



MoneyGram[®]
International



2006 Annual Report

Our Purpose:

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

Our Corporate Values:

Respect, Courage, Passion,
Integrity, Teamwork



Philip W. Milne
Chairman, President and CEO

A Letter from the CEO

To Our Shareholders:

Any way you measure it, 2006 was an outstanding year for MoneyGram International. We achieved \$1.16 billion in revenue, exceeding the \$1 billion threshold for the first time, and our global money transfer agent network topped the 100,000 mark, closing the year at 110,000 locations.

Our financial results were driven by our money transfer business, which delivered more than 40 percent growth in transaction volume. Money orders and official checks continued their steady performance and our expanded line of bill payment services delivered excellent results in 2006.

Since going public two and a half years ago, MoneyGram has made great strides by pouring energy and resources into three critically important areas for our business: developing and deploying technology; expanding the MoneyGram global agent network; and building brand awareness. This very intensive and focused approach has helped us to grow our business at a rapid pace and establish MoneyGram as a global player in the marketplace.

MoneyGram's value proposition of affordable, reliable and convenient payment services has found a receptive and enthusiastic audience with today's consumers. This is reflected in our very healthy bottom-line and a total of return of nearly 21 percent to our stockholders, over 5 percentage points better than the S&P 500 total return for the year.

The numbers, however, tell only part of the story. A very important factor in fueling MoneyGram's tremendous growth in 2006 was the dedication of our employees and management team. They appreciate how important MoneyGram's services are to families around the globe and they strive daily to help us win customers and ensure that we keep them. Looking back on the year, I'd like to highlight just a few of MoneyGram's achievements, thanks to this dedicated team:

- **Net Income** – Net income grew to a record \$124.1 million.
- **Transactions** – Money transfer transactions grew 41 percent in 2006 over our record volumes in 2005.
- **Agent Network** – The money transfer agent network grew 24 percent, reaching 110,000 locations at year-end. We re-signed the post offices in both the United Kingdom and Italy, and added a number of new agents including Telecom in Mexico, Banrural and Banco Industrial in Guatemala, United Bank of Africa in Nigeria, Privat Bank and the Ukrainian Post Office in the Ukraine, Nix Check Cashing and Rent-A-Center in the U.S.
- **Retail Strategy** – We opened kiosks and stores in France and Germany as part of our retail strategy to develop core service networks in those countries.

- **Marketing** – We installed more than 23,000 new MoneyGram signs around the globe, making it easier for consumers to find our agents. We also worked closely with international agents in key markets to transform almost 700 locations into highly-visible, MoneyGram-branded “red shops.”
- **Website** – A new user-friendly MoneyGram website was launched this year in 44 languages. It provides easy-to-understand information such as a new “price-it” feature and an enhanced agent locator.
- **Product Development** – Our on-going investment in technology has allowed us to branch out with an expanded suite of bill payment services, and we continue to roll out enhancements to our money transfer service. We continued rollout of our multi-currency system, and advancements in our AgentConnect® point-of-sale system are generating excitement among major agents converting to this streamlined platform.

The list of accomplishments is much longer, but these highlights present a clear picture of how MoneyGram is succeeding, and a preview of where we are headed in 2007. I expect the pace will continue to be brisk but our focus will remain the same: technology, network and branding — with an unrelenting commitment to value for our consumers.

I want to thank our employees, the management team and the board of directors for the strong support and commitment to MoneyGram. Success is always a team effort. Together we can deliver affordable, reliable and convenient services for our customers and success for our business partners and stockholders.

I particularly want to extend my thanks to Bob Bohannon, who retired as chairman of our board of directors at the end of 2006. Bob helped us put MoneyGram on the map! He initially led the company in the mid ‘90s when it was still Travelers Express. Bob helped shape our direction while at the helm of our former parent company, Viad Corp, and envisioned the future of MoneyGram as an independent organization. Bob was much more than my manager for 13 years, he was my mentor. His talents will be missed by the entire organization.

