

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

	Three months ended June 30,		Change
	2009	2008	
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 709.6	\$ 700.9	1%
Check services	84.6	97.1	-13%
Card services	454.2	506.0	-10%
Other services	123.1	139.7	-12%
Investment income, net	(1.0)	35.8	NM
Product sales and other	206.2	214.0	-4%
Reimbursable debit network fees, postage and other	631.9	510.8	24%
	<u>2,208.6</u>	<u>2,204.3</u>	0%
Expenses:			
Cost of services (exclusive of items shown below)	673.1	709.1	-5%
Cost of products sold	80.2	83.4	-4%
Selling, general and administrative	331.2	355.5	-7%
Reimbursable debit network fees, postage and other	631.9	510.8	24%
Depreciation and amortization	365.6	338.8	8%
Other operating expenses:			
Restructuring, net	8.4	(0.1)	NM
	<u>2,090.4</u>	<u>1,997.5</u>	5%
Operating profit	<u>118.2</u>	<u>206.8</u>	-43%
Interest income	3.1	6.6	-53%
Interest expense	(449.6)	(451.1)	0%
Other income (expense) (b)	(3.6)	6.4	NM
	<u>(450.1)</u>	<u>(438.1)</u>	3%
Loss before income taxes and equity earnings in affiliates	(331.9)	(231.3)	43%
Income tax benefit	(112.8)	(69.4)	63%
Equity earnings in affiliates (a)	25.5	41.6	-39%
Net loss	<u>(193.6)</u>	<u>(120.3)</u>	61%
Less: Net income attributable to noncontrolling interests	2.3	40.3	-94%
Net loss attributable to First Data Corporation	<u>\$ (195.9)</u>	<u>\$ (160.6)</u>	22%

(See accompanying notes)

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

	<u>Six months ended June 30,</u>		<u>Change</u>
	<u>2009</u>	<u>2008</u>	
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 1,331.1	\$ 1,335.8	0%
Check services	171.1	197.7	-13%
Card services	924.6	1,014.3	-9%
Other services	251.5	275.6	-9%
Investment income, net	4.8	91.8	-95%
Product sales and other	380.2	426.0	-11%
Reimbursable debit network fees, postage and other	1,221.5	989.6	23%
	<u>4,284.8</u>	<u>4,330.8</u>	-1%
Expenses:			
Cost of services (exclusive of items shown below)	1,387.4	1,430.6	-3%
Cost of products sold	143.7	154.3	-7%
Selling, general and administrative	657.7	695.1	-5%
Reimbursable debit network fees, postage and other	1,221.5	989.6	23%
Depreciation and amortization	695.1	657.9	6%
Other operating expenses:			
Restructuring, net	33.5	(0.1)	NM
Litigation and regulatory settlements	(2.7)	-	NM
	<u>4,136.2</u>	<u>3,927.4</u>	5%
Operating profit	<u>148.6</u>	<u>403.4</u>	-63%
Interest income	6.4	15.6	-59%
Interest expense	(897.8)	(968.8)	-7%
Other income (expense) (b)	19.7	(36.8)	NM
	<u>(871.7)</u>	<u>(990.0)</u>	-12%
Loss before income taxes and equity earnings in affiliates	(723.1)	(586.6)	23%
Income tax benefit	(257.6)	(199.9)	29%
Equity earnings in affiliates (a)	44.0	73.7	-40%
Net loss	<u>(421.5)</u>	<u>(313.0)</u>	35%
Less: Net income attributable to noncontrolling interests	5.7	69.3	-92%
Net loss attributable to First Data Corporation	<u>\$ (427.2)</u>	<u>\$ (382.3)</u>	12%

(See accompanying notes)

