

2016 First Quarter Financial Results

APRIL 25, 2016

First Data[®]

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 investor.firstdata.com.
- ***Note: All growth percentages referenced and margin comparisons are year-over-year unless otherwise stated.***

First Quarter Highlights

✓ Solid 1Q16 Financial Performance

- 1Q16 constant currency segment revenue growth of 5%
- 1Q16 adjusted EBITDA up 13%; adjusted EBITDA margin expanded 360 bps
- Free cash flow of \$211 million

✓ Executing on Key Initiatives

- Enterprise client momentum
- International revenue momentum
- Continued expense discipline
- Concrete plan underway to improve U.S. SMB business

✓ Proactive Balance Sheet Management

- Refinanced \$4.6 billion of term loans previously due in 2018

1Q16 Summary Financial Results

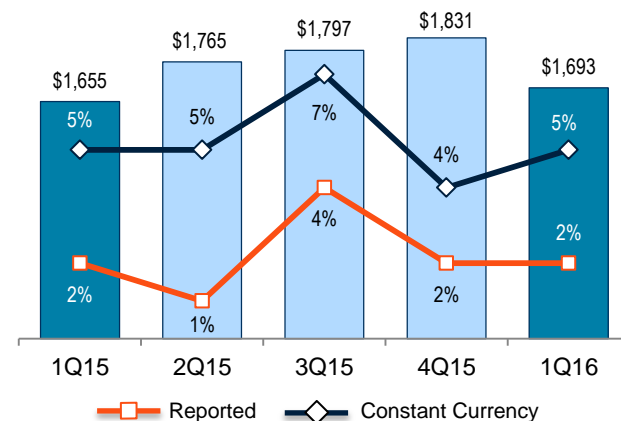
GAAP Metrics

- **Consolidated revenue of \$2.8 billion**, up 3%
- **Operating profit of \$238 million**, down 8%, driven by \$52 million of IPO-triggered stock-based compensation costs
- **Net loss attributable to First Data of \$56 million**, narrowed by 50%, driven by improved operating results and lower interest expense, partially offset by IPO-triggered stock-based compensation and \$46 million of debt extinguishment costs

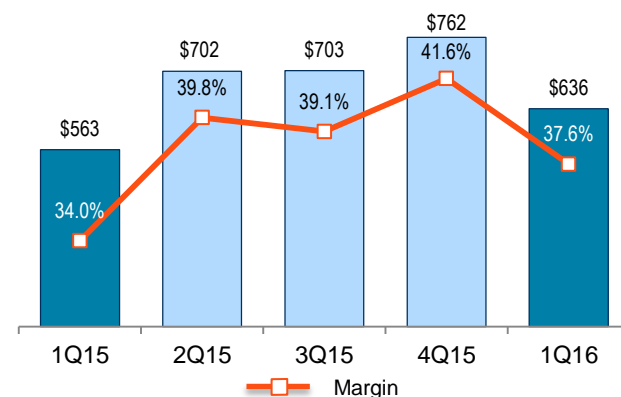
Important Non-GAAP Metrics

- **Segment revenue of \$1.7 billion⁽¹⁾**, up 2%
 - Up 5% constant currency
- **Adjusted EBITDA of \$636 million**, up 13%
 - Margin of 37.6%, up 360 basis points
- **Adjusted net income⁽²⁾ of \$220 million**, up \$185 million
 - Driven by improved operating performance and reduced interest expense

Segment Revenue (\$M) and % Change



Adjusted EBITDA (\$M) and Margin



See slide 15 for reconciliation of GAAP net loss to adjusted EBITDA and slide 16 for GAAP net loss to adjusted net income. (1) Segment revenue modifies consolidated revenue for the exclusion of various pass-through items and other impacts. (2) Starting in the first quarter 2016, the company modified the definition of adjusted net income. Adjusted net income now adds back only the portion of consolidated amortization related to alliances that is attributable to First Data's ownership percentage, as opposed to 100% of consolidated amortization. For comparison purposes, current and prior year periods have been adjusted in our reconciliation tables to reflect the modified definition. For reference, under the prior definition, adjusted net income for the first quarter 2016 would have been \$238 million, up \$182 million versus the prior year period.

