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## Visa Inc. Reports Fiscal Third Quarter 2008 Earnings Results

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- GAAP net income of \$422 million for the quarter
- Adjusted net income of \$457 million for the quarter
- GAAP diluted class A common earnings per share of \$0.51 for the quarter
- Adjusted diluted class A common earnings per share of \$0.59 for the quarter
- Payment volume grew 19% over the prior year to \$652 billion
- Company raises long-term outlook for adjusted operating margins

**SAN FRANCISCO, CA, July 30, 2008** – Visa Inc. (NYSE: V) today announced financial results for the Company’s fiscal third quarter ended June 30, 2008. GAAP net income for the quarter was \$422 million, or \$0.51 per diluted class A common share. GAAP diluted class A common shares outstanding were 776 million. On an adjusted basis (reflective of a normalized tax rate and excluding certain litigation, restructuring and purchase amortization), net income for the quarter was \$457 million, or \$0.59 per diluted class A common share. Adjusted diluted class A common shares outstanding were 779 million.

Net operating revenue in the fiscal third quarter 2008 was \$1.6 billion, driven by strong contributions from service fees, data processing fees, and international transaction fees as payment volumes and processed transactions rose across all regions worldwide.

“We are very pleased with our fiscal third quarter results as Visa continues to lead and benefit from the global migration to electronic payments while expanding our business worldwide,” said Joe Saunders, Visa’s chairman and chief executive officer. “Despite a challenging economic environment in the United States and a softening in traditional credit card spending, the strength of Visa’s debit business drove solid growth in the region. In Asia Pacific, Latin America, Canada and CEMEA, Visa achieved strong growth across its range of product offerings, reinforcing our position as the world’s leading payments brand and network.”

“The Company’s strong financial performance and double-digit increases in payments volume and transactions in this current economic environment are further proof of the resiliency of our network business model,” added Saunders. “As we look to the future, we remain committed to being the best partner for our financial institution and merchant clients by investing in innovations that deliver measureable returns to their businesses and value to consumers and merchants.”

### **Fiscal Third Quarter 2008 Financial Highlights:**

Visa Inc.'s operational performance highlights for the fiscal third quarter, as measured by March 31, 2008 statistical data, include:

- Payments volume grew 19% over the prior year to \$652 billion;
- Total volume, inclusive of cash volume was \$1.0 trillion, an increase of 22% over the prior year;
- Total cards carrying the Visa brands rose 14% worldwide to 1.6 billion over the prior year; and
- Total payment transactions increased by 15% over the prior year to 10.7 billion.

Total processed transactions, which are based on current fiscal third quarter results on Visa's processing system, were 9.5 billion, a 13% increase over the prior year.

For the fiscal third quarter 2008, service fees were \$749 million, up 13% over the prior year on a pro forma basis, and were recognized based on payment volume in the prior quarter. All other fee categories are recognized based on current quarter activity and are also compared on a pro forma basis. Data processing fees rose 20% over the prior year on a pro forma basis to \$539 million. International transaction fees, which are driven by cross-border payments volume, grew 44% over the prior year on a pro forma basis to \$449 million, as we continued to benefit from higher multi-currency payments volumes across all regions during the fiscal third quarter. Other revenue, which includes the Visa Europe licensing fee, was \$150 million during the fiscal third quarter, up 26% over the prior year on a pro forma basis. Volume and incentive payments, which are a contra revenue item, were \$274 million for the fiscal third quarter.

Total operating expenses were \$965 million for the fiscal third quarter, a 5% increase over the prior year on a pro forma basis.

Cash, cash equivalents, restricted cash, and available-for-sale investment securities were \$8.4 billion at June 30, 2008, and includes \$2.7 billion that the Company intends to use to redeem all of the Company's class C (series II) and a portion of the class C (series III) shares in October 2008.

The Company's net income and earnings per share, excluding special items, are non-GAAP financial measures that are reconciled to their most directly comparable GAAP measure in the accompanying financial tables.

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 through the retrospective responsibility plan and a \$31 million after-tax charge taken in the third quarter related to non-recurring legacy litigation items. The third quarter charge is not 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 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 June 30, 2008. Management believes this non-GAAP presentation provides the reader with a clearer understanding of our per share results by excluding those shares to be redeemed and allocating adjusted net income only to classes and series of common stock classified as permanent equity.

