Restructuring

MoneyGram International, Inc.

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EXECUTIVE SUMMARY

MoneyGram International (MoneyGram) is the second-largest money transfer company in the world and has $1.45 billion in annual revenues. Yet its stock price lags behind its primary competitors, and its margins, financial performance and key ratios are paltry in comparison. In 2008, MoneyGram's stock was close to being delisted when it lost nearly 90% of its market value. In an attempt to turn MoneyGram around, Pamela Patsley was brought on as executive chairman of the board and CEO in 2009. To date, MoneyGram continues to struggle in the market. More drastic changes will need to be initiated in order for the company to survive as well as become a viable competitor in the global money transfer and payment services industries.

Through this paper we will look to frame the environment that MoneyGram operates in, assess its viability as a going concern, and recommend a restructuring plan to turnaround the company. We will outline three scenarios, one considering the ultimate fate of the company if business continues status quo, one considering an operational restructuring, and another considering liquidation of the company. After a close assessment of the industry, competitive landscape, and the company's financial and strategic position we will demonstrate that an operating restructuring plan is the optimal path forward for the company.

OVERVIEW AND HISTORY

History

MoneyGram provides worldwide funds transfer through their network of approximately 350,000 locations - including retailers, international post offices and banks in more than 200 countries and territories, and through mobile and online channels. In addition to financial services provided through third-party agents, MoneyGram owns and operates retail locations in several countries. They also offer bill payment services in the U.S., Canada, Puerto Rico and certain agent locations in select Caribbean countries. MoneyGram's products enable customers not fully served by traditional financial institutions to meet the monetary demands of their daily lives[1].

MoneyGram is headquartered in Dallas, Texas, and has an operations center in St. Louis Park, MN. It is listed on the NASDAQ Stock Exchange under the ticker symbol MGI. Currently, the company is 51% owned by Thomas H. Lee Partners and Goldman Sachs.

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[1] http://corporate.MoneyGram.com/about-MoneyGram/history

MoneyGram's roots trace back to the 1940s, with the founding of Travelers Express Co., Inc. Travelers Express was one of the world's largest processors of money orders and a major player in the electronic payments industry. MoneyGram was formed in 1998 when Travelers Express Co's parent company (Viad Corp.) purchased international money transfer company MoneyGram Payment Systems Inc. Travelers Express and MoneyGram Payment Systems Inc. merged to form MoneyGram, which became a globally recognized brand. On June 30, 2004, Viad sold MoneyGram, and it became a publicly traded, individual entity. Philip Milne became CEO of MoneyGram in June 2004. During his four-year tenure, which ended in June 2008 MoneyGram lost nearly 90% of its market value and its stock came close to being delisted on the New York Stock Exchange.

MoneyGram's financial woes coincided with the beginning of the Great Recession in the United States, which officially began in December, 2007. Back in July 2007, MoneyGram's stock was trading at $30 per share and the money-transfer business was booming. At that time, Milne and top management told analysts that despite the company's investments in mortgage-back securities, that its investment portfolio was doing fine. That all changed in January 2008, when $860MM of bad investments, including assets backed by subprime mortgages, resulted in a major loss for MoneyGram.

In March 2008, at the height of the financial crisis, the company completed a recapitalization that would begin steering it back on course. Thomas H. Lee Partners and Goldman Sachs Group purchased MoneyGram preferred stock for $760 million, which was convertible into 79% of common stock. Goldman also pitched in $500 million for debt financing.

In 2008 a search firm hired by THL and Goldman Sachs contacted Pamela Patsley to turn MoneyGram around. She joined the company in January 2009 as executive chairman of the board, and became its CEO in September 2009. Patsley described her excitement about joining MoneyGram as "...a chance to leverage everything I've done, but yet not be the same. It was an opportunity to build out a team, re-energize the company, fix it up, and leave my mark on it—hopefully leave it with a great and amazing culture and take it forward."[2] Upon joining MoneyGram, Patsley bought a signficant amount of stock, officially putting her money where her mouth is.

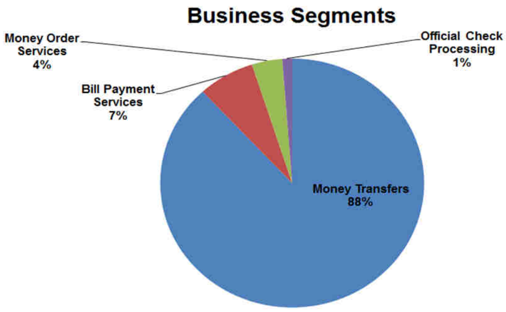
Since 2009 MoneyGram has gone through a second recapitalization (May 2011), launched a Global Transformation Program focused on compliance enhancement, reorganization and restructuring, as well as spurred growth in self-service avenues (February 2014).

Business Segments

MoneyGram has two primary reporting segments: Global Funds Transfer which includes money transfer and bill payment, and Financial Paper Products which includes money order services and

[2] http://www.dmagazine.com/publications/d-ceo/2011/november/MoneyGrams-turnaround-artist?single=1

official check processing. Revenue in 2014 is comprised of the following: money transfers (87.6% of revenue), bill payment services (6.9%), money order services (3.7%) and official check processing (1.8%).



Money Transfers: Movements of funds between consumers from the origination or "send" location and the designated "receive" location. MoneyGram earns revenue from the fees paid by the consumers sending the funds and from the management of currency exchange spreads on money transfer transactions involving different “send” and “receive” currencies. They share a significant portion of that fee with both the sending and receiving agents.

Bill Payment Services: These services are available in the U.S. and Canada and enable customers to complete urgent payments or pay routine bills as rent, automobile payments, and phone bills. Same-day as well as two- or three-day options are offered. Prepaid debit cards are also offered at agent locations.

Money orders**:** Money orders are designed for consumers to make payments in lieu of using cash or personal checks and are issued through 40,000 agent and financial institutions in the US and Puerto Rico.

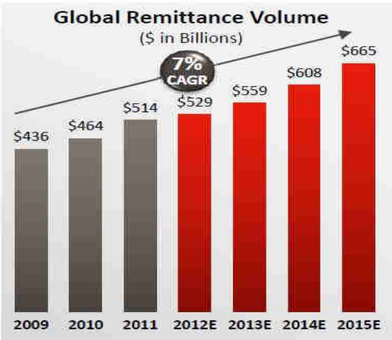
Official Check Processing: Official checks are used by consumers where a payee requires a check drawn on a bank. This service is provided through approximately 1,000 financial institutions at 7,000 branch bank locations.

The majority of MoneyGram’s revenue comes from the Global Funds Transfer segment of its business, but the Financial Paper Products segment has much higher margins.

2014	Global Funds Transfer	Financial Paper Products
Revenue	1374.6	80.3
Expenses	<1299.2>	<52.2>
Segment Operating Income	75.4	28.1
Gross Margin	5.49%	34.99%
Source: 2014 10K		

INDUSTRY ANALYSIS

MoneyGram's primary customers are persons who may not be fully served by other financial institutions, referred to as unbanked or underbanked consumers. Unbanked consumers do not have a relationship with a traditional financial institution. Underbanked consumers are not fully served by traditional financial institutions. The World Bank, a key source of industry analysis for cross-border remittance data, estimates that roughly half of the world's adult population, or 2.5 billion people, are unbanked. The World Bank estimates that by 2015 cross-border remittances will exceed $600 billion. While growing, the global remittance market is highly fragmented. MoneyGram is the world's second largest global money transfer and payment services company in the world and has only 5% market share.



Porters Five Forces

Threat of New Entry: The threat of new entrance in this industry is high. Business can easily be started up in this industry without significant investment. Adherence to fraud rules add some compliance complexity but given market fragmentation this is a sign of low barriers to entry.

Buyer Power: buyer power is relatively low. There are many buyers and typically these buyers are not able to get the costs to come down for remittances.

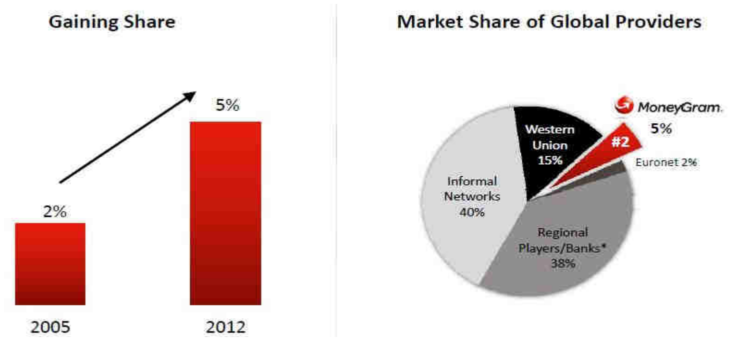
Threat of Substitution: There are various alternatives to MoneyGram's services. New tech start-ups are pairing digital payments with mobile devices and are offering services at lower price points. Brand loyalty is also very low and this is a commoditized service.

Supplier Power: Supplier power is low due to the high fragmentation in the market. Consumers have brick and mortar options, online options, mobile options, etc.

Competitive Rivalry: Competition in this industry is fierce, causing companies to implement price cuts to stay competitive. There are many competitors and therefore the offering has become commoditized.

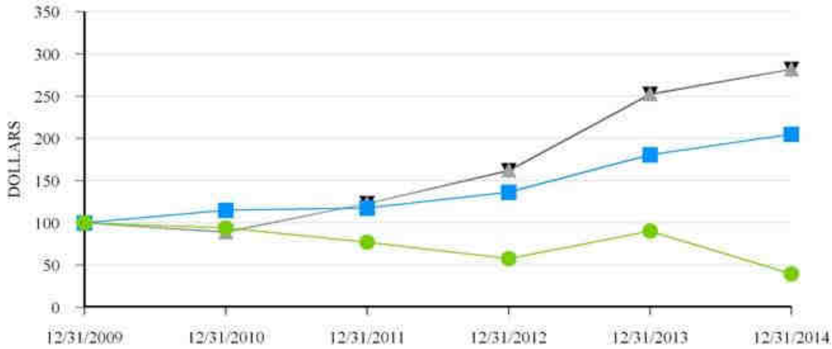
Competitive Landscape

MoneyGram's competitors include a small number of large money transfer and bill payment providers, financial institutions and banks, and a large number of small niche money transfer service providers that serve select regions. Their largest competitor in the money transfer industry is the Western Union which also competes with MoneyGram's bill payment services and money order businesses. In 2014, Walmart announced the launch of the Walmart white label money transfer service, a program operated by a competitor of MoneyGram, that allows consumers to transfer money between its U.S. store locations. MoneyGram will encounter increasing competition as new technologies emerge that allow consumers to send and receive money through a variety of channels.



In 2014, MoneyGram revised its peer group to exclude companies that are no longer publicly traded or are no longer relevant competitors. Its current peer group ("New Peer Group") is Euronet Worldwide Inc, Fiserv Inc, Global Payments Inc, Green Dot Corporation, Heartland Payment Systems Inc, Higher One Holdings Inc, Mastercard Inc, Total System Services Inc, Visa Inc, The Western Union Company, and Xoom Corporation. According to the chart below from MoneyGram's 2014 10K, its cumulative total return for the past 6 years falls well below that of its Old Peer Group, New Peer Group, and the S&P 500.

