

**UNITED STATES**  
**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): July 24, 2014

**DELUXE CORPORATION**

(Exact name of registrant as specified in its charter)

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

**1-7945**  
(Commission  
File Number)

**41-0216800**  
(I.R.S. Employer  
Identification No.)

**3680 Victoria St. North, Shoreview, Minnesota**  
(Address of principal executive offices)

**55126-2966**  
(Zip Code)

Registrant's telephone number, including area code: (651) 483-7111

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Section 2 - Financial Information**

### **Item 2.02 Results of Operations and Financial Condition.**

Furnished as Exhibit 99.1 is a press release of Deluxe Corporation reporting results from second quarter 2014.

## **Section 9 - Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Press Release, dated July 24, 2014, of Deluxe Corporation reporting results from second quarter 2014.

## **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.

Date: July 24, 2014

DELUXE CORPORATION

/s/ Anthony C. Scarfone

Anthony C. Scarfone  
Senior Vice President,  
General Counsel and Secretary

## **INDEX TO EXHIBITS**

### **Exhibits**

99.1 Press Release, dated July 24, 2014, of Deluxe Corporation reporting results from second quarter 2014



**Deluxe Corporation**  
P.O. Box 64235  
St. Paul, MN 55164-0235  
(651) 483-7111

## NEWS RELEASE

July 24, 2014

**For additional information:**  
Ed Merriitt  
Treasurer and VP Investor Relations  
(651) 787-1370

### DELUXE REPORTS SECOND QUARTER 2014 FINANCIAL RESULTS

*Revenue increases 6.3% and exceeds high end of outlook*

*Diluted EPS of \$0.99 increases 5.3%; adjusted EPS of \$1.01 increases 5.2% exceeding high end of outlook*

*Raises Full Year Outlook for Revenue and Adjusted EPS*

**St. Paul, Minn. – July 24, 2014** – Deluxe Corporation (NYSE: DLX), a leader in providing small businesses and financial institutions with products and services to drive customer revenue, announced its financial results for the second quarter ended June 30, 2014. Key financial highlights include:

	<b>Q2 2014</b>	<b>Q2 2013</b>	<b>% Change</b>
Revenue	\$405.4 million	\$381.4 million	6.3%
Net Income	\$50.1 million	\$48.2 million	3.9%
Diluted EPS – GAAP	\$0.99	\$0.94	5.3%
Adjusted Diluted EPS – Non-GAAP	\$1.01	\$0.96	5.2%

A reconciliation between earnings per share on a GAAP basis and adjusted earnings per share on a non-GAAP basis is provided after the Forward-Looking Statements.

Both revenue and adjusted diluted EPS exceeded the high end of the range in the prior outlook. The earnings results were driven by strong revenue performance in all segments, each of which met or exceeded revenue expectations, and better than expected cost reductions partially offset by a slightly higher effective tax rate.

“Deluxe delivered another very strong quarter beating our revenue and earnings outlook,” said Lee Schram, CEO of Deluxe. “Our focus on Marketing Solutions and Services continues to deliver strong results and revenue increased 20 percent over last year’s level, now accounting for 23 percent of total revenue in the quarter. In April, we announced a 20 percent dividend increase and have repurchased \$52 million of stock year-to-date. As we look ahead, we are well positioned to deliver a fifth consecutive year of revenue growth in 2014.”

#### **Second Quarter 2014 Highlights:**

- Revenue increased 6.3% year-over-year, with the strongest performance in the Small Business Services segment which grew 8.7%, followed by Financial Services which grew 6.5%.
- Revenue from marketing solutions and other services increased 19.7% year-over-year and accounted for 23.1% of total revenue in the quarter.
- Gross margin was 64.0% of revenue, down from 65.0% in the second quarter of 2013. The decline was primarily driven by a higher services revenue mix and higher delivery and material costs.
- Selling, general and administrative (SG&A) expense increased 5.5% from last year primarily due to additional SG&A expense from acquisitions and higher performance-based compensation and medical costs. SG&A as a percent of revenue was 42.8% in the quarter compared to 43.1% of revenue last year.

