

2015 Second Quarter Financial Results

JULY 29, 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>.

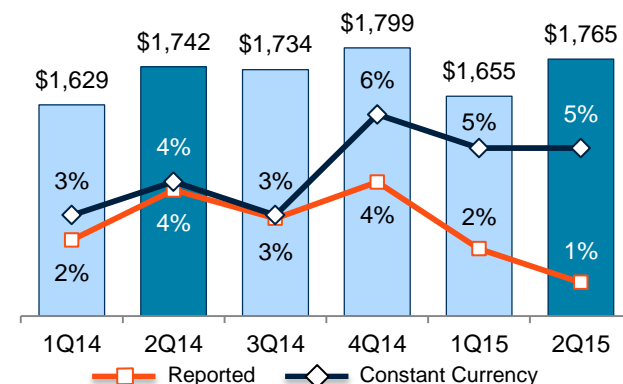
Second Quarter Highlights

- Continued constant currency revenue growth
- Ramp in new product solutions and distribution
- Improvements to capital structure
- Ongoing execution of strategic expense management initiative

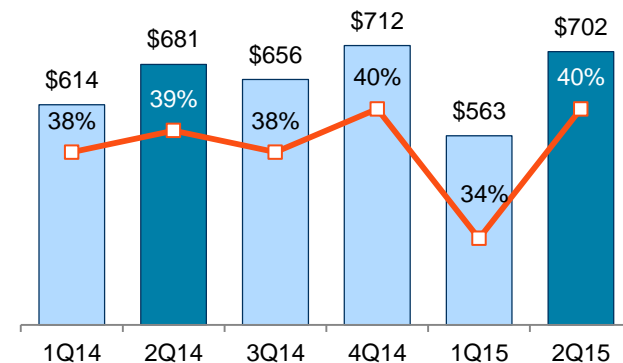
2Q15 Summary Financial Results

- **Consolidated revenue of \$2.9 billion**, up 1%
- **Segment revenue of \$1.8 billion⁽¹⁾**, up 1%
 - Up 5% constant currency
- **Net loss attributable to First Data of \$26 million**, improvement of \$8 million, or \$88 million excluding the \$80 million gain on the sale of Electronic Funds Source, LLC in the prior year period
- **Adjusted net income of \$150 million**, improvement of \$63 million
 - Improvements in interest expense and operating profit drove the year over year increase
- **Adjusted EBITDA of \$702 million**, up 3%
 - Up 5% constant currency
 - Margin of 40%, up 70 basis points

Segment Revenue (\$M) and YoY% Change



Adjusted EBITDA (\$M) and Margin



See slide 14 for reconciliation of adjusted EBITDA to GAAP net loss and page 15 for adjusted net income to GAAP net loss. All growth and margin comparisons relate to corresponding period in the prior year. (1) Segment revenue modifies consolidated revenue for the exclusion of various pass through items and other impacts.

2Q15 Financial Overview – Segment Detail

	Reported Rates (\$M)				Constant Currency (\$M) ⁽¹⁾	
	2Q15	2Q14	\$ B/(W) ⁽²⁾	% B/(W)	\$ B/(W)	% B/(W)
Segment Revenue	\$1,765	\$1,742	\$23	1%	\$81	5%
GBS	1,056	1,040	16	2%	52	5%
GFS	353	365	(12)	(3%)	10	3%
NSS	356	337	19	6%	19	6%
Adjusted Expenses	\$1,063	\$1,061	(\$2)	(0%)	(\$45)	(4%)
GBS	602	589	(13)	(2%)	(41)	(7%)
GFS	229	239	10	4%	(5)	(2%)
NSS	200	184	(16)	(9%)	(16)	(9%)
Corporate	32	49	17	35%	17	35%
Adjusted EBITDA	\$702	\$681	\$21	3%	\$36	5%
GBS	454	451	3	1%	11	2%
GFS	124	126	(2)	(2%)	5	4%
NSS	156	153	3	2%	3	2%
Corporate	(32)	(49)	17	35%	17	35%
Adjusted EBITDA Margin	39.8%	39.1%	70 bps		20 bps	
GBS	43.0%	43.4%	(40)		(110)	
GFS	35.1%	34.5%	60		40	
NSS	43.8%	45.4%	(160)		(160)	

