

CONCORD EFS INC
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Subject Company: Concord EFS, Inc.

This communication is not a solicitation of a proxy from any security holder of Concord EFS, Inc. First Data Corporation has filed a proxy statement/prospectus with the Securities and Exchange Commission (SEC) concerning the planned merger of Concord EFS, Inc. with a subsidiary of First Data Corporation. **WE URGE INVESTORS TO READ THE DEFINITIVE VERSION OF THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors will be able to obtain the documents free of charge at the SEC's website, www.sec.gov. In addition, documents filed with the SEC by First Data Corporation will be available free of charge from First Data Investor Relations, 6200 S. Quebec St., Suite 340, Greenwood Village, CO 80111. Documents filed with the SEC by Concord EFS, Inc. will be available free of charge from Concord Investor Relations, 2525 Horizon Lake Drive, Suite 120, Memphis, TN 38133.

First Data, its directors and executive officers and other members of its management and employees, may be deemed to be participants in the solicitation of proxies in connection with the planned merger. Information about the directors and executive officers of First Data and their ownership of First Data stock is set forth in the proxy statement for First Data's 2003 annual meeting of stockholders. Investors may obtain additional information regarding the interests of the participants by reading the proxy statement/prospectus.

THE FOLLOWING IS THE TRANSCRIPT OF A REPLAY OF A WEBCASTED INVESTOR AND ANALYST MEETING OF FIRST DATA CORPORATION HELD ON FEBRUARY 3, 2004:

David Banks: Good morning and welcome everyone. Thank you for joining us today for our fourth quarter 2003 year-end earnings announcement and for our 2004 strategy review meeting. I'm glad you could make it. With me today for our earnings review are Charlie Fote, our Chairman and Chief Executive Officer, and Kim Patmore, our CFO. We also have a number of our other executives present today, whom Charlie will introduce a little bit later.

Today's call is being recorded. Our press release is available on our website at www.firstdata.com.

I want to remind you that our comments today include forward-looking statements, and I ask that you refer to this morning's earnings release.

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This communication is not a solicitation of proxy from any security holder of Concord EFS. The companies have filed a definitive proxy with the SEC that has been mailed to security holders. For a complete version of the non-solicitation language, please refer to the fourth quarter earnings release that was distributed this morning.

Before we get started, just a couple of notes.

First I want to remind you that Concord's shareholders are set to vote on the proposed merger on February 26th. As we announced previously, no First Data vote is necessary. Currently, we expect to close on Friday, February 27th. As such, today's meeting will focus almost exclusively on the First Data business. What we're not able to provide today concerning the combined entity, we will provide either upon closing or in our first quarter earnings announcement. That first quarter earnings announcement we have slated for April 22nd. That's a little later than usual for a quarterly release in anticipation of closing the books on the combined entity for the first time.

I hope by now you've had a chance to see our fourth quarter earnings release and the financials that accompany it.

Please note we have now isolated the results of NYCE as a discontinued operation, in anticipation of divesting that business in 2004. Unless otherwise noted, all the financial measures we discussed today show the results of NYCE as a discontinued operation for both 2003 and 2002.

Also note that all the numbers we include in today's presentation exclude the effects of Concord unless otherwise noted.

Charlie will provide some highlights of the quarter. Kim will add some detail on our financials in the segments. Immediately following our financial review, we'll move into our 2004 strategy review and guidance discussion. We plan to adjourn no later than 11.

And in the interest of time, we're not going to plan to take a break here; we'll just move straight through. So if you need to take a break, you're on your own. With that, I'll introduce Charlie.

Charlie Fote: Thanks, David. Good morning everyone. We're going to have questions and answers on the earnings part of the presentation in between, about halfway, about 9:00 I'd say. Is that right, David? About an hour from now.

Thanks, everyone, for making it to our meeting today. It's great to see such a good turnout.

Some of you probably remember that last year we had this meeting almost two weeks earlier in January. David told you last quarter that we moved it to early February in anticipation of having closed the Concord deal. We'll report combined financials because that deal didn't close at the end of our first quarter. So again, thanks for showing up.

After this morning's session, or at the end of it, I hope you take away our record of flawless execution. Second, our overall enterprise has never been stronger than it is today. Third, we have a recurring revenue with profit model that's cash-based and extremely predictable. Fourth, we have long-term growth opportunities both in the U.S. and abroad across a wide spectrum of businesses and products. Finally, we clearly have the right people in the right jobs doing the right things at the right time.

This morning we'll bring you up to speed on what's going on in the enterprise. Kim and I will walk you through 2003 financial results. Then I'll provide you with consolidated First Data strategy as well as our 2004 guidance.

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Then we'll have Scott give you an update on our Domestic Enterprise Payments business, a new internal group that we formed recently. It encompasses our existing merchant businesses and allows us to integrate Concord into our back-office support system. It also allows for more efficiencies within First Data's family of businesses. We think this structure will allow us to more effectively manage our business. It also allows us to dovetail Concord into that structure.

Christina Gold will then discuss our Western Union business. I'll provide a brief update on both Card and eONE. I'll provide some color on what's new at First Data International, and we'll try to leave plenty of time as I'd said for Q&As.

So with that, I'd like to make a few introductions. I'd like to ask the whole senior team to stand up that are present with us today. Could you please rise? Scott Betts is President of our Enterprise Payments Group. Pam Patsley who couldn't join us today because of some travel conflicts, heads up our First Data International business. She's on a slide here, which is focused on both the merchant acquiring business and the card issuing business. I'm very proud to introduce Jim Schoedinger as the new head of our Card Issuing segment. Jim is familiar with the card issuing business having spent a number of years at GE Capital where he had P&L responsibility for the three GE card businesses. He's a welcome addition to the team, and for sure, should outperform his successor, Charlie Open. Welcome to the team, Jim.

Christina Gold leads our Western Union business around the globe. Bill Thomas and Mike Yerington head up significant pieces of that business. Christina will also have news a bit later on our new hire that we've recently added in our Asia-Pacific region. Most of you know our CFO Kim Patmore. She'll be talking to you in a few minutes. Mike Whealy, our Chief Counsel and Chief Administrative Officer is here. Guy Battista is Executive Vice President in charge of Information Systems. Mike D'Ambrose joined us in September as head of our Human Resources Group.

Now, once a year this group gets the public acknowledgement they deserve. So please join me in giving them a round of applause.

Audience: [applause]

Charlie Fote: Thank you all for being part of the team.

Now let's look at the numbers. And before I get started on the specifics, let me say we had a very strong 2003 from an operating standpoint. For sure there were some ups and downs. And I assure you that members of our First Data team and I will remember this last year and all the change it brought for a long time. We knew going into 2003 that it was a ripe year with the possibility of doing a major deal. As you know, that deal came to pass on April 2nd with the announcement of the Concord transaction. Completing that transaction took longer than we expected, and it affected our ability to do other deals especially related to point-of-sale opportunities.

