



Visa Inc. Posts Strong Fiscal First Quarter 2009 Earnings Results and Reaffirms 2009 Adjusted Diluted Earnings Per Share Guidance

- Adjusted quarterly net income of \$599 million or \$0.78 per diluted class A common share
- GAAP quarterly net income of \$574 million or \$0.74 per diluted class A common share
- Payments volume growth of 12% over the prior year to \$701 billion

SAN FRANCISCO, CA, February 4, 2009 – Visa Inc. (NYSE: V) today announced financial results for the company’s fiscal first quarter 2009 ended December 31, 2008. On an adjusted basis (reflective of a normalized tax rate, restructuring and purchase amortization), net income for the quarter was \$599 million, or \$0.78 per diluted class A common share. GAAP net income for the quarter was \$574 million, or \$0.74 per diluted class A common share. The weighted average number of diluted class A common shares outstanding was 772 million. The company’s adjusted net income and adjusted diluted net income per class A common share are non-GAAP financial measures that are reconciled to their most directly comparable GAAP measures in the accompanying financial tables.

Net operating revenue in the fiscal first quarter of 2009 was \$1.7 billion, an increase of 17% over the prior year, driven by strong contributions across all revenue categories. Payments volume and processed transactions remained solid, in particular in the Asia Pacific (AP), Central Europe, Middle East and Africa (CEMEA), and Latin America and Caribbean (LAC) regions.

“We are very pleased with our fiscal first quarter earnings results and our ability to deliver strong operating performance,” said Joseph Saunders, Chairman and Chief Executive Officer. “Despite the increasingly challenging economy, processed transaction growth, the strength of debit, and the global diversity of our business continue to highlight the resilience of our business model.”

“Even though we now foresee tougher economic trends in the second half of fiscal 2009 with resulting net revenue growth likely in the low single digits, we remain steadfast in our ability to meet our 2009 EPS guidance,” added Saunders. “Rationalizing our expense structure and further leveraging operational efficiencies within the organization remain priorities. These

directives, coupled with providing innovative products and services along with the global expansion of our business, will further support our long-term success.”

Fiscal First Quarter 2009 Financial Highlights:

Visa Inc.’s operational performance highlights for the fiscal first quarter, as measured by business activity through September 30, 2008, include:

- Payments volume grew 12% over the prior year to \$701 billion;
- Total volume, inclusive of cash volume was \$1.1 trillion, an increase of 16% over the prior year;
- Total cards carrying the Visa brands rose 10% worldwide over the prior year to 1.7 billion; and
- Total payment transactions increased by 13% over the prior year to 14.5 billion.

Total processed transactions, which represent r transactions processed by VisaNet through December 31, 2008, were 9.8 billion, an 8% increase over the prior year.

For the fiscal first quarter 2009, service revenues were \$793 million, an increase of over 8% versus the prior year, and are recognized based on payment volume in the prior quarter. All other revenue categories are recognized based on current quarter activity. Data processing revenues rose 13% over the prior year to \$554 million. International transaction revenues, which are driven by cross-border payments volume, grew 33% over the prior year to \$505 million, as the company benefited from prior pricing initiatives. Other revenues, which include the Visa Europe licensing fee, were \$156 million, up 17% over the prior year. Volume and support incentives, which are a contra revenue item, were \$269 million.

Adjusted total operating expenses were \$728 million for the fiscal first quarter, a 4% decrease from the prior year. Total operating expenses on a GAAP basis were \$773 million for the quarter, a 5% decrease from the prior year.

Cash, cash equivalents, restricted cash, and available-for-sale investment securities were \$5.6 billion at December 31, 2008.

Notable Events:

In October 2008, as planned, the company used \$1.508 billion of net proceeds from its initial public offering (IPO) for the required redemption of 35,263,585 shares of class C (series III) common stock. Following the redemption, the remaining 27,499,203 shares of class C (series III) and class C (series IV) common stock outstanding automatically converted into shares of class C (series I) common stock on a one-to-one basis. The company also utilized net proceeds from the IPO to fund the redemption of all class C (series II) common stock. The redemption price of \$1.146 billion was adjusted for dividends paid and related interest, resulting in a cash payment of \$1.138 billion.

