CERTEGY INC
Form PREM14A
October 12, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

x	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

CERTEGY INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o	No fee required.		
x	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.		
		(1)	Title of each class of securities to which transaction applies: Common stock, par value $.0001 per share, of Fidelity National Information Services, Inc.
		(2)	Aggregate number of securities to which transaction applies: 200,000,000 shares of common stock of Fidelity National Information Services, Inc., which represents the number of such issued and outstanding shares which will be converted into shares of common stock, par value $.01 per share, of Certegy Inc. pursuant to an Agreement and Plan of Merger, dated September 14, 2005, among Fidelity National Information Services, Inc., Certegy Inc. and C Co Merger Sub, LLC
		(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): $2.89 per share of common stock of Fidelity National Information Services, Inc., which is the book value per share of such common stock as of June 30, 2005
		(4)	Proposed maximum aggregate value of transaction: $578,000,000, which is the maximum value calculated pursuant to Rule 0-11 under the Securities Exchange Act of 1934, as amended
		(5)	Total fee paid: $68,031
o	Fee paid previously with preliminary materials.		
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.		
		(1)	Amount Previously Paid:
		(2)	Form, Schedule or Registration Statement No.:

(3)	Filing Party:
(4)	Date Filed:

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Lee A. Kennedy
Chairman and
Chief Executive Officer

Certegy Inc.
100 Second Avenue South
Suite 1100S
St. Petersburg, Florida 33701

[ ], 2005

Dear Shareholder:

On behalf of the board of directors of Certegy Inc., I am pleased to deliver our proxy statement for the proposed combination of Certegy and Fidelity National Information Services, Inc., or FIS, to be effected pursuant to a merger agreement that Certegy entered into with FIS on September 14, 2005. The proxy statement provides you with important information concerning the proposed combination and explains why we believe the merger is in the best interests of Certegy s shareholders. Since the completion of the merger requires the approval of Certegy s shareholders, **YOUR VOTE IS IMPORTANT**. I urge you to read the enclosed materials carefully, including the risks described under the heading Risk Factors on page 18 of the proxy statement, and to promptly vote by following the instructions shown on the enclosed proxy card.

Under the merger agreement, subject to satisfaction or waiver of the conditions to closing of the proposed transactions, FIS will merge with and into a wholly owned subsidiary of Certegy, and shares of Certegy s common stock will be issued to the stockholders of FIS. Fidelity National Financial, Inc., or FNF, currently owns 75% of the common stock of FIS. Following the merger the former stockholders of FIS, including FNF, will own approximately 67.1% of Certegy s common stock, and FNF will own approximately 50.3% of Certegy s outstanding common stock.

The merger agreement also provides for the payment of a special cash dividend of $3.75 per share of Certegy common stock, payable to Certegy s shareholders of record immediately prior to the closing of the merger. This dividend will be payable only if shareholder approval of the merger is obtained and the closing of the merger is assured.

At the special meeting, shareholders also will be asked to approve (1) the amendment and restatement of Certegy s articles of incorporation to increase the number of authorized shares of capital stock from 400,000,000 to 800,000,000 shares and to change the name of Certegy to Fidelity National Information Services, Inc., and (2) the amended and restated Certegy Inc. Stock Incentive Plan, which, among other things, will increase the shares available under the current plan, and increase the limits on the awards that may be granted under the current plan. Following the merger our shares will trade on the New York Stock Exchange under the ticker symbol FIS.

Certegy s board of directors recommends that Certegy s shareholders vote FOR the approval of the merger agreement and the other proposals to be presented at the special meeting.

Sincerely,

LEE A. KENNEDY
Chairman and Chief Executive Officer

This proxy statement is first being mailed to Certegy shareholders on or about [ ], 2005 and is dated [ ], 2005. You should not assume that the information contained in this document is accurate as of any date other than that date, and the mailing of this document to you does not create any implication to the contrary.

CERTEGY INC.
100 Second Avenue South, Suite 1100S
St. Petersburg, Florida 33701

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [ ], 2005

TO THE SHAREHOLDERS OF CERTEGY INC.:

We will hold a special meeting of shareholders of Certegy Inc. on [ ], 2005, at [ ] a.m. local time, at [ ], for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of September 14, 2005, by and among Certegy Inc., C Co Merger Sub, LLC, and Fidelity National Information Services, Inc., including the merger of Fidelity National Information Services, Inc. with and into C Co Merger Sub, LLC, and the issuance of shares of Certegy common stock to the stockholders of Fidelity National Information Services, Inc., in connection with the merger;

2. To consider and vote upon a proposal to amend and restate Certegy s Amended and Restated Articles of Incorporation to increase the number of authorized shares of capital stock from 400,000,000 shares to 800,000,000 shares, with 600,000,000 shares being designated as common stock and 200,000,000 shares being designated as preferred stock, and to change the name of Certegy to Fidelity National Information Services, Inc. ;

3. To consider and vote upon a proposal to approve the Amended and Restated Certegy Inc. Stock Incentive Plan, which will, among other things, increase the total number of shares of common stock available for issuance under the current stock incentive plan by an additional 6,000,000 shares, and increase the limits on the number of options, restricted shares, and other awards that may be granted to any individual in any calendar year; and

4. To transact such other business as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

Certegy s board of directors has fixed the close of business on [ ], 2005 as the record date for determining those shareholders entitled to vote at the special meeting and any adjournment or postponement thereof. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting. A complete list of our shareholders will be available for inspection at the special meeting.

To ensure your representation at the special meeting, please complete and promptly mail your proxy card in the enclosed return envelope. This will not prevent you from voting in person, but will help to secure a quorum and avoid added solicitation costs. Your proxy may be revoked at any time before it is voted. Please review the proxy statement accompanying this notice for more complete information regarding the merger and the special meeting.

By Order of the Board of Directors

WALTER M. KORCHUN
Secretary

St. Petersburg, Florida
[ ], 2005

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ANNEXES

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

Q: What am I being asked to approve at the special meeting?

A: Certegy is proposing to combine its business with the business of Fidelity National Information Services, Inc., or FIS, under the terms of a merger agreement dated September 14, 2005. Under the merger agreement:

- FIS will merge with and into a Delaware limited liability company wholly owned by Certegy.

- All of the outstanding shares of FIS s common stock will be converted into shares of Certegy common stock based on a fixed exchange ratio. Currently, FIS is a privately held company with Fidelity National Financial, Inc., or FNF, owning 75% of FIS s outstanding common stock. As a result of the merger, the existing stockholders of FIS, including FNF, will own approximately 67.1% of Certegy s shares. FNF will own approximately 50.3% of Certegy s outstanding shares. See Pro Forma Security Ownership of the Combined Company After the Merger at page 88.

- Certegy s board of directors will declare a special cash dividend of $3.75 per share, or a total of approximately $235.1 million, to the holders of Certegy common stock immediately prior to the closing of the merger.

- Certegy shareholders will retain their shares, which will remain outstanding as shares of Certegy common stock.

At the special meeting, you are being asked to approve the merger agreement, including the merger and the issuance of shares of Certegy common stock described above, which is sometimes referred to in this proxy statement as the merger proposal.

In addition, at the special meeting you are being asked to approve a proposal to amend and restate Certegy s articles of incorporation to increase the number of authorized shares of capital stock and to change Certegy s name to Fidelity National Information Services, Inc.

At the special meeting, you also are being asked to approve the Amended and Restated Certegy Inc. Stock Incentive Plan, which will, among other things, increase the total number of shares of common stock available under the current plan by an additional 6,000,000 shares, and increase the limits on the number of options, restricted shares, and other awards that may be granted to any individual in any calendar year.

Q: How does the board of directors recommend that I vote?

A: Certegy s board of directors recommends a vote FOR :

- approval of the merger proposal;

- approval of the amendment and restatement of Certegy s articles of incorporation; and

- approval of the amended and restated stock incentive plan.

Q: Why is Certegy proposing to combine with FIS?

A: In deciding to approve the merger agreement Certegy s board of directors considered a variety of factors, including the terms of the merger agreement and related agreements, the analysis and recommendations of Certegy s management team, the financial analysis presented by its financial advisors, and the financial advisors opinions with respect to the fairness of the exchange ratio and the special dividend, taken together, from a financial point of view, and additional factors described in this proxy statement under the caption The Merger Certegy s Reasons for the Merger; Recommendation of the Merger by the Certegy Board of Directors.

Certegy s board of directors believes the combined company will constitute one of the largest providers of processing services to U.S. financial institutions, with market-leading positions in core processing, card issuing services, mortgage processing, and lender services. The board of directors believes the combined company will be able to offer a diversified product mix, reducing exposure to the impact of the declining use of checks, and that the combined company will benefit from the opportunity to cross-sell products and services across the combined customer base and its expanded international presence and scale. The board of directors further believes that the combined company will be in a position to achieve significant cost synergies in, among other things, corporate overhead, research and development, sales and marketing, facilities, and card production.

Q: What will I receive in the merger?

A: Certegy shareholders will receive a special dividend of $3.75 per share if they are shareholders of record immediately prior to the consummation of the merger. Because FIS is merging into a subsidiary of Certegy, the shares held by Certegy shareholders will not be changed by the merger, and Certegy shareholders will continue to hold their existing Certegy shares following the consummation of the merger, but these shares will represent a smaller percentage interest in the larger combined company.

Q: Why is Certegy proposing to increase the number of authorized shares?

A: It is a condition to the closing of the merger that the proposed amendment and restatement of Certegy s articles of incorporation be approved by Certegy s shareholders, and the proposed amendment and restatement will not be effected unless the merger is completed. After giving effect to the merger and the issuance and reservation for issuance of shares of Certegy common stock in connection with the merger, the assumption of FIS stock options and new stock option grants, the combined company would have approximately 85.8 million remaining authorized shares of common stock and 100 million authorized shares of preferred stock available for future issuance. The proposed amendment and restatement of Certegy s articles of incorporation will authorize the issuance of up to an additional 300 million shares of common stock and an additional 100 million shares of preferred stock. Certegy s board of directors believes that an increase in the authorized shares will give the combined company greater flexibility in the future to declare stock dividends or stock splits or to issue its common stock for other corporate purposes, including raising additional capital, issuances pursuant to employee and director stock plans, and possible future acquisitions.

Q: Why is the amended and restated stock incentive plan being proposed?

A: The current Certegy stock incentive plan, including the number of shares available for issuance under the plan, were designed for Certegy alone. After the merger, the combined company will be significantly larger than Certegy with an increased number of key employees who would normally receive equity incentive compensation. In addition, the number of shares remaining available under the current plan is not sufficient to cover options that the combined company will be required to grant to Certegy management under new employment agreements which become effective upon the consummation of the merger. See Interests of Certain Persons in the Merger that are Different from Your Interests New Employment Agreements. The increase in the number of shares authorized under the plan, along with the other changes accomplished by the amendment and restatement, will allow the combined company to provide appropriate equity incentive compensation to key employees and to fulfill its obligations under the new employment agreements. Accordingly, the merger agreement requires that Certegy submit the amended and restated stock incentive plan to the shareholders for approval at the special meeting. Under the rules of the New York Stock Exchange, or NYSE, shareholder approval of the amended and restated stock incentive plan is necessary in order for it to become effective.

Q: What vote is required to approve the proposals?

A: Under the rules of the NYSE, the issuance of Certegy common stock in connection with the merger and the proposal to approve the amended and restated stock incentive plan each require the affirmative vote of a majority of the shares voted at the special meeting, so long as the total shares voted represent more than 50% of the shares entitled to vote on the proposals. The failure of a Certegy shareholder to vote, or a decision by a Certegy shareholder to abstain from voting on either of these proposals, will have the same effect as a vote against the proposal.

Under the Georgia Business Corporation Code, or the GBCC, which governs Certegy, the proposed amendment and restatement of Certegy s articles of incorporation must be approved by a majority of the outstanding shares of Certegy common stock entitled to vote. The failure of a Certegy shareholder to vote, or a decision by a Certegy shareholder to abstain from voting, will have the same effect as a vote against approval of the proposed amendment and restatement of Certegy s articles of incorporation. In addition, because approval of the proposed amendment and restatement of Certegy s articles of incorporation is a condition to completing the merger under the merger agreement, a failure to vote on this proposal or an abstention with respect to this proposal will constitute a vote against the merger proposal, unless Certegy and FIS waive this condition.

Q: What do I need to do now?

A: After you have carefully read this proxy statement, please fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed envelope as soon as possible so that your shares will be represented at the special meeting, or vote using any other method described on the proxy card. For detailed information, please see The Special Meeting Voting on page 31.

Q: If my shares are held in street name by my broker or other nominee, will my broker or other nominee vote my shares for me?

A: Your broker will vote your shares of common stock only if you provide instructions on how to vote. You should instruct your broker how to vote your shares, following the directions your broker provides. Generally, your broker s instructions will appear on the special form of proxy card provided to you by your broker, called a voting instruction form. Your broker may offer you different methods of voting, such as by telephone or Internet. If you do not provide instructions to your broker and you do not attend and vote at the special meeting, your shares will not be voted and they will not count as votes cast.

Q: What do I do if I want to change my vote after I have delivered my proxy card?

A: You may change your vote at any time before your proxy is voted at the special meeting. You can do this in any of the three following ways:

- by sending a written revocation in time to be received before the special meeting to the attention of Certegy s Corporate Secretary at 100 Second Avenue South, Suite 1100 S, St. Petersburg, Florida 33701;
- by completing, signing and dating another proxy card and returning it by mail in time to be received before the special meeting; or
- by attending the special meeting and voting in person.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: What risks should I consider in evaluating the merger?

A: You should consider the risks described under the heading Risk Factors on page 18 of this proxy statement.

Q: Do I have dissenters rights?

A: Yes. If you wish, you may dissent from the approval of the merger proposal and, if the merger proposal is approved, obtain payment of the fair value of your shares, but only if you comply with all the requirements of Georgia law, which are summarized under the heading The Merger Dissenters Rights on page 65 of this proxy statement.

Q: Who can I contact with questions about the special meeting or the merger?

A: If you have any additional questions about the special meeting or the merger, you should contact Certegy s Corporate Secretary at the following address or telephone number:

Certegy Inc.
100 Second Avenue South
Suite 1100S
St. Petersburg, Florida 33701
Attn: Corporate Secretary
(727) 227-8000

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SUMMARY OF THE MERGER

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. Even though this summary highlights what is believed to be the most important information, you are encouraged to read the entire proxy statement and the other documents to which this proxy statement refers for a complete understanding of the proposed business combination between Certegy and FIS. See Where You Can Find More Information on page 190. Unless stated otherwise or the context otherwise requires, all references in this document to Certegy, us or we are to Certegy Inc. and its subsidiaries; all references to FIS are to Fidelity National Information Services, Inc. and its subsidiaries; all references to Merger Sub are to C Co Merger Sub, LLC; all references to FNF are to Fidelity National Financial, Inc.; all references to the combined company are to Certegy and its subsidiaries after the merger (including FIS); and all references to the merger agreement are to the Agreement and Plan of Merger among Certegy, Merger Sub, and FIS, a copy of which is attached as Annex A to this proxy statement.

Information about Certegy and FIS

Certegy Inc. (Page 90)

Certegy Inc. is a Georgia corporation that has been publicly traded on the NYSE since its spin-off from Equifax Inc. in 2001. Certegy provides credit card, debit card, and other transaction processing and check risk management services to financial institutions and merchants in the U.S. and internationally through its two business segments, Card Services and Check Services. Card Services provides card issuer services in the U.S., the U.K., Brazil, Chile, Australia, New Zealand, Ireland, Thailand, and the Caribbean. Additionally, Card Services provides merchant processing and e-banking services in the U.S. and card issuer software, support, and consulting services in numerous countries. Check Services provides check risk management services and related processing services in the U.S., the U.K., Canada, France, Ireland, Australia, and New Zealand.

Certegy s principal executive offices are at 100 Second Avenue South, Suite 1100S, St. Petersburg, Florida 33701, and its telephone number is (727) 227-8000.

Fidelity National Information Services, Inc. (Page 94)

FIS is a leading provider of technology solutions, processing services, and information services to the financial services and real estate industries. Over 2,800 financial institutions use FIS s services, including 44 of the 50 largest banks in the U.S. FIS s applications process over 50% of all U.S. residential mortgage loans by dollar volume with balances exceeding $3.8 trillion, and over 235 million deposit accounts and non-mortgage consumer loans and leases are processed on its core bank processing platform. FIS also provides customized business process outsourcing related to aspects of the origination and management of mortgage loans to national lenders and loan servicers. FIS s information services, including its property data and real estate-related services, are used by mortgage lenders, mortgage investors, and real estate professionals to complete residential real estate transactions throughout the U.S. FIS provides information services that span the entire home purchase and ownership life cycle, from contact through closing, refinancing, and resale. FIS operates in four primary business segments: Financial Institution Software and Services, Lender Services, Default Management Services, and Information Services.