COMPARISON OF CUMULATIVE TOTAL RETURN[3]
AMONG MoneyGram INTERNATIONAL, INC.,
S&P 500 INDEX AND PEER GROUP INDEX



The following table is a summary of the cumulative total return for the fiscal years ending December 31:

	December 31st,					
	2009	2010	2011	2012	2013	2014
MoneyGram International, Inc.	100	94.1	77.04	57.68	90.19	39.45
S&P 500	100	115.06	117.49	136.3	180.44	205.14
New Peer Group	100	89.53	123	162.53	253.15	282.31
Old Peer Group	100	89.13	122.72	161.97	252.4	281.93

COMPANY PROFILE

SWOT Analysis

To understand MoneyGram's strengths, weaknesses, threats and opportunities; we analyzed the company's features in comparison with the major players (Western Union and Euronet) in the specific market industry.

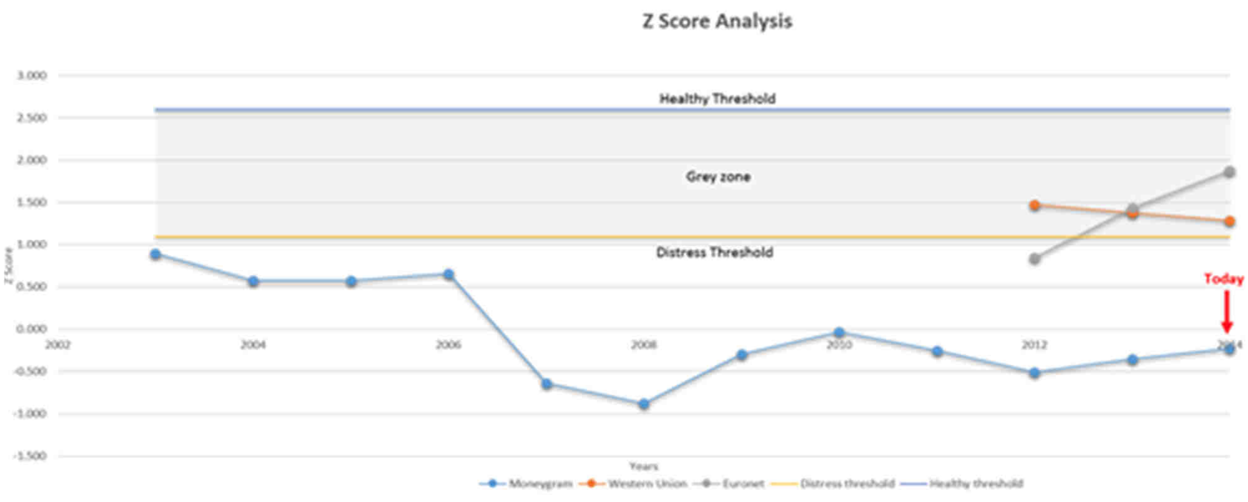
[3] $100 invested on 12/31/2009 in stock or index, including reinvestment of dividends.

Altman Z Score

To understand the actual financial performance of MoneyGram, we started by analyzing the Altman Z Score for the company, from 2003 to 2014. The Altman Z Score is a methodology to evaluate the strength of a company's financial performance. For this project, we considered the updated version of the methodology (released in 2012), which evaluates both public and private companies, both manufacturing and nonmanufacturing companies and both U.S. and non-U.S. companies. We calculated the Z Score not only for MoneyGram, but also for its main competitors – we also classified the company as a public non-manufacturing company in the US.

For the classification above, the lower and upper limits of a 'Grey Zone' are 1.1 and 2.6, meaning that a score below 1.1 the company is indicating financial distress, and a score above 2.6, the company would be considered financially healthy. The calculations show that from 2002 to 2014, the company had an unfavorable performance, with Z Scores below the 'distress threshold' line (Exhibit: Z Score). On the last six year, moreover, its score has been fluctuating between 0.0 and -0.5. In contrast, MoneyGram's main competitors demonstrate Z Scores with the parameters of the Grey Zone (Except for Euronet's performance in 2012, see Exhibit: Z Score for more detail).

We consider the analysis of the competitor's Z Score important, not only to understand the industry that the company is in, but also have parameters to draw a reasonable goal for the company to restructure its financial situation and become more competitive in the market.



Ultimately, the restructuring plan, we considered that the Z Score should be improved, and that the projected Z Score should also demonstrate a positive trend for the next years, beyond the five years projected for this project.

2014 Global Transformation Program

MoneyGram announced it's Global Transformation Program (the "Program") in the first quarter of 2014. This Program is expected to last through the 2015 fiscal year, and includes reorganization and restructuring activities centered around enhancing compliance, investing for growth, and reorganization and restructuring. As part of its plan to lead the industry in compliance and combating fraud, MoneyGram expects to spend $80 to $90 million on compliance enhancements over a three year time period ending in December of 2016. The Company's goal is to reach $2 billion in annual revenue in 2017 with 15 to 20 percent of money transfer revenue generated from self-service products such as MoneyGram online, mobile, and kiosks. This is an increase over 2013 self-service revenue of 6 percent. The restructuring component of the Program is expected to cost $30 million to $40 million, and result in pre-tax cost savings of $15 million to $20 million annually.

FINANCIAL ANALYSIS

Comparison to Benchmark Competitors

To begin the financial analysis of the company, we started with the Return on Equity (ROE) formula, dissecting its major components: Profitability, Productivity and Financial Leverage, and comparing the result with that of major competitors. Then, we analyzed the major financial ratios and also compared with that of competitors.

The ROE formula (DuPont model) show that in the last three years Profitability and Financial Leverage are the primary drivers of undesirable ROE results. In the last three years, the company had ROE of -39%, -68%, and 31% - 2014, 2013 and 2012 respectively. The ROE results for Western Union and Euronet are better that those of MoneyGram. Western Union, as an example, had the best result among all compared herein.

In terms of Profitability, the formula analyzes the Net margin of the companies. MoneyGram has the worst performance due to its high costs and expenses. The comparison to Euronet is not very suitable in this case, since the competitor had also a similar performance as that of MoneyGram. Western Union, on the other had the best performance. The ratios calculation (Exhibit: Ratios) shows that the competitor has not only a 'total operational cost over revenues' lower than that of MoneyGram and Euronet, but also its 'Cost of Services + Salaries over revenues' plays a big role to push the productivity ratio up.

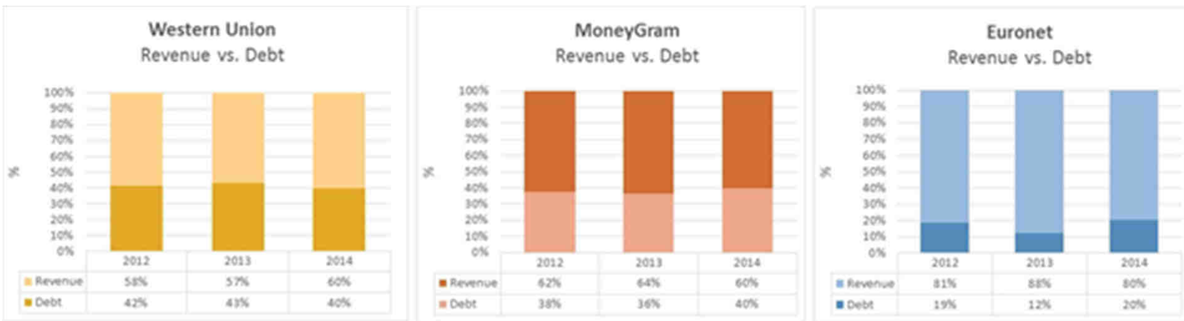
In terms of Financial Leverage, the results of MoneyGram are poor due to its negative Equity account that has been accumulating losses over the past several years. Furthermore, the other financial ratios of the company have reinforced the necessity of the company to restructure (The highlighted items are reference to the best performance of 2014 among the three players).

EBITDA margin, Return on Assets (ROA), Asset Turnover, and Fixed Asset Turnover of Western Union are also better than that of MoneyGram. It is important to note that Western Union has many more employees than MoneyGram and Euronet, and even though the company has a higher ratio for ‘Revenue per employee’ and ‘EBITDA per employee’.

Another important analysis is the debt amount of the three players. Debt to revenue ratio of MoneyGram and Western Union has almost the same proportion, while that of Euronet show a low debt proportion to the total of revenue (Exhibit: Ratios).

In thousands

	Western Union			MoneyGram			Euronet		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
In $									
Debt	$4,029,200	$4,213,000	$3,720,400	$809,900	$842,900	$963,500	$294,254	$199,413	$421,524
Revenue	$5,664,800	$5,542,000	$5,607,200	$1,341,200	$1,474,400	$1,454,900	$1,267,601	$1,413,169	$1,664,150
In %									
Debt	42%	43%	40%	38%	36%	40%	19%	12%	20%
Revenue	58%	57%	60%	62%	64%	60%	81%	88%	80%



To understand whether MoneyGram has an appropriate amount of leverage, we calculated the optimal capital structure, and we concluded that the actual capital structure is not too far off from the optimal. The total amount of debt in 2014 is $ 963.5 million, and the optimal capital structure demonstrates that the total debt amount should be $ 845.7 million (Exhibit: Valuation II, section for WACC). Therefore, we considered that the debt to revenue of MoneyGram is adequate for the company.

PLAN OF REORGANIZATION

We considered three other possible alternatives for the MoneyGram: liquidate the company, sell the company to a strategic or financial buyer, or perform a stand-alone turnaround.

Liquidate MoneyGram

Considering the financial statement (10K) of December 31st of 2014, the liquidation value is $1.7 billion (Exhibit: Liquidation). The number is higher than that of a valuation calculation to sell the company to a strategic or financial buyer. However, the valuation of the company after a stand-alone turnaround is higher than the liquidation value.

Sell to a strategic or financial buyer

Possible strategic buyers for the company could be its major competitors, Western Union or Euronet. A financial buyer could be any hedge fund that is interested in the financial services that MoneyGram provides. However, the valuation for the company, as it is, does not provide high value for shareholders (Exhibits: FS I, and Valuation I). Considering the following premises: (1) Zero growth, (2) Cost and expenses with the same ratio over revenues, and (3) Assets, Liabilities and Equity equal; the valuation of the company is between $ 202 million and $ 246 million (Valuation: We considered that the company is in its optimal capital structure; therefore, we did not unleveraged and re-leveraged the beta. Valuation method: Perpetuity with growth. We did not considered the EBITDA multiple, because the 'Terminal Value/Enterprise Value' is too high - $820 million).

Stand-alone turnaround

The stand-alone turnaround is the most promising of all options. The plan proposed in this project yields sufficient operational restructure to boost company's bottom line, improve financial ratios, and increase its Z Score. The operational changes proposed will have the following impact in the financial statements of the company for the next five years:

A. Balance sheet
   a. Current assets will maintain the same structure as 2014, with additional short-term investments of $100 million in 2016, and additional $150 million of each following year.
   b. PP&E account will receive an annual increase of 3%, since we understand that this percentage is sufficient to the maintenance of the fixed assets already in place.
   c. Most of the cash earned in the following years, due to the restructuring plan, will be reinvested in the company. There will be no payments of dividends for the next five years, as we understand that the company urgently needs all the money that it can get to boost its operations.
   d. In terms of debt, the 2014 10K report notes that debt totaling $912.6 million will mature in 2020, while debt principal totaling $51.5 million will be paid quarterly in increments of approximately $2.5 million through 2020. Any borrowings under the Revolving Credit facility

will mature in 2018. For that, we considered that all debt on the balance sheet as of December 31, 2014 will be paid according to the maturity agreed upon.