As David mentioned, we're looking forward to closing the transaction on February 27th.

Having said that, our top-line growth of 12% was impacted by the fact that we were handcuffed throughout 2003 for making many of the smaller acquisitions or tuck-ins that are a normal part of our growth. So again, I say 2003 was a great year, operationally, acquisition wise and for sure financially. Our 29,000 employees are truly the greatest. Thanks for all your help. You make all of us at First Data very, very proud.

We closed the year with revenue growth of 12%, totaling \$8.4 billion, excluding NYCE, which as David mentioned, is now accounted as a discontinued operation. For historical purposes, it equates to a seven-fold increase since our inception in 1992. At this growth rate and adding about 10 months of revenue from Concord, we expect First Data to close 2004 around \$10 billion in revenue.

We reached a \$2 billion mark in operating cash flow in 2003. Our capital expenditures of approximately \$395 million were slightly lower than 2002. Due to the changes in cash allocated to our ATM business, the Merchant Group was able to free up more than \$100 million in new cash.

All of this led to EPS growth of 17% from \$1.61 to \$1.88 on a reported basis, including the results of NYCE and also including the effect of certain charges in both years. This represents a six-fold increase in EPS from 1992. And finally, the ultimate measure of our success as you judge us each day showed up in our stock price. Despite all the challenges, we still ended the year up about 16%. Since our emergence as a public company, we've certainly been doing our share of winning against most indices.

We will continue to perform at outstanding levels during 2004 and beyond.

I'm pleased with how we ended the year in the fourth quarter. Kim will get into more detail from a segment level in a moment.

But on an overall basis, our revenues for the quarter were up 11%. Earnings per share were at \$0.55, ahead of the consensus of \$0.54.

During the quarter, we sold our agent bank merchant portfolio to iPayment and recorded an after-tax gain of \$32 million, which was partially offset with expenses related to investments in the international business, expansion of the merchant and TeleCheck sales force, and Concord integration costs.

As part of this agreement, we still retain the upside part of the sale of the agent bank portfolio. We still retain the upside of handling all the processing. That is very consistent with our overriding philosophy of handling all transaction types at the point-of-sale. Scott will have more to say about this and how we're thinking about many of the moving pieces within the Merchant Segment in a little while.

Now before I turn it over to Kim, I want to share that the continuing slowing transaction growth in the Western Union business has stabilized. Many of you have been concerned about that. In fact, December and January, the last 60 days, we've seen an uptick in transaction growth rates in Western Union. Christina will talk in detail about Western Union in a little while. So with that, I'd like to have Kim come up and give you a little more flavor on the segment financials.

Kim Patmore: Thanks, Charlie and good morning.

The cash flow from operations we generated during the quarter and throughout the year continued to reflect the high quality of our First Data earnings. Total cash flow from operations was approximately \$2 billion for the year.

Keep in mind our 2003 cash flow includes net income of \$1.4 billion, plus depreciation and amortization of about \$570 million, less capital expenditures of \$395 million and \$60 million of dividends. In 2002, these figures were \$1.24 billion plus about \$525 million for depreciation and amortization, less about \$420 million of capex, and \$45 million of dividends.

We use this cash flow for working capital needs and to reinvest in the business. We also use cash to make strategic acquisitions that fit with our core competencies; and to make capital structure needs such as buying back stock or reducing debt.

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We ended the year with approximately \$395 million in capital expenditures slightly lower than the \$418 million we spent in 2002.

For the year, we repurchased 36.8 million shares at an average price of \$39.69 for a total buyback of \$1.5 billion. With the new authorization recently approved by the board, we now have about \$1.15 billion available.

We ended the year with approximately \$3.6 billion in debt. Included in this debt is \$542 million of 2% convertible bonds. As of yesterday, we have given the bondholders 30-days notice of our intention to call the debt. Bondholders will have the option of taking cash or stock on March 3rd. In addition, the bondholders have a put option on March 1st. We plan to finance this debt with current excess cash and commercial paper borrowings.

As always, our goal is to create a short and long-term capital structure that allows us to maintain our strong credit ratings of A1 for Moody's and A+ for Standard and Poors.

Now let me turn to the segments. I'll provide some numbers and give just a little bit of color on some of the things that are impacting each segment.

Payment Services, driven by Western Union, finished the year with revenues of \$3.7 billion, up 15% annually. Fourth quarter revenues were up 13%.

Annual segment profits increased 18%, to more than \$1.2 billion, with fourth quarter profits increasing 13%. Margins were 34% for the year and 33% for the quarter with continued improvement in margins from our Western Union International and Mexico businesses, which had combined annual margins of 27% compared with 24% in 2002.

We actually spent an incremental \$18.5 million on compliance in 2003 versus 2002 -which is a little more than a penny and a half [inaudible]. We know that the revenue impact was more pronounced than this expense impact, and we should lap the more difficult compliance-related issues in the middle of 2004.

We ended the year with more than 182,000 locations up 21% over 2002, and for the quarter, we added 13,000 locations. Much of the growth this year came in emerging markets, such as India and China, Australia and Eastern Europe. We also saw strong growth in the agent locations in parts of the Middle East and Africa. Importantly, however, we added new key locations in the U.S. that helped to bolster our base that concentrates on the international outbound business.

This approach adding footprint in receive countries, adding targeted outbound locations in send regions and building the Western Union brand provides a lot of opportunity. As an example of this combination at work, we tripled the number of U.S. locations sending transactions to China from 5,000 to 15,000 in 2003. Christina will talk more about how we're strengthening our agent productivity in a few minutes.

Our consumer-to-consumer transfers were up 19% for the year to 81 million. For the quarter, C2C transfers grew 17.4%. This growth rate continues to be affected by a few political and economic hot spots around the globe. We continue to have some tough growover issues in Brazil one of our larger markets where transaction growth this last quarter was in the single-digits versus better than 50% last quarter.

Israel another of our larger markets is challenging because of the ongoing political unrest. Western European economies have been slow to recover. And the strength in the Euro may also be playing a role in reducing either the number or the face amount of the transactions. That said, for the year, 49 of our top 50 countries had positive transaction growth with Venezuela being the only negative.

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Mexico continues to be a bright spot with transaction growth of 22% in 2003 and revenue growth of 16%. Our Western Union brand of products are particularly strong, and Mexico transaction growth in the fourth quarter was 15%, generating 12% revenue growth.

The trend related to consumer-to-consumer revenue per transaction has been consistent during the last 24 months in spite of strong competition, particularly in the Latin American countries.

