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, operating income margin and earnings per share excluding restructuring expenses, effective tax rate restructuring adjusted, 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, consumer-to-consumer international revenue change constant currency adjusted, consumer-to-consumer international principal per transaction change constant currency adjusted, 2011 revenue outlook constant currency adjusted, 2011 operating income margin outlook restructuring and constant currency adjusted, and 2011 earnings per share 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.

Reconciliation of Non-GAAP Measures

	2Q10	3Q10	4Q10	FY2010	1Q11	2Q11	YTD 2Q11
Consolidated Metrics							
Revenues, as reported (GAAP)	$ 1,273.4	$ 1,329.6	$ 1,357.0	$ 5,192.7	$ 1,283.0	$ 1,366.3	$ 2,649.3
Foreign currency translation impact (a)	16.1	22.2	18.5	36.8	2.3	(32.5)	(30.2)
Revenues, constant currency adjusted	$ 1,289.5	$ 1,351.8	$ 1,375.5	$ 5,229.5	$ 1,285.3	$ 1,333.8	$ 2,619.1
Prior year revenues, as reported (GAAP)	$ 1,254.3	$ 1,314.1	$ 1,314.0	$ 5,083.6	$ 1,232.7	$ 1,273.4	$ 2,506.1
Revenue change, as reported (GAAP)	2 %	1 %	3 %	2 %	4 %	7 %	6 %
Revenue change, constant currency adjusted	3 %	3 %	5 %	3 %	4 %	5 %	5 %
Operating income, as reported (GAAP)	$ 311.0	$ 351.2	$ 322.1	$ 1,300.1	$ 312.9	$ 350.7	$ 663.6
Reversal of restructuring and related expenses (b)	34.5	14.0	11.0	59.5	24.0	8.9	32.9
Operating income, excluding restructuring	$ 345.5	$ 365.2	$ 333.1	$ 1,359.6	$ 336.9	$ 359.6	$ 696.5
Operating income margin, as reported (GAAP)	24.4 %	26.4 %	23.7 %	25.0 %	24.4 %	25.7 %	25.0 %
Operating income margin, excluding restructuring	27.1 %	27.5 %	24.5 %	26.2 %	26.3 %	26.3 %	26.3 %
Net income, as reported (GAAP)	$ 221.0	$ 238.4	$ 242.6	$ 909.9	$ 210.2	$ 263.2	$ 473.4
Reversal of restructuring and related expenses, net of income tax benefit (b)	22.4	9.5	7.4	39.3	16.4	5.9	22.3
Net income, restructuring adjusted, net of income tax	$ 243.4	$ 247.9	$ 250.0	$ 949.2	$ 226.6	$ 269.1	$ 495.7
Diluted earnings per share ("EPS"), as reported (GAAP) ($ - dollars)	$ 0.33	$ 0.36	$ 0.37	$ 1.36	$ 0.32	$ 0.41	$ 0.74
Impact from restructuring and related expenses, net of income tax benefit (b) ($ - dollars)	0.03	0.01	0.01	0.06	0.03	0.01	0.03
Diluted EPS, restructuring adjusted ($ - dollars)	$ 0.36	$ 0.37	$ 0.38	$ 1.42	$ 0.35	$ 0.42	$ 0.77
Diluted weighted-average shares outstanding	671.6	661.3	658.4	668.9	652.1	635.8	644.0
Effective tax rate, as reported (GAAP)	18.8 %	22.7 %	15.9 %	20.5 %	23.5 %	21.1 %	22.2 %
Impact from restructuring expenses, net of income tax benefit (b)	1.9 %	0.5 %	0.6 %	0.7 %	0.6 %	0.3 %	0.5 %
Effective tax rate, restructuring adjusted	20.7 %	23.2 %	16.5 %	21.2 %	24.1 %	21.4 %	22.7 %

