First Quarter 2013 Results

May 2, 2013

Disclaimer

This presentation may contain forward-looking statements with respect to the financial condition, results of operation, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Statements preceded by, followed by or that include words such as “may,” “will,” “expect,” “anticipate,” “continue,” “intend,” “estimate,” “project,” “believe” or similar expressions are intended to identify some of the forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of that Act. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described in Part I, Item 1A under the caption “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2012, together with its quarterly reports on Form 10-Q made with the SEC through the date of this earnings release. These forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update publicly or revise any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as required by federal securities law.

Q1 2013 Financial Highlights

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$ in Millions, except Diluted Income/(Loss) Per Common Share

	Q1 2013	YOY%
Total Revenue	$340.5	7%
Fee & Other Revenue	$337.7	7%
EBITDA (1)	$19.6	(64%)
Adjusted EBITDA (1)	$72.3	6%
Diluted Income/(Loss) Per Common Share	($0.18)	NM
Free Cash Flow (2)	$32.8	16%

NM = Not meaningful

(1) See EBITDA & Adjusted EBITDA slide for reconciliation to GAAP measures.
(2) Free Cash Flow is defined as Adjusted EBITDA less cash interest expense, cash tax expense, cash payments for capital expenditures and agent signing bonuses.

Segment Highlights

$ in Millions

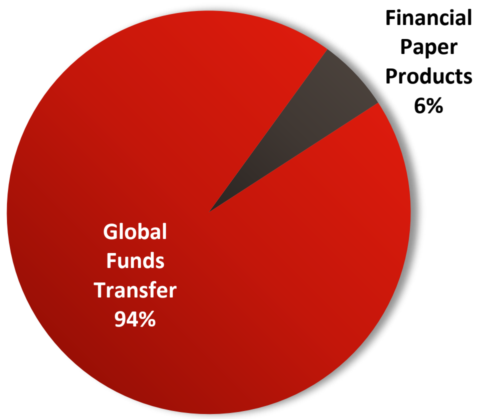
	Q1 2013	YOY%
Global Funds Transfer		
Money Transfer Revenue	$294.4	10%
Bill Payment Revenue	$26.0	(6%)
Total Revenue	$320.4	8%
Operating Income	$41.4	24%
Operating Margin	12.9%	+168 bps
Adjusted Operating Margin	14.5%	+42 bps
Financial Paper Products		
Revenue	$19.9	(8%)
Operating Income	$6.9	(23%)
Operating Margin	34.7%	-681 bps
Adjusted Operating Margin	37.7%	-793 bps

Money Transfer Highlights

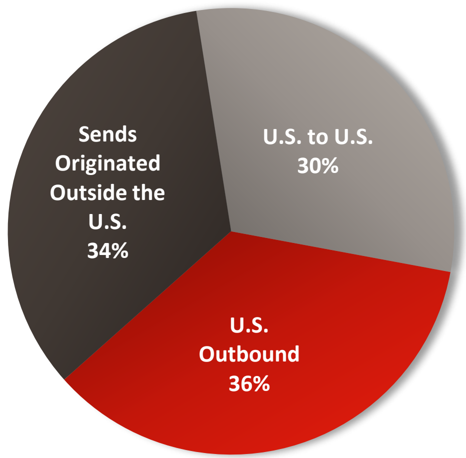
	Q1 2013	Q1 YOY (%)
Global Agent Locations	321,000	
Transaction Volume Growth		
Total Transactions		11%
U.S. to U.S.		7%
U.S. Outbound		13%
U.S. to Mexico		23%
Sends Originated Outside U.S.		13%
Revenue Growth		
Money Transfer Revenue		10%
Money Transfer Constant Currency		10%

Q1 2013 Business Segment and Category Breakout

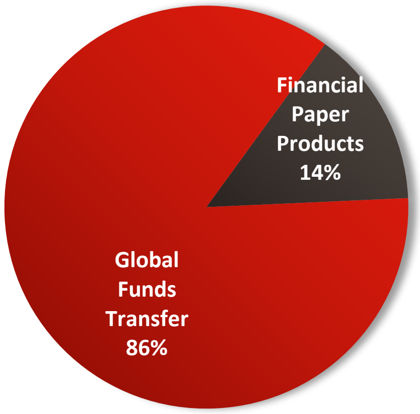
Revenue by Segment (a)



