

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

	Three months ended September 30,		Change
	2009	2008	
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 868.2	\$ 701.3	24%
Check services	90.5	94.4	-4%
Card services	451.9	525.3	-14%
Other services	129.2	140.9	-8%
Investment income, net	(4.5)	(24.5)	NM
Product sales and other	188.4	215.6	-13%
Reimbursable debit network fees, postage and other	719.5	511.0	41%
	<u>2,443.2</u>	<u>2,164.0</u>	13%
Expenses:			
Cost of services (exclusive of items shown below)	757.1	722.3	5%
Cost of products sold	80.9	77.1	5%
Selling, general and administrative	377.5	345.2	9%
Reimbursable debit network fees, postage and other	719.5	511.0	41%
Depreciation and amortization	372.0	338.9	10%
Other operating expenses:			
Restructuring, net	10.9	16.0	NM
Impairments	7.7	29.6	NM
	<u>2,325.6</u>	<u>2,040.1</u>	14%
Operating profit	<u>117.6</u>	<u>123.9</u>	-5%
Interest income	3.2	5.9	-46%
Interest expense	(447.5)	(497.7)	-10%
Other income (expense) (b)	(84.5)	70.5	NM
	<u>(528.8)</u>	<u>(421.3)</u>	26%
Loss before income taxes and equity earnings in affiliates	(411.2)	(297.4)	38%
Income tax benefit	(131.4)	(145.5)	-10%
Equity earnings in affiliates (a)	26.8	35.0	-23%
Net loss	<u>(253.0)</u>	<u>(116.9)</u>	116%
Less: Net income attributable to noncontrolling interests	35.9	47.5	-24%
Net loss attributable to First Data Corporation	<u>\$ (288.9)</u>	<u>\$ (164.4)</u>	76%

(See accompanying notes)

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

	<u>Nine months ended September 30,</u>		<u>Change</u>
	<u>2009</u>	<u>2008</u>	
Revenues:			
Transaction and processing service fees (a):			
Merchant related services	\$ 2,199.3	\$ 2,037.1	8%
Check services	261.6	292.1	-10%
Card services	1,376.5	1,539.6	-11%
Other services	380.7	416.5	-9%
Investment income, net	0.3	67.3	NM
Product sales and other	568.6	641.6	-11%
Reimbursable debit network fees, postage and other	1,941.0	1,500.6	29%
	<u>6,728.0</u>	<u>6,494.8</u>	4%
Expenses:			
Cost of services (exclusive of items shown below)	2,144.5	2,152.9	0%
Cost of products sold	224.6	231.4	-3%
Selling, general and administrative	1,035.2	1,040.3	0%
Reimbursable debit network fees, postage and other	1,941.0	1,500.6	29%
Depreciation and amortization	1,067.1	996.8	7%
Other operating expenses:			
Restructuring, net	44.4	15.9	NM
Impairments	7.7	29.6	NM
Litigation and regulatory settlements	(2.7)	-	NM
	<u>6,461.8</u>	<u>5,967.5</u>	8%
Operating profit	<u>266.2</u>	<u>527.3</u>	-50%
Interest income	9.6	21.5	-55%
Interest expense	(1,345.3)	(1,466.5)	-8%
Other income (expense) (b)	(64.8)	33.7	NM
	<u>(1,400.5)</u>	<u>(1,411.3)</u>	-1%
Loss before income taxes and equity earnings in affiliates	(1,134.3)	(884.0)	28%
Income tax benefit	(389.0)	(345.4)	13%
Equity earnings in affiliates (a)	70.8	108.7	-35%
Net loss	<u>(674.5)</u>	<u>(429.9)</u>	57%
Less: Net income attributable to noncontrolling interests	41.6	116.8	-64%
Net loss attributable to First Data Corporation	<u>\$ (716.1)</u>	<u>\$ (546.7)</u>	31%

(See accompanying notes)

