

Corporate Overview

MasterCard Worldwide is a driving force at the heart of commerce, enabling global transactions and bringing insight into the payments process to make commerce faster, more secure, and more valuable to everyone involved. As a critical link among financial institutions and millions of businesses, cardholders and merchants worldwide, MasterCard provides services in more than 210 countries and territories. MasterCard advances commerce worldwide by developing more secure, convenient and rewarding payment solutions, processing billions of payments seamlessly across the globe, and building economic connections that accelerate business.

Behind MasterCard's well-known payment card brands is a unique, three-tiered business model:

- **Franchisor:** Through the thousands of financial institutions that are MasterCard's customers, the company markets a strong portfolio of brands and products worldwide, including MasterCard, Maestro®, Cirrus® and MasterCard® *PayPass™*. With these, MasterCard opens the door to commerce at more than 28 million acceptance locations around the world and, in many cases, guarantees payment through its system. (It does not, however, issue cards, set annual fees, determine annual percentage rates on cards, or solicit merchants to accept cards. MasterCard's customers, a myriad of financial institutions and other entities worldwide, manage the relationships with their cardholders and with merchants.)
- **Processor:** Streamlined and intelligent, the MasterCard approach to transaction processing enables efficient commerce on a global scale. The MasterCard Worldwide Network, one of largest networks in the world, offers unparalleled speed, integration and reliability - helping financial institutions and merchants grow by enabling rapid adoption of customized payment solutions that deliver value and added cardholder convenience through technology.
- **Advisor:** MasterCard provides industry-leading insight and solutions that advance commerce by making the payment process faster, more seamless, more secure and more valuable to everyone involved. Using sophisticated processing and data analytics capabilities, for example, MasterCard tracks consumer behavior and buying trends around the globe and provides that insight to its customers. Through MasterCard Advisors, the largest and only global consultancy focused on the payments industry, the company provides strategic and operational solutions covering the payments process from end to end.

At the core of the company's business strategy is a unique and laser-sharp focus on its customers. The company's customer teams provide a single point of contact for activities across the globe and a truly unified partnership for mutual success that sets MasterCard apart from the competition. MasterCard is an advocate for its customers' businesses, committed to driving value for their enterprises.

As it looks to the future, MasterCard is committed not only to continuing to deliver value to its customers and other stakeholders, but also to promoting the advantages of electronic payments, accelerating the displacement of cash and checks, and advancing commerce across the globe.

Key Facts

History:

- 1966: Founded as the Interbank Card Association (ICA)
- 1969: "Master Charge" purchased by the California Bank Association
- 1979: Renamed MasterCard to reflect a commitment to international growth
- 1985: Acquired an interest in EuroCard (predecessor to Europay International)
- 1988: Acquired the Cirrus® ATM Network
- 1991: Launched Maestro®, the world's first online point-of-sale debit network
- 1997: Launched the "Priceless" advertising campaign
- 2001: Launched MasterCard Advisors, the largest global consultancy focused on customer growth
- 2002: Merged with Europay International
- 2002: Converted from a membership association to a private share corporation
- 2006: Transitioned to a new corporate governance and ownership structure
 - MasterCard begins trading on the New York Stock Exchange under ticker symbol MA
 - Introduced new corporate name, MasterCard Worldwide, and adopted a new corporate signature and tagline, The Heart of Commerce™
- 2008: Launch of IPS (Integrated Processing Solution) global platform for debit & prepaid issuer processing
- 2008: MasterCard Europe and Europay France Integrate Operations in France
- 2008: Acquired Orbisom, Ltd., a leading payments solutions software provider for major financial institutions.

Executive Committee

Robert W. Selander, Chief Executive Officer
Ajay Banga, President and Chief Operating Officer
Gary Flood, President, Global Products and Solutions
Noah J. Hanft, General Counsel, Chief Payment System Integrity & Compliance Officer, and Corporate Secretary
Martina Hund-Mejean, Chief Financial Officer
Walt Macnee, President, International Markets
Chris A. McWilton, President, U.S. Markets
Rob Reeg, President, Global Technology and Operations
Stephanie Voquer, Chief Human Resources Officer

Global Headquarters

Purchase, New York

Employees

Approximately 5500 (located in offices around the world)

Global Regions

MasterCard is organized geographically into the following regions: Asia Pacific Middle East Africa; Canada; Europe; Latin America; and the United States.