#### **Fiscal Year-to-Date 2008 Results:**

For the nine months ended June 30, 2008, Visa Inc. reported GAAP net income of \$1.2 billion, or \$1.44 per diluted class A common share. GAAP diluted class A common shares outstanding were 767 million.

On an adjusted basis, (reflective of a normalized tax rate and excluding litigation, restructuring, and purchase amortization) net income for the nine months ended June 30, 2008, was \$1.3 billion, or \$1.67 per diluted class A common share. Adjusted diluted class A common shares outstanding were 779 million.

Net operating revenue for the nine months ended June 30, 2008, was \$4.6 billion, an increase of 22% over the prior year on a pro forma basis.

Total operating expenses were \$2.9 billion for the nine months ended June 30, 2008, an increase of 15% over the prior year on a pro forma basis.

#### **Financial Outlook:**

Visa Inc. raises its financial outlook for the following metric for FY 2008:

- Annual adjusted operating margin in the mid 40%'s range.

Visa Inc. raises its financial outlook for the following metric for FY 2009 and 2010:

- Annual adjusted operating margin in the mid-to-high 40%'s range.

Visa Inc. reaffirms its financial outlook for the following metrics through 2010:

- Annual net revenue growth of 11% to 15%;
- Annual adjusted diluted class A common earnings per share growth of 20% or greater; and
- Annual free cash flow (cash flow from operations plus cash reimbursements from litigation escrow less capital spending) in excess of \$1 billion.

This outlook reflects an assumed 41% percent GAAP tax rate for fiscal year 2008. The Company's intent is to reduce this rate to a level around 35-36% over the next five years.

### **Fiscal Third Quarter Results Webcast Information**

Visa's executive management team will host a live audio webcast beginning at 5:00 p.m. EDT (2:00 p.m. PDT) today to discuss the financial results and business highlights.

All interested parties are invited to listen to the live webcast at <http://investor.visa.com>. A replay of the webcast will be available on the Visa Investor Relations website for 30 days.

Investor information, including supplemental financial information, is available on Visa Inc's Investor Relations website at <http://investor.visa.com>

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### **About Visa Inc.**

Visa Inc. operates the world's largest retail electronic payments network providing processing services and payment product platforms. This includes consumer credit, debit, prepaid and commercial payments, which are offered under the Visa, Visa Electron, Interlink and PLUS brands. Visa enjoys unsurpassed acceptance around the world, and Visa/PLUS is one of the world's largest global ATM networks, offering cash access in local currency in more than 170 countries. For more information, visit [www.corporate.visa.com](http://www.corporate.visa.com).

### **Forward Looking Statements**

Certain statements contained in this press release are 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, which are subject to the "safe harbor" created by those sections. 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 statements regarding certain of Visa's goals and expectations with respect to adjusted earnings per share, revenue, adjusted operating margin, and free cash flow, and the growth rate in those items, as well as other measures of economic performance.

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 press release. 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.

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**Visa Inc.**  
**Consolidated Statements of Operations**  
*(unaudited)*

