

Frequently Asked Questions

How can I calculate my tax basis allocation following the spin-off of Western Union?

Tax Information for Western Union Spin-off - October 3, 2006

On September 29, 2006, First Data Corporation ("First Data") distributed all of the outstanding shares of common stock of The Western Union Company ("Western Union") to the shareholders of First Data as of the record date for the distribution, which was September 22, 2006. First Data shareholders as of the record date received one share of Western Union common stock for each share of First Data common stock held. First Data and Western Union are now two independent, publicly-owned companies.

This letter contains a general explanation of certain U.S. Federal income tax consequences of the distribution to First Data shareholders.

CONSULT YOUR TAX ADVISOR

The information in this letter represents our general understanding of the application of certain existing U.S. Federal income tax laws and regulations relating to the distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. You are urged to consult your own tax advisor regarding the particular consequences of the distribution to you, including the applicability and effect of all U.S. Federal, state and local and foreign tax laws. We also urge you to read the information statement for the spin-off that was mailed to you, noting especially pages 32-34 under the heading, "Important Federal Income Tax Consequences." You may also access this information statement at our website at www.firstdata.com in the Investor Relations section. In the event of any conflict in interpretation between this document and the information statement, you should rely on the information statement.

To ensure compliance with Treasury Department regulations, we advise you that, unless otherwise expressly indicated, the information contained herein was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

GENERAL TAX INFORMATION

First Data received a favorable private letter ruling from the Internal Revenue Service to the effect that the distribution of Western Union common stock generally qualifies as a tax-free distribution for U.S. Federal income tax purposes to First Data and its shareholders and to Western Union. Additionally, with respect to certain requirements for tax-free treatment on which the Internal Revenue Service will not rule, First Data received an opinion of counsel (which is not binding on the Internal Revenue Service) from Sidley Austin LLP, to the effect that those requirements will be satisfied. Assuming (i) the continued validity of the private letter ruling from the Internal Revenue Service, (ii) the correctness of counsel's opinion and (iii) that the distribution is not otherwise disqualified as tax-free, no taxable income, gain or loss will be recognized by a shareholder solely as the result of the receipt of Western Union common stock in the distribution.

GUIDANCE ON HOW TO DETERMINE AND ALLOCATE TAX BASIS

As a consequence of the distribution, U.S. Federal income tax law requires that you allocate the tax basis in your First Data shares immediately before the distribution between your First Data shares and your newly-received Western Union shares. If you purchased your

shares of First Data common stock for cash, the tax basis in your First Data shares would generally equal the cost of these shares including commissions. If you received your First Data shares as a gift, through an employee compensation arrangement, or through some other means, we recommend that you consult your own tax advisor to determine your tax basis in these shares. If you acquired your First Data shares at different times, or if some of your First Data shares otherwise have a tax basis that differs from that of others, you will need to make separate basis calculations for each group of shares.

Your aggregate tax basis in your First Data shares immediately before the distribution must be allocated between your First Data shares and your newly-received Western Union shares in proportion to their relative fair market values on the date of the distribution. U.S. Federal income tax law does not specify how to determine these fair market values. We believe that one possible approach is to use (i) the official New York Stock Exchange adjusted closing price of First Data common stock trading "with due bills" on the September 29, 2006 distribution date, which was \$42.00, and (ii) the official New York Stock Exchange closing price of Western Union common stock trading "when issued" on September 29, 2006, which was \$19.13. You are not bound by this approach and may, in consultation with your tax advisor, use another approach in determining fair market values for First Data shares and Western Union shares.

Based on the approach described above, your aggregate tax basis in First Data common stock immediately prior to the distribution would be allocated between your First Data shares and your newly-received Western Union shares in accordance with the following percentages:

First Data Shares
First Data Shares Basis Allocation Percentage: 54.45 %

Western Union Shares
Western Union Shares Basic Allocation Percentage: 45.55 %

As noted above, if you acquired your First Data shares at different times, or if some of your First Data shares otherwise have a tax basis that differs from that of others, you will need to make separate basis calculations for each group of shares.

HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATION

The following is an example of how the basis allocation may be applied based on the approach described above and the following assumptions:

Assumptions:

Number of First Data shares held: 1,000
Shareholder's total tax basis (\$30 per share): \$30,000
Number of Western Union shares received: 1,000

Tax Basis Allocation:

First Data: $\$30,000 \times 54.45\% = \$16,335.00$, or \$16.34 per share
Western Union: $\$30,000 \times 45.55\% = \$13,665.00$, or \$13.66 per share

SHAREHOLDER TAX RETURN REPORTING AND RECORDKEEPING

Under a recent change in Treasury Regulations, the requirement that shareholders attach to their tax returns a detailed statement setting forth certain information about the distribution applies only to certain "significant distributee" shareholders, generally meaning shareholders (if any) owning at least 5% of First Data's stock. Because of that change, other shareholders are not required to attach the information to their tax returns. All shareholders are required to keep certain information relating to the distribution as part of their permanent