

# WESTERN UNION CO

## FORM 8-K (Current report filing)

Filed 04/24/12 for the Period Ending 04/24/12

Address	12500 EAST BELFORD AVENUE ENGLEWOOD, CO 80112
Telephone	(720) 332-3361
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Industry	Business Services
Sector	Services
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 24, 2012

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**THE WESTERN UNION COMPANY**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32903**  
(Commission  
File Number)

**20-4531180**  
(I.R.S. Employer  
Identification No.)

**12500 East Belford Avenue**  
**Englewood, Colorado**  
(Address of principal executive offices)

**80112**  
(Zip Code)

**(866) 405-5012**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

On April 24, 2012, The Western Union Company (the “Company”) issued a press release relating to the Company’s earnings for the first quarter of fiscal year 2012 (the “Earnings Release”). A copy of the Earnings Release is attached as Exhibit 99.1. The information furnished under this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference to such filing.

**Item 7.01. Regulation FD Disclosure**

In connection with the issuance of the Earnings Release, the Company is holding a public conference call and webcast on April 24, 2012 at 8:30 a.m. Eastern Time, during which Hikmet Ersek, President and Chief Executive Officer, and Scott T. Scheirman, Executive Vice President, Chief Financial Officer and Global Operations, will provide the presentation attached as Exhibit 99.2. Information regarding access to the conference call and webcast is set forth in the Earnings Release. The information furnished under this Item 7.01, including Exhibit 99.2 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference to such filing.

**Item 9.01. Financial Statements and Exhibits**

The following is a list of the Exhibits furnished herewith.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press release issued by the Company on April 24, 2012.
99.2	Presentation of the Company dated April 24, 2012.



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**EXHIBIT INDEX**

Exhibit  
No.

Description

99.1 Press release of The Western Union Company dated April 24, 2012.  
99.2 Presentation of The Western Union Company dated April 24, 2012.



*moving money for better*

**Contacts:**

**Media**

Tom Fitzgerald  
720-332-4374  
tom.fitzgerald@westernunion.com

**Investors**

Mike Salop  
720-332-8276  
mike.salop@westernunion.com

**Western Union Reports First Quarter Results**  
*Revenue Increases 9%, Strong Electronic Channels Growth*  
*2012 Financial Outlook Affirmed*  
*Company Reaches 500,000 Agent Locations in April*

**Englewood, Colo., Apr. 24, 2012** – The Western Union Company (NYSE: WU) today reported financial results for the 2012 first quarter.

**Financial highlights for the quarter included:**

- Revenue of \$1.4 billion, a reported and constant currency increase of 9% compared to last year's first quarter. Pro forma revenue increase of 4%, or 5% constant currency including Travelex Global Business Payments (TGBP) in the prior year period
- Operating margin of 23.9% compared to 24.4% in the prior year. Excluding TGBP integration expenses of \$6 million operating margin was 24.3%, compared to 26.3% excluding \$24 million of restructuring expenses in the prior year period
- The decrease in operating margin was primarily due to an increased operating loss in Business Solutions, including TGBP intangibles amortization, and incremental costs related to investments, compliance, and timing of certain expenses. The Company maintains its full year outlook for GAAP operating margin of approximately 25% and operating margin excluding TGBP integration costs of approximately 26%
- EBITDA margin excluding TGBP integration expenses of 28.9%, compared to 29.7% excluding restructuring expenses in the prior year period
- Cash provided by operating activities of \$215 million, including the impact of tax payments of approximately \$65 million relating to the agreement with the U.S. Internal Revenue Service announced December 15, 2011
- EPS of \$0.40, compared to \$0.32 in the prior year, or \$0.35 in the prior year excluding restructuring expenses. EPS excluding TGBP integration expenses was also \$0.40

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**Additional highlights for the quarter included:**

- Consumer-to-Consumer (C2C) revenue increase of 4% reported and 5% constant currency, on transaction growth of 7%
  - C2C represented 81% of Company revenue
  - North America region revenue increase of 5%
  - Europe and the CIS region revenue flat with the prior year period
  - Middle East and Africa (MEA) region revenue increase of 6%
  - Asia Pacific (APAC) region revenue increase of 7%
  - Latin America and the Caribbean (LACA) region revenue increase of 2%
  - westernunion.com revenue increase of 39%
  - C2C operating margin of 27.7% compared to 28.6% in the prior year
- Consumer-to-Business (C2B) payments revenue increase of 1% reported and 3% constant currency
  - C2B represented 11% of Company revenue
  - C2B operating margin of 26.5% compared to 22.6% in the prior year
- Business Solutions revenue of \$87 million, compared to \$28 million in the prior year
  - Business Solutions represented 6% of Company revenue
  - Pro forma revenue increase of 5%, or 4% constant currency, including TGBP revenue in the prior year period
  - Operating loss of \$15 million, including \$14 million of intangibles amortization and \$6 million of TGBP integration expenses, compared to an operating loss of \$4 million in the prior year (prior year does not include TGBP)
- Electronic channels revenue increase of 38%
  - Electronic channels, which include westernunion.com, account based money transfer, and mobile money transfer, represented 3% of total Company revenue (included in the various segments)
- Prepaid revenue increase of 17%
  - Prepaid including third party top-up represented 1% of Company revenue
- Agent locations of 495,000 as of March 31
- Share repurchases of \$147 million (8 million shares at an average price of \$17.69 per share) and dividends declared of \$0.10 per share or \$62 million in the quarter (dividend per share increased 25% from prior quarter)

**Additional Statistics**

Additional key statistics for the quarter and historical trends can be found in the supplemental tables included with this press release.

**Western Union President and Chief Executive Officer Hikmet Ersek commented,** “Overall, we started off the year in line with our outlook. Our Consumer-to-Consumer segment growth accelerated compared to the fourth quarter, as strength in North America and the Middle East and Africa offset some expected softness in the Europe and CIS region. We further expanded our global network, including increasing our U.S. banking and European retail presence, and in April we reached 500,000 Agent locations across the world.”

Ersek continued, “While our core is delivering, we are also making progress on evolving our new businesses. The integration of Travelex Global Business Payments is on track, as we continue to establish the foundation for growth in Business Solutions. In Ventures, our westernunion.com on-line money transfer service delivered almost 40% revenue growth in the quarter, and is now available from 23 countries. We also advanced our strategy of offering more services to more customers with the introduction of WU Pay. This innovative electronic payments platform allows on-line shoppers to pay for purchases directly from their bank account or in cash at Western Union locations. Westernunion.com consumers will also be able to utilize WU Pay to fund on-line money transfers.”

Ersek added, “Strong capital deployment remains a priority. In addition to reinvesting in the business, we returned over \$200 million to shareholders through the combination of share repurchase and dividends, and we plan to remain active with capital deployment throughout the year.”

### **2012 Outlook**

The Company affirms its full year 2012 financial outlook provided on February 7:

#### **Revenue**

- Constant currency revenue growth in a range of +6% to +8%, including a +4% benefit from the full year inclusion of TGBP
- GAAP revenue growth 2% lower than constant currency

#### **Operating Margins**

- GAAP operating margin of approximately 25%
- Operating margin of approximately 26% excluding TGBP integration costs
- EBITDA margin excluding TGBP integration costs of approximately 30%

#### **Earnings Per Share**

- GAAP EPS in a range of \$1.65 to \$1.70
- EPS excluding TGBP integration expenses of \$1.70 to \$1.75

#### **Cash Flow from Operations**

- Cash flow from operations in a range of \$1.0 billion to \$1.1 billion, or \$1.2 billion to \$1.3 billion excluding anticipated tax payments of approximately \$200 million relating to the IRS agreement announced on December 15, 2011

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**Investor Day**

The Company will host an Investor Day Meeting on Wednesday May 9, 2012 in New York City, beginning at 8:30 a.m. Eastern Time.

Additional information including event details and location, registration instructions, and Web participation directions is available on the company's investor relations website at <http://ir.westernunion.com>. A webcast replay will be available following the event.

**Non-GAAP Measures**

Western Union presents a number of non-GAAP financial measures because management believes that these metrics provide meaningful supplemental information in addition to the GAAP metrics and provide comparability and consistency to prior periods. These non-GAAP financial measures include revenue change constant currency adjusted, pro forma revenue change TGBP adjusted, pro forma revenue change TGBP and constant currency adjusted, operating income margin excluding restructuring and TGBP integration expense, EBITDA margin excluding restructuring and TGBP integration expense, earnings per share restructuring, IRS agreement and TGBP integration expense adjusted, Consumer-to-Consumer segment revenue change constant currency adjusted, Consumer-to-Business segment revenue change constant currency adjusted, Business Solutions segment pro forma revenue change TGBP adjusted, Business Solutions segment pro forma revenue change TGBP and constant currency adjusted, 2012 revenue change outlook constant currency adjusted, 2012 operating income margin outlook TGBP integration expense adjusted, 2012 EBITDA margin outlook TGBP integration expense adjusted, 2012 earnings per share outlook TGBP integration expense adjusted, 2012 operating cash flow outlook IRS agreement adjusted, and additional measures found in the supplemental schedule included with this press release.

Reconciliations of non-GAAP to comparable GAAP measures are available in the accompanying schedules and in the "Investor Relations" section of the Company's website at [www.westernunion.com](http://www.westernunion.com).

**EBITDA**

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) results from taking operating income and adjusting for depreciation and amortization expenses. The 2012 EBITDA has been adjusted to exclude TGBP integration expense, and the 2011 EBITDA has been adjusted to exclude restructuring expenses and TGBP integration expense. EBITDA results provide an additional performance measurement calculation which helps neutralize the income statement effect of assets acquired in prior periods.

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**TGBP Integration**

The Company expects approximately \$50 million of integration expense for TGBP in 2012, of which approximately \$6 million were incurred in the first quarter. TGBP integration expense consists primarily of severance and other benefits, retention, direct and incremental expense consisting of facility relocation, consolidation and closures; IT systems integration; and other expenses such as training, travel and professional fees. Integration expense does not include costs related to the completion of the TGBP acquisition.

