MasterCard Incorporated
2nd Quarter 2007
Financial Results Conference Call

August 1, 2007

2nd Quarter Financial Results

- Delivered record quarterly net income of $195 million and earnings per share of $1.43, on a diluted basis, excluding special items[1]
- Achieved quarterly net income of $252 million, or $1.85 per share, on a diluted basis, including special items[1]
- Achieved record quarterly net revenue of $997 million, growth of 17.8% primarily due to:
  - Gross dollar volume growth (13.3%[2] to $555 billion)
  - Increase in processed transactions (15.2% to 4.6 billion)
  - Increase in cross-border transaction volumes (17.3%)
- Improved operating margin to 27.3% from 17.0% in 2006, excluding special items[1]
- Maintained already solid financial position - $2.8 billion of cash, cash equivalents and available-for-sale securities at quarter end

[1] See Appendix A for GAAP reconciliation of special items

[2] On a local currency basis

2nd Quarter Selected Financial Performance

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

MasterCard Worldwide

	Actual 2Q 07	2Q 07 Adjusted for special items	2Q 06 Adjusted for special items	Adjusted Growth %
Net Revenue	$ 997	$ 997	$ 846	17.8
General and Administrative	432	432	365	18.2
Advertising and Marketing	268	268	307	(12.6)
Litigation	3	_ [a]	_ [a]	NM
Charitable Contribution	_	_	5 [b]	NM
Depreciation and Amortization	25	25	25	_
Operating Income	269	272	144	88.9
Operating Margin	*27.0%*	*27.3%*	*17.0%*	10.3 ppt
Investment Income	36	36	22 [c]	63.6
Interest Expense	(11)	(11)	(16)	(31.3)
Other Income	92	2 [d]	_	NM
Tax Expense	(134)	(104)	(50) [e]	108.0
Net Income	$ 252	$ 195	$ 101	93.1
Diluted EPS	$ 1.85	$ 1.43	$ 0.74	93.9

[a] Adjusted for litigation settlements of $3MM and $23MM in 2007 and 2006, respectively
[b] Adjusted for contribution of stock to the MasterCard Foundation of $395MM
[c] Adjusted for interest income on IPO proceeds held for redemption of $7MM
[d] Adjusted for other income related to a settlement agreement to discontinue the company's sponsorship of the 2010 and 2014 World Cup soccer events of $90MM
[e] Net tax effect of all special items in 2006 is negligible

NM = Not meaningful
See Appendix A for a GAAP reconciliation of special items for the three and six months ended June 30, 2007 and 2006
Note: Figures may not sum due to rounding

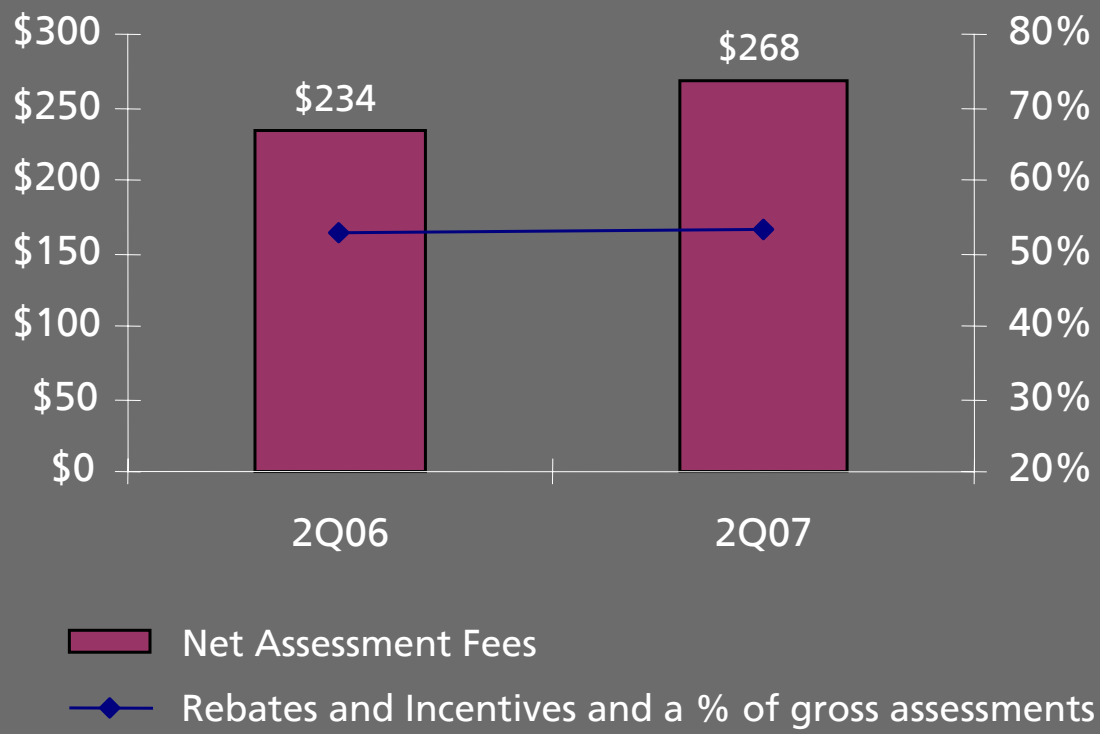
MasterCard Branded Volume (GDV)
Second Quarter 2007

