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First Data Reports First Quarter 2008 Revenue Growth of 16%

DENVER, May 15, 2008 – First Data Corp. today reported its financial results for the first quarter of 2008. Consolidated revenues were up 16% to \$2.1 billion. The adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) were up 8% to \$586 million.

Loss from continuing operations was \$222 million, but included \$303 million of incremental interest expense, net of tax, and \$118 million of incremental depreciation and amortization, net of tax, compared to the first quarter of 2007. Both the incremental interest expense and depreciation and amortization are primarily attributable to the transaction with affiliates of Kohlberg Kravis Roberts & Co. (the “Transaction.”). A table describing adjusted EBITDA and reconciling income (loss) from continuing operations to adjusted EBITDA is included in the accompanying schedules.

“Our solid performance in a difficult market reflects our laser focus on execution,” said Michael Capellas, Chairman and Chief Executive Officer of First Data. “Going forward you will see us continue to invest actively in new product development and technology innovation.”

Effective January 1, 2008, First Data adopted a revised segment reporting structure. The company’s segments include Merchant Services, Financial Services, International, Prepaid Services and Integrated Payment Systems. For prior year periods, the company has made available financials realigned to these segments. The business activities of each of these new segments are described in our Quarterly Report on Form 10-Q which was filed today with the Securities and Exchange Commission (SEC).

Segment Results*Merchant Services*

For the quarter, **Merchant Services** generated revenues of \$926 million, a growth rate of 10% or 3% excluding reimbursable debit network fees. Revenue growth was primarily driven by continued strong transaction growth. Operating profit was \$73 million, down 63% or up 8% to \$211 million excluding

purchase accounting adjustments comprised principally of increased amortization expense related to the Transaction. Operating profit margin improved to 33.2% excluding reimbursable debit network fees and purchase accounting adjustments, compared to 31.7% in the first quarter of 2007. Reported operating profit margin for the quarter was 7.9%.

Financial Services

For the quarter, **Financial Services** generated revenue of \$706 million, up 1% or flat excluding reimbursables and purchase accounting adjustments. Operating profit was \$103 million, down 29% or down 4% to \$139 million excluding purchase accounting adjustments comprised principally of increased amortization expense related to the Transaction. The decrease in operating profit was primarily the result of anticipated price compression related to contract renewals and lost business in 2007. Operating profit margin for the quarter was 27% excluding reimbursables and purchase accounting adjustments, compared to 28% in the first quarter of 2007. Reported operating margin was 14.5% for the quarter.

International

For the quarter, **International** generated revenue of \$445 million, up 23%. Revenue growth on a constant currency basis, excluding acquisitions and divestitures, was 5%. This 5% growth was negatively impacted by price compression and lost contracts primarily in our Western European and Asia Pacific businesses. Operating profit was \$21 million, down 38% or down 32% to \$23 million excluding purchase accounting adjustments related to the Transaction. Operating margin was 5.2% excluding purchase accounting adjustments related to the Transaction compared to 9.5% in the first quarter of 2007. Operating profit included a loss reserve of approximately \$6 million for a failed airline in one of International's merchant acquiring alliances and approximately \$5 million in incremental investments in data center consolidation, platform initiatives and other expenses related to cost reduction initiatives, which negatively impacted the 5.2% operating margin by 2.4 percentage points during the quarter. Reported operating margin was 4.8%.

Significant Events

On April 28, 2008, First Data announced that it had reached an agreement to acquire InComm Holdings Inc. ("InComm"). The transaction is subject to customary closing conditions and regulatory approvals. InComm is a distributor of gift cards, prepaid wireless products, reloadable debit cards, digital music downloads, content, games, software, and bill payment solutions. InComm also provides stored value product marketing and technology solutions to international markets in Europe and Canada. First Data

will acquire InComm for approximately \$980 million, plus contingent future payments of up to \$250 million over a three year performance period. This acquisition is expected to close in the second half of 2008. InComm will be reported as part of the Prepaid Services segment.