**Restructuring**

The Company did not incur any restructuring expenses in the first quarter of 2012. The Company recorded \$24 million of restructuring charges in the first quarter of 2011. Approximately \$7 million was included in cost of services and \$17 million was included in selling, general, and administrative expense. The restructuring charges relate primarily to organizational changes designed to simplify business processes, move decision-making closer to the marketplace, and create operating efficiencies. The Company realized pre-tax savings from the initiatives of approximately \$55 million in 2011, and expects \$70 million annualized beginning in 2012. Restructuring expenses are not reflected in segment operating results.

Restructuring expenses include expenses related to severance, outplacement and other related benefits; facility closure and migration of IT infrastructure; and other expenses related to relocation of various operations to new or existing Company facilities and third-party providers, including hiring, training, relocation, travel, and professional fees. Also included in the facility closure expenses are non-cash expenses related to fixed asset and leasehold improvement write-offs, and the acceleration of depreciation and amortization.

**Currency**

Constant currency results assume foreign revenues and expenses are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the prior year. Constant currency results also assume any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the U.S. dollar, net of the effect of foreign currency hedges, would have been consistent with the prior year. Additionally, the measurement assumes the impact of fluctuations in foreign currency derivatives not designated as hedges and the portion of fair value that is excluded from the measure of effectiveness for those contracts designated as hedges is consistent with the prior year.

**Investor and Analyst Conference Call and Slide Presentation**

The Company will host a conference call and webcast, including slides, at 8:30 a.m. Eastern Time today. To listen to the conference call live via telephone, dial 866-450-8367 (U.S.) or +1-412-317-5427 (outside the U.S.) ten minutes prior to the start of the call. The pass code is 4289188.

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The conference call and accompanying slides will be available via webcast at <http://ir.westernunion.com>. Registration for the event is required, so please register at least five minutes prior to the scheduled start time.

A replay of the call will be available approximately two hours after the call ends through May 3, 2012, at 877-344-7529 (U.S.) or +1-412-317-0088 (outside the U.S.). The pass code is 4289188. A webcast replay will be available at <http://ir.westernunion.com> for the same time period.

Please note: All statements made by Western Union officers on this call are the property of Western Union and subject to copyright protection. Other than the replay, Western Union has not authorized, and disclaims responsibility for, any recording, replay or distribution of any transcription of this call.

#### **Safe Harbor Compliance Statement for Forward-Looking Statements**

This press release contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as “expects,” “intends,” “anticipates,” “believes,” “estimates,” “guides,” “provides guidance,” “provides outlook” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could” are intended to identify such forward-looking statements. Readers of this press release by The Western Union Company (the “Company,” “Western Union,” “we,” “our” or “us”) should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout the Annual Report on Form 10-K for the year ended December 31, 2011, including those described under “Risk Factors”. The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: deterioration in consumers’ and clients’ confidence in our business, or in money transfer and payment service providers generally; changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic downturns and financial market disruptions; political conditions and related actions in the United States and abroad which may adversely affect our business and economic conditions as a whole; interruptions of United States government relations with countries in which we have or are implementing material agent contracts; changes in, and failure to manage effectively exposure to, foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; changes in immigration laws, interruptions in immigration patterns and other factors related to migrants; our ability to adapt technology in response to changing industry and consumer needs or trends; our failure to develop and introduce new services and enhancements, and gain market acceptance of such services; mergers, acquisitions and integration of acquired businesses and technologies into our Company, and the realization of anticipated financial benefits from these acquisitions; decisions to downsize, sell or close units, or to transition operating activities from one location to another or to third parties, particularly transitions from the United States to other countries; decisions to change our business mix; failure to manage credit and fraud risks presented by our agents, clients and consumers or non-performance by our banks, lenders, other financial services providers or insurers; adverse movements and volatility in capital markets and other events which affect our liquidity, the liquidity of our agents or clients, or the value of, or our ability to recover our investments or amounts payable to us; any material breach of security or safeguards of or interruptions in any of our systems; our ability to attract and retain qualified key employees and to manage our workforce successfully; our ability to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place; adverse rating actions by credit rating agencies; failure to compete effectively in the money transfer industry with respect to global and niche or corridor money transfer providers, banks and other money transfer services providers, including telecommunications providers, card associations, card-based payment providers and electronic and Internet providers; our ability to protect our brands

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and our other intellectual property rights; our failure to manage the potential both for patent protection and patent liability in the context of a rapidly developing legal framework for intellectual property protection; changes in tax laws and unfavorable resolution of tax contingencies; cessation of various services provided to us by third-party vendors; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; significantly slower growth or declines in the money transfer market and other markets in which we operate; changes in industry standards affecting our business; (ii) events related to our regulatory and litigation environment, such as: the failure by us, our agents or their subagents to comply with laws and regulations designed to detect and prevent money laundering, terrorist financing, fraud and other illicit activity; changes in United States or foreign laws, rules and regulations including the Internal Revenue Code, governmental or judicial interpretations thereof and industry practices and standards; liabilities resulting from a failure of our agents or subagents to comply with laws and regulations; increased costs due to regulatory initiatives and changes in laws, regulations and industry practices and standards affecting our agents; liabilities and unanticipated developments resulting from governmental investigations and consent agreements with, or enforcement actions by, regulators, including those associated with compliance with, or a failure to comply with the settlement agreement with the State of Arizona; the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules promulgated there-under and the creation of the Consumer Financial Protection Bureau; liabilities resulting from litigation, including class-action lawsuits and similar matters, including costs, expenses, settlements and judgments; failure to comply with regulations regarding consumer privacy and data use and security; effects of unclaimed property laws; failure to maintain sufficient amounts or types of regulatory capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations; and (iii) other events, such as: adverse consequences from our spin-off from First Data Corporation; catastrophic events; and management's ability to identify and manage these and other risks.

#### **About Western Union**

The Western Union Company (NYSE: WU) is a leader in global payment services. Together with its Vigo, Orlandi Valuta, Pago Facil and Western Union Business Solutions branded payment services, Western Union provides consumers and businesses with fast, reliable and convenient ways to send and receive money around the world, to send payments and to purchase money orders. As of March 31, 2012, the Western Union, Vigo and Orlandi Valuta branded services were offered through a combined network of approximately 495,000 agent locations in 200 countries and territories. In 2011, The Western Union Company completed 226 million consumer-to-consumer transactions worldwide, moving \$81 billion of principal between consumers, and 425 million business payments. For more information, visit [www.westernunion.com](http://www.westernunion.com).

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**THE WESTERN UNION COMPANY**  
**KEY STATISTICS**  
(Unaudited)

	Notes*	1Q11	2Q11	3Q11	4Q11	FY2011	1Q12
<b>Consolidated Metrics</b>							
Consolidated revenues (GAAP) - YoY % change		4%	7%	6%	5%	6%	9%
Consolidated revenues (constant currency) - YoY % change	a	4%	5%	5%	6%	5%	9%
Agent locations		455,000	470,000	485,000	485,000	485,000	495,000
<b>Consumer-to-Consumer (C2C) Segment</b>							
Revenues (GAAP) - YoY % change		5%	8%	6%	3%	5%	4%
Revenues (constant currency) - YoY % change	e	5%	5%	4%	3%	4%	5%
Operating margin		28.6%	28.6%	29.0%	28.0%	28.6%	27.7%
Transactions (in millions)		52.84	56.31	57.64	59.00	225.79	56.37
Transactions - YoY % change		7%	6%	5%	5%	6%	7%
Total principal (\$ - billions)		19.0	20.6	21.1	20.6	81.3	19.5
Principal per transaction (\$ - dollars)		360	365	366	349	360	346
Principal per transaction - YoY % change		1%	4%	3%	(2)%	1%	(4)%
Principal per transaction (constant currency) - YoY % change	f	1%	0%	0%	(1)%	0%	(3)%
Cross-border principal (\$ - billions)		17.1	18.6	19.0	18.5	73.2	17.5
Cross-border principal - YoY % change		7%	10%	8%	2%	7%	2%
Cross-border principal (constant currency) - YoY % change	g	6%	6%	5%	3%	5%	3%
Europe and CIS region revenues - YoY % change	t, u	1%	8%	3%	(1)%	3%	0%
Europe and CIS region transactions - YoY % change	t, u	3%	3%	0%	(1)%	1%	1%
North America region revenues - YoY % change	t, v	4%	3%	5%	2%	3%	5%
North America region transactions - YoY % change	t, v	9%	7%	6%	5%	7%	6%
Middle East and Africa region revenues - YoY % change	t, w	1%	6%	5%	2%	4%	6%
Middle East and Africa region transactions - YoY % change	t, w	3%	3%	3%	4%	3%	9%
APAC region revenues - YoY % change	t, x	12%	14%	10%	6%	10%	7%
APAC region transactions - YoY % change	t, x	10%	10%	7%	9%	9%	6%
LACA region revenues - YoY % change	t, y	11%	8%	5%	3%	7%	2%
LACA region transactions - YoY % change	t, y	5%	5%	5%	5%	5%	8%

