

WESTERN UNION CO

FORM 8-K (Current report filing)

Filed 05/09/12 for the Period Ending 05/09/12

Address	12500 EAST BELFORD AVENUE ENGLEWOOD, CO 80112
Telephone	(720) 332-3361
CIK	0001365135
Symbol	WU
SIC Code	7389 - Business Services, Not Elsewhere Classified
Industry	Business Services
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) : May 9, 2012

THE WESTERN UNION COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32903
(Commission
File Number)

20-4531180
(IRS Employer
Identification No.)

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

80112
(Zip Code)

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

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))
-
-

Item 7.01. Regulation FD Disclosure

The Western Union Company (the “Company”) will hold a meeting with investors today, May 9, 2012, at 8:30 a.m. Eastern Time in New York. During the meeting, Hikmet Ersek, President and Chief Executive Officer, Scott T. Scheirman, Executive Vice President, Chief Financial Officer and Global Operations, and other members of the Company’s management team will provide the presentation included as Exhibit 99.1 hereto relating to the Company’s strategy. Information regarding access to the meeting by webcast can be found on the Company’s website at www.westernunion.com under Investor Relations.

The information furnished under this Item 7.01, including Exhibit 99.1 attached hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly stated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

The following Exhibit is furnished herewith.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Presentation of the Company dated May 9, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 9, 2012

THE WESTERN UNION COMPANY

By: /s/ Darren A. Dragovich
Darren A. Dragovich
Assistant Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation of The Western Union Company dated May 9, 2012.

SAFE HARBOR

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.



HIKMET ERSEK

President & Chief Executive Officer

STRATEGIES AND OVERVIEW

Hosgeldiniz Willkommen Welcome

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TODAY'S PRESENTATIONS

Strategies and plans to accelerate growth

Global Consumer Financial Services

Business Solutions

Ventures

Vision to complement existing strengths with new capabilities

moving money for better

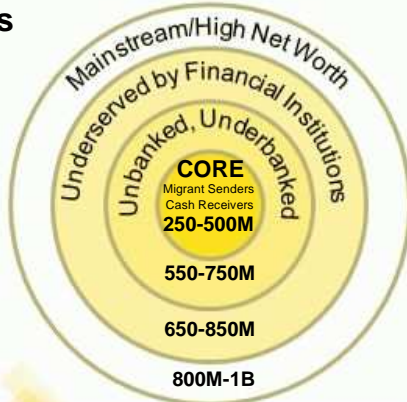
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OUR VISION

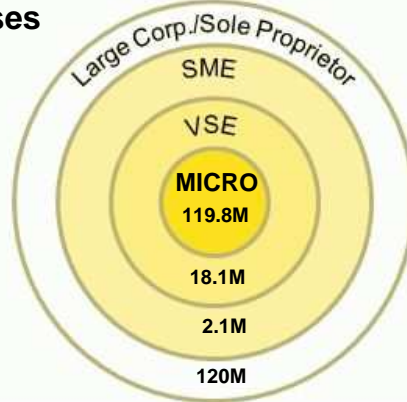
Western Union: The Premier Financial Service Provider for the Underserved

Consumers



2B underserved consumers

Businesses



140M underserved businesses
▪ 28M cross-border

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Sources: McKinsey & Co., "Half the World is Unbanked", October 2009; CGAP, "Financial Access " 2009; C.K. Prahalad, "Fortune at the Bottom of the Pyramid" 2004; Hammond et al, "Purchasing Power at the Bottom of the Pyramid", 2007; World Bank 2009 Bottom of the Pyramid population, Company analysis. Excludes 1.5B-2B below poverty and children; IFC.



OUR FOCUS

- Building from a strong foundation
 - Great assets in place
- Leverage strengths to accelerate growth
 - Grow the core (more choice, more convenience)
 - Add new customers and services (Business Solutions, Ventures)
 - Drive margin expansion with accelerated growth
- Opportunities and strategies in place
 - Focus on customers and strategy execution

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COMPETITIVE ADVANTAGES

unmatched global network

strong global brand

unique customer
relationship
with the underserved

global AML/regulatory capabilities

global organization
with significant resources

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COMPETITIVE ADVANTAGES

unmatched global network

- 200 countries, territories
- Over 16,000 corridors
- Strong Agent relationships
- 500,000 locations
- Digital, ATMs ...



unique customer relationship with the underserved

strong global brand

global AML/regulatory capabilities

global organization with significant resources

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COMPETITIVE ADVANTAGES

strong global brand



- Brand awareness*
 - Global 82%
 - U.S. 80%
 - APAC 75%
 - MEA 88%
 - Europe/CIS 81%
- 70 million senders, plus receivers
- 19 million loyalty cards
- Trust, reliability, convenience

unmatched global network

unique customer relationship with the underserved

global AML/regulatory capabilities

global organization with significant resources

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*Source: Western Union 2011 global consumer tracking study of consumers in money movement category



COMPETITIVE ADVANTAGES

unmatched global network

strong global brand

unique customer
relationship
with the underserved

global AML/regulatory capabilities



- Strong balance sheet, cash flow
- A- credit rating
- Ability to source multiple currencies
- Can leverage infrastructure to offer new services
- Offices and employees around the world

global organization
with significant resources

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COMPETITIVE ADVANTAGES

unmatched global network

strong global brand

unique customer relationship with the underserved

global organization with significant resources

- Complex AML/regulatory environment
 - Regulatory scrutiny in all markets
 - Bank Secrecy Act, Patriot Act, state money-transfer laws, EU AML ...
- Western Union resources:
 - \$60M annual spend; more than 600 employees in 6 continents



global AML/regulatory capabilities

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STRATEGIC GROWTH AREAS

moving money for better

GCFS



- Consumer money transfer
- Consumer bill pay

Business Solutions



- International B2B payments

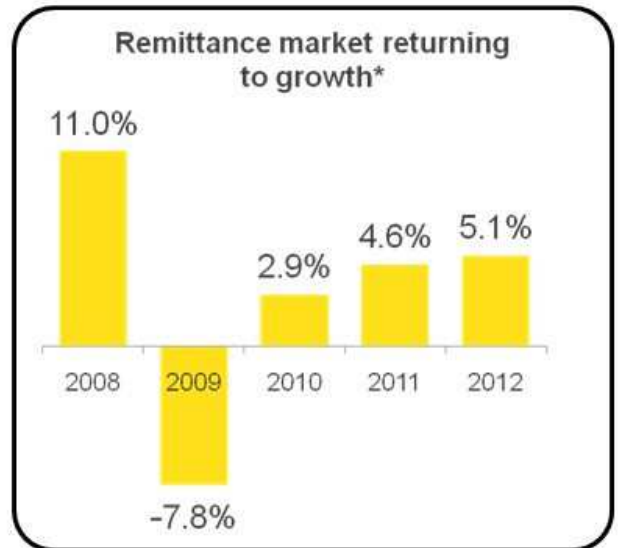
Ventures








- Digital money transfer
- Stored value
- Data Ventures

GLOBAL CONSUMER FINANCIAL SERVICES

- Favorable long-term market demographics
 - Aging population/need for workers in developed countries
 - Surplus of workers in developing countries
 - Income differentials
- WU strategies to accelerate growth
 - Increase penetration: 1M points of presence
 - Increase retention, loyalty through enhanced consumer experience and marketing



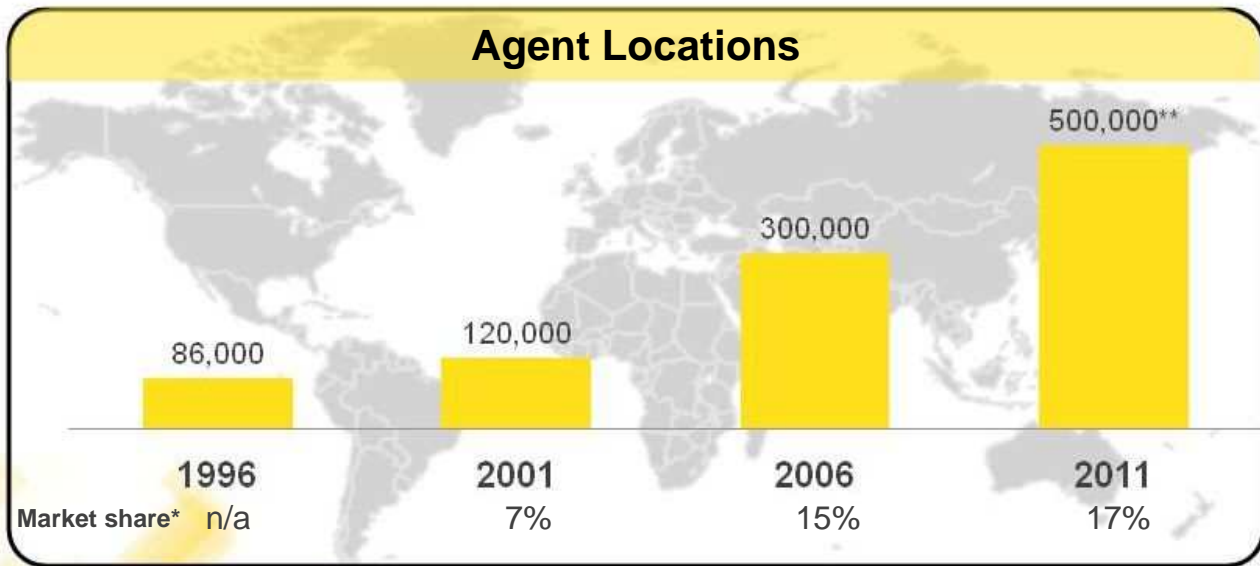
GLOBAL CONSUMER FINANCIAL SERVICES – PENETRATION

		Population	WU	Location/ Person	Location/ Sq. Mile
U.S.		314M	51,000	1/6,100	1/70
RUSSIA		138M	16,000	1/8,600	1/400
CANADA		34M	2,900	1/11,700	1/1,300
BRAZIL		206M	11,000	1/18,700	1/300
CHINA		1.3B	33,000	1/39,400	1/110

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GLOBAL CONSUMER FINANCIAL SERVICES



Strong growth opportunity from expanding

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* Source: Aite ** As of April 2012



BUSINESS SOLUTIONS



- Large market opportunity: \$24B revenue*
- Underserved customer: SMEs, specialized verticals (law firms, universities, financial institutions)

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* Source: McKinsey and Western Union estimates.



BUSINESS SOLUTIONS

Western Union assets:

- Underserved focus
- Cross-border money transfer
- Global brand
- Regulatory
- Strong balance sheet
- Agent network
- Financial institution relationships

Business Solutions assets:

- Strong platforms
- Expertise
- Sales force
- Back-end bank network connections



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BUSINESS SOLUTIONS



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The right growth strategies

- Deeper penetration
- More geographies
- Expanded services and channels

Significant opportunity to increase 2% share today



VENTURES

Leverage Western Union's core strengths to offer additional services and obtain new customers

- Strengths

- Brand
- Network
- Access to 2B underserved
- AML and regulatory capabilities



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VENTURES

Currency and Channel-Agnostic Platform with Four Core Functions

Send/Receive

Digital Ventures

Access "money-movement services" when you want them, how you want them

**Store
Spend**

Stored-Value Ventures

Provide viable, alternative methods of financial inclusion

Monetize

Data Ventures

Deepen our customer relationships

Opportunities through our own services and with partners

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BUILDING THE BUSINESS THROUGH PARTNERSHIPS

The Ericsson logo consists of the word "ERICSSON" in a bold, blue, sans-serif font, followed by three horizontal blue bars of varying lengths to its right.

Ericsson : The world's leading provider of communications technology connecting Western Union to global m-wallets.

The Allianz logo features the word "Allianz" in a bold, blue, sans-serif font, followed by a blue circular icon containing three vertical bars of increasing height.

Allianz : A leading global integrated financial and insurance service provider, together with Western Union will explore how to deliver more financial access to the underserved.

The MasterCard Worldwide logo features two overlapping circles, one red and one orange, above the text "MasterCard" and "Worldwide" in a smaller, black, sans-serif font.

MasterCard: A key partner for building the world's largest global stored-value load network, enabling global bank-based sends and money transfers to cards.

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The Western Union logo features the words "WESTERN UNION" in a bold, yellow, sans-serif font, with a vertical line to the right of the text. Below the logo is the tagline "moving money for better" in a smaller, italicized, black font.

BUILDING THE BUSINESS THROUGH PARTNERSHIPS

Ajay Banga, President and CEO, MasterCard Worldwide



MasterCard
Worldwide

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VENTURES



Insurance



Pay



.com

- Build and monetize global consumer database of the underserved
- Vision to become leading global load/cash access network for stored value
- Expanding digital business from strong foundation

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WESTERN UNION RETAIL NETWORK

- Western Union is the Hub: connects retail Agents
 - Trusted brand for consumers (reliable, fast, convenient)
 - Trusted partner for Agents
 - Compliance and regulatory
 - Currency exchange
 - Data network



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WESTERN UNION NETWORK: RETAIL / DIGITAL / ACCOUNTS

- Western Union is the Hub
 - Trusted brand for consumers
 - Trusted partner for Agents
 - Retail, online, mobile ...
 - Compliance and regulatory
 - Currency exchange
 - Data network

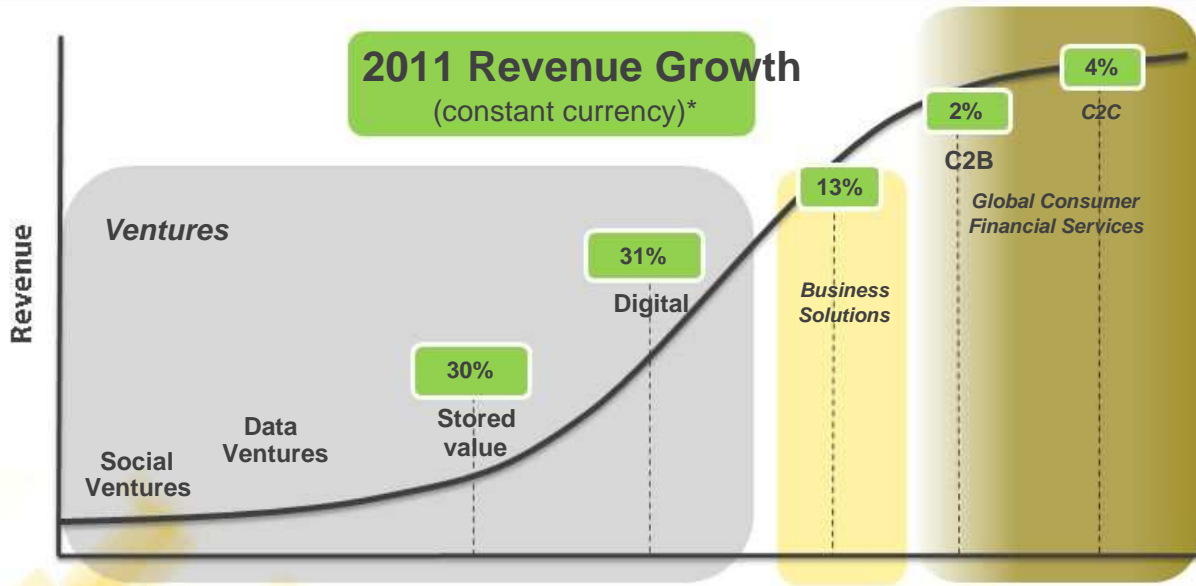


Connects all form factors

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GROWTH PORTFOLIO FOR TODAY AND TOMORROW