- Operating income increased 3.0% year-over-year and includes restructuring and transaction-related costs in both periods. Adjusted operating income, which excludes these items, increased 2.3% year-over-year from higher revenue per order and continued cost reductions partially offset by higher performance-based compensation and medical costs.
- Diluted EPS increased 5.3% year-over-year driven primarily by stronger operating performance and lower shares outstanding.

## Segment Highlights

### Small Business Services

- Revenue was \$273.8 million and increased 8.7% year-over-year due to growth in marketing solutions and other services, which includes the results of VerticalReponse acquired in June 2013, growth in the Safeguard® distributor channel and the impact of price increases.
- Operating income increased 5.6% from last year to \$48.8 million. Adjusted operating income, which excludes restructuring and transaction-related costs, increased 4.9% year-over-year due primarily to higher revenue and cost reductions.

### Financial Services

- Revenue was \$88.5 million and increased 6.5% year-over-year due to price increases and growth in non-check services, including the results of Destination Rewards which was acquired late in the fourth quarter of 2013. These increases were partially offset by the secular decline in check usage.
- Operating income increased 3.2% from last year to \$22.3 million. Adjusted operating income, which excludes restructuring and transaction-related costs, increased 2.7% year-over-year, reflecting price increases and the continued benefits of cost reductions, partially offset by check usage declines and acquisition-related costs.

### Direct Checks

- Revenue of \$43.1 million declined 7.3% year-over-year due primarily to the secular decline in check usage.
- Operating income declined 5.4% year-over-year as a result of lower revenue, partially offset by cost reductions.

## Other Highlights

- Cash provided by operating activities for the first half of 2014 was \$125.8 million, an increase of \$23.7 million compared to 2013, driven primarily by changes in working capital, improved earnings, and lower medical and performance-based compensation payments, partially offset by higher income tax payments.
- The Company repurchased \$20.0 million of common stock in open market transactions in the second quarter and \$52.0 million year-to-date.

## Outlook

### Third Quarter 2014:

	Current Outlook (7/24/2014)
Revenue	\$406 to \$414 million
Diluted EPS – GAAP	\$0.96 to \$1.01
Adjusted Diluted EPS – Non-GAAP	\$0.97 to \$1.02

### Full Year 2014:

	Prior Outlook (4/24/2014)	Current Outlook (7/24/2014)
Revenue	\$1.620 to \$1.650 billion	\$1.635 to \$1.655 billion
Marketing Solutions and Other Services Revenue	\$400 to \$410 million	\$400 to \$410 million
Diluted EPS – GAAP	\$3.90 to \$4.05	\$3.96 to \$4.06
Adjusted Diluted EPS – Non-GAAP	\$3.97 to \$4.12	\$4.04 to \$4.14
Operating Cash Flow	\$270 to \$280 million	\$270 to \$280 million
Capital Expenditures	approx. \$40 million	approx. \$40 million
Depreciation and Amortization	approx. \$64 million	approx. \$66 million
Effective Tax Rate	approx. 34%	approx. 34%

## Earnings Call Information

- A live conference call will be held today at 11:00 a.m. ET (10:00 a.m. CT) to review the financial results. Listeners can access the call by dialing 1-617-399-5127 (access code 99623544). A presentation also will be available via a simultaneous webcast on our investor relations website at [www.deluxe.com/investor](http://www.deluxe.com/investor).
- Alternatively, an audio replay of the call will be available through midnight on August 1st by calling 1-617-801-6888 (access code 46510457).

## About Deluxe Corporation

Deluxe is a growth engine for small businesses and financial institutions. Over four and a half million small business customers access Deluxe's wide range of products and services including customized checks and forms, as well as web-site development and hosting, search engine marketing, search engine optimization, and logo design. For financial institutions, Deluxe offers industry-leading programs in checks, customer acquisition and loyalty, fraud prevention and profitability. Deluxe is also a leading printer of checks and accessories sold directly to consumers. For more information, visit us at [www.deluxe.com](http://www.deluxe.com), [www.facebook.com/deluxecorp](http://www.facebook.com/deluxecorp) or [www.twitter.com/deluxecorp](http://www.twitter.com/deluxecorp).

