



**MasterCard**  
Worldwide

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# **MasterCard Incorporated Second-Quarter 2013 Financial Results Conference Call**

**July 31, 2013**

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# Business Update

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- Recap of 2<sup>nd</sup> Quarter Results
- Economic Update
- Business Highlights

# 2<sup>nd</sup> Quarter Selected Financial Performance

(\$ in millions, except per share data)

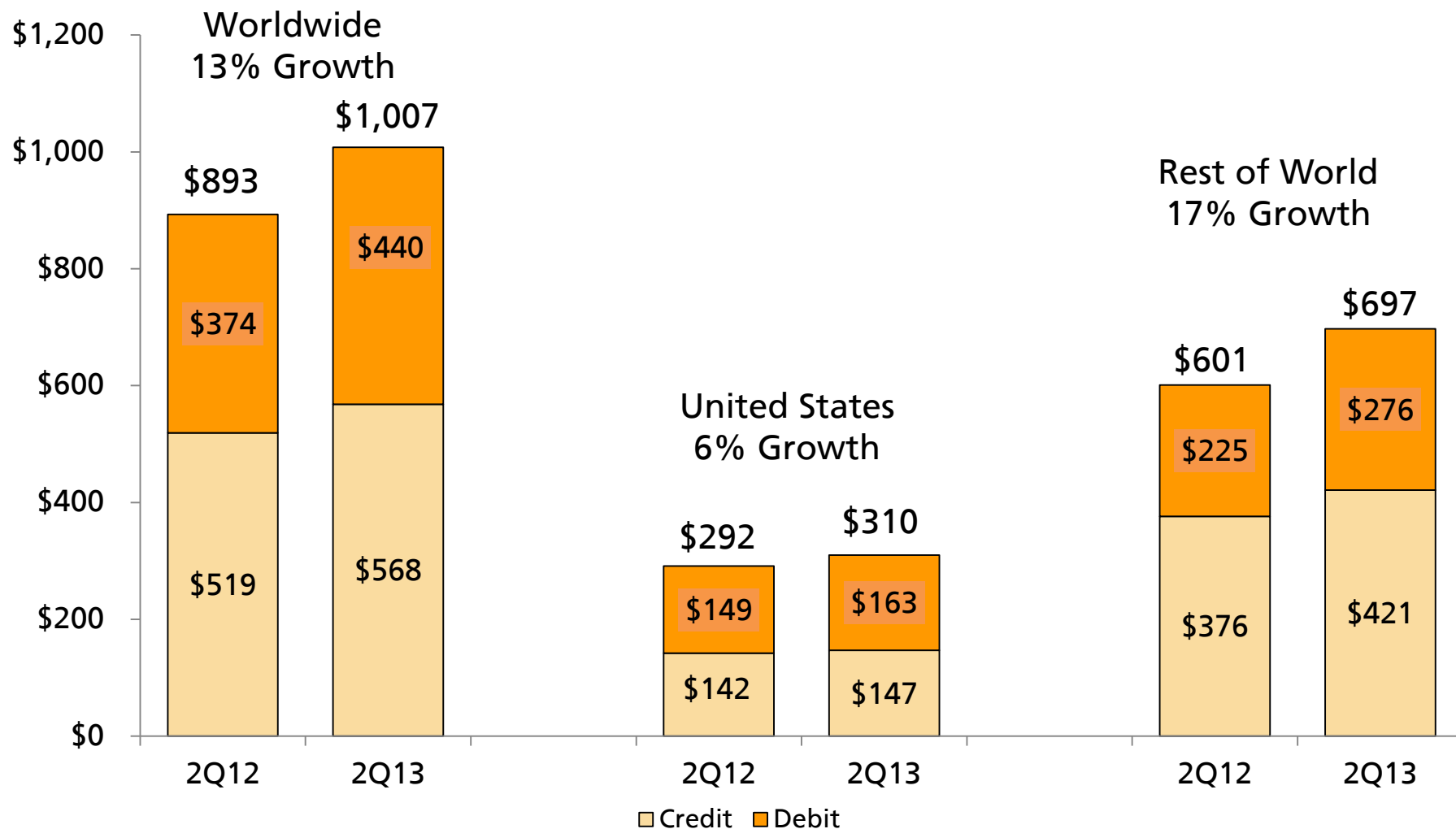
	2Q 13	2Q 12*	YOY Growth	
			As Reported	FX Adjusted
Net revenue	\$ 2,096	\$ 1,820	15%	15%
Total operating expenses	868	826	5%	5%
Operating income	1,228	994	24%	23%
<i>Operating margin</i>	<i>58.6%</i>	<i>54.6%</i>	<i>4.0 pts</i>	<i>4.0 pts</i>
Net income	<u>\$ 848</u>	<u>\$ 713</u>	19%	19%
Diluted EPS	<u>\$ 6.96</u>	<u>\$ 5.65</u>	23%	23%

