2017 Fourth Quarter Financial Results

February 12, 2018

First Data®

Safe Harbor

- Statements in this presentation regarding First Data Corporation's business which are not historical facts are "forward-looking statements." All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Please refer to the Company's meaningful cautionary statements contained in the appendix of this presentation for more information regarding risks and uncertainties.

- Reconciliation to Non-GAAP measures and description of usefulness are provided in the Appendix of this presentation or as part of our Financial Results Press Release accompanying this presentation which can be found at investor.firstdata.com.

- Organic constant currency growth ("Organic CC growth") defined as reported growth adjusted for the following: (1) excludes the impacts of year-over-year currency rate changes in the current period; (2) excludes the results of significant divestitures (including the impact of our Digital Banking Joint Venture) in the prior year period; and (3) includes the results of significant acquisitions in the prior year period.

- All growth percentages and margin comparisons are year-over-year unless otherwise stated; percentages and subtotals are subject to rounding.

Q4.17 and FY.17 Highlights

✓ **Solid Financial Performance**

- Q4.17 segment revenue up 4% on an organic constant currency basis
- Q4.17 segment EBITDA up 8% on an organic constant currency basis
- Q4.17 segment EBITDA margin expanded 140 bps
- Q4.17 adjusted diluted EPS of $0.44, up 13%
- Q4.17 free cash flow of $280 million

- FY.17 segment revenue up 4% on an organic constant currency basis
- FY.17 segment EBITDA up 6% on an organic constant currency basis
- FY.17 segment EBITDA margin expanded 90 bps
- FY.17 adjusted EPS of $1.52, up 15%
- FY.17 free cash flow of $1,359 million

✓ **Executing on Key Initiatives**

- Ramp in integrated payments channel, growing backlog
- CardConnect and BluePay integrations both progressing well
- Strategic initiatives with JV partners gaining traction
- Strong growth in all international regions
- Continued expense management efforts

✓ **Other Important Developments**

- Renewed PNC Merchant Services JV with extension to 2024
- The Tax Cuts and Jobs Act benefits FDC
- Net debt increased $445 million in FY.17, primarily due to acquisitions offset by FCF generation

See slide 4 for associated GAAP measures. See Appendix for reconciliations to the comparable GAAP measures.

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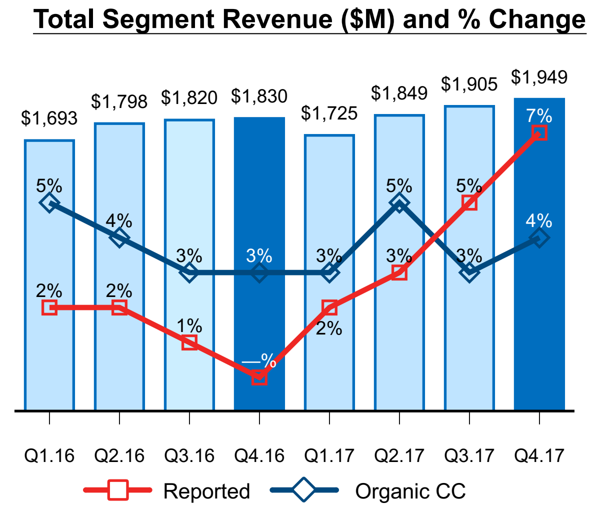
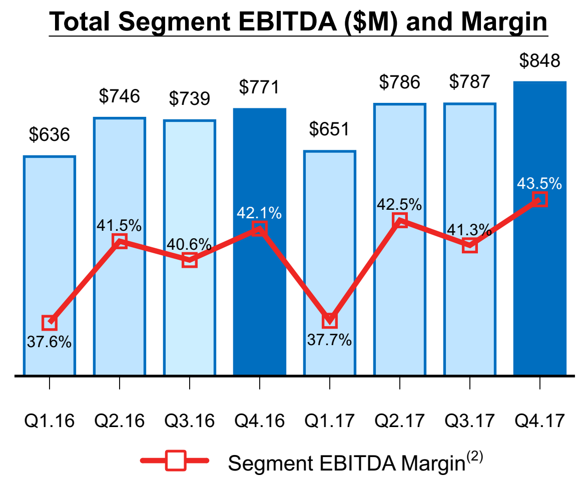
Q4.17 Summary Financial Results

- **Consolidated revenue of $3,150 million**, up 7%
- **Total segment revenue of $1,949 million**[(1)] up 7%
  - Up 4% on an organic constant currency basis
- **Diluted EPS of $1.00,** up 376%
  - Net income of $948 million, up $756 million
- **Adjusted diluted EPS of $0.44,** up 13%
  - Adjusted net income of $416 million, up 14%
- **Operating profit of $500 million,** up 4%
- **Total segment EBITDA of $848 million**, up 10%
  - Up 8% on an organic constant currency basis
  - Total segment EBITDA margin[(2)] of 43.5%, up 140 basis points
- **Cash flow from operations of $465 million**
- **Free cash flow of $280 million**





See slide 17 for reconciliation of consolidated revenue to total segment revenue, slide 19 for reconciliation of net income to total segment EBITDA, slide 20 for net income to adjusted net income and slide 21 for quarterly reconciliations of cash flow from operations to free cash flow. (1) Total segment revenue modifies consolidated revenue for the exclusion of various pass-through items and other impacts. (2) Total segment EBITDA margin defined as total segment EBITDA divided by total segment revenue.