1Q16 Financial Overview – Segment Detail

			Reported Rates		CC ⁽¹⁾
	1Q16	1Q15	\$ B/(W) ⁽²⁾	% B/(W)	% B/(W)
Segment Revenue	\$1,693	\$1,655	\$38	2%	5%
GBS	955	962	(7)	(1%)	2%
GFS	386	357	29	8%	12%
NSS	352	336	16	5%	5%
Adjusted Expenses	\$1,057	\$1,092	\$35	3%	
GBS	579	602	23	4%	
GFS	231	238	7	3%	
NSS	201	206	5	2%	
Corporate	46	46	0	0%	
Adjusted EBITDA	\$636	\$563	\$73	13%	
GBS	376	360	16	4%	
GFS	155	119	36	30%	
NSS	151	130	21	16%	
Corporate	(46)	(46)	0	0%	
Adjusted EBITDA Margin	37.6%	34.0%	360 bps		
GBS	39.4%	37.4%	200		
GFS	40.2%	33.3%	690		
NSS	42.9%	38.7%	420		

- Operating leverage driven by revenue growth and expense management

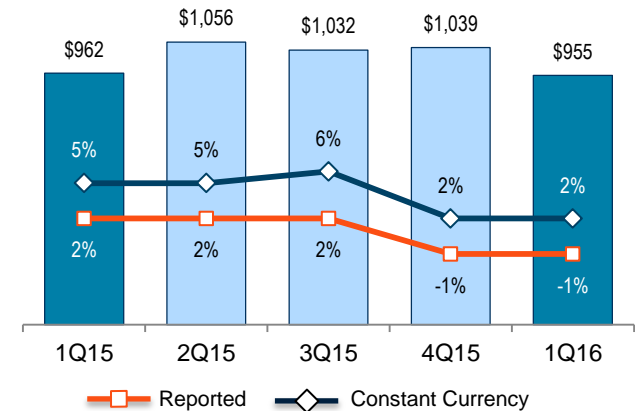
See slide 14 for reconciliation of consolidated expenses to adjusted expenses and slide 15 for GAAP net loss to adjusted EBITDA. (1) Certain measures in this release are presented excluding the estimated impact of foreign currency changes (“constant-currency” or “CC”). To present this information, monthly 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 1Q16 are better than results in 1Q15, “(W)” means results are worse.

1Q16 Global Business Solutions

Revenue of \$955 million, down 1%; up 2% constant currency

- North America revenue of \$737 million, down 2%, as transaction growth of 7% was offset by lower blended yield
- EMEA revenue of \$140 million, up 13%; up 17% constant currency, driven by strong transaction growth and higher blended yield
- LATAM grew 44% constant currency, driven by Brazil and Argentina; APAC was down 2% constant currency

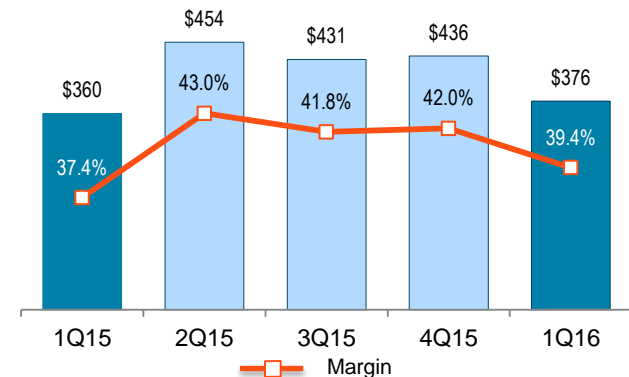
Segment Revenue (\$M) and % Change



EBITDA of \$376 million, up 4%

- Adjusted expenses decreased \$23 million, down 4%, aided by foreign exchange and expense reduction actions
- Margin of 39.4%, up 200 basis points

