

THE WESTERN UNION COMPANY
RECONCILIATION OF NON-GAAP MEASURES
(in millions)
(unaudited)

Western Union's management has presented: (1) Consolidated, consumer-to-consumer segment, international consumer-to-consumer, and international consumer-to-consumer excluding United States originated transactions revenue changes, excluding the impact of translating foreign currency denominated revenues into United States dollars; (2) Cost of services, excluding the impact from the 2008 restructuring and related expenses; (3) Sales, general and administrative excluding the impact from the 2009 estimated settlement accrual and the 2008 restructuring and related expenses; (4) Operating income margin, excluding the impact from the 2009 estimated settlement accrual and the 2008 restructuring and related expenses; (5) Earnings per share excluding the impact from the 2009 estimated settlement accrual and the 2008 restructuring and related expenses; (6) Earnings per share excluding the impact of translating foreign currency denominated amounts into United States dollars; (7) Consumer-to-consumer cross-border principal changes, consumer-to-consumer principal per transaction decline and international consumer-to-consumer principal per transaction declines, excluding the impact of translating foreign currency denominated amounts into United States dollars; and (8) Global business payments revenue changes and operating income margin, excluding the impact from the Custom House acquisition. Western Union's management believes these non-GAAP measures provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business, because they provide consistency and comparability to prior periods.

A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are encouraged to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. A reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures is included on the following pages.

THE WESTERN UNION COMPANY
RECONCILIATION OF NON-GAAP MEASURES
(in millions)
(unaudited)

Three Months Ended December 31, 2009

	<u>Consolidated</u>	<u>Consumer-to- Consumer Segment</u>	<u>International Consumer-to- Consumer</u>	<u>International Consumer-to- Consumer excluding United States originated transactions</u>
2009 Revenues, as reported (GAAP)	\$ 1,314.0	\$ 1,113.7	\$ 943.4	\$ 778.0
Adjustments:				
Reversal of impact from translation of foreign currency denominated amounts into United States dollars (a)	(32.4)	(36.2)	(35.8)	(35.8)
2009 Revenues, adjusted	<u>\$ 1,281.6</u>	<u>\$ 1,077.5</u>	<u>\$ 907.6</u>	<u>\$ 742.2</u>
2008 Revenues, as reported (GAAP)	\$ 1,291.6	\$ 1,094.3	\$ 891.2	\$ 721.0
Revenue growth, as reported (GAAP)	2%	2%	6%	8%
Revenue (decline)/growth, adjusted	(1)%	(2)%	2%	3%

Year Ended December 31, 2009

	<u>Consolidated</u>	<u>Consumer-to- Consumer Segment</u>	<u>International Consumer-to- Consumer</u>	<u>International Consumer-to- Consumer excluding United States originated transactions</u>
2009 Revenues, as reported (GAAP)	\$ 5,083.6	\$ 4,300.7	\$ 3,559.7	\$ 2,910.8
Adjustments:				
Reversal of impact from translation of foreign currency denominated amounts into United States dollars (a)	119.5	101.3	96.0	96.0
2009 Revenues, adjusted	<u>\$ 5,203.1</u>	<u>\$ 4,402.0</u>	<u>\$ 3,655.7</u>	<u>\$ 3,006.8</u>
2008 Revenues, as reported (GAAP)	\$ 5,282.0	\$ 4,471.6	\$ 3,605.1	\$ 2,927.5
Revenue decline, as reported (GAAP)	(4)%	(4)%	(1)%	(1)%
Revenue (decline)/growth, adjusted	(1)%	(2)%	1%	3%

Refer to footnote explanations at the end of this "Reconciliation of Non-GAAP Measures."

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(in millions)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenues	\$ 1,314.0	\$ 1,291.6	\$ 5,083.6	\$ 5,282.0
Cost of services, as reported (GAAP)	\$ 762.9	\$ 749.4	\$ 2,874.9	\$ 3,093.0
Adjustments:				
Restructuring and related expenses (d)	-	(19.8)	-	(62.8)
Cost of services, adjusted	\$ 762.9	\$ 729.6	\$ 2,874.9	\$ 3,030.2
Cost of services as a percent of revenue, as reported (GAAP)	58.1%	58.0%	56.6%	58.6%
Cost of services as a percent of revenue, adjusted	58.1%	56.5%	56.6%	57.4%

[—] Refer to footnote explanations at the end of this "Reconciliation of Non-GAAP Measures."

