FIRST DATA CORP Form 10-Q August 08, 2014 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGI ACT OF 1934
For the quarterly period ended June 30, 2014
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGI ACT OF 1934
For the transition period from to
Commission file number 001-11073

## FIRST DATA CORPORATION

(Exact name of registrant as specified in its charter)

#### www.firstdata.com

**DELAWARE**(State or other jurisdiction of incorporation or organization)

**47-0731996** (I.R.S. Employer Identification No.)

225 LIBERTY STREET

29th FLOOR NEW YORK, NEW YORK (Address of principal executive offices)

**10281** (Zip Code)

Registrant s telephone number, including area code (800) 735-3362

#### 5565 GLENRIDGE CONNECTOR, N.E., SUITE 2000, ATLANTA, GEORGIA 30342

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o

Accelerated filer o

Non-accelerated filer x

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Class
Common Stock, \$0.01 par value per share

Outstanding at July 31, 2014 1,000 shares

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#### PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

### FIRST DATA CORPORATION

### CONSOLIDATED STATEMENTS OF OPERATIONS

### (Unaudited)

Imagina   Imag			Three mon	ded	Six mont June	ths ended e 30,	I
Transaction and processing service fees:   Merchant related services (a) \$ 1,033.5 \$ 1,023.7 \$ 1,995.4 \$ 1,966.8 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,32.6 \$ 1,43.7 \$ 1,23.5 \$ 1,24.5 \$ 1,2	(in millions)	20		 2013		,	2013
Merchant related services (a)         \$ 1,053.5         \$ 1,023.7         \$ 1,995.4         \$ 1,966.8           Check services         66.5         71.3         132.6         143.7           Card services (a)         449.6         419.7         887.1         826.5           Other services         126.3         113.9         242.5         235.3           Product sales and other (a)         211.3         204.9         415.0         407.3           Reimbursable debit network fees, postage and other         2929.9         875.3         1,804.8         1,720.1           Other services         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         2         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0	Revenues:						
Check services         66.5         71.3         132.6         143.7           Card services (a)         449.6         419.7         887.1         826.5           Other services         126.3         111.9         242.5         235.3           Product sales and other (a)         211.3         204.9         415.0         407.3           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:	Transaction and processing service fees:						
Card services (a)         449.6         419.7         887.1         826.5           Other services         126.3         113.9         242.5         235.3           Product sales and other (a)         211.3         204.9         415.0         407.3           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         2         2,708.8         5,477.4         5,299.7           Cost of services (exclusive of items shown         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         2         245.0         2,438.5         4,810.8         4,838.3           Total expenses         2,455.0         2,438.5         4,810.8	Merchant related services (a)	\$	1,053.5	\$ 1,023.7	\$ 1,995.4	\$	1,966.8
Other services         126.3         113.9         242.5         235.3           Product sales and other (a)         211.3         204.9         415.0         407.3           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         Cost of services (exclusive of items shown           below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         566.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating expenses         38.1         270.3         666.6         5.3	Check services		66.5	71.3	132.6		143.7
Product sales and other (a)         211.3         204.9         415.0         407.3           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         Use products sold services (exclusive of items shown         below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)	Card services (a)		449.6	419.7	887.1		826.5
Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         "***Cost of services (exclusive of items shown         ****Basic Services (exclusive of items shown         ***Basic Services (exclusive of items shown           below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         5.3           Interest income         3.6         2.6         6.6         5.3           Int	Other services		126.3	113.9	242.5		235.3
other         929.9         875.3         1,804.8         1,720.1           Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         Cost of services (exclusive of items shown           below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and         Other           other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Exestructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         6.5           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3	Product sales and other (a)		211.3	204.9	415.0		407.3
Total revenue         2,837.1         2,708.8         5,477.4         5,299.7           Expenses:         Cost of services (exclusive of items shown           below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         6.5           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         6         (46.6         73.1           earnings in affiliates <t< td=""><td>Reimbursable debit network fees, postage and</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Reimbursable debit network fees, postage and						
