

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): October 22, 2002

CERTEGY INC.

(Exact Name of Registrant as Specified in its Charter)

Georgia	001-16427	58-2606325
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)
11720 Amber Park Drive Alpharetta, Georgia		30004
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (678) 867-8000

Not Applicable

(Former name or former address, if changed since last report)

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Item 5. Other Events and Regulation FD Disclosure

On October 22, 2002, Certegy Inc. issued a press release announcing its earnings for the quarter ended September 30, 2002.

A copy of the press release is attached hereto as Exhibit 99 to this Report and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit 99 Press Release issued by Certegy Inc. announcing its earnings for the quarter ended September 30, 2002, dated October 22, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CERTEGY INC.

By: /s/ Michael T. Vollkommer

Michael T. Vollkommer
Corporate Vice President
and Chief Financial Officer

Date: October 22, 2002

EXHIBIT INDEX

The following Exhibit is being filed with this Report.

Exhibit No.	Description
99	Press Release of Certegy Inc. dated October 22, 2002.

PRESS RELEASE

Certegy Inc.
11720 Amber Park Drive
Suite 600
Alpharetta, Georgia 30004

Date: October 22, 2002

Phone 678-867-8000
Fax 678-867-8100

Contact: Mary K. Waggoner
Vice President - Investor and
Public Relations
678-867-8004
mary.waggoner@certegy.com

FOR IMMEDIATE RELEASE

CERTEGY REPORTS THIRD QUARTER EARNINGS

ALPHARETTA, GA, OCTOBER 22, 2002 - Certegy Inc. (NYSE:CEY) today reported third quarter 2002 diluted earnings per share of \$0.35 on revenue of \$254.5 million, operating income of \$41.3 million and net income of \$24.4 million. These results include a \$5.4 million, or \$0.05 per diluted share, asset impairment and severance charge. Excluding this charge, diluted earnings per share was \$0.40, operating income was \$46.7 million and net income was \$27.9 million.

THIRD QUARTER FINANCIAL HIGHLIGHTS

Highlights of the 2002 third quarter financial results, excluding the \$5.4 million charge, as compared to pro forma 2001, are as follows:

- Revenue grew 6.9 percent to \$254.5 million.
- Operating income of \$46.7 million increased 3.7 percent.
- Interest expense declined to \$1.6 million, driven by low interest rates and debt reductions.
- Net income increased by 7.5 percent to \$27.9 million.
- Diluted earnings per share of \$0.40, increased by 8.1 percent.
- Total debt outstanding was \$166.7 million at September 30, 2002.
- 1,978,000 shares of common stock were repurchased at a cost of \$41.3 million between September 25 and October 8, increasing total debt outstanding to \$195.0 million at October 15, 2002.

"Our core business dynamics remain strong," said Lee Kennedy, Chairman, President and Chief Executive Officer. "We are focused on growing revenue, while at the same time taking steps to ensure we have the appropriate cost structure in place."

(CERTEGY LOGO)

Statement of Financial Accounting Standards ("SFAS") No. 142 modifies accounting for business combinations, goodwill and identifiable intangible assets. As of January 1, 2002, all goodwill amortization ceased. In the third quarter of 2001, Certegy's operating income included \$2.3 million of goodwill amortization, or approximately \$0.027 per diluted share. For comparative purposes, the pro forma financial results for the third quarter of 2001 include adjustments to reflect this accounting change, as if it had been effective January 1, 2001. Attachment Page 2 of 7 provides detail pro forma financial results for third quarter of 2001.

SEGMENT RESULTS

Card Services generated revenue of \$167.6 million in the third quarter of 2002, an increase of \$4.8 million, or 2.9 percent, over the prior year quarter. Excluding nonrecurring revenue of \$6.3 million in the company's e-banking operations during the third quarter of 2001, Card Services' revenue increased by 7.1 percent (8.2 percent in local currency), driven by a 12.7 percent increase in merchant processing revenue and a 5.0 percent increase in North American card issuing revenue. International card revenue declined by 2.3 percent (an increase of 3.8 percent in local currency) due to unfavorable currency rates and volatile economic conditions in Brazil. Excluding Latin America, international card revenue increased by 27.3 percent (18.4 percent in local currency). Card Services' operating income of \$38.9 million increased \$2.0 million, or 5.4 percent, over the prior year quarter.

