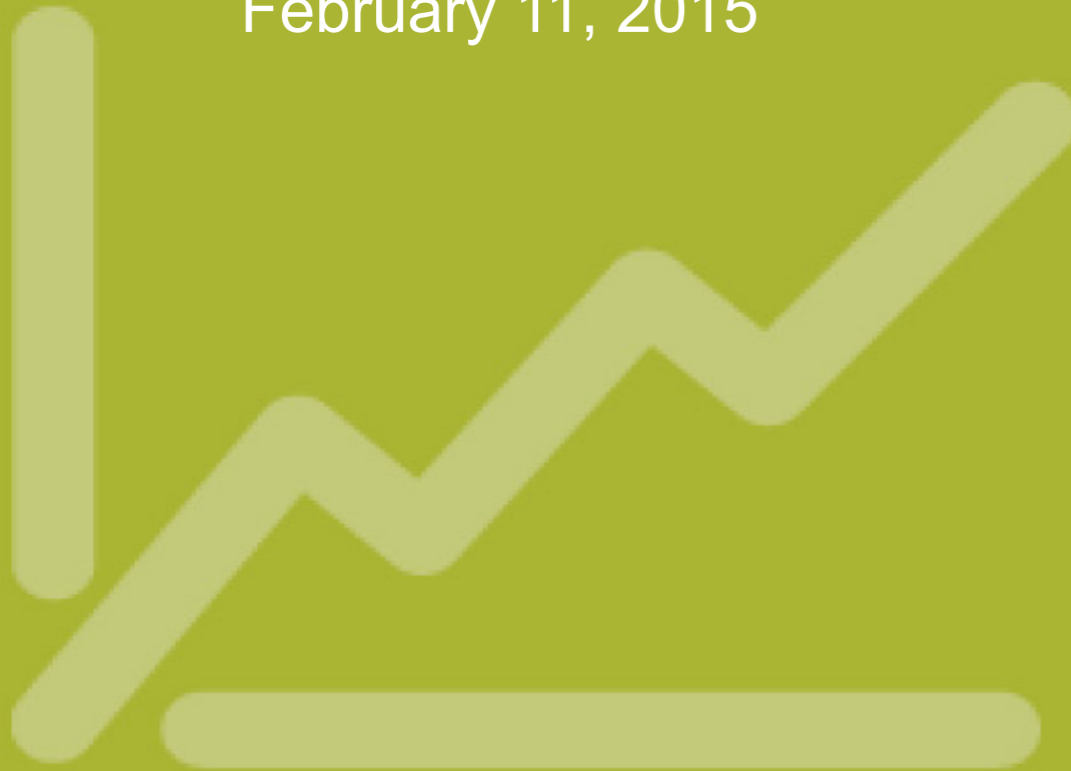


# First Data

## 2014 Fourth Quarter Financial Results

February 11, 2015



# Safe Harbor

**Statements in this presentation regarding First Data Corporation's business which are not historical facts are "forward-looking statements." All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Please refer to the company's meaningful cautionary statements contained in the appendix of this presentation for a more detailed list of risks and uncertainties.**

**Reconciliation to Non-GAAP measures are provided in the Appendix of this presentation or as part of our Financial Results Press Release accompanying this presentation which can be found at <http://investor.firstdata.com>.**

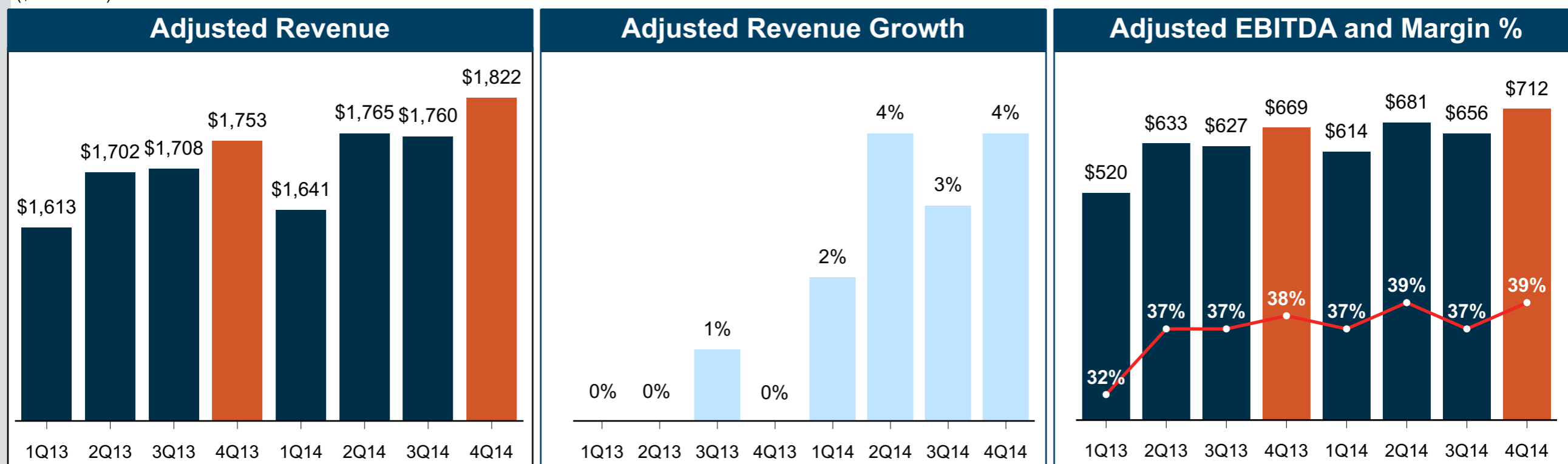
# Progress/Highlights

- ▶ Continued improvement in financial results
- ▶ Focus on innovation and new product solutions
- ▶ Collaboration and partnerships
- ▶ Ongoing transformation of business

