

Hong Kong Remains Top Overseas Destination among China's Affluent in Inaugural MasterCard Worldwide Index of China's Affluent Survey

Hong Kong, 13 August 2007 – MasterCard Worldwide today launched the new MasterCard Worldwide Index of China's Affluent, offering insights to the well-heeled in Beijing, Shanghai and Guangzhou. Structured as a twice-yearly index, it surveys and analyzes key features of the spending patterns, lifestyle features and attitudes of China's affluent in the first half of the year, and identifies their preferences for top brands across ten product and service sectors in the second half of the year.

Hong Kong has long been heralded as the "Paradise for Tourism". Since the Chinese Government implemented the solo travel scheme, millions of mainland travelers have visited Hong Kong, further boosting Hong Kong's tourism industry. The latest MasterCard study shows that after four years, Hong Kong is still the top overseas destination for the affluent Chinese, with 85.6% of affluent Chinese making trips to Hong Kong.

"The number of affluent consumers in China is growing fast and their market power is being felt far and wide. Domestically, new wealth in mainland China's major cities is powering spending, lifestyle choices and mindset changes among affluent consumers, and this has transformed the Chinese market. The affluent of China are also avid overseas travelers, so their spending power will impact the travel and hospitality industries globally as well," said Dr. Yuwa Hedrick-Wong, economic advisor, Asia/Pacific, MasterCard Worldwide.

According to the MasterCard Worldwide Index of China's Affluent, 92.6% of affluent households spent up to US\$10,000 on leisure and recreational activities in 2006. Domestic and overseas travel were cited as the key priorities for spending time and money, ahead of fitness/going to the gym, visiting theme or amusement parks, sports and socializing. In 2006, 43.3% of the affluent traveled at least thrice within mainland China and 30% made at least three overseas trips.

The mass affluent in China, defined as those earning an annual income of between US\$7,500 and \$50,000, was estimated at 12.8 million households in 2005, with a collective income of over US\$140 billion. With a projected GDP growth of 7.5% over the subsequent 10 years, it is expected that by 2015, there will be close to 50 million mass affluent households with a collective income exceeding US\$500 billion.

The consumer market of the rich, defined as those earning an annual income of US\$50,000 and above, was estimated to have close to 48,000 households, with a collective income of almost \$3 billion in 2005. And with the assumed trend rate of real GDP growth of 7.5% per year over the next 10 years, it is expected there will be over 400,000 rich households in 2015, averaging an astounding annual growth rate of 23.8%. Their collective income will also grow up to tenfold, exceeding US\$29 billion by 2015.

With the sustained high growth rate of China's affluent and a steady increase in their household income, Hong Kong is set to benefit as a popular travel destination for affluent Chinese travelers.

Other top travel destinations include Macau (51.7%), Thailand (34.8%), Singapore (30.5%) and Japan (18.7%). Destinations further afield like France, Germany and Italy had less than 10% of the affluent travelers visiting them in 2006. "They are, however, poised to grow in importance as these are identified as most favored leisure destinations of the future, along with the United States and Australia," added Dr. Hedrick-Wong. The strong economic links between China and Hong Kong were evident, with Hong Kong ranking the top destination for business travel among the affluent in the three cities. The second and third ranked destinations of business travelers differed. For the affluent in Beijing, they were the United States (34%) and Singapore (15%); for Shanghai's affluent, they were Singapore (31%) and Japan (25%); and the affluent in Guangzhou had Macau (49%) and Thailand (13%) in their top three.

When traveling domestically, almost half of the affluent preferred nature and scenic tours and less than one-quarter preferred visiting cultural and historical sites. Interestingly, the patterns for domestic travel were very different between the three cities. Close to one-third of the affluent in Beijing favored beach resorts, while only 5.5% and 6% in Shanghai and Guangzhou respectively expressed the same preference.

Other key insights from the MasterCard Worldwide Index of China's Affluent include:

Arts and Culture

- Watching foreign films was the most popular regular leisure activity and interest among the affluent in Beijing (81.5%), Shanghai (86%) and Guangzhou (63.8%). Regular foreign film goers were relatively young, well educated and more likely to be female.
- Attending popular music concerts was the second ranked leisure activity in Shanghai (57%) and Guangzhou (55.6%), while the affluent in Beijing preferred going to traditional drama and concerts (31.9%).
- In Shanghai, 27% of the affluent attended foreign operas and concerts on a regular basis in 2006 - this was an activity that is not as popular in both Beijing and Guangzhou.
- In terms of their future plans, 56.7% of the affluent indicated that they will be going to watch more foreign films. About a quarter of them plan to begin collecting arts and antiques, which could clearly become a growing business.

