

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

	Three Months Ended June 30,		
	2006	2005	Change
Revenues:			
Transaction and processing service fees:			
Money transfer services	\$1,098.0	\$957.9	15%
Merchant services	668.7	589.5	13%
Check services	93.9	94.5	-1%
Card services	407.5	398.3	2%
Other services	81.3	85.7	-5%
Investment income, net	(16.2)	(14.8)	-9%
Product sales and other	172.1	160.6	7%
Reimbursable debit network fees, postage and other	360.0	323.5	11%
	2,865.3	2,595.2	10%
Expenses:			
Cost of services	1,352.8	1,227.8	10%
Cost of products sold	77.4	63.4	22%
Selling, general and administrative	464.2	407.9	14%
Reimbursable debit network fees, postage and other	360.0	323.5	11%
Other operating expenses:			
Restructuring, net	0.3	10.2	NM
Impairments	(2.0)	0.2	NM
Litigation and regulatory settlements	(10.5)	-	NM
Other	8.3	11.4	NM
	2,250.5	2,044.4	10%
Operating profit	614.8	550.8	12%
Other income (expense):			
Interest income	14.0	4.6	204%
Interest expense	(72.8)	(55.0)	32%
Investment gains and (losses)	13.5	(0.6)	NM
Divestitures, net	0.2	0.2	NM
	(45.1)	(50.8)	NM
Income before income taxes, minority interest and equity earnings in affiliates	569.7	500.0	14%
Income taxes (a)	168.6	130.6	29%
Minority interest	(41.0)	(32.9)	25%
Equity earnings in affiliates	76.3	55.4	38%
Net income	\$436.4	\$391.9	11%

Earnings per share:			
Basic	\$0.57	\$0.51	12%
Diluted	\$0.56	\$0.50	12%

Weighted-average shares outstanding:			
Basic	764.4	774.1	-1%
Diluted	777.4	782.8	-1%

Shares outstanding at end of period	765.2	771.6	-1%
-------------------------------------	-------	-------	-----

(See accompanying notes)

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

	Six Months Ended June 30,		
	2006	2005	Change
Revenues:			
Transaction and processing service fees:			
Money transfer services	\$2,132.0	\$1,855.6	15%
Merchant services	1,262.1	1,133.1	11%
Check services	188.2	190.4	-1%
Card services	798.4	806.2	-1%
Other services	162.0	171.6	-6%
Investment income, net	(29.2)	(27.6)	-6%
Product sales and other	353.3	306.6	15%
Reimbursable debit network fees, postage and other	700.3	625.6	12%
	5,567.1	5,061.5	10%
Expenses:			
Cost of services	2,683.2	2,431.4	10%
Cost of products sold	144.0	123.0	17%
Selling, general and administrative	871.7	798.3	9%
Reimbursable debit network fees, postage and other	700.3	625.6	12%
Other operating expenses:			
Restructuring, net	(0.5)	10.2	NM
Impairments	(2.0)	(0.8)	NM
Litigation and regulatory settlements	4.5	0.1	NM
Other	10.5	11.4	NM
	4,411.7	3,999.2	10%
Operating profit	1,155.4	1,062.3	9%
Other income (expense):			
Interest income	22.4	9.5	136%
Interest expense	(142.0)	(103.1)	38%
Investment gains and (losses)	13.5	22.2	NM
Divestitures, net	7.8	6.5	NM
	(98.3)	(64.9)	NM

Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	1,057.1	997.4	6%
Income taxes (a)	312.5	274.0	14%
Minority interest	(70.6)	(60.5)	17%
Equity earnings in affiliates	137.1	103.5	32%
	-----	-----	
Income from continuing operations	811.1	766.4	6%
Loss from discontinued operations, net of taxes of \$(0.6) and \$0, respectively (b)	(1.0)	-	NM
	-----	-----	
Net income	\$810.1	\$766.4	6%
	=====	=====	
Earnings per share from continuing operations:			
Basic	\$1.06	\$0.98	8%
Diluted	\$1.04	\$0.97	7%
Earnings per share:			
Basic	\$1.06	\$0.98	8%
Diluted	\$1.04	\$0.97	7%
Weighted-average shares outstanding:			
Basic	765.0	783.9	-2%
Diluted	778.9	793.3	-2%
Shares outstanding at end of period	765.2	771.6	-1%
(See accompanying notes)			