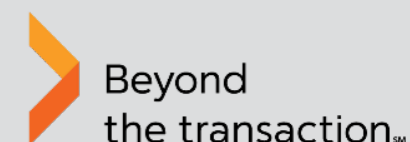
# 4Q14 Consolidated Operating Results

- ▶ Consolidated revenue of \$2.9 billion, up 3% versus the prior year period
- ▶ Net income attributable to First Data of \$12 million, improvement of \$135 million
  - First profitable quarter since privatization in 2007
- ▶ Operating profit of \$420 million, up 17%
- ▶ Adjusted revenue of \$1.8 billion, up 4% (6% constant currency)
- ▶ Adjusted EBITDA of \$712 million, up 6% (8% constant currency)
  - Margin of 39%, up 1 percentage point

(\$ in millions)



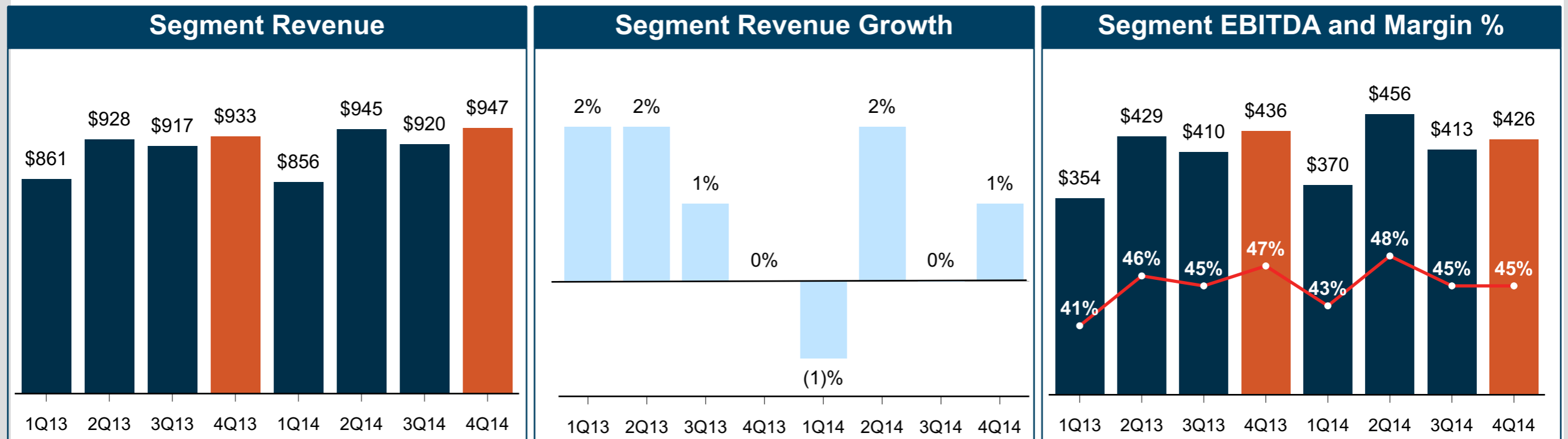
See Appendix pages 13 - 17



# 4Q14 Merchant Solutions Results

- ▶ Revenue of \$947 million, up 1% versus the prior year period
- ▶ Merchant acquiring revenue up 3%
- ▶ Product revenue down 1%
  - \$12 million negative impact due to the sale of EFS, continued decline in check volume, offset by growth in equipment revenue
- ▶ EBITDA of \$426 million, down 2%
  - Margin of 45%, down 2 percentage points

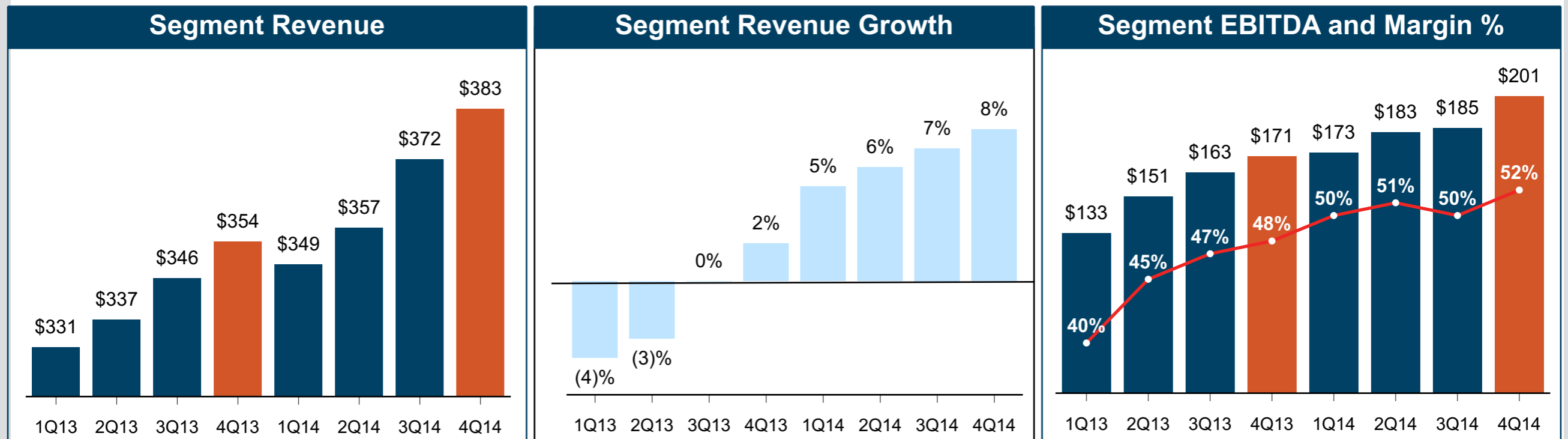
(\$ in millions)



