



Analyst Day

March 1, 2006

*Helping people and businesses by providing affordable,
reliable and convenient payment services*

Forward Looking Statements

The statements contained in this press release regarding the business of MoneyGram International, Inc. that are not historical facts are forward-looking statements and are made under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances due to a number of factors, including, but not limited to: (a) loss of key retail agents in our Global Funds Transfer segment; (b) loss of large financial institution customers in our Payment Systems segment; (c) ability to successfully develop and timely introduce new and enhanced products and services, and to protect the intellectual property rights related to our existing and any new or enhanced products and services; (d) litigation or investigations that could result in material settlements, fines or penalties; (e) failure to continue to compete effectively; (f) ability to manage risks relating to U.S. federal and state regulatory requirements that could result in material settlements, fines or penalties, or changes in our business operations; (g) imposition of additional regulatory requirements in any of the foreign countries in which we operate; (h) ability to manage credit and fraud risks from our retail agents; (i) ability to manage credit risk related to our investment portfolio and our use of derivatives; (j) fluctuations in interest rates; (k) material changes in the market value of securities we hold; (l) unexpected liquidity needs; (m) ability to maintain efficient, secure and uninterrupted operation of our computer network systems and data centers; (n) ability to process and settle transactions accurately and efficiently; (o) ability to manage risks associated with our international sales and operations; (p) possible delay or prevention of an acquisition of our company which could inhibit a stockholder's ability to receive a premium on their investment from a possible sale of our company due to provisions contained in our charter documents, our rights plan and Delaware law; and (q) other factors more fully discussed in MoneyGram's filings with the Securities and Exchange Commission. Actual results may differ materially from historical and anticipated results. These forward-looking statements speak only as of the date on which such statements are made, and MoneyGram undertakes no obligation to update such statements to reflect events or circumstances arising after such date.

Today's Agenda

Welcome/Overview

Phil Milne

Payment Systems

Mary Dutra

Investment Portfolio

Bill Putney

Break

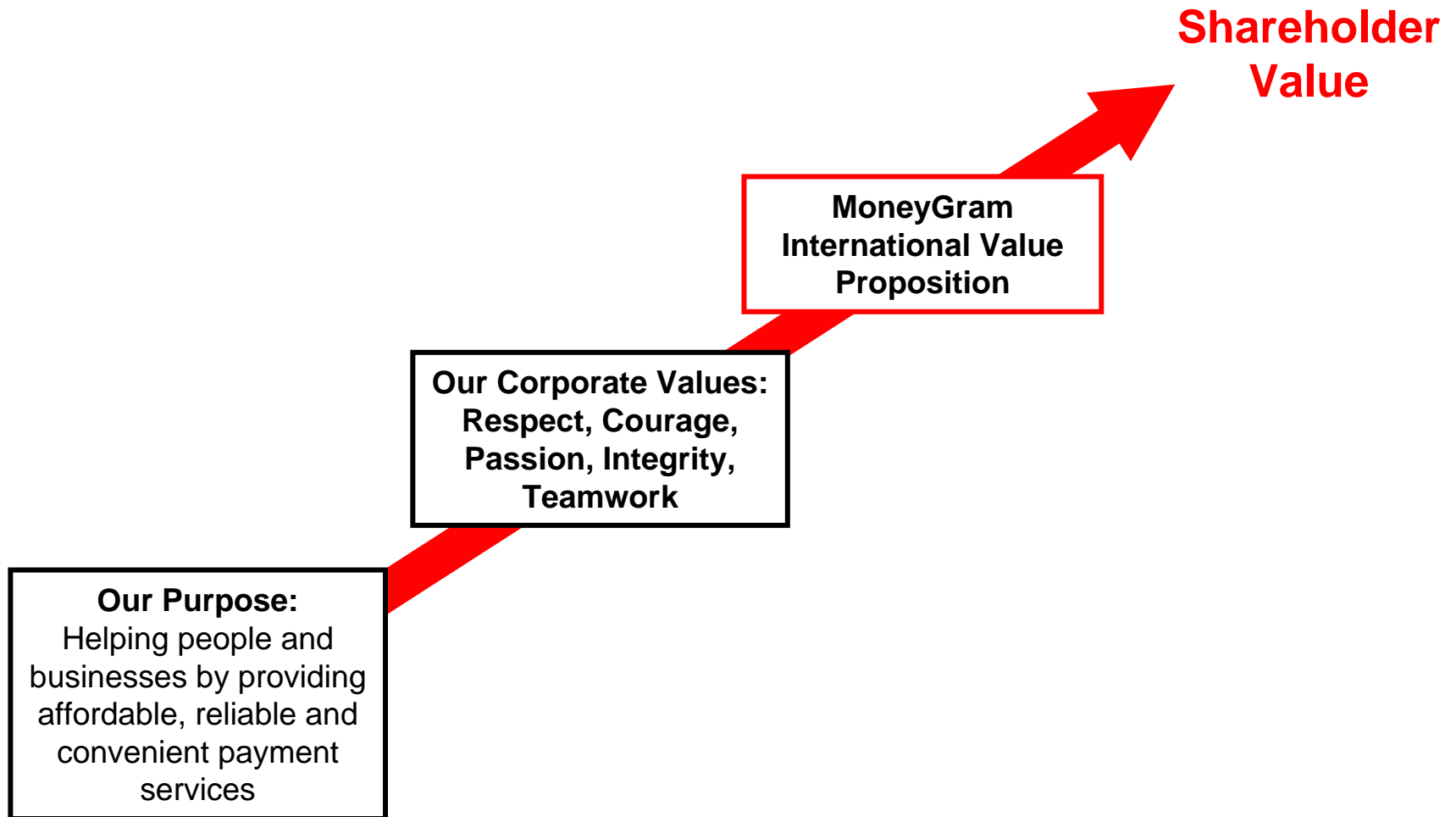
Global Funds Transfer

Tony Ryan

Q & A and Closing

Phil Milne

MoneyGram International, Inc.



2005 Financial Highlights

- Income from continuing operations before tax of \$146 million
- Net income from continuing operations of \$112 million
- Diluted earnings per share from continuing operations of \$1.30
- Fee revenue to total revenue grew to 62% from 52% in 2002
- Re-negotiated our bank credit facility
- Repurchased 2.3 million shares