First Data's largest merchant alliance, 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 merger. First Data has extended the time period to exercise this right to allow for further discussions regarding the alliance; however, the company expects the alliance to end prior to its existing expiration date in 2010.

Presentation of Financial Information

The financial information presented in the company's Quarterly Report on Form 10-Q filed with the SEC and in the attached financial schedules for the quarter ended March 31, 2008 is presented for two periods: Predecessor and Successor, which primarily relate to the periods preceding the Transaction and the period succeeding the Transaction, respectively.

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 the comparable generally accepted accounting principles (GAAP) 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

First Data will hold an investor and analyst conference call and tomorrow, Friday, May 16, at 8:00 a.m. MDT to review first quarter 2008 results. Capellas will lead the call. Also participating will be Kim Patmore, Chief Financial Officer, Ed Labry, President of First Data U.S.A., David Yates, President of First Data International and Silvio Tavares, Senior Vice President, Investor Relations.

To listen to the call, dial +1-877-397-0297 (U.S.) or +1-719-325-4929 (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 May 25, 2008 at +1-888-203-1112 (U.S.) or +1-719-457-0820 (outside the U.S.) and via webcast on www.firstdata.com. The passcode is “2373479.”

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 is a global technology leader in information commerce. The company processes transaction data of all kinds, harnesses the power of that data and delivers innovations in secure infrastructure, intelligence and insight for its customers. With operations in 37 countries, First Data serves more than 5.4 million merchant locations and more than 2,000 card issuers and their customers. It powers 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; electronic check acceptance services through TeleCheck; as well as Internet commerce and mobile payment solutions. The company’s STAR Network offers PIN-secured debit acceptance at 2.1 million ATM and retail locations. Through First Data’s centers of excellence, such as security, analytics, customer loyalty and mobile payments, it offers data-driven commerce solutions for customers around the globe. For more information, visit www.firstdata.com.

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

	<u>Successor</u>	<u>Predecessor</u>	<u>Change</u>
	<u>Three months ended</u>	<u>Three months ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	
	<u>2008</u>	<u>2007</u>	
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 634.9	\$ 568.8	12%
Check services	100.6	96.1	5%
Card services	506.5	461.1	10%
Other services	137.7	141.7	-3%
Investment income, net	56.0	(30.3)	NM
Product sales and other	212.0	188.0	13%
Reimbursable debit network fees, postage and other	478.8	410.9	17%
	<u>2,126.5</u>	<u>1,836.3</u>	16%
Expenses:			
Cost of services (exclusive of items shown below)	756.8	691.4	9%
Cost of products sold	70.9	66.7	6%
Selling, general and administrative	304.3	294.8	3%
Reimbursable debit network fees, postage and other	478.8	410.9	17%
Depreciation and amortization	319.1	158.8	101%
Other operating expenses:			
Restructuring, net	-	2.0	NM
Impairments	-	16.3	NM
	<u>1,929.9</u>	<u>1,640.9</u>	18%
Operating profit	<u>196.6</u>	<u>195.4</u>	1%
Interest income	9.0	8.0	13%
Interest expense	(517.7)	(34.5)	NM
Other income (expense) (b)	(43.2)	1.0	NM
	<u>(551.9)</u>	<u>(25.5)</u>	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	(355.3)	169.9	NM
Income tax (benefit) expense	(130.5)	37.4	NM
Minority interest	(29.0)	(29.1)	0%
Equity earnings in affiliates (a)	32.1	68.3	-53%
(Loss) income from continuing operations	<u>(221.7)</u>	<u>171.7</u>	NM
Income from discontinued operations, net of taxes of \$(4.1)	-	3.5	NM
Net (loss) income	<u>\$ (221.7)</u>	<u>\$ 175.2</u>	NM

(See accompanying notes)

