
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 16, 2019

Fiserv, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Wisconsin
(State or Other Jurisdiction
of Incorporation)

0-14948
(Commission
File Number)

39-1506125
(IRS Employer
Identification No.)

255 Fiserv Drive, Brookfield, Wisconsin 53045
(Address of Principal Executive Offices, including Zip Code)

(262) 879-5000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On January 16, 2019, Fiserv, Inc. (the “Company”) issued a press release announcing its preliminary financial results for the quarter and year ended December 31, 2018. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Events.

On January 16, 2019, the Company and First Data Corporation issued a joint press release announcing their entry into a definitive merger agreement (the “Merger Agreement”) pursuant to which the Company will acquire First Data Corporation in an all-stock transaction. A copy of the joint press release is attached hereto as Exhibit 99.2 and is incorporated by reference herein. Also on January 16, 2019, the Company issued an investor presentation in connection with its entry into the Merger Agreement. The investor presentation is attached hereto as Exhibit 99.3 and is incorporated by reference herein.

* * *

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Press Release of Fiserv, Inc., dated January 16, 2019.</u>
99.2	<u>Joint Press Release of Fiserv, Inc. and First Data Corporation, dated January 16, 2019.</u>
99.3	<u>Investor Presentation of Fiserv, Inc., dated January 16, 2019.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized.

FISERV, INC.

Date: January 16, 2019

By: /s/ Robert W. Hau

Name: Robert W. Hau

Title: Chief Financial Officer and Treasurer



Press Release

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For Immediate Release

Fiserv Announces Preliminary Fourth Quarter and Full Year 2018 Results and 2019 Outlook

GAAP revenue growth of 2 percent in the quarter and for the year;
GAAP EPS from continuing operations decrease of approximately 43 percent in the quarter
and relatively consistent for the year;
Internal revenue growth of approximately 4.5 percent in the quarter and for the year;
Adjusted EPS increase of 24 to 25 percent in the quarter and approximately 25 percent for the year;
Company preliminarily expects 2019 internal revenue growth of 4.5 to 5 percent
and adjusted EPS growth of 10 to 14 percent

Brookfield, Wis., January 16, 2019 – Fiserv, Inc. (NASDAQ: FISV), a leading global provider of financial services technology solutions, in connection with entering into a definitive merger agreement to acquire First Data Corporation, today announced selected preliminary financial results for the fourth quarter and full year 2018 and outlook for 2019. Actual results for the fourth quarter and full year 2018 are expected to be reported on Thursday, February 7, 2019.

Preliminary Fourth Quarter and Full Year 2018 GAAP Results

Fiserv expects to report GAAP revenue of \$1.55 billion and \$5.82 billion for the fourth quarter and full year 2018, respectively, or an increase of 2 percent in each period compared to the prior year periods.

GAAP earnings per share from continuing operations is expected to be in the range of \$0.71 to \$0.72 for the fourth quarter of 2018, or a decrease of approximately 43 percent compared to the prior year period. GAAP earnings per share from continuing operations is expected to be in the range of \$2.87 to \$2.88 for the full year, relatively consistent compared to the prior year. GAAP earnings per share from continuing operations in 2018 included a gain of \$0.37 per share on the sale of 55 percent interest of the company's Lending Solutions business (the "Lending Transaction"). GAAP earnings per share from continuing operations in 2017 included discrete tax benefits from the December 2017 enactment of The Tax Cuts and Jobs Act of \$0.65 per share and \$0.64 per share in the fourth quarter and full year, respectively. The company also completed a two-for-one stock split in the first quarter of 2018. Accordingly, all share data and per share amounts are presented on a split-adjusted basis.

Press Release

Preliminary Fourth Quarter and Full Year 2018 Non-GAAP Results

Fiserv expects to report adjusted revenue of \$1.47 billion and \$5.54 billion for the fourth quarter and full year 2018, respectively, or an increase of 2 percent in each period compared to the prior year periods.

Internal revenue growth for the company is expected to be approximately 4.5 percent for both the fourth quarter and full year 2018.

Adjusted earnings per share is expected to be in the range of \$0.84 to \$0.85 for the fourth quarter of 2018, or an increase of 24 to 25 percent compared to the prior year period. Adjusted earnings per share is expected to be in the range of \$3.10 to \$3.11 for the full year, or an increase of approximately 25 percent compared to the prior year.

Preliminary Outlook for 2019

Fiserv expects internal revenue growth in a range of 4.5 to 5 percent in 2019. The company also expects adjusted earnings per share in a range of \$3.39 to \$3.52, which represents growth of 10 to 14 percent over the expected 2018 range, as adjusted for the Lending Transaction. The company's outlook for 2019 does not include any impact related to the transaction with First Data Corporation.

Agreement to Combine with First Data Corporation

In a separate press release issued today, Fiserv announced that it will combine with First Data Corporation in an all-stock transaction for an equity value of approximately \$22 billion. The release is available in the "Investor Relations" section of fiserv.com.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) enables clients worldwide to create and deliver financial services experiences in step with the way people live and work today. For 35 years, Fiserv has been a trusted leader in financial services technology, helping clients achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and insights and optimization. Fiserv is a member of the FORTUNE® 500 and has been named among the FORTUNE Magazine World's Most Admired Companies® for five consecutive years, recognized for strength of business model and innovation leadership. Visit fiserv.com and follow on social media for more information and the latest company news.

Use of Non-GAAP Financial Measures

In this preliminary earnings release, the company supplements its reporting of information determined in accordance with GAAP, such as revenue, income from continuing operations and earnings per share from continuing operations, with "adjusted revenue," "internal revenue growth," "adjusted net income," "adjusted earnings per share" and "adjusted earnings per share, as adjusted for the Lending Transaction." Management believes that adjustments for certain non-cash or other items and the exclusion of certain pass-through revenue and expenses should enhance shareholders' ability to

Press Release

evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Therefore, the company excludes these items from GAAP revenue, income from continuing operations and earnings per share from continuing operations to calculate these non-GAAP measures. The corresponding reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are included in this preliminary earnings release, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of the non-cash and other items described below that are excluded from the non-GAAP outlook measures. See page 9 for additional information regarding the company's forward-looking non-GAAP financial measures.