We Operate Two Business Segments



Global Funds Transfer



Money Transfer

Retail Money Orders

Urgent Bill Payment

Products

Payment Systems



PrimeLink Suite

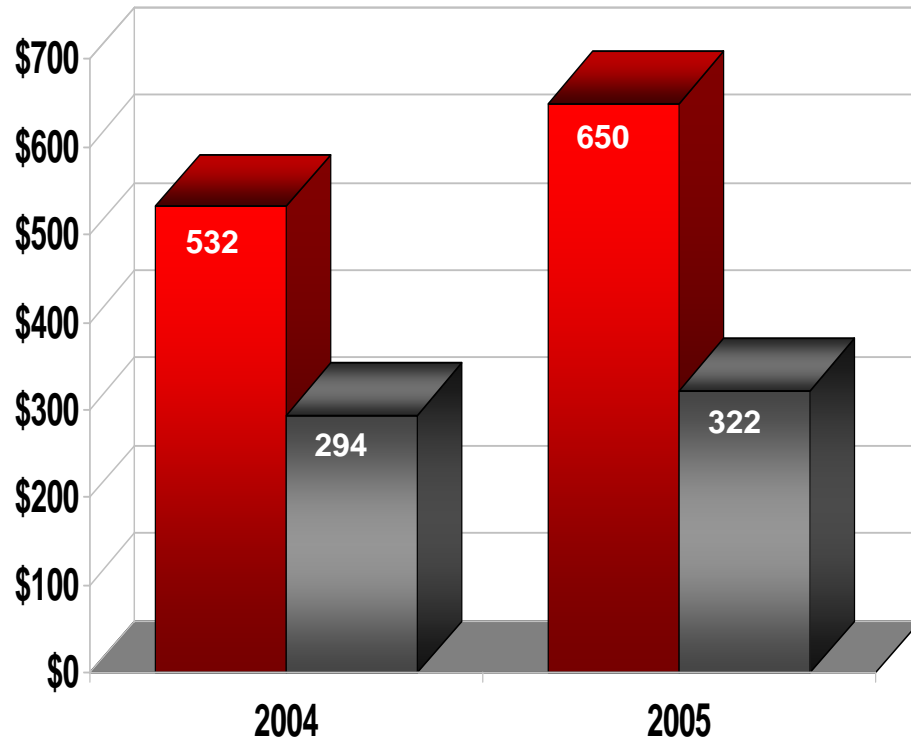
Financial Money Orders

Controlled Disbursement

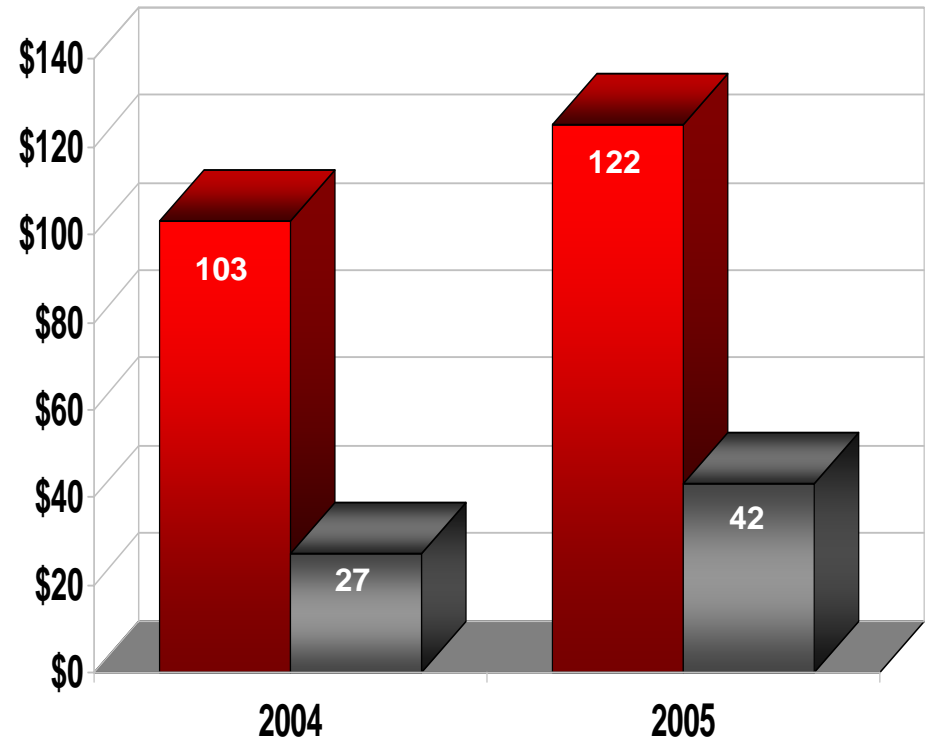
Segment Financial Performance

\$ in Millions

Revenue



Operating Income



■ Global Funds Transfer

■ Payment Systems

Company Highlights

Clear strategies for growth

Favorable end-market dynamics

A leader in payment services solutions and platforms

Leverageable platform

Long-term contracts

Long-term financial goals of double-digit revenue and earnings growth, and return on equity of 16-20%

Attractive financial profile; cash flow, margins, minimal debt, diverse and recurring revenues



Payment Systems

Mary Dutra

Executive Vice President

and

President Payment Systems

Product Suite

**MoneyGram
PrimeLink**

“Official Checks” – Primary product within Payment Systems. Full service turn-key outsourcing program for a bank’s official “Good Funds” check products.

**MoneyGram
PrimeLink Plus**

Web-based check issuance solution combined with local or remote MICR printing technology to create a secure, client-controlled “Good Funds” check on demand.

**MoneyGram
Money Orders**

Money order program tailored to the needs of the Financial Institution

**MoneyGram
FSMC**

Processor of rebate checks and WIC payments

Customer Profile

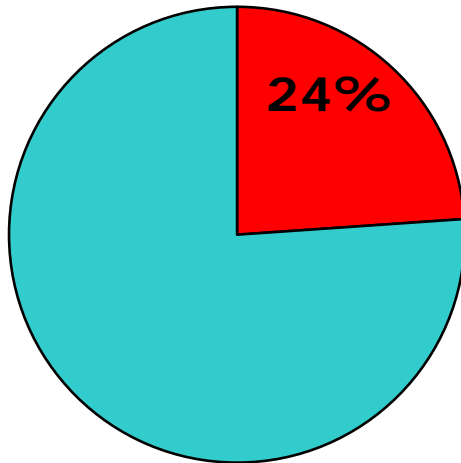


Market Position

Total FI market¹

- 18,000 Financial Institutions
- 90,000 Locations

Payment Systems
OC and FI Money Order
Relationships



Total FI: 18,000

MGI

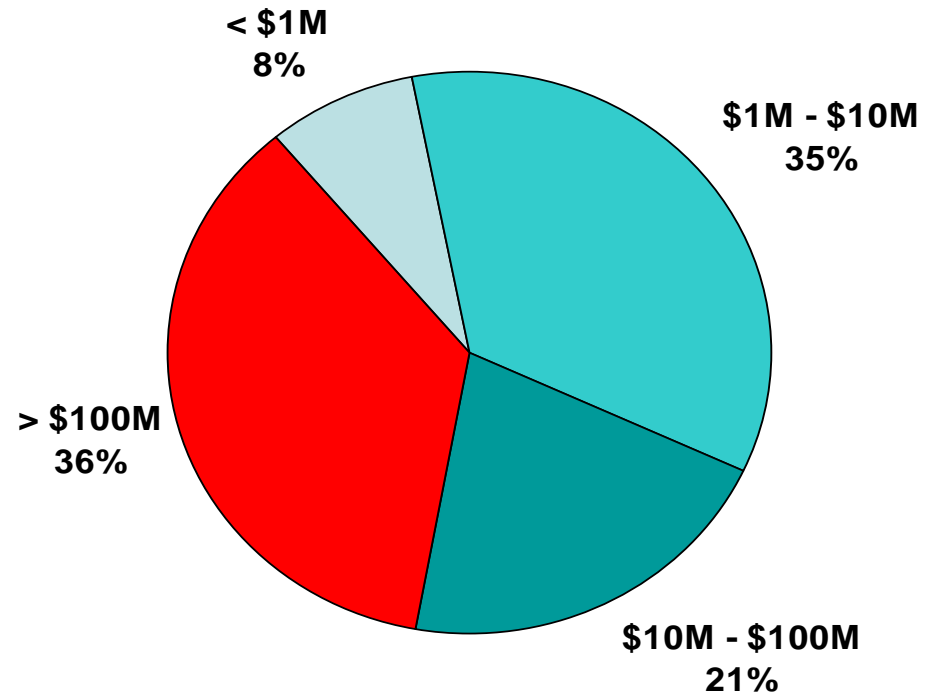
- Official Check & FI MoneyOrder
 - Nearly 4,300 relationships
 - Over 23,000 "Store Fronts"
 - Present in 1 in every 4 Store Fronts
- FSMC 300 + customer
 - 59% Rebate/Gift Certificate
 - 41% WIC

¹ FDIC and CUNA data

Market Position

Official Check Customer Mix

Quadrant	% of Balances
\$ < \$1M	8%
\$1M - \$10M	35%
\$10M - \$100M	21%
\$ > \$100M	36%



(As of 11/05)

Competitive Landscape

The Competition:

First Data (IPS)