Lifecycle stage

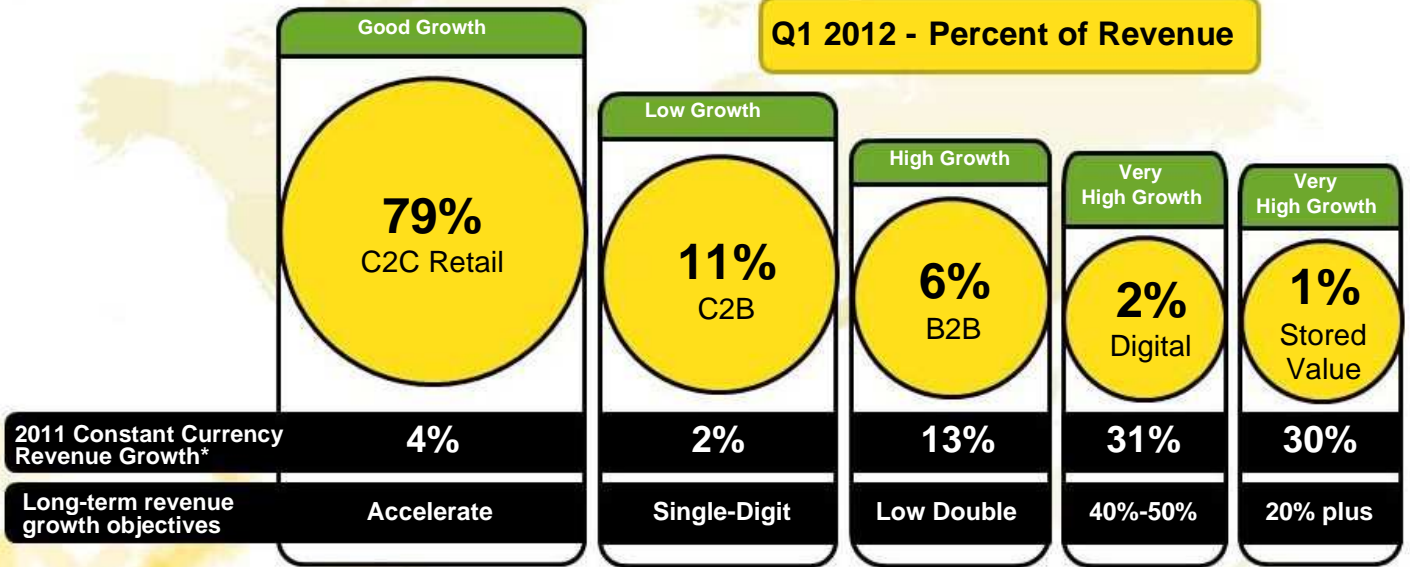
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*Notes: C2C Retail includes Account-Based Money Transfer (ABMT) and excludes wu.com. 2011 B2B growth excludes Travelex Global Business Payments. 1% of revenue is other and is not included above. See appendix for reconciliation of non-GAAP to GAAP financial measures.



GROWTH PORTFOLIO – OPPORTUNITIES FOR ACCELERATION

Q1 2012 - Percent of Revenue



*Notes: C2C Retail includes Account-Based Money Transfer (ABMT) and excludes wu.com. 2011 B2B growth excludes Travelex Global Business Payments. 1% of revenue is other and is not included above. See appendix for reconciliation of non-GAAP to GAAP financial measures.

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WESTERN UNION: MOVING MONEY FOR BETTER



Vision: Premier Financial Services Provider for the Underserved

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SCOTT SCHEIRMAN

Executive Vice President, CFO and Global Operations

TOTAL SHAREHOLDER RETURN

Welcome

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STRATEGIC GROWTH AREAS

moving money for better

GCFS



- Consumer money transfer
- Consumer bill pay

Business Solutions



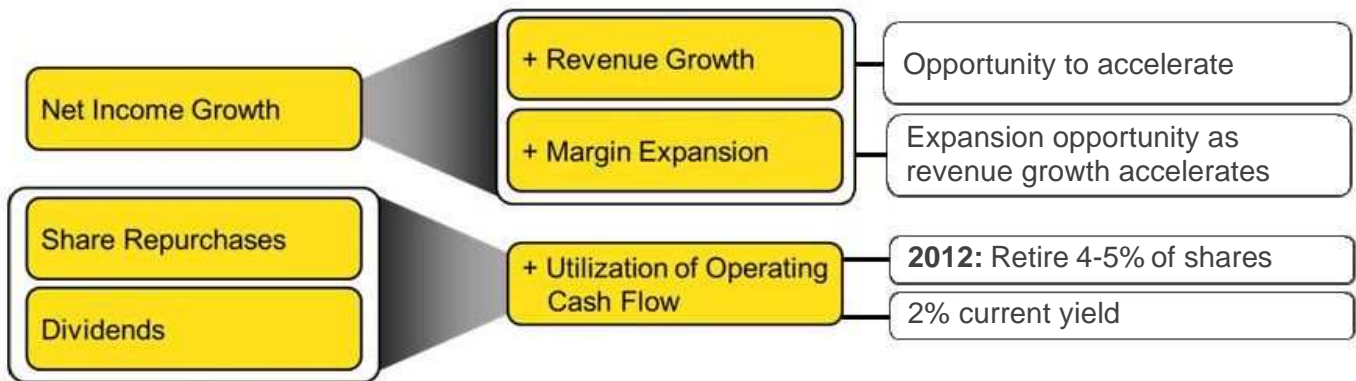
- International B2B payments

Ventures



- Digital money transfer
- Stored value
- Data Ventures

TOTAL SHAREHOLDER RETURN (TSR)

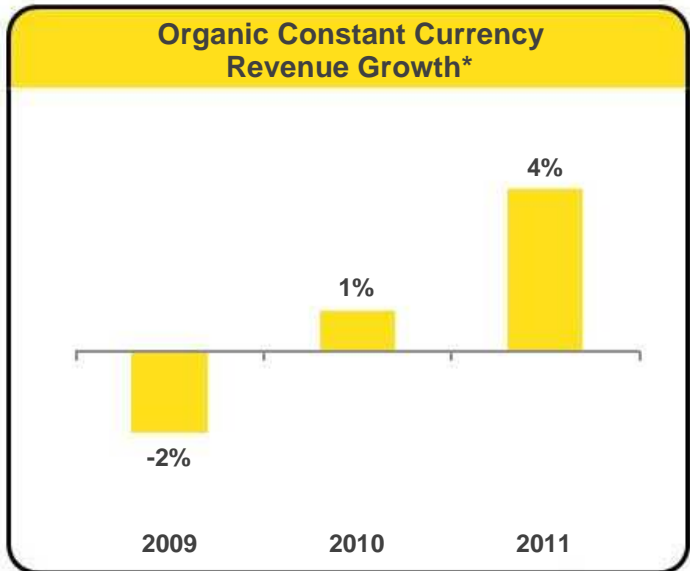
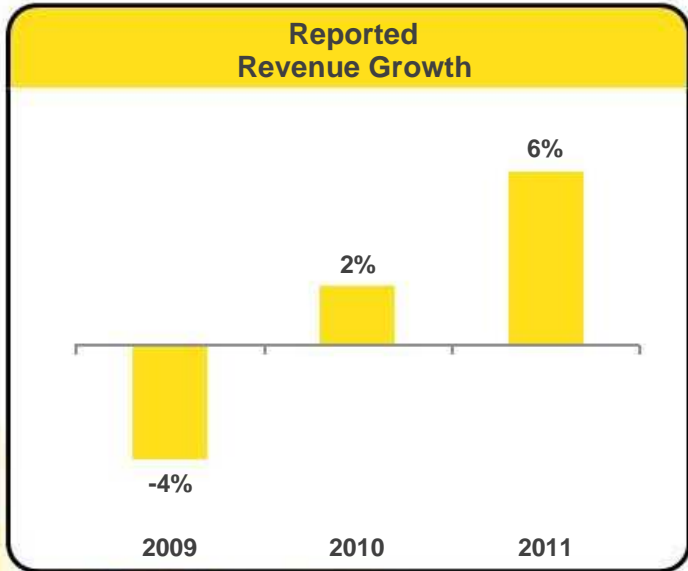


Strong opportunity to drive returns through business acceleration and cash flow utilization

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TSR – REVENUE GROWTH



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*Note: see appendix for reconciliation of non-GAAP to GAAP financial measures.



TSR – REVENUE GROWTH

- Opportunities for revenue acceleration
 - Network expansion
 - Increased customer retention
 - New types of customers
 - New services
 - Economic improvement

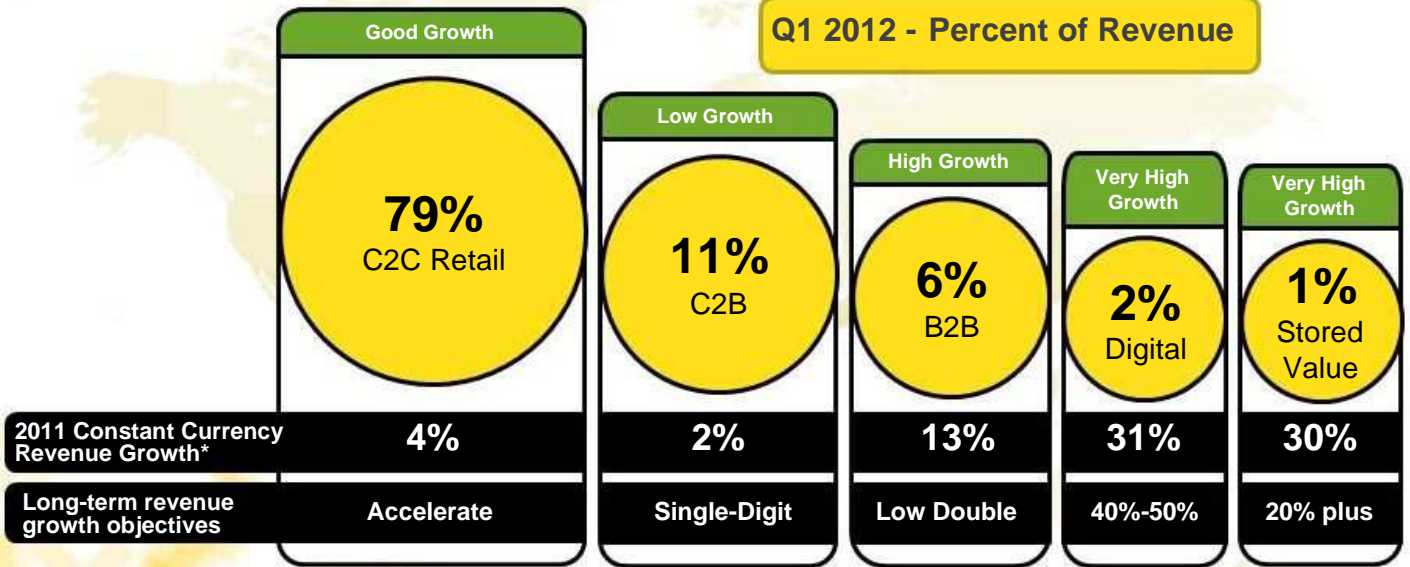


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GROWTH PORTFOLIO – OPPORTUNITIES FOR ACCELERATION

Q1 2012 - Percent of Revenue

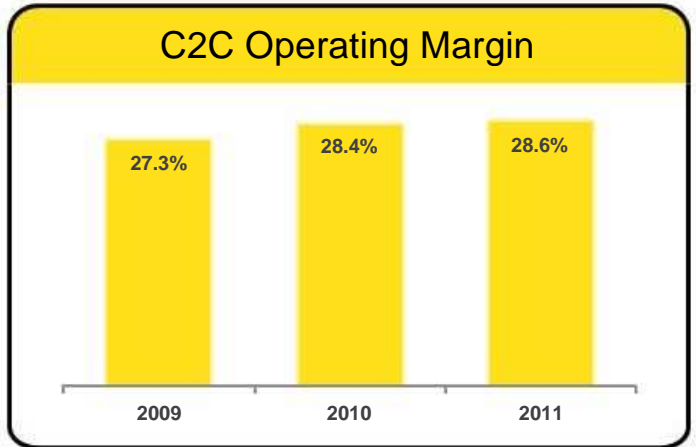
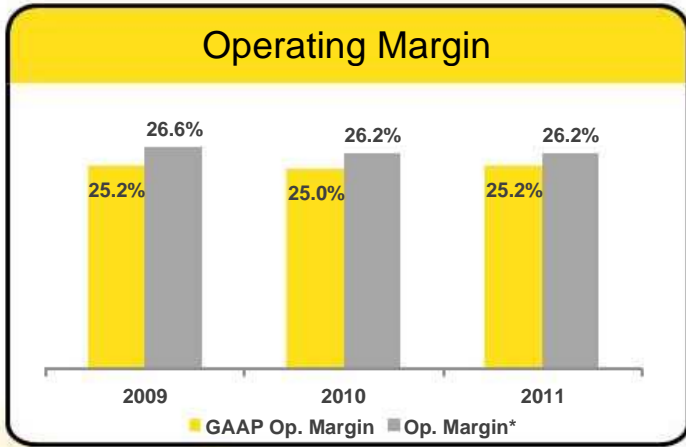


*Notes: C2C Retail includes Account-Based Money Transfer (ABMT) and excludes wu.com. 2011 B2B growth excludes Travelex Global Business Payments. 1% of revenue is other and is not included above. See appendix for reconciliation of non-GAAP to GAAP financial measures.

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TSR – MARGIN EXPANSION



C2C operating margin expansion offset by other businesses

*Operating Margin excludes one-time items. See appendix for reconciliation of Non-GAAP to GAAP financial measures.

TSR – MARGIN EXPANSION

- Margin Drivers
 - Revenue growth: operating leverage
 - Commissions
 - Fixed cost optimization
- Other Factors
 - Investments
 - Acquisition amortization
 - Currency hedges
 - Business Mix
- Compliance – Dodd Frank

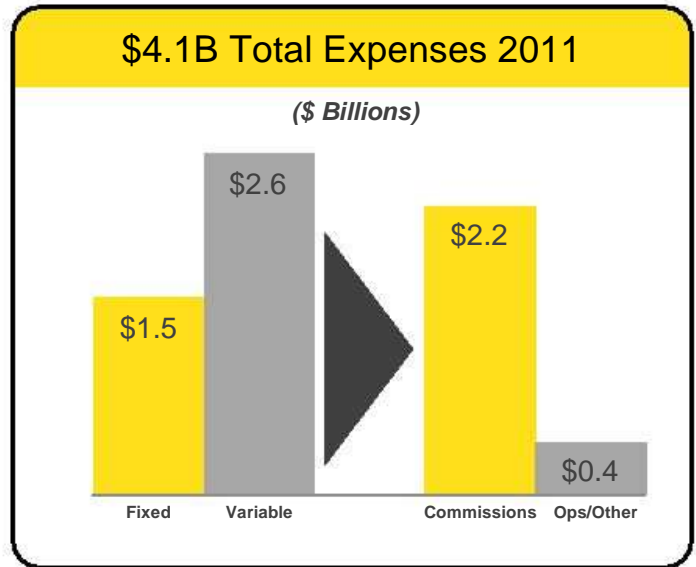
Targeting long-term margin expansion; Revenue growth and productivity initiatives key drivers

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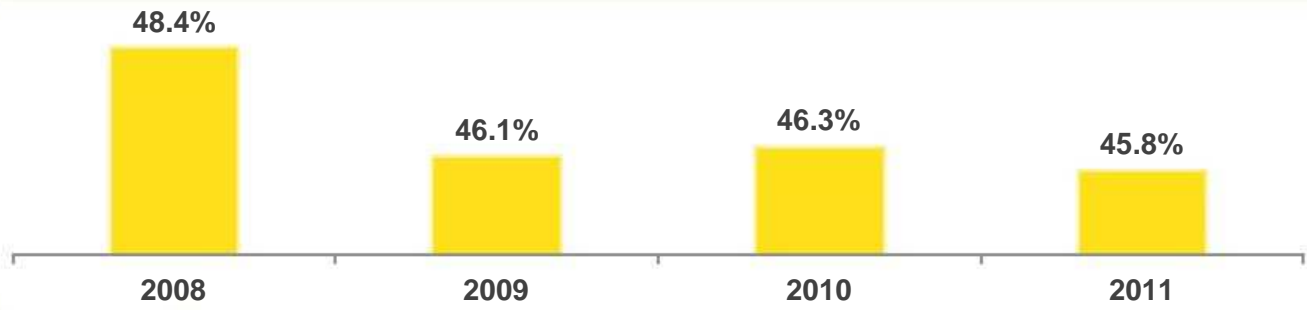
TSR – MARGIN EXPANSION