Segment EBITDA (\$M) and Margin

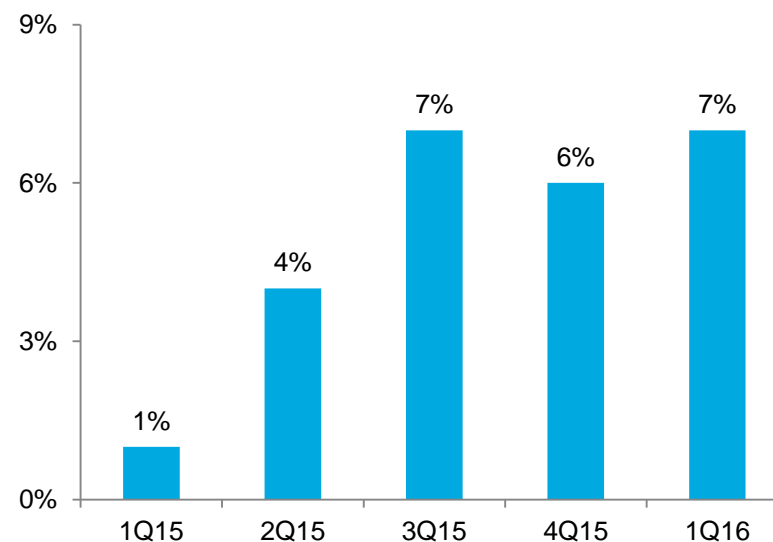


GBS Revenue and Transaction Growth By Region

1Q16 Constant Currency Revenue Growth

	1Q16	
	%	\$M
GBS North America Revenue	(2%)	(\$17)
GBS EMEA Revenue	17%	21
GBS APAC Revenue	(2%)	(1)
GBS LATAM Revenue	44%	17
GBS Revenue	2%	20
<i>Memo: GBS + NSS North America Merchant-Related Revenue⁽¹⁾</i>	0%	\$0

Transaction Growth – GBS North America



- North America 7% transaction growth offset by lower blended yield; concrete plan in place to improve SMB business
- EMEA and LATAM showing strong growth

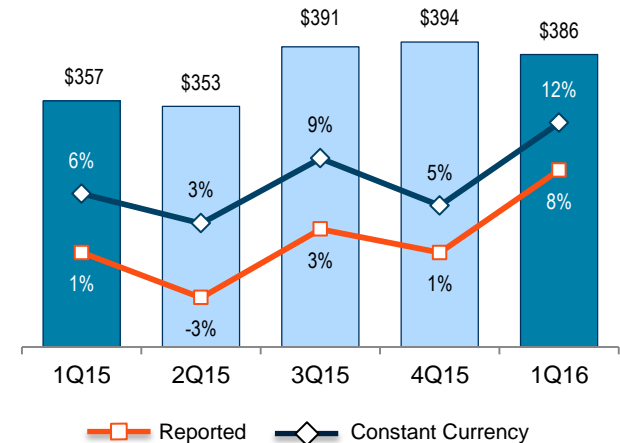
(1) Includes all GBS North America revenue plus merchant-related revenues within NSS.

