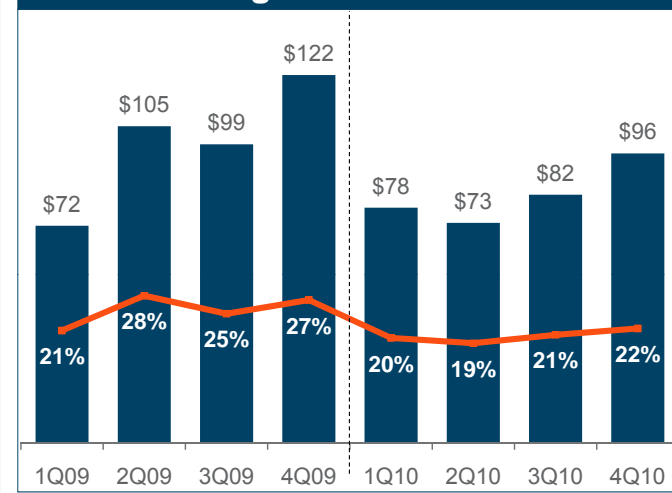


See Appendix

Constant Currency Revenue Growth



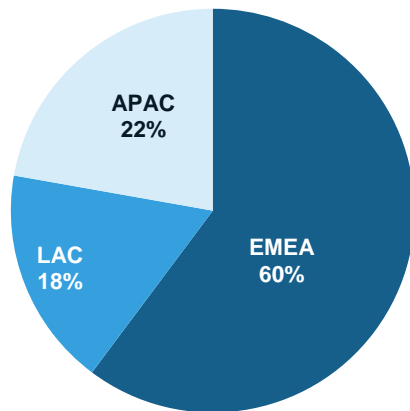
Segment EBITDA



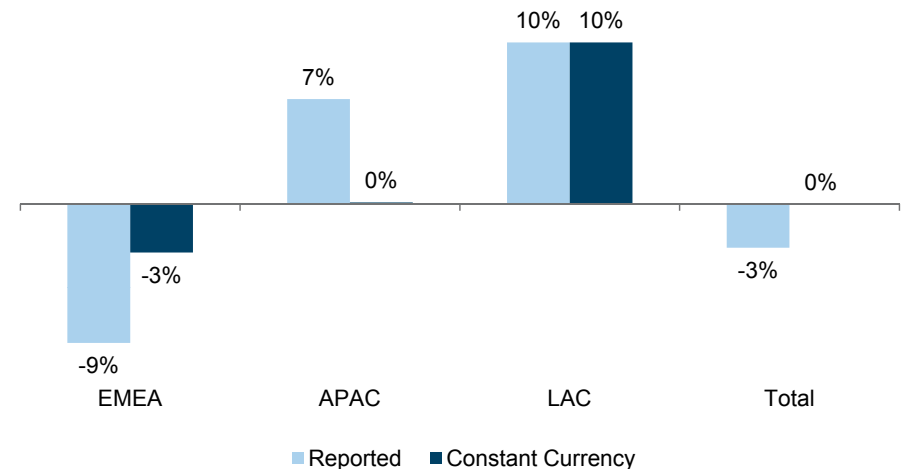
4Q10 International Revenue

- ▶ Merchant acquiring business up \$20 million or 11% on constant currency basis
 - Growth in transactions and new sales in bank alliances
- ▶ Issuing business down \$21 million or 8% on constant currency basis
 - Termination fees and license revenue in prior year
 - Lost business and pricing compression to extend contracts
- ▶ Opportunities for growth in India and Brazil