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

	<u>Successor</u>	<u>Predecessor</u>	
	<u>Three months ended</u>	<u>Three months ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>Change</u>
<u>Revenues:</u>			
Merchant Services	\$ 925.8	\$ 845.0	10%
Financial Services	705.5	695.4	1%
International	444.6	360.7	23%
Prepaid Services	46.0	46.1	0%
Integrated Payment Systems	45.0	18.8	139%
Subtotal segment revenues	<u>2,166.9</u>	<u>1,966.0</u>	10%
All Other and Corporate	59.6	35.5	68%
	<u>2,226.5</u>	<u>2,001.5</u>	11%
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(80.3)	(77.0)	4%
Eliminations (e)	(19.7)	(88.2)	NM
Consolidated revenue	<u>\$ 2,126.5</u>	<u>\$ 1,836.3</u>	16%
<u>Operating profit: (f)</u>			
Merchant Services	\$ 72.9	\$ 195.1	-63%
Financial Services	102.5	144.9	-29%
International	21.3	34.2	-38%
Prepaid Services	2.7	9.1	-70%
Integrated Payment Systems	34.0	3.0	NM
Subtotal segment operating profit	<u>233.4</u>	<u>386.3</u>	-40%
All Other and Corporate	(33.7)	(72.6)	-54%
	<u>199.7</u>	<u>313.7</u>	-36%
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(32.1)	(68.3)	-53%
Minority interest from segment operations (g)	29.0	29.0	0%
Eliminations (e)	-	(60.7)	NM
Interest expense	(517.7)	(34.5)	NM
Interest income	9.0	8.0	13%
Items excluded from segment operations (h)	(43.2)	(17.3)	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	<u>\$ (355.3)</u>	<u>\$ 169.9</u>	NM
<u>Depreciation and Amortization: (a)</u>			
Merchant Services	\$ 194.5	\$ 55.2	252%
Financial Services	99.1	64.2	54%
International	61.6	50.0	23%
Prepaid Services	7.9	1.9	316%
Integrated Payment Systems	0.1	1.5	-93%
All Other and Corporate	5.2	8.0	-35%
Total consolidated depreciation and amortization from continuing operations	<u>\$ 368.4</u>	<u>\$ 180.8</u>	104%

(See accompanying notes)

FIRST DATA CORPORATION
NOTES TO FINANCIAL SCHEDULES
(Unaudited)

A new Chief Executive Officer, the Company's chief operating decision maker, was appointed as a result of the September 24, 2007 merger with an entity controlled by affiliates of Kohlberg Kravis Roberts & Co. In connection with this change in leadership, changes were made to the Company's senior management and organization of the business. Effective January 1, 2008, the Company's new Chief Executive Officer began making strategic and operating decisions with regards to assessing performance and allocating resources based on a new segment structure. Segment results for 2007 have been adjusted to reflect the new structure. In connection with this segment realignment the Company also reclassified certain revenue components, primarily the prepaid business from "Merchant related services" to "Other services" and the debit network business from "Merchant related services" to "Card services". Additionally, consolidated expenses for 2007 have been adjusted to present certain depreciation and amortization amounts as a separate component of expenses.

- (a) Includes amortization of customer contracts which is recorded as a contra-revenue within "Transaction and processing service fees" of \$1.5 million and \$13.9 million for the three months ended March 31, 2008 and 2007, respectively, and amortization related to equity method investments described in note (d) below which is netted within the "Equity earnings in affiliates" line of \$47.8 million and \$8.1 million for the three months ended March 31, 2008 and 2007, respectively.
- (b) 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 currency gains and (losses).
- (c) 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 Operations.
- (d) 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.
- (e) Represents elimination of adjustment to record Integrated Payment Systems segment investment income and its related operating profit on a pretax equivalent basis in 2007 (no adjustment is necessary in 2008 as the portfolio was repositioned to taxable investments) and elimination of intersegment revenue.
- (f) Segment and All Other and Corporate operating profit includes minority interest from segment operations and equity earnings in affiliates. Segment and All Other and Corporate operating profit excludes other operating expenses, interest expense, interest income and other income (expense).
- (g) Minority interest from segment operations excludes minority interest attributable to items excluded from segment operations discussed in note (h) below.
- (h) Includes restructuring charges, asset impairments, significant litigation and regulatory settlements, other charges and other income (expense).