Note: Figures may not sum due to rounding

\* See Appendix for GAAP reconciliations of the special item for the 3 months ended June 30, 2012.

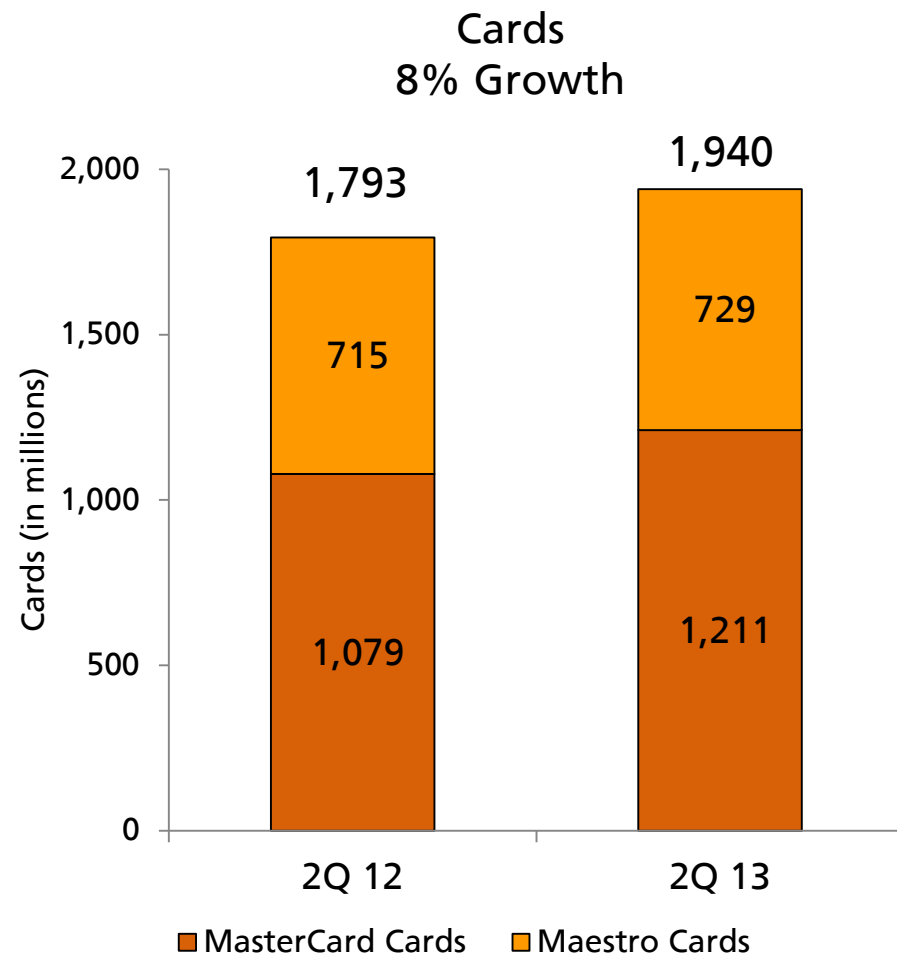
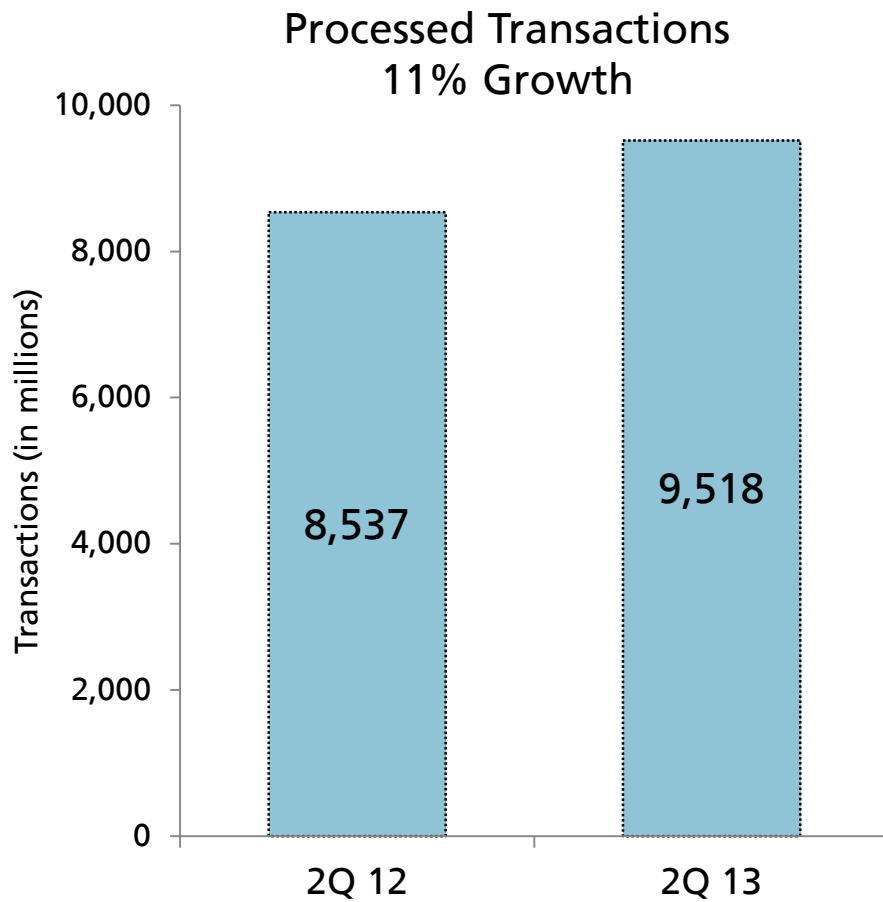
# 2<sup>nd</sup> Quarter Gross Dollar Volume (GDV)

