MasterCard Incorporated
1st Quarter 2007
Financial Results Conference Call

May 2, 2007

1st Quarter Financial Results

MasterCard Worldwide

- Delivered net income of $215 million and earnings per share of $1.57, on a diluted basis
- Achieved record revenue growth of 23.9% primarily due to:
  - Gross dollar volume growth (16.4% to $509 billion)
  - Increase in processed transactions (19.4% to 4.2 billion)
  - Restructured cross-border pricing (implemented April 2006)
- Improved operating margin to 34.3% from 24.7% in 2006
- Maintained already solid financial position - $2.5 billion of cash, cash equivalents and available-for-sale securities at quarter end

1st Quarter Selected Financial Performance

($ in Millions, except percentages and per share data)

MasterCard Worldwide

	Actual 1Q 07	Actual 1Q 06	Growth vs. 1Q 06
Net Revenue	$ 915	$ 739	23.9%
General and Administrative	399	348	14.6%
Advertising and Marketing	178	183	(2.3%)
Depreciation and Amortization	24	25	(4.1%)
Operating Income	314	183	71.8%
Operating Margin	*34.3%*	*24.7%*	
Investment Income	36	21	75.2%
Interest Expense	(14)	(11)	34.9%
Tax Expense	(121)	(66)	82.7%
Net Income	215	127	69.6%
Diluted EPS	$ 1.57	$ 0.94	67.0%

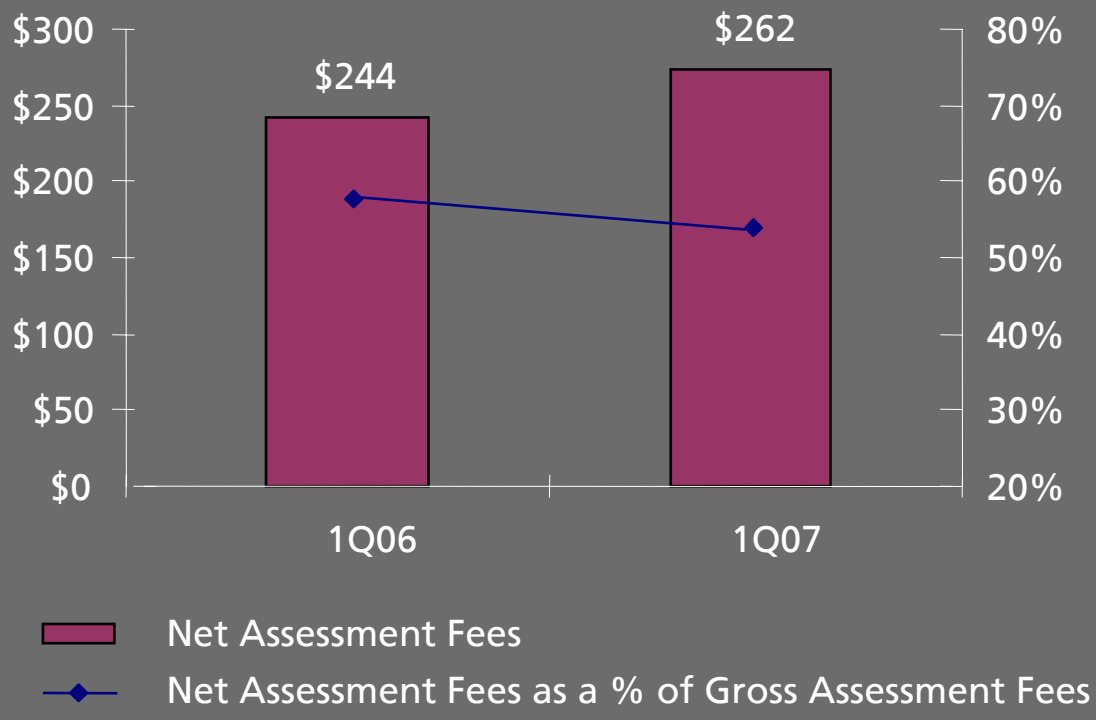
MasterCard Branded Volume (GDV)
First Quarter 2007

	GDV ($ billions)	YOY Growth Rate % U.S. Dollar	YOY Growth Rate % Local Currency
Asia Pacific	69	18.5	15.1
Canada	18	12.7	14.2
Europe	141	25.0	15.2
Latin America	34	21.8	23.9
South Asia/Middle/East Africa (SAMEA)	9	36.0	47.0
United States	237	15.7	15.7
Worldwide	509	19.1	16.4