	For the three months ended June 30,		For the nine months ended June 30,	
	2008	2007	2008	2007
		Pro forma		Pro forma
		(in millions except per share data)		
<b>Operating Revenues</b>				
Service fees	\$ 749	\$ 661	\$ 2,273	\$ 1,852
Data processing fees	539	449	1,525	1,196
Volume and support incentives	(274)	(175)	(862)	(498)
International transaction fees	449	311	1,209	839
Other revenues	150	119	409	340
Total operating revenues	<u>1,613</u>	<u>1,365</u>	<u>4,554</u>	<u>3,729</u>
<b>Operating Expenses</b>				
Personnel	310	293	882	835
Network, EDP, and communications	84	87	245	224
Advertising, marketing, and promotion	271	244	696	631
Professional and consulting fees	108	159	302	396
Depreciation and amortization	57	55	178	164
Administrative and other	85	83	234	233
Litigation provision	50	-	342	15
Total operating expenses	<u>965</u>	<u>921</u>	<u>2,879</u>	<u>2,498</u>
Operating income	<u>648</u>	<u>444</u>	<u>1,675</u>	<u>1,231</u>
<b>Other Income (Expense)</b>				
Equity in earnings of unconsolidated affiliates	-	-	1	-
Interest expense	(30)	(25)	(116)	(72)
Investment income, net	97	56	172	132
Other	(1)	8	35	8
Total other income (expense)	<u>66</u>	<u>39</u>	<u>92</u>	<u>68</u>
Income before income taxes	714	483	1,767	1,299
Income tax expense	<u>292</u>	<u>184</u>	<u>607</u>	<u>505</u>
Net income	<u>\$ 422</u>	<u>\$ 299</u>	<u>\$ 1,160</u>	<u>\$ 794</u>
<b>Basic net income per share <sup>(1)</sup></b>				
Class A common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
Class B common stock	<u>\$ 0.36</u>		<u>\$ 1.33</u>	
Class C (series I) common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
Class C (series II) common stock	<u>\$ 0.12</u>		<u>\$ 0.75</u>	
Class C (series III and IV) common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
<b>Basic weighted average shares outstanding, in thousands <sup>(1)</sup></b>				
Class A common stock	<u>446,600</u>		<u>169,512</u>	
Class B common stock	<u>245,513</u>		<u>362,628</u>	
Class C (series I) common stock	<u>124,503</u>		<u>212,779</u>	
Class C (series II) common stock	<u>79,749</u>		<u>47,583</u>	
Class C (series III and IV) common stock	<u>27,499</u>		<u>49,378</u>	
<b>Diluted net income per share <sup>(1)</sup></b>				
Class A common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
Class B common stock	<u>\$ 0.36</u>		<u>\$ 1.33</u>	
Class C (series I) common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
Class C (series II) common stock	<u>\$ 0.12</u>		<u>\$ 0.75</u>	
Class C (series III and IV) common stock	<u>\$ 0.51</u>		<u>\$ 1.44</u>	
<b>Diluted weighted average shares outstanding, in thousands <sup>(1)</sup></b>				
Class A common stock	<u>776,090</u>		<u>766,983</u>	
Class B common stock	<u>245,513</u>		<u>362,628</u>	
Class C (series I) common stock	<u>124,506</u>		<u>212,780</u>	
Class C (series II) common stock	<u>79,749</u>		<u>47,583</u>	
Class C (series III and IV) common stock	<u>27,499</u>		<u>49,378</u>	

(1) There is no comparable earnings per share measure for 2007 as we were a non-stock company.

**Visa Inc.**  
**Consolidated Balance Sheets**  
*(unaudited)*

	June 30, 2008	October 1, 2007
	(in millions)	
<b>Assets</b>		
Cash and cash equivalents	\$ 5,762	\$ 1,278
Restricted cash - litigation escrow	1,291	-
Investment securities, available-for-sale	477	842
Settlement receivable	1,230	587
Accounts receivable	342	318
Customer collateral	520	389
Current portion of volume and support incentives	257	135
Current portion of deferred tax assets	587	771
Prepaid and other current assets	295	381
Total current assets	<u>10,761</u>	<u>4,701</u>
Restricted cash - litigation escrow	700	-
Investment securities, available-for-sale	188	743
Volume and support incentives	84	72
Property, equipment, and technology, net	1,048	906
Other assets	639	625
Intangible assets	10,883	10,883
Goodwill	10,139	9,139
Total assets	<u>\$ 34,442</u>	<u>\$ 27,069</u>
<b>Liabilities</b>		
Accounts payable	\$ 109	\$ 164
Settlement payable	1,153	644
Customer collateral	520	389
Accrued compensation and benefits	372	479
Volume and support incentives	310	294
Accrued liabilities	383	496
Current portion of long-term debt	11	84
Current portion of accrued litigation	1,606	2,236
Cash dividends payable	93	-
Redeemable class C (series III) common stock, 35,263,585 shares outstanding at June 30, 2008	1,508	-
Total current liabilities	<u>6,065</u>	<u>4,786</u>
Long-term debt	98	40
Accrued litigation	1,303	1,446
Deferred tax liabilities	3,545	3,758
Other liabilities	755	754
Total liabilities	<u>11,766</u>	<u>10,784</u>
<b>Temporary Equity</b>		
Class C (series II) common stock, \$0.0001 par value, 218,582,801 shares authorized, 79,748,857 shares issued and outstanding at June 30, 2008, net of subscription receivable	1,127	-
Total temporary equity	<u>1,127</u>	<u>-</u>
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value, 25,000,000 shares authorized and none issued	-	-
Class A common stock, \$0.0001 par value, 2,001,622,245,209 shares authorized, 447,880,089 issued and outstanding	-	-
Class B common stock, \$0.0001 par value, 622,245,209 shares authorized, 245,513,385 issued and outstanding	-	-
Class C (series I) common stock, \$0.0001 par value, 813,582,801 shares authorized, 124,510,448 issued and outstanding	-	-
Class C (series III) common stock, \$0.0001 par value, 64,000,000 shares authorized, 26,949,616 issued and outstanding	-	-
Class C (series IV) common stock, \$0.0001 par value, 1,000,000 shares authorized, 549,587 issued and outstanding	-	-
Additional paid-in capital	21,007	16,785
Accumulated income (deficit)	551	(500)
Accumulated other comprehensive loss, net	(9)	-
Total stockholders' equity and accumulated net income (deficit)	<u>21,549</u>	<u>16,285</u>
Total liabilities, temporary equity, and stockholders' equity	<u>\$ 34,442</u>	<u>\$ 27,069</u>