Work and Leisure

- 79% of the affluent in China seemed to value both work and leisure, and the majority worked between 8-10 hours a day. Shanghai's affluent seemed to be able to avoid working long hours – only 8% worked 10-12 hours while less than 1% of those surveyed worked beyond 12 hours.
- The affluent were clearly very family-oriented, as they believed in the importance of a happy family and the desire to spend as much time as possible with their families. On a scale of 1 to 5, the affluent gave an average score of 4.46 to the statement "A happy family is most important in life" and 4.19 to the statement "I spend as much time as possible with my family". However, they also recognized that they needed to sacrifice leisure time with their families for the sake of

advancing their careers. The affluent gave a score of 2.61 to the statement “I would sacrifice leisure time with my family for my career.”

Charities and the Environment

- The affluent of China appear to be public spirited, as 73.6% supported charities and 38.9% supported environmental protection initiatives. Other charitable acts included blood donation (29.6%), volunteering for social organizations (21.8%) and supporting protection of cultural and heritage sites (8.2%).
- Looking to the future, 39.5% of the affluent in China will maintain or increase their level of support to charities and environmental protection but the majority seem not to have made up their minds as yet.

The inaugural survey, conducted via face-to-face interviews, involved 900 participants – 300 in each of the three cities of Beijing, Shanghai and Guangzhou – whose household income fell between US\$16,000 to more than US\$50,000 annually. In terms of demographic profile, an overwhelming majority (67.1%) were below 40 years old, and well-educated: 66.9% had at least a Bachelor's degree. Of this sample population, 25% were in the premium affluent category, defined as those who earned more than US\$50,000 a year.

About the MasterCard Worldwide Index of China's Affluent

MasterCard Worldwide Index of China's Affluent is a twice yearly index that measures the consumer pulse of the fast growing affluent segment in the world's most populous nation. The survey conducted in the first half of the year focuses on analyzing key features of the lifestyles of China affluent, including their spending patterns as well as attitudes toward work, family and social issues. In the second half of the year, the index will examine and identify preferences in terms of top domestic and international brands in ten product and service sectors.

The MasterCard Worldwide Index of China's Affluent joins the MasterCard suite of research products in Asia/Pacific. The other key MasterCard Worldwide Index research products include:

- The flagship MasterCard Worldwide Index of Consumer Confidence - the region's most comprehensive and longest running consumer sentiment survey
- The MasterCard Worldwide Index of Travel, which combines outbound travel forecasts for the region with a survey of Asian travelers' lifestyle trends in 12 Asia/Pacific markets
- The MasterCard Worldwide Index of Retail, which provides six-month forecasts of retail sales growth across 12 Asia/Pacific markets
- The MasterCard Worldwide Index of Women's Advancement, which compares the socio-economic level of women to men in 13 Asia/Pacific markets.

All MasterCard Worldwide Index reports are available at www.masterintelligence.com.

About MasterCard Worldwide

MasterCard Worldwide advances global commerce by providing a critical economic link among financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes over 16 billion transactions each year, and provides industry-leading analysis and consulting services to financial institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories. For more information go to <http://www.mastercard.com>.

Forward-Looking Statements

Statements in this press release which are not historical facts, including statements about MasterCard's plans, strategies, beliefs and expectations, are forward-looking and subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date they are made. Accordingly, except for the company's ongoing obligations under the U.S. federal securities laws, the company does not intend to update or otherwise revise the forward-looking information to reflect actual results of operations, changes in financial condition, changes in estimates, expectations or assumptions, changes in general economic or industry conditions or other circumstances arising and/or existing since the preparation of this press release or to reflect the occurrence of any unanticipated events. Actual results may differ materially from such forward-looking statements for a number of reasons, including those set forth in the company's filings with the Securities and Exchange Commission (SEC), including the company's Annual Report on Form 10-K for the year ended December 31, 2006 and quarterly reports on Form 10-Q and Current Reports on Form 8-K that it has filed with the SEC during 2007, as well as reasons including difficulties, delays or the inability of the company to achieve its strategic initiatives set forth above. Factors other than those listed above could also cause the company's results to differ materially from expected results.

###

Contacts:

Helen Lo: (852) 2533 9955/ 9169 3900, helo@webershandwick.com
Terence Yam: (852) 2533 9900/ 9652 2624, tyam@webershandwick.com