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): **September 17, 2007**

First Data Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-11073**	**47-0731996**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6200 South Quebec Street, Greenwood Village, Colorado 80111	**80111**
(Address of principal executive offices)	(Zip Code)

(303) 967-8000
(Registrant's telephone number, including area code)

Not Applicable
(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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.

Unless the context otherwise requires or as otherwise indicated, references to "First Data," "FDC," "we," "our," "us" and "the Company" refer to First Data Corporation and its consolidated subsidiaries, both before and after the contemplated merger of Omaha Acquisition Corporation ("Acquisition Corp.") with and into First Data, with First Data continuing as the surviving corporation, after which investment funds associated with or designated by Kohlberg Kravis Roberts & Co. ("KKR") and certain co-investors (together with KKR, the "investors") will directly or indirectly own First Data Corporation (the "Merger").

"Safe Harbor" Statement under Private Securities Litigation Reform Act of 1995

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the federal securities laws, which involve risks and uncertainties. Forward-looking statements include all statements that do not relate solely to historical or current facts, and you can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "projects" or "anticipates" or similar expressions that concern our strategy, plans or intentions. All statements made relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results.

Some of the important factors that could cause actual results to differ materially from our expectations are more fully disclosed below under the section headed "Risks Related to Our Indebtedness" and elsewhere in this Current Report, as well as in First Data's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, including, without limitation, in conjunction with the forward-looking statements included in this Current Report. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. We assume no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise.

As provided in General Instruction B.2 of Form 8-K, the information contained in this Current Report on Form 8-K shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. By furnishing this information, we make no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The Company hereby furnishes the following information regarding its business that was prepared in connection with the financing activities related to the Merger:

Our Company

We are a leading provider of electronic commerce and payment solutions for merchants, financial institutions and card issuers globally. We have operations in 38 countries, serving over 5 million merchant locations and 1,900 card issuers. With a leading market position in each of our core businesses, we are well positioned to capitalize on the continued shift from cash and checks to electronic payment transactions.

We operate our business in three primary segments: Commercial Services, Financial Institution Services and First Data International. Commercial Services provides merchant and debit network acquiring and processing, check verification and guarantee, and prepaid card services to merchants operating in approximately 3.5 million locations across the United States. Together with our alliance partners, we are the largest merchant acquirer in the United States, acquiring approximately half of all U.S. credit and debit card purchase volume. Financial Institution Services provides financial institutions and other third parties with various services including credit and retail card processing; debit card processing and network services; output services such as statement and letter printing, embossing and mailing services; and remittance processing services. Our debit operations include the STAR electronic funds transfer network, which offers personal identification number ("PIN")-secured debit acceptance at two million ATM and retail locations. First Data International provides products and services to customers in international markets that are similar to those offered by the Commercial Services and Financial Institution Services segments in the United States. We believe First Data International has the broadest geographic operations in the industry and is one of the largest providers of electronic payment solutions internationally with 1.6 million point-of-sale ("POS") locations and 94 million international card accounts on file.

We have built long-standing relationships with merchants, financial institutions and card issuers globally through superior industry knowledge and high quality, reliable service. As a result, our revenue is highly diversified across customers, products, geography and distribution channels, with no single customer accounting for more than 3% of our 2006 consolidated revenue (excluding reimbursables). We also enter into alliances with banks and other institutions, increasing our broad geographic coverage and presence in various industries. The contracted and stable nature of our revenue base makes our business highly predictable. Our revenue is recurring in nature, as we typically initially enter into multi-year contracts with our merchant, financial institution and card issuer customers.

We generated consolidated revenues and Pro Forma Adjusted EBITDA (defined below) of $7.5 billion and $2.6 billion, respectively, for the twelve-month period ended June 30, 2007.

Our Segments

Our business is organized in three primary segments: Commercial Services, Financial Institution Services and First Data International. In addition, we currently operate our official check and money order business, as well as other check processing and payment management services, through our Integrated Payment Systems segment. Upon completion of a strategic review, we decided to gradually exit from the official check and money order business over the next two to three years.

Commercial Services

Commercial Services provides merchant acquiring and processing, debit network, check verification and guarantee, and prepaid card services. We provide these services to approximately 3.5 million merchant locations across the United States, including 79 of the top 100 retailers, as of June 30, 2007. We processed $1.3 trillion of payment transaction dollar volume on behalf of U.S. merchants in 2006. Commercial Services facilitates merchants' ability to accept credit, debit and prepaid cards by authorizing and settling merchants' credit, debit, stored-value and loyalty card transactions. At the same time, Commercial Services provides merchants with the reliability, security and back-office services that are critical to their business success. Most of this segment's revenue is derived from regional and local merchants. Commercial Services approaches the market through diversified sales channels, including, as of June 30, 2007, equity alliances, revenue sharing alliances and referral arrangements with 97 financial institutions; an independent sales organization ("ISO"), which includes 144 ISO partners; and direct sales that leverage our financial institution relationships as well as approximately 200 non-bank referral partners. We believe each of these channels will continue to contribute to strong growth in the segment.

Commercial Services contributed $4.3 billion of segment revenue and $1.4 billion of segment EBITDA for the twelve-month period ended June 30, 2007.

Financial Institution Services

Financial Institution Services provides financial institutions and other third parties with various services, including credit and retail card processing; debit card processing and network services; output services, such as statement and letter printing, embossing and mailing services; and remittance processing services. The credit and retail card processing and debit processing businesses provide services that enable financial institutions and other organizations offering credit cards, debit cards and retail private label cards to consumers and businesses to manage customer accounts. Financial Institution Services provides processing services for the two largest U.S. retail card issuers. Financial Institution Services also maintains a leading position in the PIN POS debit market through STAR, the second largest PIN POS debit network in the United States. The STAR network processed approximately 30% of all PIN POS debit transactions in the United States in 2006, according to the Nilson Report. In addition, the STAR network offers PIN-secured debit acceptance at two million ATM and retail locations. Financial Institution Services' revenue is recurring in nature with multi-year contracts and high renewal rates. Contracts are typically long-term, with average customer contract lengths of 4 to 7 years. Approximately 50% of our 2006 revenue from this segment is under contract through 2009.

Financial Institution Services contributed $1.9 billion of segment revenue and $545.1 million of segment EBITDA for the twelve-month period ended June 30, 2007.