**Visa Inc.**  
**Consolidated Statements Of Cash Flows**  
(unaudited)

**For the Nine Months Ended June 30,**

	2008	2007 <sup>(1)</sup>
	(in millions)	
<b>Operating Activities</b>		
Net income	\$ 1,160	\$ 608
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment, and technology	178	85
Amortization of intangibles, investments, debt issuance cost, and accretion of member deposits	-	8
Share-based compensation	47	-
Fair value adjustment for liability under the framework agreement	(35)	-
Interest earned on litigation escrow, net of tax	(6)	-
Net recognized loss (gain) on investment securities, including other-than-temporary impairment	12	(2)
(Gain) loss on disposal of property, equipment and technology	(1)	1
Minority interest	-	5
Amortization of volume and support incentives	862	346
Accrued litigation and accretion	447	69
Equity in earnings of unconsolidated affiliates	(1)	(38)
Deferred income taxes	136	(2)
Change in operating assets and liabilities:		
Accounts receivable	(24)	(14)
Settlement receivable	(642)	4
Volume and support incentives	(980)	(417)
Other assets	(76)	12
Accounts payable	(60)	(45)
Settlement payable	510	(8)
Accrued compensation and benefits	(99)	5
Accrued and other liabilities	52	35
Accrued litigation	(1,220)	(2)
Member deposits	(3)	(107)
Net cash provided by operating activities	<u>257</u>	<u>543</u>
<b>Investing Activities</b>		
Investment securities, available-for-sale:		
Purchases	(1,504)	(2,202)
Proceeds from sales and maturities	2,402	2,083
Cash acquired through reorganization	1,002	-
Contributions to joint ventures	-	(1)
Purchases of/contributions to other investments	(24)	-
Distributions from other investments	22	-
Purchases of property, equipment and technology	(323)	(76)
Proceeds from sale of property, equipment and technology	4	-
Net cash provided by (used in) investing activities	<u>1,579</u>	<u>(196)</u>
<b>Financing Activities</b>		
Proceeds from short-term borrowing	2	-
Payments on short-term borrowing	(2)	-
Proceeds from sale of common stock, net of issuance costs of \$550	19,100	-
Funding of litigation escrow account - Retrospective Responsibility Plan	(3,000)	-
Funding from litigation escrow account - Retrospective Responsibility Plan	1,015	-
Funding of tax escrow account for income tax withheld on stock proceeds	(116)	-
Funding from tax escrow account	116	-
Payment for redemption of stock	(13,446)	-
Principal payments on debt	(15)	(25)
Principal payments on capital lease obligations	(3)	(2)
Net cash provided by (used in) financing activities	<u>3,651</u>	<u>(27)</u>
Increase in cash and cash equivalents	5,487	320
Cash and cash equivalents at beginning of year	275	270
Cash and cash equivalents at end of period	<u>\$ 5,762</u>	<u>\$ 590</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Income taxes paid, net of refunds	\$ 563	\$ 301
Decrease in accounts payable and accrued and other liabilities related to purchases of property, equipment, and technology	\$ (27)	\$ (10)
Interest payments on debt	\$ 6	\$ 3
Cash dividends declared but unpaid	\$ 93	-
Common stock issued in reorganization	\$ 17,935	-

(1) Historical balances for periods prior to October 1, 2007 represent balances for Visa U.S.A. Inc., deemed the accounting acquirer in the business combination.

