



Press Release

Contacts

Danny Cheung, MasterCard International
(852) 2588 8303
danny_cheung@mastercard.com

Pamela So, Weber Shandwick
(852) 2533 9916
ps@webershandwick.com

Latest MasterIndex™ of Travel Forecasts More than 67.5 Million Outbound Travelers from Asia/Pacific in 1H 2006

Outbound Travel from Hong Kong Predicted to Grow 3% Reaching 2.71 Million Travelers

Hong Kong, 3 April 2006 – MasterCard International announced the results of its MasterIndex of Travel report, forecasting continued growth of outbound travelers from markets across the Asia/Pacific in the first half of 2006.

Of the 12 key markets covered, outbound travel from the Philippines¹ and Malaysia is predicted to show the strongest year-on-year growth at 13.5% and 11.2% respectively. Strong growth is also expected from Australia (9.5%), China (9.0%), Japan (8.0%) and Korea (7.8%). Outbound travel from Hong Kong is predicted to show year-on-year growth at 3.0% or about 2.71 million outbound travelers for the first half of 2006.

“Our latest outbound travel forecasts are consistent with our analysis of the long term outlook of outbound travel – it has been firmly entrenched in Asia/Pacific as part of the urban middle class lifestyle,” observed Dr. Yuwa Hedrick-Wong, economic advisor to MasterCard International in Asia/Pacific. Dr. Hedrick-Wong further pointed out that “Personal travel has not only taken off in Asia, but the market is undergoing a dynamic process of segmentation. Observed trends in personal travel suggest that Asian travelers are coalescing into distinct market segments, each underpinned with different lifestyles and unique preferences, and businesses will be successful only if they can meet the challenge of market segmentation.”

Hong Kong Specific Highlights

Personal Travel

- Key sources of information used by travelers in planning their trips were word of mouth (50%), followed by travel agents (40%) and magazines and newspapers (34%).

¹ Outbound data from the Philippines include overseas workers, hence should not be taken as data of personal leisure travel only.

- Top concerns for travelers when traveling to a foreign destination were security and safety issues (71%), followed by losing one's passport (30%) and language barriers (29%).
- The main activities travelers engaged in when traveling were general sightseeing (64%), shopping (48%) and rest and relaxation (35%).
- Most preferred shopping items for travelers when abroad included local souvenirs/antiques/arts and crafts (53%), followed by food items (41%) and apparel and personal effects (35%).
- The favorite personal travel destination for Hong Kong travelers was Japan (61%).

Business Travel

- 24% of business travelers said that over the last 12 months, there was the need to travel more compared to the previous period.
- China (56%) was the most frequently visited destination, followed by Taiwan (15%) and Europe (15%).
- Majority of business travelers (59%) used their company's in-house travel department for making business travel arrangements.
- Cathay Pacific (61%) was the most preferred airline for business travel, followed by Dragon Air (11%) and China Eastern Airlines (6%).
- International five-star or higher end hotels (39%) were most preferred for business travel, followed by international four-star hotels (24%) and international five-star spa and resorts (20%).

Other Findings from the Report:

The current survey report shows that intra-regional travel remains popular with both personal and business travelers. Personal travelers named destinations in Asia/Pacific (84%) as their top choice for travel, above destinations in Europe (34%) and North America (26%)². Similarly for business travelers, destinations in the Asia/Pacific (86%) emerged as being the most frequented, compared to destinations in Europe (13%) and North America (11%)².

Mirroring findings from the previous report, Japan and Australia continue to remain attractive destinations for personal travelers. Japan (28% vs. 25% six months ago) however edges slightly ahead of Australia (24% vs. 27% six months ago) to become the most popular destination for personal travel for the six months ahead. In terms of business travel, China (27%) and Singapore (20%) remain firmly entrenched as the most frequently visited destinations in Asia/Pacific.

The results also reinforce the growth of women in the personal travel space. 40% of females polled as compared to 34% of all male respondents have taken a personal trip in the past year.

² For personal and business travelers, percentages do not add up to 100% as respondents were able to provide multiple responses.

