

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

	<u>Successor</u>	<u>Predecessor</u>	
	<u>Three months ended</u>	<u>Three months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 700.9	\$ 646.7	8%
Check services	96.9	107.6	-10%
Card services	505.3	482.0	5%
Other services	140.6	141.5	-1%
Investment income, net	35.8	(7.5)	NM
Product sales and other	214.0	199.5	7%
Reimbursable debit network fees, postage and other	510.8	430.9	19%
	<u>2,204.3</u>	<u>2,000.7</u>	10%
Expenses:			
Cost of services (exclusive of items shown below)	749.3	720.3	4%
Cost of products sold	83.4	72.9	14%
Selling, general and administrative	315.3	330.9	-5%
Reimbursable debit network fees, postage and other	510.8	430.9	19%
Depreciation and amortization	338.8	162.2	109%
Other operating expenses:			
Restructuring, net	(0.1)	5.9	NM
Litigation and regulatory settlements	-	5.0	NM
Other	-	(7.7)	NM
	<u>1,997.5</u>	<u>1,720.4</u>	16%
Operating profit	<u>206.8</u>	<u>280.3</u>	-26%
Interest income	6.6	12.9	-49%
Interest expense	(451.1)	(35.9)	NM
Other income (expense) (b)	6.4	2.4	NM
	<u>(438.1)</u>	<u>(20.6)</u>	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	(231.3)	259.7	NM
Income tax (benefit) expense	(69.4)	70.2	NM
Minority interest	(40.3)	(40.0)	1%
Equity earnings in affiliates (a)	41.6	79.4	-48%
Net (loss) income	<u>\$ (160.6)</u>	<u>\$ 228.9</u>	NM

(See accompanying notes)

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(Unaudited)  
(in millions)

	<u>Successor</u>	<u>Predecessor</u>	
	<u>Six months ended</u>	<u>Six months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 1,335.8	\$ 1,215.5	10%
Check services	197.5	203.7	-3%
Card services	1,011.8	943.1	7%
Other services	278.3	283.2	-2%
Investment income, net	91.8	(37.8)	NM
Product sales and other	426.0	387.5	10%
Reimbursable debit network fees, postage and other	989.6	841.8	18%
	<u>4,330.8</u>	<u>3,837.0</u>	13%
Expenses:			
Cost of services (exclusive of items shown below)	1,506.1	1,411.7	7%
Cost of products sold	154.3	139.6	11%
Selling, general and administrative	619.6	625.7	-1%
Reimbursable debit network fees, postage and other	989.6	841.8	18%
Depreciation and amortization	657.9	321.0	105%
Other operating expenses:			
Restructuring, net	(0.1)	7.9	NM
Impairments	-	16.3	NM
Litigation and regulatory settlements	-	5.0	NM
Other	-	(7.7)	NM
	<u>3,927.4</u>	<u>3,361.3</u>	17%
Operating profit	<u>403.4</u>	<u>475.7</u>	-15%
Interest income	15.6	20.9	-25%
Interest expense	(968.8)	(70.4)	NM
Other income (expense) (b)	(36.8)	3.4	NM
	<u>(990.0)</u>	<u>(46.1)</u>	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	(586.6)	429.6	NM
Income tax (benefit) expense	(199.9)	107.6	NM
Minority interest	(69.3)	(69.1)	0%
Equity earnings in affiliates (a)	73.7	147.7	-50%
(Loss) income from continuing operations	<u>(382.3)</u>	<u>400.6</u>	NM
Income from discontinued operations, net of taxes of \$0 and \$(4.1), respectively	-	3.5	NM
Net (loss) income	<u>\$ (382.3)</u>	<u>\$ 404.1</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>June 30,</u>	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>Change</u>
<u>Revenues:</u>			
Merchant Services	\$ 1,027.7	\$ 953.2	8%
Financial Services	703.5	714.0	-1%
International	473.1	395.0	20%
Prepaid Services	51.2	47.1	9%
Integrated Payment Systems	26.7	39.8	-33%
Subtotal segment revenues	2,282.2	2,149.1	6%
All Other and Corporate	36.1	28.5	27%
	<u>2,318.3</u>	<u>2,177.6</u>	6%
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(94.5)	(88.1)	7%
Eliminations (e)	(19.5)	(88.8)	NM
Consolidated revenue	<u>\$ 2,204.3</u>	<u>\$ 2,000.7</u>	10%
<u>Operating profit: (f)</u>			
Merchant Services	\$ 109.0	\$ 261.1	-58%
Financial Services	111.7	153.0	-27%
International	31.6	34.8	-9%
Prepaid Services	6.0	6.7	-10%
Integrated Payment Systems	16.3	25.3	-36%
Subtotal segment operating profit	274.6	480.9	-43%
All Other and Corporate	(66.6)	(97.0)	-31%
	<u>208.0</u>	<u>383.9</u>	-46%
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(41.6)	(79.4)	-48%
Minority interest from segment operations (g)	40.3	40.2	0%
Eliminations (e)	-	(61.2)	NM
Interest expense	(451.1)	(35.9)	NM
Interest income	6.6	12.9	-49%
Items excluded from segment operations (h)	6.5	(0.8)	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	<u>\$ (231.3)</u>	<u>\$ 259.7</u>	NM
<u>Depreciation and Amortization: (a)</u>			
Merchant Services	\$ 203.3	\$ 54.3	274%
Financial Services	103.2	64.6	60%
International	67.7	52.9	28%
Prepaid Services	7.5	2.4	213%
Integrated Payment Systems	-	0.6	-100%
All Other and Corporate	11.8	9.4	26%
Total consolidated depreciation and amortization from continuing operations	<u>\$ 393.5</u>	<u>\$ 184.2</u>	114%