Check Services generated revenue of \$86.9 million in the third quarter of 2002, an increase of \$11.7 million, or 15.6 percent (14.4 percent in local currency), over the third quarter of 2001. Check volumes increased 11.7 percent over the prior year quarter. The growth in volume and revenue are primarily attributable to new contract signings. Check Services' operating income grew to \$12.1 million, or 4.1 percent over third quarter 2001. Operating income growth in the quarter was impacted by check volume mix and investment in the check cashing business.

Corporate expense increased \$0.8 million to \$4.3 million. The corporate office was established during the prior year quarter; thus, corporate expense was lower in that initial period.

The \$5.4 million charge includes a \$5.2 million asset impairment charge and a \$0.2 million severance charge. Additional severance and related costs will be incurred in the fourth quarter of 2002.

BUSINESS HIGHLIGHTS

Certegy added 2.2 million cards globally during the quarter, increasing its North American card base to 22.2 million and its international card base to 24.0 million.

The Company continues to gain market share in its traditional check authorization business. Significant customer signings in the third quarter included Price Chopper, Polo Ralph Lauren, Sunglass Hut, Hollywood Entertainment and several leading regional and mid-tier accounts.

(CERTEGY LOGO)

OUTLOOK

On September 20, 2002 the Company revised earlier revenue and earnings guidance for 2002 and 2003. In 2002, revenue is expected to increase 8 to 9 percent and diluted earnings per share is expected to be \$1.39 to \$1.40, before asset impairment and severance charges of approximately \$0.08 to \$0.09 per diluted share. The Company anticipates a fourth quarter 2002 charge of approximately \$3.0 million to \$4.0 million, or \$0.03 to \$0.04 per diluted share, to cover severance and related costs. In 2003, revenue is expected to increase 6 to 8 percent and diluted earnings per share are expected to be \$1.52 to \$1.55.

TELECONFERENCE

Management will host a teleconference to discuss third quarter earnings on Tuesday, October 22, 2002 at 9:00 a.m. Eastern Time. The live audio Webcast and replay of the speakers' presentations will be available at www.certery.com. Please be advised that Microsoft's Windows Media Player(TM) must be downloaded prior to accessing the presentation. It can be downloaded from www.microsoft.com/windows/mediaplayer.

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The statements in this release include forward-looking statements that are based on current expectations, assumptions, estimates, and projections about Certegy and our industry. They are not guarantees of future performance and are subject to risks and uncertainties, many of which are outside of Certegy's control, that may cause actual results to differ significantly from what is expressed in those statements. The factors that could, either individually or in the aggregate, affect our performance include the following, which are described in greater detail in the section entitled "Certain Factors Affecting Forward-Looking Statements" in our 2001 Annual Report on Form 10-K filed with the SEC: Our ability to maintain or improve our competitive positions against current and potential competitors; the level of economic growth or other factors affecting demand for our products and services; loss of key customer contracts or strategic relationships; changes in regulation or industry standards applicable to our businesses or those of our customers; risks associated with investments and operations in foreign countries, including exchange rate fluctuations and local political, social, and economic factors, and those other risks listed in the above-referenced section of our Form 10-K.

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Certegy (NYSE:CEY) provides credit and debit card processing, check risk management and check cashing services, and merchant processing to over 6,000 financial institutions, 117,000 retailers and 100 million consumers worldwide. Headquartered in Alpharetta, Georgia, Certegy maintains a strong global presence with operations in the United States, Canada, United Kingdom, Ireland, France, Chile, Brazil, Australia and New Zealand. As a leading payment services provider, Certegy offers a comprehensive range of transaction processing services, check risk management solutions and integrated customer support programs that facilitate the exchange of business and consumer payments. Certegy generated \$936 million in revenue in 2001. For more information on Certegy, please visit www.certery.com.