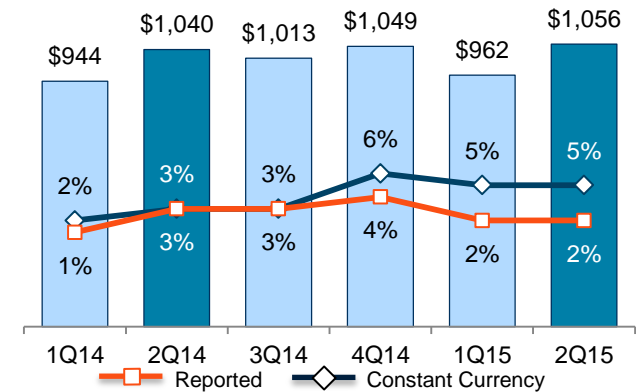
See page 13 for reconciliation of adj. expenses to consolidated expenses and page 14 for reconciliation of Adj. EBITDA to Net Loss; (1) Certain measures in this release are presented excluding the estimated impact of foreign currency changes (constant-currency). To present this information, monthly results in the current period for entities reporting in currencies other than United States dollars are translated into United States dollars at the average exchange rates in effect during the corresponding month of the prior fiscal year, rather than the actual average exchange rates in effect during the current fiscal year. Once translated, each month in the period is added together to calculate the constant currency current period results; (2) "B" means results in 2Q15 are better than results in 2Q14, "(W)" means results are worse.

Global Business Solutions

Revenue of \$1.1 billion, up 2%, or up 5% constant currency

- North America revenue of \$835 million, up 3% due to increased hardware sales and increased merchant suite revenue
- EMEA revenue of \$139 million, down 6%, or up 11% on a constant currency basis due to increased transactions and yield expansion

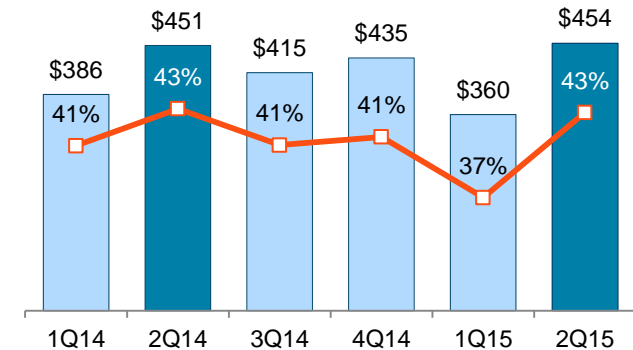
Segment Revenue (\$M) and YoY% Change



EBITDA of \$454 million, up 1%, or up 2% constant currency

- Adjusted expenses increased \$13 million, up 2%, or up 7%, on a constant currency basis
 - Investments in merchant suite, sales force expansion and Brazil acquiring and inflation in LATAM drove the increase
- Margin of 43%, down 40 basis points

Segment EBITDA (\$M) and Margin



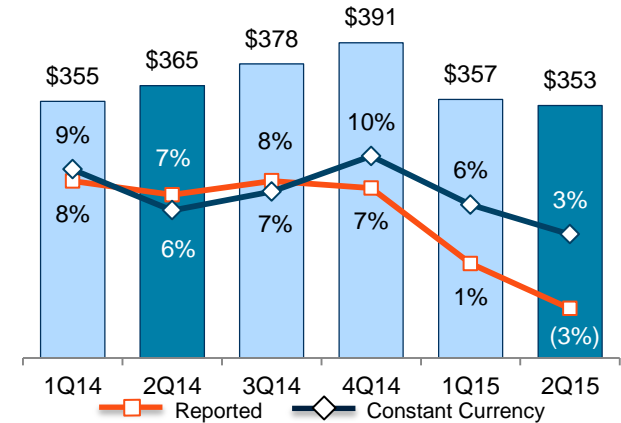
All growth and margin comparisons relate to corresponding period in the prior year.

