MasterCard Incorporated
3rd Quarter 2007
Financial Results Conference Call

October 31, 2007

3rd Quarter Financial Results

- Delivered quarterly net income of $314 million and earnings per share of $2.31, on a diluted basis (including $0.51 from gains on partial sale of Redecard investment)

- Achieved record quarterly net revenue of $1.08 billion, growth of 20.1% primarily due to:
  - Gross dollar volume growth (12.8%* to $577 billion)
  - Increase in processed transactions (13.3% to 4.8 billion)
  - Increase in cross-border volumes (20.6%)
  - Pricing adjustments (2%)

- Improved operating margin by 2.1 ppts. to 32.6% from 30.5% in Q3 2006

*On a local currency basis

3rd Quarter Highlights

- Announcing incremental $750 million Class A share repurchase program and a second 2007 Class B share conversion program
- Repurchased approximately 2 million shares of Class A common stock for $277 million as of 9/30/07
  - Completed $500 million Class A share repurchase plan in October
- Converted approximately 5 million shares of Class B to Class A common stock as of 9/30/07
  - Total of 7.6 million shares converted in first conversion program
- Realized gain from sale of 25% of Redecard investment

3rd Quarter Selected Financial Performance

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

MasterCard Worldwide

	Actual 3Q 07	Actual 3Q 06	Growth %
Net Revenue	$ 1,083	$ 902	20.1
General and Administrative	433	393	10.2
Advertising and Marketing	264	209	26.4
Litigation	_	_	_
Charitable Contribution	10	_	NM
Depreciation and Amortization	22	25	(11.4)
Operating Income	353	275	28.6
Operating Margin	*32.6%*	*30.5%*	2.1 ppts
Investment Income	146	34	325.4
Interest Expense	(16)	(17)	1.9
Other Income	(1)	_	NM
Tax Expense	(168)	(99)	69.4
Net Income	$ 314	$ 193	62.9
Diluted EPS	$ 2.31	$ 1.42	62.7

Note: Figures may not sum due to rounding

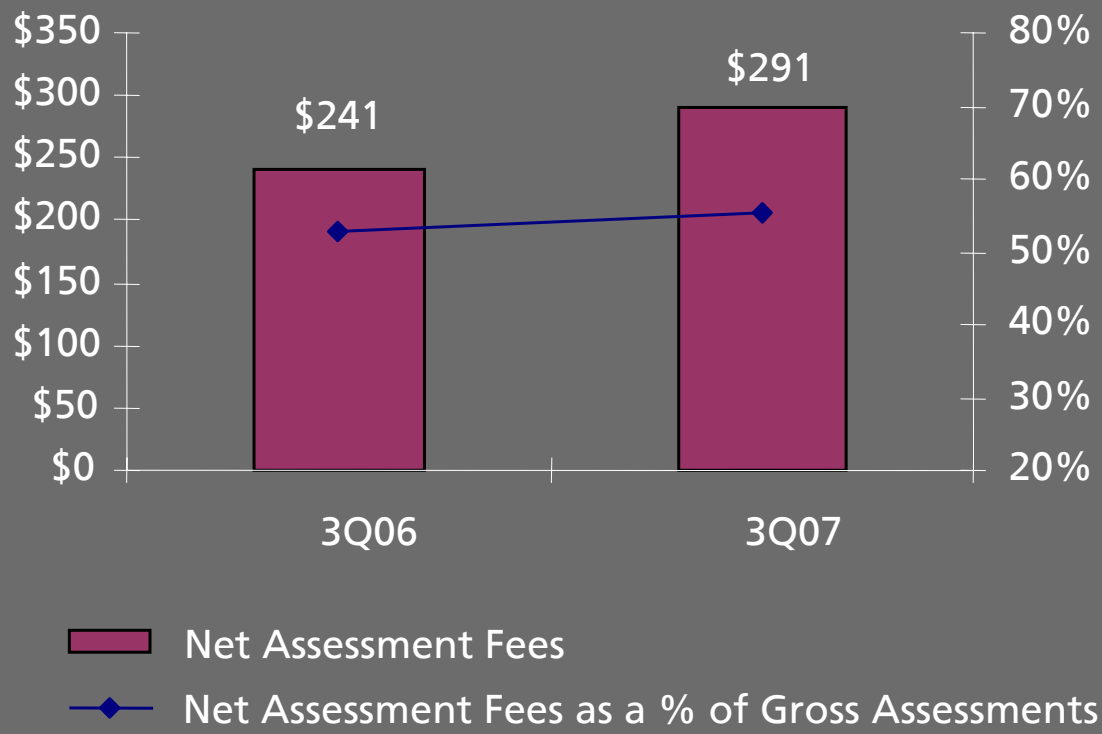
MasterCard Branded Volume (GDV)
3rd Quarter 2007

	GDV ($ billions)	YOY Growth Rate % U.S. Dollar	YOY Growth Rate % Local Currency
Asia Pacific	78	22.3	17.1
Canada	23	21.2	13.3
Europe	171	25.8	16.1
Latin America	39	24.2	20.2
South Asia/Middle East/Africa (SAMEA)	11	41.3	36.8
United States	256	7.7	7.7
Worldwide	577	16.6	12.8

