

**Contact:**

Silvio Tavares, 303-967-8276  
[silvio.tavares@firstdata.com](mailto:silvio.tavares@firstdata.com)

## **First Data Reports Third Quarter 2008 Revenue Growth of 4%**

---

**DENVER, November 14, 2008 – First Data Corp.** today reported its financial results for the third quarter of 2008. Consolidated revenues were up 4% to \$2.2 billion. The adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) were up 7% to \$694 million.

Loss from continuing operations was \$164 million, but included \$270 million of incremental interest expense, net of tax, and \$124 million of incremental depreciation and amortization, net of tax, compared to the third 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.

“Despite a difficult economic climate, we were able to grow revenue and adjusted EBITDA,” said Michael Capellas, Chairman and Chief Executive Officer. “Our investments in product innovation are gaining momentum and you will see us announce some significant wins especially in the mobile commerce space.”

### **Segment Results**

#### *Merchant Services*

For the quarter, **Merchant Services** generated revenues of \$1 billion, a growth rate of 6% or down 3% excluding reimbursable debit network fees. Revenue was positively impacted by 9% transaction growth. This impact was offset by the slowing U.S. economy which reduced transaction growth for smaller merchants and shifted transactions to some nationwide discounters and wholesalers. Operating profit was \$106 million, down 60% or down 9% to \$248 million excluding purchase accounting adjustments comprised principally of increased amortization expense related to the Transaction. Operating profit margin was 36.0% excluding reimbursable debit network fees and purchase accounting adjustments, compared to 38.6% in the third quarter of 2007. Operating profit was impacted by approximately \$19 million of certain costs related to cost reduction initiatives, which accounted for seven percentage points

of the 9% decline noted above and also impacted the 36.0% operating profit margin by three percentage points during the quarter. Reported operating profit margin for the quarter was 10.4 %.

#### *Financial Services*

For the quarter, **Financial Services** generated revenue of \$700 million, down 5% or down 8% excluding reimbursables and purchase accounting adjustments. Adjusted revenue reflects modest growth in the card issuing business. This growth was offset by lost business and check volume declines in the TeleCheck business. In addition, the third quarter of 2007 included approximately \$16 million more in revenues resulting from contract termination fees compared to this quarter. Operating profit was \$111 million, down 23% or down 3% to \$144 million excluding purchase accounting adjustments comprised principally of increased amortization expense related to the Transaction. Operating profit margin for the quarter was 28.1% excluding reimbursables and purchase accounting adjustments, compared to 26.5% in the third quarter of 2007. Operating profit was impacted by approximately \$18 million of costs related to cost reduction initiatives, which negatively impacted the 3% decline noted above by thirteen percentage points and negatively impacted the 28.1% operating profit margin by four percentage points during the quarter. Reported operating margin was 15.9% for the quarter.

#### *International*

For the quarter, **International** generated revenue of \$487 million, up 19%. Revenue benefited from 21% transaction growth which was in part driven by acquisitions in prior quarters. Operating profit was \$49 million, up 59% or up 79% to \$54 million excluding purchase accounting adjustments related to the Transaction. Operating margin was 11.2% excluding purchase accounting adjustments related to the Transaction compared to 7.4% in the third quarter of 2007. Adjusted operating profit included the partial reversal of a loss reserve for the failed airline in one of International's merchant acquiring alliances and lower employee related expenses. These items were offset by approximately \$16 million in incremental investments in data center consolidation, platform initiatives and other expenses related to cost reduction initiatives. Reported operating margin was 10.0%.

## **Significant Events**

### *DeRodes Named CTO*

First Data named Robert P. DeRodes as its Chief Technology Officer (“CTO”). DeRodes, 58, joined the company's executive management team on October 8, and reports directly to Chairman and Chief Executive Officer Michael Capellas. As First Data's CTO, DeRodes is responsible for global product development, systems, infrastructure and processes. DeRodes' information technology experience spans more than 39 years in a variety of industries, including financial services, retail and airlines. He recently served as executive vice president and chief information officer for The Home Depot, where he was responsible for leading the company's technology transformation over the last seven years.

