



**Visa Inc.  
Fiscal Fourth Quarter and  
Full-Year 2008  
Financial Results**

**October 29, 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 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 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.

# Solid Fiscal Fourth Quarter and Full-Year Results

- Adjusted quarterly and annual net income of \$448 million and \$1.7 billion or adjusted diluted earnings of \$0.58 and \$2.25 per share
- Strong operating revenues of \$1.7 billion for the fourth quarter and \$6.3 billion for the full-year, up 17% and 21% on a pro forma basis
- Continued positive secular trends
- Business model resilience despite economic slowdown

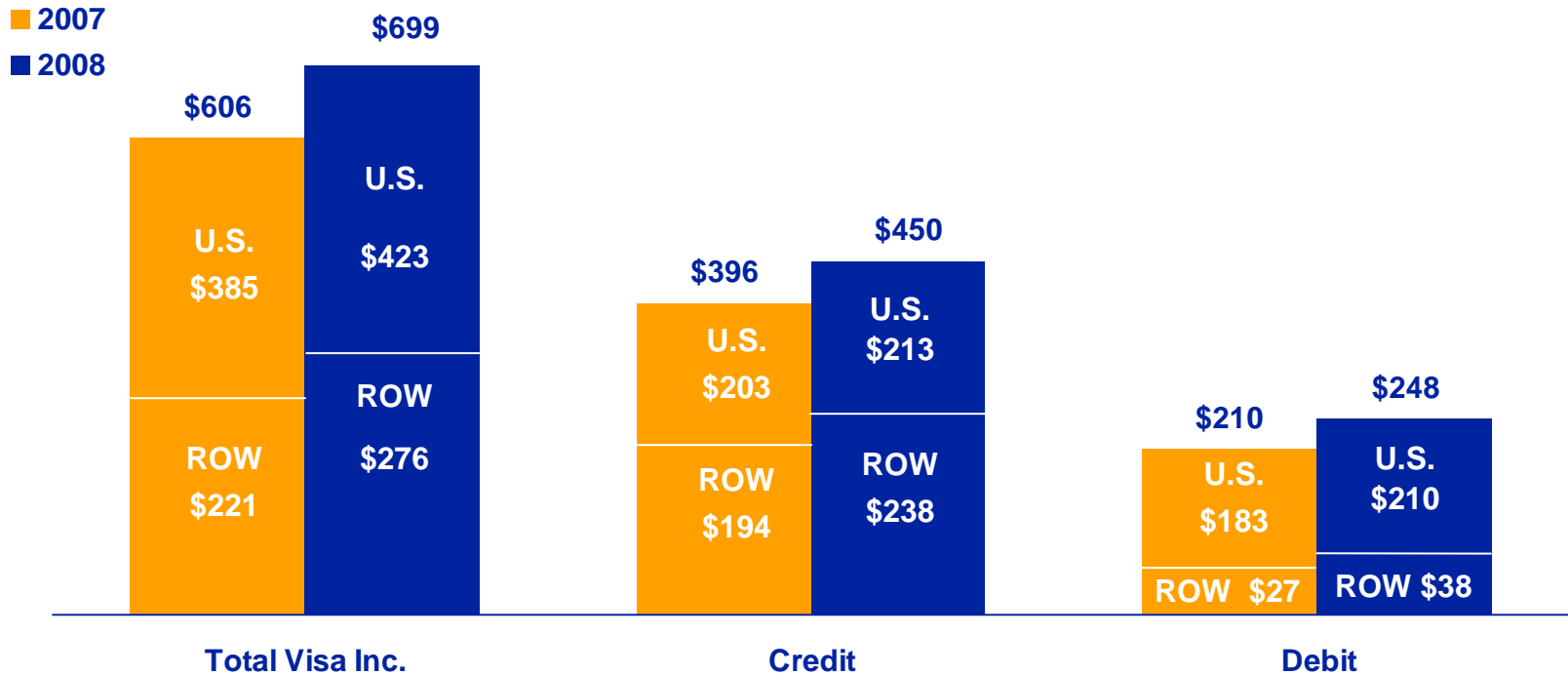
Note: See appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.

# Payments Volume – Q4 2008

US\$ in billions, nominal



## Quarter ended June



**YOY Growth 15%**

**14%**

**18%**

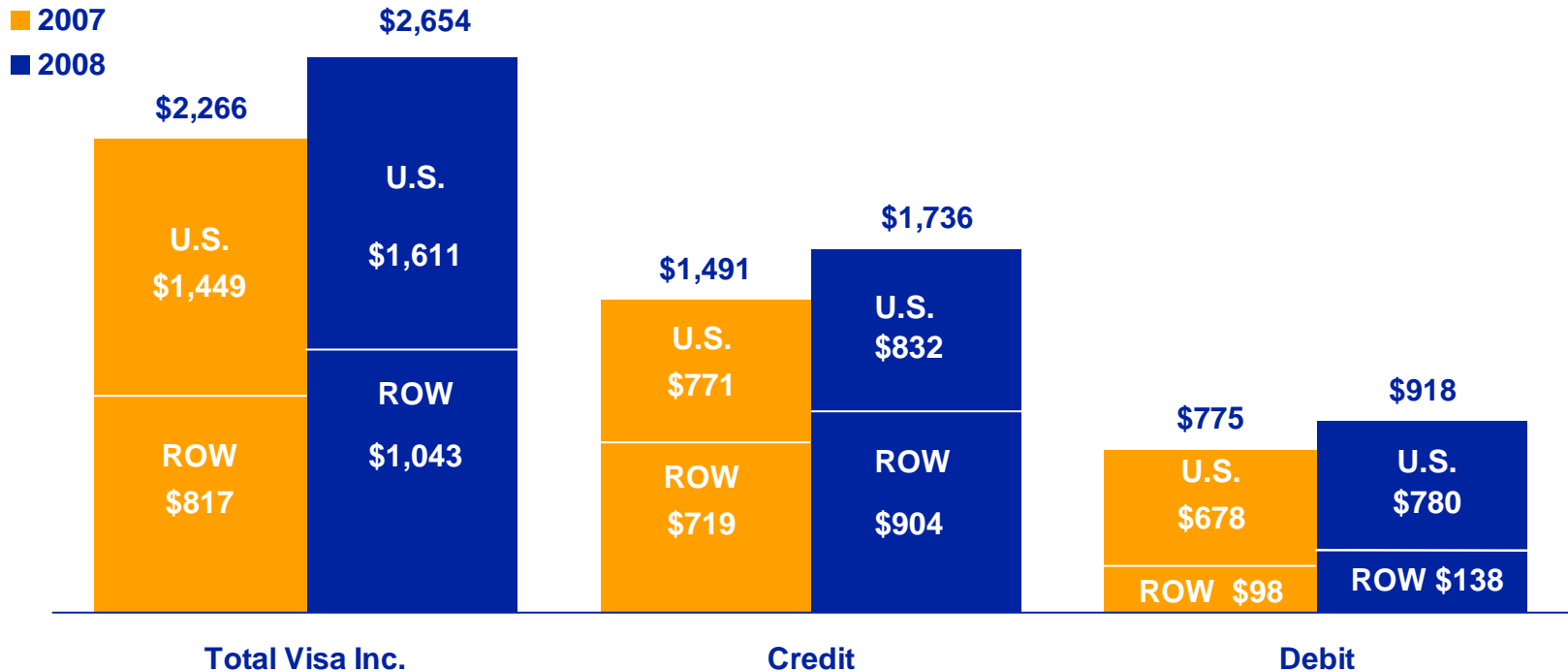
Note: Figures may not sum due to rounding. Growth rates calculated based on whole numbers, not rounded numbers.

