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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 29, 2006

Commission file number 001-16111

GLOBAL PAYMENTS INC.
(Exact name of registrant as specified in charter)

Georgia (State or other jurisdiction of incorporation or organization)	58-2567903 (I.R.S. Employer Identification No.)
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10 Glenlake Parkway, North Tower, Atlanta, Georgia (Address of principal executive offices)	30328-3473 (Zip Code)
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Registrant's telephone number, including area code: 770-829-8234

NONE
(Former name, former address and former fiscal year,
if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On September 29, 2006, Global Payments Inc., a Georgia corporation, issued a press release announcing its financial results for the three months ended August 31, 2006. A copy of the press release is attached as Exhibit 99.1 to this report.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press Release dated September 29, 2006

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SIGNATURES

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

Global Payments Inc.

(Registrant)

Date: September 29, 2006

By: /s/ Joseph C. Hyde

Joseph C. Hyde
Chief Financial Officer

GLOBAL PAYMENTS REPORTS FIRST QUARTER EARNINGS

ATLANTA, Sept. 29 /PRNewswire-FirstCall/ -- Global Payments Inc. (NYSE: GPN) today announced results for its first quarter ended August 31, 2006. For the first quarter, revenue grew 16 percent to \$260.3 million compared to \$224.5 million in the prior year. Excluding the impact of current period stock option expense and prior year restructuring charges, net income grew 41 percent to \$44.2 million compared to \$31.3 million in the prior year quarter, and diluted earnings per share grew 38 percent to \$0.54 compared to \$0.39 in the prior year quarter.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20010221/ATW031LOGO>)

In accordance with GAAP, prior period net income and diluted earnings per share include certain restructuring charges (see attached reconciliation schedule) relating to an operating center consolidation, which was announced in July 2005. These charges consisted of employee termination benefits. Additionally, the current fiscal quarter includes the recognition of stock option expenses as a result of the company's June 1, 2006 adoption of Statement of Financial Accounting Standards No. 123(R) using the modified prospective method. First quarter fiscal 2007 GAAP net income and diluted earnings per share were \$41.5 million and \$0.51, respectively, compared to \$30.7 million and \$0.38, respectively, in the prior year quarter.

Comments and Outlook

Chairman, President and CEO, Paul R. Garcia, stated, "We are very pleased with our first quarter fiscal 2007 financial results, which were driven primarily by strong revenue and operating margin growth in our merchant services segment. Our domestic ISO channel remains one of the fastest growing areas of the company, with outstanding expansion in the quarter. We are also delighted with the progress made in our new HSBC joint venture and continue to move forward with our sales strategy to take advantage of the strong growth opportunities present in the Asia-Pacific region. We also remain very pleased with our money transfer segment, which achieved solid revenue growth of 18% during the quarter. Based on our overall strong results, we are raising the low end of our annual fiscal 2007 revenue guidance to \$1,057 million, and reaffirming the high end of this guidance of \$1,084 million. This revenue guidance reflects an expected 16 percent to 19 percent growth versus \$908 million in fiscal 2006. In addition, we are raising our annual fiscal 2007 diluted earnings per share guidance to a range of \$1.79 to \$1.85, excluding the impact of stock option expenses as a result of our adoption of FAS 123R, for an expected growth of 16 percent to 20 percent versus \$1.54 in fiscal 2006." (1) Including the impact of these stock option expenses, our annual fiscal 2007 diluted earnings per share guidance is \$1.69 to \$1.75.

Conference Call

Global Payments will hold a conference call today, September 29, 2006 at 10:30 a.m. ET to discuss financial results and business highlights. The conference call may be accessed by calling 1-888-791-2132 (U.S.) or 1-517-623-4000 (internationally) and using a pass code of "GPN" for both numbers, or via Web cast at www.globalpaymentsinc.com. A replay of the call will be available on the Global Payments Web site through October 13, 2006.

Global Payments Inc. (NYSE: GPN) is a leading provider of electronic transaction processing services for consumers, merchants, Independent Sales Organizations (ISOs), financial institutions, government agencies and multi-national corporations located throughout the United States, Canada, Latin America, Europe and the Asia-Pacific. Global Payments offers a comprehensive line of processing solutions for credit and debit cards, business-to-business purchasing cards, gift cards, electronic check conversion and check guarantee, verification and recovery including electronic check services, as well as terminal management. The company also provides consumer money transfer services from the U.S. and Europe to destinations in Latin America, Morocco and the Philippines. For more information about the company and its services, visit www.globalpaymentsinc.com.