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

	Three Months Ended June 30,		
	-----		
	2006	2005	Change
	-----	-----	-----
Revenues:			
-----			
Western Union	\$1,128.9	\$979.6	15%
First Data Commercial Services	1,030.3	929.7	11%
First Data Financial Institution Services	451.6	482.1	-6%
First Data International	299.0	212.8	41%
Integrated Payment Systems	29.9	34.9	-14%
	-----	-----	
Subtotal segment revenues	2,939.7	2,639.1	11%
All Other and Corporate	129.0	123.7	4%
	-----	-----	
	3,068.7	2,762.8	11%
	-----	-----	
Adjustments for items included in segment and All Other and Corporate revenues: (c)			

Equity earnings in affiliates (d)	(84.9)	(64.6)	31%
Interest income	(14.0)	(4.6)	204%
Eliminations (e)	(104.5)	(98.4)	NM
	-----	-----	
Consolidated revenue	\$2,865.3	\$2,595.2	10%
	=====	=====	

Operating profit: (f)

Western Union	\$351.9	\$324.3	9%
First Data Commercial Services	276.7	217.3	27%
First Data Financial Institution Services	94.5	106.1	-11%
First Data International	33.6	23.5	43%
Integrated Payment Systems	2.9	10.5	-72%
	-----	-----	
Subtotal segment operating profit	759.6	681.7	11%
All Other and Corporate	(34.4)	(19.7)	75%
	-----	-----	
	725.2	662.0	10%
	-----	-----	

Adjustments for items included in segment  
and All Other and Corporate operating  
profit: (c)

Equity earnings in affiliates	(76.3)	(55.4)	38%
Minority interest from segment operations (g)	38.2	32.9	16%
Eliminations (e)	(62.2)	(62.3)	NM
Interest expense	(72.8)	(55.0)	32%
Items excluded from segment operations (h)	17.6	(22.2)	NM
	-----	-----	

Income before income taxes, minority  
interest and equity earnings in  
affiliates

\$569.7	\$500.0	14%
=====	=====	

Depreciation & Amortization:

Western Union	\$26.4	\$19.6	35%
First Data Commercial Services	76.5	80.0	-4%
First Data Financial Institution Services	37.6	42.9	-12%
First Data International	42.9	36.4	18%
Integrated Payment Systems	2.5	2.9	-14%
All Other and Corporate	13.3	13.1	2%
	-----	-----	
Consolidated depreciation & amortization	\$199.2	\$194.9	2%
	=====	=====	

(See accompanying notes)

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

Six Months Ended June 30,

2006	2005	Change
-----	-----	-----

Revenues:

-----

Western Union	\$2,189.8	\$1,897.8	15%
First Data Commercial Services	1,964.7	1,784.7	10%
First Data Financial Institution Services	896.8	952.7	-6%
First Data International	562.9	426.2	32%
Integrated Payment Systems	60.2	68.0	-11%
	-----	-----	
Subtotal segment revenues	5,674.4	5,129.4	11%
All Other and Corporate	276.3	254.7	8%
	-----	-----	
	5,950.7	5,384.1	11%
	-----	-----	
Adjustments for items included in segment and All Other and Corporate revenues: (c)			
Equity earnings in affiliates (d)	(153.8)	(121.9)	26%
Interest income	(22.4)	(9.5)	136%
Eliminations (e)	(207.4)	(191.2)	NM
	-----	-----	
Consolidated revenue	\$5,567.1	\$5,061.5	10%
	=====	=====	

Operating profit: (f)

Western Union	\$688.7	\$622.5	11%
First Data Commercial Services	491.1	390.7	26%
First Data Financial Institution Services	178.8	193.7	-8%
First Data International	62.7	45.1	39%
Integrated Payment Systems	7.3	21.3	-66%
	-----	-----	
Subtotal segment operating profit	1,428.6	1,273.3	12%
All Other and Corporate	(46.4)	(18.7)	148%
	-----	-----	
	1,382.2	1,254.6	10%
	-----	-----	
Adjustments for items included in segment and All Other and Corporate operating profit: (c)			
Equity earnings in affiliates	(137.1)	(103.5)	32%
Minority interest from segment operations (g)	68.1	60.5	13%
Eliminations (e)	(122.9)	(118.9)	NM
Interest expense	(142.0)	(103.1)	38%
Items excluded from segment operations (h)	8.8	7.8	NM
	-----	-----	
Income before income taxes, minority interest, equity earnings in affiliates and discontinued operations	\$1,057.1	\$997.4	6%
	=====	=====	