In December 2008, the company formed Visa Processing Services, Ltd. ("VPS"), a joint venture that enables us to offer comprehensive multi-currency and multi-language issuer processing services outside the US, in some of the fastest growing economies in the world such as Japan and India. VPS reflects Visa's strategic focus on growing our processing capabilities worldwide, expanding our global strength in debit, and furthering the migration to electronic payments.

On December 19, 2008, as planned, the company deposited \$1.1 billion ("Loss Funds") into the litigation escrow account previously established under the company's Retrospective Responsibility Plan. The deposit of the Loss Funds into the escrow account to fund the Discover settlement reduced the conversion ratio applicable to the company's class B common stock outstanding from 0.7143 per class A share to 0.6296 per class A share. The deposit of Loss Funds has the effect of a repurchase of 20,800,824 class A common stock equivalents from the company's class B shareholders.

Financial Outlook:

Visa Inc. updates its financial outlook for the following metric for full-year 2009:

- Annual net revenue growth in the high single-digits

Visa Inc. affirms its financial outlook for the following metrics through 2010 with the caveat that annual net revenue growth may be somewhat challenged in 2010 if the current economic environment in the U.S. and around the globe persists beyond 2009:

- Annual net revenue growth at the lower end of the 11% to 15% range;
- Annual adjusted operating margin in the mid-to-high 40% range;
- Annual adjusted diluted class A common earnings per share growth of greater than 20%;
- Annual free cash flow in excess of \$1 billion; and
- Capital expenditures in the range of \$300 to \$350 million in 2009 and representing 3 to 4% of gross revenues in 2010.

This outlook reflects an assumed 40% percent GAAP tax rate for fiscal year 2009. The company's intent is to reduce this rate to a level around 35-36% over the next four years.

Fiscal First Quarter 2009 Earnings Results Conference Call Details:

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.

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 in Part 1, Item 1A – "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 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.

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Visa Inc.
Selected Consolidated Statements of Operations
(unaudited)

	Three months ended December 31,	
	2008	2007
	(in millions except per share data)	
Operating Revenues		
Service revenues	\$ 793	\$ 732
Data processing revenues	554	492
International transaction revenues	505	381
Other revenues	156	133
Volume and support incentives	(269)	(250)
Total operating revenues	<u>1,739</u>	<u>1,488</u>
Operating Expenses		
Personnel	275	283
Network, EDP and communications	93	83
Advertising, marketing and promotion	210	210
Professional and consulting fees	80	98
Depreciation and amortization	52	62
Administrative and other	63	74
Litigation provision	-	-
Total operating expenses	<u>773</u>	<u>810</u>
Operating income	<u>966</u>	<u>678</u>
Other Income (Expense)		
Equity in earnings of unconsolidated affiliates	(1)	1
Interest expense	(30)	(45)
Investment income, net	19	41
Other	(1)	8
Total other (expense) income	<u>(13)</u>	<u>5</u>
Income before income taxes and minority interest	953	683
Income tax expense	379	259
Income before minority interest	<u>574</u>	<u>424</u>
Minority Interest	-	-
Net income	<u>\$ 574</u>	<u>\$ 424</u>
Basic net income per share		
All regional classes and series of common stock		<u>\$ 0.55</u>
Class A common stock	<u>\$ 0.74</u>	
Class B common stock	<u>\$ 0.52</u>	
Class C common stock	<u>\$ 0.74</u>	
Basic weighted average shares outstanding		
All regional classes and series of common stock		<u>775</u>
Class A common stock	<u>446</u>	
Class B common stock	<u>245</u>	
Class C common stock	<u>152</u>	
Diluted net income per share		
All regional classes and series of common stock		<u>\$ 0.55</u>
Class A common stock	<u>\$ 0.74</u>	
Class B common stock	<u>\$ 0.52</u>	
Class C common stock	<u>\$ 0.74</u>	
Diluted weighted average shares outstanding		
All regional classes and series of common stock		<u>775</u>
Class A common stock	<u>772</u>	
Class B common stock	<u>245</u>	
Class C common stock	<u>152</u>	