- Margin key drivers, variable costs
 - 65% variable costs
 - Commissions 85% of variable costs
- Expense optimization opportunities
 - Location expansion
 - Signing new agents and renewing existing agents at lower rates
 - Non-exclusive receive locations in some markets
 - Super-agent acquisitions in Europe



TSR – MARGIN EXPANSION

C2C Commissions as a Percent of Revenue



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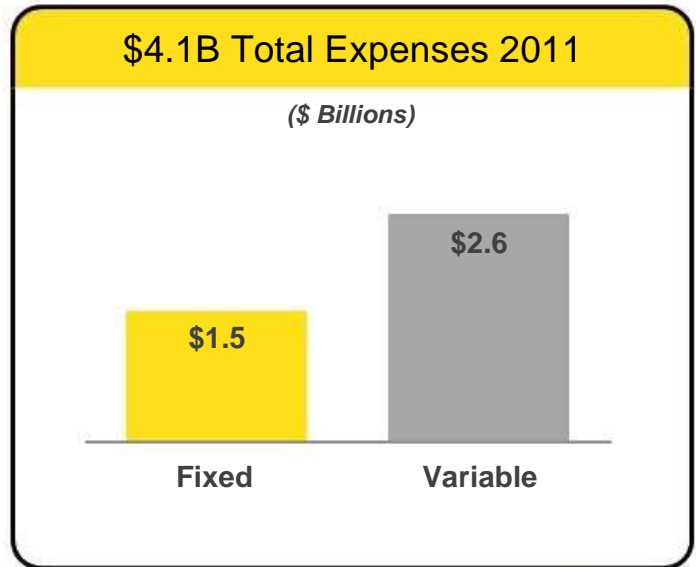


TSR – MARGIN EXPANSION

- Margin key drivers: fixed costs
 - 35% of total costs
 - Revenue leverage
 - Expense optimization

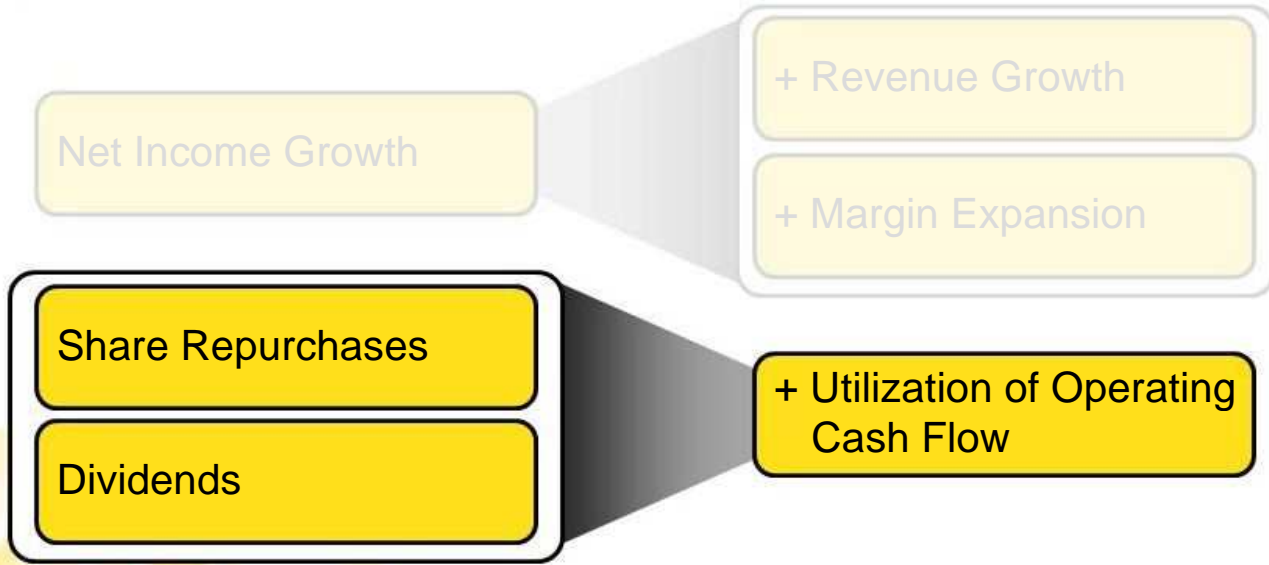
Accelerated revenue growth leads to operating leverage

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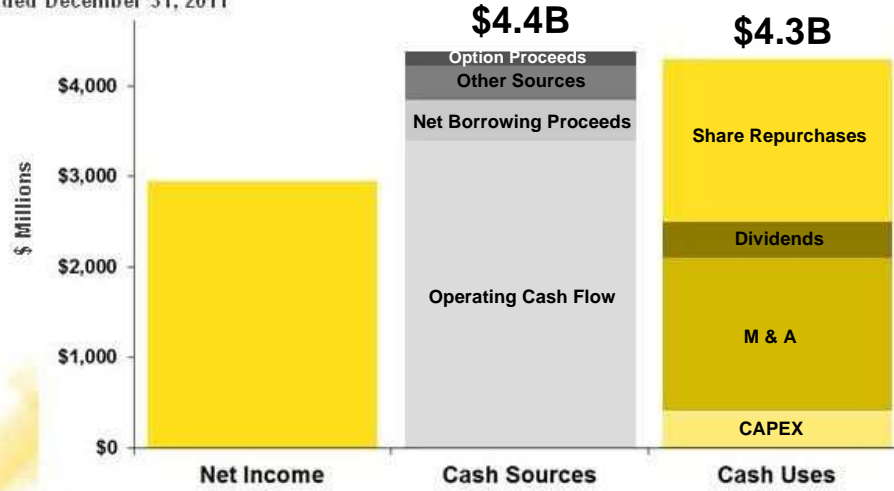
TOTAL SHAREHOLDER RETURN



TSR – UTILIZATION OF OPERATING CASH FLOW

Low Capital Intensity Drives Strong Operating Cash Flow Generation

Three years ended December 31, 2011



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TSR – UTILIZATION OF OPERATING CASH FLOW

- Capital allocation
 - Balance sheet framework: maintain A- credit rating for business relationships
 - Gross debt/EBITDA of approximately 2x
 - Year-end cash balance of approximately \$1.5 billion
 - Deployment priorities
 - Reinvest in business
 - “Normal” long-term capital spending approximately 3% of revenues (2012 higher)
 - Strategic M&A
 - Return to Shareholders



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TSR – UTILIZATION OF OPERATING CASH FLOW

- Return of funds to shareholders
 - Domestic cash availability
 - Q1 2012 domestic cash balance approximately \$700 million
 - Due to tax agreement and planning, majority of cash generated over next 12 months available domestically
 - Approximately 35% of operating cash flows going forward
 - Debt can grow with EBITDA

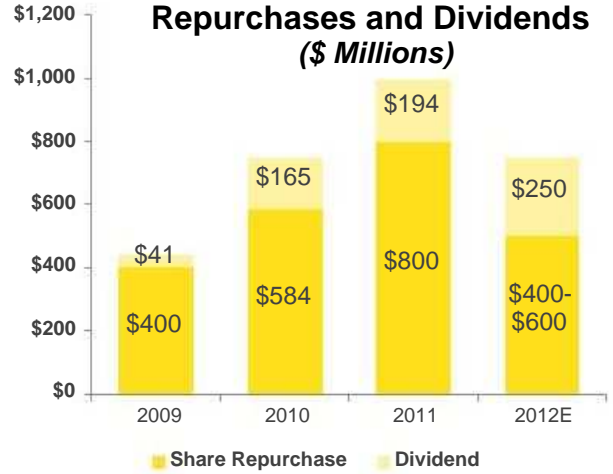


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TSR – UTILIZATION OF OPERATING CASH FLOW

Significant Return of Funds to Shareholders

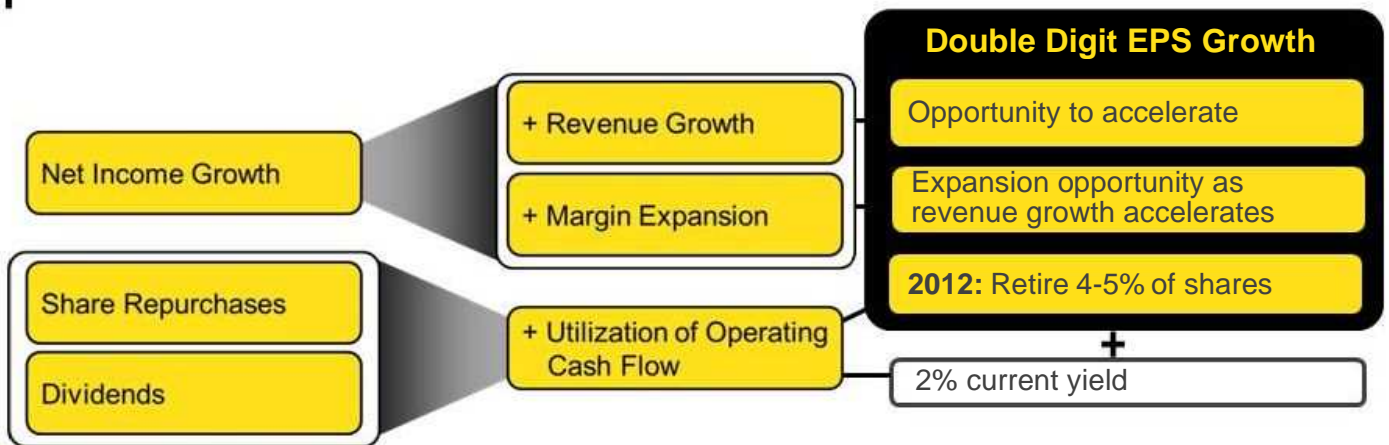


TSR – UTILIZATION OF OPERATING CASH FLOW

- Return of funds to shareholders: balanced approach
 - Dividends
 - Currently \$0.10 quarterly
 - Target annual increases with business growth
 - Reevaluate with Board periodically
 - Share repurchase
 - Strong buy-back, purchase below intrinsic value

Business supports strong cash flow return to shareholders

TOTAL SHAREHOLDER RETURN



Strong opportunity to drive returns through business acceleration and cash flow utilization

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STRATEGIC GROWTH AREAS

moving money for better

GCFS



- Consumer money transfer
- Consumer bill pay

Business Solutions



- International B2B payments

Ventures



- Digital money transfer
- Stored value
- Data Ventures

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Appendix



NON-GAAP MEASURES

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 Custom House, TGBP and constant currency adjusted, operating income margin excluding settlement accrual, restructuring and TGBP integration expense, 2012 revenue change outlook TGBP and constant currency adjusted, Consumer-to-Consumer Retail revenue change constant currency adjusted, Consumer-to-Business revenue change constant currency adjusted, Business Solutions revenue change TGBP and constant currency adjusted, Digital revenue change constant currency adjusted and Stored Value revenue change constant currency 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.

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RECONCILIATION OF NON-GAAP MEASURES

(in millions)

	FY2009	FY2010	FY2011
Consolidated Revenue Growth			
Revenues, as reported (GAAP)	\$ 5,083.6	\$ 5,192.7	\$ 5,491.4
Reversal of Custom House revenues, including foreign currency translation impact (a)	(30.8)	(110.3)	N/A
Reversal of TGBP revenues, including foreign currency translation impact (b)	N/A	N/A	\$ (35.2)
Foreign currency translation impact (c)	119.5	36.8	(38.0)
Revenues, Custom House, TGBP and constant currency adjusted	<u>\$ 5,172.3</u>	<u>\$ 5,119.2</u>	<u>\$ 5,418.2</u>
Prior year revenues, as reported (GAAP)	\$ 5,282.0	\$ 5,083.6	\$ 5,192.7
Revenue change, as reported (GAAP)	(4)%	2%	6%
Revenue change, Custom House, TGBP and constant currency adjusted	(2)%	1%	4%
Consolidated Operating Margin			
Operating income, as reported (GAAP)	\$ 1,282.7	\$ 1,300.1	\$ 1,385.0
Reversal of settlement accrual (d)	71.0	N/A	N/A
Reversal of restructuring and related expenses (e)	N/A	59.5	46.8
Reversal of TGBP integration expense (f)	N/A	N/A	4.8
Operating income, excl. settlement accrual, restructuring and TGBP integration expense	<u>\$ 1,353.7</u>	<u>\$ 1,359.6</u>	<u>\$ 1,436.6</u>
Operating income margin, as reported (GAAP)	25.2%	25.0%	25.2%
Operating income margin, excl. settlement accrual, restructuring and TGBP integration expense	26.6%	26.2%	26.2%
Consolidated Revenue Outlook			
Revenue change (GAAP)	4%	6%	
Reversal of TGBP revenues, including foreign currency translation impact (b)	(4)%	(4)%	
Foreign currency translation impact (g)	2%	2%	
Revenue change, TGBP and constant currency adjusted	<u>2%</u>	<u>4%</u>	

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RECONCILIATION OF NON-GAAP MEASURES

(in millions)

Consumer-to-Consumer (C2C) Retail Revenues

	<u>FY2011</u>
Revenues, as reported (GAAP)	\$ 4,489.9
Foreign currency translation impact (c)	<u>(35.8)</u>
Revenues, constant currency adjusted	<u>\$ 4,454.1</u>
Prior year revenues, as reported (GAAP)	\$ 4,296.8
Revenue change, as reported (GAAP)	4 %
Revenue change, constant currency adjusted	4 %

Consumer-to-Business (C2B) Revenues

Revenues, as reported (GAAP)	\$ 608.9
Foreign currency translation impact (c)	<u>6.4</u>
Revenues, constant currency adjusted	<u>\$ 615.3</u>
Prior year revenues, as reported (GAAP)	\$ 604.0
Revenue change, as reported (GAAP)	1 %
Revenue change, constant currency adjusted	2 %

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RECONCILIATION OF NON-GAAP MEASURES

(in millions)

Business Solutions (B2B) Revenues

	FY2011
Revenues, as reported (GAAP)	\$ 161.1
Reversal of TGBP revenues, including foreign currency translation impact (b)	(35.2)
Foreign currency translation impact (c)	(5.7)
Revenues, excluding TGBP and constant currency adjusted	<u>\$ 120.2</u>
Prior year revenues, as reported (GAAP)	\$ 106.7
Revenue change, as reported (GAAP)	***
Revenue change, TGBP and constant currency adjusted	13 %

Digital Revenues

Revenues, as reported (GAAP)	\$ 126.2
Foreign currency translation impact (c)	(3.4)
Revenues, constant currency adjusted	<u>\$ 122.8</u>
Prior year revenues, as reported (GAAP)	\$ 93.5
Revenue change, as reported (GAAP)	35 %
Revenue change, constant currency adjusted	31 %

Stored Value Revenues

Revenues, as reported (GAAP)	\$ 32.3
Foreign currency translation impact (c)	0.4
Revenues, constant currency adjusted	<u>\$ 32.7</u>
Prior year revenues, as reported (GAAP)	\$ 25.1
Revenue change, as reported (GAAP)	29 %
Revenue change, constant currency adjusted	30 %

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

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RECONCILIATION OF NON-GAAP MEASURES

Non-GAAP related notes:

- (a) Represents the incremental impact, including the impact from fluctuations in exchange rates, when applicable, of Custom House on Consolidated revenue.
- (b) Represents the incremental impact, including the impact from fluctuations in exchange rates, when applicable, of Travelex Global Business Payments ("TGBP") on Consolidated revenue. Also, represents the incremental impact of TGBP on Business Solutions revenue.
- (c) 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.
- (d) Represents the accrual for an agreement to resolve the Company's disputes with the State of Arizona and certain other states and to fund a multi-state not-for-profit organization focused on border safety and security ("settlement accrual").
- (e) 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.
- (f) 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.
- (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.