Consumer-to-business transfers grew 12% to \$134 million for the year and fourth quarter transaction growth in C2B was 10%. This C2B growth was impacted by the negative results of our Quick Collect service. However, we have seen significant growth in our electronic bill payment products. For example, ECG bill payment transactions were up more than 30% in 2003. Christina will touch on this a bit later.

Also, as we continue to see signs of a strengthening economy, consumers are likely to take on more debt and some increase in interest rates will probably also cause consumers to find creative ways to service this debt. Both trends should provide an engine to help power our bill pay products.

Finally, our prepaid transactions from both our cellular prepaid top-up products Swift Pay and Epass, and from our ValueLink stored-value product were up 32% for the year. In the fourth quarter, prepaid transaction growth was 23%. We generated nearly 900 million prepaid transactions in 2003. You've all heard about and probably were beneficiaries of the gift card activity this past holiday season. We're certainly getting our fair share of revenues from that payment mechanism.

One more note here. You'll see on the face of the consolidated income statement that the Investment Income line was up 94% in the quarter on \$38 million in revenue about the same amount as in the third quarter. Investment income for the year in the Payment Services segment was up 18% compared with the average investable balances related primarily to the official check business, which was up close to 13%. This difference is consistent with 2002.

Now let's turn to the Merchant Services. This business remains strong and very stable.

And for the year, revenues grew 14% to \$3 billion, with profits up 13% to \$807 million. Revenue growth in the quarter was 18%, aided as Charlie mentioned by the sale of the domestic agent bank portfolio. Revenue from our 2003 acquisition of Telecash also affected this growth rate. We will lap that acquisition at the end of the first quarter.

Revenue growth without acquisitions in the card-based Merchant processing business was a strong 9% in the quarter and 8% for the year. We feel strongly about the consistency of our transaction and processing revenues. These revenue growth rates reflect the true health of this business.

Margins held steady at 27% for the year and this reflects our continued commitment to managing expenses, while continuing to invest overseas.

In fact, you'll continue to see us make investments overseas to help build our presence internationally. Those will take the form of capability investments, short-term acquisition investments and infrastructure spending.

Strong growth in our core Merchant processing business was also impacted by some of our slower-growth businesses. TeleCheck, for instance which Scott will address more completely in his comments grew just slightly for the year and was flat for the fourth quarter. Our gaming alliance GCA continues to show revenue growth in the low single digits.

We ended the year with 3.1 million merchant locations.

Merchant transactions grew 23% for the year to 12.6 billion. About 400 million of those transactions resulted from NYCE. Normalized for acquisitions, this annual growth rate was 17%. Our fourth quarter growth was 20% lower than in previous quarters, because we've now fully lapped the third quarter 2002 PayPoint acquisition. Note that this fourth quarter rate does include some significant sales-related growth that we will lap in the first half of next year. Near the end of

our presentation today, Charlie will guide you to what we think is an appropriate transaction growth rate going forward.

Dollar volume was up 21% for the year to \$683 billion with fourth quarter growth of 20%.

Pricing compression remains within the 3-5% range even with increasing pressure in the national markets.

Now let's take a look at the Card Issuing segment.

Revenue for the year was up 6% to \$2 billion, with a fourth quarter revenue decline of 1%. Profits were \$306 million for the year and \$85 million for the quarter. Margins were at 15% for the year, 22% without postage. Importantly, we made significant progress in converting our pipeline of accounts onto our processing system. We ended the year with 348 million accounts on file up 7% over 2002.

We have about 70 million accounts still in the pipeline, and the current schedule calls for us to convert about 70% of this pipeline in the first half of the year. We have several hundred people working to move these accounts onto our system as quickly as possible.

Our card account database is broken down as follows: 168 million accounts are bankcard credit; another 62 million are debit; and the remaining 118 million are retail or private-label.

Card segment cash flow this quarter continued to be strong in spite of the decline in profits. In fact, cash flow after capex generated at the segment level looked like it did in 2002, a very encouraging sign for this segment. So with that, I'll turn it back to Charlie.

Charlie Fote: Thanks, Kim.

We'll spend the rest of the time together talking about our strategy and outlook. So, let's talk about our true colors of success.

I want to provide you some key statements about who we are, and whom we consider ourselves, and about the role we believe we play in the payments marketplace as a whole. The statements are built around the things we use to define ourselves at First Data.

First, for sure, we have a unity of purpose, which encompasses everything we do at First Data. Secondly, we have a dedication of performance that translates into all of our day-to-day activities. And three the scope of our enterprise capabilities encompasses the broadest footprint of anyone in our industry. The broadest footprint of anyone in our industry.

First, the unity of purpose.

Through our systems, our broad distribution footprint and our knowledge of the markets we serve around the world, we are wherever transactions occur in local markets throughout the globe.

Part of the way we build this distribution is by where we're located, for sure. We have offices in 35 countries. Our employees represent 70 nationalities and they speak 75 languages.

Our Western Union business will continue to expand its distribution capabilities adding about 30,000-40,000 new locations in 2004 to its existing base of more than 182,000 locations and more than 195 countries and territories around the world.

Our strategy is two-fold here.

Internationally, our strategy is to build a footprint first particularly in new countries. Then, we supplement that footprint with entrepreneurs who can stimulate traffic in specific corridors. We work with nearly 450 super agents that s up from about 380 last year around the world that help us build out this network.

In the U.S., we are the super agent. We take responsibility for building out the network. And since this is a U.S. to U.S. market and a U.S. to the rest of the world market also known as U.S. outbound we ve taken a very targeted approach in the last few years as we ve built our agent base. We ve done this by filling out our already broad footprint with specific ethnic-based locations. Christina will get into more detail in this in a little while.

This distribution reach allows us to be where the client is, and as you can see from these immigration stats, that tends to be all over the world.

First Data is the leader in processing all types of point-of-sale transactions credit, debit and stored value.

We clearly see our company as the One Source for payment options that transforms the diverse needs of financial institutions, retailers and consumers into solutions that create value for all our participants. Scott will touch on that in a little while.

We listen to our clients and build services that meet their unique needs. At the same time, we have the scope both in size and expertise that helps clients large and small realize the same economies of scale. We ve always been about leveling the playing field for our customers and that trend continues. This scale provides for that opportunity, both short and long term.

We have built new innovations in the payment industry. Most recently: loyalty cards, gift cards, electronic check acceptance and Internet check acceptance. Innovation has long been part of our history at First Data. Expect us to continue bringing innovative solutions to the market with things on the horizon like bio-metric authentication as well as macro and micro payment systems from all types of Internet appliances, most of which haven t even been invented.

Our second pillar revolves around our dedication to performance creating efficiencies and handling billions of transactions one at a time.

