Non-GAAP Measures

Western Union's management believes the non-GAAP financial 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 financial measures include revenue change constant currency adjusted; EBITDA margin; Consumer-to-Consumer segment revenue change constant currency adjusted; Consumer-to-Consumer segment principal per transaction change constant currency adjusted; Consumer-to-Consumer segment cross-border principal change constant currency adjusted; Consumer-to-Consumer segment region and westernunion.com revenue change constant currency adjusted; Consumer-to-Business segment revenue change constant currency adjusted; Business Solutions segment revenue change constant currency adjusted; Business Solutions segment EBITDA margin; 2015 operating income margin outlook, excluding Paymap settlement agreement; 2015 earnings per share outlook, excluding Paymap settlement agreement, net of income tax benefit; and 2015 tax rate outlook, excluding Paymap settlement agreement. Constant currency results assume foreign revenues are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the prior year.

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 financial measures to the most directly comparable GAAP financial measures is included below.

All adjusted year-over-year changes were calculated using prior year reported amounts. Amounts included below are in millions, unless indicated otherwise.

Reconciliation of Non-GAAP Measures

	3Q14	4Q14	FY2014	1Q15	2Q15	3Q15	YTD 3Q15
Consolidated Metrics							
Revenues, as reported (GAAP)	$ 1,440.9	$ 1,409.9	$ 5,607.2	$ 1,320.9	$ 1,383.6	$ 1,399.2	$ 4,103.7
Foreign currency translation impact (a)	35.0	63.7	157.5	78.6	84.7	85.4	248.7
Revenues, constant currency adjusted	$ 1,475.9	$ 1,473.6	$ 5,764.7	$ 1,399.5	$ 1,468.3	$ 1,484.6	$ 4,352.4
Prior year revenues, as reported (GAAP)	$ 1,408.8	$ 1,421.9	$ 5,542.0	$ 1,350.8	$ 1,405.6	$ 1,440.9	$ 4,197.3
Revenue change, as reported (GAAP)	2 %	(1)%	1 %	(2)%	(2)%	(3)%	(2)%
Revenue change, constant currency adjusted	5 %	4 %	4 %	4 %	4 %	3 %	4 %
Operating income, as reported (GAAP)	$ 314.1	$ 276.1	$ 1,140.5	$ 272.3	$ 250.8	$ 304.5	$ 827.6
Reversal of depreciation and amortization	66.8	69.5	271.9	63.9	62.9	74.4	201.2
EBITDA (b)	$ 380.9	$ 345.6	$ 1,412.4	$ 336.2	$ 313.7	$ 378.9	$ 1,028.8
Less: Paymap settlement agreement (c)	N/A	N/A	N/A	N/A	35.3	N/A	35.3
Adjusted EBITDA, excluding Paymap settlement agreement	$ 380.9	$ 345.6	$ 1,412.4	$ 336.2	$ 349.0	$ 378.9	$ 1,064.1
Operating income margin, as reported (GAAP)	21.8 %	19.6 %	20.3 %	20.6 %	18.1 %	21.8 %	20.2 %
EBITDA margin	26.4 %	24.5 %	25.2 %	25.5 %	22.7 %	27.1 %	25.1 %
Adjusted EBITDA margin, excluding Paymap settlement agreement	N/A	N/A	N/A	N/A	25.2 %	N/A	25.9 %
Consumer-to-Consumer Segment							
Revenues, as reported (GAAP)	$ 1,150.9	$ 1,125.3	$ 4,485.8	$ 1,038.3	$ 1,101.5	$ 1,112.9	$ 3,252.7
Foreign currency translation impact (a)	17.9	42.8	80.7	63.0	69.1	67.1	199.2
Revenues, constant currency adjusted	$ 1,168.8	$ 1,168.1	$ 4,566.5	$ 1,101.3	$ 1,170.6	$ 1,180.0	$ 3,451.9
Prior year revenues, as reported (GAAP)	$ 1,128.1	$ 1,146.5	$ 4,433.6	$ 1,077.5	$ 1,132.1	$ 1,150.9	$ 3,360.5
Revenue change, as reported (GAAP)	2 %	(2)%	1 %	(4)%	(3)%	(3)%	(3)%
Revenue change, constant currency adjusted	4 %	2 %	3 %	2 %	3 %	3 %	3 %
Principal per transaction, as reported ($ - dollars)	$ 339	$ 323	$ 335	$ 315	$ 316	$ 315	$ 315
Foreign currency translation impact (a) ($ - dollars)	—	12	3	19	23	23	22
Principal per transaction, constant currency adjusted ($ - dollars)	$ 339	$ 335	$ 338	$ 334	$ 339	$ 338	$ 337
Prior year principal per transaction, as reported ($ - dollars)	$ 339	$ 335	$ 338	$ 338	$ 341	$ 339	$ 339
Principal per transaction change, as reported	0 %	(4)%	(1)%	(7)%	(7)%	(7)%	(7)%
Principal per transaction change, constant currency adjusted	0 %	0 %	0 %	(1)%	(1)%	0 %	(1)%
Cross-border principal, as reported ($ - billions)	$ 20.0	$ 19.2	$ 77.2	$ 17.5	$ 18.8	$ 18.9	$ 55.2
Foreign currency translation impact (a) ($ - billions)	—	0.8	0.8	1.1	1.3	1.3	3.7
Cross-border principal, constant currency adjusted ($ - billions)	$ 20.0	$ 20.0	$ 78.0	$ 18.6	$ 20.1	$ 20.2	$ 58.9
Prior year cross-border principal, as reported ($ - billions)	$ 19.0	$ 19.5	$ 73.9	$ 18.3	$ 19.7	$ 20.0	$ 58.0
Cross-border principal change, as reported	5 %	(1)%	5 %	(4)%	(5)%	(6)%	(5)%
Cross-border principal change, constant currency adjusted	5 %	2 %	6 %	2 %	2 %	1 %	2 %