FIRST DATA CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS - ADJUSTED FOR RECLASSIFICATIONS
(Unaudited)
(in millions)

	Predecessor				Successor	
	Twelve Months Ended December 31, 2006	Three Months Ended March 31, 2007	Three Months Ended June 30, 2007	Period from July 1 through September 24, 2007	Period from September 25 through September 30, 2007	Three Months Ended December 31, 2007
Revenues:						
Transaction and processing service fees:						
Merchant related services	\$ 2,345.1	\$ 568.8	\$ 646.7	\$ 618.1	\$ 42.6	\$ 648.4
Check services	353.6	96.1	107.6	100.4	6.7	106.9
Card services	1,767.1	461.1	482.0	468.8	35.2	535.5
Other services	571.8	141.7	141.5	133.1	11.3	166.7
Investment income, net	(128.6)	(30.3)	(7.5)	(29.1)	(0.8)	(7.4)
Product sales and other	699.8	188.0	199.5	228.9	12.0	211.0
Reimbursable debit network fees, postage and other	1,467.6	410.9	430.9	415.7	28.3	482.1
	<u>7,076.4</u>	<u>1,836.3</u>	<u>2,000.7</u>	<u>1,935.9</u>	<u>135.3</u>	<u>2,143.2</u>
Expenses:						
Cost of services (exclusive of items shown below)	2,493.3	691.4	720.3	795.6	48.4	741.9
Cost of products sold	281.0	66.7	72.9	69.6	4.9	82.4
Selling, general and administrative	1,129.3	294.8	330.9	433.1	24.9	343.0
Reimbursable debit network fees, postage and other	1,467.6	410.9	430.9	415.7	28.3	482.1
Depreciation and amortization	619.7	158.8	162.2	155.4	20.8	347.0
Other expenses						
Restructuring, net	24.0	2.0	5.9	-	-	(0.2)
Impairments	16.1	16.3	-	4.3	-	-
Litigation and regulatory settlements	(34.8)	-	5.0	(2.5)	-	-
Other	(0.3)	-	(7.7)	-	-	-
	<u>5,995.9</u>	<u>1,640.9</u>	<u>1,720.4</u>	<u>1,871.2</u>	<u>127.3</u>	<u>1,996.2</u>
Operating profit	<u>1,080.5</u>	<u>195.4</u>	<u>280.3</u>	<u>64.7</u>	<u>8.0</u>	<u>147.0</u>
Interest income	55.5	8.0	12.9	9.9	3.6	14.3
Interest expense	(248.0)	(34.5)	(35.9)	(33.2)	(34.6)	(550.1)
Other income (expense)	22.6	1.0	2.4	1.5	(27.7)	(46.3)
	<u>(169.9)</u>	<u>(25.5)</u>	<u>(20.6)</u>	<u>(21.8)</u>	<u>(58.7)</u>	<u>(582.1)</u>
Income (loss) before income taxes, minority interest, equity earnings in affiliates and discontinued operations	910.6	169.9	259.7	42.9	(50.7)	(435.1)
Income tax expense (benefit)	203.7	37.4	70.2	18.2	(21.2)	(154.9)
Minority interest	(142.3)	(29.1)	(40.0)	(36.2)	(2.5)	(36.5)
Equity earnings in affiliates	283.1	68.3	79.4	75.3	3.3	43.5
Income (loss) from continuing operations	847.7	171.7	228.9	63.8	(28.7)	(273.2)
Income (loss) from discontinued operations, net of taxes of \$360.0, \$(4.1), \$0, \$7.1, \$0 and \$0, respectively	665.7	3.5	-	(7.1)	-	-
Net income (loss)	<u>\$ 1,513.4</u>	<u>\$ 175.2</u>	<u>\$ 228.9</u>	<u>\$ 56.7</u>	<u>\$ (28.7)</u>	<u>\$ (273.2)</u>