One measure of our efficiency is how we ve been able to affect the ability of issuers to become more efficient in the long term. In 1991, a high percentage of transactions at the point of sale were handled through old payment methods, including paper sales drafts, manual imprinters and voice authorizations. With today s point-of-sale technology being what it is, merchants are experiencing lower discount rates, equating to billions of dollars of savings. For sure, First Data has been a leader in affecting the paradigms of technology at the point of sale over time.

We ll continue to create more of these types of efficiencies as we grow older.

And how do we do it? We have a 6:30 operations call every day. That s Denver time. We have Six-Sigma quality reviews. We have backup systems that provide for automatic switchovers in the event of problems. We also use secret shopper processes to ensure quality, but also to monitor competitive activity. Other examples include electronic dispute resolution and compliance systems, especially at Western Union. We

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also employ a number of accounting reviews to make sure we're executing against targets every day and in the long term. We have strong discipline around all expenditures with even more scrutiny on those expenditures above \$1 million. Intensive disciplined quarterly reviews by segment with all the senior segment management, and I like to attend those. And then we have a routine review of all the job openings every 10 days.

While we experience considerable competition in all the markets we serve, no single competitor can match the breadth of our product offerings. Our scope is second to no one in our marketplaces.

Through all our businesses, we move trillions of dollars through the U.S. economy each and every year. We clearly align our products and services in the areas of payments, the payment marketplace, where the best growth opportunities are still occurring.

For instance, in 2003, we handled 25 billion transactions across all our businesses. We touch more than two out of every five dollars at the point of sale. Western Union doing business in 195 countries through 450 super agents, moves about 14% of all the remittances around the world.

That scope has put us in a position where, now, about 28% of our total revenues touch sources outside of the U.S.

Through our close attention to detail, each transaction is handled as if it were the most important transaction we touch one at a time. Whether it's the purchase of a diamond engagement ring, a hamburger at Burger King, or a \$75 money transfer that's going to help feed a family of six for a month in a third-world country.

And over time, we have played an important role in facilitating each one of those transactions.

To do this over time, we have found strategic partners that make strategic acquisitions that fit into our core competencies. Completion of the Concord transaction will improve our position in the PIN-based debit market, extending the notion of universal authentication that I've talked about before.

You've all heard a lot about our bank partner alliance strategy. Scott will touch on that in a little while.

And you're also familiar with the agency-based process we've used and continue to use to build our Western Union business.

Our card issuing business continues to give card issuer customers the highest return on their receivable investments. I think that's important enough that I should repeat it. Our card issuing business continues to give our card issuing customers the highest return on their receivable investments.

So we are clearly where the growth is.

Our position as a processor of credit card transactions is strong. Also very robust is the growth at the point of sale in stored value and on-line debit.

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And now, with the addition of the \$1 billion-plus revenue stream of Concord and the extensive and complementary customer base the merger brings to First Data, we are clearly the leading processor of stored-value and debit transactions in the payment marketplace.

All these opportunities will allow us to continue extending our global reach, leveraging our enterprise-wide capabilities and integrating new products and technologies to build long-term growth and returns.

We are also building our worldwide footprint in the First Data brand through a combination of aggressive, regional-based sales of selective acquisitions through First Data International, the division that Pam Patsley runs.

By 2007, our international business will represent about one-third of our total revenues. That's down from 40%, because the 40% was announced prior to the Concord acquisition.

With the addition of Concord, we'll re-examine all of the elements that fit best in our business including more acquisitions in our space, for sure and possible divestitures of businesses that don't match our longer-term growth objectives.

Let me go through the financial and key metrics we expect for the year: our EPS for 2003, our 2004 EPS, the EPS impact of Concord and finally our long-term objectives of the company.

Our guidance at the beginning of 2003 was to end the year with earnings per share between \$1.87 and \$1.93. As I said earlier, on a reported basis, we generated \$1.88 of earnings per share for the year. This includes \$0.03 of charges, primarily related to the third quarter restructuring.

This \$1.88 includes \$0.02 for NYCE, which will now be counted as a discontinued operation. That makes our 2003 continuing operations EPS \$1.86. So one could say our 2003 earnings at a glance were \$1.86 per share plus \$0.03, plus \$0.02. No matter what I say about the 2003 earnings, you will come up with your own 2003 actuals.

That's why you do what you do and you are who you are.

Audience: [laughter]

Charlie Fote: As we said in our release, we expect our EPS growth for 2004 from continuing ops to be in the range of \$2.00 to \$2.18. For those who follow us, this is an enormous range for First Data when we're giving out ranges.

Included in the range is up to \$0.10 on the bottom end reflective of our cash outlays of approximately \$150 million for the restructuring and integration charges we expect to take in 2004 related to the Concord merger.

When you take this into account, our new range is consistent with current Wall Street consensus.

And even more importantly, on a cash basis, the deal for sure is cash accretive in 2004. That's based on the incremental amortization expense related to the intangibles, which is roughly about \$110 million, which equates to about \$0.08 a share. So when we add back depreciation and amortization, it's about \$0.06 cash accretive in 2004. The \$0.08 in the intangibles is on an annualized basis. Obviously, we'll have that for ten-twelfths of the year, because we'll close around the end of February.

On the revenue side, we expect to achieve way north of 20% growth, an anomaly due to the merger with Concord.

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One more note here, with regards to revenue growth. For a variety of reasons, including the timing of tuck-in acquisitions, you should expect the growth rate to be better in the second half of the year than the first half.

And as with any range, there are unknowns, but we think in the range we have outlined here, we've taken all the unknowns into account.

Now a few key indicators in the segments.

We'll end 2004 with a Western Union Agent base in the 210,000-220,000 agent [inaudible] range. And as I've said before, expect international transaction growth to be in the 22%-25% range with overall transaction growth in the high teens for the foreseeable future.

Expect transaction growth rates in our merchant business at the point of sale to be somewhere in the mid teens, plus-or-minus, depending on consumer behavior.

We'll end 2004 with about 360 million cardholder accounts on the cardholder database.

In 2004, we'll see operating cash flows in the \$2.2-\$2.3 billion range, and based on what we know today, our 2005 operating cash flow will be closer to \$3 billion than to \$2.5 billion. Let me go slow on that again for those people on the phone that don't have the slides up. 2004 operating cash flow will be in the \$2.2-\$2.3 billion range. And based on what we know today, our 2005 operating cash flow will be closer to \$3 billion than \$2.5 billion. Remember, the cash flow from Concord—the Concord business itself—can finance the cost of synergies as we merge Concord into the First Data family.

