



2009 First Quarter Financial Results

May 15, 2009

Agenda

- ▶ **Michael Capellas, Chairman and CEO**
 - Financial Highlights
 - Strategic Progress

- ▶ **Phil Wall, Chief Financial Officer**
 - Segment Results
 - Adjusted EBITDA
 - Financial Update

- ▶ **Q&A**

Safe Harbor

Statements in this presentation regarding First Data Corporation’s business which are not historical facts are “forward-looking statements.” All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Please refer to the company’s meaningful cautionary statements contained in the appendix of this presentation and the company’s most recent Form 10-Q filed with the SEC for a more detailed list of risks and uncertainties.



Michael Capellas

Chairman and Chief Executive Officer

Consolidated Financial Highlights

First Quarter 2009 Results

- ▶ Consolidated revenue of \$2.1 billion, down 2% (or up 1% on a constant currency basis)
- ▶ Adjusted EBITDA¹ of \$491 million, down 15% (or down 11% on a constant currency basis)

¹Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain items and other adjustments and is used by management as a measure of liquidity. The Company believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items, non-recurring items that the Company does not expect to continue at the same level in the future and certain items management believes will materially impact future operating results.

See Appendix. See also page 15 for First Quarter 2009 Adjusted EBITDA reconciliation.

Our Strategy

1. Generate Organic Growth
2. Accelerate New Product Development
3. Pursue Targeted Geographic Expansion and Strategic Alliances
4. Reduce Structural Cost
5. Improve Technology Delivery

Strategic Progress

1. Generate Organic Growth

- ▶ Approximately 117,000 domestic merchant locations signed
- ▶ 21 New Independent Sales Organizations, 12 New Referral Partners, 2 New Revenue Share Agreements
- ▶ 130 contracts renewed in Financial Services
- ▶ Coles, TeleCheck Renewal (Australia)
- ▶ Thomas Cook (Canada)
- ▶ Starbucks, Prepaid (South Korea)
- ▶ 7 Regional Savings Bank Associations, Processing Renewal (Germany)

Strategic Progress

2. Accelerate New Product Development

- ▶ Vision*PLUS*
 - Capital OK
 - UniCard
 - Vanquis Bank
 - Cooperative Financial Services
- ▶ GO-Tag Sheetz
- ▶ Giftex Prepay Innovation Award

Strategic Progress

3. Pursue Targeted Geographic Expansion and Strategic Alliances

- ▶ American Express (Poland)
- ▶ Visa Certification & Acceptance (Canada)
- ▶ JCB and China Union Pay Acceptance (Asia)

Strategic Progress

4. Reduce Structural Cost

5. Improve Technology Delivery

- ▶ Data Center consolidation
- ▶ Merchant Platform consolidation



Phil Wall

Chief Financial Officer



Retail and Alliance Services First Quarter 2009 Key Performance Metrics

Revenue Growth	7%
Revenue Change (Excluding DNF)	(7)%

EBITDA Change	(19)%
Operating Profit Change	(35)%

EBITDA Margin (Excluding DNF)	33.2%
Profit Margin (Excluding DNF)	7.4%
Profit Margin	4.7%

Merchant Transaction Change	(14)%
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See Appendix



Financial Services

First Quarter 2009 Key Performance Metrics

Revenue Change	(3)%
Revenue Change (Excluding Reimbursables)	(1)%
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EBITDA Change	(6)%
Operating Profit Change	(16)%
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EBITDA Margin (Excluding Reimbursables)	42.5%
Profit Margin (Excluding Reimbursables)	20.4%
Profit Margin	13.9%
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Card Accounts on File Growth ¹	Flat
Debit Issuer Transaction Growth	4%
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¹Includes bankcard, retail and debit card accounts on file.

See Appendix



International First Quarter 2009 Key Performance Metrics

Revenue Change	(16)%
Revenue Growth (Organic Constant Currency ¹)	1%
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EBITDA Growth (Constant Currency)	13%
Operating Profit Change	(66)%
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EBITDA Margin (Constant Currency)	20.4%
Profit Margin	1.8%
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Transaction Growth	10%
POS Location Growth	9%
Card Accounts on File Growth ²	5%

¹Excludes acquisitions less than one year old and divestitures.

²Includes bankcard, retail and debit card accounts on file. Also includes Equity Partnerships and Managed Services contracts.