### *InComm*

First Data and InComm Holdings Inc. (“InComm”) have mutually agreed to terminate their plans to merge InComm into First Data. Instead, First Data and InComm have signed a distribution agreement and will continue to support their joint customers with prepaid card processing, program management and a distribution network that allows First Data and its merchants to sell prepaid products in InComm prepaid card malls.

### *Chase Paymentech*

On November 3, First Data announced the successful termination of its joint venture, Chase Paymentech Solutions™, with JPMorgan Chase. First Data has assumed its 49 percent share of the merchant portfolio which includes management of the full-service ISO and Agent Bank unit of the joint venture. First Data has also assumed its proportionate share of the joint venture's assets and a portion of the joint venture's employees into its existing merchant acquiring business. First Data will continue to provide processing services for a portion of the business allocated to JPMorgan Chase.

## **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 September 30, 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. The quarterly discussion throughout this release is presented on a combined basis for 2007 which includes the successor period from September 25, 2007 through September 30, 2007 and the predecessor period from July 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 for the quarter ended September 30, 2008 to be analyzed to a more comparable period in 2007.

### **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](http://www.firstdata.com).

### **Investor and Analyst Conference Call**

First Data will hold an investor and analyst conference call today, Friday, November 14, at 8:00 a.m. MST to review third quarter 2008 results. Michael Capellas will lead the call. Also participating will be Phil Wall, Chief Financial Officer, Ed Labry, President of First Data U.S.A., David Yates, President International and Silvio Tavares, Senior Vice President, Investor Relations.

To listen to the call, dial 877-741-4248 (in the U.S.) or +1-719-325-4785 (outside the U.S.) ten minutes prior to the start of the call. The call will also be webcast on the First Data Web site at <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 will be made available under the "Investor Relations" section of the Web site at <http://ir.firstdatacorp.com/events.cfm>.

A replay of the call will be available through November 21 by webcast on [www.firstdata.com](http://www.firstdata.com) and at 888-203-1112 (in the U.S.) or +1-719-457-0820 (outside the U.S.). Use replay pass code 9481919.

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 2.2 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](http://www.firstdata.com).

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

|  | Successor                                   |   | Predecessor   |
|--|---|---|---|
|  | Three months ended<br>September 30,<br>2008 | Period from September 25<br>through September 30,<br>2007 | Period from July 1<br>through September 24,<br>2007 |
| Revenues:  |   |   |   |
| Transaction and processing service fees (a):   |   |   |   |
| Merchant related services  | \$ 701.3                                    | \$ 42.6   | \$ 618.1  |
| Check services   | 94.3  | 6.7   | 100.4   |
| Card services  | 524.6                                       | 35.2  | 468.8   |
| Other services   | 141.7                                       | 11.3  | 133.1   |
| Investment income, net   | (24.5)                                      | (0.8)   | (29.1)  |
| Product sales and other  | 215.6                                       | 12.0  | 228.9   |
| Reimbursable debit network fees, postage and other   | 511.0                                       | 28.3  | 415.7   |
|  | <u>2,164.0</u>                              | <u>135.3</u>  | <u>1,935.9</u>                                      |
| Expenses:  |   |   |   |
| Cost of services (exclusive of items shown below)  | 761.2                                       | 48.4  | 795.6   |
| Cost of products sold  | 77.1  | 4.9   | 69.6  |
| Selling, general and administrative  | 306.3                                       | 24.9  | 433.1   |
| Reimbursable debit network fees, postage and other   | 511.0                                       | 28.3  | 415.7   |
| Depreciation and amortization  | 338.9                                       | 20.8  | 155.4   |
| Other operating expenses:  |   |   |   |
| Restructuring, net   | 16.0  | -   | -   |
| Impairments  | 29.6  | -   | 4.3   |
| Litigation and regulatory settlements  | -   | -   | (2.5)   |
|  | <u>2,040.1</u>                              | <u>127.3</u>  | <u>1,871.2</u>                                      |
| Operating profit   | <u>123.9</u>                                | <u>8.0</u>  | <u>64.7</u>   |
| Interest income  | 5.9   | 3.6   | 9.9   |
| Interest expense   | (497.7)                                     | (34.6)  | (33.2)  |
| Other income (expense) (b)   | 70.5  | (27.7)  | 1.5   |
|  | <u>(421.3)</u>                              | <u>(58.7)</u>   | <u>(21.8)</u>                                       |
| (Loss) income before income taxes, minority interest,<br>equity earnings in affiliates and discontinued operations | (297.4)                                     | (50.7)  | 42.9  |
| Income tax (benefit) expense   | (145.5)                                     | (21.2)  | 18.2  |
| Minority interest  | (47.5)                                      | (2.5)   | (36.2)  |
| Equity earnings in affiliates (a)  | 35.0  | 3.3   | 75.3  |
| (Loss) income from continuing operations   | <u>(164.4)</u>                              | <u>(28.7)</u>   | <u>63.8</u>   |
| Loss from discontinued operations,<br>net of taxes of \$0, \$0, and \$7.1 respectively                             | -   | -   | (7.1)   |
| Net (loss) income  | <u>\$ (164.4)</u>                           | <u>\$ (28.7)</u>  | <u>\$ 56.7</u>                                      |