Examples of non-cash or other items may include, but are not limited to, non-cash deferred revenue adjustments arising from acquisitions, non-cash intangible asset amortization expense associated with acquisitions, non-cash impairment charges, severance costs, charges associated with early debt extinguishment, merger and integration costs, certain costs associated with the achievement of the company's operational effectiveness objectives, gains or losses from dispositions and unconsolidated affiliates, and certain discrete tax benefits and expenses. The company excludes these items to more clearly focus on the factors management believes are pertinent to its operations, and management uses this information to make operating decisions, including the allocation of resources to the company's various businesses.

Internal revenue growth is a non-GAAP financial measure and is described on page 8. Management believes internal revenue growth is useful because it presents revenue growth excluding acquisitions, dispositions and the impact of postage reimbursements in the company's Output Solutions business, and including deferred revenue purchase accounting adjustments. Management believes this supplemental information enhances shareholders' ability to evaluate and understand the company's core business performance.

These non-GAAP measures may not be comparable to similarly titled measures reported by other companies and should be considered in addition to, and not as a substitute for, revenue, income from continuing operations and earnings per share from continuing operations or any other amount determined in accordance with GAAP.

Forward-Looking Statements

The preliminary financial results for the fourth quarter and full year 2018 represent the most current information available to management and reflect estimates and assumptions. The company's actual results may differ materially from these preliminary results due to the completion of the company's financial closing procedures, final adjustments and other developments that may arise between the date of this press release and the time that financial results for the fourth quarter and full year 2018 are finalized. The foregoing preliminary financial results have not been compiled or examined by our independent registered public accounting firm nor have our independent registered public accounting firm performed any procedures with respect to this information or expressed any opinion or any form of assurance of such information. These preliminary financial results should not be viewed as a

Press Release

substitute for full financial statements prepared in accordance with U.S. GAAP or as a measure of performance. In addition, these preliminary financial results are not necessarily indicative of the results to be achieved for any future period.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated internal revenue growth, adjusted earnings per share and adjusted earnings per share growth. Statements can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should” or words of similar meaning. Statements that describe the company’s future plans, objectives or goals are also forward-looking statements.

Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that could cause Fiserv’s actual results to differ materially include, among others: the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the transaction within the expected time frames or at all and to successfully integrate the operations of First Data Corporation into those of Fiserv; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected, including for possible reasons such as unexpected costs, charges or expenses resulting from the transaction; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that may be instituted against Fiserv, First Data Corporation and others related to the merger agreement; unforeseen risks relating to liabilities of Fiserv or First Data Corporation may exist; shareholder approval or other conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the amount of the costs, fees, expenses and charges related to the transaction, including the costs, fees, expenses and charges related to any financing arrangements entered into in connection with the transaction; the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction. Fiserv and First Data Corporation are subject to, among other matters, changes in customer demand for their products and services; pricing and other actions by competitors; general changes in local, regional, national and international economic conditions and the impact they may have on Fiserv and First Data Corporation and their customers and Fiserv’s and First Data Corporation’s assessment of that impact; rapid technological developments and changes, and the ability of Fiserv’s and First Data Corporation’s technology to keep pace with a rapidly evolving marketplace; the impact of a security breach or operational failure on Fiserv’s and First Data Corporation’s business; the effect of proposed and enacted legislative and regulatory actions in the United States and internationally affecting the financial services industry as a whole and/or Fiserv and First Data Corporation and their subsidiaries individually or collectively; regulatory

Press Release

supervision and oversight, and Fiserv's and First Data Corporation's ability to comply with government regulations; the impact of Fiserv's and First Data Corporation's strategic initiatives; Fiserv's and First Data Corporation's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the ability to contain costs and expenses; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; acts of war and terrorism; and other factors included in "Risk Factors" in Fiserv's and First Data Corporation's respective filings with the SEC, including their respective Annual Reports on Form 10-K for the year ended December 31, 2017, and in other documents that the companies file with the SEC, which are available at <http://www.sec.gov>. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. Fiserv assumes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

Press Release

Fiserv, Inc.
Reconciliation of GAAP to
Adjusted Net Income and Adjusted Earnings Per Share
(In millions, except per share amounts, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
GAAP income from continuing operations	\$ 286-290	\$ 532	\$1,187-1,191	\$1,232
Adjustments:				
Merger, integration and other costs ¹	14	22	89	74
Severance costs	2	2	17	24
Amortization of acquisition-related intangible assets	43	42	163	159
Loss on early debt extinguishment ²	6	—	14	—
Lending Transaction impact ³	—	(16)	—	(50)
Tax impact of adjustments ⁴	(15)	(17)	(63)	(68)
Gain on sale of businesses ⁵	—	—	(227)	(10)
Tax impact of gain on sale of businesses ⁴	—	—	77	5
Unconsolidated affiliate activities ⁶	4	(1)	7	(32)
Tax impact of unconsolidated affiliate activities ⁴	(1)	—	(2)	11
Tax reform ⁷	—	(275)	19	(275)
Adjusted net income	\$ 339-343	\$ 289	\$1,281-1,285	\$1,070
GAAP earnings per share from continuing operations	\$0.71-0.72	\$ 1.25	\$ 2.87-2.88	\$ 2.86
Adjustments—net of income taxes:				
Merger, integration and other costs ¹	0.03	0.03	0.17	0.11
Severance costs	0.01	—	0.03	0.04
Amortization of acquisition-related intangible assets	0.08	0.07	0.31	0.25
Loss on early debt extinguishment ²	0.01	—	0.03	—
Lending Transaction impact ³	—	(0.03)	—	(0.08)
Gain on sale of businesses ⁵	—	—	(0.37)	(0.01)
Unconsolidated affiliate activities ⁶	0.01	—	0.01	(0.05)
Tax reform ⁷	—	(0.65)	0.05	(0.64)
Adjusted earnings per share	\$0.84-0.85	\$ 0.68	\$ 3.10-3.11	\$ 2.48
Diluted shares used in computing earnings per share	404.7	424.9	413.7	431.3

