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CONCORD EFS INC  
Form 425  
May 08, 2003

Filed by First Data Corporation  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934  
Commission File No: 001-31527  
Subject Company: Concord EFS, Inc.

First Data Corporation presented the following slide show at an investor conference held today:

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[GRAPHIC]

## **Payment Services**

May 8, 2003

[LOGO]

[GRAPHIC]

**David Banks, SVP Investor Relations**

Welcome & Opening Comments



**Safe Harbor**

Statements in this presentation regarding First Data Corporation's business which are not historical facts are forward-looking statements. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Please refer to the company's meaningful cautionary statements contained on the last slide of this presentation and the company's 2002 Annual Report on Form 10-K for a more detailed list of risks and uncertainties.

**Non-solicitation**

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

First Data Corporation and its directors and executive officers and other members of its management and employees, may be deemed to be participants in the solicitation of proxies from the stockholders of First Data Corporation in connection with the merger. Information about the directors and executive officers of First Data Corporation and their ownership of First Data Corporation stock is set forth in the proxy statement for First Data Corporation's 2003 annual meeting of stockholders.

[GRAPHIC]

## **Payment Services**

May 8, 2003

[LOGO]

[GRAPHIC]

**Payment Services**

**Charlie Fote**

Chairman and CEO

**Key Strengths**

[GRAPHIC]

Strong, profitable track record

Highly visible recurring revenue stream

Long runway for growth

Great scale and distribution capability

World-class brand

**Payment Services:  
Revenue Contribution**

Percent of 2002 First Data Revenue

[CHART]

First Data's largest contributor

**Strong, Consistent Record of Growth**

**In top line . . .**

Revenues (\$B)

[CHART]

**Continued excellent growth**

... and in profits

Profit (\$B)

[CHART]

**A record of flawless execution**

Note: Adjusted for SFAS 142



... and in operating leverage

Margins

[CHART]

**Consistent 30% + margins**

Note: Adjusted for SFAS 142

**Exceptional Growth Rates**

Revenue up 19%

Profit up 22%

Profit margin 33%

Transactions:

Consumer-to-consumer up 23%

Consumer-to-business up 11%

Prepaid services up 43%

[GRAPHIC]

**Sales and Distribution Powerhouse**

Expand worldwide agent distribution network by 20%

Diversify channels and services

Build the brand

Cross sell First Data services

[LOGO]

[GRAPHIC]

[GRAPHIC]

**Payment Services**

**Christina Gold**

President, Western Union

**Payment Services  
Senior Leaders**

**Bill Thomas**

President - Western Union International

**Mike Yerington**

President - Western Union North America

**Adam Coyle**

President - Integrated Payment Systems

**Michael Hagerty**

Chief Marketing Officer - Western Union

**Scott Scheirman**

CFO

**2002 Payment Services Revenue**

**\$3.2 billion, up 18%**

[CHART]

**Western Union Money Transfer Revenue**

**1996**

[CHART]

**2002**

[CHART]

**First Data: Winning in the Marketplace**

- |   |   |           |
|---|---|-----------|
| 1 | Well positioned in a huge market                    | [GRAPHIC] |
| 2 | Expand and diversify distribution                   | [GRAPHIC] |
| 3 | Build the brand and enhance the consumer experience | [GRAPHIC] |
| 4 | Leverage channels and diversify product offerings   | [GRAPHIC] |



- |   |   |           |
|---|---|-----------|
| 1 | <b>Well positioned in a huge market</b>             | [GRAPHIC] |
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**Well Positioned in Huge Markets**

**Estimated Remittance Market = \$138B**

[CHART]

**Huge market opportunity**

Source: International Monetary Fund, 2002

**Well Positioned in High-Growth Markets**

**Western Union International**

**Transactions**

[CHART]

**Well Positioned in Huge Markets**

**Millions of Immigrants by Region**

[GRAPHIC]

**Total = 175 million**

Source: United Nations, October 2002

**Immigration Trends = Opportunity**

*Remittance payments to Latin America and the Caribbean topped \$32 billion in 2002*

(Source: Wall Street Journal, March 17, 2003)

*Approximately 4.5 million overseas-born persons are living in Australia, which is about one quarter of the country's population.*

(Source: Organization for Economic Cooperation and Development)

***European Union population growth will likely come almost entirely from immigration and migration in the next 10-20 years.***

(Source: European Report, February 12, 2003)

***The number of Asians working overseas is expected to be 3-4 times greater in 2003 than in 1993.***

(Source: Migration News, 2002)

**Leader in a Competitive Landscape**

[LOGO]