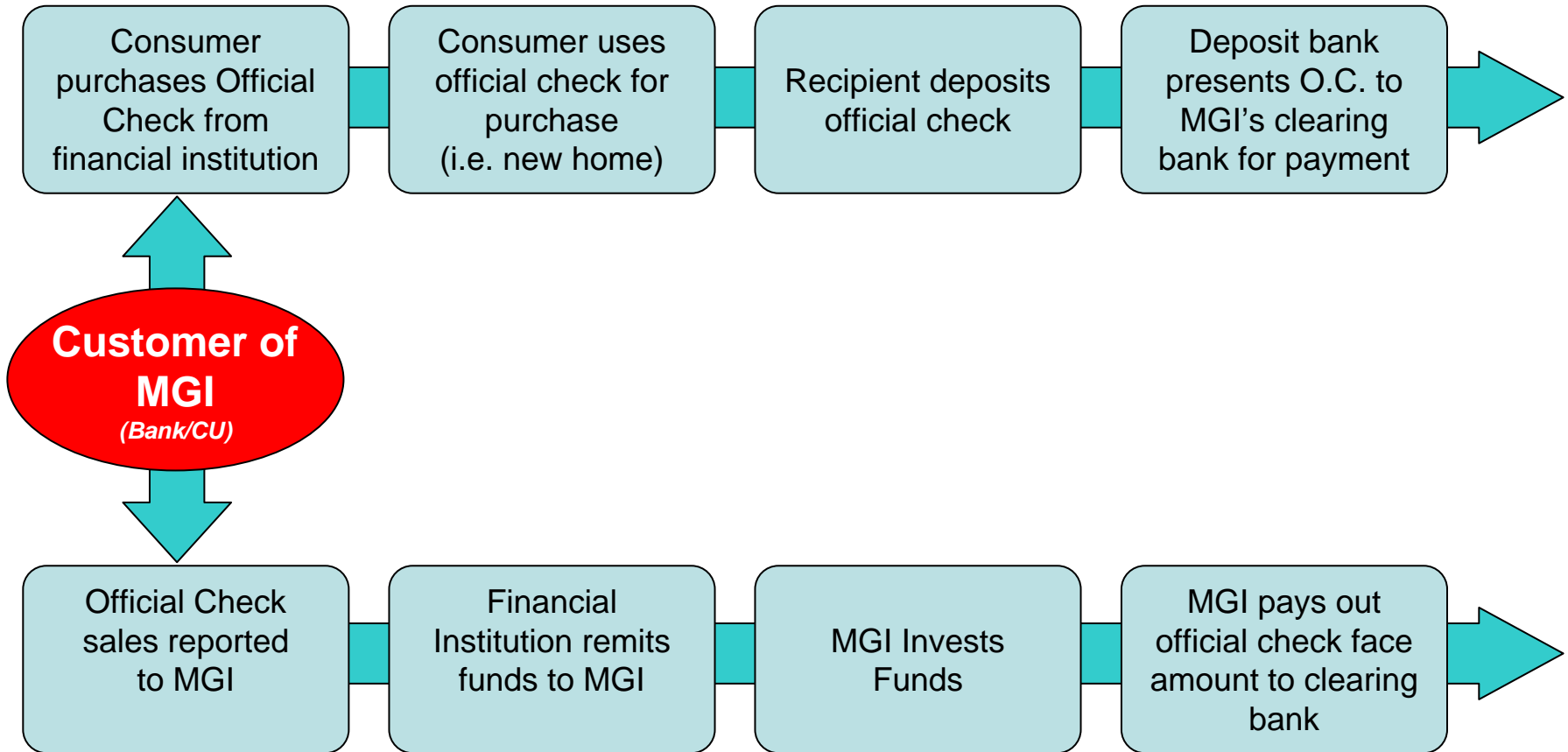
In-House

Corporate Credit Unions

Data Processors

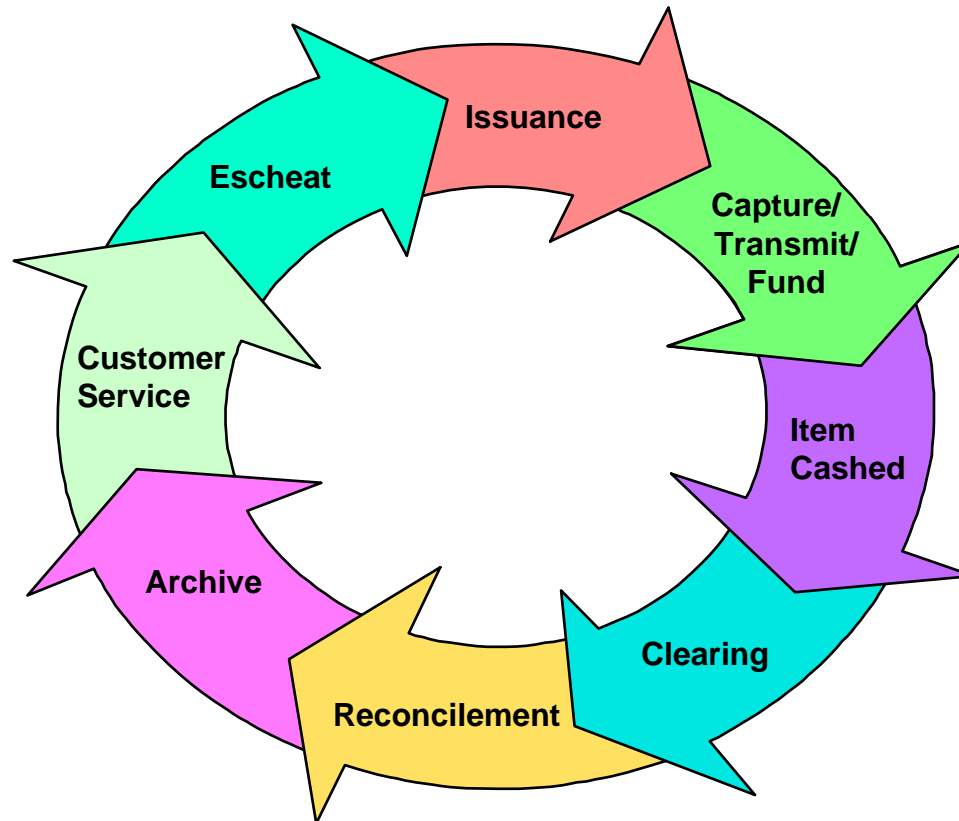
Fulfillment/Marketing Companies

Life Cycle of an Official Check



What We Do

Life Cycle of an Official Check Item



Benefits We Provide

Increased Control

- Inventory Management
- Complete Audit Trail
- Internet Access
- Acceptability
- Daily Account Reconciliation

"The MoneyGram Official Check Program has saved the credit union valuable staff time and money. Our branch personnel like the flexibility of web or voice access to learn check information quickly. A solid program – I recommend any financial institution to include it in their review."

Addison Avenue CU - Palo Alto, CA

Reduced Risk

- Daily Positive Pay Resolution
- Security Features
- Name Verified Reporting
- Confirmation Control on Stop Pay
- Printer Security Features
- Server/Application Features

"One of the main benefits to outsourcing our Official Check program has been the level of comfort we derive concerning our exposure to fraud. The positive pay reporting provided by MoneyGram lets us know in a very timely manner if there are any exceptions. United Community Banks appreciates the levels of service and protection provided by the MoneyGram Official Check program."

United Community Banks - Blairsville, GA

Benefits We Provide

Improved Bottom Line

- Reduced Costs
- Increased Revenue
- Eliminate/Reduce:
 - Item Processing
 - Exception Processing
 - Account Reconciliation

"MoneyGram and Independent Bankers Bank of Florida help community bankers focus on what's important. Community Banking. Their Official Check program has helped us prevent fraud losses, reduce administrative workload, and increase income while providing consistent high quality customer service."