Global Financial Solutions

Revenue of \$353 million, down 3%, or up 3% constant currency

- North America revenue of \$207 million, up 5% due to internal growth and EMV card personalization
- EMEA revenue of \$103 million, down 16%, or down 2% on a constant currency basis due to yield pressure on renewed contracts

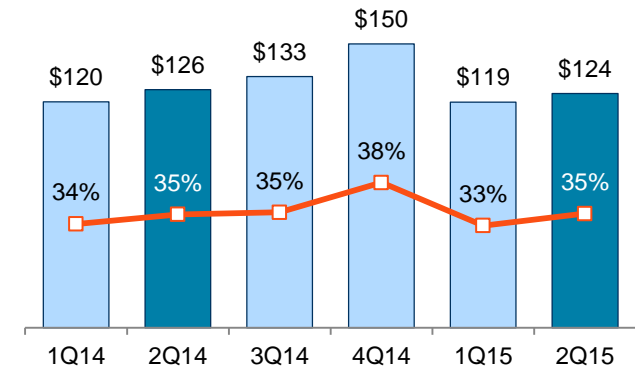
Segment Revenue (\$M) and YoY% Change



EBITDA of \$124 million, down 2%, or up 4% constant currency

- Adjusted expenses decreased \$10 million, down 4%, or up 2% on a constant currency basis
- Margin of 35%, up 60 basis points

Segment EBITDA (\$M) and Margin



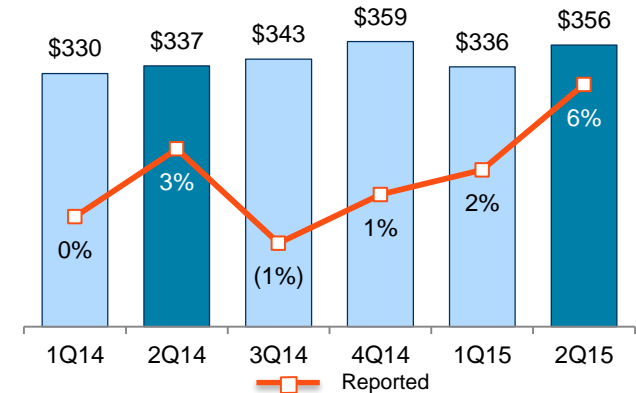
All growth and margin comparisons relate to corresponding period in the prior year.

Network & Security Solutions

Revenue of \$356 million, up 6%

- EFT Network Solutions revenue of \$123 million, up 6% due to new business
- Security and Fraud Management Solutions revenue of \$98 million, up 7% due to growth in business security solutions
- Stored Value Network Solutions revenue of \$80 million, down 1% due to EFS sale in prior year period
 - Growth of 10% excluding EFS sale due to transaction growth

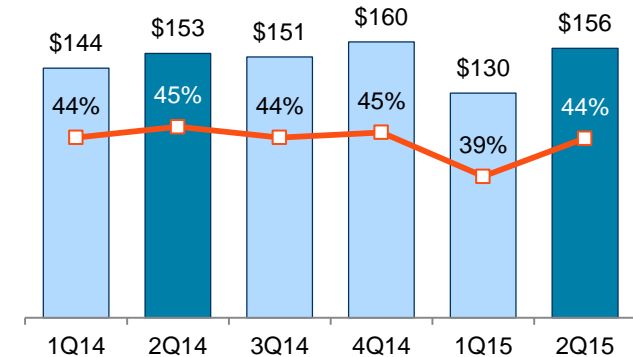
Segment Revenue (\$M) and YoY% Change



EBITDA of \$156 million, up 2%

- Adjusted expenses increased \$16 million, or 9%
 - Investments in Stored Value Network Solutions and EFT Network Solutions, as well as increases in revenue related costs drove the increase
- Margin of 44%, down 160 basis points

Segment EBITDA (\$M) and Margin



All growth and margin comparisons relate to corresponding period in the prior year.