Since we concluded that the current amount of debt is not far off from optimal when we determined the optimal capital structure for the company, we recommend that the company take on new debt as the old debt is being retired, up to the its optimal debt limit (Exhibit: FS II, and Valuation II, WACC section).

B. Income Statement
   a. Revenue: We considered that due to the operational improvements the company will have a modest gain of market share, which will result in an increase of 3% of revenue every year (growth).
   b. Fee commission expenses will be reduced to 40% of the annual revenue amount.
   c. Compensation and benefits will be reduced to 17%; Transaction and operations support to 16%; and Occupancy, equipment and supplies to 3% - all percentages of the annual revenue amount.

As a result, the valuation[4] of the company ranges between $3.7 billion and 4.6 billion, generating more value to the shareholders than any other option (e.g. Liquidation). Moreover, the restructuring plan not only created more value, but also improved the Z Score for the company (Exhibit: Z Score).

FINANCIAL RESTRUCTURING

Debt analysis

On March 28, 2013, entered into the following Amended and Restated Credit Agreement with Bank of America.

- $ 833.6 million of Senior secured credit facility, due 2020 (interest rate 4.25%)
- $ 130 million of Tranche B-1 term loan facility due 2020 (interest rate 4.25%).
- Total Debt outstanding as of December 31, 2014: $963.5 million

The company's revolving credit facility has $150.0 million of borrowing capacity as of December 31, 2014. According to the 2014 10K filing, the Credit Agreement contains various financial and non-financial covenants that must be adhered to. As of December 31, 2014, MoneyGram was in compliance with all debt covenants. The financial covenants in the 2013 Credit Agreement measure

[4] Note about WACC: To calculate the WACC we unlevered the company's beta is 1.58 - according to Yahoo! Finance source - and re-levered according to its optimal capital structure (Exhibit: Valuation II - section WACC)

leverage, interest coverage and liquidity; for instance, the Interest Coverage ratio in 2014 was 6.70 and the Total Secured Leverage ratio was 3.501, when the minimum agreed is 2.25 and 5.0, respectively, for 2014.

In our pro-forma analysis, we considered the payment of the 2013 Credit Agreement until 2020. Thereafter, the acquisition of a new line of credit totalling $913 million since the debt the company can support is lower than the amount of debt on its balance sheet (according to the optimal capital structure).

Debt-to-Equity Swap

From the financial pro-forma analysis of 'Stand-alone Turnaround' we concluded that the company will not need to seek to a debt-to-equity swap, because:

All covenants in the current Credit Agreement have been met up to 2014

The proposal described hereby gives the company sufficient financial strength to continue to operate, and show signs of complete financial recovery after the five-year projection.

OPERATIONAL RESTRUCTURING

Compared to its competitors, MoneyGram's SG&A as a percentage of revenue is quite high at 45% (2014) versus Western Union's 21% and Euronet's 24%. We feel that overall financial performance would be greatly improved by evaluating the current cost structure and reducing expenses. The company indicated in its announcement of the 2014 Global Transformation Program that it plans to reorganize and restructure to generate pre-tax savings of $20 million annually. We propose that the following items be analyzed in conjuncting with this restructuring effort:

COGS Reduction: Fee Commission Expense should be reduced from 46% to 40%. This can be achieved by closing brick and mortar locations and installing more self-service kiosks which inherently have lesser fee commissions than manned agent locations. MoneyGram's current growth model involves growth by volume. It added nearly 14,000 additional brick and mortar locations in 2014. We feel that a more lucrative path to bottom line growth would be to close underperforming brick and mortar locations as measured by same store sales and placing more emphasis on self-service revenue by investing in mobile and online platforms as well as self-service kiosks.

Compensation & Benefits Expense Reduction: A reduction in Compensation & Benefits costs from 19% to 17% of revenue can be accomplished by headcount and compensation reductions in addition to benefits changes. Retail headcount can be reduced as MoneyGram shifts more of its focus to self-service channels. Back-office headcount can also be reduced as corporate footprint rationalization is executed and job redundancies are identified in shared services (e.g., Procurement, Accounting, etc.). In addition to reducing compensation through a reduction in staff, a benefits cost reduction exercise should be launched focused on plan design changes and contribution strategy, shifting more of the benefits costs towards employees. MoneyGram can accomplish this by eliminating any PPO plans they currently have in place and replacing them with consumer driven health plans such as HSAs.

<u>Transaction & Operations Support Reduction</u>: A reduction in Transaction & Operations Support expenditures from 23% to 16% should be made through a reduction in marketing, outsourcing and travel expenses. Marketing expenditures which increased $7.3MM from 2013 to 2014 should be reduced by cutting back on underperforming online marketing campaigns as measured by click through rate. Additionally, a reduction in Outsourcing, Independent Contractor and Consultant costs should be pursued by strategically bidding out key outsourcing vendors as well as cutting non-essential consulting costs. All non-essential corporate travel should also be cut and tighter travel policy controls should be put in place to curtail excessive spending (e.g., hotel nightly spend caps in key travel cities).

<u>Occupancy, Equipment and Supplies Reduction</u>: A reduction in expenditures from 4% to 3% of revenue should be made through cuts in facilities rent, and maintenance costs. MoneyGram should consolidate Global Operations Centers in Minneapolis into a single facility as one of the facilities' lease expires at the end of 2015. This would eliminate 60,821 sq ft of space and would align with some of the back office staff reductions mentioned earlier. Additionally, the Brooklyn Center facility should also be consolidated into the Minneapolis facility. In Texas, the Frisco Operations Centers should be moved to the Corporate Headquarters in Dallas, eliminating 22,921 sq ft of space. There will be restructuring costs associated with the early lease termination of the Frisco location which are addressed in the financial projections, however the intention would be to negotiate a favorable lease break or avoid lease termination fees altogether by subleasing the space to another tenant.

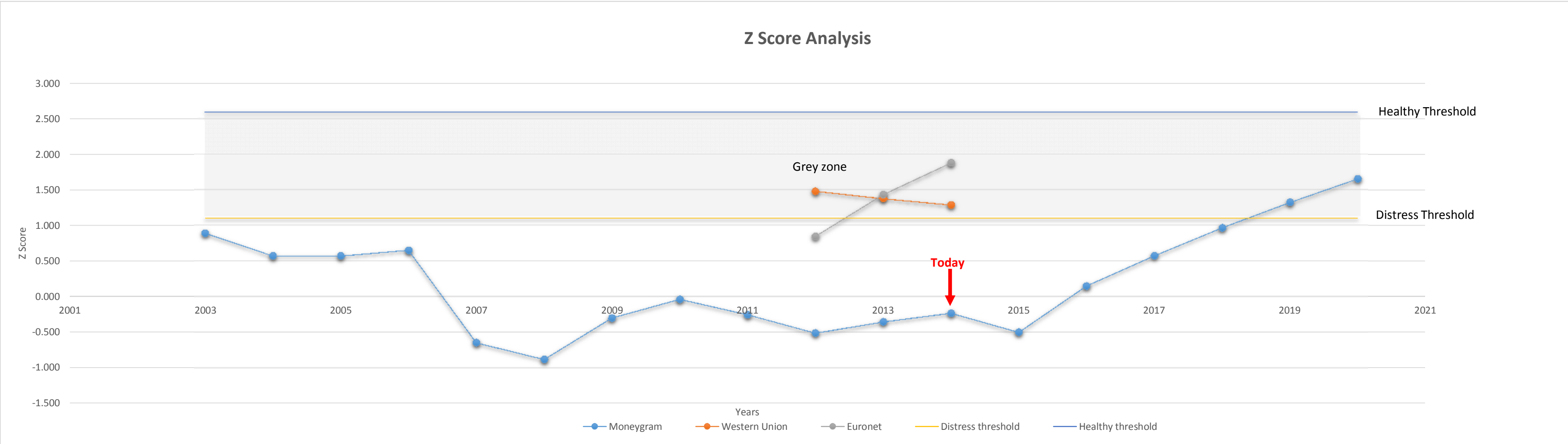
Location	Use	Segment(s) Using Space	Square Feet	Lease Expiration
Minneapolis, MN	Global Operations Center	Both	90,550	12/31/2023
Minneapolis, MN[1]	Global Operations Center	Both	60,821	12/31/2015
Brooklyn Center, MN	Global Operations Center	Both	75,000	10/31/2015
Lakewood, CO	Call Center	Global Funds Transfer	68,165	3/31/2015
Dallas, TX	Corporate Headquarters	Both	54,956	6/30/2021
Dallas, TX	Corporate Headquarters	Both	22,921	12/31/2016
Frisco, TX	Global Operations Center	Both	63,150	6/30/2021
London, UK	Global Operations Center	Both	20,738	1/23/2016
Warsaw, Poland	Global Operations Center	Both	63,150	8/31/2022

[1] Included is 52,879 square feet that has been sublet.

CONCLUSION

We believe that the optimal solution for MoneyGram is to improve its financial performance through an operational turnaround. This plan will increase the bottom line as well as improve financial ratios and the Z score so that they are more in line with those of competitors. The shift in emphasis from brick and mortar locations to self-service methods of customer service will allow MoneyGram to remain relevant as technology evolves and consumer needs change. Consolidating operational costs will not only cut costs, but it should also create synergies within intercompany functions and eliminate redundancies within shared-services functions. We believe that these changes will improve financial performance and help to position MoneyGram so that its returns improve going forward making it a more attractive investment as compared to its competitors.