Q4.17 Financial Overview

	Reported				Reported Constant Currency (CC)	Organic Constant Currency (CC)
	Q4.17	Q4.16	B/(W)[(1)]	% B/(W)[(1)]	% B/(W)[(1)]	% B/(W)[(1)]
Consolidated Revenue	$3,150	$2,943	$207	7%		
Consolidated Expense	$2,650	$2,463	($187)	(8%)		
Net Income	$948	$192	$756	394%		
Diluted EPS	$1.00	$0.21	$0.79	376%		
Total Segment Revenue	**$1,949**	**$1,830**	**$119**	**7%**	**6%**	**4%**
GBS	1,131	1,026	105	10%	9%	4%
GFS	412	415	(3)	(1%)	(2%)	(1%)
NSS	406	389	17	4%	4%	6%
Total Segment Expenses	**$1,101**	**$1,059**	**($42)**	**(4%)**	**(3%)**	**(1%)**
GBS	637	580	(57)	(10%)	(9%)	(3%)
GFS	228	242	14	6%	8%	6%
NSS	197	206	9	4%	4%	1%
Corporate	39	31	(8)	(26%)	(26%)	(26%)
Total Segment EBITDA	**$848**	**$771**	**$77**	**10%**	**9%**	**8%**
GBS	494	446	48	11%	10%	7%
GFS	184	173	11	6%	5%	6%
NSS	209	183	26	14%	14%	14%
Corporate	(39)	(31)	(8)	(26%)	(26%)	(26%)
Total Segment EBITDA Margin	**43.5%**	**42.1%**	**140 bps**			
GBS	43.7%	43.5%	20			
GFS	44.7%	41.7%	300			
NSS	51.5%	47.0%	450			
Adjusted Net Income	**$416**	**$365**	**$51**	**14%**		
Adjusted Diluted EPS	**$0.44**	**$0.39**	**$0.05**	**13%**		

See slide 17 for reconciliation of consolidated revenue to total segment revenue, slide 18 for reconciliation of consolidated expenses to total segment expenses, and slide 19 for reconciliation of net income to total segment EBITDA (1) “B” means results in 2017 periods are better than results in 2016 periods “(W)” means results are worse.

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FY.17 Financial Overview

	Reported				Reported Constant Currency (CC)	Organic Constant Currency (CC)
	2017	2016	B/(W)[1]	% B/(W)[1]	% B/(W)[1]	% B/(W)[1]
Consolidated Revenue	$12,052	$11,584	$468	4%		
Consolidated Expense	$10,338	$9,982	($356)	(4%)		
Net Income	$1,465	$420	$1,045	249%		
Diluted EPS	$1.56	$0.46	$1.10	239%		
Total Segment Revenue	**$7,428**	**$7,141**	**$287**	**4%**	**4%**	**4%**
GBS	4,262	4,063	199	5%	5%	4%
GFS	1,623	1,593	30	2%	3%	3%
NSS	1,543	1,485	58	4%	4%	4%
Total Segment Expenses	**$4,356**	**$4,249**	**($107)**	**(3%)**	**(3%)**	**(2%)**
GBS	2,438	2,338	(100)	(4%)	(4%)	(3%)
GFS	937	947	10	1%	—%	—%
NSS	814	819	5	1%	1%	—%
Corporate	167	145	(22)	(15%)	(15%)	(15%)
Total Segment EBITDA	**$3,072**	**$2,892**	**$180**	**6%**	**7%**	**6%**
GBS	1,824	1,725	99	6%	6%	5%
GFS	686	646	40	6%	7%	8%
NSS	729	666	63	9%	9%	9%
Corporate	(167)	(145)	(22)	(15%)	(15%)	(15%)
Total Segment EBITDA Margin	**41.4%**	**40.5%**	**90 bps**			
GBS	42.8%	42.5%	30			
GFS	42.3%	40.6%	170			
NSS	47.2%	44.8%	240			
Adjusted Net Income	**$1,425**	**$1,220**	**$205**	**17%**		
Adjusted Diluted EPS	**$1.52**	**$1.32**	**$0.20**	**15%**		

See slide 17 for reconciliation of consolidated revenue to total segment revenue, slide 18 for reconciliation of consolidated expenses to total segment expenses, and slide 19 for reconciliation of net income to total segment EBITDA (1) "B" means results in 2017 periods are better than results in 2016 periods "(W)" means results are worse.

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Q4.17 Global Business Solutions

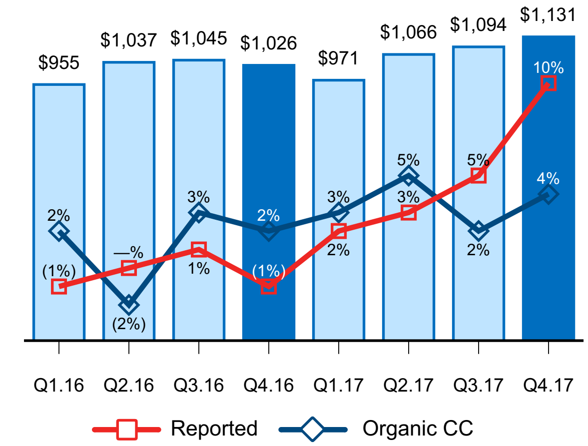
Segment revenue of $1,131 million, up 10%; up 4% on an organic constant currency basis

- North America revenue of $852 million, up 6% or flat on an organic constant currency basis, driven by growth in non-JV business offset by JV performance
- EMEA revenue of $158 million, up 19%, or up 10% on an organic constant currency basis, driven by growth in the U.K. and Germany
- LATAM revenue of $78 million, up 44%, or up 52% on an organic constant currency basis, driven by strong results in Brazil and Argentina
- APAC revenue of $43 million, up 26%, or up 24% on an organic constant currency basis, primarily driven by growth in India

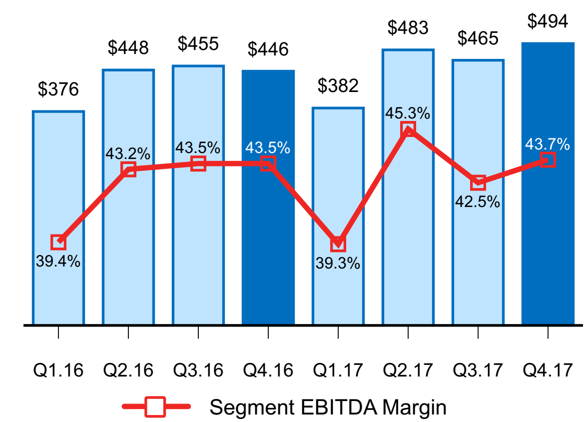
Segment EBITDA of $494 million, up 11%; up 7% on an organic constant currency basis