1Q16 Global Financial Solutions

Revenue of \$386 million, up 8%; up 12% constant currency

- North America revenue of \$234 million, up 11%, driven by 13% growth in Accounts on File and growth in Output Services
- EMEA revenue of \$103 million, up 2%; up 6% constant currency due to organic growth
- LATAM grew 44% constant currency, driven by a license fee resolution in Brazil and growth in Argentina; APAC was down 1% constant currency

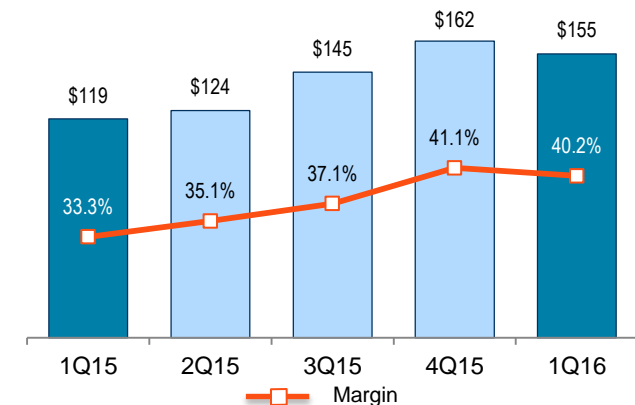
Segment Revenue (\$M) and % Change



EBITDA of \$155 million, up 30%

- Adjusted expenses decreased \$7 million, down 3%, aided by foreign exchange and expense reduction actions
- Margin of 40.2%, up 690 basis points

Segment EBITDA (\$M) and Margin

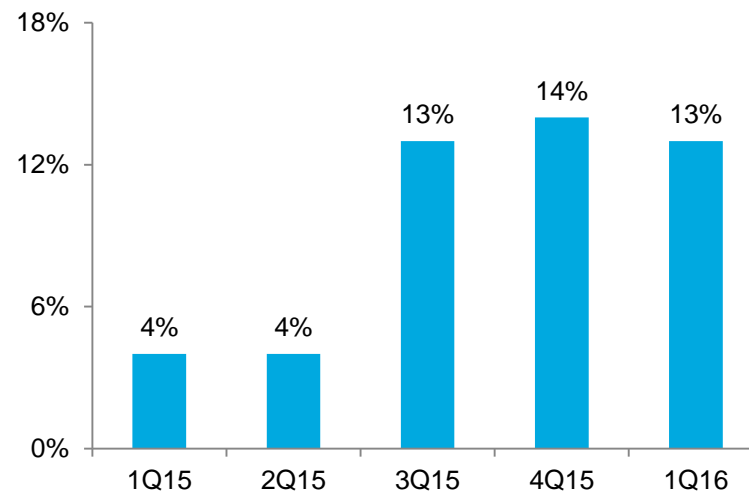


GFS Revenue and Accounts on File By Region

1Q16 Constant Currency Revenue Growth

	1Q16	
	%	\$M
GFS North America Revenue	11%	\$24
GFS EMEA Revenue	6%	6
GFS APAC Revenue	(1%)	(0)
GFS LATAM Revenue	44%	11
GFS Revenue	12%	41

Accounts on File Growth – GFS North America



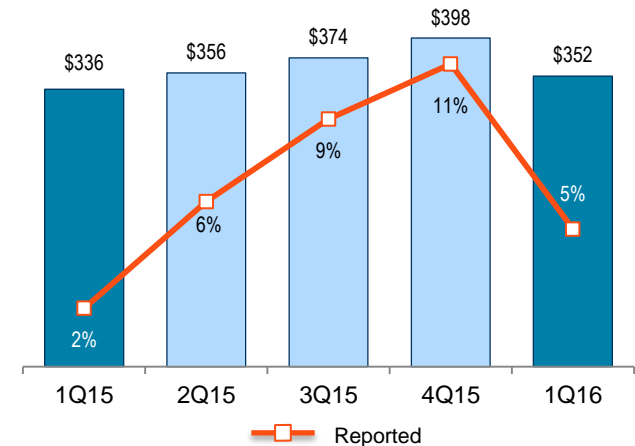
- Strong North America revenue growth reflects balanced growth across Processing and Output Services businesses