# Payments Volume – Fiscal Year 2008



US\$ in billions, nominal

## Twelve Months ended June



**YOY Growth 17%**

**16%**

**18%**

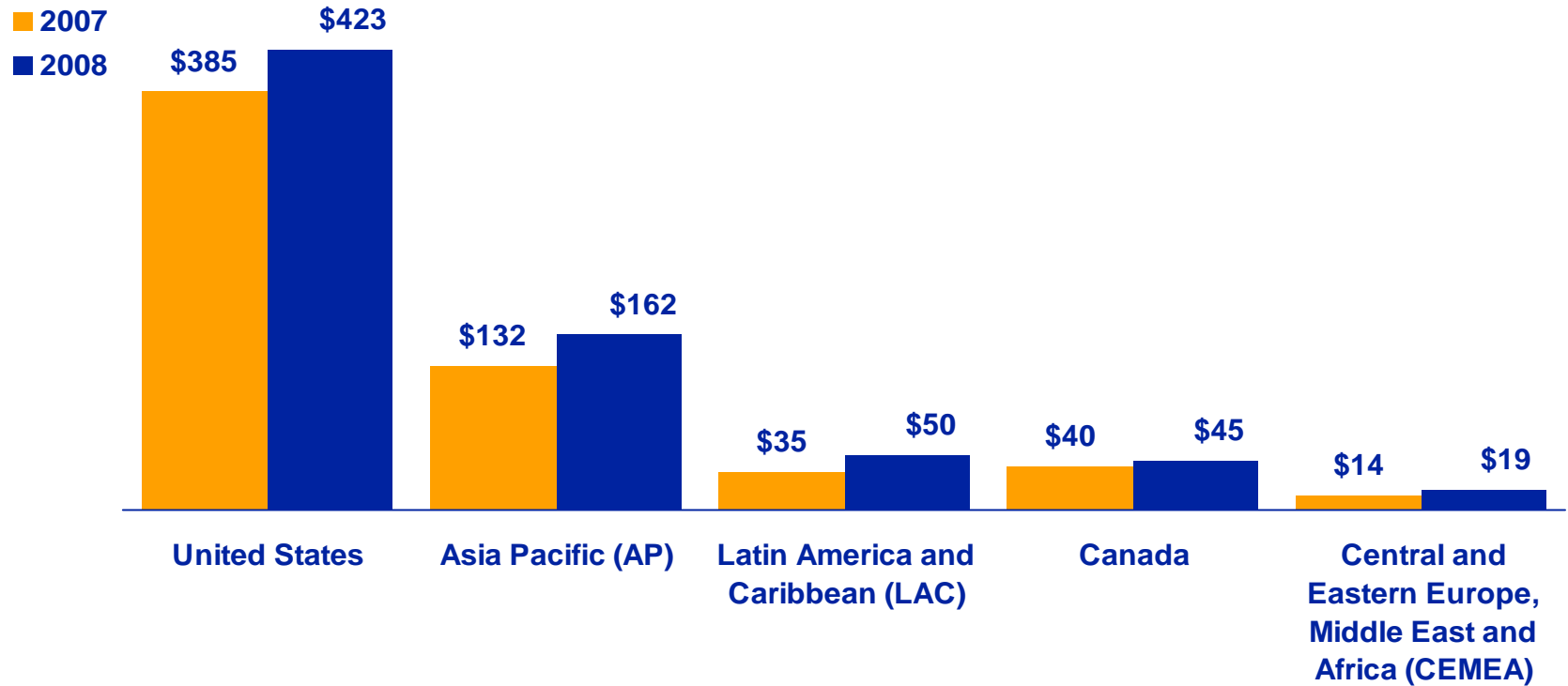
Note: Figures may not sum due to rounding. Growth rates calculated based on whole numbers, not rounded numbers.

# Payments Volume – Q4 2008

US\$ in billions, nominal



## Quarter ended June



**YOY Growth 10%**

**22%**

**40%**

**14%**

**38%**

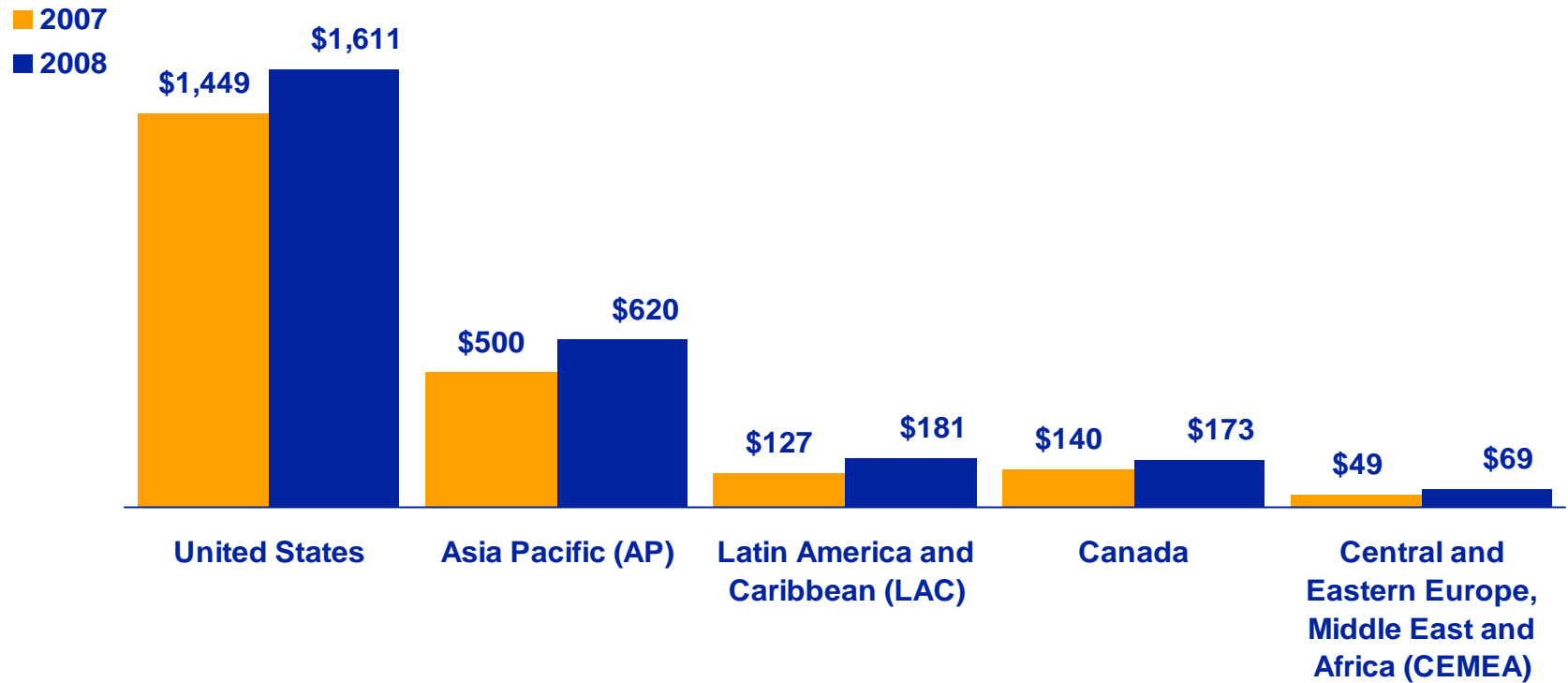
Note: Growth rates calculated based on whole numbers, not rounded numbers.

# Payments Volume – Fiscal Year 2008



US\$ in billions, nominal

## Twelve Months ended June



**YOY Growth 11%**

**24%**

**43%**

**23%**

**40%**

Note: Growth rates calculated based on whole numbers, not rounded numbers.