Expenses:  Cost of services (exclusive of items shown below)  below) 686.8 691.9 1,332.6 1,410.6  Cost of products sold 82.5 83.4 162.6 166.0  Selling, general and administrative 489.8 493.2 976.0 956.5  Reimbursable debit network fees, postage and other 929.9 875.3 1,804.8 1,720.1  Depreciation and amortization 262.2 274.7 527.5 546.9  Other operating expenses:  Restructuring, net 3.8 20.0 7.3 38.2  Total expenses 2,455.0 2,438.5 4,810.8 4,838.3  Operating profit 382.1 270.3 666.6 461.4  Interest income 3.6 2.6 6.6 5.3  Interest expense (463.1) (472.2) (930.2) (941.2)  Other income (loss) before income taxes and equity earnings in affiliates 5.1 (184.3) (173.6) (459.2)  Income tax expense 40.0 11.5 76.6 73.1  Equity earnings in affiliates 58.0 51.0 108.4 88.7  Net income (loss)  Less: Net income attributable to noncontrolling interest 57.6 44.3 93.2 82.9	other		929.9	875.3	1,804.8		1,720.1
Cost of services (exclusive of items shown below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (377.0)         (454.6)         (840.2)         (920.6)	Total revenue		2,837.1	2,708.8	5,477.4		5,299.7
below)         686.8         691.9         1,332.6         1,410.6           Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         8         20.0         7.3         38.2           Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         82.5         15.0         840.2         (920.6)           Income (loss) before income tax expense	Expenses:						
Cost of products sold         82.5         83.4         162.6         166.0           Selling, general and administrative         489.8         493.2         976.0         956.5           Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (377.0)         (454.6)         (840.2)         (920.6)           Income (loss) before income taxes and equity earnings in affiliates         5.1         (184.3)         (173.6)         (459.2)           Income (loss)         23.1         (144.8)	Cost of services (exclusive of items shown						
Selling, general and administrative       489.8       493.2       976.0       956.5         Reimbursable debit network fees, postage and other       929.9       875.3       1,804.8       1,720.1         Depreciation and amortization       262.2       274.7       527.5       546.9         Other operating expenses:       8       20.0       7.3       38.2         Restructuring, net       3.8       20.0       7.3       38.2         Total expenses       2,455.0       2,438.5       4,810.8       4,838.3         Operating profit       3.6       2.6       6.6       6.5         Interest income       3.6       2.6       6.6       5.3         Interest expense       (463.1)       (472.2)       (930.2)       (941.2)         Other income       82.5       15.0       83.4       15.3         Income (loss) before income taxes and equity       (377.0)       (454.6)       (840.2)       (920.6)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income at			686.8	691.9	1,332.6		1,410.6
Reimbursable debit network fees, postage and other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         8         20.0         7.3         38.2           Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           (100 me (loss) before income taxes and equity         (454.6)         (840.2)         (920.6)           Income (loss) before income taxes and equity         (184.3)         (173.6)         (459.2)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.	Cost of products sold		82.5	83.4	162.6		166.0
other         929.9         875.3         1,804.8         1,720.1           Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (377.0)         (454.6)         (840.2)         (920.6)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest         57.6         44.3         93.2         82.9	Selling, general and administrative		489.8	493.2	976.0		956.5
Depreciation and amortization         262.2         274.7         527.5         546.9           Other operating expenses:         Restructuring, net         3.8         20.0         7.3         38.2           Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (377.0)         (454.6)         (840.2)         (920.6)           Income (loss) before income taxes and equity         (459.2)         (15.3         (173.6)         (459.2)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest         57.6         44.3         93.2         82.9	Reimbursable debit network fees, postage and						
Other operating expenses:       Restructuring, net       3.8       20.0       7.3       38.2         Total expenses       2,455.0       2,438.5       4,810.8       4,838.3         Operating profit       382.1       270.3       666.6       461.4         Interest income       3.6       2.6       6.6       5.3         Interest expense       (463.1)       (472.2)       (930.2)       (941.2)         Other income       82.5       15.0       83.4       15.3         Income (loss) before income taxes and equity       (377.0)       (454.6)       (840.2)       (920.6)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest       57.6       44.3       93.2       82.9			929.9	875.3	1,804.8		1,720.1
Restructuring, net       3.8       20.0       7.3       38.2         Total expenses       2,455.0       2,438.5       4,810.8       4,838.3         Operating profit       382.1       270.3       666.6       461.4         Interest income       3.6       2.6       6.6       5.3         Interest expense       (463.1)       (472.2)       (930.2)       (941.2)         Other income       82.5       15.0       83.4       15.3         Income (loss) before income taxes and equity       (454.6)       (840.2)       (920.6)         Income (loss) before income taxes and equity       (454.6)       (840.2)       (920.6)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest and redeemable noncontrolling interest       57.6       44.3       93.2       82.9	Depreciation and amortization		262.2	274.7	527.5		546.9