- Segment expenses of $637 million, up 10%, or up 3% on an organic constant currency basis
- Segment EBITDA margin of 43.7%, up 20 basis points

Segment Revenue ($M) and % Change



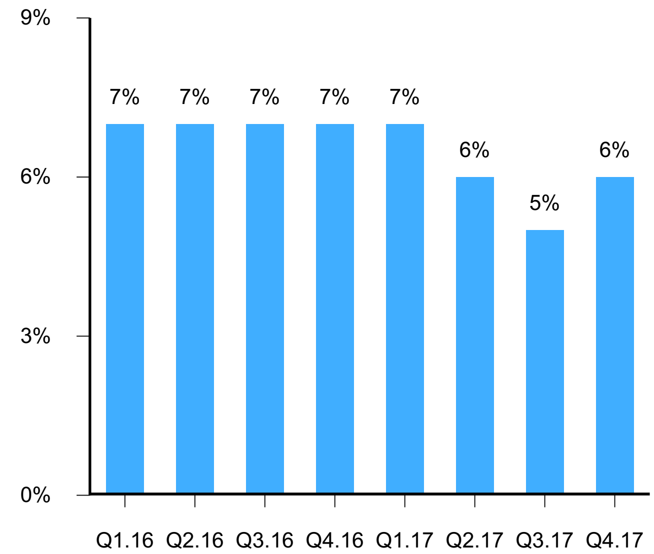
Segment EBITDA ($M) and Margin



GBS Revenue and Transaction Growth By Region

	Q4.17 Revenue Detail			FY.17 Revenue Detail		
	Revenue	Organic CC Growth YoY		Revenue	Organic CC Growth YoY	
	$M	%	$M	$M	%	$M
GBS NA	$852	0%	($1)	$3,262	0%	$1
GBS EMEA	$158	10%	$13	$575	5%	$26
GBS LATAM	$78	52%	$28	$273	56%	$100
GBS APAC	$43	24%	$8	$152	16%	$21
GBS Segment	**$1,131**	**4%**	**$47**	**$4,262**	**4%**	**$148**

Transaction Growth – GBS NA



- Q4.17 6% transaction growth in North America
- Q4.17 strong revenue growth across all international regions

Q4.17 Global Financial Solutions

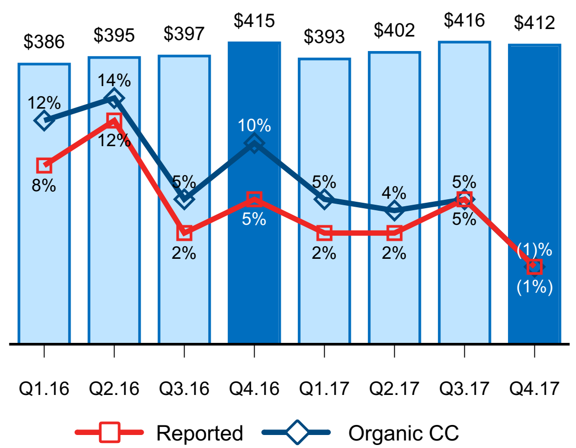
Segment revenue of $412 million, down 1% on both a reported and organic constant currency basis

- North America revenue of $242 million, down 3% on both a reported and an organic constant currency basis, driven by the non-recurrence of a previously disclosed termination fee in the prior year period
- EMEA revenue of $112 million, up 3%, or up 2% on an organic constant currency basis, driven by growth in the UK
- LATAM revenue of $32 million, down 3%, or up 2% on an organic constant currency basis, driven by growth in Argentina, partly offset by the non-recurrence of a prior year benefit from a client contract modification
- APAC revenue of $26 million, up 13%, or up 6% on an organic constant currency basis, driven by new and existing client growth across the region

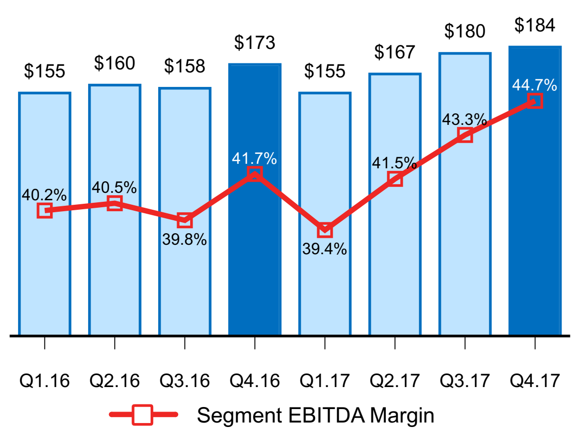
Segment EBITDA of $184 million, up 6% on both a reported and organic constant currency basis

- Segment expenses of $228 million, down 6% on both a reported and organic constant currency basis
- Segment EBITDA margin of 44.7%, up 300 basis points

Segment Revenue ($M) and % Change



Segment EBITDA ($M) and Margin



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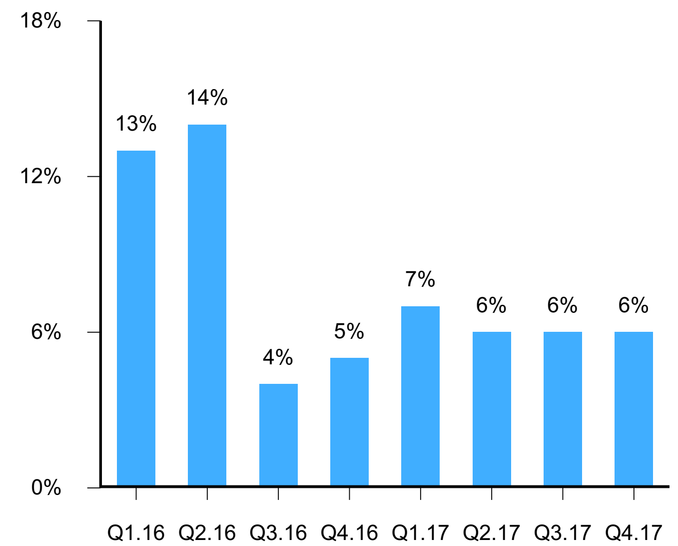
GFS Revenue and Accounts on File By Region

