

MASTERCARD INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(In thousands, except per share data)			
Revenues, net	\$1,082,850	\$901,969	\$2,994,912	\$2,486,911
Operating Expenses				
General and administrative	432,848	392,883	1,262,838	1,105,881
Advertising and market development	264,425	209,187	711,128	698,936
Litigation settlements	-	-	3,400	23,250
Charitable contributions to the MasterCard Foundation	10,000	-	10,000	400,285
Depreciation and amortization	22,274	25,139	71,490	75,052
Total operating expenses	729,547	627,209	2,058,856	2,303,404
Operating income	353,303	274,760	936,056	183,507
Other Income (Expense)				
Investment income, net	146,322	34,398	219,036	84,089
Interest expense	(16,439)	(16,757)	(41,964)	(43,465)
Other income (expense), net	(879)	(292)	91,268	303
Total other income (expense)	129,004	17,349	268,340	40,927
Income before income taxes	482,307	292,109	1,204,396	224,434
Income tax expense	167,846	99,105	422,743	215,146
Net Income	\$314,461	\$193,004	\$781,653	\$9,288
Basic Net Income per Share	\$2.32	\$1.42	\$5.76	\$.07
Basic Weighted Average Shares Outstanding	135,357	135,684	135,687	135,312
Diluted Net Income per Share	\$2.31	\$1.42	\$5.73	\$.07
Diluted Weighted Average Shares Outstanding	136,228	136,134	136,502	135,511

MASTERCARD INCORPORATED
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2007	December 31, 2006
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$1,687,423	\$1,185,080
Investment securities, at fair value:		
Trading	5,036	12,261
Available-for-sale	1,585,332	1,286,580
Accounts receivable	536,401	451,261
Settlement due from members	343,598	311,953
Restricted security deposits held for members	126,694	109,897
Prepaid expenses	167,363	130,849
Other current assets	29,483	89,348
Total Current Assets	4,481,330	3,577,229
Property, plant and equipment, at cost		
(less accumulated depreciation of \$248,948 and \$220,720)	280,370	252,731
Deferred income taxes	290,147	216,782
Goodwill	233,076	217,013
Other intangible assets		
(less accumulated amortization of \$340,376)		

and \$309,110)	303,911	271,373
Municipal bonds held-to-maturity	192,488	193,477
Prepaid expenses	264,667	235,654
Other assets	88,991	118,211
Total Assets	\$6,134,980	\$5,082,470

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$246,273	\$278,656
Settlement due to members	287,929	286,059
Restricted security deposits held for members	126,694	109,897
Obligations under U.S. merchant lawsuit and other litigation settlements - current	107,235	117,275
Accrued expenses	968,855	936,427
Short-term debt	80,000	-
Deferred income taxes	60,488	-
Other current liabilities	119,268	83,276
Total Current Liabilities	1,996,742	1,811,590
Deferred income taxes	69,888	66,198
Obligations under U.S. merchant lawsuit and other litigation settlements	387,403	359,640
Long-term debt	149,747	229,668
Other liabilities	353,862	246,395
Total Liabilities	2,957,642	2,713,491
Commitments and Contingencies		
Minority interest	4,620	4,620
Stockholders' Equity		
Class A common stock, \$.0001 par value; authorized 3,000,000,000 shares, 84,833,813 and 79,631,983 shares issued, respectively	9	8
Class B common stock, \$.0001 par value; authorized 1,200,000,000 shares, 50,341,491 and 55,337,407 shares issued and outstanding, respectively	5	6
Class M common stock, \$.0001 par value, authorized 1,000,000 shares, 1,636 and 1,600 shares issued and outstanding, respectively	-	-
Additional paid-in capital	3,261,529	3,289,879
Class A treasury stock, at cost, 2,006,300 shares and no shares, respectively	(277,164)	-
Accumulated deficit	(226,368)	(1,029,196)
Accumulated other comprehensive income, net of tax:		
Cumulative foreign currency translation adjustments	191,512	119,655
Defined benefit pension and other postretirement plans	(9,675)	(11,402)
Investment securities available-for-sale	234,895	(3,065)
Derivatives accounted for as hedges	(2,025)	(1,526)
Total accumulated other comprehensive income, net of tax	414,707	103,662
Total Stockholders' Equity	3,172,718	2,364,359
Total Liabilities and Stockholders' Equity	\$6,134,980	\$5,082,470

MASTERCARD INCORPORATED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nine Months
Ended September 30,
2007 2006
(In thousands)