Global money transfer companies

Market niche players

Emerging technologies

Banks

Informal sector

**Regulatory Environment**

Ever-changing, especially since 9/11

Implemented Wire Watch automated compliance system

Comprehensive agent training and auditing program

Dedicated professional people

[GRAPHIC]



**First Data: Winning in the Marketplace**

- 1 Well positioned in a huge market [GRAPHIC]
- 2 **Expand and diversify distribution** [GRAPHIC]
- 3 Build the brand and enhance the consumer experience [GRAPHIC]
- 4 Leverage channels and diversify product offerings [GRAPHIC]

**Western Union Worldwide Distribution**

159,000 Agent locations in 195 countries & territories

Adding ethnic agents for key receiving countries

More than 20,000 locations in backlog

Very secure network

Majority of business under long-term contracts

High renewal rates

Statistics as of March 31, 2003

**Western Union is Everywhere:  
Here s Just One DM Houston**

[GRAPHIC]

**Extensive coverage - on a city-by-city basis**

**Americas Key Agent Signings**

[GRAPHIC] => Nearly 4,500 locations

**Europe / Middle East / Africa Key Signings**

[GRAPHIC] => More than 7,200 locations

**Western Union Asia Pacific Key Signings**

[GRAPHIC] => More than 7,800 locations

[CHART]

**Overview / Strategy**

Population is 80M

Remittance market is \$8B

Continue roll-out of SmartMoney and Landbank locations

Raise brand awareness and focus on new Agent signings

[CHART]

**Overview / Strategy**

Population is 1.3B

Remittance market is \$11B

End 2003 with 10,000 locations

Focus on ethnic locations in key sending countries

Raise brand awareness



[CHART]

**Overview / Strategy**

Population is 1.1B

Remittance market is \$15B

End 2003 with 15,000 locations

Focus on ethnic locations in key sending countries

Raise brand awareness

**Agent Network by Class of Trade**

**International Agents**

[CHART]

**North America Agents**

[CHART]

**Transactions Generated by Class of Trade**

**International Agents**

[CHART]

**North America Agents**

[CHART]

**Western Union:**  
**Convenient Today**

[GRAPHIC]

**Western Union:  
Convenience Evolving**

[GRAPHIC]

**Western Union:**

**Still Greater Convenience in the Future**

[GRAPHIC]

**Western Union Location Growth**

[CHART]

**Expect about 20% growth in 2003**

**First Data: Winning in the Marketplace**

- |   |  |           |
|---|--|-----------|
| 1 | Well positioned in a huge market                           | [GRAPHIC] |
| 2 | Expand and diversify distribution                          | [GRAPHIC] |
| 3 | <b>Build the brand and enhance the consumer experience</b> | [GRAPHIC] |
| 4 | Leverage channels and diversify product offerings          | [GRAPHIC] |



**Run the Global Message Video**

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**Western Union Vision**

*To be the recognized leader in empowering people to make cash connections worldwide.*

GRAPHIC

**Recognized leader:**

Trusted - Best - Innovative

**Empowering people:**

Giving consumers choices in location, service and delivery options

**Cash connections:**

Quickly moving money, data and information

**Uniting People with Possibilities**

[CHART]

45

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**Western Union Brand Creates Value**

**Transaction Growth for One U.S. Agent's Network**

[CHART]

Note: Average monthly transactions per location

**Mexico Money Transfer Transaction Growth**

[CHART]

47

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[GRAPHIC]

[GRAPHIC]

**Western Union Events/Local Marketing**

[GRAPHIC]

**African local events**

[GRAPHIC]

**Pan-Hispanic Mother's Day Promotion**



**Western Union:**  
**Customer Relationship Management**

**Loyalty Card Program**

Significantly reduces transaction time

Consumer receives

Loyalty points

Discounts

Phone time

Increases retention and transaction frequency

[GRAPHIC]

**Gold Card**

[GRAPHIC]

**Silver Card**

**Media Builds Strong Brand Awareness**

**United States Awareness**

[CHART]

Source: Roper ASW OmniTel Study, October 2002

**International Aided Awareness**

[CHART]

Source: Research International, 2002; Acorn, 2002; IPSOS-VANTIS, Jan 2003

**Western Union Brand Equity**

Trusted and strong brand

Consistent brand investment

Focus on customer s needs

trust

speed

convenience

reliability

value

[GRAPHIC]

**First Data: Winning in the Marketplace**

- |   |  |           |
|---|--|-----------|
| 1 | Well positioned in a huge market                         | [GRAPHIC] |
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| 4 | <b>Leverage channels and diversify product offerings</b> | [GRAPHIC] |

