



Visa Inc. Fiscal Second Quarter 2008 Financial Results

April 28, 2008



Safe Harbor Reminder



- The following materials and management's discussion of them may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the terms "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will" and similar expressions which are intended to identify forward-looking statements. In addition, any underlying assumptions are forward-looking statements. Such forward-looking statements include but are not limited to: (i) statements regarding certain of Visa's goals and expectations with respect to earnings per share, revenue, operating margin and free cash flow and the growth rate in those items, as well as other measures of economic performance, and (ii) statements relating to the benefits of the 2007 reorganization and the 2008 initial public offering.
- By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors, including all the risks discussed under the heading "*Risk Factors*" in our Prospectus dated March 18, 2008, filed with the U.S. Securities and Exchange Commission pursuant to Rule 424(b)(4) on March 19, 2008. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this presentation. Unless required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.



Strong Opening Quarter

- On an adjusted basis
 - Quarterly net income of \$401 million
 - 48% increase in net income over 2007 period
 - Earnings per share of \$0.52 on a diluted basis
- Achieved significant year-over-year growth
 - Payments volume of 19% to \$681 billion
 - Total volume of 21% to \$1.1 trillion
- Operating revenues of \$1.5 billion increased 22% over 2007 period

Note: Please see appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.



Legal Matters

- FAS 5 reserve for litigation provision of \$285 million recorded for covered litigation
- Litigation escrow account established through the deposit of \$3 billion in IPO proceeds, as directed by the litigation committee
- American Express settlement payment of \$1.13 billion made in March 2008, of which \$185 million was provided by five co-defendant banks and \$945 million was funded by the litigation escrow

Payments Volume & Processed Transactions



US\$ in billions, transactions in millions

YOY Growth

Quarter ended December 2007

	Payments Volume	Nominal USD	Constant USD
United States	\$413	12.4%	12.4%
Asia Pacific	158	24.3%	19.6%
Latin America and Caribbean (LAC)	47	44.1%	30.5%
Canada	45	28.5%	12.8%
Central Europe, Middle East & Africa (CEMEA)	<u>18</u>	44.1%	40.1%
Visa Inc.	\$681	18.5%	15.8%

Quarter ended March 2008

	Processed Transactions	YOY Growth
Visa Inc.	8,800	15.1%

Fiscal Second Quarter 2008 - Financial Performance

Adjusted Basis



US\$ in millions, excluding percentages and EPS data

	Q2 FY 2008 Adj. Actual	Q1 FY 2008 Adj. Actual	Q2 FY 2007 Adj. Pro forma
Net Revenues	\$ 1,453	\$ 1,488	\$ 1,191
Total Operating Expenses	783	757	744
Operating Income	670	731	447
Operating Margin	46.1%	49.1%	37.5%
Net Income	\$ 401	\$ 443	\$ 271
Adjusted EPS	\$ 0.52	\$ 0.56	NA

Note: Please see appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.

Revenue Detail



US\$ in millions

	<u>Q2 FY 2008 Actual</u>	<u>Q2 FY 2007 Pro forma</u>	<u>Percent Change</u>
Service fees	\$ 792	\$ 614	29%
Data processing fees	494	370	34%
International transaction fees	379	281	35%
Other revenue	126	113	12%
Gross revenues	<u>1,791</u>	<u>1,378</u>	30%
Incentives	<u>(338)</u>	<u>(187)</u>	81%
Net revenues	<u><u>\$ 1,453</u></u>	<u><u>\$ 1,191</u></u>	22%

Expense Detail

Adjusted Basis



US\$ in millions

	Q2 FY 2008 Actual	Q2 FY 2007 Pro forma	Percent Change
Personnel	\$ 272	\$ 269	1%
Network, EDP & communications	78	69	13%
Advertising, marketing, and promotion	215	182	18%
Professional and consulting fees	94	102	(8%)
Depreciation and amortization	42	37	14%
Administrative and other	75	72	4%
Litigation provision	7	13	(46%)
Total adjusted operating expenses	783	744	5%
Litigation provision	285	-	NM
Restructuring	19	36	(47%)
Purchase Amortization	17	17	-
Sub-Total	321	53	
Total operating expenses (as reported)	\$ 1,104	\$ 797	39%

Note: Restructuring contains both Personnel and Professional fees expenses associated with organizational changes.
Please see appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.