- ¹ Merger, integration and other costs include acquisition and related integration costs of \$46 million in 2018 and \$47 million in 2017, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$43 million in 2018 and \$27 million in 2017, primarily consisting of expenses related to data center consolidation activities.
- ² Represents the loss on early debt extinguishment associated with the company's cash tender and redemption of its \$450 million aggregate principal amount of 4.625% senior notes.
- ³ Represents the earnings attributable to the disposed 55 percent interest of the company's Lending Solutions business.
- ⁴ The tax impact of adjustments is calculated using tax rates of 22 percent and 33 percent in 2018 and 2017, respectively, which approximates the company's annual effective tax rate for the respective years, exclusive of federal tax reform effects and the actual tax impacts associated with the gain on sale of businesses and unconsolidated affiliate activities.

Press Release

- 5 Represents the gains on the Lending Transaction in 2018 and the sale of the company's Australian item processing business in 2017.
- 6 Represents the company's share of the net gains on the sales of businesses at StoneRiver and the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.
- 7 Represents discrete income tax effects associated with federal tax reform and subsequent guidance issued by the Internal Revenue Service.

See pages 2-3 for disclosures related to the use of non-GAAP financial measures.

Earnings per share is calculated using actual, unrounded amounts.

Press Release

Fiserv, Inc.
Adjusted Revenue and Internal Revenue Growth
(\$ in millions, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Adjusted Revenue				
Revenue	\$ 1,551	\$ 1,516	\$ 5,823	\$ 5,696
Output Solutions postage reimbursements	(79)	(77)	(285)	(281)
Deferred revenue purchase accounting adjustments	—	4	3	8
Total Company	<u>\$ 1,472</u>	<u>\$ 1,443</u>	<u>\$ 5,541</u>	<u>\$ 5,423</u>
	Three Months Ended December 31, 2018		Year Ended December 31, 2018	
	4.5%		4.5%	
Internal Revenue Growth ¹				
Total Company	<u>4.5%</u>		<u>4.5%</u>	

- ¹ Internal revenue growth is measured as the increase in adjusted revenue (see above) for the current period excluding acquired revenue and revenue attributable to dispositions, divided by adjusted revenue from the prior year period excluding revenue attributable to dispositions.

In the fourth quarter of 2018, acquired revenue was \$29 million. Revenue attributable to dispositions was \$8 million and \$69 million in the fourth quarter of 2018 and 2017, respectively, primarily from the Lending Transaction.

Full year 2018 acquired revenue was \$74 million. Revenue attributable to dispositions was \$82 million and \$272 million for full year 2018 and 2017, respectively, primarily from the Lending Transaction.

Press Release

Fiserv, Inc. Full Year Forward-Looking Non-GAAP Financial Measures

Internal Revenue Growth—The company's internal revenue growth outlook for 2019 excludes acquisitions, dispositions, and the impact of postage reimbursements in its Output Solutions business, and includes deferred revenue purchase accounting adjustments. These adjustments are subject to variability and are anticipated to increase 2019 GAAP revenue growth by approximately 1 percentage point as compared to the internal revenue growth rate.

Adjusted Earnings Per Share—The company's adjusted earnings per share outlook for 2019 excludes certain non-cash or other items which should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Non-cash or other items may be significant and include, but are not limited to, non-cash deferred revenue adjustments arising from acquisitions, non-cash intangible asset amortization expense associated with acquisitions, non-cash impairment charges, severance costs, charges associated with early debt extinguishment, merger and integration costs, certain costs associated with the achievement of the company's operational effectiveness objectives, gains or losses from dispositions and unconsolidated affiliates, and certain discrete tax benefits and expenses. The company estimates that the amortization expense with respect to acquired intangible assets as of December 31, 2018 will be approximately \$180 million in 2019. Other adjustments to earnings per share that have been incurred in 2018 are presented on page 6. Estimates of these other adjustments on a forward-looking basis are not available due to the variability, complexity and limited visibility of these items.

The company's adjusted earnings per share growth outlook for 2019 reflects 2018 performance as adjusted for the Lending Transaction.

2018 adjusted earnings per share ¹	\$3.10 - \$3.11
Lending Transaction impact	(0.02)
2018 adjusted earnings per share, as adjusted for the Lending Transaction	<u>\$3.08 - \$3.09</u>
2019 adjusted earnings per share outlook	\$3.39 - \$3.52
2019 adjusted earnings per share growth outlook	10% - 14%

¹ See page 6 for a reconciliation of GAAP earnings per share from continuing operations to adjusted earnings per share.
See pages 2-3 for disclosures related to the use of non-GAAP financial measures.