EXHIBIT: Z Score



Z-Score
Template for Turnaround Class

Name of the company	**Moneygram**
Type of company	**Non-manufacturers**

	Year												**Projected**				**t**	**t+1**
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Current Assets	$8,641,970	$8,100,004	$8,585,881	$8,654,651	$7,305,912	$6,037,148	$5,376,061	$4,571,934	$4,630,600	$4,594,000	$4,216,900	$4,034,100	$3,784,200	$3,884,200	$4,034,200	$4,184,200	$4,334,200	$4,484,200
Current Liabilities	$8,044,248	$7,804,883	$8,295,550	$8,353,127	$7,993,077	$5,572,039	$5,032,387	$4,298,383	$4,354,600	$4,375,300	$3,922,600	$3,735,700	$3,733,600	$3,733,600	$3,733,600	$3,733,600	$3,733,600	$3,733,600
Working Capital	$597,722	$295,121	$290,331	$301,524	-$687,165	$465,109	$343,674	$273,551	$276,000	$218,700	$294,300	$298,400	$50,600	$150,600	$300,600	$450,600	$600,600	$750,600
Total Assets	$9,222,154	$8,630,735	$9,175,164	$9,276,137	$7,935,011	$6,642,296	$5,929,663	$5,115,736	$5,175,600	$5,150,600	$4,786,900	$4,642,200	$4,696,939	$4,963,031	$5,242,040	$5,534,214	$5,839,814	$6,159,117
Retained Earnings	$828,736	$532,300	$625,322	$716,814	-$409,194	-$691,961	-$730,585	-$803,423	-$1,254,600	-$1,318,200	-$1,214,400	-$1,144,600	-$1,037,139	-$771,047	-$492,038	-$199,865	$105,736	$425,039
EBIT	$101,899	$98,028	$94,593	$153,984	$184,701	-$982,212	-$242,171	$85,589	$160,513	$60,400	$62,000	$132,600	$116,800	$307,727	$320,408	$333,325	$346,490	$359,917
Market Value of Equity	$868,783	$565,191	$624,129	$669,063	-$488,517	-$39,524	-$18,685	$56,871	-$110,200	-$161,400	-$77,000	-$182,700	-$75,239	$190,853	$469,862	$762,035	$1,067,636	$1,386,939
Book Value of Total Liabilities	$9,222,154	$8,630,735	$9,175,164	$9,276,137	$7,935,011	$6,642,296	$5,929,663	$5,115,736	$5,175,600	$5,150,600	$4,786,900	$4,642,200	$4,696,939	$4,963,031	$5,242,040	$5,534,214	$5,839,815	$6,159,117
Sales	$716,967	$742,101	$816,923	$974,945	$1,162,370	$1,347,293	$1,267,806	$1,161,711	$1,166,653	$1,247,800	$1,341,200	$1,474,400	$1,454,900	$1,481,552	$1,525,999	$1,571,779	$1,618,932	$1,667,500

		Scores																	
Metricts	**Coeficients**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Working Capital / Total Assets	6.560	0.425	0.224	0.208	0.213	-0.568	0.459	0.380	0.351	0.350	0.279	0.403	0.422	0.071	0.199	0.376	0.534	0.675	0.799
Retained Earning/Total Assets	3.260	0.293	0.201	0.222	0.252	-0.168	-0.340	-0.402	-0.512	-0.790	-0.834	-0.827	-0.804	-0.720	-0.506	-0.306	-0.118	0.059	0.225
EBIT/Total Assets	6.720	0.074	0.076	0.069	0.112	0.156	-0.994	-0.274	0.112	0.208	0.079	0.087	0.192	0.167	0.417	0.411	0.405	0.399	0.393
Book Value of Equity/Total Liabilities	1.050	0.099	0.069	0.071	0.076	-0.065	-0.006	-0.003	0.012	-0.022	-0.033	-0.017	-0.041	-0.017	0.040	0.094	0.145	0.192	0.236
Sales/Total Assets	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Emerging Market	0.000																		
Z score		**0.891**	**0.570**	**0.570**	**0.652**	**-0.644**	**-0.880**	**-0.299**	**-0.037**	**-0.254**	**-0.510**	**-0.354**	**-0.231**	**-0.499**	**0.150**	**0.575**	**0.966**	**1.324**	**1.654**
Diagnostic		**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Distress**	**Grey Zone**	**Grey Zone**

Z-Score
Template for Turnaround Class

Type of company	Non-manufacturers

	Western Union			Euronet		
	2012	**2013**	**2014**	**2012**	**2013**	**2014**
Current Assets	$4,891	$5,344	$5,097	$813,179	$840,450	$1,105,916
Current Liabilities	$4,496	$4,804	$4,870	$696,706	$732,086	$848,881
Working Capital	$395	$540	$227	$116,473	$108,364	$257,035
Total Assets	$9,466	$10,121	$9,890	$1,551,536	$1,598,190	$2,051,559
Retained Earnings	$755	$877	$969	-$184,015	-$96,029	$5,619
EBIT	$1,169	$927	$968	$47,472	$115,718	$141,663
Market Value of Equity	$941	$1,105	$1,300	$522,376	$636,122	$730,753
Book Value of Total Liabilities	$8,525	$9,017	$8,590	$1,024,996	$959,735	$1,318,747
Sales	$5,665	$5,542	$5,607	$1,267,601	$1,413,169	$1,664,150

		Scores					
Metrics	**Coeficients**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**
Working Capital / Total Assets	6.560	0.274	0.350	0.151	0.492	0.445	0.822
Retained Earning/Total Assets	3.260	0.260	0.283	0.319	-0.387	-0.196	0.009
EBIT/Total Assets	6.720	0.830	0.615	0.658	0.206	0.487	0.464
Book Value of Equity/Total Liabilities	1.050	0.116	0.129	0.159	0.535	0.696	0.582
Sales/Total Assets	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Emerging Market	0.000						
Z score		**1.479**	**1.377**	**1.287**	**0.847**	**1.431**	**1.877**
Diagnostic		**Grey Zone**	**Grey Zone**	**Grey Zone**	**Distress**	**Grey Zone**	**Grey Zone**

EXHIBIT: Du Pont

MoneyGram

	2012		**2013**	**2014**
Mar	***-4%***		***4%***	***5%***
Net		-$49,300	$52,400	$72,100
Sale:		$1,341,200	$1,474,400	$1,454,900
Proc	***26%***		***31%***	***31%***
Sale:		$1,341,200	$1,474,400	$1,454,900
Tota		$5,150,600	$4,786,900	$4,642,200
Leve	***-3191%***		***-6217%***	***-2541%***
Tota		$5,150,600	$4,786,900	$4,642,200
Equi		-$161,400	-$77,000	-$182,700

Western Union

	2012	**2013**	**2014**
Margin	***18%***	***14%***	***15%***
Net Income	$1,026	$798	$852
Sales	$5,665	$5,542	$5,607
Productivity	***60%***	***55%***	***57%***
Sales	$5,665	$5,542	$5,607
Total Asset	$9,466	$10,121	$9,890
Leverage	***1006%***	***916%***	***761%***
Total Assets	$9,466	$10,121	$9,890
Equity	$941	$1,105	$1,300

Euronet

	2012	**2013**	**2014**
Margin	***2%***	***6%***	***6%***
Net Income	$20,535	$87,986	$101,648
Sales	$1,267,601	$1,413,169	$1,664,150
Productivity	***82%***	***88%***	***81%***
Sales	$1,267,601	$1,413,169	$1,664,150
Total Asset	$1,551,536	$1,598,190	$2,051,559
Leverage	***295%***	***250%***	***280%***
Total Assets	$1,551,536	$1,598,190	$2,051,559
Equity	$526,540	$638,455	$732,812

Moneygram

Year	Profitability	X	Productivity	X	Leverage	=	ROE
2014	5%		31%		-2541%		-39%
2013	4%		31%		-6217%		-68%
2012	-4%		26%		-3191%		31%

Western Union

Year	Profitability	X	Productivity	X	Leverage	=	ROE
2014	15%		57%		761%		66%
2013	14%		55%		916%		72%
2012	18%		60%		1006%		109%

Euronet

Year	Profitability	X	Productivity	X	Leverage	=	ROE
2014	6%		81%		280%		14%
2013	6%		88%		250%		14%
2012	2%		82%		295%		4%

Comparison

Profitability

Year	Moneygram	Western Union	Euronet
2014	5%	15%	6%
2013	4%	14%	6%
2012	-4%	18%	2%

EXHIBIT: Ratios

Competitors analysis

Ratios

	Western Union			Moneygram			Euronet		
Profitability	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**
Operating margin	23%	20%	20%	4%	12%	5%	5%	8%	10%
Net margin	18%	14%	15%	-4%	4%	5%	2%	6%	6%
EBITDA margin	27%	24%	17%	8%	12%	12%	9%	13%	13%
ROA	7%	5%	6%	-1%	1%	2%	2%	4%	4%
ROIC	3%	2%	2%	-8%	7%	9%	3%	8%	7%
ROE	109%	72%	66%	31%	-68%	-39%	4%	14%	14%
Efficiency									
Asset Turnover	0.6x	0.5x	0.6x	0.3x	0.3x	0.3x	0.8x	0.9x	0.8x
Fixed Asset Turnover	28.9x	26.4x	27.2x	10.5x	10.9x	8.8x	11.0x	12.2x	13.3x
In dollars									
# of employees	9,000	10,000	10,000	2,490	2,590	2,727	3,900	4,100	4,600
Revenue per employee	$629,422	$554,200	$560,720	$538,635	$569,266	$533,517	$325,026	$344,675	$361,772
EBITDA per employee	$172,589	$135,550	$96,820	$42,691	$70,772	$63,183	$28,625	$44,090	$46,330

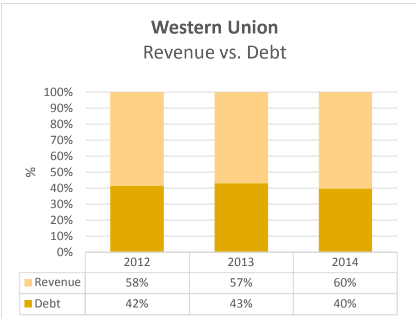
	Western Union			Moneygram			Euronet		
Account / Revenue	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**
Total operational expeses per revenue	77%	80%	80%	96%	88%	95%	95%	92%	90%
Cost of Services per Revenue	56%	58%	59%	45%	46%	46%	64%	63%	62%
SG&A per revenue	20%	22%	21%	30%	21%	27%	10%	9%	9%
Salaries and benefits	(a)	(a)	(a)	18%	18%	19%	15%	15%	15%
Cost of Services + Salaries	56%	58%	59%	63%	64%	65%	79%	78%	77%

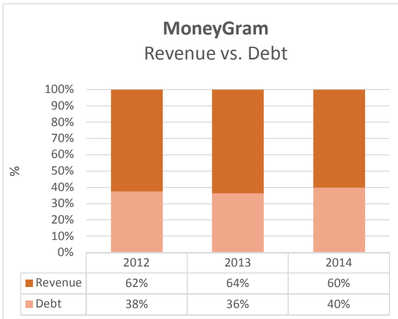
(a) According to the 2014 10K of the company, "Cost of services primarily consists of agent commissions and expenses for call centers, settlement operations and related information technology costs. Expenses within these functions include personnel, software, equipment, telecommunications, bank fees, depreciation, amortization and other expenses incurred in connection with providing money transfer and other payment services". Therefore, we considered the expenses with personal in the "Cost of Service" Account.