Reconciliation of Non-GAAP Measures

	3Q14	4Q14	FY2014	1Q15	2Q15	3Q15	YTD 3Q15
Consumer-to-Consumer Segment cont.							
Europe and CIS region revenue change, as reported (GAAP)	1 %	(5)%	0 %	(9)%	(9)%	(10)%	(9)%
Europe and CIS region foreign currency translation impact (a)	2 %	6 %	1 %	11 %	11 %	10 %	10 %
Europe and CIS region revenue change, constant currency adjusted	3 %	1 %	1 %	2 %	2 %	0 %	1 %
North America region revenue change, as reported (GAAP)	2 %	0 %	1 %	(2)%	(2)%	(1)%	(2)%
North America region foreign currency translation impact (a)	0 %	1 %	0 %	2 %	1 %	2 %	2 %
North America region revenue change, constant currency adjusted	2 %	1 %	1 %	0 %	(1)%	1 %	0 %
Middle East and Africa region revenue change, as reported (GAAP)	3 %	(3)%	2 %	(6)%	(4)%	(2)%	(4)%
Middle East and Africa region foreign currency translation impact (a)	1 %	3 %	1 %	5 %	5 %	5 %	5 %
Middle East and Africa region revenue change, constant currency adjusted	4 %	0 %	3 %	(1)%	1 %	3 %	1 %
APAC region revenue change, as reported (GAAP)	1 %	(3)%	0 %	(6)%	(5)%	(8)%	(6)%
APAC region foreign currency translation impact (a)	1 %	4 %	2 %	4 %	5 %	6 %	5 %
APAC region revenue change, constant currency adjusted	2 %	1 %	2 %	(2)%	0 %	(2)%	(1)%
LACA region revenue change, as reported (GAAP)	(3)%	(3)%	(6)%	4 %	6 %	0 %	3 %
LACA region foreign currency translation impact (a)	7 %	7 %	8 %	6 %	7 %	8 %	7 %
LACA region revenue change, constant currency adjusted	4 %	4 %	2 %	10 %	13 %	8 %	10 %
westernunion.com region revenue change, as reported (GAAP)	21 %	19 %	28 %	17 %	22 %	22 %	20 %
westernunion.com region foreign currency translation impact (a)	(1)%	4 %	1 %	6 %	6 %	6 %	6 %
westernunion.com region revenue change, constant currency adjusted	20 %	23 %	29 %	23 %	28 %	28 %	26 %