As has happened in each of the last two years, our effective tax rate drifted down throughout the calendar year. We ended the year at about 25.5%. Expect the First Data rate closer to 27% than 25%, going forward in 2004. For sure that rate will change once we add Concord to our business.

Finally, we just raised our stock buyback authorization to a total of \$1.1 billion. Last year, we bought nearly \$1.5 billion worth of our own shares. Concord bought about \$300 million last year. We intend to continue being aggressive and opportunistic in 2004 with our stock buyback program.

And one final note on 2004 guidance. You probably noticed the absence of any segment revenue or profit guidance. That was by design. As you might imagine, when we integrate Concord into the business, we will realign our segment reporting structure. You have Western Union business look-alikes—you have merchant—you have cardholders. So when we publish the first quarter financials, we'll review the segment guidance with you in detail, including the Concord financials being integrated into the First Data financials. We'll also give you a one-time guide to the 2004 growth numbers by segment, both on the top and on the bottom.

With that, David, I have Western Union with a little more than its fair share of revenue growth. With its substantial long-term revenue growth in the mid teens. Merchant Services revenue growth will be in the high-single to low-double-digit range. This could move up as we integrate the Concord business. So Western Union will have revenue growth for the long-term in the mid teens. Merchant Services will be in high-single to low-double-digit range. As we merge in the Concord merchant base, we should see that move north of those growth rates.

And before I provide our long-term growth objective on earnings expansion, I want to just remind you of our previous four years—on a reported basis for revenue and EPS. If you look at our compounded growth rates for both revenue and profits for the last four years, revenue grew 12% on a compounded basis and EPS grew 15%.

So we usually figure our long-term growth objective as a 2-3 year growth rate, and we tweak it from time-to-time on an annual basis. We've been bringing down our revenue growth rate slightly due to a double-digit level, mainly due to the law of large numbers. Now having said that, we'll have an exception in 2004 because of the Concord acquisition adding the Concord revenue. So longer-term growth rate, we think in revenue will be double-digit. This year will be an exception because it will be well over 20%.

Earnings per share growth, we're maintaining our range of 14-17% on a go-forward basis.

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With that we're going to open up the session to questions. But first, I'd like to ask Scott and Christina to join us on stage.

David, would you like to take over?

David Banks: Sure. I just want to remind everybody here in the room, please ask if you could just one question plus a follow-up in the interest of time here. Yes, Jim? Why don't we go with that third row.

James F. Kissane: Jim Kissane from Bear Stearns. Charlie, as you look back at '03 can you rank the factors that caused the deceleration in Western Union's growth? Then as you look at '04 could you kind of discuss those factors, and how they could impact the growth rate?

Charlie Fote: Yes. I'll take a shot at that and Christina, just jump in. You have currency changes around the world. You've got tanks moving around the world. You have the Euro that really got out of sync with anything we projected. The agent base was strong. Compliance was an issue. So, I wish I could draw a five or six dimension graph, Jim, and show you all the ingredients. I don't know that any one variable overrode any other variable as it related to the growth rates of Western Union for 2003.

I would say that things are starting to stabilize. The world is getting better from an economic standpoint. We saw a stoppage of shrink in transaction growth. In fact, in the last two months we've seen an increase in transaction growth. November was way off from a growth standpoint, and then December and January looked more like the fourth quarter in total a little north of the fourth quarter. Christina is that fair?

Christina Gold: [inaudible] December and January [inaudible] the growth rate, we're doing well.

Charlie Fote: Did you hear her, Jim?

James F. Kissane: Just a quick question for Kim. Can you break out the offsets to the gain in the quarter? I think you had a \$32 million gain on of the sale of the portfolio. Then you said there were some offsets. Could you put some numbers on those?

Kim Patmore: We continue to invest in the international business. And that, as you know, is split up between the Card Issuing and the Merchant business. Probably more significantly in the merchant business in terms of what we're investing in internationally. Then in addition to that, and Scott will talk a little bit more about this in detail, we had some changes in the TeleCheck business. And then we continue to invest in a number of our other products and new developments. Scott, I don't know if there's anything else.

Scott Betts: Yeah, we'll cover some of the TeleCheck issues a little later on.

David Banks: David.

David Togut: Thanks. David Togut, Morgan Stanley. Christina, could you take us inside Western Union International a bit? Talk about some of the major growth drivers as you look out to '04, and discuss a bit how you see agent productivity trending in India and China both for '04 and then longer term.

Christina Gold: I think really when I do my presentation I'm going to be able to really expand on that, and really give you in the send countries and also in India and China what's happening in location

productivity. So, we will cover that in a few minutes when I go through my detail. Then maybe after that if there's still something that's not clear, I could fill it in for you.

Charlie Fote: Because of that, you get one more free question.

Audience: [laughter]

David Togut: Charlie, could you talk a bit about some of the investments you're making overseas? Just a follow-up to Jim's question. You funded some of these investments with some gains in '03. Do you think in '04 you'll be able to fund some of the international expansion just from operating earnings?

Charlie Fote: Yes. For sure. The cash isn't an issue for us you know in the short-term. We will re-adjust the portfolio of businesses over time at First Data. And when there is low-growth businesses that aren't generating that kind of cash, we'll monetize those businesses and invest in another business that we think over time is going to be better for the shareholders. You'll continue to see us do that because I just think it makes a lot of sense.

David Togut: What is that number for '04 in terms of international investments?

Charlie Fote: I won't tell you how much will be growth in investment yet, David, because that would be unfair to come out ahead of Pam's presentation the discussion she'll have probably in the beginning of the second quarter. Assume that business will grow 30 to 40%-ish from a revenue standpoint. If you left here with that a mix of buys in just internal sales, I think that'd be reasonable. Kim?

Kim Patmore: Yes, over 40%, right.

David Togut: Okay.

David Banks: Adam? You want to, it's right there.

Adam Frisch: Hi. Adam Frisch from UBS. If we could delve into Western Union a little bit more I'm trying to connect the dots here, and venturing I guess into a line then Charlie for you to explain this to me here. In December '02, transactions were up over 22%, revenue was up over 19% and the profit margins were a little over 33%. In December '04, transaction growth was down by about 3% to 19%. Revenue growth was down 6% to 13%. That includes the F/X and all that stuff.

Charlie Fote: That was the fourth quarter.

Adam Frisch: Just the fourth quarter?

Charlie Fote: Yes.

Adam Frisch: But the margins remained flat. How do you connect the dots there on a quarter-to-quarter basis? I guess my follow-up on that question would be how do you get to mid-teens growth in '04, when you 'll probably have a reversal impact of the F/X benefit that you saw in '03?

Charlie Fote: Christina, why don't you take that on the marketing side, the sales side? Kim, you can handle the F/X.