## Pro Forma Fiscal 2007 Quarterly Results of Operations

US\$ in millions

	Pro Forma Fiscal 2007 Quarter Ended <sup>(1)</sup>			
	December 31, 2006	March 31, 2007	June 30, 2007 <sup>(2)</sup>	September 30, 2007 <sup>(2)</sup>
<b>Operating Revenues</b>				
Service fees	\$ 577	\$ 614	\$ 661	\$ 730
Data processing fees	377	370	449	463
Volume and support incentives	(136)	(187)	(175)	(216)
International transaction fees	247	281	311	354
Other revenues	108	113	119	133
Total operating revenues	<u>1,173</u>	<u>1,191</u>	<u>1,365</u>	<u>1,464</u>
<b>Operating Expenses</b>				
Personnel	273	269	293	324
Network, EDP and communications	68	69	87	84
Advertising, marketing and promotion	205	182	244	444
Professional and consulting fees	101	136	159	156
Depreciation and amortization	55	54	55	64
Administrative and other	76	74	83	101
Litigation provision	2	13	-	2,638
Total operating expenses	<u>780</u>	<u>797</u>	<u>921</u>	<u>3,811</u>
Operating income (loss)	<u>393</u>	<u>394</u>	<u>444</u>	<u>(2,347)</u>
<b>Other Income (Expense)</b>				
Interest expense	(23)	(24)	(25)	(24)
Investment income, net	40	36	56	65
Other	-	-	8	-
Total other income	<u>17</u>	<u>12</u>	<u>39</u>	<u>41</u>
Income (loss) before income taxes	410	406	483	(2,306)
Income tax expense/(benefit)	161	160	184	(651)
Net income (loss)	<u>\$ 249</u>	<u>\$ 246</u>	<u>\$ 299</u>	<u>\$ (1,655)</u>

- (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."
- (2) Certain immaterial reclassifications were made to the quarter ended June 30 and September 30, 2007 pro forma financial statements to conform to the current presentation.

## Pro Forma Fiscal 2007 Results of Operations <sup>(1) (2)</sup>

US\$ in millions

	<b>For the Three Months Ended June 30, 2007</b>	<b>For the Nine Months Ended June 30, 2007</b>
<b>Operating Revenues</b>		
Service fees	\$ 661	\$ 1,852
Data processing fees	449	1,196
Volume and support incentives	(175)	(498)
International transaction fees	311	839
Other revenues	119	340
Total operating revenues	<u>1,365</u>	<u>3,729</u>
<b>Operating Expenses</b>		
Personnel	293	835
Network, EDP, and communications	87	224
Advertising, marketing, and promotion	244	631
Professional and consulting fees	159	396
Depreciation and amortization	55	164
Administrative and other	83	233
Litigation provision	-	15
Total operating expenses	<u>921</u>	<u>2,498</u>
Operating income	<u>444</u>	<u>1,231</u>
<b>Other Income (Expense)</b>		
Interest expense	(25)	(72)
Investment income, net	56	132
Other	8	8
Total other income	<u>39</u>	<u>68</u>
Income before income taxes	483	1,299
Income tax expense	<u>184</u>	<u>505</u>
Net income	<u>\$ 299</u>	<u>\$ 794</u>

- (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."
- (2) Certain immaterial reclassifications were made to the three and nine months ended June 30, 2007 pro forma financial statements to conform to the current presentation.

## Reconciliation of Non-GAAP Adjusted Operating Income and Net Income

US\$ in millions

	For the Three Months Ended June 30, 2008	For the Nine Months Ended June 30, 2008	Pro Forma For the Three Months ended June 30, 2007	Pro Forma For the Nine Months ended June 30, 2007	For the Three Months Ended March 31, 2008
Net income (as reported)	\$ 422	\$ 1,160	\$ 299	\$ 794	\$ 314
Addback: Income tax expense (as reported)	292	607	184	505	56
Net income before taxes (as reported)	\$ 714	\$ 1,767	\$ 483	\$ 1,299	\$ 370
Adjustments:					
Litigation reserve (1)	50	335	-	-	285
Restructuring (2)	15	70	52	99	19
Asset step-up amortization (3)	17	51	17	51	17
Adjustments to operating income	82	456	69	150	321
Interest accretion on American Express settlement (4)	11	57	-	-	23
Investment income on Litigation Escrow and EU proceeds (5)	(33)	(40)	-	-	(7)
Underwater contract (LIBOR adjustment) (6)	1	(35)	-	-	(28)
Adjustments to non-operating income	(21)	(18)	-	-	(12)
Total adjustments	61	438	69	150	309
Adjusted net income before tax	775	2,205	552	1,449	679
Adjusted income tax expense (7)	(318)	(904)	(226)	(594)	(278)
Adjusted net income	\$ 457	\$ 1,301	\$ 326	\$ 855	\$ 401
Operating income (as reported)	\$ 648	\$ 1,675	\$ 444	\$ 1,231	\$ 349
Addback: Adjustments to operating income	82	456	69	150	321
Adjusted operating income	\$ 730	\$ 2,131	\$ 513	\$ 1,381	\$ 670
Operating revenues (as reported)	\$ 1,613	\$ 4,554	\$ 1,365	\$ 3,729	\$ 1,453
Adjusted operating margin	45%	47%	38%	37%	46%
Total operating expenses (as reported)	\$ 965	\$ 2,879	\$ 921	\$ 2,498	\$ 1,104
Less: Adjustments to operating expenses	(82)	(456)	(69)	(150)	(321)
Adjusted operating expenses	\$ 883	\$ 2,423	\$ 852	\$ 2,348	\$ 783