## Forward-Looking Statements

Statements made in this release concerning the Company's or management's intentions, expectations, outlook or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations or beliefs, and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: the impact that a deterioration or prolonged softness in the economy may have on demand for the Company's products and services; the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the Company's control; declining demand for the Company's check and check-related products and services due to increasing use of alternative payment methods; intense competition in the check printing business; continued consolidation of financial institutions and/or additional bank failures, thereby reducing the number of potential customers and referral sources and increasing downward pressure on the Company's revenue and gross profit; risks that the Small Business Services segment strategies to increase its pace of new customer acquisition and average annual sales to existing customers, while at the same time maintaining its operating margins, are delayed or unsuccessful; risks that the Company's recent acquisitions do not produce the anticipated results or revenue synergies; risks that the Company's cost reduction initiatives will be delayed or unsuccessful; performance shortfalls by the Company's major suppliers, licensors or service providers; unanticipated delays, costs and expenses in the development and marketing of new products and services, including web design, hosting, email marketing, logo design, search engine marketing, search engine optimization, digital printing services, fraud protection services, profitability, risk management services, and other services; the failure of such newer products and services to deliver the expected revenues and other financial targets; and the impact of governmental laws and regulations. Our forward-looking statements speak only as of the time made, and we assume no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the Company's current expectations are contained in the Company's Form 10-K for the year ended December 31, 2013.

## Diluted EPS Reconciliation

The table below is provided to assist in understanding the comparability of the Company's results of operations for the quarters ended June 30, 2014 and 2013. The Company's management believes that adjusted earnings per share (EPS) is a useful financial measure because certain items during 2014 and 2013 (restructuring and transaction-related costs) impact the comparability of reported net income. The presentation below is not intended as an alternative to results reported in accordance with generally accepted accounting principles (GAAP) in the United States of America. Instead, the Company believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.

Adjusted EPS reconciles to reported EPS as follows:

	<b>Actual</b>	
	<b>Q2 2014</b>	<b>Q2 2013</b>
Adjusted Diluted EPS	\$1.01	\$0.96
Restructuring-related costs	(0.01)	(0.01)
Transaction-related costs	(0.01)	(0.01)
Reported Diluted EPS	<u>\$0.99</u>	<u>\$0.94</u>

	<b>Outlook</b>	
	<b>Q3 2014</b>	<b>Full Year 2014</b>
Adjusted Diluted EPS	\$0.97 to \$1.02	\$4.04 to \$4.14
Restructuring-related costs	(0.01)	(0.07)
Transaction-related costs	—	(0.01)
Reported Diluted EPS	<u>\$0.96 to \$1.01</u>	<u>\$3.96 to \$4.06</u>



**DELUXE CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF INCOME**  
(Dollars and shares in millions, except per share amounts)  
(Unaudited)

	Quarter Ended June 30,			
	2014		2013	
Product revenue	\$344.5		\$332.8	
Service revenue	60.9		48.6	
Total revenue	405.4		381.4	
Cost of products	(119.6)	(29.5%)	(111.4)	(29.2%)
Cost of services	(26.3)	(6.5%)	(22.1)	(5.8%)
Total cost of revenue	(145.9)	(36.0%)	(133.5)	(35.0%)
Gross profit	259.5	64.0%	247.9	65.0%
Selling, general and administrative expense	(173.5)	(42.8%)	(164.5)	(43.1%)
Net restructuring charges	(1.0)	(0.2%)	(0.9)	(0.2%)
Operating income	85.0	21.0%	82.5	21.6%
Interest expense	(9.5)	(2.3%)	(9.6)	(2.5%)
Other income	0.3	0.1%	0.1	—%
Income before income taxes	75.8	18.7%	73.0	19.1%
Income tax provision	(25.7)	(6.3%)	(24.8)	(6.5%)
Net income	\$50.1	12.4%	\$48.2	12.6%
Weighted average dilutive shares outstanding	50.2		51.0	
Diluted earnings per share	\$0.99		\$0.94	
Capital expenditures	\$8.9		\$8.3	
Depreciation and amortization expense	16.4		16.1	
Number of employees-end of period	5,418		5,460	
Non-GAAP financial measure - EBITDA <sup>(1)</sup>	\$101.7		\$98.7	
Non-GAAP financial measure - Adjusted EBITDA <sup>(1)</sup>	102.9		100.5	