Press Release

Additional Information and Where to Find It

This press release does not constitute an offer to sell or the solicitation of an offer to buy or sell any securities or a solicitation of a proxy or of any vote or approval. This press release may be deemed to be solicitation material in respect of the proposed transaction contemplated by the Agreement and Plan of Merger, dated as of January 16, 2019 (the “Merger Agreement”), by and among Fiserv, Inc. (“Fiserv”), 300 Holdings, Inc. (“Merger Sub”) and First Data Corporation (“First Data”). In connection with the proposed transaction contemplated by the Merger Agreement, Fiserv intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the “SEC”) that will include a joint proxy/consent solicitation statement of Fiserv and First Data that will also constitute a prospectus of Fiserv. This press release is not a substitute for the registration statement, the joint proxy/consent solicitation statement/prospectus or any other documents that will be made available to the shareholders of Fiserv and First Data, or any other documents that any party to the Merger Agreement, including Fiserv, First Data, or any of their respective affiliates, may file with the SEC or make available to their respective security holders. **SHAREHOLDERS OF FISERV AND FIRST DATA AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, INCLUDING THE JOINT PROXY/CONSENT SOLICITATION STATEMENT/PROSPECTUS (WHEN AVAILABLE) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED COMBINATION.**

When available, shareholders will be able to obtain copies of the registration statement, including the joint proxy/consent solicitation statement/prospectus and any other documents that may be filed with the SEC (when available) free of charge from the SEC’s website at www.sec.gov. Copies of documents filed with the SEC by Fiserv also can be obtained free of charge from Fiserv’s website at www.fiserv.com. Copies of documents filed with the SEC by First Data also can be obtained free of charge from First Data’s website at www.firstdata.com.

Participants in the Solicitation

Fiserv, First Data, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Fiserv is set forth in the proxy statement relating to Fiserv’s 2018 annual meeting of shareholders filed with the SEC on April 10, 2018. Information about the directors and executive officers of First Data is set forth in the proxy statement relating to First Data’s 2018 annual meeting of stockholders filed with the SEC on March 29, 2018. Additional information regarding the interests of these participants will be included in the joint proxy/consent solicitation statement/prospectus regarding the proposed transaction and other relevant materials to be filed with the SEC when they become available. Shareholders should read the joint proxy/consent solicitation statement/prospectus carefully if and when it becomes available before making any voting or investment decisions. Shareholders may obtain free copies of these documents as described in the preceding paragraph.

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News Release

Fiserv to Combine with First Data Corporation to Create Global Leader in Payments and FinTech

- *Combined Company to Have Increased Scale, Expanded Footprint and More Extensive Range of High-Value Client Solutions*
- *Expected to Generate Approximately \$900 Million of Run-Rate Cost Savings and at Least \$500 Million of Revenue Synergies, Leading to Enhanced Revenue Growth from Expanded Capabilities*
- *Anticipate Annual Free Cash Flow of More Than \$4 Billion, Including Synergies, in Year Three*
- *Projected to be Accretive to Adjusted EPS by More Than 20 Percent in Year One*
- *Expected to Retain Fiserv's Investment Grade Ratings of Baa2/BBB*
- *Fiserv CEO to Become CEO and Chairman of Combined Entity, First Data CEO to Become President and COO and to Join Board of Directors*
- *Companies to Host Investor Conference Call Today at 8:30 a.m. ET / 7:30 a.m. CT*

BROOKFIELD, Wis. and NEW YORK – January 16, 2019 – Fiserv (NASDAQ: FISV) and First Data Corporation (NYSE: FDC) today announced that their boards of directors have unanimously approved a definitive merger agreement under which Fiserv will acquire First Data in an all-stock transaction. The transaction unites two premier companies to create one of the world's leading payments and financial technology providers, and an enhanced value proposition for its clients.

Under the terms of the agreement, First Data shareholders will receive a fixed exchange ratio of 0.303 Fiserv shares for each share of First Data common stock they own, for an equity value of \$22 billion. This represents \$22.74 based on closing prices as of January 15, and a premium of 29% to the five-day volume weighted average price as of that date. Following the close of the transaction, Fiserv shareholders will own 57.5% of the combined company, and First Data shareholders will own 42.5%, on a fully diluted basis. The all-stock transaction is intended to be tax-free to First Data shareholders.

This highly complementary combination will offer leading technology capabilities that enable a range of payments and financial services, including account processing and digital banking solutions; card issuer processing and network services; e-commerce; integrated payments; and the Clover™ cloud-based point-of-sale solution. The combined company will offer comprehensive distribution channels and have deep expertise in partnering with financial institutions, merchants and billers of all sizes, as well as software developers.

“Through this transformative combination, we expect to redefine the manner in which people and institutions move money and information,” said Jeffery Yabuki, President and Chief Executive Officer of Fiserv. “We admire First Data for its excellence in merchant acquiring and global issuing services, and the tremendous progress they have made under Frank’s leadership. We expect this combination to catalyze and support an enhanced value proposition for our collective clients and their customers.”

“I have long admired what Fiserv has achieved over the years, and I look forward to working with the talented associates of both companies as we set a higher standard of innovation and service in the industry,” said First Data Chairman and CEO Frank Bisignano. “Our goal at First Data has always been to provide our clients with the most comprehensive suite of innovative, highly-differentiated solutions and services, and I am excited by the significant value that the combination with Fiserv creates for all stakeholders.”

“We expect the combined company to retain our current investment-grade ratings based on our strong financial profile and excellent free cash flow. Together, this should provide the basis for continued disciplined capital allocation, including debt repayment and share repurchase,” said Yabuki. “We look forward to welcoming First Data’s talented associates to Fiserv as we drive the global digitization of payments and financial technology services.”

Compelling Strategic Benefits

- **Differentiated Financial Services Platform:** With an even more extensive range of end-to-end solutions, the combined company expects to create additional value for account processing clients and deepen relationships. Fiserv and First Data will link their respective merchant and cash management capabilities, further developing new offerings and providing First Data’s Clover cloud-based platforms for small and medium-sized businesses. For example, First Data’s digital merchant account enrollment capabilities can be integrated into Fiserv’s digital banking solutions that serve thousands of financial institutions.
- **Enhanced Payments Capabilities:** The combination creates a differentiated, end-to-end payments platform from issuance to acceptance. Through an enhanced focus on innovation, the combined company will enable additional payment methods that give financial institutions, merchants and billers the ability to meet their customers’ needs across the multiple ways they want to pay.
- **Highly Complementary Products and Distribution Channels:** The combined company will create additional value for Fiserv and First Data clients through an expanded universe of solutions. For example, Fiserv will be uniquely positioned to help financial institution clients more effectively meet the needs of business and commercial clients with offerings such as First Data’s Clover platform. First Data corporate clients will benefit through market-leading biller solutions from Fiserv.