Free Cash Flow

Free Cash Flow (\$M)	Second Quarter			Year-to-Date		
	2015	2014	\$ Change	2015	2014	\$ Change
Adjusted EBITDA	\$702	\$681	\$21	\$1,265	\$1,295	(\$30)
Cash Interest Payments ⁽¹⁾	(185)	(264)	79	(746)	(867)	121
Cash Taxes	(42)	(42)	0	(61)	(67)	6
Capital Expenditures	(139)	(128)	(11)	(284)	(244)	(40)
Working Capital Change	13	14	(1)	(93)	(46)	(47)
Dividends Received from Unconsolidated Affiliates (net) ⁽²⁾	3	4	(1)	21	19	2
Net Impact from Consolidated Affiliates ⁽³⁾	(42)	(26)	(16)	(55)	(42)	(13)
Items Excluded from Adjusted EBITDA/Other ⁽⁴⁾	6	(23)	29	(41)	(44)	3
Free Cash Flow ⁽⁵⁾	\$316	\$216	\$100	\$6	\$4	\$2

Cash Bridge (\$M)	Second Quarter			Year-to-Date		
	2015	2014	\$ Change	2015	2014	\$ Change
Beginning Cash Balance	\$340	\$409	(\$69)	\$358	\$425	(\$67)
Free Cash Flow	316	216	100	6	4	2
Net Paydown / Net Borrowing	(212)	(335)	123	105	(118)	223
Other Investing Activities	(81)	257	(338)	(103)	261	(364)
Other	(15)	1	(16)	(18)	(24)	6
Change in Cash Balance	8	139	(131)	(10)	123	(133)
Ending Cash Balance	\$348	\$548	(\$200)	\$348	\$548	(\$200)

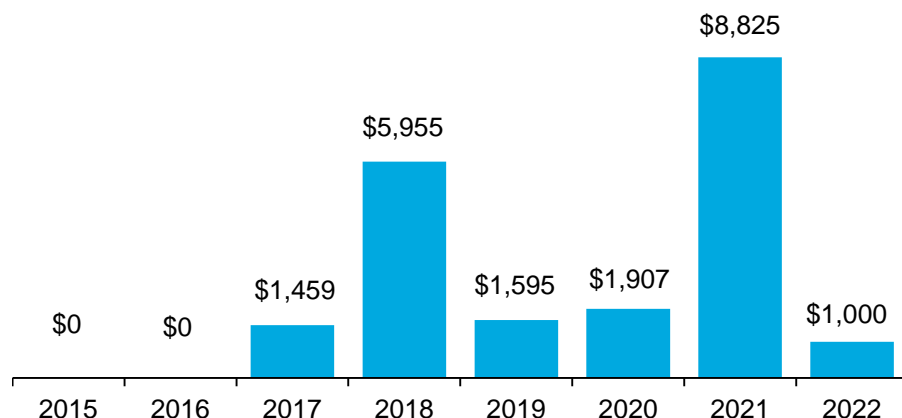
(1) Q2 2015 and YTD 2015 includes the net payment of \$42 million received on the termination of floating rate swaps; (2) Equity earnings / distributions; (3) Minority interest distributions / net income attributable to minority interests; (4) Primarily addbacks (severance, retention, facility closures) and KKR Management Fees; (5) See page 16 for a reconciliation of operating cash flow to free cash flow.

