



**MasterCard**

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# **MasterCard Incorporated First-Quarter 2015 Financial Results Conference Call**

**April 29, 2015**

# Business Update



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**Financial & Operational Overview**

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**Economic Update**

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**Business Highlights**

# 1<sup>st</sup> Quarter Selected Financial Performance

(\$ in millions, except per share data)

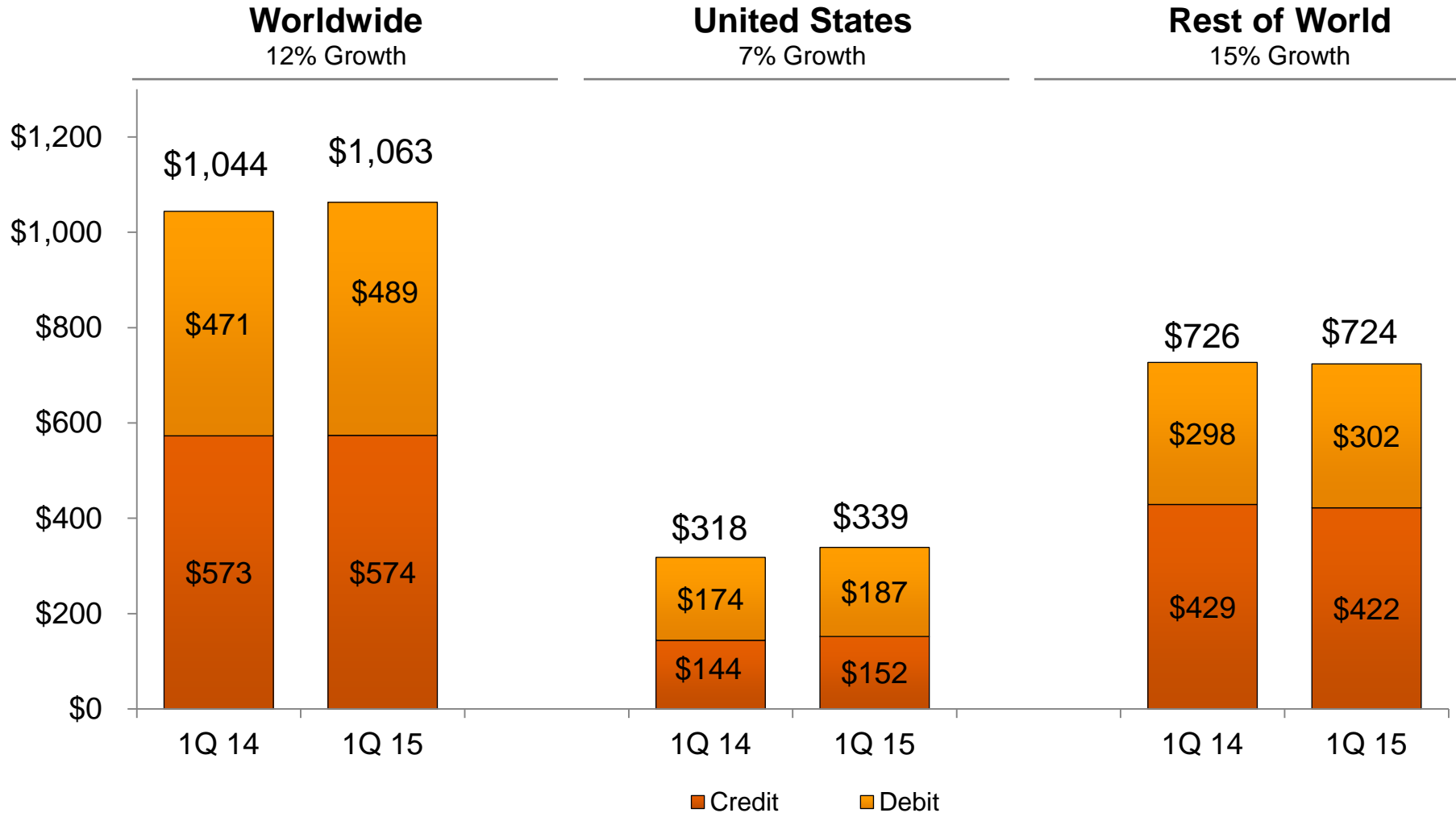


			YOY Growth	
	1Q 15	1Q 14	As Reported	FX Adjusted
Net revenue	\$ 2,230	\$ 2,172	3%	8%
Total operating expenses	879	887	(1)%	3%
Operating income	1,351	1,285	5%	12%
<i>Operating margin</i>	60.6%	59.2%	1.4 <i>ppts</i>	2.0 <i>ppts</i>
Net income	\$ 1,020	\$ 870	17%	24%
Diluted EPS	\$ 0.89	\$ 0.73	22%	29%
Effective tax rate	23.9%	32.0%		

Note: 1. Figures may not sum due to rounding.  
 2. Certain prior period amounts have been revised to conform to the 2015 presentation.