	Q4.17 Revenue Detail			FY.17 Revenue Detail		
	Revenue	Organic CC Growth YoY		Revenue	Organic CC Growth YoY	
	$M	%	$M	$M	%	$M
GFS NA	$242	(3%)	($7)	$949	(1%)	($7)
GFS EMEA	$112	2%	$2	$444	7%	$30
GFS LATAM	$32	2%	$1	$132	12%	$14
GFS APAC	$26	6%	$1	$98	16%	$14
GFS Segment	**$412**	**(1%)**	**($4)**	**$1,623**	**3%**	**$49**

Accounts on File Growth – GFS NA



- Q4.17 growth in North America Accounts on File primarily driven by internal growth
- Q4.17 GFS North America, EMEA, and LATAM growth negatively impacted by certain prior year tailwinds

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Q4.17 Network & Security Solutions

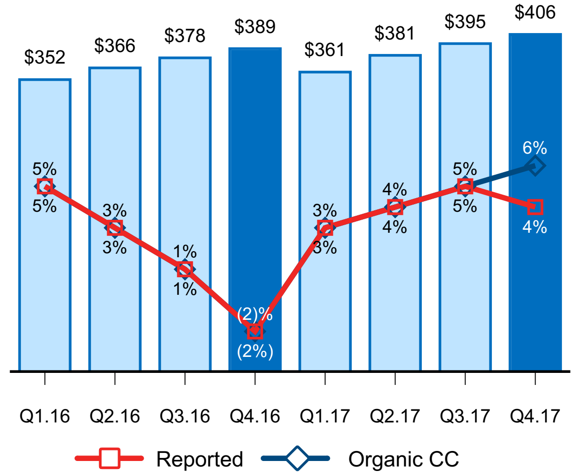
Segment revenue of $406 million, up 4%, or up 6% on an organic constant currency basis

- EFT Network revenue of $128 million, flat, as mid-single digit transaction growth was offset by lower blended yield
- Security and Fraud revenue of $115 million, up 4%, driven by strong growth in both security and fraud solutions, partly offset by a decline in TeleCheck
- Stored Value Network revenue of $116 million, up 19%, driven by growth in both Closed & Open Loop and benefited from a client contract modification

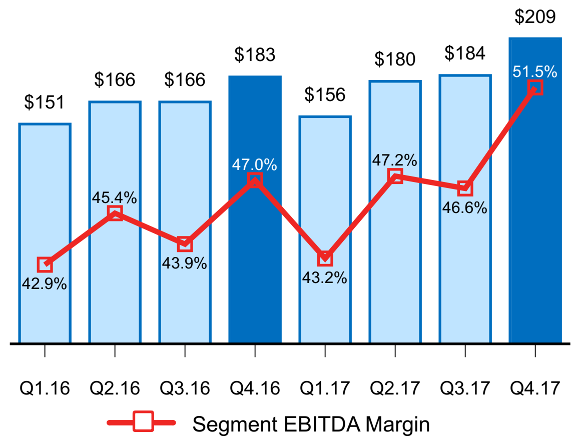
Segment EBITDA of $209 million, up 14% on a reported and organic constant currency basis

- Segment expenses of $197 million, down 4%, or down 1% on an organic constant currency basis
- Segment EBITDA margin of 51.5%, up 450 basis points

Segment Revenue ($M) and % Change



Segment EBITDA ($M) and Margin



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Free Cash Flow

	Fourth Quarter			Full Year		
Free Cash Flow ($M)	**2017**	**2016**	**$ Change**	**2017**	**2016**	**$ Change**
Total Segment EBITDA	$848	$771	$77	$3,072	$2,892	$180
Cash Interest Payments	(205)	(249)	44	(889)	(1,008)	119
Cash Taxes	(34)	(34)	—	(142)	(118)	(24)
Capital Expenditures	(128)	(126)	(2)	(518)	(477)	(41)
Working Capital Change	(214)	(90)	(124)	(211)	(64)	(147)
Dividends Received from Unconsolidated Affiliates(1)	16	16	—	78	74	4
Net Impact from Consolidated Affiliates(2)	(3)	(17)	14	(61)	(76)	15
Items Excluded from Total Segment EBITDA/Other(3)	—	(1)	1	30	(7)	37
Free Cash Flow	**$280**	**$270**	**$10**	**$1,359**	**$1,216**	**$143**
Memo: Cash Flow from Operations	$465	$451	$14	$2,047	$2,111	($64)

- Q4.17 and FY.17 YoY growth in FCF driven by improvements in operating performance and reduced cash interest payments, partially offset by working capital usage driven by the unfavorable timing impact of settlement flows

(1) Distributions received from affiliate partners less earnings from unconsolidated affiliates. (2) Distributions paid to minority partners less net income attributable to non-controlling interest. (3) Primarily non-operating addbacks such as severance, retention, litigation, deal costs, and 3rd party debt fees. (4) See slide 21 for reconciliation of cash flow from operations to free cash flow. The Company defines free cash flow as cash flow from operations less capital expenditures, and less distributions to minority interests and other (includes cash impact from maturities of net investment hedges).