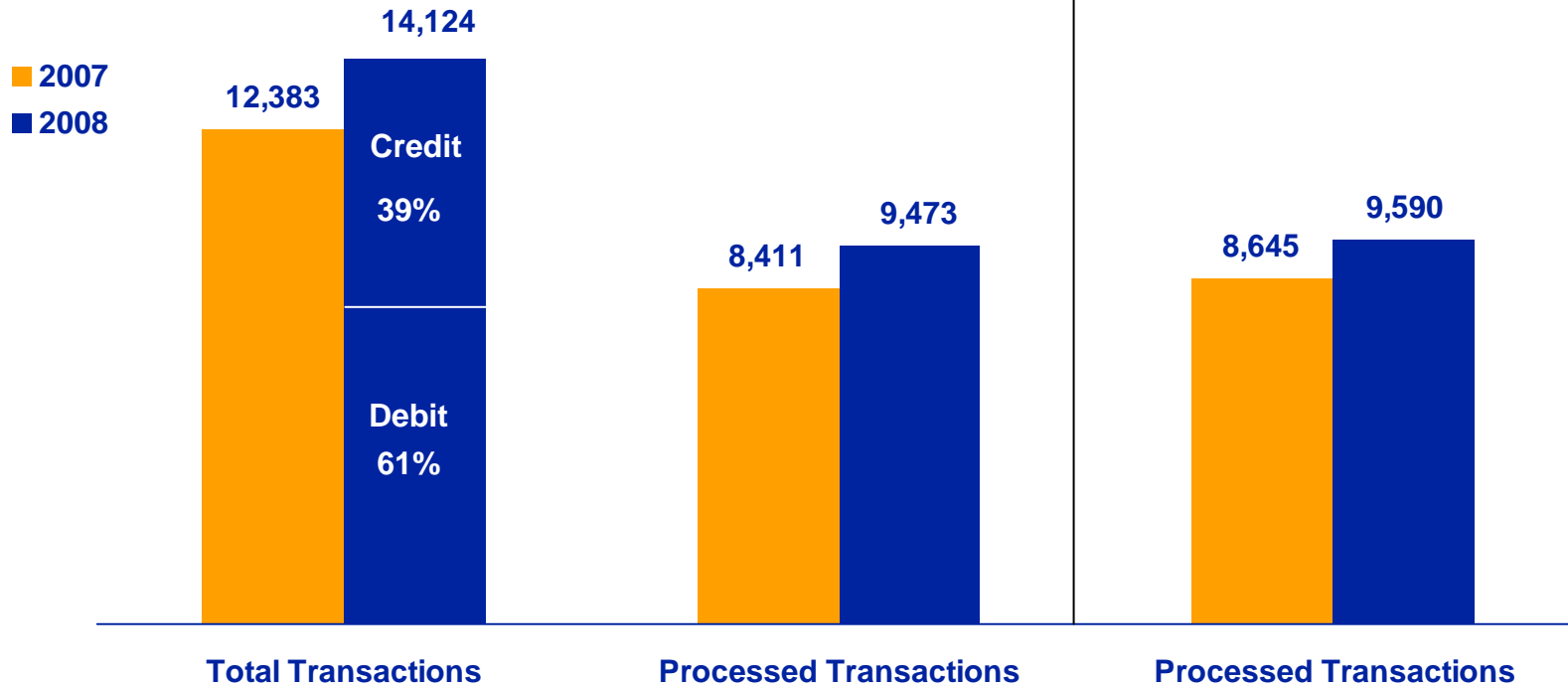
# Transactions – Q4 2008

*in millions*



## Quarter ended June

## Quarter ended September



**YOY Growth 14%**

**13%**

**11%**

Note: Processed transactions represent transactions involving Visa, Visa Electron, Interlink and Plus cards processed on Visa's networks. Total transactions represent payments and cash transactions as reported by Visa members on their operating certificates.

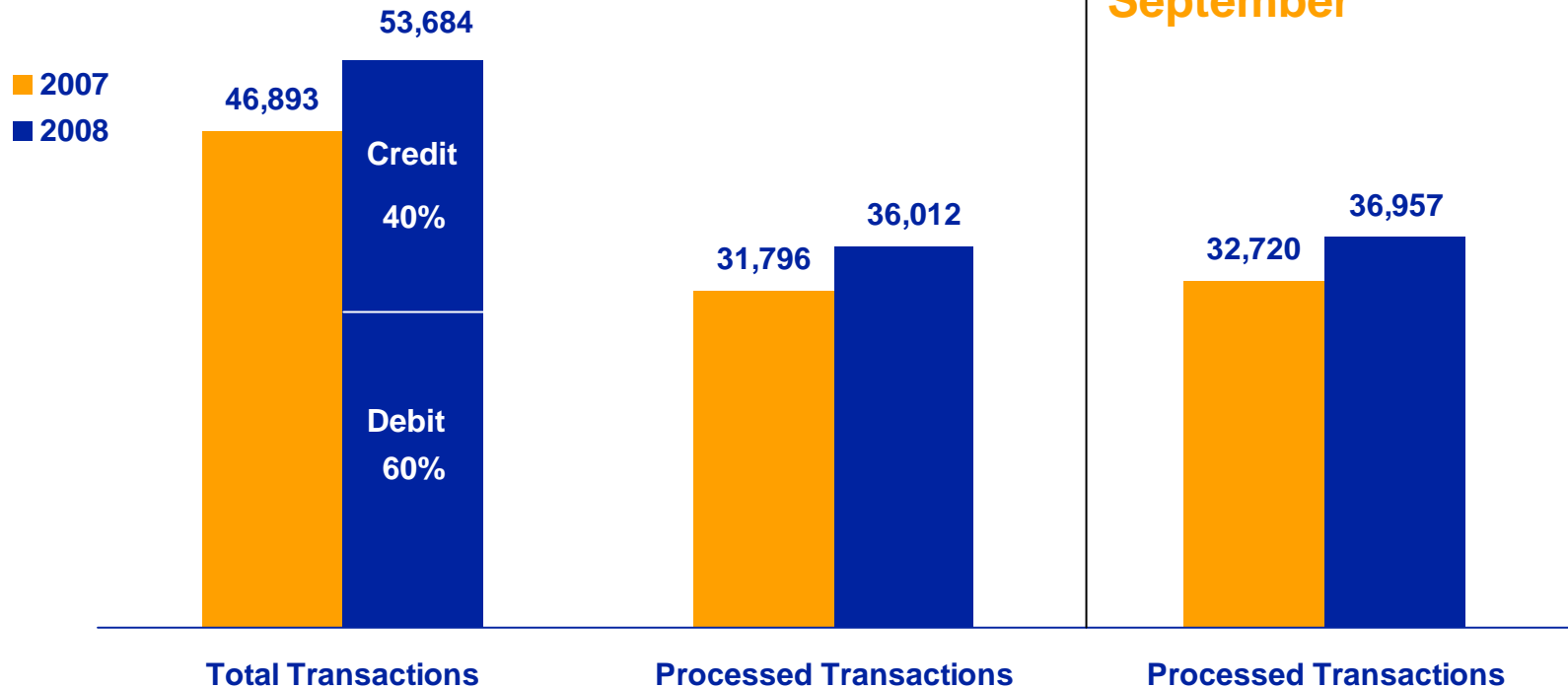
# Transactions – Fiscal Year 2008

*in millions*



## Twelve Months Ended June

## Twelve Months ended September



**YOY Growth 14%**

**13%**

**13%**

Note: Processed transactions represent transactions involving Visa, Visa Electron, Interlink and Plus cards processed on Visa's networks. Total transactions represent payments and cash transactions as reported by Visa members on their operating certificates.