Debt analysis

in thousands

	Western Union			MoneyGram			Euronet		
	2012	**2013**	**2014**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**
In $									
Debt	$4,029,200	$4,213,000	$3,720,400	$809,900	$842,900	$963,500	$294,254	$199,413	$421,524
Revenue	$5,664,800	$5,542,000	$5,607,200	$1,341,200	$1,474,400	$1,454,900	$1,267,601	$1,413,169	$1,664,150
In %									
Debt	42%	43%	40%	38%	36%	40%	19%	12%	20%
Revenue	58%	57%	60%	62%	64%	60%	81%	88%	80%





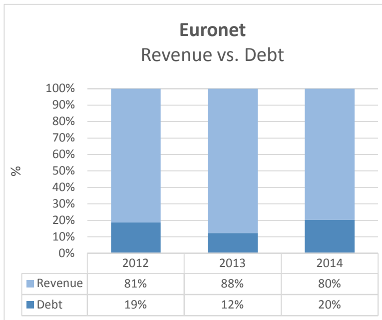


EXHIBIT: FS I

Dollars in thousands, except share data - At December 31,

						Projected				t	t+1
Balance Sheet	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Assets											
Cash and cash equivalents				$318,800	$250,600	$250,600	$250,600	$250,600	$250,600	$250,600	$250,600
Cash and cash equivalents (a)	$2,865,941	$2,572,200	$2,683,200	$3,737,100	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600
Receivables (a)	$982,319	$1,220,100	$1,206,500								
Short-term investments (a)	$405,769	$522,000	$450,100								
Investments (a)											
Trading investments (a)											
Available for sale investments(a)	$160,936	$102,800	$63,500								
Property and equipment	$115,111	$116,300	$127,900	$134,800	$165,600	$ 165,600	$ 165,600	$ 165,600	$ 165,600	$ 165,600	$ 165,600
Intangible assets											
Goodwill	$428,691	$428,700	$428,700	$435,200	$442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500
Assets of discontinued operations											
Deferred tax assets											
Derivative financial instruments											
Other assets	$156,969	$213,500	$190,700	$161,000	$249,900	$249,900	$249,900	$249,900	$249,900	$249,900	$249,900
Total assets	**$5,115,736**	**$5,175,600**	**$5,150,600**	**$4,786,900**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**
(a) Substantiall restricted											
Liabilities and Stockholders' Equity											
Payment service obligations	$4,184,736	$4,205,400	$4,175,400	$3,737,100	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600
Debt	$639,946	$810,900	$809,900	$842,900	$963,500	$963,500	$963,500	$963,500	$963,500	$963,500	$963,500
Derivative financial instruments											
Pension and other postretirement benefits	$120,536	$120,300	$126,800	$98,400	$125,700	$125,700	$125,700	$125,700	$125,700	$125,700	$125,700
Preferred stock subject to mandatory redemption											
Accounts payable and other liabilities											
Liabilities of discontinued operations											
Deferred tax liabilities											
Accounts payable and other liabilities	$113,647	$149,200	$199,900	$185,500	$202,100	202,100	202,100	202,100	202,100	202,100	202,100
Total liabilities	***$5,058,865***	***$5,285,800***	***$5,312,000***	***$4,863,900***	***$4,824,900***	***$4,824,900***	***$4,824,900***	***$4,824,900***	***$4,824,900***	***$4,824,900***	***$4,824,900***
Stockholders' equity											
Participating Convertible Preferred Stock-Series B	$628,199										
Participating Convertible Preferred Stock-Series B-1	$371,154										
Participating Convertible Preferred Stock - Series D		$281,900	$281,900	$281,900	$183,900	$183,900	$183,900	$183,900	$183,900	$183,900	$183,900
Common stock, $0.01 par value		$600	$600	$600	$600	$600	$600	$600	$600	$600	$600
Treasury stock	$886			-$123,900	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300
Additional paid-in capital		$989,200	$1,001,000	$1,011,800	$982,800	$982,800	$982,800	$982,800	$982,800	$982,800	$982,800
Retained income	-$771,544	-$1,216,600	-$1,265,900	-$1,214,400	-$1,144,600	-$1,144,600	-$1,144,600	-$1,144,600	-$1,144,600	-$1,144,600	-$1,144,600
Unearned employee benefits and other				-$33,000	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100
Accumulated other comprehensive income (loss)	-$31,879	-$38,000	-$52,300								
Treasury stock: 4,935,555 and 6,040,958 shares in 2010 and 2009	-$139,945	-$127,300	-$126,700								
Total stockholders' equity	**$56,871**	**-$110,200**	**-$161,400**	**-$77,000**	**-$182,700**	**-$182,700**	**-$182,700**	**-$182,700**	**-$182,700**	**-$182,700**	**-$182,700**
Total liabilities and stockholders' equity	**$5,115,736**	**$5,175,600**	**$5,150,600**	**$4,786,900**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**	**$4,642,200**
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Income Statement

	2010	2011	2012	2013	2014	Projected 2015	2016	2017	2018	t 2019	t+1 2020
Revenue											
Fee and other revenue	$1,145,312	$1,230,900	$1,328,600	$1,456,800	$1,438,400	$1,438,400	$1,438,400	$1,438,400	$1,438,400	$1,438,400	$1,438,400
Investment revenue	$21,341	$16,900	$12,600	$17,600	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500
(=) Total revenue	**$1,166,653**	**$1,247,800**	**$1,341,200**	**$1,474,400**	**$1,454,900**	**$1,454,900**	**$1,454,900**	**$1,454,900**	**$1,454,900**	**$1,454,900**	**$1,454,900**
Fee commissions expense	$500,759	$547,600	$599,200	$677,800	$666,000	$666,000	$666,000	$666,000	$666,000	$666,000	$666,000
Investment commissions expense	$737	$400	$300	$400	$400	$400	$400	$400	$400	$400	$400
(=) Total commissions expense	**$501,496**	**$548,000**	**$599,500**	**$678,200**	**$666,400**	**$666,400**	**$666,400**	**$666,400**	**$666,400**	**$666,400**	**$666,400**
Net revenue	**$665,157**	**$699,800**	**$741,700**	**$796,200**	**$788,500**	**$788,500**	**$788,500**	**$788,500**	**$788,500**	**$788,500**	**$788,500**
Expenses											
Compensation and benefits	$226,422	$235,700	$241,600	$264,900	$275,000	$275,000	$275,000	$275,000	$275,000	$275,000	$275,000
Transaction and operations support	$185,782	$227,800	$355,700	$253,700	$332,200	$332,200	$332,200	$332,200	$332,200	$332,200	$332,200
Depreciation and amortization	$48,074	$46,000	$44,300	$50,700	$55,500	$55,500	$55,500	$55,500	$55,500	$55,500	$55,500
Occupancy, equipment and supplies	$46,481	$47,700	$47,700	$49,000	$54,400	$54,400	$54,400	$54,400	$54,400	$54,400	$54,400
Valuation loss on embedded derivative		$0									
Debt tender and redemption costs											
(=) Total expenses	**$506,759**	**$557,200**	**$689,300**	**$618,300**	**$717,100**	**$717,100**	**$717,100**	**$717,100**	**$717,100**	**$717,100**	**$717,100**
	43%	45%	51%	42%	49%						
Other expense (income)											
Net securities (gains) losses	-$2,115	$32,800	-$10,000		-$45,400	-$45,400	-$45,400	-$45,400	-$45,400	-$45,400	-$45,400
Interest expense	$102,133	$86,200	$70,900	$47,300	$44,200	$44,200	$44,200	$44,200	$44,200	$44,200	$44,200
Debt extinguishment costs		$37,500		$45,300							
Other		$11,900	$400								
(=) Total other expenses (income)	**$100,018**	**$168,400**	**$61,300**	**$92,600**	**-$1,200**	**-$1,200**	**-$1,200**	**-$1,200**	**-$1,200**	**-$1,200**	**-$1,200**
EBITDA	*$208,587*	*$106,400*	*$106,300*	*$183,300*	*$172,300*	*$172,300*	*$172,300*	*$172,300*	*$172,300*	*$172,300*	*$172,300*
EBIT	*$160,513*	*$60,400*	*$62,000*	*$132,600*	*$116,800*	*$116,800*	*$116,800*	*$116,800*	*$116,800*	*$116,800*	*$116,800*
EBIT margin	*24%*	*9%*	*8%*	*17%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*
Interest coverage ratio	*1.57*	*0.70*	*0.87*	*2.80*	*2.64*	*2.64*	*2.64*	*2.64*	*2.64*	*2.64*	*2.64*
Income tax expense (benefit)	$14,579	-$19,600	$40,400	$32,900	$500	$500	$500	$500	$500	$500	$500
Income from continuing operations	**$43,801**	**-$6,200**	**-$49,300**	**$52,400**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**
Income (loss) and gain from discontinued operations, net of tax											
Net income	**$43,801**	**-$6,200**	**-$49,300**	**$52,400**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**	**$72,100**

Growth											
Fee and other revenues	1%	7%	8%	10%	-1%	0%	0%	0%	0%	0%	0%
Investment revenue	-36%	-21%	-25%	40%	-6%	0%	0%	0%	0%	0%	0%
Total revenue	0%	7%	7%	10%	-1%	0%	0%	0%	0%	0%	0%
Revenue participation											
Fee and other revenues	98%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Investment revenue	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
'COGS'											
Fee commissions expense	44%	44%	45%	47%	46%	46%	46%	46%	46%	46%	46%
Investment commissions expense	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Expenses/Net revenue											
Compensation and benefits/Net Revenues	34%	34%	33%	33%	35%	35%	35%	35%	35%	35%	35%
Transaction and operations support/Net Revenues	28%	33%	48%	32%	42%	42%	42%	42%	42%	42%	42%
Occupancy, equipment and supplies/Net Revenues	7%	7%	6%	6%	7%	7%	7%	7%	7%	7%	7%
Valuation loss on embedded derivative/Net Revenues	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt tender and redemption costs/Net Revenues	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other expreses (income) / Net revenue											
Net securities (gains) losses/Net Revenue	0%	5%	-1%	0%	-6%	-6%	-6%	-6%	-6%	-6%	-6%
Debt extinguishment costs/Net Revenue	0%	5%	0%	6%	0%	0%	0%	0%	0%	0%	0%
Other/Net Revenue	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tax rate	25%	76%	-454%	39%	1%	1%	1%	1%	1%	1%	1%

Free Cash Flow

						Projected				t	t+1
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
NOPAT											
EBIT			$62,000	$132,600	$116,800	$116,800	$116,800	$116,800	$116,800	$116,800	$116,800
Tax rate			40%	40%	40%	40%	40%	40%	40%	40%	40%
Tax on EBIT			($24,800)	($53,040)	($46,720)	($46,720)	($46,720)	($46,720)	($46,720)	($46,720)	($46,720)
NOPAT			$37,200	$79,560	$70,080	$70,080	$70,080	$70,080	$70,080	$70,080	$70,080
NFA											
Gross PP&E											
(-) Depreciation											
(=) Net PP&E			$127,900	$134,800	$165,600	$165,600	$165,600	$165,600	$165,600	$165,600	$165,600
Δ NFA			$127,900	$6,900	$30,800	$0	$0	$0	$0	$0	$0
Current Assets			$4,594,000	$4,216,900	$4,034,100	$4,034,100	$4,034,100	$4,034,100	$4,034,100	$4,034,100	$4,034,100
(-) Automatic Sources			-$4,375,300	-$3,922,600	-$3,735,700	-$3,735,700	-$3,735,700	-$3,735,700	-$3,735,700	-$3,735,700	-$3,735,700
(=) Net Working Investment			$218,700	$294,300	$298,400	$298,400	$298,400	$298,400	$298,400	$298,400	$298,400
Δ NWI			$218,700	$75,600	$4,100	$0	$0	$0	$0	$0	$0
Deferred Income taxes			$0	$0	$0	$0	$0	$0	$0	$0	$0
Δ Deferred income taxes			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
(=) FCF				**-$2,940**	**$35,180**	**$70,080**	**$70,080**	**$70,080**	**$70,080**	**$70,080**	**$70,080**

EXHIBIT: Valuation I

WACC *in thousand*

	Cost of Equity		Cost of Debt		
	$K_e = r_f + \beta_e (r_m - r_f)$		$K_d = (1 - t)\, r_d$		
(i)	r_f	2.84%			
	LP	-1.00%			
(ii)	β_e	1.58	t	40.00%	
	$(r_m - r_f)$	5.40%	r_d	4.25%	(iii)
	K_e	10.37%	K_d	3.40%	

Source	Weight	Cost	Weight x Cost
Debt	64.09%	3.40%	2.18%
Equity	35.91%	10.37%	3.72%
WACC			**5.90%**

(i) Risk free rate of US Treasury Bonds - Yield of 30 Year bond. Accordind to Bloomberg
(ii) According to Yahoo! Finance.
(iii) Considering the interest rate of December 31st, 2014 (10K - Note 10).