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STEWART A. STOCKDALE

President & EVP, Global Consumer Financial Services

GLOBAL CONSUMER FINANCIAL SERVICES: OVERVIEW & STRATEGIES

Bienvenidos WELCOME

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KEY HIGHLIGHTS FROM 2011

FY 2011

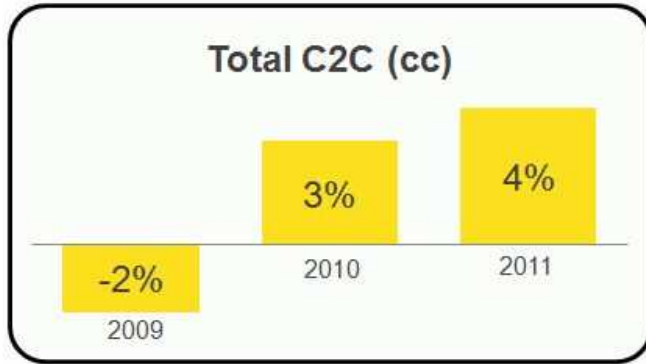
- Highest growth since 2008
- All regions contributed to growth
- Payments returned to growth



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C2C REVENUE GROWTH 2009 – 2011



Region (reported)	2011
North America	3%
Europe & CIS	3%
Middle East & Africa	4%
Asia Pacific	10%
LACA	7%

- All regions contributed to growth in 2011
- Priorities in place to help accelerate growth

2012 PRIORITIES FOR GROWTH



RETAIL PRESENCE

Assert Our
Leadership



CUSTOMER EXPERIENCE

Know Customers
and Delight Them



ADJACENCIES

Go Deep in Must
Win Markets



OPERATING MODEL

Fuel and Fund the
Growth Vision

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EXPANDING RETAIL PRESENCE

- Accelerate location growth
- Win strategic accounts
- Fill the “white space”
- Invest and drive a sales culture
 - Hunter vs. Farmer model (150 new positions)
 - North America – 200
 - Europe – 240
 - MEA – 10
 - APAC – 40
 - LACA – 100



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DIVERSIFYING CLASSES OF TRADE

- Leadership in postal networks
- Penetrating North America banks
- Accelerating new European retail*
- Expanding points of presences globally
 - Flagship locations
 - ATMs
 - Kiosks
 - Convenience stores

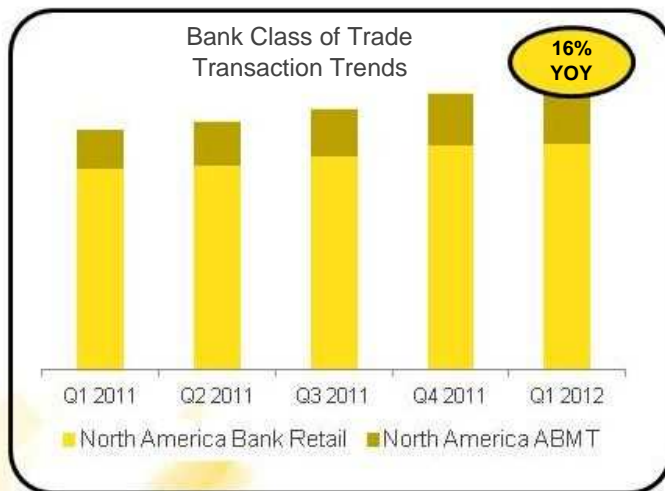


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*Expanded retail locations available through Payment Services Directive (PSD)

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NORTH AMERICA BANKING CLASS OF TRADE



- Continued sales momentum
- ABMT almost 20% of bank volume
- Accessing new customer segments
- Principal per transaction double the non-bank class of trade average

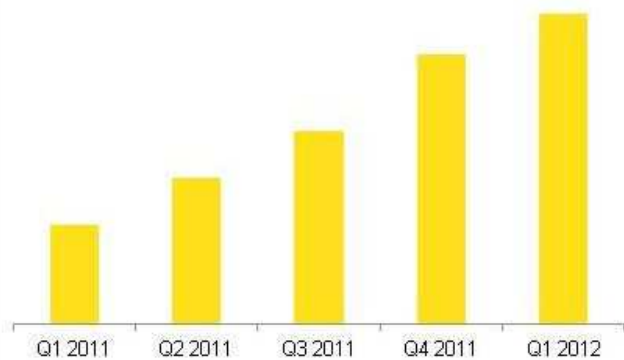
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NEW EUROPEAN RETAIL CLASS OF TRADE

- Rapid growth and acceleration
- Independent trends are strong
- Convenient and accessible
- Preferred class of trade by migrant consumers

New European Retail Transactions*



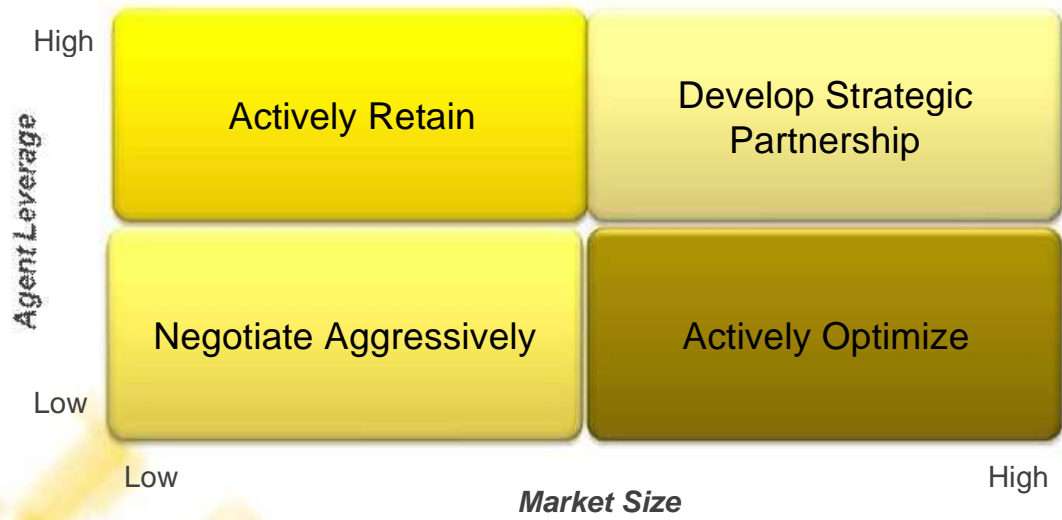
* Countries Opened by Payment Services Directive (PSD)

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AGENT VALUE PROPOSITION

Prioritize Agents and Size the Opportunity



AGENT PARTNERSHIP

Chetan Mehra, Director, Weizmann Forex Ltd.

The screenshot displays the Weizmann Forex Ltd. website interface. At the top left is the company logo, and to its right are navigation links: "About Us", "Careers", "Customer Feedback", "Customer Login", and "Contact Us". A toll-free number "TOLL FREE: 1800 229 222" is positioned in the top right corner. Below the header is a horizontal menu with tabs for "FOREIGN EXCHANGE", "MONEY TRANSFER", "TRAVEL INSURANCE", "TOURS & TRAVELS", "UTILITY SERVICES", and "BRANCH LOCATOR", followed by a "HOME" button. The main banner features a globe with a Weizmann logo overlay and the text "Forex for all seasons, Forex for all reasons". Below the banner, a small text block describes the company as part of a \$16.22 billion Weizmann Group. To the right of this text are two utility boxes: "Currency Converter" with a dropdown menu currently set to "United States Dollar", and "Forex Rates" with sub-sections for "Currency", "BuyRate", and "SellRate".

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WEIZMANN FOREX LTD – INTRODUCTION

- Weizmann Forex Ltd (WFL):
Multidimensional Weizmann Group
- Revenues US \$700M
- Principal Agent of Western Union
since 1998
- 1,700 experienced professionals
servicing valued customers PAN India
- Payout made during 2011 US \$1.8B



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WESTERN UNION – INDIA

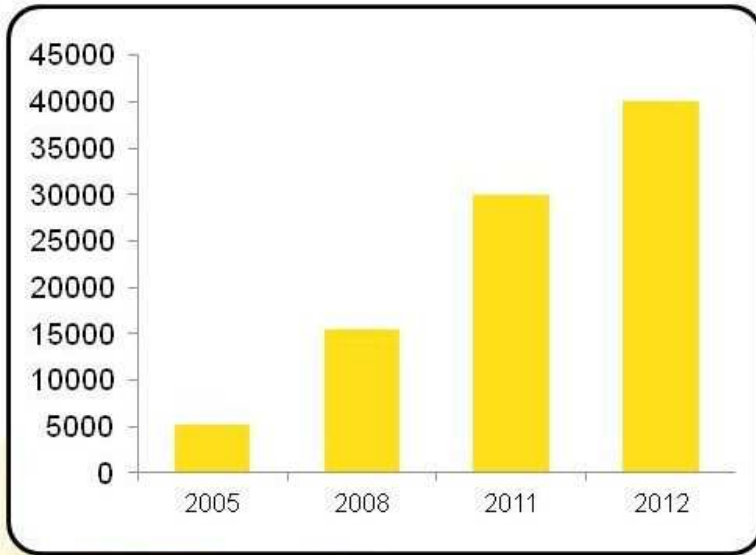
- 100,000 strategically placed locations
 - Larger than entire bank branch network
- Most reputed brands in India working with WU
- Strong agent relationship
- Most trusted brand
- 98% brand awareness

“ 1 Out of Every 5 Global WU Locations ”

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WEIZMANN FOREX LTD – RISE IN LOCATIONS



Western Union Financial Services,
India – 21,000th Location



The United Western Bank Fort,
Mumbai, India – March 2005

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WEIZMANN FOREX LTD – WESTERN UNION PARTNERSHIP: A PROMISING FUTURE

- **Financial Inclusion** – Helping underserved
- **Untapped Market** – Penetration
 - Villages and small towns
- **Continued Expansion** – Successful relationships
 - More than 26 state owned banks and 12,700 sub agents
- **Focus on Transforming Business**
 - Western Union Business Solutions
 - Prepaid cards



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NAMASTE

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IMPROVING THE CUSTOMER EXPERIENCE

- Customer insights
- Communicate and offer new services
- Drive share of wallet
- Revolutionize the retail experience



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PURSuing ADJACENCIES

- “Go deep” in key markets
- Account based and intra
- “Fill the bucket”
- Premier partnerships

More Services
=
More Profit per Customer
More for Agents



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GLOBAL PAYMENTS RETURNING TO GROWTH

- U.S. payments turnaround
- Innovation in U.S. cash and electronic
 - More than 10,000 billers
 - New biller verticals
 - Small business portal
 - Text to pay
- Strong growth from South America



More than 600 Million Transactions

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BRINGING IT ALL TOGETHER

**Scalable Operating Model to Drive Margin Expansion
as Revenue Accelerates**



**RETAIL
PRESENCE**

**Assert Our
Leadership**



**CUSTOMER
EXPERIENCE**

**Know Customers
and Delight Them**



ADJACENCIES

**Go Deep in Must
Win Markets**



**OPERATING
MODEL**

**Fuel and Fund the
Growth Vision**

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GLOBAL CONSUMER FINANCIAL SERVICES LEADERSHIP TEAM

North America
Victoria Lopez-Negrete

Europe & CIS
Jan Hillered

Asia Pacific
Drina Yue

Middle East & Africa
Jean Claude Farah

Latin America & Caribbean
Odilon Almeida

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JAN HILLERED

Senior Vice President, Europe & CIS

EUROPE & CIS

Добро пожаловать

VÄLKOMMEN

BIENVENUE

WILLKOMMEN

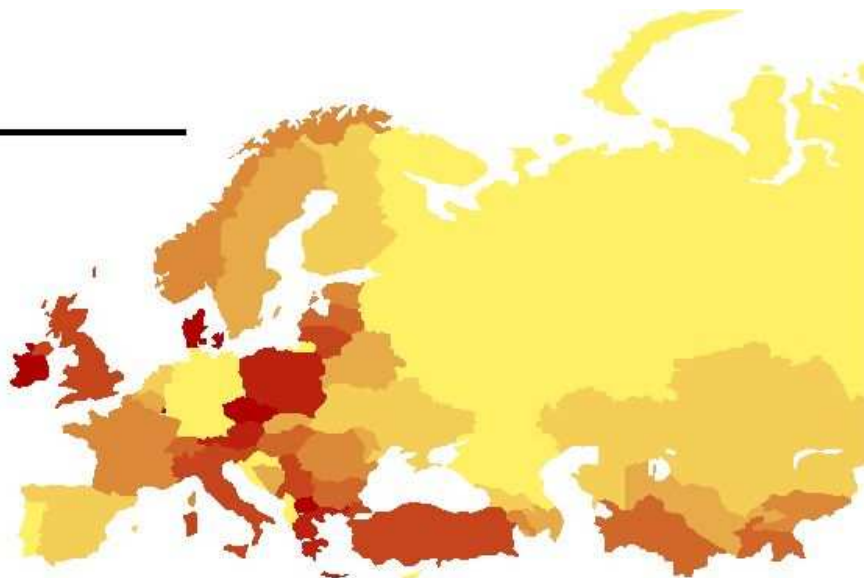
WELCOME

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EUROPE AND CIS

- 53 countries
- \$1.3B 2011 revenues
- Top countries
 - France
 - United Kingdom
 - Italy
 - Germany
 - Russia
 - Spain
- 80M migrants



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EUROPE AND CIS

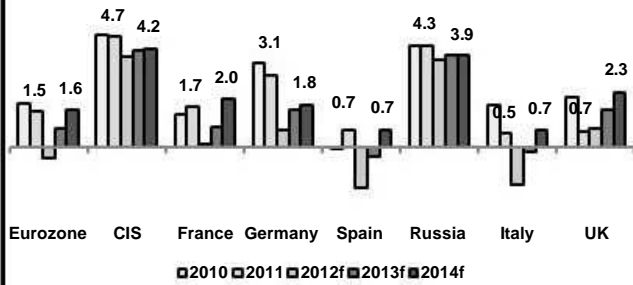
- 140,000 locations
- Western Union International Bank
- 19 WU.com transaction sites
- 33 account based MT banks signed
- 23,000 ATMs active in 6 countries
- Launched prepaid card in Germany, United Kingdom and Austria



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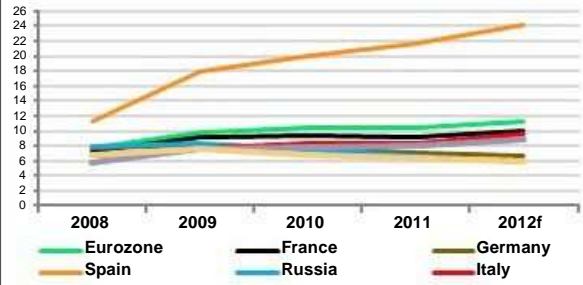
MACRO ECONOMICS

Real GDP YoY Growth Rate, Yearly- 2010-2014f (in %)



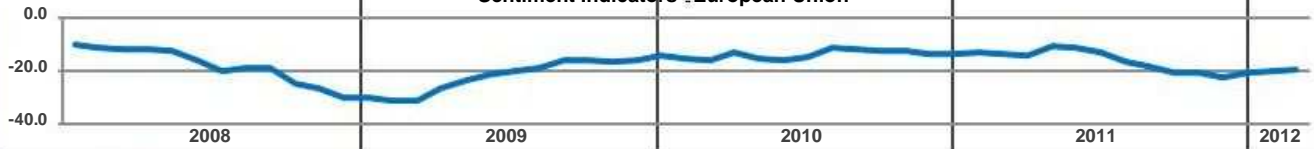
Source: IHS Global Limited; Copyright © IHS Global Limited, 2012. All rights reserved

Unemployment Rates, Yearly – 2008-2012f (in %)



Source: IHS Global Limited; Copyright © IHS Global Limited, 2012. All rights reserved

Sentiment Indicators - European Union



Source: Eurostat

NEW EUROPEAN RETAIL (PSD)

- Sales force increased by 40%
- Growing our footprint
- Exceeded 2011 target of 1% of total company revenues
- Ensuring customer convenience
- Targeting double digit revenue growth for 2012



Agent Testimonial – Independent, Germany

“Western Union pays me a provision on each transaction ... since I’ve been offering Western Union, my revenue increased by 30%.”