Reconciliation of Non-GAAP Measures

	2Q10	3Q10	4Q10	FY2010	1Q11	2Q11	YTD 2Q11
Consumer-to-Consumer Segment							
Revenues, as reported (GAAP)	$ 1,073.1	$ 1,128.3	$ 1,151.8	$ 4,383.4	$ 1,078.1	$ 1,155.1	$ 2,233.2
Foreign currency translation impact (a)	15.0	21.2	18.0	32.3	2.2	(31.4)	(29.2)
Revenues, constant currency adjusted	$ 1,088.1	$ 1,149.5	$ 1,169.8	$ 4,415.7	$ 1,080.3	$ 1,123.7	$ 2,204.0
Prior year revenues, as reported (GAAP)	$ 1,065.5	$ 1,117.8	$ 1,113.7	$ 4,300.7	$ 1,030.2	$ 1,073.1	$ 2,103.3
Revenue change, as reported (GAAP)	1 %	1 %	3 %	2 %	5 %	8 %	6 %
Revenue change, constant currency adjusted	2 %	3 %	5 %	3 %	5 %	5 %	5 %
Principal per transaction, as reported ($ - dollars)	$ 351	$ 355	$ 356	$ 355	$ 360	$ 365	$ 363
Foreign currency translation impact (a) ($ - dollars)	2	7	5	1	(1)	(14)	(8)
Principal per transaction, constant currency adjusted ($ - dollars)	$ 353	$ 362	$ 361	$ 356	$ 359	$ 351	$ 355
Prior year principal per transaction, as reported ($ - dollars)	$ 358	$ 371	$ 365	$ 363	$ 357	$ 351	$ 354
Principal per transaction change, as reported	(2)%	(4)%	(3)%	(2)%	1 %	4 %	3 %
Principal per transaction change, constant currency adjusted	(2)%	(3)%	(1)%	(2)%	1 %	0 %	0 %
Cross-border principal, as reported ($ - billions)	$ 16.8	$ 17.6	$ 18.1	$ 68.6	$ 17.1	$ 18.6	$ 35.7
Foreign currency translation impact (a) ($ - billions)	0.1	0.4	0.3	0.3	-	(0.8)	(0.8)
Cross-border principal, constant currency adjusted ($ - billions)	$ 16.9	$ 18.0	$ 18.4	$ 68.9	$ 17.1	$ 17.8	$ 34.9
Prior year cross-border principal, as reported ($ - billions)	$ 15.9	$ 17.0	$ 17.1	$ 65.0	$ 16.1	$ 16.8	$ 32.9
Cross-border principal change, as reported	6 %	4 %	6 %	6 %	7 %	10 %	8 %
Cross-border principal change, constant currency adjusted	7 %	6 %	7 %	6 %	6 %	6 %	6 %
International revenues, as reported (GAAP)	$ 890.8	$ 944.0	$ 972.4	$ 3,669.2	$ 901.7	$ 962.9	$ 1,864.6
Foreign currency translation impact (a)	15.7	21.7	18.4	35.0	2.6	(30.7)	(28.1)
International revenues, constant currency adjusted	$ 906.5	$ 965.7	$ 990.8	$ 3,704.2	$ 904.3	$ 932.2	$ 1,836.5
Prior year international revenues, as reported (GAAP)	$ 875.0	$ 926.5	$ 943.4	$ 3,559.7	$ 862.0	$ 890.8	$ 1,752.8
International revenue change, as reported (GAAP)	2 %	2 %	3 %	3 %	5 %	8 %	6 %
International revenue change, constant currency adjusted	4 %	4 %	5 %	4 %	5 %	5 %	5 %
International principal per transaction, as reported ($ - dollars)	$ 376	$ 384	$ 386	$ 382	$ 390	$ 399	$ 394
Foreign currency translation impact (a) ($ - dollars)	3	8	7	2	(2)	(18)	(9)
International principal per transaction, constant currency adjusted ($ - dollars)	$ 379	$ 392	$ 393	$ 384	$ 388	$ 381	$ 385
Prior year international principal per transaction, as reported ($ - dollars)	$ 380	$ 395	$ 390	$ 386	$ 381	$ 376	$ 379
International principal per transaction change, as reported	(1)%	(3)%	(1)%	(1)%	2 %	6 %	4 %
International principal per transaction change, constant currency adjusted	0 %	(1)%	1 %	(1)%	2 %	1 %	2 %

Reconciliation of Non-GAAP Measures

2011 Revenue Outlook	Range	
Revenue change (GAAP)	5 %	6 %
Foreign currency translation impact (c)	(1)%	(1)%
Revenue change, constant currency adjusted	4 %	5 %

2011 Operating Income Margin Outlook	Range	
Operating income margin (GAAP)	25.0 %	25.5 %
Impact from restructuring and related expenses (b)	1.0 %	1.0 %
Operating income margin, restructuring adjusted	26.0 %	26.5 %
Foreign currency translation impact (c)	0.5 %	0.5 %
Operating income margin, restructuring and constant currency adjusted	26.5 %	27.0 %

2011 EPS Outlook	Range	
EPS guidance (GAAP) ($ - dollars)	$ 1.48	$ 1.53
Impact from restructuring and related expenses, net of income tax benefit (b) ($ - dollars)	0.05	0.05
EPS guidance, restructuring adjusted ($ - dollars)	$ 1.53	$ 1.58

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.

(b) 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 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 and amortization. Restructuring and related expenses were not allocated to the segments.

(c) Represents the estimated impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any estimated 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.