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MasterCard Announces Five Year Plan to Change the Face of the Payments Industry in Australia

Cardholders, Merchants and Banks to Benefit from MasterCard's Roadmap Commitment to Innovation, Security and Transparency

Sydney, 29 March 2011 – MasterCard today announced the launch of the ‘MasterCard Roadmap’, an unprecedented five year plan to grow and reinforce the integrity of the payments system in Australia.

The MasterCard Roadmap sees innovation, security and transparency at the heart of the MasterCard business and will benefit cardholders, merchants and the wider banking industry.

MasterCard's Divisional President Eddie Grobler said the comprehensive plan will touch every point of the payment landscape with commitments to the rollout of new MasterCard products and services, further safeguards to protect payments (both online and at the point of sale) and basic requirements on providing transparency on fees across all MasterCard payment products.

Innovation

Core to the MasterCard Roadmap philosophy will be continued innovation in the payments industry. MasterCard continues to invest heavily in research and development of new payment types, most recently bringing *PayPass*[™], MasterCard's contactless payment feature, to mass market.

“Today, there are more than 5.3 million *PayPass* cards in the wallets of Australians and they can be used at more than 35,000 merchant locations including McDonalds, Bunnings, 7Eleven and JB Hifi,” said Mr Grobler.

“We know that customers want *PayPass*. Between June and December 2010, we saw growth in the number of *PayPass* transactions in Australia of over 235%.”

MasterCard has set a series of public milestones for the rollout of new products and services over the next two years. These include:

- October 2012: All new MasterCards will be *PayPass* enabled, providing consumers with a fast and convenient alternative to cash for smaller purchases; and
- All new merchants in relevant merchant categories must have at least one *PayPass* enabled terminal
 - Taxis
 - Newsagents and bookstores
 - Supermarkets, convenience stores, grocers and pharmacies
 - Service Stations and parking lots
 - Fast food restaurants, cafes and bars
 - Cinemas and theatres



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News Release

- October 2012: Merchants will offer ‘Purchase with Cash Back’ to Debit MasterCard cardholders when using a PIN. As well as making a purchase, consumers can also withdraw cash on their Debit MasterCard cards

“The set of changes outlined in the Roadmap will change the face of the payments industry in Australia and bring a broad range of benefits across the financial sector,” said Mr Grobler.

“MasterCard’s position at the Heart of Commerce ensures that the company has a leadership role to play within the industry. The Roadmap is our commitment to merchants, cardholders and our customer banks to facilitate the acceptance of payments in a quicker, safer and more efficient way.”

Security

At the heart of the ‘MasterCard Roadmap’ is a clearly defined commitment to enhancing already robust security measures with a key focus on enabling cardholders to make more secure payments online and at the point of sale.

- October 2011: All new and reissued MasterCard cards issued by Australian banks must be EMV capable, with all Point of Sale terminals EMV compliant by April 2012*
- April 2013: All cards and payment terminals will need to be EMV capable
- April 2013: Online merchants must provide either MasterCard SecureCode** Authentication or the equivalent for transactions over \$200
- At the end of 2015, all ATMs in Australia must be EMV enabled

“MasterCard has placed a strong and consistent emphasis on our security systems to safeguard cardholders, merchants and the banking industry.

“In the next five years we will continue to invest here, particularly with more merchants and cardholders migrating to online purchases.”

Transparency

Transparency is key to how MasterCard runs its business, and by October 2011, Acquiring banks must be able to separate the financial terms they offer for Credit and Debit card acceptance to help merchants identify the cost of acceptance for each product.

Other components of the MasterCard Roadmap include:

Security

- 1 July 2011: All Point of Sale terminals in New Zealand must be EMV compliant
- April 2012: MasterCard will begin a liability shift between Australia and New Zealand for ATM transactions based on who is the EMV capable party

Innovation

- April 2014: All existing cards must be *PayPass* enabled and all existing merchants in the categories above must have *PayPass* functionality

*This means that from this date the non-EMV party will be liable for any resulting fraud

**Additional layer of security when shopping online, MasterCard SecureCode requires additional detail to be submitted to prove the transaction is authentic

About MasterCard Worldwide

As a leading global payments company, MasterCard Worldwide prides itself on being at the heart of commerce, helping to make life easier and more efficient for everyone, everywhere. MasterCard serves as a franchisor, processor and advisor to the payments industry, and makes commerce happen by providing a critical economic link among financial institutions, governments, businesses, merchants, and cardholders worldwide. In 2009, \$2.5 trillion in gross dollar volume was generated on its products by consumers around the world. Powered by the MasterCard Worldwide Network – the fastest payment processing network in the world – MasterCard processes over 22 billion transactions each year, has the capacity to handle 140 million transactions per hour, with an average network response time of 140 milliseconds and with 99.99 percent reliability. MasterCard advances global commerce through its family of brands, including MasterCard®, Maestro®, and Cirrus®; its suite of core products such as credit, debit, and prepaid; and its innovative platforms and functionalities, such as MasterCard *PayPass*™ and MasterCard *inControl*™. MasterCard serves consumers, governments, and businesses in more than 210 countries and territories. For more information, please visit us at www.mastercard.com. Follow us on Twitter: @mastercardnews.

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. Such forward-looking statements include, without limitation, statements related to the company's ability to innovate and respond quickly to changes in its business environments

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, 2009, the company's Quarterly Report on Form 10-Q and Current Reports on Form 8-K that have been filed with the SEC during 2010 and 2011, 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.

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