Operating Activities		
Net income	\$781,653	\$9,288

Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	71,490	75,052
Gain on sale of Redecard S.A. available-for-sale securities	(107,042)	-
Charitable contribution of common stock to the MasterCard Foundation	-	394,785
Share based payments	35,909	13,372
Deferred income taxes	(8,170)	18,962
Taxes related to share based payments	(11,193)	-
Excess tax benefit on share based payments	(7,598)	-
Accretion of imputed interest on litigation settlement	28,248	31,777
Other	8,855	7,440
Changes in operating assets and liabilities:		
Trading securities	7,225	3,814
Accounts receivable	(68,655)	(90,419)
Settlement due from members	(9,499)	(10,589)
Prepaid expenses	(32,657)	18,146
Other current assets	(1,375)	9,503
Prepaid expenses, long-term	(19,352)	(4,253)
Litigation settlement accruals	(10,525)	(72,090)
Accounts payable	(36,109)	5,695
Settlement due to members	(18,038)	13,890
Accrued expenses	72,644	1,026
Net change in other assets and liabilities	41,852	21,384
Net cash provided by operating activities	717,663	446,783
Investing Activities		
Purchases of property, plant and equipment	(59,339)	(38,599)
Capitalized software	(52,322)	(24,338)
Purchases of investment securities available-for-sale	(2,749,413)	(2,525,682)
Proceeds from sales and maturities of investment securities available-for-sale	2,928,342	2,349,978
Other investing activities	8,551	(881)
Net cash provided by (used in) investing activities	75,819	(239,522)
Financing Activities		
Cash received from sale of common stock, net of issuance costs	-	2,449,910
Cash payment for redemption of common stock	-	(1,799,937)
Dividends paid	(53,805)	-
Cash proceeds from exercise of stock options	1,083	-
Excess tax benefit on share based payments	7,598	-
Purchases of treasury stock	(277,164)	-
Net cash (used in) provided by financing activities	(322,288)	649,973
Effect of exchange rate changes on cash and cash equivalents		
	31,149	18,632
Net increase in cash and cash equivalents	502,343	875,866
Cash and cash equivalents - beginning of period	1,185,080	545,273
Cash and cash equivalents - end of period	\$1,687,423	\$1,421,139

MASTERCARD INCORPORATED OPERATING PERFORMANCE

For the 3 Months ended September 30, 2007

				Purchase	
All MasterCard Credit, Charge and Debit Programs	GDV (Bil.)	Growth (USD)	Growth (Local)	Volume (Bil.)	Growth (Local)
Asia Pacific	\$78	22.3%	17.1%	\$54	22.2%
Canada	23	21.2%	13.3%	20	14.0%
Europe	171	25.8%	16.1%	126	16.8%
Latin America	39	24.2%	20.2%	20	23.9%

South Asia / Middle East / Africa	11	41.3%	36.8%	6	29.0%
United States	256	7.7%	7.7%	205	9.4%
Worldwide	577	16.6%	12.8%	430	14.1%

MasterCard Credit and Charge Programs

United States	164	5.3%	5.3%	139	7.1%
Worldwide less United States	258	24.3%	16.4%	201	19.2%
Worldwide	422	16.2%	11.8%	340	13.9%

MasterCard Debit Programs

United States	92	12.1%	12.1%	66	14.7%
Worldwide less United States	63	27.3%	20.8%	24	14.7%
Worldwide	155	17.8%	15.4%	91	14.7%

	Purchase Trans. (Mil.)	Cash Volume (Bil.)	Growth (Local)	Cash Trans. (Mil.)	Accounts (Mil.)	Cards (Mil.)
All MasterCard Credit, Charge and Debit Programs						
Asia Pacific	658	\$24	7.2%	141	155	168
Canada	222	3	8.5%	5	28	34
Europe	1,459	45	14.1%	254	159	172
Latin America	393	19	16.7%	129	75	92
South Asia / Middle East / Africa	87	5	48.0%	39	27	30
United States	3,225	51	1.0%	250	331	382
Worldwide	6,044	147	9.1%	817	775	878

MasterCard Credit and Charge Programs

United States	1,602	25	-3.5%	18	228	274
Worldwide less United States	2,407	57	7.5%	262	387	434
Worldwide	4,008	82	3.9%	280	615	708

MasterCard Debit Programs

United States	1,624	26	5.9%	232	103	108
Worldwide less United States	412	39	24.9%	305	58	63
Worldwide	2,036	65	16.5%	537	161	170

