



**SYNOVUS**<sup>®</sup>

A provider of  
Financial Management Services

## **Tax Information for Synovus Shareholders Concerning the TSYS Spin-Off**

Dear Synovus Shareholder:

On December 31, 2007, Synovus Financial Corp. (“Synovus”) distributed its indirect interest in Total System Services, Inc. (“TSYS”) on a pro rata basis to the Synovus shareholders. In the distribution (the “Spin-Off”), you received .483921 of a share of TSYS common stock for each share of Synovus common stock you held as of 5:00 p.m. Eastern Time on December 18, 2007. You will receive cash in lieu of any fractional shares of TSYS common stock.

This letter explains certain U.S. federal income tax consequences of the Spin-Off and describes how to allocate the tax basis of your Synovus shares between your Synovus shares and the TSYS shares you received in the Spin-Off.

The information in this letter represents our general understanding of the application of certain existing U.S. federal income tax laws relating to the Spin-Off. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of Synovus shareholders. *You are urged to consult your own tax advisor regarding the particular consequences of the Spin-Off to you, including the applicability and effect of all U.S. federal, state, local and foreign tax laws.*

To ensure compliance with U.S. Treasury Department regulations, we advise you that the information contained in this letter was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

**Tax Treatment of the Spin-Off.** Synovus has received an opinion of counsel to the effect that the Spin-Off qualifies as a tax-free distribution for U.S. federal income tax purposes. Assuming the correctness of counsel’s opinion and that the distribution is not otherwise disqualified as tax-free, no taxable income, gain or loss will be recognized by a Synovus shareholder for U.S. federal income tax purposes solely as the result of the receipt of shares of TSYS common stock in the Spin-Off.

If you receive cash instead of receiving a fractional share of TSYS common stock, you generally will recognize taxable gain or loss equal to the difference between the cash

you receive for the fractional share and your tax basis in the fractional share (determined as described below), provided you held your Synovus shares as a capital asset.

**Tax Basis.** The tax basis of the Synovus shares you owned immediately before the Spin-Off must be allocated between your Synovus shares and the TSYS shares you received in the Spin-Off (including any fractional TSYS share for which you received cash). This allocation is based on the relative fair market values of your Synovus shares and your TSYS shares at the time of the Spin-Off. U.S. federal tax law does not specifically identify how to determine the fair market value of the shares. *You should contact your tax advisor to determine these fair market values.*

**Example.** This example assumes that you and your tax advisor choose to use the New York Stock Exchange opening trading prices on January 2, 2008 (the first regular trading day after the Spin-Off) as the method of determining the relative fair market values of the Synovus shares and the TSYS shares at the time of the Spin-Off. Using this method, the fair market value of the Synovus common stock was \$10.65 per share and the fair market value of the TSYS common stock was \$28.00 per share. The implied value for each TSYS share, if there were an equal number of Synovus and TSYS shares outstanding, would be \$13.549788 ( $\$28.00 \times$  distribution ratio of .483921). Based on these relative fair market values, the tax basis of your Synovus shares would be apportioned 44.008650% to your Synovus shares and 55.991350% to your TSYS shares. This calculation may be illustrated as follows:

- Assume you own a single block of 1,000 shares of Synovus common stock with a tax basis of \$20 per share (with a total tax basis of \$20,000).
- You are entitled to receive 483.921 shares of TSYS common stock in the Spin-Off. Because no fractional shares are issued, you receive 483 shares of TSYS common stock and cash instead of the .921 fractional share.
- The total tax basis of \$20,000 is allocated \$8,801.73 to the 1,000 shares of Synovus common stock (44.008650% of \$20,000) and \$11,198.27 to the 483.921 shares of TSYS common stock (55.991350% of \$20,000).
- The basis allocated to the .921 fractional share of TSYS common stock for which you received cash is \$21.31 ( $\$11,198.27 \times (.921 / 483.921)$ ), resulting in a taxable gain or loss to you equal to the difference between the sales proceeds you receive for the fractional share and the fractional share basis. The remaining basis allocable to the 483 whole shares of TSYS common stock, after subtracting the \$21.31 allocated to the fractional share, is \$11,176.96.

If you own different blocks of Synovus common stock, you must make basis determinations separately with respect to each block. Also, if you own Synovus common stock with a different tax basis for alternative minimum tax ("AMT") purposes than for regular federal income tax purposes, you will need to allocate your AMT basis between your Synovus shares and your TSYS shares in the same manner described above.

In summary, the original tax basis of \$20,000 has been allocated as follows:

1,000 shares Synovus	\$8,801.73
483 shares of TSYS	\$11,176.96
Fractional share basis	\$21.31
Total basis allocated	\$20,000.00

**Shareholder Tax Return Reporting and Recordkeeping.** Under a recent change in Treasury Regulations, the requirement that shareholders attach to their tax returns a detailed statement setting forth certain information about the Spin-Off applies only to certain “significant distributee” shareholders, generally meaning shareholders (if any) owning at least 5% of the outstanding stock of Synovus immediately before the Spin-Off. Because of this change in law, other shareholders of Synovus are not required to attach this information to their tax returns. All shareholders are required to keep certain information relating to the Spin-Off as part of their permanent records, however, specifically including information regarding the amount, tax basis and fair market value of the TSYS shares received. *We advise you to consult your tax advisor regarding these requirements.*

Sincerely,



Patrick A. Reynolds  
Director of Investor Relations