# 1<sup>st</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

# 1<sup>st</sup> Quarter Processed Transactions and Cards

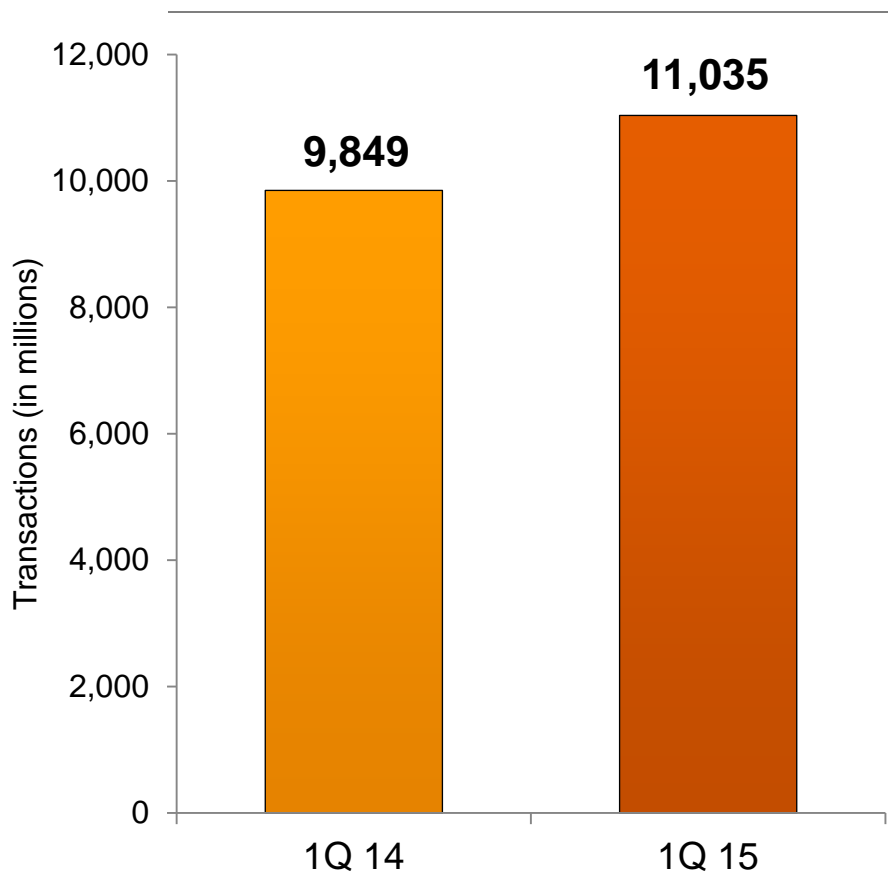


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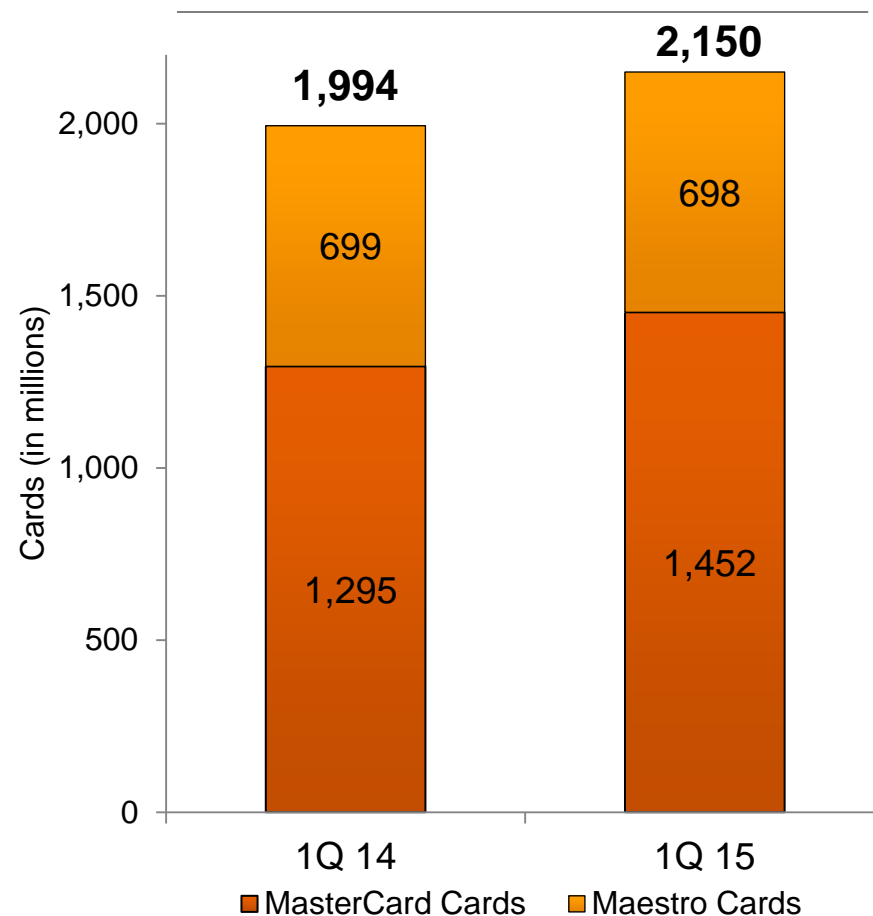
## Processed Transactions