The Jacksonville Bank - Jacksonville, FL

Regulatory Commitment

- SAS70 Compliant
- BBB Rating Status
- 1 to 1 Ratio
- Full Regulatory Compliance on Bank Products
- Check21

Payment Industry Trends

- Transition from paper to electronic disbursements
- Image Exchange Evolution
- Acceptance of SVC and ACH solutions
- Increased self-servicing of customer base
- Web based services
- Increased focus on regulatory compliance and fraud prevention
- Desire to consolidate provider relationships for end-to-end solutions
- Preferred low cost routing of Payment Transactions

Key Strategies

Provide discernable value in mutually beneficial relationships

Expand distribution channels and delivery methods

Delivering new payment products & related financial services



Investment Portfolio

Bill Putney

Executive Vice President
and
Chief Investment Officer

Investment Portfolio

I. Objectives

II. Investment Team

III. Portfolio Background

IV. Portfolio Highlights

V. Portfolio Characteristics

VI. Hedging

Portfolio Objectives

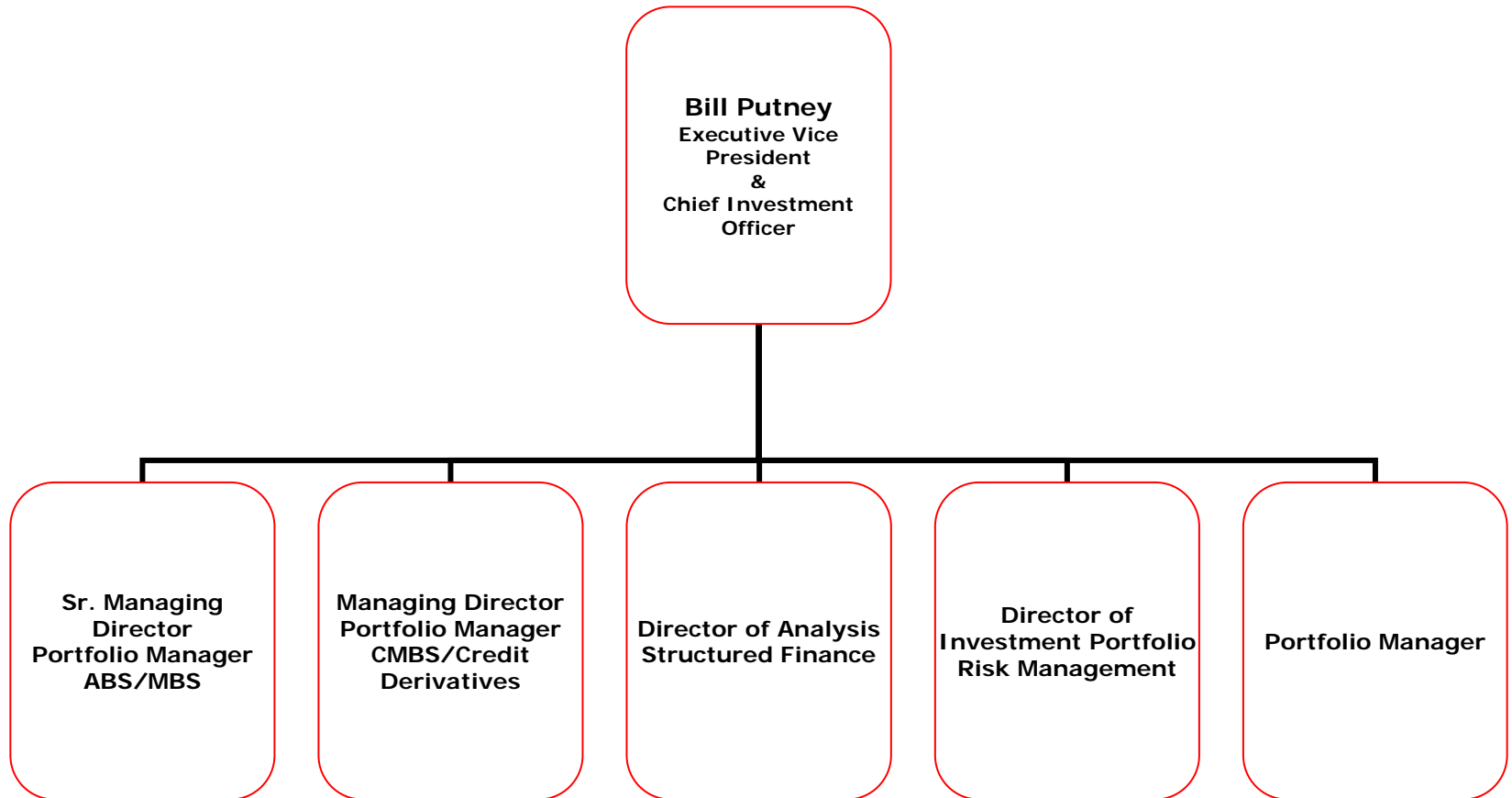
Provide liquidity for payment services obligations

Protect Principal

Generate attractive long-term returns

Investment Portfolio

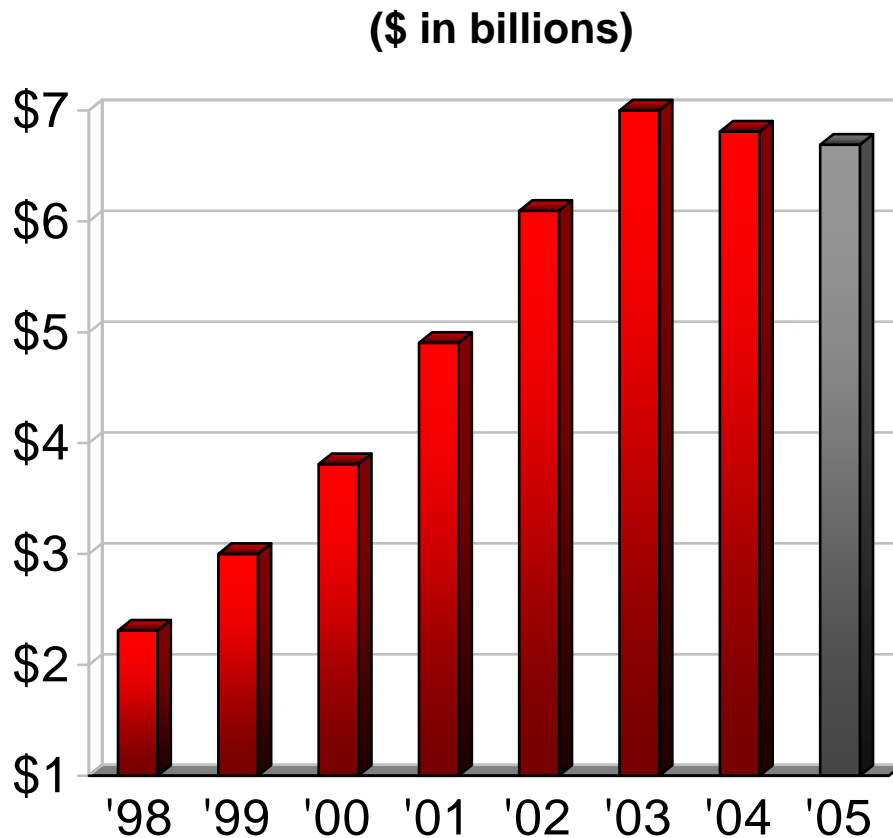
In-house Management Team



Portfolio Background

- Investments are generated from the Official Checks and Money Order products and our Retained Earnings
- MGI generates investment income from float balances associated with its PrimeLink and Money Order businesses
 - Established business provides for predictable “core” float
 - PrimeLink instruments have an average float duration of 3-5 days and comprise approximately 80% of the float
 - Money Orders have an average float duration of 7-9 days and comprise approximately 20% of the float

Investment Portfolio



- In late 2002 and 2003 mortgage refinance activity increased balances
- In 2004, refinance activity declined
- In 2005, client financial institution consolidation resulted in lower balances

Portfolio Highlights

- The MGI investment portfolio averaged \$6.7 billion in 2005
- Portfolio is invested in high grade fixed and adjustable rate income securities
- Weighted average portfolio rating is AA+
- Diversified portfolio – credit limit of 1% per name
- Weighted average effective duration of under 3 years net of hedging activities
- Multi-faceted portfolio oversight
 - Internal committees (F&I of Board; ALCO)
 - State regulatory bodies