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

	<b>Three months ended June 30,</b>		<b>Change</b>
	<b>2009</b>	<b>2008</b>	
<b>Revenues:</b>			
Retail and Alliance Services	\$ 1,284.7	\$ 1,185.5	8%
Financial Services (f)	532.2	556.6	-4%
International (f)	404.4	467.3	-13%
Integrated Payment Systems	(2.7)	26.7	NM
Subtotal segment revenues	2,218.6	2,236.1	-1%
All Other and Corporate	61.2	81.2	-25%
	<u>2,279.8</u>	<u>2,317.3</u>	-2%
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(44.2)	(94.5)	-53%
Eliminations (e)	(27.0)	(30.1)	NM
Divested businesses (f)	-	11.6	NM
Consolidated revenue	<u>\$ 2,208.6</u>	<u>\$ 2,204.3</u>	0%
<b>Operating profit: (g)</b>			
Retail and Alliance Services	\$ 122.6	\$ 124.3	-1%
Financial Services (f)	73.5	92.2	-20%
International (f)	36.0	29.7	21%
Integrated Payment Systems	(8.4)	16.3	NM
Subtotal segment operating profit	223.7	262.5	-15%
All Other and Corporate	(69.5)	(55.0)	26%
	<u>154.2</u>	<u>207.5</u>	-26%
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(25.5)	(41.6)	-39%
Net income attributable to noncontrolling interest from segment operations (h)	2.3	40.3	-94%
Divested businesses (f)	(4.4)	0.5	NM
Interest expense	(449.6)	(451.1)	0%
Interest income	3.1	6.6	-53%
Items excluded from segment operations (i)	(12.0)	6.5	NM
Loss before income taxes and equity earnings in affiliates	<u>\$ (331.9)</u>	<u>\$ (231.3)</u>	43%
<b>Depreciation and amortization: (a)</b>			
Retail and Alliance Services	\$ 186.8	\$ 222.1	-16%
Financial Services (f)	110.4	83.8	32%
International (f)	73.2	67.5	8%
Integrated Payment Systems	0.1	-	NM
All Other and Corporate	18.5	18.9	-2%
Divested businesses (f)	-	1.2	NM
Total consolidated depreciation and amortization	<u>\$ 389.0</u>	<u>\$ 393.5</u>	-1%

(See accompanying notes)

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

	<b>Six months ended June 30,</b>		<b>Change</b>
	<b>2009</b>	<b>2008</b>	
<b>Revenues:</b>			
Retail and Alliance Services	\$ 2,440.7	\$ 2,266.6	8%
Financial Services (f)	1,076.4	1,115.1	-3%
International (f)	773.1	906.4	-15%
Integrated Payment Systems	0.6	71.7	-99%
Subtotal segment revenues	<u>4,290.8</u>	<u>4,359.8</u>	-2%
All Other and Corporate	129.8	183.3	-29%
	<u>4,420.6</u>	<u>4,543.1</u>	-3%
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(80.9)	(174.8)	-54%
Eliminations (e)	(54.9)	(59.9)	NM
Divested businesses (f)	-	22.4	NM
Consolidated revenue	<u>\$ 4,284.8</u>	<u>\$ 4,330.8</u>	-1%
<b>Operating profit: (g)</b>			
Retail and Alliance Services	\$ 176.8	\$ 207.6	-15%
Financial Services (f)	149.4	182.1	-18%
International (f)	42.6	49.1	-13%
Integrated Payment Systems	(10.9)	50.3	NM
Subtotal segment operating profit	<u>357.9</u>	<u>489.1</u>	-27%
All Other and Corporate	(135.6)	(82.9)	64%
	<u>222.3</u>	<u>406.2</u>	-45%
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(44.0)	(73.7)	-40%
Net income attributable to noncontrolling interest from segment operations (h)	5.7	69.3	-92%
Eliminations	(0.2)	-	NM
Divested businesses (f)	(4.4)	1.5	NM
Interest expense	(897.8)	(968.8)	-7%
Interest income	6.4	15.6	-59%
Items excluded from segment operations (i)	(11.1)	(36.7)	NM
Loss before income taxes and equity earnings in affiliates	<u>\$ (723.1)</u>	<u>\$ (586.6)</u>	23%
<b>Depreciation and amortization: (a)</b>			
Retail and Alliance Services	\$ 374.9	\$ 436.9	-14%
Financial Services (f)	192.8	162.9	18%
International (f)	139.9	129.0	8%
Integrated Payment Systems	0.3	0.1	200%
All Other and Corporate	33.2	30.6	8%
Divested businesses (f)	-	2.4	NM
Total consolidated depreciation and amortization	<u>\$ 741.1</u>	<u>\$ 761.9</u>	-3%