Reconciliation of Non-GAAP Measures

	3Q14	4Q14	FY2014	1Q15	2Q15	3Q15	YTD 3Q15
Consumer-to-Business Segment							
Revenues, as reported (GAAP)	$ 150.4	$ 155.3	$ 598.8	$ 157.8	$ 157.9	$ 160.1	$ 475.8
Foreign currency translation impact (a)	18.1	16.6	70.1	6.3	4.9	5.6	16.8
Revenues, constant currency adjusted	$ 168.5	$ 171.9	$ 668.9	$ 164.1	$ 162.8	$ 165.7	$ 492.6
Prior year revenues, as reported (GAAP)	$ 152.3	$ 149.5	$ 608.5	$ 147.2	$ 145.9	$ 150.4	$ 443.5
Revenue change, as reported (GAAP)	(1)%	4 %	(2)%	7 %	8 %	6 %	7 %
Revenue change, constant currency adjusted	11 %	15 %	10 %	11 %	12 %	10 %	11 %
Business Solutions Segment							
Revenues, as reported (GAAP)	$ 105.8	$ 101.2	$ 404.6	$ 98.0	$ 97.6	$ 101.2	$ 296.8
Foreign currency translation impact (a)	(1.6)	3.7	4.5	8.1	9.4	10.9	28.4
Revenues, constant currency adjusted	$ 104.2	$ 104.9	$ 409.1	$ 106.1	$ 107.0	$ 112.1	$ 325.2
Prior year revenues, as reported (GAAP)	$ 101.6	$ 100.2	$ 392.9	$ 99.4	$ 98.2	$ 105.8	$ 303.4
Revenue change, as reported (GAAP)	4 %	1 %	3 %	(1)%	(1)%	(4)%	(2)%
Revenue change, constant currency adjusted	3 %	5 %	4 %	7 %	9 %	6 %	7 %
Operating income/(loss), as reported (GAAP)	$ (0.2)	$ (5.0)	$ (12.1)	$ 2.1	$ (0.4)	$ (2.7)	$ (1.0)
Reversal of depreciation and amortization	13.7	12.7	56.1	12.2	12.2	20.3	44.7
EBITDA (b)	$ 13.5	$ 7.7	$ 44.0	$ 14.3	$ 11.8	$ 17.6	$ 43.7
Operating income/(loss) margin, as reported (GAAP)	(0.2)%	(4.9)%	(3.0)%	2.1 %	(0.4)%	(2.7)%	(0.3)%
EBITDA margin	12.8 %	7.6 %	10.9 %	14.6 %	12.1 %	17.4 %	14.7 %

Reconciliation of Non-GAAP Measures

2015 Outlook Metrics

2015 Operating Income Margin Outlook		
Operating income margin (GAAP)	20 %	
Impact for Paymap settlement agreement (c)	1 %	
Operating income margin, excluding Paymap settlement agreement	21 %	
2015 EPS Outlook	**Range**	
EPS guidance (GAAP) ($ - dollars)	$ 1.55	$ 1.62
Impact from Paymap settlement agreement, net of income tax benefit (c) ($ - dollars)	0.05	0.05
EPS guidance, excluding Paymap settlement agreement, net of income tax benefit ($ - dollars)	$ 1.60	$ 1.67
2015 Tax Rate Outlook		
Full year effective tax rate (GAAP)	12 %	
Impact from Paymap settlement agreement, net of income tax benefit (c)	1 %	
Full year effective tax rate, excluding Paymap settlement agreement	13 %	

Non-GAAP related notes:

(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) Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") results from taking operating income and adjusting for depreciation and amortization expenses. EBITDA results provide an additional performance measurement calculation which helps neutralize the operating income effect of assets acquired in prior periods.

(c) Represents the impact from a settlement agreement reached with the Consumer Financial Protection Bureau regarding the Equity Accelerator service of Paymap, Inc., a subsidiary of the Company.