



Visa Inc. Posts Strong Fiscal Second Quarter 2010 Earnings Results

- GAAP quarterly net income of \$713 million or \$0.96 per diluted class A common share
- Revenue growth of 19% as payments volumes and processed transactions improve globally

SAN FRANCISCO, CA, April 28, 2010 – Visa Inc. (NYSE: V) today announced financial results for the Company's fiscal second quarter 2010 ended March 31, 2010. GAAP net income for the quarter was \$713 million, or \$0.96 per diluted class A common share. The weighted average number of diluted class A common shares outstanding was 742 million.

GAAP net operating revenue in the fiscal second quarter of 2010 was \$2.0 billion, an increase of 19% over the prior year and driven by strong contributions across all revenue categories, in particular data processing and international transaction revenues.

"Visa delivered strong financial performance during our fiscal second quarter and we remain confident in delivering our guidance for fiscal year 2010," said Joseph Saunders, Chairman and Chief Executive Officer of Visa Inc. "Our performance was fueled by higher than expected payments volume growth. As I discussed at our recent Investor Day, we are increasingly optimistic that economic growth will gradually improve. At the same time, we remain diligent about how we manage our business and finances throughout the current economic environment."

"Visa's long term strategic goals and our ability to drive the migration to Visa products and services are based on our history of innovation and market responsiveness," added Saunders. "Our pending acquisition of CyberSource is the most recent example of the Company responding to market opportunities to fuel future growth. We remain focused on enhancing product offerings and providing new technologies to our clients and customers, while we continue to deliver value to our shareholders."

Fiscal Second Quarter 2010 Financial Highlights:

Payments volume growth, on a constant dollar basis for the three months ended December 31, 2009 on which fiscal second quarter service revenue is recognized, was a positive 8% over the prior year at \$769 billion.

Payments volume growth, on a constant dollar basis, for the three months ended March 31, 2010, was a positive 13% over the prior year at \$745 billion.

Cross border volume growth, on a constant dollar basis, was positive 12% for the three months ended March 31, 2010.

Total processed transactions, which represent transactions processed by VisaNet, for the three months ended March 31, 2010 totaled 10.6 billion, a 14% increase over the prior year.

For the fiscal second quarter 2010, service revenues were \$885 million, an increase of 10% versus the prior year, and are recognized based on payments volume in the prior quarter. All other revenue categories are recognized based on current quarter activity. Data processing revenues rose 34% over the prior year to \$728 million. International transaction revenues, which are driven by cross border payments volume, grew 22% over the prior year to \$545 million. Other revenues, which include the Visa Europe licensing fee, were \$173 million, up 17% over the prior year. Volume and support incentives, which are a contra revenue item, were \$372 million, which represents 16% of gross revenue.

Total operating expenses on a GAAP basis were \$837 million for the quarter, a 9% increase over the prior year.

Cash, cash equivalents, restricted cash, and available-for-sale investment securities were \$6.3 billion at March 31, 2010.

Notable Events:

In October 2009, the Company announced that its Board of Directors authorized a \$1.0 billion share repurchase plan through September 30, 2010, and is subject to change at the determination of Visa's Board of Directors. During the three months ended March 31, 2010, we repurchased 2.8 million shares of our outstanding class A common stock at an average price of \$83.61 per share in the open market for a total cost of \$231 million. During the six months ended March 31, 2010, we repurchased 8.3 million shares of our outstanding class A common stock at an average price of \$80.40 per share in the open market for a total cost of \$664 million. At March 31, 2010, the share repurchase plan has remaining authorized funds of \$336 million.

As previously announced, the Board of Directors approved the release of additional class C shares. The number of shares released for any class C shareholder was the greater of (a) 50% (fifty percent) of the restricted class C shares held by that shareholder as of March 1, 2010, and (b) 5,000 (five thousand) class C shares. Under this program, 56 million shares of class C common stock were released from transfer restrictions during the second quarter of fiscal 2010. The release of the class C shares did not increase the number of outstanding shares on an as-converted basis, and there are no dilutive effects to the outstanding class A common stock share count on an as-converted basis from these transactions.