(See accompanying notes)

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

|  | Successor                                  |   | Predecessor  |
|--|--|---|--|
|  | Nine months ended<br>September 30,<br>2008 | Period from September 25<br>through September 30,<br>2007 | Period from January 1<br>through September 24,<br>2007 |
| Revenues:  |  |   |  |
| Transaction and processing service fees (a):   |  |   |  |
| Merchant related services  | \$ 2,037.1                                 | \$ 42.6   | \$ 1,833.6   |
| Check services   | 291.8                                      | 6.7   | 304.1  |
| Card services  | 1,536.4                                    | 35.2  | 1,411.9  |
| Other services   | 420.0                                      | 11.3  | 416.3  |
| Investment income, net   | 67.3                                       | (0.8)   | (66.9)   |
| Product sales and other  | 641.6                                      | 12.0  | 616.4  |
| Reimbursable debit network fees, postage and other   | 1,500.6                                    | 28.3  | 1,257.5  |
|  | <u>6,494.8</u>                             | <u>135.3</u>  | <u>5,772.9</u>   |
| Expenses:  |  |   |  |
| Cost of services (exclusive of items shown below)  | 2,267.3                                    | 48.4  | 2,207.3  |
| Cost of products sold  | 231.4                                      | 4.9   | 209.2  |
| Selling, general and administrative  | 925.9                                      | 24.9  | 1,058.8  |
| Reimbursable debit network fees, postage and other   | 1,500.6                                    | 28.3  | 1,257.5  |
| Depreciation and amortization  | 996.8                                      | 20.8  | 476.4  |
| Other operating expenses:  |  |   |  |
| Restructuring, net   | 15.9                                       | -   | 7.9  |
| Impairments  | 29.6                                       | -   | 20.6   |
| Litigation and regulatory settlements  | -  | -   | 2.5  |
| Other  | -  | -   | (7.7)  |
|  | <u>5,967.5</u>                             | <u>127.3</u>  | <u>5,232.5</u>   |
| Operating profit   | <u>527.3</u>                               | <u>8.0</u>  | <u>540.4</u>   |
| Interest income  | 21.5                                       | 3.6   | 30.8   |
| Interest expense   | (1,466.5)                                  | (34.6)  | (103.6)  |
| Other income (expense) (b)   | 33.7                                       | (27.7)  | 4.9  |
|  | <u>(1,411.3)</u>                           | <u>(58.7)</u>   | <u>(67.9)</u>  |
| (Loss) income before income taxes, minority interest,<br>equity earnings in affiliates and discontinued operations | (884.0)                                    | (50.7)  | 472.5  |
| Income tax (benefit) expense   | (345.4)                                    | (21.2)  | 125.8  |
| Minority interest  | (116.8)                                    | (2.5)   | (105.3)  |
| Equity earnings in affiliates (a)  | 108.7                                      | 3.3   | 223.0  |
| (Loss) income from continuing operations   | <u>(546.7)</u>                             | <u>(28.7)</u>   | <u>464.4</u>   |
| Loss from discontinued operations,<br>net of taxes of \$0, \$0 and \$3.0, respectively                             | -  | -   | (3.6)  |
| Net (loss) income  | <u>\$ (546.7)</u>                          | <u>\$ (28.7)</u>  | <u>\$ 460.8</u>  |

