



First Data Reports Fourth Quarter Revenue Growth of 11%

Reports Full-Year Revenue Growth of 14%

DENVER, March 13, 2008 – First Data Corp. today reported its financial results for the fourth quarter and full year ended December 31, 2007. Consolidated revenues for the quarter were up 11% to \$2.1 billion. Adjusted EBITDA excluding projected near-term cost savings for the quarter was up 5% to \$662 million.

For the quarter, the loss from continuing operations was \$273 million but included \$499 million of merger related costs and other costs directly attributable to the transaction with affiliates of Kohlberg Kravis Roberts & Co. (the “Transaction”). These costs are referred to collectively as “Merger Impacts.”¹ A table describing adjusted EBITDA and reconciling income (loss) from continuing operations to adjusted EBITDA is included in the accompanying schedules.

For the full year, consolidated revenues were up 14% to \$8.1 billion. Adjusted EBITDA excluding projected near-term cost savings was up 6% to \$2.5 billion. Income from continuing operations was \$163 million, but included Merger Impacts of \$720 million. Excluding Merger Impacts, full-year 2007 income from continuing operations grew 4%.

“Our performance reflects continued execution in a challenging economic environment,” said Michael Capellas, Chairman and Chief Executive Officer. “In the fourth quarter, First Data saw accelerated momentum in the areas of new product innovation, sales execution and operational efficiency.”

Segment Results

Commercial Services

For the quarter, **Commercial Services** reported revenue of \$1.2 billion, up 7% or 10% excluding purchase accounting adjustments. Excluding reimbursable debit network fees and purchase accounting adjustments, revenue growth was 5%. Lower revenue growth, compared to the fourth quarter of 2006, was primarily the result of a large merchant rolling out First Data’s Electronic Check Acceptance product in the comparable prior year period. In addition, a bank deconversion from the STAR Network in the fourth quarter and lower consumer transaction volumes in December 2007 resulted in lower transaction and processing revenue. Operating profit was \$112 million, down 63% or up 3% excluding purchase accounting adjustments. Operating profit margin, excluding reimbursable debit network fees and purchase accounting adjustments, was 33.8%. Reported operating profit margin for the quarter was 9.4%.

Full-year Commercial Services revenue was \$4.5 billion, up 9% or 10% excluding purchase accounting adjustments. Excluding reimbursable debit network fees and purchase accounting adjustments, revenue growth was 6%. Operating profit was \$939 million, down 14% or up 6% excluding purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction.

¹ Merger Impacts include after tax: merger related costs and other costs directly attributable to the Transaction, such as purchase accounting (principally increased amortization expense), non-recurring accelerated stock based compensation and related payroll taxes, non-recurring charges related to debt repayment, non-cash derivative losses of the acquisition corporation merged into the company and other derivative impacts, non operating foreign exchange losses, sponsor’s annual management fee, and incremental net interest expense on the new debt structure.

Full-year operating profit margin, excluding reimbursable debit network fees, purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction, was relatively flat at 32.7% compared to 32.9% last year. Reported operating profit margin was 20.8%.

Financial Institution Services

For the quarter, **Financial Institution Services** revenue was \$504 million, up 4% or flat excluding reimbursables and purchase accounting adjustments. Operating profit was \$62 million, down 36% or down 2% excluding purchase accounting adjustments. Revenue and operating profit in the quarter were impacted by previously anticipated price compression from contract renewals and by lost business in the STAR Network. Operating profit margin for the quarter was 29.1% excluding reimbursables and purchase accounting adjustments. Reported operating profit margin was 12.2% for the quarter.

Full-year Financial Institution Services revenue was \$2.0 billion, up 8% or up 5% excluding reimbursables and purchase accounting adjustments. Operating profit was \$345 million, down 7% or up 3% excluding reimbursables, purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction. Full-year operating margin was 29.8% excluding reimbursables, purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction. Reported operating profit margin was 17.4%.

First Data International

For the quarter, **First Data International** generated revenue of \$479 million, up 27%. Revenue growth on a constant currency basis, excluding acquisitions and divestitures, was 8%. This 8% growth was lower compared to the fourth quarter of 2006 primarily due to a card portfolio sale and a significant contract renewal in the comparable prior year period. Operating profit was \$55 million, down 6% or up 5% excluding purchase accounting adjustments. Operating profit margin was 12.9% excluding purchase accounting adjustments. Operating profit included approximately \$10 million of incremental investments in data center consolidation, platform initiatives and strategic business development, which negatively impacted the 12.9% operating profit margin by two percentage points during the quarter. Reported operating profit margin was 11.5%.

Full-year First Data International revenue was \$1.7 billion, up 32%. Revenue growth on a constant currency basis, excluding acquisitions and divestitures, was 8%. Operating profit was \$169 million, up 10% or up 16% excluding purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction. Full-year operating profit margin was 10.6% excluding purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction. Full-year operating profit included approximately \$33 million of incremental investments in data center consolidation, platform initiatives and strategic business development which negatively impacted the 10.6% operating profit margin by two percentage points. Reported operating profit margin was 10.1%.

Other Matters

Effective January 1, 2008, First Data adopted a revised segment reporting structure. The company's segments will include Merchant Services, Financial Services, International, Prepaid Services and Integrated Payment Systems. For applicable prior year and quarterly periods, the company will provide financials realigned to these segments.