# 4Q14 Financial Services Results

- ▶ Revenue of \$383 million, up 8% versus the prior year period
  - Continued benefit of new business wins, growth in existing portfolios and increased network revenue
- ▶ EBITDA of \$201 million, up 17%
  - Positive revenue growth while holding expenses flat
  - Margin improved to 52%, up 4 percentage points

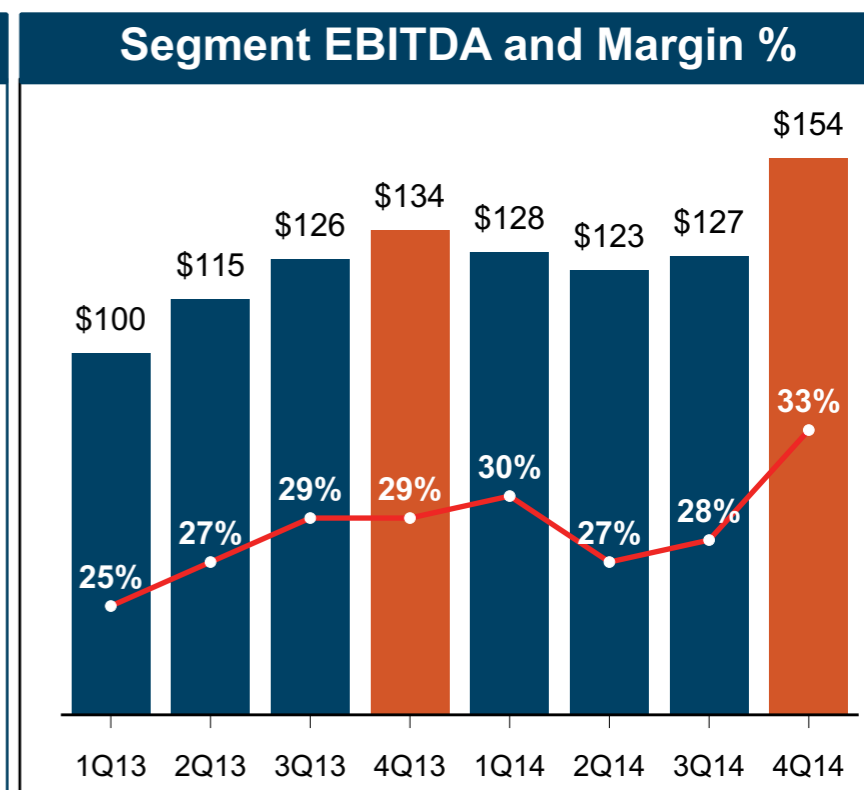
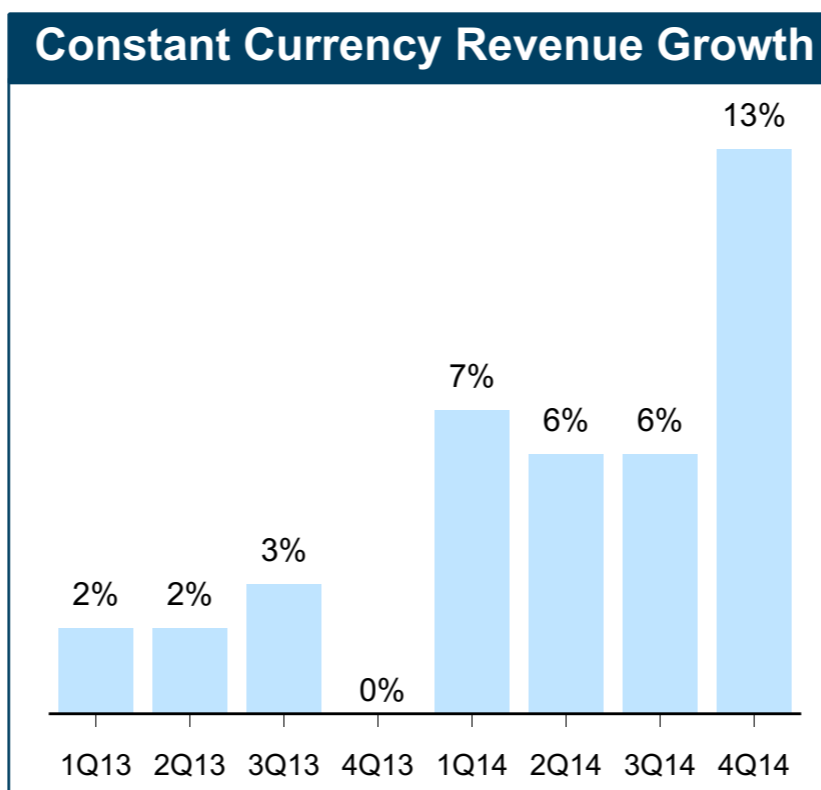
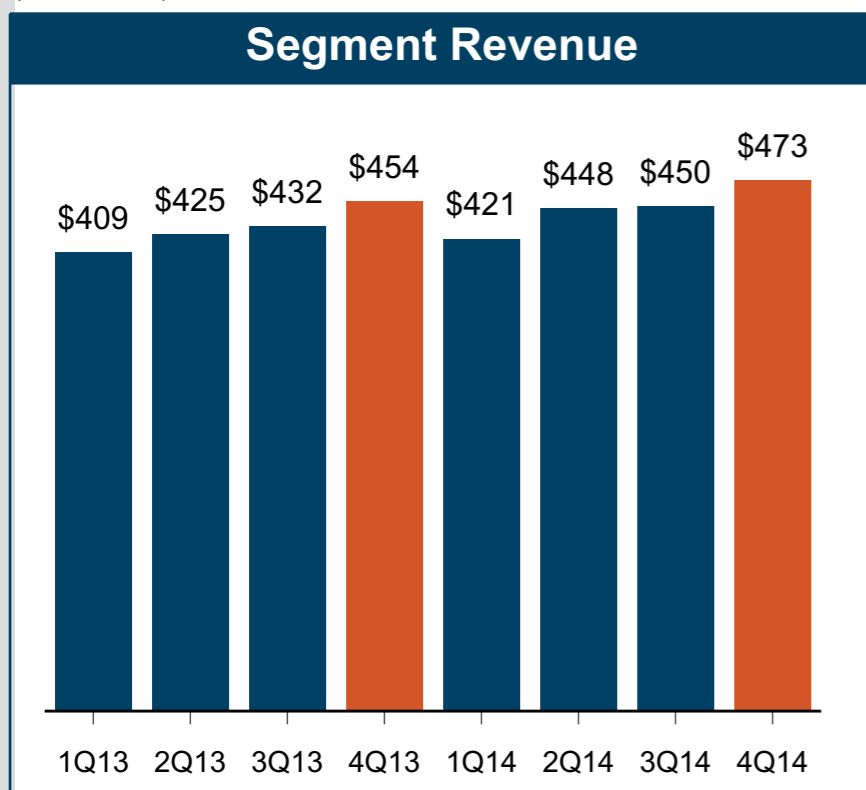
(\$ in millions)