Note: Figures may not sum due to rounding

3rd Quarter Revenue - Assessments

($ in millions)

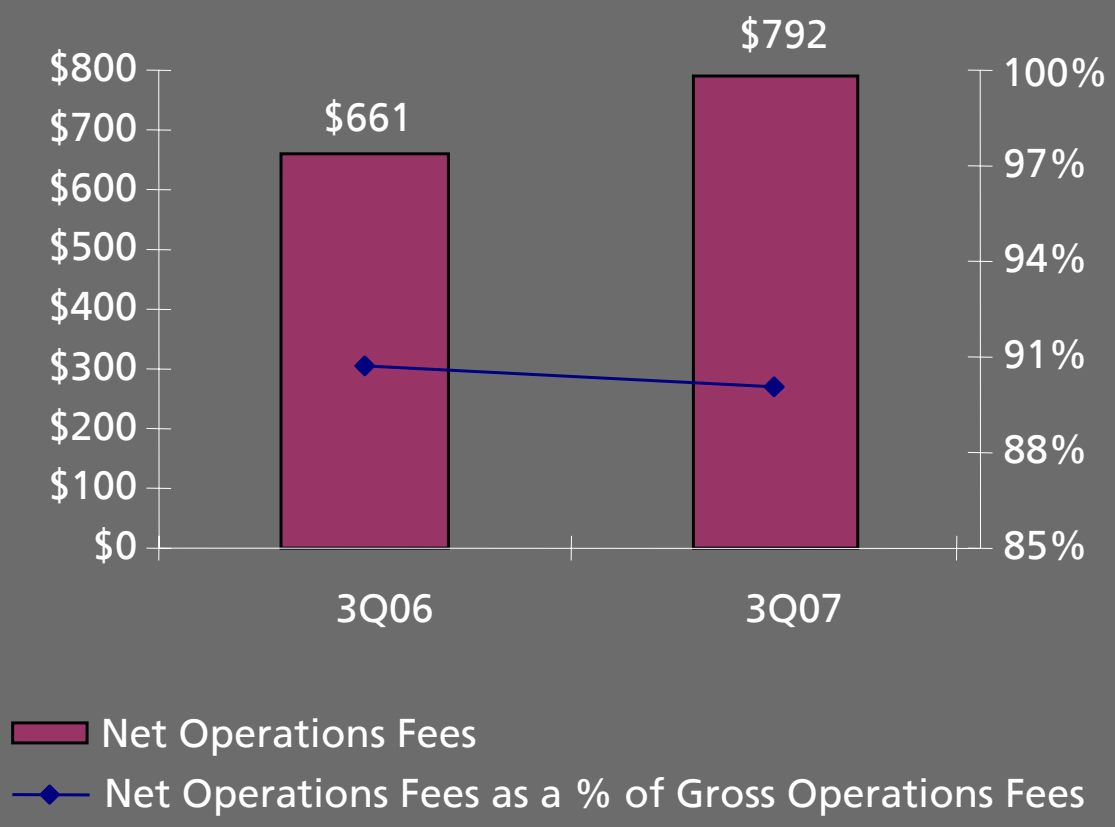


- Net assessments increased 20.7%, or $50 to $291
- Gross assessments increased 15.4%, or $70 to $525 due to strong GDV growth of 12.8%*
- Net assessments as a % of gross assessments improved slightly

* On a local currency basis

3rd Quarter Revenue - Operations Fees

($ in millions)