Valuation *in thousand*

Perpertuity with Growth		Competitive Markets method		Exit Multiple (EBITDA)		
$TV_t = \frac{FCF_{t+1}}{WACC - g}$		$TV_t = \frac{NOPAT_{t+1}}{WACC}$		$TV_t = m \, . \, Statistical \, \#_t$		
FCF_{t+1}	70,080	$NOPAT_{t+1}$	70,080	$EBITDA_{t \, (projected)}$	172,300	
WACC	*5.90%*	*WACC*	*5.90%*	*WACC*	*5.90%*	
g	*0%*			*m*	*11.50x*	(iv)
WACC - g	6%					
Terminal Value (TV)	$1,187,540	Terminal Value (TV)	$1,187,540	Terminal Value (TV)	$1,981,450	
t	5.00	t	5.00	t	5.00	
PV (FCF)	$295,997	PV (FCF)	$295,997	PV (FCF)	$295,997	
PV (TV)	$891,543	PV (TV)	$891,543	PV (TV)	$1,487,569	
(=) PV Operations	**$1,187,540**	**(=) PV Operations**	**$1,187,540**	**(=) PV Operations**	**$1,783,566**	
(-) Value Specific Adj.	$0.00	(-) Value Specific Adj.	$0.00	(-) Value Specific Adj.	$0.00	
(=) PV Firm	**$1,187,540**	**(=) PV Firm**	**$1,187,540**	**(=) PV Firm**	**$1,783,566**	
(-) Net Debt	$963,500	(-) Net Debt	$963,500	(-) Net Debt	$963,500	
(=) PV Equity	**$224,040**	**(=) PV Equity**	**$224,040**	**(=) PV Equity**	**$820,066**	
TV / PV Firm	**75%**		**75%**		**83%**	
High	**$246,444**	**High**	**$246,444**	**High**	**$902,073**	
Low	**$201,636**	**Low**	**$201,636**	**Low**	**$738,059**	

	2014	2015	2016	2017	2018	2019 t	2020 (t + 1)
FCF	$35,180	$70,080	$70,080	$70,080	$70,080	$70,080	$70,080
Discount factor		0.9443	0.8917	0.8420	0.7951	0.7507	
PV		$66,175	$62,487	$59,005	$55,717	$52,612	
PV(FCF)						$295,997	
Revenue	$1,454,900	$1,454,900	$1,454,900	$1,454,900	$1,454,900	$1,454,900	$1,454,900
NOPAT	$70,080	$70,080	$70,080	$70,080	$70,080	$70,080	$70,080
EBIT	$116,800	$116,800	$116,800	$116,800	$116,800	$116,800	$116,800
EBITDA	$172,300	$172,300	$172,300	$172,300	$172,300	$172,300	$172,300
Net Debt	$963,500						
Market cap	$539,920						
(=) Firm Value	**$1,503,420**						

WACC	5.90%
g	0%
Discount factor =	$\frac{1}{(1 + WACC)^t}$

(iv) Comparables - According to Yahoo finance the multiples for comps are:

	Enterprise Value / EBITDA
Western Union	8.81x
Euronet	14.26x
Average	11.54x

EXHIBIT: FS II

(Dollars in thousands, except share data)
At December 31,

					Projected					t	t+1
Balance Sheet	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Assets											
Cash and cash equivalents				$318,800	$250,600	$250,600	$250,600	$250,600	$250,600	$250,600	$250,600
Cash and cash equivalents (a)	$2,865,941	$2,572,200	$2,683,200	$3,737,100	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600
Receivables (a)	$982,319	$1,220,100	$1,206,500								
Short-term investments (a)	$405,769	$522,000	$450,100				$ 100,000	$ 250,000	$ 400,000	$ 550,000	$ 700,000
Investments (a)											
Trading investments (a)											
Available for sale investments(a)	$160,936	$102,800	$63,500								
Property and equipment	$115,111	$116,300	$127,900	$134,800	$165,600	$ 193,162	$ 166,401	$ 140,766	$ 116,211	$ 92,689	$ 70,158
New ventures						$ 277,077	$ 469,930	$ 624,574	$ 791,303	$ 970,425	$ 1,162,259
Intangible assets											
Goodwill	$428,691	$428,700	$428,700	$435,200	$442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500	$ 442,500
Other assets	$156,969	$213,500	$190,700	$161,000	$249,900						
Total assets	**$5,115,736**	**$5,175,600**	**$5,150,600**	**$4,786,900**	**$4,642,200**	**$4,696,939**	**$4,963,031**	**$5,242,040**	**$5,534,214**	**$5,839,814**	**$6,159,117**
(a) Substantiall restricted											
Liabilities and Stockholders' Equity											
Payment service obligations	$4,184,736	$4,205,400	$4,175,400	$3,737,100	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600	$3,533,600
Debt	$639,946	$810,900	$809,900	$842,900	$963,500	$912,878	$912,878	$912,878	$912,878	$912,878	$912,878
Derivative financial instruments											
Pension and other postretirement benefits	$120,536	$120,300	$126,800	$98,400	$125,700	$125,700	$125,700	$125,700	$125,700	$125,700	$125,700
Accounts payable and other liabilities	$113,647	$149,200	$199,900	$185,500	$202,100	200,000	200,000	200,000	200,000	200,000	200,000
Total liabilities	***$5,058,865***	***$5,285,800***	***$5,312,000***	***$4,863,900***	***$4,824,900***	***$4,772,178***	***$4,772,178***	***$4,772,178***	***$4,772,178***	***$4,772,178***	***$4,772,178***
Stockholders' equity											
Participating Convertible Preferred Stock-Series B	$628,199										
Participating Convertible Preferred Stock-Series B-1	$371,154										
Participating Convertible Preferred Stock - Series D		$281,900	$281,900	$281,900	$183,900	$183,900	$183,900	$183,900	$183,900	$183,900	$183,900
Common stock, $0.01 par value		$600	$600	$600	$600	$600	$600	$600	$600	$600	$600
Treasury stock: 5,734,338 and 4,300,782 shares at Decembe	$886			-$123,900	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300	-$138,300
Additional paid-in capital		$989,200	$1,001,000	$1,011,800	$982,800	$982,800	$982,800	$982,800	$982,800	$982,800	$982,800
Retained income	-$771,544	-$1,216,600	-$1,265,900	-$1,214,400	-$1,144,600	-$1,037,139	-$771,047	-$492,038	-$199,865	$105,736	$425,039
Unearned employee benefits and other				-$33,000	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100	-$67,100
Accumulated other comprehensive income (loss) (Note 12)	-$31,879	-$38,000	-$52,300								
Treasury stock: 4,935,555 and 6,040,958 shares in 2010 and	-$139,945	-$127,300	-$126,700								
Total stockholders' equity	**$56,871**	**-$110,200**	**-$161,400**	**-$77,000**	**-$182,700**	**-$75,239**	**$190,853**	**$469,862**	**$762,035**	**$1,067,636**	**$1,386,939**
Total liabilities and stockholders' equity	**$5,115,736**	**$5,175,600**	**$5,150,600**	**$4,786,900**	**$4,642,200**	**$4,696,939**	**$4,963,031**	**$5,242,040**	**$5,534,214**	**$5,839,815**	**$6,159,117**

❶ PP&E, Goodwill & Depreciation/Amortization

					Projected				t	t+1
Account	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property and equipment	$116,300	$127,900	$134,800	$165,600	30%	27%	24%	21%	17%	14%
Intangible assets	$0	$0	$0	$0						
Goodwill	$428,700	$428,700	$435,200	$442,500	70%	73%	76%	79%	83%	86%
Depreciation and amortization	$46,000	$44,300	$50,700	$55,500						
Gross	$591,000	$600,900	$620,700	$663,600						
Depreciation and amortization	8%	7%	8%	8%						

	2015	2016	2017	2018	2019	2020
(=) Initial value	$663,600	$635,662	$608,901	$583,266	$558,711	$535,189
(+) addition	$19,908	$19,070	$18,267	$17,498	$16,761	$16,056
(-) depreciation	-$47,846	-$45,831	-$43,902	-$42,054	-$40,283	-$38,587
(=) final value	$635,662	$608,901	$583,266	$558,711	$535,189	$512,658

❷ Debt

Total amount of debt December 31, 2014	$964,100
Interest expenses	$44,200
Approximately interest rate	4.25%
Debt expected	$912,878

		Projected				t	t+1
	2014	2015	2016	2017	2018	2019	2020
Initial amount		$51,500	$0	$0	$0	$0	$0
(+) Addition of interests		$2,500					
(-) Payment of interest		$0					
(-) Payment of principal		-$54,000					
(=) Final value	$51,500.0	$0	$0	$0	$0	$0	$0

		Projected				t	t+1
	2014	2015	2016	2017	2018	2019	2020
Initial amount		$912,600	$912,878	$912,878	$912,878	$912,878	$912,878
(=) Initial debt 1 value		$912,600	$812,600	$612,600	$412,600	$212,600	$12,600
(+) Addition of interests		$38,786	$34,536	$26,036	$17,536	$9,036	$536
(-) Payment of interest		-$38,786	-$34,536	-$26,036	-$17,536	-$9,036	-$536
(-) Payment of principal		-$100,000	-$200,000	-$200,000	-$200,000	-$200,000	-$12,600
(=) Final debt 1 value		$812,600	$612,600	$412,600	$212,600	$12,600	$0
(=) Initial debt 2 value		$100,278	$100,278	$300,278	$500,278	$700,278	$900,278
(+) Additional debt			$200,000	$200,000	$200,000	$200,000	$12,600
(+) Addition of interests		$4,262	$4,262	$12,762	$21,262	$29,762	$38,262
(-) Payment of interest		-$4,262	-$4,262	-$12,762	-$21,262	-$29,762	-$38,262
(-) Payment of principal							
(=) Final debt 2 value		$100,278	$300,278	$500,278	$700,278	$900,278	$912,878
(=) Final value	$912,600.00	$912,878	$912,878	$912,878	$912,878	$912,878	$912,878

Payments deducted of the Income Statement

	2015	2016	2017	2018	2019	2020
Principal	-$100,000					
Interest	-$43,047	-$38,797	-$38,797	-$38,797	-$38,797	-$38,797
Total	-$143,047	-$38,797	-$38,797	-$38,797	-$38,797	-$38,797

(m) Debt principal will be paid with a new debt.