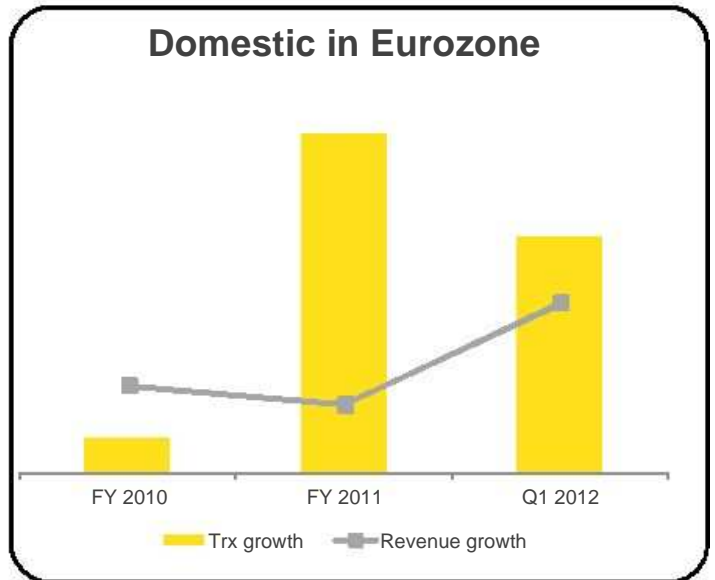
Ayedin Ugur, InternetCafé and Call Shop owner, Hamburg, Germany

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EURO MONEY TRANSFER

- Replicating the success of U.S. Domestic repositioning
- Accelerating growth for low band offering in Eurozone
- Gaining new customers and higher frequency from existing



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SUPER AGENT ACQUISITIONS (COSTA AND FININT)

- Builds on 2009 Fexco acquisition
- Moving closer to the customer
- Direct control of 30% of distribution network in Europe
- Single sales organization
- Gaining scale and efficiencies in back office infrastructure

A graphic for Investor Day 2012 featuring a stylized map of Europe in shades of yellow and orange.

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RUSSIA TURNAROUND STRATEGIES

- Distribution
 - Enter retail class of trade
 - Self service
- Brand Awareness
 - Launch of Sberbank
 - Marketing programs
- Pricing Techniques
 - Tiered pricing
 - Attractive high band offer



RUSSIA

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GROWTH DRIVERS

Corridor Promotions



Retail Expansion



Grassroots Activations



Customer Promotion



Pan European Campaigns



New Channels



New Products



Dedicated Locations



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JEAN CLAUDE FARAH

Senior Vice President, Middle East & Africa

MIDDLE EAST & AFRICA

أهلاً وسهلاً

Bienvenue

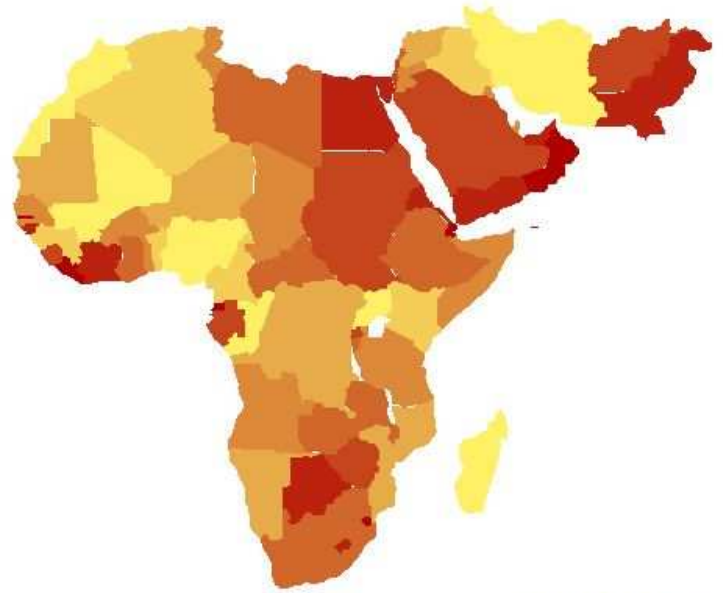
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MIDDLE EAST & AFRICA

- 66 countries
- \$860M 2011 revenues
- Top countries
 - Saudi Arabia
 - United Arab Emirates
 - Morocco



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MIDDLE EAST & AFRICA

- Brand awareness 88%
- Business mix
 - Outbound 43%
 - Inbound 54%
 - Intra 3%



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14 SIGNED CONTRACTS



21 SIGNED CONTRACTS

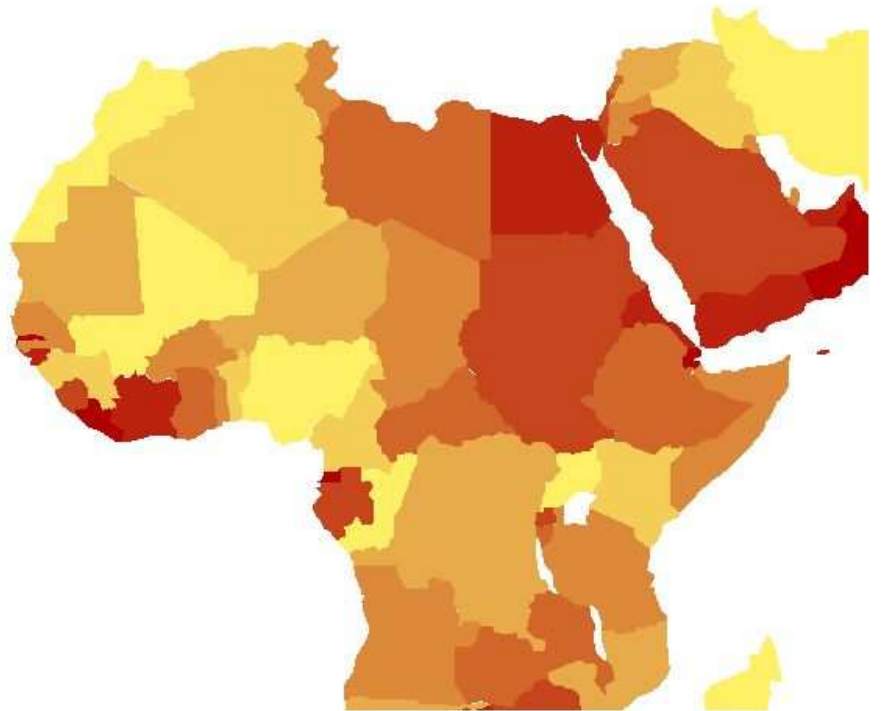


40,000 AGENT LOCATIONS



2011 – AN EVOLVING ENVIRONMENT

- MEA conflicts
- Migration shifts
- \$120 oil price
- Moderate economic growth
- Emerging opportunities



CONTINUE TO DRIVE WINNING STRATEGIES

- Customers
- Execution
- Growth

**Minimize The
Socio-Economic Impact**



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MEETING OUR CUSTOMER & MARKET NEEDS

- Service availability
- New agents
- Footprint expansion



NAMIBIA



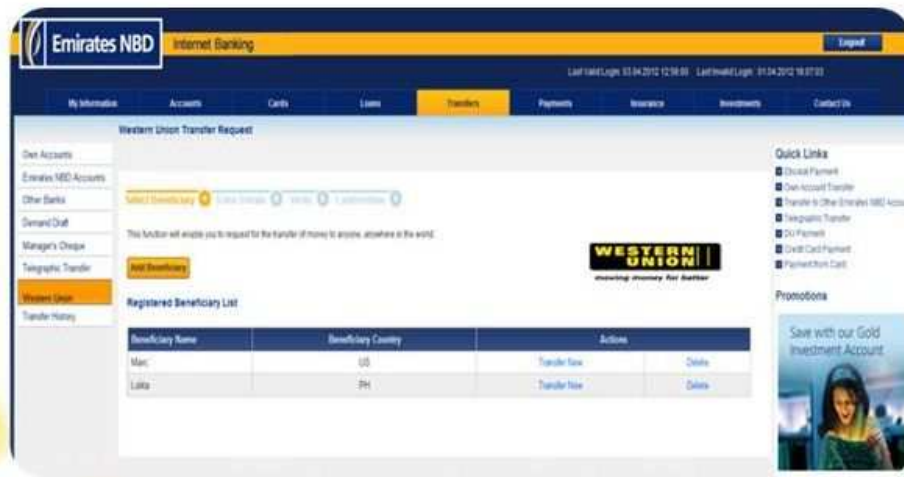
SOMALILAND

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DRIVING GROWTH & BUILDING MOMENTUM

- New channel - ABMT



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DRIVING GROWTH & BUILDING MOMENTUM

- Driving loyalty



**Avec votre carte gold!,
entrez dans un monde de privilèges**

€ 30% de remise
sur les frais d'envoi
à chaque 3ème transaction
avec la carte gold!

Meilleure qualité de service
grâce aux :

- ⊗ Transactions plus rapides
- ⊗ Notifications par SMS gratuites

gold! illumine votre vie
Demandez dès maintenant votre carte gold! en ligne

WESTERN UNION

www.westernuniongold.com

Des remises spéciales chez nos partenaires :

ADA ALDO BOSS CCMW KENNEDY CCMW
celio* City Sport GUESS
L'OCCITANE OFFICE

Les Termes et Conditions du programme de la carte gold! et ses avantages.
Veuillez vous renseigner dans un point de vente participant pour plus d'informations.

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DRIVING GROWTH & BUILDING MOMENTUM

- Enhancing visibility

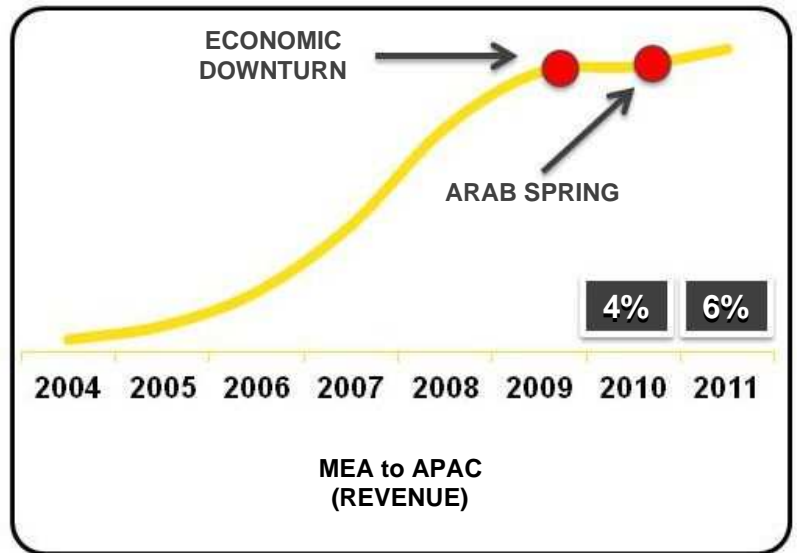


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CASE STUDY: DRIVING MEA GROWTH TO APAC

- Customer focused
- Harnessing opportunity
- Portfolio management
- Increased presence



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IN CLOSING

- Gulf economies rebounding
- Crisis countries opened
- Emerging Africa
- Channel diversification



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DRINA YUE

Senior Vice President, Asia Pacific

ASIA PACIFIC

歡迎

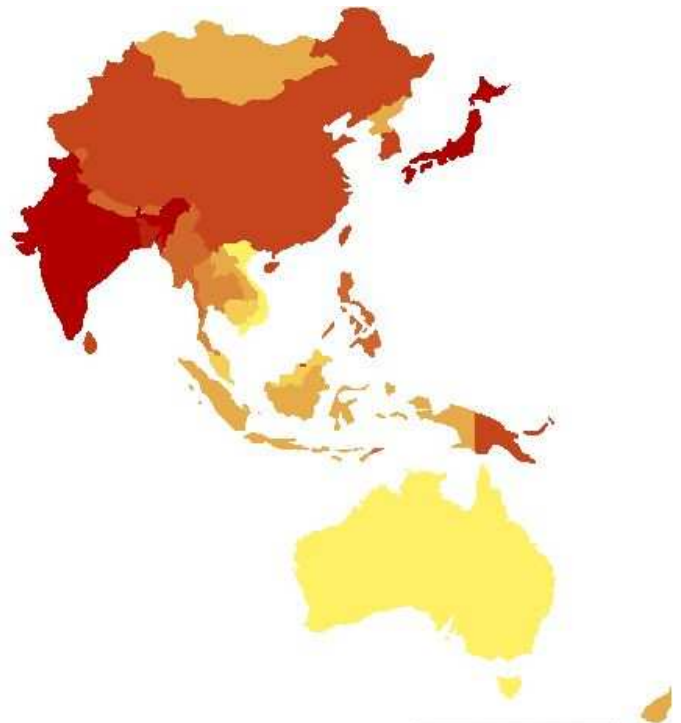
Welcome

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ASIA PACIFIC

- 44 Countries and territories
- 2011 Revenues: \$660 Million
- Top Inbound Countries
 - India
 - Philippines
 - China
- Top Outbound Countries
 - Australia
 - Malaysia
 - Singapore
 - Hong Kong



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ASIA PACIFIC: A SNAPSHOT

- 254 Agents
- 210,000+ locations
- 25 ABMT banks signed
- 7 Mobile partners signed



mudah & hemat



PUBLIC BANK



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ASIA PACIFIC

Five Point Strategy To Bolster Growth

- Customer-centric
- Enhance in-bound corridors
- Build on intra-APAC and outbound
- Grow retail network and enable new channels
- Deploy new products to address new market opportunities



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MONEY MOVEMENT: ASIA-PACIFIC IN-BOUND

The Stalwarts and Emerging Tigers

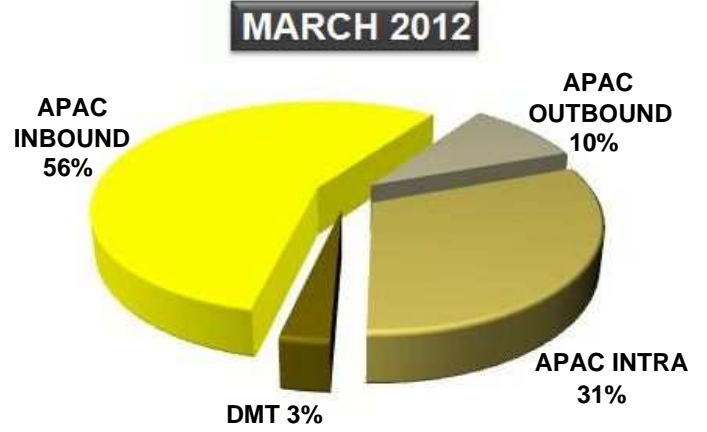
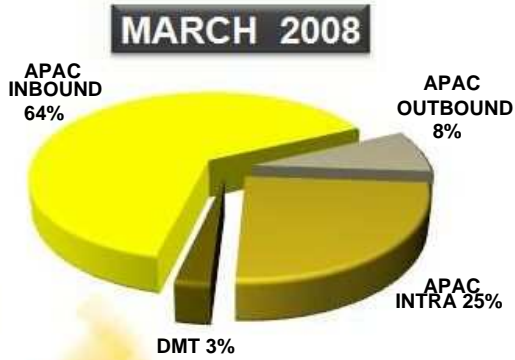
Top 10 Recipients of Migrant Remittances*