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Capital Structure

$ Million	As of **12/31/16** Par Value	As of **9/30/17** Par Value	As of **12/31/17** Par Value	**12/31/17 vs 9/30/17**	**12/31/17 vs 12/31/16**
Revolver ($1,250M)	$—	$—	$272	$272	$272
A/R Securitization	$160	$589	$600	$11	$440
Capital Leases/Other	$331	$385	$405	$20	$74
Term Loans	$7,962	$9,026	$9,132	$106	$1,170
1st Lien Bonds	$4,508	$3,110	$3,110	$—	($1,398)
2nd Lien Bonds	$2,200	$2,200	$2,200	$—	$—
Unsecured Bonds	$3,400	$3,400	$3,400	$—	$—
Gross Debt(1)	$18,561	$18,710	$19,119	$409	$558
Cash	$385	$502	$498	($4)	$113
Net Debt(2)	$18,176	$18,208	$18,621	$413	$445
Memo: TTM Total Segment EBITDA(3)	$2,888	$3,022	$3,120	$98	$232
Memo: Total Borrowings	$18,489	$18,649	$19,198	$549	$709

- Net debt increased $445M in FY.17 driven by acquisitions, partly offset by FCF generation and cash received from divestitures
- In November, refinanced approximately $3.9B of new terms loans with an interest rate of L+225 from L+250

(1) Gross debt shown at par value and excludes outstanding settlement lines of credit. See slide 22 for reconciliation of total borrowings to gross debt. (2) Net debt defined as gross debt, as defined in footnote 1, less cash and cash equivalents. (3) Defined as trailing twelve months total segment EBITDA proforma for full year trailing net impact of major acquisitions and divestitures in the quarter the transaction was consummated

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Tax Update

Full Year 2017 Income Tax Update

- Full year 2017 effective tax rate associated with Adjusted Net Income (which excludes discrete tax items) was approximately **10%**
- As anticipated, in Q4.17, FDC **reversed the valuation allowance** on the deferred tax asset associated with its U.S. federal NOL carryforward, which will result in a **normalized effective book tax rate in 2018 and onwards**

Impact of Tax Reform

- **Prior to tax reform**, FDC's estimated effective tax rate in 2018 *would have been* approximately **37% - 39%**
- **With tax reform**, FDC estimates that its effective tax rate will be approximately **27% - 29% in 2018** and that it should decline to **approximately 25% over the medium term**
- First Data's 2018 global effective tax rate is above the new headline 21% U.S. federal corporate tax rate primarily due to:
    - Limitation on interest expense deductibility
    - State and local taxes
- First Data is **not impacted** by the mandatory one-time transition tax on unremitted foreign profits
- First Data is a **net beneficiary** of tax reform (~$0.20 Adjusted EPS benefit)

Net Operating Loss Carryforwards

- FDC estimates being largely shielded from U.S. federal cash taxes through the **end of 2020**
- Approximately **$4.5 billion** of U.S. federal net operating loss carryforwards remain at year-end 2017

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2018 Guidance

Segment Revenue Growth (at Constant Currency) *Range includes net growth attributable to the full year impact of previously announced acquisitions and dispositions of ~2% points*	**5 - 7%**
Segment EBITDA Growth (at Constant Currency) *Range includes net growth attributable to the full year impact of previously announced acquisitions and dispositions of ~1.5% points*	**7 - 9%**
Adjusted EPS *Note: 2018 assumes a normalized effective tax rate of 27-29% (vs. 10% in 2017)*	**$1.35 - 1.40**
Free Cash Flow	**$1.4B+**

See slide 26 for reconciliation of the comparable GAAP metric to the non-GAAP equivalent

Appendix

Non-GAAP Reconciliation: Consolidated Revenue to Total Segment Revenue

	Three Months Ended ($M)								Twelve Months Ended ($M)	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2016	2017
Consolidated Revenue	$ 2,777	$ 2,928	$ 2,936	$ 2,943	$ 2,801	$ 3,025	$ 3,076	$ 3,150	$ 11,584	$ 12,052
Adjustments:										
Non wholly owned entities[a]	(14)	(20)	(25)	(21)	(10)	(25)	(14)	(15)	(80)	(64)
Independent Sales Organization (ISO) commission expense[b]	(163)	(158)	(155)	(142)	(147)	(161)	(162)	(167)	(618)	(637)
Reimbursable debit fees, postage, and other	(907)	(952)	(936)	(950)	(919)	(990)	(995)	(1,019)	(3,745)	(3,923)
Total segment revenues	$ 1,693	$ 1,798	$ 1,820	$ 1,830	$ 1,725	$ 1,849	$ 1,905	$ 1,949	$ 7,141	$ 7,428

(a) Net adjustment to reflect our proportionate share of the results of our investments in businesses accounted for under the equity method and consolidated subsidiaries with noncontrolling ownership interests.
(b) Retail Independent Sales Organization commissions are presented within Selling, general, and administrative expense in the unaudited consolidated statements of operations but are netted in segment revenues for segment reporting.

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Non-GAAP Reconciliation: Consolidated Expenses to Total Segment Expenses

	Three Months Ended ($M)								Twelve Months Ended ($M)	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2016	2017
Consolidated Expenses	$ 2,539	$ 2,498	$ 2,482	$ 2,463	$ 2,474	$ 2,556	$ 2,658	$ 2,650	$ 9,982	$ 10,338
Adjustments:										
Non wholly owned entities[(a)]	(18)	(18)	(16)	(18)	(16)	(19)	(15)	(19)	(70)	(69)
Independent Sales Organization (ISO) commission expense[(b)]	(163)	(158)	(155)	(142)	(147)	(161)	(162)	(167)	(618)	(637)
Reimbursable debit fees, postage, and other	(907)	(952)	(936)	(950)	(919)	(990)	(995)	(1,019)	(3,745)	(3,923)
Depreciation and amortization	(238)	(238)	(237)	(236)	(228)	(237)	(248)	(259)	(949)	(972)
Stock-based compensation	(115)	(56)	(43)	(49)	(65)	(56)	(62)	(62)	(263)	(245)
Other[(c)]	(41)	(24)	(14)	(9)	(25)	(30)	(58)	(23)	(88)	(136)
Total segment expenses	$ 1,057	$ 1,052	$ 1,081	$ 1,059	$ 1,074	$ 1,063	$ 1,118	$ 1,101	$ 4,249	$ 4,356

(a) Net adjustment to reflect our proportionate share of the results of our investments in businesses accounted for under the equity method and consolidated subsidiaries with noncontrolling ownership interests.
(b) Independent Sales Organization commissions are presented within Selling, general, and administrative expense in the unaudited consolidated statements of operations but are netted in segment revenues for segment reporting.
(c) Restructuring, non-normal course litigation and regulatory settlements, asset impairments, and debt issuance costs.