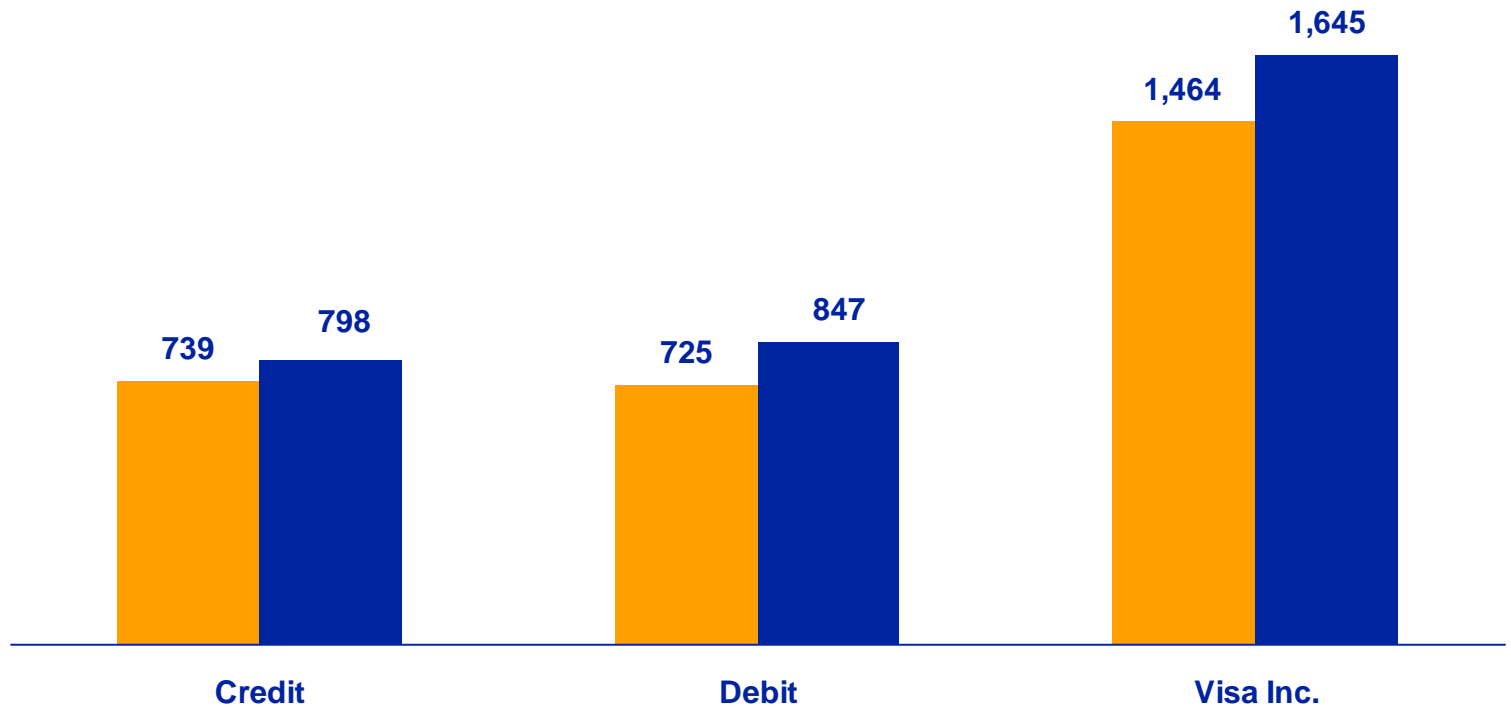
# Total Cards

in millions



## Quarter ended June

■ 2007  
■ 2008



YOY Growth

8%

17%

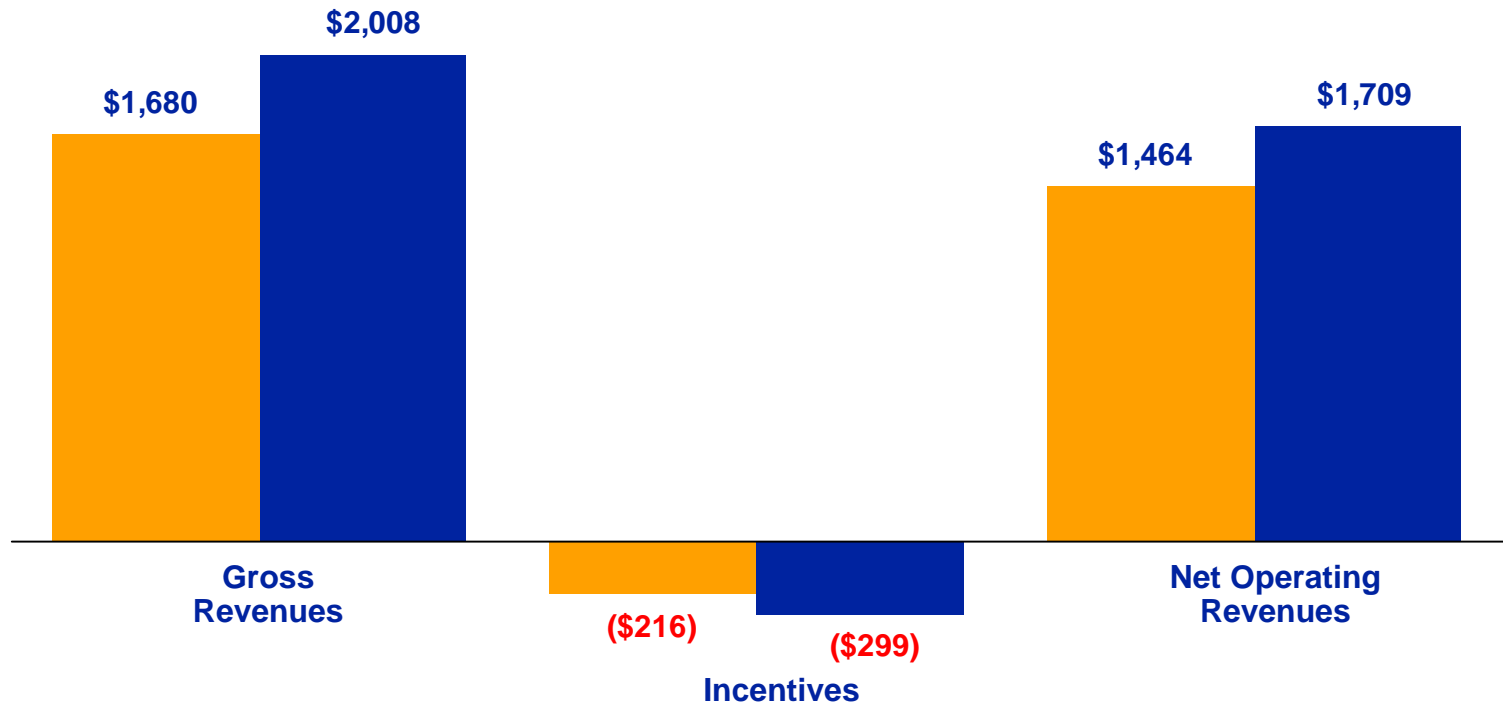
12%

# Revenue Detail – Q4 2008

US\$ in millions



- Q4 FY 2007 Pro Forma
- Q4 FY 2008 Actual



**YOY Growth**

**20%**

**38%**

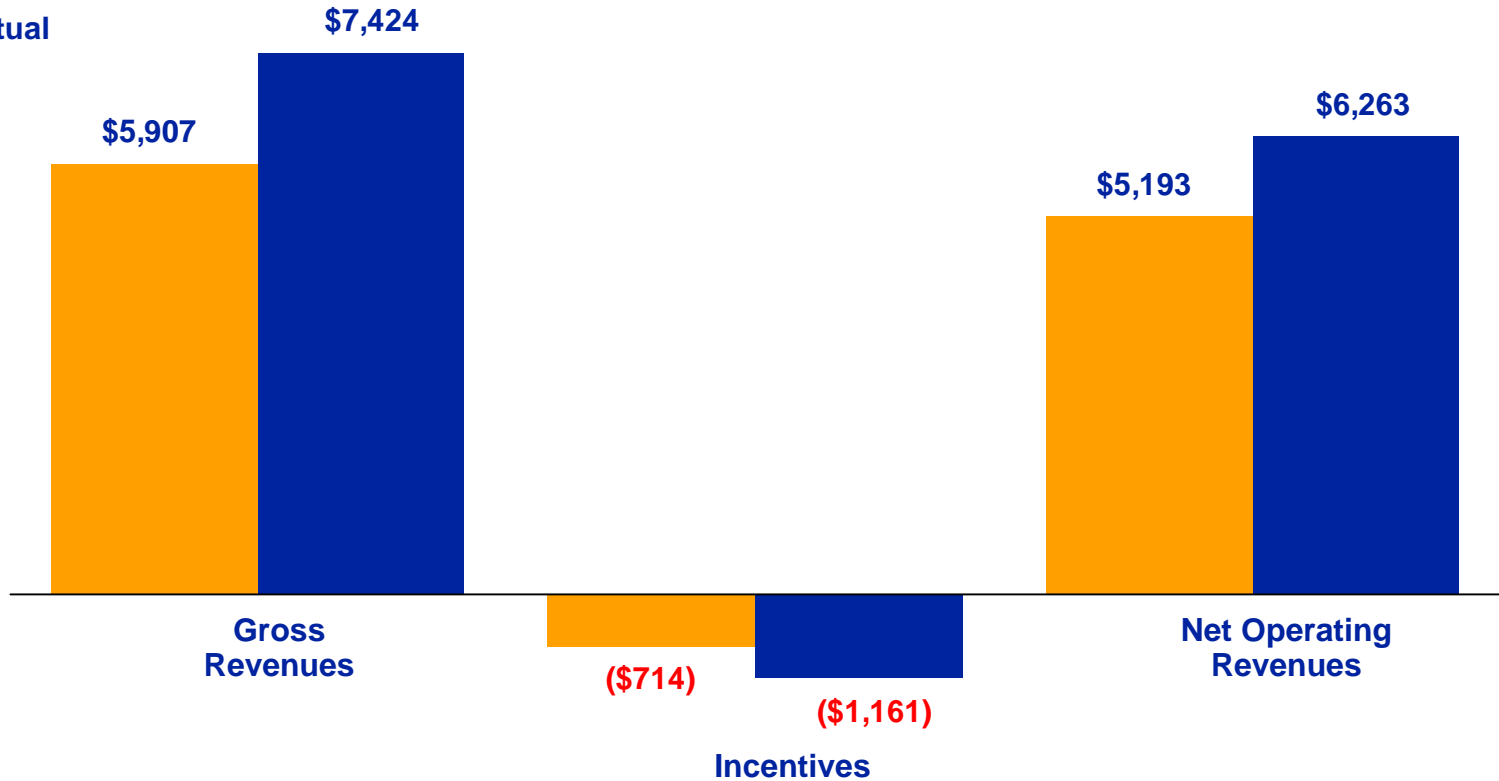
**17%**

# Revenue Detail – Fiscal Year 2008



US\$ in millions

- FY 2007 Pro Forma
- FY 2008 Actual