(See accompanying notes)

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

|   | Successor                                   |   | Predecessor   |
|---|---|---|---|
|   | Three months ended<br>September 30,<br>2008 | Period from September 25<br>through September 30,<br>2007 | Period from July 1<br>through September 24,<br>2007 |
| <b>Revenues:</b>  |   |   |   |
| Merchant Services   | \$ 1,025.5                                  | \$ 61.3   | \$ 907.0  |
| Financial Services  | 699.8                                       | 46.8  | 690.8   |
| International (f)   | 487.0                                       | 28.8  | 381.8   |
| Prepaid Services  | 56.3  | 5.2   | 44.8  |
| Integrated Payment Systems  | (32.9)                                      | 2.0   | 12.9  |
| Subtotal segment revenues   | 2,235.7                                     | 144.1   | 2,037.3   |
| All Other and Corporate   | 45.0  | 1.8   | 58.5  |
|   | <u>2,280.7</u>                              | <u>145.9</u>  | <u>2,095.8</u>                                      |
| Adjustments for items included in segment and All Other and Corporate revenues: (c)                             |   |   |   |
| Equity earnings in affiliates (d)   | (88.3)                                      | (5.3)   | (83.5)  |
| Eliminations (e)  | (29.3)                                      | (5.7)   | (81.6)  |
| Divested business (f)   | 0.9   | 0.4   | 5.2   |
| Consolidated revenue  | <u>\$ 2,164.0</u>                           | <u>\$ 135.3</u>   | <u>\$ 1,935.9</u>                                   |
| <b>Operating profit: (g)</b>  |   |   |   |
| Merchant Services   | \$ 106.4                                    | \$ 10.1   | \$ 257.1  |
| Financial Services  | 111.1                                       | 4.8   | 138.8   |
| International (f)   | 48.5  | 2.7   | 27.8  |
| Prepaid Services  | (0.5)                                       | 0.2   | 8.4   |
| Integrated Payment Systems  | (42.3)                                      | 1.2   | 1.8   |
| Subtotal segment operating profit   | 223.2                                       | 19.0  | 433.9   |
| All Other and Corporate   | (66.5)                                      | (6.4)   | (276.0)   |
|   | <u>156.7</u>                                | <u>12.6</u>   | <u>157.9</u>  |
| Adjustments for items included in segment and All Other and Corporate operating profit: (c)                     |   |   |   |
| Equity earnings in affiliates   | (35.0)                                      | (3.3)   | (75.3)  |
| Minority interest from segment operations (h)   | 47.5  | 2.5   | 37.1  |
| Eliminations (e)  | -   | (3.9)   | (54.7)  |
| Divested business (f)   | 0.3   | 0.1   | 1.5   |
| Interest expense  | (497.7)                                     | (34.6)  | (33.2)  |
| Interest income   | 5.9   | 3.6   | 9.9   |
| Items excluded from segment operations (i)  | 24.9  | (27.7)  | (0.3)   |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | <u>\$ (297.4)</u>                           | <u>\$ (50.7)</u>  | <u>\$ 42.9</u>                                      |
| <b>Depreciation and Amortization: (a)</b>   |   |   |   |
| Merchant Services   | \$ 198.7                                    | \$ 9.2  | \$ 50.3   |
| Financial Services  | 98.7  | 8.3   | 60.1  |
| International (f)   | 72.7  | 4.1   | 53.2  |
| Prepaid Services  | 7.7   | 0.5   | 1.9   |
| Integrated Payment Systems  | 0.1   | -   | 0.4   |
| All Other and Corporate   | 17.7  | 0.7   | 9.1   |
| Divested business (f)   | 0.1   | -   | 0.2   |
| Total consolidated depreciation and amortization from continuing operations                                     | <u>\$ 395.7</u>                             | <u>\$ 22.8</u>  | <u>\$ 175.2</u>                                     |

(See accompanying notes)