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Non-GAAP Reconciliation: Net (Loss) Income to Total Segment EBITDA

	Three Months Ended ($M)								Twelve Months Ended ($M)	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2016	2017
Net (loss) income attributable to First Data Corporation	$ (56)	$ 152	$ 132	$ 192	$ 36	$ 185	$ 296	$ 948	$ 420	$ 1,465
Adjustments:										
Non wholly owned entities[a]	(10)	(7)	(7)	(6)	(6)	(6)	(9)	(9)	(30)	(30)
Depreciation and amortization	238	238	237	236	228	237	248	259	949	972
Interest expense, net	263	284	263	258	234	238	234	231	1,068	937
Loss on debt extinguishment	46	9	3	12	56	15	1	8	70	80
Other items[b]	35	(14)	44	6	26	33	61	12	71	132
Income tax expense	5	28	24	24	12	28	(106)	(663)	81	(729)
Stock-based compensation	115	56	43	49	65	56	62	62	263	245
Total segment EBITDA	$ 636	$ 746	$ 739	$ 771	$ 651	$ 786	$ 787	$ 848	$ 2,892	$ 3,072

(a) Net adjustment to reflect our proportionate share of the results of our investments in businesses accounted for under the equity method and consolidated subsidiaries with noncontrolling ownership interests.
(b) Restructuring, non-normal course litigation and regulatory settlements, asset impairments, debt issuance costs and "Other income (expense)" as presented in the unaudited consolidated statements of operations, which includes divestitures, derivative gains (losses), and non-operating foreign currency gains (losses).

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Non-GAAP Reconciliation: Net (Loss) Income to Adj. Net Income

	Three Months Ended ($M)								Twelve Months Ended ($M)	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2016	2017
Net (loss) income attributable to First Data Corporation	$ (56)	$ 152	$ 132	$ 192	$ 36	$ 185	$ 296	$ 948	$ 420	$ 1,465
Adjustments:										
Stock-based compensation	115	56	43	49	65	56	62	62	263	245
Loss on debt extinguishment	46	9	3	12	56	15	1	8	70	80
Mark-to-market adjustment for derivatives	4	1	—	—	—	—	—		5	—
Amortization of acquisition intangibles[(a)]	105	102	100	99	91	90	102	108	406	391
Deferred financing costs	3	4	4	5	4	4	4	(18)	16	(6)
Loss on Australian ATM divestiture	—	—	31	3	—	—	—	—	34	—
Gain on Visa Europe share sale	—	(29)	—	—	—	—	—	—	(29)	—
Restructuring	21	24	6	(2)	23	16	24	20	49	83
Intercompany foreign exchange gain (loss)	(9)	(10)	(2)	2	1	3	2	(5)	(19)	1
Fees paid on debt modification	—	18	—	11	—	9	1	—	29	10
Pension settlement loss	—	—	—	10	—	—	—	—	10	—
Impairment, litigation, and other[(b)]	5	2	6	(12)	(1)	4	10	11	1	24
Deal integration costs	—	—	—	—	—	5	21	1	—	27
Income tax on above items and discrete tax items[(c)]	(14)	(6)	(11)	(4)	(17)	(9)	(150)	(719)	(35)	(895)
Adjusted net income	$ 220	$ 323	$ 312	$ 365	$ 258	$ 378	$ 373	$ 416	$ 1,220	$ 1,425

(a) Represents amortization of intangibles established in connection with the 2007 Merger and acquisitions we have made since 2007 including our acquisitions of CardConnect and BluePay, excluding the percentage of our consolidated amortization of acquisition intangibles related to non wholly owned consolidated alliances equal to the portion of such alliances owned by our alliance partners.
(b) Represents impairments, non-normal course litigation and regulatory settlements, investments gains (losses), and other, as applicable to the periods presented.
(c) The tax effect of the adjustments between our GAAP and adjusted results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. effective tax rate for certain adjustments, including the majority of amortization of intangible assets, deferred financing costs, stock compensation, and loss on deb extinguishment; whereas the tax impact of other adjustments, including restructuring expense, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable effective tax rate(s) in those jurisdictions. "Income tax on above items" also includes the impact of significant discrete tax items impacting Net income (loss) attributable to First Data Corporation.

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Non-GAAP Reconciliation: Cash Flow from Operations to Free Cash Flow

	Three Months Ended ($M)								Twelve Months Ended ($M)	
	Q1 2016	**Q2 2016**	**Q3 2016**	**Q4 2016**	**Q1 2017**	**Q2 2017**	**Q3 2017**	**Q4 2017**	**2016**	**2017**
Cash (used in) / provided by operating activities[a]	**$ 386**	**$ 522**	**$ 752**	**$ 451**	**$ 421**	**$ 580**	**$ 581**	**$ 465**	**$ 2,111**	**$ 2,047**
Capital expenditures	(117)	(115)	(119)	(126)	(117)	(139)	(134)	(128)	(477)	(518)
Distributions to minority interest and other[a]	(58)	(99)	(206)	(55)	(43)	7	(77)	(57)	(418)	(170)
Free cash flow (use)/source	$ 211	$ 308	$ 427	$ 270	$ 261	$ 448	$ 370	$ 280	$ 1,216	$ 1,359

(a) The twelve months ended December 31, 2016 includes a $102 million reclassification related to settlement activities to conform certain domestic and international businesses to our global policies, which increased "Cash and cash equivalents" and decreased "Accounts receivable, net" in our consolidated balance sheet. Free cash flow excludes the impact of this reclassification.