FIS s principal executive offices are at 601 Riverside Avenue, Jacksonville, Florida 32204, and its telephone number is (904) 854-8100.

The Merger

FIS Will Merge With and Into a Subsidiary of Certegy (Page 34)

The merger agreement provides for the merger of FIS with and into Merger Sub, a wholly owned subsidiary of Certegy. Merger Sub will survive the merger as a wholly owned subsidiary of Certegy. The merger agreement is attached to this proxy statement as Annex A. Please read the merger agreement carefully. It is the legal document that governs the merger. Subject to the satisfaction of the other conditions to the merger, the closing of the merger will occur shortly after the approval of the merger proposal, the amended and restated articles of incorporation and the amended and restated stock incentive plan by the requisite votes of the Certegy shareholders and the declaration of the special cash dividend discussed below.

Shares of Certegy Common Stock Will Be Issued to FIS Stockholders in the Merger (Page 68)

In the merger, each share of FIS common stock issued and outstanding immediately prior to the effective time of the merger will be automatically converted into the right to receive 0.6396 shares of Certegy common stock. This ratio is referred to as the exchange ratio. After the issuance of Certegy shares in the merger the existing stockholders of FIS, including FNF, will own approximately 67.1% of the shares of common stock of the combined company, and FNF will own approximately 50.3% of the shares of common stock of the combined company. Shares held by shareholders of Certegy immediately prior to the merger will represent approximately 32.9% of the shares of the combined company immediately following the merger.

Certegy Will Pay a Special Dividend of $3.75 Per Share to Shareholders of Record Prior to the Consummation of the Merger (Page 69)

The merger agreement provides that Certegy will pay or provide for the payment of a special cash dividend of $3.75 per share prior to the consummation of the merger. The special dividend will be payable only if all of the conditions to the closing of the merger have been satisfied or waived and the completion of the merger is assured. Shareholders of record immediately prior to the consummation of the merger will be entitled to receive the special dividend unless they have sold their shares on the NYSE on the date of closing or on one of the two previous trading days, in which case the purchaser will be entitled to the dividend.

Treatment of Certegy and FIS Stock Options and Stock Based Awards (Page 68)

Certegy Options and Awards. Certegy s options, restricted shares, and restricted stock units will fully vest, and will remain outstanding or be paid in accordance with the terms of the plan under which they were issued. All options and restricted stock units will be adjusted for the special dividend, and Certegy s stock incentive plan will be amended and restated as further described below.

FIS Options. Certegy will assume FIS s 2005 Stock Incentive Plan and each outstanding option and related option agreement under that plan. Each FIS stock option will be converted into an option to purchase Certegy common stock, with the following adjustments:

- the shares subject to the new option will equal the product of the number of shares of FIS common stock subject to the original option multiplied by the exchange ratio; and

- the exercise price of the new option will equal the exercise price of the original FIS option divided by the exchange ratio.

Matters to be Considered in Deciding How to Vote

Certegy s Financial Advisors Have Provided Opinions to Certegy s Board of Directors as to the Fairness of the Exchange Ratio and the Special Dividend, Taken Together, from a Financial Point of View, to Certegy s Shareholders (Pages 41 & 48)

Certegy retained Citigroup Global Markets, Inc., or Citigroup, as its financial advisor in connection with the proposed merger, and Deutsche Bank Securities Inc., or Deutsche Bank, as its financial advisor for the purpose of delivering an opinion regarding fairness in connection with the proposed merger. In deciding to approve the merger agreement, Certegy s board of directors considered the oral opinions of each of Citigroup and Deutsche Bank provided to the board of directors on September 14, 2005 (as subsequently confirmed in writing in an opinion from each of Citigroup and Deutsche Bank dated September 14, 2005) that, as of the date of the opinions and based upon and subject to the assumptions made, procedures followed, matters considered, and limitations of review described in each such opinion, the exchange ratio and the special dividend, taken together, are fair to the holders of Certegy common stock from a financial point of view.

The full texts of the written opinions of Citigroup and Deutsche Bank are attached as Annex D and Annex E, respectively, to this proxy statement. You are urged to read each of the opinions carefully and in its entirety for a description of the assumptions made, procedures followed, matters considered, and limitations on the review undertaken. Each of Citigroup s and Deutsche Bank s opinions was intended for the use and benefit of the board of directors of Certegy (solely in each director s capacity as a director), does not address the merits of the underlying decision by Certegy to engage in the proposed merger, and does not constitute a recommendation as to how any shareholder should vote or act on any matter relating to the merger.

Certegy s Board of Directors Recommends that Certegy Shareholders Vote to Approve the Merger Agreement and Other Proposals (Page 38)

Certegy s board of directors believes the merger, the special dividend, and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Certegy s shareholders, and recommends that Certegy s shareholders vote FOR the approval of the merger proposal. Certegy s board of directors also believes that the proposed amendments to its articles of incorporation and its stock incentive plan that are provided for in the merger agreement are in the best interests of Certegy s shareholders and recommends that Certegy shareholders vote FOR approval of those amendments.

In approving the merger agreement and making its recommendation, the board of directors consulted with Certegy s senior management and Certegy s financial and legal advisors and considered a number of strategic, financial, and other considerations referred to under The Merger Reasons for the Merger; Recommendation of Certegy s Board of Directors. For additional information concerning the background of the merger see The Merger Background of the Merger, beginning on page 34 of this proxy statement, and to review certain risks related to the merger, see Risk Factors, beginning on page 18 of this proxy statement.

Certegy s Directors and Executive Officers Have Interests in the Merger that are in Addition to their Interests as Shareholders (Page 57)

In considering the recommendation of Certegy s board of directors with respect to the approval of the merger proposal, the amended and restated articles of incorporation and the amended and restated stock incentive plan, you should be aware that the executive officers and directors of Certegy have interests in the merger that are different from, or in addition to, the interests of other shareholders of Certegy generally. For more information on these interests, see page 57.

Governance of the Combined Company Following the Merger (Page 70)

Upon the closing of the merger:

- Certegy s board of directors will be increased from eight to ten directors;
- all existing directors of Certegy, other than four directors to be designated by Certegy s board of directors, will resign; and
- William P. Foley, II, Thomas M. Hagerty, Marshall Haines, Daniel D. (Ron) Lane, Terry N. Christensen and Cary H. Thompson, each of whom has been designated by the existing FIS stockholders, will be appointed to Certegy s board of directors.

The merger agreement further provides that effective upon the closing of the merger, William P. Foley, II (the Chairman and Chief Executive Officer of FNF) will be appointed as the Chairman of the board of directors of the combined company, and Lee A. Kennedy (Certegy s current Chairman and Chief Executive Officer) will remain as its Chief Executive Officer.

Following the merger, under the shareholders agreement that was entered into in connection with the merger agreement, the existing stockholders of FIS, including FNF, will have certain rights with respect to, among other things, the designation of members of the combined company s board of directors. For more information on these rights, see The Merger Agreement and Related Documents Governance of the Combined Company Following the Merger beginning on page 70.

Completion of the Merger is Subject to Certain Conditions (Page 81)

The completion of the merger is subject to a number of mutual conditions, including:

- the approval by Certegy shareholders of the merger proposal, the amended and restated articles of incorporation, and the amended and restated stock incentive plan;
- expiration of statutory waiting periods and receipt of government approvals;
- Certegy having sufficient funds and being legally able to pay the special dividend; and
- Certegy having no more than 5% of its shareholders exercising dissenters rights.

Certegy s obligations to complete the merger are subject to certain additional conditions, including:

- accuracy of FIS s representations and warranties and the performance of or compliance by FIS with its covenants and agreements in the merger agreement;
- accuracy of the representations and warranties of the FIS stockholders and the performance of or compliance by those stockholders with their covenants and agreements in the commitment agreement, pursuant to which the FIS stockholders have agreed to take certain actions in support of the merger;
- receipt of a tax opinion from Kilpatrick Stockton LLP, counsel to Certegy; and
- the termination of certain enumerated contracts of FIS, and the delivery by FIS of certain amendments to existing intercompany agreements among FIS, FNF, and other affiliates of FIS.

FIS s obligations to complete the merger are also subject to certain additional conditions, which include:

- accuracy of Certegy s representations and warranties and the performance of or compliance by Certegy with its covenants and agreements in the merger agreement;

- receipt of a tax opinion from Weil, Gotshal & Manges LLP, counsel to FIS; and

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- delivery by Certegy of certain amendments to certain existing intercompany agreements among FIS, FNF, and the other affiliates of FIS to which Certegy has agreed to become a party.

Termination of the Merger Agreement; Fees Payable (Page 83)

Certegy and FIS may terminate the merger agreement by mutual written consent at any time. Either of Certegy or FIS also may terminate the merger agreement if:

- the merger has not occurred by March 31, 2006;

- a governmental authority has taken some action that would make completion of the merger illegal or otherwise prohibited;

- Certegy shareholders do not vote to approve the merger proposal and the amended and restated articles of incorporation at the special meeting; or

- the other party is in breach of its representations, warranties, or agreements set forth in the merger agreement and the breach is not, or cannot be, cured within 30 days after notice to the breaching party.

The merger agreement provides that Certegy will pay FIS a termination fee of $65 million if the merger agreement is terminated in certain circumstances that are described more fully beginning on page 84 of this proxy statement, including:

- the merger agreement is terminated by Certegy or FIS due to the failure of Certegy s shareholders to approve the merger proposal and the amendment and restatement of the articles of incorporation at the special meeting, and:

- at or prior to the termination date, an acquisition proposal meeting certain requirements set forth in the merger agreement has been publicly announced and not withdrawn prior to the special meeting; and

- within 12 months after the termination date, Certegy completes a transaction that would be superior to the proposed merger with FIS;

- the merger agreement is terminated by FIS because Certegy s board of directors has withdrawn or modified or changed its recommendation or approval of the merger agreement or the merger or has recommended or approved another acquisition proposal; or

- Certegy terminates the merger agreement because its board of directors has determined that an alternative acquisition proposal is superior to the proposed merger with FIS.

The effect of this termination fee could be to discourage other companies from seeking to acquire or merge with Certegy prior to completion of the merger, and could cause Certegy to reject any acquisition proposal from a third party that does not take into account the termination fee.

If Certegy terminates the merger agreement because its shareholders do not approve the merger agreement at the special meeting, and at or prior to the termination date, a third-party proposal to acquire Certegy had been publicly announced and not withdrawn prior to the special meeting, Certegy will be obligated to reimburse FIS s transaction expenses up to $10 million.

Certegy and FIS May Amend the Terms of the Merger and Waive Rights Under the Merger Agreement (Page 84)

Certegy, Merger Sub and FIS may jointly amend the terms of the merger agreement, and any party may generally extend the time for performance of any obligation, waive any inaccuracy in the

representations or warranties, or waive compliance with any agreement of any other party or any condition, to its own obligations contained in the merger agreement.

Dissenters Rights (Page 65)

Certegy s board of directors has elected to provide Certegy s shareholders with dissenters rights in connection with the merger. If you elect to exercise dissenters rights, you must deliver to Certegy before the shareholder vote is taken to approve the merger proposal, written notice of your intent to demand payment of the fair value of your shares if the merger is completed, and you must not vote to approve the merger proposal. A copy of Article 13 of the Georgia Business Corporation Code, which you must comply with in order to assert your dissenters rights, is included in this proxy statement as Annex H.

Anticipated Accounting Treatment (Page 63)

Although in form Certegy will be acquiring FIS, after the transaction FIS s former stockholders will hold a majority of the outstanding common stock of the combined company. Accordingly, for accounting and financial statement purposes, the merger will be treated as an acquisition of Certegy by FIS under the purchase method of accounting pursuant to U.S. generally accepted accounting principles.

Material United States Federal Income Tax Consequences (Page 63)

The merger will not require the shareholders of Certegy to exchange their shares for securities of another entity. Accordingly, the merger is expected to have no effect on existing Certegy shareholders for United States federal income tax purposes.

The special dividend of $3.75 per share will qualify as a distribution within the meaning of Section 301 of the Internal Revenue Code. As a result, U.S. holders who are individuals and who have held their shares for more than 60 days during the 121-day period beginning on the date which is 60 days before the ex-dividend date will be taxed on the special dividend at a maximum federal income tax rate of 15%. U.S. holders that are corporations will be taxable on the special dividend at regular corporate federal income tax rates.

FINANCIAL SUMMARY

Summary Historical Consolidated Financial Data of Certegy

The summary historical consolidated financial data of Certegy set forth below are derived from Certegy s consolidated financial statements and accompanying notes incorporated by reference into this proxy statement (other than the June 30, 2004, and December 31, 2002, balance sheet data, which are derived from financial statements and notes not incorporated by reference herein). You should read this summary historical consolidated financial data in conjunction with Selected Historical Consolidated Financial Data of Certegy appearing elsewhere in this proxy statement, Certegy s financial statements appearing in its current report on Form 8-K filed with the SEC on October 12, 2005, and in its quarterly report on Form 10-Q for the six months ended June 30, 2005, both of which are incorporated by reference herein, and the sections in those reports entitled Management s Discussion and Analysis of Financial Condition and Results of Operations. Certegy s results of interim periods are not necessarily indicative of results for the entire year.

	Six Months Ended June 30,		Year Ended December 31,		
	2005	**2004**	**2004**	**2003(1)**	**2002(1)**
	(In thousands, except per share amounts)				
Results of Operations:					
Revenues	$ 538,481	$ 495,004	$ 1,039,506	$ 921,734	$ 906,791
Operating expenses(2)	458,052	427,591	871,010	783,550	773,845
Operating income	80,429	67,413	168,496	138,184	132,946
Other income, net	741	305	1,207	2,339	1,119
Interest expense	(6,555)	(6,129)	(12,914)	(7,950)	(7,120)
Income from continuing operations before income taxes and cumulative effect of a change in accounting principle	74,615	61,589	156,789	132,573	126,945
Provision for income taxes	(28,069)	(23,455)	(59,111)	(50,429)	(50,231)
Income from continuing operations before cumulative effect of a change in accounting principle	46,546	38,134	97,678	82,144	76,714
Income from discontinued operations, net of tax	24,194	2,808	5,934	3,897	2,926
Income before cumulative effect of a change in accounting principle, net of tax	70,740	40,942	103,612	86,041	79,640
Cumulative effect of a change in accounting principle, net of tax(3)				(1,335)	
Net income	$ 70,740	$ 40,942	$ 103,612	$ 84,706	$ 79,640
Basic earnings per share:					
Income from continuing operations before cumulative effect of a change in accounting principle	$ 0.75	$ 0.60	$ 1.55	$ 1.26	$ 1.12
Income from discontinued operations	0.39	0.04	0.09	0.06	0.04
Cumulative effect of a change in accounting principle				(0.02)	
Net income	$ 1.14	$ 0.65	$ 1.65	$ 1.30	$ 1.17
Diluted earnings per share:					
Income from continuing operations before cumulative effect of a change in accounting principle	$ 0.74	$ 0.59	$ 1.53	$ 1.25	$ 1.11
Income from discontinued operations	0.38	0.04	0.09	0.06	0.04
Cumulative effect of a change in accounting principle				(0.02)	
Net income	$ 1.12	$ 0.63	$ 1.62	$ 1.29	$ 1.15
Cash dividends declared per common share	$ 0.10	$ 0.10	$ 0.20	$ 0.10	$
Other Operating Data:					
Depreciation and amortization	$ 25,413	$ 22,426	$ 47,449	$ 42,030	$ 39,050
Capital expenditures	$ 28,119	$ 17,109	$ 40,908	$ 43,747	$ 48,961
Balance Sheet Data: (at end of period)					
Total assets	$ 929,770	$ 859,830	$ 922,209	$ 785,356	$ 702,141
Long-term debt	$ 226,026	$ 259,808	$ 273,968	$ 222,399	$ 214,200
Total shareholders equity	$ 387,706	$ 264,464	$ 307,287	$ 266,751	$ 202,392

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(1) Certegy s financial results for the years ended December 31, 2003 and 2002 include other charges of $12.2 million ($7.7 million after-tax) in each year. The other charges in 2003 include $9.6 million of early termination costs associated with a U.S. data processing contract, $2.7 million of charges related to the downsizing of Certegy s Brazilian card operation, and $(0.1) million

of market value recoveries on Certegy s collateral assignment in life insurance policies, net of severance charges. The other charges in 2002 include an impairment write-off of $4.2 million for the remaining intangible asset value assigned to an acquired customer contract in Certegy s Brazilian card operation, due to the loss of the customer; a $4.0 million charge for the settlement of a class action lawsuit, net of insurance proceeds; and $4.0 million of severance charges and market value losses on Certegy s collateral assignment in life insurance policies.