Personal travel

- Thais (75%), Singaporeans (64%) and respondents from Hong Kong (61%) continue to top the list of personal travelers in the past 12 months, as they have for the past 3 surveys.
- Similar to the previous report, travel agents (40%), word of mouth (40%) and the Internet (33%) remain key sources of information.
- The concerns of personal travelers remain relatively unchanged from the previous survey. Security and safety issues (53%) continue to be the biggest area of concern, ahead of losing of a passport (33%) and language barriers (25%).
- General sightseeing and visiting scenic spots (55%) remain the top priority activity for travelers in Asia/Pacific, followed by shopping (47%) and rest and relaxation (38%).
- Local souvenirs/antiques/arts & crafts (54%) and apparel and personal effects (53%) continue to be the most preferred shopping purchases, followed by food (34%) and luxury items/jewelry/branded goods (25%).

Business travel

- The markets with the highest percentage of respondents traveling for business remain fairly consistent, with Thailand (35%) heading the list followed by Singapore and Indonesia (32% each). Over the past couple of years, the incidence of business travel is on the rise in Indonesia, China, Vietnam, Korea, New Zealand and Hong Kong.
- Business travelers in Japan (63%), Vietnam (61%), New Zealand (44%), Thailand (34%), China (32%), Taiwan (31%) and Indonesia (30%) needed to travel more compared to the previous period.
- Singapore Airlines (17%) continues to be the most preferred airline for business travelers, as it has been since the inauguration of the MasterIndex of Travel in 2003. Thai Airways (10%) and Air China (9%) are the next most preferred carriers.
- Business travelers prefer international 4-star hotels (37%) followed by 3-star hotels (22%) and international 5-star or higher end hotels (18%).

Besides a six month forecast of outbound travel for 12 markets (Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand), the semi-annual MasterIndex of Travel also comprises a survey of business and personal travel trends among the urban middle class across 13 markets (with Vietnam included since 2004). A total of 5,404 consumers from 13 markets participated in the survey (with Vietnam as the additional market included in the survey component).

Fieldwork was conducted between 15 October and 4 November 2005, with a sample of 400 or more consumers in each of the markets.

NOTE TO EDITORS: This news release is distributed with the table (below) that shows the MasterIndex of Travel forecast by market.

The full report, which details the individual market forecasts, can be found at the website www.mastercard-masterindex.com

The following chart shows the MasterIndex of Travel forecast for outbound travel for the first half of 2006.

	Outbound Travelers: Forecast for 1st half of 2006	Year-on-year Growth
Australia	2.44 million	9.50%
China	15.45 million	9.0%
Hong Kong	2.71 million	3.0%
Indonesia	1.99 million	2.6%
Japan	8.97 million	8.0%
Korea	5.15 million	7.8%
Malaysia	19.93 million	11.2%
New Zealand	0.96 million	4.5%
Philippines	1.38 million	13.5%
Singapore	2.79 million	3.9%
Taiwan	4.19 million	4.5%
Thailand	1.61 million	3.6%

About the MasterCard MasterIndex™ Reports

The MasterIndex of Travel is one of MasterCard’s MasterIndex suite of research products in Asia/Pacific. The other key MasterIndex research products include:

- The flagship MasterIndex™ of Consumer Confidence - the region’s most comprehensive and longest running consumer sentiment survey. Now in its 13th year,

the MasterIndex of Consumer Confidence has demonstrated its predictive precision and has proved to be an excellent barometer of the consumer pulse in this region. Today, the survey is much sought after by analysts, academics and decision-makers in financial institutions, government agencies and multinational organizations.

- The MasterIndex™ of Retail, which provides six-month outbound retail forecasts for the same 12 markets covered by the MasterIndex of Travel. This powerful predictive market intelligence is highly relevant to the retail, entertainment, food and beverage, travel and tourism sectors, as well as related sectors.
- The MasterIndex™ of Women's Advancement, an annual report which compares the socio-economic level of women to men in 13 Asia/Pacific markets using four key indicators: participation in the labor force, tertiary education, managerial positions and above median income.

MasterIndex information relates to travel and consumer economic trends only and does not constitute a projection of the business or financial performance of MasterCard Incorporated or its affiliates.

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About MasterCard International

MasterCard International is a leading global payments solutions company that provides a broad variety of innovative services in support of our global members' credit, deposit access, electronic cash, business-to-business and related payment programs. MasterCard, through its principal operating subsidiary, MasterCard International Incorporated, manages a family of well-known, widely accepted payment card brands including MasterCard®, Maestro® and Cirrus® and serves financial institutions, consumers and businesses in over 210 countries and territories. The MasterCard award-winning Priceless® advertising campaign is now seen in 105 countries and in 48 languages, giving the MasterCard brand a truly global reach and scope. For more information go to www.mastercardinternational.com.