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Non-GAAP Reconciliation: Total Borrowings to Net Debt

	As of				
	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total Long-term borrowings	$ 18,131	$ 18,123	$ 18,033	$ 17,795	$ 17,927
Total Short-term and current portion of long-term borrowings	358	501	274	854	1,271
Total borrowings	**18,489**	**18,624**	**18,307**	**18,649**	**19,198**
Unamortized discount and unamortized deferred financing costs	156	151	147	140	126
Total borrowings at par	**18,645**	**18,775**	**18,454**	**18,789**	**19,324**
Less: Settlement lines of credit and other arrangements	(84)	(126)	(89)	(79)	205
Gross debt	**18,561**	**18,649**	**18,365**	**18,710**	**19,119**
Less: Cash and cash equivalents(a)	(385)	(503)	(493)	(502)	(498)
Net debt	**$ 18,176**	**$ 18,146**	**$ 17,872**	**$ 18,208**	**$ 18,621**
Memo: Trailing twelve months total segment EBITDA(b)	2,888	2,905	2,946	3,022	3,120

(a) As of December 31, 2016, "Cash and cash equivalents" reflects a reclassification of $102 million related to settlement activities to conform certain domestic and international businesses to our global policies, which increased "Cash and cash equivalents" and decreased "Accounts receivable, net" in our consolidated balance sheet.

(b) Defined as trailing twelve months total segment EBITDA proforma for full year trailing net impact of major acquisitions and divestitures in the quarter the transaction was consummated

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Non-GAAP Reconciliation: Organic Constant Currency

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% B/(W)[a]	2017	2016	% B/(W)[a]
Segment revenue	$ 1,949	$ 1,830	7 %	$ 7,428	$ 7,141	4 %
Currency impact	(17)	—		16	—	
Acquisitions/Divestitures[b]	—	34		—	40	
Normalized segment revenue growth	$ 1,932	$ 1,864	4 %	$ 7,444	$ 7,181	4 %
GBS revenue	$ 1,131	$ 1,026	10 %	$ 4,262	$ 4,063	5 %
Currency impact	(11)	—		2	—	
Acquisitions/Divestitures[b]	—	47		—	53	
Normalized GBS revenue growth	$ 1,120	$ 1,073	4 %	$ 4,264	$ 4,116	4 %
GBS NA revenue	$ 852	$ 805	6 %	$ 3,262	$ 3,176	3 %
Currency impact	(1)	—		(1)	—	
Acquisitions/Divestitures[b]	—	47		—	84	
Normalized GBS NA revenue growth	$ 851	$ 852	— %	$ 3,261	$ 3,260	— %
GBS APAC revenue	$ 43	$ 34	26 %	$ 152	$ 159	(4)%
Currency impact	(1)	—		(3)	—	
Acquisitions/Divestitures[b]	—	—		—	(31)	
Normalized GBS APAC revenue growth	$ 42	$ 34	24 %	$ 149	$ 128	16 %
GFS revenue	$ 412	$ 415	(1)%	$ 1,623	$ 1,593	2 %
Currency impact	(7)	—		13	—	
Acquisitions/Divestitures[b]	—	(6)		—	(6)	
Normalized GFS revenue growth	$ 405	$ 409	(1)%	$ 1,636	$ 1,587	3 %
GFS EMEA revenue	$ 112	$ 109	3 %	$ 444	$ 433	3 %
Currency impact	(7)	—		13	—	
Acquisitions/Divestitures[b]	—	(6)		—	(6)	
Normalized GFS EMEA revenue growth	$ 105	$ 103	2 %	$ 457	$ 427	7 %
NSS revenue	$ 406	$ 389	4 %	$ 1,543	$ 1,485	4 %
Acquisitions/Divestitures[b]	—	(7)		—	(7)	
Normalized NSS revenue growth	$ 406	$ 382	6 %	$ 1,543	$ 1,478	4 %

(a) "B" means results in 2017 are better than results in 2016 "(W)" means results are worse.
(b) "Acquisitions/Divestitures includes the following 2017 activity: the acquisitions of CardConnect and BluePay in GBS North America; the formation of the digital Banking JV in NSS (treated as a 50% digital banking revenue divestiture), and the divestiture of the GFS Baltics business. This line also includes the Australian ATM divestiture in GBS APAC in 2016.

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Non-GAAP Reconciliation: Organic Constant Currency

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% B/(W)[a]	2017	2016	% B/(W)[a]
Segment expense	$ 1,101	$ 1,059	(4%)	$ 4,356	$ 4,249	(3%)
Currency impact	(11)	—		3	—	
Acquisitions/Divestitures[b]	—	22		—	22	
Normalized segment expense growth	$ 1,090	$ 1,081	(1)%	$ 4,359	$ 4,271	(2)%
GBS expense	$ 637	$ 580	(10)%	$ 2,438	$ 2,338	(4)%
Currency impact	(8)	—		(4)	—	
Acquisitions/Divestitures[b]	—	33		—	33	
Normalized GBS expense growth	$ 629	$ 613	(3)%	$ 2,434	$ 2,371	(3)%
GFS expense	$ 228	$ 242	6 %	$ 937	$ 947	1 %
Currency impact	(4)	—		7	—	
Acquisitions/Divestitures[b]	—	(4)		—	(4)	
Normalized GFS expense growth	$ 224	$ 238	6 %	$ 944	$ 943	— %
NSS expense	$ 197	$ 206	4 %	$ 814	$ 819	1 %
Acquisitions/Divestitures[b]	—	(7)		—	(7)	
Normalized NSS expense growth	$ 197	$ 199	1 %	$ 814	$ 812	— %

(a) "B" means results in 2017 are better than results in 2016 "(W)" means results are worse.
(b) "Acquisitions/Divestitures includes the following 2017 activity: the acquisitions of CardConnect and BluePay in GBS North America; the formation of the digital Banking JV in NSS (treated as a 50% digital banking revenue divestiture), and the divestiture of the GFS Baltics business. This line also includes the Australian ATM divestiture in GBS APAC in 2016.