**YOY Growth**

**26%**

**63%**

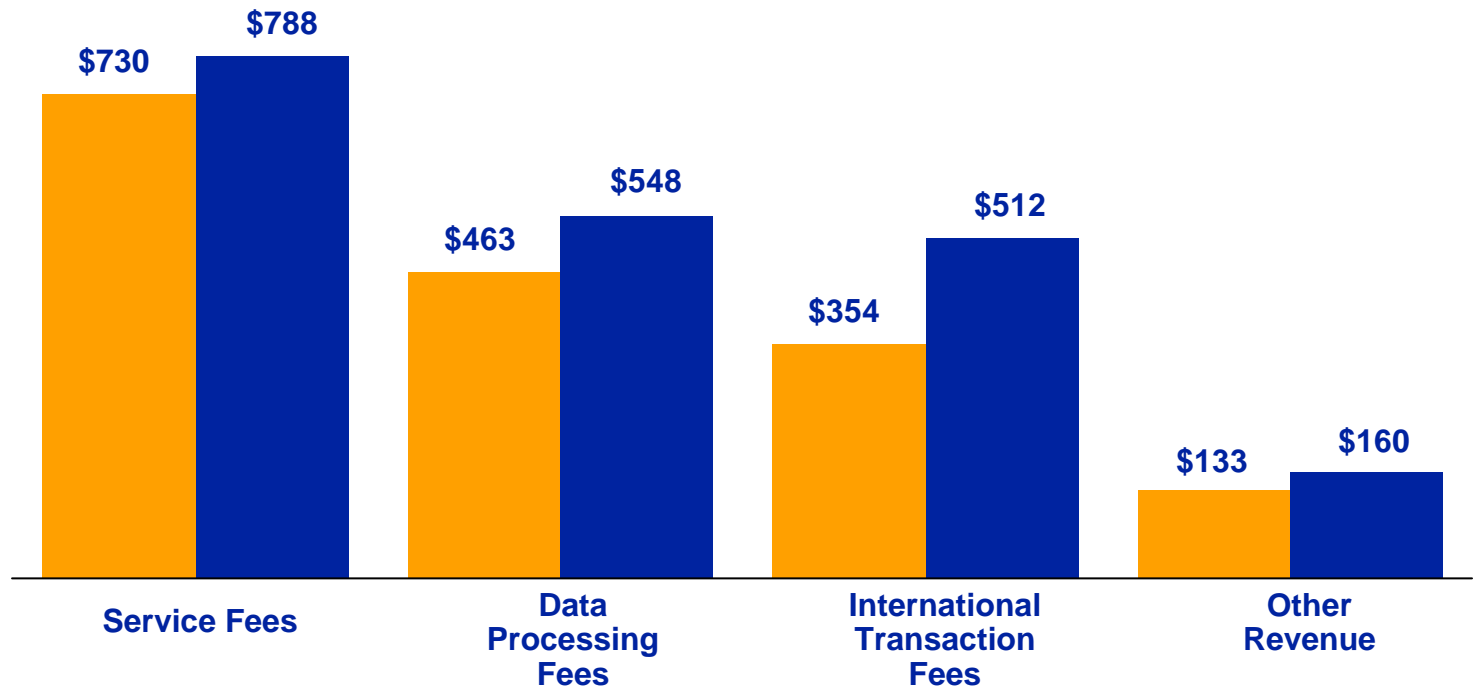
**21%**

# Revenue Detail – Q4 2008

US\$ in millions



■ Q4 FY 2007 Pro Forma  
■ Q4 FY 2008 Actual



YOY Growth

8%

18%

45%

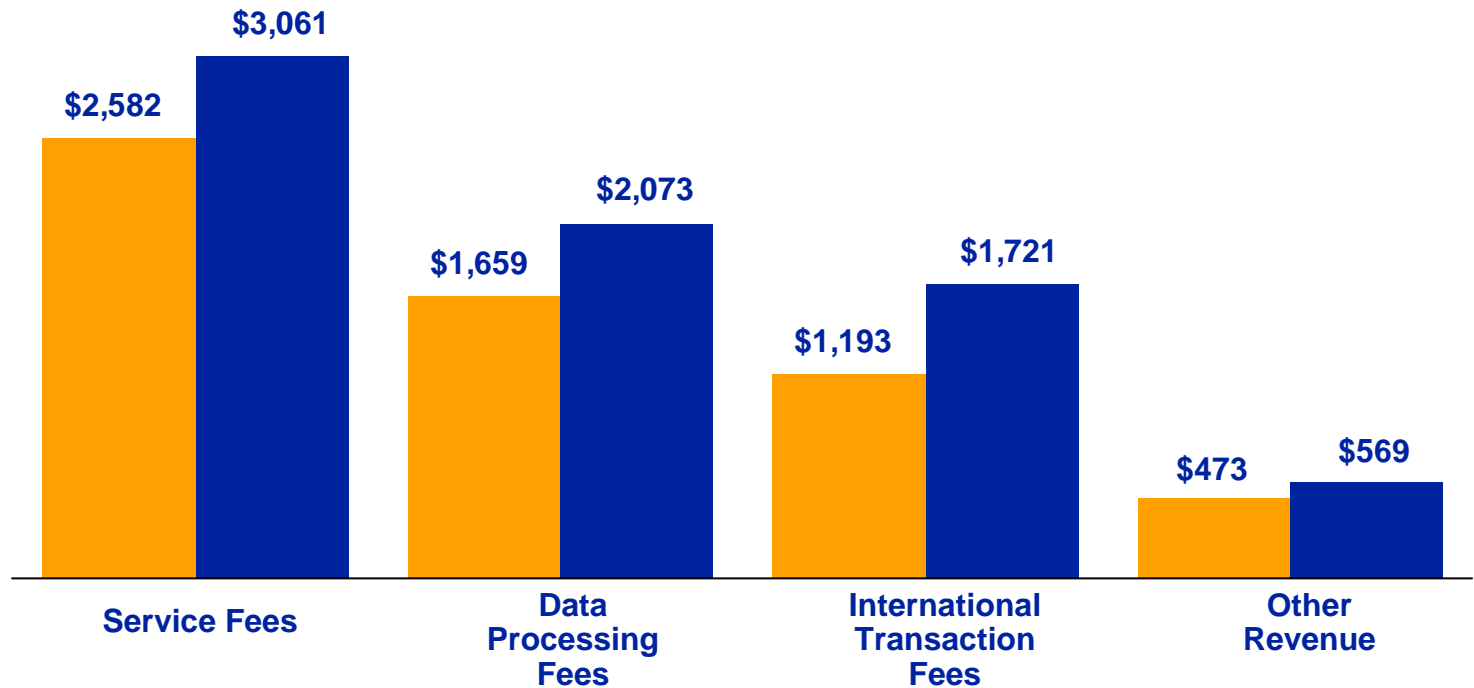
20%

# Revenue Detail – Fiscal Year 2008

US\$ in millions



■ FY 2007 Pro Forma  
■ FY 2008 Actual



YOY Growth	19%	25%	44%	20%
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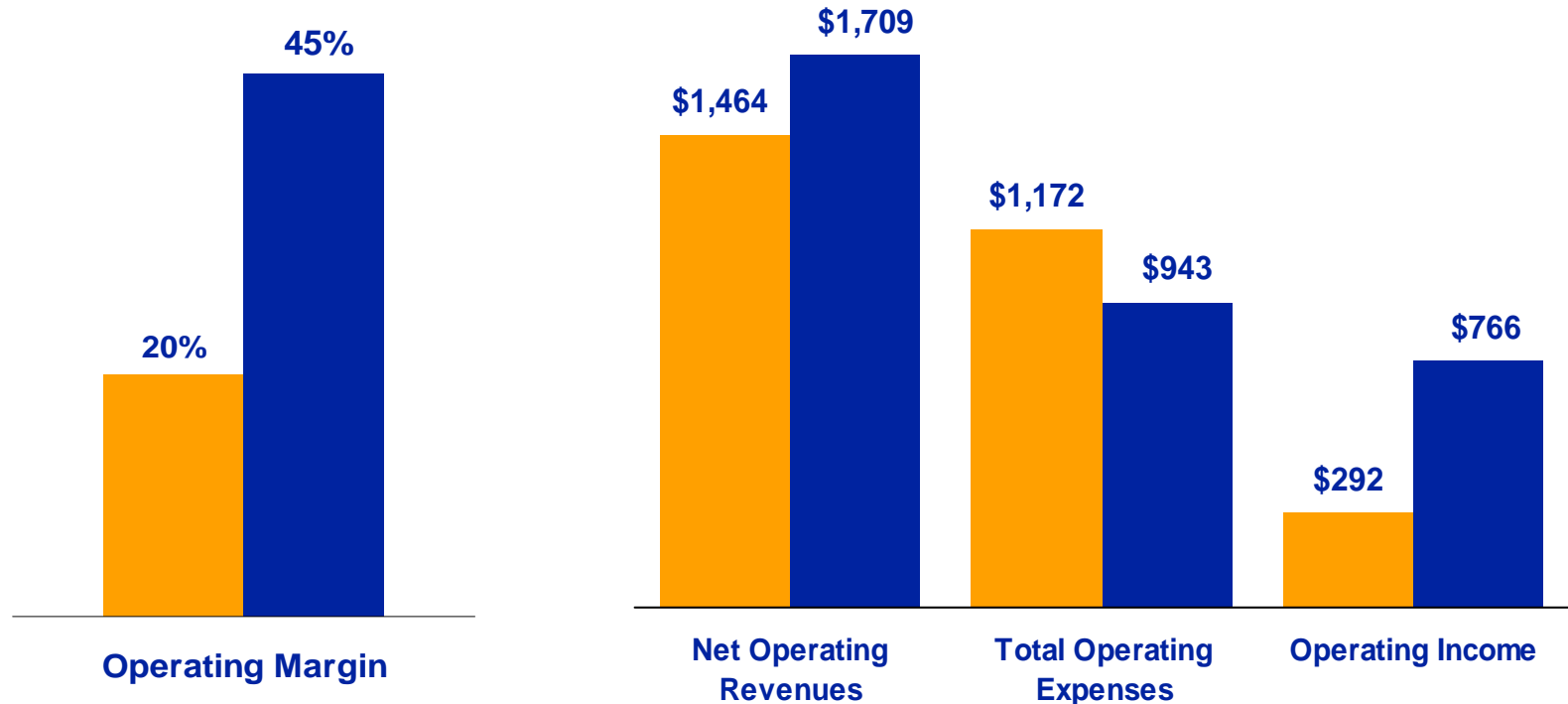
# Adjusted Operating Margin – Q4 2008