**Segment Revenue Mix
(By Region) ⁽¹⁾**



**Segment Revenue Mix Growth
(By Region) ⁽¹⁾**

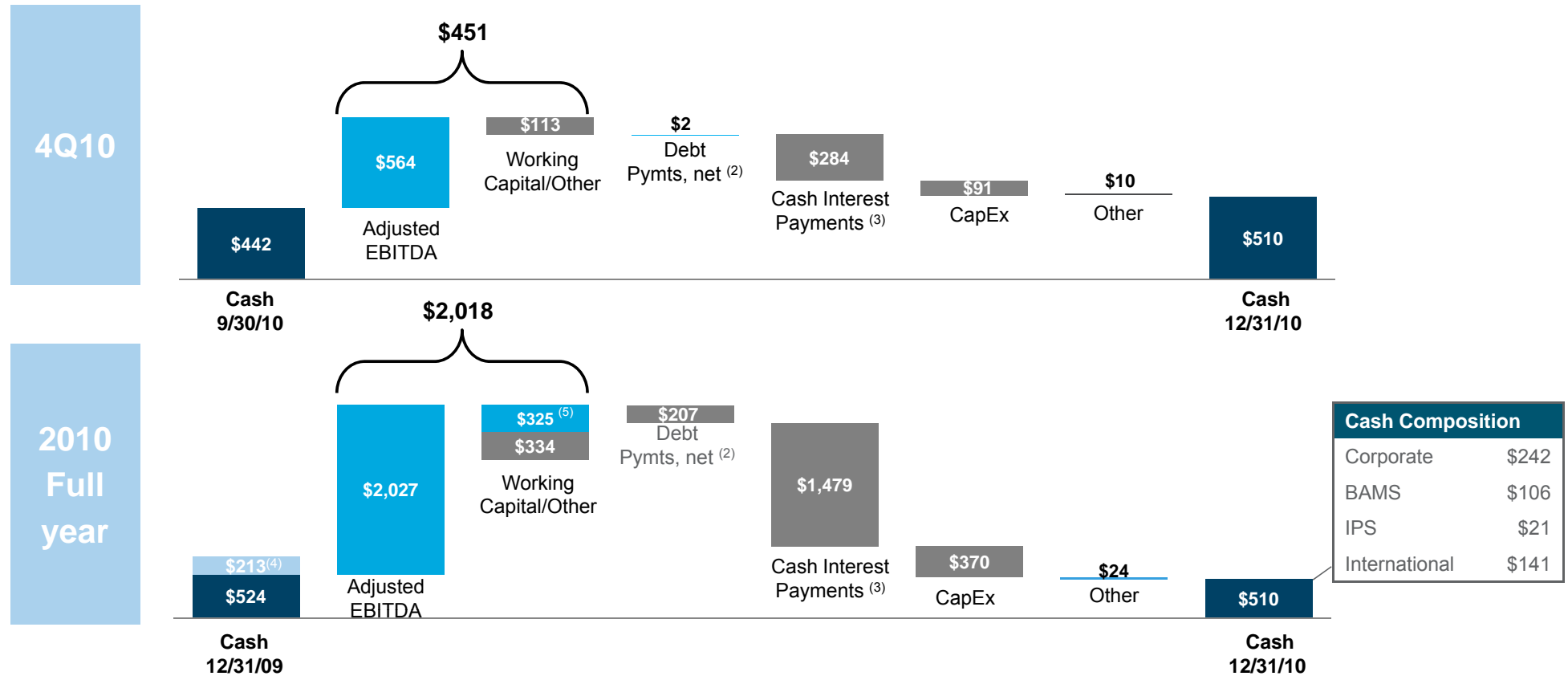


⁽¹⁾Regions defined as: LAC is Latin America and Canada, APAC is Asia Pacific, EMEA is Europe, Middle East and Africa. See Appendix

4Q10 Cash Flow

- ▶ Ended 4Q10 with \$2.0 billion in unrestricted liquidity ⁽¹⁾
- ▶ 2010 capex of \$370 million, 6% of adjusted revenue

(\$ in millions)