- **Investing to Enrich Future Value Proposition:** Fiserv and First Data will explore integrated, complementary technology capabilities and solutions to enhance client value and increase market differentiation. Following the close of the transaction, the combined company expects to invest an incremental \$500 million over five years to create significantly enhanced solutions for clients and accelerate growth. The program will focus on a series of new and existing technologies, including next-generation merchant solutions, digital enablement, advanced risk management, and data-focused solutions to keep the combined company at the forefront of evolving client expectations and innovative payment methods.

Compelling Financial Benefits

- **Enhanced Revenue Growth Potential:** The transaction is expected to generate at least \$500 million of revenue synergies over a five year period. Incremental revenue growth is expected to come from a focus on delivering additional client value in areas such as bank merchant services and Clover, credit processing, additional biller services and network innovation.
- **Strong Adjusted Earnings Per Share Accretion:** The transaction is expected to be accretive to adjusted EPS by more than 20 percent in the first full year following close. The combined company expects accretion of more than 40 percent to adjusted EPS at the full cost synergy run-rate.
- **Significant Cash Flow Generation:** The combined company expects to generate significant free cash flow exceeding \$4 billion in the third year following close, including synergies. Fiserv intends to deploy its cash flow through the continuation of its proven and disciplined capital allocation strategy, and remains committed to retaining its investment grade debt ratings.
- **Substantial Cost Savings:** The combination is expected to generate approximately \$900 million of run-rate cost synergy savings over five years, driven primarily by the elimination of duplicative corporate structures, streamlined technology infrastructure, increased operational efficiencies, process improvements, and footprint optimization. These efficiencies will be achieved across the combined organization while maintaining its commitment to serving clients with excellence and innovation.
- **Strong Financial Position:** Fiserv intends to refinance the approximately \$17 billion of debt that First Data is expected to have at the time of closing, and has entered into a committed bridge financing arrangement in connection with the transaction. Fiserv anticipates having a capital structure, balance sheet and capital allocation policy consistent with an investment grade credit rating. As such, Fiserv expects to utilize its strong free cash flow to reduce the company's debt to adjusted EBITDA ratio to a level generally in line with Fiserv's historical performance within 24 months after the transaction closes. Fiserv expects to retain its current investment grade ratings of Baa2 and BBB from Moody's and S&P, respectively. Fiserv will also suspend share repurchases as of today until the close of the transaction to minimize debt at closing.

Governance and Leadership

The combined company will be led by an experienced board and leadership team that leverages the strengths and capabilities of both companies. Upon closing, the board of the combined company will consist of 10 members, six of whom will be from the board of Fiserv and four of whom will be from the board of First Data.

Upon closing, Jeffery Yabuki, current Fiserv President and Chief Executive Officer, will serve as Chief Executive Officer and Chairman of the board of directors of the combined company. Frank Bisignano, current Chairman and Chief Executive Officer of First Data, will assume the role of President and Chief Operating Officer, and will serve as director of the board of the combined company. The combined entity will be known as Fiserv.

An affiliate of Kohlberg Kravis Roberts & Co. L.P., New Omaha Holdings L.P., which controls approximately 39% of the outstanding First Data common stock and 86% of the voting rights of First Data, has entered into a voting agreement in support of the transaction. Upon closing, New Omaha Holdings will own approximately 16% of the outstanding common stock of the combined company.

Timing and Approvals

The transaction, which is expected to close during the second half of 2019, is subject to customary closing conditions and regulatory approvals, including the approval of shareholders of both companies. The transaction is not subject to any financing conditions.

Preliminary Fourth Quarter and Full Year 2018 Financial Results and 2019 Outlook

In separate press releases issued today, both Fiserv and First Data announced selected preliminary financial results for the fourth quarter and full year 2018 and their outlooks for 2019. The Fiserv press release is available in the “Investor Relations” section of fiserv.com. The First Data press release is available in the “Investor Relations” section of firstdata.com.

Advisors

J.P. Morgan Securities LLC is serving as financial advisor to Fiserv and has provided committed financing. Sullivan & Cromwell LLP is serving as legal advisor to Fiserv.

BofA Merrill Lynch is serving as financial advisor to First Data. Simpson Thacher & Bartlett LLP is serving as legal advisor to First Data. Evercore is serving as financial advisor to the independent directors of the board of First Data, and Latham & Watkins LLP is serving as legal advisor to the independent directors of the board of First Data. Kirkland & Ellis LLP is serving as legal advisor to New Omaha Holdings.

Conference Call and Webcast

The companies will host a joint conference call and webcast today at 8:30 a.m. ET (7:30 a.m. CT) to discuss the transaction.

The conference call can be accessed by dialing 866-610-1072 within the United States and 973-935-2840 for all other locations. The confirmation code is 1177498. Participants should dial in 10 minutes prior to the scheduled start time.

A live webcast of the conference call and associated presentation materials will be available in the investor relations section of each company's website at investors.fiserv.com and investor.firstdata.com.

A replay of the conference call will be available after the completion of the conference call through March 15, 2019, and can be accessed by dialing 800-585-8367 from the United States or 404-537-3406 from outside the United States. The replay confirmation code is 1177498. The webcast will be archived in the investor relations section of each company's website.