(See accompanying notes)

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

	<u>Successor</u> Six months ended June 30, 2008	<u>Predecessor</u> Six months ended June 30, 2007	<u>Change</u>
<u>Revenues:</u>			
Merchant Services	\$ 1,953.5	\$ 1,798.2	9%
Financial Services	1,409.0	1,409.4	0%
International	917.7	755.7	21%
Prepaid Services	97.2	93.2	4%
Integrated Payment Systems	71.7	58.6	22%
Subtotal segment revenues	4,449.1	4,115.1	8%
All Other and Corporate	95.7	64.0	50%
	<u>4,544.8</u>	<u>4,179.1</u>	9%
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(174.8)	(165.1)	6%
Eliminations (e)	(39.2)	(177.0)	NM
Consolidated revenue	<u>\$ 4,330.8</u>	<u>\$ 3,837.0</u>	13%
<u>Operating profit: (f)</u>			
Merchant Services	\$ 181.9	\$ 456.2	-60%
Financial Services	214.2	297.9	-28%
International	52.9	69.0	-23%
Prepaid Services	8.7	15.8	-45%
Integrated Payment Systems	50.3	28.3	78%
Subtotal segment operating profit	508.0	867.2	-41%
All Other and Corporate	(100.3)	(169.6)	-41%
	<u>407.7</u>	<u>697.6</u>	-42%
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(73.7)	(147.7)	-50%
Minority interest from segment operations (g)	69.3	69.2	0%
Eliminations (e)	-	(121.9)	NM
Interest expense	(968.8)	(70.4)	NM
Interest income	15.6	20.9	-25%
Items excluded from segment operations (h)	(36.7)	(18.1)	NM
(Loss) income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	<u>\$ (586.6)</u>	<u>\$ 429.6</u>	NM
<u>Depreciation and Amortization: (a)</u>			
Merchant Services	\$ 397.8	\$ 109.5	263%
Financial Services	202.3	128.8	57%
International	129.3	102.9	26%
Prepaid Services	15.4	4.3	258%
Integrated Payment Systems	0.1	2.1	-95%
All Other and Corporate	17.0	17.4	-2%
Total consolidated depreciation and amortization from continuing operations	<u>\$ 761.9</u>	<u>\$ 365.0</u>	109%

(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 \$1.9 million and \$3.4 million for the three and six months ended June 30, 2008, respectively, and \$13.7 million and \$27.6 million for the three and six months ended June 30, 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 \$52.8 million and \$100.6 million for the three and six months ended June 30, 2008, respectively, and \$8.3 million and \$16.4 million for the three and six months ended June 30, 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**  
**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.

The financial information presented for the quarter ended June 30, 2008 is presented for two periods: Predecessor and Successor, which primarily relate to the periods preceding the Transaction and periods succeeding the Transaction, respectively.

	<b>Successor</b>	<b>Predecessor</b>	
	<b>Three months ended</b>	<b>Three months ended</b>	
	<b>June 30, 2008</b>	<b>June 30, 2007</b>	<b>Change</b>
(Loss) income from continuing operations	\$ (160.6)	\$ 228.9	NM
Interest expense, net (1)	444.5	23.0	
Income tax (benefit) expense	(69.4)	70.2	
Depreciation and amortization	393.5	184.2	
EBITDA	<u>608.0</u>	<u>506.3</u>	
Stock based compensation (2)	6.2	24.2	
Other items (3)	(6.5)	0.8	
Pretax equivalency adjustment (4)	-	60.7	
Official check and money order EBITDA (5)	(16.3)	(25.9)	
Cost of data center, technology and other savings initiatives (6)	50.3	22.3	
Transaction related fees	2.3	10.9	
Purchase accounting (7)	4.3	-	
Sponsor's annual management fee	5.0	-	
Pre-acquisition EBITDA of acquired businesses (8)	-	12.0	
Adjusted EBITDA	<u>\$ 653.3</u>	<u>\$ 611.3</u>	7%