Visa Inc.
Selected Consolidated Balance Sheets
(unaudited)

	December 31, 2008	September 30, 2008
	(in millions except par value and share data)	
Assets		
Cash and cash equivalents	\$ 2,613	\$ 4,979
Restricted cash - litigation escrow	2,078	1,298
Investment securities		
Trading	86	-
Available-for-sale	103	355
Settlement receivable	745	1,131
Accounts receivable	378	342
Customer collateral	661	679
Current portion of volume and support incentives	233	256
Current portion of deferred tax assets	800	944
Prepaid and other current assets	392	1,190
Total current assets	<u>8,089</u>	<u>11,174</u>
Restricted cash - litigation escrow	560	630
Investment securities, available-for-sale	205	244
Volume and support incentives	127	123
Property, equipment and technology, net	1,117	1,080
Other assets	628	634
Intangible assets	10,883	10,883
Goodwill	10,213	10,213
Total assets	<u><u>31,822</u></u>	<u><u>34,981</u></u>
Liabilities		
Accounts payable	\$ 93	\$ 159
Settlement payable	642	1,095
Customer collateral	661	679
Accrued compensation and benefits	262	420
Volume and support incentives	245	249
Accrued liabilities	362	306
Current portion of long-term debt	51	51
Current portion of accrued litigation	2,296	2,698
Redeemable class C (series III) common stock, no shares and 35,263,585 shares issued and outstanding, respectively	-	1,508
Total current liabilities	<u>4,612</u>	<u>7,165</u>
Long-term debt	53	55
Accrued litigation	1,009	1,060
Deferred tax liabilities	3,843	3,811
Other liabilities	660	613
Total liabilities	<u><u>10,177</u></u>	<u><u>12,704</u></u>
Temporary Equity and Minority Interest		
Class C (series II) common stock, \$0.0001 par value, no shares and 218,582,801 shares authorized, no shares and 79,748,857 shares issued and outstanding, net of subscription receivable, respectively	\$ -	\$ 1,136
Minority interest	5	-
Total temporary equity and minority interest	<u>5</u>	<u>1,136</u>
Stockholders' Equity		
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, 448,876,279 and 447,746,261 issued and outstanding, respectively	-	-
Class B common stock, \$0.0001 par value, 622,245,209 shares authorized, 245,513,385 issued and outstanding	-	-
Class C common stock, \$0.0001 par value, 1,097,165,602 shares authorized, 151,602,324 issued and 151,587,829 outstanding at December 31, 2008	-	-
Class C (series I) common stock, \$0.0001 par value, 813,582,801 shares authorized, 124,622,548 issued and 124,097,105 outstanding at September 30, 2008	-	-
Class C (series III) common stock, \$0.0001 par value, 64,000,000 shares authorized, 26,949,616 issued and outstanding at September 30, 2008	-	-
Class C (series IV) common stock, \$0.0001 par value, 1,000,000 shares authorized, 549,587 issued and outstanding at September 30, 2008	-	-
Additional paid-in capital	21,059	21,060
Class C treasury stock, 14,495 shares and 525,443 shares, respectively	(2)	(35)
Accumulated income	677	186
Accumulated other comprehensive loss, net	(94)	(70)
Total stockholders' equity and accumulated income	<u>21,640</u>	<u>21,141</u>
Total liabilities, temporary equity and minority interest, and stockholders' equity	<u><u>\$ 31,822</u></u>	<u><u>\$ 34,981</u></u>