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

|   | Successor                                  |   | Predecessor  |
|---|--|---|--|
|   | Nine months ended<br>September 30,<br>2008 | Period from September 25<br>through September 30,<br>2007 | Period from January 1<br>through September 24,<br>2007 |
| <b>Revenues:</b>  |  |   |  |
| Merchant Services   | \$ 2,979.0                                 | \$ 61.3   | \$ 2,705.2   |
| Financial Services  | 2,108.8                                    | 46.8  | 2,100.2  |
| International (f)   | 1,393.4                                    | 28.8  | 1,126.2  |
| Prepaid Services  | 153.5                                      | 5.2   | 138.0  |
| Integrated Payment Systems  | 38.8                                       | 2.0   | 71.5   |
| Subtotal segment revenues   | 6,673.5                                    | 144.1   | 6,141.1  |
| All Other and Corporate   | 140.7                                      | 1.8   | 122.5  |
|   | <u>6,814.2</u>                             | <u>145.9</u>  | <u>6,263.6</u>   |
| Adjustments for items included in segment and All Other and Corporate revenues: (c)                             |  |   |  |
| Equity earnings in affiliates (d)   | (263.1)                                    | (5.3)   | (248.6)  |
| Eliminations (e)  | (68.5)                                     | (5.7)   | (258.6)  |
| Divested business (f)   | 12.2                                       | 0.4   | 16.5   |
| Consolidated revenue  | <u>\$ 6,494.8</u>                          | <u>\$ 135.3</u>   | <u>\$ 5,772.9</u>                                      |
| <b>Operating profit: (g)</b>  |  |   |  |
| Merchant Services   | \$ 288.3                                   | \$ 10.1   | \$ 713.3   |
| Financial Services  | 325.3                                      | 4.8   | 436.7  |
| International (f)   | 97.6                                       | 2.7   | 93.7   |
| Prepaid Services  | 8.2  | 0.2   | 24.2   |
| Integrated Payment Systems  | 8.0  | 1.2   | 30.1   |
| Subtotal segment operating profit   | 727.4                                      | 19.0  | 1,298.0  |
| All Other and Corporate   | (166.8)                                    | (6.4)   | (445.6)  |
|   | <u>560.6</u>                               | <u>12.6</u>   | <u>852.4</u>   |
| Adjustments for items included in segment and All Other and Corporate operating profit: (c)                     |  |   |  |
| Equity earnings in affiliates   | (108.7)                                    | (3.3)   | (223.0)  |
| Minority interest from segment operations (h)   | 116.8                                      | 2.5   | 106.3  |
| Eliminations (e)  | -  | (3.9)   | (176.6)  |
| Divested business (f)   | 4.1  | 0.1   | 4.6  |
| Interest expense  | (1,466.5)                                  | (34.6)  | (103.6)  |
| Interest income   | 21.5                                       | 3.6   | 30.8   |
| Items excluded from segment operations (i)  | (11.8)                                     | (27.7)  | (18.4)   |
| (Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations | <u>\$ (884.0)</u>                          | <u>\$ (50.7)</u>  | <u>\$ 472.5</u>  |
| <b>Depreciation and Amortization: (a)</b>   |  |   |  |
| Merchant Services   | \$ 596.5                                   | \$ 9.2  | \$ 159.8   |
| Financial Services  | 301.0                                      | 8.3   | 188.9  |
| International (f)   | 201.7                                      | 4.1   | 155.5  |
| Prepaid Services  | 23.1                                       | 0.5   | 6.2  |
| Integrated Payment Systems  | 0.2  | -   | 2.5  |
| All Other and Corporate   | 34.7                                       | 0.7   | 26.5   |
| Divested business (f)   | 0.4  | -   | 0.8  |
| Total consolidated depreciation and amortization from continuing operations                                     | <u>\$ 1,157.6</u>                          | <u>\$ 22.8</u>  | <u>\$ 540.2</u>  |