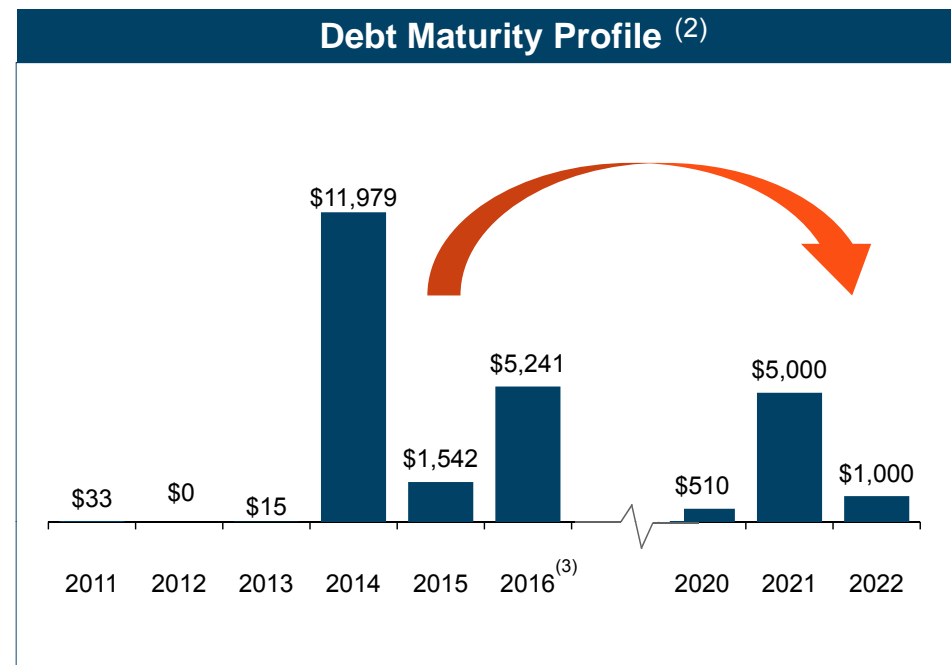
(1) Unrestricted liquidity = \$1.718B revolver + \$242M cash available for corporate use
 (2) Includes short term borrowings, net and debt modification and related financing costs
 (3) Represents cash interest paid on debt service obligations. Reflects an additional \$131M in cash interest payments in December 2010 related to exchange offer
 (4) BAMS put exercise
 (5) Specific working capital improvement initiatives
 See Appendix

Overview of First Data Capital Structure

- ▶ **No Covenant Issues:** significant headroom in only financial covenant – Consolidated Senior Secured Debt to Consolidated EBITDA (currently 4.75 versus covenant of 6.75x)
- ▶ **Ample Liquidity:** \$242 million cash available + \$1.7 billion⁽¹⁾ revolving credit facility due 2013
 - No borrowings on revolver
- ▶ **Long Runway before Maturities:** Sep. 2014 until significant maturities
- ▶ **Projected 2011 cash interest payments:** \$1.4 billion

(\$ in millions)

Current Capital Structure			
Debt Description	Maturity	Coupon	12/31/2010 Par Amounts
Revolver	9/24/13	L + 2.75	\$0
Term Loan	9/24/14	L + 2.75	\$11,975
First Lien Notes (Cash-Pay)	8/15/20	8.88%	\$510
Senior Secured		5.18%	\$12,485
Second Lien	Various	8.42%	\$3,000
Senior Unsecured	Various	11.83%	\$4,459
Subordinated	3/31/16	11.25%	\$2,500
Other Debt	Various	3.88%	\$366
HoldCo Debt	9/30/16	11.50%	\$1,402
Total Debt Including HoldCo		7.78%	\$24,212



(1) Excludes Lehman's commitment and considers \$51.9 million in letters of credit issued under the facility.

(2) Includes accretion of PIK notes and discount. Excludes short-term borrowings related primarily to outstanding settlement lines of credit and capital leases, which are insignificant.

(3) Includes HoldCo PIK maturity

Path to \$1 billion in Incremental EBITDA

Drive high single-digit revenue growth

Market Growth

- Recovery in U.S. / global GDP
- Secular tailwinds in electronic payments
- Emerging markets

Sales Execution

- Channel optimization
- Pricing strategies
- Lower attrition
- Further penetration of existing products

New Products

- Penetration of existing products
- Alternative payments, including Mobile
- New network opportunities

Cost Savings / Productivity

- Operations & Technology (\$2B spend)
- EMEA operational efficiencies
- BAMS conversion
- Procurement initiatives

Continue to optimize cost structure – managing expenses to low single-digit growth



Q&A



Appendix

Consolidated Non-GAAP Reconciliation

(\$ in millions)

