



Fourth Quarter and Fiscal Year 2013 Results

February 11, 2014



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 “believes,” “estimates,” “expects,” “projects,” “plans,” “will,” “should,” “could,” “would”, "goals", "anticipates" and other 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 presentation. 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.

Financial Highlights



\$ in Millions, except Diluted Income Per Common Share

	Q4 2013	YOY%	FY 2013	YOY%
Total Revenue	\$385.8	9%	\$1,474.4	10%
Fee & Other Revenue	\$381.7	9%	\$1,456.8	10%
EBITDA	\$69.2	NM	\$226.1	62%
Adjusted EBITDA ⁽¹⁾	\$76.4	7%	\$295.5	6%
Diluted Income Per Common Share	\$0.33	NM	\$0.73	NM
Adjusted Free Cash Flow ⁽²⁾	\$21.7	(10%)	\$149.8	29%

NM = Not meaningful

Total constant currency revenue increased 10% and constant currency adjusted EBITDA growth was 5% for the year

(1) See EBITDA & Adjusted EBITDA slide for reconciliation to GAAP measures.

(2) Adjusted 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 Results



\$ in Millions

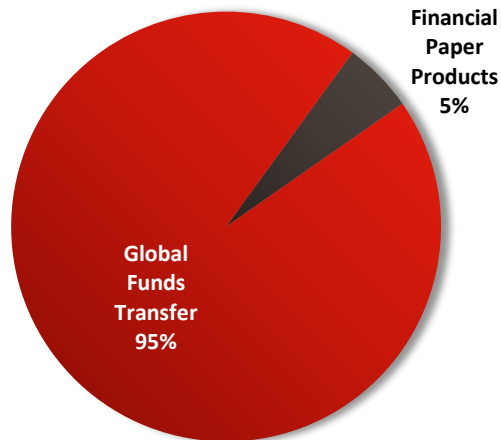
	Q4 2013	YOY%	FY 2013	YOY%
Global Funds Transfer				
Money Transfer Revenue	\$340.0	11%	\$1,287.8	12%
Bill Payment Revenue	\$25.4	(2%)	\$102.0	(4%)
Total Revenue	\$365.4	10%	\$1,389.8	11%
Operating Income	\$40.1	4%	\$162.6	9%
Operating Margin	11.0%	-50 bps	11.7%	-20 bps
Adjusted Operating Margin	12.6%	-100 bps	12.9%	-110 bps
Financial Paper Products				
Total Revenue	\$20.5	(2%)	\$84.0	(1%)
Operating Income	\$5.9	(27%)	\$30.9	(6%)
Operating Margin	28.8%	-980 bps	36.8%	-190 bps
Adjusted Operating Margin	30.2%	-1030 bps	38.6%	- 280bps

Money Transfer Results

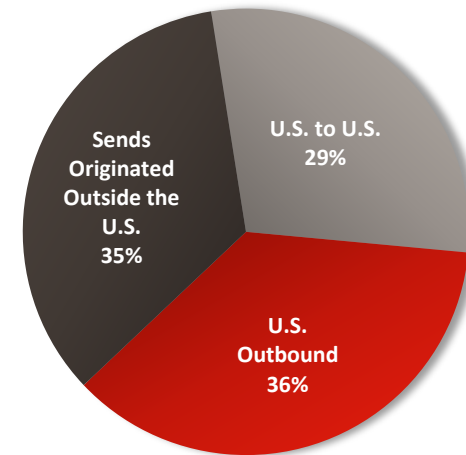


		Q4 2013 YOY (%)	FY 2013 YOY (%)
Global Agent Locations	336,000		8%
Transaction Volume Growth			
Total Transactions		11%	13%
U.S. to U.S.		7%	7%
U.S. Outbound		18%	18%
U.S. to Mexico		34%	31%
Sends Originated Outside the U.S.		8%	13%
Revenue Growth			
Money Transfer Revenue		11%	12%
Money Transfer Constant Currency		10%	12%

