

FIRST DATA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31,		
	2006	2005	Change
Revenues:			
Transaction and processing service fees:			
Money transfer services	\$ 1,034.0	\$ 897.7	15%
Merchant services	593.4	543.6	9%
Check services	94.3	95.9	-2%
Card services	390.9	407.9	-4%
Other services	80.7	85.9	-6%
Investment income, net	(13.0)	(12.8)	-2%
Product sales and other	181.2	146.0	24%
Reimbursable debit network fees, postage and other	340.3	302.1	13%
	2,701.8	2,466.3	10%
Expenses:			
Cost of services	1,330.4	1,203.6	11%
Cost of products sold	66.6	59.6	12%
Selling, general and administrative	407.5	390.4	4%
Reimbursable debit network fees, postage and other	340.3	302.1	13%
Other operating expenses:			
Restructuring, net	(0.8)	-	NM
Impairments	-	(1.0)	NM
Litigation and regulatory settlements	15.0	0.1	NM
Other	2.2	-	NM
	2,161.2	1,954.8	11%
Operating profit	540.6	511.5	6%
Other income (expense):			
Interest income	8.4	4.9	71%
Interest expense	(69.2)	(48.1)	44%
Investment gains and (losses)	-	22.8	NM
Divestitures, net	7.6	6.3	NM
	(53.2)	(14.1)	NM
Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	487.4	497.4	-2%
Income taxes	143.9	143.4	0%
Minority interest	(29.6)	(27.6)	7%
Equity earnings in affiliates	60.8	48.1	26%
Income from continuing operations	374.7	374.5	0%
Loss from discontinued operations, net of			

taxes of \$(0.6) and \$0, respectively(a)	(1.0)	-	NM
Net income	<u>\$ 373.7</u>	<u>\$ 374.5</u>	0%
Earnings per share from continuing operations:			
Basic	\$ 0.49	\$ 0.47	4%
Diluted	\$ 0.48	\$ 0.47	2%
Earnings per share:			
Basic	\$ 0.49	\$ 0.47	4%
Diluted	\$ 0.48	\$ 0.47	2%
Weighted-average shares outstanding:			
Basic	765.5	793.6	-4%
Diluted	780.2	803.9	-3%
Shares outstanding at end of period	765.6	778.6	-2%
(See accompanying notes)			

FIRST DATA CORPORATION
SUMMARY SEGMENT DATA
(Unaudited)
(in millions)

	Three Months Ended March 31,		
	2006	2005	Change
Revenues:			
Western Union	\$ 1,060.9	\$ 918.2	16%
First Data Commercial Services	934.4	855.0	9%
First Data Financial Institution Services	445.2	470.6	-5%
First Data International	263.9	213.4	24%
Integrated Payment Systems	30.3	33.1	-8%
Subtotal segment revenues	2,734.7	2,490.3	10%
All Other and Corporate	147.3	131.0	12%
	2,882.0	2,621.3	10%
Adjustments for items included in segment and All Other and Corporate revenues: (b)			
Equity earnings in affiliates(c)	(68.9)	(57.3)	20%
Interest income	(8.4)	(4.9)	71%
Eliminations(d)	(102.9)	(92.8)	NM
Consolidated revenue	<u>\$ 2,701.8</u>	<u>\$2,466.3</u>	10%
Operating profit: (e)			

Western Union	\$ 336.8	\$ 298.2	13%
First Data Commercial Services	214.4	173.4	24%
First Data Financial Institution Services	84.3	87.6	-4%
First Data International	29.1	21.6	35%
Integrated Payment Systems	4.4	10.8	-59%
	-----	-----	
Subtotal segment operating profit	669.0	591.6	13%
All Other and Corporate	(12.0)	1.0	NM
	-----	-----	
	657.0	592.6	11%
	-----	-----	
Adjustments for items included in segment and All Other and Corporate operating profit: (b)			
Equity earnings in affiliates	(60.8)	(48.1)	26%
Minority interest from segment operations (f)	29.9	27.6	8%
Eliminations (d)	(60.7)	(56.6)	NM
Interest expense	(69.2)	(48.1)	44%
Items excluded from segment operations (g)	(8.8)	30.0	NM
	-----	-----	
Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	\$ 487.4	\$ 497.4	-2%
	=====	=====	

Depreciation & Amortization:

Western Union	\$ 25.9	\$ 20.4	27%
First Data Commercial Services	78.1	81.5	-4%
First Data Financial Institution Services	38.6	42.0	-8%
First Data International	42.1	35.6	18%
Integrated Payment Systems	2.9	3.0	-3%
All Other and Corporate	13.9	12.9	8%
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Consolidated depreciation & amortization	\$ 201.5	\$ 195.4	3%
	=====	=====	

(See accompanying notes)

FIRST DATA CORPORATION
NOTES TO FINANCIAL SCHEDULES
(Unaudited)

Effective January 1, 2006, the Company began assessing performance and allocating resources based on a new segment structure. Segment results for 2005 and 2004 have been adjusted to reflect the new structure. In addition, consolidated revenues for 2005 and 2004 have been adjusted to present "Transaction and processing service fees" by revenue type and to reflect the reclassification of debit network fees from "Transaction and processing service fees" to "Reimbursable debit network fees, postage and other."

- (a) Discontinued operations relate to NYCE.
- (b) Reconciles the total segment and All Other and Corporate revenue to consolidated revenue or total segment and All Other and Corporate operating profit to income before income taxes, minority interest, equity earnings in affiliates and discontinued operations as reported on the Consolidated Statements of Income.
- (c) Excludes equity losses that were recorded in expense and the amortization related to the excess of the investment balance over the Company's proportionate share of the investee's net book value.
- (d) Represents elimination of adjustment to record Integrated Payment Systems segment investment income and its related operating profit on a pretax equivalent basis and elimination of intersegment revenue.
- (e) Segment and All Other and Corporate operating profit includes interest income, minority interest from segment operations, equity earnings in affiliates and the allocation of corporate overhead. Segment and All Other and Corporate operating profit excludes items discussed in note (g) below and interest expense.
- (f) Minority interest from segment operations excludes minority interest attributable to items excluded from segment operations discussed in note (g) below as well as minority interest related to interest expense and income taxes.
- (g) Items, other than interest expense, excluded from segment operations consist of the following:

(in millions) Three months ended
 March 31, 2006

Restructuring, net		Reversals of excess restructuring accruals of \$1.2 million during the three months were partially offset by a \$0.4 million charge related to a facility closure associated with actions taken in the fourth quarter 2005.
	\$ 0.8	
Litigation and regulatory settlements		A charge was recorded during the three months related to the settlement of a patent infringement lawsuit in the Commercial Services segment.
	(15.0)	
Divestitures, net		Gains on the sale of corporate aircraft and a small business were recorded during the three months.
	7.6	
Other		Other relates to direct external costs incurred related to the spinoff of Western Union partially offset by the reversal of a portion of other charges recorded in 2005.
	(2.2)	

	(8.8)
Minority interest	-

\$	(8.8)
	=====

(in millions) Three months ended
March 31, 2005

Impairments		A gain was recorded for the three months due to the subsequent sale of assets previously impaired.
	\$	1.0
Litigation and regulatory settlements		Charges recorded during the three months relate to a regulatory settlement of \$1.5 million in the Western Union segment offset by the reversal of an unutilized reserve established in 2000 for the settlement of a lawsuit also in the Western Union segment.
		(0.1)
Investment gains and (losses)		A gain of \$21.4 million on the sale of CheckFree Corporation common stock was recorded for the three months as well as the sale of other strategic investments.
		22.8
Divestitures, net		A gain on the sale of a small business was recorded and certain excess divestiture accruals were reversed during the three months due to the expiration of certain contingencies.
		6.3

		30.0
Minority interest		-

\$		30.0
		=====

NM = Not meaningful.

FIRST DATA CORPORATION
FINANCIAL TRANSACTION PROCESSING
KEY INDICATORS
(Unaudited)
(in millions)

	Three Months Ended March 31,		
	2006	2005	Change
Western Union	-----	-----	-----
Consumer-to-consumer money transfer transactions(a)	33.26	25.34	31%

Consumer-to-business transactions (b)	44.30	39.59	12%
Commercial Services			

Domestic merchant transactions (c)	5,833.9	5,092.0	15%
Financial Institution Services			

Domestic active card accounts on file: (d)			
Bankcard	30.3	43.4	-30%
Retail	57.2	56.6	1%
	-----	-----	
Total	87.5	100.0	-13%
	=====	=====	
Domestic debit issuer transactions (e)	2,074.5	1,839.5	13%
First Data International			