	Three months ended December 31,			Year ended December 31,			Three months ended March 31,		
	2010	2009	Change	2010	2009	Change	2009	2008	Change
Consolidated Adjusted Revenue									
Adjusted revenue	\$ 1,688.0	\$ 1,671.5	1%	\$ 6,440.9	\$ 6,269.2	3%	\$ 1,457.7	\$ 1,652.7	-12%
Divested businesses	-	6.8		-	75.2		23.8	46.0	
Adjustments for non-wholly owned entities	57.5	45.0		224.1	(12.3)		(50.8)	(114.3)	
Official check and money order revenues	(23.9)	5.6		(8.0)	0.8		3.3	45.0	
ISO commission expense	86.9	69.7		333.8	252.7		52.6	18.3	
Reimbursable debit network fees, postage and other	922.0	787.2		3,389.6	2,728.2		589.6	478.8	
Consolidated revenues	<u>\$ 2,730.5</u>	<u>\$ 2,585.8</u>	6%	<u>\$ 10,380.4</u>	<u>\$ 9,313.8</u>	11%	<u>\$ 2,076.2</u>	<u>\$ 2,126.5</u>	-2%
Consolidated Adjusted Revenue									
	Three months ended June 30,			Three months ended September 30,			Three months ended December 31,		
	2009	2008	Change	2009	2008	Change	2009	2008	Change
Adjusted revenue	\$ 1,555.2	\$ 1,717.9	-9%	\$ 1,584.8	\$ 1,737.5	-9%	\$ 1,671.5	\$ 1,656.3	1%
Divested businesses	23.4	50.4		21.2	44.6		6.8	37.0	
Adjustments for non-wholly owned entities	(59.6)	(122.8)		53.1	(117.5)		45.0	(21.2)	
Official check and money order revenues	(2.7)	26.7		(5.4)	(32.9)		5.6	4.3	
ISO commission expense	60.4	21.3		70.0	21.3		69.7	40.0	
Reimbursable debit network fees, postage and other	631.9	510.8		719.5	511.0		787.2	600.1	
Consolidated revenues	<u>\$ 2,208.6</u>	<u>\$ 2,204.3</u>	0%	<u>\$ 2,443.2</u>	<u>\$ 2,164.0</u>	13%	<u>\$ 2,585.8</u>	<u>\$ 2,316.5</u>	12%
Consolidated Adjusted Revenue									
	Three months ended March 31,			Three months ended June 30,			Three months ended September 30,		
	2010	2009	Change	2010	2009	Change	2010	2009	Change
Adjusted revenue	\$ 1,508.4	\$ 1,457.7	3%	\$ 1,620.8	\$ 1,555.2	4%	\$ 1,623.7	\$ 1,584.8	2%
Divested businesses	-	23.8		-	23.4		-	21.2	
Adjustments for non-wholly owned entities	52.4	(50.8)		57.7	(59.6)		56.5	53.1	
Official check and money order revenues	9.9	3.3		4.7	(2.7)		1.3	(5.4)	
ISO commission expense	72.3	52.6		81.6	60.4		93.0	70.0	
Reimbursable debit network fees, postage and other	759.1	589.6		849.9	631.9		858.6	719.5	
Consolidated revenues	<u>\$ 2,402.1</u>	<u>\$ 2,076.2</u>	16%	<u>\$ 2,614.7</u>	<u>\$ 2,208.6</u>	18%	<u>\$ 2,633.1</u>	<u>\$ 2,443.2</u>	8%

Consolidated Non-GAAP Reconciliation

(\$ in millions)