(See accompanying notes)

**FIRST DATA CORPORATION**  
**NOTES TO FINANCIAL SCHEDULES**  
**(Unaudited)**

Effective January 1, 2009, the Company re-aligned the business and began making strategic and operating decisions with regards to assessing performance and allocating resources based on a new segment structure. Results for 2008 have been adjusted to reflect the new structure. Other amounts in 2008 have been adjusted to conform to current year presentation, the largest of which was the reclassification of certain expenses from "Cost of services" to "Selling, general and administrative".

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS No. 160"), effective January 1, 2009 which requires that earnings attributed to noncontrolling interests be reported as part of consolidated earnings and not as a separate component of income or expense. The Company's Consolidated Statement of Operations for 2008 has been revised to conform to the presentation requirements of SFAS No. 160.

- (a) Includes amortization of customer contracts which is recorded as a contra-revenue within "Transaction and processing service fees" of \$5.4 million and \$10.4 million for the three and six months ended June 30, 2009, respectively, and \$1.9 million and \$3.4 million for the three and six months ended June 30, 2008, respectively, and amortization related to equity method investments described in note (d) below which is netted within the "Equity earnings in affiliates" line of \$18.0 million and \$35.6 million for the three and six months ended June 30, 2009, respectively, and \$52.8 million and \$100.6 million for the three and six months ended June 30, 2008, respectively.
- (b) Other income (expense) includes investment gains and (losses), derivative financial instruments gains and (losses), divestitures, net, non-operating foreign currency gains and (losses) and other.
- (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 loss before income taxes and equity earnings in affiliates 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 intersegment revenue.
- (f) The Company sold its ownership interests in Active Business Services, Ltd ("Active"), reported within the International segment, in July 2008 and Peace Software ("Peace"), reported within the Financial Services segment, in October 2008. Revenue and operating profit associated with Active and Peace are excluded from segment results. The International and Financial Services segment revenue and operating profit were adjusted for 2008 to exclude the results of Active and Peace.
- (g) Segment and All Other and Corporate operating profit excludes net income attributable to noncontrolling interests from segment operations and includes 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) Excludes net income attributable to noncontrolling interests 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**  
**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 and exclude depreciation and amortization from operating profit for purposes of calculating EBITDA. Non-GAAP measures for the company's international segment exclude foreign exchange impact from revenue and also from operating profit and depreciation and amortization for purposes of calculating EBITDA. Organic revenue on a constant currency basis, another non-GAAP measure for the company's international segment, excludes acquisitions less than a year old, divestitures and foreign exchange impact.

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, noncontrolling interests, 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 core performance.

<u>Consolidated</u>	<b>Three Months Ended June 30,</b>		<b>Change</b>
	<b>2009</b>	<b>2008</b>	
Revenue	\$ 2,208.6	\$ 2,204.3	0%
Foreign exchange impact (1)	76.0	-	
Revenue on a constant currency basis	<u>\$ 2,284.6</u>	<u>\$ 2,204.3</u>	4%
	<b>Three Months Ended June 30,</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
Net loss attributable to First Data Corporation	\$ (195.9)	\$ (160.6)	-22%
Interest expense, net (2)	446.5	444.5	
Income tax benefit	(112.8)	(69.4)	
Depreciation and amortization	389.0	393.5	
EBITDA	<u>\$ 526.8</u>	<u>\$ 608.0</u>	-13%
Stock based compensation (3)	4.6	6.2	
Other items (4)	12.0	(6.5)	
Official check and money order EBITDA (5)	8.3	(16.3)	
Cost of data center, technology and savings initiatives (6)	43.8	51.6	
Transaction related fees	-	0.9	
Purchase accounting (7)	2.0	4.3	
Sponsor's annual management fee	5.3	5.0	
Pre-acquisition EBITDA of acquired or divested businesses (8)	4.4	(12.2)	
Adjusted EBITDA	<u>\$ 607.2</u>	<u>\$ 641.0</u>	-5%

Note: Excluding foreign exchange impact<sup>(1)</sup> of \$27.4 million for the second quarter of 2009, Adjusted EBITDA was down 1%. Excluding foreign exchange impact<sup>(1)</sup> of \$27.4 million and the incremental decrease in royalty revenue of \$14.9 million for the second quarter of 2009, Adjusted EBITDA was up 1%.