12% Growth



## Cards

8% Growth



Note: Figures may not sum due to rounding

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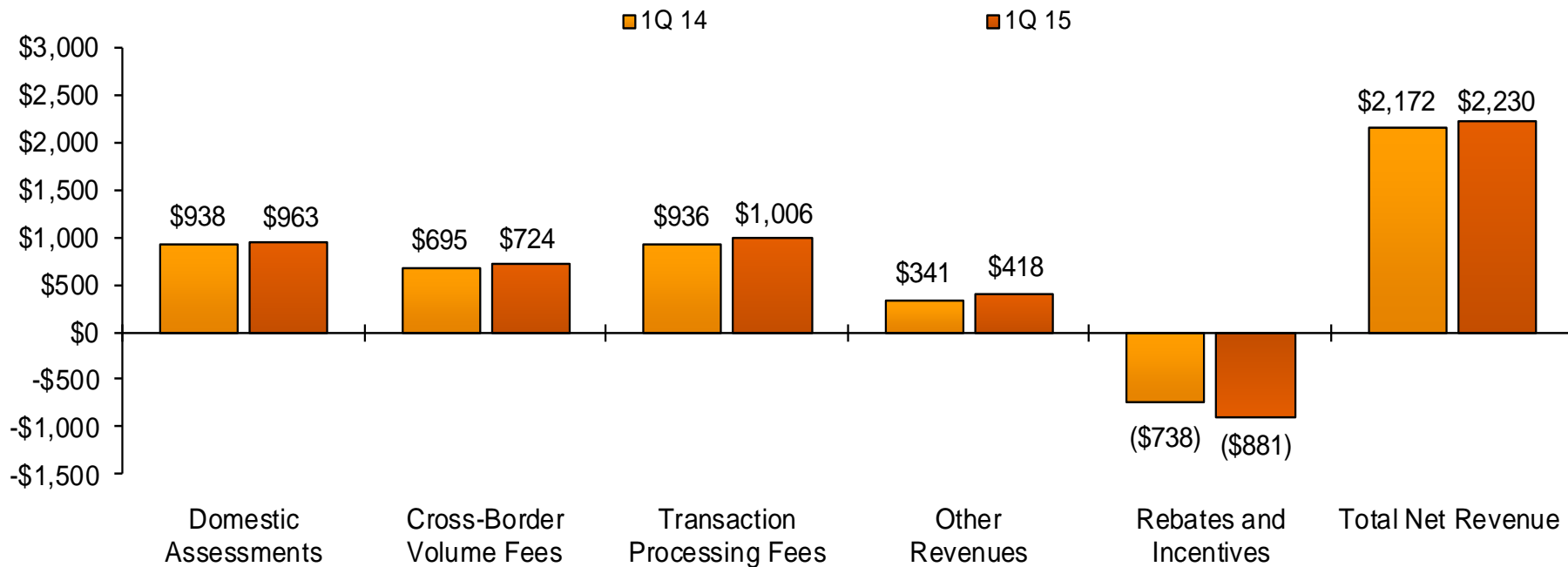
# 1<sup>st</sup> Quarter Revenue

(\$ in millions)



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<b>As-reported</b>	