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RECONCILIATION OF NON-GAAP MEASURES
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	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenues	<u>\$ 1,314.0</u>	<u>\$ 1,291.6</u>	<u>\$ 5,083.6</u>	<u>\$ 5,282.0</u>
Selling, general and administrative, as reported (GAAP)	\$ 232.5	\$ 207.9	\$ 926.0	\$ 834.0
Adjustments:				
Settlement accrual (b)	-	-	(71.0)	-
Restructuring and related expenses (d)	<u>-</u>	<u>(12.8)</u>	<u>-</u>	<u>(20.1)</u>
Selling, general and administrative, adjusted	<u>\$ 232.5</u>	<u>\$ 195.1</u>	<u>\$ 855.0</u>	<u>\$ 813.9</u>
Selling, general and administrative as a percent of revenue, as reported (GAAP)	17.7%	16.1%	18.2%	15.8%
Selling, general and administrative as a percent of revenue, adjusted	17.7%	15.1%	16.8%	15.4%

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	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenues	<u>\$ 1,314.0</u>	<u>\$ 1,291.6</u>	<u>\$ 5,083.6</u>	<u>\$ 5,282.0</u>
Operating income, as reported (GAAP)	318.6	334.3	1,282.7	1,355.0
Adjustment:				
Settlement accrual (b)	-	-	71.0	-
Restructuring and related expenses (d)	-	32.6	-	82.9
Operating income, adjusted	<u>\$ 318.6</u>	<u>\$ 366.9</u>	<u>\$ 1,353.7</u>	<u>\$ 1,437.9</u>
Operating income margin, as reported (GAAP)	24.2%	25.9%	25.2%	25.7%
Operating income margin, adjusted	24.2%	28.4%	26.6%	27.2%

Refer to footnote explanations at the end of this "Reconciliation of Non-GAAP Measures."

THE WESTERN UNION COMPANY
RECONCILIATION OF NON-GAAP MEASURES
(in millions, except per share amounts)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Net income, as reported (GAAP)	\$ 223.7	\$ 239.6	\$ 848.8	\$ 919.0
Adjustments:				
Reversal of impact from the settlement accrual, net of income tax benefit of \$17.1 million (b)	-	-	53.9	-
Reversal of impact from restructuring and related expenses, net of income tax benefit of \$11.3 million and \$31.3 million for the three months and year ended, respectively (d)	-	21.3	-	51.6
Net income, adjusted	\$ 223.7	\$ 260.9	\$ 902.7	\$ 970.6
Reversal of impact from translation of foreign currency denominated amounts into United States dollars, net of tax (a)	(0.5)	-		
Net income, adjusted for the impact from the settlement accrual and the impact from the translation of foreign currency denominated amounts into United States dollars	\$ 223.2	\$ 260.9		
Earnings per share ("EPS"):				
As reported (GAAP)	\$ 0.32	\$ 0.34	\$ 1.21	\$ 1.24
Impact from the settlement accrual (b)	-	-	0.08	-
Impact from restructuring and related expenses (d)	-	0.03	-	0.07
EPS, adjusted	\$ 0.32	\$ 0.37	\$ 1.29	\$ 1.31
Impact from translation of foreign currency denominated amounts into United States dollars (a)	-	-		
EPS, adjusted for the impact from the settlement accrual and the impact from the translation of foreign currency denominated amounts into United States dollars	\$ 0.32	\$ 0.37		
Diluted weighted-average shares outstanding	693.2	713.8	701.0	738.2

Refer to footnote explanations at the end of this "Reconciliation of Non-GAAP Measures."