Regulatory Oversight

- MoneyGram is required to maintain a 1-to-1 relationship between outstanding payment service obligations and market value of securities
- Permissible investments must have A- or better ratings
- Detailed *quarterly* permissible investment reporting to the state regulatory bodies

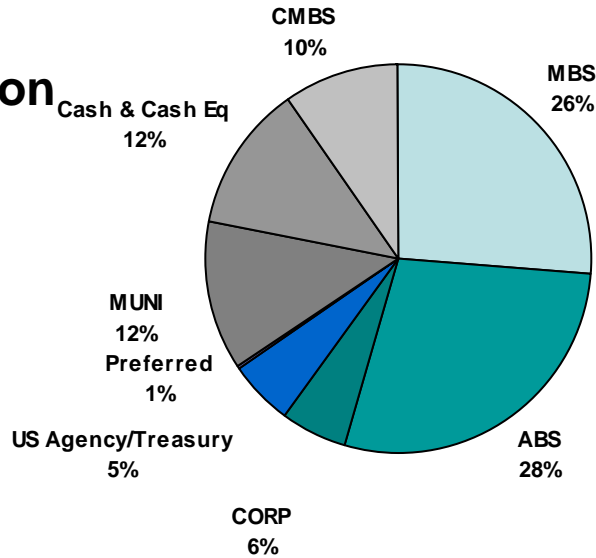
Investment Portfolio

Liquidity

- Balances fluctuate throughout the month
- Overnight vs. Long-term investing
- Portfolio Turnover

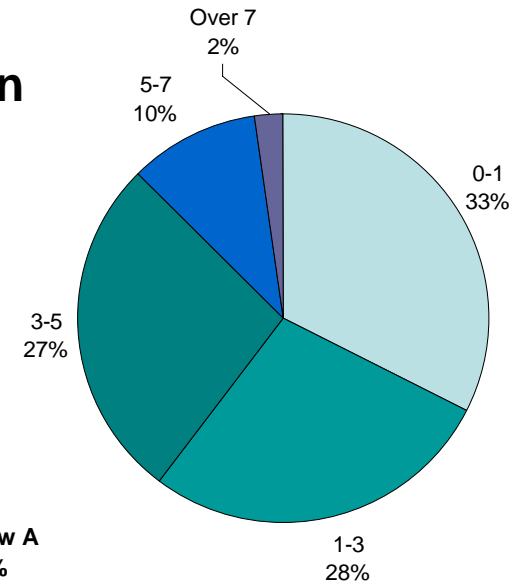
Portfolio Characteristics

Asset Allocation

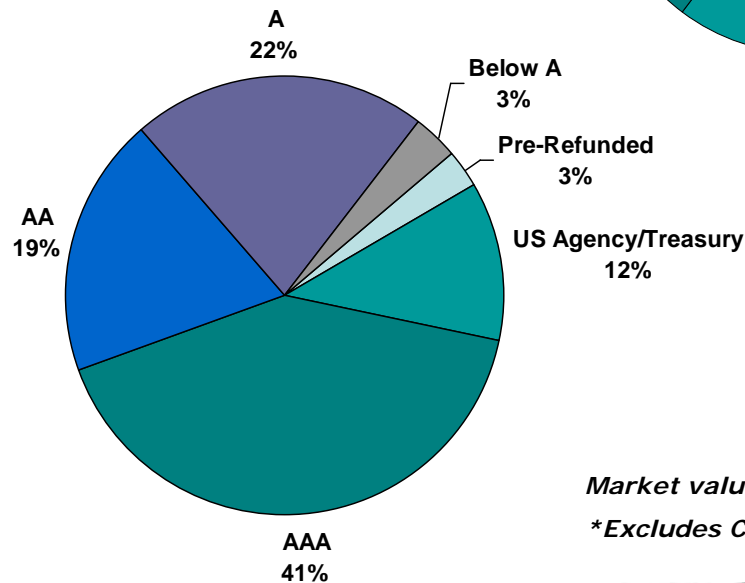


Effective Duration Distribution

Asset Average Effective Duration = 2.52 yrs
Net Duration Gap = 1.62 yrs



Credit Rating Distribution*



Market values as of 12/31/2005

*Excludes Cash & Cash Equivalent

Hedging Strategies

- The objective is to maintain spread for PrimeLink and Sale of Receivable Programs
- Tools
 - Interest Rate Derivatives
 - Adjustable Rate Securities
 - Cash

Interest Rate Sensitivity

	Down 100	Down 50	Up 50	Up 100
Pre-Tax Income from Continuing Operations	\$2,900	\$1,900	(\$3,300)	(\$5,600)
Percent Change	1.8%	1.2%	(2.0%)	(3.5%)
Market Value of Equity	\$88,700	\$48,900	(\$57,100)	(\$124,500)
Percent Change	14.5%	8.0%	(9.3%)	(20.4%)

As of 12/31/05



Global Funds Transfer Segment

Tony Ryan

Executive Vice President
and
President Global Funds Transfer

Agenda

- I. Segment Overview
- II. Money Transfer Industry
- III. MoneyGram Money Transfer
- IV. Consumer Payments
- V. Consumer Choice