US\$ in millions



■ Q4 FY 2007 Pro Forma

■ Q4 FY 2008 Actual



YOY Growth 25 pts

17%

(20%)

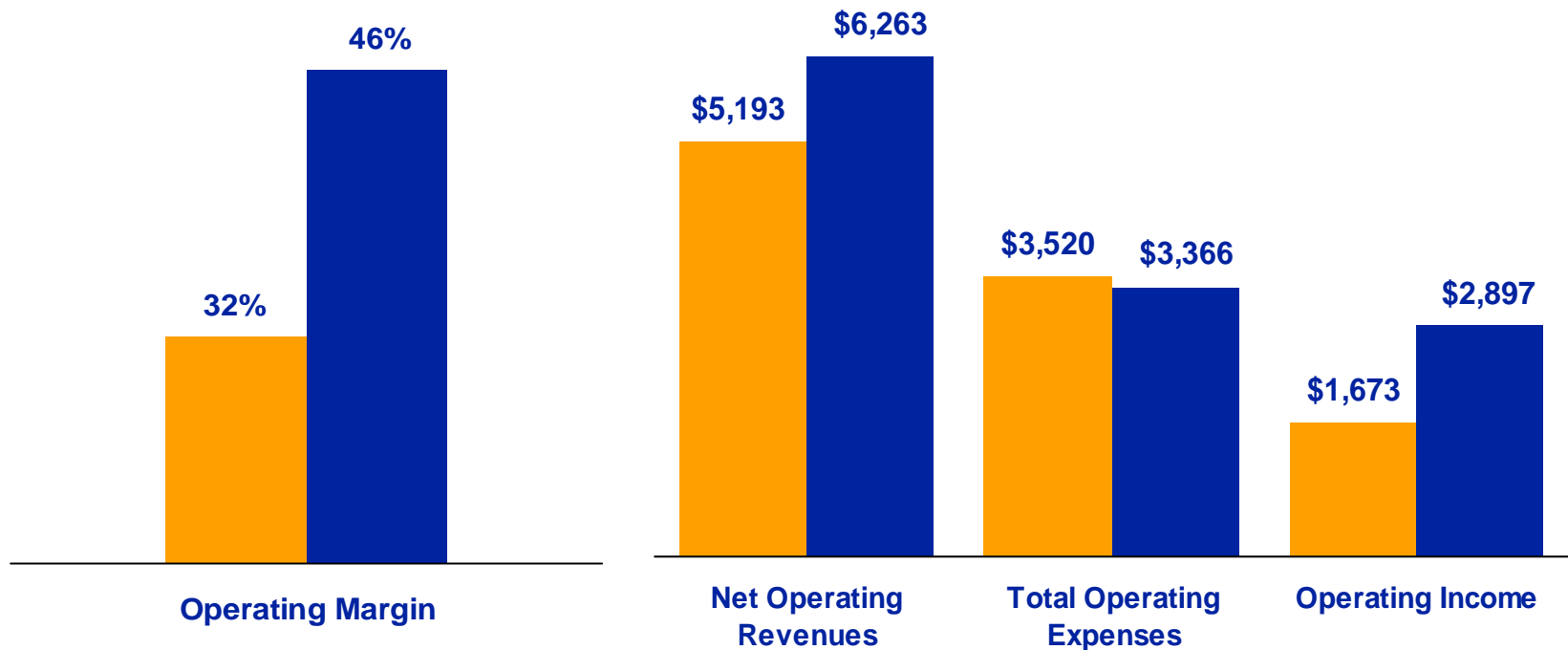
162%

# Adjusted Operating Margin – Fiscal Year 2008



US\$ in millions

■ FY 2007 Pro Forma  
■ FY 2008 Actual



YOY Growth 14 pts

21%

(4%)

