

PNC and First Data Extend Merchant Alliance Agreement

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The PNC Financial Services Group, Inc. (NYSE: PNC) and First Data Corp. (NYSE: FDC) today announced the five-year extension of their PNC Merchant Services alliance agreement that began in 1996. The new agreement includes PNC's purchase of 20 percent of the merchant alliance, increasing its ownership to 60 percent, with First Data owning 40 percent upon the closing of the transaction.

Consideration will include cash and contributed merchant contracts. No additional terms of the deal were disclosed and the agreement is subject to regulatory approvals. First Data expects to record a gain from the transaction. Upon closing of the transaction, PNC will consolidate the merchant alliance for financial statement purposes.

The contribution of a recently acquired PNC merchant portfolio also expands the market footprint and reach of PNC Merchant Services. In addition, the two owners plan to re-engineer the sales model to more effectively deliver a unique value proposition that best leverages the strengths of each partner.

"PNC's continued alliance with First Data enables us to provide a variety of payment solutions as well as access to developing technology and innovation," said Joseph C. Guyaux, president, PNC. "The restructured agreement will allow PNC to integrate our cash management and card acceptance solutions to help our customers grow their business in a more secure and efficient environment."

"The unique strengths of this alliance and PNC's commitment to the marketplace and their market vision makes this the optimal approach to the merchant industry and ensures a successful partnership," said Scott Betts, president, First Data Enterprise Payments. "The continued commitment to our relationship reflects the durability and flexibility of our alliance program and our ability to meet the unique needs of our partners."

About First Data

First Data Corp. (NYSE: FDC) is a leading provider of electronic commerce and payment solutions for businesses and consumers worldwide. Serving 4.1 million merchant locations, 1,500 card issuers and millions of consumers, First Data powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment. The company's portfolio of services and solutions includes credit, debit, private-label, smart and stored-value card issuing and merchant transaction processing services; money transfer services; money orders; fraud protection and authentication solutions; check guarantee and verification services through TeleCheck; as well as Internet commerce and mobile solutions. Western Union and its subsidiary, Orlandi Valuta, together make up one of the world's largest money transfer networks with approximately 242,000 Agent locations in more than 200 countries and territories. The company's STAR Network offers PIN-secured debit acceptance at 1.7 million ATM and retail locations. For more information, visit www.firstdata.com.

About PNC

The PNC Financial Services Group, Inc. is one of the nation's largest diversified financial services organizations providing consumer and business banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services. For more information, visit www.pnc.com.

SOURCE: The PNC Financial Services Group, Inc.

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Web site: <http://www.pnc.com/>
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