First Data International

First Data International provides products and services in international markets that are similar to those offered by the Commercial Services and Financial Institution Services segments in the United States. First Data International has operations in 38 countries with regional management teams overseeing local operations. The segment operates in four main geographic regions including Europe, Middle East and Africa; Latin America and Canada; Australia and New Zealand; and Asia. Since its formation in 2002, First Data International has grown both organically and through acquisitions. We believe that, as one of the largest international providers of electronic payment solutions, First Data International is able to provide its customers with a premium combination of products, experience and economies of scale, and, as a result, is uniquely positioned to benefit from the significant growth expected in the international payments market.

First Data International contributed $1.5 billion of segment revenue and $345.0 million of segment EBITDA for the twelve-month period ended June 30, 2007.

Integrated Payment Systems

The Integrated Payment Systems segment provides official checks and money orders through independent agents, which are typically banks or other financial institutions. The Integrated Payment Systems segment also provides other payment services such as remote deposit, clearing services and payment management services. Upon completion of a strategic review of our official check and money order operations, we decided in February 2007 to gradually exit from this line of business. The wind-down is expected to take two to three years while we continue to honor existing clients' contracts.

Integrated Payment Systems contributed $139.7 million of segment revenue and $35.4 million of segment EBITDA for the twelve-month period ended June 30, 2007. The segment revenue and EBITDA includes a pre-tax equivalency adjustment of $245.7 million that reflects the segment operating results as if the underlying investments of the segment were held in taxable securities rather than the tax-free municipal securities in which they are actually held. Excluding such adjustment Integrated Payment Systems would have generated an EBITDA loss of $210.3 million and the adjustment to exclude Integrated Payment Systems would have been an add-back of the $210.3 million.

The following charts illustrate the relative percentages of our segment revenue (excluding Integrated Payment Systems) and segment EBITDA (excluding Integrated Payment Systems and All Other and Corporate) for the twelve-month period ended June 30, 2007.

Segment Revenue for the Twelve-Month Period Ended June 30, 2007[1]

Segment EBITDA for the Twelve-Month Period Ended June 30, 2007[2]

---

(1) Excludes Integrated Payment Systems.

(2) Excludes Integrated Payment Systems and All Other and Corporate, which is comprised of our businesses not included in Commercial Services, Financial Institution Services, First Data International or Integrated Payment Systems, as well as corporate operations. Corporate operations include administrative and shared service functions (such as the executive group, acquisitions group, legal, tax, treasury, internal audit, accounting, human resources, information technology and procurement) not already allocated to operating segments.

Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and contribute to our success:

Leading Global Payments Franchise

We have a leading market position in all of our core businesses. In each of our core businesses, we benefit from significant scale and a broad and differentiated product offering. Together with our alliance partners, we are the merchant acquirer for approximately half of all United States credit and debit card purchase volume, servicing approximately 3.5 million merchant locations in the United States. We also operate the STAR electronic funds transfer network, the second largest PIN POS debit network in the United States, having processed approximately 30% of all PIN POS debit transactions in 2006, according to the Nilson Report. The STAR network offers PIN-secured debit acceptance at two million ATM and retail locations. In addition, with 603 million domestic card accounts on file as of June 30, 2007, we are one of the largest U.S. third-party processors for card issuers. Internationally, we are one of the largest payment processors with a global footprint spanning 38 countries on six continents.

Well Positioned to Capitalize on Favorable Long-term Industry Dynamics

Credit and debit cards continue to take share from cash and check transactions, fueling significant opportunity for merchant acquirers and card processors. From 2005 through 2010, electronic payment transaction dollar volume in the United States is expected to grow at a 13% compound annual growth rate, as electronic payment transactions continue to displace cash and checks, according to the Nilson Report. This is more than double the expected 5.3% compound annual growth rate for total payments over the same period, according to the Nilson Report. We believe we are well positioned to capitalize on this continued shift from cash and checks to electronic payment transactions. With the broadest geographic operations, we believe we are also well positioned to capitalize on the payments industry's expansion internationally, as global electronic payment transactions grow and institutions continue to move toward outsourced models.

Highly Predictable and Stable Businesses

Our revenue is recurring in nature as we typically initially enter into multi-year contracts with our financial institution, card issuer and merchant customers. As a result of our contract-based revenue and high renewal rates, we have a highly predictable business model that provides significant visibility into future performance. In addition, growth in electronic payments has continued throughout economic cycles as a result of the continued shift from cash and checks to electronic payment transactions. According to industry sources, from 2000 to 2005, electronic payment dollar volume in the United States has grown at a 13% compound annual growth rate and has never grown by less than 10% in any single year during that period.

Diversified Business Mix

Our business and revenue are highly diversified by customer, product, geography and distribution channel.

By Customer: Our largest customer represented less than 3% of our 2006 consolidated revenue (excluding reimbursables). The Commercial Services segment has a diverse merchant client base, with the majority of revenue derived from approximately 3 million regional and local merchant locations. Similarly, the Financial Institution Services segment has a diverse client base and derives its credit, retail and debit processing revenue from approximately 5,800 financial institutions and card issuers.

Internationally, we provide issuer processing, switching and merchant acquiring and processing to a diverse client base.

By Product: We offer our customers a comprehensive set of products and services, including merchant acquiring for all forms of electronic payments; credit, debit and retail card processing; debit network services; output services; check verification and guarantee; prepaid cards; and check processing.

By Geography: A growing percentage of our segment revenues and segment EBITDA are derived from our international operations. For the twelve-month period ended June 30, 2007, First Data International contributed 18.1% of our segment revenues (excluding Integrated Payment Systems), or $1.5 billion, up from 11.6% for the twelve months ended December 31, 2004.

By Distribution Channel: Merchant acquiring and processing products and services generate a majority of our EBITDA globally. We distribute our products and services through multiple distribution channels, including direct sales efforts, equity alliances, revenue sharing alliances and independent sales organizations. These channels allow us to reach merchants of all sizes in all industries.

Significant Free Cash Flow Generation

As a result of high operating margins, low capital expenditures and modest working capital requirements, we generate strong operating cash flow. For the twelve-month period ended June 30, 2007, we generated a Pro Forma Adjusted EBITDA margin over consolidated revenues of 34.1% and had capital expenditures that represented 5.0% of our consolidated revenues.