International card accounts on file:			
Bankcard	27.2	22.8	19%
Retail	5.2	3.9	33%
	-----	-----	
Total	32.4	26.7	21%
	=====	=====	
International transactions (f)	955.2	518.1	84%

- (a) Consumer-to-consumer money transfer transactions include consumer-to-consumer money transfer services worldwide. Amounts for 2006 include Vigo Remittance Corp. ("Vigo") which was acquired in October 2005. Excluding Vigo, consumer-to-consumer money transfer transactions grew 22% for the three months ended March 31, 2006.
- (b) Consumer-to-business transactions include Quick Collect, EasyPay, PhonePay, Paymap's Just-in-Time and Equity Accelerator services, and E Commerce Group's Speedpay transactions directly processed by E Commerce Group.
- (c) Domestic merchant transactions include acquired VISA and MasterCard credit and signature debit, PIN-debit, electronic benefits transactions ("EBT"), and processed-only or gateway customer transactions at the point of sale ("POS"). Domestic merchant transactions also include acquired ATM transactions, gateway transactions at ATMs, and STAR PIN-debit POS transactions received from other acquirers.
- (d) Domestic active card accounts on file include customer accounts that had a balance or any monetary posting or authorization during the last month of the quarter.
- (e) Domestic debit issuer transactions include VISA and MasterCard signature debit, STAR ATM, STAR PIN-debit POS, and ATM and PIN-debit POS gateway transactions.
- (f) International transactions include VISA, MasterCard and other card association merchant acquiring and switching and debit issuer transactions for clients outside the U.S. Merchant transactions include credit, signature debit and PIN-debit POS, POS gateway and ATM transactions. Debit issuer transactions include signature and PIN-debit POS, POS gateway and ATM transactions.

FIRST DATA CORPORATION
SUPPLEMENTAL METRICS
(Unaudited)

For the Three Months Ended March 31, 2006:

Consolidated financial metrics (in millions):

Capital expenditures	\$	143
Dividends	\$	46

Western Union

Consumer-to-consumer:	Including Vigo	Excluding Vigo
U.S. same store sales transaction growth	N/A	16%
International transaction growth	35%	28%
International revenue growth	18%	15%
Mexico transaction growth	55%	17%
Mexico revenue growth	54%	20%

Financial Institution Services

At March 31, 2006

Domestic card accounts on file (in millions):

Bankcard	66.5
Retail	259.2
Debit	100.0
Total	425.7

First Data International

At March 31, 2006

International card accounts on file (in millions):

Bankcard	27.2
Retail	5.2
Debit	14.4
Total	46.8

N/A - Not applicable

FIRST DATA CORPORATION
CONSOLIDATED REVENUE AND EXPENSE - ADJUSTED FOR SEGMENT REALIGNMENT
(unaudited)
(in millions)

Twelve Months ended 12/31/2004	Three Months ended 3/31/2005	Three Months ended 6/30/2005
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Revenues:

Transaction and processing
service fees:

Money transfer services	\$ 3,448.1	\$ 897.7	\$ 957.9
Merchant services	2,324.9	543.6	589.5
Check services	413.8	95.9	94.5
Card services	1,627.2	407.9	398.3
Other services	353.3	85.9	85.7
Investment income, net	91.2	(12.8)	(14.8)
Product sales and other	671.3	146.0	160.6
Reimbursable debit network fees, postage and other	1,083.4	302.1	323.5
	<u>\$ 10,013.2</u>	<u>\$ 2,466.3</u>	<u>\$ 2,595.2</u>

Expenses:

Cost of services	\$ 4,641.0	\$ 1,203.6	\$ 1,232.6
Selling, general and administrative	1,610.5	390.4	407.9
Reimbursable debit network fees, postage and other	1,083.4	302.1	323.5
Other expenses	344.5	58.7	80.4
	<u>\$ 7,679.4</u>	<u>\$ 1,954.8</u>	<u>\$ 2,044.4</u>

Three Months ended 9/30/2005	Three Months ended 12/31/2005	Twelve Months ended 12/31/2005
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Revenues:

Transaction and processing
service fees:

Money transfer services	\$ 1,001.3	\$ 1,057.8	\$ 3,914.7
Merchant services	611.6	653.4	2,398.1
Check services	95.6	95.3	381.3
Card services	392.8	393.0	1,592.0
Other services	79.5	80.3	331.4
Investment income, net	(14.2)	(16.5)	(58.3)
Product sales and other	178.7	164.5	649.8
Reimbursable debit network fees, postage and other	316.6	339.2	1,281.4
	<u>\$ 2,661.9</u>	<u>\$ 2,767.0</u>	<u>\$ 10,490.4</u>