	GDV ($ billions)	YOY Growth Rate % U.S. Dollar	YOY Growth Rate % Local Currency
Asia Pacific	73	18.5	15.1
Canada	22	18.2	15.6
Europe	157	23.2	14.3
Latin America	37	27.3	22.1
South Asia/Middle East/Africa (SAMEA)	10	41.1	44.6
United States	255	9.8	9.8
Worldwide	555	16.4	13.3

Note: Figures may not sum due to rounding

2nd Quarter Revenue - Assessments

($ in millions)

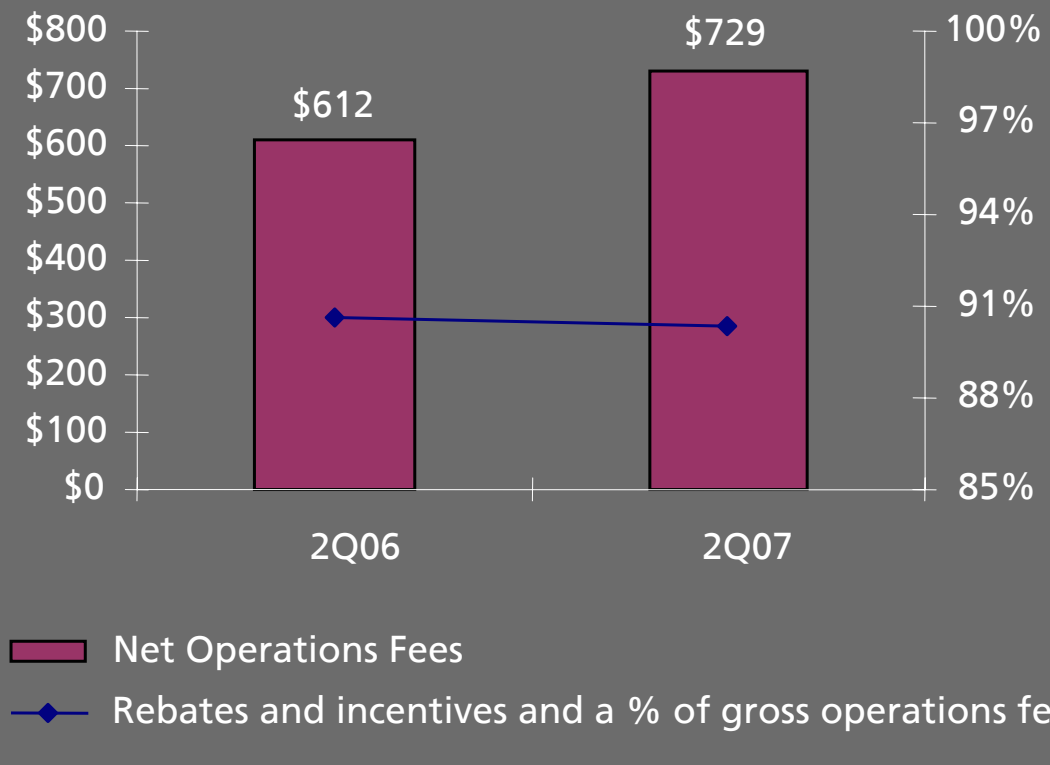


- Net assessments increased $34, or 14.5%, to $268
- Gross assessments increased $59, or 13.3%, to $503 due to strong GDV growth of 13.3%*
- Net assessments as a % of gross assessments increased slightly

* On a local currency basis

2nd Quarter Revenue - Operations Fees

($ in millions)