Experienced and Incentivized Management Team

We have an experienced and proven executive and regional management team. Our highly experienced management team has an average tenure of approximately 12 years in our industry and a proven record of increasing productivity and reducing costs, making strategic acquisitions, developing and maintaining strong customer relationships and meeting financial commitments. In connection with the Merger, we expect that members of management will have an opportunity to make an equity investment in New Omaha Holdings Corporation ("Holdings").

Our Strategy

We seek to become the leading global electronic payment solutions provider by enabling virtually every type of electronic transaction on behalf of our clients and their customers anywhere in the world, reliably and securely, at any time. In order to achieve this goal, we are pursuing the following strategies:

Growing the Core Business

We are expanding our market-leading positions and driving growth by developing new client and partner relationships, improving client and partner satisfaction and retention, and increasing product penetration. Since the beginning of 2006, Commercial Services has signed over 900,000 new merchant locations, Financial Institution Services has increased domestic card accounts on file by 45% and, as a result of organic and acquisition-related growth, First Data International has increased new merchant locations by 43% and card accounts on file by 108%. We are able to achieve this goal by delivering sales and service excellence that result in greater client and partner satisfaction and retention. Further, we are executing cross-sales initiatives to increase revenue to fully leverage the tremendous breadth of our product offerings and client and partner relationships. Over the past year, we have also made significant investments in our sales force across all of our businesses.

Expanding Product Offerings

We believe innovation is crucial to sustaining our competitive advantage, delivering high-value services to our clients and maintaining the long-term success of our businesses. We believe significant growth opportunities exist, particularly in the areas of prepaid services, mobile commerce, data analytics, risk and fraud management and loyalty initiatives. Since 2006, we have successfully introduced numerous new product offerings across all our businesses. For example, we recently introduced the first STAR®-branded open-loop prepaid card that can be used at any of our STAR® POS or ATM locations nationwide in response to increasing demand for new and more flexible prepayment options. This further complements our leading U.S. position in the prepaid card market we have helped develop over the last ten years. Our other product initiatives, such as our proprietary POS terminals, will help maintain our market leading position by enhancing the customer experience and improving customer retention. Our recent acquisition strategy has been primarily focused on acquiring innovative new products and services, an example of which is our acquisition of Intelligent Results, a leading customer analytics and data modeling company that allows us to compete in the high growth data analytics market. We will continue to innovate by developing and acquiring new products and capabilities to expand into new markets and meet our customers' needs.

Expanding Globally

We intend to continue to expand our product offerings and client and partner relationships to sell our products in new or expanding geographic markets. Electronic payment transactions are displacing cash and checks globally, with global card spend growing at approximately four times global GDP, according to industry sources. Our international business is structured in four geographic regions (Europe, the Middle East and Africa; Latin America and Canada; Australia and New Zealand; and Asia), with local management teams in each region in order to continue capitalizing on the significant shift to electronic payments. We believe we have leading positions in mature international markets, such as Western Europe, Australia and Canada. In addition, by combining a regional and local focus with our global scale and breadth of products, we are also well positioned to succeed in key emerging markets such as China, India, Brazil, Russia, Turkey and Mexico. These markets are expected to deliver over one billion new cards and 15-20% payments revenue growth from 2005 to 2010, according to industry sources.

Improving Cost Structure and Driving Efficiencies

We are taking a comprehensive approach to optimizing our organization, operations and technology and improving our overall cost structure to enhance our competitive position. In addition to the cost savings that we expect to result from these initiatives, we believe our business will be more efficiently run and we will be more responsive and coordinated in our dealings with customers. Key initiatives aimed at improving efficiencies include:

Corporate Overhead Spending: We examined our overhead cost structure and concluded that there are substantial opportunities to reduce our overhead spending, including corporate functions and overhead expenses embedded in our segments. Many changes have been implemented, while others are under review and in process. We believe the opportunity to reduce costs in these areas could result in significant annual savings.

Business Unit Cost Improvement: In 2006, excluding technology spend, corporate overhead and less addressable expense categories (such as reimbursables and depreciation and amortization), we had an aggregate expense base of approximately $2.3 billion. These expenses were incurred across all of our business segments. We are implementing various initiatives to consolidate certain business units, which will yield efficiencies in our sales force, operations and business support functions. The historically decentralized nature of our management structure and internal processes creates opportunities to improve efficiency as we centralize our focus and increase coordination and accountability throughout the organization.

Data and Command Center Consolidation: We currently maintain a large, under-utilized capacity of data centers and command centers, many of which have been assumed as part of historical acquisitions. This fragmentation and under-utilization represents a significant opportunity to reduce costs through consolidation. We are in the process of consolidating our 12 data centers and 7 command centers in the United States into 3 data centers and 2 command centers over the next several years. We also expect to reduce data and command center locations significantly in First Data International over the same period. In addition to achieving consolidation cost saving benefits, we are concurrently upgrading our technology infrastructure.

Global Labor Sourcing: We have approximately 6,600 people globally in technology, of which we estimate that approximately 90% are in-sourced. We are presently implementing an outsourcing initiative to more efficiently compete on a global scale, better utilize our global talent and footprint, and leverage the labor pool in lower-cost locations.

We believe these initiatives will result in annual savings of at least $150 million by the end of 2008, with significant additional savings achievable in future periods. Most of these near-term savings will come from reducing corporate overhead spending and through business unit cost improvement. The majority of the savings from data and command center consolidation and global labor sourcing may take a relatively longer period to achieve. Our near-term efforts are specifically focused on:

- combining the operations of business units to more efficiently utilize resources across our company;
- rationalizing back-office operations;
- consolidating office space; and
- reducing the number of vendors with whom we conduct business in order to simplify operations and better leverage purchasing power.

We estimate that we will incur charges of approximately $125 million to $150 million to implement these near-term initiatives in order to achieve the $150 million of annual savings.