Note: Figures may not sum due to rounding

1st Quarter Revenue - Assessments

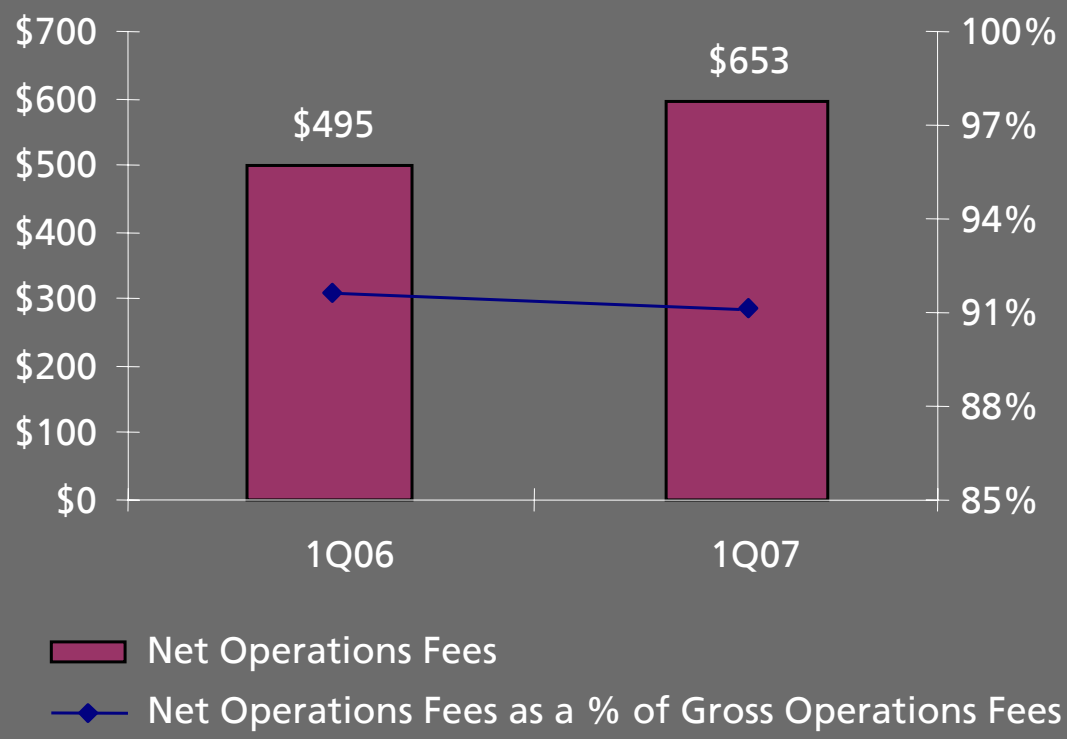
($ in Millions)



- Net assessments increased $18 or 7.4% to $262
- Gross assessments increased $49 or 11.9% over 2006. Key drivers include:
  - GDV growth: 16.4%
  - Restructured pricing, primarily $31 reclassification to operations fees (offsets gross assessments)
- Net assessments as a % of gross assessments declined due to an increase in incentives primarily from:
  - New and renewed customer and merchant agreements