(1) Fiscal 2006 diluted earnings per share was \$1.53 on a GAAP basis, which includes restructuring charges equivalent to \$0.01 in diluted earnings per share.

This announcement and comments made by Global Payments' management during the conference call may contain forward-looking statements pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements involve risks and uncertainties such as product demand, market and customer acceptance, the effect of economic conditions, competition, pricing, development difficulties, foreign currency risks, costs of capital, continued certification by credit card associations, the ability to consummate and integrate acquisitions, and other risks detailed in the company's SEC filings, including the most recently filed Form 10-Q or Form 10-K, as applicable. The company undertakes no obligation to revise any of

these statements to reflect future circumstances or the occurrence of unanticipated events.

Contact: Jane M. Elliott
770-829-8234 Voice
770-829-8267 Fax
investor.relations@globalpay.com

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Three Months Ended August 31,	
	2006	2005
Revenues	\$ 260,308	\$ 224,456
Operating expenses:		
Cost of service	98,190	93,183
Sales, general and administrative	98,591	79,876
Restructuring	-	873
	196,781	173,932
Operating income	63,527	50,524
Other income (expense):		
Interest and other income	3,596	914
Interest and other expense	(2,162)	(1,520)
	1,434	(606)
Income before income taxes and minority interest	64,961	49,918
Provision for income taxes	(20,909)	(17,022)
Minority interest, net of tax	(2,543)	(2,158)
Net income	\$ 41,509	\$ 30,738
Earnings per share:		
Basic	\$ 0.52	\$ 0.39 (1)
Diluted	\$ 0.51	\$ 0.38 (1)
Weighted average shares outstanding:		
Basic	79,734	78,024 (1)
Diluted	81,576	81,014 (1)

(1) All share and per share amounts reflect the retroactive effect of the company's two-for-one stock split, which was completed through a stock dividend that was distributed on October 28, 2005.

CONSOLIDATED CONDENSED BALANCE SHEETS
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands)

	August 31, 2006	May 31, 2006

	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 168,578	\$ 218,475
Accounts receivable, net	76,157	67,476
Claims receivable, net	1,592	903
Settlement processing assets	37,979	39,671
Other current assets	28,524	21,881
Current assets	312,830	348,406
Property and equipment, net	109,396	107,977
Goodwill	434,198	387,280
Other intangible assets, net	182,234	167,182
Other assets	12,362	7,833
Total assets	\$ 1,051,020	\$ 1,018,678
Liabilities and Shareholders' Equity		
Lines of credit	\$ 49	\$ -
Settlement processing obligations	29,406	37,942
Payable to money transfer beneficiaries	5,828	6,361
Accounts payable and other accrued liabilities	96,649	104,606
Obligations under capital leases-current portion	397	746
Current liabilities	132,329	149,655
Other long-term liabilities	82,481	85,804

Total liabilities	214,810	235,459
Minority interest in equity of subsidiaries	15,320	12,996
Shareholders' equity	820,890	770,223
Total liabilities and shareholders' equity	\$ 1,051,020	\$ 1,018,678

UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands)

	Three Months Ended August 31,	
	2006	2005
Cash flows from operating activities:		
Net income	\$ 41,509	\$ 30,738
Non-cash items		
Depreciation and amortization	9,805	10,396
Minority interest in earnings	2,651	2,158
Other, net	9,554	8,368
Changes in working capital, which (used) provided cash		
Settlement processing	(7,572)	14,597
Other, net	(33,587)	(12,198)
Net cash provided by operating activities	22,360	54,059
Cash flows from investing activities:		
Capital expenditures	(6,929)	(5,206)
Business acquisitions, net of cash acquired	(67,195)	(480)
Net cash used in investing activities	(74,124)	(5,686)
Cash flows from financing activities:		
Net borrowings (payments) on line of credit	49	(57,673)
Principal payments under capital leases and other notes	(349)	(1,012)
Net stock issued to employees under stock plans and dividends	5,585	(1,016)
Distributions to minority interests	(2,530)	(2,818)
Net cash provided by (used) in) financing activities	2,755	(62,519)
Effect of exchange rate changes on cash	(888)	621
Decrease in cash and cash equivalents	(49,897)	(13,525)
Cash and cash equivalents, beginning of period	218,475	48,979
Cash and cash equivalents, end of period	\$ 168,578	\$ 35,454