Sources and Uses

The following table illustrates the estimated sources and uses of funds relating to the Merger, the related equity investment by the co-investors, the initial borrowings under our new senior secured credit facilities, the offering of the new unsecured debt, the offering of the senior PIK notes of Holdings, the repayment of our existing credit facilities other than certain lines of credit, the tender offer and consent solicitation of our existing notes and the payment of related premiums, fees and expenses (collectively, the "Transactions"), as if the Transactions had occurred on June 30, 2007. The actual amounts set forth in the table and in the accompanying footnotes are subject to final purchase price adjustments and may differ at the time of the consummation of the Transactions as a result of several factors, including the amount of our existing debt, differences from our estimate of fees and expenses, any changes made to the sources of the contemplated debt financings, the tender of less than all of our existing notes pursuant to the tender offer and consent solicitations, acquisitions and capital expenditures subsequent to June 30, 2007 and prior to the consummation of the Transactions, and the amount of our working capital.

Sources of funds:			**Uses of funds:**		
		(Dollars in millions)			
Revolving credit facility[1]	$	200.0	Merger consideration for shares[8]	$	26,271.4
Term loan B facility[2]		13,000.0	Repayment of existing debt and other[9]		2,398.3
Rollover of capital leases and other existing debt[3]		199.0	Rollover of capital leases and other existing debt[3]		199.0
Total bank debt	$	13,399.0	Estimated transaction fees[10]		905.3
New senior cash-pay unsecured debt[4]		3,750.0	Total Uses	$	29,774.0
New senior PIK unsecured debt[5]		2,750.0			
New senior subordinated unsecured debt[6]		2,500.0			
Total debt	$	22,399.0			
Equity contribution[7]		7,375.0			
Total Sources	$	29,774.0			

(1) Upon the closing of the Transactions, we will enter into a $2,000.0 million senior secured revolving credit facility with a six-year maturity (without giving effect to approximately $27.6 million of outstanding letters of credit as of June 30, 2007), $200.0 million of which is expected to be drawn on the closing date of the Transactions to fund costs related to the Transactions.

(2) Upon the closing of the Transactions, we will enter into a $13,000.0 million senior secured term loan facility with a seven-year maturity, which is expected to be fully drawn on the closing date. A portion of the term loan facility in the amount of any of our existing notes not tendered and remaining outstanding after consummation of the tender offer for such notes may be available in the form of a senior secured delayed draw term loan facility, which will mature on the seventh anniversary of the closing of the Transactions.

(3) Consists primarily of $160.6 million of capital leases and $35.0 million of borrowings outstanding against lines of credit associated with First Data Deutschland, which had total capacity of approximately €160 million (approximately US$215 million) as of June 30, 2007. We also have lines of credit associated with Cashcard Australia, Ltd., which totaled approximately 162 million Australian dollars (approximately US$137 million), with no borrowings outstanding as of June 30, 2007.

(4)

Expected to mature in 2015.

(5)

Expected to mature in 2015.

(6)

Expected to mature in 2016.

(7)

Consists of the equity contributions by the committed equity investors and/or their assignees, as well as the commitment from GS Mezzanine Partners 2006 Fund, L.P. ("GSMP 2006 Onshore") and the Goldman Sachs Group, Inc. (the "GS Group"), pursuant to which GSMP 2006 Onshore and the GS Group have severally and not jointly committed to purchase $380.0 million and $620.0 million, respectively, of senior PIK notes of Holdings in connection with the closing of the Merger. Net of fees and expenses, we expect that Holdings will receive $980.0 million from the offering of its senior PIK notes. If any amounts are not funded under such commitment, the amount contributed by the other equity investors and/or their assignees will be increased by the same amount. Neither we nor our subsidiaries will provide credit support for Holdings' obligations. As a result, the new senior PIK unsecured debt commitment is treated as equity for purposes of the "Sources and Uses." In addition, in connection with the Merger, we expect that members of management will have an opportunity to make an equity investment in Holdings. It is expected that any such equity investment may be made by paying cash for shares of Holdings for by contribution shares of First Data common stock to Holdings in exchange for an equity interest in Holdings. The management equity investment is subject to negotiation and no terms or conditions have yet been finalized.

(8)

The holders of outstanding shares of common stock immediately prior to the effective time of the Merger will receive $34.00 in cash per share in connection with the Transactions. The calculation assumes approximately 754.03 million shares outstanding as of June 30, 2007 (including restricted stock awards and vested restricted stock units). The cost of the stock option cancellation payment is assumed to be $613.7 million which is calculated based on 47.03 million options outstanding as of June 30, 2007 with an average exercise price of $20.951 per share. The cost of the restricted stock unit cancellation payment is assumed to be $18.7 million which is calculated based upon 0.55 million unvested units outstanding as of June 30, 2007 for which the holders will receive $34.00 in cash per share. The cost to buy out the outstanding warrant is estimated to be $2.0 million which is calculated based upon the provisions of the warrant which allow for the purchase of 0.35 million shares at a price of $28.2969 per share.

(9)

Represents the estimated amount to be paid to (i) repay existing debt in the Transactions plus the associated accrued interest as well as the estimated fees for tendering the existing debt, (ii) terminate interest rate swaps that are used to hedge the exposure to changes in fair value resulting from our existing fixed rate debt that is being repaid, (iii) buy out two synthetic operating leases due to change-in-control provisions included in the leases, and (iv) buy out a portion of our cross-currency swaps used to hedge net investment in foreign operations due to change-in-control provisions contained in the agreements. Amounts are as follows (in millions):

Estimated repayment of existing debt balances (including mark-to-market adjustment)	$	2,136.1
Estimated repayment of accrued interest and tender related costs on existing debt		28.0
Estimated cash outlay to terminate interest rate swaps		70.6
Estimated cash outlay to buy out synthetic operating leases		97.4
Estimated cash outlay to buy out cross-currency swaps		66.2
Total estimated repayment of existing debt	$	2,398.3

The actual amount paid to repay existing debt may differ from the estimate and may result in a realized gain or loss.

(10)

Represents estimated transaction fees as follows (in millions):

Estimated deferred financing fees associated with the Transactions[i]	$	601.9
Estimated transactions fees[ii]		303.4
Total estimated transaction fees	$	905.3

(i)

Represents estimated deferred financing fees associated with the debt issuance which will be capitalized and amortized over the related terms of the financings.

(ii)

Represents an estimate of the costs we and the sponsor of the Merger will incur directly related to the Transactions, $53.0 million of which will be expensed by us prior to or upon the consummation of the Merger, $82.2 million of which will be treated as a reduction to equity and $168.2 million of which will be treated as an additional component of purchase price consideration.

Risks Related to Our Indebtedness

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our new unsecured debt.