THE WESTERN UNION COMPANY
RECONCILIATION OF NON-GAAP MEASURES
(in billions)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Consumer-to-consumer cross-border principal	\$ 17.1	\$ 16.6	\$ 65.0	\$ 67.1
Adjustment:				
Reversal of impact from translation of foreign currency denominated amounts into United States dollars (a)	(0.7)	-	2.0	-
Consumer-to-consumer cross-border principal, adjusted	<u>\$ 16.4</u>	<u>\$ 16.6</u>	<u>\$ 67.0</u>	<u>\$ 67.1</u>
Consumer-to-consumer cross-border principal growth/(decline), as reported	3%		(3)%	
Consumer-to-consumer cross-border principal change, adjusted	(1)%		0%	

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THE WESTERN UNION COMPANY
RECONCILIATION OF NON-GAAP MEASURES
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	Three Months Ended	
	December 31,	
	2009	2008
Consumer-to-consumer principal per transaction	\$ 365	\$ 372
Adjustment:		
Reversal of impact from translation of foreign currency denominated amounts into United States dollars (a)	(14)	-
Consumer-to-consumer principal per transaction, adjusted	<u>\$ 351</u>	<u>\$ 372</u>
Consumer-to-consumer principal per transaction decline, as reported	(2)%	
Consumer-to-consumer principal per transaction decline, adjusted	(6)%	

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RECONCILIATION OF NON-GAAP MEASURES
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	Three Months Ended	
	December 31,	
	2009	2008
International consumer-to-consumer principal per transaction	\$ 390	\$ 392
Adjustment:		
Reversal of impact from translation of foreign currency denominated amounts into United States dollars (a)	(16)	-
International consumer-to-consumer principal per transaction, adjusted	<u>\$ 374</u>	<u>\$ 392</u>
International consumer-to-consumer principal per transaction change, as reported	0%	
International consumer-to-consumer principal per transaction decline, adjusted	(5)%	

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	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Global Business Payments revenue, as reported (GAAP)	\$ 181.8	\$ 174.2	\$ 691.7	\$ 719.8
Adjustment:				
Reversal of Custom House revenue (c)	(22.9)	-	(30.8)	-
Global Business Payments revenue, adjusted	<u>\$ 158.9</u>	<u>\$ 174.2</u>	<u>\$ 660.9</u>	<u>\$ 719.8</u>
Global Business Payments operating income, as reported (GAAP)	\$ 35.7	\$ 46.9	\$ 171.9	\$ 199.4
Adjustment:				
Reversal of Custom House operating loss (c)	4.9	-	6.2	-
Operating income, adjusted	<u>\$ 40.6</u>	<u>\$ 46.9</u>	<u>\$ 178.1</u>	<u>\$ 199.4</u>
Global Business Payments revenue growth/(decline), as reported (GAAP)	4%		(4)%	
Global Business Payments revenue decline, adjusted	(9)%		(8)%	
Operating income margin, as reported (GAAP)	19.6%	26.9%	24.9%	27.7%
Operating income margin, adjusted	25.5%		26.9%	

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- (a) Represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate. In addition, to compute constant currency earnings per share, the Company assumes the impact of fluctuations in foreign currency derivatives not designated as hedges and the portion of fair value that is excluded from the measure of effectiveness for those contracts designated as hedges was consistent with the prior year.
- (b) Estimated accrual for an anticipated agreement to resolve the Company's disputes with the State of Arizona and certain other states and to fund a multi-state not-for-profit organization focused on border safety and security ("settlement accrual"). This item has been included in the selling, general and administrative expense line of the consolidated statements of income, and was not allocated to the segments.
- (c) Represents the incremental impact from the acquisition of Custom House on the Global Business Payments segment revenue and operating income. Acquisition costs of \$5.8 million related to acquiring Custom House are included in "Other" for segment reporting purposes.
- (d) Restructuring and related expenses relate to severance, outplacement and other employee related benefits; facility closure and migration of IT infrastructure; and other expenses related to relocation of various operations to existing Company facilities and third party providers, including hiring, training, relocation, travel, and professional fees. Also, included in the facility closure expenses are non-cash expenses related to fixed asset and leasehold improvement write-offs, and acceleration of depreciation and amortization. The restructuring and related expenses are included in cost of services and selling, general and administrative expense lines of the consolidated statements of income, and are not allocated to the segments.