In January of 2008, the company's Official Check and Money Order business (the "Official Check Business") repositioned its investment portfolio to mostly short-term taxable securities. This repositioning did not result in material gains or losses to the company. The Official Check Business comprises most of First Data's Integrated Payment Systems segment which the company is winding down. The Official Check Business processes official checks and money orders and the revenue is primarily driven from its investment portfolio. First Data's TeleCheck business is not related to the Official Check Business and is not impacted by the portfolio repositioning.

First Data's largest merchant alliance, Chase Paymentech Solutions, LLC ("Chase Paymentech"), is 51% owned by J.P. Morgan Chase Bank, N.A. ("JPMorgan") and 49% owned by First Data. The current term of the existing alliance agreement expires in 2010; however, JPMorgan had the right to terminate the alliance due to the change of control upon the closing of the Transaction. First Data has extended the time period to exercise this right to allow for further discussions regarding the alliance. If JPMorgan exercises its termination right, First Data has the right to receive 49% of the alliance's merchant contracts by value and be allocated 49% of the alliance's sales force. A termination is not expected to have a material impact to income from continuing operations or adjusted EBITDA and First Data's reported revenues would increase. Potential risks if the alliance is terminated include the potential loss of certain processing volume over time, the loss of JPMorgan branch referrals, the loss of access to the JPMorgan brand, and post-termination competition by JPMorgan.

Presentation of Financial Information

The financial information presented in the company's Annual Report on Form 10-K filed with the Securities and Exchange Commission and in the attached financial schedules for the quarter and year ended December 31, 2007 is presented for two periods: Predecessor and Successor, which primarily relate to the periods preceding the Transaction and the period succeeding the Transaction respectively. Note that the successor period includes the results of operations of the acquisition corporation merged into First Data for the period prior to the merger from March 29, 2007 (its formation) through September 24, 2007 (comprised entirely of the change in fair value of certain forward starting, deal contingent interest rate swaps). The successor period also includes post merger results of First Data Corporation for the period from September 25, 2007 to December, 31 2007 including all impacts of purchase accounting. This release discusses the full-year on a combined basis, including the successor period from September 25, 2007 through December, 31 2007 and the predecessor period from January 1, 2007 through September 24, 2007. The company believes that the discussion on a combined basis is more meaningful as it allows the results of operations to be analyzed to a comparable period in 2006.

Non-GAAP Measures

In certain circumstances, results have been presented that are non-GAAP measures and should be viewed in addition to, and not in lieu of, the company's reported results. Reconciliations to comparable GAAP (generally accepted accounting principles) measures are available in the accompanying schedules and in the "Investor Relations" section of the company's web site at www.firstdata.com.

Investor and Analyst Conference Call

The company will host a conference call and webcast on Friday, March 14, at 8:00 a.m. (MDT) to review fourth quarter and full-year 2007 financial results. Michael Capellas, Chairman and Chief Executive Officer of First Data, will lead the call. Also participating will be Kim Patmore, Chief Financial Officer and Silvio Tavares, Senior Vice President, Investor Relations.

To listen to the call, dial +1-877-419-6594 (U.S.) or +1-719-325-4867 (outside the U.S.) ten minutes prior to the start of the call. The call will also be webcast on the First Data website, www.firstdata.com. Please click on the webcast link at least 15 minutes prior to the call. A slide presentation to accompany the call will be included in the webcast and will be made available under the “Investor Relations” section of the website, <http://ir.firstdatacorp.com/events.cfm>.

A replay of the call will be available through March 21, at +1-888-203-1112 (U.S.) or +1-719-457-0820 (outside the U.S.), replay passcode 3552043 and via webcast on www.firstdata.com.

Please note: All statements made by First Data officers on this call are the property of First Data and subject to copyright protection. Other than the replay, First Data has not authorized, and disclaims responsibility for any recording, replay or distribution of any transcription of this call.

About First Data

First Data Corp. is a leading provider of electronic commerce and payment solutions for businesses worldwide. With operations in 37 countries, First Data serves over 5.4 million merchant locations, over 2,000 card issuers and their customers. We power the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment. The company's portfolio of services and solutions includes merchant transaction processing services; credit, debit, private-label, gift, payroll and other prepaid card offerings; fraud protection and authentication solutions; receivables management solutions; electronic check acceptance services through TeleCheck; as well as Internet commerce, loyalty and mobile payment solutions. The company's STAR Network offers PIN-secured debit acceptance at 2.1 million ATM and retail locations. For more information, visit www.firstdata.com.

First Data Corp.