(\$ in billions)



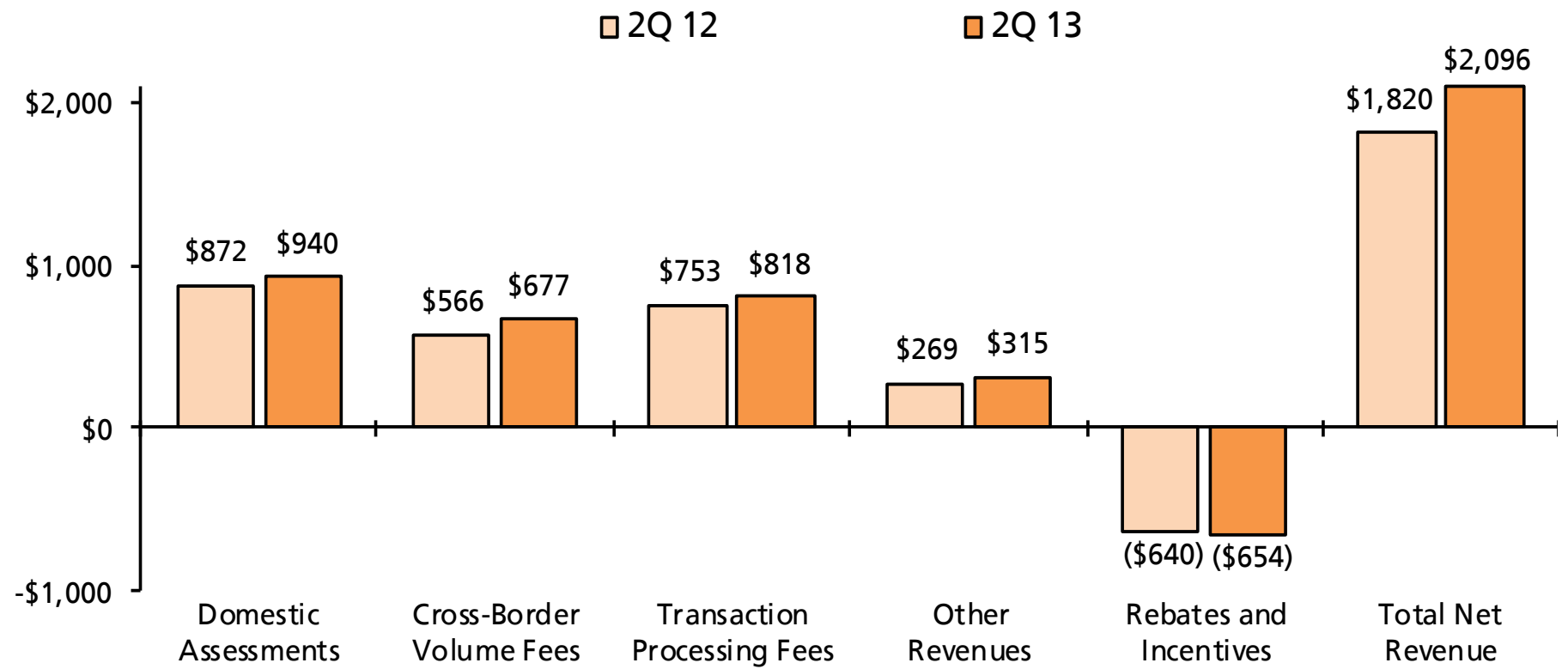
Notes: 1. Growth rates are shown in local currency  
2. Figures may not sum due to rounding