(CERTEGY LOGO)

CERTEGY INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001 (PRO FORMA)
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,	
	2002	Pro Forma 2001(1)
Revenues	\$ 254,506	\$ 237,982
Operating expenses:		
Costs of services	179,132	168,375
Selling, general and administrative	28,718	24,611
Asset impairment and severance charge	5,390	--
	213,240	192,986
Operating income	41,266	44,996
Other income, net	151	383
Interest expense	(1,619)	(3,664)
	39,798	41,715
Income before income taxes	39,798	41,715
Provision for income taxes	(15,360)	(15,759)
	\$ 24,438	\$ 25,956
Basic earnings per share	\$ 0.35	\$ 0.38
Average shares outstanding	68,850	68,618
Diluted earnings per share	\$ 0.35	\$ 0.37
Average shares outstanding	69,451	69,368

Revenues and operating income of the Company's reportable segments for the three months ended September 30, 2002 and 2001 (pro forma) are as follows:

	Three Months Ended September 30,	
	2002	Pro Forma 2001(1)
Revenues:		
Card Services	\$ 167,609	\$ 162,814
Check Services	86,897	75,168
	\$ 254,506	\$ 237,982
Operating income:		
Card Services	\$ 38,876	\$ 36,892
Check Services	12,085	11,606
	50,961	48,498
General corporate expense	(4,305)	(3,502)
Asset impairment and severance charge	(5,390)	--
	\$ 41,266	\$ 44,996

(1) See Attachment Page 2 of 7 for pro forma adjustments to historical amounts.

CERTEGY INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001
(In thousands, except per share amounts)
(Unaudited)

	Historical -----	SFAS 142 Adjustment(1) -----	Pro Forma -----
Revenues	\$ 237,982	\$ --	\$ 237,982
Operating expenses:			
Costs of services	170,650	(2,275)	168,375
Selling, general and administrative	24,611	--	24,611
	-----	-----	-----
	195,261	(2,275)	192,986
Operating income	42,721	2,275	44,996
Other income, net	383	--	383
Interest expense	(3,664)	--	(3,664)
	-----	-----	-----
Income before income taxes	39,440	2,275	41,715
Provision for income taxes	(15,381)	(378)	(15,759)
	-----	-----	-----
Net income	\$ 24,059	\$ 1,897	\$ 25,956
	=====	=====	=====
Basic earnings per share	\$ 0.35		\$ 0.38
	=====		=====
Average shares outstanding	68,618		68,618
	=====		=====
Diluted earnings per share	\$ 0.35		\$ 0.37
	=====		=====
Average shares outstanding	69,368		69,368
	=====		=====

Operating income of the Company's reportable segments for the three months ended September 30, 2001 on a pro forma basis is as follows:

	Historical -----	SFAS 142 Adjustment(1) -----	Pro Forma -----
Operating income:			
Card Services	\$ 34,837	\$ 2,055	\$ 36,892
Check Services	11,386	220	11,606
	-----	-----	-----
	46,223	2,275	48,498
General Corporate Expense	(3,502)	--	(3,502)
	-----	-----	-----
	\$ 42,721	\$ 2,275	\$ 44,996
	=====	=====	=====

(1) Pro forma adjustment to exclude goodwill amortization expense in accordance with SFAS 142, "Goodwill and Other Intangible Assets," as if the standard had been effective January 1, 2001.