Visa Inc.
Selected Consolidated Statements Of Cash Flows

(unaudited)

	Three Months Ended December 31,	
	2008	2007
	(in millions)	
Operating Activities		
Net income	\$ 574	\$ 424
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment and technology	52	62
Amortization of intangibles, investments, debt issuance costs and accretion of member deposits	-	1
Share-based compensation	32	-
Interest earned on litigation escrow, net of tax	(7)	-
Net recognized loss on investment securities, including other-than-temporary impairment	7	2
Asset impairment	1	-
Gain on disposal of property, equipment and technology	-	(1)
Amortization of volume and support incentives	269	250
Accrued litigation and accretion	25	39
Equity in earnings of unconsolidated affiliates	1	(1)
Deferred income taxes	179	(9)
Change in operating assets and liabilities:		
Trading securities	7	-
Accounts receivable	(36)	(29)
Settlement receivable	386	(567)
Volume and support incentives	(254)	(269)
Other assets	95	(27)
Accounts payable	(66)	(89)
Settlement payable	(453)	368
Accrued compensation and benefits	(157)	(166)
Accrued and other liabilities	59	198
Accrued litigation	(529)	(1)
Member deposits	-	(3)
	<u>185</u>	<u>182</u>
Investing Activities		
Investment securities, available-for-sale:		
Purchases	-	(1,257)
Proceeds from sales and maturities	195	1,732
Distribution of money market investment	775	-
Non-marketable securities	-	(160)
Cash acquired through reorganization	-	1,002
Purchases of/contributions to other investments	(1)	-
Dividends/distributions from other investments	-	1
Purchases of property, equipment and technology	(68)	(71)
Proceeds from sale of property, equipment and technology	-	4
	<u>901</u>	<u>1,251</u>
Financing Activities		
Proceeds from short-term borrowing	-	2
Payments on short-term borrowing	-	(2)
Funding of litigation escrow account - Retrospective Responsibility Plan	(1,100)	-
Payments from litigation escrow account - Retrospective Responsibility Plan	397	-
Payment for redemption of stock	(2,646)	-
Dividends paid	(81)	-
Principal payments on debt	(2)	(9)
Principal payments on capital lease obligations	-	(1)
	<u>(3,432)</u>	<u>(10)</u>
Effect of exchange rate translation on cash and cash equivalents	(20)	-
(Decrease) increase in cash and cash equivalents	(2,366)	1,423
Cash and cash equivalents at beginning of year	4,979	275
	<u>\$ 2,613</u>	<u>\$ 1,698</u>
Supplemental Disclosure of Cash Flow Information		
Income taxes paid, net of refunds	\$ 4	\$ 5
Amounts included in accounts payable and accrued and other liabilities related to purchases of property, equipment and technology	\$ 21	\$ 2
Interest payments on debt	\$ 1	\$ 1
Common stock issued in acquisition	\$ -	\$ 16,785
Assets acquired in joint venture with note payable and equity interest issued	\$ 22	\$ -

Adjusted Operating Income and Net Income

US\$ in millions

	For the Three Months Ended December 31, 2008	For the Three Months Ended December 31, 2007
Net income (as reported)	\$ 574	\$ 424
Addback: Income tax expense (as reported)	379	259
Net income before taxes (as reported)	<u>\$ 953</u>	<u>\$ 683</u>
Adjustments:		
Restructuring ⁽¹⁾	28	36
Asset step-up amortization ⁽²⁾	17	17
Adjustments to operating income	<u>45</u>	<u>53</u>
Interest accretion on American Express settlement ⁽³⁾	10	23
Interest expense on Discover settlement ⁽⁴⁾	3	-
Investment income on Litigation Escrow and EU proceeds ⁽⁵⁾	(13)	-
Underwater contract (LIBOR adjustment) ⁽⁶⁾	-	(8)
Adjustments to non-operating income	<u>-</u>	<u>15</u>
Total adjustments	45	68
Adjusted net income before tax	998	751
Adjusted income tax expense ⁽⁷⁾	(399)	(308)
Adjusted net income	<u>\$ 599</u>	<u>\$ 443</u>
Operating income (as reported)	\$ 966	\$ 678
Addback: Adjustments to operating income	45	53
Adjusted operating income	<u>\$ 1,011</u>	<u>\$ 731</u>
Operating revenues (as reported)	\$ 1,739	\$ 1,488
Adjusted operating margin	58%	49%
Total operating expenses (as reported)	\$ 773	\$ 810
Less: Adjustments to operating expenses	(45)	(53)
Adjusted operating expenses	<u>\$ 728</u>	<u>\$ 757</u>