	Three months ended December 31,			Three months ended		
	2010	2009	Change	March 31,2009	June 30, 2009	September 30, 2009
Consolidated Adjusted EBITDA						
Adjusted EBITDA	\$ 563.8	\$ 530.1	6%	\$ 471.5	\$ 588.6	\$ 524.6
Divested businesses	-	4.9		14.5	8.8	15.5
Adjustments for non-wholly owned entities	8.0	7.1		(17.9)	(18.1)	7.6
Depreciation and amortization	(361.0)	(382.4)		(329.5)	(365.6)	(374.8)
Interest expense	(441.0)	(451.1)		(448.2)	(449.6)	(447.5)
Interest income	2.3	2.1		3.3	3.1	3.2
Other items	(11.4)	(236.8)		0.9	(12.0)	(103.1)
Income tax (expense) benefit	115.6	188.7		144.8	112.8	132.5
Stock based compensation	(6.8)	(5.4)		(4.5)	(4.6)	(4.7)
Official check and money order EBITDA	(27.0)	1.2		(2.4)	(8.2)	(10.5)
Cost of data center, technology and savings initiatives	(6.1)	(20.4)		(57.4)	(43.8)	(26.3)
KKR merger related items	(7.5)	(6.6)		(6.2)	(7.3)	(6.4)
Debt issuance costs	(8.1)	-		-	-	(0.7)
Eliminations	-	-		(0.2)	-	-
Net loss attributable to First Data Corporation	\$ (179.2)	\$ (368.6)	-51%	\$ (231.3)	\$ (195.9)	\$ (290.6)

	Three months ended		
	March 31,2010	June 30, 2010	September 30, 2010
Consolidated Adjusted EBITDA			
Adjusted EBITDA	\$ 424.3	\$ 512.9	\$ 526.0
Divested businesses	-	1.4	(0.3)
Adjustments for non-wholly owned entities	10.2	7.8	8.3
Depreciation and amortization	(351.3)	(347.4)	(354.7)
Interest expense	(448.9)	(450.9)	(455.8)
Interest income	2.0	1.4	2.1
Other items	(4.0)	2.6	(84.6)
Income tax (expense) benefit	138.1	122.4	(52.3)
Stock based compensation	(5.3)	(1.2)	(2.8)
Official check and money order EBITDA	6.4	1.2	(1.8)
Cost of data center, technology and savings initiatives	(5.8)	(13.7)	(7.9)
KKR merger related items	(5.8)	(7.7)	(7.5)
Debt issuance costs	-	-	-
Eliminations	-	-	-
Net loss attributable to First Data Corporation	\$ (240.1)	\$ (171.2)	\$ (431.3)

Financial Services Non-GAAP Reconciliation

(\$ in millions)

	Three Months Ended December 31,		Change
	2010	2009	
Financial Services Segment Revenue (Mix, Adjusted for Information Services)			
Processing revenue	\$ 243.4	\$ 252.8	-4%
Information Services	-	-	
Processing revenue adjusted for addition of Information Services	<u>\$ 243.4</u>	<u>\$ 252.8</u>	-4%
Output Services revenue	\$ 58.7	\$ 54.2	8%
Information Services	-	-	
Output Services revenue adjusted for addition of Information Services	<u>\$ 58.7</u>	<u>\$ 54.2</u>	8%
Other revenue (1)	\$ 55.7	\$ 45.9	21%
Information Services	-	10.5	
Other revenue adjusted for addition of Information Services	<u>\$ 55.7</u>	<u>\$ 56.4</u>	-1%
Segment Revenue	\$ 357.8	\$ 352.9	1%
Information Services	-	10.5	
Segment Revenue adjusted for addition of Information Services	<u>\$ 357.8</u>	<u>\$ 363.4</u>	-2%

(1) Includes \$9.2 million for Information Services which is included in Other Revenue beginning Q1-10.

	Three Months Ended March 31,		Change
	2010	2009	
Financial Services Segment Revenue (Mix, Adjusted for Information Services)			
Segment Revenue	\$ 346.1	\$ 372.6	-7%
Information Services	-	11.4	
Segment Revenue adjusted for Information Services	<u>\$ 346.1</u>	<u>\$ 384.0</u>	-10%

	Three Months Ended June 30,		Change
	2010	2009	
Segment Revenue	\$ 351.4	\$ 378.0	-7%
Information Services	-	11.7	
Segment Revenue adjusted for Information Services	<u>\$ 351.4</u>	<u>\$ 389.7</u>	-10%

	Three Months Ended September 30,		Change
	2010	2009	
Segment Revenue	\$ 353.7	\$ 339.3	4%
Information Services	-	11.1	
Segment Revenue adjusted for addition of Information Services	<u>\$ 353.7</u>	<u>\$ 350.4</u>	1%