FIRST DATA CORPORATION
SUMMARY SEGMENT DATA - ADJUSTED FOR SEGMENT REALIGNMENT
(Unaudited)
(in millions)

	Predecessor				Successor	
	Twelve Months ended December 31, 2006	Three Months ended March 31, 2007	Three Months ended June 30, 2007	Period from July 1 through September 24, 2007	Period from September 25 through September 30, 2007	Three Months ended December 31, 2007
Revenues:						
Merchant Services	\$ 3,443.0	\$ 845.0	\$ 953.2	\$ 907.0	\$ 61.3	\$ 976.0
Financial Services	2,670.8	695.4	714.0	690.8	46.8	733.3
International	1,258.3	360.7	395.0	387.0	29.2	467.6
Prepaid Services	191.4	46.1	47.1	44.8	5.2	71.6
Integrated Payment Systems	71.0	18.8	39.8	12.9	2.0	32.3
Subtotal segment revenues	7,634.5	1,966.0	2,149.1	2,042.5	144.5	2,280.8
All Other and Corporate	125.6	35.5	28.5	58.5	1.8	42.6
	<u>7,760.1</u>	<u>2,001.5</u>	<u>2,177.6</u>	<u>2,101.0</u>	<u>146.3</u>	<u>2,323.4</u>
Adjustments for items included in segment and All Other and Corporate revenues:						
Equity earnings in affiliates	(313.6)	(77.0)	(88.1)	(83.5)	(5.3)	(100.4)
Eliminations	(370.1)	(88.2)	(88.8)	(81.6)	(5.7)	(79.8)
Consolidated revenue	<u>\$ 7,076.4</u>	<u>\$ 1,836.3</u>	<u>\$ 2,000.7</u>	<u>\$ 1,935.9</u>	<u>\$ 135.3</u>	<u>\$ 2,143.2</u>
Operating profit:						
Merchant Services	\$ 978.2	\$ 195.1	\$ 261.1	\$ 257.1	\$ 10.1	\$ 90.8
Financial Services	567.2	144.9	153.0	138.8	4.8	96.6
International	153.5	34.2	34.8	29.3	2.8	46.3
Prepaid Services	37.3	9.1	6.7	8.4	0.2	13.0
Integrated Payment Systems	12.1	3.0	25.3	1.8	1.2	20.1
Subtotal segment operating profit	1,748.3	386.3	480.9	435.4	19.1	266.8
All Other and Corporate	(272.6)	(72.6)	(97.0)	(276.0)	(6.4)	(61.2)
	<u>1,475.7</u>	<u>313.7</u>	<u>383.9</u>	<u>159.4</u>	<u>12.7</u>	<u>205.6</u>
Adjustments for items included in segment and All Other and Corporate operating profit:						
Equity earnings in affiliates	(283.1)	(68.3)	(79.4)	(75.3)	(3.3)	(43.5)
Minority interest from segment operations	138.8	29.0	40.2	37.1	2.5	36.5
Eliminations	(245.9)	(60.7)	(61.2)	(54.7)	(3.9)	(51.8)
Interest expense	(248.0)	(34.5)	(35.9)	(33.2)	(34.6)	(550.1)
Interest income	55.5	8.0	12.9	9.9	3.6	14.3
Items excluded from segment operations	17.6	(17.3)	(0.8)	(0.3)	(27.7)	(46.1)
Income (loss) before income taxes, minority interest, equity earnings in affiliates and discontinued operations	<u>\$ 910.6</u>	<u>\$ 169.9</u>	<u>\$ 259.7</u>	<u>\$ 42.9</u>	<u>\$ (50.7)</u>	<u>\$ (435.1)</u>

FIRST DATA CORPORATION
HISTORICAL KEY INDICATORS - ADJUSTED FOR SEGMENT REALIGNMENT
(Unaudited)
(in millions)