Debt Structure Updates

Debt Structure

- No significant debt maturities until 2017
- Announced new \$1 billion Term Loan maturing 2022; proceeds were used in July to call \$955 million of the 7.375% notes due 2019
- Significant headroom in our only financial covenant (3.9x versus covenant of 6.0x)

Debt Maturity Profile⁽¹⁾ (\$M)



(1) Excludes short-term borrowings related primarily to revolving credit facility, outstanding settlement lines of credit and capital leases, excludes unamortized discount. Shown as of June 30, 2015, prior to July refinancing.

Liquidity

- New 5 year, \$1.25 billion revolver maturing June 2020; reduced principal interest rate by 50 bps
- \$1.1 billion total liquidity

Available Revolver (\$M) at 6/30/15

\$1,250	Revolver
\$204	Less: revolver borrowing
\$41	Less: letters of credit
\$1,005	Available revolver balance

Available Cash (\$M) at 6/30/15

\$348	Total FDC cash and cash equivalents
\$150	Less: BAMS cash and cash equivalents
\$97	Less: International unavailable cash and cash equivalents
\$9	Less: IPS cash and cash equivalents
\$92	Total cash available for corporate use

Appendix

Debt Structure

Tranche	Rate	Call Date	Call Price	Maturity	Par Amount 6/30/15 (\$M)
Extended Revolver (\$1,250 million)	L + 350			2020	\$204
Capital Leases Short and Long	Various			Various	\$193
Term Loan	L + 350			2017	\$1,459 ⁽¹⁾
Term Loan	L + 350			2018	\$4,947 ⁽¹⁾
Term Loan	L + 350			2018	\$1,008
Term Loan	L + 400			2021	\$1,176
First Lien Notes	7.375%	6/15/2015	103.688	2019	\$1,595 ⁽²⁾
First Lien Notes	8.875%	8/15/2015	104.438	2020	\$510
First Lien Notes	6.750%	11/1/2015	105.063	2020	\$1,397
Senior Secured	5.39%				\$12,489
Second Lien Notes	8.250%	1/15/2016	104.125	2021	\$2,000
Second Lien Notes	8.750%	1/15/2016	104.375	2022	\$1,000
Second Lien	8.42%				\$3,000
Senior Unsecured Notes	12.625%	1/15/2016	112.625	2021	\$3,000
Senior Unsecured Notes	11.250%	1/15/2016	108.438	2021	\$510
Senior Unsecured Notes	10.625%	4/15/2016	107.969	2021	\$530
Senior Unsecured	12.19%				\$4,040
Subordinated Notes	11.750%	5/15/2016	108.813	2021	\$1,609
Subordinated	11.75%				\$1,609
Total Debt	7.60%				\$21,138
Cash					\$348
Net Debt					\$20,790

(1) \$5 billion in step up swaps (9/24/12 – 9/24/16) fixed at average 1.32%; (2) Proceeds from term loan issued on July 10 were used to pay down \$955 million of these notes.

Non-GAAP Reconciliation: Adjusted to Consolidated Expenses

	Three months ended June 30 (\$M)		
	2015	2014	% Change
Adjusted Expenses	\$ 1,063	\$ 1,061	0%
ISO Commission expense	161	150	
Reimbursable debit network fees, postage and other	926	930	
Depreciation and amortization	252	263	
Adjustments for non-wholly-owned entities	18	8	
Restructuring, net	19	13	
Impairments	3	13	
Litigation	(1)	(1)	
Stock based compensation	16	5	
Cost of alliance conversions	2	6	
KKR Related items	5	8	
Debt issuance costs	(1)	-	
Other	-	(1)	
Consolidated expenses	<u>\$ 2,463</u>	<u>\$ 2,455</u>	0%

Non-GAAP Reconciliation: Adj. EBITDA to GAAP Net Inc./ (Loss)