**THE WESTERN UNION COMPANY**  
**KEY STATISTICS**  
(Unaudited)

	Notes*	1Q11	2Q11	3Q11	4Q11	FY2011	1Q12
westernunion.com region revenues - YoY % change	t, z	24%	40%	43%	39%	37%	39%
westernunion.com region transactions - YoY % change	t, z	19%	29%	33%	35%	29%	41%
International revenues (GAAP) - YoY % change	aa	5%	8%	5%	2%	5%	4%
International revenues (constant currency) - YoY % change	h, aa	5%	5%	4%	3%	4%	4%
International transactions - YoY % change	aa	5%	5%	4%	5%	5%	6%
International principal per transaction (\$ - dollars)	aa	390	399	401	381	393	378
International principal per transaction - YoY % change	aa	2%	6%	4%	(1)%	3%	(3)%
International principal per transaction (constant currency) - YoY % change	i, aa	2%	1%	1%	(1)%	1%	(2)%
International revenues excl. US origination (GAAP) - YoY % change	bb	5%	10%	6%	2%	6%	4%
International revenues excl. US origination (constant currency) - YoY % change	j, bb	5%	5%	4%	3%	4%	4%
International transactions excl. US origination - YoY % change	bb	6%	6%	5%	5%	6%	7%
Electronic channels revenues - YoY % change	cc	24%	39%	40%	36%	35%	38%
<b>Consumer-to-Business (C2B) Segment</b>							
Revenues (GAAP) - YoY % change		(2)%	2%	2%	2%	1%	1%
Revenues (constant currency) - YoY % change	k	(1)%	2%	3%	3%	2%	3%
Operating margin		22.6%	24.6%	21.0%	27.3%	23.9%	26.5%
<b>Business Solutions (B2B) Segment</b>							
Revenues (GAAP) - YoY % change		13%	15%	31%	**	**	**
Revenues (constant currency) - YoY % change	l	8%	7%	22%	**	**	**
Operating margin		(15.4)%	(5.7)%	(4.8)%	(2.8)%	(6.0)%	(17.0)%
<b>% of Total Company Revenue</b>							
Consumer-to-Consumer segment revenues		84%	84%	84%	83%	84%	81%
Europe and CIS region revenues	t, u	23%	24%	24%	23%	24%	22%
North America region revenues	t, v	22%	22%	22%	21%	22%	21%
Middle East and Africa region revenues	t, w	16%	15%	16%	16%	15%	15%
APAC region revenues	t, x	12%	12%	12%	12%	12%	12%
LACA region revenues	t, y	9%	9%	8%	9%	9%	9%
westernunion.com region revenues	t, z	2%	2%	2%	2%	2%	2%
Consumer-to-Business segment revenues		12%	12%	12%	11%	11%	11%
Business Solutions segment revenues		2%	2%	2%	5%	3%	6%
Electronic channels revenues	cc	3%	3%	3%	3%	3%	3%
Prepaid revenues	dd	1%	1%	1%	1%	1%	1%
Marketing expense	ee	3.4%	4.1%	4.5%	4.4%	4.1%	3.8%

\* See page 14 of the press release for the applicable Note references and the reconciliation of non-GAAP financial measures.

\*\* Calculation of growth percentage is not meaningful due to the impact of the TGBP acquisition in November 2011.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)  
(in millions, except per share amounts)

	Three Months Ended		
	2012	March 31, 2011	Change
<b>Revenues:</b>			
Transaction fees	\$1,040.9	\$ 998.0	4%
Foreign exchange revenues	322.6	256.1	26%
Other revenues	29.9	28.9	3%
<b>Total revenues</b>	<u>1,393.4</u>	<u>1,283.0</u>	9%
<b>Expenses:</b>			
Cost of services	783.0	745.4	5%
Selling, general and administrative	277.9	224.7	24%
<b>Total expenses (a)</b>	<u>1,060.9</u>	<u>970.1</u>	9%
Operating income	332.5	312.9	6%
<b>Other income/(expense):</b>			
Interest income	1.5	1.2	25%
Interest expense	(44.4)	(43.4)	2%
Derivative gains, net	1.6	1.9	(16)%
Other income/(expense), net	(1.1)	2.1	(b)
<b>Total other expense, net</b>	<u>(42.4)</u>	<u>(38.2)</u>	11%
Income before income taxes	290.1	274.7	6%
Provision for income taxes	42.8	64.5	(34)%
<b>Net income</b>	<u>\$ 247.3</u>	<u>\$ 210.2</u>	18%
<b>Earnings per share:</b>			
Basic	\$ 0.40	\$ 0.32	25%
Diluted	\$ 0.40	\$ 0.32	25%
<b>Weighted-average shares outstanding:</b>			
Basic	619.1	646.9	
Diluted	621.9	652.1	

- (a) Total expenses includes TGBP integration expense of \$0.2 million in cost of services and \$6.2 million in selling, general and administrative for the three months ended March 31, 2012 and restructuring and related expenses of \$6.9 million in cost of services and \$17.1 million in selling, general and administrative for the three months ended March 31, 2011.
- (b) Calculation not meaningful.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
(in millions, except per share amounts)

	March 31, 2012	December 31, 2011
<b>Assets</b>		
Cash and cash equivalents (a)	\$ 1,395.9	\$ 1,370.9
Settlement assets	3,185.1	3,091.2
Property and equipment, net of accumulated depreciation of \$445.2 and \$429.7, respectively	196.3	198.1
Goodwill	3,166.3	3,198.9
Other intangible assets, net of accumulated amortization of \$433.6 and \$462.5, respectively	878.3	847.4
Other assets	375.9	363.4
<b>Total assets</b>	<b>\$ 9,197.8</b>	<b>\$ 9,069.9</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 498.3	\$ 535.0
Settlement obligations	3,185.1	3,091.2
Income taxes payable	259.6	302.4
Deferred tax liability, net	392.0	389.7
Borrowings	3,633.7	3,583.2
Other liabilities	261.7	273.6
<b>Total liabilities</b>	<b>8,230.4</b>	<b>8,175.1</b>
<b>Stockholders' equity:</b>		
Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value; 2,000 shares authorized; 613.9 shares and 619.4 shares issued and outstanding as of March 31, 2012 and December 31, 2011, respectively	6.1	6.2
Capital surplus	298.9	247.1
Retained earnings	794.9	760.0
Accumulated other comprehensive loss	(132.5)	(118.5)
<b>Total stockholders' equity</b>	<b>967.4</b>	<b>894.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 9,197.8</b>	<b>\$ 9,069.9</b>

(a) Approximately \$723 million was held by entities outside of the United States as of March 31, 2012.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(in millions)

	Three Months Ended March 31,	
	2012	2011
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 247.3	\$ 210.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15.3	15.0
Amortization	48.6	29.7
Other non-cash items, net	1.6	(7.2)
Increase/(decrease) in cash, excluding the effects of acquisitions, resulting from changes in:		
Other assets	(10.1)	(11.5)
Accounts payable and accrued liabilities	(35.7)	(20.2)
Income taxes payable (a)	(40.1)	41.0
Other liabilities	(11.9)	(5.4)
Net cash provided by operating activities	<u>215.0</u>	<u>251.6</u>
<b>Cash Flows From Investing Activities</b>		
Capitalization of contract costs	(55.8)	(7.1)
Capitalization of purchased and developed software	(5.8)	(2.5)
Purchases of property and equipment	(14.2)	(12.3)
Net cash used in investing activities	<u>(75.8)</u>	<u>(21.9)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from exercise of options	41.2	72.3
Cash dividends paid	(61.6)	(44.7)
Common stock repurchased	(146.8)	(498.4)
Net proceeds from commercial paper	53.0	—
Net proceeds from issuance of borrowings	—	299.5
Net cash used in financing activities	<u>(114.2)</u>	<u>(171.3)</u>
Net change in cash and cash equivalents	25.0	58.4
Cash and cash equivalents at beginning of period	<u>1,370.9</u>	<u>2,157.4</u>
Cash and cash equivalents at end of period	<u><u>\$1,395.9</u></u>	<u><u>\$2,215.8</u></u>

- (a) The Company made tax payments of approximately \$65 million in the first quarter of 2012 due to the December 2011 agreement with the United States Internal Revenue Services (“IRS”) resolving substantially all of the issues related to the restructuring of our international operations in 2003 (“IRS Agreement”).

**THE WESTERN UNION COMPANY**  
**SUMMARY SEGMENT DATA**  
(Unaudited)  
(in millions)

	Three Months Ended		
	2012	2011	Change
<b>Revenues:</b>			
<b>Consumer-to-Consumer (C2C):</b>			
Transaction fees	\$ 872.0	\$ 839.8	4%
Foreign exchange revenues	239.4	227.4	5%
Other revenues	13.2	10.9	21%
<b>Total Consumer-to-Consumer:</b>	<u>1,124.6</u>	<u>1,078.1</u>	4%
<b>Consumer-to-Business (C2B):</b>			
Transaction fees	\$ 147.7	\$ 144.7	2%
Foreign exchange revenues	0.8	0.9	(11)%
Other revenues	6.6	7.6	(13)%
<b>Total Consumer-to-Business:</b>	<u>155.1</u>	<u>153.2</u>	1%
<b>Business Solutions (B2B) (a):</b>			
Transaction fees	\$ 6.5	\$ 0.9	(d)
Foreign exchange revenues	80.1	26.8	(d)
Other revenues	0.3	0.2	(d)
<b>Total Business Solutions:</b>	<u>86.9</u>	<u>27.9</u>	(d)
<b>Other:</b>			
Total revenues:	\$ 26.8	\$ 23.8	13%
<b>Total consolidated revenues</b>	<u>\$1,393.4</u>	<u>\$1,283.0</u>	9%
<b>Operating income/(loss):</b>			
Consumer-to-Consumer	\$ 311.3	\$ 308.6	1%
Consumer-to-Business	41.1	34.6	19%
Business Solutions (b)	(14.8)	(4.3)	(d)
Other	(5.1)	(2.0)	(d)
<b>Total segment operating income</b>	332.5	336.9	(1)%
Restructuring and related expenses (c)	—	(24.0)	(d)
<b>Total consolidated operating income</b>	<u>\$ 332.5</u>	<u>\$ 312.9</u>	6%
<b>Operating income margin:</b>			
Consumer-to-Consumer	27.7%	28.6%	(0.9)%
Consumer-to-Business	26.5%	22.6%	3.9%
Business Solutions	(17.0)%	(15.4)%	(1.6)%
<b>Total consolidated operating income margin</b>	23.9%	24.4%	(0.5)%
<b>Depreciation and amortization:</b>			
Consumer-to-Consumer	\$ 42.8	\$ 33.2	29%
Consumer-to-Business	3.9	5.2	(25)%
Business Solutions	15.2	4.4	(d)
Other	2.0	1.3	54%
<b>Total segment depreciation and amortization</b>	<u>63.9</u>	<u>44.1</u>	45%
Restructuring and related expenses (c)	—	0.6	(d)
<b>Total consolidated depreciation and amortization</b>	<u>\$ 63.9</u>	<u>\$ 44.7</u>	43%

- (a) The significant change in Business Solutions revenues for the three months ended March 31, 2012 was primarily the result of the acquisition of Travelex Global Business Payments on November 7, 2011.
- (b) Business Solutions operating loss includes \$6.4 million related to TGBP integration expense in the first quarter of 2012.
- (c) Restructuring and related expenses are excluded from the measurement of segment operating profit provided to the Chief Operating Decision Maker for purposes of assessing segment performance and decision making with respect to resource allocation.
- (d) Calculation not meaningful.