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

	Three months ended September 30,		Change
	2009	2008	
Revenues:			
Retail and Alliance Services	\$ 796.7	\$ 833.0	-4%
Financial Services (c)	339.3	380.3	-11%
International (c)	414.6	462.3	-10%
Integrated Payment Systems	(5.4)	(32.9)	-84%
Subtotal segment revenues	1,545.2	1,642.7	-6%
All Other and Corporate	58.6	86.4	-32%
Adjustments to reconcile to Adjusted revenue:			
Official check and money order revenues (d)	5.4	32.9	-84%
Eliminations (e)	(13.9)	(16.0)	NM
Adjusted revenue	1,595.3	1,746.0	-9%
Adjustments to reconcile to Consolidated revenues: (f)			
Divested businesses (c)	10.7	36.1	NM
Adjustments for non-wholly owned entities (g)	53.1	(117.5)	NM
Official check and money order revenues	(5.4)	(32.9)	-84%
ISO commission expense	70.0	21.3	NM
Reimbursable debit network fees, postage and other	719.5	511.0	41%
Consolidated revenues	\$ 2,443.2	\$ 2,164.0	13%
Segment EBITDA:			
Retail and Alliance Services	\$ 304.4	\$ 357.8	-15%
Financial Services (c)	148.2	194.6	-24%
International (c)	106.5	140.9	-24%
Integrated Payment Systems	-	-	NM
Subtotal segment adjusted EBITDA	559.1	693.3	-19%
All Other and Corporate	(27.1)	(4.8)	NM
Adjusted EBITDA	532.0	688.5	-23%
Adjustments to reconcile to Loss before income taxes and equity earnings in affiliates: (f)			
Divested businesses (c)	8.1	16.9	NM
Adjustments for non-wholly owned entities (g)	16.7	(58.2)	NM
Depreciation and amortization	(372.0)	(338.9)	10%
Interest expense	(447.5)	(497.7)	-10%
Interest income	3.2	5.9	-46%
Other items (h)	(103.1)	24.9	NM
Stock based compensation	(4.7)	(8.9)	-47%
Official check and money order EBITDA	(10.5)	(42.2)	-75%
Cost of data center, technology and savings initiatives	(26.3)	(78.0)	NM
KKR merger related items	(7.1)	(9.7)	NM
Eliminations	-	-	NM
Loss before income taxes and equity earnings in affiliates	\$ (411.2)	\$ (297.4)	38%
Segment depreciation and amortization:			
Retail and Alliance Services	\$ 189.4	\$ 226.1	-16%
Financial Services (c)	80.5	77.1	4%
International (c)	72.1	67.9	6%
Integrated Payment Systems	0.1	0.1	0%
Subtotal segment depreciation and amortization	342.1	371.2	-8%
All Other and Corporate	20.3	25.2	-19%
Adjusted depreciation and amortization	362.4	396.4	-9%
Adjustments to reconcile to consolidated depreciation and amortization:			
Divested businesses (c)	1.9	3.9	NM
Adjustments for non-wholly owned entities (g)	26.3	(8.1)	NM
Amortization of initial payments for new contracts	7.7	3.5	120%
Total consolidated depreciation and amortization (a)	\$ 398.3	\$ 395.7	1%

(See accompanying notes)