See Appendix



First Quarter 2009 Adjusted EBITDA Reconciliation

(\$ in millions)

	Three Months Ended March 31,		Change
	2009	2008	
Net loss attributable to First Data Corporation	\$ (231.3)	\$ (221.7)	-4%
Interest expense, net (1)	444.9	508.7	
Income tax benefit	(144.8)	(130.5)	
Depreciation and amortization	352.1	368.4	
EBITDA	\$ 420.9	\$ 524.9	-20%
Stock based compensation (2)	4.5	4.4	
Other items (3)	2.7	44.2	
Official check and money order EBITDA (4)	2.3	(34.1)	
Cost of data center, technology and savings initiatives (5)	53.9	32.3	
Transaction related fees	-	2.0	
Purchase accounting (6)	0.9	6.2	
Sponsor's annual management fee	5.3	5.0	
Pre-acquisition EBITDA of acquired or divested businesses (7)	-	(10.2)	
Adjusted EBITDA	\$ 490.5	\$ 574.7	-15%

Note: Excluding foreign exchange impact⁽⁸⁾ of \$22.3 million for the first quarter of 2009, Adjusted EBITDA was down 11%. Excluding foreign exchange impact⁽⁸⁾ of \$22.3 million and the incremental decrease in royalty revenue of \$29.1 million for the first quarter of 2009, Adjusted EBITDA was down 6%.

See Slide 16 for explanatory notes to Adjusted EBITDA reconciliation.

Notes to Adjusted EBITDA Reconciliations

- (1) Includes interest expense and interest income.
- (2) Stock based compensation recognized as expense.
- (3) Other items include net restructuring, investment gains and losses, derivative financial instruments gains and losses, net divestitures, litigation and regulatory settlements, non-operating foreign currency gains and losses and other.
- (4) Represents an adjustment to exclude the official check and money order businesses from EBITDA due to the company's wind down of these businesses.
- (5) Represents implementation costs associated with initiatives to reduce operating expenses including items such as platform and data center consolidation initiatives in the International segment, expense related to the reorganization of global application development resources, expense associated with domestic data center consolidation initiatives and planned workforce reduction expenses, as well as certain platform development costs directly associated with the termination of the Chase Paymentech alliance, all of which are considered one-time projects (excludes costs accrued in purchase accounting).
- (6) Represents the effect of purchase accounting associated with the merger of the company with affiliates of Kohlberg Kravis Roberts & Co. on EBITDA which is primarily the result of revenue recognition adjustments.
- (7) Reflects the EBITDA of companies acquired or divested after December 31, 2007 through March 31, 2009, as if these companies had been acquired or divested on January 1, 2008.
- (8) Foreign exchange impact represents the difference between actual 2009 Adjusted EBITDA and 2009 Adjusted EBITDA calculated using 2008 exchange rates.

Financial Update

- ▶ All Other and Corporate
- ▶ IPS (Official Check and Money Order)

Financial Measures

- ▶ Cash Flows
- ▶ Quarterly Debt Service Level
- ▶ Cash and Cash Equivalents Balance
- ▶ Capital Expenditures
- ▶ Taxes



Q & A



Appendix

Consolidated Revenue Growth (Constant Currency) Non-GAAP Reconciliation

(\$ in millions)

	Three Months Ended March 31,		Change
	2009	2008	
<u>Consolidated</u>			
Revenue	\$ 2,076.2	\$ 2,126.5	-2%
Foreign exchange impact (1)	78.8	-	
Revenue on a constant currency basis	<u>\$ 2,155.0</u>	<u>\$ 2,126.5</u>	1%

(1) Foreign exchange impact represents the difference between actual 2009 revenue and 2009 revenue calculated using 2008 exchange rates.



Retail and Alliance Services Non-GAAP Reconciliation

(\$ in millions)

	Three months ended March 31,		Change
	2009	2008	
<u>Retail and Alliance Services</u>			
Revenue	\$ 1,156.0	\$ 1,081.1	7%
Reimbursable debit network fees (DNF)	(425.3)	(298.4)	
Revenue excluding DNF	<u>\$ 730.7</u>	<u>\$ 782.7</u>	-7%
Operating profit	\$ 54.2	\$ 83.3	-35%
Profit margin	4.7%	7.7%	
Profit margin excluding DNF	7.4%	10.6%	
Operating profit	\$ 54.2	\$ 83.3	-35%
Depreciation and amortization	188.1	214.8	
EBITDA	<u>\$ 242.3</u>	<u>\$ 298.1</u>	-19%
EBITDA margin excluding DNF	33.2%	38.1%	



Financial Services Non-GAAP Reconciliation

(\$ in millions)