(2) Effective January 1, 2005, Certegy adopted the fair value recognition provisions of SFAS No. 123 (revised 2004), Share-Based Payment, using the modified retrospective method, restating all prior periods, and as a result recorded stock compensation expense of $11.2 million, $10.0 million, and $14.2 million for the years ended December 31, 2004, 2003, and 2002, respectively, and $3.0 million and $6.3 million for the six months ended June 30, 2005 and 2004, respectively.

(3) The cumulative effect of accounting change expense of $1.3 million in 2003 reflects the adoption of certain provisions of Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51, on December 31, 2003, related to the synthetic lease on Certegy s St. Petersburg, Florida operations facility.

Summary Historical Financial Data of FIS

The summary historical financial data of FIS set forth below are derived from FIS s combined financial statements and related notes included elsewhere in this proxy statement (other than the June 30, 2004, and December 31, 2002, balance sheet data, which are derived from financial statements and notes not included herein). You should read this summary historical financial data in conjunction with FIS s audited and unaudited combined and consolidated financial statements included elsewhere in this proxy statement and the information under Selected Historical Financial Data of FIS and FIS Management s Discussion and Analysis of Financial Condition and Results of Operations. FIS s historical combined financial information has been prepared from the historical results of operations and bases of the assets and liabilities of the operations transferred to FIS and gives effect to allocations of certain corporate expenses from FNF. FIS s historical combined financial information may not be indicative of its future performance and does not necessarily reflect what its financial position and results of operations would have been had it operated as a separate, stand-alone entity during the periods presented. FIS s results of interim periods are not necessarily indicative of results for the entire year.

	Six Months Ended June 30,		Year Ended December 31,		
	2005(1)	**2004(1)**	**2004(1)**	**2003(1)**	**2002**
	(In thousands, except per share amounts)				
Statement of Earnings Data:					
Processing and services revenues	$ 1,360,293	$ 1,093,499	$ 2,331,527	$ 1,830,924	$ 619,723
Cost of revenues	883,579	699,596	1,525,174	1,101,569	379,508
Gross profit	476,714	393,903	806,353	729,355	240,215
Selling, general and administrative costs	219,874	212,127	432,310	331,751	144,761
Research and development costs	52,239	25,211	74,214	38,345	
Operating income	204,601	156,565	299,829	359,259	95,454
Other income (expense)	(49,985)	1,804	14,911	(3,654)	10,149
Earnings before income taxes and minority interest	154,616	158,369	314,740	355,605	105,603
Income tax expense	59,434	62,081	118,343	137,975	39,390
Equity in earnings (loss) of unconsolidated entities	2,244	622	(3,308)	(55)	
Minority interest	(4,254)	(1,017)	(3,673)	(14,518)	(8,359)
Net earnings	$ 93,172	$ 95,893	$ 189,416	$ 203,057	$ 57,854
Pro forma net earnings per share (basic and diluted)(2)	$ 0.47		$ 0.95		
Pro forma weighted average shares outstanding (basic and diluted)(2)	200,000		200,000		

	At June 30,		At December 31,		
	2005	**2004**	**2004**	**2003**	**2002**
	(In thousands)				
Balance Sheet Data: (at end of period)					
Cash and cash equivalents	$ 254,935	$ 105,834	$ 190,888	$ 92,049	$ 55,674
Total assets	4,068,759	2,925,343	4,002,856	2,327,085	530,647
Total long-term debt	2,617,611	20,726	417,314	2,668	17,129
Minority interest	17,595	9,556	13,615	12,130	63,272
Total equity	578,756	2,484,181	2,754,844	1,890,797	286,487

(1) Effective January 1, 2003, FIS adopted the fair value recognition provisions of SFAS No. 123, Accounting for Stock Based Compensation, using the prospective method of adoption in accordance with SFAS No. 148, Accounting for Stock-Based Compensation Transition and Disclosure, and as a result recorded stock compensation expense of $15.4 million and $3.8 million for the years ended December 31, 2004 and 2003, respectively, and $11.5 million and $7.5 million for the six months ended June 30, 2005 and 2004, respectively.

(2) Pro forma net earnings per share are calculated using the shares outstanding following FIS s formation in its current structure as a holding company, and the minority interest sale completed on March 9, 2005, as if such transactions had been completed as of January 1, 2004.

Summary Unaudited Pro Forma Combined
Financial Data of Certegy and FIS

The following summary unaudited pro forma combined financial data have been derived from and should be read together with Unaudited Pro Forma Combined Financial Data of Certegy and FIS. These pro forma financial statements incorporate purchase accounting adjustments which are preliminary and have been prepared solely for purposes of developing the pro forma information. This information is based on Certegy s historical consolidated balance sheets and related historical consolidated statements of income and those of FIS, and gives effect to the merger using the purchase method of accounting for business combinations, with FIS as the acquiring entity.

The following summary unaudited pro forma combined financial data assumes the merger was completed as of January 1, 2004, for the statement of earnings data and as of June 30, 2005, for the balance sheet data. The data are for illustrative purposes only. Certegy and FIS may have performed differently had they always been combined. You should not rely on the summary unaudited pro forma combined financial data as being indicative of the historical results that would have been achieved had the companies always been combined or of the financial position and operating results that the combined company will experience after the merger.

	Six Months Ended June 30, 2005	Year Ended December 31, 2004
	(In thousands, except per share amounts)	
Statement of Earnings Data:		
Revenues	$ 1,898,774	$ 3,371,033
Net earnings	121,685	239,791
Net earnings per share diluted	0.64	1.25
Balance Sheet Data (at end of period):		
Working capital	$ 58,411	
Total assets	7,344,433	
Long-term debt (including current portion)	2,884,098	
Total shareholders equity	2,733,810	

COMPARATIVE PER SHARE DATA

Set forth below are net earnings and book value per common share amounts for Certegy and FIS on a historical basis, for the combined company on a pro forma combined basis per Certegy common share and for the combined company on a pro forma combined basis per equivalent FIS common share.

The pro forma combined data were derived by combining the adjusted historical consolidated financial information of Certegy and FIS using the purchase method of accounting for business combinations as described under Unaudited Pro Forma Combined Financial Data of Certegy and FIS and should be read together with those statements.

The unaudited pro forma combined data below are for illustrative purposes only. The financial results may have been different had the companies always been combined. You should not rely on this information to be indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

	Certegy Historical	FIS Historical(3)	Pro Forma Combined(1)	Equivalent Pro Forma Amount per share of FIS(2)
As of and for the Six Months Ended June 30, 2005 (Unaudited):				
Basic net income per share of common stock from continuing operations	$ 0.75	$ 0.47	$ 0.64	$ 0.41
Diluted net income per share of common stock from continuing operations	$ 0.74	$ 0.47	$ 0.64	$ 0.41
Book value per share of common stock	$ 6.25	$ 2.89	$ 14.40	$ 9.21
Cash dividends declared per share of common stock	$ 0.10	$	$ 0.03	$ N/A
As of and for the Year Ended December 31, 2004:				
Basic net income per share of common stock from continuing operations	$ 1.55	$ 0.95	$ 1.26	$ 0.80
Diluted net income per share of common stock from continuing operations	$ 1.53	$ 0.95	$ 1.25	$ 0.80
Book value per share of common stock	$ 4.97	$ 13.77	$ N/A	$ N/A
Cash dividends declared per share of common stock	$ 0.20	$	$ 0.06	$ N/A

(1) The pro forma combined per share data assumes the issuance of approximately 127.9 million shares of Certegy common stock to effect the merger based on the number of FIS shares outstanding at June 30, 2005.

(2) The equivalent pro forma amount per share of FIS represents the equivalent amounts per share that would be attributable to a share of FIS common stock, determined by multiplying the pro forma amounts by 0.6396.

(3) Pro forma net earnings per share are calculated using the shares outstanding following FIS s formation in its current structure as a holding company, and the minority interest sale completed on March 9, 2005, as if such transactions had been completed as of January 1, 2004.

MARKET PRICE DATA AND DIVIDEND POLICY

Certegy

Market Price of and Dividends on Certegy s Common Stock

Certegy s common stock trades on the New York Stock Exchange under the ticker symbol CEY. The table set forth below provides the high and low sales prices of Certegy common stock and the cash dividends declared per share of common stock for the periods indicated.

	Price Range of Common Stock		
Period	**High**	**Low**	**Dividend**
2003			
First Quarter	$ 26.82	$ 21.10	$
Second Quarter	30.88	24.22	
Third Quarter	32.98	25.55	0.05
Fourth Quarter	35.24	31.15	0.05
2004			
First Quarter	$ 35.04	$ 31.32	$ 0.05
Second Quarter	39.61	34.10	0.05
Third Quarter	39.73	36.20	0.05
Fourth Quarter	38.35	32.70	0.05
2005			
First Quarter	$ 37.00	$ 33.73	$ 0.05
Second Quarter	39.02	32.35	0.05
Third Quarter	41.01	33.05	0.05
Fourth Quarter (through October 5, 2005)	40.02	39.60	N/A

The closing price of Certegy common stock as reported by the NYSE on September 14, 2005, the date immediately prior to the public announcement of the merger agreement, was $33.60, and the closing price of Certegy common stock on October 5, 2005 was $39.60.

Dividend Policy

Certegy began declaring cash dividends to its common shareholders in the third quarter of 2003. Certegy and FIS currently expect that following the merger the combined company will continue paying quarterly dividends of $0.05 per share. However, the declaration and payment of dividends following the merger will be at the discretion of the combined company s board of directors, and depends, on among other things, the combined company s investment policy and opportunities, results of operations, financial condition, cash requirements, future prospects, and other factors that may be considered relevant by the board of directors, including legal and contractual restrictions. Additionally, the payment of cash dividends may be limited by covenants in certain debt agreements. Upon completion of the merger, Certegy will become a co-borrower under FIS s senior credit facilities. These facilities contain covenants limiting the amount of dividends the combined company can pay on its common stock to $60 million per year, plus certain other amounts, except that dividends on the common stock may not be paid if any event of default under the facilities shall have occurred or be continuing or would result from such payment.

FIS

There is currently no public market for FIS common stock. There are 15 holders of 200 million outstanding shares of FIS common stock. The FIS shares of common stock issued are restricted securities, which means they were originally sold in offerings that were not subject to a registration statement filed with the SEC. These restricted shares may be resold only through registration under the

Securities Act of 1933 or under an available exemption from registration, such as that provided in Rule 144 under the Securities Act. Upon completion of the merger, all outstanding shares of FIS common stock will be converted automatically into the right to receive shares of Certegy common stock in accordance with the exchange ratio.

There are outstanding options to purchase a total of 14,048,500 shares of FIS common stock at an exercise price of $10 per share. The merger agreement provides that upon completion of the merger, each FIS option will be converted into a number of Certegy stock options and have an exercise price based on the exchange ratio in the merger agreement. To the extent any of these options are exercised, there will be dilution to the current holders of Certegy common stock.

FIS does not pay regular dividends. On March 8, 2005, it paid a special dividend to FNF in the form of a note in the principal amount of $2.7 billion, which it repaid with proceeds from its recapitalization on March 9, 2005.

RISK FACTORS

Risks Relating to the Merger

The combined company will be controlled by FNF as long as FNF owns a majority of the combined company s common stock, and the combined company s other shareholders generally will be unable to affect the outcome of shareholder voting during this time.

Immediately following the merger and the related issuance of shares, the current shareholders of Certegy will own approximately 32.9% of the outstanding common stock of the combined company, while the existing stockholders of FIS, including FNF, will own approximately 67.1%. FNF s ownership percentage of the combined company will be approximately 50.3%.

Therefore the merger will result in substantial dilution of the ownership interest of current Certegy shareholders. As long as FNF continues to hold a majority of the combined company s outstanding stock, FNF will be able to elect all of its directors and determine the outcome of all corporate actions requiring shareholder approval.

Pursuant to a shareholders agreement entered into in connection with the merger agreement, Certegy and the existing stockholders of FIS have agreed that the combined company s board of directors initially will have ten members, with four of them to be nominated by FNF and one each to be nominated by Thomas H. Lee Parallel Fund V, L.P., or THL, and TPG Partners IV, L.P., or TPG, each of which is currently a stockholder of FIS. FNF and the other stockholders of FIS have agreed to vote their respective shares in order to elect the foregoing nominees with the Chairman of FNF, William P. Foley, II, to serve as Chairman of the combined company.

Further, Certegy has agreed that, until FNF no longer owns at least 30% of the total voting power of the combined company s outstanding stock, FNF will have the right to approve the hiring and firing of the combined company s chief executive officer and chief financial officer and its annual operating and capital expenditure budgets.

In addition to the foregoing, FNF s voting control of the combined company will enable it to control decisions with respect to:

- the combined company s business direction and policies;
- mergers or other business combinations involving the combined company, except as described below;
- the acquisition or disposition of assets by the combined company;
- the combined company s financing; and
- amendments to the combined company s articles of incorporation and bylaws.

Although it will control whether the combined company can merge or combine with a third party, FNF has agreed to certain limitations on transactions which are commonly referred to as going-private transactions, as further described under the caption The Merger Agreement and Related Documents Restrictions on FIS Stockholders with Respect to Shares Received in the Merger, on page 85 of this proxy statement.

In addition to the effects described above, FNF s control of the combined company could make it more difficult for the combined company to raise capital by selling stock or for the combined company to use its stock as currency in acquisitions. This concentrated ownership also might delay or prevent a change in control and may impede or prevent transactions in which shareholders might otherwise receive a premium for their shares.

The combined company could have conflicts with FNF, and the chairman of the combined company s board of directors and other officers and directors will be subject to conflicts of interest due to their relationships with FNF and its other subsidiaries.

Conflicts may arise between FNF and its other subsidiaries, on the one hand, and the combined company on the other as a result of the parties ongoing agreements and the nature of their respective businesses. Among other things, FIS is a party to a variety of intercompany agreements with FNF and its other subsidiaries that are expected to continue after the merger. See Certain Relationships and Related Transactions with FNF beginning on page 113 of this proxy statement. Certain of the combined company s executive officers and directors will be subject to conflicts of interest with respect to such intercompany agreements and other matters due to their relationships with FNF or its other subsidiaries.

Some of the FIS and FNF executive officers and directors who are expected to become executive officers and directors of the combined company after the merger own substantial amounts of FNF and Fidelity National Title Group, Inc., or FNT, stock and stock options because of their relationships with FNF prior to the merger. Such ownership could create or appear to create potential conflicts of interest when directors and officers of the combined company are faced with decisions that involve FNF or any of its other subsidiaries, including FNT.

Mr. Foley, who is the Chief Executive Officer and Chairman of the board of directors of FNF and Chairman of the board of directors of FNT, will become the combined company s Chairman following the merger. As an officer and director of these companies, he will have obligations to the combined company as well as to FNF and FNT and will have conflicts of interest with respect to matters potentially or actually involving or affecting the combined company and FNF or any of its subsidiaries, including FNT. In addition, Alan A. Stinson, the Chief Financial Officer of FNF, will also become the Chief Financial Officer of the combined company and will have similar conflicts of interest as a result.

Matters that could give rise to conflicts between the combined company and FNF or its other subsidiaries include, among other things:

- the combined company s past and ongoing contractual relationships with FNF and its subsidiaries, including intercompany agreements and other arrangements with respect to the administration of tax matters, employee benefits, indemnification, and other matters;

- the quality and pricing of services that the combined company has agreed to provide to FNF or its other subsidiaries or that those entities have agreed to provide to the combined company;

- sales or distributions by FNF of all or part of its ownership interest in the combined company; and

- business opportunities arising for either the combined company or FNF or its subsidiaries that could be pursued by either the combined company or by FNF or one or more of its subsidiaries.

The combined company will seek to manage these potential conflicts through dispute resolution and other provisions of its agreements with FNF and other FNF subsidiaries and through oversight by independent members of its board of directors. However, there can be no assurance that such measures will be effective or that the combined company will be able to resolve all potential conflicts with FNF, or that the resolution of any such conflicts will be no less favorable to the combined company than if it were dealing with an unaffiliated third party.

The combined company may not be able to successfully integrate the businesses of Certegy and FIS following the merger.