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

Western Union's management believes the non-GAAP financial measures presented provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business, because they provide consistency and comparability to prior periods.

A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are 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 non-GAAP financial measures to the most directly comparable GAAP financial measures is included below.

All adjusted year-over-year changes were calculated using prior year reported amounts, unless indicated otherwise.

		<u>1Q11</u>	<u>2Q11</u>	<u>3Q11</u>	<u>4Q11</u>	<u>FY2011</u>	<u>1Q12</u>
<b>Consolidated Metrics</b>							
(a)	Revenues, as reported (GAAP)	\$1,283.0	\$1,366.3	\$1,410.8	\$1,431.3	\$5,491.4	\$1,393.4
	Foreign currency translation impact (m)	2.3	(32.5)	(18.2)	10.4	(38.0)	8.1
	Revenues, constant currency adjusted	<u>\$1,285.3</u>	<u>\$1,333.8</u>	<u>\$1,392.6</u>	<u>\$1,441.7</u>	<u>\$5,453.4</u>	<u>\$1,401.5</u>
	Prior year revenues, as reported (GAAP)	\$1,232.7	\$1,273.4	\$1,329.6	\$1,357.0	\$5,192.7	\$1,283.0
	Pro forma prior year revenues, TGBP adjusted (n)	N/A	N/A	N/A	N/A	N/A	\$1,338.0
	Revenue change, as reported (GAAP)	4%	7%	6%	5%	6%	9%
	Revenue change, constant currency adjusted	4%	5%	5%	6%	5%	9%
	Pro forma revenue change, TGBP adjusted	N/A	N/A	N/A	N/A	N/A	4%
	Pro forma revenue change, TGBP and constant currency adjusted	N/A	N/A	N/A	N/A	N/A	5%
(b)	Operating income, as reported (GAAP)	\$ 312.9	\$ 350.7	\$ 363.0	\$ 358.4	\$1,385.0	\$ 332.5
	Reversal of restructuring and related expenses (o)	24.0	8.9	13.9	—	46.8	—
	Reversal of TGBP integration expense (p)	N/A	N/A	N/A	4.8	4.8	6.4
	Operating income, excl. restructuring and TGBP integration expense	<u>\$ 336.9</u>	<u>\$ 359.6</u>	<u>\$ 376.9</u>	<u>\$ 363.2</u>	<u>\$1,436.6</u>	<u>\$ 338.9</u>
	Operating income margin, as reported (GAAP)	24.4%	25.7%	25.7%	25.0%	25.2%	23.9%
	Operating income margin, excl. restructuring	26.3%	26.3%	26.7%	25.0%	26.1%	23.9%
	Operating income margin, excl. restructuring and TGBP integration expense	N/A	N/A	N/A	25.4%	26.2%	24.3%
(c)	Operating income, as reported (GAAP)	\$ 312.9	\$ 350.7	\$ 363.0	\$ 358.4	\$1,385.0	\$ 332.5
	Reversal of depreciation and amortization (q)	44.7	46.6	45.9	55.4	192.6	63.9
	EBITDA (q)	\$ 357.6	\$ 397.3	\$ 408.9	\$ 413.8	\$1,577.6	\$ 396.4
	Reversal of restructuring and related expenses (o)	23.4	8.2	13.9	—	45.5	—
	Reversal of TGBP integration expense (p)	N/A	N/A	N/A	4.8	4.8	6.4
	EBITDA, excl. restructuring and TGBP integration expense	<u>\$ 381.0</u>	<u>\$ 405.5</u>	<u>\$ 422.8</u>	<u>\$ 418.6</u>	<u>\$1,627.9</u>	<u>\$ 402.8</u>
	EBITDA margin	27.9%	29.1%	29.0%	28.9%	28.7%	28.4%
	EBITDA margin, excl. restructuring and TGBP integration expense	29.7%	29.7%	30.0%	29.2%	29.6%	28.9%
(d)	Net income, as reported (GAAP)	\$ 210.2	\$ 263.2	\$ 239.7	\$ 452.3	\$1,165.4	\$ 247.3
	Reversal of restructuring and related expenses, net of income tax benefit (o)	16.4	5.9	9.7	—	32.0	—
	Net income, restructuring adjusted	\$ 226.6	\$ 269.1	\$ 249.4	\$ 452.3	\$1,197.4	\$ 247.3
	Reversal of IRS Agreement tax provision benefit (r)	N/A	N/A	N/A	(204.7)	(204.7)	—
	Net income, restructuring and IRS Agreement adjusted	\$ 226.6	\$ 269.1	\$ 249.4	\$ 247.6	\$ 992.7	\$ 247.3
	Reversal of TGBP integration expense, net of income tax benefit (p)	N/A	N/A	N/A	3.1	3.1	4.3
	Net income, restructuring, IRS Agreement and TGBP integration expense adjusted	<u>\$ 226.6</u>	<u>\$ 269.1</u>	<u>\$ 249.4</u>	<u>\$ 250.7</u>	<u>\$ 995.8</u>	<u>\$ 251.6</u>
	Diluted earnings per share ("EPS"), as reported (GAAP) (\$ - dollars)	\$ 0.32	\$ 0.41	\$ 0.38	\$ 0.73	\$ 1.84	\$ 0.40
	Impact from restructuring and related expenses, net of income tax benefit (o) (\$ - dollars)	0.03	0.01	0.02	—	0.05	—
	Diluted EPS, restructuring adjusted (\$ - dollars)	\$ 0.35	\$ 0.42	\$ 0.40	\$ 0.73	\$ 1.89	\$ 0.40
	Impact from IRS Agreement tax provision benefit (r) (\$ - dollars)	N/A	N/A	N/A	(0.33)	(0.32)	—
	Diluted EPS, restructuring and IRS Agreement adjusted (\$ - dollars)	\$ 0.35	\$ 0.42	\$ 0.40	\$ 0.40	\$ 1.57	\$ 0.40
	Impact from TGBP integration expense, net of income tax benefit (p) (\$ - dollars)	N/A	N/A	N/A	—	—	—
	Diluted EPS, restructuring, IRS Agreement and TGBP integration expense adjusted (\$ - dollars)	<u>\$ 0.35</u>	<u>\$ 0.42</u>	<u>\$ 0.40</u>	<u>\$ 0.40</u>	<u>\$ 1.57</u>	<u>\$ 0.40</u>
	Diluted weighted-average shares outstanding	652.1	635.8	627.1	621.7	634.2	621.9