	Acceptance Locations (Mil.)
All MasterCard Credit, Charge and Debit Programs	
Asia Pacific	6.8
Canada	0.7
Europe	8.0
Latin America	2.5
South Asia / Middle East / Africa	0.9
United States	7.0
Worldwide	25.9

MasterCard Credit and Charge Programs

United States	
Worldwide less United States	
Worldwide	

MasterCard Debit Programs

United States	
Worldwide less United States	
Worldwide	

For the 9 Months ended September 30, 2007

Purchase

All MasterCard Credit, Charge and Debit Programs	GDV (Bil.)	Growth (USD)	Growth (Local)	Volume (Bil.)	Growth (Local)
Asia Pacific	\$220	20.3%	16.3%	\$150	21.1%
Canada	64	17.6%	14.3%	55	14.3%
Europe	469	24.7%	15.2%	347	15.8%
Latin America	111	24.6%	22.1%	55	24.9%
South Asia / Middle East / Africa	30	38.8%	41.5%	17	31.8%
United States	748	10.9%	10.9%	597	13.1%
Worldwide	1,642	17.4%	14.1%	1,220	15.6%

MasterCard Credit and Charge Programs					
United States	474	5.1%	5.1%	401	7.4%
Worldwide less United States	718	22.4%	15.8%	555	18.5%
Worldwide	1,191	14.8%	11.3%	956	13.6%

MasterCard Debit Programs					
United States	275	22.7%	22.7%	196	26.7%
Worldwide less United States	176	28.3%	22.1%	68	14.4%
Worldwide	450	24.8%	22.4%	264	23.3%

	Purchase Trans. (Mil.)	Cash Volume (Bil.)	Growth (Local)	Cash Trans. (Mil.)	Accounts (Mil.)	Cards (Mil.)
All MasterCard Credit, Charge and Debit Programs						
Asia Pacific	1,869	\$70	7.1%	402	155	168
Canada	626	9	14.3%	15	28	34
Europe	4,127	122	13.6%	723	159	172
Latin America	1,122	56	19.4%	375	75	92
South Asia / Middle East / Africa	252	13	56.0%	111	27	30
United States	9,342	151	3.1%	738	331	382
Worldwide	17,338	422	10.2%	2,363	775	878

MasterCard Credit and Charge Programs						
United States	4,603	73	-6.2%	51	228	274
Worldwide less United States	6,820	163	7.3%	762	387	434
Worldwide	11,423	236	2.8%	813	615	708

MasterCard Debit Programs						
United States	4,739	78	13.5%	687	103	108
Worldwide less United States	1,176	108	27.4%	864	58	63
Worldwide	5,915	187	21.2%	1,551	161	170

For the 3 Months ended September 30, 2006

	GDV (Bil.)	Growth (USD)	Growth (Local)	Purchase Volume (Bil.)	Growth (Local)
All MasterCard Credit, Charge and Debit Programs					
Asia Pacific	\$63	12.3%	10.7%	\$42	17.7%
Canada	19	21.2%	13.0%	17	13.7%
Europe	136	16.8%	13.1%	99	13.4%
Latin America	31	25.1%	25.3%	15	27.7%
South Asia / Middle East / Africa	8	38.2%	46.2%	5	34.0%
United States	238	17.1%	17.1%	187	18.5%
Worldwide	495	17.3%	15.8%	365	17.2%

MasterCard Credit and Charge Programs					
United States	155	4.9%	4.9%	129	6.5%
Worldwide less United States	208	16.3%	13.3%	158	16.3%
Worldwide	363	11.2%	9.6%	287	11.7%

MasterCard Debit Programs

United States	82	49.7%	49.7%	58	58.3%
Worldwide less United States	50	22.7%	20.3%	20	13.2%
Worldwide	132	38.3%	37.1%	78	43.7%

	Purchase Trans. (Mil.)	Cash Volume (Bil.)	Growth (Local)	Cash Trans. (Mil.)	Accounts (Mil.)	Cards (Mil.)
All MasterCard Credit, Charge and Debit Programs						
Asia Pacific	546	\$22	-0.9%	117	140	153
Canada	199	3	9.1%	5	26	32
Europe	1,281	36	12.3%	228	135	144
Latin America	337	16	23.2%	115	70	83
South Asia / Middle East / Africa	74	3	68.6%	29	21	24
United States	2,890	50	12.1%	244	301	353
Worldwide	5,327	130	11.9%	738	693	789

MasterCard Credit and Charge Programs						
United States	1,505	26	-2.2%	17	215	261
Worldwide less United States	2,077	50	4.9%	243	342	383
Worldwide	3,582	76	2.3%	260	557	644