- (1) Litigation expense recorded in the period that is non-recurring and management believes is not indicative of Visa's future anticipated expenses. Litigation expense recorded in the quarter ended June 30, 2008 is related to non-recurring legacy litigation items. This expense is not covered under the retrospective responsibility plan and will not be paid from the litigation escrow account. Amounts recorded in prior quarters relate to 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) Non-cash 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 held in the litigation escrow and 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 expense (income) recorded in the periods presented as a result of changes in the Company's estimated liability under the Framework Agreement, which governs its relationship with Visa Europe. The changes were primarily due to movement in the LIBOR rates in the periods presented. This liability will not continue after the October 2008 redemptions described above.
- (7) Reflects a normalized tax rate of 41%.

## Reconciliation of Non-GAAP Weighted Average Class A Common Stock Outstanding Used in the Calculation of Adjusted Diluted Class A Earnings Per Share

	<u>For the Three Months Ended June 30, 2008</u>	<u>For the Nine Months Ended June 30, 2008</u> (in millions)	<u>For the Three Months Ended March 31, 2008</u>
Weighted Average Shares Outstanding - GAAP	776	767	778
Class A Shares <sup>(1)</sup>	-	277	383
Class B Shares <sup>(2)</sup>	-	(159)	(226)
Class C Shares <sup>(3)</sup>	-	(109)	(161)
Class A Share Equivalents <sup>(4)</sup>	<u>3</u>	<u>3</u>	<u>5</u>
<i>Share Adjustments</i>	<u>3</u>	<u>12</u>	<u>1</u>
Adjusted Weighted Average Shares Outstanding - Non GAAP	779	779	779

- (1) For the three months ended March 31, 2008 and nine months ended June 30, 2008, 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 January 1, 2008 for the three months ended March 31, 2008 and October 1, 2007 for the nine months ended June 30, 2008.
- (2) For the three months ended March 31, 2008 and nine months ended June 30, 2008, 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 January 1, 2008 for the three months ended March 31, 2008 and October 1, 2007 for the nine months ended June 30, 2008.
- (3) For the three months ended March 31, 2008 and nine months ended June 30, 2008, 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 January 1, 2008 for the three months ended March 31, 2008 and October 1, 2007 for the nine months ended June 30, 2008.
- (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 and during the three months ended June 30, 2008, by applying the treasury stock method. For the three months ended March 31, 2008 and nine months ended June 30, 2008, in the calculation of adjusted weighted shares outstanding, these shares are assumed to have been issued at October 1, 2007 and were outstanding for the entire period. The share adjustments also reflect the estimated number of stock options, restricted stock and restricted stock units estimated to be outstanding in October 2008 after the redemption of the class C (series II and series III) common shares held by Visa Europe.

## 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, initial public offering and other non-recurring events. These measures also adjust for expenses related to covered litigation that will be funded by the litigation escrow account and a \$31 million after-tax charge taken in the third quarter related to non-recurring legacy litigation items that will not 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 redeemable class C (series III) common stock is classified as a liability on the Company's consolidated balance sheet at June 30, 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.

	<b>For the Three Months Ended June 30, 2008</b>	<b>For the Nine Months Ended June 30, 2008</b>	<b>For the Three Months Ended March 31, 2008</b>
	(in millions, except per share data)		
Adjusted net income	\$ 457	\$ 1,301	\$ 401
Adjusted weighted average number of diluted shares outstanding	779	779	779
Adjusted diluted earnings per share	<u>\$ 0.59</u>	<u>\$ 1.67</u>	<u>\$ 0.52</u>