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

	<u>Nine months ended September 30,</u>		<u>Change</u>
	<u>2009</u>	<u>2008</u>	
Revenues:			
Retail and Alliance Services	\$ 2,243.3	\$ 2,457.4	-9%
Financial Services (c)	1,089.9	1,138.3	-4%
International (c)	1,145.6	1,316.5	-13%
Integrated Payment Systems	(4.8)	38.8	NM
Subtotal segment revenues	4,474.0	4,951.0	-10%
All Other and Corporate	186.6	266.8	-30%
Adjustments to reconcile to Adjusted revenue:			
Official check and money order revenues (d)	4.8	(38.8)	NM
Eliminations (e)	(42.4)	(47.2)	NM
Adjusted revenue	4,623.0	5,131.8	-10%
Adjustments to reconcile to Consolidated revenues: (f)			
Divested businesses (c)	43.1	117.3	NM
Adjustments for non-wholly owned entities (g)	(57.3)	(354.6)	NM
Official check and money order revenues	(4.8)	38.8	NM
ISO commission expense	183.0	60.9	NM
Reimbursable debit network fees, postage and other	1,941.0	1,500.6	29%
Consolidated revenues	\$ 6,728.0	\$ 6,494.8	4%
Segment EBITDA:			
Retail and Alliance Services	\$ 895.2	\$ 1,041.5	-14%
Financial Services (c)	497.3	557.1	-11%
International (c)	293.0	339.5	-14%
Integrated Payment Systems	-	-	NM
Subtotal segment adjusted EBITDA	1,685.5	1,938.1	-13%
All Other and Corporate	(84.1)	(13.3)	NM
Adjusted EBITDA	1,601.4	1,924.8	-17%
Adjustments to reconcile to Loss before income taxes and equity earnings in affiliates: (f)			
Divested businesses (c)	22.1	50.9	NM
Adjustments for non-wholly owned entities (g)	(57.6)	(199.3)	NM
Depreciation and amortization	(1,067.1)	(996.8)	7%
Interest expense	(1,345.3)	(1,466.5)	-8%
Interest income	9.6	21.5	-55%
Other items (h)	(114.2)	(11.8)	NM
Stock based compensation	(13.8)	(19.5)	-29%
Official check and money order EBITDA	(21.1)	8.2	NM
Cost of data center, technology and savings initiatives	(127.5)	(162.3)	NM
KKR merger related items	(20.6)	(33.2)	NM
Eliminations	(0.2)	-	NM
Loss before income taxes and equity earnings in affiliates	\$ (1,134.3)	\$ (884.0)	28%
Segment depreciation and amortization:			
Retail and Alliance Services	\$ 562.7	\$ 677.9	-17%
Financial Services (c)	269.4	238.8	13%
International (c)	202.6	191.5	6%
Integrated Payment Systems	0.4	0.2	100%
Subtotal segment depreciation and amortization	1,035.1	1,108.4	-7%
All Other and Corporate	53.5	55.8	-4%
Adjusted depreciation and amortization	1,088.6	1,164.2	-6%
Adjustments to reconcile to consolidated depreciation and amortization:			
Divested businesses (c)	7.0	10.5	NM
Adjustments for non-wholly owned entities (g)	25.7	(24.0)	NM
Amortization of initial payments for new contracts	18.1	6.9	162%
Total consolidated depreciation and amortization (a)	\$ 1,139.4	\$ 1,157.6	-2%

(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 new accounting guidance 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 the new accounting guidance.

Beginning in the third quarter 2009 the Company changed the financial reports provided to its Chief Executive Officer to assess the performance of the Company's business segments. The segments have not changed but the presentation of the results has changed. Results in prior periods have been adjusted to conform to this presentation. Segment revenue for all segments now excludes reimbursable debit network fees, postage and other revenue and the Retail and Alliance Services segment revenues are now presented on a proportionate consolidation basis with commission payments to certain ISO's now reflected as contra revenue. Segment earnings now exclude depreciation and amortization expenses, stock based compensation expense, Official check and money order businesses' EBITDA, cost of data center technology and savings initiatives and KKR merger related items to arrive at segment EBITDA. The Retail and Alliance Services segment EBITDA is now presented on a proportionate consolidation basis. Refer to the Company's Quarterly Report on Form 10-Q filed with the Securities Exchange Commission for a more detailed description to the adjustments noted above.

- (a) Includes amortization of customer contracts which is recorded as a contra-revenue within "Transaction and processing service fees" of \$7.7 million and \$18.1 million for the three and nine months ended September 30, 2009, respectively, and \$3.5 million and \$6.9 million for the three and nine months ended September 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 \$18.6 million and \$54.2 million for the three and nine months ended September 30, 2009, respectively, and \$53.3 million and \$153.9 million for the three and nine months ended September 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) The Company sold its debit and credit card issuing and acquiring processing business in Austria ("Austria") and its ownership interest in Active Business Services, Ltd ("Active"), both reported within the International segment, in August 2009 and July 2008, respectively, and its ownership interest in Peace Software ("Peace"), reported within the Financial Services segment, in October 2008. The International and Financial Services segment performance measures were adjusted for 2009 and 2008 to exclude the results of Austria, Active and Peace. Retail and Alliance Services segment performance measures have been adjusted for 2008 to reflect the sale of 12.5% of the Company's ownership interest in the Wells Fargo Merchant Services alliance that occurred on December 31, 2008.
- (d) Represents an adjustment to exclude the official check and money order businesses from adjusted revenue.
- (e) Represents elimination of intersegment revenue.
- (f) Reconciles the total segment and All Other and Corporate adjusted revenue to consolidated revenue or total segment and All Other and Corporate EBITDA to Loss before income taxes and equity earnings in affiliates as reported on the Consolidated Statements of Operations.
- (g) Represent the reversal of proportionate consolidation adjustments made to the Retail and Alliance Services segment revenue or segment EBITDA and equity earnings included in the International segment and All Other and Corporate revenue or segment EBITDA. Also includes the add back of net income attributable to noncontrolling interests excluded from International segment EBITDA.
- (h) Includes "Other operating expenses" and "Other income (expense)" as presented on the Consolidated Statements of Operations.