Balance Sheet

US\$ in millions

- Cash, cash equivalents, restricted cash and investment securities available-for-sale of \$8.0 billion during the fiscal second quarter
- Restricted cash for litigation escrow of \$2.1 billion reflects the \$945 million March payment to American Express
- Capital expenditures during the fiscal second quarter were \$166 million
- Goodwill increased by \$1.1 billion during the fiscal second quarter

Financial metrics over the next three years



- Annual net revenue growth: 11-15 %
- Annual adjusted operating margin (adjusted earnings before interest and taxes): low 40 % range
- Annual adjusted diluted class A common earnings per share growth : 20%+
- Annual free cash flow (cash flow from operations plus cash reimbursements from litigation escrow less capital spending): \$1 billion +



Appendix –

**Reconciliation of Non-GAAP
Measures**



Quarterly Results of Operations



US\$ in millions

	Fiscal 2007 Quarter Ended				Fiscal 2008
	December 31,	March 31, 2007	June 30, 2007	September 30,	Quarter Ended
	2006	Pro forma ⁽¹⁾			December 31,
					2007
					Actual
Operating Revenues					
Service fees	\$ 577	\$ 614	\$ 661	\$ 730	\$ 732
Data processing fees	377	370	449	463	492
Volume and support incentives	(136)	(187)	(175)	(216)	(250)
International transaction fees	247	281	311	353	381
Other revenues	108	113	119	133	133
Total operating revenues	1,173	1,191	1,365	1,463	1,488
Operating Expenses					
Personnel	273	269	293	324	283
Network, EDP, and communications	68	69	77	80	83
Advertising, marketing, and promotion	205	182	245	443	210
Professional and consulting fees	101	136	159	157	98
Depreciation and amortization	55	54	55	63	62
Administrative and other	76	74	93	105	74
Litigation provision	2	13	(1)	2,638	-
Total operating expenses	780	797	921	3,810	810
Operating income (loss)	393	394	444	(2,347)	678
Other Income (Expense)					
Interest expense	(23)	(24)	(25)	(24)	(45)
Investment income, net	40	36	56	65	42
Other	-	-	8	-	8
Total other income	17	12	39	41	5
Income (loss) before income taxes	410	406	483	(2,306)	683
Income tax expense (benefit)	161	160	184	(652)	259
Net income (loss)	\$ 249	\$ 246	\$ 299	\$ (1,654)	\$ 424

(1) Visa Inc. had no operations prior to the reorganization on October 1, 2007. In order to provide insight into our operating results the pro forma results of operations for the prior periods have been prepared for comparative purposes assuming that the reorganization had occurred on October 1, 2006. "These pro forma statements of operations have been prepared in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations."

Pro Forma Results of Operations⁽¹⁾



US\$ in millions

	For the Three Months Ended March 31, 2007	For the Six Months Ended March 31, 2007
Operating Revenues		
Service fees	\$ 614	\$ 1,191
Data processing fees	370	747
Volume and support incentives	(187)	(323)
International transaction fees	281	529
Other revenues	113	221
Total operating revenues	1,191	2,365
Operating Expenses		
Personnel	269	542
Network, EDP, and communications	69	137
Advertising, marketing, and promotion	182	387
Professional and consulting fees	136	237
Depreciation and amortization	54	109
Administrative and other	74	150
Litigation provision	13	15
Total operating expenses	797	1,577
Operating income	394	788
Other Income (Expense)		
Interest expense	(24)	(48)
Investment income, net	36	76
Total other income	12	28
Income before income taxes and minority interest	406	816
Income tax expense	160	321
Net income	\$ 246	\$ 495

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Adjusted Operating Income and Net Income



US\$ in millions

	For the three Months Ended March 31, 2008	For the six Months Ended March 31, 2008	Pro forma for the Three Months Ended March 31, 2007	Pro forma for the Six Months Ended March 31, 2007
Net income (as reported)	\$ 314	\$ 738	\$ 246	\$ 495
Addback: Income tax expense (as reported)	56	315	160	321
Net income before taxes and minority interest (as reported)	\$ 370	\$ 1,053	\$ 406	\$ 816
Adjustments:				
Covered litigation reserve ⁽¹⁾	285	285	-	-
Restructuring ⁽²⁾	19	55	36	47
Asset step-up amortization ⁽³⁾	17	34	17	34
Adjustments to operating income	321	374	53	81
Interest accretion on American Express settlement ⁽⁴⁾	23	46	-	-
Investment income on IPO proceeds ⁽⁵⁾	(7)	(7)	-	-
Underwater contract (LIBOR Adjustment) ⁽⁶⁾	(28)	(36)	-	-
Adjustments to non-operating income	(12)	3	-	-
Total adjustments	309	377	53	81
Adjusted net income before tax	679	1,430	459	897
Adjusted income tax expense ⁽⁷⁾	(278)	(586)	(188)	(368)
Adjusted net income	\$ 401	\$ 844	\$ 271	\$ 529
Operating income (as reported)	\$ 349	\$ 1,027	\$ 394	\$ 788
Addback: Adjustments to operating income	321	374	53	81
Adjusted operating income	\$ 670	\$ 1,401	\$ 447	\$ 869
Operating revenues (as reported)	\$ 1,453	\$ 2,941	\$ 1,191	\$ 2,365
Adjusted operating margin	46%	48%	38%	37%
Total operating expenses (as reported)	\$ 1,104	\$ 1,914	\$ 797	\$ 1,577
Less: Adjustments to operating expenses	(321)	(374)	(53)	(81)
Adjusted operating expenses	\$ 783	\$ 1,540	\$ 744	\$ 1,496

⁽¹⁾ - Litigation expense recorded in the period related to the covered litigation. Settlements of, or judgments in, covered litigation will be paid from the litigation escrow account.