(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 \$3.5 million and \$6.9 million for the three and nine months ended September 30, 2008, respectively, zero for the successor period from September 25, 2007 through September 30, 2007, \$12.0 million for the predecessor period from July 1, 2007 through September 24, 2007 and \$39.6 million for the predecessor period from January 1, 2007 through September 24, 2007 and amortization related to equity method investments described in note (d) below which is netted within the "Equity earnings in affiliates" line of \$53.3 million and \$153.9 million for the three and nine months ended September 30, 2008, respectively, \$2.0 million for the successor period from September 25, 2007 through September 30, 2007 and \$7.8 million for the predecessor period from July 1, 2007 through September 24, 2007 and \$24.2 million for the predecessor period from January 1, 2007 through September 24, 2007.
- (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) The Company sold its ownership interest in Active Business Services, Ltd ("Active") in July 2008. Revenue and operating profit associated with Active are excluded from segment results. The International segment revenue and operating profit were adjusted for 2007 to exclude the results of Active.
- (g) 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).
- (h) Minority interest from segment operations excludes minority interest attributable to items excluded from segment operations discussed in note (i) below.
- (i) Includes restructuring charges, asset impairments, significant litigation and regulatory settlements, other charges and other income (expense).

**FIRST DATA CORPORATION**  
**SUMMARY SEGMENT DATA - ADJUSTED FOR DIVESTED BUSINESS**  
(Unaudited)  
(in millions)

|                          | Predecessor                                 |   |  |   | Successor   |  |   |                                     |
|--------------------------|---|---|--|---|---|--|---|-------------------------------------|
|                          | Twelve Months<br>ended December<br>31, 2006 | Three Months<br>ended March 31,<br>2007 | Three Months<br>ended June 30,<br>2007 | Period from July 1<br>through September<br>24, 2007 | Period from<br>September 25<br>through<br>September 30,<br>2007 | Three Months<br>ended December<br>31, 2007 | Three Months<br>ended March 31,<br>2008 | Three Months ended<br>June 30, 2008 |
| <u>Revenues:</u>         |   |   |  |   |   |  |   |                                     |
| International            | \$ 1,231.3                                  | \$ 355.1                                | \$ 389.3                               | \$ 381.8  | \$ 28.8   | \$ 461.8                                   | \$ 439.1                                | \$ 467.3                            |
| <u>Operating profit:</u> |   |   |  |   |   |  |   |                                     |
| International            | \$ 147.8                                    | \$ 32.9                                 | \$ 33.0                                | \$ 27.8   | \$ 2.7  | \$ 44.2                                    | \$ 19.4                                 | \$ 29.7                             |

**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 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 on an annualized basis, 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.

Also note that presenting the 2007 periods on a combined basis is not GAAP; however, for the reasons outlined above management believes such presentation is beneficial. Combined figures are not necessarily indicative of the results that would have been reflected had there been a single basis of accounting. For instance, certain non-recurring items that related to the predecessor period and accruals such as those pertaining to certain litigation and restructuring activities were recorded in purchase accounting and not reflected in the results of either the successor or predecessor.

|                                 | Successor                                |  | Predecessor   |   | Change |
|---------------------------------|--|--|---|---|--------|
|                                 | Three months ended<br>September 30, 2008 | Successor<br>Period from September<br>25 through September<br>30, 2007 | Period from July 1<br>through September 24,<br>2007 | Combined <sup>(1)</sup><br>Three months ended<br>September 30, 2007 |        |
| <i>Consolidated</i><br>Revenues | \$ 2,164.0                               | \$ 135.3   | \$ 1,935.9  | 2,071.2   | 4%     |

|   | Successor                                |  | Predecessor   |   | Change |
|---|--|--|---|---|--------|
|   | Three months ended<br>September 30, 2008 | Successor<br>Period from September<br>25 through September<br>30, 2007 | Period from July 1<br>through September 24,<br>2007 | Combined <sup>(1)</sup><br>Three months ended<br>September 30, 2007 |        |
| (Loss) income from continuing operations                          | \$ (164.4)                               | \$ (28.7)  | \$ 63.8   | \$ 35.1   | NM     |
| Interest expense, net (2)   | 491.8                                    | 31.0   | 23.3  | 54.3  |        |
| Income tax (benefit) expense                                      | (145.5)                                  | (21.2)   | 18.2  | (3.0)   |        |
| Depreciation and amortization                                     | 395.7                                    | 22.8   | 175.2   | 198.0   |        |
| EBITDA  | 577.6                                    | 3.9  | 280.5   | 284.4   |        |
| Stock based compensation (3)                                      | 9.0                                      | -  | 215.0   | 215.0   |        |
| Other items (4)   | (24.9)                                   | 21.7   | (11.9)  | 9.8   |        |
| Debt repayment (5)  | -  | 6.0  | -   | 6.0   |        |
| Pretax equivalency adjustment (6)                                 | -  | 3.9  | 54.7  | 58.6  |        |
| Official check and money order EBITDA (7)                         | 42.2                                     | (0.2)  | (3.1)   | (3.3)   |        |
| Cost of data center, technology and other savings initiatives (8) | 77.4                                     | 1.4  | 19.5  | 20.9  |        |
| Transaction related fees  | 3.9                                      | -  | 53.8  | 53.8  |        |
| Purchase accounting (9)   | 3.7                                      | -  | -   | -   |        |
| Sponsor's annual management fee                                   | 5.0                                      | 0.3  | -   | 0.3   |        |
| Pre-acquisition EBITDA of acquired businesses (10)                | (0.3)                                    | 0.3  | 4.2   | 4.5   |        |
| Adjusted EBITDA   | \$ 693.6                                 | \$ 37.3  | \$ 612.7  | \$ 650.0  | 7%     |