	Predecessor				Successor	
	Twelve Months Ended December 31, 2006	Three Months Ended March 31, 2007	Three Months Ended June 30, 2007	Period from July 1 through September 24, 2007	Period from September 25 through September 30, 2007	Three Months Ended December 31, 2007
<u>Merchant Services</u>						
Domestic merchant transactions (a)	22,626.0	5,778.3	6,346.4	6,062.0	419.9	6,752.4
<u>Financial Services</u>						
Domestic debit issuer transactions (b)	10,572.4	2,747.4	2,985.4	2,777.4	191.3	2,949.9

(a) Domestic merchant transactions include acquired VISA and MasterCard credit and signature debit, PIN-debit, electronic benefits transactions, and processed-only or gateway customer transactions at the point of sale.

(b) Domestic debit issuer transactions include VISA and MasterCard signature debit, STAR ATM, STAR PIN-debit POS, and ATM and PIN-debit POS gateway transactions.

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, comprised principally of increased amortization expense, related to the Transaction.

For the purpose of analyzing the company's liquidity an "Adjusted EBITDA" metric is used. "Adjusted EBITDA" is different than "Consolidated EBITDA" (or "Debt Covenant 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 cost savings projected to be achieved within twelve months, minority interest, losses on equity method investments, certain non capitalized acquisition expenses, and depreciation, amortization and income taxes within the company's equity method investments. Management believes that these non-GAAP measures provide insight into the company's financial results and trends.

The financial information presented for the quarter ended March 31, 2008 is presented for two periods: Predecessor and Successor, which primarily relate to the periods preceding the Transaction and periods succeeding the Transaction, respectively.

	Successor	Predecessor	
	Three months ended	Three months ended	
	March 31, 2008	March 31, 2007	Change
(Loss) income from continuing operations	\$ (221.7)	\$ 171.7	NM
Interest expense, net (1)	508.7	26.5	
Income tax (benefit) expense	(130.5)	37.4	
Depreciation and amortization	368.4	180.8	
EBITDA	<u>524.9</u>	<u>416.4</u>	
Stock based compensation (2)	4.4	27.8	
Other items (3)	43.2	18.7	
Debt repayment (4)	-	(1.4)	
Pretax equivalency adjustment (5)	-	60.3	
Official check and money order EBITDA (6)	(34.1)	(4.5)	
Cost of data center, technology and other savings initiatives (7)	32.3	8.0	
Transaction related fees	3.0	5.0	
Purchase accounting (8)	6.2	-	
Sponsor's annual management fee	5.0	-	
Pre-acquisition EBITDA of acquired businesses (9)	0.7	12.4	
Adjusted EBITDA	<u>\$ 585.6</u>	<u>\$ 542.7</u>	8%

	Successor	Predecessor	
	Three months ended	Three months ended	
	March 31, 2008	March 31, 2007	Change
<u>Merchant Services</u>			
Revenue	\$ 925.8	\$ 845.0	10%
Purchase accounting adjustments	0.8	-	
Revenue excluding purchase accounting adjustments	<u>\$ 926.6</u>	<u>\$ 845.0</u>	10%
Operating profit	\$ 72.9	\$ 195.1	-63%
Purchase accounting adjustments	138.3	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 211.2</u>	<u>\$ 195.1</u>	8%
Profit margin	7.9%	23.1%	
Revenue	\$ 925.8	\$ 845.0	10%
Reimbursable debit network fees (DNF)	(289.7)	(228.9)	
Revenue excluding DNF	<u>\$ 636.1</u>	<u>\$ 616.1</u>	3%
Revenue	\$ 925.8	\$ 845.0	10%
Purchase accounting adjustments	0.8	-	
DNF	(289.7)	(228.9)	
Revenue excluding purchase accounting adjustments and DNF	<u>\$ 636.9</u>	<u>\$ 616.1</u>	3%
Operating profit	\$ 72.9	\$ 195.1	-63%
Purchase accounting adjustments	138.3	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 211.2</u>	<u>\$ 195.1</u>	8%
Profit margin excluding purchase accounting adjustments and DNF	33.2%	31.7%	