CERTEGY INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001 (PRO FORMA)
(In thousands, except per share amounts)
(Unaudited)

	Nine Months Ended September 30,	
	2002	Pro Forma 2001(1)
Revenues	\$ 744,717	\$ 681,361
Operating expenses:		
Costs of services	547,176	497,522
Selling, general and administrative	84,786	75,640
Asset impairment and severance charge	5,390	--
	637,352	573,162
Operating income	107,365	108,199
Other income (expense), net	922	(123)
Interest expense	(5,345)	(12,512)
Income before income taxes and minority interests	102,942	95,564
Provision for income taxes	(39,513)	(35,751)
Minority interests in earnings, net of tax	--	(945)
Net income	\$ 63,429	\$ 58,868
Basic earnings per share	\$ 0.92	\$ 0.86
Average shares outstanding	68,913	68,231
Diluted earnings per share	\$ 0.91	\$ 0.85
Average shares outstanding	69,830	68,949

Revenues and operating income of the Company's reportable segments for the nine months ended September 30, 2002 and 2001 (pro forma) are as follows:

	Nine Months Ended September 30,	
	2002	Pro Forma 2001(1)
Revenues:		
Card Services	\$ 497,340	\$ 469,052
Check Services	247,377	212,309
	\$ 744,717	\$ 681,361
Operating income:		
Card Services	\$ 94,666	\$ 90,720
Check Services	30,647	28,658
	125,313	119,378
General corporate expense	(12,558)	(11,179)
Asset impairment and severance charge	(5,390)	--
	\$ 107,365	\$ 108,199

(1) See Attachment Page 4 of 7 for pro forma adjustments to historical amounts.

CERTEGY INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
(In thousands, except per share amounts)
(Unaudited)

	Historical	Pro Forma Adjustments		Pro Forma
		Spin(1)	SFAS 142(2)	
Revenues	\$ 681,361	\$ --	\$ --	\$ 681,361
Operating expenses:				
Costs of services	501,560	2,350	(6,388)	497,522
Selling, general and administrative	74,740	900	--	75,640
	576,300	3,250	(6,388)	573,162
Operating income	105,061	(3,250)	6,388	108,199
Other expense, net	(123)	--	--	(123)
Interest expense	(4,099)	(8,413)	--	(12,512)
Income before income taxes and minority interests	100,839	(11,663)	6,388	95,564
Provision for income taxes	(39,327)	4,549	(973)	(35,751)
Minority interests in earnings, net of tax ..	(945)	--	--	(945)
Net income	\$ 60,567	\$ (7,114)	\$ 5,415	\$ 58,868
Basic earnings per share	\$ 0.89			\$ 0.86
Average shares outstanding	68,231			68,231
Diluted earnings per share	\$ 0.88			\$ 0.85
Average shares outstanding	68,949			68,949

Operating income of the Company's reportable segments for the nine months ended September 30, 2001 on a pro forma basis is as follows:

	Historical	Pro Forma Adjustments		Pro Forma
		Spin(1)	SFAS 142(2)	
Operating income:				
Card Services	\$ 85,017	\$ --	\$ 5,703	\$ 90,720
Check Services	27,973	--	685	28,658
	112,990	--	6,388	119,378
General Corporate Expense	(7,929)	(3,250)	--	(11,179)
	\$ 105,061	\$ (3,250)	\$ 6,388	\$ 108,199

- (1) Pro forma adjustments include a) additional operating expenses of \$3.3 million, which specifically relate to incremental pension expense, insurance costs, corporate headquarters rent, and stand-alone public company costs for audit, director, and stock exchange fees; b) interest expense on the \$275 million of debt used to fund a cash payment to Equifax in conjunction with the spin-off, at an annual rate of LIBOR plus 100 basis points (5.76% for the six months ended June 30, 2001), plus amortization of financing costs over the three-year term of the debt; and c) the income tax benefit resulting from the pro forma adjustments using the Company's effective tax rate for the period.
- (2) Pro forma adjustment to exclude goodwill amortization expense in accordance with SFAS 142, "Goodwill and Other Intangible Assets," as if the standard had been effective January 1, 2001.