1Q16 Network & Security Solutions

Revenue of \$352 million, up 5%

- EFT Network Solutions revenue of \$115 million, flat, as growth in STAR was offset by compression from long-term debit processing contract renewals
- Security and Fraud revenue of \$103 million, up 10% driven by growth in both security and fraud solutions, partly offset by a decline in TeleCheck
- Stored Value Network Solutions revenue of \$85 million, up 12%, primarily driven by growth in closed loop gift

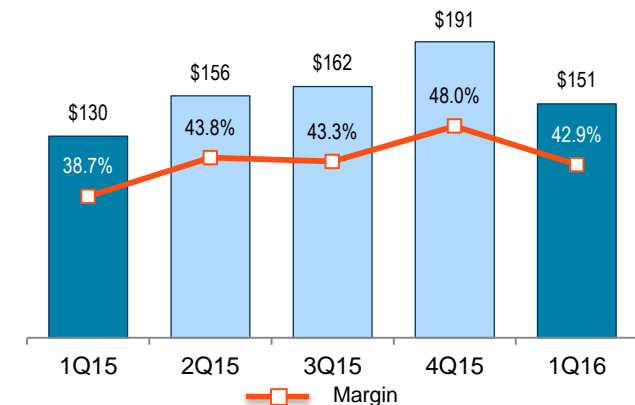
Segment Revenue (\$M) and % Change



EBITDA of \$151 million, up 16%

- Adjusted expenses decreased \$5 million, down 2%
- Margin of 42.9%, up 420 basis points

Segment EBITDA (\$M) and Margin



1Q16 Free Cash Flow

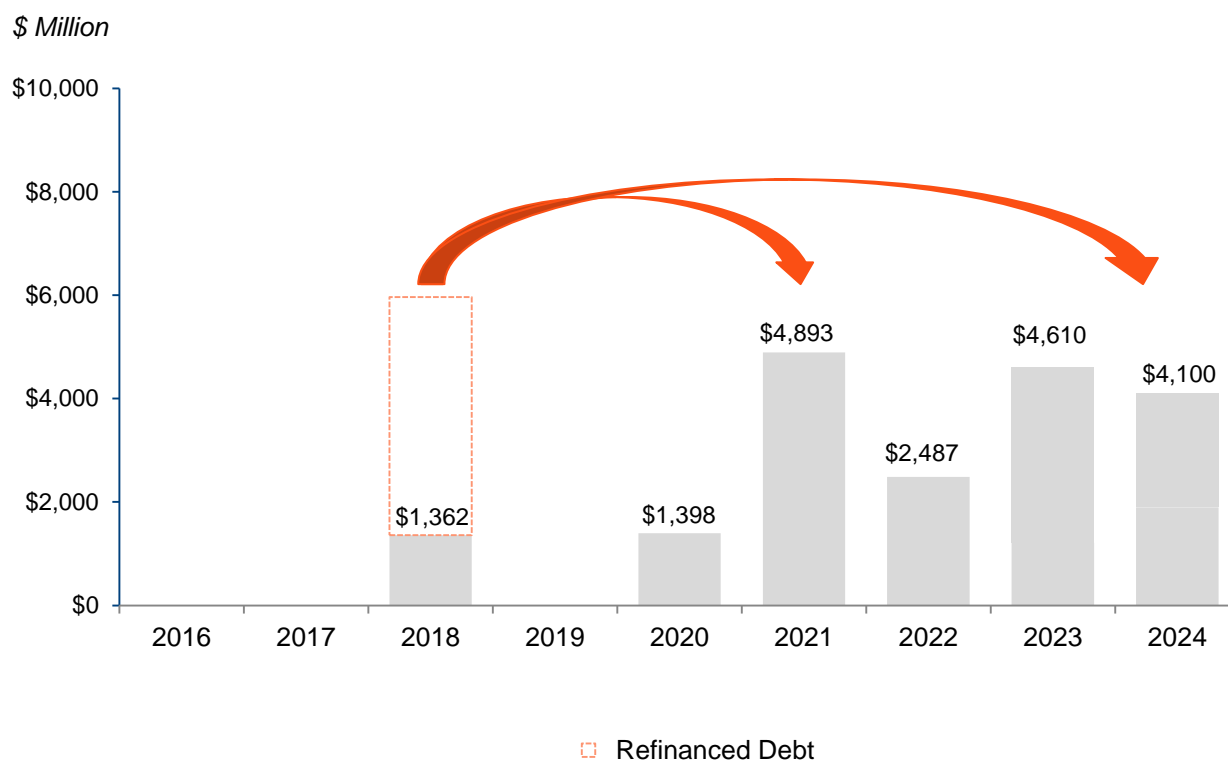
Free Cash Flow (\$M)	First Quarter		
	2016	2015	\$ Change
Adjusted EBITDA	\$636	\$563	\$73
Cash Interest Payments	(186)	(561)	375
Cash Taxes	(26)	(19)	(7)
Capital Expenditures	(117)	(145)	28
Working Capital Change	(87)	(106)	19
Dividends Received from Unconsolidated Affiliates (net) ⁽¹⁾	13	18	(5)
Net Impact from Consolidated Affiliates ⁽²⁾	(8)	(13)	5
Items Excluded from Adjusted EBITDA/Other ⁽³⁾	(14)	(47)	33
Free Cash Flow⁽⁴⁾	\$211	(\$310)	\$521