I look forward to 2007 and the opportunity ahead for MoneyGram.

Sincerely,



Philip W. Milne
Chairman, President and CEO

MoneyGram Global Giving



We strengthened our commitment to the communities where we do business this year with the introduction of an expanded MoneyGram Global Giving Program as well as our continued support for Habitat for Humanity. In 2006 MoneyGram awarded grants of up to \$10,000 to dozens of non-profit organizations providing community services in three focus areas: basic needs and affordable housing; education; and global healthcare and disaster relief. We also built 42 homes in 18 countries around the globe with Habitat for Humanity, and closer to home, more than 100 MoneyGram employees joined work crews on Habitat builds in Minneapolis, Miami and Los Angeles.

Affordable

Delivering World Class Products And Services To Customers Around the Globe

Millions of customers around the globe – consumers, businesses and financial institutions – trust MoneyGram International to deliver the affordable, reliable and convenient payments services they want and need today.

For individuals living and working far from home, MoneyGram’s international money transfer service provides a great solution for sending money to family and friends. Others select MoneyGram’s bill payment services when paying monthly bills. And of course the MoneyGram money order, which has been a core product of the company since 1940, remains the payment method of choice for millions.

MoneyGram is opening up a wide range of new services for both consumers and businesses. Customers in the U.S. can now send money transfers or pay bills online through the MoneyGram eMoney Transfer service, as well as conveniently pay for groceries or rent a car using a MoneyGram prepaid card.

MoneyGram’s new bill payment services enable consumers and businesses to make payments by phone and by Web. We also provide a wide range of ACH processing services and continue to deliver traditional official check and money order products through thousands of financial institutions.

Shaping all these enhancements and services is our commitment to keep it affordable, reliable and convenient.

Affordable

Technology continues to play a key role in increasing transaction speed, automating and streamlining processes, and creating new functionality. This has made our services more affordable and led to some notable achievements in 2006:

- MoneyGram completed the rollout of simplified pricing for money transfer services in the U.S., an initiative that began in 2005. This pricing strategy reduced the number of pricing tiers making it more affordable for consumers and easier for agents to communicate the cost of sending money.
- New currencies were added or converted in an additional 29 countries during the past year, providing consumers with a wide array of currency payout options.
- We continued to automate and enhance MoneyGram’s online eMoney Transfer service, enabling us to offer even more affordable online fees as well as a new low-cost economy service.
- We launched a new in-person bill payment service which will be delivered through agents in our domestic network, giving consumers an easy, low-cost method to pay their bills.

Providing affordable services for our consumers will continue to be a cornerstone of our strategy in the years to come.

Red Shops

Almost 700 MoneyGram agent locations around the globe were transformed into “red shops” in 2006, making it easier for consumers to find convenient neighborhood locations where MoneyGram’s money transfer service is available.



Edinburg



London

Reliable

Millions of families depend on us to safely send money home or pay the bills. Thousands of businesses count on us for payment services to move money and drive commerce. This is a trust that MoneyGram takes very seriously.

MoneyGram implemented many changes to its technology platforms designed to prevent or detect suspicious transactions. We also hired compliance officers in many of our global offices to ensure compliance with regulations of specific countries or regions. They administer “Know-Your-Customer” reviews and analyze data from millions of transactions. We also updated agent training programs to strengthen compliance programs within the agent network, adding training manuals in several new languages.

Our point-of-sale systems are continually upgraded to provide the latest new products and functionality. AgentConnect continues to be an attractive alternative for businesses that choose to integrate their networks and point-of-sale platforms with the MoneyGram system. AgentConnect allows agents to integrate the money transfer service with their internal security and training processes. MoneyGram’s PC-based DeltaWorks® system is the choice for many agents, large and small, that prefer a separate operating platform. Finally, our FormFreeSM phone-based offering allows businesses to reduce labor costs and create an excellent consumer experience by leveraging MoneyGram’s world-class customer care center.

Our consumers and agents expect reliability and safety and that is precisely what MoneyGram continues to deliver, transaction by transaction.