The success of the merger will depend in large part upon the combined company s ability to integrate the organizations, operations, systems, and personnel of FIS and Certegy. The integration of two previously independent companies is a challenging, time-consuming, and costly process. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses, or inconsistencies in standards, controls, procedures, and policies that adversely affect the combined company s ability to maintain relationships with suppliers, customers, and employees or to achieve the anticipated benefits of the merger. In addition, successful integration of the companies will require the dedication of significant management resources, which will temporarily detract attention from the day-to-day businesses of the combined company. If management of the combined company is not able to integrate the organizations, operations, systems, and personnel of FIS and Certegy in a timely and efficient manner, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Certegy s directors and executive officers have interests in the merger in addition to those of the Certegy s shareholders.

In considering the recommendations of the Certegy board of directors with respect to the merger agreement, you should be aware that Certegy s directors and executive officers have financial and other interests in the merger in addition to their interests as Certegy shareholders. The receipt of compensation or other benefits in connection with the merger (including severance payments, the accelerated vesting of Certegy equity incentive awards, deferred compensation, and, for certain executive officers, new employment agreements and related benefits) may have influenced these directors and executive officers in making their recommendations to approve the merger agreement and the transactions contemplated by the merger agreement. You should consider these interests in connection with your vote on the merger proposal. For a detailed description of the interests of the directors and executive officers of Certegy, see The Merger Interests of Certain Persons in the Merger That Are Different from Your Interests, beginning on page 57 of this proxy statement.

Failure of the combined company to achieve expected synergies could result in the benefits of the merger not being attained.

Certegy and FIS expect that the combination of Certegy and FIS will result in beneficial synergies for the combined company. Achieving these anticipated synergies, however, will depend on a number of factors, some of which include:

- retention of key management, marketing, and technical personnel after the merger;
- correctly identifying areas where personnel and facilities can be consolidated without adverse effects on results of operations;
- customers of Certegy and FIS not deferring purchasing decisions as a result of the merger;
- the ability of the combined company to increase sales of its products; and
- competitive conditions in the industries in which the combined company operates.

The failure to achieve anticipated synergies could result in a failure to attain expected benefits to the business, financial condition, and operating results of the combined company.

Failure to complete the merger could cause Certegy s stock price to decline and could harm Certegy s business and operating results.

The merger agreement contains conditions which Certegy and/or FIS must meet in order to consummate the merger. In addition, the merger agreement may be terminated by either Certegy or FIS under certain circumstances. If the merger is not completed for any reason, Certegy may be subject to a number of risks, including the following:

- depending on the reasons the merger is not completed, Certegy may be required to pay a termination fee of $65 million to FIS;

- the market price of Certegy common stock may decline to the extent that the current market price reflects a market assumption that the merger will be completed;

- many costs related to the merger, such as legal, accounting, financial advisory, and financial printing fees, have to be paid regardless of whether the merger is completed; and

- there may be substantial disruption to the businesses of Certegy and distraction of its workforce and management team.

Uncertainty with respect to the completion of the merger could cause customers or suppliers to delay or defer purchases or other decisions and could make it more difficult for Certegy and FIS to attract and retain key personnel.

In response to the announcement of the merger, customers or suppliers of Certegy and/or FIS may delay or defer purchases or other decisions. Any delay or deferral in purchases or other decisions by customers or suppliers could harm the business of the relevant company, regardless of whether the merger is completed. Similarly, current and prospective employees of Certegy and/or FIS may experience uncertainty about their future roles with Certegy until the merger is completed. As a result, the ability of Certegy and/or FIS to attract and retain key management, sales, marketing, and technical personnel could suffer.

If FNF engages in the same types of businesses the combined company conducts, the combined company s ability to successfully operate and expand its business may be limited.

In connection with the merger, FNF will agree not to compete with the combined company in certain significant lines of business. See The Merger Agreement and Related Documents Additional Post-Closing Agreements, beginning on page 87 of this proxy statement. However, this noncompetition agreement will not cover certain other lines of business in which the combined company will operate, such as title agency services. Through its Lender Services segment, FIS provides centralized title agency services to large national lenders; its revenues for 2004 from this business were $92.2 million. Through its FNT operations, FNF provides similar national title agency services. Further, although the Lender Services business has agreed to place all title insurance business it generates with FNT s title insurers, the latter are free to deal with other third party title agents.

As previously noted, certain officers and directors of the combined company will be subject to conflicts of interest with respect to business activities of the combined company which compete with FNF or any of its subsidiaries. In addition, due to the significant resources of FNF, including financial resources, FNF could have a significant competitive advantage over the combined company if and when the two compete, which could have an adverse effect on the combined company s financial condition and results of operations.

Sales of combined company shares by former stockholders of FIS after the merger could adversely affect the trading price of the combined company s shares

At the closing of the merger Certegy will enter into a registration rights agreement with FNF and the other stockholders of FIS requiring the combined company, under certain circumstances, to register shares beneficially owned by them following the merger. See The Merger Agreement and Related Documents Registration Rights, beginning on page 86 of this proxy statement. The exercise of these registration rights, or sales by FNF or the other stockholders of FIS in the public market pursuant to any such registration, could adversely affect the market price of the combined company s common stock.

In the merger agreement Certegy and FIS have agreed to use their respective reasonable best efforts to cause a registration statement to be filed as soon as reasonably practicable after the closing of the merger pursuant to the registration rights agreement. This registration statement will register for resale from time to time all of the shares of the combined company s common stock held by stockholders of FIS other than FNF, which shares will collectively account for approximately 16.8% of the combined company s shares after the merger. Sales of such shares, or the possibility that sales of such shares may occur in unlimited amounts and without prior notice under the registration statement, could adversely affect the trading price of the combined company s shares.

If the merger is challenged by governmental authorities, the combination may not occur or may occur on terms imposed by the governmental authorities, which terms may not be favorable to Certegy or the combined company.

Before the merger may be completed, various approvals must be obtained from or notifications submitted to governmental authorities in the United States. These governmental entities may attempt to prevent the combination from occurring or condition their approval of the combination on the imposition of regulatory conditions that may have the effect of imposing additional costs on the combined company or of limiting the combined company s revenues. The imposition of regulatory conditions may make it more difficult for the combined company to achieve some of the anticipated beneficial synergies of the combination.

Risks Related to FIS s Business

Certegy s business on a stand-alone basis is subject to a variety of risks, including those described in its annual report on Form 10-K for the year ended December 31, 2004, under the heading Business Certain Factors Affecting Forward-Looking Statements. If the merger is completed and the businesses of Certegy and FIS are combined, the combined company s business will continue to be subject to those risks and will become subject to all of the following risks with respect to the business of FIS, a number of which the business of Certegy is already subject to on a stand-alone basis.

The historical financial information of FIS may not be representative of its results as a consolidated, stand-alone company and may not be a reliable indicator of its future results as part of the combined company.

The historical financial statements of FIS may not be indicative of its future performance as a consolidated part of the combined company. FIS has made numerous and large acquisitions in recent years, the largest of which was its acquisition of Fidelity Information Services, Inc., or FI, in 2003. These acquired businesses are not included in FIS s historical financial statements prior to their acquisition and, once included, make comparisons of different periods in FIS s historical financial statements difficult. For example, the FI acquisition makes FIS s 2003 historical results of operations in many respects not comparable to prior periods.

Further, FIS s historical financial statements do not reflect operations as a separate stand-alone entity for the historical periods presented prior to March 9, 2005, the date the stockholders of FIS other than FNF purchased their shares in FIS. Because FIS s businesses were either wholly owned subsidiaries of

FNF, or were operated as divisions of wholly owned subsidiaries of FNF, FIS s historical financial statements prior to that date include assets, liabilities, revenues, and expenses directly attributable to its operations and allocations to FIS of certain corporate expenses of FNF. These expenses for corporate services, which include expenses for general management, accounting, finance, legal, payroll, human resources, internal audit, and mergers and acquisitions, were allocated to FIS on the basis that management considered to reflect most fairly or reasonably the utilization of the services provided to or the benefit obtained by businesses constituting FIS. The corporate expenses allocated to FIS may be different from the amounts of expenses FIS would have incurred if it had been a stand-alone company and had performed those services itself or procured them from third parties or from FNF under the services agreements FIS entered into with FNF in connection with the March 9, 2005, closing of the minority interest sale.

Further, FIS s historical financial statements presented in this proxy statement do not reflect the debt or interest expense FIS might have incurred if it had been a stand-alone entity. Some of the costs of FNF allocated to FIS may incorporate more advantageous pricing available to an entity with the scale and purchasing power of FNF than would have been available to FIS as a stand-alone entity. In addition, FIS s historical financial statements do not reflect reporting and compliance costs it would have incurred if it had been a separate publicly traded company. As a result of these and other factors, FIS s historical financial statements do not necessarily reflect what its financial position and results of operations would have been if it had been operated as a stand-alone public entity during the periods covered, and may not be indicative of future results of operations or financial position.

FIS s historical financial statements should be read in conjunction with the information in the sections entitled Unaudited Pro Forma Condensed Combined Financial Data of Certegy and FIS and FIS Management s Discussion and Analysis of Financial Condition and Results of Operations.

FIS s substantial leverage and debt service requirements may adversely affect the combined company s financial and operational flexibility.

As of June 30, 2005, FIS had total debt of approximately $2.7 billion, and the combined company is expected to have total debt of approximately $2.9 billion immediately after the closing of the merger. In addition, upon completion of the merger Certegy will become a co-borrower and certain of its material subsidiaries will become guarantors under FIS s senior credit facilities, under which substantially all of the foregoing $2.7 billion of debt was borrowed. As a result, the combined company will become subject to the covenants under those facilities. This high level of debt could have important consequences to the combined company, including the following:

- the debt level makes the combined company more vulnerable to economic downturns and adverse developments in its business, may cause it to have difficulty borrowing money in the future for working capital, capital expenditures, acquisitions or other purposes, and will limit its ability to pursue other business opportunities and implement certain business strategies;

- the combined company will need to use a large portion of the money it earns to pay principal and interest on the senior credit facilities, which will reduce the amount of money available to finance operations, acquisitions, and other business activities, repay other indebtedness, and pay shareholder dividends;

- some of the debt has a variable rate of interest, which exposes the combined company to the risk of increased interest rates; and

- the combined company will have a higher level of debt than certain of its competitors, which may cause a competitive disadvantage and may reduce flexibility in responding to changing business and economic conditions, including increased competition.

In addition, the terms of FIS s senior credit facilities may restrict the combined company from taking actions, such as making acquisitions or dispositions or entering into certain agreements, that the combined company might believe to be advantageous to it.

If FIS, as part of the combined company, fails to adapt its services to changes in technology or in the marketplace, or if FIS s ongoing efforts to upgrade its technology are not successful, the combined company could lose customers and have difficulty attracting new customers for two of its most important applications.

The markets for FIS s services are characterized by constant technological changes, frequent introductions of new services, and evolving industry standards. The future success of FIS, as part of the combined company, will be significantly affected by its ability to enhance its current services and develop and introduce new services that address the increasingly sophisticated needs of its customers and their clients. There can be no assurance that FIS will be successful in developing, marketing, and selling new services that meet these changing demands, that the combined company will not experience difficulties that could delay or prevent the successful development, introduction, and marketing of these services, or that FIS s new services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance.

FIS is currently engaged in significant efforts to upgrade two of its most important applications: its core bank processing software and its mortgage processing software. These applications were acquired upon FIS s acquisition of FI from Alltel Information Services, Inc. in 2003. FIS spent the period immediately following the acquisition discussing with its key customers the changes that they would like to see made in those products. In 2004, FIS began the development work to implement changes required to keep pace with the marketplace and the requirements of its customers. Including amounts already spent, FIS expects to spend approximately $60.0 million on this development of its mortgage servicing platform. With respect to the core banking software, during 2005 FIS expects to spend approximately $56.0 million on enhancement and integration projects. If FIS is unsuccessful in completing or gaining market acceptance of these and other upgrade efforts, it would likely have a material adverse effect on the combined company s ability to retain existing customers or attract new ones.

Decreased lending and real estate activity may reduce demand for certain of FIS s services and adversely affect its results of operations.

Revenues from FIS s Information Services and FIS s Lender Services segments are closely related to the level of real estate transactions, such as real estate sales and mortgage refinancings. Real estate sales are affected by a number of factors, including mortgage interest rates, the availability of funds to finance purchases, and general economic conditions. Prevailing mortgage interest rates have declined to record lows in recent years, and the volume of real estate transactions has experienced record highs. FIS does not expect these trends to continue, and the volume of refinancing transactions in particular and mortgage originations in general declined in 2004 from 2003 levels, resulting in reduction of revenues in some of FIS s businesses. Through the second quarter of 2005, refinance activity continued to decrease. Some of FIS s services and related applications, including its automated title agent process that accounted for substantial revenues in its Lender Services segment in 2003, are currently used exclusively for refinancing transactions. FIS s revenues in future periods will continue to be subject to these and other factors which are beyond its control and, as a result, are likely to fluctuate.

If management of the combined company or its auditors identify any material weaknesses in its internal control over financial reporting, such finding could result in a loss of investor confidence in the combined company s financial reports and lead to a substantial stock price decline.

Each year, management and the auditors of the combined company are required to evaluate its internal controls over financial reporting. In addition, as of a future date after the merger, the combined company will be required under Section 404 of the Sarbanes-Oxley Act of 2002 to furnish a report by its management on its internal control over financial reporting, including FIS s internal control over financial reporting. FIS has not previously been subject to this requirement on a stand-alone basis. The report will contain, among other matters, an assessment of the effectiveness of FIS s internal control over financial reporting as of the end of the fiscal year, including a statement as to whether or not FIS s internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in FIS s internal control over financial reporting identified by management. The report must also contain a statement that the combined company s independent auditors have issued an attestation report on management s assessment of such internal controls.

In connection with FNF s Section 404 assessment and the audit of FIS s 2004 financial statements, two matters that constituted material weaknesses in the design and operation of FIS s internal control over financial reporting were identified. In general, a material weakness is defined as a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected.

The two material weaknesses identified were as follows. First, with respect to revenue recognition, it was determined that FIS did not have a sufficiently robust process in place for identifying which contracts of its Financial Institutions Software and Services segment should be formally reviewed for appropriate revenue recognition. FIS also did not have a formal process in place to document support for the fair value or vendor specific objective evidence of its various products on an ongoing basis. Secondly, it was determined that FIS did not have adequate controls in place to ensure that purchase accounting for business acquisitions was appropriately recorded in a timely manner. These matters did not constitute material weaknesses with respect to FNF on a consolidated basis.

In response, in late 2004 and early 2005, FIS made changes in its controls that were designed to substantially remediate these issues. FIS intends to take further steps, although the principal changes have been made. Although management of FIS believes that these matters no longer constitute material weaknesses, if FIS or its auditors in the future determine that one or both of these matters still constitutes a material weakness, or that one or more other matters constitutes a material weakness, such event could cause investors to lose confidence in the accuracy and completeness of the combined company s financial reports, which could lead to a substantial stock price decline.

If FIS were to lose any of its largest customers, FIS s results of operations could be significantly affected.

A small number of customers has accounted for a significant portion of FIS s revenues, and FIS expects that a limited number of customers would continue to represent a significant portion of the combined company s revenues for the foreseeable future. In 2004, Wells Fargo accounted for approximately 6.0% of FIS s total revenues and 31.0% of the revenues of FIS s Lender Services segment, due primarily to its use of FIS s automated process for performing title agency services in a period of relatively high refinancing activity. For the six months ended June 30, 2005, Wells Fargo accounted for 4.1% of FIS s total revenues and 18.7% of the revenues in FIS s Lender Services segment. FIS s relationships with these and other large customers are important to FIS s future operating results, and deterioration in any of those relationships could significantly reduce the combined company s revenues.

If FIS, as part of the combined company, is unable to successfully consummate and integrate acquisitions, its results of operations may be adversely affected.

As part of its growth strategy, FIS has made numerous acquisitions in recent years. Certegy anticipates that the combined company will continue to seek to acquire complementary businesses, products, and services. This strategy will depend on the ability to find suitable acquisitions and finance them on acceptable terms. Financing acquisitions is made more difficult by the debt incurred in connection with the recapitalization of FIS in March 2005. If the combined company is unable to acquire suitable acquisition candidates, it may experience slower growth.