Income Statement

						Projected				t	t+1
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Revenue											
Fee and other revenue	$1,145,312	$1,230,900	$1,328,600	$1,456,800	$1,438,400	$1,481,552	$1,525,999	$1,571,779	$1,618,932	$1,667,500	$1,717,525
Investment revenue	$21,341	$16,900	$12,600	$17,600	$16,500						
(=) Total revenue	**$1,166,653**	**$1,247,800**	**$1,341,200**	**$1,474,400**	**$1,454,900**	**$1,481,552**	**$1,525,999**	**$1,571,779**	**$1,618,932**	**$1,667,500**	**$1,717,525**
Fee commissions expense	$500,759	$547,600	$599,200	$677,800	$666,000	$592,620.80	$610,399	$628,711	$647,573	$667,000	$687,010
Investment commissions expense	$737	$400	$300	$400	$400						
(=) Total commissions expense	**$501,496**	**$548,000**	**$599,500**	**$678,200**	**$666,400**	**$592,621**	**$610,399**	**$628,711**	**$647,573**	**$667,000**	**$687,010**
Net revenue	**$665,157**	**$699,800**	**$741,700**	**$796,200**	**$788,500**	**$888,931**	**$915,599**	**$943,067**	**$971,359**	**$1,000,500**	**$1,030,515**
Expenses											
Compensation and benefits	$226,422	$235,700	$241,600	$264,900	$275,000	$251,864	$259,420	$267,202	$275,218	$283,475	$291,979
Transaction and operations support	$185,782	$227,800	$355,700	$253,700	$332,200	$237,048	$244,160	$251,485	$259,029	$266,800	$274,804
Depreciation and amortization	$48,074	$46,000	$44,300	$50,700	$55,500	$47,846	$45,831	$43,902	$42,054	$40,283	$38,587
Occupancy, equipment and supplies	$46,481	$47,700	$47,700	$49,000	$54,400	$44,447	$45,780	$47,153	$48,568	$50,025	$51,526
Valuation loss on embedded derivative		$0				$0	$0	$0	$0	$0	$0
Debt tender and redemption costs						$0	$0	$0	$0	$0	$0
(=) Total expenses	**$506,759**	**$557,200**	**$689,300**	**$618,300**	**$717,100**	**$581,204**	**$595,191**	**$609,742**	**$624,869**	**$640,583**	**$656,896**
	43%	45%	51%	42%	49%						
Other expense (income)											
Net securities (gains) losses	-$2,115	$32,800	-$10,000		-$45,400	$0	$0	$0	$0	$0	$0
Principal payments						$100,000	$0	$0	$0	$0	$0
Interest expense	$102,133	$86,200	$70,900	$47,300	$44,200	$43,047	$38,797	$38,797	$38,797	$38,797	$38,797
Debt extinguishment costs		$37,500		$45,300		$0	$0	$0	$0	$0	$0
Other		$11,900	$400			$0	$0	$0	$0	$0	$0
(=) Total other expenses (income)	**$100,018**	**$168,400**	**$61,300**	**$92,600**	**-$1,200**	**$143,047**	**$38,797**	**$38,797**	**$38,797**	**$38,797**	**$38,797**
EBITDA	*$208,587*	*$106,400*	*$106,300*	*$183,300*	*$172,300*	*$355,572*	*$366,240*	*$377,227*	*$388,544*	*$400,200*	*$412,206*
EBIT	*$160,513*	*$60,400*	*$62,000*	*$132,600*	*$116,800*	*$307,727*	*$320,408*	*$333,325*	*$346,490*	*$359,917*	*$373,619*
EBIT margin	*24%*	*9%*	*8%*	*17%*	*15%*	*35%*	*35%*	*35%*	*36%*	*36%*	*36%*
Interest coverage ratio	*1.57*	*0.70*	*0.87*	*2.80*	*2.64*	*7.15*	*8.26*	*8.59*	*8.93*	*9.28*	*9.63*
Income tax expense (benefit)	$14,579	-$19,600	$40,400	$32,900	$500	$57,219	$15,519	$15,519	$15,519	$15,519	$15,519
Income from continuing operations	**$43,801**	**-$6,200**	**-$49,300**	**$52,400**	**$72,100**	**$107,461**	**$266,092**	**$279,009**	**$292,174**	**$305,601**	**$319,303**
Income (loss) and gain from discontinued operations, net of tax											
Net income	**$43,801**	**-$6,200**	**-$49,300**	**$52,400**	**$72,100**	**$107,461**	**$266,092**	**$279,009**	**$292,174**	**$305,601**	**$319,303**

Growth											
Fee and other revenues	1%	7%	8%	10%	-1%	3%	3%	3%	3%	3%	3%
Investment revenue	-36%	-21%	-25%	40%	-6%						
Total revenue	0%	7%	7%	10%	-1%						
Revenue participation											
Fee and other revenues	98%	99%	99%	99%	99%						
Investment revenue	2%	1%	1%	1%	1%						
'COGS'											
Fee commissions expense	44%	44%	45%	47%	46%	40%	40%	40%	40%	40%	40%
Investment commissions expense	3%	2%	2%	2%	2%						
Expenses/Net revenue											
Compensation and benefits/Net Revenues	19%	19%	18%	18%	19%	17%	17%	17%	17%	17%	17%
Transaction and operations support/Net Revenues	16%	18%	27%	17%	23%	16%	16%	16%	16%	16%	16%
Occupancy, equipment and supplies/Net Revenues	4%	4%	4%	3%	4%	3%	3%	3%	3%	3%	3%
Valuation loss on embedded derivative/Net Revenues	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt tender and redemption costs/Net Revenues	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other expreses (income) / Net revenue											
Net securities (gains) losses/Net Revenue	0%	3%	-1%	0%	-3%	0%	0%	0%	0%	0%	0%
Debt extinguishment costs/Net Revenue	0%	3%	0%	3%	0%	0%	0%	0%	0%	0%	0%
Other/Net Revenue	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tax rate	25%	76%	-454%	39%	1%	40%	40%	40%	40%	40%	40%

Free Cash Flow

						Projected				t	t+1
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
NOPAT											
EBIT			$62,000	$132,600	$116,800	$307,727	$320,408	$333,325	$346,490	$359,917	$373,619
Tax rate			40%	40%	40%	40%	40%	40%	40%	40%	40%
Tax on EBIT			($24,800)	($53,040)	($46,720)	($123,091)	($128,163)	($133,330)	($138,596)	($143,967)	($149,448)
NOPAT			$37,200	$79,560	$70,080	$184,636	$192,245	$199,995	$207,894	$215,950	$224,171
NFA											
Gross PP&E											
(-) Depreciation											
(=) Net PP&E			$127,900	$134,800	$165,600	$193,162	$166,401	$140,766	$116,211	$92,689	$70,158
Δ NFA			$127,900	$6,900	$30,800	$27,562	($26,761)	($25,635)	($24,556)	($23,522)	($22,531)
Current Assets			$4,594,000	$4,216,900	$4,034,100	$3,784,200	$3,884,200	$4,034,200	$4,184,200	$4,334,200	$4,484,200
(-) Automatic Sources			-$4,375,300	-$3,922,600	-$3,735,700	-$3,733,600	-$3,733,600	-$3,733,600	-$3,733,600	-$3,733,600	-$3,733,600
(=) Net Working Investment			$218,700	$294,300	$298,400	$50,600	$150,600	$300,600	$450,600	$600,600	$750,600
Δ NWI			$218,700	$75,600	$4,100	-$247,800	$100,000	$150,000	$150,000	$150,000	$150,000
Deferred Income taxes			$0	$0	$0	$0	$0	$0	$0	$0	$0
Δ Deferred income taxes			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
(=) FCF				**-$2,940**	**$35,180**	**$404,874**	**$119,006**	**$75,630**	**$82,450**	**$89,472**	**$96,703**

EXHIBIT: Valuation II

WACC

in thousand

Capital structure		Calculation of D*		New Capital Structure	
Total Capital	1,503,420	Total Capital	1,503,420	Total Capital	1,503,420
ST Debt		Sales	1,454,900	Debt before	963,500
LT Debt		(x) OPM_{rwc}	8.00%	Debt after	912,878
Total Debt	963,500	(=) $EBIT_{rwc}$	116,392	Δ Debt	-50,622
# shares		(÷) h	3	Equity before	539,920
Price per share		(=) I_{max}	38,797	Equity after	590,542
Equity market value	539,920			Δ Equity	50,622
		(÷) r_d	4.25%		
		(=) D*	912,878		
D/Capital	64.09%	D/Capital	61%	D/Capital	-3.37%
		Comments:			
		I_{max} - Max. prudent interest			
		r_d - Current debt interest rate			

Unlever βe (equity)		Relever βe (equity)	
βa = βe / {1 + D/E}		βe = βa x {1 + D/E}	
βe	1.58	βa	0.57
D / E	1.78	D / E	1.55
βa	0.567	βe	1.445

	Cost of Equity		Cost of Debt		
	$K_e = r_f + \beta_e (r_m - r_f)$		$K_d = (1 - t)\, r_d$		
(i)	r_f	2.84%			
	LP	-1.00%			
(ii)	β_e	1.445	t	40.00%	
	$(r_m - r_f)$	5.40%	r_d	4.25%	(iii)
	K_e	9.64%	K_d	3.40%	

Source	Weight	Cost	Weight x Cost
Debt	60.72%	3.40%	2.06%
Equity	39.28%	9.64%	3.79%
WACC			**5.85%**

(i) Risk free rate of US Treasury Bonds - Yield of 30 Year bond. Accordind to Bloomberg.
(ii) According to Yahoo! Finance.
(iii) Considering the interest rate of December 31st, 2014 (10K - Note 10).

Justification for the OPM_{RWC} rate:

For the Operational Margin, worse case scenario, we considered the last five years of the company's financial statement numbers. The worst ratio of EBIT was in 2012, where EBIT was 8% of the revenue value.

Justification for the h (coverage ratio):

Considering the aanalysis fo the "Interest coverage ratio" of the last five years, we considered that a ratio of 3x (EBIT) is ideal to have a healthy performance.