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FIRST DATA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions)

| | <u>Successor</u> | <u>Predecessor</u> | |
|--|--|--|---------------|
| | <u>Three months ended December 31,</u> | <u>Three months ended December 31,</u> | |
| | <u>2007</u> | <u>2006</u> | <u>Change</u> |
| Revenues: | | | |
| Transaction and processing service fees: | | | |
| Merchant services | \$ 758.2 | \$ 718.5 | 6% |
| Check services | 104.0 | 95.6 | 9% |
| Card services | 498.6 | 453.9 | 10% |
| Other services | 96.7 | 86.3 | 12% |
| Investment income, net | (7.4) | (32.0) | NM |
| Product sales and other | 211.0 | 195.4 | 8% |
| Reimbursable debit network fees, postage and other | 482.1 | 404.7 | 19% |
| | <u>2,143.2</u> | <u>1,922.4</u> | 11% |
| Expenses: | | | |
| Cost of services | 1,074.5 | 809.3 | 33% |
| Cost of products sold | 86.8 | 79.7 | 9% |
| Selling, general and administrative | 353.0 | 301.4 | 17% |
| Reimbursable debit network fees, postage and other | 482.1 | 404.7 | 19% |
| Other operating expenses: | | | |
| Restructuring, net | (0.2) | 12.4 | NM |
| Impairments | - | 16.2 | NM |
| | <u>1,996.2</u> | <u>1,623.7</u> | 23% |
| Operating profit | <u>147.0</u> | <u>298.7</u> | -51% |
| Interest income | 14.3 | 31.7 | -55% |
| Interest expense | (550.1) | (57.2) | 862% |
| Other income (expense) (a) | (46.3) | (31.2) | NM |
| | <u>(582.1)</u> | <u>(56.7)</u> | 927% |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | (435.1) | 242.0 | NM |
| Income tax (benefit) expense (b) | (154.9) | 38.9 | NM |
| Minority interest | (36.5) | (38.3) | -5% |
| Equity earnings in affiliates | 43.5 | 75.2 | -42% |
| (Loss) income from continuing operations | <u>(273.2)</u> | <u>240.0</u> | NM |
| (Loss) income from discontinued operations, net of taxes of \$0 and \$25.8, respectively (c) | - | 38.5 | NM |
| Net (loss) income | <u>\$ (273.2)</u> | <u>\$ 278.5</u> | NM |
| (See accompanying notes) | | | |

FIRST DATA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions)

| | Successor | Predecessor | |
|--|--|---|---|
| | Period from September 25 through December 31, 2007 (1) | Period from January 1 through September 24, 2007 | Twelve months ended December 31, 2006 |
| | | | |
| Revenues: | | | |
| Transaction and processing service fees: | | | |
| Merchant services | \$ 808.4 | \$ 2,063.5 | \$ 2,675.6 |
| Check services | 110.5 | 293.2 | 334.5 |
| Card services | 531.2 | 1,342.9 | 1,682.8 |
| Other services | 103.2 | 266.3 | 344.7 |
| Investment income, net | (8.2) | (66.9) | (128.6) |
| Product sales and other | 223.0 | 616.4 | 699.8 |
| Reimbursable debit network fees, postage and other | 510.4 | 1,257.5 | 1,467.6 |
| | <u>2,278.5</u> | <u>5,772.9</u> | <u>7,076.4</u> |
| Expenses: | | | |
| Cost of services | 1,142.4 | 2,632.0 | 3,064.9 |
| Cost of products sold | 92.0 | 230.4 | 300.9 |
| Selling, general and administrative | 378.9 | 1,089.3 | 1,157.5 |
| Reimbursable debit network fees, postage and other | 510.4 | 1,257.5 | 1,467.6 |
| Other operating expenses: | | | |
| Restructuring, net | (0.2) | 7.9 | 24.0 |
| Impairments | - | 20.6 | 16.1 |
| Litigation and regulatory settlements | - | 2.5 | (34.8) |
| Other | - | (7.7) | (0.3) |
| | <u>2,123.5</u> | <u>5,232.5</u> | <u>5,995.9</u> |
| Operating profit | <u>155.0</u> | <u>540.4</u> | <u>1,080.5</u> |
| Interest income | 17.9 | 30.8 | 55.5 |
| Interest expense | (584.7) | (103.6) | (248.0) |
| Other income (expense) (a) | (74.0) | 4.9 | 22.6 |
| | <u>(640.8)</u> | <u>(67.9)</u> | <u>(169.9)</u> |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | (485.8) | 472.5 | 910.6 |
| Income tax (benefit) expense (b) | (176.1) | 125.8 | 203.7 |
| Minority interest | (39.0) | (105.3) | (142.3) |
| Equity earnings in affiliates | 46.8 | 223.0 | 283.1 |
| (Loss) income from continuing operations | <u>(301.9)</u> | <u>464.4</u> | <u>847.7</u> |
| (Loss) income from discontinued operations, net of taxes of \$0, \$3.0 and \$360.0 respectively (c) | - | (3.6) | 665.7 |
| Net (loss) income | <u>\$ (301.9)</u> | <u>\$ 460.8</u> | <u>\$ 1,513.4</u> |

(See accompanying notes)

(1) Includes the results of operations (reflecting the change in fair value of forward starting contingent interest rate swaps) of Omaha Acquisition Corporation for the period prior to its merger with and into First Data Corporation from March 29, 2007 (its formation) through September 24, 2007. Also includes post merger results of First Data Corporation for the period from September 25, 2007 to December 31, 2007.