Further, even if the combined company successfully completes acquisitions, it will face challenges in integrating any acquired business. These challenges include eliminating redundant operations, facilities, and systems, coordinating management and personnel, retaining key employees, managing different corporate cultures, and achieving cost reductions and cross-selling opportunities. There can be no assurance that the combined company will be able to fully integrate all aspects of acquired businesses successfully or fully realize the potential benefits of bringing them together, and the process of integrating these acquisitions may disrupt its business and divert its resources.

Consolidation in the banking and financial services industry could adversely affect the revenues of the combined company, including FIS, by eliminating some of FIS s existing and potential customers and could make the combined company more dependent on a more limited number of customers.

There has been and continues to be substantial merger, acquisition, and consolidation activity in the banking and financial services industry. Mergers or consolidations of banks and financial institutions in the future could reduce the number of FIS s customers and potential customers, which could adversely affect the combined company s revenues even if these events do not reduce the aggregate number of customers or the banking and other activities of the consolidated entities. If FIS s customers merge with or are acquired by other entities that are not customers of FIS, or that use fewer of FIS s services, they may discontinue or reduce their use of the combined company s services. In addition, it is possible that the larger banks or financial institutions resulting from mergers or consolidations could decide to perform in-house some or all of the services which FIS currently provides or could provide. Any of these developments could have a material adverse effect on the combined company s business and results of operations.

FIS operates in a competitive business environment, and if the combined company, including FIS, is unable to compete effectively its results of operations and financial condition may be adversely affected.

The market for FIS s services is intensely competitive. FIS s competitors vary in size and in the scope and breadth of the services they offer. Some of its competitors have substantial resources. Since many of FIS s larger potential customers have historically developed their key applications in-house and therefore view their system requirements from a make-versus-buy perspective, FIS often competes against its potential customers in-house capacities. In addition, FIS expects that the markets in which FIS competes will continue to attract new competitors and new technologies. There can be no assurance that the combined company, including FIS, will be able to compete successfully against current or future competitors or that competitive pressures faced by the combined company in the markets in which FIS operates will not materially adversely affect its business, financial condition, and results of operations.

FIS has a long sales cycle for its applications and if the combined company, including FIS, fails to close sales after expending significant time and resources to do so, its business, financial condition and results of operations may be adversely affected.

The implementation of FIS s applications often involves significant capital commitments by its customers, particularly those with smaller operational scale. Potential customers generally commit significant resources to an evaluation of available software and require FIS to expend substantial time, effort, and money educating them as to the value of FIS s software and services. FIS incurs substantial costs in order to obtain each new customer. FIS may expend significant funds and management resources during the sales cycle and ultimately fail to close the sale. FIS s sales cycle may be extended due to its customers budgetary constraints or for other reasons. If the combined company, including FIS, is unsuccessful in closing sales after expending significant funds and management resources or if the combined company experiences delays, it could have a material adverse effect on the combined company s business, financial condition, and results of operations.

FIS may experience software defects, development delays and installation difficulties, which would harm the combined company s business and reputation and expose the combined company to potential liability.

FIS s services are based on sophisticated software and computing systems, and FIS may encounter delays when developing new applications and services. Further, the software underlying FIS s services has occasionally contained and may in the future contain undetected errors or defects when first introduced or when new versions are released. In addition, the combined company may experience difficulties in installing or integrating FIS s technologies on platforms used by its customers. Defects in FIS s software, errors or delays in the processing of electronic transactions, or other difficulties could result in:

- interruption of business operations;
- delay in market acceptance;
- additional development and remediation costs;
- diversion of technical and other resources;
- loss of customers;
- negative publicity; or
- exposure to liability claims.

Although FIS attempts to limit its potential liability through disclaimers and limitation-of-liability provisions in its license and customer agreements, FIS cannot be certain that these measures will be successful in limiting its liability or the liability of the combined company.

Security breaches or computer viruses could harm FIS s business by disrupting its delivery of services and damaging its reputation.

As part of FIS s transaction processing business, FIS electronically receives, processes, stores, and transmits sensitive business information of its customers. Unauthorized access to FIS s computer systems could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in FIS s operations. These concerns about security are increased when FIS transmits information over the Internet. Computer viruses have also been distributed and have rapidly spread over the Internet. Computer viruses could infiltrate FIS s systems, disrupting its delivery of services and making its applications unavailable. Any inability to prevent security breaches or computer viruses could also cause existing customers to lose confidence in FIS s systems and terminate their agreements with the combined company, and could inhibit the ability of the combined company, including FIS, to attract new customers.

Misappropriation of FIS s intellectual property and proprietary rights could impair the combined company s competitive position.

FIS s ability to compete depends upon proprietary systems and technology. Despite FIS s efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of its services or to obtain and use information that FIS regards as proprietary. Policing unauthorized use of its proprietary rights is difficult. FIS cannot make any assurances that the steps it has taken will prevent misappropriation of technology or that the agreements entered into for that purpose will be enforceable. Effective trademark, service mark, copyright, and trade secret protection may not be available in every country in which FIS s applications and services are made available online. Misappropriation of FIS s intellectual property or potential litigation concerning such matters could have a material adverse effect on the combined company s results of operations or financial condition.

If FIS s applications or services are found to infringe the proprietary rights of others, the combined company may be required to change its business practices and may also become subject to significant costs and monetary penalties.

As FIS s information technology applications and services develop, the combined company may become increasingly subject to infringement claims. Any claims, whether with or without merit, could:

- be expensive and time-consuming to defend;
- cause the combined company to cease making, licensing, or using applications that incorporate the challenged intellectual property;
- require the combined company to redesign its applications, if feasible;
- divert management s attention and resources; and
- require the combined company to enter into royalty or licensing agreements in order to obtain the right to use necessary technologies.

There can be no assurance that third parties will not assert infringement claims against the combined company in the future with respect to FIS s current or future applications and services.

If FIS fails to comply with privacy regulations imposed on providers of services to financial institutions, the business of the combined company, including FIS, could be harmed.

As a provider of services to financial institutions, FIS is bound by the same limitations on disclosure of the information FIS receives from its customers as apply to the financial institutions themselves. If FIS fails to comply with these regulations, the combined company, including FIS, could be exposed to suits for breach of contract or to governmental proceedings, its customer relationships and reputation could be harmed, and it could be inhibited in its ability to obtain new customers. In addition, if more restrictive privacy laws or rules are adopted in the future on the federal or state level, or, with respect to FIS s international operations, by authorities in foreign jurisdictions on the national, provincial, state, or other level, that could have an adverse impact on the combined company.

FIS may not succeed with its current and future expansion of its international operations and such failure may adversely affect the combined company s growth and results of operations.

In 2004, FIS s sales outside of the U.S. represented approximately 5.7% of its revenues. In 2004, FIS acquired Sanchez Computer Associates, Inc., or Sanchez, and a controlling interest in Kordoba GmbH & Co. KG, or Kordoba, in part in order to expand its international operations, particularly in FIS s Financial Institution Software and Services segment. Although FIS s international operations at present are relatively small, FIS believes there may be opportunities to expand FIS s international operations. However, FIS is less well-known internationally than in the United States and has less experience with local business conditions. In addition, FIS, as part of the combined company, will face challenges in successfully managing small operations located far from its headquarters, because of the greater difficulty in overseeing and guiding operations from a distance. There can be no assurance that FIS, as part of the combined company, will be able to compete successfully against current or future international competitors or that FIS s relative inexperience with international operations will not limit or hinder the combined company s success.

WARNING ABOUT FORWARD-LOOKING STATEMENTS

Some of the information contained in, or incorporated by reference into, this proxy statement, including in the sections entitled Risk Factors, The Merger and FIS Management s Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements that involve risks and uncertainties. These statements relate to, among other things, consummation of the merger, future financial and operating results of the combined company and benefits of the pending merger. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue, or th terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including those set forth in the sections of this proxy statement listed above or elsewhere in this proxy statement or in Certegy s other filings with the Securities and Exchange Commission, including Certegy s annual report on Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission and incorporated by reference into this proxy statement.

Certegy is not under any obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from forward-looking statements in this proxy statement before making a decision about voting on the proposals submitted for your consideration.

THE SPECIAL MEETING

General

This proxy statement is being furnished to Certegy shareholders in connection with the solicitation of proxies by Certegy s board of directors to be used at the special meeting of shareholders to be held at [ ], on [ ], 2005 at [ ] a.m., local time, and at any adjournment or postponement of that meeting. This proxy statement and the enclosed form of proxy are being sent to Certegy shareholders on or about [ ], 2005.

Purpose of Special Meeting

The purpose of the special meeting is:

- to consider and vote upon the merger proposal, including the merger and the issuance of shares of Certegy common stock to the stockholders of FIS contemplated by the merger agreement;
- to consider and vote upon the proposal to amend and restate Certegy s articles of incorporation;
- to consider and vote upon the proposal to approve the Amended and Restated Certegy Inc. Stock Incentive Plan; and
- to transact such other business as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

The only matters expected to be presented at the special meeting are the matters outlined above. If any other matters properly come before the special meeting, the persons named in the enclosed proxy card will vote the shares represented by all properly executed proxies on such matters in accordance with their discretion.

Copies of the merger agreement and certain ancillary documents related to the merger agreement, the proposed amended and restated articles of incorporation, and the proposed amended and restated stock incentive plan are attached to this proxy statement as Annexes A through G, respectively. You should review the merger agreement, the ancillary agreements, the proposed amended and restated articles of incorporation, the proposed amended and restated stock incentive plan, and this proxy statement carefully and in their entirety before deciding how to vote.

NYSE Shareholder Approval Requirements

NYSE rules require that a listed issuer obtain the consent of its shareholders prior to completing any transaction that would result in the issuance of more than 20% of the issuer s outstanding common stock. If the merger is completed, Certegy will issue shares of common stock representing, in the aggregate, in excess of 20% of its currently outstanding shares of common stock. NYSE rules also require that a listed issuer obtain shareholder approval of equity compensation plans like the Amended and Restated Certegy Inc. Stock Incentive Plan.

Record Date; Shares Entitled to Vote

Certegy s board of directors has fixed the close of business on [ ], 2005 as the record date for determining the holders of shares of Certegy common stock entitled to receive notice of and to vote at the special meeting and any adjournments or postponements thereof. Only holders of record of shares of Certegy common stock at the close of business on that date (including shareholders through Certegy s 401(k) plan) will be entitled to vote at the special meeting and at any adjournment or postponement of that meeting. At the close of business on the record date, there were [ ] shares of Certegy common stock outstanding, held by approximately [ ] holders of record.

Voting

Generally

Each holder of shares of Certegy common stock outstanding on the record date will be entitled to one vote for each share held of record upon each matter properly submitted at the special meeting and at any adjournment or postponement thereof.

By Proxy

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing, signing, and mailing the enclosed proxy card according to the instructions on the proxy card, or vote using any other method described on the proxy card.

If your proxy card is properly executed and received by Certegy in time to be voted at the Certegy special meeting, the shares represented by your proxy card will be voted in accordance with the instructions that you mark on your proxy card. If you execute your proxy but do not provide Certegy with any instructions, your shares will be voted as follows:

- FOR approval of the merger proposal, including the merger and the issuance of shares of Certegy common stock to the stockholders of FIS in connection with the merger;

- FOR approval of the amendment and restatement of Certegy s articles of incorporation; and

- FOR approval of the Amended and Restated Certegy Inc. Stock Incentive Plan.

Shares Held in Street Name

Under NYSE rules, if your broker holds your shares in its name (i.e., in street name), your broker may not vote your shares on the matters being submitted to the shareholders for vote at the special meeting without instructions from you. Therefore, if you are the beneficial owner of shares held in street name by a broker, please give instructions to your broker on how to vote your shares. These instructions may be described on a special kind of proxy card provided to you by or through your broker, called a voting instruction form. You should be aware that your broker may offer you different methods of voting, such as by telephone or Internet.

Shares Held in Certegy 401(k) Plan

If you are a participant in Certegy s 401(k) plan, your vote will serve as voting instructions to the trustee of the plan for all shares you own through the plan. SunTrust Bank is the trustee for the plan. Participants in the plan must vote their proxies no later than [ ], local time, on [ ]. The trustee cannot vote plan shares that are not voted by this deadline. Participants in the plan may not vote the shares owned through such plan after the deadline, including at the special meeting. As of [ ], 2005, there were [ ] shares held in the plan.

Attending the Meeting in Person

All shareholders of record of Certegy s common stock at the close of business on the record date, or their designated proxies, and management s guests, are authorized to attend the special meeting.

If you plan to attend the special meeting, please check the appropriate box on the enclosed proxy. If you hold your Certegy shares in street name or through Certegy s 401(k) plan trustee you must request a proxy from your broker or other nominee holding your shares in record name on your behalf in order to attend the meeting and vote at that time (your broker may refer to it as a legal proxy).

Even if you currently plan to attend the meeting, you should complete the enclosed proxy card and return it to Certegy in case your plans change you can always revoke your proxy at the meeting and vote in person instead.

Quorum

A quorum of shareholders is necessary to hold a valid meeting. The presence in person or representation by proxy at any meeting of Certegy shareholders of a majority of the outstanding shares of Certegy common stock entitled to vote at the meeting will constitute a quorum. You will be deemed to be present if you attend the meeting or if you submit a proxy card that is received at or prior to the meeting and not timely revoked.

Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present at a special meeting. A broker non-vote occurs on an item when a broker does not have discretionary voting authority to vote on a proposal and has not received instructions from the beneficial owner of the shares as to how to vote on the proposal. Shares held by Certegy in its treasury do not count toward a quorum.

If a quorum is not present, the special meeting may be postponed or adjourned to solicit additional proxies, without notice other than announcement at the special meeting (unless otherwise required by Certegy s bylaws or law), until a quorum is present or represented. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Vote Required

Under NYSE shareholder approval requirements, the proposal to approve the merger agreement, including the issuance of Certegy shares in the merger, and the proposal to approve the amended and restated stock incentive plan, each must be approved by a majority of votes cast on the proposal, and the total votes cast on the proposal must represent over 50% of the shares of Certegy common stock entitled to vote on the proposal. The failure of a Certegy shareholder to vote, or a decision by a Certegy shareholder to abstain from voting, on either of these proposals will have the same effect as a vote against the proposal. A broker non-vote is not a vote cast , but because of the requirement that over 50% of the shares of Certegy common stock entitled to vote be voted, a broker non-vote also has the effect of a negative vote.

The proposal to amend and restate Certegy s articles of incorporation requires the affirmative vote of the holders of a majority of shares of Certegy common stock outstanding as of the close of business on the record date for the special meeting. The failure of a Certegy shareholder to vote, a broker non-vote, and a decision by a Certegy shareholder to abstain from voting will all have the same effect as a vote against this proposal. In addition, because approval of the proposed amendment and restatement of Certegy s articles of incorporation is a condition to completing the merger under the merger agreement, a failure to vote on this proposal or an abstention with respect to this proposal will constitute a vote against the merger proposal, unless Certegy and FIS waive this condition.

Because the approval of the merger agreement, including the merger and related share issuance, and the approval of the amended and restated of stock incentive plan each require that the total vote cast on the proposal represent more than 50% of the shares of Certegy common stock entitled to vote on the proposal, your vote in person or by proxy will help to assure that this requirement is met. You are urged to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope, or vote using any other method described on your proxy card. Additionally, if you hold shares of

Certegy common stock as a participant in Certegy s 401(k) plan and fail to return your proxy card or otherwise vote, the trustee will not be able to vote your shares.

Shares Beneficially Owned by Certegy Directors and Executive Officers

As of the record date, Certegy s directors and executive officers and their affiliates beneficially owned and were entitled to vote approximately [ ] shares of Certegy common stock, representing approximately [ ]% of the outstanding shares of Certegy common stock. Although none of the members of the board of directors of Certegy or its executive officers has executed voting agreements, based solely on discussions with its board of directors and executive officers, to Certegy s knowledge, its directors and executive officers intend to vote their common stock in favor of all proposals to be presented for approval at the special meeting.

For more information regarding beneficial ownership of shares of Certegy common stock by each current Certegy director, certain executive officers of Certegy, and all directors and executive officers of Certegy as a group, see Security Ownership of Certain Beneficial Owners and Management of Certegy on page 176.

Revocation of Proxies

The presence of a shareholder at the Certegy special meeting will not automatically revoke that shareholder s proxy. However, a shareholder may revoke a proxy at any time prior to its exercise by:

- by sending a written revocation in time to be received before the special meeting to the attention of Certegy s Corporate Secretary at 100 Second Avenue South, Suite 1100 S, St. Petersburg, Florida 33701;

- by completing, signing and dating another proxy card and returning it by mail in time to be received before the special meeting; or

- by attending the special meeting and voting in person.