# 2<sup>nd</sup> Quarter Processed Transactions and Cards



# 2<sup>nd</sup> Quarter Revenue

(\$ in millions)

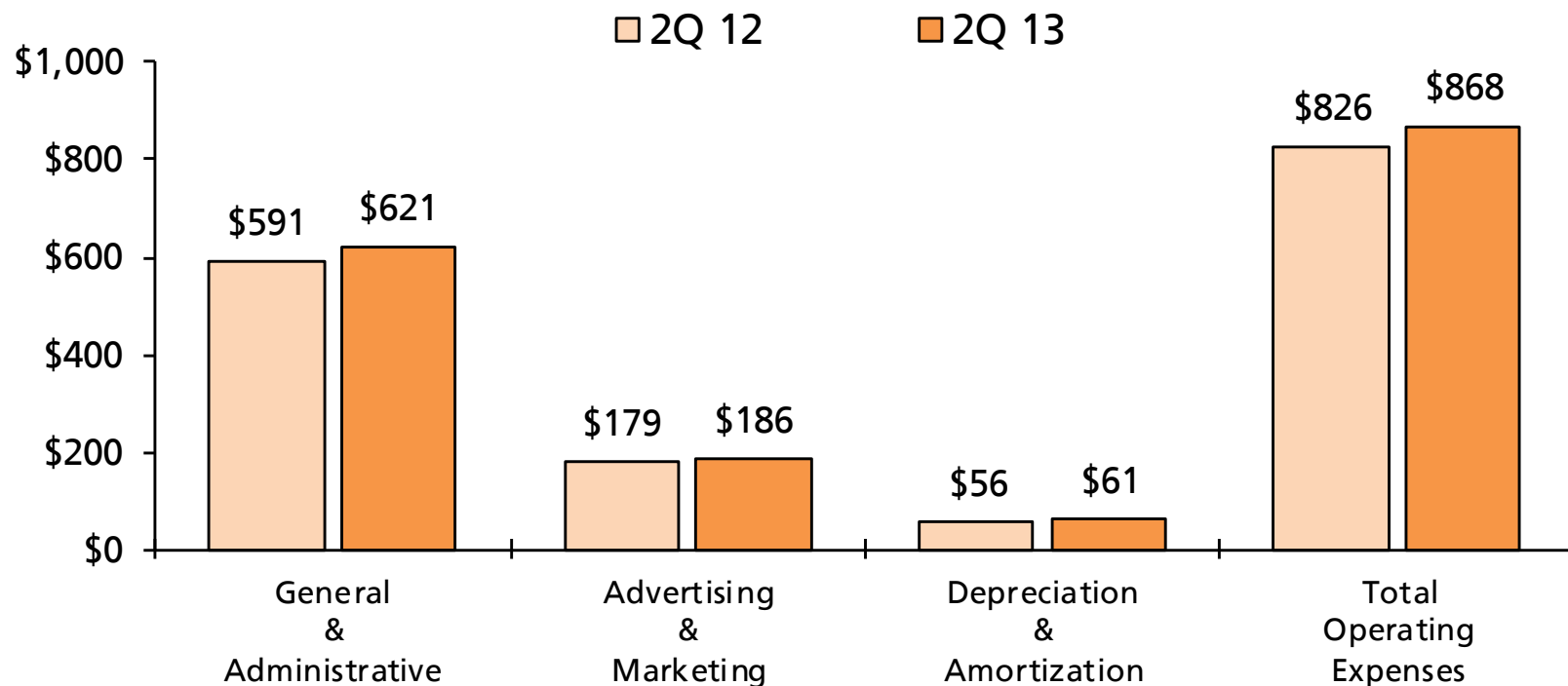


As reported	+8%	+20%	+9%	+17%	+2%	+15%
FX adjusted	+8%	+19%	+9%	+16%	+2%	+15%

Note: Certain prior period amounts have been reclassified to conform to the 2013 presentation. Net revenue is not impacted. Figures may not sum due to rounding

# 2<sup>nd</sup> Quarter Operating Expenses

(\$ in millions)



As reported	+5%	+3%	+11%	+5%*
FX adjusted	+5%	+3%	+11%	+5%*

Note: Figures may not sum due to rounding

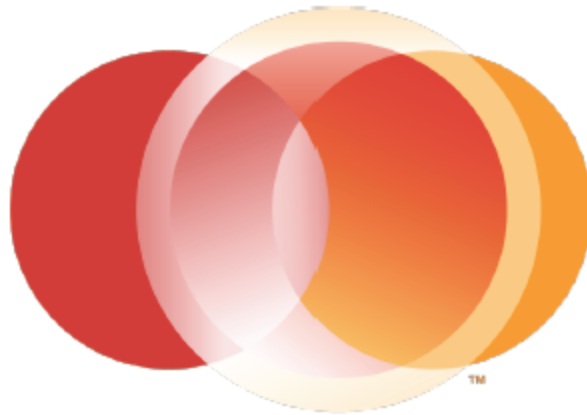
\* See Appendix for GAAP reconciliations of the special item for the 3 months ended June 30, 2012.

# Thoughts for the Future

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- Business update through July 28
- Long-term Performance Objectives
- Thoughts for 2013
  - Revenue
  - Operating Expenses
  - Tax Rate
  - FX sensitivity





# MasterCard Worldwide

*The Heart of Commerce™*

# Appendix

## GAAP Reconciliation

(\$ in millions, except per share data)



	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012		
	Actual	Actual	Special Item	Non-GAAP
Provision for litigation settlement	\$ -	\$ 20	\$ (20)	\$ -
