

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, revenue change constant currency adjusted excluding Western Union Business Solutions, operating income margin and earnings per share excluding restructuring expenses, 2009 operating income margin and earnings per share excluding the settlement accrual, 2010 cash flow from operations excluding the refundable tax deposit, consumer-to-consumer segment revenue change constant currency adjusted, consumer-to-consumer segment principal per transaction change constant currency adjusted, consumer-to-consumer cross-border principal change constant currency adjusted, Global Business Payments operating income margin excluding Western Union Business Solutions, 2011 earnings per share outlook excluding restructuring expenses, and 2011 operating income margin outlook excluding restructuring expenses.

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.

Consolidated Metrics

	4Q09	FY2009	1Q10	2Q10	3Q10	4Q10	FY2010
Revenues, as reported (GAAP)	\$ 1,314.0	\$ 5,083.6	\$ 1,232.7	\$ 1,273.4	\$ 1,329.6	\$ 1,357.0	\$ 5,192.7
Foreign currency translation impact (a)	(32.4)	119.5	(20.0)	16.1	22.2	18.5	36.8
Revenues, constant currency adjusted	\$ 1,281.6	\$ 5,203.1	\$ 1,212.7	\$ 1,289.5	\$ 1,351.8	\$ 1,375.5	\$ 5,229.5
Reversal of Western Union Business Solutions revenues, including foreign currency translation impacts (b)	(22.9)	(30.8)	(25.6)	(28.5)	(26.8)	(29.4)	(110.3)
Revenues, constant currency adjusted, excluding Western Union Business Solutions	\$ 1,258.7	\$ 5,172.3	\$ 1,187.1	\$ 1,261.0	\$ 1,325.0	\$ 1,346.1	\$ 5,119.2
Prior year revenues, as reported (GAAP)	\$ 1,291.6	\$ 5,282.0	\$ 1,201.2	\$ 1,254.3	\$ 1,314.1	\$ 1,314.0	\$ 5,083.6
Prior year revenues, excluding Western Union Business Solutions	N/A	N/A	N/A	N/A	\$ 1,306.2	\$ 1,291.1	\$ 5,052.8
Revenue change, as reported (GAAP)	2 %	(4)%	3 %	2 %	1 %	3 %	2 %
Revenue change, constant currency adjusted	(1)%	(1)%	1 %	3 %	3 %	5 %	3 %
Revenue change, constant currency adjusted, excluding Western Union Business Solutions	(3)%	(2)%	(1)%	1 %	1 %	4 %	1 %
Operating income, as reported (GAAP)	\$ 318.6	\$ 1,282.7	\$ 315.8	\$ 311.0	\$ 351.2	\$ 322.1	\$ 1,300.1
Reversal of settlement accrual (c)	N/A	71.0	N/A	N/A	N/A	N/A	N/A
Reversal of restructuring and related expenses (d)	N/A	N/A	N/A	34.5	14.0	11.0	59.5
Operating income, excluding settlement accrual and restructuring	\$ 318.6	\$ 1,353.7	\$ 315.8	\$ 345.5	\$ 365.2	\$ 333.1	\$ 1,359.6
Operating income margin, as reported (GAAP)	24.2 %	25.2 %	25.6 %	24.4 %	26.4 %	23.7 %	25.0 %
Operating income margin, excluding settlement accrual and restructuring	N/A	26.6 %	N/A	27.1 %	27.5 %	24.5 %	26.2 %
Net income, as reported (GAAP)	\$ 223.7	\$ 848.8	\$ 207.9	\$ 221.0	\$ 238.4	\$ 242.6	\$ 909.9
Reversal of settlement accrual, net of income tax benefit (c)	N/A	53.9	N/A	N/A	N/A	N/A	N/A
Reversal of restructuring and related expenses, net of income tax benefit (d)	N/A	N/A	N/A	22.4	9.5	7.4	39.3
Net income, settlement accrual, and restructuring adjusted	\$ 223.7	\$ 902.7	\$ 207.9	\$ 243.4	\$ 247.9	\$ 250.0	\$ 949.2
Diluted earnings per share ("EPS"), as reported (GAAP) (\$ - dollars)	\$ 0.32	\$ 1.21	\$ 0.30	\$ 0.33	\$ 0.36	\$ 0.37	\$ 1.36
Impact from restructuring and related expenses, net of income tax benefit (d) (\$ - dollars)	N/A	N/A	N/A	0.03	0.01	0.01	0.06
Diluted EPS, restructuring adjusted (\$ - dollars)	\$ 0.32	\$ 1.21	\$ 0.30	\$ 0.36	\$ 0.37	\$ 0.38	\$ 1.42
Impact from settlement accrual, net of tax benefit (c) (\$ - dollars)	N/A	0.08	N/A	N/A	N/A	N/A	N/A
Diluted EPS, settlement accrual adjusted (\$ - dollars)	\$ 0.32	\$ 1.29	\$ 0.30	\$ 0.36	\$ 0.37	\$ 0.38	\$ 1.42
Diluted weighted-average shares outstanding	693.2	701.0	684.2	671.6	661.3	658.4	668.9
Cash flow from operations, as reported (GAAP)	\$ 260.1	\$ 1,218.1	\$ 74.4	\$ 251.7	\$ 383.8	\$ 284.5	\$ 994.4
Reversal of refundable IRS tax deposit (e)	N/A	N/A	250.0	N/A	N/A	N/A	250.0
Cash flow from operations, tax deposit adjusted	\$ 260.1	\$ 1,218.1	\$ 324.4	\$ 251.7	\$ 383.8	\$ 284.5	\$ 1,244.4