After completing the Transactions, we will be highly leveraged. On a pro forma basis as of June 30, 2007, our total indebtedness would have been approximately $22,399.0 million. We also would have had an additional $1,800.0 million (without giving effect to approximately $27.6 million of outstanding letters of credit as of June 30, 2007) available for borrowing under the new senior secured revolving credit facility and the terms of the senior secured credit agreement will permit us to increase the amount available under the new term loan and revolving credit facilities by up to an aggregate of $1,500.0 million if we are able to obtain loan commitments from banks. The following chart shows our level of indebtedness on a pro forma basis as of June 30, 2007 after giving effect to the Transactions.

	(in millions)
Senior secured credit facilities(1)	
Revolving credit facility	$ 200.0
Term loan facility	13,000.0
New senior cash-pay unsecured debt	3,750.0
New senior PIK unsecured debt	2,750.0
New senior subordinated unsecured debt	2,500.0
Rollover of capital leases and other debt(2)	199.0
Total	$ 22,399.0

(1) Upon the closing of the Transactions, we will enter into new senior secured credit facilities, consisting of a (a) $2,000.0 million revolving credit facility with a six-year maturity (without giving effect to approximately $27.6 million of outstanding letters of credit as of June 30, 2007), $200.0 million of which is expected to be drawn on the closing date of the Transactions to fund costs related to the Transactions and (b) $13,000.0 million senior secured term loan facility with a seven-year maturity, which is expected to be fully drawn on the closing date.

(2) Consists primarily of capital leases of $160.6 million and $35.0 million of borrowings outstanding against lines of credit associated with First Data Deutschland, which had total capacity of approximately €160 million (approximately US$215 million). We also have lines of credit associated with Cashcard Australia, Ltd., which totaled approximately 162 million Australian dollars (approximately US$137 million), with no borrowings outstanding.

Our high degree of leverage could have important consequences, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

- exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under our new senior secured credit facilities, will be at variable rates of interest;

- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing such indebtedness;

restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;

making it more difficult for us to obtain network sponsorship and clearing services from financial institutions as a result of our increased leverage;

limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Our pro forma cash interest expense for the twelve months ended June 30, 2007 would have been $1,777.0 million.

At June 30, 2007, on a pro forma basis, we would have had approximately $13,200.0 million aggregate principal amount of variable rate indebtedness under our new senior secured credit facilities. A 100 basis point increase in such rates would increase our annual interest expense by approximately $132.0 million. We anticipate entering into swap transactions in order to fix the interest rate on a portion of this variable rate indebtedness.

Despite our high indebtedness level, we and our subsidiaries still may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the agreements governing our new unsecured debt and the new senior secured credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition to the $2,000.0 million (without giving effect to approximately $27.6 million of outstanding letters of credit as of June 30, 2007) which will be available to us for borrowing under the new revolving credit facility ($200.0 million of which is expected to be drawn on the closing date of the Transactions to fund expenses related to the Transactions), the terms of the senior secured credit agreement will enable us to increase the amount available under the new term loan and revolving credit facilities by up to an aggregate of $1,500.0 million if we are to obtain loan commitments from banks. In addition, under our new senior PIK unsecured debt, we will pay interest in the form of PIK interest for the first four years, which will increase our debt by the amount of any such interest. In addition, we have lines of credit associated with First Data Deutschland, which totaled approximately €160 million (approximately US$215 million), of which approximately US$180 million is available for borrowings as of June 30, 2007. We also have lines of credit associated with Cashcard Australia, Ltd., which totaled approximately 162 million Australian dollars (approximately US$137 million), all of which is available for borrowings as of June 30, 2007. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we will face would increase upon closing of the Transactions. In addition, the agreements governing our new unsecured debt will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

Our debt agreements will contain restrictions that will limit our flexibility in operating our business.

Our new senior secured credit facilities and the agreements governing our new unsecured debt will contain various covenants that will limit our ability to engage in specified types of transactions. These covenants will limit our and our restricted subsidiaries' ability to, among other things:

incur additional indebtedness or issue certain preferred shares;

pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;

make certain investments;

sell certain assets;

create liens;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

enter into certain transactions with our affiliates; and

designate our subsidiaries as unrestricted subsidiaries.

A breach of any of these covenants could result in a default under one or more of these agreements, including as a result of cross default provisions and, in the case of the new revolving credit facility, permit the lenders to cease making loans to us. Upon the occurrence of an event of default under our new senior secured credit facilities, the lenders could elect to declare all amounts outstanding under our new senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit. Such actions by those lenders could cause cross defaults under our other indebtedness. If we were unable to repay those amounts, the lenders under our new senior secured credit facilities could proceed against the collateral granted to them to secure that indebtedness. We will pledge a significant portion of our assets as collateral under our new senior secured credit facilities. If the lenders under the new senior secured credit facilities accelerate the repayment of borrowings, we may not have sufficient assets to repay our new senior secured credit facilities as well as our unsecured indebtedness.

Risks Related to Our Business

The ability to adopt technology to changing industry and customer needs or trends may affect our competitiveness or demand for our products, which may adversely affect our operating results.

Changes in technology may limit the competitiveness of and demand for our services. Our businesses operate in industries that are subject to technological advancements, developing industry standards and changing customer needs and preferences. Also, our customers continue to adopt new technology for business and personal uses. We must anticipate and respond to these industry and customer changes in order to remain competitive within our relative markets.

For example, the ability to adopt technological advancements surrounding POS technology available to merchants could have an impact on our International and Commercial Services business. Our inability to respond to new competitors and technological advancements could impact all of our businesses.

Changes in credit card association or other network rules or standards could adversely affect our business.

In order to provide our transaction processing services, several of our subsidiaries are registered with Visa and MasterCard and other networks as members or service providers for member institutions. As such, we and many of our customers are subject to card association and network rules that could subject us or our customers to a variety of fines or penalties that may be levied by the card associations or networks for certain acts or omissions by us, acquirer customers, processing customers and merchants. Visa, MasterCard and other networks, some of which are our competitors, set the standards with respect to which we must comply. The termination of our member registration or our status as a certified service provider, or any changes in card association or other network rules or standards, including interpretation and implementation of the rules or standards, that increase the cost of doing business or limit our ability to provide transaction processing services to or through our customers, could have an adverse effect on our business, operating results and financial condition.