Christina Gold: I think in terms of the marketing investments we really are very targeted in terms of what we're going to be doing in 2004. In 2003, we also saw, we tested a number of initiatives to see really what works in terms of loyalty, location productivity, agent ramp-up. So we've learned a great deal, and we 'll be investing more to drive that. We will continue to grow the locations. Clearly, what we've also found really growing the ethnic corridors with the ethnic locations will be key to us in terms of driving the growth.

Adam Frisch: But how does that impact the revenue growth down to 13% that you just spoke about? Would that impact the cost line?

Christina: It's a little bit of both in terms of some of our investments, because some of it's cost some of it's in terms of, we do some pricing movements. A lot of the issues we face were just grow-overs that we had in Brazil. The impact of compliance. In some cases in compliance, we did have some issues in terms of the total amount that could be sent. Some of those restrictions have now been lifted. So, we had a lot of things that we had to maneuver as we came to the compliance issues in 2003.

Charlie Fote: Don't forget some of the revenue change is from the way we report the advertising. When Christina does a promotion, a sales promotion or a pricing in a corridor promotion, which is street corner to street corner, it can be as low at that level, as street corner to street corner, the revenue per transaction is lower. The advertising expense is where she's budgeting that sale. She thinks the marketing expense you can't have a promotion forever. It needs to get back to some type on a normal basis pricing over time. When you see specific marketing programs in a quarter that affect pricing, you 'll see lower revenue per transaction. And some of that occurred in 2003 and specifically in the fourth quarter of 2003. Even if your revenue is down, your advertising expenses in most cases with just advertising, the revenue stays where it is or it will move up, and the advertising expense will move up. In this case, you had a margin effect and a revenue effect. Lower revenue and the cost of the sale was in the contra revenue line, the cost of the promotion. So that will affect the margin. So you saw some uptick in margin over that. So you saw revenue, some uptick in margin. Kim, anything else on that?

Kim Patmore: On the Euro, following up on that, keep in mind we do hedge the Euro so that we really don't have exposure on a bottom-line basis. Overall, it's about 3% for the year on the Euro uptick on revenue.

David Banks: Adam, do you have just one more follow-up, please?

Adam Frisch: Have you guys considered I know you guys are very aggressive on your share buyback program but have you considered given the fact that it looks like you're hitting the law of large

numbers, growth might be slowing a little bit here? It's still robust, but slowing a little bit. Have you considered increasing your dividends at all? Rather than plowing money back in the share repurchases?

Charlie Fote: Yes.

Audience: [laughter]

Adam Frisch: Thank you.

David Banks: Greg. Let's just go down the row there.

Gregory Gould: Greg Gould from Goldman Sachs. Charlie, how do you think about the STAR bank contract rollouts in 2005? Can the deal be accretive in '05 with the incentive payments and some of the departures from the network?

Charlie Fote: Oh, yes, for sure it's accretive in '05. It's accretive from both the P&L. Scott, are you going to get into . . .

Scott Betts: Yeah, we'll talk a little bit about that.

Charlie Fote: Wait for him, so we will give you half a follow-up for that. So go ahead.

Gregory Gould: You talked about long-term revenue growth in the double digits. Where do you think the organic growth could be? Are we thinking 8-10%?

Charlie Fote: We can't use the term organic anymore. It's growth less acquisitions and something else, isn't it?

Kim Patmore: Without acquisitions.

Charlie Fote: Yes. Without acquisitions. You have a nice range there. Eight-to-twelve percent is a nice range.

David Banks: I think we may have one over here, Charlie.

Dris Uptis: Hi. Dris Uptis at CSFB. Can you just elaborate on the investment income in the quarter and for the year and just given that we had a declining interest rate environment, the fact that that outstripped the growth investable balances, and also what your expectations are for '04 in that line?

Charlie Fote: Go ahead, Kim.

Kim Patmore: What we do is manage that on really a long-term basis. If you look over the last three years our basic earnings return was about the same on all three years. But I do think that that in an increasing interest environment we will see a decline in the income in the portfolio just based on an increasing interest environment that is expected for 2004.

Dris Uptis: So that will be less of a factor in the payment growth in 04 then?

Kim Patmore: Right.

Dris Uptis: Okay, thanks.

Bryan C Keane: Yes, hi, it's Bryan Keane of Prudential. Charlie, just a question of clarification. The \$2.00 to 2.18 in continuing operations, why is a \$0.10 integration charge included in that range? Why not just say that is below the line and go \$2.10-2.18?

Charlie Fote: I've been asking that question for a year, Bryan. The accountants and lawyers got me there. You see where it is. That's why I say we give you the numbers. We gave you the dime and we gave you the effects of NYCE. We gave the effects of the one-timers and again, you are who you are and you do what you do. So you'll come up with the right interpretation of what all those numbers mean as you see it.

Bryan C Keane: Just a follow-up to that. In '05, do we spring out of that? Should we be in the long-term growth range of 14-17%, or do we even have a stronger year in '05 because of the dilution that Concord had?

Charlie Fote: For sure from an EPS standpoint you've got to walk away with that range as I see it today. If that changes, we'll tell you as we move along. On the revenue growth rates, you're above 20% in 2004. Maybe it's closer to 30%. We'll see how fast we get the integration done. That's why I say about 20%. On what you'd call an internal growth rate, or I call an internal growth rate. I think 8-12% is going to be where we are, maybe closer to 9-12%, but somewhere in the 8-12% range. I think you'll see 2-4% continue to come from tuck-ins.

David Banks: Pat?

Patrick M. Burton: Pat Burton; Smith Barney. Just an update on the JP Morgan Chase-Bank One merger now that some of the management slots have been filled out there, both on the merchant alliance side as well as on the card issuance side. Thanks.

Charlie Fote: Where's Jim. The new Jim are you here? Would you like to comment on the issuing side? Probably not; huh? We've had good, long-term relationships with both organizations on the merchant side and the cardholder side no matter what you read. We're continuing to talk to both of those companies like they're good, strong partners. No comments on the JP Morgan Chase or Bank One deeper than that. All right? If you

have another question, go ahead.

Patrick M. Burton: Sure. Second question would be it would appear Western Union is losing some market share to a couple of the other publicly-held competitors. Any comment on that? Or should we wait til the Western Union presentation?

Charlie Fote: I think we should wait til the Western Union presentation. From everything I've seen, that might be an inaccurate statement. Right, Christina?

Christina Gold: We gained share.

Charlie Fote: Okay.

Patrick M. Burton: Thanks.

Charlie Fote: You're welcome.

David Banks: Let's just go ahead.

Patrick M. Burton: What were the growth rates for the three main lines of business in the fourth quarter, if you strip out both F/X and all acquisitions?

Charlie Fote: Do you have them?

