

First Data Reports Second Quarter Revenue of \$2.2 Billion

- Revenue growth of 4% on a constant currency basis
- Formed major alliance, Bank of America Merchant Services
- Renewed processing agreement with PNC and 67 other financial institutions

ATLANTA, Aug. 14, 2009 – [First Data Corp.](#) today reported its financial results for the second quarter ending June 30, 2009. Consolidated revenues were \$2.2 billion, or flat, and up 4% on a constant currency basis. Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) were \$607 million, down 5%, or down 1% on a constant currency basis. In addition to the adverse impact of the strong U.S. dollar, adjusted EBITDA comparisons were unfavorably affected by lower royalty revenue. Excluding currency effects and the change in royalty revenue, adjusted EBITDA was up 1%. The net loss attributable to First Data was \$196 million, which includes after-tax interest expenses of \$284 million. "We continue to execute well on all fronts," said Michael Capellas, chairman and CEO of First Data. "In particular, our unique strategic alliances continue to enhance our leadership position in delivering innovative payment services to merchants."

Segment Results

Retail and Alliance Services

Retail and Alliance Services reported revenue of \$1.3 billion, up 8%. Retail and Alliance Services formed a major new alliance, Bank of America Merchant Services, which will process more than one billion transactions per month. In addition, 33 new independent sales organizations, 11 new referral partners and one new revenue share agreement (RSA) were added to the distribution network. Excluding debit network fees, segment revenue was down 5% and primarily was affected by weakness in the overall economy reflected in lower average consumer tickets as well as continued transaction mix shifts. EBITDA was \$309 million, down 11%, and EBITDA margin excluding debit network fees was 38.6%. Operating profit was \$123 million, compared with \$124 million in the second quarter of 2008. Operating profit margin was 9.5%.

Financial Services

For the quarter, **Financial Services** revenue was \$532 million, down 4%. Revenue excluding reimbursables was down 1%. Financial Services renewed 68 contracts in the quarter and recognized \$15 million in net revenue from early termination fees less the associated discontinued services. EBITDA was \$184 million, up 4%, and EBITDA margin excluding reimbursables was 48.7%. Operating profit was \$74 million, compared with \$92 million in the second quarter of 2008. Operating profit margin was 13.8%.

International

For the quarter, **International** generated revenue of \$404 million, down 13%. Revenue on a constant currency basis was up 3%. International transactions grew 7%. EBITDA was \$109 million, up 12%, and EBITDA margin was 27%. On a constant currency basis, EBITDA was \$134 million, up 38%, and EBITDA margin was 28.0%. Operating profit was \$36 million compared with \$30 million in the second quarter of 2008. Operating profit margin was 8.9%.

Significant Events

Bank of America Merchant Services Alliance

On June 29, 2009, First Data announced the formation of a new alliance, Bank of America Merchant Services. The new company will deliver next-generation payment solutions to merchants ranging from small business to commercial and corporate clients worldwide. Going forward the results of the alliance will be reflected on a consolidated basis throughout First Data's financial statements.

PNC Merchant Services Alliance Extension

On June 30, 2009, First Data and PNC Bank extended their merchant alliance, PNC Merchant Services, LLC for an additional eight years. PNC acquired National City in December 2008, and First Data's agreement with PNC Bank now includes merchant referrals from most of the legacy National City Bank footprint.

PNC Financial Services Processing Renewal

On Aug. 11, 2009, First Data and PNC Financial Services Group announced they had renewed and expanded their agreement for transaction processing services. Under the agreement, First Data will provide signature debit, PIN debit and ATM processing services, ATM terminal driving, credit card, small business and home equity loan processing, fraud and collection services, remittance processing, prepaid processing and plastic, statement and letter production services. PNC will transfer some credit card processing not currently with First Data as well as adding PIN debit and ATM processing it had gained through

its acquisition of National City. First Data services more than 15 million total accounts on file for PNC Financial Services.

Wells Fargo Card Processing Expansion

On June 8, 2009, First Data and Wells Fargo & Company announced they had expanded their agreement for card processing services. Under the terms of the agreement, Wells Fargo will move its newly acquired Wachovia credit card portfolios to First Data for comprehensive card processing services. Wells Fargo will add the Wachovia credit card accounts, the Wells Fargo Private Label card accounts and the Personal Credit Management line of credit accounts to the existing Wells Fargo portfolios serviced on First Data's system.

New Global Headquarters in Atlanta

First Data is executing against an overall global site strategy. As part of this strategy, Atlanta will now become First Data's global headquarters and principal executive office location. The company will continue to maintain additional key administrative and operational sites including Denver and Omaha, Neb.

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 generally accepted accounting principles (GAAP) measures are available in the accompanying schedules and in the "Investor Relations" section of the company's Web site at www.firstdata.com.

The company will host a conference call and webcast on Friday, Aug. 14 at 8 a.m. EDT to review second quarter 2009 financial results. Michael Capellas, chairman and CEO of First Data, will lead the call. Also participating will be Phil Wall, chief financial officer, and Silvio Tavares, senior vice president, investor relations.

To listen to the call, dial 877-723-9520 (U.S.) or +1-719-325-4817 (outside the U.S.) 10 minutes prior to the start of the call. The call also will be webcast on the "Investor Relations" section of the First Data Web site, <http://ir.firstdatacorp.com/events.cfm>. 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 also will be available under the "Investor Relations" section of the Web site.

A replay of the call will be available through Aug. 20, 2009, at 888-203-1112 (U.S.) or +1-719-457-0820 (outside the U.S.), replay pass code 7940027, and via webcast at <http://ir.firstdatacorp.com/events.cfm>.

About First Data

First Data powers the global economy by making it easy, fast and secure for people and businesses to buy goods and services using virtually any form of electronic payment. Whether the choice of payment is a gift card, a credit or debit card or a check, First Data securely processes the transaction and harnesses the power of the data to deliver intelligence and insight for millions of merchant locations and thousands of card issuers in 36 countries. For more information, visit www.firstdata.com.

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