

# WESTERN UNION

## THE MARKET

Today, most Americans take for granted the ability to move money by check, credit card, or debit card. Living without these conveniences is hard for some people to imagine, yet many individuals prefer to use cash. For these consumers, another less-noticed layer of financial service providers is hard at work: the money transfer service.

Money transfer services allow funds to be sent from one location to another without requiring a bank account. Money transfer is an easy way to provide financial assistance to loved ones and is often

such as supermarkets, convenience stores, banks, and post offices. From completing the first transcontinental telegram to providing fast and reliable ways for consumers and businesses to move money globally, Western Union has had a profound effect on communications and financial transactions around the world. Headquartered in Denver, Colorado, as a subsidiary of First Data Corp., Western Union focuses on three main categories: money transfer, payment services, and prepaid services.



## ACHIEVEMENTS

The Western Union Telegram® message is a time-honored icon of communication — immortalized in film, television, a song titled “Western Union” recorded on Elvis Presley’s album “For the Asking,” and the Zane Grey novel *Western Union*. Telegrams predate the radio, telephone, movies, and television. While Western Union is best known for its telegram and money transfer services, the company has also made its mark bringing many “firsts” to the marketplace.

These firsts include completing the first transcontinental telegraph line, introduction of the stock ticker, launching a consumer charge card, offering inter-city facsimile service, and launching the United States’ first domestic communications satellite into space.

In its more than 150-year history, these and other innovations changed the way the world conducts business and how people communicate.

## HISTORY

In 1851, a group of New York businessmen started the New York and Mississippi Valley

Printing Telegraph Company. In 1856 the company changed its name to The Western Union Telegraph Company, symbolizing the “union” of eastern and western telegraph lines into one system, following the acquisition of a series of competing telegraph systems.

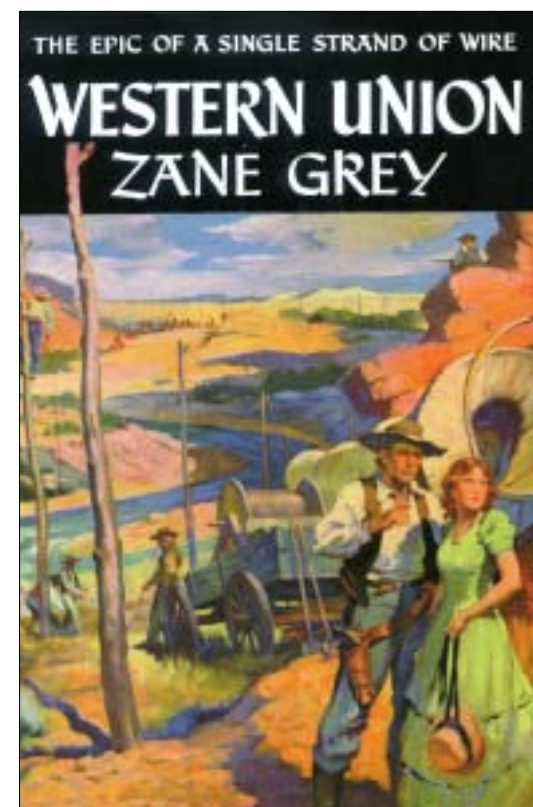
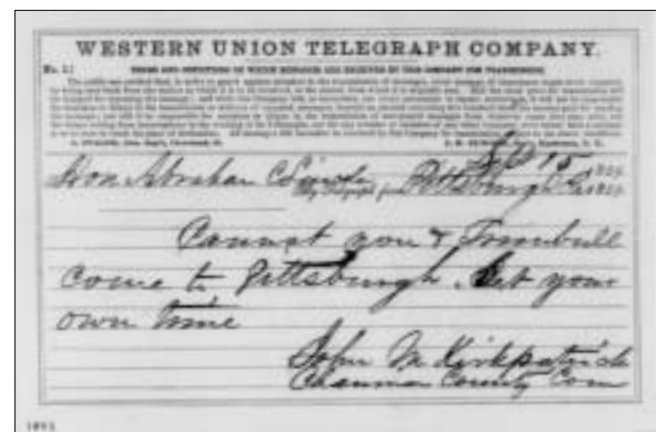
When the Civil War broke out, fast communication with the western part of the continent became essential. Poles needed to be posted and a telegraph line strung across the plains and over the rugged Rocky Mountains. Many observers believed that such a project would take at least 10 years. Western Union rose to the challenge and completed the historic line in less than one year. From those ambitious beginnings, the first national communications network was born.

Following the Civil War, westward expansion created a need to move capital, leading Western Union to introduce its money transfer service in 1871. The service accelerated when the United States entered World War I, when relatives began wiring money to soldiers throughout the United States and Europe.

As the world continued to change, Western Union kept pace with innovations of their own. In 1964, poles and wires were replaced with a microwave radio beam system. In 1982, Western Union became the first company to have five communications satellites in orbit, extending telecommunications services to an increasing number of countries around the world.

## THE PRODUCT

Consumers and businesses can quickly, reliably, and conveniently transfer



a preferred method for many immigrant workers sending money home to their families. The international remittance market continues to grow as more and more individuals leave their home countries in search of broader economic opportunities. In fact, according to a United Nations report from October 2002, more than 175 million immigrants live outside their country of origin.