1. **India**
2. **China**
3. Mexico
4. **Philippines**
5. Egypt
6. Pakistan
7. **Bangladesh**
8. Nigeria
9. **Vietnam**
10. Lebanon



MONEY MOVEMENT: APAC REVENUES DIVERSIFYING

With APAC Outbound / APAC Intra / DMT



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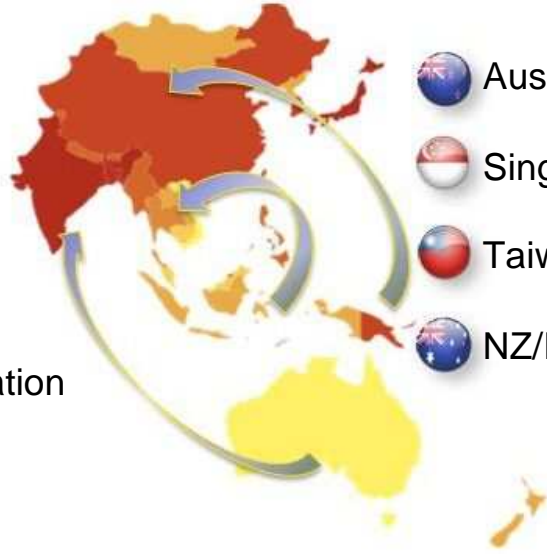


MONEY MOVEMENT: OUTBOUND KEY PLAYERS

All Corridors In and Out of Asia Pacific

- + Increased GDP growth
- + Aggressive development agendas
- + Aging population

= Resulting in more migration within APAC



Australia



Malaysia



Singapore



Hong Kong



Taiwan



Korea



NZ/Isles

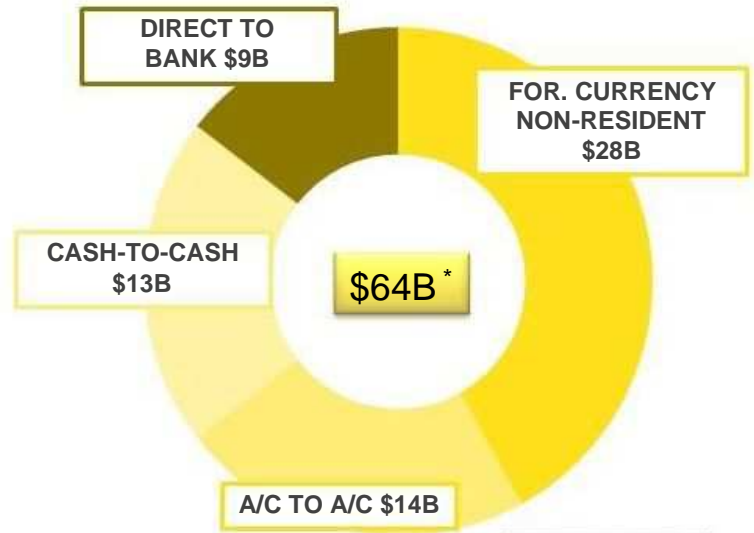


Japan

INDIA FOCUS: NEW CHANNELS TO SEIZE NEW SHARE

Retail Captures Majority of C2C Transfers

- India Remittances: \$64B*
- Leader in cash-to-cash with 100K+ retail network
- Opportunity to expand to new segments
 - Account based and prepaid cards launches in 2012



JAPAN FOCUS: 4 CHANNELS ACTIVATED - 18 MONTHS

Poised to Tap \$5B*
Market Potential

1. Retail expansion
2. Online ABMT: Launched with Seven Bank
3. ATMs: 16,000
4. Retail kiosks: 9,000



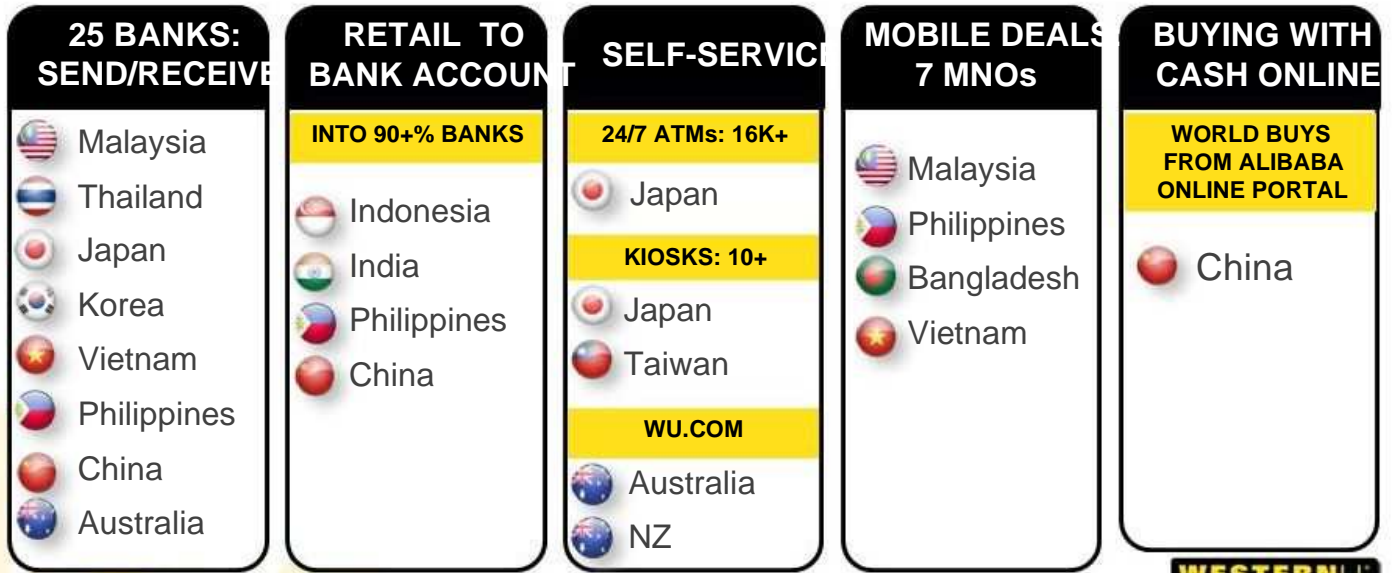
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*Source: Bank of Japan Reports & Research Paper (2011 March)

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MONEY MOVEMENT : ADJACENCIES/GOING DEEP

Alternative Channels Serving New Consumers



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VICTORIA LOPEZ-NEGRETE

Senior Vice President, North America

NORTH AMERICA

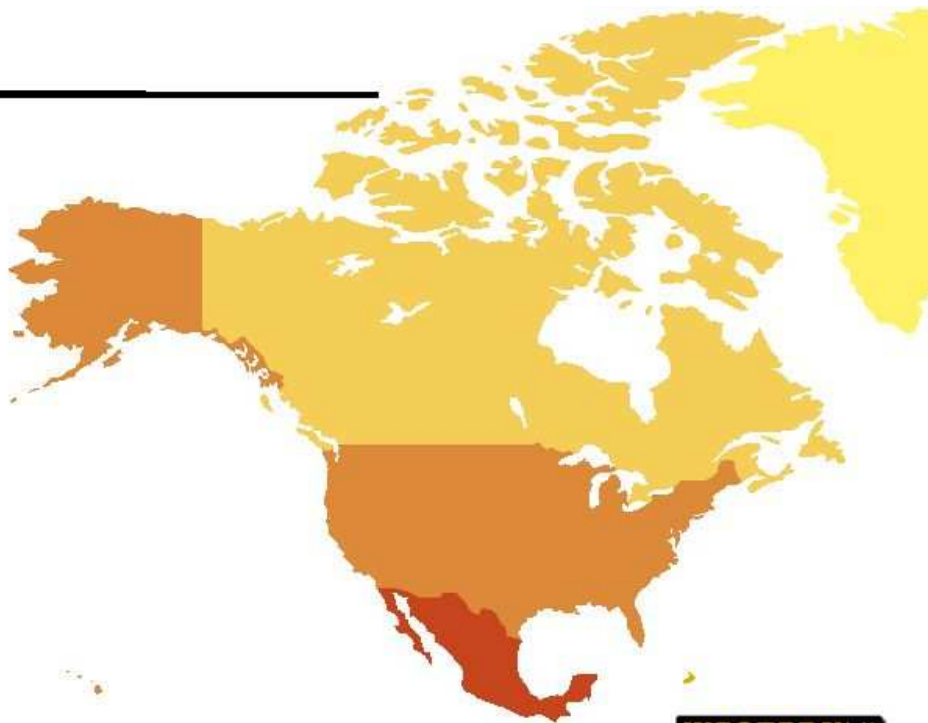
Bienvenidos WELCOME

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NORTH AMERICA

- Three countries
- \$1.7B 2011 revenues
- Top corridors:
 - U.S. domestic money transfer
 - U.S. to Mexico
 - U.S. to Philippines



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NORTH AMERICA

- 70,000 locations
- Long standing relationships
- 7 ABMT banks signed



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STRATEGIES TO DELIVER GROWTH

- Enhance the customer and agent experience
- Expand and diversify distribution footprint
- Broaden the product portfolio
- Continue U.S. payments turnaround
- Evolve and improve Mexico business



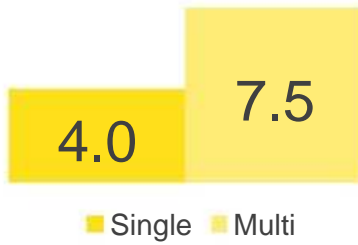
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IT ALL BEGINS AND ENDS WITH OUR CUSTOMER

- 20M money transfer senders
- Providing consumer choice

Annual Transaction per Consumer
Single Product vs. Multi Product

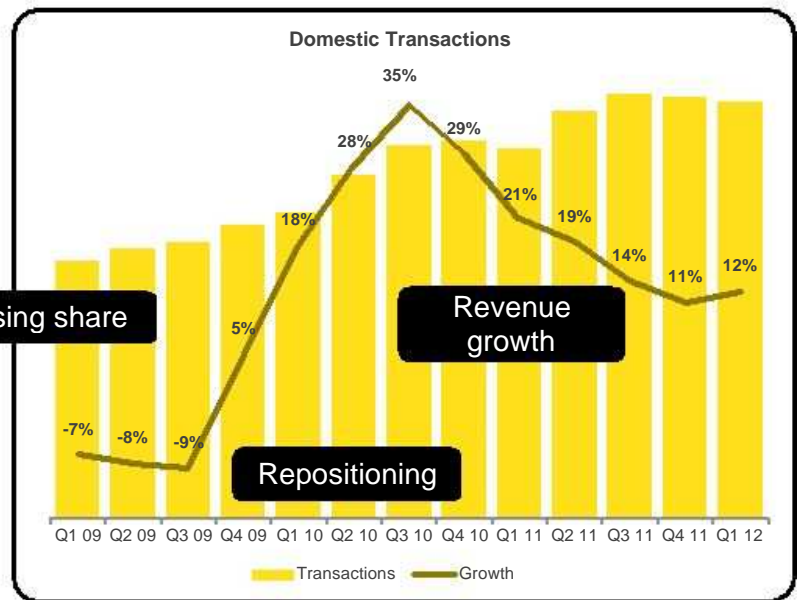


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U.S. DOMESTIC MONEY TRANSFER & CONSUMER BEHAVIOR

- All time highs
- Higher frequency
- New consumers
- Short distance sends
 - Intra city
 - Growing from 10% to more than 20% of total volume



WINNING DISTRIBUTION

- Continued momentum with banks
 - Retail and account based solutions
- Strong distribution with large retailers
 - Pursuing non-traditional networks
- Retail expansion via independents
 - Small shops in ethnic neighborhoods



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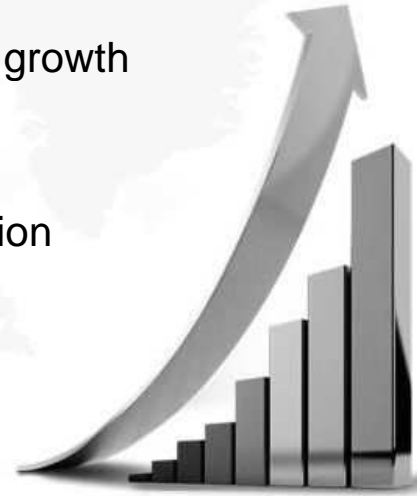
GROWING MEXICO FOR BETTER

- Addressing market challenges
- Opening of in-country network
- Direct relationships with agents
- Expanded services / channels
- Drive WU brand equity



CLOSING SUMMARY

- Successful execution on the strategy
- Improving portfolio of services for sustained growth
- Solid momentum with banks
- Expanding distribution & product diversification
- Investing in Mexico to accelerate growth



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ODILON ALMEIDA

Senior Vice President, LACA

LATIN AMERICA AND THE CARIBBEAN

Bem-vindos

Bienvenidos

Welcome

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LATIN AMERICA AND THE CARRIBBEAN

- 48 countries and territories
- \$620M 2011 revenues
- Top countries
 - Argentina
 - Colombia
 - Dominican Republic
 - Jamaica



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LATIN AMERICA AND THE CARRIBBEAN

- 40,000 locations
- 3,500 billers
- 5 mobile contracts
 - Bolivia
 - El Salvador
 - Guatemala
 - Honduras
 - Paraguay



LACA STRATEGIES DRIVING GROWTH

- Money transfer by phone to account
 - Argentina, Brazil, Chile, Ecuador and Peru
 - 350 Banks
 - 150M account holders
- Payments expansion
 - Peru, Panama, Venezuela and Brazil



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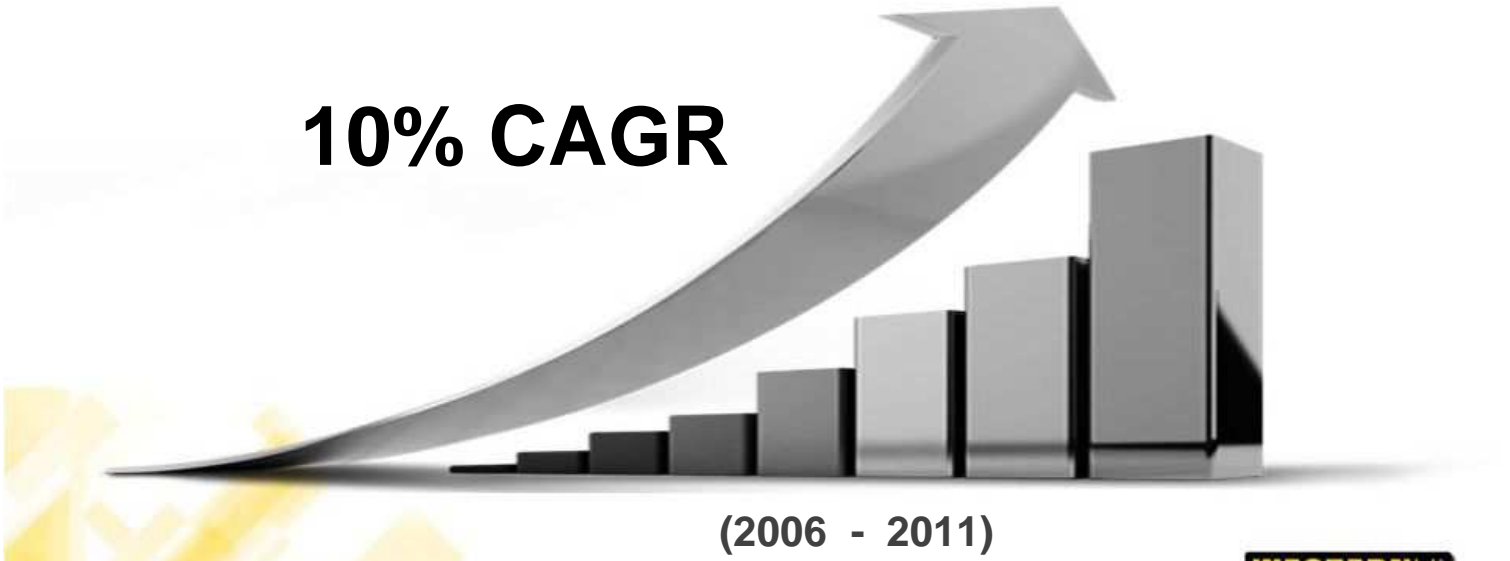
PAGO FACIL CONTINUES TO DELIVER VALUE