Kim Patmore: On the Western Union business, we really had only just the small Eposs. ECG and PayMap, if you remember, were in the second quarter. The full-year amount of the F/X was about 3%, and then just slightly ahead of that in the fourth quarter. So that gives you an idea. In the fourth quarter, the only item was Eposs, which was a very small acquisition.

Patrick M. Burton: So, for Western Union, the fourth quarter revenue growth was in the 8-9% range on an organic basis?

Charlie Fote: I think it was more 9-10%, when you adjust for the Euro.

Kim Patmore: Right, 9%-10%.

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Patrick M. Burton: Okay. What about for the other two businesses? If you strip out both all acquisitions and F/X?

Charlie Fote: Let me go to Merchant. If you adjust for all the ins and outs, Merchant was in the mid-teens. If you look at Card, Card is kind of strange, because we have a replacement of revenue. Let me give you Card in the fourth quarter. There are a bunch of anomalies because of Citicorp.

Remember, Citicorp had accounts go away on the bankcard side, which is the highest revenue per account replacement private-label accounts. If I go through all of those issues, in the first quarter of 2004, because that's when it settled down, or will settle down. Card will be flat, and then second quarter you'll see an up tick. I think that's the best way to talk about Card, rather than trying to sort through all the plus and minuses of 2003. Tom, those are the numbers, right? Okay. Thanks.

Dirk Godsey: Dirk Godsey, JP Morgan. I was wondering if you could comment a little bit more on some of your basic underlying assumptions for the Concord contribution as you exit 2004. Obviously, there's been advertised losses. I was wondering if you could comment on what you see as some of the positive offsets to some of those losses. Directionally, should we look for the Concord contribution to be flat, down, sideways as we exit 2004 from where it is, today?

Charlie Fote: That's a fair question. They're all fair questions.

[laughter]

Charlie Fote: Based on what we know about Concord to date, the adjustment in value that was done in December—and if you remember what I said about cash accretion—you'll see a little timing in the P&L, which is the slightly dilutive effect; plus the ten cents, up to ten cents. There would be purchase adjustments, the value adjustments kept us about where we were other than the timing. It looks pretty much like it did back in April. The accounts going away, and some of the synergy impact, and the timing of those synergy impacts as we close later, and having to sell NYCE, and the change in value keeps us about I'd say where we were. Now, we're also going to add more customers, and we'll be a strong competitor even against NYCE. Okay. I don't want to get deeper into any specific contract at this point.

Pete Swanson: Hi, Charlie. Pete Swanson from Piper. When you talk about tweaking the business in the portfolio match, and you look at keeping an enterprise payments capability versus some businesses that might be lower growth, how are you going to balance deciding whether to keep those or maybe some time of a divestiture? Talk me through that thought process.

Charlie Fote: Top and bottom-line growth and cash returns. The first one would be cash. Okay? We're not out to have a balance sheet that makes the P&L and revenue growth look good for the short period of time. We're going to have sustainable, increased, approved balance sheets, cash flow and strong revenue and earnings growth.

David Banks: Gary, I think we had one on the phone. Do we want to try to tie in that caller?

Operator: One moment. John Kraft with DA Davidson. You may ask your question.

John Kraft: Hi, guys. Sorry I couldn't make it. Kim, I just wanted to clarify and actually get a little bit of a discussion on the pricing pressure in the Merchant segment. I think you said it was about 3-5%. Where are you seeing the most of that pressure, and what are expectations for 2004 in pricing?

Kim Patmore: We continue to see about 3-5% in terms of the pricing pressure. And in the national accounts, like I mentioned earlier, it is a little bit higher. I don't know. It's a very competitive marketplace. It has been for many years, and I would not anticipate that changing in 2004, but I'll defer to Scott, if you have any other . . .

Scott Betts: That's correct. We've seen the pricing pressures being about equal in 2004 as we saw in 2003.

Charlie Fote: We saw 8-9%. The revenue, as someone calls it, the internal growth without acquisitions, it was running about 8%. In the fourth quarter, it ran 9%. Who knows why, yet? We're still trying to get to the bottom of it. Was it due to a mix of transactions? Did more go off-line than on-line? Was it the result of all the repricing that occurred in August, with interchange that affected discount rates? Some members put in August 1st and some put in later in the quarter. The science isn't done yet on the increase. We have seen the improvement on the card-based transactions, moving up from 8-9% of the point of sale from a revenue standpoint. Having said that about pricing, the 3-5% pressure, we've seen overall an up tick in the revenue-per-merchant trend.

Brandt A Sakakaeny: Thanks. Good morning, Charlie. Brandt Sakakaeny, Deutschebank. A couple of questions. Kim, could you just help us better understand where the \$55 million proceeds from the iPayment transaction showed up on the P&L? Was the \$32 million in the investment gains line?

Kim Patmore: No. Anytime we make an adjustment in the Merchant portfolio, just like we did in prior years, it goes into product sales and other. And then any of the taxes come on a top, consolidated level.

Charlie Fote: So if you went into the Merchant segment, product sales and others, the revenue of \$51 million did. Then the gain went into the total, it's outside the segment.

Kim Patmore: The tax [inaudible].

Charlie: Because of the tax.

Brandt A Sakakaeny: So do we need to net the \$628.7 less the \$55 to get to the true pretax proceeds of the gain number?

Kim Patmore: To take the proceeds out, it would be the \$51 million if you want to take the proceeds out.

Brandt A Sakakaeny: Okay. If you do that, it looks like the Merchant processing business actually contracted year-over-year. Would that be right?

Kim Patmore: On an EBIT basis, if you took that out, that is the math, right? We talked about where we've made investments.

Brandt A Sakakaeny: But also on a revenue basis?

Kim Patmore: No. I don't think you'd see a contraction on a revenue basis.

Brandt A Sakakaeny: Okay. Thank you.

David Banks: Any other questions?

Charlie Fote: I see one here, David. I see a hand up. There's one behind there.

Mitch Kuflik: Thanks. Mitch Kuflik from Brahman Capital. Could you quantify the stabilization or up tick that you saw in Western Union in December and January?

Charlie Fote: Yes, Kim mentioned a number of 17.4% in transaction growth for the quarter. December and January, I'll give you January because it's real time. January is closer to 20% than 15%, and it's north of 17.4%. We'll just see how the rest of the first quarter goes. I don't want to get ahead of myself here in giving you exact numbers for a short period for a month or two months. The trend is the shrinkage has stopped, and we've seen an up tick. Maybe that's a result of the economy getting better and less tanks out there, but something good seems to be happening.

David Banks: Up here. I think we've got a couple up here.