Valuation

in thousand

Perpertuity with Growth		Competitive Markets method		Exit Multiple (EBITDA)		
$TV_t = \frac{FCF_{t+1}}{WACC - g}$		$TV_t = \frac{NOPAT_{t+1}}{WACC}$		$TV_t = m\,.\ \text{Statistical}\ \#_t$		
FCF_{t+1}	96,703	$NOPAT_{t+1}$	224,171	$EBITDA_{t\ (projected)}$	388,544	
WACC	*5.85%*	*WACC*	*5.85%*	*WACC*	*5.85%*	
g	*3%*			*m*	*11.50x*	(iv)
WACC - g	3%					
Terminal Value (TV)	$3,394,408	Terminal Value (TV)	$3,832,719	Terminal Value (TV)	$4,468,252	
t	5.00	t	5.00	t	5.00	
PV (FCF)	$685,511	PV (FCF)	$685,511	PV (FCF)	$685,511	
PV (TV)	$2,554,657	PV (TV)	$2,884,533	PV (TV)	$3,362,840	
(=) PV Operations	**$3,240,168**	**(=) PV Operations**	**$3,570,044**	**(=) PV Operations**	**$4,048,351**	
(-) Value Specific Adj.	$0.00	(-) Value Specific Adj.	$0.00	(-) Value Specific Adj.	$0.00	
(=) PV Firm	**$3,240,168**	**(=) PV Firm**	**$3,570,044**	**(=) PV Firm**	**$4,048,351**	
(-) Net Debt	($963,500)	(-) Net Debt	($963,500)	(-) Net Debt	($963,500)	
(=) PV Equity	**$4,203,668**	**(=) PV Equity**	**$4,533,544**	**(=) PV Equity**	**$5,011,851**	
TV / PV Firm	**79%**		**81%**		**83%**	
High	**$4,624,035**	**High**	**$4,986,899**	**High**	**$5,513,036**	
Low	**$3,783,302**	**Low**	**$4,080,190**	**Low**	**$4,510,666**	

	2014	2015	2016	2017	2018	2019 t	2020 (t + 1)
FCF	$35,180	$404,874	$119,006	$75,630	$82,450	$89,472	$96,703
Discount factor		0.9447	0.8925	0.8432	0.7966	0.7526	
PV		$382,502	$106,218	$63,773	$65,682	$67,337	
PV(FCF)						$685,511	
Revenue	$1,454,900	$1,481,552	$1,525,999	$1,571,779	$1,618,932	$1,667,500	$1,717,525
NOPAT	$70,080	$184,636	$192,245	$199,995	$207,894	$215,950	$224,171
EBIT	$116,800	$307,727	$320,408	$333,325	$346,490	$359,917	$373,619
EBITDA	$183,300	$172,300	$355,572	$366,240	$377,227	$388,544	$400,200
Net Debt	$963,500						
Market cap	$539,920						
(=) Firm Value	**$1,503,420**						

WACC	5.85%
g	3%
Discount factor =	$\frac{1}{(1 + WACC)^t}$

(iv) Comparables - According to Yahoo finance the multiples for comps are:

	Enterprise Value / EBITDA
Western Union	8.81x
Euronet	14.26x
Average	11.54x

EXHIBIT: Liquidation

Liquidation analysis *in thousand*

Balance Sheet	**Book value**	**Factor**	**December 31st, 2014 Proceeds**
Assets			
Cash and cash equivalents	$250,600	100%	$250,600
Cash and cash equivalents (a)	$3,533,600	100%	$3,533,600
Property and equipment	$165,600	80%	$132,480
Goodwill	$442,500	0%	$0
Other assets	$249,900	80%	$199,920
Total assets	**$4,642,200**		
(a) Substantiall restricted			
Liabilities			
Payment service obligations	$3,533,600	100%	-$3,533,600
Pension and other postretirement benefits	$125,700	100%	-$125,700
Accounts payable and other liabilities	$202,100	100%	-$202,100
Total liabilities	***$3,861,400***		***$255,200***
Loss on Liquidation			$3,606,200
x Tax Rate			40%
= Tax Benefit			$1,442,480
Liquidation FCF			$1,697,680
Time to Complete Liquidation (Years)			0.08
WACC			5.90%
PV RV			**$1,689,588**

(a) One month to liquidate de company.

EXHIBIT: Western Union FS

Competitor - Financial Statements

Balance Sheet *(in million of dollars)*

	2012	2013	2014
Assets			
Cash and cash equivalents	$ 1,776.50	$2,073	$1,783
Settlement assets	3,114.60	$3,270	$3,314
Property and equipment, net	196.10	$210	$206
PP&E gross	*580.60*	*638.50*	*206.40*
Depreciation	*$385*	*$429*	
Goodwill	3,179.70	$3,172	$3,169
Other intangible assets, net of accumulated amortization	878.90	$834	$748
Other assets	319.90	$562	$670
Total assets	$ 9,465.70	**$10,121**	**$9,890**
Liabilities and Stockholders' Equity			
Liabilities:			
Accounts payable and accrued liabilities	$ 556.20	$639	$600
Settlement obligations	3,114.60	$3,270	$3,314
Income taxes payable	218.30	$217	$166
Deferred tax liability, net	352.10	$319	$305
Borrowings	4,029.20	$4,213	$3,720
Other liabilities	254.70	$358	$484
Total liabilities	8,525.10	**$9,017**	**$8,590**
Stockholders' equity:			
Preferred stock, $1.00 par value; 10 shares authorized; no shares issued	-	$0	$0
Common stock, $0.01 par value; 2,000 shares authorized; 521.5 shares and 548.8 shares issued and outstanding as of December 31, 2014 and 2013, respectively	5.70	$6	$5
Capital surplus	332.80	$391	$445
Retained earnings	754.70	$877	$969
Accumulated other comprehensive loss	-152.60	-$169	-$119
Total stockholders' equity	940.60	$1,105	$1,300
Total liabilities and stockholders' equity	$ 9,465.70	**$10,121**	**$9,890**

Income Statement *(in million of dollars)*

	2012	2013	2014
Revenues:			
Transaction fees	$ 4,210.00	$ 4,065.80	$ 4,083.60
Foreign exchange revenues	1,332.70	1,348.00	1,386.30
Other revenues	122.10	128.20	137.30
Total revenues	**5,664.80**	**5,542.00**	**5,607.20**
Expenses:			
Cost of services	3,194.20	3,235.00	3,297.40
Selling, general and administrative	1,140.60	1,199.60	1,169.30
Total expenses*	4,334.80	4,434.60	4,466.70
Operating income	**1,330.00**	**1,107.40**	**1,140.50**
Other income/(expense):			
Interest income	5.50	9.40	11.50
Interest expense	-179.60	-195.60	-176.60
Derivative gains/(losses), net	0.50	-1.30	-2.20
Other income/(expense), net	12.40	7.00	-5.00
Total other expense, net	**-161.20**	**-180.50**	**-172.30**
Income before income taxes	1,168.80	926.90	968.20
Provision for income taxes	142.90	128.50	115.80
Net income	**$ 1,025.90**	**$ 798.40**	**$ 852.40**
EBITDA	**$1,553**	**$1,356**	**$968**
EBIT	**$1,169**	**$927**	**$968**
TAX RATE	**40%**	**40%**	**40%**

Profitability			
Operating margin	23%	20%	20%
Net margin	18%	14%	15%
EBITDA margin	27%	24%	17%
ROA (Return on Assets)	7%	5%	6%
ROIC (Return of Invested Capital)	3%	2%	2%
ROE	109%	72%	66%
Efficiency			
Asset Turnover	0.6x	0.5x	0.6x
Fixed Asset Turnover	28.9x	26.4x	27.2x
In dollars			
# of employees	9,000	10,000	10,000
Revenue per employee	$629,422	$554,200	$560,720
EBITDA per employee	$172,589	$135,550	$96,820

EXHIBIT: EuroNet FS

Competitor - Financial Statements

Balance Sheet

	2012	2013	2014
ASSETS			
Current assets:			
Cash and cash equivalents	$201,435	$209,826	$468,010
Restricted cash	$71,608	$77,987	$68,028
Inventory — PINs and other	$101,168	$92,757	$85,675
Trade accounts receivable, net of allowances for doubtful accounts of $20,546 at December 31, 2	$370,836	$394,059	$375,579
Prepaid expenses and other current assets	$68,132	$65,821	$108,624
Total current assets	**$813,179**	**$840,450**	**$1,105,916**
Property and equipment, net of accumulated depreciation of $239,607 at December 31, 2014 and	$115,475	$116,230	$125,307
Goodwill	$481,760	$498,435	$599,863
Acquired intangible assets, net of accumulated amortization of $113,153 at December 31, 2014 a	$83,389	$93,026	$158,267
Other assets, net of accumulated amortization of $30,276 at December 31, 2014 and $25,363 at D	$57,733	$50,049	$62,206
Total assets	**$1,551,536**	**$1,598,190**	**$2,051,559**
LIABILITIES AND EQUITY			
Current liabilities:			
Trade accounts payable	$459,847	$457,274	$445,984
Accrued expenses and other current liabilities	$183,406	$213,359	$336,361
Current portion of capital lease obligations	$2,397	$2,361	$2,216
Short-term debt obligations and current maturities of long-term debt obligations	$7,551	$10,903	$11,156
Income taxes payable	$9,396	$15,656	$19,248
Deferred revenue	$34,109	$32,533	$33,916
Total current liabilities	**$696,706**	**$732,086**	**$848,881**
Debt obligations, net of current portion	$286,703	$188,510	$410,368
Capital lease obligations, net of current portion	$4,589	$2,872	$2,148
Deferred income taxes	$22,031	$17,695	$38,959
Other long-term liabilities	$14,967	$18,572	$18,391
Total liabilities	**$1,024,996**	**$959,735**	**$1,318,747**
Equity:			
Preferred Stock, $0.02 par value. 10,000,000 shares authorized; none issued		$0	$0
Common Stock, $0.02 par value. 90,000,000 shares authorized; 56,464,187 issued at December 3	$1,060	$1,086	$1,129
Additional paid-in capital	$783,508	$809,640	$955,715
Treasury stock, at cost, 4,867,420 shares at December 31, 2014 and 3,650,519 shares at Decembe	-$67,327	-$68,122	-$133,788
Retained earnings (Accumulated deficit)	-$184,015	-$96,029	$5,619
Accumulated other comprehensive loss	-$10,850	-$10,453	-$97,922
Total Euronet Worldwide, Inc. stockholders' equity	**$522,376**	**$636,122**	**$730,753**
Noncontrolling interests	$4,164	$2,333	$2,059
Total equity	**$526,540**	**$638,455**	**$732,812**
Total liabilities and equity	**$1,551,536**	**$1,598,190**	**$2,051,559**

Income Statement

	2012	2013	2014
Revenues	$1,267,601	$1,413,169	$1,664,150
Operating expenses			
Direct operating costs	$812,059	$892,928	$1,033,479
Salaries and benefits	$184,055	$208,244	$243,220
Selling, general and administrative	$120,575	$129,427	$157,265
Acquisition-related contingent consideration gain	$0	-$19,319	$0
Goodwill and acquired intangible assets impairment	$28,740	$18,425	$0
Depreciation and amortization	$64,167	$65,053	$71,455
Total operating expenses	**$1,209,596**	**$1,294,758**	**$1,505,419**
Operating income	***$58,005***	***$118,411***	***$158,731***
Other income (expense)			
Interest income	$3,993	$1,998	$2,549
Interest expense	-$19,653	-$10,139	-$12,330
(Loss) income from unconsolidated affiliates	$942	$206	-$46
Other (losses) gains, net	$4,146	$2,398	-$1,755
Foreign currency exchange (loss) gain, net	-$99	$2,211	-$5,646
Other expense, net	-$10,671	-$3,326	-$17,228
Income before income taxes	$47,334	$115,085	$141,503
Income tax expense	-$26,937	-$27,732	-$40,015
Net income	$20,397	$87,353	$101,488
Less: Net loss attributable to noncontrolling interests	$138	$633	$160
Net income attributable to Euronet Worldwide, Inc.	$20,535	$87,986	$101,648
EBITDA	**$111,639**	**$180,771**	**$213,118**
EBIT	**$47,472**	**$115,718**	**$141,663**
TAX RATE	**40%**	**40%**	**40%**

Profitability			
Operating margin	5%	8%	10%
Net margin	2%	6%	6%
EBITDA margin	9%	13%	13%
ROA (Return on Assets)	2%	4%	4%
ROIC (Return of Invested Capital)	3%	8%	7%
ROE	4%	14%	14%
Efficiency			
Asset Turnover	0.8x	0.9x	0.8x
Fixed Asset Turnover	11.0x	12.2x	13.3x
# of employees	3,900	4,100	4,600
Revenue per employee	$325,026	$344,675	$361,772
EBITDA per employee	$28,625	$44,090	$46,330