3%	4%	7%	22%	19%	3%
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<b>FX-adjusted</b>	8%	9%	13%	29%	25%	8%
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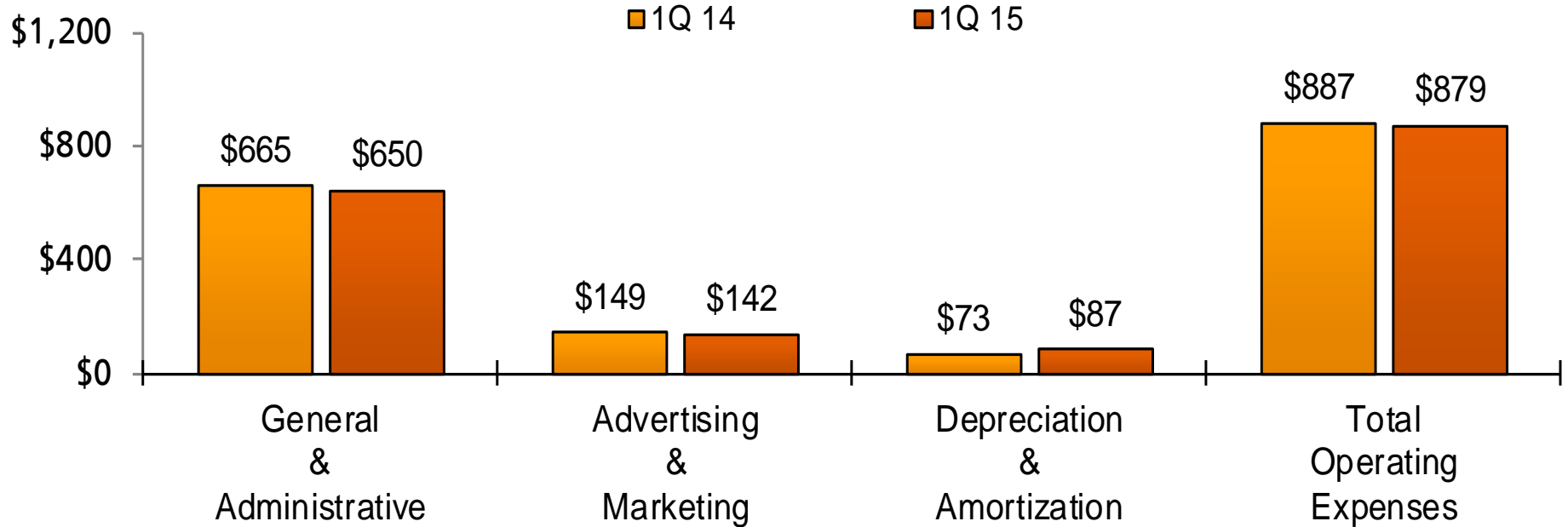
Note: 1. Figures may not sum due to rounding.