Segment Overview

Product Overview

Consumer to Consumer

MoneyGram Money Transfer

eMoneyTransfer

Directed Sends

Multi-Currency

Consumer to Business

Consumer Payments

Express Payment

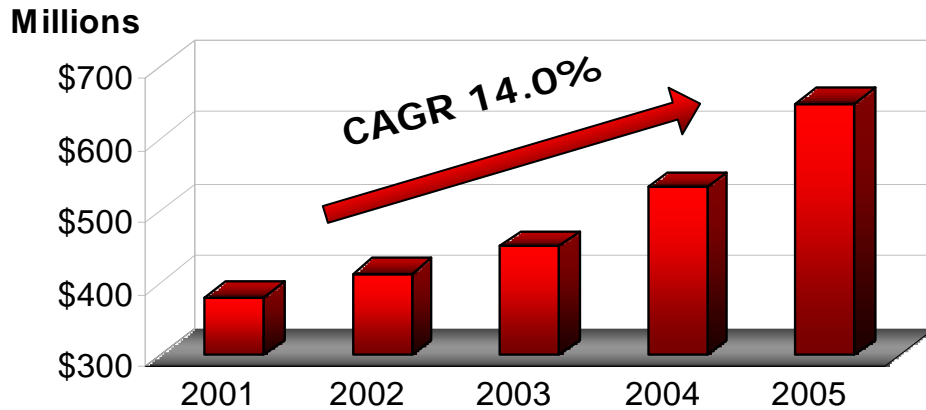
Convenience Payments

Money Orders

Consumer Purchases

Prepaid Card

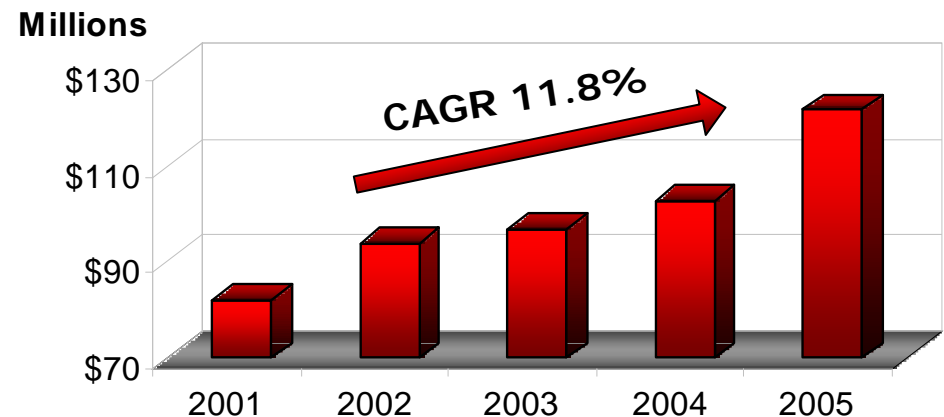
Historical Financials



GFT Revenue

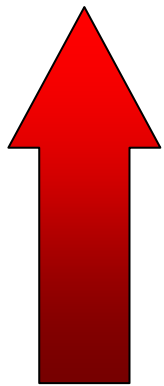
2005 growth \Rightarrow 22.1%

GFT Pretax Income
2005 growth \Rightarrow 18.6%



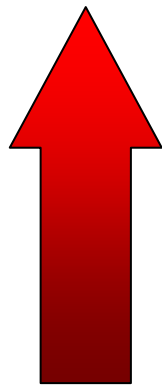
Money Transfer Statistics

5 Year CAGR's



32.8%

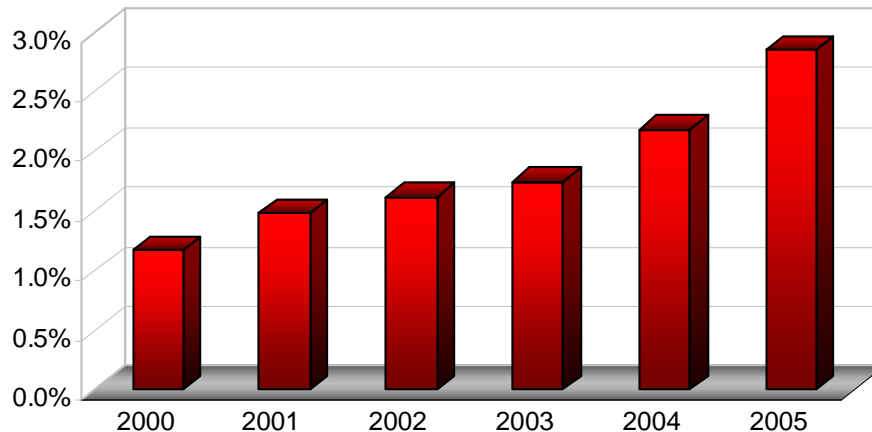
Volume



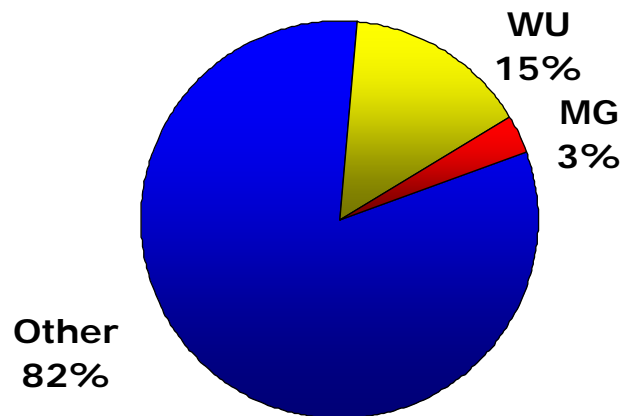
24.8%

Revenue

MoneyGram's Increasing Market Share¹



Market Share¹

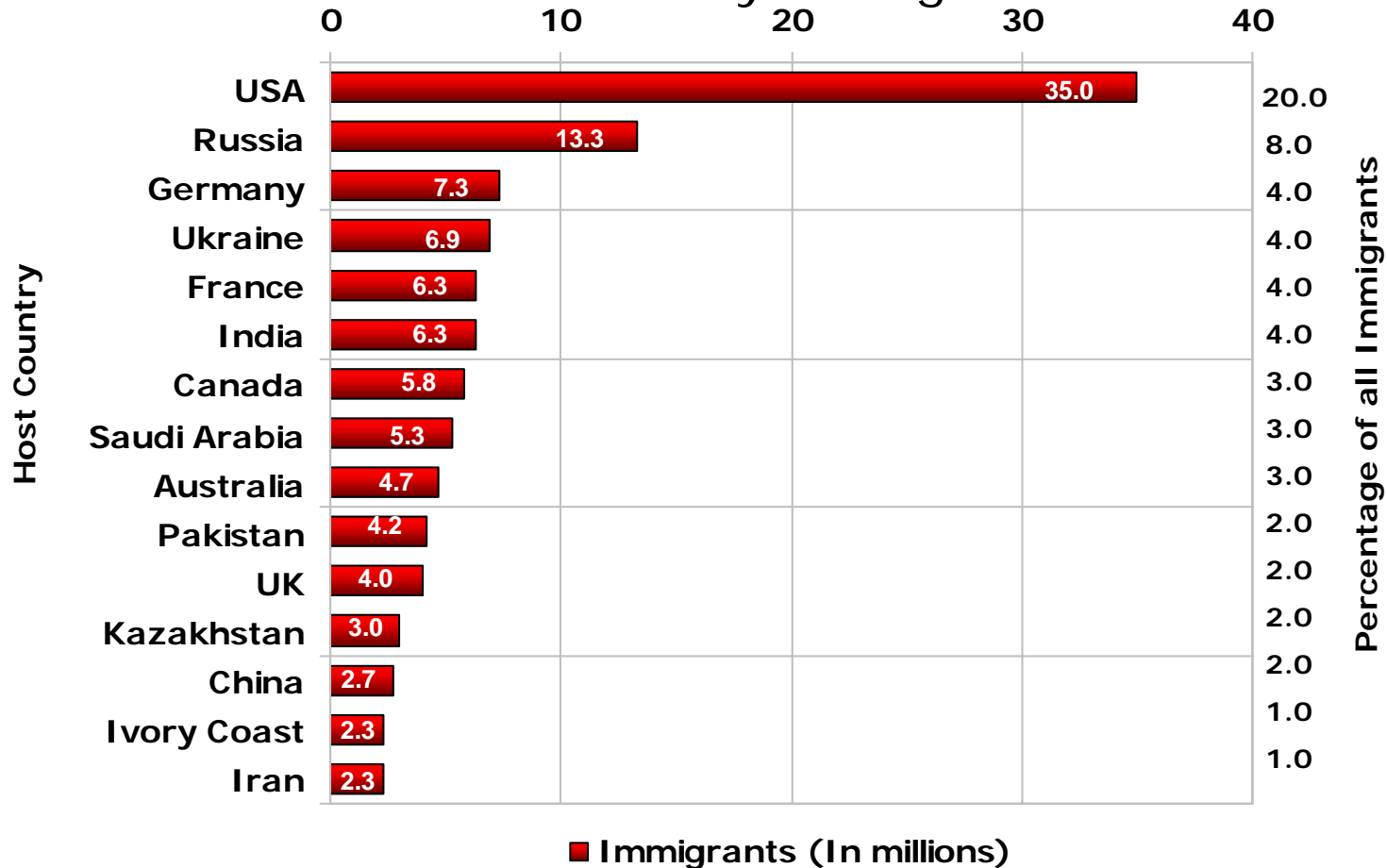




Money Transfer Industry

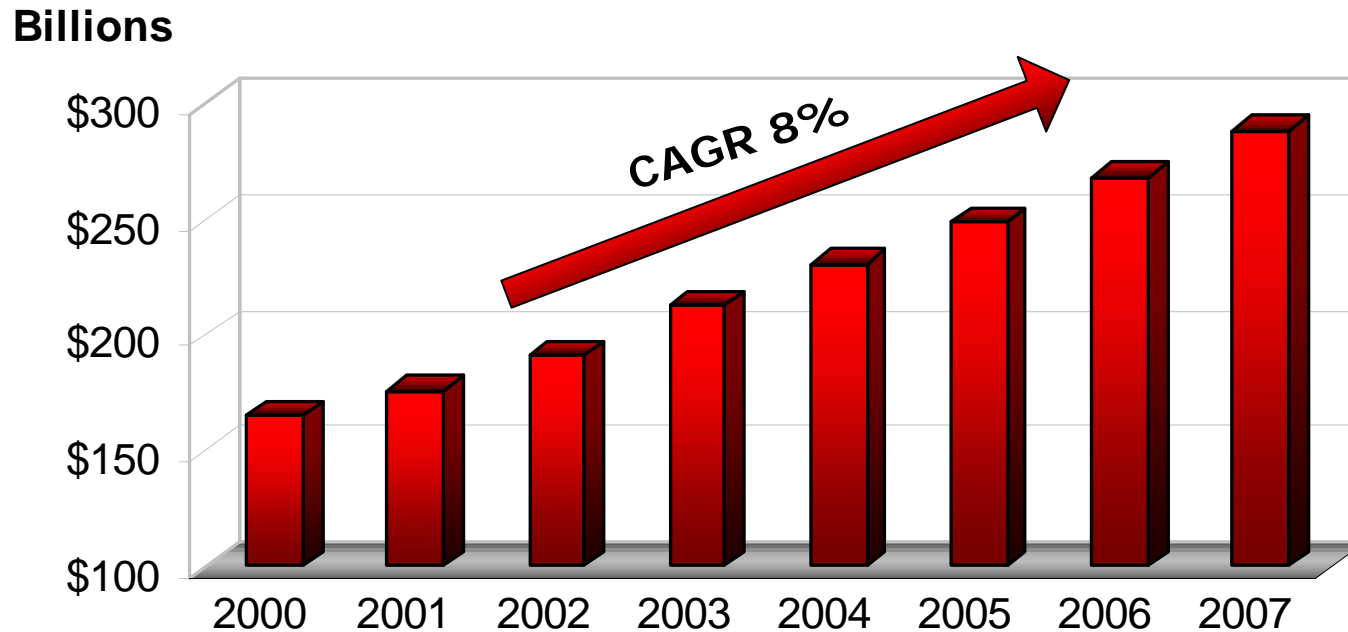
Money Transfer - Industry Overview

175 million people live outside their country of origin¹



Industry Growth