If your shares are held of record by a broker or other nominee, you must follow the instructions from your broker or other nominee to change or revoke your proxy.

Solicitation of Proxies

In addition to solicitation by mail, directors, officers, and employees of Certegy may solicit proxies for the special meeting from Certegy shareholders personally or by telephone and other electronic means without additional remuneration for soliciting such proxies. Certegy will provide persons, firms, banks, and corporations holding shares in their names or in the names of nominees, which in either case are beneficially owned by others, proxy materials for transmittal to such beneficial owners and will reimburse such record owners for their expenses in taking such actions. Certegy has also made arrangements with Morrow & Co. to assist it in soliciting proxies and has agreed to pay them $7,000, plus reasonable expenses, for these services. Certegy and FIS will equally share the expenses incurred in connection with the printing and mailing of this document.

Certegy Shareholder Account Maintenance

Certegy s transfer agent is SunTrust Bank. All communications concerning accounts of Certegy shareholders of record, including address changes, name changes, inquiries as to requirements to transfer common stock and similar issues may be handled by calling SunTrust Bank, toll-free, at (800) 568-3476 or by writing to SunTrust Bank at: SunTrust Bank, Stock Transfer Department, Mail Code 258, Post Office Box 4625, Atlanta, Georgia 30302.

THE MERGER

General

Under the merger agreement, Certegy is proposing to combine its business with the business of FIS through a merger of FIS with a wholly owned subsidiary of Certegy. As a result FIS will become a wholly owned subsidiary of Certegy and the former stockholders of FIS will own a majority of Certegy s outstanding common stock. See Pro Forma Security Ownership of the Combined Company After the Merger. Under the merger agreement:

- FIS will merge with and into a Delaware limited liability company wholly owned by Certegy;

- All of the outstanding shares of FIS s common stock will be converted into shares of Certegy common stock based on a fixed exchange ratio. Currently FIS is a privately held company with Fidelity National Financial, Inc., or FNF, owning 75% of FIS s outstanding common stock. As a result of the merger, the existing stockholders of FIS, including FNF, will own approximately 67.1% of the common stock of the combined company. FNF will own approximately 50.3% of the common stock of the combined company;

- Certegy s board of directors will declare a special cash dividend of $3.75 per share to the holders of Certegy common stock immediately prior to the closing of the merger; and

- Certegy shareholders will retain their shares, which will represent approximately 32.9% of the outstanding shares of common stock of the combined company.

The merger agreement further provides that Certegy will amend and restate its articles of incorporation to increase the number of authorized shares of capital stock and to change Certegy s name to Fidelity National Information Services, Inc., and that it will propose an amended and restated stock incentive plan which will, among other things, increase the total number of shares available under the current plan by an additional 6,000,000 shares and increase the limits on the number of options, restricted shares, and other awards that may be granted to any individual in any calendar year. The proposed amended and restated articles of incorporation and the proposed amended and restated stock incentive plan will become effective only if the merger is consummated.

Background of the Merger

Certegy s board of directors and management have periodically reviewed the company s business strategies since Certegy s spin-off from Equifax Inc. in July 2001. By November 2004, the board and management were focused on Certegy s strategies for continued internal growth in its two business segments, card and check services, including strategies for capitalizing on growth opportunities and addressing market challenges posed by the declining use of personal checks. At that time, the board appointed a business strategies analysis committee to consider Certegy s business strategy and strategic alternatives. The committee was composed of Lee A. Kennedy, Certegy s Chairman and Chief Executive Officer, and directors Phillip B. Lassiter, David K. Hunt, and Keith W. Hughes. Mr. Hughes was designated to chair the committee.

In December 2004, Mr. Kennedy presented to the business strategies committee a review of Certegy s business, competitive positioning, and growth strategies. The committee also received a presentation from Citigroup reviewing conditions and trends in the payment services and check services industries, the relative strengths of Certegy vis-a-vis its competitors, and strategic alternatives potentially available to Certegy, including the possibility of a merger or sale of the company. The committee determined to recommend to Certegy s board of directors that the board confirm the company s strategy of remaining independent, but also authorize the committee to continue its analysis of strategic alternatives. Toward that end, the committee requested and received board authorization for Mr. Kennedy and Mr. Hughes, with the assistance of Citigroup, to explore with a limited number of potential merger partners the possibility of a strategic business combination. During the remainder of the process that resulted in the merger agreement with FIS, Mr. Kennedy regularly communicated developments and discussions to Mr. Hughes and other members of the business strategies committee.

On February 4, 2005, based on the business strategies committee s recommendation, Certegy s board formally engaged Citigroup to assist Messrs. Kennedy and Hughes in exploring Certegy s strategic options, including the possibility of a sale, strategic merger, or other business combination. Following Citigroup s engagement, with the approval of the Certegy board, Citigroup made introductory presentations to four potential buyers. At a regular meeting of Certegy s board of directors in March 2005, Citigroup updated the board on its discussions and requested and was granted permission by the board to contact two additional potential strategic buyers. During March and April, at the direction of the business strategies committee, Citigroup continued to have preliminary discussions with FNF and other potential strategic counterparties and apprised management, members of the business strategies committee, and the Certegy board of the substance of the discussions.

On April 13, 2005, at the invitation of William P. Foley, II, the Chairman and Chief Executive Officer of FNF, Mr. Kennedy and Michael T. Vollkommer, Certegy s Chief Financial Officer, met with Mr. Foley and Brent Bickett, FNF s Executive Vice President, Corporate Finance, at FNF s headquarters in Jacksonville, Florida. Mr. Foley presented an overview of FIS and its businesses and financial condition and results, and Mr. Kennedy made a similar presentation concerning Certegy. Mr. Foley outlined a possible transaction and management structure for the combined company, and the executives discussed their respective corporate objectives and the potential strategic, commercial, and financial benefits of a business combination. Mr. Foley indicated that he would discuss the possibility of a transaction with the FNF board and then, assuming the board agreed, present to Certegy an indication of interest containing proposed deal terms.

The following day, April 14, 2005, Mr. Foley telephoned Mr. Kennedy and the two continued discussions concerning the enhanced product capabilities that the two companies, if combined, could bring to their respective markets.

On April 18, 2005, Certegy received a preliminary indication of interest from FNF outlining a potential merger of Certegy and FIS, with Certegy shareholders receiving a 30% to 40% ownership interest in the combined company. Mr. Kennedy responded with a telephone call to Mr. Foley notifying him that the proposal would be forwarded to the Certegy board and considered after receipt of all other proposals from potential counterparties.

Certegy s business strategies committee met on April 27, 2005, with representatives of Citigroup and discussed the FNF letter along with the status of preliminary discussions regarding various strategic alternatives. To augment the committee s exploration of a potential combination with a strategic partner, the committee authorized Citigroup to approach a number of specified private equity firms to determine their interest in acquiring Certegy. Citigroup then initiated contact with these firms.

At a Certegy board of directors meeting on May 4, 2005, Citigroup briefed the board on its contacts with potential buyers. The board agreed to require all interested parties to submit an indication of interest by May 19, 2005. The board also directed Certegy s management to respond to FNF with a letter indicating that after the Certegy board had considered FNF s proposal it would respond.

On May 23 and May 24, Certegy s business strategies committee and the board reviewed and discussed with Citigroup the indications of interest Certegy had received from potential financial buyers and FNF, which was the sole potential strategic buyer. Following these discussions, the board decided to provide due diligence materials to two prospective financial buyers and to FNF and directed Certegy s management and advisors to commence due diligence on FIS.

Accordingly, during the month of June 2005, FNF and the two private equity firms each received a presentation from Certegy management concerning Certegy s business and financial condition and results and were afforded access to a due diligence data room containing materials on Certegy and its business.

From June 20 through June 22, 2005, a Certegy due diligence team received a briefing from FNF and FIS concerning FIS s business and financial performance and was granted access to an FIS data room and received information and documents from FIS.

Based on its preliminary due diligence, on July 13, 2005, FNF submitted a revised indication of interest providing for a merger of Certegy and FIS in which Certegy s shareholders would receive a 33% to 36% ownership position in the combined company. Neither of the prospective private equity buyers elected to proceed.

Certegy s board of directors met on July 25, 2005, to discuss the FNF proposal. At the meeting, Certegy s outside counsel reviewed with the board its duties with respect to consideration of the proposed transaction. Citigroup then presented a review of the strategic review process to date and discussed the FNF proposal. The board authorized management and Citigroup to conduct further discussions with FNF concerning an exchange ratio and the possibility of combining a stock-for-stock merger with a cash dividend to Certegy shareholders. The cash dividend was viewed as a possible way to meet the Certegy board s expectations for value to Certegy shareholders while allowing FNF to achieve its stated goal of holding a majority of the stock in the combined company in order to consolidate the combined company with FNF for FNF s financial reporting purposes.

Accordingly, representatives of Certegy proposed to FNF a structure involving a cash dividend to Certegy shareholders, and on August 1, 2005, Mr. Kennedy spoke by telephone with Mr. Foley and discussed the range of ownership percentages in a combined company and an amount of the proposed cash dividend for Certegy shareholders that might be acceptable to the Certegy board. Mr. Foley and Mr. Kennedy and other representatives of the parties continued to negotiate the Certegy shareholder ownership percentage, the possibility and amount of a cash dividend, and other terms in a number of telephone conversations continuing through August 4, 2005. These discussions resulted in a proposal by FNF for a transaction that would provide Certegy shareholders with approximately 32.5% of the equity in the combined company and a dividend payment at the time of closing of $4.00 per share.

On August 3, 2005, Certegy s business strategies committee met and received reports from Mr. Kennedy and Citigroup on the negotiations with FNF and the FNF proposal. At the meeting of Certegy s board on the following day, Mr. Hughes reviewed the process and results of the committee s strategic review. Citigroup then presented the board with an update on the process of exploring strategic alternatives and reviewed and analyzed the then current FNF proposal. On the basis of this proposal, the board authorized management and the chairman of the business strategies committee to proceed with further due diligence on FIS and to continue discussions with FNF.

On August 8, 2005, Certegy s outside counsel provided an initial draft of the merger agreement to representatives of FNF. The merger agreement and related ancillary documents were the subject of negotiations by the parties and their respective advisors over the course of the next several weeks.

On August 10 through August 12, Certegy s due diligence team conducted additional due diligence at FIS s data room and received additional information and documents. On August 12, 2005, Mr. Kennedy and Mr. Foley spoke by telephone concerning the results of due diligence to date, financing of the combined company, and the need to determine the organizational structure of the combined company and its relationship with FNF concerning intercompany services and relationships.

Representatives of FNF and other stockholders of FIS conducted additional due diligence at Certegy s data room on August 17 and 18. Thereafter, management, staff, and certain advisors of the parties continued their due diligence reviews of the businesses, operations, and financial condition of the other party.

On August 23, 2005, Mr. Kennedy and Mr. Foley met in Jacksonville, focusing on an organizational structure for the combined company. Mr. Kennedy reported the results of these discussions to the Certegy business strategies committee at a meeting on August 24, 2005. On August 25, the committee reported to the board of directors at a board meeting at which the board reviewed the status of the negotiations and the proposed organizational structure. The board authorized Mr. Kennedy to begin negotiations with FNF regarding employment terms for himself and other members of Certegy management. The board also decided to retain Covington & Burling as separate outside counsel to advise the independent directors and to engage Deutsche Bank to provide a second opinion to the board with respect to the fairness, from a financial point of view, of the proposed transaction to holders of Certegy common stock.

On August 30, Mr. Kennedy and Mr. Foley met again in Jacksonville and discussed a proposed management structure of the combined company, executives slotted to fill various positions, and option grants and other compensation terms for those members of Certegy management who were expected to be continuing with the combined company.

Certegy s business strategies committee met on August 31, 2005, and its board of directors met on September 1, 2005, to receive an update on issues relating to negotiation of the transaction documents, proposed employment agreements with Certegy management, and the post-closing organizational and governance structure.

During the week of September 5, 2005, negotiations continued between the representatives of Certegy and FNF and other stockholders of FIS on a variety of issues. During that week representatives of FNF requested that Certegy agree to lower the proposed cash dividend to Certegy shareholders to $3.50 per share because costs related to the transaction were expected to exceed FNF s initial estimates. Mr. Kennedy discussed this issue with Mr. Foley in a telephone call on September 8 and reported this development to the business strategies committee and the full board at meetings on the same day. After further negotiations between Mr. Kennedy and Mr. Foley and other representatives of the parties, with the concurrence of the Certegy board, a tentative agreement was reached on September 9 for a dividend of $3.75 per share and the resolution of certain other open terms relating to the merger. Mr. Kennedy and Citigroup then reported the material proposed terms of the transaction to the business strategies committee and the board of directors on the same day.

After reviewing the open issues with the independent members of the Certegy board of directors, and pursuant to their instructions, during the period of September 9 through 14, 2005, Mr. Kennedy entered into negotiations with Mr. Foley regarding the terms of an employment agreement for Mr. Kennedy and terms to be offered to Jeffrey R. Carbiener, Certegy s Executive Vice President and Group Executive Check Services, and certain other Certegy management employees. Concurrent with those negotiations, representatives of the parties and their respective advisors negotiated the remaining terms of the proposed transaction and final changes to the proposed definitive agreements, and completed their due diligence.

On September 14, 2005, Certegy s board of directors met to review and discuss the proposed transaction with FIS. Represented at the meeting were management of Certegy and representatives of its financial and legal advisors. Prior to the meeting the directors were provided with a substantially final draft of the merger agreement and other documents related to the proposed transaction. At the meeting, management updated the board of directors on the status of negotiations of the transaction, the results of due diligence, and management s analysis of the Certegy business and the proposed transaction, and outside counsel reviewed with the board its legal duties in connection with the proposed transaction, as well as the terms of the proposed final merger agreement and related documents. Representatives of Citigroup presented a market update and an overview of the two companies and each of Citigroup and Deutsche Bank separately discussed the proposed transaction and their respective financial valuation analyses. The board then adjourned while its compensation committee met. The compensation committee reviewed, discussed, and approved the proposed employment agreements between Certegy and Mr. Kennedy and Mr. Carbiener, to become effective at the closing of the transaction, and certain other matters relating to the transaction. The board reconvened, and after additional discussion and an executive session in which Mr. Kennedy did not participate, the board received management s recommendations regarding the transaction. Citigroup and Deutsche Bank then rendered their respective oral opinions, which were subsequently confirmed in writing, to the effect that as of September 14, 2005, based upon and subject to the assumptions made, matters considered, and limits of the review undertaken by such firms, the exchange ratio and special dividend, taken together, were fair from a financial point of view to the holders of Certegy common stock. See The Merger Opinions of Certegy s Financial Advisors Citigroup Global Markets, Inc. and The Merger Opinions of Certegy s Financial Advisors Deutsche Bank Securities Inc. below. After additional discussion, the board of directors, with Mr. Kennedy recusing himself, voted to approve the merger agreement and related matters. The board also instructed management to execute and deliver the merger agreement, commitment agreement, shareholders agreement, the employment agreements, and related documents and to take all other steps necessary to effect the merger and the other transactions contemplated by these agreements.

The merger agreement, the commitment agreement, the shareholders agreement, and the employment agreements were entered into by the parties on the evening of September 14, 2005. Shortly thereafter, each stockholder of FIS executed and delivered to FIS a written consent adopting the merger agreement.

On September 15, 2005, FNF and Certegy issued a joint press release announcing the transaction before the opening of trading on the NYSE.