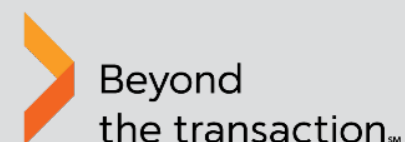
# 4Q14 International Results

- ▶ Revenue of \$473 million, up 4% versus the prior year period (13% constant currency)
  - Merchant acquiring revenue up 14% on growth in volume, higher terminal sales and a portfolio sale in EMEA
  - Issuing revenue grew 12% on growth in volume and accounts on file
- ▶ EBITDA of \$154 million, up 15% (23% constant currency)
  - Margin of 33%, up 4 percentage points

(\$ in millions)



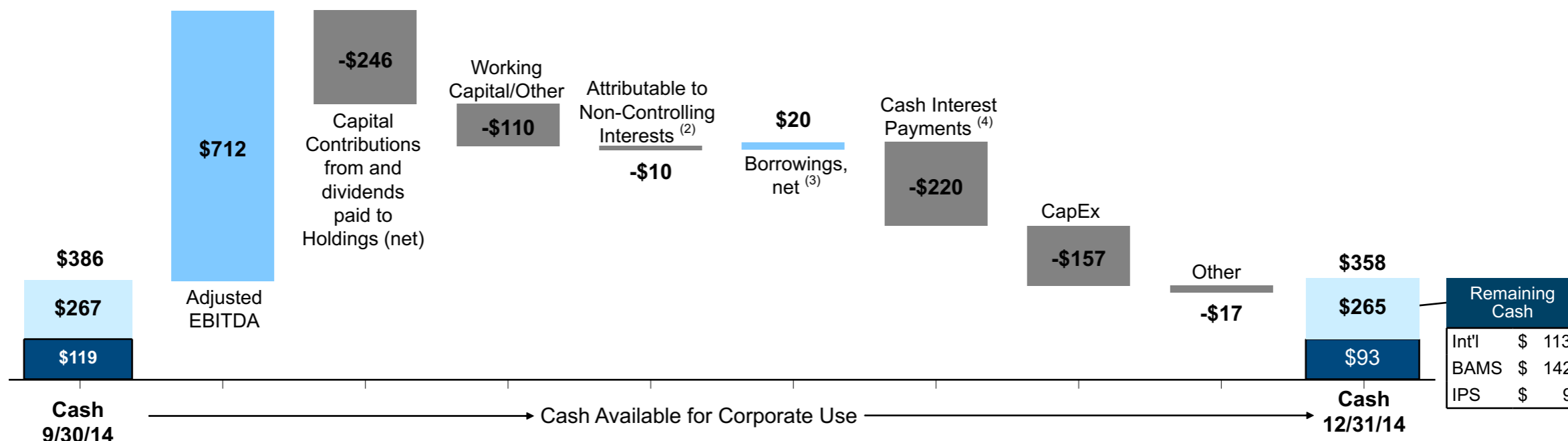
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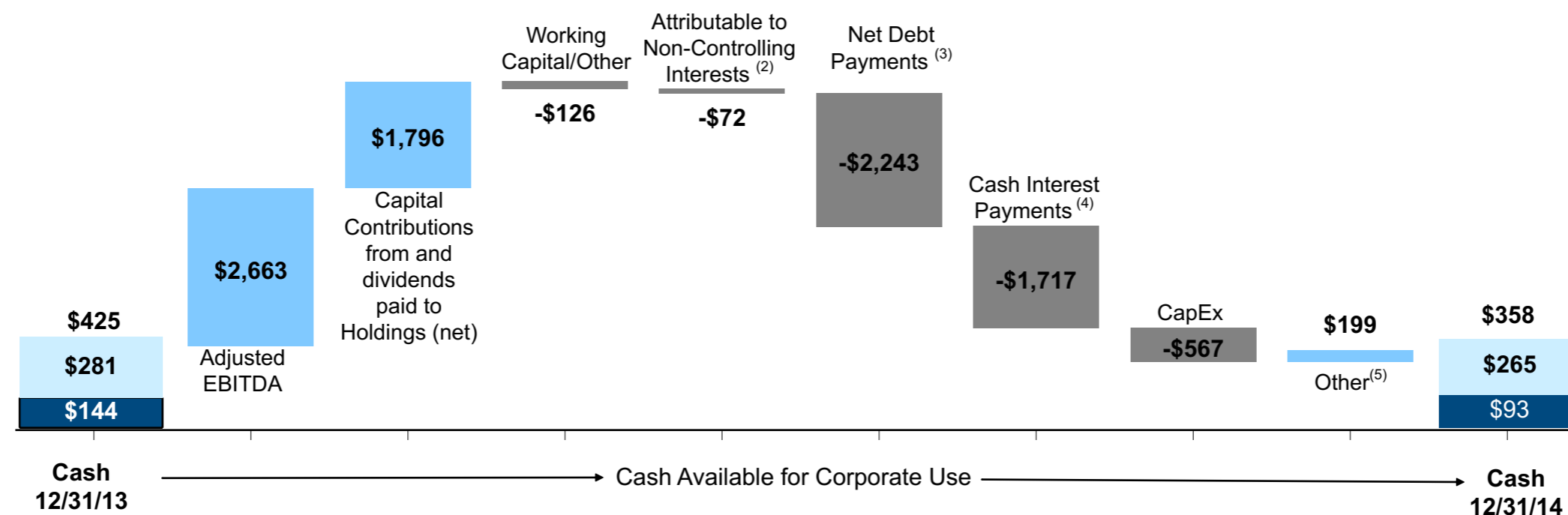
# 4Q14 Cash Flow