Depreciation & Amortization:

Western Union	\$52.3	\$40.0	31%
First Data Commercial Services	154.6	161.5	-4%
First Data Financial Institution Services	76.2	84.9	-10%
First Data International	85.0	72.0	18%
Integrated Payment Systems	5.4	5.9	-8%
All Other and Corporate	27.2	26.0	5%
	-----	-----	
Consolidated depreciation & amortization	\$400.7	\$390.3	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 have been adjusted to reflect the new structure. In addition, consolidated revenues for 2005 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." In addition, certain amounts in the prior year have been reclassified to conform to current year presentation.

- (a) FDC's effective tax rate on pretax income from continuing operations was 27.8% and 27.7% for the three and six months ended June 30, 2006, respectively, and 25.0% and 26.3% for the corresponding periods in 2005.
- (b) Discontinued operations relate to NYCE.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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 (h) below and interest expense.
- (g) Minority interest from segment operations excludes minority interest attributable to items excluded from segment operations discussed in note (h) below as well as minority interest related to interest expense and income taxes.
- (h) Items, other than interest expense, excluded from segment operations consist of the following:

	Three months ended	Six months ended	
(in millions)	June 30, 2006	June 30, 2006	
-----	-----	-----	
Restructuring, net	\$ (0.3)	\$0.5	Reversals of excess restructuring accruals of \$0.7 million and \$1.9 million during the three and six months,

respectively, were partially offset by charges of \$1.0 million and \$1.4 million related to facility closures, respectively.

Impairments	2.0	2.0	Gains were recorded for the subsequent sale of assets previously impaired.
Litigation and regulatory settlements	10.5	(4.5)	A charge was recorded during the six months related to the settlement of a patent infringement lawsuit in the Commercial Services segment. This was partially offset by releases of excess litigation accruals in the Commercial Services and Western Union segments in the second quarter.
Investment gains and (losses)	13.5	13.5	Gains on the redemption of MasterCard stock and the sale of other strategic investments were recorded.
Divestitures, net	0.2	7.8	Gains on the sale of corporate aircraft and a small business and other assets were recorded during the six months, partially offset by a loss on the sale of a small business.
Other	(8.3)	(10.5)	Other relates to direct external costs incurred related to the spin-off of Western Union partially offset by the first quarter reversal of a portion of other charges recorded in 2005.
	-----	-----	
	17.6	8.8	
Minority interest	(3.7)	(3.7)	
	-----	-----	
	\$13.9	\$5.1	
	=====	=====	

	Three months ended	Six months ended
(in millions)	June 30, 2005	June 30, 2005
-----	-----	-----

Restructuring,

Restructuring charges of

net	\$ (10.2)	\$ (10.2)	\$11.7 million were recorded in the three months ended June 30, 2005, partially offset with reversals of excess restructuring accruals of \$1.5 million for the three months.
Impairments	(0.2)	0.8	A gain was recorded for the six months ended June 30, 2005, due to the subsequent sale of assets previously impaired, partially offset by an impairment of software.
Litigation and regulatory settlements	-	(0.1)	Charges recorded during the six 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.
Investment gains and (losses)	(0.6)	22.2	A gain of \$21.4 million on the sale of CheckFree Corporation common stock was recorded for the six months as well as the sale and impairment of other strategic investments.
Divestitures, net	0.2	6.5	A gain on the sale of a small business was recorded and certain excess divestiture accruals were reversed during the six months due to the expiration of certain contingencies.
Other	(11.4)	(11.4)	Other charges relate to inaccurate allocations among clients of pass through billings, the majority of which related to 2004.
	-----	-----	
	(22.2)	7.8	
Minority interest	-	-	
	-----	-----	
	\$ (22.2)	\$ 7.8	
	=====	=====	

NM = Not meaningful.