Key Operational Statistics

The gross dollar volume of purchases on MasterCard-branded cards showed strong growth worldwide in 2008, rising 10.7% percent, on a local currency basis, to nearly \$2.5 trillion. Processed transactions grew 11.8% to 20.97 (approximately 21 billion) billion.

Worldwide purchase volume rose 11.3%, on a local currency basis, to about \$1.9 trillion, driven by increased cardholder spending on a growing number of MasterCard cards. As of December 31, 2008, the company's customers had issued 981 million MasterCard cards, an increase of 7.6% percent over the cards issued at December 31, 2007. MasterCard cardholders can use their cards at more than 28 million acceptance locations around the world.

Key Financial Statistics

Revenues for 2008 grew 22.7%, from \$4.1 billion to \$5.0 billion. The company also generated net income of \$1.2 billion for the year, or \$9.45 per share, adjusted for special items, compared with \$1.03 billion or \$7.58 per share in 2007, adjusted for special items¹.

Reconciliation of Financial Results for full-year 2008

(\$ million except percentages)

	For the year ended 12/31/08			For the year ended 12/31/07			YOY Growth As Adjusted
	Actual	Special Items	As Adjusted	Actual	Special Items	As Adjusted	
Revenues, net	\$ 4,992	\$ -	\$ 4,992	\$4,068	-	\$4,068	22.7%
Operating Expenses							
General and administrative	1,914	-	1,914	1,758	-	1,758	8.8%
Advertising and marketing	1,018	-	1,018	1,080	-	1,080	(5.8%)
Litigation settlements	2,483	2,483 a	-	3	3 a	-	NM
Charitable contributions to the MasterCard	-	-	-	20	-	20	(100.0%)
Depreciation and amortization	112	-	112	98	-	98	14.7%
Total operating expenses	5,526	2,483	3,043	2,959	3	2,956	2.9%
Operating income	(535)	2,483	1,948	1,108	3	1,111	75.3%
Operating Margin	(10.7%)	-	39.0%	27.2%	-	27.3%	11.7 ppt.
Other Income (Expense)							
Investment income, net	183	-	183	530	-	530	(65.5%)
Interest expense	(104)	-	(104)	(57)	-	(57)	80.9%
Other expense, net	72	75 b	(3)	90	90 c	-	NM
Total other income (expense)	151	75	76	563	90	473	(83.9%)
Income before income taxes	(383)	2,408	2,025	1,671	(87)	1,584	27.8%
Income tax expense	(129)	914	785	586	30	556	41.2%
Net Income	\$ (254)	\$ 1,494	\$ 1,239	\$1,086	(\$57)	\$1,029	20.4%
Basic Net Income per Share	\$ (1.95)	\$ 11.47	\$ 9.52	\$8.05	(\$0.42)	\$7.63	24.8%
Diluted Net Income per Share	\$ (1.95)	\$ 11.40	\$ 9.45	\$8.00	(\$0.42)	\$7.58	24.7%

a- Litigation settlements

b- Gain from the termination of a customer business agreement

c- Other income related to a settlement agreement to discontinue the company's sponsorship of the 2010 and 2014 World Cups

MasterCard Worldwide Brands

¹ For the full-years 2007 and 2008, total net income and earnings per share, each of which excludes special items, are non-U.S. GAAP financial measures that are reconciled to their most directly comparable U.S. GAAP measures in the table above. If net income or earnings per share are used, the GAAP reconciliation table above must accompany these figures.



MasterCard is one of the most widely recognized credit and debit card brands in the world, representing instant buying power, immediate deposit access convenience, security worldwide, and flexible payment options.

Maestro is one of the most widely recognized global deposit access brands. It is the only online, PIN-based debit brand that can be used to make purchases and get cash at ATMs worldwide.

Cirrus is the brand name that stands for the global MasterCard/Cirrus ATM Network, among the largest ATM networks in the world. The Cirrus brand represents immediate deposit account access convenience at more than one million cash machine locations worldwide.

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