Ended December 2014 with \$1.1 billion in unrestricted liquidity<sup>(1)</sup> and \$10 million in revolver borrowings

Q4 2014

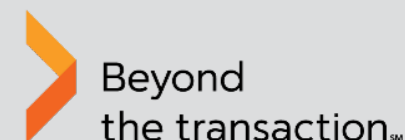


YTD December 2014



See Appendix page 22

- (1) Unrestricted liquidity = \$964 million revolver available (after giving effect to outstanding revolver and letters of credit) + \$93M cash available for corporate use.
- (2) Represents distributions to minority holders in excess of net income attributable to non-controlling interests.
- (3) Net short and long-term term borrowings, use of debt modification proceeds, and payment of related financing costs (call premiums and new issuing costs).
- (4) Represents cash interest paid on short-term and long-term debt service obligations.
- (5) Other includes \$264 million in proceeds from sale of EFS and other items.

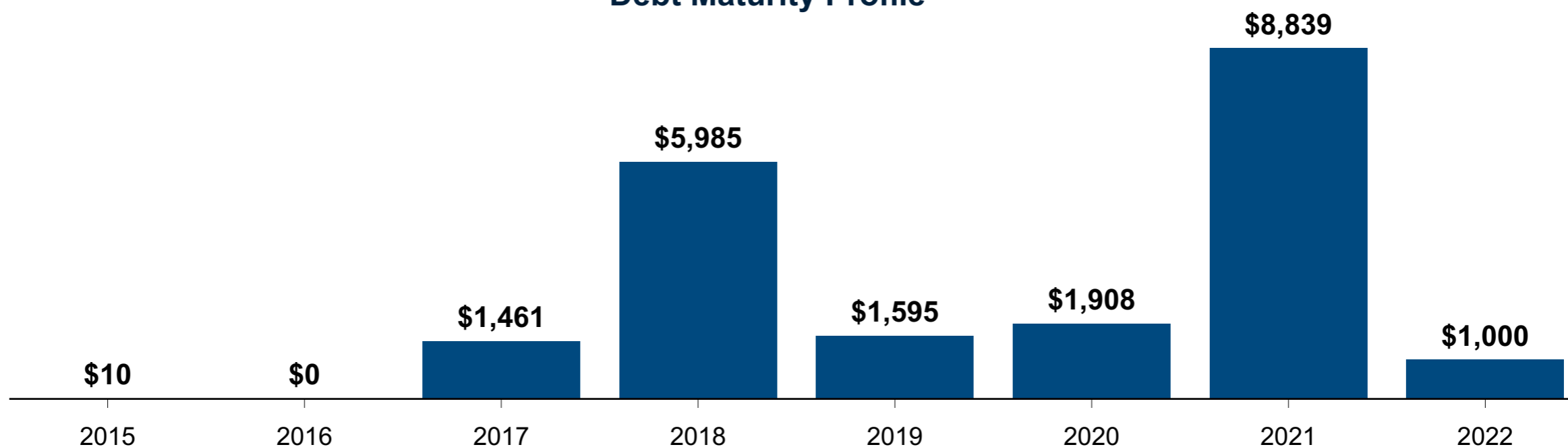




# Proactively Managing Capital Structure

- ▶ Redeemed remaining HoldCo PIK of \$232 million principal balance
- ▶ No significant debt maturities until 2017
- ▶ Ample liquidity: \$964 million available under revolving credit facility<sup>(1)</sup>, plus \$93 million in cash available for use
- ▶ Significant headroom in our only financial covenant (3.9x versus covenant of 6.0x)
- ▶ Full Year Cash Interest: 2014 - \$1.717 billion / 2015 Estimate - \$1.585 billion

Debt Maturity Profile <sup>(2)</sup>



(1) As of December 31, 2014, \$1.1 billion capacity reduced by \$43 million reserved for letters of credit and \$10 million borrowed on the revolver.

(2) Excludes short-term borrowings related primarily to revolving credit facility, outstanding settlement lines of credit and capital leases and excludes unamortized discount.