|   | Successor                                |  | Predecessor   |   | Change |
|---|--|--|---|---|--------|
|   | Three months ended<br>September 30, 2008 | Successor<br>Period from September<br>25 through September<br>30, 2007 | Period from July 1<br>through September 24,<br>2007 | Combined <sup>(1)</sup><br>Three months ended<br>September 30, 2007 |        |
| <b>Merchant Services</b>  |  |  |   |   |        |
| Revenue   | \$ 1,025.5                               | \$ 61.3  | \$ 907.0  | \$ 968.3  | 6%     |
| Purchase accounting adjustments                                 | (0.2)                                    | -  | -   | -   |        |
| Revenue excluding purchase accounting adjustments               | \$ 1,025.3                               | \$ 61.3  | \$ 907.0  | \$ 968.3  | 6%     |
| Operating profit  | \$ 106.4                                 | \$ 10.1  | \$ 257.1  | \$ 267.2  | -60%   |
| Purchase accounting adjustments                                 | 141.4                                    | 5.7  | -   | 5.7   |        |
| Operating profit excluding purchase accounting adjustments      | \$ 247.8                                 | \$ 15.8  | \$ 257.1  | \$ 272.9  | -9%    |
| Profit margin   | 10.4%                                    |  |   | 27.6%   |        |
| Revenue   | \$ 1,025.5                               | \$ 61.3  | \$ 907.0  | \$ 968.3  | 6%     |
| Reimbursable debit network fees (DNF)                           | (337.8)                                  | (16.8)   | (244.1)   | (260.9)   |        |
| Revenue excluding DNF   | \$ 687.7                                 | \$ 44.5  | \$ 662.9  | \$ 707.4  | -3%    |
| Revenue   | \$ 1,025.5                               | \$ 61.3  | \$ 907.0  | \$ 968.3  | 6%     |
| Purchase accounting adjustments                                 | (0.2)                                    | -  | -   | -   |        |
| DNF   | (337.8)                                  | (16.8)   | (244.1)   | (260.9)   |        |
| Revenue excluding purchase accounting adjustments and DNF       | \$ 687.5                                 | \$ 44.5  | \$ 662.9  | \$ 707.4  | -3%    |
| Operating profit  | \$ 106.4                                 | \$ 10.1  | \$ 257.1  | \$ 267.2  | -60%   |
| Purchase accounting adjustments                                 | 141.4                                    | 5.7  | -   | 5.7   |        |
| Operating profit excluding purchase accounting adjustments      | \$ 247.8                                 | \$ 15.8  | \$ 257.1  | \$ 272.9  | -9%    |
| Profit margin excluding purchase accounting adjustments and DNF | 36.0%                                    |  |   | 38.6%   |        |