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	1Q11	2Q11	3Q11	4Q11	FY2011	1Q12
<b>Consumer-to-Consumer Segment</b>						
(e) Revenues, as reported (GAAP)	\$1,078.1	\$1,155.1	\$1,193.3	\$1,181.9	\$4,608.4	\$1,124.6
Foreign currency translation impact (m)	2.2	(31.4)	(17.9)	8.0	(39.1)	5.2
Revenues, constant currency adjusted	<u>\$1,080.3</u>	<u>\$1,123.7</u>	<u>\$1,175.4</u>	<u>\$1,189.9</u>	<u>\$4,569.3</u>	<u>\$1,129.8</u>
Prior year revenues, as reported (GAAP)	\$1,030.2	\$1,073.1	\$1,128.3	\$1,151.8	\$4,383.4	\$1,078.1
Revenue change, as reported (GAAP)	5%	8%	6%	3%	5%	4%
Revenue change, constant currency adjusted	5%	5%	4%	3%	4%	5%
(f) Principal per transaction, as reported (\$ - dollars)	\$ 360	\$ 365	\$ 366	\$ 349	\$ 360	\$ 346
Foreign currency translation impact (m) (\$ - dollars)	(1)	(14)	(11)	2	(6)	3
Principal per transaction, constant currency adjusted (\$ - dollars)	<u>\$ 359</u>	<u>\$ 351</u>	<u>\$ 355</u>	<u>\$ 351</u>	<u>\$ 354</u>	<u>\$ 349</u>
Prior year principal per transaction, as reported (\$ - dollars)	\$ 357	\$ 351	\$ 355	\$ 356	\$ 355	\$ 360
Principal per transaction change, as reported	1%	4%	3%	(2)%	1%	(4)%
Principal per transaction change, constant currency adjusted	1%	0%	0%	(1)%	0%	(3)%
(g) Cross-border principal, as reported (\$ - billions)	\$ 17.1	\$ 18.6	\$ 19.0	\$ 18.5	\$ 73.2	\$ 17.5
Foreign currency translation impact (m) (\$ - billions)	—	(0.8)	(0.6)	0.2	(1.2)	0.2
Cross-border principal, constant currency adjusted (\$ - billions)	<u>\$ 17.1</u>	<u>\$ 17.8</u>	<u>\$ 18.4</u>	<u>\$ 18.7</u>	<u>\$ 72.0</u>	<u>\$ 17.7</u>
Prior year cross-border principal, as reported (\$ - billions)	\$ 16.1	\$ 16.8	\$ 17.6	\$ 18.1	\$ 68.6	\$ 17.1
Cross-border principal change, as reported	7%	10%	8%	2%	7%	2%
Cross-border principal change, constant currency adjusted	6%	6%	5%	3%	5%	3%
(h) International revenues, as reported (GAAP)	\$ 901.7	\$ 962.9	\$ 995.7	\$ 995.5	\$3,855.8	\$ 936.9
Foreign currency translation impact (m)	2.6	(30.7)	(17.4)	7.5	(38.0)	4.9
International revenues, constant currency adjusted	<u>\$ 904.3</u>	<u>\$ 932.2</u>	<u>\$ 978.3</u>	<u>\$1,003.0</u>	<u>\$3,817.8</u>	<u>\$ 941.8</u>
Prior year international revenues, as reported (GAAP)	\$ 862.0	\$ 890.8	\$ 944.0	\$ 972.4	\$3,669.2	\$ 901.7
International revenue change, as reported (GAAP)	5%	8%	5%	2%	5%	4%
International revenue change, constant currency adjusted	5%	5%	4%	3%	4%	4%
(i) International principal per transaction, as reported (\$ - dollars)	\$ 390	\$ 399	\$ 401	\$ 381	\$ 393	\$ 378
Foreign currency translation impact (m) (\$ - dollars)	(2)	(18)	(13)	3	(8)	4
International principal per transaction, constant currency adjusted (\$ - dollars)	<u>\$ 388</u>	<u>\$ 381</u>	<u>\$ 388</u>	<u>\$ 384</u>	<u>\$ 385</u>	<u>\$ 382</u>
Prior year international principal per transaction, as reported (\$ - dollars)	\$ 381	\$ 376	\$ 384	\$ 386	\$ 382	\$ 390
International principal per transaction change, as reported	2%	6%	4%	(1)%	3%	(3)%
International principal per transaction change, constant currency adjusted	2%	1%	1%	(1)%	1%	(2)%
(j) International excl. US origination revenues, as reported (GAAP)	\$ 732.2	\$ 788.6	\$ 822.2	\$ 815.5	\$3,158.5	\$ 759.6
Foreign currency translation impact (m)	2.6	(30.7)	(17.4)	7.5	(38.0)	4.9
International excl. US origination revenues, constant currency adjusted	<u>\$ 734.8</u>	<u>\$ 757.9</u>	<u>\$ 804.8</u>	<u>\$ 823.0</u>	<u>\$3,120.5</u>	<u>\$ 764.5</u>
Prior year international excl. US origination revenues, as reported (GAAP)	\$ 699.8	\$ 719.2	\$ 774.3	\$ 797.6	\$2,990.9	\$ 732.2
International excl. US origination revenues change, as reported (GAAP)	5%	10%	6%	2%	6%	4%
International excl. US origination revenues change, constant currency adjusted	5%	5%	4%	3%	4%	4%

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	<u>1Q11</u>	<u>2Q11</u>	<u>3Q11</u>	<u>4Q11</u>	<u>FY2011</u>	<u>1Q12</u>	
<b>Consumer-to-Business Segment</b>							
(k)	Revenues, as reported (GAAP)	\$153.2	\$153.5	\$155.3	\$153.9	\$615.9	\$155.1
	Foreign currency translation impact (m)	<u>1.3</u>	<u>1.1</u>	<u>1.5</u>	<u>2.5</u>	<u>6.4</u>	<u>2.9</u>
	Revenues, constant currency adjusted	<u>\$154.5</u>	<u>\$154.6</u>	<u>\$156.8</u>	<u>\$156.4</u>	<u>\$622.3</u>	<u>\$158.0</u>
	Prior year revenues, as reported (GAAP)	N/A	N/A	N/A	N/A	\$610.7	\$153.2
	Revenue change, as reported (GAAP)	(2)%	2%	2%	2%	1%	1%
	Revenue change, constant currency adjusted	(1)%	2%	3%	3%	2%	3%
<b>Business Solutions Segment</b>							
(l)	Revenues, as reported (GAAP)	\$ 27.9	\$ 31.4	\$ 33.6	\$ 68.2	\$161.1	\$ 86.9
	Foreign currency translation impact (m)	<u>(1.3)</u>	<u>(2.2)</u>	<u>(2.1)</u>	<u>(0.1)</u>	<u>(5.7)</u>	<u>(0.1)</u>
	Revenues, constant currency adjusted	<u>\$ 26.6</u>	<u>\$ 29.2</u>	<u>\$ 31.5</u>	<u>\$ 68.1</u>	<u>\$155.4</u>	<u>\$ 86.8</u>
	Prior year revenues, as reported (GAAP)	N/A	N/A	N/A	N/A	\$106.7	\$ 27.9
	Pro forma prior year revenues, TGBP adjusted (n)	N/A	N/A	N/A	N/A	N/A	\$ 82.9
	Revenue change, as reported (GAAP)	13%	15%	31%	**	**	**
	Revenue change, constant currency adjusted	8%	7%	22%	**	**	**
	Pro forma revenue change, TGBP adjusted	N/A	N/A	N/A	N/A	N/A	5%
	Pro forma revenue change, TGBP and constant currency adjusted	N/A	N/A	N/A	N/A	N/A	4%
<b>2012 Outlook Metrics</b>							
		<u>Range</u>					
	Revenue change (GAAP)	4%	6%				
	Foreign currency translation impact (s)	<u>2%</u>	<u>2%</u>				
	Revenue change, constant currency adjusted	<u>6%</u>	<u>8%</u>				
	Operating income margin (GAAP)	25%					
	TGBP integration expense impact (p)	1%					
	Operating income margin, TGBP integration expense adjusted	<u>26%</u>					
	Operating income margin (GAAP)	25%					
	Depreciation and amortization impact (q)	4%					
	TGBP integration expense impact (p)	1%					
	EBITDA margin, TGBP integration expense adjusted	<u>30%</u>					
		<u>Range</u>					
	EPS guidance (GAAP) (\$ - dollars)	\$ 1.65	\$ 1.70				
	TGBP integration expense impact, net of tax benefit (p) (\$ - dollars)	<u>0.05</u>	<u>0.05</u>				
	EPS guidance, TGBP integration expense adjusted (\$ - dollars)	<u>\$ 1.70</u>	<u>\$ 1.75</u>				
		<u>Range</u>					
	Operating cash flow (GAAP) (\$ - billions)	\$ 1.0	\$ 1.1				
	Payments on IRS Agreement (r) (\$ - billions)	<u>0.2</u>	<u>0.2</u>				
	Operating cash flow, IRS Agreement adjusted (\$ - billions)	<u>\$ 1.2</u>	<u>\$ 1.3</u>				

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
**(in millions, unless indicated otherwise)**  
**(Unaudited)**

**Non-GAAP related notes:**

- (m) Represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate. In pro forma calculations, also includes the currency impact of \$0.3 million for the three months ended March 31, 2012 associated with the acquisition of Travelex Global Business Payments (“TGBP”).
- (n) Represents the pro forma incremental impact of TGBP on Consolidated and Business Solutions segment revenues. Pro forma revenues presents the results of operations of the Company and its Business Solutions segment as they may have appeared had the acquisition of TGBP occurred as of January 1, 2011. The pro forma information is provided for illustrative purposes only and does not purport to present what the actual results of operations would have been had the acquisition actually occurred on the date indicated. The results of operations for TGBP have been included in Consolidated and Business Solutions segment revenues from November 7, 2011, the date of acquisition.
- (o) Restructuring and related expenses consist of direct and incremental expenses including the impact from fluctuations in exchange rates associated with restructuring and related activities, consisting of severance, outplacement and other related benefits; facility closure and migration of the Company’s IT infrastructure; and other expenses related to the relocation of various operations to new or existing Company facilities and third-party providers, including hiring, training, relocation, travel, and professional fees. Also included in the facility closure expenses are non-cash expenses related to fixed asset and leasehold improvement write-offs and the acceleration of depreciation and amortization. Restructuring and related expenses were not allocated to the segments.
- (p) TGBP integration expense consists primarily of severance and other benefits, retention, direct and incremental expense consisting of facility relocation, consolidation and closures; IT systems integration; and other expenses such as training, travel and professional fees. Integration expense does not include costs related to the completion of the TGBP acquisition.
- (q) Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) results from taking operating income and adjusting for depreciation and amortization expenses.
- (r) Represents the impact from the tax benefit in December 2011 due to the agreement with the IRS resolving substantially all issues related to the restructuring of our international operations in 2003 of \$204.7 million. Additionally, represents the impact of the anticipated tax payments of approximately \$190 million related to the agreement with the IRS discussed above.
- (s) Represents the estimated impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any estimated benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate.

**Other notes:**

- (t) Geographic split is determined based upon the region where the money transfer is initiated and the region where the money transfer is paid. For transactions originated and paid in different regions, the Company splits the transaction count and revenue between the two regions, with each region receiving 50%. For money transfers initiated and paid in the same region, 100% of the revenue and transactions are attributed to that region. For money transfers initiated through the Company’s websites (“westernunion.com”), 100% of the revenue and transactions are attributed to that business.
- (u) Represents the Europe and the Commonwealth of Independent States (“CIS”) region of our Consumer-to-Consumer segment.
- (v) Represents the North America region, including the United States, Mexico, and Canada, of our Consumer-to-Consumer segment.
- (w) Represents the Middle East and Africa region of our Consumer-to-Consumer segment.
- (x) Represents the APAC region of our Consumer-to-Consumer segment, including India, China, and South Asia.
- (y) Represents the Latin America and the Caribbean region (“LACA”) of our Consumer-to-Consumer segment.
- (z) Represents transactions initiated on westernunion.com which are primarily paid out at Western Union agent locations in the respective regions.
- (aa) Represents transactions between and within foreign countries (excluding Canada and Mexico), transactions originated in the United States or Canada and paid elsewhere, and transactions originated outside the United States or Canada and paid in the United States or Canada. Excludes all transactions between or within the United States and Canada and all transactions to and from Mexico.
- (bb) Represents transactions between and within foreign countries (excluding Canada and Mexico). Excludes all transactions originated in the United States and all transactions to and from Mexico.
- (cc) Represents revenue generated from electronic channels, which include westernunion.com, account based money transfer and mobile money transfer (included in the various segments).
- (dd) Represents revenue from prepaid services. This revenue is included within Other.
- (ee) Marketing expense includes advertising, events, costs to administer loyalty programs, and the cost of employees dedicated to marketing activities.