**Western Union:**

**Leverage & Diversify Product Offerings**

[LOGO]

**Consumer Money Transfer**

**Bill Payments**

**Prepaid Services**

**Western Union:  
Money Transfer Revenue**

**1996**

[CHART]

**2002**

[CHART]

**Western Union:**

**Consumer-to-Consumer Money Transfers**

**Transactions**

[CHART]

57

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**Western Union:  
International Money Transfers**

**Transactions**

[CHART]



**Evolving Consumer-to-Consumer**

**Money Transfer Services**

International expansion

[GRAPHIC]

Home delivery

[GRAPHIC]

Next-day services

[GRAPHIC]

Loyalty programs

**Western Union:**

**Consumer-to-Business**

**Traditional Product Offerings**

Quick Collect

Urgent Bill Payments

Cash at Agent Location

Credit Card via phone or web

Alternative Payments

Bill Payments

Call Center

Voice Response Unit

Internet

**Expanded Product Offerings    Recurring Payments**

Paymap

Mortgage Payments

Equity Accelerator  
Just in time

E Commerce Group

Bill Payment

Desktop  
Voice Response Unit  
Internet

**Stored-Value Opportunity**

**Prepaid Services**

Current prepaid wireless market is \$125B face amount

Growing to \$250B by 2005, suggesting \$25B in fees to payment processors

2002 U.S. gift card sales \$38B

*(Source: Bain & Co.)*

Markets growing in double digits

[GRAPHIC]

**First Data Cross Selling:**

**Grace Kennedy**

[GRAPHIC]

200 + locations

**First Data Cross Selling:**

**German Postbank**

[GRAPHIC]

6,000 + locations

64

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**First Data: Winning in the Marketplace**

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|---|---|-----------|
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| 4 | Leverage channels and diversify product offerings   | [GRAPHIC] |

**Why First Data Wins**

Huge global growth opportunities

Unmatched distribution network

Strong brand

We have the strategies in place to win

[GRAPHIC]



[GRAPHIC]

**Payment Services**

Questions & Answers

**Cautionary Information Regarding Forward-Looking Statements**

Statements in this presentation regarding First Data Corporation's business which are not historical facts, including the revenue and earnings projections, are forward-looking statements. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Important factors upon which the Company's forward-looking statements are premised include: (a) continued growth at rates approximating recent levels for card-based payment transactions, consumer money transfer transactions and other product markets; (b) successful conversions under service contracts with major clients; (c) renewal of material contracts in the Company's business units consistent with past experience; (d) timely, successful and cost-effective implementation of processing systems to provide new products, improved functionality and increased efficiencies, particularly in the card issuing services segment; (e) successful and timely integration of significant businesses and technologies acquired by the Company and realization of anticipated synergies; (f) continuing development and maintenance of appropriate business continuity plans for the Company's processing systems based on the needs and risks relative to each such system; (g) absence of consolidation among client financial institutions or other client groups which has a significant impact on FDC client relationships and no material loss of business from significant customers of the Company; (h) achieving planned revenue growth throughout the Company, including in the merchant alliance program which involves several joint ventures not under the sole control of the Company and each of which acts independently of the others, and successful management of pricing pressures through cost efficiencies and other cost management initiatives; (i) successfully managing the credit and fraud risks in the Company's business units and the merchant alliances, particularly in the context of the developing e-commerce markets; (j) anticipation of and response to technological changes, particularly with respect to e-commerce; (k) attracting and retaining qualified key employees; (l) no unanticipated changes in laws, regulations, credit card association rules or other industry standards affecting FDC's businesses which require significant product redevelopment efforts, reduce the market for or value of its products or render products obsolete; (m) continuation of the existing interest rate environment so as to avoid increases in agent fees related to Payment Services' products and increases in interest on the Company's borrowings; (n) absence of significant changes in foreign exchange spreads on retail money transfer transactions, particularly in high-volume corridors, without a corresponding increase in volume or consumer fees; (o) continued political stability in countries in which Western Union has material operations; (p) implementation of Western Union agent agreements with governmental entities according to schedule and no interruption of relations with countries in which Western Union has or is implementing material agent agreements; (q) no unanticipated developments relating to previously disclosed lawsuits, investigations or similar matters; (r) successful management of any impact from slowing economic conditions or consumer spending; (s) no catastrophic events that could impact the Company's or its major customer's operating facilities, communication systems and technology or that has a material negative impact on current economic conditions or levels of consumer spending; (t) no material breach of security of any of our systems; and (u) successfully managing the potential both for patent protection and patent liability in the context of rapidly developing legal framework for expansive software patent protection.