FIRST DATA CORPORATION
SUMMARY SEGMENT DATA
(Unaudited)
(in millions)

| | <u>Successor</u> | <u>Predecessor</u> | |
|---|--|--|---------------|
| | <u>Three months ended December 31,</u> | <u>Three months ended December 31,</u> | |
| | <u>2007</u> | <u>2006</u> | <u>Change</u> |
| <u>Revenues:</u> | | | |
| First Data Commercial Services | \$ 1,194.7 | \$ 1,112.0 | 7% |
| First Data Financial Institution Services | 504.1 | 484.1 | 4% |
| First Data International | 478.8 | 376.8 | 27% |
| Integrated Payment Systems | 45.0 | 31.0 | 45% |
| Subtotal segment revenues | 2,222.6 | 2,003.9 | 11% |
| All Other and Corporate | 111.3 | 127.4 | -13% |
| | <u>2,333.9</u> | <u>2,131.3</u> | 10% |
| Adjustments for items included in segment and All Other and Corporate revenues: (d) | | | |
| Equity earnings in affiliates (e) | (100.4) | (83.6) | 20% |
| Interest income | (14.3) | (31.7) | -55% |
| Eliminations (f) | (76.0) | (93.6) | NM |
| Consolidated revenue | <u>\$ 2,143.2</u> | <u>\$ 1,922.4</u> | 11% |
| <u>Operating profit: (g)</u> | | | |
| First Data Commercial Services | \$ 111.9 | \$ 306.3 | -63% |
| First Data Financial Institution Services | 61.7 | 95.7 | -36% |
| First Data International | 55.0 | 58.8 | -6% |
| Integrated Payment Systems | 19.8 | 3.6 | NM |
| Subtotal segment operating profit | 248.4 | 464.4 | -47% |
| All Other and Corporate | (29.1) | (6.6) | 341% |
| | <u>219.3</u> | <u>457.8</u> | -52% |
| Adjustments for items included in segment and All Other and Corporate operating profit: (d) | | | |
| Equity earnings in affiliates | (43.5) | (75.2) | -42% |
| Minority interest from segment operations (h) | 37.1 | 38.6 | -4% |
| Eliminations (f) | (51.8) | (62.2) | NM |
| Interest expense | (550.1) | (57.2) | 862% |
| Items excluded from segment operations | (46.1) | (59.8) | NM |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | <u>\$ (435.1)</u> | <u>\$ 242.0</u> | NM |
| <u>Depreciation & Amortization:</u> | | | |
| First Data Commercial Services | \$ 252.0 | \$ 77.3 | 226% |
| First Data Financial Institution Services | 69.0 | 40.5 | 70% |
| First Data International | 63.0 | 48.5 | 30% |
| Integrated Payment Systems | 1.4 | 2.1 | -33% |
| All Other and Corporate | 19.0 | 10.2 | 86% |
| Total consolidated depreciation & amortization from continuing operations | <u>\$ 404.4</u> | <u>\$ 178.6</u> | 126% |

(See accompanying notes)

FIRST DATA CORPORATION
SUMMARY SEGMENT DATA
(Unaudited)
(in millions)

| | <u>Successor</u> | <u>Predecessor</u> | |
|---|---|---|--|
| | <u>Period from September 25 through December 31, 2007</u> | <u>Period from January 1 through September 24, 2007</u> | <u>Twelve months ended December 31, 2006</u> |
| <u>Revenues:</u> | | | |
| First Data Commercial Services | \$ 1,270.4 | \$ 3,255.5 | \$ 4,133.3 |
| First Data Financial Institution Services | 536.0 | 1,442.2 | 1,836.1 |
| First Data International | 508.7 | 1,164.6 | 1,271.6 |
| Integrated Payment Systems | 47.9 | 106.9 | 122.3 |
| Subtotal segment revenues | <u>2,363.0</u> | <u>5,969.2</u> | <u>7,363.3</u> |
| All Other and Corporate | <u>120.5</u> | <u>337.1</u> | <u>464.4</u> |
| | <u>2,483.5</u> | <u>6,306.3</u> | <u>7,827.7</u> |
| Adjustments for items included in segment and All Other and Corporate revenues: (d) | | | |
| Equity earnings in affiliates (e) | (105.7) | (248.6) | (313.6) |
| Interest income | (17.9) | (30.8) | (55.5) |
| Eliminations (f) | (81.4) | (254.0) | (382.2) |
| Consolidated revenue | <u>\$ 2,278.5</u> | <u>\$ 5,772.9</u> | <u>\$ 7,076.4</u> |
| <u>Operating profit: (g)</u> | | | |
| First Data Commercial Services | \$ 123.1 | \$ 816.2 | \$ 1,092.3 |
| First Data Financial Institution Services | 63.8 | 280.8 | 370.8 |
| First Data International | 58.1 | 111.1 | 153.6 |
| Integrated Payment Systems | 21.1 | 24.2 | 8.8 |
| Subtotal segment operating profit | <u>266.1</u> | <u>1,232.3</u> | <u>1,625.5</u> |
| All Other and Corporate | <u>(30.5)</u> | <u>(345.5)</u> | <u>(95.3)</u> |
| | <u>235.6</u> | <u>886.8</u> | <u>1,530.2</u> |
| Adjustments for items included in segment and All Other and Corporate operating profit: (d) | | | |
| Equity earnings in affiliates | (46.8) | (223.0) | (283.1) |
| Minority interest from segment operations (h) | 39.6 | 107.3 | 139.8 |
| Eliminations (f) | (55.7) | (176.6) | (245.9) |
| Interest expense | (584.7) | (103.6) | (248.0) |
| Items excluded from segment operations | (73.8) | (18.4) | 17.6 |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | <u>\$ (485.8)</u> | <u>\$ 472.5</u> | <u>\$ 910.6</u> |
| <u>Depreciation & Amortization:</u> | | | |
| First Data Commercial Services | \$ 263.3 | \$ 229.1 | \$ 308.4 |
| First Data Financial Institution Services | 75.2 | 115.8 | 155.5 |
| First Data International | 67.1 | 156.4 | 178.7 |
| Integrated Payment Systems | 1.4 | 4.2 | 13.7 |
| All Other and Corporate | <u>20.2</u> | <u>34.7</u> | <u>44.5</u> |
| Total consolidated depreciation & amortization from continuing operations | <u>\$ 427.2</u> | <u>\$ 540.2</u> | <u>\$ 700.8</u> |