FIRST DATA CORPORATION  
FINANCIAL TRANSACTION PROCESSING



KEY INDICATORS  
(in millions)

For the Three Months Ended June 30, -----	2006 -----	2005 -----	Change -----
Western Union			
Consumer-to-consumer money transfer transactions (a)	36.63	28.75	27%
Consumer-to-business transactions (b)	43.25	39.01	11%
Commercial Services			
Domestic merchant transactions (c)	6,357.2	5,640.4	13%
Financial Institution Services			
Domestic debit issuer transactions (d)	2,351.1	1,994.1	18%
First Data International			
International transactions (e)	1,063.2	568.4	87%

For the Six Months Ended June 30,  
-----

Western Union			
Consumer-to-consumer money transfer transactions (a)	69.89	54.09	29%
Consumer-to-business transactions (b)	87.55	78.60	11%
Commercial Services			
Domestic merchant transactions (c)	12,153.0	10,732.4	13%
Financial Institution Services			
Domestic debit issuer transactions (d)	4,425.6	3,833.6	15%
First Data International			
International transactions (e)	2,018.4	1,086.5	86%

At June 30,  
-----

Financial Institution Services			
Domestic active card accounts on file: (f)			
Bankcard	39.3	44.0	-11%
Retail	69.4	57.1	22%
	-----	-----	
Total	108.7	101.1	8%
	=====	=====	

First Data International			
International card accounts on file: (g)			
Bankcard	30.8	19.8	56%
Retail	10.4	7.4	41%
	-----	-----	
Total	41.2	27.2	51%
	=====	=====	

(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 18% and 20% for the three and six months ended June 30, 2006, respectively.

- (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 debit issuer transactions include VISA and MasterCard signature debit, STAR ATM, STAR PIN-debit POS, and ATM and PIN-debit POS gateway transactions.
- (e) 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.
- (f) 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.
- (g) International card accounts on file at June 30, 2005, have been adjusted to reflect a reclassification of accounts from bankcard to retail.

FIRST DATA CORPORATION  
SUPPLEMENTAL METRICS

For the Three Months Ended June 30, 2006

Consolidated financial metrics (in millions):

Capital expenditures	\$82
Dividends	\$46

Western Union

Consumer-to-consumer:	Including Vigo	Excluding Vigo
U.S. same store sales transaction growth	N/A	12%
International transaction growth	32%	24%
International revenue growth	20%	17%
Mexico transaction growth	43%	6%
Mexico revenue growth	39%	7%

Financial Institution Services

Revenue growth:	
Card Processing	-22%
Output Services	6%
Debit	0%
Postage	-1%
Remitco	-7%

For the Six Months Ended June 30, 2006

Consolidated financial metrics (in millions):

Capital expenditures	\$225
Dividends	\$92

Western Union

Consumer-to-consumer:	Including Vigo	Excluding Vigo
	-----	-----
U.S. same store sales transaction growth	N/A	14%
International transaction growth	33%	26%
International revenue growth	19%	16%
Mexico transaction growth	49%	11%
Mexico revenue growth	46%	13%

Financial Institution Services

Revenue growth:	
Card Processing	-22%
Output Services	3%
Debit	0%
Postage	-1%
Remitco	-1%

At June 30, 2006

-----

Financial Institution Services

Domestic card accounts on file (in millions):	
Bankcard	106.0
Retail	315.0
Debit	111.2
	-----
Total	532.2
	=====

First Data International

International card accounts on file (in millions):	
Bankcard	30.8
Retail	10.4
Debit	14.8
	-----
Total	56.0
	=====

N/A - Not applicable

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

Management believes the non-GAAP financial measures included in this press release 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 non-GAAP measures to the most directly comparable

GAAP financial measures is included below.

	Three Months Ended June 30,		
	2006	2005	Change
<b>Commercial Services</b>			
Revenue	\$1,030.3	\$929.7	11%
Reimbursable debit network fees	(199.9)	(165.2)	
Revenue excluding reimbursable debit network fees	\$830.4	\$764.5	9%
Operating profit	\$276.7	\$217.3	27%
Integration expenses (1)	-	29.8	
Operating profit excluding integration expenses	\$276.7	\$247.1	12%
Profit margin	26.9%	23.4%	
Profit margin excluding debit networks fees and integration expenses	33.3%	32.3%	
<b>Financial Institution Services</b>			
Revenue	\$451.6	\$482.1	
Reimbursable postage and other	(148.9)	(150.8)	
Revenue excluding reimbursable postage and other	\$302.7	\$331.3	
Operating profit	\$94.5	\$106.1	
Profit margin	20.9%	22.0%	
Profit margin excluding reimbursable postage and other	31.2%	32.0%	

- (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.