Changes in card association and debit network fees or products could increase costs or otherwise limit our operations.

From time to time, card associations and debit networks increase the organization and/or processing fees (known as interchange fees) that they charge. It is possible that competitive pressures will result in us absorbing a portion of such increases in the future, which would increase our operating costs, reduce our profit margin and adversely affect our business, operating results and financial condition. Furthermore, the rules and regulations of the various card associations and networks prescribe certain capital requirements. Any increase in the capital level required would further limit our use of capital for other purposes.

First Data is the subject of various legal proceedings which could have a material adverse effect on our revenue and profitability.

We are involved in various litigation matters. We are also involved in or are the subject of governmental or regulatory agency inquiries or investigations from time to time. If we are unsuccessful in our defense in the litigation matters, or any other legal proceeding, we may be forced to pay damages or fines and/or change our business practices, any of which could have a material adverse effect on our revenue and profitability.

Our business may be adversely affected by risks associated with foreign operations.

We are subject to risks related to the changes in currency rates as a result of our investments in foreign operations and from revenues generated in currencies other than the U.S. dollar. Revenue and profit generated by international operations will increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. From time to time, we utilize foreign currency forward contracts or other derivative instruments to mitigate the cash flow or market value risks associated with foreign currency denominated transactions. However, these hedge contracts may not eliminate all of the risks related to foreign currency translation. Furthermore, we may become subject to exchange control regulations that might restrict or prohibit the conversion of our other revenue currencies into U.S. dollars. The occurrence of any of these factors could decrease the value of revenues we receive from our international operations and have a material adverse impact on our business.

Increase in interest rates may negatively impact our operating results and financial condition.

We may be impacted by interest rates most significantly in the following ways:

- Certain of our borrowings, including borrowings under our new senior secured credit facilities, will be at variable rates of interest.

- Interest income is earned on our settlement assets ($17.6 billion as of June 30, 2007), which are invested primarily in short-term, fixed rate investments.

- Commissions paid to official check agents are based on short-term variable interest rates on the balance of outstanding official checks.

Upon completion of a strategic review of our Integrated Payment Systems segment, we decided to gradually exit from the official check and money order business over the next two to three years. As a result, the interest income we earn on settlement assets and the commissions paid to agents, as well as the risks related to those issues, will substantially decrease over that period.

An increase in interest rates would have a negative impact on our results of operations by causing an increase in interest expense and commission expense. The impact on interest income would not offset the potential negative impact of the interest and commission expense.

Future consolidation of client financial institutions or other client groups may adversely affect our financial condition.

We have experienced the negative impact of the bank industry consolidation in recent years. Bank industry consolidation impacts existing and potential clients in our service areas, primarily in Financial Institution Services and Commercial Services. Our alliance strategy could be negatively impacted as a result of consolidations, especially where the banks involved are committed to their internal merchant processing businesses that compete with us. Bank consolidation has led to an increasingly concentrated client base in the industry, resulting in a changing client mix for Financial Institution Services as well as increased price compression. Further consolidation in the bank industry or other client base could have a negative impact on us.

Our cost saving plans may not be effective which may adversely affect our financials results.

Our operations strategy includes goals such as data center consolidation, outsourcing labor and reducing corporate overhead expenses and business unit operational expenses. While we have and will continue to implement these strategies, there can be no assurance that we will be able to do so successfully or that we will realize the projected benefits of these and other cost saving plans. If we are unable to realize these anticipated cost reductions, our financial health may be adversely affected. Moreover, our continued implementation of cost saving plans and facilities integration may disrupt our operations and performance.

Our cost saving plans are based on assumptions that may prove to be inaccurate which may negatively impact our operating results.

We are in the process of consolidating our 12 data centers and 7 command centers in the United States into 3 data centers and 2 command centers over the next several years. We also expect to reduce our data centers and command centers internationally over the same period. In addition, we are implementing a technology outsourcing initiative, a cost reduction effort related to overhead spending (including corporate functions and overhead expenses embedded in our segments) and other cost improvement and cost containment programs across all of our business segments. To implement these initiatives, we estimate that we will incur charges of approximately $125 million to $150 million. While we expect our cost saving initiatives to result in significant cost savings throughout our organization, our estimated savings are based on several assumptions that may prove to be inaccurate, and as a result we cannot assure you that we will realize these cost savings. The failure to achieve our estimated cost savings would negatively affect our financial condition and results of operations.

We depend, in part, on our merchant relationships and alliances to grow our Commercial Services business. If we are unable to maintain these relationships and alliances, our business may be adversely affected.

Growth in our Commercial Services business is derived primarily from acquiring new merchant relationships, new and enhanced product and service offerings, cross selling products and services into existing relationships, the shift of consumer spending to increased usage of electronic forms of payment and the strength of our alliance partnerships with banks and financial institutions and other third parties.

A substantial portion of our business is conducted through "alliances" with banks and other institutions. Our alliance structures take on different forms, including consolidated subsidiaries, equity method investments and revenue sharing arrangements. Under the alliance program, we and a bank or other institution form a joint venture, either contractually or through a separate legal entity. Merchant contracts may be contributed to the venture by us and/or the bank or institution. The banks and other institutions generally provide card association sponsorship, clearing and settlement services. These institutions typically act as a merchant referral source when the institution has an existing banking or other relationship. We provide transaction processing and related functions. Both alliance partners may provide management, sales, marketing, and other administrative services. The alliance structure allows us to be the processor for multiple financial institutions, any one of which may be selected by the merchant as their bank partner.

We rely on the continuing growth of our merchant relationships, alliances and other distribution channels. There can be no guarantee that this growth will continue. The loss of merchant relationships or alliance and financial institution partners could negatively impact our business and result in a reduction of our revenue and profit.

Our largest alliance partnership, Chase Paymentech, is 51% owned by J.P. Morgan Chase Bank, N.A., and 49% owned by us. The current term of the existing alliance agreement expires in 2010; however JPMorgan has the right to terminate the alliance upon the closing of the Transactions. If JPMorgan exercises its termination right, First Data retains 49% of the alliance's merchant contracts by value and 49% of the alliance's sales force. Potential risks if the alliance is terminated include the potential loss of certain processing volume over time, the loss of JPMorgan branch referrals and the loss of access to the JPMorgan brand.

Acquisitions and integrating such acquisitions create certain risks and may affect our operating results.