(See accompanying notes)

FIRST DATA CORPORATION
NOTES TO FINANCIAL SCHEDULES
(Unaudited)

- (a) Other income (expense) includes investment gains and (losses), derivative financial instruments gains and (losses), divestitures, net, debt repayment gains and (losses) and non-operating foreign exchange gains and (losses).
- (b) FDC's effective tax rate on pretax income from continuing operations was a benefit of 36.2% for the successor period from October 1 through December 31, 2007, a benefit of 36.8% for the successor period from September 25 through December 31, 2007, and an expense of 21.3% for the predecessor period from January 1 through September 24, 2007 and 14.2% and 19.4% for the predecessor three and twelve-month periods ended December 31, 2006, respectively.
- (c) Discontinued operations relate to NYCE, Western Union, Primary Payment Systems, IDLogix and Taxware.
- (d) Reconciles the total segment and All Other and Corporate revenue to consolidated revenue or total segment and All Other and Corporate operating profit to income before income taxes, minority interest, equity earnings in affiliates and discontinued operations as reported on the Consolidated Statements of Income.
- (e) Excludes equity losses that were recorded in expense and the amortization related to the excess of the investment balance over the Company's proportionate share of the investee's net book value.
- (f) Represents elimination of adjustment to record Integrated Payment Systems segment investment income and its related operating profit on a pretax equivalent basis and elimination of intersegment revenue.
- (g) Segment and All Other and Corporate operating profit includes interest income, minority interest from segment operations, equity earnings in affiliates and the allocation of corporate overhead. Segment and All Other and Corporate operating profit excludes restructuring charges, asset impairments, significant litigation and regulatory settlements, other charges, interest expense and other income (expense).
- (h) Minority interest from segment operations excludes minority interest attributable to items excluded from segment operations discussed in note (g) above as well as minority interest related to interest expense and income taxes.

FIRST DATA CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)
(\$ in millions)

Management believes the following non-GAAP measures provide meaningful supplemental information to assist investors in understanding our financial results and to better analyze trends in our underlying business. These non-GAAP financial measures should not be considered in isolation or as a substitute for the most comparable GAAP financial measures. The non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of our business. Investors are strongly encouraged to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. A reconciliation of the non-GAAP measures to the most directly comparable GAAP financial measures is included below.

Non-GAAP measures for the company's domestic segments exclude revenue earned from reimbursements of pass-through costs such as debit network fees and postage. Non-GAAP measures for the company's international segment exclude acquisitions less than a year old, divestitures and foreign exchange impact from revenue. Non-GAAP measures for the company's international and domestic segments also exclude purchase accounting adjustments and accelerated stock based compensation expense related to the Transaction.

For the purpose of analyzing the company's liquidity, "Adjusted EBITDA" and "Adjusted EBITDA excluding projected near-term cost savings" metrics are used. "Adjusted EBITDA" is different than "EBITDA" as defined in the Credit Agreement dated September 24, 2007 ("Senior Secured Credit Facilities") among the company, the lenders or other entities that are a party thereto from time to time and Credit Suisse, Cayman Islands Branch, as Administrative Agent and Collateral Agent. The differences primarily relate to adjustments for minority interest, equity losses, certain acquisition expenses and taxes, and depreciation and amortization within the company's equity investments. Additionally, income (loss) from continuing operations has been adjusted for Merger Impacts. Management believes that these non-GAAP measures provide insight into the company's financial results and trends.

The financial information presented for the quarter and year ended December 31, 2007 is presented for two periods: Predecessor and Successor, which primarily relate to the periods preceding the Transaction and the period succeeding the Transaction, respectively. The full year 2007 financial information is presented on a combined basis which includes the successor period from September 25, 2007 through December 31, 2007 and the predecessor period from January 1, 2007 through September 24, 2007. Management believes that the presentation on a combined basis is more meaningful as it allows the results of operations to be compared to a similar period in 2006.