About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients worldwide to create and deliver financial services experiences in step with the way people live and work today. For 35 years, Fiserv has been a trusted leader in financial services technology, helping clients achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and insights and optimization. Fiserv is a member of the FORTUNE® 500 and has been named among the FORTUNE Magazine World's Most Admired Companies® for five consecutive years, recognized for strength of business model and innovation leadership. Visit fiserv.com and [follow on social media](#) for more information and the latest company news.

About First Data

First Data (NYSE: FDC) is a global leader in commerce-enabling technology, serving approximately 6 million business locations and 4,000 financial institutions in more than 100 countries around the world. The company's 22,000 owner-associates are dedicated to helping companies, from start-ups to the world's largest corporations, conduct commerce every day by securing and processing more than 3,000 transactions per second and \$2.4 trillion per year. For more information, visit www.firstdata.com and follow us on Twitter at [@FirstData](#) and [LinkedIn](#).

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe the company's future plans, objectives or goals are also forward-looking statements.

Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that could cause Fiserv's actual results to differ materially include, among others: the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the transaction within the expected time frames or at all and to successfully integrate the operations of First Data into those of Fiserv; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected, including for possible reasons such as unexpected costs, charges or expenses resulting from the transaction; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that may be instituted against Fiserv, First Data and others related to the merger agreement; unforeseen risks relating to liabilities of Fiserv or First Data may exist; stockholder approval or other conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the amount of the costs, fees, expenses and charges related to the transaction, including the costs, fees, expenses and charges related to any financing arrangements entered into in connection with the transaction; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction. Fiserv and First Data are subject to, among other matters, changes in customer demand for their products and services; pricing and other actions by competitors; general changes in local, regional, national and international economic conditions and the impact they may have on Fiserv and First Data and their customers and Fiserv's and First Data's assessment of that impact; rapid technological developments and changes, and the ability of Fiserv's and First Data's technology to keep pace with a rapidly evolving marketplace; the impact of a security breach or operational failure on Fiserv's and First Data's business; the effect of proposed and enacted legislative and regulatory actions in the United States and internationally affecting the financial services industry as a whole and/or Fiserv and First Data and their subsidiaries individually or collectively; regulatory supervision and oversight, and Fiserv's and First Data's ability to comply with government regulations; the impact of Fiserv's and First Data's strategic initiatives; Fiserv's and First Data's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the ability to contain costs and expenses; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; acts of war and terrorism; and other factors included in "Risks Factors" in Fiserv's and First Data's respective filings with the SEC, including their respective Annual Reports on Form 10-K for the year ended December 31, 2017, and in other documents that the companies file with the SEC, which are available at www.sec.gov. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. Fiserv and First Data assume no obligation to update any forward-looking statements, which speak only as of the date of this press release.

Additional Information and Where to Find It

This press release does not constitute an offer to sell or the solicitation of an offer to buy or sell any securities or a solicitation of a proxy or of any vote or approval. This press release may be deemed to be solicitation material in respect of the proposed transaction contemplated by the Agreement and Plan of Merger, dated as of January 16, 2019 (the “Merger Agreement”), by and among Fiserv, Inc. (“Fiserv”), 300 Holdings, Inc. (“Merger Sub”) and First Data (“First Data”). In connection with the proposed transaction contemplated by the Merger Agreement, Fiserv intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the “SEC”) that will include a joint proxy/consent solicitation statement of Fiserv and First Data that will also constitute a prospectus of Fiserv. This press release is not a substitute for the registration statement, the joint proxy/consent solicitation statement/prospectus or any other documents that will be made available to the stockholders of Fiserv and First Data, or any other documents that any party to the Merger Agreement, including Fiserv, First Data, or any of their respective affiliates, may file with the SEC or make available to their respective security holders. **SHAREHOLDERS OF FISERV AND FIRST DATA AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, INCLUDING THE JOINT PROXY/CONSENT SOLICITATION STATEMENT/PROSPECTUS (WHEN AVAILABLE) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED COMBINATION.**

When available, stockholders will be able to obtain copies of the registration statement, including the joint proxy/consent solicitation statement/prospectus and any other documents that may be filed with the SEC (when available) free of charge from the SEC’s website at www.sec.gov. Copies of documents filed with the SEC by Fiserv also can be obtained free of charge from Fiserv’s website at fiserv.com. Copies of documents filed with the SEC by First Data also can be obtained free of charge from First Data’s website at firstdata.com.

Participants in the Solicitation

Fiserv, First Data, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Fiserv is set forth in the proxy statement relating to Fiserv’s 2018 annual meeting of stockholders filed with the SEC on April 10, 2018. Information about the directors and executive officers of First Data is set forth in the proxy statement relating to First Data’s 2018 annual meeting of stockholders filed with the SEC on March 29, 2018. Additional information regarding the interests of these participants will be included in the joint proxy/consent solicitation statement/prospectus regarding the proposed transaction and other relevant materials to be filed with the SEC when they become available. Shareholders should read the joint proxy/consent solicitation statement/prospectus carefully if and when it becomes available before making any voting or investment decisions. Shareholders may obtain free copies of these documents as described in the preceding paragraph.

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FISV-E

Fiserv to Combine with First Data to Create Global Leader in Payments and FinTech

Investor Presentation
January 16, 2019

First Data

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Forward Looking Statements

The information disclosed in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding expected financial results of the combined company including anticipated free cash flow and the impact of any expected synergies, and the ability of Fiserv to complete the proposed acquisition and related transactions and to achieve the synergies described herein. Statements can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe Fiserv's future plans, objectives or goals are also forward-looking statements.