As previously announced, the Company has entered into a definitive agreement to acquire CyberSource Corporation (“CyberSource”), a leading provider of electronic payment, risk management and payment security solutions to online merchant, at a price of \$26 per share, or total consideration of approximately \$2.0 billion to be paid with cash on hand. With the addition of CyberSource, Visa will offer merchants and financial institutions eCommerce solutions that include enhanced online payment processing capabilities, payment routing, fraud protection services and secure data hosting. The transaction is subject to customary closing conditions, including approval by the stockholders of CyberSource and required regulatory approvals. The transaction, which has been approved by the Visa and CyberSource boards of directors, does not require a Visa shareholder vote, and is expected to close in Visa’s fourth fiscal quarter of 2010.

Financial Outlook:

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

- Annual net revenue growth: high end of the 11% to 15% range; and
- Volume and support incentives as a percent of gross revenues: high end of the 16% to 17% range.

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

- Advertising, marketing and promotion expenses: less than \$1 billion;
- Annual operating margin: mid to high 50% range;
- GAAP tax rate: 36.5% to 38.5% range;
- Annual diluted class A common stock earnings per share: growth greater than 20%;
- Capital expenditures: about \$200 million; and
- Annual free cash flow: in excess of \$2 billion.

Visa Inc. affirms its financial outlook for the following metrics through 2011:

- Annual diluted class A common stock earnings per share: growth greater than 20%; and
- Annual free cash flow: in excess of \$2 billion.

Fiscal Second Quarter 2010 Earnings Results Conference Call Details:

Visa's executive management team will host a live audio webcast beginning at 5:00 p.m. Eastern time (2:00 p.m. Pacific time) 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>.

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 earnings per share, revenue, operating margin, 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 Part 1, Item 1A – "Risk Factors" in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q or Periodic Reports on Form 8-K, if any. 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.
Selected Consolidated Statements of Operations
(unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010	2009	2010	2009
	(in millions, except per share data)			
Operating Revenues				
Service revenues	\$ 885	\$ 804	\$ 1,712	1,597
Data processing revenues	728	544	1,493	1,098
International transaction revenues	545	446	1,097	951
Other revenues	173	148	363	304
Volume and support incentives	(372)	(295)	(746)	(564)
Total operating revenues	1,959	1,647	3,919	3,386
Operating Expenses				
Personnel	310	292	584	591
Network, EDP and communications	98	92	203	185
Advertising, marketing and promotion	238	196	454	406
Professional and consulting fees	50	64	101	120
Depreciation and amortization	62	56	124	108
Administrative and other	77	66	155	129
Litigation provision	2	-	(41)	-
Total operating expenses	837	766	1,580	1,539
Operating income	1,122	881	2,339	1,847
Other Income (Expense)				
Equity in earnings of unconsolidated affiliates	(2)	1	(2)	-
Interest expense	(28)	(30)	(44)	(60)
Investment income, net	23	34	28	53
Other	(2)	1	-	-
Total other (expense) income	(9)	6	(18)	(7)
Income before income taxes	1,113	887	2,321	1,840
Income tax expense	401	352	846	731
Net income including non-controlling interest	712	535	1,475	1,109
Loss attributable to non-controlling interest	1	1	1	1
Net income attributable to Visa Inc.	\$ 713	\$ 536	\$ 1,476	\$ 1,110
Basic earnings per share				
Class A common stock	\$ 0.97	\$ 0.71	\$ 1.99	\$ 1.45
Class B common stock	\$ 0.56	\$ 0.45	\$ 1.16	\$ 0.96
Class C common stock	\$ 0.97	\$ 0.71	\$ 1.99	\$ 1.45
Basic weighted average shares outstanding				
Class A common stock	472	447	470	447
Class B common stock	245	246	245	246
Class C common stock	122	152	125	152
Diluted earnings per share				
Class A common stock	\$ 0.96	\$ 0.71	\$ 1.99	\$ 1.45
Class B common stock	\$ 0.56	\$ 0.45	\$ 1.16	\$ 0.96
Class C common stock	\$ 0.96	\$ 0.71	\$ 1.99	\$ 1.45
Diluted weighted average shares outstanding				
Class A common stock	742	756	743	765
Class B common stock	245	246	245	246
Class C common stock	122	152	125	152