| | <u>Successor</u> Three months ended December 31, 2007 | <u>Predecessor</u> Three months ended December 31, 2006 | <u>Change</u> | <u>Successor</u> Period from September 25 through December 31, 2007 | <u>Predecessor</u> Period from January 1 through September 24, 2007 | <u>Combined</u> Twelve months ended December 31, 2007 | <u>Predecessor</u> Twelve months ended December 31, 2006 | <u>Change</u> |
|---|--|--|---------------|--|--|--|---|---------------|
| Revenues | \$ 2,143.2 | \$ 1,922.4 | 11% | \$ 2,278.5 | \$ 5,772.9 | \$ 8,051.4 | \$ 7,076.4 | 14% |
| (Loss) income from continuing operations | \$ (273.2) | \$ 240.0 | NM | \$ (301.9) | \$ 464.4 | \$ 162.5 | \$ 847.7 | NM |
| Interest expense, net (1) | 535.8 | 25.5 | | 566.8 | 72.8 | 639.6 | 192.5 | |
| Income tax (benefit) expense | (154.9) | 38.9 | | (176.1) | (50.3) | (125.8) | 203.7 | |
| Depreciation and amortization | 404.4 | 178.6 | | 427.2 | 540.2 | 967.4 | 700.8 | |
| EBITDA | 512.1 | 483.0 | | 516.0 | 1,203.2 | 1,719.2 | 1,944.7 | |
| Stock based compensation (2) | - | 13.1 | | - | 267.0 | 267.0 | 66.5 | |
| Other items (3) | 34.4 | 28.7 | | 56.0 | 6.6 | 62.6 | (46.0) | |
| Debt repayment (4) | 11.2 | 30.8 | | 17.2 | (1.4) | 15.8 | 30.8 | |
| Pretax equivalency adjustment (5) | 51.8 | 62.2 | | 55.7 | 175.7 | 231.4 | 245.8 | |
| Official check and money order EBITDA (6) | (20.3) | (6.1) | | (20.4) | (32.9) | (53.3) | (22.7) | |
| Cost of data center, technology and other savings initiatives (7) | 29.9 | 3.0 | | 31.2 | 49.8 | 81.0 | 7.4 | |
| Western Union spin-off costs (8) | - | - | | - | - | - | 20.3 | |
| Transaction related fees | 2.9 | - | | 2.9 | 69.7 | 72.6 | - | |
| Purchase accounting (9) | 35.3 | - | | 35.3 | - | 35.3 | - | |
| Sponsor's annual management fee | 5.0 | - | | 5.3 | - | 5.3 | - | |
| Pre-acquisition EBITDA of acquired businesses (10) | (0.1) | 17.4 | | 0.1 | 21.6 | 21.7 | 71.1 | |
| Adjusted EBITDA excluding projected near-term cost savings | 662.2 | 632.1 | 5% | 699.3 | 1,759.3 | 2,458.6 | 2,317.9 | 6% |
| Projected near-term cost savings (11) | 50.0 | - | | 53.3 | 146.7 | 200.0 | - | |
| Adjusted EBITDA | \$ 712.2 | \$ 632.1 | | \$ 752.6 | \$ 1,906.0 | \$ 2,658.6 | \$ 2,317.9 | |
| (Loss) income from continuing operations | \$ (273.2) | \$ 240.0 | NM | \$ (301.9) | \$ 464.4 | \$ 162.5 | \$ 847.7 | NM |
| Transaction related fees | 2.6 | - | | 2.6 | 58.2 | 60.8 | - | |
| Accelerated stock based compensation and related payroll taxes | (12.2) | - | | (12.2) | 122.5 | 110.3 | - | |
| Purchase accounting (principally increased amortization expense) | 156.7 | - | | 162.9 | - | 162.9 | - | |
| Non-operating foreign exchange loss | 22.0 | - | | 22.0 | - | 22.0 | - | |
| Sponsor's annual management fee | 3.1 | - | | 3.3 | - | 3.3 | - | |
| Incremental interest expense, net | 318.5 | - | | 336.9 | - | 336.9 | - | |
| Non-recurring charges related to debt repayment, non cash derivative losses of the acquisition corporation merged into the company and other derivative impacts | 8.3 | - | | 24.1 | - | 24.1 | - | |
| Income from continuing operations excluding Merger Impacts | \$ 225.8 | \$ 240.0 | -6% | \$ 237.7 | \$ 645.1 | \$ 882.8 | \$ 847.7 | 4% |

FIRST DATA CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)
(\$ in millions)

