

# Visa Inc. (NYSE: V)

Industry: Financial (Non-Banking)

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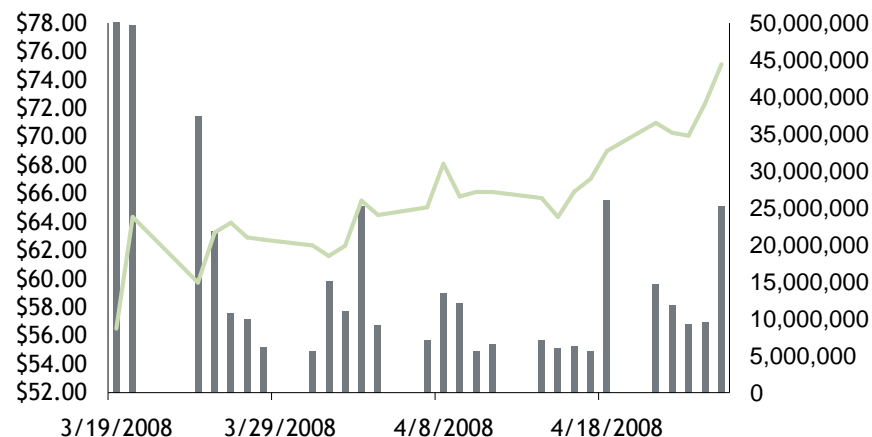
## BUSINESS DESCRIPTION

Visa operates the world's largest retail electronic payments network and is one of the world's most recognized consumer brands. Visa facilitates global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses and government entities in more than 170 countries and territories. Visa provides its financial institution clients with a broad range of platforms for consumer credit, debit, prepaid and commercial payments. Visa Inc. does not issue cards, set cardholder fees or interest rates. These relationships are managed by our network of 16,600 financial institution clients worldwide.

## INVESTMENT THESIS

Visa's excellent business strategy, low-risk, outstanding cash reserves, and no debt make it a great investment. With earnings due on Monday, April 28th, Visa is unlikely to disappoint in its first report as a publicly traded company and IAG can capitalize on a quick jump in share price before the semester ends. For the mid- to long-term, Visa's rapid global expansion and endless partnership opportunities in Asia make it a fantastic growth story.

## STOCK PRICE PERFORMANCE



## FINANCIAL SUMMARY

### Results of Operations

	FY Ended Dec 31,			
	2004	2005	2006	2007
Revenue	\$2,429	\$2,665	\$2,948	\$3,589.8
<i>Growth</i>		9.7%	10.6%	21.8%
EBIT	466	515	810	1,342.0
<i>EBIT Margin</i>	19.2%	19.3%	27.5%	37.4%
After-tax Earnings	222	223	469	945.4
<i>Net Margin</i>	9.1%	8.4%	15.9%	26.3%
D&A	100	121	125	126
CapEx	122	119	87	160
Interest Expense	111	108	90	81
EPS Current Sh.	\$0.28	\$0.28	\$0.58	\$1.17

### Balance Sheet Data

Total Debt (MM)	\$215.4
Cash & Equivalents	\$1,022.5
Net Debt	(\$807.1)

### Credit Statistics

	2007
Total Debt/EBITDA	0.1x
EBITDA/Interest	18.2x

### Valuation Multiples

	Industry	2004	2005	2006	2007
EV/Revenue	N/A	24.6x	22.4x	20.3x	16.6x
EV/EBITDA	10.3x	105.5x	94.0x	63.9x	40.7x
EV/EBIT	N/A	128.3x	116.0x	73.7x	44.5x
P/E	25.0x	273.0x	271.1x	129.1x	64.0x

### Public Market Overview

Share Price (04/25/08)	\$75.10
52 Week High	\$76.08
52 Week Low	\$55.00
Diluted Shares Outstanding (MM)	806
Market Value of Equity (B)	\$60.5
Plus: Net Debt	(0.8)
<b>Enterprise Value</b>	<b>\$59.7</b>

(1) Figures as of 12/31/2007