

**THE WESTERN UNION COMPANY**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in millions)  
(unaudited)

Western Union's management has presented: (1) Revenue growth excluding the foreign currency translation impact of euro denominated revenues; (2) Cost of services growth, selling, general and administrative expenses growth, operating income growth, net income growth, earnings per share and earnings per share growth, and operating income margin excluding 2008 restructuring and related expenses and the 2007 accelerated non-cash SFAS No. 123R stock-based compensation vesting charge; (3) Cost of services and SG&A as a percent of revenue, excluding 2008 restructuring and related expenses and the 2007 stock-based compensation vesting charge; (4) Operating income margin by segment and operating income growth or decline by segment, excluding the 2007 stock-based compensation vesting charge; (5) 2008 earnings per share guidance, excluding estimated 2008 restructuring and related expenses; and (6) 2008 full year effective tax rate guidance, excluding estimated 2008 restructuring and related expenses. The 2007 stock-based compensation vesting charge resulted from the acquisition of First Data Corporation ("First Data") by an affiliate of Kohlberg, Kravis, Roberts & Co. ("KKR") in the third quarter 2007. Western Union's management believes these non-GAAP measures provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business, because they provide consistency and comparability to prior periods.

A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are 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 non-GAAP measures to the most directly comparable GAAP financial measures is included in the following slides.

	<b>Three Months Ended</b>		<b>Growth</b>
	<b>September 30,</b>		
	<b>2008</b>	<b>2007</b>	
Revenue as reported (GAAP)	\$ 1,377.4	\$ 1,257.2	10%
Adjustments:			
Benefit from euro translation (a)	(24.1)	-	
Revenue adjusted	<u>\$ 1,353.3</u>	<u>\$ 1,257.2</u>	8%

*Refer to footnote explanations at the end of this "Reconciliation of Non-GAAP Measures" section.*

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**Three Months Ended September 30, 2008**

	<b>As reported (GAAP)</b>	<b>Adjustments (b)</b>	<b>Adjusted</b>
Revenue	\$ 1,377.4	\$ -	\$ 1,377.4
Cost of services	785.6	(1.1)	784.5
Selling, general and administrative	216.6	(2.1)	214.5
Net income	240.8	2.5	243.3
Earnings per share	\$ 0.33	\$ -	\$ 0.33

**Three Months Ended September 30, 2007**

	<b>As reported (GAAP)</b>	<b>Adjustments (c)</b>	<b>Adjusted</b>
Revenue	\$ 1,257.2	\$ -	\$ 1,257.2
Cost of services	722.2	(8.0)	714.2
Selling, general and administrative	204.9	(14.3)	190.6
Net income	216.3	15.2	231.5
Earnings per share	\$ 0.28	\$ 0.02	\$ 0.30

	<b>As reported (GAAP)</b>	<b>Adjustments</b>	<b>Adjusted</b>
2008 Growth:			
Cost of services	9%	1%	10%
Selling, general and administrative	6%	7%	13%
Net income	11%	(6)%	5%
Earnings per share	18%	(8)%	10%
Percent of 2008 revenue:			
Cost of services	57%	0%	57%
SG&A	16%	0%	16%

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	<b>Three Months Ended</b>			
	<u>September 30,</u> <u>2008</u>	<u>June 30,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>
Revenues	\$ 1,377.4	\$ 1,347.1	\$ 1,265.9	\$ 1,257.2
Operating income, as reported (GAAP)	\$ 375.2	\$ 336.2	\$ 309.3	\$ 330.1
Adjustments:				
Restructuring and related expenses (b)	3.2	22.9	24.2	-
Accelerated non-cash stock compensation vesting charge (c)	-	-	-	22.3
Operating income, adjusted	<u>\$ 378.4</u>	<u>\$ 359.1</u>	<u>\$ 333.5</u>	<u>\$ 352.4</u>
Operating income growth, as reported (GAAP)	14%			
Operating income growth, adjusted	7%			
Operating income margin, as reported (GAAP)	27.2%	25.0%	24.4%	26.3%
Operating income margin, adjusted	27.5%	26.7%	26.3%	28.0%

