

Table of Contents

Benefitting from Industry Trends

We believe First Data is strongly positioned to take advantage of several global industry trends:

- *Consumer payments are continuing to shift from cash to electronic*, including in the United States, where, according to The Nilson Report dated December 2014, credit and debit card purchase volumes are projected to increase by 65% and 49%, respectively, from 2013 to 2018;
- *Consumer shopping continues to shift from brick and mortar locations to online*, as global eCommerce spending as a percentage of total global retail spending is projected to increase from 6% in 2013 to 9% in 2018 according to a report by eMarketer dated December 23, 2014 (the "eMarketer Report");
- *SMB owners are increasingly demanding next-generation technology* such as tablet-based POS systems and devices that accept mobile payments: for example, 67% of restaurant businesses surveyed by *Hospitality Technology* in December 2014 are planning to add new functionality, features and/or modules to current POS software in 2015;
- *Given recent payment data breaches, clients are increasingly demanding robust security and fraud solutions*, resulting in projected spending of \$125 billion in 2015, according to a report by IDC dated December 2014 (the "IDC Report"); and
- *Financial institutions continue to outsource and leverage technology providers* given their constrained budgets and growing industry complexity.

We believe First Data is well positioned to take advantage of all of these trends given the breadth of our solutions and our global operating scale.

Our Competitive Strengths

We believe First Data has many competitive advantages that position us favorably in the global marketplace and will help us drive growth in the future.

Our Industry Leadership and Large Scale Give Us Operating Advantages

Based on our size, scale, and global footprint, we are a leading provider in our industry. Our clients include some of the largest and best known global retail and financial institutions, as well as millions of smaller businesses and banks across the world. We are:

- #1 in global merchant acquiring;
- #1 in global issuer processing;
- #1 in independent network services; and
- a world leader in global eCommerce.

Our scale enables us to cost-effectively leverage our fixed technology and operations infrastructure, helping us to produce high operating margins, incur low marginal capital expenditures, and generate strong operating cash flow. Our scale also allows us to efficiently develop, acquire, and commercialize next-generation technologies globally.

We Deliver Integrated Solutions Across the Commerce Value Chain

We believe we offer our clients the most complete array of integrated solutions in the industry, covering their needs across next-generation commerce technology, merchant acquiring, issuing, and network solutions. We believe this differentiates us from our competition and will continue to drive growth in the future.