



## First Data Reports First Quarter Results; Revenue Growth Was Strong at 10%

DENVER, Apr 20, 2006 (BUSINESS WIRE) -- First Data Corp. (NYSE:FDC) today reported its financial results for the first quarter of 2006. Consolidated revenue was \$2.7 billion, up 10%. Net income from continuing operations was \$375 million, or \$0.48 per share. Earnings per share were negatively impacted by a net \$0.01 of other items, primarily related to the \$15 million settlement of a previously filed patent lawsuit.

"We are excited about our performance in the first quarter, especially that of Commercial Services. Results were in line with our expectations and we are pleased with the underlying strength in all of our major segments. Segment revenue growth was 10%, with strong segment operating profit growth of 13%," said Ric Duques, chairman and chief executive officer. "We are well positioned to deliver on our committed earnings growth projections. We continue to focus on driving sales and delivering quality service to our clients. We will continue to take positive actions in areas that do not meet our expectations; thereby unlocking the inherent shareholder value within First Data."

### Segment Results

For the quarter, Western Union generated revenue of \$1.1 billion, a 16% increase, and operating profit was \$337 million, up 13%. Profit margin was strong at 32%. Western Union's results were driven by strong consumer-to-consumer transaction growth of 31%. Consumer-to-consumer revenue increased 18%. The consumer-to-business service continues its turnaround and delivered transaction growth of 12% and revenue growth of 5%.

For the quarter, Commercial Services generated revenue of \$934 million, a very strong 9% growth or 6% excluding reimbursable debit network fees. Operating profit was \$214 million, up a strong 24% or 9% excluding integration expense from 2005. Margin for the quarter improved to 23% from 20% or to 28.4% from 27.6% excluding reimbursable debit network fees and 2005 integration costs. First quarter results were driven by a continued focus on sales, operating cost efficiencies and strong transaction growth of 15%.

For the quarter, Financial Institution Services generated revenue of \$445 million, down 5%. Operating profit was \$84 million, down 4%. Margin for the quarter improved to 18.9% from 18.6% or to 28.8% from 27.6% excluding reimbursables.

For the quarter, First Data International generated revenue of \$264 million, up 24% and operating profit was \$29 million, up 35%. Margin improved to 11.0% from 10.1%.

### Outlook for 2006

Commenting on the rest of the year Duques said, "We are confident in delivering on our 2006 earnings per share target of \$2.35 - \$2.42 from continuing operations. While it has not been our practice to provide quarterly guidance, given the transitional nature of this year, we feel it is important to share our earnings per share expectations for the second quarter. We anticipate second quarter earnings per share to be in the range of \$0.52 to \$0.55 from continuing operations, which is squarely in line with our original second quarter 2006 operating plan. Both full year and second quarter guidance exclude future spin costs and any impact from the spin or sales of businesses, as we are currently unable to reasonably estimate these items."

### Non-GAAP Measures

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

### Investor and Analyst Conference

First Data will hold an investor and analyst conference call tomorrow April 21, at 8:00 a.m. EDT. Ric Duques, chairman and CEO, will host the call. To listen to the broadcast, please log on to <http://www.firstdata.com>, and click on the link under the Invest section at least 15 minutes prior to the start of the call. To participate in the call, dial 888-831-9087 (U.S.) or 773-799-3935 (outside the U.S.) ten minutes prior to the start of the call and enter passcode FDC. A replay of the webcast will be available on the company website shortly after the call ends until 5:00 p.m. EDT April 28, or call 888-445-8681 (U.S.) or 203-369-3156 (outside the U.S.). No passcode is required.

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

## About First Data

First Data Corp. (NYSE:FDC) is a leading provider of electronic commerce and payment solutions for businesses and consumers worldwide. Serving 4.6 million merchant locations, 1,600 card issuers and millions of consumers, First Data 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 credit, debit, private-label, smart and stored-value card issuing and merchant transaction processing services; money transfer services; money orders; fraud protection and authentication solutions; check guarantee and verification services through TeleCheck; as well as Internet commerce and mobile solutions. Western Union, Vigo and Orlandi Valuta together make up one of the world's largest money transfer networks with approximately 274,000 Agent locations in more than 200 countries and territories. The company's STAR Network offers PIN-secured debit acceptance at 1.9 million ATM and retail locations. For more information, visit [www.firstdata.com](http://www.firstdata.com).

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

Statements in this press release regarding First Data Corporation's business which are not historical facts, including the revenue and earnings projections, 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 unanticipated developments that delay or negatively impact the planned tax-free spin-off of 100% of the Western Union subsidiary to the Company's shareholders; (b) continued growth at rates approximating recent levels for card-based payment transactions, consumer money transfer transactions and other product markets; (c) successful conversions under service contracts with major clients; (d) renewal of material contracts in the Company's business units consistent with past experience; (e) timely, successful and cost-effective implementation of processing systems to provide new products, improved functionality and increased efficiencies; (f) successful and timely integration of significant businesses and technologies acquired by the Company and realization of anticipated synergies; (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 FDC 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 FDC'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 increases in agent fees related to IPS' products and increases in interest on the Company's borrowings; (o) absence of significant changes in foreign exchange spreads on retail money transfer transactions, particularly in high-volume corridors, without a corresponding increase in volume or consumer fees; (p) continued political stability in countries in which Western Union has material operations; (q) implementation of Western Union agent agreements with governmental entities according to schedule and no interruption of relations with countries in which Western Union has or is implementing material agent agreements; (r) no unanticipated developments relating to previously disclosed lawsuits, investigations or similar matters; (s) 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; (t) no material breach of security of any of our systems; and (u) successfully managing the potential both for patent protection and patent liability in the context of rapidly developing legal framework for expansive software patent protection.

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SOURCE: First Data Corp.

First Data Corp.  
Gary Kohn, 303-967-8276 (Investor Relations)

gary.kohn@firstdata.com  
Colin Wheeler, 303-967-6553 (Media Relations)  
colin.wheeler@firstdata.com

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