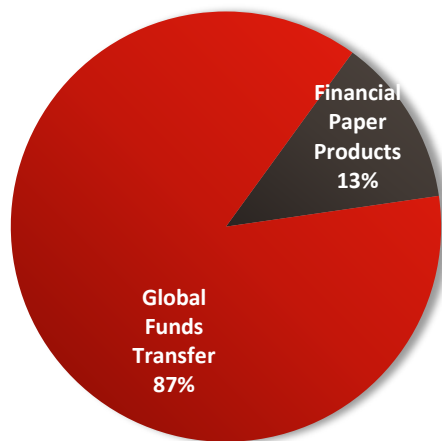
Revenue by Segment



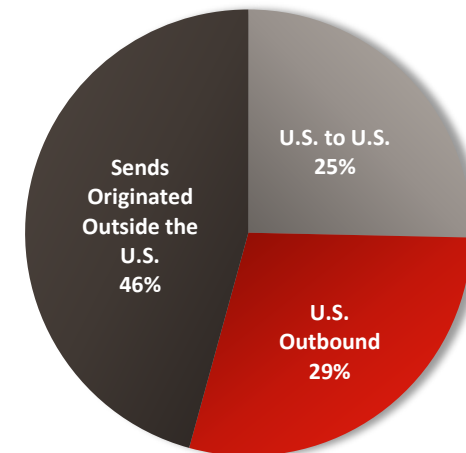
Money Transfer Transactions by Category



Operating Income by Segment ^(a)

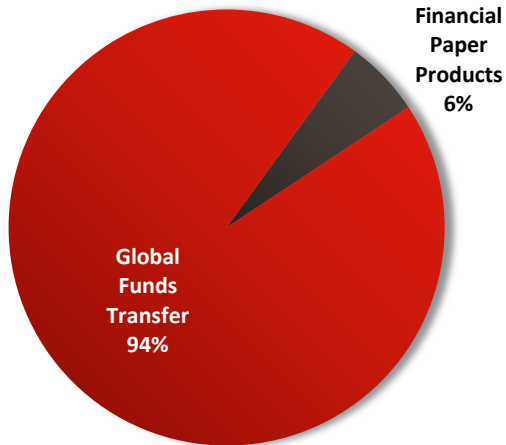


Money Transfer Revenue by Category

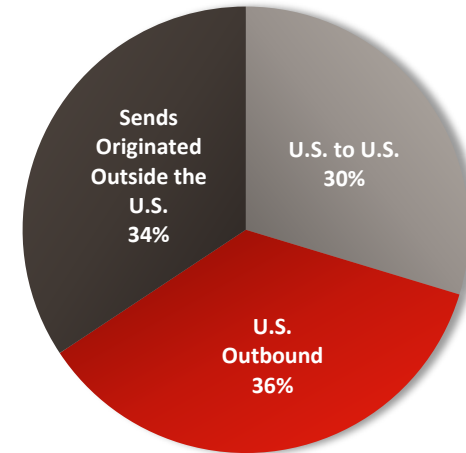


(a) Excludes other and unallocated expenses, approximated

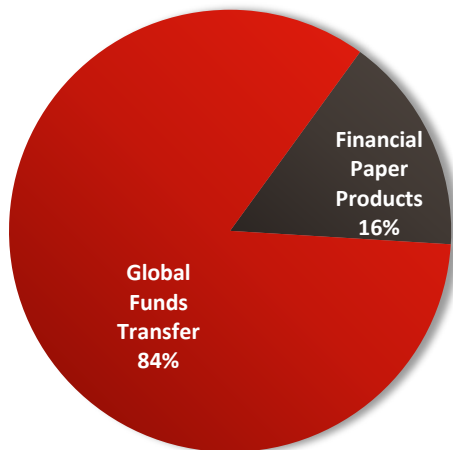
Revenue by Segment



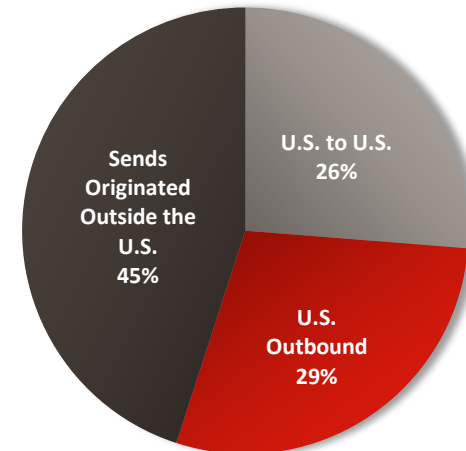
Money Transfer Transactions by Category



Operating Income by Segment ^(a)



Money Transfer Revenue by Category



(a) Excludes other and unallocated expenses, approximated

Self-Service and New Channel



- Self Service and new channel represented 7% of money transfer revenue in the quarter
- Over 260,000 new customer MoneyGram Online profiles in the quarter

Q4 2013	Transaction Growth	Revenue Growth
Self-Service and New Channel Money Transfer	53%	38%
MoneyGram Online (Money Transfer & Bill Pay)	32%	27%

FY 2013	Transaction Growth	Revenue Growth
Self-Service and New Channel Money Transfer	47%	30%
MoneyGram Online (Money Transfer & Bill Pay)	44%	24%