MasterCard Debit Programs						
United States	1,385	24	32.8%	227	87	93
Worldwide less United States	360	30	25.6%	250	50	53
Worldwide	1,745	54	28.7%	477	136	146

For the 9 Months ended September 30, 2006

	GDV (Bil.)	Growth (USD)	Growth (Local)	Purchase Volume (Bil.)	Growth (Local)
All MasterCard Credit, Charge and Debit Programs					
Asia Pacific	\$183	9.0%	9.3%	\$120	16.1%
Canada	54	23.8%	14.5%	47	15.7%
Europe	376	12.5%	14.3%	277	14.3%
Latin America	89	30.0%	26.6%	42	29.7%
South Asia / Middle East / Africa	22	45.2%	49.6%	13	34.1%
United States	675	16.1%	16.1%	528	17.4%
Worldwide	1,398	15.6%	15.6%	1,026	16.9%

MasterCard Credit and Charge Programs					
United States	451	7.1%	7.1%	373	8.4%
Worldwide less United States	587	14.0%	14.0%	442	16.8%
Worldwide	1,038	10.9%	10.9%	816	12.8%

MasterCard Debit Programs					
United States	224	40.0%	40.0%	155	46.4%
Worldwide less United States	137	19.6%	20.3%	55	13.8%
Worldwide	361	31.5%	31.8%	210	36.1%

	Purchase Trans. (Mil.)	Cash Volume (Bil.)	Growth (Local)	Cash Trans. (Mil.)	Accounts (Mil.)	Cards (Mil.)
All MasterCard Credit, Charge and Debit Programs						
Asia Pacific	1,532	\$63	-1.8%	329	140	153
Canada	559	8	8.2%	14	26	32
Europe	3,648	99	14.1%	649	135	144
Latin America	947	47	24.0%	333	70	83
South Asia / Middle East / Africa	206	9	81.8%	75	21	24
United States	7,976	147	11.9%	688	301	353
Worldwide	14,869	373	12.1%	2,089	693	789

MasterCard Credit and Charge Programs

United States	4,318	78	0.9%	49	215	261
Worldwide less United States	5,870	144	6.1%	710	342	383
Worldwide	10,188	222	4.2%	758	557	644

MasterCard Debit Programs

United States	3,658	69	27.5%	640	87	93
Worldwide less United States	1,023	82	25.1%	691	50	53
Worldwide	4,680	151	26.2%	1,331	136	146

Note that columns in the tables above may not add due to rounding; growth represents change from the comparable year-ago period.

Footnote

The tables set forth the gross dollar volume ("GDV"), purchase volume, cash volume and the number of purchase transactions, cash transactions, accounts, cards and acceptance locations on a regional and global basis for MasterCard(R)-branded and MasterCard Electronic(TM)-branded cards. Growth rates over prior periods are provided for volume-based data.

Debit transactions on Maestro(R) and Cirrus(R)-branded cards, Mondex(R) transactions and transactions involving brands other than MasterCard are not included in the preceding tables.

For purposes of the table: GDV represents purchase volume plus cash volume and includes the impact of balance transfers and convenience checks; "purchase volume" means the aggregate dollar amount of purchases made with MasterCard-branded cards for the relevant period; and "cash volume" means the aggregate dollar amount of cash disbursements obtained with MasterCard-branded cards for the relevant period. The number of cards includes virtual cards, which are MasterCard-branded payment accounts in connection with which functional cards are not generally issued. Acceptance locations include merchant locations, ATMs and other locations where cash may be obtained.

The MasterCard payment product is comprised of credit, charge and debit programs, and data relating to each type of program is included in the tables. Debit programs include MasterCard-branded debit programs where the primary means of cardholder validation at the point of sale is for cardholders either to sign a sales receipt or enter a PIN. The tables include information with respect to transactions involving MasterCard-branded cards that are not processed by MasterCard and transactions for which MasterCard does not earn significant revenues.

Information denominated in U.S. dollars is calculated by applying an established U.S. dollar/local currency exchange rate for each local currency in which MasterCard volumes are reported. These exchange rates are calculated on a quarterly basis using the average exchange rate for each quarter. However, MasterCard reports period-over-period rates of change in purchase volume and cash volume on the basis of local currency information, in order to eliminate the impact of changes in the value of foreign currencies against the U.S. dollar in calculating such rates of change.