Q: Kim, I just wanted to go back to Jim's first question and kind of push you on that a little bit. I'm looking at this list of the reinvestments that the company said it made to offset the \$0.045 one-time gain this quarter. It looks sort of like normal growth opportunities. Are you saying that these are steps you wouldn't have taken, absent the \$32 million after-tax gain?

Kim Patmore: I think we've consistently said we would continue to invest in the international business. As you look into 2004, we'll do the same. We've said that consistently. From a domestic agent bank sale perspective, we started the process actually in June, as we looked across the portfolios on what fit and what we had the ability to impact from a sales perspective, and that process actually started back in June of 2003.

Q: I understand the growth opportunity, and why it costs money to do it. I guess I'm trying to understand why we should be considering these offsets to the one-time gains, as opposed to normal costs of operating and growing a business.

Charlie Fote: You take the businesses that are growing, and I thought about cash and top and bottom-line growth. We're leaving out an important factor here. The domestic segment—the Merchant and Cardholder businesses are their own segments. The international growth is financed on a P&L basis by the segments. When domestic is having a year that says, "We'll return and we'll have a growth rate of X," that includes the P&L takedown of the international expense to grow the international business. That's a new phenomenon for us. So, if the term "partially offsetting" concerns you or is confusing, the point is that in that segment, the P&L growth is being affected by financing the international growth for both Card and Merchant. As you look at that going forward, we touched on segment reporting changes after the first quarter, we'll see how these

segments break out from a management standpoint and from an accounting standpoint. You've got to remember we're financing that growth, which is new for us—it's only two years old—with the P&L of the domestic businesses, specifically Card and Merchant.

David Banks: We'll take one more. Adam, did you have one more here?

Charlie Fote: I think there's one back there, too, David. We'll take one more after that.

Adam Frisch: Thanks for allowing the follow-up here. I just want to follow-up on my initial question. Christina, if you could address how much of the mid-teens Western Union growth in '04 is going to come from acquisitions? Kind of substantiate that with what's going to reverse the trend of kind of steady transactions but declining revenue growth on factors that you can control? I'm not talking about geopolitical; I'm not talking about Anthrax—forgetting about that. How much of the revenue growth can you make come back in '04 based on what you did in '03?

Christina Gold: I think, first of all, we have to remember as well that we will be later in the year lapping the compliance impact on the business. That's going to be a big plus for us as we go into the second and third quarter. But also, as I will talk about, we really learned a lot about the loyalty program. And we were testing it in 2003, and we've been able to see improved retention, improved frequency, and also a revenue lift, by using the loyalty program. So we'll be expanding that in our base in the United States and also in other countries around the globe. We will be investing heavily in our marketing, in terms of not only advertising, but promotion and marketing. We will be investing about 7% of revenue. So that's going to be key for us as well. Again, we've developed not only marketing programs for the United States, but you'll see and I'll show you today, in some of the send countries and receive countries, we're doing like Chinese, Turkish, really going into the ethnic corridors and advertising those. That's a little bit more than we've ever done before. Clearly, as we've looked at the ramp up of locations, finding the right ethnic locations, we are also seeing major improvements in productivity. We'll continue to drive that, to really push harder.

And your other question was in terms of acquisitions. Acquisitions will be a portion of what we're looking at but they're not a major part of really hitting the guidance that Charlie is giving you.

Charlie Fote: Remember, it was Integrated Payment Systems. That segment is all one big prepaid account, right? If it's Western Union, if it's a ValueLink card, if it's a phone card, if it's a money order or official check, money is put into an account. Then we pay it out on a transaction basis or at an account level. So as we go around and look at what fits into our core competencies, it's businesses where consumers, or commercial accounts fund this big omnibus checkbook in the sky. Then we distribute out the payments through a variety of different product vehicles.

As Christina goes around the world, any place she can see a business with a Western Union name from a brand standpoint, will help grow that business at faster growth rates than what they're experiencing. If that's kind of the hidden premium in the purchase price, then she'll be aggressive on buying those kinds of companies.

We have one more in the back, I think. And then we'll move on.

Q: Yes. Any thoughts on the American Express partnership with MBNA and opportunities on the card issuance side, possibly for AmEx cards?

Charlie Fote: Listen, there are lots of moving parts in this card issuing business right now, for sure, right? You have JP Morgan Chase and Bank One. That'll be second to City. AmEx is doing their partnership. Remember, and I talked about this before, we are certified to process for American Express. Years ago, we used to do the receivable processing for banks that issued American Express gold cards. In the old days, the gold cards were issued the revolving credit cards were issued by a bank underneath the personal card program, which a lot of you people call green cards. Over time, those banks got replaced with American Express Centurion Bank. The processing of those types of accounts, we did years ago for American Express. We'll see where it goes as they sign more and more issuers.

Q: Could we get the growth rates in PIN debit and signature during the quarter, possibly?

Charlie Fote: Did we break them out? I'll tell you, debit growth rates are north of 20%. Depending on the period, you'll see them touching 30%. You're at the point-of-sale debit, for both on-line and off-line. The growth rate is still very strong.

Q: Are you seeing any significant difference between PIN and signature at this point?

Charlie Fote: Not that the numbers would make any sense to you until I broke out the revenue per transaction. So to give you a number without giving you the revenue, which I'm not going to disclose, would not make sense.

Q: Thanks.

Charlie Fote: You're welcome. Okay, Scott will discuss our new Domestic Enterprise Payment businesses. We've organized a company, and you'll see when Scott goes through it, through an enterprise sales group and a utility group. When we talk about utility, we're talking about more of shared services, which you know as our functional activities, now reporting to Scott around the companies.

Before Scott takes the stage, we're going to queue you up here for a video of one of our new customers. It's Burger King. We'll show you how we're running this business. It's a good example.

[Video plays]

Speaker: Well, worldwide there's over 11,000 units and that represents about 1,400 franchisees around the globe. Now burgers is our mainstay, but we are looking to provide other healthy offerings to our guests, satisfy them, that's what we're about. Card acceptance is all about the customer. They're accepting or needing these types of conveniences and we need to be there for them. The benefits are enormous really. We think there's a sales lift. We think there's traffic components here. We think there's loyalty components here. We think this gives us a platform into doing other options within the category like loyalty cards and gift cards. All those things are important because if you're focused on the guest, and that's what you're really in business for,

that's why we're moving in these directions. We've waited to do this right, and we think right is now. We've got the right player in Chase. We've got our franchisee community behind us in this. Our corporate restaurants are all looking for this convenience. Let's speak to a couple of the elements here that I know franchisees need to be satisfied with, and this speaks to Chase coming to the party. Chase brought us really a price tier that allows us to compete with our P&Ls on accepting credit cards. This is a real cost component that I know our franchisees need to be satisfied with. Chase brought that opportunity here. At Burger King