



G L O B A L M A R K E T S

SUMMARY OF INVESTMENT ANALYSIS

Name of the company: Visa Inc.

Ticker (Exchange)/Price of share: V (NYSE)/66.30 USD; 28.07.2009

Sector: Finance

Industry: Consumer Financial Services

Description:

Visa, Inc., through its subsidiaries, operates retail electronic payments network worldwide. It facilitates commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses, and government entities. The company owns and operates VisaNet, a global processing platform that provides transaction processing services, primarily authorization, clearing, and settlement, as well as related value-added services. It offers a range of branded payments product platforms, which customers use to develop and offer credit, charge, deferred debit, debit, prepaid, and cash access programs for cardholders.

Commentary:

- On April 29th the company announced its financial results for the quarter ended March 31, 2009. During the quarter the profit of the company has increased average by 71%, exceeded analysts' expectations. Net income for the quarter is \$536 million, or \$0.71 per share. This growth is due to increased transactions and reduced costs due to the reluctance of consumers to use credit cards during the recession. This is an increase compared to previously reported USD 314 million or 39 cents per share during the quarter year earlier.
- Visa reported earlier this year that, in the last three months of 2008, the dollar amount of debit-card spending passed credit-card spending for the first time.
- Net operating revenue in the fiscal second quarter of 2009 was \$1.6 billion, an increase of 13% over the prior year, driven by contributions across all revenue categories. Though slightly negative in the U.S., payments volume continued to grow on a constant dollar basis in all other regions globally. Processed transactions continued to post solid growth globally.
- Primary Visa' revenues are from charges for processing payments by credit and debit cards, which helped it to bear the recession better than banks that issue credit cards and grant loans. Even on April 23, 2009 Board of Directors declared a quarterly dividend to the amount of 0.105 USD per share. Despite the global crisis Visa is one of the most stable companies.
- Total processed transactions, which represent transactions processed by VisaNet through March 31, 2009, totaled 9.4 billion, a 6% increase over the prior year
- Thanks to good 1Q results and positive analysts expectations during the rally over the past two weeks, when the main indices of NYSE increased more than 10%, Visa added 14 %.
- Compared to the stock exchange, which recovery started in mid-March, Visa Inc. started its increase at the end of January, one of the most difficult periods for the stock market. Since then the company has increased by more than 50 %.

Graph:



Short-term target price, defined using both technical and fundamental analysis*: \$ 80

* A potential risk for the company and for the stock price could be the following: slowing economy, decreasing revenues, lower cash flows, decreasing recommendations of analysts and others. Due to a great number of factors reaching the target price is not guaranteed, all data are based on the expectations for the company development. In case of short-term speculations and abrupt changes in the stock price below \$ 42, we recommend selling in order to minimize the loss to 5%.

Глобал Маркетс ООД
София: 1618, ж.к. Манастирски ливади
Ул. Майстор Алекси Рилец №38

Тел: (02) 80 875 111;
факс: (02) 80 875 122
e-mail: frontoffice@globalmarkets.bg;
website: www.globalmarkets.bg



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Basic fundamental data:

Market capitalization:	51.58 bln.	Forward P/E (fye 30-Sep-10):	19.97
Beta:	0.81	P/S (price/sales):	7.69
EPS (TTM) vs. TTM 1yr Ago:	1.49	P/B (price/book value):	2.26
ROA:	6.31%	ROE:	5.43%
Operating Margin (ttm)	49.54%	Profit margin (ttm):	17.53%

Main competitors and related companies:

MasterCard Incorporated	Global Payments Inc.
American Express (AXP)	MoneyGram Intl. Inc.
Metavante Tech. Inc.	Alliance Data Systems
Bank of America	

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Sources: www.bloomberg.com, www.reuters.com, www.nyse.com, www.yahoo.com, www.biqcharts.com; www.forbes.com

For Global Markets Ltd. prepared by: Tanya Atanasova, Investment adviser

The information above represents investment research as it is defined in art. 42, para. 6 - Ordinance № 38/2007 of FSC, for the requirements of the activities of the investment intermediaries, respectively it is not conformed to the investment objectives, financial statement, experience and the respond of the specific investor to the risk. It is in your interest, before taking an investment decision on the basis of this investment research, to receive an investment advice, appropriate for your specific characteristics as an investor.

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