<sup>(1)</sup> Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA are not measures of financial performance under generally accepted accounting principles (GAAP) in the United States of America. We disclose EBITDA and Adjusted EBITDA because we believe they are useful in evaluating our operating performance compared to that of other companies in our industry, as the calculation eliminates the effects of long-term financing (i.e., interest expense), income taxes, the accounting effects of capital investments (i.e., depreciation and amortization) and in the case of Adjusted EBITDA, certain items (i.e., restructuring and transaction-related costs and asset impairment charges) which may vary for companies for reasons unrelated to overall operating performance. In our case, depreciation and amortization of intangibles and interest expense in the current year and in previous years have been impacted by acquisitions. Certain transactions in 2014 and 2013 also impacted the comparability of reported net income. We believe that measures of operating performance which exclude these impacts are helpful in analyzing our results. We also believe that an increasing EBITDA and Adjusted EBITDA depict increased ability to attract financing and an increase in the value of our business. We do not consider EBITDA and Adjusted EBITDA to be measures of cash flow, as they do not consider certain cash requirements such as interest, income taxes or debt service payments. We do not consider EBITDA or Adjusted EBITDA to be substitutes for operating income or net income. Instead, we believe that EBITDA and Adjusted EBITDA are useful performance measures which should be considered in addition to GAAP performance measures. EBITDA and Adjusted EBITDA are derived from net income as follows:

	Quarter Ended June 30,	
	2014	2013
Adjusted EBITDA	\$102.9	\$100.5
Restructuring-related costs	(0.9)	(1.1)
Transaction-related costs	(0.3)	(0.7)
EBITDA	101.7	98.7
Income tax provision	(25.7)	(24.8)
Interest expense	(9.5)	(9.6)
Depreciation and amortization expense	(16.4)	(16.1)
Net income	\$50.1	\$48.2

**DELUXE CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF INCOME**  
(Dollars and shares in millions, except per share amounts)  
(Unaudited)

	Six Months Ended June 30,			
	2014		2013	
Product revenue	\$690.2		\$672.7	
Service revenue	122.2		96.3	
Total revenue	812.4		769.0	
Cost of products	(238.0)	(29.3%)	(223.8)	(29.1%)
Cost of services	(52.9)	(6.5%)	(43.1)	(5.6%)
Total cost of revenue	(290.9)	(35.8%)	(266.9)	(34.7%)
Gross profit	521.5	64.2%	502.1	65.3%
Selling, general and administrative expense	(351.4)	(43.3%)	(339.6)	(44.2%)
Net restructuring charges	(4.3)	(0.5%)	(2.3)	(0.3%)
Operating income	165.8	20.4%	160.2	20.8%
Interest expense	(19.1)	(2.4%)	(19.1)	(2.5%)
Other income	0.5	0.1%	0.5	0.1%
Income before income taxes	147.2	18.1%	141.6	18.4%
Income tax provision	(49.8)	(6.1%)	(47.6)	(6.2%)
Net income	\$97.4	12.0%	\$94.0	12.2%
Weighted average dilutive shares outstanding	50.5		51.1	
Diluted earnings per share	\$1.92		\$1.83	
Capital expenditures	\$19.9		\$16.6	
Depreciation and amortization expense	32.6		32.0	
Number of employees-end of period	5,418		5,460	
Non-GAAP financial measure - EBITDA <sup>(1)</sup>	\$198.9		\$192.7	
Non-GAAP financial measure - Adjusted EBITDA <sup>(1)</sup>	204.0		195.9	

<sup>(1)</sup> See the discussion of EBITDA and Adjusted EBITDA on the previous page. EBITDA and Adjusted EBITDA are derived from net income as follows:

	Six Months Ended June 30,	
	2014	2013
Adjusted EBITDA	\$204.0	\$195.9
Restructuring-related costs	(4.5)	(2.5)
Transaction-related costs	(0.3)	(0.7)
Asset impairment charge	(0.3)	—
EBITDA	198.9	192.7
Income tax provision	(49.8)	(47.6)
Interest expense	(19.1)	(19.1)
Depreciation and amortization expense	(32.6)	(32.0)
Net income	\$97.4	\$94.0

**DELUXE CORPORATION**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(In millions)  
(Unaudited)

	<b>June 30, 2014</b>	<b>December 31, 2013</b>	<b>June 30, 2013</b>
<b>Cash and cash equivalents</b>	\$146.9	\$121.1	\$52.8
<b>Other current assets</b>	197.3	198.2	177.0
<b>Property, plant &amp; equipment-net</b>	96.8	101.3	100.8
<b>Intangibles-net</b>	154.4	153.6	153.5
<b>Goodwill</b>	823.0	822.8	810.4
<b>Other non-current assets</b>	218.0	172.5	153.5
<b>Total assets</b>	<u>\$1,636.4</u>	<u>\$1,569.5</u>	<u>\$1,448.0</u>
<b>Current portion of long-term debt</b>	\$254.8	\$255.6	\$0.3
<b>Other current liabilities</b>	231.7	234.4	201.9
<b>Long-term debt</b>	391.2	385.1	642.2
<b>Deferred income taxes</b>	84.6	82.8	78.0
<b>Other non-current liabilities</b>	92.3	61.1	45.1
<b>Shareholders' equity</b>	581.8	550.5	480.5
<b>Total liabilities and shareholders' equity</b>	<u>\$1,636.4</u>	<u>\$1,569.5</u>	<u>\$1,448.0</u>
<b>Shares outstanding</b>	49.8	50.3	50.4

**DELUXE CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash provided (used) by:</b>		
<b>Operating activities:</b>		
Net income	\$97.4	\$94.0
Depreciation and amortization of intangibles	32.6	32.0
Contract acquisition payments	(4.3)	(5.8)
Other	0.1	(18.1)
<b>Total operating activities</b>	<b>125.8</b>	<b>102.1</b>
<b>Investing activities:</b>		
Purchases of capital assets	(19.9)	(16.6)
Payments for acquisitions	(8.9)	(35.1)
Proceeds from company-owned life insurance policies	0.8	4.6
Other	0.2	1.4
<b>Total investing activities</b>	<b>(27.8)</b>	<b>(45.7)</b>
<b>Financing activities:</b>		
Net change in debt	(0.6)	—
Dividends	(27.7)	(25.4)
Share repurchases	(51.9)	(32.0)
Shares issued under employee plans	7.1	9.4
Other	1.0	1.0
<b>Total financing activities</b>	<b>(72.1)</b>	<b>(47.0)</b>
Effect of exchange rate change on cash	(0.1)	(2.0)
<b>Net change in cash and cash equivalents</b>	<b>25.8</b>	<b>7.4</b>
<b>Cash and cash equivalents: Beginning of period</b>	<b>121.1</b>	<b>45.4</b>
<b>Cash and cash equivalents: End of period</b>	<b>\$146.9</b>	<b>\$52.8</b>

**DELUXE CORPORATION**  
**SEGMENT INFORMATION**

(In millions)  
(Unaudited)

	<b>Quarter Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenue:</b>		
<b>Small Business Services</b>	\$273.8	\$251.8
<b>Financial Services</b>	88.5	83.1
<b>Direct Checks</b>	43.1	46.5
<b>Total</b>	<u>\$405.4</u>	<u>\$381.4</u>
<b>Operating income: <sup>(1)</sup></b>		
<b>Small Business Services</b>	\$48.8	\$46.2
<b>Financial Services</b>	22.3	21.6
<b>Direct Checks</b>	13.9	14.7
<b>Total</b>	<u>\$85.0</u>	<u>\$82.5</u>
<b>Operating margin: <sup>(1)</sup></b>		
<b>Small Business Services</b>	17.8%	18.3%
<b>Financial Services</b>	25.2%	26.0%
<b>Direct Checks</b>	32.3%	31.6%
<b>Total</b>	21.0%	21.6%