Reliable

Red Shops



Frankfurt



Malaga



Madrid

Convenient

Convenient

For customers, the word convenience means more choices and easy access. In 2006, MoneyGram grew its money transfer agent network by 24 percent to 110,000 locations in 170 countries and territories. The greatest increases in “send” markets occurred in the United States, Spain, Italy, the United Kingdom and Greece. The top agent expansion in “receive” markets occurred in Mexico, India, Guatemala, Nigeria and China.

Due to regulatory requirements and consumer demand in Germany and France, MoneyGram opened company stores in both countries. These stores are located in major cities with the greatest concentration of immigrants.

To support this rapid expansion, we added more than 23,000 MoneyGram signs around the globe. We also collaborated with money transfer agents in Spain, the United Kingdom, Canada, India and Nigeria to transform almost 700 agent locations into “red shops” to advertise the MoneyGram service. MoneyGram also expanded its street team program, hiring people from immigrant communities to promote awareness of the MoneyGram money transfer service.

Signs, red shops and street teams provided the foundation for our marketing programs, but MoneyGram also expanded its media campaigns on radio and cable television worldwide. We also launched innovative marketing tactics such as promoting MoneyGram service in Spanish and English on Cheerios® boxes sold at U.S. Wal-Mart stores prior to Mother’s Day.

MoneyGram consumers want a range of convenient payment options. The foundation is our global agent network. In the future, our new virtual distribution capabilities will meet the evolving needs of our consumer.

Affordable. Reliable. Convenient.

That’s what MoneyGram stands for... that’s what customers want... that’s what MoneyGram delivers.

Co-Branding



A co-branding project with General Mills and Wal-Mart in 2006 promoted MoneyGram’s annual “House for Mom” promotion on boxes of Cheerios® sold at Wal-Mart stores prior to Mother’s Day.

**MoneyGram International
Board of Directors**

Philip W. Milne
Minneapolis, Minnesota
Chairman, President &
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Jess T. Hay
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Monterrey S.A.P.I. de C.V. and Grupo
Inversiones Monterrey S.A. de C.V.,
private investment groups

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Rockville, Maryland
Economist and consultant to
businesses and governments
including the Federal Reserve

Timothy R. Wallace
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Chairman, President & Chief Executive
Officer, Trinity Industries, Inc.,
a manufacturer of rail and
trucking equipment

Executive Officers

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Chief Executive Officer

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& Chief Financial Officer

Anthony P. Ryan, Executive Vice
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Global Payment Products & Services

William J. Putney, Executive Vice
President & Chief Investment Officer

Mary A. Dutra, Executive Vice President,
Global Payment Processing
& Settlement

Teresa H. Johnson, Executive Vice
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Cindy J. Stemper, Executive Vice
President, Human Resources &
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David A. Albright, Executive Vice
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Jean C. Benson, Vice President,
Controller

Timothy J. Gallaheer, Vice President,
Investor Relations & Treasurer

Thomas E. Haider, Vice President,
Government Affairs & Chief
Compliance Officer

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Annual Meeting
MoneyGram International, Inc. will hold
its Annual Meeting of stockholders
at 9:00 a.m. on May 9, 2007, at the
Sofitel, 5601 West 78th Street,
Bloomington, MN 55439

Investor Information
Securities analysts and investors
seeking additional information about
MoneyGram International, Inc. should
contact the Investor Relations
Department at (952) 591-3840

Transfer Agent
To change your address, make inquiries
regarding dividend payments or to
mail Common Stock certificates for
transfer, please contact:

Wells Fargo Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0874
(866) 877-6290
www.wellsfargo.com/shareownerservices

Or, for courier deliveries:
Wells Fargo Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075-1139

Certifications
The Company has included with this
Annual Report the Chief Executive
Officer and Chief Financial Officer
certifications required by Section 302 of
the Sarbanes-Oxley Act. The Company
has also submitted the required annual
Chief Executive Officer certification to
the New York Stock Exchange.



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