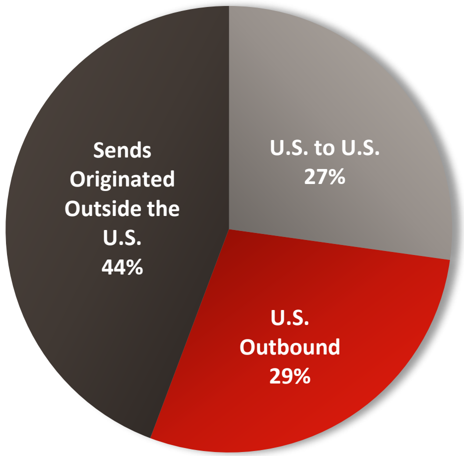
Money Transfer Transactions by Category



Operating Income by Segment (a)



Money Transfer Revenue by Category



(a) Excludes other and unallocated expenses, approximated

Q1 2013 EBITDA & Adjusted EBITDA

$ in Millions

	Q1 2013	Q1 2012
(Loss) Income before income Taxes	($18.4)	$18.0
Interest expense	17.4	17.9
Depreciation and amortization	11.8	10.7
Amortization of agent signing bonuses	8.8	8.4
EBITDA	**$19.6**	**$55.0**
Significant items impacting EBITDA:		
Severance and related costs(1)	-	0.5
Reorganization and restructuring costs	3.2	5.8
Debt extinguishment(2)	45.3	-
Stock-based and contingent performance compensation(3)	3.1	3.5
Legal expenses (4)	1.1	3.6
Adjusted EBITDA	**$72.3**	**$68.4**
Adjusted EBITDA Margin (5)	**21.2%**	**21.5%**

(1) Severance and related costs from executive terminations.
(2) Debt extinguishment costs upon the termination of the 2011 Credit Agreement and second lien notes in connection with the 2013 Credit Agreement.
(3) Stock-based compensation and one-time contingent performance awards payable after three years based on achievement of revenue growth targets.
(4) Legal expenses are primarily in connection with the settlement related to the U.S. Attorney's Office for the Middle District of Pennsylvania investigation, the IRS tax litigation and the shareholder derivative litigation, and legal fees and expenses related to these matters.
(5) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Total Revenue.

Q1 2013 Summary of Adjusting Items

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$ in Millions

	Q1 2013 Total	Compensation & Benefits	Transaction & Operations Support	Occupancy Equipment & Supplies	Debt Extinguishment Loss (non-operating)
Reorganization and restructuring costs	$ 3.2	$ 1.6	$ 0.3	$ 1.3	-
Stock-based and contingent performance compensation(1)	3.1	2.9	0.2	-	-
Legal expenses(2)	1.1	-	1.1	-	-
Debt extinguishment(3)	45.3	-	-	-	45.3
Total	**$ 52.7**	**$ 4.5**	**$ 1.6**	**$ 1.3**	**$ 45.3**

(1) Severance and related costs from executive terminations.
(2) Legal expenses are primarily in connection with the settlement related to the U.S. Attorney's Office for the Middle District of Pennsylvania investigation, the IRS tax litigation and the shareholder derivative litigation, and legal fees and expenses related to these matters.
(3) Debt extinguishment costs upon the termination of the 2011 Credit Agreement and Senior Secured Second Lien Note in connection with the 2013 Credit Agreement.

Q1 2013 Free Cash Flow

$ in Millions

	Q1 2013
Adjusted EBITDA	$ 72.3
Cash payments for interest	(15.6)
Cash payments for tax	(0.1)
Cash payments for capital expenditures	(15.2)
Cash payments for agent signing bonuses	(8.6)
Free Cash Flow	**$ 32.8**

Non-GAAP Measures

In addition to results presented in accordance with GAAP, this press release and related tables include certain non-GAAP financial measures, including a presentation of EBITDA (earnings before interest, taxes, depreciation and amortization, including agent signing bonus amortization), Adjusted EBITDA (EBITDA adjusted for significant items), Adjusted EBITDA Margin and Free Cash Flow (Adjusted EBITDA less cash interest expense, cash tax expense, cash payments for capital expenditures and agent signing bonuses), and constant currency measures. In addition, we also present Adjusted Operating Income and Adjusted Operating Margin for our two reporting segments. The following tables include a full reconciliation of these non-GAAP financial measures to the related GAAP financial measures.

We believe that these non-GAAP financial measures provide useful information to investors because they are an indicator of the strength and performance of ongoing business operations, including our ability to service debt and fund capital expenditures, acquisitions and operations. These calculations are commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare the operating performance and value of companies within our industry. In addition, the Company's debt agreements require compliance with financial measures based on EBITDA and Adjusted EBITDA. Finally, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, and constant currency figures are financial measures used by management in reviewing results of operations, forecasting, assessing cash flow and capital, allocating resources or establishing employee incentive programs. Although MoneyGram believes the above non-GAAP financial measures enhance investors' understanding of its business and performance, these non-GAAP financial measures should not be considered an exclusive alternative to accompanying GAAP financial measures.