Visa Inc.
Selected Consolidated Balance Sheets
(unaudited)

	March 31, 2010	September 30, 2009
	(in millions, except par value data)	
Assets		
Cash and cash equivalents	\$ 4,560	\$ 4,617
Restricted cash - litigation escrow	1,365	1,365
Investment securities		
Trading	63	59
Available-for-sale	22	56
Settlement receivable	666	605
Accounts receivable	502	444
Customer collateral	842	812
Current portion of volume and support incentives	212	214
Current portion of deferred tax assets	470	703
Prepaid expenses and other current assets	413	366
Total current assets	9,115	9,241
Restricted cash - litigation escrow	210	350
Investment securities, available-for-sale	154	168
Volume and support incentives	129	102
Property, equipment and technology, net	1,183	1,204
Other assets	186	125
Intangible assets	10,883	10,883
Goodwill	10,208	10,208
Total assets	<u>\$ 32,068</u>	<u>\$ 32,281</u>
Liabilities		
Accounts payable	\$ 78	\$ 156
Settlement payable	618	634
Customer collateral	842	812
Accrued compensation and benefits	276	396
Volume and support incentives	343	284
Accrued liabilities	698	754
Current portion of long-term debt	12	12
Current portion of accrued litigation	670	1,394
Total current liabilities	3,537	4,442
Long-term debt	38	44
Accrued litigation	196	323
Deferred tax liabilities	3,808	3,807
Other liabilities	502	472
Total liabilities	<u>8,081</u>	<u>9,088</u>
Equity		
Preferred stock, \$0.0001 par value, 25 shares authorized and none issued	\$ -	\$ -
Class A common stock, \$0.0001 par value, 2,001,622 shares authorized, 494 and 470 shares issued and outstanding at March 31, 2010, and September 30, 2009, respectively	-	-
Class B common stock, \$0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at March 31, 2010, and September 30, 2009	-	-
Class C common stock, \$0.0001 par value, 1,097 shares authorized, 100 and 131 shares issued and outstanding at March 31, 2010, and September 30, 2009, respectively	-	-
Additional paid-in capital	20,883	21,160
Class C treasury stock	-	(2)
Accumulated income	3,199	2,219
Accumulated other comprehensive loss, net		
Investment securities, available for sale	9	10
Defined benefit pension and other postretirement plans	(71)	(136)
Derivative instruments	(39)	(58)
Foreign currency translation gain (loss)	2	(4)
Total accumulated other comprehensive loss, net	(99)	(188)
Total Visa Inc. stockholders' equity	<u>23,983</u>	<u>23,189</u>
Non-controlling interest	4	4
Total equity	<u>\$ 23,987</u>	<u>\$ 23,193</u>
Total liabilities and equity	<u>\$ 32,068</u>	<u>\$ 32,281</u>

Visa Inc.
Consolidated Statements Of Cash Flows
(unaudited)

