

A summary of the consolidated financial highlights for the years ended December 31, 2010, 2009 and 2008 is provided below:

	Years Ended December 31,			Percent Change	
	2010	2009	2008	2010 vs. 2009	2009 vs. 2008
<i>(in millions, except per share data)</i>					
Total revenues	\$1,717.6	1,677.5	1,711.5	2.4%	(2.0)%
Operating income	309.4	344.0	371.1	(10.1)	(7.3)
Net income attributable to TSYS common shareholders	193.9	215.2	250.1	(9.9)	(13.9)
Basic EPS ⁽¹⁾ attributable to TSYS common shareholders:					
Income from continuing operations	1.00	1.12	1.27	(10.7)	(11.6)
Net income	0.99	1.09	1.26	(9.5)	(13.7)
Diluted EPS ⁽¹⁾ attributable to TSYS common shareholders:					
Income from continuing operations	1.00	1.12	1.27	(10.8)	(11.6)
Net income	0.99	1.09	1.26	(9.6)	(13.7)
Cash flows from operating activities	389.2	423.1	352.8	(8.0)	19.9
Other:					
AOF	342.9	344.8	352.5	(0.5)	(2.2)
Cardholder transactions processed	7,670.4	7,272.9	7,694.1	5.5	(5.5)

(1) Basic and diluted EPS is computed based on the two-class method in accordance with the guidance under Accounting Standards Codification (ASC) 260. Refer to Note 27 in the consolidated financial statements for more information on earnings per share.

Total revenues increased 2.4%, or \$40.1 million, for the year ended December 31, 2010, compared to the year ended December 31, 2009, which decreased 2.0%, or \$34.0 million, compared to the year ended December 31, 2008. The increase in revenues for 2010 and the decrease in revenues in 2009 include an increase of \$1.0 million and a decrease of \$46.8 million, respectively, related to the effects of currency translation of the Company's foreign-based subsidiaries and branches.

Excluding reimbursable items, revenues increased 2.5%, or \$35.1 million, for the year ended December 31, 2010, compared to the year ended December 31, 2009, which decreased 2.7%, or \$39.3 million, compared to the year ended December 31, 2008. The Company expanded its product and service offerings through an acquisition in 2010. The impact of that acquisition on consolidated total revenues was \$97.7 million in 2010.

Major Customer

A significant amount of the Company's revenues is derived from long-term contracts with large clients, including a major customer. TSYS derives revenues from providing various processing and other services to these clients, including processing of consumer and commercial accounts, as well as revenues for reimbursable items. Revenues from the major customer for the periods reported are primarily attributable to the North America Services segment and Merchant Services segment. The loss of the Company's major customer could have a material adverse effect on the Company's financial position, results of operations and cash flows.

In June 2009, Bank of America announced that it formed a new joint venture to provide merchant services. TSYS provides accounting, settlement, authorization and other services to Bank of America, which services accounted for approximately 6.0%, 5.3% and 4.3% of TSYS' total revenues for 2010, 2009 and 2008, respectively.

TSYS provides a number of additional services to Bank of America, including commercial card processing, small business card processing and card production services. Approximately 46%, 40% and 29% of the total revenues derived from providing merchant services to Bank of America are attributable to reimbursable items for 2010, 2009 and 2008, respectively, which are provided at no margin.

In November 2010, TSYS and Bank of America agreed to a new agreement, during which TSYS expects merchant services revenues from Bank of America to decline as Bank of America transitions its services to its new joint venture.

The loss of Bank of America as a merchant services client is not expected to have a material adverse effect on TSYS' financial position, results of operations or cash flows.

Refer to Note 22 in the consolidated financial statements for more information on the major customer.

The Company works to maintain a large and diverse customer base across various industries. However, in addition to its major customer, the Company has other large clients representing a significant portion of its total revenues. The loss of any one of the Company's large clients could have a material adverse effect on the Company's financial position, results of operations and cash flows.

Operating Segments

TSYS' services are provided through three operating segments: North America Services, International Services and Merchant Services.

A summary of each segment's results follows:

North America Services

The North America Services segment provides issuer account solutions for financial institutions and other organizations primarily