# Full Year Consolidated Operating Results

- ▶ Consolidated revenue of \$11.2 billion, up 3% versus the prior year
- ▶ Operating profit of \$1.4 billion, up 28%
- ▶ Adjusted revenue \$7.0 billion, up 3% (4% constant currency)
- ▶ Adjusted EBITDA \$2.7 billion, up 9% (10% constant currency)

## Segment Results:

- ▶ Merchant Solutions: Revenue up 1%; EBITDA up 2%; Margin 45%
- ▶ Financial Services: Revenue up 7%; EBITDA up 20%; Margin 51%
- ▶ International: Revenue up 4%; EBITDA up 12%; Margin 30%

See Appendix page 17



# Appendix

# Capital Structure

(\$ in millions)

<u>Tranche</u>	<u>Rate</u>	<u>Maturity</u>	<u>Par Amount</u> <u>12/31/14</u>
Extended Revolver (\$1,016 million)	L + 400	2016	\$10
Term Loan	L + 350	2017	\$1,461 <sup>(1)</sup>
Term Loan	L + 350	2018	\$4,977 <sup>(1)</sup>
Term Loan	L + 350	2018	\$1,008
Term Loan	L + 400	2021	\$1,190
First Lien Notes	7.375%	2019	\$1,595 <sup>(2)</sup>
First Lien Notes	8.875%	2020	\$510
First Lien Notes	6.75%	2020	\$1,398
<b>Senior Secured</b>	<b>5.08%</b>		<b>\$12,148</b>
Second Lien Notes	8.25%	2021	\$2,000
Second Lien Notes	8.75%	2022	\$1,000
<b>Second Lien</b>	<b>8.42%</b>		<b>\$3,000</b>
Senior Unsecured Notes	10.625%	2021	\$530
Senior Unsecured Notes	11.25%	2021	\$510
Senior Unsecured Notes	12.625%	2021	\$3,000
<b>Senior Unsecured</b>	<b>12.19%</b>		<b>\$4,040</b>
Subordinated	11.75%	2021	\$1,609
<b>Subordinated</b>	<b>11.75%</b>		<b>\$1,609</b>
<b>Other</b>	<b>3.57%</b>		<b>\$286 <sup>(3)</sup></b>
<b>Total Debt</b>	<b>7.41%</b>		<b>\$21,082</b>
Cash			\$358
<b>Net Debt</b>			<b>\$20,724</b>

(1) \$5 billion step up swaps (9/24/12 - 9/24/16) fixed at average 1.32%

(2) \$750 million swapped to floating receiving 3.11% and paying LIBOR flat, mandatory termination on swap 6/15/15

(3) Other number includes short-term borrowings and capital leases as of 12/31

# Consolidated Non-GAAP Reconciliation

(\$ in millions)

	Three months ended December 31,			Three months ended September 30,			Three months ended June 30,			Three months ended March 31,		
	2014	2013	Change	2014	2013	Change	2014	2013	Change	2014	2013	Change
<b>Consolidated Adjusted Revenue</b>												
Adjusted revenue	\$ 1,821.6	\$ 1,753.0	4%	\$ 1,759.6	\$ 1,708.4	3%	\$ 1,764.5	\$ 1,701.7	4%	\$ 1,641.1	\$ 1,613.1	2%
Adjustments for non-wholly-owned entities	26.4	12.1		14.6	3.0		15.5	7.8		0.8	15.5	
Official check and money order revenues	0.2	1.2		0.4	0.8		1.1	0.7		1.0	1.7	
ISO commission expense	124.5	119.9		128.4	123.5		126.1	123.3		122.5	115.8	
Reimbursable debit network fees, postage and other	910.6	910.9		888.1	876.4		929.9	875.3		874.9	844.8	
Consolidated revenues	<u>\$ 2,883.3</u>	<u>\$ 2,797.1</u>	3%	<u>\$ 2,791.1</u>	<u>\$ 2,712.1</u>	3%	<u>\$ 2,837.1</u>	<u>\$ 2,708.8</u>	5%	<u>\$ 2,640.3</u>	<u>\$ 2,590.9</u>	2%
<b>Consolidated Adjusted Revenue</b>												
	Three months ended December 31,			Three months ended September 30,			Three months ended June 30,			Three months ended March 31,		
	2013	2012	Change	2013	2012	Change	2013	2012	Change	2013	2012	Change
<b>Consolidated Adjusted Revenue</b>												
Adjusted revenue	\$ 1,753.0	\$ 1,752.6	—%	\$ 1,708.4	\$ 1,694.9	1%	\$ 1,701.7	\$ 1,699.1	—%	\$ 1,613.1	\$ 1,615.4	—%
Adjustments for non-wholly-owned entities	12.1	24.7		3.0	11.8		7.8	15.6		15.5	21.1	
Official check and money order revenues	1.2	0.8		0.8	2.3		0.7	5.6		1.7	4.0	
ISO commission expense	119.9	115.2		123.5	120.6		123.3	118.9		115.8	116.2	
Reimbursable debit network fees, postage and other	910.9	863.5		876.4	844.4		875.3	846.3		844.8	807.3	
Consolidated revenues	<u>\$ 2,797.1</u>	<u>\$ 2,756.8</u>	1%	<u>\$ 2,712.1</u>	<u>\$ 2,674.0</u>	1%	<u>\$ 2,708.8</u>	<u>\$ 2,685.5</u>	1%	<u>\$ 2,590.9</u>	<u>\$ 2,564.0</u>	1%

# Consolidated Non-GAAP Reconciliation

(\$ in millions)

Three months ended December 31,

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Adjusted Expenses	\$ 1,109.8	\$ 1,083.8	2%
ISO Commission expense	124.5	119.9	
Reimbursable debit network fees, postage and other	910.6	910.9	
Depreciation and amortization	259.3	273.1	
Adjustments for non-wholly-owned entities	21.2	10.3	
Restructuring, net	11.2	10.4	
Impairments	11.3	(4.9)	
Litigation	0.5	14.8	
Official check and money order adjusted expenses	0.3	0.4	
Stock based compensation	4.5	2.0	
Cost of alliance conversions	3.1	9.2	
KKR Related items	6.7	7.4	
Debt issuance costs	0.7	2.1	
Other	(0.5)	—	
Consolidated expenses	<u>\$ 2,463.2</u>	<u>\$ 2,439.4</u>	1%