EBITDA & Adjusted EBITDA



\$ in Millions

	Q4 2013	FY 2013
Income before income Taxes	\$33.0	\$85.3
Interest expense	10.0	47.3
Depreciation and amortization	14.2	50.7
Amortization of agent signing bonuses	12.0	42.8
EBITDA	\$69.2	\$226.1
Significant items impacting EBITDA:		
Severance and related costs ⁽¹⁾	-	1.5
Reorganization and restructuring costs	-	3.2
Compliance enhancement program	2.8	2.8
Debt extinguishment ⁽²⁾	-	45.3
Stock-based and contingent performance compensation ⁽³⁾	4.0	14.1
Legal expenses ⁽⁴⁾	0.4	2.5
Adjusted EBITDA	\$76.4	\$295.5
Adjusted EBITDA Margin ⁽⁵⁾	19.8%	20.0%

(1) Severance and related costs primarily from executive terminations.

(2) Debt extinguishment costs relate to the termination of our second lien notes in connection with the 2013 Credit Agreement.

(3) Stock-based compensation and one-time contingent performance award payable after three years based on the achievement of revenue growth targets.

(4) Legal expenses are primarily in connection with the settlement related to the MDPA/U.S. DOJ investigation and certain ongoing legal matters.

(5) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenue.

4Q 2013 Summary of Adjusting Items



\$ in Millions

	Q4 2013 Total	Transaction & Operations Support	Compensation & Benefits
Compliance enhancement program	\$ 2.8	\$ 2.7	\$ 0.1
Stock-based and contingent performance compensation ⁽¹⁾	4.0	0.1	3.9
Legal expenses ⁽²⁾	0.4	0.4	-
Total	\$ 7.2	\$ 3.2	\$ 4.0

(1) Stock-based compensation and one-time contingent performance award payable after three years based on achievement of revenue growth targets.

(2) Legal expenses are primarily in connection with the settlement related to the MDPA/U.S. DOJ investigation and certain ongoing legal matters.

FY 2013 Summary of Adjusting Items



\$ in Millions

	FY 2013 Total	Transaction & Operations Support	Compensation & Benefits	Occupancy Equipment & Supplies	Debt Extinguishment (non-operating)
Severance and related costs ⁽¹⁾	\$ 1.5	\$ -	\$ 1.5	\$ -	\$ -
Reorganization and restructuring costs	3.2	0.7	1.2	1.3	-
Compliance enhancement program	2.8	2.7	0.1	-	-
Debt extinguishment ⁽²⁾	45.3	-	-	-	45.3
Stock-based and contingent performance compensation ⁽³⁾	14.1	0.5	13.6	-	-
Legal expenses ⁽⁴⁾	2.5	2.5	-	-	-
Total	\$ 69.4	\$ 6.4	\$ 16.4	\$ 1.3	\$ 45.3

(1) Severance and related costs primarily from executive terminations.

(2) Debt extinguishment costs relate to the termination of our second lien notes in connection with the 2013 Credit Agreement.

(3) Stock-based compensation and one-time contingent performance award payable after three years based on achievement of revenue growth targets.

(4) Legal expenses are primarily in connection with the settlement related to the MDPA/U.S. DOJ investigation and certain ongoing legal matters.

Adjusted Free Cash Flow



\$ in Millions

	Q4 2013	FY 2013
Adjusted EBITDA	\$ 76.4	\$ 295.5
Cash interest expense	(9.3)	(43.9)
Cash tax expense	(7.8)	(8.0)
Cash payments for capital expenditures	(11.6)	(48.8)
Cash payments for agent signing bonuses	(26.0)	(45.0)
Adjusted Free Cash Flow	\$ 21.7	\$ 149.8

2014 Outlook

*Constant
Currency Revenue
Growth: 8-10%*

*Constant
Currency Adjusted
EBITDA Growth:
7-9%*

*Constant
Currency Monitor
Adjusted EBITDA
Growth:
5-7% **

✓ Enhance Compliance

- Implement market-leading systems, technology and processes, and increase agent oversight
- Address enhancements recommended by monitor
- Incur cash outlays of \$80 to \$90 million over the next three years

✓ Invest for Multi-Channel Growth

- Diversify revenue base
- Improve convenience and flexibility for customers

✓ Reorganize & Restructure

- Enhance operating efficiencies and reduce the Company's cost structure
- Incur cash outlays over the next two years of approx. \$30 to \$40 million for annual pre-tax cost savings of approx. \$15 to \$20 million on a run-rate basis exiting 2015

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 Adjusted 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.

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. Finally, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted 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.