Non-GAAP Measures

Western Union's management believes the non-GAAP measures presented 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. These non-GAAP measurements include revenue change constant currency adjusted, consumer-to-consumer segment revenue change constant currency adjusted, international consumer-to-consumer revenue change constant currency adjusted, consumer-to-consumer cross-border principal constant currency adjusted, consumer-to-consumer principal per transaction constant currency adjusted, Global Business Payments revenue change excluding Custom House, Global Business Payments operating margin excluding Custom House and cash flows from operations excluding refundable IRS tax deposit.

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 below.

Reconciliation of Non-GAAP Measures

	1Q09	2Q09	3Q09	4Q09	FY2009	1Q10
Consolidated Metrics						
Revenues, as reported (GAAP)	$ 1,201.2	$ 1,254.3	$ 1,314.1	$ 1,314.0	$ 5,083.6	$ 1,232.7
Foreign currency translation impact (a)	60.7	60.1	31.1	(32.4)	119.5	(20.0)
Revenues, constant currency adjusted	$ 1,261.9	$ 1,314.4	$ 1,345.2	$ 1,281.6	$ 5,203.1	$ 1,212.7
Prior year revenues, as reported (GAAP)	$ 1,265.9	$ 1,347.1	$ 1,377.4	$ 1,291.6	$ 5,282.0	$ 1,201.2
Revenue change, as reported (GAAP)	(5)%	(7)%	(5)%	2 %	(4)%	3 %
Revenue change, constant currency adjusted	0 %	(2)%	(2)%	(1)%	(1)%	1 %
Cash flows from operations, as reported (GAAP)	$ 356.6	$ 249.7	$ 351.7	$ 260.1	$ 1,218.1	$ 74.4
Reversal of refundable IRS tax deposit (c)	N/A	N/A	N/A	N/A	N/A	250.0
Cash flows from operations, tax deposit adjusted	$ 356.6	$ 249.7	$ 351.7	$ 260.1	$ 1,218.1	$ 324.4
Consumer-to-Consumer Segment						
Revenues, as reported (GAAP)	$ 1,003.7	$ 1,065.5	$ 1,117.8	$ 1,113.7	$ 4,300.7	$ 1,030.2
Foreign currency translation impact (a)	57.9	55.2	24.4	(36.2)	101.3	(21.9)
Revenues, constant currency adjusted	$ 1,061.6	$ 1,120.7	$ 1,142.2	$ 1,077.5	$ 4,402.0	$ 1,008.3
Prior year revenues, as reported (GAAP)	$ 1,053.8	$ 1,145.4	$ 1,178.1	$ 1,094.3	$ 4,471.6	$ 1,003.7
Revenue change, as reported (GAAP)	(5)%	(7)%	(5)%	2 %	(4)%	3 %
Revenue change, constant currency adjusted	1 %	(2)%	(3)%	(2)%	(2)%	0 %
Principal per transaction, as reported ($ - dollars)	$ 358	$ 358	$ 371	$ 365	$ 363	$ 357
Foreign currency translation impact (a) ($ - dollars)	26	24	12	(14)	12	(11)
Principal per transaction, constant currency adjusted ($ - dollars)	$ 384	$ 382	$ 383	$ 351	$ 375	$ 346
Prior year principal per transaction, as reported ($ - dollars)	$ 396	$ 402	$ 401	$ 372	$ 392	$ 358
Principal per transaction change, as reported	(10)%	(11)%	(7)%	(2)%	(7)%	0 %
Principal per transaction change, constant currency adjusted	(3)%	(5)%	(4)%	(6)%	(5)%	(3)%

Reconciliation of Non-GAAP Measures

	1Q09	2Q09	3Q09	4Q09	FY2009	1Q10
Consumer-to-Consumer Segment						
Cross-border principal, as reported ($ - billions)	$ 15.0	$ 15.9	$ 17.0	$ 17.1	$ 65.0	$ 16.1
Foreign currency translation impact (a) ($ - billions)	1.1	1.1	0.5	(0.7)	2.0	(0.5)
Cross-border principal, constant currency adjusted ($ - billions)	$ 16.1	$ 17.0	$ 17.5	$ 16.4	$ 67.0	$ 15.6
Prior year cross-border principal, as reported ($ - billions)	$ 15.5	$ 17.2	$ 17.8	$ 16.6	$ 67.1	$ 15.0
Cross-border principal change, as reported	(3)%	(8)%	(5)%	3 %	(3)%	7 %
Cross-border principal change, constant currency adjusted	4 %	(1)%	(1)%	(1)%	0 %	4 %
International revenues, as reported (GAAP)	$ 814.8	$ 875.0	$ 926.5	$ 943.4	$ 3,559.7	$ 862.0
Foreign currency translation impact (a)	55.7	53.5	22.6	(35.8)	96.0	(20.8)
International revenues, constant currency adjusted	$ 870.5	$ 928.5	$ 949.1	$ 907.6	$ 3,655.7	$ 841.2
Prior year international revenues, as reported (GAAP)	$ 843.8	$ 919.5	$ 950.6	$ 891.2	$ 3,605.1	$ 814.8
International revenue change, as reported (GAAP)	(3)%	(5)%	(3)%	6 %	(1)%	6 %
International revenue change, constant currency adjusted	3 %	1 %	0 %	2 %	1 %	3 %
Global Business Payments Segment						
Revenues, as reported (GAAP)	$ 174.2	$ 164.4	$ 171.3	$ 181.8	$ 691.7	$ 181.8
Reversal of Custom House revenues (b)	N/A	N/A	(7.9)	(22.9)	(30.8)	(25.6)
Revenues, excluding Custom House	$ 174.2	$ 164.4	$ 163.4	$ 158.9	$ 660.9	$ 156.2
Prior year revenues, as reported (GAAP)	$ 189.8	$ 179.4	$ 176.4	$ 174.2	$ 719.8	$ 174.2
Revenue change, as reported (GAAP)	(8)%	(8)%	(3)%	4 %	(4)%	4 %
Revenue change, excluding Custom House	N/A	N/A	(7)%	(9)%	(8)%	(10)%
Operating income, as reported (GAAP)	$ 50.5	$ 44.1	$ 41.6	$ 35.7	$ 171.9	$ 37.6
Reversal of Custom House operating loss (b)	N/A	N/A	1.3	4.9	6.2	3.1
Operating income, excluding Custom House	$ 50.5	$ 44.1	$ 42.9	$ 40.6	$ 178.1	$ 40.7
Operating income margin, as reported (GAAP)	29.0 %	26.8 %	24.3 %	19.6 %	24.9 %	20.7 %
Operating income margin, excluding Custom House	N/A	N/A	26.3 %	25.5 %	26.9 %	26.1 %

Footnote explanations

(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) Represents the incremental impact from the acquisition of Custom House on the Global Business Payments segment revenue and operating income.

(c) The Company made a $250 million refundable tax deposit with the IRS in first quarter 2010.