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

|  | Successor                                |   | Predecessor   |   | Change |
|--|--|---|---|---|--------|
|  | Three months ended<br>September 30, 2008 | Period from September<br>25 through September<br>30, 2007 | Period from July 1<br>through September 24,<br>2007 | Combined <sup>(1)</sup><br>Three months ended<br>September 30, 2007 |        |
| <b>Financial Services</b>  |  |   |   |   |        |
| Revenue  | \$ 699.8                                 | \$ 46.8   | \$ 690.8  | \$ 737.6  | -5%    |
| Purchase accounting adjustments  | (8.9)                                    | (0.7)   | -   | (0.7)   |        |
| Revenue excluding purchase accounting adjustments  | \$ 690.9                                 | \$ 46.1   | \$ 690.8  | \$ 736.9  | -6%    |
| Operating profit   | \$ 111.1                                 | \$ 4.8  | \$ 138.8  | \$ 143.6  | -23%   |
| Purchase accounting adjustments  | 32.8                                     | 4.1   | -   | 4.1   |        |
| Operating profit excluding purchase accounting adjustments                                 | \$ 143.9                                 | \$ 8.9  | \$ 138.8  | \$ 147.7  | -3%    |
| Profit margin  | 15.9%                                    |   |   | 19.5%   |        |
| Profit margin excluding purchase accounting adjustments                                    | 20.8%                                    |   |   | 20.0%   |        |
| Revenue  | \$ 699.8                                 | \$ 46.8   | \$ 690.8  | \$ 737.6  | -5%    |
| Purchase accounting adjustments  | (8.9)                                    | (0.7)   | -   | (0.7)   |        |
| Reimbursable postage and other   | (179.4)                                  | (11.2)  | (167.3)   | (178.5)   |        |
| Revenue excluding purchase accounting adjustments and reimbursable postage and other       | \$ 511.5                                 | \$ 34.9   | \$ 523.5  | \$ 558.4  | -8%    |
| Operating profit   | \$ 111.1                                 | \$ 4.8  | \$ 138.8  | \$ 143.6  | -23%   |
| Purchase accounting adjustments  | 32.8                                     | 4.1   | -   | 4.1   |        |
| Operating profit excluding purchase accounting adjustments                                 | \$ 143.9                                 | \$ 8.9  | \$ 138.8  | \$ 147.7  | -3%    |
| Profit margin excluding purchase accounting adjustments and reimbursable postage and other | 28.1%                                    |   |   | 26.5%   |        |

|  | Successor                                |   | Predecessor   |   | Change |
|--|--|---|---|---|--------|
|  | Three months ended<br>September 30, 2008 | Period from September<br>25 through September<br>30, 2007 | Period from July 1<br>through September 24,<br>2007 | Combined <sup>(1)</sup><br>Three months ended<br>September 30, 2007 |        |
| <b>International</b>                                       |  |   |   |   |        |
| Revenue  | \$ 487.0                                 | \$ 28.8   | \$ 381.8  | \$ 410.6  | 19%    |
| Purchase accounting adjustments                            | (1.8)                                    | (0.2)   | -   | (0.2)   |        |
| Revenue excluding purchase accounting adjustments          | \$ 485.2                                 | \$ 28.6   | \$ 381.8  | \$ 410.4  | 18%    |
| Operating profit   | \$ 48.5                                  | \$ 2.7  | \$ 27.8   | \$ 30.5   | 59%    |
| Purchase accounting adjustments                            | 5.9                                      | (0.1)   | -   | (0.1)   |        |
| Operating profit excluding purchase accounting adjustments | \$ 54.4                                  | \$ 2.6  | \$ 27.8   | \$ 30.4   | 79%    |
| Profit margin  | 10.0%                                    |   |   | 7.4%  |        |
| Profit margin excluding purchase accounting adjustments    | 11.2%                                    |   |   | 7.4%  |        |

(1) 2007 is presented on a combined basis and includes the successor period from September 25 through September 30, 2007 and the predecessor period from July 1 through September 24, 2007.

(2) Includes interest expense and interest income.

(3) Stock based compensation recognized as expense and the related payroll taxes.

(4) Includes net restructuring, impairments, investment gains and losses, derivative financial instruments gains and losses, net divestiture gains, litigation and regulatory settlements, operating and non-operating foreign currency gains and losses and other.

(5) Loss resulting from the early repayment of long-term debt.

(6) 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.

(7) Represents an adjustment to exclude the official check and money order business from EBITDA due to the company's wind down of these businesses.

(8) 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).

(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 June 30, 2007 through September 30, 2008 as if these companies had been acquired on July 1, 2007.

NM= Not Meaningful