1st Quarter Revenue - Operations Fees

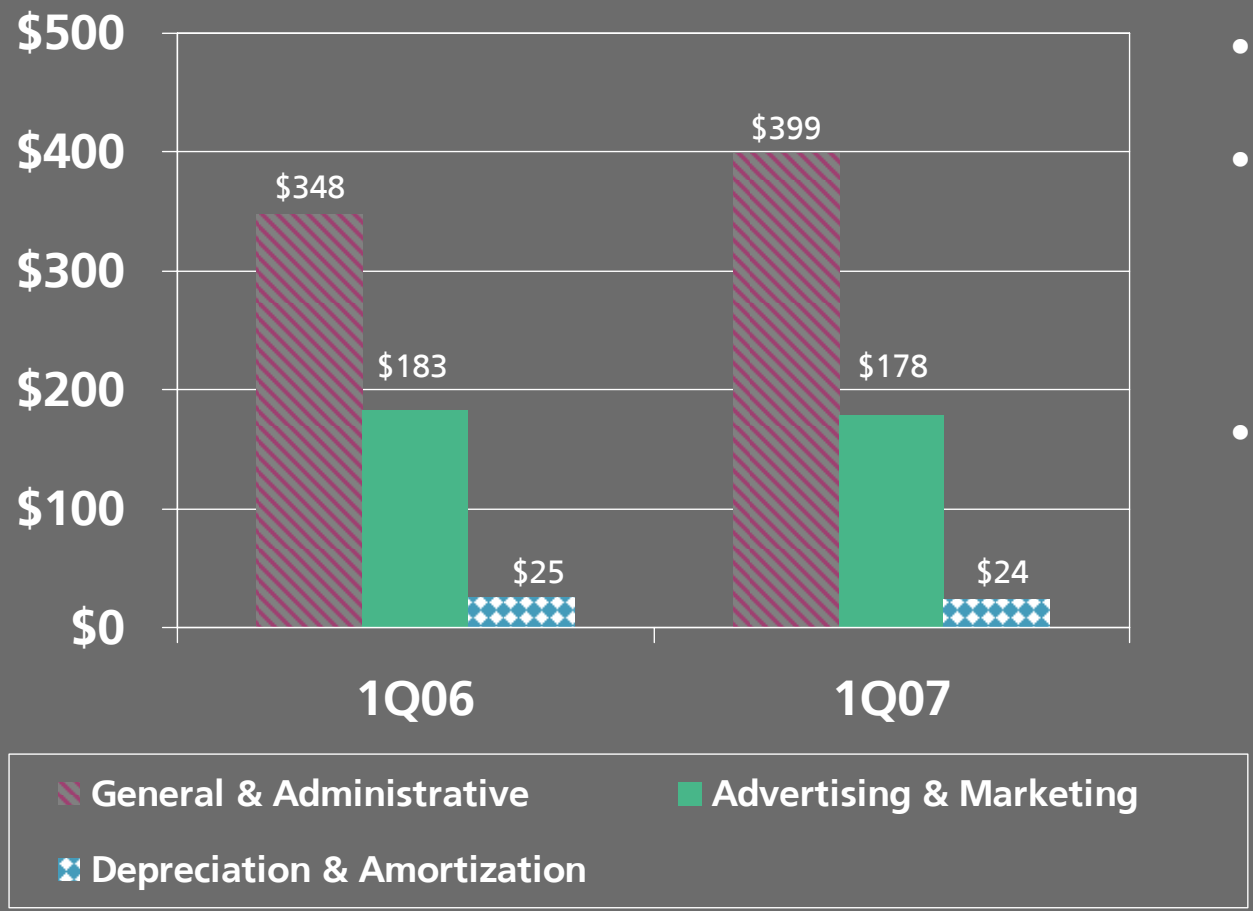
($ in Millions)



- Net operations fees up $158 or 31.9% to $653
- Gross operations fees increased $181 or 33.3% over 2006. Key drivers include increases in:
  - Processed transactions growth: 19.4%
  - GDV growth: 16.4%
  - Restructured pricing, including $31 million reclassification from assessments
- Net operations fees as a % of gross operations fees slightly decreased:
  - New and renewed customer agreements
  - Impact of restructured pricing

1st Quarter Operating Expenses

($ in Millions)



- Total operating expenses increased 8.2% to $601
- G&A increased 14.6% or $51:
  - Driven by increases in personnel costs and professional fees
- Advertising and market development decreased 2.3% to $178:
  - Reflects a shift in planned spending to later quarters in 2007

Cash Flow Statement and Balance Sheet Highlights

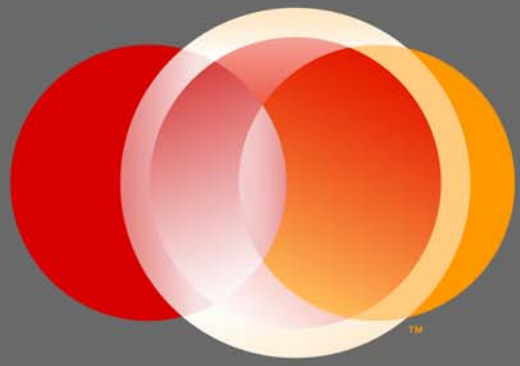
- Cash, cash equivalents and available-for-sale securities of $2.5 billion
- Stockholders' equity at $2.6 billion
- Prepaid expenses increased $60 million primarily due to timing of payments related to advertising and amounts due to customers under incentive agreements
- Accrued expenses decreased $134 million mainly due to payments of 2006 employee performance incentives and advertising
- Generated $71 million in cash flow from operations during the three months ended March 31, 2007

2nd Quarter 2007 Items for Consideration

($ in millions)

MasterCard Worldwide

- No "grow-over" effect from April 2006 cross-border pricing restructuring
- Rebates and incentives exclude large payment to debit issuer
- Shift in "traditional" A&M expense to the second quarter to leverage opportunities
- 2Q06 Special Items
  - Litigation settlements ($23)
  - Contribution of stock to the MasterCard Foundation ($395)
  - Interest income on IPO proceeds held for redemption $7



MasterCard
Worldwide

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