Western Union, which introduced its money transfer service in 1871, remains a leader in the industry today. The Western Union Money Transfer® service is a reliable method for connecting families, friends, and businesses around the world.

Western Union, along with its international subsidiary Orlandi Valuta, operates in more than 190 countries and territories through an extensive Agent network, including more than 170,000 Agent locations around the world in businesses



news

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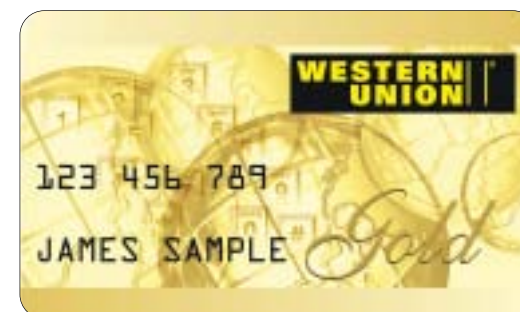
Contact: James H. Foster, Ext. 2325

Western Union's Westar satellites, the nation's first domestic communications satellites, continue to make communications history, most recently in the facsimile transmission of a leading U.S. newspaper from its typesetting plant in Massachusetts to a new printing facility in Florida. Other Westar milestones include the first domestic satellite transmissions of a variety of voice, data, radio, video and facsimile signals.

funds, send payments, or pre-pay for services using the proprietary Western Union Money Transfer® network. As a technology leader, the Western Union Money Transfer® service is available online at westernunion.com, via the telephone through the 1-800-CALL-CASHSM number, and through Agent locations worldwide.

Western Union started in commercial payment services in 1989 with a service created for creditors to collect payments. Today, Western Union offers several easy payment options that millions of consumers use to send payments for their mortgages, auto loans, utilities, and more. Additionally, the company recently added services to make online auction payments and cash payments for airline tickets or catalog purchases.

A growing area for Western Union is prepaid services. Consumers can use the company's vast Agent network to replenish their wireless phone minutes or prepay for local phone service. They can also purchase a Western Union® prepaid MasterCard® at participating Western Union Agent locations and use it at more than 30 million retail locations where MasterCard is accepted.



Not forgetting its roots, Western Union still offers messaging via a variety of direct mail services and even offers telegrams via the Internet for consumers who want to send a message with a personal and historical touch.

## RECENT DEVELOPMENTS

In the latter part of 2003 Western Union acquired majority stake in Epos, a U.K.-based provider of electronic payment systems for the prepaid cellular and mobile phone market.

## PROMOTION

Western Union has been at the forefront of innovation for more than 150 years. Its vast service offerings dedicated to consumer needs and its respected brand have made Western Union competitive in the marketplace. The company has grown tremendously worldwide and remains focused on building its global brand. The company



launched a new global advertising campaign in the spring of 2003 with the tagline, “Uniting people with possibilitiesSM.”

“Speed, reliability, convenience, and trust are key attributes that are the foundation of the Western Union brand. We are now building on that foundation to create a global brand framework that relates to people on a more personal level,” says Christina Gold, president of Western Union Financial Services, Inc. “We understand that when consumers use our services, it’s about much more than sending or receiving money. It’s about making a connection with a loved one. Our new brand structure helps us communicate that understanding, and it also offers us greater flexibility to showcase our array of payment and prepaid services and many choices of service delivery.”

To further support the consumer-focused strategy, Western Union launched the Western Union® Gold Card, a loyalty program designed to reward consumers for frequent use of Western Union Money Transfer and Payment Services. The program was initially rolled out in the United States in 2002. Personalized cards speed up the transaction process and provide the opportunity to earn rewards. Western Union also provides convenience cards to receivers in Latin America and the Caribbean and plans to roll out the Gold Card program globally in the next few years.

## BRAND VALUES

Speed, reliability, convenience, trust, and value. These attributes have been continuously reinforced and built upon over the company's more than 150-year history and remain the foundation upon which the company operates.

The First Data Western Union Foundation has also been entrusted to further the company's global values by contributing to the improvement of health, education, and human services for those most in need around the world. Through the generous contributions of First Data, its many subsidiaries, employees, suppliers, and Western Union Agents worldwide, we are able to fulfill our mission with compassion, one community and one person at a time.

Much of Western Union's history has been set forth in various historical documents as well as through oral renditions by long-tenured employees; the facts as represented here are accurate to the best of the company's knowledge.

## THINGS YOU DIDN'T KNOW ABOUT WESTERN UNION

- The president of Western Union played a role in the United States' purchase of Alaska.
- In his early years, Thomas Edison was one of the fastest Morse Code operators for Western Union. He left Western Union, but later returned as an inventor of the carbon transmitter, which he sold to Western Union for \$100,000.
- Western Union helped standardize time nationally in 1870.
- In 1884, Western Union was selected as one of the original stocks in the first Dow Jones Average.
- Western Union introduced singing telegrams in 1933, and in 1958 introduced Telex.
- Norman Rockwell was commissioned by Western Union in the mid-1930s to do paintings that were featured on the top of the Easter, Valentine's, and Christmas telegram greetings.