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Presenters

Jeff Yabuki, President and CEO, Fiserv

Frank Bisignano, Chairman and CEO, First Data


Transaction Summary

Structure and Exchange Ratio	<ul style="list-style-type: none"> All-stock consideration, creating a global leader in financial and payments technology First Data's shareholders will receive 0.303 new Fiserv shares for each First Data share (equivalent to \$22.74 per share)¹ Pro forma ownership: 57.5% Fiserv shareholders / 42.5% First Data shareholders² \$22 billion implied equity value for First Data representing a 29% premium to the five-day volume weighted average price as of January 15, 2019, and a premium of approximately 15% to enterprise value
Governance and Leadership	<ul style="list-style-type: none"> Jeff Yabuki to be Chairman and CEO of the combined company Frank Bisignano to be President, COO, and a director of the combined company 10 member board, 6 of whom will be from the board of Fiserv and 4 of whom will be from the board of First Data
Capital Structure	<ul style="list-style-type: none"> Significant free cash flow generation should allow rapid debt reduction over 24 months with Debt/EBITDA ratio expected to be generally in-line with Fiserv's historical performance Expect Moody's and S&P Global both to affirm Fiserv's existing ratings of Baa2/BBB, respectively
Name / HQ	<ul style="list-style-type: none"> Consolidated company will continue as Fiserv Global headquarters will be located in Wisconsin
Timing and Approvals	<ul style="list-style-type: none"> Transaction is expected to close during the second half of 2019 Subject to customary closing conditions including regulatory and shareholder approvals New Omaha Holdings, an affiliate of KKR, has entered into a voting agreement in support of the transaction

¹ Based on closing share prices of as of 1/15/2019

² Based on fully diluted ownership, including options and restricted stock units/awards, as applicable

Building Sustainable Value

Grow high-quality revenue Multiple opportunities to expand recurring revenue growth globally	
Expand operating margin Cost and operational efficiencies boost performance	
Extend differentiation through innovation and integration Proven integration capabilities; enhanced innovation funding	
Enhance engagement Best combined team in Fintech to deliver differentiated client value	
Maintain disciplined capital allocation Excellent free cash flow generation; investment grade ratings expected	

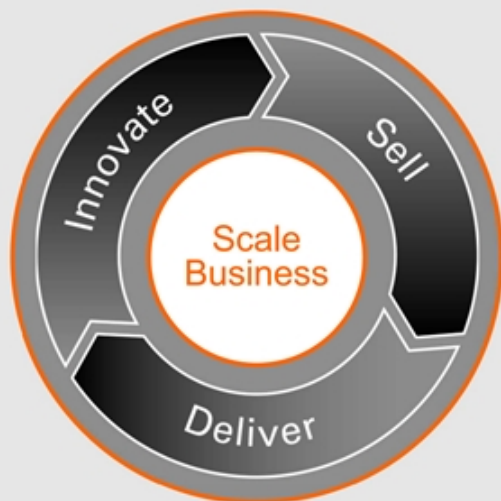
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Strong Business Model Attributes



mission-critical solutions

privileged relationships

high-quality recurring revenue

significant free cash flow

investments for the future



Business Model Alignment

Card-Based Payments and Security Solutions | (42% of EBITDA¹)

Broad set of card-based solutions for bank and non-bank issuers and wide range of value-added network services

Scale

 4,000+ FI connections 25 billion annual transactions
1.2 billion accounts on file 121 million cards (in STAR)

World-leading risk management solutions
 Transaction security
 Fraud prevention

 **Digitally-focused**

Card-based acceptance across multiple products

 Credit Retail Loans
Debit Commercial Prepaid

Consistent with current Fiserv business model

Global Merchant Acquiring | (58% of EBITDA¹)

Comprehensive merchant acquiring business solutions

Scale

 \$2.4 trillion annual global volume 68 billion annual transactions

Comprehensive distribution

 Partner solutions Financial institutions Direct

Leading solutions to meet merchant needs

 Global eCommerce Integrated payments Cloud-based POS offering (Clover)

New attractive and strategically aligned market, at scale

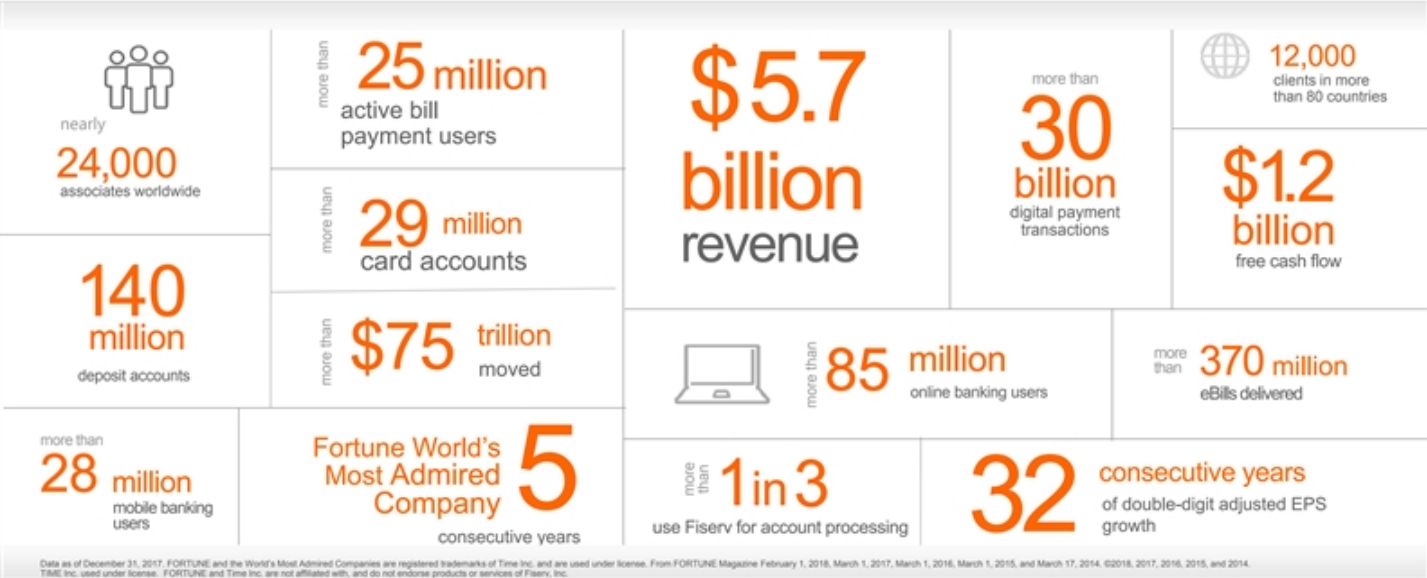
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¹ Based on segment EBITDA as reported by First Data on a stand-alone basis, based on financial information for the twelve months ended 9/30/2018; corporate expenses and eliminations allocated proportionately