(1) Restructuring costs associated with workforce consolidation and elimination of overlapping functions.

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

(3) 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.

(4) Interest expense recorded on future payments to be made under the settlement agreement with Discover. 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 used in October 2008 to redeem all class C (series II) common stock and a portion of the class C (series III) common stock outstanding.

(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 terminated after the October 2008 redemptions described above.

(7) Reflects a normalized tax rate of 40% and 41% for fiscal 2009, and 2008, respectively.

Reconciliation of Non-GAAP Adjusted Operating Expenses

US\$ in millions

	For the Three Months Ended December 31, 2008			For the Three Months Ended December 31, 2007		
	Actual	Adjustments	As Adjusted	Actual	Adjustments	As Adjusted
Personnel	\$ 275	\$ (27) ⁽¹⁾	\$ 248	\$ 283	\$ (27) ⁽¹⁾	\$ 256
Network, EDP and communications	93	-	93	83	-	83
Advertising, marketing and promotions	210	-	210	210	-	210
Professional and consulting fees	80	(1) ⁽¹⁾	79	98	(9) ⁽¹⁾	89
Depreciation and amortization	52	(17) ⁽²⁾	35	62	(17) ⁽²⁾	45
Administrative and other	63	-	63	74	-	74
Litigation provision	-	-	-	-	-	-
Total operating expenses	<u>\$ 773</u>	<u>\$ (45)</u>	<u>\$ 728</u>	<u>\$ 810</u>	<u>\$ (53)</u>	<u>\$ 757</u>

⁽¹⁾ Restructuring

⁽²⁾ Asset step-up amortization

Reconciliation of Non-GAAP Adjusted Non-operating (Expense) Income

US\$ in millions

	For the Three Months Ended December 31, 2008			For the Three Months Ended December 31, 2007		
	Actual	Adjustments	As Adjusted	Actual	Adjustments	As Adjusted
Equity in earnings of unconsolidated affiliates	\$ (1)	-	\$ (1)	\$ 1	-	\$ 1
Interest expense	(30)	13 ⁽¹⁾	(17)	(45)	23 ⁽¹⁾	(22)
Investment income, net	19	(13) ⁽²⁾	6	41	-	41
Other	(1)	-	(1)	8	(8) ⁽³⁾	-
Total other (expense) income	\$ (13)	-	\$ (13)	\$ 5	15	\$ 20

⁽¹⁾ Interest accretion on American Express Settlement and interest expense on Discover Settlement

⁽²⁾ Investment income on Litigation Escrow funds and funds used in October 2008 for the repurchase of shares from Visa Europe.

⁽³⁾ Underwater contract (LIBOR adjustment)

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. These items have an 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 weighted average number of diluted class A 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. Management believes this non-GAAP presentation provides the reader with a clearer understanding of our per share results by excluding these redeemed shares and allocating adjusted net income only to permanent equity.

	For the Three Months Ended December 31, 2008	For the Three Months Ended December 31, 2007
	<i>(in millions, except per share data)</i>	
Adjusted net income	\$ 599	\$ 443
Weighted average number of diluted shares outstanding	772	775
Adjusted diluted earnings per share	<u>\$ 0.78</u>	<u>\$ 0.57</u>