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
GLOBAL PAYMENTS INC. AND SUBSIDIARIES

Reconciliation to Exclude Restructuring and Stock Option Expenses from Normalized Results

(In thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended August 31,					
	2006			2005		
	Normalized	Stock Options (1)	GAAP	Normalized	Restructuring (2)	GAAP
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue	\$ 260,308	\$ -	\$ 260,308	\$ 224,456	\$ -	\$ 224,456
Operating expenses:						
Cost of service	98,190	-	98,190	93,183	-	93,183
Sales, general and administrative	94,588	4,003	98,591	79,876	-	79,876
Restructuring	-	-	-	-	873	873
Operating income	192,778	4,003	196,781	173,059	873	173,932
Other income/(expense)	67,530	(4,003)	63,527	51,397	(873)	50,524
Interest and other						

income	3,596	-	3,596	914	-	914
Interest and other expense	(2,162)	-	(2,162)	(1,520)	-	(1,520)
	1,434	-	1,434	(606)	-	
(606)						
Income before income taxes	68,964	(4,003)	64,961	50,791	(873)	49,918
Provision for income taxes	(22,198)	1,289	(20,909)	(17,320)	298	(17,022)
Minority interest, net of tax	(2,543)	-	(2,543)	(2,158)	-	(2,158)
Net income	\$ 44,223	\$ (2,714)	\$ 41,509	\$ 31,313	\$ (575)	\$ 30,738
Basic shares	79,734	-	79,734	78,024	-	78,024
Basic earnings per share	\$ 0.55	\$ (0.03)	\$ 0.52	\$ 0.40	\$ (0.01)	\$ 0.39
Diluted shares	81,576	-	81,576	81,014	-	81,014
Diluted earnings per share	\$ 0.54	\$ (0.03)	\$ 0.51	\$ 0.39	\$ (0.01)	\$ 0.38

</TABLE>

- (1) Relates to the company's adoption of SFAS 123(R) on June 1, 2006, which requires the recognition of compensation expense resulting from employee stock options. Also reflects the related income tax benefit using the company's effective tax rate, which is defined as the provision for income taxes divided by income before income taxes and minority interest.
- (2) Restructuring amount consists of employee termination benefits relating to an operating center consolidation. Also reflects the related income tax benefit using the company's effective tax rate, as described above.

SEGMENT INFORMATION

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands)

	Three Months Ended August 31,	
	2006	2005
Revenues		
Domestic direct	\$ 135,442	\$ 115,265
Canada	60,918	54,278
Central and Eastern Europe	13,275	12,727
Asia-Pacific	5,486	-
Domestic indirect and other(1)	12,195	14,168
Merchant services(1)	227,316	196,438
Domestic	29,302	25,701
Europe	3,690	2,317
Money transfer(1)	32,992	28,018
Total revenues	\$ 260,308	\$ 224,456
Operating income		
Merchant services	\$ 72,961	\$ 56,248
Money transfer	4,679	4,579
Corporate(2)	(14,113)	(9,430)
Restructuring	-	(873)
Operating income	\$ 63,527	\$ 50,524

- (1) Prior to fiscal 2006, the company's legacy funds transfer revenue was historically reported in "Money transfer". Beginning in the fourth quarter of fiscal 2006, such revenues were reclassified to "Merchant services" under the "Domestic indirect and other" category. All prior period amounts were reclassified for this change. With this change, the company's "Money transfer" segment only includes its consumer money transfer service offerings.
- (2) Fiscal 2007 includes compensation expense resulting from employee stock options as a result of our adoption of FAS 123R. Fiscal 2006 does not include these expenses.

SOURCE Global Payments Inc.

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/CONTACT: Jane M. Elliott of Global Payments Inc., +1-770-829-8234, Fax, +1-770-829-8267, or investor.relations@globalpay.com/
 /Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/20010221/ATW031LOGO>
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 /Web site: <http://www.globalpaymentsinc.com/>