Money Transfer Market Size



Vast and growing market

MG View of Industry

Two consumers served in every transaction:

Sending Customer

- Working in host country
- Low to middle income
- Strong family ties

Receiving Customer

- Family members remaining in home country
- Lifetime journey
- Used for necessities

“To help people and businesses by providing affordable, reliable and convenient payment services”



MoneyGram Money Transfer

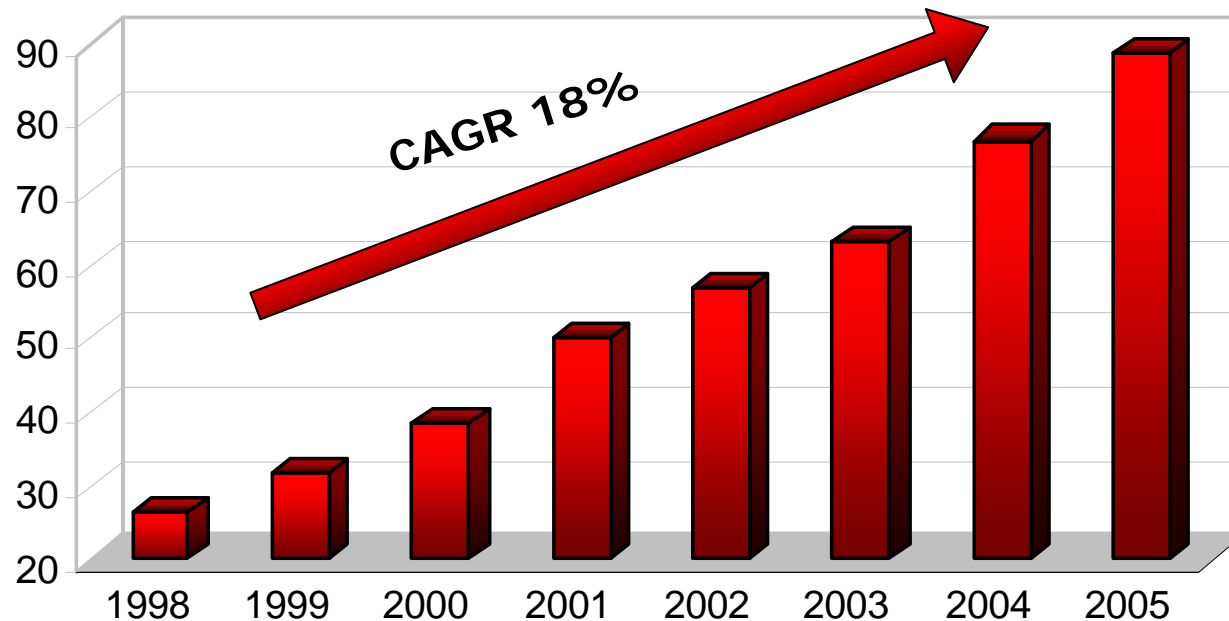
MoneyGram - Worldwide



MoneyGram is one of two global providers of money transfers, serving 170 countries and territories – up from 126 in 1998.

Global Agent Locations

MoneyGram Agent Locations
(in 000's)



Agent locations have grown from 26,000 in 1998 to 89,000 in 2005.

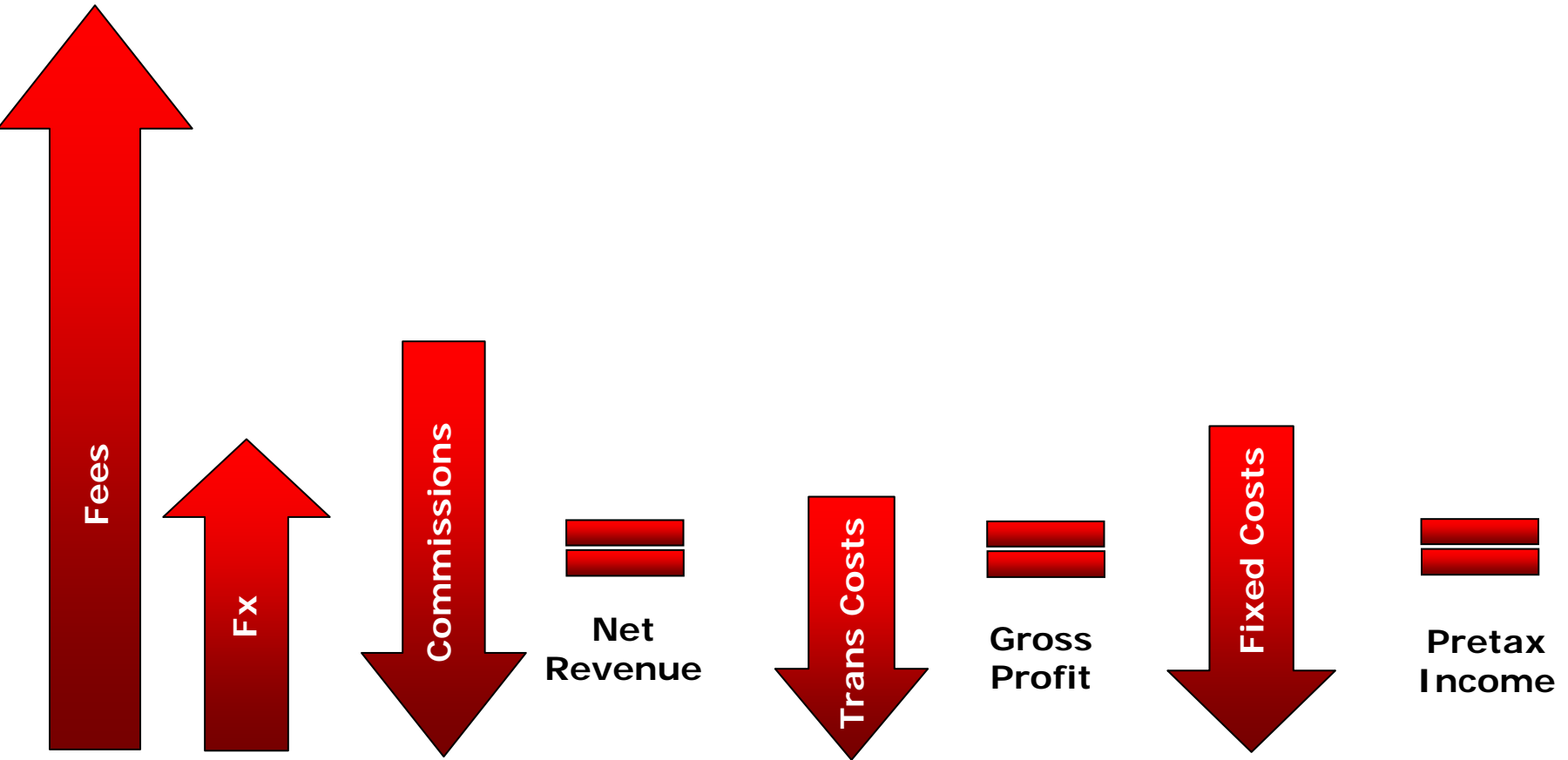
Agent Locations – by region



MoneyGram Agents



Transaction Economics



Global Marketing

Send Markets

From Washington DC, Chicago & select cities when you send up to \$100 to Ghana & Kenya.

