First Data Industry Day Overview

• Michael Capellas - Chairman & CEO

• Mark Herrington - General Manager, Retail Solutions
  - Prepaid Solutions

• Barry McCarthy - General Manager, Mobile Commerce
  and Point of Sale
  - Mobile Commerce

February 18, 2009
Four Seasons Hotel, Boston MA
# Industry Analyst Day Attendees

<table>
<thead>
<tr>
<th>Industry Analyst Day Attendee</th>
<th>Research Firm</th>
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<tbody>
<tr>
<td>Sahir Anand</td>
<td>Aberdeen</td>
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<tr>
<td>Gwenn Bézard</td>
<td>Aite Group</td>
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<tr>
<td>Ellen Carney</td>
<td>Forrester</td>
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<tr>
<td>Chris Collins</td>
<td>Yankee Group</td>
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<tr>
<td>David Fish</td>
<td>Mercator</td>
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<tr>
<td>Dana Gould</td>
<td>Financial Insights</td>
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<tr>
<td>Tony Hayes</td>
<td>Oliver Wyman</td>
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<tr>
<td>Patti Hewitt</td>
<td>Mercator</td>
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<tr>
<td>Nick Holland</td>
<td>Aite Group</td>
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<tr>
<td>Ed Lawrence</td>
<td>Auriemma</td>
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<td>Aaron McPherson</td>
<td>Financial Insights</td>
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<td>Kate Monahan</td>
<td>Aite</td>
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<td>Robert Misasi</td>
<td>Mercator</td>
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<td>Bart Narter</td>
<td>Celent</td>
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<td>Jon Paisner</td>
<td>Yankee Group</td>
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<td>Ken Paterson</td>
<td>Mercator</td>
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<tr>
<td>George Peabody</td>
<td>Mercator</td>
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<tr>
<td>Frank Rizza</td>
<td>Aite</td>
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<tr>
<td>Elizabeth Rowe</td>
<td>Mercator</td>
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<tr>
<td>Andy Schmidt</td>
<td>TowerGroup</td>
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<td>Ron Shevlin</td>
<td>Aite Group</td>
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<td>Tim Sloane</td>
<td>Mercator</td>
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<tr>
<td>Peter Wannemacher</td>
<td>Forrester</td>
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<tr>
<td>Terry Xie</td>
<td>Mercator</td>
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Key Messaging presented to the Industry Analysts

- Current state of the economy
- Our Global Competitive Market Position
- First Data Structural Overview
- 2009 Strategy Initiatives
- The next generation of VisionPLUS is a “game changer”
- The power of First Data Analytics
- Our Global Foot Print expands to 38 Countries
- One of the largest POS equipment distributors in the World
- We have capital to invest into our technology and innovation
- First Data is a leading player in the mobile commerce space shaping the future of mCommerce for the benefit of merchants, financial institutions and consumers around the world.
- Evolution of the Go-Tags and beyond to the Mobile wallet
- We are Largest Prepaid Program manager/processor in the world
- Demonstration of First Data Prepaid and Mobile Technologies
Industry Analyst Day

Michael Capellas
Chairman & CEO

February 18, 2009
Four Seasons Hotel, Boston MA
Discussion Topics

1. Inflection Point in Payments Markets
2. First Data Overview
3. Competitive Position
4. First Data Strategy
5. Focus on Mobile and Prepaid
6. More Q&A
Inflection Point in Payments Markets
Credit Cards
Transaction Growth Rate

Debit Cards
Transaction Growth Rate

Debit Share of Transactions is Increasing
Transaction Share – 2007

In Billions of transactions

Debit Share of Transactions is Increasing
Transaction Share – 2008

In Billions of transactions

U.S. Consumer “De-Leveraging”
Consumer Credit Outstanding
Monthly increase, $ bil, SA

Source: The Nilson Report, November 2008,
Note: Transactions estimated using Nilson data
What Happened?

1. US consumer became over-leveraged
2. Slowed consumer spending
3. Drove down asset values
4. Pushed financial institution & systems under duress
5. Contracted the credit market
6. Drove unemployment and slowed GDP
Wall Street Hits Main Street!

Consumer Confidence hits all time low
- 38% versus 61% in September
- September unemployment tops 6.5%; 1.2M jobs cut in 2008
- 100K job cuts announced during the week of Jan. 26

Housing bubble bursts
- Top 10 US market home prices fall 18% over past 12 months – pricing at 2003 levels
- Vacant homes equal 2.8% of total inventory up 65%
- Foreclosures up 71%

US retail same store sales hit an 8 year low
- Specialty stores down 12-18%
- Retailers down 8-10%
- Big box retailers, QSR and petro up 1-3%
Wholesalers and Discounters Grab a Higher Share of the Retail Market, On-line and Off-line

"Concentration of Commerce"

3Q08 Same Store Transaction Growth

Wholesale and Discounters
General Retail
Petro

53% of E-Commerce conducted by the top 100 merchants

Share of 2007 Web Sales for Total Internet Retailing

Wholesale and Discounters General Retail Petro

2Q08 Same Store Transaction Growth

1Q08 Same Store Transaction Growth

*eBay recorded $64.2 billion in gross sales, during 2007
Source: Internet Retailer
What This All Means For First Data?