- Acquisition completed in 2006
- Bill Payments in Argentina
- Expanding in select markets



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10% CAGR



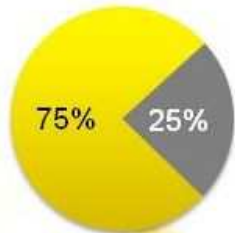
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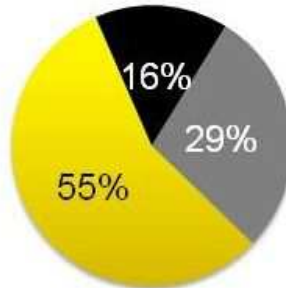
LACA HAS DIVERSIFIED ITS REVENUE STREAM

Money Transfer & Bill Payments Revenues (Mix %)

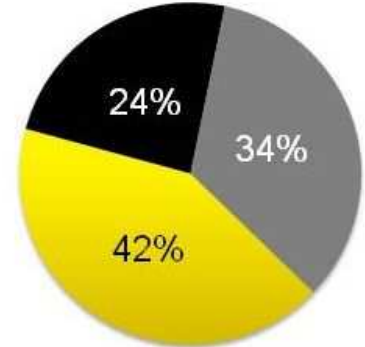
2006



2008



March 2012



■ Outbound & Intra ■ Inbound ■ Payments

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LACA IS SET UP FOR CONTINUED GROWTH

- Grow the retail network
- Continue driving revenue mix strategies
- Build presence in Brazil
- Expand Account Based Money Transfer
- Extend offerings across multiple channels



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RAJ AGRAWAL

President, Business Solutions

BUSINESS SOLUTIONS: OVERVIEW & STRATEGIES

Namaste WELCOME

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STRATEGIC AREA OF GROWTH FOR WU

- Low double-digit revenue growth
 - Long-term trade growth at ~2X GDP
 - 13% revenue growth (constant currency) for legacy WUBS organization in 2011
- Approximately \$400MM revenue in 2012
 - \$24B market opportunity
 - ~1,900 employees
 - 95,000+ customers



COMPLEMENTARY ASSETS AND CAPABILITIES

**WESTERN
UNION**

business solutions

- Reliable, flexible and easy-to-use platforms
- Large network of correspondent banks
- Local market expertise / diverse range of countries
- Balance sheet strength
- Brand
- Licensing and compliance

**Two Great
Organizations
Better as One**

Travelex worldwide
money
The world's foreign exchange company

- Leading propositions:
 - Financial institutions
 - Law firms
 - Universities
- Strong product and functionality capabilities
- Extensive banking relationships
- Leading provider of international business payments
- 71 country ACH clearing

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BUSINESS OVERVIEW

	Money Transfer (C2C)	Business Solutions (B2B)
Similarities	Payment	Cross-border
	Core Customers	Focus on underserved
	Brand	Trust, speed, reliability
Differences	Payment	Retail to retail
	Typical PPT	\$300 - \$500
	Revenue	Mainly transaction fee
	Typical RPT	\$15 - \$30
	Sales Channel	FLA's / Retail

OUR CUSTOMERS

THEIR PAIN

OUR SOLUTION

Carpet Importer
Hassan Bassir



Time
Tracking
Market fluctuations

Branch solution
Electronic solutions
Spot, forward, options

Handbag Exporter
Miahua Huang



Multiple countries
Cost
Escrow

Pay "From Your Account"
Cash payment options
Marketplace solutions

**Pension/
Payroll**



Payment accuracy,
speed and administration

Tools and operational support
to manage large payment files;
wide range of currency options

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OUR CUSTOMERS

THEIR PAIN

OUR SOLUTION

Financial Institutions



Investment:
systems/staff
Time to market

FI resells WUBS FX solution

Education



Collect and reconcile tuition
and fees from international
students

Local currency and easy payment
process; broad range of currencies;
reconciliation

Law Firms



Managing multiple inbound and
outbound currencies

Integrated with existing accounting
systems; risk management and
scheduled payments

Charities



Global movement of funds,
often remote;
donor management

Simplified management of incoming
and outgoing funds

OUR PRODUCTS

SPOT PAYMENTS

Simple
Rate Certainty

FORWARD CONTRACTS

Future FX transaction
Risk management tool

EXCHANGE RATE BIDS/OPTIONS

Flexibility

Real-time
communication

PAYMENTS COMPLETED IN MULTIPLE METHODS

Same day and next
day high-value wires

Low-value wires

Domestic funds
transfer (EFT)

International drafts

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OUR CHANNELS

Branch Model

**Partners / Self-service
*direct application use***

**Simplified, web-based
platform**



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OUR CHANNELS

Branch Model

Partners / Self-service
direct application use

Simplified, web-based
platform

The screenshot shows the GlobalPay web application interface. At the top, there is a navigation bar with the GlobalPay logo and links for HOME, QUOTE & ORDER, and ACTIVITY REPORTS / PRINT. Below this, there are tabs for Manage Existing Beneficiaries, Add New Beneficiary, and Approve Beneficiary(s). The main content area is titled "Manage Existing Beneficiaries" and includes a search bar for "Link ID Existing Beneficiaries" and buttons for "Remove", "Update/Enable", and "View Asset Information". Below the search bar, there is a section for "Create New Beneficiary" with instructions and a "Set up a new beneficiary for" dropdown menu with options for "Wire" and "Drafts". The form includes fields for "Beneficiary Name", "Short Name", "Country", "Currency", "Street Address", "City", "Postal/Zip Code", "Prov/State", and "Country". There is also a section for "Other Information" with fields for "Ref. Comments", "Email Address", "Send Email Notification?", "Use Time Unit?", and "Reseller".

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OUR CHANNELS

Branch Model

Partners / Self-service
direct application use

Simplified, web-based
platform

The screenshot shows the Western Union 'Create Payment' web interface. The header includes the Western Union logo and navigation links: Home, Payments, Wallet, My Profile, and Recipients. The main content area is titled 'Create Payment' and features three steps: 1. Select Currencies, 2. Select Payment, and 3. Select Recipient. The '3. Select Recipient' step is active, showing a form with fields for 'Payment Methods' (EFT/ACH), 'Select Recipient', 'Add New Recipient', 'Select Account' (Main Checking), 'Add New Account', and 'Payment Reference' (Invoice FDW0127 - Cycle Parts). A 'Get Quote' button is visible at the bottom right of the form. To the right of the form, a summary table displays: 'Quote valid for: 2:15', 'Exchange Rate: 1 USD = 0.6217 GBP', 'Inverse Rate: 1 GBP = 1.6086 USD', 'Sub-Total: 2000 GBP = 3217.00 USD', 'Fee', and 'Total: 3217.00 USD'. At the bottom of the form, there are buttons for '< Back', 'Book Payment', and 'Cancel'. A disclaimer at the bottom states: 'In connection with any transactions processed by Western Union, Western Union and/or a Western Union affiliate makes money on the exchange of currency. Any difference between the sum paid by Western Union and the sum given to Customers is retained by Western Union and/or a Western Union affiliate.'

COMBINING "BEST OF BOTH" BUSINESSES TO DRIVE GROWTH

Geographic Expansion

Direct in top importing markets

Scalable partner and online models elsewhere

Product Choice

Risk Management

Charity hub

Account to retail

Multiple Channels

Direct

Online, self-service

Vertical channel partners

Agents

Target Customers: Wider View

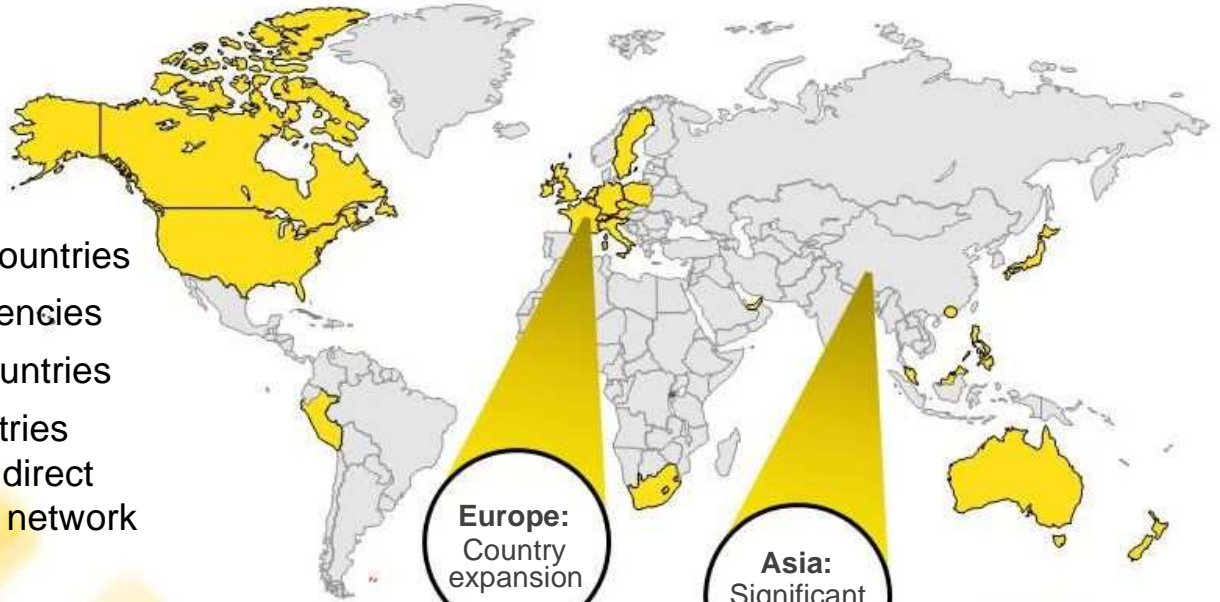
Industry verticals

Repeat payments: high volume, low principal

Exporters

GROWTH STRATEGY

- 25 send countries
- 135+ currencies
- 200+ countries
- 71 countries through direct clearing network



■ WUBS Existing Country

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EXECUTION PRIORITIES

- Deliver on growth objectives
- Gain share
 - Geographic, product and channel expansion
 - Retention and expansion of wallet share with existing clients
 - Acquire new clients through investment in direct sales resources
 - Continued growth via partnership model
- Integration focus
 - Scale
 - Cost efficiency

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KERRY AGIASOTIS

Regional Divisional Director, APAC

BUSINESS SOLUTIONS: CUSTOMERS & SALES

Καλησπέρα

WELCOME

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MORE THAN 95,000 CLIENTS GLOBALLY

- Presence in 25 countries
- Customers across all industries and market segments
- Strong customer centric business model
- Experts in foreign exchange and international payments
- 135+ payment currencies to 200+ countries, 71 directly through clearing network



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SALES ORGANIZATION DESIGN

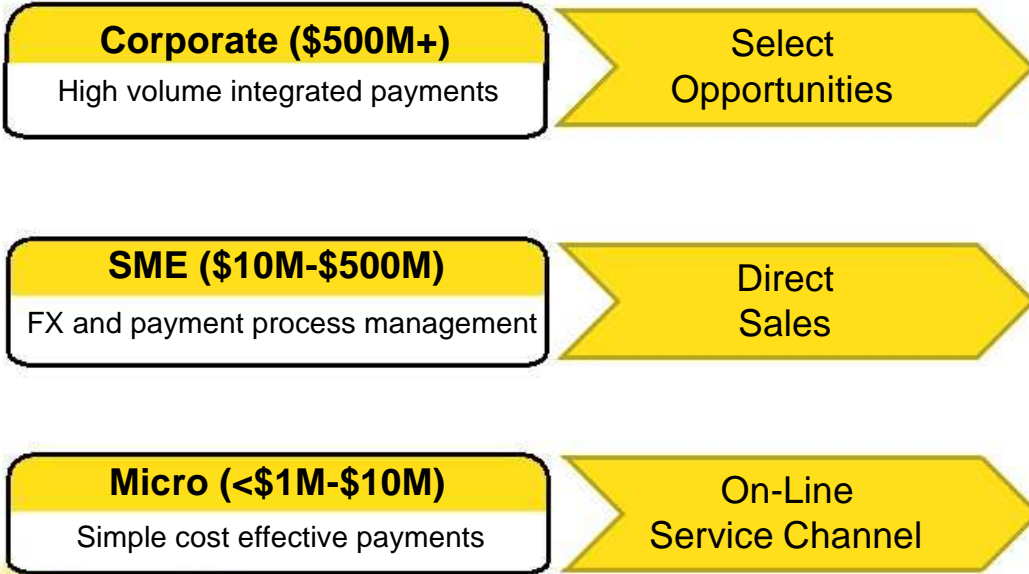
Branch Hubs – includes all roles supporting complete customer lifecycle

Sales Offices – remote sales executives with geographic or vertical responsibility

- Localized design to achieve in market objectives
- Right mix of Hunter and Farmer resources
- Hub and spoke geographic structure
- Important enabler of geographic expansion strategy



SME IS THE FOUNDATION OF OUR BUSINESS CLIENT GROWTH IN ALL SEGMENTS



EMBEDDED PAYMENTS THROUGH VERTICAL SOLUTIONS

- The benchmark service for banks, universities and law firms
- Integrated with existing core processing or ERP systems

Financial Institutions

- More than 700 Financial Institution clients world wide
- Expanded services for clients of mid-tier financial institutions

Educational Institutions

- Simplifies payments for international students made in local currency
- Drives back office reconciliation efficiencies for education institutions

Law Firms

- Tailored solution to the Legal IP industry
- Enables price certainty to clients for future payments

DIANE SCOTT

Executive Vice President & Chief Marketing Officer and
President, Western Union Ventures

WESTERN UNION VENTURES

WELCOME

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VENTURES: STRATEGIC FOCUS

Connecting 2B* Underserved Consumers and Retail to a Digital World

The preference for cash is strong globally **



% cash payments and purchases by region***

Leverage Our Core Assets: Brand, Customer, Network, Compliance

*Source: McKinsey & Co., "Half the World is Unbanked", October 2009; CGAP, "Financial Access" 2009; C.K. Prahalad, "Fortune at the Bottom of the Pyramid" 2004; Hammond et al., "Purchasing Power at the Bottom of the Pyramid", 2007; World Bank 2009 Bottom of the Pyramid population, Company analysis
Source: McKinsey "Perspectives on Worldwide Payments", February 2010 *%=C2B Payments & Consumer Purchases in Cash by Region

BUILDING DEEPER CUSTOMER RELATIONSHIPS

WU 1.0

Transaction
Focused



Processing
Transactions

WU 2.0

Gold Card
Membership



Creating Loyalty
19M Members, 70 Markets

WU 3.0

Registered Customer
Relationships



A Deeper Relationship,
Part of Their Daily Lives

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MARKET, CUSTOMER AND TECHNOLOGY ENABLED INNOVATION

1

Send / Receive

Digital Ventures

(Web, Mobile – New Channels)