Reconciliation of Non-GAAP Measures

Consumer-to-Consumer Segment

	4Q09	FY2009	1Q10	2Q10	3Q10	4Q10	FY2010
Revenues, as reported (GAAP)	\$ 1,113.7	\$ 4,300.7	\$ 1,030.2	\$ 1,073.1	\$ 1,128.3	\$ 1,151.8	\$ 4,383.4
Foreign currency translation impact (a)	(36.2)	101.3	(21.9)	15.0	21.2	18.0	32.3
Revenues, constant currency adjusted	\$ 1,077.5	\$ 4,402.0	\$ 1,008.3	\$ 1,088.1	\$ 1,149.5	\$ 1,169.8	\$ 4,415.7
Prior year revenues, as reported (GAAP)	\$ 1,094.3	\$ 4,471.6	\$ 1,003.7	\$ 1,065.5	\$ 1,117.8	\$ 1,113.7	\$ 4,300.7
Revenue change, as reported (GAAP)	2 %	(4)%	3 %	1 %	1 %	3 %	2 %
Revenue change, constant currency adjusted	(2)%	(2)%	0 %	2 %	3 %	5 %	3 %
Principal per transaction, as reported (\$ - dollars)	\$ 365	\$ 363	\$ 357	\$ 351	\$ 355	\$ 356	\$ 355
Foreign currency translation impact (a) (\$ - dollars)	(14)	12	(11)	2	7	5	1
Principal per transaction, constant currency adjusted (\$ - dollars)	\$ 351	\$ 375	\$ 346	\$ 353	\$ 362	\$ 361	\$ 356
Prior year principal per transaction, as reported (\$ - dollars)	\$ 372	\$ 392	\$ 358	\$ 358	\$ 371	\$ 365	\$ 363
Principal per transaction change, as reported	(2)%	(7)%	0 %	(2)%	(4)%	(3)%	(2)%
Principal per transaction change, constant currency adjusted	(6)%	(5)%	(3)%	(2)%	(3)%	(1)%	(2)%
Cross-border principal, as reported (\$ - billions)	\$ 17.1	\$ 65.0	\$ 16.1	\$ 16.8	\$ 17.6	\$ 18.1	\$ 68.6
Foreign currency translation impact (a) (\$ - billions)	(0.7)	2.0	(0.5)	0.1	0.4	0.3	0.3
Cross-border principal, constant currency adjusted (\$ - billions)	\$ 16.4	\$ 67.0	\$ 15.6	\$ 16.9	\$ 18.0	\$ 18.4	\$ 68.9
Prior year cross-border principal, as reported (\$ - billions)	\$ 16.6	\$ 67.1	\$ 15.0	\$ 15.9	\$ 17.0	\$ 17.1	\$ 65.0
Cross-border principal change, as reported	3 %	(3)%	7 %	6 %	4 %	6 %	6 %
Cross-border principal change, constant currency adjusted	(1)%	0 %	4 %	7 %	6 %	7 %	6 %

Global Business Payments Segment

Operating income, as reported (GAAP)
 Reversal of Western Union Business Solutions operating loss (b)
 Operating income, excluding Western Union Business Solutions
 Operating income margin, as reported (GAAP)
 Operating income margin, excluding Western Union Business Solutions

4Q09	FY2009	1Q10	2Q10	3Q10	4Q10	FY2010
\$ 35.7	\$ 171.9	\$ 37.6	\$ 33.8	\$ 27.0	\$ 24.1	\$ 122.5
4.9	6.2	3.1	4.6	8.3	7.7	23.7
\$ 40.6	\$ 178.1	\$ 40.7	\$ 38.4	\$ 35.3	\$ 31.8	\$ 146.2
19.6 %	24.9 %	20.7 %	18.9 %	15.1 %	13.3 %	17.0 %
25.5 %	26.9 %	26.1 %	25.5 %	23.2 %	21.0 %	23.9 %

2011 EPS Outlook

EPS guidance (GAAP) (\$ - dollars)
 Impact from restructuring and related expenses, net of income tax benefit (d) (\$ - dollars)
 EPS guidance, restructuring adjusted (\$ - dollars)

Range			
\$	1.41	\$	1.46
	0.06		0.06
\$	1.47	\$	1.52

2011 Operating Income Margin Outlook

Operating income margin (GAAP)
 Impact from restructuring and related expenses (d)
 Operating income margin, restructuring adjusted

26.0 %
1.0 %
27.0 %

- (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 including the impact from fluctuations in exchange rates, when applicable, of Western Union Business Solutions on consolidated revenue. Also, represents the incremental impact of Western Union Business Solutions on Global Business Payments segment operating income.
- (c) Accrual for an 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.
- (d) Restructuring and related expenses consist of direct and incremental expenses including the impact from fluctuations in exchange rates associated with restructuring and related activities, consisting of severance, outplacement and other employee related benefits; facility closure and migration of the Company's IT infrastructure; and other expenses related to the relocation of various operations to new or 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 the acceleration of depreciation. Restructuring and related expenses were not allocated to the segments.
- (e) The Company made a \$250 million refundable tax deposit with the IRS in first quarter 2010.