Amount	Rate	Fee
\$1 - \$100	\$1.00*	\$3.00*
\$100.01 - \$500	\$1.00*	\$3.00*
\$500.01 - \$1,000	\$1.00*	\$3.00*

MoneyGram
International Money Transfer

Available at
WAL-MART
ALWAYS LOW PRICES.
Always

1-800-MONEYGRAM

MoneyGram

Send up to \$500 for \$9.99 fee includes home delivery charge.

1-800-MONEYGRAM

LBC **MoneyGram**

ALWAYS LOW PRICES

Receive Markets

Wire Money. Pay Bills.

Cuba

1-800-MONEYGRAM*

MoneyGram

Win with MoneyGram... Share with MoneyGram! This Festive Season

Prizes include: Laptop Computer, Home Theater System, DVD Player, and more!

MoneyGram



Recibe tu remesa familiar en minutos, desde Estados Unidos.

Disponible en:

MoneyGram
Envío y recibo de Dinero



From select U.S. cities

\$800 fee*

when you send up to \$1000 to Africa

Amount	Rate	Fee
\$1 - \$100	\$1.00*	\$8.00*
\$100.01 - \$500	\$1.00*	\$9.99*
\$500.01 - \$1,000	\$1.00*	\$14.99*
\$1,000.01 +	\$1.00*	2%

MoneyGram



Dollar payout widely available in NIGERIA*

Over 500 New Locations

The Safe, Fast Way to Send Money Worldwide

1-800-826-8400
www.moneygram.com

MoneyGram
International Money Transfer

GREAT Low Fees!

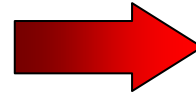
Corridor Management – UK to Jamaica



UK Send



Jamaica Receive



172% YOY Growth



Consumer Payments

Consumer Payments

- Consumer Payments
 - Payments to businesses
 - Bill payment / Prepaid top-up
 - In person – guaranteed funds
- Agent Network
 - Leverages domestic MG network
 - 26,000 agent locations
- Biller Network
 - 1,500 premier billers



Auto/Sub-Prime

General Motors
 Ford
 Honda
 AmeriCredit
 JPM Chase

Cards

Total Systems
 Capital One
 MBNA (BofA)
 HFC (HSBC)

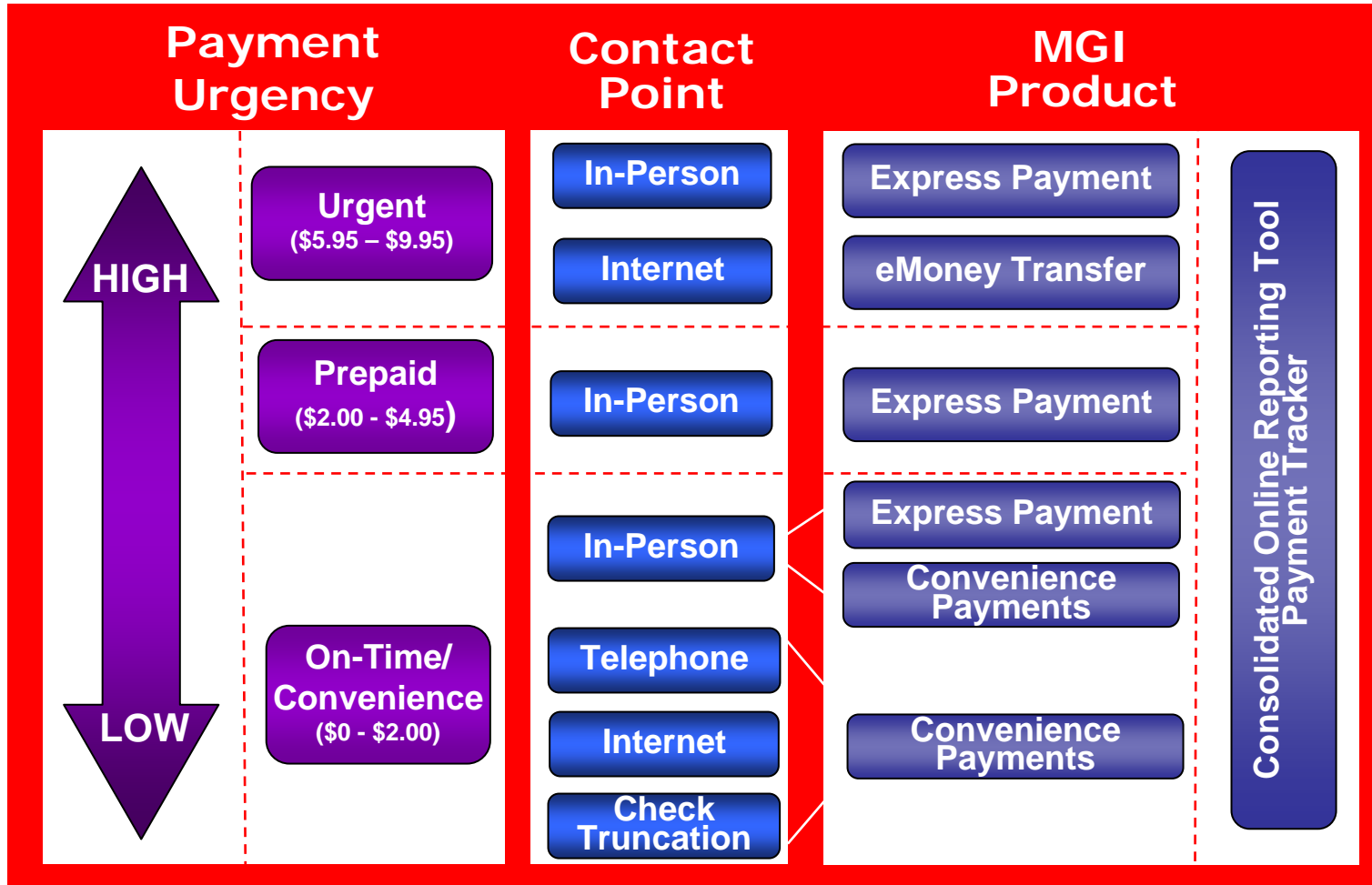
Mortgage

GMAC Mortgage
 Wells Fargo
 Centex
 Wachovia

Other Industries

Nextel
 Dish Network
 DirecTV
 Geico

Consumer Payments – Beyond ExpressPayment





Consumer Choice

Channels For Payment Services

Sending Money

Contact point

Method of Payment

Retail

Cash

Internet

Card

Phone

Account

MoneyGram[®]
International



Transaction Processing Systems

Receiving Money

Method of Payment

Currency Type

Cash/MO at retail

Cash at home

Account Deposit

Card Deposit

Local

or

Dollar/Euro



Keys To Future Growth

Provide best value to consumers
and tell them about it

Expand our distribution capabilities

Deliver new payment products and relevant
financial services through our channels



Global Funds Transfer Segment

Tony Ryan

Executive Vice President
and
President Global Funds Transfer



Q & A