Expenses:

Cost of services	\$ 1,255.3	\$ 1,304.3	\$ 4,995.8
Selling, general and administrative	402.8	427.3	1,628.4
Reimbursable debit network fees, postage and other	316.6	339.2	1,281.4
Other expenses	103.2	187.1	429.4
	<u>\$ 2,077.9</u>	<u>\$ 2,257.9</u>	<u>\$ 8,335.0</u>

FIRST DATA CORPORATION
SUMMARY SEGMENT DATA - ADJUSTED FOR SEGMENT REALIGNMENT
(unaudited)
(in millions)

	Twelve Months ended 12/31/2004	Three Months ended 3/31/2005	Three Months ended 6/30/2005
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Revenues:			

Western Union	\$ 3,523.6	\$ 918.2	\$ 979.6
First Data Commercial Services	3,582.1	855.0	929.7
First Data Financial Institution Services	1,858.3	470.6	482.1
First Data International	769.5	213.4	212.8
Integrated Payment Systems	278.7	33.1	34.9
	-----	-----	-----
Subtotal segment revenues	10,012.2	2,490.3	2,639.1
All other and corporate	522.0	131.0	123.7
	-----	-----	-----
	10,534.2	2,621.3	2,762.8
	-----	-----	-----
Adjustments for items included in segment and all other and corporate revenue:			
Equity earnings in affiliates	(198.3)	(57.3)	(64.6)
Interest income	(25.1)	(4.9)	(4.6)
Divested operations	58.1	-	-
Eliminations	(355.7)	(92.8)	(98.4)
	-----	-----	-----
Consolidated revenue	\$ 10,013.2	\$ 2,466.3	\$ 2,595.2
	=====	=====	=====
Operating profit:			

Western Union	\$ 1,121.0	\$ 298.2	\$ 324.3
First Data Commercial Services	944.1	173.4	217.3
First Data Financial Institution Services	413.4	87.6	106.1
First Data International	77.7	21.6	23.5
Integrated Payment Systems	177.3	10.8	10.5
	-----	-----	-----
Subtotal segment operating profit	2,733.5	591.6	681.7
All other and corporate	(25.0)	1.0	(19.7)
	-----	-----	-----
	2,708.5	592.6	662.0
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Adjustments for items			

included in segment and all other and corporate operating profit:			
Equity earnings in affiliates	(163.9)	(48.1)	(55.4)
Divested operations	11.2	-	-
Minority interest from segment operations	136.8	27.6	32.9
Eliminations	(212.3)	(56.6)	(62.3)
Interest expense	(136.8)	(48.1)	(55.0)
Items excluded from segment operations	149.7	30.0	(22.2)
Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	<u>\$ 2,493.2</u>	<u>\$ 497.4</u>	<u>\$ 500.0</u>

	Three Months ended 9/30/2005	Three Months ended 12/31/2005	Twelve Months ended 12/31/2005

Revenues:			

Western Union	\$ 1,023.4	\$ 1,079.1	\$ 4,000.3
First Data Commercial Services	962.7	1,014.1	3,761.5
First Data Financial Institution Services	474.3	438.3	1,865.3
First Data International	228.7	263.3	918.2
Integrated Payment Systems	32.5	29.8	130.3
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Subtotal segment revenues	2,721.6	2,824.6	10,675.6
All other and corporate	123.3	130.8	508.8
	-----	-----	-----
	2,844.9	2,955.4	11,184.4
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Adjustments for items included in segment and all other and corporate revenue:			
Equity earnings in affiliates	(74.5)	(76.8)	(273.2)
Interest income	(5.6)	(6.1)	(21.2)
Divested operations	-	-	-
Eliminations	(102.9)	(105.5)	(399.6)
	-----	-----	-----
Consolidated revenue	<u>\$ 2,661.9</u>	<u>\$ 2,767.0</u>	<u>\$ 10,490.4</u>

Operating profit:

Western Union	\$ 351.1	\$ 360.1	\$ 1,333.7
First Data Commercial Services	239.9	262.5	893.1
First Data Financial			