  

	<b>Three Months Ended</b>			
	<u>September 30,</u> <u>2008</u>	<u>June 30,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>
Cost of services, as reported (GAAP)	\$ 785.6	\$ 799.4	\$ 758.6	\$ 722.2
Adjustments:				
Restructuring and related expenses (b)	(1.1)	(19.5)	(22.4)	-
Accelerated non-cash stock compensation vesting charge (c)	-	-	-	(8.0)
Cost of services, adjusted	<u>\$ 784.5</u>	<u>\$ 779.9</u>	<u>\$ 736.2</u>	<u>\$ 714.2</u>
Operating income growth, as reported (GAAP)	9%			
Operating income growth, adjusted	10%			
Cost of services as a percent of revenue, as reported (GAAP)	57%	59%	60%	57%
Cost of services as a percent of revenue, adjusted	57%	58%	58%	57%

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	Operating income by segment Three Months Ended September 30, 2008	
	C2C	C2B
	Operating income, as reported (GAAP)	\$ 327.7

	Operating income by segment Three Months Ended September 30, 2007	
	C2C	C2B
	Revenue, as reported (GAAP)	\$ 1,055.8
Operating income, as reported (GAAP)	\$ 274.1	\$ 52.0
Adjustment:		
Accelerated non-cash stock compensation vesting charge (c)	18.9	3.0
Operating income, adjusted	\$ 293.0	\$ 55.0

Operating income margin, three months ended September 30, 2007:		
As reported (GAAP)	26.0%	29.0%
Adjusted	27.8%	30.6%

Operating income growth/(decline):		
As reported (GAAP)	20%	(10)%
Adjusted	12%	(15)%

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*EPS Guidance*

	<b>Range</b>	
2008 EPS Guidance GAAP basis	\$ 1.23	\$ 1.25
Adjustments:		
Estimated 2008 restructuring and related expenses, net of estimated income tax benefit (b)	0.06	0.06
Adjusted 2008 EPS Guidance, excluding estimated restructuring and related expenses	<u>\$ 1.29</u>	<u>\$ 1.31</u>

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*2008 Full Year Estimated Effective Tax Rate Guidance ("ETR")*

	<b>2008</b>
Estimated ETR (GAAP Basis)	26.5%
Estimated ETR benefit for estimated 2008 restructuring and related expenses (b)	1.0
Adjusted estimated ETR	27.5%

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*Footnotes:*

(a) Represents a benefit in the fluctuation in the exchange rate between the euro and the United States dollar. This benefit would not have occurred had there been a constant exchange rate, and was net of the impact of our foreign currency hedges.

(b) Restructuring and related expenses incurred in the three months ended September 30, 2008 include \$3 million of expenses and an estimated \$70 million of expenses for 2008. These expenses relate to severance, outplacement and other employee related benefits; facility closure and migration of our IT infrastructure; and other expenses related to relocation of various operations to existing Company facilities and third party providers, including hiring, training, relocation, travel, and professional fees. Also, included in the facility closure expenses are non-cash expenses related to fixed asset and leasehold improvement write-offs, and acceleration of depreciation and amortization. For purposes of calculating the adjusted non-GAAP 2008 EPS guidance, the EPS impact of \$0.06 for estimated 2008 restructuring and related expenses is net of an estimated income tax benefit of \$27 million. The restructuring and related expenses are included in cost of services and selling, general and administrative expense lines in the consolidated statements of income, and are not allocated to the segments.

(c) In the third quarter of 2007, the Company recognized a \$22 million or a \$0.02 per share non-cash charge in accordance with SFAS No. 123R accounting for stock-based compensation resulting from the previously announced acceleration of vesting in Western Union stock options and awards granted to current Western Union employees prior to the spin-off from First Data. Under the terms of the plan, vesting was accelerated for these options and awards as a result of the change of control that occurred when an affiliate of KKR acquired First Data, Western Union's former parent company, on September 24, 2007.