International Non-GAAP Reconciliation

(\$ in millions)

<u>International Segment Revenue (By Region)</u>	<u>Three Months Ended December 31,</u>		
	<u>2010</u>	<u>2009</u>	<u>Change</u>
EMEA revenue	\$ 264.6	\$ 289.8	-9%
Foreign exchange impact (1)	16.4	-	
EMEA revenue on a constant currency basis	<u>\$ 281.0</u>	<u>\$ 289.8</u>	-3%
APAC revenue	\$ 97.6	\$ 91.6	7%
Foreign exchange impact (1)	(6.2)	-	
APAC revenue on a constant currency basis	<u>\$ 91.4</u>	<u>\$ 91.6</u>	0%
LAC revenue	\$ 77.3	\$ 70.4	10%
Foreign exchange impact (1)	0.3	-	
LAC revenue on a constant currency basis	<u>\$ 77.6</u>	<u>\$ 70.4</u>	10%
Segment Revenue	\$ 439.5	\$ 451.8	-3%
Foreign exchange impact (1)	10.5	-	
Segment Revenue on a constant currency basis	<u>\$ 450.0</u>	<u>\$ 451.8</u>	0%

(1) Foreign exchange impact represents the difference between actual 2010 revenue and 2010 revenue calculated using 2009 exchange rates.

International Non-GAAP Reconciliation

(\$ in millions)

International Segment Revenue (Constant Currency)

	<u>Three Months Ended September 30,</u>			<u>Three Months Ended June 30,</u>		
	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>
Segment Revenue	\$ 402.5	\$ 404.1	0%	\$ 387.1	\$ 376.0	3%
Foreign exchange impact (1)	9.9	-		(2.7)	-	
Segment Revenue on a constant currency basis	<u>\$ 412.4</u>	<u>\$ 404.1</u>	2%	<u>\$ 384.4</u>	<u>\$ 376.0</u>	2%
	<u>Three Months Ended March 31,</u>					
	<u>2010</u>	<u>2009</u>	<u>Change</u>			
Segment Revenue	\$ 391.7	\$ 340.2	15%			
Foreign exchange impact (1)	(37.3)	-				
Segment Revenue on a constant currency basis	<u>\$ 354.4</u>	<u>\$ 340.2</u>	4%			
	<u>Three Months Ended December 31,</u>			<u>Three Months Ended September 30,</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>
Segment Revenue	\$ 451.8	\$ 403.2	12%	\$ 404.1	\$ 453.8	-11%
Foreign exchange impact (2)	(40.4)	-		40.7	-	
Segment Revenue on a constant currency basis	<u>\$ 411.4</u>	<u>\$ 403.2</u>	2%	<u>\$ 444.8</u>	<u>\$ 453.8</u>	-2%
	<u>Three Months Ended June 30,</u>			<u>Three Months Ended March 31,</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>
Segment Revenue	\$ 376.0	\$ 433.8	-13%	\$ 340.2	\$ 405.2	-16%
Foreign exchange impact (2)	71.5	-		74.0	-	
Segment Revenue on a constant currency basis	<u>\$ 447.5</u>	<u>\$ 433.8</u>	3%	<u>\$ 414.2</u>	<u>\$ 405.2</u>	2%

(1) Foreign exchange impact represents the difference between actual 2010 revenue and 2010 revenue calculated using 2009 exchange rates.

(2) Foreign exchange impact represents the difference between actual 2009 revenue and 2009 revenue calculated using 2008 exchange rates.