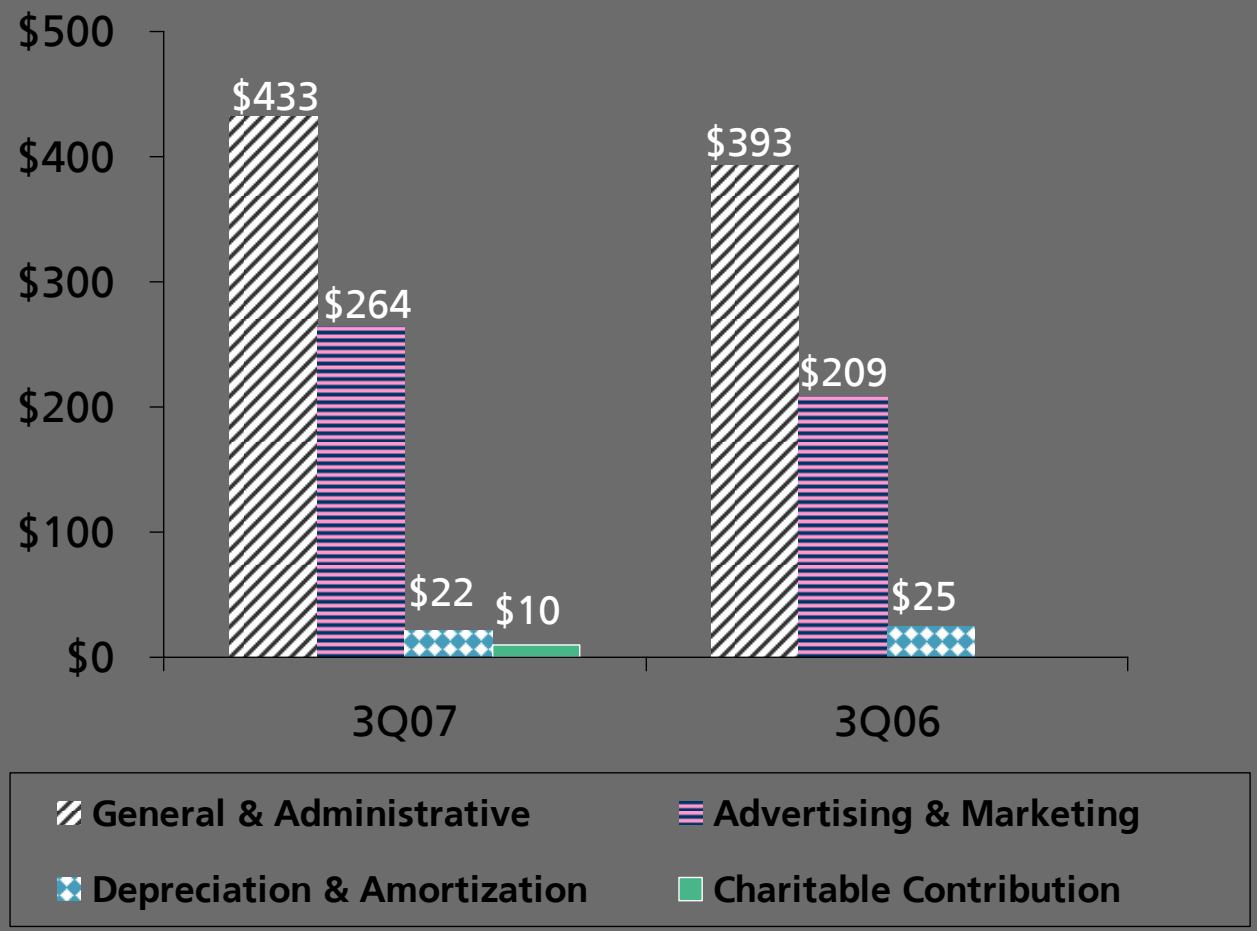


- Net operations fees up 19.8%, or $131 to $792
- Gross operations fees increased 20.6%, or $150 to $879. Key drivers include:
  - Processed transactions growth: 13.3%
  - GDV growth: 12.8%*
  - Cross-border volume growth of 20.6%
  - Pricing adjustments and new programs
- Net operations fees as a % of gross operations fees decreased slightly

* On a local currency basis

3rd Quarter Operating Expenses

($ in millions)



- Total operating expenses increased 16.3% to $730
- G&A increased 10.2%, or $40, driven by:
  - Higher personnel costs for additional staff/contractors
  - Increased employee performance incentives
- A&M increased 26.4%, or $55, due to:
  - Initiatives to support company strategy
  - Planned shift in spending to the second half of 2007
- Charitable cash contribution of $10 to MasterCard Foundation

3rd Quarter Cash Flow Statement and Balance Sheet Highlights

- Generated $718 million in cash flow from operations during the nine months ended 9/30/07
- Cash, cash equivalents and available-for-sale securities of $3.3 billion and stockholders' equity of $3.2 billion at 9/30/07
- Repurchased approximately 2 million Class A shares for $277 million; classified as treasury stock
- Prepaid expenses increased $66 million primarily due to higher customer incentives and advertising and marketing expenses
- Accrued expenses increased $32 million mainly due to customer and merchant incentives
- Investment securities, available for sale, increased $299 million mainly due to mark-to-market adjustment of Redecard investment

4th Quarter 2007 Items for Consideration

MasterCard Worldwide

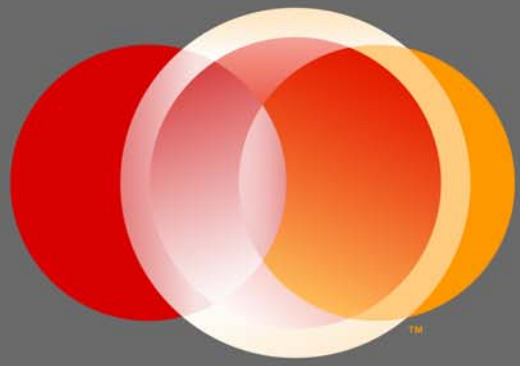
Income Statement

- Special items
  - Litigation settlements of $2 million in 4Q 2006

- G&A – now expect:
  - Second half growth to be slightly lower than first half
  - 4Q will have highest sequential and YOY growth rate in 2007

- A&M - continue to expect:
  - Low single-digit growth for the full-year
  - Highest spend in 4Q, but more evenly distributed between 3Q and 4Q than in prior years

- Will provide update on second Class B share conversion program and incremental $750 million Class A share repurchase on 4Q 2007 earnings call



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