**Western Union  
First Quarter 2012  
Earnings Webcast & Conference Call  
April 24, 2012**



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**Mike Salop**

*Senior Vice President, Investor Relations*



- New segment structure beginning Q1 2012
  - Consumer-to-Consumer (C2C) now reporting six regions:
    - Europe and Commonwealth of Independent States (CIS)
    - North America including US, Canada, Mexico
    - Middle East and Africa
    - Asia Pacific including India and South Asia (APAC)
    - Latin America and the Caribbean (LACA)
    - westernunion.com (from all geographic regions)
  - Consumer-to-Business (C2B)
  - Business Solutions
  - Other (primarily Retail Money Order, Prepaid and Mobile Money Transfer)

This presentation contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "intends," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could" are intended to identify such forward-looking statements. Readers of this presentation by The Western Union Company (the "Company," "Western Union," "we," "our" or "us") should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout the Annual Report on Form 10-K for the year ended December 31, 2011, including those described under "Risk Factors". The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: deterioration in consumers' and clients' confidence in our business, or in money transfer and payment service providers generally; changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic downturns and financial market disruptions; political conditions and related actions in the United States and abroad which may adversely affect our business and economic conditions as a whole; interruptions of United States government relations with countries in which we have or are implementing material agent contracts; changes in, and failure to manage effectively exposure to, foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; changes in immigration laws, interruptions in immigration patterns and other factors related to migrants; our ability to adapt technology in response to changing industry and consumer needs or trends; our failure to develop and introduce new services and enhancements, and gain market acceptance of such services; mergers, acquisitions and integration of acquired businesses and technologies into our Company, and the realization of anticipated financial benefits from these acquisitions; decisions to downsize, sell or close units, or to transition operating activities from one location to another or to third parties, particularly transitions from the United States to other countries; decisions to change our business mix; failure to manage credit and fraud risks presented by our agents, clients and consumers or non-performance by our banks, lenders, other financial services providers or insurers; adverse movements and volatility in capital markets and other events which affect our liquidity, the liquidity of our agents or clients, or the value of, or our ability to recover our investments or amounts payable to us; any material breach of security or safeguards of or interruptions in any of our systems; our ability to attract and retain qualified key employees and to manage our workforce successfully; our ability to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place; adverse rating actions by credit rating agencies; failure to compete effectively in the money transfer industry with respect to global and niche or corridor money transfer providers, banks and other money transfer services providers, including telecommunications providers, card associations, card-based payment providers and electronic and Internet providers; our ability to protect our brands and our other intellectual property rights; our failure to manage the potential both for patent protection and patent liability in the context of a rapidly developing legal framework for intellectual property protection; changes in tax laws and unfavorable resolution of tax contingencies; cessation of various services provided to us by third-party vendors; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; significantly slower growth or declines in the money transfer market and other markets in which we operate; changes in industry standards affecting our business; (ii) events related to our regulatory and litigation environment, such as: the failure by us, our agents or their subagents to comply with laws and regulations designed to detect and prevent money laundering, terrorist financing, fraud and other illicit activity; changes in United States or foreign laws, rules and regulations including the Internal Revenue Code, governmental or judicial interpretations thereof and industry practices and standards; liabilities resulting from a failure of our agents or subagents to comply with laws and regulations; increased costs due to regulatory initiatives and changes in laws, regulations and industry practices and standards affecting our agents; liabilities and unanticipated developments resulting from governmental investigations and consent agreements with, or enforcement actions by, regulators, including those associated with compliance with, or a failure to comply with the settlement agreement with the State of Arizona; the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules promulgated there-under and the creation of the Consumer Financial Protection Bureau; liabilities resulting from litigation, including class-action lawsuits and similar matters, including costs, expenses, settlements and judgments; failure to comply with regulations regarding consumer privacy and data use and security; effects of unclaimed property laws; failure to maintain sufficient amounts or types of regulatory capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations; and (iii) other events, such as: adverse consequences from our spin-off from First Data Corporation; catastrophic events; and management's ability to identify and manage these and other risks.

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**Hikmet Ersek**

*President  
& Chief Executive Officer*

**WESTERN  
UNION** | |<sup>®</sup>

- C2C revenue growth accelerated
  - 4% reported, or 5% constant currency\*
- Reached 500,000 Agent locations in April
- Business Solutions integration on track
  - Pro forma revenue growth 5%, or 4% constant currency\*
- Strong progress in Ventures
  - westernunion.com money transfer revenue increased 39%

**Returned over \$200 million through  
buyback and dividends**

\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

- **New services**
  - WU Pay electronics payment platform launched
  
- **Key agreements**
  - Mobile money transfer to integrate with Ericsson's platforms
  - Acxsys agreement for international account based money transfer for customers of Canadian banks
  - Business Solutions launched pension payment services for Mercer Outsourcing in the U.K. enabling payments to 80 countries

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# Scott Scheirman

*Executive Vice President  
Chief Financial Officer & Global Operations*



(\$ in millions)



- Consolidated revenue up 9% reported and constant currency adjusted\*
  - Pro forma revenue increase 4%, or 5% constant currency, including Travelex Global Business Payments (TGBP) in prior period\*
- Transaction fees increased 4%
- Foreign exchange revenue increased 26%
  - TGBP acquisition aided FX revenue

\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

- C2C 81% of Company revenue
- C2C revenue growth of 4% reported, or 5% constant currency\*
- Transaction growth of 7%
- Total Q1 Western Union cross-border principal of \$18 billion
  - Increased 2% on a reported basis
  - Increased 3% constant currency\*
- Principal per transaction
  - Declined 4% on a reported basis
  - Declined 3% on a constant currency basis\*

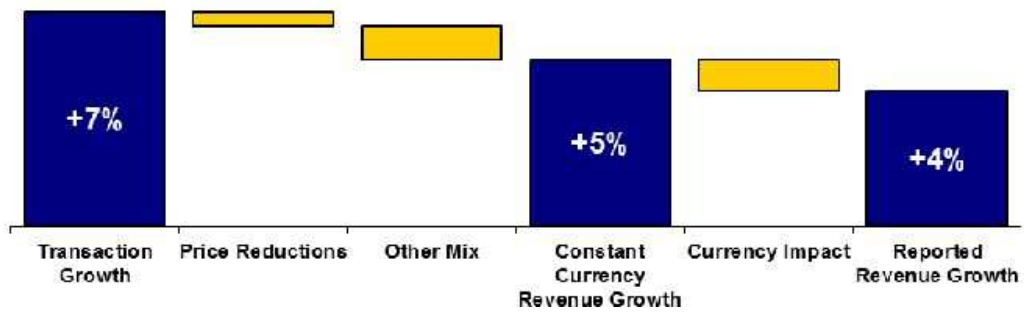
\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

<b>Regions</b>	<b>Q1 2012</b>		
	<b>Revenue Growth</b>	<b>Transaction Growth</b>	<b>% of Total Revenue</b>
Europe and CIS	0%	1%	22%
North America	5%	6%	21%
Middle East and Africa	6%	9%	15%
Asia Pacific	7%	6%	12%
Latin America and Caribbean	2%	8%	9%
westernunion.com	39%	41%	2%

- Account-based money transfer
  - Revenue increased 43%
  - Agreements in place with nearly 90 banks globally
- westernunion.com
  - C2C revenue increased 39%
  - Total WU.com revenue increased 37% (includes C2B)
- Prepaid
  - Revenue increased 17%
  - Over \$260 million loaded through 600,000 loads

**Electronic Channels Revenue Growth 38%**

Q1 2012



\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

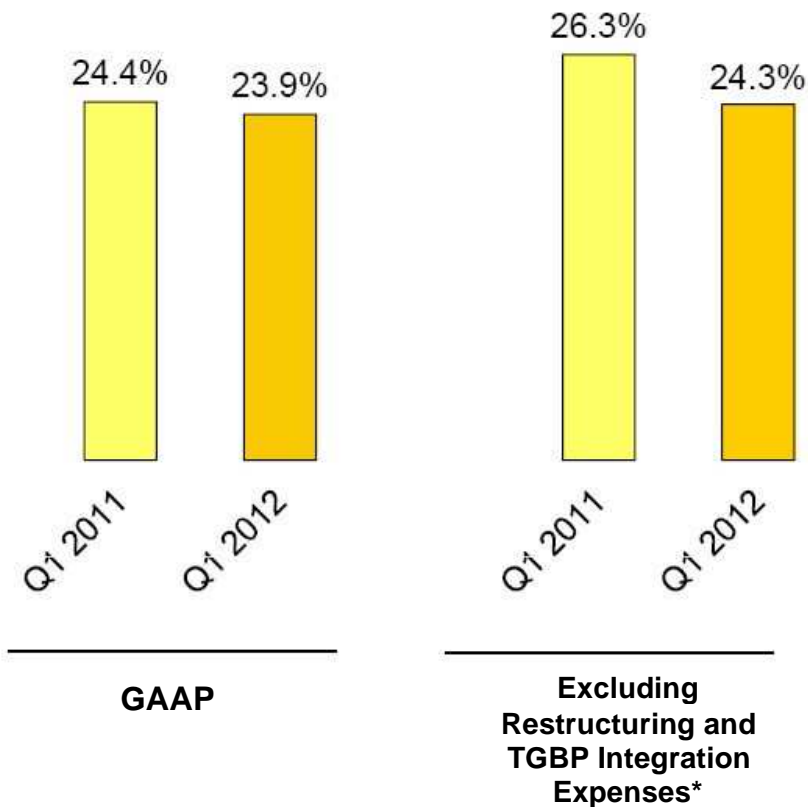
- C2B 11% of Company revenue
- Revenue increased 1%, or 3% constant currency\*
- Led by growth in South America