Certegy s Reasons for the Merger; Recommendation of the Merger by the Certegy Board of Directors

Certegy s board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement are fair to, and in the best interests of, Certegy and its shareholders. In deciding to approve the merger agreement and the transactions contemplated by the merger agreement and to recommend their approval by Certegy s shareholders, Certegy s board considered the materials and presentations prepared by Certegy s management, consulted with Certegy s financial advisors with respect to the financial aspects of the merger and the fairness of the merger and special dividend, taken together, to holders of Certegy common stock from a financial point of view, and consulted with Certegy s legal counsel and legal counsel to the independent directors as to its legal duties and the terms of the merger agreement, the shareholders agreement, and the related documents. In reaching this decision, Certegy s board considered a variety of factors, including:

- its knowledge of Certegy s business, operations, financial condition, and prospects and of the business, operations, financial condition, and prospects of FIS, taking into account the results of Certegy s due diligence review of FIS, discussions with management of FIS, and the presentations of Certegy s management and financial advisors;

- its knowledge of the current and prospective environment in which Certegy operates, including national and international economic conditions, the competitive environment, the market for potential acquisitions, and the likely effect of these factors on Certegy s potential growth, development, productivity, profitability, and strategic options;

- the financial terms of the transaction, including the exchange ratio of FIS shares for Certegy shares and the resulting pro forma ownership of Certegy s shareholders in the combined entity, the special dividend, and the ability of Certegy s shareholders to continue to participate in the future growth of the combined company by retaining shares of Certegy s common stock;

- the financial analyses presented by Citigroup and Deutsche Bank, as financial advisors to Certegy, and the opinions delivered by each of them to the effect that, as of September 14, 2005, and based upon and subject to the assumptions made, matters considered, and limitations set forth in the opinions, the exchange ratio of FIS shares for Certegy shares and the special dividend to be received by the Certegy shareholders, taken together, were fair, from a financial point of view, to the holders of Certegy common stock;

- its understanding of the other strategic alternatives likely to be available to Certegy and the time and risks that Certegy would incur in pursuing such alternatives;

- the structure of the transaction and its effects, including payment of the special dividend and the fact that FNF will become the majority shareholder of Certegy upon consummation of the merger;

- the fact that, except for the amount of the special dividend, the transaction will not result in taxable income to Certegy shareholders;

- its assessment that the combined company:

- would constitute one of the largest providers of processing services to U.S. financial institutions,

- would have market leading positions in core processing, card issuing services, mortgage processing, and lender services,

- would have a diversified product mix, reducing exposure to the impact of the declining use of checks,

- would have the opportunity to cross-sell products and services across the combined customer base,

- would have an expanded international presence and scale, and

- may achieve cost synergies in, among other things, corporate overhead, research and development, sales and marketing, facilities, and card production;

- the terms of the merger agreement, including without limitation, the conditions to each company s obligations to complete the merger, provisions allowing Certegy s board of directors to terminate the agreement if Certegy receives an unsolicited superior acquisition proposal, subject to FNF s right to match the superior proposal, and the agreement that Certegy s chief executive officer will continue to serve as the chief executive officer and a director of the combined company;

- the terms of the shareholders agreement, including, without limitation, provisions affording Certegy s board the right to designate four of its members, including Certegy s chief executive officer, to occupy seats on the board of the combined company, restrictions on the acquisition and transfer of Certegy common stock by the former stockholders of FIS, restrictions on amendments and waivers regarding intercompany agreements and other transactions between the combined company and FNF involving more than $250,000 without the approval of a majority of the independent directors, and certain requirements that FNF must follow in seeking to effect any going private transaction with respect to Certegy;

- the employment agreements being entered into with Lee A. Kennedy, Chief Executive Officer of Certegy, and Jeffrey S. Carbiener, Executive Vice President and Group Executive Check Services of Certegy, and the roles that such members of Certegy s senior management would play in integrating the businesses of Certegy and FIS following the merger;

- the shareholder and regulatory approvals required in connection with the merger and the other terms of the merger agreement, and the likelihood that, once the merger agreement had been entered into, the merger would be completed if approved by Certegy s shareholders; and

- the right, granted by Certegy s board, of Certegy s shareholders to dissent from the merger proposal and obtain the fair value of their shares under Georgia law.

Certegy s board of directors also considered a variety of risks and other potentially negative factors concerning the merger agreement and the transactions contemplated by the merger agreement, including:

- the significant risks and expenses inherent in combining and successfully integrating two companies, including the need for significant management resources, which may temporarily detract attention from the day-to-day business of the combined company;

- the combined company will have approximately $2.9 billion of indebtedness immediately following the merger;

- the limitations on Certegy s ability to solicit other offers as well as the possibility that it could be required to pay a $65 million termination fee in certain circumstances;

- for U.S. federal income tax purposes, the special dividend will be taxable to Certegy s shareholders;

- FNF will hold a majority of the outstanding shares of common stock of the combined company, which means that the management and directors of the combined company may be subject to conflicts of interest and the other shareholders will not be able to affect the outcome of shareholder votes;

- the benefits to which officers and employees of Certegy would be entitled under the pre-existing employee benefit plans of Certegy that contain change-in-control provisions that would be triggered by the transactions contemplated by the merger agreement, and the fact that Certegy s executive officers have other interests in the transaction that may be different from, or in addition to, their interests as shareholders of Certegy, including the employment and retention agreements described under The Merger Interests of Certain Persons in the Merger That Are Different from Your Interests beginning on page 57;

- a number of Certegy s senior executives are not expected to continue with the combined company, which could temporarily disrupt Certegy s businesses;

- the significance of the existing intercompany agreements between FIS and FNF and other FNF subsidiaries to the ongoing operation of the combined businesses; and

- other matters described under the caption Risk Factors.

The foregoing discussion of the factors considered by Certegy s board of directors is not intended to be exhaustive, but rather includes material factors that the Certegy board considered in approving and recommending the merger and related proposals. In view of the wide variety of factors considered by Certegy s board in connection with its evaluation of these transactions and the complexity of these factors, Certegy s board did not consider it practical to, nor did it attempt to, quantify, rank, or otherwise assign any specific or relative weights to the specific factors it considered in reaching its determination. The Certegy board considered all these factors as a whole, and determined that the transaction was in the best interests of Certegy and its shareholders. In considering the factors described above, individual directors may have assigned different weights to different factors.

It should be noted that this explanation of the Certegy board of directors reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read along with the factors discussed under the heading Warning About Forward-Looking Statements beginning on page 29 of this proxy statement.

For the reasons set forth above, the Certegy board of directors has approved the merger agreement and the transactions contemplated by the merger agreement and recommends that Certegy s shareholders vote FOR the approval of the merger proposal, including the merger and the issuance of shares in connection with the merger.

Opinions of Certegy s Financial Advisors Citigroup Global Markets, Inc.

Certegy retained Citigroup Global Markets Inc. to act as its financial advisor in connection with Certegy s analysis and consideration of various strategic alternatives. Citigroup has rendered its written opinion to the Certegy board of directors that, as of September 14, 2005, and based upon and subject to the factors, assumptions, procedures, limitations and qualifications set forth therein, Citigroup s work described below and other factors Citigroup deemed relevant, the exchange ratio of 0.6396 shares of Certegy common stock to be issued for each share of FIS common stock in the merger and the special dividend of $3.75 per share to be paid on the outstanding shares of Certegy common stock outstanding immediately prior to the merger were, taken together, fair from a financial point of view to the holders of Certegy common stock.

The full text of the written opinion of Citigroup, dated September 14, 2005, which sets forth assumptions made, procedures followed, factors considered, and limitations and qualifications on the review undertaken by Citigroup in connection with its opinion, is attached as Annex D to this proxy statement and is incorporated herein by reference. Citigroup s advisory services and its opinion were provided for the information of the Board of Directors of Certegy in its evaluation of the merger, and its opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the merger.

In arriving at its opinion, Citigroup reviewed a draft of the merger agreement dated September 13, 2005, and held discussions with certain senior officers and other representatives and advisors of Certegy and certain senior officers and other representatives and advisors of FIS and its affiliates, including FNF, concerning the respective businesses, operations, and prospects of Certegy and FIS. Citigroup examined certain publicly available business and financial information relating to Certegy and FIS as well as certain financial forecasts and other information and data relating to Certegy and FIS that were provided to or discussed with Citigroup by the respective managements of Certegy, FIS, and FNF, including information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the managements of Certegy, FIS, and FNF to result from the merger.

Citigroup reviewed the financial terms of the merger as set forth in the draft merger agreement, and such other terms as Citigroup deemed necessary and appropriate, in relation to, among other things:

- current and historical market prices and trading volumes of Certegy common stock;
- the historical and projected earnings and other operating data of Certegy and FIS; and
- the capitalization and financial condition of Certegy and FIS.

Citigroup considered, to the extent publicly available, the financial terms of certain other transactions which Citigroup considered relevant in evaluating the merger and analyzed certain financial, stock market, and other publicly available information relating to the businesses of other companies whose operations Citigroup considered relevant in evaluating those of Certegy and FIS. Citigroup also reviewed certain potential pro forma financial effects of the merger on Certegy and FIS. In addition to the foregoing, Citigroup conducted such other analyses and examinations and considered such other information and financial, economic, and market criteria as Citigroup deemed appropriate in arriving at its opinion.

In rendering its opinion, Citigroup assumed and relied, without assuming any responsibility for independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and upon the assurances of the respective managements of Certegy, FIS, and FNF that they were not aware of any relevant information that was omitted or that remained undisclosed to Citigroup. With respect to financial forecasts and other information and data relating to Certegy and FIS provided to or otherwise reviewed by or discussed with it, Citigroup was advised by the respective managements of Certegy, FIS, and FNF that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Certegy, FIS, and FNF as to the future financial performance of Certegy and FIS, the potential strategic implications and operational benefits anticipated to result from the merger, and the other matters covered thereby, and Citigroup assumed, with the consent of the Certegy board of directors, that the financial results (including the potential strategic implications and operational benefits anticipated to result from the merger) reflected in such forecasts and other information and data would be realized in the amounts and at the times projected.

Citigroup assumed, with the consent of the Certegy board of directors, that the merger would be consummated in accordance with its terms, without waiver, modification, or amendment of any material term, condition, or agreement, and in the course of obtaining the necessary governmental or third party approvals, consents, and releases for the merger, no delay, limitation, restriction, or condition will be imposed that would have an adverse effect on Certegy or FIS or the contemplated benefits of the merger. Representatives of Certegy advised Citigroup, and Citigroup further assumed, that the final terms of the merger agreement would not vary materially from those set forth in the draft reviewed by Citigroup. Citigroup further assumed, with the consent of the Certegy board of directors, that the merger would be treated as a tax-free reorganization for federal income tax purposes.

Citigroup did not express any opinion as to what the value of Certegy common stock actually would be following the completion of the merger or the prices at which Certegy common stock would trade at any time. Citigroup did not make, and was not provided with, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Certegy or FIS nor did Citigroup make any physical inspection of the properties or assets of Certegy or FIS.

In connection with rendering its opinion, Citigroup was not requested to consider, and its opinion did not address, the relative merits of the proposed transaction as compared to any alternative business strategies that might exist for Certegy or the effect of any other transaction in which Certegy might engage. Citigroup s opinion was necessarily based upon information available to it, and financial, stock market, and other conditions and circumstances existing, as of the date of its opinion.

Financial Analyses

The following is a summary of the material financial analyses performed by Citigroup in evaluating the fairness, from a financial point of view, of the exchange ratio of 0.6396 shares of Certegy common stock to be issued for each share of FIS common stock in the merger and the special dividend of $3.75 per share to be paid on the shares of Certegy common stock outstanding immediately prior to the merger, taken together, to the holders of Certegy common stock. The following summary does not purport to be a complete description of the financial analyses performed by Citigroup, nor does the order of analyses described represent relative importance or weight given to those analyses by Citigroup. Some of the summaries of financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of the financial analyses performed by Citigroup. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before September 13, 2005, and is not necessarily indicative of current or future market conditions.

Transaction Overview and Indicated Transaction Multiples

Citigroup reviewed with the Certegy board of directors the basic terms of the merger, including the following:

- a fixed exchange ratio of 0.6396 Certegy common shares per FIS common share;
- the special dividend of $3.75 per Certegy common share; and
- pro forma percentage ownership by current Certegy stockholders of 32.5% of the outstanding Certegy common stock immediately after the merger, based on fully diluted shares using the treasury stock method.

Citigroup calculated for the Certegy board of directors various multiples and premiums resulting from the merger assuming three different illustrative values per Certegy common share. These calculations were based on historical information and on certain financial analyses and forecasts for Certegy prepared by its management.

Citigroup calculated the percentage premium of three illustrative values per Certegy common share following the merger over:

- the closing price per share of Certegy common stock on September 8, 2005;
- the average closing price per share of Certegy common stock for the thirty-day period ended September 8, 2005; and
- the highest and lowest closing prices per share in the 52-week period ended September 8, 2005.

The following table presents the results of Citigroup s calculations:

	Illustrative valuation range per Certegy common share		
	$38.00	**$39.50**	**$41.00**
Premium to:			
Share Price at September 8, 2005	13.2 %	17.6 %	22.1 %
Thirty-Day Average	0.4	4.4	8.3
52-Week High	(4.4)	(0.6)	3.2
52-Week Low	17.5	22.1	26.7

Selected Companies Analysis

Citigroup reviewed and compared certain financial information for each of Certegy and FIS to corresponding financial information, ratios and public market multiples for selected publicly traded companies that Citigroup deemed relevant. The financial information used by Citigroup for all companies in the course of this analysis was based on publicly available information as of September 8, 2005 and median analyst estimates calculated by First Call. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

For Citigroup s analysis of Certegy, the selected companies forming the comparison group were eFunds Corporation, First Data Corporation, Fiserv, Inc., Global Payments, Inc., and Total Systems Services. Citigroup calculated for the applicable selected companies the ratios of September 8, 2005 closing stock price to calendar year 2005 and 2006 earnings estimates and ratios of enterprise value (calculated as

equity value plus debt, less cash and cash equivalents) to calendar year 2005 and 2006 estimated EBITDA, and compared these measures to the corresponding values for Certegy.

For Citigroup s analysis of FIS, the selected companies forming the comparison group were The Bisys Group, Inc., Fiserv, Inc., and Jack Henry & Associates, Inc. Citigroup calculated for the applicable selected companies the ratios of September 8, 2005 closing stock prices to calendar year 2005 and 2006 earnings estimates and calendar year 2005 and 2006 estimated EBITDA, and compared these measures to the corresponding values for FIS.

Selected Precedent Transactions Analysis

Citigroup analyzed certain information relating to certain selected transactions above $500 million in deal value in the financial technology industry since January 1, 2003, along with one additional transaction prior to that date. The precedent transactions analyzed were:

- Royal Bank of Scotland plc / Lynk Systems, Inc., August 2004
- Bank of America Corporation / National Processing, Inc., July 2004
- Metavante Corporation / NYCE Corporation, May 2004
- First Data Corporation / Concord EFS Inc., April 2003
- U.S. Bancorp / Nova Information Systems, Inc., May 2001

With respect to the financial information for the targets involved in the precedent transactions, Citigroup relied on information from public filings, company press releases and investor presentations, as well as information published by Thomson Financial.

For each of the selected transactions, to the extent applicable, Citigroup calculated and compared:

- the transaction value as a multiple of each of latest 12 months revenue, EBITDA and earnings before interest and taxes (commonly referred to as EBIT);
- the purchase price per share paid for the target entity as a multiple of latest twelve months earnings per share and projected next twelve months earnings per share; and
- the premium of the price per share paid for the target entity over the closing stock price on the trading day immediately preceding the announcement of the transaction and the average closing prices per share for the thirty-day period ended the trading day immediately preceding the announcement of the transaction.

Discounted Cash Flow Analysis

Citigroup performed a discounted cash flow analysis of each of Certegy and FIS to determine a range for the implied equity value of Certegy and the implied per share value of Certegy common stock, in each case on a stand-alone basis prior to the merger, and the implied equity value and enterprise value of FIS. For each of Certegy and FIS, Citigroup calculated the present value of unlevered free cash flow for calendar years 2005 through 2009 and added to this amount the present value of each company s respective terminal value at the end of calendar year 2009. Present values were calculated using discount rates ranging from 8% to 10% in the case of Certegy, and 8.5% to 10.5% in the case of FIS, which Citigroup viewed as appropriate based on weighted average cost of capital analyses for each company.

For the Certegy analysis, Citigroup calculated terminal values using a range of terminal year net income exit multiples of 14.5x to 18.5x, and the Certegy estimated financial data upon which the analysis was based assumed a compound annual growth rate of revenue of 11%. Based on this analysis, Citigroup

determined a range for the implied equity value of Certegy of approximately $2.8 billion to $3.2 billion, and a range for the implied per share value of Certegy common stock of approximately $41 to $47.

For comparative purposes, Citigroup also performed a sensitivity analysis based on Certegy estimated financial data by varying the compound annual growth rates of revenue from 7% to 11% and varying the discount rate from 9% to 13%, and assuming a terminal year net income exit multiple of 16.5x. This sensitivity analysis indicated a range for the implied equity value of Certegy of approximately $2.4 billion to $2.8 billion, and a range for the implied per share value of Certegy common stock of approximately $35 to $41.