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Fiserv by the Numbers



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First Data by the Numbers



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Strategic Investments in Technology Solutions

Enriches Future Value Proposition

Accelerate client value
through differentiated
solution integration

Develop new capabilities
based on market trends
and client need

Create transformative
digital experiences
reflecting changing client
needs

Incremental innovation investment

\$500 million

funded from cost synergies
deployed over five years

- Digital enablement
- Advanced risk management
- eCommerce
- Next-generation merchant solutions
- Data-focused solutions

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Significant Shareholder Value Opportunity

Significant cash flow generation	<ul style="list-style-type: none"> • Pro-forma \$3.6 billion in combined annual free cash flow¹ which includes run-rate synergies • Continued disciplined capital allocation strategy while maintaining investment grade debt ratings • Provides flexibility to strategically deploy capital to build shareholder value over next 18-24 months
Substantial cost savings	<ul style="list-style-type: none"> • Estimated \$900 million annual recurring cost synergies with full run-rate within five years of closing • Majority of savings from duplicative overhead, streamlining operations, enhanced operational efficiency and process improvements
Enhanced revenue growth potential	<ul style="list-style-type: none"> • Attractive opportunities from expanded capabilities and broadened geographic presence • At least \$500 million of anticipated run-rate revenue synergies over a five year period • Incremental strategic investments in technology solutions, innovation and integration of \$500 million over 5 years
Strong adjusted EPS accretion	<ul style="list-style-type: none"> • More than 20% accretive to adjusted EPS in the first full year following close • More than 40% accretive to adjusted EPS at anticipated full synergy run-rate
Strong financial position	<ul style="list-style-type: none"> • Committed financing has been obtained to refinance First Data's existing debt • Commitment to deleverage to historical levels within 24 months • Expect investment grade Baa2/BBB ratings for the consolidated company

First Data

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¹ For the last twelve months ended 9/30/2018, plus run-rate revenue synergies of \$500 million (at 45% margin) and run-rate cost savings of \$900 million; free cash flow defined as cash flow from operations less capex, less distributions to non-controlling interests and adjusted for one-time items

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Compelling Financial Profile

In billions, as of the twelve months ended 9/30/2018

	Fiserv	First Data	Synergies	Combined (including run-rate synergies ⁴)
Adjusted revenue ¹	\$5.5	\$8.6	\$0.5	\$14.6 ✓
Adjusted operating income ²	\$1.8	\$2.4	\$1.1	\$5.3 ✓
Free cash flow ³	\$1.2	\$1.5	\$0.9	\$3.6 ✓

¹ Adjusted revenue for Fiserv, as reported on a stand-alone basis; Segment revenue shown for First Data, as reported on a stand-alone basis

² Adjusted operating income includes proportional reporting for First Data, encumbered by stock-based compensation expense

³ Free cash flow defined as cash flow from operations, less capex, less distributions to non-controlling interests and adjusted for one-time items

⁴ Includes anticipated run-rate revenue synergies of \$500 million (at 45% margin) and run-rate cost savings of \$900 million; assumes 17.5% tax rate on synergies for purposes of combined free cash flow

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Anticipated Synergies Drive Accelerated Growth and Margin Expansion

Annual Run-Rate Cost Savings¹

Technology infrastructure	\$350 million
Operational synergies	\$200 million
Duplicative corporate structures	\$350 million
Total	\$900 million

Annual Run-Rate Revenue Synergies¹

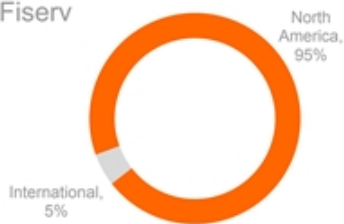
Distribution of merchant bank acquiring services	\$200 million
Expanded payments offerings and network innovation	\$250 million
Integrated Sales	\$50 million
Total	\$500 million

¹ Estimated synergies expected to be realized over 5 years

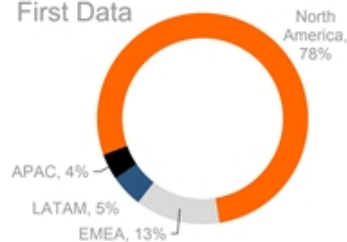
Expanded Geographic and Capabilities Presence

Geography

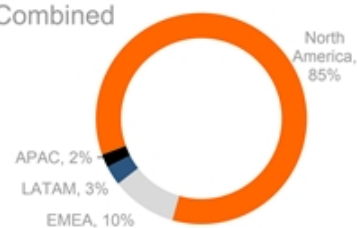
Fiserv



First Data

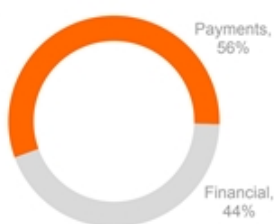


Combined



Capabilities

Fiserv



First Data¹



Combined



First Data

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Note: Based on financials as of the last twelve months ended 9/30/2018; excluding contribution from revenue synergies
¹ Card-based solutions includes Global Financial Solutions and Network and Security Solutions segments; Merchant acquiring includes Global Business Solutions segment

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