International Non-GAAP Reconciliation

(\$ in millions)

International Segment Revenue By Line of Business (Constant Currency)

	Three months ended December 31,		Change
	2010	2009	
International segment revenue - merchant acquiring	\$ 197.1	\$ 184.1	7%
Foreign exchange impact (1)	6.6	-	
International segment revenue - merchant acquiring on a constant currency basis	<u>\$ 203.7</u>	<u>\$ 184.1</u>	11%
International segment revenue - card issuing	\$ 242.4	\$ 267.7	-9%
Foreign exchange impact (1)	3.9	-	
International segment revenue - card issuing on a constant currency basis	<u>\$ 246.3</u>	<u>\$ 267.7</u>	-8%

International Segment EMEA Region Revenue By Line of Business (Constant Currency)

	Three months ended December 31,		Change
	2010	2009	
EMEA merchant acquiring revenue	\$ 132.9	\$ 128.4	4%
Foreign exchange impact (1)	8.0	-	
EMEA merchant acquiring revenue on a constant currency basis	<u>\$ 140.9</u>	<u>\$ 128.4</u>	10%
EMEA card issuing revenue	\$ 131.7	\$ 161.4	-18%
Foreign exchange impact (1)	8.4	-	
EMEA card issuing revenue on a constant currency basis	<u>\$ 140.1</u>	<u>\$ 161.4</u>	-13%

(1) Foreign exchange impact represents the difference between actual 2010 revenue and 2010 revenue calculated using 2009 exchange rates.

Cash Flow Non-GAAP Reconciliation

(\$ in millions)

	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2010
Adjusted EBITDA	\$ 564	\$ 2,027
Total working capital/other	(113)	(9)
	<u>\$ 451</u>	<u>\$ 2,018</u>
Net cash provided by operating activities	\$ 227	\$ 755
Cash interest payments	284	1,479
Net cash provided by operating activities excluding cash interest payments	511	2,234
Cash flow activity related to minority partners	(60)	(216)
	<u>\$ 451</u>	<u>\$ 2,018</u>

Notice to Investors, Prospective Investors and the Investment Community; Cautionary Information Regarding Forward-Looking Statements

Statements in this presentation regarding First Data Corporation (the “Company”) which are not historical facts are forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions which concern our strategy, plans, projections or intentions. Examples of forward-looking statements include, but are not limited to, all statements the Company makes relating to revenue, EBITDA, earnings, margins, growth rates and other financial results for future periods. Forward-looking statements are based on the Company’s current expectations and assumptions regarding its business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. The Company’s actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: (a) no adverse impact on the Company’s business as a result of its high degree of leverage; (b) successful conversions under service contracts with major clients, including clients of Banc of America Merchant Services, LLC; (c) successfully adjusting to the new U.S. financial regulatory reform legislation and regulations; (d) successful implementation and improvement of processing systems to provide new products, improved functionality and increased efficiencies; (e) successfully managing adverse economic conditions and developments in consumer spending; (f) successful consolidation of the Company’s processing platforms and data centers; (g) no further consolidation among client financial institutions or other client groups which has a significant impact on Company client relationships and no material loss of business from significant customers of the Company; (h) achieving planned revenue growth throughout the Company, including in the merchant alliance program which involves several alliances not under the sole control of the Company and each of which acts independently of the others, and successful management of pricing pressures through cost efficiencies and other cost-management initiatives; (i) no significant adverse movement in foreign currency exchange rates; (j) anticipation of and response to technological changes, particularly with respect to e-commerce and mobile commerce; (k) successfully managing the credit and fraud risks in the Company’s business units and the merchant alliances, particularly in the context of the developing e-commerce markets; (l) no material breach of security of any of the Company’s systems; (m) continuing development and maintenance of appropriate business continuity plans for the Company’s processing systems based on the needs and risks relative to each such system; (n) no unanticipated changes in laws, regulations, credit card association rules or other industry standards affecting the Company’s businesses which require significant product redevelopment efforts, reduce the market for or value of its products or render products obsolete; (o) continuation of the existing interest rate environment so as to avoid unanticipated increases in interest on the Company’s borrowings; (p) no unanticipated developments relating to lawsuits, investigations or similar matters; (q) no catastrophic events that could impact the Company’s or its major customer’s operating facilities, communication systems and technology or that has a material negative impact on current economic conditions or levels of consumer spending; (r) successfully managing the potential both for patent protection and patent liability and other risks that are set forth in the “Risk Factors” and “Management Discussion and Analysis of Results of Operations and Financial Condition” sections of the Annual Report on Form 10-K for the period ended December 31, 2009 and Quarterly Report on Form 10Q for the period ended September 30, 2010.