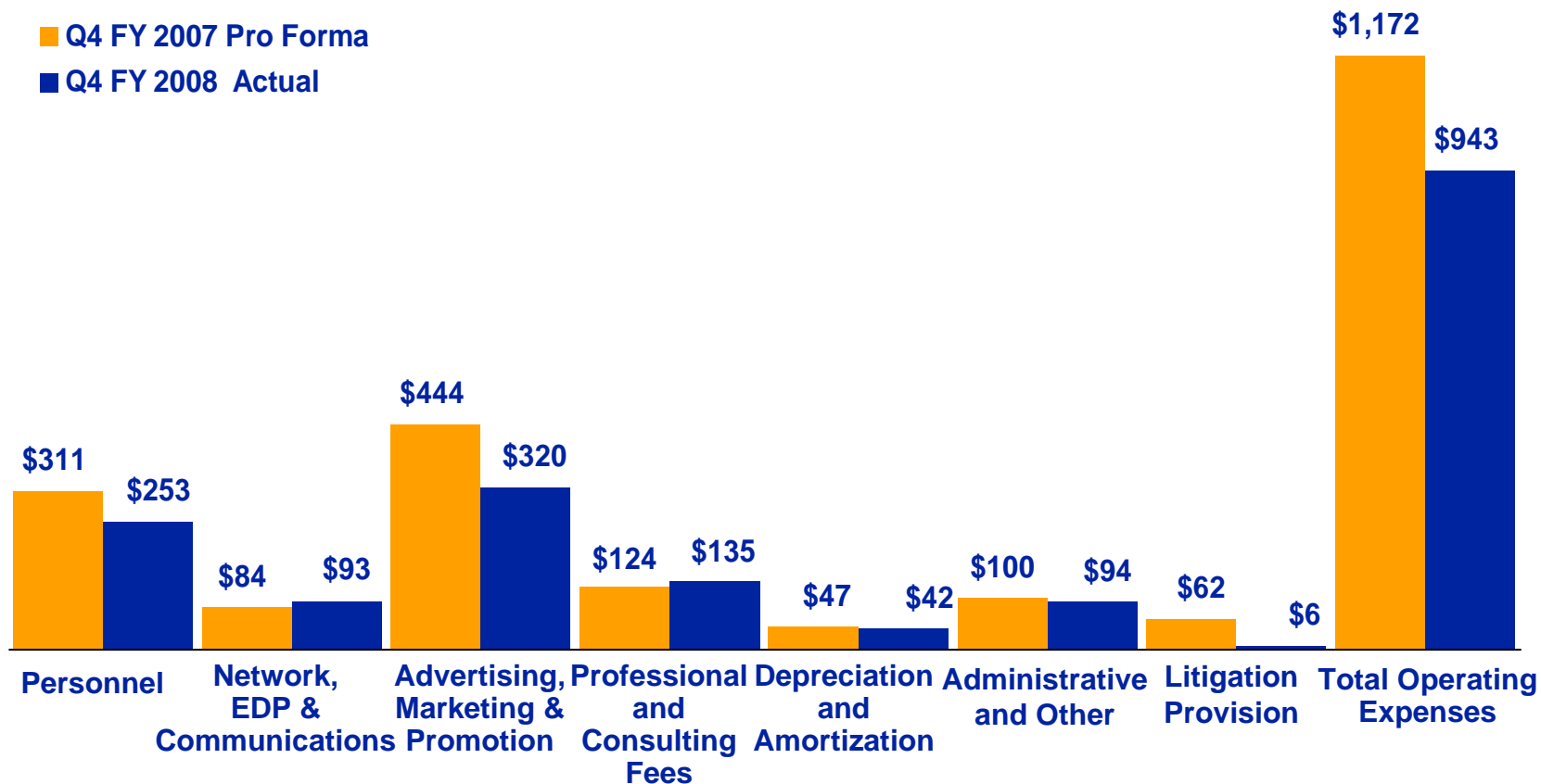
73%

# Adjusted Operating Expenses – Q4 2008



US\$ in millions

■ Q4 FY 2007 Pro Forma  
■ Q4 FY 2008 Actual

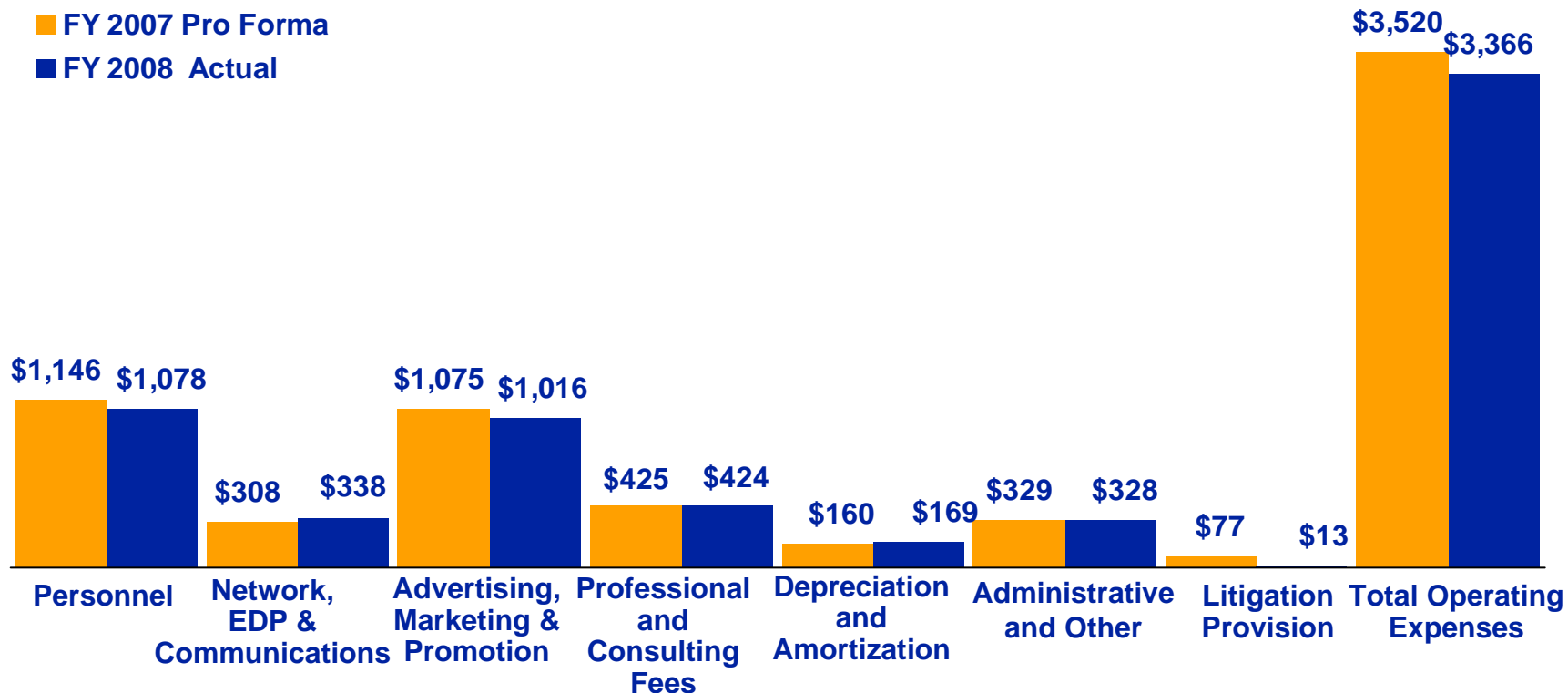


YOY Growth	(19%)	11%	(28%)	9%	(11%)	(6%)	(90%)	(20%)
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Note: Restructuring contains Personnel, Professional fees and Administrative and Other expenses associated with organizational changes. See appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.

# Adjusted Operating Expenses – Fiscal Year 2008

US\$ in millions



Category	YOY Growth
Personnel	(6%)
Network, EDP & Communications	10%
Advertising, Marketing & Promotion	(5%)
Professional and Consulting Fees	0%
Depreciation and Amortization	6%
Administrative and Other	0%
Litigation Provision	(83%)
<b>Total Operating Expenses</b>	<b>(4%)</b>

Note: Restructuring contains Personnel, Professional fees and Administrative and Other expenses associated with organizational changes. See appendix for reconciliation of adjusted non-GAAP measures to the closest comparable GAAP measures.

# Other Financial Results



- Capital expenditures during the fiscal fourth quarter and full-year 2008 were \$92 million and \$415 million, respectively
- Cash, cash equivalents, restricted cash and investment securities available-for-sale of \$7.5 billion at the end of the fiscal full-year
  - \$1.9 billion of restricted cash for litigation escrow
  - \$2.7 billion paid in October redemption of European Class C shares

# Financial Metrics through Fiscal Year 2010



Annual net revenue growth

**11-15%**

Annual adjusted operating margin

**Mid-to-High  
40% range**

Annual adjusted diluted class A common earnings per share growth

**20% +**

Annual free cash flow

**\$1 billion +**

Capital Expenditures

**FY 2009: \$300-350 M  
FY 2010: 3 to 4%  
gross revenue**



**Appendix –**

**Reconciliation of Non-GAAP  
Measures**

# Pro Forma Quarterly Results of Operations

US\$ in millions



	Pro Forma Fiscal 2007 Quarter Ended <sup>(1)</sup>				Pro Forma Fiscal 2007 <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	\$ 2,582
Data processing fees	377	370	449	463	1,659
International transaction fees	247	281	311	354	1,193
Other revenues	108	113	119	133	473
Volume and support incentives	(136)	(187)	(175)	(216)	(714)
Total operating revenues	<u>1,173</u>	<u>1,191</u>	<u>1,365</u>	<u>1,464</u>	<u>5,193</u>
<b>Operating Expenses</b>					
Personnel	273	269	293	324	1,159
Network, EDP and communications	68	69	87	84	308
Advertising, marketing and promotion	205	182	244	444	1,075
Professional and consulting fees	101	136	159	156	552
Depreciation and amortization	55	54	55	64	228
Administrative and other	76	74	83	101	334
Litigation provision	2	13	-	2,638	2,653
Total operating expenses	<u>780</u>	<u>797</u>	<u>921</u>	<u>3,811</u>	<u>6,309</u>
Operating income (loss)	<u>393</u>	<u>394</u>	<u>444</u>	<u>(2,347)</u>	<u>(1,116)</u>
<b>Other Income (Expense)</b>					
Interest expense	(23)	(24)	(25)	(24)	(96)
Investment income, net	40	36	56	65	197
Other	-	-	8	-	8
Total other income	<u>17</u>	<u>12</u>	<u>39</u>	<u>41</u>	<u>109</u>
Income (loss) before income taxes	410	406	483	(2,306)	(1,007)
Income tax expense/(benefit)	161	160	184	(651)	(146)
Net income (loss)	<u>\$ 249</u>	<u>\$ 246</u>	<u>\$ 299</u>	<u>\$ (1,655)</u>	<u>\$ (861)</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.