We have been an active business acquirer both in the United States and internationally, and may continue to be active in the future. The acquisition and integration of businesses involves a number of risks. The core risks are in the areas of valuation (negotiating a fair price for the business based on inherently limited diligence) and integration (managing the complex process of integrating the acquired company's people, products, technology and other assets so as to realize the projected value of the acquired company and the synergies projected to be realized in connection with the acquisition). In addition, international acquisitions often involve additional or increased risks including, for example:

- managing geographically separated organizations, systems and facilities;
- integrating personnel with diverse business backgrounds and organizational cultures;
- complying with foreign regulatory requirements;
- fluctuations in currency exchange rates;
- enforcement of intellectual property rights in some foreign countries;
- difficulty entering new foreign markets due to, among other things, customer acceptance and business knowledge of these new markets; and
- general economic and political conditions.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of our combined businesses and the possible loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with acquisitions and the integration of the two companies' operations could have an adverse effect on our business, results of operations, financial condition or prospects.

Unfavorable resolution of tax contingencies could adversely affect our tax expense.

We have established contingency reserves for material tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item.

These reserves reflect what we believe to be reasonable assumptions as to the likely final resolution of each issue if raised by a taxing authority. While we believe that the reserves are adequate to cover reasonably expected tax risks, there can be no assurance that, in all instances, an issue raised by a tax authority will be finally resolved at a financial cost not in excess of any related reserve. An unfavorable resolution, therefore, could negatively impact our results of operations.

Changes in laws, regulations and enforcement activities may adversely affect the products, services and markets in which we operate.

We and our customers are subject to regulations that affect the electronic payments industry in the many countries in which our services are used. In particular, our customers are subject to numerous regulations applicable to banks, financial institutions and card issuers in the United States and abroad, and, consequently, we are at times affected by such federal, state and local regulations. Regulation of the payments industry, including regulations applicable to us and our customers, has increased significantly in recent years. Failure to comply with regulations may result in the suspension or revocation of license or registration, the limitation, suspension or termination of service, and/or the imposition of civil and criminal penalties, including fines which could have an adverse effect on our financial condition. We are subject to U.S. and international financial services regulations, a myriad of consumer protection laws, escheat regulations and privacy and information security regulations to name only a few. Changes to legal rules and regulations, or interpretation or enforcement thereof, could have a negative financial effect on us. In addition, even an inadvertent failure by us to comply with laws and regulations, as well as rapidly evolving social expectations of corporate fairness, could damage our reputation or brands.

There is also increasing scrutiny of a number of credit card practices, from which some of our customers derive significant revenue, by the U.S. Congress and governmental agencies. For example, the Senate Permanent Subcommittee on Investigations will consider the methods used to calculate finance charges and allocate payments received from cardholders, and the methods by which default interest rates, late fees and over-the-credit-limit fees are determined, imposed and disclosed. These investigative efforts and other congressional activity could lead to legislation and/or regulation that could have a material impact on our customers' businesses and our business if implemented. Any such legislative or regulation restrictions on our customers' ability to operate their credit card programs or to price credit freely could result in reduced revenue and increased cost for our customers, reduced amounts of credit available to consumers and, therefore, a potential reduction of our transaction volume and revenues.

We have structured our business in accordance with existing tax laws and interpretations of such laws which have been confirmed through either tax rulings or opinions obtained in various jurisdictions including those related to value added taxes in Europe. Changes in tax laws or their interpretations could decrease the value of revenues we receive and have a material adverse impact on our business.

Failure to protect our intellectual property rights and defend ourselves from potential patent infringement claims may diminish our competitive advantages or restrict us from delivering our services.

Our trademarks, patents and other intellectual property are important to our future success. The STAR trade name is an intellectual property right which is individually material to us. The STAR trade name is widely recognized and is associated with quality and reliable service. Loss of the proprietary use of the STAR trade name or a diminution in the perceived quality associated with this name could harm our growth in the debit network business.

We also rely on proprietary technology. It is possible that others will independently develop the same or similar technology. Assurance of protecting our trade secrets, know-how or other proprietary information cannot be guaranteed. Our patents could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or advantage. If we were unable to maintain the proprietary nature of our technologies, we could lose competitive advantages and be materially adversely affected.

The laws of certain foreign countries in which we do business or contemplate doing business in the future do not recognize intellectual property rights or protect them to the same extent as do the laws of the United States. Adverse determinations in judicial or administrative proceedings could prevent us from selling our services or prevent us from preventing others from selling competing services, and thereby may have a material adverse affect on the business and results of operations. Additionally, claims have been made, are currently pending, and other claims may be made in the future, with regards to our technology infringing on a patent or other intellectual property rights. Unfavorable resolution of these claims could either result in us being restricted from delivering the related service or result in a settlement that could be material to us.

Material breaches in security of our systems may have a significant effect on our business.

The uninterrupted operation of our information systems and the confidentiality of the customer/consumer information that resides on such systems are critical to the successful operations of our business. We have security, backup and recovery systems in place, as well as a business continuity plan to ensure the system will not be inoperable. We also have what it deems sufficient security around the system to prevent unauthorized access to the system. An information breach in the system and loss of confidential information such as credit card numbers and related information could have a longer and more significant impact on the business operations than a hardware failure. The loss of confidential information could result in losing the customers' confidence and thus the loss of their business, as well as imposition of fines and damages.

The ability to recruit, retain and develop qualified personnel is critical to our success and growth.

All of our businesses function at the intersection of rapidly changing technological, social, economic and regulatory developments that requires a wide ranging set of expertise and intellectual capital. For us to successfully compete and grow, we must retain, recruit and develop the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. In addition, we must develop our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. However, the market for qualified personnel is competitive and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

We also manage our business with a number of key personnel, none of whom have employment agreements with us. In connection with the recent appointment of a new chief executive officer concurrent with the closing of the Transactions, changes may be made to our senior management. We cannot assure you that key personnel, including executive officers, will continue to be employed by us or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse effect on us.

Failure to comply with state and federal antitrust requirements could adversely affect our business.

Through our merchant alliances, we hold an ownership interest in several competing merchant acquiring businesses while serving as the electronic processor for those businesses. In order to satisfy state and federal antitrust requirements, we actively maintain an antitrust compliance program. Notwithstanding our compliance program, it is possible that perceived or actual violation of state or federal antitrust requirements could give rise to regulatory enforcement investigations or actions.