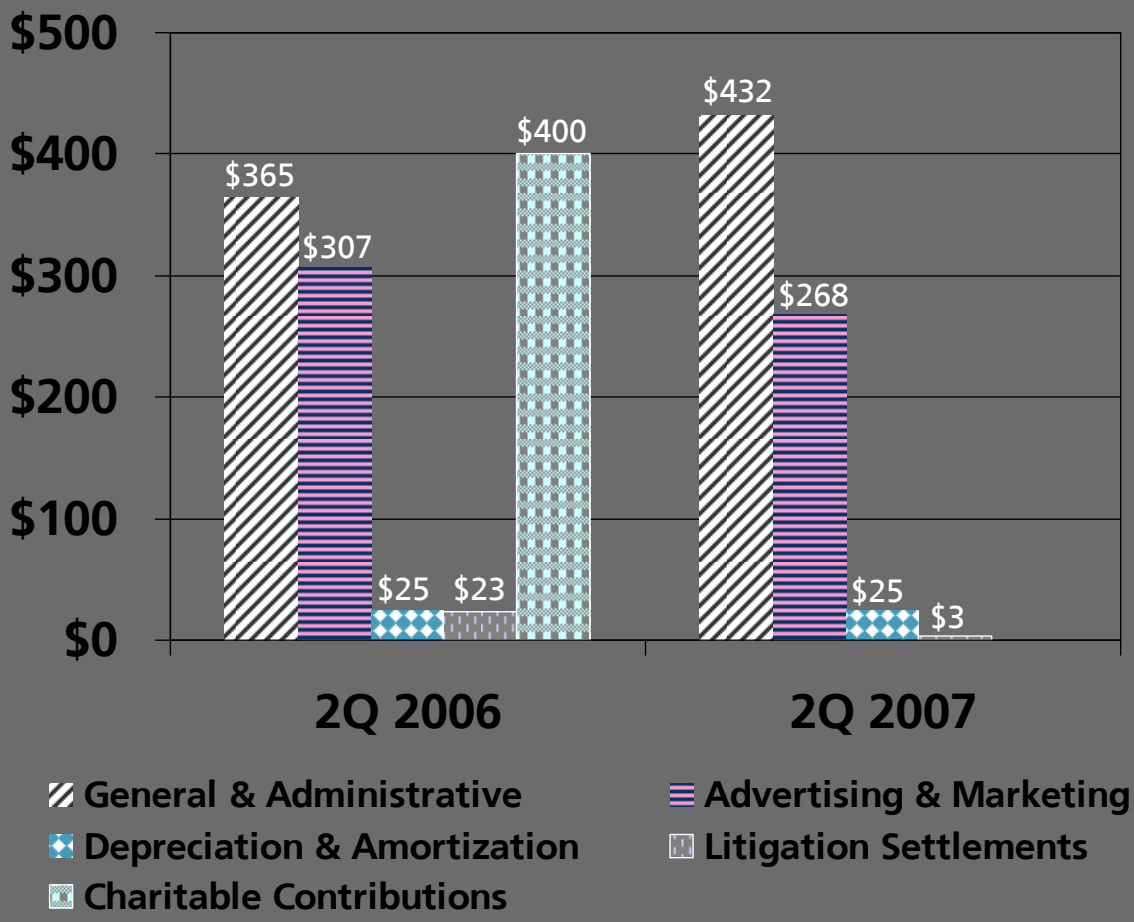


- Net operations fees up $117, or 19.1%, to $729
- Gross operations fees increased $132, or 19.6%, over 2006. Key drivers include increases in:
  - Processed transactions growth: 15.2%
  - GDV growth: 13.3%*
  - Cross-border transaction volume growth of 17.3%
- Net operations fees as a % of gross operations decreased slightly

* On a local currency basis

2nd Quarter Operating Expenses

($ in millions)



- Total operating expenses increased 3.2% to $725, excluding special items, and decreased 35.0% to $728, including special items*
- G&A increased 18.2%, or $67, driven by:
  - Higher personnel costs for additional staff and contractors
  - Increase in professional fees for strategic initiatives and legal costs
- Charitable contributions in 2006 primarily represented the initial donation of stock to the MasterCard Foundation
- A&M decreased 12.6%, or $39, due to:
  - Significant World Cup soccer sponsorship activity in 2Q06
  - Planned shift in spending to later quarters in 2007

* See Appendix A for a GAAP reconciliation of special items for the three and six months ended June 30, 2007 and 2006

2nd Quarter Cash Flow Statement and Balance Sheet Highlights

- Generated $446 million in cash flow from operations during the six months ended June 30, 2007
- Cash, cash equivalents and available-for-sale securities of $2.8 billion and stockholders' equity of $2.9 billion
- Prepaid expenses increased $65 million primarily due to higher customer incentives and advertising expenses
- Debt of $80 million reclassified from long-term to short-term

2007 Items for Consideration

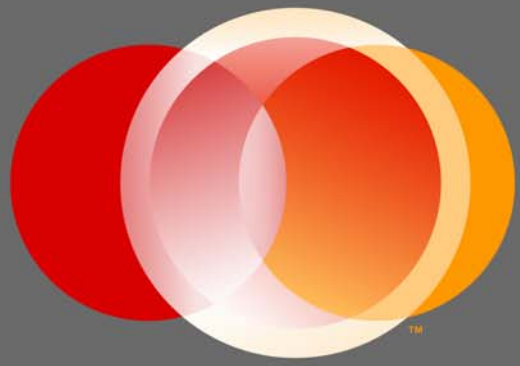
MasterCard Worldwide

Income Statement

- Special items:
  - None in 3Q 2006
  - Litigation settlements of $2 million in 4Q 2006
- Expect second half G&A to grow at a rate similar to first half of the year
- A&M spend:
  - Still anticipate very modest full-year growth
  - 3Q 2007 spend higher than 2Q 2007
  - Highest spend in 4Q 2007, but more evenly distributed over remaining two quarters than in prior years