# Adjusted Operating Income and Net Income

US\$ in millions



	For the Three Months Ended September 30, 2008	For the Twelve Months Ended September 30, 2008	Pro Forma For the Three Months ended September 30, 2007	Pro Forma For the Twelve Months ended September 30, 2007
Net (loss) income (as reported)	\$ (356)	\$ 804	\$ (1,655)	\$ (861)
Addback: Income tax (benefit) expense (as reported)	(75)	532	(651)	(146)
Net (loss) income before taxes (as reported)	\$ (431)	\$ 1,336	\$ (2,306)	\$ (1,007)
Adjustments:				
Litigation reserve <sup>(1)</sup>	1,122	1,457	2,576	2,576
Restructuring <sup>(2)</sup>	70	140	46	145
Asset step-up amortization <sup>(3)</sup>	17	68	17	68
Adjustments to operating income	1,209	1,665	2,639	2,789
Interest accretion on American Express settlement <sup>(4)</sup>	11	68	-	-
Investment income on Litigation Escrow and EU proceeds <sup>(5)</sup>	(30)	(70)	-	-
Underwater contract (LIBOR adjustment) <sup>(6)</sup>	-	(35)	-	-
Adjustments to non-operating income	(19)	(37)	-	-
Total adjustments	1,190	1,628	2,639	2,789
Adjusted net income before tax	759	2,964	333	1,782
Adjusted income tax expense <sup>(7)</sup>	(311)	(1,215)	(137)	(731)
Adjusted net income	\$ 448	\$ 1,749	\$ 196	\$ 1,051
Operating (loss) income (as reported)	\$ (443)	\$ 1,232	\$ (2,347)	\$ (1,116)
Addback: Adjustments to operating (loss) income	1,209	1,665	2,639	2,789
Adjusted operating income	\$ 766	\$ 2,897	\$ 292	\$ 1,673
Operating revenues (as reported)	\$ 1,709	\$ 6,263	\$ 1,464	\$ 5,193
Adjusted operating margin	45%	46%	20%	32%
Total operating expenses (as reported)	\$ 2,152	\$ 5,031	\$ 3,811	\$ 6,309
Less: Adjustments to operating expenses	(1,209)	(1,665)	(2,639)	(2,789)
Adjusted operating expenses	\$ 943	\$ 3,366	\$ 1,172	\$ 3,520

- (1) Litigation expense primarily related to covered litigation. Settlements of, or judgments in, covered litigation will be paid from the litigation escrow account. There is \$30 million and \$80 million of non-recurring legacy litigation expense for the quarter and year ended September 30, 2008, respectively, that management believes is not indicative of Visa's future anticipated expenses. This expense is not covered under the retrospective responsibility plan and will not 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 Adjusted Operating Expenses



US\$ in millions

## For the Three Months Ended September 30, 2008

	Actual	Adjustments	As Adjusted
Personnel	\$ 317	\$ (64) <sup>(2)</sup>	\$ 253
Network, EDP and communications	94	(1) <sup>(2)</sup>	93
Advertising, marketing and promotions	320	-	320
Professional and consulting fees	136	(1) <sup>(2)</sup>	135
Depreciation and amortization	59	(17) <sup>(3)</sup>	42
Administrative and other	98	(4) <sup>(2)</sup>	94
Litigation provision	1,128	(1,122) <sup>(1)</sup>	6
Total operating expenses	\$ 2,152	\$ (1,209)	\$ 943

## Pro Forma For the Three Months Ended September 30, 2007

	Actual	Adjustments	As Adjusted
Personnel	\$ 324	\$ (13) <sup>(2)</sup>	\$ 311
Network, EDP and communications	84	-	84
Advertising, marketing and promotions	444	-	444
Professional and consulting fees	156	(32) <sup>(2)</sup>	124
Depreciation and amortization	64	(17) <sup>(3)</sup>	47
Administrative and other	101	(1) <sup>(2)</sup>	100
Litigation provision	2,638	(2,576) <sup>(1)</sup>	62
Total operating expenses	\$ 3,811	\$ (2,639)	\$ 1,172

## For the Twelve months Ended September 30, 2008

	Actual	Adjustments	As Adjusted
Personnel	\$ 1,199	\$ (121) <sup>(2)</sup>	\$ 1,078
Network, EDP and communications	339	(1) <sup>(2)</sup>	338
Advertising, marketing and promotions	1,016	-	1,016
Professional and consulting fees	438	(14) <sup>(2)</sup>	424
Depreciation and amortization	237	(68) <sup>(3)</sup>	169
Administrative and other	332	(4) <sup>(2)</sup>	328
Litigation provision	1,470	(1,457) <sup>(1)</sup>	13
Total operating expenses	\$ 5,031	\$ (1,665)	\$ 3,366

## Pro Forma For the Twelve Months Ended September 30, 2007

	Actual	Adjustments	As Adjusted
Personnel	\$ 1,159	\$ (13) <sup>(2)</sup>	\$ 1,146
Network, EDP and communications	308	-	308
Advertising, marketing and promotions	1,075	-	1,075
Professional and consulting fees	552	(127) <sup>(2)</sup>	425
Depreciation and amortization	228	(68) <sup>(3)</sup>	160
Administrative and other	334	(5) <sup>(2)</sup>	329
Litigation provision	2,653	(2,576) <sup>(1)</sup>	77
Total operating expenses	\$ 6,309	\$ (2,789)	\$ 3,520

(1) Litigation reserve

(2) Restructuring

(3) Asset step-up amortization

# Reconciliation of Non-GAAP Adjusted Non-operating Income



US\$ in millions

	For the Three Months Ended September 30, 2008			Pro Forma For the Three Months Ended September 30, 2007		
	Actual	Adjustments	As Adjusted	Actual	Adjustments	As Adjusted
Equity in earnings of unconsolidated affiliates	\$ -	-	\$ -	\$ -	-	\$ -
Interest expense	(27)	11 <sup>(1)</sup>	(16)	(24)	-	(24)
Investment income, net	39	(30) <sup>(2)</sup>	9	65	-	65
Other	-	-	-	-	-	-
Total other income (expenses)	\$ 12	(19)	\$ (7)	\$ 41	-	\$ 41

	For the Twelve months Ended September 30, 2008			Pro Forma For the Twelve Months Ended September 30, 2007		
	Actual	Adjustments	As Adjusted	Actual	Adjustments	As Adjusted
Equity in earnings of unconsolidated affiliates	\$ 1	-	\$ 1	\$ -	-	\$ -
Interest expense	(143)	68 <sup>(1)</sup>	(75)	(96)	-	(96)
Investment income, net	211	(70) <sup>(2)</sup>	141	197	-	197
Other	35	(35) <sup>(3)</sup>	-	8	-	8
Total other income (expenses)	\$ 104	(37)	\$ 67	\$ 109	-	\$ 109

- (1) Interest accretion on American Express Settlement
- (2) Investment income on Litigation Escrow and EU proceeds
- (3) Underwater contract (LIBOR adjustment)

# Weighted Avg. Class A Common Stock Outstanding

Used in the Calculation of Adjusted Diluted EPS

US\$ in millions



	<u>For the Three Months Ended September 30, 2008</u>	<u>For the Twelve Months Ended September 30, 2008</u>
Weighted Average Shares Outstanding - GAAP	774	769
Class A Shares <sup>(1)</sup>	-	206
Class B Shares <sup>(2)</sup>	-	(119)
Class C Shares <sup>(3)</sup>	-	(83)
Class A Share Equivalents <sup>(4)</sup>	2	3
<i>Share Adjustments</i>	<u>2</u>	<u>7</u>
Adjusted Weighted Average Shares Outstanding - Non GAAP	776	776

(1) For the twelve months ended September 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 October 1, 2007 for the twelve months ended September 30, 2008.

(2) For the twelve months ended September 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 October 1, 2007 for the twelve months ended September 30, 2008.

(3) For the twelve months ended September 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 October 1, 2007 for the twelve months ended September 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 subsequent periods, by applying the treasury stock method. For the twelve months ended September 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 \$19 million after-tax charge in the fourth quarter and a \$51 million after-tax charge for the year ended September 30, 2008 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 redeemed 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 September 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 September 30, 2008</b>	<b>For the Twelve Months Ended September 30, 2008</b>
	<i>(in millions, except per share data)</i>	
Adjusted net income	\$ 448	\$ 1,749
Adjusted weighted average number of diluted shares outstanding	776	776
Adjusted diluted earnings per share	<u>\$ 0.58</u>	<u>\$ 2.25</u>

# Calculation of Free Cash Flow



US\$ in millions

	<u>For the Twelve Months Ended September 30, 2008</u>	
Net income (as reported)	\$	804
Addback: Depreciation and amortization		237
Equity compensation		74
Cash impact of litigation (1)		1,193
Less: Capital expenditure		(415)
Annual pension contribution		(186)
Total free cash flow	<u>\$</u>	<u>1,707</u>

- (1) Adjustment represents the net cash impact of all litigation matters, both covered and uncovered, during the fiscal year. This adjustment reflects (i) the cash benefit received resulting from tax deductions taken on actual payments made for both covered and uncovered matters; (ii) the use of cash to make payments for uncovered litigation matters, which will not be funded by the litigation escrow account; (iii) the add back of accretion, net of tax, recorded on all settled claims, both covered and uncovered; and (iv) the add back of litigation provision, net of tax, recorded for covered matters, which will be funded by the litigation escrow account, during the fiscal year.