- Improved Free Cash Flow driven primarily by lower cash interest and increased adjusted EBITDA
- 2016 full year cash interest payments estimated at approximately \$1.0 billion

(1) Distributions received from minority partners less earnings from unconsolidated affiliates. (2) Distributions paid to minority partners less net income attributable to non-controlling interest. (3) Primarily non-operating addbacks such as severance, retention, facility closures and KKR related items. (4) See slide 17 for quarterly reconciliations of operating cash flow to free cash flow.

Balance Sheet Updates

Debt Maturity Profile⁽¹⁾



- 2018 debt maturities significantly reduced through refinancing activity
- Issued \$900 million of first lien notes at 5.0%, maturing in 2024; proceeds were used to repay a portion of 2018 term loans
- Extended the maturity of \$3.7 billion of term loans from March 2018 to March 2021

(1) Excludes short-term borrowings related primarily to revolving credit facility, outstanding settlement lines of credit, capital leases, and AR securitization, excluding unamortized discount. Shown pro forma as of April 13, 2016 after closing on the new \$3.7 billion term loan due March 2021.

Appendix

Non-GAAP Reconciliation: Consolidated to Adj. Expenses

	Three months ended March 31 (\$M)		
	2016	2015	% Change
Consolidated expenses	\$ 2,539	\$ 2,435	4%
Independent Sales Organization (ISO) commission expense	(163)	(147)	
Reimbursable PIN debit fees, postage and other	(907)	(873)	
Adjustments for non wholly owned entities	(18)	(15)	
Depreciation and amortization	(238)	(251)	
Restructuring, net	(21)	(1)	
Other one-time costs	(20)	(49)	
Stock-based compensation	(115)	(7)	
Adjusted expenses	\$ 1,057	\$ 1,092	-3%

Non-GAAP Reconciliation: GAAP Net Loss to Adj. EBITDA

	Three Months Ended (\$M)				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Net loss attributable to First Data Corporation	\$ (112)	\$ (26)	\$ (126)	\$ (1,217)	\$ (56)
Adjustments for non wholly owned entities	(7)	(6)	(6)	(7)	(10)
Depreciation and amortization	251	252	257	262	238
Interest expense, net	406	405	388	338	263
Loss on debt extinguishment	-	-	108	960	46
Other items (1)	15	51	42	72	35
Income tax expense	3	10	32	56	5
Stock-based compensation	7	16	8	298	115
Adjusted EBITDA	\$ 563	\$ 702	\$ 703	\$ 762	\$ 636

(1) Restructuring, non-normal course litigation and regulatory settlements, debt issuance costs, and "Other income (expense)" as presented in the Consolidated Statements of Operations, which includes divestitures, impairments, derivative gains and (losses), non-operating foreign currency gains and (losses), and Kohlberg Kravis Roberts & Co. (KKR) related items. KKR related items represents KKR annual sponsorship fees for management, consulting, financial and other advisory services.