Balance Sheet

- Redecard investment will be "marked-to-market" on our balance sheet



MasterCard
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Appendix A: GAAP Reconciliation

($ million)	For the three months ended 6/30/07			For the three months ended 6/30/06			YOY Growth
	Actual	Special Items	As Adjusted	Actual	Special Items	As Adjusted	As Adjusted
Revenues, net	$997	-	$997	$846	-	$846	17.8%
Operating Expenses							
General and administrative	432	-	432	365	-	365	18.2%
Advertising and marketing	268	-	268	307	-	307	(12.6%)
Litigation settlements	3	3 [a]	-	23	23 [a]	-	NM
Charitable contributions to the MasterCard Foundation	-	-	-	400	395 [b]	5 [c]	NM
Depreciation and amortization	25	-	25	25	-	25	0.0%
Total operating expenses	728	3	725	1,120	418	702	3.2%
Operating income (expense)	269	3	272	(274)	418	144	88.9%
Operating Margin	*27.0%*	-	*27.3%*	*(32.4%)*	-	*17.0%*	*10.3 ppt.*
Other Income (Expense)							
Investment income, net	36	-	36	29	(7) [d]	22	63.6%
Interest expense	(11)	-	(11)	(16)	-	(16)	31.3%
Other income, net	92	90 [e]	2	-	-	-	NM
Total other income	117	90	27	13	(7)	6	350.0%
Income (loss) before income taxes	386	(87)	299	(261)	411	150	99.3%
Income tax expense (benefit)	134	(30)	104	50	- [f]	50	108.0%
Net Income (loss)	$252	($57)	$195	($310)	$411	$101	93.1%
Basic Net Income (Loss) per Share	$1.86	($0.42)	$1.44	($2.30)	$3.04	$0.74	94.1%
Diluted Net Income (Loss) per Share	$1.85	($0.42)	$1.43	($2.30)	$3.04	$0.74	93.0%

[a] Litigation settlements
[b] Contribution of stock to the MasterCard Foundation
[c] Contribution of cash to the MasterCard Foundation
[d] Interest income on IPO proceeds held for redemption
[e] Other income related to a settlement agreement to discontinue the company's sponsorship of the 2010 and 2014 World Cup soccer events
[f] Net tax effect of all special items in 2006 is negligible

NM = Not meaningful
Figures may not sum due to rounding

Appendix A (cont.): GAAP Reconciliation

($ million)	For the six months ended 6/30/07			For the six months ended 6/30/06			YOY Growth
	Actual	Special Items	As Adjusted	Actual	Special Items	As Adjusted	As Adjusted
Revenues, net	$1,912	-	$1,912	$1,585	-	$1,585	20.6%
Operating Expenses							
General and administrative	830	-	830	713		713	16.4%
Advertising and marketing	447	-	447	490	-	490	(8.8%)
Litigation settlements	3	3 [a]	-	23	23 [a]	-	NM
Charitable contributions to the MasterCard Foundation	-	-	-	400	395 [b]	5 [c]	NM
Depreciation and amortization	49	-	49	50	-	50	(1.4%)
Total operating expenses	1,329	3	1,326	1,676	418	1,258	5.4%
Operating income (expense)	583	3	586	(91)	418	327	79.2%
Operating Margin	*30.5%*	-	*30.6%*	*(5.7%)*	-	*20.6%*	*10 ppt.*
Other Income (Expense)							
Investment income, net	73		73	50	(7) [d]	43	69.8%
Interest expense	(26)	-	(26)	(27)	-	(27)	3.7%
Other income, net	92	90 [e]	2	-	-	-	NM
Total other income (expense)	139	90	49	23	(7)	16	206.3%
Income (loss) before income taxes	722	(87)	635	(68)	411	343	85.1%
Income tax expense (benefit)	255	(30)	225	116	- [f]	116	94.0%
Net Income (loss)	$467	($57)	$410	($184)	$411	$227	80.6%
Basic Net Income (Loss) per Share	$3.44	($0.42)	$3.02	($1.36)	$3.04	$1.68	79.6%
Diluted Net Income (Loss) per Share	$3.42	($0.42)	$3.00	($1.36)	$3.04	$1.68	78.6%

[a] Litigation settlements
[b] Contribution of stock to the MasterCard Foundation
[c] Contribution of cash to the MasterCard Foundation
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