	Three Months Ended (\$M)					
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015
Consolidated Adjusted EBITDA						
Adjusted EBITDA	\$ 614	\$ 681	\$ 656	\$ 712	\$ 563	\$ 702
Adjustments for non-wholly-owned entities	2	8	7	7	7	6
Depreciation and amortization	(265)	(263)	(268)	(260)	(251)	(252)
Interest expense	(467)	(463)	(418)	(405)	(407)	(406)
Interest income	3	4	2	2	1	1
Loss on debt extinguishment	-	-	(260)	-	-	-
Other items	(6)	58	44	(1)	(5)	(45)
Income tax (expense) benefit	(37)	(40)	23	(28)	(3)	(10)
Stock based compensation	(29)	(5)	(11)	(5)	(7)	(16)
Costs of alliance conversions	(7)	(6)	(4)	(3)	(3)	(2)
KKR related items	(6)	(8)	(6)	(7)	(6)	(5)
Debt issuance costs	(3)	-	-	-	(1)	1
Net income (loss) attributable to First Data Corporation	<u>\$ (201)</u>	<u>\$ (34)</u>	<u>\$ (235)</u>	<u>\$ 12</u>	<u>\$ (112)</u>	<u>\$ (26)</u>

Non-GAAP Reconciliation: Adjusted Net Inc. to GAAP Net Loss

	Three Months Ended June 30 (\$M)		
	2015	2014	% Change
Adjusted Net Income	\$ 150	\$ 87	72%
Adjustments to reconcile to Net loss attributable to First Data Corporation:			
Stock-based compensation ⁽¹⁾	(12)	(5)	140%
Mark-to-market adjustment for derivatives and euro-denominated debt ⁽²⁾	(33)	(5)	560%
Amortization of acquisition intangibles ⁽³⁾	(122)	(163)	-25%
Restructuring, impairment, litigation and other ⁽⁴⁾	<u>(9)</u>	<u>52</u>	NM
Net loss attributable to First Data Corporation	<u>\$ (26)</u>	<u>\$ (34)</u>	-24%

(1) Stock-based compensation expense recognized as selling, general, and administrative expense in the consolidated statements of operations; (2) Represents mark-to-market activity related to our undesignated hedges, ineffectiveness of our designated hedges, and mark-to-market activity on our euro-denominated debt held in the United States; (3) Represents amortization of intangibles established in connection with the acquisition of the Company by affiliates of KKR and acquisitions we have made since 2007; (4) Includes net restructuring, impairments, litigation and regulatory settlements, investment gains and losses, net divestitures, integration costs, and debt extinguishment costs.

Non-GAAP Reconciliation: Operating to Free Cash Flow

	Three Months Ended (\$M)					
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015
Operating cash flows	\$ (44)	\$ 427	\$ 194	\$ 436	\$ (102)	\$ 555
Capital expenditures	(116)	(128)	(166)	(157)	(145)	(139)
Distribution to minority interest	(52)	(83)	(67)	(63)	(63)	(100)
Free Cash Flow	<u>\$ (212)</u>	<u>\$ 216</u>	<u>\$ (39)</u>	<u>\$ 216</u>	<u>\$ (310)</u>	<u>\$ 316</u>

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 changing industry trends, including technological changes and increasing competition; (4) our high degree of leverage; (5) our ability to improve our profitability and maintain flexibility in our capital resources through the implementation of cost savings initiatives; (6) credit and fraud risks in our business units and merchant alliances, particularly in the context of eCommerce and mobile markets; (7) our merchant alliance program which involves several alliances not under our sole control and each of which acts independently of the others; (8) the impact of new laws, regulations, credit card association rules, or other industry standards; (9) adverse impacts from currency exchange rates or currency controls imposed by any government or otherwise; (10) adverse impacts from global economic, political, and other conditions affecting trends in consumer, business, and government spending; (11) our ability to successfully renew existing client contracts on favorable terms and obtain new clients; (12) our ability to successfully value and integrate acquired businesses, including those outside of the United States; (13) changes in the interest rate environment that increase interest on our borrowings; (14) consolidation among financial institution clients or other client groups that impacts our client relationships; (15) 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 our Annual Report on Form 10-K for the period ended December 31, 2014, including but not limited to, Item 1 – Business, Item 1A – Risk Factors and Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operations.