	<b>Successor</b>	<b>Predecessor</b>	
	<b>Three months ended</b>	<b>Three months ended</b>	
	<b>June 30, 2008</b>	<b>June 30, 2007</b>	<b>Change</b>
<b><u>Merchant Services</u></b>			
Revenue	\$ 1,027.7	\$ 953.2	8%
Purchase accounting adjustments	(0.2)	-	
Revenue excluding purchase accounting adjustments	<u>\$ 1,027.5</u>	<u>\$ 953.2</u>	8%
Operating profit	\$ 109.0	\$ 261.1	-58%
Purchase accounting adjustments	147.2	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 256.2</u>	<u>\$ 261.1</u>	-2%
Profit margin	10.6%	27.4%	
Revenue	\$ 1,027.7	\$ 953.2	8%
Reimbursable debit network fees (DNF)	(331.2)	(259.0)	
Revenue excluding DNF	<u>\$ 696.5</u>	<u>\$ 694.2</u>	0%
Revenue	\$ 1,027.7	\$ 953.2	8%
Purchase accounting adjustments	(0.2)	-	
DNF	(331.2)	(259.0)	
Revenue excluding purchase accounting adjustments and DNF	<u>\$ 696.3</u>	<u>\$ 694.2</u>	0%
Operating profit	\$ 109.0	\$ 261.1	-58%
Purchase accounting adjustments	147.2	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 256.2</u>	<u>\$ 261.1</u>	-2%
Profit margin excluding purchase accounting adjustments and DNF	36.8%	37.6%	

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

	<u>Successor</u>	<u>Predecessor</u>	<u>Change</u>
	<u>Three months ended June 30, 2008</u>	<u>Three months ended June 30, 2007</u>	
<b><u>Financial Services</u></b>			
Revenue	\$ 703.5	\$ 714.0	-1%
Purchase accounting adjustments	(6.2)	-	
Revenue excluding purchase accounting adjustments	<u>\$ 697.3</u>	<u>\$ 714.0</u>	-2%
Operating profit	\$ 111.7	\$ 153.0	-27%
Purchase accounting adjustments	42.1	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 153.8</u>	<u>\$ 153.0</u>	1%
Profit margin	15.9%	21.4%	
Profit margin excluding purchase accounting adjustments	22.1%	21.4%	
Revenue	\$ 703.5	\$ 714.0	-1%
Purchase accounting adjustments	(6.2)	-	
Reimbursable postage and other	(175.4)	(167.8)	
Revenue excluding purchase accounting adjustments and reimbursable postage and other	<u>\$ 521.9</u>	<u>\$ 546.2</u>	-4%
Operating profit	\$ 111.7	\$ 153.0	-27%
Purchase accounting adjustments	42.1	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 153.8</u>	<u>\$ 153.0</u>	1%
Profit margin excluding purchase accounting adjustments and reimbursable postage and other	29.5%	28.0%	

	<u>Successor</u>	<u>Predecessor</u>	<u>Change</u>
	<u>Three months ended June 30, 2008</u>	<u>Three months ended June 30, 2007</u>	
<b><u>International</u></b>			
Revenue	\$ 473.1	\$ 395.0	20%
Purchase accounting adjustments	(1.2)	-	
Revenue excluding purchase accounting adjustments	<u>\$ 471.9</u>	<u>\$ 395.0</u>	19%
Operating profit	\$ 31.6	\$ 34.8	-9%
Purchase accounting adjustments	4.0	-	
Operating profit excluding purchase accounting adjustments	<u>\$ 35.6</u>	<u>\$ 34.8</u>	2%
Profit margin	6.7%	8.8%	
Profit margin excluding purchase accounting adjustments	7.5%	8.8%	

- (1) Includes interest expense and interest income.
- (2) Stock based compensation recognized as expense and related payroll taxes.
- (3) Includes restructuring charges, net, investment gains and losses, derivative financial instruments gains and losses, divestitures, net, litigation and regulatory settlements, non-operating foreign currency gains and losses and other.
- (4) 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.
- (5) Represents an adjustment to exclude the official check and money order business from EBITDA due to the company's wind down of these businesses.
- (6) 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).
- (7) Represents the effect of purchase accounting on EBITDA which is primarily the result of revenue recognition adjustments.
- (8) Reflects the EBITDA of companies acquired after March 31, 2007 through June 30, 2008 as if these companies had been acquired on April 1, 2007.

NM= Not Meaningful