

Mastercard Inc  
Form 8-K  
October 28, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): October 28,  
2016

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Mastercard Incorporated  
(Exact name of registrant as specified in its charter)

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|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 001-32877                   | 13-4172551                           |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |

|  |            |
|--|------------|
| 2000 Purchase Street                                 | 10577      |
| Purchase, New York                                   | (Zip Code) |
| (Address of principal executive<br>offices)          |            |
| (914) 249-2000                                       |            |
| (Registrant's telephone number, including area code) |            |

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On October 28, 2016, Mastercard Incorporated (“Mastercard”) issued a press release announcing financial results for its third quarter 2016.

A copy of the press release is attached hereto as Exhibit 99.1. All information in the press release is furnished but not filed.

Non-GAAP Financial Information

In the attached press release, Mastercard discloses as non-GAAP financial measures, total operating expenses, operating income, income tax expense, net income and diluted earnings per share (as well as related applicable growth rates versus the comparable period in the prior year), operating margin and effective tax rate that each exclude the impact of the following special items:

in the second quarter of 2016, Mastercard recorded a provision for litigation related to a judgment issued against Mastercard in a litigation with a merchant in the U.K.;

in the second quarter of 2015, Mastercard recorded a provision for litigation related to a settlement with a merchant in the U.K.; and

in the third quarter of 2015, Mastercard recorded a settlement charge relating to the termination of its qualified U.S. defined benefit pension plan in general and administrative expenses (the “U.S. Employee Pension Plan Settlement Charge”).

The provisions for litigation for both years relate to separate merchant litigations in the U.K. Mastercard excluded these provisions because its management monitors material litigation judgments and settlements separately from ongoing operations and evaluates ongoing performance without these amounts. Mastercard excluded the U.S. Employee Pension Plan Settlement Charge because its management monitors significant one-time items separately from ongoing operations and evaluates ongoing performance without these amounts. Mastercard’s management believes that the non-GAAP financial measures presented facilitate an understanding of Mastercard’s operating performance and meaningful comparison of its results between periods.

In the attached press release, management also presents growth rates on a currency-neutral basis, which is a non-GAAP financial measure. Currency-neutral growth rates are calculated by remeasuring the prior period’s results using the current period’s exchange rates for both the translational and transactional impacts on our operating results. The impact of foreign currency translation represents the effect of translating operating results where the functional currency is different than our U.S. dollar reporting currency. The impact of the transactional foreign currency represents the effect of converting revenue and expenses occurring in a currency other than the functional currency. Mastercard’s management believes the presentation of certain currency-neutral growth rates provides relevant information.

Mastercard’s management uses non-GAAP financial measures to, among other things, evaluate its ongoing operations in relation to historical results, for internal planning and forecasting purposes and in the calculation of performance-based compensation. The attached press release includes reconciliations of the requisite non-GAAP financial measures to the most directly comparable GAAP financial measures. The presentation of non-GAAP financial measures should not be considered in isolation or as a substitute for Mastercard’s related financial results prepared in accordance with GAAP.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number Exhibit Description

99.1 Press Release issued by Mastercard Incorporated, dated October 28, 2016

2

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MASTERCARD  
INCORPORATED

Date: October 28, 2016 By: /s/ Janet McGinness  
Janet McGinness  
Corporate Secretary

EXHIBIT INDEX

Exhibit Number Exhibit Description

99.1 Press Release issued by Mastercard Incorporated, dated October 28, 2016

4