	Six Months Ended March 31,	
	2010	2009
	(in millions)	
Operating Activities		
Net income including non-controlling interest	\$ 1,475	\$ 1,109
Adjustments to reconcile net income including non-controlling interest to net cash provided by operating activities:		
Depreciation and amortization of property, equipment and technology	124	108
Share-based compensation	61	64
Tax benefit for share-based compensation	(8)	(6)
Restricted stock instruments settled in cash for taxes	(12)	(22)
Interest earned on litigation escrow, net of tax	-	(12)
Net recognized (gain) loss on investment securities, including other-than-temporary impairment	(14)	8
Asset impairment	1	3
Gain on disposal of property, equipment and technology	(1)	-
Amortization of volume and support incentives	746	564
Accrued litigation and accretion	(25)	48
Equity in earnings of unconsolidated affiliates	2	-
Deferred income taxes	185	338
Change in operating assets and liabilities:		
Trading securities	(4)	17
Accounts receivable	(58)	(30)
Settlement receivable	(61)	252
Volume and support incentives	(712)	(464)
Other assets	(141)	(9)
Accounts payable	(78)	(87)
Settlement payable	(16)	(335)
Accrued compensation and benefits	(120)	(146)
Accrued and other liabilities	62	80
Accrued litigation	(826)	(1,062)
Net cash provided by operating activities	580	418
Investing Activities		
Investment securities, available-for-sale:		
Purchases	(1)	-
Proceeds from sales and maturities	45	252
Distribution from money market investment	85	840
Purchases of / contributions to other investments	(1)	(1)
Proceeds from sale of other investment	1	-
Dividends/distributions from other investments	1	1
Proceeds from disposal property, equipment and technology	1	-
Purchases of property, equipment and technology	(79)	(136)
Net cash provided by investing activities	52	956
Financing Activities		
Tax benefit for share-based compensation	8	6
Cash proceeds from exercise of stock options	21	2
Funding of litigation escrow account - Retrospective Responsibility Plan	-	(1,100)
Payments from litigation escrow account - Retrospective Responsibility Plan	140	939
Payment for redemption of stock	-	(2,646)
Dividends paid	(185)	(161)
Principal payments on debt	(6)	(4)
Principal payments on capital lease obligations	(9)	(4)
Repurchase of class A common stock	(664)	-
Net cash used in financing activities	(695)	(2,968)
Effect of exchange rate changes on cash and cash equivalents	6	(22)
Decrease in cash and cash equivalents	(57)	(1,616)
Cash and cash equivalents at beginning of year	4,617	4,979
Cash and cash equivalents at end of period	\$ 4,560	\$ 3,363
Supplemental Disclosure of Cash Flow Information		
Income taxes paid, net of refunds	\$ 759	\$ 324
Amounts included in accounts payable and accrued and other liabilities related to purchases of property, equipment and technology	\$ 10	\$ 41
Interest payments on debt	\$ 2	\$ 2
Assets acquired in joint venture with note payable and equity interest issued	\$ -	\$ 22

Fiscal 2009 and 2010 Quarterly Results of Operations

US\$ in millions

	Fiscal 2009 Quarter Ended				Fiscal 2010 Quarter Ended	
	December 31, 2008	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating Revenues						
Service revenues	\$ 793	\$ 804	\$ 769	\$ 808	\$ 827	\$ 885
Data processing revenues	554	544	605	727	765	728
International transaction revenues	505	446	458	507	552	545
Other revenues	156	148	158	163	190	173
Volume and support incentives	(269)	(295)	(344)	(326)	(374)	(372)
Total operating revenues	1,739	1,647	1,646	1,879	1,960	1,959
Operating Expenses						
Personnel ⁽¹⁾	299	292	282	355	274	310
Network, EDP and communications	93	92	97	111	105	98
Advertising, marketing and promotion	210	196	229	283	216	238
Professional and consulting fees ⁽¹⁾	56	64	62	86	51	50
Depreciation and amortization	52	56	57	61	62	62
Administrative and other	63	66	96	113	78	77
Litigation provision	-	-	1	1	(43)	2
Total operating expenses	773	766	824	1,010	743	837
Operating income	966	881	822	869	1,217	1,122
Other Income (Expense)						
Equity in earnings of unconsolidated affiliates	(1)	1	-	-	-	(2)
Interest expense	(30)	(30)	(30)	(25)	(16)	(28)
Investment income, net	19	34	504	18	5	23
Other	(1)	1	1	1	2	(2)
Total other (expense) income	(13)	6	475	(6)	(9)	(9)
Income before income taxes	953	887	1,297	863	1,208	1,113
Income tax expense	379	352	568	349	445	401
Net income including non-controlling interest	574	535	729	514	763	712
Loss attributable to non-controlling interest ⁽²⁾	-	1	-	-	-	1
Net income attributable to Visa Inc.	\$ 574	\$ 536	\$ 729	\$ 514	\$ 763	\$ 713

⁽¹⁾ Certain reclassifications, not affecting net income attributable to Visa, have been made to fiscal 2009 quarterly information to conform to the current period presentation format, including the reclassification of contractor expense, which was previously reported in professional and consulting fees, to personnel.

⁽²⁾ The Company began to report non-controlling interest (previously referred to as minority interest) as a component of equity in the first quarter of fiscal 2010 and has updated all requisite financial statements, including the statement of operations, for all comparable periods presented as required under Accounting Standards Codification 810.