| | <u>Successor</u> Three months ended December 31, 2007 | <u>Predecessor</u> Three months ended December 31, 2006 | <u>Change</u> | <u>Successor</u> Period from September 25 through December 31, 2007 | <u>Predecessor</u> Period from January 1 through September 24, 2007 | <u>Combined</u> Twelve months ended December 31, 2007 | <u>Predecessor</u> Twelve months ended December 31, 2006 | <u>Change</u> |
|--|--|--|---------------|--|--|--|---|---------------|
| Commercial Services | | | | | | | | |
| Revenue | \$ 1,194.7 | \$ 1,112.0 | 7% | \$ 1,270.4 | \$ 3,255.5 | \$ 4,525.9 | \$ 4,133.3 | 9% |
| Purchase accounting adjustments | 23.3 | - | | 22.9 | - | 22.9 | - | |
| Revenue excluding purchase accounting adjustments | <u>\$ 1,218.0</u> | <u>\$ 1,112.0</u> | 10% | <u>\$ 1,293.3</u> | <u>\$ 3,255.5</u> | <u>\$ 4,548.8</u> | <u>\$ 4,133.3</u> | 10% |
| Operating profit | \$ 111.9 | \$ 306.3 | -63% | \$ 123.1 | \$ 816.2 | \$ 939.3 | \$ 1,092.3 | -14% |
| Purchase accounting adjustments | 202.9 | - | | 209.2 | - | 209.2 | - | |
| Accelerated stock based compensation expense | - | - | | - | 4.1 | 4.1 | - | |
| Operating profit excluding purchase accounting adjustments and accelerated stock based compensation expense | <u>\$ 314.8</u> | <u>\$ 306.3</u> | 3% | <u>\$ 332.3</u> | <u>\$ 820.3</u> | <u>\$ 1,152.6</u> | <u>\$ 1,092.3</u> | 6% |
| Profit margin | 9.4% | 27.5% | | | | 20.8% | 26.4% | |
| Revenue | \$ 1,194.7 | \$ 1,112.0 | 7% | \$ 1,270.4 | \$ 3,255.5 | \$ 4,525.9 | \$ 4,133.3 | 9% |
| Purchase accounting adjustments | 23.3 | - | | 22.9 | - | 22.9 | - | |
| Reimbursable debit network fees (DNF) | (286.5) | (227.2) | | (303.1) | (719.8) | (1,022.9) | (810.9) | |
| Revenue excluding purchase accounting adjustments and DNF | <u>\$ 931.5</u> | <u>\$ 884.8</u> | 5% | <u>\$ 990.2</u> | <u>\$ 2,535.7</u> | <u>\$ 3,525.9</u> | <u>\$ 3,322.4</u> | 6% |
| Operating profit | \$ 111.9 | \$ 306.3 | -63% | \$ 123.1 | \$ 816.2 | \$ 939.3 | \$ 1,092.3 | -14% |
| Purchase accounting adjustments | 202.9 | - | | 209.2 | - | 209.2 | - | |
| Accelerated stock based compensation expense | - | - | | - | 4.1 | 4.1 | - | |
| Operating profit excluding purchase accounting adjustments and accelerated stock based compensation expense | <u>\$ 314.8</u> | <u>\$ 306.3</u> | 3% | <u>\$ 332.3</u> | <u>\$ 820.3</u> | <u>\$ 1,152.6</u> | <u>\$ 1,092.3</u> | 6% |
| Profit margin excluding purchase accounting adjustments, accelerated stock based compensation expense and DNF | 33.8% | 34.6% | | | | 32.7% | 32.9% | |
| Financial Institution Services | | | | | | | | |
| Revenue | \$ 504.1 | \$ 484.1 | 4% | \$ 536.0 | \$ 1,442.2 | \$ 1,978.2 | \$ 1,836.1 | 8% |
| Purchase accounting adjustments | (0.3) | - | | (0.6) | - | (0.6) | - | |
| Revenue excluding purchase accounting adjustments | <u>\$ 503.8</u> | <u>\$ 484.1</u> | 4% | <u>\$ 535.4</u> | <u>\$ 1,442.2</u> | <u>\$ 1,977.6</u> | <u>\$ 1,836.1</u> | 8% |
| Operating profit | \$ 61.7 | \$ 95.7 | -36% | \$ 63.8 | \$ 280.8 | \$ 344.6 | \$ 370.8 | -7% |
| Purchase accounting adjustments | 31.7 | - | | 35.2 | - | 35.2 | - | |
| Accelerated stock based compensation expense | - | - | | - | 2.5 | 2.5 | - | |
| Operating profit excluding purchase accounting adjustments and accelerated stock based compensation expense | <u>\$ 93.4</u> | <u>\$ 95.7</u> | -2% | <u>\$ 99.0</u> | <u>\$ 283.3</u> | <u>\$ 382.3</u> | <u>\$ 370.8</u> | 3% |
| Profit margin | 12.2% | 19.8% | | | | 17.4% | 20.2% | |
| Revenue | \$ 504.1 | \$ 484.1 | 4% | \$ 536.0 | \$ 1,442.2 | \$ 1,978.2 | \$ 1,836.1 | 8% |
| Purchase accounting adjustments | (0.3) | - | | (0.6) | - | (0.6) | - | |
| Reimbursable postage and other | (182.9) | (164.3) | | (193.8) | (499.5) | (693.3) | (614.2) | |
| Revenue excluding purchase accounting adjustments and reimbursable postage and other | <u>\$ 320.9</u> | <u>\$ 319.8</u> | 0% | <u>\$ 341.6</u> | <u>\$ 942.7</u> | <u>\$ 1,284.3</u> | <u>\$ 1,221.9</u> | 5% |
| Operating profit | \$ 61.7 | \$ 95.7 | -36% | \$ 63.8 | \$ 280.8 | \$ 344.6 | \$ 370.8 | -7% |
| Purchase accounting adjustments | 31.7 | - | | 35.2 | - | 35.2 | - | |
| Accelerated stock based compensation expense | - | - | | - | 2.5 | 2.5 | - | |
| Operating profit excluding purchase accounting adjustments and accelerated stock based compensation expense | <u>\$ 93.4</u> | <u>\$ 95.7</u> | -2% | <u>\$ 99.0</u> | <u>\$ 283.3</u> | <u>\$ 382.3</u> | <u>\$ 370.8</u> | 3% |
| Profit margin excluding purchase accounting adjustments, accelerated stock based compensation expense and reimbursable postage and other | 29.1% | 29.9% | | | | 29.8% | 30.3% | |