The data set forth in the GDV, purchase volume, purchase transactions, cash volume and cash transactions columns is derived from information provided by MasterCard customers that is subject to verification by MasterCard and partial cross-checking against information provided by MasterCard's transaction processing systems. The data set forth in the accounts, cards and acceptance locations columns is derived from information provided by MasterCard customers and is subject to certain limited verification by MasterCard. Certain information with respect to acceptance locations is provided by third parties and has not been independently verified by MasterCard. All data is subject to revision and amendment by MasterCard's customers subsequent to the date of its release. A portion of the data set forth in the accounts and cards columns reflects the impact of routine portfolio changes among customers and other practices that may lead to over counting of the underlying data in certain circumstances.

In the three and nine months ended September 30, 2007, GDV excludes commercial funds transfers in China, which are generally transactions that facilitate the

transfer of funds between bank branches, but do not involve traditional cash withdrawals or balance transfers. Data for the comparable periods in 2006 have been updated to be consistent with this approach.

Performance information for prior periods may be found in the "Investor Relations" section of MasterCard's website at www.mastercard.com.

Reconciliation to Total Operating Expenses, Total Other Income, Net Income and Earnings Per Share

(\$ million)	For the nine months ended 9/30/07		
	Actual	Special Items	As Adjusted
Revenues, net	\$2,995	-	\$2,995
Operating Expenses			
General and administrative	1,263	-	1,263
Advertising and marketing	711	-	711
Litigation settlements	3	3 a	-
Charitable contributions to the MasterCard Foundation	10	-	10 c
Depreciation and amortization	71	-	71
Total operating expenses	2,059	3	2,056
Operating income (expense)	936	3	939
Operating Margin	31.3%	-	31.4%
Other Income (Expense)			
Investment income, net	219	-	219
Interest expense	(42)	-	(42)
Other income, net	91	90 e	1
Total other income (expense)	268	90	178
Income (loss) before income taxes	1,204	(87)	1,117
Income tax expense (benefit)	423	(30)	393
Net Income (loss)	\$782	(\$57)	\$724
Basic Net Income (Loss) per Share	\$5.76	(\$0.42)	\$5.34
Diluted Net Income (Loss) per Share	\$5.73	(\$0.42)	\$5.31

(\$ million)	For the nine months ended 9/30/06			YOY Growth
	Actual	Special Items	As Adjusted	As Adjusted
Revenues, net	\$2,487	-	\$2,487	20.4%
Operating Expenses				
General and administrative	1,106	-	1,106	14.2%
Advertising and marketing	699	-	699	1.7%
Litigation settlements	23	23 a	-	NM
Charitable contributions to the MasterCard Foundation	400	395 b	5 c	100.0%
Depreciation and amortization	75	-	75	(4.7%)
Total operating expenses	2,303	418	1,885	9.1%
Operating income (expense)	184	418	602	56.0%
Operating Margin	7.4%	-	24.2%	7.2 ppt.
Other Income (Expense)				
Investment income, net	84	(7) d	77	184.4%
Interest expense	(43)	-	(43)	2.3%
Other income, net	-	-	-	NM
Total other income (expense)	41	(7)	34	423.5%
Income (loss) before income taxes	224	411	636	75.6%
Income tax expense (benefit)	215	- f	215	82.8%
Net Income (loss)	\$9	\$411	\$420	72.4%
Basic Net Income (Loss) per Share	\$0.07	\$3.04	\$3.11	71.7%
Diluted Net Income (Loss) per Share	\$0.07	\$3.04	\$3.11	70.7%

a Litigation settlements

- b Contribution of stock to the MasterCard Foundation
- c Contribution of cash to the MasterCard Foundation
- d Interest income on IPO proceeds held for redemption
- e Other income related to a settlement agreement to discontinue the company's sponsorship of the 2010 and 2014 World Cup soccer events
- f Net tax effect of all special items for 2006 is negligible

NM = Not meaningful

Note that the figures in the preceding tables may not sum due to rounding

Reconciliation to Effective Tax Rate

	GAAP Actual	GAAP Effective Tax Rate	Stock Donation	Non- GAAP Adjusted	Non- GAAP Effective Tax Rate
Nine months ended					
September 30, 2006:					
Income before income taxes	\$224	95.9%	\$395	\$619	34.6%
Income tax expense(1)	215			214	
Net Income	\$9			\$405	

(1) Income tax expense has been calculated with and without the impact of the stock donation to the Foundation.

Note that the figures in the preceding table may not sum due to rounding

For more information about these reconciliations, refer to MasterCard Incorporated's Form 8-K filed with the Securities and Exchange Commission on October 31, 2007.