For the FIS analysis, Citigroup calculated terminal values using a range of terminal year cash net income exit multiples of 17.0x to 19.0x. The FIS analysis was based on two sets of estimated financial data for FIS, one assuming a compound annual growth rate of revenue of 5.4% (FIS Case 1), and the other assuming a compound annual growth rate of revenue of 8% (FIS Case 2). Based on this analysis, Citigroup determined a range for the implied equity value of FIS of approximately $4.6 billion to $5.2 billion under FIS Case 1 and approximately $5.7 billion to $6.4 billion under FIS Case 2, and a range for the implied enterprise value of FIS of approximately $7.2 billion to $7.8 billion under FIS Case 1 and approximately $8.3 billion to $9 billion under FIS Case 2.

Contribution Analysis

Citigroup analyzed the relative contribution that Certegy and FIS would each be making to the combined company with respect to certain financial and operating data, based on the results of the valuation analyses described above. Citigroup based its analyses on financial data and estimates for the calendar years 2005 and 2006 and market data as of September 8, 2005, and the estimates used for FIS were FIS Case 1. Citigroup did not consider any adjustments or synergies associated with the merger in its contribution analysis. The following tables show the results of this analysis.

Implied Ownership Percentages Based on Estimated Operating Statistics

	Implied Ownership	
	FIS	**Certegy**
2005E		
EBITDA	74.4 %	25.6 %
EBIT	69.5	30.5
GAAP Net Income	61.7	38.3
Cash Net Income	68.6	31.4
2006E		
EBITDA	73.2 %	26.8 %
EBIT	69.4	30.6
GAAP Net Income	62.6	37.4
Cash Net Income	68.3	31.7

Equity Valuation and Implied Ownership Percentages By Valuation Methodology

	Equity Valuation		Implied Ownership	
	FIS	Certegy	FIS	Certegy
	(dollars in millions)			
EBITDA	$ 4,550	$ 2,126	68.2 %	31.8 %
GAAP Net Income	3,900	2,126	64.7	35.3
Cash Net Income	5,100	2,126	70.6	29.4
Discounted Cash Flow (FIS Case 1)	$4,900	$ 3,000	62.0 %	38.0 %
Discounted Cash Flow (FIS Case 2)	6,000	3,000	66.7	33.3

The implied ownership percentages reflected in the tables above compare to an approximate 32.5% ownership percentage for Certegy common shareholders in the combined company following the merger, plus the $3.75 dividend payable on each Certegy common share outstanding immediately prior to the merger and exclude the effect of synergies.

Pro Forma Merger Analysis

Citigroup analyzed the pro forma impact of the merger on projected EPS for each of Certegy and FIS on a stand-alone basis, based upon earnings estimates for Certegy and synergies provided by Certegy s management and utilizing FIS Case 1 for FIS estimated earnings. The effect on EPS was calculated using various assumptions, including the following:

- 100% stock transaction;
- special cash dividend of $3.75 per share payable on Certegy common shares outstanding immediately prior to the merger;
- transaction closing date during the fourth quarter of 2005;
- pre-tax cost operational synergies of $50.0 million; and
- amortization of approximately $84.4 million after tax per year of purchase price premium attributed to identifiable intangibles over eight years.

For each of the years 2006, 2007 and 2008, Citigroup compared the EPS for each of Certegy and FIS on a stand-alone basis to the EPS, on both a cash basis and a GAAP basis, of the combined company using the foregoing assumptions. Cash EPS is defined as GAAP net income plus tax affected purchase intangible amortization divided by total shares outstanding. The following table sets forth the results of this analysis:

	Cash Basis Accretion / (Dilution)	GAAP Basis Accretion / (Dilution)
Certegy		
2006E EPS	13.0 %	(24.3)%
2007E EPS	7.2	(20.9)
2008E EPS	4.0	(18.3)
FIS		
2006E EPS	3.7 %	(10.8)%
2007E EPS	5.1	(8.6)
2008E EPS	5.5	(6.9)

In addition, Citigroup also analyzed the pro forma impact of the merger on 2007 estimated GAAP and Cash EPS for each of Certegy and FIS on a stand-alone basis. The estimated EPS figures used for Certegy were the result of sensitizing compounded annual revenue growth rates versus management

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estimates at increments of -2.0%, 0.0% and 2.0%. The results were then combined with projected estimates from FIS Case 1 and FIS Case 2.

FIS Case 1

2007E GAAP EPS Accretion / (Dilution)

	Certegy Revenue Growth vs. Management Estimates (2.0)%	0.0%	2.0%
% change from:			
Certegy stand-alone	(19.0)%	(20.9)%	(23.3)%
FIS stand-alone	(10.0)	(8.6)	(6.6)

2007E Cash Basis EPS Accretion / (Dilution)

	Certegy Revenue Growth vs. Management Estimates (2.0)%	0.0%	2.0%
% change from:			
Certegy stand-alone	10.1 %	7.2 %	3.4 %
FIS stand-alone	3.9	5.1	6.8

FIS Case 2

2007E GAAP EPS Accretion / (Dilution)

	Certegy Revenue Growth vs. Management Estimates (2.0)%	0.0%	2.0%
% change from:			
Certegy stand-alone	(12.5)%	(14.6)%	(17.2)%
FIS stand-alone	(12.2)	(10.9)	(9.1)

2007E Cash Basis EPS Accretion / (Dilution)

	Certegy Revenue Growth vs. Management Estimates (2.0)%	0.0%	2.0%
% change from:			
Certegy stand-alone	16.7 %	13.5 %	9.5 %
FIS stand-alone	0.8	1.9	3.5

Citigroup also performed an analysis to illustrate a range of implied equity valuations per share of Certegy common stock in the transaction, assuming a range of total equity valuations for FIS of $4.0 - $5.0 billion. Based on this analysis, Citigroup determined a range for the implied equity value in the transaction per share of Certegy common stock of between $36.80 and $41.59, including in each case the $3.75 per share dividend. The effective ownership equivalents of the $36.80 and $41.59 per share values are 36.7% and 36.1% of the pro forma company, respectively.

General

The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate methods of financial analysis and the application of those methods to the particular facts and circumstances, and therefore is not necessarily susceptible to partial analysis or summary description.

Citigroup made no attempt to assign specific weights to particular analyses or factors considered, but rather each made its own qualitative judgments as to the significance and relevance of all the analyses and factors considered and determined to give its fairness opinion as described above. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses as a whole, could create a misleading or incomplete view of the processes underlying the opinion of Citigroup.

In arriving at its fairness determination, Citigroup considered the results of all of its analyses and did not form any conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to fairness from a financial point of view. Rather, Citigroup made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses assessed as a whole. No company or transaction referenced in the above analyses is directly comparable to Certegy or FIS or the merger. Such comparative analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics, market conditions, and other factors that could affect the public trading of the selected companies or terms of the selected transactions.

Citigroup prepared the analyses described herein for purposes of providing its opinion to the Certegy board of directors as to the fairness, from a financial point of view, of the exchange ratio of 0.6396 shares of Certegy common stock to be issued for each share of FIS common stock in the merger and the special dividend of $3.75 per share to be paid on the outstanding shares of Certegy common stock outstanding immediately prior to the merger, taken together, to the holders of Certegy common stock. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Certegy, FIS, Citigroup, or any other person assumes responsibility if future results are materially different from those forecast.

As described above, the opinion of Citigroup to the Certegy board of directors was only one of many factors taken into consideration by Certegy s board of directors in making its determination to approve the transactions contemplated by the merger agreement. For a further discussion of the factors the Certegy board of directors considered, please see the section captioned The Merger Certegy s Reasons for the Merger; Recommendation of the Merger by the Certegy Board of Directors beginning on page 38. Citigroup was not asked to, and did not, recommend the specific consideration payable in the merger, which consideration was determined through negotiations between FIS and Certegy. The summary contained herein does not purport to be a complete description of the analyses performed by Citigroup in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion of Citigroup attached as Annex D.

Citigroup and its affiliates in the past have provided services to FIS or its affiliates unrelated to the proposed merger, for which services Citigroup and its affiliates have received customary compensation, including, without limitation, in 2004, having acted as financial advisor to FNF in its acquisition of a minority interest in Covansys Corporation. In the ordinary course of its business, Citigroup and its affiliates may actively trade or hold the securities of Certegy or affiliates of FIS for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in those securities. In addition, Citigroup and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Certegy, FIS, and their respective affiliates.

Citigroup has acted as financial advisor to Certegy in connection with the merger and will receive a cash fee equal to 0.50% of the transaction value at time the merger is completed. The transaction value for purposes of calculating the fee will be equal to the total equity value of Certegy at the time the merger is completed plus the total value of the outstanding Certegy debt. A significant portion of the fee is contingent upon the consummation of the merger, and is inclusive of $250,000 Citigroup received upon engagement and $1.5 million received upon delivery of the Citigroup fairness opinion. In addition, Certegy has agreed to reimburse Citigroup for its reasonable expenses incurred in connection with its engagement, including reasonable attorneys fees and disbursements, and to indemnify Citigroup against specific liabilities and expenses relating to or arising out of its engagement, including liabilities under the federal securities laws.

Opinions of Certegy s Financial Advisors Deutsche Bank Securities Inc.

At the September 14, 2005 meeting of Certegy s board of directors, Deutsche Bank rendered its oral opinion to Certegy s board of directors, subsequently confirmed in writing, that as of September 14, 2005, and subject to and based on the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the 0.6396 exchange ratio and the $3.75 per share cash dividend, taken together (referred to as the merger consideration), was fair, from a financial point of view, to holders of Certegy common stock.

The full text of Deutsche Bank s opinion, dated September 14, 2005, which sets forth, among other things, the assumptions made, matters considered and limits of the review by Deutsche Bank in connection with the opinion, is attached as Annex E to this proxy statement and is incorporated herein by reference. You are urged to read Deutsche Bank s opinion carefully and in its entirety. The summary of Deutsche Bank s opinion is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Deutsche Bank reviewed certain publicly available financial and other information concerning FIS and Certegy and certain internal analyses and other information furnished to it by FIS, Certegy, and Citigroup. Deutsche Bank also held discussions with members of the senior managements of FIS and Certegy and certain investment banking and other professionals of Citigroup and Bear Stearns & Co. Inc., which is serving as financial advisor to FIS, regarding the businesses and prospects of Certegy and FIS and the joint prospects of a combined company. In addition, Deutsche Bank:

- reviewed the reported prices and trading activity for Certegy common stock;
- compared certain financial and/or stock market information for FIS and Certegy with similar information for certain other companies whose securities are publicly-traded;
- reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part;
- reviewed the terms of the merger agreement, the commitment agreement, the shareholders agreement, the registration rights agreement, and certain other ancillary agreements and related documents; and
- performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank did not assume responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning FIS or Certegy, including, without limitation, any financial information, forecasts, or projections considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank assumed and relied upon the accuracy and completeness of all such information and Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities, of FIS, or Certegy. With respect to the financial forecasts and projections, including the analyses and forecasts of certain cost savings, operating efficiencies, revenue effects, and financial synergies expected by Certegy and FIS to be achieved as a result of the merger, made available to Deutsche Bank and used in its analyses, Deutsche Bank assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of FIS or Certegy, as the case may be, as to the matters covered thereby. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of such forecasts and projections, including the cost savings, operating efficiencies, revenue effects, and financial synergies, or the assumptions on which they are based. Deutsche Bank s opinion is necessarily based upon economic, market, and other conditions as in effect on, and the information made available to it as of, the date of the opinion.

For purposes of rendering its opinion, Deutsche Bank assumed that, in all respects material to its analysis:

- the representations and warranties of Certegy, Merger Sub, and FIS contained in the merger agreement are true and correct;
- Certegy, Merger Sub, and FIS will each perform all of the covenants and agreements to be performed by it under the merger agreement and the ancillary agreements;

- all conditions to the obligations of each of Certegy, Merger Sub, and FIS to consummate the merger will be satisfied without any waiver thereof;

- all material governmental, regulatory or other approvals and consents required in connection with the consummation of the merger will be obtained;

- in connection with obtaining any necessary governmental, regulatory, or other approvals and consents, or any amendments, modifications, or waivers to any agreements, instruments, or orders to which either Certegy or FIS is a party or is subject or by which it is bound, no limitations, restrictions, or conditions will be imposed or amendments, modifications, or waivers made that would have a material adverse effect on Certegy or FIS or materially reduce the contemplated benefits of the merger to Certegy or the combined company; and

- the merger (other than the receipt of the $3.75 per share special dividend) will be tax-free to Certegy and the holders of its common stock.

Deutsche Bank s Financial Analysis

Deutsche Bank prepared separate valuations of each of Certegy and FIS through various financial analyses as described below. The following is a summary of the material financial analyses performed by Deutsche Bank in connection with rendering its opinion. These summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses used by Deutsche Bank, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. All dollar values are in millions other than per share data.

Premium Analysis. Deutsche Bank derived a range of anticipated trading prices of the combined company s common stock based on estimated 2006 earnings before interest, taxes, depreciation, and amortization, which is referred to as EBITDA, and estimated 2006 cash net income (calculated as net income plus after-tax purchase amortization expense) of the combined company and a range of multiples, including a public trading multiple, Certegy s current trading multiple (excluding anticipated synergies), and certain multiples relating to private and publicly-traded companies with financial institution payment processing operations. Deutsche Bank then calculated the implied value per Certegy share equivalent and related premiums to the current market price for Certegy common stock. These analyses yielded premiums to the trading price for Certegy common stock to be delivered to Certegy shareholders in the transaction ranging from 5.4% to 38.9%.

Contribution Analysis. Deutsche Bank compared the pro forma contributions of each of Certegy and FIS to the combined company, based on management estimates from both Certegy and FIS. Deutsche Bank reviewed management estimates from both Certegy and FIS as to revenue, EBITDA, earnings before interest and taxes, which is referred to as EBIT, and cash net income for the years 2005 and 2006.

As more fully described in the table below, Certegy and FIS will contribute to the combined company in a manner consistent with the participation that Certegy shareholders and FIS stockholders will have in the ownership of Certegy following the merger, as such participation is implied by the agreed 0.6396 exchange ratio:

	Revenue		EBITDA		EBIT		Cash net income	
	2005	2006	2005	2006	2005	2006	2005	2006
Certegy	29.0 %	29.7 %	25.3 %	25.7 %	29.9 %	28.8 %	30.3 %	29.9 %
FIS	71.0 %	70.3 %	74.7 %	74.3 %	70.1 %	71.2 %	69.7 %	70.1 %

Deutsche Bank noted that the exchange ratio would result in holders of Certegy common stock holding 32.5% of the common stock of the combined company, excluding the effect of the $3.75 per share special dividend.

Accretion/(Dilution) Analysis. Deutsche Bank analyzed the pro forma effects of the merger and computed the resulting accretion/(dilution) to Certegy s estimated 2006 cash net income, based on the agreed exchange ratio, in two cases the first assuming the realization of certain synergies and the second assuming the realization of no synergies. The analysis indicated that, based on management estimates from both Certegy and FIS, the merger would be accretive, in both cases, to estimated 2006 cash net income of Certegy as compared to the same estimates for Certegy on a stand-alone basis.

Valuation of Certegy

Public Trading Analysis. Deutsche Bank derived multiples of (1) total enterprise value (calculated as market capitalization plus total debt and minority interest, less cash and equivalents) to EBITDA and (2) share price to cash EPS (calculated as cash net income divided by weighted average fully-diluted shares outstanding) for Certegy for the fiscal years 2005 and 2006, based on First Call consensus estimates where available, otherwise based on Institutional Broker Estimates System, or I/B/E/S, consensus estimates. Thomson Corporation compiles summaries of financial forecasts published by various investment banking firms. The information published by Thomson Corporation is referred to as First Call consensus estimates. I/B/E/S is a data service that monitors and publishes compilations of earnings estimates by selected research analysts regarding companies of interest to institutional investors. All multiples used in the public trading analysis were calculated based upon closing prices as of September 12, 2005.

Deutsche Bank then compared the EBITDA and cash EPS multiples obtained for Certegy with multiples obtained for a group of selected publicly-traded companies with financial institution payment processing operations. The selected companies forming the group to which Certegy was compared were First Data Corporation, Fiserv, Inc., Total System Services, Inc., Global Payments Inc., iPayment, Inc., eFunds Corporation and Heartland Payment Systems, Inc. Deutsche Bank refers to those companies as the Certegy selected companies. Deutsche Bank selected these companies because they are publicly-traded companies with financial institution payment processing operations that, for purposes of this analysis, may be considered similar to those of Certegy.

The analysis showed the following multiples:

Total enterprise value / EBITDA

	2005	2006
Certegy (I/B/E/S)	9.2	8.3
Certegy selected companies median	10.2	9.3
Certegy selected companies mean	9.8	8.8

Share price / cash EPS

	2005	2006
Certegy (I/B/E/S)		