	Three months ended March 31,		Change
	2009	2008	
<u>Financial Services</u>			
Revenue	\$ 544.2	\$ 558.5	-3%
Reimbursable postage and other	(171.6)	(182.4)	
Revenue excluding reimbursable postage and other	<u>\$ 372.6</u>	<u>\$ 376.1</u>	-1%
Operating profit	\$ 75.9	\$ 89.9	-16%
Profit margin	13.9%	16.1%	
Profit margin excluding reimbursable postage and other	20.4%	23.9%	
Operating profit	\$ 75.9	\$ 89.9	-16%
Depreciation and amortization	82.4	79.1	
EBITDA	<u>\$ 158.3</u>	<u>\$ 169.0</u>	-6%
EBITDA margin excluding reimbursable postage and other	42.5%	44.9%	

International Non-GAAP Reconciliation

	Three months ended March 31,		Change
	2009	2008	
(\$ in millions)			
<u>International</u>			
Revenue	\$ 368.7	\$ 439.1	-16%
Foreign exchange impact (1)	78.8	-	
Revenue on a constant currency basis	<u>\$ 447.5</u>	<u>\$ 439.1</u>	
Operating profit	\$ 6.6	\$ 19.4	-66%
Depreciation and amortization	66.7	61.5	
Foreign exchange impact (1)	18.0	-	
EBITDA on a constant currency basis	<u>\$ 91.3</u>	<u>\$ 80.9</u>	13%
Profit margin	1.8%	4.4%	
EBITDA margin on a constant currency basis	20.4%	18.4%	
Operating profit	\$ 6.6	\$ 19.4	-66%
Foreign exchange impact (1)	3.9	-	
Operating profit on a constant currency basis	<u>\$ 10.5</u>	<u>\$ 19.4</u>	-46%
<u>Organic Revenue Constant Currency</u>			
Revenue	\$ 368.7	\$ 439.1	-16%
Acquisitions less than a year old	(3.8)	-	
Foreign exchange impact (1)	78.8	-	
Organic revenue on a constant currency basis	<u>\$ 443.7</u>	<u>\$ 439.1</u>	1%

(1) Foreign exchange impact represents the difference between actual 2009 and 2009 calculated using 2008 exchange rates.

Notice to Investors, Prospective Investors and the Investment Community; Cautionary Information Regarding Forward-Looking Statements

Statements in this presentation regarding First Data Corporation which are not historical facts are forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions which concern our strategy, plans, projections or intentions. All statements we make relating to revenue, EBITDA, earnings, margins, growth rates and other financial results for future periods are forward-looking statements. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Important factors upon which the Company’s forward-looking statements are premised include: (a) no adverse impact on the Company’s business as a result of its high degree of leverage; (b) timely, successful and cost-effective consolidation of the Company’s processing platforms and data centers; (c) continued growth at rates approximating recent levels for card-based payment transactions and other product markets; (d) successful conversions under service contracts with major clients; (e) successful and timely integration of significant businesses and technologies acquired by the Company and realization of anticipated synergies; (f) timely, successful and cost-effective implementation of processing systems to provide new products, improved functionality and increased efficiencies; (g) continuing development and maintenance of appropriate business continuity plans for the Company’s processing systems based on the needs and risks relative to each such system; (h) absence of further consolidation among client financial institutions or other client groups which has a significant impact on Company client relationships and no material loss of business from significant customers of the Company; (i) achieving planned revenue growth throughout the Company, including in the merchant alliance program which involves several joint ventures not under the sole control of the Company and each of which acts independently of the others, and successful management of pricing pressures through cost efficiencies and other cost-management initiatives; (j) successfully managing the credit and fraud risks in the Company’s business units and the merchant alliances, particularly in the context of the developing e-commerce markets; (k) anticipation of and response to technological changes, particularly with respect to e-commerce; (l) attracting and retaining qualified key employees; (m) no unanticipated changes in laws, regulations, credit card association rules or other industry standards affecting the Company’s businesses which require significant product redevelopment efforts, reduce the market for or value of its products or render products obsolete; (n) continuation of the existing interest rate environment so as to avoid unanticipated increases in interest on the Company’s borrowings; (o) no unanticipated developments relating to previously disclosed lawsuits, investigations or similar matters; (p) no catastrophic events that could impact the Company’s or its major customer’s operating facilities, communication systems and technology or that has a material negative impact on current economic conditions or levels of consumer spending; (q) no material breach of security of any of the Company’s systems; (r) successfully managing the potential both for patent protection and patent liability in the context of rapidly developing legal framework for expansive software patent protection and other risks that are set forth in the “Risk Factors” and “Management Discussion and Analysis of Results of Operations and Financial Condition” sections of the Annual Report on Form 10-K for the period ended December 31, 2008,.