FIRST DATA CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)
(\$ in millions)

| | Successor | | Change | Predecessor | | Change | Combined | | Predecessor | | Change |
|---|--------------------------------------|--------------------------------------|--------|--|--|--------|---------------------------------------|---------------------------------------|-------------|-----|--------|
| | Three months ended December 31, 2007 | Three months ended December 31, 2006 | | Period from September 25 through December 31, 2007 | Period from January 1 through September 24, 2007 | | Twelve months ended December 31, 2007 | Twelve months ended December 31, 2006 | | | |
| First Data International | | | | | | | | | | | |
| Revenue | \$ 478.8 | \$ 376.8 | 27% | \$ 508.7 | \$ 1,164.6 | | \$ 1,673.3 | \$ 1,271.6 | | 32% | |
| Purchase accounting adjustments | (0.5) | - | | (0.7) | - | | (0.7) | - | | | |
| Revenue excluding purchase accounting adjustments | \$ 478.3 | \$ 376.8 | 27% | \$ 508.0 | \$ 1,164.6 | | \$ 1,672.6 | \$ 1,271.6 | | 32% | |
| Operating profit | \$ 55.0 | \$ 58.8 | -6% | \$ 58.1 | \$ 111.1 | | \$ 169.2 | \$ 153.6 | | 10% | |
| Purchase accounting adjustments | 6.6 | - | | 6.5 | - | | 6.5 | - | | | |
| Accelerated stock based compensation expense | - | - | | - | 1.8 | | 1.8 | - | | | |
| Operating profit excluding purchase accounting adjustments and accelerated stock based compensation expense | \$ 61.6 | \$ 58.8 | 5% | \$ 64.6 | \$ 112.9 | | \$ 177.5 | \$ 153.6 | | 16% | |
| Profit margin | 11.5% | 15.6% | | | | | 10.1% | 12.1% | | | |
| Profit margin excluding purchase accounting adjustments and accelerated stock based compensation expense | 12.9% | 15.6% | | | | | 10.6% | 12.1% | | | |
| Organic Revenue Constant Currency | | | | | | | | | | | |
| Revenue | \$ 478.8 | \$ 376.8 | 27% | \$ 508.7 | \$ 1,164.6 | | \$ 1,673.3 | \$ 1,271.6 | | 32% | |
| Acquisitions less than a year old | (50.1) | - | | (55.7) | (155.5) | | (211.2) | - | | | |
| Divestitures | (0.4) | (13.1) | | (0.4) | (1.0) | | (1.4) | (17.5) | | | |
| Foreign exchange impact (12) | (36.1) | - | | (34.4) | (68.3) | | (102.7) | - | | | |
| Organic revenue on a constant currency basis | \$ 392.2 | \$ 363.7 | 8% | \$ 418.2 | \$ 939.8 | | \$ 1,358.0 | \$ 1,254.1 | | 8% | |
| Organic Revenue Constant Currency Excluding Purchase Accounting | | | | | | | | | | | |
| Revenue | \$ 478.8 | \$ 376.8 | 27% | \$ 508.7 | \$ 1,164.6 | | \$ 1,673.3 | \$ 1,271.6 | | 32% | |
| Purchase accounting adjustments | (0.5) | - | | (0.7) | - | | (0.7) | - | | | |
| Acquisitions less than a year old | (50.1) | - | | (55.7) | (155.5) | | (211.2) | - | | | |
| Divestitures | (0.4) | (13.1) | | (0.4) | (1.0) | | (1.4) | (17.5) | | | |
| Foreign exchange impact (12) | (36.1) | - | | (34.4) | (68.3) | | (102.7) | - | | | |
| Organic revenue on a constant currency basis excluding purchase accounting adjustments | \$ 391.7 | \$ 363.7 | 8% | \$ 417.5 | \$ 939.8 | | \$ 1,357.3 | \$ 1,254.1 | | 8% | |

- (1) Includes interest expense and interest income.
- (2) Stock based compensation recognized as expense and related payroll taxes.
- (3) Other items include items such as net restructuring, impairments, litigation and regulatory settlements, investment gains and losses, net divestiture gains, foreign exchange gains and losses (operating and non operating), minority interest adjustments pertaining to other items, and other.
- (4) Loss or net gain resulting from the early repayment of long-term debt.
- (5) Represents an adjustment to reflect Integrated Payment Systems segment operating results as if the underlying investments were held in taxable securities rather than the tax-exempt variable rate demand notes in which they were actually held through 2007.
- (6) Represents an adjustment to exclude the official check and money order business from EBITDA due to the company's announcement to wind down these businesses. Predecessor period amounts have been adjusted to conform with current period presentation.
- (7) Represents implementation costs associated with initiatives to reduce operating expenses including platform and data center consolidation initiatives in the First Data International segment, expense related to the reorganization of global application development resources, expense associated with domestic data center consolidation initiatives and "100 day plan" workforce reduction expenses, all of which are considered one-time projects.
- (8) Represents consulting fees expensed during 2006 related to the Western Union spin-off which occurred on September 29, 2006.
- (9) Represents the effect of purchase accounting on EBITDA which is primarily the result of revenue recognition adjustments.
- (10) Reflects the EBITDA of companies acquired after January 1, 2006 through December 31, 2007 as if these companies had been acquired on January 1, 2006. The amount for the 2007 predecessor periods and 2006 periods were adjusted to include fourth quarter 2007 acquisitions.
- (11) Reflects costs savings projected to be achieved within twelve months (the majority of which, at this time, are associated with certain corporate overhead and operational business unit cost reduction efforts).
- (12) Foreign exchange impact represents the difference between actual 2007 revenue and 2007 revenue calculated using 2006 exchange rates.

NM= Not Meaningful