# Consolidated Non-GAAP Reconciliation

(\$ in millions)

	Three Months Ended							
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014
<b>Consolidated Adjusted EBITDA</b>								
Adjusted EBITDA	\$ 520.4	\$ 632.7	\$ 627.1	\$ 669.2	\$ 613.5	\$ 681.3	\$ 656.1	\$ 711.8
Adjustments for non-wholly owned entities	3.1	(0.4)	0.5	(0.8)	3.7	5.1	8.1	7.8
Depreciation and amortization	(272.2)	(274.7)	(271.3)	(273.1)	(265.3)	(262.2)	(268.7)	(259.3)
Interest expense	(469.0)	(472.2)	(469.0)	(470.5)	(467.1)	(463.1)	(417.6)	(405.2)
Interest income	2.7	2.6	2.7	3.1	3.0	3.6	2.5	1.5
Loss on debt extinguishment	—	—	—	—	—	—	(260.1)	—
Other items	(22.0)	(14.6)	(49.8)	(46.3)	(6.8)	57.7	44.3	(1.1)
Income tax (expense) benefit	(61.6)	(11.5)	(28.6)	15.2	(36.6)	(40.0)	23.1	(28.6)
Stock based compensation	(9.2)	(21.4)	(5.5)	(2.0)	(29.1)	(4.6)	(11.7)	(4.5)
Official check and money order EBITDA	1.3	0.2	0.4	0.8	0.6	0.5	—	(0.1)
Costs of alliance conversions	(22.6)	(18.7)	(17.8)	(9.2)	(6.8)	(6.0)	(4.1)	(3.1)
KKR related items	(8.1)	(8.0)	(8.3)	(7.4)	(6.4)	(7.4)	(6.4)	(6.7)
Debt issuance costs	(0.2)	(3.1)	0.1	(2.1)	(3.2)	0.6	(0.1)	(0.7)
Net income (loss) attributable to First Data Corporation	<u>\$ (337.4)</u>	<u>\$ (189.1)</u>	<u>\$ (219.5)</u>	<u>\$ (123.1)</u>	<u>\$ (200.5)</u>	<u>\$ (34.5)</u>	<u>\$ (234.6)</u>	<u>\$ 11.8</u>

# Consolidated Non-GAAP Reconciliation

(\$ in millions)

## Consolidated Revenue (Constant Currency)

	Twelve Months Ended December 31,		Change
	2014	2013	
Consolidated Revenue	\$ 11,151.8	\$ 10,808.9	3%
Foreign exchange impact (1)	67.3	—	
Consolidated Revenue on a constant currency basis	<u>\$ 11,219.1</u>	<u>\$ 10,808.9</u>	4%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.



# Consolidated Non-GAAP Reconciliation

(\$ in millions)

## Adjusted Revenue (Constant Currency)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2014	2013	Change	2014	2013	Change
Adjusted Revenue	\$ 1,821.6	\$ 1,753.0	4%	\$ 6,986.8	\$ 6,776.2	3%
Foreign exchange impact (1)	40.3	—		67.3	—	
Adjusted Revenue on a constant currency basis	<u>\$ 1,861.9</u>	<u>\$ 1,753.0</u>	6%	<u>\$ 7,054.1</u>	<u>\$ 6,776.2</u>	4%

## Adjusted Expense (Constant Currency)

	Three Months Ended December 31,		
	2014	2013	Change
Adjusted Expense	\$ 1,109.8	\$ 1,083.8	2%
Foreign exchange impact (1)	29.6	—	
Adjusted Expense on a constant currency basis	<u>\$ 1,139.4</u>	<u>\$ 1,083.8</u>	5%

## Adjusted EBITDA (Constant Currency)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2014	2013	Change	2014	2013	Change
Adjusted EBITDA	\$ 711.8	\$ 669.2	6%	\$ 2,662.7	\$ 2,449.4	9%
Foreign exchange impact (1)	10.7	—		28.1	—	
Adjusted EBITDA on a constant currency basis	<u>\$ 722.5</u>	<u>\$ 669.2</u>	8%	<u>\$ 2,690.8</u>	<u>\$ 2,449.4</u>	10%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.

# International Non-GAAP Reconciliation

(\$ in millions)

## International Segment Revenue (Constant Currency)

	Three Months Ended December 31,			Change	Three Months Ended September 30,			Change
	2014	2013			2014	2013		
Segment Revenue	\$ 473.2	\$ 454.3		4%	\$ 449.5	\$ 431.6		4%
Foreign exchange impact (1)	40.3	—			6.1	—		
Segment Revenue on a constant currency basis	<u>\$ 513.5</u>	<u>\$ 454.3</u>		13%	<u>\$ 455.6</u>	<u>\$ 431.6</u>		6%

	Three Months Ended June 30,			Change	Three Months Ended March 31,			Change
	2014	2013			2014	2013		
Segment Revenue	\$ 447.8	\$ 424.9		5%	\$ 421.3	\$ 408.6		3%
Foreign exchange impact (1)	4.4	—			16.5	—		
Segment Revenue on a constant currency basis	<u>\$ 452.2</u>	<u>\$ 424.9</u>		6%	<u>\$ 437.8</u>	<u>\$ 408.6</u>		7%

	Three Months Ended December 31,			Change	Three Months Ended September 30,			Change
	2013	2012			2013	2012		
Segment Revenue	\$ 454.3	\$ 461.9		-2%	\$ 431.6	\$ 427.0		1%
Foreign exchange impact (2)	9.8	—			10.2	—		
Segment Revenue on a constant currency basis	<u>\$ 464.1</u>	<u>\$ 461.9</u>		—%	<u>\$ 441.8</u>	<u>\$ 427.0</u>		3%

	Three Months Ended June 30,			Change	Three Months Ended March 31,			Change
	2013	2012			2013	2012		
Segment Revenue	\$ 424.9	\$ 424.6		—%	\$ 408.6	\$ 404.9		1%
Foreign exchange impact (2)	7.8	—			5.4	—		
Segment Revenue on a constant currency basis	<u>\$ 432.7</u>	<u>\$ 424.6</u>		2%	<u>\$ 414.0</u>	<u>\$ 404.9</u>		2%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.