1. Big Merchant Acquirers and Processors Gain Share
   The large-scale providers of processing and merchant acquiring services will be better positioned to succeed in 2009. Smaller providers will fail or get acquired.

2. Outsourced Processing Gains Popularity
   Large FIs may be distracted by the various changes occurring in the rapidly-evolving financial landscape and refocus their efforts on core operations, rather than issuing or acquiring. This will lead large FI’s to increasingly look to outsourced solutions.

3. Large FI’s Increase Market Power on Payments
   As FIs consolidate, large issuers will have increased market power and have increasing influence on the payments value chain
Short Term Payments Forecast

• U.S. payment system will continue to evolve from paper to electronic
• Card payments will continue to lead volume growth; especially debit
• e-Commerce accelerates as 20-somethings and teenagers become primary consumers
• Mobile-and e-Commerce will drive future innovation in payments
• Fraud, risk other security threats need to be addressed for consumer confidence
• Globalization offers rich opportunities to payment systems to enable cross border commerce
Long Term Payments Forecast

• Manufactures establish direct relationships with consumers via Mobile

• Plastic becomes the bank

• Alternate payment networks grow through coalitions and peer to peer

• Regulation influences payment industry

• Information and integration emerges as key buying criteria for merchants
Competitive Position
## First Data Competitive Position

- First Data is the largest Merchant Acquirer and only top 5 Merchant Acquirer not requiring any government assistance
- The next level of competitors are in financial distress

<table>
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<tr>
<th>Merchant Acquiring / Processing</th>
<th>2007 Volume %</th>
<th>Amount Received From Treasury</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> First Data &amp; Alliances</td>
<td>33.7%</td>
<td>$25 Billion</td>
</tr>
<tr>
<td>2. Chase Paymentech</td>
<td>13.7%</td>
<td>$45 Billion</td>
</tr>
<tr>
<td>3. Bank of America</td>
<td>12.5%</td>
<td>$45 Billion</td>
</tr>
<tr>
<td>4. US Bancorp</td>
<td>7.7%</td>
<td>$6.6 Billion</td>
</tr>
<tr>
<td>5. Fifth Third Bank</td>
<td>6.9%</td>
<td>$3.4 Billion</td>
</tr>
<tr>
<td>6. Global Payments</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>7. Heartland Payment Systems</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>8. First National Merchant Solutions</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td>9. RBS</td>
<td>1.5%</td>
<td>$31 Billion</td>
</tr>
<tr>
<td>10. TRANSFIRST</td>
<td>1.2%</td>
<td></td>
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| Total Top 10                    | 85.4%         |                              |
| Other                           | 14.6%         |                              |
| **Total Industry**              | **100%**      | **Total Assistance = $80 Billion** |

Source: Nilson Report (March 2008)
## First Data Competitive Position

### Financial Services Ranking

<table>
<thead>
<tr>
<th>Ranking</th>
<th>2008% Transactions</th>
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</thead>
<tbody>
<tr>
<td>1. Interlink</td>
<td>39.8%</td>
</tr>
<tr>
<td>2. STAR (FDC)</td>
<td>30%</td>
</tr>
<tr>
<td>3. Pulse</td>
<td>10.7%</td>
</tr>
<tr>
<td>4. NYCE</td>
<td>10.1%</td>
</tr>
<tr>
<td>5. ACCEL</td>
<td>4.6%</td>
</tr>
<tr>
<td>6. Others</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* 2.1 million ATM & retail locations
* 2<sup>nd</sup> largest PIN POS Debit Network in US<sup>(1)</sup>
* First Data Services over 2,000 financial institutions and card issuers

### First Data International Ranking

<table>
<thead>
<tr>
<th>International Electronic Payment Processing ($ in millions)</th>
<th>FY 2007 Int’l Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ranking</strong></td>
<td></td>
</tr>
<tr>
<td>1. First Data</td>
<td>$1,673</td>
</tr>
<tr>
<td>2. Euronet</td>
<td>$698</td>
</tr>
<tr>
<td>3. TSYS</td>
<td>$406</td>
</tr>
<tr>
<td>4. Global Payments&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$342</td>
</tr>
<tr>
<td>5. Fiserv</td>
<td>$196</td>
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</table>

First Data Services over 2,000 financial institutions and card issuers

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* 2.1 million ATM & retail locations
* First Data Services over 2,000 financial institutions and card issuers

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**Source:** ATM & Debit News. (September 2008)

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Source: Competitor revenue, internal estimates.

(1) Year ended May 31, 2007

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Please note that the information represents March 2008 data only.
First Data Strategy
Our 2009 Strategy

“To become the leading-edge technology services provider in the expanding world of electronic and mobile commerce.”