<u>Retail and Alliance Services</u>	<b>Three Months Ended June 30,</b>		<b>Change</b>
	<b>2009</b>	<b>2008</b>	
Revenue	\$ 1,284.7	\$ 1,185.5	8%
Reimbursable debit network fees (DNF)	(483.1)	(340.7)	
Revenue excluding DNF	<u>\$ 801.6</u>	<u>\$ 844.8</u>	-5%
Operating profit	\$ 122.6	\$ 124.3	-1%
Depreciation and amortization	186.8	222.1	
EBITDA	<u>\$ 309.4</u>	<u>\$ 346.4</u>	-11%
Profit margin	9.5%	10.5%	
EBITDA margin, excluding DNF	38.6%	41.0%	

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

	<b>Three Months Ended June 30,</b>		<b>Change</b>
	<b>2009</b>	<b>2008</b>	
<b><u>Financial Services</u></b>			
Revenue	\$ 532.2	\$ 556.6	-4%
Reimbursable postage and other	(154.2)	(174.7)	
Revenue excluding reimbursable postage and other	<u>\$ 378.0</u>	<u>\$ 381.9</u>	-1%
Operating profit	\$ 73.5	\$ 92.2	-20%
Depreciation and amortization	110.4	83.8	
EBITDA	<u>\$ 183.9</u>	<u>\$ 176.0</u>	4%
Profit margin	13.8%	16.6%	
EBITDA margin, excluding reimbursables	48.7%	46.1%	
<b><u>International</u></b>			
Revenue	\$ 404.4	\$ 467.3	-13%
Foreign exchange impact (1)	76.0	-	
Revenue on a constant currency basis	<u>\$ 480.4</u>	<u>\$ 467.3</u>	3%
Operating profit	\$ 36.0	\$ 29.7	21%
Depreciation and amortization	73.2	67.5	
EBITDA	<u>\$ 109.2</u>	<u>\$ 97.2</u>	12%
Operating profit	\$ 36.0	\$ 29.7	21%
Depreciation and amortization	73.2	67.5	
Foreign exchange impact (1)	25.1	-	
EBITDA on a constant currency basis	<u>\$ 134.3</u>	<u>\$ 97.2</u>	38%
Profit margin	8.9%	6.4%	
EBITDA margin	27.0%	20.8%	
EBITDA margin on a constant currency basis	28.0%	20.8%	
<b><u>Organic Revenue Constant Currency</u></b>			
Revenue	\$ 404.4	\$ 467.3	-13%
Acquisitions less than a year old	-	-	
Foreign exchange impact (1)	76.0	-	
Organic revenue on a constant currency basis	<u>\$ 480.4</u>	<u>\$ 467.3</u>	3%

- (1) Foreign exchange impact represents the difference between actual 2009 and 2009 calculated using 2008 exchange rates.
- (2) Includes interest expense and interest income.
- (3) Stock based compensation recognized as expense.
- (4) Other items include net restructuring, investment gains and losses, derivative financial instruments gains and losses, net divestitures and non-operating foreign currency gains and losses.
- (5) Represents an adjustment to exclude the official check and money order businesses 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, as well as certain platform development and other costs directly associated with the termination of the Chase Paymentech alliance, all of which are considered one-time projects (excludes costs accrued in purchase accounting).
- (7) Represents the effect of purchase accounting associated with the merger of the company with affiliates of Kohlberg Kravis Roberts & Co. on EBITDA which is primarily the result of revenue recognition adjustments.
- (8) Reflects the EBITDA of companies acquired or divested after March 31, 2008 through June 30, 2009, as if these companies had been acquired or divested on April 1, 2008.