(2) Foreign exchange impact represents the difference between actual 2013 revenue and 2013 revenue calculated using 2012 exchange rates.

# International Non-GAAP Reconciliation

(\$ in millions)

## International Segment EBITDA (Constant Currency)

	Three Months Ended December 31,		Change
	2014	2013	
Segment EBITDA	\$ 154.3	\$ 133.7	15%
Foreign exchange impact (1)	10.7	—	
Segment EBITDA on a constant currency basis	<u>\$ 165.0</u>	<u>\$ 133.7</u>	23%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.

# International Non-GAAP Reconciliation

(\$ in millions)

<u>International Segment Revenue By Line of Business (Constant Currency)</u>	<u>Three months ended December 31,</u>		<u>Change</u>
	<u>2014</u>	<u>2013</u>	
International Segment Revenue - merchant acquiring	\$ 240.1	\$ 227.2	6%
Foreign exchange impact (1)	19.4	—	
International Segment Revenue - merchant acquiring on a constant currency basis	<u>\$ 259.5</u>	<u>\$ 227.2</u>	14%
International Segment Revenue - card issuing	\$ 233.1	\$ 227.1	3%
Foreign exchange impact (1)	20.9	—	
International Segment Revenue - card issuing on a constant currency basis	<u>\$ 254.0</u>	<u>\$ 227.1</u>	12%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.

# International Non-GAAP Reconciliation

(\$ in millions)

<u>International Segment Revenue (Constant Currency By Region)</u>	<u>Three Months Ended December 31,</u>		<u>Change</u>
	<u>2014</u>	<u>2013</u>	
EMEA revenue	\$ 296.1	\$ 277.6	7%
Foreign exchange impact (1)	18.6	—	
EMEA revenue on a constant currency basis	<u>\$ 314.7</u>	<u>\$ 277.6</u>	13%
APAC revenue	\$ 90.0	\$ 90.4	—%
Foreign exchange impact (1)	4.5	—	
APAC revenue on a constant currency basis	<u>\$ 94.5</u>	<u>\$ 90.4</u>	5%
LAC revenue	\$ 87.1	\$ 86.3	1%
Foreign exchange impact (1)	17.2	—	
LAC revenue on a constant currency basis	<u>\$ 104.3</u>	<u>\$ 86.3</u>	21%

(1) Foreign exchange impact represents the difference between actual 2014 revenue and 2014 revenue calculated using 2013 exchange rates.

# Cash Flow Non-GAAP Reconciliation

(\$ in millions)

	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2014
Adjusted EBITDA	\$ 712	\$ 2,663
Total working capital/other	(110)	(126)
	<u>\$ 602</u>	<u>\$ 2,537</u>
Net cash provided by operating activities	\$ 436	\$ 1,013
Cash interest payments	220	1,717
Net cash provided by operating activities excluding cash interest payments	656	2,730
Net income attributable to non-controlling interests	(54)	(193)
	<u>\$ 602</u>	<u>\$ 2,537</u>

# Notice to Investors, Prospective Investors and the Investment Community; Cautionary Information Regarding Forward-Looking Statements

## Notice to Investors, Prospective Investors and the Investment Community; Cautionary Information Regarding Forward-Looking Statements

Certain matters we discuss in this presentation and in other public statements may constitute forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions which concern our strategy, plans, projections or intentions. Examples of forward-looking statements include, but are not limited to, all statements we make relating to revenue, EBITDA, earnings, margins, growth rates and other financial results for future periods. By their nature, forward-looking statements: speak only as of the date they are made; are not statements of historical fact or guarantees of future performance; and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Actual results could differ materially and adversely from our forward-looking statements due to a variety of factors, including the following: (1) our ability to implement and improve processing systems to provide new products, improve functionality and increase efficiencies; (2) our ability to prevent a material breach of security of any of our systems; (3) our ability to anticipate and respond to technological changes, particularly with respect to e-commerce and mobile commerce; (4) our high degree of leverage; (5) credit and fraud risks in our business units and the merchant alliances, particularly in the context of e-commerce and mobile markets; (6) our merchant alliance program which involves several alliances not under our sole control and each of which acts independently of the others; (7) the impact of new laws, regulations, credit card association rules or other industry standards; (8) adverse impacts from currency exchange rates or currency controls imposed by any government or otherwise; (9) our ability to successfully convert accounts under service contracts with major clients; (10) changes in the interest rate environment that increases interest on our borrowings; (11) consolidation among client financial institutions or other client groups that impacts our client relationships; (12) catastrophic events that impact our or our major customers’ operating facilities, communication systems and technology; (13) new lawsuits, investigations or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings, and various other risks that are set forth in the “Risk Factors” and “Management Discussion and Analysis of Results of Operations and Financial Condition” sections of the Annual Report on Form 10-K for the period ended December 31, 2013 and the “Risk Factors” section of the Quarterly Reports on Form 10-Q for the periods ending March 31, 2014 and June 30, 2014.