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# 1<sup>st</sup> Quarter Operating Expenses

(\$ in millions)



<b>As-reported</b>	(2)%	(4)%	18%	(1)%
<b>FX-adjusted</b>	1%	3%	19%	3%

Note: 1. Figures may not sum due to rounding  
 2. Certain prior period amounts have been revised to conform to the 2015 presentation.

# Looking Ahead

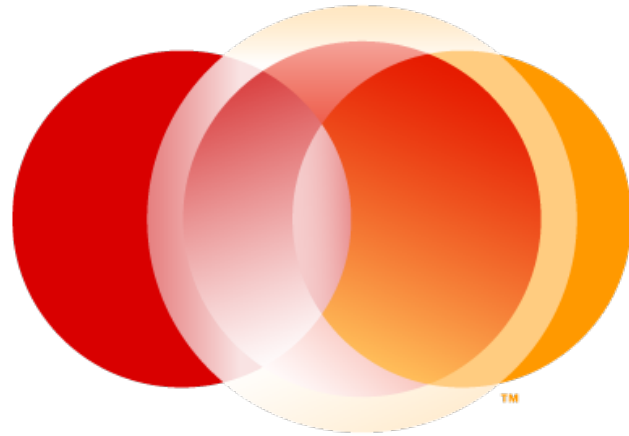
———— **Business update through April 21<sup>st</sup>**

———— **Thoughts for 2015**

- Discussion on FX
- Revenue
- Expenses
- Tax Rate

———— **Long-Term Performance Objectives**





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# Appendix A

## P&L Impact of Revision of Prepaid Program Mgmt Fees



(in \$ millions)	2013					2014				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Gross revenues	2,563	2,750	2,924	3,051	11,288	2,910	3,145	3,339	3,350	12,744
Rebates and incentives (contra-revenues)	(662)	(664)	(716)	(934)	(2,976)	(738)	(777)	(849)	(939)	(3,303)
<b>Net revenue</b>	<b>1,901</b>	<b>2,086</b>	<b>2,208</b>	<b>2,117</b>	<b>8,312</b>	<b>2,172</b>	<b>2,368</b>	<b>2,490</b>	<b>2,411</b>	<b>9,441</b>
Operating Expenses:										
General and administrative	603	611	691	710	2,615	665	731	784	972	3,152
Advertising and marketing	129	186	205	321	841	149	173	203	337	862
Depreciation and Amortization	62	61	64	71	258	73	81	83	84	321
Litigation Settlements <sup>1</sup>	-	-	-	95	95	-	-	-	-	-
Total operating expenses	794	858	960	1,197	3,809	887	985	1,070	1,393	4,335
<b>Operating income</b>	<b>1,107</b>	<b>1,228</b>	<b>1,248</b>	<b>920</b>	<b>4,503</b>	<b>1,285</b>	<b>1,383</b>	<b>1,420</b>	<b>1,018</b>	<b>5,106</b>
<b>Operating Margin</b>	<b>58.2%</b>	<b>58.9%</b>	<b>56.5%</b>	<b>43.5%</b>	<b>54.2%</b>	<b>59.2%</b>	<b>58.4%</b>	<b>57.0%</b>	<b>42.2%</b>	<b>54.1%</b>

Revision of certain fees from general and administrative expenses to rebates and incentives (contra-revenues) in prior years to align to current year presentation (\$32 million in FY 2014 and \$34 million in FY 2013). No impact to operating income.

<sup>1</sup> Reported as a special item for the fourth quarter of 2013.