Institution Services	98.6	85.6	377.9
First Data			
International	29.5	38.7	113.3
Integrated Payment Systems	7.7	6.4	35.4
	-----	-----	-----
Subtotal segment operating profit	726.8	753.3	2,753.4
All other and corporate	(16.3)	(26.4)	(61.4)
	-----	-----	-----
	710.5	726.9	2,692.0
	-----	-----	-----
Adjustments for items included in segment and all other and corporate operating profit:			
Equity earnings in affiliates	(65.7)	(67.7)	(236.9)
Divested operations	-	-	-
Minority interest from segment operations	35.4	34.5	130.4
Eliminations	(61.9)	(63.4)	(244.2)
Interest expense	(59.9)	(65.3)	(228.3)
Items excluded from segment operations	(18.4)	(70.5)	(81.1)
Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	-----	-----	-----
	\$ 540.0	\$ 494.5	\$ 2,031.9
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FIRST DATA CORPORATION
FINANCIAL TRANSACTION PROCESSING
HISTORICAL KEY INDICATORS
(Unaudited)
(in millions)

	2004		2005			
	FY	Q1	Q2	Q3	Q4	FY
Commercial Services						
Domestic merchant trans-						
actions(a)	19,107.1	5,092.0	5,640.4	5,715.8	6,098.4	22,546.6
Financial Institution Services						
Domestic active card accounts on						

file: (b)						
Bankcard	48.1	43.4	44.0	28.8	30.1	30.1
Retail	51.6	56.6	57.1	58.3	61.8	61.8
	-----	-----	-----	-----	-----	-----
Total	99.7	100.0	101.1	87.1	91.9	91.9
	=====	=====	=====	=====	=====	=====

First Data
International

International
card
accounts on
file:

Bankcard	31.5	22.8	23.1	24.0	25.9	25.9
Retail	-	3.9	4.1	4.9	5.0	5.0
	-----	-----	-----	-----	-----	-----
Total	31.5	26.7	27.2	28.9	30.9	30.9
	=====	=====	=====	=====	=====	=====

International
trans-

actions (c)	1,850.7	518.1	568.4	667.8	919.8	2,674.1
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- (a) Domestic merchant transactions include acquired VISA and MasterCard credit and signature debit, PIN-debit, electronic benefits transactions ("EBT"), and processed-only or gateway customer transactions at the point of sale ("POS"). Domestic merchant transactions also include acquired ATM transactions, gateway transactions at ATMs, and STAR PIN-debit POS transactions received from other acquirers.
- (b) Domestic active card accounts on file include customer accounts that had a balance or any monetary posting or authorization activity during the last month of the quarter.
- (c) International transactions include VISA, MasterCard and other card association merchant acquiring and switching and debit issuer transactions for clients outside the U.S. Merchant transactions include credit, signature debit and PIN-debit POS, POS gateway and ATM transactions. Debit issuer transactions include signature and PIN-debit POS, POS gateway and ATM transactions.

FIRST DATA CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(Unaudited)
(in millions)

Management believes the following measures provide meaningful information to assist investors and analysts in understanding our financial results and to better analyze trends in our underlying business. The non-GAAP financial measures should not be considered in isolation or as a substitute for the most comparable GAAP financial measures. The non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of our business. Investors are strongly 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 the non-GAAP measures to the most directly comparable GAAP financial measures is included below.

	Three Months Ended March 31,		
	2006	2005	Change
Commercial Services			
Revenue	\$ 934.4	\$ 855.0	9%
Reimbursable debit network fees	(179.5)	(141.8)	
Revenue excluding reimbursable debit network fees	\$ 754.9	\$ 713.2	6%
Operating profit	\$ 214.4	\$ 173.4	24%
Integration expenses(1)	-	23.4	
Operating profit excluding integration expenses	\$ 214.4	\$ 196.8	9%
Profit margin	22.9%	20.3%	
Profit margin excluding debit network fees and integration expenses	28.4%	27.6%	
Financial Institution Services			
Revenue	\$ 445.2	\$ 470.6	
Reimbursable postage and other	(152.8)	(153.4)	
Revenue excluding reimbursable postage and other	\$ 292.4	\$ 317.2	
Operating profit	\$ 84.3	\$ 87.6	
Profit margin	18.9%	18.6%	
Profit margin excluding reimbursable postage and other	28.8%	27.6%	

(1) Integration expenses relate to the cost of personnel who were assigned to work exclusively on the Concord integration or Company reorganization plus the allocation of a portion of the cost of certain Company personnel that were partially dedicated to such activities. Additionally, these expenses include certain internal and contract system development costs and infrastructure costs.