Total operating expenses	868	846	(20)	826
Operating income	1,228	974	20	994
<i>Operating Margin</i>	<i>58.6%</i>	<i>53.5%</i>		<i>54.6%</i>
Income before income taxes	1,233	973	20	993
Income tax expense	385	273	7 <sup>a</sup>	280
Net Income	848	700	13	713
<b>Basic Earnings per Share</b>	<b>\$6.98</b>	<b>\$5.56</b>	<b>\$0.11</b>	<b>\$5.67</b>
<b>Diluted Earnings per Share</b>	<b>\$6.96</b>	<b>\$5.55</b>	<b>\$0.10</b>	<b>\$5.65</b>

a- Tax effect of provision for litigation settlement

Appendix (cont.)  
**GAAP Reconciliation**  
(\$ in millions, except per share data)



	Six Months Ended June 30, 2013		Six Months Ended June 30, 2012			
	Actual		Actual	Special Item	Non-GAAP	
Provision for litigation settlement	\$	-	\$	20	\$ (20)	\$ -
Total operating expenses		1,667		1,604	(20)	1,584
Operating income		2,335		1,974	20	1,994
<i>Operating Margin</i>		58.4%		55.2%		55.7%
Income before income taxes		2,335		1,973	20	1,993
Income tax expense		721		591	7 <sup>a</sup>	598
Net Income		1,614		1,382	13	1,395
<b>Basic Earnings per Share</b>		\$13.23		\$10.95	\$0.10	\$11.05
<b>Diluted Earnings per Share</b>		\$13.19		\$10.91	\$0.10	\$11.01

a- Tax effect of provision for litigation settlement