Total expenses         2,455.0         2,438.5         4,810.8         4,838.3           Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (454.6)         (840.2)         (920.6)           Income (loss) before income taxes and equity         5.1         (184.3)         (173.6)         (459.2)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest         57.6         44.3         93.2         82.9	Other operating expenses:						
Operating profit         382.1         270.3         666.6         461.4           Interest income         3.6         2.6         6.6         5.3           Interest expense         (463.1)         (472.2)         (930.2)         (941.2)           Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity         (454.6)         (840.2)         (920.6)           Income (loss) before income taxes and equity         5.1         (184.3)         (173.6)         (459.2)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest         57.6         44.3         93.2         82.9	Restructuring, net		3.8	20.0	7.3		38.2
Interest income       3.6       2.6       6.6       5.3         Interest expense       (463.1)       (472.2)       (930.2)       (941.2)         Other income       82.5       15.0       83.4       15.3         Income (loss) before income taxes and equity       (454.6)       (840.2)       (920.6)         Income (loss) before income taxes and equity       5.1       (184.3)       (173.6)       (459.2)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest       57.6       44.3       93.2       82.9	Total expenses		2,455.0	2,438.5	4,810.8		4,838.3
Interest expense       (463.1)       (472.2)       (930.2)       (941.2)         Other income       82.5       15.0       83.4       15.3         (377.0)       (454.6)       (840.2)       (920.6)         Income (loss) before income taxes and equity         earnings in affiliates       5.1       (184.3)       (173.6)       (459.2)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest       57.6       44.3       93.2       82.9	Operating profit		382.1	270.3	666.6		461.4
Other income         82.5         15.0         83.4         15.3           Income (loss) before income taxes and equity earnings in affiliates         5.1         (184.3)         (173.6)         (459.2)           Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest         57.6         44.3         93.2         82.9	Interest income		3.6	2.6	6.6		5.3
(377.0)     (454.6)     (840.2)     (920.6)       Income (loss) before income taxes and equity       earnings in affiliates     5.1     (184.3)     (173.6)     (459.2)       Income tax expense     40.0     11.5     76.6     73.1       Equity earnings in affiliates     58.0     51.0     108.4     88.7       Net income (loss)     23.1     (144.8)     (141.8)     (443.6)       Less: Net income attributable to noncontrolling interest     57.6     44.3     93.2     82.9	Interest expense		(463.1)	(472.2)	(930.2)		(941.2)
Income (loss) before income taxes and equity         earnings in affiliates       5.1       (184.3)       (173.6)       (459.2)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest       57.6       44.3       93.2       82.9	Other income		82.5	15.0	83.4		15.3
earnings in affiliates       5.1       (184.3)       (173.6)       (459.2)         Income tax expense       40.0       11.5       76.6       73.1         Equity earnings in affiliates       58.0       51.0       108.4       88.7         Net income (loss)       23.1       (144.8)       (141.8)       (443.6)         Less: Net income attributable to noncontrolling interest       57.6       44.3       93.2       82.9			(377.0)	(454.6)	(840.2)		(920.6)
Income tax expense         40.0         11.5         76.6         73.1           Equity earnings in affiliates         58.0         51.0         108.4         88.7           Net income (loss)         23.1         (144.8)         (141.8)         (443.6)           Less: Net income attributable to noncontrolling interest and redeemable noncontrolling interest         57.6         44.3         93.2         82.9	Income (loss) before income taxes and equity						
Equity earnings in affiliates 58.0 51.0 108.4 88.7  Net income (loss) 23.1 (144.8) (141.8) (443.6)  Less: Net income attributable to noncontrolling interest and redeemable noncontrolling interest 57.6 44.3 93.2 82.9	earnings in affiliates		5.1	(184.3)	(173.6)		(459.2)
Net income (loss) 23.1 (144.8) (141.8) (443.6) Less: Net income attributable to noncontrolling interests and redeemable noncontrolling interest 57.6 44.3 93.2 82.9	Income tax expense		40.0	11.5	76.6		73.1
Less: Net income attributable to noncontrolling interest 57.6 44.3 93.2 82.9	Equity earnings in affiliates		58.0		108.4		
interests and redeemable noncontrolling interest 57.6 44.3 93.2 82.9	` '		23.1	(144.8)	(141.8)		(443.6)
	Less: Net income attributable to noncontrolling						
Net loss attributable to First Data Corporation \$ (34.5) \$ (189.1) \$ (235.0) \$							
	Net loss attributable to First Data Corporation	\$	(34.5)	\$ (189.1)	\$ (235.0)	\$	(526.5)

(a)	Includes processing fees, administrative service fees and other fees charged to merchant alliances accounted for under the equity
method of \$	45.7 million and \$90.0 million for the three and six months ended June 30, 2014, respectively, and \$41.2 million and \$81.7 million
for the comp	parable periods in 2013.

See Notes to Consolidated Financial Statements.

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## FIRST DATA CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)