\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

- Business Solutions 6% of Company revenue
- Pro forma revenue increased 5%\*, or 4% constant currency\*, including TGBP in the prior year period
- Strong growth in Australia, softness in North America and the U.K.
- New customer acquisitions remain strong
- Integration of TGBP progressing on track

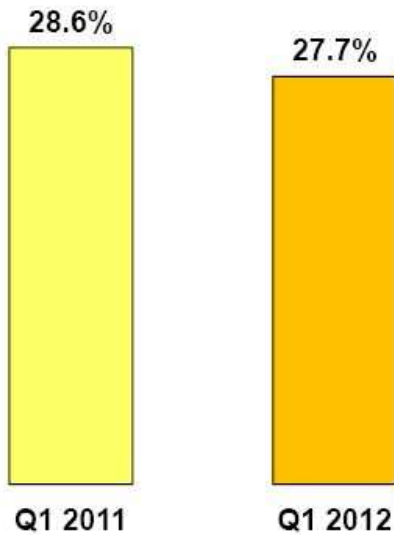
\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

# Operating Margin

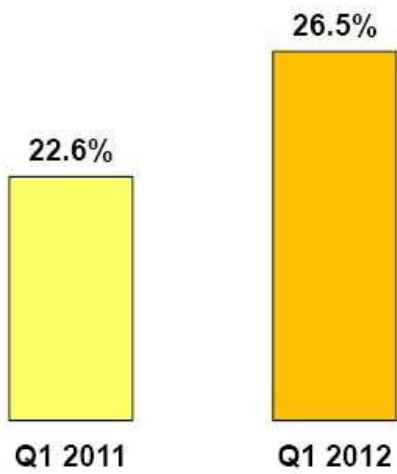


- Operating margin excluding restructuring expense and TGBP integration expense declined 200 basis points
  - Business Solutions results negatively impacted margin, including \$10 million of incremental TGBP intangibles amortization
  - Higher marketing, additional investments, compliance costs, and timing of expenses, partially offset by benefits from revenue leverage, currency, restructuring savings and reduced bank fees
- Expect full year margin to be in line with financial outlook

\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.



- Operating margin decreased 90 basis points from prior year
  - Increased marketing, Costa and Finint acquisition related expenses, investments in WU.com and compliance costs
  - Partially offset by benefits from revenue leverage, currency, and restructuring savings



- Operating margin improvement
  - Primarily due to the benefit of lower debit processing expenses related to Durbin

- Operating Loss
  - Operating loss of \$15 million compared to an operating loss of \$4 million in the prior year period
  - Includes \$14 million of intangibles amortization in current quarter and \$4 million in the prior year period
  - Includes \$6 million of integration expenses in the current quarter

**1Q 2012**

Cash Flow from Operations*	\$215 million
Capital Expenditures	\$76 million
Stock Repurchases	\$147 million
Dividends Paid	\$62 million
Cash Balance, March 31, 2012	\$1.4 billion
Debt Outstanding, March 31, 2012	\$3.6 billion

\* Note: Includes the impact of tax payments of approximately \$65 million relating to the agreement with the U.S. Internal Revenue Service announced December 15, 2011

- February 2012 Outlook Affirmed
  - Constant currency revenue growth in the range of 6% to 8%\*, including 4% benefit from a full year of TGBP
  - GAAP revenue growth 2% lower than constant currency
  - Operating margins expected to be similar to 2011
    - GAAP operating margin of approximately 25%
    - Operating margin excluding TGBP integration costs of approximately 26%\*
  - EBITDA margin of approximately 30% excluding TGBP integration costs\*
  - GAAP EPS in a range of \$1.65 to \$1.70, or \$1.70 to \$1.75 excluding TGBP integration expense\*
  - GAAP cash flows from operations in range of \$1.0 billion to \$1.1 billion, or \$1.2 billion to \$1.3 billion excluding estimated tax payments of approximately \$200 million related to the IRS agreement\*

\*Note: See appendix for reconciliation of Non-GAAP to GAAP financial measures.

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# Questions & Answers



**First Quarter 2012 Earnings  
Webcast & Conference Call  
April 24, 2012**

Western Union's management believes the non-GAAP financial measures presented provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business, because they provide consistency and comparability to prior periods. These non-GAAP financial measures include revenue change constant currency adjusted, pro forma revenue change TGBP adjusted, pro forma revenue change TGBP and constant currency adjusted, operating income margin excluding restructuring and TGBP integration expense, EBITDA margin excluding restructuring and TGBP integration expense, earnings per share restructuring, IRS Agreement and TGBP integration expense adjusted, Consumer-to-Consumer segment revenue change constant currency adjusted, Consumer-to-Consumer segment principal per transaction change constant currency adjusted, Consumer-to-Consumer segment cross-border principal change constant currency adjusted, Consumer-to-Business segment revenue change constant currency adjusted, Business Solutions segment pro forma revenue change TGBP adjusted, Business Solutions segment pro forma revenue change TGBP and constant currency adjusted, 2012 revenue change outlook constant currency adjusted, 2012 operating income margin outlook TGBP integration expense adjusted, 2012 EBITDA margin outlook TGBP integration expense adjusted, 2012 earnings per share outlook TGBP integration expense adjusted, and 2012 operating cash flow outlook IRS Agreement adjusted.

A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are 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 non-GAAP financial measures to the most directly comparable GAAP financial measures is included below.

All adjusted year-over-year changes were calculated using prior year reported amounts, unless indicated otherwise. Amounts included below are in millions, unless indicated otherwise.

	1Q11	2Q11	3Q11	4Q11	FY2011	1Q12
<b>Consolidated Metrics</b>						
Revenues, as reported (GAAP)	\$ 1,283.0	\$ 1,366.3	\$ 1,410.8	\$ 1,431.3	\$ 5,491.4	\$ 1,393.4
Foreign currency translation impact (a)	2.3	(32.5)	(18.2)	10.4	(38.0)	8.1
Revenues, constant currency adjusted	\$ 1,285.3	\$ 1,333.8	\$ 1,392.6	\$ 1,441.7	\$ 5,453.4	\$ 1,401.5
Prior year revenues, as reported (GAAP)	\$ 1,232.7	\$ 1,273.4	\$ 1,329.6	\$ 1,357.0	\$ 5,192.7	\$ 1,283.0
Pro forma prior year revenues, TGBP adjusted (b)	N/A	N/A	N/A	N/A	N/A	\$ 1,338.0
Revenue change, as reported (GAAP)	4 %	7 %	6 %	5 %	6 %	9 %
Revenue change, constant currency adjusted	4 %	5 %	5 %	6 %	5 %	9 %
Pro forma revenue change, TGBP adjusted	N/A	N/A	N/A	N/A	N/A	4 %
Pro forma revenue change, TGBP and constant currency adjusted	N/A	N/A	N/A	N/A	N/A	5 %
Operating income, as reported (GAAP)	\$ 312.9	\$ 350.7	\$ 363.0	\$ 358.4	\$ 1,385.0	\$ 332.5
Reversal of restructuring and related expenses (c)	24.0	8.9	13.9	-	46.8	-
Reversal of TGBP integration expense (d)	N/A	N/A	N/A	4.8	4.8	6.4
Operating income, excl. restructuring and TGBP integration expense	\$ 336.9	\$ 359.6	\$ 376.9	\$ 363.2	\$ 1,436.6	\$ 338.9
Operating income margin, as reported (GAAP)	24.4%	25.7%	25.7%	25.0%	25.2%	23.9%
Operating income margin, excl. restructuring	26.3%	26.3%	26.7%	25.0%	26.1%	23.9%
Operating income margin, excl. restructuring and TGBP integration expense	N/A	N/A	N/A	25.4%	26.2%	24.3%
Operating income, as reported (GAAP)	\$ 312.9	\$ 350.7	\$ 363.0	\$ 358.4	\$ 1,385.0	\$ 332.5
Reversal of depreciation and amortization (e)	44.7	46.6	45.9	55.4	192.6	63.9
EBITDA (e)	\$ 357.6	\$ 397.3	\$ 408.9	\$ 413.8	\$ 1,577.6	\$ 396.4
Reversal of restructuring and related expenses (c)	23.4	8.2	13.9	-	45.5	-
Reversal of TGBP integration expense (d)	N/A	N/A	N/A	4.8	4.8	6.4
EBITDA, excl. restructuring and TGBP integration expense	\$ 381.0	\$ 405.5	\$ 422.8	\$ 418.6	\$ 1,627.9	\$ 402.8
EBITDA margin	27.9%	29.1%	29.0%	28.9%	28.7%	28.4%
EBITDA margin, excl. restructuring and TGBP integration expense	29.7%	29.7%	30.0%	29.2%	29.6%	28.9%
Net income, as reported (GAAP)	\$ 210.2	\$ 263.2	\$ 239.7	\$ 452.3	\$ 1,165.4	\$ 247.3
Reversal of restructuring and related expenses, net of income tax benefit (c)	16.4	5.9	9.7	-	32.0	-
Net income, restructuring adjusted	\$ 226.6	\$ 269.1	\$ 249.4	\$ 452.3	\$ 1,197.4	\$ 247.3
Reversal of IRS Agreement tax provision benefit (f)	N/A	N/A	N/A	(204.7)	(204.7)	-
Net income, restructuring and IRS Agreement adjusted	\$ 226.6	\$ 269.1	\$ 249.4	\$ 247.6	\$ 992.7	\$ 247.3
Reversal of TGBP integration expense, net of income tax benefit (d)	N/A	N/A	N/A	3.1	3.1	4.3
Net income, restructuring, IRS Agreement and TGBP integration expense adjusted	\$ 226.6	\$ 269.1	\$ 249.4	\$ 250.7	\$ 995.8	\$ 251.6
Diluted earnings per share ("EPS"), as reported (GAAP) (\$ - dollars)	\$ 0.32	\$ 0.41	\$ 0.38	\$ 0.73	\$ 1.84	\$ 0.40
Impact from restructuring and related expenses, net of income tax benefit (c) (\$ - dollars)	0.03	0.01	0.02	-	0.05	-
Diluted EPS, restructuring adjusted (\$ - dollars)	\$ 0.35	\$ 0.42	\$ 0.40	\$ 0.73	\$ 1.89	\$ 0.40
Impact from IRS Agreement tax provision benefit (f) (\$ - dollars)	N/A	N/A	N/A	(0.33)	(0.32)	-
Diluted EPS, restructuring and IRS Agreement adjusted (\$ - dollars)	\$ 0.35	\$ 0.42	\$ 0.40	\$ 0.40	\$ 1.57	\$ 0.40
Impact from TGBP integration expense, net of income tax benefit (d) (\$ - dollars)	N/A	N/A	N/A	-	-	-
Diluted EPS, restructuring, IRS Agreement and TGBP integration expense adjusted (\$ - dollars)	\$ 0.35	\$ 0.42	\$ 0.40	\$ 0.40	\$ 1.57	\$ 0.40
Diluted weighted-average shares outstanding	652.1	635.8	627.1	621.7	634.2	621.9