1. Grow Overall Revenue
2. Improve Measurable Service Quality
3. Deliver The Technology Roadmap
4. Global Shared Services Model
5. Achieve EBITA Positive Cash Flow
Q&A
A History Of Innovation – Prepaid

First to Market
Launch with Blockbuster

1994-1995

Launched first cross-entity card with Darden Restaurants

1999

Launched cross-consortium card with Walgreens

1999

Partnered with Starbucks to launch the Duetto card (integrated Credit/Gift)

2000

POSA applications launched for ticketing and digital content activation

2001

Launched reload automation with real time response

2002

Launched Q-Card, an open network teen spending card

2003

Launched its first multi-channel card with Trans World Entertainment

2004

Real-time currency conversion drives international expansion

2005

Launched Prepaid Rewards integrated loyalty solution

2006

2007

2008

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First Data Prepaid - Profile

Who We Are

- Over 13 years of prepaid experience; 10 years of international experience
- Footprint in 31 countries outside of the United States
- Serving over 250 national / global brands with over 148,000 domestic and international locations
- Issued over 3 Billion gift and spending cards
- Investments exceeding $150MM
- Supported by over 29,000 global employees of First Data

1. First to Market
2. Innovation
3. Scale
4. Size
Product and Services

Closed Loop – Private Label Gift

Open Loop – General Purpose Reloadable

Additional Services
- Processing
- Help Desk/IVR
- Internet Processing
- Aggregator Services
- Reload/Auto Reload
- Franchise Settlement
- Contactless
- Prepaid Malls
- B2B / B2C
- Health Care
- Plastics

Trucking & Ocean Freight

Open Loop – Gift / Incentive

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Q&A
Mobile Solutions Overview
Industry Analyst Day

Barry McCarthy
Feb 18th 2009
Agenda

• Mobile Market Opportunity

• Product Strategy – 3 planks

• Go-To-Market Strategy

• Q&A
Overview

Mobility is simultaneously opportunity and threat to FDC business

- $500+ million addressable market opportunity for FDC in 2010; $700+ million in 2012
- 3+ billion handsets; only 1.3 billion cards
- Potential to reset payment landscape permanently

Product strategy – 3 planks

- Mobile Account Services – Trusted Service Management core to future
- Mobile Payments – GO-Tag is flagship product
- Mobile Marketing – Ability to tie payment to ad is core future differentiator

Go-To-Market Strategy

- Agnostic service provider that enables all to earn profits – FI’s, Carriers, Associations
- We start mobile commerce with GO-Tag – merchants, FI’s and carriers as issuers/distributors
- We migrate existing issuing and prepaid programs to handset by becoming Trusted Service Manager (TSM) for key carriers
- 2009 is all about GO-Tag (while building out other services for 2010+)
First Data View of Mobile Commerce

The contents of your leather wallet – and SO MUCH MORE – will ultimately migrate to the mobile device.

Large Opportunity

3 billion active phones globally — just 1.2 billion active cards and ~800M users
Expected Evolution

Yesterday

• Mag-stripe cards and checks
• Some contactless cards + contactless readers at the POS

Proving contactless technology; Rolling out POS infrastructure

Technology Evolution

Functionality

Goals

Today

• Prepaid GO-Tag
• Credit / debit GO-Tag
• Messaging and alerts
• SMS payments from existing accounts
• Prepaid phone top-up

Changing consumer payment behavior; Accelerating POS infrastructure roll-out

Tomorrow

• Payment account in secure element + NFC-enabled handset
• Integrated mobile solution (payment + loyalty + marketing)
• SMS confirmation and security applications

Enabling full-featured mobile services, mobile payments and mobile marketing solutions

Requirement: Trusted Service Management

“Outside the Phone”

“On the Phone”

“In the Phone”
Three Plank Product Strategy

Mobile Account Services
- mAccounts (access to First Data-hosted accounts)
- Mobile services (notifications, info queries, etc.)
- Mobile wallet
- Trusted service management (TSM)

Mobile Payments
- GO-Tags
- Remittance and P2P
- Mobile gift card mall
- Value network
- Mobile payment acceptance

Mobile Marketing
- Advertising / banners
- Coupons
- Loyalty
Pathway to Mobile Commerce

Carriers and Handset makers will determine the timeline to NFC devices and mass adoption.
Introducing the GO-Tag™ Solution

A bridge product, incenting all parties in the value chain to adopt contactless technology, leading to a greater demand for phones with NFC capability

- Provides a new, convenient way for customers to pay
  - Preferred form factors include stickers to support migration to mobility
- Enables placement of a payment type on any personal item
  - Mobile handset, mp3 player, employee badge or other
- Different form factors can be used for customized branding
How GO-Tag™ Solutions Work for Consumers

1. Consumer buys prepaid gift/spending card with GO-Tag™ sticker at gift card mall or FI branch.

2. Consumer attaches sticker to phone (or other personal item) and stores the card in their wallet or at home for safe-keeping.

3. Consumer uses the personal device to make purchases at the retailer.

4. At any point, the consumer can register their GO-Tag prepaid sticker online and can enroll for automatic reload.

Pre-Paid: Reload Automation from Credit/Debit today…ACH Soon
Q&A