⁽²⁾ - Restructuring costs, primarily severance in fiscal 2008, associated with workforce consolidation and elimination of overlapping functions.

⁽³⁾ - Non-cash amortization and depreciation of the incremental basis in technology and building assets acquired in the reorganization.

⁽⁴⁾ - Interest expense recorded on future payments to be made under the settlement agreement with American Express. These payments will be paid from the litigation escrow account.

⁽⁵⁾ - Investment income earned during the period on all IPO proceeds held, including amounts the Company intends to use in October 2008 to redeem all class C (series II) common stock and a portion of the class C (series III) common stock held by Visa Europe.

⁽⁶⁾ - Other income recorded in the period as a result of a reduction in the Company's estimated liability under the Framework Agreement, which governs its relationship with Visa Europe. This reduction was a result of lower LIBOR rates in the period. This liability will not continue after the October 2008 redemptions

⁽⁷⁾ - Reflects a normalized tax rate of 41%.

Weighted Avg. Class A Common Stock Outstanding

Used in the Calculation of Adjusted Diluted EPS

	For the Three Months Ended March 31, 2008	For the Six Months Ended March 31, 2008
	(in millions)	
Weighted Average Shares Outstanding - GAAP	778	762
Class A Shares ⁽¹⁾	383	415
Class B Shares ⁽²⁾	(226)	(238)
Class C Shares ⁽³⁾	(161)	(165)
Class A Share Equivalents ⁽⁴⁾	5	5
<i>Share Adjustments</i>	1	17
Adjusted Weighted Average Shares Outstanding - Non GAAP	779	779

(1) For GAAP purposes, the number of class A common shares outstanding is weighted to reflect the issuance of 446,600,000 shares at the IPO date of March 19, 2008. In the calculation of the adjusted weighted average shares outstanding, these shares are assumed to have been issued at the beginning of each period presented.

(2) For GAAP purposes, the number of class B common shares outstanding is weighted to reflect the redemption of 154,738,487 shares on March 28, 2008 and the reduction of the conversion ratio applicable to remaining shares outstanding to 0.71 to 1. In the calculation of the adjusted weighted average shares outstanding, these shares are weighted to assume that the redemption and reduction in conversion ratio had occurred at the beginning of each period presented.

(3) For GAAP purposes, the number of class C (series I, II, III & IV) common shares is weighted to reflect the redemption of 159,657,751 shares of class C (series I) common stock on March 28, 2008, and the reclassification of all shares of class C (series II) common stock to temporary equity and 35,263,585 shares of class C (series III) common stock to liabilities on the IPO date of March 19, 2008. Upon reclassification of the class C (series II) and class C (series III) common stock these shares are no longer convertible into shares of class A common stock. In the calculation of adjusted weighted average shares outstanding, these shares are weighted to assume that the redemption and reclassifications occurred at the beginning of each period presented.

(4) For GAAP purposes, the number of class A common shares outstanding is weighted to reflect the assumed issuance of class A common stock underlying stock options, restricted stock and restricted stock units to employees and directors at the IPO date of March 19, 2008, applying the treasury method. In the calculation of the adjusted weighted average shares outstanding, these shares are weighted to assume the issuance of these awards at the beginning of each period presented. The assumed number of shares underlying stock options assumed issued for adjusted non-GAAP purposes assumes the repurchase of shares at the share price on March 31, 2008 of \$62.36.



Class A Common Stock

Adjusted Diluted Earnings per Share

- Management believes the presentation of adjusted operating income and adjusted net income provides a clearer understanding of the one-time items related to the Company's reorganization and initial public offering. These measures also adjust for expenses related to covered litigation that will be funded by the litigation escrow account. These items have a significant impact on our financial results but are either non-recurring or have no operating cash impact.
- Recognizing that we have a very complex equity structure incorporating multiple classes and series of common stock, the Company has also presented adjusted diluted class A earnings per share calculated below based on adjusted net income and the adjusted weighted average number of shares outstanding in the periods presented. This non-GAAP financial measure has been presented to illustrate our per share results reflecting our capital structure after the redemption of all class C (series II) common stock and a portion of class C (series III) common stock, which the Company intends to redeem in October 2008. The class C (series II) common stock is classified as temporary equity and the class C (series III) common stock is classified as a liability on the Company's consolidated balance sheet at March 31, 2008. Management believes this non-GAAP presentation provides the reader with a clearer understanding of our per share results by excluding these shares to be redeemed and allocating adjusted net income only to permanent equity.

	For the Three Months Ended March 31, 2008	For the Six Months Ended March 31, 2008
	(in millions, except per share data)	
Adjusted net income	\$ 401	\$ 844
Adjusted weighted average number of diluted shares outstanding	779	779
Adjusted diluted earnings per share	<u>\$ 0.52</u>	<u>\$ 1.08</u>