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

	<u>Successor</u>	<u>Predecessor</u>	
	<u>Three months ended</u>	<u>Three months ended</u>	<u>Change</u>
	<u>March 31, 2008</u>	<u>March 31, 2007</u>	
<u>Financial Services</u>			
Revenue	\$ 705.5	\$ 695.4	1%
Purchase accounting adjustments	(6.8)	-	
Revenue excluding purchase accounting adjustments	<u>\$ 698.7</u>	<u>\$ 695.4</u>	0%
Operating profit	\$ 102.5	\$ 144.9	-29%
Purchase accounting adjustments	36.8	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 139.3</u>	<u>\$ 144.9</u>	-4%
Profit margin	14.5%	20.8%	
Profit margin excluding purchase accounting adjustments	19.9%	20.8%	
Revenue	\$ 705.5	\$ 695.4	1%
Purchase accounting adjustments	(6.8)	-	
Reimbursable postage and other	(183.0)	(177.4)	
Revenue excluding purchase accounting adjustments and reimbursable postage and other	<u>\$ 515.7</u>	<u>\$ 518.0</u>	0%
Operating profit	\$ 102.5	\$ 144.9	-29%
Purchase accounting adjustments	36.8	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 139.3</u>	<u>\$ 144.9</u>	-4%
Profit margin excluding purchase accounting adjustments and reimbursable postage and other	27.0%	28.0%	
	<u>Successor</u>	<u>Predecessor</u>	
	<u>Three months ended</u>	<u>Three months ended</u>	<u>Change</u>
	<u>March 31, 2008</u>	<u>March 31, 2007</u>	
<u>International</u>			
Revenue	\$ 444.6	\$ 360.7	23%
Purchase accounting adjustments	(1.3)	-	
Revenue excluding purchase accounting adjustments	<u>\$ 443.3</u>	<u>\$ 360.7</u>	23%
Operating profit	\$ 21.3	\$ 34.2	-38%
Purchase accounting adjustments	1.8	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 23.1</u>	<u>\$ 34.2</u>	-32%
Profit margin	4.8%	9.5%	
Profit margin excluding purchase accounting adjustments	5.2%	9.5%	
<u>Organic Revenue Constant Currency</u>			
Revenue	\$ 444.6	\$ 360.7	23%
Acquisitions less than a year old	(36.1)	-	
Divestitures	-	(0.5)	
Foreign exchange impact (10)	(29.6)	-	
Organic revenue on a constant currency basis	<u>\$ 378.9</u>	<u>\$ 360.2</u>	5%
<u>Organic Revenue Constant Currency Excluding Purchase Accounting</u>			
Revenue	\$ 444.6	\$ 360.7	23%
Purchase accounting adjustments	(1.3)	-	
Acquisitions less than a year old	(36.1)	-	
Divestitures	-	(0.5)	
Foreign exchange impact (10)	(29.6)	-	
Organic revenue on a constant currency basis excluding purchase accounting adjustments	<u>\$ 377.6</u>	<u>\$ 360.2</u>	5%

- (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, investment gains and losses, derivative financial instruments gains and losses, net divestiture gains and foreign exchange gains and losses (operating and non operating).
- (4) 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. The adjustment was no longer necessary after December 31, 2007 since the company invested in taxable securities in 2008.
- (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.
- (7) 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, all of which are considered one-time projects (excludes costs accrued in purchase accounting).
- (8) Represents the effect of purchase accounting on EBITDA which is primarily the result of revenue recognition adjustments.
- (9) Reflects the EBITDA of companies acquired after January 1, 2007 through March 31, 2008 as if these companies had been acquired on January 1, 2007.
- (10) Foreign exchange impact represents the difference between actual 2008 revenue and 2008 revenue calculated using 2007 exchange rates.

NM= Not Meaningful