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Non-GAAP Reconciliation: Organic Constant Currency

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% B/(W)[a]	2017	2016	% B/(W)[a]
Segment EBITDA	$ 848	$ 771	10 %	$ 3,072	$ 2,892	6 %
Currency impact	(5)	—		13	—	
Acquisitions/Divestitures[b]	—	13		—	18	
Normalized segment EBITDA growth	$ 843	$ 784	8 %	$ 3,085	$ 2,910	6 %
GBS EBITDA	$ 494	$ 446	11 %	$ 1,824	$ 1,725	6 %
Currency impact	(3)	—		6	—	
Acquisitions/Divestitures[b]	—	14		—	20	
Normalized GBS EBITDA growth	$ 491	$ 460	7 %	$ 1,830	$ 1,745	5 %
GFS EBITDA	$ 184	$ 173	6 %	$ 686	$ 646	6 %
Currency impact	(2)	—		7	—	
Acquisitions/Divestitures[b]	—	(2)		—	(2)	
Normalized GFS EBITDA growth	$ 182	$ 171	6 %	$ 693	$ 644	8 %
NSS EBITDA	$ 209	$ 183	14 %	$ 729	$ 666	9 %
Acquisitions/Divestitures[b]	—	—		—	—	
Normalized NSS EBITDA growth	$ 209	$ 183	14 %	$ 729	$ 666	9 %

(a) "B" means results in 2017 are better than results in 2016 "(W)" means results are worse.
(b) "Acquisitions/Divestitures includes the following 2017 activity: the acquisitions of CardConnect and BluePay in GBS North America; the formation of the digital Banking JV in NSS (treated as a 50% digital banking revenue divestiture), and the divestiture of the GFS Baltics business. This line also includes the Australian ATM divestiture in GBS APAC in 2016.

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Non-GAAP Reconciliations: 2018 Guidance

Consolidated Revenue to Total Segment Revenue

	FY 2018 vs. FY 2017
Consolidated revenue (at reported rates)	**~4-6%**
Adjustments:	
+Non wholly owned entities	
+Reimbursable postage and other	
Total segment revenue (reported)	**~5-7%**
Memo: Total segment revenue (at constant currency)	**~5-7%**

Net Income to Total Segment EBITDA

	FY 2018 vs. FY 2017
Net income attributable to FDC[1]	**~(40%) - (60%)**
Adjustments	
+Depreciation and amortization	
+Interest expense, net	
+Income tax expense	
+Stock-based compensation	
+ Other[2]	
Total segment EBITDA (reported)	**~7-9%**
Memo: total segment EBITDA (at constant currency)	**~7-9%**

Net Income to Adj. Net Income

	FY 2018
Net income attributable to FDC	**$0.80-0.85**
Adjustments (note: adjustments represent positive balances)	
+Stock-based compensation	
+Amortization of acquisition intangibles and deferred financing cost	
+Other[3]	
Adjusted Net Income	**$1.35-1.40**

Cash Flow From Operations to Free Cash Flow

	FY 2018
Cash (used in) / provided by operating activities	**$2.1B+**
+Adjustments[4]	
Free cash flow (use)/source	**$1.4B+**

(1) Reflects a significant increase in tax expense in 2018 primarily driven by the Q4 2017 release of a valuation allowance against deferred tax assets associated with the U.S. federal NOL. The reversal of the valuation allowance resulted in a significant non-cash tax benefit in Q4 2017 and the recording of a normalized book tax rate in 2018.
(2) Includes non wholly owned entities adjustment, loss on debt extinguishment, as well as other items.
(3) Includes loss on debt extinguishment, gain/loss on divestitures, restructuring, impairment, litigation and other, as well as the impact of tax expense/(benefit) of the adjusted items
(4) Includes capital expenditures and distributions to minority interest and other

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Notice to Investors, Prospective Investors and the Investment Community; Cautionary Information Regarding Forward-Looking Statements

Certain matters we discuss in our public statements may constitute forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions which concern our strategy, plans, projections or intentions. Examples of forward-looking statements include, but are not limited to, all statements we make relating to revenue, earnings before net interest expense, income taxes, depreciation, and amortization (EBITDA), earnings, margins, growth rates, and other financial results for future periods. By their nature, forward-looking statements speak only as of the date they are made; are not statements of historical fact or guarantees of future performance; and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Actual results could differ materially and adversely from our forward-looking statements due to a variety of factors, including the following: (1) adverse impacts from global economic, political, and other conditions affecting trends in consumer, business, and government spending; (2) our ability to anticipate and respond to changing industry trends, including technological changes and increasing competition; (3) our ability to successfully renew existing client contracts on favorable terms and obtain new clients; (4) our ability to prevent a material breach of security of any of our systems; (5) our ability to implement and improve processing systems to provide new products, improve functionality, and increase efficiencies; (6) the successful management of our merchant alliance program which involves several alliances not under our sole control and each of which acts independently of the others; (7) our successful management of credit and fraud risks in our business units and merchant alliances, particularly in the context of eCommerce and mobile markets; (8) consolidation among financial institution clients or other client groups that impacts our client relationships; (9) our ability to use our net operating losses without restriction to offset income for US tax purposes; (10) our ability to improve our profitability and maintain flexibility in our capital resources through the implementation of cost savings initiatives; (11) the acquisition or disposition of a material business or assets; (12) our ability to successfully value and integrate acquired businesses; (13) our high degree of leverage; (14) adverse impacts from currency exchange rates or currency controls imposed by any government or otherwise; (15) changes in the interest rate environment that increase interest on our borrowings or the interest rate at which we can refinance our borrowings; (16) the impact of new or changes in current laws, regulations, credit card association rules, or other industry standards; and (17) new lawsuits, investigations, or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings, and various other factors set forth in our Annual Report on Form 10-K for the period ended December 31, 2016, including but not limited to, Item 1 - Business, Item 1A - Risk Factors, and Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations. Except as required by law, we do not intend to revise or update any forward-looking statement as a result of new information, future developments or otherwise.

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