Non-GAAP Reconciliation: GAAP Net Loss to Adj. Net Income

	Three Months Ended (\$M)				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Net loss attributable to First Data Corporation	\$ (112)	\$ (26)	\$ (126)	\$ (1,217)	\$ (56)
Adjustments to reconcile to net loss attributable to First Data Corporation:					
Stock-based compensation (1)	7	12	11	299	108
Loss on debt extinguishment (2)	-	-	108	960	46
Mark-to-market adjustment for derivatives and euro-denominated debt (3)	(66)	33	13	(33)	4
Amortization of acquisition intangibles and deferred financing costs (4)	148	116	144	161	102
Restructurings, impairment, litigation and other (5)	58	9	21	101	16
Adjusted net income	\$ 35	\$ 144	\$ 171	\$ 271	\$ 220

(1) Includes \$49 million and \$254 million of IPO-triggered expense, net of tax, for Q1 2016 and Q4 2015, respectively; (2) Represents costs associated with debt refinancing; (3) 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; (4) Represents amortization of intangibles established in connection with the 2007 Merger and acquisitions we have made since 2007, excluding the percentage of our consolidated amortization of acquisition intangibles related to non-wholly owned consolidated alliances equal to the portion of such alliances owned by our alliance partners. This row also includes amortization related to deferred financing costs; (5) Represents restructuring, impairments, litigation and regulatory settlements, investments gains and losses, and divestitures, as applicable to the periods presented.

Non-GAAP Reconciliation: Operating to Free Cash Flow

	Three Months Ended (\$M)				
	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>Q3 2015</u>	<u>Q4 2015</u>	<u>Q1 2016</u>
Cash provided by / (used in) operating activities	\$ (102)	\$ 555	\$ 234	\$ 108	\$ 386
Capital expenditures	(145)	(139)	(173)	(145)	(117)
Distributions to minority interest	<u>(63)</u>	<u>(100)</u>	<u>(70)</u>	<u>(79)</u>	<u>(58)</u>
Free cash flow	<u>\$ (310)</u>	<u>\$ 316</u>	<u>\$ (9)</u>	<u>\$ (116)</u>	<u>\$ 211</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) adverse impacts from global economic, political, and other conditions affecting trends in consumer, business, and government spending; (2) our ability to anticipate and respond to changing industry trends, including technological changes and increasing competition; (3) our ability to successfully renew existing client contracts on favorable terms and obtain new clients; (4) our ability to prevent a material breach of security of any of our systems; (5) our ability to implement and improve processing systems to provide new products, improve functionality, and increase efficiencies; (6) our merchant alliance program which involves several alliances not under our sole control and each of which acts independently of the others; (7) credit and fraud risks in our business units and merchant alliances, particularly in the context of eCommerce and mobile markets; (8) consolidation among financial institution clients or other client groups that impacts our client relationships; (9) our ability to improve our profitability and maintain flexibility in our capital resources through the implementation of cost savings initiatives; (10) our ability to successfully value and integrate acquired businesses, including those outside of the United States; (11) our high degree of leverage; (12) adverse impacts from currency exchange rates or currency controls imposed by any government or otherwise; (13) changes in the interest rate environment that increase interest on our borrowings or the interest rate at which we can refinance our borrowings; (14) the impact of new laws, regulations, credit card association rules, or other industry standards; and (15) new lawsuits, investigations, or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings, and various other factors set forth in our Annual Report on Form 10-K for the period ended December 31, 2015, 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.