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.

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.

Non-GAAP measures for the company's domestic segments include Segment Revenue further adjusted for revenue earned from reimbursements of pass-through costs such as debit network fees. Non-GAAP measures for the company's International segment include Segment Revenue further adjusted for revenue earned from reimbursements of pass-through costs such as debit network fees and for foreign exchange impact and Segment EBITDA further adjusted to exclude foreign exchange impact.

Management believes that these non-GAAP measures provide insight into the company's core performance.

Consolidated	Three Months Ended September 30,		Change
	2009	2008	
Net loss attributable to First Data Corporation	\$ (288.9)	\$ (164.4)	76%
Interest expense, net (1)	444.3	491.8	
Income tax benefit	(131.4)	(145.5)	
Depreciation and amortization (2)	390.6	392.2	
Stock based compensation (3)	4.7	8.9	
Other items (4)	103.1	(24.9)	
Official check and money order EBITDA (5)	10.5	42.2	
Cost of data center, technology and savings initiatives (6)	26.3	78.0	
KKR merger related items (7)	7.1	9.7	
Divested businesses (8)	(8.1)	(16.9)	
Adjustments for non-wholly owned entities (9)	(26.2)	17.4	
Adjusted EBITDA	532.0	688.5	-23%
Foreign exchange impact (10)	15.0	-	
Royalty revenue	(0.8)	(26.4)	
Credit losses	26.2	6.4	
	\$ 572.4	\$ 668.5	-14%

Retail and Alliance Services	Three Months Ended September 30,		Change
	2009	2008	
Segment Revenue	\$ 796.7	\$ 833.0	-4%
Reimbursables	498.8	410.8	
Segment Revenue including reimbursables	\$ 1,295.5	\$ 1,243.8	4%

Financial Services	Three Months Ended September 30,		Change
	2009	2008	
Segment Revenue	\$ 339.3	\$ 380.3	-11%
Reimbursables	148.5	178.7	
Segment Revenue including reimbursables	\$ 487.8	\$ 559.0	-13%

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

	Three Months Ended September 30,		Change
	2009	2008	
<u>International</u>			
Segment Revenue	\$ 414.6	\$ 462.3	-10%
Foreign exchange impact (10)	41.3	-	
Segment Revenue on a constant currency basis	<u>\$ 455.9</u>	<u>\$ 462.3</u>	-1%
Segment EBITDA	\$ 106.5	\$ 140.9	-24%
Foreign exchange impact (10)	15.0	-	
Segment EBITDA on a constant currency basis	<u>\$ 121.5</u>	<u>\$ 140.9</u>	-14%
Margin	25.7%	30.5%	
Margin on a constant currency basis	26.7%	30.5%	

- (1) Includes interest expense and interest income.
- (2) Excludes amortization of initial payments for new contracts.
- (3) Stock based compensation recognized as expense.
- (4) Includes net restructuring, impairments, litigation and regulatory settlements, investment gains and losses, derivative financial instruments gains and losses, net divestitures and non-operating foreign currency gains and losses as applicable to the periods presented.
- (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 nonrecurring projects (excludes costs accrued in purchase accounting).
- (7) Represents the exclusion of third party expenses including legal, accounting, and other advisory fees incurred in connection with the merger of the Company with an affiliate of KKR ("the merger") and the debt issued thereunder, KKR annual sponsor fees for management, consulting, financial and other advisory services and the effect of purchase accounting associated with the merger on EBITDA which is primarily the result of revenue recognition adjustments.
- (8) Adjustment to exclude the EBITDA of divestitures through September 30, 2009 as if these businesses had been divested for all periods presented.
- (9) Net adjustment to reflect First Data's proportionate share of alliance EBITDA within the Retail and Alliance Services segment.
- (10) Foreign exchange impact represents the difference between actual 2009 and 2009 calculated using 2008 exchange rates.