Regulatory scrutiny of, or regulatory enforcement action in connection with, compliance with state and federal antitrust requirements could have a material adverse effect on our reputation and business.

Global economics, political and other conditions may adversely affect trends in consumer spending, which may adversely impact our revenue and profitability.

The global electronic payments industry depends heavily upon the overall level of consumer, business and government spending. A sustained deterioration in the general economic conditions, particularly in the United States or Europe, or increases in interest rates in key countries in which we operate may adversely affect our financial performance by reducing the number of average purchase amount of transactions involving payment cards. A reduction in the amount of consumer spending could result in a decrease of our revenue and profits.

The market for our electronic commerce services is evolving and may not continue to develop or grow rapidly enough for us to maintain and increase our profitability.

If the number of electronic commerce transactions does not continue to grow or if consumers or businesses do not continue to adopt our services, it could have a material adverse effect on the profitability of our business, financial condition and results of operations. We believe future growth in the electronic commerce market will be driven by the cost, ease-of-use, and quality of products and services offered to consumers and businesses. In order to consistently increase and maintain our profitability, consumers and businesses must continue to adopt our services.

We may experience breakdowns in our processing systems that could damage customer relations and expose us to liability.

We depend heavily on the reliability of our processing systems in our core business. A system outage or data loss could have a material adverse effect on our business, financial condition and results of operations. Not only would we suffer damage to our reputation in the event of a system outage or data loss, but we may also be liable to third parties. Many of our contractual agreements with financial institutions require the payment of penalties if our systems do not meet certain operating standards. To successfully operate our business, we must be able to protect our processing and other systems from interruption, including from events that may be beyond our control. Events that could cause system interruptions include but are not limited to:

- fire;
- natural disaster;
- unauthorized entry;
- power loss;
- telecommunications failure;
- computer viruses;
- terrorist acts; and
- war.

Although we have taken steps to protect against data loss and system failures, there is still risk that we may lose critical data or experience system failures. We perform the vast majority of disaster recovery operations ourselves, though we utilize select third parties for some aspects of recovery, particularly internationally. To the extent we outsource our disaster recovery, we are at risk of the vendor's unresponsiveness in the event of breakdowns in our systems. Furthermore, our property and

21

business interruption insurance may not be adequate to compensate us for all losses or failures that may occur.

We may experience software defects, computer viruses and development delays, which could damage customer relations, decrease our potential profitability and expose us to liability.

Our products are based on sophisticated software and computing systems that often encounter development delays, and the underlying software may contain undetected errors, viruses or defects. Defects in our software products and errors or delays in our processing of electronic transactions could result in:

- additional development costs;
- diversion of technical and other resources from our other development efforts;
- loss of credibility with current or potential customers;
- harm to our reputation; or
- exposure to liability claims.

In addition, we rely on technologies supplied to us by third parties that may also contain undetected errors, viruses or defects that could have a material adverse effect on our business, financial condition and results of operations. Although we attempt to limit our potential liability for warranty claims through disclaimers in our software documentation and limitation-of-liability provisions in our license and customer agreements, we cannot assure you that these measures will be successful in limiting our liability.

Unaudited Pro Forma Condensed Consolidated Financial Information

The following unaudited pro forma condensed consolidated financial statements have been derived from or developed by applying pro forma adjustments to our historical audited and unaudited consolidated financial statements. The unaudited pro forma condensed consolidated statements of income give effect to the Transactions as if they had occurred at the beginning of the respective periods. The unaudited pro forma condensed consolidated balance sheet gives effect to the Transactions as if they had occurred on June 30, 2007. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with these unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma condensed consolidated financial information is presented for informational purposes only. The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the date indicated and they do not purport to project the results of operations or financial condition for any future period or as of any future date. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited pro forma condensed consolidated financial statements.

The Merger will be accounted for using purchase accounting. The pro forma information presented, including allocation of purchase price, is based on preliminary estimates of the fair values of assets acquired and liabilities assumed, available information and assumptions and will be revised as additional information becomes available. Additionally, adjustments to the pro forma condensed consolidated balance sheet were calculated assuming that the book value of other assets and liabilities equal the fair value. The actual adjustments to our consolidated financial statements upon the closing of the Transactions will depend on a number of factors, including additional information available and the actual balance of our net assets on the closing date of the Transactions. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material.

The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As of the date of this Current Report on Form 8-K, we have not completed the valuation studies necessary to estimate the fair values of the assets acquired, the liabilities assumed, and the related allocation of purchase price. We have allocated the total estimated purchase price, calculated as described in Note (b) under "Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet," to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation prepared by third-party appraisers. This final valuation will be based on the actual net tangible and intangible assets that existed as of the closing date of the Transactions. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed consolidated financial statements, including a change to goodwill.

The unaudited pro forma condensed consolidated statements of income data do not reflect certain non-recurring items. Such items include stock compensation expense from the accelerated vesting of stock options and restricted stock resulting from the Transactions. Charges and benefits are also expected for transaction costs, the write-off of deferred financing fees on existing debt, synthetic leases and the net costs to tender existing debt incurred by us that will be expensed prior to or upon the close of the Transactions. Such items have not been reflected in pro forma income from continuing operations because the expense or benefit associated with such items are directly related to the Transactions, but will not have a continuing impact.

Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of June 30, 2007

	Historical	Pro Forma Adjustments	Pro Forma
		(in millions)	
Assets			
Cash and cash equivalents	$ 924.5	$ (82.9)(a)	$ 841.6
Settlement assets	17,635.7		17,635.7
Accounts receivable, net	2,318.8		2,318.8
Property and equipment, net	789.1	97.4 (a)	886.5
Goodwill	7,631.5	9,515.1 (b)	17,146.6
Other intangibles, net	2,586.8	4,105.5 (b)	6,692.3
Investment in affiliates	793.0	4,106.9 (b)	4,899.9
Other assets	551.2	643.1 (c)	1,194.3
Total assets	$ 33,230.6	$ 18,385.1	$ 51,615.7
Liabilities and Stockholders' Equity			
Liabilities:			
Settlement obligations	$ 17,713.1	$	$ 17,713.1
Accounts payable and other liabilities	2,694.7	1,516.1 (d)	4,210.8
Borrowings	2,3		