	<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenue:</b>		
<b>Small Business Services</b>	\$543.6	\$500.2
<b>Financial Services</b>	177.6	170.2
<b>Direct Checks</b>	91.2	98.6
<b>Total</b>	<u>\$812.4</u>	<u>\$769.0</u>
<b>Operating income: <sup>(1)</sup></b>		
<b>Small Business Services</b>	\$92.4	\$84.8
<b>Financial Services</b>	43.9	44.5
<b>Direct Checks</b>	29.5	30.9
<b>Total</b>	<u>\$165.8</u>	<u>\$160.2</u>
<b>Operating margin: <sup>(1)</sup></b>		
<b>Small Business Services</b>	17.0%	17.0%
<b>Financial Services</b>	24.7%	26.1%
<b>Direct Checks</b>	32.3%	31.3%
<b>Total</b>	20.4%	20.8%

The segment information reported here was calculated utilizing the methodology outlined in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

<sup>(1)</sup> Operating income includes the following restructuring and transaction-related costs:

	<b>Quarter Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Small Business Services	\$0.9	\$1.2	\$3.6	\$1.9
Financial Services	0.3	0.4	1.0	0.9
Direct Checks	—	0.2	0.2	0.4
<b>Total</b>	<u>\$1.2</u>	<u>\$1.8</u>	<u>\$4.8</u>	<u>\$3.2</u>

The table below is provided to assist in understanding the comparability of the Company's results of operations for the quarters and six months ended June 30, 2014 and 2013. The Company's management believes that operating income by segment, excluding restructuring and transaction-related costs, is a useful financial measure because these items impacted the comparability of reported operating income during 2014 and 2013. The presentation below is not intended as an alternative to results reported in accordance with generally accepted accounting principles (GAAP) in the United States of America. Instead, the Company believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.

**DELUXE CORPORATION**  
**SEGMENT OPERATING INCOME**  
**EXCLUDING RESTRUCTURING AND TRANSACTION-RELATED COSTS**

(In millions)  
(Unaudited)

	<b>Quarter Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Adjusted operating income: <sup>(1)</sup></b>		
<b>Small Business Services</b>	\$49.7	\$47.4
<b>Financial Services</b>	22.6	22.0
<b>Direct Checks</b>	13.9	14.9
<b>Total</b>	<u>\$86.2</u>	<u>\$84.3</u>
<b>Adjusted operating margin: <sup>(1)</sup></b>		
<b>Small Business Services</b>	18.2%	18.8%
<b>Financial Services</b>	25.5%	26.5%
<b>Direct Checks</b>	32.3%	32.0%
<b>Total</b>	21.3%	22.1%
	<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Adjusted operating income: <sup>(1)</sup></b>		
<b>Small Business Services</b>	\$96.0	\$86.7
<b>Financial Services</b>	44.9	45.4
<b>Direct Checks</b>	29.7	31.3
<b>Total</b>	<u>\$170.6</u>	<u>\$163.4</u>
<b>Adjusted operating margin: <sup>(1)</sup></b>		
<b>Small Business Services</b>	17.7%	17.3%
<b>Financial Services</b>	25.3%	26.7%
<b>Direct Checks</b>	32.6%	31.7%
<b>Total</b>	21.0%	21.2%

<sup>(1)</sup> Operating income excluding restructuring and transaction-related costs reconciles to reported operating income as follows:

	<b>Quarter Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Adjusted operating income	\$86.2	\$84.3	\$170.6	\$163.4
Restructuring and transaction-related costs:				
Small Business Services	(0.9)	(1.2)	(3.6)	(1.9)
Financial Services	(0.3)	(0.4)	(1.0)	(0.9)
Direct Checks	—	(0.2)	(0.2)	(0.4)
<b>Total</b>	<u>(1.2)</u>	<u>(1.8)</u>	<u>(4.8)</u>	<u>(3.2)</u>
Reported operating income	<u>\$85.0</u>	<u>\$82.5</u>	<u>\$165.8</u>	<u>\$160.2</u>

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