CERTEGY INC.
SUPPLEMENTAL INFORMATION
(Unaudited)

1. ADOPTION OF EMERGING ISSUES TASK FORCE ISSUE NO. 01-14 ("EITF 01-14"):

In January 2002, the Company adopted Emerging Issues Task Force Issue No. 01-14 ("EITF 01-14"), "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred," which requires that reimbursements received for out-of-pocket expenses be reclassified as revenues. Historically, the Company has netted such reimbursements against its costs in the consolidated statements of income. As a result of this required adoption and certain similar reclassifications, revenues reported for the third quarters of 2002 and 2001 have increased by \$22.0 million and \$20.0 million, respectively, for reimbursed out-of-pocket expenses that include postage, delivery, telecommunication, and other costs. These reclassifications, which have no impact on operating income or net income, increased segment revenues and costs of services as follows (in millions):

	2001					2002		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	2ND QTR	3RD QTR
Card Services	\$ 17.7	\$ 18.6	\$ 16.2	\$ 16.4	\$ 68.9	\$ 16.9	\$ 20.1	\$ 17.2
Check Services	3.0	3.7	3.8	5.4	15.9	4.0	4.3	4.8
	\$ 20.7	\$ 22.3	\$ 20.0	\$ 21.8	\$ 84.8	\$ 20.9	\$ 24.4	\$ 22.0

2. REVENUES BY PRODUCT AND SERVICE OFFERING ARE AS FOLLOWS (IN MILLIONS):

	2001					2002		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	2ND QTR	3RD QTR
Card Issuer Services	\$102.5	\$106.1	\$113.6	\$111.9	\$434.1	\$107.7	\$116.1	\$110.6
Check Services	66.7	70.5	75.2	92.0	304.4	77.6	82.9	86.9
Merchant Processing Services	44.6	46.8	48.0	48.2	187.6	48.5	54.3	54.1
Software and Support	1.9	4.3	1.2	2.4	9.8	1.0	2.1	2.9
	\$215.7	\$227.7	\$238.0	\$254.5	\$935.9	\$234.8	\$255.4	\$254.5

Reclassifications required by EITF 01-14 increased revenues by product and service offering as follows:

	2001					2002		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	2ND QTR	3RD QTR
Card Issuer Services	\$ 16.5	\$ 17.3	\$ 15.0	\$ 15.3	\$ 64.1	\$ 15.8	\$ 19.0	\$ 16.0
Check Services	3.0	3.7	3.8	5.4	15.9	4.0	4.3	4.8
Merchant Processing Services	1.1	1.3	1.2	1.1	4.7	1.0	1.0	1.1
Software and Support	0.1	--	--	--	0.1	0.1	0.1	0.1
	\$ 20.7	\$ 22.3	\$ 20.0	\$ 21.8	\$ 84.8	\$ 20.9	\$ 24.4	\$ 22.0

3. REVENUES BY GEOGRAPHIC AREA (BASED ON LOCATION OF CUSTOMER) ARE AS FOLLOWS (IN MILLIONS):

	2001					2002		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	2ND QTR	3RD QTR
Domestic	\$176.0	\$186.9	\$196.9	\$207.2	\$767.0	\$190.0	\$208.7	\$210.0
International	39.7	40.8	41.1	47.3	168.9	44.8	46.7	44.5
	\$215.7	\$227.7	\$238.0	\$254.5	\$935.9	\$234.8	\$255.4	\$254.5

Reclassifications required by EITF 01-14 increased revenues by geographic area as follows:

	2001					2002		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	2ND QTR	3RD QTR
Domestic	\$ 19.2	\$ 20.8	\$ 18.3	\$ 19.6	\$ 77.9	\$ 18.6	\$ 22.6	\$ 20.7
International	1.5	1.5	1.7	2.2	6.9	2.3	1.8	1.3
	\$ 20.7	\$ 22.3	\$ 20.0	\$ 21.8	\$ 84.8	\$ 20.9	\$ 24.4	\$ 22.0

(in millions)

25.0
=====

27.4
=====

28.1
=====

28.7
=====

109.2
=====

30.9
=====

33.7
=====

33.6
=====