2

Store
Spend

Stored Value Ventures

(Card, Mobile, Digital – New Products)

3

Monetize

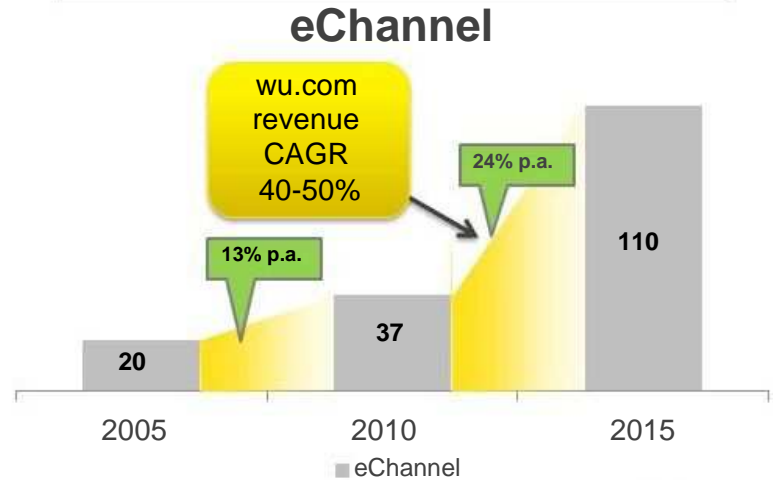
Data Ventures

(Value Add Services – Attachment Revenues)

DIGITAL: A GROWING MARKET OPPORTUNITY

- Fast growing digital market
 - Market share opportunity
- Channel adoption growth
- New customer segments
- Smartphone adoption
- Growth in remittance and expansion to new use cases

International P2P Money Transfer (IMT)
USD Billions in principal



Source: McKinsey Payment Map 2010, Aite, World Bank Analyses



DIGITAL VENTURES

Vision: The Largest Cross Border Digital “Agent”

Today – Gaining Momentum

- Growth accelerating from single digit to 35% in 2011
- \$35M investment in new products, technology and talent (2012)
- Enhanced pay in/pay out options
- WU Mobile as a stand alone financial service or with 3rd party mobile partners



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STORED VALUE: AN ATTRACTIVE OPPORTUNITY

- Prepaid market forecasted to grow at a **20% CAGR globally** through 2015
 - \$628B market opportunity (GDV)
 - Estimated global market revenue opportunity of **\$13 - \$20B**
- Complementary and large revenue potential
 - Monetizing remittance flows
 - Utilizing the WU agent base beyond Money Transfer



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Source: BCG MasterCard Prepaid Market Sizing (2010) and internal estimates.



STORED VALUE VENTURES

Vision: The World's Largest Global Reload/Cash Access Network

Today – Gaining Momentum

- 2012-geographic expansion to 10 markets
- Broaden customer relationships to enable adjacent revenues
- Offer new ways for customers to access stored value
- Enable P2P money transfers, bill pay and more
- Leverage partnership model to drive scale



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DATA VENTURES: BIG DATA... GLOBAL SCALE

Vision: The World's Largest Database Of Underserved Customers

- Truly global, 200+ markets
- Migrant diaspora knowledge depth
- SME/VSE unique insights
- Monetization opportunities
 - Cross sell other financial services
 - Co-branded partner offerings
 - Data augmentation



Western Union

Customer Base Underserved Beyond Money Movement

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Connecting the 2 Billion Underserved



DIGITAL

STORED VALUE

DATA

Western Union Ventures

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KHALID FELLAHI

Senior Vice President & General Manager,
Western Union Digital

WESTERN UNION VENTURES: DIGITAL

أهلاً وسهلاً

Bienvenue WELCOME

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WESTERN UNION DIGITAL ROADMAP

Current state

- Digital presence online and mobile
- \$100M+ revenue, growth accelerating from single digit to 35% in 2011
- Limited features, customer experience
- Strategic partnerships with mobile network operators

Future state

- Enabling digital channels globally
- \$500M+ revenue by 2015, millions of customer relationships send/receive
- State of the art platform
- Global hub connecting all combinations of accounts, wallets and cash
- Significant investment, dedicated San Francisco office

80% of new .com customers new to the franchise!

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FOCUS ON KEY FEATURES & FUNCTIONALITIES

- WU-Wallet foundation
- WU Pay International deployment
- Mobile channel expansion
- Expanded “Account Funding”
- Account to Account products
- Mobile Wallet partnerships



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KEY RECENT DEVELOPMENTS

▪ Smartphone access

- Launched in May 2011 in U.S.
- iPhone, Android, BlackBerry
- Unique advanced features for payments
- 10%+ of online C2C transactions in U.S.
- Higher share of wallet
 - Expanding to new geographies



KEY RECENT DEVELOPMENTS

- **New service for bank account payout**
 - Launched in December 2011 in U.S.
 - Recently expanded to U.K., Australia
 - Payout to banks in 38 countries
 - 90% new customers/use case
 - Expanding to new payout geographies



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KEY RECENT DEVELOPMENTS

- **WU Pay - proprietary alternative payment method**

- Acquired startup eBillme
- Bank transfer/cash
- Portfolio of gift card and merchant for e-commerce
 - Activating in the U.S., selected geographical expansion



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MOBILE TRANSACTION SERVICES

Partnering with MNOs, Banks, and Independents to Enable Mobile Transactions

- GSMA lists 120+ initiatives globally
- WU approximately 30 partners globally
- 11 countries live/12 partners
- Established brand and presence
- Early stages, 3-5 year opportunity



MIKE HAFER

Senior Vice President, Stored Value

WESTERN UNION VENTURES: STORED VALUE

WELCOME

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BUILDING DEEPER CUSTOMER RELATIONSHIPS

WU 1.0

Transaction Focused



Processing Transactions

WU 2.0

Gold Card Membership



Created loyal WU relationships with 19M active members across 70 markets

WU 3.0

Registered Customer Relationships



A deeper relationship that's part of their daily lives

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CONSUMER-FOCUSED SOLUTIONS USING WU ASSETS

Utilizing the Remittance "Fuel" to Drive Convenience and Preference



PHILIPPINES



Receive Options



Prepaid



Agent Locations



Online



Via mobile SMS
Phone/IVR

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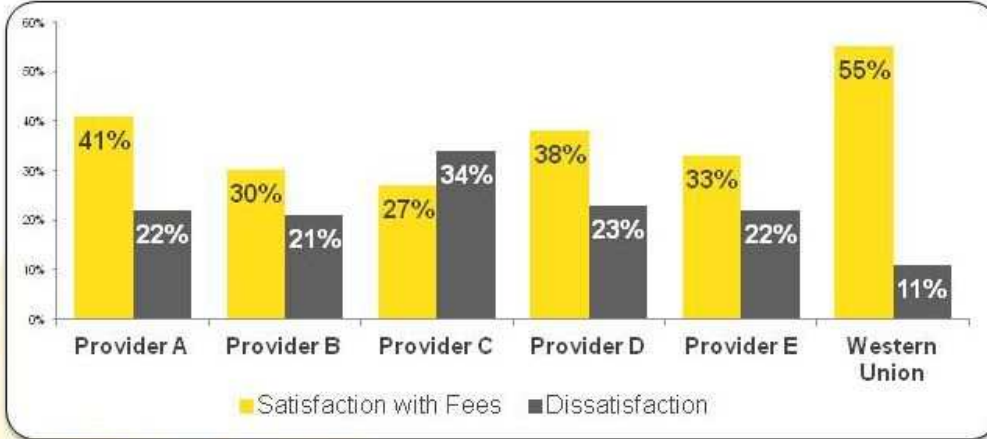
CONSUMER-FOCUSED SOLUTIONS USING WU ASSETS

Consumer Focused Model Using WU's Unique Assets to Differentiate



UNITED STATES

- Strong consumer value
- Strong satisfaction ratings vs. competitors
- Integrated MT/BP driving utility



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Source: Absolute Data proprietary Prepaid Card research, August 2011



A GO TO MARKET STRATEGY LEADING TO ACCELERATED GROWTH

Utilizing a Dual Approach to Accelerate Growth Globally in Key Markets

Western Union Launches Markets



United States



India*



European Union

- Expanding presence and success in U.S.
- India stored value account to improve convenience, monetize receivers, grow share of wallet and expand intra opportunity

Utilize Partnerships to Launch Markets



El Salvador



Nicaragua



Jamaica*

- Airpak agent partnership leverages strong in country presence along with WU brand loyalty and inbound remittance “fuel”

VISION: THE WORLD'S LEADING GLOBAL LOAD/CASH ACCESS NETWORK

Expand and Enable Funds In/Out for Stored Value Worldwide

Funds In/Out Services

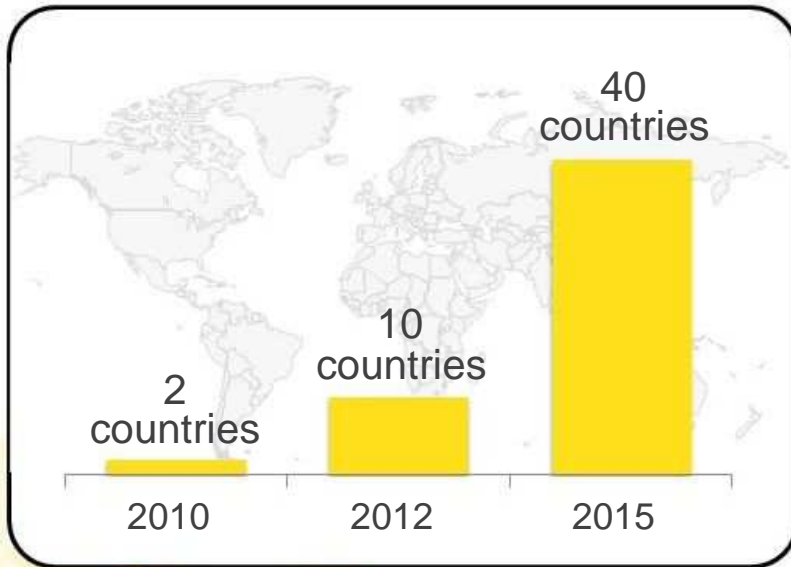
- Funds in available in all markets
- Funds out in select markets based on ATM/POS environment
- Expanding service already in U.S. and Argentina
- Partnership with MasterCard rePower



Have begun
global expansion
in key markets

Funds in/funds out drives utility, usage, convenience

STORED VALUE — WU ON AN UPWARD TRAJECTORY



- Global expansion
- New customers
- Maximize network distribution
- Grow partnerships

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DIANE SCOTT

Executive Vice President & Chief Marketing Officer and
President, Western Union Ventures

BRAND
WELCOME

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FIVE NUMBERS TO REMEMBER

2 BILLION

Underserved consumers

28 MILLION

SMEs with cross-border payment needs

500,000

Agent locations

8/10

Trust in the brand

82%

Global brand awareness*

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*Source: Western Union 2011 global consumer tracking study of consumers in money movement category



OUR BRAND IS UNIQUELY POSITIONED ON THE GLOBAL STAGE

Western Union enables customers to move up from the bottom of the pyramid.

This is one of the most compelling and consequential trends of our time.

The business opportunity is massive.



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WESTERN UNION IS THE MOST GENUINE GLOBAL MAINSTREAM BRAND



flickr by Yahoo!
Accueil La visite Inscription Explorer Importer

Favori Actions Partager Plus récent Plus ancien



A photograph of a Western Union office in Timbuktu, Mali. The building is a simple, single-story structure made of light-colored mud or brick. A woman in a red headscarf and orange jacket is walking past the entrance. The scene is set in a dusty, open area under a clear blue sky.

A corporation in the desert. Money goes in | Timbuktu | Mali

A foreign corporation is open for business in Timbuktu.
Lady walks by local Western Union office. A scene of everyday life in Unesco World heritage city of Timbuktu, Mali.



WHERE A SMARTPHONE CAN HARDLY BE FOUND, THERE'S ALWAYS A WESTERN UNION AROUND THE CORNER



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WHERE RETAIL BRANDS MIGHT BE IN 10 YEARS, WESTERN UNION IS ALREADY THE PLACE TO BE



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WHERE DIGITAL BRANDS ARE BEGINNING TO GO, WESTERN UNION IS ALREADY A HIGHLY TRUSTED BRAND



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MOVING MONEY FOR BETTER

- A modern brand platform, inspiring **new behaviors**, elevating **engagement**
- A **purpose-driven, do-brand** inspired by the underserved consumers and businesses
- Places Western Union at a **pivotal** point in a **customer's life and business**
- Lifting up the brand to **succeed** across **new and existing segments**



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ENGAGING GLOBAL BRAND BUILDING ACTS

- Rolling series of engaging brand acts over seven months
 - 9.5 billion total media impressions
 - 4,700 media placements globally
 - 767 million digital impressions
 - 95 million social media impressions
 - Site visits from over 205 markets
- Raising company profile and establishing relevancy with younger, more connected audience



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BUILDING THE BRAND AT THE MOMENT OF TRUTH

RETAIL



New interactive merchandising unit to improve customer experience

DIGITAL



Enhancing our global brand image and experience through westernunion.com

MOBILE



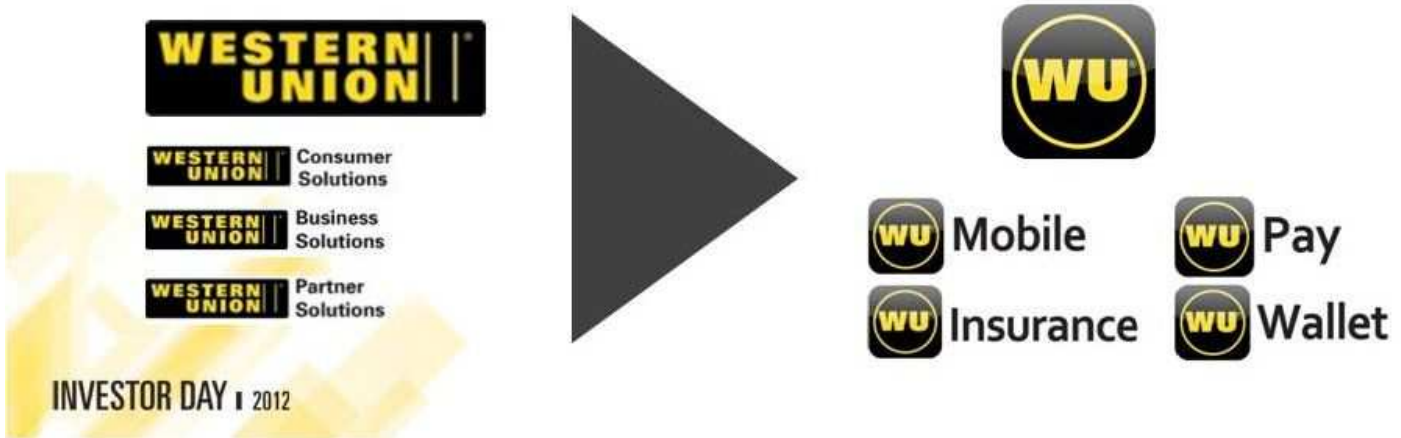
Expanding access to payment services through mobile devices

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STRETCHING THE BRAND EVEN FURTHER

- **Refined brand architecture** clearly provides an ownable platform for our products, services and partnerships
- We are evolving visually our brand as we reach out to new segments with greater digital access, beginning with the **WU branding in newer channels**



WESTERN UNION BRAND – ON THE MOVE

- A **purpose - driven, do - brand** inspired by underserved consumers and businesses globally



2 Billion Customers Are Waiting.

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