	1Q11	2Q11	3Q11	4Q11	FY2011	1Q12
<b>Consumer-to-Consumer Segment</b>						
Revenues, as reported (GAAP)	\$ 1,078.1	\$ 1,155.1	\$ 1,193.3	\$ 1,181.9	\$ 4,608.4	\$ 1,124.6
Foreign currency translation impact (a)	2.2	(31.4)	(17.9)	8.0	(39.1)	5.2
Revenues, constant currency adjusted	\$ 1,080.3	\$ 1,123.7	\$ 1,175.4	\$ 1,189.9	\$ 4,569.3	\$ 1,129.8
Prior year revenues, as reported (GAAP)	\$ 1,030.2	\$ 1,073.1	\$ 1,128.3	\$ 1,151.8	\$ 4,383.4	\$ 1,078.1
Revenue change, as reported (GAAP)	5 %	8 %	6 %	3 %	5 %	4 %
Revenue change, constant currency adjusted	5 %	5 %	4 %	3 %	4 %	5 %
Principal per transaction, as reported (\$ - dollars)	\$ 360	\$ 365	\$ 366	\$ 349	\$ 360	\$ 346
Foreign currency translation impact (a) (\$ - dollars)	(1)	(14)	(11)	2	(6)	3
Principal per transaction, constant currency adjusted (\$ - dollars)	\$ 359	\$ 351	\$ 355	\$ 351	\$ 354	\$ 349
Prior year principal per transaction, as reported (\$ - dollars)	\$ 357	\$ 351	\$ 355	\$ 356	\$ 355	\$ 360
Principal per transaction change, as reported	1 %	4 %	3 %	(2)%	1 %	(4)%
Principal per transaction change, constant currency adjusted	1 %	0 %	0 %	(1)%	0 %	(3)%
Cross-border principal, as reported (\$ - billions)	\$ 17.1	\$ 18.6	\$ 19.0	\$ 18.5	\$ 73.2	\$ 17.5
Foreign currency translation impact (a) (\$ - billions)	-	(0.8)	(0.6)	0.2	(1.2)	0.2
Cross-border principal, constant currency adjusted (\$ - billions)	\$ 17.1	\$ 17.8	\$ 18.4	\$ 18.7	\$ 72.0	\$ 17.7
Prior year cross-border principal, as reported (\$ - billions)	\$ 16.1	\$ 16.8	\$ 17.6	\$ 18.1	\$ 68.6	\$ 17.1
Cross-border principal change, as reported	7 %	10 %	8 %	2 %	7 %	2 %
Cross-border principal change, constant currency adjusted	6 %	6 %	5 %	3 %	5 %	3 %
<b>Consumer-to-Business Segment</b>						
Revenues, as reported (GAAP)	\$ 153.2	\$ 153.5	\$ 155.3	\$ 153.9	\$ 615.9	\$ 155.1
Foreign currency translation impact (a)	1.3	1.1	1.5	2.5	6.4	2.9
Revenues, constant currency adjusted	\$ 154.5	\$ 154.6	\$ 156.8	\$ 156.4	\$ 622.3	\$ 158.0
Prior year revenues, as reported (GAAP)	N/A	N/A	N/A	N/A	\$ 610.7	\$ 153.2
Revenue change, as reported (GAAP)	(2)%	2 %	2 %	2 %	1 %	1 %
Revenue change, constant currency adjusted	(1)%	2 %	3 %	3 %	2 %	3 %
<b>Business Solutions Segment</b>						
Revenues, as reported (GAAP)	\$ 27.9	\$ 31.4	\$ 33.6	\$ 68.2	\$ 161.1	\$ 86.9
Foreign currency translation impact (a)	(1.3)	(2.2)	(2.1)	(0.1)	(5.7)	(0.1)
Revenues, constant currency adjusted	\$ 26.6	\$ 29.2	\$ 31.5	\$ 68.1	\$ 155.4	\$ 86.8
Prior year revenues, as reported (GAAP)	N/A	N/A	N/A	N/A	\$ 106.7	\$ 27.9
Pro forma prior year revenues, TGBP adjusted (b)	N/A	N/A	N/A	N/A	N/A	\$ 82.9
Revenue change, as reported (GAAP)	13 %	15 %	31 %	***	***	***
Revenue change, constant currency adjusted	8 %	7 %	22 %	***	***	***
Pro forma revenue change, TGBP adjusted	N/A	N/A	N/A	N/A	N/A	5 %
Pro forma revenue change, TGBP and constant currency adjusted	N/A	N/A	N/A	N/A	N/A	4 %

\*\*\* Calculation of growth percentage is not meaningful due to the impact of the TGBP acquisition in November 2011.

**2012 Outlook Metrics**

	<b>Range</b>	
Revenue change (GAAP)	4 %	6 %
Foreign currency translation impact (g)	2 %	2 %
Revenue change, constant currency adjusted	<u>6 %</u>	<u>8 %</u>
Operating income margin (GAAP)	25 %	
TGBP integration expense impact (d)	<u>1 %</u>	
Operating income margin, TGBP integration expense adjusted	<u>26 %</u>	
Operating income margin (GAAP)	25 %	
Depreciation and amortization impact (e)	4 %	
TGBP integration expense impact (d)	<u>1 %</u>	
EBITDA margin, TGBP integration expense adjusted	<u>30 %</u>	
	<b>Range</b>	
EPS guidance (GAAP) (\$ - dollars)	\$ 1.65	\$ 1.70
TGBP integration expense impact, net of tax benefit (d) (\$ - dollars)	<u>0.05</u>	<u>0.05</u>
EPS guidance, TGBP integration expense adjusted (\$ - dollars)	<u>\$ 1.70</u>	<u>\$ 1.75</u>
	<b>Range</b>	
Operating cash flow (GAAP) (\$ - billions)	\$ 1.0	\$ 1.1
Payments on IRS Agreement (f) (\$ - billions)	<u>0.2</u>	<u>0.2</u>
Operating cash flow, IRS Agreement adjusted (\$ - billions)	<u>\$ 1.2</u>	<u>\$ 1.3</u>

Non-GAAP related notes:

- (a) Represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate. In pro forma calculations, also includes the currency impact of \$0.3 million for the three months ended March 31, 2012 associated with the acquisition of Travelex Global Business Payments ("TGBP").
- (b) Represents the pro forma incremental impact of TGBP on Consolidated and Business Solutions segment revenues. Pro forma revenues presents the results of operations of the Company and its Business Solutions segment as they may have appeared had the acquisition of TGBP occurred as of January 1, 2011. The pro forma information is provided for illustrative purposes only and does not purport to present what the actual results of operations would have been had the acquisition actually occurred on the date indicated. The results of operations for TGBP have been included in Consolidated and Business Solutions segment revenues from November 7, 2011, the date of acquisition.
- (c) Restructuring and related expenses consist of direct and incremental expenses including the impact from fluctuations in exchange rates associated with restructuring and related activities, consisting of severance, outplacement and other related benefits; facility closure and migration of the Company's IT infrastructure; and other expenses related to the relocation of various operations to new or existing Company facilities and third-party providers, including hiring, training, relocation, travel, and professional fees. Also included in the facility closure expenses are non-cash expenses related to fixed asset and leasehold improvement write-offs and the acceleration of depreciation and amortization. Restructuring and related expenses were not allocated to the segments.
- (d) TGBP integration expense consists primarily of severance and other benefits, retention, direct and incremental expense consisting of facility relocation, consolidation and closures; IT systems integration; and other expenses such as training, travel and professional fees. Integration expense does not include costs related to the completion of the TGBP acquisition.
- (e) Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) results from taking operating income and adjusting for depreciation and amortization expenses.
- (f) Represents the impact from the tax benefit in December 2011 due to the agreement with the IRS resolving substantially all issues related to the restructuring of our international operations in 2003 of \$204.7 million. Additionally, represents the impact of the anticipated tax payments of approximately \$190 million related to the agreement with the IRS discussed above.
- (g) Represents the estimated impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any estimated benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate.